

**Czech University of Life Sciences Prague**

**Faculty of Economics and Management**

**Department of Business Administration**



**Bachelor Thesis**

**Business Ethics in the Hospitality Industry**

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## BACHELOR THESIS ASSIGNMENT

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Economics Policy and Administration  
Business Administration

Thesis title

**Business Ethics in the Hospitality Industry**



### Objectives of thesis

This thesis will investigate issues of business ethics in the hospitality industry. In response to traditional ideas that the main or only responsibility of business is to produce profit for their shareholders, many contemporary approaches stress that ethical business involves broader responsibilities, often described in terms of 'corporate social responsibility', or responsibilities towards 'stakeholders' such as customers and communities. On the other hand, many argue that this misses the point of business, and that such ethical issues are better tackled by other groups within society.

The thesis will focus in particular on issues of environmental sustainability, the responsibilities of hotels and tourism to local communities and their employees, and challenges raised by the COVID 19 pandemic.

### Methodology

- Literature review focusing on questions of business ethics and corporate social responsibility.
- Semi-structured, qualitative interviews with professionals in the hotel industry.
- Quantitative survey of consumer attitudes towards these issues.
- Participant observation based on author's own experiences within the industry.

## **The proposed extent of the thesis**

40-50 pages

## **Keywords**

Corporate Social Responsibility, Business Ethics, Hospitality

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## **Recommended information sources**

- CARROLL, Archie B. and Kareem M. SHABANA. (2010). The Business Case for Corporate Social Responsibility: A Review of Concepts, Research and Practice. International Journal of Management Reviews 12(1):85-105.
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- SIMS, Ronald. (2003). Ethics and Corporate Social Responsibility: Why Giants Fall. Greenwood press.

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## **Expected date of thesis defence**

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Electronic approval: 15. 2. 2021

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Dean

Prague on 14. 03. 2021

## **Declaration**

I declare that I have worked on my bachelor thesis titled "Business Ethics in the Hospitality Industry" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the bachelor thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 15.03.21

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I would like to thank my thesis supervisor Daniel Rosenhaft Swain, Ph.D., MA and all of my interviewers, for their advice and support during my work on this thesis.

# **Business Ethics in the Hospitality Industry**

## **Abstract**

The thesis is focused on the observation and evaluation of the business ethics issues in the hospitality industry. Basically, there will be covered three main topics: the influence of the environmental factor on the development of the hospitality business ethics, the difference between local and foreign (migrant) workers in industry and the influence of robotization on business ethics. The main idea of this thesis is to tell in more detail about these problems, explain what is the connection between them and business ethics, what difficulties people face during these problems, what alternative solutions exist or can be proposed to solve them. The practical part of this thesis will cover opinions collected from the insiders of the business and from the customer's side. It will be also discussed what is the impact of the pandemic on ethics in the hospitality business. It was decided to use two types of research to complete the practical part: interview and survey. The interview will give a greater vision of the situation from the employee side. Business insiders will tell if they had an experience with such issues in their practice, what they think about these topics, why these topics are so important and if there any solutions to these ethical issues. In turn, survey will give a vision from the customers side. It will be interesting to find out what people, who are not connected with the industry, think about these issues.

**Keywords:** Hospitality, Ethics, Sustainable tourism, Sustainability, Environment, Corporate Social Responsibility, Robots, COVID-19, Exploitations, Hotel industry.

# **Podnikatelská etika v pohostinství**

## **Abstrakt**

Tato práce je zaměřena na pozorování a hodnocení problémů etiky podnikání v pohostinství. V zásadě se bude zabývat třemi hlavními tématy: vliv environmentálního faktoru na rozvoj obchodní etiky v pohostinství, rozdíl mezi místními a zahraničními (migrujícími) pracovníky v průmyslu a vliv robotizace na podnikatelskou etiku. Jejím hlavním cílem je podrobněji popsat tyto problémy, vysvětlit, jaká je souvislost mezi nimi a podnikatelskou etikou, s jakými potížemi se lidé během těchto problémů potýkají, jaká alternativní řešení existují nebo mohou být navržená k jejich řešení. Praktická část této práce zahrnuje názory shromážděné od zasvěcených osob z podnikání a ze strany zákazníka. Rovněž bude diskutováno, jaký je dopad pandemie na etiku v pohostinství. K dokončení praktické části bylo rozhodnuto použít dva typy výzkumu: pohovor a průzkum. Pohovor poskytne lepší představu o situaci ze strany zaměstnanců. Zasvěcenci v podnikání odpovídí, zda měli s takovými problémy ve své praxi zkušenosti, co si o těchto témaech myslí, proč jsou tato témaata tak důležitá a zda existuje řešení těchto etických problémů. Průzkum zase poskytne vizi ze strany zákazníků. Bude zajímavé zjistit, co si o těchto problémech myslí lidé, kteří nejsou spojené s průmyslem.

**Klíčová slova:** Pohostinství, Etika, Udržitelný cestovní ruch, Udržitelnost, Životní prostředí, Společenská odpovědnost firem, Roboti, COVID-19, Vykořisťování, Hotelový průmysl.

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## List of abbreviations

- WCED – World Commission on Environment and Development  
UNWTO – United Nations World Tourism Organization  
FRA – European Union Agency for Fundamental Rights

CSR – Corporate Social Responsibility  
SDG – Sustainable Development Goals

# **1 Introduction**

The main idea of my thesis is to highlight and analyse modern issues and problems of ethics in the hotel business. Today the topic of business ethics is gaining more and more popularity. And this is easily explained by the importance of freedom of speech, action, choice and much more. Modern generation is developing very fast, the standards and standard of living of the past years no longer suit us. Every day we strive for something better - a better education, a promising job, a higher quality product and higher living standards. Various social networks and the Internet are gaining and keeping their popularity, with the help of which we receive information in a constant stream. However, not all questions could be easily answered. What if the sphere of the Hotel industry causes great damage to the environment, how is this problem ethically solved today? If the sector provides many jobs, is it ethical that in some countries migrants or even robots are employed instead of locals, and why? And does the Hospitality business have a future after the Covid situation? Here I want to find the answer for these ethical questions through the interviewing hospitality experts and ordinary people.

## **2 Objectives and Methodology**

### **2.1 Objectives**

The main goal of my thesis is to observe some of the ethical issues in the hotel business that are relevant today. The first topic to start with is the impact of tourism and hospitality on our environment, both negative and positive. The second is the industry's darkest dilemma: hiring people. Why do some companies have to recruit only the local population, and in some the exceptional majority are foreigners and what is the reason? The third, related to the second, is whether humans will compete with robots for their jobs in the future (advantages and disadvantages). And finally, corporate social responsibility (CSR), what the industry is doing to solve these issues, what responsibility it bears and what consequences we will have after the influence of the pandemic.

### **2.2 Methodology**

The methodology of my thesis is based on interview with insiders of the business, experienced and unbiased people with different a background. The interview includes four above topics, interviewers will answer the questions about them, share their experience and add all necessary information. Survey, in which questions will be asked more from the consumer's side, will be also added. Results will be more based on what people think about than what is really going on. However, we will be able to get acquainted with their personal opinions on these issues.

### **3 Literature Review**

#### **3.1 Ethics in hospitality business**

All of us know what ethics is and what is business ethics, however as people interpret this concept differently, it is better to clarify it. If start from the opinion of Aristotle, who was the first in whose works this term was used, then ethics is the moral behavior of the soul, the true direction towards kindness and a reasonable middle between opposite extremes, and he called vices as extremes ("Nicomachean Ethics" by Aristotle). Such vices as vanity and faint-heartedness, reckless courage and cowardice, waste and avarice, etc.

Unfortunately, it is not a simple term, so I like how simply and clear this term was described by A.A. Guseinov, Soviet scientist-philosopher: "ethics is a philosophical discipline, and it is engaged in the study of morality" (Huseynov, 2001). Simple enough explanation for such a broad term, but this topic can be discussed and philosophized for a long time.

In turn, "business ethics" (also known as "corporate ethics") is a form of professional ethics that deals with ethical and moral principles and related issues in the corporate and economic environment, including such industries as corporate social responsibility (CSR), bribery, insider trading, corporate governance and more (Business Ethics, 2017). It can also be explained as a set of generally accepted norms that any company must follow in order to gain universal acceptance.

It is necessary for the managers and leaders in the firm act ethically, which also means integrity. Integrity is essential not only to maintain tone, culture, and climate in an organization, but also to maintain healthy employee relationships and commitment.

Employees are also involved in ethics. Fortune magazine regularly publishes a list of "100 Best Companies to Work" with different characteristics, which certainly does not go unnoticed (100 Best Companies to Work For, 2020). It is America's largest workforce survey. This year alone, 4.1 million employees took part in the survey. They have been provided with a questionnaire with over 60 questions describing the extent to which their organization creates a Great Place to Work For All. Below you will see a

screenshot from the site that includes only Hospitality organizations. As you can see the first place for the second year in a row goes to "Hilton" (Fortune, 2020).

## 100 Best Companies to Work For

RANK	NAME	% WOMEN	% MINORITIES	JOB OPENINGS (AS OF FEBRUARY 2020)	# NEW GRADUATES HIRED
1	Hilton	53.3%	69.3%	4,500	-
10	Kimpton Hotels & Restaurants	47.1%	56.5%	592	-
12	The Cheesecake Factory	44.9%	62.9%	2,300	-
28	Hyatt Hotels	52.8%	63.2%	1,350	95
38	Marriott International	54.6%	65.8%	7,059	-
100	Four Seasons Hotels & Resorts	48.6%	67.1%	818	342

**Figure 1.** 100 Best Companies to Work For

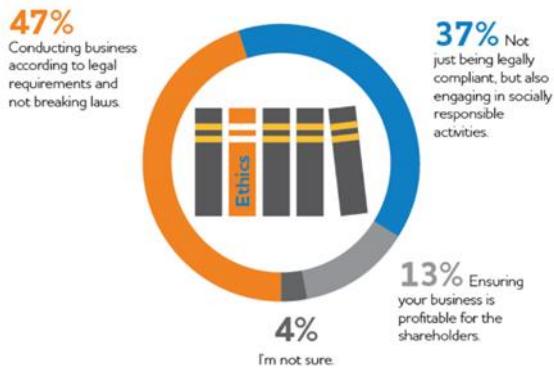
Source: Fortune. 2020 [online]

Society and business have become much better under the influence of ethics. This can be seen even if you compare what the behaviour of people and the business itself was several decades ago and now (R. Sims, R., 2003). People were not paid compensation if they were injured while working; they were only expected to be fired, and then poverty and hunger. Markets were controlled by large monopolies that could not be resisted. Influence was proven through violence, threats and intimidation. Employees were recruited through connections or personal gain. At one point, it was already impossible to endure, and people began to ask for fair, honest and decent behaviour (R. Sims, R., 2003). Subsequently, new alliances and projects were organized, new laws, antitrust laws, companies began to develop Code of Conducts. Perhaps we are still struggling with many problems, but this is already significant progress for humanity.

Ethical employee behaviour is essential to the productivity and vitality of any company. The ethical and legal conduct of the company and its employees can save billions of dollars. Because a huge amount of money is spent on theft, lawsuits, settlements, and fines. Here are some statistics, for example, in the United States, theft in the workplace accounts for US enterprises in the 40-50 billion dollars a year (R. Zemke, May 1986). Moreover, unethical behaviour can affect attitudes, productivity, and loyalty (R. Sims, R., 2003.)

In the Middle East and North Africa (MENA) region, Bayt.com collaborated with the Canadian University of Dubai (CUD) to research ethical leadership (Bayt.com, 2016). The studies have produced interesting results, below I will give some statistics from this study, which shows the answers and different views on business ethics of the people who took part in it.

**What does “business ethics” mean to you?**

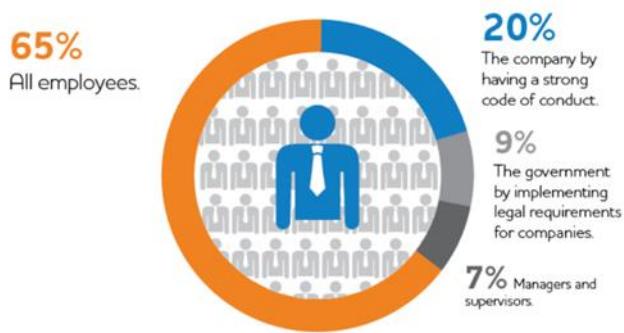


1.

**Figure 2. What does „business ethics“ mean to you?**

Source: Bayt.com. 2016 [online]

**Whose responsibility is it to be ethical in business?**



2.

**Figure 3. Whose responsibility is it to be ethical in business?**

Source: Bayt.com. 2016 [online]

As you can see, the answers are ambiguous. People often argue on ethical issues as these are complex issues and people themselves often make adjustments to these statements. I think that ethics is in some ways similar to politics, everyone chooses an opinion and a side that is closer to himself, more truthful and the one in which we feel safe.

Now, when we have figured out the terms “ethics” and “business ethics”, we can move on to the hospitality business. The hospitality business represents many areas (such as: hotel business, restaurant business, airline companies and much more) and all of them combined by tourism. Which means that this is a constant work with people. Ethics in the hospitality business, as in any business, is necessary because all stakeholders benefit when everyone in the organization strives to do what is right, as well as to do things the right way (R. Sims, R., 2003).

The hospitality industry faces many of today's ethical issues and tries to address them whenever possible. Among these issues are environmental protection, ethics and the use of the Internet and e-commerce in general, labour exploitation, corruption and solving financial problems, discrimination, issues of diversity in the workplace, robotization, genetic engineering and many others. Although I have singled out and concentrated on only three or four topics, in fact there are many more and perhaps in the future their number will increase, since the world does not stand still and develops every day.

### **3.1.1 The influence of the environmental factor on the development of the hospitality business ethics.**

The hospitality industry is a thriving, economically profitable industry that is growing every day and pleases both foreign travellers and local entrepreneurs. Using one study, you can clearly see how the development of this industry affects the environment. A study was conducted by the International Conservation Organization, which showed that, on average, a hotel with 100-150 rooms consumes the same amount of energy per week as 100 private houses and creates even more waste (O. Otto, 2017, pp. 22). Such a huge amount of energy is spent on lighting some parts of the hotel constantly (corridors, reception, technical rooms, etc.), some equipment in hotels is also exposed to round-the-clock work, and a large amount of money and energy is spent on heating rooms (including empty ones).

There is much more waste, since in hotels a lot of subjects are one-time use (food, shampoos, soap, slippers, etc.), when at home people can use it many times. Ethical issues have come up squarely on what to do if such a huge economically important industry causes such damage to the environment.

Unlike the term “ethics”, the term “sustainability” come in sight relatively recent. And this term is directly related to Environmental ethics, which focuses on human actions and behaviour in relation to nature, nonhuman animals, plants, ecosystems, air and water quality, and so on (Kates, Robert W., Thomas M. Parris, and Anthony A. Leiserowitz. 2005). Over the past few years, the number of definitions of the term “sustainability” has increased. In the WCED (World Commission on Environment and Development) committee’s report “Our Common Future” the term “sustainable development” was defined as: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED (Brundtland Commission), 1987, p. 41-42). This definition certainly implies a significant wide range of areas, but for many people it means human equality, environmental quality and economic security (Van Horn, n.d.). Consequently, sustainability cannot exist without ethics, as sustainability must take into account values, cultural attitudes and methods for achieving lasting, just and mutually beneficial relationships between humans and nature (Van Horn, n.d.).

The meaning of the term “sustainable tourism” is very well articulated by the World Tourism Organization: “Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment, and host communities” (UNWTO, n.d.).

The concept of sustainable tourism emerged and became widespread after the 1995 World Conference on Sustainable Tourism (Otto, 2017). Sustainable tourism development has become a priority for the UN World Tourism Organization. In 2015, all United Nations Member States adopted the 2030 Agenda for Sustainable Development, which includes a plan to bring peace and prosperity to people and the planet, now and in the future (UNWTO, 2015). To implement this plan, 17 Sustainable Development Goals were formulated and delivered. As UNWTO (The World Tourism Organization) informs us, tourism affects the achievement of all goals, some directly, some indirectly (UNWTO, 2015).

### Sustainable Development Goals:

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace and justice
17. Partnerships for the goals

Today it is very conveniently to be a hotel that seeks to preserve the natural environment. Leading hotel industry experts say this is one of the hottest trends for the next few years. Already today, many hotel chains have their own environmentalists, ecologist or are developing environmental projects for their hotels. Green hotels also famous for their achievements in energy saving, water saving devices, recycling and their roof gardens. But why not all hotels can go green? And if they do, why is it difficult for people to travel sustainably? Greta Thunberg's has a good phrase: "I am not traveling like this because I want everyone to do so. I am doing this sort of to send the message that it is impossible to live sustainably today, and that needs to change. It needs to become much easier". Continuing to give up air travel, Greta cruised from New York to Europe on a sailboat, not wanting to increase her carbon footprint. This option is not fitting for most of us. Yes, many would like to travel sustainable, but it is likely that they do not have the funds to do so. After all, not all hotels can afford new developments, technologies, and a personal

ecologist. But we all want to travel, get acquainted with other cultures, develop, fill life with beauty and new emotions.

The situation was briefly described from only one side. And now time to talk about the other side, the side that does not attract so much attention. We can say that many have heard and think about how much resources are spent and what harm we can cause to the environment during one trip, but not so many people know what assistance tourism provides and to whom. "According to a 2015 study by a specialized agency of the United Nations, the World Tourism Organization (UNWTO), 14 African countries receive about US \$ 142 million in fees for access to protected natural areas. The cessation of tourism activities means that many protected areas and communities around them will not receive income, while many do not have access to social safety nets and survive largely on tourism. Loss of tourism income further jeopardizes biodiversity in protected and other conservation areas, which are the main destination for wildlife tourism. Without other opportunities, people can begin to overexploit natural resources, either for their own consumption or in order to generate income. " - informs the UN (UNITED NATIONS, 2020).

### **3.1.2 Locals and Foreign workers**

This topic is very important to discuss. On the one hand, it needs to be revealed the topic from the side of the local population, why in many countries they try to recruit mainly the local population under sustainable tourism programs. On the other hand, discuss the topic of labour migration, working conditions and attitudes towards employees. For what reasons are foreigners recruited, in what cases and why it is so welcomed in the hotel business.

The problems are different and sometimes they cannot be simply solved with money. Problems such as vandalism and harassment from tourists, massive pollution, etc. Many locals do not like the fact that such a large number of foreign tourists come and prevent them from walking calmly down the street, enjoying the beauty of local attractions. Especially in order to avoid such problems and misunderstandings, the world community is developing various strategies aimed at helping the local population. For example, the local population wants to be more involved in tourism in order to create travel meaningful (The

Planet D, 2021). Since it is interesting for visiting tourists to look at the world with different eyes, get to know the culture more closely and communicate with local people, this makes them more unique.

In some countries, hotels are recruited exclusively by the local population to develop the region, raise its economy, or the employment of the local population is a priority for the state (for example, in Switzerland, priority is given exclusively to the local population, which is why it is so difficult for foreigners to get a job there). That is, being a highly qualified and experienced specialist, you are unlikely to be hired for the desired position.

Some hotels, on the contrary, are open to recruiting foreigners to expand their boundaries and share knowledge. Moreover, in some countries, unlike local residents, foreign workers do not claim such high wages which is personal benefit for a hotel.

It is also important to understand that in the world a lot of labour exploitation. FRA (European Union Agency for Fundamental Rights) conducted a study in which it turned out that many firms throughout Europe exploit workers, and most often migrants who come to work in Europe fall under the exploitation (O'Flaherty, 2019).

Here is just a list of some of the working conditions that migrants face in the European Union:

- paid as little as possible
- working 92-hour, seven-day weeks, with no holiday or time off;
- sleeping in shipping containers, with no water or electricity;
- monitored on CCTV 24/7 by bosses;
- subjected to beatings, verbal abuse and threats of further violence;
- given no protective clothing to work with hazardous chemicals;
- face sexual and gender-based violence or forced into moving drugs;
- threatened of dismissal and deportation when they ask for their wages.

Many of people who took the survey said that they did not know their rights when they stayed in the country of destination, they also had difficulties with familiarizing with the agreement (for some of them it was not provided at all), this was largely due to the lack of knowledge of the language (O'Flaherty, 2019).

Unfortunately, in the hospitality industry they have these kinds of problems as well. This is mainly due to the high competition in this sector with intense pressure on costs (Ewart-James and Wilkins, 2015). In such conditions, many owners of companies, both large and small, are trying to reduce their costs on the number of labour and their payments. At the moment, it is difficult to identify the number of abuses of power in this area due to a lack of research, but according to some reports, exploitation is mainly acute for low-paid and low-skilled migrant workers (Ewart-James and Wilkins, 2015). The main problem, again, is mainly due to lack of language skills, lack of access to informed support networks and lack of knowledge of their labour rights.

### **3.1.3 Robots instead of humans**

Like many other areas, the hotel business is rapidly developing in IT areas. Today, a lot of robots and programs have already been invented that fit many processes during the "check-in", cleaning rooms, air control, lighting and much more. Does this mean that human resources will soon become obsolete, and we will have to give our jobs to robots? This is what people are interested in today, whether tomorrow we will not be left without our work, for which we studied for a long time and devoted many years to it.

Andrei O. J. Kwok & Sharon G. M. Koh argue that the pandemic is only fuelling technology development in the hospitality industry. In their opinion, very soon there will be an opportunity to travel in 3D reality around the world or 360-degree video will be able to replace our direct presence in certain places (Kwok and Koh, 2020). And this may be one of the alternatives for the future of tourism, people will interact less with each other, less use air transport and at the same time satisfy their thirst for travel.

But what about the robots that already exist. Now I would like to tell you more about robots that have already taken their positions in the hotel business. In Virginia, Hilton Worldwide and IBM are collaborating on Connie, the first Watson-powered concierge robot in the hospitality industry. Connie is currently at the front desk at the Hilton McLean Hotel in Virginia. She learns to communicate with guests and answer their questions. Connie can already greet guests upon arrival and answer questions about facilities,

services, hotel opening hours, and even recommend local attractions outside of the hotel (Hilton And IBM, 2016).

And in Japan, for example, there is already a hotel fully equipped with robots. Robots are located at the reception desk, where they accept check-ins and check-outs. They also have robots who help you bring your luggage to your door. When you enter the room, your fingerprint is identified and face recognition allows you to go inside, where a robot-concierge will be waiting for you inside and could talk with you and answer your questions (H.I.S. Henn na Hotel, 2021).

There are many more robots in the industry, such as "assistant robots" located at the airport, helping people "check in" for a flight or book a hotel room (Hornyak, 2020).

According to some reports, without structural reforms and compensation payments, such a massive introduction of robots can lead to mass unemployment and increased inequality in society (COMEST, 2017, pp. 4-7). After all, robots can radically change working conditions. It will be necessary to develop new skills in working with robots, education and certain measures (COMEST, 2017, pp. 4-7). Moreover, the consequences can lead to political problems. For example, there might be a new divide between developing and developed countries, and how can this be countered? The issue of the safety of both customers and employees, which has already been raised above, is also important (COMEST, 2017, pp. 4-7). In the situation of imminent danger, how should the robot be programmed so as not to inflict more serious harm, and who will be responsible for this (COMEST, 2017, pp. 4-7)? Will robots be regulated by standards, laws or by codes of conduct? Ethical questions also arise when it comes to robots providing assistance and protection. Keep in mind that robotization can also affect our moral principles and attitudes. That freedom, that respect for privacy and justice, which we now value so much, may be under threat.

In the hospitality industry, it is very important to keep the safety and privacy of each client. Therefore, all these robots are constantly tested for interaction and communication with people, data analysis, performance and so on. And although all the above examples prove to us that there are already robots that can calmly communicate, analyse information and answer human requests, but robot is not a living person. Robots need support and guidance

from humans in one way or another. While the robots are performing, a person “from behind the scenes” must control them (Francesc Fusté-Forné and Tazim Jamal,2021). People will stay in the industry one way or another, you just need to maintain the perfect balance. Robots do a better job of collecting and analysing data, while reducing the workload on employees, resulting in employee and customer satisfaction (Francesc Fusté-Forné and Tazim Jamal,2021).

In a Pandemic, robots are a great solution. They will not be able to carry diseases and people will travel more safely when the risks of getting sick will decrease. However, we do not know if for people be more comfortable to trust their lives to robots or that robots have such a huge amount of information about us? This question remains open. Ethical issues in robotization are still being explored. One thing is for sure - big changes await us in this industry. People do not want to be left without work, perhaps many do not trust new technologies and innovations, but their contribution and help to people, as well as their arrival, is obvious.

### **3.2 Corporate Social Responsibility**

There are many definitions of Corporate Social Responsibility, but in general terms, it is a concept according to which a private organization has a responsibility to society, which goes beyond the production of goods and services for a profit. This includes the voluntary adoption of additional measures to improve the quality of life of workers and their families, as well as society at large. The concept itself is ethical and emphasizes concern about the social dimensions of business activities that are associated with improving the quality of life. At the same time, the word “responsibility” implies normative compensation or the obligation to solve social problems that business organizations create in relation to society (Buchholz, R. and B. Rosenthal, S., 1999. Chapter 25. Pp. 303-319)

Over the past 40 years, interest in business ethics and CSR has only increased every year, and this is largely due to the headlines of scandals. The public's attention is undoubtedly a result of multiple accusations of little concern for the consumer, deterioration of social order, indifference to minority and environmental issues. That is why people continue to discuss and call for CSR and business ethics.

The issues of business ethics, CSR and public policy are complex because they are based on morality, ethical values associated with the purpose of business activity, the contribution of business to welfare and self-development, as well as the essence of human and business society. These questions are difficult to answer, as it is not a simple mathematical calculation, and answers to these questions cannot be achieved through the use of force and influence.

Pava and Krausz (Professor of Banking and Finance at the Syms School of Business) answered the question whether there is a relationship between CSR and financial performance. They conducted 21 studies from 1972 to 1992. According to the results of this study, 12 have a positive relationship between CSR and financial performance, 1 shows a negative relationship and 8 - no relationship. At the very least, it can be argued that CSR and financial performance have a weak but positive relationship (Sen and Bhattacharya, 2001, 225-243).

Today, the crisis, the impact of the coronavirus and other economic and political upheavals are opening a new era of corporate social responsibility (CSR). CSR has evolved rapidly over the past decade, but current events are driving rapid changes and decisions due to strong consumer demand. People want to see more often that the organizations are engaged in social responsibility, and such organizations inspire more trust in people, which leads to higher sales.

### **3.3 Implications of Covid-19 on hospitality ethics**

The hospitality industry was hit hard during the pandemic. There have been massive layoffs and layoffs of workers, huge financial losses, and a lot of pressure in the business community. As mentioned earlier, specialists in this area put the main emphasis on the development of robotics, hygiene and cleanliness, health, and healthcare. Developments in these three areas are expected to further the safe operation of the hospitality sector (Sen and Bhattacharya, 2001).

Since this industry is quite large, during the pandemic a huge number of people were left without work. Which first shows what socio-economic consequences people associated

with this industry are experiencing. According to UNWTO, 100-120 million jobs in tourism are at immediate risk.

Women, youth, and workers in the informal sector are under great threat. According to ILO, women account for approximately 54% of the tourism workforce (International Labour Organization, 2020). Migrant workers and youth are also the most vulnerable group in terms of the impact of COVID-19 on tourism. It is obvious to everyone that these groups of people find it harder to withstand economic shocks. And these questions, in my opinion, are very related to ethical problems. What to do, where to look for a new job and how long will it take to find it? Or even if the tourism industry is responsible for all these people, how can it help them?

The tourism and hospitality industry are taking decisive steps. And it should be noticed that this is not only a problem in hospitality area, but also world, economic and political problems as well. According to the UN, the issue of temporary exemption from taxes and other payments is being considered, various schemes are being undertaken to support employment, preserve jobs in the short and medium term. Issues of financial assistance for vulnerable groups of the population are also considered. This can be done through grants, fringe benefits, subsidies and vouchers for childcare services to make it easier for women to return to work (UNWTO, 2020).

Ironically, the current crisis is conducive to changes in the relationship between the tourism sector and nature, such as making a greater contribution to the achievement of the SDG (Sustainable Development Goals). Today, sustainable tourism issues such as reducing the vulnerability of tourism-dependent regions, more sustainable resource use, creating green jobs, improving transport connectivity, and developing low-carbon infrastructure are being actively in a process of resolving. Investments in low-intelligence infrastructure and R&D are expected to contribute to massive economic growth and about 42 million jobs by 2050 (International Renewable Energy Agency, 2020). It is also reported that the pandemic had a positive effect on the active development of mountain, natural, cultural and historical tourism. For example, in Sweden, interest in hiking and mountain tourism increased by 300 percent (Sverige Radio, 2020).

The World Committee on Tourism Ethics also promotes more responsible travel behaviour (UNWTO, 2020). And in France, Air France has set itself the goal of ending short routes that coincide with train routes (UNWTO, 2020). This is due to the fact that trains emit much less greenhouse gases into the atmosphere than airplanes.

## **4 Practical Part**

### **4.1 Interview with insiders of the business**

As part of my practical work, it was decided to conduct 5 interviews with hospitality industry insiders and a social survey. Each of the respondents was asked the same questions related to the above topics, including the impact of the pandemic on hospitality ethics. Since the respondents are directly related to the industry, questions asked in order to find out their point of view from the employee's side.

First of all, it will be introduction of the respondents (it will not be a list with absolutely all their achievements, only the most important ones, in my opinion), so that you can see their connection with the industry and why they were chosen. Their names were changed to the letters A, B, C, D, E, since not everyone gave their permission to use their names.

The first interview was with Interviewer A – she worked as a certified sustainable management auditor, opinion columnist for the CEOWORLD magazine, has a Sustainable Management degree from the University of Geneva and a master's degree in ESCP Business School. Currently he teaches at Cesar Ritz College in Switzerland, lectures on Business Plan, Business Ethics and Marketing to bachelor and master students.

Next interview was with Interviewer B, he holds a degree in hospitality management from George Brown College in Toronto, an MBA from Ecole Hoteliere de Lausanne, and began his career at Fairmont Royal York. In 2011, he became the owner of the Avenue Dining hotel and restaurant in London. Currently he teaches lectures at Cesar Ritz College in Switzerland in Business Ethics and Room Division.

Interviewer C - educated in the United Kingdom at The University of Derby Centre for Contemporary Hospitality and Tourism Management. She worked for Swiss International Air Lines, Costa Cruises and is currently Event Manager at Culinary Arts Academy Switzerland.

Interviewer D - graduated from the Bachelor of Business Administration and Northwood University and American Hotel & Lodging Association Program. A total of 16 years in the

industry including studying time: worked in Fairmont Le Montreux Palace, Les Amis Pte Ltd (French Fine Dining Restaurant), participated in the Charity Project at Yaowawit Lodge (Thailand) as Hotel and Restaurant Manager.

Interviewer E has no direct experience of tourism, but she graduated from the University of Derby, has a degree from Swiss Education Group Professional, graduated from Effective Online Course Design at the University of Oxford. She has extensive experience with Credit Suisse and Lloyds Banking Group and currently teaches Management Information Systems, Macroeconomics, Business Communication & Ethics at the Swiss Education Group.

As you can see all of them very experienced in different specialties of the same industry, as well as they have many years of experience and they are all currently teaching in one of the best schools in the hospitality industry, which also says a lot. It is very important to have different opinions through the interview, that is why it is good that they have different backgrounds.

Questions are arranged by topic according to the theoretical part. Topics will be listed first, followed by topic questions and respondents' answers with my personal comments. Of course, I did not begin to quote absolutely everything, I highlighted only the most necessary things in my opinion.

#### **4.1.1 The influence of the environmental factor on the development of the hospitality business ethics.**

The environment greatly influences on ethics in the hospitality and any other business. But ethics in the hospitality business also affects the environment. However, what is good for business is not always good for the environment. Sustainable environment will be the main theme of this paragraph.

The very first question in the interview was: What do you think about the issue of sustainable environment? How does the hospitality business deal with this issue?

It is worth starting with the words of Interviewer A, who opened this question and gave a very voluminous and interesting answer, confirming her words with an example:

*It depends on what is your personal definition of sustainability. Sustainability is when you find a balance between economy, social and ecology. But you can have a soft way of looking at it or hard way of looking at it. If you are looking at it hard way there is no in between which means that we have to stop traveling, we have to stop consuming, we have to produce it really an extreme position. We like to believe that in soft version of sustainability we can use technology to actually ensure the same quality of life and respecting the planet at the same time. However, for sure hospitality business is take a major role in a pollution of the environment. Locally there a lot very interesting initiatives to reduce food waste to consume less and so on but it does not acculturate the main problem of the hospitality industry which is travel. You can spend 2 weeks in an ecology in Africa, but if you still come from the US, you are traveling the world on airplanes and this is massive pollution...*

It is hard to disagree with this opinion. Sustainability is a complex concept that is often interpreted and understood in different ways. The rest of the insiders of the business agree and share this opinion. Of course, the industry is trying to solve this problem, but how well the industry handles it is a moot point.

Answering the question “How hospitality deal with it?” Interviewer B said:

*In my experience poorly, compared to other industries. They are trying, yes, you will see most hotels have green and sustainable programs, but it is small impact measures as how often do you want your bedsheets wash. And it is good programs, but it is more marketing than actual green practice. And unfortunately, a lot of hotel fall on that. We still using trains, planes, automobiles. Tourism is global, different people have different opinion on what sustainable tourism is.*

This opinion is sceptical enough, however, this is the real world. And of course, as already noted, organizations approach this issue in different ways, some are engaged in more serious projects, some are smaller, but the issue of transportation while traveling is still open.

To help the respondents explore this topic, additional questions have been prepared that will guide them.

1. Have you had any experience with sustainable tourism / eco-hotels. How well does it work today and how massively?

Interviewer C, sharing her experience in the industry, noticed:

*Working as a sales district manager in the cruising industry I could witness how sustainability was a main topic for the future development of the company I was working for. Being well aware of the damages the industry can cause to the environment, billions of euro were invested for a more sustainable future. This was also pushed by the fact that the swiss market is a very wealthy market, it was important to show the engagement to the well-educated customers.*

Reading this, gets a very pleasant impression that some measures are still taking place to protect the environment, and this is not just an empty phrase. Changes in nature affect us and make us think, start taking some action, change thinking and behaviour. The industry does not hide these problems, moreover, people do not cease to remind people of the existence of these problems and invest huge amounts of money in solving environmental problems. However, answering this question, Interviewer A showed another side of the issue about the operation of eco-hotels, which not everyone talks about and thinks about:

*People who travel the world now to see things before they disappear. We know that nature is bringing value to any places. An apartment with a view on a forest is more expensive than apartment with a view on a parking. So, the value of nature is easy to prov. And people travel to see nature. And some people rush to Australia because they want to see the Great Barrier Reef before it disappears because of pollution, but by traveling to see the Great Barrier they are participating to destroying it. So, the ethical dilemma is here what kind of compromise can I make to ensure the respect of nature. Imagine you have a super eco-hotel close to Great Barrier and you still want people to come and visit it. So even if your impact locally is very low the fact that people are traveling. So, it is really difficult question to answer. However, I have also seen some fantastic initiatives of hotels, because they hire local people, train people, they participate fully to protecting the environment locally because they know that's the value is. I think more and more hotels taking responsibility for the environment to random immediately.*

Indeed, hotels that advertise themselves as "eco-hotels" still want people from all over the world to come and stay with them. On the other hand, if we choose between greater evil and lesser evil, then we always have the choice to at least try to reduce the harm caused by travel. As noticed one of the interviewers: „Doing the right things is probably not what is right for your business”. Sometimes people can do right things, but will it be good for their business? And should they think about their business first? These are difficult questions. However, insiders of the hospitality industry recognize that transportation is a major issue today. And in order to solve it, it is necessary to develop transportation strategies that will help bring less damage to the environment.

2. In your opinion, is the hotel management responsible for environmental damage and locals?

The respondents could not say unequivocally "yes" or "no", the question is rather ambiguous. As noted, Interviewer C and Interviewer E, the hospitality industry is one of the largest industries, and managements need to take this aspect in their priorities. There are nowadays so many possibilities to allow to reduce the impact and increasing sustainability, often it is just a matter of willingness.

Interviewer A gave her comment on this during our interview:

*Of course, yes and no. Because they are transforming the landscapes, buildings at the same time they bring sustainable development to the locals. Ensuring better level of life, probably access to health so being part of the environment. But you are not sustainable hotel only because you tell your guest use that towels 2 days in a raw.*

These issues would be much easier to understand if there were some standards of the sustainability of the industry. However, Interviewer D very accurately noticed one nuance:

*It depends on the size of the property as well. The bigger the property, the harder to it is to stay sustainable in terms of environmental damage.*

And it is true. Whatever which projects large hotel and restaurant corporations use, mathematically, the larger the building, the more emissions.

The respondents were not able to give an exact answer, since the industry in the general sense should be responsible, but there are many hotels and restaurants that are not tied to this. This is a general priority, but not a rule. A lot depends on the company and the state.

There are countries that prioritize their citizens and the ecosystem, but there are those for whom business is just a business.

### 3. What are the barriers of making tourism more sustainable?

All respondents unanimously named primarily the financial issue as the main barrier to making tourism more sustainable. The next barriers, according to Interviewers E and C, are changing old attitudes and habits for travel as well as knowledges about sustainable alternatives. Interviewer D joined their opinion and completed it:

*In my opinion it is the lack of prioritizing education in developing countries as well as a lack of responsibility – we tend to be spoilt and forget about the others once we have built a life with a strong income, using the excuse that we worked hard for it. This applies not only in the luxury sector, but wherever there is a genuine lack of interest for looking at the bigger picture. The developed world is largely responsible for this since until the end of the 90s there was little, or no effort involved.*

Education is the foundation in solving environmental and ethical issues everywhere. Although many people think about these problems, not everyone understands the importance of solving them. It is important for people to study these topics, learn new opportunities in this area, so that customers can understand the need of some actions from the sides of hotels, restaurants, transportation companies. In my experience, even if companies take some actions, for example, to reduce the food wasting, not all customers and guests take this with understanding. Perhaps we could get more help from people if the educational program provided more materials on this issue. Also, political decisions can become both a barrier and help to preserve nature from the hands and actions of humans.

Interviewer A gave another very interesting example:

*I really like the example of Seychelles islands. I have been there 2 years ago and its very impressive. They have 2 ways of development they are focusing on: education and sustainability. Because they believe that people will always be ready to pay a lot of money to see bird that does not exist anywhere else on the planet. So, they have 150 different islands and 1/3 of them left without human connection and interaction for 50-60 years and then they turn so that's real nature can actually get the right*

*back because there is absolutely no human interaction on 1/3 of the island. Because they want to protect that. It is a political decision.*

This is an excellent example of how government actions can have a positive impact on the preservation of their territories and natural resources.

#### **4.1.2 Locals and Foreign workers**

Another ethical issue that consider in my work is the jobs provided by this area. More specifically, what insiders of the business think about the fact that many employers hire foreign / migrant workers instead of locals?

1. Is it ethical and fair that the industry provides many jobs, but about half of them go to international students and foreigners/ migrant workers? Do the hotels have a responsibility to provide work for local people? (they were asked about)

Interviewer D, believes that experience and knowledge are very important in this issue. In his opinion, international workers (certainly those who have experience or have been trained) can solve some issues more effectively, since they can look more versatile at solving some problems in the industry, but the hospitality industry should also be responsible for hiring local employees:

*Both are important, then again, education is a strong factor. Hospitality has its core in the attitude of people and how they treat their guests, particularly during difficult moments. International students (generally speaking) tend to handle those more effectively, particularly the ones who have travelled the world and seen different cultures. To answer your question: yes, they do have a responsibility to hire locals as far as entry level positions are concerned, but when it comes to promotions and higher management positions, we should carefully assess the background and attitude of the person concerned.*

In turn, Interviewer A told me more of a financial side of the issue:

*It is all connecting to profits and customer experience you want to provide. If we think of cruise, there is an average 1 employee to 2 guests, because they take care of the food, cleaning and so on, and people leave home for 2-4 month in a row and leaving in a very difficult conditions and of course they recruit people from countries where the wages are very low. It is one of the dark sides of our industry...*

It is dark side of the industry because it could be exploitation in a working place. All the managers want to maximize profits, that is why many of them use all the possibilities. According to my experience, for instance, in Czech Republic local people expect higher wages when migrants, foreigners and international students can agree to lower wages. This leads to the fact that employers are aware that the demand for the position will still be and can dictate their terms and treat workers as cheap labour, which can always be replaced. This certainly happens not only in the hospitality industry, but people do not like to talk about it any industry. And if people want to change something in the world, probably they should start from their self and think about the business ethics, when they make a business decision. And of course, it also depends on the low and regulations of the country.

Smoothly moving on to my next question, Interviewer C shared her answer, she very clearly pointed to the problem and supplemented it with her comments:

*In my opinion, it is not who they are hiring that is problematic, but the differences between the working conditions between a local and another one. Some areas have not enough “available locals” to afford the demand, therefore external staff is needed. On the other hand, locals should not be disadvantages versus external staff. An equal and fair access to the position should be offered to any open position.*

2. Why do they recruit them? Do you think they exploit them, because of cheap labour? Or maybe they have responsibilities to provide a job for migrants? Or management of the hotel just should think about the business side?

Interviewer B, having extensive experience and having been in many countries, shared his experience with me and confirmed the presence of operation in the hospitality industry:

*In my experience, I have been in middle East, in Europe, in North America, and I have seen that somewhere cleaning and service stuff are a foreign worker. And as you said, they take advantage of cheap labour, and I also think there could be exploitation, absolutely. And definitely, it is a problem. The biggest cost of your hotel is a labour. Five stars in North America, five stars in Europe and five stars hotels in Asia are completely different because of cost of the labour is completely different. Hotels have more responsibilities to provide work for locals. In*

*Switzerland you not going to find a lot of swiss taking an enter level hotel job. They still need somebody to work there. And housekeeping for example generally no necessary to speak the local language, when front office need to know local language for sure.*

In my own experience, when I have been in Switzerland, and search for an internship there, the local language (at least one of them depends on location) was required in any front office positions. However, even without knowledge of the local language, but with experience, knowledge of English and education behind a back, it is possible to find a good job, because qualified managers will always prioritize big minds who can change this world. Interviewer D, sharing this opinion, reported:

*Cheap labour is definitely a challenge, then again, it depends on the positions.*

*Good companies will invest more in people who are capable to bring change, but entry level positions are stagnating on minimal wages.*

Interviewer C also agrees that cheap and affordable labour is a moral test for the tourism industry:

*Often is the urgent need for staff that motivates them to hire any available person and as for migrants it is very important to get a job, maybe some companies are abusing of their position to lower the salaries and offer less good working conditions.*

In conclusion, I will add only the words of Interviewer E, with which all of the above can be emphasized and remind that we are going through difficult times, but perhaps they will push the industry to change:

*Yes, sadly, cheap labour has been synonymous with tourism for too long, especially in developing countries. I believe that tourism has been forced to change it is approach since Covid 19 and this change will hopefully initiate an overall improvement.*

#### **4.1.3 Robots instead of humans**

In this paragraph main topic will be what do insiders think about robotisation in the hospitality business.

1. From the employer's side, how do you feel about the use of robots in the hotel business?

Fortunately, Interviewer A worked on "Impacts of the artificial intelligence on hospitality industry" during the last month. She shared with me the information that in the next 15 years about 40 percent of our global jobs worldwide will be affected by artificial intelligence.

*"Is it a good or a bad thing it is depends on what you want to make of it..."* – reports Interviewer A.

During the online conversation she told more about the benefits of robots, especially about the Conie-robot in Hilton. The main thing that you can speak your mother tong with Conie, and it could provide better experience for a guest. Some people do not like to mention some specific things to another human. For example, if it is problem with your bedsheets in your room and you need to change them, you might feel uncomfortable to speak with receptionist about it. But you can easily speak with a robot about it. So, customers find some interesting elements here. Interviewer A also told me about the app "SAM" which is travel assistant. "SAM" is telling you about your flight's updates, giving you suggestions about the public transport or taxi and in case of terroristic attack, "SAM" will write a message, and if you will not answer that probably you are in trouble and app will call the police. But from the ethical side of the question, she noticed:

*Artificial intelligent or robots cannot take the responsibilities. If robot will make a mistake, who is taking the responsibility. Humans are the only one who can take the responsibility.*

No matter how robots make our work and life easier, they cannot take responsibility, and this is a very serious argument in defence of "living" workers. Such issues of responsibility, new rules for working with robots, legal norms regarding to robots are being discussing now and will appear in the near future, as the number of robots is increasing everywhere (COMEST, 2017, pp. 4-7).

Interviewer C shared her experience about the usability of robots:

*I think it is innovative and they can become an attraction for the customers. It can also remove some of the workload to the staff. On board our ships we had "Pepper" - which was a robot providing wide information's about shorex, on board*

*activities, latest news, ... It is very good because it's instantly updated, knows everything... But definitely has its limits.*

Interviewer B, in turn, spoke about some more conveniences:

*Hospitality industry slower adapt to new technologies than other industries. I see 2 faults in it. If my biggest cost is labour, I will try to find ways to reduce labour and minimum make it more efficient. And second is traveling during coronavirus. Using technologies during the travel could make your travel more safety by reducing the connection between a lot of people (during the check ins for example).*

2. People are losing their jobs because of robots, is it inevitable? Or are there any alternatives?

There are several nuances in this matter that are worth paying attention to. All respondents agreed that people will lose their jobs in one way or another, and not only in the hotel business. Interviewer B told about this in more detail:

*What you do we loses is a beaty of hospitality, which is brining by other people. I think is unavoidable to reduce certain amount of stuff. Can we replace everybody? No. But we certainly must get used to automate as much as possible. ... Absolutely people will lose jobs because of robots and not just in hospitality business.*

Also, the main alternative for hospitality workers and for students studying in this business is the “Reskilling” technique, which is already being practiced and adapted in the industry. Interviewer A is sharing more information about this:

*Reskilling- is a human resources concept which means that you have to update your skills. Statistics showed that our grandparents' generation, when they learned a skill it was a lifelong skill, our generation know that our skills have now a deadline (time of being consumed about 5 years), so constant reskilling, building up skills is a necessity. So those people who have jobs that they do well need to be encouraged to reskill to level up, because you cannot do the same thing over and over its not working like this anymore. Reskilling - it is very interesting trend in human resources connecting to robots and artificial intelligent.*

People need to adapt to new living conditions. The world is developing very quickly and requires the same quick adaptation from each of us. People can find in it other advantages. For example, Interviewer A added:

*Yes, less people will do check ins/ check outs and its okay, but it is boring job, nobody want to do it.*

Another good point came from Interviewer C:

*It needs to stay reasonable as we are in a true “H2H”- Human to human industry and therefore, human staff should always be kept as the main standard of our industry.*

Summing up this topic, you can see that the industry is ready for new changes. People should not worry that they will lose their jobs, as they will have the opportunity to learn something new. As interviewers said, people will learn more how to work and control the robots, work on new apps and programs, will teach more advanced IT skills, probably study a new ways of customers experience. In the modern world, nothing stands in one place, development is very rapid, so people realize the importance of continuous learning. Of course, many questions remain open, with the advent of robots and their introduction into the industry, big changes are coming in legislation, code of conducts, company rules and in relation to liability. But as noted earlier, this industry is very closely related to communication, emotions, with living people, so robots will not be able to maintain the service at the same high level as people do.

## **4.2 Implications of Covid-19 on hospitality ethics**

It is hard to miss the topic of Coronavirus. And of course, it would be worth starting with the fact that the hotel business is now suffering losses, most of the employees are left without work. The tourism industry is global and has provided so many jobs all over the place. For both locals and migrants, students, women and men around the world. People want to be sure that they will find a job, be able to earn their living or do what they love. Therefore, one of the first questions is connected in some way with the economic question: if the industry has a future after the consequences of COVID-19?

1. How to maintain business during the COVID-19? Will the hotel business be able to get out of this crisis?

Interviewer C confidently reported that the industry is able to survive the crisis and people will be able to adapt to new conditions:

*In my opinion definitely YES! This crisis has shown to the world the true values of the “MOMENTS”, Hospitality in general is offering experiences to their customers and therefore bring an added value to those MOMENTS. For sure the industry will have to adapt to the new shape of the demand of tomorrow’s new normal.*

Basically, everyone is unanimous in their opinion that the industry will cope with the difficulties, but everything will not be the same. Interviewer D commented this question:

*Yes, but will emerge different from it, even if we completely eradicate the virus.*

*Now we know that contamination is not science fiction anymore, it is real, and we have to cope with it.*

Interviewer A also joins the above and assures that the pandemic has divided the world into before and after:

*This situation will not finish, there will be before and after. We will never go back to what it was before. That's why we call that “the new now”. Economically we know that Covid will impact at least for economy for the next 16 years.*

Regarding the first question of maintaining business during this difficult time, many companies that have not shut down from the fallout or under the influence of the pandemic continue to operate online. Maybe hotel companies do it worse than others, but this largely depends on the legislation. Moreover, it takes a long time to recover and resume work. However, the catering and delivery business is doing well. Restaurants develop new ideas, quickly adapt to current conditions. Interviewer A shared an interesting example of White Rabbit in Russia (ranked 13th in The World's 50 Best Restaurants) and believes that the business must be ready for new customer expectations:

*White Rabbit- fine dining restaurant training the great experience. Clients would register online; food would be delivered in baskets with everything inside and then they would have meeting with the chief. And chief will interact with a client online, talk about the ingredients, about the dish and probably tell how to create the dish.*

*And this is new customer experience, where people can talk with a chief sitting at home and enjoy the dish. Business should adopt to new customer expectations.*

This example is an excellent example of how various industries are adapting to the pandemic. Now clients can not worry about their health and try new experience. It will soon be the same with other industries. From the ethical point of view, everything is fine in this example. All sides are satisfied, work continues, people have adapted to new conditions. Of course, some nuances will most likely arise, but in general it is very encouraging.

2. How do you think ethics of hospitality industry will look like after Covid-19? Do you think the Covid-19 create new responsibilities? Do you think business has the responsibilities for the workers (heathy and safety way of work)? And if so, what are they?

Companies that are still operating and accepting customers need to be confident in their protection. And this directly depends on the health of the staff. Unfortunately, not all executives prioritize this, as Interviewer A told me:

*Of course, there are cases when hotel managers force to come and work even if you have a covid. And hospitality industry discussing from the ethical point of view how we should react on that. As well as it might be vaccine discrimination in future. You vaccinated or not.*

Vaccination discrimination is a very serious topic. Everyone has different opinions on this, and no one wants to jeopardize their health and the health of their family. Unfortunately, this question still remains open. Also answering the question about innovations in the responsibility of companies to employees and customers, Mr. Erik reported:

*I think it is going to become a basic personal need that will have to be provided by both parties (employee and employer). It might even become a new standard of basic hygiene.*

It is difficult to say exactly what the future of the industry will be. Many standards will change (for example, cleaning standards for rooms and buildings), working conditions, hiring conditions for employees, the use of robots and concern for the safety of customers.

Of course, corporate social responsibility will also undergo big changes, as employees do not want to expose themselves to the risks of being infected and still want to keep their jobs and earn money.

### 3. What about the new responsibilities to customers? Will something change or not?

Opinions of Mr. Marcel is sceptical enough, he is sure that when the borders open, the industry will start working, hotels and restaurants will open and will receive guests: "everything will revolve around the dollar." No one knows yet if hotels will think about ethics as much as about making as much money as possible. However, he also said that people are the main resource of any company, so the industry should primarily focus on the safety of both guests and employees of the company:

*It is important for people feel safe at work. That one thing hotels should really focus on. Making as safe and as sustainable for the guest and for the staff. I think traditionally they put guests a little bit ahead on the staff and that is I think ethically is wrong.*

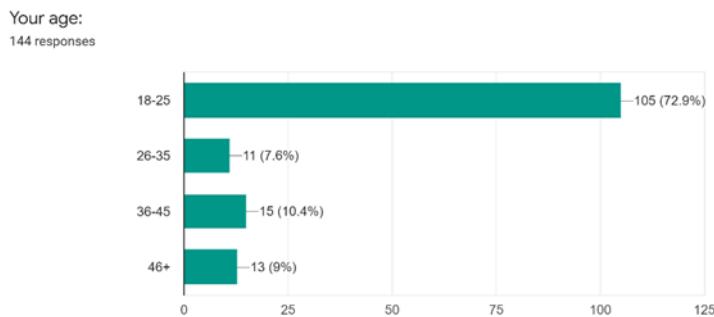
As respondents said, code of conducts will change for sure. And some companies update it already. And of course, the hospitality industry taking responsibility for protecting the health of the customers. According to Ms. Genin, a new concept will be forced:

*Stay at home economy. This is about loving being at home. And of course, that will create new workplaces, especially in IT and delivery. Ability to adapt is a success driver.*

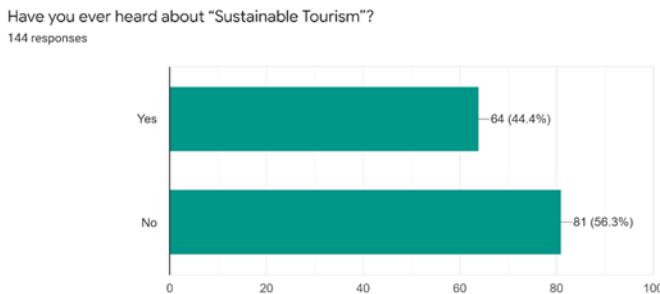
Summing up this topic, you can see that the opinions of experts in this industry generally agree. Yes, perhaps we will not have the most favourable period for travel and recreation, but new projects will be introduced, people will be able to get completely new experiences and sensations that they have never received before. This crisis and pandemic may be a big loss for us, but it is also a great engine of progress.

### 4.3 Survey

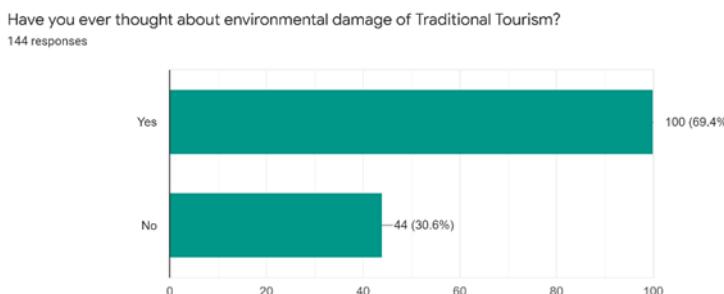
The survey included questions and statements that can indicate consumer's attitudes towards ethical issues in the hospitality industry. Unfortunately, the information will show only what people think, and not how everything actually happens, but it is also very interesting to look at and analyse people's opinions. The questions were required to be answered as honestly as possible and choosing only one answer. A total of 144 people took part in the survey. The overwhelming majority (over 70%) are young people from 18 to 25. 7.6% with age from 26 to 35, 10.4% of people with age from 36 to 45 and 9% of people who are 46 and older.



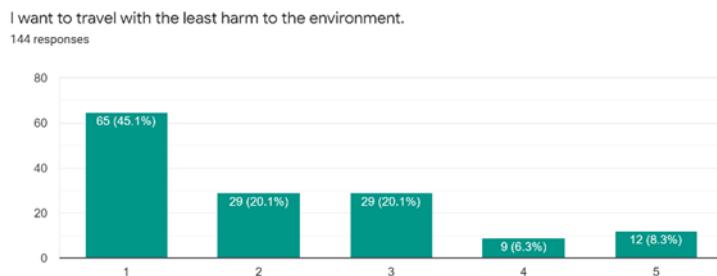
56.3% do not know about the term “sustainable tourism”. However it is very impressive that 44.4% know about it.



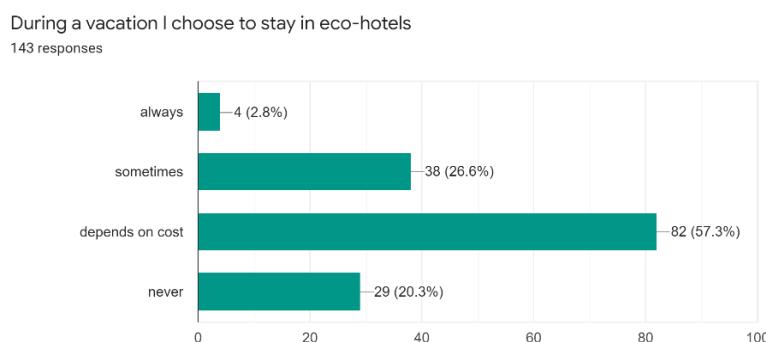
And 30% of interviewed people have never thought about the harm to the environment.



In the next statements, I asked to answer the question by choosing an option from 1 to 5 (1- absolutely agree, 2- agree, 3-neutral, 4- disagree, 5- absolutely disagree). 65.2% answered that they want to travel with the least harm to the environment, 14.6% - answered that they do not agree with this expression and 20.1% refrained from answering. In general, the overwhelming majority wants to travel with the least harm to the environment, but there also are those who do not think about it and do not want to change anything. Again, it should be borne in mind that not all people do what they say and vice versa.



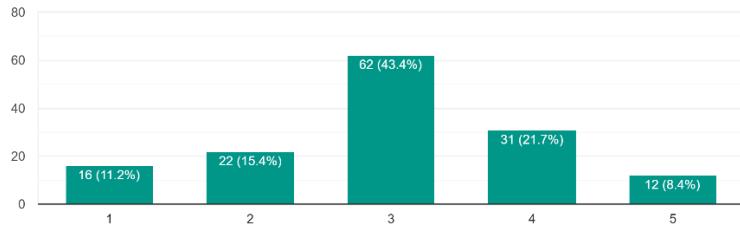
No matter how optimistic the result of the last poll may look, however, in fact, only 2.8% always prefer to choose eco-hotels, 20.3% have never stayed in an eco-hotel, and 57.3% make a decision of the hotel depending on the cost in the first place.



At the same time, if people were given to choose in which hotel they would like to stay in, an eco-hotel or a traditional “all inclusive”, 26.6% would stay in an eco-hotel, and 30.1% would definitely prefer to stay in an “all-inclusive”. The rest 43.4% cannot answer exactly.

I would rather stay in an "eco-friendly" hotel than traditional "all-inclusive".

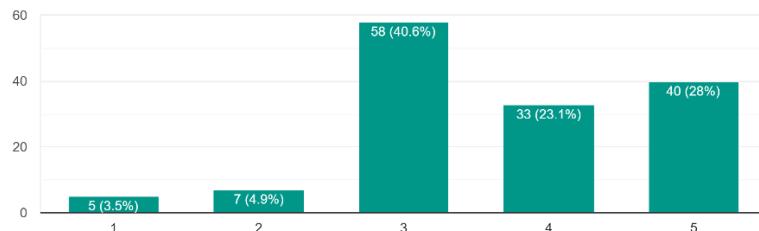
143 responses



According to the poll, more than 50% prefer live service to robots. And 34.5% believe hotels should keep their existing employees even if it is more profitable to use robots. However, in both issues, the overwhelming majority choose neutrality.

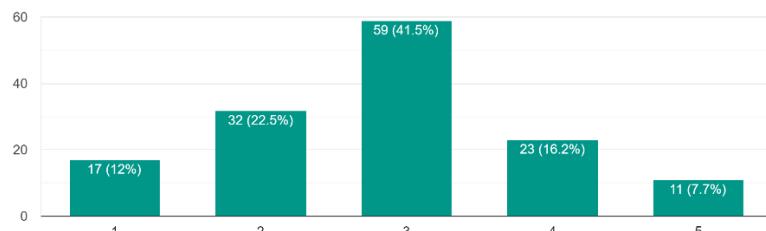
I would rather prefer hotels with robots than traditional "human" service.

143 responses



Hotels have a duty to keep their existing employees even when it is more profitable to use robots'

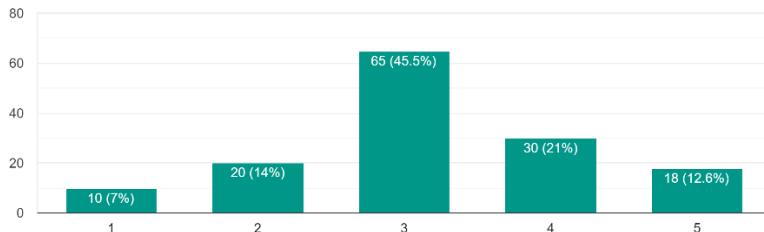
142 responses



For 21%, it is important that hotel workers are local, the rest do not care whether the staff is local or not, but 46.2% believe that hotels should be responsible for providing jobs in local communities.

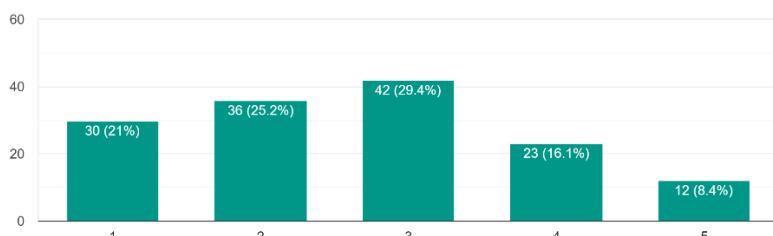
When I travel and stay at the hotel, the staff should be locals

143 responses



In your opinion, do hotels have a responsibility to provide jobs in local communities

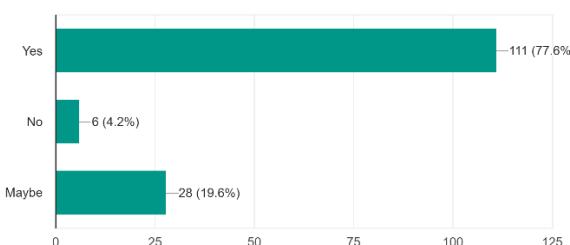
143 responses



77.6% are planning to continue traveling after the end of quarantine, 4.2% do not plan and 19.6% are not sure of the answer. 45.8% of respondents believe that traveling after the end of the pandemic will be more problematic. 25.4% believe that travel opportunities will remain the same as before the pandemic.

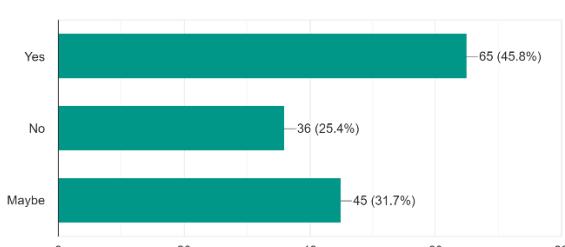
Are you going to travel after the end of quarantine?

143 responses



Do you think it will be more difficult to travel after CoViD crisis?

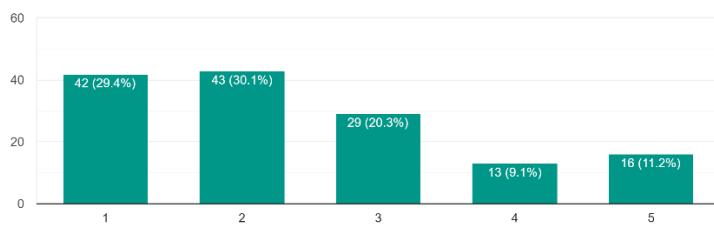
142 responses



**59.5%** think that the hotel is fully responsible for their safety during travel.

The hotel is solely responsible for providing my safety.

143 responses



## **5 Results and Discussion**

As the result of interviews with insiders in the hospitality industry, it can be ascertaining that all the raised questions are complex ethical problems, the solution of which falls on the shoulders not only of the companies themselves, but also of employees, states, and customers. A lot of interesting examples were provided that not only revealed the topics, but also showed how today people from different parts of the world face these problems and cope with them.

It was found out how sustainable tourism works from the inside. It also turned out that transport is one of the main problems in tourism today. The hotel business is trying to solve this issue, invest in solving environmental problems, engage in various "green" projects, build eco-hotels, but business remains a business, the financial issue is the main barrier, along with training and instilling "sustainability" among the masses.

Analyzing questions about hospitality workers, it turned out that companies are responsible for providing jobs to local communities, as well as to foreigners, but this all depends on political action, legislation, and the state. It also depends on the financial component (costs, salaries), on work experience and knowledge of the language. The industry also has an unequal working environment. On the one hand, you may not get a job, because you are not a citizen of this country, on the other hand, you may be exploited by your boss. Of course, everything also depends on the place of work, position and state. This is an ethical problem in the industry, but I was only able to figure out its details and origins, but not the solution.

When it comes to robotization, all interviewers said that job loss due to robots would be inevitable. However, the industry is ready to this issue, introducing a new concept "Reskilling", which will allow existing employees to be trained in new skills for the job. Some will be replaced by robots, but humans will always be the most key resource in the industry.

The hospitality business will cope with the pandemic crisis. There will certainly be some changes. The world will never be the same. Changes in many structures have already taken

place and will continue to take place. Many new ethical issues will become relevant. To solve them, the code of conducts, hygiene standards, work processes, rules of conduct and much more will certainly be changed. However, the crisis can also be the engine of progress.

Summing up the results of the survey, I can conclude that many respondents really think about the environment and want to travel more environmentally, but only a small part of them really adhere to their beliefs. For most, the main barrier is a financial question. There are also those who prefer comfort in tourism rather than concern for the environment. Also, people are more inclined to human service and maintenance than to interact with robots. Although the majority of respondents still adhere to neutrality in the issue of protecting jobs for people, and not for robots, even if we take into account the fact that robots can be more convenient and useful in work. 34.5% believe hotels should be responsible for their existing employees. People also believe that hotels must be responsible for the local population and provide jobs for local residents. About 77% are planning to continue traveling after the end of quarantine, 25.4% believe that there will be no changes after the pandemic, but the majority still believe that traveling will become more difficult. Equally interesting is the fact that people tend to assume that the hotel bears full responsibility during their stay, however, since the question is quite broad, I think that for many it depends on the situation.

## **6 Conclusion**

At the conclusion of the thesis, it can be concluded that all the goals set in the study of issues have been achieved. More specifically, all topics have been fully explained including all the necessary terminology. It was made a connection between topics and ethics, business ethics. The questions were studied from different angles.

The ethical issues related to the impact of the hotel industry on the environment have been clarified. As well as the Sustainable Tourism Programs and Goals designed to support the environment and balance between nature and people actions. It also managed to find out how sustainable tourism programs work from the inside and who of the interviewers had an experience with eco-hotels and sustainable programs. According to the respondents, the main problem is the huge emissions of exhaust gases into the environment through travel. This issue still remains unresolved, but many other programs are already working today and bring good results. The industry provides a huge number of jobs, develops an individual cities and countries, as well as has a positive economic impact everywhere. Of course, there are some problems and barriers in this matter, for example, the financial issue and lack of education.

The issues of providing work and working conditions for local residents and migrants were also discussed in detail. Interviewers cite this as one of the dark sides of the industry, as the issue of exploiting workers and making decisions in favour of profits rather than people. The industry bears its own responsibility in this issue, but a lot depends on position, state and law.

The position of robots today and how they affect our work, relationships, privacy, and laws was also discussed. Basically, people prefer people more in providing the services, however, interviewers see some useful and positive moments in using robots and argue that that the industry will give part of the work to robots, but there will also be new programs for teaching existing employees new tasks and skills.

The topic of CSR was raised quite a bit, it was not the main topic of my thesis, but it felt necessary to talk about it and its advantages and that it can affect many issues.

There is no doubt about the impact of the pandemic on ethics in the hospitality industry. In many sectors of the business there will be changes, a lot has already changed. However, it can be said with confidence that the industry is still developing and will be able to survive.

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## **8 Appendix**

### **Questions from the employee's side: (interview)**

1. Consider the situation before quarantine. The world is undergoing massive pollution of the planet. The world communities (as Global Environment Facility) are trying to reduce the release of toxins into the environment. What do you think about the issue of sustainable environment? How does the hospitality business deal with this issue?
  - 1.1 Have you had any experience with sustainable tourism / eco-hotels. How well does it work today and how massively?
  - 1.2 In your opinion, is the hotel management responsible for environmental damage and locals?
  - 1.3 What are the barriers of making tourism more sustainable?
2. Another ethical issue that I want to consider in my work is the jobs provided by this area. More specifically, what do you think about the fact that many employers hire foreign / migrant workers instead of locals?
  - 2.1 Is it ethical and fair that the industry provides many jobs, but about half of them go to foreign students and migrants? Do the hotels have a responsibility to provide work for local people?
  - 2.2 Why do they recruit them? Do you think they exploit them, because of cheap labor? Or maybe they have responsibilities to provide a job for migrants? Or management of the hotel just should think about the business side?
3. What do you think about robotisation in the hospitality business?
  - 3.1 From the employer's side, how do you feel about the use of robots in the hotel business?
    - 3.1.1. Have you ever had such an experience (work with robots, new technologies in hospitality)? If so, was it positive?
  - 3.2 People are losing their jobs because of robots, is it inevitable? Or are there any alternatives?

4. I cannot miss the topic of Coronavirus. And of course, it would be worth starting with the fact that the hotel business is now suffering losses, most of the employees are left without work. How to maintain business during the COVID-19?
  - 4.1 Will the hotel business be able to get out of this crisis?
  - 4.2 How do you think ethics of hospitality industry will look like after Covid-19? Do you think the Covid-19 create new responsibilities? Do you think business has the responsibilities for the workers (heathy and safety way of work)? And if so, what are they?
  - 4.3 What about the new responsibilities to customers? Will something change or not?

### **Survey questions:**

1. Your age:
  - 18-25,
  - 26-35
  - 36-45
  - 46+
2. Have you ever heard about “Sustainable Tourism”?
  - Yes
  - No
3. Have you ever thought about environmental damage of Traditional Tourism?
  - Yes
  - No
4. I want to travel with the least harm to the environment.
  - absolutely agree
  - agree
  - neuteral
  - disagree
  - absolutely disagree
5. When I am traveling I should be responsible for any environmental damage that I might do.

- absolutely agree
  - agree
  - neuteral
  - disagree
  - absolutely disagree
6. During the vocation I choose to stay in eco-hotels.
- Always
  - Sometimes
  - depends on cost
  - never
7. I would rather stay in an “eco-friendly” hotel than traditional “all-inclusive”.
- absolutely agree
  - agree
  - neuteral
  - disagree
  - absolutely disagree
8. Have you ever visited hotels with robots?
- Yes
  - No
9. I would rather prefer hotels with robots than traditional “human” service.
- absolutely agree
  - agree
  - neuteral
  - disagree
  - absolutely disagree
10. When I travel and stay at the hotel, the staff should be locals
- absolutely agree
  - agree
  - neuteral
  - disagree
  - absolutely disagree
11. In your opinion, do hotels have a responsibility to provide jobs in local communities?

- absolutely agree
- agree
- neuteral
- disagree
- absolutely disagree

12. Hotels have a duty to keep their existing employees even when it is more profitable to use robots'

- absolutely agree
- agree
- neuteral
- disagree
- absolutely disagree

13. Are you going to travel after the end of quarantine?

- Yes
- No
- Maybe

14. Do you think it will be more difficult to travel after CoViD crisis?

- Yes
- No
- Maybe

15. The hotel is solely responsible for providing my safety.

- absolutely agree
- agree
- neuteral
- disagree
- absolutely disagree