Perception of ethical issues in Hotel Industry in Bengaluru Promoters view

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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. To better understand the Indian hotel industry, one had better examine the country's tourism and hospitality industry of which the former is a subset.*

The Indian tourism and hospitality industry is one of the key drivers of growth from the country's services stable. 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 latter half of 2010. A lot of major hotels had announced their plans to expand their footprint in India.In this study an insight into the ethical issues is been made from the point of view of promoters.

Keywords: perception, ethical issues, hotel industry, promoters.

I. THEORETICAL BACKGROUND

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.

II. STATEMENT OF THE PROBLEM

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

altogether. This is easier said than done for obvious reasons – not all solutions are implementable. 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.

III. SCOPE OF THE PRESENT STUDY

The study confines itself to the hotel industry of Karnataka and the categories of respondents associated with it, namely the promoters who are considered the major stakeholders pertaining to hotel industry. The area selected for study is in and around the Bengaluru City because more than 80% four and five star category hotels are situated in Bengaluru. For the purpose of the study only four and five star category hotels are selected for the study.

IV. OBJECTIVES OF THE DATA

The objectives of the study are to:

1. Ascertain the perception of ethics on the part of the promoters, executives, employees and patrons of the hotel industry

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

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

V. 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.

2.4 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 the 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.

2.5 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.

Field work

Fieldwork was undertaken by Researcher and by utilising the services of suitably-briefed manpower for the purpose. The respondents were contacted individually and personally and their responses were recorded. Observations also used suitably to understand the environment in Hotels.

2.8 Data processing and analysis plan

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

VI. LIMITATIONS OF THE STUDY

Primary data has sometimes been deduced through constant topic-oriented discussions with the respondents. It is possible that a certain degree of subjectivity, even if negligible, has influenced their views. Nevertheless, the fact is that the respondents, being human, could err and hence the Researcher would like to admit candidly that the findings of the thesis, which draw equally heavily from the discussions the Researcher held with the said respondents, may have been affected, albeit to a negligible extent. Hence it will not affect the accuracy of the findings of the study.

Analysis of data collected from promoters

Table 1 Cultural Factors are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

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

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

Statistical Table – 1A	
Mean	3.20
Median	3.00
Mode	3.00
Variance	1.75
Standard Deviation	1.32
Skewness	-0.05
Kurtosis	-0.92

According to the Table, the value of the variate for which the frequency is maximum (9) is (3) which represents 'Neutral'. Most respondents are "NEUTRAL" to the opinion that cultural factors are a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. The responses show slightly negative skewness. The kurtosis for the table -0.92 (< 3) is a platykurtic which means that the data is widely spread across the normal distribution.

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

Hence the Researcher sought to know from the respondents if gender conflicts are a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. The respondents' agreement / otherwise with the statement is expressed at five levels, namely, Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. These

variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-2 Gender Conflicts are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

Levels of Agreement (Values)	Frequency	Percentage
Strongly Agree (1)	1	4
Agree (2)	11	44
Neutral (3)	10	40
Disagree (4)	2	8
Strongly Disagree (5)	1	4
Total	25	**100**

12 or 48 percent of the respondents agree that gender conflicts are a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. While 10 or 40 percent of the respondents remain neutral, the remaining three or 12 percent of the respondents disagree with the statement.

Statistical Table – 2A	
Mean	2.64
Median	3.00
Mode	2.00
Variance	0.74
Standard Deviation	0.86
Skewness	0.81
Kurtosis	1.19

According to the Table, the value of the variate for which the frequency is maximum (11) is (2) which represents 'Agree'. Most respondents "AGREE" that gender conflicts are a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. The responses show a positive skewness which means most of the respondents agree with the above statement. The kurtosis for the table 1.19 (< 3) is a platykurtic which means that the data is widely spread across the normal distribution.

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

These variates are assigned the values 1, 2, 3, 4 and 5. Their levels of agreement with the statement are reflected in the following Table.

Table-3 Poor Remuneration Failing to Keep the Employees Motivated is a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

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

Three or 12 percent of the respondents agree that poor remuneration failing to keep the employees motivated is a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. While three or 12 percent remain neutral, the remaining 19 or 76 percent of the respondents disagree with the statement.

Statistical Table – 3A	
Mean	3.84
Median	4.00
Mode	4.00
Variance	1.06
Standard Deviation	1.03

Skewness	-1.16
Kurtosis	1.40

According to the Table, the value of the variate for which the frequency is maximum (13) is (4) which represents 'Disagree'. Most respondents "DISAGREE" that poor remuneration failing to keep the employees motivated is a hurdle / issue the industry faces in minimising if not eliminating the gap between the perception and practice of ethics. The responses show a negative skewness which means most of the respondents disagree with the above statement. The kurtosis for the table 1.40 (< 3) is a platykurtic which means that the data is widely spread across the normal distribution.

Absenteeism and High Employee Turnover are a Hurdle / Issue the Industry Faces in Minimising if not Eliminating the Gap between the Perception and Practice of Ethics

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

Solutions to minimise the perception and practice of Ethics

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
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.

According to the Table, the value of the variate for which the frequency is maximum (11) is (2) which represents 'Agree'. Most respondents "AGREE" that culturally different values can be resolved with effective communication. The responses show a positive skewness which means most respondents agree with the above statement. The kurtosis for the table -1.08 (< 3) is a platykurtic which means that the data is widely spread across the normal distribution.

Management 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.

Statistical Table – 5A	
Mean	2.04
Median	2.00
Mode	2.00
Variance	0.96
Standard Deviation	0.98
Skewness	0.79
Kurtosis	-0.13

According to the Table, the value of the variate for which the frequency is maximum (11) is (2) which represents 'Agree'. Most respondents "AGREE" that hotel managements should engage employees in frequent conversations about ethics and organisation values. The responses show a positive skewness which means most respondents agree with the above statement. The kurtosis for the table -0.13 (< 3) is a platykurtic which means that the data is widely spread across the normal distribution.

Gender Conflicts should be prevented by Initiating an Open Dialogue about Differences

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.

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.

Statistical Table – 6A	
Mean	2.32
Median	2.00
Mode	2.00
Variance	1.06
Standard Deviation	1.03
Skewness	0.53
Kurtosis	-0.76

According to the Table, the value of the variate for which the frequency is maximum (12) is (2) which represents 'Agree'. Most respondents "AGREE" that thefts must be dealt with swiftly and directly. However the responses show a positive skewness which means most respondents agree with the above statement. The kurtosis for the table -0.76 (< 3) is a platykurtic which means that the data is widely spread across the normal distribution.

Management should Model Civil Behaviour and Create Cultures where Civility can Thrive

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.

To meet its Moral Obligations, the Industry should Enhance the Welfare of the Community in which 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-7 To Meet its Moral Obligations, the Industry should Enhance the Welfare of the Community in which it Operates

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 enhance the welfare of the community in which it operates. Three or 12 percent of the respondents remain neutral.

VII. CONCLUSION

According to the promoters respondents largely agree that of course there are few ethical issues bothering the hotel Industry but there are few steps to curb the same.

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