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Boram Lee
Johnson & Wales University - Providence, Blee01@wildcats.jwu.edu

Sukyung Lee
Johnson & Wales University - Providence, SLee01@wildcats.jwu.edu

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Ethical Conflicts and Cultural Differences in the Hospitality Industry

Boram Lee

Sukyung Lee

Johnson & Wales University

School of Business Administration

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Martin W. Sivula, Ph.D.

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Abstract

The purpose of this study is to identify the relationship between ethical conflicts and cultural differences among colleagues and apply the relationship in the hospitality industry. Exploratory sample data (N=100) were collected from MBA students at Johnson and Wales University. The instrument consisted of three parts: demographic features, work experience of business ethics, and perceptual experience of business ethics. Also, t-test is used to address the hypothesis. The results of the study indicated that there is a significant relationship between ethical conflicts and cultural differences between employees in the hospitality industry, therefore, it is important to fully understand the reasons why this result comes occurs. It also means that employees who work in the hospitality industry consider the role of cultural differences seriously. Current ethics training programs are not well-organized to train employees, so it is important to build the exemplary ethics training programs that include the cultural diversity. Results indicate that the hospitality business should put forth more effort to build an ethical code of conduct within the corporate culture.

Keywords: ethical conflicts, cultural differences, business ethics, and hospitality industry

Statement of the Problem

Today, the worldwide economy is becoming more complex and competitive than before. To survive in the 21st century, the corporations have to care not only about manufacturing products, but also about satisfying customers with high quality of service. Besides, they have to be more global to meet the culturally diverse needs of customers. Under this pressure, the highest standard of ethics comprises a large proportion of positive workplace climate and excellent customer service. If the companies do not have sound corporate cultures, they might not be successful in the long term.

Especially, having a high standard of ethics is a significant component in the hospitality industry because the aim of the hospitality business is to provide the best service to its guests to please their needs (Holjevac, 2008). The very definition of hospitality implies kind, welcome, friendly, receptive, and genial atmosphere to others. Basically, the first thing that hospitality businesses should concern is how to make their customers satisfied and this is what connects this industry and ethics. According to Aristotle, ethics is a practical philosophy that studies the actions of people and their tendency to pursue pleasure and happiness (Holjevac, 2008). Without ethics, employees cannot make any ethical decisions to please the guests. Also, employees might have a hard time to work with their colleagues because they would be confused what kind of attitudes is acceptable at work.

The hospitality industry is one of the most multi-cultural industry. Not just customers, but employees also have diverse cultural backgrounds. It is important to have an ethical guideline to deal with cultural conflicts among employees. However, most of the training programs that hospitality companies currently have, do not focus on morals or ethics, but

foreign language and economics. Every different culture has their own ethical values. It is possible that one value is considered as ethical in one culture, but unethical in the other culture. Therefore, it is important for the hospitality companies to have an ethical code of conduct that takes account of cultural diversity. When employees comply this code of conduct, they will reduce ethical conflicts between coworkers due to cultural difference and create an ethical company culture.

Review of Related Literature

Cultural background

Culture refers to the shared ideas and meanings about what life is and what life should be and sets, "Standards for perceiving, believing, evaluating and acting" (Goodenough & Harris, 2006, p104). These shared ideas and meanings influence people's attitudes, values, and behavior in particular ways considered acceptable toward life and in a particular society. Culture refers to the norms, values, and beliefs of a particular group or community in a particular area or geographic location, and is shared by its members (Hofstede, 1980). Thus, there are approximately 250 countries' diverse cultures represented in business.

Culture is the informal control system of an organization (Deal & Kennedy, 2000). Issues of ethical globalization and divergence in business represent different cultural background dimensions. Cultural diversity in perceptions of right and wrong might differ in areas where the right answer is not always obvious (Stevens, 2011). Christie, Kwon, Stoeberl, and Baumhart (2003) investigated and compared the impact of national cultures on the ethical attitudes of business managers in India, in Korea and in the United States. The data were collected from business managers participating in the Executive Master of Business

Administration programs, and looked looking for differences in ethical attitudes. They found that culture had a strong influence on ethical attitudes, in general, and on certain specific ethical situations in particular.

Moral Values

Cultures pass along moral norms to their people (Gibbs, Basinger, & Fuller, 1992). Different cultures' backgrounds provide different moral conceptions depending on what is most valued in the culture. Values can be defined as "Concepts or beliefs about desirable end states or behaviors that transcend specific situation, guide selection or evaluation of behavior and events, and are ordered by relative importance" (Schwartz & Bilsky, 1987, p. 551). Each person has his/her own moral values with various levels of importance. A particular moral value may be important to one person, but unimportant to another. People from different societies (cultures) may hold different values with varying degrees of intensity (relevance) and direction (Hofstede, 1980).

Moral values of a culture turn into ethical attitudes in people's personal philosophies to do what is "right" and to avoid doing what is "wrong". Values reflect what people believe to be good or bad and what should or should not be done (Hitlin & Piliavin, 2004). People may use personal moral values and convictions in making ethical decisions (attitudes) in any context.

Attitudes toward business ethics

The relationship between culture boundaries and business ethical attitudes would be important for industry. Cultural dimensions have been shown to have a strong influence on business managers' ethical attitude (Christie, Kwon, Stoeberl, & Baumhart 2003). Business

ethics, Ferrell and Fraedrich (1991, p. 5), identifies as "the moral principles and standards that guide behavior in the world of business" Preble and Reichel (1988) define an attitude toward business ethics as the "subjective assessment by a given individual with respect to sets of premises that make up various philosophies", clarifying how a particular group of individuals are connected to each of the philosophies underlying their concept and belief of business ethics."

Cultural diversities tend to demonstrate ethical conflicts in the business. Chonko and Hunt (1985, p.340) view that ethical conflict come out "when people perceive that their duties toward one group are inconsistent with their duties and responsibility toward some other group." During the 20th, growing globalization of business affects to increase in ethical dilemmas. The lack of understanding between people from different cultures, causing major failures in cross-cultural work and business relation, the need to understand the ethical attitudes across countries (Jackson & Artola, 1997, cited in Lim, 2003). Most businesspersons experience ethical dilemmas in their careers. Giacalone (2004) and Kum-Lung and Teck-Chai (2010) viewed that the fundamentals of the recent high-profile corporate scandals worldwide are not caused by lack of intelligence but lack of ethics.

Business ethical conflicts exist in issues of moral right and wrong by cultural diversity. Most of the research relating business ethics to culture has been done and demonstrates the relationship of different cultural background and business managers' ethical attitude. However, there is no relating with different cultural background colleagues ethical attitude. Thus, the purpose of study is to investigate how often people have been had the ethical conflicts with colleagues who have different cultural background.

Study Objective

The objective of this study is to identify the relationship between ethical conflicts and cultural difference among employees. For example, if employees were from different cultures and had their own personal values based on the culture, would there be more ethical conflicts for them to work with the colleagues who have dissimilar ethical values from different cultures? On the other hand, if employees were from same cultures and had similar ethical values, would they tend to understand each other better and not to have any ethical conflicts with coworkers? The hospitality industry should understand what kind of ethical conflicts on account of cultural diversity they might have among employees for better ethical corporate cultures. The first goal of hospitality business is to please customers. If the companies have many ethical conflicts, employees cannot enjoy their job and do their best to serve the customers. The best service to please the customers comes from the happy and satisfied employees. Therefore, it is important for the hospitality industry to reduce the possible ethical conflicts due to the cultural diversity. In order to do that, it is important to know how often people have been had the ethical conflicts with colleagues who have different cultural background and how people perceive whether cultural background affects your personal ethical values or not. Also, it is necessary to compare these data with frequency of the training that the companies provide for an ethical code of conduct to deal with cultural difference between colleagues at work. These findings will be effective for the hospitality industry to build and develop their business ethics training programs which are segmented by the cultural diversity. For example, the hotel can make several codes of conducts based on cultural differences for their workers and train them once a quarter. It will help employees to

understand each other better, respect other cultures, and avoid any conflicts from misunderstandings. Eventually, this guideline will help them to serve their customers better because every customer has different cultural background as well. Therefore, we make a specific hypothesis for this study.

Ho: There is no significant difference between perceptual and work experience cultural groups with respect to ethical conflicts.

Ha: There is a significant difference between perceptual and work experience cultural groups with respect to ethical conflicts.

Method

Research Instrument

The quantitative research methodology approach which was applied in this research was the by the convenience survey. The population for this research involves a large group of employees who have worked in the hospitality industry. Although this research is exploratory in nature, some attempt to generalize on the results is in order. Thus, the group collected sample data from the target population (N=100). The study focuses on MBA students from Johnson and Wales University. The questionnaire consists of three structured parts and is based on past literature reviews. Along with the top of the questions, a definition of business ethics is included to help participants understand what is meant by business ethics. The first part was to gather demographic features of participants, consisting of their ethnic background and work experience in hospitality. In the second section, participants have been asked about their experiences at work. Lastly, in the third segment, interviewees are asked about their own perceptual experience of business ethics. Responses about frequency, satisfaction, and

agreement have been measured by applying the five-point Likert type scale from 1 ("never", "very dissatisfied", or "strongly disagree") to 5 ("always", "very satisfied", or "strongly agree"). Further, there was one short-answer question is included about the ethics program that participants had earlier learned from the company to determine what kinds of elements have to be considered in the hospitality industry to establish a proper and effective code of conduct.

Sampling and Data Collection

In total, one hundred data were collected. The sample is selected from Johnson and Wales University MBA students who have diverse ethnic backgrounds. Since this data is not collected randomly, but conveniently, some chances exist that the data may be biased.

Analysis and Results

Overall, from the sample of Johnson and Wales MBA students (N=100) were involved in this research. The demographic profiles of the participants are displayed in Table 1 below. More than half of the respondents were Asian/Pacific islander/Indian subcontinent (52.00%). The second largest ethnic proportion was white (33.00%). Following ethnic backgrounds were Hispanic (9.00%), Black (5.00%), and native American (1.00%). There were no other ethnic background of respondents. 87.00% of the respondents have worked in the hospitality industry before and 13.00% of them do not have any experience in the hospitality industry.

Table 1.

Demographic Profile of the Respondents

Variable	Frequency	Percent
Ethnic background		
White	33	33.00%
Black	5	5.00%
Hispanic	9	9.00%
Native American	1	1.00%
Asian/Pacific islander/Indian subcontinent	52	52.00%
Work experience in hospitality industry		
Yes	87	87.00%
No	13	13.00%

The importance of business ethics in the hospitality of the respondents is shown in

Table 2. 96.00% of them answered that they think business ethics is important in the

hospitality industry. Among them, 51.00% of the respondents strongly agree and 45.00% of

them agree the importance of business ethics in the hospitality industry. None of the

respondents think that the hospitality industry does not need to care about the business ethics.

Table 2.

Importance of Business Ethics in Hospitality Industry

Variable	Frequency	Percent
Strongly agree	51	51.00%
Agree	45	45.00%

Neutral	4	4.00%
Disagree	0	0.00%
Strongly disagree	0	0.00%

Table 3 reveals the perceptual experience of the cultural background and personal value. The respondents who think that cultural background affects one's personal value were 75.00% in total. 30.00% of the respondents answered that they strongly agree and 45.00% of them said that they agree. The percentage of those people who disagree or strongly disagree about the influence of the cultural background on personal value was 6.00% and 2.00% respectively. Further question was asked to those who answered from strongly agree to neutral if they agree that the personal values which developed from the cultural background affect one's behavior in the workplace or not. Among 92 people, most respondents answered that they strongly agree or agree at 33.70% and 53.26% separately. Also, there were no respondents who think that personal value does not have any influence on one's behavior at work.

Table 3.

Perceptual Experience of Cultural Background and Personal Value

Variable	Frequency	Percent
Influence of cultural background on personal values		
Strongly agree	30	30.00%
Agree	45	45.00%
Neutral	17	17.00%
Disagree	6	6.00%

Strongly disagree	2	2.00%
Impact of personal values on behavior in workplace		
Strongly agree	31	33.70%
Agree	49	53.26%
Neutral	12	13.04%
Disagree	0	0.00%
Strongly disagree	0	0.00%

Table 4 shows the work experience of ethical conflicts due to cultural difference of the respondents. The percentage of those who never had any ethical conflicts with colleagues because of cultural misunderstanding was only 8.00%. 92.00% of the respondents have experienced the conflicts with coworkers due to the cultural difference. Among them, people who answered as sometimes were 37.00%. Following frequencies were always (12.00%), often (29.00%), and seldom (14.00%). From the results of Table 3 and 4, the most significant finding is that since people who are from other culture have different ethical values that determine their behavior at work, those values cause the ethical problems between colleagues. In other words, it is common that there are some ethical conflicts between employees because of different standards of ethics which are established from different cultures.

Table 4.

Work Experience of Ethical Conflicts Due to Cultural Difference of The Respondents

Variable	Frequency	Percent
Always	12	12.00%
Often	29	29.00%
Sometimes	37	37.00%
Seldom	14	14.00%
Never	8	8.00%

As it is shown in Table 5, the t-test is used to determine whether two sets of data are statistically significant or not. In this case, a t-test was applied between perceptual experience group and work experience group with respect to cultural diversity and ethical conflicts. The t value was 9.087 and degrees of freedom was 163.3288. The p-value was 3.27148 E-16 which is almost 0, so it indicates that there is a statistical significance between ethical conflicts and cultural differences between employees. Tentatively, there might be a relationship between cultural differences and ethical conflicts at work. There might be some standard error because of the limited sample size (N = 100), but the t-test result gives tentative evidence that there is a statistical relationship between ethical conflicts and cultural differences between employees.

Table 5.

Perceptual and Work Experience Groups t-test

	Frequency	t	p-value	df

Perceptual experience	4.07 (0.79)			
		9.087	3.27148 E-16	163.3288
Work experience	3.23 (0.48)			

P < 0.05 Note. The assumption is that both scales are interval.

Given the fact that the result shows that there is a significant relationship between ethical conflicts and cultural differences at work, it is obvious that employees have experienced some ethical problems with colleagues because of cultural differences. It is important for the hospitality industry to put some efforts on reducing those conflicts. According to Table 6, 91.00% of people strongly agree (38.00%) or agree (53.00%) that it is necessary for the hospitality industry to have an ethics training program for cultural diversity. Among 100 respondents, 48.00% never had any ethics training for cultural differences in the workplace. Following frequencies were sometimes (25.00%), seldom (13.00%), always (4.00%), and often (10.00%). There was a further question about the satisfaction of the training program that respondents had at work. Among 52 people, none of them were very satisfied with the training program. Only 7.69% of them were satisfied. People who answered dissatisfied or very dissatisfied were 44.23% and 13.46% respectively.

Additionally, respondents who had been trained before had a short-answer question about what they have learned from the training. Most of the people answered that they learned leadership, relationship with coworkers, corporate's culture (system), and ethical code of conduct which can be applied practically in the hospitality industry. For example, respondents who had been trained could feel more responsibilities at his or her job, serve customers with the high quality of the service, understand colleagues better who are from

different cultures, give fairness and truthfulness to them, increase fellowship with other employees, and be more satisfied with their job.

From the results, the most significant finding is that there rarely are exemplary ethics training programs for cultural diversity in the hospitality industry and it is an urgent matter that should be settled as soon as possible. Global employment may be a common feature in the hospitality industry and it becomes to turn over different levels of background and miscommunication. Ethical conflicts bring risk to the business and cost a large number of dollars in damages. Improved training reduces workplace problems and is recommended even in organizations with high turnover, as it reduces workplace problems (Poulston, 2008). Since hospitality industry is one of the most multi-cultural workplace, there are higher chances that ethical conflicts due to cultural misunderstanding appear frequently between employees compared to other industries. Therefore, it is important for the hospitality businesses to establish a standard code of conduct and provide a high quality of the training program. Eventually, it will create ethical corporate culture and increase the service quality towards customers.

Table 6.

Necessity and Current Status of Ethics Training Program for Cultural Diversity

Variable	Frequency	Percent
Necessity of ethics training program for cultural diversity		
Strongly agree	38	38.00%
Agree	53	53.00%
Neutral	9	9.00%
Disagree	0	0.00%
Strongly disagree	0	0.00%
Frequency of ethics training for cultural differences in the workplace		
Always	4	4.00%
Often	10	10.00%
Sometimes	25	25.00%
Seldom	13	13.00%
Never	48	48.00%
Satisfaction of the ethics training program		
Very satisfied	0	0.00%
Satisfied	4	4.00%
Neutral	18	18.00%
Dissatisfied	23	23.00%
Very dissatisfied	7	7.00%

Summary, Conclusions, Recommendation

The prior research found out that business ethics plays an important role in the hospitality industry and it is necessary for the industry to build the proper training program. However, the prior researches did not pay attention to the role of cultural difference in business ethics. Thus, in this study, the research was focused on how cultural differences influence on personal ethics and ethical conflicts in the hospitality industry. The survey results demonstrated that there is a significant relationship between cultural diversity and ethical conflicts between employees in the hospitality industry. Besides, by clarifying the necessity of the ethics training program, it was able to stress the importance of understanding cultural diversity and business ethics. It turned out that proper ethics training program for each culture is very important in the hospitality industry. By establishing the standard code of conduct, hospitality business such as hotel, travel agency, or airline can create an ethical corporate culture, increase their customer service, and be competitive among other companies. Further studies should be conducted to figure out what kind of elements can integrate the cultural difference between employees.

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