Abstract

Decisions and behaviors are influenced by values. Because people today have differing values, it is necessary for organizations to foster common value systems within their organizations if decisions and behaviors are to be consistent with the objectives of the organizations. This consistency is only possible if the organizations’ values are identified, people are hired who are willing and able to embrace the organizations’ values, systems of operation support the value systems, and management and staff are trained to honor and follow the rules.

Company Values and Ethical Leadership

The public tolerance for unethical behavior has toughened as some business people and politicians have pushed the limits of common decency. While the shared values of the past are not as universal today, people still prefer to be able to trust lawmakers and those they do business with. Organizations prefer trustworthy employees, as employees prefer trustworthy management. To be successful in these changing times, businesses must build trust with customers, employees, and the community. The basis of trust is ethical behavior, which is the result of ethical decisions.

Almost everyone today agrees that ethical business practices are good and necessary, but some organizations are experiencing inconsistencies between values (what they say they believe) and norms (what they do). Consistency in values and norms is a result of common value systems in the workplace and is achieved by clarification of organizational values, hiring people who are willing and able to embrace the values of the organization, effective ethics training programs, and operating policies and procedures that support the values. The purpose of this paper is to offer practical suggestions for practitioners for developing shared values within the organization.

Entry-Level Management Recruits

Entry-level managers who have been recruited from university hospitality programs are generally well prepared for technical management responsibilities. They can, however, be very self-centered and may be easily influenced because after four or five years in school the young managers are eager to succeed in the industry. Ambitious new employees will embrace the values that they recognize to be effective means to career advancement.

The first few months in their new positions are critical for developing the young managers’ sense of right and wrong and appropriate behavior in the organization. Senior managers can have an impact on how the young managers will view their ethical obligations, because operational values are formed from the experience of success. If upper management talks about honesty and integrity but rewards financial success at the cost of honesty and integrity, young managers will embrace the reality of the reward and develop values consistent with the reward.

Young adults and even mature adults are able to learn and embrace new values if the environment reinforces the change. If the organization’s rules, policies, and resource allocations all support ethical business practices, ethical education will result in changed
behaviors. It is perhaps higher level thinking to follow ethical rules because they are the right things to do. However, the ethical rules may not be a part of the moral fiber of employees, and they may not even be aware that the rules are the right thing to do. Organizations may more successfully change employee behaviors by providing incentives for change, such as promotions, raises, and commendations.

**Ethics Codes**

The ethical standards of organizations, whether they be written or unwritten, serve as frameworks for employees’ behavior. Because people’s values are not always the same, written codes of ethics may be necessary to establish common values that everyone will be able to agree to adhere to. Managers are often more inclined to respect and prefer laws when making difficult ethical decisions, and it has been found that operations with written ethics codes for managers to follow, hold ethics in higher regard (Ghiselli & Ismail, 1999).

Forty tourism codes of ethics were analyzed in terms of their theoretical framework (Malloy & Fennell, 1998). Most of the codes were found to be deontological or based on duty to follow rules (the means are more important than the ends). Teleological ethical systems are based on the greatest good for the greatest number (the ends are more important than the means). A teleological approach to ethics requires identifying consequences of actions to all stakeholders as a means of decision-making and would perhaps have more value for the hospitality industry.

The deontological approach to ethics is not realistic in the hospitality industry. Young managers are not fully morally developed and more mature managers have often been found to be morally unsophisticated. To expect managers to follow ethical rules because it is their duty does not recognize that today, ethical rules for many, have no real meaning. Organizations’ ethics codes and ethics instruction must be based in operational realities and result in benefits for those who follow the rules.

**Ethical Self-Analysis**

If hospitality organizations seriously desire to be committed to ethical business practices they must begin with a self-analysis of their operational values. They must ask themselves the following difficult questions:

1. What are our proclaimed ethical rules?
2. Is management committed to the ethical rules?
3. Do we hire people who will be able to live our ethical rules?
4. What are the consequences (negative and positive) for following our ethical rules?
5. Do we give raises and promotions for following our ethical rules or for other reasons? If there are other reasons, what are they?
6. Is there a difference between what we say and what we do? If there is, what do we really want?
7. How does our organization stack up to the following Ethical Principles for Hospitality Managers? Do we need to consider changing our standards?

**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).

Codes of ethics have been criticized for being too generic and platitudinous, and without power to reward and punish, they are often ineffective (Malloy & Fennell, 1998). The above code of ethics could be personalized with examples specific to particular hospitality organizations. Rewards and punishments must then, of course, be consistent with the code. The code will only be as effective as it is lived by management. Everyone will agree that the rules are good, but most will only follow rules they see as personally beneficial.

To successfully implement an ethics code it is necessary to introduce it and foster an awareness of ethical situations with the entire staff. Management and workers can be taught the four-step method of problem solving by (1) identifying the ethical dilemma in a case study, (2) identifying the stakeholders, (3) determining possible solutions, and (4) implementing the solution. Case studies and lectures can help employees to match appropriate decisions and behaviors to various situations.

**Identifying the Ethical Dilemma**

Ethical behavior does not result in ethical dilemmas. The dilemmas are the result of behavior that breaks ethical rules. The whole purpose of ethics codes is to be able to avoid ethical dilemmas. Identifying ethical dilemmas is a means of convincing people to
follow the ethical rules in the first place so that they will not find themselves or their employees in situations that have negative consequences.

Ethics are not relative. They are rules that have been proven time after time to result in the best consequences for the most people. Our employees can, over time, be taught through the practice of analyzing ethical situations to accept the rules. If they find that the consequences of dishonesty, or any of the other nine ethical rules, are always negative, they can save the time and just follow the rules without having to think through the entire analysis process.

Avoiding ethical dilemmas is much less painful than dealing with ethical dilemmas. The instruction designed to help managers embrace the ethics code should provide numerous opportunities to practice analyzing ethical situations caused by not following the rules. Each example analyzed should be a situation that actually occurred or could occur in the organization. Real examples are far more effective and are indicative of a future appropriate response expected by upper management.

The following questions can be posed for each situation:
1. What are we trying to accomplish?
2. Is what we are trying to accomplish ethical?
3. Where do our loyalties belong?
4. Who are the stakeholders who will be affected by our decision?
5. What are our decision options? (Is there a better alternative?)
6. Are there any ethical principles that might be violated by any of the options?
7. What are the consequences (positive & negative) to all the stakeholders for each option?

The decision option that results in the best consequences for the most people within the context of the organization can then be selected.

If a manager, after going through the ethics code instruction, was to make an ethical decision as taught in the instruction that resulted in a loss of some sort, he or she should be commended and positively reinforced. Punishment in any form, such as loss of income, promotion, or even loss of respect or trust, would undermine and invalidate the entire ethics code and instantly re-teach managers to do whatever results in positive effects.

**Conclusion**

Decisions and behaviors are influenced by values. Because people today have differing values, it is necessary for organizations to foster common value systems within their organizations if decisions and behaviors are to be consistent with the objectives of the organizations. This consistency is only possible if the organizations’ values are identified, people are hired who are willing and able to embrace the organizations’ values, systems of operation support the value systems, and management and staff are trained to honor and follow the rules.
