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## Education for ethical tourism and business ethics

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## **Education for ethical tourism and business ethics**

### **Introduction**

While tourism is exerting an increasingly powerful influence on the lives of individuals and peoples, modern means of communication are making it easier for millions of travellers to get around in search of leisure, or the outdoors experience or to learn more about the culture of other peoples. The globalisation of tourism calls for the institutionalisation of business ethics and, consequently, a cultural consensus, a part of which is ethical conduct. Belonging to the disciplines of practical philosophy, ethics has the task of optimising human relationships towards spheres of life and, in particular, the relationship of one person towards another. The task of ethics is not only to draw attention to all the different views people have, but also to make a value judgment and to identify real and true values. The concern of philosophical ethics should be less about the moral judgements that people make, and more about the judgements that they ought to make about certain characteristics and processes. The efforts of civilised society should focus on rules based on morality, laws and human customs, to reduce conflicts and daily hardships created by stress [Plenković 1998: 67]. For the ethicist, focus should be on seeking out new norms, rather than on describing and analysing existing ones [Klaić 1987: 395–396].

With the development of capitalism, a business ethics was established, because the production of good and services for the market made it necessary to set down standards for the business relations of producers and customers, and customers and sellers. Today, production exceeds consumption, giving rise to unfair competition that brings in its wake corruption and other immoral acts, greatly harming the production and selling of goods. This has placed in the foreground the issue of building a special business ethics, synthesizing general principles of ethics with special rules of good business conduct based on the principle that nobody loses but, rather, everybody wins.

Recently, ethics has occupied the minds of many. Ethics is increasingly talked about, and there is growing research to find out what business ethics is actually about. In short, it can be said to be a set of moral principles and values used to answer the question of right and wrong. It is a matter of understanding what ought to be done and wanting to do so. In gaining the trust of tourists (guests/customers), ethical conduct must be established for the purpose of attracting tourists. Once established, it will help a successful company gain a bet-

ter position than a company that only gives lip service to ethics. On a daily basis, tourism worker are confronted on the job with debates that, among other things, have an ethical approach. Hence, business ethics is „a way of conceiving, concluding, communicating and executing business that is concurrently consistent with the spiritual, social, biological and natural regularities of people and the environment, or, put simply, business ethics can be explained as a natural way of doing business or business consistent with nature” [Bebek, Kolumbić 2000: 8].

### **1. Ethical tourism and ethical tourists**

While the words „travel” and „vacation” bring to mind pleasing images, the term „tourism” has many unpleasant associations, ranging from huge hotels that degrade the landscape to noisy crowds disrupting the peacefulness of a small Mediterranean town. Where the Third World is concerned, these associations are even more unpleasant. In Third World countries, residents do not benefit greatly from tourist arrivals. Profits go to the large companies in charge of accommodation, transport and hospitality, while residents have to be content with selling souvenirs or with poorly paid jobs in the service of foreigners. This type of tourism offers no opportunities for renting private accommodation facilities that would allow residents to benefit from the tourist trade. Residents have been reduced to the role of „extras<sup>2</sup> for tourists” who only visit exotic sites and then return to their comfortable hotels.

Signs are visible on the tourism „roadmap” indicating that such an approach to tourism is coming to an end. Namely, a new form of tourism, often called ecotourism, is increasingly appearing in developed countries. Because it still does not have a standardized name, many give this form of tourism different names, some of them being:

- 1) „equitable tourism” (because part of the money remains for the local community),
- 2) „solidarity tourism” (because it helps to finance development projects),
- 3) „responsible tourism” (because it respects local culture),
- 4) „green tourism” (because it protects the environment),
- 5) „sustainable development” (because it puts less pressure on nature).

An analysis of previous tourist trends clearly shows that contact between residents and their guests (tourists) generally comes down to trade. In ethical tourism, however, tourists are transformed into guests living in a local community. Unlike conventional tourism in which rich tourists bring their customs to underdeveloped countries, in ethical tourism, guests learn from their hosts. This new type of tourism is no longer an encounter between the rich and the poor, but rather an encounter of cultures that seek to learn more about each other. What is more, the followers of ethical tourism do not wait for the first day of their trip to starting learning about their host; they begin much earlier and use the time up to their departure to learn as much as they can about the country they are travelling to.

Ethical travellers arrive in small groups, so as not to put too much pressure on their temporary residence. They want to see how their hosts really live, and they seek to help them, as part of the money paid for their travel package will remain in the hands of the local community. This money is invested in the development of infrastructure, schools and health care, leading to the conclusion that the aim is not to develop tourism, but to place tourism in the service of local community development.

One of the problems with ethical tourism is that small non-government organisations engaged in this type of tourism are in no position to compete with big companies that are relentlessly filling their charter flights and hotel facilities. So, for the time being, ethical tourism is reserved for the intellectual and financial elite, and is not a threat to other forms of tourism.

According to British tour operators, ethical travels are experiencing a real boom. This is a market that annually records a growth rate of almost 40 percent, and this tourist segment is bringing in more than 350 million EUR in revenue each year. It could be said that one of the primary goals of this growing tourism target group is raising the awareness of tourism consumers who could, in the future, play a decisive role in changing the rules and practises in global tourism.

For a better understanding of what they are about, here are some basic characteristics of these guests of the future, whom hosts will obviously need to prepare for in a different way than for conventional tourists, because the demands they make do not refer exclusively and only to tourism workers, but to all tourism supply providers ranging from the national level down to hospitality facilities. So, ethical tourists:

- do not want to travel to a country ruled by a political dictator,
- do not want to travel to a country that has a slave work force,
- expect that employees are fairly paid in the hotel they have chosen to stay,
- expect that the hotel they are staying in uses nothing that might pollute the environment,
- want the food on their table to be prepared exclusively from local foodstuffs,
- want their stay in a given tourist destination to help towards sustainable development,
- are willing to pay a carbon dioxide charge, when flying, to compensate for the carbon dioxide „generated” by their seat in an aircraft, etc.

Some general principles of ethical tourism can be derived from the above characteristics:

Principle 1: **responsibility** – This principle implies transparency in destination management to ensure environmental protection and sustainable development, the responsibility of hoteliers in paying their workers, responsibility of procuring (healthy) foodstuffs, responsibility of paying suppliers on time, etc.

Principle 2: *environmental protection* – Ethical tourism actively encourages concern for protecting the environment and undertaking responsible methods in the overall cycle of production and preparing and providing services.

Principle 3: *gender equality* – This means introducing a principle by which the work of women and men would be valued and rewarded equally, as each person must be paid identically to his/her contributions to preparing and providing services.

Principle 4: *healthy working conditions* – The work environment in a micro and macro setting should neither impair the health of individuals nor violate their safety and security. Children should not be part of the work process as this is hazardous to their safety and health, and is prohibited by the UN Convention of the Rights of the Child.

Principle 5: *creating opportunities* – When ethical tourists want to consume indigenously produced food in the hotel where they are staying, this provides a strategic opportunity for fostering the domestic economy and society as a whole. The purpose of developing such a form of tourism is to create opportunities for domestic-production strategies aimed at abating poverty and fostering development. Opportunities are created for domestic producers, who are economically threatened and marginalised by the global trading system (excessive import, protective quotas, forced import, monopoly of large commercial chains etc.).

Hence, ethical tourism is more demanding than conventional tourism and ecotourism, as it meets individual and collective ideals alike. Tourists experience the beauty of a country's environment and its nature, while at the same time helping towards the environmental protection and the social development of the host country. If countries that seek to improve the well-being of their inhabitants can benefit from tourism, they are all the more likely to continue along this path, that is, continue to behave in an ecologically and socially responsible way.

## **2. Development of business ethics**

Ethics or „a discipline dealing with what is good and bad and with moral duties and obligations” [Weihrich, Koontz 1994: 70] is important for those employed in tourism.

Personal ethics is considered a set of rule by which an individual lives his/her personal life. On the other hand, business ethics deals with truth and fairness and comprises a number of aspects, such as:

- the expectations of society,
- fair competition,
- advertising,
- public relations,
- social responsibility,
- the independence of consumers, and
- the behaviour of companies at home and abroad.

A vital question is which criteria should guide ethical behaviour. Managers, especially those at the highest levels, do indeed have the responsibility of institutionalising ethics to create an organisational environment that will encourage ethical decisions to be made.

The most common way of institutionalising ethics is by putting in place an ethical code involving policies, principles and rules that guide behaviour. An ethical code pertains not only to businesses; it should be used to guide the behaviour of individuals in all type of organisations and in everyday life.

For ethical codes to be effective, provisions must be made for their implementation. Rules of conduct, however, should not be expected to solve all problems. In fact, they might even create a false sense of safety. Effective implementation of these rules requires consistent ethical behaviour and support from the highest management levels.

Because tourism employees are always „on the front line” on an almost daily basis, this gives them the opportunity to be honest, loyal and trustworthy with their guests, as well as with their co-workers. Accepting responsibility is a challenge, as it calls for employees to recognise ethical values. And once they have identified these values, employees must be able to quickly realise the various paths of action they can take, in order to make the best ethical business decisions for the welfare of the organisation.

Individuals who come in direct contact with their guests are regularly exposed to the guests’ attention, requiring that these workers are secure in their job and have a heightened awareness of the fact that guests have a right to privacy. They must never relay the name, room number and other personal information about guests to anyone. If employees are allowed a certain degree of flexibility to negotiate the price of services, this puts them in a position to decide whether a guest can afford, and is willing to pay for, a service offered and successfully sold.

Truthful communication is one of the greatest ethical challenges in business today. There are so many unwritten rules that convey the impression of being the rules determining the policies and practices of interpersonal relationships and management within a company. For example, is it acceptable to tell a manager only what one thinks that he or she wants to hear, rather than tell the truth? If the answer is yes, then this is „deceitful communication” [Ethics On... 1992: 39] at work, and the question is how can we be sure that decisions are honest? One way is to seek a healthy business environment supportive of sound work values, while another way involves learning as much as we can about hospitable business.

Cultural, religious and political differences commit us to helping to foster ethical behaviour, and this contributes to making communication constructive and humane [Plenković M., Plenković J., Kučiš 2001: 52]. Everyday experience shows that people engaged in the tourist trade need to be friendly and good-natured, and capable of anticipating the wishes of guests and adjusting the tourist offering accordingly. Many business manuals have been written about this;

advise is given in the field, at conferences and, now, in forms of long-distance communication. In addition to these, there are other auxiliary means that can provide credible insight (interviews, questionnaires, check lists, etc.). The controversies are great, and there are many laws and implementation rules regulating relationships, rights and obligations between the suppliers of goods and services and consumers/customers. A fundamental issue is, however, that almost all rules are written from the supplier perspective, rather than from the consumer perspective [Brčić Stipčević 2002: 251].

### **3. Business ethics – future challenges for managers**

When analysing the position of tourism enterprises in the context of dynamic change, it is necessary to point out the accelerated development to which they are exposed, in terms of technology, organisation and business. Growing importance is given to:

- 1) capable managers with a vision and knowledge,
- 2) decentralised structures and entrepreneurial organisational culture,
- 3) building market competition and raising capital,
- 4) the existence of a consensus concerning fundamental development strategies,
- 5) the involvement of employees through motivation and participation in management,
- 6) the business ethics of all employees,
- 7) the policy of recruiting new human resources, and building and training exists one.

The ethical environment, which can easily be seen as an element of the social environment, includes generally accepted and implemented standards of personal conduct. In providing services in tourism, managers and production-and-service staff seek to adhere to the rules of the trade and the legal provisions that regulate it. Nevertheless, unacceptable action may sometimes occur, most often manifested as:

- 1) defects in the tourism product,
- 2) deceptive promotion,
- 3) stinting guests in services provided,
- 4) manipulating the calculation and collection of payment for services rendered etc.

Consisting of all moral principles that determine right or wrong behaviour, ethics in tourism is about morally judging services rendered as being either acceptable or unacceptable from the perspective of conventional principles of behaviour. The basic ethical issues in business in tourism and hospitality, and in all businesses in general, are incorporated in the existing legislature, and hospitality and tourism enterprises are obliged to act according to standards set by society through laws and regulations. Notably, in the hospitality and tourism industry,

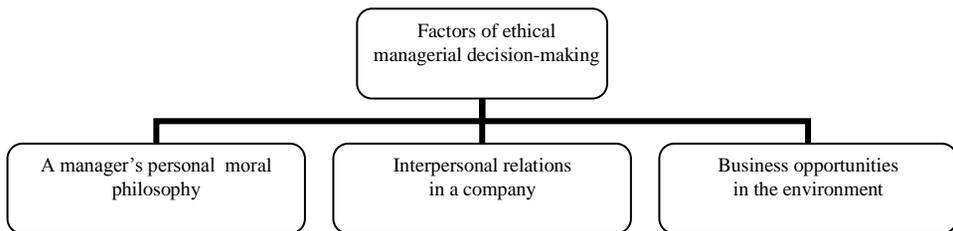
ethics surpasses legal regulations, as the provider and the consumer of services seek to build a high level of trust in their interrelationship.

Ethics is linked to individuals carrying out jobs in the continuous, circular process of providing services. In this chain, behaviour varies from one participant to another. Hospitality and tourism enterprises need to set standards of acceptable behaviour to which all employees must adhere, in particular, managers. These standards refer, in particular, to the moral principles based on ideal such as:

- 1) honesty,
- 2) justice and
- 3) trust.

Managers in tourism, who fail to respect conventional moral principles in doing their jobs, will gradually experience the loss of markets, partners and guests. Many factors influence the ethical decision-making of tourism and hospitality managers, the most important being:

- 1) a manager's personal moral philosophy,
- 2) interpersonal relations in companies, and
- 3) business opportunities in the environment.



**Figure 1. Factors influencing ethical decision-making of managers**

1. ***A manager's personal moral philosophy*** represents a set of specific rules that helps to guide a manager's business conduct. These rules have been gradually formed in the family, educational institutions, and the company, and through religious learning.
2. ***Interpersonal relations in a company*** also influence managers to act ethically. Certain work-related ethical issues may arise in the interrelationships of production-and-service staff and managers across all levels. In most cases, however, managers shirk from ordering the staff to act in a way that is not ethical. By working and cooperating in joint tasks and by respecting conventional rules, employees, essentially, conform to and practice the same ethical principles. In this, the attitude and behaviour of managers is crucial, because managers can and must use their authority and experience to exert

an influence on employees to adhere to the principles of ethical conduct in doing their jobs.

3. ***Business opportunities in the environment*** may influence the ethical conduct of managers, because they largely refer to conditions that reduce constraints or ensure rewards. When a worker has been rewarded or commended for acting ethically and achieving visible results in doing his job, he is sure to do the same again the next chance he has. Penalties and a code of ethics can help considerably towards preventing unethical conduct in a company. The code of ethics should prescribe the rules and standards of conduct for employees.

A vital element of the ethical standing of any tourism company is the transparency of its business. If a company is not open with the public or does not provide the flow of information that is needed for the guest/consumer to be well informed, this is frequently taken as a sign that something is intentionally being kept from the public. More often than not, this eventually proves to be true.

In any enterprise, business transparency is the responsibility of the manager, and it is the manager who will decide what information and how much information should be made available to the public. Company leaders are the ones who know best why the questions most frequently asked by the public are left unanswered.

Essentially, social responsibility is about the relationship of managers towards the environment, measured by written and unwritten moral rules used to judge the conduct of management and the company it leads. There is a hierarchy to a company's social responsibility, made up of [Cerović 2003: 173; Daft 1997: 154:

- 2) economic responsibility (the lowest level in the hierarchy, this is responsibility for making a profit),
- 3) legal responsibility,
- 4) ethical conduct in business,
- 5) discretionary responsibility (a company's contribution to a community and to quality of life).

Ethics is a part of quality that can be achieved only in the long run in accordance with the principles of Total Quality Management (TQM). This is evident in a hotel's Total Quality program that makes it possible to achieve the six goals listed below in all hotel departments:

- 1) no delays or lags (the guest must not be left to wait),
- 2) no mistakes (the guest must not need to suffer, or pay for, the mistakes of the staff),
- 3) no unnecessary stock (supplies or small inventory),
- 4) no unnecessary paperwork (minimum amount of written communication and forms within an organisation),
- 5) no surplus workers and no poor interpersonal relations,
- 6) teamwork and team spirit (*l'esprit d'equipe*).

The link between ethics and quality is reflected in a number of dimensions [Avelini Holjevac 2002: 475; Hall 1992: 3]:

1. **Promotion ethics** refers to all media advertising and promotion, brochures, public relations, interaction in booking, and relationships with customers after their departure.
2. **Transactional ethics** begins with booking (reservations) and ends with collecting what a guest owes before or after departure, and includes everything happening in between involving a company, its staff and its guests.
3. **Hierarchical ethics** covers the interaction among all employees, and is not limited only to verbal or written interaction but also includes the physical environment.
4. **Contract ethics** comprises all general and subcontracted projects, all relations with inspection officers or other authorised officials, transactions with vendors, entertainers and seasonal workers. Namely, ethics is incorporated in all activities in all organisational parts, with ethical elements being defined by the specific traits of jobs and responsibilities in a specific organisational part. Ethical standards and rules should be defined for every activity: accommodation, serving, food and beverages, maintenance, marketing, accounting, information systems, human resource management, competition, relationship with the environment, profit management.

## Conclusion

Enriching tourist services with psychological and ethical elements is not only a matter of the goodwill of individuals; it is also about work culture and the totality of relations between employees and guests in tourism. Formal, stiff business relations are no longer able to satisfy the wants and needs of people for communication. Accordingly, it will no longer be possible to meet the needs of tourists if relationships remain on the level of official contacts in which only skills in providing services and, possibly, language skills are displayed. The development of tourism enterprises and teaching staff how to address future challenges in business are closely linked to devising a strategy, by which an enterprise's ethical principles will be incorporated in its mission statement. In this way, an enterprise's business philosophy that is in accordance with ethical principles can be made known to its employees, as well as to its guests, business partners and the society in which it operates.

Business ethics underlines the need for creative thinking, and it is always encouraged, as well as restricted, by the creative force of people. Ethics is located between the area of codified law, in which the law prescribes the conduct of people and organisations, and the area of freedom of choice, in which there is full freedom in the behaviour of people and organisations, and which the law does not cover. Although ethics has no specific laws, it does have standards of

conduct based on common principles and values on moral behaviour that guide individuals or companies.

The conclusion of this paper is that, today, all business entities are in need of business ethics. This conclusion is derived from goals focused on preventing a drop in quality, and preventing various anomalies in creating and providing tourism services and building business relationships. Business ethics involves all segments of rational human labour focused on, and guided by, goals in the service of the common good, which, in turn, serves in constantly improving the quality of personal life and life in general.

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## **Abstract**

The importance of general ethics is growing parallel to the ever-greater power of people and their ability to master different types of technologies. General ethics includes a number of special and individual disciplines, among which business ethics has recently emerged. Business ethics is becoming increasingly important in the theory and practise of optimising human activities. Based on the premises of general ethics, business ethics deals with and regulates human activities, particularly in the field of producing goods for public exchanges. The major issue with which business ethics is concerned revolves around not causing harm to others, while being successful, gaining a profit and increasing wealth. The motto of business ethics is „Do business in a way that nobody loses but everybody wins”. In the tourism trade, business ethics is increasingly gaining strength as a way of combating the decline of (tangible and intangible) service quality, reducing the number of cheated tourists, and stopping other deformations of true ethical creation under the principle „Do not do to others what you would not have others do to you”. Because an erratic market may lead to various deformations, particularly in the sphere of morality and interpersonal relationships, it is the task of business ethics to raise awareness of the fact that, in the long run, success cannot be achieved by breaking basic moral principles. This paper’s objectives focus on the need for improving the overall educational process in the field of business ethics, with special emphasis on tourism, as a leisure industry and an industry whose effects represent a platform of economic security in many countries.

**Key words:** education, ethical tourists, business ethics, management.

## **Edukacja przygotowująca do etycznych usług turystycznych**

### **Streszczenie**

Znaczenie etyki ogólnej jest zbieżne z dążeniem do większej władzy ludzi i ich zdolności, tak aby można było opanować różne rodzaje technologii. Etyka ogólna obejmuje pewną liczbę dyscyplin specyficznych, wśród których ostatnio pojawiła się etyka biznesu. Etyka biznesu staje się coraz bardziej ważna w teorii i ćwiczą się w optymalizowaniu ludzkich działań. Bazuje na założeniach etyki ogólnej, etyki biznesu i reguluje ludzką działalność, szczególnie w zakresie produkowania dóbr dla użytku publicznego. Punktem wyjścia dla etyki biznesu były obawy przed działaniami powodującymi szkody dla innych w wyniku pomnażania dochodów i zysku, powiększając bogactwo. Mottem etyki biznesu jest „w biznesie w zasadzie nikt nie przegrywa, ale każdy wygrywa”. W turystyce etyka biznesu coraz więcej zyskuje na sile jako droga ratująca przed upadkiem (namacalnym i nieuchwytnym) służbowej jakości, zmniejsza liczbę oszukanych

turystów i hamuje inne deformacje etycznego postępowania pod zasadą: nie rób innym tego, czego nie chciałbyś, aby inni robili dla ciebie. Ponieważ rozwijający się rynek może doprowadzić do różnych deformacji, szczególnie w sferze moralności i relacji interpersonalnych, to zadaniem etyki biznesu jest podnoszenie świadomości faktu, że w dłuższym czasie sukces nie może zostać osiągnięty przez rozbijanie podstawowych zasad moralnych. Cele tego artykułu skupiają się na potrzebie ulepszania całego procesu edukacyjnego w sferze etyki biznesu, ze specjalnym naciskiem na turystykę jako przemysł czasu wolnego i przemysł, którego skutki stanowią podstawę bezpieczeństwa ekonomicznego wielu krajów.

**Słowa kluczowe:** edukacja, etyka turysty, etyka biznesu, zarządzanie.