

## CHAPTER 3

# FACTORS THAT INFLUENCE THE CORPORATE TRAVELLER'S COMPLIANCE WITH THE CORPORATE TRAVEL POLICY

### 3.1 INTRODUCTION

Through the use of a conceptual model, the previous chapter gave an overview of what corporate travel management entails and the process involved. The value conflicts that occur during the management of this process were highlighted. The chapter also focused on explaining the values of the company and its travellers. An overview of the corporate travel policy as developed by the organisation was provided. Areas covered in the travel policy were discussed and it became evident that non-compliance with the travel policy could occur due to various reasons within any of these areas. During this discussion it became evident that the factors that could lead to possible non-compliance with the travel policy could be classified into two categories: personal-related and corporate-related factors.

This chapter argues for a deeper analysis of the problem of traveller non-compliance. It goes beyond established reasons and argues that non-compliance may also be the result of underlying factors not yet fully investigated or recognised by management and industry in general. It suggests that before effective long-term measures can be taken to combat non-compliance, these factors need to be researched. Two broad categories of factors, namely corporate- and personal-related factors are investigated. Corporate-related factors, mainly reflected in the travel policy, have been introduced in the previous chapter, but will be further investigated in this chapter in the context of non-compliance. Personal-related factors are identified and discussed from a theoretical perspective. This chapter provides a first step towards formulating a model against which non-compliance with the corporate travel policy can be empirically tested within organisations.

It should once again be emphasised that the academic literature on travel policy compliance is limited. For the section on corporate-related factors that could lead to non-

compliance, the major part of the literature was derived from industry sources and, where possible, scientific sources were used. The section on personal-related factors relied on literature relating to psychology and ethics to provide reliable and relevant scientific sources.

The reason for the selection of these two specific categories is found in the research of Murphy (1993), Trevino (1986) and Trevino and Youngblood (1990). According to Murphy (1993:140), “honest behaviour is affected by characteristics of both the person (personal-related factors) and the situation (corporate-related factors)”. Trevino (1986:2) agrees, noting that individual cognitions (e.g. the level of cognitive moral development) and a number of situational factors (e.g. organisational culture and elements of the immediate job context) offers an explanation for the degree to which people behave ethically at work. Trevino and Youngblood (1990) further found that the ethical decisions made by individuals were influenced equally by personal factors (involving cognitive moral development and locus of control) and situational ones (concerned with vicarious rewards and punishments).

In this study, corporate-related factors are defined as those relating to the corporate travel policy as formulated and communicated by the organisation, including issues of corporate culture and organisational ethics. The corporate traveller has very little control over these factors. The second group can be termed personal-related factors, and lie more within the personal control of the traveller. Such factors include issues of personal ethics, as well as the level of satisfaction that the traveller experiences with his or her job, life in general and the conditions under which s/he has to travel for business purposes.

The chapter begins by explaining the impact of non-compliance. It goes on to identify the areas in which non-compliance generally occur. Corporate and personal-related factors that influence policy compliance are then discussed. The chapter concludes by proposing a model for corporate travel policy compliance.

## 3.2 THE IMPACT OF NON-COMPLIANCE

According to Campbell (2002), there are always reasons for not complying with corporate travel policies and travellers are starting to discover more of them. Geva (2006:137) believes that a compliance problem is mainly one of ability and willingness. There is no uncertainty as to the right thing to do, but performance may be inhibited by pressures of self-interest, bottom-line orientation, market practices, short-term thinking or unwritten organisational laws which contradict morality.

According to Hullett (2005), a number of studies have highlighted the cost of non-compliance to organisations. He estimates this cost at about \$3 million a year, while expense reimbursements account for 22 per cent of all corporate fraud incidents and cost companies \$92,000 on average. Evidently, there is ample opportunity to recognize and improve auditing processes that can result in greater cost control, savings and productivity for organisations (Hullett, 2005).

American Express Business Travel has found that developing and communicating a complete policy while monitoring compliance can save a company one to four per cent of their total T&E expenditure. Monitoring compliance is an indispensable part of any policy. The research firm Aberdeen Group has found that approximately 20 per cent of T&E expenditure is not in compliance with corporate travel guidelines. Corporations have also enabled cost savings by amending their travel policies to include a broader range of topics. Previously, companies normally had regulations on only 15 categories in the travel policy, with air travel, lodging and car rental being the most common. Today, companies have implemented regulations in more than 24 categories, including companion-personal travel, travel-related telecom expenditure and extended stay properties. The existing business travel climate necessitates companies to reassess the way they control their T&E expenditure. Compliance with policy and tighter controls are needed as airlines decrease capacity, increase fares and work with more complicated yield and contract management technology. Containing costs often becomes as easy as communicating with travellers about doing the right thing (American Express, 2007).

According to Ravenall (2000), a regularly updated and enforceable travel policy can reduce overall travel and entertainment expenditure by between 20 and 30 per cent. Thus, the corporate travel policy is a method used by organisations to manage and control their travel expenditure, and organisations should question whether they are using this tool effectively. Ravenall (2002) also points out that a 5 per cent increase in policy compliance relates to a 10 per cent reduction in travel costs. Thus, as compliance with the travel policy increases, travel expenditure will decrease.

Lui (2005) suggests that improved policy compliance can save a company seven to 10 per cent of their travel budget. High levels of policy compliance also lead to lower indirect costs. Typically, companies with high compliance rates benefit from total indirect costs that are 23 per cent lower per traveller than companies with low compliance rates. Policy compliance decreases indirect costs by:

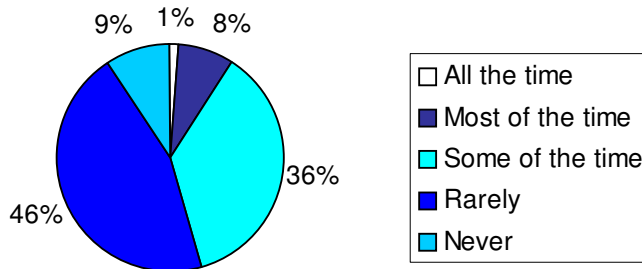
- reducing time spent in planning and booking by only using preferred suppliers
- simplifying reconciliation of non-standard expenditure; and
- conveying the full advantages of automation with fewer exceptions needing special treatment. It benefits companies to distribute sufficient resources to establish a strong T&E policy and to put the appropriate mechanisms in place to attain high levels of compliance (Hans, Raynaud, Rivera & Tillett, 2003:19).

However, Campbell (2002) notes that as policies are becoming more restrictive, compliance, too, becomes more difficult all the time.

The problem of compliance occurs globally. For example, a survey by flight schedule publisher OAG Worldwide showed that, on average, employees violate the corporate travel policy on one trip in six (Cohen, 2000). A survey of corporate travel management in selected South African organisations found that only 22 per cent of organisations surveyed reported that travellers comply with travel policy all the time (Lubbe, 2003). In 2004, Douglas conducted research amongst South African companies and corporate travellers. As indicated in figure 3.1, only nine per cent of corporate travellers indicated that they rarely experienced problems in complying with the policy, while 36 per cent of respondents experienced problems in complying some of the time. In North America, the majority of

business travellers admitted that they booked outside their company’s travel policy at least once a year (Btt Bulletin, 2006). A research study undertaken by ACTE and KDS in 2006 estimates that almost one in five T&E expenses is non-compliant with company policy (ACTE & KDS, 2007).

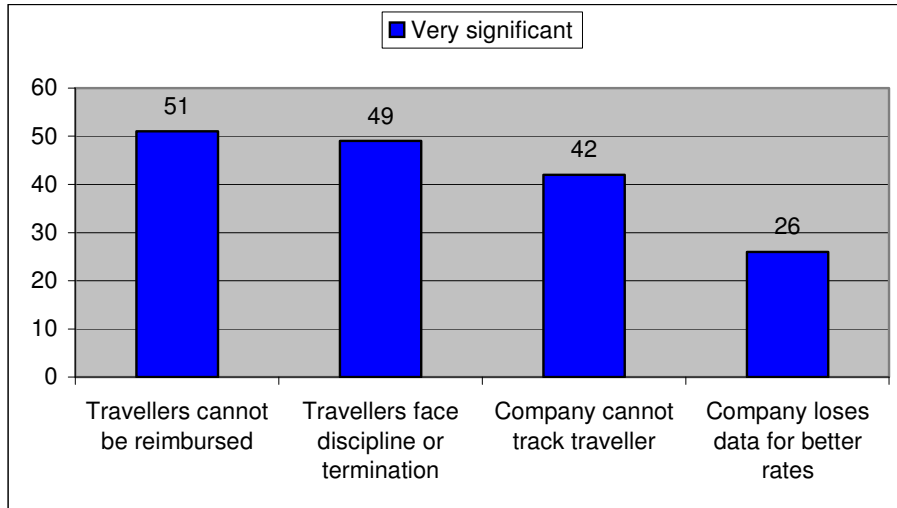
**Figure 3.1: Frequency with which non-compliance problems are experienced**



**Source:** Douglas (2005:135)

According to a report compiled by Carlson Wagonlit, although non-compliance with the travel policy can cost a company dearly, travellers are generally oblivious to the costs of non-compliance. When asked if there were ramifications for travellers and their company if they consistently booked outside the remit of their corporate travel policy, most of the respondents answered no. When questioned about the significance of potential ramifications for non-compliance with the travel policy (as shown in figure 3.2), business travellers placed greater importance on those that would have a personal impact than on those that would affect the company more directly: travellers cannot be reimbursed for travel and entertainment expenses; travellers face discipline or outright terminations; the company will not be able to track the whereabouts of travellers in an emergency; and the company loses data for better rates with travel suppliers (Btt Bulletin, 2006).

**Figure 3.2: Ramifications for non-compliance**



**Source:** Btt Bulletin (2006)

According to a research study conducted by ITM (2006:3), non-compliance has a significant impact on travellers in terms of reduced security, an absence of access to 24-hour service and self-payment. According to Campbell (2002), there has been an increase in non-compliance over the past few years. A BTN survey saw a clear shift from 1998 to 2002 in managers' views of the rate at which travellers 'always' to 'frequently' follow policy. In 1998, 36 per cent of buyers said travellers always followed overall policy, compared with just 8 per cent in 2002. In 2002, the rate at which travel managers said travellers always followed travel agency and charge-card requirements decreased by nearly half, with these decreases being greater among hotel, air and car policies (Campbell, 2002).

### 3.3 AREAS OF NON-COMPLIANCE

As explained in the previous chapter, there are certain areas that need to be covered in a corporate travel policy. These areas include: method of making travel arrangements, air travel, accommodation, car rental, other transportation, meals, entertainment, payment methods and documentation. According to a global survey done by OAG, the most frequent deviation from policy is in the choice of airlines, followed by class of travel and choice of hotels (Cohen 2000). In South Africa, most organisations experienced non-compliance in the areas of meals and entertainment, accommodation and airline expenditure. Car rental and travel approval procedures were the two areas where fewest

organisations experienced non-compliance (Lubbe, 2003; Douglas & Lubbe, 2006:1137). Conversely, when asked, corporate travellers responded that they most often experienced problems in complying with the policy in the area of accommodation and travel approval procedures, followed by class of air travel and choice of car rental company (Douglas & Lubbe, 2006:1137).

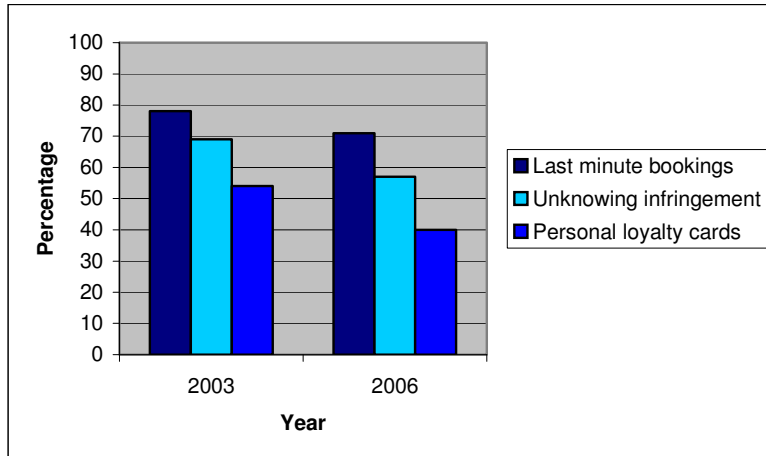
Where high levels of compliance occur, there is, of course, a price to be paid, namely less flexibility for the employee. This is too high a price for some companies, whose corporate culture necessitates that employees are allowed freedom in their selection of suppliers (Hans *et al.*, 2003:18).

According to the Institute of Travel Management's Industry Solutions Group (ITM ISG), non-compliance is independently or concurrently influenced by the following list of issues (ITM ISG, 2005:4):

- Convenience/Comfort
- Air miles
- Corporate card points
- Security – through personal perception of risk
- Schedule
- Perception of savings
- Added benefits (e.g. Limousines)
- Cheaper fares through market differences
- TMC/Supplier poor service experience
- Corporate Citizenship – loyalty to their company
- Mandating/control mechanism
- Corporate culture
- Airport location/rail station ease
- Travelling with a higher level staff member
- Fare rules
- More information available – via net for example
- Perception business is being taken advantage of
- TMC service fees
- Personal time – emotive impact of travel choices on end user's own time
- Policy too tight/not updated recently
- Non compliance by company leaders (lead by example = success)
- Policy visibility
- Low cost marketing
- Market conditions – suppliers creating lower cost inventory because of poor sales undermines an annual deal
- Combining personal trips
- Impact of environmental issues on choice
- Poor company performance = entry to mandating = harder rules = likelihood of more non-compliance

The Institute of Travel Management (ITM) (2006:5) says that the key reasons for non-compliance are (in order of importance): Internet access and choice, supplier loyalty programmes and increased traveller knowledge. In South Africa (see figure 3.3), the majority of organisations said that last-minute bookings are a major reason for non-compliance, followed by unknowing infringement by travellers and personal loyalty cards (Lubbe, 2003; Douglas & Swart, 2003; Douglas & Lubbe, 2006:1137).

**Figure 3.3: Reasons for non-compliance with the policy (2003 and 2006)**



**Source:** Douglas and Lubbe (2006)

American Express argues that the main reason for non-compliance is that the preferred airline's scheduled flight times do not meet the traveller's business needs, followed by the preferred airline causing the traveller to take connections and the preferred hotel not being close enough to where the traveller is going. Added to this, others believe inconvenient schedules are the greatest culprit for non-compliance. The OAG survey supports this: seven out of ten travellers claimed that inconvenient schedules caused them to flout policy. Sometimes a meeting finishes late and the traveller decides to fly with a non-preferred carrier rather than waiting several hours for the next departure with one on the approved list (Cohen, 2000).

In summary, it would appear that non-compliance occurs most often in the following areas: choice and class of airline and choice of accommodation establishment. The reasons provided are important and valid, but do not necessarily reflect all the motives for non-compliance. Non-compliance may also be the result of underlying factors not yet fully explored or recognised by management and, in this chapter, it is argued that before effective long-term measures can be taken to combat non-compliance, these factors need to be identified. In the next two sections, these underlying issues will be exposed. As explained in the introduction, these factors are broadly classified into two categories: corporate-related and personal-related factors.



### 3.4 CORPORATE-RELATED FACTORS

As previously defined, corporate-related factors that influence the corporate traveller's compliance with the travel policy can be explained as organisational systems or rules and regulations imparted by a company as set out in the travel policy, over which the employee has little control. Three important concepts are identified relating to the formulation and 'spirit' of the travel policy. These are an organisation's business ethics as reflected through the organisational culture, the content and communication of the travel policy and the monitoring of business travellers' behaviour. The first concept, namely travel policy and non-compliance, will be viewed from the perspectives of clarity, communication and senior management commitment to its effective implementation. In the discussion on the second concept – business ethics – the relationship between organisational culture and individual behaviour is highlighted, and five types of companies as proposed by Rossouw and Van Vuuren (2003) are identified according to their management of business ethics. From this it is postulated that the various types of companies will probably have different types of travel policies. The discussion on business ethics does not aim to explain the concept in detail, but merely shows that the ethics a business portrays could indeed have an influence on the ethics of its corporate travellers and thus on policy compliance. The final concept, the monitoring of traveller behaviour, will be analysed in terms of the control measures implemented by the organisation to ensure compliance.

#### 3.4.1 Inadequacies inherent in the travel policy as a determinant of non-compliance

An effective travel policy is dependent on three elements: *clarity*, *communications* and, perhaps most importantly, *senior management commitment*.

##### ***Clarity***

The most common cause of non-compliance is a poorly written policy. Many policies are written with too many grey areas (Supply Management, 2004), or are too loosely defined (Douglas, 2005). If the traveller can argue that the policy is flawed, then it can be difficult to enforce (Cohen 2000). Conversely, according to Samee (2004:3), a policy that is too strict can also lead to non-compliance.

Another factor that could lead to non-compliance is if the corporate travellers do not understand their company's travel policy (Douglas, 2005:134). Travellers need to understand what the policy is and it needs to be communicated to them. For example, if it is a global organisation that is involved, it is advisable to use only one contracted TMC worldwide so that travel policy compliance issues are standardised. When using online booking tools, it is necessary to build the policy into the tools, so it is clearly laid out when employees book travel by using the Internet (Slaughter, 2003).

In his research, Mason (2002:54) exposes the differences in opinions between travel managers and their travellers when considering aspects of the corporate travel policy. It appears that travellers view travel policies as being more flexible than their travel managers may have meant. Forty-four per cent of respondents depicted their policies as "policies to be followed where possible". A recent survey undertaken by Carlson Wagonlit supports the findings of Mason (2002) and illustrates a significant discrepancy between the perceptions of travel managers and travellers. Business travellers are much less likely than travel managers to see their company's travel policy as compulsory, with 56 per cent reporting that they viewed the travel policy only as a guideline (Btt Bulletin, 2006).

### ***Communication***

Companies fail to communicate universally to employees (American Express, 2002). Many travellers do not understand their company travel policy, while others do not even have access to it (American Express, 2002). This problem can be easily rectified these days by disseminating policy via the company intranet, especially as this medium allows details to be updated regularly. In addition, travellers are often not informed about correct travel procedures, resulting in administrative problems for an organisation (Douglas, 2005). Douglas (2005:133) reported that the preferred method for travellers to obtain the travel policy was via the company intranet and that they would only like to receive the travel policy when it was being updated.

### ***Senior management commitment***

Senior management commitment to the travel policy is essential in terms of: managing the process (i.e. supporting actions to ensure compliance), setting an example by adhering to

the travel policy and ensuring fairness in the policy. Slaughter (2003) says that it is imperative that the importance of accountability is stressed by top management. The involvement of divisional budget managers can have a greater impact on compliance than the travel manager. Campbell (2002) adds that top-down communication of the travel policy is much more effective than communication from the bottom of the pyramid. If policy stipulations are not consistently applied and applicable to all personnel levels, this could also lead to non-compliance. A study on the management of corporate travel in South Africa supports this. In this study, corporate travellers agreed that they did not comply with the policy either because senior management did not do so, or because the travel policy was unfair since all travellers were not allowed the same treatment (Douglas, 2005). Another factor to consider is the seniority of travellers. According to Campbell (2002), the travellers from the lower echelons of companies are always more inclined to practise compliance than higher-level employees.

### ***Other***

Many corporate travel buyers feel that the proliferation of low rates by transportation and lodging suppliers in their own booking channels have weakened compliance. Often, corporate travellers find a non-preferred supplier on the web at a lower rate and book it. Although the travellers are attempting to save money for the company, they are acting against policy and this contradicts the true purpose of what the policy is aiming to do (Campbell, 2002).

Another aspect of the travel policy which has an impact on policy compliance (already mentioned in chapter 2) is the decision on the allocation of loyalty points (Campbell, 2002; Mason, 1999; Lubbe, 2003; Douglas & Swart, 2003). Campbell (2002) maintains that loyalty programmes have weakened compliance. A traveller who receives loyalty points might decide to take the most expensive flight in order to earn more loyalty points, instead of choosing the cheaper flight. At the same time, a traveller might be tempted to fly with an airline where he is a loyalty card member, although the chosen airline is not a preferred supplier of his company. This fact was substantiated by research conducted by Mason (1999:69) revealing that individual travellers may not be open to corporate influence in their travelling behaviour. Corporate choices or preferred supplier agreements may be opposed to the preferred choice of the traveller if the traveller belongs to a frequent-flyer

programme (FFP), or if the choice of airline is thought to reduce the travelling comfort, flexibility, status or convenience of the traveller. A number of studies (Nako, 1992; Browne, Toh & Hu, 1995; Gilbert, 1996; Mason, 1999) have attempted to measure the success of FFPs to manipulate airline choice. Browne, Toh and Hu (1995:44) came to the conclusion that membership of a FFP was a factor considered by travellers when making a purchase decision, but not as significant as on-time performance, schedule convenience or low fares. Gilbert (1996:582) found that because of the proliferation of FFPs and the build-up of unredeemed rewards, these schemes have become less effective as they influence the profitability of the airline. When travellers choose a non-compliant fare, it can cost their company, on average, twenty per cent more (Cohen, 2006). In a study of 506 corporate travel managers by Stephenson and Fox (1993:254), at least 70 per cent of respondents complained that frequent-flyer programmes lead to higher than necessary costs for employees travelling on business. Approximations of waste caused by misuse of frequent-flyer programmes amounted to about 8 per cent of their yearly travel expenses, with the main causes being unwarranted payments of higher fares, unnecessary air travel, wasted employee time due to inconvenient flight schedules or indirect routes to increase mileage credits and use of more expensive hotel accommodation in order to accrue more points. Neither of these estimates includes employee time lost by virtue of unnecessary or circuitous travel. It is further approximated that almost one in every seven dollars spent on business air travel is wasted because of misuse of frequent-flyer programmes (Arnesen *et al.*, 1997:49).

Travel managers need to take cognisance of these inadequacies in the travel policy in order to prevent it from leading to non-compliance.

#### **3.4.2 Policy control measures as a determinant of non-compliance**

According to Northstar Travel Media Research, corporate travellers break the policy because it is easy to get away with it (Samee, 2004:3).

Monitoring compliance – by utilising a combination of pre-trip approvals and post-trip reviews from management – is often neglected. As a result, employee compliance with travel policy is low. Without full compliance, data on costs, suppliers, dates and locations is lost. This means that the ability to negotiate successfully with suppliers – is also totally

compromised. Companies that capture data effectively can decrease costs by 24 per cent in negotiations with suppliers (Crane, 2001). Waisberg (2006:21) suggests implementing systems to enforce the travel policy, either pre- or post-trip. Organisations can make use of an online booking tool that shows only policy compliant options and/or required approval for bookings. Post-trip enforcement strategies include requiring travellers to submit expense reports and refusing reimbursement if policy was not followed.

Corporate card programmes can also increase policy compliance by offering management information that recognises out-of-policy expenditure. Managers or finance departments are then in a position to take action at the point of expense-claim processing. In addition, the breakdown of expenditure information that such cards give can be utilised to observe travel patterns and to emphasise shortages in the travel policy. Using this information, the company can then adjust the travel policy to ensure that it supports travel patterns and needs, therefore increasing travel policy compliance. Hans *et al.* (2003:18) suggest that a relationship exists between policy compliance and the use of a corporate card. But, merely having a corporate card programme is not sufficient. Companies must attain penetration levels of 80 per cent or higher (measured as the percentage of travellers who hold corporate cards) in order to supply management with the needed information to drive high levels of policy compliance (Hans *et al.*, 2003:18). A key tool for monitoring and enforcing companies' travel policies is the travel management company. TMCs can maintain travel policy compliance by advising obedience to, or enforcing travel policies with the individual traveller at the point of booking. Companies using TMCs both to counsel and to enforce policy realise higher levels of compliance than companies who use TMCs for only one of these tasks (Hans *et al.*, 2003:18).

If the pre-trip approvals and post-trip reviews from management are neglected, or if corporate card programmes to track breach of policy expenditure are not in place, corporate travellers may flout the policy because it appears to be easy to do so.

### **3.4.3 Business ethics as a determinant of non-compliance**

Ethics is concerned with what is good or right in human interaction. It involves three central concepts: self, good and other. Ethical behaviour results when one does not only take into

account what is good for oneself, but also considers what is good for others (Rossouw, 2006:3).

When ethics is applied to business, the implications of economic activity on the welfare of all who are affected by such activity are considered. In business or organisational ethics, the ethical impact of economic activity is studied, but so too is the economic impact of ethicality (Rossouw, 2006:4). Typical definitions of business ethics refer to the rightness and wrongness of behaviour, but not everybody has the same opinion on what is morally correct or incorrect, good or bad, ethical or unethical. According to Lewis (1985:381), business ethics involve moral rules, standards, codes or principles which offer guidelines for right and honest behaviour in specific situations. In the context of this study, this would be reflected in the behaviour of the corporate traveller in a business travel situation. Rossouw (2006:4) feels that business ethics is about recognising and enforcing standards of conduct that will guarantee that, at a minimum level, business does not have a detrimental impact on the well-being of its stakeholders. At an optimum level, business ethics is about standards of behaviour that will improve the well-being of all who are affected by business. Opportunity for unethical practices exists at all organisational levels. In fact, according to Lewis (1985:378), it seems that a great number of managers and workers cannot state with conviction what is right and wrong in all situations. Most people seem to rely upon cultural agreement or upon their religious or philosophical beliefs to determine what is right or wrong. Peppas (2002:52) also found that significant differences in terms of attitudes toward codes of ethics, as well as with regard to specific ethics value statements can be found in different cultural environments, such as between Asian and American students.

A number of attempts (Logsdon & Yuthas 1997; Petrick & Manning 1990; Stridhar & Camburn 1993; Degenaar 2005) have been made to adjust models of personal moral development – for example those developed by Piaget (1948), Kohlberg (1981) and Gilligan (1982) – to organisations. However, according to Rossouw and Van Vuuren (2003:390), any endeavour to enforce personal moral development upon organisations is unwarranted. This is because corporations do not take decisions and actions in the way that individuals do. Corporate conduct is the outcome of complicated group dynamic processes in which individual members of the organisation participate. Therefore, decision-making does not emanate from a collective personality, collective mind or a

collective moral state of development, but from a group dynamic process in which individuals with different personalities, minds and levels of moral development participate.

Furthermore, Scott (2003:322) notes that many models of behaviour in organisations suggest that there are organisational as well as personal motives for an individual's behaviour. But, these models portray the person and organisation as independent variables, suggesting that employees and organisations are arbitrarily assigned to each other. Employees select organisations, often based on the fit of their moral principles with those of the organisation (Scott, 2000:425). This signifies that the morals of employees are not independent of those of the organisation, even from the point of initial application decisions. This initial sorting is further refined because organisations also choose employees. Recruitment and socialisation methods result in some degree of similarity in organisations' employees (Schneider, 1987:444). What this means, is that the characteristics, views, values, and capabilities of the employees who engage in dishonest behaviour are, at least in part, selected, trained or encouraged by organisational characteristics. The kinds of dishonest behaviour available to employees, as part of their organisational roles, may also be dependent upon organisational characteristics. The persons engaging in dishonest behaviour, the kinds of dishonesty in which they engage, the possible consequences and possible victims of dishonesty all are not essentially *caused* by the organisation, but they are not entirely independent, either (Scott, 2003:322).

In support of this, Sinclair (1993:64) points out that employers shape the ethics displayed by employees. Unethical behaviour is often ascribed to the flawed moral background of an individual. Such individuals are termed 'bad apples,' as it is deemed that their background has decided their moral character and they cannot be transformed into morally sensitive individuals ('good apples'). Individuals are influenced by their social setting in the same ways as apples may be placed in different barrels. Separately from upbringing, the social settings or organisations (barrels) in which individuals work can also have either a good or corrupting effect on their moral nature. People with doubtful or even upright moral characters can turn to unethical conduct if they find themselves in organisations where unethical conduct is the standard. Thus, bad barrels can corrupt doubtful or even good apples. The opposite is equally true. Dubious or even bad apples can be restrained from engaging in unethical behaviour should they find themselves in organisations that do not stand unethical employees, but instead reward ethical conduct (Rossouw, 2006:6). The

corporate culture of an organisation affects the business ethics of that organisation. Culture emerges, not in official organisational controls, but in informal actions and values underlying business practices. Like official controls, culture can control behaviour, but through the implicit or concealed beliefs and practices of the organisation. Organisational integrity entails building ethical awareness into the culture (Kayes, Stirling & Nielsen, 2007:65). Treviño and Youngblood (1990) assume that people are not inherently ethical or unethical, but are influenced by the corporate culture surrounding them, including peers, superiors and the reward system. A company that wants to be on the safe side may pursue two approaches to foster ethical behaviour: hire people with ethical standards accepted by society (raising the ethical tone of the organisation) and develop an ethical corporate culture (providing conditions that discourage unethical behaviour). According to Sinclair (1993:65), an assessment of the culture of an organisation provides a reasonable explanation for the occurrence of unethical behaviour, and several researchers argue that it offers the means to improve the ethics of employees in organisations. Gagliardi (in Sinclair, 1993:65) believes that the culture of an organisation both assists to explain the prevalence of unethical behaviour (where it acts as a vicious circle) and can be changed by diligent and skilled management into a 'virtuous circle'. Clinard and Yaeger (in Sinclair, 1993:64) agree, saying that organisational culture has a great influence on unethical behaviour in organisations. Sinclair (1993:64) explains organisational culture as: "what people believe about how things work in their organisations and the behavioural and physical outcomes of these beliefs".

In this research study, it will be accepted that organisations shape the ethics exhibited by organisational members and should thus manage morality by developing an ethical corporate culture in order to avoid unethical behaviour (such as non-compliance with the travel policy).

Rossouw and Van Vuuren (2003:391) identify five categories of organisations according to their modes of managing morality. They call this the 'Modes of Managing Morality' model. In this model, organisations are classified according to their specific way of dealing with ethics. A mode can be described as the "preferred strategy of an organisation to manage its ethics" (Rossouw & Van Vuuren, 2003:391). The preferred mode reflects the decisions its leaders make to ignore ethics and to act unethically or actively to deal with ethics in an overt manner. Organisations deal with ethics in different ways, ranging from superficial,



unethical ‘window-dressing,’ where corporate ethical values remain only words on paper, to concerted efforts to ‘institutionalise’ ethics, by making every employee in the organisation responsible for ethical management. Rossouw and Van Vuuren (2003) suggest that five relatively distinct modes can be discerned in describing organisations’ preferred strategies for managing ethics. The model consists of the modes of immorality, reactivity, compliance, integrity and total alignment. As is shown in table 3.1, each mode is described in terms of its nature, primary purpose, predominant strategy and typical challenges. The challenges that arise within each mode offer an explanation for the change in managing ethics that usually happen within organisations over time. These challenges occur when organisations sense that they may have exhausted a certain mode’s potential for managing ethics (Rossouw & Van Vuuren, 2003:391).

**Table 3.1: The Modes of Managing Morality model**

<b>Dimensions of comparison</b>	<b>Immoral mode</b>	<b>Reactive mode</b>	<b>Compliance mode</b>	<b>Integrity mode</b>	<b>Totally Aligned Organisation mode</b>
<b>Nature</b>	Unethical conduct is good business  The business of business is business and not ethics	Token gesture of ethical intent is shown (a code of ethics)  Unethical behaviour is ignored and remains unpunished	Commitment to manage and monitor ethics performance  <i>Rule-based approach</i> to ethics  Disciplining unethical behaviour	Internalisation of ethical values and standards  <i>Value based approach</i> to ethics  Internal locus of (ethics) control; "walking the ethics talk"	Seamless integration of ethics in corporate purpose, strategy and operations  Non-negotiable morally responsible interaction with stakeholders
<b>Purpose</b>	Ethics has no place in the singular pursuit of the bottom line  Unethical behaviour espoused as good business	Protection against dangers of unethical behaviour  Sceptics and critics are silenced (temporarily) by the existence of ethics standards	Prevention of unethical behaviour  Desire to have a good ethical reputation	Raising level of corporate ethical performance  Pro-active promotion of ethical behaviour  Ethics of strategic importance or a competitive edge	Ethics reinforced as part of culture and purpose  Ethics entrenched in discourse and decision-making
<b>Ethics Management Strategy</b>	A Machiavellian orientation exists that denies the need to make decisions concerning ethics  No concern for stakeholders  No ethics management strategy or interventions	<i>Laissez-faire</i> ethics management  Inability to manage ethics  Corporate (ethical) values are words on paper	Transactional approach to managing ethics  Code clear and comprehensive and corporate ethics management function exists  Ethics management systems used  Unethical behaviour punished	Transformational approach to managing ethics  Stakeholder engagement  Ethics "talk" prevails  High level ethics management functions and systems  Managers have an ethics competence	Everyone responsible for ethics management  Ethics function/office serves as "rudder"  Ethical heroes celebrated, ethics stories told  Elimination of discrepancies between corporate values and behaviour
<b>Challenges</b>	Financial consequences of immorality become unaffordable  Increased dissonance between personal and corporate values  Stakeholders experience alienation	Credibility problems with stakeholders  Susceptible to ethical scandal  Stakeholders convey frustrated expectations  Corporate ethical reputation below par	Mentality of "what is not forbidden is allowed"  Personal moral autonomy and responsibility undermined  Proliferation of ethical rules and guidelines  Employees disempowered to use ethical discretion	Discretion granted is abused  Moral autonomy leads to moral dissidence  Powerful leaders undermine ethics drive  Lack of clear corporate identity undermines integrity mode	Ethical complacency/arrogance; moral laxness  Neglect ethics induction of new employees  Lack of co-ordination in managing ethics

**Source:** Rossouw and Van Vuuren (2003:392-393)

With specific reference to this study, the strategy that an organisation uses to manage its ethics in terms of its influence on travel policy compliance is examined. Rossouw (2006:4)

feels that business ethics is about recognising and enforcing standards of conduct that will guarantee that, at a minimum level, business does not have a detrimental impact on the well-being of its stakeholders. If these processes are not managed, it could influence travel policy compliance (Gordon, Wiles and Wiles, n.d.).

In analysing an organisation's level of control in influencing traveller behaviour, it seems logical that there is a discernible relationship between the type of travel policy that an organisation utilises and the strategy the organisation implements to manage its ethics. As explained in chapter 2 and illustrated in table 2.2, corporations generally follow one of three types of policy: low control, medium control or high control of travel planning and expenditure. A travel policy that is loosely defined in terms of the travel requirements of corporate travellers can be regarded as a low control policy. One that emphasises authorisation of all travel expenditure, strict reporting procedures, precise procedures for arranging travel and adherence to specific regulations pertaining to personnel levels and travel benefits can be regarded as a high control travel policy (Jenkins, 1993:39).

In analysing the nature and purpose of the compliance mode organisation, the high control policy would reflect the organisational culture. It is a rule-based approach and has a strategy of monitoring behaviour and disciplining unethical behaviour. The integrity mode would probably employ a medium control policy, as its proponents believe in the internalisation of ethical values and standards. They rely more on the traveller complying with the policy by virtue of their own individual values and less on the actual rules of the policy. Conversely, the reactive mode would also employ a medium control policy, in order to show a token gesture of ethical intent (by having a policy) as well as to silence critics by the existence of standards of ethics. The immoral mode would make use of either a low control policy, or not have a policy at all, as they believe that ethics have no place in the business and deny the need to make decisions concerning ethics. In addition, they have no concern for stakeholders and no ethics management strategy or interventions. The totally aligned organisation mode would probably also make use of a low control policy, but for different reasons. Such an organisation believes there is a seamless integration of ethics in corporate purpose, strategy and operations and that ethics is entrenched in the discourse and decision-making of employees. Thus, the company does not need a high control policy to force travellers to comply; the traveller makes his or her own ethical choice in this regard, and voluntarily complies with the travel policy.

Ultimately, whether employees engage in unethical activity depends on the example set by higher-level management. Several studies have shown that the most important factor influencing ethical behaviour is the example set by superiors. This is because, as Payne (in Arnesen *et al.*, 1997:54) points out, top management serves as the decisive reference point for ethical values. Regrettably, a number of corporate travel managers report that the most egregious abuses of corporate travel are made by high-level executives (Arnesen *et al.*, 1997:54).

#### **3.4.4 Organisational injustice as a determinant of non-compliance**

Aquino, Reed and Lim (n.d.:41) believe that organisational unfairness presents strong situational cues that encourage people to engage in unethical conduct in the workplace.

According to the so-called equity theory, employees who observe unfairness in their organisations will be more probable to look for opportunities to improve their own welfare or status at the organisation's expense (Trevino & Weaver, 2001:653), or they may retaliate by acting in such a way as to attempt to redress the injustice they perceive. Perceived unfairness is widely regarded to be among the most potent causes of employee theft (Greenberg & Scott 1996). Greenberg (1990) recognises that interpersonally insensitive treatment on the part of organisational authority figures offers explanation for dishonest conduct. Specifically, research has shown that employees are inclined to steal company property when they feel underpaid for the work they do (Greenberg, 1990:561). People who feel underpaid are inclined to steal and to engage in other types of deviant behaviour when company agents display indifference regarding the suffering employees experience as a result of being underpaid (Colquitt & Greenberg, 2003). Such employees see their stealing as being honest and totally fair and permissible (Greenberg, 1993: 97). Others researchers have found similar results (Lewicki, Poland, Minton & Sheppard; Shapiro, Lewicki & Devine in Scott, 2003:322).

Travellers might perceive organisational injustice when they have to endure the inconvenience of travel on behalf of the organisation but are not compensated for this. This might account for the 24 per cent of corporate travellers justifying their unethical behaviour by saying that their company owes them extra compensation for the time and inconvenience involved with business travel (Samee, 2004:3). The travel policy is an ideal

opportunity to express rebelliousness through relatively trivial transgressions of company rules (Cohen, 2000).

Policy stipulations may not be consistently applied and applicable to all personnel levels, and this could be seen as a form of organisational injustice and lead to non-compliance. A study conducted on the management of corporate travel in South Africa supports this. In the study, corporate travellers agreed that they did not comply with the policy either because senior management did not do so, or because the travel policy was unfair because all travellers were not accorded the same treatment (Douglas, 2005:137).

Summarising the determinants of corporate-related factors, the following could adversely influence a traveller's compliance with the travel policy:

- a discrepancy between the perceptions of travel managers and travellers with regard to the travel policy
- a poorly-written policy
- travellers who do not understand a policy
- inefficient communication of the travel policy
- a policy that is too loosely defined or too restrictive
- a travel policy that does not satisfy a traveller's needs
- organisational injustice
- employee seniority
- frequent-flyer programmes
- business ethics
- the type of policy utilised by a company

Along with these practical reasons, there are also several psychological explanations for policy avoidance, which will be explained in the section on personal-related factors. For example, some travellers break the rules by flying business class because they find it demeaning to sit in economy (Cohen, 2000). These factors concern the psyche of the traveller which requires investigation so as to understand his/her reasons for non-compliance.

### **3.5 PERSONAL-RELATED FACTORS**

Personal-related factors refer to the needs and values held by corporate travellers and include matters such as the honesty of a traveller, the extent of individual morality that a traveller possesses and actions related to self-interest and the level of satisfaction that the traveller enjoys with regard to life in general, his/her job and the conditions under which s/he has to travel for business reasons.

Employees devote their knowledge, creativity and energy to the corporation. Without this investment, the survival of the corporation could not be guaranteed. In response to the sacrifices that they make to the company, they look to management to reward them with security, wages and benefits. They also anticipate to be treated fairly and to be involved in the decision-making that affect their working conditions (Rossouw, 2006). When employees' expectations are not met, they might decide to breach the travel policy so as to compensate for unmet expectations.

The discussion on personal-related factors will be set out as follows: first, the discussion will focus on the level of morality that the individual possesses and its effect on compliance. Next, the discussion will highlight self-interest as a factor that could lead to non-compliance, and finally the importance of employee satisfaction on policy compliance will be emphasised.

Since the literature on personal factors influencing compliance with the corporate travel policy is limited, it was necessary to broaden the literature search to include sources from the organisational field. Non-compliance with the travel policy can, under certain circumstances, also be regarded as a form of dishonesty. This will be discussed later.

#### **3.5.1 Individual morality as a determinant of non-compliance**

Gordon, Wiles and Wiles (n.d.) maintain that policy compliance depends on the ethical values held by an individual.

People make moral decisions in various ways. The most recognised theory of moral development was created by Kohlberg (1969; 1981), and proposed that people go through a sequence of stages as they mature. These morality levels include the preconventional level, the conventional level and the postconventional level.

The first, preconventional level characterizes the moral reasoning of children. People utilising this level of moral argumentation are mainly concerned with tangible consequences – the external rewards and punishments that are the result of their actions. What is right is whatever gratifies one's immediate interests. For a number of reasons, some people never grow out of the preconventional level of thinking. This self-interested perspective typifies their orientation towards right and wrong throughout their lives. Second, as most people grow up, their moral reasoning approach develops into the conventional level. People reaching this level of moral development no longer define right and wrong in terms of self-interest, but are inclined to accept and internalise the rules of larger social units, satisfying the expectations of their family, social group or society in general. What they judge as right and wrong are based on what others expect of them (Greenberg, 2002:987). As a result, people at this level are highly sensitive to laws and social norms. Finally, Kohlberg (1969, 1981) notes that as some people mature further in their moral development, they reach the postconventional level. Here, thoughts about right and wrong are defined in terms of higher, universal values such as justice and virtue that go beyond law and norms. Individuals at this level think and take action in terms of their own, principle-based values about right and wrong. Research has found that people only rarely attain this level (Trevino, 1986:606). What is more, consistent with Kohlberg's theory (Kohlberg & Candee in Greenberg, 2002:988), research has indicated that people are disposed to behave in ways consistent with their level of moral development. Although none of these studies deal with employee dishonesty as such, variations in this type of behaviour as a result of differences in moral reasoning may be expected (Greenberg, 2002:988).

As discussed in the previous paragraph, most adults are directed by rules and regulations when they make moral choices. For example, if the rule is that a specific airline must be utilised for company business travel, the majority of adults make use of that rule as their main reason for choosing an airline. The trouble with this level of conventional moral reasoning is that ethical predicaments in life are not codified. The rules are not always

relevant: rules may be vague, and different rules exist in different places (Grover, 2005:151). Some adults make choices utilising a higher level of moral reasoning based on principles. Here, individuals examine the motives for a rule and then establish whether it is relevant in a certain situation. People working from a set of principles are less probable to be influenced by specific situations. On the contrary, those employing conventional moral reasoning are often confused when they face incompatible demands (Grover, 2005:151).

Shepard and Hartenian (in Grover, 2005:150) identified lying, cheating, and stealing as the key unethical behaviours in organisations when they developed an unethical behaviour measurement instrument. Opportunity is a situational element that supports lying. People are not expected to lie when they are clearly going to be caught. Social scientists have continually established that people are deceitful when given the opportunity (Grover, 2005:150). Thus, if a traveller is given a chance to breach the travel policy, s/he will do so. Samee (2004:3) confirms this by saying that corporate travellers breach the travel policy when it is easy to get away with it. Some people may have pathological tendencies towards lying; others may lie when instructed to do so by a superior; and still others might lie as revenge in response to anger. The pathological liar needs no cause to lie; a boss experiencing conflict may tell the subordinate to lie, and the lie or revenge may be construed as a response to some sort of conflict between personal values and organisational allegiance. Individuals differ in the extent to which they take advantage of moral uncertainty, with some people utilising lying as a method to get what they desire more than others (Grover, 2005:152).

The elements discussed above are well-illustrated in the corporate travel environment by a study undertaken by Northstar Travel Media Research. In 2004, they surveyed a random sample of 300 business travellers throughout the United States regarding their travel habits and preferences. According to the survey, 30 per cent of business travellers falsify their expense reports. Of those, 10 per cent do so for every business trip that they take, and 33 per cent add on a further \$100 or more above actual costs (Samee, 2004:1).



Some of the other findings of the study include the following (Samee, 2004:3):

- Forty per cent of employees who take six or more trips yearly add fabricated costs.
- Fifty-one per cent of travellers who add fabricated costs add no less than \$100 to their real expenses.
- Twelve per cent of employees taking three to five trips a year add at least \$100 to their actual expenses.
- An unanticipated result of the survey indicates that high-salaried employees are greater culprits than those in lower income brackets. Forty-four per cent of survey respondents earning \$100,000 or more forge their expense reports. Of those, 63 per cent charge the company an added \$100 or more per report.

Respondents to the Northstar Travel Media Research named a variety of reasons for this behaviour (Samee, 2004:3):

- Fifty-six per cent said that they spend money while travelling that does not fit into an expense category.
- Forty-three per cent said that their company's spending rules are so strict that they sometimes have to pay for travel costs themselves.
- Twenty-eight per cent did so because it was simple to get away with it.
- Twenty-four per cent said that their company owed them additional payment for the time and inconvenience involved with business travel.

According to an American Express survey, many corporate travellers believe falsification of charges submitted for reimbursement on expense reports is common. More than one-third of respondents felt it was 'somewhat' or 'quite' common for business travellers to submit an expense report with "one or more completely false or spurious charges" (American Express, 2005). Scott and Jehn (1999:303) also suggested that self-enrichment could be a possible motivation for dishonesty.

Frequent-Flyer Programmes also pose significant ethical quandaries to corporate travellers. In a research study done on the ethical considerations in frequent-flyer programmes Deane (1988:756) concluded, first, that significant ethical dilemmas are

posed by such programmes; second, that employees and employers usually choose to disregard these ethical dilemmas, and third, that employee perception of ethical issues in frequent-flyer programmes is not considerably influenced by employee characteristics such as education level, salary, organisational position, age or sex. He explains his argument by saying that an employee with considerable award points in a specific airline's programme may be persuaded to pick that carrier for an upcoming trip, even though the journey could be made more efficiently, conveniently or economically on another carrier. Additionally, there may be an incentive for an employee to take a less efficient or more expensive routing on the same carrier merely to acquire more points. In Deane's research, almost all travellers surveyed personally received frequent-flyer miles from travel paid for by their companies. These business travellers confessed that frequent-flyer membership is at least occasionally a reason in choosing a specific travel service. Arnesen *et al.*, (1997:49) asked business travellers how significant a frequent-flyer programme would be in deciding on an airline if bonus tickets were regarded as free employee benefits. Sixty-two per cent of business travellers agreed it would be very important or important. On the other hand, when asked how important it would be if bonus tickets were regarded as company property, the figure fell to only eight per cent. Dettinger (in Deane, 1988:756) further reports that frequent travellers admitted taking trips that were completely avoidable in order to acquire point awards. In a study of 520 travel agents in the US, the General Accounting Office established that 57 per cent said their business clients "always or almost always" selected flights on the basis of frequent-flyer programmes. A further 24 per cent of them said that their clients did so "more than half the time". The dilemma occurs since travellers are no longer concerned with the cheapest and most direct route in selecting which airline to fly, but rather which frequent flyer club they belong to and how many more miles they require to obtain a free ticket (Lansing & Goldman, 1996:664).

On the other hand, employees might also unknowingly breach the travel policy. This result was revealed by Lubbe in 2003, and substantiated by Douglas and Lubbe in 2006.

### **3.5.2 Self-interest as a determinant of non-compliance**

The self-interest paradigm predicts that unethical behaviour takes place when such behaviour benefits the individual (Grover, 2005:149). Theorists who have struggled with

the determinants of lying behaviour have commonly relied on the self-interest concept: people will lie when it benefits them to do so (Grover & Hui, 1994:295).

As mentioned in chapter 2, Mason and Gray (1995:200) divide the business travel market into three types: schedule-driven consumers, corporate cogs and informed budgeters. The second type of traveller is called corporate cogs since they seem to act as cogs in the workings of their corporation. Although the individual travellers seem to meet the requirements of their organisation, they try at the same time to achieve personal benefits as opportunities arise. In-flight service, seat comfort, and frequent-flyer schemes were valued most highly by this group. Such benefits are for the traveller at the cost of the organisation paying for the air travel, and thus show that this segment exhibits elements of self-interest. What is more, according to Mason and Gray (1999), a corporate traveller will have a list of personal wants when travelling on behalf of his company, including having perceived status (e.g. through use of business class). When the travel policy does not permit flying in business class, the employee could possibly decide to breach the travel policy by booking business class, in order to achieve this perceived status. When acting in this manner, the employee acts unethically because it benefits him/her to do so.

As is evident from the above discussion, the organisation's potential for savings is greatly affected by employees' cooperation with a travel department's endeavours to apply travel policy, but employees can always justify their reasons for not following guidelines on the basis of their specific needs on a business trip (Amster, 1986). Hotel executives have realised this and warn travel management companies and corporations that business travellers will ignore company travel policies to stay in the hotels they favour. If customers have had good experiences with a particular hotel brand, they are likely to return to that hotel when conducting business travel – regardless of corporate policy. It all relates to the customer experience. Despite the office procedure, a customer will come back to the hotel at which they have had an enjoyable experience (Crawshaw, 2005:24). The company can save travel expenditure only when corporate travellers comply with the travel policy. If the travel policy does not address their needs, corporate travellers are not likely to comply with it.

### **3.5.3 Employee satisfaction as a determinant of non-compliance**

For the purpose of this research, satisfaction will be defined as meeting and fulfilling expectations, needs or desires. An individual's level of satisfaction may influence travel policy compliance. From a corporate traveller perspective, satisfaction may depend on three areas: first, the traveller's satisfaction with his/her life in general; second the traveller's satisfaction with his/her job, and third the traveller's satisfaction with the conditions under which s/he travels on behalf of the company.

#### **3.5.3.1 Personal (life) satisfaction**

Life satisfaction can be defined as an overall assessment by the person of his or her life. It seems that individuals create a criterion, which they see as suitable for themselves, and compare the circumstances of their lives with that criterion (Pavot, Diener, Colvin & Sandvik, 1991:150). Studies indicate that people are satisfied with their lives to the extent that their needs and values are met. As predicted by Maslow (in Oishi, Diener, Lucas & Suh, 1999:989), there is a change in predictors of life satisfaction from satisfaction with safety needs to satisfaction with love and esteem needs as the lower needs are met.

Subjective well-being (SWB) refers to people's emotional and cognitive assessments of their lives and includes what lay people call happiness, peace, fulfilment and life satisfaction (Diener, Oishi & Lucas, 2003:403). In the research area of subjective well-being (SWB), it is believed that happiness is made up of three associated components: positive effects, absence of negative effects and satisfaction with life as a whole (Argyle, Martin, & Crossland in Lu, 1999:79). Ellison, Gay and Glass (1989:104) studied the literature on subjective well-being and found that the following researchers have reached a consensus regarding the core set of background variables that are predictors of aspects of psychological well-being: race (Campbell, 1981; Campbell, Converse & Rodgers, 1976); gender (Haring, Stock & Okun, 1984; Rubin 1979); social class/socio-economic status (Haring, Stock & Okun, 1984; Larson 1978); education (Glenn & Weaver, 1981); marital status (Gove, Hughes & Style, 1983) and rural vs urban residence (Liang & Warfel, 1983). More recently Diener, Oishi and Lucas (2003) confirmed that gender and marital status, are indeed predictors of aspects of SWB. In addition, Ellison *et al.*, (1989:105) found that a substantial body of research has shown that stressful life events, for example, ill health,

divorce or breaks in employment may wield considerable impact on the subjective evaluations and psychological well-being of individuals. Furthermore, according to Oishi *et al.* (1999:980) research has revealed that variables associated with personality for example, self-esteem, optimism, and frequent positive emotional experiences predict one's level of life satisfaction.

According to Myers and Diener (1996), four traits typify happy people. First, they have high self-esteem and generally consider themselves to be more moral, more intelligent, less prejudiced, better able to get along with others and healthier than the normal person. Second, happy people typically feel a sense of personal control. Those with little or no control over their lives experience lower morale and worse health. Third, happy people are generally optimistic. Fourth, the majority of happy people are extroverts. Although one might anticipate that introverts would live more contentedly in the peacefulness of their less stressed, meditative lives, extroverts are happier – whether alone or with others.

Although to the researcher's knowledge, no scientific research exists on the influence of life satisfaction on travel policy compliance, one of the purposes of the empirical research conducted in this study will be to test whether a statistically scientific relationship exists between life satisfaction and policy compliance.

### **3.5.3.2 Job satisfaction**

It is unlikely that organisations will reach their full potential if employees are not developed and managed well. This may lead to an occurrence that is common in corporate life, namely widespread job dissatisfaction. Job dissatisfaction can be described as an affective feeling of dislike towards one or more job-related dimensions (Newstrom & Davis in Rossouw, 2006:166). Since attitudes (negative ones in this case) are relatively good forecasters of behaviour, a wide variety of consequences, from mild to destructive, might follow. Dissatisfied people may engage in psychological withdrawal or even overt acts of antagonism and revenge (Newstrom & Davis in Rossouw, 2006:166). Besides the negative influence of job dissatisfaction on performance, it also has a number of other damaging consequences. These include high employee turnover (Tett & Meyer in Karl & Sutton, 1998:515), absenteeism (Dow & Taylor, 1985:599), tardiness, theft, violence, apathy, sabotage, fraud and corruption (Rossouw, 2006:166).

From an employee's perspective, job satisfaction is an attractive outcome in itself. According to Edwin Locke (in Karl & Sutton, 1998:515) job satisfaction is the result of a perception that one's job fulfils or permits the fulfilment of one's important job values.

Job satisfaction is an important indicator of the quality of work life, and life satisfaction is an important indicator of the quality of life as a whole. Therefore, the job satisfaction-life satisfaction relationship is an indicator of the more general connection between quality of work life and quality of life as a whole. According to this interpretation, the more significant the job satisfaction-life satisfaction relationship, the more vital the contribution of job satisfaction to general life satisfaction (Rice, McFarlane, Hunt & Near, 1985:298).

Several studies have demonstrated that public sector employees are less satisfied than their private sector counterparts (Blunt & Spring, 1998; Cacioppe & Mock, 1984:923; Perry & Porter, 1982; Solomon, 1986; Macklin, Smith & Dollard, 2006). Evidence suggests that public and private sector workers perceive and evaluate their jobs in substantially different ways. Public sector employees were motivated more by factors such as offering a service or product that aids other people than private sector employees. Those in private organisations were enthused more by extrinsic factors such as money (Cacioppe & Mock, 1984:923). A study of managers found that both pay and job security have a greater motivating potential for private sector as opposed to public sector managers, while acknowledgment had a higher motivating potential for public than private sector managers (Khojasteh, 1993:391). The work of Karl and Sutton (1998:523) also supports past research indicating that public and private sector workers have considerably diverse job values. Private sector workers ranked good wages as being higher in importance than did public sector workers. Wages were deemed highest in importance for private sector workers and second in importance for public sector workers. Private sector workers also ranked feeling 'in' on things and receiving sympathetic help on personal problems as being more important than what public sector workers did. The job reward ranked highest by public sector workers was interesting work. No considerable difference was found between public and private sector employees in the importance placed on job security (Karl & Sutton, 1998:523). According to Houston (2000:725), public employees are more likely to place a higher value on the intrinsic reward of work that is important and offers a sense of accomplishment. Additionally, private sector workers are more likely to place a higher value on such extrinsic reward motivators such as high income and short working hours.

Houston (2000:725) concluded that individuals working in public organisations value different qualities than those employed in private organisations.

According to a study by Abbott (2002:336), the following factors lead to poor morale and low job satisfaction: disillusionment about management, long hours and work/life balance. Almost all the respondents worked over 40 hours a week, although contracted for much shorter working weeks, and the reason most often quoted was workload or culture. People were getting strained but could not reduce the hours because of the build-up of work and low resource levels. These collective factors made respondents feel that the company did not care. On a more personal level, respondents felt that management had neither the time nor the inclination to listen to them. Lack of empowerment was also a problem, mainly because people had an expectation to be empowered in their jobs, but in reality were not.

Abbott's study (2002:336) revealed that education assisted in increasing morale, as it indicated that the company cared enough to devote time and money in improving their employees; it also gave the participants more insight into the company, which made them feel more involved and assisted in raising their satisfaction levels. It was of interest that salary was not a large contributing factor to low morale, as most of the respondents believed that their overall package was in line with others in their industry.

Once again, to the researcher's knowledge, there is no scientific evidence that job satisfaction has an influence on travel policy compliance, but it is assumed that a traveller who is dissatisfied with his/her job might be dissatisfied with all aspects, including the conditions under which s/he has to travel for business purposes. Furthermore, a dissatisfied employee might also exhibit rebellious feelings towards his/her employer, and in turn break the travel policy. One of the purposes of the empirical research conducted in this study will be to test whether a statistically significant relationship exists between job satisfaction and policy compliance.

### **3.5.3.3 Traveller satisfaction**

A satisfied traveller is someone whose needs have been satisfied at an optimal level. Chapter 2 offered an in-depth investigation of the needs and demands of corporate travellers. From this discussion it was evident that corporate travellers have very specific

needs with regard to the tangible aspects of travel as these relate to air transportation, accommodation and technology. In addition, they also have intangible needs referred to here as psychological needs. The following is a brief overview of what was discussed in chapter 2 and which is now viewed as a determinant of non-compliance.

### ***Tangible needs***

*Technology* helps corporate travellers to stay on top of their workload. They require access to email and a laptop when travelling on behalf of their company. Self-booking tools which lead to increased travel policy compliance are another technological development that is becoming very popular amongst corporate travellers. Some travellers believe that converting in-person meetings to travel alternatives using voice, web and video conferencing would allow them to improve their business performance and personal lives, while others are of the opinion that travel and personal contact is still regarded as the most effective way of conducting business (Douglas, 2005; Lubbe, 2003; Mason, 2002; Lehman & Niles, 2001; Denstadli, 2004).

When making use of *air transportation*, the three most important factors for corporate travellers are on-time performance, comfort and service. For corporate travellers, the worst aspect of business travel relates to air transportation: they are demanding improved facilities at airports, because wasted time there is a major frustration. Although mobile working is clearly on the increase, many corporate travellers still consider flying to be a time to relax from the pressures of work. Furthermore, travellers are more interested in saving money than seeking comfort while on the road doing company business, but are not willing to suffer to achieve this end. When considering the air transportation needs of corporate travellers, it is also imperative to note that frequent corporate travellers and infrequent travellers have inconsistent needs, while the needs of males and females also differ (Mason & Gray, 1999; Mason, 2001; Evangelho *et al.*, 2005; Fourie & Lubbe, 2006; Alamdari & Burell, 2000). Non-compliance in the area of air transport reflects a number of value conflicts between traveller and organisation.

Wanting or needing to be more productive while travelling on company business, many business guests in hotels have come to need much more than a quiet room. They increasingly want *accommodation* establishments to be not so much a home from home,



but offices away from the office (Davidson & Cope, 2003). Researchers agree that the following attributes are important to corporate travellers when selecting an accommodation establishment: cleanliness, location, service quality, security and friendly staff (McCleary *et al.*, 1993; Knutson, 1988; Weaver & Oh, 1993; Douglas & Swart, 2003; Douglas, 2005).

Another aspect of traveller needs is that of safety and security. Travellers want to feel secure and safe when travelling for business purposes (ITM, 2006). According to Grossman (2007:39), the number one concern for most business travellers is safety and security. Some travellers may avoid using an airline because of perceived safety problems, despite corporate travel policies that may require the use of that specific airline. Additionally, company policies insisting on the use of compact, fuel-efficient rental cars or economy cars for corporate travel may lead some travellers concerned with safety to infringe company travel policies due to their perception that such vehicles have less favourable safety records. For companies, it is imperative to know where their employees are at all times. Although systems with very strict rules and regulations might exist in companies, corporate travellers can easily avoid these systems, especially when they make their own changes en route. The whereabouts of these employees would then be unknown. In order for companies to keep their employees safe, only reliable and reputable suppliers should be used for undertaking travel, no matter what the costs. By supporting trustworthy suppliers, companies will have more peace of mind when sending their corporate travellers on business. The idea of duty of care – or negligent entrustments as it is known in the US – has been a concern for companies and unions for several years. Even though this is a fairly old concept, corporates are increasingly required to consider it, because of political volatility around the world. According to Slaughter (2006), duty of care relates to the safety responsibility that a company has to its workforce and, in terms of corporate travel, it concerns the welfare of employees when they are travelling on behalf of the company. This concept has changed from merely ensuring that cars or planes in which employees travel meet high safety standards and that hotels in which they stay are secure, to taking responsibility for the condition of the employee when s/he undertakes corporate travel.

### ***Intangible needs***

As discussed in chapter 2, travellers also have particular *psychological needs* (Gustafson, 2006; Lassen, 2006; Travmed, 2001 and Weinreb, 2002). Corporate travel is often a positive experience but, regrettably, frequent work-related travel may also have negative consequences. To ensure that a traveller's psychological needs are being satisfied, employers should eliminate unnecessary trips and avoid travel over weekends and special occasions. Corporate travel should not take priority over other needs in employees' lives, because this could cause undue stress within the family circle. Most travellers also signify a preference for formally approved time off after business trips. Part of the psychological needs is the need for security that is becoming increasingly important to corporate travellers.

#### **3.5.4 Employee deviance as a determinant of non-compliance**

Another explanation for non-compliance with the travel policy can be found in the context of employee deviance. Of all employees, 33 to 75 per cent have engaged in some of the following behaviour: theft, computer fraud, embezzlement, vandalism, sabotage and absenteeism (Harper, 1990). According to Peterson (2002:47), there is increasing awareness among researchers and practitioners relating to negative workplace behaviour. The obvious impetus for the growing interest in counterproductive behaviour is the increasing prevalence of this type of behaviour in the workplace and the enormous costs associated with it. Employee deviance and delinquency produce organisational losses estimated to range from \$6 to \$200 billion annually (Murphy, 1993).

Robinson and Bennet (1995:556) define employee deviance as: "voluntary behaviour that violates significant organisational norms and in so doing threatens the well-being of an organisation, its members or both". According to Kaplan (in Robinson & Bennet, 1995:556) employee deviance is intentional in that employees either lack the motivation to conform to normative expectations of the social environment, or become motivated to defy these expectations.

Possible explanations for workplace deviance include individual, social, interpersonal and organisational factors (Vardi, 2001). Some have argued that deviance is the result of

individual traits such as low moral values (Merriam, 1977), and others have argued for situational justification of deviance, for example organisational unfairness (Greenberg, 1990:561). Different variables may explain various types of workplace deviance. For example, variables related to the organisation might be more likely to have an influence on deviance directed at damaging organisations, and variables related to the individual may be more likely to describe interpersonal forms of deviance (Robinson & Bennett, 1995:567).

Furthermore, it has been suggested that the ethical climate of an organisation might be correlated not only to the ethical conduct of employees, but also to a variety of behaviours including counterproductive actions such as tardiness, absenteeism and lax performance (Wimbush & Shepard, 1994:637). Therefore the ethical climate of an organisation may be predictive of both ethical behaviour, as well as the incidence of deviant workplace behaviour (Peterson, 2002:57).

Thus, non-compliance with the travel policy can also be regarded as employee deviance, as the traveller violates significant organisational norms as set out in the travel policy. Employee deviance in the context of corporate travel can also be explained by saying that travellers sometimes breach the travel policy wilfully, for no obvious reasons. According to Cohen (2000), some corporate travellers break the rules simply to be wayward.

### **3.6 TOWARDS A MODEL FOR CORPORATE TRAVEL POLICY COMPLIANCE**

It is evident that policy compliance is a very important issue for most companies as non-compliance could cost companies dearly. Certain factors that could lead to non-compliance were categorised into two groups: corporate-related and personal-related factors and determinants under each of these categories were identified. These are briefly summarised below.

Corporate-related factors were described as any organisational factors, rules or regulations, imparted by a company and set out in the travel policy, over which the employee has little control. The first determinant of non-compliance under this category is

an ineffective *travel policy*. A travel policy that is not communicated frequently to all travellers, that is unclear or hard to understand, and that does not treat all travellers equally could cause non-compliance. The second determinant is *business ethics*. Organisations shape the ethics exhibited by organisational members, and thus it can be said that if an organisation is unethical, the individual employees will also be unethical. The third determinant identified is *organisational injustice*. Employees who perceive that they have been treated unfairly by the organisation are more likely to steal from the organisation. In addition, if accurate *control measures* are not in place, it could give an employee the opportunity to breach the travel policy. From this discussion it can be hypothesised that:

H<sub>1</sub>: Corporate-related factors influence policy compliance

Personal-related factors were defined as representing the level of morality that an individual possesses, the ethical values which they hold, their honesty and the level of satisfaction that they experience with their lives in general, their jobs and the conditions under which they have to travel for business purposes. The first determinant that could have an impact on policy compliance is an *individual's morality*. If the traveller is not inherently a moral being, then s/he could engage in unethical practices. The second determinant, *self-interest*, explains that people will lie when doing so benefits them. Thus, corporate travellers will violate the policy when doing so benefits them. The third determinant relates to *traveller satisfaction*. A corporate traveller will not comply with a policy that does not satisfy his/her needs. The last determinant under this category is *employee deviance*. This concerns employees who wilfully breach the policy. From this discussion, it can therefore be hypothesised that:

H<sub>2</sub>: Personal-related factors influence policy compliance

The model for corporate travel policy compliance proposed in figure 3.4 is the culmination of the in-depth theoretical discussion on the factors and determinants of non-compliance. It serves as the framework for the empirical research which will test the stated hypotheses. The model proposes that policy compliance is a direct result of factors that could lead to non-compliance. These factors include corporate- and personal-related factors. A travel programme that addresses the factors that could lead to non-compliance is expected to

result in higher levels of compliance with the travel policy. If the framework proves to be valid, the constructs could be used to measure traveller compliance.

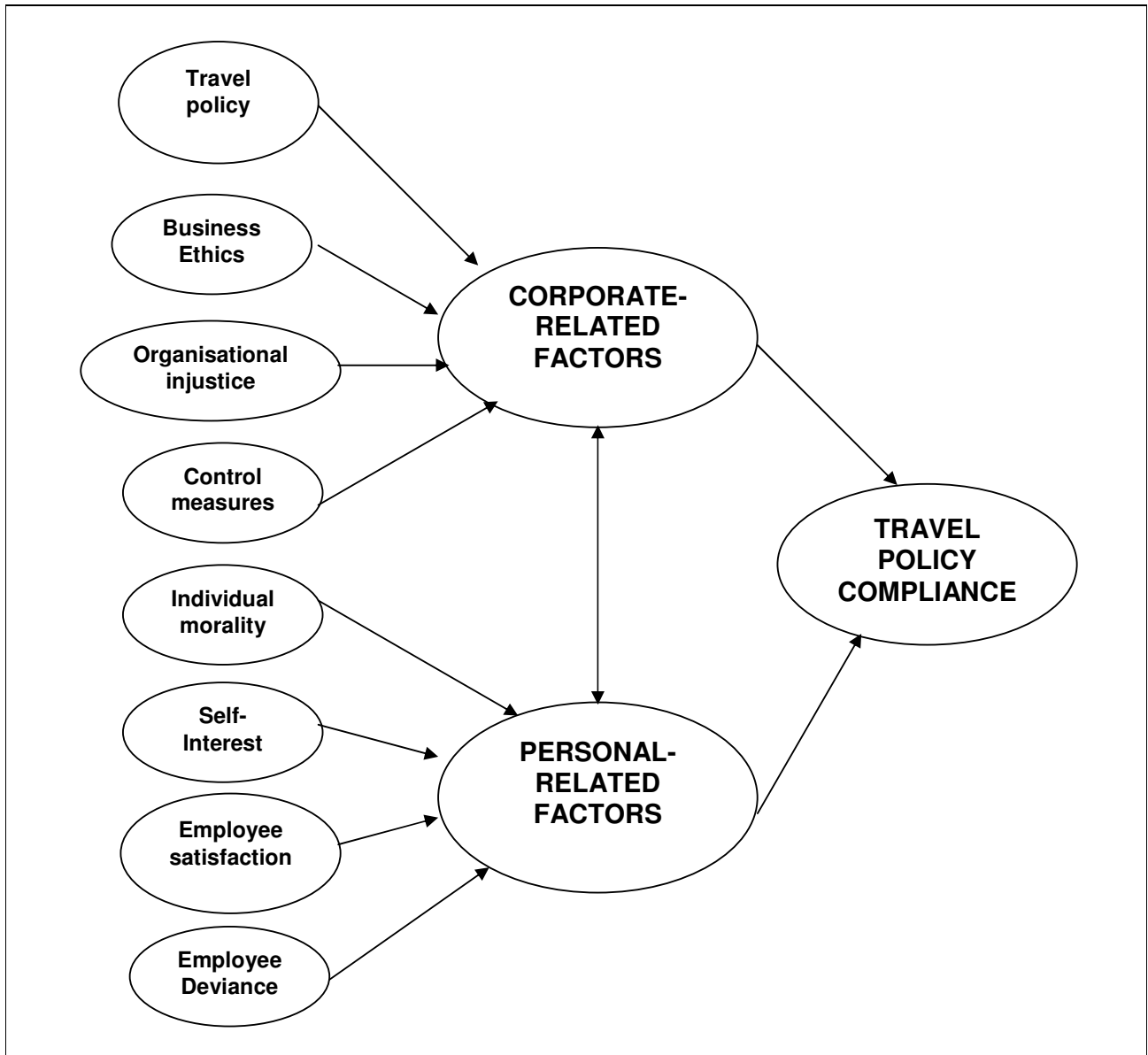
The definitions for the constructs, which are proposed as the factors that influence policy compliance, are shown in Table 3.2.

Constructs can be defined in two general ways. First, a construct can be explained by making use of other constructs. Second, a construct can be defined by indicating what actions or behaviour it conveys or implies. Thus, a *constitutive definition* defines a construct through referring to other constructs, and an *operational definition* gives meaning to a construct or variable by explaining the activities or operations needed to assess it. Alternatively, an operational definition is a specification of the activities of the researcher in assessing a variable or in manipulating it. In other words, it describes or gives meaning to a variable by showing what the researcher must do to measure it (Kerlinger, 1988). In table 3.2 below, constitutive definitions are used to define the specific constructs. As such, the constructs are defined by means of other constructs. The definitions do not try to specify the actions necessary to measure a variable.

**Table 3.2: Model constructs for compliance model**

<b>CONSTRUCTS</b>	<b>DEFINITIONS</b>
<i>Corporate-Related Factors</i>	Any organisational factors or any rules and regulations imparted by a company as set out in the travel policy, over which the employee has little control.
Travel policy	A corporate travel policy is a map to a company's travel management programme. It is the audible, visible and, most importantly, measurable embodiment of all the controls, contracts, practices and senior management expectations that comprise the corporate travel management agenda. An ineffective travel policy is not communicated, is unclear and misunderstood, as well as unfair and misperceived.
Business Ethics	Identifying and implementing standards of conduct that will ensure that a business does not have a detrimental impact on the interests of its stakeholders.
Organisational injustice	Organisational injustice presents strong situational cues that motivate people to engage in unethical workplace behaviour.
Control measures	Pre-trip approvals, post-trip reviews and corporate card programmes should deliver accurate data and should be used to curb non-compliance.
<i>Personal-Related Factors</i>	Extent of morality that an individual possesses, the ethical values held by an individual, the honesty of the traveller and the level of satisfaction that the traveller has.
Individual morality	Lying, cheating and stealing are the key components of unethical behaviour in organisations.
Self-interest	Unethical behaviour occurs when such behaviour benefits the culprit.
Employee satisfaction	Personal satisfaction, job satisfaction and travel satisfaction.
Employee Deviance	Voluntary behaviour that violates significant organisational norms and, in so doing, threatens the well-being of an organisation.

Figure 3.4: Model of corporate travel policy compliance



The proposed model illustrated in figure 3.4 has been derived from the literature survey: however, to verify the model, a qualitative research technique, the Delphi method, will be used. The Delphi technique utilises the opinions of experts to address issues or to solve problems. During the Delphi process, experts in the corporate travel industry will be asked to identify **ANY** factors that they believe could have an influence on policy compliance. Should the responses of the experts reveal that there are additional factors not identified in the literature review, the model will be refined and expanded to include these.

To test the proposed model of corporate travel policy compliance, a questionnaire with a number of items will be developed and utilised. This questionnaire will be distributed to corporate travellers at selected companies in South Africa. The methodology, as well as the questionnaire items that will be used in this study will be discussed in chapter 4.

### 3.7 CONCLUSION

In this chapter it became evident that policy compliance is a pressing issue for many companies, as non-compliance could cost companies dearly. During the discussion, areas of non-compliance were identified. Factors that influence the corporate traveller's compliance with the travel policy were highlighted. These factors were divided into two categories, namely corporate- and personal-related. These categories were subsequently defined. Some of the corporate-related factors included a discrepancy between the perceptions of travel managers and travellers with regard to the travel policy, a poorly written policy, travellers who did not understand the policy, and inefficient communication of the travel policy. The business ethics employed by an organisation could have an influence on policy compliance. While discussing corporate factors, it became obvious that organisational injustice could lead to non-compliance. If travellers feel that they have been treated unfairly or if they experience feelings of rebelliousness towards the organisation, then they might decide not to comply with the travel policy. It was also revealed that personal-related factors could have an impact on policy compliance and that a traveller would breach the travel policy if doing so benefited him/her. Moreover, it became evident that the morals of an individual might influence his/her compliance. Finally, the discussion focused on satisfaction and the fact that employees will often only comply with a policy that satisfies their needs. As a culmination of the literature survey, the chapter proposed a model for corporate travel policy compliance<sup>2</sup>.

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<sup>2</sup> This conceptual model was the subject of an article published in the *Journal of Business Ethics* (see Appendix A). The article explained the conceptual model and clarified its theoretical aspects. Two papers on the topic of policy non-compliance have also been delivered at International Conferences. The Travel and Tourism Research Association (TTRA) Conference took place from 23-25 April 2008 in Helsinki, Finland. The fifth International Conference on Ethics in the Public and Private Spheres was held in Pretoria, South Africa from 1-3 May 2008. The abstracts of the papers delivered at these conferences can be found in Appendix A.

In the next chapter, the methodology used in the empirical research is explained and an overview of the research design of the empirical study provided.



## CHAPTER 4

### METHODOLOGY

#### 4.1 INTRODUCTION

The methodology section describes the steps followed in the execution of the study and also provides a brief justification for the research methods used. Bogdam and Taylor (1975:1) define methodology as follows: “The term methodology in a broad sense refers to the processes, principles, and procedures by which we approach problems and seek answers”. Our assumptions, interests, and goals influence to a great extent which methodological procedures we opt for. The purposes of research include exploration, description, and explanation. Exploration is trying to develop an early understanding of some phenomenon. Exploratory studies are helpful in creating new research questions and problems. Description is the exact assessment and reporting of the characteristics of some phenomenon under study. Explanation is the discovery and reporting of associations among diverse aspects of a phenomenon under study (Du Plooy, 1995:32).

Research involves both quantitative and qualitative research. Quantitative research seeks to find how variables are related, whereas qualitative research seeks in-depth information. In this study both quantitative and qualitative research methods are used. A qualitative research method will be used to confirm the constructs to be employed in the quantitative questionnaire.

An international, as well as national literature search on the concepts of corporate travel, the corporate travel policy and factors that influence corporate travellers’ compliance with the travel policy was undertaken, the results of which were discussed in chapters 1 to 3. In the introductory chapter, a number of research objectives were formulated for this study. These are: to determine organisations’ objectives in the formulation of the travel policy, to identify factors that influence travel policy compliance, to design a measurement instrument to assess the propensity for corporate traveller policy compliance within an organisation, to develop a model for travel policy compliance and to propose a travel policy framework that includes all the essential elements for optimal compliance. Some of the

objectives were achieved in chapters 1 to 3. This chapter aims to provide guidelines on attaining the remainder of the set objectives. In order to do so, certain approaches and methodologies will be followed.

The chapter begins with a discussion on the qualitative research undertaken in the study by explaining the Delphi technique and its application. The quantitative research design, sampling and data collection procedure are then described. Thereafter, the measurement instrument and hypotheses are discussed. The chapter concludes with an explanation of the qualitative and quantitative data analysis.

## **4.2 QUALITATIVE RESEARCH**

### **4.2.1 The difference between qualitative and quantitative research**

Qualitative research differs noticeably from quantitative research. Qualitative researchers believe that there is no one objective reality which can be observed and neutrally quantified. Nor do they believe that human beings are all the same and that they can be easily categorised. Qualitative enquiry is investigative and interpretive. It tries to observe phenomena in a holistic manner. No attempt is made to direct events or extraneous variables. On the contrary, qualitative researchers desire to conduct their studies in the field in an attempt to obtain the normal flow of events. According to Henning (2004:3), qualitative research tries not only to discover what happened, but also how it happened and, more essentially, why it happened the way it did. In a qualitative study, the ‘variables’ are usually not controlled, because it is precisely this freedom and natural development of action and representation that the researcher wants to capture. When undertaking qualitative research, the respondents have a more open-ended way of giving their opinions and representing their actions. Thus, qualitative inquiry signifies the type of inquiry in which the qualities, the characteristics or the properties of a phenomenon are scrutinised for better understanding and explanation (Henning 2004:5).

Leedy (1993:139) distinguishes between qualitative and quantitative research by saying that “if the data is numerical, the methodology is quantitative; if the data is verbal, the methodology is qualitative”. Henning (2004:3) argues that the difference between the qualitative and quantitative paradigms lies in the search for understanding and for in-depth

investigation. According to Van Maanen, Dabbs & Faulkner (1982) quality is the essential nature or character of something; quantity is the amount. Quality is the what; quantity the how much. 'Qualitative' involves the meaning, the definition, analogy, model or metaphor characterising something, while 'quantitative' presupposes the meaning and refers to a measure of it.

Qualitative exploratory research amongst purposively selected corporate travel managers and Travel Management Companies (TMCs) was conducted to verify or further generate items for the quantitative study reflecting the business environment in which corporate travel takes place and what the managers and TMCs view as factors that might influence corporate traveller compliance. The Delphi method was used to collect the qualitative data from the panel of experts. The Delphi is a group facilitation technique that seeks to attain agreement on the views of 'experts' by means of a series of structured questionnaires. Corporate travel managers and TMCs were purposively selected from the corporate travel industry in general, based on exact criteria such as their specific expertise and knowledge of the industry and their position in the company. The data derived from the literature survey, as well as the qualitative study, formed the foundation of the measurement instrument for the quantitative study which took the form of a questionnaire directed at corporate travellers.

The type of information required from the corporate travel managers and TMCs could only be obtained using qualitative research techniques. While measuring the opinions and attitudes of TMCs and corporate travel managers, it was not the number of responses that mattered, but rather the detail and richness of the responses. By using qualitative techniques, the researcher tried to find out how the respondents represented their feelings and thoughts in relation to the factors influencing policy compliance. Consequently, qualitative techniques are better implemented under certain conditions such as where the wealth of information is important. Another factor that led to the using of qualitative research techniques was that there are only a limited number of experts involved in the corporate travel market in South Africa. It is impossible to measure frequencies and other quantitative data with a small number of responses. Therefore, in order to reach consensus on determinants of non-compliance, it is necessary to have an in-depth look into the corporate travel market. For this purpose, the Delphi method was selected.

#### **4.2.2 The Delphi method**

Delphi may be characterised as a technique for arranging a group communication process so that it is effective in permitting a group of individuals as a whole to deal with a complex problem. There are numerous diverse views as to what comprises the 'proper', 'appropriate', 'best' and/or 'useful' procedures for achieving the various aspects of the Delphi (Linstone & Turoff, 1975: 3).

The Delphi is a group facilitation technique that seeks to attain agreement on the views of 'experts' by means of a series of structured questionnaires (commonly referred to as rounds). Part of the process involves the responses from each questionnaire being fed back in summarized form to the participants (Hasson, Keeney & McKenna, and 2000:1010). But this technique varies from other group decision-making processes. It makes use of: (i) iteration and controlled feedback; (ii) statistical group response, and (iii) expert input (Jones & Hunter, 1995:376). The Delphi is thus an iterative multistage process intended to combine views into group agreement (McKenna, 1994). This process is incomplete until agreement is attained or the law of diminishing returns sets in. That is, opinions are summarized between rounds and communicated back to the participants through a process of controlled feedback: this process is repeated until accord is reached or until the number of returns for each round decreases (Hasson *et al.*, 2000:1010).

The system collects opinions without the need to bring panellists together physically. By making use of successive questionnaires, views are taken into account in a non-adversarial manner, with the present status of the groups' collective opinion being repetitively fed back. This informs the group members of the present status of their collective opinion and aids to recognise items that participants may have missed or thought unimportant (Hasson *et al.*, 2000:1010).

The process to establish opinions commences with round one. Within Delphi, round one starts with an open-ended set of questions that produces ideas and permits participants absolute freedom in their responses. This assists in identifying issues which would be addressed in successive rounds. Participants are encouraged to give as many opinions as possible so as to maximize the chance of covering the most vital issues (Hasson *et al.*, 2000:1011). The purpose of the initial iteration is to identify the broad issues relating to the

factors that influence corporate travel policy compliance. Responses to the first questionnaire are then collated and a second, more formalised, questionnaire is developed from these initial responses.

As previously stated, round two is made up of the analysis of the results of round one. The experts are asked in the second questionnaire whether they agree or disagree with each of the issues raised in round one.

#### **4.2.3 Applying the Delphi method in this study**

As mentioned in the previous section, there are many different views on what the 'proper', 'appropriate', 'best' and/or 'useful' procedures for accomplishing the various aspects of the Delphi are. The process followed in this research study is now elucidated.

A panel of experts was purposively selected from the corporate travel industry based on certain criteria. There are two major types of purposive sampling: judgment and quota sampling. For this study, judgement sampling was used. Judgement sampling occurs when a researcher selects sample members to conform to some criterion (for example, industry experience, manages a substantive travel budget, a minimum of 200 active corporate travellers). This method was chosen because it has the advantage that the units selected are especially qualified to assist in the investigations. One of the main characteristics of a non-probability sample is that the sample does not represent the population, because each unit in the population does not have an equal chance of being included in the sample. In this study, subjects were selected on the basis of availability.

From the literature it is clear that there is wide variation in numbers of participants deemed acceptable to participate in the Delphi technique. Reid (1988), for example, notes panel sizes between 10 to 1 685. Others suggest that numbers of participants will differ according to the extent of the problem and resources obtainable (Delbecq, Van de Ven & Gustafson, 1975; Hasson, Keeney & McKenna, 2000:1010). There is very little definite empirical proof regarding the influence of the number of participants on the reliability or validity of consensus processes. The Delphi does not call for expert panels to be representative samples for statistical purposes. According to Powell (2003) it seems that

representativeness is regarded based on the merits of the expert panel and not on its numbers.

Thirty-one corporate travel experts were approached by email to participate in the Delphi technique (A list with the names of the experts can be found in Appendix B). Round one commenced with an open-ended question asking the experts the following question: what factors do you believe influence a corporate traveller's compliance with the corporate travel policy? Eight responses were received from four corporate travel managers, three TMC representatives and one corporate travel management consultant. The responses from the eight experts were collected via email and in-depth interviews and summarised in a new document (Appendix C). An example of an in-depth interview with Alan Reid, procurement manager of BP, can be found in Appendix D. Round two involved the new document being distributed to the eight experts. Experts were asked either to agree or disagree with a number of statements regarding policy compliance. Five responses were received. Because of the fact that the Delphi method deals with expert opinions, the researcher made a decision not to discard any views since, in the experience of the expert, the reason given for non-compliance would have been valid in their organisation. Thus, even if only one of the five respondents agreed with a certain statement, the researcher included that statement in the final questionnaire. The results of the process are presented in chapter 5.

It is true that a traditional Delphi study usually involves three rounds, but in this study only two rounds were used. The reason for this is that the Delphi study was only used to ensure that the list of non-compliance factors identified in the literature review that would be tested in the quantitative questionnaire was exhaustive. For this reason it was not necessary for respondents to reach consensus on the factors. A third round would thus not have added any value to the study and would indeed only have irritated and frustrated already busy respondents. It should also be noted that travellers were not asked to respond to the Delphi study as their opinions were collected with the quantitative survey. Also, travellers are not regarded as experts, and the aim of the Delphi technique is to get the opinion of experts on certain matters. Because travel managers and TMCs are responsible for setting and managing the travel policy it is of vital importance to get their opinions on reasons for policy non-compliance. Another possible concern is the low response rate for the Delphi survey, but, a number of examples of the successful execution of the Delphi technique

with a low number of respondents exist in the literature. Dalkey and Helmer (1963) conducted the Delphi with only seven experts, while Van de Ven and Delbecq (1974) made use of groups that ranged between two to four members.

To conclude, the Delphi method was used to gather information for the purpose of ensuring that the factors that lead to non-compliance to be used in the quantitative questionnaire were exhaustive.

### **4.3 QUANTITATIVE RESEARCH**

The type of information (such as the number of business trips made during a year, or the percentage of non-compliance with the travel policy, and reasons for this) required from the corporate travellers could only be obtained using quantitative research techniques such as questionnaires.

Quantitative research is mainly empirical or experimental and, as its name suggests, is based on the assessment of quantity or amount. Quantitative methodologies influence variables and try to control natural phenomena. They create research questions or hypotheses and 'test' these against the facts of 'reality' (Du Plooy, 1995:32). In a quantitative study, the variables will be controlled and the study directed by an acute focus on how variables are related. Respondents are typically not free to express data that cannot be captured by the predetermined instruments (Henning, 2004:3).

In this research study, the needs and demands of corporate travellers, as well as their propensity to breach the travel policy, will be measured using quantitative research techniques.

### **4.4 THE RESEARCH DESIGN**

The research design represents the 'blueprint' for the collection, assessment and analysis of data. Moreover, it is the plan and structure of investigation, conceived so as to acquire answers to research questions. Research design states both the structure of the research problem and the plan of investigation used to attain empirical evidence on those

associations (Cooper & Schindler, 2006:138). Guy, Edgley, Arafat and Allen (1987:92) define the research design as the “plan of procedures for data collection and analysis that are undertaken to evaluate a particular theoretical perspective”. The theoretical framework provides the boundaries within which the empirical research was conducted. Table 4.1, as suggested by Cooper and Schindler (2006:139-142), provides a summary of the broad research design followed in this study.

**Table 4.1: The research design**

<b>Descriptor</b>	<b>Option</b>	<b>Motivation</b>
<i>Degree of Crystallisation</i>	Formal Study	The study was conducted as a formal study, because it followed precise procedures and data source specifications. The goal of the formal study is also to test hypotheses or answer the research questions posed (Cooper & Schindler, 2006:139).
<i>Data Collection Method</i>	Interrogation/ Communication	The researcher questioned the subjects and collected their responses by impersonal (questionnaire) means (Cooper & Schindler, 2006:140).
<i>Researcher Control of Variables</i>	Ex post facto	The researcher had no control over the variables in the sense of being able to manipulate them and could only report on what happened during the study (Cooper & Schindler, 2006:141).
<i>Purpose of the Study</i>	Descriptive and explanatory study	The study was aimed at discovering the answers to the questions who, what, where, how and why (Cooper & Schindler, 2006:141) in terms of factors that influence travel policy compliance.



<i>Time Dimension</i>	Cross-sectional study	Studies that are carried out only once and that represent a snapshot of one point in time are defined as cross-sectional studies (Cooper & Schindler, 2006:141). It is clear from the nature of this particular study that it falls within this category.
<i>The Topical Scope</i>	Statistical and qualitative study	This study was designed for breadth and depth. An attempt was made to capture a population's characteristics by making inferences from a sample's characteristics, as well as interpreting this information. In qualitative studies the emphasis is on detail: such detail provides valuable insight for problem-solving, evaluation and strategy (Cooper & Schindler, 2006:142).
<i>The Research Environment</i>	Field conditions	The study occurred under actual environmental conditions (Cooper & Schindler, 2006:142) and the corporate travel market within South Africa represented this environment.
<i>Type of Research</i>	Non-experimental	The study did not measure effects directly by manipulating controlled variables, but sought relationships that could be found to exist between uncontrolled variables (Page & Meyer, 2000).
<i>Research Strategy</i>	Descriptive and explanatory study	This study set out to describe the factors that could influence a corporate traveller's compliance with the corporate travel policy, as it existed, without manipulation or control of any elements involved in the study. With this approach, hypotheses were formulated (Page & Meyer, 2000).

## 4.5 SAMPLING

The following steps were followed in order to secure a representative sample of the target population and also to meet the objectives of the study.

### 4.5.1 The relevant target population

A population represents the total collection of elements on which one desires to make inferences (Cooper & Schindler, 2006:409). The population of the study can be defined as corporate travellers of selected organisations in the public or private sector in South Africa. The reason for selecting only those employees who have already travelled on behalf of their company on a previous occasion was because the purpose of the research was to determine factors that could lead to possible non-compliance. For this to be possible, past experience was necessary.

### 4.5.2 Type of sampling method

The sampling method or approach selected depends on the objectives of the study, the financial resources available, time limits and the nature of the research problem being investigated (McDaniel & Gates, 2004: 267). The major sampling methods in research are grouped into two broad categories of probability and non-probability sampling. Any discussion of the relative merits of such sampling clearly shows the technical superiority of the former. In probability sampling, researchers use a random selection of elements to reduce or eliminate sampling bias. Under such conditions, the researcher can have substantial confidence that the sample is representative of the population from which it is drawn. In addition, with probability sample designs, one can estimate an error range within which the population parameter is expected to fall. With a subjective approach like non-probability sampling, the probability of selecting population elements is unknown. Although it is obvious that probability sampling has many technical advantages, there are a number of practical reasons for using the less precise non-probability sampling methods. Non-probability sampling procedures may be used because they satisfactorily meet the sampling objectives. Additional reasons for choosing non-probability over probability sampling are cost and time. Non-probability sampling may also be the only feasible

alternative. The total population may not be available for study in certain cases. Because of the above-mentioned reasons, a non-probability sampling method, namely convenience sampling, was used in this study. Convenience sampling is the cheapest and easiest design to conduct. Researchers have the freedom to choose whomever they find (Cooper & Schindler, 2006:412).

A web-based questionnaire was distributed to all corporate travellers in selected organisations in South Africa and other regions. The subjects had the choice to complete the questionnaire or not. For confidentiality reasons and to increase the response rate, an email with a direct link to the web-based questionnaire was sent to employees via the corporate travel manager of the organisation.

The process of selecting organisations to participate in the research required a number of phases. During the first phase, the researcher approached Bidvest, one of the largest travel groups in South Africa. Bidvest owns a number of TMCs operating in the country. With the assistance of these TMCs, the researcher managed to obtain the cooperation of three companies: BP, Vodacom and Swiss Re. Another TMC, Travel with Flair (independent of Bidvest), was also approached, as approximately 80 per cent of their business consists of government accounts. Travel with Flair included an invitation to complete the questionnaire in their newsletter. This was sent out on the 12<sup>th</sup> of December 2007 to all the corporate travellers on their database. In the middle of January 2008, the researcher realised that the above-mentioned organisations were not rendering a sufficient number of responses and launched phase two. During this phase, members of ACTE (the Association of Corporate Travel Executives) in South Africa were approached. ACTE also sent out an email to all their members in the Middle East/Africa region, encouraging them to take part in the research. An invitation to complete the questionnaire was also displayed on the global ACTE web page. The deadline for responses on the web was the 31<sup>st</sup> of January 2008, but feedback was still limited. A decision was taken to distribute paper questionnaires to the researcher's personal contacts with the only prerequisite that the respondents needed to travel on behalf of an organisation with a corporate travel policy. Finally, a database with approximately 300 email addresses was obtained from a training company in Pretoria. An email was sent out to all the addresses on the database. On the 16<sup>th</sup> of May 2008, the researcher decided to conclude her efforts to obtain more responses. A total number of 193 questionnaires were received and used in the data

analysis process. Because the questionnaire was answered anonymously, there was no way to track the companies who responded or the response rate achieved. A list with names of organisations that verbally agreed to take part in the research is provided in Appendix B. Appendix E includes examples of the correspondence between the researcher and the organisations.

#### **4.5.3 Sample size**

A sample can never reflect the entire population with complete certainty, but it is up to the researcher to determine the size of the sample that will fit in with the requirements of the study.

The quantitative questionnaire that was distributed involved the corporate travellers of selected organisations in the private or public sector, located in South Africa and elsewhere. The target was to receive as many responses as possible, but no less than 200. In the end, a total number of 193 questionnaires were collected. This result is not all that surprising given that response rates to surveys have declined dramatically over time (Sax, Gilmartin & Bryant, 2003:423). Reasons proposed for declining response rates range from the proliferation of junk mail, and the extent of web-based questionnaires, to the rapid growth and ease of large-scale employee assessment. Employees at many organisations feel increasingly ‘bombarded’ with questionnaires, whether paper- or Internet-based. Given today’s increasingly fast-paced culture and the increasing demands on employees’ time, they simply may be less prepared to commit themselves to a voluntary activity such as completing a survey (Sax, Gilmartin & Bryant, 2003:423). It is also suspected that the low response rate was due in part to several technical web-based problems experienced after the initial pre-test<sup>3</sup>.

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<sup>3</sup> A number of technical difficulties were experienced during the data collection period, resulting in a very lengthy time-frame. These difficulties were encountered by the web developer and were outside the control of the researcher. At one stage, termination of the data collection process and starting over was considered, but this would not have been a feasible option, because respondents would not have cooperated again. This aspect will be discussed in chapter 6 as a limitation of web-based questionnaires.

## 4.6 DATA COLLECTION

According to (Cooper & Schindler, 2006:198), quantitative research entails the exact count of some behaviour, knowledge, opinion, or attitude. Such research is mainly empirical or experimental and, as its name suggests, is based on the measurement of quantity or amount. Quantitative data often consists of participant responses that are coded, categorized and reduced to numbers so that the data may be manipulated for statistical analysis.

Quantitative, ex post facto questionnaires were used to gather primary data from corporate travellers. Non-interactive procedures were employed to distribute and collect self-administered questionnaires. The choice of the survey method took into account its advantages and disadvantages, as well as its ability to collect high-quality data within an acceptable time-frame and budget. The general advantages of self-administered questionnaires are as follows (Cooper & Schindler, 2006):

- They permit contact with otherwise unattainable respondents.
- They involve low cost, without jeopardising the quality of the methodology.
- The interviewer does not manipulate the respondents, being available only to clarify certain concepts.
- A self-administered questionnaire allows for longer questions than, for example, a telephone interview.
- The response rate is usually high.
- Self-administered questionnaires are perceived to be more anonymous than alternative survey methods; this method does not require respondents' full credentials in order successfully to complete the study.
- They provide for rapid data collection: the questionnaires can be collected from respondents on the same day.

However, such a questionnaire also exhibits disadvantages (Cooper & Schindler, 2006):

- Low response rate in some instances, which could occur for a number of reasons: respondents are not interested in the study, they do not have the time or they do not possess the necessary information to complete the questionnaire.
- A self-administered questionnaire cannot be long and complex, otherwise the respondents will lose interest and be unwilling to complete it.
- There may be anxiety among some respondents with regard to the correctness of their answers, as well as the anonymity of the information which they provide. Respondents therefore need to be assured that the questionnaire is anonymous and that there are no 'incorrect' answers.
- Response errors and missing responses may amount to problems with this survey method if the respondents are not focused.
- A self-administered questionnaire needs to be undertaken in an environment with few distractions.

Questionnaires were web-based, and respondents were requested to participate in the study by email. This method was chosen because internet or web-based surveys are fast becoming desirable alternatives to traditional survey methods, ameliorating some of the disadvantages of self-administered questionnaires. Researchers are attracted to email and web-based data collection techniques because of low costs and fast response rates (Illieva, Baron & Healey, 2002:195). Web-based surveys have a number of technological and methodological advantages to assist in improving both internal and external validity (Grant, Teller & Teller, 2005:641). According to Fleming and Bowden (2007), there are numerous features of web-based surveying that makes it attractive to researchers, of which the most frequently cited is cost. The reasonably low cost of web-based surveys is beneficial, in that it allows for large sample sizes, thus offering an increased potential for sub-group investigation and decreased sampling difference. Another regularly cited benefit of web-based surveys is the speed and accuracy of data collection. Web-based surveys can be up and running in a matter of days, with instant access to results. Responses from online questionnaires can be automatically inserted into spreadsheets, databases or statistical packages. This not only saves time and money, but also lessens human error in data entry and coding. Furthermore, data can be collected constantly, regardless of time of

day and day of week, and without geographical limitation (Madge in Fleming & Bowden, 2007; Manfreda in Fleming & Bowden, 2007). More than any other mode, web-based surveying permits innovative questionnaires to be developed. Visual and audio stimuli can be included, prompts can alert respondents if they skip or incorrectly answer questions, drop-down boxes can present respondents with a range of possible answers, pop-up windows can provide additional information, questions can be ordered randomly, skip patterns may be built for ease of navigation and even multilingual formats are possible. Finally, the growth in e-mail, online banking and bills being paid on the Internet suggest that, at least for some, the Internet is a more suitable medium than traditional means of communication (Fleming & Bowden, 2007). One of the main reasons for using the web-based survey to collect data is the anonymity that it offers to the respondent. This provides a level of comfort that cannot be attained with conventional techniques such as mail, telephone and mall-intercept surveys. For this reason, web-based surveys are likely to represent more truthful responses than other types of surveys (Rubin in Hudson & Ritchie, 2006).

Individuals in the sample were contacted by their corporate travel manager via email with a quick link to the online survey, providing a relatively effortless process. The respondents were guaranteed anonymity and confidentiality. Issues related to web-based questionnaire bias were carefully considered and appropriate techniques applied to combat the possibility for such bias.

The most frequently cited drawbacks of web-based surveys are sample frame and non-response bias (Manfreda in Fleming & Bowden, 2007). The former is the non-random omission of individuals from the sample frame. In most populations, there remains a lasting social and spatial divide in access and use of the Internet, which can induce sample biases to any online research. Sample frame bias had no influence in this research study as the entire sample had access to the Internet at their places of work. Non-response bias is the bias introduced when respondents within the sample frame have very different attitudes or demographic characteristics to those who do not respond. The purposive nature of the sampling in selecting 'typical' respondents should limit this type of non-response bias. Non-response bias increases when different levels of technical ability are present among potential respondents, and it becomes a particular problem when response rates are low (Fleming & Bowden, 2007). It was assumed that corporate

travellers responding to the web-based questionnaire would have a certain degree of technical ability that would enable them to complete the questionnaire, and this prevented non-response bias from having an influence in the study. A further potential disadvantage of web-based surveying is the fact that the researcher often has no way of knowing if there are a number of respondents at one computer address, or if one respondent is completing a questionnaire from a selection of computers (Marta-Pedroso, Freitas & Domingos, 2007). In this study, the use of cookies and server log files addressed these concerns.

The questionnaire needed to measure corporate- and personal-related factors that could lead to non-compliance, such as: the effect of an ineffective corporate travel policy on policy compliance, how business ethics contribute to non-compliance, whether organisational injustice has an influence on policy compliance and the influence of individual morality on policy compliance.

To ensure the validity of the items generated, a pilot study was performed amongst a group of 10 corporate travellers to verify readability and correctness of the constructs and variables.

## **4.7 MEASUREMENT INSTRUMENTS**

To collect quantitative data from corporate travellers, certain measurement scales were used. Phillips (1971) defines scaling as a procedure for the assignment of numbers (or other symbols) to a property of objects to pass on some of the characteristics of numbers to the properties in question. Measurement scales involve three types: rating, ranking and categorisation. A rating scale is utilised when respondents score an object or indicant without making a direct comparison to another object or attitude. Ranking scales limit the study participant to make comparisons among two or more indicants or objects. Categorisation asks respondents to place themselves or property indicants in groups or categories (Cooper & Schindler, 2006:372).

The following types of rating scales were used in the corporate traveller questionnaire: simple category scales, multiple choice single response scales and likert scales. The scales provided nominal, ordinal, interval and ratio data.



The scales mentioned above were used to measure certain constructs related to non-compliance with the travel policy. As already explained in Chapter 3, constructs can be defined in two general ways. First, a construct can be defined by using other constructs. Second, a construct can be defined by finding out what actions or behaviour it expresses or implies. Thus, a *constitutive definition* defines a construct by means of other constructs, and an *operational definition* gives meaning to a construct or a variable by stating the activities or operations necessary to measure it. Alternatively, an operational definition is a specification of the activities of the researcher in assessing a variable or in influencing it. In other words, it defines or gives meaning to a variable by spelling out what the investigator must do in order to assess it (Kerlinger, 1988). The constitutive definitions for the constructs used in this study were given in table 3.2. The operational definitions for the constructs are provided in table 4.2 below. These definitions try to specify the actions necessary for measuring a variable.

**Table 4.2: Operational definitions**

CONSTRUCTS	DEFINITIONS
<i>Corporate-Related Factors</i>	Any organisational factors or any rules and regulations imparted by a company as set out in the travel policy, over which the employee has little control.
Travel policy	An effective travel policy is dependent on three elements: clarity, communications and senior management commitment.
Business Ethics	The rightness and wrongness of behaviour in specific situations.
Organisational injustice	Perceived unfairness, rebelliousness towards the employer and insensitive treatment on the part of organisational authority figures provides justification for dishonest behaviour.
Control measures	The presence of accurate pre-trip approvals, post-trip reviews and corporate card programmes deliver data used to curb non-compliance.
<i>Personal-Related Factors</i>	Extent of morality that an individual possesses, the ethical values held by an individual, the honesty of the traveller and the level of satisfaction that the traveller experiences.
Individual morality	Lying, cheating and stealing are the key unethical behaviours in organisations. People working from a set of principles are less likely to be influenced by particular situations.
Self-interest	People will lie when doing so benefits them.
Employee satisfaction: Personal satisfaction	Happy people are optimistic, extroverted, in control of their lives and have high self- esteem.
Job satisfaction	Satisfaction with pay, promotional opportunities, job security.
Travel satisfaction	Satisfied with the conditions under which travel takes place.
Employee Deviance	Deliberate behaviour on the part of the traveller that may harm the organisation.

In compiling the questionnaire, instruments used in previous studies in South Africa were analysed. Lubbe (2003) conducted a study amongst organisations on the status of corporate travel management in South Africa, and the questionnaire used in this study was assessed for its effectiveness and modified where necessary. Similarly, in 2003, Douglas

and Swart conducted a study on the needs and demands of corporate travellers in an organisation in South Africa, and their questions were also analysed and tailored for this study, where relevant. In 2005, Douglas developed instruments to assess the needs and demands of corporate travellers and organisations in the corporate travel industry. Her questions were evaluated and customised for this study. Thus, the instruments of Lubbe (2003), Douglas and Swart (2003) and Douglas (2005) were utilised to compile questions to measure the factors relating to *the travel policy* and *traveller satisfaction*.

In 2006, Baker, Hunt and Andrews conducted research on the influence of corporate ethical values in promoting ethical behaviour. The relevant part of their instrument was used to measure the sections on *business ethics* and *individual morality* in this study. The *job satisfaction* construct was measured, in part, by using an instrument from Longo and Mura (2007). *Life satisfaction* was measured by using a scale developed by Myers and Diener (1996).

The items used to measure the *organisational injustice*, *control measures*, *self-interest* and *employee deviance* constructs were generated from the literature review. Results from the qualitative Delphi technique were used to confirm the questionnaire items and to measure aspects of *the travel policy*, *organisational injustice*, *control measures*, *self-interest* and *employee deviance* constructs.

Questions one to seven determined the travel behaviour of employees, i.e. how many business trips the employee makes a year, the number of days spent away from home, the person responsible for making the employee's travel arrangements, as well as the method used for making these arrangements.

Questions 30 – 36 related to the traveller's profile, including the age of the traveller, the type of organisation for which the traveller works, the region in which the respondent is located, the position the traveller holds in the organisation, the number of years s/he has been employed by the organisation, as well as his/her marital status.

The Department of Statistics at the University of Pretoria ensured that the design of the questionnaire was suitable for data analysis.

A copy of the final questionnaire that was distributed to the corporate travellers is attached as Appendix F. The questionnaire was ready to be distributed on the 11<sup>th</sup> of December 2007. Because most employees in South Africa were on leave during the month of December, the deadline for responses was set for 31 January 2008. At this time, the researcher realised that there were not enough responses and so she approached more companies and extended the deadline to 29 February 2008. Still, there were insufficient responses, and further efforts had to be made to obtain more replies. The final deadline for the questionnaire was set for 16 May 2008. Thus, questionnaires were distributed during the period of 12 December 2007 – 16 May 2008.

The questionnaire was pre-tested on 10 respondents to identify and eliminate potential problems. No problems were reported and respondents fully understood the questionnaire. The researcher made sure that the profiles of the respondents surveyed in the pre-test were similar to those included in the actual survey in terms of their corporate travel frequency. The respondents in the pre-test were drawn from the same population.

## **4.8 HYPOTHESES**

A proposition is defined as a statement about observable phenomena that may be judged to be true or false. When a proposition is formulated for empirical testing, it is called a hypothesis. As a declarative statement about the association between two or more variables, a hypothesis is of a tentative and conjectural nature. It is descriptive or relational. Descriptive hypotheses explain the existence, size, form or distribution of some variable. Relational hypotheses depict a connection between two variables with respect to some particular case and can be divided into correlational and explanatory hypotheses. Correlational hypotheses explain that the variables occur together in some specified manner, avoiding to imply that one causes the other, and explanatory hypotheses state that there is an implication that the existence of, or alteration in one variable causes or leads to a change in the other variable (Cooper & Schindler, 2006:43).

In research, a hypothesis serves several important functions (Cooper & Schindler, 2006:45).

- It guides the direction of the study.
- It identifies facts that are relevant and those that are not.
- It suggests which form of research design is likely to be most appropriate.
- It provides a framework for organising the conclusions that result.

Two hypotheses were developed for this research study:

H<sub>1</sub>: Personal-related factors influence policy compliance

H<sub>2</sub>: Corporate-related factors influence policy compliance

These hypotheses can be further divided into the following sub-hypotheses:

H<sub>1a</sub>: An ineffective travel policy leads to a higher incidence of travel policy non-compliance.

H<sub>1b</sub>: A perceived lack of business ethics leads to a higher incidence of travel policy non-compliance.

H<sub>1c</sub>: Perceived organisational injustice leads to a higher incidence of travel policy non-compliance.

H<sub>1d</sub>: A lack of control measures leads to a higher incidence of travel policy non-compliance.

H<sub>2a</sub>: Individual immorality leads to a higher incidence of travel policy non-compliance.

H<sub>2b</sub>: Self-interest leads to a higher incidence of travel policy non-compliance.

H<sub>2c</sub>: Traveller dissatisfaction leads to a higher incidence of travel policy non-compliance.

H<sub>2d</sub>: Job dissatisfaction leads to a higher incidence of travel policy non-compliance.

H<sub>2e</sub>: Life dissatisfaction leads to a higher incidence of travel policy non-compliance.

H<sub>2f</sub>: Employee deviance leads to a higher incidence of travel policy non-compliance.

Table 4.3 provides an outline of the questions in the questionnaire that will be used to test the respective hypotheses and sub-hypotheses mentioned above. According to (Cooper & Schindler, 2006:494) in classical tests of significance, two types of hypotheses are used.

The null hypothesis is used for testing. It is a statement that there is no difference between the parameter and the statistic being compared to it. Analysts typically test to establish whether there has been no change in the population of interest or whether a real difference exists. He further argues that a null hypothesis can never be ‘accepted’. Statistical testing gives only a chance to (1) disprove (reject) or (2) fail to reject the hypothesis. If the null hypothesis is rejected, then the alternative hypothesis is accepted. The null hypotheses used for statistical testing will be discussed in the next chapter.

**Table 4.3: Questions used to test hypotheses**

CONSTRUCTS	QUESTIONS	HYPOTHESES
NON-COMPLIANCE	13; 14; 16	H1+ H2
TRAVEL POLICY	8; 9; 10; 11; 12; 15	H1a
BUSINESS ETHICS	17; 18; 19	H1b
ORGANISATIONAL INJUSTICE	20	H1c
CONTROL MEASURES	21	H1d
INDIVIDUAL MORALITY	22	H2a
SELF-INTEREST	23	H2b
EMPLOYEE SATISFACTION		
Traveller satisfaction	24; 25; 26	H2c
Job satisfaction	27	H2d
Life satisfaction	28	H2e
EMPLOYEE DEVIANCE	29	H2f

The results of the hypotheses tests will be presented in the next chapter.

## 4.9 QUALITATIVE DATA ANALYSIS

With qualitative data, a researcher has many options as to how to change the ‘raw’ data into final patterns of meaning. Due to the methodological frame of inquiry and the corresponding aim of the analysis procedure, qualitative coding and categorisation will be used in this study. This means that the data are separated into small units of meaning, which are then methodically ‘named’ per unit and then grouped together in categories that contain related codes. Each category will therefore include codes that are semantically related (Henning, 2004). As far as the qualitative data is concerned, content analysis was used for analysis. Content analysis is a research technique for the objective, methodical and quantitative description of the manifest content of communication (Berelson, 1952). According to Struwig and Stead (2001), content analysis covers the gathering and analysis of textual content. The content refers to messages. The text can refer to that which is written, spoken or visualised. The central idea in content analysis is that the many words

of the text are categorized into significantly fewer content categories. There are two basic types of content analysis: quantitative and qualitative. In this research study, qualitative content analysis will be used. Qualitative content analysis tends to be more critical in nature and can be used when the researcher wants to penetrate the deeper layers of a message. Qualitative content analysis is preferred for analysing hidden messages (Du Plooy, 1995). This technique was used to analyse the data generated from the Delphi method as it was applied to the corporate travel managers.

## **4.10 QUANTITATIVE DATA ANALYSIS**

The measurement instruments that were designed for the corporate travellers produced quantitative data. Quantitative data analysis involves the processing of the accumulated data into manageable sizes, looking for patterns, developing summaries applying statistical techniques and interpreting findings (Cooper & Schindler, 2006).

As far as the quantitative data analysis is concerned, descriptive statistics on the variables were generated. Descriptive statistics provide statistical summaries of data. The purpose of these statistics is to ascertain a general, consistent and straightforward picture of a large amount of data (Struwig & Stead, 2001). Since the questionnaire was web-based, the descriptive data were captured electronically at the same time that respondents completed the questionnaire. Descriptive statistics were calculated according to respondent characteristics, examining the factors conducive to the successful completion of a business trip and ranking them according to perceived value. The following techniques were applied:

### **4.10.1 Frequency analysis**

Frequency analysis was done by means of frequency tables. A frequency table is a simple device for arraying data. It arrays data by assigned numerical value, with columns for percentages, percentages adjusted for missing values and cumulative percentages (Cooper & Schindler, 2006).

#### **4.10.2 Measures of central tendency and dispersion**

Measures of central tendency include the mode, median and mean. The mode is the most frequently occurring score, the median is the score that has an equal number of scores above and below it, and the mean is the average score.

Measures of dispersion or variability indicate the degree to which the scores are spread out. Measures of dispersion include the range, standard deviation and variance. The range refers to the difference between the highest and lowest scores from a distribution. The standard deviation measures the deviation of each score from the mean and then averages the deviations. The variance is the square of the standard deviation (Struwig & Stead, 2001).

The mode, which can be used as a measure of central tendency when the measuring scale is nominal, was calculated, together with the range/index of diversity so as to display the measure of variability. Ordinal measurement scales were also used, of which the median and range (measure of variability) were calculated. Interval and Ratio measurement scales both calculated the mean, as a measure of central tendency, while the measure of variability included the standard deviation.

#### **4.10.3 Cross-tabulation of variables**

Cross-tabulation makes the comparison of two classification variables possible. This technique uses tables that have rows and columns corresponding to the values of each variable's categories. Cross-tabulation is a first step for identifying relationships between variables (Cooper & Schindler, 2006:482). A number of variables were cross-tabulated using chi-square tests to inspect the relationships between and among these variables. (Where more than 20 per cent of the cells had expected counts less than 5, the Fisher's exact test was used instead.) These relationships were often found to be relevant and interesting, and the knowledge gained from the analysis added to the understanding of the research problem. Cross-tabulation was used to test the relationship between the rate of compliance and factors that could lead to non-compliance in organisations.

#### **4.10.4 Logistic regression modelling**

It was initially envisaged that structural equation modelling (SEM) would be used to test hypotheses about the dimensionality of, and relationships among, latent and observed variables in the study. Structural equation modelling implies a structure for the covariance between observed variables. The major advantages of SEM are (1) that multiple and interrelated dependence relationships can be estimated simultaneously, and (2) that it can represent unobserved concepts, or latent variables, in these relationships and account for measurement error in the estimation process (Cooper & Schindler, 2006:583). Because of the low response rate and limited data, SEM could not be carried out on the data and, in consultation with the Department of Statistics at the University of Pretoria, the most appropriate method to achieve the research objectives was deemed to be the application of a logistic regression model.

In logistic regression, there is a response of interest, and predictor variables are utilised to model the possibility of that response. Usually, in a table of counts, primary interest is frequently centred on one factor that constitutes a response variable. The other factors in the table are of interest only for their capability to assist in explaining the response variable. Special kinds of models have been established to handle these situations. In particular, rather than modelling log expected cell counts or log probabilities (as in log-linear models), when there is a response variable, a variety of log odds related to the response variable are modelled (Christensen, 1997:116). The purpose of binary logistic regression is to forecast a two-category outcome from a set of predictor variables, some of which are continuous. Multinomial logistic regression, which will be used in this study, permits the categorical dependent variable to contain more than two categories. Modelling is a useful process, both for calculation of future observables, and for describing the interactions between factors. The selection of variables to be included in the logistic regression model is important. Schroeder (1983) suggests two techniques for selecting appropriate variables. The first based pre-selection of variables on theory developed in previous research, where the researcher has theoretical motives to include the variables. The second technique implemented the use of stepwise logistic regression to establish the significant variables, because little is known about the significance of the variables in question (Seiler, Hsieh, O'Leary & Hsieh, 2001). In order to correctly interpret the independent variables and find a model with significant variables, a stepwise logistic



regression procedure was applied in this study. Stepwise procedures assume an initial model and then use rules for adding or deleting terms in order to arrive at a final model. Stepwise procedures are categorised in three ways: forward selection, in which terms are added to an initial model; backward elimination, in which terms are removed from an initial large model; and composite methods, in which terms can either be added or removed from the initial model. Stepwise procedures are sequential, in that they assume a current model and look to add or delete terms one at a time to that model. For this research study, forward selection will be used. When considering s-factor terms, the basic forward selection rule is: (a) add the s-factor term that has the most significant test statistic and is not already in the model, (b) continue adding terms until no term achieves a predetermined minimum level of significance (Christensen, 1997:212).

#### **4.11 CONCLUSION**

In this chapter, the methodology used for the empirical research was explained. The selection of the qualitative and quantitative approaches was substantiated. The decision relating to the selection of the samples was explained in full. The most appropriate instrumentation for this particular study was also discussed. Content analysis was explained as the method to be used to analyse the qualitative data from the Delphi technique. Quantitative data analysis uses descriptive statistics of variables, with tests being done to establish the correlation between variables and their statistical significance. The ensuing chapter will report on the results of the qualitative Delphi technique and quantitative questionnaire, as well as on the processing of the data from which certain conclusions will be drawn and used in the final chapter, where the model of policy compliance is presented.