Responsible Tourism and Hotel Management: An Empirical Analysis of the Ethical Dimensions in Tourism and Hospitality Industry in Kenya

Dr. Githui Donatus Mathenge
School of Business
Dedan Kimathi University of Technology
PO Box 10100-657
Nyeri, Kenya

Abstract

While there has been some research on ethics in the Hospitality and Tourism Industry in Kenya and elsewhere, the amount is not proportionate to the importance of the issue. Hotel and Tourism sectors can benefit from conducting their business in an ethical and more responsible manner. This paper examined key ethical issues such as personnel conduct, job satisfaction, code of ethics and organizational commitment in the Kenyan context. Kenya Association of Hotel Keepers and Caterers (KAHKC 2012) has a clear code of ethics for its members. But in practice, this is not followed to the latter by the majority of key players in the Industry, thus giving room for unethical behavior. The researcher employed empirical analysis using statistical tools such as analysis of variance (ANOVA), Component analysis and Regression analysis. The conduct of employees in Tourism, and all the other actors that participate indirectly in the Industry in Kenya contribute greatly to creating the image of the country in domestic and international markets. In that sense, ethical conduct and respect of the code of ethics is the basis of acquiring a good image and improving the tourist product in Kenya. It was found that employees who work in an ethical Hotel environment are more satisfied with their job and more loyal to their employers than their counterparts who work in an unethical environment.

Keywords: Ethical perspective, Business Perspective, Responsible Tourism and Hotel management

Introduction

The Travel and Tourism Industry, as one of Kenyan's top foreign exchange earners, is crucial to its economy. The country has long been renowned as a world-class tourist centre. In the midst of intensified competition from other tourist centres in Asia such as Hong Kong, maintaining enviable reputation as a destination of first choice by tourists is not easy. While making an effort in enhancing our tourists' attractions and improving the tourists' facilities, it must not be forgotten that people are our greatest asset. Investing in our winning edge, i.e., the quality of service, professionalism, integrity of the workforce and ethical leadership should be the prime concern (Janssen, 2004; Walker, 2010).

Establishing high ethical standards within the companies can attract and retain the best employees and professionals. The professional and quality services offered by these honest practitioners will subsequently build the tourists' confidence in Kenya and keep them coming in and returning back. Such an investment can ultimately contribute to better financial performance in the companies; benefit the Travel and Tourism Industry as a whole and the entire Kenyan economy in the long run (Carroll and Buchholtz, 2006). Conscious of this fact, the Kenya Association of Hotel Keepers and Caterers (KAHKC 2012) has established a code of ethics to its members in order to make Kenya a tourist destination of choice both at the coastal region and up country.

This is because the tourism sector is key in the realization of Kenya's Vision 2030 which aims at making the country a middle level economy. The association code says in parts; "The Tourism/Hospitality product belongs to the common heritage of Kenyans; the communities in whose territories they are situated have particular rights, and obligations, on them and they too, have a binding responsibility to make it thrive and flourish". It goes on to challenge its members stating that; "all enlisted members shall lead in the ratification, observance, implementation and promotion of the Ethics Code".

The public and private stakeholders in Tourism development should co-operate in the implementation of these principles and evaluate as well as monitor their impact and effective application. The organization code further states that; "the members are obliged to practice good business principles and to promote ethical corporate principles" (KAHKC 2012).

They shall consciously promote responsible Hospitality business and ethical values common and/or acceptable to the host and, to the extent that is harmonious to the hosts, their visitors. According to the code, the visitors are requested "to abstain from any act or conduct felt to be offensive or injurious to the local populations, or likely to damage the local environment". This is because, according to the code; "the members shall also refrain from all trafficking in illicit drugs, arms, antiques, protected species and products and substances that are dangerous or prohibited by state law and regulations". The members of the association are obliged by the code "to assist and/or incentivize tourists and visitors to carry a responsibility of acquainting themselves, before their departures and arrivals, with the characteristics of Kenya and her people" (KAHKC 2012).

It is a well known fact that business leaders both in Kenya and elsewhere should be mindful of the corruption temptations faced by all levels of staff members and must be vigilant to prevent any malpractice or corruption to take root. A single incident of corruption could ruin the hard-earned reputation and would be heavy a price for the Industry to bear (Barsky and Nash, 2004). It would result in the loss of a company's business and profits, loss of competitiveness in the Industry, loss of jobs in the workforce, loss of trust by tourists and loss of revenue for Kenya's economy (Beck *et al*., 2007).

Managers should make every effort to lead by example and put ethics into practice. All stakeholders in these sectors require unity of purpose and a plan of action so that they can pave way for further breakthroughs and win the hearts of tourists and the support of Kenyan people (Githui 2012). The new civilization change, cultural clashes and contacts, conflicts of interest and the growing conflict in economics and business, and changes in communications and information technologies, conflicting ideologies and expressed political conflicts about world domination may lead to general decline in moral values and standards. This may arouse inevitable questions about morality and ethics in business, the direct practice of business-ethical conduct (Carroll and Buchholtz, 2006)

A new concept of business conduct has been created – business ethics. Business ethics is based on respect for the rights and interests of others and achieving general social interests, which include quality working environment where business success, competitiveness and profits do not depend on anything else other than the rights and duties that are applied in decision making (Buff and Yonkers, 2005; Beck *et al*., 2007). The subject of business ethics is a set of moral rules of conduct in all business activities directed towards a successful and profitable business (Gichure 1997). The standards are based on fundamental ethical principles and their content is expressed by the judgments of the good and bad, successful and unsuccessful business behavior. The goal is to oblige all participants in the overall business processes on ethical behavior (Buff and Yonkers, 2003).

In such way determined business ethics is a theoretical discipline that analytically approaches the explanation of different moral view about the fundamental values and ethical principles that are applicable on the entire area of business (Whitney, 1990). Since business ethics has always been heavily influenced by society and the environment in which it flourished, the society, with its organizations, institutions, culture, habits and values, has created an appropriate legal and political environment that influence ethics in business. Ethics in business is also influenced by man's conduct, which is again a product of society and social relations within which the moral opinion of individual is shaped in relation to what is good and right and what is not (Barsh and Lisewski, 2008; Chiang *et al*., 2005).

Every society consists of people who are connected to some common goals and whose activities are regulated so that these objectives are successfully implemented through the institutions of society (Chiang *et al*., 2005). The most influential institutions in modern societies are economic institutions. They determine who would produce various goods and services, how the jobs would be organized, which resources would be used, and how the products and revenue would be distributed among members of society (Githui 2011). Business ethics represents a field of two different perspectives: moral or ethical and business or economic perspective (Babin *et al*., 2000). The ethical perspective is based on moral values: honesty, justice, dependability, rights and duties, which can be characterized as good or morally right.

The business perspective is based on economic values: benefits, profit, cost, price, efficiency and competition. The subject of business ethics is just the average, which is obtained by crossing the moral and economic aspects of the business (Petrovic, 2007).

Problem statement

It is well known that the Hotel and Tourism Industry is facing a variety of challenges worldwide and Kenya is not an exception in this crucial sector. Competition is intense, business travel has declined significantly, and the current economic recession is the worst since the 1930's.

Therefore, all of these factors have encouraged questionable and unethical management behavior. They also suggested that Hospitality and Tourism literature has not paid much attention to ethical issues in the Industry. Due to the inherent Industry characteristics of inseparability and intangibility, Hospitality and Tourism Industry management must attend to ethical issues more carefully than other industries. Even though organizations spend millions of dollars to build a positive public image, that money is soon wasted when the organization's unethical practices are reported. Companies with high levels of ethical values and social responsibility tend to be more profitable than other companies (Babin *et al.*, 2000). This clearly shows that Hotel and tourist organizations can benefit from conducting their business in an ethical and more responsible manner. This research therefore sought to find out ethical issues in Tourism and Hotel Industry in Kenya.

Objectives

This research was guided by both general and specific objectives

General objectives

The main aim of this research was to find out the level of responsible Tourism and Hotel management in Kenya with an ethical dimension.

Specific objectives

The following specific objectives were formulated to guide the researcher:

(i)   To investigate personnel conduct and behavior in Tourism and Hotel Industry
(ii) To determine the extent of code of ethics embracement in Tourism and Hotel Industry
(iii) To assess the level of job satisfaction in Tourism and Hotel Industry
(iv) To establish the level of organizational commitment in Tourism and Hotel Industry

Literature review

Business Ethics in Tourism and Hotel Industry

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

(Lewis 1985), defined business ethics as, "rules, standards, codes, or principles which provide guidelines for morally right behavior and truthfulness in specific situations". (Hall 1992) defined ethics, in a very simple way, as "knowing what ought to be done, and having the will to do it" He also supported that doing what is right is the heart of ethics and if applied properly, it can become the foundation for employees' pride and motivation. Hall proposes that the proper application of ethics can change a mediocre workplace to an excellent one. (Barsh and Lisewski 2008) referred to business ethics as "the systematic process that commercial organizations use in order to evaluate actions as right or wrong".

They also suggested that business ethics encompasses a wide range of themes that managers and employees must face. (Githui 2012) has also stressed the importance of motivating workers in all sectors of business in order to drive businesses which have engrained ethical values. Measuring the business ethics of a Hotel Industry may sound straightforward and easy in theory, but in practice it can be very challenging and complicated. However, in order to do so, many researchers measure the ethical climate of an organization, as it helps them to better understand its levels of business ethics.

This approach is one of the easiest, most effective and recommended ways to calculate how ethical an organization truly is. (Victor and Cullen 1988) defined ethical climate as "the prevailing perceptions of typical organizational practices and procedures that have ethical content". (Ferrell and Gresham 1985) found that the climate for unethical conduct exists when the codes of ethics, policies and directives of a company that stipulate, discourage, control, monitor and discipline unethical behavior are not enforced. The role of ethical climate in a company is very important.

(Verbeke, Ouwerkerk, and Peelen 1996) demonstrated that the ethical climate of a company drives its values and encourages expected behaviors which, in turn, lead to influencing the ethics of its employees. (Schwepker 2001) suggested that by applying and enforcing codes of conduct, rules and policies on ethical behavior, as well as imposing positive and negative discipline where needed, "management can create an ethical climate that positively influences ethical behavior in the organization". However, a widely accepted definition of business ethics does not exist.

Job Satisfaction in the Tourism and Hotel Industry

Many studies have been conducted around the world in relation to job satisfaction in the Hospitality Industry. Furthermore, the literature has described job satisfaction in various ways through the years. (Hoppock 1935) viewed it as the combination of psychological and environmental circumstances that cause a person to be satisfied with his or her work. Other studies saw it as seeking fulfillment through asking whether the job met the employee's physical and psychological need (Porter, 1962; Wolf, 1970). (Locke 1969) defined it as a "pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating one's job values".

(Smith, Kendall, and Hulin 1975) referred to job satisfaction as the feelings employees have about their jobs in general. (Agho, Price, and Mueller1992), approached it as the extent to which employees like their work. However, according to (Cranny, Smith and Stone 1992) there is a clear consensus in relation to defining job satisfaction. That "consensus" definition described job satisfaction as "an affective (that is, emotional) reaction to one's job, resulting from the incumbent's comparison of actual outcomes with those that are desired (expected, deserved, and so on)" (Cranny, Smith, & Stone, 1992). While there are a number of definitions and studies related to job satisfaction, very little research has been done on the methods measuring employee satisfaction levels (Lee & Way, 2010). Perhaps that is because job satisfaction is a very complicated concept that includes a variety of different facets.

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

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

In addition, job satisfaction has been closely related to positive organizational outcomes such as increased employee productivity, higher innovation and reduced turnover. The combination of all of those elements is also linked to a firm's improved overall performance. More specifically, (Savery and Luks 2001) demonstrated that job satisfaction is linked to increased firm performance as measured by enhanced employee productivity. Motivation also plays a crucial role in job satisfaction.

However, as (Sledge, Miles and Coppage 2008) argue, little research has concentrated on the relationship between motivation, job satisfaction and the impact of culture in the workplace. (Chiang, Back, and Canter 2005) found that job satisfaction strongly influences the employees' intention to stay with that organization.

In addition, (McNeece-Smith 1997) suggested that employees with higher levels of job satisfaction tend to be more productive and stay on the job. (Shaw1999) contend that a strong negative relationship exists between job satisfaction and the level of employee turnover when an individual's personal, positive effect is taken into account.

(Choi's 2006) study on Korean Hotel employees also found that there was a negative relationship between job satisfaction and turnover intention. Similarly, (Pizam and Thornburg's 2000) study revealed that high absenteeism rates stem from low job satisfaction rates which are related to higher levels of voluntary employee turnover. Moreover, (Scott and Taylor's 1985) study indicated that a negative relationship exists between job satisfaction and absenteeism, especially absence frequency.

Organizational Commitment in the Tourism and Hotel Industry

As mentioned in the previous section, being satisfied with one's job will increase a Hotel employee's productivity and innovation and reduce their turnover rate. However, committing oneself to the very company the Hotel employee works for has a deeper and more complex meaning. (Becker 1960) described the concept of commitment as "consistent lines of activity". Similarly, (Mowday Steers, and Porter 1979) defined organizational commitment as a relative strength of an individual's identification with and involvement in a particular organization.

Other researchers described organizational commitment as having the ability to work like a "psychological bond" to the company that influences people to act according to what is best for the company and its interests. Organizational commitment is a critical factor in understanding and explaining the work-related behaviors of employees in organizations (Lee, 2000). High turnover in organizations, employee retention problems, and the factors which contribute to the employees' increased intensity to leave have been the main focus of various studies in many different disciplines.

(Maertz and Campion 1998) through their study found that "relatively less turnover research has focused specifically on how an employee decides to remain with an organization and what determines this attachment retention processes should be studied along with quitting processes". However, (Hausknecht, Rodda, and Howard 2009) mentioned that despite the large amount of research devoted to employee turnover, which focuses on identifying factors that cause employees to quit, very few studies have touched upon the factors that compel employees to stay. Several other studies evolved around what determines employees' organizational commitment. (Yang 2008) supported that a person's commitment to an organization depends heavily on his/her attitudes, and feelings, as well as involvement in that organization. He also found that an important precursor of commitment is the level of satisfaction that the newcomers get during organizational assimilation. Whereas, (Luthans 1998) argued that job design and managerial style influences the degree of employee commitment, (Janssen's 2004) study revealed that employee empowerment is closely related with organizational commitment and that commitment exists at both the individual and organizational level.

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

The role of code of ethics and social responsibility in Tourism

Expression of unethical behavior depends on the individual and the organization in which the individual is employed. Codes of ethics have great importance for regulating the conduct of employees in organizations (Luthans, 1998). Code of ethics is a set of rules and norms of moral character that regulate the behavior of members of a profession who have a universal character in a society. Ethical codes define values and behavior based on them; establish a higher moral level in organization, such behaviours expected from employees and those that will not be tolerated. This establishes the norms and beliefs of the organization, and through this an intention to encourage a desirable model of thinking (Babin *et al*., 2000).

Ethical codes define ethical standards, regulate norms of ethical conduct, as well as sanctions in case of failure and connect them with the activity of the organization. Organizations adopt codes of ethics in order to improve the relationship to moral problems.

It is the written rules of conduct while making business decisions in different situations (Chiang *et al*., 2005). Many companies and organizations in the Tourism Industry have developed codes of ethics. Codes of ethics are different from the ethical rules. Codes of ethics aim at raising a higher moral level of the employees. It means that ethics become institutionalized (Beck *et al*., 2007).

In recent years, a large number of codes of ethics have been created which aim to help businessmen to behave in ethical and morally responsible ways, specifying and clarifying how the general moral principles and standards can be applied on the type of business or products (services) of the given organization (Albaum and Peterson, 2006). This also applies to a country's economic plan, and Kenya is not an exception. The incalculable value of Tourism and Hotel Industry in Kenya as a major revenue generation as envisaged in Kenya's Vision 2030 cannot be underestimated.

In its economic pillar in this vision, the government focuses on four areas namely; "development of three resort cities: two at the coast and one in Isiolo, premium park initiative, under utilized parks initiative and development of niche Tourism products". In the vision Blueprint, it is stated that;" the Vision 2030 Economic Pillar of Tourism envisages that the sector will quadruple its contribution to the GDP, increase international visitors making Kenya the destination of choice and a global leader in sustainable Tourism" (Kenya Vision 2030;2006). Although this is to be achieved within the legal framework of 2010 new constitution dispensation, the ethical driver must be part and parcel of this ambitious vision.

Codes of ethics like the one stipulated by (KAHKC 2012) for its Kenyan members, should play an important role by directing, providing support, encouraging and assisting in resolving of specific, morally controversial issues with which managers, employees or members of a profession within the organization are faced with. Understanding the Code of Ethics is important and necessary. Making business decisions is affected by a large number of factors, and if the ethical environment is healthier, then the experts are more rigorous to the troubled practice (Akatan *et al*., 2005). In creating the codes of ethics all employees should be involved, because in that way it is easier to define attitudes about what is moral and what is immoral behavior, both in relation to potential consumers, i.e. public, and in mutual relation of the employees to each other.

The most important central moral ideas in a number of company codes of ethics are: fairness, honesty, respect for human dignity and respect for the public (Arlow, 1991).Successful organizations in Tourism are able to reconcile economic responsibility, ethical responsibility, environmental responsibility, legal responsibility and social responsibility (Barsh and Lisewski, 2008). Economic responsibility means responsibility for fulfilling the goals of the organization in profitable organizations it means profit, which is why it is called economic responsibility. Legal responsibility means respecting the laws and regulations, but also internal documents of the organization (Whitney, 1990). Ethical responsibility has already been explained in detail and means a set and application of personal norms in business and achieving goals of the organization (Gichure 1997).

Ecological responsibility involves examining the relations of the organization and the environment in which it operates and the development of such business that will not have a negative effect on the nature and wildlife (Badi and Badi). Liability which involves the likelihood that someone would answer for one of his/her action or may be the subject to sanction of a norm, is a complex concept, because the complexity involves not only the relation of man to society, but also his relationship with himself (Buff and Yonkers, 2005). Social responsibility is largely associated with ethical business management and includes the obligation of management to create appropriate choices and take those actions which will contribute to the welfare and interests of society and organizations (Waddock and Smith, 2000).

The Tourism Industry needs to operate in a socially responsible way. The stakeholders should contribute to solving problems in society through employment and fair payment to employees. This will create an impact on the prevention and resolution of the surrounding environmental problems. The same stakeholder should also affect the improvement of education, arts and health of the community. The government administration is also called upon to create a conducive environment which can enable the involvement of managers in public positions and drive Tourism and Hospitality Industry in an ethical manner on a more ethically charged platform (Vukicevic, 2007).

Conceptual framework

The conceptual framework sought to explain the key variables that guided the research processes. These variables include; Personnel conduct, Code of ethics, Job satisfaction and organizational commitment. These variables have been represented in Fig 2.1 below

Figure Error! No text of specified style in document.**.1: Conceptual Framework**

Independent Variables   **Dependent variable**
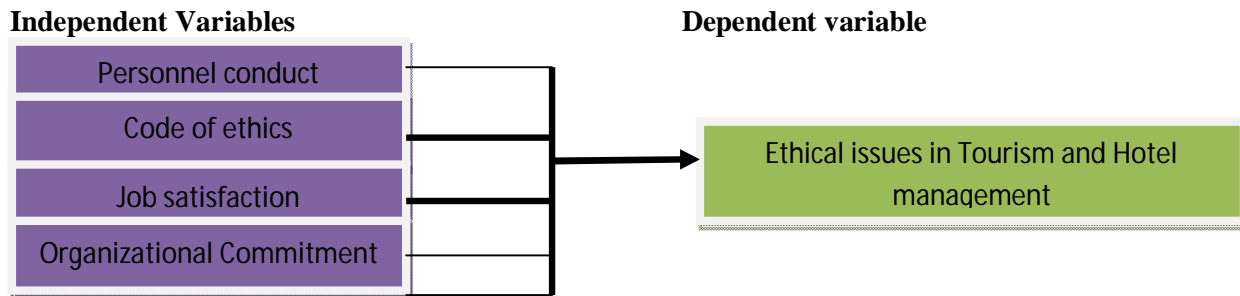
Research Methodology

The study adopted empirical survey research design. Empirical survey design was used in preliminary and exploratory studies to allow the researcher gather information, summarize, present and interpret it for purposes of clarification (Orodho, 2002). This design was ideal for this study as the researcher assessed the extent of responsible Tourism and Hotel management in Kenya under an ethical perspective. The target population for this research was personnel and managers in Tourism and Hotel Industry in Kenya population. The study included 250 respondents from 50 Kenyan Tourist and Hotel enterprises. Thus, we took the whole target population in this study.

Prior to finalizing the questionnaire, Industry professionals from the Tourism sector thoroughly refined it, assuring content validity, relevance and, representativeness. It was pre-tested through 16 pilot interviews where an interview was carried out with the Executive Director or one of the Deputy Executive Directors from each institution. The respondents were informed of the confidentiality of their responses and purpose of the project study which was for academic purpose. All the 250 questionnaires were distributed and only 247 questionnaires were returned which in turn represents an overall response rate of 94.5%.

These 246 usable responses were adequate enough to conduct a descriptive analysis and correlation analysis. The process of distributing the questionnaire was a drop-off approach (Aaker *et al*., 2008). Based on the logic of this method, the researchers hand-delivered the questionnaires to the executive management, explained to them the purpose of the study, stated the required procedures in filling out the questionnaire and answered any question in regard to any of the questionnaire's statements. A questionnaire consisting of twenty questions was distributed among the sampled population. Three options were given to the respondents i.e., agree, neutral and disagree. The feedback was analyzed and tabulated using descriptive analysis and correlation analysis with the aid of simple computer applications like MS Excel, PASW and SPSS software.

Focus groups Identification

Before undertaking this specific study, we choose focus groups with the selected respondent's heads. The 250 participants of ten (10) focus groups were conducted with an average of 25 respondent's heads per group to identify practices of executive heads in Tourism and Hotel Industry. The practices identified were used as input to elaborate the measurement instrument related to the ethical issues in Tourism and Hotel management in Kenya.

Surveys of executive board members to identify the variables with Components Analysis

Principal Component Analysis (PCA) was employed using SPSS software. For the purpose of this research, data analysis was carried out using principle component analysis (PCA). The raw scores were standardized to allow uniform unbiased distribution of all variables. The product correlation matrix was derived and the Eigen-values of these variables from the matrix were used for multivariate principle components extraction and the (Eigen-values) established. The first four significant principal components with a cut-off of >1.0 were selected. More than 57 % of total variance was attributed to five principal components (variables). Varimax rotation with Kaiser Normalization was used to obtain a simple variable model. The total variance explained by these 5 components is 57.11%.

Testable hypothesis

The number of factors and the items loading to each factor were specified and the hypothesized measurement model was then tested for model fit. The result showed that the respective items indeed belong to the construct as hypothesized. The research model was developed from the research variables. These hypotheses included:

H1: Unprofessional personnel conduct weakens the effectiveness of Tourism and Hotel sector
H2: Lack of embracement of code of ethics impedes the efficiency of Tourism and Hotel sector
H3: Low levels of job satisfaction contribute to poor operations in Tourism and Hotel Industry.
H4: Lack of organizational commitment makes Tourism and Hotel Management unethical.

Hypotheses Testing

Hypothesis testing was based on the standardized path coefficient (r-path coefficient). To support the hypothesis, the p-value of the r-path coefficient was significant at the 0.05 level. In this research, r-path coefficient calculation was conducted through the following steps:

  i.   Independent variables were individually regressed against the dependent variables perceived ease of use (Hypotheses H1, H2, H3, H4 and H5)
  ii. Independent variables were individually correlated against the dependent variable (Hypotheses H1, H2, H3, H4 and H5)

Research findings

This section presents our findings for each of the five research variables previously identified by our PCA analysis.

The Reliability of the findings

The reliability of our findings was examined in details with a KMO and a Bartlett's test. In the KMO and Bartlett's sphericity's test results on the reliability of data set, the KMO value of 0.990 was close to 1.0 and was thus statistically one percent (1%). This adds good confidence and weightage to our Principal Component Analysis (PCA).

Table 4. 1: KMO and Barlett Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.990
Bartlett's Test of Sphericity Approx. Chi-Square	2973.236
Df	250
Sig.	0.001

The Table 4.2 below explains the results of the Principal Component Analysis

Dimension	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.118	26.071	26.071	9,118	26.071	26.071	6.066	24.263	24.263
2	1.651	23.576	49.647	1,651	23.576	49.647	2.557	10.226	34.489
3	1.527	28.17	77.817	1,527	28.17	77.817	1.953	7.813	42.302
4	1.271	22.183	100	1,271	22.183	100	1.912	7.650	49.952

Extraction Method: Principal Component Analysis

Note: (Dimension 1 (Personnel Conduct); Dimension 2: (Code of Ethics); Dimension 3: (Job Satisfaction); Dimension 4: (Organizational Commitment)

Dimension 1 (Personnel Conduct):

The variance explained for the personnel conduct is 26.071% based on the Principal component analysis. This was based on the initial Eigen values and sums of the squared loadings. A further rotation of the sums of squared loadings showed a variation of 24.263%.

Dimension 2: (Code of Ethics)

The dimension had a variance of 23.576%. This was based on the initial Eigen values and sums of the squared loadings. A further rotation of the sums of squared loadings showed a variation of 10.266%.

Dimension 3: (Job satisfaction)

The variance explained under this dimension is 28.17%. This was based on the initial Eigen values and sums of the squared loadings. A further rotation of the sums of squared loadings showed a variation of 7.813%.

Dimension 4: (Organizational commitment)

The variance explained for the dimension is 22.183%. This was based on the initial Eigen values and sums of the squared loadings. A further rotation of the sums of squared loadings showed a variation of 7.650%.

The total variance explained by these 4 components is 57.11% (table)

Table 4.3: PCA output summary

Dimension			Communalities		Dimension			
Variables	Mean	Standard deviation	Initial	Extraction	1	2	3	4
1	2.74	1.062	1.000	0.643	0.761			
2	2.05	0.904	1.000	0.669		0.765		
3	2.38	0.846	1.000	0.546			0.903	
4	2.23	1.333	1.000	0.589				0.634
Eigen value					10.084	5.011	2.143	1.39
% Var. explained					40.34	10.21	3.17	3.39
Cumulative % Var. Explained					40.34	50.55	53.72	57.11

Note: (Dimension 1 (Personnel Conduct); Dimension 2: (Code of Ethics); Dimension 3: (Job Satisfaction); Dimension 4: (Organizational Commitment)

Dimension **1:** The variance explained for this dimension is 40.34% with the Cronbach alpha 0.761 based on the results of the Component Analysis. The mean value for this variable was 2.74 with a standard deviation of 1.062 and an extraction value of 0.761.

Dimension **2:** The variance explained for this dimension is 10.21% with the Cronbach alpha 0.765 based on the component analysis. The mean value for this variable was 2.85 with a standard deviation of 0.994 and an extraction value of 0.669.

Dimension **3:** The variation explained for this dimension is 3.17% and the Cronbach alpha is 0.903 based on the results of the component analysis. The mean value for this variable was 2.98 with a standard deviation of 0.846 and an extraction value of 0.903.

Dimension **4:** The explained variance is 3.39% with a Cronbach alpha value of 0.634 based on the component analysis. The mean value for this variable was 2.23 with a standard deviation of 1.133 and an extraction value of 0.589.

Table 4.4 Regression analysis of the formulated research hypothesis

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HYPOTHESIS	DEPENDENT VARIABLES	INDEPENDENT VARIABLES	r-PATH COEFFICIENT	P-VALUE
H1	Ethical issues in Tourism and Hotel Management	Personnel conduct	0.419	0.943
H2		Code of ethics	0.173	0.717
H3		Level of job satisfaction	0.317	0.509
H4		Organizational commitment	0.248	0.972

Hypothesis H1 that: Unprofessional personnel conduct weakens the effectiveness of Tourism and Hotel sector is supported (r=0.419, p<0.943). This result is consistent with the findings from the focus group discussion. Any Industry needs to professional personnel who posses high ethical and moral standards. The Hypothesis H2: Lack of embracement of code of ethics impedes the efficiency of Tourism and Hotel sector is supported (r = 0.173, p = 0.717).

This is consistent with the findings from the focus group discussion. It is expected that an Industry will have high levels of code of ethics, which can guide its activities and as well as performance of stakeholders.
Hypothesis H3: Low levels of job satisfaction contribute to poor operations in Tourism and Hotel Industry is supported (r = 0.317, p<0.509). This result is consistent with the findings from the focus group discussion.
Hypothesis H4: Lack of organizational commitment makes Tourism and Hotel management unethical and irresponsible, is supported(r = 0.248, p< 0.972). This result is consistent with the findings from the focus group discussion. Organizational commitment implies that there is a set standard for ethical inclination.

Discussion

Business ethics is an integral part of business conduct. Under the business ethics are included principles and rules of conduct based on general and business culture and the principles and rules that dominate in interpersonal communication. Business ethics is a field of two different perspectives: moral, or ethical and business or economic perspective. There are complexities of factors that interact to influence ethical behavior, both directly and indirectly employed in the Tourism Industry (Verbeke *et al*., 1996). These are characteristics that each individual have, which he/she brings into the organization, as well as the culture of the organization (Babin *et al*., 2000). The study concluded that organizations which participate in the creation of the tourist product of Kenya mostly do not have an ethical code of conduct, and those that have it, do not apply it to the extent necessary.

In this sense it is necessary to motivate employees and to properly and practically implement a code of ethics through ethical training, which is usually present in organizations only in a normative manner, without the knowledge of employees about the contents of this code, as well as its importance for the organization and reflecting on the wider social level (Walker, 2010). This study confirms lack of special importance for the Tourist organizations, as the representative of Tourism Industry, which as soon as possible should secure the possession and use of ethical codes, which will by the example; influence the other participants of Tourism Industry to act in this direction (Beck *et al*., 2007).

According to everything mentioned and conducted in the research, we conclude that the overall quality and ethics in Tourism and services in Kenyan Tourism and Hotel Industry, can significantly increase not only by the expansion of tourist facilities, but above all by professional and modern education of employees in this area, which will also for the basis have their knowledge of traditional and specific elements of Tourism and Hospitality, as a kind of brand. The special quality to the business charm, beauty and ethics in Tourism behavior, can provide a team of educated Tourism and Hotel managers with traditional business manners that characterized this region (Akatan *et al*., 2008).

Recommendations

Creating moral initiatives

The essence of managerial responsibilities in organizations which can be found in Tourism, such as international Hotel chains or tour-operators, is reflected in actions they have taken on the basis of individual initiative, actions taken on the basis of personal initiative, actions taken on the basis of others' directives, the behavior of subordinates who follow their instructions and ethical behavior of the organization as a whole. We recommend that managers be prepared to take the moral risk in decision-making for potential harm and negative consequences to which members of the organization may be exposed to.

Creating ethical climates and environment

Within the organization, it is possible that there exists numerous different measures for improving the ethical climate and social responsibility of the organization such as: leading by example, a code of ethics, ethical structures and ethical hotlines and supportive whistle-blowers (Cerovic, 2003. Leading by example refers to the principle that personal example is the best way to influence employees.

This is our second recommendation without the leadership by example it is hard to imagine the successful and high quality development of ethical behavior in an organization.

Creating avenues for ethical training

We recommend that ethical training be embraced by Tourism and Hospitality stakeholders more than it is today. This is because ethics training and ethics hotlines represent ways of teaching ethics so that employees could develop ethical behavior. Trainings cover topics from ethics, and ethics hotlines are special telephone lines that employees use to report ethical concerns. Supporting whistle-blowers help employees to expose illegal, immoral or illicit practices of the employer. Then, the employees report to the owner about the incident. If nothing is done by management, the ethics committee or other ethical bodies in the organization are informed.

Building and sustaining motivational personnel programs

Tourism and Hospitality should build and sustain motivational and personnel programs. It is a well known fact that lack of motivation of employees in organizations such as public transportation, restaurants, cafes, due to poor career development and low wages, represent a significant aspect of employee dissatisfaction and showing of unethical conduct towards tourists. This does not meet stakeholder's expectations in the Industry.

Therefore, besides the need for regulation, motivation of employees in Tourism is an important aspect of improving the Tourism product of Kenyan Tourism Industry. The main causes of low motivation at work are: monotonous work; lack of application of professional skills, poor working conditions; overworked employees; lack of recognition for a job that is well done; lack of feedback; lack of advancement opportunities; a low position in the organization; poor interpersonal relationships; little or no responsibility for the taken job; too strict control, etc. (Buff and Yonkers, 2005). To increase motivation, managers and employers should ensure positive effect of factors that contribute to job satisfaction. The factors that cause dissatisfaction should be removed or reduced, but also promote the factors that contribute to increased satisfaction at work.

Establishing ethical oversight committee in Kenya

Our final recommendation focuses on establishment of ethical oversight committee in the country. It is a well known fact that Kenya has established an ethics and integrity commission within the framework of year 2010 constitution which has a clear structure of a devolved government. However, this commission focuses more on economic crimes which is also a positive dimension in the fight against corruption. The researcher recommends that the government moves further and establish an ethical oversight committee both at the national and county levels of governance. This will work hand in hand with Ethics and Integrity committee so that ethical code of Tourism and Hotel Industry can be seen to be operationalised by stakeholders in all levels in the country. In this way, the flagship area of Tourism and Hotel Industry in the economic pillar will be realized and generate more revenue for Kenya.

Future research

Regarding the Responsible Tourism and Hotel Management in Kenyan Corporations, further research with a large sample may contribute to a better understanding of the phenomenon. The methods applied at different stages in this research were a focus group and a survey. Several close-ended questions were asked in the focus group sessions. Moreover, some open-ended questions may also be added to a future survey.

Conclusion

Business ethics is an integral part of business conduct. Under the business ethics are included principles and rules of conduct based on general and business culture and the principles and rules that dominate in interpersonal communication. Business ethics is a field of two different perspectives: moral, or ethical and business or economic perspective. The complex of factors that interact to influence ethical behavior, both directly and indirectly should be employed in the Tourism Industry. These are characteristics that each individual have, which he/she brings into the organization, as well as the culture of the organization.

Based on the analyzed results we can conclude that Kenyan Tourism and Hotel sector need to ensure and promote ethical conduct in general, including the ethical conduct of all participants in the Tourism Industry, primarily through raising awareness of the needs for ethical conduct, then the existence of different regulations with which unethical behavior would be punished.

However, it is important to create an environment in which the level of general and professional awareness would be such that the penalty would not be required. Only in this way it is possible to provide quality of Tourism products or services and to create a positive image of Kenya in the global Tourism market.

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