

THE IMPORTANCE OF AN INTERNATIONAL HOSPITALITY BUSINESS CODE OF ETHICS

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Ethics is the product of an international market, in which hospitality companies have understood their role in society and learned to communicate and make communication a profit tool. In the activity of an organisation, ethics can be found in the form of decision-making tools, tools for diagnosing and solving ethical conflicts, value systems that define organizational culture, ethical codes, principles underlying marketing communication strategies, etc. The reality in the field of hospitality activities shows that many organizations do not act from the perspective of ethical management. At the base of their business activity are other concepts, some of which involve processes that contradict the requirements of ethics. The open international market does not always offer acceptable solutions in terms of promoting ethical and socially responsible actions. That is why managers should ask themselves whether their decisions can be considered "right", "correct" or "fair". This question and these "attributes" are becoming more and more important for future management development. Currently, society becomes more complex, the economy is more competitive, and technology is more advanced. That is why this question becomes particularly relevant in the field of hospitality business, whose decisions can affect a large number of people so that their effects often could get out of control, which in the current crisis take on new connotations and dimensions. The relevance of the researched topic is beyond doubt since the role of ethics is undeniably important in the day-by-day business environment, and often consumers pay attention to the company's "honesty" or its ethical behaviour which, respects its consumers, partners, and the whole society. For this purpose, the article provides an understanding of the importance of the code of ethics in doing business internationally.

Key words: code of ethics, international business, hospitality, tourism, regulations, culture.

Problem statement. The international hospitality business includes regulations necessary for the proper functioning of a business. Respect in life is a basic obligation for the functioning of a hospitality company and is of paramount importance for the development of business security. This respect for life must be complemented by an elementary trust in the business partner, which is also important to achieve the optimal transfer of goods, services, and money. In the same way, compliance with contracts and concluded agreements is a sine qua non for a long-term business relationship and the smooth operation of ongoing transactions between two parties. The absence of any of these elements makes commercial transactions unstable, problematic, expensive, and inefficient. In this context, it is necessary to develop and implement a code of ethics.

Analysis of recent studies and publications. Business ethics is a fundamental condition in the hospitality business, that has acquired a strategic dimension, where all members of the company must know the essential values and goals of the organization, and how they are reflected in the company's ethical code of conduct. Therefore, for a deeper scientific analysis of the researched topic, we have consulted scientific studies of the following authors: Bowles C., Gheorghiu C., Laas K., Davis M., Hildt E., Tiurea A., Domnisor A., et al. The analysis of the current scientific studies determined the existence of various opinions regarding the concept of business ethics. And this allowed us to shape the research direction and highlight the importance of the ethics concept from several points of view.

Objectives of the article reveal understanding the role and importance of the code of ethics in international hospitality business.

The main material of the research. The code of ethics signifies the variety of rules that help employees to regulate their behaviour for distinguishing what is legitimate and acceptable in the attainment of certain purposes and general in the hotel. The success of each business depends largely on the level of trust within the company and, last but not least, public opinion. If the company trusts this confidence in the future is a probability of encountering problems in selling its products or services.

The code of ethics is defined as the values, ideals, and moral principles that a company's employees are willing to respect and approve in their work within the organization. The implementation of the code of ethics in the enterprise is important enough to promote ethical professional conduct and to prevent the emergence of a problem that could, to some extent, affect or degrade the company's reputation. This code highlights the fundamental values indicated by the enterprise, that require staff to observe them. It is the need to insure the day-to-day activities within the enterprise and work together to achieve certain values that are intimately linked to its curriculum [3].

The code of ethics is made up of all the "internal law" documents that aim to observe the mission of the organization and outline the rules that employees must fully respect.

Examples of Regulatory Documents:

The Hammurabi Code (XVIII–XVIII centuries), belonging to the Old Babylonian Kingdom, was a

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collection of laws. The Manu's code (XIII–XVI century) in ancient India was an ensemble of civil and religious laws. The Decalogue or the 10 Commandments of the Old Testament (XI century BC), was revealed to Moses on Mount Sinai. The oath of Hippocrates (5th–4th centuries), etc [5].

An ethical code establishes those obligations that result from the law, but also those that derive from employment relationships (for example, completing and filing a wealth declaration, preventing conflicts of interest, confidentiality, etc.).

Any ethical code provides some chapters that the organization can develop in particular:

- Rules on employees' responsibilities towards the organization;
- Rules regarding relationships that can be established with clients, but also with the external environment (partners, competition, etc.);
- Rules that aim at the attitude towards the law of the country.

The code of ethics cannot always provide a clear solution to the issues that are or may occur throughout the activity, but it can resolve some ethical confusion by elaborating the code's guiding principles that are established via the fair and objective evaluation of particular circumstances. Fairness in business is therefore crucial to turning a profit, making it one of the key factors in corporate success. There are more opportunities to raise the indicators of ethical behaviour in the enterprise: (ethical codes, ethics committees, training in ethical behaviour, social audit).

The code of ethics in hotel enterprises so clearly specifies "what is wrong and what is good" in the institution, as well as what is accepted, tolerated, and what is not allowed, through all of its rules. Establishing the code of ethics lays in the groundwork for a strong organizational culture – one built on justice and accountability toward employers, employees, clients, and society – to evolve in an orderly manner. The code of ethics covers relationships between employers and employees as well as those inside the industry. Many hospitality businesses have turned to corporate espionage as a result of intense rivalry.

Maintaining a reputation for quality and upholding a brand that people can trust involves several challenges. Running a firm that is becoming more expensive to run and where customer satisfaction is so important is also difficult. To build a relationship with guests that will lead to repeat business, hospitality principles must be put into practice [1]. The code of ethics also has an important role to play in communicating that the organization respects its promises to its values and principles, its commitment to stakeholders, how it carries out its work, and the community relationship. Helps in behavioural uncertainties, and understanding of ethical dilemmas

in practices and procedures encountered every day. The code comes in complementing policies, standards and procedures, but it is important to note that it does not replace them.

According to Langlois Schlegelmilch, there are three types of ethic code:

1. Regulatory documents giving specific advice on behaviour and conduct.
2. Short, broad principles/beliefs including statements of aims and values.
3. Elaborate codes covering social responsibility to a set of stakeholders.

The regulatory documents are associated with norms or rules from the private sector hotel associations as a way of promoting good practice and standardizing procedures in the provision of hospitality services by its associates

The second one corresponds to simple lists that summarize, in very clear language, the do's and don'ts for customers, to influence and educate their behaviour. Usually, they are used in natural environments for some activities (mountain bikers, walkers, divers, etc.), but can "also cover wider issues such as purchasing local produce, selecting equitable service providers, tipping practices, dress codes to respect cultural sensitivities, etc" [4].

The third ones are increasingly common in the world's leading hotel chains, such as Marriot, Rezidor Hotel Group, Millennium & Copthorne Hotels plc, Hyatt Hotels Corporation, Intercontinental Hotel Group, etc. Their code of ethics and business conduct – or just "The Code" – sets out the principles and standards describing how these groups should work and behave [7].

In developing a code of ethics hotels can consider the financial and non-financial aspects, responsibility, and legality.

There is no unique code of ethics code, which is a specific and specific expression for each organization, but it must be comprehensive enough to cover the whole spectrum of action of the organization or project team (projects).

The development of the code of ethics and behaviour is a basic component of the organization's transparency, authenticity, and accountability to stakeholders, the community, and the environment. It is not a guarantor of them, but it is a good premise for the formation and implementation of ethical values, behaviours, and responsible operations.

Codes of ethics – are formal business statements that manage the relationships between the members of the organization and other categories of individuals with whom certain contacts and contacts are linked.

Formation of ethics committees – means creating an executive group within the enterprise that assumes responsibility for controlling ethical compliance in the firm.

Ethics-based training is the development of various programs for company employees seeking to encourage ethical practices in the organization.

Social audit – is a managerial method used to assess the social contributions of the firm, how they are found in objectives and the results achieved through social programs" [6].

The company and honest personnel are protected from some unethical behaviour by the existence of a code of ethics, and to some extent, those who do not uphold the company's ideals and breach these rules of conduct are not well-liked inside the organization. Understanding, accepting, and respecting the rules of economic ethics "is a variant of the economy's consciousness, which has an important factor in enlightening legal norms. Once they break, problems arise from the image of the enterprise over economic agents." Most Code of Ethics signifies how business is expected to behave in terms of social relationships, and at the same time provide for the avoidance of illegal deeds in the course of work for good customer relations. Due to codes of ethics in the enterprise, values are highlighted as ideals and principles that help to properly manage an enterprise. And on the other hand, codes of ethics raise issues that concern:

- Competitors;
- Conflicts of interest;
- Offering gifts;
- The private mode of information;
- Correct addressing;
- Manners in business;
- Both receiving and offering sponsorships;
- Clothing style, etc.

Due to corporate manners, ethics and codes can be represented. Thus, these policies largely depend on the personal philosophy of managerial ones, or in other words the career and knowledge of their professional training. It is often done in a team, and the company's generalities are represented by the top management, which aims to bring together the working team. This collectively analyses the values determined as a whole by the code of ethics similar or by its generalities. These norms, values, and beliefs are proposed to be analysed and defined by managers and working colleagues themselves, then placed and distributed to all employees to meet the needs and wishes of the enterprise. One of the most important methods that authors propose to manage, is the elaboration and continuous actualization of the organisation's code of ethics. This measure will help to protect an ethical job position and the understanding of ethical rules of employee conduct.

The code of ethics refers to the stable conditions of an economic unit, or of certain business teams, which accepts and applies them in practice to improve the management conditions within it. Checking the economic situation in the Republic of Moldova we

can say that within the hospitality companies there is no other method to increase ethical behaviour, then the ethics codes. Internally, this implies several obligations on employees who check how to behave in different situations where certain conflicts may arise.

Based on the above, we would like to emphasize that the code of ethics is a formal statement and an ethical standard that members of the enterprise must follow when deciding how to share the business strategy of the enterprise.

Most ethical codes identify the expected behaviours in social relationships, recommend avoiding improper and illegal actions in the work done, and recommend good customer relationships. In most opinion polls addressed to firms that have written ethical codes, the questions specifically address issues such as labor diversity, practices such as bribery and deception, political party claims, honesty of accounting records, customer/supplier relationships, and confidentiality of information.

A code of ethics formulates the ideals, values, and principles that govern an organization. Beyond these elements, ethical codes address issues such as conflicts of interest, competitors, the private nature of information, offering gifts, etc [6].

An ethics code must provide:

- how members of a hospitality organization act in a given situation;
- how members of the hospitality organization should think and behave;
- issues such as conflicts of interest, competitors, the privacy of the information, offering/receiving gifts, offering / receiving political sponsorship;
- competition between members of a profession;
- conflicts between staff;
- relationships between staff and customers, consumers, sources of supply, or beneficiaries;
- employee relationships with superiors;
- relationships between practitioners and professionals in a profession, etc [6].

Ethical codes seek to solve conflicts of interest in the internal environment and the organization's external relations and to lay down principles and requirements that make managers more ethical. They do not contain purely theoretical precepts but establish practical meanings that are useful to all members of the organization. This does not mean that a code of ethics automatically provides moral behaviour or that it can cover all the situations encountered in organizational life. Ethical codes cannot formulate in general terms precisely because, initially, their managers and subordinates are unable to identify all the ethical issues that may arise.

The code of ethics has different structures related to the hospitality company's internal and external policies and is based on the management of its business "highlighting five main parts:

- General;
- Relationships between business partners;
- Relationships between business partners and users;
- Ethics of management;
- Final rules.

The challenges in developing such codes are: how can we coexist peacefully and amicably in a specific hospitality institution or organization, regardless of religious convictions, moral standards, and customs?

A hospitality organization's manager is at the interface between it and the context in which it operates. It is the person who can formulate the ethical policy of the organization. This ethical policy depends on the personal philosophy of the manager, his career, and his professional formation. The manager needs to want to create an organizational stability factor by establishing values and principles. For example, the Rezidor Hotel Group presents a short version of its "Code", which identifies the main messages and principles of this kind of tool as [7]:

1. We respect the law,
2. We show respect for all persons in all situations,
3. We think ethically,
4. We act fairly,
5. We do not discriminate against anyone for any reason,
6. We are honest and transparent,
7. We are loyal to our employer,
8. We do not exploit the company's resources,
9. We think of safety at all times,
10. We take care of the Earth.

Usually, a designated team develops the code of ethics. The management of the hospitality organization determines the organization's goals. Management typically assembles a team to work together and share information about similar codes and goals. Typically, managers and a working team will suggest, negotiate, and clarify norms and beliefs before having them published and distributed to employees. Considering the needs and specifics of the hospitality organization.

Experts in the field make the following suggestions about how a good ethical code can be written for a particular profession:

- A) Objectives must be formulated so that there is a certainty that they will be supported by others. The ethics team must ensure the management's approval in particular.
- B) Establishing a realistic term for the development and introduction of the code;
- C) Awareness of the costs of implementing the code and predicting these costs in the short and long term;
- D) The code must be open to change if new situations arise;
- E) The code should be oriented to the problems faced by the profession for which the code is being made;

F) The code should take due account of the legislation and regulations applicable to the profession for which the Code is being carried out;

G) The team should consult a lawyer for the legal coverage of the code;

H) Regarding how the code must be promoted and influenced by employees and customers, expert advice is recommended;

I) The code must not create other unrealistic expectations;

J) The expressions used in the code must be simple and clear, with no specialized expressions or words;

K) The manager must personally assume the objectivity and responsibility of the code;

L) The manager must choose someone who manages the ethical code competently and integrally.

How the code of ethics is transposed into practice remains, after all, at the discretion of managers and subordinates. The code of ethics remains valid if all members of the hospitality organization adhere to it. When the manager does not attach importance to him, surely neither employee will follow his provisions.

Regarding the objectives of a code, there is a consensus of opinions that ethical formalization seeks to promote virtues and professional values. In addition to this, professor Mercier has also noted other goals, namely:

- concluding a moral contract between the beneficiaries and the organization, respectively those belonging to the same organization;
- protects the organization from dishonest or opportunistic behaviour;
- promotes a positive image of the organization;
- provide a means of regulating the adherence and commitment of collaborators;
- creates (as well as organizational culture) the feeling of uniqueness and belonging to the members of the group;
- shows a principled commitment of managers;
- contractual relationships are based on trust and responsibility;
- guides behaviour in case of ethical dilemmas.

Other authors underline that the objectives of an ethics code are as follows:

- A) occupies the place between the values of a community and law;
- B) contribute to the reputation, trust, and respect that the beneficiaries have towards the institution providing the service;
- C) is a reference framework in the direction of decisions and actions;
- D) creates the ethical climate, the climate in which actions are perceived as straight.

Many managers from hospitality companies operating in the Moldova market do not have experience and training in ethics, cannot balance collective interests with personal interests, cannot

increase team confidence, and do not make decisions about justice. Most graduates who are employed in the hospitality enterprise have no support guides, with no experience in the field. Corruption has its roots in the business environment of the national market and presents an efficient and quick way to solve problems. For this, a code of ethics needs to be implemented in each hospitality enterprise.

The advantages of developing codes of ethics for hospitality businesses are various [3]. The authors concluded that the code of ethics:

- evidence of the mature experience of a profession;
- strive to balance collective and personal interests;
- guide young people entering the profession;
- form the basis of disciplinary action against deviations;
- provide a means of alignment with the rules of the profession, for those who deviate from them;
- helps to effectively develop discrimination issues, and ethical dilemmas in general;
- is a means of encouraging ethical practices in hospitality organizations;

- increase loyalty and involvement of management and employees;
- improve selection, training, promotion of staff, etc.;
- increases trust and teamwork: personal initiatives are directed toward the general interest;
- the decisions adopted concern justice, efficiency, and non-discrimination, etc.;
- helps in corruption reduction inside and outside the hospitality company (for example: with public institutions).

All codes of ethics and the company's internal regulations contain elements of the provisions below. The list of provisions is incomplete and neither the titles of the categories are final nor singular. Hospitality companies tend to label and classify provisions of the code of ethics in many different ways, depending on the unique characteristics of their goals and their specific interests.

Similarly, the content code may vary significantly from one company to another, depending on the branch in which they operate, regulations/requirements and purposes of the Code.

All employees of the company are expected to thoroughly understand the Code's provisions and to

Table 1

Code of ethics content provisions

Chapter	Content
1. Hiring practices	<ul style="list-style-type: none"> • Harassment at work. • Equal Opportunities. • Diversity. • Equal treatment of employees. • Work-family balance. • Discrimination. • Using the property of the hospitality organization.
2. Employee, customer, and seller information:	<ul style="list-style-type: none"> • Recording staff in the hospitality company and keeping information about them. • Respect privacy and confidentiality. • Disclosure of information.
3. Public information/ communication	<ul style="list-style-type: none"> • Advertising and marketing. • Development and fundraising. • Clarity of information. • Access to information. • Transparency of information.
4. Conflicts of interest	<ul style="list-style-type: none"> • Gifts and free gifts. • Political activity. • Engage in other companies. • Family members.
5. Relationship with sellers	<ul style="list-style-type: none"> • Supply. • Negotiating contracts.
6. Environmental issues	<ul style="list-style-type: none"> • Protecting the environment. • Employee health and safety.
7. Managerial ethical practices	<ul style="list-style-type: none"> • Accuracy of accounting records. • Proper use of company assets. • Protect proprietary information.
8. Hiring practices	<ul style="list-style-type: none"> • Exercising authority correctly. • Voluntary activities of employees.
9. Conflicts of interest	<ul style="list-style-type: none"> • Disclosure of financial interests.
10. Political involvement	<ul style="list-style-type: none"> • Political activities.

Source: [5]

follow its guiding principles and all applicable national laws and regulations. The Company's Code of Ethics makes efforts to address a variety of situations that employees may encounter, but they do not cover every conceivable scenario. Employees must therefore exercise common sense. In this regard, managers must make the necessary steps and exhibit the required engagement in upholding these principles by explaining the Code's provisions to all employees in the state language. Additionally, they are personally accountable for fostering an atmosphere in which employees feel free to voice their concerns. All new hires are required to affirm that they have read the Code and agree to abide by its rules.

Conclusions. Without a doubt, the theme of Ethics within the international hospitality business is very up-to-date and its importance will only grow in the future. Interest in ethics codes is growing slightly, but it should be remembered that they also have some limitations: they cannot cover all situations and cannot guarantee universal ethical conduct. The value of any formal code of ethics is the quality and essential features of human resources within the organization: managers and employees.

During the research we have determined that the company's behaviour and statements can, contradict each other, so sometimes it is possible to say about an organization that, although it demonstrates an ethical creed, but if you look deeper and carry out a more accurate analysis, you can find that some organizations only have a "beautiful wrapping". In Republic of

Moldova hospitality business, many ethical problems need to be understood, that will be the subject of future research.

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