

PROBITY REQUIREMENTS

Introduction

Hong Kong has long been renowned as an international tourist centre. The local travel and tourism industry, as one of the top foreign exchange earners, is crucial to Hong Kong's economy. To sustain the growth and development of the industry, we have to win the confidence of the international community by not only continuously improving professionalism and quality of service but also enhancing the standard of probity of the industry practitioners. Hoteliers, as one of the important industry practitioners, are expected to take the lead in making improvements. Indeed, the industry practitioners themselves could benefit from the adoption of ethical practices because any corrupt practices involving their employees would not only hurt the hotel's profits but also its reputation and competitiveness in the industry.

This document aims to provide a checklist of good practices in various aspects of hotel management. It is expected that individual hotels would make adaptations to suit their operational needs.

Code of Conduct

Commitment to ethical practices is part and parcel of good governance. The hotel should have a stated policy on ethical commitment and issue a Code of Conduct to staff, setting out the company policy and the ethical standards required of them. The policy should be made known to the clients and guests of the hotel.

In the appointment of term suppliers/service providers, hotels should consider requiring them to have a similar policy and a Code of Conduct for their employees.



The Code (a *sample code* is at the Appendix) should cover the following key elements:

- rules on acceptance of *advantages*;
- rules on acceptance of *entertainment*;
- requirements for staff to declare and avoid any *conflict of interest* and the procedures for handling such declarations;
- rules on protection of *confidential or proprietary information* obtained through work; and
- guidelines on *handling hotel guests*, including warnings against unacceptable activities and behaviour (e.g. offering private service to hotel guests).

To ensure that the Code of Conduct is effectively adopted by staff, it is important that:

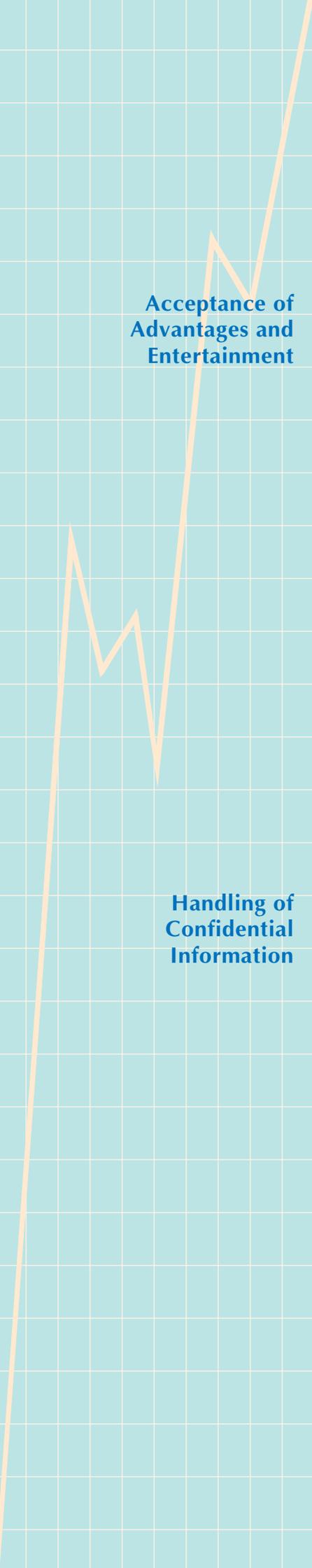
- it is issued with the full *support of the management*;
- it *applies to all staff across the board* from the senior managerial staff, to the middle managers and the front-line staff;
- it is *strictly and fairly enforced* with a mechanism for taking disciplinary action against any breach of the Code;
- it is promoted through continuous capacity building to foster good practices; and
- it is *updated* as necessary.

Conflict of Interest

A conflict of interest situation arises when the private interest of a staff member competes or conflicts with the interest of the company. The Code of Conduct should include guidelines to assist staff in avoiding situations which may lead to actual or perceived conflict of interest and lay down the procedures for reporting such conflicts.

It would be helpful to staff if the guidelines could provide examples of conflict of interest. The following are a few examples of conflict of interest that may arise from the operation of a hotel:

- A staff member responsible for procurement has a **financial interest** in a company which is being considered by the hotel for the selection of a supplier or the selected supplier is a close friend or relative of the staff member.
- A candidate under consideration in a staff recruitment exercise is a **relative** of the staff member responsible for the recruitment.
- A staff member involved in the selection of hotel maintenance/renovation contractors engages the selected contractor to carry out renovation work in his home.
- A staff member responsible for **allocating consignment corners** to travel agencies to provide local tour services is a personal friend of the travel agency operator under consideration in an allocation exercise.



Acceptance of Advantages and Entertainment

The hotel should have a policy prohibiting employees from accepting advantages which include any gift, loan, commission, employment, contract, services etc., from persons with whom they have official dealings. If staff members are allowed to accept token gifts, the permissible value should be specified.

Under the Prevention of Bribery Ordinance, advantages do not include entertainment which refers to the provision of food or drink for consumption on the occasion when it is provided, and of any other entertainment connected with, or provided at the same time.

While entertainment is an acceptable form of business and social behaviour, entertainment may sometimes be offered to “sweeten” someone in authority with the purpose of building a store of goodwill for future demands of favouritism. Hotel staff should be advised to avoid invitations to meals or entertainment that are excessively lavish or frequent.

Handling of Confidential Information

Hotel staff may have access to confidential information such as the customers’ personal data and other proprietary information relating to the hotel’s operation which may have a commercial value. Any leakage or misuse of such information may adversely affect the hotel’s reputation and even its business.

Rules on access to confidential information should be clearly defined and should be restricted to the need-to-know. While individual staff may be held responsible for the protection of the confidential information to which they are given access, the hotel management should ensure that there are adequate safeguards to protect data integrity in the computer and sufficient physical security in the office.



Handling of Hotel Guests

Hotel staff at different levels may inevitably have frequent and direct contact with the hotel guests, in particular those long staying and frequent patrons. While the staff are expected to provide service in a professional and courteous way, they should be prohibited from providing unauthorized personal services to the guests (e.g. recommending escort service, running errands such as buying concert tickets for a particular guest).

The hotel management should issue clear guidelines and instruction to staff, requiring them to refer all special requests from the guests to the senior staff for guidance.