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Abstract

The engagement of employees of the hospitality sector influences the consistency of services, satisfaction of visitors, and retention, but the field has significant turnover and emotional labor issues. This assignment investigates the influences of strategic HRM on the engagement of staff of hotels and resorts, guests, and organizational outcomes. The study identifies patterns of high-performance work systems, leadership practices, empowerment processes, and well-being facilitation based on a qualitative desk-based synthesis of scholarly literature and focused case mini-analyses of Four Seasons, The Ritz-Carlton, and Marriott. Consistent HR bundles with scheduled training, supportive management, meaningful voice, and work-life are most likely to predict continued engagement. HRM is regarded not as administrative assistance but rather as an operation and strategy tool that is essential to the success of hospitality and brand distinction.

Assignment 1 – Strategic Organizational Structures in Hospitality Businesses

1.1 Introduction

Hospitality organizational structure supports frontline-back-of-house collaboration and brand uniformity among the facilities, which guarantees high-quality service. Digital governance structures include hierarchical, flat/team-based, matrix, and platform/network structures. The necessity of standardization is evidenced by Marriott, which has 8,748 hotels and 1.59 million rooms (Marriott International, Inc, 2026). This research looks at the impact of structural decisions on the speed of hospitality decision-making and the consistency and quality of services.

1.2 Literature Review

Hospitality service is live, time conscious, and visible to the guests; hence, information flow, decision-making, and coordination of tasks are affected by the organizational structure (Joseph, 2025). Hierarchical systems, which have distinct lines of authority and a uniform way of doing things, are used by hotels and resorts to maintain consistency, and this supports the concept of formalization and specialization positions, which give predictable results (Kumar, 2026). Formal handovers and control processes are necessary since front office employees are working all day (Miller, 2012). The benefits of hierarchy are visitor safety, revenue controls (including rate integrity), and compliance, but decisions further up the hierarchy prevent service recovery. The scale of the multi-unit hotel systems across the globe increases the coordination costs, making it difficult to come up with a solution to the structure. This meant that, by 2024, Marriott had a system presence in thousands of hotels and more than a million rooms, requiring stringent brand standards, collaborating with owners, and the reality of operations in each country (Marriott International, 2025). This scale leads many chains to use hybrid forms or matrix forms in order to coordinate regional performance and consistency with geographic

control, brand, and functional expertise. Decision rights, escalation procedures, and shared KPIs should be clear to remove managerial confusion and time wastage by having too much reporting and divergent goals (Joseph and Sengul, 2024). Unified capabilities (system) that span assets of loyalty and distribution have the advantage of corporate-level integration. According to Marriott International (2025), a majority of hotel nights in the U.S. and worldwide were attributed to the loyalty members, and this showed that centralized platforms and similar approaches to demand capture property-level demand. These illustrations depict how structure operationalizes strategy by structuralizing day-to-day work.

Labor constraints restrict hospitality control and flatter designs. The frontline jobs in the American hotels are still difficult to fill, as hotel employment is lower than it was before the pandemic (Ah&La, 2024). Flatter businesses streamline the ranks and accelerate communication when staff are under strain, yet supervisors can be overworked, and coaching quality can be degraded in the absence of rules and digital coordination tools.

Managerial supervision is substituted by the sharing economy's digital governance. According to 2024 reports, Airbnb reported 492 million Nights and Experiences Booked and a Gross Booking Value of 81.784 billion, which implies that network coordination exists, not hierarchical control (Sec.gov, 2024). Without direct employment linkages, platform rules, identity verification, payments infrastructure, and review systems affect host behavior and guest trust in an Airbnb (Sec.gov, 2024). Standardized governance and reputation have a high standing over direct supervision, and networked businesses have the risk priority of compliance, safety governance, and trust enforcement mechanisms that guarantee platform validity.

The crucial structural properties in hospitality are centralization versus decentralization (who makes decisions in service recovery), formalization (to what extent are service routines specified), span of control (how much attention to managerial staff and frontline staff), and

coordination mechanisms. Global hotel chains and platforms face strategic fit challenges. Consistency through hierarchical control, multi-unit complexity through matrix hybrids, and network coordination through platform networks.

1.3 Methodology

It is a qualitative, desk-based study that utilizes (1) a systematic evaluation of scholarly literature and other accessible industry/firm-based publications and (2) a localized comparative review of the case studies of Marriott, Hilton, and Airbnb as varying hospitality organizational frameworks. To remove the selection bias and enhance repeatability, evidence-informed management and transparent search, screening, and synthesis are applied in the literature review (Tranfield, Denyer, and Smart, 2003).

The criteria used to select the sources are (a) peer-reviewed journal articles and academic books in the field of organization design and hospitality operations, (b) the recentness of the sources (preferably modern work unless a theory should be established), (c) the apparent relevance in the field of structural dimensions such as centralization, formalization, coordination mechanisms, and service performance outputs, and (d) reputable industry evidence. Synthesis logic is educated by review-type teaching about rigorous business research literature review (Snyder, 2019).

A cross-case thematic template of structure type and governance (hierarchical/matrix/platform) is applied to compare decision-making, operational efficiency, the experience of guests/service quality, and employee behavior between asset-heavy chains and asset-light platforms (Airbnb, Inc., 2025).

1.4 Findings

1.4.1 Hotel structures

Big hospitality chains employ layered structures to combine geographical and brand divisions and functional expertise (e.g., operations, revenue, brand, and HR) to achieve scaled coordination requirements. **Marriott assumes its expansion of 8,785 properties (1,597,380 rooms) (9,361 properties (1,706,331 rooms) by year-end 2025) to 8,785 properties (1,597,380 rooms) by year-end 2024) indicating the necessity of global multi-unit control (Marriott International, 2025). By December 31, 2024, Hilton Worldwide Holdings Inc. had 3,578 hotels and approximately 498,600 rooms with a net unit growth of 7.3, as a sign of prioritizing formal coordination processes over local control (Sec.gov, 2024).**

The flatter structures in the boutique hotels and reduced hierarchical levels and shorter reporting chains make the decision authority closer to the operations and reduce internal handoffs. This is similar to the situation in the real world of single property operations where coordination is achieved by being in direct contact and close proximity, not by division governance (Mintzberg, 1979).

1.4.2 Choices and effectiveness

Hierarchy architecture postpones decision-making with increasing anxieties, but formalization (SOPs, standardized controls) and responsibility enhance efficiency. These aspects ensure brand uniformity across the properties and reduce the variability in the routine service operations, especially in safety- and compliance-bound processes (Robbins and Coulter, 2018). Global chains with matrix/hybrid structures enable region or property heads to organize operations based on market conditions, although they also generate role ambiguity and coordination costs to share authority among brand, territory, and functions (Joseph, 2025). Therefore, operational effectiveness comes not from simply having a matrix structure, but from decision-making rights and forums that prevent disputes and rework.

1.4.3 The satisfaction of guests and services is a key factor

Regularized routines and functional roles aid in consistency of service, especially on low expectations such as cleanliness, reliability when checking in services, and security. Due to the fact that frontline staff resolve issues but do not escalate them, flatter structures enhance faster service recovery and enhanced response to guest complaints and operational disruption (Kahn, 1990).

1.4.4 Network/platform structures

The technology of Airbnb offers decentralized coordination and not direct control. In 2024, Airbnb recorded 492 million Nights and Experiences Booked and a Gross Booking Value of 81.784 billion, illustrating the platform rules, search/ranking algorithm, payments, and reputation mechanism at massive transaction volumes (Airbnb, Inc., 2025). Hosts are independent system operators, and platform governance substitutes administrative hierarchy, which makes this paradigm easy to scale but diminishes the quality of services.

1.5 Discussion

Hospitality structure undermines agility, consistency, and creativity. Rules and responsibility stabilize quality in hierarchical designs, but in service recovery, guests' perceptions count in minutes, making it impossible to react quickly (Hewagama et al., 2019). Flatter structures make decisions shorter and employees more empowered, whereas longer spans of control put greater coordination and coaching on a small number of managers, creating stress and supervisory pressures (Svanström et al., 2025). The matrix and hybrid structures help connect property activities with brand, area, and functional skills to improve responsiveness, but having multiple bosses can lead to confusion about roles and misaligned goals due to unclear decision-making authority.

International chains have a dilemma of whether to standardize or localize. Brand standards and system-wide capabilities have been kept consistent across all of Marriott's large properties, while local market factors affect staffing, demand, and service expectations and need to be

managed carefully at each property. These pressures are becoming more significant due to market shifts: OTAs mediate between demand and charge high commission rates, which means that hotels have to organize income, distribution, and customer experience across the departments (O'Neill, 2026). The data released by the industry also demonstrates that OTA commissions in the mid-teens to mid-twenties are growing, which puts more incentive toward structuring restructuring around direct demand, analytics, and a channel-coordinated approach (Eviivo & Eviivo, 2026).

1.6 Conclusion

Hospitality organizational structure has an effect on the speed of decision-making, reliability of coordination, and touchpoints of guest experience, and thus, it can be considered a strategic control system. Flatter structures are much more responsive, and services recover more easily at the frontline than the hierarchical designs, which promote uniformity and accountability, although supported by practical spans of control (Hewagama et al., 2019). To prevent communication friction and role ambiguity, matrix and hybrid forms are able to promote multi-unit complexity but require disciplined decision rights (Feemster, 2016). Management implications: distribution pressure, digital service journeys, and analytics-informed selections of revenue already adjust the manner in which hotels organize work across departments (O'Neill, 2026). The only way structure and strategy can match is with coordination mechanisms that are commensurate to market reality. These demands characterize the performance; hence, the sector is embracing hybrid and networked coordination logic.

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Assignment 2 – HRM and Employee Engagement in the Hospitality Industry

2.1 Introduction

Human Resource Management (HRM) refers to the well-organized policies and procedures involved in hiring, developing, motivating, and retaining people and is aimed at achieving the organizational goals. Human resource management in hospitality has a direct bearing on service delivery, as human resources in the hospitality industry act out as the product in real time. Employee engagement can be defined as a lasting work-based state of appetite and involvement that influences the discretionary effort and service actions. Human resource issues in the hospitality industry are basic, such as high staff turnover, high levels of emotional labor when dealing with customers, and poor scheduling because of 24-hour operations. The U.S. labor statistics revealed recent hospitality research that showed that more than 74 percent of turnover is witnessed annually in the leisure and hospitality industry, which points to the severity of retention risk (Green et al., 2025). The assignment focuses on the effects of the HRM practices, leadership, and well-being on the engagement and satisfaction, retention, and guest outcomes in hotels and resorts.

2.2 Literature Review

The AMO model is useful in the hospitality HRM model since the performance is enhanced when employees are enabled (ability) and motivated (motivation) as well as provided with an opportunity (voice and involvement). Extensive evidence-based research explained that AMO remains one of the main popular ways to organize HR bundles but warned that results depend on an integrated approach and not a disjointed one (Bos-Nehles et al., 2023). Skill development in hotels is usually achieved by means of systematic onboarding, service-related standards training, and more technical role-specific training; motivation is ensured by means of cognition, balanced performance management, and large-scale career growth; and possibility

is ensured through empowerment and participation in service recovery and issue-solving procedures.

Social exchange theory adds value to AMO as it explicates the reason why workers ought to reciprocate supportive treatment with engagement and extra-role service behavior. Hospitality studies have established that perceived organizational support with attitudinal benefits is correlated with employee-organization relationships that are modeled using social exchange, thus highlighting the assertion that the way the organization treats its employees is a catalyst for engagement (De Souza Meira & Hancer, 2021). This is important because jobs that are facing customers require a lot of emotional handling. Emotional labor and non-standard working hours were found to have measurable relationships with weariness in hotel samples, indicating a well-being mechanism through which the HR policies influence sustainable performance (Lee et al., 2014). The study thus considers well-being supports (predictable scheduling, recuperation time, and psychological safety) as a critical operational HR infrastructure and not discretionary rewards.

The principle of core HRM has four packages. Training and development promote proficiency and guarantee service delivery, particularly in complaint and service recovery management. Engagement is influenced by performance management through the perception of equity, transparency, and standard feedback; improperly organized metrics encourage compliance behavior rather than guest-oriented decisions. Through career paths, turnover intentions are reduced by increasing projected future compatibility and mobility, especially in large multi-property chains where internal transfers are available. Reward systems matter; however, in service settings, studies tend to suggest that recognition and caring leadership can keep individuals engaged when financial incentives cannot help in reducing emotional suffering (Meira & Hancer, 2021).

The outcomes of engagement are significant because they represent a collaborative effort between hospitality performance and customer interactions. Empirical research in the hotel industry on the service-profit chain has indicated that there were correlations between staff attitudes, customer loyalty, and profitability, thus justifying the statement that employee conditions determine customer and profit outcomes (Martensen and Grønholdt, 2001). This rationale is related to examples of industry practices. The retention rate at Marriott was lower than the industry average of 20 percent reported by the Ritz-Carlton, which they attributed to staff conditions, in contrast to the overall rate in the hospitality industry, where retention is linked to a sense of stability and familiarity when employees return home (Bailey, 2019). To improve feedback processes, Marriott has changed its engagement survey frequency to many different assessments every year, which means that the use of engagement measurement as one of the HR management practices is integrated into the routine instead of being an annual tradition (Marriott International, 2024). Hospitality defines the strongest HRM/engagement model, not as a single policy; however, it is an integrated mechanism that ensures protection of capacity, equity, and well-being amidst service intensity.

2.3 Methodology

It uses a qualitative case-based integrative literature study of Four Seasons, The Ritz-Carlton, and Marriott in this part. Hospitality HRM is the field that can be addressed with an integrative approach, as it does not perceive findings as isolated conclusions and incorporates different information (peer-reviewed research, industry reports, and corporate disclosures) into unified themes (Snyder, 2019). The selection of cases is conducted on the basis of three criteria: (1) international reputation in terms of luxury hospitality, (2) developed HRM practices (e.g., training needs, recognition, health and well-being programs), and (3) publicly displayed engagement-related outcomes or practices. The case evidence (disclosures, third-party interviews, and curated leadership practices) is divided into cross-case themes, which are

leadership, training/empowerment, and well-being/quality of work life, and then cross-correlated with the observed engagement outcomes, such as retention signals, guest-problem reduction, and productivity proxies.

2.4 Findings

2.4.1 HR involvement and practices

The focus lies on methodical training and frontline empowerment, not on cultural statements. One of the characteristics of an interview conducted by the U.S. government suggested that the staff turnover rate in the Ritz-Carlton was 20% (as opposed to industry levels) and attributed it to the powerful culture and investment in employees (NIST, 2017). According to the Ritz-Carlton Leadership Center, staff empowerment is a practice that is defined by training and service standards and not discretion.

Second pattern: interaction platforms and response systems. Engagement assessment as a continuous management activity is evidenced by the fact that Marriott International (2025) switched to conducting numerous pulse surveys annually instead of one annual survey of associates to enhance feedback and action curriculum. Four Seasons Hotels and Resorts (2021) views its ESG reporting culture as a tool that impacts teamwork and service. It is an ideology of the Golden Rule that governs people's practices.

2.4.2 Wellness and leadership

Marriott experiences leadership growth and quality-of-work-life aspects that enhance the level of engagement. According to internal evidence summary research (published by LinkedIn Employer Insights), a large sample size of internal evidence on hourly engagement of associates showed that in Marriott-managed U.S. full-service hotels, productivity increased by +11 percent, guest issues were reduced by 16 percent, and turnover was reduced by 28 percent (LinkedIn, 2025). Disclosures and case studies by Four Seasons associates link respectful

leadership and employee experience with service brand success, viewing leadership as the vehicle of culture to daily operations (Hallowell & Knoop, 2005).

2.4.3 Outcomes

More powerful training, empowerment, and feedback systems reduce turnover and improve the experience proxies of clients, such as a lower number of guest concerns and higher-level performance at the service level in high-end facilities.

2.5 Discussion

Luxury and budget hospitality labor markets, property economics, and service propositions are completely unique; thus, best practice HRM is not applicable across the board. Luxury companies invest heavily in training and empowerment because their products are defined by the quality of service, and the long-term value of guest relationships justifies their pricing structure (Hallowell, 2002). The tight cost-control limits in low-margin properties and long training times are inconsistent with operational coverage, and limited personnel buffers elevate the chances of empowerment turning into job shifting instead of autonomy. Engagement drives productivity and reduces the number of guest issues and turnover, yet when there are changes in the staffing, seasonality, and ownership models, managers find it difficult to achieve the same (LinkedIn, 2025).

Leadership style is a practical transmission mechanism of interacting with the guests. Hotel research has revealed that empowering and servant leadership affect engagement through psychological empowerment, which proves that the behavior of the leader can make HR processes advantageous or procedural (Huertas-Valdivia et al., 2019). Micro-improvement and guest co-creation at the point of encounter (e.g., customized problem solving and individualized recovery) in high-end hotels are stimulated by employee empowerment and management support, which promote innovation and entrepreneurship (Ritz-Carlton Leadership Center, 2019). The statistics indicate that the engagement systems need to adjust

the approach to staffing, leadership training, and well-being provisions without sacrificing the main principles.

2.6 Conclusion

Hospitality performance infrastructure is determined by strategic HRM and employee engagement, which guarantee the satisfaction of service standards, the prompt response to service failures, and the retention of workers in the position so that they build competence and visitor relationships. The most effective engagement patterns at Four Seasons, Ritz-Carlton, and Marriott are structured training, actual empowerment, the demonstration of respect and clarity in leadership behaviors, and feedback mechanisms where the involvement of the employees is transformed into operational change (NIST, 2017). Engagement is an operational driver that has proven impact within the hotel industry because it reduces problems encountered by guests and turnover (LinkedIn Talent Blog, 2016). The managers should combine HR investments with the business strategy, labor market, and service offering of the property. Recent research implies enhanced HR analytics, tailored career paths, and multicultural team health services.

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Assignment 3 – Ethical Decision Making in Hospitality Businesses

3.1 Introduction

Ethical decision-making in hospitality refers to the process of making a decision that protects the well-being of the visitors, respects the dignity of staff members, and complies with legal and professional requirements, even when economic conditions dictate that the business should focus on immediate gains. Ethics is important because the hospitality sector depends on the notion of trust: the customers demand security, comfort, and fairness, and information asymmetry and perceived malpractice will destroy reputation and value in the long run. Common ethical issues include overbooking and the use of the so-called walking of visitors, hidden fee requirements, the attitude of frontline staff to guests with expensive budgets, and the security of guests and their privacy in both hotels and platform-based hotels. These risks are aggravated by the fact that revenue and service systems do not consider the frontline staff when making price and capacity decisions, but the frontline employees are required to deal with the consequences on the ground (Wilson et al., 1994). This project evaluates facts to do with these challenges and gives an empirical decision-making model to managers.

3.2 Literature Review

In some cases, ethical evaluation in the hospitality industry is the opposite of deontological and consequentialist thought. Deontological models place much emphasis on commitments of sincerity, non-deception, and a sense of duty of care to visitors that makes activities such as false pricing a moral issue regardless of its profitability. Consequentialist methods evaluate the targets, such as occupancy optimization or cost-effectiveness; however, they are ethically unsafe when harm is notional to an underprivileged stakeholder (Fennell, 2006). In practice, hospitality managers have conflated problems in which operational strategies are used to encourage output, and the welfare of the guests and justice determine legitimacy.

The stakeholder theory offers a management approach that aligns with the multi-stakeholder hospitality setting that incorporates customers, staff, owners, the local community, and regulators. A stakeholder style defines strategy as the balance of incompatible stakeholder needs rather than the maximization of one financial objective, especially when the failure of services or unfair prices create externalities on customers and society (Freeman, 1984). CSR frameworks in tourism and hospitality research apply stakeholder logic to show the impact of responsible behaviors on legitimacy and risk governance, as well as branding (Font & Lynes, 2018).

Revenue management reflects ethical issues, especially with the overbooking and charge organization affecting the view of justice. Overbooking is one of the measures taken to ensure that no-shows and cancellations are reduced; however, it creates a moral dilemma because the displaced visitor suffers the inconvenience caused by the probabilistic optimization made by the firm (Wilson, 1994). Studies that have focused on the frontline aspects of hospitality suggest that staff perceive overbooking as a threat to hospitableness, as well as the host-guest relationship, and as such show a path to moral harm besides consumer harm (Haynes & Egan, 2020). The customer fairness shows that compensation design influences the perception of justice in the condition of overbooking, and it implies that there is a relationship between service recovery and ethical judgment in evaluating guests (Hwang & Wen, 2009).

Transparency in pricing has ceased being a desired quality and become a requirement. The Rule on Unfair or Deceptive Fees of the U.S. Federal Trade Commission focuses on bait-and-switch pricing, requiring the disclosure of the entire price (including the mandatory charges on short-term accommodation) upfront as a regulatory instrument that averts the fee practices hidden under the rug in the hotel industry (FTC, 2024). This finding is ethically important because hidden charges are based on asymmetry of information and do not allow informed consent during the buying process.

The ethics on employees in hospitality are aimed at fair employment, fair scheduling, and manageable workload in the face of constant financial limitations. A critical study published recently provides a list of current issues in the working conditions of the hospitality sector (work pressure, financial instability, restricted mobility), making ethical human resources a priority need to maintain the quality of services and not a peripheral corporate social responsibility project (Giousmpasoglou et al., 2024). The safety and privacy of the guests greatly extend the level of duty of care. The GDPR in Europe provides legal requirements for the fair and transparent management of personal data, which becomes a factor in ethical norms regarding the privacy and safety of the guests (European Union, 2016). Platform-specific safety and security standards are not the same as those of regulated hotel systems; legal sources suggest that home-sharing operations are within a range of multiple legal frameworks, which makes the role of ensuring the safety of the guest more challenging (Binns and Kempf, 2020).

3.3 Methodology

This section is a qualitative multiple-case study based on secondary data to determine the trends in ethical decision-making in Airbnb, Marriott, and a local European hotel organization (Accor). The sources of case evidence include authoritative sources in the public, including SEC filings, regulatory decisions, and official enforcement efforts, and reputable reports in the industry. Ethical issues are divided into four endemic areas, which include the integrity of revenue (overbooking), the transparency of the price (compulsory charges), both safety and privacy (duty of care and data protection), and labor (treating people fairly under commercial pressure). Coding uses a simple system: (1) type of problem, (2) affected parties, (3) established governance measures, and (4) witnessed outcomes (trust/reputation/regulatory reaction), which allows for organizing the cross-case analysis (Yin, 2018).

3.4 Findings

3.4.1 Overbookings and hidden fees

Hotel overbooking is an example of a revenue integrity issue: optimizing yield decreases losses in case of a no-show, but the cost of optimizing yield is borne by the customers whose reservations are accepted. The empirical evidence indicates that employees encounter ethical conflicts when organizational policies clash with their expectations of hospitality and justice towards guests (Haynes, 2020). The pressure of regulations increases scrutiny of obligatory accommodation costs in terms of pricing transparency. The regulation issued by the U.S. Federal Trade Commission reflects on the issue of bait-and-switch pricing and requires clear disclosure of the total price, including the mandatory payment of hotel fees, in short-term lodging advertisements, and prioritizes the use of transparency as a compliance and ethical requirement instead of a marketing choice (Federal Trade Commission, 2024).

3.4.2 Treatment of Employees

Ethical challenges in relation to employees emerge when staff members have to find their way through the consequences of revenue decisions on the spot (e.g., dealing with displaced visitors, explaining charge systems) and maintain service quality. The studies of working conditions in hospitality show that they are regularly faced with a heavy workload and a lack of opportunities, and thus the concept of decent work should be viewed as a major ethical issue and not a managerial judgment issue (Giousmpasoglou et al., 2024). This has a direct correlation to the ethical climate: as long as the performance objectives are focused on the short-term financial outcomes, employees have the emotional labor and reputational risk at the interface of service.

3.4.3 Guest safety and privacy

One of the ethical matters is guest safety and privacy, as the hotel industry is based on the relationship between trust and information asymmetry. Airbnb presents a scheme of trust and

safety such as reviews, risk, secure transactions, an anti-party strategy, and a safety support feature, which reflects platform governance as an ethical control system to direct control (Airbnb, Inc., 2025). The threat to privacy in hotellerie rises to a reputational and regulatory threat in case privacy protection is insufficient. The FTC has claimed that Marriott and Starwood have security flaws that have led to numerous breaches of sensitive personal information, which explicitly relates governance lapses to the fraud of clients and the loss of trust (Federal Trade Commission, 2024). Accor faced a fine by CNIL in Europe due to a lack of marketing consent and rights, which can be seen as the proactive exercise of privacy ethics in the hotel industry (CNIL, 2022).

3.5 Discussion

Business interests and profit patterns can justify ethically questionable practices where the administration takes ethics to be mushy and economic prosperity the sole strict control. The case of overbooking can illustrate this point: the logic of optimization appears to be internally consistent, but the ethical cost is shifted on the unsatisfied customer and the frontline employees who have to execute the negative consequences (Haynes & Egan, 2020). The same can be said of fee opacity: the company uses the knowledge asymmetry when the latter obligatory costs are not disclosed in the booking process, and, therefore, at the end of it, the federal authorities consider such actions to be fraudulent conduct in the short-term accommodation scenarios (Federal Trade Commission, 2024).

Organizational culture and leadership have an impact on everyday ethical decisions, as they state what is considered a success, especially in cases when employees are faced with competing demands (guest equity vs. occupancy and profit goals). Hospitality should apply a practical decision framework, not a theoretical one.

- Define the dilemma (category: integrity, transparency, safety/privacy, labor).
- Map stakeholders and identify who bears harm.

- Assess severity/likelihood (safety and deception trigger escalation).
- Check law and policy (FTC fee rule, GDPR, internal SOPs).
- Test against organizational values and fairness norms.
- Decide and communicate transparently.
- Review outcomes and adjust SOPs/metrics.

Operationalization makes use of Standard Operating Procedure checklists, scenario training, and performance measures, which incorporate trust indicators (complaints, refunds, safety problems) in addition to income.

3.6 Conclusion

Good hospitality requires a sense of ethics, which serves as the unseen foundation of the product, as trust is what the visitor will invest in regarding a safe environment, fairness, and a respectful attitude amidst uncertainty. In various cases, it has been proven that the ethical breaches cause reputational damage and legal enforcement, manifested in the fines related to deceptive lodging prices and informational data security violations involving sensitive consumer data (Federal Trade Commission, 2024). Both platforms and hotel chains rely on governance systems, which include policies, restrictions, training, and monitoring, to prevent financial incentives from harming frontline personnel and guests. A structured ethical decision-making model can be used to bring uniformity, as it forces managers to classify matters, identify stakeholders, evaluate harm, reconcile action to legal and ethical principles, and draw conclusions on outcomes. Strong frameworks combine business goals with societal expectations and proactive regulatory standards, hence reducing unwarranted shortages of trust.

3.7 References

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4. Integrated Conclusion

The roles of structure, human resource management/engagement, and ethics in the hospitality business operate in unity rather than as three systems. The structural design predetermines the fundamental principles of coordination and accountability. Hierarchical levels can offer consistency and assist in risk management, yet can also slow the escalation and frontline input in case authority and information flow are too centralized (Huang et al., 2023). This is also ethically significant because most of the issues in the hospitality sector begin at the service front, where the staff either raise their voices immediately to bring up their issues or endure the consequences quietly. Investigations held in five-star hotels provide evidence that the concept of responsible leadership has a positive impact on employee promotive voice, particularly when the legal/ethical context is robust, and that is why a close relationship is established between the conditions of engagement and ethical governance skills (Özkan et al., 2023).

The effectiveness of the structure in actual services is then determined by the human resource management and engagement strategies. Formal design is transformed into a dependable guest experience through skill development, empowerment, and well-being programs. In the absence of these, even the well-designed structures can result in inconsistent service recovery and more of the image of the company at stake. This reliance is enhanced by the digitalization. The studies of the digital transformation of hotels indicate that the diffusion of technology alters the decision-making process, as well as the mode of collaboration of various levels of the organization. This drives companies to more unified cross-functional (such as revenue, digital, operations, and customer experience) rather than functional management (Yang et al., 2024). In terms of the socio-technical design approach to innovation and entrepreneurship at the master's level, the challenge of future-ready hospitality is the necessity to coordinate technology, functions, rewards, and ethical regulations so that the employees could be granted

the freedom of innovation and generate value with the guests without adopting the practices of growth-at-any-cost (Radović et al., 2025).

The practice implications are evident: create structures that support standards and allow fast local decision-making; develop HR structures that promote engagement and communication; and integrate ethical decision-making guidelines into standard operating procedures, training, and performance evaluations. The combination of analytics-based coordination and ESG governance into an organizational design selection will be helpful to future research and practice by maintaining trust while, at the same time, maintaining competitive performance (Shin and Kwon, 2026).

5. Appendices Assignment 1

A1.1 Full-Service Hotel Organisational Structure

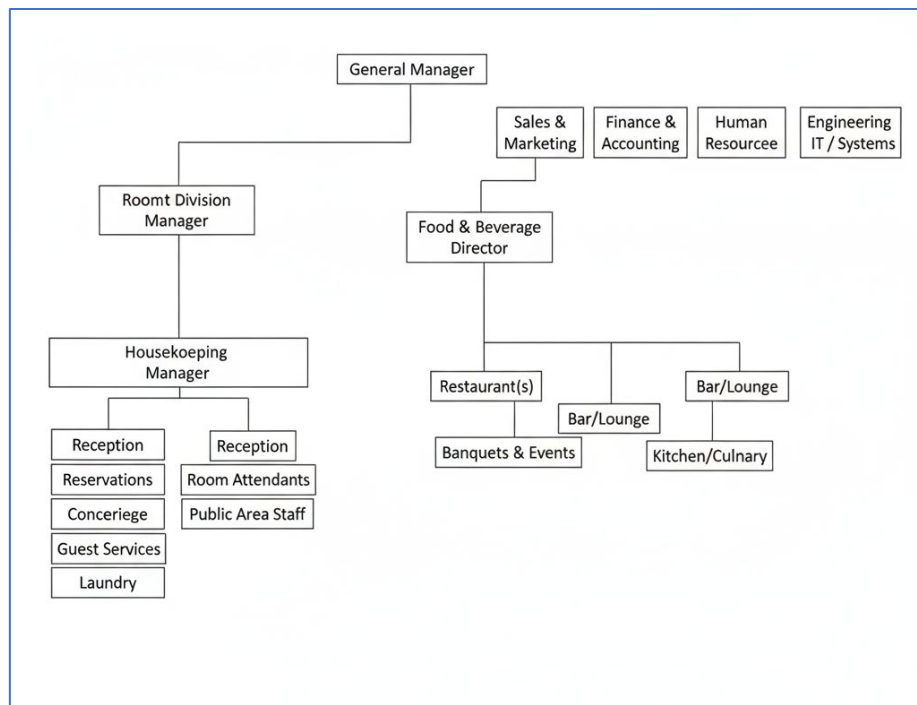


Figure 1 Full-Service Hotel Organisational Chart

A1.2 Resort Organisational Structure

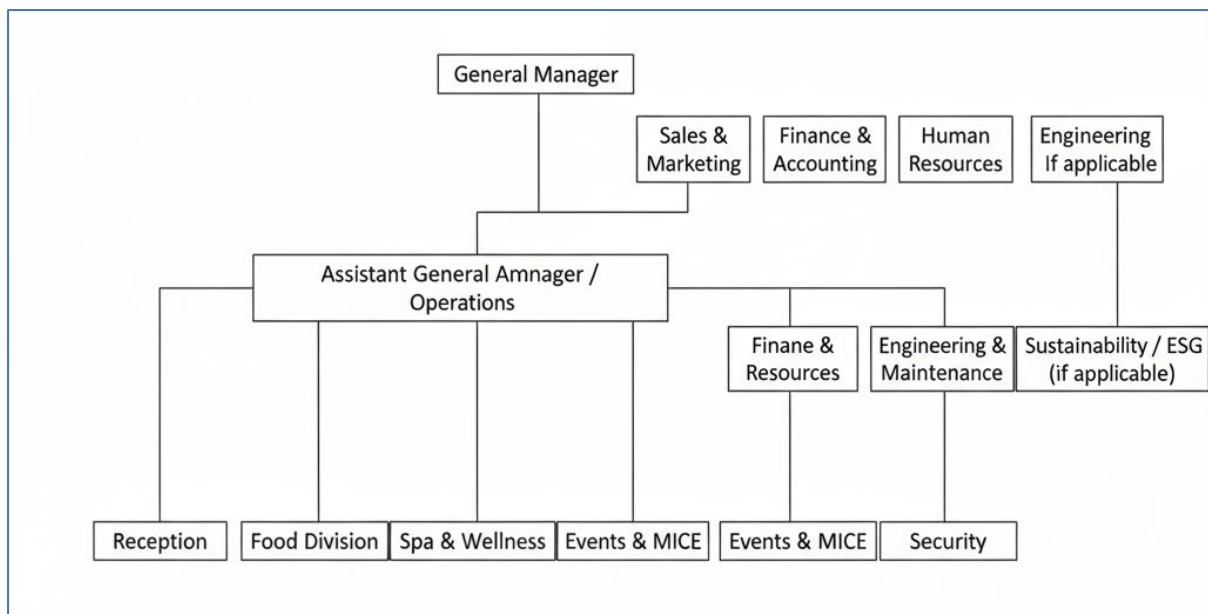


Figure 2 Resort Organisational Chart

6. Appendices Assignment 2

HRM–Engagement–Performance Mode

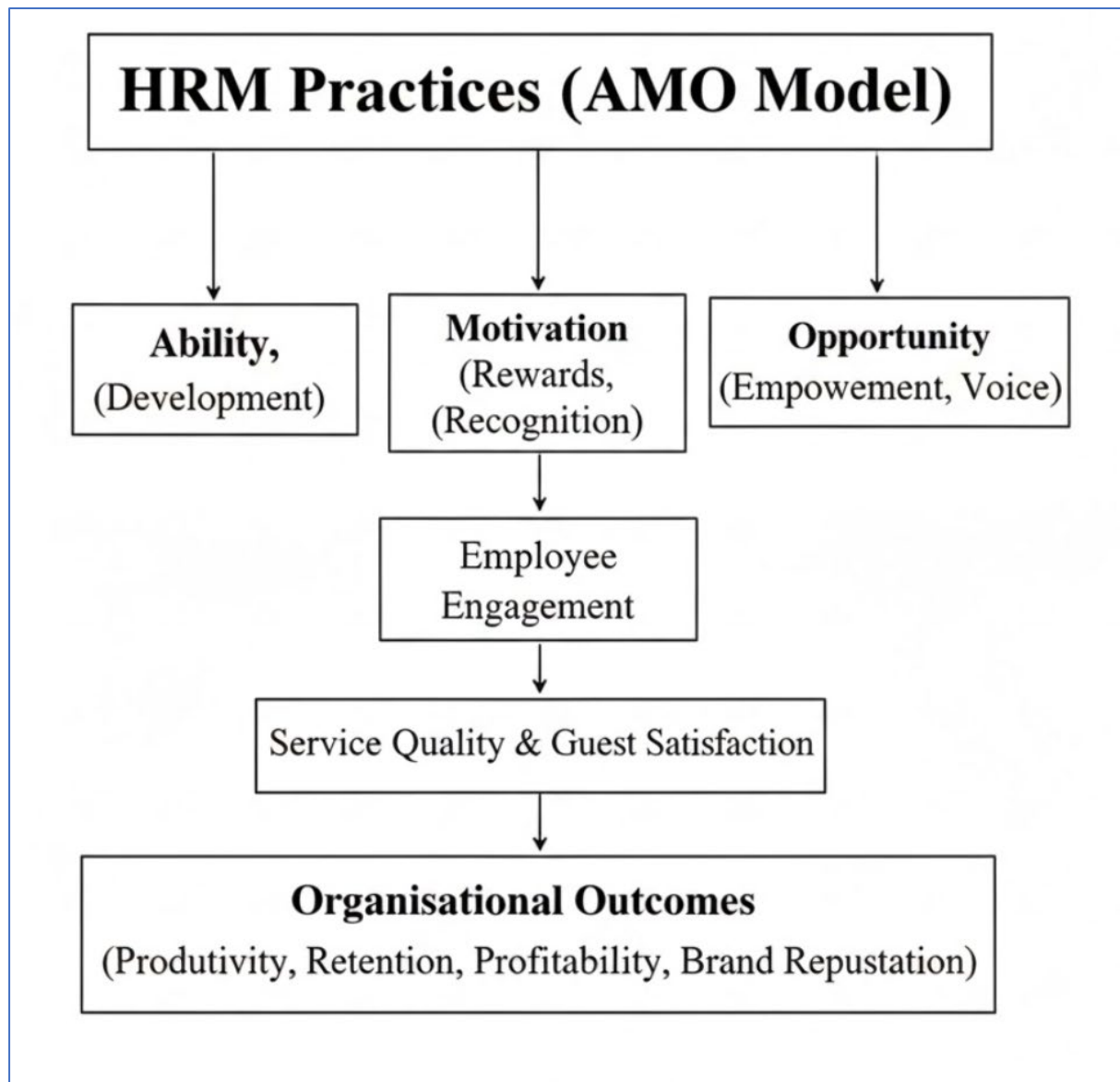


Figure 3 Conceptual HRM–Engagement–Performance Model

Table 1 Comparative HRM Practices

Dimension	Four Seasons	Ritz-Carlton	Marriott
Core Philosophy	“Golden Rule” culture	Service excellence through empowerment	People-first leadership
Training	Strong onboarding & cultural socialisation	Extensive service training	Leadership & capability programs
Empowerment	Guest-centred autonomy	Defined empowerment authority	Frontline service discretion
Feedback Systems	Cultural reinforcement mechanisms	Structured service standards	Pulse surveys & engagement analytics
Outcomes	High service consistency	Lower turnover vs industry avg.	Improved productivity & retention indicators

7. Appendices Assignment 3

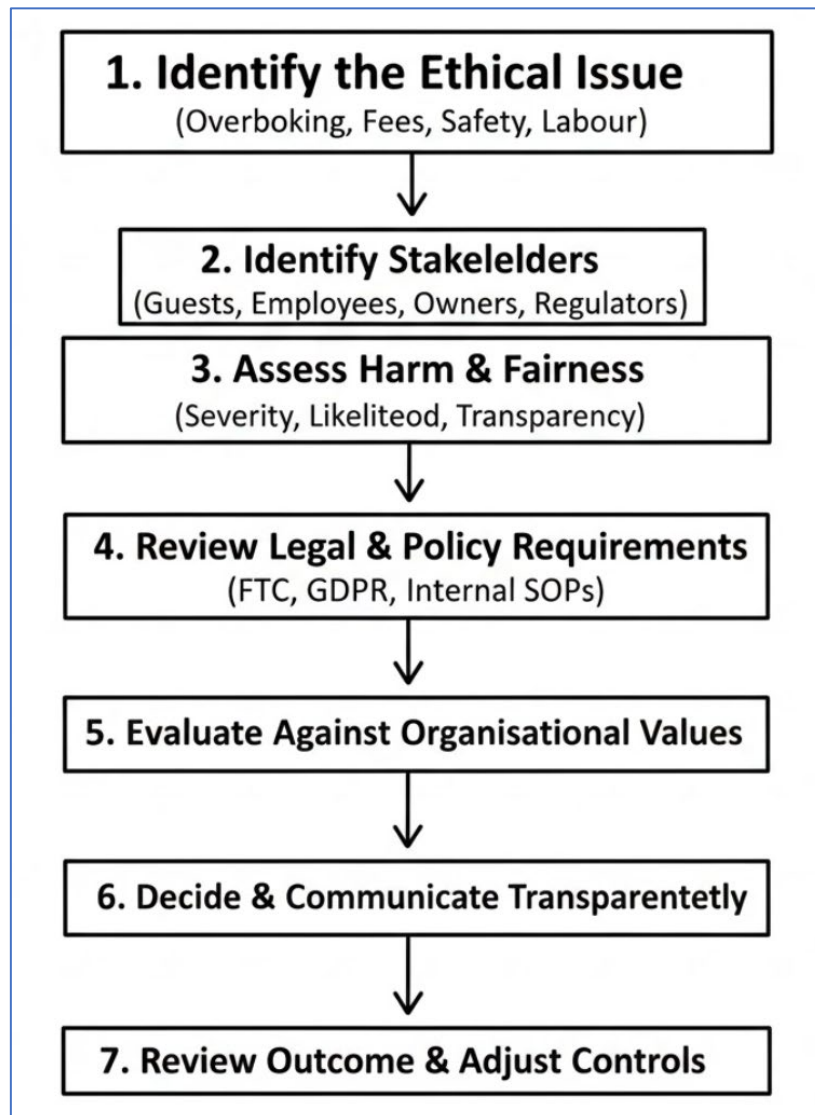


Figure 4 Ethical Decision Framework for Hospitality Managers

