

TITLE OF THE PAPER: PERCEPTION OF ETHICAL ISSUES OF PROMOTERS 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 perception of ethics from the point of view of promoters or owners of the hotel

Keywords: ethics, hotels, regulation, promoters

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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. In 2007, under the "Served from India Scheme", the industry was granted "zero duty" facility. The facility helped all hotels, including one-star and two-star hotels, to import food items and alcoholic beverages.

In 2012, hotels of 3-Star category and above, located outside cities with a population of more than one million were included in the Harmonized Master List of Sub Sectors of Infrastructure notified by the Reserve Bank of India. On October 08, 2013, the Union Finance Ministry included hotels with a project cost of more than INR. 200 crore each in any place in India and of any star rating in the Harmonized List of Sub Sectors of Infrastructure eligible for infrastructure lending. The industry hopes to be gain the status of "infrastructure industry" in 2015.

According to an analysis done by retail consultancy Technopak, at the end of 2010, the Indian hotel industry's worth was estimated around USD 17 billion. Of the total revenue, nearly 70 per cent was being contributed by the unorganized sector and the remaining 30 per cent (USD 5 billion, approximately) came from the organized sector. The hotel industry was estimated to grow at a CAGR (Compounded Annual Growth Rate) of around 15 per cent over the next five years. For the last five years the total contribution of the hospitality sector had remained stagnant. According to Economic Survey of 2010-11, the average annual growth rate of the hotel and restaurant sector had been 8.8 per cent for the period 2005-06 to 2009-10. The last two years had not been quite pleasant for the sector as growth faltered badly. Till five years ago, the sector was registering a growth of around 15 per cent but a slowdown in the economy affected the

growth prospects of the sector badly and the growth rate had dropped to single digit. During the year 2009-10, the sector was back in the positive growth territory and clocked 2.2 percent. The hotel and tourism industry's contribution to the Indian economy by way of foreign direct investments (FDI) had been healthy. There had been a rush of international hotel chains towards India since the later half of 2010. A lot of major hotels had announced their plans to expand their footprint in India.

1.2 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. 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. However, the solutions can, if properly developed and targeted, can bring down the gulf between perception and practice. As is the case with any industry that is a melting pot, the regulatory environment can contribute the most to narrow down the gap. Hence it is necessary to streamline the regulatory regime in such a way that the gap between the perception of ethics and the practice of ethics is minimized if not eliminated altogether, in the interest of all the stakeholders, including the government. The present study sets out to address this problem.

1.3 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. Hotels need to do enough to preserve natural resources like water, electricity, and gas. These are very important issues to the external world although the management does not realize how much they cost to the external world. The issues may vary from country to country but as a whole the industry needs to be

conscious of the latest guidelines on ethical practices. Child and bonded labor, workplace health and safety, commercial exploitation of children, exploitation of migrant workers, discrimination, and displacement of indigenous people, etc, are the common issues to be addressed globally.

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. These issues can include overbooking, mistreatment of others, whistle blowing, theft, racism and benefit at the expense of guest supplementary services, sabotage and misleading information in hotel restaurant menus, brochures and websites. Customers could be overcharged, short-changed, charged for unused services, or forced to purchase unneeded services. Other issues that could arise are infringement of guests' property and other unethical behaviour like gender or sexual harassment. Rather than being reactive to unethical acts, creating an ethics based organization culture is the best.

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. Entering a sub-continental market the size of India which is growing at 13 percent per annum is a tempting prospect for any multinational hotel chain but it poses management challenges too. Competition from local and other global hotel chains is an obvious challenge. The route to Indian consumers' heart is through their stomach. Indian consumers are not only discerning about quality and taste of food but are also quite conscious of the cost of these services. Hence understanding the expectations of consumers and their behaviour is the key to success for any new entrant. Even though Indian consumers may not be a homogeneous group, they want convenience in all services -- from booking to check out and everything in between. The food habits of Indian consumers are tied up with religious and cultural traditions. 65 percent of Indian population is under the age of 35 years. A substantial number of this population use smart phones and are well-informed about internet technologies and their uses. So strategic investment in branding, human capital and information systems suited to local needs and aspirations in India is an opportunity enveloped in a transparent challenge.

4. Scott Nadel observes that job hiring and training can improve ethical practices in the hotel industry(Nadel). In the hotel industry, strong ethical environment can result in increased profit, better employee relations and superior management efficiency. It can also promote job satisfaction and enhance the quality of customer experience. One key element that contributes to the formation of an ethical workplace is job hiring and training. Solution-focused strategies promote ethics by increasing employee awareness through job training, and supplying the tools to employees to identify potential issues that arise with a rise in ethical awareness. That way, they can ascertain what can be accomplished through the training provided. A manager's ability to accurately assess a new candidate's suitability for the workplace culture is just as important as job training. Proactive training managers should diligently seek out employees who fit in with the company's culture. This will create a bond that will work wonders, not only for the employee but also for the company and its guests.

5. Hotels are the places where an ethical issue can arise at any point of time due to its vulnerable surroundings. Ethical people are those who recognize the difference between right and wrong and consistently strive to set an example of good conduct. Being ethical means applying the principles of honesty and fairness to relationships with co-workers and customers. Consumers may let a company take advantage of them once, but if they believe they have been treated unfairly, such as by being overcharged, they will not be repeat customers. Hence ethical practices lead to customer loyalty. Other than that, it helps to retain good employees and creates a positive work environment. Moreover, ethical practices help the hotels to stay away from legal issues.

6. Hospitality industry is a major component of the tourism industry, which, in turn is one of the most rapidly expanding spaces in the service industry. According to the World Travel and Tourism Council (WTTC), travel and tourism has become the leading economic contributor to the world and national economies in terms of gross output, value added, capital investment, employment and tax contributions. The hotel industry is by nature international in character. As international trade and business expand, there is no doubt that international linkage will become even more important for the industry. Hospitality industry has brought tremendous growth to the global economy by providing services ranging from accommodation, sightseeing, providing food as well as other services related to the tourism industry. Maximizing the economic and social

contribution of hospitality needs the active engagement of government on a broad front, from tax, infrastructure and planning through to education and health policy.

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.

Scope of the present study

The study confines itself to the hotel industry of Bangalore and the category of respondents associated with it, namely the promoters.

Objectives of the study

The objectives of the study are to:

1. Ascertain the perception of ethics on the part of the promoters
2. Understand the perception of ethical issues on the part of promoters
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,

Secondary data was collected / downloaded in hard version / digital form the stakeholders associated with the hospitality industry like Hotel Association of India (HAI), the Federation of Hotel and Restaurant Associations of India (FHRAI), Federation of Associations in Indian Tourism and Hospitality (FAITH), CII, FICCI, ASSOCHAM, the relevant departments of the governments of India and Karnataka and the financial press.

Sampling plan

Promoters: Given the limited number of four star hotels and five star hotels operating in Karnataka, 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. This criterion, according to the Researcher, is the most appropriate one for the present study. What matters is the typicality and the relevance of the sampling units to the study and not the overall representativeness to the population. Thus it guarantees inclusion of the relevant elements in the sample. Probability sampling plans cannot give such a guarantee.

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. Upon receipt of feedback, they were appropriately revised and finalised for administration to the respondents for collection of primary data.

The Interview Schedules featured open questions and closed questions. Open questions were included since the objective was to identify opinions, ascertain degrees of knowledge and seek suggestions and more information. In some cases, the subject matter of the question was outside the range of the respondent's experience and hence open questions were a better alternative. Further, open questions were of help in determining the depth of the feelings and expressions of intensity of the respondent. Open questions may give the respondent a chance to think through the topic. Since it was practically impossible for the Researcher to assess the level of information possessed by the respondents, open questions came in handy. The response freedom inherent in open questions elicited a variety of frames of references from the respondent, which

may provide unanticipated insights. Given the qualitative nature of the values the variables elicit from the respondents, they lend themselves ideally to statistical tools like Likert scale and chi-squared test.

Field work

Field work was undertaken by utilising the services of suitably-briefed manpower for the purpose. The respondents were contacted individually and personally and their responses were recorded. The Researcher faced a few problems from the executive respondents during collection of primary data. They were a bit suspect when requested to fill in the Interview Schedule for the purpose of the study. It took a lot of time and effort on the part of the Researcher to allay the suspicions of some of them who feared that the Researcher was part of the team from the labour department / commercial tax department of the State government, out to ascertain if the hotel had violated the labour laws / VAT laws.

Data processing and analysis plan

Statistical tools like chi-square test, correlation test and analysis of variance were used for data analysis.

Analysis of Primary Data Collected from Promoter Respondents

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

Ethical Practices Indispensable for the Hotel Industry

Ethical practices in business are these days demanded not only by the regulators but also by other stakeholders including shareholders, suppliers, bankers and the local community. The reasons are not far to seek: businesses are accountable for the externalities they engender. An externality is a consequence of an economic activity that is experienced by unrelated third parties. An externality can be either positive or negative. Pollution emitted by a factory that spoils the surrounding environment and affects the health of residents nearby is an example of a negative externality. An example of a positive externality is the effect of a well-educated labour force on the productivity of a company.

Hence the Researcher sought to know from the respondents if they agree that ethical practices are indispensable for the hotel industry. 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**Whether Ethical Practices Indispensable for the Hotel Industry**

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	14	56
Agree (2)	11	44
Neutral	0	0
Disagree (4)	0	0
Strongly Disagree (5)	0	0
Total	25	100

All or 100 percent of the respondents agree that ethical practices are indispensable for the hotel industry.

The respondents are unanimous in their view that ethical practices are indispensable for the hotel industry.

Factors that Trigger Ethical Issues in the Industry

With the respondents swearing by ethical practices unanimously, the Researcher requested them to cite the factors that trigger ethical issues in the industry. Their replies to the query appear in the following Table.

Table-2**Factors that Trigger Ethical Issues in the Industry**

Factors	Number of
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	Respondents
The law varies across countries	23
Culture varies across countries	22
Political systems vary across countries	21
Since the hotel industry transcends national borders and cultures, more of ethical issues arise.	20
Economic development varies across countries	19
What is considered normal in one country may be considered unethical in another country	18
Variation across societies creates the potential for ethical problems	16

23 of the 25 respondents state that since the law varies across countries, ethical issues arise in the industry. 22 of the 25 respondents state that since culture varies across countries, ethical issues arise in the industry. 21 of the 25 respondents state that since political systems vary across countries, ethical issues arise in the industry. According to 20 respondents, since the hotel industry transcends national borders and cultures, more of ethical issues arise. 19 of the 25 respondents state that since economic development varies across countries, ethical issues arise in the industry. According to 18 respondents, what is considered normal in one country may be considered unethical in another country and this gives rise to ethical issues. According to 16 respondents, variation across societies creates the potential for ethical problems.

Specific Factors to which Ethical Problems can be Traced

Ethical issues aside, ethical problems arise every now and then in the industry which need to be considered. Hence the Researcher sought to know from the respondents if they could cite specific factors to which such ethical problems can be traced. Their replies to the query appear in the following Table.

Table-3**Specific Factors to which Ethical Problems can be Traced**

Specific Factors	Number of Respondents
Moral obligation of the industry	22
Environmental regulations	21
Human rights	19
Corruption	18
Employment practices	16

22 of the 25 respondents cite the moral obligation of the industry as the specific factor to which ethical problems can be traced. 21 of the 25 respondents cite environmental regulations as the specific factor to which ethical problems can be traced. 19 of the 25 respondents cite human rights as the specific factor to which ethical problems can be traced. 18 of the 25 respondents cite corruption as the specific factor to which ethical problems can be traced. 16 of the 25 respondents cite employment practices as the specific factor to which ethical problems can be traced.

Culturally Different Values Can Be Resolved With Effective Communication

Guests who check into hotels hail from different cultural backgrounds. They may have a very different set of values from our own. If a problem or disagreement arises on account of this conflict of values, it should be resolved with effective communication. Hence the Researcher sought to know from the respondents if they agree that culturally different values can be resolved with effective communication. 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**Culturally Different Values can be Resolved with Effective Communication**

Levels of Agreement (Values)	Frequency	Percentage
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Strongly Agree (1)	9	36
Agree (2)	11	44
Neutral (3)	5	20
Disagree (4)	0	0
Strongly Disagree (5)	0	0
Total	25	100

20 or 80 percent of the respondents agree that culturally different values can be resolved with effective communication. Five or 20 percent of the respondents remain neutral.

Management Should Engage Employees in Frequent Conversations about Ethics and Organisation Values

One school of thought holds that the hotel managements should engage employees in frequent conversations about ethics and organisation values. This will help the latter gain a better understanding of ethics and organisation values. Hence the Researcher sought to know from the respondents if they agree that hotel managements should engage employees in frequent conversations about ethics and organisation values. 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

Management should Engage Employees in Frequent Conversations about Ethics and Organisation Values

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	8	32
Agree (2)	11	44
Neutral (3)	3	12
Disagree (4)	3	12
Strongly Disagree (5)	0	0
Total	25	100

19 or 76 percent of the respondents agree that hotel managements should engage employees in frequent conversations about ethics and organisation values. While three or 12 percent remain neutral, another three or 12 percent of the respondents disagree.

Thefts must be Dealt with Swiftly and Directly

With complaints of theft surfacing in the hotel industry every now and then, some stakeholders believe that thefts must be dealt with swiftly and directly. Hence the Researcher sought to know from the respondents if they agree that thefts must be dealt with swiftly and directly. 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

Thefts must be Dealt with Swiftly and Directly

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	5	20
Agree (2)	12	48
Neutral (3)	3	12
Disagree (4)	5	20
Strongly Disagree (5)	0	0
Total	25	100

17 or 68 percent of the respondents agree that thefts must be dealt with swiftly and directly. While three or 12 percent remain neutral, five or 20 percent of the respondents disagree.

Corrective Action should be promptly initiated where there are Violations

To ensure compliance with the model, violations should be acted upon exemplarily and promptly. Hence the Researcher sought to know from the respondents if they agree that corrective action should be promptly initiated where there are violations. 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

Corrective Action should be promptly initiated where there are Violations

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	18	72
Agree (2)	3	12
Neutral (3)	2	8
Disagree (4)	2	8
Strongly Disagree (5)	0	0
Total	25	100

21 or 84 percent of the respondents agree that corrective action should be promptly initiated where there are violations. While two or eight percent remain neutral, another two or eight percent of the respondents disagree.

To Meet its Moral Obligations, the Industry should give Something back to the Society that has made its Success Possible

It is always said that to meet its moral obligations, the industry should give something back to the society that has made its success possible. In fact, the concept of corporate social responsibility (CSR) can be traced to this statement to a certain extent. Hence the Researcher sought to know from the respondents if they agree that to meet its moral obligations, the industry should give something back to the society that has made its success possible. 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-8

To Meet its Moral Obligations, the Industry should give Something back to the Society that has made its Success Possible

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	7	28
Agree (2)	15	60
Neutral (3)	3	12
Disagree (4)	0	0
Strongly Disagree (5)	0	0
Total	25	100

22 or 88 percent of the respondents agree that to meet its moral obligations, the industry should give something back to the society that has made its success possible. Three or 12 percent of the respondents remain neutral.

To meet its Moral Obligations, the Industry should make ‘Social Investments’ where it Operates

It is also said that to meet its moral obligations, the industry should make ‘social investments’ where it operates. In fact, the concept of corporate social responsibility (CSR) can be traced to this statement too, to a certain extent. Hence the Researcher sought to know from the respondents if they agree that to meet its moral obligations, the industry should make ‘social investments’ where it operates. 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-9

To Meet its Moral Obligations, the Industry should Make ‘Social Investments’ in where it Operates

Levels of Agreement (Values)	Frequency	Percentage
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Strongly Agree (1)	7	28
Agree (2)	15	60
Neutral (3)	3	12
Disagree (4)	0	0
Strongly Disagree (5)	0	0
Total	25	100

22 or 88 percent of the respondents agree that to meet its moral obligations, the industry should make ‘social investments’ where it operates. Three or 12 percent of the respondents remain neutral.

Roots of Ethical Behaviour

Ethical behaviour has its roots in several character traits and personality traits. Hence the Researcher requested the respondents to indicate the roots of ethical behaviour. Their replies to the query appear in the following Table.

Table-10

Roots of Ethical Behaviour

Roots of Ethical Behaviour	Number of Respondents
Personal ethics	25
Leadership	21
Decision-making processes	19
Organizational culture	13
Unrealistic performance goals	3
Total	25

All the 25 respondents indicate that ethical behaviour has its roots in personal ethics. 21 of them indicate that ethical behaviour has its roots in leadership. 19 of them indicate that ethical behaviour has its roots in decision-making processes. 13 of them indicate that ethical behaviour

has its roots in organizational culture. Three of them indicate that ethical behaviour has its roots in unrealistic performance goals.

Suggestions to Minimize if not Eliminate the Gap between the Perception and Practice of Ethics in the Hotel Industry

Additionally, the Researcher invited suggestions from respondents to minimize if not eliminate the gap between the perception and practice of ethics in the hotel industry. Their replies to the query appear in the following Table.

Table-11

Suggestions to Minimize if not Eliminate the Gap between the Perception and Practice of Ethics in the Hotel Industry

Suggestions	Number of Respondents
Hire and promote people with a well-grounded sense of personal ethics	25
Ensure that the leaders within the business act in a manner that is consistent with ethical behaviour	19
Build an organisational culture that places a high value on ethical behaviour	18
Develop moral courage	16
Implement decision-making processes that require people to consider the ethical dimension of business decisions	15
Instil moral courage in employees	14
Appoint Ethics Officer	13

All the 25 respondents suggest hiring and promoting people with a well-grounded sense of personal ethics; according to 19 of them it should also be ensured that the leaders within the business act in a manner that is consistent with ethical behaviour; building an organisational

culture that places a high value on ethical behaviour is suggested by 18 of them; 16 suggest development of moral courage; 15 suggest implementation of decision-making processes that require people to consider the ethical dimension of business decisions; 14 suggest that moral courage be instilled in employees; 13 suggest appointment of Ethics Officers.

Specific Responsibilities of Ethics Officers

With 13 respondents suggesting appointment of Ethics Officers, the Researcher sought to know from them the specific responsibilities to be assigned to Ethics Officers. Their replies to the query appear in the following Table.

Table-12

Specific Responsibilities of Ethics Officers

Specific Responsibilities	Number of Respondents
They should audit decisions to make sure that the decisions are consistent with the code of ethics	13
They should handle confidential inquiries from employees	13
They should report findings and recommend changes	13
In short, they should act as an internal ombudsperson	13
They should investigate complaints received from employees or others	8

All the 13 respondents want the Ethics Officers to audit decisions to make sure that the decisions are consistent with the code of ethics; handle confidential inquiries from employees; report findings and recommend changes; act as an internal ombudsperson. Eight of them additionally want them to investigate complaints from employees or others.

Role of Moral Courage

With 14 respondents suggesting that moral courage be instilled in employees to minimize if not eliminate the gap between the perception and practice of ethics in the hotel industry, the Researcher sought to know from them how moral courage helps. Their replies to the query appear in the following Table.

Table-13

Role of Moral Courage

Role of Moral Courage	Number of Respondents
Moral courage leads employees to shun unethical decisions even if they are profitable	14
Moral courage emboldens employees to defy instructions to pursue unethical actions	5
Moral courage emboldens employees to go public to the media and blow the whistle on persistent unethical behaviour of the company	3

All the 14 respondents aver that moral courage leads employees to shun unethical decisions even if they are profitable; five of them additionally state that it emboldens employees to defy instructions to pursue unethical actions; three of them additionally state that moral courage emboldens employees to go public to the media and blow the whistle on persistent unethical behaviour of the company.

Measures to Ensure Fair Treatment of Whistleblowers

With three respondents claiming that moral courage emboldens employees to go public to the media and blow the whistle on persistent unethical behaviour of the company, the Researcher requested them to suggest measures to ensure fair treatment of such whistleblowers. After all, a

vindictive management can sack such whistleblowers. Their replies to the query appear in the following Table.

Table-14
Measures to Ensure Fair Treatment of Whistleblowers

Measures	Number of Respondents
Companies should undertake not to retaliate against employees exercising moral courage	3
Companies should undertake not to retaliate against employees who say 'no' to superiors	3
Companies should undertake not to retaliate against employees who otherwise complain about unethical actions	2
Companies should set up ethics hotlines to allow employees to anonymously register a complaint with the Ethics Officer	1

All the three respondents want the hotel companies to undertake not to retaliate against employees who exercise moral courage and say 'no' to superiors. Two of them additionally want the hotel companies to undertake not to retaliate against employees who otherwise complain about unethical actions. One of them additionally wants hotel companies to set up ethics hotlines to allow employees to anonymously register a complaint with the Ethics Officer.

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-15**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. They also suggest a dedicated legislation covering food miles and a mandate for installation of food traceability system. 20 of them additionally want the legislation regulating sewage, air pollution and waste disposal to be strictly enforced and violations dealt with exemplarily. 18 of them additionally want the law to mandate workplace safety and safety training for the industry. Smoke-free restaurants and bars to reduce exposure to tobacco smoke toxins among hospitality workers and patrons even if it affects the bottom line should be ensured, according to 16 of the respondents. 14 of them additionally want the law to require the licensee not to permit any person under the age of 18 years to drink any intoxicating liquor on any licensed premises. 13 of them additionally want the minimum wage laid down by the statute to be strictly enforced; legislation should require the industry to be sensitive to consumer attitudes about the use of biotechnology; law should define minimal acceptable standards to safeguard the basic rights of employees. 12 of them additionally want a dedicated legislation to mandate the industry to provide fair trade prices to suppliers so the latter can avoid poverty and sustain business longevity. 10 of them want the law to mandate regular audit of foreign subsidiaries and subcontractors (if any) to ensure that the standards are met.

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.