

## **CHAPTER II**

### **LITERATURE RIVIEW**

This chapter provides and examines concepts related to HRD staff perception, cultural diversity, and hotel service quality. The discussion in this chapter is supported by various sources that validate the researcher's perspective.

#### **2.1 Definition of Cultural Diversity**

In the hospitality industry, cultural diversity does not only affect internal dynamics but also has a profound influence on customer loyalty. As the hotel environment becomes increasingly multicultural, the ability of a hotel to recognize and respond to diverse guest expectations becomes a key factor in creating memorable experiences. Guests often feel more connected and valued when their cultural background is acknowledged and respected during service interactions.

Leadership in hotels must embrace multiculturalism not only to manage staff effectively but also to strengthen guest relationships (Burkiewicz & Knap-Stefaniuk, 2022). A multicultural team equipped with intercultural competence is more likely to anticipate cultural needs, use appropriate communication styles, and provide personalized service, all of which contribute to customer satisfaction and repeat visits.

Diversity enables hotels to adapt their service approach based on the cultural context of the guest, creating a more inclusive and personalized service experience. For example, having multilingual staff and culturally aware front-line employees can reduce misunderstandings and improve service accuracy. This directly influences how welcome guests feel, and consequently, how loyal they become to

the brand. Dimitriou (2022) further highlights that ethical leadership when combined with cultural awareness encourages employees to exhibit positive service behavior that is consistent and aligned with guests' values.

Moreover, a hotel that consistently demonstrates cultural sensitivity and inclusive practices builds trust with its guests. Trust, in turn, leads to emotional commitment and guest loyalty. Recent review by Hoang dkk (2023) supports this, showing that ethical leadership in tourism and hospitality consistently improves employee attitudes and behaviors, ultimately enhancing service quality and organizational outcomes.

In summary, cultural diversity, when strategically managed and supported by inclusive leadership, becomes a competitive advantage in guest relations. It enhances not only the internal cohesion of the workforce but also the external perception of the hotel as a culturally competent and welcoming space. This dual benefit of internal harmony and external appeal makes diversity a vital asset in cultivating long-term guest loyalty.

## **2.2 Cultural Diversity in the Hospitality Industry**

In the context of workplace diversity, the hospitality industry encompasses various forms of cultural diversity that influence interactions between employees and guest experiences. One important aspect is ethnic and national diversity, where employees come from different countries and cultural backgrounds. These differences are reflected in various aspects, including language variations, religious beliefs, eating habits, holiday traditions, and interpersonal norms. This diversity not only shapes team dynamics but also influences how services are delivered to guests

from equally diverse backgrounds. Additionally, language diversity plays a significant role, as employees and guests may speak different native languages or dialects. Language barriers can affect verbal and non-verbal communication, interpretation of signs and menus, and overall service efficiency.

Religious and spiritual diversity is also a key dimension, as staff and guests may follow different religious practices that require respectful accommodation. This includes providing prayer facilities, adjusting menus such as halal or kosher, and recognizing religious holidays. Additionally, generational diversity introduces differences in work values and communication preferences, as older and younger employees such as Baby Boomers, Millennials, and Gen Z often have different attitudes toward authority, collaboration, and technology integration in the workplace (Wang & Duan, 2025). Finally, diversity in workplace norms and professional expectations reflects broader cultural assumptions about punctuality, decision-making, individualism versus collectivism, and approaches to conflict resolution. For example, what is considered assertive communication in one culture may be seen as rude in another.

Understanding these dimensions of cultural diversity is crucial for hotel managers and human resources professionals to create an inclusive work environment, enhance team cohesion, and ensure the provision of culturally sensitive services that align with global clients' expectations.

### **2.3 Hotel service quality**

In the hotel industry, service quality has a strong impact on customer satisfaction and loyalty, showing how important it is in hotel management. Many

studies highlight that service quality has many sides, including both visible and invisible elements that are key to the hotel experience.

The visible elements are related to the physical aspects of service, such as room quality and hotel facilities. Meanwhile, the invisible elements focus on relationships and interactions, like employee skills, empathy, and responsiveness (Zia, 2023). Research shows that customers often give more importance to these invisible parts, noting that the interpersonal abilities of hotel staff strongly affect how they rate the overall service.

Cost efficiency is also an important factor in how customers see service quality. The price must match the quality offered. Eco-friendly practices not only improve guests' intention to return but also show the connection between service quality and price, highlighting the importance of value in customer retention strategies. Matching perceived value with service quality has been shown in many studies, which explain that overall service quality both in terms of facilities and staff performance directly influences customer satisfaction in different hotel settings.

The impact on hotel management is significant. Hotel managers are encouraged to build a service culture that focuses on staff training and skill development to improve service quality. This proactive approach not only helps meet the changing expectations of customers but also makes the hotel more competitive in the market (Zia, 2023). In addition, understanding the invisible aspects of service quality can help hotels create unique strategies that connect with customers, increase loyalty, and encourage positive word-of-mouth in today's competitive environment.

In conclusion, the literature shows a strong connection between service quality and customer satisfaction in the hotel industry. Effective service strategies, including both visible and invisible elements, are key for hotels to provide excellent customer experiences and stay competitive in a fast-changing hospitality environment.

## **2.4 Perception**

Perception was defined as the process by which individuals interpreted and understood information from their environment. In the hospitality industry, perception played an important role because employees interacted with people from different cultural backgrounds. HRD staff need to interpret these differences correctly to maintain service quality. According to Miguel (2024), employee's perceptions of cultural diversity influenced how they communicated and delivered services to guest.

Furthermore, perception in Human Resource Development was related to how HRD Manager understood and managed employees in a diverse workplace. HRD Manager were responsible for developing effective communication, teamwork, and employee performance within the organization. According to Skordoulis dkk (2024), management perceptions toward multiculturalism influenced organizational strategies and employee development practices in hotels. Positive perceptions from HRD Manager helped create inclusive work environments and supported better collaboration among employees from different cultural backgrounds. In addition, Burkiewicz and Knap-Stefaniuk (2022) explained that understanding cultural differences was important for leadership and employee management in the

hospitality industry. Therefore, HRD perceptions played an important role in supporting service quality and maintaining positive workplace relationships.

## **2.5 Variety of Cultural Expression**

Variety of cultural expression to the different ways individuals expressed their culture through language, communication styles, behavior, values, and social interactions in the workplace. In the hospitality industry, employees interacted with guests and coworkers from various cultural backgrounds, making cultural expression an important factor in maintaining service quality. Differences in language and communication styles could influence how employees delivered information and responded to guests' needs. Intercultural communication played an important role in multicultural work environments because cultural differences affected communication patterns and understanding between individuals (Luqman & Agathsya, 2024).

In the hospitality industry, the use common language such as Bahasa Indonesia helped employees from different cultural backgrounds communicate more effectively and reduce misunderstandings in the workplace. At the same time, employees still respect each other's cultural identities and adapted their communication styles professionally when interacting with guests and coworkers. The use English was also important when serving international guests to maintain service quality and customer satisfaction. Furthermore, behavior, values, and social interactions also influenced workplace relationships and service performance. Employees from different cultures often had different ways of showing respect, solving problems, and interacting with others. Skordoulis dkk (2024) explained that

positive management of multiculturalism supported collaboration and created a more inclusive work environment in hotels.

