The Impact of a Hotel's Business Ethics on

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The Impact of a Hotel’s Business Ethics on Employee Job Satisfaction and Organizational Commitment

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Abstract
While there has been some research on ethics in the hospitality industry the amount is not proportionate to the importance of the issue. Hotel organizations can benefit from conducting their business in an ethical and more responsible manner. This paper examines the impact of a hotel’s business ethics on employee job satisfaction and organizational commitment. It is proposed that employees who work in an ethical hotel environment will be more satisfied with their job and more loyal than employees who work in an unethical environment. Furthermore, the researchers will examine any potential differences in perception of ethical climate across gender.

Keywords: Business ethics, ethical climate, job satisfaction, organizational commitment, gender differences.

Introduction
It is well known that the hotel industry is facing a variety of challenges. Competition is intense, business travel has declined significantly, and the current economic recession is the worst since the 1930’s. Therefore, Beck, Lazer, and Scmidgall (2007) agreed that all of these factors have encouraged “questionable and unethical management behavior” (p. 36). They also suggested that hospitality and tourism literature has not paid much attention to ethical issues in the industry.

Stevens and Fleckenstein (1999) proposed that due to the inherent industry characteristics of inseparability and intangibility, hospitality industry management must attend to ethical issues more carefully than other industries. Pettijohn, Pettijohn, and Taylor (2008) noted that even though organizations spend millions of dollars to build a positive public image, that money is soon wasted when the organization’s unethical practices are reported.

Finally, several studies found that companies with high levels of ethical values and social responsibility tend to be more profitable than other companies (Hammond & Slocum, 1996; Waddock & Smith, 2000). This clearly shows that hotel organizations can benefit from conducting their business in an ethical and more responsible manner. This study will attempt to show that there is a relationship between a hotel’s ethical climate and its employees. It is supported that working in such a hotel environment, the employees will be more satisfied with their
job and they will be more loyal to that organization. Therefore, the purpose of this study is to examine the impact of a hotel’s business ethics on its employees’ job satisfaction, and organizational commitment. It also seeks to explore whether there are any differences between males and females in the way they perceive the ethical climate of their working environment.

Moreover, while exploring the literature, the researchers discovered that the results of previous studies related to business ethics and ethical climate across gender have been inconsistent. Some studies clearly identified significant differences between male and female employees such as females tend to be more ethically sensitive than males (e.g., Arlow, 1991; Luthar, Bibattista, & Gautschi, 1997; Ruegger & King, 1992). Whereas, others failed to prove differences across gender (e.g., Derry, 1989; Fritzsche, 1988; Singhapadki & Vittel, 1991). However, many of these studies are outdated and were conducted in a variety of organizations unrelated to the hospitality industry. Therefore, this study will examine the current state of male and female perceptions of ethics within the hotel industry.

In terms of academic significance of this study, there has been a lack of research in those areas previously mentioned above in recent years. For example, one can find an extensive number of articles related to job satisfaction, but only few of them were focused on the relationship between job satisfaction and business ethics, especially after the year 2005 (Jaramillo, Mulki, & Solomon, 2006; Pettijohn, Pettijohn, & Taylor, 2008). Unfortunately, almost none of those focused on hospitality employees. More specifically, there was only one article which analyzed in depth the relationship that exists and connects business ethics, job satisfaction, organizational commitment, and employee turnover among salespeople (Schwepker, 2001). In fact, his article was the most important stimulus that inspired the researchers in developing both a theoretical framework and an instrument for this study. The results of this study will contribute to the industry by comparing Schwepker’s (2001) findings with salespeople to hotel employees. In addition, the results will emphasize the importance of fostering a positive ethical climate in hotels by examining its impact on their hotel employees’ job satisfaction as well as revealing to what extent employees’ values have changed over the past decade.

**Literature Review**

**Business Ethics in the Hotel Industry**

Ethics is among the hottest topics of today (Buff & Yonkers, 2005). The word ethics stems from the Greek word ‘ēthos’ which means “custom, habit, significance, disposition” (Holjevac, 2008, p.1034). The great philosophers placed a great deal of emphasis on ethics, honesty, and fairness, not only in their lives, but also in their work. They also taught that ethical values are permanent and they should be cultivated, respected, and applied by everyone (Holjevac, 2008). Holjevac (2008) highlighted that according to Confucius uprightness, wisdom, kindness, faithfulness and decorum belong to the category of permanent values which consist of the real values of today.

However, a widely accepted definition of business ethics does not exist. Lewis (1985), defined business ethics as “rules, standards, codes, or principles which provide guidelines for morally right behavior and truthfulness in specific situations” (p. 381). Hall (1992) defined ethics, in a very simple way, as “knowing what ought to be done, and having the will to do it” (pp. 12-13). He also supported that doing what is right is the heart of ethics and if applied properly, it can become the foundation for employees’ pride and motivation. Hall proposes that the proper application of ethics can change a mediocre workplace to an excellent one. Barsh and Lisewski (2008) referred to business ethics as “the systematic process that commercial organizations use in order to evaluate actions as right or wrong” (p.29). They also suggested that business ethics encompasses a wide range of themes that managers and employees must face.

Researchers have developed theories trying to explain how people behave when faced with ethical situations (Tsallikis & Fritzsche, 1989), whereas ethical theorists created normative approaches that prescribed standards of behavior and codes of conduct (Chonko, 1995). More specifically, there are two major approaches to business ethics: the descriptive and the normative (Carroll & Buchholtz, 2006; Donaldson, Werhane & Cording,
2002). Descriptive ethics refers to “what is” the ethical behavior of organizations, individuals, and society. Normative ethics defines principles and values that guide behavior and decisions. It is sometimes known as the study of “what ought to be”.

The importance of ethical business values has been noted since Goodspaster (1983) discussed the concept of corporate responsibility, and applied the concept of personal ethics in social life to specific business management circumstances. However, Reilly and Kyj (1990) noted that the employees’ ethical behavior can be influenced by the creation of a positive ethical environment within the company rather than just relying on each individual employee’s strong ethical values. Therefore, it is no coincidence that in recent years, several studies have pointed out the increasing need for hotels conduct their business in a more ethical and responsible way and to foster a positive ethical climate in their organizations.

From a financial management perspective, research studies revealed that stakeholders view a company’s reputation for social responsibility as an indication of its top management’s ability to effectively manage the company within the changing environment (Miles, 1987; Sethi, 1975; Sonnenfeld, 1981; Ullmann, 1985). A decline in a company’s reputation for social responsibility will not only have an impact on its guests, but also on its stockholders. Moreover, “investors may consider less socially responsible firms to be riskier investments because of the possibility of government intervention” (Hammond & Slocum, 1996, p. 160). Therefore, it is important for a company to work towards becoming socially responsible from an economic perspective, as those kinds of companies tend to have lower perceived risk since “they appear more sensitive to external events and thus are able to anticipate and control their changing environment” (Hammond & Slocum, 1996, p. 160).

It must also be noted that according to Lantos (1999) “market forces provide financial incentives for ethical behavior” (p. 225). His study showed that a businessperson who only concentrates on the bottom line and short term concerns, regardless of the moral aspects, will end up harming the company in the long run in many ways due to negative publicity from consumer boycotts, class action lawsuits, etc. Not only will the company suffer, but the profession and industry can also be damaged by the negative publicity.

One more thing to keep in mind is that the process for a hotel to become more ethical does not only require time, but also money. However, Pettijohn et al. (2008) argued that the hotel will be compensated for the money invested through the profits generated through increased employee morale and productivity. Therefore, short term expenses are justified by the positive long term benefits of operating as an ethical organization.

**The Ethical Climate of an Organization**

Measuring the business ethics of a hotel organization may sound straightforward and easy in theory, but in practice it can be very challenging and complicated. However, in order to do so, many researchers measure the ethical climate of an organization, as it helps them to better understand its levels of business ethics. Actually, this approach is one of the easiest, most effective and recommended ways to calculate how ethical an organization truly is. Victor and Cullen (1988) defined ethical climate as “the prevailing perceptions of typical organizational practices and procedures that have ethical content” (p. 101). Ferrell and Gresham (1985) found that the climate for unethical conduct exists when the codes of ethics, policies and directives of a company that stipulate, discourage, control, monitor and discipline unethical behavior are not enforced.

The role of ethical climate in a company is very important. Verbeke, Ouwerkerk, and Peelen (1996) demonstrated that the ethical climate of a company drives its values and encourages expected behaviors which, in turn, lead to influencing the ethics of its employees. Schwepker (2001) suggested that by applying and enforcing codes of conduct, rules and policies on ethical behavior, as well as imposing positive and negative discipline where needed, “management can create an ethical climate that positively influences ethical behavior in the organization” (p. 41). Furthermore, Valentine and Barnett (2003) found that employees of any type prefer working in companies that have a positive ethical climate. This makes perfect sense since a company with an ethical climate would
typically have a more pleasant working environment, as it fosters ethical values such as honesty and trust (Schwepker, 2001). Babin, Boles and Robin’s (2000) study also revealed that a stronger ethical climate brings less role stress, greater job satisfaction and organizational commitment.

**Job Satisfaction in the Hotel Industry**

Many studies have been conducted around the world in relation to job satisfaction in the hospitality industry. Furthermore, the literature has described job satisfaction in various ways through the years. Hoppock (1935) viewed it as the combination of psychological and environmental circumstances that cause a person to be satisfied with his or her work. Other studies saw it as seeking fulfillment through asking whether the job met their employee’s physical and psychological needs (Porter, 1962; Wolf, 1970). Locke (1969) defined it as a “pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating one’s job values” (p. 317). Smith, Kendall, and Hulin (1975) referred to job satisfaction as the feelings employees have about their jobs in general. Agho, Price, and Mueller (1992), approached it as the extent to which employees like their work. However, according to Cranny, Smith and Stone (1992) there is a clear consensus in relation to defining job satisfaction. That “consensus” definition described job satisfaction as “an affective (that is, emotional) reaction to one’s job, resulting from the incumbent’s comparison of actual outcomes with those that are desired (expected, deserved, and so on)” (Cranny, Smith, & Stone, 1992, p. 1). While there are a number of definitions and studies related to job satisfaction, very little research has been done on the methods measuring employee satisfaction levels (Lee & Way, 2010). Perhaps that is because job satisfaction is a very complicated concept that includes a variety of different facets.

Job satisfaction may be both intrinsic, derived from internally mediated rewards such as the job itself and opportunities for personal growth and accomplishment, and extrinsic, resulting from externally mediated rewards such as satisfaction with pay, company policies and support, supervision, fellow workers, chances for promotion, and customers (Walker, Churchill, & Ford, 1977). The extent to which someone can actually measure and calculate those intrinsic and extrinsic aspects of job satisfaction may lead researchers to confusion, wrong judgments or misinterpretations of the results.

Several researchers have tried to determine the factors that bring job satisfaction. The study of Barsky and Nash (2004) showed that employee satisfaction on the job was driven by emotions of the employees and their beliefs about their company. Aksu and Aktas (2005) conducted their study on job satisfaction of Turkish managers in first-class hotels. They discovered that despite long hours, low salaries and little colleague support, the managers were generally satisfied with their jobs due to the nature of the work itself and the authority that came from managing a first-class facility.

In addition, job satisfaction has been closely related to positive organizational outcomes such as increased employee productivity, higher innovation and reduced turnover. The combination of all of those elements is also linked to a firm’s improved overall performance. More specifically, Savery and Luks (2001) demonstrated that job satisfaction is linked to increased firm performance as measured by enhanced employee productivity. Motivation also plays a crucial role in job satisfaction. However, as Sledge, Miles and Coppage (2008) argue little research has concentrated on the relationship between motivation, job satisfaction and the impact of culture in the workplace.

Chiang, Back, and Canter (2005) found that job satisfaction strongly influences the employees’ intention to stay with that organization. In addition, McNeece-Smith (1997) suggested employees with higher levels of job satisfaction tend to be more productive and stay on the job. Shaw (1999) contended that a strong negative relationship exists between job satisfaction and the level of employee turnover when an individual’s personal, positive affect is taken into account. Choi’s (2006) study on Korean hotel employees also found that there was a negative relationship between job satisfaction and turnover intention. Similarly, Pizam and Thornburg’s (2000) study revealed that high absenteeism rates stem from low job satisfaction rates which are related to higher levels of voluntary employee turnover. Moreover, Scott and Taylor’s (1985) study indicated that a negative relationship exists between job satisfaction and absenteeism, especially absence frequency. They supported that satisfied employees
show much lower levels of absenteeism than their less satisfied colleagues. Another study based on the job satisfaction of Taiwanese hotel employees revealed that internal marketing, or treating employees as customers, was positively related to organizational performance (Hwang & Chi, 2005). Sizoo, Plank, Iskat and Serrie (2005) determined that among hotel workers at four-star hotels in Florida, employees with higher intercultural sensitivity expressed higher levels of job satisfaction and social satisfaction. This shows that culture may influence employee perception of job satisfaction. Furthermore, job satisfaction can positively affect the outcomes of organizational commitment, reduces employee intention to leave, and leads to lower turnover rates (Yang, 2008).

**Influence of Business Ethics on Employee Job Satisfaction**

Many managerial theorists believe that a company’s most important asset is its employees (Collins, 2001). Therefore, companies should try to take better care of their employees. For example, companies should be interested in knowing what their employees think, how they perceive the organizational culture of the specific company, if they are satisfied with the policies and procedures, and of course if they consider their working environment as ethical or not. Pettijohn et al. (2008) contended that if a company’s employees perceive that their employers are ethical, then that company’s survey statistics will reveal that job satisfaction ratings are high, turnover rate is low and their intention to leave the company is small. On the contrary, Jaramillo, Mulki, and Solomon (2006) argued that when employees consider their employers unethical, then job satisfaction levels may decrease and turnover rates may rise.

Business ethics is also a critical aspect from a manager’s perspective. In fact, ethical behaviors of a company are critical managerial problems and management should have a leading role in promoting ethical behaviors (Chonko, Wortruba, & Loe 2002; Hunt & Chonko, 1987). Other research studies revealed that “managers set the ethical tone for their organizations” (Barsch & Lisewski, 2008, p. 44). Ethical leadership includes personal competencies. However, the organizational behavior literature shows that managers who lead by example have a significant impact (positive or negative) on the ethical actions of employees (Morgan, 1993).

Whitney (1990) showed that hotel industry employees need a higher ethical consciousness compared to other industries, as well as a stronger ability to judge ethical issues according to the principles of the organization. Unlike other industries, hospitality is very diverse. It involves employees and managers from every cultural, social, educational, racial, age, sex, and religious background. Moreover, Hall (1992) mentioned that hospitality embraces a large spectrum of beliefs and ethically acceptable behavior. Thus, he suggested that hospitality professionals need a global understanding of what is right and wrong.

Laufer and Robertson (1997) contended that adopting ethical values helps individuals recognize their organization fit. Other studies showed that adopting ethical values influences employee’s affections for that organization (Kohlberg, 1984; Porter & Lawer, 1966; Sims & Kroec, 1994). Wong’s (1998) study demonstrated the need for a clear job-related ethical policy for hotel employees in Hong Kong. In addition, Fox (2000) through his study on hotel employees in Croatia contended that unethical environments lead to additional organizational costs. Therefore, the need for hotels to foster and promote an ethical working environment is more important than ever before.

Several studies conducted in non-hospitality environments revealed a positive relationship between ethical climate in an organization and job satisfaction. Deshpande (1996) focused on a large non-profit charitable organization and found that managers may be able to enhance their employees’ job satisfaction by influencing the organization’s ethical climate. His results showed that apart from satisfaction with pay, an organization can influence all different facets of job satisfaction by manipulating its ethical climate.

The study of Joseph and Deshpande (1997) on nurses revealed that ethical climate is significantly associated with job satisfaction. Viswesvaran and Deshpande’s (1996) study on middle level managers of three different organizations in India showed that the association between ethical behavior and career success is
significantly associated with job satisfaction. Koh and Boo’s (2001) study of MBA students in Singapore showed that there is a strong relationship between organizational ethics and job satisfaction. In fact, it suggested that organizational ethics is one of the means through which leaders can generate favorable job attitudes/behaviors and organizational outcomes. Finally, Schwepker’s (2001) study on salespeople also demonstrated a significant relationship between ethical climate in an organization and job satisfaction.

Organizational Commitment in the Hotel Industry

As mentioned in the previous section, being satisfied with one’s job will increase a hotel employee’s productivity and innovation and reduce their turnover rate. However, committing oneself to the very company the hotel employee works for has a deeper and more complex meaning. For example, Becker (1960) described the concept of commitment as “consistent lines of activity” (p. 33). Similarly, Mowday, Steers, and Porter (1979) defined organizational commitment as a relative strength of an individual’s identification with and involvement in a particular organization. Other researchers described organizational commitment as having the ability to work like a “psychological bond” to the company that influences people to act according to what is best for the company and its interests (Mowday & McDade, 1979; Porter, Steers, Mowday, & Boulian, 1974).

According to Meyer and Allen (1991) there are three types of organizational commitment: normative commitment, affective commitment, and continuance commitment. Normative commitment applies to the employee abiding by established organizational values. Affective commitment refers to the degree to which the employee internalizes the values of the organization. Continuance commitment relates to the switching costs of maintaining membership or leaving the organization.

Organizational commitment is a critical factor in understanding and explaining the work-related behaviors of employees in organizations (Lee, 2000). High turnover in organizations, employee retention problems, and the factors which contribute to the employees’ increased intensity to leave have been the main focus of various studies in many different disciplines. For example, Maertz and Campion (1998) through their study found that “relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment...retention processes should be studied along with quitting processes” (p. 65). However, Hausknecht, Rodda, and Howard (2009) mentioned that despite the large amount of research devoted to employee turnover, which focuses on identifying factors that cause employees to quit, very few studies have touched upon the factors that compel employees to stay.

Several other studies evolved around what determines employees’ organizational commitment. Yang (2008) supported that a person’s commitment to an organization depends heavily on his/her attitudes, and feelings, as well as involvement in that organization. He also found that an important precursor of commitment is the level of satisfaction that the newcomers get during organizational assimilation. Whereas, Luthans (1998) argued that job design and managerial style influence the degree of employee commitment. Janssen’s (2004) study revealed that employee empowerment is closely related with organizational commitment and that commitment exists at both the individual and organizational level.

Regardless of the variety of approaches and definitions related to organizational commitment, there is one important aspect of commitment that must be noted. Committed individuals believe in and accept the values and goals of the organization they work for. They are not only willing to keep working there, but are also eager to provide considerable effort on their part in order to stay (Mowday, Steers, & Porter, 1979).

The Influence of Business Ethics on Organizational Commitment

After carefully examining several factors that can lead to organizational commitment, the researchers for this study decided to explore whether an organization’s positive ethical climate can also be added to that list and if there is a connection between these two concepts. Even though the relationship between a company’s ethical climate and its organizational commitment has not been widely researched, there are several studies which show that there is
a relationship between the two. In fact, Kelley and Dorsch (1991) supported that there is a positive relationship between an organization’s ethical climate that is based on specific rules and employees’ commitment to that organization. Ostroff’s (1993) study demonstrated a strong relationship between climate dimensions and organizational commitment. Moreover, Hunt, Wood, and Chonko (1989) found that corporate ethical values are significant predictors of organizational commitment. They also managed to discover the extent to which the 1,246 marketing professionals they examined perceived that ethical behavior was rewarded and unethical behavior was punished within the company they worked for.

The Relationship between Business Ethics and Gender

Another important factor that hospitality organizations should examine to determine how it relates to business ethics is their employees’ gender. In fact, gender has been an important part of several studies on business ethics leading to completely different results. Some studies pointed out that there are differences in ethical perceptions between sexes. For example, Albaum and Peterson (2006) noted that women showed more favorable attitudes toward ethical behaviors than men. Other studies found that females tend to be more ethically sensitive than males (Arlow, 1991; Luthar & Al, 1997; Ruegger & King, 1992). When Chonko and Hunt (1985) conducted a study on marketing management professionals, they found that female marketers are more likely to perceive ethical problems in their activities than male marketers. Sims and Kroeck (1994) found that female employees tend to be more committed to an organization when their preferred ethical climate and their actual ethical work climate match. Luthar, Bibattista, and Gautschi (1997) demonstrated that men and women had differing perceptions of how ethical behavior should be related to positive business outcomes. Furthermore, their study showed that “being exposed to integrative ethical education predicted more positive attitudes towards how the current ethical climate is as well as how it should be” (Luthar et al., 1997, p. 215). D’Aquila, Bean and Procario-Foley (2004) found that females believed more than males that ethical standards strengthen a company’s competitive position, whereas males strongly believed that ethical standards weaken a company’s competitive position. Akatan, Burnaz, and Topku (2008) study on Turkish students showed that female have a higher mean than their male counterparts in terms of their evaluations of the necessity to act ethically and legally rather than solely economically.

However other studies contended that there are not any differences across gender when it comes to the way they perceive the ethical climate of a company. More specifically, Derry’s (1989) study revealed that there is not any significant gender difference in the moral reasoning used in work conflicts. In addition, Singhapadki and Vittel’s (1991) were unable to support their propositions that gender and business experience are determinants of the sales professionals’ perceptions of an ethical problem. Fritzsche (1988) also failed to find any differences between gender and ethical issues. Since a number of studies have contradictory findings regarding gender and ethics, further research is needed on this topic.

As mentioned earlier, regardless of the final results, all of the studies presented in the literature review have one common element; their research was conducted in non-hospitality settings. Therefore, it is only natural to wonder what hotel employees’ perceptions of their organization’s ethical climate are. It will also be interesting to determine if the results of this study support or contradict the findings of those previous studies.

Conceptual Model

The purpose of this study is to present and test a model that identifies the impact of business ethics on job satisfaction and organizational commitment. This model is a slightly modified version of Schwepker’s (2001) study and is as follows:
The model proposes that positively perceived ethical climate will have a direct effect on both hotel employees’ job satisfaction and organizational commitment. Understanding these relationships may highlight the importance of business ethics within the hotel industry. Thus, it will encourage hotel employers to make every effort to incorporate business ethics in their organizations, foster a positive ethical climate in their working environments, and effectively manage their diverse workforce. If this model reveals that there is a significant relationship between ethical climate and the variables involved, then it could help solve some of the major problems that human resource managers in hotels are facing. It could also set the path for a more ethical and more responsible way of doing business in the hospitality industry which, in turn, would lead to increased levels of hotel employees’ job satisfaction and organizational commitment. The model also suggests that gender plays a key role in the way a hotel employee perceives the environment he/she works for as ethical or unethical. It suggests that there are differences between males and females in that aspect. More specifically, it assumes that females are more sensitive than males when it comes to judging their working environment from an ethical perspective. Thus, this study expects that female employees will be more concerned about ethical issues in hotels they work for and will be more likely to choose different courses of action than males.

Hypotheses

Taking all the above into consideration, this study attempts to examine the following hypotheses:

- $H_1$: The higher the hotel employees’ perception of ethical climate, the higher their job satisfaction will be.
- $H_2$: The higher the hotel employees’ perception of the hotel’s ethical climate, the higher their organizational commitment will be.
- $H_3$: Female hotel employees are more likely to believe that the climate of their companies is unethical compared to males.

Methodology

This study will be conducted between the months of August through October, 2011 and will concentrate on hotels in the United States. The J.D. Power and Associates 2009 North America hotel guest satisfaction index study will be used in order to select luxury hotels for the study sample. This study has chosen to examine hotels that target high-end business travelers. Business travelers are “those who travel for business purposes, such as for meetings, all kinds of sales, including corporate, regional, product, and others; conventions; trade shows and expositions; and combinations of more than one of these purposes” (Walker, 2010, p. 70). They typically travel more frequently and
have more travel-related experiences than leisure travelers. Furthermore, these hotels hire hotel employees who are highly qualified professionals, and are experienced not only in terms of their working background, but also in terms of their own travel. Therefore, this study will focus on luxury hotels in order to examine how the perception of ethical climate of these hotel employees influences their job satisfaction and organizational commitment.

The data will be collected from the top two hotel brands listed on the luxury segment and will be compared to the bottom two hotel brands. The top two hotel brands are Four Seasons Hotels and Resorts and Ritz-Carlton. The bottom two hotel brands are W Hotels and Millennium Hotels and Resorts. Simple random sampling will be used to collect the data. The Human Resources Department of selected hotels will be contacted to assist with data selection. A link to an online survey will be sent to the Human Resources Director to disseminate to the hotel’s employees. Printed questionnaires will also be mailed to the director to distribute and collect from employees who do not have Internet access.

Instrument

The instrument that will be used for this survey will be a questionnaire consisting of three sections: the business ethics section, the job satisfaction section, and the organizational commitment section. All questions will be structured on a five-point Likert scale. To measure business ethics, the ethical climate scale that was developed by Schwepker, Ferrell, and Ingam (1997) will be adapted. However, for the purposes of this study, it will be slightly modified. More specifically, their scale is composed of seven items, but the seventh item will be excluded from the questionnaire as it covers a question very similar to the one expressed in the sixth item. Those questions are related to the presence and enforcement of a code of ethics or corporate policies regarding ethical behavior. It must be mentioned that several studies such as Fournier, Tanner, Chonko, and Manolis (2010), Jaramillo, Mulki, and Solomon (2006), Mulki, Jaramillo, and Locander (2006), and Schwepker (2001), have also used this scale. Weeks, Loe, Chonko, Martinez, and Wakefield, (2006) not only used this scale successfully in their study in Mexico, but they also noted that it may be robust across cultures.

In order to measure job satisfaction, a six-item scale that was developed by Agho et al. (1992) will be used. However, it must be noted that Brayfield and Roth (1951) created its initial version. This scale was selected because its items “reflect overall satisfaction and not any specific dimension of satisfaction” (Babin & Boles, 1998, p. 81). Finally, the nine-item version of the Organizational Commitment Questionnaire created by Mowday et al. (1979) will be adapted. This scale’s authors noted that the short form of the scale (having only the nine positively worded items) may be an acceptable substitute for the 15-item version if questionnaire length is a consideration. A five-point Likert scale ranging from (1) strongly agree to (5) strongly disagree was used. Schwepker (2001) has also used this questionnaire in his study and he mentioned that after reverse scoring items, his responses were averaged such that higher scores indicated greater organizational commitment. This kind of measurement was preferred over others as strong evidence for its reliability and validity (Johnston, Parasuraman, Futrell, & Black, 1990; Michaels, Cron, Dubinsky, & Joachimsthaler, 1988; O’Hara, Boles, & Johnston, 1991; Sager & Johnston, 1989).

Regression analysis will be used to measure the first two hypotheses. To find the difference in the mean values of perceived ethical climate between male and female hotel employees, the study will use independent t-tests. Reliability as well as validity of the measures will also be assessed. Reliability issues will be conducted through the use of coefficient alpha. Scales with a satisfactory reliability will be those ones with a coefficient alpha above 0.70. As far as validity is concerned, convergent and discriminant validity will be tested by applying a confirmatory factor analysis.

Summary

This study attempts to examine if the same strong association between business ethics and job satisfaction that exists among sales people could also apply in the hotel industry. It also attempts to show that hotel employees who perceive their organization as ethical will be more loyal to that organization. Furthermore, this study examines how female and male hotel employees perceive an organization’s ethical climate. It can be argued that hotel
employees who are more satisfied with their jobs are more productive, which in turn results in increased profits for the organization. Hotels that conduct their business in an ethical and more responsible manner will enjoy all the benefits derived from their efforts. In turn this will have a positive impact on the hotels’ image and will attract more guests who prefer to stay in a hotel that fosters business ethics.
References


