Hotel Industry Ethical Delinquency A Sensitive Issue within Management

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ABSTRACT

This paper focuses on the ignorant attitude and negligence shown by the mangers and their employees towards the desired ethical code of conduct and literature. It also throws light on the work ethics essential for higher career prospects of employees. Simultaneously, it is important for the managers to implement the code of conduct for the welfare of employees. Hotel organizations can benefit from conducting their business in an ethical and more responsible manner. This paper examines the impact of hotel's business ethics on employee job satisfaction and organizational commitment. It is proposed that employees who work in an ethical hotel environment will be more satisfied with their job and more loyal than employees who work in an unethical environment. This paper also articulates some solutions for occurring ethical issues. This is a descriptive paper and study is based on review of literature and secondary data. Objective of the paper is to identify the global issues that generally concern Human Resource Managers and find out the kinds of ethical issues hotels are struggling to address.

Keywords: *Ethical issues, Job Satisfaction, Organizational Commitment, Solution*

Introduction

In present time, Hospitality is contributing in a number of ways in countries' economy, boosting it up through commercial, industrial and public services. As Hospitality is an essential part of any business because it directly affects customer satisfaction and influences the business as well. A good hotel management also affects a country's image positively and helps in improvement of tourism by maintaining the quality of service. It is the largest industry of the world so it requires a good, affluent, smooth, prominent and comfortable environment as well as good management system. Although this is the largest industry and is continuously growing, some ethical issues have still made its operating environment more complex. Even industry believes that strong ethics and good business should go together naturally.

But ethics is one significant topic, which is drawing the attention of researchers as well as academicians now- a-days. This change in focus is basically because unethical and dodgy acts in the workplace have increased, and the boundaries of the work environment have diminished due to globalization. Some common ethical issues faced by managers in most of hotels are lack of work ethic, employee theft, drug use, employees' lack of respect for each other, gender and racial conflicts, guest

abuse, treachery, and homosexual issues. In parallel with the importance of the subject in this way, this study is aimed at finding which kind of ethical approaches hotel managers have to adopt for the resolution of these problems and to make their system effective and energetic.

Objectives of the Study

- To identify the global issues that generally concern Human Resource Managers.
- To find out the kinds of ethical issues hotels are struggling to address
- To suggest remedial measures to overcome these issues

Research Methodology

This paper is based on descriptive and partial analytical study. Two questionnaires were prepared and primary data was collected to fulfill the objective of study. Review of literature was done. Secondary data was also collected from various sources. The population was managers and employees of the 3 star and 5 star properties. The total sample size was 30. Total number of employees was 20 and Managers were 10.

Literature Review

As it is found out that, the hotel industry is facing a wide range of challenges. Competition is extreme, business travel has declined significantly, and the current economic recession is the worst since 1930's. Therefore, Beck, Lazer, and Scmidgall (2007) agreed that all of these factors have encouraged "questionable and unethical management behavior". They also suggested that hospitality and tourism literature has not paid much attention to ethical issues in the industry.

Stevens and Fleckenstein (1999) proposed that due to the inherent industry characteristics of inseparability and intangibility, hospitality industry management must attend to ethical issues more carefully than other industries. Pettijohn, C. Pettijohn, and Taylor (2008) noted that even though organizations spend millions of dollars to build a positive public image, that money is soon wasted when the organization's unethical practices are reported.

Several studies found that companies with high levels of ethical values and social responsibility tend to be more profitable than other companies (Hammond & Slocum, 1996; Waddock & Smith, 2000). This study will attempt to show that there is a relationship between a hotel's ethical climate and its employees. It is supported that working in such a hotel environment, the employees will be more satisfied with their job and they will be more loyal to that organization. Therefore, the purpose of this study is to examine the impact of a hotel's business ethics on its employees' job satisfaction, and organizational commitment.

In terms of academic significance of this study, there has been lack of research in those areas previously mentioned above in recent years. For example, one can find an extensive number of articles related to job satisfaction, but only few of them were focused on the relationship between job satisfaction and business ethics, especially after the year 2005 (Jaramillo, Mulki, & Solomon, 2006; Pettijohn, Pettijohn, & Taylor, 2008). Unfortunately, almost none of those focused on hospitality employees. More specifically, there was only one article which analyzed in depth the relationship that exists and connects business ethics, job satisfaction, organizational commitment, and employee turnover among salespeople (Schwepker, 2001). The study will emphasize the importance of fostering a positive ethical climate in hotels by examining its impact on their hotel employees' job satisfaction as well as revealing to what extent employees' values have changed over the past decade.

Hall proposes that the proper application of ethics can change a mediocre workplace to an excellent one. Barsh and Lisewski (2008) referred to business ethics as "the systematic process that commercial organizations use in order to evaluate actions as right or wrong" (p.29). They also suggested that business ethics encompasses a wide range of themes that managers and employees must face.

The importance of ethical business values has been noted since Goodspaster (1983) discussed the concept of corporate responsibility, and applied the concept of personal ethics in social life to specific business management circumstances.

This study shows that hotel organizations, which are conducting their business in an ethical and more responsible manner, are getting continuous benefit and progress in their business. Therefore, it is no coincidence that in recent years, several studies have pointed out the increasing need for hotels conduct their business in a more ethical and responsible way and to foster a positive ethical climate in their organizations.

Discussion

A questionnaire which was prepared to know the ethical issues and problems faced by managers in hotels was filled up by the General Managers and Human Resource Managers of the different hotels. As responses were received, 90% managers faced similar ethical issues and problems in the hotels. The problems faced by the managers were as follows:

Problems of Unethical Behavior delivered by Employees
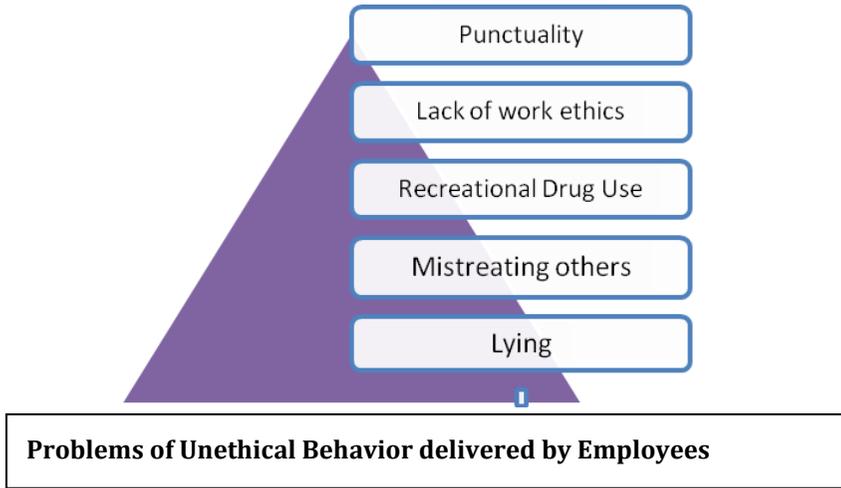
Punctuality

Job for the majority of the youth is not as the progression of a career or a responsibility, but only as a means to purchase a desired object. They have tardiness and time clock abusing attitude. Employees arriving late have others punching them in, so that it appears that they have arrived on time. While the time clock abuse is a different matter (theft of company time), not arriving to work on time appears to be a cultural problem that can be solved by communicating expectations clearly.

Lack of Work Ethics

Theft is again an ethical problem and the small thefts in hotels are most troublesome. The employees use airborne express envelopes for personal use and they often take items home, such as shampoo, soap, and the small three-inch bottles of Ketchup left behind in room service trays.

Drugs Issues in Hotels

Recreational drug use and the controversy over drug testing was the next highly significant ethical issue. Managers were concerned about drug-impaired employees, and worried about both performance and safety.

Antagonism surfaces

Mistreating others involves spreading malicious gossip about colleagues, addressing them rudely, and treating them with hostility; so many managers of the hotels felt that the work climate had changed from cooperation to stepping on other people.

Lying

Lying to supervisors about work performed, using sick days, and violating policies are also significant issue and lying is common and workers seems to lack a conscience about prevarication.

These are some major ethical issues in the hotel industry which require higher attention for the resolution for betterment, positive image building and continuous progression of the organization as well as industry.

To find out the reasons that why these kind of unethical issues are happening in the industry and the reasons for employee dissatisfaction, a questionnaire was prepared and that was filled up by the employees of different departments of the different hotels. The reasons which were identified are:

- Inadequacy in paying respect to each other
- Undue Stress
- Racial and gender conflict
- Guests abusing Staff
- Technology Influence
- Homosexual issues

Inadequacy in Paying Respect to Each other

An employee not paying respect to each other as individuals is the most troubling observation noticed by the managers. This includes quarreling, sniping, and name-calling. Rifts are frequent and often require intervention from the human resources office. Basic civility seems to be lacking in a number of organizations, especially among hourly employees.

Undue Stress

Hotels cannot give any signified reason for the employee undue stress; rather it is found to be rooted in a number of causes.

Racial and Gender Conflicts

Ethnic diversity with language barriers undoubtedly causes tension and the inevitable partitioning, as minorities stick close to their ethnic groups where they feel most at ease. Also, the pressure of part-time employment, temporary hours, and few benefits may affect this group. Many hourly workers in the hospitality industry lack higher education and likely experience a harder life than the general middle class. While this does not excuse uncivil behavior, it may help explain some of the pressures placed on this group and their seeming intemperate actions.

Homosexual Issues

Homosexual issues also cause ethical problems in the workplace. These are some ethical issues which are faced in hotel industry by the managers as well as the employees.

Technology Influence

Manners are dying, in part because technological change has made them less necessary. Technoholics spend much time alone, in front of computers, driving cars, or working in a cubicle, and depend less on interacting with other people. Feelings of solitude cause all to be less polite. This decline in civility is a concern for the hospitality industry, for its demise affronts the very nature of the business. Kindness and respect for others lie at the core of hospitality. Managers must approach discrimination as an ethical issue and remain sensitive to the different minority perceptions.

Guest maltreatment with Staff

Sometimes guest start abusing the staff without any significant reason. This treatment de-motivates and pushes them towards unethical behavior.

Some open ended questions were also asked in the questionnaire like what kind of practices should be followed for the employee's satisfaction?

What kind of measures have to be taken to stop unethical practices in the organization? And so on.

Ethical delinquencies which are discussed above require some very creative solutions. Considering that "Every problem has a solution", some resolutions were framed out from the responses given by employees which are mentioned below:

Resolutions

✓ **Motivation through non-monitory practices :** When employer doesn't intend to pay higher wages then they can motivate their employees by giving them non-monitory benefits by creating opportunity paths, career ladders, and training opportunities.

✓ **Reward system :** Managers need to make certain systems in place where hard-working, motivated employees are both identified and rewarded. Workers will respond to adequate reward system. They also need to know that others are not getting away with minimal effort while they are working hard. Effective supervision is the key here.

✓ **Communication bridges the gap and builds respect :** Respect and acknowledgment from a supervisor for work motivates a lot to employees and fills them with new energy. Good communication can create this atmosphere. People who communicate effectively come to know and understand each other. Managers must begin communication and create an environment where employees feel comfortable participating in upward communication. The motivation they receive from having someone listening to them is both rewarding and gratifying.

✓ **Discussion of the ethics is must :** Ethics which are desired should be discussed with employees. It is a significant culture-building activity. Managers should

engage employees in frequent conversations about ethical standards, why theft hurts everyone, and what it means to be a member in the organization. It enhances employee's sense of the company's ethical values, but they will also feel more affiliated with the organization.

- ✓ **Discussion about Code of Conducts :** At the time of recruitment managers should clearly discuss the code of conduct and ethical behavior desired from them and give clear instructions about smoking, drinking and drug uses. Hotels should use drug testing for new hires.

- ✓ **Open Conversation :** Racial and gender conflicts can be prevented by inviting open conversation about differences. Theft must be handled promptly and directly. Managers must not be hesitating to punish the offenders.

Managers are challenged today not just for the day-to-day business, but to form civil behavior and create cultures where civility can flourish. They can motivate the employees a lot in positive and creative manner by practicing above mentioned resolutions. But these issues cannot be resolved properly until employees do not follow certain desired work ethics for the betterment of themselves and organization as well. For the follow up of the work ethics not only employees have to be good at their job but they will also require certain **attributes** to work in the hospitality industry. These include:

- ✓ **Excellent individual presentation:** If there is any uniform, employee must make sure that it is cleaned and well ironed and always worn neatly. If there is no uniform, employees should still dress smartly and appropriately for particular role to ensure they make a good impression and project a positive image of your place of work.

- ✓ **Good and confident to communicate with people of all walks of life:** In any hospitality establishment, employees will come across people from all walks of life. They may speak different languages or have disabilities or may be impatient or rude but being a part of service industry you should be able to communicate to all people clearly and politely at all times.

- ✓ **Ability to handle pressure and respond properly to complaints: I**t is important that hospitality staff has to be able to work under pressure with a professional attitude. They will also need to be able to handle complaints of their guests with patience so that they feel they are being looked after and that their business is important to their company.

- ✓ **Believe in team work:** Following are some points which highlight the means to be a good and effective team member.
  - ➢ willingness to work as a team member
  - ➢ an ability to trust and communicate effectively
  - ➢ openness

➢ an ability to work towards a common goal
➢ Willingness to show commitment and dedication to a particular establishment.

Reliability, honesty, and punctuality: Industry will always look for those who are honest, reliable and punctual.

These are some work ethics which are desired in every organization from their employee. These ethics provide the opportunity for growth to them at the work place.

Conclusion

This study aims to specify the key ethical issues that are plaguing the management of the hotel which require careful study. This study provides an intensive look at important problems which managers need to address proactively, with open discussions, ethical programs, and a broad view of cultural diversity. Solutions to these problems will come through increasing dialogue with employees, working to understand multiple interpretations of reality, and promoting civility in the workplace. This study also explains about the work ethics which has to be adopted by the employees and as well as code of conducts in favor of employees adopted by employers. By implementing the solutions given in this study one can resolve the conflicts and day to day's stress among employees and increase their dedication towards work and organization. It will uplift their morale and work energy.

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