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**The perceptions of frontline employees towards hotel overbooking practices:  
exploring ethical challenges**

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## **The perceptions of frontline employees towards hotel overbooking practices: exploring ethical challenges**

**Abstract** – This paper explores the ethical perceptions of frontline hotel employees towards hotel overbooking policies. Thus far, the majority of literature has focused on the ethics of overbooking from the guests' perspective. This research finds that frontline employees form an ethical ideology based on their perceived need to deliver hospitableness to the guest. Overbooking is viewed as a threat to the host-guest relationship. However, if frontline employees can offer relevant compensation to guests and give advanced warning of an outbooking scenario they perceive that an ethical balance between hospitableness and commercially-driven overbooking practices can be achieved.

**Keywords** – hotel overbooking, outbooking, employees, ethics, revenue management

## INTRODUCTION

Overbooking is commonplace in the hotel sector and has therefore proved to be a topic that academic researchers in the hospitality field have regularly found interesting, with studies dating back as far back as to the 1970s according to a recent audit of Google Scholar (Rothstein, 1974; Williams, 1977; Liberman and Yechiali, 1978). Overbooking occurs when room reservations are offered in excess of the hotel's product capacity and are implemented to help protect a hotels revenue delivery from cancellations and no-shows by guests. Outbooking occurs as a result of overbooking when a customer arrives to find their reserved room is unavailable and an alternative accommodation provider needs to be sourced and often compensation provided. Given the perishability of the hotel room product, overbooking aims to fully utilise a hotel's finite room inventory to maximise occupancy levels before the sales of that inventory is lost forever (Schuetz and Kolisch, 2013; Guo, Dong and Ling, 2016; Ye, Lu and Li, 2019) and therefore is utilised for economic gain on behalf hotels. However, the potential resulting denial of service means that it is also an area of hotel revenue management that is commonly highlighted as giving rise to ethical issues (Shukla and Srivastava, 2017; Dimitriou and Schwegker Jr, 2019). These tensions between revenue maximisation and customer fairness have led to the hospitality literature focusing on two broad areas in consideration of overbooking. The first is the operationalisation of overbooking which answers questions as to what constitutes the most successful ways to implement overbooking strategies (e.g. Ivanov, 2015; Antonio, de Almeida and Nunes, 2017; Ye, Lu and Yi, 2017, 2019). The second addresses the ethics of hotel overbooking from the customer perspective (e.g. Wangenheim and Bayón, 2007; Hwang and Wen, 2009; Noone and Lee, 2011). Anderson and Xie (2010) also identify customer fairness issues as a commonly occurring area of interest throughout the development of the general body of hospitality revenue management literature.

However, Mody, Suess and Lehto (2019, p.287) stress the importance of the highly interactive and dynamic relationships "between consumers and providers" in modern commercial hospitality. Therefore, given the high likelihood of frontline employees having to handle overbooking scenarios with direct guest contact, it seems surprising that more of the literature has not examined the ethical perceptions of hotel frontline employees towards overbooking practices. When operationalising overbooking strategies, frontline employees may often find themselves at the nexus of tensions between financial profit and the delivery of hospitableness that exist within commercial hospitality. Frontline employees, especially reception and night audit teams, may also be required to operationalise strategies that were not set by themselves but by revenue or reservations colleagues that may not be present when an outbooking scenario occurs due to them working office hours. Chung and Schneider (2002, p.82) describe these type of employees as "boundary-spanning" who often experience role conflict as they assume the role of a buffer between the customers and management. Shukla and Srivastava (2017, p.236) summarise this nicely by stating that hospitality employees are "intermediate spanners trying to meet company expectations and customer's requirements that are often in conflict" and they suggest that there is a growing concern for business ethics in the hospitality industry due to the extent of ethical dilemmas faced by hospitality employees in their daily operations. They include overbooking within their reflections on these ethical

dilemmas. Lee and Tsang (2013) also add that there has been a limited academic focus on the ethical attitudes of hospitality employees in their role within the workplace. Therefore with these factors in mind, this research examines the frontline employees' perspective on overbooking to help understand what influences whether they consider it be an ethical or an unethical practice within the context of the balance between financial profit and hospitableness in the host-guest relationship (Hemmington, 2007). It looks at what drives the ethical ideology of frontline employees in hotels towards overbooking practices. As a result, this research contributes to the widening of the debate on the ethics of hotel overbooking beyond the customer, through a novel examination of the employee viewpoint, and at the same time contributes to developing the general understanding of the ethical issues faced by hospitality employees.

## **LITERATURE REVIEW**

### **General ethical and legal concerns regarding hotel overbooking**

In a general sense, the existing revenue management literature often considers the ethical dimension of its practices and strategies. This literature tends to have a specific focus on the impact of revenue management practices on the relationship with the guest and their perceptions of the fairness of these practices. Common factors that surface regularly that may lead to guest claims of unfair practice are cited as lack of information, price fluctuations and control restrictions on room and rate availability (Wang, 2012). From the viewpoint of increasing perceptions of fairness, the literature also frequently agrees that customer familiarity with a range of pricing and revenue management practices, along with clear information being provided by the hotel, can increase the likelihood of the practice being considered to be ethical by the guest (Choi and Mattila, 2004; Suklabaidya and Singh, 2017). In addition to these general considerations, some of the revenue management literature has specifically examined the ethical issues surrounding overbooking practices and their impact on the guest (Wangenheim and Bayón, 2007; Hwang and Wen, 2009; Fasone and Faldetta, 2013). Here the common theme appears to be that unless adequate compensation strategies are put in place the consumer may perceive overbooking strategies to be unfair and that this may lead to a reduction in customer loyalty (Hwang and Wen, 2009), negative word-of-mouth (Wirtz et al, 2003; Wangenheim and Bayón, 2007), loss of goodwill (DeKay, Yates and Toh, 2004), negative impacts on long-term profitability (Mauri, 2007), and decreases in long-term customer relationship value over short-term revenue gain (Wang, 2012; Fasone and Faldetta, 2013). A clear theme emerges from this literature that from the customer viewpoint there is a balance that needs to be struck between revenue gain for the hotel and customer satisfaction.

However, in contrast to the ethical impacts on the customer where there is a degree of consensus in the literature, the legal issues of overbooking seem to present a more confusing picture. Some suggest it could be deemed a breach of contract but that due to the costs associated with legal action versus the small amount of damages likely to be received by the customer, the case is rarely pursued (Wilson, Enghagen and Sharma, 1994). Dekay, Yates and Toh (2004) agree that there are no statutory laws prohibiting hotel overbooking and therefore contract law would govern compensation, meaning in legal terms the general remedy for breach of contract should put the guest back into the position they were in had the breach not occurred.

Here we see again the call for compensation in line with the ethically focused literature. However, in practice, the terms and conditions of the booking also seem to play an important part. Martin (2015) defines a breach of contract as an actual failure by a party to a contract to perform their obligations under that contract. Therefore, if the contract is considered to be in place at the time of booking a hotel room then the non-availability of the room would surely result in the non-performance of that contract. However, Pestronk (2017) argues that this would not be the case if the hotel adds conditions at the time of the contract. The recent highlighting of Travelodge outbooking practices in the UK press confirms this very issue. Travelodge has a relocation policy in their terms and conditions which allows them to outbook guests due to unforeseen circumstance (Dunham, 2018; Godfrey, 2019). In this relocation policy Travelodge promise a general remedy for breach of contract, which includes amongst other things that they will “provide a room in another Travelodge or third-party hotel and pay the reasonable cost of transport to that alternative hotel” (Travelodge, 2019). However, many questions arise around whether overbooking can be classed as an unforeseen circumstance when hotels often plan overbooking into their forecasting strategies and the literature actively suggests ways to maximise the benefits of planned overbooking through mathematical computation (Toh and Dekay, 2002; Phumchusri and Maneesophon, 2014; Saito et al, 2017).

### **Reducing the unethical perceptions of overbooking**

As has already been suggested, compensation is a key issue in increasing the ethical perceptions of guests towards overbooking and reducing its negative impacts on the guest relationship. Even with the increased accuracy of forecasting, facilitated through improvements in revenue management technologies (Pereira, 2016; Antonio, de Almeida and Nunes, 2017), there still will be instances where an overbooking strategy leads to a guest having to be “walked” and where compensation naturally becomes an issue in reducing negative perceptions of overbooking at the time of an actual outbooking scenario. Therefore it is worth considering the literature in relation to outbooking compensation in more detail. However, it is worth highlighting again that there is little focus on the feelings of the frontline employee towards these practices in terms of their ethical perceptions. Generally, compensation policies should be clearly planned in advance, standardised and should be supported by staff training (Wirtz et al, 2003; Jenčková and Abrhám; 2016). Mauri (2007, p.290) summarised this approach, terming it the creation of “displacement management recovery programmes”. However, in terms of what these compensation procedures look like and what should be offered there are varying suggestions. In the first instance, Wirtz et al (2003) and Dekay, Yates and Toh (2004) suggest asking for volunteers, which may mean selling the benefits of outbooking to guests, for example, financial compensation and upgrades in alternative hotels. However, Wirtz et al (2003) are not just thinking purely in terms of the best scenario for the guest as they also suggest that a substitute service should minimise the customer’s exposure to competitors.

Wangenheim and Bayón (2007) found that higher value customers were likely to perceive being outbooked or downgraded due to overbooking to be more unfair than lower value customers and therefore suggested offering higher compensation to these higher value customers. Hwang and Wen (2009) suggested that compensation should be designed to encourage ongoing patronage and loyalty, for example by

offering discounts for future stays as well as finding alternative accommodation. They also stressed the need for hotels to be more creative in the compensation that they offered, giving the example of free movie tickets. Pizam (2017, p.95) also stresses the importance of empowering staff to offer higher levels of compensation to “diffuse crises and satisfy customers”. Noone and Lee (2011) agree that over-compensation may be necessary to have a positive impact on guest satisfaction but that over a certain point the compensation level could not gain any further advantage. They argue that “once the consumer has received sufficient compensation to counteract the costs, both financial and nonfinancial, associated with being denied service, he or she starts attending to other needs. Further compensating him or her to satisfy a need that has already been met will not provide additional utility and, therefore, the impact on customer satisfaction will be negligible” (p. 349). Therefore, thus far, it is clear that tensions exist not only between the potential economic rewards of overbooking, but also in the outbooking scenario where financial protection from over-compensating guests and exposing guests to competitors needs to be balanced with treating guests fairly.

### **Considerations of the host-guest relationship in commercial hospitality**

This section positions the previous discussions within a wider consideration of the literature concerning the host-guest relationship in commercial hospitality and the tensions that exist there. Lashley (2015) agrees that the commercial imperative of hospitality creates a number of tensions and contradictions. Here we begin to consider not just the guest but also the role of the frontline employee who operationalises the overbooking strategy and acts as the host. Lashley (2015, p.4) believes that to study hospitality in the real-world means seeing it as a “deeply embedded human activity” and through a social lens rather than a purely commercial one (Lashley, Lynch and Morrison, 2007). This tension exists as a result of the fact that economic realities are not ones that usually occur within the social context of hospitality (Hemmington, 2007), such as in the domestic discourse of private hospitality (Lashley, Lynch and Morrison, 2007), but they do occur in commercial hospitality. This is emphasised in the outbooking scenario where a host, usually meant to be hospitable towards the guests, has to follow the economic, commercial imperative of overbooking and tell the guest there are no rooms available. In the words of Hemmington (2007, p.750) overbooking becomes an example of the “tension between generosity and the economics of the business”. In examinations of commercial hospitality both the need for “mutual well-being of the parties concerned” (Brotherton and Wood, 2000, p. 142) and the safety and security of guests (Hemmington, 2007) are threatened by overbooking, although up until now the focus has only been on the well-being of the guest rather than the host. Yet it appears that the literature places a significant emphasis on the role of frontline employees to be hospitable whilst delivering commercial hospitality, and most recently Mody, Suess and Lehto (2019, p.287) stressed that “employees must possess and deliver high levels of hospitableness”. This is also backed by previous research. Frontline hospitality employees involved in the research of Golubovskaya, Robinson and Solnet (2017) into the employees understanding of the concept of hospitality expressed their belief that “hospitality is embodied in customer-employee interactions” and that they also saw that exceeding expectations was also central in their understanding of what hospitality should be about. In the same study, frontline employees rather than managers were interestingly found to act in a non-altruistic manner and display a genuine desire to deliver service.

This may be exacerbated if Telfer (2000) is correct in believing that hospitable people are naturally drawn to working in a hospitality setting and therefore seek to offer hospitableness beyond the commercial transaction. Therefore, any situation where a frontline hotel employee may come into contact with a dissatisfied guest may be suggestive of a stressful and tense situation for the employee acting as the host, if viewed in conflict with being hospitable. Even in older literature, academics highlight the “unpleasant prospect of walking a guest” (Lambert, Lambert and Cullen, 1989, p.15) and suggested that frontline employees may not have the skills required to carry out an overbooking policy well (Lefever, 1988). In most recent times the incident of an overbooked passenger being forcibly removed from United Airlines flight 3411 in 2017 is likely to be a long-remembered example of the tension and even physical violence involved in dealing with overbooking that leads to outbooking scenarios (Pizam, 2017). Perhaps this has helped to trigger a resurgence in the interest in ethics from the viewpoint of the hospitality employee, especially given the importance of avoiding unfair treatment to customers in order to prevent the damage to reputation likely caused by resulting online public complaints (Tripp and Grégoire, 2011). as was the case for United Airlines. Teng et al (2018) provide a useful review on the existing literature on hospitality employees’ ethical behaviour. In relation to the topic of overbooking and outbooking the most relevant and commonly referenced aspects that underpin hospitality employees’ ethical principles, arrived at in this review, are consumer protection and that their ethical perceptions towards situations are highly situational (Damitio and Schmidgall, 1993; Beck, Lazer and Schmidgall, 2007; 2010). Dimitriou and Schwepker Jr (2019, p. 674) argue that given that a “customer-orientated behaviour emphasizes a focus on the customer, it has no place for unethical activity towards customers”. Therefore, it could be suggested that hospitality frontline employees could form an ethical ideology towards overbooking based on their perceptions of their role in the host-guest relationship to be hospitable and customer-focused. Shukla and Srivastava (2017) provide a clear definition of what is meant by an ethical ideology stating it is the “moral and ethical approach toward any situation, which leads to organizational outcomes”. They argue it is complex and depends on the situation and the individual’s personal moral values. They also state that individuals with an ethical ideology are characterized by a belief in preserving the personal and other’s well-being and would abstain from any decisions or behaviour that could significantly hurt other’s sentiments and emotions. This research explores the existence of such an ethical ideology towards overbooking in hotel frontline employees.

## **METHODOLOGY**

A qualitative approach supplemented by quantitative scenario testing was used in this research to engage hospitality frontline employees working in hotels who have been actively involved in the 'walking of guests' and operationalising overbooking strategies. The aim was to explore their perceptions of the ethics of overbooking and the resulting necessity to outbook or 'walk the guest'. The two approaches were operationalised via the medium of an online survey. The survey was generated in Survey Monkey and distributed to an invitation-only Facebook group, with participants also invited via posts on a number of LinkedIn groups with a hospitality focus. These were selected to gain access to a wide range of hospitality professionals who would be involved in the practicalities of overbooking and



outbooking. The use of LinkedIn and a Facebook page was also chosen as it was felt that the medium would both increase participation and encourage respondents to be more open about their experiences thus gathering data from a wide range of the realities of different hotel practices. Thacker and Dayton (2008) proposed that utilising social media channels for research could lead to better participation than traditional methods as respondents are used to creating content and responding through these mediums. Gathering detailed data from a range of hotel experiences allowed comparisons to be made between the perceptions of employees involved in a range of hotel types and locations, ensuring a representative range of experiences were gathered.

Underlying these methodological approaches was a philosophical stance based on a multi-stage iterative thematic analysis loosely following the approaches of Braun and Clarke (2006) and Nowell et al. (2017). The first one used open questions to encourage frontline employees to share stories of their own experiences of dealing with outbooking scenarios which drew on the use of storytelling in qualitative research, which has been used in managerial and organisational research (Flory and Iglesias, 2010; Liu, Xing and Starik, 2012; Holtbrügge, 2013) and led to some detailed reflections on the practice of overbooking and their ethical considerations. The second approach asked the frontline employees for their responses to a range of overbooking scenarios, asking them to rate them on a sliding scale of ethical to unethical, termed by Saunders, Lewis and Thornhill (2009) as semantic differential rating scales, which they state are used to aid the measurement of a wide range of concepts and to uncover underlying attitudes which made them suitable for this approach and allowed for median scores to be compared across the different scenarios. These scenarios used in the survey were generated from a mixture of the author's own industry experience and a large number of stories shared with the authors by students returning to the University after a twelve-month industrial placement within the hospitality industry, so all the scenarios on the survey were based on a real-life example. Interestingly students often felt a need to share their experiences reflecting both their ethical discomfort with the practice plus the practical issues associated with dealing with angry guests and the associated stress they felt as the individual staff member dealing with the matter. The advantage of this approach is that it increased the validity through content validity and pre-testing of themes (Savino and Batbaatar, 2015) although in their research statistical approaches to data analysis were used.

Data analysis was carried out several times during the data collection, using thematic analysis techniques informed by the approaches of Braun and Clarke (2006) and Nowell et al. (2017). Key emerging themes were identified across the data as these were collected. Braun and Clarke (2006) described this process as identifying, analysing, organising and describing themes found within a data set to answer research questions. This allowed the themes to be refined over time and this process continued until the data was deemed to have reached saturation and a clear visual framework of themes could be developed to define and group the experiences of the respondents. This final stage tested the concepts back against the data ensuring the reliability and validity of those concepts through theoretical saturation (Strauss and Corbin, 1998) and to ensure the credibility and confirmability of the research by checking that the themes identified did originate from the research data (Guba and Lincoln, 1989). In this way, through continuous analysis, no new themes

were identified at this point and the survey was closed to new members. The survey was closed with a total of thirty-one participants giving their stories and responding to the scenario testing.

## FINDINGS AND DISCUSSION

Several key themes emerged from part one of the survey, which was a series of open questions asking participants to share their stories of overbooking and outbooking and their own feelings as regards the experience. The data was manually coded and analysed several times, both independently by the authors, and then jointly, to agree on the identified themes. The key themes that emerged are summarised in Figure 1 and were determined by how often they appeared in the qualitative data but also subjectively in terms of the importance placed on the theme by the way the respondents wrote about the experience and the strength of the language used as shown in the examples presented.

Key Themes	Examples from the data
Frontline employees found dealing with overbooked guests face-to-face stressful	"It's nerve-racking, upsetting and you get frustrated."  "It's just crushing".
Frontline employees stressed that customers were initially very angry	"It was not a pleasant sight."  "Some guests get extremely angry."
Frontline employees felt that if customers were pre-warned they were more accepting of being walked	"We contacted the person to advise they were staying at an alternative hotel. On the few occasions, we outbooked at the desk...this did not always go well."  "We pre-contacted the guest to arrive at the alternative location".
Frontline employees felt that if they provided the customer with a fair replacement and compensation the hotel was being ethical	"The guest was offered alternative accommodation along with transport to the new hotel and breakfast added to their room rate package. The guest response was initially negative but gradually accepted the situation and compensation".  "We did our best to try and keep them satisfied and happy. It sometimes worked in our favour for their satisfactions - They appreciated the free cocktails and appetisers".
Frontline employees felt unethical walking customers late at night which often appeared to be the case	" Guests often get agitated and angry due to this happening so late at night when they just want to go to bed".  "The last person to arrive was always late at night too so it was obvious they had been travelling that day and when you apologise and say unfortunately there has been "a system error" we don't have any rooms available they are never going to understand and be calm in the situation".

Frontline employee perceptions of how ethical overbooking is was influenced very strongly by their perceptions on the impact of the hotel's actions on guest satisfaction.	"Try every possible way to make them happy".  "Use initiative in regards to the guests' response as to whether further action is needed, such as dinner or beverages etc".
Frontline employees felt a tension in their role between being hospitable and the commercial overbooking decision made by the hotel.	"Uncomfortable that the hotel had known we oversold and didn't close the category for selling so that it kept on selling".  "It is not your responsibility and you can only do the very best you can to ensure the guest gets your attention and assistance".

Figure 1 - Key themes from the qualitative analysis

It is worth noting that the themes that emerged were consistent over the majority of participants with similar examples and descriptions of feelings and scenarios occurring frequently. The initial coding clearly showed that hotels regularly used overbooking and outbooking as a standard business practice, as was reflected in the literature. However, it exposed that the frontline employees felt uneasy about these practices, partly for ethical reasons, but also due to the negative effect on their own personal stress levels. The unpleasantness of handling overbooking situations had been highlighted in the literature but it was based on quite old research (Lambert, Lambert and Cullen, 1989). A key theme was that it would often be late at night or where poor substitutes for the booked hotel were offered to guests where employees felt the situation was most unethical and stressful. Employees often put themselves in the place of the guest and saw themselves in the position of the host turning away a traveller and felt the associated guilt. The associated stress of this on the employee kept occurring in the stories and was linked to the employees feeling they were acting in an unethical way in comparison to the traditions of being hospitable and offering shelter for the night (Hemmington, 2007). This was also clearly linked to the tensions of being a host required to offer hospitality in a commercial environment. Interestingly where the guest was found suitable alternative accommodation and received adequate compensation that they were satisfied with, this resulted in the employee feeling better about the process, as they felt they were returning to a more ethical approach as guest satisfaction had been maintained.

In the second stage of the research, the four scenario questions formed the basis of a hierarchy of perceived unethical behaviors when having to outbook guests because of an overbooking situation. After the open questions were analysed the researchers did a basic quantitative analysis of the scores from the rating scales used in the survey based on the calculation of the median and mean scores of these scenario questions as seen in figure 2.

<b>SCENARIO 1</b> - Please consider the following statement: A gold loyalty member is out booked at 1 am to a hotel 10 miles away, with free transport. Is this ethical or unethical?	<b>Unethical</b>  Median 87  Mean 77
<b>SCENARIO 2</b> - Please consider the following statement: A London hotel overbooks to -10 rooms during London Fashion week when the city is predicted to be at capacity. Is this ethical or unethical?	<b>Unethical</b>

	Median 70 Mean 65
<b>SCENARIO 3</b> - Please consider the following statement: A couple is walked to a hotel five minutes away, with a free taxi and a voucher for an additional free dinner, bed and breakfast stay in your hotel to be used at a future date. Is this ethical or unethical?	<b>Ethical</b> Median 27 Mean 38
<b>SCENARIO 4</b> - Please consider the following statement: A solo business traveller arrives at the same time as a family with young children. The solo business traveller is out-booked but not the family. The hotel is overbooked to -1 room. Is this ethical or unethical?	<b>Ethical</b> Median 26 Mean 37

Figure 2 - Statistical data from scenario-based questions

Figure 3 provides clear evidence of a hierarchy of unethical perceptions. These paint a similar picture to the thematic analysis that there is an underlying ethical stance that is held by frontline employees illustrated by the high median for scenario 1 and 2, especially where the guest being outbooked is a valued customer, it happens late at night and the overbooking is based on mistakes in forecasting which could be viewed as over-ambitious or even greedy business practices.

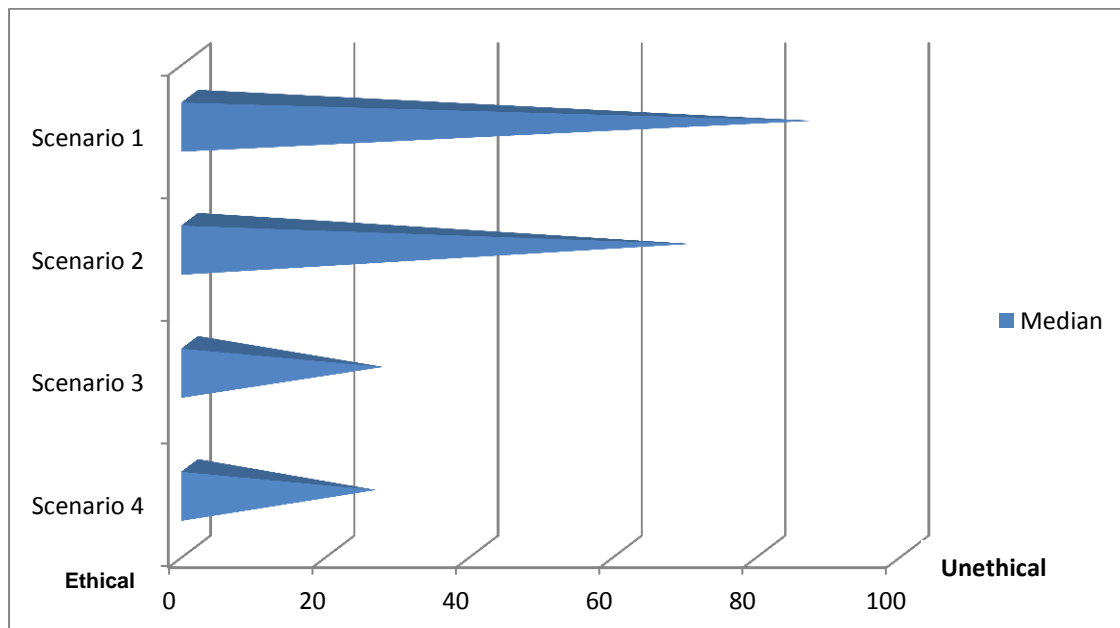


Figure 3 - Summary of the strength of ethical/unethical perceptions of the scenarios

As scenario 3 and 4 come further down the hierarchy and may be considered to be more ethical in nature it is interesting to note that these scenarios include significant compensation for the guest and in scenario 4 the consideration of minimising the discomfort of more vulnerable guests such as the family. This again shows the tensions that frontline employees feel towards their role and the challenges of being hospitable towards the guest whilst operationalising commercially driven revenue strategies. Again, the responses to the scenario

questions confirmed that if frontline employees feel they can maintain what they perceive to be hospitableness whilst doing this, through compensation, for example, they feel perceive overbooking as less unethical. In addition, both the findings of this research and the literature suggest that there is a wide range of different levels and types of compensation offered to the guest. Therefore, what this research highlights, that the literature has not, is that compensation increases ethical perceptions not just for guests but also frontline employees. Underlying these ethical perceptions is the perceived need of the frontline employee to be able to be flexible in terms of the compensation offered. They favoured acting in a spontaneous way towards individual guests rather than it being a purely pre-determined transaction aimed at minimising the cost of the overbooking strategy to the hotel. Employees clearly felt a need for the service recovery to be a genuine hospitality experience. Golubovskaya, Robinson and Solnet (2017) also found in their research that hospitality employees recognised the importance of genuineness in their definitions of hospitality. Secchi, Roth and Verma (2018) identified that the ability to improvise with service delivery scenarios would also lead to increased customer satisfaction.

We see that frontline employees hold an ethical ideology towards overbooking that can be maintained if adequate compensation and warning to the guest can be offered. The literature agrees that the frontline hospitality employee may hold an ethical ideology related to their need to deliver hospitableness in the host-guest relationship which is supported by the work of Mody, Suess and Lehto (2019) and Golubovskaya, Robinson and Solnet (2017) who stress the responsibility of employees in the industry to act in a hospitable way. This research suggests this ideology forms in relation to overbooking. Shukla and Srivastava (2017) also argued that an ethical ideology was based on personal moral values and this certainly seems to be the case in this research with the perceptions of the ethical nature of overbooking and outbooking generated through the frontline employees personal perception as their role as host. The tensions that exist in the commercial realities of hospitality often result in an internal conflict between this ethical ideology and the frontline employee carrying out the commercial directives of the business in relation to overbooking policies. This fits in with the body of literature that highlights the tensions that exist in commercial hospitality (Hemmington, 2007; Lashley, Lynch and Morrison, 2007; Lashley, 2015). Lugosi (2008) identifies the offer of shelter to be a key part of the creation of a shared emotional space between host and guest. Therefore, overbooking is viewed by frontline employees to break that shared emotional space. However, where flexible service recovery is used as a mechanism to recreate a positive shared emotional space the eventual outcome is positive both for the host as well as the guest and there is a return to an interaction rather than a transaction.

Interestingly the participants in this research were also critical of overbooking not just from ethical perspective but also viewed it as bad business practice, for example a significant number of the participants mentioned that they thought outbooking was bad commercial practice because you were potentially outbooking to competitors, damaging the brand, as well as also weakening the host-guest relationship, which may have a negative impact on loyalty and repeat business. This focus on good business practice is reflected in the priority given

to loyalty members in outbooking scenarios both in the literature and the results of this research with the outbooking of the loyalty member being scored most unethical in the scenario testing. However, an area not highlighted in this research but that proved a significant area of focus for the press (Pestronk, 2017; Dunham, 2018; Godfrey, 2019) and academic literature (Wilson, Enghagen and Sharma, 1994; DeKay, Yates and Toh, 2004) was the legalities of overbooking. In this research the issue of legality was not mentioned at all by the participants. Even in some of the very detailed stories that were collected there was no mention of legal action. This could be because it seems to be perceived as an ethical issue rather than a legal one, reflected in the literature around the difficulty of proving breach of contract, especially given the use of relocation policies in hotel booking terms and conditions (Pestronk, 2017).

## **CONCLUSION**

The tensions in commercial hospitality are at the heart of what drives the frontline employee's perceptions of the ethics of overbooking. Overbooking that leads to outbooking scenarios creates an ethical tension point in the host-guest relationship. Employees view themselves as the host and a key part of that is to be hospitable. Employees' ethical perceptions seem to come from their understanding of their role to deliver a positive customer experience. Under compensated, unplanned and late-night outbooking was seen as a direct threat to that hospitableness. However, if the guest was satisfied through compensation or they were able to pre-warn them of the scenario, then the host was satisfied and would view that scenario to be more ethical. In essence, if generosity could be re-instated through service recovery then this served to reduce the unethical perceptions of overbooking held by frontline employees. If compensation, at a fair level, is utilised, it would appear that the business, the host and the guest end up with what they perceive is a fair and ethical outcome and the result is an acceptance of the business practice of overbooking.

## **MANAGERIAL IMPLICATIONS AND FURTHER RESEARCH**

Given the fact that this research has uncovered that frontline employees develop an ethical ideology towards overbooking based on their perception that their role is to deliver hospitableness in the host-guest relationship, it seems that from a managerial perspective the most important thing to do would be to acknowledge that this ideology exists and consider more closely the role of the frontline employee and their feelings towards overbooking strategies. Training in dealing with outbooking scenarios should be accompanied by open discussions about employees' feelings towards these scenarios and not just based on a procedural, process-driven approach but one that also considers human behaviours and hospitality in the social as well as a commercial setting. Perhaps this may mean that overbooking and outbooking training should consider areas around conflict management, negotiation, and even procedural justice. As compensation is clearly an aspect that can lessen the negative feelings of frontline employees to overbooking and outbooking scenarios managers should allow employees to offer compensation and encourage flexibility and creativity in the compensation packages they offer. Frontline employees should be empowered to offer the relevant compensation based on individual scenarios, within sensible limits, that allows them to feel that they can

continue to offer hospitality and maintain a positive host-guest relationship through tailoring a response to each guest.

This research has focused on the frontline employee perspective and ethical viewpoints of overbooking and therefore it would be interesting to extend this research into an examination of whether the same ethical ideology exists in the revenue managers setting the policies and also if where hotels are using automated revenue management systems to set overbooking policies there is a lessening of unethical viewpoints towards overbooking practices where there is less human involvement in the commercial decision. The question would be is there a difference between the personal ethics of the frontline employee and the ethical stance of the business from a strategy setting viewpoint. Within the stories there were hints that there were different perceptions held by managers on the ethics of overbooking and that perhaps they considered it to be less unethical. A similar approach to this research could be used to explore this issue further. It would also be relevant to explore the impacts of overbooking on other departments, such as food and beverage and housekeeping as these areas can also be impacted by regular overbooking issues, for example challenges in work-scheduling and purchasing planning. It would be interesting to explore whether employees in these departments shared the same perceptions towards the ethics of overbooking as their front desk colleagues.

There is also, perhaps, the scope for considering the ethical position of frontline employees to other areas of revenue management, such as other inventory controls, for example stay restrictions and also pricing practices, such as dynamic pricing and price discrimination. It would be interesting to see if similar themes emerged again and if frontline employees held the same ethical ideology towards all revenue practices or whether overbooking was a special case driven by the close involvement of frontline employees in operationalising the negative aspects of the practice when outbooking guests. If differences were found to exist across a range of revenue management practices it would be interesting to understand what factors are driving those differences, so employee perceptions could be factored into training.

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