Hurdles to eliminate the gap between perception and practice of ethics in Hotel Industry

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Abstract: The hotel industry has been emerging as one of the country's leading economic sectors. It has also been aiding and abetting the growth of allied sectors like tourism and transportation. What is striking about the hotel industry is that it uses mostly indigenous resources for its growth and for its eventual contribution to the country's GDP.

Ethics or the set of principles that people use to decide what is right and what is wrong is imperative for a business to succeed – more so in the case of hotel business which involves a lot of interpersonal skills.

This study makes an attempt to understand the hurdles that the hotel industry face in an attempt to reduce the gaps between perception and practice of ethics.

Keywords: ethics, hotels, regulation, promoters.

I. THEORETICAL BACKGROUND OF THE TOPIC

In recognition of the industry's increasing contribution to the country's GDP and its potential, the government of India conferred the status of "export industry" on the industry in 1998. In 2003, the industry was permitted to avail of benefits under Section 72 A of the Income Tax Act relating to the setting-off of accumulated losses and depreciation on amalgamation by the loss-making hotel companies in re-organizing their business. It helped the hotel companies to achieve consolidation and release the resources blocked in non-performing assets. Important outcome of this facility was that it helped smaller hotel units to enter into franchisee arrangements with established hotel groups / chains leading to improved occupancy levels and service standards. Further, the conference and banquet business segment of the industry was exempted from service tax in 2006.

II. STATEMENT OF THE PROBLEM

Given that the hotel industry by the very nature of its operations is a great melting pot, entertaining people belonging to various races, various countries, various social classes, etc, is a regular feature. Hence the role of ethics in the hotel industry is cut out and hardly needs any emphasis. What is more, this has to be perceived correctly at least by the four major stakeholders associated with the industry, namely, the promoters, the executives, the employees and last but not the least, the patrons of the hotel industry. However, not all perceptions are practicable for various reasons, some of them valid and some of them not so valid. Hence in its own interest the industry has to ensure that the gulf between the perception of ethics and practice of ethics is minimized, if not eliminated altogether. This is easier said than done for obvious reasons – not all solutions are implementable.

III. REVIEW OF LITERATURE

1. In the hospitality industry, ethical issues abound both for the business and the community at large (Angerer, 2011). Business ethics is a complicated subject that can be described as the behavior that a business adheres to in its daily dealings with the world. The hotel industry specifically seems to be behind most businesses when it comes to ethics in its concern to going green, human rights, diversity, human resource and hotel relationships.

2. Scott Nadel examines the increasing role of ethics in the hospitality industry (Nadel). Like most industries, the hospitality industry is susceptible to unethical behaviour and practices, and as a result, leaders are called upon to uphold and teach the highest ethical standards. In the hotel industry, employees are frequently placed in morally and ethically ambiguous situations.

3. It is a well known fact that the Indian consumers are from multi-cultural backgrounds (Dr. Kodwani, 2013). When firms with established global brands and services decide to enter such a new national market, they face the strategic choice of adapting to local market conditions.

IV. RESEARCH GAP

The reviewed literature has thrown valuable light on the relevance of ethics to the hotel industry. However, it has not dealt with the regulatory aspects that possibly stifle the growth of the industry, amongst other things. Nor has it explained how the regulatory regime can be fine-tuned to incentivise the industry and catalyse its growth. It is this gap the present study seeks to bridge.

V. SCOPE OF THE PRESENT STUDY

The study confines itself to the hotel industry of Bangalore and the four categories of respondents associated with it, namely the promoters, the executives, the employees and the patrons.

Objectives of the study

The objectives of the study are to:

1. Identify the perception of hurdles the hotel industry faces in minimizing if not eliminating the gap between the perception and practice of ethics.

2. Devise solutions to minimize if not eliminate the gap between the perception and practice of ethics in the hotel industry.

3. Suggest how the regulatory regime can be fine-tuned to smooth the way for minimizing, if not eliminating the gap between the perception and practice of ethics.

Methods of data collection

Interview schedules specially designed for the purpose were used to collect primary data. The study involved collection of opinions / preferences from respondents; hence, interviewing was deemed appropriate. The interview was a structured / directive interview. Hence the interview was conducted with a detailed standardised schedule.

Secondary data was collected / downloaded in hard version / digital form the stakeholders associated with the hospitality industry.

Sources of data

Primary data was collected from the respondents, viz., hotel promoters,

Sampling plan

Promoters: Given the limited number of four star hotels and five star hotels operating in Bengaluru, purposive or judgement sampling under the non-probability method was deployed to select the promoters. Applying controlling interest as the criterion, the Researcher selected 25 promoters.

Data collection instruments

Interview schedules, specially designed for the purpose, were drafted and pre-tested in order to identify the possible weaknesses of the instrument.

Data processing and analysis plan

The Statistical Package for the Social Sciences (SPSS) was used for data processing. Statistical tools like chi-square test, correlation test and analysis of variance were used for data analysis and testing the hypotheses.

Analysis of Primary Data Collected from Promoter Respondents

In the following paragraphs, the primary data collected from the 25 promoter respondents is analysed.

Lack of Work Ethic at the Workplace is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-1 Lack of Work Ethic at the Workplace is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	4	16
Agree (2)	7	28
Neutral (3)	5	20
Disagree (4)	1	4
Strongly Disagree (5)	8	32
Total	25	**100**

11 or 44 percent of the respondents agree that lack of work ethic at the workplace is a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. While 5 or 20 percent remain neutral, the remaining 9 or 36 percent do not agree with the statement.

Minor Thefts at the Workplace are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-2 Minor Thefts at the Workplace are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	8	32
Agree (2)	17	68
Neutral (3)	0	0
Disagree (4)	0	0
Strongly Disagree (5)	0	0
Total	25	**100**

All the respondents agree that minor thefts at the workplace are a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics.

Mistreatment of Others at the Workplace is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-3 Mistreatment of Others at the Workplace is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	5	20
Agree (2)	12	48
Neutral (3)	2	8
Disagree (4)	3	12
Strongly Disagree (5)	3	12
Total	25	**100**

17 or 68 percent of the respondents agree that mistreatment of others at the workplace is a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. While two or eight percent remain neutral, the remaining six or 24 percent do not agree with the statement.

The Habit of Lying is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-4 The Habit of Lying is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	11	44
Agree (2)	5	20
Neutral (3)	6	24
Disagree (4)	3	12
Strongly Disagree (5)	0	0
Total	25	**100**

16 or 64 percent of the respondents agree that the habit of lying is a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics.

Cultural Factors are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-5 Cultural Factors are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	3	12
Agree (2)	4	16
Neutral (3)	9	36
Disagree (4)	3	12
Strongly Disagree (5)	6	24
Total	25	**100**

Seven or 28 percent of the respondents agree that cultural factors are a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. While nine or 36 percent of the respondents remain neutral, the remaining nine or 36 percent of the respondents disagree with the statement.

Poor Remuneration Failing to Keep the Employees Motivated is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-6 Poor Remuneration Failing to Keep the Employees Motivated is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	1	4
Agree (2)	2	8
Neutral (3)	3	12
Disagree (4)	13	52
Strongly Disagree (5)	6	24
Total	25	**100**

Three or 12 percent of the respondents agree that poor remuneration failing to keep the employees motivated is a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics.

Failure to Fill Full-Time Jobs is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-7 Failure to Fill Full-time Jobs is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	0	0
Agree (2)	5	20
Neutral (3)	7	28
Disagree (4)	5	20
Strongly Disagree (5)	8	32
Total	25	**100**

Five or 20 percent of the respondents agree that the failure to fill full-time jobs is a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics.

Minor Thefts on the Part of Employees are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Fine-tuning the Regulatory Regime

The industry is by and large of the view that the regulatory regime can be fine-tuned to smooth the way for minimizing, if not eliminating the gap between the perception and practice of ethics. Hence the Researcher sought to know from the

respondents how the regulatory regime can be fine-tuned to smooth the way for minimizing, if not eliminating the gap between the perception and practice of ethics. Their replies to the query appear in the following Table.

Table-11 Fine-tuning the Regulatory Regime

Fine-tuning Measures	Number of Respondents
Legislation to ensure that animals do not endure unnecessary suffering should be strictly enforced	25
A dedicated legislation should apply to food miles	25
Installation of food traceability system should be mandated by law	25
Legislation regulating sewage, air pollution and waste disposal should be strictly enforced and violations should be dealt with exemplarily	20
Law should mandate workplace safety and safety training for the industry	18
Ensure smoke-free restaurants and bars to reduce exposure to tobacco smoke toxins among hospitality workers and patrons even if it affects the bottom line	16
The law should require the licensee not to permit any person under the age of 18 years to drink any intoxicating liquor on any licensed premises.	14
The minimum wage laid down by the statute should be strictly enforced	13
Legislation should require the industry to be sensitive to consumer attitudes about the use of biotechnology	13
Law should define minimal acceptable standards to safeguard the basic rights of employees	13
A dedicated legislation required to mandate the industry to provide fair trade prices to suppliers so the latter can avoid poverty and sustain business longevity	12
Law should mandate regular audit of foreign subsidiaries and subcontractors (if any) to ensure that the standards are met	10

All the 25 respondents suggest that the legislation to ensure that animals do not endure unnecessary suffering be strictly enforced.

VI. CONCLUSION

It is very important to understand that any practices that has to be implemented in hotel industry is possible only when the promoters has willingness to adopt it. Ethical practices are not apart from it.

From the study we could understand that promoters are willing to implement any ethical practices that could be beneficial to their hotels. But many promoters feel that they already have adopted the required ethical practices and there are not many practices that are required to be implemented. What practices they have are more than sufficient is the perception of promoters of hotel industry. Moreover many promoters rarely answer for few questions concerning their perception and blame mostly on employees.

So we feel that proper regulatory regime is the only solution to bring about some changes regarding ethical issues in hotel industry.

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