

# Luxury hospitality — Is this the time to rethink the ethical stance?

Andy Heyes<sup>1\*</sup> & Kasia Minor<sup>2</sup>

<sup>1</sup>Hotel Management School, NHL Stenden University of Applied Science, Leeuwarden, The Netherlands

<sup>2</sup>Tourism, Hospitality and Events, Cardiff Metropolitan University, Cardiff, Wales, UK

\*Correspondence: andy.heyesh@nhlstenden.com

**ABSTRACT:** The term "luxury" — and thus "luxury hospitality" — has positive connotations for many; however, the demand of trying to meet the needs and wants of others is questionable. This article discusses the nature of luxury along and the need for future research on luxury hospitality which is relatively under-researched.

**KEYWORDS:** criminality, ethics, exploitation, illegality

## Introduction

The hospitality industry is experiencing one of the most challenging times with regard to COVID-19, which has exposed the fragility of the industry but highlighted incredible resilience and commitment to innovation. We found ourselves redefining the meaning of service, space and safety; thus, one should ask the question: Should we go a step further and redefine the approach to ethical practices, particularly in the luxury context?

Derrida (2000) noted that hospitality in a pure form is linked to social morality, and Lashley (2015) noted an exchange of money makes hospitality a commercial exchange. With luxury, comes not only money but the essence of excessive need, surpassing what a person needs to survive (Berry, 1994; Maslow, 1954). The personal desire to feel superior to others is said to express the need for individuals to be seen as positioned higher than others within society (Berry, 1994). However, how far those moral and ethical issues go is still to be seen and will be discussed later in this article. Stereotypical definitions of luxury suggest high quality, decadence, and a somewhat excessive comfort (Bellaïche et al., 2010; Frank, 1999; Hoffmann & Coste-Marnière, 2012; Thomas, 2007). Hansen and Wanke (2011, p. 789) explain that "the idea of luxury products and services are exceptions to the everyday normalities of life", bringing into context a person's real-life cultural experiences, needs and social backgrounds (Hoffmann & Coste-Marnière, 2012). However, characteristics associated with luxury depend upon a person's social status, economic leverage, and consumption patterns that are exclusive to a high-status few.

The essence of money, however, is a delicate matter. The power of money, for example, makes people believe they can afford "everything" or "everyone", leading to a conviction that the power of one's wallet far outweighs the expectations of ethical behaviour (Heyes & Lashley, 2017). While some could come to think that luxury was and is only associated to the very wealthy of our society, others could suggest that luxury in today's day and age is available to everyone, based on their own individual definition of luxury (Heyes & Lashley, 2017). While

marketing alone plays an important role (Twitchell, 2002), others could argue that luxury is seen in the eye of the beholder rather than the eye of the giver (Heyes & Lashley, 2017). Indeed, the high price often emphasises luxury through the creation of exclusiveness, often achieved through discretion and secrecy. Extravagant spending showcases ones' superiority, creating "us" vs "them" through a display of social and economic power. This conspicuous consumption (Veblen, 1899), some could argue, will lead people into illegal practices and thus make them exponentially consume items and/or services that others would deem immoral, illegal, or dangerous. Does money and luxury also buy secrecy and privacy? In some cases, yes.

## Luxury and hospitality

Hospitality, in general, is not immune to the "grey" aspects of life. As Sherman (2007) points out, luxury hospitality brings together a wide range of guests from a variety of different cultures joined together within a property which conceals an excess of materials; this is often achieved against the backdrop of privacy, secrecy and discretion. It can be claimed that this entitlement is extended to the employees' own moral values, which can be perceived as situational where the staff needs to adopt moral styles (Patico, 2009), where private morality is replaced with a working one. In other words, introducing what staff might deem as acceptable and unacceptable behaviour can be considered necessary skills in order to produce a discreet, high-end service.

## Human trafficking and prostitution

Issues relating to human rights are not always on hospitality agendas. Indeed, there is a presumption that the luxury hospitality industry is immune to problems relating to them. However, no part of the hospitality industry can claim to be free of human rights violations. Sexual exploitation, forced labour and unfair labour conditions are some of the many issues relating to the industry (International Tourism Partnership, 2014), but

are often hidden and unacknowledged or overlooked on the premises of a hospitality business. Hotels often fear reputational damage by admitting human rights violations can happen on their premises, rather than create policies and training to handle human rights violations. Within the luxury hospitality industry, one could assume that there is higher reputational damage which can occur; especially depending on geographical location and cultural differences, for instance. Nevertheless, it is not unusual to hear of stories about prostitutes who use luxury hotels as a means of attracting clients due to the nature of wealth and disposable income that most guests find themselves with. While illegal in some European countries, there is evidence to suggest that such practices do exist and are indulged in in luxury hotels, causing difficulties when it comes to legality and, of course, the establishment's reputation.

Human trafficking, however, is illegal in all countries, and trafficking for sexual exploitation accounts for 59% of all trafficking cases. Trafficking is a notoriously difficult crime to detect, so, obtaining data with regard to the extent of this procedure is difficult. Yet, what is known is that it disproportionately affects girls and women (United Nations Office for Drugs and Crime, 2018). The hospitality industry is said by Lashley and Morrison (2000) to be used by traffickers in all three stages of trafficking: the recruitment, the movement and the exploitation. Often the hotels are misguided by the notion that luxury means giving everything to the high-paying customer. The crucial point is not whether prostitution is legal or not, it is the fact that it is considered a voluntary activity. Human trafficking, on the contrary, is not, and it is extremely difficult to recognise a person who is forced into this procedure. In fact, only 14% of hotels are reported to have any policies dealing with the specific risk of sexual exploitation on their premises, despite the enormous efforts of various organisations worldwide providing guidance in the matter (Minderoo Foundation, 2019).

Questions are asked about the levels of secrecy required of staff. For instance, a customer who is paying US\$10 000 per night to stay in a luxury suite might be difficult to say "no" to. Some general managers, for example, may be inclined to turn a blind eye, mainly due to the amount of revenue which the establishment is making. Again, we ask: Should "money talk"? Should money give you power? Should money buy discretion?

### Poorly trained and underpaid workforce

One of the issues supporting sex trafficking and modern slavery on hotel premises is the nature of hospitality employment. High employee turnover, low pay and a transient workforce contribute to a general lack of skills in the industry. A hotel that relies on "on the job" training may be altogether missing out on specialised training designed to tackle human rights issues and to safeguard the hotel's reputation. In instances where such training is ad hoc rather than formal, many employees miss out on essential skills training.

On the contrary, pro-active management of the issues such as human trafficking can act to strengthen a brand and build trust that the brand is moral and ethical to the core. Businesses Ending Slavery and Trafficking (BEST) (n.d.) links staff morale and the pro-active management of human trafficking issues. They point out that if the staff is trained to detect instances of human trafficking, they feel empowered and employee morale improves. Organisations such as EuroCHRIE have looked to

strengthen the need for future training in this area, including that of human trafficking workshops (EuroCHRIE, 2020). However, the Minderoo Foundation (2019) reported that hotels, in general, are failing to address the risks of modern slavery in their direct operations and supply chains. Yet, it is the luxury hotels that may fail to address human rights issues due to the misplaced belief that addressing and employing an appropriate code of conduct equals admitting guilt that these practices exist on the premises. The punishment for illegal acts can become severe. Beyond the obvious breaches of the law, this may lead to reputational impacts where the trust between the luxury brand and the customer is broken, leading to loss of business (COMBAT Project, 2017).

The way industry employs people, increased casualisation and reliance on agency workforce, coupled with a lack of third-party employment practices can contribute to hotels unknowingly employing people who are forced to perform a job. Housekeeping departments in particular are vulnerable to exploitative working conditions (Minderoo Foundation, 2019), due to a high proportion of agency, migrant and female employment. Housekeeping as a non-revenue generating department tends to be treated as a cost, thus making it more likely to be subcontracted, meaning the hotel loses the ability to control employment conditions and practices. Poor human resource management practices and the relative invisibility of housekeeping work often lead to little or no checks or vetting of subcontractors, hence the risk of poor service delivery. Similarly, with some establishments charging in excess of GB£20 000 (Heyes & Lashley, 2017) per night in some instances, it is questionable to think that overcoming the social divide between customers and employees in luxury hotels will be on the hotels' agendas any time soon. Large gaps in wealth distribution mixed with multiple professional occupations can no doubt leave some employees feeling inadequate — merely "just a servant" to the rich and powerful in society. These poor human resource practices can reflect upon the duty of care given to the staff, i.e. the moral or legal requirement to ensure the well-being of others, with a substantial duty of care placed upon the employers toward employees.

Lack of care has now been seen to affect employees' health. The industry is struggling with substance abuse among their employees; indeed, alcohol and drug use seem to be commonplace. Gordon Ramsay, for example, documented having found traces of cocaine in the staff and customer bathrooms of his Michelin three-star restaurant (ITV, 2017). Studies highlight substance abuse is much higher than in other industries (Pidd et al., 2006; Pizam, 2010). Long, unsociable hours, coupled with intense emotional and physical labour, are often blamed for this situation. Lack of policies relating to drug and alcohol detection is common despite the professional knowledge that such behaviour happens. Support mechanisms and educational programmes are also lacking, thus putting into question the duty of care owed to the people delivering the service. While organisations such as Hospitality Action do exist, there is a need for organisations such as these to raise further funds along with providing further support to other people. The effects of COVID 19 and, in some cases, Brexit have raised further concerns. However, are these really excuses to what is/have been a problem in the industry for multiple decades?

While some may believe that this applies to the whole hospitality industry, with the inclusion of money, customers may succumb to an array of wants and desires (Berry, 1994).

Whether this is ethical and morally acceptable is still to be seen. Nevertheless, thoughts turn towards a relatively under-researched area of luxury hospitality — the so-called darker side that many people believe is taboo or otherwise refuse to accept happens.

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