

THE EMPLOYEES' SOCIO-DEMOGRAPHIC CHARACTERISTICS AND PERCEPTION OF THE ETHICAL CLIMATE IN HOTEL BUSINESS*

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Abstract: This research was focused on the influence of employees' socio-demographic characteristics on the ethical climate perception. The survey research was conducted at Kopaonik, popular center of winter tourism in Serbia, on the sample of 211 hotel employees. Research results might have practical implication, as a base of information necessary for improving the relations with human resources in tourism.

Keywords: ethical climate, hotel business, employees, socio-demographic characteristics

1. INTRODUCTION

The question regarding the possibility of proper action, based on the ethical principles, or more precisely on rules and beliefs considered as acceptable, gets a new meaning and importance within contemporary business. Thus, business ethics could be considered as an application of ethical values in the business, where it should be applied in all aspects of business behaviour [1].

An important aspect of business ethics, which often provides guidelines regarding the proper manner of deciding and solving the moral dilemmas within the organization is termed as the ethical climate. Precisely, the ethical climate refers to the employees' perception of behaviour which is considered as ethically correct within the organization and the manner in which specific organization expects from its employees to solve the ethical issues [23].

However, according to the previous findings, the ethical climate perception might be shaped by the employees' individual socio-demographic characteristics. These researches were mostly conducted within developed countries. In respect to the fact that customers' satisfaction depends on

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setting the high ethical standards and appropriate behaviour of the employees, according to their intensive interaction with the customers [25], it is important to research the influence of socio-demographic characteristics within different societies, including those in transition, such as Serbia. Initial identification of the ethical climate types within tourism organizations in Serbia was conducted by [6], [7], [14], [19] and [20]. Nevertheless, despite the abovementioned researches, ethical climate still represents a topic that has not been sufficiently explored in tourism sector of Serbia. In respect to that fact, this research is starting from Kopaonik, one of the most visited centers of Serbian winter tourism. Due to its expressed orientation towards tourism, Kopaonik represents a favorable place for researching the human resources, including the researches regarding the ethical climate.

2. LITERATURE REVIEW

2.1. The ethical climate

As already mentioned, ethical climate represents the employees' perception regarding their beliefs about standards and norms of acceptable behaviour in specific business environment [22]. For identifying the ethical climate in organizations, [23] used two-dimensional theoretical typology. The first dimension of this typology refers to criteria of moral reasoning, which could be oriented towards egoism, benevolence and principle. The second dimension refers to different referent groups, constituted by the subject/subjects that could be affected by aforementioned criteria of moral reasoning (individual, local and cosmopolitan). By cross-tabulation of these two dimensions, nine theoretical types of the ethical climate might be formed (self-interest, company profit, efficiency, friendship, team interest, social responsibility, personal morality, company rules and procedures, laws and professional codes) [22]. This two-dimensional typology also served as a basis for identifying the ethical climate types represented in hotels at Kopaonik [19], [20].

According to [19] and [20], there are five ethical climate types represented in hotels at Kopaonik, termed as: Law and care, Adhering the law, procedures and rules, Organizational interest, Team spirit and personal morality and Personal interest. In hotels with *Law and care*, the main concern is whether the business change violates particular law and causes the negative effect for the employees. Furthermore, in hotels with *Adhering the law, procedures and rules*, it is expected from the employees to strictly abide legal and professional standards. Third ethical climate type is *Organizational interest*, where achieving the organizational interests is the main concern. Within hotels with *Team spirit and personal morality*, the welfare of the employees is the most important consideration. The last ethical climate type is termed as *Personal interest*, where each employee protects personal interest [19], [20].

2.2. The employees' socio-demographic characteristics and the ethical climate

Gender. According to the previous findings, women proved to be more conservative and their perception of ethics is often monitored and directed by the members of surrounding environment [18]. However, some research results emphasize that gender has no impact on the employees' perception of ethics within the workplace [12], [17].

Age. Most of the studies supported the fact that young people are milder in moral judgment, while the older ones are more consistent in terms of following the ethical rules [3], [4]. Furthermore, the older generation of the employees consider the ethical issues in more legally oriented context. On the other hand, ethical issues on gender equality and environmental protection rep-

resent less concern for older employees in comparison with the younger ones [3], [24]. However, results of several studies indicated that age has no impact on perception of ethics [4], [10], [17]. *Education.* Previous research conducted on this issue indicated a low correlation between education and the ethical reasoning [8], mostly due to homogeneity of working groups in educational terms, comparing to general population, while the others suggested that people with higher level of education might have cynical view of ethics [11]. On the other hand, some authors pointed out that people with higher education show better understanding of ethics [11], [16].

Marital status. [21] indicated that married employees have greater degree of conservatism and closeness for unethical practices, because unethical behaviour could damage their work position and affect financial security of the whole family [21]. However, [13] indicated that marital status has no influence on perception of ethics.

Place of the residence. According to the previous findings, people from rural area are usually more conservative. This fact might be the consequence of lower degree of their exposure to economic pressures of urban centers and mutual relations between the members of rural communities [9].

Monthly income. Finally, with an income increase, people could change their perception of ethics, but intensity of their desire to behave in line with ethics usually varies, based on traditional values of different cultural groups, so this socio-demographic factor should not be considered as isolated one [15].

3. METHODOLOGY

3.1. Instrument

This research was conducted on the basis of the questionnaire, divided into the two segments. The first one deals with the issues related to respondents' socio-demographic characteristics (gender, age, education, marital status, place of the residence, monthly incomes), while the other segment obtained the issues related to the ethical climate. Respondents could choose one out of several offered answers within the first part of the questionnaire. On the other issues, respondents expressed degree of their (dis)agreement with stated claims, on the scale from 1 to 5.

3.2. Procedure

The research started at Kopaonik in 2013 and it was continued until 2015. Data were collected by using the pen-and-paper procedure. Respondents were informed that research was anonymous. Before starting with the research, people employed in supervisory positions were contacted. With their help, a sample of 211 respondents was collected (the survey covered 70.59% of overall hotel facilities in Kopaonik).

3.3. Sample

Out of the whole convenient sample of 211 respondents, 52.6% of them were male, while 47.4% were female. According to the age structure, majority of the respondents were aged between 21 and 30 years (49.8%). About 31.3% of the respondents were in a relationship, 28.9% of them were single, while 27% of the respondents were married. Degree of education among the respondents was mostly related to high school (63.5%). The education field of the respondents

was not related to tourism in significant percentage (83.4%). Monthly incomes were mainly between 15,001 and 30,000 RSD⁶ (50.2%). By analysing the place of the respondents' residence, 30.8% were from the village, 40.8% were from smaller city, while 28.4% were from larger city. Interesting fact is that people from all over the Serbia are ready to work at Kopaonik during the winter, if they could not find a job in the place of their residence, which means that Kopaonik is an interesting place for researching the human resources.

4. RESEARCH RESULTS

T-test of independent samples showed that perception of Organizational interest among the female employees is slightly higher (3.75) than perception of this ethical climate type among the male employees (3.51) and this difference is statistically significant at 0.05 level, while the value of t-test is -2.487 (see Table 1).

Ethical climate types	Male (M)	Female (M)	T-value	Significance
Law and care	3.73	3.86	-1.218	.225
Adhering the law, procedures and rules	4.38	4.46	-1.131	.259
Organizational interest	3.51	3.75	-2.487*	.014
Team spirit and personal morality	3.79	3.97	-1.711	.089
Personal interest	3.85	3.89	-0.337	.736

* Significance level: 0.05

Table 1: Perception of the ethical climate and gender structure

Source: Research results

Results of ANOVA test indicated that there are significant differences in perception of Law and care on the basis of the age structure ($F = 5.625$; $p < 0.01$), as well as in perception of Adhering the law, procedures and rules ($F = 2.429$; $p < 0.05$) and Team spirit and personal morality ($F = 4.798$; $p < 0.01$).

Based on the gained results, represented in Figure 1, it could be stated that perception of Law and care is higher among the older respondents. It is particularly high in the case of the respondents aged between 41 and 50 years.

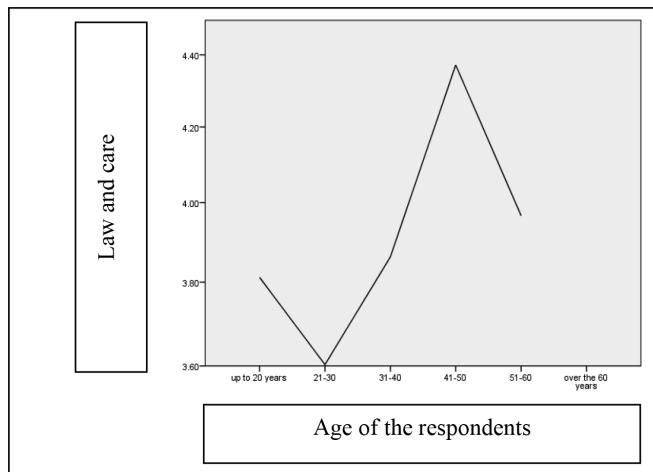


Figure 1: Age structure and Law and care
(Source: Research results)

⁶ 1 EUR = 118.34 RSD (National Bank of Serbia, November, 2018)

Based on the research results shown in Figure 2, Adhering the law, procedures and rules is increasing along with the age of the respondents. Thus, in the case of the employees, aged between 41 and 50 years, perception of this ethical climate type is higher compared to younger and older respondents.

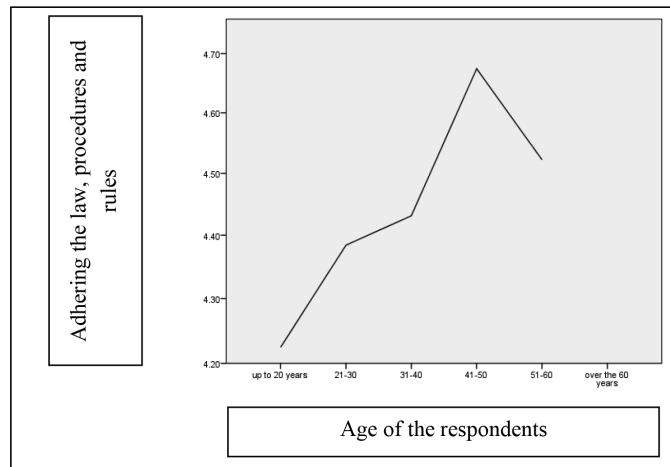


Figure 2: Age structure and Adhering the law, procedures and rules
(Source: Research results)

Furthermore, based on the research results represented in Figure 3, it could be seen that perception of Team spirit and personal morality is higher among the respondents under the age of 20 years. This perception is decreasing and it is pointing the lower value among the respondents aged between 21 and 40 years, while it grows again after the 41st year of the respondents.

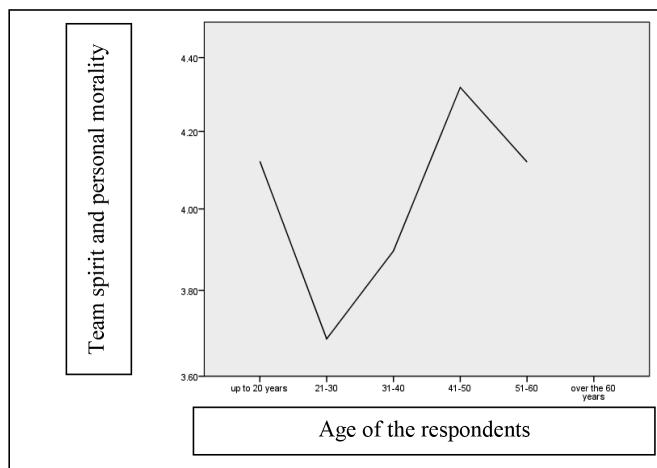


Figure 3: Age structure and Team spirit and personal morality
(Source: Research results)

Results of ANOVA test pointed to significant difference in perception of Organizational ($F = 4.183$; $p < 0.01$) and Personal interest ($F = 5.100$; $p < 0.01$) on the basis of the level of education. Thus, results from Figure 4 are representing the respondents' perception of Organizational interest based on the level of their education degree.

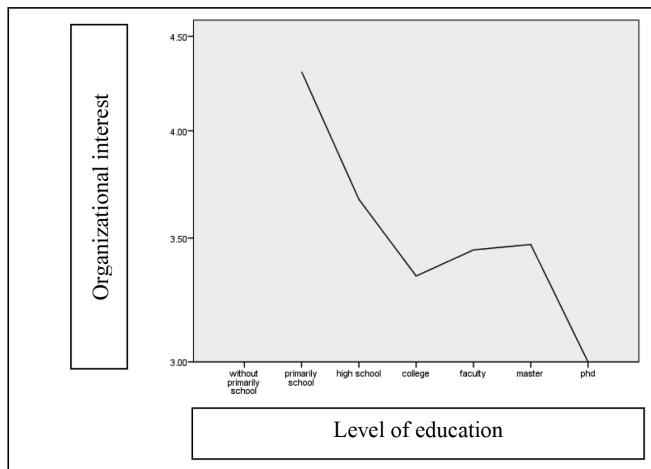


Figure 4: Level of education and Organizational interest
 (Source: Research results)

According to the same principle, perception of Personal interest, also on the basis of the level of education, is represented within Figure 5. Thus, based on the research results shown in Figures 4 and 5, it could be observed that perception of stated ethical climate types is higher among those with lower education degree, while it gradually decreases with increase in the level of their education.

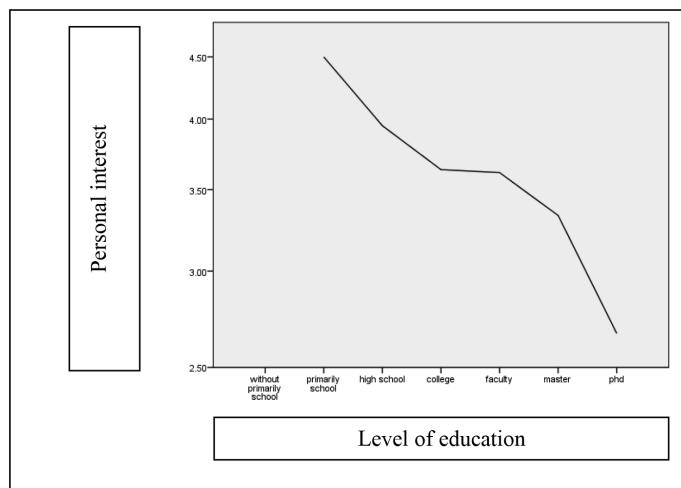


Figure 5: Level of education and Personal interest
 (Source: Research results)

T-test research results, conducted to determine the differences in perception of the ethical climate, based on the fact whether the employee's education in hotels at Kopaonik is in a field of tourism or some other sector, pointed to significant differences. Thus, perception of Adhering the law, procedures and rules is higher among the employees whose professional qualifications are in the field of tourism ($t = -2.052$; $p < 0.05$) and the same goes with perception of Organizational interest ($t = -2.393$; $p < 0.05$), but also with Personal interest ($t = -2.250$; $p < 0.05$) (see Table 2).

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Ethical climate types	Tourism (M)	Other field (M)	T-value	Significance
Adhering the law, procedures and rules	4.25	4.45	-2.052	.041
Organizational interest	3.36	3.67	-2.393	.018
Personal interest	3.62	3.92	-2.250	.025

* Significance level: 0.05

Table 2: Perception of the ethical climate and the employees' education level

Source: Research results

Furthermore, ANOVA test indicated that significant difference in perception of the ethical climate, based on the place of the respondents' residence, exists only in the case of Organizational interest ($F = 5.081$; $p < 0.01$). According to Figure 6, it could be noticed that perception of Organizational interest is slightly higher among the respondents from rural areas than perception of the same ethical climate type among the respondents from smaller or larger cities.

ANOVA test also indicated that there are differences in perception of Adhering the law, procedures and rules ($F = 3.898$; $p < 0.01$), Organizational interest ($F = 3.206$; $p < 0.05$), Team spirit and personal morality ($F = 3.325$; $p < 0.05$) and Personal interest ($F = 2.485$; $p < 0.05$), depending on the respondents' differences in monthly incomes. Thus, based on the research results shown in Figure 7, it could be seen that perception of Adhering the law, procedures and rules is the lowest among the employees with the largest amount of incomes.

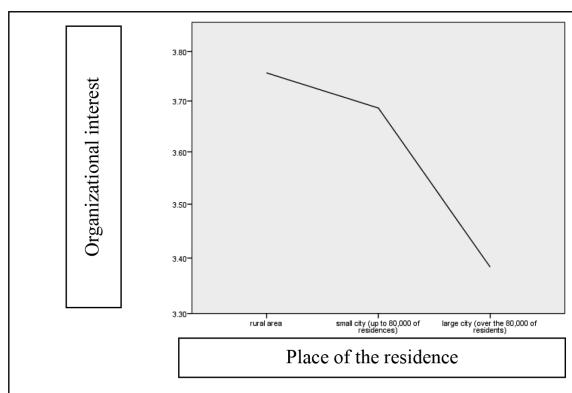


Figure 6: Place of the residence and Organizational interest
(Source: Research results)

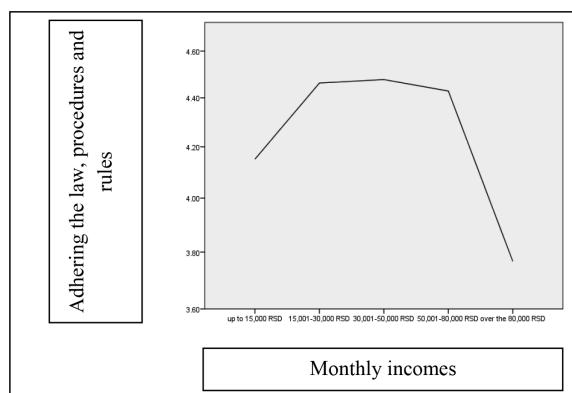
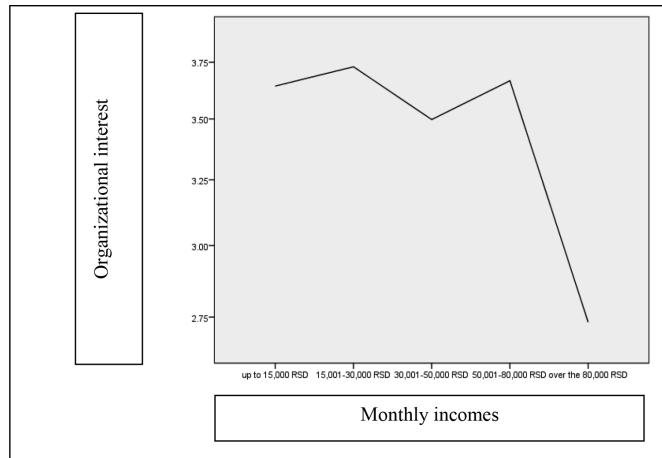


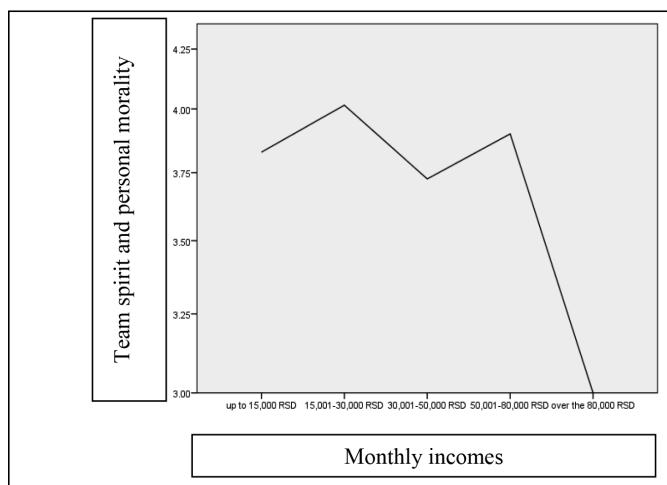
Figure 7: Monthly incomes and Adhering the law, procedures and rules
(Source: Research results)

Furthermore, there is significant difference in perception of Organizational interest among the respondents. Similar to perception of Adhering the law, procedures and rules, employees with the highest incomes showed the lowest perception of Organizational interest (Figure 8).

According to results from Figure 9, it could be noticed that perception of Team spirit and personal morality among the respondents with higher incomes is lower compared to perception of the same ethical climate type among the respondents with lower incomes. Interestingly, respondents with the highest incomes showed uncertainty regarding Team spirit and personal morality in comparison with respondents whose incomes are lower.



*Figure 8: Monthly incomes and Organizational interest
 (Source: Research results)*



*Figure 9: Monthly incomes and Team spirit and personal morality
 (Source: Research results)*

Finally, based on the research result represented in Figure 10, it could be noticed that respondents with the lowest incomes have stronger perception of Personal interest compared to the respondents whose monthly incomes are higher.

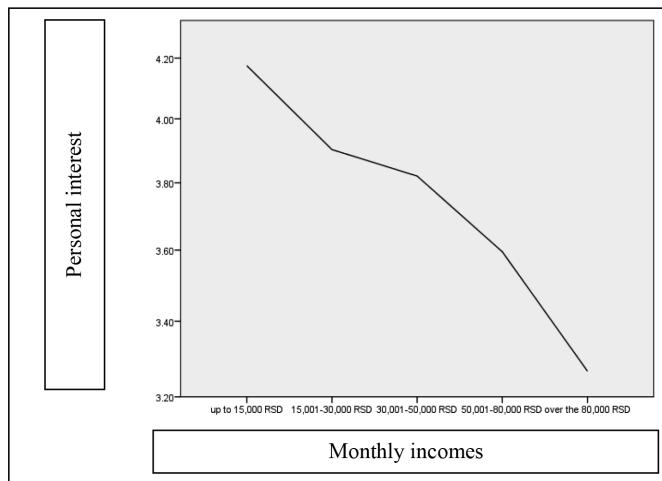


Figure 10: Monthly incomes and Personal interest
(Source: Research results)

5. DISCUSSION AND CONCLUSION

This paper analysed the influence of socio-demographic characteristics of the employees within hotels at Kopaonik on their perception of the ethical climate. Results showed that women have stronger perception of Organizational interest, which is in line with the findings that their perception of ethics is often directed by the members of surrounding environment [18].

Furthermore, results showed that perception of Law and care, Adhering the law, procedures and rules and Team spirit and personal morality vary on the basis of the age structure. Younger respondents showed higher perception of Team spirit and personal morality. Perception of Law and care is higher among the older employees, the same with Adhering the law, procedures and rules. Gained results are in line with the fact that older employees are more consistent in following the ethical principles and prescribed rules [3], [4].

Organizational and Personal interests are stronger among the employees with lower education degree. Results for Personal interest are in line with the previous findings that employees with higher level of education show better understanding of the ethical issues [11], [16]. On the other hand, employees with lower education degree showed stronger perception of Organizational interest, which could be explained by the fact that they are striving to fulfil prescribed organizational requirements, without noticing that particular unpredicted situation could also contribute to the business success.

Perceptions of Adhering the law, procedures and rules, Organizational and Personal interests are higher among the employees without tourism education. These employees are usually not sufficiently introduced with the manner in which they should act throughout the contact with the customers. Therefore, hotel management could increase requirements directed at these employees, with intention to indicate the rules they need to follow, in order to gain the organizational interests.

Respondents from smaller communities showed stronger perception of Organizational interest, the same with the findings of [9]. Thus, employees from smaller communities could strive to

fulfil the organizational interests, due to the fact that behaviour at work is considered as important value within the small environments.

Next, Adhering the law, procedures and rules, Organizational interest, Team spirit and personal morality and Personal interest differ on the basis of the monthly incomes. Thus, respondents with average incomes have stronger perception of Adhering the law, procedures and rules in comparison with those with higher incomes who are usually in leading positions within these hotels. Perception of Organizational interest is also stronger among the respondents with lower incomes. Quality of providing the services usually depends on the organizational commitment of these employees, due to their direct interaction with the customers. Managers also need to focus on meeting the interests of the organization, but the final implementation of ideas and business policies usually depends on the employees with lower incomes at lower organizational levels.

Team spirit and personal morality is stronger among the employees with lower incomes, who are more focused on working in groups. It is also interesting to note that respondents with the highest incomes, mostly employed in managerial positions, showed certain degree of dishonesty, evidenced in their uncertainty when evaluating this ethical climate type.

Finally, respondents with lower incomes showed stronger perception of Personal interest. This is pointing to the fact that respondents with minimal incomes try to use every opportunity that enables them improving their difficult financial situation.

By considering the effects of incomes on shaping the ethical climate among the employees, it could be noticed that gained results are in line with the fact that this socio-demographic indicator needs to be interpreted in accordance with traditional values of certain cultural group [2], [15], [5]. Thus, perception of Adhering the law, procedures and rules could be supported by high index of uncertainty avoidance (92), characteristic for Serbia [5]. This means that employees with average incomes could show high effort aimed at avoiding the uncertainty, primarily because they are usually responsible for behaviour of their subordinates. At the same time, they are not the ones who establish the rules. They only transfer the expectations of the employees with higher monthly incomes, which is the reason why they could be under additional expectation that business tasks need to be fulfilled in clearly defined manner.

Furthermore, Serbia is considered as collectivistic society (index of collectivism: 75) [5]. Therefore, it is not surprising that Team spirit and personal morality is expressed among the employees. Also, results for Organizational and Personal interest could be explained by the level of the unemployment within the country and difficult living conditions. Therefore, perception of these two ethical climate types could be high among the low-income employees, due to the fear of losing their jobs, as well as their intensions focused on providing the additional money resources to ensure the better living conditions for themselves.

Thus, on the basis of the gained results, research regarding the ethical climate might contribute to providing the guidelines for improving the relations with human resources within the organization. Therefore, identification of represented ethical climate types might be the first step in gathering the data regarding the employees' perceptions of organizational requirements. However, it is also important to ensure that organizational requirements are interpreted in the right manner by their employees in respect to their socio-demographic characteristics.

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