Diversity management in tourism and hospitality: an exploratory study

Ruchika Malik, Tanavi Madappa and Jaya Chitranshi

Abstract

Purpose – *The hospitality and tourism industry has seen an increase in organizations operating internationally, bringing people from diverse cultural backgrounds together. The authors aim to help clarify that with a lack of awareness and understanding about diversity, many problems arise in terms of effective intercultural communication between managers and employees and employees and the customers. This paper helps in answering the questions related to the importance of cross cultural management, the intercultural issues faced by an organization, the best practices for diversity management and the future of cultural diversity.*

Design/methodology/approach – *The authors have carried out a review-based research of 60 papers relevant to the topic. The study has been restricted to secondary data consisting of research in the area of managing cultural diversity.*

Findings – *The researchers have concluded that there are different dimensions of cultural diversity and thus policies and programs to manage it have to be carefully implemented and integrated. Also, managers need to identify the current gaps in the organization in terms of diversity management to take the necessary steps for building a harmonious relationship between expatriates and the local employees.*

Originality/value – *The study addresses the complex nature of cultural diversity and the management issues of multiculturalism within the hospitality and tourism industry. The authors have made an effort to identify the best practices and programs for managing a diverse workforce which may also improve engagement and retention levels through radical inclusion of employees.*

Keywords *Cross-cultural management, Diversity, Tourism, Challenges, Hospitality*

Paper type *Literature review*

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1. Introduction

Globalization is a current trend having a great impact on the hospitality and tourism industry (Reisinger, 2009). Accordingly, people from diverse backgrounds work together which help an organization differentiate itself in the industry. Diversity helps in bringing new perspectives and innovative ideas to execute events and has many advantages if managed successfully. However, with diversity, there is an increase in the number of conflicts in the organization, particularly the hospitality and tourism industry, which has great dimensions with cultural diversity.

Diversity can be classified into two simple dimensions. The primary dimensions being age, gender and sexual orientation which easily differentiate one person from the other and is visible in the first encounter. The secondary dimensions are communication style, educational background, ethnicity, nationality and religion which are not easily visible (Ashton, 2010) and do not receive adequate attention. A culturally diverse workforce has long been an important reliance for hospitality and tourism industry as globalization becomes a driving force behind strategic planning (Torres *et al.*, 2014). Also, as there has been an influx of migrant labors and minority employees entering this industry, the current organizations are facing a multicultural challenge. Statistics have shown that at the start of

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the year 2016 the hotel industry saw a continued upswing trend with a huge upgrade in terms of technology. It was predicted that the sector could see a growth of up to a solid US$550bn through the year.

The workplace environment is constantly changing and cross cultural management is a key concern for leaders. Companies have encountered questions like:

- *Q1.* How to increase fairness for employees from diverse backgrounds?

- *Q2.* How to maximize the contribution of each employee in a culturally diverse workforce?

- *Q3.* How to make all the employees work harmoniously together to reach a common organization goal? (Gong, 2008).

To answer these problems, companies must make efficient efforts to address the issue of cross cultural management of the mobile workforce in international locations and mixed backgrounds of a workforce in a single location (Day, 2007). Diversity can be a problem, but it is also the solution for any organization to have an edge in the industry through effective management. The challenge is to extract the very essence of diversity and use it to benefit the business (Dike, 2013). The following literature review focuses on exploring the opportunities and benefits of workplace diversity, discussing the challenges and difficulties faced by companies and providing practical recommendations that might help managers to successfully deal with cultural diversity issues in the global as well as domestic markets.

2. Discussions

2.1 The beginning of multicultural environment: globalization

Post the year 1991, it is seen that the liberalization given in trade allowed companies to go global but managing a company at an international level is very tough as compared to that in a local scenario. Various factors undergo change in a new nation or culture; these could be social, economics, legal, political, environment and so on. Also, working across the culture is not about the individual's behavior, it is more about the environment he/she works in. There are a lot of benefits of having a cross cultural environment. There is a broader perspective created, the impact of the organization's decisions is seen on a global level, there are inter and intra community relationships, there is lesser scope of ambiguity or monotony and barriers to cultural adaptations and adjustments are broken (Singh, 2010).

About 10 to 15 years back, cross cultures would involve a maximum of two or three cultures working with each other on a project or event, but the scenario currently is all about having a varied global team in place to get the best of ideas and innovations towards better creativity. So, the workspace currently is all about the involvement of cultural relativity to manage such diverse cultures together. The concept of harmonization does imply that the importance of the cultural background will start diminishing after a point of time while working together (Meyer, 2012).

During the era of globalization, people from different walks of life, be it businessmen, entrepreneurs or employees belonging to different cultures and communities began coming together and interacting with each other and are now also being supported by the best backup of technology possible. Hence, it is imperative for the companies, nations (governments) and individuals to abide by the tolerance, sensitivity and respect rule toward every culture. The stakeholders and external environment factors do influence the same (Caganova *et al.*, 2010).

Globalization has made the business environment so complicated that corporate success is always at risk. Service encounters in the intercultural scenario concentrates on delivering a certain set service standard so as to maintain the customer's loyalty along with a competitive advantage in the market. If people, who think in different ways are able to act together then survival in any given situation is possible (Sophonsiri and O'Mahoy, 2012).

2.2 The concept of cross cultural management

If a framework is created to understand the importance of culture while wanting to expand a business on a global scale a few aspects have to be comprehended. First, the various "cultural themes" that exist in the given scenario have to be explored. The next one would be "communication patterns", which not only have to be uniform but also adaptable to all the cultures. Further on building on "group dynamics" via activities or events, creating a globally local environment (*globalization*) and finally ensuring the appropriate "orientation of time" (Hummel, 2012).

Companies, in order to internationalize their business incorporate different cultures in the workforce. Many factors such as the value chain and division of the workforce to suit the culture have to be applied on a global scale. There is a proven positive correlation between managing many cultures effectively and getting a competitive advantage in the market along with achieving organizational effectiveness. In relation to this, it is always better to integrate the global dynamics of the current workforce with the multicultural nature of the market. To gain a competitive advantage, there are five key aspects that have to be concentrated upon; these are innovation, creativity, marketing (creating the image), high productivity standards and knowledge of the skills of the workforce (Sultana *et al.*, 2013).

The cultural diversity phenomenon in organizations as mentioned before results in various aspects to managing a multicultural environment; some of the approaches towards this are:

- Being able to be in support of having a culturally diversified environment and favoring the multicultural while trying to convert a downfall to an advantage.

- Different cultures have different reputations and values, their societal perceptions of being superior or being on the backend should be kept aside or ignored.

- The most important aspect is to keep the multicultural environment within teams or departments, in tandem with the organization culture as a whole.

- Being able to accept a universal value for culture to maintain uniformity and harmony.

- Having management of multicultural diversity as a part of every HR strategy in the organization (Seymen, 2006).

Some of the widely used methods for managing a diverse cultural environment within the workplace is via creating and maintaining newer communication pattern as suitable to the changing cultural mix, giving sufficient time for their personal life (maintain work life balance) maintaining a diversity training calendar to ensure that everything is according to the plan and having more team building activities between employees of different cultures (Alpert, 2013).

One of the root causes which leads to mismanagement of a multicultural environment is being unable to bridge the gap between different cultures. The importance of cross cultural management is seen in international business in various ways:

- Some industries, especially those in service sector, need a great awareness of various cultures.

- The analysis that goes in towards sensitivity of cultures is very important wherein the final outcome is for the customer/audience.

- Some functions within the company need greater knowledge of the cultures to function well.

- Certain roles within the company require more tolerance towards multicultural environments (Swarnlatha and Vasantham, 2014).

It has been observed that the type of business ethics exhibited in a company is a function of the nation's cultural diversity. This difference is seen in cultures of western countries such

as USA (open minded), Japan (rigid) or India (traditionalist). Apart from the culture, it is also the morals and the values of the individuals involved that drive ethics. The implication of the priorities set within the business culture is threefold: on the employees, the environment and the stakeholders (Seitz, 2001).

The major differences that are prominent in cross cultures are the communication patterns, the behaviors or attitudes towards the work or the people and the method of functioning in the company. The concept of cultural intelligence plays a major role over here which helps in adapting to any given culture in terms of language, space, interpersonal and intrapersonal relationships (Kawar, 2012).

Emic or etic approaches of understanding the culture from within or from a bird's eye view to understand issues in cross cultural aspects are often used. It is better not to use country as a substitute or proxy for culture as the two do not stand for the same. Also, it is to be noted that the motivation factors for the employees are somewhere related to the cultural background they come from (Schaffer and Riordan, 2003).

According to a research conducted by Gerhart B, there is no empirical evidence to prove that the diversity present in the culture of any nation could act as a constraint to the practices followed by the management of the companies within the nation. The cultural or regulatory differences within the organization are to be taken into consideration when the management designs or redesigns strategies or practices (Gerhart, 2008).

2.3 The Hofstede model

To get a competitive edge in the market, it is important to understand the varied frames of cultures along with the existing work-related attitudes. Hofstede has given the various cultural dimensions of a nation to be considered which are as follows:

- being individualist or a collectivist;

- maintaining a power distance;

- tolerating uncertainty;

- masculine or feminine;

- long-term and short-term orientation; and

- indulgence and restraint.

Hence, a few aspects that could form the base for strategies to manage these differences are knowledge of the culture, respect towards the culture and ignoring or minimizing the differences (Kundu, 2001).

There is interdependence between the aggregation levels of an individual and the abovementioned dimensions of the culture. Hence, it is seen that at an individual level, where values and morals influence the overall culture, there could be a prevalent differences in value:

- *Power distance*: This includes solving the issue of rising inequalities because of diverse cultures.

- *Uncertainty avoidance*: This includes not knowing what is in store for the future leading to an increasing level of stress.

- *Individualism and collectivism*: This includes the attempt to integrate individual skills with teams or smaller primary groups.

- *Masculinity and femininity*: This includes roles, challenges, perceptions and expectations based on the gender.

- *Long-term and short-term orientation*: This includes focus of the employees related to their future, present of past performance and careers.

- *Indulgence and restraint*: This includes the basic requirement of a human being who desires to lead a life full of enjoyment (Hofstede, 2011) (Figure 1).

2.4 The importance of cross-cultural management in projects

The era of globalization has changed the way projects in modern day corporate work not only in terms of density or in variety but also in the cultural mix of the team that works in it. A cross-cultural team is, on one hand, beneficial, but the success or failure of projects may be attributed to the possibility of cultural misconduct. Unless the employees develop a sense of respect, reconciliation and recognition for each other, success will not be achieved (Anbari and Khilkanova, 2009). Efficient project management will include training and development so as to inculcate better education towards the new cultures. The training programs are to be customized for them in terms of whether more importance is to be given to the legal matters or the social norms or the business etiquettes and so on (Romanova *et al.*, 2003).
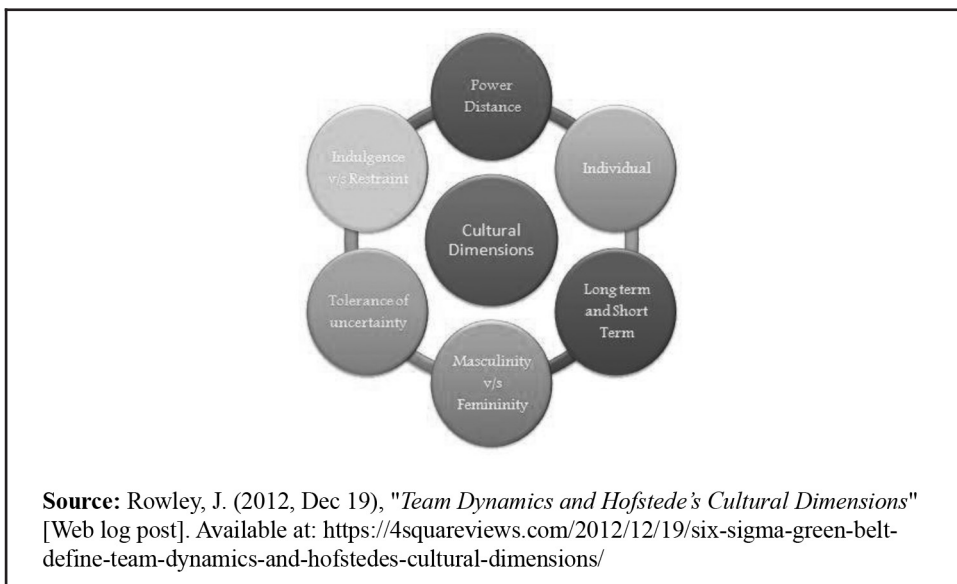
2.5 The role of a leader

Because the role of the leader in a multicultural environment is very important for efficient management, there are a few qualities that are highlighted which are to be the core of these leaders. Some of them are uniform communication methods, managing intercultural competence, high levels of emotional intelligence, social initiative taking ability, having cultural empathy and being open minded (Popescu *et al.*, 2014).

We do see that there has always been a dearth of women in higher leadership positions, especially in the service sector. There has always been a variation in the expectations that people have from leaders based on their gender. But, this again is a reflection of two things: first being the influence of the nation's culture and the second is that of the individual's perception. Hence, efficient cross-cultural leadership, even in the prominence of gender diversity, must be managed very carefully so as to maintain harmony and business communication pattern within the multicultural mix of employees working under these leaders (Snaebjornsson *et al.*, 2015).

The age long debate of whether leaders are born or made holds substance even currently because it is not enough to be able to lead a team which is locally under the person. An

Figure 1 Dimensions of culture

Source: Rowley, J. (2012, Dec 19), "*Team Dynamics and Hofstede's Cultural Dimensions*" [Web log post]. Available at: https://4squareviews.com/2012/12/19/six-sigma-green-belt-define-team-dynamics-and-hofstedes-cultural-dimensions/

effective leader should also be able to handle members of various cultures, keep them in harmony, manage their practices and values and thrive on the plethora of expertise under him. The presence of sensitivity, adroitness and awareness is, thus, very important (Zakaraya, 2013).

The interpersonal relationship between leaders and his followers (managers and employees) has to be very good because this is what defines the extent to which organizational effectiveness will be achieved. In a multicultural environment, apart from leading and directing the team, it is also important to work alongside the employees. Participative training is the most efficient way of making people aware of the diverse cultural environment they are working in (Furmańczyk, 2010).

2.6 Services sector and cross-cultural management

The service sector is on a steep growth globally, and the right understanding of the relation between human resource department (HRD) and quality is necessary to integrate national and organizational culture. In case of services industry, it is all the more important that while expanding globally the quality of service be maintained and the host country's culture be well understood, the failure of which will lead to a failure of the venture. The companies need to stress upon organizational development as well as the training and development of employees (Galperin and Lituchy, 2014).

While the markets are expanding internationally, there is an extensive research that happens so as to analyze the consumer behaviors for similarities and differences across the various targeted cultures. The behavior should be judged and studied based on the culture and service requirements and expectations of the consumer. Also, to measure the dimensions of the culture, we need to operationalize the process so as to streamline it. Concepts such as "cultural service personalities" have been designed based on the researches conducted in the market (Zhang *et al.*, 2007).

There are various similarities and differences in the way people communicate with each other depending on their cultural background. But, it is very important to have good standards of communication between managers or with the employees. Any miscommunication can lead to failure of projects, reduced motivation or even disinterest towards working in such an environment (Kvantaliani and Klimina, 2011).

In a data presented by the US Department of Commerce statistics, approximately, 65 million tourists visited the USA by the year 2015. To cater to these tourists, about 10 million people are employed within the industry, and, out of these, 2 million people are serving international tourists. Being a part of a multicultural environment, as discussed previously, comes with various challenges and one among them is the adjustment to a new environment. The best way to deal with this is to have the right amount of preparation given to the people who have to acclimatize to the situation. This preparation mainly includes sufficient training given to them at the right time for the right duration. This could be held before, after and during the process. Cross-cultural training given by experts in the field, especially by those who have been in the multicultural environment, is the most effective. This helps them prepare for the new cultural scenario with enough prior knowledge of the mix of cultures, their values, attitudes and beliefs which is the primary requirement to adjustment (Cerimagic and Smith, 2011).

2.7 Corporate strategy for cross cultural management

Analyzing the overall organizational behavior forms an essential part of today's management of cross cultures. For this, the best way is to devise, test and apply models applicable at all levels of the organization which could be based on identifying variables, sampling, measuring and applying data analytics based on a multi-level research (Fischer *et al.*, 2005). The awareness about cultures and diversity that prevails is very necessary

among everyone in terms of languages, ethics, ideologies, values and so on. The differences among cultures could be within the profession, industry or even the nation (Dalabhanjan, 2011).

The most important part of setting up or expanding the business internationally is to get the right team together which will have a diverse set of managers and employees with the right skills put in place belonging to different entities of the business for efficient decision making. It is also necessary to have the right mindset to reflect the culture of the organization, though on foreign grounds, there will be a significant change in the attitudes, mindsets and cultures (Fish, 1999).

The root cause of any cross-cultural mismanagement is the inability to adapt to the new culture because of adjustment issues. Hence, while trying to know about these cultures, the point of view of the client, manager and the company is to be known (Fedina, 2014).

According to The Global Hospitality portal, by the year 2022, the industry will see a steady increase of US$100bn. With areas such as the Asia Pacific and the Europe seeing occupancy rates of about 69 per cent which is much higher than the Middle-East and African regions, for which many hotels are being either revamped or newly constructed to give a boost to the industry.

While designing the strategy to have a diverse workforce, certain factors have to be kept in place to get the best fit of skills with the right mix of culture. These factors are mentoring, hiring, relocation, team building, commitment, language, communication and training. The desire to have a heterogeneous workforce which has to be molded into a homogeneous staff is a very difficult task for the HR manager but, if implemented well, will result in success in terms of achieving a competitive advantage (Panda, 2010).

2.8 Intercultural challenges

2.8.1 Education. The hospital and tourism industry is highly globalized because of which students need to be sensitized to the idea of cultural differences at the workplace (Grobelna, 2015). To assist the students in becoming qualified managers, educators must impart the necessary knowledge regarding workplace diversity and its management so that they can imbibe the necessary skills to avoid any difficult situations at the organization regarding cross-cultural management (Suh *et al.*, 2012). In spite of this, study results have shown that hospitality management students are quite weak in their knowledge of culture and are not sufficiently prepared to enter a globalized workforce (Taylor and McArthur, 2009). As such, it is crucial to develop students' intercultural competence through well prepared university hospitality and tourism programs.

2.8.2 Communication. Human resource management becomes complex in a labor-intensive industry like hospitality and tourism (Casado, 2001). A diverse workforce leads to a heightened level of uncertainty during intercultural encounters. When people with different nationalities and cultural backgrounds interact, there may be a lack of knowledge in terms of communication, both verbal and non-verbal. If the organization does not have effective management practices, such a situation can easily lead to misunderstandings (Lee and Chon, 2000) hindering working relationships and productivity. Conflicts may also arise when individuals disagree or differ in a given situation. Also, behavior which is acceptable in one country may be considered disrespectful in another. Managers need to know about all these cultural differences in their team and guide the employees accordingly so that any situation leading to discomfort or stress can be avoided.

2.8.3 Resistance to change. The employees of an organization may not accept that the social and cultural setup of their organization is changing. They do not adhere to the new policies and procedures by the organization to show their discontent which creates differences at the workplace. Resistance to change for fear of failure, mistrust and peer pressure inhibits progress (Dike, 2013). A proactive management system and solutions for

training and mentoring employees becomes highly important, as it helps employees understand the importance of workforce diversity, explore differences, identify similarities and strive for inclusiveness (Devine *et al.*, 2007).

2.8.4 Training. The hospitality and tourism industry can reap benefits of a diverse culture when employee ignorance in this context is broken down. Employees often feel uncomfortable and threatened in an unfamiliar situation (Torrington and Hall, 2002). This is where diversity training can help change people's mind-sets and attitudes about other cultures (Wood, 2004). A culturally enriched environment can be created only when the local employees are aware of and understand the needs of multicultural workers (O'Connell, 2005). Organizations should focus on programs and sessions which ensure radical inclusion of employees at all levels which may also improve engagement and retention levels.

2.9 Best practices for diversity management

With the growth of globalization, corporations have realized that they are not only competing in the domestic market but the global market as well. As such, the challenges faced by these companies increase for which effective practices need to be adopted by these organizations for the management of cultural diversity. An organization can fully practice the complexity of diversity culture change if it has a strategy for the same. To achieve the goal of work force diversity management, importance should be given to the three major categories: individual attitudes and behaviors, managerial skills and practices and the organization policies and values. This helps in setting the guidelines as to how the jobs and people should be organized and what necessary steps need to be taken for effective culture management across all levels in the organization (Gardenswartz and Rowe, 2009).

To begin with, the organization needs to reassess its corporate strategy in regard to cultural diversity and its management. The leadership and executive teams need to commit themselves to implementing a planned approach and make the necessary changes to manage workplace diversity (Kreitz, 2007). Considering the issues and challenges of diversity, a SWOT analysis helps in identifying the gaps that need to be bridged (Friday and Friday, 2003). Also, it helps in educating the employees and spreading awareness regarding the necessary measures to be taken to meet set objectives for the corporation.

The HRD and the management have to recognize the cultural differences in the workforce and ensure that a strategy is in place to deal with the issues arising out of it (Kreitz, 2007). To ensure the same, a diversity council has to be established in the organization which would help in driving, advancing and improving workforce homogenization. The council will be responsible for setting the goals and the action plan to meet the same. The strategy formulated should involve every employee's participation for continuous improvement and development in cross cultural management.

The culture spirit, culture value, culture behavior and the culture image are all led by the organizational culture, with common shared values being the core. Organizational values are built over a period of time with the active consensus of the leaders and influenced by the social environment. Effective leadership and communication helps in defining a common organizational culture which unifies and integrates individuals from different nations (Seymen, 2006). If an organization wishes to inculcate diversity in their workforce, they need to accommodate new employees from different cultural backgrounds. Once diversity management begins from the step of recruiting, it is easier for a corporate to build up their plans with respect to cross-cultural management across all the divisions (Hang Vo, 2014).

Ethnocentrism, discrimination and cultural bias are still very prevalent. It is important that managers realize the talents of minority workers and provide them with ample development

opportunities. The HRD should review their screening and hiring process to make it unbiased and fair. Inclusion of culturally sensitive tests and structured interviews in the hiring process will help in evaluating individuals from varied backgrounds (Berta, 2006). In an efficient diversity management system, companies should pay attention to the unique contributions made by each individual. This helps in reducing the stereotypes and making diversity a reality (Day, 2007).

A multicultural workforce includes all the job positions from the top management to the entry level employees (Emulti, 2001). As such, diversity management training should be conducted at all the levels and not just for the low-level employees. A training program helps in developing the knowledge and skills of all the employees which can ultimately result in a behavioral change at individual and team levels. It can help break down employee ignorance easily and result in a culturally rich environment (Clements and Jones, 2006). However, a training program cannot be successful without the required support and participation from the top management as well. Such a program should, thus, be carefully designed, enforced and regularly improvised (Gong, 2008).

The HRD is responsible for not only the training programs for cultural diversity but also for defining jobs for employees from different cultural backgrounds. Job design is the structure, content and configuration of the job which affects employee satisfaction and motivation levels. The research done in this field describes job designing in a homogeneous environment which is for a national culture (Zubaidah, 2010). However, the managers should understand the importance of designing jobs for employees in a diverse corporate culture so that the employees are better able to understand the origin of the organizational value and the steps to be taken by them to integrate it with their own culture.

In addition to this, the organization should also focus on an effective employee relationship management system. The management should take the necessary steps so as to integrate employees from various cultures into the workplace and create a good relationship with them. There are various programs which can help build this relationship like teaching a different language to the local employees, celebrating religious and traditional holidays of the minority employees, involving their families in company activities and emphasizing the importance of minority workforce in the company (Devine *et al.*, 2007).

The managers should also make an effort to build a one-on-one relationship with the employees. Most of the minority employees in the hospitality and tourism sector are young and independent. Understanding where they come from and increasing interaction with them during down time or social events will help them feel respected. Bridging the communication gap with the minority employees would build an environment of mutual understanding and appreciation which would eventually lead to obtaining their trust and loyalty. This results in self-motivated employees, increasing their productivity at the workplace (Frabotta, 2001). It also helps managers consider a succession plan to identify and develop a diverse pool of talent, thus, identifying potential future leaders.

Furthermore, to measure the effectiveness of the cultural diversity strategic process, assessments and evaluations are of prime importance. These help in understanding if the current steps taken to measure diversity are providing any positive and sustainable results and also provide valuable feedback from the entire workforce about the policies implemented (Gardenswartz and Rowe, 2009). Moreover, comparative analysis or benchmarking of the programs implemented by other organizations serve as great assessment tools and are an integral part of management (Clements and Jones, 2006).

The leadership team needs to incorporate cultural diversity management policies at all levels in the organization. The primary task is to establish a culture that aligns with the organization's cultural diversity plan. A cohesive workforce can be built only when there is transparency and openness wherein the employees can freely express their views and opinions. The cultural management process of assessment, planning, implementation and

evaluation can be followed by building a strong framework of engagement policies, educational session, mentoring programs and value assessment surveys (Table I).

2.10 Future of cultural diversity

Cultural diversity management has become even more important with globalization shrinking boundaries. Expanding international trade and immigration will continue to develop leading to an exponential growth in diversity at the expense of global markets. Creativity, innovation and quick reactions will increasingly become vital in the business world (Korjala, 2012). By 2020, networked phase will empower cross cultural management (Velo, 2004). Technological progress has changed cultures across the world with increased dependence on factors such as social networks. Because these networks are knowledge based, there will a great emphasis on research-focus approach.

Globalization will also lead to the hospitality and tourism industry seeing more cultural infusion at the workplace owing to culture not being restricted by geographical boundaries but rather knowledge. This will also lead to culture developing in terms of sub-cultures rather than national cultures. Thus, managing diversity will become more of a business issue as compared to a social, legal or moral responsibility. Organizations have already realized the benefits of a well-managed diverse workforce like increased market shares, increased efficiency and innovative products. According to diversity experts, businesses will utilize diversity strategies for competitive advantage with more pressure on accountability and measurement which will help in evaluating the effectiveness of the diversity management initiatives.

The international business management and HRD communities should continue exploring and empirically investigating the best practices for cross-cultural management to tackle future challenges effectively. Research comparing global practices and strategies across international organizations from various countries will also be of great value to identify and adopt new programs at the workplace for improved management (Chuang, 2013).

| Table I	Managing critical issues for cross-cultural adaptation		
Inter-cultural challenges	*Problem*	*Actions*	*Authors*
Education	Insufficient knowledge of culture	Exploring cultural values of the new market Imparting necessary skills Developing inter-cultural competency	Suh *et al.* 2012
Perception	Inadequate trust Inaccurate biases	Developing competencies to increase cultural flexibility and reduce ethnocentrism	Friday and Friday (2003) Frabotta (2001)
Communication	Uncertainty Hindrance in working relationships Conflicts	Coaching and Mentoring	Seymen (2006)
Training	Discomfort Unfamiliar situation	Diversity training Creating a culturally enriched environment Programs and sessions for radical inclusion	O'Connell (2005) Clements and Jones (2006)
Resistance to change	Discontent Mistrust Fear of failure	Proactive management systems Training systems	Devine *et al.* (2007)

Note: Table I illustrates the key issues in a multicultural environment, the major problem areas and the necessary steps to be taken to avoid conflict and ensure effective cross-cultural management

3. Conclusion

Gradual globalization of companies has led to an increasingly competitive world economy with rapid changes in the demographic trends and labor structure of organizations in the hospitality and tourism sector. A multicultural workforce is becoming the norm and companies must effectively respond to an expanding diverse staff, an increasing multicultural customer base and growing competition for "market share" (Campbell, 2006). Understanding and managing a cross-cultural workforce has, thus, become important for any business to have an edge in the industry. A culturally managed and diverse workforce offers great advantage to any company. However, these companies are still facing management issues like discrimination, communication obstacles, stereotypes and biases.

The paper suggested best practices and approaches to effectively manage cultural diversity at the workplace. The practice has to begin with the educators to incorporate cultural diversity management into hospitality and tourism curriculum to raise awareness and sensitivity regarding diversity. This would lead to the making of great future managers with the knowledge and skill set required to handle issues related to diversity. The HRD needs to examine their hiring systems and recruiting strategies for foreign candidates and conduct effective training programs to polish management skills required at the global workplace. There is little research on how to design jobs to fit all employees in a diverse workplace, but the study provides a reference to understand the relationship between job characteristics and cross-cultural dimensions while designing jobs. Also, adopting an employee relationship program can improve positive attitudes towards diverse work groups. To ensure continuous improvement, businesses should conduct research to utilize modern management techniques and evaluate existing programs. This would help the management to create an organization culture which is not prejudiced to a dominant culture where the business is operating. Based on the above analysis, the researchers have developed a comprehensive model which highlights the steps to be followed at each level in a firm to ensure effective cross cultural adaptability and management throughout the organization (Figure 2).

Figure 2 Strategic framework for cross-cultural management

Note: Figure 2 illustrates the various steps to be carried out throughout an organization to ensure effective cross cultural management at each level
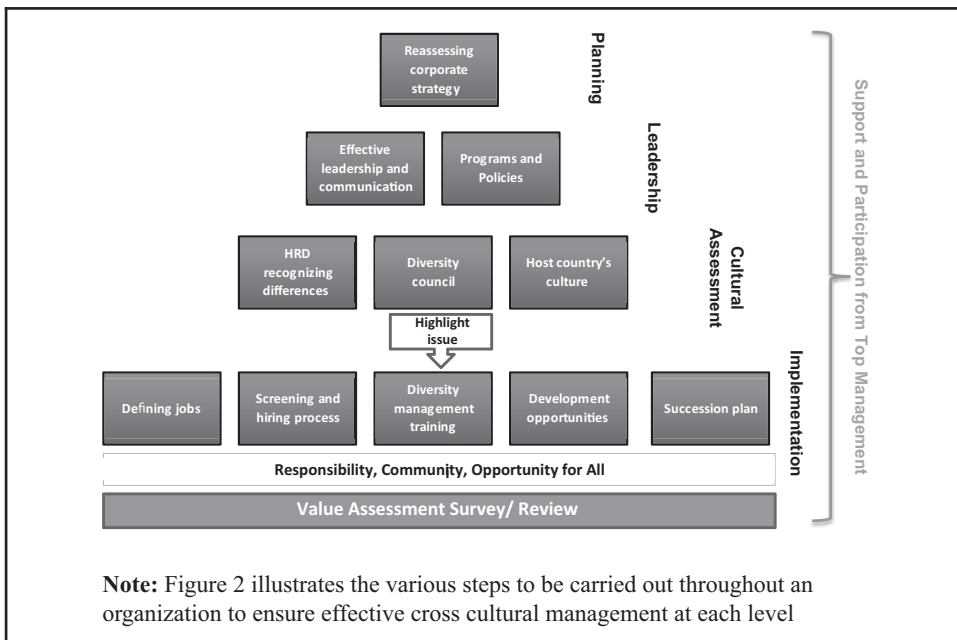
4. Recommendations

The research paper is focused towards the analysis of the current face of diverse workforces with regard to an inclusion of multicultural environment among people, based on previously conducted studies. Hence, for a more contextual approach to the topic, *a primary research* can be adopted so as to get a hands-on view of the current scenario in the field of hospitality and tourism. The *perceptions and requirements of the employers and the employees* in terms of developing, implementing and maintaining good relations in a multicultural environment may be studied in this way.

Also, a research can include *the best practices of closely related industries* to hospitality and tourism and suggest them for practical implementation. Even industries such as health care and pharmaceuticals require cross-cultural environments, especially for research and development. Hence, such industries may also be closely studied. An in-depth study to show the *impact of talent management on the various dimensions* of diversity can give a more longitudinal approach of various aspects of the issue. Lastly, the *customer's views* on how effective cross cultural management in an organization affects their decisions and choices may be studied for better implementation of practices and policies.

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