

**ETHICAL ISSUES ON DECISION MAKING IN THE HOTEL INDUSTRY  
OF KUMASI METROPOLIS, GHANA**

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**JANUARY, 2016**

UNIVERSITY OF CAPE COAST

DEPARTMENT OF HOSPITALITY AND TOURISM MANAGEMENT

ETHICAL ISSUES ON DECISION MAKING IN THE HOTEL INDUSTRY

OF KUMASI, GHANA

BY

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A THESIS SUBMITTED TO THE DEPARTMENT OF HOSPITALITY AND  
TOURISM MANAGEMENT OF THE FACULTY OF SOCIAL SCIENCES,  
COLLEGE OF HUMANITIES AND LEGAL STUDIES, UNIVERSITY OF  
CAPE COAST, IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR  
THE AWARD OF DOCTOR OF PHILOSOPHY DEGREE IN TOURISM.

JANUARY 2016

**DECLARATION**

**Candidate's Declaration**

I hereby declare that this thesis is the result of my own original work and that no part of it has been presented for another degree in this University or elsewhere.

Candidate's Signature: ..... Date: .....

Name: Foster Frempong

**Supervisors' Declaration**

We hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

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## ABSTRACT

Tourism involves movement and experience of tourists from one region to the other. The hotel industry deals with humans and their behaviours and as a result, whenever people deal with human lives, survival and welfare, ethical problems are bound to occur. This study sought to examine employees' and management awareness of ethical issues, explore the decision making environment in the hotel industry and assess the perceptions of customers on ethical issues in the hotel industry of Kumasi Metropolis. A framework for ethical decision making process in the hotel industry adapted from Ferrell and Gresham (1985) and Hunt-Vitell (1986) was used.

The mixed method approach was used as a guide for the study. Stratified and simple random sampling techniques were used to select hotels and employees in the hotels. Accidental and purposive sampling techniques were also used to select customers and managers of hotels respectively. Descriptive statistics, correlation ANOVA and factor analysis were used for the data analysis.

The study found out that employees, customers and managers were aware of ethical issues in the hotel industry. However, most of the ethical challenges were mostly related to the don'ts and expectations from each party in the industry. On decision making, employees consider the stress involved, risk, health and safety as well as what others may think about an issue in making final decision. Ethical issues being crucial in the hotel industry, this study guides government, hotel organisations and employees to enforce and adhere to ethical rules and regulations in the hotel industry.

## ACKNOWLEDGEMENTS

I would like to acknowledge people who in diverse ways helped me to produce this work. My sincere and special appreciation goes to my supervisors Professor A. M. Abane and Professor P. Bondzi-Simpson for their immense contributions to this thesis. I appreciate your guidance, constructive comments, fruitful discussions, encouragement, tremendous assistance and most especially for allowing me to grow as a research social scientist. You have both really shown the attitude and substance of your scholarship and mentorship in shaping this thesis.

I would like to express my deepest appreciation to Professor Kofi Awusabo-Asare, who has been a father and a mentor to me. Your advice on both research and my career has been priceless. Prof. Kwaku Adutwum Boakye, you have been so wonderful to me. I worked with you as a Teaching Assistant and I have tapped a lot from you since that time. To all the lecturers of the former Geography and Tourism Department, I am deeply grateful for your encouragement, helpful comments and suggestions. I wish to register my profound gratitude to lecturers of the Department of Geography and Rural Development at Kwame Nkrumah University of Science and Technology (KNUST) for your prompt reminders on this thesis. They were very helpful and contributed to the completion of this work.

I also want to thank the employees, customers, managers and owners of selected hotels that were used for the study. Your participation in the study was very important and helpful to the completion of this study. Those who assisted me

in the data collection also need to be mentioned and appreciated for their time and support.

A special thank you to my family. Words cannot express how grateful I am to my parents, Mr and Mrs Frempong, Rev. Fr. Augustine Frempong, my brother and all my other siblings. Thank you for all of the sacrifices that you have made on my behalf. Your prayers for me was what sustained me to this far. To my wife and in-laws, I appreciate your invaluable encouragement and advice to complete this work.

I would also like to thank all of my friends and colleagues who supported and encouraged me to strive towards my goal; Dr. Simon Mariwah, Dr. Joshua Amo-Adjei, Dr. Agyapong Fosu-Amankwah, Mr Jacob Okyere and my PhD mates. To all those who gave advice or help in any form but whose names are not mentioned specifically, I say a sincere thank you. God richly bless you all.

**DEDICATION**

To my parents Mr and Mrs Frempong and my brother Rev. Fr. Augustine  
Frempong.

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## LIST OF ACRONYMS

AT	Accepting Tips to Arrange a Room
ASC	Application of Standard of Conduct
BIW	Believe it is Wrong
BINW	Believe it is not Wrong
BG	Breaking Glass and Blame it on a Guest
CSC	Communicate Standard of Conduct
CO	Not Issuing Captain's Order to Cashier
CB	Consuming Drink and Charging on Guest
CL	Collecting Left-Over fruit from Guest
DE	Drinking and Eating at the Back of House
EL	Eating Left-Over Food from Buffet
EM	Eating Extra Meal at Canteen
FC	Free Coffee or Tea to Friends
FTC	Federal Trade Commission
GTA	Ghana Tourism Authority
ID	It Depends
KCC	Knowledge about Code of Conduct
KCV	Knowledge about Core Values

KHL	Knowledge about Hotel Laws
KMA	Kumasi Metropolitan Assembly
KMO	Kaiser-Meyer-Olkin
LR	Listening to Radio in Guest Room
MRT	Motivated to do Right Things
MRV	Motivated to Apply Right Values
NASDAQ	National Association of Securities Dealers Automated Quotations
NGO	Non Governmental Organisation
SD	Consuming Soft Drink in the Bar
SHC	Share High Commitment to Integrity
TC	Telephone Call in Guest Room
TSC	Trained on Standard of Conduct
TV	Watching TV in Guest Room
UT	Using Toilet in Guest Room
WTO	World Tourism Organization

## CHAPTER ONE

### INTRODUCTION

#### **Background to the Study**

Tourism involves movement from an origin to a destination and getting involved in the activities at the destination. These movements always involve an interaction with an organisation or an individual of a kind. As movement of tourists widens from local to international and global levels, there is the need to understand the behavioural processes across cultures. With over 880 million travels throughout the world, the understanding of cultures across nations would help to determine behavioural patterns of individuals and further give insight to avoid offending prospective tourists (Beekun, Westerman and Barghouti, 2005). Actions and deeds are interpreted differently based on people's background and culture. The ethical and moral values of other nations must be taken into consideration by those involved in the travel business. As a result, communicating ethical values have become a serious issue in a number of organisations (Stevens, 1999). Macbeth (2004), made it clear that the social world cannot be understood completely until values and morality (ethics) are factored in. These values, loyalties and norms shape the behaviour of members in society. Shared values are critical to behaviour and determine how members perceive problems and make decisions.

According to Aristotle, the study of ethics goes beyond moral, religious and legal concepts. He ascribed the important element in ethical behaviour to knowledge that actions are accomplished for the betterment of the common good.



To this end, whatever action that is performed by an individual or group is expected to be good for both an individual and a group and for the society. An ethical act is thus the one that is consciously, intentioned to be right and good. Stressing the centrality of ethics in the human experience, the Qur'an often calls attention to the fate of nations that perished in the past as a result of moral degradation. One parable tells how a society that enjoyed security, quiet, and prosperity, fell prey to fear, hunger and deep suffering when it turned ungrateful for the favours of God (16:112). Here, turning ungrateful for divine favours can be read allegorically as rejecting the moral qualities with which man is sustained and enhanced, both as individuals and as a society. For nothing can be a greater favour to humankind than to be given the chance to grow and prosper by qualities that are essentially and absolutely divine. Conversely, nothing can be more self-destructive than the rejection of these qualities. It is therefore believed that Nations prosper and perish by their morality, or the lack thereof (Ahmed Shawqi).

### **Concept of Ethics**

The word ethics comes from the Greek root *ethos* which originally meant custom, usage or habit. In contemporary use, it deals with the question of what actions are morally right and with how things ought to be. One of the first great philosophers who studied ethics was Aristotle. To him, the most important element in ethical behaviour is knowledge that actions are accomplished for the betterment of the common good. According to Aristotle, to determine what is ethically good for the individual and the society, it is necessary to possess three virtues of practical wisdom: temperance, courage and justice (www.legal-

dictionary.thefredictionary.com/ethics). Every religion lays great emphasis on ethical aspects of human conduct in its own unique way. Generally, there is great commonality between different religions as far as moral and ethical questions are concerned. The fundamental function of most religions is to mould the moral character of its members and all other functions are subsidiary to it.

From the book of Genesis, ethics originated from God who willed values into existence. Humans became aware of them through moral intuition, divine revelations, scriptures and divine messengers. Abraham offered hospitality to the angels in the Old Testament. Leviticus 25:39 – 46 explains how to deal with our brothers who are in poverty. The Qur'an gives the concept of what is called "amal salih" which translated into English means "good deeds". Chapter 103 of the Qur'an, states: "By the time! Surely man is in loss, except those who believe and do good work ('amal salih'), and exhort one another to Truth and exhort one another to patience." All these are key ethical concepts that are applicable in the hospitality and tourism industry. Traditionally, ethics is about doing the right thing and telling the truth at all times. It is believed that the truth is one and it should be said at all times no matter the consequences.

General ethics deal with the obligations that are owed by one person to another. For the purpose of this study, ethics will be referred to as the moral principles that governs a person behaviour. Here reference will be made to the behaviours in the hotel industry. From Fennell and Malloy (2007) ethics refers to the rules, standards and principles that dictate right, good and authentic conduct among members of a society or profession. These rules, standards and principles

are expressed in behavioural attitudes of employees and customers. Some of these are based on the specific relations between two people. Professional ethics are a codification of the special obligations that arise out of a person's voluntary choice to become a professional. Barth (2001), advises hospitality and tourism employees to always choose ethical behaviour over behaviour that is not ethical because such decisions will help avoid legal difficulty.

Law refers to the rules of conduct and responsibility established and enforced by a society (Barth, 2001). There can be common law, civil law, hospitality law and others. The hospitality law refers to those laws that relate to the industry involved with the provision of food, lodging, travel and entertainment services to guests and clients. Law informs us about how we ought to live, however, some laws are related to ethical problems but legal considerations are not the same as ethical ones (Birsch, 1999). There is the law of universability and the law of reversibility. With the former, if it would be wrong for everyone to do something, then it is wrong for you to do it. On the other hand, the Law of Reversibility posits that if you do not want something done to you, then do not do it to others.

Morality consists of principles or rules of conduct that define standards for right behaviour. These rules are neither enacted nor revoked by a legislature but are accepted and changed by general consensus (Dolgoff et al, 2005). Values according to Kupperman (1999), refer to what is worth having or being; it is preferable that it exists rather than not exist. They are meant to serve as guides or criteria for selecting good and desirable behaviour. Ethics may be subdivided into

theoretical ethics which studies the conceptual and theoretical resources for solving problems, and applied ethics, which examine specific problems and offer solutions to them. Ethics is concerned with human conduct and moral decision making. It seeks to discover the principles that guide people in deciding what is right and wrong. Jones, Sontag, Beckner and Fogelin (1977) see ethics as not just getting people to do what they believe to be right but rather helping them to decide what is right.

Ethics and values are close terminologies but they are not the same. Ethics are deduced from values and must be in consonance with them. Values are concerned with “what is good and desirable” while ethics deal with “right and wrong”. Values are meant as a guide in selecting desirable behaviour but sometimes they do not always lead to such result since human behaviour is not always consistent with one’s professed value.

### **Ethics and Hospitality**

Hospitality deals with the relationship between guest and host where each party seeks the protection and survival of the other. The protection and survival of guest and host are usually embedded in the etiquette and entertainment in the services provided for the guest. This extends to showing of respect for one’s guests, providing for their needs and treating them as equals. Though there might be differences in the way guests are being catered for based on cultural variations, the basic motive is to make the guest feel at home. To the ancient Greeks, the idea of hospitality was a divine right and every individual must exercise it. The

hospitality and tourism industry include all forms of accommodation and entertainment facilities that provide comfort and guidance to visitors (guests).

The hospitality and tourism businesses operate under three separate but related contexts. These are the industry context, the corporate context and the venue context (Slattery, 2002). In all these operations, Lashley and Morrison (2000) found that, the basic function is to establish a relationship or to promote exchange of goods and services, both material and symbolic, between those who give hospitality (hosts) and those who receive it (guests). They went on to explain hospitality as a composition of commercial organisations that specialise in providing accommodation and/or food, and/or drink through a voluntary human exchange, which is contemporaneous in nature and undertaken to enhance the mutual wellbeing of the parties concerned (Lashley and Morrison, 2000).

The idea of hospitality and tourism industry or business is sometimes misleading and inaccurate in the sense that some people assume that in the hospitality and tourism industry, the relationship that exists is between the host and the guest. However, the hotels, restaurants, bars and other hospitality facilities are purely businesses themselves, where the critical relationship is between the seller and the buyer. In this instance, buyers are not guests but rather, they are customers, and should be considered as such. For the relationship that exists is not philanthropic but economic (Slattery, 2002). In view of this, the need to hold each other is very crucial for sustainability and development. Bucaro (2001) observed that relationships with customers are successful when they are built on trust rather than on contracts. For a successful relationship between service providers and

customers, employees in the hospitality and tourism industry should be guided by ethical principles. Fox (2000) identified that without formal ethical standards, managers will use their own ethical orientations to determine the ethics of organisations. However, some of these ethical orientations may be liable to legal issues. A case to this effect is a major hotel management company, Sheraton, which was found liable for US\$52 million in damages for charging the property owner inflated prices and accepting rebates from vendors (Hotel Management Companies Under Fire, 2000). The rebates were argued to be kickbacks, and the court found that Sheraton, as the designated agent of the owner, had not behaved appropriately. Some of the ethical principles expected to operate in the hospitality and tourism industry include honesty, integrity, trustworthiness. Also, loyalty, fairness, concern and respect for others, commitment to excellence, leadership, reputation and morale and accountability.

### **Ethics in International Tourism**

As movement increases from one region to the other, interactions and understanding also increases from one culture to the other. All things being equal, the closer the distance between two different cultures, the more likely they will understand each other. The tourism and hospitality industry brings people closer to each other and to their cultural environments.

The business and economic environment of hospitality and tourism should develop what is considered to be the right direction in business as a way to express the ethical dimension inherent in the business domain. If these are not considered, moral practices and ethical reflections and theory, or “business and

economic ethics” will be at stake. This is necessary because the further globalization advances, the greater and more complex the practical and theoretical challenges become in the hospitality and tourism industry (Enderle, 2000). When this happens, the contestable issue will not only rest on societal relations as have been addressed by Rawls (1999) in *The Law of Peoples* but will also increase from person-to-person relations in multiple institutions across national borders. Based on this, employees and employers in the hospitality and tourism industry have to come to grips with cultural and religious pluralism worldwide and increasingly also within countries and cultures, and strive for a common ethical ground for common challenges which may be called global ethics.

Gilman and Lewis (1996), admit that there are wide differences in observable patterns of administrative ethics between nations and single systems within a particular nation. Ethical patterns may even change over time. Individuals may not use only one moral philosophy when making ethical decisions but may be influenced by a number of confounding factors. Earlier research (Hunt and Vitell, 1992; Reidenbach and Robin, 1990) suggests that individuals making ethical decisions use a varying combination of ethical philosophies or theories in making ethical decisions (Beekun et al, 2005). Prior to this, Stevens (1999), suggested that ethical codes should represent a good start in taking people through ethical decision making. However, these codes cannot exist on their own as he also concedes that ethical codes are successful only when employees intuitively know what to do and act accordingly. These ethical codes must reflect ideals in which people believe. They must become part of the

business culture so that they are inter-woven into the business fabric. It is believed that business values, loyalties and norms shape the behaviour of members (Stevens, 1999). In this regard, shared values are critical to behaviour and determine how members perceive problems and make decisions.

Africa offers a lot of natural and cultural resources and this provides a vast range of investment and opportunities for trading. According to the Industrial Development Corporation (2012), many African countries lack the necessary support infrastructure and services to tap tourism potentials in the continent. There are a number of tourist destinations in Africa that offer a wide range of accommodation facilities ranging from 5-star to home stay. Some of these countries include South Africa, Morocco, Kenya, Tunisia and Tanzania. It has been realised that 10 percent of hotels in Africa are estimated to meet international standard in terms of hotel rooms and out of this number South Africa has about half of this stock (Industrial Development Corporation, 2012). This presupposes that, most accommodation facilities in the continent are not up to the international standard. Although there are some hotels in the continent considered to be maturing hotel markets in the Sub-Saharan Africa, these are found in Nigeria, Senegal, Tanzania and Zambia (Ernst and Young, 2010).

The World Travel and Tourism Council (2013) estimated that 3.8 million jobs could be created by the tourism industry in Sub-Saharan Africa over the next 10 years. While tourism is considered as an important aspect of the economy in Africa, an examination of the ethical aspects of tourism and most especially in the hotel industry is at its early stages (Cleverdon and Kalisch, 2000; Tallontire *et al.*,



2001; Ritchie *et al*, 2005). Customers can therefore boycott a hotel due to its unethical practices and this has not been investigated very well (Tilikidou and Delistavrou 2011).

In communicating ethical values, managers are now focusing on clearly communicating values and behavioural expectations to employees rather than documenting weak attempts with paper trails. Employees nowadays need more training on the job than before. Even in the United States of America, the Marine Corps, believing that youth today are receiving less ethical training from schools and churches, initiated an extra week of basic training for recruits to ensure they are taught ethics and corps values (Scarborough, 1996). Again, a number of organisations in Ghana organise intensive orientation programme and in-service training for members some of which are related to ethics and customer service.

### **Role of Ethics**

Ethics has become a central feature of contemporary business. High profile corporate scandals have cast doubt on business leadership (Wood, 2000), and shareholders are making increasing demands for transparency, accountability, and responsibility (Wood, 1991). Similarly, employees are more conscious of their firms' public responsibilities and ethical image (Bartel, 2001; Turban and Greening, 1996). Private individuals, researchers, and governments are calling for reform and for more socially responsible conduct from business organizations (Mitchell, 2001). In response, firms strive to portray themselves as socially and environmentally conscious (Bansal and Roth, 2000; Riordan *et al.*, 1997). Growing concern with business ethics is also demonstrated in widespread

discussion of corporate social responsibility (Steidlmeler, 1987), which expects a "continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large" (Holme and Watts, 2000; p. 6). Most often, corporate social responsibility involves activities that address problems in the environment such as pollution, poverty, health care, preventing harm and environmental sustainability. Increasing demand for such socially responsible business practices has led to pressure on business from a wide array of sources, both internal and external. An important example of such demands evident in recent times is the National Association of Securities Dealers Automated Quotations (NASDAQ) announcement of plans to screen companies based on their social behaviours (Baue, 2002).

Calls for ethically and socially responsible behaviour from business organizations have also led to a surge of regulation. State and federal governments are actively examining policy responses to the issue of business ethics. For example, President Bush considered a proposal that sought to prevent firms from being able to use insurance funds to pay legal fees associated with alleged misconduct (Paluszek and Power, 2003). In addition, a multitude of non-governmental agencies have arisen as ethical watchdogs, offering guidelines and evaluations for ethical behaviour. In response, three-quarters of America's largest firms have become involved with at least one of these non-governmental advocacy organizations by agreeing to abide by their standards for socially responsible behaviour (Nijhof et al., 2003).

Specifying and regulating ethical conduct has therefore become a central feature of contemporary business. These ethical developments are intended to produce beneficial outcomes, but the issue of who benefits can be particularly contentious for business organizations. A company has a duty to its shareholders and to its ethical social responsibilities (Allen, 1992), and these two demands are often seen as conflicting (Frederick, 1987). In response to this matter, some 125 studies have been published in the past 30 years examining the relationships between companies' social responsible conduct and financial performance (Hillman and Keim, 2001). A large majority of these studies treated financial performance as the dependent variable, investigating whether socially responsible behaviour predicted financial success. Approximately half of those studies found a positive relationship; the remaining half was divided among negative relationships, non-significant relationships, and mixed findings. A great deal of controversy is associated with the reliability and validity of these findings, and no firm conclusions have been drawn about the true association between these two factors (Margolis and Walsh, 2003). For example, 70 different measures of financial performance have been used in those 125 studies, and a wide variety of activities have been considered as ethical or socially responsible behaviour yet no consistent definition of ethical behaviour or social responsibility has emerged in the studies. This study will look at the perceptions of employees, management and customers on the understanding of ethical issues as they apply in the hotel industry.

## Contextual Issues

Ethical issues are important to the hospitality and tourism industry due to the nature of the services provided by the industry. Although the hospitality and tourism industry is purely business oriented, there is a social responsibility attached to it. It is believed that hospitality and tourism organisations have responsibilities beyond the industry's economic and legal interest. Management, employees and customers are expected to behave in an ethical manner having in mind their morals, values and principles. Ethics in hospitality and tourism encompass the application of ethical standards in dealing with others in and outside the industry. It deals with duties and rights, the marketing aspects of the business, the functional aspect of it and the managerial section in operating such industries.

As far as ethics in hospitality and tourism are concerned, there have been very limited studies. Holden (2003) realised that the foundation of these researches carried out in the industry are very weak. There are works on ethical challenges surrounding the industry. These studies attempt to define the issue of tourism and focus on variety of issues that managers and employees come across during their daily operation to heighten the level of industrial awareness of ethical dilemmas in the industry (Upchurch and Ruhland, 1995, 1996). Other researchers also looked at the openness of the industry to unethical practices (Coughlan, 2001, Holden, 2003, Stevens, 2001, Payne and Dimanche, 1996). Such unethical practices include sexual harassment, theft, misleading information in menus and brochures, overbooking of hotel rooms and many others. Some works on ethics in

tourism deal with development and planning (Fleckenstein and Huebsch, 1999; Holden 2003; Lea, 1993). Here attention has been focused on the bridge from operational concerns to those that deal with the larger environmental and social issues. Studies here concentrate on the negative impacts of tourism on the environment and on communities.

The ethical nature of the new types of tourism offered by marketers to offset the negative impacts of traditional types of tourism has also been grouped under different category of ethics. The new types of tourism include ecotourism, sustainable, nature, responsible, green, soft, alternative and others are thought to reflect attempts at exploitation rather than a genuine concern about the effects on the environment. Another category of ethics deals with codes of ethics in the industry. While a different set pays attention to the place of ethics in tourism education. The final category on ethics in tourism concentrates on decision making in the tourism industry. In all these, Devine, Baum, Heams, and Devine, (2007) argued that cultural diversity is important in the modern hotel industry because of the high levels of mobility, national borders and continental interactions within the industry.

### **Statement of the Problem**

Values of individuals are critical to behaviour and they determine how an individual perceives problems and makes decisions. The hotel industry is a service industry that deals with humans and their behaviours. As a result, ethical problems are bound to occur whenever and wherever people deal with human lives, survival and welfare (Dolgoft et al, 2005). An examination of the hotel and

tourism industry work practices reveals that, almost all practices and principles are grounded on ethics. It has also been realised that, a myriad of issues and problems in the tourism and hospitality sector can be tied to ethics and the lack of it thereof (Payne and Dimanche, 1996).

As far as the service industry is concerned, decisions are often made at any point or stage in the process of service delivery to and from customers. Any service interaction between the employee and the customer plays a crucial function in customer's inimitable experience at the hotel. The nature of the hotel industry places employees and guests in tempting situations and this calls for instant decisions on some of the critical issues that may arise in service delivery. Such situations create an environment for unethical behaviours to flourish. Gewirth (1978) has suggested that, in terms of decision making, ethical requirements should take precedence over all other modes of guiding actions. These other modes may include law, rules, regulations and customs. In the hotel industry, employees are influenced by a number of factors including gender, religion, education and others that may affect the kind of decision an employee may take.

Considering the nature of ethics in the hotel industry today, it is possible to recognize that there is a gap between society's expectation of hospitality and tourism ethics and actual ethics in the industry as people move along with development and time. Whenever such a thing happens, it creates ethical challenges in the industry which need to be considered.

The hotel industry employs a sizeable proportion of the population in Ghana who have to deal with both local and international people with varied cultural backgrounds and developmental levels. Communicating ethical values is becoming a serious issue for a number of organizations. As service providers deal with customers, a lot of ethical concerns arise in the service delivery. Such ethical issues are not new to both service providers and customers and that each is expected to show some level of ethical behaviour. Kumasi Metropolis is considered as one of the areas in Ghana that values their culture and moral values. The area receives a lot of domestic and international tourists due to its nodal centre and tourist attractions within the area. There are a number of hotels in the area that tourists use and for that matter interact with hotel employees. Based on this, the study sought to address a number of questions which border on ethical considerations among hotel service providers in Kumasi metropolis. These are:

1. What knowledge do employees in the hotels industry have on ethical issues?
2. Where do the employees in the industry learn ethical issues from?
3. How does religion influence ethical issues in the hotel industry?
4. What factors influence employees' decision making on ethical issues in the industry?
5. What perceptions do employees have on some ethical issues in the hotel industry?
6. What perceptions do customers have on ethical issues of the hotel industry?

### **Objectives of the Study**

The general objective of the study was to explore ethical issues that are germane in the hotel industry of Kumasi metropolis. The specific objectives were to:

1. Examine employees' and management awareness of ethical issues in the hotel industry in Kumasi;
2. Explore the ethical decision making environment in the hotel industry;
3. Examine key factors that influence employees' decision making on ethical issues;
4. Assess perceptions of customers on ethical issues of hotels in Kumasi;
5. Examine suggestions for ethical decision making for hotels in Kumasi; and
6. Make recommendations on ethical practices for planning, policy and education.

### **Assumptions**

For the stated objectives of the study to be achieved, the following assumptions were outlined:

1. Females demonstrate more ethical behaviour than males
2. Employees and management are aware of ethical issues in the hotel industry
3. Employees are influenced by a number of factors before decision making in the hotel industry.



4. Socio-demographic backgrounds of individuals have influence on their decision making in the hotel industry.

### **Hypothesis**

The following hypothesis were tested:

1. Ho: There is no statistical significant relationship between religion and ethical decision making in the hotel industry of Kumasi

H<sub>1</sub>: There is a statistical significant relationship between religion and preference for ethical considerations in the hotel industry of Kumasi

2. Ho: Employee's perception about customer's unethical behaviours does not statistically influence their application of ethics in hotels.

H<sub>1</sub>: Employees' perception about customers' unethical behaviours statistically influence their application of ethics in hotels

### **Rationale for the Study**

A study of ethical issues in the hotel industry is timely for a number of reasons. Firstly, ethical issues have recently come up as an area of concern in businesses and most especially the service industries. Customers have become more and more discern on what is good and what is bad in service provision. As a result, good businesses nowadays are considered among other things as those that take a critical look into ethical issues in their operations.

Secondly, this study brings to light some of the ethical practices that prevail in the hotel environment that are not in line with what is accepted in the service provision industry. It will therefore help bring changes in the industry as a

whole. Both employees and employers would know and understand the ethical background of the hotel industry and provide services accordingly.

Thirdly, the findings are expected to help employees in the hotel industry to regard the welfare of any single customer as no more or no less important than the welfare of any other customer. With the knowledge of ethical issues in the hotel industry, it is assumed that employees would examine the advantages and disadvantages their acts may bring to an organisation and for that matter may measure the consequences of their act or take the quality of the consequences into consideration and act professionally.

Fourthly, knowledge on ethical issues on decision making in the hotel industry for employees and management would help restore public trust in the industry. It would lessen legal violations of some of the hotel business entities. It has been realised that most of the legal issues affecting hotel industry border on ethical issues and as such consideration of this will reduce legal issues affecting the industry.

Again, fostering of awareness of the ethical components of employee's decision making in the hotel industry is very significant. The legitimization of ethical components as an integral part of such decision making in the day to day running of the hotel business will have impact on customers' satisfaction and the image of the hotel. The provision of conceptual frameworks for ethical decision making in the hotel industry and the analysis of it would help individuals to be confident in their decision making and the impact thereof. The study in a way will help stimulate awareness of ethical standards of conduct in the workplace and

also for stakeholders to develop a better understanding of the current Code of Conduct in hotels and how it applies to employees.

Finally, the study would add to the available literature on the code of conduct for both employees and employers. It has been admitted that literature on code of conduct is not sufficient (Somers, 2001, Stevens, 1994) and for that matter, there is the need for more information on code of conduct for employees in the hotel industry. The literature would also be of importance to the academic world and could form the basis for further research on ethics.

### **Chapter Organisation**

The thesis has been organised into nine chapters. Each chapter deals with an aspect of ethical issues that are related to the hotel industry. Chapter One deals with the introductory part of the study. It concentrates on the background to the study, ethics and hospitality, problem statement, objectives and hypothesis for the study. The rationale for the study as well as the scope of it has been considered in this chapter.

Chapter Two deals with literature on ethics and tourism. It looks at some of the ethical issues that are related to tourism industry. Literature has been reviewed on ethics and tourism, code of ethics in the hotel industry, role of ethics in the hotel industry, scope of ethics and tourism, ethical issues and ethical decision making and perception of ethical problems and ethical intentions of the hotel industry.

The third chapter discusses the theoretical, empirical and conceptual frameworks for the study. Various theories that are related to ethics and their

applicability in the hotel industry have been outlined. Empirical review of ethics in the service industry from other parts of the world have been highlighted and conceptual framework reviewed and adapted for the study.

Chapter Four is dedicated to the study area information and methodological issues. Issues that have been discussed include the study area information, the rationale for choosing the study area, research paradigm, research design, sample size determination, data and information source, research instruments, data presentation and analysis and research ethical considerations.

Chapter Five deals with the working environment of hotels in Kumasi. This chapter looks at the background of employees and customers and their implications on ethics in the hotel industry. Critical issues that have been discussed include the socio-demographic characteristics of hotel employees in the Kumasi metropolis, background of customers of hotels, comparative analysis of basic employee and customer's background and socio-demographic background and ethical implications of hotels in Kumasi. The Sixth Chapter is captioned Ethical behaviours in the hotel industry. It touches on some ethical behaviours in the hotel industry, employees' perceptions on some ethical issues, socio-cultural factors and ethical issues in the hotel industry, perception of ethical challenges in the hotel industry and ethical intentions of employees in the hotel industry of Kumasi.

The seventh chapter analyses ethical knowledge, awareness and decision making in the hotel industry. This has been done through a number of sections such as knowledge and awareness of ethics in the hotel industry, employees'

awareness of ethical issues in the hotel industry and sources of ethical knowledge and communication channels of hotel employees. Chapter Eight looks at the ethical dynamics of customers of hotels in Kumasi. It concentrates on customer's awareness of ethical issues of the hotel industry, customer's views on services of hotels in Kumasi and customer's suggestions for employees on ethics in hotel. Chapter nine outlines the findings, conclusions and recommendations from the study.

## CHAPTER TWO

### LITERATURE ON ETHICS AND TOURISM

#### **Introduction**

Considering the fast growth in the hotel industry, there is an interest in exploring the ethical nature and conduct of hotel operators. Though some efforts have been put into ethical issues in the hotel industry, not much has gone into employees' decision making. This chapter deals with the review of related literature on ethics that are relevant to the hospitality and tourism industry. It considers issues regarding the ethical aspects and practices of the industry. Among the sections covered in this chapter are the codes of ethics, tourism and ethics, ethical decision making in the hotel and tourism industry, perception of ethical problem and ethical intentions and challenges of ethical issues.

#### **Tourism and Ethics**

Ethical issues in the field of hospitality and tourism have the power to affect the different forms of knowledge while preserving their origins and very essence. These are the promotion of exchanges between cultures and traditions and the facilitation of mutual understanding between people. Furthermore, ethics recall the concept of responsibility, built on a concept of an individual, able to make his/her own choices and responsible for his/her own destiny. For this reason, ethics fit in the path leading towards people's emancipation: a path that, in our times of "general mobilisation", calls for new rules of behaviour, new ideas, new interventions (Veca, 2010).

Tourism is considered a social activity, but it cannot be reduced only to the social side because it is relationally linked to a wide variety of objects. It is also linked to machines, systems, texts, non-humans, bureaucracies and times without which it would not happen and could not have become what it has. It has many aspects and dimensions and as such, there is the need to acknowledge the relevance of the ethical dimension. This is a dimension that makes people reflect on their own values, behaviour, principles and choices (Veca, 2010).

Since business ethics has always been heavily influenced by society and the environment in which it flourishes, the society, with its organizations and institutions, its culture, habits and values, has created an appropriate legal and political environment that influences ethics in business. Ethics in business is also influenced by one's conduct, which is again a product of society and social relations within which the moral opinion of the individual is shaped in relation to what is good and right and what is not. Every society consists of people who are connected to some common goals and whose activities are regulated so that these objectives are successfully implemented through the institutions of society. Cialdini et al. (2004) believe that with time, an unethical organisation is likely to have employees who are disproportionately dishonest. An unethical organisation will not merely select and retain dishonest employees but also create them as well.

The substantial growth of tourism activity clearly marks tourism as one of the most remarkable economic and social phenomena of the past century. The number of international arrivals shows an evolution from a mere 25 million international arrivals in 1950 to over 700 million in 2002, corresponding to an

average annual growth rate of 6.6% [World Tourism Organization, (WTO) 2005]. In addition to the numerical growth of tourism, there has been an increasing geographic spread of tourism to encompass almost all the reaches of the globe. Simultaneously, there has been a diversification of the tourism product from the traditional sun, sea and sand offerings to a product that can be potentially more intrusive or more beneficial for those living in the tourism destination. Ecotourism is a typical example where community members benefit directly from tourism activities.

Tourism's expansion has meant the industry now represents the leading source of foreign exchange in at least 38% of countries, and ranks in the top five industries for exports in 83% of countries (WTO, 2005). However, in addition to the cited economic indicators displaying the dominance of the tourism industry, there has been a commensurate and almost equally well-publicized rise and recognition of the potentially negative impacts of the burgeoning tourism industry (Archer et al., 2005). Researchers have been critical of the pernicious social and environmental impacts the industry can have from reinforcing western domination over developing countries through the 'host/guest' relationship (Smith and Brent, 2001) to the visual scars on the landscape caused by ski resorts or golf courses (Hudson, 2000). This has led to calls for the industry to exercise greater responsibility and professionalism in order to protect the "golden goose" and mirror the arguments for greater corporate social responsibility in other industries.

Tourism organizations are beginning to realize that promoting their ethical stance can be good business as it potentially enhances a company's profits,



management effectiveness, public image and employee relations (Fleckenstein and Huebsch, 1999; Hudson and Miller, 2005). Yet, although more attention is now being paid to ethics in tourism (Holden, 2003; Kalisch, 2002) there is a very weak foundation of research into the study of tourism ethics to date (Fennell, 1999). The consequence is that the arguments presented for and against ethics in tourism are often simplistic and largely without any practical evidence.

### **Codes of Ethics**

The word ethics is derived from the Greek word ethos, which means "character," and from the Latin word mores, which means "customs" Due to the etymology of the word's development and current usage, the meaning of ethics may vary slightly as to when and how it is used. One of the great philosophers who first studied the concept of ethics was Aristotle. Aristotle realised that the concept of ethics went beyond a moral, religious or legal concept, and encompasses knowledge that actions are accomplished for the betterment of the common good. He asked whether actions performed by individuals or groups are good both for an individual or a group, and for society. To determine what is ethically good for the individual and for society, Aristotle said, it is necessary to possess three virtues of practical wisdom: temperance, courage, and justice.

In this time of development that many organisations struggle to survive in a highly uncertain and turbulent environment, the organisations do not have any option but to carve out a space for themselves in the global economic order. As a result of competition, such organisations can no longer afford to remain passive recipients of environmental forces; instead their sustainability and growth will

depend on becoming active agents in transforming the environment to make it conducive to give expression to their ideas and intentions. These desires have led many hospitality and business organisations to develop vision and articulate a set of values providing focus to their responses to the demands of internal and external stakeholders. Though there are laws governing the operation of every business or firm, these laws can be neutral on ethical issues, or they can be used to endorse ethics that are operational in the organisation or business. The prologue to the U.S. Constitution states that “Ensuring domestic tranquillity is an objective of government” (<http://billofrightsintstitute.org/founding-documents/constitution/>). This is considered as an ethically neutral statement.

The ethical codes are a written set of guidelines issued by organisation to its members to help them conduct their actions in accordance with its primary values and ethical standards. As far as these codes are concerned, they are considered principles of conduct for employees and management in an organisation to guide their decision making and behaviour. The purpose of the code is to provide members and other interested persons with guidelines for making ethical choices in the conduct of their work. Each member of an organization adopts a code of ethics to share a dedication to ethical behaviour set by the organisation and adopts this code to declare the organisation's principles and standards of practice (<http://definitions.uslegal.com/c/code-of-ethics/>). This makes code of ethics compulsion for any group that decides to come together to interact with others. This explains why organizations and communities that may be considered criminal have their own ethical code of conduct, be it official or

unofficial. The unofficial code of conduct include culturally accepted norms in the society that could be applied in the field of business. They are therefore referred to as culture-induced etiquette and they help to brand businesses in the areas where these are applied. These are not standards ethical practices in themselves but help to enhance ethical behaviours that are related to businesses.

Again, a code of ethics provides members of an organisation with standards of behaviour and principles to be observed regarding their moral and professional obligations toward one another, their clients, and society in general. The primary function of a code of ethics is to provide guidance to employers and employees in ethical dilemmas, especially those that are particularly ambiguous. An ethical code is adopted by an organization in an attempt to assist those in the organization called upon to make a decision. This helps them to understand the difference between 'right' and 'wrong' and to apply this understanding to their decision. Ethical codes are often adopted by management, not because of some over-riding corporate mission to promote a particular moral theory, but accepted as pragmatic necessities in running an organization in a complex society in which moral concepts play an important part. Codes of ethics are distinct from moral codes that may apply to the culture, education, and religion of a whole society.

There are certain acts that constitute a violation of ethical codes and such acts may also violate a law or regulation and can be punishable by law or by government agency remedies. The most common violations of ethical codes that are brought before state professional associations and the legal system are breach of contract, including that resulting from incompetent behaviour or decisions or

from failure to exercise good faith, fraud or an intent to deceive; and professional malpractice or negligence, which include incompetence and the performance of unnecessary services (<http://legal-dictionary.thefreedictionary.com/EthicsLegal>).

The code of ethics therefore implies documents at three levels: codes of business ethics, codes of conduct for employees and codes of professional practice. With reference to code of business ethics, it often focuses on social issues. It may set out general principles about an organization's beliefs on matters such as mission, quality, privacy or the environment. It may delineate proper procedures to determine whether a violation of the code of ethics has occurred and, if so, what remedies should be imposed. The effectiveness of such codes of ethics depends on the extent to which management supports them with sanctions and rewards. The code of ethics links to and gives rise to a code of conduct for employees. Basically business ethics deal with the moral beliefs of the owner(s) of the business towards the employees.

A code of conduct for employees on the other hand sets out the procedures to be used in specific ethical situations, such as conflicts of interest or the acceptance of gifts, and delineate the procedures to determine whether a violation of the code of ethics occurred and, if so, what remedies should be imposed. The effectiveness of such codes of ethics depends on the extent to which management supports them with sanctions and rewards. Violations of a code of conduct may subject the violator to the organization's remedies which can under particular circumstances result in the termination of employment.

As far as code of practice is concerned, it is adopted by a profession or by a governmental or non-governmental organization to regulate that profession. A code of practice may be styled as a code of professional responsibilities, which will discuss difficult issues, difficult decisions that will often need to be made, and provide a clear account of what behaviour is considered "ethical" or "correct" or "right" in the circumstances.

In Europe, Australia and the USA, there has been a large increase in the number of corporations choosing to adopt an ethical code of conduct (Adams, Tashchian and Stone, 2001; Kaye, 1992; Post, Lawrence, and Weber, 2002; Reynolds, 2000; Somers, 2001). This has occurred partly because it is good managerial practice (Paine, 1996) with respect to both internal and external stakeholders (Murphy, 1988; Trevino and Nelson, 1999), and partly because it is a form of federal legislation (Weaver, Trevino, and Cochran, 1999). In addition, multinational organizations also use the ethical code of conduct as an instrument to guide ethical decision making processes so as to over-rule differences in the ethical norms of employees from different cultures (Robertson and Fadil, 1998). Most business corporations spend enormous funds on a range of formal methods used in the process of ethical code of conduct implementation thus designing the code, training, courses, means of enforcement, and others. Yet, unethical business practices on a large scale are still committed, even by business corporations that have adopted an ethical code of conduct and established it by formal methods in their corporations.

Code of ethics often serves as the starting point for an ethics and compliance programme and related training in organisation. As such, it is essential that the code of ethics be clear and meaningful to every person in the organization, taking into account varying roles and responsibilities. Stevens (1999) admits that ethical codes represent a good start but they cannot exist on their own. Codes are successful when employees intuitively know what to do and how to act accordingly, and that code of ethics must reflect ideals in which people believe. They must become part of the organizational culture so that they are interwoven into the organizational fabric. Based on this, there is the need to create an ethical culture in organisations. There is the need to instil values of professionalism and integrity in every person throughout his/her career with the organization. It requires making use of every “touch point” the organization has with every employee or potential employee to regularly communicate and reinforce ethics and compliance messages rather than concentrating on routine training of employees. Organizational values, loyalties and norms shape the behaviour of members. Shared values are critical to behaviour and they determine how members perceive problems and make decisions. Since they are grounded in core beliefs about human character and morality, they affect basic motivation. Considering the nature of codes of ethics and its applicability in the hotel and tourism industry, this study seeks to examine how employees in the hotel industry make use of the ethical knowledge provided by organisations and how these are translated into observable behaviours during service delivery.

### **Role of Code of Ethics in Hotel Industry**

Expression of unethical behaviour depends on the individual and the organization in which the individual is employed. Codes of ethics are important in regulating the conduct of employees in organizations. The concept of a code derived from the Latin word “codex” which means the Legal Code is a set of principles in the field of morals and professional ethics which serve as guidelines for professional work and public activities of all members of the organization (Ratkovic, 2009). It is a set of rules, norms of moral character that regulate the behaviour of members of a profession. These rules have a universal character in a society. Ethical codes define values and behaviour based on them. They establish high moral levels in organizations relating to behaviours expected from employees that may or may not be tolerated. This establishes the norms and beliefs of the organization, and through this an intention to encourage a desirable model of thinking ([http://www.linkelearning.com/dlmaterijali/materijali/DLPE/SadrzajNJpdf/PE\\_07.pdf](http://www.linkelearning.com/dlmaterijali/materijali/DLPE/SadrzajNJpdf/PE_07.pdf)).

Ethical codes define ethical standards, regulate norms of ethical conduct, and as well sanctions in case of failure. Ethical codes are usually connected with activities of organizations. Stevens (2008) is of the view that corporate ethical codes can be an effective instrument for moulding employee behaviour and guiding ethical decision making when they are embedded in the organizational culture and are communicated to employees effectively. Organizations adopt codes of ethics in order to improve the relationship that concerns moral problems. It is the written rules of conduct while making business decisions in different

situations. There is the possibility that, ethical code awareness in an organisation may influence employee perceptions' of the organization's ethical values. Adams, Tashchian, and Shore (2001) realised from their study that, individuals who reported the existence of a formal ethics code evaluated their companies' ethical position more highly than individuals in other companies. Many companies and organizations in the tourism industry have developed codes of ethics. Codes of ethics are different from the ethical rules. With codes of ethics the moral level of employees are raised. The implication is that ethics become institutionalized without compromising on individual ethical stance. The ethical codes of organisations cause employees to believe that the organizations' norms and values are in line with their own norms and values which may also lead to higher levels of organizational commitment (Finegan 2000, Schwepker, 2001).

Successful organizations in tourism are able to reconcile economic, ethical, environmental, legal and social responsibilities. Economic responsibility means responsibility for fulfilling the goals of the organization. In profitable organizations it means profit. That is why it is called economic responsibility. Legal responsibility means respecting the laws and regulations, but also internal documents of the organization. Ethical responsibility deals with a set and application of personal norms in business and achieving goals of the organization. Ecological responsibility involves examining the relations of the organization and the environment in which they operate as well as the development of such businesses that will not have a negative effect on nature and wildlife. Social responsibility is largely associated with ethical business management, and



includes the obligation of management to create appropriate choices and to take those actions which will contribute to the welfare and interests of society and the organization. The tourist organization needs to operate in a socially responsible way and to contribute to solving problems in society through employment and fair payment of employees. It has an impact on the prevention and resolution of the surrounding environmental problems, affects the improvement of education, arts and health of the community and improves government administration enabling the involvement of managers in government positions (Vukicevic, 2007).

### **Scope of Ethics and Tourism**

Whitney (1992) realised the need to consider ethical issues in the tourism and hospitality industry due to the number of people involved and the economic benefits that tourism generates internationally. Clearly, ethics is an integral part of providing a quality service both domestically and in foreign markets, and the competitive advantage in the global market is with the ethical, quality driven enterprise. But the scope of the tourism industry does not limit itself to the participants in a business transaction, service providers and consumers. Tourism affects a broad range of the population, socially and culturally, in the communities that have become tourism destinations, and it also affects natural environments which are often the primary reason for people to travel. A myriad of issues and problems in the tourism industry can be tied to ethics or lack of it thereof. However, it is surprising to notice the lack of attention ethics has received in the tourism literature until recently.

For Krippendorf (1991), tourism is the industry of the holiday companies, travel agents, transport firms, building companies, caravan manufacturers, cable railway operators, ski manufacturers, souvenir sellers, the car industry, banks, insurance companies, an industry with its own laws, its own legitimacy. Each struggles for more turnover, for a greater share of the market. Each will sacrifice everything and operate with the most stringent marketing methods to reach its target. These remarks make people better understand why the attempt to set ethical guidelines for the tourism industry has been troublesome. It is often difficult to delimit the extent of tourism activities in an economy, which go much beyond the provision of transportation, accommodation, and entertainment of travellers. Many tourism planning, development, and marketing actions are also made by government controlled public organizations. Therefore, tourism ethics should not only apply to a myriad of private businesses, but to governmental and non-governmental organizations as well.

Business ethics has only existed as an academic field since the 1970s. During the 1960s, corporations found themselves increasingly under attack over unethical conduct. As a response to this, corporations - most notably in the US - developed social responsibility programmes which usually involved charitable donations and funding local community projects. This practice was mostly ad hoc and unorganised varying from industry to industry and company to company. Business schools in large universities began to incorporate 'social responsibility' courses into their syllabi around this time but it was mostly focused on the law and management strategy.

Social responsibility has been described as being a pyramid with four types of responsibility involved - economic (on the bottom level), then legal, ethical and finally philanthropic. Ethical issues were dealt with in social issues courses however, and were not considered in their own right until the 1970s when philosophers began to write on the subject of business ethics. Previous to this development, only management professionals, theologians and journalists had been highlighting problems of this nature on a regular basis.

Individual behaviour to a large extent is a function of personality development that takes place in a given cultural environment. Consequently, differences in work related behaviour can also be attributed to the differences existing in social/regional cultural construct (commonly known as social background/native factor) to which an individual belongs. This is because individuals, while they come to work in organisations, do not leave part of their personalities at home; rather they execute their work along with their social, cultural, regional and other biases and preferences that reside in them by virtue of being the part of a particular national/social/regional culture (Rohmetra, 2000).

The term work ethics addresses ethical issues encountered within and between organisations. In other words, the part of ethics which is concerned with ethical behaviour of people as employees in organisation is known as work ethics. As Petrick and Quinn (1997) put it: "Work character ethics maintain that the identification and responsible development of noble, reflective, practitioner traits at work such a competence, creativity, honesty, fairness, trust worthiness, co-worker appreciation, task competition, honour, loyalty, shared work pride,

diligence, resourcefulness, level headedness, tolerance, dependability, civility, empathy, conscientiousness, discretion, patient urgency, cooperativeness, and supportiveness determine both the instrumental and intrinsic ethical quality of work life."

Rawls (1971) argued that social justice results from fairness in the basic structures and procedures of society. He defined fair procedures or social structures to be those that will be agreed to or endorsed by individuals who are informed of the structures or procedures in question and who know that they will occur in some position in society but who do not know what position it would be. In the hotel and tourism industry, customers and employees are expected to exhibit ethical behaviours that is fair to each party. Employees and customers behaviours will show whether they understand ethical practices in the hotel and tourism industry.

### **Ethical Behaviours in Hotel and Tourism Industry**

Ethical behaviour have been looked at from different perspectives. Bartlett and Preston, (2000) look at it as relating to being nice, controlled and altruistic. However, empirical studies have elaborated it to contain more than this general perception. There has been increasing research interest in business ethics in reaction to public scepticism about the integrity of business arising from blatant examples of ethically questionable behaviour (Agarwal and Malloy, 1999; Christie et al., 2003; and Siu and Lam, 2009). Over the years, most studies on business ethics related to managers' ethical attitudes.

As far as business ethics is concerned, the pertinent questions usually revolves essentially around two issues: Why be ethical? and What does ethics require of people engaged in the business of business? The fact that business ethics revolves around these two questions, however, has a perplexing character that is both practical and theoretical (Cragg, 2002). It is quintessential that as a business one must engage in profit-making ventures however, it is vital that the organization establishes certain core values and principles which serve as guidelines on a proper ethical behaviour. Thus, Ethical values indicate a position on important moral concerns and ultimately serve as a roadmap for the management of different business practices (e.g., Hunt et al., 1989; Sims, 1991, 1992; Trevino, 1986; Trevino and Nelson, 1999). Gaining the trust and loyalty of the customer is the root of ethical behaviour. Afza, (2000) indicates, ethical behaviour encompasses trust which enhances productivity, thus the ethical perceptions and practices of employees in the hotel industry are quintessential to its success. The loyalty of key stakeholders such as customers and employees will go a long way to bring about the success of the business since it brings about repeat visits, high performance, among others. Hence, a positive outlook and attitude in the workplace can go a long way to increase the productivity level of the industry.

The tourism industry being a service delivery industry requires a high level of intellectual and professional exchange between customers and employees, thus making it essential in the adaptation of a high standard of ethical codes. Bondzi-Simpson (2013) is of the view that, in terms of development of

institutions, there should be some form of guiding behaviour, sanctioning misbehaviour and the provision of institutional framework. These could have positive developmental impacts on hotels and sustain the hotel business. In order to ensure success, the tourism business should not focus on solely profit-making ventures but rather, the needs for credibility or society's consent to be able to act and achieve its objectives (García-Marzá, 2005) Credibility (Thommen, 2003) is considered as one of the very fundamental characteristic of an organisation without which the organisation cannot introduce and realize business ethics. An organisation's ethical behaviour demands a conscious and positive attitude from the organisation's key stakeholders towards the organisation's core values, culture and climate in a way that stimulates the desired achievement of business ethics (Belak, 2009; Bishop, 1991; Falkenberg and Herremans, 1995; Kaptein, 2002; Kaptein and Avelino, 2005; Lindgreen et al., 2008; Mujtaba and Sims, 2006).

Nevertheless, ethical behaviours in business organizations are known to be a complex multi-faceted problem with significant individual and situational dimensions. This has been enshrined in the theoretical model on ethical behaviour of Stead, Worrel and Stead, (1994). The adaptation of an organisational ethical behaviour is influenced by the key stakeholders, thus the managers, the employees and the customers. According to Siu and Lam (2009), managers have political power to shape the organization's culture and the behaviour of their subordinates. It is therefore, their orientations and beliefs that will inevitably influence ethics in the workplace. It is essential for management to place

emphasis on improving organizational core values which stakeholders can use as guidelines to promote organisational success.

### **Ethical Decision Making**

Decision making is an integral part of the day to day running of businesses in the tourism and hospitality industry. Whiles every bit of decision in the service industry goes a long way to influence the expectations and satisfaction of customers, there is the need to monitor ethical decision making in the tourism and hospitality industry. An individual's moral philosophy is considered a key variable in determining ethical decisions (Ferrell and Gresham, 1985; Hunt and Vitell, 1986). Loe, Ferrell, and Mansfield (2000) identified moral philosophy as an important factor which has been empirically examined to influence moral decision making. However, based on the principles of Justice, Rawls (1971) proposed that ethics of an act are determined by the degree to which opportunity, wealth, and burden are equally available to all members of society. Justice perceptions in the workplace have a significant impact on a variety of work attitudes and behaviours (Colquitt, Conlon, Wesson, Porter, and Ng, 2001), such as job satisfaction (Leung, Smith, Wang and Sun, 1996), perceived organizational support (Ambrose and Schminke, 2003), organizational citizenship behaviour (Kamdar, McAllister, and Turban, 2006), and antisocial work behaviour (Thau, Aquino, and Wittek, 2007).

Ethics theories have consistently recognized the roles of moral philosophies as determinants of ethical decisions (e.g., Ferrell and Gresham, 1985; Hunt and Vitell, 1986). The individual has the moral obligation to treat

people equally unless there is some morally significant difference between them and to distribute goods and opportunities in accordance with people's entitlements (Gupta, 2010). Nevertheless, there are no universally accepted rules in approaching ethical issues across different countries; that is why the understanding of how business people in different countries make judgments about business situations involving ethical dilemmas is becoming more and more important (Karande, Rao, and Singhapakdi, 2002).

As far as actions at the workplace are concerned, the cognitive-developmental approach has been successfully used in applied research to provide insight into factors that influence individuals' ethical actions (e.g., Ford and Richardson, 1994a; Ferrell and Gresham, 1985; Jones, 1991; Robertson and Ross, 1995; Trevino, 1986). Although some have criticized the cognitive-developmental perspective as being inapplicable across gender and culture (e.g., Gilligan, 1982), this criticism has not been empirically substantiated (Rest, 1983; Rest et al., 1998; Nisan and Kohlberg, 1982; Snarey, 1985). Rest, Thoma, Moon, and Getz, (1986) and Snarey (1985) conclude that, the empirical evidence is overwhelming in support of the existence of a general developmental trend in ethical cognitive capability across cultures. Rest's Model of Moral Action describes four components of the ethical reasoning process, each involving a psychological process and outcome, which lead to an individual's ethical action. These components are the identification of an ethical dilemma, the prescriptive judgment, the intention to act and ethical action.



Ethical sensitivity initiates the ethical reasoning process through the identification of an ethical dilemma. Ethical sensitivity reflects an awareness that the resolution of a particular dilemma may affect the welfare of others (Rest, 1994). Once an ethical dilemma has been identified, individuals enter a process of prescriptive reasoning in which they evaluate the ideal outcomes that ought to occur in a given situation (Kohlberg, 1976; Rest, 1979). The outcome of an individual's prescriptive reasoning process is a prescriptive judgment of what ought to be done to resolve an ethical dilemma (Rawls, 1971). Next, an individual deliberates on the formulation of his or her intention to act on an ethical dilemma. Deliberative reasoning involves a value assessment of the "ethical" choice versus other decision alternatives. Finally, an individual's ethical action is a function of one's deliberative choice and personal characteristics, such as ego strength and locus of control (Rest, 1994; Trevino, 1986). For example, a weak-willed person may choose to act in a given manner, but is unable to follow through in the decision choice due to lack of ethical character.

From Ushedo and Ehiri (2006) perspectives, issues concerning existing persons and the exploration of motives behind decisions are hard enough to manage, but the difficulties become greater as one delves into decisions that have implications for both present and future generations.

Decision making is defined as a process which has a starting point and in which different work, activity or opinions follow each other beginning from point and which ends with a choice to be made. Decision making is considerably an extensive process consisting of stages complementing each other. This process

has to be conducted no matter what the kind or the quality of the decision taken is. For that reason, the traditional (general) decision making process should be applied while making ethical decisions as occurs in other decision making activities.

Ethical decision making is a subject attracting great attention in the literature on work ethics. A great number of researchers have developed a variety of conceptual models aimed at explaining or predicting the process in which a manager makes an ethical decision. Among these ethical decision making models, Kohlberg's (1969) Cognitive Moral Developmental Model, Ferrell and Gresham's (1985) Probability Model in Decision Making, Hunt and Vitell's (1986) General Theory of Marketing Ethics can be listed. Apart from them, Trevino's (1986) Interaction of Individual-Situational Factors Model and Jones' (1991) Moral Density Model can be taken into consideration. None of these models asserted an applied working base directed toward the ethical decision making process, rather they remained limited to the testing of these theories (Trevino, 1986; Ford & Richardson, 1994b, p. 205).

In general, ethical decision making models divide the individuals' assumed effects on decision behaviour into two broad categories. The first one includes the variables combined with an individual decision maker. The second one, on the other hand, shapes the content of the variables in individual decision-making and explains the situation (Ford and Richardson, 1994b).

The two other approaches to ethical decision-making which have received most attention in the review of literature are those reliant on the theories of

deontology and teleology (McDonald and Beck-Dudley, 1994). A deontological approach enjoys a rich historical legacy, dating back to philosophers such as Socrates, Simon Hudson and Graham Miller and more recently to the work of Kant. Deontology is concerned with the idea of universal truths and principles, which should be adhered to regardless of the circumstances. Kant's categorical imperative states that, a person faced with a problem should be able to respond consistently and in conformity with their moral principles and also feel comfortable with the decision being made in full view of others. Thus, ethical decisions are made in view of expected outcomes, which eliminate the universality of decisions and subordinates principles to context. A common expression for the two approaches would be that deontology places the means as more important than the end, while for teleology it is the end that justifies the means.

Understanding these theories helps to successfully employ the various “tools” that exist to control the tourism industry, ranging from market-based instruments such as taxes through to more command and control instruments such as legislation.

For a deontologist, breaking the law would contravene their view of ethics and so the legislation would be abided by almost regardless of the value of the legislation. Yet, a teleologist would consider the consequences of not abiding by the law and would weigh this against the benefits of breaking the law. If employees in the tourism industry seem to adopt a teleological approach to ethical dilemmas, then legislation can only expect to be effective if accompanied by

stringent penalties that make the outlawed behaviour not worthwhile, and hence the need to understand how decisions are made. Stevens (2001) point to the increasing prevalence of codes of ethics employed by the tourism industry as a tool to provide guidance to employees when making decisions.

An important contribution in this area has been made by the World Tourism Organization, which in 1999 approved the Global Code of Ethics for Tourism that consolidated and reinforced previous recommendations and declarations on sustainable tourism. The Code aims to preserve the world's natural resources and cultural heritage from disruptive tourist activities and to ensure a fair and equitable sharing of benefits that arise out of tourism with the residents of tourism destinations. Yet the code is not supported by an understanding of how industry practitioners make their decisions. Indeed, the lack of awareness within the industry of the code would indicate the code is not a particularly effective tool.

### **Ethical Issues and Ethical Decision Making**

Ethical or unethical behaviour and judgment usually occur in situations that raise ethical considerations or issues. "An ethical issue is a problem, situation or opportunity requiring an individual or organization to choose among several actions that must be evaluated as right or wrong, ethical or unethical" (Ferrell & Fraedrich, 1991). Ethical issues are equivocal, meaning that they can be interpreted in more than one way, and are uncertain with regard to the future (Sonenshein, 2007). Ethical issues may be problematic because they are non-traditional: they have not been encountered in the past and do not easily fit into

well-used categorization schemes (Clegg, Courpasson, and Phillips, 2006). Issues may also be problematic because of the feeling they evoke or because they contain a dilemma of some kind (Dutton and Dukerich, 1991). Situations that are ambiguous and uncertain elicit a process of sense making and issue construction (Weick, 1995) through which people frame the situation and create rational accounts that enable them to take action (Weick and Roberts, 1993; Maitlis, 2005). An important factor that has been found to affect this process is the moral intensity of an issue or a dilemma (Jones, 1991). The moral intensity of a situation is determined by six factors: the magnitude of consequences of the act, the social consensus regarding the act, the probability of effect, the temporal immediacy of the results, the proximity to the object, and the concentration of the effect (Jones, 1991). Research shows that, the moral intensity of an issue has a fundamental impact on ethical decision making (Jones, 1991; Weber, 1996; Douglas, Davidson, and Schwartz, 2001; Fritzsche & Becker, 1983; Kish-Gephart, Harrison, and Trevino, 2010). Weber (1990), for example, found that different types of moral issues elicit different levels of moral reasoning. Respondents in Fritzsche and Becker's (1983), study reported that they would act more ethically in dilemmas involving serious consequences than in less risky situations. Kelly and Elm (2003), found that the moral intensity of an issue also influences the recognition of an issue as an ethical dilemma. Another factor that has been found to be involved in the recognition of the ethical content of an issue is moral philosophy. It has been suggested that to varying degrees and extents individuals appear to rely, knowingly or unknowingly, on different strains of moral

philosophy for assessing the ethical content of a particular issue (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Riedenbach & Robin, 1990). The extent of this awareness is not known, but the language of some of the ethical philosophies is clearly represented in the evaluative ethical process and in people's ethical reasoning. Moreover, researches that explored individuals' verbal responses to different ethical dilemmas demonstrate that individuals assign different reasoning criteria to different issues (Fritzsche and Becker, 1983; Premeaux and Mondy, 1993; Premeaux, 2004). Redenbacher and Robin (1988), for example, found that different scenarios' content elicited different organization of response criteria from respondents and suggested that individuals organize and use the evaluative ethical criteria differently from situation to situation. Given the diversity of ethical issues within organizations, it is reasonable to speculate that certain issues are logically connected to some ethical principles and not to others. Issues that involve the distribution of benefits, for example, may elicit criteria related to justice or rights, whereas conflicts of interest situations may focus the individual's attention to ethical criteria grounded in egoism, utilitarian considerations, or deontology.

Following the decision making model, ethical theories play an important part in the decision-making process from its beginning, with the recognition and framing of the ethical issue, through the evaluation and judgment stages, and until an intended decision is made and reasoned when needed. Moreover, following previous research, we can learn about the role of ethical theories in decision making through exploration of individuals' ethical reasoning.

### **Perception of Ethical Problem and Ethical Intentions**

Perception of an ethical problem is an important construct in the ethical decision making process. The rationale behind this is that an individual should be able to perceive that an ethical dilemma exists before he or she will engage in the process of ethical decision making. Consistent with this assumption, Hunt and Vitell (1986) depict a “perceived ethical problem” as a triggering mechanism for their model. According to them, a marketer must first perceive that a situation has an ethical issue or problem before he/she makes ethical decisions or goes through the decision making process: “If the individual does not perceive some ethical content in a problem situation, subsequent elements of the model do not come into play” (Hunt and Vitell, 1986, p. 761).

*Perceived ethical problem*, therefore, can be defined as a degree to which a respondent agrees that a situation has problematic ethical content. This construct is similar to Jones’ (1991) conceptualization of “moral intensity.” Jones (1991) defines “moral intensity” as the “extent of issue-related moral imperative in a situation” (p. 372). Both Jones (1991) and Hunt and Vitell (1986) have recognized that several background variables influence the degree of perception of an ethical problem. As stated earlier, Hunt and Vitell (1993) explicitly stated that a marketer’s ethical perceptions will be influenced by his or her religiousness. Although previous research has examined the influence of background variables such as gender, income, personality, and professional environment (Singhapakdi and Vitell, 1990), no one has examined the impact of religiousness on perception of an ethical problem. While some ethical issues are hyped within the hotel

industry, others are kept silent. People are quick to respond to some ethical issues in the hotel industry and others are not. Jones (1991) classified ethical issues as those with high intensity and those with low intensity. With high intensity ethical issues, respondents are more likely to respond according to ethical principles if the issue is deemed as important. However, with the low intensity, respondents may not be willing to talk about the issue because of little importance attached to it. Sergeant and Frenkel (2000), realized that studies of the desired outcomes of service worker-customer interaction, observe that the attitudes and behaviour of customer-contact workers are the most salient factor in customers' evaluations of service performance (Sergeant and Frenkel, 2000).

### **Socio-Demographic Background and Ethical Implications in Hotels**

Globalization trends, technological innovations and advancement and market changes have altered the face of service industries. Every service industry must therefore maintain and further enhance their competitive edge in improving employee's quality service which is crucial for achieving their goals (Collins, 2007; Agut et al., 2003). In the wake of this, an individual's belief on work ethics becomes his/her basic scope for all judgments as well as temptations. An employee's individual ethical beliefs affect the final judgments of the individual's work related challenges on ethics. As far as ethics is concerned, the central problem related to it deals with how the lives, interests, and welfare of others make claims on another person and how these claims are to be reconciled with the aim of living the individual's own lives. The hotel industry is flaunted with a multiplicity of individuals' perspectives, desires and preferences. One of the key



issues that need to be considered is the extent to which the power of an individual comes to play in determining the objective value of service satisfaction for the employees' own desires and preferences.

Some researchers have discovered that self-interest amongst managers can impinge on their individual ethics and could result in increased unethical behaviour (Hoffman et al., 1998). This typically shows that the individual's crucial choices between interests and ethics will necessarily impact on business ethics, for better or worse (Rieck, 1998). The general perception of the hotel industry is that it is viewed as a low-level job. Employees deal with measurable and infinitesimal tasks on the job. This creates a different impression on the workers and customers' minds leading to different behavioural and attitudinal changes at the workplace. However, hotel ethics is gradually changing to suit current development and technology. The hospitality product is considered as soft products and employees deliver them with emotions and beauty. Some employees now go beyond what is considered as normal because of competition and service quality. It has been realized that business ethics is based on respect for the rights and interests of others and achieving general social interests, which includes quality working environment where business success, competitiveness and profits do not depend on anything else than the rights and duties that are applied in decision making (Trifunovic, 2005).

In terms of employees' value on the job, there has been extensive theoretical discussion and empirical examination of the role that different cultural value systems and teachings have on perceptions of situations involving ethical

issues (Kracher et al., 2002; Palazzo, 2002; Thorne and Saunders, 2002). In such instances, there would be interplay of cultural values in service delivery at hotels. These cultural values, good and bad, are brought to the workplace to impact on the hotel operational activities and customers. In many cases, customers' contacts with employees are often the first and only representation of the hotel service visible to the customer. This has been described as the moment of truth or part of the service encounter. Therefore, the success and failure of a hotel in the service delivery could largely depend on the attitudes and behaviours of contact employees. Some researchers (Adelman et al., 1994; Bitner, 1990; and King, 1985) have observed that the interpersonal element of service performance is a major factor affecting service quality and customer satisfaction, especially in services with a high level of interaction between customers and employees.

### **Ethics in International Tourism**

As movement increases from one region to the other, interactions and understanding also increases from one culture to the other. All other things being equal, the closer the distance between two different cultures, the more likely they will understand each other. The tourism and hospitality industry brings people closer to each other and to their cultural environment.

The business and economic environment of the hotel and tourism industry should develop what is considered to be the right direction in business as a way to express the ethical dimension inherent in the business domain. If these are not considered, moral practices and ethical reflection and theory, or "business and economic ethics" will be at stake. This is necessary because, the further

globalization advances the greater and more complex the practical and theoretical challenges become in the hospitality and tourism industry (Enderle, 2000). When this happens, the contestable issue will not only rest on societal relations as have been addressed by John Rawls (1999) in *The Law of Peoples* but will also increase from person-to-person relations in multiple institutions across national borders. Based on this, employees and employers in the hospitality and tourism industry have to come to grips with cultural and religious pluralism worldwide and increasingly also within countries and cultures, and strive for a common ethical ground for common challenges which may be called Global ethics. Gilman and Lewis (1996) admitted that there are wide differences in observable patterns of administrative ethics between nations and single systems within a particular nation. Ethical patterns may even change over time.

### **Challenges of Ethical Issues**

According to Ferrell and Fraedrich (1991), "an ethical issue is a problem, situation or opportunity requiring an individual or organization to choose among several actions that must be evaluated as right or wrong; ethical or unethical." Josephson helps us to understand an ethical issue when he states that conduct has a significant ethical dimension if it involves dishonesty, hypocrisy, disloyalty, unfairness, illegality, injurious acts, or unaccountability. These represent at least two ways of thinking about ethical issues managers face.

Managers face many such ethical issues and these issues may be grouped according to different levels at which they occur. Managers experience ethical

issues at the personal, organizational, trade/professional, societal and global levels (Carroll 1996).

Furthermore, ethical issues may be categorized in a number of different ways. Vitell and Festervand identify conflicts between companies' or managers' interests and personal ethics. In their study, these issues arise between managers and their conflicts with such stakeholder groups as customers, suppliers, employees, competitors, law and government, superiors, wholesalers, and retailers. In terms of specific issues, these same researchers see ethical conflicts arising in these situations: the giving of gifts and kickbacks, fairness and discrimination, price collusion and pricing practices, firings and layoffs and honesty in communications and executing contracts with investors (Vitell and Festervand 1987).

According to a major report from The Conference Board, there is widespread agreement that the following constitute ethical issues for managers: employee conflicts of interest, inappropriate gifts, sexual harassment, unauthorized payments, affirmative action, employee privacy, and environmental issues (Berenbeim 1987, 3). In this same report, CEOs reported specific topics which constituted ethical issues for them, which were categorized as follows:

1. *Equity*: Executive salaries, comparable worth, product pricing
2. *Rights*: Corporate due process, employee health screening, privacy, sexual harassment, affirmative action/equal employment opportunity

3. *Honesty*: Employee conflicts of interest, security of employee records, inappropriate gifts, unauthorized payments to foreign officials, advertising content
4. *Exercise of corporate power*: Political action committees, workplace/product safety, environmental issues, disinvestment, corporate contributions, closures/downsizings.

Finally, Waters, Bird and Chant (1986) provide us with insights into what managers consider to be ethical issues based on their research using open-ended interviews with managers in a variety of organizational positions. In response to the question "What ethical questions come up or have come up in the course of your work life?" the following ethical, or moral, issues were identified most frequently:

1. With respect to *employees*: feedback about performance and standing; employment security; appropriate working conditions
2. With respect to *peers* and *superiors*: truth-telling, loyalty and support
3. With respect to *customers*: fair treatment, truth-telling, questionable practices, collusion
4. With respect to *suppliers*: fair/impartial treatment, balanced relationship, unfair pressure tactics, truth-telling
5. With respect to *other stakeholders*: respecting legal constraints, truth-telling in public relations, stockholder interests

To be sure, managers face many situations in which ethical issues arise. These situations may occur at a multitude of levels; they involve multiple stakeholders,

and they may be categorized or perceived in different ways. What do they have in common? Virtually all ethical issues managers face may be characterized as a conflict of interest. The conflict usually arises between the manager's own values or ethics and those of his or her employer, employees, or some other stakeholder group which has an interest in the decision.

### **Summary of Chapter**

This chapter has reviewed literature on ethics and tourism. Since the hotel industry is imbedded in the tourism sector, ethical issues pertaining to tourism also affect the hotel industry. Important sections have been captured in this chapter to bring to light the ethical nature and applicability of it in the tourism industry. The sections discussed issues such as tourism and ethics, role of ethics, codes of ethics and the role of code of ethics in hotel industry, ethical decision making, influence of culture on the ethical decision making process, perception of ethical problem and ethical intentions, importance of ethics and moral values of management in tourism and challenges of ethical issues. The next chapter looks at the theoretical, empirical and conceptual framework for the study.

## CHAPTER THREE

### THEORETICAL AND CONCEPTUAL FRAMEWORK

#### Introduction

This chapter deals with the various theories and fact findings that have been established in the literature on ethics, hotel and tourism management. The theories that have been dealt with are usually known to be related to tourism and hotel industry. Again a number of conceptual frameworks have been reviewed and an adapted version has been provided for this study.

#### Ethical Studies

Ethical studies are divided into three broad areas. These are meta-ethics, normative ethics and applied ethics. Meta-ethics deals with issues that are related to after and beyond ethics. Attention is given to the meaning of ethical terms where focus is on for instance how ethical knowledge is acquired rather than how the knowledge is applied. Other issues addressed by meta-ethics include where do moral values come from? Do they have objectives, absolute, universal and external existence or result from social conventions being particular relative and changeable? Why should I be moral if I am not compelled to act on a given moral standards. This area of ethics is considered as pure, abstract or theoretical field of study. Normative ethics is concerned with moral principles, standards or norms on right and wrong which are necessary to guide human conduct (Monteiro, 2014). The central question here is whether there is a fundamental universal moral principle. It deals with the study of ethical act where attention is given to issues

like 'what is the right thing to do? This area of ethics is related to the 'ought to do'. Applied ethics also deals with the application of specific and complex ethical issues that involves moral judgement. All these studies are applied in the hotel industry in different ways and at different times. The processes of hotel service delivery goes through these broad areas to the ethical behavioural attitude of employees and customers in the industry.

### **Ethical Theories and Principles**

Ethical theories and principles are the foundations of ethical analysis because they are the viewpoints from which guidance can be obtained along the pathway to a decision. Each theory emphasizes different points such as predicting the outcome and following one's duties to others in order to reach an ethically correct decision. The focus of this discussion shall be based on the moral (traditional) philosophy and the modern moral philosophy in the discourse of ethical theories.

### **Moral Philosophy**

Traditionally, moral philosophy is also known as normative ethics and moral theory. This is the study of what makes actions right and wrong. These theories offer an overarching moral principle to which one could appeal in resolving difficult moral decisions.

There are several strands of ethics, which differ on the basis (or rationale) for their various ethical considerations. Among the normative theories three of them shall be considered: virtue ethics, consequentialism (in particular utilitarianism) and deontological ethics (and in particular Kantianism).



## **Virtue Ethics**

This type of moral philosophy focuses on the character of the agent rather than on the formal rules for or the consequences of actions. The key elements of virtue ethical thinking are based on the approaches to ethical thinking of the ancient and medieval periods. The roots of the Western tradition lie in the work of Plato and Aristotle, but virtues are also important in the traditions of Chinese moral philosophy. Virtue theory returned to prominence in Western philosophical thought in the twentieth century and is today one of the three dominant approaches to normative theories.

Virtue ethics includes an account of the purpose of human life, or the meaning of life. To Plato and Aristotle, the purpose was to live in harmony with others and the four Cardinal Virtues were defined as prudence, justice, fortitude and temperance. The Greek idea of the virtues were later incorporated into Christian moral theology. Proponents of virtue theory sometimes argue that a central feature of a virtue is that it is universally applicable.

## **Consequentialism**

Consequentialism refers to those moral theories, which hold that the consequences of a particular action form the basis for any valid moral judgment about that action. Utilitarianism represents the dominant and most influential normative teleological or consequential ethical philosophy, and its different forms incorporate various concepts of utility. Utilitarianism is the idea that the moral worth of an action is solely determined by its contribution to overall utility, that is, its contribution to happiness or pleasure as summed up among all persons.

The more happiness or pleasure for the people; the better. It is consequentialist because the moral worth of an action is determined by its outcome, and that the ends justify the means. Utilitarianism can also be characterized as a quantitative and reductionist approach to ethics.

Utility – the good to be maximized – has been defined by various thinkers as happiness or pleasure (versus sadness or pain). It has also been defined as the satisfaction of preferences. It may be described as a life stance with happiness or pleasure as ultimate importance. In general, the use of the term utilitarian often refers to a somewhat narrow economic or pragmatic viewpoint. However, philosophical utilitarianism is much broader than this; for example, some approaches to utilitarianism also consider non-humans (animals and plants) in addition to people.

Pluralistic utilitarians have developed an approach that added a list of other intrinsically good things to pleasure, such as knowledge, freedom, friendship, etc. Preference utilitarianism proposes a firmer basis for theories of utility, based on peoples' desires, choices, and behaviour rather than on pleasure (Snoeyenbos and Humber, 2002).

Utilitarianism focuses on ends and not on the means required to achieve those ends, and it takes into account all present and future benefits and harms that accrue or might accrue to anyone who is affected by the action, including items that may be difficult to evaluate accurately (Schumann, 2001).

According to the utilitarian moral principle, an act is morally acceptable if it produces the greatest net benefit to society as a whole, where the net social

benefit equals social benefits minus social costs (Velasquez, 1998; Schumann, 2001; Cavanagh, 1981). Utilitarianism regards the welfare of any single individual as no more or less important as the welfare of any other individual. But it does not assume that all individuals should be treated in the same way. For instance Lyons, (1993) endorses unequal treatment that maximizes general welfare. Research generally distinguishes between two forms of utilitarianism: act utilitarianism, which includes maximizing benefits relative to costs for a specific decision at hand and rule utilitarianism, which involves following rules designed to achieve the greatest net positive consequences over time (Fritzsche and Becker, 1984; Premeaux and Mondy, 1993; Premeaux, 2004). Utilitarian decision makers are required to estimate the effect of each alternative on all parties concerned and to select the one that optimizes the satisfaction of the greatest number (Cavanagh, 1981; Velasquez, 1998). However, authors like Kant criticised the utilitarianism because they were usually based on subjective considerations.

### **Deontological Ethics**

Deontology is associated mostly with Immanuel Kant who argued that the highest good was the good will and morally right actions are those carried out with a sense of duty (Kant, 1998 (1781; 1785)). Thus, it is the intention behind an action rather than its consequences that make that action good (Bowie, 2002).

Kantian moral philosophy is based on the categorical imperative. A categorical imperative denotes an absolute, unconditional requirement that exerts its authority in all circumstances, both required and justified as an end in itself. The philosopher W.D. Ross built upon Kant's theory and listed a few basic duties.

One should: tell the truth; right the wrongs that one has done to others; act justly; help others in respect to virtue, intelligence, and happiness; improve oneself with respect to virtue and intelligence; give thanks; and avoid injury to others. "Act only on that maxim by which you can at the same time will that it should become a universal law."

Kant's second formulation of the categorical imperative dictates that human beings should be treated not simply as a means to one's own ends but also as ends in themselves (Sullivan, 1989; Bowie, 1999). It follows that people in business relationships should not be used, coerced, or deceived and that business organizations and practices should be arranged so that they contribute to the development of human rational and moral capacities (Bowie, 2002). The third Kantian rule requires that one should act as if he were a member of an ideal "kingdom of ends," in which he is both king and sovereign at the same time.

In the organizational arena, this means that the rules that govern an organization must be such that it can be endorsed by every member in the organization. Deontologists believe that ethical rules "bind you to your duty" and they look at the rightness or wrongness of actions themselves, as opposed to the rightness or wrongness of the consequences of those actions. Deontological ethics looks at our fidelity to principle and disregards the consequences of a particular act, when determining its moral worth.

Moreover, a person who adopts a Kantian point of view sees the organization as a moral community within which each member of the organization stands in a moral relationship with all others (Bowie, 1999). Unless

the principle of your action can be universalized, it is immoral to make an exception for yourself (Bowie, 2002). Critics have argued that ethics should be concerned not merely with ethical theories but the ethically relevant facets of situations and the practical rationality needed to make ethically sound judgments. However, these recent developments, Kantian influences in contemporary ethical theory remain strong. Pluralists, for example, typically embrace aspects of Kant's ethical thought and contemporary ethical intuitionism, one of the most important recent developments in ethical theory, explicitly draws from the work of Kant. Another area where Kantian influences remain strong lies in the grounding of human rights.

### **Modern Moral Philosophy**

In the 20th century, moral theories have become more complex and are no longer concerned solely with rightness and wrongness but are interested in many different kinds of moral status. Ross (1930) for instance, argues that moral theories cannot say in general whether an action is right or wrong, but only whether it tends to be right or wrong according to a certain kind of moral duty such as beneficence, fidelity, or justice. Other philosophers have questioned whether these principles or duties can be articulated at all at a theoretical level; some have moved away from the theories and principles of normative ethics towards descriptive morality and meta-ethics. Other philosophers are still defending moral theory on the grounds that it need not be perfect in order to capture important moral insight.

Modern moral philosophy is increasingly revolving around claims-based or rights-based ethics, which are ethical theories based on the fundamental principle of human rights and other rights or claims of the individual. Rights-based theories argue that people have a claim to certain freedoms and rights, like liberal theories which focus on people's claim to rights and freedoms like the freedom of speech, association, religion, etc.

These modern theories are focusing on people's claim to rights like human rights, civil rights, political rights and social/economic rights. One example of human right is the Universal Declaration of Human Rights of the United Nations. Another example of rights-based theories is "welfareism", which argues that people have a claim to a welfare state that can provide them with security, basic health services, education, jobs, housing, etc. The welfare state here refers to the situation where key government institutions play active role in matters of protection and promotion of economic and social well-being of its members. Human rights refers to the moral principles or norms that describe certain standard of human behaviours. These behaviours are regularly protected as legal right in municipal and international laws. They are commonly understood as inalienable fundamental right to which a person is inherently entitled simply because he or she is a human being. They are applicable everywhere and at every time in the sense of being universal. Within the hotel industry, both employees and customers have right to a number of things

An important characteristic of claims-based ethics is that it implies that people have claims against somebody, and that this somebody consequently has

some obligations. In other words, a person can only be said to have a meaningful claim to something (a service, freedom, or right) if others have an obligation not to act in ways that undermine the welfare, freedom or rights of anybody (the negative obligation – not to hurt others), and if others have an obligation to act positively to secure that certain peoples' rightful claims are met (the positive obligation – to provide what others can rightfully claim, for instance the welfare rights that impose on the state the duty to assist those who cannot provide for themselves).

Thus, for a person to have a legitimate and meaningful claim to something, others must face a corresponding obligation. Somebody's ethical rights or rightful claims therefore give other people ethical obligations or rightful duties and responsibilities. Rights are ultimately claims against others, and rights-claims generate correlative duties on the part of others. These others can be individuals, other members of society, various groups and the state.

There are four basic divisions of rights. Natural rights pertain to everybody by virtue of being a human being. Natural rights apply to all persons, like our right to life. Other people, organisations, governments and the international community have all a duty to secure everybody's natural rights. Conventional rights (or legal rights) generally apply within the context of social and political organizations. Conventional rights apply to all members of a group, like all citizens of a state which has constitutionally granted citizen rights, for instance, the right to free association.

## **Rights Theory**

According to the theory of moral rights, human beings have certain fundamental rights that should be respected in all decisions: the right to free consent, privacy, freedom of conscience, free speech, and due process (Cavanagh et al., 1981). A right is a capacity, a possession, or condition of existence that entitles either an individual or a group to enjoy some object or state of being. For example, the right to free speech is a condition of existence that entitles one to express one's thoughts as one chooses (Duska, 2002). Rights theories distinguish between negative and positive rights. In the case of negative rights, the duty is to allow the party to act freely within the domain covered by the right. In the case of positive rights, the obligation is to provide the party with a benefit of some type. The moral force of a right depends on its strength in relation to other moral considerations applicable to the context in question (Jones et al., 2007). According to rights theory, as long as the distribution of wealth in society is achieved through fair acquisition and exchange, the distribution is a just one regardless of any degree of inequalities that may ensue (Budd, 2004). The morally correct action is the one that a person has the moral right to do, that does not infringe on the moral rights of others, and that furthers the moral rights of others (Rachels, 1999; Velasques, 1998; Cavanagh et al., 1981; Schumann, 2001).

People who rely on rights theory to reason their actions emphasize the entitlement of individuals (Cavanagh et al., 1981). Restrictions on behaviour should prevent harm to others, but unless your actions harm others, you should be free to do as you please. A manager making a decision based on this theory



should avoid violating the rights of others who may be affected by the decision (Cavanagh et al., 1981).

### **Theory of Justice**

According to Rawls (1971), under a veil of ignorance, rational, self-interested, and equal individuals will agree that each person is to have an equal right to the most extensive total system of equal basic liberties. Moreover, social and economic inequalities are to be arranged so that they are both to the greatest benefit of the least advantaged, and attached to offices and positions open to all under conditions of fair equality of opportunity (Budd, 2004). In Rawls's opinion, the first virtue of social institutions is justice for the individual and not aggregate welfare. He is concerned more with how the pie is divided than with how large it is. Inequalities are just only if they result in benefits for everyone, with particular emphasis on the least advantaged (Jones, 2007).

The theory of justice requires decision makers to be guided by equity, fairness, and impartiality (Cavanagh et al., 1981). It relies on three types of moral prescriptions: (a) that individuals who are similar in a relevant respect should be treated similarly and individuals who are different in a relevant respect should be treated differently in proportion to the difference between them; (b) that rules should be administered fairly and clearly; and (c) that individuals should not be held responsible for matters over which they have no control, and should be compensated for the cost of their injuries by those responsible for these injuries (Cavanaugh et al., 1981). Decision making and reasoning based on the theory of justice focus on the distributional effect of actions (Cavanagh et al., 1981).

## **Conceptual Framework**

Conceptual frameworks are products of both quantitative and qualitative theorization of research. They serve as the building blocks directing the study in question. They are therefore built in line with the nature of the study at a particular time. The study of ethical issues on decision making in the hotel industry therefore should be based on related conceptual frameworks that will serve as the building block for the study from the statement of the problem through research methodology, data collection and analysis of the data.

As far as ethical decision making and code of conduct in hotel organizations are concerned, there are a number of frameworks that could define the variables of interest. However, a review of a number of these frameworks highlights on two of such frameworks that are related and more relevant to the study of this nature. These frameworks depict concepts that are endo-consistent, distinct, heterogeneous in nature but not separable (Deleuze and Guattari, 1991). The idea of using these frameworks is to come out with concepts that would bring out the ontological, epistemological and the methodological underpinnings of ethical issues in the hospitality and tourism industry.

## **The Contingency Framework of Ethical Decision Making in Marketing**

### **Organization**

The study of ethical issues in the hospitality and tourism industry is tilted toward employees and employers decision making process in dealing with clients or customers. The need to encourage repeat visit by visitors is so essential in hospitality and tourism. It is therefore imperative for workers in the hospitality

and tourism industry to make good ethical decision to help sustain the industry. As far as this study is concerned, ethical relativism and absolutism are of paramount importance. These are guiding principles or philosophical component for ethical decision making in the hospitality and tourism industry. The study will therefore adopt a contingency model of ethical decision making in marketing organisation by Ferrell and Gresham (1985) (Figure 1). It is believed that, employee's decision making in the hospitality industry must be judged as either ethical or unethical.

The framework is considered appropriate looking at the concepts that have been related (Individual factors, individual decision making, behaviour, evaluation of behaviour and others) and the components of these elements originating from other concepts. Each of these concepts play an integral role in the decision making in the tourism and hospitality industry. The framework would be applicable at all levels of employees in all the departments in the hospitality industry. This framework is considered as multidimensional, process oriented and contingent in nature. The framework shows the multifaceted factors that are likely to affect ethical actions by individual decision maker (1985). The framework can be divided into two parts; the individual and the organisational contingencies. These factors affect employee decision making in organisation. The individual factors interact with the organizational factors to influence an employee in decision making and the result is either an ethical or unethical decision. There are other confounding variables as far as decision making is concerned and these are the society and environmental criteria that are used to define ethical issues and

they are treated as exogenous variables in this framework. The framework deals with three major factors that could influence individual decision making in an organisation. These are the individual factors, the organizational factors and the significant others that might affect employees decision making in the hotel and tourism industry.

### *The Individual Factors*

Most concepts in ethics have their roots from moral philosophy and for that matter ethical decision making is evaluated with the normative ethical standards. Other moral philosophies such as ethical relativism, utilitarianism, rights, virtue and justice explain the creation of ethical standards by individuals. These standards could be looked at from two different philosophical perspectives, the teleological and the deontological (Beauchamp and Bowie, 1979). Decisions made by employees in the hospitality and tourism industry could be judged from two divergent points. From the philosophical background of teleology, a decision or behaviour is determined totally by the consequences of that behaviour. For most tourism and hospitality industry, employee's ethical decision making is associated with the satisfaction of the customer and the success of the organisation. This is based on the fact that the customer should be satisfied and the organisation must thrive to be in business.

From the utilitarian perspective, an act is ethical only if the sum total of utilities produced by the act is greater than the sum total of utilities produced by any other act (Ferrell and Gresham, 1985). This implies that there should be value for all in terms of decision in the hospitality and tourism industry. Employees are

expected to decide on things that are efficient in terms of resource and facility use.

The deontological or non-consequential philosophies deal with intentions involved in a particular decision. It makes the major assumption that there are no general rules or theories at all but only particular actions, situation and people about which others cannot generalize (Thiroux, 2001). Here issues are treated individually and separately for the right actions to be taken. Decisions are taken based on intuitions of the individuals involved in the situation in the hospitality and tourism industry. Though there is the applicability of act and rule under this philosophy, the act and rule are not based on consequences.

#### *The Organizational Factors*

Earlier discussions on the factors that could influence employees' decision in the hospitality and tourism industry has been on the individual knowledge, attitudes, values and intentions with regard to the ethical issues at stake. However, ethical decision making at a point in time could fall into a continuum where an individual has to consider other factors apart from personal ones that may affect employees' daily activities. Managers of successful hospitality and tourism organisations usually consider the goals of the organisation and work towards achieving them. This puts pressure on employees to work for results but not effort and for that matter decisions that are taken by employees are expected to yield profit to the organisation. To this end, employees' decision making are expected to bring organisational advancement and recognition (Laczniak, 1983). This

therefore means that employees are supposed to consider organizational interest in taking decisions on ethical issues.

### *Significant Others*

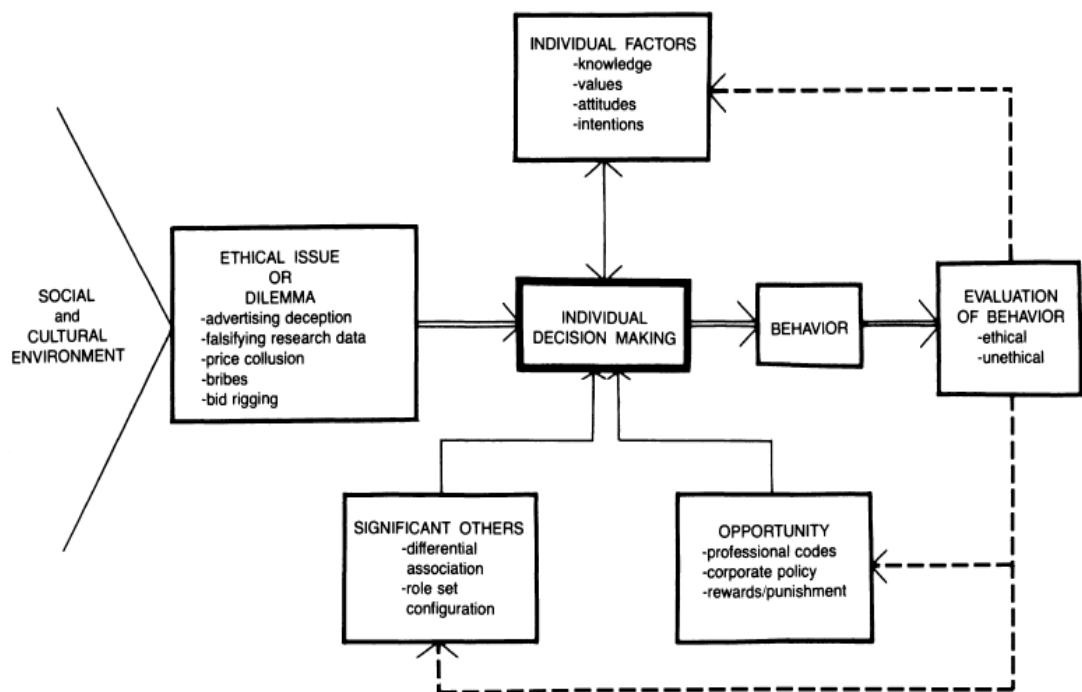
From the conceptual framework, the significant others as far as ethical decision making is concerned deals with the variables differential association and the role set configuration. It is believed that values, norms and attitudes are not learnt solely from society but also from other significant members in individual's life of social group. The differential association deals with people intimate interaction with others in the society. Here the learning process that may come out could lead an individual to take ethical or unethical decision. The role set configuration on the other hand refers to the role that focal people play in influencing decisions of employees in the hospitality and tourism industry.

### *Opportunities*

Opportunities in the conceptual framework refer to a favourable set of conditions in a facility that limit barriers and/or provide rewards. These may have significant impact at the individual decision making level influencing an individual to take ethical or unethical decision. Facilities where there are no set of punishment serves as an opportunity for employees unethical behaviour without considering the consequences (see Figure 1).

The framework has the advantage of combining major organisational and individual factors that affect ones' decision making on the job. It combines the teleological and deontological aspects of ethics that influence behaviour. These are soft interpretation of intentions and are indeterminist in their nature (Levering,

2002). The framework therefore does not enable one to predict an outcome of a decision. Levering (2002) therefore suggested that “the idea that human behaviour can be explained and predicted is roughly based on the concept of external factors being caught in an accidental cohesion and the idea that human actions can be understood, but not predicted, is based on the concept of freedom” (p. 38).



**Figure 1: Ethical Decision Making in Marketing Organisation**

Source: Ferrell and Gresham, (1985)

### **Hunt-Vitell Theory of Ethics Framework**

The second framework that the study will adopt as part of linking concepts on ethical issues in the hospitality industry will be the Hunt-Vitell theory of ethics framework. This framework has been added to the study based on the fact that it will help bring out the cultural and group norms/values influencing individual behaviour. Ferrell and Gresham (1985) highlight some aspects of the group influence on ethical decision making in an organisation. The framework was propounded in 1992 from an existing framework of Hunt-Vitell, 1986. It is based on the assumption proposed by Hofstede (1984) that societies differ along four major cultural dimensions. These cultural dimensions are power distance, individualism, masculinity and uncertainty avoidance. These dimensions were found to influence ethical decision making of individuals within an organisation (Hofstede, 1980, 1983, 1984). On the dimension of power distance, it refers to the extent to which the less powerful individuals in a society or organisation accept inequality in power and consider it as normal. It is believed that though inequality exists in every society or organisation however, the degree to which it is accepted varies from society to society. Individualism refers to the situation where individuals in the society or organisation are primarily concerned with their own interest and the interest of their own immediate family. The masculinity dimension from Hofstede perspective refers to the extent to which individuals in a society expect men (as opposed to women) to be assertive, ambitious, competitive, to strive for material success and to respect whatever is big, strong and fast. It is believed that masculine cultures expect women to serve and to care



for the non-material quality of life, for children and for the weak. The last dimension, the uncertainty avoidance refers to the situation where individuals in a society or organisation are made nervous by situations that are unstructured, unclear or unpredictable and the extent to which these individuals attempt to avoid such situations by adopting strict codes and a belief in absolute truth.

As these cultural dimensions differ from organisation to organisation, components of individuals' ethical decision making may also differ. As far as moral philosophy is concerned, ethical theories have been categorized into two major types. These are the deontological and teleological (Murphy and Laczniak, 1981). The deontological theories consider specific actions on behaviours of individuals whereas teleological theories look at the consequences of actions or behaviours. In principle, teleological theories are concerned with the amount of good or bad found in the consequences of behaviour or an action.

The conceptual framework looks at the impact of culture on the deontological and teleological evaluation of business practitioners. It considers the necessity of organizational norms, industrial norms, professional norms and personal experiences in the evaluation of ethical decision making from the deontological perspective. From the teleological perspective, the framework looks at the impact of various stakeholder groups such as individuals, family, organisation or other social units the individual belong. A major strength of this framework is its applicability in all business situations. The Hunt-Vitell theory of ethics framework has been shown in Figure 2.

The framework has the advantage of combining the perspectives of moral philosophy, thus the deontological and the teleological theories in looking at the ethical decision making in business environment. The ontological underpinnings of the framework are much related and it will help in soliciting information on factors that influence individuals in ethical decision making. It covers possible environmental background that employees in the hotel industry are likely to find themselves.

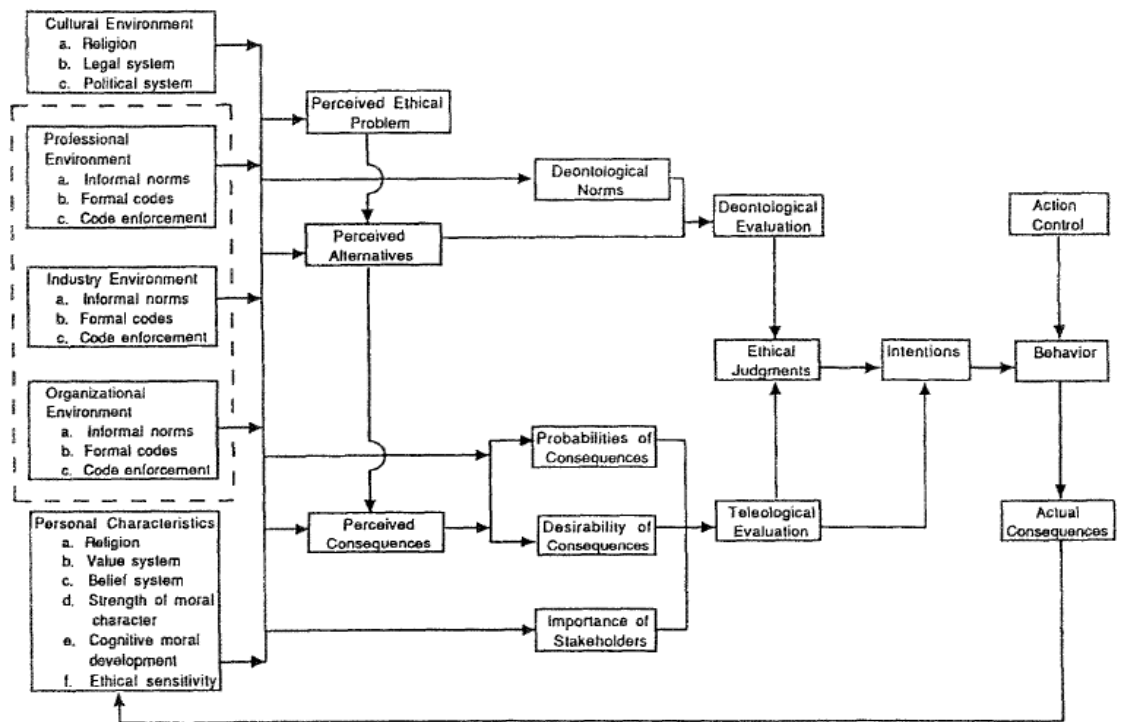


Figure 2: Hunt-Vitell Theory of Ethics Framework

Source: Hunt-Vitell, 1992

These environments would impact on their evaluation of ethical decisions in their organisations. The perceived problems, alternatives and consequences emanate mostly from the environmental background of respondents and they

would influence individual's decision on ethical matters in the industry. These constructions of concepts on ethical issues play integral role in the ethical decision making of an individual in an organisation.

Though the Hunt-Vitell theory of ethics framework (1992) has a number of strengths as far as ethical issues are concerned, the framework is silent on the holistic effect actual consequences would have on the environmental variables of the individual. The consequences of ethical behaviour could affect the cultural environment, the professional, industrial and the organizational environment.

### **Conceptual Framework for the Study**

Considering the two different conceptual frameworks that have been discussed, their strengths and their weaknesses, it would be appropriate to merge these two conceptual frameworks and restructure it to make it applicable in the hotel industry. The conceptual framework that the study adapted was from Ferrell and Gresham (1985) and Hunt-Vitell (1986) known as the ethical decision making process in the hotel industry. As far as the hotel industry is concerned, decisions are taken every now and then by both service providers and clients. According to Pashiadis, (1994) one of the fundamental processes in organisation is decision making. Employees in organisations have to take decisions on different circumstances (Cascio, 2000) in the day-to-day running of the business.

The following assumptions have been taken into consideration:

1. The social and cultural environment affects ethical values of individuals
2. Every individual is rational

3. Values affect decision and action
4. The individual has alternatives when it comes to ethical dilemma
5. Decisions can be controlled

Ethical decision making process in the hotel industry could be looked at as multiplicity of variables affecting each other to produce a behaviour which could be determined as ethical or unethical. These variables affect an individual in the ethical decision making process. When an individual is confronted with ethical dilemma, the individual goes through these processes before taking the final decision to act on.

The decision making processes run through four major stages and each stage has its own way of affecting the individual in taking the final decision on behaviour. These are the social and cultural environment, the ethical issue, evaluation of decision and the actual decision.

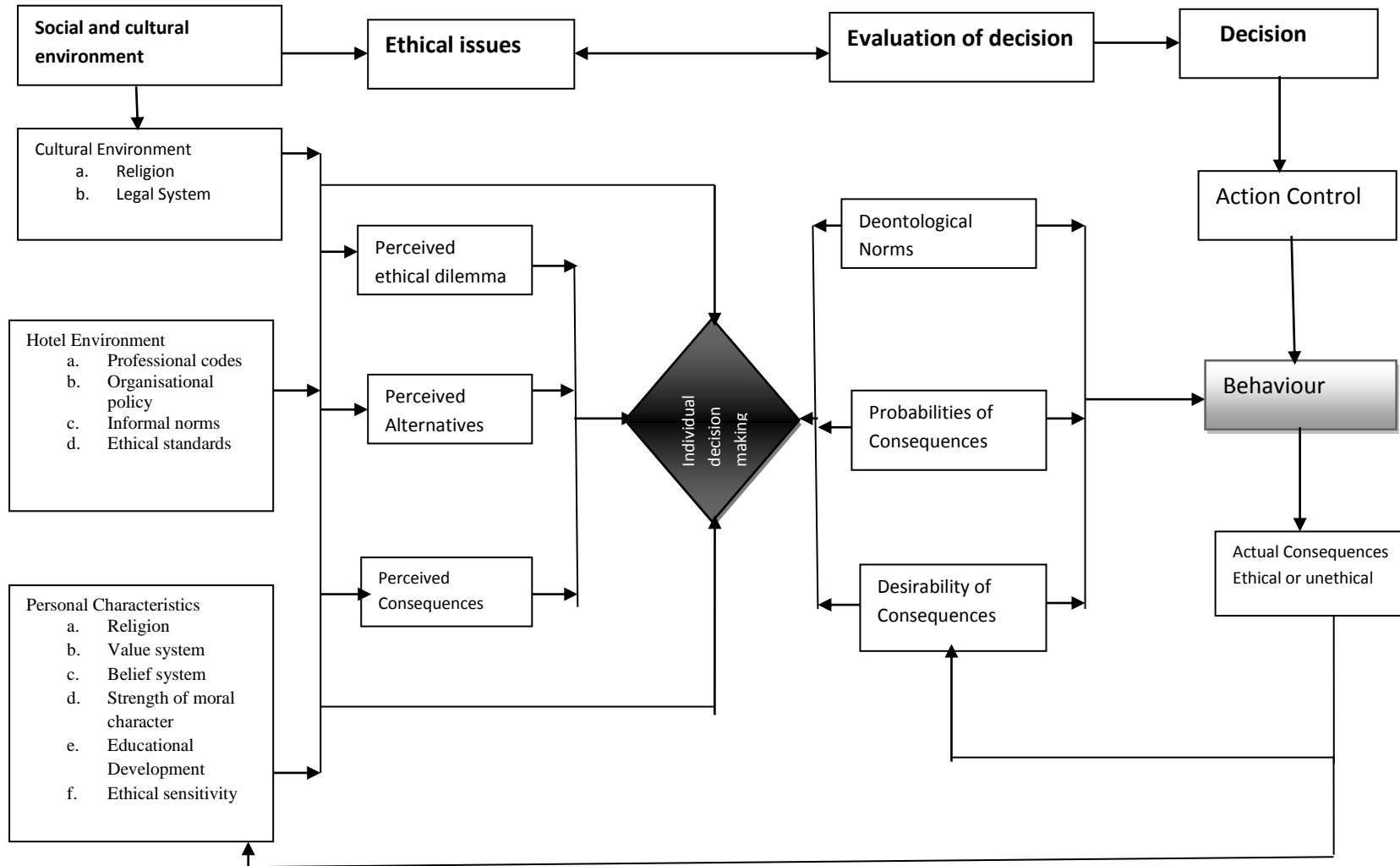
Ferrell and Gresham (1985) and Hunt-Vitell (1992) realised that the social and cultural environment of the individual plays a vital role in the decision making process. The social and cultural environment consists of three different environments that can affect people in the hotel industry: The cultural environment, the hotel environment and the personal characteristics of the individual. The social and cultural environment has its historical roots in the cultural traditions of the society. Within each of these environments are constructs of variables that help shape the moral and ethical values of the individual. Values affect all individual decisions and actions and every individual develops a

hierarchy of values. Schwartz (1992) is of the view that individual's personal hierarchy of values is crucial in determining perceptions, attitude and behaviours as most choices contrast at least two values. In this regard, the assumption is that every individual may go through each of these environments helping him or her to nurture a particular ethical value.

With the environmental situation, people tend to form their perceptions about some issues that are likely to occur in the industry. These issues include those that are perceived to occur in the hotel industry. These include perceived ethical dilemma, perceived alternatives and perceived consequences. These are normal hospitality issues that affect the industry. Rest (1986) is of the view that the ethical decision making process is initiated with the component of awareness. A situation that presents a dilemma that is ethical in nature. The environment has influence on the issues that may be raised in the organisation. Awareness of these issues are very important to stakeholders of the hotel industry.

The individual decision making stage in the framework is a stage where the individual thinks of what to do in the midst of an ethical situation. This is influenced by the ideologies of the ethical issues and the evaluation of decision. Blanchard, Carlos, and Randolph, (1996) referred to the creation of autonomy through boundaries and these include the benchmarks that define the areas in which employees are free to operate without direct managerial supervision. Goals, policies and general guidelines of organisations sometimes define the boundaries. These include business purpose, organizational values, image of the future, organizational goals, including what, when, where, and how individuals and the

organization do things, roles of people and the organisational structure and its supporting systems (Blanchard, Carlos, and Randolph, 1996). Based on the social and cultural environment, individuals have their own perceptions in case of ethical dilemma and some perceived consequences of their decision. These are evaluated as part of the individual decision making by two major concepts in ethics; the deontology and the teleology concepts. The concept of deontology is concerned with the idea of universal truths and principles which should be followed regardless of the circumstance. To the deontologist, breaking the law would contravene the view of ethics, so they always abide by rules and regulations to avoid legal conflicts. On the other hand, the teleologist views are considered consequentialism. They consider the consequences of not abiding by the law and weigh it against the benefit of not breaking the law before taking a decision. However, desperate times call for desperate measures that may compel individuals to decide on a situation. The individual then decides and acts on the ethical issue. It is believed that the act of behaving in the service industry can be controlled, although service in the hospitality industry is considered as in situ. The behaviour of the individual would then be judged as either ethical or unethical behaviour. The actual consequences of an ethical behaviour could affect the social and cultural environment of an individual, impacting on the cultural environment, the hotel environment as well as the personal characteristics of the individual. Stakeholders would then form perceptions on the individual about these environments that may influence the next ethical issue.



**Figure 3: Ethical decision making Process in the hotel industry**

Source: Adapted from Ferrell and Gresham (1985) and Hunt-Vitell, (1992)

## Chapter Summary

This chapter took into consideration the theoretical, empirical and conceptual framework used for the study. The theoretical review looks at two major theories; the traditional moral theory and the modern moral theory. Some of the theories under the traditional moral theory includes moral philosophy, virtue ethics, consequentialism and deontological ethics, while those under modern moral theory include ethics of care, rights theory and theory of justice. The chapter continued with a discussion on the conceptual framework for the study. Two different conceptual frameworks were considered; the Contingency framework of ethical decision making in marketing organization and the Hunt-Vitell theory of ethics framework. These frameworks were adapted into one conceptual framework known as “Ethical decision making Process in the hotel industry” for the study. The next chapter looks at the study area information and methods used for the data collection.



## CHAPTER FOUR

### STUDY AREA AND METHODOLOGY

#### Introduction

This chapter deals with the study area and methods used to arrive at answers to the research problems. A description of the study area has been provided with some of the important issues that could influence the study of ethical issues on decision making in the hotel industry in the area. Various research paradigms have also been elaborated and the appropriate one for the study has been selected. Other methodological issues such as study population, sampling procedure as well as data and information sources have been outlined. How data was collected and the experiences from the field have also been discussed in this chapter. Some of the ethical issues on the data collection have also been elaborated.

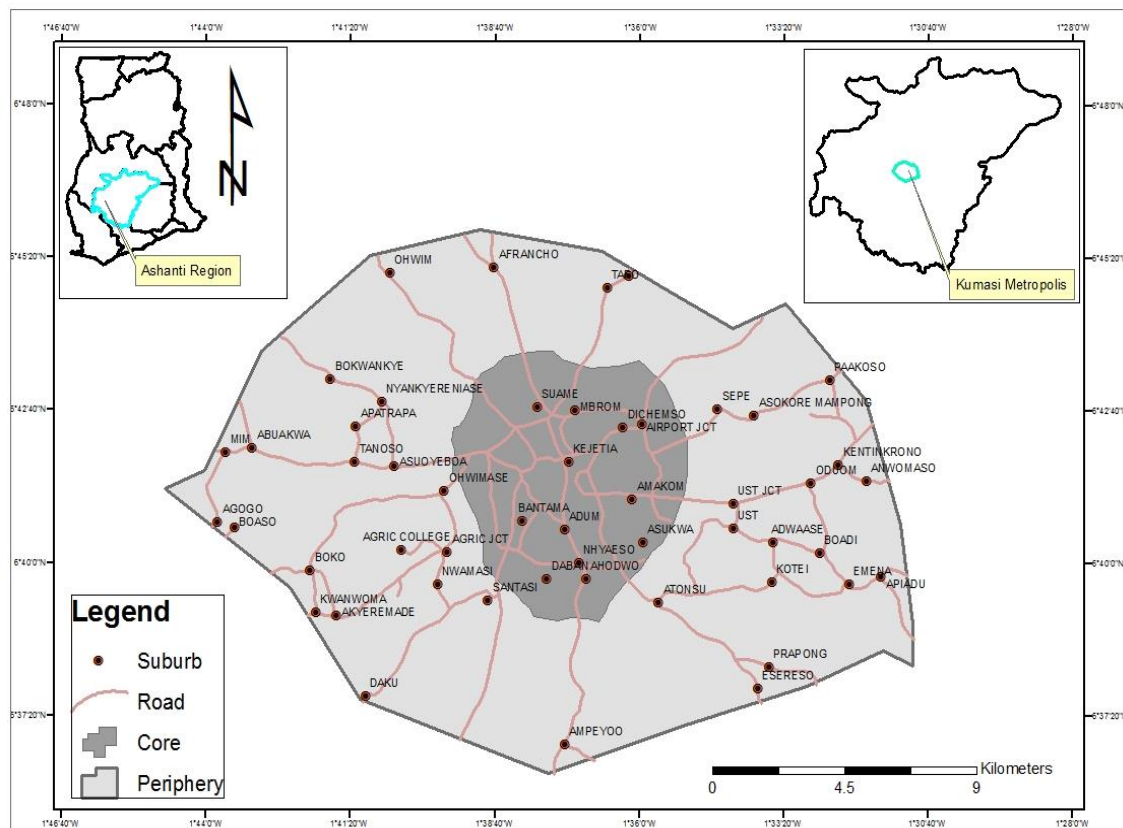
#### Study Area

The study area for this research is Kumasi metropolis. The city of Kumasi was founded in the 1860s by King Osei Tutu I to serve as the capital of the Asante Kingdom (Fynn, 1971). Giving its strategic location and political dominance, Kumasi developed into a commercial centre with all major trade routes converging on it (Dickson, 1969). With time, the city began to expand making it second to Accra in terms of land area, population size, social life and economic activities (KMA, 2010). Its strategic location has endowed Kumasi with the status of the principal transport terminal and has assumed its pivotal role in the vast and

profitable distribution of goods in the country and beyond. Kumasi is located in the transitional forest zone. Specifically, it is located between latitude 6.35°N to 6.40°N and 1.30°W to 1.35°W and its elevation ranges between 250 to 300 metres above sea level with an area of about 254km<sup>2</sup> (Figure 4). The unique centrality of the city as a traversing point from all parts of the country makes it a special commerce place and hence the provisions of accommodation services to cater for traders and visitors. The city also has a beautiful layout and greenery which accorded it the accolade of being the “Garden City of West Africa”. This has also got implications for hotel locations as one of the location considerations for hotels has been the neighbourhood characteristics.

From these three communities, Adum, Krobo and Bompata, have grown in a concentric form to cover an area of approximately 10km in radius (KMA, 2010). The direction of growth was originally along the arterial roads due to the accessibility they offered resulting in a radial pattern of development.

The major economic activities can be grouped into specific areas. These are Kejetia lorry park, Central Market, the defunct Kumasi Race Course that is temporarily being used for commercial activities; Adum shopping centre, Suame and Asafo Magazines; Kaase/Asokwa Industrial Area and the Anloga Timber Products Market. The Central Business District of Kumasi covers the land area including the Central Market, Adum, Asafo Market and its lorry park, Kejetia lorry park, the National Cultural Centre and the Post Office/Ministry area.



**Figure 4: Map of Kumasi Metropolis**

Source: Department of Geography and Regional Planning, UCC (2012)

The Kumasi metropolis is the most populous district in the Ashanti region. It has a population of 2,035,064 which accounts for 42.6% of the region’s population. The population consist of 47.8% males and 52.2% females (GSS, 2013). The metropolis attracts a large population partly because it is the regional capital, and also the most commercialized district in the region. Other reasons include the centrality of Kumasi as a nodal town with major road arteries to other parts of the country. The Kumasi metropolis has not only the second highest population density in the country but is also only slightly lower than the Accra

metropolis. Kumasi is the second largest city in Ghana with the second highest number of hotels and restaurants in the country (Ghana Tourist Board, 2010). The area has the advantage of having different categories of accommodation and restaurants. The accommodation facilities in the Metropolis range from guest houses and budget hotels to four (4) star hotel. It is one of the nodes of the Tourism Triangle in the country in addition to Accra and Cape Coast (Abane, Awusabo-Asare and Kissi, 1999). Kumasi could also be described as one of the tourism hubs in the country with a number of tourism attraction. The major attractions include the Kumasi Zoo, National Cultural Centre, Armed Forces Museum, Komfo Anokye Sword site, Manhyia palace among others. Kumasi is also the traditional seat of the Asante King. Considering the cultural lifestyle of the people and the attractions that are located therein, Kumasi has been described as the heart of Ghana's cultural heritage and the main attraction in the city is centered on the rich Asante culture. The Akwasidae Kese festival is among the biggest cultural events celebrated in the area. Cultural artifacts also abound in the city. Craft villages like Pankorono also complement the tourist attractions of the city. Kumasi also attracts a number of business tourists. Due to all these tourist attractions in the city, it attracts a sizeable number of tourists and visitors.

The literacy level in the region (82.6%) is higher than the national average (74.0%). Literacy in English and a Ghanaian language in the region (57.6%) is also higher than that of the total country (45.8%), although literacy in English only (20.1%), at the national level is higher than that of the region (13.2%). Literacy in a Ghanaian language only (10.7%) is also higher than that of the

national average (7.0%) (GSS, 2013). There are a number of hotel facilities in Kumasi. Some of these facilities are rated while others have not been rated. The unrated facilities are hotels that have not registered with Ghana Tourism Authority (GTA) or have not renewed their license as of June, 2012. Hotel facilities in Kumasi have been categorized as shown in Table 1.

**Table 1: Categories of hotels in Kumasi Metropolis**

Star rating	Frequency	Percentage
4 – Star	1	0.4
3 – Star	3	1.3
2 – Star	37	16.0
1 – Star	28	12.1
Guesthouse	15	6.5
Budget	87	37.7
Unrated	60	26.0
Total	231	100.0

Source: Ghana Tourism Authority, 2012

### **Rationale for Choosing the Study Area**

Kumasi metropolis is one of the historical settlements in Ghana. It is the home to one of the greatest kingdoms in Africa (The Asante Kingdom). In Ghana's history, this kingdom has been a powerful kingdom and conquered most

of the tribes in modern day Ghana and beyond. As a result, it attracts most people in the ancient days as the capital of the kingdom.

This historical prominence and also the fact that the kingdom was rich in gold and other commercial commodities made the metropolis a centre of trade and commerce. This function, the metropolis has performed up to date. Currently, the metropolis houses one of the largest markets in the country called the Kejetia market. The metropolis is therefore a very important market centre in Ghana. This has been tremendously enhanced by its strategic location in the country. The city is located at the heart of the country. This has made the metropolis a major staging point for travelers and traders in both directions (north and south) in the country. The metropolis has provided this function right from the historical days and it still performs such an important function. Travelers from the southern sector of the country pass through the metropolis and this is the same for those from the northern part. This has therefore drawn most major roads to the metropolis as a terminal point. In effect, the Kumasi Metropolis can be described as a nodal city where almost all major roads in the country converge.

The strategic location, major transport terminal for road transportation, and its important function as a major market centre have made the metropolis an ideal location for the establishment of facilities as hotels and restaurants to cater for the travelling guests.

Again, Kumasi metropolis has been selected for this study because it was realised that Accra and Cape Coast have been used for many research works in the country. To the researcher, Kumasi is also a capable location which has the

facilities and resources in carrying out research of this nature. There are 60 hotels ranging from one (1) star to four (4) star and additional 110 guest houses and budget hotels that have registered under Ghana Tourist Board (Ghana Tourist Board, 2010).

### **Research Paradigm**

Methodological approaches can be characterized in terms of the scope of the questions they address. In any paradigm there are constraints on the types of research questions that are deemed legitimate. The study uses both the positivism and the interpretism approaches.

### **Positivist Approach**

Positivism is an approach to the creation of knowledge through research which emphasizes the model of natural science. It is based on the view that knowledge system can be created through the avoidance of theology, speculation and metaphysics, which rely exclusively on what can be observed (Brown and Baker 2007). The scientist adopts the position of an objective researcher, who collects facts about the social world and then builds up an explanation of social life by arranging such facts in a chain of causality (Noor, 2008). Proponents of this paradigm ascribe to the notion of objective, empirically verifiable knowledge of value neutral science encapsulated in the spirit of enlightenment (William and May, 1996; Crotty, 1998; Brown and Baker, 2007). They contend that the world predates individuals – it is prior to the existence of human consciousness and, whether or not humans assign labels and perceive the existence of an external reality, the world will still exist as an

empirical entity, made up of hard tangible and relatively immutable structures, independent of the cognitive efforts of individuals (Gill and Johnson, 1997). Therefore, valid knowledge about a concrete reality can only be discovered through sense, observation and measurement and any reference to the intangible or subjective is excluded as meaningless (Giddens, 1976; Morgan and Smircich, 1980). On the nature of humans, objectivists contend that the relationship between man and society is deterministic, that is, humans are born into a world in which there are causal laws that explain the patterns to their social behaviour (Easterby-Smith, Richard, and Andy, 1991).

### **The Interpretive/Constructive Approach**

The interpretive approach is a reaction against positivism. This approach has been described by Hatch and Cunliffe (2006) as anti-positivist and as post-positivist by Blaikie (1993) since it is contended that there is a fundamental difference between the subject matter of natural and social sciences. In contrast, post-positivism is about a reality which is socially constructed rather than objectively determined. Hence, the task of social scientist should not be to gather facts and measure how often certain patterns occur, but to appreciate the different constructions and meanings that people place upon their experience (Noor, 2008).

The perspective is based on the philosophical doctrine of idealism which maintains the world view that what man sees around is the creation of the mind and that man can only experience the world through his personal perceptions which are coloured by his preconceptions and beliefs (Nudzor, 2009). It is



believed that natural sciences do not answer all the questions about the social world and that there are other realms that need to be explored through other means apart from the natural sciences approach. The post-positivists, on the other hand, are viewed as properly embracing contextualism as the solution to the fatal limitations of the positivist agenda, replacing quantitative methods with rich, contextualized, qualitative accounts of psychological phenomena (Dawson et al, 2006).

Intepretivists consider that there are multiple realities (Denzin and Lincoln, 2003). Since ‘all knowledge is relative to the knower’ interpretivists aim to work alongside others as they make sense of, by drawing meaning and create their realities in order to understand their points of view, and to interpret these experiences in the context of the researchers academic experience (Hatch and Cunliffe, 2006), and hence is inductive or theory building. The focus of the researcher is on understanding the meanings and interpretations of ‘social actors’ and to understand their world from their point of view, is highly contextual and hence, is not widely generalisable (Saunders, Lewis and Thornhill, 2007).

This approach is contrary in epistemological terms to positivism. This deals with the view that ethical concerns in the hospitality and tourism industry, the people and the industry itself is fundamentally different from that of the natural science. This approach holds that the hospitality and tourism industry is a social world and therefore requires a different logic of research procedure. This procedure should bring out or reflect the distinctive nature of human as against the natural order. The approach deals with the interpretation of human action. By

this approach people carry their subjective experience to a text so that when other people study they absorb or get inside the viewpoint it presents as a whole and then develop a deep understanding of how its parts relate to the meaning of the whole (Newman 2005). This approach uses participant observation or field research where numerous hours are spent in direct person contact with those being studied.

This approach uses rigorous and detailed method to gather large quantities of qualitative data in the form of specific details. The purpose is to understand social life and discover how people construct social meaning. Here the interest is to find out what is meaningful or relevant to people as far as ethical decisions are concerned in the hotel industry. The interpretivism is criticised for producing findings which lack reliability due to its inherent subjectivity. Since interpretivism is very much concerned with issues of subjectivity, that is, understanding the way people make sense of the social world, there is every propensity that contradictory and inconsistent explanations are, or would be, advanced to explain social phenomena. This, according to the critics stems from the failure of interpretivists to record and take note of trivial but often crucial pauses and overlaps which count towards giving accurate and balanced views about the aspect of social life under investigation, as positivists do (Nudzor, 2009). As a result, this approach is considered as relativism and incommensurability compared with positivism. As far as this study is concerned, the positivist and the interpretivists approaches seem appropriate because they consider human as self-interested in pleasure seeking and rational individual. This

revolves around their behaviour, decision making and ethical issues and reactions to social issues.

### **Philosophical Context**

There are basically two methodological traditions of research in social science, namely positivism and post-positivism (interpretivism). Most of the studies that have been done on ethical issues in hospitality and other organisations share something in common. They exemplify problem-focused methodological pluralism, blending methods from the positivist and post-positivist traditions in creative ways to address important research questions that have produced usable knowledge. Instead of privileging qualitative or quantitative methods a priori, researchers need to carefully fit the questions they pose to the most appropriate methods for addressing those questions and these could sometimes be qualitative, sometimes quantitative and often a combination of the two (Dawson et al, 2006).

This research focused on ethical issues on decision making in the hotel industry, taking into consideration awareness and perceptions of ethical issues in the industry. The mixed method approach was thus adopted. The approach is considered as the third methodological movement in research (Gorard and Taylor, 2004) and this is represented in literature by different names such as 'multiple research strategies, (Burgess, 1982), 'multi-methods research' and 'integrated research (Cresswell, 2003) 'combined methods research' (Gorard and Taylor, 2004) and 'mixed-methods research' (Teddlie and Tashakkori, 2003). The division between positivism and interpretivism is overstated and overdrawn, and a common ground can be found. Gray (2004) observed that the use of the mixed

method enables triangulation to be applied in one research. Leech and Onwuegbuzie (2010) rationalise the use of the mixed method from the perspective of participant enrichment, instrument fidelity, treatment integrity, and significance enhancement. Participant enrichment involves using both quantitative and qualitative techniques to optimize the sample (Leech and Onwuegbuzie, 2010). Instrument fidelity involves the use of both methodologies' techniques in maximizing the instrument(s) appropriateness (Leech and Onwuegbuzie, 2010). Treatment integrity involves mixing both techniques for assessing the fidelity of interventions, programmes, or treatments (Leech and Onwuegbuzie, 2010). Lastly, significant enhancement involves mixing both methodologies' techniques for maximizing interpretation of findings (Leech and Onwuegbuzie, 2010).

Using the mixed method appears to be more appropriate than methods that are used individually. Gorard and Taylor (2004) looked at some of the benefits of using the mixed method and found that the mixed method and the combination of data derived through the use of different methods, among other things, produce research claims that are stronger; create research with an increased ability to make appropriate criticisms of all types of research; and has increased the potential of persuading policy makers. Again, they argue that the approach can be particularly helpful in confirming, explaining, verifying and generating theory all at the same time. They also portend that if social phenomena tend to have multiple empirical appearances, then using only one method in each study can lead to the unnecessary fragmentation of explanatory models, and that in circumstances such as this, using mixed methods research is most appropriate.

Considering these advantages of the mixed method, they override the disadvantage of the inability of the method to adopt a clear cut philosophical or theoretical stance on research. As a matter of fact, the validity of findings from two or more research methods enhances the belief that the results are valid and not artifact results of the single research methodology used (Johnson, Onwuegbuzie, and Turner, 2007). To this end Hurmerinta-Peltomäki and Nummela (2006) concluded that research strategies that combined both types of quantitative and qualitative data and analysis gained the most from validity through triangulation, and from a more comprehensive illustrative description of the phenomenon.

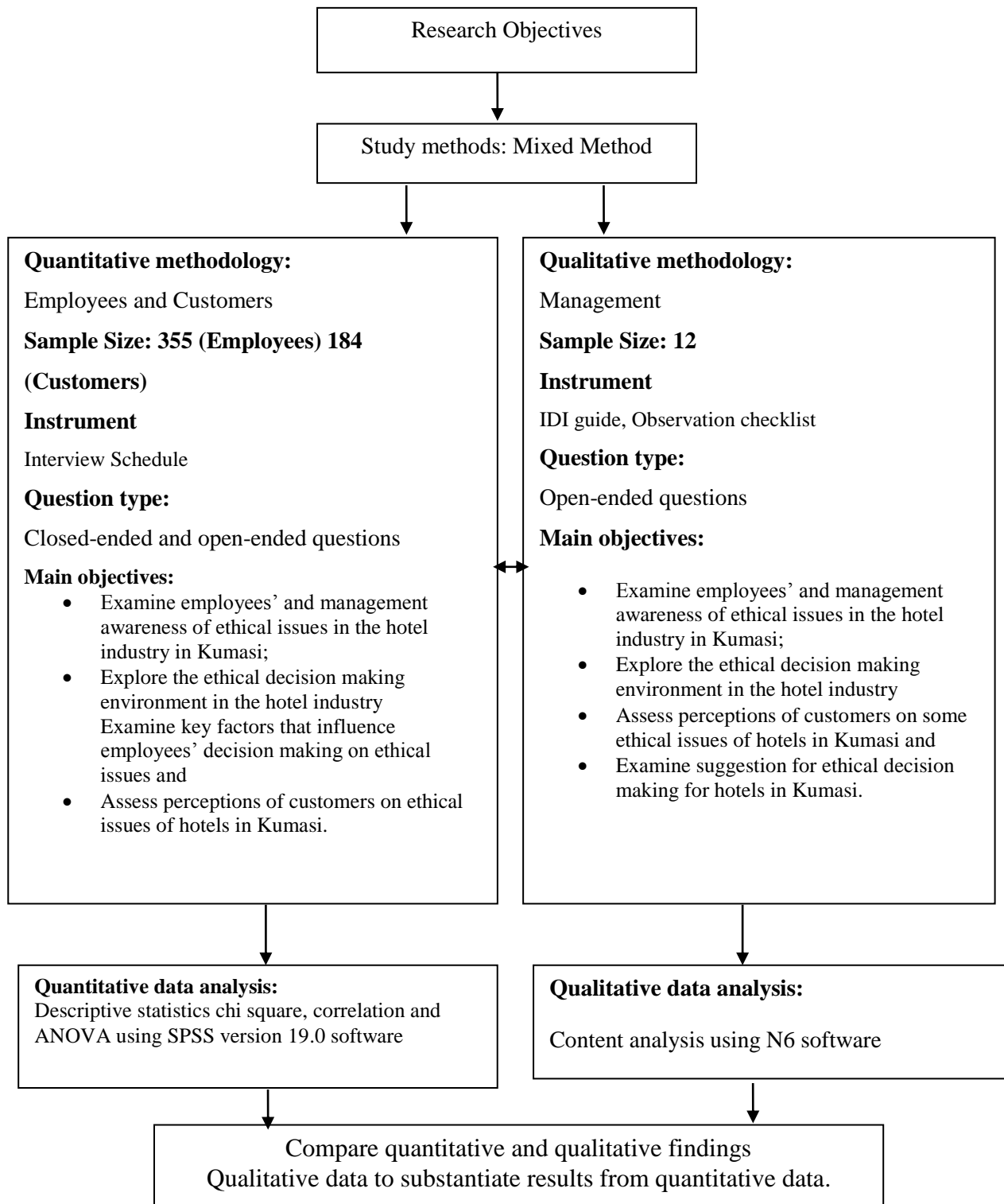
As far as the study is concerned, data will be collected on ethical issues in the Kumasi Metropolis and use it to explain the ethical dimensions in the hotel industry of Kumasi. Again objective and empirically verifiable knowledge that will be of essence to the industry in general will be taken into consideration. The study seeks to obtain valid and reliable knowledge from the hotel industry through proper measurement of variables that are relevant to ethics in the hotel industry of Kumasi.

### **Research Design**

In selecting a good research design for a particular study, Fisher, Laing, Stoeckel, and Townsend, (1998) identified a number of variables to consider. These include ethical issues (that the design does not violate people's right and dignity), practical and administrative issues (capable of obtaining the most reliable and valid data given the constraints of funds, time, personnel and

equipment), technical issues (capable of measuring whatever it is that happens in the field setting) and the selected design should help the researcher avoid making mistakes in conclusions such as accepting a hypothesis when in fact the hypothesis is false or rejecting a hypothesis when in fact the hypothesis is true.

The study adopted the cross sectional design on account of the following persuasions; the intended number of times the researcher would contact the study population and the objectives of the study. The researcher contacted respondents once and this is also known as survey design, one-shot or status studies (Kumar, 2005, Bryman, 2008). The cross sectional design is useful in finding out the prevalence of a phenomenon, attitude or issue. As far as this design is concerned, the researcher decides what he/she wants to find, identify the study population, select a sample and contact respondents to find out the required information. Although this design cannot be used to measure change in ethical issues, it has the advantage of its simplicity in nature. This design has been selected based on a number of factors. The researcher is interested in three categories of groups, employees, management and customers. It is assumed that variations in ethical issues in decision making can be examined if more than one case is used. Data on ethical issues on decision making have been collected at a single point in time whereby almost all respondents were contacted simultaneously. Quantitative data have been collected on some of the issues and systematic and standardized methods have been applied to measure variations. The design helped to examine relationships between the variables.



**Figure 5: The Research Process**

Source: Adapted from Marzuki (2008)

## **Methodology**

The study was guided by a research process adapted from Marzuki (2008). The research process follows systematic steps to arrive at a concrete solution to social problems. This process has been shown in Figure 5.

## **Study Population**

The target population consisted of employees, management and customers. There are basically three categories of employees in the hospitality industry, namely; lower/ junior level, middle/medium level and high/managerial level employees. Every employee falls in at least one department in the hotel industry at a point in time and all the departments were involved in the study. All employees were targeted for the study because no matter where an employee finds him/herself, the activity performed would impact either on the organisation, customer or the industry as a whole. The image of the organisation is projected by the collaborative efforts of all employees in the industry. Customers are an essential part of the target population; they consume the ethical products from employees. The customers are considered as leakage clients since they are not permanent on the hotel premises.

## **Sample Size Determination**

The study focused on three categories of people. These categories were full time employees in the hotels, customers of hotels and managers of hotels in Kumasi Metropolis. For the selection of employees of hotels in Kumasi, there were 231 hotels in the Kumasi Metropolis as of the year 2010. These facilities ranged from budget hotels to 4-star hotel. Majority of these hotels were registered



under Ghana Tourism Authority. The total number of employees for these hotels was 2040. Using the Fisher et al formula for determining the sample size for a study, a total sample size of 323 was selected for the study. An additional 10 percent of the desired sample size was added to cater for non-response. Below depicts how the sample size was calculated.

The Fisher et al's formula for determining sample size is shown below;

$$n = \frac{z^2 pq}{d^2}$$

Where :

n= the desired sample size (when population is greater than 10000)

z= the standard normal deviate, usually set at 1.96 which corresponds to the 95 percent confidence level

p= the proportion in the target population estimated to have a particular characteristic

q= 1.0 – p

d= degree of accuracy desired, usually set at 0.05

For the purpose of the study;

$z= 1.96$ , most social sciences study adopt the 95 percent confident level based of the fact that, most studies involve social being and as a result, there is the possibility of error occurring in the course of the study.

$p=50$ , there is no literature to support the ethical knowledge level of hotel employees in Kumasi and for that matter 50 percent has been chosen for the study.

$$q=50 \text{ (} 100 - 50 = 50 \text{)}$$

$$d=0.05$$

$$n = \frac{(1.96)^2(0.50)(0.50)}{(0.05)^2}$$

$$n = \frac{(3.84)(0.25)}{0.0025}$$

$$n = \frac{0.96}{0.0025}$$

$$n = 384.00,$$

There is therefore the need to calculate for the sample size for the population which is less than 10000.

$$nf = \frac{n}{1 + n / N}$$

Where:

$nf$  = the desired sample size (when the population is less than 10000).

$n$  = The desired sample size (when the population is more than 10000 = 384)).

$N$  = The estimate of the population size (2040 employees).

$$nf = \frac{384}{1 + 384/2040}$$

$$nf = \frac{384}{1 + 0.188}$$

$$nf = \frac{384}{1.188}$$

$$Nf = 323.23 \approx 323.$$

A total of 10% of the calculated sample size was added to cater for non-responses.

Therefore 10% of 323 =  $10/100 \times 323 = 32.3$ .

Final sample size for the study:  $323+32 = 355$ .

The survey questionnaire therefore targeted 355 respondents and that constituted the quantitative part of the study. The sampling ratio that was used for this study was 0.174 (355/2040). On the sample size of customers of hotels in Kumasi, a sample of 184 customers were targeted for the study. From Pallant (2005) perspective, a sample size of 100- 150 is enough as representative for quantitative studies. As a result the customers sample was sealed at 184 which will be enough to represent the views of customers of hotels in Kumasi.

For the qualitative aspect of the study, non-probability method was used to select managers of hotels to be part of the study. Qualitative work usually focus on a small number and so 12 managers of hotels were selected to be part of the study. The managers were purposively selected by the researcher and they cut across the categories of the hotels selected for the study. Again, managers who had a minimum of one (1) year experience at the managerial position were taken into consideration.

### **Data and Information Source**

Data on ethical issues on decision making could be quantitative or qualitative in nature. The study required the use of both primary and secondary data. Primary data was obtained from the fieldwork that was conducted on the study. The methods for collecting data from the field covered the administration of questionnaire and in-depth interviews (IDIs). Findings from the in-depth interviews were used to complement and/or authenticate the survey results. Secondary data was obtained from Ghana Tourism Authority (GTA) on list of hotels and their registration status as well as number of employees in the hotels. Other information on ethical issues on decision making that was relevant to the hotel industry was also taken into consideration and mainly derived from published articles in journals, books, internet and library search.

### **Sampling Procedure**

Considering the nature of the study and the objectives that needed to be achieved, the stratified and the simple random sampling techniques were used to select hotels and employees in the hotel for the survey part of the study. The stratified sampling technique is known to produce samples that are more representative of the population if the stratum information is accurate (Neuman, 2003). Since one of the strata (the three and four star hotels) is a small percentage of the population and random process could miss the stratum by chance, the stratified sampling was considered appropriate for this study at this stage. Simple random sampling was then employed to select respondents for the study. Respondents were randomly selected from the selected hotels in the Kumasi Metropolis.

For the quantitative data on the study, the 231 hotels in the Kumasi Metropolis were stratified. The hotels were grouped into four main categories. These categories were One star and Two star hotels, Three star and Four star hotels, Budget and Guest houses and Unregistered hotels in the Metropolis (see Table 2). Twenty percent (20%) of facilities of each category were randomly selected using the lottery method to be part of the study. This yielded a total of 46 different hotels from different hotel categories to be involved in the study. On the selection of respondents for the survey, the proportionate stratified sampling was used to select respondents. This technique allowed a proportionate number of respondents to be selected from each stratum. The required number of respondents from each stratum was selected through the use of the simple random

sampling technique. A maximum of eight (8) respondents were selected from each selected hotel facility.

**Table 2: Sampling of Hotels in Kumasi**

Category of hotel	Frequency	Percentage	Proportion	No. Of hotels selected	
One and two star hotel	65	28.14	0.2814	12	93
Three and four star hotel	4	1.73	0.0173	2	15
Budget and Guest houses	102	44.16	0.4416	20	154
Unrated hotels	60	25.97	0.2597	12	93
Total	231	100.0	1	(20%) 46	355

Customers for the hotels were selected through the use of accidental sampling technique. The targeted sample size of 184 was distributed among the 46 selected hotels from the study area. A maximum of four (4) customers were selected from each selected facility for the survey. A maximum number of 184 customers were targeted to be included in the survey.

For the qualitative data, purposive sampling technique was used to select three managers from each stratum. Managers of hotels are known to have peculiar knowledge that other hotel employees are not privy to. Again hotel ethical codes and standards are enforced by managers of the hotel and for that matter, their involvement in the study will be beneficial. This method is described as extremely

useful when dealing with a description of a phenomenon (Kumar, 2005). A total of 12 managers were involved in the in-depth interviews for the study.

### **Research Instruments**

The nature of the investigation and the socio-economic and demographic characteristics of the study population had influence on the type of research instruments. Four main research instruments were used. Two from the quantitative perspective and one from the qualitative perspective.

From the quantitative perspective, interview schedule was used. The choice of the instrument type was based on the nature of the investigation and the type of the study population. Although this study spreads across a wide geographical area and might be expensive using the interview schedule, the level of education of the population was low. Neuman (2003) suggests that a good questionnaire forms an integral part of such studies. Good survey questions avoid confusion and keep the respondent's perspective in mind. Most employees in the hotel industry were not willing to respond to questionnaire, they preferred to be interviewed.

The structured interview schedule consisted of various section/modules. These modules were structured based on the objectives and the research questions associated with the study. Each section dealt with a particular issue on ethical issues in decision making in the hotel industry. The instrument contained both closed-ended and open-ended questions. The open ended questions allowed respondents to express their view on ethical issues in the hotels and how ethical decisions are taken in the industry.

From the qualitative perspective, one instrument was used, an in-depth interview guide (IDI). This instrument was considered as unstructured interviews with open-ended questions and follow-ups, known as probes. They were developed in line with major themes of the study. Though Fisher et al (1998), observed that IDIs require highly skilled and experienced interviewers and the analysis exceedingly time-consuming, the other side of it is that, the instrument is very useful in exploratory studies. It is also useful for generating supplementary explanatory data to augment the relatively superficial findings from larger surveys.

### **Reliability**

Reliability in this research is considered to be the repeatability or consistency of a measure. A measure is considered to be reliable if it would give the researcher the same result over and over again with the hope that what the researcher is measuring is not changing. It is therefore a measure of objectivity, stability, consistency and precision. Reliability answers questions of whether the research instrument produces consistent results; whether the instrument is free of bias and whether ethical issues are involved and appropriately addressed. The study therefore focused on the ability of the instrument to produce consistent measurement. In order to ensure reliability of the instrument that was used to measure ethical issues on decision making in the hotel industry, the following factors were taken into consideration:

1. The wording of questions;
2. The physical setting;



3. The respondents' mood;
4. The nature of interaction;

Also the researcher deliberately asked two or more questions that gave the same type of information to respondents. The first question was at the beginning of the instrument and the second at the tail end of the instrument. The two questions were then examined to check for consistency of the response. The internal consistency procedure that was used to determine the reliability of the instrument was the Cronbach's alpha which yielded a value of 0.893 for the employees' instrument and 0.791 for the customers' instrument.

### **Validity**

Three ways were adopted to address the issue of validity in the study. These are relevance, accuracy and precision. The validity of the measure helps produce findings that are in agreement with theoretical and conceptual values. Kumar (2005) identified three types of validity of research instrument. The face and content validity, concurrent and predictive validity and construct validity. This study checked validity of the instrument through face, content and construct. On face validity, the instrument included issues on ethical issues in decision making in the hotel industry. The content validity looked at the areas in which the instrument covers as far as ethical issues in decision making in the hotel industry is concerned. The instrument covered solely on issues of ethical decision making that are relevant in the hotel industry. The main advantage of this type of validity is that it is easy to apply. The principle is that each question or item on the scale must have a logical link with an objective of the study.

One way to improve external validity was to base the study partly on the random sampling model. Once samples were selected randomly, the researcher ensured that the respondents participated in the study and kept dropout rates as low as possible.

### **Training of Field Assistants**

Four field assistants were trained to help administer the questionnaire in the study area. The study objectives and significance were explained to them so that they would have knowledge about the study in question. They were taken through the selection procedure of respondents in the various hotel facilities in the study area. The training also covered translation of the questionnaire in the local dialect using the forward and backward translation method – from English to Twi and from Twi to English. This was done to ensure that the questionnaires were interpreted in the same way with the same meaning to respondents.

### **Fieldwork**

The fieldwork was from August 2012 – February 2013, a period of seven months. The period covered both the lean and the peak seasons of the industry in Kumasi Metropolis. The study was therefore expected to come out with the different shades of ethical issues that expand across these seasons. An intelligent and pro-active approach to recognizing and minimizing potential risk was considered to be an essential component of good fieldwork practice and this was adhered to.

Prior to the fieldwork, permission was sought from the managers of the selected hotel facilities that were involved in the study. This helped ensure a good

rapport with the people for easy accessibility to the facilities and the employees as well. For the survey part of the study, field assistants were introduced to the selected facilities. The field assistants administered questionnaire to respondents personally taking into consideration ethical issues involved in questionnaire administration. Some of these include free and informed consent, right to privacy and anonymity as well as the issue of confidentiality.

For the employees of hotels in Kumasi, a total of 355 questionnaire were administered and 320 questionnaire were used for the analysis. This provides a response rate of 90.14%. On the part of the customers, 184 questionnaire were to be administered to hotel customers. Out of this number, 135 questionnaire were able to be used for analysis and this provided a response rate of 75%.

### **Field Challenges, Opportunities and Observations**

The fieldwork started with questionnaire administration to both employees and customers of hotels in Kumasi after which interview with managers were done. Studies of this nature usually come with their own challenges and opportunities throughout the study and most especially during the data collection. This helps to inform other researchers who might be interested in conducting similar study on the topic or in the study area. It also informs readers about the nature of the data and the results that would come out of the study.

The study adhered to ethical principles in conducting social research. However, the relationship between the researcher and the respondents was complex, shifting and fluid. There was a challenge on the equilibrium of power or authority. Those who hold the actual practical advantages of the researcher's

symbolic capital was seen in action. At a point in time the respondents hold power that they can bring into play. During the data collection, the researcher can detect cost, losses and gain. Quality data is taken from quality respondents and for that matter, the researcher had to understand respondents in many situations in order to be exposed to well-hidden secrets.

As part of the ethical clearance in the questionnaire administration, permission was sought from managers. There was a challenge of meeting managers to seek permission and other protocols. This in a way delayed the data collection period and especially for the hotels that were affected by such issues. Nevertheless, data collection started in other hotels that managers had cleared the researcher for the questionnaire to be administered.

There was an issue of “waiting game” on the part of the employees. Some of the employees were not willing to respond to the questionnaires. One usual excuse from respondents was “please wait and give us one more week”. This delays the progress of the study and the data collection. Research assistants were educated on the nature of the industry and how to exercise patience with respondents during the data collection. This increased the proposed cost in the fieldwork and extended the time for the data collection.

Pretence on the part of employees when managers were around was seen a number of times. In some of the study sites, managers encouraged employees to help respond to the questionnaire. For this reason, when the managers were around, employees would pretend as if they were responding to the questionnaires but as soon as the manger left, employees would ask you to go and come.

Most customers were not willing to respond to the questionnaire. Although the aim and benefits of the study was explained to customers, most customers considered the data collection as an invasion of their privacy. To some customers, they were in their hideouts and wanted to be left alone. Other customers complained of busy schedule and for that matter there would not be enough time to complete the questionnaire. Loss of questionnaire was commonly experienced during the data collection. Most of the questionnaires that were left for both employees and customers were misplaced. The researcher had to print more than enough for field assistants whenever they were going to the field.

Some hotels were not ready for the research to be conducted at their facilities. Other challenges include health related hazards such as smoking by customers and sexual harassment mainly from some employees and managers on field assistants. On this issue, field assistants were given prior information on how to tackle them when they arose.

The study helped the researcher and field assistants to establish good relation with managers and employees of hotels in Kumasi. It was observed in most of the hotels visited that, where there is a television at the reception, the receptionist is much nicer than places where there were no television at the reception. Again, it was observed that most of the star rating hotel managers were more accommodating than managers of guest houses and budget hotels. Based on the responses from the data collection, the researcher realized that ethical issues in the hotel industry is grey area that needs more attention and research.

## **Data Presentation and Analysis**

Descriptive statistics was used to describe the basic features of the data in the study. Simple summaries about the sample were provided. Here the researcher was interested in describing what is in the data of ethical issues in the hotel industry in Kumasi. The descriptive statistics in the data set could be voluminous. As a result, some of them were carefully selected and organized into summary tables and graphs that showed the most relevant or important information. With inferential statistics, the researcher investigated the research questions on the study and drew conclusions. The conclusions from inferential statistics were extended beyond the immediate data. Results from the study have been presented in the form of tables and charts. Some of the statistical tools that were employed included descriptive statistics, correlation, t-test and factor analysis. The IBM SPSS Statistics (SPSS) version 19 was used to analyse the quantitative data.

For the qualitative data, the results have been presented in themes on issues regarding ethical decision making in the hotel industry. The qualitative data have been used as supporting or otherwise document on some of the issues from the quantitative data. The interviews were transcribed based on theme. The results were analysed with the help of N6 software.

## **Ethical Considerations**

Following the right methods in carrying out social research by way of selecting appropriate design, research strategy, sampling, data collection and analysis, there was the need to consider other moral and ethical dimensions in carrying out social research. Neuman (2003) drew researchers' attention to the

fact that researchers have a moral and professional obligation to be ethical even when research subjects are unaware of or unconcerned about ethics. Ethics in research have intrinsic values in protecting the right of subjects and are considered as an organisation function in research (Veal, 2006). There are a number of key phrases that describe the system of ethical protections that the contemporary social research establishment have created to protect the rights of their research participants. The principle of voluntary participation requires that people should not be coerced into participating in research. Closely related to the notion of voluntary participation is the requirement of informed consent. Essentially, prospective research participants must be fully informed about the procedures and risks involved in research and must give their consent to participate in the study.

Ethical standards also require that researchers should not put participants in a situation where they might be at risk of harm as a result of their participation. Harm can be defined as both physical and psychological. On privacy of respondents, there are two standards that are applied in order to help protect the privacy of research participants. Almost all research guarantees the participants' confidentiality. Respondents are assured that identifying information will not be made available to anyone who is not directly involved in the study. Another strict standard is the principle of anonymity which essentially means that the participant will remain anonymous throughout the study even to the researcher. As far as the study of ethical issues are concerned, ethical dimensions that were considered

were related to researcher – respondent relationship, researcher – researcher relationship and ethical practice in general.

For the ethical issues existing between the researcher and another researcher, the following have been identified as possible areas to consider:

1. Misleading ascription of authorship;
2. Misuse of authority or role; and
3. Plagiarism

These are considered as standards relating to intellectual property and improper use of data belonging to other researchers in a report. Neuman, (2003) advised that the issue of unethical but legal should be taken into consideration. There might be some issues that may not be illegal but at the same time unethical as far as research is concerned.

### **Summary of Chapter**

This chapter considered the study area and the research methods applied for the study. Kumasi metropolis was chosen and selected hotels were used for the study. The mixed method approach was adopted and this takes into consideration both the positivist and the intrepativist paradigm. Staff and customers of selected hotels were the respondents for the study. A total of 320 employees, 135 customers and 12 managers were involved during the data collection. Employees were selected through the stratified sampling technique, customers through the accidental sampling and managers were selected through the purposive sampling technique. Questionnaire and interview guide were the main research instruments used for the data collection. Data collection was done from August, 2012 to



February, 2013. Ethical principles underlying data collection were adhered to. Proposed data analysis structure has been discussed in this chapter. The next chapter looks at the working environment of hotels in Kumasi.

## CHAPTER FIVE

### WORKING ENVIRONMENT OF HOTELS IN KUMASI: ETHICAL IMPLICATIONS

#### **Introduction**

This chapter deals with the working environment of hotels and hotel employees in the Kumasi Metropolis. The socio-demographic characteristics of employees and customers that are likely to influence their ethical issues in the hotel industry have been highlighted. There has been much interest in the literature on ethics on how age, work experience, and academic status of people influence their ethical attitudes and judgments (Luthar et al., 1997; Mellahi and Guermat, 2006). The chapter begins with issues on hotel employees and continues with customers of hotels and how these socio-demographic backgrounds could affect their ethical operations in the hotel business.

#### **Socio-Demographic Characteristics of Hotel Employees**

Socio demographic characteristics of respondents have influence on behaviours of employees and customers in the hotel industry. Prasad and Rao (1982) argue that although certain ethical norms such as honesty, integrity, self-discipline, loyalty, and compassion are widely proclaimed and are part of any civilization, adherence to these standards varies greatly among people. Ethics is becoming more important in the 21<sup>st</sup> century than before in attracting customers aside superior service, quality product and competitive pricing (Dreyfack, 1990). In a social setting, people's background influence their thinking, relationship and

attitude towards others. Lam and Hung (2005) are of the view that since culture and tastes affect individuals' consumption behaviour, depending on people's religion, those with higher income may or may not choose to 'acquire' more ethical behaviour.

The adapted conceptual framework from Ferrell and Gresham (1985) and Hunt-Vitell (1986) was found to exhibit the linkage between the social and cultural environment and ethical issues of people within the hotel industry. From the study, the background characteristics of respondents are shown in Table 3. Since people are brought up from different environmental and cultural backgrounds, their thinking and actions might differ in different situations. England (1975) believes that people brought up in different cultures hold different values and ethical beliefs (the moral dimension of personal values). This might compel people to act differently in different ethical situations. This has been supported by Macdonald (2000) who argues that the circumstances that activate and affect the ethical reasoning process may differ across cultures.

A total of 320 employees from hotels in the Kumasi Metropolis were involved in the study. Respondents were randomly selected from the hotels. Gender was considered as one of the important socio-demographic variables that needs to be taken into consideration. The issue of gender raises major challenges that face organisations at the regional, national and global levels.

**Table 3: Socio Demographics of Hotel Employees**

Characteristics	Frequencies	Percentage
Gender		
Male	192	60.0
Female	128	40.0
Marital status		
Single and never married	200	62.5
Married and living with		
Partner	78	24.4
Cohabiting	23	7.2
Married and living apart	12	3.8
Divorced	2	0.6
Separated	5	1.6
Religion		
Christianity	301	94.1
Muslim	10	3.1
Traditional	5	1.5
No religion	4	1.3
Educational level		
None	4	1.3
Primary and J. H. S	27	8.4
Secondary /SHS	125	39.1
Vocational/Technical	42	13.1

**Table 3 Continued**

Polytechnic	73	22.8
University	44	13.8
Postgraduate	5	1.6

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Source: Fieldwork, 2012

\*N= 320

An examination of gender on ethics in the hotel industry would help identify areas in the industry that are at high risk or susceptible to a particular gender.

Researchers hold different views on ethics and gender. Some researchers (Elm, Kennedy and Lawton, 2001, Roxas and Stoneback, 2004) observe that females are more ethical than their male counterparts. After a review of 14 articles, Ford and Richardson (1994) reported that half of the articles found women to behave more ethically than men. Cohen et al. (2001) found females to be less liberal than males in terms of ethical dilemmas. At the student level, Galbraith and Stephenson (1993) confirmed that the Utilitarian decision rules are mostly used by female business students while their male counterparts prefer an Egoist approach in evaluating ethical dilemmas. In the midst of these, other researchers (Forte, 2004; Wong, 1998) are very careful in taking a position on this issue because there is no significant difference in the ethical disposition of both males and females in the studies that they conducted. After all, in most of the available literature, there is little evidence to support that males are more ethical than females.

From the study, sixty percent (60%) of the sampled employees were males and forty percent were females (40%). Literature on the hotel and hospitality industry suggests that the industry is dominated by female and managed mainly by males. However, the sample respondents depict otherwise. This could have implication on female voices in the hotel industry of Kumasi. There is the tendency of shelving the plight that females are likely to go through on the job and in the industry. Most females tend to solve conflicts in organisations without causing harm to others while most males deal with issues independently without considering who will be affected. This is related to Callahan's (1990) view that males and females apply different decision rules when making ethical judgments. Females tend to use different decision rules compared to their male counterparts (Galbraith and Stephenson, 1993).

Over half of the employees respondents (62.5%) were single and never married while the others were married and living with their partners ((24.4%), cohabiting (7.2%), married and living apart, divorced and separated. As far as the hotel industry is concerned, time, responsibility and commitment are significant in the day to day running of the business. Commitment to work operations could depend on some of these variables.

Education is one of the personal characteristics that influence ethics. Beltramini et al (1984) studied the relationship between type and years of education and how they are related to individual's ethical beliefs. High education level of an individual improves one's moral development (Wimalsiri, Pavri and Jalil, 1996). Respondents' educational background ranged from no formal

education to postgraduate education level. Those with secondary and SHS educational level constitute the highest group (39.1%) among the employees in the hotel industry of Kumasi. This is followed by those with polytechnic education (22.8%), University (13.8%), vocational and technical (13.1%) and the lowest category of people were those with no formal education (1.3%). Wong (1998) is of the view that level of education and tolerance of unethical behaviours are correlated.

The age category of employees is also an important variable as it might have its own ethical implications. The minimum age of the employees that were sampled was 20 years and the maximum age was 75 years. Employee respondents had an average age of 28 years and their ages deviated by a standard of 8.2. Employees that fell within the age range of 20 – 29 years formed the majority (72.5%) and those who were 40 years and above constituted the minority (7.5%). Most of the employees are within their youthful stage in life. According to Konrad and Hartmann (2002), age has influence on employees' attitudes towards organizational policies. Policies in organisations could include ethical policy and they are of the view that increased age is associated with more positive attitudes towards organisational policies. Mkono (2010) concludes that modern workplaces, and especially hotel workplaces, are characterized by a high degree of diversity: they consist of people from different cultural, educational and social backgrounds who have to work together towards the achievement of organizational goals.

### **Religiosity of Employees' Respondents**

One of the social institutions that influences and shapes the behaviour of its members is religion. Klemmack, Roff, Parker, Koenig, Sawyer and Allman (2007, p. 165) state that, "individuals may be categorized not only as being more or less religious but also as being religious in different ways". It is possible to conceptualize clusters of individuals located in various quadrants of a multidimensional religiosity grid as well as maturing developmentally. This could highlight the different categories within the circles of religiosity. In one way or the other, religion controls and manipulates the behaviour of its members. Harrell (1986) sees religion as affecting people from two different sources: it stipulates rules and obligations; and it sanctions, controls and influences behaviours. From the study, a very high percentage of the respondents were Christians (94.1%) and the others were either Muslims (3.1%), Traditionalists (1.5%) or those with no religion (1.3%). It is believed that religion could have an indirect role in shaping culture, norms, attitudes and values in society that are crucial to social institutions such as the hotel industry.

Respondents' religious denomination and attendance to religious services per week were considered. The religious denomination with the highest percentage was the Pentecostal (35.3%) followed by Catholic (24.7%), Protestants (17.2%) and other religion (16.9%) consisting mostly of Charismatic churches and those that do not fall under the other three categories described above.

Taking a philosophical view on religious denomination and ethics, Weber (1905) argued that Protestants tend to work harder and more effectively than



Catholics and that contributes to the higher prosperity that Protestant religions enjoy. This has been supported by a number of researchers including Barro and McCleary (2006), Torgler and Schaltegger (2009) and Becker and Woessmann (2009). Although Becker and Woessmann (2009) support Weber's argument but they considered the differences in economic outcomes as a result of the emphasis on the Bible reading by the Protestants which brought higher literacy rates and greater human capital.

Religiosity deals with one's commitment to religious activities and this is expected to translate into an individual's belief and attitude. A number of researchers have established that, the stronger a person's sense of intrinsic religiosity, the more likely he/she finds various "questionable" business activities as wrong. (see for example, Vitell, Paolillo, and Singh, 2005; Vitell and Muncy, 2005; Vitell, Paolillo, and Singh, 2006; Vitell, Singh, and Paolillo, 2007). Religiosity is seen as one of the strongest determinants of values which affect ethics (Huffman, 1988). Sood and Nasu (1995) observe that the extent to which religion affects an individual's beliefs and behaviour depends on the person's level of religiosity and the importance the person attaches to the religion itself. That is why Giorgi and Marsh (1990) added that, religion and the level of religiosity positively influence an individual's judgment on ethics. Mokhlis (2006) concludes that religious persons exhibit value systems that are far from those who are less religious and the non-religious people. In terms of religious attendance per week, about half of the employee respondents in Kumasi were found to attend religious service once a week (50.3%) followed by those who

attend religious service twice a week (26.9%). Employees who attend religious service more than three times within a week accounted for about 12% of the total sample (see Table 4).

Religious teachings, practices, stipulated rules and obligations may have direct control of an individual's behaviour and attitude. A crosstabulation of employees' religiosity and marital status has been presented in Table 5.

**Table 4: Socio-Demographic Characteristics of Employees-continuation**

Characteristics	Frequencies	Percentage
Religious denomination		
Catholic	79	24.7
Protestant	55	17.2
Pentecostal	113	35.3
Other Christians	54	16.9
Others(muslim, tradi.etc)	19	5.9
Religious attendance in a week		
Once	161	50.3
Twice	86	26.9
Thrice	31	9.7
More than three times in a week	38	11.9
Not applicable	4	1.3

Source: Fieldwork, 2012

\*N= 320

The results show that, over half of the respondents (57.9%) who were married and living with their partners attended religious service at least once a week while less than half of the never married ( 48.4%) and those married but living alone (42.1%) attend religious service once a week. Among those who attend religious service more than three times in a week, the never married category constitute the majority with 31 out of the 36 respondents.

**Table 5: Religious Attendance in a Week and Marital Status**

Number of times per week	Marital status				Total
	Never Married	Married living with partner	Married, living alone		
	%	%	%	%	
1	107 (48.4)	44 (57.9)	8 (42.1)	159 (50.3)	
2	53 (24.0)	25 (32.9)	6 (31.6)	84 (26.6)	
3	21 (9.5)	4 (5.3)	3 (15.8)	28 (8.9)	
>3	31 (14.0)	3 (3.9)	2 (10.5)	36 (11.4)	
N/A	9 (4.1)	0	0	9 (2.8)	
<b>Total</b>	<b>221 (100)</b>	<b>76 (100)</b>	<b>19 (100)</b>	<b>316 (100)</b>	

Source: Fieldwork, 2012

\*N= 320

The study on ethical decision making in the hotel industry covered almost all the departments in the hotel industry of Kumasi, from the room service department through to the security department. This was done to incorporate views from all departments in terms of ethical decision making in the hotel industry. The result has

been presented in Table 6. A greater percentage of respondents (31.6%) were taken from the front office department. This was followed by the room service department (21.9%), the food and beverage department (16.9%) and the security department had the least representation with 3.4 percent of the respondents.

Other characteristics of employees that are related to hotel operations in Kumasi were also considered. Issues such as department of employees, position held, number of years in the position and number of years worked with the hotel were considered. All departments were taken into consideration because an activity of each employee within the establishment is likely to influence the ethical behaviour of stakeholders in the hotel industry.

Dole and Schroeder (2001) and Ely and Thomas (2001) have argued that position in the organizational hierarchy as well as salary level are factors that could influence employee attitudes. Position level of respondents considered in the study included senior manager, manager, middle manager and junior staff. Over half of the respondents (64.5%) were junior staff and the minority were senior managers (2.8%). The greater representation of the Junior staff is an indication that most of the employees within the hotel industry fall under the lower level of employees. On the number of years respondents had been in those positions, a quarter of the respondents (25%) had been in their positions for less than one year while 26.3 percent indicated two years. Those who had been in their positions for four years and above constituted about 17% of the total sample. These employees had been in their various positions with the hotel industry for a minimum of less than one year and a maximum of 26 years. However, on average, employees had spent three (3) years at

their positions as at the time of the data collection. This number of years at the position level with the industry is likely to impact on their ethical orientation and influence their responses on the study. A number of studies have shown that, an individual's years of experience is a second factor that is typically controlled for in

**Table 6: Characteristics of Employees in the Hotel Industry of Kumasi**

Characteristics	Frequencies	Percentages
Department		
Room	70	21.9
Front office	101	31.6
Personnel	20	6.3
F &B	54	16.9
Kitchen	29	9.1
Accounting	22	6.9
Security	11	3.4
Sales and marketing	13	4.1
Position level		
Senior Manager	9	2.8
Manager	14	4.4
Middle manager	90	28.3
Junior staff	205	64.5
Number of years in the position		
<1year	78	25.0
1year	51	16.3

**Table 6 Continued**

2 years	82	26.3
3 years	49	15.7
4 years and above	52	16.7
Number of years with the hotel		
<1year	57	18.3
1year	41	13.1
2years	67	21.5
3years	53	17.0
4years and above	94	30.1

Source: Fieldwork, 2012

\*N= 320

the ethical literature. Considerable work shows that adult development is linked to years of work experience (Beutel and Marini, 1995; Pharr, 1998; Peterson et al., 2001; Aldrich and Kage, 2003). The employees had worked with the hotel industry for a minimum of less than one year and a maximum of 30 years.

Sex and position level of employees in the hotel industry is one of the important areas to consider. The sex ratio of management has influence on lower level employees in the hotel industry. A crosstabulation of sex and position level of employees has been shown in Table 7 in which all the senior managers from the selected hotels were males. Within the manager's category, 71 percent are males which constitute about five (5) percent of the male employee respondents and just 29 percent of females or three (3) percent of the female employee respondents. However, at the lower level position, that is the junior staff, about 61 percent of the male employee respondents are junior staff compared with about 70 percent of

the female employee respondents who are junior staff. In general, most of the hotel junior staff employees are females.

A chi square test conducted between sex and position level shows that, at 0.05 level of significance with degree of freedom 3, the chi square value obtained was 7.99 with a p-value of 0.046, which implies that, there is a statistically significant difference between gender and position level in the hotel industry of Kumasi. While most of the males are senior managers and managers, most of the female are junior staff and middle managers.

On education and position level, almost 89 percent of the senior managers had attained tertiary education or better (see Table 8). For those who had attained less than secondary and vocational education, about 94 percent were junior staff and about six (6) percent managers. A larger percentage (45%) of those who had attained tertiary education and above belonged to the category of middle managers while over 77 percent of the employee respondents who had attained secondary or vocational education fell under the junior staff category.

**Table 7: Position Level by Sex**

Position Level	Sex		Total
	Male	Female	
Senior Member	9 (4.7)	0 (0.0)	9 (2.8)
Manager	10 (5.2)	4 (3.1)	14 (4.4)
Middle Manager	56 (29.2)	34 (26.6)	90 (28.1)
Junior Staff	117 (60.9)	90 (70.3)	207 (64.7)
Total	192 (100)	128 (100)	320 (100)

Source: Fieldwork, 2012

**Table 8: Position Level by Educational Level**

Position Level.	Educational Level			
	Below Sec/Voc	Sec/Voc	Tertiary and above	Total
Senior Manager	0	1 (0.6)	8 (6.6)	9 (2.8)
Manager	2 (6.5)	2 (1.2)	10 (8.2)	14 (4.4)
Middle Manager	0	35 (21.0)	55 (45.1)	90 (28.1)
Junior Staff	29 (93.5)	129 (77.2)	49 (40.2)	207 (64.7)
Total	31 (100)	167 (100)	122 (100)	320 (100)

Source: Fieldwork, 2012

### **Background of Customers of Hotels in Kumasi.**

Customers of hotels refer to the clientele of the hotel industry. Customers' perception about the ethical nature of hotels and their employees is considered as a critical variable that could affect customer-hotel relationship. The customer-hotel relationship can influence service quality of the hotel and customers loyalty as well. Roman and Ruiz (2005) have indicated that personal relationship with customers can foster mutual trust and increase openness in exchange transaction and that could eventually lead to customer loyalty. Hotel customers vary in all aspects of life in terms of preferences, choices, attitudes and expectations. Customers are also influenced by their social and demographic backgrounds. Lee et al (2008) found that cultural differences are reflected in differing perceptions of



service recovery. They conclude that the dimensions of value loss remain constant.

In the hotel industry, sometimes depending on the nature of the customer, the time of business and the employees on duty will determine the price of the hotel product. Price discrimination and price dynamics in the hotel industry have been looked at by a number of researchers (Koenig & Meissner, 2010, Choi & Kimes, 2002; Hanks, Cross & Noland, 2002; Noone & Mattila, 2009; Shy, 2008; Schwartz, 2006; Tranter et al., 2008; Lieberman, 2011) and these affect customers directly or indirectly.

The Kumasi data showed that a greater proportion of the customers of hotels in Kumasi are males (71.1%) while their female counterpart constituted 28.9 percent. The marital status of the largest proportion of customers were single (49.6%) and married with partners (32.6%). Over three quarters (83%) of the customers were Christians with 14.8 percent being Muslims and 2.2 percent following Traditional religion (see Table 9).

**Table 9: Socio-Demographic Characteristics of Customers of Hotels in Kumasi**

Characteristics	Frequencies	Percentage
Gender		
Male	96	71.1
Female	39	28.9
Marital status		
Single and never married	67	49.6

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Married and living with		
Partner	44	32.6

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**Table 9 Continued**

Cohabiting	3	2.2
Married and living apart	15	11.1
Divorced	5	3.7
Separated	1	0.7
Religion		
Christianity	112	83.0
Muslim	20	14.8
Traditional	3	2.2
Educational level		
Primary and J. H. S	2	1.5
Secondary /SHS	27	20.0
Vocational/Technical	5	3.7
Polytechnic	28	20.7
University	60	44.4
Postgraduate	13	9.6
Religious denomination		
Catholic	22	16.3
Protestant	42	31.1
Pentecostal	37	27.4
Other denominations	14	10.4

Others (muslim, tradi.etc)	20	14.8
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**Table 9 Continued**

Income		
None	7	5.2
Low	7	5.2
Average	98	72.6
High	23	17.0

Source: Fieldwork, 2012

\*N= 135

Customers' educational background ranged from primary education to postgraduate education. The highest category of educational level for the customers was university education (44.4%), followed by those with polytechnic education (20.7%) and secondary and SHS (20.0%).

Customers' religious denomination spread across the major categories of denominations. There was almost an even spread of the proportion of the customers and their religious denominations. The highest proportion of religious denomination was Protestant (31.1%) followed by Pentecostal (27.4%) and Catholics (16.3%).

Over three quarters of the customers of hotels in Kumasi consider their income to be either average (72.6%) or high (17.0%). Lower earners and those without income or unemployed recorded 5.2% each (Table 9). This may have influence on their ethical behaviour as Tang and Chiu (2003) suggest that high-

income people do not engage in as much unethical behaviours in organizations as those less generously rewarded.

Customers were categorised into four main groups in terms of what they did: business customers, leisure customers, group customers and convention customers (see Table 10).

**Table 10: Category of Customers**

Category	Frequency	Percentage
Business	68	50.4
Leisure	51	37.8
Group	6	4.4
Convention	10	7.4
Total	135	100.0

Source: Fieldwork, 2012

Among these categories, business customers constituted about half of such respondents (50.4%). Customers who came to the hotel because of leisure represented 37.8 percent of the total compared to convention customers (7.4%) and group customers (4.4%).

On nationality of customers of hotels in Kumasi, it emerged that majority of them (87.4%) were Ghanaians while about 13 percent were Non-Ghanaians (See Table 11). This indicates that the proportion of locals that travel within their

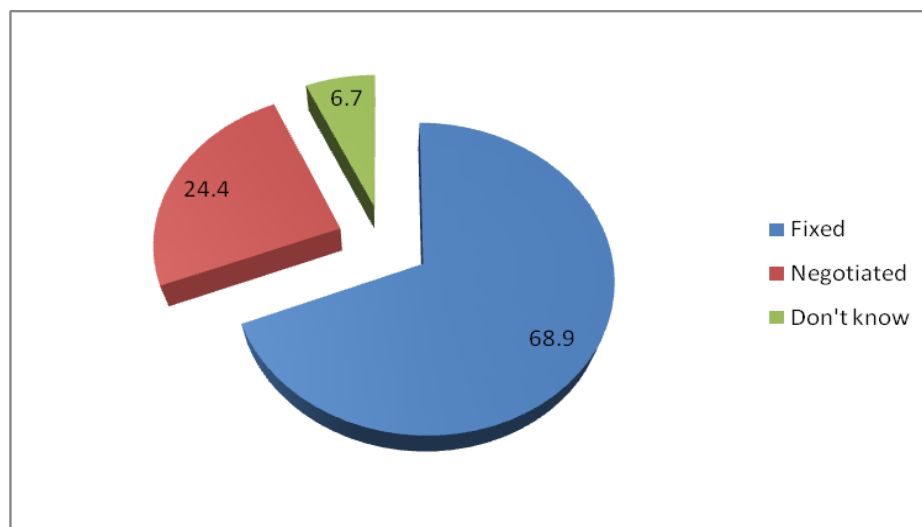
country and spend the night at commercial accommodation facilities is gradually increasing.

**Table 11: Nationality of Customers of Hotels in Kumasi**

Nationality of customers	Frequencies	Percentages
Ghanaian	118	87.4
Other African	11	8.2
Non African	6	4.4
Total	135	100.0

Source: Fieldwork, 2012

Hotel room rates are either fixed or negotiated. The study recognized three different categories of prices people paid for their rooms. These were fixed price, negotiated price and the 'don't know' categories. The fixed price consists of those who paid for the rack rate as projected by the hotel and that constituted about 69 percent of the customers. About 24 percent of the customers paid negotiated rates for their rooms whereas nearly seven (7) percent of them were not aware of the amount paid for their rooms (Figure 6). For the last group of persons, it is possible that they either had forgotten of the amount paid due to memory loss or some other persons paid for them.



**Figure 6: Price Customers Paid for Rooms**

Source: Fieldwork, 2012.

\*N=135

Customers of hotel patronize hotel services for a number of reasons. Some are related to the purpose of visit by customers. The study observed that customers' purpose of visit which made them patronize hotel services include Business (51.9%), pleasure or vacation (31.1%) and education (9.6) (Table 12). Visiting relatives, incentive travel and using the hotel as a transit to other places were some of the other purpose of visit mentioned by customers.

From Table 12, over half of the male customers (53.1%) said the purpose of their trip was related to business. For pleasure and vacation, half of the number of males were equal to the number of females whose purpose were associated with pleasure and vacation. None of the male customers' purpose was to visit relative while none of the female customers for the study enjoyed incentive travel (see Table 12)

**Table 12: Purpose of Trip by Gender**

Purpose of trip	Male	Female	Total
Business	51 (53.1)	19 (48.7)	70 (51.9)
Pleasure/Vacation	28 (29.2)	14 (35.9)	42 (31.1)
Education	11 (11.5)	2 (5.1)	13 (9.6)
Visit relatives	0 (0.0)	2 (5.1)	2 (1.5)
Incentive travel	2 (2.1)	0 (0.0)	2 (1.5)
Transit to other places	1 (1.0)	1 (1.0)	2 (1.5)
Others	3 (3.1)	1 (2.6)	4 (3.0)
<b>Total</b>	<b>96 (100.0)</b>	<b>39 (100.0)</b>	<b>135 (100.0)</b>

Source: Fieldwork, 2012

Since customers constitute one of the important part of the service industry, their socio-demographic dynamics are important as far as ethics in the hotel industry is concerned. A crosstabulation of customers socio-demographic characteristics is presented in Table 13. On gender and level of income, the study shows that although most of the customers considered themselves to fall within the average level of income (72.6%), the percentage of the males that fell within the average level of income (75%) was found to be more than that of their female counterparts (66.7%). Among the category of those with no income, the females were more (71.4%) than the males (28.6%).

From the Table, again over half of the male respondents (53.1%) considered themselves to be business customers. However, from the female data, the major category of them fell under the leisure customers (46.2%). On the price paid for the hotel rooms, over a third of the male customer respondents (70.8%) paid the fixed price while their female counterparts, 64 percent of them paid the fixed price. Among the female category, the proportion that negotiated for their room rate (28.2%) was more than the proportion of the males (22.9%).



**Table 13: Crosstabulation of Customers Socio-Demographic Characteristics**

		Sex of respondents		
		Male	Female	Total
	None	2 (2.1%)	5 (12.8%)	7 (5.2%)
Level of	Low	6 (6.3%)	1 (2.6%)	7 (5.2%)
Income	Average	72 (75%)	26 (66.7%)	98 (72.6%)
	High	16 (16.7%)	7 (17.9%)	23 (17.0%)
Total		96 (100.0%)	39 (100.0%)	135 (100.0%)
	Business	51 (53.1)	17 (43.6)	68 (50.4)
Category of	Leisure	33 (34.4)	18 (46.2)	51 (37.8)
customer	Group	3 (3.1)	3 (7.7)	6 (4.4)
	Convention	9 (9.4)	1 (2.6)	10 (7.4)
Total		96 (100)	39 (100.0)	135 (100.0)
	Fixed price	68 (70.8)	25 (64.1)	93 (68.9)
Price paid	Negotiated price	22 (22.9)	11 (28.2)	33 (24.4)
	Don't know	6 (6.3)	3 (7.7)	9 (6.7)
Total		96 (100)	39 (100)	135 (100.0)

Source: Fieldwork, 2012

### **An Analysis of Basic Employees and Customers Background**

The service industry is full of ethical issues almost all the time. As customers and employees interact, different ethical behaviours are put across based on each person's ethical inclination. These backgrounds of both employees and customers affect hotel operation, employees' relationships with customers and managers of hotels. The working environment of hotels in Kumasi operates under a number of facilities where customers and employees interact for the betterment of businesses for service satisfaction. The influence of culture on ethics has been established by a number of researchers. Vitell et al. (1993) describe how culture affects individuals differently in the formation of teleological and deontological norms; hence, individuals' prescriptive reasoning. Vitell et al.'s model, however, does not specify the effect of cultural variation on other key components of individuals' ethical reasoning nor does it go beyond the dimensions of culture.

From the study, 40 percent of hotels in Kumasi are categorised under budget and guest house. Rack rate of these categories of hotels are lower than those rated as stars. The category of people who patronize budget and guest houses are mostly of lower economic and social status than the star rated hotels. Expectations of service providers from these facilities are not the utmost. On the average, hotels in Kumasi have 23 rooms, and employees have worked with their respective hotels for three and half (3.5) years and have been at their current positions for about three years. The mean age of employees in hotels was found to be 28 years.

The study revealed that, in terms of sex of both employees and customers, males constituted the majority. The single and never married people were more than other groups while Christianity was the largest religion where employees and customers affiliate themselves with. In terms of educational level, a greater number of the employees had attained secondary education while a greater proportion of the customers had university education. Education is considered as one of the personal characteristics that influences individual ethical behaviour. This implies that in the Kumasi Metropolis, ethical disposition of people with secondary education interact with mostly customers who have high ethical disposition. Although there might be other confounding variables that could influence each group, it is still the case that educational level could be a significant variable.

### **Summary of Chapter**

This chapter outlined the working environment of hotels in the Kumasi Metropolis. It examined the socio-demographic characteristics of both employees and customers of hotels in the study area. Socio-demographic backgrounds that were examined include sex, age, marital status, religion, religiosity, educational background and other related information on hotels in Kumasi. From the employee respondents, males were greater than females, most of them were single who had never married, and Christians constituted the larger proportion of the employee respondents. Most of the respondents had attained secondary/SHS education and they fell within the Junior staff category of workers in the hotel. On the other hand, customers of hotels in Kumasi Metropolis were mostly single who

had never married, mainly males and Christians. Most customers' level of education was tertiary. A substantial number were business customers and their main purpose of visit was business. Most of the customers paid the fixed rate for services provided by the hotel.

## CHAPTER SIX

### ETHICAL BEHAVIOURS IN THE HOTEL INDUSTRY OF KUMASI

#### Introduction

This chapter presents the results of the analysis of some of the ethical behaviours that are exhibited at the hotel industry of Kumasi. The chapter addresses issues pertaining to the ethical behaviours between employees and customers, employees and management and employees and employees. Descriptive statistics have been used to explain some of the results. Ethical challenges in the hotel industry of Kumasi have also been discussed. It extends to the relationship between socio-cultural factors and ethical issues in the hotel industry. The chapter ends with the ethical intentions of employees in the hotel industry of Kumasi.

#### Ethical Behaviours in the Hotel Industry

As far as ethical issues in the hotel industry are concerned, they occur every now and then. Stakeholders in the hotel industry should be familiar with the demands of the hotel on ethical issues and exhibit them. A number of authors (Belak, 2009; Kaptein, 2002; Kaptein and Avelino, 2005; Lindgreen, Swaen, and Johnston, 2008; Mujtaba and Sims, 2006) are of the view that, an organisation's ethical behaviour demands a conscious and positive attitude from the organisation's key stakeholders towards the core values, culture and climate in a way that stimulates the desired achievement of business ethics. The service industry is full of different forms of encounter during service delivery. The

service delivery encounter is very fluid as people interpret issues differently based on a number of factors. Ethical behaviours in the hotel industry occur in different instances. Rest (1994) and Trevino (1986) have made it clear that an individual's ethical action is a function of one's deliberative choice and personal characteristics, such as ego strength and locus of control. There could be ethical behaviours from employee to customers, employee to management, employee to employee and other ethical linkages. This analysis focused on the first three linkages.

A number of constructs were used to examine ethical behaviours that could occur between the categories of interest. A five point likert scale questions were used to collect data from respondents. These scales were later compressed to a three point likert scale for easy analysis and interpretation of the results. These scales are "Believe it is wrong" (BIW), "It depends" (ID) and "Believe it is not wrong" (BINW). Table 14 presents employee perception relating to employee – customer ethical issues in the hotel industry. Nineteen items were used to examine employees – customer ethical issues in the hotel industry of Kumasi. The overall employee – customer dimension shows that, for the 19 variables used for the construct, about 88 percent of the respondents believed that these issues were wrong and unethical to operate in the hotel industry. However, about 12 percent were of the view that for these issues to be wrong or not wrong it would depend on a number of factors.

The top three constructs that employees perceived to be wrong to behave in that manner towards customers are 'presenting misleading information to

customers (94.0), acting in favour of client for bribe (92.2) and discriminating against guest on the basis of age, colour, religion, gender etc (91.6). These are considered as unethical behaviours which employees are aware of. Other constructs that also yielded higher ratings in terms of what employees believe to be wrong include: consuming minibar beverages and charging them to a guest's account (90.6); releasing room number to a stranger (89.4); releasing guest information to friends (89.1); using the toilet in a guest room (86.9); and not changing the bed sheets in the guest room due to busy work (85.6).

On the other hand, among the issues that employees perceived not to be wrong to put up with as far as employee – customer service encounter is concerned are: acting in favour of client out of friendship (17.5); collecting left-over fruit from guests for self consumption (15.9); and upgrading a “familiar” guest to a higher grade room type when a guest does not qualify (11.6). From the study, these issues were not considered unethical, however, in the construct, these are the variables with high percentages under the category of “Believe it is not wrong”.

On ethical issues that could arise between employees and management, 13 different constructs were used to examine that (see Table 15). The overall construct shows that about 67 percent of the hotel employees believe that, when these issues occur in hotel facility, they believe it is wrong. About a third of the hotel employees (31.9) are of the view that it will depend on the ethical issue.

**Table 14: Employee Perception Relating to Employee – Customer Ethical Issue**

Statement	% of Respondents		
	BIW	ID	BINW
<i>Employee – Customer issues</i>			
Not changing the bed sheets in the guest room due to busy work	85.6	12.2	2.2
Upgrading a “familiar” guest to a higher grade room type when a guest does not qualify	63.4	25.0	11.6
Releasing guest information to friends	89.1	5.0	5.9
Accessing information about a guest through computer out of curiosity	76.9	13.4	9.7
Accepting tips to arrange room change for a guest	77.2	15.6	7.2
Releasing room number to a stranger	89.4	6.3	4.3
Picking up magazines left behind by a guest without reporting to lost and found	85.3	10.3	4.4
Making telephone call in a guest room	73.1	23.8	3.1
Using the toilet in a guest room	86.9	8.4	4.7
Listening to the radio in a guest room	81.9	11.6	6.6



**Table 14 Continued**

Watching TV or a hotel movie in a guest room	82.5	12.8	4.7
Breaking a glass or plate but blaming it on a guest's carelessness	81.3	12.8	5.9
Consuming minibar beverages and charging them to a guest's account	90.6	1.9	7.5
Acting in favour of client out of friendship	71.6	10.9	17.5
Acting in favour of client for bribe	92.2	2.5	5.3
Discriminating against guest on the basis of age, colour, religion, gender etc	91.6	3.1	5.3
Presenting misleading information to customers	94.0	1.9	4.1
Collecting left-over fruit from guests for self consumption	73.5	10.6	15.9
Accepting tips to arrange a room change for a guest	76.6	12.8	10.6
<i>Employee – Customer dimensions Overall score</i>	87.8	12.2	0.0

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Source: Fieldwork, 2012

Taking a critical look at the individual constructs, the top three variables that employees believe to be wrong to do are: criticising your organisation to others (86.6); using office equipment for personal use (86.3); and offering free coffee or tea to friends in the restaurant without issuing a captain's order (85.0).

**Table 15: Employee Perception of Employee – Management Ethical Issue**

Statement	% of Respondents		
	BIW	ID	BINW
<i>Employee – Management issues</i>			
Drinking or eating company food at the back of the house	68.4	17.2	14.4
Eating left-over food items from the buffet at the back of the house	70.6	10.3	19.1
Consuming soft drink in the bar before the bar is in operation	77.4	11.3	11.3
Not issuing a captain's order to the cashier while still getting food	81.6	10.6	7.8
Offering free coffee or tea to friends in the restaurant without issuing a captain's order	85.0	9.1	5.9
Eating an extra meal in the staff canteen without a valid coupon	74.4	16.3	9.4

**Table 15 Continued**

Collecting left-over fruits from guest rooms for self-consumption	68.4	11.9	19.7
Satisfying a guest's needs is necessary even if it is contradictory to company policy	68.4	13.8	17.8
Recruiting/promoting staff on the basis of family ties or friendship	73.8	11.6	14.7
Accepting corporate hospitality	40.0	10.9	49.1
Give out personal or organisational information to others	82.5	6.3	11.3
Criticising your organisation to others	86.6	7.8	5.6
Using office equipment for personal use	86.3	8.4	5.3
<i>Employee – Management dimensions Overall score</i>	<i>66.9</i>	<i>31.9</i>	<i>1.2</i>

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Source: Fieldwork, 2012

On statements that employees believe not to be wrong, the top three variables with the highest ratings are accepting corporate hospitality (49.1); collecting left-over fruits from guest rooms for self-consumption (19.7); and eating left-over food items from the buffet at the back of the house (19.1).

**Table 16: Employee Perception on Employee – Employee Ethical Issue**

Statement	% of Respondents		
	BIW	ID	BINW
<i>Employee – Employee issues</i>			
Not dropping cash tips to the central pool and keeping them personally	63.1	11.9	25.0
Covering up for colleagues	57.5	16.9	25.6
<i>Employee – Employee dimensions Overall score</i>	40.6	40.6	18.8

Source: Fieldwork, 2012

Two constructs were used to measure employee – employee ethical issues and this is presented in Table 16. The overall result for this construct shows that 40.6 percent of the employees believe it is wrong to practice such ethical behaviours at work while that same percentage of respondents said it depends on the issue. Comparing the two issues, most employees consider covering up for colleagues is quite more ethical than not dropping cash tips to the central pool and keeping them personally.

### **Employees' Perceptions on Some Ethical Issues**

Employees' perception on ethical issues in the hotel industry is as important as the employees themselves working in the industry. It is believed that ethical perceptions of individuals are sensitive to the kind of ethical issues they face (Conroy and Emerson, 2004; Lam and Shi, 2008). Employees' perception is likely to have influence on their service delivery and what they consider as ethical and unethical. The Ferrell and Gresham (1985) and Hunt-Vitell (1986) framework adapted for the study highlight on the perceived ethical dilemma as being influenced by respondents social and cultural environment. The social and cultural environment of respondents encompass their socio-demographic backgrounds that are likely to affect ethical perceptions in the hotel industry. These perceptions are what employees hold high and apply them at workplaces. Employees value and share these perceptions and as a result they are critical to employees' behaviour because they could determine how employees perceive problems and make decisions (Stevens, 1999).

The Cronbach Alpha test was used to estimate the scale of consistency among the ethical items adopted for the study. According to Hair, Anderson, Tatham & Black (1998), a Cronbach's alpha value of 0.60 or more is acceptable in exploratory research. The internal consistency of the ethical items used yielded a coefficient alpha of 0.893 for all the items for that construct. This means that, there is a cohesive internal relationship among the items used to measure perception of ethics and that the result provides higher confidence that the statistical results from the items are from a stable measurement source.

The study measured employees' perception on some ethical issues in the hotel industry using multiple construct items. These items were measured on a 5-point likert scale where one (1) represented "strongly believe that it is wrong", three (3), "it depends" and five (5) "strongly believe that it is not wrong". These were measured by respondents based on their perceptions of the issues and as they apply in their work and interaction with customers. The result is presented in Table 17. There were 23 items used to partly measure ethical perceptions of respondents. Among these variables, respondents at least agreed that these are issues that should not happen in the hotel industry and therefore, unethical. Among these constructs, there were six (6) variables that over 85 percent of the respondents agreed to be unethical. These variables are: Not changing the bed sheets in the guest room due to busy work (85.6%); Releasing guest information to friends (89.1%); Releasing the room number to a stranger (89.4%); Picking up magazines left behind by a guest without reporting to lost and found (85.4%); Using the toilet in a guest room (86.9%); and Consuming mini bar beverages and charging them to a guest's account (90.6%) (see Table 17).

Nevertheless, there are some of the ethical items that employees considered as not wrong as far as hotel operation is concerned. These items include: Upgrading a "familiar" guest to a higher grade room type when a guest does not qualify (11.6%); Drinking or eating company food at the back of the house (14.4%); Eating left-over food from the buffet at the back of the house (19.1%); and Not dropping cash tips to the central pool and keeping them personally (25.0%); Collecting left-over fruits from guest rooms for self-

**Table 17: Employee's Perception on Some Ethical Issues**

Statement	1	2	3	4	5
Not changing the bed sheets in the guest room due to busy work	80.6	5.0	12.2	0.9	1.3
Upgrading a "familiar" guest to a higher grade room type when a guest does not qualify	47.2	16.3	25.0	1.3	10.3
Releasing guest information to friends	82.8	6.3	5.0	0.9	5.0
Accessing information about a guest through computer out of curiosity	69.4	7.5	13.4	1.9	7.8
Accepting tips to arrange room change for a guest	69.7	7.5	15.6	1.6	5.6
Releasing the room number to a stranger	82.5	6.9	6.3	0.6	3.8
Picking up magazines left behind by a guest without reporting to lost and found	76.3	9.1	10.3	0.0	4.4
Making telephone call in a guest room	65.6	7.5	23.8	0.6	2.5

**Table 17 Continued**

Using the toilet in a guest room	77.5	9.4	8.4	1.6	3.1
Listening to the radio in a guest room	75.0	6.9	11.6	1.6	5.0
Watching TV or a hotel movie in a guest room.	71.3	11.3	12.8	1.3	3.4
Drinking or eating company food at the back of the house	59.1	9.4	17.2	5.6	8.8
Eating left-over food from the buffet at the back of the house	64.4	6.3	10.3	9.1	10.0
Consuming soft drink in the bar before the bar is in operation	69.1	8.4	11.3	6.9	4.4
Not issuing a captain's order to the cashier while still getting food	70.6	10.9	10.6	4.1	3.8
Offering free coffee or tea to friends in the restaurant without issuing a captain's order	70.0	15.0	9.1	2.8	3.1
Breaking a glass or plate but blaming it on a guest's carelessness	68.8	12.5	12.8	1.9	4.1



**Table 17 Continued**

Not dropping cash tips to the central pool and keeping them personally	54.4	8.8	11.9	6.9	18.1
Eating an extra meal in the staff canteen without a valid coupon	61.6	12.8	16.3	3.1	6.3
Collecting left-over fruits from guest rooms for self-consumption	63.8	4.7	11.9	7.8	11.9
Consuming mini bar beverages and charging them to a guest's account	84.7	5.9	1.9	2.5	5.0
Satisfying a guest's needs is necessary even if it is contradictory to company policy	60.6	7.8	13.8	1.9	15.9
Total	43.4	40.9	12.8	2.8	0.0

Source: Fieldwork, 2012

consumption (19.7%); and Satisfying a guest's needs is necessary even if it is contradictory to company policy (17.8%) (Table 17).

To the employees, some of these ethical dimensions were considered as normal given the working environment. For instance, providing a good service to a customer and earning a tip from it does not necessarily mean it should be shared. The common practice is that tips are shared so that those who may not get into contact with customers but helped in the service provision and delivery may enjoy part of the tips. However, this may vary from hotel to hotel depending on the core practice at the hotel.

## **Socio-Cultural Factors and Ethical Issues in the Hotel Industry**

### **Educational Differences**

A number of factors were used to examine differences or similarities on ethical issues in the hotel industry of Kumasi, however, some of the results from the analysis were not interesting and meaningless and for that matter were discarded. For instance, mean difference was examined between religion and ethical issues and the result was not statistically significant and the same applies to age of employee respondents. However those that are found to have implications on the study have been discussed.

A One-Way Analysis of Variance (ANOVA) was conducted to examine the mean differences in ethical items in terms of the educational level of respondents. The ANOVA results showed statistical differences between and among respondents with below secondary and Vocational education level, those with secondary and vocational education and those with tertiary educational level

(Table 18). A total of 23 ethical items were used. Table 18 also examines whether the mean scores of the different categories of educational levels are lower (ethical) or higher (unethical). Among the variables used to measure ethical dimension, eight (8) of them were statistically significantly different in terms of respondents educational background. For instance, in terms of making telephone calls in guest rooms, those with secondary and vocational educational level tended to be more ethical than those with tertiary educational level. Those with tertiary educational level were likely to make telephone calls in guest rooms or regard making telephone calls in guest rooms as not ethical. Again, the results showed that, those with tertiary education were likely to drink and eat hotel food at the back of the house compared with those with lower levels of education. The study further revealed that, those with tertiary education were likely to satisfy guest's needs even if it is contradictory to the hotel policy. Generally, the results show that, people with lower level of education tended to be more ethical than those with higher level of education in the hotel industry.

**Table 18: Results of ANOVA on the Basis of Educational Level of Respondents**

Statement	Means			F - Value	P- Value
	Below Sec/Voc	Sec/Voc	Tertiary		
Not changing the bed sheets in the guest room due to busy work	1.1935	1.3713	1.4180	0.908	0.404
Upgrading a “familiar” guest to a higher grade room type when a guest does not qualify	2.0323	2.1018	2.1475	0.108	0.987
Releasing guest information to friends	1.1290	1.3713	1.4836	1.630	0.198
Accessing information about a guest through computer out of curiosity	1.7097	1.5988	1.8689	1.689	0.186
Accepting tips to arrange room change for a guest	1.5806	1.6347	1.7131	0.245	0.783
Releasing the room number to a stranger	1.1290	1.3772	1.4016	1.131	0.324

Table 18 Continued

Picking up magazines left behind by a guest without reporting to lost and found	1.4516	1.4431	1.5164	0.199	0.820
Making telephone call in a guest room	1.8387	1.4192*	1.9672*	11.380	0.000
Using the toilet in a guest room	1.4516	1.3234	1.5820	2.695	0.069
Listening to the radio in a guest room	1.6452	1.4072*	1.7131*	2.982	0.052
Watching TV or a hotel movie in a guest room.	1.6452	1.4311	1.6721	2.253	0.107
Drinking or eating company food at the back of the house	1.6452*	1.7665*	2.2951*	6.703	0.001
Eating left-over food from the buffet at the back of the house	1.4516*	1.8024*	2.2541*	5.782	0.003
Consuming soft drink in the bar before the bar is in operation	1.1935*	1.4431*	2.1557*	17.720	0.000
Not issuing a captain's order to the cashier while still getting food	1.2581	1.5389	1.7541	3.140	0.045

Table 18 Continued

Offering free coffee or tea to friends in the restaurant without issuing a captain's order	1.1290*	1.5090	1.6885*	4.225	0.015
Breaking a glass or plate but blaming it on a guest's carelessness	1.3226	1.6647	1.5820	1.424	0.242
Not dropping cash tips to the central pool and keeping them personally	1.7742	2.3353	2.2705	1.654	0.193
Eating an extra meal in the staff canteen without a valid coupon	1.4516	1.7066	2.0082	3.739	0.025
Collecting left-over fruits from guest rooms for self-consumption	1.4516	2.0659	2.0328	2.391	0.093
Consuming mini bar beverages and charging them to a guest's account	1.000*	1.3114	1.5492*	4.353	0.014
Satisfying a guest's needs is necessary even if it is contradictory to company policy	1.1290*	2.1617*	2.1230*	6.654	0.001

Source: Fieldwork, 2012

N = 320

\* ANOVA test is significant at 0.005

## Gender Differences

There have been a number of studies into gender and ethical behaviours. Some of them are of the view that younger women have a higher level of ethical consciousness than older ones (Peterson et al., 2001; Azize and Ankan, 2002). Dawson (1997) also added that gender differences in ethical attitudes tend to reduce as both men and women get older and gain similar kind of work and life experiences. However, in addressing ethical issues, Lyons (1983) maintained that females address ethical issues through care or responsibility oriented framework, while males employ justice, or rights-oriented approach. This implies that females attach emotions to ethical issues while males use more of the objective approach in dealing with ethical dilemma.

A t-test to examine the mean differences between males and females in ethical dimensions was conducted. The variables were measured using a likert scale of 1 – 5 where 1 represent ‘strongly believe that it is wrong’, 3 represent ‘it depends’ and 5 represent ‘strongly believe that it is not wrong’. The result showed statistical differences in the mean scores of males and females on some of the ethical items used (see Table 19). Higher mean score connotes respondents’ likelihood to agree to unethical behaviours in the hotel while lower mean scores connotes respondents’ likelihood to agree to ethical behaviours in the hotel industry. The study sort to compare the mean scores by using the average pooled estimate of the variance of males and females. The p-values listed in Table 19 are the probabilities of obtaining an absolute values greater than or equal to the observed t-statistics for the ethical items measured. P-values less than 0.05 from

the analysis show that the averages of the responses of males and females on ethical items are statistically true and significant and these are not due to chance alone. There were 23 items used to measure respondents' perception on some ethical behaviours. Among these variables, there were five of them that statistically differed in terms of the responses from males and females. These variables are: "Upgrading a familiar guest to a higher grade room type when a guest does not qualify, Using the toilet in a guest room, Listening to the radio in a guest room, Eating an extra meal in the staff canteen without a valid coupon and Satisfying a guest's needs is necessary even if it is contradictory to company policy". Out of these five (5) variables, the means for three of the items were greater for the males than that of the females. Female perceptions on unethical issues were found to be related to issues that deal with customers directly. Generally, the result showed that females have a better ethical disposition than their male counterparts.



**Table 19: Results of T-Test on the Basis of Sex of Respondents**

<b>Statement</b>	<b>Male</b>	<b>Female</b>	<b>Difference</b>	<b>T-Statistics</b>	<b>P-Value</b>
Not changing the bed sheets in the guest room due to busy work	1.4115	1.3125	0.0989	1.047	0.296
Upgrading a “familiar” guest to a higher grade room type when a guest does not qualify	1.9479	2.3594	-0.4114*	-2.747	0.006
Releasing guest information to friends	1.3542	1.4453	-0.0911	-0.799	0.425
Accessing information about a guest through computer out of curiosity	1.8073	1.5703	0.2369	1.685	0.093
Accepting tips to arrange room change for a guest	1.7083	1.5859	0.1224	0.937	0.349
Releasing the room number to a stranger	1.4167	1.2813	0.1354	1.291	0.198

**Table 19 Continued**

Picking up magazines left behind by a guest without reporting to lost and found	1.4740	1.4688	0.0052	0.046	0.963
Making telephone call in a guest room	1.7500	1.5469	0.2031	1.754	0.080
Using the toilet in a guest room	1.5313	1.2891	0.2421*	2.483	0.014
Listening to the radio in a guest room	1.6667	1.3672	0.2994*	2.615	0.009
Watching TV or a hotel movie in a guest room.	1.6042	1.4531	0.1510	1.329	0.185
Drinking or eating company food at the back of the house	1.8854	2.0625	-0.1770	-1.164	0.245
Eating left-over food from the buffet at the back of the house	1.8958	2.0078	-0.1119	-0.691	0.490
Consuming soft drink in the bar before the bar is in operation	1.6302	1.7813	-0.1510	-1.127	0.261
Not issuing a captain's order to the cashier while still getting food	1.6510	1.5078	0.1432	1.171	0.243

**Table 19 Continued**

Offering free coffee or tea to friends in the restaurant without issuing a captain's order	1.4896	1.6172	-0.1276	-1.132	0.258
Breaking a glass or plate but blaming it on a guest's carelessness	1.5625	1.6563	-0.0937	-0.783	0.434
Not dropping cash tips to the central pool and keeping them personally	2.2500	2.2656	-0.0156	-0.086	0.931
Eating an extra meal in the staff canteen without a valid coupon	1.9219	1.6094	0.3125*	2.308	0.022
Collecting left-over fruits from guest rooms for self-consumption	1.9115	2.1172	-0.2057	-1.232	0.219
Consuming minibar beverages and charging them to a guest's account	1.3698	1.3750	-0.0052	-0.045	0.964
Satisfying a guest's needs is necessary even if it is contradictory to company policy	1.8594	2.3281	-0.4687*	-2.623	0.009

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Source: Fieldwork, 2012

### **Perception of Ethical Challenges in the Hotel Industry**

The ethicality of employees in the hotel industry may differ from individual to individual. However, whatever a group of employees may consider as ethical may have influence on job satisfaction and employees organizational commitment. Kattara et al (2008) explored the links between employee behaviour, service quality and tourist satisfaction. It was realized that employee behaviour during service delivery acts as a pivotal determinant of tourists' perception of service quality and, in the end, customer satisfaction. Respondents were asked whether they themselves sometimes act unethically. The result depicts that over half (55.3%) of the respondents admitted having ever acted unethically at the workplace before while 44.7 percent always act ethically. The latter group gave reasons that revolve around three major areas. These are that; they always do the right thing, they are always guided by the rules and regulations of the hotel and they do not want to be sacked. To the employees, these serve as a guide for them in order to act ethically at the workplace.

For those who sometimes act unethically at the workplace, respondents gave different reasons for sometimes acting in that way (see Table 20). Actions of guests and colleagues constitute a quarter (25%) of the reasons why employees act unethically. This is followed by depression at the workplace (23%). Due to the long hours that employees sometimes work, some of them get depressed and in discharging their duties may act unethically. About 12 percent were also of the view that, acting unethically is considered as part of human nature and for that matter, is bound to happen in discharging one's duty. The others (8.2%) constitute

reasons such as covering up for some of the colleagues sometimes or an employee might be doing something different in the guest room and that might be part of unethical behaviour.

**Table 20: Employees' Reasons for Sometimes Acting Unethically**

Reason	Frequency	Percentage
Actions of guests and colleagues	40	25.2
Long period of work/overtime	19	11.9
Is part of human nature	19	11.9
Difficulty in meeting customers' expectations	31	19.5
Depression	37	23.3
Others	13	8.2
Total	159	100.0

Source: Fieldwork, 2012

From management perspective, employees in the hotel depict different unethical behaviours at the workplace. Some of these were observed by managers of the hotels while others were experienced and reported by customers to managers. Some of the unethical behaviours that employees displayed and managers observed are expressed in the qualitative result below:

*I: What are some of the unethical behaviours that employees usually display?*

*R: Laziness: they come to work, sit down relaxing and when customers show up they are so indifferent towards the customers. (Male manager, budget hotel)*

*R: A lot; Communication with clients, on phone, use of phrases such as Sorry, Thank you, excuse me, these mean a lot to the business but it doesn't happen over here. Dressing (lapses in dressing, tacking in, employees enjoying the rooms, TV, AC, bed. The very thing that pays you, you don't have to joke with it. (Male manager, 2 star hotel)*

*R: Chatting with friends or on phone at the work place when customers need their attention (Female manager, 3 star hotel)*

*R: Respect for guest, colleagues and Managers. This is more in Kumasi. Hospitality industry in Kumasi is different from Accra. It is very difficult over here. In Accra, hotel employees are more enlightened than in Kumasi. Most employees might not know the essence of respect for guests. (Male manager, 3 star hotel)*

These are but some of the issues managers of hotels in Kumasi have observed from employees in the industry. Hunt (2002) realised that most employees in the hotel industry have negative attitude towards work, they are led by self-interest, lack of long-term involvement and feeling towards activities of the hotel, with no respect for authority but with vehement claims for flexible work programme; they go to work with casual outfit, delay tolerance, and also chat with colleagues on the job. Employees are supposed to be made aware that the nature of the hotel work is demanding and for that matter may take their full time while

on the clock. Again the hotel industry is a service industry and for that matter employees must understand the concepts surrounding the industry. Employees should be ready to work and even if possible exceed the demands of customers in service delivery. Ferrell (2004) considers the relationship between a customer and an organization as exists because of mutual expectations which is built on trust, good faith, and fair dealing in their interaction. He added that, there is an implied covenant of good faith and fair dealing, and performance cannot simply be a matter of the firm's own discretion. The service character of the industry may be the isolating variable that can be used to distinguish one industry from the other. Employees are expected to be professional in their appearance and service delivery.

On the part of customers, employees also experienced some kind of unethical behaviours from them. The study showed that more than three quarters (78.8%) of the respondents had ever seen customers acting unethically before (Table 21). Some of the customers unethical acts were on misunderstanding and insulting employees (47.1%), misuse and destruction of facilities (17.6%) and smoking in unauthorized places (13.9%).

**Table 21: Customer's Unethical Acts**

Customer's unethical act	Frequency	Percentage
Misunderstanding and insulting employees	88	47.1
Misuse and destruction of facilities	33	17.6
Smoking in unauthorized places	26	13.9
Abusing employees	6	3.2
Complaining bitterly about service	8	4.3
Misbehaviour	16	8.6
Others	10	5.3
Total	187	100.0

Source: Fieldwork, 2012

Again, managers of hotels in Kumasi were asked about some of the ethical complaints they receive from customers concerning employees' ethical attitudes.

Below are some of the comments from some of the hotel managers.

*I: What are some of the ethical complaints you get from customers?*

*R: Customers complain of always having to walk down to the reception for their requests to be met because there are no telephones in the rooms (Male manager, budget hotel)*

*R: Requesting for a faulty water heater to be fixed, a promise is given by staff and later they fail the customers and that usually drive customer (s) crazy (Female manager, 3 star hotel)*

*R: Inadequate knowledge on the part of staff in terms of what the facility offers (Male manager, 3 star hotel)*



If some managers of hotels are aware of some of the unethical issues in the hotel, then dealing with such issues may fall in line with one of their responsibilities. Longenecker (1985) observed that management affects an organization's ethical performance by the establishment of priorities that direct the ethical conduct of the organization. He added that the "management process", and particularly the setting of organizational priorities, affects the attainment of ethical performance and this could be done by identifying those values which seem important to management.

From the survey, it was realized that communication, attitude to work and relationship with customers and staff were some of the areas where employees have issues with in terms of ethics. Hostility to customers and other staff was prominent among unethical behaviours that some staff display at the workplace. These unethical behaviours affect productivity, efficiency, effectiveness and image of the hotel. As Afza, (2000) confirms, ethical behaviours encompass trust which enhances productivity. The result of unethical behaviours reported by employees of hotels by sex of respondents has been shown in Table 22. This was an open-ended question to find out views from employees on other unethical behaviours in the hotel industry of Kumasi. As a result the total response is less than the sample size for the study because not all the respondents responded to this question.

**Table 22: Unethical Behaviours Employees Display by Sex**

Unethical behaviours from some employees	Male	Female	Total
Communication with both customers and staff	5 (4.3)	2 (2.4)	7 (3.5)
Hostility to customers and staff	36 (31.0)	25 (29.8)	61 (30.5)
Lateness to work	16 (13.8)	12 (14.3)	28 (14.0)
Using guest facilities and services	12 (10.3)	2(2.4)	14 (7.0)
Unhealthy arguments and conflicts	8 (6.9)	5 (6.0)	13 (6.5)
Flouting rules and regulation	23 (19.8)	18 (21.4)	41(20.5)
Stealing	6 (5.2)	2 (2.4)	8 (4.0)
Trying to please the manager	4 (3.4)	0 (0.0)	4 (2.0)
Don't know	2 (1.7)	8 (9.5)	10 (5.0)
Others	4 (3.4)	10 (11.9)	14 (7.0)
<b>Total</b>	<b>116 (100.0)</b>	<b>84 (100.0)</b>	<b>200 (100.0)</b>

Source: Fieldwork, 2012

The result showed that hostility to customers and staff was reported by most of the employees. Among the male respondents, 31 percent reported on it while almost 30 percent of the females reported on the same issues. Respondents were of the view that, some other employees show some sort of disrespect to customers, they get angry when they are told to do the right thing, inappropriate

use of language spoken to customers, insult and arguments over work related issues and not helping customers with their luggage were all considered to be part of hostility from employees at the workplace. Flouting rules and regulation was the second most reported unethical behaviour from employees. About 20 percent of the males and 21 percent of the females reported this issue. This includes disrespecting authorities and breaking rules in the hotel, chatting and gossiping instead of working while on the clock, touching ladies on the job, making unnecessary calls to guest room and not wearing prescribed uniform when the supervisor is not around.

In terms of pleasing managers, it was reported solely by males (see Table 22). The study revealed that, some employees are not cooperative in the sense that they want to please managers but would not cooperate with colleague employees to work toward a common goal. Other staff also try to undermine others to get favours from managers. These affect growth and quality service delivery at the hotel. Other unethical behaviours from employees were related to lateness to work, unhealthy arguments and conflicts and use of guest facilities and services by employees.

Employees also report to managers at the workplace whatever challenges that they go through while on duty. Some of these challenges sometimes compel them to behave in different ways. Some of the managers came out with examples of the unethical complaints they receive from employees concerning customers.

*I: What are some of the ethical complaints you get from employees?*

*R: Customers disturbing employees, for example, some customers do go to some of the workers to chat with them even when the workers are so much engaged and attending to other customers (Male manager, budget hotel).*

*R: Recognition and support. Employees don't have a union to have their say. The owner says it all. Uniform for employees. Shouting from clients, sexual advances from clients especially from the male customers. On the part of the male employees, sexual advances wasn't a complaint per se but some pride. Sexual provocation. Clients coming for breakfast almost half naked. Employees sleeping with other clients. (Male manager, 2 star hotel)*

On the other hand, some managers are of the view that because customers are supposed to be treated right and with care, ethical issues do not apply to them. This is what a manager said in relation to that:

*R: Customers are exempted from ethical issues because they do come to be treated the way they want. So, ethical issues involve only employees and as such, not sure of any ethical complaints from employees (Female manager, 3 star hotel).*

As an industry there is always competition for customers and for that matter a facility that is able to satisfy the customer very well always get more and maintain the customers. This puts some kind of limits on hotel employees and managers to apply ethical rules to customers who use their facilities. For this reason, most service providers perceive that the customer is always right. However, there are

ethical rules and code of conducts that customers are supposed to adhere to when using a hotel facility.

There are a number of unethical behaviours that are considered threatening to the life of employees in the hotel industry. Some of these behaviours are from co-workers while others come from customers of hotels. Some of these threatening unethical behaviours have been looked at with sex of respondents and the result is presented in Table 23.

Among the male employee respondents, about 22 percent admitted that they have ever been tried to force into any form of sexual activity by threatening, holding or hurting in any way. Out of this proportion, about 65 percent were from customers' side while on the female side, about 19 percent admitted that issue and 78 percent were from customers. Customers contributed about a third of this action to employees of hotels in Kumasi. On sexual harassment, 37.5% of the females attested to this and a greater proportion of this activity came from customers (73%) while those that came from co-workers was 27 percent.

**Table 23: Threatening Unethical Behaviours in the Hotel**

Behaviour	Gender	Response		Source	
		Yes	No	Employee	Customer
Tried to force you into any form of sexual activity by threatening you, holding you or hurting you in any way?	Male	21.9	78.1	35.3	64.7
	Female	18.6	81.4	22.2	77.8
	Total	20.6	79.4	30.8	69.2
Forced you or tried to force you into any form of sexual activity when you were unable to defend yourself	Male	14.1	85.9	63.2	36.8
	Female	7.0	93.0	28.6	71.4
	Total	11.3	88.7	53.8	46.2
Touched you in a sexual way against your will, e.g. by grabbing, holding, kissing or hugging you?	Male	24.0	76.0	37.5	62.5
	Female	37.5	62.5	27.0	73.0
	Total	29.4	70.6	31.9	68.1
Subjected you to physical violence?	Male	17.7	82.3	47.1	52.9
	Female	4.7	95.3	0.0	100.0
	Total	12.5	87.5	42.1	57.9
Threatened face to face to harm you physically?	Male	16.1	83.9	55.6	44.4
	Female	2.3	97.7	100.0	0.0
	Total	10.6	89.4	57.9	42.1
Threatened by telephone or letter to harm you physically?	Male	10.4	89.6	75.0	25.0
	Female	5.5	94.5	0.0	0.0
	Total	8.4	91.6	75.0	25.0

Source: Fieldwork, 2012

On threat from telephone to harm one physically, a greater proportion of males (10.4%) experienced this than females (5.5%). The study revealed that telephone threats are mostly from co-workers in the hotel (75%) (Table 23). These threats are likely to impact on the service delivery at the hotels.

There are a number of factors that can facilitate good ethical practices in the hotel for effective and efficient service delivery. Some of these factors have been suggested by employees based on their experiences at the workplace and knowledge of the hotel industry. These factors have been presented in Table 24.

**Table 24: Factors to Facilitate Good Ethical Practices and Sex**

Factors	Male	Female	Total
Education and training	48.5	54.2	50.9
Motivation	10.7	12.5	11.4
Effective management	13.6	18.1	15.4
Enforcing rules and regulations	6.8	1.4	4.6
Respect for each other	12.6	13.9	13.1
Other	7.8	0.0	4.6
Total	100.0	100.0	100.0

Source: Fieldwork, 2012

The result showed that education and training constitute a greater proportion of what respondents suggested. Over half (54.2%) of the female respondents and a little below half (48.5%) of the males were of the view that

education and training can enhance good ethical practices in the hotel industry. Effective management was the next factor suggested by employees to help facilitate good ethical practices at hotels. More of the females (18.1%) than the males (13.6%) made this suggestion.

Other factors suggested are respect for each other, motivation and enforcing rules and regulations at the workplace. These factors could help hotel employees practice good ethics at the workplace.

### **Ethical Intentions of Employees in the Hotel Industry of Kumasi**

Respondents were asked a number of ethical questions and how their responses would be if they were faced with such ethical issues. The responses connote the ethical intentions held by employees in the hotel industry. Employees must understand the concept of ethical issues that operate within the hotel industry. Cragg (2002) sees the work of business ethics as revolving essentially around two questions: Why be ethical? And what does ethics require of people engaged in the business of hotel? The fact that business ethics revolves around these two questions, however, has a perplexing character that is both practical and theoretical. Key (1999) relates this to organizational ethical culture as shared by its members and may be logically conceptualized on a continuum bounded at one end by unethical issues and at the other by highly ethical issues. Respondents were supposed to indicate never, sometimes, or often depending on the issue and the ethical perception of the respondent. This has been analysed by sex of respondents and presented in Table 25.



A general look at the Table shows that, responses could be grouped into three different categories: those consisting of issues that respondents would never encourage staff to do; those that they would allow them to do sometimes and those that they would encourage staff to do often. Issues that respondents may encourage staff to do often if they were to be managers of the hotel include getting staff involved in the running of the organisation (52.5%), meeting targets at all costs (48.8%) and accepting corporate hospitality (39.1%). Other issues that respondents would sometimes encourage their staff to do include encouraging staff to look beyond the bottom line (50.6%), encouraging employees to put their private lives first (45.3%), to bend the rules to help the organisation (40.9%), to cover up for colleagues (41.3%), to ask staff to carry out a task they disagreed with and massage statistics in the organisation. The third category deals with issues that respondents would never encourage their staff to do if they were to be managers of organisations. These include issues on carrying out something against the law (85.3%), to take unnecessary short-cuts (71.3%), to treat equal clients unequally (83.8%) and misrepresentation of performance (86.9%) (see Table 25). These items are likely to have negative impact on an organisation based on customers' perspectives.

A crosstabulation of the variables with sex (Table 25) depicts a number of differences in the responses from males and females. Female (56.3%) were more likely to get staff involved in the running of the organisation than males (50.0%). In terms of pushing staff to meet targets at all costs, about 51% of the males were more likely to do that than their female (46.1%) counterparts. There were more

males (11.0%) who would often bend the rules to help the organisation than females (3.1%). The proportion of males (33.3%) who sometimes took unnecessary short-cuts at work was more than that of their female counterparts (20.3%). However, when it came to covering-up for colleagues, more females (47.7%) were likely to do that than their male counterpart (37.0%). Males (10.9%) were also more likely to treat colleagues unfairly sometimes than females (8.6%).

A chi square test conducted returned statistically significant differences in the responses of males and females in three variables (see Table 25). Accept corporate hospitality had a chi square value of 9.301 with a p-value of 0.010. Bend the rules to help the organisation had a chi square value of 7.002 with a p-value of 0.030 and take unnecessary short-cuts also was 9.045 with a p-value of 0.011. Although, there were differences in the responses of males and females in a number of other variables, they were not statistically significant.

**Table 25: Employees Perception n what they would Encourage Staff to do, if they were to be Managers.**

Statements	Gender	Response			X <sup>2</sup>	P-Value
		Never	sometimes	often		
Accept corporate hospitality	Male	34.9	28.1	37.0	9.301	0.010
	Female	19.5	38.3	42.2		
	Total	28.8	32.2	39.1		
Get involved in the running of the organisation	Male	18.2	31.8	50.0	1.299	0.522
	Female	14.8	28.9	56.3		
	Total	16.9	30.6	52.5		
Meet targets at all costs	Male	17.7	31.8	50.5	2.367	0.306
	Female	14.1	39.8	46.1		
	Total	16.3	35.0	48.8		

Table 25 Continued

Look beyond the 'bottom line'	Male	27.6	46.9	25.5		
	Female	21.9	56.3	21.9	2.753	0.252
	Total	25.3	50.6	24.1		
Bend the rules to help the organisation	Male	51.0	38.0	11.0		
	Female	51.6	45.3	3.1	7.002	0.030
	Total	51.3	40.9	7.8		
Ask staff to carry out a task they disagreed with	Male	60.4	35.4	4.2		
	Female	62.5	35.9	1.6	1.727	0.422
	Total	61.3	35.6	3.1		

Table 25 Continued

Cover-up for colleagues	Male	60.9	37.0	2.1		
	Female	48.4	47.7	3.9	5.175	0.075
	Total	55.9	41.3	2.8		
Put their private lives first	Male	34.4	45.3	20.3		
	Female	27.3	45.3	27.3	2.845	0.241
	Total	31.6	45.3	23.1		
'Massage' statistics	Male	61.5	31.8	6.8		
	Female	60.9	28.9	10.2	1.293	0.524
	Total	61.3	30.6	8.1		

Table 25 Continued

Carryout something against the law	Male	85.4	8.3	6.3		
	Female	85.2	11.7	3.1	2.409	0.300
	Total	85.3	9.7	5.0		
Take unnecessary short-cuts.	Male	66.7	33.3	0.0		
	Female	78.1	20.3	1.6	9.045	0.011
	Total	71.3	28.1	0.6		
Treat equal clients unequally.	Male	81.3	15.6	3.1		
	Female	87.5	10.2	2.3	2.234	0.327
	Total	83.8	13.4	2.8		

Table 25 Continued

Misrepresent performance.	Male	85.9	13.0	1.0		
	Female	88.3	11.7	0.0	1.486	0.476
	Total	86.9	12.5	0.6		
Treat colleagues unfairly.	Male	85.9	10.9	3.1		
	Female	88.3	8.6	3.1	0.470	0.790
	Total	86.9	10.0	3.1		
Total	Male	25.5	74.5	0.0		
	Female	21.9	78.1	0.0	0.559	0.455
	Total	24.1	75.9	0.0		

Source: Fieldwork, 2012

### **Summary of Chapter**

This chapter has looked at ethical behaviours in the hotel industry. These ethical behaviours are germane in the day to day running of the hotel industry. The behaviours were classified under employee to employee behaviours, employee to customer behaviours and employee to management behaviours. The chapter continued with employees' perceptions of some ethical issues in the hotel industry. Employees examined some of these ethical issues as being wrong or not wrong. Perceptions of ethical challenges in the hotel have been discussed and departments perceived to face more ethical challenges have also been outlined in the chapter. The last section dealt with ethical intentions of employees in the hotel industry. The next chapter looks at knowledge and awareness of ethical issues in relation to decision making in the hotel industry.



## CHAPTER SEVEN

### ETHICAL KNOWLEDGE, AWARENESS AND DECISION MAKING IN THE HOTEL INDUSTRY

#### **Introduction**

Ethical decision making operating environment covers issues pertaining to the awareness of ethical issues by employees in the hotel industry of Kumasi. Sources of the ethical knowledge that employees hold as well as the various ethical communication channels used in the hotel industry have been discussed in this chapter. The chapter also examines factors that influence ethical decision making on the job and concludes with the challenges of ethical issues in the hotel industry with respect to Kumasi metropolis.

#### **Knowledge and Awareness of Ethics in the Hotel Industry**

The concept of awareness has been used variously by different people from different perspectives. As a result, the word awareness has become elastic, depicting different things at different times. Schmidt (2002) is of the view that depending on the context in which awareness is used, it may mean anything from consciousness or knowledge to attention or sentience and from sensitivity or apperception to acquaintance or recollection. At the theoretical level, awareness is considered as an idea. In the hotel industry, there is the likelihood of encountering a range of awareness expressions such as management awareness, customers' awareness, awareness of right of employees, awareness of hotel facility and many others. Though these concepts are related to awareness in general, they mean

different social and ideological phenomena. An individual awareness of ethical issues is known to impact on the ethical reasoning and conduct of the individual (Valentine and Johnson, 2005).

Awareness of ethical issues in the hotel industry could connote two different dimensions: the knowledge dimension and the performance dimension. This section of the study looks at the knowledge of awareness of ethical issues. It concentrates on employees having knowledge or showing realization on selected ethical issues in the hotel industry and their level of awareness on such issues. It is only when employees become aware of ethical issues in the industry that they become conscious about their behaviour at the workplace. The unnoticed ethical issues in the hotel industry are always relegated to the fringe of one's attention.

The hotel industry appears to have a very close link with ethical issues than any other industry within the service provision arena. Employee's awareness of ethical issues in the hotel industry is as important as the actual ethical issues in the hotel. Employees become aware of hotel ethical issues through various means. For employees to apply and behave ethically as is expected of the industry, the employees must be aware of major aspects of the ethical issues surrounding the hotel industry. The hotel industry ethical profession varies from cultural background of both the employee and the customer to the professional ethics in business organisations. On the other hand, professionals are expected to deliver quality services in the midst of these divergent cultural backgrounds of the players. For greater positive change to be experienced in the hotel industry, the first step is the creation of awareness of ethics within the industry. Most

organisations now want their members to become aware of the ethical implications of their actions thereby behaving in a way that is in line with the code of conduct of the organisations.

Employees' awareness of ethical issues in the hotel industry may influence their decision making and the way they interact with their customers. Customers on the other hand would know what to do and what not to do in a hotel facility. From the conceptual framework of the study, highlights have been made on hotel codes of conduct, informal norms and ethical standards as part of the environment in which employees operate. Employees' awareness of these are very crucial to their behaviours at the workplace.

### **Employees Awareness of Ethical Issues in the Hotel Industry**

The study made use of multi-criteria construct to examine employees' awareness of ethical issues in the industry. Two different constructs were designed in the research instrument to examine awareness of ethical issues in the hotel. The first construct consists of nine (9) items while the second construct consists of 14 items on awareness of ethical issues in the hotel industry.

The first construct addressed issues on values, conducts, laws and standards that operate within the hotel industry (see Table 26). The variables were measured on a likert scale of 1 to 4 with 1= Strongly disagree and 4 = Strongly agree.

**Table 26: Frequencies of the Ethical Awareness Items**

Items	SD	D	A	SA
KCV Knowledge about Core Values	24	5	203	88
KCC Knowledge about code of conduct	16	8	192	104
KHL Knowledge about Hotel Laws	16	15	192	97
CSC Communicate standard of conduct	23	29	194	74
ASC Application of standard of conduct	19	22	179	100
TSC Trained on standard of conduct	22	36	151	111
MRT Motivated to do right things	31	26	188	75
MRV Motivated to apply right values	35	47	169	69
SHC Share high commitment to integrity	28	48	173	71

Source: Fieldwork, 2012

Table 26 shows that variables such as core values, code of conduct, application of standard of conduct and hotel laws were some of the topmost ethical issues that employees were aware of. These variables are part of the basic ethical principles that hotel employees must be aware of and act accordingly. Core values in an organisation have been highlighted by a number of researchers including Belak (2009), Garcíá-Marzá (2005) and Morris, Schindehutte, Walton, and Allen (2002). Ethical core values significantly influence the emergence of the informal ethical structures such as communication on the ethical problems between managers and employees and further the emergence and implementation of the formal ethical structures and measures of business ethics implementation.

Other variables such as training on standard of conduct, motivation to do right thing and apply right values were though aware of yet rated less than the earlier ones.

A correlation test to examine how these variables related to each other in the construct showed that, there is a positive relationship existing among the variables (Table 27). Table 27 presents a correlation matrix of the variables used to measure awareness of ethical issues by hotel employees in Kumasi. All the variables used in this construct were found to be statistically positively related to each other. Prominent among the variables were: (1) hotel communicates standard of conducts to employees and application of standard of conduct (0.748); and (2) knowledge about code of conduct and knowledge about core values of the organisation (0.742).

**Table 27: Correlation of Employee’s Awareness Variables**

Items	KCV	KCC	KHL	CSC	ASC	TSC	MRT	MRV	SHC
KCV Knowledge about Core Values	1.00								
KCC Knowledge about code of conduct	0.742	1.00							
KHL Knowledge about Hotel Laws	0.513	0.616	1.00						
CSC Communicate standard of conduct	0.458	0.455	0.531	1.00					
ASC Application of standard of conduct	0.453	0.535	0.537	0.748	1.00				
TSC Trained on standard of conduct	0.341	0.426	0.411	0.551	0.624	1.00			
MRT Motivated to do right things	0.390	0.411	0.489	0.564	0.512	0.650	1.00		
MRV Motivated to apply right values	0.411	0.370	0.350	0.540	0.461	0.448	0.677	1.00	
SHC Share high commitment to integrity	0.315	0.340	0.277	0.488	0.459	0.527	0.547	0.610	1.00

Source: Fieldwork, 2012

### Factor analysis 1

The study used factor analysis to reduce the nine (9) constructs into a set of factors that measure awareness of ethical issues in the hotel industry. For the purpose of quality control of the factors that would be selected, the data were tested first using the Bartlett's test of sphericity. The overall correlation within a correlation matrix was statistically significant at p-value of 0.000 with the Bartlett's test of 1656.21 which is sufficiently high. The p-value and the Bartlett's test value indicate that factor analysis could be performed to analyse the data.

Again the Kaiser-Meyer-Olkin measure of sampling adequacy (KMO) was performed and it yielded a value of 0.846. From Hair's (1995) perspective, data are valid when the value of the KMO is greater than 0.5. These pieces of information provided the support that the data could be used to run factor analysis. Factors with eigenvalues greater than one were considered significant while those factors with eigen values less than one were considered insignificant and disregarded. This made the test possible for any individual factors to account for the variance of at least a single statement if it is retained for interpretation. A confirmatory factor analysis was used to assess the measurement properties of the variables used. The result of the factor analysis has been shown in Table 28.

The factor analysis using varimax rotation of nine ethical items was first adopted to investigate ethical awareness of employees of hotels in Kumasi. The analysis yielded two (2) factors with eigen values greater than one. These factors

explained 68 percent of the overall variance among ethical awareness items as shown in Table 28.

**Table 28. Result of Factor Analysis 1**

Component	Initial Eigenvalues			Extraction Sums of Squared			Rotation Sums of Squared		
	Total	% Variance	of Cumulative %	Total	% Variance	of Cumulative %	Total	% Variance	of Cumulative %
1	4.968	55.197	55.197	4.968	55.197	55.197	3.385	37.606	37.606
2	1.181	13.124	68.321	1.181	13.124	68.321	2.764	30.715	68.321
3	.729	8.105	76.427						
4	.531	5.902	82.329						
5	.512	5.689	88.018						
6	.403	4.482	92.500						
7	.265	2.942	95.442						
8	.214	2.380	97.822						
9	.196	2.178	100.000						

Extraction Method: Principal Component Analysis.

Source: Fieldwork, 2012

The final factor loading of the test has been presented in Table 29. Two factors were loaded with significant effect on the other variables in terms of awareness of ethical issues in hotels. These factors were “employees share high commitment to integrity at work” (factor 1) and “employees have knowledge about the hotel code of conduct” (factor 2).

**Table 29: Factor Loading of Factor Analysis**

Variable	Communality	Factor 1	Factor 2
KCV Knowledge about Core Values	0.727		0.831
KCC Knowledge about code of conduct	0.809		0.875
KHL Knowledge about Hotel Laws	0.654		0.759
CSC Communicate standard of conduct	0.655	0.655	0.475
ASC Application of standard of conduct	0.651	0.599	0.541
TSC Trained on standard of conduct	0.625	0.733	
MRT Motivated to do right things	0.714	0.798	
MRV Motivated to apply right values	0.655	0.784	
SHC Share high commitment to integrity	0.658	0.805	

Source: Fieldwork, 2012

Factor 1: Employees share high commitment to integrity at work

Hotel employees are expected to be committed to their work with high level of integrity. The nature of the hotel business is so diverse, encountering different issues at different times. As part of the baptism of the employees, they are supposed to be aware and have high level of integrity in carrying out their duties. In some of the hotels, there are clear rules and regulations on integrity at the workplace. Employees are therefore expected to follow these rules and regulations in executing their duties.

Factor 2: Employees' have knowledge about the hotel code of conduct. Codes of conduct are the guiding principles in the hotel operation. Although there



are instances where employees need to act out of the box, the code of conduct serves as the baseline checker for employees to behave well at the workplace.

The second construct used to examine employees awareness of ethical issues in the hotel consist of 14 items. These items deal with ethical issues where there will be no harm to the employee, unethical behaviours at workplace, ethical issues where the employee would be actively benefiting and ethical issues where the employee will be passively benefiting. The frequency distribution of the items has been shown in Table 30. The variables were measured on a likert scale of 1 – 4 where 1 = Strongly believe that it is wrong and 4 = strongly believe that it is not wrong.

Variables such as Not issuing captain's order to cashier, Free coffee or tea to friends, Breaking glass and blaming it on guest and Consuming drink and charging it on guest were some of the ethical issues in hotels that employees consider to be strongly wrong to do at the workplace. Employees' awareness of such ethical issues implicates their performance in the day to day running of their duties.

The correlation test to examine how the individual variables are related to each other returned a positive trend in the relationship (see Table 31). Generally, there was a positive association between the variables.

**Table 30: Ethical Awareness Issues**

Items	SW	W	NW	SNW
TC Telephone call in guest room	209	27	46	38
UT Using toilet in guest room	246	19	31	24
LR Listening to radio in guest room	231	26	32	31
TV Watching TV in guest room	232	27	37	24
DE Drinking and Eating at the back of hse	215	29	26	50
SD Consuming soft drink in the bar	232	34	24	30
CO Not issuing captain's order to cashier	262	36	10	12
FC Free coffee or tea to friends	246	45	17	12
CB Consuming drink and charging on guest	282	14	4	20
BG Breaking glass and blame it on a guest	274	22	16	8
CL Collecting left-over fruit from guest	220	15	34	51
AT Accepting tips to arrange a room	229	16	41	34
EL Eating left-over food from buffet	218	21	29	52
EM Eating extra meal at canteen	226	34	32	28

Source: Fieldwork, 2012

These associations were statistically significant, and suggested that, as employees consider one variable to be wrong, there is the likelihood that they may consider the other variables as wrong and vice versa.

**Table 31: Correlation of Ethical Awareness Issues**

Items	TC	UT	LR	TV	DE	SD	CO	FC	CB	BG	CL	AT	EL	EM
TC Telephone call in guest room	1													
UT Using toilet in guest room	0.733													
LR Listening to radio in guest room	0.718	0.893												
TV Watching TV in guest room	0.660	0.845	0.890											
DE Drinking and Eating at the back of house	0.498	0.645	0.584	0.637										
SD Consuming soft drink in the bar	0.331	0.478	0.440	0.356	0.361									
CO Not issuing captain's order to cashier	0.383	0.589	0.499	0.579	0.553	0.536								
FC Free coffee or tea to friends	0.321	0.428	0.372	0.432	0.494	0.563	0.731							
CB Consuming drink and charging on guest	0.447	0.657	0.566	0.640	0.466	0.215	0.489	0.415						
BG Breaking glass and blame it on a guest	0.274	0.355	0.278	0.353	0.290	0.234	0.511	0.519	0.506					
CL Collecting left-over fruit from guest	0.355	0.502	0.444	0.526	0.685	0.367	0.466	0.458	0.479	0.335				
AT Accepting tips to arrange a room	0.520	0.605	0.559	0.616	0.636	0.308	0.384	0.366	0.416	0.229	0.513			
EL Eating left-over food from buffet	0.341	0.391	0.355	0.301	0.576	0.547	0.496	0.483	0.132	0.256	0.605	0.347		
EM Eating extra meal at canteen	0.204	0.299	0.225	0.275	0.525	0.292	0.505	0.443	0.270	0.354	0.396	0.246	0.648	

Source: Fieldwork, 2012

## Factor analysis 2

Factor analysis was used to reduce the 14 items on awareness of ethical issues into a set of smaller factors that measure awareness. The Bartlett's test of sphericity produced a test value of 3508.74 which is sufficiently high. The p-value (0.001) and the Bartlett's test value indicate that factor analysis could be performed to analyse the data. The KMO test produced a value of 0.867 which makes the data in the factor analysis valid. There were three factors with eigenvalues greater than one which were found to be significant and were regarded while the rest of the factors had eigenvalues less than 1 and were disregarded because they were not significant.

The varimax rotation of the 14 ethical items used to examine hotel employees' awareness of ethical issues produced three (3) factors which had eigenvalues greater than 1. These factors explained 71.42 percent of the overall variance among ethical awareness items (Table 32).

**Table 32: Result of Factor Analysis 2**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.133	50.947	50.947	7.133	50.947	50.947	4.508	32.202	32.202
2	1.732	12.372	63.319	1.732	12.372	63.319	3.298	23.555	55.758
3	1.134	8.098	71.417	1.134	8.098	71.417	2.192	15.659	71.417
4	0.907	6.479	77.896						
5	0.632	4.515	82.411						
6	0.496	3.543	85.954						

Table 32 Continued

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7	0.489	3.496	89.450
8	0.356	2.540	91.990
9	0.319	2.279	94.268
10	0.234	1.675	95.943
11	0.225	1.608	97.551
12	0.170	1.212	98.763
13	0.110	0.784	99.547
14	0.063	0.453	100.000

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Extraction Method: Principal Component Analysis.

Source: Fieldwork, 2012

## Factor loadings

Table 33 presents the final factor loading of the test. Three factors were loaded with statistically significant effect on the other variables related to ethical awareness of hotel employees. These factors were Factor 1: Listening to radio in guest room, Factor 2: Eating left-over food from buffet and Factor 3: Breaking glass and blame it on a guest.

**Table 33: Factor Loading of Factor Analysis 2**

Items	Communalities	Factor 1	Factor 2	Factor 3
TC Telephone call in guest room	0.653	0.785		
UT Using toilet in guest room	0.881	0.865		
LR Listening to radio in guest room	0.854	0.889		
TV Watching TV in guest room	0.863	0.863		
DE Drinking and Eating at the back of hse	.0726	0.588	0.605	
SD Consuming soft drink in the bar	0.455		0.593	
CO Not issuing captain's order to cashier	0.740		0.522	0.604
FC Free coffee or tea to friends	0.718		0.556	0.613
CB Consuming drink and charging on guest	0.725	0.583		0.620
BG Breaking glass and blame it on a guest	0.754			0.843
CL Collecting left-over fruit from guest	0.578	0.438	0.600	
AT Accepting tips to arrange a room	0.590	0.695		
EL Eating left-over food from buffet	0.846		0.903	
EM Eating extra meal at canteen	0.615		0.735	

Source: Fieldwork, 2012

## **Qualitative Analysis**

From the qualitative perspective, managers see the hotel industry and the business as a complex nature deviating from normal business pattern. Serving a customer is different and considered as special because the mistake an employee makes to a customer could tarnish the image of the hotel. Based on this employees and employers must act and to some extent exceed their expectations in order to satisfy the customer. A manager of a hotel put the nature of the hotel industry this way:

*Here people are strong but they are sick and they come for us to take care of them. That is the Hospitality industry. Here the guest wants to be treated like a sick person, to be attended to just like the one at the hospital. Whereas in the hospital, the patient accepts everything that the Doctor says and does that, here it is the opposite, the person is sick but very strong and expects to be taken care of. Here the client becomes the Doctor (Male manager, 3 star hotel)*

## **Sources of Ethical Knowledge and Communication Channels of Hotel**

### **Employees**

Ethical knowledge could be acquired from varied sources depending on the environment of the individual. Mujtaba and Sims (2006), have realised that, individuals have their own set of values that guide their personal and professional decisions. In addition, people form these values, in part, during the socialization process. The socialization process is considered as an important component of the informal and formal measures of business ethics implementation that key stakeholders must consider for their organisations to be successful. Hotel



employees acquire ethical knowledge from both the home background and the work environment. The survey revealed that sources such as managers, work training, family, churches, general manager, immediate manager, guest, religion, culture, other employees, friends and community members were some of the areas where respondents get knowledge on ethics from (see Table 34). Other sources such as traditions and teachers though provide some form of ethical information and knowledge, most employees of hotels in Kumasi usually do not use these as their major sources of ethical communication standards.

### **Sources of Communicating Ethical Standards**

Eight (8) of the sources of communicating ethical standards came out clearly that employees could be influenced by most of these sources. These are managers (81.87%), work training (71.87%), family (69.68%) and church (68.75%) (Table 34). Others include religion, guest, immediate supervisors and general manager. The work training aspect is in line with Sims (2002), ideology that teaching of ethics can be effective in developing moral reasoning skills, ethical sensitivity and ethical behaviours of people.

**Table 34: Sources of Communicating Ethical Standards**

Source	Frequency	Percentage
Managers	262	81.87
Work training	230	71.87
Family	223	69.68
Church	220	68.75
General Manager	216	67.5
Immediate supervisors	214	66.87
Guest	211	65.93
Religion	199	62.18
Culture	190	59.37
Other employees	188	58.75
Friends	183	57.18
Community members	177	55.31
Mass media	175	54.68
Teachers	159	49.68
Traditions	152	47.50
Total	2999	100.0

Source: Fieldwork, 2012

In terms of communication of ethical standards to employees at the workplaces, employees made mention of a number of areas through which ethical standards are communicated to them on the job. The possible and plausible options provided by respondents have been shown in Table 35. These include meetings (29.8%), management (26.3%), workshops and training (19.0%) hotel handbook (7.3%), notices at the workplace (5.9%) and others (11.7%). The others provided by employees include organizational charts in the hotel, the use of text messages and some employees also get pastors to talk to them at the workplace.

**Table 35: Medium of Communicating Ethical Standards to Employees**

Communication of ethical standards	Frequency	Percentage
Meetings	61	29.8
Management	54	26.3
Workshops and Training	39	19.0
Hotel handbook	15	7.3
Notices	12	5.9
Others	24	11.7
Total	205	100.0

Source: Fieldwork, 2012

Ethical attitudes and behaviours at the workplace are always influenced by a number of variables. Employees usually consider some of the influencing

variables and act either ethically or unethically at the workplace. Some of the factors that help employees to act ethically at the workplace have been shown in Table 36.

**Table 36: Factors that Help Employees to Act Ethically**

Factors that help employees to act ethically	Frequency	Percentage
Rules and regulations	47	21.0
Moral background	76	33.9
Good management	21	9.4
Religious belief	19	8.5
Colleagues at the workplace	11	4.9
Motivation	24	10.7
Others	26	11.6
Total	224	100.0

Source: Fieldwork, 2012

As shown in Table 36, prominent among the factors that help employees to act ethically is the moral background of employees (33.9%). This is followed by rules and regulations at the hotel (21.0%). These outcomes could be related to the conceptual framework for the study where social and cultural environment of the individual influences a person ethical behaviour. Other factors mentioned by respondents are motivation (10.7%), good management (9.4%), religious belief

(8.5%) and co-workers (4.9%). When these factors are used in a positive manner, it is hoped to generate positive ethical behaviours from employees.

Respondents continued by rationalizing these factors as helping factors for employees to act ethically. These justifications are presented in Table 37. A number of reasons were given in support of why those factors outlined in Table 36 could help employees to act ethically. Employees becoming more responsible (24.5%) tops the justification for factors that help employees to act ethically. Employees have become responsible based on the training they receive at the workplace, their environmental background and because culture frowns on unethical behaviours, employees would like to be more ethical than otherwise. To help the hotel build good image was also seen as a good justification for good ethical behaviour at the workplace. It is believed that, once culture frowns on these unethical behaviours, community members may talk about it if one behaves unethically.

Other related justifications include good management practices (14.4%) good training, financial benefits, religious belief and job security. These are but some of the reasons employees think could help them act ethically at the workplace.

Decision making is an important issue on ethics. Ethical decision making in the hotel industry is considered as a daily activity and it runs concurrently with service delivery. As employees deliver services they make ethical decisions alongside. These decisions in the long run affect the organisation either positively or negatively depending on how ethical or unethical the decision was.

**Table 37: Justification for Factors that Help Employees to Act Ethically**

Justification for factors that help Employees to act ethically	Frequency	Percentage
Responsibility	45	24.5
Build a good image	29	15.8
Good management practice	26	14.1
Good training	25	13.6
Financial benefits	19	10.3
Religious beliefs	16	8.7
Job security	10	5.4
Others	14	7.6
<b>Total</b>	<b>184</b>	<b>100.0</b>

Source: Fieldwork, 2012

The study examined factors that employees consider before decision making in the hotel industry (see Table 38). The result showed that risk to the employee (92.2%) was the topmost factor employees consider in taking a decision. Every individual by nature is selfish and for that matter, employees consider risk that may affect them first before looking at other factors that could affect the issue. Health and safety (89.4%) was another factor considered by employees in taking decisions at hotels. Employees consider the health and safety

of customers and themselves before taking decisions. Also hotel reaction to employees' action (decision) is taken into consideration on decision making. About 88 percent of the respondents consider this before taking decisions in the job. Most employees are afraid of management decisions on their actions and inactions on the job and for that matter in taking decisions at work, they consider what the hotel management may say about the decisions they take. Other considerable factors are: risk to others (82.2%), employees' plan of action (79.4%), whether action will resolve the issue (78.8%), stress involved, important cultural perspective and what other workers may think about the decision (Table 38).

These factors are crucial to the hotel industry decision making. Referring to the conceptual framework for the study adapted from Ferrell and Gresham (1985) and Hunt-Viteil (1986), the individual decision making is influenced by a number of variables.

Some of these variables are: perceived ethical dilemma, perceived alternatives and perceived consequences. It could be realized from the study that, these factors are related to the variables that affect individual decision making. Stress involved could be related to perceived ethical dilemma, employee plan of action, health and safety and important cultural perspective could be related to perceived alternatives while risk to employee, risk to others, what other co-workers may think, hotel reaction to the action and whether action will resolve the issue are related to perceived consequences.

**Table 38: Factors Employees Consider Before Decision Making**

Factors to consider before decision making	Frequency	Percentage
Stress involved	201	62.8
Risk to the employee	295	92.2
Risk to other	263	82.2
What my colleagues may think	202	63.1
My plan of action	254	79.4
Health and safety	286	89.4
Hotel reaction to the action	280	87.5
Important cultural perspective	201	62.8
Whether action will resolve the issue	252	78.8

Source: Fieldwork, 2012

In evaluating decisions, these factors could also be related to variables such as deontological norms, probabilities of consequences and desirability of consequences. Health and safety and important cultural perspective could be related to deontological norms, risk to employee, risk to others, what other co-workers may think, employees' plan of action and hotel reaction to the action are related to probabilities of consequences while stress involved and whether action will resolve the issue are related to desirability of consequences.



Employees in the hotel industry learn ethical issues from various sources. Some are from the cultural environment, the hotel industry and personal characteristics of the individual. These either individually or a combination of some of them help employees to take ethical decisions. Within the hotel industry, employees are usually supported by materials that are related to ethics which help them to take ethical decision. The study sought out ethical materials that help employees to take ethical decision (see Table 39). As Table 39 shows, hotel handbook (36.7%) and ethical code (24%) came out as the most helpful ethical materials for employees in taking ethical decisions.

**Table 39: Ethical Materials that help Employees to take Ethical Decisions**

Ethical materials	Frequency	Percentage
Hotel handbook	258	36.7
Ethical codes	168	23.9
Bible/Quran	153	21.8
Newsletter	64	9.1
Posters	60	8.5
Total	703	100.0

Source: Fieldwork, 2012

Valentine and Barnett (2003) cautioned that people who work for organizations that have written ethical codes should be inclined to believe that

their organisations are prepared to support ethical reasoning and behaviour. Other materials are Bible/Quran, newspaper and posters.

It could be deduced that the hotel handbook and ethical codes are core to the hotel industry and for that matter, issues from these materials are directly related to the industry. Most employees are introduced to these materials as soon as they are employed and some of the employees follow the rules just to sustain themselves in the organisation. Information from newsletters and posters usually contain fluid messages as far as ethical issues are concerned.

### **Summary of Chapter**

The chapter has discussed issues on employees' ethical knowledge, awareness and decision making in the hotel industry. The chapter highlights on topmost ethical variables that employees are aware of such as core values, code of conduct, application of standard of conduct and hotel laws. A correlation analysis of ethical awareness variables showed a statistically positive relationship among the variables. Employees get ethical knowledge from various sources such as managers, training on the job, family, church members, religion and other areas. The ethical knowledge is communicated through meetings, workshops and training, notices and hotel handbooks. The chapter also analysed factors that help employees to act ethically and prominent among them were moral background rules and regulations. In taking ethical decision, employees take a number of factors into consideration including risk to the employees, health and safety, hotel reaction to the action and risk to others.

## CHAPTER EIGHT

### ETHICAL DYNAMICS OF CUSTOMERS OF HOTELS

#### **Introduction**

This chapter presents the dynamics of customers of hotels in Kumasi. It deals with the involvement of customers in hotel ethics, how they affect and are affected by ethical issues in the hotel industry. Also examined are awareness of customers on ethical issues, unethical practices customers have seen in hotels and whether they are supposed to be ethical or not. The chapter continues with customers' views on services of hotels in Kumasi and ends with recommendations from customers on ethics in hotels.

#### **Customers' Awareness of Ethical Issues of the Hotel Industry**

Hotel customers are the demanders of the hotel products produced by hoteliers. They are categorised under the demand side of tourists. As far as ethical issues are concerned, it should be looked at from both the demand and supply side of tourism. From the supply side, employees have shown that they are aware and have knowledge of the ethical issues surrounding the industry. The consumers therefore need to be examined on ethical issues that pertain to the hotel industry. According to Caudill and Murphy (2000), organisations that are associated with ethical behaviours are those that tell the truth and redress wrongful acts without delay. They build a bond with their customers, leading to positive word of mouth and repeat business. Empirically, Frey, Schegger and Murphy (2003) found in

Switzerland hotels that guests had less than a one in ten chance of receiving a prompt, polite and personal reply.

The study examined customers understanding of what constitutes ethics as applied in the hotel setting. The average 21st century hotel customer is considered to be more enlightened on a number of issues in the hotel industry. Customers have at least general knowledge about hotel operations, they are highly social conscious, most of them have global exposure and as a result their expectations on service quality are high. Again the working environments of customers have changed, working hours are flexible for most customers and they come from different socio-cultural background and countries. All these would have influence on their understanding, perception and assessment of ethical issues in the hotel industry. On the issue of their understanding of ethics, customers explained ethics from different perspectives which could be summarized into right and wrong as well as good and bad behaviours in the hotel industry. These have been presented in Table 40.

A reasonable proportion of customers (27.4%) understand hotel ethics to mean manner of behaviours in hotels. Other customers' understanding of ethics in the hotel industry include "being good and nice towards customers" (23.1%), how employees and customers must relate to each other (19.7%), doing the right things in the hotels (13.7%) and rules and regulations in hotels (10.3%). With this understanding of ethics as they apply in the hotel settings, employees and customers are expected to have a symbiotic relationship in terms of ethics in the

hotel service delivery. Both employees and customers are expected to behave ethically for various reasons surrounding hotel service delivery.

**Table 40: Customers Understanding of Hotel Ethics**

Understanding of ethics in hotel	Frequency	Percentage
Rules and regulations in hotels	12	10.3
Doing the right things in hotels	16	13.7
Manner of behaviours in hotels	32	27.4
How employees and customers must related to each other	23	19.7
Being good and nice towards customers	27	23.1
Others	7	6.0
<b>Total</b>	<b>117</b>	<b>100.0</b>

Source: Fieldwork, 2012

The survey shows that all the customers who were involved in the study were aware of ethical issues in the hotel. Not surprisingly, as much as 36.3 per cent of the customers said they had ever experienced some kind of unethical behaviours in the hotel industry. Some of these unethical behaviours experienced were in the category of poor condition of facilities in the hotel, poor services and behaviours put up by employees.

These reported unethical behaviours by customers of hotels are related to service quality of the hotel industry. The study therefore sought to examine from the customers perspective whether service quality in the hotels was in anyway linked to ethics of the hotel. Over 90 percent of the respondents answered in the affirmative, indicating that service quality has a link with ethics of the hotel. Some of the reasons associated with hotel linkage with ethical services are shown in Table 41.

**Table 41: Justification for Ethics and Service Quality**

Issue	Frequency	Percentage
Ensures repeat visit	10	9.7
Good service delivery	32	31.1
Shows attitude and behaviour of employees	13	12.6
Creates good image for hotels	15	14.6
It could lead to satisfaction	25	24.3
Others	8	7.8
<b>Total</b>	<b>103</b>	<b>100.0</b>

Source: Fieldwork, 2012

Other ethical constructs that were examined from customers' perspective include cheating, duping, dishonesty, deceit and swindling. These are major ethical issues surrounding the service industry and most especially the hotel

industry. Respondents were to tick those that they had ever experienced. As shown in Table 42, the data showed that cheating and dishonesty are some of the unethical practices that customers had ever experienced in hotels in Kumasi. These were followed by deceit and duping.

**Table 42: Unethical Practices Customers had Ever Experienced in Hotels in Kumasi**

Item	Yes	No
Cheating	28.9	71.1
Duping	14.1	85.9
Dishonesty	28.9	71.1
Deceit	20.0	80.0
Swindling	8.1	91.9

Source: Fieldwork, 2012

Cheating is one of the common unethical practices in the service industry. As a result most service organisations have rules and policies against cheating. This could mean that a number of employees in the hotel industry think there is nothing wrong with it. On deceit, it is considered as fraudulent conduct or false statements made by an employee who is aware that the statement is untrue. According to the Federal Trade Commission (FTC), deception exists if there is a misrepresentation, omission, or any practice that is likely to mislead the consumer acting reasonably in the circumstances, to the consumer's detriment (Aditya, 2001). On deceptions in the hotels, usually the service provider intends to deceive

the customers receiving the statements and expects the customers to believe and rely on them. Masip et al (2004) put issues on deception together as *the deliberate attempt, whether successful or not, to conceal, fabricate, and/or manipulate in any other way factual and/or emotional information, by verbal and/or nonverbal means, in order to create or maintain in another or in others a belief that the communicator himself or herself considers false.*

These unethical behaviours represent different moral foci of employees in the hotel industry. They centre on harm to customers, respect for law and harm to the hotel. But the issue is how do these practices measure up from an ethical standpoint of the hotels in Kumasi? Is it right or wrong?

Fair treatment of all customers is a hallmark of an ethical organisation. The hotel industry is expected to exhibit fair treatment for all their customers to create good image for themselves. From the study, hotel customers believe that some of them were not treated fairly during the service delivery. About 71 percent of the customers were of the view that they were not treated fairly while about 29 percent said they had fair treatment from hotel employees. The proportion of customers with unfair treatment far outweigh that of those with fair treatment. Customers therefore established that, they had unfair treatment in a number of areas including keeping small change (27.0%), overcharging (18.9%) and short changing (14.9%) (see Table 43).



**Table 43: Forms of Unfair Treatments from Employees to Customers**

Areas of unfair treatment	Frequency	Percentage
Keeping small changes	20	27.0
Overcharging	14	18.9
Short changing	11	14.9
Adding extra charges	9	12.2
Charging for unused services	8	10.8
Forcing the use of un-needed services	4	5.4
Others	8	10.8
Total	74	100.0

Source: Fieldwork, 2012

A follow up question was whether customers thought they would face such treatment at the hotel. Less than a quarter (23%) of the customers said yes they expected something of that nature to happen. However, 77 percent of the customers were surprised to have experienced such treatments from hotels in Kumasi. Customers' reasons for their expectations of such treatment are shown in Table 44. About a quarter of the customers were of the view that hotel employees

are trained and expected to be disciplined in their dealings with customers. They therefore least expected such behaviours, and to some customers, because of rules and regulations (3.1%), employees should have been more ethical than observed.

**Table 44: Why Customers were not Expecting Unfair Treatment from Employees**

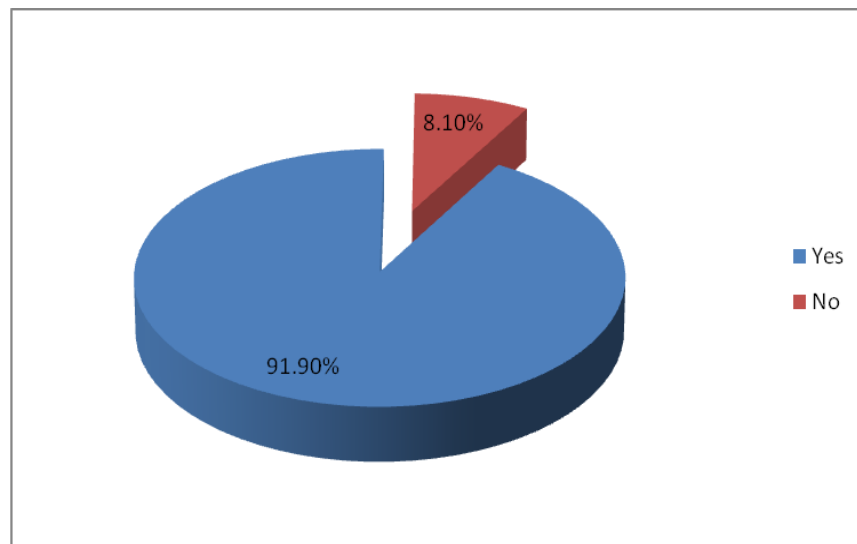
Reasons	Frequency	Percentage
Employees are trained and expected to be disciplined	25	25.8
Because I have faced and heard similar issues elsewhere	18	18.6
Is part of hotels in Kumasi	17	17.5
The hotel is expected to satisfy the needs of customers	14	14.4
Because I choose my hotels carefully	12	12.4
Because they are guided by rules and regulations	3	3.1
Others	8	8.2
Total	97	100.0

Source: Fieldwork, 2012

Again, some customers expected the hotels to satisfy the needs of the customers (14.4%) which were otherwise delivered. For other customers, because they had faced and heard similar issues elsewhere (18.6%), some chose their

hotels carefully to avoid such unethical treatment (12.4%), and were not surprised about the treatments received from the hotel employees.

The study sought the views from customers as to whether they acted ethically during their interaction with the hotel industry. A total of 135 customers responded to this question. About 92 percent of the customers agreed that, the customer should act ethically when interacting with the hotel industry. On the other hand, about eight (8) percent of the customers sampled for the study thought otherwise (Figure 7). Their reason was that, customers acting ethically at the hotel will not solve the unethical problems in the hotel industry.



**Figure 7: Customers Should Act Ethically**

Source: Fieldwork, 2012

Customers who agreed that they should act ethically at the hotel had varied reasons (Table 45). Prominent among the reasons was to encourage respect for each other (28.1%) during service delivery. This was followed by the need to

enhance good service delivery (25%) and to foster good relation between employees and guest (17.7%). Some customers consider ethical behaviour from their end as a moral responsibility (12.5%) that would help create a good working condition (5.2%) for both customers and employees.

**Table 45: Reasons for Customers to Act Ethically**

Reasons for ethical customers	Frequency	Percentage
To encourage respect for each other	27	28.1
To enhance good service delivery	24	25.0
Foster good relation between employees and guest	17	17.7
Is considered as customers moral responsibility	12	12.5
It creates good working condition	5	5.2
Others	11	11.5
Total	96	100.0

Source: Fieldwork, 2012

With these reasons, one can conclude that customers of hotels in Kumasi are aware of ethical issues of hotel industry and their role as ethical customers in service delivery.

### **Customers' Views on Services of Hotels in Kumasi**

Customers' assessment of ethical issues of hotels has important implication for management and could impact decision making in a number of

areas in the hotel environment. Customers therefore become an important component in the running of hotel industry. The 21<sup>st</sup> century customers have become more sophisticated, knowledgeable, technologically inclined and they know what they want at a point in time. Customers always seek quality service from service providers. Parasuraman et al. (1985) foresaw this and concluded that service quality is based or measured on a comparison between what the customer feels should be offered (expectations) and what is provided (performance). The awareness and knowledge affect the operation of hotel businesses in diverse ways so as to satisfy the customer. It is therefore imperative for service providers to be ethical, effective and efficient in service delivery.

The consumer is gaining more and more attention in the business environment especially in the service industry. For any service organisation to be successful, sustainable and prosper, management and employees must devote much attention to both ethics and customer service. The hotel-customer relationship must be looked at from the perspective of the customer in order to maintain long term relationship with the hotel. It should be remembered that repeat visit by customers must be encouraged for sustainability and profit making.

Empirically, some researchers have found that there is a link between customers, ethics and purchase of service product. In a survey conducted by Market and Opinion Research International (MORI), it was found that over one third of consumers in the UK were seriously concerned with ethical issues (Mason, 2000). Another study of Finnish consumers by Uusitalo and Oksanen (2004) established that almost 70 percent of respondents believed that a firm's

business ethics had at least “some influence” on their purchasing decisions. Nevertheless, other researchers are of different perspective, for instance, Carrigan and Attala (2001) have suggested that the opinions of consumers do not appear to translate into changes in purchasing behaviour of customers.

The study also examined customers rating on some of the services of hotels in Kumasi and the result has been presented in Table 46. These services are part of the intangibles that influence customers in their repurchase intention of a tourism product. Customers rated these as either ethical or unethical depending on the services received from hotel employees and their own assessment of what they considered as ethical or unethical in such circumstances. Among the factors examined, hotel price (rate) was considered as the most ethical with about 93 percent of the respondents agreeing to that. The other services were employees’ appearance (88.1%), sanitation (88.1%), employee’s relation to customers (85.9%) and environmental quality (85.9%).

The result gives a positive image about hotels in Kumasi in terms of these variables. Considering the price or room rate of hotels, although about 70 percent of the respondents paid the fixed price for their hotel rooms, customers considered them to be ethical and good for the pocket.

Most of the employees were considered to be neat and smart at the job place. Employees also related well with customers during service delivery and the environment and sanitation of the hotels in Kumasi were considered ethical.

**Table 46: Ratings of Hotels in Terms of Services**

<b>Item</b>	<b>Ethical</b>	<b>Unethical</b>
Price	92.6	7.4
Employees appearance	88.1	11.9
Employees reaction to customers	83.7	16.3
Employees relation to customers	85.9	14.1
Sanitation	88.1	11.9
Environmental quality	85.9	14.1
Other service quality	85.2	14.8
Security/Protection of customers	78.5	21.5
Quality of service communication	78.5	21.5
Overall rating	89.6	10.4

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Source: Fieldwork, 2012

Other variables that need to be looked at as part of the service delivery of hotel in Kumasi include security/protection of customers, quality of service communication and employees reaction to customers. Although customers did not condemn them as entirely unethical, however, their ethical ratings were

comparatively low among the variables examined (Table 46). These services are very crucial as far as hotel operation is concerned. Customers to some extent examine these services before final purchase of the hotel room. The ethicality of these services is therefore paramount to the hotel industry.

Customers usually experience unethical issues at different levels based on the department in which the customer is dealing with. From customers' perspective, the study looked at the department that exhibited unethical behaviours at the hotel. From Table 47, the department that most customers judged as exhibiting unethical behaviours was the Front Office Department. Out of the total sampled customers, 39.1 percent were of the view that the front office exhibited unethical behaviours. This was followed by the Bar and Restaurant Department (24.2%) and the Room Service Department (18.8%).

**Table 47: Department that Mostly Act or Exhibit Unethical Behaviours**

Department	Frequency	Percentage
Front office/Reception	29	39.1
Restaurant/Bar	18	24.2
Room service	14	18.8
Security	7	9.5
Accounts	6	8.4
Total	74	100.0

Source: Fieldwork, 2012



The department that was rated with the least unethical behaviours from customers' perspective was the account department (8.4%). A number of assumed reasons were assigned to why these departments behave unethically. Prominent among the reasons was that, the department is the first point of contact (46.4%) (Table 48). Others include inadequate education and training of employees (26.8%), delay in service (16.1%) and other unspecified reasons (10.7%) for employees' unethical behaviours. To some of the customers, the room service employees think cleaning the rooms is a bit harder than the works of the other departments and they need to be paid more. Also some food attendants appear upset when a customer complains about food that has been served. Some customers also noted that the accounts department is usually not prepared to give break down of total bills to their customers. These are some of the reasons that might hinder the ethical standards of hotels in Kumasi.

**Table 48: Perceived Reasons for Unethical Behaviours at the Departments**

Reasons for unethical behaviours	Frequency	Percentage
First point of contact	26	46.4
Inadequate education and training	15	26.8
Delay in service	9	16.1
Others	6	10.7
Total	56	100.0

Source: Fieldwork, 2012

Crosstabulations of the data to examine departments that exhibited unethical behaviours is presented in Tables 49 and 50. Table 49 examines gender and department that exhibited unethical behaviours. From the male part, about 46 percent of the customers thought that the front office exhibited more unethical behaviours while for their female counterparts, about 36 percent attributed the top unethical department to the restaurant and bar department.

**Table 49: Department in the Hotel that Mostly Act/Exhibit Unethical Behaviour and Gender**

Department	Gender		Total
	Male	Female	
Restaurant/Bar	10 (19.2)	8 (36.4)	18 (24.3)
Room service	9 (17.3)	5 (22.7)	14 (18.9)
Accounts	3 (5.8)	3 (13.6)	6 (8.1)
Front office/ reception	24 (46.2)	5 (22.7)	29 (39.2)
Security	6 (11.5)	1 (4.5)	7 (9.5)
Total	52 (100)	22 (100)	74 (100)

Source: Fieldwork, 2012

The second most unethical department from the males side went to the restaurant and bar department (19.2%) while the female considered both the room service and the front office as the next unethical department with about 23 percent of the females each responding to this.

Table 50 shows educational level of customers and departments that exhibited unethical behaviours. The results show that those with university education and above saw the front office department as the most unethical department (48.8%) while those with educational level lower than the university said the restaurant and bar department was the most unethical department in the hotel industry of Kumasi.

**Table 50: Department in the Hotel that Mostly Act/Exhibit Unethical Behaviour by Education**

Departments	Educational level			Total
	1	2	3	
Restaurant/Bar	7 (43.8)	6 (35.3)	5 (12.2)	18 (24.3)
Room service	2 (12.5)	2 (11.8)	10 (24.4)	14 (18.9)
Accounts	0	3 (17.6)	3 (7.3)	6 (8.1)
Front office/ reception	4 (25.0)	5 (29.4)	20 (48.8)	29 (39.2)
Security	3 (18.8)	1 (5.9)	3 (7.3)	7 (9.5)
Total	16 (100)	17 (100)	41 (100)	74 (100)

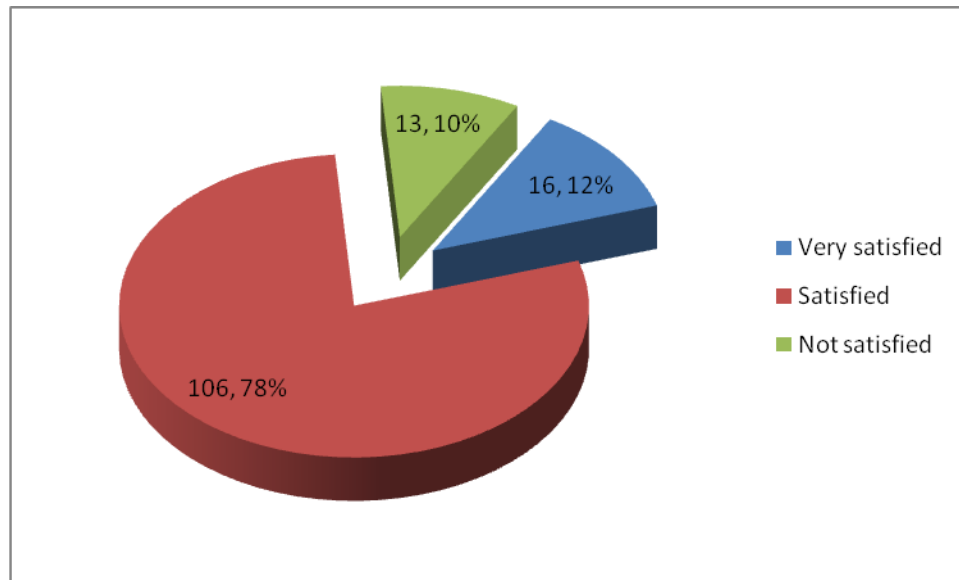
Source: Fieldwork, 2012      \*Up to secondary/JHS = 1; Voc/Tech and polytechnic = 2 and University and above = 3.

Front office department was considered as the second most unethical department by those without university education and those with university

education or higher considered room service department (24.4%) as the second most unethical department in the hotels.

Good satisfaction levels of hotel customers project the image of the hotel, enhance repeat visit by customers and increase the profit margin of the hotel industry. The other side of good service which is service failure mostly brings detrimental results to hotels. Whenever there is service failure or unsatisfactory services, customers react differently in negative manners. Customers either exit silently and never to return or they may continue to patronize the establishment despite their dissatisfaction (but they will spread a negative word-of-mouth) or voice their complaints to the operator (Kim et al, 2009; Susskind, 2002).

Customers were assessed on the level of satisfaction with each hotel's ethical standards. From Figure 8, it is clear that about 90 percent of the customers of hotels in Kumasi felt satisfied with the ethical standards of the selected hotels. Customer satisfaction is a key factor in the service industry and it is linked to other service qualities that is why Harris and Goode (2004) explained that service quality, perceived value, customer satisfaction and subsequent loyalty intentions are inextricably linked to one another.



**Figure 8: Level of Satisfaction with Hotel's Ethical Standards**

Source: Fieldwork, 2012

### **Customer's Suggestions to Employees on Ethics in Hotels**

Hotels depend on customers in the survival of their businesses. Customers are therefore very vital in what employees do in the running of the day to day activities of the hotel. For this reason, there should not be a reason for customers being problematic in terms of sustainability and security of the hotels. According to Anderson and Jacobson (2000), organizations achieve customer loyalty when they are able to satisfy the need of the customer for him or her to continue to patronize and increase their purchases from the organisation. Customer satisfaction is attained through a number of ways and is associated with the feelings of acceptance, excitement, happiness, relief and delight (Hoyer and MacInnis, 2001). It is as a result of satisfaction of the customer that the customer may either repeat the visit or recommend the service. Reichheld (2003) and

Satmetrix (2004) considered two types of behavioural intentions after services have been offered: the repurchase intention and the recommended intention. These help to sustain businesses in the hotel industry.

From customers' perspectives, hotels in Kumasi need to be more ethical in their dealings with customers. Recommendations from customers were then considered and have been categorised into six groups and presented in Table 51.

**Table 51: Customers Suggestions on Ethics for Hotels in Kumasi**

Suggestions	Frequency	Percentage
Observe ethical behaviours in the hotel industry	29	31.9
Customer satisfaction should be a priority	25	27.4
Education and training on ethical behaviours	18	19.8
Fair treatment of customers	11	12.1
Good and quick service delivery	4	4.4
Others	4	4.4
<b>Total</b>	<b>91</b>	<b>100.0</b>

Source: Fieldwork, 2012

From Table 51, 31.9 percent of the suggestions from customers were on employees to observe ethical behaviours in the hotel industry. Customers are of the view that, as far as the hotel business is concerned, employees must possess certain ethical behaviours that are peculiar to the hotel industry. Some of these

ethical behaviours outlined by customers include being patient, humble, honest and loyal to customers. Employees must respect guest privacy, appear decent on the job, communicate properly with customers and develop strong character for the hotel work. Customers added that employees must be more hospitable and exhibit high sense of discipline on the job.

The second most ethical recommendation from customers was customer satisfaction as a priority for employees (27.4%). Over a quarter of the customers who made this suggestion were of the view that customer satisfaction should be the ultimate goal for the employees. Employees should make sure that customers are pleased and satisfied with their services, they should put the customer first in all aspects. They must act responsibly to the request of customers, understand and co-operate with customers and should remember that the customer is always right. For customers, if employees are able to keep up with this recommendation, it will help keep the image of the hotel high.

Education and training on ethical behaviours (19.8%) was also suggested. Customers advised employees to learn more about ethics in the hotel industry. Management should organize training programmes for their workers to understand the code of conduct of the industry. Good education and training should be a priority for management. On fair treatment of customers, it is suggested that employees should be fair in their operations, issue correct room rates to customers and should be nice to all customers under any condition. For good and quick service delivery, customers suggest that employees should be

intrinsically motivated to work in the hotel industry and that would help them to be smart and deliver their services fast.

### **Summary of Chapter**

The chapter dealt with the ethical dynamics of customers of hotels in Kumasi. Customers are the main clientele of hotels and for that matter their ethical understanding and perceptions are important in the hotel industry. The chapter discussed this through customers' awareness of ethical issues, unethical practices customers had ever experienced in hotels in Kumasi. It continued with some forms of unfair treatments from employees to customers because customers at least expect fair treatment from hotel employees. The chapter points out that, customers themselves are aware they must be ethical during the process of interaction with hotel employees for good service delivery. Customers examined services of hotels in Kumasi metropolis in terms of ethics and generally concluded that hotels in Kumasi are ethical. Suggestions were made for employees on ethics in hotels for effective and efficient service delivery.



## CHAPTER NINE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### **Introduction**

This is the concluding chapter of the study on ethical decision making in the hotel industry of Kumasi metropolis. A summary of the whole study has been provided with highlights on the problem of the study, the research objectives and the conceptual framework adapted for the study. The chapter delves into the study area and the methodology employed to solicit information from respondents. From the results obtained, the main findings have been summarized to provide a clear view of the ethical issues on decision making in the hotel industry of Kumasi. Conclusions have been drawn from the findings and recommendations made to direct the path of ethical decision making in the hotel industry. Recommendations for further research have also been provided to broaden the horizon of research works in ethics and the hotel industry.

#### **Summary**

The hospitality and tourism business presents a tripartite relationship in its operations: the industry, the corporate and the venue context. The interactions seek to promote efficient, effective and satisfactory exchange of goods and services both material and symbolic. Within the hotel industry, there is constant interaction between the service provider (seller) and the customer (buyer). As a result, ethical issues are considered important to the hotel industry due to the nature of the services provided by the industry. Although the hotel industry is

purely business oriented, there is a social responsibility attached to it. It is believed that the hotel industry has a responsibility beyond the industry's economic and legal interest.

Considering the nature of ethics in the hotel industry today, it is possible to recognize a gap between society's expectation of hospitality and tourism ethics and actual ethics in the industry as people move along with development and time. Whenever such a thing happens, it creates ethical challenges in the industry which need to be considered. As service providers deal with customers in the service delivery, a lot of ethical concerns arise. Such ethical issues are not new concept to both service providers and customers and that each is expected to show some level of ethical behaviour. This study therefore explored ethical issues that are germane in the hotel industry in Kumasi metropolis.

The specific objectives of the study were to:

1. Examine employees' and management awareness of ethical issues in the hotel industry in Kumasi;
2. Explore the ethical decision making environment in the hotel industry;
3. Examine key factors that influence employees' decision making on ethical issues;
4. Assess perceptions of customers on some ethical issues of hotels in Kumasi;

5. Evaluate and recommend appropriate suggestions for ethical decision making as well as ethical practices for planning, policy and education for hotel operations in Kumasi.

A number of related conceptual frameworks were reviewed on this study and in the end, a conceptual framework adapted from Ferrell and Gresham (1985) and Hunt-Viteil (1992), named the ethical decision making process in the hotel industry was used. This framework took into consideration the strengths and weaknesses of the previous ones and restructured to suit the current study.

### **Summary of Methods of Data Collection and Analysis**

The study area chosen was Kumasi metropolis based on the fact that, it is strategically located in the centre of the country. It has a major transport terminal for road transportation, and it has important function as a major market centre which makes the metropolis an ideal location for the establishment of hotel facilities and restaurants to cater for the travelling guests. As at 2012, the area had 231 hotel facilities ranging from budget hotels to 4-Star hotels.

The mixed method approach was adopted for data collection and this took into consideration both the positivist and the intrepertivist paradigms. Though these approaches are contrary in epistemological terms to each other, they use rigorous and detailed methods to gather both quantitative and qualitative data. The researcher was of the view that considering the nature of the study, using the mixed method approach would be more appropriate than methods that are used individually. A research process adapted from Marzuki (2008) was followed. The

research process encouraged the use of both quantitative methods and qualitative methods in conducting a study.

The target population was staff and customers of hotels in Kumasi metropolis. A total of 355 hotel staff and 184 customers were targeted for the study. Staffs of hotels were selected through probability sampling techniques. The stratified and simple random sampling techniques were used to select hotels and employees in the hotels. Twenty percent (20%) of hotel facilities of each category were randomly selected using the lottery method to be part of the study. The proportional stratified sampling technique was used to select employees from the hotels. A maximum of eight (8) respondents were selected from each of the selected hotels. Customers on the other hand were selected through accidental sampling technique. A maximum of four customers were selected from each facility for the study. A maximum of 184 customers were targeted for the study however, 135 customers responses were useable for analysis.

Three main research instruments were used to collect information on the study. Two instruments were used from the quantitative perspective and one instrument from the qualitative perspective. From the quantitative perspective, interview schedule was used. There was a separate interview schedule for employees and customers. The instrument contained both closed-ended and open-ended questions. From the qualitative perspective, one instrument was used, an in-depth interview guide (IDI). This instrument was considered as unstructured interviews with open-ended questions.

Issues of reliability and validity were taken into consideration to strengthen the data for the study. Field assistants administered questionnaire to respondents personally taking into consideration ethical issues involved in questionnaire administration such as free and informed consent, right to privacy and anonymity and the issue of confidentiality. A period of seven months was used for the data collection.

The data were analysed using the Statistical Product for Service Solution software (SPSS) version 19. Descriptive statistics was used to describe the basic features of the data in the study. Simple summaries about the sample were provided in the form of tables and charts. Inferential statistics were extended beyond the immediate data. Some of the statistical tools that were employed included descriptive statistics, correlation, chi square and factor analysis. The qualitative data was transcribed based on themes. The results were analyzed with the help of N6 (Nudist version 6) software. The qualitative data was used as supporting or otherwise document on some of the issues from the quantitative data.

### **Summary of Main Findings**

The major findings from the study have been summarised under the following headings:

#### *Socio-demographic Characteristics of Hotel Employees and Customers in Kumasi Metropolis*

A total of 320 employees from hotel in the Kumasi Metropolis were involved in the study. Sixty percent (60%) of the sampled employees were males

and 40 percent were females (40%). Literature on the hotel and hospitality industry suggests that the industry is dominated by female and managed mainly by males. The sample respondents depict otherwise in terms of gender. This could have implication on female voices in the hotel industry of Kumasi. Respondents' educational background ranged from no formal education to postgraduate education level. Those with secondary and SHS educational level constitute the highest group (39.1%) among the employees in the hotel industry of Kumasi and the lowest category of people were those with no formal education (1.3%). Position level of respondents considered in the study included, senior manager, manager, middle manager and junior staff.

Over half of the respondents (64.5%) were junior staff. The greater representation of the junior staff is an indication that most of the employees within the hotel industry fall under the lower level of employees.

From the customers' perspectives, a total of 135 customers were involved in the study. Greater proportion of the customers of hotels in Kumasi are males. The marital status of the largest proportion of customers was single (49.6%) and over three quarters (83%) of them were Christians with 14.8 percent being Muslims. Customers' educational background ranged from primary education to postgraduate education.

Over three quarters of the customers of hotels in Kumasi consider their income to be either average (72.6%) or high (17.0%). Lower income earners and those without income or unemployed recorded 5.2% each.

The study recognized three different categories of fee customers paid for their rooms. These were fixed price, negotiated price and the ‘don’t know’ categories. The fixed price consists of those who paid for the rake rate as projected by the hotel and that constituted 68.9 percent of the customers. About 24 percent of the customers paid negotiated rates for their rooms whereas nearly seven (7) percent of them were not aware of the amount paid for their rooms.

#### *Ethical Behaviours in the Hotel Industry*

For the 19 variables used to examine ethical behaviours of hotel employees in Kumasi, about 88 percent of the respondents believe that these issues are wrong and are unethical to operate in the hotel industry. The top three constructs that employees rated as wrong to behave in that manner towards customers and during service delivery are ‘Presenting misleading information to customers (94.0), Acting in favour of client for bribe (92.2) and Discriminating against guest on the basis of age, colour, religion, gender etc (91.6). On the other hand, among the issues that employees believe it is not too wrong to put up with as far as employee – customer service encounter is concerned are: Acting in favour of client out of friendship (17.5); Collecting left-over fruits from guests for self consumption (15.9); and Upgrading a “familiar” guest to a higher grade room type when a guest does not qualify (11.6).

On ethical issues that could arise between employees and management, the top three variables that employees believe it is wrong to do are: criticising your organisation to others (86.6); using office equipment for personal use (86.3);

and offering free coffee or tea to friends in the restaurant without issuing a captain's order (85.0).

Two constructs used to measure employee – employee ethical issues showed that most employees consider covering up for colleagues' to be more ethical than not dropping cash tips to the central pool and keeping them personally.

#### *Employees' Perceptions on Some Ethical Issues*

Respondents identified six issues that they considered unethical: Not changing the bed sheets in the guest room due to busy work (85.6%); Releasing guest information to friends (89.1%); Releasing the room number to a stranger (89.4%); Picking up magazines left behind by a guest without reporting to lost and found (85.4%); Using the toilet in a guest room (86.9%); and Consuming mini bar beverages and charging them to a guest's account (90.6%).

In a one-way Analysis of Variance (ANOVA) conducted to examine the mean differences in ethical items in terms of educational level of respondents, the results showed that, people with lower level of education tend to be more ethical than those with higher level of education in the hotel industry.

On gender issues, there were 23 items used to measure respondent's perception on some ethical behaviour. Among these variables, there were five of them that statistically differ in terms of the responses from males and females. A t- test used to examine the mean differences between males and females in ethical dimensions showed that females have a better ethical disposition than their male counterparts when it comes to the hotel industry.



*Perception of Ethical Challenges in the Hotel Industry*

More than half (55.3%) of the respondents admitted that they had ever acted unethically at the workplace before while 44.7% said they always acted ethically. For those who sometimes acted unethically at the workplace, respondents gave different reasons for doing so including the actions of guests and colleagues (25%) depression at the workplace (23%) due to the long hours of work and acting unethically is considered as part of human nature.

The results from the study showed that hostility to customers and staff was reported by most of the employees as one of the most unethical behaviours that employees display at the workplace. Among the male respondents, 31 percent reported on it while almost 30 percent of the females reported on the same issues.

In terms of awareness and knowledge of ethical issues, the study showed that, variables such as core values, code of conduct, application of standard of conduct and hotel laws were some of the topmost ethical issues that employees are aware of. These variables are part of the basic ethical principles that hotel employees must be aware of and act accordingly. Other variables such as training on standard of conduct, motivation to do right thing and apply right values, employees though were aware of but rated them less than the earlier ones.

*Sources of Ethical Knowledge and Communication Channels of Hotel Employees*

Employees get ethical knowledge from varied sources and apply them in the hotel industry. The study revealed that managers, work training, family members, churches, general managers, immediate managers, guests, religion,

culture, other employees, friends and community members were some of the areas where respondents sourced knowledge on ethics.

Concerning ethical decision at the hotel, employees take a number of issues into consideration before arriving at a final decision on ethics. It came out from the study that, risk to the employee (92.2%), health and safety (89.4%), risk to others (82.2%), as well as whether an action will resolve the issue (78.8%), are issues that influence their decision making.

In the hotel industry, employees are assisted by materials such as hotel handbook, ethical code, Bible/Quran, newspaper and poster in arriving at decisions bordering on ethics.

#### *Customers' Awareness of Ethical Issues of the Hotel Industry*

Customers of hotel industry in Kumasi were found to have general knowledge about hotel operations; they were highly social conscious, with global exposure and as a result their expectations on service quality were found to be high. Some of the unethical behaviours experienced by customers were in the category of poor condition of facilities in the hotel, poor services, cheating/duping and dishonesty.

Again, the study sought out the views from customers whether they should act ethically during their interaction with the hotel industry. About 92 percent of the customers agreed that, the customer should act ethically when interacting with the hotel industry. On the other hand, about eight (8) percent of the customers sampled for the study, thought otherwise. Their reason was that, customers acting ethically at the hotel will not solve the unethical problems in the hotel industry.

However, customers who agreed that they should act ethically at the hotel were also of varied reasons. Prominent among the reasons was to encourage respect for each other (28.1%) during service delivery. This was followed by 'To enhance good service delivery' (25%) and others were to foster good relation between employees and customers (17.7%). Some customers consider ethical behaviour from their end as a moral responsibility (12.5%) and that will help create a good working condition (5.2%) for both customers and employees.

#### *Customers Views on Services of Hotels in Kumasi*

From the perspective of customers, the hotel price (rate) was considered as the most ethical with about 93 percent of the respondents agreeing to that. The other services were employees' appearance, sanitation, employee's relation to customers and environmental quality. This gives a positive image about hotels in Kumasi in terms of services they provide to their customers.

#### **Conclusions**

Based on the objectives, literature and findings from the study, the following conclusions have been made;

Basic understanding and awareness of ethical issues by stakeholders in the hotel industry is paramount to the health of the industry. Where stakeholders collide very often during service delivery, it is prudent for each stakeholder to understand where each person is coming from and that will help in a number of decision makings in the hotel industry.

Managers are aware of the ethical nature of the industry. Employees made mention of variables such as training on standard of conducts, motivation to do

right thing and application of rules and regulation were mostly engineered from the managers' side. Managers consider customers as very delicate part of the industry and as such they should be handled with care. To some managers, the hotel industry should be hospitable to its customers. It should be compared to a hospital where a patient (customer) is expected to be taken care of in all their needs.

Most of the customers' construction of what ethics is about centres around just the interaction between the hotel employees and the customers. This is in line with most managers perspectives on ethics in the hotel industry. This makes concentration of ethics in the hotel industry to be focused on just the interaction between customers and employees forgetting about other ethical principles underlying the hotel industry. Managers should understand ethics from the perspective in which they want employees to understand ethics and employees must also see themselves as part of the whole industry of hotel services where each party must play its role very well for a successful interaction.

The following behaviours were considered unethical in the hotel industry by employees; presenting misleading information to customers, acting in favour of customers for bribe, and discriminating against customers on the basis of age, colour, religion, gender etc. Others include consuming minibar beverages and charging them to a guest's account, releasing room number to a stranger, releasing guest information to friends, using the toilet in a guest room and not changing the bed sheets in the guest room due to busy work. These behaviours affect both

customers and managers of hotels. Those that affect managers subsequently affect customers and in the long run affect the general hotel industry.

From customers, some of the unethical behaviours from employees in the hotel industry include, keeping small changes, overcharging, short changing, adding extra charges, charging for unused services and forcing the use of un-needed services. Some of the customers experienced some of these behaviours and considered that they were not treated fairly.

Employees who were usually confronted with these unethical behaviours were mostly found in three major departments that interact with customers most. These departments are the front office, bar and restaurant and room service. These are the major departments that unethical issues happen in the hotel industry.

There is always contention in the hotel industry of what is right and what is wrong and from whose perspective. Some customers always take advantage of the issue of “the customer is always right” and behave in ways that might be contrary to the operations in the hotel. Employees sometimes perceive that it is the customers who need their services and for that matter they must crave for it. These and many other issues sometimes lead to some of the challenges in the hotel industry that are related to ethics. Most employees admitted that they sometimes act unethically at the workplace and this serves as a form of challenge to the industry. Employees complain that unethical behaviours from their side are due to actions of customers and colleagues, long period of work/overtime, depression, difficulty in meeting customers’ expectations and some consider it as part of human nature.

Employees' ethical dilemmas are always informed by their environmental factors and that influences their stance in any ethical decision making. Employees and customers are of the view that most employees in the hotel industry get their ethical knowledge from different areas including managers at all levels in the hotel industry, customers, religion, training programmes on the job, culture, other employees, friends and community members.

To some of the customers, education and training, good motivation and incentives, employee behaviour and poor incentives can send different ideology to any stakeholder in the hotel industry. These are imbedded in the conceptual framework as part of the variables that influence individual decision making in the hotel industry. On sources of ethical knowledge for stakeholders, there were a number of varied sources for the stakeholders including; internet, lecture session, hotel association meetings and from colleagues.

Some of the factors that influence employee's decision making on the job include; stress involved, risk to the employee and others, what other colleagues may think, health and safety, employee's plan of action, hotels' reaction to the action, important cultural perspective and whether the action will resolve the issue. Some of these factors are considered instantly in ethical dilemma and ethical decisions are taken.

### **Contributions to Knowledge**

The study has contributed to the broad knowledge base on ethics in the hotel industry. Research works that have been done on ethics in the tourism and hotel industry by Fennell, (1999); Fleckenstein and Huebsch, (1999); Kalisch,

(2002); Holden, (2003); Cialdini et al. (2004); Hudson and Miller, (2005); Veca, (2010), and others dealt with ethics in the hotel and tourism industry. The study has added to the existing knowledge base on ethics in the hotel industry which support the idea of a holistic approach to deal with.

The study has also expanded the knowledge on ethical issues of the hotel industry in Ghana with specific reference to Kumasi which is one of the key tourism hub in the country. There has been a number of studies on ethical issues in the hotel industry in China, United States of America, United Kingdom, Malaysia and other countries but not in Ghana. The study therefore has contributed to the depth of knowledge in this area which hitherto looked grey but a challenge to the industry.

The study has also made contribution to the conceptual framework for dealing with ethical decision making in the hotel industry. Considering the nature of ethics and its applicability in the hotel industry, the study has combined a number of variables that could influence an individual's ethical decision making in the hotel industry. The study factored in development, technology and time to propose a new framework to guide research and practice on ethics and decision making in the hotel industry.

In terms of methodology, it was realised that most studies approached the study of ethics and decision making from the positivist perspective. However, this study looked at ethics and decision making from both the positivist and interpretivist approach, bringing together the ideals of employees, management and customers in relation to ethics and decision making in the hotel industry. For

this reason, the study has contributed to the methodology applied in ethical decision making in the hotel industry.

### **Contributions to Practice**

This study has contributed to the baseline data on ethical issues in the hotel industry of Kumasi. Although there are a number of research works that have been done on ethics but not much has been done on hotel ethics and decision making in Ghana. The study therefore has come out with a data on some of the factors that could influence employees' decision making process in the hotel industry. These could be factored into training programmes in the hotel industry to improve ethical decision making.

The data from the study can also be used for decision making on tourism and policies relating to ethical issues on decision making in the hotel industry. Since the study followed scientific and systematic approach in collecting data from respondents, findings emanating from the study could be applied for effective management of hotels in Kumasi and Ghana.

### **Recommendations**

Based on the findings, the following recommendations are offered to improve ethical standards in hotels in the Metropolis:

The study revealed that, the total number of senior managers who were involved were all males, though mixed method was used in the selection of employees. In the departments, there are females who are managers in charge of the departments but not senior managers. The study therefore recommends to management and hotel owners to employ qualified females as senior managers in



hotels. This in a way will balance the gender inequalities at the management level in the hotel industry. Also, it is traditionally assumed that, females manage organizations just like the way they manage homes. For this reason, female managers with the requisite skills would manage hotel facilities very well if given the opportunity.

Over 50 percent of the customers of hotels in Kumasi related their purpose of trip to business and for that matter business tourism. This brings to light the concept of business tourism. The study therefore recommends for tour operators and Ghana Tourism Authority to reconsider the issues on the concept of business tourism and come out with a thin line between pure business activity with monetary remuneration and tourism business activities without monetary remuneration.

Ethical issues are very important in the hotel industry. They project the image of the hotel, improve customer satisfaction and enhance efficiency and effectiveness. The study is in support of the idea that female ethical disposition is better than that of their male counterpart. For hotel employers, it is recommended for managers of hotels to employ more females in the hotel industry to enhance the ethical nature of the industry.

The study showed that long period of work at the hotel could lead to unethical behaviours at the workplace. This could be linked to depression on the job which could have influence on efficiency and effectiveness of service delivery in the hotel industry. It is therefore recommended that, managers of hotels should

consider reducing the number of working hours in a day and the number of days in a week for employees to always rejuvenate from their previous days' work.

Most managers observed that employees were not complying with the rules and regulations at the hotel. About 20% of the employees' respondents stated flouting of rules and regulations as one of the unethical behaviours that some employees display at the workplace. This makes hotels become more unethical in their service delivery. It is therefore recommended that, management of hotels should enforce the rules and regulations in the hotel for employees to take their work serious and deliver as is expected of them.

Ethical issues are part of the hotels' daily interactions with customers and other staffs of the hotel. For this reason, employees must gain in-depth knowledge on ethics in the hotel industry so as to apply them on the job. One major finding from the study was that, about a third of the employees' respondents considered meetings on the job as one way of communicating ethical issues to employees. Management can therefore take advantage of meetings organised for employees in the hotel to educate them on specific ethical issues per meeting so that more ethical knowledge can be communicated to employees on the job.

Throughout the study, concerns were raised on good ethical behaviours in the hotel industry. This appears to be a major issue confronting stakeholders in the hotel industry. It is recommended that management should organise training programmes for employees at regular intervals to keep them alert on hotel ethics and its importance in the industry

### **Recommendations for Further Research**

The following recommendations have been made for further research work to be conducted so as to gain more knowledge to help better deal with ethical issues in the hotel industry.

1. Customer experiences of unethical behaviours in the hotel industry
2. Ethical challenges of employees in the hotel industry.
3. Application of code of ethics in the hotel industry
4. Ethical training needs of hotel employees

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APPENDICES

*APPENDIX 1: Questionnaire for Employees of Hotels in Kumasi*

UNIVERSITY OF CAPE COAST

FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF HOSPITALITY AND TOURISM MANAGEMENT

QUESTIONNAIRE FOR EMPLOYEES OF HOTELS IN KUMASI

**Dear Sir/Madam**

This study seeks to examine ethical issues in the hotel industry of Kumasi. You are therefore been requested to share your views on the issue under investigation. The responses will be used for purely academic purpose. You are assured of complete anonymity as all information provided would remain confidential to the researcher alone. I would be most grateful if you could please answer the questions as candidly as possible.

Please do you want us to carry on with the interview?      Yes      [   ]  
No      [   ]

***Instruction:** Please tick answers in boxes provided and write where necessary.  
Thank you.*

**Company profile**

1. Number of rooms in hotel .....
2. Star rating of hotel.....
3. Location .....
4. Type of Ownership    (a) Public    [   ]    (b) Private    [   ]    (c)  
Independent    [   ]
5. Type of Management    (a) Chain    [   ]    (b) Independent [   ]    (c)  
Consortium    [   ]    (d) Franchise [   ]



**Section A: Awareness of ethical issues****1. Ethical issues**

*The following are some factors that influence ethical behaviour in the hotel industry. The issues are measured by a scale of 1-4 with 1 representing 'Strongly Disagree', 2 representing 'Disagree', 3 representing 'Agree' and 4 representing 'Strongly Agree'.*

Statement	Strongly Disagree 1	Disagree 2	Agree 3	Strongly Agree 4
a. Knowledge about the hotel Core Values related to your job functions;				
b. Knowledge about the hotel Code of Conduct that is related to your job functions;				
c. Knowledge about the hotel laws and regulations related to your job functions;				
d. The hotel communicate standard of conducts to employees clearly.				
e. Standard of conducts in the hotel are effectively being used in the hotel				
f. Employees are effectively trained in the hotel standard of conducts and are used on the job				
g. People feel motivated to do the right thing on the job.				
h. People feel motivated to apply the right values to their decisions on the job.				
i. People feel motivated to share a high commitment to integrity at work				

**Section B: Application of ethics in hotel operations**

1. Which of the following ethical rules governing hotel operations are you aware of?

<b>Ethical benchmark</b>	<b>Aware</b>	<b>Not aware</b>
a. Confidential information		
b. Gift and entertainment		
c. Harassment and bullying		
d. Privacy		
e. Conflict of interest		
f. Health and safety		
g. Any other specify?		

2. Which of the following ethical rules governing hotel operations, operates in your hotel?

<b>Ethical benchmark</b>	<b>Aware</b>	<b>Not aware</b>
a. Confidential information		
b. Gift and entertainment		
c. Harassment and bullying		
d. Privacy		
e. Conflict of interest		
f. Health and safety		
g. Any other specify?		

**3. Ethical attitudes in hotel operations**

The following sets of statements are related to your work ethics. *The statements are measured by a scale of 1-5 with 1 representing ‘Strongly believe that it is wrong, 3 it depends and 5 strongly believe that it is not wrong. Please indicate whether you perceive these actions as being wrong or not wrong.*

Statement	1	2	3	4	5
a. Not changing the bed sheets in the guest room due to busy work					
b. Upgrading a “familiar” guest to a higher grade room type when a guest does not qualify					
c. Releasing guest information to friends					
d. Accessing information about a guest through computer out of curiosity					
e. Accepting tips to arrange room change for a guest					
f. Releasing the room number to a stranger					
g. Picking up magazines left behind by a guest without reporting to lost and found					
h. Making telephone call in a guest room					
i. Using the toilet in a guest room					
j. Listening to the radio in a guest room					
k. Watching TV or a hotel movie in a guest room.					
l. Drinking or eating company food at the back of the house					
m. Eating left-over food from the buffet at the back of the house					
n. Consuming soft drink in the bar before the bar is in operation					
o. Not issuing a captain’s order to the cashier					

while still getting food					
q. Offering free coffee or tea to friends in the restaurant without issuing a captain's order					
r. Breaking a glass or plate but blaming it on a guest's carelessness					
s. Not dropping cash tips to the central pool and keeping them personally					
t. Eating an extra meal in the staff canteen without a valid coupon					
u. Collecting left-over fruits from guest rooms for self-consumption					
v. Consuming minibar beverages and charging them to a guest's account					
w. Satisfying a guest's needs is necessary even if it is contradictory to company policy					

**Section C: Decision making environment**

**1. Factors to consider before decision making**

Which of the following do you consider before taking ethical decision?

<b>Item</b>	<b>Consider</b>	<b>Do not consider</b>
a. Stress involved		
b. Risk to me		
c. Risk to others		
d. What my colleagues think		
e. What is my plan of action		
f. Health and safety		
g. Hotel reaction to the plan		

h. What cultural perspectives are important to consider		
i. Will my action resolve the issue		
j. Any other specify?		

**2. Ethical communication channels and processes**

a) What helps you to act ethically at work? (Mention anything that helps your ethical thinking and decision making).....  
 .....  
 .....

b) Please give reasons.....  
 .....  
 .....

**3. Which of the following helps you in taking ethical decision on your job (Tick all that apply)**

Item	Tick
a. Hotel handbook	
b. Ethical code	
c. Newsletter	
d. Bible/Quran	
e. Posters	
Other specify	

**Ethical issues in hotel**

*The following sets of statements are related to your work ethics. The statements are measured by a scale of 1-4 with 1 representing ‘Strongly believe that it is wrong and 4 strongly believe that it is not wrong. Please indicate whether you perceive these actions as being wrong or not wrong.*

Statement	1	2	3	4
a. Covering up for colleagues				
b. Acting in favour of client out of friendship				
c. Acting in favour of client for bribe				
d. Recruiting/promoting staff on the basis of family ties or friendship				
e. Accepting corporate hospitality				
f. Discriminating against guest on the basis of age, colour, religion, gender etc				
g. Presenting misleading information to customers				
h. Give out personal or organisational information to others				
i. Criticising your organisation to others				
j. Using office equipment for personal use				

<b>Awareness of ethical issues (No harm to the employee)</b>				
a. Making a telephone call in a guest room				
b. Using the toilet in a guest room				
c. Listening to the radio in the guest room				
d. Watching TV or a hotel movie in a guest room				
e. Drinking or eating organisation’s food at the back of the				

house				
<b>Unethical behaviour</b>				
f. Consuming soft drinks in the bar before the bar is in operation				
g. Not issuing a captain's order to the cashier while still getting food from kitchen to serve friends in the restaurant				
h. Offering free coffee or tea to friends in the restaurant without issuing a captain's order				
i. Consuming minibar beverages and charging them to a guest's account				
<b>Actively benefiting</b>				
j. Breaking a glass or plate but blaming it on a guest's carelessness				
k. Collecting left-over fruit from guests for self consumption				
<b>Passively benefiting</b>				
l. Accepting tips to arrange a room change for a guest				
m. Eating left-over food items from the buffet at the back of the house				
n. Eating an extra meal in the staff canteen without a valid coupon				

**4. Ethical decision making**

a) The following are some sources of communicating ethical standards; please tick all those that apply to you

Source	Tick	Source	Tick
a. Family		i. Traditions	
b. Friends		j. Culture	
c. Teachers		k. Community	
d. Mass media		l. Religion	

e. Church			m. Work training	
f. Managers			n. Other employees	
g. Guest			o. The general manager	
h. Immediate supervisor				
Other specify				

b) How is ethical standards communicated to you at your workplace?.....

.....

.....

**Section D: Perceptions on ethical issues**

**1. Perception on some ethical issues**

The following sets of statements are related to your work ethics. *The statements are measured by a scale of 1-5 with 1 representing ‘Strongly believe that it is wrong, 3 it depends and 5 strongly believe that it is not wrong. Please indicate whether you perceive these actions as being wrong or not wrong.*

Action	1	2	3	4	5
a. Satisfying a guest’s needs is necessary even it is contradictory to organisational policy					
b. If a guest treats me well, I should serve him/her better					
c. Honesty is more important than guest satisfaction					
d. If something is illegal, then it must be ethically wrong to do it.					
e. Flexibility is more important than honesty					
f. Organisational ethical values are compatible with my personal values					
g. Covering up for colleagues					



h. Acting in favour of client out of friendship					
i. Acting in favour of client for bribe					
j. Presenting misleading information					

**2. If you were to be a manager of a department, would you encourage staff to;**

Statement	Never	Sometimes	Often
a. Bend the rules to help the organisation			
b. Ask staff to carry out a task they disagreed with			
c. Cover-up for colleagues.			
d. Carryout something against the law			
e. Accept corporate hospitality.			
f. 'Massage' statistics.			
g. Take unnecessary short-cuts.			
h. Treat equal clients unequally.			
i. Misrepresent performance.			
j. Treat colleagues unfairly.			
k. Get involved in the running of the organisation.			
l. Look beyond the 'bottom line'.			
m. Put their private lives first			
n. Meet targets at all costs.			

**3. Application of ethics in hotel operation**

Which of the following have you ever experienced in the course of your work as a staff of this organisation?

Statement	Source			
	Yes	No	Employee	Customer
a. Tried to force you into any form of sexual activity by threatening you, holding you or hurting you in any way?				
b. Forced you or tried to force you into any form of sexual activity when you were unable to defend yourself				
c. Touched you in a sexual way against your will, e.g. by grabbing, holding, kissing or hugging you?				
d. Subjected you to physical violence?				
e. Threatened face to face to harm you physically?				
f. Threatened by telephone or letter to harm you physically?				

4a). Do you believe that a person's moral judgement is influenced by his or her religious belief?

a) Yes [ ]

b) No [ ]

4b)

Give

reasons.....  
 .....  
 .....

5a) Do you sometimes act unethically? a) Yes [ ] b) No [ ]

5b) Give reason.....  
 .....

6a) Have you ever seen a customer acting unethically? a) Yes [ ]  
 b) No [ ]

6b) What was the act about?  
 .....  
 .....  
 .....

7) Rate the following as they apply in the hotel industry

Item	Very important	Important	It depends	Unimportant	Very unimportant
Being friendly					
Being honest					
Being frank					
Being helpful					

8. What are some of the unethical behaviours that some staff usually display?  
 .....

9. Which department in the hotel faces ethical challenges most?.....

10. What are the major ethical issues facing the hotel industry?  
 .....

11. What are some of the things that can facilitate good ethical practices in hotels industry?

.....

.....

12. What do you think are some of the challenges to ethical operations in the hotel industry?

.....

.....

**Socio-demographics Characteristics**

1. Gender          a) Male    [   ]    b) Female    [   ]
2. Age (years completed).....
3. Marital status: (a) Single and never married [   ]    (b) Married and living with partner [   ]
- (c) Cohabiting [   ]    (d) Married but living apart    [   ]
- (e) Divorced    [   ]    (f) Separated [   ]    (g) Widow [   ]
4. Religion: (a) Christianity [   ]    (b) Muslim [   ]    (c) Traditional [   ]    (d) No religion [   ]
5. Religious denomination: (a) No religion [   ]    (b) Catholic [   ]    (c) Protestant [   ]
- (d) Pentecostal [   ]    e) other religion [   ]
6. Religious attendance in a week:    (a) Once [   ]    (b) Twice [   ]    (c) Thrice [   ]
- (d) More than three times in a week [   ]
7. Educational level: (a) None [   ]    (b) Primary and JHS [   ]    (c) Secondary/SHS [   ]
- (d) Vocational/Technical [   ]    (e) Polytechnic [   ]    (f) University [   ]    (g) Postgraduate [   ]
8. Type of Secondary school attended?    (a) Mission [   ]    (b) Government [   ]

(c) Private [ ] (d) Not applicable [ ]

9. Department: (a) Room [ ] (b) Front office [ ] (c) Personnel [ ] (d) F & B [ ]  
[ ] (e) Kitchen [ ] (f) Accounting [ ] (g) Security [ ] (h) Sales and  
Marketing [ ] (i) Security [ ]

10. Position level: (a) Senior Manager [ ] (b) Manager [ ] (c) Middle Manager [ ]  
(d) Junior staff [ ]

11. How long have you been on this position? .....

12. How long (in years) have you worked with this hotel? .....

**Thank you**

*APENDIX II: Questionnaire for Customers of Hotels in Kumasi*

**UNIVERSITY OF CAPE COAST  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF HOSPITALITY AND TOURISM MANAGEMENT**

**QUESTIONNAIRE FOR CUSTOMERS OF HOTELS IN KUMASI**

**Dear Sir/Madam**

This study seeks to examine ethical issues in the hotel industry of Kumasi. You are therefore been requested to share your views on the issue under investigation. The responses will be used for purely academic purpose. You are assured of complete anonymity as all information provided would remain confidential to the researcher alone. I would be most grateful if you could please answer the questions as candidly as possible.

Please do you want us to carry on with the interview?            Yes        [   ]  
No            [   ]

***Instruction:** Please tick answers in boxes provided and write where necessary, Thank you.*

**Customer Related Services**

1. What is your understanding of ethics as they apply in hotel setting?.....

.....  
.....

What is your level of satisfaction with hotel's ethical standards?

a) Very satisfied [   ]    b) Satisfied [   ]    c) Not satisfied [   ]    d)  
Very dissatisfied [   ]

2. From your own perspective, do you believe that hotel ethical standards have been communicated to employees? a) Yes [ ] b) No [ ]

3. Do you consider quality service as ethics in the hotel? a) Yes [ ] b) No [ ]

4b. Give reasons to your answer to Q4.  
 .....  
 .....

**Knowledge of ethics in hotel**

4. Have you ever experienced any unethical behaviour in the hotel? a) Yes [ ] b) No [ ]

5b. If yes, what form did it take?.....

.....

Have you ever seen a hotel employee in the following act? (Please tick)

Act	Yes	No
Cheating		
Duping		
Dishonesty		
Deceit		
Swindling		
Other specify		

**Perception of being ripped off**

5. Which of the following have you ever experienced in the hotel?

Act	Yes	No
Cheated		
Duped		

Acted dishonestly		
Been deceitful		
Swindled		
Other specify		

6. Did you ever think you will face any of such situations? a) Yes [ ]  
 b) No [ ]

8b. Why?

.....  
 .....

What are some of the likely results of any of such behaviours to the hotel?

.....  
 .....

9b. Why? .....

How would you rate this hotel in terms of ethical standards (Please tick)

Item	Ethical	Unethical
Price		
Employees appearance		
Employees reaction to customers		
Employees relation to customers		
Sanitation		
Environmental quality		
Other service quality		
Security/Protection of customers		
Quality of service communication		



7. Which department in the hotel mostly act/exhibit unethical behaviour?

Department	Please tick here
Restaurant/Bar	
Room service	
Accounts	
Front office/Reception	
Sales and Marketing	
Security	
Food and Beverage	

8. Reasons for your answer to

Q11.....

.....

.....

Do you believe that you were not treated fairly in any form by hotel workers during your stay?      a) Yes [ ]      b) No [ ]

13b. If yes, what form did it take? *Please tick those that apply*

Overcharging [ ]

Charging for unused service [ ]

Forcing use of un-needed services [ ]

Short changing [ ]

Keeping small changes [ ]

Adding on extra charges [ ]

Other

specify.....

..

9. What do you think influenced employees ethical standards?

10. Should customers also act ethically?      a) Yes [ ]      b) No [ ]

15b. Give reason for your answer to Q15?

.....  
.....

What recommendation do you have for employees in terms of ethics in the hotel?

.....  
.....  
.....

**Socio-demographics Characteristics**

11. Gender a) Male  b) Female

12. Age (years completed).....

13. Marital status: (a) Single and never married  (b) Married and living with partner  (c) Cohabiting  (d) Married but living apart   
(e) Divorced  (f) Separated  (g) Widow

23. Religion: (a) Christianity  (b) Muslim  (c) Traditional  (d) No religion

24. Religious denomination: (a) No religion  (b) Catholic  (c) Protestant   
(d) Pentecostal  (e) other religion

25. Educational level: (a) None  (b) Primary and JHS  (c) Secondary/SHS   
(d) Vocational/Technical  (e) Polytechnic  (f) University  (g) Postgraduate

26. Income level? a) None  b) Low  c) Average   
d) High

27. Do you reside in Kumasi? a) Yes  b) No

28. What type of customer do you consider yourself to be?  
a) Business  b) Leisure  c) Group  d) Convention

29. How long have you stayed in this hotel (number of nights).....

30. Are you a regular customer of this hotel? a) Yes [ ] b) No [ ]

]

31. What price did you pay for your room?

a) Fixed price [ ] b) Negotiated price [ ] c) Free [ ] d)

Don't know [ ]

32. Nationality? .....

33. Purpose of your trip

a) Business [ ] b) Pleasure/vacation [ ] c) Visit relatives

[ ] d) Incentive travel [ ] e) Education [ ] f)

Transit to other place [ ] g) Other

specify.....

.....

*APENDIX III: Questionnaire for Management of Hotels in Kumasi*

**UNIVERSITY OF CAPE COAST**  
**FACULTY OF SOCIAL SCIENCES**  
**DEPARTMENT OF HOSPITALITY AND TOURISM MANAGEMENT**  
**IN-DEPTH INTERVIEW GUIDE FOR HOTEL MANAGERS IN HOTELS**  
**IN KUMASI**

Dear Sir/Madam

This study seeks to examine ethical issues in the hotel industry of Kumasi. You are therefore been requested to share your views on the issue under investigation. The responses will be used for purely academic purpose. You are assured of complete anonymity as all information provided would remain confidential to the researcher alone. I would be most grateful if you could please answer the questions as candidly as possible.

Please do you want us to carry on with the interview?    Yes    [ ]

No    [ ]

1. From your own perspective, what are ethics? Probe for instance of unethical behaviour.
2. What in your view constitutes unethical behaviour?
3. Is there a distinction between ethics in hotel and general ethics?
4. Explain.
5. What are some of the factors that inform decision making on ethical issues in hotels?
6. How do we promote good ethical practices in hotels?

7. Why do you think ethic is so important to the hotel industry?
8. Why do you think employees behave the way they behave?  
Managers are not monitoring employees as they are suppose to.
9. What are some of the main reasons for behaving in some specific ways?
10. Is there any pressure in the hotel industry for employees to avoid unethical behaviour?
11. As a manager have you ever behaved unethically? What did you do?
12. What are some of the unethical behaviours that your staff usually display?
13. What are some of the ethical complaints you get from customers?
14. What are some of the ethical complaints you get from employees?
15. What are some of the factors that inform your decision making on ethical issues?
16. Is there any specific time of the day that ethical issues pop up in hotels?
17. Is there any specific season of the year that ethical issues pop up in hotels?
18. Is there any specific department in the hotel that faces ethical challenges most? Why?
19. Ever seen a known married man/woman with an opposite sex spending the night in the same room?
20. What did you do?
21. Why did you behave the way you behaved?
22. Ever seen employee going home with some hotel products, eg food, material others

23. Do you find some of the employees using customer's facilities like bed, toilet, telephone etc?
24. Should lower level employees consult managers before taking ethical decision? Probe
25. Does your establishment offer training on ethics?
26. If yes, what areas does it normally cover and if no why not?
27. Is it important for ethics to be taught at work? Reasons
28. As a manager, where do you get information about hotel ethics from?
29. What do you think are some of the barriers to ethical behaviour in hotel?
30. Ever faced any ethical dilemma?
31. How did you feel about the issue?
32. How did you react to the issue?
33. Why did you react the way you reacted?
34. What are the major ethical issues facing the hotel industry?
35. Ever faced serious ethical challenges? What was it about?
36. Did you ever think you will face such situation? Why
37. What comes to mind when you hear that employee has acted unethically?
38. What makes you think that way?
39. Can such ethical challenges compel someone to leave the hotel industry?  
Why
40. What do you think guides employees behaviour?

41. How do you want your hotel to be like in terms of ethics in the next 5 years
42. What are some of the things that can make this possible?
43. Tell me about what you want your employees to do in terms of ethics
44. What can make this possible in your hotel?
45. What do you think can make this impossible?
46. How can you overcome this challenge?
47. What will you suggest for hotel employees to do as far as ethics are concerned?
48. What are some of the responsibilities of customers as they come to your hotel?
49. How do you apply the following ethics in your work; right, obligation, justice, truth telling and honesty.
50. What are some of the ethical problems that employees face on the job?