Organizational Culture and Group Dynamics in the Tourism Industry

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Abstract: The tourism industry is one of the most dominant industries at a global level that affect the world’s economy (Belias et al., 2017), as the tourism industry contributes to a very high percentage of the Gross Domestic Product of many countries (such as United States, China, Japan, Italy, France and Spain) (Statista, 2021). On the other hand, researchers have acknowledged the importance of organizational culture (Cook & Yanow, 1993; Schein, 1993) as well as the importance of group dynamics, (Crossan et al., 1999; Wastell, 1999) on the members of an organization. Over the latest decades, globalization has made cultural diversity a world-wide phenomenon. Tourism and Hospitality is a field where someone can recognize the importance of cultural differences among different cultural groups. In an organization, such as a hotel company, there are a lot of cultural diversities not only among the employees of the hotel but also among the guests of the hotel (Rampley, 2005; Bavik, 2015). So it is essential for a hotel company to establish its organizational culture which will be consist of several values, rules and priorities that everyone who is involved in it (employees and guests) has to follow. The aim of this paper is to examine the current literature concerning the relationship between organizational culture and group dynamics in general, as well as in the tourism industry. The methodology which will be used is literature selection of papers, studies, articles and journals retrieved from online bibliographic databases (such as Science Direct and Google Scholar). Although, there is a significant amount of papers discussing the organizational culture or the group dynamics in an organization there seems to be a research lack in the connection between organizational culture and group dynamics especially in the touristic and hospitality services. With the current paper we try to shed some light in the above field in order to trigger for future theoretical as also empirical research.

Keywords: organizational culture, group dynamics, relationship, tourism industry

1. Introduction

Over the last 30 years, Human Resources Management scholars have turned their interest into the field of Organizational Culture. Many researchers of organizational behaviour suggest that organizational culture contributes an essential factor of differentiation in business performance (Piercy et al., 2004). According to Schein (2004) “the only thing of real importance that leaders do is to create and manage culture”. Schein (2004) also highlights that “the unique talent of leaders is their ability to understand and work with culture; and that is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional”.

Organizational culture forms the organizational procedures, integrates the organizational capabilities, solves the organization’s problems, and hence, impeding or facilitating the organization’s effectiveness (Yilmaz & Ergun, 2008).

In addition to this, group dynamics is a field that combines all the things that are related with people and their groups. One of the major issues of group dynamics is the building of a team and its culture. A team’s culture is the shared perception of how the team should work in order to accomplish its goals. Team norms, member roles, and patterns of interaction are included in the team culture (Levi, 2017). Teams do not develop their culture from scratch. They adopt cultural norms and values from their organization and society (Wheelan, 2005). When there is an agreement in norms, values and roles (in other words team’s culture), anxiety is reduced and the communication between the members of the team is improved (Levi, 2017). Also collaborative team culture provides the sharing of information between team members so as to coordinate work activities (Zarraga & Bonache, 2005). When the team’s culture is united, it includes mutual trust, leniency in judging others, courage to state opinions and willingness to help (Levi, 2017).

The main purpose of this paper is to examine the current literature concerning the relationship between organizational culture and group dynamics in general, as well as in the tourism industry. The methodology which will be used is literature selection of papers, studies, articles, conference proceedings, books and journals...


2. Organizational culture

Organizational culture is considered one of the main key factors that modern companies have to focus on. The organizational culture of a company consists of the setting of values, rules and priorities that are followed by the personnel and all the individuals that are involved in it (Belias et al., 2017; Belias et al. 2015; Belias et al. 2016). In other words, organizational culture consists of beliefs about the goals of an organization that its members should pursue, as well as the ideas about the appropriate modes of behaviour the members of the organizations should follow in order to achieve these goals (Hill and Jones, 2001).

One of the first scholars that defined organizational culture is Schein (1986). According to Schein (1986) organizational culture is “a pattern of basic assumptions invented, discovered, or developed by a group to face its problems of external adaptation and internal integration that it has considered valid and sufficient to be taught to new members as the right way to perceive, think, and feel in relation to those problems”. On the same point of view, Barney (1986) defined organizational culture as “a complex set of values, beliefs, assumptions, and symbols that define the way an organization does business”.

Organizational culture serves two main functions in the organization: (a) to help members to know their relationship with the other members (internal environment), (b) to help the organization adapt to the external environment (Belias, Velissariou & Rossidis, 2019). As far as the internal environment is concerned, culture governs everyday working relationships and determines the way that individuals communicate within the organization, what behaviour is acceptable or not, and the way that power and authority are shared (Torrington et al., 2005). Similarly, as far as the external environment is concerned, culture is associated with the way the organization achieves goals and deals with third parties. In addition, culture can help the organization respond quickly to the needs of the client or to the movement of a competitor (Belias, Velissariou & Rossidis, 2019). Thus, culture is related to the social environment of an organization, creating either positive or negative relationships within and outside of the organization (Armstrong, 2006).

3. Organizational culture in the tourism industry

Tourism industry is one of the biggest global industries, which has become a part of people’s life style, with its suppliers and consumers spread throughout the world. In order to provide successful services, a hospitality organization has to share a set of cultural values that focuses on quality and customers, encourages workplace motivation and teamwork, gives employees freedom in meeting customer demands, supports innovation and creativity, and requires for someone to pay detail attention when doing a job (Tepeci, 2005; Chung and Schneider, 2003; Miller, 1992).

According to Pantiyasa (2016), an organizational culture in the hospitality industry would be reflected on the “moments of truth”, which is translated as the time when an employee interacts with the guests and requires quick decision making.

Moreover, Nickson (2007) argues that organizational culture can be expressed by a variety of things someone can meet in the hotel, such as furniture model, hotel logo and the usage of certain languages by employees.

Over the last two decades, there have been some researches which investigate the values of the organizational culture in the tourism industry. More thoroughly, Altunay (1999) investigated organizational culture in luxurious hotels of Turkey. Altunay (1999) discovered that organizational culture helps employees to score high levels of communication, cooperation, teamwork and fair management practices. In addition, Kyriakidou and Gore (2005) found out that successful hospitality and tourism firms adopt an organizational culture which encourages the collaboration in missions and strategies, builds the future of the organization, develops the organization and the individuals working on it, grows a learning environment and practices teamwork in the workplace.

On the same point of view Pantiyasa (2016) studied the effects of the organizational culture in Padma Resort Legian (Bali). Pantiyasa (2016) found out that the core values of the organizational culture are the following:
Achievement: the success of a touristic company can be measured by targeting on achievement on every part of the job. Pulakos et al (2004) argues that performance management can be achieved by exposing the bigger picture in the employees, by providing feedback regularly, and by developing through experience.

Excellence: A superior organization is defined through superior human capital, superior fellowship, superior process and superior product (Dahlgarrd et al., 1999). Similarly, Sasmita & Nayantara (2003) suggest that an organization that supports perfection, has to provide a vision to its employees, has to provide perfect activities and processes, needs to evaluate perfection, must empower employees and must support learning processes.

Customer focus: It is important for a company to focus its organizational culture into the satisfaction of the client. Mohammadpour Amir (2014) (cited in Pantiyasa, 2016) argues that the customer is one of the company’s biggest asset. For that reason a modern company (occupied in the hospitality services) should see things by the customer’s perspective and should try to understand and satisfy the customers under a highly competitive environment (Mohammadpour Amir, cited in Pantiyasa, 2016).

Honesty and Integrity: Desson et al. (2010) mention that the integrity of a company exhibits the fact that the company appreciates the organization’s honesty, develops very high ethical standards and provides an outcome that can be trusted.

Finally, Alkaya & Yirik (2014), after their research in a five star hotel in Antalya, came to the conclusion that organization culture influences on all personnel, group and group identity conflict. In other words, the organization culture of the hospitality companies could create conflicts between employees because of the differences that exist due to different cultures of the employees (Alkaya & Yirik, 2014). Planning an organizational culture independent from the different cultures of the employees can trigger the negative results of conflicts. For that reason, managers should take into consideration employees’ profiles when forming organizational culture. Organizational conflict has a direct effect on quality and efficiency in the tourism sector. Thus, managers have to develop measures to prevent organizational conflict from happening (Alkaya & Yirik, 2014).

4. Defining group dynamics

A group is more than a collection of people. In order to define the differences between collections of people, groups and teams, researchers use several approaches that vary depending on which features are considered important (Levi, 2017).

A team is defined as a special type of group in which people work interdependently to accomplish a goal. Organizations use many different types of teams to serve a variety of purposes. For that reason, the scientific study of group dynamics provides useful insights about how teams operate and how they can be improved (Levi, 2017). So the main question is “what are the major characteristics in the field of group dynamics?”.

Forsyth (2019) defines group dynamics as “the influential interpersonal processes that occur in and between groups over time. These processes not only determine how members relate to and engage with one another, but they also determine the group’s inherent nature and trajectory: the actions the group takes, how it responds to its environment, and what it achieves”.

To be more specific, group dynamics involve the examination of the below major issues:

- Inclusion and identity: Do humans prefer inclusion to exclusion and group membership to isolation? How do group experiences and memberships influence individuals’ identities?
- Formation: Who joins groups, and who remains apart? Why do people deliberately create groups or join existing groups?
- Cohesion and development: What is cohesion and what causes it? How do groups develop over time?
- Structure: What are norms, roles and networks of intermember relations, and how do they organize groups?
- Influence: When will people conform to a group’s standards, and when will they remain independent? How powerful is social influence?
- Power: Why are some members of groups more powerful than others?
- Leadership: Who do groups prefer for leaders? Should a leader be task-focused or relationship-focused?
Performance: Do people perform tasks more effectively in groups or when they are alone?

Teams: What is the difference between a group and a team? Does team building improve team work? How can leaders intervene to improve the performance of their teams?

Decision making: What steps do groups take when making decisions?

Conflict in groups: What causes disputes between group members? Why do groups sometimes splinter into subgroups? How can disputes in groups be resolved?

Intergroup relations: What causes disputes between groups? How can intergroup conflict be resolved? (Forsyth, 2019)

Finally, in order for a group to be developed, according to Tuckman’s theory (Tuckman 1965; Tuckman & Jensen 2010), it passes through five stages during its development:

1. Orientation (forming): Exchange of background personal information, uncertainty, tentative communication.
2. Conflict (storming): Dissatisfaction, disagreement, challenges to leader and procedures, cliques form
3. Structure (norming): Cohesiveness, agreement on procedures, standards, and roles, improved communication
4. Performance (performing): Focus on the work of the group, task completion, decision making, cooperation
5. Dissolution (adjourning): Departures, withdrawal, decreased dependence, regret.

5. Group dynamics in the tourism industry

The creation of teams has become a key strategy in the tourism industry. Team building is very important in supporting and improving the effectiveness of groups and should be a key part of a program for organizational change.

More specifically, the hospitality industry is characterised by social interaction between a number of different groups (Ingram & Desombre, 2000). In other words, there are various teams working for the tourism and hospitality industry, such as: representatives of passenger carriers, hotel operators, licensed travel agents, tour operators, retailers and restaurant operators (Page, 2019). Figure 1 describes the different departments (or teams as they usually called in the hospitality department (Walker & Walker, 2014)) which can be found in a typical hotel business.

![Figure 1: Teams in a hotel business (Stutts & Wortman, 2005)](image)
Hotel businesses, and hospitality companies in general, use teams in various ways. One way is the organisation of the company into teams from the start. That implies that employees must act as team players which is very vital for the company’s proper function (Walker & Walker, 2014). Another way managers can use teams is through Total Quality Management (TQM) programs (Belias et al. 2016b) that involve that the employees are working in teams in a constant effort to improve guest experience. More specifically, teams are formed from one or several different departments and then the team members choose the area of operation that need improvement and proceed to make changes that will benefit the guests (Walker & Walker, 2014). A third way that managers can use teams is through self-managed teams. Self – managed teams make the decisions that the managers used to take in the past. This saves managers time, so they can concentrate to more important things. An example of self-managed teams is hotel housekeepers. Hotel housekeepers that score highly on room inspections no longer need to have their rooms checked by a floor housekeeper. The teams of these housekeepers receive a bonus for superior performance and the hotel can save on the salary of the floor housekeepers (Walker & Walker, 2014).

In addition, Ingram and Desombre (2000) suggest the molecular structure hotel unit model, which focuses on the needs of the guest (Figure 2).

![Molecular structure hotel unit model](image)

**Figure 2:** Molecular structure hotel unit model (Ingram & Desombre, 2000)

According to the above model functional as well as management teams focus into the needs of the guest. Moreover, this model develops an innovative and participative teamwork approach that is designed to improve service quality and to reduce labour costs. Communication through daily, weekly and shift briefings seems to be the key for communication among the employees. As far as teamwork is concerned, the model introduces a number of ways with which molecular structure model can be monitored. First of all, “open table” technique is used. According to this technique, selected team members are invited to lunch with the hotel unit general manager and are encouraged to discuss any items of concern that affect them or the team. Moreover, regular formal appraisals are given as well as less formal appraisals in order to form the basis for team performance (Ingram & Desombre, 2000). Team performance, according to molecular structure model, is measured through the following characteristics:

- Team satisfaction: pay, meals, training, fair treatment
- Guest satisfaction: feedback, guests, returning, growing business
- Marketing actions: marketing plan, local trade, press visibility
- Condition of buildings and equipment: safety, maintenance
- Controlling costs: efficiency, energy management, stock levels
- Respect: from management, cooperation, support from others
- Environment and ecology: waste, “good neighbour”
- Profit contribution: improvements, sales volumes
- School of life: training and career development
Image: “look” of the hotel, respect in local community, pride in work (Ingram & Desombre, 2000)

6. Organizational culture and group dynamics in the tourism industry

Human resources managers in the hospitality industry have to deal with specific characteristics which include employee’s and customer’s diversity as well as the formation of different groups of professionals (Georgiadou and Iasonos, 2015). For that reason, a lot of modern organizations invest in promoting diversity in the work environment. Thus, it is very important to understand “how diversity impacts individual and team processes and outcomes in the workplace” (Harrison & Sin, 2006).

Recent studies have shown that diversity has been claimed to impact team effectiveness (Harrison & Sin, 2006). Similarly, diverse work teams were found to attain high value to organizations (Georgiadou and Iasonos, 2015). One of the characteristics of the hospitality industry is the multicultural and globalised perspective (Korjala, 2012). As a result, diversity management practices may offer major advantages for the organization when facilitating transactions with customers (Hicks-Clarke & Iles, 2000). Besides, a company’s reputation and image can be effectively enhanced, when committing to diversity. (Roberson & Park, 2007).

Hospitality and tourism industry operates in a very complex multicultural environment. Thus, organizations have to take into serious consideration, individuals’ perception on culture as also they should not underestimate the role of the national culture (Reisinger, 2009).

Most managers recognize the value and the importance of culture. However, they find it difficult to connect culture with diversity in order to lead to the achievement of the strategic objectives (Georgiadou and Iasonos, 2015). According to Okoro & Washington (2012), organizational competiveness is strongly dependent on the ability to manage cultural diversity in a workplace and communicate effectively across cultures.

So, diversity has to be a part of the organizational culture in order to be effective. Hence, creating a handbook which outlines rules and regulations in consistence with diversity, ensuring that employees are familiar with the policies as well as reinforcing these priorities in regular staff meeting, are some of the ways with which diversity could be built in an organizational culture (Overproof, 2015).

There are some practical rules that a manager should take care of when establishing diversity into the organizational culture and group dynamics (especially into managing teams):

- Diversity should be a priority during hiring process
- Creating clear and inclusive policies
- Providing diversity training to employees
- Supporting effective communication
- Encouraging positive interactions between employees
- Educating the team leaders
- Creating a council to oversee inclusion
- Recognizing and celebrating diversity
- Being open to employee feedback
- Hosting more effective meetings
- Establishing clear goals and measuring progress (Overproof, 2015)

Last but not least, managers have to be careful of the following conflict that may happen when establishing changes in the organizational culture: Gullen and Rhodes (1983) suggest that associating with others during the course of work contributes to friendship. Because of social needs, informal groups can be created. These groups are not necessarily associated with the working terms. These informal groups generate their own culture and values that may conflict with those of the organization, causing resistance to the changes that managers are trying to bring into the organization (Keiser, 1989).
7. Conclusion

The paper has examined the connection between organizational culture and group dynamics in the tourism industry. As it is indicated by various researchers (Altunay, 1999; Kyriakidou & Gore, 2005) organizational culture potentiates communication, teamwork, cooperation, motivation as well as creativity and innovation strategies. Hence, it is essential for the development of an organization to build an organizational culture which will be adopted by all the personnel. It is also very important for the future of the organization that organization’s managers should be able to adjust the organization culture to the changes that occur on the internal and external environment of the organization (Belias, Velissariou & Rossidis, 2019). More specifically, employee’s and customer’s diversity is one of the main changes that human resources managers have to deal with when they create working teams in the hospitality businesses. Team’s culture is considered to be a reflection of the organization’s culture (Thompson, 2004). Thus, managers have to take into serious consideration the role of group dynamics (orientation, conflict, structure, performance and dissolution) when building a working team in order to be successful and efficient.

Due to the empirical research lack in the connection between organizational culture and group dynamics in the tourism industry, there is a need for future empirical research which will help the academia and the practitioners to better understand the relationship between organizational culture and group dynamics. Especially, it is essential to create theoretical as also empirical models which will measure the connection between these two terms. These models should not only be used for the tourism industry but also they can be adjusted for organizations in general.

References


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