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Organisational and Cross-cultural Challenges Facing Expatriate Hotel Managers in China

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DECLARATION

I, Gongping Wang, hereby declare that this research thesis is my own original work, that all reference sources have been accurately reported and acknowledged, and that this document has not previously, in its entirety or in part, been submitted to any university in order to obtain an academic qualification.

Gongping Wang   10, January, 2008

ABSTRACT

Within China's the hotel industry, they are known as expatriate managers and, on behalf of parent multinational hotel corporations, provide an element of control and co-ordination within local operating units. On average, organisations spend over two and a half times more money to send an employee on an expatriate assignment than they would if they hired employees locally. Expatriate managers have been faced with new and complex organisational cultures and work practices. In order to avoid expensive failure costs and to manage successfully, an exploration of the issues that face international hotel managers in China, is both timely and relevant.

A qualitative case study approach was used for this thesis, while secondary data was obtained from private, as well as public sources. Primary data was collected via questionnaires from hotel managers comprising both locals and expatriates, whilst specific questions were exclusively posed to expatriate managers.

Through collection and analysis of information and data, and a thorough understanding of the research problem, this study provides a useful reference for expatriate hotel managers who are confronted with the issues of managing Chinese employees, as well as basic Chinese cultural, ethical and business values.

Primarily this research examines challenges, which mostly arise from cross-cultural differences between Western and Chinese values, as well as a range of diverse organisational cultures and management styles within China's hotel industry. South Africa has become China's the biggest trading partner within Africa, while an increasing number of South African companies invest in China. The research is paramount to any foreign organisation that wants to conduct business in China.

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Chapter One

Introduction

1.1 Introduction

Within an increasingly competitive global market, organisations should staff employees from the home country company in subsidiaries abroad in order to create a local presence and sustain international competition, which is known as expatriation. Expatriates play vital roles in starting and troubleshooting foreign subsidiaries and foreign ventures.

China has become an important potential market for international business organisations. A mass of foreign capital has been invested in China over the last twenty years, while the Chinese market has retained a significant attraction for international business (Selmer, 2005:70). Meanwhile, the international hotel market has shifted its weight from mature markets of the United States and Western Europe to rapidly developing countries in Asia. Since global hotel companies continue to believe that they should reach continents and deliver their products throughout the world in order to succeed and prosper, top executives from world leading hotel management groups such as ITT Hilton, Sheraton, Shangri-la and Hyatt, have been moving to China (Chuck, 2002:5).

On average, organisations spend over two and a half times more money to send an employee on an expatriate assignment than they would if they hired employees locally (Mendenhall and Oddou, 1985:39). In China, though several vocational training schools have been established in the last ten years, China's ability to educate and train young people has not matched the influx of foreign investment (Chuck, 2002:25). Most international companies employ managers from abroad to begin their operations. These expatriate managers then have to succeed within a new setting. An inability of expatriate managers to adjust to their new environment is costly in terms of employment expenses. According to Naumann (1992:500), it is estimated that direct costs for each US expatriate who returns home prematurely, is between $55.000 and $150.000, which is between 550.000 and 1 500.000 in South African Rands (I USD=10 Rand). Indirect costs that are associated with failure, are even larger than direct costs (Douglas and Martinko,

1999:267).

Expatriate managers have been faced with a variety of concerns because of changing risks and opportunities that are involved in establishing abroad. Without knowledge about Chinese culture, expatriates might have stressful experiences within the Chinese environment, since they have to deal with a different way of life than their own, and also need to perform in an unfamiliar work context (Selmer, 1999:100).

1.2 Statement of the Research Problem

1.2.1 Sub Problem 1

Cultural differences that occur when the expatriate is in place, may affect his/her performances at the subsidiary owing to different management styles, language or culture. How do these differences affect expatriates? Problems that an expatriate faces during his/her time abroad might lead to expatriate failure, which, in turn, could lead to termination of the assignment prematurely, hence the expatriate returns to the home country. Therefore. challenges that face Western expatriate managers, can be extraordinary.

1.2.2 Sub Problem 2

What are the cultural differences between Chinese and Western values? What are the characteristics of Chinese work values and their managerial styles within the hotel industry? Hutchings (2003:375-380) notes that only a few researchers have specifically studied expatriates in China. Although Bjorkman and Schaap (1994:147-153) discuss some problems encountered by expatriates in China and provide recommendations to solve these problems. and Selmer (1999. 2001, and 2002) has contributed much to literature on expatriates in China, there is still not enough.

1.3 Research Objective

With ever-increasing globalization of the hospitality industry, an exploration of issues that face international hotel managers in China, is both timely and important. Thus, this research examines challenges that mostly arise from cross-cultural differences between Western and Chinese values. as well as the range of diverse organisational cultures and

management styles within China's hotel industry. As means to fulfil the purpose of this study, the main objectives are as follows.

- To review relevant literature on culture and cross-culture.
- To explore challenges for expatriates within a Chinese context.
- To identify characteristics of Chinese work values and their managerial styles within the hotel industry.
- To survey expatriate managers at TNHCs (Trans-National Hotel Companies) that operate in China.
- To present two case studies from five hotels, which illustrate different cultural contexts within which international hotel managers work within China's luxury hotel sector
- To evaluate challenges and provide recommendations for companies and future expatriate managers.

1.4 Key Questions Pertaining to the Research

- What are the effects of different national cultures on peoples' perceptions and expectations about work within the international hotel industry?
- What are the characteristics of Chinese work values and their managerial styles within the hotel industry?
- What operational contexts exist for expatriate hotel managers in China?
- How do expatriate hotel managers deal with problems that arise from different work values and how do they adapt their styles?
- How do companies support their expatriate managers and plan the expatriate process?

1.5 Delimitation of the Research

This thesis concentrates on surveying expatriate managers at trans-national hotel companies that operate in China and explore difficulties that they encounter. The research presents two case studies at five hotels, which illustrate different cultural contexts within which international hotel managers work within China's luxury hotel sector The hotels which are mainly rated above four-stars are multinationals with foreign interests on the basis of management or owner formats management contracts joint ventures or

1.6.2.2 Description of the Target Population

The target population of the research comprises expatriate managers who work in luxury multinational hotels in Beijing, Nanjing and Shanghai.

1.6.2.3 Description of the Response Population

Responses were collected by hotel managers who work in the multinational hotels in Beijing, Nanjing and Shanghai. Because of limitations regarding time and resources, some participants, regardless of whether they are local or expatriate, answered the same questions. These participants hailed from different hotel departments, which included training, catering, room service, sales and marketing, human resource, amongst others.

1.6.3 Statistical Analysis

This thesis focuses on an evaluation and qualitative analysis of operation contexts of expatriate hotel managers and relevant cultural and cross-cultural attributes in hotels in China. Descriptive methodology was used in order to adopt a descriptive survey method for the research process and questionnaires to obtain data. Non-probability sampling is generally associated with case study research, which was considered most appropriate for selecting expatriate hotel managers for the investigation.

When conducting case studies, it is recommended to apply several sources of evidence, as no single source has a complete advantage over the others (Yin, 1994:28). Due to limited time and resources, techniques that were used in this thesis include documentation and questionnaires, which are based on a theoretical framework of organisational culture and cross-cultural characteristics of Chinese work values and their management styles, as well as challenges that expatriates face within a Chinese context.

1.6.4 Interpretation of Results

The analysis is guided by a theoretical framework of Hofstede's (1988, 1991, 2001) organisational culture and cross-culture. This thesis mainly adopts qualitative data, namely case studies, however, it is inevitable that questions of reliability and generalization will arise. Explanation building was used to analyze the case study evidence. According to Yin

(2003:12), case studies explain how and what events occurred in each case study. Explanation building occurs mainly in narrative form and reflects theoretical suggestions (Yin, 2003b:22). Results are then analyzed and compared, with an intention of disclosing possible differences and testing these against theories that are gathered into the conceptual framework.

1.6.5 Articulation of Findings

Because cultures alter slowly, and expatriates in China have acquired sufficient experience regarding cross-cultural awareness, the empirical data has a high reliability. The number of expatriates also affects results validity. However, in formulating the structure and nature of the questions, a pre-test was conducted to check for any biased or misleading questions. The secondary data studied for this research has a high validity; the literature is written by authors of different nationalities, and several authors are influential in the relevant field. Therefore, the validity is relatively high.

1.7 Clarification of Basic Terms and Concepts

Culture

'Culture does not necessarily imply a uniformity of values. Indeed, quite different values may be displayed by people of the same culture. In such an instance, what is it that holds together the members of the organisation? I suggest that we look to the existence of a common frame of reference or a shared recognition of relevant issues. There may not be agreement about whether these issues should be relevant or about whether they are positively or negatively valued. They may array themselves differently with respect to that issue, but whether positively or negatively, they are all oriented to it' (Feldman, 1991:154).

Organisational Culture

'This refers to the pattern of beliefs, values and learned ways of coping with experiences that have developed during the course of an organisation's history, and which tend to be manifested in its material arrangements and in the behaviours of its members' (Brown, 1998:36).

6

Expatriate Manager

The term 'expatriate manager' defines an executive who is able to assume a leadership position fulfilling international assignments across countries and cultures (Puick and Saba, 1998: 86).

1.8 Summary

Chapter One provides an overview of the research conducted. It introduced general background information and development of hotel industries in China, while it identified objectives of this study. This chapter also provided a broad overview of the research process, the research design and methodology. The following chapter describes the relevant literature, which deals with expatriation, culture, cultural difference and challenges for expatriates within a Chinese context.

Chapter Two

Expatriation and Cultural Diversity

2.1 Introduction

The previous chapter provided a framework for this research study. This chapter describes relevant literature on expatriation, culture, cultural differences and challenges for expatriates within a Chinese context. The world is full of confrontations between people, groups and nations, who think, feel and act differently (Hofstede, 1991:88). Hence, cultural differences may be considered as a major difficulty, which expatriate managers experience.

2.2 An Overview of Expatriation

Expatriation is an attractive method to accumulate foreign markets and a most expensive staffing strategy for multinational organisations, however, it remains a practicable method, which increases an organisations' understanding of international operations.

2.2.1 Definition of Expatriate

As a result of globalization, better employee training provides companies with advantages in an increasing competitive global market; hence, it is important that expatriates have sufficient skills and experiences. A basic challenge, which international companies face presently is how to ensure that managers possess not only an overview of the organisation as a whole, but also a sense for international business (Gooderham & Nordhaug, 2003:87). Briscoe and Schuler (2004:95) assert that the health of present multinational companies lies in the function of International Human Resource Management's ability to match workforce forecasts with a supply of global talent, which leads to the question of what exactly being an expatriate entails.

At present, there are several definitions of an expatriate. Harzing and Ruysseveldt (2004:252) define an expatriate as: *"Any employee that is working outside his/her home country"*. Lasserre (2003:313) defined expatriates as: *"People that are living and*

working in a non-native country".   Dowling and Welch (2004:5) have defined an expatriate as: "*An employee who is working and temporarily residing in a foreign country*".

The first definition emphasizes that an expatriate works outside the home country, but he/she was born in his/her motherland. The second definition, states that people live in a foreign country, but are not necessarily born in their home country.   The third definition describes an expatriate as one who works in a country in which he/she is an alien.   Since these three definitions provide different aspects of an expatriate, the researcher has constructed definition, which suits the aims of this thesis, namely: "*An expatriate is an employee that provisionally works and lives outside his/her home country*".   In terms of this definition, it shows that the term "expatriation" can assume various types.

2.2.2 Three Types of Expatriation

Evans *et al.* (2002:19) state that expatriates were traditionally sent abroad to fix problems or control the host country's subsidiary.   Dowling and Welch (2004:10) define Parent Country Nationals (PCNs) as employees from the parent company who are sent to subsidiary companies within a host country.   Besides PCNs who are two more types of expatriates, namely Host - Country Nationals (HCNs) and Third - Country Nationals (TCNs). Presently, an increasing number of companies realize that it is a learning opportunity when employees stay in a host country subsidiary, as it increases more international assignments, which is a basic drive to sustain individual or organisational learning.   Figure 2.1 below is an illustration by Dowling and Welch (2004:15), which outlines different types of expatriates.
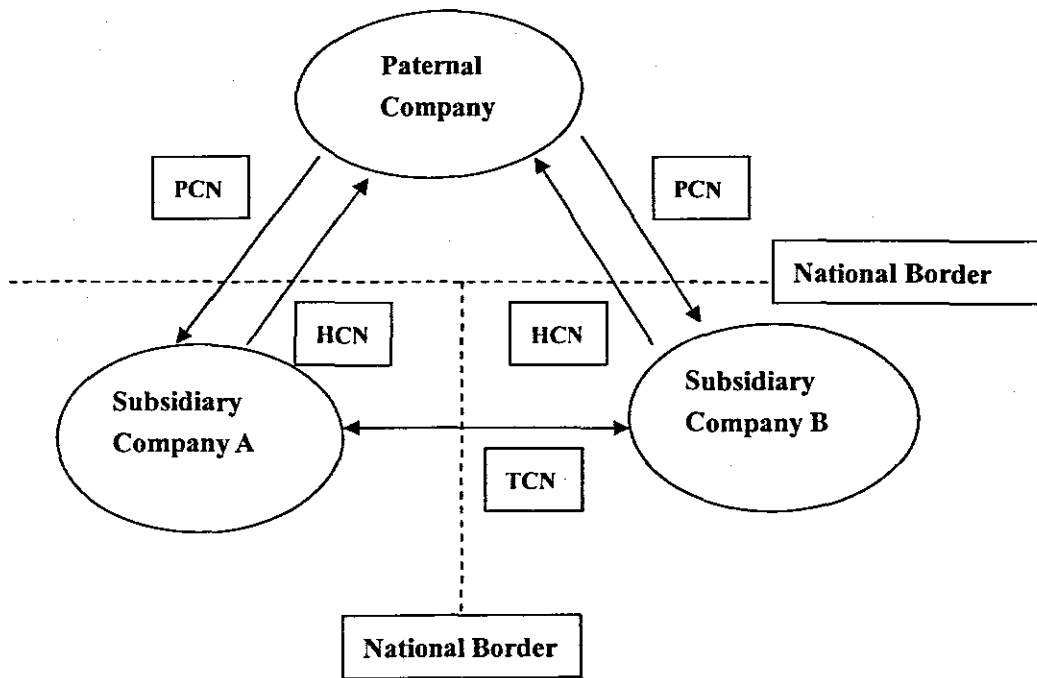
Figure 2.1 International Assignments Create Expatriates (Dowling & Welch, 2004:30)

HCNs are employees who are sent from the host subsidiary company to the parent company. TCNs are employees that are sent from one foreign subsidiary company to another, which are both held by the same parent company (Dowling & Welch, 2004:12). For example, an American multinational company employs Chinese citizens and sends them back to the parent company in the USA (HCNs), or an American company sends some of its South African employees on an assignment to China (TCNs).

The reason why the thesis considers PCN expatriates is that presently it is still the most ordinary way to send an employee to work in a foreign area. A PCN expatriate does not only bring new knowledge to the parent company, but also transfers new ways of doing things at the subsidiaries (Evans et al., 2002:48).

2.2.3 Roles of Expatriation

Dowling and Welch (2004:49) have identified some reasons why companies employ expatriates. Basic reason why a company sends an employee to work overseas are shown in Figure 2.2 below.
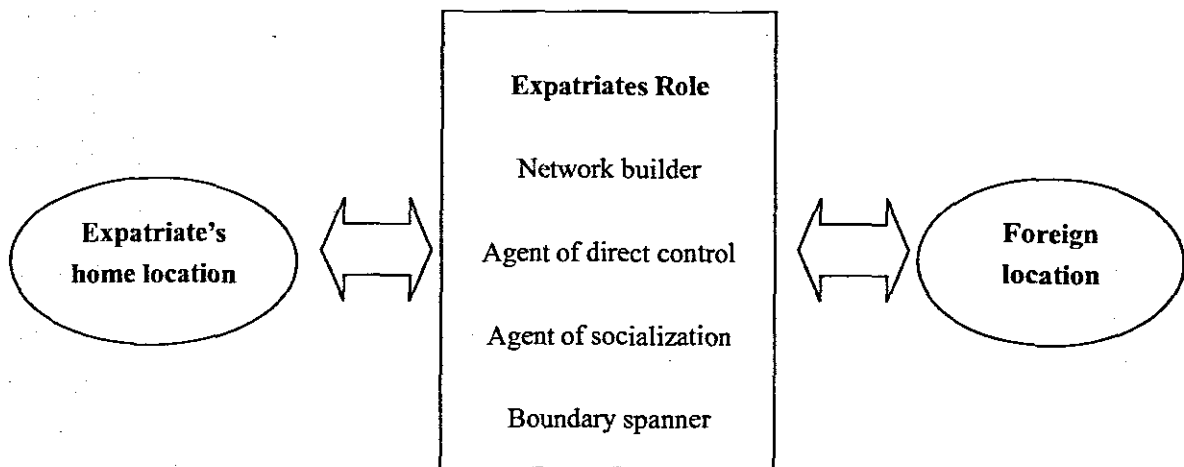
Figure 2.2: Roles of an Expatriate (Dowling & Welch, 2004:60)

1. Network Builder: An expatriate who works as a network builder will own knowledge that is of value to the company;   they understand people who are in different important positions within the company, and what they need, while these people will also know the function of the expatriate when implementing an assignment, hence there is an interaction between the two parties (Dowling & Welch, 2004:50).

2. Agent of Direct Control: Because the parent company wants to attain a comprehensive view and control over the host company, the expatriate's role is to ensure compliance through direct supervision (Strom, Bergren, Carle & Polgren, 1995:52).   The function of an expatriate, within this context, can be regarded as a bureaucratic control machine (Dowling & Welch, 2004:51).

3. Agent of Socialization: The parent company has its own values and beliefs, visions and missions that they want to transmit throughout the group. It would, therefore, be best to have someone who has a clear understanding of the parent company to transfer these factors.   Dowling and Welch (2004:50) refer to this transfer of values and beliefs as socialization.

4. Boundary Spanners: An expatriate gathers information that link organisational contexts

from inside to outside. Living in a foreign country, the role of the expatriate is not only to promote the subsidiary company to perform well, but also to be able to gather host country information at the same time. The expatriate will also have an opportunity to gather market intelligence for the company (Dowling & Welch, 2004:55).

Because the host company lacks relevant skills and experience, the company sends expatriates to fill that gap, whilst the parent company wants to develop the organisation by transferring knowledge, competence, procedures and practices (Evans *et al.*, 2002:90). By sending expatriates to a foreign country, both positive and negative aspects of using expatriates, will arise. Dowling and Welch (2004:61) have stated some advantages and disadvantages of using expatriates in a host country company.

For expatriates, disadvantages may include that expatriate's believe that their culture or way of life is better than others, therefore, they may implement unsuitable managerial styles in the company and spend a long time adapting to the host country. Harzing and Ruysseveldt (2004:97) have stated other disadvantages such as costs of selecting, training and maintaining expatriates and their families abroad, as well as adjustment problems for the expatriate's family.

For the most part, advantages are that an expatriate may be the most suitable person for the assignment owing to relevant skills and experience. Expatriates will ensure that the subsidiary company adheres to parent company goals and policies, which should be effectively implemented.

2.2.4 Expatriate Failure

If the expatriate has completed what he/she had intended or completed the assignment timeously and successfully, and go home earlier, the assignment will be successful (Dowling & Welch, 2004:118). If the expatriate returns to the motherland before completing the assignment, the assignment will have failed. Lasserre (2003:70) has identified main reasons for failure among expatriate managers, which are outlined below.

- Lack of motivation;

- Lack of technical competence;

- Insufficient training;

- *Inability to handle responsibility;*

- Personality or emotional immaturity from the manager;

- Inability of the expatriate to adapt to the host country; and

- Problems related to family and/or spouse who find it difficult to adapt to the new environment in a short time.

At present, the expatriate failure rate is between 25 and 40 percent in a developed country, compared with 70 percent in developing countries (Shay & Tracey, 1997:32). Companies should realize that the direct costs of expatriate failure might exceed the total of the expatriate remuneration, relocation costs and training costs. Indirect losses include damage to customer relationships, host government officials' contacts, as well as a negative impact on the morale of local staff. Expatriate failure will frustrate expatriates and might affect his/her future performance (Harzing & Ruysseveldt, 2004:128).

2.2.5 Current Situation of Expatriates in China

At present, there are more than 200,000 foreign-funded enterprises in China. Bjorkman and Schaap (1994:147) have examined problems, which are encountered by expatriates in foreign-funded enterprises in China, and suggest a number of ideas that may resolve them. Weldon and Jehn (1996:60) and Rimington (1996:102) have also demonstrated problems in foreign-funded companies. Rimington (1996:103) has stated difficulties in management processes when developing a Chinese–Western company, while Weldon and Jehn (1996:62) focused on conflicts relating to intercultural contexts in US-Chinese companies. Relevant data indicates that 35%-45% of transnational enterprises are failures because of technical reasons and cultural differences. Investigations revealed the following statistics: In 1994, Peugeot Motor Group invested in Guangzhou in China, and the group lost USD 362,500,000 (Rand 3,625,000,000) in three years because of unsuccessful intercultural management between China and France (Zhou, 2005:516). Kaye and Taylor (1997:497)

also investigated occurrence of culture shock amongst multinational hotels in China. Sergeant and Frenkel (1998:20) and Selmer (1999:95), in describing solutions to the problem, emphasized how important individual learning and application of knowledge of cultural differences is when managing foreign-funded enterprises. Selmer (1999:95) tried to examine work adjustment, general adjustment and interaction adjustment of expatriate managers and to answer the question: do Western expatriate managers experience culture shock in China?

In 2006, by studying the relationship between language ability and adjustment in China, Selmer (1999) had extended his study regarding adjustment of expatriate managers. His study showed that expatriates' language ability was important in China and proved Bjorkman and Schaap's (1994:148) opinion that language training is important when western expatriates live in China. As Dolainski (1997:20) emphasizes, experiencing another language is the best way to understand its culture.

Other current studies (cf. Selmer, 1998a:73) have also examined several issues regarding expatriate managers in China, and conclude that China's cultural environment is strict and characterized, in which expatriates have required much effort to cope with several difficult and stressful situations. Selmer (2002:22) conducted his survey between overseas Chinese and Western expatriates who work in China. He found that Chinese overseas expatriates often resort to parent country escapism, while Western expatriates mostly display patience and tolerance. Authors such as Wang and Kanungo (2004:775), as well as Selmer (2004:25), focused their studies on social and psychological issues that Western expatriates have to face. Selmer (2004:28) examines socio-cultural and psychological barriers to international adjustment of Western expatriates in China. Wang and Kanungo (2004:776) noted that expatriate social networks establish an under-emphasized area in expatriate literature. Their study is an empirical test of the relationship between expatriate personal networks and psychological health.

The issue of cross-cultural training is another key point found in literature concerning expatriate managers in China. Hutchings (2003:393) has inspected training, which is

provided to Australian expatriates in China, and emphasizes that although literature provides increasing attention to recognizing skills that are necessary to achieve intercultural effectiveness in China, companies continue to provide expatriates with insufficient time and resources. Hutchings (2003:390) noted that a recent study underlines that expatriates want their parent companies to provide cross-cultural assistance to them and their families. She conducted research over two decades consistently to prove that expatriate cross-cultural preparation is either handled poorly or neglected outright by international organisations. Although empirical studies concerning training and intercultural effectiveness of expatriates who work in China are limited (Osman-Gani, 1999:90), there are still several publications regarding expatriate failure rates (Tung, 1981:68; Forster 1997:420). Huo, Huang and Napier (2002:40) in fact point out that research regarding international human resource management is particularly insufficient in its focus on Western expatriates.

2.3 Cultural Diversity

2.3.1 Definitions of Culture and Organisational Culture

There are a variety of definitions of culture amongst literature. As noted by Sathe (1985:68), "Culture is a set of important understandings (often unstated) that members of a community share in common".

Ting-Toomey (1985:75) offers a simple definition of culture by stating saying that it is "patterned ways of thinking, acting, feeling, and interpreting", amongst particular groups.

"Organisational culture refers to a pattern of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation's history and, which tend to be manifested in its material arrangements and in the behaviours of its members" (Brown, 1998:36).

2.3.2 National Culture

National culture distinguishes people from different countries (Hofstede & Pedersen 2002:78). Within different countries people may be influenced by cultural differences in

their work environment (Harzing & Ruysseveldt, 2004:39). According to Medich (1995:384), culture should be included in international management practices because it is a vital variable within international assignments. Hofstede (1984:21) defines culture as "collective programming of the mind, which distinguishes members of one human group from another". Normally when individuals encounter another culture, they are only cognizant of their own (Gooderham & Nordhaug, 2003:92). By comparing and studying cultures, differences will appear (Harzing & Ruysseveldt, 2004:46). Cultural characteristics of different countries can be significantly different from each other. It is important to understand peoples' different cultural backgrounds. Briscoe and Schuler (2004:118) argue that culture is complex because it has three cultural layers (see Figure 2.3 below).
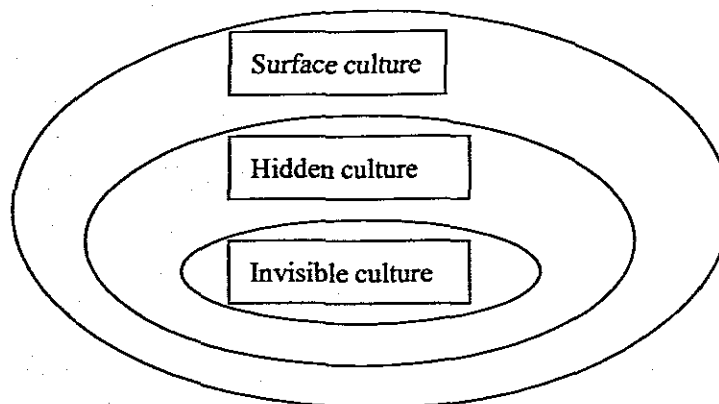
Figure 2.3 Three layers of culture (Briscore & Schuler, 2004:118)

The surface culture layer relates to readily visible values and assumptions such as dress, body language and food. The hidden culture layer relates to religions, values and philosophies concerning, for example, what is right and wrong. The invisible layer is the core that represents one culture's universal truths, which is difficult for foreigners to understand (Briscoe & Schuler, 2004:118). Layers of the culture model provides an understanding of culture as a series of three layers, and as the layer moves towards the core of the circles, values and assumptions become increasingly invisible and implicit. In determining the attitudes and behaviours of a specific culture that one is studying, it becomes clear that as it moves towards the core, the values and assumptions also become important.

According to Briscoe and Schuler (2004:114), "knowledge about and competency in working with country and company cultures, is the most important issue impacting the success of international business activity". Due to a lack of knowledge or sensitivity, when many people work abroad, cultural differences often result in mistakes during interactions on the job. It will be a challenge for those who work abroad when culture shapes interactions with people from other cultures. According to Hofstede *et al.* (2002:70), learning a new language is not only about new vocabulary and grammar, but it is also about improving one's cultural competencies, as well as knowing, for example, when to say something, how to say it and why one says it. It is also important to note non-verbal communication such as gestures, since some cultures frequently express relevant meaning through gestures. It is, therefore, important to learn about other cultures or at least understand differences amongst existent cultures (Briscoe & Schuler, 2004:113).

Expatriates also should avoid 'ethnocentrism', which is "an exaggerated tendency to think that the characteristics of one's own group or race are superior to those of other groups or races" (Hofstede, 2001:17), since it does not help, and even prevents an understanding of other cultures. If one wants to have success in conducting business internationally, an understanding of different values, beliefs and behaviours of people are important aspects. Cultural awareness and a competent understanding of cultural effects on daily business operations, are two other important aspects (Briscoe & Schuler, 2004:115).

2.3.3 Subculture

Subculture can be identified as "clusters of understandings, behaviours and culture forms that characterise them as distinctive groups within an organisation" (Trice, 1993:85). It is suggested that several organisations can more correctly be viewed in terms of multiple, cross-cutting cultural contexts that change through time rather than stable, bounded, homogeneous cultures (Gregory, 1983:360).

Several researchers (Gregory, 1983:363; Trice, 1993:87) have advocated that occupations serve as one of the most distinguished sources of various subculture groups as 'employees

are often as committed to their occupations as they are to their employing organisations' (Trice, 1993:87). However, there are other factors that influence the division of organisational culture into subgroups. Among them are genders, social, ethnic and age differences, which have with their own meanings, values and priorities (Morgan, 1986:72).

Deal and Kennedy (1988:76) and Gregory (1983:365) have emphasized the importance of subcultures for the success of organisations. They pointed out that neglecting the presence of different subgroups within a corporation might lead to internal conflicts owing to the disruptive capacity of subcultures. Thus, they suggested that the company motivates each subculture to develop its own cultural life or assist in understanding other cultural groupings so that the subcultures are positively developed.

2.3.4 Cultural Dimensions

According to Harzing and Ruysseveldt (2004:47), different cultural dimensions exist within different cultures. These cultural dimensions have been identified by several authors. Geert Hofstede and Fons Trompenaar are well-known researchers within this cultural dimension field. In order to gain a better understanding of cultural dimensions, and to give the reader a clear understanding of this field, Hofstede and Trompenaars' work is introduced in the following text.

2.3.4.1 Hostede's Model

Geert Hofstede believes that a business organisation is a culture within a larger culture. In order to find what, if any, impact national culture had on business organisation culture, he began his worldwide work in the late 1970s. He studied multinational America-based IBM in over 40 countries (Hatch, 1997:238). A large number of employees participated in ongoing research, which, at the time, contained IBM employees from 53 countries. He used this information to argue that national cultures differ along five dimensions, namely power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and Confucian dynamism. In the study each country was given an index value between 0 and 100, which makes it possible to compare different cultures to each other (Johanson, 2002:65).

(a) Power Distance (PD) is a matter of roles in a hierarchy, which are seen as normal. In low power distance nations, inequalities among people will tend to be minimised, decentralization is more popular, subordinates expect to be consulted by supervisors, and privileges and status symbols are frowned upon. Conversely, in high power distance nations, inequalities among people are both expected and desired, less powerful people have a greater reliance on the more powerful, centralization is more normal, and subordinates are likely to be separated from their bosses by wide differentials in salary, privileges and status symbols (Hoecklin, 1995:26).

(b) Uncertainty Avoidance (UA) is defined as an extent to which members of a culture feel threatened by uncertain or unknown situations (Hofstede, 1991:80). This feeling is expressed through nervous stress and a need for predictability: a need for written and unwritten rules. In weak uncertainty avoidance societies, there is greater tolerance of ambiguous situations and unfamiliar risks and people only work hard when they need to. Precision and punctuality should be learned, while people are comfortable with unexpected and innovative ideas and behaviour. Motivations are made by esteem or belongingness. In strong uncertainty avoidance societies, there is fear of ambiguous situations and unfamiliar risks. Time is taken as money. In addition, it seems that there is an emotional need to be busy, precision and punctuality come naturally, while novelty is resisted. People are motivated by security and esteem or belongingness.

(c) Individualism/Collectivism. Individualism is concern for oneself, while collectivism is concern for the rules and priorities of the group that one belongs to (Hoecklin, 1995:35). Individualism pertains to societies in which the ties between individuals are loose, and everyone is expected to look after him or herself and his or her immediate family. Contracts with employers are usually based on mutual advantage and hiring and promotion decisions are supposed to be based on skills and rules. In contrast, collectivism pertains to societies in which people, from birth onwards, are integrated into strong, cohesive in-groups, which throughout people's lifetime, continue to protect them in exchange for unquestioning loyalty. The relationship between employer and employee is seen, in moral

terms, as a family relationship. When making hiring or promotion decisions, an employee's in-group is often taken into account (Hatch, 1997:241).

(d) **Masculinity/Femininity.** This dimension refers to the degree to which social gender roles are clearly distinct. In male-dominant societies, material success and progress are dominant values, when men are supposed to be assertive, ambitious and tough, and women are supposed to be more tender and modest and take care of relationships. At work, managers are expected to be decisive and assertive. Great emphasis is placed on competitiveness amongst colleagues and high performance, disputes tend to be resolved by conflict, and a prevailing philosophy is that one lives in order to work. In female-dominant societies, social gender roles overlap, with both men and women supposed to be modest, tender and concerned with the quality of life. Within this context, managers use intuition and strive for consensus. Both men and women are concerned with quality of work life, conflicts are resolved by compromise and negotiation, and a dominant idea is that one works in order to survive (Hatch, 1997:241).

(e) **Confucian Dynamism** and featured factors such as short-term and long-term orientation (Hoecklin, 1995:39). This dimension covers values in East Asia in particular. Short-term orientation is focused on the present; short-term orientation societies have a high respect for traditions, emphasize the importance of social and status obligations, approve conspicuous consumption, demand quick results, and are concerned with 'truth'. Long-term orientation societies, however, underline aspects such as endurance and save ability, and focus on the future. Long-term orientation societies stress the adaptation of traditions to a modern context, place definite limits on respect for social and status obligations, are sparing with resources, highlight perseverance, and are concerned with 'virtue' (Johanson, 2002:63).

2.3.4.2 Chinese Work Values

With reference to the investigation of Chinese values, Michael Bond designed a questionnaire, which has a non-Western bias called the Chinese Value Survey (CVS). The CVS was administered to 100 students in 23 countries around the world, including

(2) Individualism/Collectivism

This dimension refers to whether workers are individualistic or conform to the accepted work ethic of the group. Individualism is low, while collectivism is high in Chinese cultures, with the main reference group of reference being the family (Hui, 1990:80). This is rooted in both Confucianism and the ancient land system, which ensured that the farmer and his family were immovable for economic reasons. Chen *et al.* (1997:44) notes that increased economic success may be paralleled to weakened horizontal collectivism or interpersonal cohesion, and the strengthening of horizontal collectivism or corporate loyalty and identification - an aspect, which may be important in the development of corporate identity. Hofstede (1991:100) indicates a positive correlation between individualism and per capita GNP (Gross National Product). Individualism may well be on the increase in China (Nevis, 1983:20).

(3) Uncertainty Avoidance

This dimension regards whether workers are receptive to different ideas and opinions or whether they feel threatened. A view of uncertainty avoidance in China is too clear (Jackson and Bak, 1998: 296). Hofstede's (1984:96) work indicates a lack of avoiding ambiguity in Chinese cultures, which may reflect the fact that China itself is relatively free of a highly regulated legal code, and has traditionally been ruled by men (power distance) rather than by laws (uncertainty avoidance), however, more recent work (Walsh *et al.*, 2004:70) indicates a strong avoidance of uncertainty among Chinese, with a strong desire to maintain social order with a degree of predictability. Hofstede (1991:117), in his later work, argues that uncertainty avoidance may be an irrelevant concept, which is linked to the question of 'truth'. Truth is not a relevant issue amongst Eastern thinkers.

(4) Masculinity/Femininity

This dimension describes how assertive and acquisitive workers were in a materialistic sense. There is little direct information on China regarding masculinity-femininity. Chinese cultures in Hofstede's IBM studies had medium scores for this dimension. The concept of masculinity represents an emphasis on competition and the centrality of work in

one's life. Japanese managers, for example, score high on masculinity (Hofstede, 1991:119).

(5) Confucian Dynamism

The fifth dimension was added in 1991, which provides limited additional information to the current knowledge of Chinese work-related values. Rather than the short-term achievement orientation in several Western societies, China is characterised by long-term values such as thrift and perseverance (Hofstede, 1991:120). This is believed to sustain steady economic growth (Hofstede and Bond, 1988:8), which has been borne out, until recently, by the 'economic miracles' of some Asia Pacific countries. Another connected factor is that of locus of control, where Eastern cultures have a fatalistic view of destiny, where cause and effect is more likely to be attributed to external factors than internal factors, which can be controlled by the individual. With this point of view, it seems that the individual has little control over short-term objectives, and that goal-based individual reward systems may not be appropriate. However, several researchers believed that the value system in China is changing. For instance, Cyr and Frost (1991:199) argue that Chinese workers are shifting towards a value system, which is more goal-achievement oriented rather than egalitarian.

Summarily, the Chinese workers have great respect for hierarchy (high power distance), conform to the general work ethic of the group in which they find themselves (low individualism versus collectivism), are open to new ideas and methods (low uncertainty avoidance), and are moderately acquisitive in a material sense (medium masculinity versus femininity). The CVS (Chinese Value Survey), which copied Hofstede's study, generalized nearly similar findings on each dimension.

2.3.4.3 Trompenaars' Model

Fons Trompennars has a more practical view of culture. His seven dimensional models construct upon traditional anthropological approaches to understanding culture, which argues that culture comes into existence because, in order to survive, all humans shouldsolve basic problems. Trompenaars (1996:82) states that all cultures encounter

these basic problems in developing ways, but the solutions are not the same, which is why cultures differ significantly. He suggests the following scales on which individual responses to problems are explained:

Table 2. 2 Dimensional model of national culture

1.Universalism versus Particularism	If we consider rules or relationships more important.
2.Individualism versus Collectivism	If we act mostly as individuals or as groups.
3. Specific versus Diffuse	To what extent we are involved in the lives of other people.
4. Neutral versus Affective	If we are free to express our emotions or if we are restrained.
5. Achievement versus Ascription	If we achieve status through accomplishment or if it is a part of our situation in life, such as gender, age or social class.
6. Sequential versus Synchronic	If we prefer to do tasks in a sequence or several tasks at once.
7. Internal versus External Control	If we think we can control the environment or if the environment controls us.

Source: Riding the waves of culture: Understanding Cultural Diversity in Business (Trompenaars, F. 1996:79)

In summary, culture is a collective programming of the mind, which distinguishes members of one human group from another. According to Hofstede's IBM study on national culture differences, there are five dimensions, which can be concluded: power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and Confucian dynamism. His survey suggests that cultural differences have profound implications for management and restrict the extent to which management theories and practices can be generalized across national boundaries. Therefore, expatriate managers who work in

international business organisations, face several challenges, which arise from cultural differences.

2.4 Challenges for Expatriates in the Chinese Context

2.4.1 Introduction of Training

Treven (2003:550) defines training as "a learning experience in that it seeks permanent change in an individual that will improve the ability to perform the job". Training may make differences in skills, knowledge, attitudes or behaviours. After various training, the employees should be empowered to perform at different levels.

Treven (2003:551) states a few reasons why training is important for the company and its employees:

- sustaining productiveness and progressing in productivity;
- modifications in the place of work and the workers themselves; and
- regulatory requirements.

People change work environments, for example, when they move from a service to a sales industry. Ongoing employee training also requires using more advanced technologies. In addition, if companies do not have well-designed training and development programs, it is impossible that companies maintain competitiveness, internationalization and maintain a high level of productivity and flexibility on the global market. Finally, Treven (2003:552) further indicates that relevant labour laws require that companies give employees necessary training programmes, particularly in certain industries and on certain issues, such as safety-related ones.

2.4.2 Importance of Training for Expatriates in China

Most of the literature that describe expatriates' cross-cultural training in China provides a variation in different categories. As Hutchings (2003:375) notes, the supply of pre-departure and/or post-arrival training, especially cross-cultural training, is a key for intercultural effectiveness of expatriates that go to China. As Forster (2000:63) highlights,

in China, when divisions between cultures are broad or, as Kaye and Taylor (1997:496) note of China, where culture shock is underlined, the need to develop expatriates' cross-cultural skills, becomes important.

Literature has always emphasized problems that are encountered by expatriates and their families, as well as the organisations when expatriates lack cross-cultural skills (Forster, 2000:65; Osman-Gani, 1999:79; Zakaria, 2000:102). Tung (1982:57) identifies that cross-cultural training becomes more significant to understand within a foreign country. The author illustrates cultural training in categories such as factual information, cultural orientation, language training, sensitivity training, cultural assimilation training and field experience. Selmer illustrated relevant benefits of pre-departure or post-arrival training for expatriates in China, while Bhagat and Prien (1996:39) created intercultural training effectiveness models. Zakaria (2000:85) finds other aspects of training such as area studies and intercultural effectiveness skills.

2.4.3 Training Expatriate Managers

In order to increase expatriation's efficiency, publications about expatriates' international assignments usually emphasize the importance of an expatriate's social and professional skills (Fischlmayr, 2004:125). Shen and Darby (2006:350) identify host-contextual factors such as political, legal, economic and socio-cultural aspects. Fischlmayr (2004:97) also highlights that the manager requires training in several areas before he/she will be ready to work abroad effectively. Shen (2004:656), following Mendenhall and Oddou (1985:40), suggest that when preparing expatriates for assignments abroad, companies should focus on three significant areas, namely:

- Orientation training concerning familiarity with daily matters;
- Cultural training; and
- Language instruction training.

Shen (2004:660) emphasizes that several authors are in agreement that the elements of training programs should be adjusted to the needs of participants, regarding the country

where the trained person is headed, type of job, length of time the person will stay there, and time available for training.

According to Treven (2003:550), cross-cultural training is the most essential element of expatriate training. This part helps expatriate managers to prepare to live and work in a different cultural environment. Dealing with a new cultural environment is more difficult than the assignment itself. Treven (2003:557) emphasizes that language training for the expatriate family is necessary such as history, economy, politics, religion, social atmosphere and business practices. Treven (2003:555) also underlines that it is important to train managers, as well as their families, both before leaving for the foreign country and during the assignments. The topic of family involvement in pre-departure training of the manager is important, and has been analyzed by several authors. According to Shen (2004:657), the reason for international managers' failures is an inability of the manager's partner to adapt to the new and culturally different environment. Tsang (1994:8-10) identified six types of cross-cultural training, which are normally used by US, European and Japanese enterprises. These are as follows:

1. Orientation regarding culture in order to familiarize the individual with the cultural institutions and value systems of the host country;

2. Environmental briefings in order to acquire information on climate, geography, housing and schools;

3. Cultural assimilators, which use programmed learning approaches that are proposed to expose some basic ideas, approaches, role perceptions and habits of one culture to members of another culture;

4. Sensitivity training to increase attitudinal elasticity;

5. Language training; and

6. Field experience, which sends the person to the country of assignment in order to experience some of the emotional stress of living and working with people who are from a different culture.

2.4.4 Training Local Employees in China

Tang *et al.* (1996:168) conducted an investigation in China in 1995, and relied on 156 foreign-invested enterprises. The study found that training is important to achieve six functions, which are as follows:

- Improving productivity;
- Improving the administrative capability of management;
- Expanding employees' ability to deal with technical innovation;
- Developing employees' skill range;
- Improving employees' morale; and
- Answering to production changes.

Research reveals inadequacies of enterprises' training provisions, particularly in the area of management skills when focusing on training and management development. Following these studies, stresses of training obviously exists in joint ventures or foreign-funded companies (Lu and Bjorkman, 1998:65, Ying and Siu, 2004:878). The most common reason is a lack of basic skills for transferring operation technology from overseas and the lack of basic managerial skills. Above-mentioned authors argue that technical and management training is necessary, as well as effective tools to improve employees' capabilities.

Zhu (1997:19) also provided a more in-depth study of training in companies in China. Zhu found from the sample of 440 enterprises in various ownership types in Shanghai, that foreign-funded companies tend to afford more training, and that management development programs, as well as technical and professional skills training, are commonly found in this ownership type. Zhu identified three main purposes of development and training:

1. To eliminate performance deficiencies and to update technical knowledge and skills;
2. To increase staff commitment; and
3. To enhance workforce adaptability.

Finally, the results showed that training and development is focused more on job-related skills and the increase of worker productivity. Therefore, technical training remains the standard practice, while behavioural training in areas such as team-building and interpersonal skills, is not commonly found. Furthermore, some behavioural training is used to help employees understand the company's business and value system. The overall results of the study conducted by Zhu (1997:22) concluded that training and development are effective tools.

Ding and Akhtar (2001:596) stated that the high mobility of employees in foreign companies may block investment in staff training. Conversely, some authors also underline that skill-specific training implies that employees will find employment opportunities outside the company, difficult. Hence, by providing higher levels of this type of training, companies can decrease turnover rates. Therefore, training can be a path to minimizing the turnover rate of employees, which seems to be of particular interest to companies that operate in a transitional economy (Ying and Siu, 2004:880).

2.4.5 Western Training in China

Li (1999:331) emphasizes that although direct foreign investment has kept growing in China over the past twenty years, there have also been risks. A major risk is management issues that face foreign companies. Ali *et al.* (1995:117) describe that value systems reflect individual and group behaviour across nations. Tsang (1994:12) and Ali *et al.* (1995:118) state that the major differences are leadership styles, managerial success, job satisfaction and organisational effectiveness in value systems between locals and foreigners in China. Managing a company is never an easy job, and can be even more difficult in the context of China. Although Western managerial styles are the same whenever they are from American, European, Japanese or overseas Chinese, their management styles depend on culture, and are not commonly applicable or acknowledged across the mentioned nations.

Due to Chinese social status being granted to teachers, as well as the way Chinese learn their language, their way of learning and management development is teacher-centred,

and culturally and politically orientated. In China, teachers and trainers are expected to dominate the learning process and have absolute power in controlling the learning environment. Branine (1996:26, 2005:459) states that the perception of training and management development in China is guided by social culture and polity. In this matter, when implementing Western management training programmers in China, major problems that are encountered are difficulties in understanding Chinese learning practices and knowing what is relevant to China. Learning is generally inactive, and based on writing notes and remembering them. This passive approach is one of the main obstacles in transferring knowledge and skills from the West to China. Branine (2005:459) notes that these barriers are related to difficulties in understanding the Chinese approach to learning and their perceptions of management as a discipline.

2.4.6 How to Motivate Chinese Employees

Jackson and Bak (1998:282) have suggested several factors, which motivate Chinese employees in foreign-funded companies, which are outlined below.

(1) Chinese employees enjoy clear job descriptions and instructions for specific tasks. In order to avoid ambiguity and to reduce risk, company policies and procedures should be well documented and communicated. This supplies a strong element of "security" for Chinese employees by informing them of rules of conduct, and expectations in terms of performance and quality (Jackson and Bak, 1998:283).

(2) Reward systems are particularly important in China because it includes a "loyalty" element, which means a sense of "belonging" and seniority. Directly addressing an achievement motive, is common in a Western environment (Jackson and Bak, 1998:284).

(3) Human resource policy can be done through developing effective induction programmes. It is important that a foreign manager who shows positive behaviour such as working hard, being punctual or not drinking tea all day, can expect Chinese employees to copy their positive behaviour (Jackson and Bak, 1998:285), which can enhance the degree of identity with the company and their sense of belonging.

(4) By presenting clear options for career development and external rewards, which are appropriate to the Chinese situation and reflect a sense of belonging, one can develop clear career paths as part of Human Resource plans as well as loyalty, identification with the organisation (Jackson and Bak, 1998:287).

2.4.7 Cross-cultural Communication in China

When people from one culture send a message to people from another culture, they engage in cross-cultural communication, while a cultural noise may distort the communication process (Osman-Gani, 1999:97, Zidan, 2001:89). Bell (1992:83) identified nine obstacles of communication, which are as follow:

1) Perceptions, views, ways of thinking;

2) Physical, time, environment, intermediate;

3) Cultural, religious, ethnic, social;

4) Emotional, personal belief;

5) Experiential, life activities;

6) Motivational, mental inertia;

7) Linguistic, language, understanding;

8) Competition, attention, entertainment; and

9) Non-verbal, body language, gestures.

Most of these barriers are influenced by cultural differences that exist between the communicators, for example, the cross-cultural trainer and trainee's communication (Bell, 1992:85). According to Osman-Gani and Suhail (2001:458), within a cross-cultural context, trainers should be responsible for remembering their own cultural features, whilst also being educated about the cultural characteristics of the trainees.

Adler (1991:65) emphasizes the issue of cross-cultural miscommunication, for example, when a trainee does not receive a message as it was intended by the trainer. Nevertheless, trainers and trainees should have a common language, which they use to

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communicate. However, as Osman-Gani and Zidan (2001:438) underline, merely a small part of the cross-cultural communication activity is verbal communication; while most messages can also be sent and received silently, which is non-verbal.

However, there are also several factors that influence the effectiveness of cross-cultural communication such as appropriate consideration of cultural views on the concept of time, time orientation, and relationships with nature (Osman-Gani, 1999:99, Zidan, 2001:99). All of these have meaningful implications on cross-cultural relationships. Differences between Chinese and Western cultures are well documented (Goldenberg, 1988:332; Li, 1999:78), and can be a strong obstacle to communication. Chinese culture is collective, influenced by Confucian values, and reinforced by collective orientations and are of a "high context", while Western culture is individualistic and of "low context". Foreign managers who are from an individualistic culture may emphasize individual privileges and independence, while these differences also influence managers' decisions.

Newell (1999:286) states that managers in China encounter different problems from their Western counterparts; moreover, Chinese employees often have different underlying assumptions and values. Management knowledge, which is presented as "best practice" prescription, is unlikely to be recognized, and may be unsuitable to different cultures and contexts (Newell, 1999:290). Zhou (2005:520) highlights that theories and researches on human resource management and cross-cultural management have a common guiding significance for businesses in China, particularly multinational companies. Furthermore, Jaeger (1990:75) argues that inappropriate Western management theories and techniques in China cannot improve a company's efficiency and effectiveness. As Tsang (1999:94) notes: "Managers from industrialized countries are ready to teach native Chinese staff, but seldom do they realize that they can learn something from the locals". For example, there is currently a stress on internal organisational networking and cooperation as a new and more efficient organisational form for Western companies. Newell (1999:291) stresses the importance of interaction rather than single communication from East to West; he alters one to accept the fact that the West has much to learn from China. As Li (1998:829) notes, this emerging network form in the West bears a close resemblance to the Chinese

network form, which has long been established as the traditional way of operating business. Improving communications between employees from China and the West would be much more significant than mechanistic interpretations of Western management knowledge in China (Newell, 1999:293).

2.4.8 Chinese Management Styles

Rudman (1989:86), Hofstede (1984:78), George (1983:360) and Kirkbride et.al. (1989:365) believe that management styles impact on organisation structure and attitudes of the workforce. Rudman emphasizes that management is a practice rather than a science, and the practice and style of management in a particular organisation will be a product of the host culture. George holds a similar belief that management style is a direct product of the culture. These two views are reinforced by academics. Kirkbride (1989:366), Tang et al. (1996:38) and Westwood (1992:65) suggest that cultural values set limits on managerial techniques, practices and processes, while Hofstede, in cultural studies of IBM managers, describes management as a reality, which is made by people who build organisations according to values. This is only because societies are composed of institutions and organisations that reflect dominant values of their cultures.

Most expatriate managers operate in new environments and do not understand the language or the culture. Moreover, Chinese managers are usually older than their expatriate managers. Since elders should be respected in traditional Chinese culture, the older Chinese executives hope that younger managers respect them. This is one of the slight expectations that most Westerners may not even perceive, which can result in considerable clashes and strains if Western expatriate managers act without such consideration. Also, foreign and Chinese managers often differ a great deal in terms of education, as expatriate managers in China have good technical training, however, it is not only Chinese managers who have formal management training. The differences may cause substantial problems for communication between expatriate managers and Chinese managers within China.

Different education backgrounds may cause an avoidance of interpersonal contact, while differences in age and experience may lead to further complications, since Chinese managers consider age and general life experience to be more important, while Westerners usually focus on expertise and experience detail in business operations (Li *et al.*, 1999: 65). Selmer (2005:70) and Baliga (1985:102) emphasize that cross-cultural training of Western expatriates can relieve such problems in China. However, the author also believes that cross-cultural training alone is not enough for expatriates to perform successfully in China. He provides a list of characteristics that he believes every successful expatriate manager should have. These characteristics can be classified into four categories, which are explained below.

1. Basic characteristics: zeal for work, ability to develop others, persuasiveness, resourcefulness, initiative, self-sufficiency, ability to make decisions, alertness, foresight, flexibility, ability to learn new languages, and ability to adapt to new ideas.

2. Environmental factors: knowledge of a firm's international operations, foreign markets, local language, and contacts in foreign market.

3. Personal factors: motivation for accepting foreign assignment, nationality, family status, personal appeal and attitudes, emotional stability, dignity and integrity.

4. Experience factors: technical competence, professional business experience, knowledge of company policies, markets and goals, resourcefulness, knowledge about the assigned job, open-mindedness to new ideas, attitudes towards foreigners, and a lack of fixed prejudices.

Goldenberg (1988:90) emphasizes that Western managers are often aggressive in obtaining performance and achieving expected goals. Conversely, Chinese employees seldom take the initiative and pay high attention to maintaining a harmonious relationship. As Hofstede (1998:81) notes, management practices that work in one country do not automatically work in another, since they depend on their culture. Efficiency and

effectiveness of managerial practices in foreign companies basically depends on the degree to which they suit the values and beliefs of Chinese employees. Values and beliefs are strongly influenced by national culture, which cannot be changed easily. Therefore, it is worthwhile to choose those practices that are likely to be successful (Li, 1999:332). There is a need to find a balance between the best of both the East and the West, to ultimately develop a favourable management system in China.

Within Chinese firms, Silin (1976:77) and Redding and Casey (1976:351) contend that management behaviour indicates a much more autocratic approach than that practiced in the West. The leader holds the information, which he is much less likely to circulate than his Western counterpart, and thus holds the power. These findings tend to support Hofstede's conclusion of high power distance within the Chinese sample of his studies. Huang's (1983:87) study supports the view that an authoritarian pattern of leadership is to be found in Chinese companies, and together with Bond (1991:395), they draw, from a review of empirical studies of family businesses, certain common characteristics of Chinese managerial styles.

Redding and Wong (1986:80) report that there is minimal management control of individual performances, where evaluation is made on a global and subjective base, rather than by objective standards. They comment on work by Leeming (1977:90), Sterba (1978:68) and Deyo (1983:220), which show widespread use of nepotism and obligation networks, non-objective performance assessments, and paternalism as a means of management control. Deyo (1983: 222) details the consequences of bypassing middle managers in respect of disputes and other personal questions. He concludes that, whilst operating responsibility has been delegated to lower level managers, effective power over workers is retained at a higher level. Silin (1976:79) identifies certain characters amongst Chinese managers, which effectively place the subordinate in a position of insecurity, with their fate determined by their relationship with the superior. He concludes that superiors expect their subordinates to be on the same 'wavelength' if they are loyal. Questioning the supervisor's intentions, which are often poorly outlined, is considered as disloyal behaviour.

Behaviour on the part of the subordinate, which does not meet the approval of the superior, has serious consequences for that subordinate.

Yuen (1992: 370) describes common causes of organisational conflicts and suggests that owing to particular characteristics of Southeast Asian organisations, antecedents of organisational conflicts, as well as methods that are used for conflict resolution, may well be different from those found in Western organisations. There is much support of this contention, albeit from a Western research perspective. Dempsey and Lindsay (1985:70), recounting their experiences in training Chinese business people to use U.S. management techniques, find fundamental differences between decision making styles, dependence on authority, public conflict avoidance and acceptance of group criticism. Epner (1991:28) finds that the Chinese generally seek to avoid personal responsibility for solving problems, which he suggests is owed to the philosophy that the acceptance of responsibility increases the odds of failure and resultant loss of face. Krikbride (1989:367), Tang *et al.* (1996:39) and Westwood (1992:97) analyzed conflict styles of managers in Hong Kong. Based on empirical research, the authors predicted compromising and avoiding behaviour.

These findings generally support Locket's (1988:480) studies of culture and the problems of Chinese management, while he identifies four main features that affect organisations.

Firstly, he contends that the respect for age and hierarchy means that decisions are passed on to higher levels; thus the organisational hierarchy becomes overloaded. Secondly, the tendency for an orientation towards compatible grouping means more attention on social needs in contrast to needs for autonomy and self-actualization. Thirdly, norms for deference and limits of conflict and disagreements are developed in order to maintain the concept of 'face'. Lastly, there is an emphasis on relationships and the use of connections to obtain wanted goods and benefits.

In another point of view, Fok (1993:120) points out that there is an emergence of a 'new Chinese management model' that embraces both traditional Chinese values and Western practices. He argues that this phenomenon is owed to the children of Chinese

entrepreneurs being educated overseas, and assimilating Western style management techniques. Evan, Hau and Sculli (1989:5-7) conclude that as a result of their cross-cultural comparison of managerial styles, 'the particular culture of a society is a dominant factor in managerial style, and management will retain its own unique cultural identity even as society develops'.

In general, Chinese managers have less trust of their subordinates than their Western counterparts, and thus take a more autocratic approach. Time is taken more seriously by Western managers than Chinese, who generally show more aggressive behaviour, in contrast to more passive and defensive behaviour by Chinese managers. In Western society, decision-making involves different levels of seniority and open discussion and conflict are accepted. Conversely, within Chinese society, concepts of 'face and harmony' are dominant, which restricts conflicts and divergences.

2.4.9 Importance of Pay and Social Stability for Chinese Workers

Attitude surveys among Chinese workers (Chau and Chan, 1984:9), (Lui, 1985:11), (Mok and Finley, 1986:72) found that pay was high on their list of priorities. A feature of empirical research was conducted in East Asia concerning employee attitudes and behavior at work, and focused on operative levels shop floor and factory workers, as well as their relationships with supervisors (Gibson, 1996:105). An exception was Huang's (1983:79) study into job satisfaction and working morale in four types of enterprises in Taiwan, namely family business, state-owned, overseas funded, and private with formal roles of management. In his conclusion, he endorsed Hofstede's study that there exists greater power distance between leader and subordinate in the hierarchical social state of Chinese organisations. Hulin (1968:122) studied a group of 250 female workers who were employed in the manufacturing sector in Hong Kong, in an attempt to find a relationship between the turnover of staff and a common set of variables. On the basis of his analysis, he concluded that terminators differed from stayers in the areas of work, supervision, promotion and co-workers. Those who stayed were more satisfied than those who planned to leave. Job satisfaction and pay were negatively correlated with job turnover. Mok and Woon (1987:157) replicated the job turnover studies in the hotel sector

in Hong Kong. Their findings were similar: that there exists an overwhelming concern for monetary reward and a lack of interest in terms of the nature of supervision within the hotel industry.

The conclusion that might be drawn is that monetary rewards and material benefits seem to be main concerns for Chinese workers, and that company loyalty and commitment are not considered as important even though this point of view may seem to be incongruous with Confucian values of social stability.

In order to achieve effectiveness, co-operation between individuals and groups within the organisation is important. Redding and Wong (1986:29) concluded from their summation of the empirical work that was conducted in this area, that co-operation can flourish within certain limits but its full potential is restricted. They linked the characteristics of collectivism with several Western managerial techniques in the human area of management. They take, for example, the difficulties of transferring such individualistic methods, as management by objectives. These clash with several of the perceptions and feelings about relationships amongst the Chinese who are sensitive to the collective. Taking the initiative, outside of prescribed limits of a functional task, but one that might nevertheless enhance the organisation's effectiveness, may be construed as unacceptable behavior, and thus result in a loss of 'face' (Gibson, 1996:29). Redding and Wong (1986:39) assert that, 'the search for interpersonal harmony thus produces a person psychologically attuned to deference, compliance and co-cooperativeness within delimited groups. Strength of identity with a group, however, introduces the risk of apathy about or even hostility towards other groups, and the question of the organization's internal effectiveness may well rest on whether the group to which a person belongs has aims in line with those of the organisation.'

In this aspect, the respect for hierarchy would appear to be important in the decision made by a Chinese worker to step outside of a clearly defined role. The hesitancy in the ranks of senior supervisory and line management personnel could have severe limitations in

maximizing the potential of the company, which, in competitive circumstances, could have serious consequences for the firm's survival (Gibson, 1996:32).

2.5 Summary

This chapter has explored expatriation, culture and cultural differences, which outlined an overview of expatriation such as definition, three faces of expatriation, expatriates' status in China, and so on.

According to Hofstede's IBM study on national cultural differences, there are five dimensions, which may be concluded namely power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and Confucian dynamism. His survey suggests that cultural differences have profound implications for management and restrict the extent to which management theories and practices can be generalized across national boundaries.

Recent research, such as the Chinese Personality Assessment Inventory (CAPI) (Cheung et al., 2001:407) was developed as an omnibus indigenous personality inventory for Chinese people. It also indicates that 'Chinese tradition is characterized by high positive loading on harmony, RenQing (relationship orientation), thrift versus extravagance and face, (which has a double loading on dependability), and a negative loading on flexibility' (Cheung et al., 2001:420).

Hofstede and Bond (1988:137) have recognized the importance of the dominant national culture and multicultural management problems in the IBM values study. Evidently, multinational service sector firms such as international hotel companies, would need to pay particular attention to their human resource management ideology. Therefore, how Chinese work within the hotel industry and challenges that expatriate managers face will be put to an empirical test through case studies in this research study. The following chapter provides the research methodology, which was used in this study.

Chapter Three

Methodology Approach

3.1 Introduction

The previous chapter described relevant literature on expatriation, culture, cultural differences and challenges for expatriates within a Chinese context. This chapter describes research methods and research processes that were used to examine organisational cross-cultural challenges that face international hotel managers in China. The objective of this chapter is to outline and justify the choice of research design. The research study was founded on four major steps: (1) research method selection; (2) data collection; (3) sampling design; and (4) data analysis. The following sections discuss the research objectives, theoretical framework of the case study research, data collection methods and sampling design.

3.2 Objective of Study

The main aim of this research is to examine challenges that face international hotel managers that mostly arise from cross-cultural differences between Western and Chinese values, as well as a range of diverse organisational cultures and management styles within China's hotel industry. Hence, this study attempts to survey expatriate managers of trans-national hotel companies, which operate in China and explore difficulties that they encounter.

Different national cultures lead to different perceptions and expectations about work and different types and levels of involvement, therefore, one of the objectives is to explore problems that arise from these different work values. Furthermore, since there are diverse foreign hotel management styles such as joint venture, management contract or takeover, the intercultural encounters are dissimilar. Thus, another objective is to present different cultural contexts within which expatriate managers work in luxury hotels.

How do they deal with these problems and address this delicate workplace balancing act? The aim of this study is to answer these questions so that useful suggestions are made for expatriate managers to adapt their styles and develop appropriate skills.

3.3 Research Methodology

3.3.1 Literature Search

Literature can be obtained from either private sources or public sources. In this study, literature research was carried out in two stages, which are outlined below.

Stage One

The first stage of the literature review is aimed at obtaining theoretical foundations for understanding culture, cross culture, expatriate and current expatriates' situation in China. This phase was particularly reliant on books, journals, periodicals and articles, which focus on subjects of cross-cultural psychology, organisational climate and culture and expatriates. The main sources of the literature review on Chinese work values and Chinese management styles are from published or unpublished Masters Dissertations or theses from the records of libraries at the Cape Peninsula University of Technology and other universities in Cape Town, or the Internet. Some statistical data are chiefly collected from the Yearbook of China Tourism Statistics or databases on the Internet.

Stage Two

The second stage is aimed at obtaining general data and information on luxury foreign invested hotels in China as part of the case studies in this research. Data that was collected concerned background details of the hotel companies, the mission statement, the organisational personnel structure and company polices, procedures and rules. This phase was particularly reliant on official documents and reports form companies and information from their websites.

3.3.2 Quantitative Research Method

The research process can be divided into qualitative and quantitative research. Most quantitative management research involves a questionnaire or a survey and always involves numerical analysis of data (Partington, 2002:32).

The quantitative approach is objective in its nature and focuses on measuring a phenomenon, whereas the qualitative approach tends to be subjective in nature and engages examination and reflection, which are based on perceptions (Hussey & Hussey, 1997:29).

The data process of qualitative research explores differences between them and those, which result from quantitative work (Saunders *et al.*, 2000:381). Table 3.1 below emphasizes three obvious differences between quantitative and qualitative data.

Table 3.1: Quantitative vs. Qualitative data

Quantitative data	Qualitative data
1) Based on meaning derived from numbers	1) Based on meanings expressed through words
2) Collection results in numerical and standardized data	2) Collection results in non-standardized data requiring classification categories
3) Analysis conducted through the use of diagrams and statistics	3) Analysis conducted through the use of conceptualization

Source: Saunders *et al.*, 2000:381

3.3.3 Qualitative Research Method

The same author explains that data in qualitative research is collected from words and observations instead of numbers. The basis for analysis is an interpretation of the data instead of statistical manipulation (Partington, 2002:34).

The qualitative approach also allows for flexibility and responsive interaction, which allow meanings to be explored, topics to be covered from varied angles and questions made

clear to participants (Saunders *et al.*, 2000:375). Conversely, because of translation difficulties or cultural differences between one another, it may cause misunderstandings of responses.

This study is situated within qualitative case studies, since two cases with five multinational hotels are studied. Some theorists (Sekaran, 2003:36) argue that case studies are not used often as a research technique within an organisational context, as it is not easy to identify an organisation that would be similar in nature to the problem and the problem definition, as stated in the case study. However, according to Yin (2003:70), a case study is one of five different research strategies (the survey, experiment, the archival analysis, the history, case study) that the researcher can adopt when conducting a study. He defines case study in the following way: "A case study is an empirical inquiry that investigates a contemporary phenomenon within its real life context, which are not clearly evident" (Yin, 1984:23). Furthermore, the author argues that there are three conditions, which have an influence on the choice of the research strategy, namely research question, role of the investigator and the focus of the study. Saunders *et al* (2000:235) believes that a case study is a valuable way of exploring contemporary theory.

Some researchers (Sekaran, 2003:39) have pointed out that case studies do not allow the researcher to draw conclusions about causal relationships based on events that took place during a certain time period, hence the level of internal validity will be low. However, Yin (1994:89) advocated the idea that as the aim of the case study is to enhance and draw a general conclusion, that is, analytic generalization, and not to draw statistical conclusions, the case study's set of results could serve as a basis for theoretical propositions and theories. In the case of analysis of organisational culture and cross-national culture, several commentators such as Brown (1998:96) have suggested that ' as no interpretation of a culture can be proved to be 'right' or 'wrong', the validity of an account of a culture should be judged according to the usefulness of the insights it generates'.

A variety of case study purposes have been identified such as descriptive, explanation, evaluation and exploratory (Winegardner, n/d). Descriptive research is that, which seeks

to identify themes within a case through a 'rich' or 'thick' description, which encompasses as much of the case study detail as possible. Robson (cited in Winegardner, n/d: 6) defines the purpose of descriptive research as "the portrayal of an accurate profile of persons, events, or situations; this, in turn, requires extensive knowledge of the research subject in order to identify appropriate aspects on which to gather information". Exploratory research "answers questions of how and why". This study is a combination of these two main purposes, with a strong focus on describing the situation.

However, it is important to remember that each research method has its drawbacks. Quantitative research may force responses into categories that might not fit, in order to make meaning, while qualitative research sometimes focuses on individual results too closely, and fails to make connections in a wider dimension or possible causes of the results.

3.3.4 Normative Survey Method

Surveys can be divided into two broad categories: the **Questionnaire** and the **Interview** (William, 1998:36). Questionnaires are usually paper-and-pencil instruments that the respondent completes. Interviews are completed by the interviewer based on the respondent says. It is sometimes difficult to tell the difference between a questionnaire and an interview. For example, some people think that interviews always ask broad open-ended questions, while questionnaires always ask short closed-ended questions. However, there will often be a series of closed-ended questions, which are asked in an interview and questionnaires that have open-ended questions.

The survey questionnaire method was used for this study. When most people think of questionnaires, they think of the **mail survey**. There are several advantages to mail surveys. They are relatively inexpensive to administer. One can send the exact same instrument to a number of people. They allow the respondent to complete it at their convenience. However, there are some disadvantages as well. Response rates from mail surveys are often low, while mail questionnaires are not the best vehicles to use for detailed written responses (William, 1998:38).

The Group Administered Questionnaire was chosen for this study, where a sample of respondents were brought together and asked to respond to a structured sequence of questions. Traditionally, questionnaires were administered in group settings for convenience. The researcher could distribute the questionnaire to those who were present and be fairly sure that there would be a high response rate. If respondents were unclear about the meaning of a question, they could ask for clarification, while there were often organisational settings where it was relatively easy to assemble the group (in a company or business, for instance) (William, 1998:39).

3.4 Empirical Survey

3.4.1 Description of Research Population

The research population comprised the culture of selected hotels and individual persons (expatriate and local managers). First, general information regarding the organisational culture of the selected hotel was examined by questions. The hotels are mainly over four-star rating multinationals, with foreign interest on the basis of managed or owned format, management contracts, joint ventures or franchises. The second stage involved closed-ended questionnaires via personal interviews with the expatriate and local managers of the organisation.

3.4.2 Introduction of Bias

Non-probability sampling is used in this study because international hotel managers have no probabilities attached to their choice for the study's sample. Non-probability sampling methods can be divided into two broad types, namely *accidental* or *purposive* (William, 1998:46). Purposive sampling can be useful for situations where one should reach a targeted sample quickly and where sampling for proportionality is not a primary concern. With a purposive sample, one is likely to obtain opinions from the target population, but one is also likely to overweight subgroups in one's population that are more readily accessible.

All of the following methods can be considered subcategories of purposive sampling methods. Some people might sample for specific groups or types of people as in modal instance, expert, or quota sampling. Some people might sample for diversity as in

heterogeneity sampling, while some might capitalize on informal social networks in order to identify specific respondents who are hard to locate otherwise, as in snowball sampling (Struwig and Stead, 2001:106).

Expert sampling has been used in this study and involves the assembling of a sample of persons with known or demonstrable experience and expertise in some area. This study investigates expatriate hotel managers who have been faced with a variety of concerns because of changing risks and opportunities that are involved in establishing abroad. There are mainly two reasons to choose expert sampling. First, it would be the best way to elicit views of persons who have specific expertise. In this case, expert sampling is essentially a specific subcase of purposive sampling. However, the other reason is to provide evidence for the validity of another sampling approach that was chosen.

A sample could also be selected on the basis of expert judgement. Specialists in the subject of the survey choose what they believe to be the best sample for that particular study. Respondent selection thus depends on the researcher's judgement (Struwig and Stead, 2001:111).

Disadvantages of this sampling method (Struwig and Stead, 2001:115):

- Bias, owing to experts' beliefs, may make sample unrepresentative; and
- Generalising data beyond sample inappropriate.

Therefore, the possibility of obtaining biased data increases widely. Researchers should be objective during the process and much effort should be placed on not influencing respondents. The thought is not to control or indicate whether the respondents' answers are considered to be "right" or "wrong" by the survey conductors.

3.5 Questionnaire Structure and Design

3.5.1 Independent Variables

There were six questions, which aimed to obtain an overview of hotel managers such as job title, gender, years of working experience, language, qualification and age. Responses were collected by questionnaires, which were completed by hotel managers who work at multinational hotels in Beijing, Nanjing and Shanghai.

3.5.2 Dependent Variables

There were two sections, which dealt with some optional questions that depended on their circumstances and according to their jobs. The scaled-response question format is often used to gather data on attitudes and perceptions (Struwig and Stead, 2001:94).

Section B consists of four consequent parts, namely general questions concerning corporate culture, which were followed by detailed questions, which examined organisational rituals, heroes and values.

Depending on the general knowledge displayed from the corporate culture in Section B, Section C comprised questions, which all had their own orientation, where differences between Western and Chinese values and how it affects the work of expatriate hotel managers who work in China, were examined. Though the researcher followed the questionnaire route, the questions for each participant varied in accordance with his or her experience and willingness to speak about the selected topic.

3.6 Personal Interviews

Personal interviews are the most versatile and flexible of the three questionnaire methods (personal interview, telephone surveys and mail surveys) for the following reasons:

- Unstructured interviews of variable length and relatively long questionnaires may be employed;
- Interviews can be adapted to the situation (individual and context); and

- If required, both interviewer and interviewee can be provided future explanations or clarifications (Struwig and Stead, 2001:86-87).

Personal interviews provide good response rates. Although it has not been empirically substantiated, several researchers believe that personal interviews provide more accurate information than mail and telephone (Struwig and Stead, 2001:87).

The surveys were conducted from the middle of September to the end of September 2008. In order to be included in the sample, the hotels had to be above four-star rating multinationals with some foreign interest, where the interviewees are mostly expatriate managers with work experience in Nanjing, Beijing and Shanghai. Miss Yi Wei is a reporter at Jiangsu TV station in Nanjing who interviewed different hotel managers by means of questionnaires. Each respondent was handed a questionnaire and asked to complete it while in the room. In some cases, the respondent was asked to mail it back, while in other cases, the interviewer returned to collect the completed questionnaire.

3.7 Interpretations of Statistical Analysis

When analyzing empirical data, one should begin by focusing on similarities and dissimilarities, as well as patterns in the data (Berg, 2001:49). Comparisons were made between data gathered from different answers within the same hotel, as well as between hotels; the responses showed a clear model of similarities and dissimilarities. When analyzing qualitative data, it is sometimes relevant to reduce the amount of data and not to accumulate too much data or irrelevant data (Patton, 1980:39). This was also considered as this thesis focuses on the entire expatriation period. Any information can be ignored if it is not relevant within the different phases.

Patton (1980:42) argues that the data received should be divided into descriptive categories, which refer to relevant topics such as people, places, activities and so forth. Erlandson (1993:57) highlights three phases of data analysis:

- To bring together all the data obtained;

- To divide the data into different subject categories;   and

- To analyze negative examples.

In other words, the data should be collected, categorized and then analyzed.

3.8 Articulation of Findings

3.8.1 Validity

According to Yin (2003:35), the research should cover two steps, in order to obtain validity:

1) Select specific types of variables that are going to be used;   and

2) Demonstrate that selected measures of these variables do reflect the specific types of changeables that have been selected.

In order to obtain validity, multiple sources of evidence should be used in the research process.   Another step to achieve validity is to establish a chain of evidence by performing a linkage between theoretical frameworks, construction of data collection tools and the actual empirical data (Yin, 2003:36).

This research is valid since it gathered empirical information, which is essential to show understanding of research question.   There is a linkage between theoretical frameworks (cross-cultural context and expatriates in China), the construction of data collection tools (questionnaires with expatriate hotel managers who work in multinational hotels in China) and the actual data (expatriate managers' perceptions and reflections about their own expatriation in China).

3.8.2 Credibility

According to Yin (2003:62), credibility means to show an in-depth description of the way the research was conducted.   The aim of credibility is to decrease mistakes and biases in research through detailed documentation.   However, credibility does not really mean that the researcher should draw the same findings and conclusions in their studies.

The researcher has ensured credibility of this study by engaging in a relevant research process. Because of the degree of company support and the Chinese context, which depend on the environment, their findings and conclusions may differ from that, which the researcher has found.

3.8.3 Limitations

During this research, several limiting factors were encountered, concerning secondary data collection, but mostly regarding primary data collection.

Major understanding problems were inevitable. Because the survey conductor was not the researcher, several explanations could not be given easily during personal interviews when certain terminologies were used.

Finally, the secondary data had limitations, as well as biases. The published statistical information was difficult to collect and some company documentary information was kept confidential, which created some obstacles to a deeper analysis. Moreover, the documentary information, which was selected from the Internet, had reporting bias and bias selectivity. This mean that some documents and reports may reflect unknown bias of author, or might be written for a specific purpose and audience other than those of the case study, which is studied, thus the investigator is likely to be misled.

3.9 Summary

This chapter has outlined the methodology employed in this research. This study has surveyed the expatriate managers at trans-national hotel companies, which operate in China and examines cross-cultural challenges that they face. As a result, case study is analyzed as the best choice for this research. Documentation and questionnaires are the main sources of evidence. The chapter showed how secondary data was collected for the literature review and case studies, as well as primary data collection by questionnaires via personal interviews, which was explained from a perspective of its structure and sampling design. The following chapter presents the findings and provides an interpretation of the results of the study of five multinational hotels.

Chapter Four

FINDINGS AND INTERPRETATION

4.1 Introduction

The previous chapter outlined the research methodology for this research study. This chapter reveals the findings and an interpretation of the results of the two case studies of five multinational hotels, which illustrate different cultural contexts within which the international hotel managers work in China's luxury hotel sector. The hotels are mainly rated as over four-star multinationals with foreign interest on the basis of managed or owned format, management contracts, joint ventures or franchises in China. Data collection methods that were used here included questionnaires, which were administered to both local and expatriate hotel managers. Accordingly, this chapter presents findings in each case and suggests discussion of the obtained research results, respectively. Furthermore, background information on each case study is given in advance for a better understanding of the findings.

4.2 Case One- Hotel X1, X2, X3

4.2.1 Background Information

X Hotels and Resorts is one of the world's largest hotel brands, which serve the needs of upscale business and leisure travellers worldwide. It employs approximately 110,000 employees at its corporate offices, owned and managed hotels and vacation ownership resorts, of whom about 54% are employed in the United States.

The company's mission is to offer an entire spectrum of comforts, which range from full service hotels in major cities to luxurious resorts throughout the world. The CEO of X Hotels and Resorts remarked that the goal is 'to upscale business and leisure travellers, since X Hotel means dependable comfort, attentive service and innovations that reflect the ever-changing needs and tastes of discerning individuals.'

Presently, X Hotels and Resorts has more than 400 hotels and resorts in over 70 countries, which are mainly developed by owned or managed business format, management contracts and franchising. Generally, it is a company, which is built on diversity and inclusion. With more than 400 properties operating in over 70 countries, the associates and customers are as diverse as the world's population. However, the core of their business is to create an environment of inclusion. That is, under ownership, hotel management contracts or franchises, the company usually takes the responsibility of hiring, training and supervising managers and employees to operate facilities. In addition, it provides advanced reservation services, sales technology and a foremost loyalty program.

Innovation is the hallmark of X Hotels and Resorts' management style. Sharing and refining proven excellence is the mission of support services within the company.

X Hotels and Resorts have 13 hotels in China, most of which are direct managed properties. The president of Asia-Pacific X Hotels and Resorts, XXX has stated that:

'China has much to offer to business, leisure, conference and incentive travellers, whether it be fascinating destinations, rich history and culture, business and conference facilities or world class hotels. We can select from a range of fine X properties in the capital city of Beijing, bustling metropolis of Shanghai, resort haven of Sanya on Hainan Island, and numerous cultural and business destinations throughout the country.'

The company has expanded its portfolio in China significantly over the last year with the opening of X hotel in Sanya on Hainan Island, and in Dong Guan in the Guang Dong province.

The case applied here concerns three managed X hotel properties in three cities within China. Hotel X1 is ideally located in Beijing — the capital of China and the cultural centre of China, Hotel X2 is located in Shanghai— the economical and financial centre of China; and Hotel X3 is located in Nanjing—the capital of Jiangsu Province (researcher's hometown).

There are 10 expatriate managers in hotel X1, 10 expatriate managers in hotel X2 and 9 expatriate managers in hotel X3. Many of them have expansive experiences of working in other countries as well.

4.2.2 Section A of Questionnaires

There were 62 managers (including 29 expatriate managers; others are Chinese managers) that answered the questionnaires. Personal details are as follows:

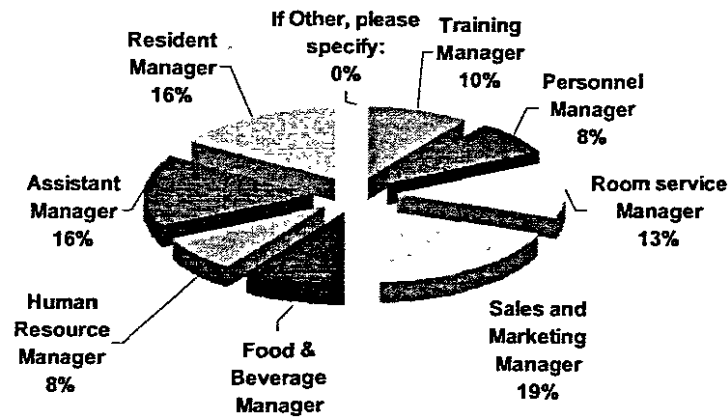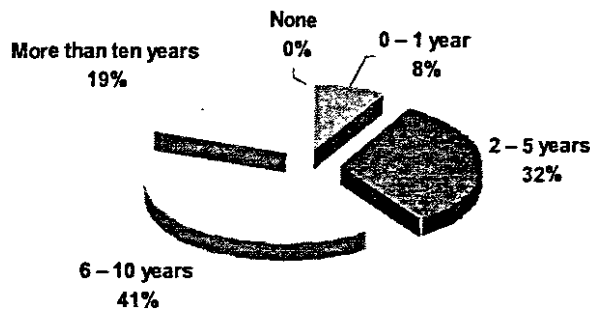**Figure 4.1.1: Indicate your Hotel Job Title**

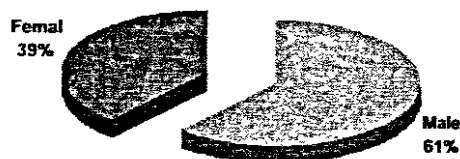**Figure 4.1.2: Experience in the Hotel Industry (in years)**
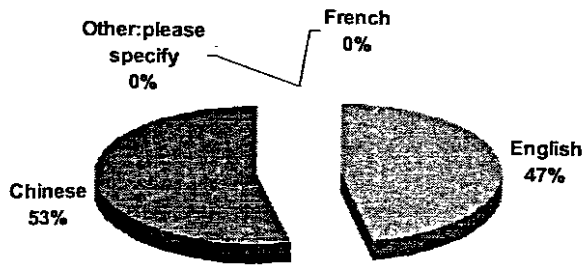

Figure 4.1.3: Gender

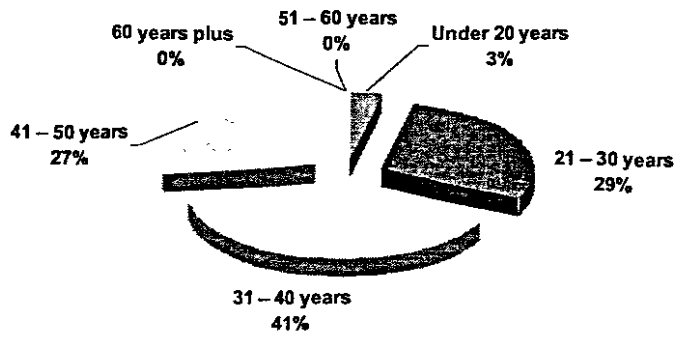**Figure 4.1.4: Language Group**

Figure 4.1.5: Age Group
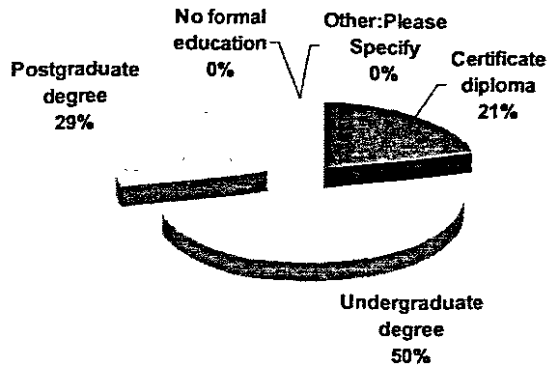
Figure 4.1.6: Qualification completed

4.2.3 Section B of Questionnaires

The following section illustrates questionnaire results from 62 hotel managers.

Question 1: Culture of my organisation
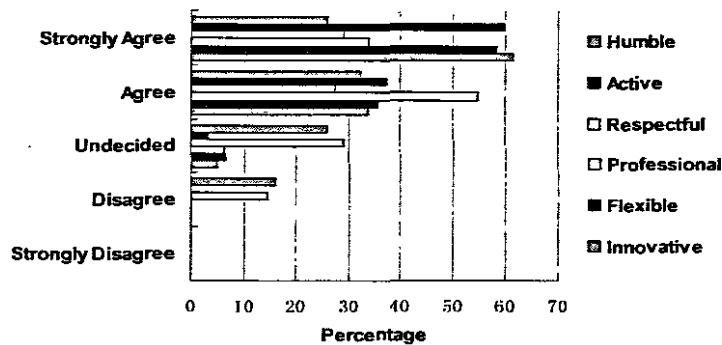
Figure 4.2.1: Culture of my organisation

A total of 60% of participants strongly agreed and 37% agreed that the culture of X Hotel is 'active', while 61% of participants strongly agreed and 34% agreed that it is 'innovative'. A total of 58% of participants strongly agreed and 34% agreed that it is 'flexible', while 34% of participants strongly agreed and 55% agreed that it is professional. A total of 29% of participants strongly agreed and 27% agreed that it is respectful, while 26% of participants strongly agreed and 32% agreed that it is humble. Due to hotel X being Western/foreign-funded, it is clear that there is a strong Western organisational culture, which is mainly characterized as active, innovative, flexible and professional.

Question 2: Corporate mission statement

Figure 4.2.2: Corporate mission statement

All participants strongly agreed that their mission statement was 'to provide high quality and value'. Specifically, 81% of respondents strongly agreed and 19% agreed with the

company's positioning statement: 'To be the leader in the international hotel industry'. A total of 32% of respondents strongly agreed and 48% agreed with the company's mission statement: 'To understand customer's wants', while 16% of respondents strongly agreed and 19% agreed with the company's positioning statement: 'To keep innovation', while 65% were undecided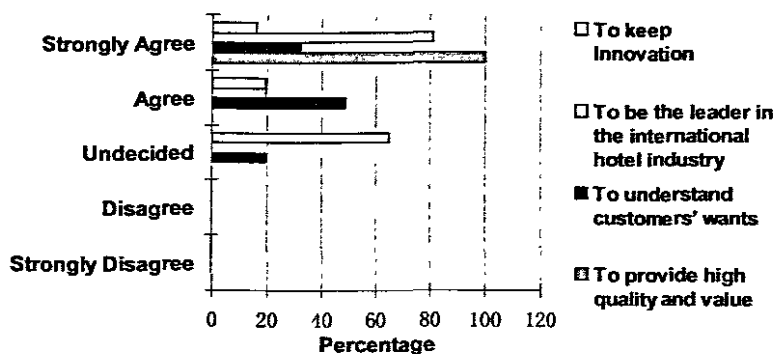. A clear and definitive mission statement suggests that the main value of this hotel is customer-focused. This hotel attached importance to developing some essential programmes for employees, which would strengthen their corporate identities and achieve high service standards.

Question 3: Traditions at my hotel
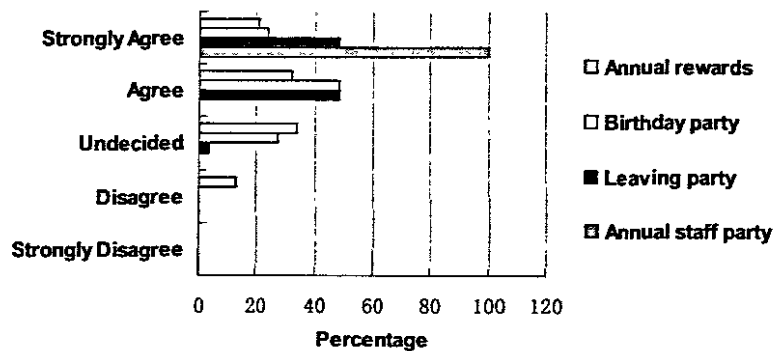
Figure 4.2.3:   Traditions at my hotel

All participants strongly noted that the annual staff party, which took place during the Christmas holidays, invited all employees of the hotel to attend this occasion. In total, 96% of respondents referred to the leaving parties. Usually a leaving party would be arranged for any leaving employees by the director or manager of the relevant department. Additionally, a combined total of 72% of the respondents indicated the ritual of celebrating birthday parties. In addition, there was a combined total of 53% of respondents who mentioned that: 'At the end of every year, the company holds a competition for selecting 'The Best Employee of the Year'.

Question 4: The following training and induction programmes are provided to staff at my hotel
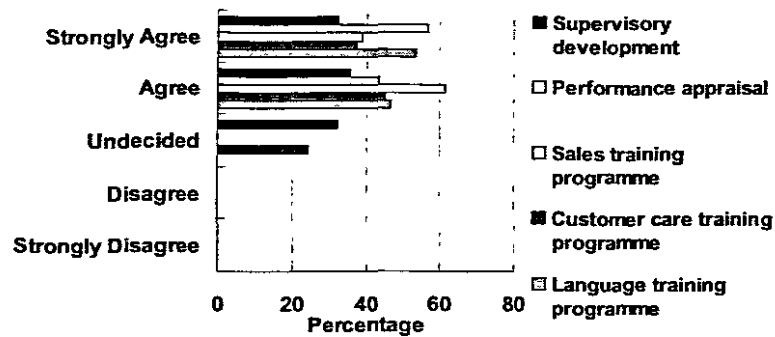
Figure 4.2.4:   The following training and induction programmes are provided to staff at my hotel

The following results were derived from management responses, where a total of 56% of managers strongly agreed and 44% agreed that the main training programme was performance appraisal.   A total of 53% of managers strongly agreed and 47% agreed that the main training programme was language training at their hotel, while 39% of managers strongly agreed and 61% agreed that a sales-training programme should also definitely be provided.   A total of 37% of managers strongly agreed and 45% agreed that the main programme was customer-care training.   The hotel developed these main training programmes for employees in order to strengthen their corporate identities and to achieve high service standards.

Question 5: Particularly meaningful people in this organisation
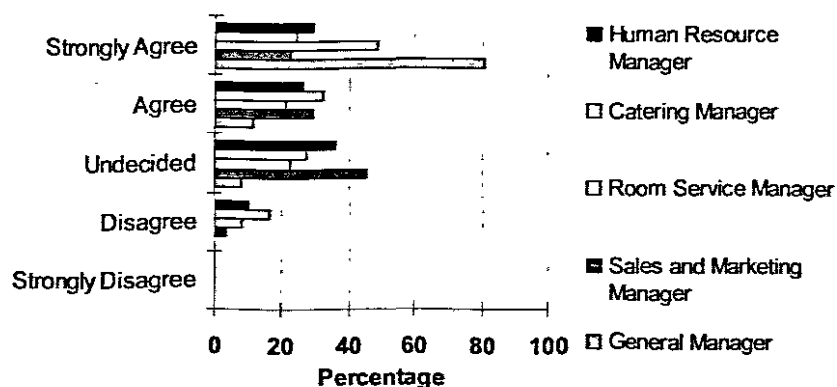
Figure 4.2.5:   Particularly meaningful people in this organisation

A total of 81% of respondents strongly agreed and 11% agreed that the general manager was a particularly meaningful person within this hotel, while 48% of respondents strongly agreed and 21% agreed that that person was the room service manager, and 29% of respondents strongly agreed and 26% agreed that that person was the human resource manager. A total of 24% of respondents strongly agreed and 32% agreed that that person was the catering manager, while 23% of respondents strongly agreed and 29% agreed that that person was the sales and marketing manager. The apparent reason for these results are owed to the General Manager being an important person to employees, since this person show the way by leading, directing, or advising.

Question 6: There are no national borders that exist in my company's career path. Irrespective where one is from, one has plenty of opportunities
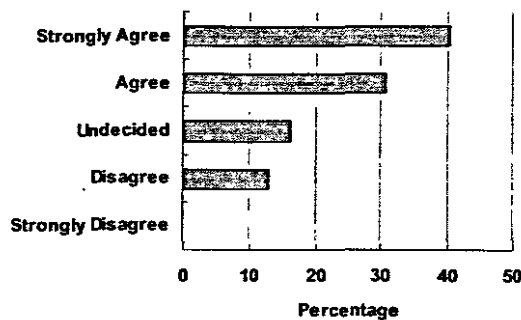
Figure 4.2.6:   There are no national borders that exist in my company's career path. Irrespective where one is from, one has plenty of opportunities

A total of 40% of respondents strongly agreed and 31% agreed that there are no national borders that exist in their company's career path and "no matter where you are from, you have plenty of opportunities.", while 16% of respondents were undecided regarding this statement. However, 13% of respondents disagreed. All employees have a chance to obtain training abroad and work in all the hotel X branches worldwide. On their breaks, employees can surf company computers to search for job opportunities in any of the company's global outlets. No matter where they are from, they have plenty of opportunities with hotel X worldwide. Nationality is, therefore, not a restriction.

Question 7: My Company uses intermediaries who can act as a knowledge bridge between foreign persons and locals
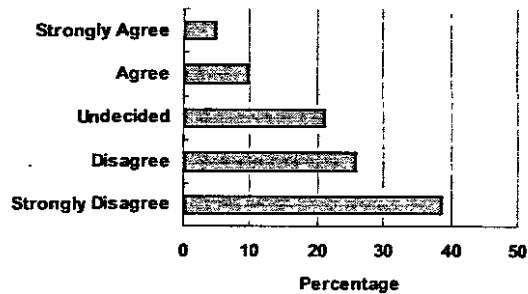
Figure 4.2.7: My Company uses intermediaries who can act as a knowledge bridge between foreign persons and locals

A total of 39% of respondents strongly disagreed and 26% disagreed with this statement, while 5% of respondents strongly agreed and 10% agreed with this statement. A total of 21% of respondents were undecided. Authors emphasize that Chinese culture is collective, influenced by Confucian values, and reinforced by collective orientations and of "high context", while Western culture is individualistic and of "low context". The performance of expatriates in the employees' training and technical transforming process is important. They should be well prepared for this role, especially when they travel to a country such as China, which is culturally different from the West. The company should provide expatriate with essential support in China, as they have potential to perform their roles well.

Question 8: Hotel has a strong culture
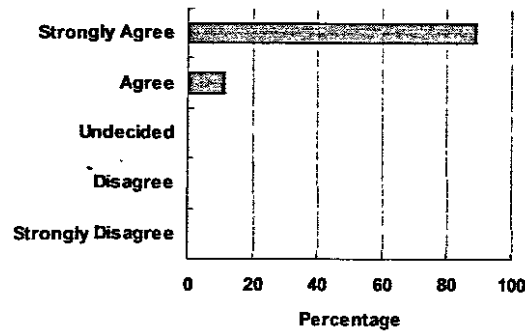
Figure 4.2.8: **Hotel has a strong culture**

A total of 89% of respondents strongly agreed that there was a strong organisational culture within X Hotel, even though there are some existing subcultures, while 11% of respondents agreed with this statement. Rites and rituals typify the staff that hold the company together, as well as the corporate heroes who exemplify values of competence, friendliness and innovation.

Question 9: Some present identifiable subcultures
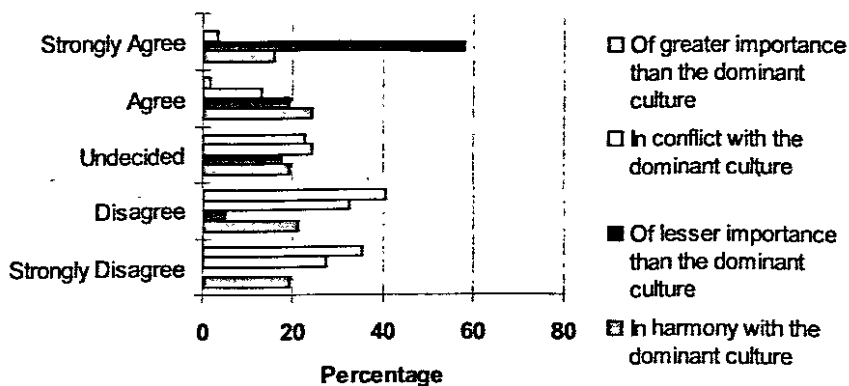
Figure 4.2.9: **Some present identifiable subcultures**

All participants agreed that there are several subcultures within this company. A total of 40% of participants believed that subcultures are in harmony with the dominant culture. A total of 16% of participants believed that subcultures are in conflict with the dominant culture, while 77% of participants agreed that subcultures are of lesser importance than the

dominant culture. A total of 43% of participants have no opinion on whether there is conflict or harmony with the dominant culture. In spite of a dominant culture, there are several subcultures within this hotel. Major bases for the variety are different departments, dissimilar educational backgrounds and nationality.

Question 10: Benefits that my organisation offer
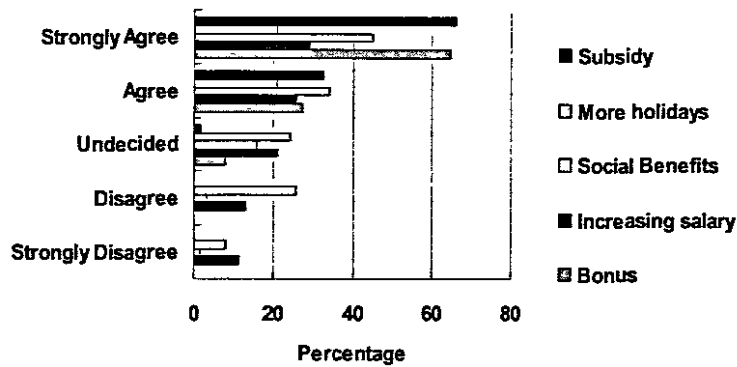
Figure 4.2.10:   Benefits that my organisation offer

A total of 92% and 98% of respondents considered that employees would like to receive more material incentives, such as bonuses or subsidies. A total of 82% of participants noted that they hoped that the company could take care of them through some form of social benefits. A total of 55% of respondents agreed that benefits include salary increases. A total of 42% of respondents preferred to receive more holidays, while staff at X hotel consider material incentives as an important motivator. This result confirms that money is important as a motivating factor for employees in China.

Question 11: Examples of misconduct by managers
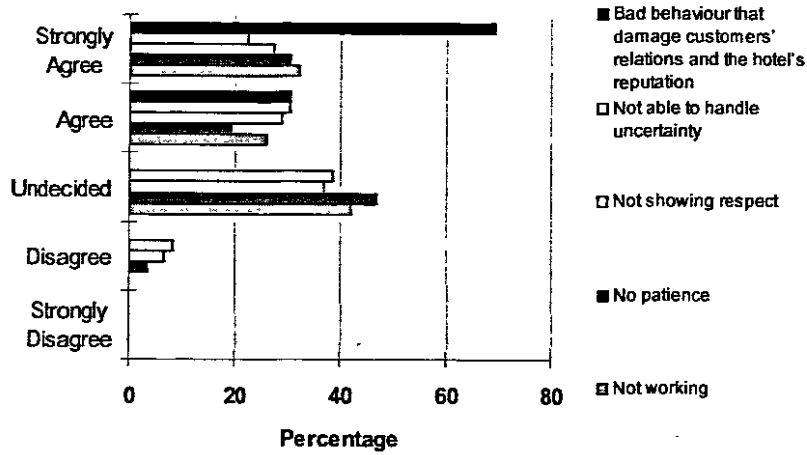
Figure 4.2.11:   Examples of misconduct by managers

A total of 100% of participants believed that mistakes, which heavily damaged customer relations and destroyed the company's reputation, were unacceptable.   A total of 60% of participants agreed that the main misconduct was about managers not working.   A total of 56% of participants agreed that the main misconduct was not showing respect, while 54% of participants believed that primary misconduct was an inability to handle uncertainty.   A total of 50% of participants agreed that the main misconduct was a lack of patience.   The main value of hotel X is customer-oriented; any mistake, which heavily damages customers' and destroys the company's reputation, is intolerable.

4.2.4 Section C of Questionnaires:

This part illustrates the findings from the questionnaires, which were completed by 29 expatriate managers.

Question 1: Managers prefer novel ideas in this organisation
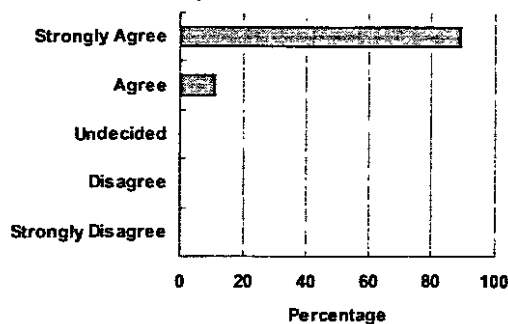
Figure 4.3.1:   Managers prefer novel ideas in this organisation

A total of 100% of expatriate managers prefer novel ideals in the hotel.   Over 80% of respondents strongly agreed that the management style in X hotel could be described as "Open American", since this hotel is always ready to talk about new ideas.   Its exclusive Optimal Management Budgeting System allows staff to anticipate the expenses of a hotel and customize every fact of services that the hotel provides.

Question 2: It is important to share one's experience and to talk to other expatriates
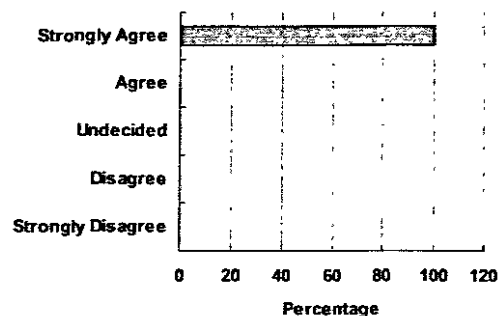
Figure 4.3.2:   It is important to share one's experience and to talk to other expatriates

A total of 100% of expatriate managers strongly agreed that 'it's important to share experience and to talk to other expatriates.' Because various managers faced different problems in the past, they shared experiences with each other, as they realised that is may help to avoid making the same mistakes again.

Question 3: Different departments communicate daily
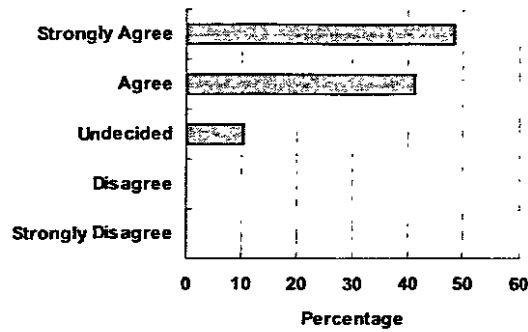
Figure 4.3.3:   Different departments communicate daily

A total of 48% of expatriate managers strongly agreed with the above statement and 41% agreed with this statement, while 11% of respondents were undecided.   Hotel X uses the Employee Satisfaction Index (ESI), which is a communication tool for employees to communicate their opinions to management concerning their jobs.

Question 4: There is quite a lot of financial and technical support from the parent organisation
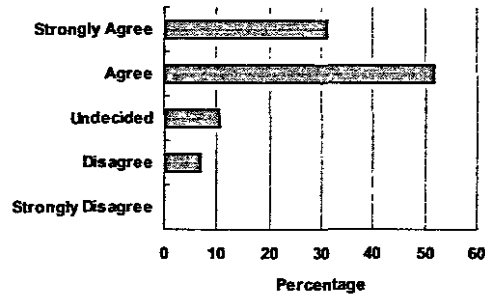
Figure 4.3.4:   There is quite a lot of financial and technical support from the parent organisation

A total of 52% of expatriate managers felt that there was quite a lot of financial and technical support from the parent organisation, while 31% strongly agreed, and 7% of expatriate managers felt that it was not enough.   Ample support from the parent company can make expatriate managers work better.   The company in this case can give employees incentives, which would be an additional motivator for expatriates.   The incentive could be salary, a good overall package, security (medical, schooling for family, flat, home, flights to their home country and, if needed, driver, translator, and security with repatriation).

Question 5: Role of the manager in this hotel
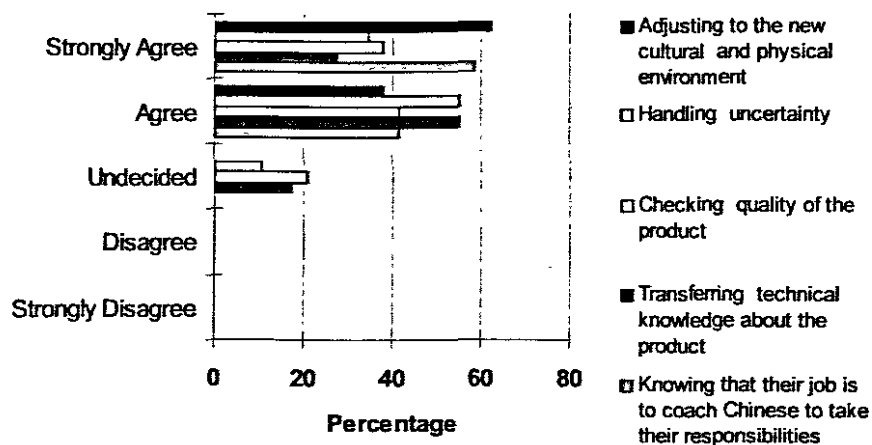
Figure 4.3.5:   Role of the manager in this hotel

A total of 100% of respondents agreed that the role of managers was to know that their job is specifically to coach Chinese employees in order to fulfil their responsibilities and to adjust to the new cultural and physical environment themselves. A total of 89% of respondents agreed that handling uncertainties is the role of the manager. A total of 83% of respondents agreed that transferring technical knowledge about products is a role of the manager. A total of 79% of respondents agreed that checking the quality of the product is a role of the manager. The expatriate managers were supposed to be coaches in Hotel X so that they may assist Chinese workers to perform, rather than supervise their jobs. Chinese culture is collective, while Western culture is individualistic, thus adjusting to the new cultural and physical environment, was important as well.

Question 6: There are disagreements regarding interpretation of rules within this organisation
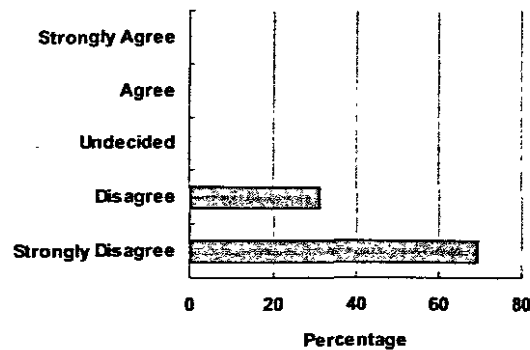
Figure 4.3.6: There are disagreements regarding interpretation of rules within this organisation

All interviewees answered 'no', while 69% strongly disagreed that there were lots of disagreements regarding interpretation of rules within the organisation. Most of the staff understood and obeyed the rules in Hotel X, hence few arguments occurred in the hotel.

Question 7: Employees' attitudes towards their mistakes
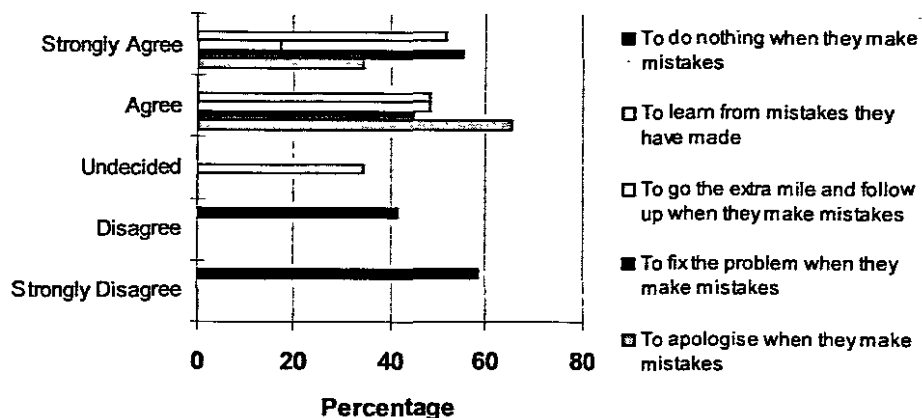
Figure 4.3.7:   Employees' attitudes towards their mistakes

A total of 100% of interviewees agreed that their organisational systems and policies generally encouraged apologising and resolution when mistakes were made, which created a learning experience from mistakes.   When errors occurred, the issues were discussed, resolved and lessons were learnt immediately.   A total of 65% of interviewees agreed they would go the extra mile and follow up when they had made mistakes.   No one agreed that they would do nothing when they had made mistakes.   There is an atmosphere of trust and co-operation within the X Hotel.   When employees made mistakes, they were always encouraged to face the mistakes and to resolve them. Chinese employees usually hope managers could give them fixed, detailed and precise job descriptions, so that they would not make any mistakes.

Question 8: Employees are able to retain a sense of their own individuality
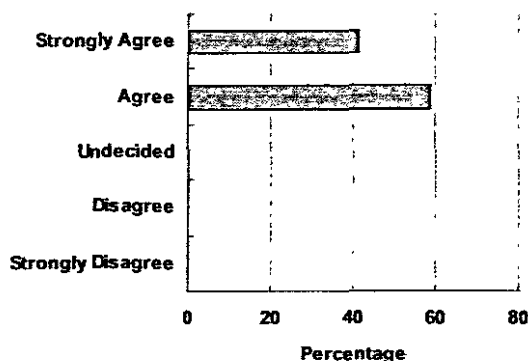
Figure 4.3.8:   Employees are able to retain a sense of their own individuality

A total of 59% of interviewees believed that people here are encouraged to express their own personality, while 41% strongly agreed. Because local Chinese workers are reluctant to take responsibility and make decisions without guidance, they particularly enjoyed teamwork. In contrast, most of the staff, who are international graduates from abroad, usually preferred tasks, which readily revealed successful performance, thus proving their abilities.

Question 9: Employees are generally helpful and considerate of others
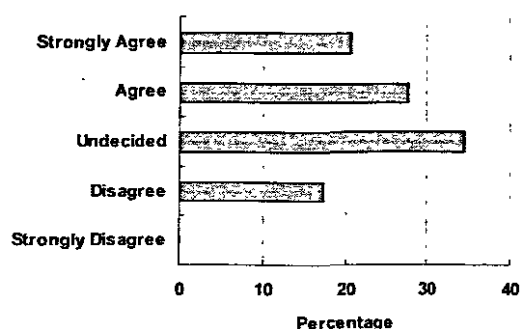
Figure 4.3.9: Employees are generally helpful and considerate of others

A total of 20% of participants strongly agreed that the people there were generally helpful and most were good team players, while 28% agreed. However, 34% of participants were undecided and 17% disagreed. They indicated that there were rivalries between some departments and that the relationship between people from different departments was a bit indifferent.

Question 10: Company plays an important role in preparing their expatriate managers for assignments in China
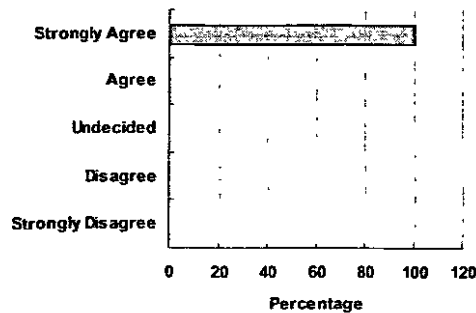
Figure 4.3.10:   Company plays an important role in preparing their expatriate managers for assignments in China

A total of 100% of participants strongly agreed that the company should have a detailed plan before sending them to foreign countries in order to avoid failure.

Question 11: How are conflicts addressed within this organisation?
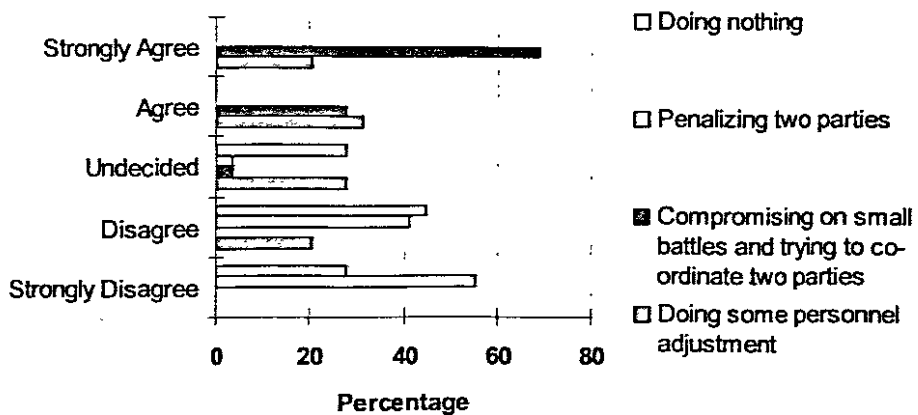
Figure 4.3.11:   How are conflicts addressed within this organisation?

A total of 97% of interviewees agreed that the company tried to compromise on small battles and co-ordinate two parties until agreement was achieved.   A total of 52% of interviewees agreed that they did some personnel adjustments.   The managers were selective in conflict negotiation, but what they always stressed was 'we have a common target'. None agreed to do nothing or penalize two parties.

Question 12: Most employees are loyal to the organisation and wish to commit to a long-term career
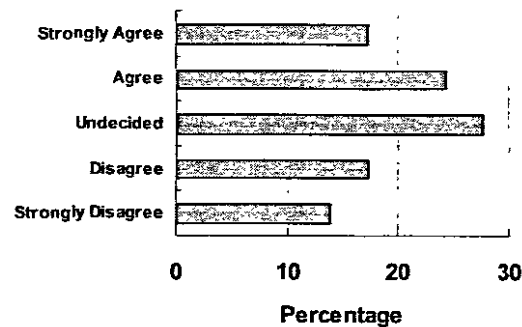
Figure 4.3.12:   Most employees are loyal to the organisation and wish to commit to a
long-term career

A total of 24% of interviewees agreed with the statement, while 17% of interviewees strongly agreed. A total of 17% of interviewees disagreed and 14% strongly disagreed with the statement, while 28% were undecided.   In recent years, the rate of labour turnover was a little high; it might have been because of the high level of investment in training and development, which resulted in staff being headhunted.   In addition, some staff were not satisfied with the reward system, which did not include a housing allowance, especially for older employees.   When the hotel recruits new staff members who do not understand the organisational culture, the hotel should take some time to cultivate their loyalty towards the company.   Therefore, the hotel has developed more induction programmes to draw new employees closer and as means to further career development, in order to cultivate employees' sense of belonging.

Question 13: Biggest problem you have experienced while working here
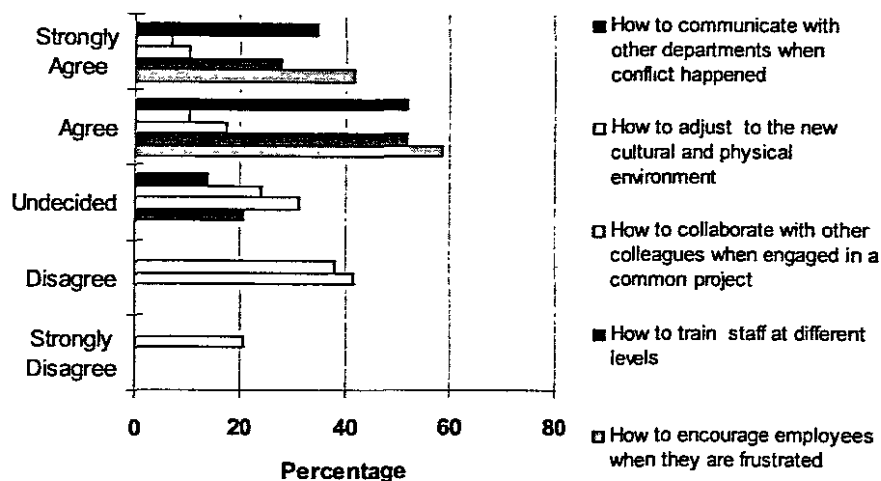
Figure 4.3.13:   Biggest problem you have experienced while working here

All participants mentioned that their biggest difficulty was encouraging employees when they were frustrated, and motivating employees' initiatives.   Because Chinese employees rarely take initiatives, they pay much attention to maintaining a harmonious relationship.   A total of 86% of participants also mentioned difficulties when communicating with other departments when conflict occurred.   Communication assists in avoiding conflicts that arise from misunderstanding and a lack of information about what other co-workers are doing.   A total of 80% of participants mentioned difficulties when training staff at different levels.   The role of expatriates has mainly involved helping local employees learn required skills and knowledge through training.   However, a total of 27% of participants mentioned that collaborating with other colleagues when having a common project was their biggest difficulty.   A total of 17% of participants mentioned difficulties in adjusting to a new cultural and physical environment.

Question 14: Skills that a good expatriate should possess
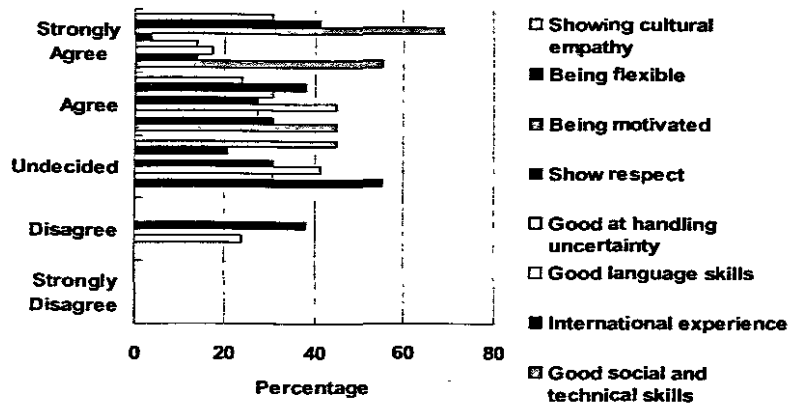
Figure 4.3.14:   Skills that a good expatriate should possess

A total of 100% of respondents chose *being motivated* and having *good social and technical skills*.   Respondents ranked motivation as the most important feature that a good expatriate should possess.   Motivation is a driving force that allows expatriates to accept and conduct their assignments;   it is the essential factor that might lead to an expatriate's success or failure.   Secondly, a successful expatriate should possess good social and technical skills, which would be a feature that one would make use of when arriving in the host country.   These skills will facilitate communication between the expatriates and their local colleagues.   A total of 79% of respondents agreed that living in a foreign country and, above all, working with people from a different culture, demanded that a person is *flexible*. A total of 60% of respondents agreed that they had to *be good at handling uncertainty*, while 55% of respondents agreed that *cultural empathy* was also in line with the adjustment process.   It allowed a person to detect cultural differences in a short period of time, and by so doing, being flexible to learn how to deal with new situations.   A total of 45% of respondents agreed that a competent expatriate should possess *good language skills* and *international experience*, while 31% of respondents agreed that *showing respect* was essential.

Question 15: Reasons for expatriate failure
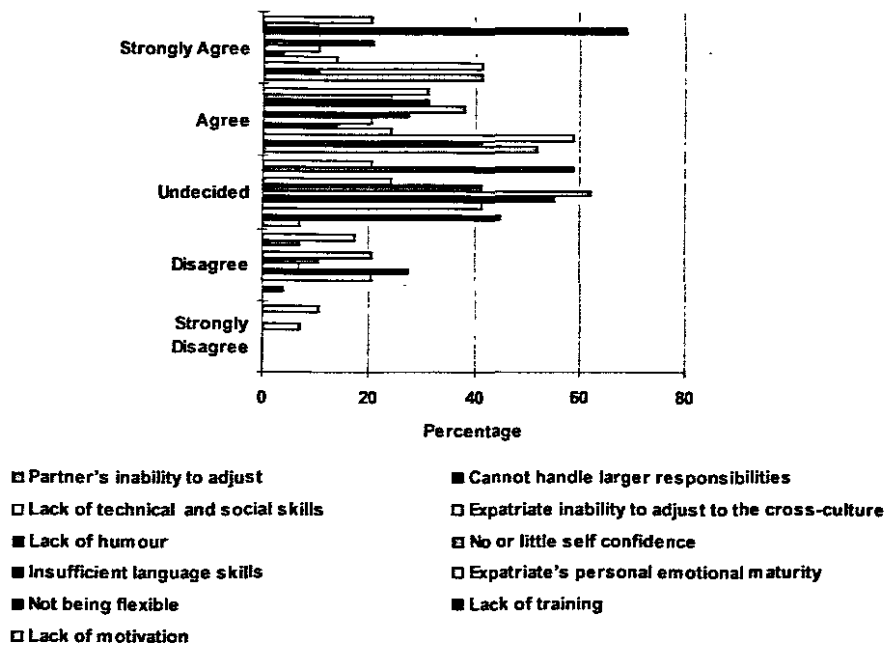
Figure 4.3.15:   Reasons for expatriate failure

The above diagram reveals that *not being flexible* and *lacking social and technical skills* are two main reasons for expatriate failure that were chosen by a total of 100% of respondents. A reason for placing flexibility so high might be that it is possible to interpret this term in several ways, which is one of the major problems when using a questionnaire as a research tool.   Social and technical skills were ranked high in both contexts, which might indicate that employees responded according to their experience, and that being able to interact with other people, makes it much easier for en expatriate to succeed in the assignment abroad.   A total of 93% of respondents agreed that the reason was *partner's inability to adjust*, while a total of 38% of respondents agreed that the reason was *expatriate inability to adjust.*   Why a partner's inability to adjust precedes an expatriate's inability to adjust, may have a simple reason.   Stability or instability in the home life of an expatriate may well follow him/her to work and cause problems in the workplace.   It is more often the expatriate that knows what is expected of him/her and they can then more easily adjust to new situations.   A total of 52% of respondents agreed that the reason was a *lack of humour,* while 51% of respondents agreed that the reason was *cannot handle larger responsibilities and a lack of motivation.*   A total of 49% of respondents agreed that

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the reason was *insufficient language skills.* A total of 48% of respondents agreed that the reason was *expatriate's personal emotional maturity,* while 34% of respondents agreed that the reason was a *lack of training.*

4.2.5 Interpretation of findings

Based on the findings of Section B, it is clear that there is a strong identification with organisational culture in X Hotel, which is mainly characterized as active, innovative and professional. The rites and rituals that constitute the staff holds the company together, as well as the corporate heroes who exemplify values of competence, friendliness and innovation. Moreover, a clear and definite mission statement suggests that the main value of X Hotel is being customer-oriented. This hotel attaches importance to developing training and induction programmes for employees in order to strengthen their corporate identities and to achieve high service standards.

In spite of a dominant culture, there are several subcultures within this hotel. Three major bases for the variety of subgroups are identified as different departments, dissimilar educational backgrounds and nationality. Associated with the findings in Section C, some respondents also pointed out that departmental diversity was a predominant factor of cultural division in the X Hotel. Besides, Chinese people are likely to establish personal connection and favouritism within certain delimited groups. This finding suggests that affiliation may play a key role through work units in China. However, cliques may sometimes undermine the dominant culture.

In addition, the hotel presently employs staff from three main sources:

- Unemployed people from other industries who seek any position, and who may have no service skills or competence in foreign languages;
- Young graduates in hospitality related subjects or other degree disciplines from domestic colleges or universities; and
- International graduates from abroad.

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Clearly various educational backgrounds comprise one of the contributing factors of subculture. Thus, these results stressed that it is inevitable that there would be certain subcultures within the main culture of a company.

The finding of Section B also shows some values of employees. The staff at X Hotel considers material incentives as an important motivator, which confirms that money is an important motivating factor for employees in China. Apart from this, older staff take more interest in housing, which indicates that Chinese work values are closely correlated with family and social aspects of motivation within the job situation. Conversely, some literatures (Elizur, et.al, 1991:38) reveal a low importance in China concerning 'instrumental' values such as pay. The conclusion made here cannot be generalized as the number of interview participants was too small.

It is evident from the findings in Section C that the management style in X Hotel could be described as 'Open American'. Managers not only welcome novel and innovative opinions, but also encourage employees to learn from mistakes and to maintain their own personality. Nevertheless, some problems do arise.

First, the findings show that the fear of being punished for mistakes seems to be deep rooted amongst Chinese employees. Most employees enjoy clear job descriptions and instructions for specific tasks, which might give them a sense of 'security'. Therefore, it tends to show strong uncertainty-avoidance among Chinese employees. Similarly, some interviewees pointed out that most employees were reluctant to assume responsibilities and prefer teamwork, which may prove that collectivism is high within Chinese culture. Conversely, as mentioned before, one of the main sources of staff is international graduates from abroad. They normally share certain similar working attitudes as Western people such as eagerness to show personal advantages and to accept challenging individual work, which reveal successful performance. Thus, with an ever-increasing proportion of staff from overseas graduates, individualism may be on the increase in China. Some researchers such as Nevis (1983:69), Cyr and Frost (1991:200) have noted a changing value system in China.

The findings showed that Hotel X sent expatriate managers to coach to workers in China to perform, rather than supervise their job. So Hotel X holds its way of coaching as a main means to train employees in China. The company believes that employees should have their own initiatives to learn without strict supervision. Goldenberg (1988:56) and Li (1999:332) analyzed the problem of unwillingness to take initiatives among Chinese employees. They explained that the Chinese culture is collective, is influenced by Confucian values, and is reinforced by collective orientations, while Western culture is individualistic. Thus, foreign managers from an individualistic culture, may place emphasis on individual privileges, independence, initiatives in making their decisions, are sometimes aggressive in obtaining performance and in achieving chosen goals. On the contrary, Chinese employees rarely take the initiative and pay much more attention to maintaining a harmonious relationship. As seen from the above, the role of expatriates is not only to help with operational issues, but mostly to help local employees learn the required skills and knowledge.

The findings also suggest that, basically, there is an atmosphere of trust and co-operation at X Hotel. The company communicates quite effectively with the staff in spite of some existing subgroups. People are likely to obey rules and policies there, while Chinese employees, in particular, are used to showing respect by addressing people with higher positions as Mr/Ms. Of course, there are differences amongst different countries, but if people communicate with each other, they also learn from each other and understand each other's way of thinking. In this way communication assists in avoiding conflicts, which arise from misunderstanding and a lack of information about what other co-workers do. This international company brings together people from different cultures, who have different traditions and levels of education, through verified learning processes. In order to transfer professional knowledge, intermediaries can be knowledge bridges between locals and foreigners. Interaction is more important than one-way communication from East to West, and it alerts to the fact that the West has much to learn from China. Also, Tsang (1999:94) notes: "Managers from industrialized countries are ready to teach native Chinese staff, but seldom do they realize that they can learn something from the locals". Li (1998:861) asserts that in order to develop learning communities to promote dialogue

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between locals and foreigners, the networks and co-operation forms would be a much more worthwhile exercise than the mechanistic translation of Western management knowledge in China. Within the process of communication, patience is also important. The Chinese have more patience in their way of doing business, and have a particular affinity with gathering information before they make any decisions.

However, the hotel has a high labour turnover. According to the training manager, training programs seem to play an important role in cultivating employees' loyalty. Since there are three main sources of staff, training and development should differ accordingly. A majority of staff presently come from the first two areas and require much training and development to bring them up to desired levels of competence. Besides, in order to cultivate their sense of belonging and to prevent them from being headhunted, the hotel emphasizes personal career development and the interviewee believed that the situation was much better.

Managers at Hotel X place motivation as a most important feature. This is probably because they know that it is difficult to work in a different culture and that they will not receive much help from the company. Therefore, they feel that an expatriate should be motivated to fulfill his/her duties successfully. Another feature is flexibility, which might indicate that managers consider being able to change environments easily and one's way of working is important for expatriates.

Not being flexible and a partner's inability to adjust are the two possible reasons for expatriate failure that were chosen and, at the same time were ranked highest by respondents. Not being flexible has much to do with being able to change one's way of working when in a different environment, and it does not come as a surprise that this reason was mentioned by respondents. A partner's inability to adjust indicates that expatriate failure may begin at home, when, owing to the partner's problems with adjusting to the new culture, the expatriate receives little support that is necessary for his/her own work, and cannot put as much effort as he/she would like to into the new tasks. Because of this, it is important for companies to keep the expatriates family in mind when selecting

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and training their expatriates. Selection of expatriate candidates is mostly based on technical and managerial skills, and companies do not formally assess expatriates' cross-cultural adaptability. Therefore, when expatriates are already in China, several organisations do not pay attention to cross-cultural issues.

The company plays an important role in preparing their expatriate managers for their assignments in China. Companies should develop a sound plan before sending their expatriates to China such as preparing an action plan; recognizing the character of the assignment; considering personality and the candidate's background, and choosing appropriate candidates; providing motivation and incentives; providing feedback during the assignment abroad; and support with repatriation.

Consequently, findings from the questionnaires reveal that the following challenges face expatriate managers at X Hotel:

- Subculture;
- Motivating staffs' initiatives and personalities;
- Training different levels of staffs;
- Communication;
- High labour turnover;
- Not being flexible;
- A lack of social and technical skills; and
- Support from the parent company.

4.3 Case Two - Hotel Y1, Y2

4.3.1 Background Information

Hong Kong-based Hotel Y is the largest Asian-based deluxe hotel group, which has 43 hotels and 20,734 rooms in 14 countries. Most of their properties are located in primary and secondary cities within Asia and the Middle East, and most sought-after leisure destinations. According to the survey (www.hospitalitynet.org), clients at this hotel are 65% business related, 30% leisure, while 5% are incentive and meeting users.

Most of the Hotel Y properties are developed via owned and managed business format, management contracts and joint ventures. It is currently contemplating expansion beyond Asia to North America and Europe. However, XXX, Hotel Y's CEO and managing director has stated the following:

'Whatever our new horizons, Hotel Y's core remains in China and southeast Asia.' We see enormous potential in China, both from domestic travellers within this vast country and from outbound traffic. It is estimated that by 2020, some 200 million Chinese out of a total of 1.3 billion will have passports to travel abroad, and that China will attract more tourists than any other country.'

Presently, with 16 hotels and 8,000 rooms in China, Hotel Y has turned itself into one of the top operators of luxury hotels in the People's Republic.

This company's motto is 'Hotel Y Hospitality from Caring People'. The uniqueness of this philosophy is its foundation of core Asian values namely respect, sincerity, helpfulness, courtesy and humility. It also imbues the value of 'Pride without arrogance' as its service hallmark, which means that the hotel wants their people to be internally proud of their achievements but outwardly humble. Their vision is 'the first choice for customers, employees, shareholders and business partners'.

Usually the Hong Kong head office and Beijing regional office provide support through cooperation, while regional officers are responsible for the success of the hotels and facilitate interaction of major disciplines for the benefit of the hotels, including:

- Marketing;
- Engineering;
- Global Sales, Distribution and Yield Management;
- Finance;
- Public Relation and Group Advertising;
- Central and Regional Purchasing;

- E-Business;

- Group Rooms;

- Human Resources, Training and Development;

- Technical Services and IT Support;

- Internal Auditing;

- Project Management Services;   and

- Group Food and Beverage

The following case studies, which were selected were Hotel Y1 in Shanghai and Hotel Y2 in Nanjing.   Shanghai is one of the major industrial areas in China, and has been boosted by a growing number of conferences and exhibitions, which are held there.   Hotel Y2 is located in Nanjing—the capital of Jiangsu Province (researcher's hometown).

4.3.2 Section A of Questionnaires

A total of 40 managers (including 17 expatriate managers; others are Chinese managers) participated in answering the questionnaires.   These respondents' personal details are illustrated below.
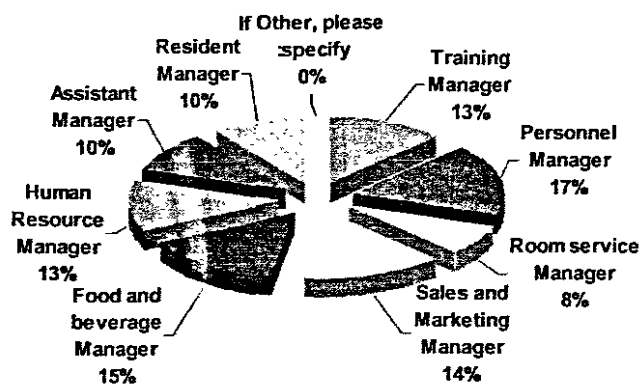
Figure 4.4.1:   Indicate your Hotel Job Title
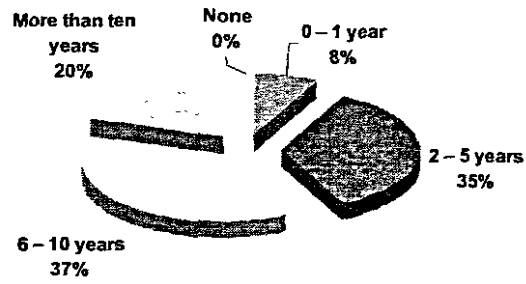
Figure 4.4.2: Experience in the Hotel Industry (in years)

More than ten years 20%
None 0%
0 – 1 year 8%
2 – 5 years 35%
6 – 10 years 37%

Figure 4.4.3: Gender

Femal 52%
Male 48%
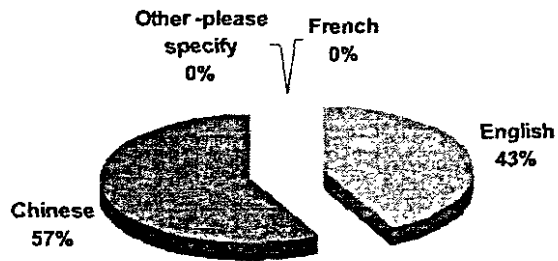
Figure 4.4.4: Language Group

Other -please specify 0%
French 0%
English 43%
Chinese 57%

Figure 4.4.5: Age Group

51 – 60 years 0%
41 – 50 years 5%
60 years plus 0%
31 – 40 years 13%
Under 20 years 44%
21 – 30 years 38%
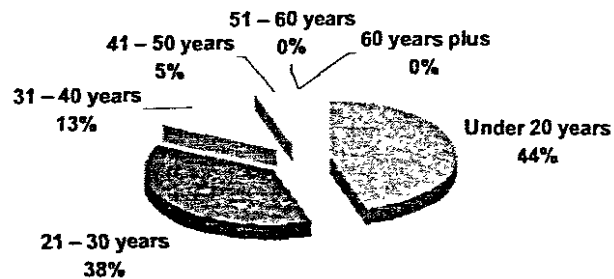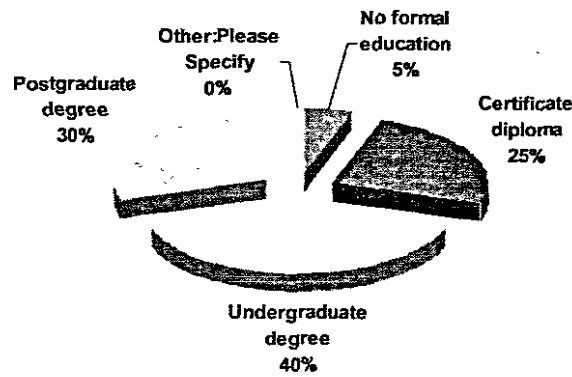
Figure 4.4.6:   Qualification Completed

4.3.3 Section B of Questionnaires

There are 40 managers who answered section B of the questionnaires.

Question 1: Culture of my organisation
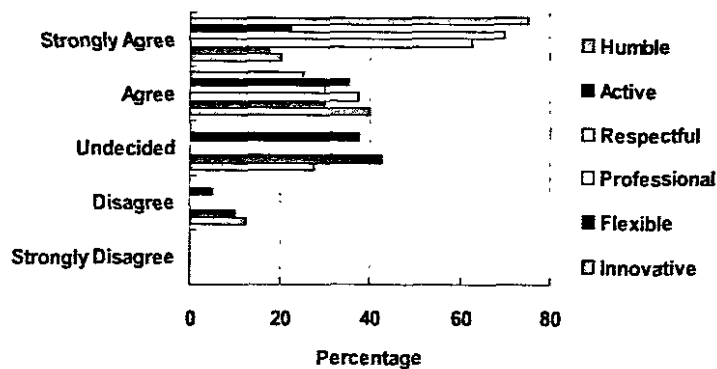
Figure 4.5.1:   Culture of my organisation

A total of 100% of respondents described the culture of Hotel Y as 'respectful', 'humble' and 'professional'.   The company's philosophy is 'Hotel Y has caring people', which means that both their customers and employees are caring people.   A total of 60% of respondents agreed that the culture was innovative.   In total, 58% agreed that the culture was active, which balanced with a combined total of 48% who agreed that the culture was flexible.   The organisational culture of Hotel Y takes on some Asian values such as respect and humility.   The company considers 'Pride without arrogance' as its service hallmark, which means that the hotel wants their people to be internally proud of their achievements, but outwardly humble.

Question 2: Corporate mission statement
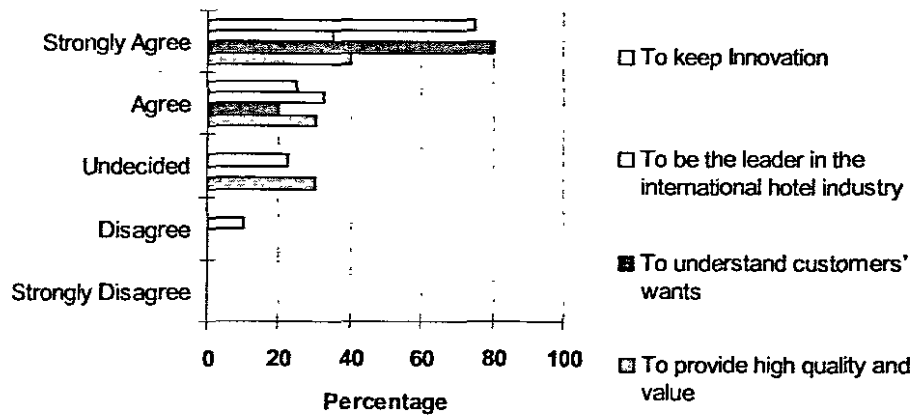
Figure 4.5.2:   Corporate mission statement

A total of 100% of participants agreed that 'the mission is to understand customers' wants and to keep innovation.'   This means that the hotel has an understanding of what their customers want and hence define quality standards that are constantly refined within the dynamics of the marketplace.   A total of 70% of respondents believed that the mission statement 'provides high quality and value.'   A total of 68% agreed that the answer was to be a leader in the international hotel industry.   The company aims to provide guests and employees with a safe and secure environment, which is commensurate in all respects with high international standards.

Question 3: Traditions at my hotel
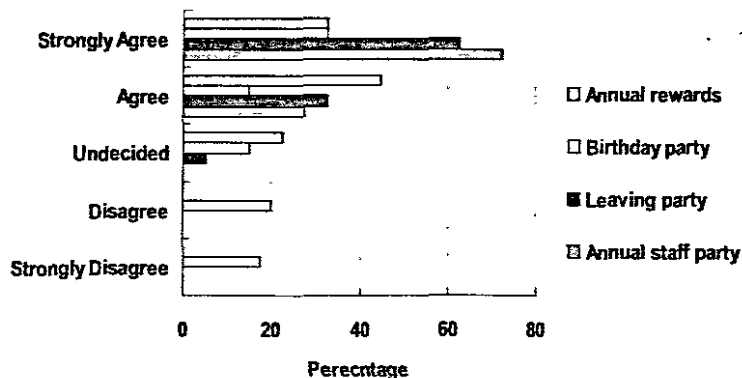
Figure 4.5.3:   Traditions at my hotel

The annual staff parties, which are held in winter (close to the Chinese Spring Festival) were mentioned by a total of 100% of participants.   All hotel employees are invited to

attend these occasions. A total of 95% also mentioned leaving rituals that were arranged and co-ordinated by management. A total of 78% of participants referred to the awards systems. Firstly, all hotel employees choose the best employee from their departments and then the selected person participates in a final competition. A total of 48% mentioned that birthday parties were celebrated at their hotel.

Question 4: The following training and induction programmes are provided to staff at my hotel
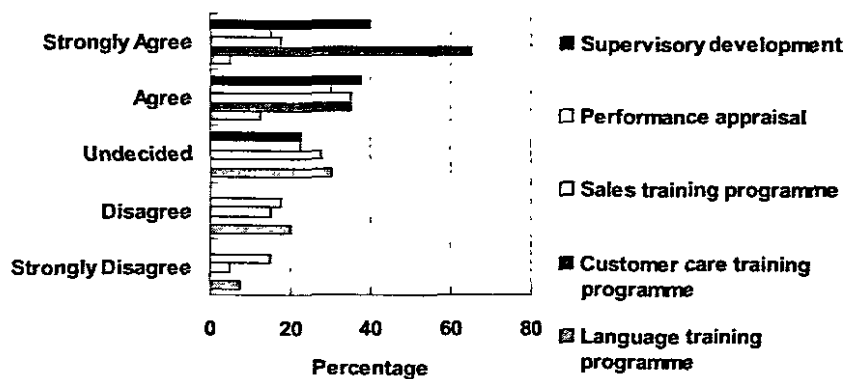
Figure 4.5.4: The following training and induction programmes are provided to staff at my hotel

A total of 100% of respondents mentioned their 'customer care training programme'. Hotel Y's care service training program is divided into three modules and, in line with the group's strategic plan to be an industry leader, all members of staff undergo the modules within six months of joining the group. A total of 40% of participants strongly agreed with the 'Supervisory Development Program', which is specifically designed for people who show potential to reach a senior management position within the company. A further 38% of respondents agreed. Administration of the program is carried out at corporate level with a view to develop a group-wide career path for the trainee. A total of 18% of respondents strongly agreed with a sales training programme and 35% agreed; 15% of respondents strongly agreed with performance appraisal and 30% agreed; and 5% of respondents strongly agreed with a language training programme and 13% agreed.

Question 5: Particularly meaningful people in this organisation
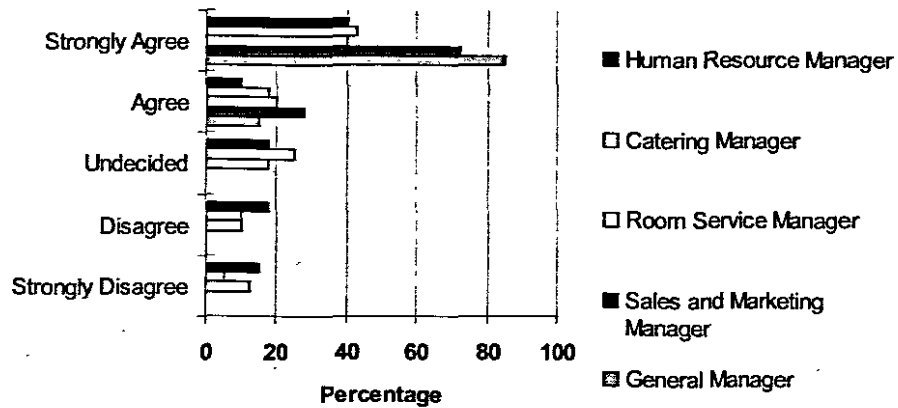
Figure 4.5.5: Particularly meaningful people in this organisation

The general Manager was mentioned by 85% of respondents who strongly agreed, and 15% agreed, while 73% of respondents strongly agreed that the significant person was the Sales and Marketing Manager and 27% agreed. A total of 43% of respondents strongly agreed that the essential person was the Catering Manager and 17% agreed, while 40% of respondents strongly agreed that the main person is the Human Resource Manager and 20% agreed, while 40% of respondents strongly agreed that, the main person was the Room Service Manager and 10% agreed. The General Manager is an important person who shows the way by leading, directing, or advising.

Question 6: There are no national borders that exist in my company's career path. Irrespective where one is from, one has plenty of opportunities
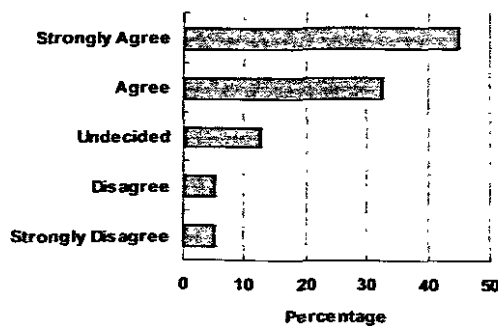
Figure 4.5.6: There are no national borders that exist in my company's career path. Irrespective where one is from, one has plenty of opportunities

A total of 45% of respondents strongly agreed that there were no national borders that exist within the hotel and 33% agreed. However, 5% of respondents disagreed with the statement and 5% strongly disagreed, while 12% of respondents were undecided. All employees also have a chance to receive training abroad and work in Hotel Y. Employees can use company computers to search for job opportunities in any of the company's global outlets, since nationality is not a restriction. No matter where one is from, one still has plenty of opportunities worldwide with Hotel Y.

Question 7: My company uses intermediaries who act as a knowledge bridge between foreign persons and locals
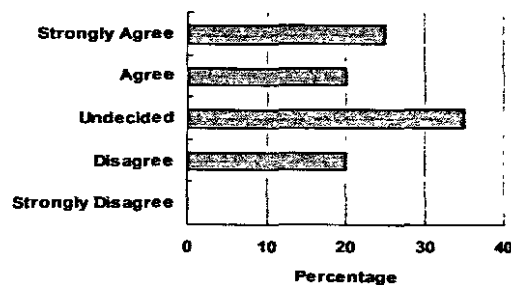
Figure 4.5.7: My company uses intermediaries who act as a knowledge bridge between foreign persons and locals

A total of 20% of respondents believed that the company used intermediaries who act as knowledge bridges between people from foreign countries and local populace, while 25% strongly agreed. A total of 35% of respondents were undecided regarding the statement and 20% disagreed. Chinese culture is collective, is influenced by Confucian values, and is reinforced by collective orientations and of "high context". Hotel Y is Asian-based, it takes on some Asian values, but it does not mean that these two groups do not need to communicate with each other. The role of the expatriates in the employees' training and technical transforming process, is important.

Question 8: Hotel has a strong culture
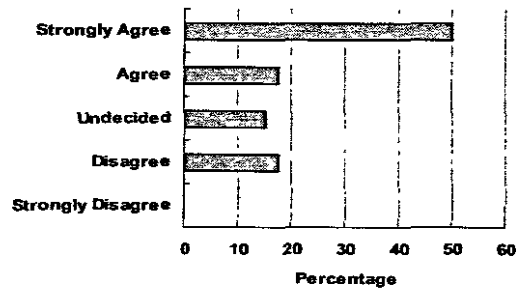
Figure 4.5.8: Hotel has a strong culture

A total of 68% of respondents regarded the organisational culture of Hotel Y to be strong, while 17% of participants believed that the culture there was not strong at all; 15% of participants were undecided with this statement and 17% disagreed. Most respondents described the culture of Hotel Y as 'respectful', 'always customer-focused', 'humble' and 'professional'. The company's philosophy is 'Hotel Y has caring people', which means that both customers and employees are caring people.

Question 9: Some present identifiable subcultures
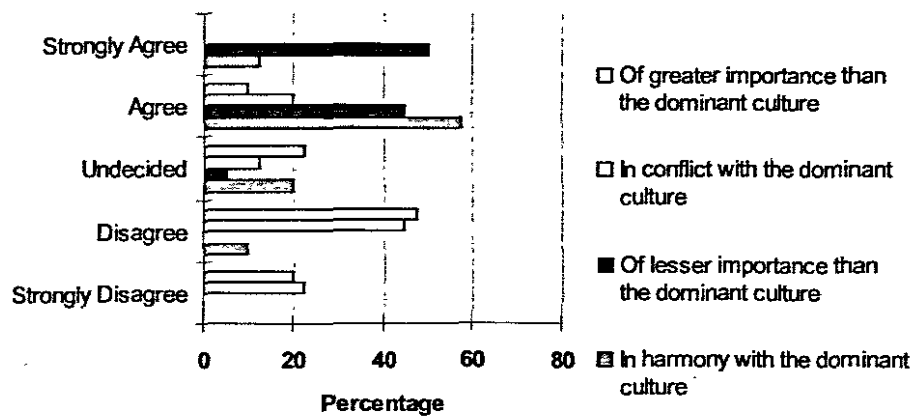
Figure 4.5.9: Some present identifiable subcultures

All respondents believed that the culture of the hotel incorporates several subcultures, but a total of 95% of respondents agreed that these were of lesser importance than the dominant culture and a total of 70% of respondents agreed that they were in harmony with

the dominant culture. A total of 10% of respondents agreed that the subcultures were of greater importance than the dominant culture and a total of 20% of respondents agreed that there was conflict with the dominant culture. Age is one cause for subgroups, for example, single young adults usually get along and socialise outside of the workplace. They seem to be more spirited and flexible in this regard. Compared with the younger people, some married employees easily find common ground. Specifically, there are two major groups that exist in this hotel: a minority of people who used to work there before Hotel Y took over the management, and a majority of people who joined the company after restructuring. Additionally, people work in different departments and have various levels of education, which are main reasons for culture differentiation within the dominant culture of this organisation.

Question 10: Benefits that my organisation offer
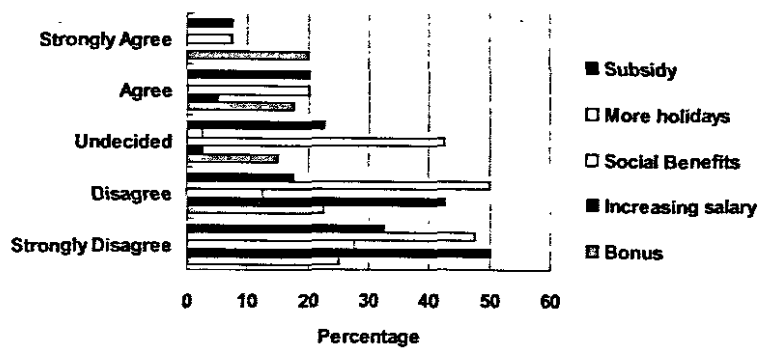
Figure 4.5.10: Benefits that my organisation offer

A total of 97% of the interviewees and a total of 93% disagreed with the statements of increasing salary and that more holidays were offered. A total of 38% of respondents agreed that bonuses were offered, while 28% of respondents agreed that subsidies and social benefits were offered. "An honest and harmonious working environment is necessary." Several interviewees considered that more pay and holidays were best rewards.

Question 11: Examples of misconduct by managers
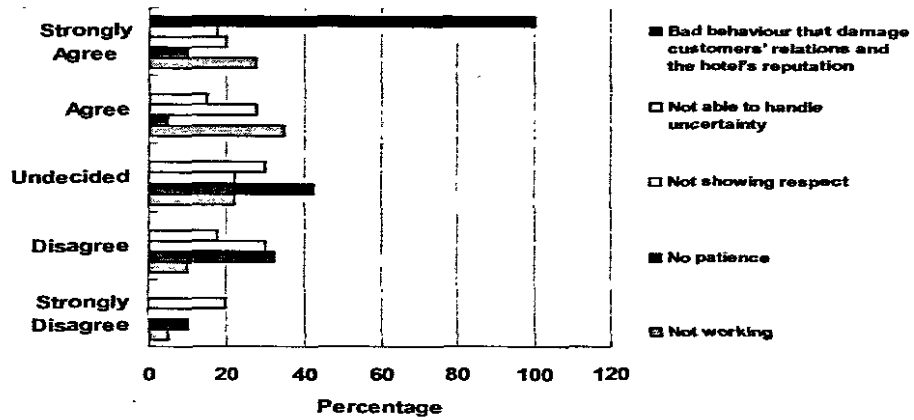
Figure 4.5.11:   Examples of misconduct by managers

All respondents commented that, as customer loyalty is a key driver for their business, any behaviour that damages customers' perceptions and the hotel's reputation, is intolerable. A total of 63% of respondents agreed that the chief misconduct was 'not working.'   In total, 48% of respondents regarded that a primary misconduct was 'not showing respect.' A total of 33% of respondents stated that the main misconduct was an inability to handle uncertainties, while 15% of respondents agreed that misconduct was caused by lack of patience.

4.3.4 Section C of Questionnaires:

This section reports on findings from questionnaires that were completed by 17 expatriate managers from Hotel Y1 and Y2.

Question 1: Managers prefer novel ideas in this organisation
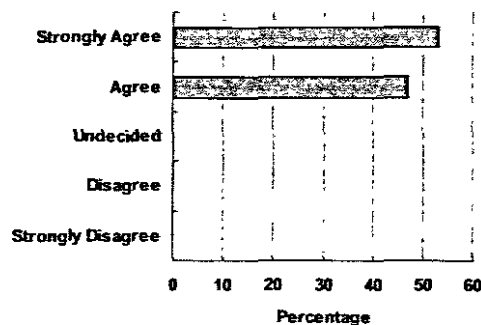
Figure 4.6.1:   Managers prefer novel ideas in this organisation

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A total of 53% of participants agreed with the statement, while 47% strongly agreed.   Hotel Y claims to welcome any novel ideas and proposals.   It is committed to conducting business so that it empowers all employees to work towards continuous product innovation and improvement, thus the hotel welcomes any constructive opinions.

Question 2: It is important to share one's experience and to talk to other expatriates
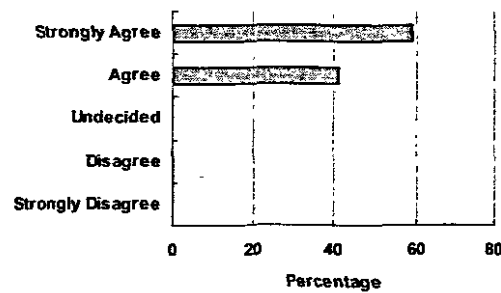
Figure 4.6.2:   It is important to share one's experience and to talk to other expatriates

A total of 59% of respondents strongly agreed that it was important to share experiences with other expatriates and 41% agreed with the statement.   Because different managers encountered different problems before, they shared experiences with each other, which can aid to avoid repeating mistakes.

Question 3: Different departments communicate daily
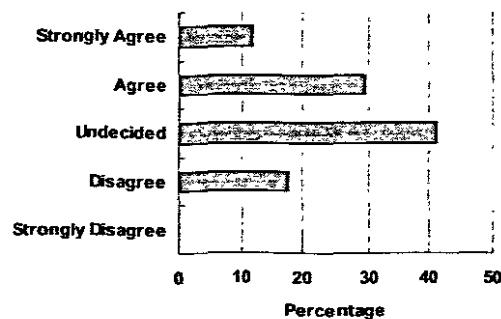
Figure 4.6.3:   Different departments communicate daily

A total of 29% of participants agreed with the statement, while 12% strongly agreed. However, 41% were undecided with the statement, while 18% disagreed. It may indicate peoples' apathetic relationship between rival departments, which is in contrast with the company's deployment plan, entitled 'One Team - One Way Towards Dominance.' It was carried out through a detailed and comprehensive communication process, which ensure that the company was focused on one vision. This strategic plan was thought to be a preferred choice for customers and employees. In Hotel Y all employees share industry updates on products, new concepts, systems, productivity and standards from weekly to annual conferences and appraisals in order to better satisfy guests and employees' demands.

Question 4: There is quite a lot of financial and technical support from the parent organisation
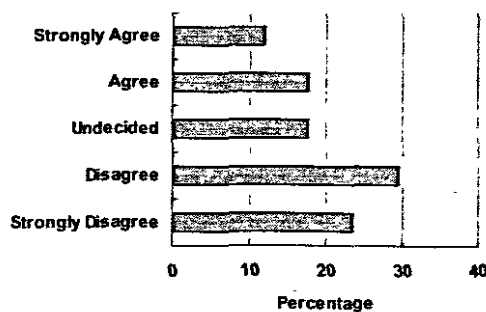
Figure 4.6.4:   There is quite a lot of financial and technical support from the parent

organisation

A total of 23% of respondents felt strongly that there was not quite a lot of financial and technical support from the parent organisation and 29% agreed, while 12% of respondents strongly agreed with the statement and 18% agreed. A total of 18% were undecided with the statement. Insufficient support from the parent company can cause expatriate failure. However, it seemed that Hotel Y did not pay much attention to this issue for unknown reasons.

Question 5: Roles of the manager at this hotel
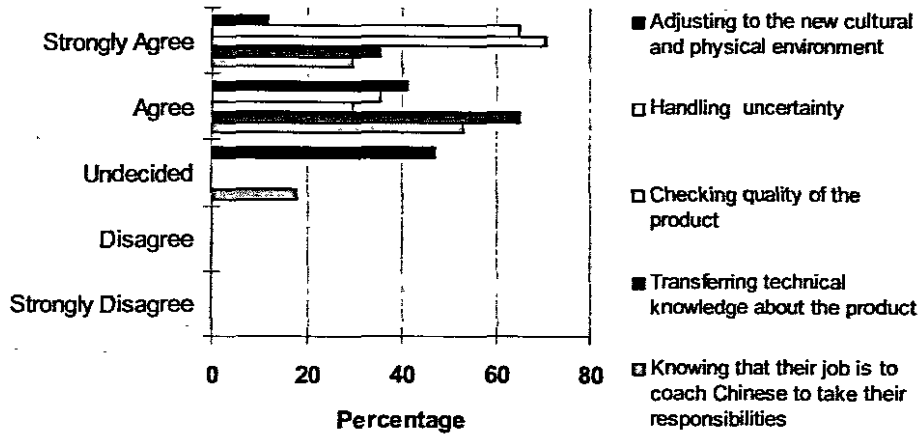
Figure 4.6.5:   Roles of the manager at this hotel

A total of 100% of respondents chose 'checking the quality of the product' and 'handling uncertainty' as main role of the hotel manager, also 100% of participants thought that 'transferring technical knowledge about the product', was another key role for hotel managers.   A total of 82% regarded coaching Chinese employees to fulfil their responsibilities, as a role of the hotel manager.   A total of 53% of respondents agreed that the main role of the hotel manager was to adjust to a new cultural and physical environment.

Question 6: There are disagreements regarding interpretation of rules in this organisation
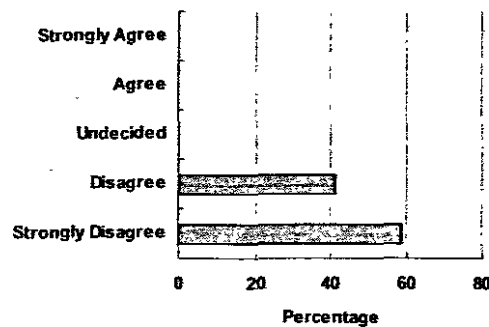
Figure 4.6.6:   There are disagreements regarding interpretation of rules in this organisation

A total of 41% of interviewees said 'No', while 59% strongly disagreed Chinese employees in fact enjoy well-documented rules and procedures, which to some extent reduce their risks and any ambiguities, hence the hotel has clear rules, job descriptions, as well as explicit instructions for specific work. Besides, the hotel has experimented with definite praise and goal setting in order to raise employees' confidence levels.

Question 7: Employees' attitudes towards their mistakes
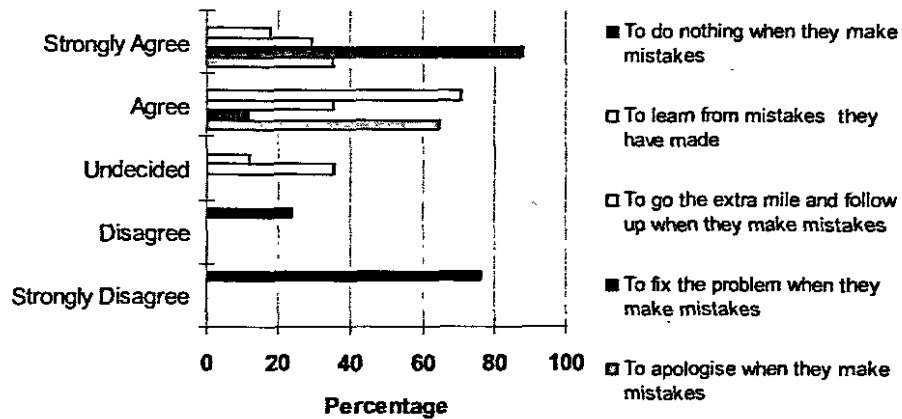
Figure 4.6.7: Employees' attitudes towards their mistakes

A total of 100% of interviewees highlighted that 'the company attaches importance to apologising and fixing when a mistake is made'. A total of 89% of interviewees chose learning from mistakes. Hotel Y always emphasizes one important belief that 'when recovery is done well, it may be an opportunity to gain further commitment and loyalty; however, if there is no or poor recovery, the lifetime value of the guest is lost in addition to at least 25 others who may hear of the incident via word-of-mouth. Therefore, all staff are trained to learn from mistakes and to resolve them as soon as possible.' A total of 64% of interviewees agreed that they go the extra mile and follow up when they had made mistakes. Nobody agreed that they do nothing when they have erred.

Question 8: Employees are able to retain a sense of their own individuality
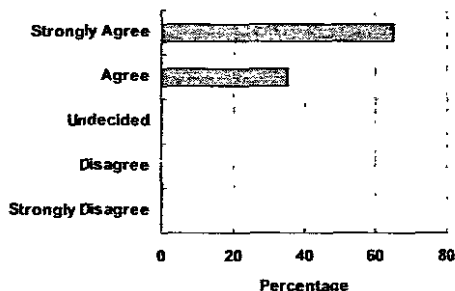
Figure 4.6.8:   Employees are able to retain a sense of their own individuality

A total of 35% of respondents stressed that they believe that their staff could retain their own individuality, while 65% strongly agreed.   One of this company's guiding principles is creating an environment where colleagues may achieve their personal career goals, hence the hotel encourages employees there to show their individual characteristics. Increasingly, employees yearn for such opportunities.

Question 9: Employees are generally helpful and considerate of others
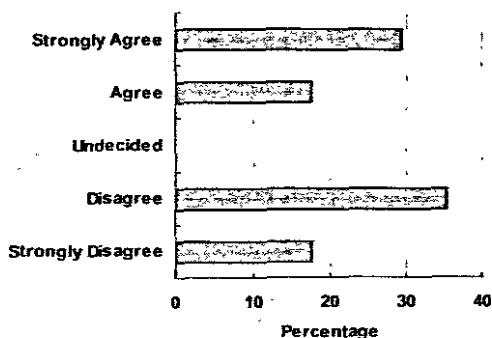
Figure 4.6.9:   Employees are generally helpful and considerate of others

A total of 29% of participants strongly agreed that people there were generally helpful and polite, while 18% agreed, while 35% of participants pointed out that their relationships are not too friendly owing to conflicts between employees, and 18% strongly disagreed.   Due to conflicts amongst some cliques, their relationships are not of a friendly nature.

Question 10: Company plays an important role in preparing their expatriate managers for the assignments in China
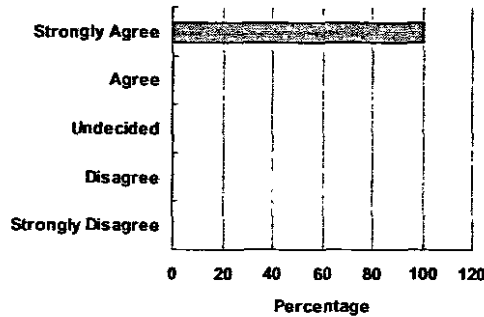
Figure 4.6.10: Company plays an important role in preparing their expatriate managers for the assignments in China

A total of 100% of expatriate managers agreed that the company should plan foreign assignments in order to avoid expatriate failure. It will be a waste of money and time for the company, while expatriate managers will diminish their reputation.

Question 11: How are conflicts addressed within this organisation?
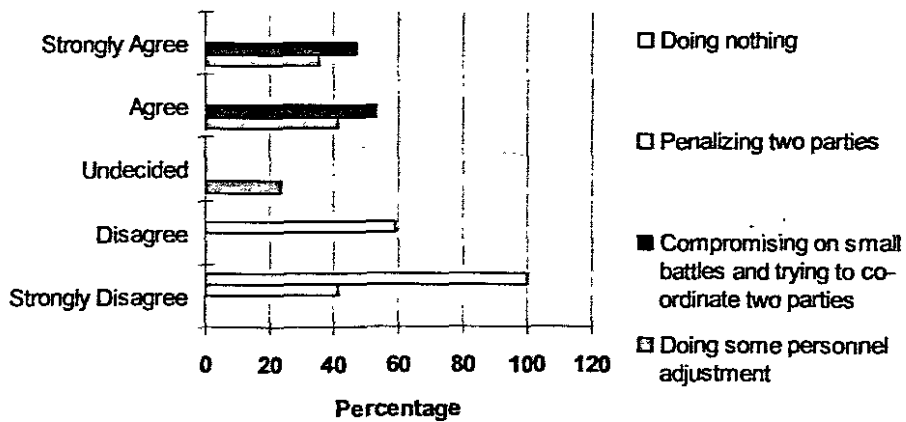
Figure 4.6.11: How are conflicts addressed within this organisation?

Conflicts are frequent and unavoidable. Chinese people often confine conflicts and divergences to save 'face,' therefore, 53% of respondents agreed that usually they aim for a compromise agreement in respect of small disputes and quarrels, and encourage parties involved to communicate frequently in order to reduce misunderstandings and conflicts,

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while 47% strongly agreed. A total of 41% of respondents indicated that 'if necessary, they will do some personnel adjustment,' and 35% strongly agreed. None agreed to do nothing or penalize the two disputing parties.

Question 12: Most employees are loyal to the organisation and wish to commit to a long-term career
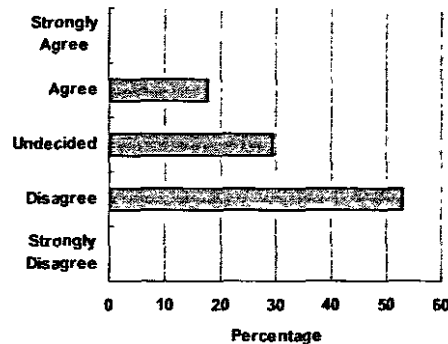
Figure 4.6.12: Most employees are loyal to the organisation and wish to commit to a long-term career

A total of 18% of respondents considered that employees there were basically loyal to the organisation. Conversely, 53% of participants indicated that employees' loyalty and sense of belonging should be further developed, while 29% of respondents were undecided. Chinese employees, especially lower level of staff, appear to be more concerned about monetary rewards than responsibility within and identification with the company. This was proved by the company's high staff turnover.

Question 13: Biggest problem you have experienced while working here
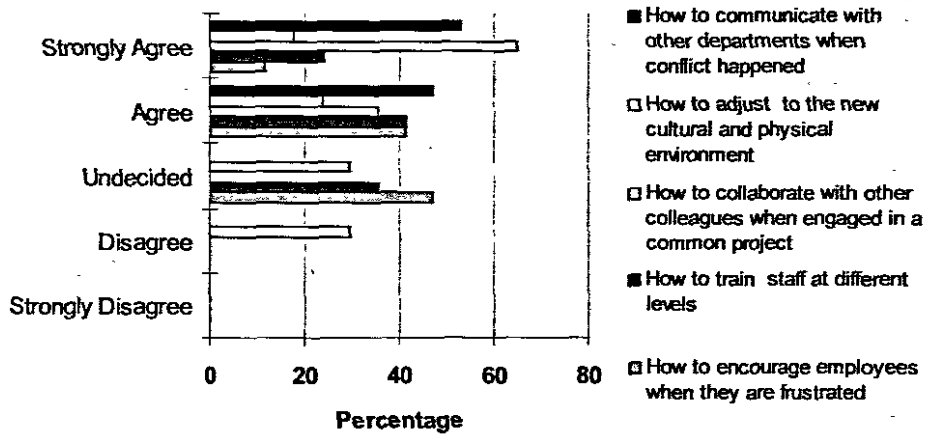
Figure 4.6.13: Biggest problem you have experienced while working here

A total of 100% of interviewees outlined problems that they encounter when collaborating with other colleagues. Chinese employees generally seek to avoid personal responsibility to solve problems; perhaps they believe that if it failed, they would lose face. A total of 100% of interviewees also mentioned some problems regarding communicating with the conflicting departments, which placed some barriers in front of regular collaborations. A total of 41% of interviewees pointed to problems with training staff at different levels, while 24% strongly agreed; 41% of interviewees mentioned the problem of encouraging employees when they are frustrated and 12% strongly agreed. Developing innovative and practical concepts and motivating employees to show their initiatives, are huge challenges for expatriate managers, while 24% of interviewees agreed that it is difficult to adjust to the new cultural and physical environment, and 18% strongly agreed. Because the organisational culture of Hotel Y is based on Asian values, it is not difficult to adjust to Chinese culture and its environment.

Question 14: Skills that a good expatriate should posses
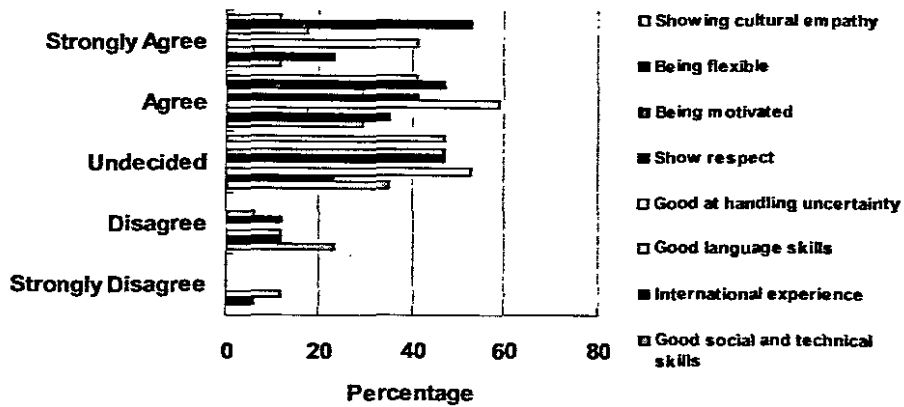
Figure 4.6.14: Skills that a good expatriate should posses

A total of 100% of respondents highlight *handling uncertainty* and *being flexible* as the most important features of an expatriate. The only feature that both groups of employees see as relatively important, is flexibility, which might indicate that both employees from Hotels X and Y consider that being able to easily change environments and way of working, is important for the expatriates. A total of 59% of respondents agreed with *international experience;* 53% of respondents talked about *showing cultural empathy;* 47% of respondents agreed with *being motivated;* 41% of respondents agreed with *showing respect* and *good social and technical skills;* and 24% of respondents agreed with good language skills. Living and especially working in a different culture than one's own demands a lot of patience from an expatriate. The adjustment process and getting to know the new culture, as well as the new working environment, takes time, thus the need for being patient. As for being able to handle uncertainty, it is possible for a person to predict certain events when working in the home country.

to succeed. Choosing this feature as the most important one might depend on the fact that employees' cultural awareness is high and that they are aware of the fact that in order to work in a different culture, it is necessary to adjust to it as soon as possible.

4.3.5 Interpretation of findings

Compared to Case One, the organisational culture of Hotel Y assumes certain Asian values such as respect and humility. The company considers 'Pride without arrogance' as its service hallmark, which means that the hotel wants their people to be internally proud of their achievements, but outwardly humble. This point of view accords with several cultural theorists' (Hofstede, 1991:57; Lockett, 1988:479; Nevis, 1983:29) analysis on Asian peoples' customs and beliefs that rank humility as an important virtue. Moreover, it is evident from the findings that respect for hierarchy is significant and this character is often revealed in Chinese organisational cultures (Hofstede, 1991:62; Warner, 1993:65).

The company's mission statement also suggests customer orientation and their objectives are set to provide guests and employees with a safe and secure environment commensurate in all respects with accepted international standards. Some symbolic rewards, rites and rituals come together to offer a web of meanings for employees.

Nevertheless, there are some identifiable subcultures in Hotel Y, which include age, division of two groups based on before and after take-over, different departments and various degrees of education. As analyzed in Case One, in spite of a dominant culture, it is unavoidable that there would be certain subcultures within a company. In particular, according to the findings of Section C, predominance of a department diversity factor is considered as a main reason for cultural division within Hotel Y. It also suggests that the subcultures of certain cliques who look after themselves may sometimes go against the dominant culture. Hence, this implies that the organisation's internal effectiveness may well rest on whether the group to which a person belongs, has aims that are in line with those of the organisation. In this regard, respect for hierarchy would appear to be important, in terms of a decision made by a Chinese worker to step outside of a clearly

defined role. Some cultural theorists such as Redding and Wong (1986:94) and Silin (1976:77) have noted such features of Chinese work value.

Apart from the same work value, as shown in Case One, that pay is considered as an important motivational factor, the gape for an honest and harmonious working environment, is put forward. Besides, associated with the questionnaires conducted in Section C, several participants pointed out that the relationships between some departments are not too friendly. Thus, it further indicates that conflicts between some rival departments may be dramatic.

The findings of Section C show that this hotel strives to keep the organisation innovative and minimises bureaucracy. Normally, managers welcome novel ideas for product improvement and stress recovery when a mistake is made. This point of view may conform to their core value of delighting customers in order to gain loyalty. Moreover, it seems that expatriate managers who work in Hotel Y has adapted their management styles to some extent, which is illustrated in two aspects: first, most of the interviewees are aware of Chinese employees' preference to clear regulations and job descriptions, hence they formulate strict and definite disciplines and rules; second, they note that Chinese people usually confine divergences within groups to keep 'face', hence they choose compromising behaviours to tackle staff conflicts. Apparently, stipulation of definitive rules and policies not only suggests a strong uncertainty avoidance, but also great respect for hierarchy (high power distance). Thus, it appears to be a bit inconsistent that the company advocates flexibility and openness, while they maintain fixed rules and policies. However, conclusions made here also cannot be generalized owing to the small number of participants.

In addition, the findings show that monetary rewards and material benefits seem to be the main concern for Chinese employees in Hotel Y that loyalty and commitment are not considered as important. Comparatively speaking, training programmes for management levels are consummate, while conductive training courses for lower levels of staffs are not too effective, which is perhaps the reason why employees' association and identity with the

company are not too strong. Some interviewees also mentioned similar challenges, which were shown in Case One, which are related to the motivation of employees' initiatives and personal responsibility.

As Sergeant and Frenkel (1998:22) highlight, there is a great need for patience and communication in China. People are competent, and as long as they know what managers want, they will deliver. Western managers cannot expect Chinese employees to rely on their initiatives, while authors add that communication is also important. In China communication means understanding what Chinese employees are saying. Authors provided several examples referring to an Asian means of "yes". In China "yes" does not mean that the person agrees or understands, it merely means that the person has heard you.

As Sergeant and Frenkel (1998:25) note, the most valuable source of information and advice is from the expatriate community in the host country. Authors state that examples from several companies show that learning by experience, as well as other people's experience, is always better than having to bear the costs. They add that, returned managers can play an active role in managing and supporting current expatriates in China. In both cases, expatriate managers have realized that they should utilize a changeover period during which both returning and new expatriate managers can stay together for a while in China.

Not being flexible and a partner's inability to adjust are two possible reasons for expatriate failure that were chosen and, at the same time, ranked highest in Case One. Trained expatriates have also chosen a lack of humor as another most important factor. This might also be a link to the fact that the company that they work for focuses a lot on cultural problems that an expatriate can encounter when working in a different country; especially as the expatriates had been sent to Asia, where most cultures are significantly different from European ones.

All respondents at Hotel Y agree that the company plays an important role in preparing their expatriate managers for assignments in China and the company should develop a sound plan before sending their expatriates to China, as discussed in Case One.

As a result, challenges that expatriate managers at Hotel Y face could be concluded as follows:

- Subculture (mainly different departments and cliques);
- Coordination between power distance and flexible management styles;
- Cultivating employees' loyalty from improving training programmes;
- Encouraging staff initiatives and responsibilities ;
- Handling uncertainty;
- Communication;
- Not being flexible and partner's inability to adjust;   and
- Support from the parent company.

4.4 Summary

This chapter described results from the empirical part of the research and presented a discussion of the descriptive analysis of the collected information.   Questionnaires were used to gather necessary data from the case study investigation.   As a result, two case studies, which illustrate different cultural contexts within which expatriate hotel managers work in China, were presented and analyzed.   In Case One, subculture, motivating staff initiatives and personalities, training different levels of staff, communication and high labour turnover, were examined as main challenges that face expatriate hotel managers.   In Case Two, apart from the same challenges of subculture and initiative motivation, coordination between power distance and flexible management styles, as well as staff loyalty cultivation from training program improvement, were examined.   The following chapter and final outlines recommendations for expatriate managers and for further research.

Chapter Five

Recommendations and Conclusion

5.1 Introduction

The previous chapter outlined the results of the empirical part of the research and presented an interpretation of the descriptive analysis of the collected information. The objective of this study was to examine organisational and cross-cultural challenges that face expatriate managers who work in trans-national luxury hotels in China. Firstly, an overview of the chapters is presented, and secondly, recommendations for expatriate managers and further research, are provided. Understanding China is a long term process for Western expatriates. Western managers are rather like blind persons when they visit China for the first time. They often have little to do with real China. Thus, all possible means should be engaged by companies to facilitate the adjustment process of Western expatriates in China. It is hoped that this study will provide a useful reference for expatriate hotel managers who are confronted with issues of managing Chinese employees, and for researchers who wish to further examine the findings within this study.

5.2 Overview of Chapters

5.2.1 Chapter One

The first chapter of this thesis introduced general background information and development of hotel industries in China, while it also identified the main research questions and objectives of this study.

5.2.2 Chapter Two

The second chapter considered a theoretical background of the study, and reviewed relevant literature on organisational culture, which included various definitions of culture and organisational culture. Next, expatriation and challenges for expatriates in a Chinese context, were explored. By reviewing cultural theorists' former works, the characteristics of Chinese work values and managerial styles were identified. It seemed to reveal a picture that Chinese employees, generally, have great respect for hierarchy, and that collectivism

is held in high esteem.   Furthermore, the importance of pay and social stability for Chinese workers, was also indicated.   The unique characteristics of Chinese managerial styles include highly centralized decision-making, exhibiting nepotism, as well as demonstrating a paternalistic style of leadership with strong emphasis on group behaviour and relationships. Conformity and the concept of 'face and harmony', were particularly highlighted.

5.2.3 Chapter Three

Chapter Three discussed methodology used in this thesis.   Qualitative case study investigation was introduced and justified as the research method.   Data collection was divided into two parts: secondary data collection and primary data collection.   In particular, chosen case study techniques comprised documentation and questionnaires. The questionnaire structure was analyzed and the sampling design was identified as expert sampling.   Finally, some limiting factors concerning this research were also discussed.

5.2.4 Chapter Four

The fourth chapter of this thesis introduced a descriptive analysis of the results of the exploration and suggested some discussion of the obtained findings.   Case One related to three branches of foreign invested luxury hotels in Beijing, Shanghai and Nanjing.   In Case Two, the two selected hotels had undergone a foreign take-over.   Its organisational culture has maintained certain Asian values such as respect and humility.   Data was collected from both local and expatriate hotel managers.   Accordingly, this chapter presents findings in each case and suggests discussion of the obtained research results, respectively.   In Case One, subculture, motivating staff initiatives and personalities, training different levels of staff, communication and high labour turnover, were examined as main challenges that face the expatriate hotel managers.   In Case Two, apart from the same challenges of subculture and initiative motivation, coordination between power distance and flexible management styles, as well as staff loyalty cultivation from training program improvement, were also examined.

5.2.5 Chapter Five

The objective of this study was to examine organisational and cross-cultural challenges that face expatriate managers who work in trans-national luxury hotels in China. This chapter is divided into various parts. First, an overview of the chapters is presented, followed by recommendations, which are based on the research study, and finally, further research possibilities are suggested.

5.3 Recommendations

The following recommendations are made, which are based on findings and revelations from the research study.

5.3.1 Recommendation 1

Since most Chinese employees prefer clear job descriptions and instructions for specific tasks, expatriate managers should try to arrange organisational rules and procedures in a well-documented and well-communicated manner in order to reduce risk and ambiguity. At the same time, their management styles should be flexible because of the diversified and unpredictable nature of customer services, which are provided by hotels.

5.3.2 Recommendation 2

Chinese staff is likely to establish personal connection and favouritism within delimited groups and sometimes the subcultures of these groups may contradict the dominant culture. Thus, expatriate managers should establish a detailed and comprehensive process of communication among different departments, and ensure transfer of accurate work information on a timely basis. In particular, employees' feedback should be considered as an important communication tool in order to understand employees' opinions, which may result in improved management.

5.3.3 Recommendation 3

Motivating Chinese employees' initiatives and responsibilities was identified as a major challenge. Therefore, according to Chinese people's work values, which read that people think a lot about money, position and future, expatriate managers may experiment with

praise, rewards, individual goal setting and clear career development to encourage them to show personal characteristics and raise their confidence levels.

5.3.4 Recommendation 4

In order to cultivate employees' loyalty and establish their long-term career, the expatiate managers should develop more effective induction training programmes for all levels of staff and plan a clear career path for them. Additionally, cross-training programmes for international exposure should be added so that talented individuals may have opportunities to achieve their goals.

5.3.5 Recommendation 5

It seems that pay and some social benefits such as housing allowances, are important for Chinese employees; expatriate managers should ensure that money is commensurate with an employee's standing within the organisation.

5.3.6 Recommendation 6

The performance of expatriates within employees' training, is important. They should be well prepared for this role, especially when engaging with assignments in countries such as China, which is culturally different from Western cultures. Expatriates ability to adjust and understand other cultures is primarily important so that they are flexible and also incorporate their families into the process. The feeling of "belonging" and maintenance of harmonious relationships is important for Chinese workers in the workplace, as well as in their private life. If expatriates who have much training experience do not recognize cultural differences between Western and Chinese employees, they may fail. In order to communicate with Chinese employees and train them effectively, all the above-mentioned aspects should be considered by Western expatriates.

5.3.7 Recommendation 7

Communication is another important factor during an expatriate's stay in the host country, in terms of understanding Chinese culture and social norms, which are important. This can also be seen in different perceptions regarding gifts and bribery in China and in the

West.   When doing business with the Chinese, sending gifts as means to build personal relationships between business partners is much more useful than verbal communication and the formal negotiation process.   Therefore, it appears to be helpful for expatriates if the company supports him/her in this matter by providing relevant resources.

5.3.8 Recommendation 8

In order to examine experienced problems together, expatriate managers should continuously report to head office during their assignment in China.   In order to make the expatriate manager aware of Chinese values and perceptions, the company can also ask Chinese employees for feedback on the performance of the expatriate manager.

5.3.9 Recommendation 9

Expatriates should maintain contact with other expatriates, because learning from other people's experience is always better than learning individually.   Returning managers can help current expatriates with coping and support in China, while there should be a handover period between returning and new expatriate managers in China.   The company should provide expatriates with support from previous expatriates in China, as they have potential to assume coaching and mentoring roles.

5.3.10 Recommendation 10

In China there is a great need for patience, Chinese are particular about details and long-term relationships.   Their ways of doing things can be quite different.   Because Western companies are keen on closing deals and act swiftly within the market, it may cause failure if companies only focused on receiving quick revenues in China.   Doing business in China is a long process, since it usually takes a long time to get things done, as in China there is a need to stay calm and composed.

5.3.11 Recommendation 11

The process of preparation and training of expatriate managers is important, and should be considered in detail. When planning support for an expatriate, companies should consider the following aspects:

- How long will the expatriate take with the assignment and what is the schedule for preparation processes?
- The assignment's character and goal, and the expatriate's position;
- The expatriate's personality and skill;
- Working experience and knowledge of the country and its culture;   and
- Does the person realize his/her strengths and weaknesses?

5.3.12 Recommendation 12

Studying the literature regarding expatriation and looking at the results of this study from the five researched hotels, suggestions about preparing their expatriate managers in China, are provided.   The following suggestions may be useful to organisations:

- Prepare a detailed plan and give the expatriate a clear description of his/her tasks;
- Recognize the assignment's character;
- Focus on the candidate's personality and his/her professional background and choose an appropriate;
- Provide motivation and incentives;
- The company should provide and balance skills, abilities and training issues;
- Provide feedback during the assignment;   and
- Provide support with repatriation.

5.4 Recommendation for Further Research

It is recommended for further research to develop a more sound research methodological framework for organisational and cross-cultural studies within the hotel industry.

Generally, studies that relate to organisational culture can be divided into those that are based on soft, qualitative information versus those that seek hard, quantitative data (Hofstede, 1991:57).   This thesis has mainly used qualitative data in respect of case studies, but it inevitably raises questions of reliability and generalization.   Thus, it will be advantageous for further investigation to apply a multidimensional profiling survey on such cultural studies.   Jick (1979:605) has proposed 'triangulation' as a method of combining

qualitative and quantitative data. This approach allows the researcher to capitalize on advantages of quantitative methods that are reliable, and at the same time captures a richer picture of the organisation owing to specific qualitative descriptions and interpretations (Hawkins, 1997:418).

Furthermore, when conducting case studies, it is recommended to apply as many sources of evidence as possible, as no single source has a complete advantage over all the others (Yin, 1994:85). Due to limited time and resources, techniques that were used in this thesis are documentation and questionnaires. Thus, it will be favourable to add more techniques for further research such as face-to-face interviews, direct observation or participant observation. Observational evidence is often useful in providing additional information about the topic, which is studied. Observations show that the researcher has acquired necessary information simply by watching people and listening to what they say in real-life working environments.

The participant-observation method of enquiry is a special model of observation and is more advantageous than direct observations. This technique allows the observer to gather more reliable information, which otherwise would be impossible to obtain (Yin, 1994:91). That is, the investigator becomes a member of the staff, which will facilitate making contacts with employees at the hotel and a better understanding of their personalities, work values and management styles. However, observation methods are usually time-consuming and do have certain potential biases. For example, the participant-observer is likely to follow a commonly known phenomenon and may not always be aware of the artefacts of their corporate culture. As a result, potential information might be missed. Hence, the investigator should carefully consider disadvantages of these methods when conducting further research.

In summary, the deepest level of culture can be investigated through more intensive observation, interviews and quantitative measures.

5.5 Conclusion

This thesis has examined organisational and cross-cultural challenges that face expatriate managers who work in trans-national luxury hotels in China.

Case One investigated three branches of foreign invested luxury hotels in Beijing, Shanghai and Nanjing. The results of the findings showed that it was inevitable that there would be certain subcultures within a main culture of a company, and departmental diversity was a predominant factor of cultural divisions in Hotel X. The findings also indicated that affiliation and personal connection play key roles within work units in China, while people usually think a lot about money and certain social benefits.

On one hand, managers usually welcome innovative opinions and encourage learning from mistakes, but collectivism and uncertainty avoidance seem to be regarded highly among Chinese employees. They are less willing to make individual and risky decisions. Conversely, an increasing number of staff who are international graduates from abroad, are more likely to accept Western values and intend to be individually focused and participate more in decision-making processes. Thus, with development of economy and the impact of Western values, an increasing number of young and well-educated people would like to show their personalities, which makes individualism more important than before.

Apart from the challenges of subcultures and motivating staff initiatives, the findings in Case One suggest that the high staff turnover and different levels of staff training, are great challenges that face the expatriate hotel managers. Hence, developing effective induction training programmes and setting clear career development, play vital roles in cultivating employees' sense of belonging.

In Case Two, the two selected hotels had undergone a foreign take-over, however, its organisational culture continued to uphold Asian values such as respect and humility. Similarly, there were some identifiable subcultures among which department diversity was considered as a main reason for cultural division. Moreover, the findings pointed out that the subculture of certain cliques might sometimes contradict the dominant culture, hence

the organisation's internal effectiveness may be subject to whether the subgroup has aims that are in line with the organisation.

In comparison with Case One, expatriate managers in Case Two adapted their managerial styles, to some extent, to the Chinese context. They formulate strict rules and strive to compromise on conflicts as means to save staff 'face'. However, one challenge arises from co-ordinating the inconsistency of advocating flexible guiding principles and sticking to rigid rules and policies. Moreover, the findings showed that Chinese employees might regard monetary rewards as more important than loyalty and commitment to the company. Expatriate managers thus face another challenge, which is to build and strengthen employees' corporate identity by improving efficient training programmes. Finally, as suggested in Case One, challenges of motivating employee responsibility and initiatives, remained that of expatriate hotel managers.

Western managers are like blind persons when they visit China for the first time. They form a view of the country based on a few impressions, which often have little to do with real China. Understanding China is a long term process; all possible means should be engaged by companies to facilitate the adjustment process of Western expatriates in China. Cross-cultural training and preparation such as language training, as well as careful selection of candidates for expatriate assignments, were areas that were identified in the study as being important for successful adjustment of expatriates in China, yet are insufficiently provided by companies.

This study showed that maximum effectiveness of training takes place only when trainees are motivated to learn. Thus, it is important for companies to select people who have travelling experience, who regard the benefits of training given prior to departure, as they have experienced contacts with other cultures. It is also important when creating training and organising support for expatriates, that there should be constant cooperation between expatriates and the company. Expatriate managers should continuously report to headquarters during the assignment period in China in order to examine experienced problems together. The company can also contact Chinese employees to ask how they

view expatriate managers in order to make them aware of local values and perceptions. The company should also provide expatriates with support from previous expatriates in China, as they have potential to perform coaching and mentoring roles (Sergeant & Frenkel, 1998:19). It would also be useful to let the expatriate predecessor and successor stay together for some time at the location in China to facilitate information exchange. Finally, the company can support expatriates by providing more exposure to China through visits, as this can increase awareness of special circumstances that expatriates encounter in China.

As mean for further research, it is recommended to find a more sound research methodological framework for organisational and cross-cultural studies within the hotel industry via more effective survey methods. There is a need for a deeper investigation into the issue such as how the expatriate's family may influence the assignment abroad, among other aspects. Finally, the same or a similar study, which is conducted quantitatively amongst a large number of international companies that operate in China, might reveal better results.

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ANNEXURES

**Cape Peninsula
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Dear Sir/Madam:

I am a Master's student (student number: 203005694) in Business Administration at the Cape Peninsula University of Technology in Cape Town, South Africa.

As part of my course, I am currently undertaking a dissertation, which is supervised by Professor. MS. Bayat and Mr. R.Ismail. The title of the dissertation is ' Organisational and Cross-cultural Challenges Facing Expatriate Hotel Managers in China'. The main objective of this research is to examine expatriate managers' challenges that mainly arise from cross-cultural differences between Western and Chinese cultures, as well as diverse organisational cultures and management styles within China's hotel industry.

In order to complete this work successfully, because I am not presently in China, my friend, Miss Wei Yi, will implement the survey. I kindly request your assistant to complete the research.

Thank you for your assistant.
Yours faithfully

Gongping Wang

SURVEY

AMONG SELECTED MULTINATIONAL HOTELS (ABOVE 4 STAR RATING) IN BEIJING, NANJING AND SHANGHAI OF CHINA

ON

ORGANISATIONAL AND CROSS-CULTURAL CHALLENGES

AS PART OF A FORMAL STUDY PROJECT NAMED:

TO EVALUATE AND GIVE RECOMMENDATIONS FOR EXPATRIATE HOTEL MANAGERS AND COMPANIES

SECTON A: INDEPENDENT VARIABLES

PLEASE INDICATE YOUR EMPLOYMENT STATUS BY TICKING THE APPROPRIATE BLOCK

1.1 Indicate your Hotel Job Title		
1.1.1	Training Manager	
1.1.2	Personnel Manager	
1.1.3	Room Service Manager	
1.1.4	Sales and Marketing Manager	
1.1.5	Food & Beverage Manager	
1.1.6	Human Resource Manager	
1.1.7	Assistant Manager	
1.1.8	Resident Manager	
1.1.9	If Other, please specify:	

1.2 Experience in the hotel industry (in years)		
1.2.1	0 – 1 year	
1.2.2	2 – 5 years	
1.2.3	6 – 10 years	
1.2.4	More than ten years	
1.2.5	None	

1.3 Gender		
1.3.1	Male	
1.3.2	Female	

1.4 Language group		
1.4.1	English	
1.4.2	Chinese	
1.4.3	French	
1.4.4	Other (please specify)	

1.5 Age group		
1.5.1	Under 20	
1.5.2	21 – 30	
1.5.3	31 – 40	
1.5.4	41 – 50	
1.5.5	51 – 60	
1.5.6	60 plus	

1.6 Qualification completed		
1.6.1	No formal education	
1.6.2	Certificate / diploma	
1.6.3	Undergraduate degree	

		1	2	3	4	5
1.6.4	Postgraduate degree					
1.6.5	Other (Specify)					

SECTON B: DEPENDENT VARIABLES (For all managers including expatriate managers)

1 = STRONGLY DISAGREE

2 = DISAGREE

3 = UNDECIDED

4 = AGREE

5 = STRONGLY AGREE

(PLEASE TICK THE APPROPRIATE COLUMN PER ITEM)

	STATEMENTS	Degree of preference				
		1	2	3	4	5
1	**Culture of my organisation**					
1.1	Innovative					
1.2	Flexible					
1.3	Professional					
1.4	Respectful					
1.5	Humble					
1.6	Active					
2	**Corporate mission statements**					
2.1	To provide high quality and value					
2.2	To understand customers' wants					
2.3	To be a leader in the international hotel industry					
2.4	To be Innovative					
3	**Tradition at my hotel**					
3.1	Nothing					
3.2	Annual staff party					
3.3	Leaving party					
3.3	Birthday party					
3.5	Annual rewards					
4	**The following training and induction programmes are provided to the staff in my hotel:**					
4.1	Language training programme					
4.2	Customer care training programme					
4.3	Sales training programme					
4.4	Performance appraisal					
4.5	Supervisory development					
5	**Particularly meaningful persons in this organisation:**					
5.1	General Manager					

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5.2	Sales and Marketing Manager					
5.3	Room Service Manager					
5.4	Catering Manager					
5.5	Human Resource Manager					
6	**There are no national borders that exist in my company's career path. No matter where one is from, one has plenty of opportunities**					
7	**My company uses intermediaries who act as knowledge bridges between foreign persons and locals**					
8	**The hotel has a strong culture**					
9	**Present identifiable subcultures**					
9.1	In harmony with the dominant culture					
9.2	Of lesser importance than the dominant culture					
9.3	In conflict with the dominant culture					
9.4	Of greater importance than the dominant culture					
10	*Benefits that my organisation offer:*					
10.1	Bonus					
10.2	Increasing salary					
10.3	Social benefits					
10.4	More holidays					
10.5	Subsidy					
10.6	Nothing					
11	**Examples of misconduct by managers are:**					
11.1	Not working					
11.2	No patience					
11.3	Not showing respect					
11.4	Not able to handle uncertainty					
11.5	Bad behaviour that damage customers' relations and the hotel's reputation					

Please provide a copy of your organizational chart if you have one (Chinese is accepted).

Thank you for your responses.

SECTON C: DEPENDENT VARIABLES (For expatriate managers only)

1 = STRONGLY DISAGREE
2 = DISAGREE
3 = UNDECIDED
4 = AGREE
5 = STRONGLY AGREE

(PLEASE TICK THE APPROPRIATE COLUMN PER ITEM)

	CORE CRITERIA	Degree of preference				
		1	2	3	4	5
1	Managers prefer novel ideas in this organisation					
2	It is important to share your experience and to talk to other expatriates					
3	Different departments communicate daily					
4	There is quite a lot of financial and technical support from the parent organisation					
5	Role of the manager in this hotel includes					
5.1	Knowing that their job is to coach Chinese employees to assume responsibilities					
5.2	Transferring technical knowledge about the product					
5.3	Checking the quality of the product					
5.4	Handling uncertainty					
5.5	Adjusting to the new cultural and physical environment					
6	There are disagreements regarding the interpretation of rules in this organisation.					
7	Employees' attitudes towards mistakes they made are					
7.1	To apologise when they make mistakes ·					
7.2	To fix the problem when they make mistakes					
7.3	To go the extra mile and follow up when they make mistakes					
7.4	To learn from mistakes once they have made them					
7.5	To do nothing when they make mistakes					
8	Employees are able to retain a sense of their own individuality					
9	Employees are generally helpful and considerate of others					
10	Company plays an important role in preparing their expatriate managers for assignments in China					
11	How are conflicts addressed within this organisation					
11.1	Conducting personnel adjustments					
.11.2	Compromising on small battles and trying to co-ordinate two parties					
11.3	Penalizing two parties					

11.4	Doing nothing						
12	**Most employees are loyal to the organisation and wish to commit to a long-term career.**						
13	**The biggest problem you have experienced while working here is**						
13.1	How to encourage employees when they are frustrated						
13.2	How to train staff at different levels						
13.3	How to collaborate with other colleagues when they have a common project						
13.4	How to adjust to the new cultural and physical environment						
13.5	How to communicate with other departments when conflict occurs						
14	**Skills that a good expatriate should posses**						
14.1	Good social and technical skills						
14.2	International experience						
14.3	Good language skills						
14.4	Good at handling uncertainty						
14.5	Showing respect						
14.6	Being motivated						
14.7	Being flexible						
14.8	Showing cultural empathy						
15	**Reasons for expatriate failure**						
15.1	Partner's inability to adjust						
15.2	Cannot handle larger responsibilities						
15.3	Lack of technical and social skills						
15.4	Expatriate inability to adjust to the cross-culture						
15.5	Lack of cultural empathy						
15.6	No or little self confidence						
15.7	Insufficient language skills						
15.8	Expatriate's personal emotional maturity						
15.9	Not being flexible						
15.10	Lack of training						
15.11	Lack of motivation						

Other Comments:

Thank you for your responses.