

## Intercultural Communication Barriers Between Expatriate Management and Local Managers: A Case Study of Bali Garden Beach Resort

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### KEYWORDS

intercultural communication, high-context culture, low-context culture, hospitality industry, expatriate management

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### ABSTRACT

Globalization and the increasing involvement of cross-national actors in the hospitality industry have created multicultural work environments that require effective intercultural communication. Differences in cultural backgrounds between expatriate management and local employees may generate communication barriers that affect organizational effectiveness. This study aims to explain the forms of intercultural communication barriers that occur between expatriate management and local staff at Bali Garden Beach Resort. The study adopts a qualitative approach using a case study method based on Yin's case study design. Data were collected through in-depth interviews with expatriate and local informants and were analyzed using Edward T. Hall's Intercultural Communication Theory, particularly the concepts of high-context and low-context culture. The findings indicate that intercultural communication barriers arise from differences in message delivery styles, interpretations of verbal and nonverbal communication, perceptions of hierarchy, as well as orientations toward time and work professionalism. These cultural differences are often not recognized as cultural issues but are instead perceived as individual attitude or performance problems. This study highlights the importance of strategically managing intercultural communication in multicultural hospitality organizations.

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## INTRODUCTION

Globalization has driven increased mobility of capital, labor, and cross-border business actors, including in the tourism and hospitality sectors. This phenomenon has had a positive impact on Indonesia, including through increased foreign investment, managerial knowledge transfer, and job creation. This dynamic cannot be separated from the implementation of the ASEAN Economic Community (AEC), which aims to strengthen the integration and economic stability of the ASEAN region, including Indonesia. One of the main characteristics of the AEC is the effort to make ASEAN an open and globally competitive region, thereby allowing the flow of capital, labor, and cross-border business actors to move more freely (Fatimah & Perkasa, 2024).

As part of the ASEAN region, Indonesia has responded to the AEC policy by opening greater opportunities for foreign investment, especially in strategic sectors such as tourism. Bali, as a leading international tourist destination, is one of the most attractive areas for foreign investors, particularly in the hotel industry. The presence of expatriate owners and management in this sector not only brings economic contributions and the application of global professional standards but also introduces complex social and cultural dynamics into the daily practices of organizations. The entry of cross-border actors into hospitality organizations creates an intense

intercultural interaction space between expatriate owners and local workers in operational processes. This interaction requires adaptability and cross-cultural understanding from both parties. However, in practice, differences in cultural backgrounds, work values, and communication styles often pose challenges that have the potential to cause communication misunderstandings (Fiani & Chaniago, 2024; Grobelna, 2015).

One of the hotels in Bali that is owned by expatriates is Bali Garden Beach Resort, a four-star hotel located in the Kuta area of Bali. Since its inception, part of the hotel's share ownership has come from Foreign Nationals (Warga Negara Asing / WNA), which was initially held by investors from Japan. The ownership has since undergone several changes, and currently some shares are owned by foreign investors from Australia. The hotel has been operating since 1988 and continues to operate today, demonstrating its ability to maintain its existence amid the changing dynamics of the hotel industry. With a relatively long history, Bali Garden Beach Resort not only faces challenges related to fluctuations in the global tourism industry but also seeks to maintain its identity, values, and reputation as one of the influential hotels in Bali.

In its operations, the hotel is managed directly by the owner, who also acts as part of the management team. Thus, the hotel's operations involve several foreign managers categorized as Foreign Workers (Tenaga Kerja Asing / TKA), while employing around 100 workers, most of whom are local Balinese employees. This composition of human resources creates a multicultural work environment that requires cross-cultural interaction and communication in carrying out organizational activities. Although, in general, the working relationship between expatriate management and local employees can be considered positive, in practice there are still various communication misunderstandings that affect work effectiveness and the quality of interpersonal relationships within the organization. One of the obstacles that often arises is related to the process of conveying messages, both verbally and nonverbally, from the foreign management level to local workers, which in some situations leads to differences in interpretation and misunderstandings in the implementation of tasks.

Communication misunderstandings that occur between expatriate hotel management and local managers are often not recognized as problems rooted in cultural differences. Instead, these issues are frequently interpreted as problems related to attitude, discipline, or individual performance. In fact, according to (Liliweri, 2011), misunderstandings in cross-cultural interactions often arise due to the presence of intercultural communication barriers influenced by language differences, cultural values, social rules, and norms embraced by each party. The inability to recognize these communication barriers has the potential to obscure the real root of the problem, thereby hindering organizational efforts to build a harmonious, productive, and inclusive work environment amid cultural diversity.

The differences in interpretation that arise cannot be separated from the process of cultural interpretation formed through social interaction. Cultural perceptions are formed through repeated interaction experiences and become the basis for interpreting symbols, messages, and communication actions (Rosana et al., 2023). In the context of multicultural hospitality organizations, differences in cultural experiences between expatriate and local actors lead to differences in how the same message is interpreted, thereby increasing the potential for misunderstandings.

Suhaidi (2016) stated that one of the obstacles faced by Indonesia in the AEC era is the aspect of human resources, particularly related to the quality and competitiveness of the

workforce. Therefore, systematic efforts are needed to improve the competence of the Indonesian workforce so that they are able to adapt and compete in a multicultural work environment. The improvement of competence does not only include technical and professional aspects but also includes communication and cultural understanding, which are key factors in creating sustainable and productive cooperative relationships amid cultural diversity (Luthfia, 2014).

Understanding intercultural communication and its impact on the work environment has become an increasingly important aspect as the intensity of cross-cultural interaction in modern organizations grows. Various studies show that the success of work interactions in multicultural organizations is largely determined by the readiness of individuals and organizations to deal with differences in values, norms, and patterns of cultural communication. (Darsidik et al., 2025), for example, emphasized the importance of cultural readiness, openness to differences, and support from management and colleagues in the process of cultural adaptation. This adaptation is not only required of local workers but also of foreign workers (Tenaga Kerja Asing / TKA) working in Indonesia. Furthermore, the research emphasizes the need for cultural training, mentoring programs, and the provision of adequate communication facilities for foreign workers, whose implementation requires an active role from both companies and the government as stakeholders.

In the context of the hospitality industry, the challenges of intercultural communication have become increasingly complex because cross-cultural interactions occur continuously, both among employees and between employees and guests. This phenomenon does not only occur in Indonesia but has also become a global issue in the hotel industry. (Ardani & Basalamah, 2021), for example, examined intercultural communication barriers at a three-star hotel in Japan that employs cross-border workers. The study specifically examined the interaction of front office staff during the shift handover process. The results of the study show that language barriers and differences in cultural backgrounds among staff contribute to the emergence of conflicts, including discriminatory practices, which ultimately affect employee performance. These findings indicate that failure to understand differences in communication styles and cultural values can lead to misunderstandings that have implications for organizational sustainability.

Similar findings were also revealed by (Jenifer & Bestari, 2025) in a study on intercultural communication barriers among front office staff at Ara Hotel, Bali, particularly when dealing with foreign guests who have diverse language backgrounds, values, norms, and behaviors. The study found that the main barriers include linguistic differences, differences in the interpretation of nonverbal communication, and cultural differences that affect the way messages are delivered and interpreted (Fitzsimmons, 2019; Peltokorpi, 2020; Stahl et al., 2018). This research reaffirms that intercultural communication capabilities that are not effectively managed not only affect internal organizational relationships but also have the potential to influence service quality, reputation, and the level of public trust in hospitality organizations (Lu & Gursoy, 2016; Presbitero, 2021; Sharma & Wu, 2022).

Another study focusing on the hospitality context was conducted by (Silintowe & Pramudita, 2016), which examined cross-cultural communication barriers experienced by secretaries at Alila Hotel, Solo. This study used high-context and low-context cultural perspectives to analyze differences in the ways cross-cultural messages are delivered between

local secretaries and expatriate supervisors. The results show that communication barriers occur due to differences in perception, interpretation, and behavior in interpreting messages. These findings confirm that poorly managed intercultural communication can affect work effectiveness and professional relationships; therefore, understanding cultural characteristics is an important element in creating a conducive and sustainable work environment.

Based on these findings, it can be concluded that misunderstandings in intercultural communication represent a real problem with significant implications for the performance of hospitality organizations. Although previous studies have examined intercultural communication in the context of multicultural organizations and the hospitality industry, several limitations remain. Most previous research on intercultural communication in the hospitality industry has focused on the operational level, particularly interactions between international employees and guests or among staff from different countries. In contrast, studies that specifically examine communication relationships between management and local managers and employees remain relatively limited. In addition, although the concepts of high-context and low-context culture have been used in several studies, their application has generally been partial and focused on individual working relationships, thus not comprehensively explaining the dynamics of organizational communication at the strategic managerial level. In the context of Bali as an international tourism destination, research related to intercultural interaction within organizations—particularly between expatriate and local actors—plays an important role in shaping the work climate, organizational effectiveness, and sustainability of the hospitality industry. Therefore, a study that specifically examines the dynamics of communication misunderstandings between local workers and expatriate management is highly relevant, particularly in Bali as an international tourism destination characterized by intense cross-cultural interactions.

The novelty of this research lies in its focus on analyzing intercultural communication barriers in the working relationship between expatriate management and local managers in the Indonesian hospitality industry, which has received relatively little attention in intercultural communication studies. In contrast to previous research that generally focused on employee interaction with international guests or cross-cultural communication at the operational level, this study specifically examines communication dynamics at the managerial level, which plays a strategic role in shaping organizational culture and decision-making. In addition, this study applies the theory of intercultural communication proposed by Edward T. Hall (Hall, 1976), particularly the concepts of high-context and low-context culture, to understand how differences in cultural contexts affect the process of message delivery, interpretation of meaning, and the emergence of misunderstandings in multicultural hospitality organizations that have been operating for a long period. Thus, this study offers a new perspective by understanding intercultural communication as a structural and cultural factor influencing organizational effectiveness rather than merely an individual issue.

This research can theoretically contribute to the development of intercultural communication studies by expanding the application of Edward T. Hall's theory in the context of hospitality organizations in Indonesia. This research not only uses the concepts of high-context and low-context culture (Hall, 1976) as a framework for cultural classification but also as an analytical tool to understand how differences in cultural contexts influence the processes of message delivery, interpretation of meaning, and the emergence of misunderstandings in

working relationships between expatriate and local actors. Thus, this research is expected to enrich academic discourse on intercultural communication in multicultural organizations, particularly in the tourism and hospitality sectors.

Practically, this research has significance for the management of hospitality organizations involving a multicultural workforce. The findings of this research are expected to serve as a basis for hotel management in designing communication strategies, human resource policies, and communication and cultural training programs that are more sensitive to differences in cultural contexts. A better understanding of intercultural communication barriers can help organizations minimize conflict, improve work effectiveness, and build more harmonious and productive working relationships between expatriate management and local managers. In a broader context, this research is also relevant to Indonesia's efforts to enhance the competitiveness of human resources in the era of globalization and the implementation of the AEC. By highlighting the importance of intercultural communication competence as part of professional competence, this research is expected to provide insights for stakeholders, both at the organizational and public policy levels, in designing human resource development strategies that are adaptive to cross-cultural work challenges.

Based on this background, this study seeks to explain how globalization and the implementation of the AEC indirectly shape communication dynamics in multicultural hospitality organizations in Indonesia. This article focuses on the research question of how intercultural communication barriers occur between expatriate management and local managers at Bali Garden Beach Resort from the perspective of intercultural communication.

## **METHOD**

This study used a qualitative approach with a case study design following Yin (Yin, 2017). The case study approach was selected to explore intercultural communication barriers within the real organizational context, particularly the working relationship between expatriate management and local managers at *Bali Garden Beach Resort*. This approach allowed the researcher to examine how communication barriers emerged within the social, cultural, and organizational environment of the hospitality workplace.

The unit of analysis in this study was work-related communication interactions between expatriate management and local managers at *Bali Garden Beach Resort*. The research site was selected purposively because the hotel has operated for a long period, involves cross-cultural actors in its management structure, and maintains a multicultural work environment where intercultural communication occurs regularly. This research was categorized as a single-case study because the selected case provided an empirically relevant context for examining intercultural communication barriers in the Indonesian hospitality industry.

Research informants were selected using purposive sampling based on their relevance to the research objectives. The informants consisted of two expatriate managers (including the owner and a foreign manager), four local managers at the managerial or supervisory level, and four local employees who were directly involved in cross-cultural work interactions. The selection criteria included direct involvement in hotel operations, experience interacting with cross-cultural actors, and familiarity with the work dynamics within the hotel environment. In total, ten informants participated in this study.

Data collection was conducted using several techniques. First, in-depth interviews were carried out with selected informants to explore their experiences and perceptions regarding cross-cultural communication in the workplace. Second, non-participant observations were conducted to observe work interactions between expatriate management and local managers in operational settings, with attention to both verbal and nonverbal communication patterns. Third, documentation was reviewed, including organizational materials such as standard operating procedures (SOPs) and internal policies related to communication and human resource management.

Data were analyzed qualitatively using thematic analysis. Interview transcripts, observation notes, and documents were coded and organized into themes relevant to the research focus. The analysis was guided by Edward T. Hall's intercultural communication theory, particularly the concepts of high-context and low-context culture, to understand how cultural differences influenced message delivery, interpretation, and the emergence of communication barriers.

To ensure the credibility of the findings, this study applied source and method triangulation by comparing information obtained from different informants and data collection techniques. In addition, member checking was conducted by confirming preliminary findings with several informants to ensure that the researcher's interpretations accurately reflected their experiences. These procedures were implemented to strengthen the credibility and reliability of the research findings.

## **RESULTS AND DISCUSSIONS**

The results show that the barriers to intercultural communication between expatriate management and local managers at Bali Garden Beach Resort appear in several key themes related to differences in cultural contexts, communication styles, and ways of interpreting messages. These findings were obtained from the results of in-depth interviews with expatriate and local informants who were directly involved in hotel operations.

### **1. Differences in Message Delivery Styles (High-Context vs Low-Context)**

One of the main findings of this study is the difference in communication styles between expatriate management and local managers. Expatriate informants tend to use a low-context communication style, which is to convey a message directly, explicitly, and oriented towards clarity of instructions. For expatriate management, effective communication is straightforward, fast, and focused on the results of the work. As conveyed by Craig Biber-Operation Manager of Bali Garden Beach Resort, gestures are often misinterpreted, such as a nod of the head which according to expats is approval, interpreted by locals as a symbol of politeness.

In contrast, local Balinese informants show a tendency to use a high-context communication style, where messages are often conveyed indirectly, full of consideration of social context, and attention to interpersonal relationships. Local informants revealed that overly direct messages from expatriate management are often considered harsh, disrespectful, or offensive, even though they are not intended to be so. This difference leads to misunderstandings in interpreting the meaning of the message, especially in situations of performance evaluation, giving instructions, and solving work problems.

## **2. Language Barriers and the Meaning of Work Terms**

The next findings suggest that language is still an important factor in intercultural communication in the hotel environment. Although English is used as the working language, the level of language proficiency and understanding of the context of the working term differs between expat management and local managers. Local informants revealed that some terms or expressions used by expatriate management are often difficult to understand contextually, especially when delivered with a firm intonation or in a stressful work situation. Meanwhile, expatriate informants tend to assume that the message has been well understood as long as it is conveyed verbally. As conveyed by

Adrian Forsyth as General Manager, said that his position is as the 'heart' of hotel operations, ensuring that all departments must work in an integrated manner, where language is an important instrument, both verbal and nonverbal. Meanwhile, Eka Dilaga as a Hotel Manager stated that she often finds it difficult to understand English from expats, such as Australian 'slang'. These language barriers are not only related to the limitations of vocabulary but also to differences in the meaning of working terms, delivery styles (accents and intonation) and the context of language use in operational terms. These differences reinforce the potential for misunderstandings, especially when the message is not accompanied by additional explanations or confirmation of understanding from both sides.

## **3. Differences in Perception of Hierarchy and Work Relations**

The results of the study also show that there is a difference in perception of hierarchy and work relationships. Expatriate management tends to view employment relationships in a more egalitarian and professional manner, where differences in positions should not hinder the expression of opinions or criticism openly.

On the other hand, Balinese local managers are still heavily influenced by cultural values that uphold hierarchy, respect for superiors, and harmony of social relations. This condition causes local managers to often be reluctant to express disapproval or clarification directly, which ultimately has the potential to magnify misunderstandings of communication.

This difference in perspective leads to a gap in expectations in daily interactions, where the silence of local managers is often interpreted as a lack of initiative. Meanwhile, for the local side, it is a form of respect.

## **4. Differences in Time Orientation and Work Expectations**

Other findings relate to differences in orientation to time and work rhythm. Expatriate informants exhibit a rigorous, structured, and efficiency-oriented time orientation. On the other hand, local informants tend to be more flexible in interpreting time and more consider social situations and changing field conditions such as guest schedules, weather and staff needs (mapping)

These differences often create tension, especially when expatriate management assesses delays or time adjustments as a form of lack of professionalism, while local managers view them as part of a work dynamic that needs to be adjusted situationally. Thus, time orientation affects the effectiveness of communication.

The findings of this study confirm the relevance of Edward T. Hall's Intercultural Communication Theory, particularly the concepts of high-context culture and low-context culture, in explaining the communication barriers between expatriate management and local managers at Bali Garden Beach Resort. The direct and explicit communication style exhibited

by expat management reflects the characteristics of low-context cultures, where the meaning of the message is contained more in the spoken words. On the other hand, Balinese local managers who come from high-context cultures rely more on nonverbal cues, relational contexts, and social situations in interpreting messages. The incompatibility between these two communication styles is the main source of misunderstanding, as stated by Hall (Hall, 1976). The results of this study are in line with the findings of Silintowe & Pramudita (2016) which show that differences in cultural context affect the way individuals interpret messages and communication behaviors of superiors. However, this study expands the study by placing communication barriers at the managerial and organizational levels, not just individual work relationships.

In addition, the findings regarding language barriers and differences in time orientation strengthen the argument of Liliweri (2011) that the barriers to intercultural communication are not only linguistic, but are also influenced by cultural values, social norms, and perspectives on work. When these differences are not recognized as a cultural issue, misunderstandings tend to be personalized as a matter of individual attitudes or performance. In the context of the hospitality industry, the results of this study show that intercultural communication not only has an impact on service quality, but also on the work climate, interpersonal relationships, and organizational sustainability. Therefore, understanding the differences in communication culture is a strategic competency that needs to be possessed by expatriate management and local managers to optimize team harmony.

## CONCLUSION

This study examined intercultural communication barriers between expatriate management and local managers at Bali Garden Beach Resort using Edward T. Hall's Intercultural Communication Theory, particularly the concepts of high-context and low-context communication. The findings showed that communication barriers were not primarily caused by language differences but were rooted in contrasting cultural contexts, communication styles, interpretations of meaning, perceptions of hierarchy, and views on time and work professionalism. Expatriate management generally applied a direct, explicit, and efficiency-oriented low-context communication style, whereas Balinese local managers tended to use a high-context style that emphasized relational harmony, situational awareness, and nonverbal cues. This mismatch frequently led to misunderstandings in areas such as work instructions, performance evaluations, and decision-making, which were often perceived as issues of individual attitude or performance rather than cultural differences. The study reinforced the relevance of Edward T. Hall's theory in explaining multicultural organizational communication in the hospitality sector and highlighted the importance of managing intercultural communication through cultural training, cross-cultural sensitivity, and open dialogue between expatriate and local actors. Future research could expand this analysis by examining multiple hotels or hospitality organizations across different regions to compare intercultural communication dynamics and to further explore how organizational structures and leadership practices influence cross-cultural communication in the global hospitality industry.

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