

CHAPTER 1

INTRODUCTION

This chapter discusses the general issues underlying this research. It presents an overview of the study, including the background, research questions, research objectives, significance, scope and limitations, and key terms.

1.1 Research Background

In today's globalized world, the hospitality industry, especially hotels, is a melting pot of cultures, with interactions occurring daily among a diverse staff and clientele (Skordoulis dkk., 2024). This cultural diversity presents both opportunities and challenges. On one hand, it can be a significant competitive advantage, leading to improved service quality, enhanced customer satisfaction, and increased innovation (Anastasiou, 2020). A workforce that reflects the diversity of its customer base is better equipped to understand and cater to the unique needs and preferences of international travelers, leading to greater customer loyalty and positive word-of-mouth referrals. However, realizing multicultural workforce integration requires careful management and a deep understanding of staff perceptions.

The presence of communication barriers stemming from diverse cultural norms and languages can lead to misunderstandings and conflicts if not proactively addressed (Skordoulis dkk., 2024). Therefore, hotels must implement robust diversity management strategies, including comprehensive training programs that promote cultural competence and foster an inclusive work environment. Effective leadership that champions diversity and inclusion is also crucial for creating a

workplace where all employees feel valued, respected, and empowered to contribute their best. By exploring staff perceptions of cultural diversity, Aston Inn Hotel Batu can identify areas for improvement, strengthen its diversity management practices, and create a more positive and productive work environment that benefits both employees and the organization (Skordoulis dkk., 2024a).

By exploring how staff feel about cultural diversity, Aston Inn Hotel Batu can find out what needs to be improved, make its diversity better, and create a more positive and productive work environment that benefits both the employees and the organization (Skordoulis dkk., 2024).

Cultural diversity brings many benefits, such as higher creativity, more innovation, and better adaptability to guests' changing needs. Multicultural teams have diverse ways of thinking and solving problems, which helps improve services (Anastasiou, 2020). Also, when staff understand the guest's culture, they can give more personal and culturally sensitive service. This makes the atmosphere more inclusive and enjoyable, and it helps build the hotel's reputation (Luqman & Agathsya, 2024).

But on the other hand, diversity can also bring challenges, like communication barriers and differences in working styles. Differences in language, norms, and communication styles can cause conflict between employees or between staff and guests. This can lower service quality and increase guest satisfaction (Skordoulis dkk., 2024). So, hotels need long-term diversity strategies. It's not enough to just hire people from divergent backgrounds. Hotels must also create a truly inclusive

work environment through anti-discrimination policies, cultural awareness training, and strong leadership that supports diversity.

This strategy should include cultural competence training for all staff, from intercultural communication to conflict resolution. Inclusive leadership is key managers and supervisors must be role models by respecting differences and supporting diversity in all parts of the organization. There also needs to be clear rules and procedures to deal with discrimination or bias, and effective communication strategies to bridge cultural gaps, such as language training and choosing the right communication styles.

Training on diversity should not be a one-time event, but an ongoing process tailored to the hotel's cultural context. According to Skordoulis dkk (2024), continuous training programs that build multicultural competences such as role-playing for real-life guest interactions, simulations to improve empathy, and workshops on non-verbal cultural cues significantly improve employees' collaborative and conflict-resolution abilities, leading to enhanced service delivery and a healthier working climate.

Furthermore, an inclusive work environment leads to lower employee turnover and higher performance. When employees feel that their culture is respected and represented, they are more likely to remain loyal to the organization. The research by Skordoulis dkk (2024) confirmed that positive experiences and perceptions of multiculturalism are linked to organizational effectiveness, especially in high-pressure service environments like hotels.

In addition, (Anastasiou, 2020) highlights how cognitive diversity individual differences in thinking and problem-solving styles further strengthens service quality. Hospitality students with varied cognitive styles contributed significantly to service standards in seasonal hotels through a mix of analytical, intuitive, and adaptive approaches, which enhanced decision-making and teamwork outcomes. These findings suggest that combining both cultural and cognitive training could optimize performance and adaptability across all service levels.

In this context, understanding staff perceptions is particularly important. Employee opinions, experiences, and beliefs affect the success of diversity management programs. If the hotel understands how employees see diversity, it can identify the strengths and weaknesses of current policies and find what needs to be improved. This also includes seeing how multicultural interaction affects teamwork, work relationships, and the overall performance of the organization.

(Skordoulis dkk., 2024a) offers a strategic framework that Aston Inn Hotel Batu can use to manage multiculturalism through training, policy development, and leadership support. Meanwhile, (Anastasiou, 2020) explains the importance of cognitive diversity in different thinking styles for improving service quality and performance. By combining these ideas, Aston Inn Hotel Batu can build a team that is diverse not only in culture but also in the way they think, which helps create more innovative solutions and adapt to guests' needs.

Several studies have emphasized the importance of managing cultural diversity strategically in the hospitality sector. (Anastasiou, 2020; Luqman & Agathsyia, 2024) both highlight how diversity, when integrated effectively, leads to enhanced

innovation and improved service quality. Meanwhile, (Skordoulis dkk., 2024a) focus on the role of staff perceptions in the success of diversity initiatives, noting that employee engagement increases when they feel culturally recognized and included. Collectively, these studies underscore that diversity is not merely a demographic reality but a resource that requires thoughtful management through inclusive leadership, training, and organizational support structures.

In conclusion, cultural diversity is an important part of the modern hospitality industry. To succeed in today's global world, hotels must actively manage diversity, build inclusive strategies, understand staff perceptions, and support cultural competence. By doing this, Aston Inn Hotel Batu can create a more harmonious workplace, improve service quality, and gain a sustainable competitive advantage (Anastasiou, 2020; Skordoulis dkk., 2024).

1.2 Research question

How do Human Resource Development (HRD) staff perceive employees' cultural diversity towards hotel service quality?

1.3 Purpose of the research

This study provides deeper insights into Human Resource Development (HRD) perceptions of employee cultural diversity affect service quality in the hospitality industry, particularly at Aston Inn Hotel Batu.

1.4 Research significance

Understanding Human Resource Development (HRD) staff perceptions of cultural diversity in the hotel industry are significant for several reasons. Firstly, it

highlights the critical role of Human Resource Development (HRD) in shaping inclusive work environments, which directly impacts employee satisfaction, collaboration, and service quality. As hotels become more culturally diverse, the way Human Resource Development (HRD) staff perceive and manage this diversity influences how well employees interact and perform. Secondly, it addresses a gap in hospitality research by linking HRD driven diversity management to tangible outcomes such as guest satisfaction and employee retention. Finally, this understanding supports the development of targeted training and policies that empower staff to deliver high-quality service in multicultural settings, ensuring the hotel remains competitive and responsive to global guest expectations.

1.5 Scope and limitations

The scope of this research is employee cultural diversity in a hotel context, specifically investigating cultural diversity among hotel staff. This research focus was to understand how cultural differences materialize among employees and how these differences are perceived in the workplace. Furthermore, this research is limited to the perception of staff and the factors that influence their perceptions of cultural diversity. The research also includes a Human Resource Development Manager (HRD) perspective in relation to cultural diversity and how it relates to the quality of service provided in the hotel environment.

1.6 Definition of key term

1. Cultural Diversity

The presence of employees and guests from diverse cultural backgrounds, including differences in language, traditions, beliefs, values, and customs. In the context of Aston Inn Hotel Batu, cultural diversity influences how services are provided and how employees interact with guests (Skordoulis dkk., 2024).

2. HRD perceptions

Referring to how the Human Resource Development (HRD) staff understand, interpret, and respond to cultural diversity within the hotel environment. This includes their attitudes, awareness, and strategies in managing a multicultural workforce (Burkiewicz & Knap-Stefaniuk, 2022).

3. Hotel service quality

High quality meets or exceeds guest expectations and contributes significantly to guest satisfaction and loyalty. In a culturally diverse context, service quality also includes cultural sensitivity and personalized guest interactions (Hsiao dkk., 2023)