CHAPTER ONE
INTRODUCTION

1.1 INTRODUCTION

Unethical consumer practices in Asian countries have attracted much attention from business practitioners. The availability of counterfeit products such as computer disks, fashion clothing and watches, etc., provides a negative impression to the business world.

Over many years, academics have focused a great deal of attention on studying consumer ethics and behaviour, in an attempt to understand what motivates consumers, and what products and services are likely to appeal to them. However, it seems that relatively little attention has been paid to the equally important area of employee ethics and behaviour in the workplace. In the service industry, and in the hotel industry in particular, the ethical standards and behaviours of the direct service providers (the staff members) are critical components of the business transaction. Consumers are not satisfied with just the "hardware" or tangible elements of the hotel experience - their satisfaction depends much more on how they perceive they are being treated by the hotel's staff.

1.2 RESEARCH OBJECTIVES AND SIGNIFICANCE OF STUDY

This research aims to investigate the job-related ethical beliefs of hotel employees. Ethics is now becoming more important than before in attracting customers besides superior service, quality products and competitive pricing (Dreyfack, 1990). Ethical and behavioural criteria were used to rate hundreds of

suppliers and their product lines in a 132-page shopping guide Shopping for a Better World; published by the Council on Economic Priorities.

Argument presented by Lynch (1992) proposed that quality and ethics could transform total quality management (TQM) into total care management. He pointed out that ethical behaviour should include six values: legality, equity, social legitimacy justification, confidentiality and sincerity. TQM is now widely practiced in Marriott and Ritz Carlton chain hotel groups. There seems little doubt that their ethical beliefs of the service employees in hotels can influence a customer's final satisfaction.

If hotel managers wish to control the "moments of truth" (every interface between clients and staff members) in order to ensure consistently high quality service based on high ethical standards, it is important for them to understand (and influence) the ethical values and job-related behaviours of their employees.

The hospitality industry frequently presents in workers with ethically ambiguous situations. Part of the problem arises from the hotel business's odd hours and un predictable events that often present employees with tempting opportunities. Ethical ambiguity also stems from the fact that hotel employees and guests are from many cultures, which means that people in hotels can have a variety of expectations and ethical standards. Additionally, while managers may attempt to establish high ethical standards, that information does not always reach front - line employees. Adding to this mix, the high turnover rate of staff and hotels' use of part time employees   has a recipe for ethical disasters.

Hotel employees faced problems that they've encountered that raise ethical issues involving employees and guests. The face the situations where the ethical choices are not always immediately apparent, and they reinforce the point that diversity and multicultural backgrounds increase decision –making complexity.

Accusations of harassment, racism, and even theft can quickly move from disagreements to equal –opportunity complaints and legal action.

By its nature, the hospitality industry places employees and guests in awkward situations that might be morally ambiguous. In some of these situations, for instance, people may be in a position to steal money or items, while other situations may involve personal interactions that can be considered inappropriate. Hotel employees face ethical challenges and temptations in the workplace every day. And sometimes, the guests themselves attempt to induce employees to behave in an unethical manner (e.g. a guest may request a hotel room upgrade, or may seek to bribe an employee to ignore the theft of hotel property). Hotel employees must therefore make instant decisions about what to do, often without direct supervision, and often in the absence of a clear corporate code of conduct.

Employee work ethics are therefore more important for service industries than in other industries. Managers need to identify those situations where temptation and potential ethical dilemmas exist for their staff members and they need to devise a clear corporate code of conduct that all employees understand and abide by.

Along this line of thinking, an individual's belief on work ethics becomes his/her basic compass for all judgments as well as temptation. An employee's individual ethical beliefs also affect their final judgments on any work-related challenges. . The author aims to investigate the hotel employees' ethical beliefs in their workplace - hotel-working environment. This is certainly an area worthy of investigation, since employees, like consumers in the marketplace, face similar ethical dilemmas. The consequences of their behaviours, however, may be more far-reaching - the way employees carry out their work can determine customers' perceptions of the company, and this impacts on the organization's profitability.

1.3 SCOPE OF THE STUDY

The study is targeted on four-star Hotel employees in Kuala Lumpur. A questionnaire is developed to test employees' job-related ethics. This questionnaire is similar to the one conducted by Wong, R., Wong, S., Chan, A. and Leung, P. (1996) followed by Simon Chak Keung Wong (1998). In this study, many ethical statements can be emerged. However, the focus of this study is on four working departments where direct service encounters between guests and employees occur. The major service departments were housekeeping, front office, food and beverage and engineering. Therefore, some common ethical challenges in purchasing and sales departments (i.e. non-service encounter departments) were excluded. Nevertheless, questionnaires were also distributed to other departments i.e. Human Resource, Kitchen, Finance, Security and Sales departments for comparison purposes with the results of the four main departments.

1.4 LIMITATIONS OF THE STUDY

The followings are the limitations of the study: -

a) The respondents, who are the hotel employees, are from Kuala Lumpur. This sample does not represent the whole Malaysian Hotel employees. The results could have been different if the study is conducted in other major towns or nationwide.

b) Total number of questionnaires collected from the survey is only 102. This sample size is too small to represent hotel employees in Kuala Lumpur.

c) Respondents are selected by using Quota sampling and Convenient sampling technique. The quota sampling is used to obtain more respondents from housekeeping, front office, engineering and food and beverage departments, as these departments are the focus of the study. Convenient sampling is used to obtain higher response from respondents. A research using convenient sampling signals that the study lacks of objectivity (Zikmund W.G. 1997).

d) There are limited researches on this topic by local researchers. Therefore, the author faced limited data, information and literature on the topic of study.

1.5 ORGANISATION OF THE STUDY

This study has been divided into five (5) chapters:

Chapter One – Introduction
This is an overview chapter of the study. It started with the objective and significance of the study, followed by hypotheses or research questions. It does include scope of the study, limitations and problems faced and the organization of the study.

Chapter Two – Literature Review
This is an organized review of related and relevant literature of this study. The recent findings is also included

Chapter Three – Research Methodology
This chapter explains the research methodologies used in the study. It also explains the methodology used, hypotheses, and selection of measures, sampling design, and data collection procedure and data analysis techniques.

Chapter Four – Research Results

The results of the study are presented in this chapter. It summarizes the statistics of the respondents, results of statistical analysis and summary of results.

Chapter Five – Conclusions and Recommendations

This is the last chapter of this study, which summarizes and makes conclusions from the findings. There are also suggestions for further research. The implications and significance of the study to the hotel industry and the society is also included.