Corporate Culture vs. National Culture - The Role of Human Resource in Managing Cultural Differences in International Hotel Companies

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Chapter 1 Introduction

1.1 Purpose of study

“Changing culture through the utilization of a human resource management approach within organization has received much attention recently” (Watson & D’Annunzio – Green, 1996, p. 27).

In the last decade, many service companies, especially hotel companies moved one more step on globalization in forms of franchising, property merging, capturing and company restructuring (Holjevac, 2003; Litteljohn, 1997). When hotel companies start operating in different continents, one of the outstanding problems is how to make the company run as efficient and effective as a whole. However, Go and Pine (1995) find out that international hotel companies have accepted the fact that they need to adapt their strategies to meet the particular socio-cultural, economic and environmental form at local level. Human resource (HR) plays an essential role in the process of internationalization (Schuller, 2000). Woods and Sciarini (1995) argue the importance of managing work-force diversity in the hospitality industry have been recognized over the past several years. Companies increasingly seek solutions to the corporate level is perceived to be a feature of more traditional approaches to managing across national boundaries. At the human resource level, the multinational integration is being achieved through “soft” mechanisms, such as corporate culture devices (Jones et. al, 1998). “In the context of transnationalism a key mechanism of co-ordination is through diffuse processes of socialization” (Jones et. al, 1998, p.1049). How to transfer the corporate culture which is a company’s unique competitive advantage (Case, 1996) to different countries’ subsidiaries with diverse cultural background becomes one of the most important international human resource management (IHRM) issues globally. Hofstede (1989) states that companies who care about culture awareness better have a distinct advantage over their competitors in the world markets. Hofstede (1994) points out the importance of considering that management are culturally bound. Boella and Goss-Turner (2005) comment that it is not only to communicate correctly with employees, customers but also go further to meet their particular cultural expectation. The globalization of the hospitality industry has an urge to require a high quality and effective HRM under such an international context. Culture issues and national characteristics have to be considered in HRM practices (Boella & Goss-Turner, 2005). Therefore, this study aims to investigate how international hotel companies’ corporate culture is transferred to another nation with different cultural identity by local human resource management (HRM) since the era of internationalization for hotel industry has arrived.

Cultural re-engineering has been a popular theme in business research and practice for many years (Linstead & Grafton-Small, 1992). Many researchers who have studied in this field felt that frameworks developed for manufacturing are not suitable to services
management, which inherent characteristics of services and carry unique problems and opportunities in multinational service corporations (Campbell and Verbeke, 1994; Sarathy, 1994). Thus, it is a motive for us to investigate deeper about cultural theme particular in service industry. Concerning HRM, many researches have been done. Literatures and theories have emphasized from several angels about HRM from different decades respectively. However, the importance of HRM is concluded magnificently by Enz and Siguaw:

“Designing integrated human resources system is one of the most powerful ways to ensure the creation of value for customers and profitability for owners. In today’s competitive environment, high-performing organizations have learned how to deploy human resources (HR) practices to enhance competitive advantage. The most successful firms create a bundle of employee practices that are customer focused, are aligned with each other, and reinforce the organization’s strategic position. Innovative hotel companies are developing their human-resources practices to help build and sustain organizational effectiveness.” (Enz & Siguaw, 2000, p. 48)

“The basic value of a multinational business organization is determined by the nationality and personality of its founders and later significant leaders. Multinationals with dominant home cultures have clearer sets of basic values and therefore are easier to run than are international organizations that lack such common frames of reference” (Hofstede, 2001, p.440). To which extend to share a common vision and goal are important for multinational companies (MNCs). Global franchised hotel brands usually have developed a clear and formal system in the corporate culture and values of service inherent from the parent company’s strategies (Boella & Goss-Turner, 2005). A multinational company started its business in parent country’s national culture, which will influence its corporate culture. When this MNC starts having subsidiary cross the boarder, the original corporate culture will have conflict to host country’s culture. As Hofstede (2001) said, managing a multinational business corporation requires a balance of culture, which means a combination of national and corporate culture components.

There have been a lot of arguments about the convergences between home companies’ HR and local culture (Quintanilla & Ferner, 2003; Guilén, 2001; Martin & Beaumon, 1998; Hall & Soskice, 2001). The massive institutional complexity in different cultural settings has created challenges for IHRM. This study will only concentrate on the barriers that national identity created for MNCs.

1.2 Research question and objectives

Having reviewed previous research, the plan of carrying on with corporate culture research integrated with human resource management looks very appealing. Since greater competition, market changes and HRM advancement are some of the factors
becoming increasingly significant in global competition in hotel industries (Watson & D’Annunzio – Green, 1996). National culture, in other words, is a crucial barrier to overcome for the companies that have international ambitions. Therefore, we determined our research question as “How is international hotel company's corporate culture transferred to a different national identity by local HRM?” It is a big topic. In order to answer this research question, we break it into three objectives. First of all, we need to understand companies’ corporate culture and its reflection on HRM. Second, it is necessary to explore the national culture differences between parent country and host country. After achieving above two objectives, we are supposed to see the differences among company’s corporate culture, parent country’s culture and host country’s culture. Those will be used as secondary information to help us achieve the third objective, which is to describe how corporate culture is transferred through HRM practices. After finishing all three objectives, we believe it is possible to answer our research question in a general manner.

It is a cross disciplinary research. So there are mixed theories from different fields. In order to get an overall picture of related fields, the major theories will be reviewed are from corporate culture, national culture, human resource management and international human resource management. Hofstede’s national culture theory is the foundation of this study. After literature review chapter, we discuss the methodology. Qualitative research method is applied. There is a semi-structured interview plan designed for collecting first hand information. Other information is collected from secondary data. Following chapter is empirical part. In this chapter, we present findings for objective one and two. Objective three is answered by analyzing collected primary and secondary information. Finally, in the conclusion chapter, we answer the research question and give recommendations.
Chapter 2 Literature Review

2.1 Core concepts of culture

Culture provides people a sense of belonging; tell people what they should do and how they should behave. Culture has a great impact on behaviour, moral, values and productivity. It also influences company attitudes and actions (Harris & Moran, 2001). According to Hofstede (2001), Culture has two basic meanings: First, it is a way of civilization, People’s mind is getting trained or refined; Second, culture is a collective ways of thinking, feeling, and acting. It is a “collective programming of the mind” (Hofstede, 2001, p.1).

Many researchers have given different definitions of culture. Olie (1995) conclude culture with four characteristics:

1. “Culture is not a characteristic of individuals, but of a collection of individuals who share common values, beliefs, ideas etc.
2. Culture is learned. People learn the culture of a group when they become a member. The culture of the group is transmitted from generation to generation.
3. A related aspect of culture is its historical dimension.
4. Culture has different layers. Hofstede(1991) distinguishes four different layers, ranging from the more visible and superficial manifestation to deeper and intangible element: Symbols, Heroes, Rituals and Values”

(Olie, 1995, p.127-129)

Figure 2.1 Four different layers of culture
2.2 Corporate culture

The premise of organizational culture is that a given set of people have enough stability and share common history or experience to form a culture. Schein (1990) defines culture as a common value and knowledge of a group, which the group learns over a period of time through behavioural, cognitive and emotional process. It helps the group solve its problems of survival in an external environment and its problems of international integration. There are three layers of culture defined, (a) observable artefacts, (b) values, and (c) basic underlying assumptions (Schein, 1990).

According to Case (1996), corporate culture refers to “the value, attitude that permeates a business” (Case, 1996, p. 42). It identifies what a company regards as important and what it regards as unimportant. McCune pointed out that “an organization's corporate culture encompasses its values, and therefore directs employees in how to act and get things done” (McCune, 1999, p.52). Almost every business has its culture. If strategy points out the direction for company to work toward; culture decides how to go there.

Corporate culture can be regarded to “take systematic efforts to establish a certain world view, a particular set of values and/or emotions among employees” (Alvesson, 2004, p.322). Some companies have clear, distinctive cultures which make themselves stick out from competitors. They have strong effects on how company’s people work together. Corporate culture is a unique competitive advantage by spreading company’s core value to its customers and employees (Case, 1996). As Case’s argument, a successful culture gains “its power from specific practices that employees understand as symbolizing and representing the culture” (Case, 1996, p. 42). Corporate culture is a company’s identity which is really hard to copy.

2.3 How to deliver corporate culture to employees

Today’s customer receives information from various communication channels. When a company disseminates information to customer and employee, an integration approach should be considered. Grönroos (2000) develops the service marketing triangle and illustrates the relationship among service company, customer and employee. Customers receive company’s promises through external marketing and interactive marketing (service encounter). In order to ensure such interactive messages are consistent and correct, internal marketing communication must be managed between the company and employees. Company should apply proper internal communication ways to deliver its culture, value, policy, and standard to the employees so that employees can fully understand and perform them through service encounter. Therefore, the promises that customer receive are consist, correct, complete with what company give (Grönroos, 2000; Kotler, 1994; Zeithaml & Bitner, 2000)
In regards to our research question, the internal marketing between company and employee will be our focus. How HRM plays a role as bridge to convey corporate culture to the employees with other cultural background through local HRM practices is a major concern in the research.

2.4 National identity

2.4.1 Significance of national identity

Cross cultural management becomes more and more important as companies move further to internationalization. Four phases are identified by Adler and Ghadar (1990):

- **Domestic**: focus on home market and export
- **International**: focus on local responsiveness and transfer of learning
- **Multinational**: focus on global strategy, low cost and price competition
- **Global**: focus on both local responsiveness and global integration

To go on from the beginning to the final stage, managing different culture is as important as managing effectiveness and efficiency (Sorge, 2004). It is mentioned there are two different approaches for cross-national comparative research on organization and human resource: culturalist approach – researching and explaining differences in organizations and human resource rooted in strong values and beliefs,
and institutional approach – people belong to a type of organizational culture because a wider formal system of laws, agreements, standards and codes exists (Sorge, 2004; Romani, 2004).

In this study, we choose culturalist approach to solve our research problem, because Hofstede’s culture theory will be the foundation of this study; therefore, this approach is inter-secant with corporate culture and national culture. The fundamental national identity theory was determined by Hofstede’s study in IBM Corporation in 1980.

2.4.2 Hofstede’s national identity theory

Even though a particular company has its unique corporate culture, national culture differences may influence them in many different ways. One of them is how they are presented in different national culture environment. Mental programming is regarded as “the pattern of thinking, feeling, and acting” (Hofstede, 1991, p.4), which every person has acquired in childhood and carries along throughout life (Hofstede, 1991). A majority of inhabitants from one nation usually carry common mental programming, which provide national identity. Hofstede (1980) finds out similarities and differences all over the world ended up with four dimensions to sort out countries or cultures:

- Differences between small and large power distance countries
- Differences between collectivist and individualist countries
- Differences between weak and strong uncertainty avoidance countries
- Differences between feminine and masculine countries

In short, they are labelled as power distance, uncertainty avoidance, individualism and masculinity.

Power distance dimension marks the status differences between people with high and low power. It focuses on the degree of equality or inequality. A high power distance ranking shows that inequality of power or wealth exists in the society. A low power distance country stresses the equality and opportunity for everybody. Power distance is often reflected in the hierarchical organisation of companies (Hofstede, 1980 & 2001). Employees from high power distance cultures prefer centralized power structure, hierarchies. While employees from low power distance cultures favour decentralized power structure, flat organization, and equal privileges (Hughes, 1999).

Uncertainty avoidance is a measure of flexibility and need for rules. It also focuses on the level of tolerance for uncertainty within the society. High uncertainty avoidance country creates a rule-oriented society. Laws, rules and controls are used to reduce the uncertainty. Low uncertainty avoidance country has less concern about uncertainty; the society tolerates changes and takes more risks (Hofstede, 1980 & 2001). Employees from high uncertainty avoidance cultures dislike uncertainty. They like to have rules, order, truths. Employees from low uncertainty avoidance culture prefer
fewer rules (Hughes, 1999). Uncertainty is also subject to individual’s experience and feeling. Such feeling of uncertainty can be obtained and learned (Hofstede, 2001).

Individualism is about culture focused on individuals or groups. A high individualism country encourages personal initiative and right to private life. A low individualism country means the society is characterized by collective nature. Everybody tends to take responsibility for the members in the group (Hofstede, 1980 & 2001). Employees from high individualism culture has loose ties in between, they prioritise individual’s need and rights. Employees from high collectivism cultures, on the contrary, respect group need and right (Hughes, 1999).

Masculinity dimension is concerned about the social sexual role in the society and how aggressive and competitive men and women towards achieving goals. High masculinity country experiences high degree of gender discrimination. Males are dominated in the society. In low masculinity country, females are more equally treated to male in all aspects in the society (Hofstede, 1980 & 2001). Employees from high masculinity cultures value money and material recognition, performance and growth, self accomplishment and independence. Employees from low masculinity cultures focus on people, life quality, service and interdependence (Hughes, 1999).

Hofstede (1991) introduces a fifth dimension. The long-term orientation dimension is the result of his co-operation with Michael Bond, who links this dimension to the work of Confucius.

The long term orientation is characterised by persistence and perseverance, a respect for a hierarchy of the status of relationship and observing this order, thrift, and having a sense of shame. The long term rewards are expected as a result of today’s hard work. However, business may take longer to develop in this society, particularly for an “outsider” (Hofstede, 2001). On the opposite pole of short term orientation is marked by a sense of security and stability, a protection of one’s reputation, a respect for tradition, fulfil social obligations and protecting once face (Hofstede, 2001). In these countries culture, change can occur more rapidly as long-term traditions and commitments are not emphasised.

2.4.3 Examples of difference national identities

Many studies have been done to discover and identify those differences from different countries by their distinguished national identities. An example matrix presenting what Hofstede (1984) has done is shown below:
Clearly seen, there are few clusters of different national identities. Some of them are with large power distance and low individualism; some of them have small power distance and high individualism; some have large power distance and high individualism; some have small power distance and low individualism. There are other matrixes done with other dimensions of national identity\(^1\). Those studies contribute to cross cultural management so that multinational companies can install certain types of applications to manage diversity to minimize the risks from cultural conflicts.

The fifth dimension, which was developed from research conducted by Michael Bond to accommodate non-Western (Confucian) orientations and has been adopted from the Chinese Culture Connection study. Hofstede takes countries and areas like China; Hong Kong; Taiwan, Japan and India as long term orientated and countries include: Britain, Canada, the Philippines; Germany, Australia as short-term orientation. Romani (2004) pointes out:

\[\text{“In a long-term environment, building up a strong position in a market} \]\(^1\)

\(^1\) See appendix 1
might be seen as preferable to quick, short-term and temporary results. Such a management would persevere in implementing a strategic plan over an extended time-frame. A company’s strategy might be to persevere in spite of initially slow results. While, business in a short-term oriented environment puts stronger pressure on organizations and employees to perform well quickly. In addition, employees tend to be judged and rewarded on the basis of their immediate achievements and not necessarily on the basis of their long-term management” (Romani, 2004, p. 148).

Managing culture has been an essential issue for multinational companies. The failure of managing culture can lead to serious danger for multinational company. What are the impacts cross cultural management can arise for the companies?

2.4.4 Impacts of different national identities on multinational companies

Each country carries its own unique national identity which distinguishes itself from the others. In the context of international companies, it is necessary to consider the impacts of national identity in management process. Hope (2004) points out that with increasing globalization, organizations and cultures tend to be alike. However the argument on the convergence versus divergence is still on-going. Foster and Minkes’s research (1999) shows a preference on convergence at an organisational structural level, but divergence at the operational level. However, Hope and Mühlemann (2001), Morden (1999) and Rodrigues (1998) argue that due to impact of national culture, the adaptations are required when transferring “best practice” between nations. Teare’s investigation (1993) explicates Hyatt chains recognise the needs to adapt procedures when operating in different countries. As Hope (2002) summarizes in the paper, many research have implied that culture difference will impact on operations. In Hope’s research on the impact of national culture on the transfer of “best practice operations management” in hotels in St. Lucia, the findings (2002) also indicates that culture has an impact on the successful transfer of “best practice” and due to historical reason, “the cultural factors related to power distance and risk avoidance seem to create barriers to empowerment and team working” (Hope, 2002, p.49).

Jones, Thompson and Nickson (1998) mention that the history of hotel internationalization was started by the American chains. Control and integration are carried out through the delivery of a highly standardized product and service and primarily to meet the needs of American business travellers. In that case, expatriate management is dominant and overseas operations as attachment to a central domestic corporation (Go & Pine, 1995). However, Go and Pine argue that “the challenge for international hotel firms is to develop hotel managers who understand the local situation but are able to interface with local clients and a worldwide network of hotel and personnel” (Go & Pine, 1995, p. 293).
On one hand, corporate culture is emphasized its importance to share same values, beliefs and attitudes that penetrate into business to help company compete in the market (Case, 1996). On the other hand, Jones, Thompson and Nickson (1998) point out the constraint in managing the corporate culture in international hotel chains. They argue that corporate culture can not transcend national origins. They also suggest companies to be aware of the danger of assuming that one can be trained to be “one of the family”. Their research of three international hotel chains which are from Sweden, France and US, reveals the difference reflected aspects of national culture. The management approach is different due to different national identity. Expatriate manager does not have a sense of belonging to the parent company, which might influence their performance in transferring company’s corporate culture. However, in this study, local HRM practices will be the focus instead of expatriates.

One of the major tasks of human resource management, as an important function in the international company, is to transfer the corporate culture to local employees. Therefore, HRM’s basic practices such as recruitment and selection, training and development and rewards and recognition are facing challenges to let local employees with national identity different from the parent company’s receive and understand the corporate culture. How HRM overcomes culture difference barriers is critical to be successful in implementing company’s vision, policy, goals etc.

2.5 HRM overview

2.5.1 HRM development framework

The origin of human resource management can be traced back to 1950’s in the United States and obtained widely recognition until the beginning of 1980’s, as well as in UK in mid to late 1980’s (Beardwell & Holden, 1994). There are many reasons for its emergence over the last two decades. According to Paauwe and Dewe’s (1995) research, HRM development carried out mainly economic and technological nature. Three economic trends stimulated HRM development. One is the shift of international division of labour. While new nation enters international market, in order to survive from the competition, besides cost, quality, flexibility and innovation become important competitive criterias, which are affected strongly by the quality and utilization of human resources. Second is the shift of the sizes of the various sectors. The service sector maintained a growing share of the Gross National Product (GNP) in terms of value added. This means a need for intelligent labour and a different management approach. The third trend is the companies shift their attention from product and production to the market. HRM is a more active and strategic approach toward to personal and organization. Paauwe and Dewe (1995) points out:

“The focus has shifted from structure and system-thinking to
developing a specific management practice which stimulates a corporate culture, commitment among employees and the extensive use of employee resources” (Paauwe & Dewe, 1995, p78).

2.5.2 HRM concept and function

Human resource management is one of the key fundamentals in coordinating and managing organisations. The term HRM is traditionally used as a description of the employee management and later developed into a much broad scope. Devanna Fombrun, and Tichy (1984) develop a matching model of HRM, which introduces the concept of strategic human resource management. HRM policies are linked to the strategic corporate and business object\(^2\). The model emphasises tight 'fit' between human resource and business strategies. Another model which is called “the map of the HRM territory” \(^3\) was developed by Beer and his associates (1984) at Harvard University and favoured by academics. This model shows human resource policies to be influenced by stakeholders’ interests and situational factors. Human resource policies have both organizational outcomes and long-term consequences. Managers can affect a number of factors by means of the policy choices they make. Guest (1987) provides four propositions which refer to strategic integration, high commitment, high quality and flexibility. Based on his theories, Storey (1989) creates a framework which links HRM aim, policies and outcomes to create more effective organisations\(^4\).

Despite HRM changing and widespread adoption, there is variety in the HRM debate remains in terms of its origins, characteristics, function and philosophy. Beardwell and Holden (1994) summarize four broad perspectives around HRM subject:

- “HRM is no more than a renaming of personnel functions which does little that is different from traditional practice of personnel management
- HRM represents a fusion of personnel management and industrial relationships which is managerially focused and derives from a managerial agenda
- HRM represents a wider conception of employee relationship, to incorporate an enabling and development role for the individual employee
- HRM can be viewed as part of the strategic managerial function in the development of business policy in which it plays both a determining and contributory role.”

(Beardwell & Holden, 1994, p.6)

\(^2\) See appendix 2
\(^3\) See appendix 3
\(^4\) See appendix 4
2.5.3 Hotel HRM

Hotel industry is traditionally regarded as labour intensive and exploitative. HRM role in the hotel industry is clearly concerned. Major reasons are: (1) to maintain competitively viable for hotel, tight cost control is critical. (2) Service quality becomes crucial for competitive success, which require committed and motivated workforce. The management must treat their workers as essential resource in order to achieve goals (Hoque, 2000).

According to the research done by Anastassova and Purcell (1995) on HRM in Bulgarian hotel industry, Cheng and Brown (1998), also Nankevis and Debrah (1995) finds out that in a number of large chain-owned and independent Australian and Singaporean hotels, several key HRM practices in hotel industry can be identified as: recruitment and selection; orientation/induction; flexibility and job design; training and development; remuneration; and performance management/appraisal (Verginis & Wood, 1999).

In regards to Jones and Lockwood (1989) concise words about place right person in the right job at the right time and within the right environment, Hotel HRM should address issues as mentioned above, this is based on the view that people are the key to organizational success. Therefore, HRM can be seen to play a strategic dimension within a hotel’s efforts to be successful and these issues will have particular characters in hotel industry (Nickson, 1999).

An article written by researcher Maxwell from Glasgow Caledonian University, UK and HR director Lyle from Hilton Group, UK and Ireland explained how the tasks of HRM in Hilton Group changed as the company expanded more globally in 1999 (Hilton Group Plc purchased Stakis Plc). After reforming the organizational culture, the new Hilton Group Plc determined its new corporate culture with the representation of a quality initiative so called “Equilibrium – to provide for individual guests an experience that strikes an appropriate balance between life demands and their personal needs” (Maxwell et al. 2002, p.251). The authors mentioned that in order to achieve “Equilibrium”, the company developed a new human resource concept “Esprit”. The key principles of this concept are employee recognition, respect and reward to encourage service quality in Equilibrium. However, Hilton Group Plc noticed the cultural difference and national identities. What the company did to master “Esprit” was to adapt policies on national culture basis (Maxwell et al. 2002).

Clearly seen, during last decades, large hospitality companies became more international. How to manage human resource and cultural difference had burst out as an essential issue for those companies.
2.6 Diversity

2.6.1 International HRM

Adler and Ghadar (1990) mention that successful company understands the clients’ needs, can quickly transfer them into products and service and deliver them back to the client in appropriate cultural and timely way. Culture sensitivity is crucial both internally and externally. For international HRM, how a company satisfies the requirement of global integration and national responsiveness is a key concern.

The growing of business globalization sets up new requirement to the multinational companies, HRM area are facing particular challenges. In the recruitment process, young people are considered as they have high mobility and less family commitment. Specific competences are required in selection of successful mobile international managers such as open-mindedness, beliefs, trust in people, flexibility, adaptability, communication skill etc. (Hollinshead & Leat, 1995). In training and development area, Adler (1990) emphasises the need for cross-cultural sensitivity and language training. In regards to reward, working hours, employee benefits, performance-related element are easily to be compared. Multinational companies should make sure equity across their operations in different countries (Hollinshead & Leat, 1995).

2.6.2 Multinational company

A multinational company (MNC) can be defined as “a company that is physically active in more than one country” (Hollinshead & Leat, 1995, p78). This definition is given from a geographic perspective. It does not consider the size of the company and the nature of the business. As the increase of pressure from the international competition and the removal of the trade block in the world, the mobile and flexible organization has the possibility to establish business in other areas which can obtain the great economic benefits. Merging and joint ventures across national boundaries are one of the popular ways to increase economies of scale (Hollinshead & Leat, 1995).

Perlmutter seems to be commonly cited author in terms of typologies for the analysis of multi-nationals. He divides companies into three categories (1969):

- Ethnocentric: it implies the centralisation of the management and power. The research, development and other activities prefer to be tested in the country of origin and then extended to other countries. The ethnocentric companies are home country oriented. The standard international company faces challenging communicating in different languages and in accepting cultural difference.
• Polycentric: it is on the contrary that local manager and workers formulate policies and practise them to adapt local needs. The managerial power is decentralisation, and local site has autonomy.

• Geocentric: it combines local and international strength. The top management level not only considers local need and but also goes further to pursuit of corporate goals and values. Such type is probable difficult to carry out, but it can be the most successful.

Many multinational companies have to face to the issue that combination of highly differentiation; it requires a sufficient flexibility to respond to local conditions (Hollinshead & Leat, 1995).

Adler and Ghadar (1990) point out the impact of culture on the organisation depends on the company strategy. In the ethnocentric company, due to dominance of cultural difference, there is no attempt to manipulate the national cultures where it operates. While in polycentric set-up, autonomy is established in each country, adaptation is more concerned on a country by country basis to the slight difference of the culture in which it operates. As to geocentric company, there is a need to match corporate and national culture. This can be achieved through frequent visit, international career planning, IT and networking, language training, communication etc.

2.6.3 Strategies to handle cultural diversity

Multinational companies’ employees differ from one country to another in terms of their social-cultural background. This reflects especially in value and norms (Hofstede, 1980). Evans and Lorange (1989) identify two strategies to deal with such cultural diversity.

1. Global approach. The company’s own specific culture dominates and HRM is relatively centralized and standardized. Procedures and guidelines are uniform and applied worldwide.

2. Polycentric approach. The responsibility of HRM is decentralized and devolved to the subsidiaries. Headquarter provides general guidelines, and each subsidiary in each country or region is free to interpret HRM to fit into local culture.

Culture diversity is obvious both in the markets to be target and in the organization itself. Such a cultural diversity should be seen as an opportunity rather than a problem, as it brings creativity, innovation, grow and gain experience through out different environment and so on. Human resource policies are normally a part of an organization’s overall policy. There are normally few components of that. They can be finance policy, market policy, product policy etc. (Boella, 1992).
2.6.4 Multinational typologies and HRM approach

Hollinshead and Leat (1995, p.79) adapt Adler and Ghadar research (1990, p246) and describe the three HR approaches based on multinational typologies as follow, they are ethnocentric, polycentric and geocentric. Each of them has different emphasis on HRM practices, which are:

<table>
<thead>
<tr>
<th></th>
<th>Recruitment and Selection</th>
<th>Remuneration (Rewards)</th>
<th>Training and Development</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ethnocentric</strong></td>
<td>• Staffing procedures controlled from the centre</td>
<td>• Systems are set up from the centre</td>
<td>• Professional development retained with country of origin</td>
</tr>
<tr>
<td></td>
<td>• Local labour may be recruited</td>
<td>• Local market rates taken into account</td>
<td>• Little/no requirement for language or cross cultural training</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Basic skills training provided at operating sites</td>
</tr>
<tr>
<td><strong>Polycentric</strong></td>
<td>• An emphasis on recruiting local staff</td>
<td>• Local market rates highly significant</td>
<td>• Training needs established and provided at domestic level</td>
</tr>
<tr>
<td></td>
<td>• Considerable expatriation of executives. Transference of technology</td>
<td>• An emphasis on pay/salary determination at domestic level</td>
<td>• Some requirement for language training for expatriates and knowledge of local culture</td>
</tr>
<tr>
<td><strong>Geocentric</strong></td>
<td>• An integrated approach, ignore national demarcation, especially at managerial lever</td>
<td>• Possible conflicts in attempting to balance fair internal relativities on an international basis, with responsiveness to market rates at all lever</td>
<td>• Considerable demand for language training and cultural sensitivity.</td>
</tr>
</tbody>
</table>

Table 2.1 Multinational typologies and HRM approach

**Recruitment & selection**

MNCs place their HRM markets globally. Most of MNCs in hotel industry are big companies with long history. The corporate culture of the company can influence recruitment & selection polices directly. The corporate culture is an important profile to present in front of labour market to create competitive advantage for HRM’s
recruitment & selection although it’s intangible (Byars & Rue, 2003).

“Organizations that have a reputation for providing employees with career opportunities are also more likely to attract a larger pool of qualified candidates through their recruiting activities. Employee and management development opportunities enable present employees to grow personally and professionally; they also attract good people to the organization. Assisting present employees in career planning develops feelings that the company cares. It also acts as an inducement to potential employees.

The organization’s overall reputation, or image, serves as an inducement to potential employees. Factors that affect an organization’s reputation include its general treatment of employees, the nature and quality of its products and services, and its participation in worthwhile social endeavours. Unfortunately, some organizations accept a poor image as part of our industry and business” (Byars & Rue, 2003, p. 144).

International staffing
Expatriation is used to describe the process of international transfer of managers (Harzing et al. 2004). MNCs following an ethnocentric staffing policy will appoint mostly parent country nationals (PCNs) to top positions at their subsidiaries. MNCs following a polycentric staffing policy will appoint mostly host country nationals (HCNs). MNCs following geocentric staffing policy will appoint only the best person no matter what nationality he/she has. Some of those international staffing strategies are good in particular situations. Nevertheless, none of them is without its disadvantages looking from different perspectives.

Training and development
It is necessary for hotel industry to rethink attitude towards investment in human capital. Training and development is not luxuries investment but rather necessary to meet needs that raised by technology and by the customer and labour force. As Olsen (1995) state: “managers have to re-examine attitude to the way human resources can be used to meet both customers’ and employees’ needs, requiring an in-depth analysis of the spectrum of human relations” (Olsen, 1995, p.170).

Training is regarded as a key tool in the implementation of HRM polices and practices, particularly those involve cultural change and new working practices introduction. Holden (1994) points out that one of the most vital steps in HRM plan is to analyse the training needs of the organisation in relation to the organization’s strategy and link it with the needs of the individual within it.

Under multi-national environment, culture training is necessary. Cry (1995) emphasises the role of cultural training, which can encompass: 1) the corporate norms

5 See appendix 5
and values which operate in company, and 2) language and other training related to the creation of a better understanding of the national culture of the parents or off-shore customer.

**Rewards and recognition**

Organization’s rewards and recognition system reflect organization’s attitudes, intention and entire organizational culture. An effective rewards and recognition system is a useful tool to motivate employees (Byars & Rue, 2003).

Management should understand what employees regard as meaningful rewards. Pay is part of the issues; Rewards should be viewed in a large perspective. It can also be working environment, office equipment, and informal recognition etc. (Byars & Rue, 2003).

Remuneration is one of the important parts of reward system. It is directly linked to staff performance and motivation. However, in an international environment, different economic systems, development levels, political and institutional contexts, traditions and cultures make it difficult to find a uniform method for comparison (Logger, Vinke, Kluytmans, 1995).

**2.7 Suggestions from literatures**

In sum of the literature review, we found that HRM is an important tool to transfer company’s corporate culture. The importance of effective IHRM has also been recognized by international hotel companies in recent years. However, there is a gap between fragmented corporate culture theories and HRM & IHRM theories. Our goal is to link those two theories together and find out how HRM practice can cope with different national identities and still transfer corporate culture to employees. After reviewing the theories, we integrated two parts of the theories together: national identity and HRM practice. The idea is to combine the HRM practice into national identity background in order to study the impacts local HRM practice can apply in a different cultural setting (See figure 2.4).

![Figure 2.4 Integrated corporate culture and national identity](image-url)
Chapter 3 Methodology

The research was exploratory study since it aimed to gain background information to create hypotheses and research priorities (Hair et al. 2003). To achieve our objectives, we decided to use case studies. The main reason why case studies had been selected in this exploratory research designs was because it focuses on the detailed amounts of primary data from relatively small samples of subjects by asking questions or observing behaviour (Hair et al. 2003). There were nine hotels from four companies included in our study. For objective one, which is to understand formal corporate culture and its reflection on HRM; and objective two, which is to explore national culture difference between parent country and host country, we gathered secondary information. There was not much analysis. In addition to case studies, the outcome of objective one and two helped analyze objective three, which is the local HRM role in transferring corporate culture. This study was based on in-depth interviews with key personnel. The semi-structured interviews were conducted. Furthermore, secondary data collection and analysis was done before interview design in order to guide the interview direction. In-depth interview as a qualitative research method can give insight views of the problem (Hair et al. 2003). In this case, since the sample size was relatively small, we needed very capable respondents who were involved in the industry. We selected hotels managed by international hotel chain companies to conduct the interviews. The data analysis of qualitative research was normally restricted to very subjective content, interpretive, or semiotic analysis procedures.

Hair and co-writers (2003) discusses some advantages and disadvantages of secondary data. It can be usually gathered faster and less cost as well as very detailed. Nonetheless, secondary data can be outdated or may not fit the researcher’s information needs. Here in this research, we selected data only from related hotel companies to minimize the inaccuracy. Source for secondary data could be found inside a company, at libraries or on Internet (Hair et al., 2003). To collect the secondary data for this particular research, four hotel companies Marriott, Accor, Radisson, and Banyan Tree were chosen.

I. Objective one

To achieve objective one – to understand companies’ corporate culture and its reflection on HRM, we chose to use secondary data. An example was using published company’s website information to explore the corporate culture and what HRM policies and strategies they had developed in order to transfer the corporate culture. Those documents were official publications from the company. The limitation of those secondary data was that it was often very broad, so we had to make use of only the related the parts.
Giving an example, Marriott, as one of our case studies (Marriott is an American international hospitality management company with more than 2000 hotels around world.). The secondary date from Marriott was collected from Internet and also from inside the company to frame the interviews.

II. Objective two

For objective two – to explore the national culture differences between parent country and host country, it was necessary to clarify the national identity of hotel management companies since it was the parent country. Meanwhile, it was also necessary to explore the national identity of a host country or several host countries. This information could be gathered from the research and literatures that had been published. They helped us develop a framework for later interviews.

The value of external source should not be underestimated. Using existing secondary data has a few obviously advantages. It is low costs; it is less effort; it takes less time compared to get primary data; and sometimes, it can be more accurate than primary data; at last, it is sometimes the only possible source.

Hair and co-writers (2003) discuss the usage of secondary data. They argue although secondary data source is very valuable for research, it is recommended to use them with careful considerations because there is no control of secondary data. Before using them, the researcher has to consider who did the data collection. When did they do it? Why and how did they do it? Finally, it is necessary to think if the secondary data fulfil the research requirement. In this study, we collected secondary data from companies’ official websites, previous research results which are much related to the subject.

III. Objective three

Our third objective – how is international hotel company’s corporate culture transferred through local HRM, the primary data was collected by in-depth interviewing key personnel who were concerned (e.g. HR manager, hotel line-employees, expatriates etc.). In order to keep the standard of reliability and validity, those interviewees were carefully chosen based on their job tasks and positions.

In-depth interview allows the researcher to collect both attitudinal and behavioural data from the subject that spans all time frames (past, parent, and future).
In-depth interview is a formalized process in which a well-trained interviewer asks a set of semi-structured subject, probing questions usually in a face-to-face setting. In some cases, it can also be conducted by telephone or through high-tech communication systems.

**Interview framework**

The interview questions will cover following areas:

I. Interviewee’s background
II. Company’s general information
III. Company’s corporate culture
IV. HRM policies and strategies
V. HRM practice reflection

**Questionnaire design**

<table>
<thead>
<tr>
<th>Power distance:</th>
<th>Individualism:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- organizational structure – flat vs. hierarchical</td>
<td>- group work</td>
</tr>
<tr>
<td>- management style – supportive vs. directive</td>
<td></td>
</tr>
<tr>
<td>- communication</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uncertainty avoidance:</th>
<th>Masculinity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- HR planning</td>
<td>- female workforce</td>
</tr>
<tr>
<td>- recruitment &amp; selecting</td>
<td>- rewards, promotion, and recognition</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Short/long term orientation:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- performance appraisal</td>
<td></td>
</tr>
<tr>
<td>- rewards and promotion, and recognition</td>
<td></td>
</tr>
<tr>
<td>- orientation and training</td>
<td></td>
</tr>
</tbody>
</table>

**Table 3.1 Critical points that corporate culture (HRM policies) meets national culture**

After the literature review, we find out there are five critical points corporate culture and national culture may meet. They are the same as Hofstede’s (1980, 2001) national identity variables, power distance, uncertainty avoidance, individualism, masculinity, and short/long term orientation. We put HRM practices which are reflections of corporate culture under the frame of national identity. Thus, it becomes a mixture model. The interview questions have been designed according to this table. From the secondary data we collected from different companies, they have different corporate culture and values for their stakeholders and employees. However, there are some variables we can evaluate their corporate culture in combination of national identity.
There are two set of prepared questionnaires for professionals (HR manager) and employees (other position in the industry). The purpose is to gain information from different perspectives instead of hearing from only one party. However, the major parts of both questionnaires are similar. A few adaptations are made to suit respondents.

The questions are divided into two major parts. The first part consists of background questions about the respondent, their education, experiences, company, and job information. Second part of the questions is more concentrated in corporate cultures in those five dimensions. The questions are designed to find out not only how HRM practices transfer the corporate culture, but also the motives and reasons behind them.

Because in-depth interview is chosen, probing questions will be added depends on the circumstance or at follow up interviews (Hair et al, 2003).

**Case study selection**

In order to achieve our research objectives, we bound the study and data collection in several dimensions:

First of all, the selected hotels should be managed by international hotel management companies. The head office of the company, that is to say, the parent company’s nationality is not same as the local host hotel’s nationality. The hotel is usually owned by the local people, the owners sign the contract with these international hotel management companies to run the hotel. These big hotel companies are well established for a certain years and have many hotels operated in different countries. The hotel management company carries a strong corporate identity and corporate culture. In our case, we select four international hotel management companies which are Marriott and Radisson from USA, Accor from France, and a new born company Banyan Tree. The locations of the chosen hotels are in China, Thailand.

Second, in order to obtain the data and information from different angles, we do not restrict interviewees within human resource department; instead, we select employees from not only HR department but also other departments such as Sales and Marketing, Administration, Rooms division, Front Office etc. Besides, the interviewees are not only manager level such as human resource director or manager, but also line-employee level as receptionist, secretary. Under such an interview scale, it collects different level of thoughts and opinions and makes the interview representative. The advantage to do so is to obtain generalization as the interviewee’s coverage is relative wide. We don’t limit the research into a specific group of people; the interviewee can hold any kind of position and background.

Third, due to the limitation of location, the interviews were done through different ways, which include face-to-face interview, email questionnaires, and telephone
interview. The interview questions have been designed in advance with focus on corporate culture and its implementation. In principle, although the interviewees are from different hotel management companies with different nationality, the interview questions are the same.

Validity

In a word, in order to answer our research questions and to achieve research objectives, the research design considers several aspects; both the form and the contents reflect the research objectives. To meet each objective the detailed work is defined to find out the needed information. The interview questions focus on five culture dimensions and are carefully developed to reveal the critical points that corporate culture meets national culture. The interview choice has a generalization with a wide coverage of different level of people and selected international hotels. The in-depth interview provides insights to answer the questions. Therefore, the method we take into the research is valid and practical.

Limitation

This study will focus on interviewing employees working in the international management chain hotels. In such qualitative studies, the findings could be subject to following aspects.

- Due to individual interviewee’s background such as education level, working experience, the interviewee has established his/her own perception or prejudice. Therefore, the information provided by them may be filtered through their views. That can possibly bias the results. The capability of articulation and perception are not same to each interviewee (Creswell, 1994).

- As there is no previous study in this area, our research is an explorative study. This means the primary information is not available, it makes researcher uncomfortable to determine whether the collected information is reliable or not. On the other hand, the reliability is also subject to the researcher’s interpretation. As researcher has his/her own thoughts, bias, value. The understanding and response can be various from people to people (Creswell, 1994).

- The samples in our study represent only selected companies. In addition, the national differences of those companies are from four nations: USA, France, Thailand, and China. So the culture context is set within a small area rather than under global context. However, the study can be seen as reference for international hotel companies concerning IHRM.
In the following chapters, we will discuss objective one, two, and three separately. Chapter 4 reveals objective one – corporate culture and its reflection on HRM. Chapter 5 answers objective two – to explore the national culture differences between parent country and host country. After those findings are determined, they will be used in chapter 6 together with interview results to analyze objective three – transference of corporate culture through local HRM.
Chapter 4 Corporate Culture and Its Reflection on HRM

In our case study, we select four international hotel management companies, which refer to Marriott International from USA, Accor from France, Radisson Hotels and Resorts from USA, and Banyan Tree Holdings. Each company has its distinctive development history and corporate culture. First of all, we would like to give a brief introduction of these companies.

4.1 Marriott International

Marriott International Incorporation can be traced back to 1927 starting from a nine-seat beer stand in Washington DC. Now, it has more than 2600 lodging properties located in USA and 65 other countries and territories with sales of USD10 billions. The company owns 16 brands targeting different market segments. Marriott believes that associates are theirs greatest assets. “Marriott Culture is the experience we create for our customers, which is demonstrated by the behaviours of our associates. It is people serving people” (www.marriott.com, 27-09-2005).

Marriott International’s unique core values and culture are gradually established through 75 years development and they become the guiding principles for the group growth. Six core values stand for respect, caring, trust, integrity, honest, fairness. As the company calls it as “Marriott way”, it is built on the core values and serves as fundamental to fulfil the spirit to serve for their associates, customers and community.

Marriott's core values drive the culture. The culture influences the way they treat associates, customers, and the community that impacts all their successes. As stated in the website (www.marriott.com, 27-09-2005):

- “Marriott is committed to fair treatment of associates and to providing training and advancement opportunities to all
- Marriott's reputation for superior customer service rises out of a long tradition that started with J. Willard Marriott's simple goal for Hot Shoppes to provide "Good Food and Good Service at a Fair Price"
- "Do Whatever it Takes to Take Care of the Customer"
- Pay extraordinary attention to detail
- Take pride in their physical surroundings
- Use their creativity to find new ways to meet the needs of customers
- The company actively supports the community and encourages associate volunteering through a variety of organizations
- At Marriott, the perpetuation of a company's culture has a proven positive financial impact”

Diversity is also an important policy in Marriott. The company believes that this is the way they attract, develop and retain talent people. Such diversity is not only
within group, but also applies to suppliers, customers, owners and so on.

Marriott states that one of major efforts are devoted to recognize associate hard work, provide health care, and create opportunity for growth and career development. The company is trying to build an associate-centered environment. Therefore, it provides a total compensation package which includes:

- “Medical, Dental, Life, and Disability Insurance
- Annual Salary Increases
- 401(k) Retirement Savings Plan
- Continuing Education/Tuition Reimbursement
- Hotel Room and Food & Beverage Discounts

According to its HR policy set-up, we can also analyse company’s corporate culture through national culture’s five dimensions as shown below:

<table>
<thead>
<tr>
<th>Power distance</th>
<th>Individualism</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Fair treatment</td>
<td>- Emphasize team work</td>
</tr>
<tr>
<td>- Low power distance</td>
<td></td>
</tr>
<tr>
<td>- Encourage communication</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uncertainty avoidance</th>
<th>Masculinity</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Low uncertainty avoidance</td>
<td>- Build an associate-centred environment</td>
</tr>
<tr>
<td>- Encourage empowerment</td>
<td>- Award female workforce</td>
</tr>
<tr>
<td>- Global diversity</td>
<td>- Recognize associate hard work</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Short/long term orientation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Long term orientation,</td>
<td></td>
</tr>
<tr>
<td>- Provide training and development opportunity</td>
<td></td>
</tr>
<tr>
<td>- Community involvement</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.1 Formal corporate culture of Marriott

4.2 Accor

Accor is currently the one of the European leaders and the world largest groups concerning the amount of properties and coverage in travel, tourism and corporate services, with two major international activities: Hotels and Services. The company has been in 140 countries with 168,000 associates (www.accor.com).

The Spirit of Accor is ‘Succeeding Together’. In order to achieve that goal, Accor has two strategies which are to develop group’s vision and to share common values:
Develop group's vision
- Be the best employer for its staff members
- Become the best investment for its shareholders
- Offer the best service to its customers

Share common values
- **Trust**: respect others, encourage empowerment, train and inform, etc.
- **Responsibility**: represent one's department, brand and group, make commitments, etc.
- **Professionalism**: be eager to do your job well, try to improve, seek training, etc.
- **Transparency**: explain, listen, inform clearly, recognize the role each employee plays in the success of the group, etc.
- **Innovation**: propose improvements to benefit customers, fight inertia and routine, etc.

Table 4.2 Accor’s Value
(www.accor.com)

As an international company, Accor sees long term growth and sustainable development as its goals. Accor put a lot of efforts on diversity. As stated on the company website “*The professional fulfilment of each employee is the foundation of our human resources policy.*”

Accor announces that skills are acquired through both experience and training. The company helps its potential employees “*climb the corporate ladder, by developing qualification training programs*” (www.accor.com, 27-09-2005).

There are two basic human resource principles, which are to promote labour management dialogue and to manage differently. They cover human resource policies and the assurance of deployment respectively.

<table>
<thead>
<tr>
<th>To promote labour management dialogue</th>
<th>Individual relations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Treat staff member with respect</td>
</tr>
<tr>
<td></td>
<td>- See to it that staff member has access to information, training and career development</td>
</tr>
<tr>
<td></td>
<td>- Take advantage of &quot;open-door&quot; opportunities to develop trust in one's superiors</td>
</tr>
<tr>
<td></td>
<td>- Allow employees to claim their entitlements, regardless of their position in the hierarchy</td>
</tr>
<tr>
<td>Collective relations</td>
<td>- Apply collective agreement</td>
</tr>
<tr>
<td></td>
<td>- Show respect to national cultures</td>
</tr>
<tr>
<td></td>
<td>- Sign the charter with the IUF on complying with the trade union rights</td>
</tr>
</tbody>
</table>

| To manage differently                 | Communication |
|                                       | Communicating group-related information is indispensable and all managers must see to it that each staff member: |
|                                       | - has access to information on the group through internal publications, training |
tools, communication, etc.;
- understands corporate messages, particularly those referring to operations such as the employee stock purchase plan

Dialogue
At Accor, human relationships imply dialogue through:
- An "open-door" policy allowing staff members to see their line managers,
- "open tables",
- The generalisation of information meetings.

Cohesion
- Team cohesion is essential to "Succeeding Together". It finds expression every day in the professional and personal fulfilment of each staff member.

Table 4.3 Accor’s human resource principles
(www.accor.com)

From those values and HR policies, we split them into five dimensions which are also attributes of national culture:

<table>
<thead>
<tr>
<th>Power distance</th>
<th>Individualism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchical</td>
<td>- Emphasize team work</td>
</tr>
<tr>
<td>Small power distance</td>
<td></td>
</tr>
<tr>
<td>Smooth communication</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uncertainty avoidance</th>
<th>Masculinity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate uncertainty</td>
<td>- Moderate</td>
</tr>
<tr>
<td>Standardization of</td>
<td>- Fair treatment among associates</td>
</tr>
<tr>
<td>service</td>
<td>- Performance and growth are not the only important factors</td>
</tr>
<tr>
<td>Emphasis on trainings</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Short/long term orientation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term orientation</td>
<td></td>
</tr>
<tr>
<td>Sustainable development</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.4 Formal corporate culture of Accor

4.3 Radisson

Radisson Hotels & Resorts operates, manages, and franchises full-service hotels and resorts worldwide. From its franchise partners and strategic allies, to every manager and employee at every hotel, the Radisson organization is committed to providing personalized, professional guest service and "Genuine Hospitality" at every point of guest contact in 435 hotels, representing more than 102,000 guest rooms in 61 countries (www.radisson.com).

Radisson is pursuing a vision supported by strategies and structures that distinguish company in the industry by:
- Great places in great places -- having the right hotels in the right markets with a dedicated new division to develop owned and managed hotels, supplementing growth through high quality franchise locations.

- Building a recognized and trusted brand

- Building valued relationships with the guests it serves

- Achieving superior returns for owners and investors.

As part of its focus on total guest satisfaction, Radisson offers one of the hospitality industry's most dynamic guest relations training programs called 'Yes, I Can!' This program translates the core of the company's service philosophy for hospitality excellence to the front-line service employees in Radisson operations worldwide. Because the company’s vision is very customer focused. “100% customer satisfaction” is their vision on customer service.

Within Radisson’s culture, they emphases:

“Diversity
Carlson Hotels Worldwide celebrates and seeks diversity in all aspects of its business. Under the leadership of a diversity officer

Community Engagement
Individual hotel properties within the Carlson Hotels family of brands are encouraged to engage with community organizations through partnerships, volunteerism and donations.

Education
Support of educational institutions is a foundational component of Carlsons corporate responsibility strategy.”

For their employees, they promise high job satisfaction, safe working environment, personal development, and education. There are also clear programs designed for employees to achieve those.

<table>
<thead>
<tr>
<th>Success factor</th>
<th>Goal/ambition</th>
<th>Activity</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>High job satisfaction</td>
<td>Increase job satisfaction (index 85/100)</td>
<td>Internship programmes</td>
<td>Job satisfaction (81.4)</td>
</tr>
<tr>
<td>Safe working environment</td>
<td>Zero tolerance for work related injuries</td>
<td>Mentor programmes</td>
<td>175 employees trained in management school, in addition to</td>
</tr>
<tr>
<td>Personal development and growth</td>
<td></td>
<td>Recognising individual performance</td>
<td></td>
</tr>
</tbody>
</table>
Thus, Radisson’s corporate culture can be generalized into:

<table>
<thead>
<tr>
<th>Power distance</th>
<th>Individualism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchical</td>
<td>Emphasize team work</td>
</tr>
<tr>
<td>Small power distance</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uncertainty avoidance</th>
<th>Masculinity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderate</td>
<td>Fair treatment among associates</td>
</tr>
<tr>
<td>Standardization of service</td>
<td>Profit is not everything</td>
</tr>
<tr>
<td>Trainings are provided</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Short/long term orientation</th>
<th>Community engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term orientation</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.6 Formal corporate culture of Radisson

### 4.4 Banyan Tree

Since 1994, Banyan Tree Holdings has grown into a multinational hotel group that employs over 5,000 people of 35 nationalities and is rapidly spreading its wings beyond Asia. The company focuses on boutique hotels and resorts. Each of them is very unique ([www.banyantree.com](http://www.banyantree.com)).

“The multiple award-winning Banyan Tree Hotels & Resorts has been conceptualized as a “Sanctuary for the Senses” and features pool and Jacuzzi villas in stunning locations” ([http://www.banyantree.com/careers/index.htm](http://www.banyantree.com/careers/index.htm)).

At present, there are 5 resorts, 6 spas and 18 galleries under the Banyan Tree umbrella. Angsana Resorts & Spa is also part of the family. There are currently four resorts and hotels, 15 spas and 19 galleries under the award-winning Angsana brand. Lastly, there is Colours of Angsana, an extension of the Angsana brand that focuses on cultural tourism and soft adventure in destinations that are close to UNESCO World Heritage Sites or known for their natural beauty.

“Each brand has its unique philosophy and work culture; each location has its unique draws; each business arm offers a unique experience” ([http://www.banyantree.com/careers/index.htm](http://www.banyantree.com/careers/index.htm)).
Banyan tree is a rapidly growing company with lots of new properties open in new destinations every year. The corporate culture is unstructured into a certain way since the body of the company is not completely stable yet. However, it states that it offers equal opportunities for its employees and it cares about diversity.

4.5 Summary of the companies

After the review of all four companies, we found out there are more different features rather than similarities. Marriott, Accor, and Radisson have had operation in the business for decades. They all have global coverage in terms of market share and return on investment of shareholders. The formal corporate culture of those companies seems very clear. Accompanied with formal corporate culture, there are also holistically planned HR policies, although there are different emphases between those formal corporate culture and HR policies. Make it short, Marriott makes its slogan as “Marriott Way, the Spirit to Serve”, Accor has “succeeding together”, and Radisson has more customer orientated slogan “Yes I can!” to justify they are trying to provide all possible services according to customers’ needs.

Nevertheless, Banyan tree is different no matter in market share or corporate culture. This company was founded in 1994, which has relatively short history in the industry compared with other companies even if there has been fast development. The formal corporate culture was not clearly stated either. However, the business vision for Banyan Tree was “Sanctuary for the Senses”. It is stated the concept of the business idea is to create unique spa and resorts to provide organic way of relaxing in both physical and mental terms. With limited HR policies states, the valued was restricted into “respect and equal opportunities”.

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Marriott International</th>
<th>Accor</th>
<th>Radisson</th>
<th>Banyan Tree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development history/scale</td>
<td>Start 1927 as a beer Stand. Now with revenue of USD10 billions in 2004. More than 2600 lodging properties in 65 countries and territories</td>
<td>European leader and the world largest group in travel, tourism and corporate services in 140 countries with 168,000 associates.</td>
<td>Radisson is committed to providing personalized, professional guest service at every point of guest contact in 435 hotels, in 61 countries</td>
<td>Since 1994, Banyan Tree Holdings has grown into a multinational hotel group that employs over 5,000 people of 35 nationalities.</td>
</tr>
<tr>
<td>Stated formal corporate culture and core values</td>
<td>“People First- Marriott’s belief is that our associates are our greatest assets.” “The</td>
<td>“Succeeding together”. The group’s visions are: be the best employer</td>
<td>“Building a recognized and trusted brand; building valued</td>
<td>“Sanctuary for the Senses”.</td>
</tr>
</tbody>
</table>
experience we create for our customers, which is demonstrated by the behaviours of our associates. It is people serving people”. Six Core values: respect, caring, trust, integrity, honest, fairness.

For its staff members; be the best investment of its shareholders; offer the best service for its customers. The core values are: trust, responsibility, professionalism, transparency, innovation.

**HR Policy**
- Fair treatment
- Provide training and advancement opportunities
- Diversity
- Build an associate-centered environment
- Recognize associate hard work
- Provide health care (compensation package)

-Treat staff member with respect;
- See to it that staff member has access to information, training and career development;
- Allow employees to claim their entitlements, regardless of their position in the hierarchy

- Diversity
- Education
- High job satisfaction
- Safe working environment
- Personal development
- Continuous training and education.

**Slogan**
- “Marriott Way”, “The Spirit to Serve”
- “succeeding together”
- “Yes, I can”

<table>
<thead>
<tr>
<th>Table 4.7 Summary of the sample companies</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HR Policy</strong></td>
<td>- Fair treatment</td>
<td>- Treat staff member with respect;</td>
<td>- Respect</td>
</tr>
<tr>
<td></td>
<td>- Provide training and</td>
<td>- See to it that staff member has access to information,</td>
<td>- Equal opportunities</td>
</tr>
<tr>
<td></td>
<td>advancement opportunities</td>
<td>training and career development;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Diversity</td>
<td>- Allow employees to claim their entitlements,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Build an associate-center</td>
<td>regardless of their position in the hierarchy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>environment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Recognize associate hard</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>work</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Provide health care</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(compensation package)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.7 Summary of the sample companies
Chapter 5 Comparison of Different National Cultures

In chapter 5, four countries’ national cultures concerning this study are discussed correspondingly. Most of the results are based on previous culture literatures. In the end, there is a summary of their cultures.

5.1 National culture of USA

Marriott International and Radisson are American companies. According to the research made by Hofstede (1984), national culture can be identified into four distinct dimensions: power distance, uncertainty avoidance, individualism and masculinity. The index scores of these four dimensions tell us that American people keep low power distance in between, which means employees prefer decentralized power structure, less concentration of authority, flat organizational pyramids and equal treatment. The uncertainty avoidance ranks low to moderate. This dimension shows that American have less emotion resistance to change. They don’t like to have lots of rules, orders to regulate work and life. They have less concern about ambiguity. They are easy to accept various opinions. High individualism is typical feature existing in American culture. American people are more concern about personal goals and freedom. They pursue their personal interests. They see themselves as independent and stress individual action. Individual initiative is encouraged in the society. The masculinity index score belongs to moderate to high lever. This demonstrates that in American culture, males dominate a significant status in the society. People tend to more concentrate on goal achievement, performance and growth, money and material things6 (Hofstede, 1984).

Garrison (1998) compared culture behaviours in different regions and summarized American culture with several typical features. In communication, American people tend to direct, informal, talkative with firm handshake, eye contact and active gestures. Sometimes they can be regarded as aggressive. American focuses on individual life, job and company. They are commitment-seeking and action orientated. They pursue equal, competitive and independent. They like to be “a winner” (Garrison, 1998).

5.2 National culture of France

According to Hofstede’s (1980) study, French national culture, compared with Anglo-Saxon’s contains such characteristics: high power distance, high individualism, high uncertainty avoidance, and low masculinity.

“In France, the principle is the honour of each class in society which has always been and remains extremely stratified, in which superiors behave as superior beings and subordinates accept and expect this, conscious of their own lower level in the national

6 See appendix 6
hierarchy but also the honour of their own class. The French do not think in terms of managers versus non-managers but in terms of cadres versus non-cadres” (Hofstede, 1993, p. 84).

Hofstede (1993) argues that, in France, people can not accept there is more than one manager to report to. Hierarchical organization with high power distance has been there for long tradition. Thus, matrix organizational structure has never been popular in French organizations.

French had always been stereotyped as favour autocratic centralization (Schoenberg et al. 1995). However, Schoenberg and co-writer (1995) find out that French can take less uncertainty but longer time orientation than Anglo-Saxon.

Roger (2002) points out that French are very customer service orientated and French customers expect palace like accommodations. In stead of strong desire of performance and profits, French also consider life style and private time very important.

5.3 National culture of Thailand

The Thai society today consists of people sharing a rich ethnic diversity, but mainly influenced by two great cultural systems of Asia—Chinese and Indian. More than 90% of Thais believe in Buddhism, which is also the national religion (Sriussadaporn-Charoenngam et al. 1999). Thailand has been called “the land of smile”. That can be used as valid evidence as to how friendly Thai people can be. Hofstede (1980) describes Thai national characteristics according to his national culture theory into: high power distance, low individualism, moderate uncertainty avoidance and low masculinity, which matches exactly to Sriussadaporn-Charoenngam and co-writers’ (1999) study: power distance is presented by class distinction. In Thai society, classes are broadly defined by family background, age, gender, education, etc. Thai people also will do their best to avoid any personal conflict because the social harmony is very important in Thai society.

“Thus, non-dominant (e.g., non-assertive and non-competitive) interpersonal styles are major characteristics of Thai culture. A successful, modest Thai person often expresses a lower opinion than is probably deserved of her or his own ability, knowledge, skill, successes, etc. Older Thai people are not happy when younger people argue with them or give more critical opinions than requested. Many Thai people would prefer not to say anything if their comments tend to lead to conflict or interpersonal resentment.” (Sriussadaporn-Charoenngam & Jablin, 1999, p. 384)

Finally, Thai people are greatly influenced by their main religion – Buddhism. Thus, long term orientation is more considerable in the society (Sriussadaporn-Charoenngam and Jablin, 1999).
5.4 National culture of China

At the beginning, Hofstede did not include China in his research. In his later study, he and Michael Bond conducted an additional international study using a survey instrument developed with Chinese employees and managers. This survey resulted in a fifth national culture dimension which is called Confucian dynamism. This dimension is also regarded as long-term orientation (Hofstede, 1991). In China case, it replaces uncertainty avoidance dimension and fit more for Chinese situation. They argue that Chinese feel everything on the earth contains virtue; it can not be simply justified as truth or false. Good and evil are relative instead of absolute (Hofstede & Bond, 1990).

Hofstede states (1991) that China has long-term orientation, large power distance, weak uncertainty avoidance, low individualism and medium to high masculinity. Hofstede explains that China has a high-ranking of long-term orientation which indicates a society’s time perspective and an attitude of preserving. The high power distance indicates a high level of inequity of power and wealth within the society. This condition is not because of the population but rather accepted by the society as their cultural heritage. The low score of individualism may be attributed in some level of high emphasis on a collectivist society by the communist rule. But, it is also related to close commitment to group members, such as a family, extended family or extended relationships. The society holds strong relationships that everybody takes responsibility for the group members.

Bond and Hofstede pointed out that some of long-term orientation values are correlated with economic performance such as ‘thrift’ and ‘persistence’ and long-term and short-term orientations. It is obviously that China and Japan get high score on long-term orientations and USA and UK get low score (Hofstede, 1991).

Other researchers like Wong and Slater (2002) mention that Chinese culture traditions stems from Confucian values with concern of hierarchical relationship. Locket (1988) and Child (1994) make a conclusion of Chinese cultural traditions supported by four values: the importance of face; respect for hierarchy; the importance of collectivism and the importance of harmony. These are also appealing analyses of Chinese culture which has some similarity of Hofstede’s Confucian dimension.

5.5 Summary of the national cultures

In sum, we make a chart as below to show the national culture of selected countries in our study. This table is made based on Hofstede’s research results. He did research among 56 countries. Value Survey Module was designed for measuring culture-determined differences between matched samples of respondents from different countries and regions. He generalized the findings into his national culture
theory. Here we used his research results (cultural index, see detailed table in Appendix 6) and above literal reviews to measure the difference among the countries this study is concerned.

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Power Distance</th>
<th>Uncertainty Avoidance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Short/long term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Low to moderate</td>
<td>Low</td>
<td>High</td>
<td>Moderate to high</td>
<td>Short term</td>
</tr>
<tr>
<td>France</td>
<td>Moderate to high</td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
<td>Short term</td>
</tr>
<tr>
<td>Thailand</td>
<td>Moderate to high</td>
<td>Moderate</td>
<td>Low to moderate</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>China</td>
<td>High</td>
<td>Low</td>
<td>Low to moderate</td>
<td>Moderate to high</td>
<td>Long term</td>
</tr>
</tbody>
</table>

*Table 5.1 Four countries’ five dimensions of national culture*
Chapter 6 Transference of Corporate Culture through local HRM

6.1 Overview of interviewees and hotels

As our study aims to describe how international hotel company’s corporate culture is transferred to a country with different national identity by local HRM. That requires us to choose the samples with following consideration: 1) the international hotel company should have developed into a certain scale with more than one property located in different country. The hotel company carries out distinctive corporate culture. 2) The nationality of the international hotel company and the local hotel must be from different country and dissimilarity of national identities is distinguished. It is idea that they are not located in the same continental. 3) To obtain generalization and get opinion from different view, interviewees are selected not only from Human recourse department, but also from other departments. The position and background they hold can be various from line employee to professional HR personal.

To obtain useful data for the research question, we chose national cultures that have obvious distinctions to compare with in order to present clear-cut information. It is not saying that it is the best and the only way to do this study. However, we chose them because the information we receive is heterogeneous so we can compare easily and give more accurate analytical opinions. In our case, we choose US culture/corporate culture versus Chinese culture; French culture/corporate culture versus Thai culture; and multinational/corporate culture versus Thai culture. As discussed before, the attributes of those cultures are different from one way or another sometimes can be opposite as well. To discover the differences and how corporate cultures transferred into different national cultures, we conducted following interviews:

<table>
<thead>
<tr>
<th>Hotel Name</th>
<th>Location</th>
<th>Hotel Management Company</th>
<th>Nationality of Parent Company</th>
<th>Interviewee</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marriott HQ</td>
<td>Shanghai, China</td>
<td>Marriott Int’l</td>
<td>USA</td>
<td>A (Chinese)</td>
<td>Dir. Of HR</td>
</tr>
<tr>
<td>JW Marriott</td>
<td>Shanghai, China</td>
<td>Marriott Int’l</td>
<td>USA</td>
<td>B (Hong Kong)</td>
<td>Dir. Of HR</td>
</tr>
<tr>
<td>Courtyard</td>
<td>Shanghai, China</td>
<td>Marriott Int’l</td>
<td>USA</td>
<td>C (Chinese)</td>
<td>HR Manager</td>
</tr>
<tr>
<td>Courtyard</td>
<td>Shanghai, China</td>
<td>Marriott Int’l</td>
<td>USA</td>
<td>D (Chinese)</td>
<td>Revenue Management Manager</td>
</tr>
<tr>
<td>Ritz-Carlton</td>
<td>Shanghai, China</td>
<td>Ritz-Carlton bought by Marriott Int’l</td>
<td>USA</td>
<td>E (Chinese)</td>
<td>HR Manager</td>
</tr>
</tbody>
</table>
Table 6.1 Company and interviewee information

6.2 Interview presentations

Been discussed in methodology, there are five critical points where national culture and corporate culture/HRM practice meet. That had been used as a model for interview structure design. The questions were chosen to dig out directly and indirectly of those five critical points we investigate into. There are always direct questions about the issue. We also have some indirect questions for interviewees in order to minimize the personal feelings. Asking for providing examples is another approach we apply to obtain more detailed and concrete information, especially when the answer is simply ‘yes’ or ‘no’. Following table presents the main issues which were talked during interviews with different companies:

<table>
<thead>
<tr>
<th>National Culture Dimension</th>
<th>Interview Questions</th>
<th>Marriott Hotel</th>
<th>Accor Hotel</th>
<th>Radisson SAS Hotel</th>
<th>Banyan Tree Hotel</th>
</tr>
</thead>
</table>
| Power Distance             | • What kinds of methods for communication between different levers?  
                            | • How is it possible for you to climb up the career ladders?  
                            | • Do you think you are humble or noble in the company?  
                            | • How do you feel your working environment is a very political place?  
|                            | • Open door policy, daily briefing, department meeting etc  
                            | • Very possible,  
                            | • Neither humble nor noble  
                            | • Respect each other and fair treatment, harmony environment  
|                            | • E-mail, meetings, and briefing, GM post  
                            | • Local employees can reach certain level  
                            | • Humble  
                            | • Office is a very political place  
|                            | • Briefing,, meetings  
                            | • Fair chance  
                            | • It was very equal and friendly atmosphere in the office  
                            | • The working place was not considered political at all  
|                            | • Meetings, briefings, emails and informal talking.  
                            | • Yes, but hard to executive level  
                            | • Humble  
                            | • The daily working was quite political, but it was considered as political in long term perspectives.  
| Uncertainty                | • What are the basic  
                            | • Anybody can apply  
                            | • Key positions were  
                            | • The biggest  
                            | • Most of  

Table 6.1 Company and interviewee information
| Avoidance | international staffing rules in the company?  
| What position can local employees reach at the highest?  
| Are there certain standards of scripts for employee to manage different cases?  
| Are employees allowed to be creative providing personalized service rather than standardization?  
| Are you empowered to select employees at different levels?  
| What have been done to minimize the risks from selecting employees?  | based on competence, preferable have Company background  
|  
| Executive management position  
| Any position  
| SOP/LSOP  
| Has certain extent Empowerment  
| Yes, only for HR personnel  
| 360degree interview process, Gallup Test, QSP Test, reference check etc  | expatriates. The company was trying to localize managers  
| Directors in hotels, few local GMs in the company  
| There were job manuals for all employees. Most of frontline jobs were standardized  
| Able to recruit employees in the department  
| Standardization dominates  
| Reference check, interviews, and trial period  | concern for the company was country’s laws and regulations  
| Directors in hotels  
| There were standards such as “standard of excellence” and “Yes, I can”  
| No, I can not  
| Frontline staffs were empowered to give compensations.  
| Triple interview, references, and internal recruit  | executive positions were occupied with expatriates  
| Directors or hotel managers  
| Yes, there were working manuals  
| Yes, but to some extent  
| It was possible to select most of the positions. But some positions have to be approved by GM  
| Getting more managers/supervisor involved in the interviews  |
| Individualism | How does the company emphasize team work?  
| Can you tell me a story if you are encouraged to teamwork or individual work?  | Always, Very much  
| Encourage  
| Team work and lateral service.  | Teamwork was important in the company  
| Teamwork was always brought up and emphasized  | Not very much emphasis  |
| Masculinity | How is the management responsibility divided between male and female employees?  
| How do you feel sexual discrimination in the company?  
| What kinds of efforts are more recognized in the company?  
| Do you see females have chance to climb the career ladder in the company?  | Equal  
| No sexual discrimination  
| Outstanding performance, drive Marriott culture, teamwork  
| Yes, but personal reason, traditional thoughts may cause difficulties.  | Males were at more important positions  
| There was sexual discrimination existing  
| Performance and growth were more recognized  
| Male employees were normally more recognized  | Based on employees personal strength and weakness  
| There was no sexual discrimination  
| Performance was more recognized  
| Females were not under-represented  | Depends on capabilities  
| There was sexual discrimination existing.  
| Performance was more recognized in the company  
| Male employees were normally recognized in the company  |
| Short/Long Term Orientation | What kind of performance appraisal systems is used?  
| What kinds of employees are most likely to be promoted?  
| Do you think your company culture value immediate success more or long term vision more?  | Sophisticate performance appraisal systems LPP, Successor Plan  
| Outstanding working performance  
| Long term orientation  
| Provide competitive  | Score based performance appraisal system every three months and also annually  
| Hard working  
| The company was concerned with long  | Score based appraisal system monthly and annually  
| Good performance employee would be promoted  | In personal style, not formalized  
| Hard working, high emotional intelligence  
| Long term  
| Taking care of its employees with |
Generally speaking, we can put the interviewed hotels into two types. First type is mega international company with long established history. Corporate culture is clear and strong. Mostly, PCNs are more involved in the executive management. In other words, they follow polycentric HR policies. This includes Marriott, Radisson SAS and Accor. They are formalized companies with well built internal marketing/communication channel; designed standards and script to handle uncertainty avoidance; complete performance/appraisal systems; strong corporate culture and emphasis on team work. Usually, they are looking for long term orientation. Besides, to build good image among not only stakeholders but also public seem to be in their agenda.

The second type is new born international companies. Banyan tree is a good example of this type of companies. It is not long established. The corporate culture is neither very clear nor strong. However, it has its own niche market. One of the other characters this type of company carries is that they are more geocentric when it comes to human resource management. Banyan tree gives opportunities to everyone who has the ability to contribute to the company at the most suitable position. In a way, it is one of the success factors for new born companies to gain competitive advantage. Nevertheless, it is apparent that uncertainly avoidance needs to be reduced to accept such HR policies. Long term growth, in Banyan Tree’s case is important for the company.

### 6.3 Findings

Following table is a review shows the formal corporate cultures that are from chosen companies:

<table>
<thead>
<tr>
<th></th>
<th>Power distance</th>
<th>Uncertainty avoidance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Short/long term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marriott</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>Accor</td>
<td>Low</td>
<td>Moderate</td>
<td>Low</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>Radisson</td>
<td>Low</td>
<td>Moderate</td>
<td>Low</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>Banyan Tree</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
</tr>
</tbody>
</table>

Table 6.3 Review of formal corporate culture from sample companies

Later we will take a look how corporate cultures were perceived according to the interviews.
6.3.1 Marriott

From the interviewees’ response, we noticed that Marriott carried unique characters. In power distance dimension, although the organization structure was hieratical, the management style was supportive. As HR manager E commented: “we need border between superior and subordinate otherwise it is difficult to conduct work. However, as a leader, he has to observe closely to find out if employees have problems on work. He should help them to overcome difficulties. The authority of administration is limited, while care is without boundary.” The company was trying to create a harmony working environment with attention of fair treatment and respect. As to uncertainty avoidance dimension, the company had established standard operation procedure at all levels with certain level of empowerment. The recruitment process was very professional. There was goal setting for both organization and individuals. However key positions were mostly occupied by expatriates. Individualism was not obvious in the hotel. It was encouraged to team work and to communicate between different departments. The company showed moderate masculinity. Employees who had outstanding performance and drove Marriott culture had more opportunities to be promoted. However female employees might have difficulties to reach high position. Long term development was concerned in the company. The company was trying to localization and encouraged internal transfer. Sophisticated performance appraisal, rewards, promotion systems had been established. Everybody had career plan to combine with short term/long term goal.

To sum up, from the interview results, the corporate culture can be perceived as low to moderate power distance, moderate uncertainty avoidance, low individualism, moderate masculinity and long term orientation.

6.3.2 Accor

From the interview, we noticed the power distance in the company was actually big. The organization was very hierarchy and the management style was very directive. Employee perceived that they were humble in the company and the working environment was political. The interview also showed that Accor had moderate to high uncertainty avoidance. That can be seen from much structured recruitment procedure, structured performance appraisal system etc. Especially, employees said “the company wants to keep everything in French way instead of localize them, no matter service, or people.” Though, it was said team work had been always brought up as an important issue in the company. That was a clear evidence of low individualism. Masculinity was presented very strong from the interview. It was said female were still under-represented in the company. Employees perceived that the company was rather performance and growth driven as well. Surprisingly, other evidences from the interview showed that the company was looking for more long term orientation, because it had very complete training plans and programs for every employee in each level; everyone had equal opportunities to take training and develop their careers; rewards and promotions were formalized in both material and non
material terms. In sum, the interview showed that Accor presented the corporate culture to its employee as big power distance, moderate to high uncertainty avoidance, low individualism, strong masculinity and long term orientation.

6.3.3 Radisson

As far as power distance was concerned, Radisson impressed its employee with small power distance. According to the interview, although the organization was hieratical in the company, the management style was very supportive. The working atmosphere was said to be very friendly and corporative. Radisson also had structured recruitment procedures, performance appraisal system, standardized service mapping as well as clear goals for organization and employees. However, Radisson modified their service mapping and other manual according to the local culture. The uncertainty avoidance was rated moderate. Employees received great much training about team work. Individualism was rated low according to the interview. When it came to masculinity, employees perceived the company had moderate masculinity. It can be seen from equal opportunities for both male and female; performance and growth were not the only goal. Instead, customer/stakeholder relationship was the most important treasure of the company. Nevertheless, employees intended that the company were looking both short term and long term orientation. To conclude, Radisson’s corporate culture from the interview was small power distance, moderate uncertainty avoidance, low individualism, moderate masculinity, both short term and long term orientation.

6.3.4 Banyan Tree

As a newly established company, Banyan tree did not have formal corporate culture in recognized terms. According to the interview, power distance in the company was very big. The organization was hieratical and working place was political as well. Uncertainty avoidance was still in the conceptual stage since they’ve got some standardizations and performance/appraisal systems but not complete. The general uncertainty avoidance was rated moderate. Employees didn’t officially receive information about teamwork or teamwork training. However, those trainings were given in personal style by managers. Employees perceived the individualism was moderate in the company. Masculinity was mentioned strong because it was not very equal between males and females in the company. Besides, performance and growth seemed to be very important. The general impression from employees showed that the company was looking for long term orientation. It was said that Banyan Tree’s vision was to become a well-known brand in the business. It was growing fast in reality as well. So there were good training and career plans to attractive new work force. Generally, Banyan tree’s perceived corporate culture shows big power distance, moderate uncertainty avoidance, moderate individualism, strong masculinity and long term orientation.
6.4 Analysis

6.4.1 Accor

In sum, we can see the difference in the following integrated table:

<table>
<thead>
<tr>
<th>Accor</th>
<th>Power distance</th>
<th>Uncertainty Avoidance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Short/long term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent company country (France)</td>
<td>Moderate to High</td>
<td>High</td>
<td>High</td>
<td>Moderate</td>
<td>Short term</td>
</tr>
<tr>
<td>Host company country (Thailand)</td>
<td>Moderate to high</td>
<td>Moderate</td>
<td>Low to moderate</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>Corporate culture</td>
<td>Low</td>
<td>Moderate</td>
<td>Low</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>Interview results</td>
<td>High</td>
<td>Moderate to high</td>
<td>Low</td>
<td>High</td>
<td>Long term</td>
</tr>
</tbody>
</table>

Table 6.4 Comparison of culture dimensions of Accor

Here we can see the national culture of France and Thailand are similar concerning power distance, but Thailand has lower uncertainty avoidance, individualism and low masculinity. Besides, Thai culture emphasis more on long term orientation while French culture weigh more short term orientation. Nonetheless, as a French company, Accor announces its corporate culture from human resource’s point of view as low power distance, moderate uncertainty avoidance, low individualism, low masculinity and long term orientation. That means the company has to lower the power distance; lower the individualism and having longer perspective. What happened when Accor culture transferred to Thailand? Does Thai national culture makes a difference on top of Accor culture?

Looking at interview result, we found power distance and uncertainty avoidance were as similar as two counties’ national culture. Respectively, individualism reduced; masculinity increased. Long term orientation stayed important.

Power distance

Looking back in the interview, the power distance was kept high not only because of French or Thai culture but also because the organization structure was hieratical and the management was very directive. Interview G especially mentioned that the communication gap between different levels were quite big. For example, “if line employees want to contact General Manager (GM), they have to write letter to post in a special box.” Not surprisingly, she felt the company was a very political place.

Uncertainty avoidance

According to the interview, the evidences of moderate to high uncertainty avoidance could be seen from structured recruitment procedures and performance/appraisal
systems, standardized service and clear goals for each level. Interviewee G felt the company wanted to keep most of the service in French way instead of localizing them.

**Individualism**

Individualism reduced because of the teamwork emphasis from the corporate culture. Also, Thai culture apparently does not accept individualism that much. However, the employees perceived that there were conflicts between different departments, which made it hard for everyone to have the same vision and go towards same direction.

**Masculinity**

Masculinity, which is not strong in neither French nor Thai culture turned out to be strong in this particular case. Arguably, Accor’s corporate culture also represents low masculinity. When talking about sexual discrimination, employees perceived there was. In the company, management positions clearly showed that there were more important positions occupied by male than female; the company didn’t take enough care of employees either. It was frequent for them to work long hours under big pressure without extra compensation. The nature of the business receives much pressure from performance and cash flow. The reason here could be because of this particular industry. A lot of positions require physical capabilities. Women are still under-represented (Woods & Viehland, 2000; Burgess 2000; Burrell et al. 1997).

**Short/long term orientation**

As far as short/long term orientation is concerned, sustainable development is Accor’s vision. Helping potential employees climb up the career ladder is one of its goals. Clearly, long term orientation is built-in within the corporate culture. Thai culture pays more attention on long term orientation as well. So those two cultures match at this point.

Promotions were made upon hard working and performance. The appraisal system was designed carefully and completely. Prizes were in both material and non-material forms. Training, as one of the most important methods to transfer corporate culture was found really helpful for developing career, “Yes, first of all, it is very helpful for me to understand the company culture, what they are trying to present to the customers. Second, those training helped me understand my daily work and improved my skills. I also think it’s very useful for us who work in the hotel understand each other. That makes us work in a team” (Interviewee G)

**6.4.2 Radisson**

In sum, we can generalize differences in the following integrated table:
From the table, we can see that the national culture of USA and China are very different. Nonetheless, Radisson’s formal corporate culture represents small power distance, moderate uncertainty avoidance, low individualism, low masculinity and long term orientation, which differ from neither US nor China’s national culture. Surprisingly, the interview result almost matches perfectly with the corporate culture except masculinity rises a little.

**Power distance**

The power distance of USA is small, while China has a tradition of big power distance. This explains such American company has small power distance in its corporate culture. But how does it transfer from a small power distance culture to a big power distance culture? From the interview, employees told the power distance was small and the work place was more democratic than political. But there were some cultural differences, especially for this hotel, because the owner was Chinese (big power distance) and the management company was American (small power distance). According to the interview, corporate culture was spread through in both formal and informal ways such as trainings, internal newspapers and activities.

**Uncertainty avoidance**

Uncertainty avoidance seems the same from corporate culture and interviewed results. It was mentioned in the interview that there were clear goals, rules and regulations for daily work for all employees and managers. However, the company encouraged employees to come up with new ideas. Those new ideas can be deployed once approved by management team. The tolerance of uncertainty for the service line was quite high because the company had this program so called “Yes, I can!” Employees were empowered to treat guests with compensations up to certain level.

In the interview, employees agreed the company always took national laws and regulations into consideration. But executive positions were still occupied by expatriates. The company tried to do at least three interviews to select employee. Their previous work/education experiences will be checked according to the references. Departmental heads would sit with HR office to make final decisions who
could be the most suitable candidate for the position. To choose employees internally, national wide and internationally is another approach to cope with uncertainty.

**Individualism**

Team work played a very important role in company culture. Although individualism is rather high in American culture, the company emphasized team work and tried to encourage employees to communicate with each other and build up cooperative working environment by formal meetings, activities, and team trainings etc. Chinese culture and corporate culture are akin to more low individualism. Interviewee H said team work trainings have been always offered to all level of employees.

**Masculinity**

Interviewee H seemed to be very satisfied with situation concerning sexual issue at working place. She said she did receive enough respects as well as equal payment. According to the interview, women were not under-represented in the company. Masculinity is quite strong in US culture but it shows more from material side. After decades of women right revolutions, there is no surprise that Radisson tries to treat male and female equally. One of the evidences can be found “the management positions were assigned based on personal strength and weakness, not sex” (interviewee H). Performance was only one of the goals for the company. Customer and stakeholder relationship was seen the most important treasure of the company instead of only profit. Quite many customer orientated service programs were designed to keep better relationship. Those also imply that the company is looking more than just profit, performance etc.

**Short/long term orientation**

Radisson stated that they are looking for long term orientation but the interview result shows both long and short term orientation are important. The reason again could be the nature of the business. Cash flow can give a lot of pressure in the short term. Nevertheless, interviewee H said long term orientation can also be found of company’s performance appraisal system which offers immaterial prizes as well.

**6.4.3 Banyan Tree**

From the empirical study, we define Banyan Tree Holdings into a “new born” international company. Corporate culture has not yet been mature and stable. The structure of the company also shows that it is a geocentric company; most suitable employees are put into most suitable places. However, interviewee I said the vision of the company was to be a “global brand leader by building staff to have more integrity and pride in their jobs, and to return a good share to the shareholders.” The vision obviously showed the company had ambition to grow accompanied with HR as great concerns. One of the signs from the interview was that the company determined to
treat employees more as associates rather than workers. According to the interview, the most important spirit of this company was to respect the employees. It was also not true that everyone in the company went to the same direction. Interviewee I said “I don’t feel I am a member of the company very much.” It was said that everyone translated the corporate messages differently.

Without a clear parent country national identity, the differences are only between host country’s national culture and interview results:

<table>
<thead>
<tr>
<th>Banyan Tree</th>
<th>Power distance</th>
<th>Uncertainty Avoidance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Short/long term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent company’s country</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
</tr>
<tr>
<td>Host company’s country (Thailand)</td>
<td>Moderate to high</td>
<td>Moderate</td>
<td>Low to moderate</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>Corporate culture</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
<td>Unidentified</td>
</tr>
<tr>
<td>Interview results</td>
<td>Moderate to High</td>
<td>Moderate</td>
<td>Moderate</td>
<td>High</td>
<td>Long term</td>
</tr>
</tbody>
</table>

Table 6.6 comparison of culture dimension of Banyan Tree

From the table, it is easy to see that most of values from the interview are not very different from Thai national culture except the masculinity increased. As a director of human resource in Banyan tree, interviewee I understood the corporate culture through informal ways (meetings, executive lectures, everyday talking & discussions) rather than trainings. But she was trying to produce more corporate culture training for employees.

**Power distance**

Traditionally, power distance is big in Thai culture. Respect from lower social class to higher social class is necessary. The interview pointed out there was hierarchy in the company. Nevertheless, most of the managers were said to be helpful with the work but less helpful with career development. The communication in the company was very formal such as meetings and briefing. Big power distance in this company shows also from employees’ feelings, “I feel I am humble in the company, but I believed I have a chance to climb up the career ladder in the company.”

**Uncertainty avoidance**

Employee intended that the management team was very international. The expertises from different fields were selected and put into suitable positions. At property level, candidates can be selected by HR departments. Though, GM and department heads would be involved in the final round to take the final decision. “Getting more management and supervisor to interview candidates was seen as an important strategy to minimize the risks from selecting employees” (Interviewee I). In year 2002,
the company established standards for different operational positions. Still creation was considered to be important. In general, she said the long term goal for human resource in this company was “educating employees with ethnics and respect”. The uncertainty avoidance seems grow from beginning stage towards a mature stage.

**Individualism**

Thai culture has a general low individualism. But employees perceived the emphasis of team work was moderate in the company. Corporate office tried to encourage teamwork in the company. Nevertheless, there were a lot of official meetings but lack of team building training. Personally, she as HR director would like to see more team work happening among different departments.

**Masculinity**

Masculinity in terms of sex is high in the company. Although Thai culture has low masculinity, the tradition that males earn the living and females manage domestic issues still last nowadays. During the interview, employees admitted that there was sexual discrimination in the company. “Male was more recognized and having better chances to be promoted. Female employees need to work harder than male to achieve the same level”. However, salary level was only equal. As far as other aspects of masculinity are concerned, it was said “the company was looking for growth as well as performance. But since the company was at a growing stage, it was obviously a necessity to put growth at an important position.”

**Short/long term orientation**

Long term orientation is remarkably strong in Thai culture. That also matches the interview results. In employees’ point of view, the company was looking for more long term growth, because the vision of the company is to “become a leading brand in its field”. Apparently, the company has been growing as it wished in recent years. Within the company, there were score based appraisal systems between different levels. It was believed that “hard working and high emotional intelligence employees were most likely to be promoted.” Politics was recognized important for career development in Banyan Tree. All those evidences imply that the company is trying to build up a frame for long term development rather than immediate success. Nonetheless, Interviewee I said “company should put more efforts to make this value clear for everyone since there was no internal marketing had been done about it.”

**6.4.4 The role of HRM --- case of Marriott**

According to Marriott’s website, its corporate culture is people orientated. The company believes that associates are the greatest assets. Because the hotel industry is a people serving people industry. How good the experience that customer receive relies on how well associates demonstrate. Therefore, it is understandable that six core
values (respect, caring, trust, integrity, honest, fairness) are the fundamental codes for everybody to follow. Theses values are not only considered when doing business, but also are required as basic personality no matter where he comes from, western countries or eastern countries. Since the culture and core values are built on such a common sense base, it is easy to be accepted by people from different countries.

Human resource management is essential for a company to run successful business. HR basic function is to serve employee and satisfy the need from operation. The HR policy is a useful tool to embody the company’s mission, philosophy, culture. In Marriott case, we will look into how the company sets up HR policies and find out how corporate culture influence HR policies and its implementation through HR basic functions:

**Recruitment and Selection**

- Fair treatment, no discrimination, anybody can apply the position
- Hiring hospitality, training technical. Personality test and behaviour interview to find suitable personals, e.g. Gallup test, Quality Selection Process(QSP)
- Global diversity to attract, develop and retain the very best talent available

**Training and development**

- Establish complete training system. There are more than 200 professionals doing research and training course development in head office Washington DC
- Training course are designed for different levels employees needs including technical trainings, management skill trainings, corporate culture training

**Performance appraisal, Rewards and recognition**

- Sophisticated appraisal system, career development plan
- Localization, successor plan
- Recognize associate hard work, provide health care, Marriott total compensation package
- Build an associate-centred environment and create opportunity for growth and career development
- Recognize for advancing women’s leadership in the workplace
- Besides material award, motivate employees with sense of honours

**Flexibility and Job Design**

- Establish corporate standards, 20 basics
- Empowerment, encourage employee to solve the problem at first time and share experience
- Encourage team work and lateral service
**Communication**

- Open door policy
- Provide different kinds of communication opportunities between line employees and management, such as daily meeting

**Community involvement**

- Intensely hands-on, actively participate community activities
- To be good corporate citizens, commit getting involved in the communities

To summarize, we put parent company and local company feature together to compare the differences in the following table:

<table>
<thead>
<tr>
<th>Marriott</th>
<th>Power distance</th>
<th>Uncertainty Avoidance</th>
<th>Individualism</th>
<th>Masculinity</th>
<th>Short / long term orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parent company’s country (USA)</td>
<td>Low to moderate</td>
<td>Low</td>
<td>High</td>
<td>Moderate to high</td>
<td>Short term</td>
</tr>
<tr>
<td>Host company’s country (China)</td>
<td>High</td>
<td>Low</td>
<td>Low to moderate</td>
<td>Moderate to high</td>
<td>Long term</td>
</tr>
<tr>
<td>Corporate culture</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Long term</td>
</tr>
<tr>
<td>Interview results</td>
<td>Low to moderate</td>
<td>Moderate</td>
<td>Low</td>
<td>Moderate</td>
<td>Long term</td>
</tr>
</tbody>
</table>

*Table 6.7 Comparison of culture dimensions of Marriott*

The table shows that the national culture of USA and China are different in some dimensions. They belong to different national culture segment. Although Marriott is an American company, its corporate culture is not typical American. In a way, the corporate culture gives the company more competitive advantage in the international market. As described at the beginning, there is generalization. It is people orientated and built on basic personality’s requirements. Such characters are applied to both western countries and eastern countries.

Therefore, when the company promotes its corporate culture in China, it does not meet big obstacles. The interview shows close results as what the corporate culture would like to advocate. However there are still some difference in uncertainty avoidance and masculinity but the contrast is not big. Low uncertainty avoidance stems from national culture. While the interview result shows moderate could be explained by the phenomenon that setting up standardized policies and procedure and the expatriates occupying most high positions exist at same time. Chinese moderate to high masculinity influence the interview results shown as moderate masculinity.

Due to the feature of hotel industry, individualism and masculinity are not preferred.
Increasing global competition and development strategy makes the short term orientation less competitive in the multinational company either (Boella & Goss-Turner, 2005). Thus, the corporate culture promotes team work, fair treatment, diversity and long term orientation. These traits are very much in line with Chinese national culture, the consequence leads to similar outcome shown in the interview results.

If we compare Chinese national culture and interview results, we can find the differences in power distance and uncertainty avoidance. In traditional Chinese culture, power distance is high. However, due to the influence by the corporate culture, in each hotel, HR and management team has put efforts to shorten the power distance.

**HRM practices**

According to the service marketing triangle, we know that internal marketing communication between company and employee is very important. If the company wants to disseminate corporate culture, values, policies and standards to the employees, it has to apply a proper internal communication method. Human resource management plays a key role to carry such a task. In Marriott case, the difference between corporate culture and interview results are not obvious. Some of the reasons can be explained by the contribution of human resource management, HR policies set-up and implementation. In the following sections, we will focus on human recourse management and HR practices as one of the tools to transfer corporate culture.

Although we interviewed four different Marriott brands hotels with different management scales, the understanding of interviewees about corporate culture and core value are quite similar. Everybody has a clear picture about what Marriott is advocating. They realize the difference between American culture and Chinese culture. Being HR professionals, they know their responsibilities to promote corporate culture among associates. As HR director A pointed out: “To change a culture will lead to fail, Fusion is success. Foreign culture has to respect local culture and build on such a base to improve and optimize culture.”

Other HR managers also mentioned that the essentials of Marriott culture and its core values are fundamental standards suitable for every people, it is not only considered when doing business, but also as basic personality requirement. It has generality. Everybody should try to behave like that. Another HR director B believed that “Culture penetration has to do with taking care of associates. If everybody could make it, the good culture environment could be developed.” She gave an example that when the hotel was opening, the middle level managers came from different hotel management companies; it took time to grind all minds together. It was very important to have a good system and process. If some managers’ attitude and decision were not in line with Marriott culture, HR department had the responsibility to point out. As a result, each hotel has arranged systematic and sophisticated orientation and
training program to educate associates upon they join the company and continue along the employment period.

Chinese culture holds a respect for hierarchy of the status of relationship. Such effect makes Chinese cautious to speak in the public and in front of boss. To establish a healthy communication channel is vital to shorten the distance between management and line employees. “We should give everybody chance to speak out. If one has problem and no chance to speak out, we will take the risk to lose a good associate.” said by HR manager C. Each hotel conducts associate opinion survey and sets up task force team to solve the problems and give feedback to associates. The bulletin board is hung on the employee corridor so that everybody can monitor the process and clearly know what is going on. Obviously, most Chinese are shy to speak out and doubt the company’s open door policy at the beginning, HR department has to try hard to let people feel easy and believe it.

“The rep-section is a free talk meeting with HR department without supervisor and manager attendance. At the beginning, associates do not have confidence to HR, the talk stays at the surface. As long as HR keeps on doing so and tries to create a relax conversation environment, Associates gradually have a deeper understanding of HR and want to speak out. Each complaint is required to be specific so that HR will make action plan to follow up and report to related people and department. The purpose of doing so is to focus on behaviour rather than people.” mentioned by HR director B.

In order to low the uncertainty avoidance, the company issues Standard Operation Procedure (SOP) and each hotel can adjust it to make Local Standard Operation Procedure (LSOP) according to local situation to direct associate performance. Different kinds of training are provided to ensure employees know how to do. A program called 15 minutes training is held in each department everyday. Meanwhile, associates are encouraged to solve the problems in critical situation rather than reporting first. For example, in Ritz-Carlton, employees have up to USD2000 empowerment to solve guest’s problem at first time.

Still, each hotel’s executive team consists of more foreigners than local people. The GM position is appointed by regional office. HR director A pointed out:” Due to culture, economy, and personal quality, it might need additional 5 to 10 years for local people reach high position such as GM in Shanghai. Currently, Shanghai people can already reach such position in other cities. However, China is under development, it takes time to be fully localized.” On the other hand, the recruitment and selection process is very complete including physiological test, ability test, reference check etc. “It was very important to find people holding same believes and values.”(HR director B) “A person’s attitude was important than the skills he processed. Because the skill could be taught, the attitude was from a person’s inside.” (HR manager C) The aim is to find the suitable personals and put them in the suitable positions. It helps maintain the qualified employee.
Teamwork is always emphasized by each hotel. This is probably because of the nature of the hotel business; it is a people serving people industry. Use HR director A’s saying, it is called “divide the work not divide the family”. The team building training program is available. Each department is encouraged to communicate rather than criticize each other when the problem arises. The purpose is to create a cooperative working environment.

Even though each hotel’s HR manager pays much attention to fair treatment and claims that woman has the same opportunity to climb up the career ladder, the numbers of females in the executive management level are limited. As some of HR managers mentioned, the major reasons can be different culture concept, family responsibility; traditional thoughts. In their opinion, it is not system problem but probably more personal reason. One HR manager mentioned that Marriott group held yearly women leadership conference which aimed to strengthen female workforce and award top performance. In her hotel, there are more females processed executive team positions than males. On the other hand, it also provides promotion opportunities for associates to develop their careers. Internal transfer is easy within the group. Those who perform excellent work, drive Marriott culture, focus on team work are preferably to be promoted.

Marriott focus on long term development. HR managers introduced hotel’s performance appraisal system, career plan etc, Marriott has launched a program called “three successors”, which means each manager has to select three candidates for his/her position, the candidates can be chosen within the department or from outside. This is in line with Marriott group long term development plan in China. HR director A commented: “it was very important to develop human resource right away. It is preferable to train and develop potentials within the group, because they understand Marriott culture better, they know management style, mode and system.”

Community involvement is another symbol of long term orientation. Respect to the local society and tradition is crucial to do a business in another country. HR manager C pointed out: “‘The spirit to serve’ reflects the philosophy that how we do business is same important as the business we do. This means that any decision before making, the hotel has to consider if the decision is good for employees, good for guests and good for the community.” The hotel has to measure if the action taken is reasonable and legal. It is very essential to keep good relation and build trust with the owner and local government.

To summarize, Marriott apparently follows polycentric IHRM approach. The responsibilities of HRM are decentralized and developed in the subsidiaries. The headquarter provides general guidelines and each subsidiary is free to adjust HRM policies to fit into local culture. Marriott corporate culture is quite smoothly transferred into China. It is gradually accepted by local people. HR has tried to
overcome national culture difference to convey corporate culture. It is not 100% yet, but in most dimensions it works. One fact we have to know is that Marriott entered mainland China in the late of 1990’s. Therefore, localization needs to be improved but it still takes time to implement. Female workforce’s status is changing step by step. Nevertheless, it is an issue that related to social and cultural cognition. Marriott is looking for a greater change in five to ten years.
Chapter 7 Conclusion & Recommendations

This paper attempts to explore three major areas: corporate culture, national culture, HRM and the relationship among them. The purpose of the study was to explore how international hotel company’s corporate culture is transferred to a different national culture background through HRM practice. The study results partially support previous studies and also provide further insights into the growing body of knowledge in the area. Corporate culture is a tool to unite the thinking. It should have some common sense and easy to be understood (Case, 1996; McCune, 1999). National culture has an influence for local people to understand, accept, and implement corporate culture. Different country has different system. When delivering corporate culture, company should consider the influence of different national culture in holistic ways (Oliver & Cravens, 1999; Dastmalchian et.al., 2000; Fernández et al., 2003).

In this study, we investigated four international hotel companies and found out their corporate cultures target different area. The findings indicate that in an international context, corporate culture is important for a company to share same values, norms among employees from different countries so that everybody has common clear goals to work towards. Even in the same industry, companies may differ from each other in terms of business vision, company structure, corporate culture etc.

Looking at company’s structure, among our sample hotel companies, there are two different types. Companies like Accor, Marriott and Radisson; they are well established with very long history in the business. They have more or less complete formal corporate culture. Another attribute this type of companies share is hieratical organizational structure. Those organisations are institutionalised as they have more complex structures and norms. The management style could be traditional. Advantage is there are also very experienced human resource management teams, which make it possible to plan human resource more holistically, e.g. complete performance appraisal, rewards, training, and promotion systems. Their international staffing policy is more polycentric. Executive management are still more occupied by parent country nationals. However, international network offers local employees opportunities to develop into regional managers.

The second type of sampled company is new born international company. Banyan Tree is a typical example. It has short history in the business but the development is really fast. The company’s corporate culture has been developed to a certain extent but not completed yet. It is at the building stage of complete performance appraisal, rewards, training, and promotion systems. But Banyan Tree follows more geocentric international staffing policy. The executive management team are mixed nationals. They are chosen because of their experiences and capabilities rather than nationalities.

Looking at business vision and corporate culture, Marriott culture is people orientated.
It emphasizes the importance of people which not only include customers but also employees. They believe that happy employees make customers happy. Therefore, the core value is telling people the essential personalities and how to behave. The spirit of Accor is “Succeeding Together”, which means to win together both for the group itself and for other stakeholders. Carrying such a business goal, it is naturally that Accor put more efforts on managing diversity through caring individualism and cohesion at same time. Radisson’s culture is more brand building and customer focus. The organization commits to provide personalized and professional service to customers. The company specially highlights the significance of education. “Yes, I can” attitude and “100% guest satisfaction” program are helping to achieve the goal. Banyan tree as a new born international company, since the company is developing rapidly, the corporate culture is not well-shaped yet. However, the company cares about equal opportunity and diversity.

Even though the importance of corporate culture has been recognized, the influences from different national cultures can not be ignored. From this study, we found out that different power distance can influence ways of communication; different uncertainty level may influence the recruitment and selecting process; individualism can be a barrier for corporate culture as well. In addition, the difference of masculinity and short/long term orientation can increase the difficulty to transfer the corporate culture to a different national culture background. Again, the diversity issues weigh very much in transferring corporate culture. It seems adaptation with national cultures is a necessity for corporate culture to “survive” in different cultural context.

In addition to theoretical contributions, this study has also practical implications. For international organization, sharing common vision and value is essential. As a reflection to previous studies, the findings of this study also show that human resource management has established its vital position in the organization management. What is more, as internal marketing communication tool, HR plays an important role in transferring corporate culture. When hotels are located in different countries, the local culture influences the way of thinking and performing. To remove the obstacle, HR as a bridge connecting employee and management, has to devote itself into disseminating corporate vision, culture, and values through continuing practices. It may not be easy at the beginning especially for a new open hotel. HR must try harder to keep on repeating and impose orientation and training program so that the corporate culture can be engaged in to local employees’ daily activities.

For new born multinational hotel company, the corporate culture is not well established yet. Corporate HRM should take the responsibility to assist the company to set up the system; it is idea to form a united corporate culture environment as early as possible. For new developing hotel, Local HRM needs to communicate the head office actively to fully understand corporate culture and transfer it into local employees appropriately.
Previous studies in hotel industry were either into corporate culture or human resource management. There were not so much integrations between them. As a pioneer study combining corporate culture, national culture and human resource, this study faced the challenges such as limited literature resources, limited secondary data and sample size. In our case study, the international hotel companies’ head offices are respectively Thai, USA and France based. Interviewed hotels are located in China and Thailand. Those interviews’ results are analysed under selected cultural circumstance, and the culture difference are compared between USA and China, France and Thailand only. Thus, culture context is set within a small area rather than under global context. Arguably, the chosen samples reflect these four countries’ situation. Therefore, instead of universal results, we would like to say the findings represent situations from those companies and countries as examples. The contributions on practical level of this study are mainly in international hotel industry since HR operation can be varied in different industries. But on theoretical level, this study links corporate culture, national culture and HRM. That is not only for hotel industry but also for other industries and organizations. The findings of this study can be applied in internationalization process.

Since our study focuses on the integration of corporate culture and national culture, which is trying to explain how corporate culture can be transferred through local HRM practices in different national culture. Having said that, it is necessary to point out there are also other variables that can influence transformation of corporate culture. According to our interviews, national laws are normally another variable international company has to consider adapting corporate culture when they run business over the border. In some particular cases, institutional arrangement can be barriers to transfer corporate culture as well.

The research is qualitative research. With explorative goals, findings did not contribute in numerical results (Sayre, 2001; Hair, et.al. 2003). Instead, findings are presented in the form of examples, stories and quotations. Referring the research question, findings did not answer it by generalizing a big amount of primary or secondary analytical data. Interview results were analyzed and interpreted in qualitative manner to answer the research question. As to generalize a solid answer, the findings of this study can be viewed from different perspectives for reference and further research.

Given the results of this study and the concern of corporate culture in the business in recent years, it is valuable to find out if there are other possible channels to transfer corporate culture. Furthermore, this study was conducted from culturalist approach. To do the study from institutional approach is also interesting, for example, how is corporate culture influenced by institutional arrangement through organizational evolution? Because institutional arrangement is different through time line; or it may be various in different cultures. Finally, it must be borne in mind that one of the motives for business cultural studies comes from the organizational change through
globalization. It is another essential process to investigate into.
## Abbreviation List

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>GM</td>
<td>General Manager</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
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<td>Host Country National</td>
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<td>HR</td>
<td>Human Resource</td>
</tr>
<tr>
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<td>IUF</td>
<td>International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations</td>
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<tr>
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<td>Local Standard Operation Procedure</td>
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<td>Multinational Company</td>
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<td>PCN</td>
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<td>Standard Operation Procedure</td>
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<td>TCN</td>
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### Appendix 1: Indexes of dimensions of national identity measurement

#### Table 1 Individualism (IDV) scores of selected countries

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#### Table 2 Power distance index (PDI) scores of selected countries

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#### Table 3 Uncertainty avoidance index (UAI) scores for selected countries

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#### Table 4 Masculinity index (MAS) scores for selected countries

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Appendix 2: The Matching model of HRM

Appendix 3: The map of the HRM territory

### Table 1: A Human Resource Management Framework

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<th>HRM policies</th>
<th>HRM outcomes</th>
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<td>For example:</td>
<td>For example: Selection based on specific criteria using sophisticated tests</td>
<td>For example: Low labour turnover, Allegiance to company</td>
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<td>High commitment</td>
<td></td>
<td></td>
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<tr>
<td>Quality</td>
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<td>Flexible working</td>
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## Appendix 5: International Staffing

<table>
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<tr>
<th>PCNs</th>
<th>Advantages</th>
<th>Disadvantages</th>
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</table>
|      | - Familiarity with home office's goals, objectives, policies and practices  
      | - Technical competence  
      | - Effective liaison and communication with home-office personnel  
      | - Easier exercise of control over the subsidiary's operations  
      |   | - Difficulties in adapting to the foreign language and the socioeconomic, political, cultural and legal environment  
      |   | - Excessive cost of selecting, training and maintaining expatriate managers and their families abroad  
      |   | - The host countries' insistence on localizing operations and on promoting local nationals in top positions at foreign subsidiaries  
      |   | - Family adjustment problems, especially concerning the unemployed partners of managers  |

<table>
<thead>
<tr>
<th>HCNs</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
</table>
|      | - Familiarity with the socioeconomic, political and legal environment and with business practices in the host country  
      | - Lower cost incurred in hiring them as compared to PCN and TCN  
      | - Provides opportunities for advancement and promotion to local nationals and, consequently, increases their commitment and motivation  
      | - Responds effectively to the host country's demands for localization of the subsidiary's operation  
      |   | - Difficulties in exercising effective control over the subsidiary's operation  
      |   | - Communication difficulties in dealing with home-office personnel  
      |   | - Lack of opportunities for home country's nationals to gain international and cross-cultural experience  |

<table>
<thead>
<tr>
<th>TCNs</th>
<th>Advantages</th>
<th>Disadvantages</th>
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</thead>
</table>
|      | - Perhaps the best compromise between securing needed technical and managerial expertise and adapting to a foreign socioeconomic and cultural environment  
      | - TCNs are usually career international business managers  
      | - TCNs are usually less expensive to maintain than PCNs  
      | - TCNs may be better informed about the host environment than PCNs  
      |   | - Host country's sensitivity with respect to nationals of specific countries  
      |   | - Local nationals are impeded in their efforts to upgrade their own ranks and assume responsible positions in the multinational subsidiaries  |

### Appendix 6: Hofstede’s National Culture index

<table>
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<th>IDV Rank</th>
<th>MAS Rank</th>
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### Regions:

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1 Rank number: 1=lowest; 50=highest.

East Africa: Ethiopia, Kenya, Tanzania, Zambia.
West Africa: Ghana, Nigeria, Sierra Leone.
Arab countries: Egypt, Iraq, Kuwait, Lebanon, Libya, Saudi Arabia, UAE.

Source: Hofstede, 1991
Reference


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