

# Study on the Difficulties and Countermeasures of Hilton Hotel Group's Cross-Cultural Management in China

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**Abstract**—Chinese economy in the era of globalization is topping the in-depth development of the globalization of the world economy. Due to the differences between Eastern and Western cultures, the development of multinational corporations in China is facing the dilemma of cross-cultural exchanges. The issue of cultural differences has become an urgent problem for multinational groups. This article takes Hilton Hotels Group as an example, combines the actual situation of Hilton Hotel management in China, explores the cultural barriers, communication difficulties, management difficulties and other issues and puts forward some suggestions on the emphasis on cross-cultural training, the improvement of the art and skills of cross-cultural communication, the selection of excellent expatriate managers, and the emphasis on cross-cultural incentives in order to provide reference for the operation of multinational enterprises in China.

**Keywords**—multinational hotel, cross-cultural management, Hilton

## I. INTRODUCTION

With the implementation of the economic globalization strategy, China's various favorable conditions have attracted many multinational companies to come to the business. In recent years, the rapid development of China's economy has attracted a large number of foreign hotel groups. The international hotel group, which is known for its advanced management concepts and brand advantages, has brought vitality to the hotel industry in China. The hotel itself has achieved good accomplishments. In response to cross-cultural management, many experts at home and abroad have summarized many theoretical and practical results through research and discussion. However, the hotel belongs to the service industry. Because of its special circumstances, the exploration of cross-cultural management of multinational hotels is still in the probing. In response to cross-cultural hotel management research, An Yingming and Chen Chen's "Intercultural Research in Foreign Hotel Industry" conducted a research on cross-cultural human resource management, including management skills and different cultures of managers and

customers in different cultural background [1]. Foreign scholars also have a deep research on cross-cultural management. For example, German scholar Patricia Pelscher has proposed that there were seven deficiencies in the management of Chinese-foreign cooperative enterprises, and that cultural shocks might have bad influence on employees, which would bring difficulties to the company in four aspects [2]. Xu Hong further explored the characteristics of multinational hotels, and proposed to rely on mutual understanding of different cultures, mutual penetration, and cultural exchanges to achieve the strategic goals of multinational hotels [3]. Research in linking the favorable position of hotel cross-cultural management in the market to the core of the hotel requires to be studied deeply. Research on hotel cross-cultural management with foreign hotels, especially developed countries, is very rare for developing countries like China [4]. Due to the limitations of domestic and foreign political and economic policies and the diplomatic relations among various countries, and until this century, cross-cultural hotels have emerged and attracted people's attention, the relevant cross-cultural research is not mature enough still in the exploration stage.

## II. INTERCULTURAL MANAGEMENT

Cross-cultural management refers to the encounter of two or more cultures, which involve people and things of different nationalities and cultures, and cross-management of these different cultural things, so cross-cultural management is also inter-cultural management. The focus of cross-cultural management is to explore how to manage the enterprises among the cultures not being an obstacle to hinder the business development in different cultural contexts [5]. An important part of cross-cultural management is: to respect each other, no matter what cultural background, it is always right to respect each other. Respecting each other includes respecting his culture, respecting his beliefs, and being acquainted with the living habits, personality, customs, etc. Only by knowing each other can the misunderstanding be eliminated and can the ideas be truly understood. Therefore cross-culture will no longer be an obstacle, and different cultures can coexist and penetrate each other to achieve sincere cooperation.

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### III. OVERVIEW OF HILTON HOTEL GROUP'S DEVELOPMENT IN CHINA

The Hilton Group operates international hotel chains and is headquartered in North America. Its hotels are located all over the world. The hotels are grand including 261 Hilton hotels and 142 Scandic hotels. In the meantime, it mainly dominates the mid-market.

The Hilton Hotel and Hilton Group operate a total of 18 Conrad hotels. The Conrad Hotel has occupied markets in 12 countries around the world. In total, the hotel has a total of 403 hotel rooms. It formed a global marketing alliance with Hilton Hotels, and their strong alliance made them even bigger and unstoppable. They quickly established themselves in the world. The total number of rooms reached 2,700, and more than 500 shared Hilton names. The Hilton Hotel employs staff from 80 countries all over the world. According to statistics, the total number is 71,000.

Hilton Hotel began to enter the Chinese market in the 1980s. In 2004, Hilton innovated and set a temporary rest room. This new type of room creates a unique environment where customers can regain their energy and spirits. Now even the hotel staff is not so limited on clothing. Employees can even wear their favorite clothes to serve their guests. Conrad is synonymous with excellence and luxury. It has opened only 17 hotels around the world. In 2005, it opened its Chinese market and had the first Condella hotel in Shanghai Xintiandi in China. In the same year, the Hilton Hotel opened its own website in Chinese in China. In the winter of the following year, Hilton opened the Hilton Hotel in Jinmao of Shanghai, China. Not only that, but in a year, Hilton's two major hotels were built in Xiamen and Sanya, and the Hilton Hotel in Sanya was designed as a resort-style hotel, which is unprecedented in our country. In 2007, Hilton opened a Hilton Hotel in Hefei for business travel and conferences. In 2008, Hilton announced in Shanghai that Conrad luxury hotel shall be opened in Shanghai Xintiandi in 2008. Especially the internationally renowned hotels such as Hilton Hotel, Waldorf Astoria, Nader Hotel, etc., have been established in China and developed rapidly. Hilton hotel has opened branches in many parts of the country and has good development prospects.

### IV. CROSS-CULTURAL MANAGEMENT ISSUES OF HILTON HOTEL GROUP IN CHINA

Cultural differences mean that different specific groups of people follow different values and codes of conduct due to different cultural backgrounds, so that they have different attitudes and behaviors for specific things [6]. There are different value judgment systems in different cultures. The reason why cultural differences exist is because people from different cultural backgrounds have different cultural traditions, ways of thinking and communication [7].

#### *A. Cultural differences lead to cultural conflicts and increase management costs*

China is one of the ancient four ancient civilizations, and its culture is rich and colorful. Conflicts caused by cultural differences are ubiquitous, and such contradictions may exist in all aspects of hotel management. It is unwise for the management of the Hilton Hotel to conduct hotel management without knowing the traditional culture of our country. This will make the employees and managers very contradictory and cannot communicate well [8].

After entering the China, Hilton Hotels will surely encounter the impact of many different cultures. Whether they are employees or customers, they will have different styles of communication and cooperation when they interact with each other because of differences in culture and traditional customs. The attitude and the rationality of handling things are also different. Hilton Hotel also pays attention to this aspect when hiring Chinese hotel managers and selecting partners, and tries to employ people with certain Chinese cultural heritage. Some management skills of hotel managers must have multiple cultural habits in order to communicate and resolve some conflicts between employees or customers, although Hilton Hotels has been avoiding such conflicts. One of the most important problems faced by enterprises operating in a multi-cultural context is that there is a difference between the cultural habits of hotel staff and the outside culture. The internal employees of the company are a multi-cultural collective [9]. Customers need different types and forms of services due to different cultural differences. In order to establish a long-term perspective, Hilton Hotels must conduct market research and grasp the consumption patterns and psychological needs of different cultural consumers to meet the market needs of different cultures to enhance the market competitiveness of enterprises to reduce risks.

#### *B. Difficulties in communication*

English is the universal language. Communicating in English is the best choice when both parties do not understand mutual languages. However, the language training of employees at the Hilton Hotel is not enough leading to communication problems. If they can't effectively convey their meanings, we can take the meeting as an example. If the meeting is hosted by the Chinese, and the host's Mandarin is not standard enough, the foreigners who attend the meeting will not be able to understand the content of the meeting and they will be fogged. Conversely, if the meeting is hosted by a foreigner, the Chinese who participate in the meeting will not understand the content that the host wants to convey if the English level is not up to standard. Even if the entire staff understands English, we cannot guarantee that their English level is the same, and there is no guarantee that their communication will be unimpeded. Therefore, language also brings a lot of inconvenience to management.

#### *C. In-house training results are not good*

Hilton's advanced management system and system staff

training program is worthy of many domestic hotel applications and learning. Hilton took a lot of efforts in terms of personnel training. It has established a variety of training courses to improve the quality of training through various forms of training. In order to ensure the scale of training and technology release, the Group has set up a professional hotel management training school. It also cooperates with many colleges and universities to jointly improve the management ability and service level of hotel staff by combining theory with practice. Being trained is also a process of learning and progressing for the staff, which is more beneficial than increasing the salary of employees, and is also helpful for the future development of employees. At the Hilton Hotel, the employees treated this meaningful training as a benefit to the company. However, like other hotels in China, Hilton Hotels generally pays lower salaries for employees. This is not good for employees who are already living under pressure only providing some vain training and invisible benefits [10].

#### *D. Lack of unified corporate values and comprehensive management talents*

Hilton Hotels is a foreign-invested company. It also employs Chinese management talents in China's hotels to conduct merger management. However, in the management, the leadership and hotel employees have been separated due to the lack of a unified corporate culture. There are certain problems among employees. The corporate culture of employees needs to be strengthened. The Hilton Hotel is under the jurisdiction of the Hilton Group, but the management rights belong to the hotels themselves. In addition, the separation of the leadership and employees leads to the low enthusiasm of the employees. Thus makes it difficult for employees to demonstrate teamwork. Among the major foreign-funded enterprises in China, foreigners generally hold most of the leadership positions, and Chinese executives are very rare. This also creates certain difficulties for the exploration of talents. The selection and appointment of talents is the core of enterprise development. This is not only the difficulty faced by foreign-funded enterprises, but also the problem that domestic enterprises need to solve.

### V. CROSS-CULTURAL MANAGEMENT STRATEGIES IN HILTON HOTEL IN CHINA

#### *A. Based on long-term business concept*

If Hilton wants to establish itself in the Chinese market and improve its own income, it is not a task that can be completed in a short period of time. From the perspective of Chinese investors, only by cooperating with these foreign-funded enterprises can we introduce advanced foreign technology and learn more about management experience to achieve mutual benefit and win-win. Therefore, it is very important in the operation to coordinate the interests of both parties. The two parties need to work together for the common good. The needs of both parties must be considered to achieve the "win-win"

goal of Hilton Hotels [11]. As we all know, the level of wages is directly related to the work attitude of employees. But in different cultural contexts, people's perceptions of wages will be different. Therefore, a certain understanding of the cultural background of employees is needed. A diversified approach to the encouragement of employees is not only conducive to the management of the hotel, but also to the improvement of the enthusiasm of employees [11].

#### *B. Pay attention to cross-cultural training*

The most effective way to solve cross-cultural problems is to conduct cultural training. Hilton Hotels conduct internal cross-cultural training and management. Cross-cultural management training and learning at the leadership level is critical for Hilton Hotels, and there is another way to tap talents which is to select relevant talents at the university. When choosing an expatriate manager, choose a person who has a local language and an experienced person. The company must choose high-quality excellent managers to send out, which requires the personnel who accept the assignment to understand the relevant technology, and their own quality to be high to be able to accept different cultures, to get along well with the staff, and to have strong ability to handle things [12].

What we should pay attention to the staff training is (1) Language training. For the English training of employees, it is not just to train some simple greetings. This is not enough in the work. It should be in-depth training according to different employees and different positions. This is more conducive to the employees' own communication so they can work better. During the internship process, most of the underlying employees were poor in English communication skills and could not communicate in deep English. (2) Communication training. It is necessary to understand the language or body language of employees in different cultural backgrounds, and apply it into the training of employees so that employees can communicate better. (3) Cultural training. Hilton Hotels should strengthen the integration of two different cultures through training, starting with internal interpersonal relationships and promoting communication among the mutual staffs. The hotel should create conditions for their communication. (4) Sensitivity and adaptive training. Let the different employees in the hotel learn to consider the problems from the perspective of others and understand the local customs and habits, so that the hotel can be better targeted and operated. (5) Relationship establishment. Strengthen the various connections between employees in different cultural contexts to promote their cultural exchanges, and guide them to adapt to local culture as soon as possible.

#### *C. Improve the art and skills of cross-cultural communication*

There are four aspects of mutual communication that must be solved by Hilton Hotels. They are: communication between the branch office and the headquarters, within the branch office, branches with other organizations in the host country, and the communication between the branch and

the local public environment[13]. It is worth noting that: (1) the managers and employees of the Hilton Hotel in China and the West should open their hearts to accept the excellent culture of different countries and regions and strive to overcome the mentality of this cultural centralism. (2) Try to find common ground in different cultures and strive for a balance between the two cultures. (3) Respect each other, believe in each other, and actively communicate with each other. (4) Empathy. More exchanges in work and life, more care, more understanding are needed. (5) Talents with experience in cross-cultural hotels should be given priority.

#### *D. Strengthen management skills in cross-cultural conflicts*

If there is a cultural conflict, Hilton Hotels must strive to effectively resolve and correctly consider the cross-cultural conflicts that exist in development. Second, find the cause of the problem and fundamentally seek a solution. Strategies for dealing with cultural conflicts include: cultural compatibility strategies, localization strategies, cultural infiltration strategies, cultural innovation strategies, cultural avoidance strategies, third-party cultural strategies, and occupational strategies. Intercultural hotels should choose different coping strategies according to different cultural backgrounds [13]. Hilton Hotels has adopted a combination of localization strategies, culturally compatible strategies and local culture to keep localizing. This can promote the complementarity and exchange of Chinese and Western cultures. Hilton Hotels have to choose a variety of strategies to better integrate into the local culture. But we can't just combine the two cultures together. We must fully understand the advantages and disadvantages of Chinese and Western cultures, take the best of them and eliminate the worst to combine the essence of the two cultures to maintain the individuality of our culture and integrate them into the local culture, thus also gives Hilton Hotels a favorable condition for cultural diversity.

#### *E. Choose good expatriate managers*

Through researches on Chinese culture, the Hilton Hotel has selected managers who are matched for Chinese culture. Excellent expatriates must have high qualities. They include: a certain understanding of Chinese culture; family support and tolerance; excellent management and technical skills; good adaptability; good ability to handle interpersonal relationships; certain overseas work experience; good personality characteristics. The choice of expatriate managers should be selected according to the different cultural backgrounds of different countries. There are two methods of selection that are often used today: one is overseas assignment test, which is also a test standard. The overseas assignment test is mainly to test whether the personnel to be delegated can afford the work characteristics of foreign countries and work on them. And the attitude of working is judged. The second is the cross-cultural value test, which is also a measure standards. It is a test of the candidate's cultural adaptability. This ability includes both the candidate himself and his family,

because the family factor will also have a certain impact on his work.

#### *F. Pay attention to cross-cultural incentives*

For the development of the hotel, the most precious wealth is the employees. In order to improve the enthusiasm of the staff, hotel managers must find ways to adopt a diversified and effective reward or incentive mechanism. Comparing Chinese culture with Western culture, we will find that Chinese and foreigners have different value orientations. Chinese people value social factors and moral factors. As a multinational corporation, Hilton Hotels must make different rewards strategies according to Chinese values. Different employees have different habits including work habits and living habits. The staff of Hilton Hotel are from all over the country and even overseas. Therefore, when formulating the reward strategy of employees, they must be targeted and diversified to establish a humanized management incentive mechanism, and be targeted in the wages and benefits of employees to formulate reasonable and effective reward systems and punitive measures to improve the enthusiasm of employees, create a good working environment for employees, and strengthen communication to overcome difficulties and enhance the cohesiveness of employees.

## VI. CONCLUSION

The exchange and integration of different regional cultures must require different cultures to accept each other, understand each other, and seek commonalities of different cultures through mutual change, so that different cultures can coexist and inherit together. The integration of different cultures can form a new cultural group, and employees of different cultures can win their own cultural image in this group, thus creating a sense of belonging and warmth [14]. In order to establish your own hotel culture, Hilton Hotels must have broad mind to tolerate all in order to develop together to reflect the advantages of diversity culture.

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