

Press Release

14 January 2013

PolyU Study Finds Trust Drives Empowerment in Chinese Hotels

Trust in individual employees and their merits lies at the heart of empowerment in Asian hotel management, according to recently published research from the SHTM's Dr Catherine Cheung, Dr Alan Wong and a co-author. The researchers carried out an in-depth study of middle- and senior-level hotel managers in China to examine their perceptions and practice of empowerment. The individual-centric conceptualisation of empowerment they identify contrasts with the organisation-driven view that prevails in the West. This serves, note the researchers, as a warning to international hotel companies and expatriate managers against "the application of the concept beyond the developed country environment".

In hotel management, empowerment is the practice of providing non-managerial front-line employees with the autonomy and opportunities to make decisions and exercise discretion in mediating between the hotel organisation and its customers. It involves the sharing of information, rewards and power with employees and a chance to develop their abilities and job performance skills, and is seen as beneficial to both employer and employee. Empowerment is thus inherently psychological, reflecting an individual's feelings of self-control and self-efficacy", the researchers note. The concept, then, should capture the nature of the manager-subordinate relationship.

However, empowerment is most commonly understood from a Western perspective, and the researchers note that there is evidence casting "serious doubt on the applicability of workplace empowerment, in its Westernized form, within cultures where managerial structures are, perhaps, more formal and power distance is greater".

China, which is generally considered a high power-distance culture, has witnessed a dramatic expansion of international hotel chains in recent years, with a concomitant and uncritical importation of management theory and practices from the West. Yet there are cultural factors at both the managerial and employee levels that may hinder empowerment in China – and Asia more widely.

At the managerial level, habitual ways of thinking, fear of anarchy, personal insecurity, a lack of skills to mentor and support employees, and the absence of top management examples can be problematic. At the employee level, "traditions of hierarchy, fear of retaliation, the attitude that empowerment is 'not my job', failure to identify empowerment, and suspicion and pessimism" dampen enthusiasm for empowerment. Additionally, Chinese society tends to be relationship-based, with business operation underpinned by *guanxi* or personal networks, whereas empowerment is conceptualised in the West at the organisational level.

The researchers set out to determine “which factors affect employee empowerment practices” in a non-Western hotel management context. Of specific concern was learning how Asian managers perceived the meaning of empowerment, the value and limitations in applying empowerment, for whom, where and in what situations empowerment can be implemented, the policies that should accompany the use of empowerment and the obstacles to either implementing or sustaining empowerment.

Choosing Chinese managers and their experience with rapidly growing international hotel chains as representative of the Asian whole, the researchers carried out a survey amongst 45 middle- and senior-level managers of both domestic and international hotels. All of the respondents were enrolled in a Master of Science in Hotel and Tourism Management programme in Hangzhou. Twelve of the initial respondents were asked to participate in two focus-group sessions to further refine the ideas generated by the survey.

Half of the respondents were women, and the sample was roughly split between managers in their 20s with a few years of hotel management experience and higher-ranking managers in their 30s and 40s with 10 or more years of experience under their belts. Only just over 15% earned more than RMB20,000 per month, with nearly three-quarters on a monthly salary of less than RMB15,000.

The hotel managers perceived a clear distinction between situational and structural empowerment, with the majority more comfortable with the situational variety. An example of structural empowerment, as defined by one respondent, is a restaurant manager promoting a waiter to team leader to improve operational efficiency.

Situational empowerment, in contrast, involves managers empowering trusted employees in specific situations and thus for a limited duration. For example, a front desk employee is trusted to deal directly with customer complaints about hotel charges during a busy period or the accounts department to coordinate a government audit. In this way, the researchers explain, “empowerment is the key to enabling effective management”.

The greatest divergence with the Western view, which sees empowerment as “a general managerial tool that is applicable throughout organizations”, is that in China it is based on “situational factors relating to need”, the researchers emphasise. Hence, power is delegated only during busy periods, in high-pressure situations and crises, or in the absence of key managerial staff, and it is then withdrawn afterwards.

Of even greater note was the extent to which the hotel managers surveyed emphasised the importance of trust and interpersonal relationships in empowerment decisions. “Crucially”, the researchers point out, “managers must personally know staff members who are to be empowered, or a person whom the manager trusts must recommend them”. A majority of respondents believed they should empower responsible and reliable staff regardless of their job description. During the focus group discussions, “personal trust” was repeatedly linked with empowerment and explicitly tied to *guanxi*.

Interestingly, those cited as most reliable and trustworthy were family members or other close relatives. Several respondents stated that important departments, such as purchasing and finance, should be entrusted only to relatives, citing examples of “outsiders” being so entrusted with deleterious consequences.

In individualist countries, leaders select in-group members based on competence and contribution to the organisation. Favouring family members in any way would be viewed as nepotism and considered unethical. Yet in collectivist countries such as China, in-group members are selected on the basis of personal relationships. The researchers note that this indicates “that traditional Chinese cultural values have strong influences on empowerment” within the Chinese hotel industry.

The implementation of empowerment in Chinese hotels faces considerable challenges, and will require adjustments on the part of both multinational hotel chains and local managers. The chains will need a firm understanding of the cultural differences that the researchers outline. Local managers, in contrast, must learn to base decisions on competition between employees and “contributions to the organization” rather than on “trust and family status”. What is most certain is that the uncritical application of management theory across cultures and contexts is not an option.

Press contact : Ms Pauline Ngan, Senior Marketing Manager
School of Hotel and Tourism Management

Telephone : (852) 3400 2634

E-mail : pauline.ngan@polyu.edu.hk