

Essential Hospitality Leadership Characteristics for China as Perceived by Middle Managers

This paper has not been published elsewhere and that it has not been submitted simultaneously for publication elsewhere.

ABSTRACT

This study examines the hospitality leadership characteristics that are essential, as perceived by emerging hospitality leaders. Four focus groups interviews were conducted in mainland China involving a total of 25 middle level hotel managers. The respondents identified the backgrounds and leadership characteristics of a total of eight admired hospitality leaders in contemporary China. The unique leadership characteristics that received comment were innovative and entrepreneurial. The study provided confirmation of earlier research - that Chinese hospitality leaders are transformational. Their major differences relative to leaders in other industries may be summarized as follows: career advancement, resilience and emotional control, open mindedness and expert knowledge. Young hospitality leaders exhibit diverse backgrounds which encompass the information technology and finance section. Leadership is impacted by Chinese cultural factors such as Guanxi and collectivism. Finally, the perceived future challenges for hospitality leaders relate to hotel brand building, recruitment of talent, enabling new technology and succession planning. The study concludes with recommendations for leadership development to capitalize on the growth of the industry.

INTRODUCTION

It is a universal issue for leaders to be challenged from both within and outside their organizations (the micro and macro levels). Organizational effectiveness is greatly influenced by how leaders understand and respond to such challenges. Organizational performance is also affected by fast changing political, social and technological conditions. The difference between organizational success or failure depends on adaption to transformation (Aldrich, 1979). In such circumstances, leadership has limited capacity to manage and control change.

A recent study on key success drivers for hospitality companies identified seven major issues (Deloitte, 2014). These included: technology, brand, sustainability, crisis management, talent, demographics, and emerging markets. It is essential for hospitality leaders to anticipate and respond to those changes.

World Travel & Tourism Council statistics have indicated that travel & tourism generated 107,833,000 direct jobs in 2015, an indicator of the sector's labor-intensity. These figures include employment in hotels, travel agents, airlines and other passenger transportation services (World Travel & Tourism Council, 2016). The quest for talent is a key in human resource challenge as one of the main obstacles for the hospitality industry. In 2006, The International Society of Hospitality Consultants listed labor shortages as a top ten industry challenge (ISHC, 20016). The ongoing shortage of frontline staff and professional talents is an indicator of the labor issue (Sun, Liu, Law & Zhong, 2017).

The talent issue features prominently in China's fast growing hospitality industry. The number of hotels in China grew five times over the past decade (Huang & Cai, 2014). China's National Bureau of Statistics predicts that China will have 6.1 million hotel rooms by 2025

(Noordzy, Ricaurte, James & Wu, 2016). The new developments point to a promising future China's hotel industry. The demand of hospitality talents will remain high. In addition to growing hotel demand, there is a boom in commercial service industries and the luxury services sectors is also seeking talents with hospitality background and service training. Recruitment and talent management has emerged as the leading human resources challenge in China (Sun, Liu, Law & Zhong, 2017).

The competitive business environment in China requires hotel leaders who can mobilize the human resources effectively to improve hotel performance (Li, Tse and Xie, 2007). Understanding leader characteristics is vital since leaders shape organizational decision-making and influence effectiveness (Mowday, 1979). The present research explores the essential characteristics and capabilities for successful hotel leaders in mainland China, particularly when dealing with different environmental challenges. Such characteristics will address the main research question - what characteristics are essential for China's future hospitality leaders?

LITERATURE REVIEW

Leadership Theories

Leadership is the ability to influence others. It plays a crucial role in organizational and group performance. Though definitions of leadership have changed over the past hundred years, Ciulla (2002) review of 221 leadership definitions in the literature published between the 1920s and 1990s and Rost's review in 1991 concluded that all leadership definitions share a common understanding about one person mobilizing others to do something. She observed that leaders motivate their followers and are responsible for goal-setting. A similar definition by Northouse

(2004) described leadership as “...a process whereby an individual influences a group of individuals to achieve a common goal”.

Based on previous definitions, leadership theories have aimed to investigate effectiveness as reflected in leader behaviors. Such effectiveness can affect both organizational objectives and operations. Van Seters and Field (1990) divided the development of leadership theory into seven different eras, namely: Personality Era, Influence Era, Behavior Era, Situation Era, Transactional Era, Anti-leadership Era and Transformational Era.

The early leadership theories mainly focused on personal characteristics, such as the “great man” theory of leadership (this theory was popularized by Thomas Carlyle in the 1840s) which suggested that leaders were born. Trait theories similarly assume that certain characteristics and personalities made an individual a better leader (Mann 1959; Stogdill 1948). Later, the focus of leadership theory changed to investigating leader behaviors and the context or environment of such behaviors.

Transformational leadership was first defined by Burns (1978) to distinguish it from transactional leadership. Leader interpersonal skills are imperative to achieve transformational leadership (Bass and Steidlmeier, 1999). Besides, the effectiveness of transformational leaders depends on leaders’ charisma and their strong relationship with team members (Brownell, 2010). They built relationships by motivating team members, providing support and good communication to achieve their missions and visions (Humphreys and Einstein 2003; George Stone, Russell, and Patterson 2004).

Research on Hospitality Leadership

Rapid hospitality growth has brought substantial changes and challenges to the business and economic environment. Contingency theory was used to examine how different environments, conditions and organization styles impact on leadership effectiveness (Fiedler, 1978; Nebel and Stearns, 1977). It has also received considerable research attention later by other scholars (Porreca, 1990; Arnold, 1994; Hazard, 1989). In sum, research on hospitality leadership prior to the 1990s was mainly about searching and identifying a suitable style that can be adopted successfully by the hospitality industry. For instance, Mintzbergian approaches have been used to assess the essential managerial roles of hospitality managers. It has been assumed that leadership is a function of management (Pittaway, Carmouche & Chell, 1998); leadership is also identified as a skill for hospitality leaders (Arnaldo, 1981; Shortt, 1989).

In 1994, Tracy and Hinkin (1994) compared the use of transformational and transactional leadership styles in a hospitality organization and concluded that the behavior exhibited most frequently by effective leaders was transformational. While their results were based on a single organization and were not representative of the entire industry, transformational leadership theory has subsequently been widely accepted and applied in hospitality leadership studies. In a review of the EBSCO Hospitality and Tourism Complete database, Boyne (2010) identified 59 articles related to hospitality leadership, including peer reviewed journal articles and book chapters, and concluded that transformational leadership was the most popular single approach during the 2000s.

Transformational leadership involves four dimensions, i.e. idealized influence (symbol of the vision), inspirational motivation (creation of a new sense of vision and purpose), intellectual stimulation (encouragement of new thinking patterns) and individualized consideration (strong one-on-one relationship, developmental growth, etc.). Transformational (extraordinary) leaders raise consciousness levels amongst their followers about the importance and value of designated

outcomes and their achievement (Barnett et al., 2001). They often exhibit a strong set of internal values and are effective at motivating their followers to behave in ways that support and coordinate with the greater good rather than their own self-interest (Northouse, 2007).

Gaps in the Literature

In contrast to the extensive range of ‘western’ research on hospitality leadership, there is rather limited literature on hospitality leadership in China. The theme of leadership appears infrequently in China’s hospitality research. Gross, Gao and Huang (2013) provided a content analysis of research themes and trends in China’s hotel research based on review of 115 academic papers published between 1984 and 2009. They found that hotel management and performance is the most frequently examined research theme, followed by hotel development strategies, and hotel business environment analysis (focusing on the issues and challenges confronting by China’s hospitality industry). Kong and Cheung’s (2009) study also identified human resource management as another significant research theme in China’s hotel studies.

To discern more recent research trends since 2009, and following Kong and Cheung’s study, the present researchers searched the keywords ‘China’, ‘Hospitality’ and ‘Leadership’ via the EBSCO Host search engine on 13th May, 2017, and found 13 journal articles published between 2007 and 2016 that mention China’s hospitality leadership. The thirteen journal articles were retrieved and reviewed. Of the thirteen articles retrieved, only 3 were journal articles directly addressing the topic of leadership. They are *Testing the Structure and Effects of Full Range Leadership Theory in the Context of China’s Hotel Industry*; *Understanding the Leadership Perceptions of Staff in China’s Hotel Industry*; *Integrating the Macro-and Micro-aspects of*

Leadership Contexts and Effects of Cognitive and Affective Conflict Between Hotel's Top Managers on Firm Performance in China.

From the limited literature on China's hospitality leadership, Chow (2004) and Redding (2002) found that Chinese hospitality leadership had been influenced by the Confucian traditions of hierarchy, morality, family obligation, control and respect. Thus, most Chinese hotel leaders exhibit paternalistic, rather than a transformational leadership styles.

Some researchers have challenged this view. For instance, Wang (2011) used Hofstede's 'cultural dimensions' theory to study Chinese culture and concluded that it was characterized by high power distance, medium masculinity and low individualism. Chinese culture appears to be collective in nature. Walumbwa, Lawler, and Avolio (2007) investigated 825 employees from China, India, Kenya, and the USA, and concluded that "transformational leadership styles work better on Allocentrism (Collectivism) while transactional leadership styles suits Indiocentrism (Individualism) better". Bass (1985) reached similar conclusion. These various views suggest that transformational leadership could fit well in the China hospitality leadership context.

The present study aims to answer the main question about how the transformational leadership style has emerged in the context of China's hospitality industry. The utilization of an internal perspective of emerging Chinese leaders, the relationship between transformational leadership and the characteristics of successful Chinese hotel leaders are revealed. The differences between hotel leadership and leadership of other industries, the impact of Chinese culture on hotel leaders and future challenges are examined simultaneously.

RESEARCH QUESTIONS

The study research questions are posed to discern the characteristics of successful hotel leaders as perceived by emerging Chinese hospitality leaders. They can generate a clear picture of successful hospitality Chinese leaders by examining the differences between hotel leaders and leaders in other sectors; the influence of Chinese culture on leadership styles and the challenges that future Chinese hotel leaders will confront. The following questions are posed:

1. What are the characteristics of successful Chinese hotel leaders?
2. What differences are evident between current and previous hotel leaders?
3. How does the exercise of leadership differ between hospitality and other industry sectors?

When leadership theory is applied in particular contexts, it is consider important to the cultural setting. The leadership traits that managers and supervisors exhibit in different cultural settings may not resemble the desirable traits of a particular leadership theory such as transformational theory. In comparing desirable and actual leadership traits, Littrell (2002) concluded that “leadership traits outside task and person orientation appear to be highly culture-specific”. In other words, leadership traits involve an integration between desirable traits and cultural characteristics. The examination of desirable traits of a certain theory may contribute to an understanding of the culture-specific traits. As noted by Ling, Chang, Hsieh, Lee, & Liao (2011) future researchers can make further use of western leadership theories such as transformational and transactional leadership to explore the impacts of culture on leadership effectiveness. The following two questions relate to culture are investigated in the present study:

4. How are leadership styles influenced by Chinese cultural background?
5. What challenges will confront future generation of Chinese hotel leaders?

METHODOLOGY

This study gathers an industry “insider” perspective. Over the past decade, there has been no research investigating Chinese leadership from the perspective of middle-level managers. However, such managers are integral to an organization’s control system. Their strategic roles contribute to balancing industry forces and organizational resources (Floyd & Wooldridge, 1994). The present researchers believe that middle-level hotel manager perspectives will provide an enhanced understanding of the characteristics of leadership in China’s hospitality industry.

The present research fills a gap in the literature by exploring the insights of middle-level managers. It adopts a qualitative research approach to identify trending thoughts and opinions and adopts more in-depth research questions that have been posed previously. Through qualitative data collection, the study uses unstructured techniques and focus groups. Primary data were collected through conducting four focus group interviews with 29 interviewees in total. Two sessions were administered in Shenzhen (Guangdong Province) and two in Hangzhou (Zhejiang Province), major cities in Southern and Central China respectively. The focus groups lasted approximately 1 to 1.5 hours and were conducted in private dinner settings where participants discussed their opinions openly. The two Shenzhen focus groups comprised of seven and six participants respectively. The other two interviews were conducted in Hangzhou and each involved eight participants. At the time of the focus group the participants were working for various hotel brands in China. They were middle levels managers in their organizations and all were pursuing postgraduate hospitality qualifications on a part-time basis. Table 1 shows the demographic profiles of the participants.

Please insert Table 1 here

The focus group discussions were developed from the aforementioned five research questions. Participants were encouraged to express their views on leadership issues applicable to China's hotel industry. A graduate assistant undertook note-taking and audio taping.

FINDINGS AND DISCUSSION

The researchers aimed to understand the perceptions of China's middle-level managers and used a grounded theory approach to collect, analyze and interpret the research findings.

Q1: Who are the successful hospitality leaders in mainland China? What are their essential characteristics?

Each participant proposed eight successful Chinese hospitality leaders (refer to Table 2) along with the respective leadership characteristics. The eight Chinese hospitality leaders are Wang Jianlin, Ji Qi, Wu Hai, Zheng Nanyan, Chen Miaolin, Xu Shuggang, Zhang Rungang and Zhuang Chenchao. The common leadership characteristics among them are innovation and entrepreneurship. Table 2 shows their titles, backgrounds and leadership characteristics.

Please insert Table 2 here

The identified leadership characteristics coincided with the four dimensions of transformational leadership style. These are respectively idealized influence (symbol of the version), inspirational motivation (creation of a new sense of vision and purpose), intellectual stimulation (encouragement of new thinking patterns) and individualized consideration (strong one-on-one relationship, developmental growth) (MLQ; Bass, 1985). Table 3 summarizes the four main themes and corresponding subthemes.

Please insert Table 3 here

Idealized Influence – high attractiveness, strong execution

Most participants characterized hospitality leaders as being “attractive” or as presenting in a proper tic and charisma manner. The expressions “High attractiveness index” or “Face value” are used popularly by many Chinese netizens. These refer to the evaluation of a person’s attractiveness or good looking appearance. As indicated by one participant, “[successful leaders’] image is more professional; it represents an organization external outlook (image display)”. Another participant further elaborated high attractiveness index should be an overall personal attractiveness including etiquette, courtesy, temperament and comprehensive quality.

Neat and professional appearance is an item belonging to the tangible factor of SERVQUAL and may be applied to hotel employees. It has been highlighted in both external service quality and internal service quality models (Parasuraman, Zeithaml and Berry, 1988; Kang & Alexandris, 2002). Customer or employee satisfaction can be achieved by enhancing the attractive appearance of hotel employees. In research conducted on hotel employees’ skills and competency, Nickson, Warhurst and Dutton (2005) noted that retail and hospitality employers attract greater importance to employees’ appearance and ‘soft’ skills’ than to ‘hard’ skills. They

tend to select and recruit front line employees on the basis of self-presentation skills and good looks.

Another relevant leadership characteristic is strong execution. One participant explained this as “strictly following the rules and obeying the order ... like a semi-militarized management”. He further emphasized that the practice of semi-militarized management applies across the local industry in mainland China. The Top 500 organizations in China appear to use a semi-militarized management style (Wang, 2016). The CEO of Wanda Group, Wang Jianlin, attributed his business success to his military training and background. There are other examples such as Liu Chuanzhi, Wang Shi and Ren Zhengfei (Wang, 2016). According to a worldwide survey by Forbes in 2003, more than 30% of the leaders of the world’s top 500 companies graduated from West Point (United States Military Academy). The military experience helps leaders to develop strong will and to set firm goals, which is essential for success (Wang, 2016).

Inspirational Motivation – high Emotional Intelligence

One participant noted that since hospitality leaders are operating in people industry they should have strong communication skills and collaborative ability and high Emotional Intelligence (EQ). Another participant commented that:

“Leaders should have high Emotional Intelligence. The product we are selling is service. Service needs interaction with others. We are not selling factory made products”.

Leaders with high EQ possess desirable characteristics of compassion and self-restraint, and skills of communication and collaboration. These may, however, differ in intensity due to different environments and backgrounds. Another participant observed that:

ideal hotelier characteristics “should be the same around the world, which are high EQ, strong execution, good taste and seasoned. Chinese hospitality leaders are heading to this direction. However, different background and environments will make discrepancies (for leadership EQ development).”

High EQ in successful hotel leaders’ is manifest in clear and broad future vision. One participant described Wang Jianlin and Jiqi’s successful leadership characteristics as follows:

“They can think out of the box and have insights of this industry by using a macro strategic perspective. Whilst they set up expectations of the group and demonstrate a commitment to the goals.”

Intellectual Stimulation – innovation

None of the eight identified leaders started their careers as hoteliers. Emanating from diverse backgrounds, their past experiences and knowledge allowed them to become open-minded and innovative, whether drawings upon finance, investment or management. One participant noted that:

“They are good at using capital (capital operation) with innovative ideas. One of the most obvious characteristics of those hospitality leaders is that they look at the whole situation and dare to do.”

Wang Jianlin has identified innovation as a crucial success factor. He attributed the key to success as pursuing innovation, perseverance and never giving up (Wang, 2016). Traditional hoteliers are by contrast relatively conservative and lacking in innovation. One participant observed that:

“Relatively speaking, you [hoteliers] will have acquired conservative thinking since your ways of managing are structured ...you mostly follow the traditional way to accomplish task. In other words, most of the time, they strictly follow the SOP (Standard Operating Procedures) to achieve the desired outcome. Hence, by continuously following the SOP, one will be trained to become systematic and possess strong execution power only.”

Hospitality leadership traits should be constantly updated and upgraded to adapt to new environment. One participant observed the contemporary importance of mobility and innovation, because “knowledge updates very quickly, they (leaders) must have continuous learning ability to confront challenges by shifting to new strategies.” For instance, they have to “create innovative and creative business mode in this industry”. Successful leaders communicate innovation to subordinates and encourage them to find solutions that are as creative and innovative as possible.

Individualized consideration - training and career development, relationship

Individualized consideration is leaders involvement in the development needs of subordinates including; supporting and coaching. (Bass, 1985, 1999; Burns, 1978). It involves focusing on the opportunities for growth within the company. One participant praised the founder of Green Tree Management Group, Xu Shuguang himself as an excellent coach; highly committed to investing heavily in employee training and team building. The leader's coaching and training helped followers to identify career needs and desires.

Some participants identified organizational factors such as power and organizational structure as major influencers in building leader and subordinate relationships. Some participants believed that leaders in mainland China did not perceive the importance of individualized consideration. They claimed that:

“In mainland China, hospitality leaders won't spend time to build relationship between subordinates, they believed the relationship is naturally built because they are their leaders.”

“They emphasis on power, leaders prefer using administrative instructions to manage their subordinates.”

Q2: What are the differences between current and previous hotel leaders?

Previous generations of Chinese hospitality leaders typically accumulated years of hotel experiences before becoming leaders. As typified by the following comments in the contemporary environment, Chinese hotel leaders are typically young and come from diverse backgrounds.

"Nowadays hotel leaders in China in terms of age are younger, more professional, more career driven"

"Leaders are younger, but there are advantages and disadvantages for the young generation. They are creative, but lack of operation skills."

Participants' noted that young leaders are trying to develop universal hospitality leadership characteristics. Hotels in China are drawing upon an increasing number of young employees from diverse background. Though most young leaders have Chinese cultural backgrounds, interactions between the new values of the younger generation and the personally social environment is a challenge.

Rapid hotel development in China has transformed leadership career progression. Managers who are capable of filling senior leadership positions are in high demand. Relative to their western counterparts countries, company leaders and managers in China are on average 10 years younger (Jalinca, 2012). The hotel structures and managerial hierarchies across China appear to be similar for both domestic and international brands. One participant commented that:

"With the fast development of Chinese hospitality industry, the gap between international and domestic hotel brand is becoming smaller and smaller."

Globalization of the hotel market matches the interests of young hotel leaders because they have a global outlook, confidence, a willingness to listen and share information. Despite their inexperienced, they are competent as young learners who can gather support from professional

teams or followers within the company. They respond effectively to the changing external environment and to managing crises. Young leaders might lack operational skills and experience, but they possess creative problem solving skills, particularly in the finance area. The management styles of young leaders are recognized in modern Chinese society due to the proven success of newly established hotels in some major cities. This has changed the prevailing leadership style.

“In the past, it (management style) is paternalistic style. Now, leaders are very open-minded, willing to listen and share.”

Young hospitality leaders are confronting the increasing number of employees coming from other industries. Some participants mentioned that “more and more (hotel) employees are coming from other industries with multi-disciplinary background.” These employees have the breadth and depth of knowledge across all industries, and this kind of diversity can bring many benefits to the hospitality industry, especially in the aspects of generating creative thinking and innovative approaches (Carrie, 2017).

“Internet thinking” is another essential skill for today’s hotel leaders. This involves analyzing how the business model merges with the internet with a view to better leveraging what the internet has to offer. The “Internet Plus” concept became the most popular word in China starting in 2015, following on action plan proposed in a government report by Premier Li Keqiang. It encourages to integrate e-commerce, industrial networks, and internet banking with various industries (English.gov.cn, 2017).

Q3: How is leadership exercised in hospitality compared with other industries?

Four main themes emerged about the exercise of leadership indicative of the difference between the hospitality and other industry sectors.

Career Advancement

Career advancement in highly demanding industry sectors such as the Information Technology sector is faster than in hospitality. One participant attributed this difference as follows:

“Leaders in the hotel industry will take years to develop step by step ... for some industries especially the Internet companies, this phenomenon does not exist. For example, if they recruit a new comer who have created a new product or improve certain skills, he can be promoted to become a Director or Associate Vice President of the company in 3 months. Such situation will never happen in the traditional hotel business. Of course, this is largely related to the nature of the business and the accumulation of industry experiences.”

Resilience and Emotional control

Since hospitality is a people oriented service industry, leaders should be able to exercise effective control over their own emotions. Though EQ is essential in any workplace, it is particularly important in hospitality because successful leaders need to work closely with team members and communicate with internal and external customers. One participant confirmed this phenomenon:

“Comparing with other industries, this factor (EQ) is very important. First, it is a labor

intensive industry. Second, hotel industry's responsibility is mainly to serve the customers in a people intensive venue. Therefore, it requires a leader's high EQ to manage this service situation."

Emotional intelligence competence is essential for becoming a successful hospitality leader because of the nature of hospitality and services.

Open-mindedness

An open-minded leader is essential to create harmony and teamwork in hotel settings with a diverse employees. Open minded leaders are more receptive to new ideas, flexible, innovative and self-motivated. However, a participant who has worked in the Internet industry for a few years commented that "my understanding is that the pace of innovation and drive in the hotel industry is very slow". Another participant compared hospitality leaders with leaders in the real estate and said:

"For those real estate leaders, they are relatively more flexible and more daring to do something."

The participant commented that it adhering to standard operational procedures is a distinct industry operational and hierarchical characteristics of hospitality that make the industry different from other industry sectors.

Expert knowledge

Hoteliers are generally more restrained in accomplishing tasks. One participant commented that leaders need to be more knowledgeable than before. Two participants explained the reasons of having expert knowledge:

“Hospitality leaders have diversified knowledge.”

“Hospitality leaders are meticulous in operating and managing hotels. They have strong professional proficiency and have a detail knowledge of all departments. Other industry leaders have a more macro perspective on management whereas hospitality leaders have a clear micro perspective.”

One participant claimed that hospitality leaders are more oriented detail. As hospitality industry is a service industry, leaders need to meet or even exceed customer expectations. One participant elaborated:

“Hospitality leaders are more humane and customer oriented because they need to handle customer complaints.”

Interestingly the participants did not refer to the significance of “people skills”. Nevertheless, participants perceived leader resilience and emotional control such as high emotional intelligence, coping with stress and patience as distinguishing them from leaders in other sectors. Table 4 summarizes the four main themes and corresponding subthemes.

Please insert Table 4 here

Q4: How are leadership styles influenced by Chinese cultural background?

A question about how Chinese culture influences leadership styles prompted a discussion about the role of 'Guanxi', the Chinese relational system (Hui & Graen, 1997). The Chinese term "Guanxi" refers to interpersonal connections and is a cultural factor affecting doing business in China (Fan, 2002). Chen and Chen (2004) identified "Guanxi" as a necessary condition to doing business successfully in China.

The researchers asked participants to indicate the role of 'Guanxi' on scale of 1-, with 1 being less important and 10 being most important. Participants considered that the importance of 'Guanxi' depends on the type of hotel business. For the private sector ratings were as high as 9 and reached 10 in the case of state owned hotels. Participants believed that "Guanxi" is a positive word and should not carry negative connotations. "Guanxi" does not only exist in China but also in western countries. It may be defined as "relationship" or "network" in business. It is essential to build up relationship (Guanxi) between different business units including the government hence the importance rating given by the participants were very high.

To understand how Guanxi influences leadership development, participants proposed different associations between Guanxi and leadership. Firstly, there is an association between leader competence and Guanxi. The establishing and maintaining of Guanxi requires leader proficiency communication skills and competencies. In the context of Chinese, leaders possessing communication skills is fundamental to enhance the development of Guanxi and networks. Secondly, there is an association of leader effectiveness to achieve organizational goals and Guanxi. Guanxi is viewed as playing a critical role in the integration of different stakeholders and

resources. Thirdly, Guangxi plays an important role in both government and in state-owned enterprises. For instance, by AT Kearney (2013) analyzes the trend of Chinese government continuing to shape the market, for this reason, hotel practitioners should develop a clear government relations strategy. Fourthly, there is the impact of nepotism and other delicate relationships. Leaders have to be fair and handle employees and business relationships carefully.

The cultural variable of power distance was evident in the claim by one participant that Chinese leaders are respectful and authoritative figures:

“Our hospitality leaders have higher emphasis on (their own) power.... we do not respect individual (ideas)....”.

This is consistent with the view that leaders have the power to decide on how to distribute rewards and opportunities amongst their subordinates (Sparrowe and Liden, 1997).

Q5: What challenges will confront future generations of Chinese hotel leaders?

Four major themes emerge from the focus groups discussion. The challenges for future Chinese leaders are brand building, talent recruitment, enabling new technology and succession planning.

Brand building

Brand building is to create exceptional consumer experience to build strong brands. (Keller & Lehmann, 2006; Morrison & Crane, 2007). Corporate culture and brand building were

inseparable, good corporate culture cultivate a good brand, conversely, brand create additional values through their corporate culture. Thus, leaders have to pay more attention to develop was best the corporate culture with adequate publicity. In China, budget hotels such as Home Inn, Jingjiang Inn, Seven Days Inn have successfully developed an indigenous corporate culture to build up its own agglomeration and to gain competitive advantage. Thus, in the future brand building is an opportunity for hotel development (Subramanian, Gunasekaran & Gao, 2016).

In view of the rapid growth of China hotels, brand building and management pose leadership challenges. In future, the lower mid-scale and budget sectors will experience fierce competition from both local and international brands, notably in second and third tier cities. International hotels or star rated hotels within China will become more affordable. Frequent upgrading of local hotels will be necessary to remain competitive. Hotel leaders will be facing such challenges in undertaking strategic brand building and management to achieve profitability.

“The hotel owners have expectation on hotel’s profitability, in fact, they confront the challenges of making profit for stakeholders under the brand influence.”

“In the future, there will be a higher requirement on the profitability from the hotel operation and management. They will not just consider about the brand.”

This result coincides with previous findings about the competencies that future leaders will require – namely a strategic orientation and decision making approach that leads to the planning, implementation and redesign of hotel strategies (Chung Herrera, Enz and Lankau, 2003; Tavitiyaman, Weerakit and Ryan, 2014).

Recruiting talent

Talent recruitment includes all issues related to high-level skill employees. Most participants believed that talent recruitment is a big challenge for future leaders. With the rapid development of China's hotels, talents are required to have global perspectives who may possess multi-cultural background. Culture difference will become a human resources management challenge issue for leaders. Kriegl (2000) also found when operating in an international environment, overcoming cultural differences and demonstrating cultural sensitivity is essential for leaders.

Enabling New Technology

In the twenty-first century, hotel companies will be differentiated mainly by innovative technologies. There are huge opportunities to increase guest satisfaction and room revenues by using advanced technology to guest-related amenities (Bilgihan, Smith, Ricci, & Bujisic, 2016). One participant shared his view on enabling technology:

“Hotels need more creative and diversified products which will apply more new technology. If they lack understanding of using new technology, there is no way they can lead new business development and new division.”

Leaders are also expected to be knowledgeable about new technologies in order to stay ahead. For instance, today's travelers are experiencing what the mobile can offer by the travel

industry. However, in the new wave of mobile transformation, hotels when compared to airlines are falling behind in leveraging mobile technology to remove the pain points in hotel guests' experiences (Deloitte Center for Industry Insights, 2017). A previous study on tourism industry leadership suggested that future tourism leaders should adapt to the environment with new technological developments and also be sufficiently proactive to provide the vision and inspiration in the new working and customer environments (Ladkin & Weber, 2011).

Succession planning

Succession planning is another challenge for future hospitality leaders. One participant believed that human resource shortages will arise. The general hotel employee's salary is comparatively low and unattractive, making it difficult to find qualified successors for certain positions. Another participant explained the issue differently:

“Generation Y is not willing to enter this industry; not because of the salary but their perception of the industry.”

Wong & Liu (2010) revealed that most Chinese parents do not support their children working in the hospitality because they regard service industries as fewer handy opportunities for career development and prosperity. Hence, many Chinese hospitality and tourism students join other industries upon graduation as there is a lack of parents' support. The implication is a lack of talents to enter the hospitality industry which makes succession planning difficult.

CONCLUSIONS and RECOMMENDATIONS

The present study has examined the essential hospitality leadership characteristics perceived by middle level hospitality managers in China. Four focus groups were conducted in mainland China with 25 middle level hotel managers. The views of this group of respondents is important for understanding the hospitality leadership characteristics that will be essential for the future of the hotel industry in China. The results identified the background and leadership characteristics of eight reputable hospitality leaders in contemporary China. Their unique leadership characteristics are being innovative and entrepreneurial. The findings support much of the existing hospitality literature that has affirmed the value and importance of a transformational style of leadership. Four major differences were identified between leaders in hospitality and other industries, namely: career advancement, resilience and emotional control, open mindedness and expert knowledge. Young hospitality leaders have diverse industry backgrounds encompassing information technology and finance. Chinese cultural factors such as Guanxi and collectivism appear to impact on leadership. Finally, the main challenges for future hospitality leaders concern hotel brand building, talent recruitment, enabling new technology and succession planning. In addition to the four areas of concern that participants raised during the focus groups, the Government-led or -driven aspect of tourism policy and the wider Chinese economy is noteworthy (Huang & Chen, 2016). Recent central government initiatives such as the One Belt One Road Initiative and Big Bay Area Development bring opportunities and challenges for the tourism sector (China Youth Newspaper, 2015) and its leadership (Jiefang Daily, 2015). This applies particularly in the case of state owned companies and of companies that are well positioned global reach! This context creates urgency for the nurturing of Chinese hospitality leaders who have cultural awareness and a global mindset (Wong & Chan ,2012; Wong & Hsu, 2016).

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Table 1 Focus group interviewees’ profile

Group	Date of focus group interviews	No.	Age	Gender	Job Position as at Year 2015	Years of Working Experience as at Year 2015
1	4th Mar	1	42	M	Hotel General Manager	18
		2	45	M	Hotel Owner Representative	20
		3	36	F	Human Resource Director	15
		4	41	F	Hotel General Manager	20
		5	43	M	Hotel General Manager	21
		6	47	M	Hotel General Manager	28

		7	37	M	Hotel Group Vice President	16
2	8th Apr	1	44	M	Director of Operation	20
		2	46	F	Director of Sales and Marketing	22
		3	36	M	Associate VP Operation	16
		4	43	M	Assistant General Manager	15
		5	44	M	Hotel General Manager	23
		6	45	M	Vice President, Hotel Department of OTA	22
3	18th Sep	1	36	M	Financial Controller	12
		2	44	M	President Assistant	19
		3	36	F	Revenue Director	14
		4	25	M	Manager	1
		5	33	F	Revenue Director	10
		6	34	F	Marketing Sales Director	2
		7	34	F	Human Resource Manager	6
		8	28	F	General Manager	3
4	8th Apr	1	46	M	Director	25
		2	43	M	General Manager	16
		3	41	M	General Manager	22
		4	37	F	Corporate Sales Manager	13
		5	46	F	Property Owner's Representative	22
		6	37	M	Hotel Operation Manager	15
		7	34	F	Marketing Sales Director	8
		8	31	F	Public Relation Manager	8

Table 2 Eight successful leaders of China's hospitality industry

No.	Name	Title	Education Background	Leadership Characteristics
1	Wang Jianlin	Chairman of Dalian Wanda Group	Bachelor Degree in Economic Management from Liaoning University	Military Man's Feature/Quick Decision Maker/Smart/Opportunity Catcher/Ambitious/Courageous/Activist
2	Ji Qi	Founder of Ctrip, Home Inns, and Huazhu	Bachelor Degree in Mechanical Engineering from Shanghai Jiao Tong University Master Degree in Mechanical Engineering from Shanghai Jiao Tong University	Cautious and conscientious/Challenger/Entrepreneurial Hero/Passionate
3	Wu Hai	CEO of Orange Hotel	Bachelor Degree in Economic Information Management from Central University of Finance and Economics	Idealism/Diffidence/Think highly of friendship/Strong analytical skills/Smart and Creative
4	Zheng Nanyan	CEO of Plateno Trip	Bachelor Degree in Computer Science from Sun Yat-sen University	Adventurous/Cost killer/Innovation/Influential
5	Chen Miaolin	CEO of New Century Tourism Group	MBA, Macau University of Science and Technology	Professionalism/The courage to explore innovation/Sporty/combatant spirit/Challenger
6	Xu Shugang	Founder of Green Tree Management Group	PhD in Business Management Master Degree in Applied Mathematics and Computer Engineering from University of Southern California	Keep in faith/Unremitting/Practical/Peasant family background
7	Zhang Rungang	Chairman & General Manager of BTG Hotels (Group) Co., Ltd.	PhD in System Engineering at South China University of Technology Master's degree at Ecole Hoteliere de Lausanne Bachelor's degree in French at International Institute of	Seasoned/Revolutionary/Hard working/Enthusiasm
8	Zhuang Chenchao	Founder of Qunar.com	Bachelor's Degree in Electrical Engineering at Peking University.	Entrepreneurial Hero/Challenger/Learning/Reasonable decision

Table 3: Essential leadership characteristics of a successful hospitality leader

Main Themes	Subthemes
Idealized influence	High attractiveness
	Strong Execution
Inspirational motivation	High Emotional Intelligence
Intellectual stimulation	Innovation
Individualized consideration	Training and career development
	Relationship building

Table 4: Difference between hospitality leaders and leaders in other industries’

Main Themes	Subthemes
Career Progression	Traditional ways
Resilience and Emotional control	Higher Emotional Intelligence
	Stress tolerance
	Patience
Open-mindedness	Flexible, innovative and self-motivated
Expert knowledge	Knowledgeable
	Customer oriented
	Detail oriented