
**Abstract**

The purpose of this article is to present the utility theory of John Stuart Mill and a pedagogical model for utilizing the theory in incorporating ethical instruction into hospitality coursework. Hospitality faculty may more effectively teach ethics if they are able to philosophically justify the approach they are utilizing. Utilitarianism, while not the highest level of thinking, may be the most practical and, therefore, useful theory for teaching hospitality students.

**TEACHING ETHICS IN HOSPITALITY PROGRAMS**

Developing an awareness and sensitivity to personal integrity should be one of the goals of all hospitality programs (Martin, 1998). Hospitality educators prepare students for careers in management and must address ethical and legal issues (March & Schmidgall, 1999). One hundred fifty-nine students in a hospitality program strongly agreed that ethics should be taught in hospitality programs, and that it would positively affect their careers (Lundberg, 1994). It is generally agreed that it is necessary to teach ethics.

Hospitality graduates, who are attuned to their own values and those values match the values of their organizations, will be more comfortable discussing values and ethics with their own employees and more able to model appropriate ethical behavior at the work place. They will be better able to communicate organizations’ ethical expectations to achieve desired ethical outcomes (Stevens & Brownwell, 2000).

It has been suggested that students and managers’ personal codes of ethics may have been less than carefully considered and developed, while hospitality educators may not have the philosophical background to effectively teach ethics (Whitney, 1989). If, however, students are to obtain the cognitive skills and integrative abilities necessary for management, they will have to be able to recognize moral distinctions (Hegarty, 1990), and it is up to hospitality educators to prepare students to be successful (Whitney, 1989). A clear understanding of business ethics is essential for students’ professional development (Christy & Coleman, 1991).

Age, experience, and gender were found to affect the level of moral development, with female students ahead of male students, and experienced managers ahead of all students (Freedman & Bartholomew, 1991). Research has shown, however, that college students may be guided into higher stages of moral reasoning through class discussions and “real-life” case studies (Martin, 1998; Vallen & Casado, 2000; Enghagen, 1991). Critical thinking skills may be developed by listening to students and challenging and coaching them rather than by telling them what and how to think (Costello, 1994).

A strong ethical foundation may be more necessary for decision making in a people oriented industry such as hospitality. To be able to make good decisions in the future, students need to develop ethical awareness and understand ethical decision-making. They must be able to analyze ethical issues and apply the results (Khan & McCleary, 1996). Students can be familiarized with situations that are likely to occur and
given the analysis tools to be able to understand and deal with the ramifications (Upchurch, 1998).

Most educators agree that it is more effective to incorporate a thoroughly planned ethics component into each required course than to teach a separate ethics course (Enghagen, 1991). Values are best communicated through coaching and modeling (Stevens & Brownwell, 2000), so perhaps a four-year hospitality program with integrated ethics instruction utilizing case studies and taught by faculty whose values are consistent with the ethics curriculum, could be positively influential.

Several ethical decision making models have been proposed for teaching ethical decision making. There are numerous methodologies available for ethical analysis. Exercises designed to promote student reflection on their own behaviors in every day situations are available to enhance ethical awareness (Enghagen, 1993). Scenarios of ethical dilemmas facing many managers can be developed for students to practice defining and analyzing problems in terms of consequences, outcomes, and also their own personal outlooks (Upchurch, 1998). It is more difficult, however, to teach students to actually use the methodologies to make ethical decisions (Enghagen, 1991).

The purpose of this article is to present the utility theory of John Stuart Mill and a pedagogical model for utilizing the theory in incorporating ethical instruction into hospitality coursework. Hospitality faculty may more effectively teach ethics if they are able to philosophically justify the approach they are utilizing. Utilitarianism, while not the highest level of thinking, may be the most practical and, therefore, useful theory for teaching hospitality students.

**Utilitarianism**

The general idea behind the utilitarian position is that pleasure and freedom from pain are the only desirable ends. All desirable things are either inherently pleasurable or a means to promote pleasure and prevent pain. The highest principle of morality, according to Mill, is one should always act so as to maximize the greatest happiness for all people. Some pleasures are more valuable and desirable than others. Human dignity is an essential part of happiness, and pleasures that conflict with dignity are less desirable (Mill, 1979).

Mill believed that people are social and have a natural need to “be in unity” with other people. As civilization advances, education and the socializing influences of society tend to increase the conception that the individual is part of a whole and what is good for the whole is good for the one. Society grows in health as people become more concerned with the good of the whole, and individuals grow to where they believe it is natural to consider the good of the whole and automatically make decisions for the good of all in every case (Mill, 1979).

Mill identified security as the most vital of all human interests. Within the larger community, individuals have rights that must be agreed upon and protected by society in order to provide the essential security. Because people do not always agree on the rules/standards/laws necessary to protect the rights of individuals in the community the only way to decide is by determining what is best for the most people. Individuals agree to give up what may be simply expedient (personal happiness) for the general expediency of the larger community because it is ultimately individually better to live in a safe society where rights are protected equally and impartially (Mill, 1979).
The best or most ethical decisions are made by calculating and determining which among all the options open would promote the greatest net utility for all. The smallest action can have enormous consequences later. It may, however, be impossible to know the long-rang consequences of all actions, and thus impossible to determine the correct action in every situation. People have, however, been making decisions from the beginning of time and have, through trial and error, come to know the consequences of decisions. The majority of competent judges have determined that honesty generally works better than dishonesty, it is better to be trustworthy, it is better to do good work than shoddy work, and so forth (Mill, 1979). Rule utilitarianism allows people to accept a list of tried and true rules so they are freed from calculating the consequences for all acts. The calculations are then only done when two rules are at odds such as lying to protect someone from a danger (Gensler, 1998). The Ethical Principles for Hospitality Managers below are the rules that have been determined through years of practice in the hospitality industry to result in the best consequences for all involved.

**Ethical Principles for Hospitality Managers**

**Honesty**
Hospitality managers are honest and truthful. They do not mislead or deceive others by misrepresentations.

**Integrity**
Hospitality managers demonstrate the courage of their convictions by doing what they know is right even when there is pressure to do otherwise.

**Trustworthiness**
Hospitality managers are trustworthy and candid in supplying information and in correcting misapprehensions of fact. They do not create justifications for escaping their promises and commitments.

**Loyalty**
Hospitality managers demonstrate loyalty to their companies in devotion to duty and loyalty to colleagues by friendship in adversity. They avoid conflicts of interest; do not use or disclose confidential information; and should they accept other employment, they respect the proprietary information of their former employer.

**Fairness**
Hospitality managers are fair and equitable in all dealings; they do not abuse power arbitrarily nor take undue advantage of another’s mistakes or difficulties. They treat all individuals with equality, with tolerance for and acceptance of diversity and with an open mind.

**Concern and Respect for Others**
Hospitality managers are concerned, respectful, compassionate and kind. They are sensitive to the personal concerns of their colleagues and live the “Golden Rule.” They respect the rights and interest of all those who have a stake in their decisions.

**Commitment to Excellence**
Hospitality managers pursue excellence in performing their duties and are willing to put more into their job than they can get out of it.

**Leadership**
Hospitality managers are conscious of the responsibility and opportunities of their position of leadership. They realize that the best way to instill ethical principles and ethical awareness in their organizations is by example. They walk their talk!

**Reputation and Morale**

Hospitality managers seek to protect and build the company’s reputation and the morale of its employees by engaging in conduct that builds respect and by taking whatever actions are necessary to correct or prevent inappropriate conduct of others.

**Accountability**

Hospitality managers are personally accountable for the ethical quality of their decisions as well as those of their subordinates. (Van Hoof, McDonald, Yu, & Vallen, 1996).

Mill’s utility theory is teleological and focuses on the outcome of acts – the consequences of the acts. It is perhaps the best choice for hospitality ethics curriculum designers. There are other grand theories put forth to facilitate understanding and moral decision-making such as Immanuel Kant’s Categorical Imperative, which is deontological and focuses on the acts themselves. The Categorical Imperative states that people should act in ways they would be satisfied with if their actions became universal laws. One’s behavior should be an end in itself and never a means to an end. Kant believed that actions are only moral if they are done from duty without any selfish motivations. In other words, people should do the right thing because and only because it is the right thing to do (Kant, 1993).

Common goodness (actions and results) may very likely be the same in Mill’s utility theory and Kant’s Categorical Imperative. Both Mill and Kant’s standards seem to come from the people living under the rules – the majority of competent judges or each person asking him or herself, “would I be content if my rule was held as a universal law for me and everyone else?”

Socrates, on the other hand believed that the pursuit of virtue was the highest good. Virtue needed a form, however, to be able to have a standard to measure against. He set about exposing the ignorance of self-proclaimed wise men while searching for knowledge and understanding of life. Socrates’ pursuit seems to have been towards something larger – an unknown and possibly unknowable something, perhaps divine.

Research has shown, however, that students tend to think in terms of outcomes of behaviors rather than behaviors themselves (Khan & McCleary, 1996). It has been suggested that teleological systems might have more application in the hospitality industry because managers can be taught to compare outcomes to the various stakeholders (customers, employees, the company, etc.) for each possible decision and select the decision that has the best outcomes (Khan & McCleary, 1996).

**Ethics Analysis Model**

Business ethics are the same as personal ethics. They are rules people decide to live by; rules so people can trust one another and feel safe. Ethics are not necessarily laws. Unfortunately over the last 40 years the shared ethical values of the American society have deteriorated. Perhaps because families and communities have broken down or schools have not changed as society has changed, the values are no longer held in common. Hospitality educators cannot assume that students know or understand the rules. Today’s students do not necessarily believe that honesty is the best policy or that loyalty to the company is good.
Hospitality students can be taught the rules, but they must learn to live the rules. That may be possible only through the experience of calculating best outcomes for all options until a pattern becomes apparent and they can simply accept and apply the rules. Hospitality educators can provide students with ample opportunity for practice by using the Ethical Analysis Form to analyze numerous case studies throughout students’ educational terms. A sample lesson plan of a case study analysis utilizing the form follows.

**Lesson Plan: Ethical Analysis of a Case Study**

**Materials Needed:**
- Ethical Principles Handouts (copy above)
- Case & Ethical Analysis Form Handouts (see below*)
- Transparencies of Handouts
- Marker to use on Transparency

**Objective:** Upon completion of the lesson the student will be able to analyze a case study using the Ethical Analysis Form.

**New Salary:** You have just received a 20% increase in your annual salary to $95,000. However, the hotel’s Board of Directors refused to increase the hotel’s hourly employees average pay of $5.25 since the hotel is in “financial straits.” You decide to quietly accept the raise (Schmidgall, 1992).

**Ethics Analysis Form**

What are we trying to accomplish?
Is what we are trying to accomplish ethical?
Where do our loyalties belong?
Who are the stakeholders who will be affected by our decision?
What are our decision options? (Is there a better alternative?)
Are there any ethical principles that might be violated by any of the options?
What are the consequences (positive & negative) to all the stakeholders for each option?

**Decision Option:** Quietly accept the raise

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Principles</th>
<th>Consequences</th>
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**Procedure**  | **Script and [Teacher’s Directions]**
--- | ---
Introduce topic and | The hospitality industry is so very competitive. If our
why it is important

customers aren’t satisfied they will go elsewhere. If our employees aren’t happy, they will go elsewhere too. How we treat our customers and our employees will determine how successful we are as managers. [Pass out the Ethical Principles for Hospitality Managers and put up the transparency of the principles.] Today we are going to look at rules for our professional behavior and analyze a small case study in terms of consequences of not adhering to the rules.

Ethical Principles for Hospitality Managers

I would like us to read the principles out loud. Who would like to read the first principle? [Ask students to volunteer to read each of the principles. After all ten have been read continue with lecture.]

When we look over the ten ethical principles I think most of us would agree that they are good. Most of us think honesty is good, dishonesty bad, that it’s good to have integrity, good to be trustworthy, and so forth. I have heard students say that the rules are fine but that in business you can’t always afford to be ethical. The truth is, however, that we can’t afford to not be ethical.

Case Study

Analysis is a systematic way of figuring something out. If we’re trying to figure out whether or not something is ethical and what the best decision might be, no matter what the situation, the analysis process will be the same. We can put together an instrument to help us do the analysis. [Put up the transparency and pass out Case Study with Ethical Analysis Form]

Let’s look at the “New Salary” case in terms of the ethical principles. [Read the case out loud.]

Stakeholders

Who are the groups that could be affected by this option to “quietly accept the raise?” [Use the marker and write the groups on the form under stakeholders – should write Employees, Manager, Company (includes customers).]

How much is a 20% raise? [Do the math on the board.]

\[1.2x = 95,000\]
\[x = 79,167\]

Raise=$15,833

Let’s figure out how much minimum wage is. [Do the math on the board.]

\[\$5.25 (40 hrs.) = \$210 (52 wks.) - \$10,920/yr.\]

Can you realize the American Dream on $10,920 a year?

Analysis: Employees

Would employees ever find out about this raise? Yes they could. Who puts the pay checks in the pay envelopes? How would the employees feel about the raise? [Write answers on form. (think it’s unfair)] What would happen to employees’ attitudes? (morale would suffer) How does low morale affect absenteeism and turnover? What about productivity?
<table>
<thead>
<tr>
<th>Principles</th>
<th>Which principles are involved? [Put the principles on the overhead and let students mention “fairness, concern &amp; respect, reputation &amp; morale. Write on the form]</th>
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</thead>
<tbody>
<tr>
<td>Analysis: Manager</td>
<td>Let’s analyze how the decision to accept the pay raise would affect the manager. Would we all like a $15,000 raise?! Who is responsible for the hotel’s financial straits – the dishwasher or the maid? The manager is responsible. Would the manager tell the employees about the raise – why not? [Write consequences on the form.] How would the manager feel about the raise? What would happen if the manager told upper management he or she couldn’t take the raise because it was unethical? This is another decision option and could be analyzed on another form. The consequence of this option however, would be to be fired or transferred to nowhere. What principles are involved with the manager’s acceptance of the raise? [List on the form – guide students to answers on the key.]</td>
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<tr>
<td>Analysis: Company</td>
<td>The manager and the employees are negatively affected and that will generally affect the company. How? What principles are involved? [Using the key as a guide, ask students questions to come up with the appropriate answers and write them on the form.]</td>
</tr>
<tr>
<td>Questions on the Form</td>
<td>Let’s go back to the questions at the beginning of the form: [Point to the questions on the transparency and ask:]  1. What are we trying to accomplish? In this case – the manager is responding to upper management’s raise so let’s ask instead – What is upper management trying to accomplish by giving the manager the 20% raise? (Encourage the manager to make the hotel more profitable?)  2. Is what they (upper mgmt.) are trying to accomplish ethical? (yes – but is method effective?)  3. Where do our loyalties belong? (to the company – but to do what upper management wants us to do – accept the raise- will hurt the company.)  4. Who are the stakeholders who will be affected by our decision? (already done)  5. What are our decision options? – Is there a better alternative) (No raise, or a very small raise, perhaps a promise of raises for everyone if more profitable next year?)  6. Are there any ethical principles that might be violated by any of the options? (already done – analyze for each option)  7. What are the consequences - positive &amp; negative- to all the stakeholders for each option? (analyze for each option)</td>
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<tr>
<td>Case Conclusion</td>
<td>In the “New Salary” example, the manager can’t win. If he or she doesn’t take the raise and be extremely appreciative, upper management will certainly feel insulted and the consequences</td>
</tr>
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</table>
will be dire. If the manager takes the raise, everyone including the company will suffer. A better decision should have been made by upper management – a decision that did not break any of the ethical rules.

Upper management put the line manager in a situation where he or she was forced to either do something unethical or possibly lose everything. You could be upper management down-the-road. It is essential for the good of our workers, our customers, and our companies that when you are in the positions of authority, you be making ethical decisions, thus avoiding ethical dilemmas for lower management and workers. As managers today, you must not put your employees in situations where they might have to choose between what they believe is right and their jobs. We need to make sure our decisions do not break ethical rules, because the results will not be good. We can avoid problems by analyzing our decisions – before we make them.

Lecture Conclusion

Ethics are NOT RELATIVE. We do not decide for ourselves what is ethical. We have established rules – rules that have been found to hold true through countless analyses of situations. We can save time by accepting the rules and skipping the analysis. It’s like we may have to test out whether or not we will get wet if we don’t wear a raincoat in a rainstorm – once. The next time there’s a rainstorm, we don’t have to go through the whole thought process – we can just put on our raincoats and trust that it’s the right thing to do.

It’s the same with our ethical rules. We can analyze every situation to see whether honesty is a good policy and find every time that the consequences of dishonesty are far more painful. So, we do not have to waste any time doing the analysis. We just accept that honesty and the nine other ethical principles are the right things to do and do them!

The idea is to avoid ethical dilemmas. We will have to think through our decisions in advance and determine if any of the ethical principles will be violated by what we propose to do. We are going to ask ourselves whom our decisions will affect. We will think about the consequences – positive and negative – in advance and make our final decision based on the best possible consequences for the most possible people.

Practice

Give students other case studies to analyze and discuss.

KEY

Decision Option: Quietly accept the raise

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Principles</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>Fairness</td>
<td>Employees would find out.</td>
</tr>
<tr>
<td></td>
<td>Concern &amp; Respect</td>
<td>They would feel resentful.</td>
</tr>
<tr>
<td></td>
<td>Reputation &amp; Morale</td>
<td>Morale would go down.</td>
</tr>
</tbody>
</table>
**Turnover & absenteeism would rise.**
Quality of service could diminish.
Productivity could fall.

Manager

<table>
<thead>
<tr>
<th>Integrity</th>
<th>Loyalty</th>
<th>Concern &amp; Respect</th>
<th>Leadership</th>
<th>Reputation &amp; Morale</th>
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</table>

*If mgr. refused raise could lose job or be demoted.
If takes raise will feel scroungy and be personally ethically diminished.
Will feel separated from workers & be less effective leader – lose trust & respect.

Company

<table>
<thead>
<tr>
<th>Integrity</th>
<th>Trustworthiness</th>
<th>Loyalty</th>
<th>Fairness</th>
<th>Concern &amp; Respect</th>
<th>Leadership</th>
<th>Reputation &amp; Morale</th>
<th>Accountability</th>
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Reputation tarnished.
Lower service levels.
Less customer satisfaction.
Loose best employees and not be able to attract the best employees.
Loose repeat customers.
Loose best managers and not be able to attract best managers.

**Conclusion**

This paper seeks to give educators a philosophically justified model for teaching ethics in hospitality programs. The example lesson plan may be used as is or modified to better match instructors’ individual styles. Many case studies are available in the literature and may be analyzed by students using the Ethical Analysis Form. The form is simple, and the model approaches ethical analysis from a personal perspective – how does this affect me? – which is a perspective more readily embraced by students today.


