

Review of Hospitality Ethics Research in 2000 and 2001

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Purpose

Isbell Hospitality Ethics shares its review and analysis of the ethics articles, appearing in the hospitality journals each year, to facilitate hospitality ethics researchers' individual efforts. Full text reprints of the articles appearing in the hospitality journals in the year 2000 and 2001 are available on the Isbell Hospitality Ethics web page (www.nau.edu/hrm/ahrrc/isbell_center.html) along with the 1990-1999 ethics research review of 117 articles. The purpose of this paper is to review and summarize the ethics articles which appeared in the hospitality journals in the years 2000 and 2001.

The hospitality ethics research literature, from the past twelve years, indicates that ethical business practices benefit the hospitality industry, and that hospitality educators should be incorporating ethics instruction into their university programs (Jaszay, 2002). The majority of articles each year, however, are focused on identifying ethical and unethical behavior. It is perhaps time to move into higher levels of research and look at effects of treatments, in other words, changed behaviors as a result of education. Isbell Hospitality Ethics developed and is currently pilot testing an integrated hospitality ethics curriculum as recommended by the literature.

Isbell Hospitality Ethics' on-line compendium of hospitality ethics research is designed to foster communication and coordination among hospitality ethics researchers whose work may ultimately improve the ethical status of the hospitality industry.

Method

The Lodging, Restaurant, and Tourism Index for the year 2000 and 2001 was used as the only source of hospitality journals. Articles were found under the key word heading of "Business Ethics" and were collected and read. Permissions to reprint were requested and granted from the publishers.

The 9 topic areas emerged from the 17 articles in the previous study of hospitality ethics articles appearing in 1990-1999. The 18 articles appearing in the years 2000 and 2001 fell within the original topic areas. (See Figure 1.) An additional journal appeared in 2000 (FoodService Director), and two additional journals appeared in 2001 (Club Industry and Club Management). Two of the year 2000 articles appearing in Cornell Hotel and Restaurant Administration Quarterly had already been included in the 1990-1999 ethics research review. The Stevens & Brownell article was moved from Topic 8 to Topic 6 in the 2000 ethics research review. (See Figure 2.)

Figure 2 is of interest in terms of who did what when and can give readers a general sense of hospitality ethics research/publications over the past twelve years.

Description of the Data

Figures 1 and 2 identify the topic areas, the total number of articles for each topic area, when they were written, and which journals they appeared in. Figure 3 shows the

total number of hospitality journal articles on ethics appearing each year over a twelve-year period. While this paper's focus is on the articles appearing in the years 2000 and 2001, it is interesting and useful to look at the articles within the context of the previous ten years.

The year 2000 articles' appearances were consistent with the previous ten years in terms of topic area distribution. Four of the eight articles were about unethical actions (Topic 1), and two of the four were in Successful Meetings. More articles in the ten-year study were written about unethical actions and appeared in Successful Meetings than in any other topic or journal. The only notable difference in distribution of articles was that Cornell Hotel and Restaurant Administration Quarterly has published seven ethics articles in the past 11 years and three of the articles were in the year 2000.

The year 2001 articles' appearances were consistent with the previous eleven years in terms of topic area distribution. Four of the ten articles were about unethical actions (Topic 1). Another four were about how to do the right thing (Topic 3). The remaining two articles were concerned with codes of ethics.

Topics

Unethical Actions (Topic 1)

Eight of the 18 articles appearing in the hospitality journals were in this category, and four of the eight were in Successful Meetings and Meetings & Conventions. Ethical behavior is an on-going topic in the meeting planning industry. Airline points awarded for booking meetings appears to be the main concern this year as expressed in the 2nd annual roundtable convened by Successful Meetings (Carey, 2001). Abuse of fam trips and rebates, problems in past years, were not the focus in this year's literature (Jaszay, 2002).

Meeting planners, when interviewed, have denied taking airline points offered by hotels for bookings. However, anonymous surveys indicate that 65 percent of planners have accepted airline points. Many hoteliers feel they are unable to compete if they don't offer airline points, while many planners see the points as temptations (Carey, 2001). The distribution is consistent with the distribution over the previous 10 years. While it is good that the hospitality industry continues to identify and publish its own ethical problems, it might be better to see the focus move to the higher levels of analysis and solution options.

A major hotel management company, Sheraton, was found liable for \$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. It is recommended that all parties carefully review contracts early-on, and resolve any disputes without litigation to avoid unpleasant surprises in court decisions (Lessons in Money, Agency, and the Law, 2000).

The Society of Incentive & Travel Executives (Site) published a code of ethics to create awareness of proper business practices to protect its members from the misconduct of customers. Site members agree to not solicit, take, use, or share others' ideas for unfair advantage (Meany, 2000). While it is illegal to make money off of a stolen idea, this code of ethics is in response to numerous occurrences of proposals solicited from planners and then turned over to other planners or in-house planners to implement less

expensively. Planners and travel agents are warned to withhold details until a contract has been signed and to request that clients sign a non-disclosure form (Meany, 2000).

The Dietary Guidelines Advisory Committee of the U.S. Department of Agriculture (USDA), responsible for setting dietary guidelines, over-promoted meat and dairy products. Federal law was violated when six of 11 members of the committee were found to have hidden financial ties to the meat, dairy, or egg industries (USDA Cited in Federal Court, 2000).

Marketers are reminded that today's customers are media-savvy and do not appreciate being misled. Marketing statements, intended to position or differentiate restaurants, can have a negative effect on consumers when they are not truthful (Cabrzyński, 2001).

Rumors and gossip seem to be a part of the private club industry. Club managers can become targets of unfounded character assassinations. Their reputations can be ruined, and they can find themselves out of work with very limited opportunities. Club managers are encouraged to deal with rumors directly as three managers did when each was falsely accused. Documents, medical evidence, and references were utilized by one manager to disprove an alleged drinking problem. Another manager sued, and a third was backed by the club's management and the rumor spreader was confronted and required to substantiate her allegations (Sibbald, 2001).

Betting is confined in Las Vegas to sporting events contested on fields of play. Human suffering is never the subject of wagers (Novcr, 2001). NASA Sports International, a huge sports book in Costa Rica, has no such betting restrictions and took bets on how and when the U.S. would retaliate from the terrorist attacks on the World Trade Center and the Pentagon. Camelot Sports Book on the Kalinawake Mohawk Reservation outside Montreal took bets on when famous people would die. The managing director for Camelot has since decided it is in bad taste and wrong to take wagers on tragedies and no longer takes dead pool wagers (Mover, 2001).

How Ethical Are We? Topic 2

The Republic of Croatia hotel industry's goal is to modernize in order to become a popular European destination. Quality and competitiveness issues have been studied, but, for the effort to be successful, managerial ethical standards need to be improved. A survey of 35 Croatian hotels found no formal managerial ethical standards policies or programs and only a "fuzzy" understanding of ethical standards by hotel staffs (Fox, 2000).

Without formal ethical standards, managers' ethical orientations will tend to determine the ethics of the organization. The survey found that most managers' value systems were self centered rather than pro-social which is concerned about the well-being of the organization and others (Fox, 2000).

It was recommended that the Croatia hotel industry create a national ethics code and that managers be trained in ethical leadership to raise the level of their moral thinking and decision-making abilities. Senior management support, staff training, on-going assessment, and disciplinary actions were determined to be necessary components to effectively change the ethical environment in the various hotels in Croatia (Fox, 2000).

How to do the Right Thing (Topic 3)

Four articles discussed how to make ethical decisions when faced with ethical dilemmas. Two of the articles appeared in Club Industry and were the first articles (within the context of this on-going study) involving ethical issues in the health club industry. Industry professionals are warned that selling health club memberships is a short term endeavor and that their focus should be on retaining members (Shoulders, 2001). Relationships with customers are successful when they are built on trust (Bucaro, 2001) rather than contracts.

It was suggested that health clubs stop using contracts to sell their product and instead make customers want to return because they like and want the product (Shoulders, 2001). Health clubs have a product that is desirable and valuable and prices should be published and firm (Shoulders, 2001; Bucaro, 2001).

Vendors often give purchasing firms rebates. When management companies, who have received rebates or volume purchasing discounts from vendors, do not disclose or pass on the rebates to owners, they can be held accountable for breaching their management agreements. Hotel owners, who deal with hotel-chain purchasing divisions or purchasing firms, can protect themselves by including a written statement on all contracts that spells out the purchasing representative's responsibility to not accept any financial benefit from vendors (McBain, 2001).

Hospitality students are encouraged to give some advance thought to ethical dilemmas they may find themselves in during the recruiting process and the first few months in new management positions. Ten Core Ethical Principles for Hospitality Managers with examples of situations involving the principles are presented. Consequences of various decision options are addressed and students are urged to make choices that will result in long-term personal success (Jaszay, 2001).

Ethics and Leadership (Topic 5)

It is costly in terms of long term gains when one trading partner seeks to increase short-term gains at the expense of the other. This is opportunism, and it is characterized by a lack of honesty in transactions. Three hundred sixty-eight hotel general managers were studied to determine the most effective way of reducing opportunism between trading partners (Dev, Brown, & Lee, 2000).

It was hypothesized that if hotels were corporately owned (rather than independently owned) opportunism might be reduced. It was hypothesized that if trading partners invested in transaction-specific assets (such as signs that cannot be utilized with another partner) opportunism might be reduced. Neither hypothesis, however, was found to reduce opportunism. Instead, it was found that developing strong relationships between the trading partners was the most effective way to minimize opportunism (Dev, Brown, & Lee, 2000).

Codes of Ethics, the Need for and How to Develop Them (Topic 6)

Information from employees surveyed at two hotels was used to formulate strategies for communicating awareness of ethical standards. Written ethics codes duplicated in all appropriate employee documents were strongly recommended (Stevens & Brownell, 2000). Training all employees to understand the codes, and coaching by management and fellow employees may be effective means for implementing codes.

Managers must clearly understand ethics codes in order to effectively model them. The combination of written ethical codes that are clearly communicated to employees and consistently modeled and practiced by management can be very influential (Stevens & Brownell, 2000).

Two articles focused on writing and improving codes of ethics for meeting planners and related professionals. Those meeting planner organizations that choose to develop ethics policies are advised to include the following topics: gifts, fam trips, hotel points, social invitations, comp rooms, expense accounts, special requests during hotel stays, and personal travel (Braley, 2001).

Once the policies are determined, new hires can be selected whose ethical values match those of the organization. The ethical policies and expectations must be clearly explained and modeled for new hires. Ethical training must be on-going, and rewards must be consistent with the policies (Braley, 2001).

Ethical issues, due to the nature of the meeting planning industry, seem to be inherent. Because meeting planners may have more loyalty to their profession than any particular company, professional codes may be more effective than corporate codes of ethics for addressing ethical issues facing individuals in the meeting planning industry (Coughlan, 2001).

Four professional codes were analyzed in terms of justice, competence, utility, and integrity with the intent of addressing shortcomings and offering suggestions for improvement. The ethical codes for Meeting Professionals International and The American Society of Association Executives addressed the four necessary characteristics (justice, competence, utility, and integrity) and were found to be "thorough and useful examples of existing codes of ethics in the hospitality industry" (Coughlan, 2001). While The Professional Convention Management Association's code of ethics did not address utility, it was still deemed adequate.

Members of the above three professional organizations, work with sales representatives of the various hotels. The code of ethics of the Hospitality Sales and Marketing Association International, the professional organization for sales and marketing professionals, did not address the four characteristics adequately and was neither clear nor comprehensive (Coughlan, 2001).

Hoteliers and hotel sales departments have little interest in the certification programs available for meeting planners to enhance their credibility and professionalism (Coughlan, 2001). The codes of ethics guiding hospitality salespeople and meeting planners are quite different. It is through established ethical guidelines that salespeople and meeting planners will be viewed as professionals (Coughlan, 2001).

Teaching Ethics (Topic 8)

Forty-five general managers, who responded to a survey ranking 12 ethical principles in terms of importance and violation frequency, indicated that ethical dilemmas are everyday occurrences in their hotels (Vallen & Casado, 2000).

Six case studies were offered as "real-life" examples of instructional materials that could be integrated into hospitality programs to focus students' attention on the 12 ethical principles which should perhaps serve as the basis of our students' ethical education (Vallen & Casado, 2000).

Conclusion

Eight of the 18 articles appearing in the hospitality journals in the year 2000 and 2001 reported ethical wrongdoings; another four articles reported survey results that reinforced the findings on surveys conducted over the previous decade. The articles in Topics 2, 5, 6, and 8 reiterated the need for ethics codes, ethical training, and ethical role modeling.

The professional organizations of meeting planners and hotel sales people are both concerned with their reputations and professionalism. When the professional organizations' codes of ethics were compared, the sales professional organization (Hospitality Sales and Marketing Association International) was found to be less comprehensive and lacking substance (Coughlan, 2001). Meeting planners agree that taking airline points from the hotels for booking their meetings is not ethical. They, however, feel that hotels should not be tempting them by offering the points (Carey, 2001).

The lack of shared ethical values, across the entire hospitality industry, may perhaps be re-created through an industry wide code of ethics that is then shared through effective communication. There is considerable agreement that managers and potential managers need to be taught ethics, ethical decision-making, and how to effectively communicate and model ethical behavior. One of the articles provided case studies as an example of appropriate materials for integrated ethics instruction in hospitality programs.

The need for formal ethics instruction in hospitality programs is obvious. The surveys report variations on the same theme: the hospitality industry has ethical shortcomings and needs to improve. That need will not be met with more surveys. It will be met through education and training for potential managers, managers, and employees. The development of ethics training and education programs and the follow-up evaluation studies for effectiveness of such programs is where hospitality research in ethics might best be focused.

Figure 1. The Nine Topic Areas

Topic	Content Area	Number of Articles 1990-1999	Number of Articles 2000	Number of Articles 2001
1	Unethical Actions	27	4	4
2	Mow Ethical Are We?	16	1	
3	How to do the Right Thing	12		4
4	Company Values	6		
5	Ethics and Leadership	9	1	
6	Codes of Ethics, the Need for and How to Develop Them	19	1	2
7	Ethics for Hospitality Educators	4		
8	Teaching Ethics	16	1	
9	Tourism Ethics	6		

Figure 2. The Number and Year of Each Article Written on the Particular Topic for the Particular Journal. (Year 2000-2001 articles appear in bold red.)

Journal	Topic 1	Topic 2	Topic 3	Topic 4	Topic 5	Topic 6	Topic 7	Topic 8	Topic 9	Totals
Successful Meetings	91 92-2 94 96 97 98	92 93 99-2	96-2			99				17
Meetings & Conventions	92 93 94 96	94 97	93 98			93 am				10
Hospitality & Tourism Educator					91	92	93	91-2 93 94 96		8
Hospitality Research Journal		92		90			92-2 94	90-3		8
Meeting News	90-2 91-3 92		92-2			90				9
Cornell Hotel & Restaurant Administration Quarterly		93 99			94	92		(00)		7
International Journal of Hospitality Management				90-2 91		97		90	92	7
Journal of Hospitality & Tourism Education		97 99						98 99-2		5
Bottom line	94	91				91-2 94				5
FIU Hospitality Review		92 94 99			97					4
Nation's Restaurant News	„ri)		92 99			92 93				5
Annals of Tourism Research									93 95 99	3
Food Management			92		99	95				3
Int'l Journal of Contemporary Hospitality Management		(00)			9X			98		3
Journal of Travel Research					95	93			98	3
Restaurant Business	92-2 96									3
Hotel & Motel Management	90 99		(01)							3
Hotel & Resort Industry			94			92				2
Hotels					97	92				2
International Gaming & Wagering Business	96 (01)									2
Lodging	(00)			97	98					3

Club Industry			(01)							2
Restaurants USA	93		(01)							2
Tourism Management						98			95	2
Cooking for Profit				94				94		2
Contemp. Hospitality Mgt.					99					1
Hospitality Education & Research Journal								89		1
Hosteur			(01)			95				2
Hotel/Motel Security Mgmt.	90									1
HSMAI Marketing Review			96							1
Journal of Foodservice Systems						91				1
Lodging Magazine		91								1
Club Management	(01)									1
Night Club & Bar Magazine								91		1
Restaurants & Institutions	94									1
FoodService Director	(00)									1
Totals	35	17	16	6	10	21	4	17	6	132

Figure 3. Total Number of Articles on Ethics in Each Year 1990-2001

Year	Number of Articles
1989	1 (indexed with 1990)
1990	12
1991	14
1992	22
1993	11
1994	13
1995	5
1996	8
1997	7
1998	8
1999	13
2000	8
2001	10

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