THE PERCEPTION AND ATTITUDE TOWARDS CULTURAL DIFFERENCES AND THE EFFECTS THEY HAVE ON HOSPITALITY AND TOURISM INDUSTRY

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Abstract

The decision of an organization to be active in the field of hospitality and tourism should include correct perceptions and attitudes that are related to the diversity of people both individually and through the examination of the social culture in which they live. The consequences of a positive social change include the ability to identify benefits for both the organization and its employees (Nwankpa, Ijomah, Gachagan, & Marshall, 2018). The understanding and respecting of cultural differences have significant effects in achieving the goals of an organization that is operating in the hospitality and tourism industry. As tourism is the main source of intercultural contacts, any cultural differences can effect on staff dealing with current and future challenges of tourism in the country (Miličević, Mihalić, & Sever, 2017). The purpose of this article is to present the design and methodology that has been used to examine this topic, and describe the findings and implications of the results in order to support the organizations and their staff employed in the hospitality and tourism industry, and therefore, regarding the perceptions and attitudes towards cultural differences and the effects they have on tourists as human beings. The article presents a real empirical study of research related to the local industry in the Republic of Cyprus.

Keywords: Business Administration, Globalization, Cultural Economics, Tourism Economics, Labor Policy, International, Sustainability, Corporate Governance

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1. INTRODUCTION

This research analyses the implication of strategic actions by organizations that influence cultural differences in the hospitality and tourism industry. There is found that some gaps appear in relation to the available literature on cultural differences and the effects on the hospitality and tourism industry. A very competitive environment includes two main concepts: managers as effective leaders and...
the leaders as effective managers (Northouse, 2019). Through the investigation of this topic, there is found that some literature gaps appear in relation to the mentioned concepts towards their relation with cultural differences and the appeared effects in the hospitality and tourism industry. Leaders should know how to manage cultural differences and how to mix those differences with those of tourists in order to behave effectively in the industry. “The respect and importance of interculturality in tourism development is the main source of intercultural contacts. The education on cultural diversity and the need of staff to deal with current and future challenges of tourism in the country are been shown based on a growing number of travellers from different cultural backgrounds. Consequently, the need is greater awareness of cultural differences” (Milićević & Cvetkovski, 2016, p. 47).

According to Camilleri (2018), “Tourism is one of the leading industries, in terms of international trading between countries. In addition to receipts earned in destinations, international tourism has also generated US$211 billion in exports through interpassenger transport services that were rendered to non-residents in 2015; bringing the total value of tourism exports up to US$1.5 trillion, or US$4 billion a day, on average. International tourism now represents 7% of the world’s exports in goods and services, up from 6% in 2014, as tourism has grown faster than other world trade, over the past four years (UNWTO, 2017)” (p. 7). The aim of this research is to examine the role of leadership in the hospitality and tourism industry, and the actions of leaders regarding controlling cultural differences, as well as to examine the effects of existing perceptions and attitudes towards cultural differences in hospitality and tourism industry. In addition, this research examines how cultural differences can affect the quality of services and the functional values of an organization operating in that field and critically present the decisions of management that were made in order to respect cultural differences in the hospitality and tourism sector.

The scope of this research is to find answers to the following questions:

**Q1:** How leadership transformation could create respect on cultural diversity in the way that should support the organization, which is implementing it?

**Q2:** What are the sustainable strategic directions, which assure the quality of services with respect to cultural differences of tourists?

**Q3:** How the managerial decisions of an organization operating in the hospitality and tourism sector could build perceptions and attitudes for employees against their customers?

**Q4:** What actions could bridge different cultures to create a healthy working environment?

The significance of this qualitative case study is to explore cultural differences and the important reasons of investigating this topic especially when is related to the tourism and hospitality industry (Nwankpa et al., 2018). Researchers who use a qualitative case study research method, and use interviews are receiving key answers for the topic of research. Stacy and Mowles (1916) argued that, “An interview allows the individual conducting the study to capture data faster and also provides participants the opportunity to use technology at their convenience. By this method, it makes the research more effective because by receiving and decoding live actions might be clearer for me to analyse and understand” (p. 90). Organizational leaders seeking to minimize conflicts between employees in order to maximize profitability and to keep a sustainable working environment of high-quality for the local tourism and hospitality industry are thankful for their human capital who behaves with respect to cultural differences. This study provides a practical model of understanding better “how” and “why” effective leaders must understand cultural differences to assure that employees and tourists understand and respect each other in the industry. A significant predictive model can aid to support leaders in understanding the perception and attitude towards cultural differences and the effects they have on the hospitality and tourism industry and different generational characteristics. The implications for a social change environment include the potential to increase productivity and communication.

The user participation theory is the conceptual framework for this study is that effective managers must understand cultural differences of employees and customers, and assure the respect of it in the organization and the industry in general. Zhang, Ding, and Li (2017) noted that transformational leaders develop obliging team goals as well as encourage team members to develop a common identity, common tasks, integrated roles, personal relationships, and shared reward distributions that reinforce cooperative goals. They also promote intellectual stimulation, individualized consideration, and inspirational motivation... to improve task structure and a cooperative climate in the virtual environment (Huang, Kahai, & Jestice, 2010). In addition, transformational leaders may seek to empower their employees with positive enforcement and encourage solutions to problems with creative thinking. This qualitative study examines the use of digital communication strategies in relation to each generational difference based on three conceptual framework topics: 1) leadership, 2) motivation, and 3) organizational change.

The rest of the paper is structured as follows. Section 2 reviews the current global business environment and explains the need for more competitive organizations in order to achieve their goals, achieve targets and survive. Business and economic challenges are pushing organizations to develop sustainable solutions with respect to human diversity (client differences) and cultural differences (client’s cultural groups) in order to create a competitive advantage.

“A range of important cultural and social differences affects the way we interpret what is meant. Some degree of common background is essential for exchanging messages. Sometimes, practical problems crop up because the communicators fail to establish early on what that common background might be” (Mariani, Borghi, & Okumus, 2020, p. 14). To find more about this challenge, Section 3 presents the research methodology that has been used in order to collect primary and secondary data, regarding the use of suitable tourism and hospitality strategies, practices and methods, in complex working environments to
create change and survival. The results are
presented in Section 4 of this article. In Section 5,
this article discusses and analyses the findings from
this research, which can support the organizations’
needs for further development about sustainable
and innovative strategic implementations. Section 6
concludes the paper.

2. LITERATURE REVIEW

Management and leadership are two different but
close related definitions that have a very strong role
in the tourism and hospitality industry. Both are
associated with effective managers and leaders in
organizations, who need to earn the necessary
knowledge and skills to succeed in a managerial position and situation. Leadership and
management are nearby; “the development of people
to think, write and speak effectively and creatively;
the development of an appreciation of and respect
for social, moral, and ethical values as the
foundation of one’s relationship to others and one’s
responsibilities to the community; the development
effort for analytical, decision-making and communication
competencies, self-reliance, responsibility, integrity
and self-awareness” (French & Bell, 1999, p. 226).
Also, “the development of tourism implies a lack of
appropriate strategies that would adapt to specific
areas, according to their attractiveness and
specificities. It implies inadequate human resources
that should implement strategically set goals. It is
necessary to define priorities, primarily in the area
of profiling the material basis of tourism, i.e.,
the offer of accommodation facilities” (Kordić &
Milićević, 2018, p. 93).

The role of a leader is to communicate
effectively by decoding and transferring the right
messages to connect cultural differences and to face
a serious challenge in the hospitality and tourism
industry. Some leadership communication methods
include speaking, writing, and electronically
transferring the message (Northouse, 2019).

The organizations’ productivity is based on the
final actions of a leader in practice in the
working environment. Actions are based on
commitment, trust, innovation, and respect of the
different opinions (Astin & Astin, 2000;
Wielkiewicz & Stelzner, 2005). It has been
established that rudeness in the workplace reduces performance effectiveness and creativity, and
increases worker turnover, which is costly for
the organization. Politeness also varies with the type
of the relationship (among strangers, friends, and
intimates). Culture, personality and professional
training influence the degree of politeness and
the modality of expressing it”.

According to DeVito (2019), “language cannot
be used without carrying meaning and referring
beyond itself. Meaning is an active process created
in cooperation between the sender and receiver, speaker
and listener, writer and reader. Meaning is
constructed out of the messages you receive
combined with your own social and cultural
perspective” (p. 29). In the business world,
politeness is now recognized as an important part
of interpersonal interactions. Leaders should
understand any cultural differences in order to
motivate employees to behave in the “desirable
ways” (Literat & Chen, 2013). All parts of
the message system, including verbal and nonverbal
behaviors, work together to communicate a unified
meaning. Messages occur in clusters and may
reinforce one another or contradict one another
(Literat & Chen, 2013).

2.1. The Republic of Cyprus

Cyprus is a beautiful island in the Mediterranean Sea
at the crossroads of Europe, Asia, and Africa. Cyprus
is the third largest island in the Mediterranean with
a population of approximately 800,000. “Throughout
the centuries, Cyprus has been a meeting place of
civilizations and cultures. The island has superb
mountain scenery, forests, fascinating coastlines and
beaches, and a rich historical and archaeological
heritage bearing witness to its long and diverse
history. The marvellous climate of the island offers
endless opportunities to nature lovers. In May 2004,
Cyprus joined the European Union and became its
easternmost and southernmost outpost”1. “The
country’s economy has emerged as one of the
leading business and financial centres in the region.
Various sectors of the economy like tourism,
banking, insurance, and telecommunications provide
the economy with a cutting edge. In January 2008,
Cyprus joined the Economic and Monetary Union
EMU and the Euro (€). The official languages of the
Constitution of Cyprus are Greek and Turkish, but
English is widely spoken”2.

2.2. Theoretical framework on strategic directions
in the tourism industry

According to Ralph Stogdill, as stated in the book of
Huczynski and Buchanan (2017), “leadership is an
interactive process that targets the organizations’
goals, and plays a very important role in the overall
organizational effectiveness” (p. 58). Zeugarides and
Stamatiades (1997) argue that, “a leader perceives
the attitude that influences groups’ and cultures’
differences in order to act in a specific way” (p. 36).
It is also a process that “specific people give motives
to the group in order to control and drive them to
a specific direction for success” (Myers, 2019, p. 79).
The productivity of the final actions by a leader of
an organization can be examined in practice in the
working environment, based on commitment,
trust, innovation, and respect of the different
opinions (Astin & Astin, 2000; Wielkiewicz et al.,
2005). However, leadership is based on the interaction
between the employees by creating a specific culture
for the organization (Wielkiewicz et al., 2005). In
difficult business situations, all actions are
demonstrating the potential to grow and become
an effective leader by mastering skills in
organizational leadership as well as entrepreneurial
leadership and developing teambuilding and
effectiveness in self-managed teams, and taking
leadership roles. Strategic leadership factors should
concentrate on what line managers have to do as
leaders in order to play their vital and immediate
part in increasing levels of engagement in
the tourism industry of Cyprus. Any new strategies
should therefore include the steps required to
improve performance and be effective to increase
the commitment of employees to implementing
strategic directions and leadership decisions, in
order to save the tourism industry from bankruptcy.

1 www.cyprus.gov.cy
2 www.visitcyprus.com
2.3. Efficacy of the power of communication in the hospitality and tourism industry

For effective communication, itself term open to a variety of interpretations, is not a natural gift, as often supposed, characterised by expressions such as “the gift of the gab”, but a skill based on understanding, observation, and practice (David & David, 2017). “The importance of communication and its long-lasting impact is related to external image and reputation ... A range of important cultural and social differences affects the way we interpret what is meant. Some degree of common background is essential for exchanging messages. Sometimes, practical problems crop up because the communicators fail to establish early on what that common background might be” (Hartley & Bruckmann, 2001, p. 96). The development of mass media and social media that is part of our lives has made the designing of strategic communication planning ever more complete and demanding. Word of Mouth method is still alive and effective but is not enough for organizations growth.

2.4. Innovative solutions for the tourism and hospitality sector

The driving forces in the tourism and hospitality sector are “the major underlying causes of a changing industry as they have the biggest influence on how the industry landscape will be altered, in order to develop market demands, create competition, and lead to the industry’s profitability ... The creation of a strategic integrated and sustainable plan is a set of interconnected spheres where the economy is not in the centre and environment has a limit factor” (Senge, Smith, Kruschwitz, Laur, & Schley, 2020, p. 259). The build of human capital high quality within the organization, is related to the connection between the economic and the environmental criteria (Kupperschmidt, 2000). If leadership is successful then organizations keep a sustainable and successful working environment. Leaders of an organization seek to minimize conflicts between employees and maximize profitability. “All organizations are operating in macro environmental influences arising from general economic conditions, population demographics, societal values and lifestyles, legislation and regulations, and technology” (Wheelen & Hunger, 2018, p. 12). The overall evaluation of the above theories can take to the result for the necessity of successful decisions by leaders in the tourism industry who must act with social or human responsibility. The sustainable leadership is a shared responsibility between human and financial resources that care an organization in order to avoid exerting damage on the surrounding educational and community environment (Hargreaves, Moore, Fink, Brayman, & White, 2003).

3. RESEARCH METHODOLOGY

3.1. Research procedure

Each organization operates differently and uses existing theories in practice to create sustainable and competitive solutions in the global business environment of the 21st century. This research uses a case study to examine the topic because “an empirical strategy could direct research into a particular contemporary phenomenon in real-life conditions and bring a practical collection of data” (Robson, 2002, p. 168). “The strategic use of case study has a great ability to produce answers like ‘Why?’, ‘What?’, and ‘How?’” (Saunders, Lewis, & Thornhill, 2019, p. 85). The use of a case study is also very important for a researcher in order to understand the research framework and the procedures established (Morris & Wood, 1991).

3.2. Research design

Qualitative and quantitative methods of study can find answers to the above research questions. A research design leads to the analysis of the collection of quantitative and qualitative data, usually in the form of quality analytical numbers and techniques. “There are three layers: research strategies, research options, and time horizons” (Saunders et al, 2019, p. 136). These three layers can be considered to be the focus of the research design process, to transform the research question into a research program. The research will use the interview method to collect qualitative data, and the questionnaire method to collect quantitative data.

3.3. Ethical considerations

The issues of “confidence” and “confidentiality” during an interview and the completion of a questionnaire by participants must be taken very seriously by researchers. Participants must remain anonymous as the main target is to examine given answers and not accuse or reward them. Interviews can show reactions and emotions as well as the tone of voice, facial expressions, and any hesitations. Questionnaires are also very important since the researcher has the opportunity to receive in writing important and useful information about the field of research. However, by asking in-depth questions about the research topic, it might acquire in-depth knowledge and data, which should be carefully protected, and destroyed information which could hurt the participant. Some examples include a list of completed questionnaires and a recorded interview. Furthermore, the use of any bibliography and references during a survey review should be carefully presented on the final assignments, as authors’ work might be taken as interception of other’s primary data. All primary data is the copyright of the examiner author and should be borrowed with respect.

4. PRESENTATION OF RESULTS

This project critically analyses the implication of strategic actions that influence cultural differences in the hospitality and tourism industry. It also presents existing and under development strategic plans prepared by leaders. The strategic planning based on perceptions and attitude must be well prepared for its implementation in practice to be successful, profitable for the stakeholders, and create sustainability in the tourism sector of the Republic of Cyprus. The scope of this research is to find answers to the following questions:

Q1: How leadership transformation could create respect on cultural diversity in the way that should support the organization, which is implementing it?
Q2: What are the sustainable strategic directions, which assure the quality of services with respect to cultural differences of tourists?
Q3: How the managerial decisions of an organization operating in the hospitality and tourism sector could build perceptions and attitudes for employees against their customers?
Q4: What actions could bridge different cultures to create a healthy working environment?

4.1. Leadership transformation on diversity for organizations

Cyprus is an island where its main income is based on services. The tourism industry is one of the most important factors for the economy of Cyprus and takes a very serious place in the final decisions of the local government. “The processes of a strategic plan could create value by meeting and exceeding customer needs and by delivering benefits to them” (Camilleri, 2018, p. 21). Successful organizations rely on strategic planning, sustainable implementations, and leadership actions to create value. Therefore, the strategic planning process is related to short-term marketing and operational plans. All strategic plans related to the tourism sector (like airlines, hotels, events) are affected by any internal or external factors (like coronavirus situation) around the world. In order to identify and evaluate marketing strategies for the hospitality and tourism sector, someone must make a PESTEL (political, economic, social, and technological, environmental, legal) analysis. The internal environment and commercial laws play a very serious role in order to start a business in the tourism and hospitality sector. Technology is very important in order to promote Cyprus abroad in order to bring tourists. Websites, social media, and other web technologies were used in order to make Cyprus a very important destination for tourism and hospitality either for holidays or for organising events and conferences and other types of entertainment and businesses.

Cyprus has sea and sun which is something that most tourists want and ask when they come to visit the island either for entertainment or business. The combination of those environmental beauties together with entertainment and business in a promotion campaign could help Cyprus to create a competitive advantage in this geographic area. Cyprus Law is very friendly to the business sector by giving low taxes and other attractive benefits, as well as protecting human rights based on European and other global laws and ethical norms. Local organizations are trying to offer high-quality services in order to survive in the hospitality and tourism industry of Cyprus.

4.2. Sustainable strategic directions of cultural differences for tourists

Cyprus, as a small country in a global market, could not be affected by the changes in the sector. Technology takes a very serious place in our everyday lives and affects most of our operations. Airline tickets, car rental, hotel booking, and other forms of services in the tourism industry are available to customers (visitors/tourists) over the internet in order to make their lives even easier. On the other hand, governments and global organizations had created a very serious number of laws in order to protect human rights and customers’ decisions. For example, those laws cover customers in the case of flight delay or flight cancellation, in the case of bankruptcy, in the case that accommodation and other leisure or hospitality services booked over the internet were not on the level that the seller promised, and several other reasons that could affect or have negative feedback on the customers’ needs and wants related to the services they bought over the internet. Recently, governments have made decisions about electronic methods of travellers’ protection from COVID-19 infection (i.e., vaccination).

Effective digital solutions often are significant on whether the design of a strategic plan could succeed and provide autonomy for leaders to act and implement managerial decisions. A direction challenge can be evaluated as successful only after continuous actions, implementations, and evaluations of strategic plans. A successful strategic plan should have excellent abilities and an important working involvement whenever organizational sizes, and continues learning. The idea of designing and developing a strategic plan is arising based on the goals that have been set by each organization. To update a strategic digital plan for development needs to identify the necessary skills that must be improved, devise activities to improve those skills, identify the resources to perform those activities, identify the measures to record progress, and work out a timeline because without all these elements it is not possible to make an impact on communication’s development. City tourism is one of the fastest-growing travel segments worldwide and the impacts of the changing nature of city tourism become increasingly apparent in many cities. The proliferation of information and communication technologies (ICTs) has had a significant impact on the travel industry, as well as on tourist behavior, and is also transforming the nature of travel and the actual tourist experience.

4.3. Bridging cultural differences for healthy working environments

Leadership in practice requires some less tangible and less measurable skills as well as managerial skills on topics like trust, inspiration, attitude, decision-making, and personal character. A strategic leadership ambition is the face of humanity and is enabled mainly by the leader’s character and especially his/her emotional reserves. Any continuous improvement of current skills and abilities will have an impact on the organization that a leader works for. Good interpersonal skills and time management skills are very important for the success of the organization and always help on giving a competitive advantage to an organization. Improving personal skills through various training is necessary for achieving the strategic leadership ambitions and future goals of any organization to bring change. Organizations in the tourism industry must pay salaries and suppliers, and investors in order to survive.
5. DISCUSSION ANALYSIS AND INTERPRETATION

Organizations operating in the hospitality and tourism industry of Cyprus are trying to design and implement new strategic directions to create sustainable business solutions based on the new global challenges that arise over the years. The high quality of services for the tourism industry is still alive but the market sometimes looks to be in shock (i.e., economic bankrupt and pandemic). The achievement of outcomes of a plan depends on the growth results of a business. A business plan should become successful by satisfying staff’s and customers’ needs and also by implementing “updated” strategies. The degree to which the role of sustainability is implicated and improved is based on the engagement of employees to participate in the success of the organization that is employed.

A successful leader should have excellent communication skills to transfer the implementation idea of a strategic plan.

A business planning for tourism development should take very seriously all the factors before starting preparing a plan in order to satisfy the needs and wants of the business, to create a competitive advantage, and make a profitable organization. Furthermore, the hospitality and tourism industry should create a number of interesting trends and developments to create a competitive advantage. New technologies are making fundamental changes in the structure of the travel industry, including its products and services. Tourism development and strategic planning involve an analysis of the businesses’ internal strengths and weaknesses, and as well as their opportunities and threats in the marketplace.

“The development of people to think, write and speak effectively and creatively; the development of making and communication competencies, self-reliance, responsibility, integrity and self-esteem” (French & Bell (1999, p. 23). Communication that does not work properly can create serious mistakes which could damage the image of an organization, and affect performance at the workplace.

6. CONCLUSION

The perception and attitude towards cultural differences and the effects they have on the hospitality and tourism industry are closely related to people's cultures and communication. Good communication and respect of cultural differences appearing around the world can become an important powerful tool for the success of the local industry of Cyprus. The creation of sustainable business plans can create change and development to the future directions for the industry. This research explored theoretical and practical foundation contents, examined past and differences appearing around the world can become an important powerful tool for the success of the local industry of Cyprus. The creation of sustainable business plans can create change and development to the future directions for the industry. This research explored theoretical and practical foundation contents, examined past and current research findings, and investigated the empirical studies of the tourism and hospitality industry implemented in the Republic of Cyprus. Organizations that have to face a competitive global environment (globalization) operate in the industry. Cyprus is a small country that is trying to attract people by differentiating its products and services to face challenges against other bigger markets in this area in order to succeed.

The measuring of effectiveness within an organization has both strengths and weaknesses. It is clear that each organization works differently, so some methods and strategies that are implemented in one organization cannot easily implement by another. The investigation of this project has included some very good findings, but at the same time, there were also some findings that needed more in-depth analysis to achieve better results. Most of the research questions have been answered clearly to fill the gaps, but some others looked to be difficult to answer because of the general way that they have been presented to the examiners. Time pressure in busy working environments looked like a serious problem for getting thorough answers. Time counts for all, on one side is the respect of participants’ time, and on the other side is the need for a successful final reason that must be prepared on time. Even, during the interviews, more specific and clearer questions could bring more promising and qualitative answers in order to understand better the messages arising from local leaders’ decisions and actions. The bigger number selection of numerical data could show very positive information about participation in training programmes, but those were not easy to be collected as come against safety and data protection by the organizations.

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