



Intercultural workplace relationships in the hospitality industry: Beyond the tip of the iceberg



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ARTICLE INFO

Article history:

Received 30 August 2016

Accepted 1 November 2016

Available online 14 November 2016

Keywords:

Migrant labor

Local employees

Contact hypothesis

Structural equation modeling

Hospitality industry

ABSTRACT

The impact of intercultural workplace relationships on local employees has been scarcely investigated in hospitality. This paper adopts the contact hypothesis perspective in order to explore the ways in which intercultural encounters between foreign and local hospitality employees influence the latter, in socio-cultural and organizational terms. A conceptual model is developed, tested within the Cypriot hospitality industry, and analyzed using structural equation modeling. Findings support the contact hypothesis, in that prior attitudes towards the ethnically different “other” influence the development of intercultural workplace relationships, which in turn influence local employees’ wider attitudes towards foreigners. Furthermore, the importance of fair treatment and respect at work are stressed, as they mediate the relationship between intercultural workplace relationships and affective commitment. Implications for hospitality organizations are derived and suggestions are provided.

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1. Introduction

Hospitality is an industry with a strong tradition of diversity in its workforce, notably in terms of the role that foreign employees have played since its early development (Baum, 2012). According to the International Labor Organization (2015), “employing a diverse workforce – and managing it effectively – not only satisfies legal and ethical obligations, but is also beneficial for business” (p. 2). Diversity management refers to organizational policies and interventions that aim to bring about the “added value of diversity” (Ashikali and Groeneveld, 2015). Benefits, direct or indirect, include competitive advantage and reduced turnover rates (Shore et al., 2011), an inclusive work climate and improved social cohesion (Mor Barak, 2011; Spencer et al., 2007), higher work group performance and increased revenue (McMahon, 2010; Pitts, 2009), employee wellbeing (Shore et al., 2011; Peeters and Oerlemans, 2009), increased affective commitment (Ashikali and Groeneveld, 2015), access to diverse customer markets (Zopiatis et al., 2014), and improved reputation (Mor Barak, 2011; Kim, 2005).

Situational variables, such as the organizational culture, human resource strategies and the environment, appear to influence diversity outcomes (Ashikali and Groeneveld, 2015; McMahon, 2010),

therefore experts have argued that successful programmes should be based on the establishment of an inclusive, fair and cooperative organizational culture rather than on quotas for minority groups (Mor Barak, 2011; Shore et al., 2011; Jayne and Dipboye, 2004). The discourse is shifting to one of inclusion, defined as “the removal of obstacles to the full participation and contribution of employees in organizations” (Roberson, 2006; p.217), over and beyond that of diversity (Vohra and Chari, 2015). Inclusion involves change in the mindset of all people in an organization (Shore et al., 2011), since both locals and foreigners need to adjust to each other if prejudice is to give way to mutual respect and acceptance. However, foreign employees have received disproportionately greater academic attention than their local counterparts (e.g. Loi et al., 2014; Janta et al., 2011a,b; Baum, 2007). Scant research has focused on the experiences of local employees in an ethnically diverse workplace (e.g. Zopiatis et al., 2014; Oerlemans and Peeters, 2010), and how these may influence their affective commitment, an important predictor of productive employee performance, attitudes and behavior (Ashikali and Groeneveld, 2015; Mor Barak, 2011; Kim, 2005). It is therefore imperative to understand local employees’ attitudes and behaviors before effective diversity and inclusion practices can be designed.

The primary purpose of this study was to explore how the interaction between foreign and local hospitality employees influences the latter’s affective commitment and wider attitudes towards foreigners; and what the implications are for human resource management. In order to achieve this, the contact hypothesis (CH), a

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socio-psychological perspective that takes into account both parties (the local and the foreigner), is adopted, which sees the root cause for interethnic conflict in lack of positive contact. The paper starts with a literature review and hypotheses development, based on which a conceptual model is proposed. The methodology is then presented and the conceptual model is tested via structural equation modeling (SEM). Based on the results, conclusions and industry implications are derived on the ways in which an organization may pursue diversity management.

2. Literature review

2.1. The multi- and inter-cultural challenge

The hospitality industry has long relied upon an ethnically diverse workforce in order to cope with seasonality and fluctuating demands (Baum, 2012; Joppe, 2012). Especially since the opening up of labor markets in 2004 to employees from the new accession states (A8) of Central and Eastern Europe, more and more economic migrants and foreign employees enter the hospitality industry of European Union (Baum, 2012). The sustainability of the hospitality industry and, by default, the destination's economy, largely depends on foreign employees, and this imposes several challenges.

Employee-customer interaction is one of the inherent challenges in hospitality. Recruiting employees from one culture, who are then expected to deliver a service to customers from diverse backgrounds, is likely to cause misunderstandings that could lead to a frustrated workforce and dissatisfied guests (Zopiatis et al., 2014). Foreign employees, especially those working front of the house, play the role of the "host" as they interact with and serve local as well as international guests. A second challenge in hospitality stems from diversity among the workforce, whereby various ethnic groups get to co-exist and work together, making intercultural situations a part of their everyday life. However, as aptly clarified by Mor Barak (2011), the problems of managing today's diversity workforce do not stem from heterogeneity itself, but "...from the unfortunate inability of managers to fully comprehend its dynamics, divest themselves of their personal prejudicial attitudes, and creatively unleash the potential embedded in a multicultural workforce" (p. 2). The third challenge therefore, identified as urgent by various experts (Baum, 2015; Deloitte, 2014), is leadership deficit, namely the lack of responsible managers that possess global fluency and the ability to inspire employees to perform and transform their workplaces into inclusive organizations (Mor Barak, 2011). Particularly with regards to diversity management, managers' prejudicial attitudes and discriminative behaviors seem to be at the core of the barriers for implementing inclusive policies in organizations (Mor Barak, 2011).

The multifaceted multi- and inter-cultural challenge has led many scholars to suggest that management should proactively implement induction initiatives and diversity training in order to preserve intercultural understanding and workplace harmony (Zopiatis et al., 2014; Joppe, 2012; Mor Barak, 2011; McMahon, 2010; Devine et al., 2007). Most managers also acknowledge the need for diversity training, yet many are still unsure of how to specifically address this (Reynolds et al., 2014; Zopiatis et al., 2014). This paper argues that positive intercultural relationships at work can go a long way towards the achievement of an inclusive workplace. Hospitality employment involves regular contact between locals and foreigners (Janta et al., 2011b), which, under unfavorable conditions, may constitute the backdrop for hostile relations and discrimination. The root cause for conflictual relations is, according to the contact hypothesis, the lack of contact under appropriate conditions, and the next section will elaborate how this can provide

an understanding of the link between intercultural relationships at work and diversity outcomes.

2.2. The contact hypothesis as a conceptual foundation for this study

The contact hypothesis (CH) is one of the most popular and effective perspectives studying intercultural contact. First introduced by Gordon W. Allport (1954), it posits that when two ethnically diverse individuals come into contact, new appreciation and understanding of the "other" can lead to mutual acquaintance and acceptance, thus reducing prejudice and tension. This can be achieved only under optimal conditions, namely equal status among the two parties, intimate rather than casual contact, cooperation in the pursuit of common goals, support by the authority and/or social climate, and initial attitudes toward the "other" that are not extremely negative (Allport, 1954). These conditions facilitate individuals to go beyond the "tip of the iceberg" and explore the parts of culture that are not easily identifiable, namely beliefs, values and thought patterns. The CH also holds that successful contact leading to attitudinal change at the interpersonal level will be generalized, triggering positive attitudes towards the wider group of the "other".

The CH has been used and tested in various culturally diverse contexts, with studies exploring indirect contact as a prejudice-reducing intervention (e.g. Stefaniak and Bilewicz, 2016); attitude change as a result of host-tourist relationships (e.g. Pizam et al., 2000); the ways in which minorities and majorities are influenced by contact (e.g. Tropp and Pettigrew, 2005); the different effects positive and negative contact may have on intergroup attitudes (e.g. Techakesari et al., 2015); and contact's long-term effects (e.g. Levin et al., 2003). A meta-analytic test of the theory, has confirmed its usefulness and applicability even beyond the case of racial and ethnic contact (Pettigrew and Tropp, 2006).

Surprisingly, CH is absent from the hospitality human resource literature, even though its fundamental assumptions overlap in significant ways with diversity training approaches. First, intergroup contact is the impetus for diversity training, which began as a response to increased intercultural contact in the workplace, and the society in general (Paluck, 2006). Second, literature has shown that (increased) diversity by itself cannot build commitment, improve organizational performance, or reduce conflicts (McMahon, 2010; Jayne and Dipboye, 2004). This corroborates the CH assumption that certain conditions need to be present if positive attitudinal change is to be triggered. Third, contact as understood in this study is not measured as friendship. The latter is intimate and voluntary, whereas intercultural workplace relationships involve fewer self-selection mechanisms. Workplace contact ensures profound differences among ethnic groups, and these are critical in order to test convincingly the CH (Frølund Thomsen, 2012; Pettigrew, 1998). Last, the basic conditions of CH are naturally satisfied within the industry's workplace. The condition of intimate and meaningful contact is readily achieved, as hospitality employees have ample opportunities to develop meaningful encounters with the "other". Equal status among colleagues and common goals are also given, while institutional support is mirrored in (at least) all the anti-discrimination and pro-diversity policies that are in place (Mor Barak, 2011). Thus, if the CH is tested and found successful within hospitality, insights might inform human resource practices.

Initial attitudes constitute the only uncontrollable condition, and part of this study's objective is to understand how these can be handled in an inclusive workplace. Investigating the effect of prior attitudes on intercultural relationships and on locals' stance towards foreigners makes it possible to suggest practices that stimulate attitudinal change, either before or after recruitment (i.e. even when initially the employee has been negatively predisposed). An improvement in locals' attitudes is also likely to trigger foreign-

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