A SURVEY OF CORPORATE TRAVELLERS IN SOUTH AFRICA: TOWARDS A MODEL FOR TRAVEL POLICY COMPLIANCE

by

ANNELI DOUGLAS

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PROMOTER: PROFESSOR B.A. LUBBE

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DECLARATION

I declare that the Doctor's thesis, which I hereby submit for the degree DCom Tourism Management at the University of Pretoria, is my own work and has not previously been submitted by me for a degree at another university.

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MY SAVIOUR, JESUS CHRIST: I can do all things because You strengthen me (Philippians 4:13). U is alles vir my, en U is genoeg.

"PSALM 118:1 Oh give thanks to the Lord, for He is good; for His steadfast love endures forever!"

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ABSTRACT

A travel management programme allows an organisation to manage corporate travel expenditure, and through a well-formulated travel policy, to control its travel expenses. Traveller non-compliance of the travel policy is an increasing area of concern with surveys conducted amongst travellers showing various reasons for non-compliance, both deliberate and unknowing. This study 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. Two broadly conceptualised factors that influence travel policy compliance are identified. The first is termed corporate related factors and the second, personal related factors. The overall purpose of this study was to conceptualise and test a model of travel policy compliance based on these factors. To achieve this, a literature review as well as empirical research was conducted. Finally, a conceptual model for policy compliance was proposed which served as the framework for the empirical research and from which hypotheses were derived and tested.

The empirical research was conducted as a formal, descriptive and explanatory study. Corporate travel management, Travel Management Companies (TMCs) and corporate travellers made up the target populations of the study. Non-probability sampling methods, namely purposive and convenience sampling were used in this study. The researcher used qualitative as well as quantitative methods to gather data. In depth interviews and the Delphi technique, a qualitative method; was used to collect data from TMCs and management for the purpose of establishing an exhaustive list of possible determinants of policy non-compliance. Quantitative methods used to collect data from corporate travellers included self-administered, structured questionnaires. A multinomial logistic regression modelling technique was used to test the conceptual model in order to identify the factors that have the most significant influence on policy compliance. A limitation of the study within which data analysis occurred was the low response rate. This limitation was taken into account in the interpretation of the results and the recommendations. The study shows a number of significant results and as such provides a valuable contribution to the corporate travel literature by being the first study of its kind to measure the impact of factors not previously identified. This study shows that travel policy non-compliance within organisations needs to be viewed at a much deeper level than previously considered. The

results show corporate-related factors such as an ineffective travel policy, lacking control measures and perceived organisational injustice have a significant influence on policy compliance. Personal related factors such as self-interest could also impact policy compliance significantly. The results should enable corporate travel management to identify factors within their organisations that could lead to non-compliance. The implementation of the tested model could lead to a higher compliance rate within organisations and ultimately to considerable cost-savings.

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GLOSSARY

Business travel: Business travel involves professionals travelling to a destination for business purposes. It covers those who travel in order to attend to business matters in countries or areas other than the physical location of their organisation.

Corporate travel: Undertaken by employees of organisations with a substantial travel budget requiring management and control.

Corporate travel management: The corporate function of managing the business travel activities of an organisation's employees.

Corporate traveller: Corporate travellers travel on behalf of their company, which is generally a large corporation with a large travel account and often has a separate travel department and an established travel policy.

Corporate travel policy: A roadmap to a company's travel management programme. It is the audible, visible and – most important – measurable embodiment of all the controls, contracts, practices and senior management expectations that comprise the corporate travel management agenda.

Corporate related factors: Organisational factors or rules and regulations imparted by a company as set out in the travel policy, over which the employee has little control.

Personal related factors: Relate to the needs and values held by corporate travellers and include matters such as the honesty of a traveller, the extent of morality that a traveller possesses and actions related to self-interest and the level of satisfaction that the traveller enjoys.

Business ethics: Identifying and implementing standards of conduct that will ensure that, at a minimum level, business does not detrimentally impact on the interests of its stakeholders.

Organisational injustice: Perceived unfairness in the workplace.

Self interest: Unethical behaviour occurs when such behaviour benefits the actor.

Morality: Refers to principles of right and wrong in behaviour, by conforming to a standard of right behaviour.

Employee satisfaction: An employee who is gratified to the full.

Employee deviance: Voluntary behaviour that violates significant organisational norms and in so doing threatens the well-being of an organisation, its members or both.

Control measures: To check, test, or verify the documents of employees who travel on behalf of their organisation.

CHAPTER 1

INTRODUCTION

1.1   INTRODUCTION AND BACKGROUND

Business travel is an important part of the tourism industry. Tourism involves people taking trips away from home and embraces the entire range of transportation, lodging, food service and other services relating to the traveller. The officially accepted United Nations World Tourism Organisation (UNWTO) definition is: "Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes" (McIntosh, Goeldner & Ritchie, 1995:11). According to McIntosh *et al.* (1995:16) travel involves the actions and activities of people taking trips to a place or places outside their home communities for any purpose except daily commuting to and from work.

It is evident that people travel for different purposes. McIntosh *et al.* (1995:14) divide the main reasons for travelling into four categories: pleasure, visiting friends and relatives, other personal matters and business. As Davidson (1994) points out, the attributes of business versus leisure travel vary according to who buys the ticket, who determines the destination, when the trip occurs, the planning horizon and who travels. The focus of this study will be on travel for business purposes. Business travel involves professionals travelling to a destination on business. It covers those who travel in order to attend to business matters in countries or areas other than the physical location of their organisation. According to Davidson and Cope (2003), business travel comprises all trips the purpose of which is linked with the traveller's employment or business interests. These trips may be needed in order to facilitate the actual work being performed; to enable the employee to learn how to do his/her job more effectively; or they may be given by the employer as a reward for a job well done. South African Tourism (2008:26) concurs with the above authors but makes a distinction between business travel and business tourism. They describe business travel as a trip which is undertaken with the purpose of conducting commercial or formal transactions, or activities that are related to the traveller's job – for

example, visiting a client, signing deals or negotiating a contract. On the other hand, business tourism is described as a trip which is undertaken with the purpose of attending a conference, meeting, exhibition, event, or as part of an incentive.

Those travelling for business purposes need a range of services, including accommodation – from hotels and guesthouses to bed-and-breakfasts – transport, such as taxis, rented cars and airlines to transport business travellers to and from as well as within their destinations; and other services such as restaurants and bars which often depend for their economic survival upon their business clientele's expense accounts (Davidson & Cope, 2003).

The economic size and value of the business travel market is not easily measured. Barometers generally used to predict growth trends in business travel include global, regional and domestic economic indicators, air travel demand and business traveller surveys. Nonetheless, the International Trade Centre estimates that business travel accounts for approximately nine per cent of all international travel (Intracen, n.d). According to the UNWTO (2007:3), business travel in 2006 accounted for 16 per cent of all international tourist arrivals. The World Travel and Tourism Council (WTTC) estimates global business travel was a $672.5 billion industry in 2006 and expects this figure to increase to $1190.3 billion by 2016. PhoCusWright (2006:13) divides the business travel market into two sections: corporate travel and leisure/unmanaged business travel. It estimates that European corporate travel was an $88.2 billion industry in 2005, representing one third of the total travel market. The leisure/unmanaged business segment dominates the European travel market, with gross bookings of $174.4 billion in 2005. In South Africa, no distinction is made between corporate and unmanaged business travel and it is difficult to provide an accurate assessment of the value and size of the business travel market. According to Palapies (2001), approximately 40 per cent of the total South African travel market is business related. Gavin Stevens (2007:3), CEO of Tourvest Retail Travel, says that this figure could even be as high as 55 per cent. He also surmises that the current market size of corporate travel in South Africa is between R20 and 25 billion. According to the 2003 Annual South African Tourism Report, 34 per cent of tourism arrivals into South Africa were business related. Furthermore, South Africans made 3,066532 business trips in their own country (South African Tourism, 2004:100). Statistics South Africa reports that of the overseas travellers visiting SA during 2003, 88 696 (4,6 %)

reported that they were on business trips. Similarly, of the travellers from mainland Africa visiting SA during 2003, 193 367 (4,3 %) reported that they were on business trips. Conversely, South African residents travelled within mainland Africa more for business than for holidays (62,4 % as opposed to 35,9 %) but they travelled overseas more for holidays than for business (66,7 % as opposed to 29,7 %) (Statistics South Africa, 2005:7). A survey conducted by Research Surveys, one of South Africa's largest consumer market research companies, indicates that South Africa is one of the most attractive business locations in the world. The study, which considered the perceptions of more than 36 000 people, across 40 countries, showed that the country rated amongst the top 10 per cent in the world in terms of its reputation as a business location (South African Tourism, n.d.).

As mentioned above, business travel can be divided into two segments: the first can be termed 'unmanaged business travel' and is normally undertaken by employees of small and medium business enterprises with a relatively small travel budget; and the second segment can be termed 'managed' or corporate travel which is generally undertaken by employees of organisations with a substantial travel budget requiring management and control (Lubbe, 2000:197). It is true that all corporate travel can be regarded as business travel, but not all business travel can be regarded as corporate travel. The focus of this study is on the 'managed' or corporate travel segment.

Travel accounts for the second largest portion of a company's expenditure (Ravenall, 2000; Noakes, 2002:14; Collis in Mason, 2002:49) and corporate travel expenditure for large organisations in South Africa can range from R5 million to R300 million per annum (Lubbe, 2003). An organisation that has such a substantial travel budget needs to manage its travel expenditure in order to achieve all the possible benefits, the most important of which relate to cost savings. The high cost of business travel today is forcing organisations to find new ways to reduce travel expenses. One method of doing this is to decrease the amount of travel. This may well reduce expenses, but will often have a negative impact on a company's ability to service, sell or maintain a presence with their customer base. Therefore, this may become a self-defeating initiative. Egan (2002) suggests that the solution lies in proper planning and management of the travel budget, combined with a solid travel policy. Travel management gives a company the ability to control its travel expenses. The establishment of a corporate travel policy provides guidelines to control travel expenses related to the use of airlines, hotels, rental cars, and even meetings,

corporate training and any other operation that involves travel (Jenkins, 1993). 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.

Bell and Morey (1997:61) suggest that more research should be done on the issue of policy compliance. In a research study on corporate travel management in selected South African organisations, Lubbe (2003) also identified the need for further investigation into the extent to which corporate travellers comply with the travel policy. An organisation can negotiate agreements with a specific supplier, but not be able to deliver the business volume promised because the policy compliance rate is low. An individual traveller may have personal preferences for a particular supplier and find ways to thwart the more narrowly defined choice that is desired by the organisation.

The overall purpose of this study is to identify those factors that influence travel policy compliance and those that create a business environment conducive to optimum travel policy compliance. The study highlights organisational objectives in the formulation of a travel policy. A measurement instrument to assess the propensity of corporate traveller compliance is designed, and a model for policy compliance is proposed. This model should highlight those factors that must be included in the corporate travel policy that will lead to optimum compliance within an organisation.

1.2 PROBLEM IDENTIFICATION

Most of the research done in the corporate travel industry can be classified as 'popular' research conducted by research consultancy firms and often creates a biased view of the industry. Scientifically based research has been done in the area of corporate travel by only a few academics such as Mason (1999; 2000; 2001; 2002; 2006; 2007), Bell and Morey (1995; 1997) and Gilbert and Morris (1995). In South Africa, scientifically based research in the corporate travel industry is even scarcer, with Douglas and Lubbe (2006; 2009) being amongst the few to focus on this area. Researchers have emphasised the need for more research to be done on corporate travel policy. Bell and Morey (1997:61)

suggest that there should be a fuller investigation of issues surrounding policy compliance. In a research study on corporate travel management in selected South African organisations, Lubbe (2003) also identifies a need for more specific research into the extent to which corporate travellers comply with travel policy.

The corporate travel function within most companies is open to exploitation. To the researcher's knowledge, the only research conducted on how corporate travel is misused and exploited for the traveller's personal gain, was based on frequent flyer programmes and their ethical implications (Deane, 1988; Lansing & Goldman, 1996; Arnesen, Fleenor & Toh, 1997). The 2005 American Express Survey of International Business Traveller Expense Practices reveals that many respondents believe that the falsification of charges submitted for repayment on expense reports is common. The restaurant category was quoted as the most-abused travel and entertainment (T&E) expense (American Express, 2005). In a study done on corporate travel in South Africa, travel managers were of the opinion that corporate travellers deliberately infringe the travel policy, while only a fifth of organisations surveyed, reported that travellers comply with the travel policy all the time (Lubbe, 2003). A global survey by flight schedule publisher OAG Worldwide showed that, on average, employees breach corporate travel policy on one trip in six (Cohen, 2000). Yermack (2005:17) reported that 35.2% of chief executive officers (CEOs) of 237 companies listed in the 2002 *Fortune 500* ranking of largest U.S. companies made use of the company aircraft for personal travel. Solutions Group, the consultancy wing of Carlson Wagonlit Travel, audited 67 companies and found that only one had more than 60 per cent of travellers booking accommodation within the framework of company policy. A survey of business travellers revealed that just over one-quarter (27 per cent) admitted to having broken policy in the last 12 months. This figure may be judged suspiciously low when one considers that 61 per cent also said policy was frequently breached in their organisation (Supply Management, 2004). Corporate travellers who misuse corporate travel for personal gain can cost a company an enormous sum of money. According to Hullett (2005), many studies have estimated the compliance cost at about $3 million a year for companies, while expense reimbursements account for 22 per cent of all corporate fraud incidents and cost companies, on average, $92,000. There is clearly sufficient opportunity to identify and improve auditing processes that can result in greater cost control, savings and productivity for organisations (Hulett, 2005).

Authors have different opinions as to why corporate travellers violate the travel policy. Soren Schodt, Danish Travel Pool (DTP) managing director, is of the opinion that the most common cause of avoidance is a poorly written policy. Many policies are written with too many grey areas: if the traveller can dispute that the policy is wrong, then compliance can be difficult to enforce (Cohen, 2000). Companies also fail to communicate universally to employees. An American Express survey in the US found that travellers did not understand their company travel policy, and only 43 per cent actually had access to it. This problem can be easily rectified today by distributing the policy via the company intranet, especially as this medium permits details to be updated frequently (American Express 2002). The survey done by Lubbe (2003) in South Africa reported that organisations agreed that last-minute bookings are the main reason for non-compliance, followed by the unknowing infringement of the policy and the use of personal loyalty cards. Others believe that inconvenient schedules are the greatest cause of non-compliance (Gross, 1996). The OAG survey (Cohen, 2000) supports this view, with seven out of ten travellers claiming that this was why they contravened policy regulations. These problems point to a corporate travel policy that does not meet the needs and demands of the organisation's corporate travellers, which means that the travel policy cannot achieve its main purpose: to reduce the organisation's travel expenses.

Along with these practical reasons, there are also several psychological explanations for policy non-compliance or avoidance. Some travellers break the rules by flying business class because they find it demeaning to sit in economy. A small number of travellers may also break the rules simply to be wayward. The travel policy is an ideal opportunity to express rebelliousness through relatively trivial transgressions of company rules (Cohen, 2000). Gordon, Wiles and Wiles (n.d.) go further by saying that policy compliance depends on the ethical values held by an individual. In a research study conducted on ethical considerations in frequent-flyer programmes, Deane (1988:755) concluded that frequent flyer programmes pose significant ethical dilemmas, with employees and employers generally choosing to ignore such dilemmas.

Organisations need to find a way to enforce corporate travel policy compliance. Discouraging noncompliant traveller behaviour is a major concern for all travel programmes regardless of size, expenditure or sophistication. While senior management-imposed mandates are often considered to be more draconian than absolutely needed,

they appear to have come back into fashion. Non-repayment of expenses incurred by virtue of policy infringements seems once again to have gained importance in the corporate travel industry. Beyond realising cost savings, companies that encourage compliance with a strong, enforceable policy may see the benefits in terms of demonstrating their capacity to move market share, thereby gaining negotiating leverage with suppliers, helping travellers to save time and effort in carrying out their work for the company, and maintaining the appropriate levels of comfort and security during travel (Kirshner, 2005).

Travel managers and consultants are of the opinion that including employees in travel policy-making is crucial to ensuring maximum compliance (Gross, 1996). Tactics such as involving a wide range of employees, making travel policies available online and enlisting senior management in introducing a new policy can help to increase conformance. Making sure that workers follow travel guidelines is essential, since most businesses sign contracts with preferred suppliers who guarantee a minimum level of traffic. When employees do not adhere to the company's policy, they may undermine negotiated discounts and bring utilisation below the level at which the company will continue to enjoy those discounts (Gross, 1996). However, Gross (1996) agrees with Kirshner (2005) by saying that corporations do have a great deal of leverage in terms of getting employees to comply: they can simply refuse to reimburse them.

Many travel managers and consultants agree that making policies more traveller-friendly helps to increase acceptance. This includes allowing employees to keep frequent-flyer miles, not forcing them to take the lowest rates, and sometimes allowing more expensive direct flights (Gross, 1996). Thus, the corporate travel policy should take both employee needs and the company's bottom line into account. A documented, accessible travel policy can guide employees to stay within predictable and realistic parameters. Organisations need to have a formal documented policy in place to manage and control travel expenditure. For the travel policy to achieve its main purpose, corporate travellers need to comply with the policy but, given the problems highlighted, it seems that, currently, value conflicts exist between management and travellers due to cost containment actions versus traveller comfort and "self-esteem", as well as with monitoring policy compliance (Gilbert & Morris, 1995:20). It appears that a discrepancy exists between an organisation's approach

and its corporate travellers' approach to the content of the corporate travel policy. This discrepancy adds to the dilemma of managing the travel account.

It can be assumed that corporate travellers will comply with the travel policy if their travel needs are satisfied by the policy. According to Ravenall (2002), 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. The answer to this dilemma lies in identifying all the different factors that could possibly lead to non-compliance and in creating a business environment that not only satisfies the needs of corporate travellers, but also encourages and promotes optimum work performance, while creating an equitable relationship between employer and employee.

In summary, the problems highlighted in this discussion relate to the possible inability of organisations to accurately assess reasons for non-compliance with the corporate travel policy and the lack of an effective management tool to monitor policy compliance.

1.3 OBJECTIVES

The main purpose of this study is to design a measurement instrument that can accurately identify factors that lead to non-compliance and, from this, to propose a model for effective corporate travel policy compliance. This model could then assist organisations in developing a corporate travel policy for their organisation that will encourage and increase compliance, based on the precise assessment of the needs of the travellers and the objectives of the organisation as reflected in the corporate travel management programme. To some extent, this research should also overcome the lack of scientific research in the area of corporate travel management and particularly policy non-compliance.

In order to achieve the purpose of the research study, the following research objectives have been formulated:

1. to determine organisations' objectives in the formulation of the travel policy
2. to identify factors that influence travel policy compliance
3. to design a measurement instrument to assess the propensity for corporate traveller policy compliance within an organisation

4. to develop a model for travel policy compliance
5. to propose a travel policy framework that includes all the essential elements for optimal travel policy compliance

The approach and research process to be followed in order to accomplish these objectives is explained in the next section.

1.4   APPROACH/METHODOLOGY

1.4.1   The Research Process

A graphical representation of the complete research process is provided in figure 1.1. The figure shows the flow of the process from the initial objectives of the study, the concept of travel policy non-compliance, to the ultimate output – the model for policy compliance. Figure 1.1 commences with the research objectives as derived from the overall purpose of the study. Certain research objectives (1 and 2) are achieved through a literature review and qualitative study. This guides the design of the measurement instrument (research objective 3). From the results of the data analysis, objectives 4 and 5 are attained.

Figure 1.1 indicates that two main constructs affecting compliance are derived from the literature review – namely, corporate-related and personal-related factors. Two hypotheses are formulated from these two constructs:

H_1: Personal-related factors influence corporate travel policy compliance.

H_2: Corporate-related factors influence corporate travel policy compliance.

To test these hypotheses, a measurement instrument is devised. Items to be used in the instrument are generated from the literature review, as well as by means of a qualitative research methodology – namely, the Delphi technique. The measurement instrument consists of a quantitative questionnaire to be sent out to corporate travellers. From the results of the questionnaire, a model for compliance is developed.

Figure 1.1: Non-compliance research process
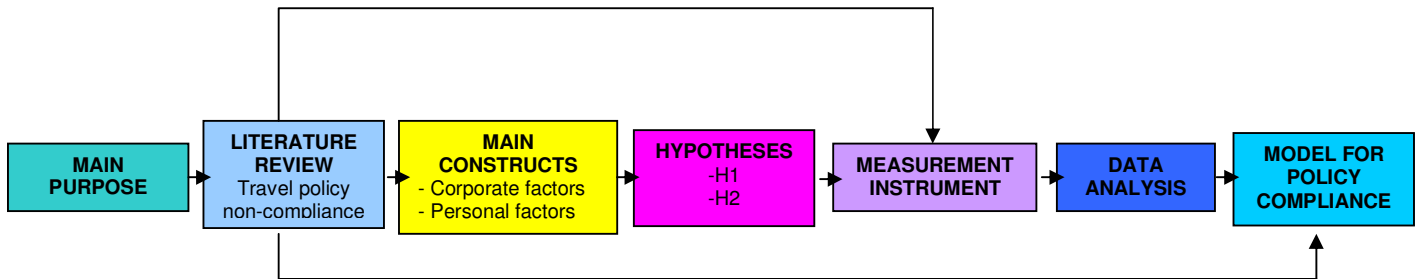
1.4.2 The Empirical Research

The empirical research design begins with the factors that influence policy compliance as identified in the literature survey. Further factors that could lead to possible non-compliance are identified through a qualitative research method namely the Delphi technique. From this, a conceptual model is developed through which the measurement instrument (a quantitative questionnaire) is derived. The empirical process is illustrated in figure 1.2.

Figure 1.2: The empirical research design
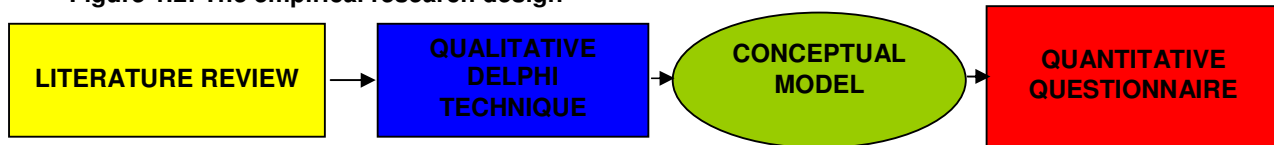
The consideration of the research methodology takes into account that both qualitative and quantitative research is required to meet the research objectives and to test the hypotheses. The type of information required from corporate travel managers and Travel Management Companies (TMCs) can only be obtained using qualitative research techniques. While measuring the objectives of the corporate travel policy and establishing a travel policy framework, it is not the number of responses that matter, but rather the detail and richness of the responses. By using qualitative techniques, the researcher not only investigates the actions of the managers in setting travel policies, but also tries to find out how the respondents represent their feelings and thoughts in these actions. Consequently, qualitative techniques are better implemented under conditions such as those where the richness of information is important. Another factor that leads to the use of

qualitative research techniques is that there are only a limited number of expert travel managers involved in the corporate travel market in South Africa. It is very difficult to achieve the objectives with a small sample of responses. Qualitative data allows for the interpretation of considered opinions, where the selection of the sample is related to the knowledge level of management: this means that a non-probability, purposive judgement sample must be used. On the other hand, the type of information (such as the percentage of non-compliance with the travel policy as well as the extent to which certain factors influence policy compliance) required from the corporate travellers can only be obtained using a quantitative research technique such as a questionnaire, which generates nominal, ordinal, ratio and interval data in order to test the hypotheses. Therefore, in order to solve the research problem satisfactorily, it is not only necessary to quantify some of the responses, but also to have an in-depth look into the corporate travel market.

The research design can be described as being explanatory, since stated hypotheses are tested which results in predictions for developing an optimal corporate travel policy. In brief, this research can be described as a formal, cross-sectional, communication study.

1.4.3 **Sample**

Qualitative exploratory research amongst purposively selected corporate travel managers and TMCs is conducted to generate a list of items for the quantitative study which reflects the business environment in which corporate travel takes place and what the managers view as factors that might influence corporate traveller compliance. The Delphi technique is used to collect the qualitative data from the panel of experts. The Delphi is a group facilitation technique that seeks to obtain agreement on the opinions of 'experts' through a series of structured questionnaires. Corporate travel managers and TMCs are purposively selected from the corporate travel industry in general, based on specific criteria such as their particular field of expertise and knowledge of the industry, as well as their positions in the company. The data derived from the qualitative study, together with the factors identified in the literature survey, form the foundation of the measurement instrument for the quantitative study which takes the form of a questionnaire. The quantitative, statistical study is conducted amongst corporate travellers in selected South African companies. The selection of the companies is based on three main criteria: size of the company and number of corporate travellers, corporate travel expenditure per annum and whether

corporate travel is managed as a centralised function within the company. To ensure the validity of the items generated, a pilot study is performed among a group of corporate travellers to verify readability and correctness of the constructs and variables. Once the measurement instrument has been finalised, a web-based survey is conducted amongst the corporate travellers of each company. The respondents are guaranteed anonymity and confidentiality. Issues related to web-based questionnaire bias are carefully considered, and appropriate techniques applied to preclude the possibility of such bias.

1.4.4 Data analysis and results

For the data gathered from the qualitative study, a content analysis technique is used to ensure an objective and systematic description of the manifest content of the communication from corporate travel experts. This allows for the generation of the items required to describe the factors that influence the compliance of corporate travellers.

Since the questionnaire is web-based, the descriptive data can be captured electronically at the same time that respondents complete the questionnaire. The data should generate a large number of variables on the determinants of corporate traveller compliance and those factors conducive to a business environment in which corporate travellers can function and perform optimally. Hypotheses-testing using analysis of variance techniques is conducted, and the results provide insight into those factors that could lead to non-compliance with the corporate travel policy, as well as the ideal business environment in which corporate travel should take place. Multinomial logistic regression modelling involving the stepwise forward method is used to test the conceptual model for policy compliance.

1.5 ACADEMIC SIGNIFICANCE/BENEFIT OF THE RESEARCH

Not only private companies have to contend with this issue of corporate travel management. In South Africa, proof exists that even public companies and government departments struggle to manage corporate travel effectively. In her research study, Lubbe (2003) reports a significant difference between public and private sector companies, where deliberate infringement of the travel policy occurred amongst a greater number of public

rather than private companies. Recent newspaper reports on mismanagement of corporate travel in government departments revealed that the government lost vast amounts of money because of fraudulent travel claims (Carter, 2006). Still further reports accused government officials of using state assets and funds to pay for personal holiday trips (Pelser, 2006). These reports reflect poorly on the South African government and show that the corporate travel management function is in desperate need of repair. This research study thus aims to aid private and public companies to better manage corporate travel. The first step taken in this process is to develop a measurement instrument to assess factors that could lead to travellers not complying with the travel policy. This measurement instrument not only determines factors that could lead to non-compliance amongst corporate travellers, but also identifies factors necessary to create a corporate travel environment that promotes an equitable relationship between a company and its corporate travellers.

In 2003, Lubbe conducted research on corporate travel management in South African organisations and identified the need for further investigation of this aspect. She also conceptualised a model for the effective management of corporate travel and stated the need for it to be tested. In 2005, Douglas further developed this conceptual corporate travel management model. The components of a generic corporate travel management programme were analysed and the values and objectives of each party in the corporate travel management process were identified. The study also found that value conflicts exist between the respective parties involved in the corporate travel management process and advocated that organisations in South Africa needed to manage their corporate travel programmes effectively (Douglas & Lubbe, 2006:1130). This research study aims to expand on the research conducted by Lubbe (2003) and Douglas (2005) by further developing a component of the model. To test the effectiveness of the entire corporate travel management model would not be feasible for this study. For this reason, the study will focus only on the travel policy as one of the components of the model.

Gilbert and Morris (1995) have undertaken research on the relative importance of hotels and airlines to business travellers and how this affects job satisfaction, while Douglas and Swart (2003) investigated the extent to which corporate travel policy meets the needs of corporate travellers at a particular company in South Africa. However, to the researcher's knowledge, no research has been conducted to develop a measurement instrument to

assess other factors that could lead to possible non-compliance with the travel policy. This measurement instrument not only serves the purpose of assessing corporate traveller satisfaction, but also investigates the abuse of corporate travel for personal gain and attempts to find ways to combat this exploitation by developing a corporate travel policy framework that will encourage and increase policy compliance. Furthermore, the study also examines the factors that lead to the establishment of an equitable relationship between a company and its corporate travellers, and how this relationship increases both corporate traveller gratification and policy compliance.

This study aims to make a significant contribution towards the limited academically based corporate travel literature, as well as augmenting the body of knowledge available on corporate travel by means of generating new information.

1.6   INDUSTRY FEASIBILITY AND IMPACT OF THE RESEARCH

This research study should assist organisations – private and public – to control travel expenses by developing an effective travel policy that encourages policy compliance. It can be assumed that corporate travellers will strive to comply with the travel policy if their companies take note of certain corporate- and personal-related factors when developing the travel policy.

Because the field of tourism is a relatively young academic discipline and there is such a lack of scientific research done in the field, this project should make a definite impact on the tourism industry. It is expected that this research will generate a number of articles in internationally accredited journals.

1.7   EXPOSITION OF CHAPTERS

In order to adequately cover the area being studied, it is necessary to explore all the concepts and issues related to corporate travel, the use of a corporate travel policy and the factors that could lead to possible non-compliance with the policy.

Corporate travel policy compliance is one of the contributing factors to an effective corporate travel management programme. This programme is part of the entire corporate travel industry and should be seen in the context of this industry and its various structures in order to fully understand its role. Chapter 2 provides an overview of the corporate travel industry and this serves as an introduction to the important concepts and terminology used in this study. Terms and concepts defined and described in this chapter are business travel, corporate travel, the corporate travel management model, the organisation and its corporate travellers. Since the corporate travel policy and compliance with its tenets is the focus of the study, this concept is also explored thoroughly in chapter 2. The theory relating to the corporate travel policy is explained. The development of an effective corporate travel policy, the layout of the corporate travel policy and types of travel policies are explored.

In chapter 3, travel policy non-compliance is reviewed. Particular attention is given to factors that could lead to non-compliance. These factors are categorised into personal- and corporate-related factors. An exposition of each is provided, as they form the main constructs for the empirical research. This section provides the theoretical foundation for the development of a conceptual model for policy compliance.

The theoretical foundations of chapters 2 to 3 provide the background for the planning of the empirical research. The research design is stated and substantiated in chapter 4. The choice of qualitative and quantitative research designs for attaining the research objectives is fully explained and motivated. The selection of the sample is discussed, and the choice of research instruments described. An important section presented in this chapter is the discussion surrounding the choice of evaluative methods for analysing the data.

In chapter 5, the interpretation of the results of the investigation is delineated.

Chapter 6 provides a model for policy compliance based on the results of the empirical research. Policy compliance is proposed by way of a corporate travel policy framework that takes both personal- and corporate-related factors into account.

1.8 CONCLUSION

Corporate travel forms an integral part of the tourism industry. Managing the corporate travel function is a complex task, because so many stakeholders are involved in the process. The fact that various stakeholders participate in the process can often lead to value conflicts between them because of differing and incompatible values. Value conflicts can occur between the organisation and its corporate travellers in the implementation of the corporate travel policy. The organisation expects its corporate travellers to comply with the travel policy: when this does not happen, the company cannot save money, its ultimate goal. The focus of this study is to explain this value conflict by identifying factors that could lead to possible non-compliance and ultimately to develop an optimal travel policy framework that not only encourages, but also increases, policy compliance.

In order to understand the context in which this study is conducted, the next chapter contains a discussion of the corporate travel industry, the organisation, the corporate traveller and the corporate travel policy. The travellers' behaviour is also discussed in terms of their needs and demands and how thwarting these could possibly lead to non-compliance with the corporate travel policy.

CHAPTER 2

AN OVERVIEW OF CORPORATE TRAVEL

2.1 INTRODUCTION

A number of factors can influence a corporate traveller's compliance with the company's corporate travel policy. The responsibility of setting and enforcing this policy lies within the corporate travel management function which is discussed in this chapter, with a brief overview being provided of some of the most important concepts in corporate travel.

Areas of concern in this study are the corporate travel policy, the organisation, the corporate traveller and compliance with the travel policy, as well as factors that might influence policy compliance. These areas are all interlinking parts of the broader concept of corporate travel. The purpose of the discussion is to provide an understanding of corporate travel and its management, and to identify those factors that influence the traveller either to comply with the corporate travel policy or not. The concepts and definitions of corporate travel and its related terms as used in this study are clarified by reviewing a variety of sources. This chapter selects and discusses those definitions, concepts and processes that form a sound theoretical foundation for this study and which provide a suitable framework for further discussion. To achieve this, a conceptual model for the corporate travel management process is introduced. The model will form the foundation for the remainder of the discussion in chapter 2. Some components of the model which do not form part of the primary focus of the study will merely be mentioned, while other aspects will be discussed in-depth.

2.2 CORPORATE TRAVEL MANAGEMENT

Business travel covers those who travel in order to attend to business matters in countries or areas other than the physical location of their organisation. The primary purposes of the business trip can include (1) attending an internal company meeting, (2) carrying out a sales and marketing trip, or (3) attending a conference or sales expo/show (Mason, 2006:95). In addition, Lubbe (2000:176) mentions two secondary motivations for business travel. The first can be regarded as embracing social or interpersonal motivators, which include the desire to meet new people, forge new associations or strengthen existing relationships. The second can be viewed as involving status or prestige motivators, which include the desire for recognition, attention, appreciation, knowledge and a good reputation. Mobility is key to an organisation's ability to effectively and immediately react to a growing competitive global environment, market expansions and extended management networks. Corporate travel therefore presents a critical support process to a company's core business. Yet, a company's travel programme is only of value when it is efficiently incorporated into its corporate strategy, consistently supported and continuously improved by the key decision-makers (DuntonTinnus, 2007).

A concise definition of corporate travel management is: The maximisation of travel services by a corporation to its employees and the minimisation of the cost of providing those services (Cohen, N.d.). Meyer (2002) explains corporate travel management as the means by which organisations exert guidance and discipline over the transportation, lodging, meals, entertainment and related expenditure incurred by their employees when travelling on behalf of the organisation. Travel management is a specialised business function that balances employee needs with corporate goals – financial and otherwise. Travel management ensures cost tracking and control, facilitates obedience to corporate travel policies, realises savings through negotiated discounts and serves as an important information centre for employees and managers (Goodwin & Marble, 2003). Voss and Schubert (2004) refer to travel management as the corporate function of managing the business travel activities of an organisation's employees. This includes the description of the guidelines and rules with which one needs to comply when travelling; in other words, the travel policy, assessment of appropriate suppliers and services for a particular travel need, the booking of flights, hotels and other travel services, as well as probable changes

and cancellations. Furthermore, it encompasses the scope of actions related to accounting and monitoring, as well as strategic sourcing negotiations and decisions.

Most industry leaders concur that a successful travel management programme consists of four core elements: the management of travel data and information, an effective travel expenditure management process, a contracted travel management company and a well formulated travel policy (Bunge, 2001; De Kruiff, 2002; Lubbe, 2002; Ravenall, 2001).

Travel data and information facilitate an understanding of the company's travel expenditure and provide a clear focus for company travel (De Kruiff, 2002). Bunge (2001) suggests that an organisation uses this information to negotiate discounts from suppliers, such as airlines and hotels, and to encourage corporate travellers to avail themselves of such discounts. Maintaining up to date data records also aids in increasing future savings, because reliable information about employees' travel habits is key to negotiating with airlines, hotels and car-rental companies (Irvine in Lewers, 2003).

For companies to capture travel data, a central system is required. One such payment system connected with the *travel expenditure management process* is where the organisation is issued with a business travel credit card from a corporate bank. At the end of each month, the bank sends the company one consolidated statement detailing all travel purchases made. The rewards of a centralised payment system lie in two areas – processing efficiency and financial management savings. With regard to the former, the company only needs to send one payment to its card issuer, instead of the vast number of reimbursement payments sent to individual cardholders to forward to the issuer. The financial management savings are derived from the flexibility the company has in sending the payment. The company has the ability to manage the float of funds and ensure prompt payments, eliminating or minimising fees for late payments and additional finance charges. This can result in considerable savings for the company. Additionally, employees' satisfaction increases because of the ease of central payment. Employees need only account for their own personal expenses and the company accepts responsibility for the remainder (MasterCard, 1998:16). The use of comprehensive and efficient payment methods ensures that a company can validate actual costs and gather supplier data (Wint & Avish, 2003:1).

Besides the technical function of reservations, *travel management companies* provide a 'complete solution' to organisations, which includes management information systems on travel patterns and expenditure; travel policy adherence; negotiating client-focused preferred supplier agreements; cost containment and budgeting (Lubbe, 2002; Alamdari, 2002; Alamdari & Mason, 2006).

The major purpose of the *travel policy* is to keep the cost of corporate travel within predictable and realistic parameters and to save the organisation money (Rothschild, 1988; Wint & Avish, 2003:1). It also serves a secondary purpose of allowing travellers to understand exactly what the limitations are in terms of choices and alternatives. The corporate travel manager has the responsibility to prepare the policy in writing, as well as distributing it to all corporate travellers (Lubbe, 2000:205). TMCs are also increasingly involved in becoming the mechanism by which travel policies are delivered.

Whilst each one of these elements is individually important, they need to be managed as part of an integrated management process. However, because of the complex and dynamic nature of travel, many companies are reluctant to do this. Ultimately, despite all the planning that may take place, travel and entertainment (T&E) expenses are incurred, not by purchasing professionals, but by travellers whose pre-eminent concerns are often their own comfort and convenience while on the road. This situation is complicated by the fact that frequent travellers invariably consider themselves experts in making travel arrangements. Managing travel requires a great deal of internal communication, customer service and sensitivity. The challenge of effective travel management is to exert an appropriate level of control over each of potentially thousands of individual transactions of a company's T&E budget (Ravenall, 2001), and to sustain an effective management process.

As a point of departure for this research study, which relates to issues of corporate and personal values, a conceptual model, which can be applied in the effective management of corporate travel, is used. The model is loosely based on the 'soft value management model' developed by Liu and Leung (2002:341). In the next section, the basic components of this model are described and discussed in the corporate travel management context, with reference to the objectives of the study.

2.3 A CONCEPTUAL MODEL FOR THE CORPORATE TRAVEL MANAGEMENT PROCESS

The soft value management model was initially developed for application in the field of engineering and was aimed at the economic and managerial aspects of project development, where project goals are achieved through effective interaction between the client and the project team members, by aligning their joint values and goals. The model consists of five components: input from the stakeholders (client and team members); values of the client and team members (and potential value conflicts); goals, actions and outcomes of the projects. The input of the client and team members is represented in their personal values driven by past experiences, future wishes, fears, the present situation (which includes an individual's ability and knowledge, the hierarchy of values and the difficulty of tasks), as well as environmental pressures such as economic realities and regulatory prescriptions. The goals decided on are underpinned by an individual's value system and require specificity for high performance. Project goals are set to initiate required actions for project realisation. Finally, value management is depicted as being triggered by internal and external input factors in the environment. These lead to a decision-making process, which produces decision outcomes. Output from this value management system becomes the input for other systems (Douglas & Lubbe, 2006:1131).

The applicability of the soft value management model to corporate travel management (as shown in figure 2.1) lies in the relevance of the underlying components to the process of corporate travel management. Internal values and environmental pressures drive the input of both internal and external stakeholders. Internal stakeholders can be seen as the corporate travellers and management of the organisation, and external stakeholders as suppliers (for example airlines and hotels) and TMCs. Each of these groups has different values, objectives and needs related to corporate travel and, as a result, value conflicts may be experienced. To overcome these, goals such as cost savings, service levels, increased productivity and traveller guidelines are set. Actions or operational procedures are implemented in support of these goals (setting policies, controlling expenditure and managing corporate travel processes). The desired outcomes should be produced by the aggregate behaviours of all stakeholders, with the results being fed back into the system for improved performance (Douglas & Lubbe, 2006:1132). In applying this model to

corporate travel management, the purpose was to lay a foundation for future explanatory research.

However, the goal of this particular research study is not to test the complete model for its effectiveness, but rather to investigate only one component of the model – namely, value conflicts that may occur between a company and its travellers due to incompatible needs. Since the main objective of this research study is to identify factors that might influence corporate traveller compliance with the travel policy, it is of particular importance to give adequate attention to the values of a company and its corporate travellers. The values of the company are generally set out in the travel policy. Value conflicts occur when the travel policy does not address the values and needs of the corporate traveller. At this point, the traveller might decide not to comply with the travel policy. This scenario is supported by research results from Douglas and Swart (2003) who found that a traveller would only comply with a travel policy that satisfies his or her needs. For the purpose of this research, factors that could lead to non-compliance, over which the traveller has little control (such as travel policy stipulations), would be regarded as corporate-related factors. On the other hand, value conflicts between a company and its corporate travellers might also transpire because of personal factors, such as the ethical values held by an individual and the honesty of the traveller. These personal factors are not influenced by the travel policy as such, but may have an impact on the actions of the corporate traveller. For the purpose of this research, factors that could lead to non-compliance, stemming from the traveller as an individual, are termed personal-related factors. The rest of the chapter offers an in-depth discussion of the components of the model as these relate to corporate travel management and policy compliance.

Figure 2.1: The corporate travel management model

Internal input factors
- Organisational profile
- Senior management
- Corporate travel department
- Corporate travellers

External input factors
- TMC
- Suppliers

Feedback

Values
- Comfort (travellers)
- Cost effectiveness (organisation)
- Volume (supplier)
- Consistent flow of business (TMC)

Value conflicts
- Between corporate travellers, organisation, TMC and suppliers

Goal
Successful, effective corporate travel management programme

Actions
- Travel policy
- Technology
- Relationships
- Payment methods

Outcome
Successful, effective corporate travel management

Adapted from: Liu & Leung (2002)

2.4   INTERNAL INPUT FACTORS

In Figure 2.1, the internal stakeholders in the corporate travel management process – namely, corporate management and corporate travellers – are depicted as working within a specific organisational profile.

2.4.1   Organisational profile

Certain organisational aspects may affect corporate travel management and, more importantly, policy compliance. These aspects include: the structure of the company, its size, organisational culture and whether the company operates in the private or public sector. The influence that each of these aspects might have on policy compliance will be discussed in turn.

2.4.1.1 Organisational structure

The structure of an organisation relates to the way in which its various parts are arranged, representing the sum of the total ways in which the organisation divides its labour into distinct tasks and co-ordinates them (Mintzberg, 1979). An organisational structure can also be described as: a formal system of relationships involving task and management reporting that organises and encourages organisational members so that they work as one in achieving organisational design goals (Jones, George & Hill, 1998).

Anumba, Baugh and Kalfan (2002:263) identify the characteristics which define types of organisational structures as follows:

- the grouping of roles, tasks and functions
- the method of making decisions – whether decisions are made by a small number of senior managers (centralisation) or by a large number of employees (decentralisation)
- the method of communication – whether communication is done in a top-down or lateral manner
- the number of management levels: firms with a number of management levels are referred to as tall (as opposed to flat)
- the span of control – referred to as narrow or wide, based on the number of people under each manager's authority; and
- the chain of command – the lines of authority in the company. Firms with inflexible chains of command are said to be bureaucratic and centralised.

The relevance of organisational structures to corporate travel management is explained when one considers that different organisational structures will probably employ different types of travel policies, which, in turn, will have an influence on policy compliance. For example, when a company decides on a travel policy in a centralised manner, only a few senior managers will provide input regarding the matter. The majority of travellers with little input could consequently feel dissatisfied with the travel policy and might decide to violate it. Similarly, if a company communicates to its employees in a top-down manner, travellers will rarely have the opportunity to communicate with top management when they are dissatisfied with the travel policy and might rather decide to breach it. Top-down

communication might also not be effective, which could mean that the policy will be ineffectively communicated to the travellers. At the same time, the wider the span of control, the higher the possibility that the traveller might break the policy, as the manager may have too many employees under him or her to control. The different types of organisational structures will be discussed next.

Traditional organisational structures

Traditional organisational structures are tall, bureaucratic, pyramidal and centralised, with a number of management levels, distinct chains of command, inflexible lines of authority as well as narrow spans of control (Schermerhorn in Anumba *et al*., 2002:263). The most important kinds of traditional structures are functional and divisional. The functional structure is made up of all the departments needed by the company to produce its goods or services (Jones *et al*., 1998). It comprises the proper grouping of people with the same skills and knowledge, who utilize similar tools, technology and techniques, perform closely related activities, and are expected to work collectively to carry out a critical function. Typical functional departments include marketing, finance and accounts, personnel and production or construction (Anumba *et al*., 2002:263).

Divisional structures are those which include separate, independent business units, each of which include the diverse functions and departments that work as one to produce a specific product for a specific customer (Jones *et al*., 1998). Opposed to the functional structure, this system brings together people who have dissimilar skills and tasks. As a result, each division is a collection of a variety of functions and departments. This type of structure tries to produce smaller, more controllable units in the organisation which are usually designed according to the type of product or service (product structure), the type of customer (market structure) or the area in which the product is being manufactured (geographic structure) (Anumba *et al*., 2002:263).

A grouping of both the functional and divisional structures is known as a hybrid structure (Jones *et al*., 1998). It endeavours to deal with the various operating needs of a company, thereby enabling it to respond to different challenges and environmental changes. This type of structure is thus appropriate for large companies with numerous divisions, which perform an extensive range of operations and which seek to gain optimum benefits from

worldwide operations. It also offers a high level of flexibility in an organisation (Anumba *et al.*, 2002:264).

According to Rossouw (2006), organisations have had to experiment with new ways of working in order to stay competitive in the global economy. The requirement to be flexible to consumer demands and variations in the market means the end of hierarchical and bureaucratic organisations. Flatter organisations with fewer layers of authority and flexible job descriptions have become more common.

Non-compliance with the travel policy may occur in traditional organisational structures which are tall, bureaucratic, pyramidal and centralised, with distinct lines of authority and narrow spans of control. A possible explanation for this is that such organisations might think it worthwhile to make use of a travel policy where all levels of staff are not treated equally. Travellers might feel that they are being treated unfairly and might decide to breach the policy. For example, management levels rather than factors such as frequency or purpose of travel may dictate the level of comfort allowed in travel.

Modern organisational structures

Modern organisational structures are typically more flexible – flat and decentralised, and characterised by lateral communication and wide spans of control. These modern systems tend to promote teamwork and cooperation and often consist of a team structure imposed on a functional one. The most common type is the matrix, which has the benefits of high levels of technical skill created by its functional structure, as well as flexibility and teamwork enabling the accomplishment of both group and organisational objectives (Jones *et al.*, 1998). The quintessence of the matrix is that a set of departments or divisions is horizontally superimposed on a traditional hierarchical structure. Large companies, which operate in fast changing environments, and which focus on growth and development, are likely to use this structure. It is also appropriate for any company which carries out many projects simultaneously, all of which require technical expertise and special managerial attention (Anumba *et al.*, 2002:264). Travellers at most levels in such a company would probably enjoy the same benefits and typically have a 'looser control' policy.

The shorter lines of communication and greater reliance on informal communication networks in flatter organisations indicates that new methods of performing tasks (such as utilising a self-booking tool) are likely to be adopted more rapidly, whereas the commitment to formal lines of communication in more hierarchical organisations delays the speed at which new business practices are adopted (Mason, 2007:21).

2.4.1.2   Organisation size

Companies of all sizes engage in corporate travel. Company size might have a significant impact on the development of the travel policy, as well as influencing compliance with the policy.

This was proved by Mason (1999:73) who investigated business traveller attitudes towards corporate travel policies. He found that a business traveller's attitude is influenced by the size of company that he/she is employed by. Respondents who had positive attitudes towards corporate travel policies were employed by companies with more than 1 000 employees. Respondents who had negative attitudes towards corporate travel policies were employed by small companies with fewer than 100 employees. These findings suggest that business travellers employed by larger companies generally have positive attitudes towards corporate travel policies. Further analysis indicated that company size will clearly influence whether a company would employ a travel manager and have a corporate travel policy (Mason, 1999:75). What is more, travel policies tend to be more overtly stated in larger companies than in smaller companies (Mason, 2001:105).

2.4.1.3   Organisational culture

Corporate culture is of fundamental importance to almost every aspect of a firm's operations. Managers of organisations have turned to corporate culture not only to elucidate what happens in organisations, but to try and shape what happens in ways that are consistent with organisational goals – to use culture to orchestrate organisational change. Culture characterises the consensus within a company about how activities should be completed and is believed to be a consequence of a group's shared experience and learning with regards to matters of external adaptation and internal integration (Schein, 1985). The following are important fundamentals of culture: philosophy, mission,

values, principles, guidelines, history, national culture, the founder of the company and subculture (Melewar & Karaosmanoglu, 2006:855).

Corporate culture has been tasked by many corporations to provide structure, standards and a value system in which employees can function. This culture offers a strong motivational power by providing its members with a sense of identity and a source of commitment. Thus, corporate culture becomes a frame of reference for understanding reality and for shaping organisational behaviour. It is considered to be the arcane force behind the tangible; a social energy that communicates with and motivates people to act. Exceeding leadership style, power structures, organisational structure, decision-making processes, functional policies and management systems, it can result in one organisation establishing a competitive advantage over another, although apparently both have access to similar resources (Pang, Roberts & Sutton, 1998:277). Pearce and Robinson (1997) add that organisational culture is the set of important beliefs (often unstated) shared by members of an organisation. Every organisation has its own culture which can be compared to an individual's personality – an intangible, yet ever-present theme that gives meaning, direction and the basis for action. As personality influences the behaviour of an individual, so the shared assumptions (beliefs and values) among an organisation's members influence opinions and actions within that firm. A member of an organisation can merely be responsive of the organisation's beliefs and values without sharing them in a personally important way. Those beliefs and values have more personal meaning if the member views them as a guide to acceptable behaviour in the organisation and thus complies with them. The member becomes deeply committed to the beliefs and values when he or she internalises them – that is, comes to hold them as personal beliefs and values (Pearce & Robinson, 1997).

An organisation's culture is reflected in all its operating policies and procedures, including its corporate travel policy. Those responsible for making travel management decisions in a company should have an instinctive grasp of their company's culture (Wint & Avish, 2003:2). The type of policy followed is dependant on the corporate culture that exists within the organisation. These aspects are explained in more detail later in this chapter. Spending time and resources in creating a travel policy that is correct for the organisation can reap benefits in the long term, as a policy that does not offer enough flexibility for the

traveller or is not in line with corporate culture will almost unavoidably result in low compliance rates and, in effect, become redundant (Sauser, 2003).

2.4.1.4 Private or public sector

In South Africa, the public sector comprises non profit-making government departments and organisations such as South African Airways, where the government owns the organisation, but the organisation is managed in order to generate a profit. The private sector is part of the national economy of a country and is made up of resources owned by private enterprises. It includes the personal sector (households) and corporate sector (firms), and is responsible for allocating most of the resources within an economy (The Business Dictionary, N.d.). The private sector is run for profit and is not controlled by the state. The private sector can be further divided into public and private companies. Public companies are listed on the stock exchange, whereas private companies are not.

In 2003, Lubbe postulated that variations in management process and style may be evident in different types of companies such as public, private, parastatal (partly government and partly private-owned organisation) and government, and these variations may prove significant in the management of corporate travel. Similarly, the industry in which an organisation operates might show divergences in the way in which corporate travel is conducted and managed. Researchers have argued that the distinction between the public and private sectors has implications for the nature of managerial practices and should not be ignored. For example, evidence suggests that public and private sector workers perceive and evaluate their jobs in substantially different ways. Private sector employees showed greater commitment to their organisations than public sector employees, while public sector employees place a greater value on work that contribute to society than private sector workers (Lyons, Duxbury & Higgins, 2006:605). Another study of managers revealed that both pay and job security have a greater motivating influence for private as opposed to public sector managers, whereas acknowledgment had a higher motivating power for public rather than private sector managers (Karl & Sutton, 1998).

With particular reference to this study, it is necessary to note that not only private companies wrestle with the issue of corporate travel management. In South Africa, proof exists that even public companies and government departments struggle to manage

corporate travel effectively. In her research study, Lubbe (2003) notes a significant difference between the public and private sector, where deliberate infringement of the travel policy occurred in a greater number of public as opposed to private sector companies. Recent newspaper reports on mismanagement of corporate travel in government departments revealed that the government lost vast amounts of money because of fraudulent travel claims (Carter, 2006). Still other reports accused government officials of using state assets and funds to pay for personal holiday trips (Pelser, 2006). These acts of malfeasance reflect poorly on the South African government and show that the corporate travel management function in the public sector is in desperate need of intervention.

2.4.2 The corporate travel department and senior management

For a company to successfully manage corporate travel, it needs the support of an effective corporate travel department (Andersen, Lewis & Parker, 1999; Goodwin & Marble, 2003) and individuals in senior management (Lubbe in Frew, Hitz & O' Connor, 2003).

Traditionally, a company's corporate travel department works with each department to determine its travel needs and develop its travel budget, based on current expenditure and planned development. Lubbe (2000:200) says that the most common function of the corporate travel department is to make travel arrangements. She adds that the travel department also has a financial function that involves giving advice to the corporation with regards to expense levels, the handling of travel expense allocations, preparing travel budgets and reporting financial data. Goodwin and Marble (2003) state that a corporate travel department's function is to negotiate discounts and preferred rates with travel suppliers. Anderson, Lewis and Parker (1999:267) add to this list of functions by stating that the overall goal of the corporate travel department is to control travel-related corporate expenditure. The findings of an American Express (2002a) survey substantiate this by indicating that a major priority for Chief Financial Officers (CFOs) involved with corporate travel, is to contain or reduce indirect expenses such as office supplies, express shipping, telecommunications, travel and entertainment (T&E), computer equipment and other non-production services and goods. More recently, a research study conducted by Airplus

(2006:6) corroborated the findings of Anderson *et al.*, (1999:267) by showing that the majority of corporate travel managers believe that reducing costs is the most important priority of travel management. In the same study, corporate travel managers from the United States ranked policy compliance and reporting as a top priority. A possible explanation for this is the fact that achieving compliance with policy is generally considered by experienced professionals to be the key to containing travel costs. This suggests a more sophisticated understanding of the essence of travel management and cost reduction.

Significant to this study is the fact that successful travel management through a corporate travel department has a substantial positive effect on employee satisfaction and increased productivity. In addition, providing good service to a company's travellers makes it more likely that those employees will book their travel through the travel department, increasing compliance with travel policies and ultimately allowing the corporation to realise greater financial savings (Goodwin & Marble, 2003).

The corporate travel manager heads the corporate travel department. The job of travel manager should be considered a middle- or upper- management position because of the vital role the manager plays in controlling a large corporate expense. As far back as 1990, Poynter (1990:34) argued that corporate travel managers are found in so many different business settings and their duties differ to such a degree that a plain definition of the role of the travel manager is impossible. Nevertheless, the post should embrace the following key performance areas: managerial, technical, compliance, financial, negotiation and educational roles.

In 1993, Jenkins (1993:19) listed the functions of the corporate travel manager as follows:

- to control corporate travel expenses through the creation, enforcement and monitoring of the travel policy
- to ensure that the relationship between the travel management company and the company complies with the travel agreement
- to sustain the relationship with the various airline, hotel and car rental suppliers
- to control the payment of all travel expenses

- to uphold precise records through the proper use of management information systems, which guarantees that the corporate travel policy is being followed and that exceptions are exposed and reported

More recently, the functions of the travel manager have become more defined. For example, in South Africa, the corporate travel manager's main responsibilities entail negotiating with suppliers and travel management companies, as well as monitoring the travel policy. Other important responsibilities include: developing the travel policy, measuring compliance and managing travel expenses (Douglas, 2005:109; Lubbe, 2003).

Unfortunately, while managing corporate travel, the corporate travel manager might also encounter certain problems which might include (Douglas, 2005:109):

- inflexible travel requirements that increase travel costs
- traveller convenience that comes before cost saving
- travellers who generally view business travel as a perk
- personal loyalty cards/programmes that are allowed to influence travel purchasing decisions
- the TMC who does not advise on special deals

Each of these problems might have a direct impact on policy compliance. The primary function of the corporate travel manager defined by Jenkins as far back as 1993 can still be summarised as: providing the most effective means for corporate travel, at the greatest economic advantage for the corporation and taking into account every practical consideration for the safety, comfort and convenience of the corporate traveller.

To manage corporate travel successfully, the cooperation of corporate travellers is also needed (Douglas & Swart, 2003; Mason & Gray, 1999). The management of the organisation (including the corporate travel department and the corporate travel manager), together with the corporate travellers (and their individual values) represents the internal input in the model depicted in figure 2.1.

2.4.3 The needs and demands of corporate travellers

As mentioned earlier, corporate travellers travel on behalf of their company, which is generally a large corporation with a large travel account and often housing a separate travel department with an established travel policy. Corporate travel is non-discretionary, because corporate travellers have little influence over where, when and how long they travel (Lubbe, 2002). The corporate traveller must travel to specific places to do business. Nevertheless, corporate travellers have certain needs, expectations and demands when travelling, which are different from those of holiday or other categories of tourists (Mill & Morrison, 2006). A satisfied employee is capable of functioning more productively. Thus, if, for business travel, the elements of accommodation and travel are managed well to minimize stress, the traveller will arrive at the destination capable to function optimally (Gilbert & Morris, 1995:19). As far back as 1986, Amster noted that the potential for savings is greatly influenced by company employees' support of a travel department's efforts to apply travel policy, but employees can always make excuses for not following guidelines on the basis of their specific needs on a business trip (Amster, 1986).

It is thus necessary for a company to investigate and identify the specific needs of their corporate travellers because, according to Douglas and Swart (2003), if the travel policy does not address their needs, corporate travellers are more likely not to comply with the travel policy.

2.4.3.1 General needs and demands of corporate travellers

Corporate travellers generally exhibit the following needs, demands and preferences when travelling: compared to the leisure traveller, the corporate traveller is more time-sensitive; service quality is more important than price; and he or she is more experienced and demanding (Mill & Morrison, 2006). Because corporate travellers tend to make travel arrangements at short notice (Bennet, 1995), they demand efficient and accurate service. According to Roodt (2001), corporate travellers seek flexibility in their travel arrangements, expecting the travel department to be prepared for last-minute changes and cancellations in their travel plans. The corporate traveller is possibly less impressed by friendly, personal service and more so by speed, accuracy and professionalism. When using a TMC or travel

agent, corporate travellers wishes to deal with the same travel consultant who is familiar with their preferences and dislikes (Lubbe, 2000).

Furthermore, corporate travellers have specific needs with regard to: technology (Mill & Morrison, 2006); accommodation (Gilbert & Morris, 1995; Douglas & Swart, 2003; Douglas, 2005; Radder & Wang, 2006) and air transportation (Douglas & Swart, 2003; Douglas, 2005; Alamdari & Burrell, 2000; Mason & Gray, 1995) while travelling on behalf of their company.

2.4.3.2 Technological needs

According to Mill and Morrison (2006), business travellers are technologically 'savvy'. Almost all have a personal computer, whereas most have a high-speed Internet connection. Additionally, they like in-room Internet access.

According to American Express, the biggest concern international travellers have relates to the loss of productivity while travelling. The worst aspect of business travel for travellers is travel delays, followed by falling behind in office work. However, portable technology, such as laptops and cellular phones, helps many to stay in control of their workload. Access to email while on a business trip was considered to be either very or quite important by travellers surveyed. In another perspective on the value of technology for business travel, when asked which single amenity travellers would keep while in flight, on-board entertainment was the most popular option, followed by a laptop, on-board email or internet access, and a telephone (American Express, 2002b).

Self-booking tools are another technological development that is becoming very popular amongst corporate travellers. Many studies have investigated SBTs from the perspective of the company (ACTE, 2007; Douglas, 2005; Lubbe, 2003; Mason, 2007), but very few studies have examined the opinions of corporate travellers with regard to SBTs. According to a 1999 American Express Survey, corporate travellers appreciate the flexibility and time-saving benefits of self-booking technology. The majority of respondents said speed and the ability to book travel quickly are the main benefits of such technology, while a portion of the respondents appreciate the flexibility of 24-hour access, with others citing

ease of use. Cost savings achieved through self-booking technology are seen as secondary benefits (American Express, 1999).

Although it is said that travellers who book their own travel would prefer business class, non-stop flights and upmarket hotels, research discloses that travellers arranging their own travel are less likely to end up travelling in style. The explanation for this is known as 'visual guilt', which means that employees are booking the cheapest rate available simply because they feel bad if they do not. American Express estimates that visual guilt results in savings of approximately $80 per trip (Levack, 2006).

Technology is obviously of great value to the corporate traveller: not only does it help them to maintain control of their workload when travelling on behalf of their company, but it could also possibly serve as a substitute for travel.

Business travel is only one tool for managing relationships with the important constituencies within and outside the company. Other tools, such as telephone contact and teleconferencing, overnight delivery of letters and documents, electronic mail and videoconferencing, combined with physical travel could also be utilised to keep business relationships active and productive (Lehman & Niles, 2001:1). According to Mill and Morrison (2006), in the USA, teleconferencing, webcasting and videoconferencing are used to replace at least one business trip. In the UK, corporate travellers are travelling less because of technology – particularly, remote access and virtual private networking (VPN). Arvai (in Armstrong, 2007) forecasted that videoconferencing will eliminate the need for travel by 25% by 2010 and 35% by 2030. However, not many travellers believe that such technology is more valuable than face-to-face meetings (Quest in Mill & Morrison, 2006). European managers maintain that less than three out of every ten meetings require face-to-face communications, and that technology could be utilised as an alternative to gain lost travel time while enhancing productivity and the quality of business level decision-making. Traditional web and voice conferencing combined are probable substitutes to business travel for meetings, but since those services are usually bought on a per-minute or simultaneous user basis, access and usage is often limited to less than 20 per cent of employees in an organisation to prevent escalating subscription costs (Business News update, 2006).

The American Express Survey of 2003 showed that some business travellers use web meetings and teleconferencing in place of travel. More than 35 per cent say that they have used such technology – frequently or infrequently – instead of travelling (American Express, 2003). A survey done by Wainhouse Research in 2002 revealed that respondents believed that converting in-person meetings to travel alternatives using voice, web and video conferencing would permit them to enhance their business performance and personal lives. The respondents thought that the use of conferencing technologies would permit them to get more work done, make quicker decisions and be more competitive (Eyefortravel, 2002).

These results are not consistent with those revealed by Denstadli. In 2004, he undertook research in Norway to assess the impact of videoconferencing on business travel. His results show relatively limited effects of videoconferencing on business travel. Furthermore, Denstadli is of the opinion that travel and personal contact are still viewed as the most successful ways of conducting business, and the significance that people put on networking and social communication decreases the likelihood of travel being replaced by videoconferencing (Denstadli, 2004:376). In support of Denstadli's results, the American Express survey (2003) asked respondents if teleconferencing or web facilities offer an adequate substitute for face-to-face meetings. The majority of respondents disagreed. Even those who give equal consideration to virtual and in-person meetings said that telecommunication is only appropriate for conferring for an hour or less (American Express, 2003).

Mason (2002) conducted research amongst travellers as well as travel managers on the impact of the development of video conferencing and the internet on the demand for business-derived air travel. Most of the respondents to the survey said that these technologies had not had any considerable influence on the number of trips taken. Although these types of communication have little impact on the demand for air travel at present, both groups of respondents (travellers and travel managers) believed that, in five years' time, these technologies would have advanced sufficiently to permit for some substitution. Twenty-two per cent said that internal meetings and some meetings with well-established business partners might be performed by means of some enhanced information technology solution, but the total percentage of such replacement would be small. Nevertheless, the general feeling was that there is no alternative to meeting people

face-to-face. In reality, 66 per cent of travel managers believed that their company would increase its volume of business travel in the next five years. A large group believed that their company would increase the number of trips undertaken by more than 15 per cent from the current level (Mason, 2002:65).

The communications tools mentioned above go hand in hand with travel, and serve as introductions, follow-ups and, in some cases, replacements for travel. Because of the unique strengths of face-to-face interaction, physical travel is expected to remain the most vital tool for maintaining relationships. But there are situations where electronic travel alternatives can actually be more effective. The challenge is to be able to identify these situations and assign resources accordingly (Lehman & Niles, 2001:1).

As mentioned above, in some cases, technology is not an appropriate substitute for travel, and travellers are forced to travel to a destination. When travelling on behalf of their company for business purposes, corporate travellers exhibit the following needs:

2.4.3.3   Air transportation needs

As far back as 1985, Shaw (in Mason & Gray, 1995:197) concluded that business travellers are particularly attractive to schedule airlines as they are inclined to travel more regularly than leisure passengers, and they are likely to be prepared to pay higher prices than leisure passengers. More recently, Mason (2006:92) concluded that the airline industry has long relied on the business travel market as a major source of income. Depending on the route, business travellers may represent half of all passengers and, given that they are likely to pay higher fares than leisure travellers, present a higher percentage of the airline's revenue.

Supply side issues such as frequency, seat availability, departure and arrival time, and number of en-route stops have an influence on the distribution of demand between competing carriers and play a considerable role in affecting the airline specific demand. The demand for air travel is a function of the generalised cost of travel; that is, fare and time spent on making use of the services. A carrier will draw passengers if it can provide a visible decrease in the time elapsed. This consists of (a) airport access time, (b) flight time, (c) waiting time and (d) boarding time. Other airline service characteristics that have an

influence on passengers' preferences include safety records, airline experience, in-flight service, fleet type and whether the airline is the flag carrier of the traveller's country of origin (Chin, 2002:55).

According to Mason and Gray (1999) the flight that a business traveller will choose is influenced by both organisational and personal reasons. Based on organisational motives, a business traveller may desire:

- to arrive at the destination in good time to meet business objectives
- to be able to work on the flight if needed
- short check-in times so that working hours can be maximised at the destination, especially for one-day trips

In addition, the traveller will have a list of personal needs that do not relate to business goals, including:

- arriving home after the trip in good time to be with his/her family
- having perceived status (e.g. through the use of business class)
- a high-quality in-flight service
- receiving points on his/her personal frequent-flyer scheme for a frequently chosen airline
- a certain amount of leg room
- free drinks, newspapers, et cetera; and
- buying duty-free goods

Based on their air transportation needs, corporate travellers can be classified into three categories: schedule-driven consumers, corporate cogs and informed budgeters (Mason & Gray, 1995:200).

The key benefits which schedule-driven consumers look for from an airline service are: flight timings, exclusive business class check-in, exclusive business class lounge, and flight frequency. This segment appears to be unimpressed with several product elements that are not vital to the flight (such as in-flight service, seat comfort and frequent-flyer

schemes). The second type of traveller falls under the heading of corporate cogs as they seem to act as cogs in the workings of their organisation. Although the individual travellers appear 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 at the cost of the organisation paying for the air travel show that this segment exhibits elements of self-interest. Members of the final group are labelled informed budgeters as they demonstrate a good understanding of the airline products on offer and, of the three segments, they pay the least for their air travel.

In 2003, Douglas and Swart conducted research on the demands and needs of corporate travellers employed by an international organisation with offices in South Africa. According to the study, the three most important factors for corporate travellers when travelling by air are on-time performance, comfort and service (Douglas & Swart, 2003). A study conducted by Douglas (2005:128) supported these results, although respondents indicated the price of the airfare as the third most important factor when travelling by air.

According to the Air Transport Group at Cranfield University (2002:2), a decrease in the use of business class travel and increased downgrading of tickets has revealed that the business market does demonstrate elements of price elasticity. This has been most obvious in the short-haul market with the coming of low-cost–airlines. The industry is coming to terms with the fact that a large percentage of travellers have chosen price over service. To further substantiate this, a research study done by Mason (2001:107) showed that four out of five respondents (79 per cent) thought that business class service did not offer value for money for short-haul travel.

Results from an array of research studies revealed the following with regard to the specific air transportation needs of corporate travellers: the worst aspect of business travel relates to air transportation. Corporate travellers are demanding improved facilities at airports. For the busy corporate traveller, wasted time at airports is a major frustration (American Express, 2002b). While working mobility is clearly on the increase, many corporate travellers still consider flying to be a time to relax from the pressures of work (American Express, 1999). 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 (American Express, 2003).

When considering the air transportation needs of corporate travellers, it is also imperative to note that frequent corporate travellers and infrequent corporate travellers have inconsistent needs (Jonas, 2004). Research also proves that the users of low-cost carriers (LCCs) have different values from those who use full-service carriers (FSCs) (Mason, 2000; Mason, 2001; Evangelho, Huse & Linhares, 2005; Fourie & Lubbe, 2006), and also that the needs of female business travellers are different from those of their male counterparts (Alamdari & Burell, 2000).

FSC travellers tend to place greater stress on (in order of importance) punctuality, frequency, flexibility of tickets issued, price, mileage programmes, in-flight service and VIP lounges. On the other hand, LCC travellers place more emphasis on punctuality, price, flexibility of tickets issued, frequency, mileage programmes, in-flight service and the existence of VIP lounges (Evangelho *et al.*, 2005:103).

In 2000, Alamdari and Burrell investigated the needs of female business travellers to see whether their needs differ from those of male business travellers. It appeared that female business travellers were generally happy with airline services, but that they would like to see some improvements in certain areas. These included improvement in advice on safety, security at the airport, better on-board washrooms, provision of female amenity packs and assistance with luggage. Security at airports appeared to be one of their major worries. The majority of women wanted to be treated in the same manner as male business travellers (Alamdari & Burrell, 2000:16).

2.4.3.4   Accommodation needs

Like the airlines, the hotel sector has had to adjust to the changing needs of business travellers, with the optimum balance between cost, convenience and comfort continually being sought by the corporate customer. Wishing – or needing – to be more industrious and productive while travelling on company business, many business guests in hotels have come to require much more than a quiet room. They increasingly want a hotel to be

not so much a home from home, but an office away from the office (Davidson & Cope, 2003).

According to Bell and Morey (1997:56), the following attributes comprise the bare minimum when it comes to an acceptable hotel product: clean rooms, an accessible and efficient reservation system, appropriately trained staff, a reasonable location and availability of non-smoking guest rooms. Research into hotel selection criteria indicates that the most important attributes influencing the corporate traveller's hotel choice are cleanliness and location, security, service quality, and room/bath appointments (McCleary, Weaver & Hutchinson, 1993). Knutson (1988:84) revealed that business guests value the following five factors when choosing a hotel: safety, friendly employees, clean and comfortable rooms, convenient location and a ready availability of services. In their research, Weaver and Oh (1993:20) discovered that business travellers view the following as 'very important': clean and comfortable surroundings, convenience to business, a good reputation, friendly staff and safety and security. More recently, the results of Douglas and Swart (2003) and Douglas (2005:129) confirmed these results. For South African corporate travellers, the most important factors when making use of accommodation establishments are location, facilities and service.

Also in South Africa, Radder and Wang (2006:561) researched business travellers' expectations with regard to the dimensions of guesthouse service. The most important findings of the study were: business travellers staying at guesthouses deemed the professionalism of staff as being very important. They had higher expectations with regard to services being provided punctually than complaints being handled efficiently. More attention has to be paid to the cleanliness of the room rather than comfort when preparing for guests. Similarly, attention has to be paid to security, modernised buildings, decor and signage and business facilities.

American Express offers further support for the above-mentioned results. According to the 1999 survey, the quality of the hotel is more important than cost for most corporate travellers. Convenience was the second most important reason for selecting a hotel. Over a third considered the distance of the hotel from the business venue before deciding where to stay. According to Douglas and Swart (2003), corporate travellers' main complaint about hotels is lack of flexibility, followed by the absence of business facilities. Once again,

American Express substantiates these results. In a survey, respondents resented the inconvenience of having fixed check-out times, while some wanted facilities to be available 24 hours a day. While cost seems to be a lower priority than service for corporate travellers, travellers complained that telephone and facsimile charges were excessive. Not being treated like an individual was cited by respondents who wanted a more personalised service (American Express, 1999).

Added to the corporate travellers' special needs with regard to technology, airlines and accommodation are their psychological needs.

2.4.3.5   Psychological needs

According to Mill and Morrison (2006), people travelling on business tend to become frustrated with the many demands of travel that are beyond their control. Principal among these are the time required to travel, the long waits and the delays of arrivals and departures. They also have more personal frustrations – being away from home and families, being alone and living out of suitcases.

The primary motivation for most corporate travel is to do the task set out for employees by higher management. Two secondary motivations of corporate travel may also be identified, which can be regarded as part of the psychological needs of travellers. The first can be termed social or interpersonal motivators which include a wish to meet new people, form new associations or reinforce existing relationships. The second can be regarded as status or prestige motivators which involve a longing for recognition, attention, appreciation, knowledge and a good reputation (Lubbe, 2000:176). This motivation is substantiated by Mason and Gray (1999) who argue that a corporate traveller will have a list of personal needs when travelling on behalf of his or her company, such as having a perceived high status (e.g. through the use of business class facilities).

In general, there has been a lack of organised study and examination of the stress, strains and fluctuations in work performance of business travellers before, during and after they return to their homes, offices or permanent work locations (Ivancevich, Konopaske & DeFrank, 2003:139).

Business travel is often a positive experience, offering close relationships with remote colleagues and clients, the stimulation of diverse environments and a change of routine. But it is also a source of a variety of stresses, frequently disregarded or denied by both organisations and travellers themselves. For some frequent travellers, travelling is considered to be enthralling, educational, career-enhancing, exciting and challenging. Other individuals, though, see business travel in different ways, ranging from a necessary evil to a perquisite that satisfies the pleasures of a select few, elite, specially handpicked colleagues (Ivancevich *et al.,* 2003:139).

According to Gustafson (2006:515), when business travel is viewed as a positive experience, it is often seen as exciting and enriching – a source of variation and new experiences. Fisher and Stoneman (1998:53) and Presser and Hermsen (in Gustafson, 2006:515) agree, saying that business travel might encourage a sense of autonomy and freedom as travellers are absent from the everyday work environment and the direct supervision of managers/superiors and colleagues. In some cases, travel does indeed seem to be an important part of workers' identity and lifestyle (Lassen, 2006). Additionally, corporate travellers view corporate travel as an enriching experience as it allows them the opportunity to visit places they would not otherwise see, to eat the local cuisine and get away from home for short periods of time, which helps them to be more grateful for it when they return (Weinreb, 2002). Regrettably, frequent work-related travel may also have negative consequences for those who travel, and research in this area primarily concerns travel-related stress.

Travel stress may be seen as an individual employee's mental, emotional, physiological and behavioural answer to the demands and circumstances of recurrent business travel. Signs include exhaustion, fluctuations in mood, disrupted family and work relations and decreased effectiveness at work. The causes of travel stress include time zone travel, frequent separations and re-entering home, office, family and personal life, work overload and how people are managed. For the individual, there is a concern for preserving personal health and well-being, good social relations and effective functioning at work (Striker, Dimberg & Liese, 2000; Szwergold, 1991). Other sources of stress include: pressures of planning the trip, time at the airport, disruption of circadian rhythms and sleep patterns, loneliness and fear of unsafe ground transportation in destination countries. In addition, international business travellers may also experience travel-related stress

because of the routine discomforts and annoyances that all long-distance travellers encounter, such as altered eating and sleeping patterns, changes in climate and other safety concerns (Szwergold, 1991; Travmed, 2001; Striker, Luippold, Nagy, Liese, Bigelow & Mundt, 1999).

Ivancevic *et al.* (2003:146) list a number of potentially stressful facets of business travel. Pre-trip stressors include making arrangements at work and at home for the time when the traveller will be away, as well as making plans and arrangements for the trip itself. Stressors that appear for the duration of the trip include practical problems with delays and other unexpected events, anxiety about personal safety, feelings of loneliness and isolation in a foreign environment, and in some cases very heavy workloads and long working hours throughout the journey. Upon return, accumulated work at home and office and feelings of guilt because of unmet family responsibilities may be important post-trip stressors. These different stressors might also have possible negative consequences such as mental and physical health problems, decreased performance at work and family interferences (Striker *et al.*, 1999:245). Several studies suggest that work-related travel becomes particularly stressful when it comes into conflict with family life and family obligations.

Travel that brings about regular or long-term absence from home, last-minute alterations to travel plans, and travel that disrupts family celebrations may be stressful for travellers as well as their families (Vormbrock, 1993). Work-related travel is one aspect of the job situation that may require time and availability beyond normal working hours and that may therefore interfere with family life and family obligations (Weinreb, 2002). Following the arguments reviewed above, workers who have a family – those who are cohabiting and, especially, those who have young children – may thus wish to limit their travel activity (Gustafson, 2006:517).

Work-related travel is time-intensive and renders employees temporarily unavailable to fulfil their family-related roles. For women and men with children, the impact of travel is usually consistent with gender-role congruence theory, which hypothesises that marital fulfilment will be highest when gender role attitudes and behaviours are similar. Generally, when one holds traditional gender role attitudes, marital fulfilment is stable or improved

when the husband travels, and is lower when the wife travels. Non-traditional parents are normally less happy if either member travels (Roehling & Bultman, 2002:279).

Moreover, business travel can be stressful to the point of putting one's health in danger. A study by the World Bank reports that the bank's employees who travel frequently see physicians and other health-care professionals about three times as often as a matched group of employees who do not travel (Travmed, 2001). Male travellers are 80 per cent more likely to see a health-care professional than non-travelling males; while for women, those who travel are 18 per cent more probable to see a health-care professional than females who do not travel. Although many of the complaints deal with known travel-related health hazards (e.g., infectious diseases), there are a remarkable number of psychological complaints. The number of these increases as the number of business trips per year increase, and the increase is sharper for female than for male travellers (Travmed, 2001).

The World Bank study also found that many factors considered to be reasons for stress – such as geographic areas of the world visited, number of time zones crossed, having children at home under the age of 18, satisfaction with work and the length of the business trip – are in actual fact not significant determinants. However, in spite of the repeated complaints raised by business travellers, few business trips end in total failure, meaning that it is very unusual for a business traveller to return home prematurely because of stress-related problems. But stress does appear to cause many hard-to-quantify, less-than-optimum work performances (Travmed, 2001).

Some practical guidelines are provided for keeping business travel in its proper perspective, including doing away with unnecessary trips and avoiding travel over weekends and special occasions. It is also believed that business travel requirements have wrongly taken precedence over many other needs in employees' lives, resulting in undue stress within the family circle. Although quantity of travel and the pressure to do business can be seen as causes, forced communication is the main culprit of most travel-related stress (Szwergold, 1991).

Most travellers signify a preference for formally approved time off after business trips. Such time would presumably allow them to rest and recuperate and to make a better transition to the home environment. They chose this as something that would help them

cope, even though those who actually took time off were no less stressed than their colleagues. This may reflect a longing by these business travellers for the organisation formally to recognize their personal needs, particularly as business travellers feel that the institution should offer more support for sustaining a balance between work and outside life (Striker *et al.*, 1999:251).

From the above discussion on the psychological needs of corporate travellers, it is clear that companies need to take these into consideration when developing their corporate travel policy. Only if the psychological demands of travellers are satisfied will they be able to comply voluntarily with the travel policy.

The most important needs and demands of corporate travellers can be condensed as per table 2.1.

Table 2.1: The needs and demands of corporate travellers

General needs	Technology needs	Airline needs	Accommodation needs	Psychological needs
Demands speed, accuracy and professionalism from TMC	Access to email	Improved facilities at airports	Quality service	Elimination of unnecessary trips
TMC must be prepared for last minute bookings	Laptop on-board	Speed of service when checking in	Location of hotel	Avoidance of travel at weekends
Familiarity with preferences and dislikes	Self-booking tools	Flexibility	Flexibility	A reasonable workload

The corporate travel policy of a company should address the above needs of corporate travellers. If not, travellers are unlikely to comply with the travel policy.

2.5 EXTERNAL INPUT FACTORS

Effective corporate travel management is not only dependent on the management of corporate travellers and senior management values and goals, but also on the travel

providers (Alamdari, 2002; Jonas, 2004; Koetting & Gillespie, 2004) and travel management companies (Davidson & Cope, 2003; Ellenby, 2004; Wilkinsom, 2001). With reference to the external input depicted in figure 2.1, the intermediaries play a key role in the corporate travel market, bringing together the buyers of corporate travel and the suppliers. In this market, the role of the traditional travel agency has evolved into that of a travel management company (Alamdari, 2002; Lewis, Semeijn & Talalayevsky, 1998). Because of this evolution, Alamdari (2002:343) points out that the role of agents has also been changing from being concerned mainly with reservations to providing advice and consultancy services for corporations. As such, the travel agency has had to re-evaluate the nature of its service and move from being an 'order-taker', primarily receiving and processing bookings, to also providing value added services such as management information systems on travel patterns and expenditure, travel policy development and monitoring, negotiating client-focused preferred supplier agreements, cost containment and budgeting. South African TMCs concur. Douglas and Lubbe (2006) report that an overwhelming majority of TMCs believe that making travel reservations and giving travel advice are the most important functions of a corporate travel agent, followed by technology support and access and supplier negotiations. Ellenby (2004) adds another critical function of a travel management firm: to provide reports that track travel expenditure by individuals, departments and the company as a whole. GDSs and technology companies like KDS and Amadeus have in recent years started to develop self booking technology for large corporate clients. When this is done, a direct link is formed between the corporate client and the technology company or GDS, which in effect removes the TMC from the distribution channel. This means that the technology company or GDS is replacing the TMC and taking on the role as an external stakeholder in the corporate travel management process. Apart from the TMCs, the travel providers (with specific reference to airlines and hotels) can be seen as also representing the external input in the model.

2.6 VALUE CONFLICTS

As graphically shown in figure 2.1, each of the stakeholders involved in the corporate travel management programme has their own objectives and values that they deem important in the management process (Cochrane, 2003; Gilbert & Morris, 1995; Gray, 2002; Gross, 1996; Subramani & Walden, 2000). Broadly speaking, the management of

the company wants to keep expenses as low as possible, while achieving business objectives. The corporate traveller has psychological needs (for example safety and comfort) while travelling on behalf of his or her company, as well as specific functional requirements with regard to technology, accommodation and transportation. The travel management company wants to be assured of a steady stream of business and revenue, and the supplier wants the highest possible yield through exclusive use of its services.

Value conflicts that appear to directly influence corporate traveller compliance with the travel policy can occur:

- between management and travellers due to cost-containment actions versus traveller comfort and 'self-esteem' (Gilbert & Morris, 1995:20; Douglas & Swart, 2003). The company's objective is to make travel expenses as cost-effective as possible. The traveller, on the other hand, is looking at creature comforts and rewards programmes of one sort or another (Gross, 1996; Wilkinsom, 2001)
- between management and travellers in as far as monitoring policy compliance is concerned (Gilbert & Morris, 1995)
- due to trade-offs by the travel manager in supplier selection, since the travel manager must seek a balance between meeting the dual corporate goals of cost reduction and effective execution of business activities (Bell & Morey, 1997)

2.7 GOALS

The conflicts between the different stakeholder groups need to be managed in order to reach the desired outcome of the management process. Only when such value conflicts have been properly managed can common goals be set. Ultimately, the stakeholders in the corporate travel industry all strive to reach one common outcome: a successful, effective corporate travel management programme that will meet the needs of each 'stakeholder' in the process.

2.8 ACTIONS

Certain actions need to be taken for the common goal to be achieved, which will eventually lead to the attainment of the desired outcome. Building on the four basic elements of corporate travel management, the actions necessary for an effective corporate travel management programme should include:

1. the development of an effective *corporate travel policy* (Lang, 1993; Wint & Avish, 2003)
2. streamlining business operations with the use of appropriate *technology* options for data collection and managing the travel process (Kasavana, Knuston & Polonowski, 1997; Chircu, Kauffman & Keskey, 2001)
3. building successful, transparent *relationships* between management, travellers, suppliers and TMCs. These relationships are designed to reconcile a company's policies and travellers' preferences and to process this purchasing dynamic through a series of suppliers (Wilkinsom, 2001)
4. selecting a suitable *method to process payment* (Marx & Collins, 2004)

2.8.1 The corporate travel policy

Since the focus of the study is on compliance with the policy, a comprehensive discussion on the development of an effective corporate travel policy will be provided in this section. The corporate travel policy will be defined by highlighting different definitions, and the development of an effective travel policy will be explained. The components that a travel policy should include will be described and the different types of existing policies explained. This discussion also covers how the corporate travel policy is enforced. The section concludes with a discussion of some diverse aspects of the travel policy.

After the discussion on the corporate travel policy, the remaining three actions will be discussed in order to provide the complete context of corporate travel management.

2.8.1.1   Definitions and purpose of the corporate travel policy

As far back as 1993, Lang explained a corporate travel policy as 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 (Lang, 1993). Rothschild (1988:66) states that a written travel policy supplies the framework for the manner in which a company control its travel. The policy document expresses a company's beliefs and its ground rules regarding travel – how it balances service for travellers on the one hand and cost efficiency on the other. The policy is directed at three audiences: travellers, their supervisors and the travel staff.

Airplus (2006:14) highlights two main reasons why companies have travel policies. The first is to avoid travellers from over-spending. The second is to show that the company has the mechanisms to deliver spending commitments to preferred suppliers.

Lubbe (2000:205) says that the corporate travel policy can be viewed as part of the overall corporate strategy of the organisation, and the written corporate travel policy is an addition to this. The main purpose of the policy is to keep the cost of corporate travel within predictable and realistic parameters and to save the corporation money. It also serves a secondary purpose of allowing travellers to recognise exactly what the limitations are in terms of choices and alternatives. Travel policies give the traveller the financial security of knowing what will be repaid and what is permitted in terms of expenditure. However, while the most effective business travel policies allow for unforeseen events and corporate seniority, their effectiveness is dependent on the degree to which they are read, understood, remembered and enforced.

Kirshner (2005) believes that developing, communicating and reassessing the corporate travel policy stays critical to building a successful travel programme. She adds that a harsher negotiating environment and sustained security fears have been driving compliance to the top of the list of travel management priorities. She maintains that an effective travel policy should steer travellers clearly towards the use of preferred suppliers and classes of service, instruct on approved booking practices, consider policy exceptions and clarify the motivations for corporate adoption of such measures to make sure that

negotiated supplier agreements are met, excess expenditure is kept to a minimum and traveller security is always upheld (Kirshner, 2005).

As far as expenditure is concerned, a corporate travel policy is an essential tool for controlling both direct and indirect T&E expenditure, yet a significant number of companies are failing either to implement adequate policies in this area or to enforce a policy where it is in place. Policies that clarify the position on corporate travel for employees can be one important way of controlling costs by ensuring that potential savings are identified and fully exploited. Although the status of the travel policies can vary from informal guidelines to mandatory rules, the intention is usually to reinforce the message that the decisions made by individual corporate travellers can strengthen or undermine the company's efforts to secure maximum benefits from volume related deals and preferred supplier arrangements (SureTravel, N.d.). A study (the American Express/AT Kearney European Expense Management Study 2003) carried out amongst 75 of Europe's largest companies, compared the performance of these organisations in managing their T&E expenditure. It found that, on average, companies with high travel policy compliance rates (80 per cent or above) had lower indirect costs per traveller than those companies with low compliance rates (Sauser, 2003).

Most organisations, especially large ones, have travel policies. In a survey conducted by Runzheimer International in 2002, it was found that 84 per cent of respondents had a formal written policy (Lubbe, 2003). The study conducted on corporate travel in South Africa in 2004 found that almost all of the respondent organisations had a formal written policy in place (Douglas, 2005:110). This travel policy was communicated mainly online and regularly distributed when updated.

According to Uniglobe (2004), most companies have some form of travel policy in place, but the majority of these have been found to be less than effective and not particularly enforceable:

- Only 49 per cent of policies necessitate pre-trip authorisation.
- Less than 45 per cent of policies require the use of the lowest convenient fare.

- Less than 35 per cent of policies address the use of discounted hotels and car rentals.
- Over 60 per cent of companies have no policy proscribing higher-priced flights to accrue frequent-flyer miles.
- While corporate executives reported a perceived compliance level of 98 per cent, post travel audits revealed an actual compliance of only 73 per cent (Uniglobe, 2004).

Although CFOs are aware of the increasing costs of T&E, efforts to manage these have been generally neglected in some countries. In Singapore, the majority of companies surveyed by American Express admitted that they do not have a formal written travel policy, the basis of any travel management programme. In Hong Kong, Taiwan and Thailand, many companies neglect to write down the rules. Those companies which do have programmes fail to employ their travel management programme in a comprehensive and coordinated manner. Instead, they limit effectiveness by limiting written distribution of corporate policies and relying on word of mouth (Crane, 2001).

Scientific literature on the topic of corporate travel policies is limited since mostly industry-based surveys are done; therefore, the majority of the sources cited here were extracted from 'popular' literature. In identifying factors that influence travel policy compliance, one of the important contributions that this study can make is towards building new scientifically based theory on corporate travel management, as well as adding to the body of knowledge available on corporate travel policies. Only a limited number of authors (Wint & Avish, 2003; Lang, 1993; Jenkins, 1993) have made substantial contributions to describing the components of the corporate travel policy. Their opinions will be used extensively in the ensuing sections.

2.8.1.2 Principles, approach and elements underlying a successful travel policy

According to American Express Consulting, there are three guiding principles that can assist in creating a travel policy that meets business and cultural needs[1]. The three guiding principles are: (1) maximising savings to the organisation, while at the same time improving (or at least maintaining) both traveller (2) satisfaction and (3) productivity. Organisations must decide on a suitable mix to satisfy their business needs and corporate culture, as changes in any one of these areas will have a direct impact on the others (Wint & Avish, 2003:1).

Controlling travel expenditure through a corporate travel policy requires a four-phase approach (Meyer, 2002):

- policy development
- communication
- compliance monitoring
- enforcement

American Express Consulting (AEC) studies have shown that travel policy-related measures taken in an effort to limit travel and entertainment (T&E) costs are reported to be amongst the most effective cost-control steps taken by many organisations. The most vital step organisations can take is to *develop* more explicit travel policies and to employ more consistent enforcement measures. Developing a comprehensive travel policy is the first chance a company has to manage travel expenditure. This is merely a matter of exercising control by informing travellers about the ground rules. A travel policy should be the cornerstone of any T&E programme as it sets the tone for the whole programme by clearly delineating the policies and procedures for business travel-related expenditure (Wint & Avish, 2003:2). Writing and enforcing a corporate travel policy is a very practical and personalised activity – practical as it needs input and support from departmental staff as

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[1] The reasons for taking the cultural needs of an organisation into account when developing the travel policy are, first, that each organisation has its own corporate culture and this might influence the nature of the policy. Second, an organisation is situated within a certain country with a distinct culture and this might also have an influence on the development of the policy.

well as the corporation's management – and personalised since every company's policy will be unique to that company (Lubbe, 2000:206).

In 1993, Jenkins suggested the following guidelines when a travel policy is developed for the first time and these still hold good today:

- Management goals in terms of travel must be determined. Management support for the planned travel policy is of vital importance, since they need to set an example to the other travellers.
- An examination of corporate culture will show whether cost control, comfort or company visibility are the primary goals when travel is undertaken. The travel policy will need to reflect this.
- Feedback from travellers at headquarters and branch locations will give an indication which travel agency and travel suppliers are presently being used. The level and frequency of travel expenditure can also be ascertained.
- Travel data can be gathered. This includes agency reports, traveller expense reports, credit card reports and any other information that could help demonstrate savings potential to management or be supportive in establishing the travel policy.
- A proposal for senior management can be prepared explaining the advantages of a documented travel policy. The potential for current and future savings supported by facts and figures when possible can be shown.
- Decisions should be taken as to who will be responsible for monitoring compliance with the policy and what punitive actions will be taken for repeat offenders.
- A standardised expense report that follows the policy should be created.
- Management should meet with travellers to clarify the need for the travel policy and to answer any questions. A brochure with a condensed version of the policy to put in travellers' ticket jackets may be created (this could be in electronic format today).
- Follow-up meetings should be held to clarify the policy, answer questions and make sure that executives' needs are met. The corporate travel manager should be ready to amend or extend the travel policy as the corporation grows and travel needs change (Jenkins, 1993:36).

Communication in relation to a company's corporate travel policy goes beyond simply distributing the policy document itself, and includes such strategies as publishing periodic newsletters and conducting seminars for travellers and travel arrangers.

Because the travel manager is responsible for *compliance monitoring*, s/he is the recipient of pre- and post-trip *compliance* reports, as well as reports from the corporate payment system. This means that the travel manager can provide data to those charged with enforcing the policy.

The final phase of the policy-related activity is *enforcement*. At this stage, the travel manager typically reverts to the role of an influencer without actual authority. The role is limited to assisting in the development of written enforcement principles as stated in the policy (Meyer, 2002).

According to Wint and Avish (2003:1), there are six elements that form the foundation of a successful travel policy:

- culture
- content
- comprehensiveness
- communication
- control
- compliance

Culture

"A set of shared attitudes, values, goals, and practices that characterise a company or organisation."
(Wint & Avish 2003: 2)

An organisation's culture is revealed in every one of its operating policies and procedures, as well as in its corporate travel policy. The corporate culture is a vital connection to each of the other five key elements. Decision-makers in travel management are required to

have an instinctive grasp of their organisation's culture. Travel management requires a purposeful balancing act between potential savings and a company's status quo. Matters that may impact upon corporate culture are those that can influence an employee's comfort and/or convenience level while travelling. Any changes to corporate culture need strong and noticeable support from senior management.

Content

> *"The topics or matters treated in a written work."*
> (Wint & Avish, 2003: 3)

The success of a travel policy centres on the travel policy issues addressed, such as air travel, accommodation, car rental, methods of making travel reservations, meals and entertainment and payment methods. Essential travel policy topics need to be included to make the most of a policy's effectiveness. Content is measured by the number of issues addressed in the travel policy and is not complete if the travel policy is missing any of these crucial topics. Travellers need to know what management expect from them. A travel policy should include information on each component of T&E expenditure, as this will ensure that travellers comprehend management's expectations on all components of business travel.

Comprehensiveness

> *"Covering completely or broadly; having or exhibiting wide mental grasp."*
> (Wint & Avish, 2003: 3)

Even if the vital issues are addressed, a corporate travel policy is not complete without extensive coverage of each issue. The success of an organisation's travel policy depends not only on the actual topics included, but also on the level of completeness within each topic. If all details are not visibly defined in the travel policy, travellers will not realize the organisation's expectations. Comprehensiveness is the extent of detail provided under each of the policy components: it presents travellers and expense approvers with the information needed to follow the travel policy and manage expenses and it also guarantees a concrete record of all ongoing travel management objectives.

Communication

> *"A process by which information is exchanged between individuals through a common system of symbols, signs or behaviour."*
>
> (Wint & Avish, 2003: 4)

It is crucial to improve communication methods and gain senior management support. Even a carefully designed policy cannot deliver savings if travellers are not familiar with it or its contents. Policy communication includes the extent of the travel policy's distribution, how the travel policy is distributed, the frequency with which the travel policy is updated and traveller awareness and knowledge of the travel policy.

Control

> *"A device or mechanism used to regulate or guide the operation of a machine, apparatus, or system; power or authority to guide or manage."*
>
> (Wint & Avish, 2003: 4)

Processes and enforcement plans should be in place for checking compliance and dealing with non-compliance.

Compliance

> *"The act or process of complying to a desire, demand or proposal; conformity in fulfilling official requirements."*
>
> (Wint & Avish, 2003: 4)

Once an organisation has established and communicated its travel policy, the key question still remains as to whether travellers are complying with it or not. All imposed limitations must be examined for traveller compliance, as non-compliance leads to higher than necessary costs. Compliance measures how well travellers are following the travel policy. It guarantees that the company attains the financial and administrative benefits expected from a travel policy, and is the decisive measure of the policy's overall success.

Wint and Avish (2003:5) reason that an organisation has certain key chances to accomplish policy compliance; namely:

- use of a designated agency for air, hotel and car rental reservations
- use of preferred air, hotel and car rental suppliers
- use of a corporate-sponsored payment method
- use of an appropriate class of air service
- staying within meal/hotel spending guidelines
- submission of expense reports within an encouraged timeframe
- submission of appropriate receipts to substantiate expenses

The benefits of including the six elements in a corporate travel policy, as discussed in the foregoing pages, can be summarised as follows (Wint & Avish, 2003:5):

- Failing to enforce a travel policy will render it ineffective.
- Improved compliance will result in lower direct T&E costs.
- Travellers will comprehend management's expectations.
- Use of preferred suppliers will be maximised.
- Market share commitments will be attained.
- Complete management reporting from the organisation's designated travel agency and corporate card supplier will be utilised for monitoring, budgeting and forecasting.

Simply having a formal travel policy is insufficient: policies must be reviewed regularly, clearly communicated to employees and consistently enforced. In an international study conducted by IATA and ACTE, a considerable number of the respondents were not aware whether or not their company had an established procedure for reviewing its corporate travel policy. Most companies with such a procedure in place usually reviewed their corporate travel policy annually (IATA & ACTE, 2007:22).

Studies conducted by American Express Consulting have shown that, generally, more than one third of all expense reports contain at least one instance of non-compliance with established policy, and about one quarter of all expense reports that reach the travel

accounting departments have to be sent back for explanation or additional support. Non-compliance frequently occurs because policies are not explicitly defined (Wint & Avish, 2003:5).

2.8.1.3   The layout of the corporate travel policy

A number of authors' views (Jenkins, 1993; Greene, n.d; Anon, 2006a; Anon, 2006b) are consolidated to provide the following guide as to what should be included in a travel policy. There are basically three categories in such a policy: areas to cover, expense reporting and distribution of the policy. This discussion is interspersed with practical examples taken from the travel policies of a number of large organisations.

It should be noted that not every T&E issue is applicable to every organisation, but having a complete policy is the key to higher compliance and to making the expense repayment process as efficient, unequivocal and effective as possible. It is also the key to internal financial control of T&E expenditure (Institute of Management & Administration, 2006).

Areas to cover

- Method of making travel arrangements

   A travel policy should state whether corporate travellers should use the services of a travel management company (TMC), the travel department or self-booking tools to make travel arrangements. A survey conducted by Runzheimer International in 2002 found that almost all travel managers consider the use of a designated agency or in-house office to be the most important travel issue within the travel policy. The survey indicated that 75 per cent of the respondent organisations mandated the use of a designated travel agency (Lubbe, 2003). Many employers establish an account arrangement with one travel agency (or TMC) to handle all business-travel reservations for employees. This facilitates direct billing to the employer and also consolidates the data for expenditure management reasons (Anon, 2006a).

- Air travel

A survey conducted by IATA and ACTE (2007:18) revealed the following factors that needed to be covered in the air travel section of the corporate travel policy:

- choice of airline
- choice of alliance
- class of service
- class of service dependent on flight duration
- corporate deal with airline
- corporate deal with alliance
- limited number of executives on the same flight
- routing
- selection of travel agent
- ticket price limitation

Mason's (2002:55) research shows that, in travel policies, the class of travel is more heavily controlled than the choice of airline. This difference is not unexpected, as variations between ticket classes will be much more important than those between airlines in the same ticket class.

The IATA and ACTE (2007:18) survey revealed that the factor most often included in the corporate travel policy for companies with up to 1 000 employees was ticket price limitation. For companies with more than 1 000 employees the factor most often included was class of service. In cases where the class of service was determined by the flight duration, five hours was the threshold before employees were allowed to book a business class ticket.

This section should also determine the policy on enrolment in frequent-flyer programmes, where decisions should be made regarding whether travellers are to be allowed to keep the benefits for personal use or not. According to Johnson (2005), there are several schools of thought regarding the allocation of loyalty points. The first argues that no loyalty points should be allocated to anyone. The

second is of the opinion that directors of the company should be the receivers of the loyalty points. Another says that the loyalty points should be allocated to the business. This approach is called the frequent-flyer mileage redemption strategy and is utilised to decrease an organisation's air travel costs by using frequent-flyer miles accrued by employees during business travel for their future business trips. When following this strategy, the travel policy should also mention whether lowest fare routings and reservations are mandatory or merely encouraged (Suzuki & Walter, 2001). The last school of thought feels that the points should be given to the end user, thus the corporate traveller. Many companies shy away from the redemption strategy and permit their employees to keep their frequent-flyer miles. The reasons for this are that travel managers do not want to be unpopular with travellers and are struggling to gain support from senior management for the redemption strategy. There are justifiable reasons for senior management's reluctance to utilise the redemption strategy: they have to be aware of the effect that this might have on employee morale. After all, travellers can argue that they are entitled to their mileage as compensation for travelling outside working hours (Cohen, 2006). Most of the literature available on frequent-flyer programmes vouches for either the third or the fourth school of thought.

The decision on the allocation of loyalty points is of utmost importance to the company, as it could have a significant influence on policy compliance. A traveller who receives loyalty points might decide to take the most expensive flight in order to earn more loyalty points, instead of utilising 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 might not be a preferred supplier for his company.

EXAMPLE 2.1: EXCERPT ON AIR TRAVEL FROM A COMPANY TRAVEL POLICY

When you make business travel reservations, purchase the lowest possible coach airfare that meets your business needs. For international flights with flight time of six hours or greater, business class travel is acceptable for exempt and technical staff. For certain regional international travel less than six hours flight time, business class travel may be allowed with appropriate approval. **Company X** may have negotiated discount rates with certain air carriers. The Travel Coordinator or **Company X Office** should be contacted for this information. If an employee makes his or her own travel arrangements, the cost of the air travel must be approved by the Travel Coordinator prior to confirmation or ticket issuance.

Note: If your plans change and you cannot use your airline ticket, contact the ticket issuer or Travel Coordinator immediately, as appropriate, to inquire about a refund.

• Accommodation

In 1997, Bell and Morey suggested that regardless of the huge amount of money concerned, hotel stays were among the last components of travel expenses to be dealt with by the corporate travel policy. This seems to have changed, as more recent studies (Lubbe, 2003; Marta, 2006) have shown increasing attention to specific hotel guidelines in travel policies.

The travel policy establishes accommodation-spending guidelines according to city, type of hotel or level of personnel. Lang (1993) recommends explicit policies for different personnel levels. The travel policy should also include a list of preferred hotels or chains, state policies on guaranteed reservations or cancellations, and cover other subjects such as extra services allowed.

Compliance by travellers regarding air travel generally appears to be much higher than compliance in relation to hotel accommodation (Anon, 2006b). Yet, many companies still remain non-mandated, and it becomes the responsibility of the corporate travel managers to force employees to book preferred properties whenever possible. Then the challenge for corporate travel managers is to influence traveller choice, even if the policy is not mandated. Having the right programme mix and good data to negotiate at desirable hotels in the right locations can achieve this. Furthermore, if mandating does not work culturally, then the travel manager

has to be able to influence travellers. Before s/he can encourage people to book the right hotels, they have to be persuaded to use the right reservation channels. These need to be easy to use, and rates at preferred hotels should be clearly designated and accurate. Having travellers use the preferred booking channel influences them at the point of sale. It encourages them to use preferred properties, but it is essential to have the right properties, the right information and functionality that travellers will want to access (Anon, 2006b).

One of the fallacies in the hotel industry is that a non-mandated programme carries little weight. Whether a programme is mandated or not should not be the measure for a programme's effectiveness. The measure should centre upon whether the programme has the mechanisms in place to shift volume to preferred suppliers. Companies without a mandate often have strongly-worded policies. A policy can only be called a mandate if travellers who do not concur with the policy will not be reimbursed. While non-mandated programmes do not go to these lengths of admonishment, there are other, more subtle ways to persuade travellers to follow a hotel programme, such as reporting to senior managers or issuing divisional reports. Another reason in support of mandated hotel programmes is traveller safety. If travellers ignore policy when booking trips, then they will more than likely be staying at properties that were not subject to due diligence by the company's travel team (Anon, 2006b).

EXAMPLE 2.2: EXCERPT ON ACCOMMODATION FROM A COMPANY TRAVEL POLICY

Choose lodging that has reasonable single room rates. You are responsible for cancelling hotel room reservations if necessary. You should request and record the cancellation number in case of billing disputes. Cancellation deadlines are based on the location of the property and vary by time zone.

Note: Company X requires receipts for all lodging, whether domestic or foreign. If staying in a private residence, **Company X** will reimburse reasonable expenses for a token gift of appreciation.

Other areas that are covered in the travel policy include car rental, other transportation, meals and entertainment and payment methods. The ensuing discussion on these aspects is largely based on Jenkins (1993).

- Car rental

Preferred car rental suppliers and negotiated rates should be listed in the travel policy. The policy should establish what car size and vehicles are permitted, describe the cover policy on collision waiver and theft insurance and explain refuelling charges and company procedure in that regard (Jenkins, 1993:38).

EXAMPLE 2.3: EXCERPT ON CAR RENTAL FROM A COMPANY TRAVEL POLICY

Reimbursement for car rental is limited up to intermediate size or lowest rate classifications for individual travellers. Full-size vehicles are allowed for groups when travelling. In the case of rentals for group travel, all authorized drivers must be listed on the rental contract. If renting an automobile, rental charges and actual fuel expenses are reimbursable in lieu of mileage. For domestic travel, original itemized receipts from the car rental agency must be submitted with the Travel Expense Form. Only costs for auto rental will be reimbursed; no other insurances or additional coverages offered by the car rental agencies will be reimbursed as coverage is provided by the company insurance policy. Travellers should print a copy of the letter certifying insurance coverage (see link at the end of this policy) and submit to the rental agency. Vehicle rentals may be used as the means of transportation to and from a trip destination only when the overall cost of the rental is less than the cost of other means of transportation.

- Other transportation

It is essential to establish a policy with regard to private car use, the use of company cars and policy regarding parking costs. Guidelines regarding the use of taxis should also be included in the policy and extensive use of taxis should be discouraged. Methods of payment, as well as the conditions of reimbursement, such as a validated receipt attached to expense claims should be highlighted (Jenkins, 1993:38).

EXAMPLE 2.4: EXCERPT ON OTHER TRANSPORTATION FROM A COMPANY TRAVEL POLICY

The **COMPANY** may pay for or reimburse ground transportation and related expenses, such as shuttle bus (between airport and hotel), taxi, bus, subway, tram, train and parking. Care should be given to use the lowest cost transportation. Original receipts are required.

- Meals

Spending guidelines for meals should be incorporated in the travel policy, stating the amount available to the corporate traveller per day and per city. Receipt requirements and whether alcoholic beverages can be included as an expense, should certainly be included in this expense category (Jenkins, 1993:38).

EXAMPLE 2.5: EXCERPT ON MEALS FROM A COMPANY TRAVEL POLICY

The **COMPANY** may pay for or reimburse meal expenses on domestic travel at current federal per person per day rate for the city. Meal expenditures need not be pro-rated. Meal expenses may be reimbursed if the trip has been preauthorised and an overnight stay has occurred. Meal expenses placed on a Purchasing Card must be itemized on the Travel Expense Report, adhere to this travel policy and must not be reimbursed to the traveller. The Purchasing Card receipts should be kept with the traveller's Purchasing Card expense log. The **COMPANY** will not pay for or reimburse alcohol expenses except in certain pre-approved circumstances and charged to an allowable gift or expendable endowment fund. (See Alcohol Expense Policy.) Alcohol purchases are not permitted on a Purchasing Card. Entertainment expenses incurred while on travel status should not be reimbursed on the Travel Expense Report (refer to Entertainment Expenses Policy). Gratuities are included in the per person per day rate and are authorized up to 20% of the cost of the meal.

- Entertainment

The seniority level of personnel permitted to claim entertainment expenses and the accepted monetary amount should be stated in the travel policy, as well as the time schedule permitted for customer entertainment. The policy should highlight that a copy of the authorised, approved customer entertainment schedule needs to be forwarded to the corporate travel manager for filing and auditing purposes (Greene, n.d.). It is also suggested that the entertainment policy should include guidelines on prohibition of certain establishments, home entertaining and office parties (Institute of Management & Administration, 2006).

- Payment methods

Establishing when cash advances are permitted, describing the policy on the use of personal credit cards and when direct billing to the company is allowed, are imperative elements to include in the travel policy. Also necessary for inclusion is the regulations relating to corporate credit cards issued to those employees required to travel for business purposes. The policy should point out that the company will be exclusively responsible for payment of authorised charges on these cards. Employees with approval will have no legal responsibility for payment. The policy should also stress that no repayment will be authorised for purchases made with personal credit cards or cash when a corporate credit card has been issued. The corporate credit card is not authorised for use when employees travel for purposes other than business (Jenkins, 1993:38).

EXAMPLE 2.6: EXCERPT ON PAYMENT METHODS FROM A COMPANY TRAVEL POLICY

Cash: COMPANY X discourages the use of cash because any loss or misappropriation is not covered by insurance.

Travellers Cheques: If your trip requires the use of traveller's cheques, you should obtain the cheques directly from a bank. If you need a travel advance to cover this cost, see the *Travel Advances* segment of this document. Company X will reimburse fees when the traveller's checks are used for company travel.

Direct Payment of travel expenses: Company X permits direct payment of travel expenses for travel with approval of the Travel Coordinator and unit head.

Travel Advances: Company X records a travel advance in the general ledger when a cash payment is made to the traveller prior to official Company X travel or for prepayments to vendors for travel expenses that will be charged to a Company X account. Travel advances are made in exceptional circumstances and only with the specific approval of the traveller's unit head. To receive an advance, an Advance of Funds Form must be completed. Travel advances should be in close proximity to the travel dates. They should be cleared within 30 days after completion of the trip. The timely clearing of advance accounts is the responsibility of the traveller.

Note: By signing the cash advance request form, you agree to submit your expenses within 30 days of the completion of your trip. You also acknowledge that failure to do so could result in disallowance of travel advances or reductions in reimbursements for other travel expenses in the amount of the advance. Any advance that is not used for the trip must be returned to Company X immediately after travel. If a trip is cancelled, the unused advance must be returned immediately and deposited to the travel advance account. You may not clear the advance with expenses for trips other than the trip identified with the cash advance request form.

- Documentation

It is essential that corporate travellers are aware of the exact documentation required when making travel arrangements. The travellers should understand the documentation and the required expense breakdown. The policy should include the meaning of acceptable receipts and for what monetary amount receipts are required (Jenkins, 1993:39).

Expense reporting

- Sample forms

The policy should include examples of forms for cash advances, pre-trip authorisation, as well as expense reporting. Other forms to be completed by corporate travellers when making travel arrangements, such as those for special international travel authorisation and damage waiver, should also be included in the policy (Jenkins, 1993:39).

EXAMPLE 2.7: EXCERPT ON DOCUMENTATION FROM A COMPANY TRAVEL POLICY

You are responsible for providing sufficient documentary evidence to support business purpose and to substantiate all expenses. Documentation should be in the form of original bills or receipts, and must include the name of the vendor, location, date, amount of the expense that was paid or incurred by the traveller, and a description of goods or services received. You should describe the business purpose in terms that can be easily understood by an internal or external reviewer.

Receipts (credit card slips, invoices, etc.) are generally the best documentation to support a request for reimbursement for travel expenses. If the receipt does not include an amount, description of the good or service purchased, or other key information, you should provide the required information.

Note: Company X does not require receipts for incidental travel expenses, although the traveller is still required to indicate the nature of the expense, the date, the location and the amount. Meals and lodging are not incidental expenses. See meals and lodging sections in this policy for receipt requirements related to those expenses.

- Report processing

This involves stating how soon after the trip reporting is required, what type of policy and documentation is applicable and listing the people who must approve completed reports (Jenkins, 1993:39).

Distribution of policy

A travel policy can take many forms such as a loose leaflet, booklet, memorandum or online posting. A cover letter from management should be included, as well as an explanation of the above sample forms. A list of where to send or obtain approval of travel and expense reports should also be provided in the policy.

Lang (1993) says that the vital components of a good travel policy include brief statements of purpose, approval guidelines, instructions on form completion, responsibility and enforcement, corporate discounts and agreements and differentiation between various types of travel expenses. Lang (1993) further suggests that an effective corporate travel policy should comprise the following:

- A current issuance or revision date. Travel policies need to be revised and reissued periodically (preferably yearly) to stay up to date with supplier pricing strategies, industry developments and the maturation of the company's travel management programme. An issue or revision date that appears on the title page of the policy lets readers know whether the version they hold is up to date.
- A cover letter from senior management. A cover letter from the CEO can noticeably increase both readership of, and compliance with the policy. Such a letter is especially important when a new policy represents a different approach from previous practices.
- Concise statements of purpose, responsibility and enforcement. Travel managers should never presume that readers comprehend the obvious. The travel policy should begin with brief statements explaining the purpose of the document, the responsibilities of specific individuals in relation to the policy and principles of enforcement (e.g. consequences of non-compliance).

- Explicit policies for different personnel levels. Having different policies for senior managers is an accepted practice; in most cases, separate senior management policies are appropriate in light of the workload, travel schedule and levels of stress endured by these executives. Others are of the opinion that the policy should be single-tiered and apply to everyone from the most senior executive to the most junior ranking employee (Anon, 2006a).

- Delineation between in-town and out-of-town expenses.

- Differentiation between local and international travel. Policies to govern reporting of currency exchange rates, limits on cash advances, spending guidelines for international travel, as well as procedures for reclaiming value-added taxes should be included (Lang, 1993).

- Approval guidelines. The level and nature of any necessary approvals (e.g. for reimbursement of expenses, exceptions to policy or incurrence of large or unusual expenses) should be clearly stated (Lang, 1993).

- Corporate discounts and agreements. Included in the policy, usually in an appendix, should be all relevant information regarding the hotels, car rental agencies and airlines with which the company has negotiated a corporate discount.

- Corporate contact for further information. Despite the best efforts to ensure the policy is complete, yet succinct, there will unavoidably be times when further information is required. The policy should include the name and telephone number of the travel manager or employee who has ongoing responsibility for the organisation's corporate travel management (Lang, 1993).

2.8.1.4 Types of travel policies

According to Andrew Hillman (2002) of Pfizer South Africa, the travel policy should offer the means for providing the company with the most economical service, as well as taking the well-being of corporate travellers into account. Jenkins (1993:39) differentiates between three types of policies: low, medium and high control. The type of policy followed is dependent on the corporate culture that characterises the organisation. Wint and Avish (2003) explain that corporate culture decides the travelling lifestyles of employees; and are controlled by management goals, the industry, the economic climate and the corporate history. Some organisations will highlight cost control, while others may see comfort as

more critical when business travel is undertaken. A travel policy that is loosely defined in terms of the travel requirements of corporate travellers can be viewed as a low control policy. Wint and Avish (2003) call this a relaxed or employee oriented travel policy. One that highlights authorization of all travel expenses, strict reporting procedures, precise methods for organising travel and obedience to exact regulations pertaining to personnel levels and travel benefits can be regarded as high control or as Wint and Avish (2003) describe it – restrictive or business oriented. Table 2.2 provides an example of the differences in low, medium and high control policies in terms of typical components included in travel policies, while table 2.3 shows the characteristics of a relaxed vs. a restrictive corporate culture as reflected in the travel policy.

Table 2.2: Types of travel policies

TRAVEL COMPONENT	LOW CONTROL	MEDIUM CONTROL	HIGH CONTROL
Pre – trip authorisation	No written authorisation required	Written authorisation by supervisor	Authorisation by supervisor for domestic trips; higher level manager for international trips
Agency usage	Travellers are encouraged to use one of the company's designated agencies	All travel reservations shall be made through the designated agency whenever possible	All travel reservations for airlines, hotels and rental cars must be made through the designated agency. The company will not reimburse expenses for arrangements not made through the designated agency
Reservation requests	State required departure and arrival time, airline and flight number	State desired departure time and arrival time as well as airline preference	State desired departure time or required arrival time only. Do not request specific flight or airline
Advance Planning	Travellers are encouraged to make reservations as far in advance as possible	Reservations should be made at least seven days prior to departure, if possible	Travellers are encouraged to make reservations at least 14 days prior to departure
Reservation changes	No mention	Changes should be made through the agency	Changes should be made through the agency at least 24 hours prior to departure
Airline class of service	Domestic – economy class International – business class First class – for directors only	Domestic – economy class International – business class First class – authorisation required	Domestic – economy class International – economy class for less than five hours, business class for more than five hours First class – authorisation required
Low fare utilisation	Always try to use lowest fare possible	Lowest fare possible within two hours of desired departure	Must accept lowest fare
Use of connections	No mention	Connecting flights used if possible	Connecting flights must be used if there are fare savings
Airline choice	No mention	Traveller may choose	Must fly specific airlines
Frequent traveller benefits	Traveller allowed to keep benefits	Benefits belong to the company and should be handed in	Benefits go straight to the company
Hotels – negotiated rates	No mention	Used whenever convenient	Must be used
Hotels – corporate rates	Whenever possible	Always request corporate rates	Must be used
Class of hotel	Use moderately priced hotels	First class hotels used, no luxury hotels allowed	Mid priced hotels used
Rental cars – company	Use designated company if possible	Try to use designated company	Must use designated company
Rental cars – class	No class specified	Compact, fuel efficient cars	Economy cars only
Travel time	Should travel during normal business hours	May travel during normal business hours	Must travel outside of normal business hours
Expense reports	Completed and signed by supervisor	Completed and signed by supervisor within seven days of return	Completed within seven days, all expenses must be explained

Adapted from: Jenkins (1993:39-46)

Table 2.3: Characteristics of a Relaxed vs. Restrictive Corporate Culture as reflected in the travel policy

Relaxed (Employee Oriented)	Restrictive (Business Oriented)
• Issuing of internal cash advance • Central/Direct bills utilised for employee travel • Travellers can book any class of air service • Travellers not required to use preferred suppliers • 'Reasonable' meal expenses to be reimbursed • No support from senior management • Meal per diems • Employee is permitted to use personal credit cards for expenses • Club Membership dues are reimbursed • Size of rental vehicles or class of hotel accommodation are not restricted	• No internal cash advance • Employees required to book all reservations through the designated travel agency • Clear class of service and lowest logical airfare guidelines • Employees are required to utilise corporate sponsored T&E card for all business expenses • Spending limits or reasonable guidelines for meals • Employee required to utilise suppliers with whom the organisation has negotiated rates • Noticeable senior management support and enforcement principles

Source: Wint and Avish (2003: 2)

Wint and Avish (2003:4) believe that a travel policy exerts minimum control when:

- travellers are not asked to use preferred air, hotel or car rental vendors
- use of the corporate card is not mandated
- travel is not consolidated within one designated travel agency
- travellers are not required to submit appropriate receipts
- repayment is allowed for expenses outside the travel policy

In a research study done by Mason (1999:75), travellers were divided into two groups: those positive about the corporate travel policy of their company, and those negative about it. Surprisingly, when asked about the nature of the corporate travel policy used in their company, a greater percentage of the group positive about corporate travel policies pointed out that their corporate travel policies were fairly inflexible, with written rules to be adhered to. About 50 per cent of respondents, however, showed that the corporate travel policy under which they made business trips is in the form of written guidelines. Mason

further reported that business traveller feelings towards corporate travel policies might be most influenced by companies that produce travel policies that favour those at the top of the corporate hierarchy.

2.8.1.5   Enforcing the travel policy

Enforcement of the travel policy of the organisation is vital for its effectiveness. The highest level of control and enforcement will fall in the category of high control, and exceptions that arise will be strictly handled, such as when a traveller stays in a luxury hotel instead of the designated economy hotel and the company refuse to repay the difference in travel expenditure (Lubbe, 2000:209).

Discouraging non-compliant traveller behaviour is a concern for all travel programmes regardless of size, expenditure or sophistication. Making sure that workers follow travel guidelines is essential, since most businesses sign contracts with preferred suppliers that promise a certain amount of traffic. When employees do not adhere to the company's policy, they may undermine negotiated discounts and bring utilisation below the level at which the company will continue to enjoy those discounts (Kirshner, 2005).

Corporations do have a great amount of leverage in terms of getting employees to comply: they can simply refuse to reimburse them (Gross, 1996). While mandates approved by senior management are often thought to be more belligerent than absolutely necessary, they seem to have come back into fashion. A refusal to reimburse noncompliant expenses seems to have again gained prominence in the corporate travel space. Beyond realizing cost savings, companies that steer compliance with a strong, assessable policy may also see benefits in showing their ability to move market share, gain negotiating power with suppliers, assist travellers to save time and effort in carrying out their work for the company and keep appropriate levels of comfort and security during travel (Kirshner, 2005).

In a research study, Mason (2002:60) asked travel managers what processes they used to ensure traveller compliance with the travel policy. Their responses suggested two approaches. The first permits the traveller to book the flights they ask for. Management information systems are then used to recognise those travellers who have travelled

outside the policy's instructions. The agent is responsible for reporting transgressors to the manager who can then take appropriate action against the transgressor. One approach is to refuse to repay all costs incurred by travellers who have booked outside the policy. Although this approach is effective, it might be viewed by some organisations as being unduly draconian. Other travel managers were of the opinion that a simple quiet word would be enough to encourage travellers to stay within the policy in future. The second approach used to make sure travellers complied with the travel policy was preventing them from booking outside the policy. Some managers channelled bookings through their offices, thus being in a position to decline travel bookings outside the policy. In other cases, the manager would trust the agent to either refuse to book outside the policy without appropriate signed authorisation, or by providing pre-trip alerts of non-compliant travel. Some travel managers viewed the internet and on-line booking systems as a way by which the company, with its agent, could create an electronic barrier to non-compliance.

Figure 2.2 shows the results of a survey conducted by the Institute of Travel Management (ITM), which revealed that the most common actions taken to control compliance were: exception approval, communications, booker education and expense claim monitoring (ITM, 2006).

Figure 2.2: Actions taken to control compliance
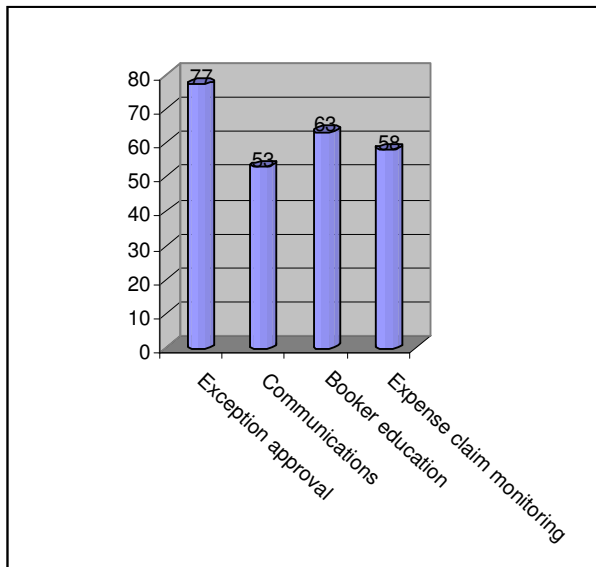
Source: ITM (2006)

According to the survey, the following appeared to be very rarely used by respondents' companies: the implementation of penalties for booking outside of policy; mandating and reducing the visibility of agency fees.

Kirshner (2005) says that the arrival of technologies that permit travel managers to steer and examine compliance through their online booking tools has enabled companies both small and large, lightly and heavily managed alike, to re-emphasise the significance of travel policy to travellers and travel arrangers engaged in self-booking. Even companies developing a travel programme from the ground up can build policy directly into the booking system, enabling immediate, direct communication with travellers and improved exception reporting.

Spending time and resources in developing a travel policy that is right for the organisation can reap benefits in the long term, as a policy that does not provide enough flexibility for the traveller or is not in tune with corporate culture will almost inevitably lead to low compliance rates and, in effect, become redundant. Two key tools that can be used to support an organisation in attaining high levels of travel policy compliance are travel management companies and corporate card programmes. TMCs can both counsel travellers on policy and also enforce the policy with the traveller at the point of booking. Evidence suggests that companies utilising TMCs both to counsel and to enforce policy realise higher levels of compliance than those who use agents for only one of these roles (Sauser, 2003). Corporate card programmes can also increase policy compliance by offering travel managers and finance departments management information that recognises out-of-policy expenditure, as well as giving a breakdown of expenditure data to monitor travel patterns and to emphasise any shortages in the travel policy. Using this information, the company can then adjust the policy to make certain that it supports travel patterns and traveller needs, therefore increasing travel policy compliance and bottom-line savings (Sauser, 2003).

Many travel managers and consultants agree that making policies more traveller-friendly helps boost acceptance. This includes allowing employees to keep frequent-flyer miles, not forcing them to take the lowest rates and sometimes allowing more expensive direct flights. Others are of the opinion that including employees in travel policy-making is crucial to ensuring maximum compliance. Tactics such as involving a wide range of employees,

making travel policies available to them and enlisting senior management in introducing a new policy can help boost compliance (Gross, 1996).

2.8.1.6   Other aspects of the corporate travel policy

There is a perception that travel policies are becoming more restrictive. A BTN survey revealed that twice as many buyers in 2002 than in 1998 said their travel policy was more restrictive than the year before, with two-thirds citing budgetary restrictions (Campbell, 2002). A recent survey conducted by Airplus (2006:7) showed that companies with existing travel policies are likely to tighten them further. Although the principle objective is to ensure value for money, cost control has to be reconciled with a respect for the business traveller's comfort and well-being. After all, these employees may well be enduring a degree of disruption for the good of their business. Moreover, companies securing the highest level of compliance with their travel policies are most likely to be those that acknowledge the need for an element of flexibility, but also let it be known that a watchful eye is being kept to detect any obvious abuses. Furthermore, employees are always more likely to support arrangements they have helped create. Care should be taken to ensure that stipulated suppliers and classes of travel are realistic and perceived by travellers as being reasonable and in line with their expectations. Particular attention should also be paid to employees' feedback on the quality of service received from the supplier (SureTravel, N.d.).

Many companies have become protective about employees who take business trips. They want to know where they are going, what they will pack and who else is travelling. Companies are taking a number of steps, from examining the need for travel to improved tracking of workers on flights. Some businesses are now expecting their employees to send all travel arrangements to a centralised location for authorisation, instead of permitting them to make their own arrangements. This is done so that the company will know where their employees are at all times. Companies are also monitoring how many employees are travelling on the same flights and dates. If too many people are flying, some companies have asked employees to alter their plans. Other companies are encouraging conference calls, sending one person from a business division instead of several, and driving instead of flying distances of a couple of hundred miles (Conklin, 2001).

The Carlson Wagonlit Travel Business Travel Indicator revealed gaps in perception between travel managers and business travellers regarding the most irritating limitations of the corporate travel policy. Travel managers believe business travellers are most bothered because they cannot book first or business class on international flights, followed by flight connections. From the business traveller's perspective, leading frustrations vary by area, but the Saturday night stay requirement and flight connections average highest. A high rate of compliance requires regular modification of the travel policy, taking into account travellers' experiences and feedback (Business to Business Travel, 2006).

Another aspect highlighted by travellers relates to partners. Asked what they would like to see included as part of their company's corporate travel policy, over a third suggested allowing partners to join them on their trips, while a fifth wanted weekend stopovers (American Express, 1999).

2.8.2 The use of technology

The purpose of *technology* partnerships between travel agencies, suppliers and corporate clients is to allow organisations to streamline their operations and to become more cost-effective (Lubbe, 2003). While the implementation and use of technology in corporate travel management (particularly corporate self-booking tools) is not the focus of the study, technology can also hinder or aid travel policy compliance. The wider, 'unmanaged' Internet, for example, provides corporations no chance to manage their travel purchasing. Employees can book travel without any consideration to the corporate travel policy. Even if fares are seemingly lower than those presented through preferred suppliers, tickets booked through the Internet do not add to volume or market-share agreements with preferred suppliers, and are not captured in all-important management information data that is used for supplier negotiations (Cohen, n.d). One way to overcome this problem is for the corporate client to form a technology partnership between themselves, their travel management company (TMC - traditional and Internet) and their suppliers such as airlines and hotels. Traditionally, companies have used corporate travel agencies to purchase travel services from their preferred airline, hotel and car suppliers. These suppliers have listed, in exchange for a fee, their process and availability information in CRSs that any agency may access through dedicated connections. With the arrival of e-commerce, however, Internet-based electronic travel reservation systems for corporate travel, also

known as online booking (or self-booking) systems, are expected to partly, or, in some cases, even totally replace traditional travel agents. To obtain travel supplier information, these systems have initially established electronic connections to the traditional CRSs, and, more recently, to the actual suppliers through direct connections. In general, after an organisation's employees make reservations using these systems, the details are sent to that organisation's corporate travel agency, which then concludes the transaction by examining the quality of the reservation and issuing tickets (Chircu & Kauffman, 2000:68). This will allow the organisation to streamline their operations and to become more cost-effective (Lubbe, 2003). This technological option is seen as a key part of travel management. Haapaniemi (2000) refers to it as a corporate intranet. An intranet permits employees to make their own reservations and file their own expenses online – at their convenience – but under the management of the organisation's travel office (Haapaniemi, 2000). The use of a self booking tool also improves 'speed to market' when travel programmes are modified. For example, if a company changes preferred airlines, the travel page can notify employees of the switch. The system can easily be altered so that the new airline appears first when reservations are made (Haapaniemi, 2000). The principal functions of a corporate travel intranet are to supply useful information to the traveller, to maintain relationships with preferred suppliers and to act as a platform for self-service reservations (Cohen, n.d.).

Business travel displays a number of characteristics which make it eminently suitable to purchase through e-commerce. In the area of business travel, information is largely uniform and free of emotional involvement, so that the desired travel products can be described in its entirety by the attributes, destination, travel dates and times, quality classification and price (Schertler & Berger-Koch, 1999). A global survey conducted by ACTE and KDS in 2006 found confirmation of companies' continual implementation of online travel booking tools. The majority of respondents said their firms use systems, bringing them the associated benefits of travel cost efficiencies and better management information. Responses indicate that travellers are becoming progressively more comfortable with making travel arrangements online, with 76 per cent saying that this would be their favoured method for booking a business trip, versus 23 per cent who would still choose to book offline via a travel agent (ACTE & KDS, 2007). In a study conducted in South Africa amongst selected companies, only 13 per cent encouraged their corporate travellers to use self-booking tools. Factors that hamper the use of such tools include the

following: companies perceive that they may have less control of travel expenditure when self-booking tools are used; corporate travellers still prefer personal contact with a traditional travel agent and organisations believe that complex travel reservations are not suited to the system (Douglas, 2005:122).

In 2007, the Association of Corporate Travel Executives (ACTE) conducted a survey to determine the current utilisation of self-booking tools amongst South African companies. The survey revealed that only 15 per cent of respondents had implemented self-booking tools (SBT). Of interest to this particular study is that a company's third most important motivating factor in its decision to implement SBTs is to achieve better policy and preferred supplier compliance (see figure 2.3). Furthermore, companies were asked what their biggest challenge in adoption and implementation was. The results are shown in figure 2.4.

Figure 2.3: <u>Main</u> driver to implement a self-booking tool
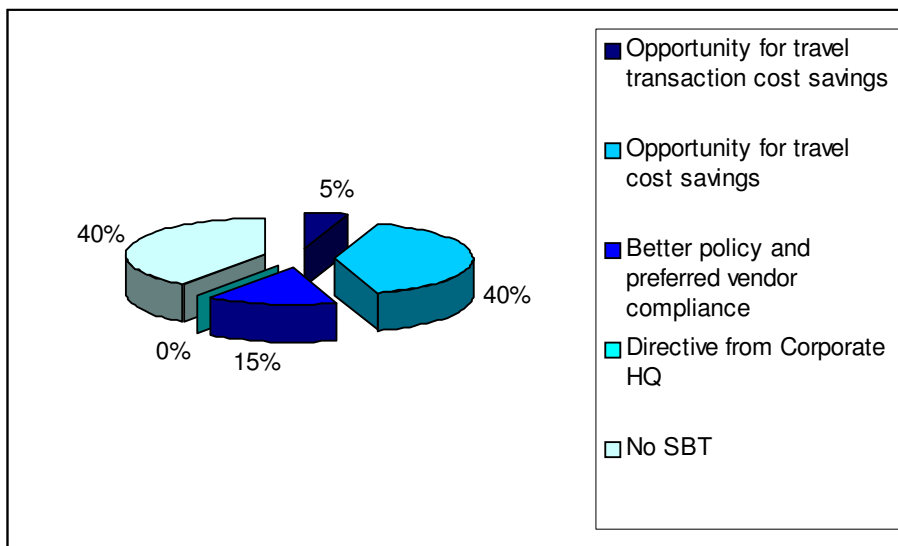
Source: ACTE (2007)

Figure 2.4: Biggest challenge in implementation and adoption

Legend:
- Inadequate training
- Tool functionality lacked seamlessness / ease of use
- Tool did not provide access to travel vendors we require
- Absence of a Self Service environment in our culture
- Lack of senior management support
- No challenge/SBT

Values shown: 0%, 29%, 43%, 0%, 14%, 14%
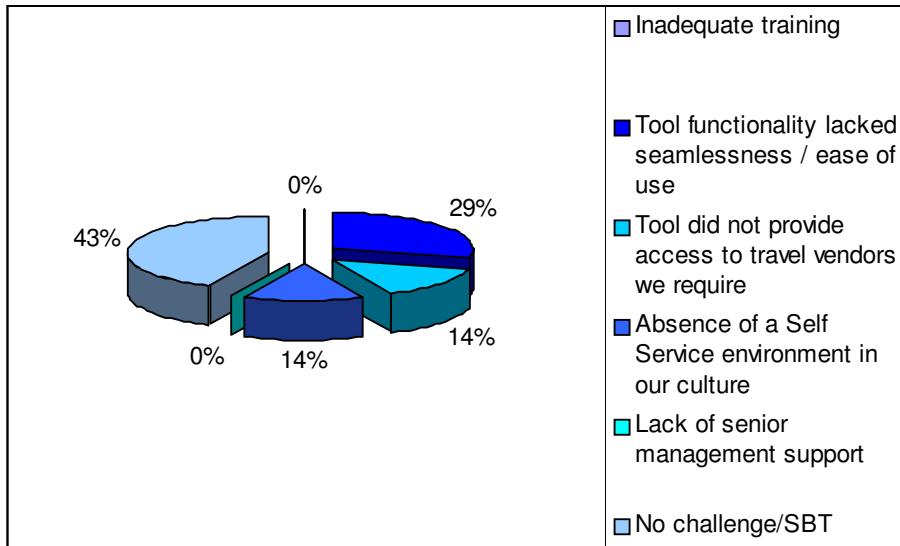
Source: ACTE (2007)

Respondents were also asked to define what they believed was the biggest hurdle to the implementation and adoption of a SBT in a company. Twenty-nine per cent of respondents named tool functionality lacking in seamlessness/ease of use (Figure 2.5).

Figure 2.5: Biggest hurdle to implement and adopt a SBT

Legend:
- Training requirements
- Tool functionality lacking seamlessness/ease of use
- Tool not providing inventory for the travel vendors we require
- Absence of a self-service environment within our culture
- Lack of senior management support
- Tool not providing a ...

Values shown: 19%, 10%, 23%, 10%, 19%, 19%
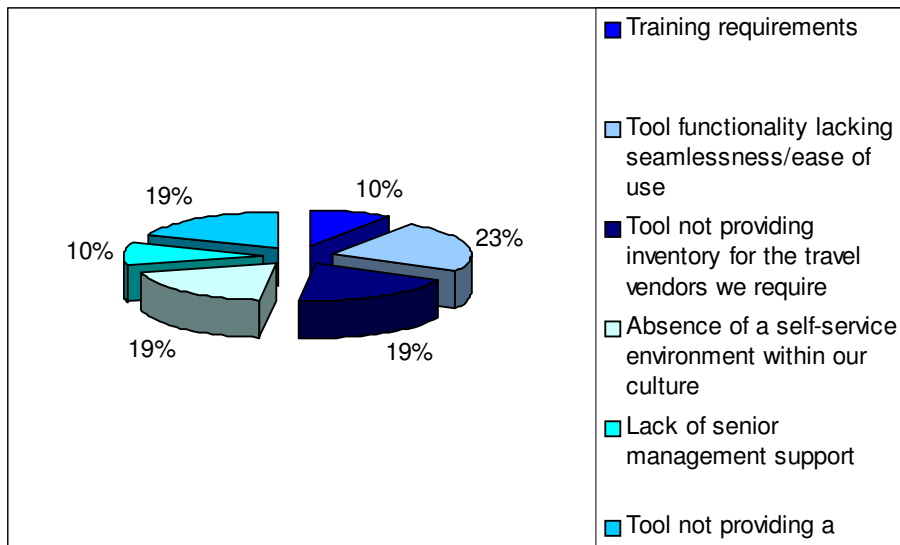
Source: ACTE (2007)

The Business Travel Research Centre at Cranfield University in the United Kingdom conducted a global study on the adoption of corporate self-booking tools and revealed the following key findings (Mason, 2007):

- Using a SBT can save a company 25.6 per cent of TMC fees and 9.1 per cent on average airline ticket costs.
- Air tickets are the travel items most frequently bought through a booking tool.
- Adoption rates have a tendency to be the fastest in the first year of use and then the rate decreases.
- While companies are generally satisfied with current adoption levels, increasing the levels will decrease costs even further.
- High tech companies, consulting services and logistics attained the highest levels of adoption of SBTs, with public utilities and agricultural companies attaining the lowest levels.
- The biggest obstacles to online adoption are: organisational and social issues, travel policy and compliance, lack of senior managerial buy-in and a distrust of the capabilities of technology.
- Simply making a booking tool mandatory in the travel policy can bring about a considerable increase in adoption levels.
- Respondents thought that effective traveller training, supported by senior management buy-in and promotion of the value of SBT usage through internal company communications, were the most effective ways of increasing adoption.
- Nearly 30 per cent of respondents indicated that their travellers regularly reported that their system was slow, not easy to use and thought that cheaper fares were available via internet travel agents or direct from airline and hotel websites.
- Companies with flatter hierarchical corporate structures seem to be able to achieve higher SBT adoption levels.

Perhaps the most important finding with regard to this study is that SBTs ensure better policy compliance.

2.8.3 Relationships

The third action contributing to an effective corporate travel management programme is building successful, transparent *relationships* between management, travellers, suppliers and TMCs. Negotiating deals with suppliers is an important part of building these relationships. The travel policy demonstrates that the company has a mechanism to deliver spending commitments to preferred suppliers. According to an Airplus (2006) study, if travellers do not comply with the travel policy, the company will not be able to deliver the spending commitments to suppliers, and will thus not be able to save money. Johnson (2005) suggests that a company must first engage in a benchmarking exercise before entering the negotiation process. This allows the company to compare its travel deals with a company similar in size. There are only a few papers in the literature that study corporate deals and services in the airline industry (Mason, 2002; Pachon, Erkoc & Iakovou, 2007; Sauser, 2003) even though business travellers form the largest part of the most profitable sectors of the air travel market.

In 2002, Mason completed a survey on future trends in business travel decision-making. Of the companies responding to the survey, 65 per cent negotiate deals directly with airlines. These companies obviously have sufficiently large purchasing power to be able to negotiate deals that would be better than those offered via the travel agency market. This, however, does not make travel agencies redundant in the negotiation process; they can still provide benchmarking data to a corporate client to ensure that the deals negotiated are as valuable as possible for that company's level of air-travel expenditure (Mason, 2002:54). For numerous companies, a substantial share of travel is on a small number of routes, and on these routes the companies may have agreements with individual airlines. However, if an airline group has the ability to provide global coverage for all of a company's air travel requirements this could be beneficial for both parties. The company would be able to negotiate better discounts on their most travelled routes by guaranteeing a higher percentage of their travel is on the preferred airline group's services globally. The airline group guarantees increased volume throughout its network and is capable of building yield on the less-travelled services (Mason, 2002:60). Travel managers need to re-evaluate their buying approaches. As mentioned above, in the past, companies looked to negotiate contracts on their most popular routes. More recently, though, managers have been attempting to combine as much volume as possible with a single supplier to leverage

the most advantageous discount-for-volume (Air Transport Group: Cranfield University, 2002:10).

Mason's 2002 survey asked respondents whether the percentage of flights placed with their main supplier would change within a five-year time frame: 44 per cent thought that their company would make use of their main airline proportionately more in the future, while over a quarter believed that the proportion would stay the same, whereas the remainder of respondents thought the amount of business placed with their major supplier would decrease. Combining travel with a major supplier permits the company to negotiate the best volume discount achievable, and it seemed that some companies partaking in the survey, were indeed following this strategy. But, the organisation must cautiously assess the potential for altering the amount of business with any one supplier to make sure that the best total cost situation is attained (Mason, 2002:52).

With the establishment of the internet and freely accessible ticket searches online, travellers can query the quality of deals made by travel managers when they can quickly get quotations for itineraries considerably lower than the price obtained by the travel arranger through the normal booking processes. Although travellers may not always evaluate like-with-like (the lower fares found online may not have the same level of flexibility or have different conditions and restrictions attached), they are right to emphasize the savings that can be made by buying in a different manner at a time when all companies are focusing their attention on removing unnecessary costs from their businesses (Air Transport Group: Cranfield University, 2002:13). Many corporate travel buyers are of the opinion that the proliferation of low rates by transportation and accommodation 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 flouting policy and this contradicts the true purpose of what the policy is aiming to do (Campbell, 2002).

With the uncertainty in the market, travel managers need to question how they should react to the changing environment with regard to their buying approaches. Should they continue with their corporate deals by staying with a fixed approach or, should they accept a more dynamic method by following the lowest fares obtainable for every purchase (Air

Transport Group: Cranfield University, 2002:11)? This is a significant decision to be made, as it may have a definite influence on policy compliance. Travellers will only comply with a policy that meets their needs (Douglas & Swart, 2003). Thus, if the purchase decision does not meet their travel needs, they may choose not to comply.

The decision depends on the characteristics of the corporates which are purchasing travel services and the key influences affecting their purchasing strategy (Air Transport Group: Cranfield University, 2002), namely:

- the route concentration
- the concentration of suppliers
- the value of the ticket selected; and
- the purpose of travel

The *route concentration* is the first factor that travel managers need to take into account. A high concentration of flights on a limited number of routes indicates that route deals would be the most reasonable answer for an organisation, particularly on their long-haul routes. For long-haul flights, the travel manager should reconsider how important and valuable direct flights are to the company, as the increase in connecting services provides some good opportunities to make considerable savings, regardless of whether the travellers are allowed to travel in business or economy class (Air Transport Group: Cranfield University, 2002:11).

The second factor that travel managers should take into account when making purchase decisions is the *concentration of suppliers* in the markets they mostly use. The travel manager should consider the level of airline competition on the routes chosen. The creation and increase in low-cost carriers means that there is more choice in several key short-haul travel markets. The preference of some low-cost airlines for using secondary airports may mean that some significantly lower fares are obtainable to the organisation, although the travel manager will need to measure added travel time/inconvenience for travellers if the carrier uses less easily accessible airports or terminals. This would require a different purchase decision approach for travel managers and travellers, and the travel manager would need to consider whether cost saved on air fares was worth any additional

management costs, and whether travellers would agree to such changes, thus complying with the travel policy. As many routes are still bound by restrictive bilateral agreements, there tends to be less competition for long-haul routes. Nevertheless, good rates may still be found for travellers making use of connecting services because of the increase in airline alliances and the network restructuring that has followed. Alliances are attracted to signing exclusive contracts with organisations that can assure a substantial amount of volume is placed with the alliance airline partners. Once more, travel managers will have to make a trade-off between additional journey times and lower fares. It might well be that some travellers may be willing to make an additional stop if it means that the whole journey is in business class. Traveller membership of frequent-flyer programme schemes may complicate traveller buy-in to more flexible purchase decision-making. Even though most travellers try to accumulate mileage on one programme, most frequent travellers are members of a number of such schemes (Air Transport Group: Cranfield University, 2002:12). Referring back to the purpose of this dissertation, it is important to note that frequent-flyer programmes could have a significant effect on travel policy compliance (Lubbe, 2003; Douglas & Lubbe, 2006:1137).

The *value of the ticket* chosen will depend on the traveller profile and the corporate's reliance on current practices. Corporate status will dictate the class of ticket a traveller is allowed. According to Mason (2002:56), 80 per cent of company directors and 70 per cent of senior managers are allowed to travel in business class for long-haul travel, whereas only 40 per cent of middle managers are allowed the same treatment. The value of the ticket is also dependent on the corporate culture of the organisation: for example, large banks that are not as cost conscious have a propensity to fly on first/business class full-unrestricted tickets, whilst manufacturing companies may choose economy tickets and restricted business class tickets (Air Transport Group: Cranfield University, 2002:12).

The *purpose for travel* may also influence the type of ticket selected. Research has shown that some business trips can be substituted by other forms of communication such as emails, internet or telephone conferencing (Armstrong, 2007; Denstadli, 2004). When a trip cannot be substituted by other forms of communication, the motive for travel may impact on when a ticket can be booked and the type of ticket purchased. Sales conferences, for example, are generally set some months in advance, and thus travellers may be able to decide the itinerary needed some time before the flight. By booking early, the company

can also take advantage of cheaper fares. Companies may examine the way they organise meetings to take advantage of lower fares obtainable by booking earlier (Air Transport Group: Cranfield University, 2002:12). Once again, when we consider the main objective of this research, it must be noted that last-minute bookings are one of the main reasons for policy non-compliance (Lubbe, 2003; Douglas & Lubbe, 2006:1137).

For many of the recommended changes mentioned above, it is the responsibility of the travel manager to bring about a culture change within his/her company. These culture changes will possibly necessitate high policy compliance, and consequently the travel manager will have to scrutinize the effectiveness of the travel policy (Air Transport Group: Cranfield University, 2002:13).

It seems that the percentage of companies with negotiated corporate deals has virtually levelled off. Corporate travel buyers are moving away from their traditional deals negotiated with suppliers on particular routes to a more 'spot purchasing' approach, because of the risk that corporations might not reach volume targets needed to attain rebates or savings negotiated some 12 months before (Sauser, 2003). The Airplus study (2006:15) supports these results by showing that companies are deciding that it is more sensible to purchase the best price on the day. Many companies are finding negotiated fares offer negligible price advantages.

Negotiating rates with hotels also forms an essential part of the negotiation process between an organisation and its suppliers. Growing demand, coupled with little added hotel supply, has given hotel operators an unfair advantage when it comes to negotiations. Hotels are trying to negotiate more changeable or dynamic rates and also implement pricing based on the time of year, especially for busy markets where filling rooms have not been difficult (Marta, 2006). Many hotel chains are looking for different pricing models to boost revenue streams based on market demand. One option to consider is dynamic pricing, which allows hotels to offer negotiated discount rates based on fluctuations in demand. The conventional model for corporate contracts offers fixed rates for a particular period of time. With dynamic pricing, a fixed percentage discount is offered off a benchmark rate. The benchmark rate could be the consortia rate, corporate rate, best available rate or another figure decided on during negotiations. The hotel will use its discretion to change the benchmark rate based on market conditions. Dynamic pricing is

presently in limited use throughout the hotel industry as buyers and suppliers investigate the feasibility of this pricing model for corporate contracts. Some hotels view dynamic pricing as the future of discount programmes for corporate travel while others think it will serve as an added pricing model accessible to travel buyers (National Business Travel Association, 2006:4). A company's ability to move market share to a hotel, support the preferred properties and demonstrate its seriousness about managing its travel programme will influence whether travel buyers will get a good rate from hotels (Avery, 2007).

A travel policy is key to a well-managed hotel programme. Although some companies mandate policy, many do not since the practice may not be in line with corporate culture. With hotels, experts advise considering mandating stays at preferred properties so the company can collect the benefits of agreements that travel buyers have worked hard to negotiate (Avery, 2007). A client's ability to make sure its employees book as many rooms as they project – or, in other words, compliance with a travel programme – continues to be a key negotiating point for hotels which have lagged behind airlines in their ability to demand that corporate customers bring the volume of business they pledge in exchange for discounts (Marta, 2006).

Furthermore, it is suggested that companies mandate use of corporate cards. Data produced by card use offers a good foundation for buyers to prepare 'Requests for Proposals' (RFPs) and build a strategy for negotiations with hotels. Traveller or agent education is another way to help deliver volume to preferred properties. Most travellers want to do the right thing for their companies (Avery, 2007). In cases where rate increases are unavoidable, travel managers must work to include other amenities, such as breakfast, parking and high-speed Internet, in the price. In the busiest markets, many companies are accepting higher hotel rates for stronger guarantees of room availability (Marta, 2006).

2.8.4 Payment processing and data management

The fourth action needed for a successful corporate travel management programme is to select a suitable *method to process payment*. Apart from this, companies are increasingly investing in travel and entertainment process software. Businesses are opting to re-engineer their expense reporting processes to reduce their overall travel expenditure. An

automated expense reporting programme can save a company five to 15 per cent in travel costs, while also saving time for the traveller and management professional alike (Meall, 2004). They also provide the leverage companies need to negotiate better deals with travel suppliers (Meall, 2004). For financial decision-makers, one argument for the specialised software is that it helps companies reconcile their billings in a more timely fashion. Corporations can lose a substantial amount of money each year in late payment fees when employees do not file reports on time (Tausz, 2001; Sauser, 2003; Winkler, 2005; Mello, 1999). Important to this study is that the software gives businesses greater control over how travel money is spent, ensuring greater compliance with travel policies.

Bruttig (1998) maintains that the most important factor motivating companies to automate T&E is the disorder that arises from the lack of control and consistency in applying corporate policies. If a hotel offers a company a corporate rate, an automated T&E programme can produce reports that highlight those travellers not using that hotel chain and alert management who can, in turn, make sure that travellers are aware of the special rate. If a manager has to look up a corporate policy regularly, the possibility is that he or she will not do so, meaning that travel policy will not be adhered to or enforced constantly. In addition, a good automated T&E software programme will have a tool that allows a company promptly and easily to implement policy updates when needed, again permitting travel policies to be enforced consistently (Bruttig, 1998). Meall (2004) adds that an automated expense process also increases the speed of the claims process from weeks to days, making it popular with staff who are paid more promptly. The automated system also ensures better business practices and increased operational efficiencies.

A key motivation for interest in the software is the need for improved information. Companies are realising that they can lose money through exception travel, which occurs when a company does not have efficient audit procedures or good top-level management analysis. Sound auditing and analysis cannot be achieved unless a company has the software and technology to capture expense information in a database and the extraction and reporting tools needed to process the data. This guarantees better control of travel expenditure (Mello, 1999).

The actions necessary for an effective corporate travel management programme have been identified and discussed above (an effective *corporate travel policy*, the use of

appropriate *technology* options, successful and transparent *relationships* and a suitable *method to process payment while managing data*). When these actions have been implemented, the desired outcome that will follow is an effective corporate travel management programme which will accrue benefits to all the stakeholders involved. But, as is evident, corporate travel management is not a once-off process, but is ongoing. For this reason, as shown in figure 2.1, effective feedback from all the stakeholders is needed in order continuously to adjust and tailor the management process to the benefit of everyone.

To test the effectiveness of the entire corporate travel management model would not be feasible for this study. The reason for this is that each individual component of the model needs to be tested first, to clarify the relationships and definitions of the different elements of the component. Only then can the model be tested scientifically as a whole. This study will only focus on identifying factors that influence corporate travel policy compliance. From this, a measurement instrument will be developed. In addition, this instrument will further assist companies, both private and public, to assess the effectiveness of their corporate travel programme as set out in the company travel policy. It is envisaged that companies would be able to use this tool to identify the discrepancies leading to non-compliance with their travel management programme.

2.9   CONCLUSION

This chapter gave an overview of corporate travel and introduced a conceptual model for corporate travel management. This model shows that the effective management of the corporate travel process is dependent on the relationships between the four role-players involved in the process; namely, the company, the corporate travellers, the travel management company and the suppliers. It became evident that a company and its corporate travellers have differing needs with regard to corporate travel. The needs and values of the company are set out in the travel policy. This chapter offered a comprehensive overview of the corporate travel policy. Aspects that were highlighted were: the development of an effective corporate travel policy, as well as the layout and enforcement of the policy. Often, this travel policy does not satisfy the needs of the corporate traveller and this could potentially lead to non-compliance.

Since the purpose of this research study is to identify factors that might influence corporate traveller compliance with the travel policy, this chapter concentrated on giving adequate attention to the values of a company and its corporate travellers. As stated, the values of the company (influenced by corporate structure, culture and size) are generally set out in the travel policy. Value conflicts can occur when the policy does not address the needs of the corporate traveller relating to air transportation, accommodation and technology. At this point, travellers might decide not to comply with the travel policy, since they would be more likely to comply voluntarily with a policy that satisfies their needs. Travellers generally have little control over the way in which the organisation formulates its policy, since this is influenced by factors such as corporate culture and the strategy that an organisation uses to manage its business ethics. Factors stemming from the organisation that could lead to non-compliance could be termed corporate-related factors.

On the other hand, value conflicts in corporate travel between a company and its corporate travellers might also transpire because of the personal factors influencing compliance. These include the extent of morality that an individual possesses, ethical values held by an individual and the honesty of the traveller. As shown, these personal factors are not influenced by the travel policy as such, but depend on the traveller as an individual. For the purpose of this research, factors arising from the traveller as an individual being that could lead to non-compliance would be regarded as personal-related factors.

The next chapter will focus on further investigating factors relating to both corporate and personal issues. The chapter will identify the areas in corporate travel in which non-compliance most frequently occurs and explore possible reasons for this. Finally, the factors influencing corporate travel policy compliance will be isolated and categorised. This discussion will culminate in the proposal of a model for travel policy compliance.

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 (Hulett, 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
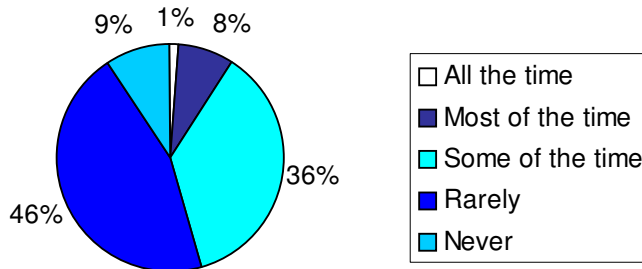
Source: Douglas (2005:135)

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
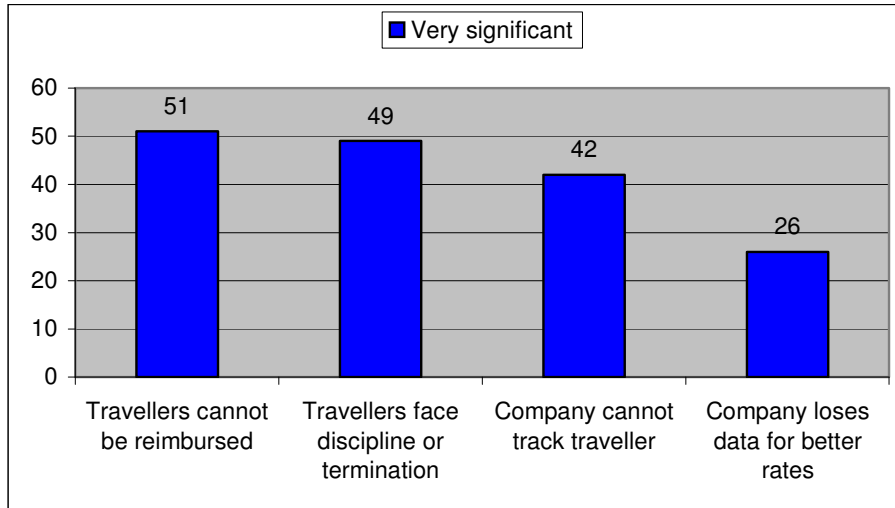
Source: Btt Bulletin (2006)

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)
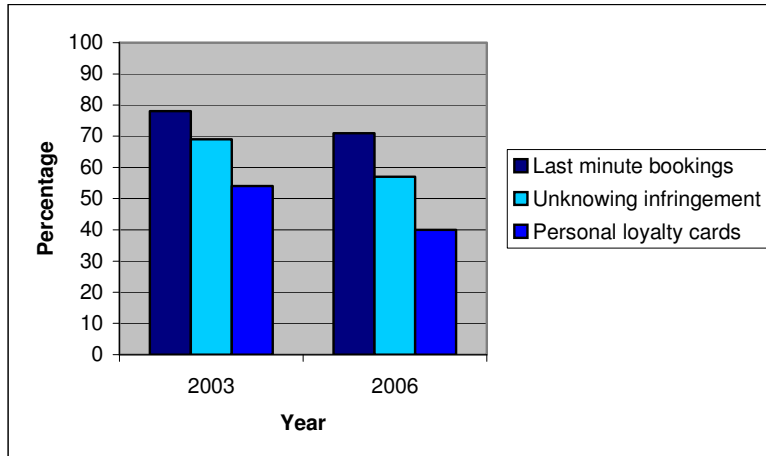
Source: Douglas and Lubbe (2006)

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 that 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 consider 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 it 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 percent 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

Dimensions of comparison	Immoral mode	Reactive mode	Compliance mode	Integrity mode	Totally Aligned Organisation mode
Nature	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 *Rule-based approach* to ethics Disciplining unethical behaviour	Internalisation of ethical values and standards *Value based approach* 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
Purpose	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
Ethics Management Strategy	A Machiavellian orientation exists that denies the need to make decisions concerning ethics No concern for stakeholders No ethics management strategy or interventions	*Laissez-faire* 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
Challenges	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   <u>Organisational injustice as a determinant of non-compliance</u>

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   <u>Individual morality as a determinant of non-compliance</u>

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 occur 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 <u>Employee satisfaction as a determinant of non-compliance</u>

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. Or*ganisations 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:

H₁: 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:

H₂: 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

CONSTRUCTS	DEFINITIONS
Corporate-Related Factors	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.
Personal-Related Factors	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
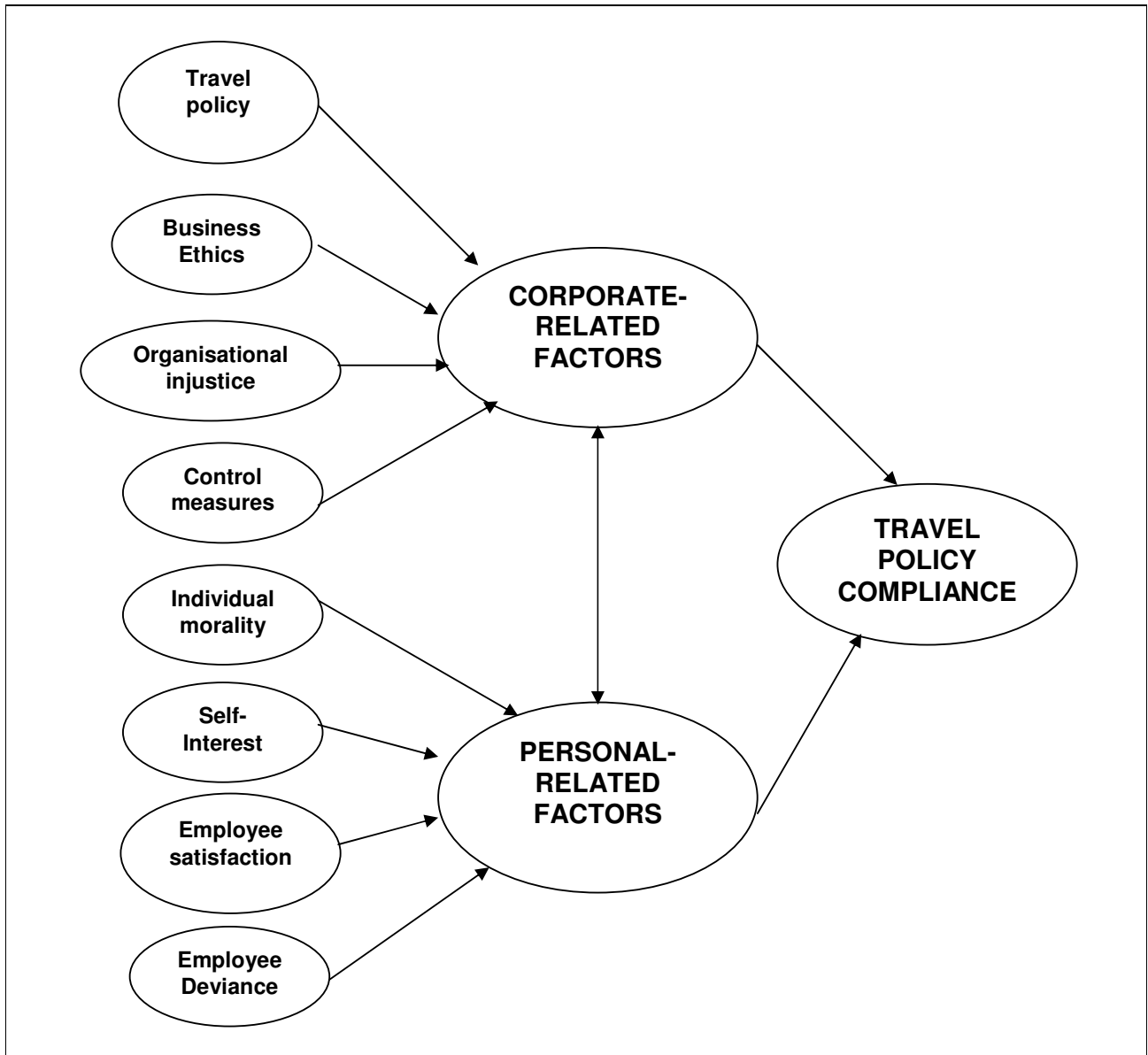
The proposed model illustrated in figure 3.4 has been derived from the literature survey: however, to verify the model, a qualitative research technique, the Delphi method, will be used. The Delphi technique utilises the opinions of experts to address issues or to solve problems. During the Delphi process, 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[2].

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[2] 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

Descriptor	Option	Motivation
Degree of Crystallisation	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).
Data Collection Method	Interrogation/ Communication	The researcher questioned the subjects and collected their responses by impersonal (questionnaire) means (Cooper & Schindler, 2006:140).
Researcher Control of Variables	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).
Purpose of the Study	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.

Time Dimension	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.
The Topical Scope	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).
The Research Environment	Field conditions	The study occurred under actual environmental conditions (Cooper & Schindler, 2006:142) and the corporate travel market within South Africa represented this environment.
Type of Research	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).
Research Strategy	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 12th 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 31st 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 16th 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[3].

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[3] 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
Corporate-Related Factors	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.
Personal-Related Factors	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 11th 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_1: Personal-related factors influence policy compliance

H_2: Corporate-related factors influence policy compliance

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

H_{1a}: An ineffective travel policy leads to a higher incidence of travel policy non-compliance.

H_{1b}: A perceived lack of business ethics leads to a higher incidence of travel policy non-compliance.

H_{1c}: Perceived organisational injustice leads to a higher incidence of travel policy non-compliance.

H_{1d}: A lack of control measures leads to a higher incidence of travel policy non-compliance.

H_{2a}: Individual immorality leads to a higher incidence of travel policy non-compliance.

H_{2b}: Self-interest leads to a higher incidence of travel policy non-compliance.

H_{2c}: Traveller dissatisfaction leads to a higher incidence of travel policy non-compliance.

H_{2d}: Job dissatisfaction leads to a higher incidence of travel policy non-compliance.

H_{2e}: Life dissatisfaction leads to a higher incidence of travel policy non-compliance.

H_{2f}: 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.

CHAPTER 5

RESULTS

5.1 INTRODUCTION

In the following section, the actual findings resulting from the research are reported and discussed. The objective is to explain the data and to identify the various factors that could lead to non-compliance with the corporate travel policy. The research also endeavours to determine organisations' objectives in the formulation of the policy and to identify the factors that create a business environment conducive to optimum work performance and travel policy compliance. From the research findings it will be possible to present a validated model for policy compliance, as proposed in chapter 3. The results guide the development of an optimum corporate travel policy that not only encourages policy compliance, but also increase the level of compliance.

The data discussed in this section is qualitative and quantitative by nature, and the use of charts, graphics and tables will enable a simplified reporting of the findings. All the relevant data will be included and discussed in this section. The findings from the qualitative Delphi technique will be discussed first, followed by the results from the quantitative questionnaire distributed to corporate travellers.

5.2 RESULTS FROM THE QUALITATIVE DELPHI TECHNIQUE

For the data gathered from the qualitative study of the corporate travel managers and TMCs, a content analysis technique was used to ensure an objective and systematic description of the manifest content of the communication from corporate travel executives. This allowed for the generation of the items required to describe the factors that influence the compliance of corporate travellers. According to Berelson (1952), content analysis is a research technique for the objective, systematic and quantitative description of the manifest content of communication. The key words in this definition are – 'objective', 'systematic', and 'quantitative'. Objectivity has to be the primary concern to ensure that the results reflect the procedures used rather than the persons making the observations. In other words, if different people used the researcher's system to determine the topics covered in the research study, they would get results very similar to that of the researcher. Being systematic means that the researcher's coding categories and procedures are complete and applied in the same way to the entire content. It also means that what actually appears is coded, not what coders think is intended or suggested. And finally, the content of communication is reduced to some quantity – number – that can later be used in mathematical analyses (Broom & Dozier, 1990). Three steps were followed to ensure that the data analysis complied with the requirements of being objective, systematic and quantitative. The question posed to experts during the first Delphi round read: 'Please provide **your opinion, as comprehensively as possible,** of all the factors that you see as having an influence on compliance.'

STEP 1: Listing of respondent statements (Round 1) (Please note, that respondents' comments are provided verbatim)

The statements were listed in no specific order or rank. For example:

- Travellers see loyalty programmes as their personal reward
- If travellers are never challenged, where they can, they will buck the system
- Travellers will push to use products that they have experienced previously where they have received satisfactory service
- When the corporate client does not drive policy compliance from the top

When respondents wrote a paragraph, individual statements were identified, separated and listed.

STEP 2: Coding of concepts within respondent statements

Attach a numerical code to each concept (not a value).

- Travellers see loyalty programmes as their personal reward (1)
- If travellers are never challenged, where they can, they will buck the system (2)
- Travellers will push to use products that they have experienced previously where they have received satisfactory service (3)
- When the corporate client does not drive policy compliance from the top (4)

Where:

1= frequent-flyer miles accrue to the traveller for personal use

2= there are inadequate consequences for non-compliance

3= travellers prefer to use suppliers with whom they have had personal experience

4= there is a lack of top management support for travel policy compliance

STEP 3: Consolidation of concepts

All the concepts were then consolidated into a new document. This document was sent out for a second round to the same respondents who participated in round one. The eight experts were asked either to agree or disagree with a number of statements regarding policy compliance. Five travel experts responded to round two. Because of the fact that the Delphi method deals with expert opinions, the researcher made a decision not to discard any opinions since, in the experience of the corporate travel manager, the reason given for non-compliance would have been valid in that particular 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 only statements generated from the Delphi survey that were not included in the questionnaire were those where the travellers would not have been in a position to answer the question such as the quality of the MIS reports. The document distributed in round two, as well as the number of respondents who agreed and disagreed with the statements, is provided in table 5.1 below. The fourth column in table

5.1 shows which items from the Delphi study were included in the quantitative questionnaire. This clarifies the link between the qualitative and quantitative studies. As the responses of the experts failed to reveal additional factors influencing policy compliance that had not already been identified in the literature survey, the model was not refined and expanded to include any additional items.

Table 5.1: Round two of the Delphi process

	AGREE	DISAGREE	MEASURED IN QUESTIONNAIRE
Travel management is not a priority in the organisation	4	1	5, 21.4
Top management does not comply with the travel policy	4	1	15.14
A lack of top management support for travel policy compliance	2	3	20.3
Line management are unaware of the travel policy stipulations	2	3	
The department under which travel management falls for example finance, supply chain, procurement et cetera	2	3	5
The corporate culture of the company for example an informal entrepreneurial culture vs. a more formal bureaucratic culture	3	2	18
No dedicated full-time travel manager	4	1	5
The person responsible for the corporate travel function within the organisation does not have sufficient time to manage the travel function	4	1	5
A lack of control of travel expenditure	3	2	21.4
A poorly-formulated policy	3	2	15.7
No or difficult access to the travel policy	3	2	10
A lack of understanding of the travel policy	2	3	15.6
Outdated travel policies	3	2	15.6,15.7
A vague travel policy with possibilities of loopholes for non-compliance	5	0	15.7
An online booking tool with inadequate features to monitor compliance	3	1	
An online booking tool that does not align with the travel policy	3	1	
A TMC that does not work according to the travel policy	2	3	21.5, 21.6
Inferior MIS reports	2	3	
Inadequate formal processes to measure compliance	5	0	21.4
Out of policy travel are not managed prior to travel	4	1	21.1
Inadequate pre-trip authorisation process	3	2	21.2
Inadequate post-trip claim process	3	2	21.3
Inadequate consequences for non-compliance	5	0	29.5
Traveller ignorance on preferred suppliers for example: an airline's perceived safety performance	2	3	15.3, 23.2-5
Frequent-flyer miles accrue to the traveller for personal use	4	1	11
Travellers break policy because cheaper options are available	2	3	15.9
Traveller convenience comes before policy stipulations	4	1	20.6
Travellers' perception of more reliable, safer and greater quality products vs. those stipulated in the travel policy	3	2	23.2-5
Travellers prefer to use suppliers with whom they have had a personal experience	4	1	23.2-5

Traveller's personal self esteem is more important than policy stipulations	3	2	23.1
Old school vs. New school (older travellers are more likely to comply than younger travellers)	1	4	36
Travellers feel that business travel is disrupting their lives and thus they should be allowed certain options that is not necessarily included in the travel policy	3	2	20.1
Undisciplined travellers. If I miss my flight I will just take the later flight.	4	1	29.4
Newer travellers are more compliant than frequent travellers	2	3	35
A mentality of: "You cannot tell me what to do"	4	1	29.1
A mentality of: "What can I get away with?"	4	1	29.2
An attitude of: "What is not stipulated is allowed"	3	2	29.3
A non-compliance culture in the organisation	4	1	17
A well-documented travel requisition process will increase compliance	5	0	21.1
Highlighting areas of non-compliance in the company newsletter will increase policy compliance	3	2	29.5
Making an example of a non-compliant traveller will increase policy compliance	3	2	29.6

All five of the respondents agreed that the following four factors could influence travellers' non-compliance with the company travel policy: a vague travel policy with possible loopholes for non-compliance, inadequate formal processes to measure compliance, inadequate consequences for non-compliance and a well documented travel requisition process. Only one respondent agreed that older travellers were more likely to comply than younger travellers but, as already mentioned, this reason would have been valid in this respondent's organisation.

5.3 RESULTS FROM THE QUANTITATIVE SURVEY

5.3.1 Questionnaire structure

Table 5.2 provides an overview of the layout of the questionnaire, as well as the question numbers that measure the respective constructs. The questionnaire is found in Appendix F.

Table 5.2: Constructs to be measured

CONSTRUCTS	QUESTIONS
NON-COMPLIANCE	13; 14; 16
TRAVEL POLICY	8; 9; 10; 11; 12; 15
BUSINESS ETHICS	17, 18; 19
ORGANISATIONAL INJUSTICE	20
CONTROL MEASURES	21
INDIVIDUAL MORALITY	22
SELF-INTEREST	23
EMPLOYEE SATISFACTION Traveller satisfaction Job satisfaction Life satisfaction	 24; 25; 26 27 28
EMPLOYEE DEVIANCE	29

Questions one to seven not mentioned in the table above assessed 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 such 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 position the traveller holds in the organisation, the number of years the traveller has been employed by the organisation, as well as the traveller's marital status.

The reason for including the sections on travel behaviour and traveller profile in the questionnaire is to test whether these factors do indeed have an influence on policy compliance. The literature review and Delphi technique showed that these factors do have an impact on policy compliance, and the purpose of the empirical research is to assess whether this impact can be proven scientifically.

5.3.2 Descriptive statistics

Traveller Profile

This section determined whether respondents were in the private or public sector, their management level and certain personal details, which might be significant in terms of policy compliance as identified in the literature survey and the Delphi technique. More private sector than government sector organisations were surveyed. Other organisations

included educational facilities, non-governmental organisations and parastatals (partly government and partly private owned organisations) (figure 5.1). Almost all the respondents resided in South Africa as opposed to Europe (figure 5.2). The average age of travellers responding to the questionnaire was 42, while travellers had been employed by their organisations for an average of 12 years. Most of the respondents were male (figure 5.5), married/cohabiting, with children (figure 5.4) and part of middle management (figure 5.3).

Figure 5.1: Private or Public sector (Question 30; n=192)
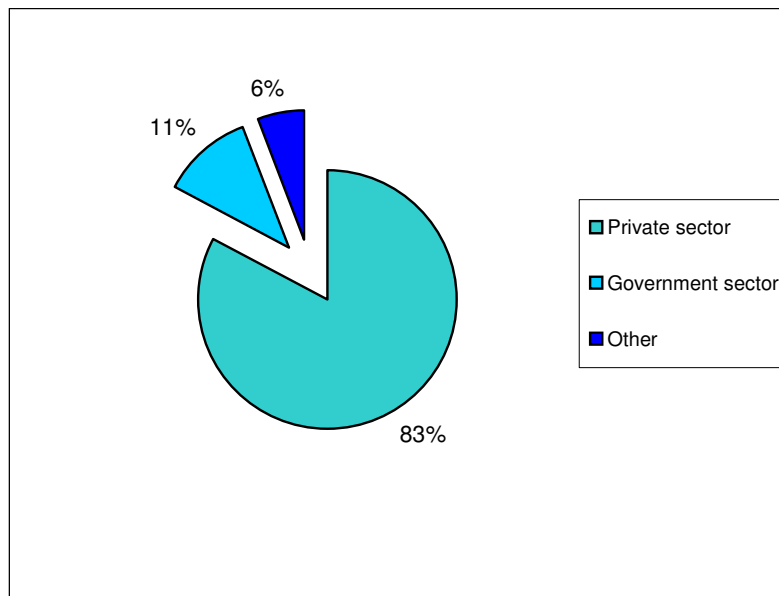
Figure 5.2: Place of residence (Question 31; n=192)
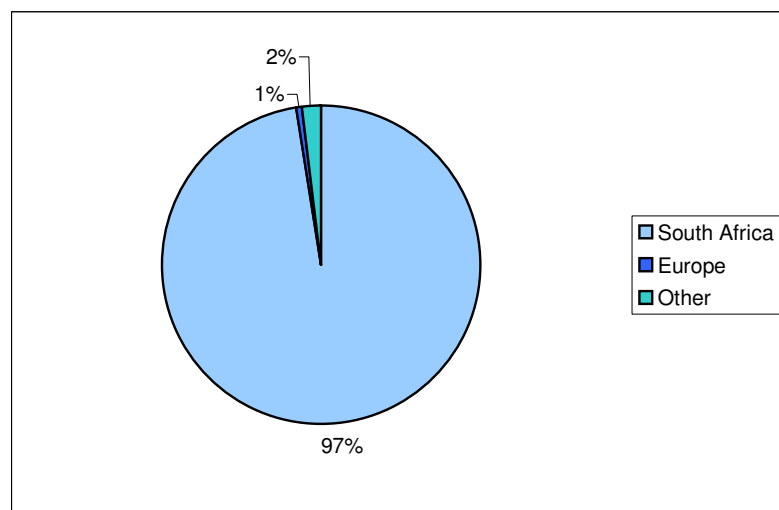
Figure 5.3: Position in the organisation (Question 32; n=192)
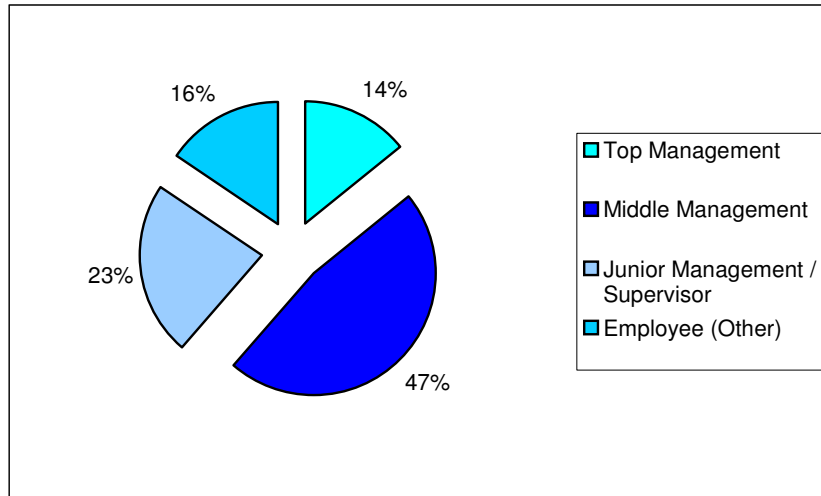
Figure 5.4: Marital status (Question 33; n=192)
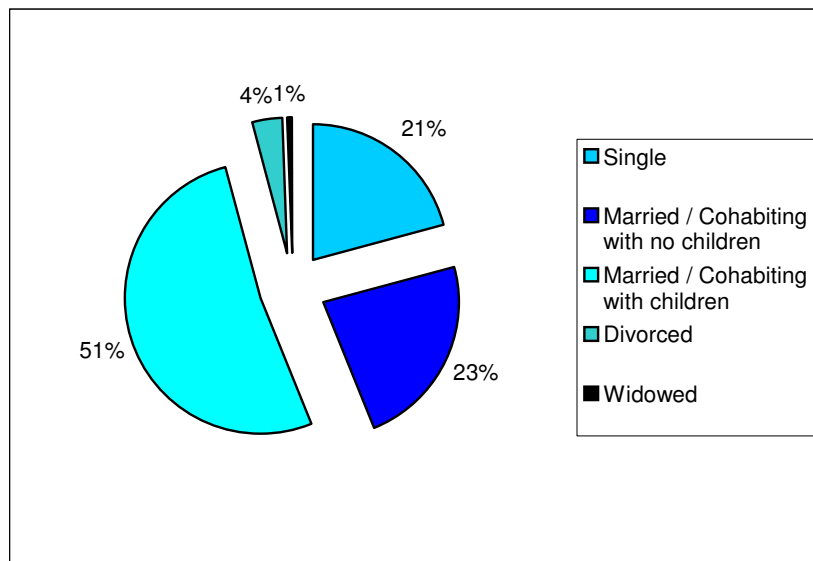
Figure 5.5: Gender (Question 34; n=192)
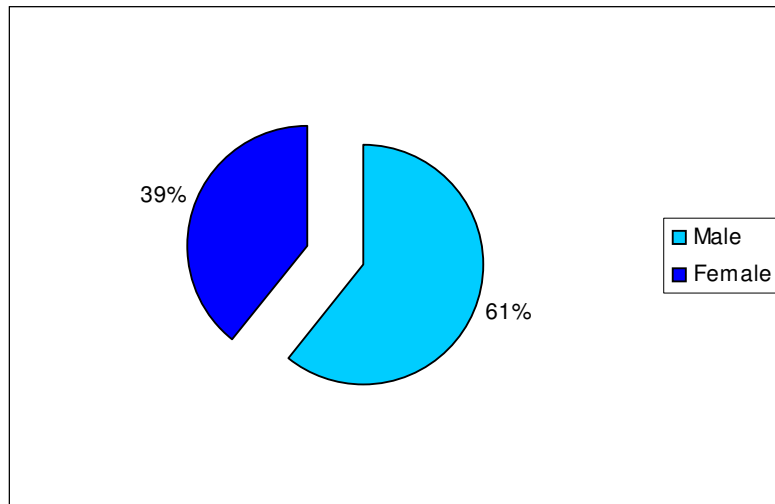
Travelling Behaviour of Employees

This section related to the type, frequency and duration of trips undertaken, as well as the channel of distribution used and the structure of the corporate travel department. Respondents to the questionnaire made an average of 14 trips domestically and four trips internationally. In total, they spent approximately 41 days in a year away from home on business trips. On average, a typical domestic business trip lasts three days, while an international business trip lasts seven days. When travelling for business purposes, a central travel department is mainly responsible for making the traveller's reservations (figure 5.6). The travel management function is part of the corporate travel department in the majority of organisations (figure 5.7). It is evident from the results that corporate self-booking tools are still not popular in South Africa, as only five per cent of respondents indicated that their organisations made use of self-booking tools (figure 5.8). Those respondents who marked 'other' at question six all indicated a combination of the options available. In the majority of organisations, an in-house travel agent is mainly responsible for making travel reservations with suppliers (figure 5.9).

Figure 5.6: Person responsible for making travel reservations (Question 4; n=193)
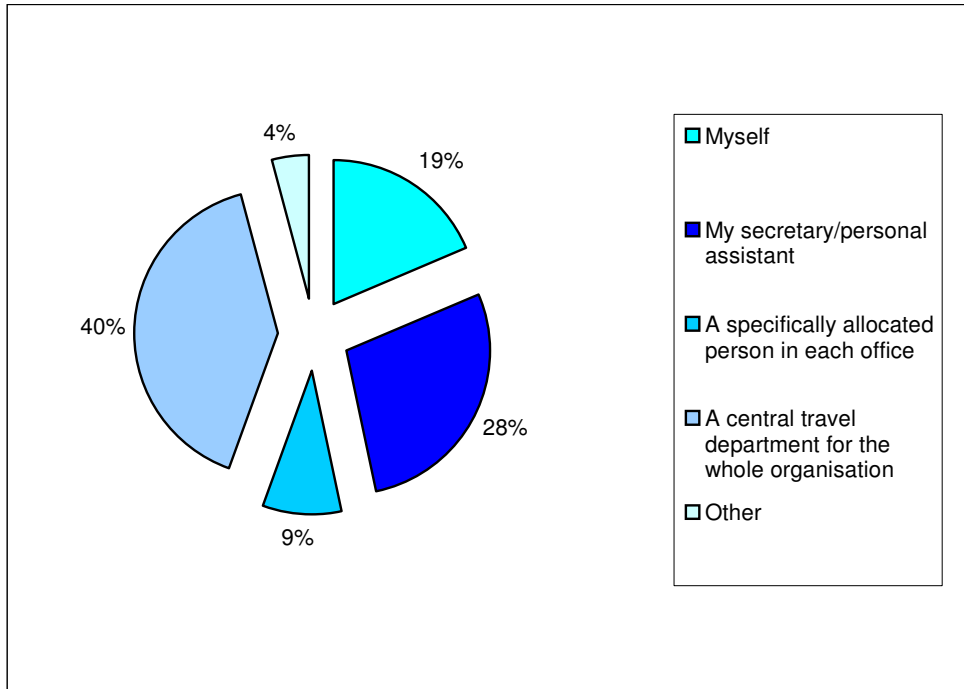
Figure 5.7: Is the travel management function in your organisation part of: (Question 5; n=192)
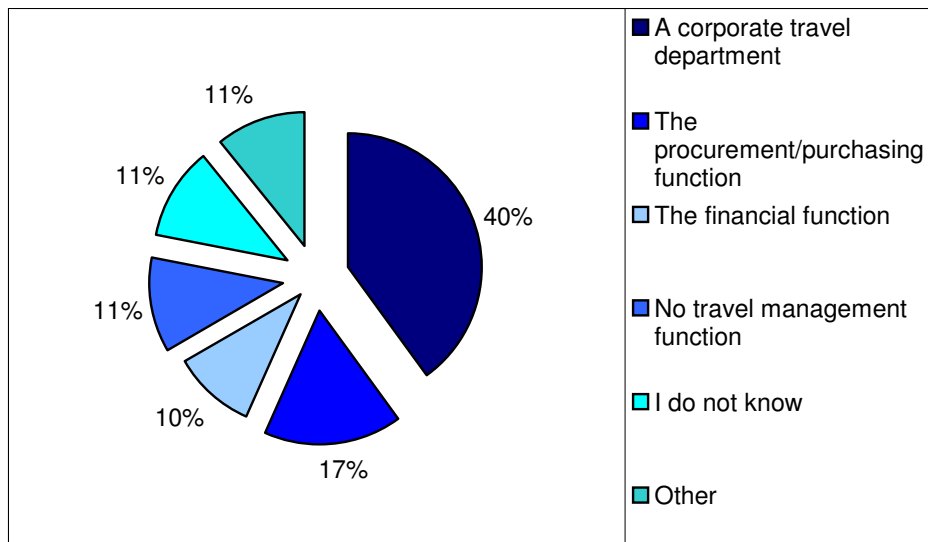
Figure 5.8: Does your organisation have a(n): (Question 6; n=193)
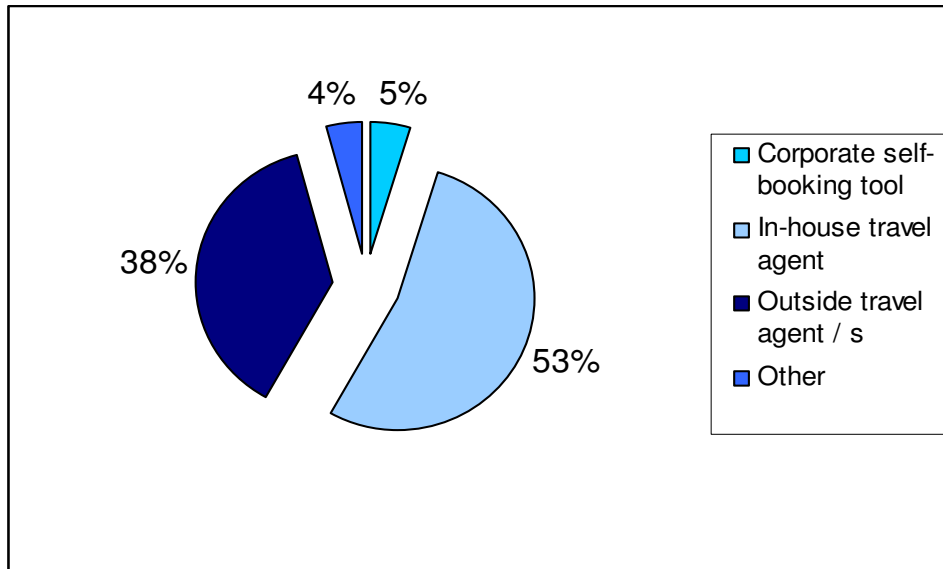
Figure 5.9: Are your business travel arrangements made MAINLY through: (Question 7; n=193)
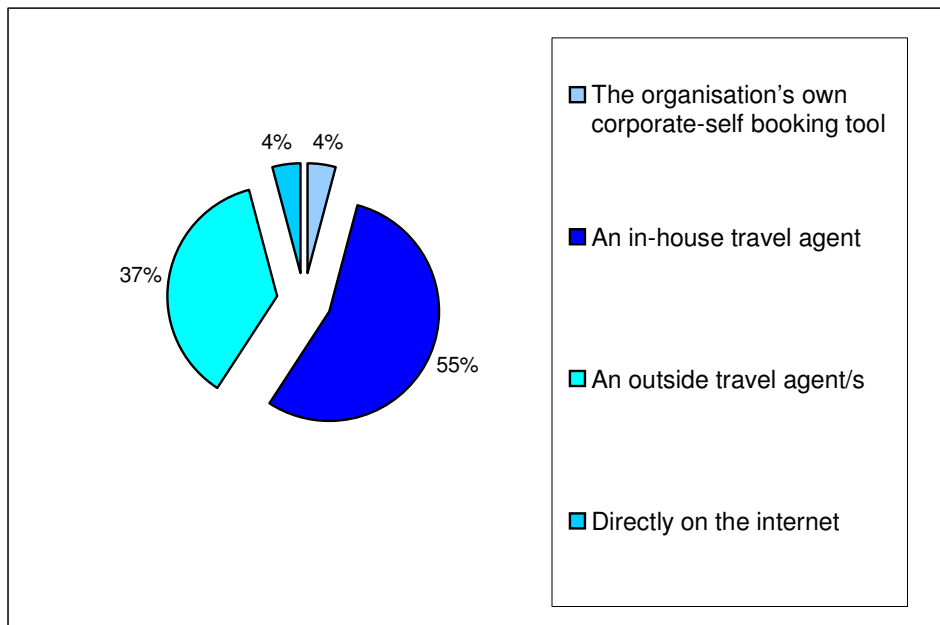
Travel Policy

The section on the travel policy covered issues of control, fairness, communication, understanding, loyalty card points, rate of compliance and the travellers' views on the reasons for non-compliance. The majority of respondents thought their policy qualified as

high control (figure 5.10) and rated the policy as fair (figure 5.11). In most organisations, the policy was communicated to employees mainly online (figure 5.12) and understood very well (figure 5.13). Respondents felt that loyalty points should be for the traveller's personal use (figure 5.14).

Figure 5.10: Type of travel policy (Question 8; n=192)
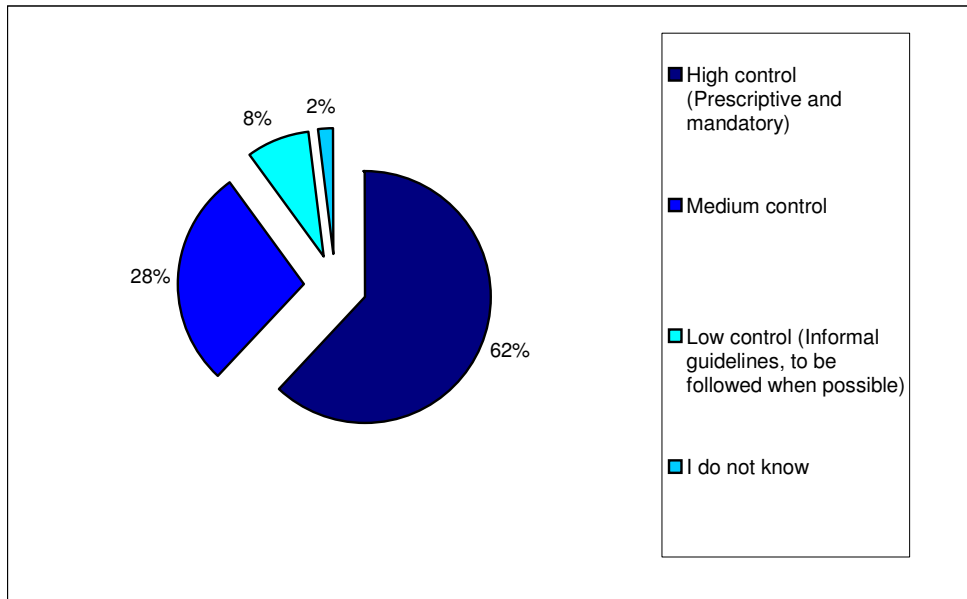
Figure 5.11: Overall, how would you rate your organisation's travel policy? (Question 12; n=192)
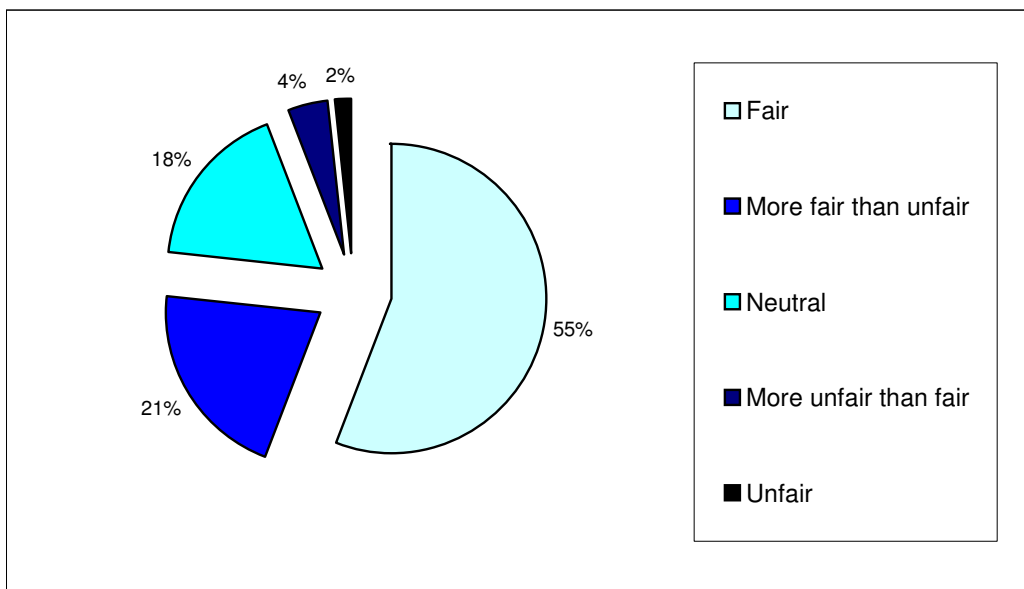
Figure 5.12: MAIN form of communication of the travel policy (Question 9; n=192)
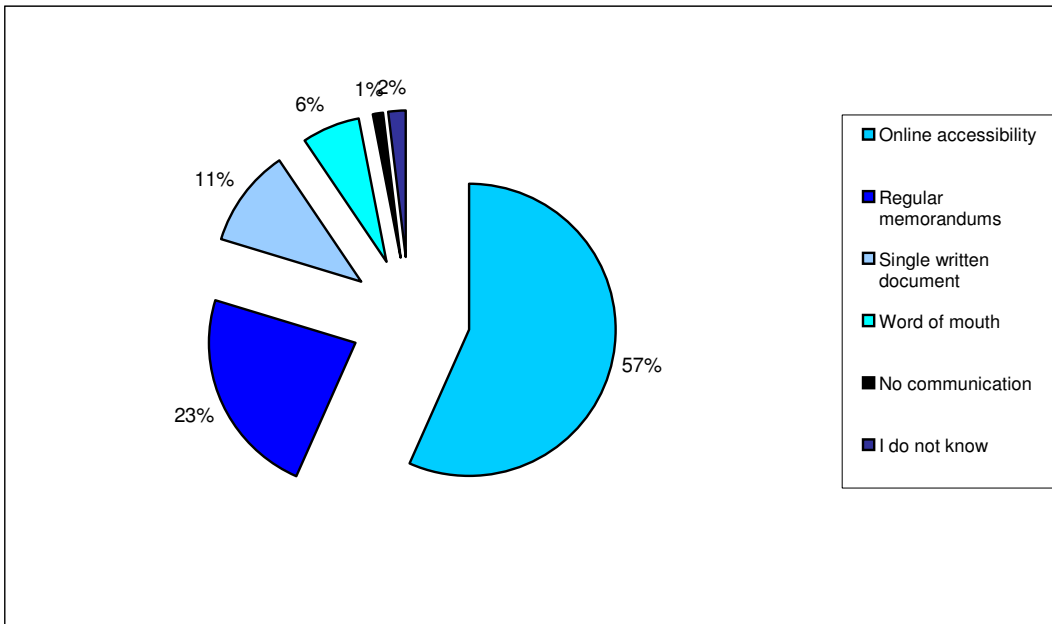
Figure 5.13: Level of understanding of the travel policy (Question 10; n=193)

Figure 5.14: Distribution of the loyalty card points (Question 11; n=193)

Figure 5.15: Reasons for non-compliance with travel policy (Question 15)
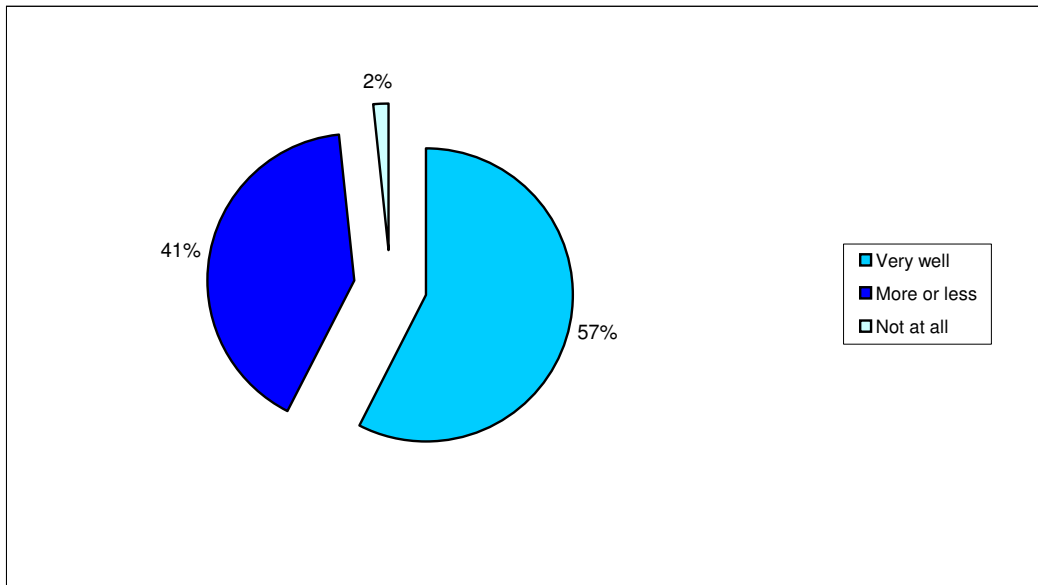
Table 5.3: Reasons for non-compliance with travel policy (Question 15)

REASON	RANK	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN
I prefer to use airlines where I am a loyalty card holder	1	4.6217	1.9703	3.8822	5
Last-minute airline bookings	2	3.9170	1.6966	2.8785	4
Last-minute accommodation bookings	3	3.8704	1.6982	2.8841	4
Trip details change	4	3.8481	1.7867	3.1926	4
Accommodation does not always have rooms available	5	3.5233	1.7620	3.1049	4

The results from figure 5.15 indicate the reasons for not complying with the travel policy. The reasons with which most respondents agreed were: l prefer to use airlines where I am a loyalty card holder, last-minute airline and hotel bookings because of inflexible business schedules, and I cannot always comply with the travel policy when my trip details change while I am on a trip. Table 5.3 ranks the reasons for non-compliance according to their mean scores. The statement: 'I prefer to use airlines where I am a loyalty cardholder' achieved the highest mean score. This indicates that loyalty cards were the reason for non-compliance that respondents most frequently agreed with. Since future research is envisaged to determine if significant differences exist between the views of corporate travellers and corporate travel managers on the reasons for non-compliance, the results of this study were briefly compared with the results from a survey amongst corporate travel managers in South Africa conducted in 2003. The time lapse between the two surveys makes them incomparable from a significance point of view, but nevertheless provides some foundation for pursuing research in this area. In the 2003 survey, seventy-eight per cent of **travel managers** said that last-minute bookings were a reason for non-compliance (compared with 42 per cent of **travellers** in the 2008 survey). In the 2003 survey, 69 per cent of **travel managers** said that unknowing infringement by travellers was a reason for non-compliance (compared with only 13 per cent of **travellers** in this survey), while 54 per cent of **travel managers** in 2003 indicated personal loyalty cards as being a reason for non-compliance (compared with 60 per cent of **travellers** in this survey) (Lubbe, 2003). The result on unknowing infringement is very interesting, since almost 70 per cent of **travel managers** in the 2003 survey thought that their travellers broke the travel policy unknowingly – thus, not on purpose. When **travellers** were asked the same question in the 2008 survey, only 13 per cent agreed that this was a reason for non-compliance. This

suggests that when travellers breach the travel policy, they do so knowingly and deliberately. Future research in this area is warranted.

Non-Compliance

The section on non-compliance dealt with the frequency with which problems in compliance are experienced, the areas in which difficulty is experienced, as well as the travellers' average rate of compliance with the corporate travel policy. The results from figure 5.16 show that 83 per cent of respondents experience problems in varying degrees in complying with the travel policy. Problems are most often encountered in the areas of travel approval procedures and choice of airline (figure 5.17). Sixty-seven per cent of respondents indicated that they experienced difficulty in complying with travel approval procedures. More than half of the respondents (53 per cent) said they never experienced difficulty in complying with the travel policy in the area of type of car, followed by choice of car rental company (47 per cent).

Figure 5.16: Experiencing problems in compliance (Question 13; n=193)
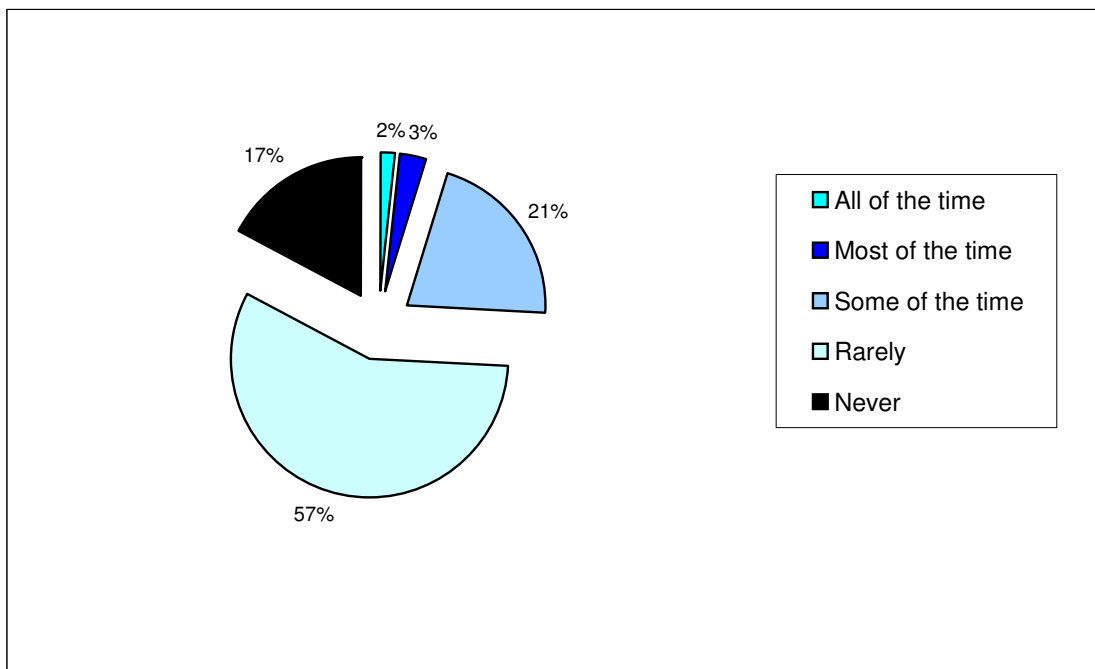
Figure 5.17: Difficulty to comply in the following areas (Question 14)
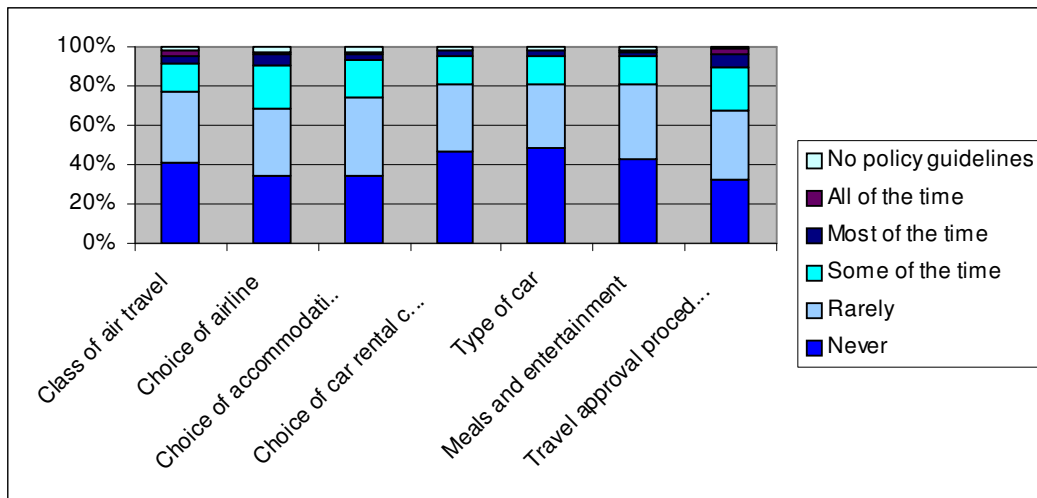
In question 16, respondents were asked what their approximate percentage of compliance with the travel policy was, and this emerged as 91 per cent. This means that travellers breach the travel policy 9 per cent of the time. This question was used to categorise travellers into high, medium and low compliance groups. These categories were used in the cross-tabulations, hypotheses tests and logistic regression model so as to assess the impact of various factors on each category of travellers.

Low compliance group: 0-84% compliance rate, where 0% can be regarded as never complying

Medium compliance group: 85-95% compliance rate

High compliance group: 96%+ compliance rate

Sixteen per cent of respondents fell into the low compliance group, 41 per cent into the medium compliance group and 43 per cent into the high compliance group.

Business Ethics

In this section, attention was paid to the corporate culture and perceived ethical nature of the organisation. The majority of respondents agreed that travellers in their organisations were generally policy compliant (figure 5.18), and the majority also described their organisations as bureaucratic (figure 5.19).

Figure 5.18: Travellers in my organisation are generally policy compliant (Question 17; n=192)
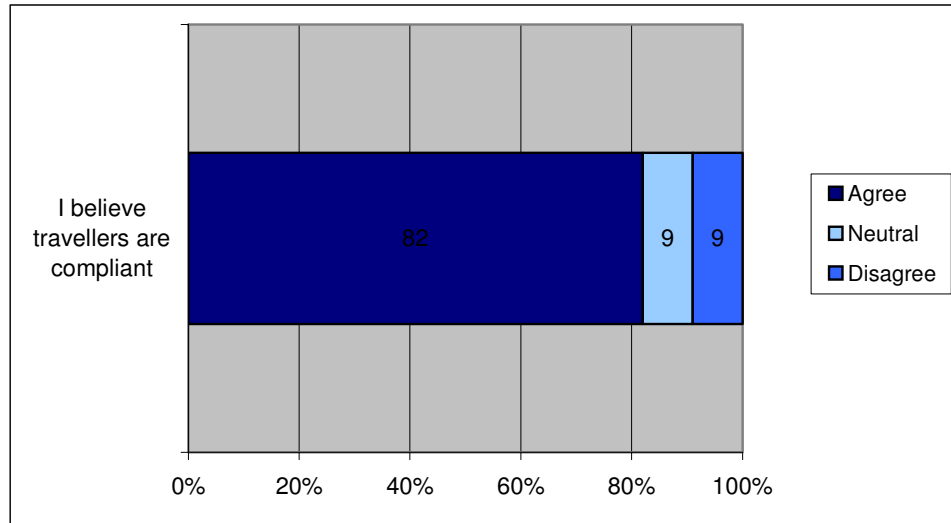
Figure 5.19: Description of my organisation (Question 18; n= 192)
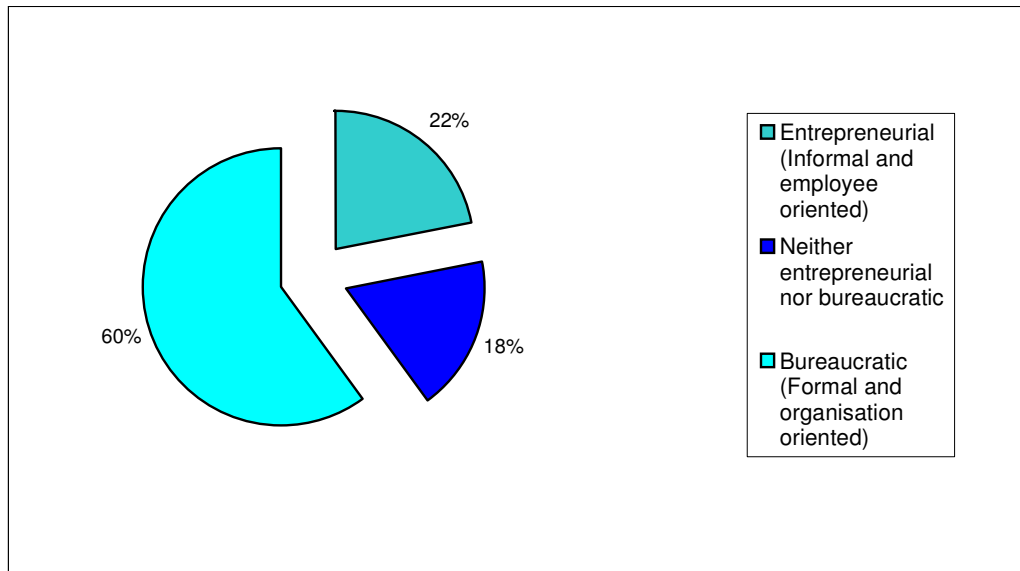
With regard to business ethics (figure 5.20), it is necessary to highlight the following findings. Almost a quarter of respondents said that managers in their organisations often engage in behaviour that they consider to be unethical. What is more, eighty-one per cent of respondents indicated that their companies would not tolerate unethical behaviour, resulting in 14 per cent of respondents suggesting that their companies would tolerate unethical behaviour. Moreover, if a manager engaged in unethical behaviour culminating in personal gain, 81 per cent of respondents said that their companies would reprimand him,

but if a manager engaged in unethical behaviour resulting in <u>corporate</u> gain, only 67 per cent of respondents said that their companies would reprimand him.

Figure 5.20: Business Ethics (Question 19)
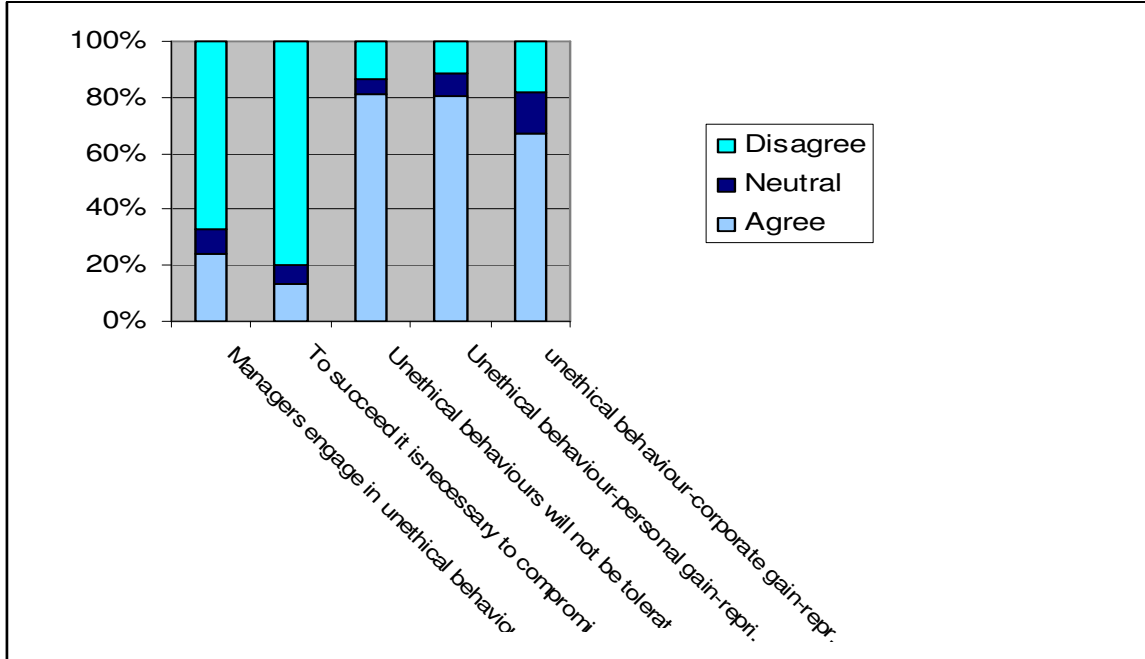
Organisational Injustice

The results on organisational injustice show that more than a quarter of respondents believe the travel policy to be unfair, because all travellers are not allowed the same treatment. A fifth of respondents feel that their organisation is insensitive to their safety needs. Almost half of respondents believe that corporate agreements with specific suppliers appear to be more important than the traveller's personal loyalty cards. Another 50 % of travellers also feel that their organisation is more concerned about money than the convenience of the traveller (figure 5.21). When comparing the mean scores of the statements on organisational injustice (table 5.4), it becomes evident that the statement with which most respondents agreed is: 'Corporate agreements with specific suppliers appear to be more important than personal loyalty cards.'

Figure 5.21: Organisational injustice (Question 20)
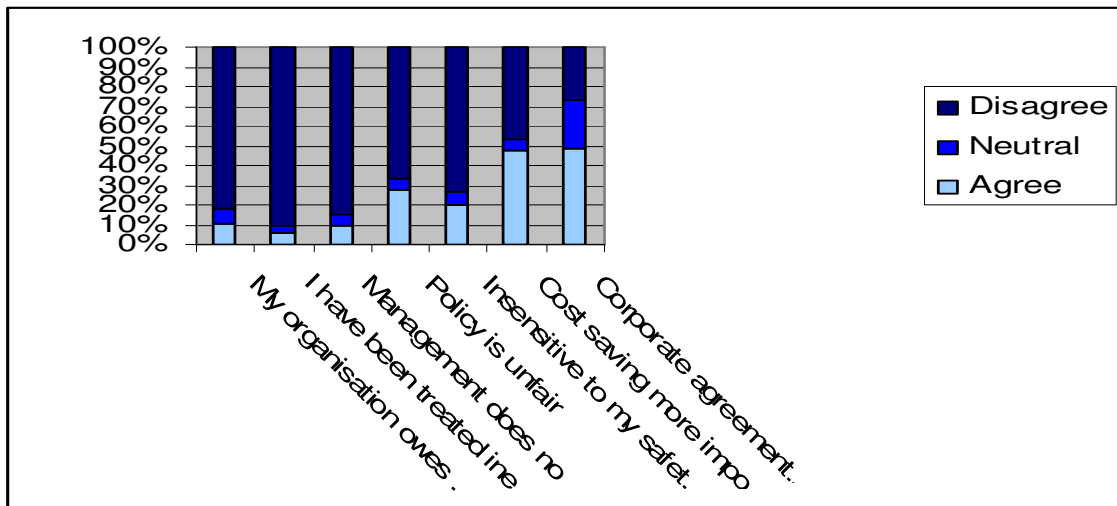
Table 5.4: Organisational injustice (Question 20)

STATEMENT	RANK	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN
Corporate agreements more important than loyalty cards	1	4.4474	1.8982	3.6030	4
Cost savings more important than traveller	2	4	2.0415	4.1675	4
Unfair travel policy	3	2.9115	1.9192	3.6832	2
Organisation is insensitive to safety needs	4	2.5497	1.8571	3.4488	2
My organisation owes me extra compensation	5	2.1302	1.5104	2.2814	2

Control Measures

The results on control measures (figure 5.22) showed that almost one quarter of travel agents never inform travellers when they make bookings that are in breach of policy. In other words, in some cases, the TMC will aid the traveller in not complying with the travel policy. What is more, a further 30 per cent of travellers said that they did not or rarely had to submit details of their trip for post-trip reviews. In reality, this means that a traveller has the opportunity to lie about the details of his/her trip because there is no control over whether he actually did what he said he would do during the pre-approval process. Almost 30 per cent of travellers indicated they tended to breach policy because there was very little control of the travel process.

Figure 5.22: Control measures (Question 21)
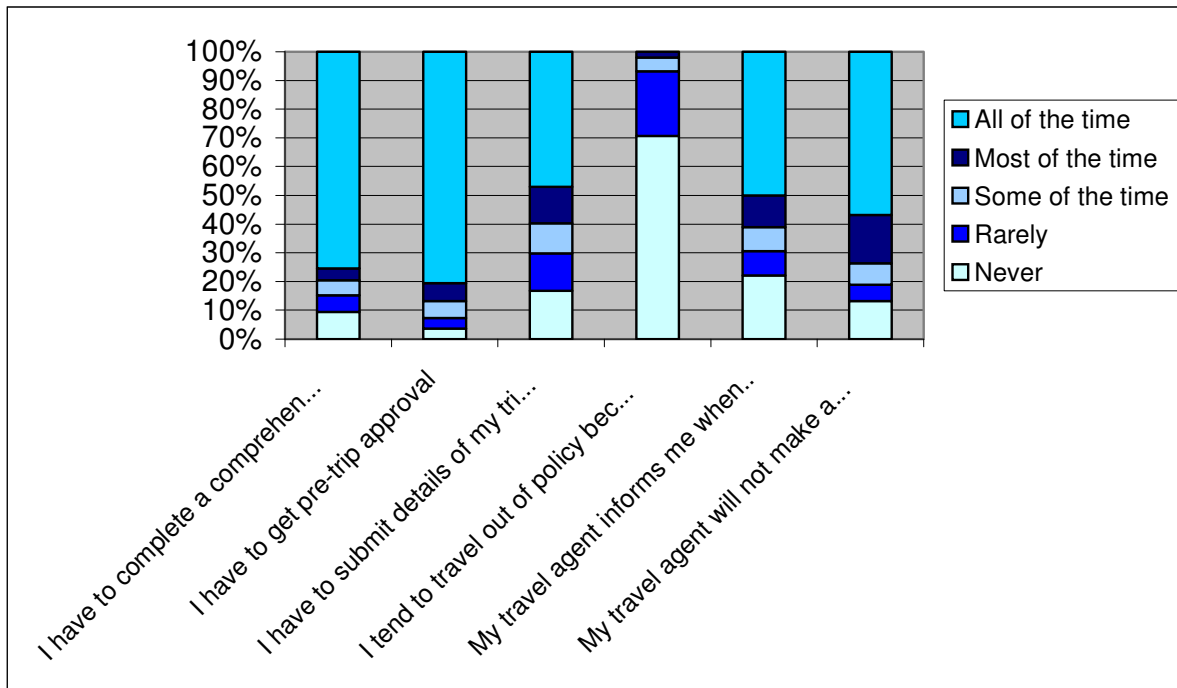
Individual Morality

With regard to individual morality, it is necessary to highlight two findings shown in figure 5.23. First, 22 per cent of respondents agreed that they sometimes have to compromise their beliefs to do their jobs the way the organisation wants them to. This result reflects poorly on both the organisational culture and business ethics of some companies. Second, 15 per cent of travellers said that they had to break organisation policy to do what was necessary. Could this mean that travellers might also break the travel policy to do what is necessary for their organisations? If this is true, would it be fair if an organisation then reprimanded a traveller for breaking the travel policy?

Figure 5.23: Individual morality (Question 22)
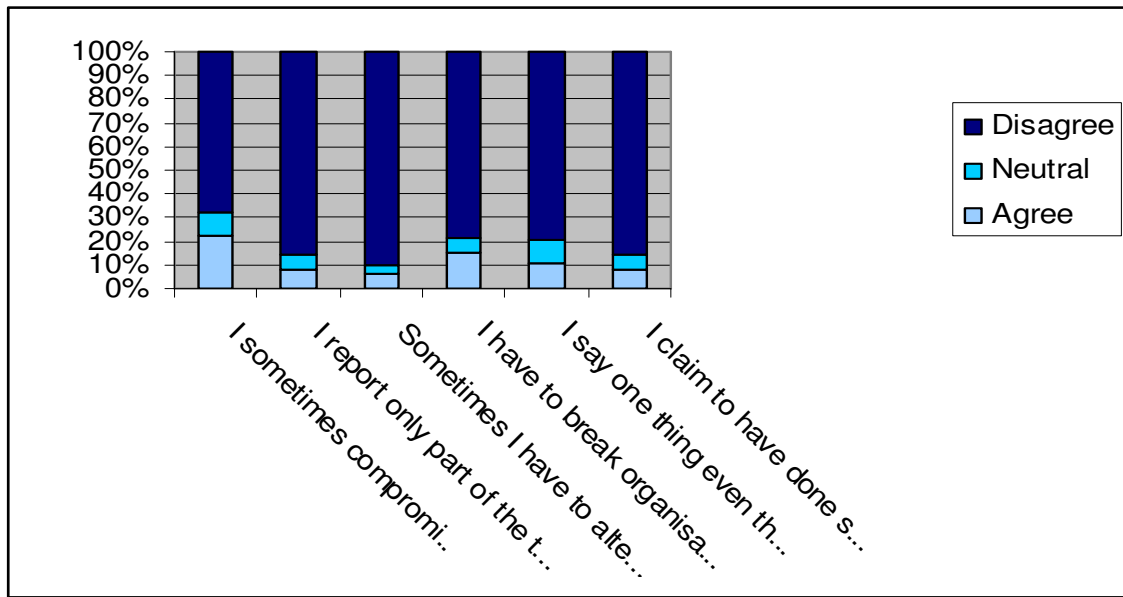
Self-Interest

As shown in figure 5.24, only a small number of respondents agreed with the statements relating to self-interest. The statement drawing the highest 'agree' response was that travellers feel it was important to fly business class, even if this was not allowed, in order to present a degree of status to their business colleagues.

Figure 5.24: Self-interest (Question 23)
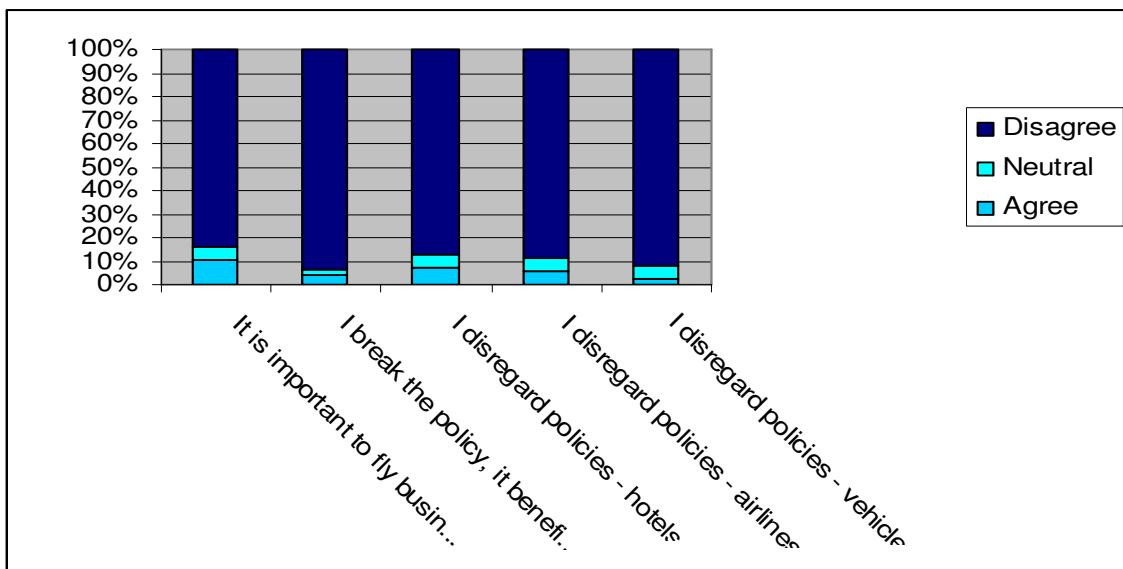
Employee Satisfaction

Overall, employee satisfaction was measured on three levels: traveller satisfaction, job satisfaction and life satisfaction.

Traveller satisfaction

Overall, respondents were satisfied with the service providers as prescribed in their travel policies. Less than 15 per cent experienced a degree of dissatisfaction with the three respective suppliers (figure 5.25).

Figure 5.25: Level of satisfaction with the service providers (Question 24)
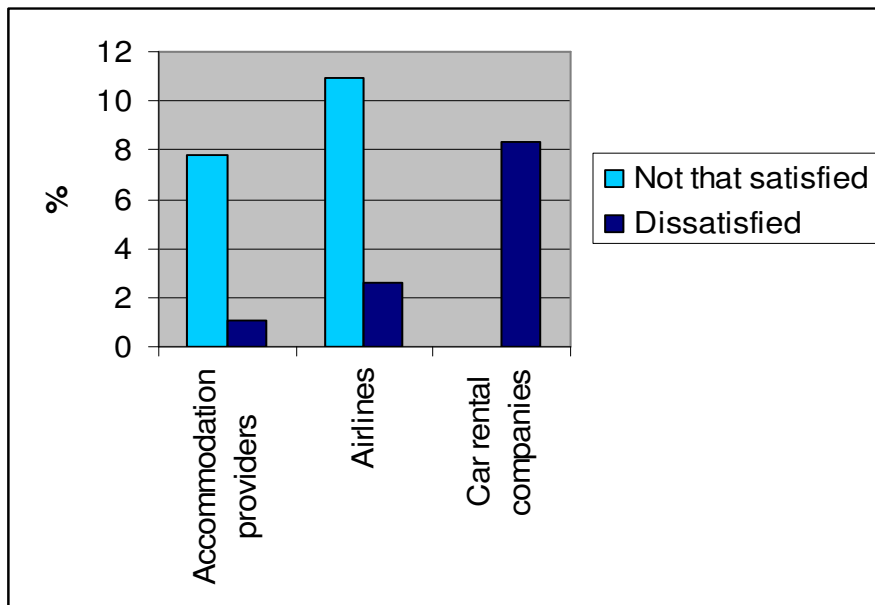
Figure 5.26: Importance of factors when travelling by air (Question 25)
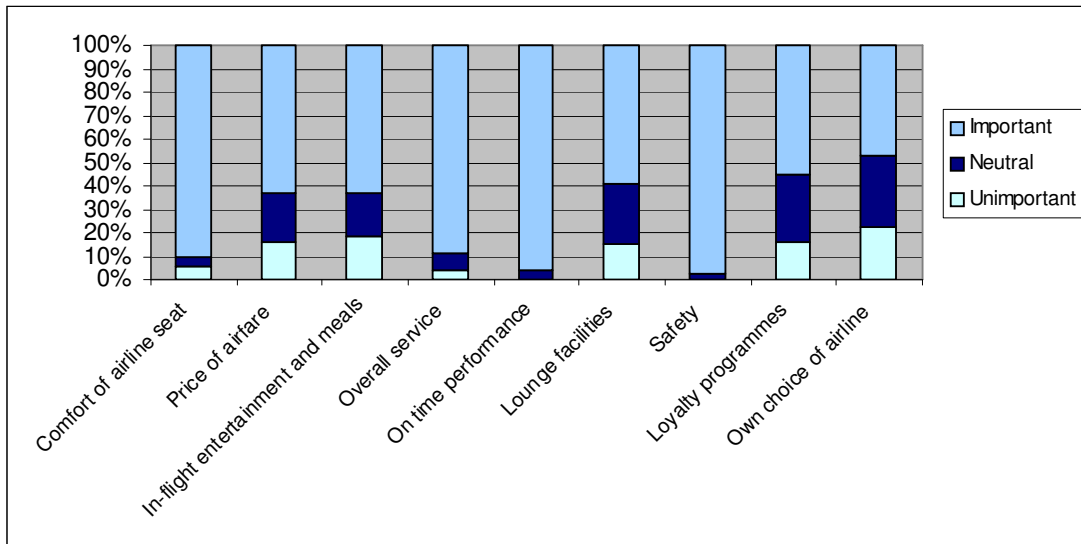
Table 5.5: Important factors when travelling by air (Question 25)

FACTOR	RANK	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN
Safety	1	4.8632	0.4013	0.1611	5
On-time performance	2	4.6198	0.5569	0.3102	5
Comfort of airline seat	3	4.5052	0.8313	0.6911	5
Overall service	4	4.2708	0.8247	0.6802	4
In-flight entertainment and meals	5	3.6354	1.0985	1.2067	4

From the above figure (5.26), it is evident that the most important factor when travelling by air is safety, followed by on-time performance and comfort of seat. Table 5.5 compares the mean scores of the factors and ranks them in order of importance.

Figure 5.27: Importance of factors - accommodation establishments (Question 26)
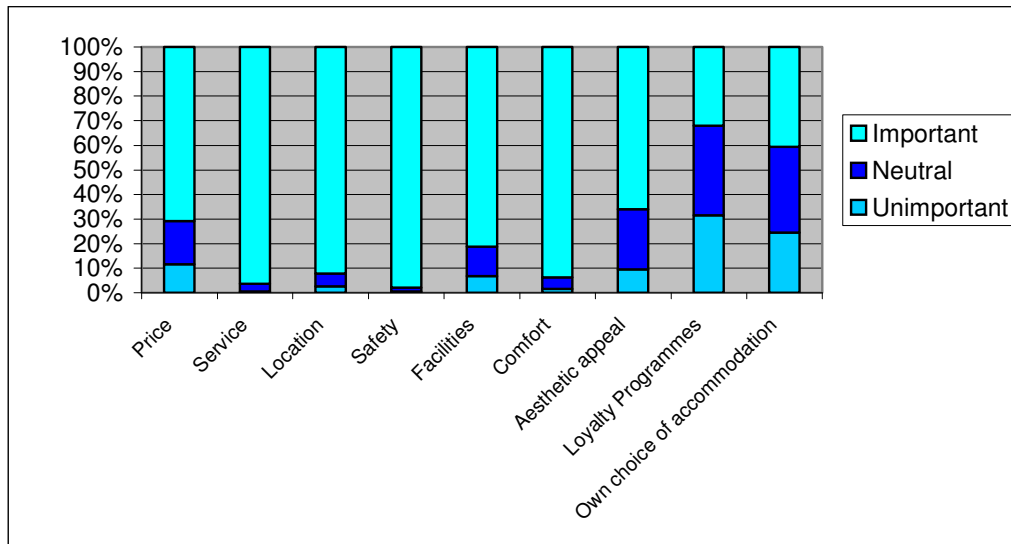
Table 5.6: Important factors with regard to accommodation establishments (Question 26)

FACTOR	RANK	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN
Safety	1	4.7435	0.5049	0.2549	5
Service	2	4.4323	0.5839	0.3409	4
Location	3	4.4062	0.7318	0.5356	5
Comfort	4	4.3125	0.6602	0.4358	4
Facilities	5	4.0833	0.8881	0.7888	4

From figure (5.27) it is evident that the most important factor when making use of accommodation establishments is safety, followed by service and location. Table 5.6 compares the mean scores of the factors and ranks them in order of importance.

Job satisfaction

Taking into consideration that job satisfaction might have an influence on policy compliance, as explained in chapter 3, it is necessary to take note of the following: less than 60 per cent of travellers were satisfied with their promotion opportunities, while only 75 per cent of respondents agreed that they were satisfied with their job security (figure 5.28). Table 5.7 compares the mean scores of the statements and ranks them according to the statement with which most respondents agreed.

Figure 5.28: Level of job satisfaction (Question 27)
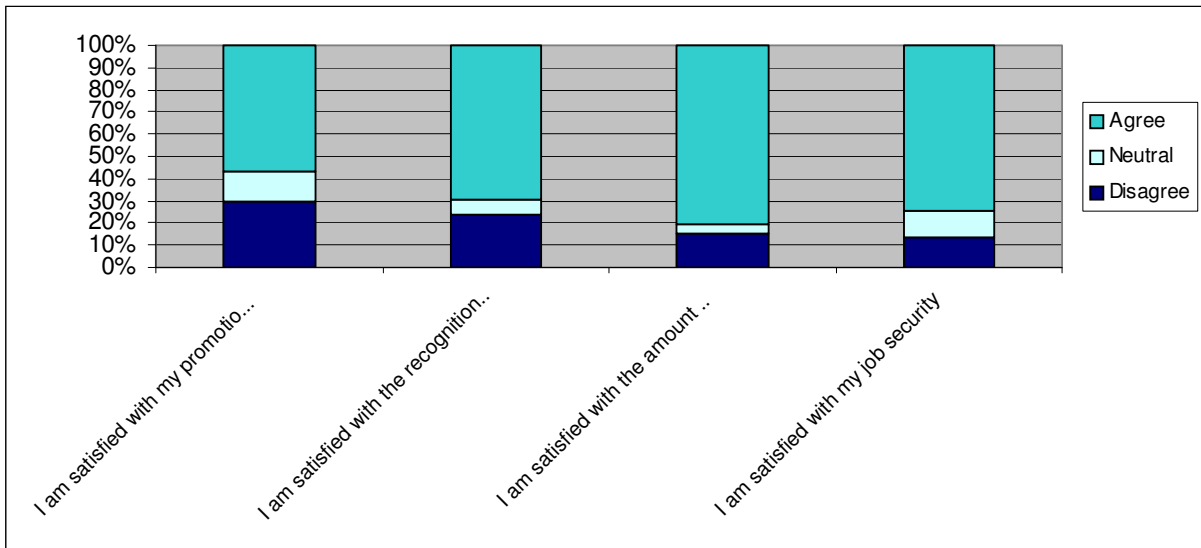
Table 5.7: Job satisfaction (Question 27)

FACTOR	RANK	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN
I am satisfied with the amount of say	1	5.3926	1.4895	2.2186	6
I am satisfied with my job security	2	5.2041	1.6141	2.6054	6
I am satisfied with the recognition	3	4.8958	1.7574	3.0885	5
I am satisfied with my promotion opportunities	4	4.5287	1.8087	3.2713	5

Life satisfaction

As is shown in figure 5.29, almost 90 per cent of travellers agreed with all the statements relating to life satisfaction. The only statement that rendered lower 'agree' responses was whether the traveller sees him/herself as an extrovert. Table 5.8 compares the mean scores of the statements, ranking them according to the statement with which most respondents agreed.

Figure 5.29: Life satisfaction (Question 28)
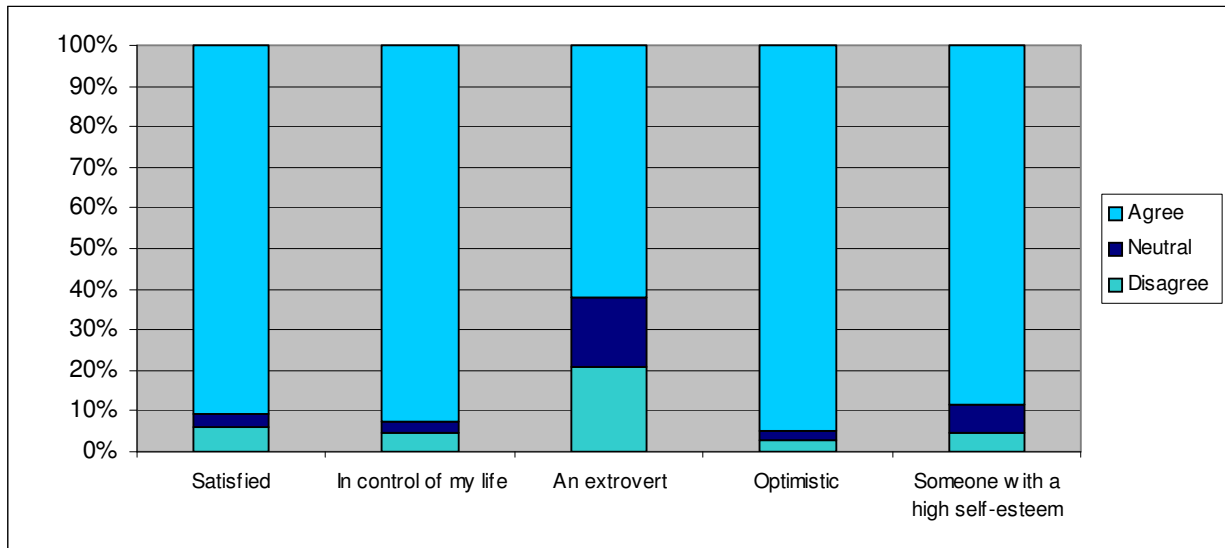
Table 5.8: Life satisfaction (Question 28)

FACTOR	RANK	MEAN	STANDARD DEVIATION	VARIANCE	MEDIAN
Optimistic	1	5.8796	0.8530	0.7275	6
In control	2	5.8743	0.9597	0.9210	6
Someone with a high self-esteem	3	5.7958	1.0235	1.0476	6
Satisfied	4	5.6667	0.9833	0.9668	6
An extrovert	5	4.7	1.5599	2.4333	5

Employee Deviance

A number of the statements measuring employee deviance provided some meaningful results (figure 5.30). Thirty-five per cent of respondents agreed that they did not like it when someone told them what to do. Almost 20 per cent of respondents believed that what was not stipulated was allowed. Only 65 per cent indicated that there were consequences to non-compliance in their organisations, while a mere 38 per cent of respondents agreed that their companies had made an example of a non-compliant traveller. A number of statements also rendered high neutral responses. Twenty per cent of respondents neither agreed nor disagreed that they did not like it when someone told them what to do. A further 27 per cent did not agree or disagree that their company had made an example of a non-compliant traveller, and 17 per cent were neutral about the statement: 'I believe that what is not stipulated is allowed.' A deduction that could be

drawn from this is that travellers did not understand the statement, that they genuinely had a neutral opinion on the statement, or were uneasy about answering the statement truthfully, concerned that they might be identified.

Figure 5.30: Employee deviance
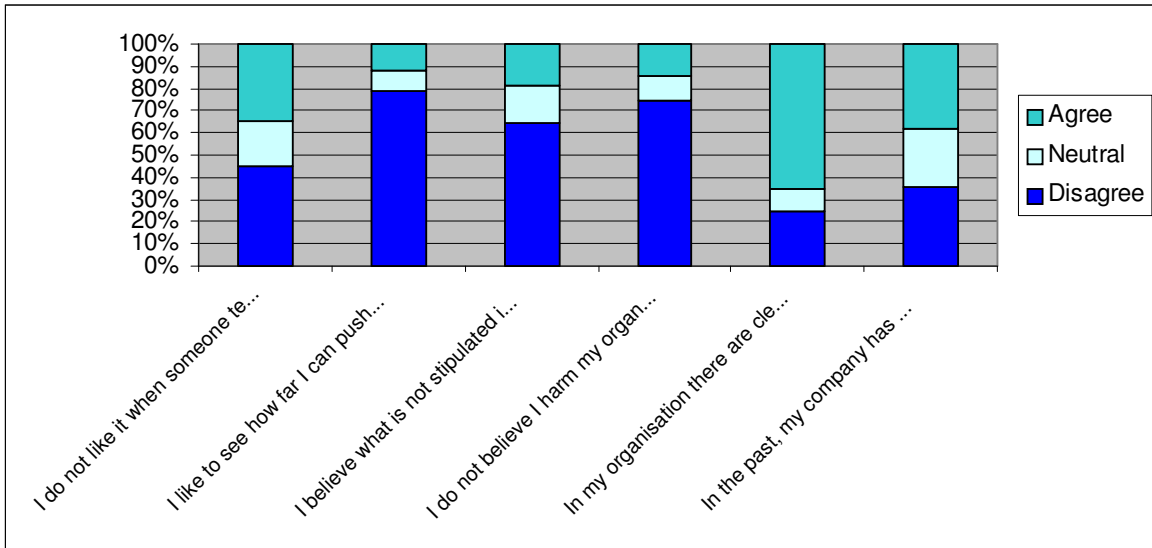
5.4 CROSS-TABULATION

A number of variables were cross-tabulated using chi-square tests for significance in order to determine the relationships between and among these variables. (Where more than 20 per cent of the cells had expected counts of less than 5, the Fisher's exact test was used instead). A number of relationships were found to be significant. Findings are presented in the table below. In question 16, respondents were asked to indicate their approximate percentage of compliance with the travel policy. The results of this question were cross tabulated with the results of a number of other questions. Only those tests that proved significant, with a p-value of less that 10 per cent, are shown in table 5.9. Although some of the results shown in table 5.9 fall outside the 5 % level of significance margin, it is still important to include them. Although statistically they might not indicate a significant relationship, they still show a tendency towards a correlation between two factors, and for this reason they were included in the findings. Where cells had low counts, categories were combined: for example, 'strongly disagree', 'disagree' and 'somewhat disagree' were combined to form 'disagree'.

From previous research (Douglas, 2005), and according to industry sources, the average rate of non-compliance in organisations can range between 10 and 20 per cent. For this research study, the following categorisations were made:

- Category 1: Low compliance rate (0 % - 84%; where 0 % can be regarded as never complying)
- Category 2: Average compliance rate (85% - 95%)
- Category 3: High compliance rate (96% +)

Table 5.9: The relationship between the rate of compliance and factors that could lead to non-compliance (row percentages are given)

		COMPLIANCE RATE			P value
		0%-84%	85%-95%	96%+	
FAIRNESS OF POLICY (Question 12→Question 16)	**Fair =** Fair + more fair than unfair	10.58	38.46	50.96	0.0576[1]
	Neutral	25.00	50.00	25.00	
	Unfair = More unfair than fair + unfair	20.00	42.00	38.00	
PROBLEMS IN COMPLIANCE (Question 13→Question 16)	**All of the time, most of the time, some of the time**	44.83	24.68	18.75	0.0184[2]
	Rarely	37.93	64.94	58.75	
	Never	17.24	10.39	22.50	
TRIP DETAILS CHANGE (Question 15.11→Question 16)	**Disagree =** Strongly disagree + disagree + somewhat disagree	4.88	34.15	60.98	0.0001[3]
	Neutral	12.12	42.42	45.45	
	Agree = Strongly agree + agree + somewhat agree	30.00	50.00	20.00	
MANAGEMENT DOES NOT COMPLY (Question 15.14→Question 16)	**Disagree =** Strongly disagree + disagree + somewhat disagree	7.94	40.48	51.59	0.0001 (Fisher's Exact test: P=3.393E-05) [4]
	Neutral	29.03	54.84	16.13	
	Agree = Strongly agree + agree + somewhat agree	34.48	31.03	34.48	

TO PRESENT A DEGREE OF STATUS IT IS IMPORTANT TO FLY BUSINESS CLASS (Question 23.1→Question 16)	**Disagree = Strongly disagree + disagree + somewhat disagree**	13.46	39.74	46.79	0.0536 (Fisher's Exact test: P=0.0790)[5]
	Neutral	20.00	70.00	10.00	
	Agree = Strongly agree + agree + somewhat agree	30.00	40.00	30.00	
COMMUNICATION METHOD OF POLICY (Question 9→Question 16)	**Single written document**	10.00	35.00	55.00	0.0409[6]
	Regular memorandums	16.28	30.23	53.49	
	Online	13.21	45.28	41.51	
	Other = Word of mouth, no communication, I do not know	35.29	52.49	11.76	
LEVEL OF UNDERSTANDING OF POLICY (Question 10→Question 16)	**Not at all, More or less**	21.79	43.59	34.62	0.0586[7]
	Very Well	11.11	39.81	49.07	
I LIKE TO SEE HOW FAR I CAN PUSH THE BOUNDARIES (Question 29.2→Question 16)	**Disagree =** Strongly disagree + disagree + somewhat disagree	12.33	45.21	42.47	0.0015 (Fisher's Exact test: P=0.0026)[8]
	Neutral	42.11	36.84	21.05	
	Agree = Strongly agree + agree + somewhat agree	14.29	19.05	66.67	
I TEND TO TRAVEL OUT OF POLICY BECAUSE OF LITTLE CONTROL (Question 21.4→Question 16)	**Never**	12.21	35.88	51.91	0.0001 (Fisher's Exact test: P=1.084E-04)[9]
	Rarely	16.67	61.90	21.43.	
	Some of the time, most of the time, all of the time	50.00	33.33	16.67	
IMPORTANCE OF SAFETY WHEN TRAVELLING BY AIR (Question 25.7→Question 16)	**Neutral**	0.00	100.0	0.00	0.0569 (Fisher's Exact test: 0.0928)[10]
	Important	16.02	40.33	43.65	

The results in table 5.9 show the following:

1. The compliance rate in an organisation is higher when the travellers view the travel policy as fair, with more than 50 per cent of respondents who believe the policy to be fair in the high compliance category, as opposed to only 11 per cent of respondents who believe the policy is fair in the low compliance category. Of those who fall into the

low compliance category, almost twice as many (20 per cent) say the travel policy is unfair as opposed to fair (11 per cent).

2. The more frequent problems in compliance are experienced, the higher the instance of non-compliance is. Forty-five per cent of travellers who experienced problems in compliance all the time, most of the time or some of the time, belong to the low compliance group as opposed to only 19 per cent in the high compliance group. Furthermore, while forty-five per cent of travellers belonging to the low compliance group experienced problems in compliance all the time, most of the time or some of the time, 17 per cent falling into the low compliance group never experienced problems in compliance.

3. Travellers who disagreed that changing trip details might be a possible reason for non-compliance are more likely to comply with the travel policy. While more than 60 per cent of respondents who disagreed that changing trip details might be a possible reason for non-compliance fall in the high compliance group, only 5 per cent of the low compliance group disagreed with the statement. It is also of value to note that, of those travellers who agreed that changing trip details might be a possible reason for non-compliance, almost 30 per cent fall into the low compliance category, and 50 per cent into the average compliance category.

4. Similarly, those travellers who disagreed that they did not want to comply with the policy because management did not comply were more likely to comply with the travel policy, with 52 per cent of respondents disagreeing with the statement in the high compliance category, as opposed to only 8 per cent of the low compliance category. Again, it is interesting to note that of those who agreed with the statement, more than one-third fall within the low compliance category. While only 8 per cent of the low compliance group disagreed that they did not want to comply with the policy because management did not do so, 35 per cent of this group agreed with the statement.

5. While 47 per cent of travellers who disagreed that it was important to fly business class to present a degree of status to business colleagues even if this breached policy fell in the high compliance group, only 14 per cent of the low compliance category disagreed with the statement. Seventy per cent of travellers who agreed that it was important to fly business class to present a degree of status even if this breached policy, fall into the low and medium compliance categories. Thus, the more a traveller disagreed that it was important to fly business class to present a degree of status to business

colleagues even if this flouted policy, the more likely he was to comply with the travel policy.

6. Fifty-five per cent of respondents who said that their travel policy was communicated mainly as a single written document belonged to the high compliance category, as opposed to 10 per cent in the low compliance category. Thus, travellers are more likely to comply with the policy when it is distributed as a single written document. Moreover, 35 per cent of travellers who said that their travel policy was communicated primarily by means of other methods such as word of mouth fell in the low compliance category. It can therefore be said that the most effective method for communicating the policy is as a single written document, while the most ineffective method is to use other forms of communication such as word of mouth.

7. Travellers who understand the policy very well are more likely to comply with the policy than those who understand it partly or not at all. Forty-nine per cent of travellers who understood the travel policy very well fell within the high compliance group, as opposed to only 11 per cent in the low compliance group. Non-compliance decreases as the level of understanding of the travel policy increases, with 22 per cent of the low compliance group indicating that they knew the policy more or less or not at all, as opposed to only 11 per cent of the low compliance group who understood the policy very well.

8. Of the travellers who agreed that they like to see how far they can push the boundaries, 67 per cent fall within the high compliance category, as opposed to 14 per cent in the low compliance group. While 67 per cent of the high compliance group agreed with the statement, only 43 per cent disagreed with it. This might mean that although an individual likes to see what they can get away with, it does not necessarily mean that they will breach the travel policy.

9. The more frequently a traveller tends to travel in defiance of the policy because there is little control of the travel process; the more likely he is to fall into the low compliance category. Fifty-two per cent of travellers who said that they never tended to travel in breach of policy because there was little control of the travel process were in the high compliance category as opposed to only 17 per cent of this category who tended to sometimes, mostly or always travel in breach of policy. Furthermore, 50 per cent of the low compliance category sometimes, mostly or always tended to travel in breach of policy, while 12 per cent of the low category never tended to do so because there was little control of the travel process.

10. The more important air safety is to a traveller, the more likely s/he is to comply with the travel policy. Forty-four per cent of travellers who indicated the importance of safety when travelling by air, fall into the high compliance category, as opposed to only 16 per cent in the low compliance category. Furthermore, 100 per cent of respondents who had neutral opinions on safety when travelling by air belonged to the medium compliance group.

A significant relationship (P < 0.0259) was also indicated between frequency of international trips and preference of travellers to use airlines where they are loyalty cardholders. Seventy- one per cent of the travellers who agreed that they preferred to use airlines where they were loyalty cardholders belonged to the frequent traveller group (4-30 flights), while 51 per cent belonged to the infrequent traveller group. Thus, loyalty card programmes are more important to frequent international travellers than to infrequent international travellers.

5.5   HYPOTHESES TESTING

Two hypotheses have been developed for this research study:

H_1: Personal-related factors influence policy compliance

H_2: Corporate-related factors influence policy compliance

Since the personal-related-factors-construct and corporate-related-factors-construct are made up of a number of individual factors, the hypotheses as stated above cannot be tested in their entirety and require to be further divided into sub-hypotheses. These sub-hypotheses are presented together with their null hypotheses:

H_{1a}: An ineffective travel policy leads to a higher incidence of travel policy non-compliance.
H_0: An ineffective travel policy has no influence on policy compliance.

H_{1b}: A perceived lack of business ethics leads to a higher incidence of travel policy non-compliance.
H_0: A perceived lack of business ethics has no influence on policy compliance.

H_{1c}: Perceived organisational injustice leads to a higher incidence of travel policy non-compliance.

H_0: Perceived organisational injustice has no influence on policy compliance.

H_{1d}: A lack of control measures leads to a higher incidence of travel policy non-compliance.

H_0: A lack of control measures has no influence on policy compliance.

H_{2a}: Individual immorality leads to a higher incidence of travel policy non-compliance.

H_0: Individual immorality has no influence on policy compliance.

H_{2b}: Self-interest leads to a higher incidence of travel policy non-compliance.

H_0: Self-interest has no influence on policy compliance.

H_{2c}: Traveller dissatisfaction leads to a higher incidence of travel policy non-compliance.

H_0: Traveller dissatisfaction has no influence on policy compliance.

H_{2d}: Job dissatisfaction leads to a higher incidence of travel policy non-compliance.

H_0: Job dissatisfaction has no influence on policy compliance.

H_{2e}: Life dissatisfaction leads to a higher incidence of travel policy non-compliance.

H_0: Life dissatisfaction has no influence on policy compliance.

H_{2f}: Employee deviance leads to a higher incidence of travel policy non-compliance.

H_0: Employee deviance has no influence on policy compliance.

The internal consistency reliability for each factor was computed first in order to assess the degree to which instrument items are homogeneous and reflect the same underlying constructs. To measure this, Cronbach's Alpha was used. Teo and King (1996) and Malhotra (1993) suggest that a Cronbach's Alpha coefficient equal to 0.60 or more is desirable for internal consistency reliability. Certain questionnaire items were reverse-scored to calculate the Cronbach's Alpha. These items were: 19.3; 19.4; 19.5; 21.4; 29.5 and 29.6. Table 5.10 provides a summary of the Cronbach's Alpha scores for the questions. From the table it is evident that only question 29 did not present a desirable score. Further tests were done to see whether the Cronbach Alpha scores would increase

should certain items be removed from the individual questions. Column three in table 5.10 indicates those variables which were deleted from a question because it resulted in a higher Cronbach Alpha score.

Table 5.10: Cronbach's Coefficient Alpha scores

Question	Cronbach Coefficient Alpha	Deleted Variables
15	0.860745	15.4
19	0.756704	19.3
20	0.786995	20.7
21	0.690963	21.3; 21.4
22	0.792869	22.3
23	0.789594	23.1
24	0.735811	
25	0.718859	25.2; 25.5; 25.7
26	0.763416	26.1; 26.3; 26.4
27	0.829362	
28	0.711582	
29	0.517805	

As question 29 measuring the employee deviance construct did not present an acceptable Cronbach's Alpha score, it could not be used to test H_{2f}. Table 5.11 presents the various questions used to test the different sub-hypotheses as mentioned above.

Table 5.11: Questions used to test hypotheses

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

The results of the hypotheses tests are provided in table 5.12 below and discussed after the table. All the hypotheses were tested using the Kruskal Wallis test.

Table 5.12: Hypotheses tests

HYPOTHESIS	CATEGORIES OF COMPLIANCE	MEAN	MEDIAN*	STANDARD DEVIATION	P VALUE
1a	Low	3.9015	4.1429[a]	1.0084	0.0000
	Medium	3.2059	3.0714[b]	0.8954	
	High	2.7280	2.6071[c]	0.9251	
1b	Low	2.5862	2.5000	1.0696	0.9160
	Medium	2.7045	2.2500	1.4100	
	High	2.5656	2.2500	1.2175	
1c	Low	2.8908	2.3333	1.5851	0.0954
	Medium	2.6818	2.5000	1.1841	
	High	2.2938	2.0833	0.9068	
1d	Low	3.7672	4.0000[a]	1.1179	0.0037
	Medium	4.0519	4.5000[a]	1.0133	
	High	4.3354	5.0000[b]	0.9780	
2a	Low	2.4897	2.2000	1.1815	0.3530
	Medium	2.2312	2.0000	1.1305	
	High	2.1000	2.0000	0.9824	
2b	Low	2.2758	1.7500[ab]	1.4211	0.0444
	Medium	1.8571	2.0000[a]	0.8075	
	High	1.6188	1.2500[b]	0.7568	
2c (question 24)	Low	3.6897	4.0000	0.6954	0.2335
	Medium	3.8095	4.0000	0.7324	
	High	3.9625	4.0000	0.6582	
2c (question 25)	Low	3.8678	3.8333	0.6992	0.6463
	Medium	3.8290	3.8333	0.5911	
	High	3.7468	3.8333	0.7349	
2c (question 26)	Low	3.9828	3.8333	0.5258	0.3871
	Medium	3.7294	3.8333	0.6100	
	High	3.7625	3.6667	0.6665	
2d	Low	4.9138	4.7500	1.2558	0.7129
	Medium	5.0130	5.5000	1.4361	
	High	5.1313	5.2500	1.2170	
2e	Low	5.5241	5.6000	0.7827	0.3974
	Medium	5.5091	5.6000	0.7302	
	High	5.6294	5.8000	0.7615	

* Superscripts with different letters indicate a significant difference between medians on a 10 % level of significance.

H$_{1a}$: An ineffective travel policy leads to a higher incidence of travel policy non-compliance.

The Kruskal Wallis test presented an acceptable P value < 0.0001. When the multiple comparisons test was done, significant differences were shown between the high, medium and low compliance groups. In table 5.12, hypothesis 1_a shows that when comparing the median scores from question 15, it is evident that the low compliance group acquired a higher median score than the high compliance group. Similarly, the medium compliance group also obtained a higher median score than the high compliance group, while the low compliance group attained an even higher median score than the medium compliance group. This means that the more ineffective the travel policy is, the lower compliance with the travel policy will be. H$_0$ can thus be rejected, because an ineffective travel policy has an influence on policy compliance. An ineffective travel policy does lead to a higher incidence of travel policy non-compliance.

H$_{1c}$: Perceived organisational injustice leads to a higher incidence of travel policy non-compliance.

The Kruskal Wallis test resulted in an acceptable P value < 0.0954. Although this is above the 5 % level of significance, it still shows a tendency. The multiple comparisons test did not show any significant differences between the different compliance groups, but when comparing the mean scores of the low, medium and high compliance groups for hypothesis 1_c in table 5.12, it becomes evident that the low compliance group had a higher mean score than the medium and high compliance groups. Similarly, the medium compliance group had a higher mean score than the high compliance group. This result shows that when a traveller perceives organisational injustice, compliance with the travel policy will be lower. H$_0$ can thus be rejected, because perceived organisational injustice has an influence on policy compliance. Perceived organisational injustice does lead to a higher incidence of travel policy non-compliance.

H$_{1d}$: A lack of control measures leads to a higher incidence of travel policy non-compliance.

The Kruskal Wallis test rendered a significant P value < 0.0037. The multiple comparisons test showed significant differences between the low and high compliance groups and between the medium and high compliance groups. When comparing the median scores from question 21, the low compliance group had a lower median score than the high

compliance group. Similarly, the medium compliance group obtained a lower median score than the high compliance group. This signifies that the less control there is of the corporate travel process, the higher non-compliance will be. H_0 can thus be rejected, as a lack of control measures does have an influence on policy compliance. A lack of control measures does lead to a higher incidence of travel policy non-compliance.

H_{2b}: Self-interest leads to a higher incidence of travel policy non-compliance.

This hypothesis showed an acceptable P value < 0.0444. The multiple comparisons test showed a significant difference between the medium and high compliance group. The median scores from hypothesis 2_b in table 5.12 point out that the medium compliance group had a higher median score that the high compliance group. This shows that a traveller intent on serving his/her own purpose will be less compliant with the travel policy. H_0 can thus be rejected, as the results show that self-interest has an influence on policy compliance. Self-interest does lead to a higher incidence of travel policy non-compliance.

In viewing the significant results described in this section, the conceptual model for policy compliance illustrated in figure 3.4 should be adapted as follows:

Figure 5.31: Model of corporate travel policy compliance
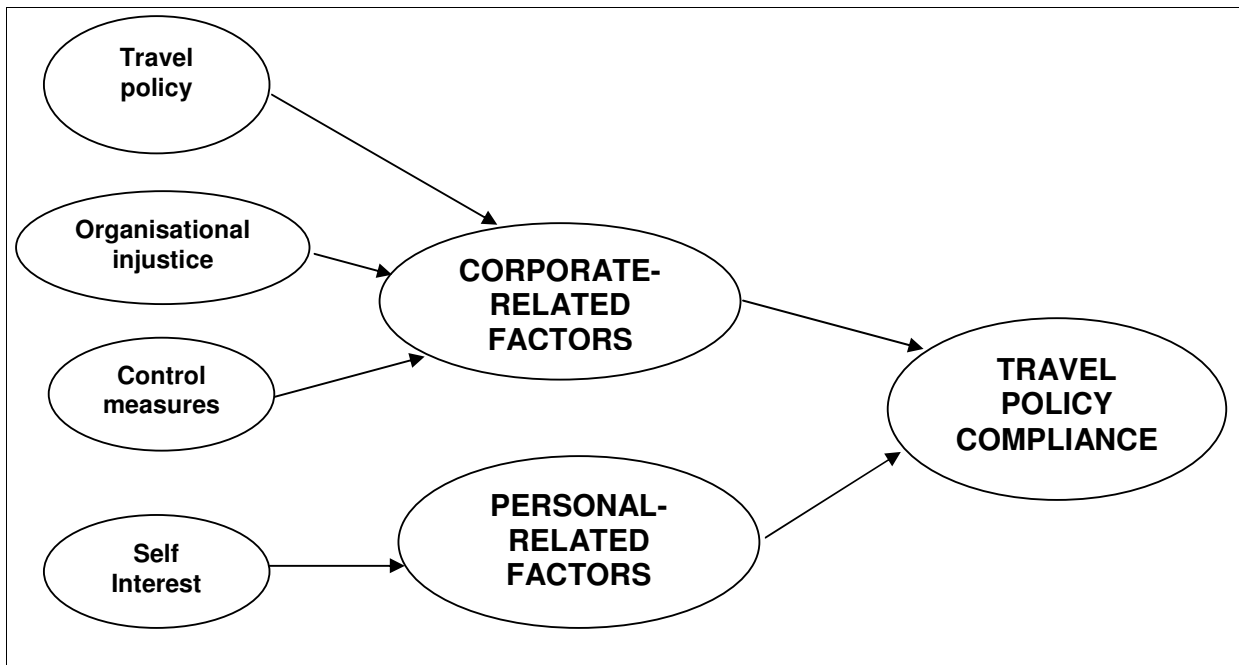
At this stage it is important to point out that although only the hypotheses discussed above can be rejected statistically, this does not mean that if the research were replicated the other hypotheses would fail to be rejected. Given the limitations inherent in the sample, the results may differ should a different or larger sample be used. The literature review suggests that relationships exist between compliance and the various factors as tested above, and for this reason the researcher is of the opinion that further studies are essential before a final model can be regarded as scientifically valid and reliable.

5.6   LOGISTIC REGRESSION MODELLING

Two types of regression models were specified in section 4.10.4. In assessing the magnitude of influence of personal- and corporate-related factors on policy compliance, a multinomial logistic regression model for a polytomous dependent variable was specified. Multinomial logistic regression is an appropriate technique for classification when the dependent variables are more than two choices. Corporate travellers were divided into three categories: high compliance, low compliance and medium compliance. These were the categorical dependent variables in the multinomial logistic regression model, where the estimated probability (converted to odds) of compliance predicted by certain personal- and corporate- related factors is the outcome of the maximum likelihood function. In other words, the respondents' rate of compliance with the travel policy was considered as a function of corporate- and personal-related factors such as employee satisfaction, organisational injustice, self-interest and others.

Table 5.13 summarises the questions to be used as input into the forward stepwise model.

Table 5.13: Questions used as input into the forward stepwise model

CONSTRUCTS	QUESTIONS
NON-COMPLIANCE	16
TRAVEL POLICY	15
BUSINESS ETHICS	19
ORGANISATIONAL INJUSTICE	20
CONTROL MEASURES	21
INDIVIDUAL MORALITY	22
SELF-INTEREST	23
EMPLOYEE SATISFACTION Traveller satisfaction Job satisfaction Life satisfaction	24; 25; 26 27 28

Because question 29 and some other questionnaire items did not provide acceptable Cronbach's Alpha scores (refer back to table 5.10), a decision had to be made whether to use the items as individual inputs into the model or whether to exclude them from the model. To support the decision, chi-square tests were done to ascertain whether significant relationships existed between each of these questionnaire items and compliance. The rationale behind this reasoning was that if the chi-square test showed a relationship between the item and compliance, the model would also probably highlight the relationship. If no relationship existed according to the chi-square test; the model would possibly also not show a relationship. The chi-square tests showed significant relationships between compliance and questions 21.4; 23.1; 25.2; 25.7; 26.1; 26.4; 29.2. It was decided to use all the items except for 29.2 as individual inputs into the forward stepwise model. Although 29.2 showed a significant P-value < 0.0026, the results indicated that travellers might have understood the question differently. The chi-square test pointed out that of the travellers who agreed that they liked to see how far they could push the boundaries, 67 per cent fell within the high compliance category. This might mean that although an individual likes to see what they can get away with, it does not necessarily mean that they will breach the travel policy. For this reason, question 29.2 was excluded from the forward stepwise model.

Even though question 15.4 gave a P-value < 0.2560, it was decided to use it as an individual input into the model. Loyalty card programmes have been shown to have a significant influence on policy compliance (Campbell, 2002; Mason, 1999; Arnesen *et al.*, 1997). The reasons why a significant relationship between compliance and loyalty programmes has not been shown in this research study might be threefold: first, the question wording was not very clear. The statement read: 'I prefer to use airlines where I am a loyalty cardholder.' Respondents might have argued that although they prefer to use airlines where they are loyalty cardholders, this does not mean that they break the policy to do so. Second, in South Africa, most organisations have supplier agreements in place with South African Airways. So if a respondent is a loyalty card member of South African Airways, he/she will be guaranteed to accumulate Voyager miles on most of his/her flights. Third, research shows that loyalty cards are becoming less important to consumers. It is likely that a traveller will belong to more than one loyalty programme, meaning that loyalty programmes will no longer be the deciding factor when choosing an airline. None the less, the literature did show a meaningful correlation between loyalty programmes and

compliance and, for this reason, the questionnaire item was used as an individual input into the model.

The original model for policy compliance was separated into two models: a corporate and a personal model. The results of the corporate model will be discussed first.

5.6.1 Corporate logistic regression model

The final model chi-square statistic tests the null hypotheses that all model coefficients are zero in the population, equivalent to the overall F test in regression. Because $p < 0.05$, the null hypothesis can be rejected; thus, at least some effect in the model is significant (see Table 5.14). Pseudo R-square measures (Table 5.15) try to measure the amount of variation (as functions of the chi-square lack of fit) accounted for by the model. The model explains only a modest amount of variation (the maximum is 1).

Table 5.14: Model Fit Summary (Corporate)

Model Fitting Information

Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	375.149			
Final	329.760	45.389	6	.000

Table 5.15: Pseudo R-Square Summary (Corporate)

Pseudo R-Square

Cox and Snell	.219
Nagelkerke	.251
McFadden	.121

Table 5.16: Likelihood Ratio Tests (Corporate)

Likelihood Ratio Tests

| Effect | Model Fitting Criteria | Likelihood Ratio Tests | | |
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	329.760[a]	.000	0	.
VV21_4	343.067	13.307	4	.010
MEANQ15	352.772	23.012	2	.000

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

a. This reduced model is equivalent to the final model because omitting the effect does not increase the degrees of freedom.

In the Likelihood Ratio Tests table (5.16), a test of significance for each effect after adjusting for the other effects in the model is given. The caption explains how it is calculated. Question 21.4 and the mean of question 15 are highly significant.

Table 5.17: Parameter Estimates (Corporate)

Parameter Estimates

| VV16[a] | | B | Std. Error | Wald | df | Sig. | Exp(B) | 95% Confidence Interval for Exp(B) | |
								Lower Bound	Upper Bound
0-84	Intercept	-3.483	1.355	6.604	1	.010			
	[VV21_4=1 NEVER]	-1.689	.930	3.300	1	.069	.185	.030	1.143
	[VV21_4=2 RARE]	-.735	1.024	.514	1	.473	.480	.064	3.572
	[VV21_4=3,4SOME]	0[b]	.	.	0	.	.	.	.
	MEANQ15	1.171	.269	18.961	1	.000	3.227	1.904	5.467
85-95	Intercept	-1.156	1.125	1.055	1	.304			
	[VV21_4=1 NEVER]	-.685	.911	.566	1	.452	.504	.085	3.003
	[VV21_4=2 RARE]	.623	.967	.415	1	.519	1.865	.280	12.413
	[VV21_4=3,4SOME]	0[b]	.	.	0	.	.	.	.
	MEANQ15	.505	.195	6.697	1	.010	1.658	1.130	2.431

a. The reference category is: 96+ .

b. This parameter is set to zero because it is redundant.

The parameter estimates table (5.17) contains the coefficient information for the parameters in the model. There are two sets of parameters. One set is for the probability ratio of the 'low compliance category' to the 'high compliance category' which is labelled '0-84'. The other set is for the probability ratio of 'medium compliance category' to 'high compliance category' labelled '85-95'. For each of the two outcome probability ratios, each

predictor is listed, plus an intercept, with the estimated B coefficients and their standard errors; a test of significance based on the Wald statistic; and the Exp (B) column, which is the exponentiated value of the estimated B coefficient, along with its 95 % confidence interval. These coefficients are interpreted as estimates for the effect of a particular variable, controlling for the other variables in the equation. The intercept represents the log of the expected probability ratio of two outcome categories when all covariates are zero and all factor variables are set to their reference category values. For covariates, the B coefficient is the effect of a one-unit change in the independent variable on the log of the probability ratio. Question 15 was used to measure the effectiveness of the corporate travel policy. The higher the mean of question 15 is, the more ineffective the travel policy is. Examining the mean of question 15, for every unit increase in the mean of question 15, the odds not to comply (0-84%) increase 3.2 times. For every unit increase in the mean of question 15, the odds to not comply (85-95%) increase 1.7 times. Thus, the more a traveller agrees that the travel policy is inadequate, the more likely s/he is to breach the travel policy.

The multinomial logistic regression procedure uses a General Linear Model coding scheme. Thus, for each categorical predictor (here 21.4), the last category value is made the reference category and the other coefficients for that predictor are interpreted as offsets from the reference category. In examining the table, it is evident that the last category for 21.4 has B coefficients fixed at 0. Because of this, the coefficient of any other category can be interpreted as the change associated with shifting from the reference category to the category of interest, controlling for other predictors. Question 21 measured the control of the travel process with question 21.4 testing the statement: 'I tend to travel out of policy (not according to policy stipulations) because there is very little control of the travel process.' Interpreting the above table, it becomes evident that when compared to the low compliance category (0-84%), the odds are approximately 5.4 (1 / 0.185) times higher to comply (96%+) if a person says that s/he never travels out of policy because there is very little control of the travel process (question 21.4), compared to when a person travels some/most/all of the time out of policy because of very little control over the travel process. Thus, the odds to comply increase as a person marks lower in 21.4.

Table 5.18: Classification Table (Corporate)

Classification

Observed	Predicted			
	0-84	85-95	96+	Percent Correct
0-84	7	14	8	24.1%
85-95	4	40	32	52.6%
96+	1	24	54	68.4%
Overall Percentage	6.5%	42.4%	51.1%	54.9%

The classification table (table 5.18) provides a measure of how well the model performs. With three outcome categories we are interested in the overall accuracy of model classification, the accuracy for each of the individual outcome categories, and patterns in the errors. The rows of the table represent the actual outcome categories, while the columns are the predicted outcome categories. Overall, the predictive accuracy of the model is 54.9 %. The classification table thus allows one to evaluate a model from the perspective of predictive accuracy. Whether this model would be adequate depends in part on the value of correct predictions and the cost of errors.

Based on these results, the model can be adapted to look as follows:

Figure 5.32: Corporate Model for travel policy compliance.
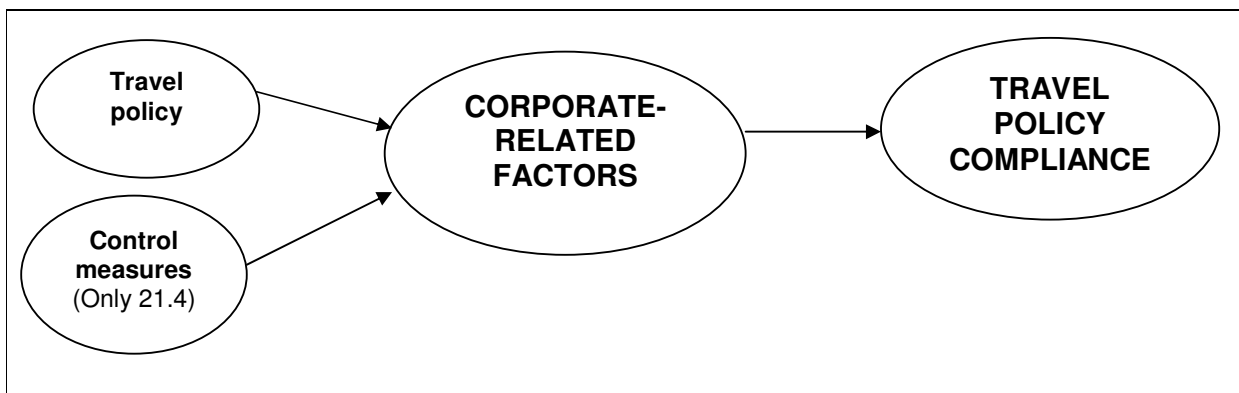
5.6.2 Personal logistic regression model

The final model chi-square statistic tests the null hypotheses that all model coefficients are zero in the population, equivalent to the overall F test in regression. Because $p < 0.05$, the null hypothesis can be rejected; thus, at least some effect in the model is significant (see table 5.19). Pseudo R-square measures (table 5.20) try to gauge the amount of variation

(as functions of the chi-square lack of fit) accounted for by the model. The model explains only a modest amount of variation (the maximum is 1).

Table 5.19: Model fit summary (Personal)

Model Fitting Information

Model	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood	Chi-Square	df	Sig.
Intercept Only	378.604			
Final	368.242	10.362	2	.006

Table 5.20: Pseudo R-square summary (Personal)

Pseudo R-Square

Cox and Snell	.054
Nagelkerke	.062
McFadden	.027

In the Likelihood Ratio Tests table (5.21) a test of significance for each effect after adjusting for the other effects in the model is given. The caption explains how it is calculated. The mean of question 23 is highly significant.

Table 5.21: Likelihood Ratio Tests (Personal)

Likelihood Ratio Tests

Effect	Model Fitting Criteria	Likelihood Ratio Tests		
	-2 Log Likelihood of Reduced Model	Chi-Square	df	Sig.
Intercept	393.993	25.751	2	.000
MEANQ23	378.604	10.362	2	.006

The chi-square statistic is the difference in -2 log-likelihoods between the final model and a reduced model. The reduced model is formed by omitting an effect from the final model. The null hypothesis is that all parameters of that effect are 0.

Table 5.22: Parameter Estimates (Personal)

Parameter Estimates

VV16[a]		B	Std. Error	Wald	df	Sig.	Exp(B)	95% Confidence Interval for Exp(B)	
								Lower Bound	Upper Bound
0-84	Intercept	-2.378	.506	22.127	1	.000			
	MEANQ23	.718	.230	9.734	1	.002	2.051	1.306	3.220
85-95	Intercept	-.626	.374	2.813	1	.094			
	MEANQ23	.340	.196	2.998	1	.083	1.405	.956	2.065

a. The reference category is: 96+ .

Question 23 measured the self-interest factor. Taking the above table (5.22) into consideration, it could be argued that for every unit increase in the mean of question 23, the odds not to comply (0-84%) increase 2 times. For every unit increase in the mean of question 23, the odds not to comply (85-95%) increase 1.4 times. Thus, the more a traveller is focused on his/her own interest, the more likely s/he is to break the travel policy.

Table 5.23: Classification Table (Personal)

Classification

Observed	Predicted			
	0-84	85-95	96+	Percent Correct
0-84	2	12	15	6.9%
85-95	0	46	31	59.7%
96+	0	31	49	61.3%
Overall Percentage	1.1%	47.8%	51.1%	52.2%

From table 5.23 it is evident that the overall predictive accuracy of the model is 52.2 %. Based on these results, the model can be adapted to look as follows:

Figure 5.33: Personal Model for travel policy compliance.
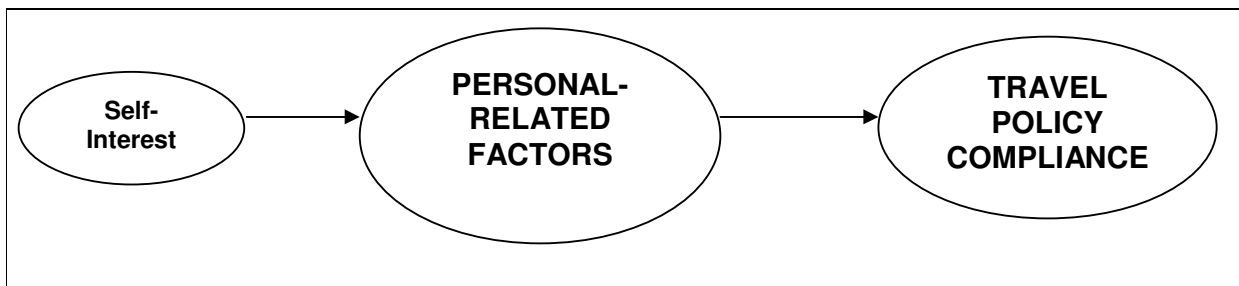
From the results of the multinomial logistic regression technique, the model for corporate travel policy compliance should therefore be modified to look as follows:

Figure 5.34: Model for travel policy compliance based on the results of multinomial logistic regression
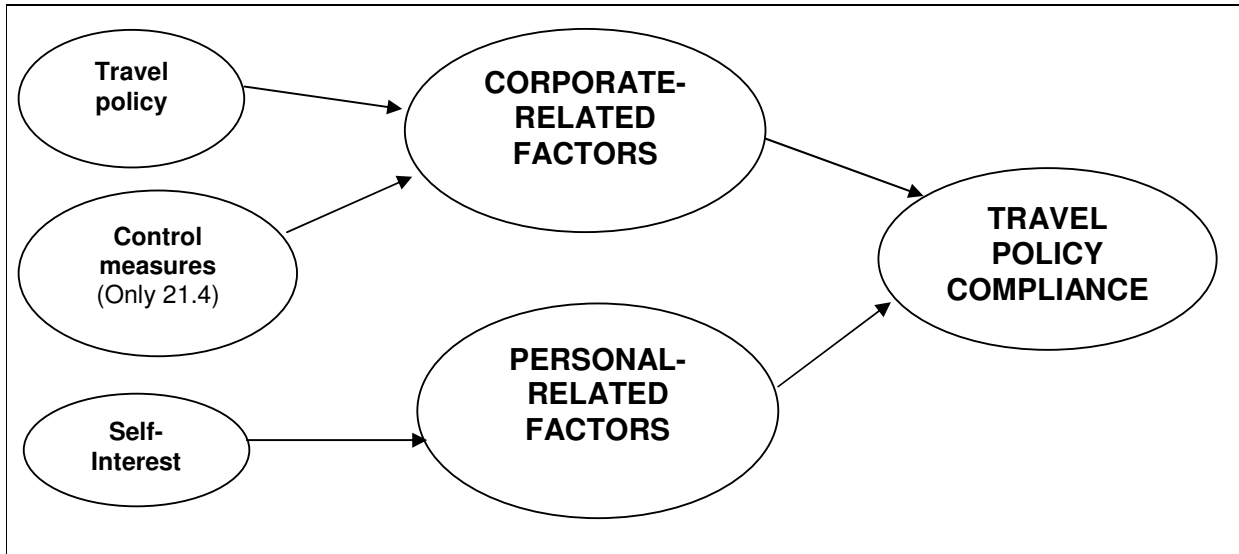
It is once again imperative to emphasise that although only the factors discussed above can be included in the model based on statistical evidence, this does not mean that the other factors should be excluded from the model. Given the limitations inherent in the sample, the results may differ should a different or larger sample be used. The literature review indicates that relationships exist between compliance and the various factors as tested above, and for this reason the researcher is of the opinion that none of the factors should be excluded from the model based on the statistical evidence of this study alone, and that further studies are essential before a final model can be regarded as scientifically valid and reliable.

5.7 CONCLUSION

This research shows that corporate travel policy non-compliance is a serious problem in organisations. Most of the travellers responding to the questionnaire worked for organisations belonging to the private sector in South Africa. Travellers described their organisations as bureaucratic. Given this result, one would think that travellers would view their travel policy as unfair. Unexpectedly, most travellers thought their policy was more fair than unfair. Problems in compliance were mostly experienced in the area of travel approval procedures. Some of the results regarding business ethics reflected poorly on organisations. A number of travellers also perceived instances of injustice within their

organisations. When one considers that cost saving is a priority for most organisations, it is surprising that effective control measures are still lacking in some organisations. The fact that an inadequate travel policy was highlighted as a major reason for non-compliance should also trouble organisations. The results on personal-related factors proved to be interesting, with traveller self-interest being emphasised as a definite reason for non-compliance.

In the final chapter of this research study, its limitations will be discussed. Recommendations on managerial action and directions for future research will conclude the study.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

The aim of this study was to develop a model representing the factors influencing corporate travel policy compliance in organisations. These factors were categorised into corporate- and personal-related factors and the following specific research objectives were identified:

- to determine organisations' objectives in the formulation of the travel policy
- to identify factors that influence travel policy compliance
- to develop a measurement instrument to assess the propensity for corporate traveller policy compliance within an organisation
- to develop a model for travel policy compliance
- to propose a travel policy framework that includes all the essential elements for optimal travel policy compliance

Certain hypotheses were also formulated to guide the empirical research:

H_1: Personal-related factors influence policy compliance

H_2: Corporate-related factors influence policy compliance

In this chapter the limitations against which data analysis was undertaken are highlighted first. Thereafter, the results as presented in chapter 5 are interpreted and, finally, conclusions and recommendations are drawn from these results.

6.2 LIMITATIONS

Although the theoretical policy compliance model identified in this study is based on a universally accepted theoretical framework for policy compliance, the results of the empirical research and subsequent policy compliance model is limited to the organisations and respondents targeted in this study. Thus, the results are confined to the population as delineated and cannot be generalised to apply to all travellers and organisations in the corporate travel market. Comparable research on the factors that influence policy compliance will have to be done in other organisations to determine the factors to be addressed in the compliance model for that particular organisation. The instrument used, tested and refined in this research study is proposed as a reliable and valid instrument for organisations.

A non-probability sampling method, namely purposive sampling, was used for measuring qualitative data from TMCs and corporate travel managers. Another non-probability sampling method – convenience sampling – was used to collect responses from corporate travellers. The disadvantage of a non-probability sample, with specific reference to convenience sampling, is that there is no real control of the sample selection process, which means that samples may be unrepresentative of the population. Nevertheless, results from this sample proved significant and make a valuable contribution to the corporate travel literature.

Meaningful responses to the corporate traveller questionnaire required that respondents had travelled for business purposes on behalf of their organisations. Therefore, the questionnaire is intended primarily for identifying the factors that influence policy compliance as perceived by current or past corporate travellers.

An additional limitation of the study is the number of responses received. Despite a very lengthy data collection period of approximately five months (12 December 2007 to 16 May 2008) and extensive follow-up efforts by means of reminder emails, telephone calls and the distribution of more questionnaires, the researcher obtained only 193 responses. The questionnaire was answered anonymously, so there was no way to track the companies who responded or the response rate for the questionnaire. A list with names of companies

who verbally agreed to take part in the research is provided in Appendix D. Another limitation to take into consideration is the web survey tool that was utilised to capture responses. After data collection had started, certain technical difficulties occurred. The flow of the questionnaire for web-based responses was not user-friendly. The web questionnaire designer separated the questions into too many single questions, even though the scales for responses were the same. As a result, the questionnaire appeared unnecessarily long and this could have deterred travellers from completing it. This could have had a significant influence on the number of responses received. Better technical layout of the questionnaire by the web questionnaire designer should prevent this problem from recurring in the future.

According to Moss and Hendry (2002:586), the timing of the reminder notice and the reward offered to respondents for completing the questionnaire could also have an influence on the response rate of web-based questionnaires. To prevent these problems from occurring in future research, a few suggestions are made. In this research study, the first reminder notice was emailed to respondents one month after the initial invitation to respond. According to Moss and Hendry (2002:586), a two-day reminder notice is suggested. No reward or incentive was offered to respondents who took part in this study. Some researchers have identified the lack of reward possibilities when using the Internet as a reason for lower response rates (Dommeyer & Moriarty, 1999). It is therefore suggested that rewards or incentives are employed in order to encourage respondents to participate in the research, should the research objectives allow for this.

A further possible limitation was the sensitivity of the topic. Morality and ethics are difficult issues to address, and some travellers might have felt anxious and guilty about answering the questions and afraid of being identified. Because of this, they might have decided not to complete the questionnaire or not to provide honest responses.

Despite these limitations, the study does provide a foundation for future studies.

6.3   CONCLUSIONS DRAWN FROM THE RESULTS

In this section, conclusions are presented according to the results as set out in chapter 5. In addition, recommendations based on these findings are made. The overall purpose of this study was to develop a model for policy compliance against which the empirical research could be conducted. Conclusions are drawn in terms of this model (figure 6.1).

When the profile of the traveller responding to the questionnaire is analysed, it becomes clear that the majority of the respondents were male (61 per cent). The bulk of travellers (46 per cent) fell within the middle-aged category (31-45 years) and had been employed by their organisation for longer than 10 years (46 per cent). Most of the respondents were employed in the private sector (82 per cent) and held middle management positions (47 per cent). Forty-four per cent of travellers can be regarded as frequent domestic travellers, while 30 per cent can be classified as frequent international travellers. When travelling on behalf of his/her organisation, the traveller's travel reservations are made mainly by a central travel department (40 per cent) which forms part of the corporate travel department (40 per cent) of the organisation. An in-house travel agent is usually responsible for making travel arrangements with the suppliers (55 per cent).

Figure 6.1: Model of corporate travel policy compliance
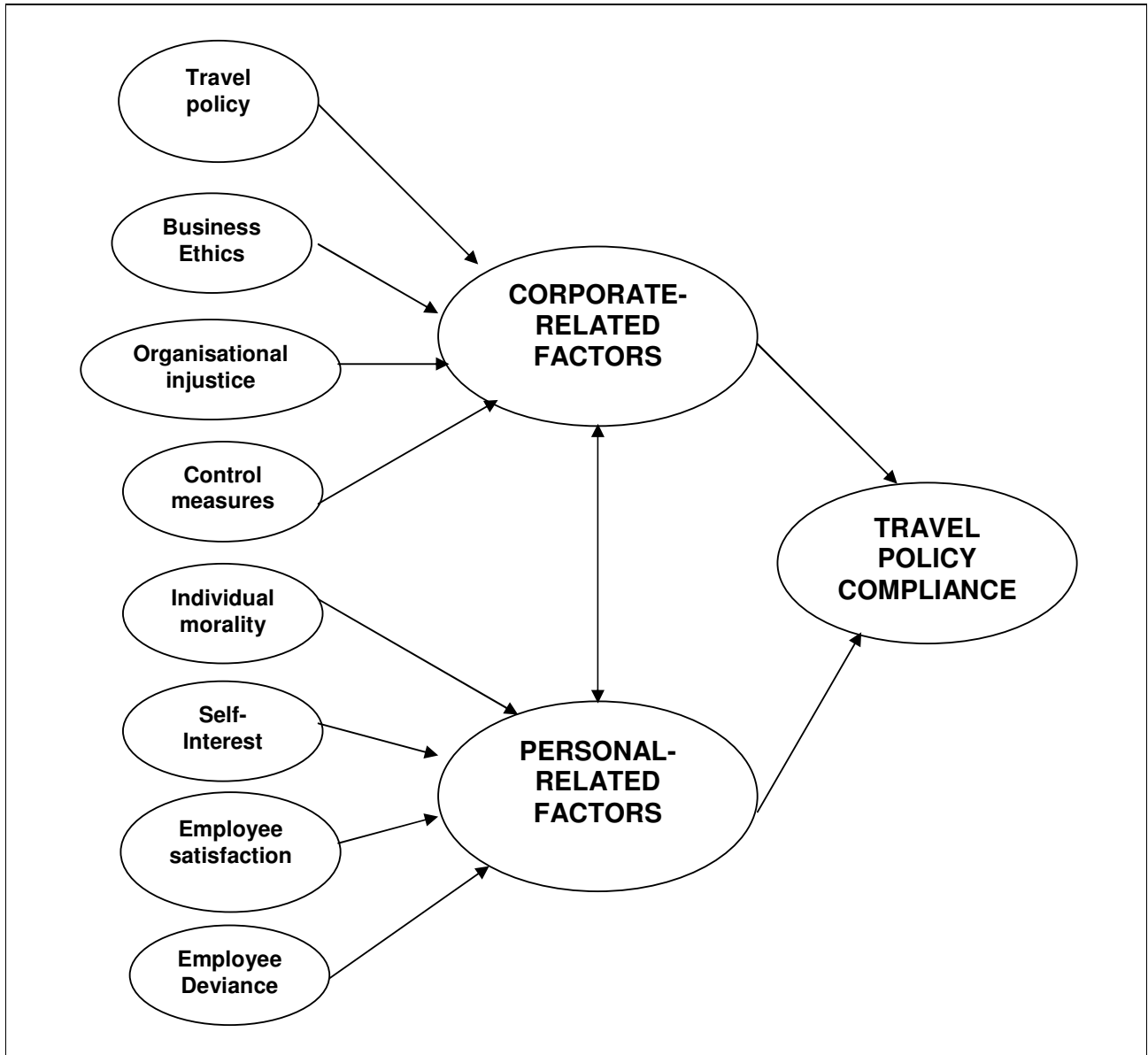
6.3.1 Corporate-related factors

The first corporate-related factor addressed in the model is the ***travel policy***. Questions 8, 9, 10, 11, 12 and 15 measured the effectiveness of the policy. More than two-thirds of respondents felt that their organisation's travel policy was prescriptive and mandatory – in other words, high control. In most organisations, the travel policy is communicated online. Although most respondents felt that they understood the travel policy very well (57 per cent), 43 per cent indicated that they only understood the policy more or less or not at all.

As was expected, more than 60 per cent of respondents indicated that loyalty card points should be available for travellers' personal use. Forty-four per cent of travellers are not convinced that their travel policy is completely fair. The results further indicated that the reasons cited most often by respondents for not complying with the travel policy include: last-minute airline and hotel bookings, travellers prefer to use airlines where they are loyalty card holders, and the problem of changing trip details. Furthermore, more than a third of travellers said that they do not comply with the travel policy because it is unfair. They felt that not all travellers are allowed the same treatment. Almost a quarter of respondents indicated that they sometimes break the travel policy to save the organisation money. Although the intentions of travellers are good, they are still breaching policy and this contradicts the true purpose of what the policy is aiming to do. Educating the traveller could prevent him/her from breaching the policy for this specific reason. Linked to this, a fifth of respondents said that they broke the policy because there was a lack of communication on correct travel procedures. When taking into account that most organisations distribute the policy online but that the highest possible compliance rate is achieved when the policy is distributed as a single written document, organisations should possibly consider using a combination of communication methods. A policy that is not communicated properly to employees is of no use to an organisation.

The next corporate-related factor in the model is **business ethics**. Questions 17, 18 and 19 assessed how travellers perceived the business ethics of their employers. More than 80 per cent of respondents believed that travellers in their organisations were generally policy-compliant. Two-thirds of respondents described their organisations as formal and organisation-oriented. Only 81 percent of respondents agreed that their companies would not tolerate unethical behaviour. Moreover, if a manager engaged in unethical behaviour resulting in <u>personal</u> gain, 81 per cent of respondents said their companies would reprimand him, but if a manager engaged in unethical behaviour resulting in <u>corporate</u> gain, only 67 per cent of respondents agreed that their companies would reprimand him. This means that from the organisation's viewpoint, it is more acceptable for an employee to behave unethically when the company gains, but less acceptable for an employee to behave unethically when the individual gains. What is more, almost a quarter of respondents said that managers in their organisations often engaged in behaviour which respondents deemed unethical. These results show that not all organisations in South Africa have impeccable business ethics records.

The ***organisational injustice*** factor was measured by question 20. Respondents believed that corporate agreements were more important than the traveller's loyalty card. Travellers also felt that their company was more concerned about money than the convenience of the traveller (47 per cent). Research conducted by Douglas in 2005 showed exactly the same result, with 47 per cent of travellers agreeing that cost savings seem to be more important to the organisation than traveller convenience. Douglas's research (2005) was conducted amongst corporate travellers from only one organisation. The current research was conducted amongst corporate travellers from various organisations. This therefore confirms that travellers from most organisations often feel that money is more important to their companies than their human capital. Once again, almost a third of travellers noted that their travel policy was unfair and that not all travellers were allowed the same treatment. Organisations should take note of this finding and should ensure that their travel policy does not discriminate or appear to discriminate against travellers. One fifth of respondents believed that their companies were insensitive to their safety needs. This is a very serious allegation to make and companies should investigate whether travellers truly feel unsafe, or whether this is a misperception in the minds of travellers. Traveller education should alleviate many of the fears currently experienced by travellers.

The last corporate-related factor in the model is ***control measures***, measured by question 21. The results on control measures show that almost one quarter of travel agents do not inform travellers when they make a booking that flouts policy. In other words, in some cases, travel agents may unwittingly aid the traveller in not complying with the travel policy. According to Douglas (2005), travellers are of the opinion that the most critical success factor when managing the corporate travel process is travel expenditure control. Even so, this research study indicated that almost 30 per cent of travellers tend to travel outside the policy framework because of a lack of control measures. It is also worrying to see that organisations place more emphasis on pre-trip approval than on post-trip reviews.

A number of corporate-related variables were cross-tabulated using chi-square tests to inspect the relationships between and among these variables. Some significant relationships were discovered:

- There is a significant relationship between *compliance* with the travel policy and the perceived *fairness* of the travel policy. The compliance rate is higher when the travellers view the travel policy as being fair.
- The more frequently *problems* in *compliance* occur, the higher the incidence of non-compliance.
- A significant correlation exists between *changing trip details* as a possible reason for non-compliance and the *compliance* rate of travellers. Of those travellers who agreed that changing trip details might be a possible reason for non-compliance, almost 30 per cent fall into the low compliance category. It could be argued that trip details that change during the course of the journey are beyond the control of the traveller. The corporate travel manager should thus ensure that the policy is flexible enough to take this problem into consideration, so that travellers will not be forced to breach the policy when this happens.
- Travellers who disagreed that *management non-compliance* is a reason for their own non-compliance are more likely to obey the travel policy. Again, it is interesting to note that of those who agreed with the statement that they did not comply with the policy because management did not do so, almost one-third fall within the low *compliance* category.
- An association exists between the *method used to communicate* the travel policy and the rate of *compliance*. Fifty-five per cent of respondents belonging to the high compliance category said their travel policy was communicated primarily as a single written document, as opposed to 10 per cent in the low compliance category. Thus, travellers are more likely to comply with the policy when it is distributed as a single written document. Moreover, 35 per cent of the low compliance category said that their travel policy was communicated mainly by means of other methods such as word of mouth. It can therefore be said that the most effective method for communicating the policy is as a single written document, while the most ineffective method is to use other forms of communication such as word of mouth. None the less, the majority of organisations indicated that they distributed their policy online.

As suggested earlier, organisations should consider using a combination of methods to communicate the policy.

- As can be expected, a relationship was shown between the level of *understanding* of the travel policy and the *compliance* rate. Travellers who understand the policy very well are more likely to comply with the policy than those who understand it partly or not at all.

Three of the four hypotheses associated with the corporate-related factors showed significant p-values:

$H_{1a:}$ An ineffective travel policy leads to a higher incidence of travel policy non-compliance.
$H_{1c:}$ Perceived organisational injustice leads to a higher incidence of travel policy non-compliance.
$H_{1d:}$ A lack of control measures leads to a higher incidence of travel policy non-compliance.

Although the business ethics hypothesis could not be rejected statistically, some significant results were revealed which indicated the questionable nature of the business ethics of some organisations.

The corporate multinomial logistic regression model confirmed the above results, with an ineffective travel policy and little control of the travel process highlighted as being the best predictors of policy non-compliance.

6.3.2 Personal-related factors

The first personal-related factor in the model is ***individual morality***. Question 22 was used to measure this factor. More than a fifth of respondents agreed that they had to compromise their beliefs so as to perform their jobs in the way the organisation wanted them to do. This result once again reflects poorly on some South African organisations. Second, 15 per cent of travellers said that they had to break organisation policy to do what was necessary. This might mean that travellers break the travel policy to do what is necessary for their organisations. Should an organisation then reprimand a traveller for breaking the travel policy?

The second personal-related factor addressed in the model is ***self-interest***. Question 23 in the questionnaire was used to measure this factor. Most respondents disagreed with the statements.

The next personal-related factor in the model is ***employee satisfaction***, which was measured on three levels, namely: *traveller satisfaction, job satisfaction* and *life satisfaction.*

In 2003, Douglas and Swart conducted research on the demands and needs of the corporate travellers of an international organisation with offices in South Africa. According to the study, the three most important factors for corporate travellers when travelling by air are on-time performance, comfort and service (Douglas & Swart, 2003). A study undertaken by Douglas (2005) supported these results, although respondents indicated the price of the airfare as the third most important factor when travelling by air. This research study revealed that travellers felt that the most important factor when travelling by air is safety, followed by on-time performance and seat comfort. Douglas and Swart (2003) and Douglas (2005) disclosed that for South African corporate travellers, the most important factors when making use of accommodation establishments are location, facilities and service. The results from this research study are somewhat different, with travellers indicating that the most important factor when making use of accommodation establishments is safety, followed by service and location. In 2003 and 2005, the safety factor was not included in the questionnaires. It is none the less interesting to note that, in this study, safety was the most important aspect when travelling by air and when making use of accommodation establishments. This is a worrying reflection of the environment in which respondents have to travel.

Less than 60 per cent of travellers are satisfied with their promotion opportunities, while only 75 per cent of respondents are satisfied with their job security. Just 70 per cent of respondents agreed that they were satisfied with the recognition that they received from their employers. When referring back to a previous result where travellers feel that money is more important to their organisations than the convenience of travellers, it becomes evident that travellers often believe that their organisations do not value and appreciate them. This might result in job dissatisfaction and, ultimately, policy non-compliance. Although the empirical results did not show a correlation between job satisfaction and

policy compliance, the literature survey does indicate such a relationship. Should the study be replicated on a larger or different sample, a significant correlation might become evident.

The last personal-related factor in the model is ***employee deviance***. Some of the statements measuring employee deviance provided some important results. Thirty-five per cent of respondents agreed that they did not like it when someone told them what to do. A further 20 per cent believed that what is not stipulated is allowed. Only 65 per cent of respondents indicated that there were consequences to non-compliance in their organisations, while a mere 38 per cent of travellers agreed that their organisations had made an example of a non-compliant traveller. This could be a problem in organisations. How would a travel manager prevent a traveller from breaking the policy if there are no consequences to non-compliance? A number of statements rendered high neutral responses. A possible explanation for this could be that travellers did not understand the statements. Although all the statements were indicated in the literature review and Delphi survey as possible reasons for non-compliance, the results did not confirm this. Another problem experienced with this construct was that when the internal consistency reliability was calculated using Cronbach's Alpha, it did not present an acceptable score. This means that the individual instrument items were not homogeneous and did not reflect the same underlying construct – namely, employee deviance. For this reason, question 29 could not be used to test $H_{2f,}$ and was also not used as an input into the logistic regression model. It should be eliminated for future studies using this tool.

A number of personal-related variables were cross-tabulated using chi-square tests to inspect the relationships between and among these variables. Some important relationships were revealed:

- A strong correlation exists between compliance and whether travellers believe it is important to fly business class even if this is not allowed. While 47 per cent of the high compliance group disagreed that it was important to fly business class to present a degree of status to business colleagues even if this flouted policy, only 8 per cent of the low compliance category disagreed with the statement. Seventy per cent of travellers who agreed that it was important to fly business class to present a degree of status even if it is out of policy fall into the low and

medium compliance categories. Thus, the more a traveller disagrees that it is important to fly business class to present a degree of status to business colleagues, the more likely s/he is to comply with the travel policy. This result confirms what Lubbe (2000) and Mason and Gray (1999) say. According to Mason and Gray (1999), a traveller will have a list of personal needs when travelling for business purposes that include having perceived status through use of business class. Lubbe (2000) identified a secondary motivation of corporate travel called status or prestige motivators, which include a desire for recognition, attention, appreciation, knowledge and a good reputation. A traveller would achieve this by flying business class.

- Of the travellers who agreed that they liked to see how far they could push the boundaries, 67 per cent fall within the high compliance category. This might mean that although an individual likes to see what they can get away with, it does not necessarily mean that they will breach the travel policy.

- The more important safety is to a traveller, the more likely s/he is to comply with the travel policy. Travellers who breach the policy might jeopardise their own safety, since their organisation would not have a record of their travel arrangements. This result shows that a non-compliant traveller is not as concerned about his safety as a compliant one.

Only one of the five hypotheses associated with the personal-related factors obtained an acceptable p-value:

$H_{2b:}$ Self-interest leads to a higher incidence of travel policy non-compliance.

Once again, although the other hypotheses could, based on statistical evidence, not be rejected, they nonetheless provided some valuable results.

Although the descriptive statistics revealed that most respondents disagreed with the statements measuring self-interest, the hypothesis measuring the relationship between self-interest and compliance showed an acceptable p-value. The personal multinomial logistic regression model confirmed the hypothesis result by highlighting self-interest as being the best predictor of policy non-compliance.

When developing the questionnaire, a decision had to be taken on how to deal with sensitive topics such as individual morality and employee deviance. It was feared that if certain questions were to be asked directly to the respondents, they would not answer the questions truthfully, since they might be worried that even though the questionnaire was answered anonymously, their responses could be traced. One option was to ask sensitive questions in the third person. For example, instead of stating: 'I believe what is not stipulated is allowed', the question would state: 'my colleagues believe what is not stipulated is allowed'. In some cases this approach might have given a true reflection of the perception of the respondent because they would include themselves in the statement. Therefore, even though the statement is asking about their colleagues, they would also include themselves. The problem with this approach is that some respondents might not include themselves with their colleagues. A respondent might also feel that they do not know all their colleagues well enough to give an honest opinion. When this happens, the researcher does not get a true reflection of the perception of an individual respondent, and this might have a significant influence on the reliability of the research results. For this research study, the decision was made to follow the first approach and ask questions directly to respondents. This might have influenced the response rate, but it is believed that the most reliable research results were obtained using this approach. It would be interesting to see whether the results of this research study would be different if the third-person approach was followed.

6.3.3 Travel policy compliance

Questions 14, 15 and 16 were used to measure travel policy compliance. Eighty-three per cent of respondents experienced problems to varying degrees in complying with the travel policy. Difficulties were most often experienced in the areas of travel approval procedures and choice of airline. The average rate of compliance with the travel policy was 91 per cent. This means that travellers breached the travel policy 9 per cent of the time. Furthermore, 16 per cent of travellers fall within the low-compliance group (0-84 % compliance rate), 41 per cent within the medium-compliance group (85-95 % compliance rate) and 43 per cent within the high compliance group (96 %+ compliance rate).

If significant results alone were to be included in the model, it would be adjusted as shown in figure 6.2, but taking the limitations of the research into account, any replication of this study should use the conceptual model (figure 6.1) as a framework.

Figure 6.2: Adjusted model of corporate travel policy compliance
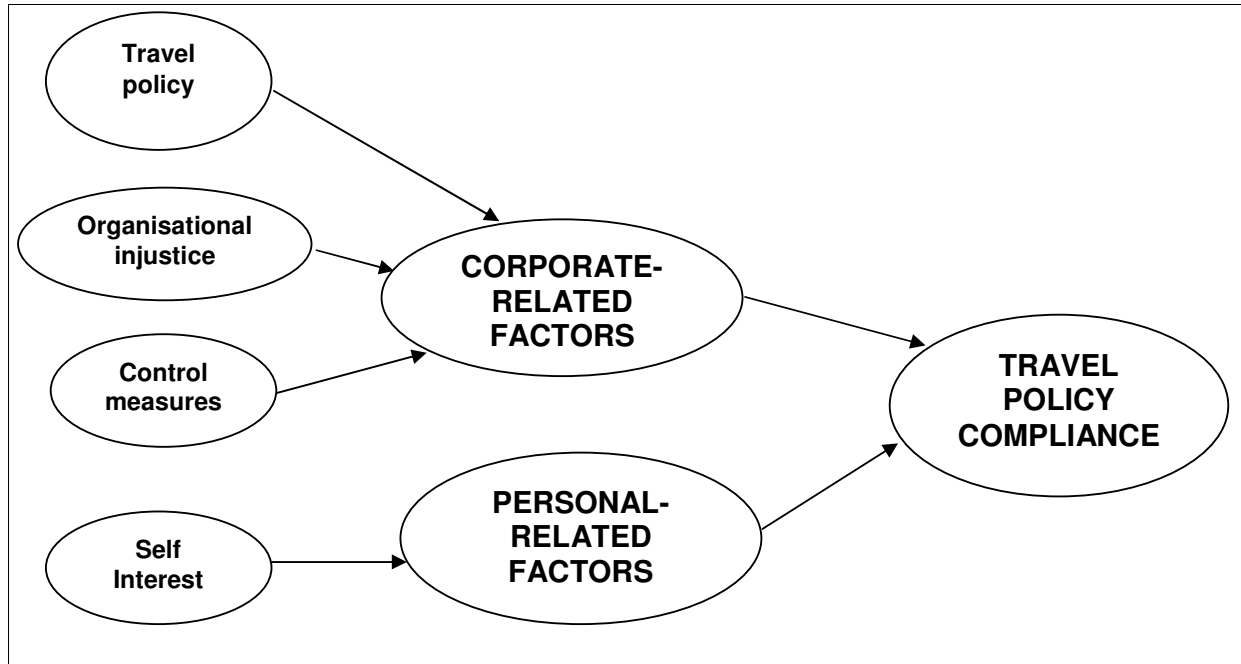
6.4   RECOMMENDATIONS

The last research objective of this study was to propose a travel policy framework that included all the essential elements for optimal travel policy compliance.

According to Wilkinsom (2001:10), travel management has never been for the faint-hearted. It necessitates staying on top of several interactive working relationships. It is designed to reconcile a company's policies and travellers' preferences and to process that purchasing dynamic through a series of suppliers. An explicit and comprehensive travel policy should be the cornerstone of effective travel and expense management (Atlastravel, n.d.).

Based on the above statements, the literature and the results of the research done in this study, certain recommendations will be made. These will ensure that policy compliance within organisations will not only be increased, but also encouraged.

6.4.1 <u>Corporate-related factors</u>

The corporate travel policy

As mentioned above, an explicit and comprehensive travel policy should be the cornerstone of effective travel and expense management. Unless a company's views regarding travel expenses are committed to paper and distributed both to travellers and to executives with the responsibility for approving expense reports and monitoring compliance with policy, only minimal control is possible (Atlastravel, n.d.). Although a corporate travel policy is regarded as standard practice in organisations, the results of this research study show that many organisations employ inadequate travel policies and that this has a significant influence on their travellers' compliance with the policy.

The results further demonstrate that travellers often feel that money is more important to their organisation than their employees. It is thus important to remember that a good travel policy should not only generate savings for the company, but should also consider traveller comfort, safety and convenience, as well as common preferences in areas such as frequent-flyer programmes and hotel locations (Chua, 2003). Mandating employee compliance will be an effort if the policy is not matched with the organisation's business practices, business beliefs and overall culture. Permitting flexibility in travel expenditure can mirror a corporation's approach towards travel. Some companies permit greater flexibility in allowances for meals and in choice of hotels and airlines. This may result from the corporation's readiness to reduce the hardship of considerable employee travel by upholding employee satisfaction and by addressing the employees' needs for flexibility while entertaining for business (MasterCard, 1998:6).

In this research study, most travellers cited last-minute bookings and the use of personal loyalty cards as possible reasons for non-compliance. To combat this, Lubbe (2003) urges organisations to:

- control the issue of last-minute bookings more effectively through increased awareness of travel deals, as well as by policy monitoring
- take inflexible travel arrangements into account when negotiating deals with suppliers
- provide or effectively manage a system where authorisation for travel is compulsory so that travellers avoid perceiving travel as a necessary expense

Arnesen *et al.* (1997:52) maintain that business travellers see loyalty programmes as compensation for flight delays, awful food, lost baggage and time spent away from home, and advise organisations not to confiscate them, as this may very well lead to lower employee morale which, in turn, affects productivity.

The results of this research also showed that the perceived unfairness of the policy has a definite influence on policy compliance. To overcome this, Wint and Avish (2003:6) suggest that the travel policy must be set out in a cost-effective and equitable fashion; for example, by flight duration or geographic region, as opposed to management level.

Travellers said that they experienced problems most often in the area of travel approval procedures. To alleviate this, Wint and Avish (2003:6) recommend that documentation requirements should be included in the travel policy for every expense category. These requirements have to be clear and comprehensive. Furthermore, travellers need to be given sufficient incentive to submit expense reports correctly and in a timely fashion (for example, through the utilisation of user-friendly automated expense management tools).

Communicating the corporate travel policy

Shapiro (2003) believes that simple changes in communications efforts can improve compliance. Educating travellers and travel management companies can lead to higher

compliance with the policy. It is believed that an informed traveller will make the right decisions.

This research showed that the travel policy is communicated ineffectively in many organisations. The results indicated a correlation between the methods used to communicate the travel policy and policy compliance. It is important to promote the policy actively, for example via alerts on the company intranet. Employees are often unsure of the content of the policy and how to access it. Two successful ways of communicating policy are by supplying the policy online and through educational seminars, emphasising issues relating to usage, compliance and other topics that seem suitable. The size and technological ability of the company can have and influence on which types of communication are cost- effective and efficient. The cost of the communication programme should be compared against the expected benefits to decide which solutions are viable for a particular company. With the Intranet and Internet, however, costs for mass communications generally decrease considerably (MasterCard, 1998:5).

Enforcing the corporate travel policy

A policy is only effective if employees comply with it (MasterCard, 1998). When travel policy non-compliance occurs frequently, organisations must consider whether it is the policy rather than the traveller that is to blame. One of the main findings in this study related to policy control. This area requires a great deal of attention. Control measures need to be carefully considered and implemented. Some travellers agreed that they break the travel policy because there is very little control over the travel process. Shapiro (2003) believes that the travel policy should never be made optional. One way of ensuring this is by loading the policy onto the organisation's online booking tool. When a traveller then chooses an option that breaks the policy, this contravention will be reflected on the system and s/he will be directed to follow the exception to-policy approval process in order to complete the booking (Shapiro, 2003). Kirshner (2005) adds that the arrival of technologies that permit travel managers to steer and examine compliance through their online booking tools has permitted companies to re-emphasise the significance of travel policy to travellers. Even companies developing a travel programme from the ground up can build policy directly into the booking system, enabling immediate, direct communication with travellers and improved exception reporting.

The research results revealed that not all organisations require their travellers to be granted pre-trip approval before undertaking a business trip. Pre-trip exception reporting can be effective in managing travel exceptions. By requiring approvals, the travel manager can effectively force travellers to apply business reasons for exceptions in real time. S/he can also provide monthly or quarterly exception reports and managers' approval by department in order to emphasise problem areas. The exception rules must be laid out in black and white in order for the travel agency to manage it efficiently and clearly (Kirshner, 2005). Wint and Avish (2003:6) further suggest that it is necessary to evaluate whether or not supervisors comprehensively review expense reports, or whether they simply approve them automatically.

In this research study, not all respondents agreed that there are consequences to non-compliance in their organisations, while only a few said their organisation had made an example of a non-compliant traveller. This means that travellers know that they will not be penalised for breaking the policy. It is therefore suggested that organisations start showing the consequences of non-compliance to travellers. With progress being made in management reporting, programme managers, employees and managers of employees have access to information with regards to compliance with corporate policies and can often measure losses. Some companies identify policy compliance as a performance dimension and generate rewards and penalties based on compliance. For example, this information can be included in an employee's and their manager's yearly performance reviews. Business units may be charged a fee for measured losses. Card programmes with rewards programmes may only recompense those purchases that are in compliance. These practices place the responsibility in the hands of the employees and their managers, rewarding those who comply and discouraging those who do not (MasterCard, 1998:9). Some degree of enforcement is necessary, either by refusing reimbursement or by reprimanding travellers, depending on the culture of the organisation (Kirshner, 2005).

The results further showed that travellers often feel they do not want to comply with the corporate travel policy because they see that senior management does not do so. Levine (1996) thus suggests that the support of senior management is vital. This support allows travel managers to service travellers' needs rather than police travel policy. Having the support of executives means travel policy and travel culture filter down to travellers,

resulting in a cost-effective culture that starts at the top and is administered through a service-oriented agency (Levine, 1996).

Making sure staff follow corporate travel policies saves money in the short term, but streamlining travel habits and keeping good records of data also helps boost future savings, because reliable information about employees' travel habits is key to negotiating with airlines, hotels and car-rental companies (Lewers, 2003).

6.4.2 Personal-related factors

Employee satisfaction

In addition, it is recommended that organisations implement programmes and feedback systems to identify the specific needs of corporate travellers. The corporate travellers travel on behalf of the organisation, and therefore comfort and convenience is necessary so that they can produce optimal results for the company. Some of the findings of this study reflect a conflict of interest between travellers and management. In order to resolve these problems, it is imperative that the policies and procedures implemented reduce this conflict, and encourage travellers to work within the stipulated policies and guidelines. For example, systems where travellers share in the cost benefit achieved when accepting inconvenience should be investigated (Lubbe, 2003). It is also recommended that organisations adjust their travel policy to be more traveller-friendly. This includes allowing employees to keep frequent-flyer miles, not forcing them to take the lowest rates, and sometimes allowing more expensive direct flights (Gross, 1996). Including employees in travel policy-making is crucial to ensuring maximum compliance. Tactics such as involving a wide range of employees across all departments, positions and offices will ensure success. Another suggestion comes from Shapiro (2003), who advises that travel managers should combine comfort and compliance. Furthermore, it is vital for management to ensure that travellers know that they are valued and that the organisation considers their needs when formulating the policy, and to consider traveller involvement in policy-setting. Organisations can use this study to identify the specific limitations of their current policy, in order to make appropriate adjustments. It will be necessary for organisations to carry out ongoing research into the needs of their corporate travellers, because these needs are not static and can change from one year to the other.

6.4.3 **Success factors for an effective corporate travel policy**

To conclude this study, 10 success factors for a more effective travel policy are recommended. From the literature review and results of the empirical research, it became evident that there are certain success factors that need to be included in the travel policy to guarantee its effectiveness. These factors (in no specific order or rank) are:

1.   A **fair** corporate travel policy.

The empirical research showed that travellers often perceive their corporate travel policy as being unfair, because not all travellers are allowed the same treatment. The results indicated that there is a relationship between the perceived unfairness of the policy and non-compliance. Furthermore, travellers who feel that the policy is unfair will probably feel that they are treated unfairly by their organisation. This could, in turn, have an influence on the traveller's job satisfaction. If a traveller is not satisfied with his/her job, then s/he will most likely not be productive. Travellers said that they did not want to comply with the policy because management did not do so. This supports research conducted by Mason (1999:75) who reported that business traveller attitudes towards the corporate travel policy may be most affected by companies that created travel policies favouring those at the top of the corporate hierarchy. It is therefore suggested that organisations set their policies in a cost-effective and equitable fashion – for example, by flight duration or geographic region, as opposed to management level.

2.   **Loyalty** card programme management.

Many research studies have been done on the issue of loyalty card programmes. The effect of loyalty card programmes on the ethics of travellers has been investigated, the cost of loyalty card programmes has been calculated and it has been found that such programmes influence traveller compliance. Still, no solution has been found on the allocation of loyalty card points. Some argue that loyalty points are the property of the organisation, seeing as how it is the company that pays for the business trip. This might have an effect on the morale of travellers since they see the loyalty points as a bonus for the inconvenience endured during these trips. To avoid low staff morale, it is suggested that the loyalty points be shared between the organisation and the traveller. This could

indeed solve many problems for an organisation. First, loyalty points would no longer be an incentive for non-compliance. Second, travellers indicated that they experienced problems with compliance in the area of choice of airline. If loyalty points no longer accrue to the traveller alone, then this will no longer influence their choice of airline. It will thus be easier for them to comply with the choice of airline offered by the travel agent.

3.   Effective **communication** of the corporate travel policy.

Some travellers indicated that they only understood the travel policy more or less, while others said that they did not understand it at all. Other travellers said there was a lack of communication on correct travel procedures in their organisations. Results revealed that compliance is the highest when the travel policy is distributed as a single written document, although the results reveal that most organisations communicate their policy online. These results show that the travel policy is communicated ineffectively in many organisations. If travellers do not know what they are allowed in terms of travel choices or how to proceed when making travel arrangements, they cannot be expected to comply with the travel policy. It is thus advised that organisations use a variety of methods to communicate the policy. It is possible to communicate it online, with regular memorandums, and as a single written document. Educational workshops can also be held on a regular basis, and new employees should be compelled to attend such workshops as part of their induction.

4.   **Education** of the traveller.

Linked to the previous success factor is the education of the traveller. A number of the results in this study revealed that travellers are not educated on the travel industry and the travel process. Travellers said that they breached the policy to save their organisation money. This shows that travellers are unaware that their non-compliant behaviour might jeopardise the supplier agreements that their organisations have in place. Some travellers felt that their organisations were insensitive to their safety needs. Uneducated travellers often believe that low-cost carriers are unsafe. This could explain the opinion of these travellers. Traveller education could clear both the misperceptions mentioned above and educational workshops, as referred to earlier, could serve this purpose. Furthermore, it is proposed that travel managers should inform their employees when changes in the travel

policy are made, as well as providing reasons for these changes. This would prevent misunderstandings and misperceptions.

5.   Impeccable **business ethics**.

Many of the results illustrated that the business ethics records of some organisations are not as flawless as they should be. If we accept the argument of Sinclair (1993:64) who says that organisations shape the ethics exhibited by organisational members, then travellers are only partly to blame when they exhibit unethical behaviour by breaching the travel policy. Rossouw (2006) further states that the social settings or organisations in which individuals work can have either a positive or corrupting influence on their moral character. People with dubious or even upright moral characters can turn to unethical behaviour if they find themselves in organisations where unethical conduct is the standard. The opposite is equally true. Unethical people can be restrained from unethical behaviour should they find themselves in organisations that do not accept deviant behaviour, but reward ethical behaviour (Rossouw, 2006). Consequently, it is advocated that organisations scrutinise their own business ethics to ensure that they have a faultless record, because only then will travel policy compliance be increased.

6.   **Control** measures.

Post-trip reviews are essential. A correlation was shown between laxity in the travel process and non-compliance. Almost all of the respondents indicated that they always had to be granted pre-trip approval, while less than half indicated that they had to submit details for post-trip reviews all the time. This means that there is little control of whether the traveller concluded the trip in the way in which it had been approved. By introducing post-trip reviews, an organisation can tighten control measures and decrease non-compliance.

7.   **Enforcement** of the travel policy.

Not all respondents agreed that there were clearly-defined consequences to non-compliance in their organisations, while only a few said that their organisation had made an example of a non-compliant traveller. This means that travellers know that they will not

be penalised for breaking the policy. It is therefore suggested that organisations start showing the consequences of non-compliance to travellers. These consequences will obviously differ between organisations, as the corporate culture will dictate which penalties will be acceptable. For some organisations, a simple word of warning to a traveller will be enough. For others, more explicit consequences will be needed, such as refusing reimbursement of the business trip. Another suggestion is to penalise travellers by keeping their loyalty card points or part of their points.

8.   Importance of **job satisfaction**.

The results show that travellers were not contented with various aspects of their jobs and not all respondents were satisfied with their promotional opportunities. This means that a traveller might feel that there is no future for him/her within the organisation. Travellers were also not satisfied with the recognition they received from their companies. This predicament will be further discussed below. Although the results did not demonstrate a significant relationship between job satisfaction and travel policy compliance, it could still be argued that a traveller who is dissatisfied with his/her job will display negative feelings towards his or her organisation. According to Cohen (2000), the travel policy is an ideal opportunity to express rebelliousness through relatively trivial transgressions of company rules. This was substantiated by a South African survey on corporate travel, where organisations agreed that their travel policy was deliberately infringed (Lubbe, 2003). This might also explain why corporate travellers justify their unethical behaviour by saying that their company owes them added payment for the time and inconvenience involved in business travel (Samee, 2004:3).

9.   **Appreciation** of the corporate traveller.

Related to the previous success factor is that the organisation needs to show the traveller that it appreciates him or her. Some of the results of this study clearly indicate that travellers often feel that their organisation does not value and affirm them. A number of respondents agreed with the statement: 'cost-saving seems more important than traveller convenience'. Others felt that corporate agreements contracted between their organisations and specific suppliers appeared to be more important than personal loyalty cards. This clearly demonstrates that travellers have the perception that organisations

value profits more than their employees. The traveller obviously then feels unappreciated by the organisation and might start to harbour negative feelings towards the company. In the previous point, it was mentioned that the travel policy presents an ideal opportunity to express rebelliousness towards the organisation. Some of the results of this study showed a tendency towards rebellious feelings. Several travellers said that they did not like it when someone told them what to do. Others believed that what is not stipulated is allowed, while a number of respondents did not believe that they harmed the organisation when they missed their flight and simply took a later one. Although no significant relationship was shown between rebelliousness and non-compliance, organisations must ensure that they nurture employees and show appreciation in order to prevent rebellious feelings from spilling over into non-compliant behaviour.

10.   **TMC** enforcement of the corporate travel policy.

A key tool for monitoring and enforcing companies' travel policies is the TMC. TMCs can maintain travel policy compliance by advising adherence to, or enforcing travel policies on the part of 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). Organisations should question whether they are effectively using the TMC to enforce the travel policy. The results revealed that travel agents often do not inform travellers when they make a booking that goes against policy, while other respondents indicated that their travel agent would knowingly make a booking that flouts policy. It is thus advised that organisations should include policy compliance monitoring in their service level agreement with the travel management company. Should the organisation then discover that the travel agent is not enforcing the policy, then the agent should be reprimanded and penalised.

6.5   DIRECTION FOR FUTURE RESEARCH

In section 2.3, the corporate travel management model was introduced. This study aimed to expand on the research conducted by Lubbe (2003) and Douglas (2005) by further developing a component of the model. To test the effectiveness of the entire corporate travel management model would not have been feasible in this study. The reason for this

is that each individual component of the model needs to be tested first, so as to clarify the relationships and definitions of the different elements of the component. Only then can the model as a whole be scientifically tested. For this reason, the study only focussed on developing a measurement instrument to determine factors that could lead to non-compliance with the travel policy. Future research should focus on other components of the corporate travel management model–for example, to investigate the influence of technology on the successful management of the corporate travel function.

This study focused on developing a model to determine factors that could lead to non-compliance with the travel policy and should be replicated by other researchers, either to validate the results in other settings, or to adjust the model accordingly. Comparisons could be drawn between the results from this study and those in other regions, and an assessment made as to whether the factors that lead to non-compliance are the same in different areas. One of the aims of this research study was to compare the compliance rate of public and private sector organisations. Unfortunately, due to a low response rate from the former, this was not possible. Future research could try to obtain more responses from public sector organisations in order to facilitate this comparison. It is also suggested that this study be repeated with a larger sample after a suitable time-lapse so as to assess whether the findings would be the same when a different, bigger sample is used.

6.6   CONTRIBUTION OF THE THESIS

In 2003, Lubbe conducted research on corporate travel management in South African organisations and identified the need for further investigation of this aspect. She also conceptualised a model for the effective management of corporate travel and stated the need for it to be tested. In 2005, Douglas further developed this conceptual corporate travel management model. This research study expanded on the research conducted by Lubbe (2003) and Douglas (2005) by further developing a component of the model namely non-compliance of the corporate travel policy.

This research study thus aims to aid private and public companies to better manage corporate travel. The first step taken in this process was to develop a model for corporate travel policy compliance. Factors that could lead to travellers not complying with the travel

policy were identified. From the model, a measurement instrument was developed that not only assessed factors that could lead to non-compliance amongst corporate travellers, but also identified factors necessary to create a corporate travel environment that promotes an equitable relationship between a company and its corporate travellers. To the researcher's knowledge, no research has been conducted to develop a model or measurement instrument to assess factors that could lead to possible non-compliance with the travel policy. The model and measurement instrument not only serves the purpose of assessing corporate traveller satisfaction, but also investigates the abuse of corporate travel for personal gain and attempts to find ways to combat this exploitation by developing a corporate travel policy framework that will encourage and increase policy compliance.

One of the most significant contributions of the study lies in the identification of factors not previously considered as having an influence on policy compliance such as business ethics, individual morality, employee deviance and self-interest.

The model for travel policy compliance can also probably be applied in other departments within the organisation. The factors that lead to non-compliance with a policy would remain the same in any environment within an organisation. The factor "an ineffective travel policy" could be adapted to fit the specific scenario/department.

This study makes a significant contribution towards the limited academically based corporate travel literature, as well as augmenting the body of knowledge available on corporate travel by means of generating new information.

6.7 CONCLUSION

In this final chapter, two important areas were drawn together. The first was the theoretical framework for travel policy compliance which was derived from the foundations laid in the initial three chapters. In these chapters, the concepts and theories relating to policy compliance were explained as the way in which an organisation can identify factors that could lead to non-compliance with its travel policy.

The second area, which was drawn into this final chapter, was the empirical research, the results and conclusions of which provided the basis for the recommendations on how an organisation can improve policy compliance.

The results and findings should be evaluated, taking into consideration the limitations and scope of the study. The objectives of the study were successfully achieved and the research problem addressed.

This study expands the theory on corporate travel management by presenting an original and tested model for travel policy compliance. It can be used for further research into corporate travel from an academic perspective. It should also be a valuable tool for organisations to assess their policy compliance, highlighting problem areas and providing guidelines for improving compliance. The final implication for organisations is that there needs to be an improvement in travel expenditure control.

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APPENDIX A

- ARTICLE PUBLISHED IN JOURNAL OF BUSINESS ETHICS AND CONFERENCE ABSTRACTS -

Violation of the Corporate Travel Policy: An Exploration of Underlying Value-Related Factors

Anneli Douglas
Berendien A. Lubbe

ABSTRACT. A travel management programme allows an organisation to manage corporate travel expenditure, and through a well-formulated travel policy, to control its travel expenses. However, traveller non-compliance of the travel policy is an increasing area of concern with surveys conducted amongst travellers showing various reasons for non-compliance, both deliberate and un-knowing. The purpose of this article is to look beyond the reasons and identify the underlying factors that influence travel policy compliance. Two broad categories of factors that lead to non-compliance are distinguished: those related to the corporate travel policy as formulated and communicated by the organisation, referred to as corporate-related factors and including issues of corporate culture and business ethics; and those related to the person of the corporate traveller, referred as personal-related factors and including issues of personal ethics. This article makes a first attempt at identifying factors that have not previously been recognised in those industry or academic studies done on non-compliance or violation of the corporate travel policy.

KEY WORDS: compliance, corporate-related factors, corporate travel, corporate travellers, corporate travel management, personal-related factors, travel policy

Introduction

The high cost of business travel today is forcing organisations to find new ways to reduce travel expenses. One solution to reduce expenses may be to decrease the amount of travel done. However, this may reduce expenses but may have a negative impact on a company's ability to service, sell or maintain a presence with their customer base. Egan (2002) suggests that this may become a self-defeating initiative. Another solution is proper planning and management of the travel programme through the development of an effective travel policy. Very few scientific studies have focussed on aspects related to corporate travel policies and compliance (Douglas and Lubbe, 2006; Lubbe, 2003; Mason, 2002), while industry has recognised this need and increased their surveys substantially in the last number of years (Airplus, 2006; Institute of Travel Management, 2006; Kirshner, 2005). This article takes a scientific approach by proposing a theoretical foundation which 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 are identified and discussed from a theoretical perspective as a first step towards formulating a model against which non-compliance of the corporate travel policy can be empirically tested within organisations. The first broad category is termed corporate-related factors and the second, personal-related factors. For the purpose of this article, those factors that can lead to non-compliance but over which the traveller has little control can be regarded as corporate-related factors and generally include the travel policy stipulations and requirements. On the other hand, factors that lie within the personal control of the traveller can be regarded as personal-related factors. These can include the traveller's disposition towards ethical behaviour in specific situations, his or her ethical standards, the inherent honesty of the traveller as well as aspects such as the level of satisfaction that the traveller has

with his or her job, and even with his or her life in general, and the conditions under which he or she has to travel for business purposes.

The article begins with a brief overview of the purpose of the travel policy as a tool to manage travel expenses and discusses the extent and cost of non-compliance. Thereafter, the two categories of underlying factors are discussed in some depth, and the article concludes with suggestions for future research in this area.

The corporate travel policy and non–compliance

There are two main reasons why companies have travel policies. The first is to prevent travellers from over spending. The second is to demonstrate that the company has the mechanism to deliver spending commitments to preferred suppliers (Airplus, 2006). Rothschild (1988) explains that a written travel policy provides the framework for the way in which a company manages its travel. The policy document conveys a company's philosophy and its ground rules concerning travel – how it balances service for travellers on the one hand and cost efficiency on the other. Lubbe (2000) adds that the major purpose of the travel policy is to keep the cost of corporate travel within predictable and realistic parameters and to save the corporation money. According to business consultant – Caroline Ravenall – (personal communication), a regularly updated and enforceable travel policy can reduce overall travel and entertainment expenditure by between 20 and 30%. Ravenall (personal communication) further argues that a 5% increase in policy compliance relates to a 10% reduction in travel costs. Thus, as compliance with the travel policy increases, travel expenditure will decrease. It also serves a secondary purpose of allowing travellers to understand exactly what the limitations are in terms of choices and alternatives. Travel policies provide the traveller with the financial security of knowing what will be reimbursed and what is allowed in terms of expenditure. More recently, Kirshner (2005) suggested that establishing, communicating and reviewing the corporate travel policy remains essential to creating a successful travel programme, but that a more stringent negotiating environment and continued security concerns have brought policy compliance to the top of the list of travel management priorities.

Tracking compliance is an integral part of any policy. Containing costs often becomes as simple as communicating with travellers about doing the right thing (American Express, 2007).

A corporate travel policy is an essential tool for controlling both direct and indirect travel and entertainment (T&E) expenditure, yet industry experience suggests that a significant number of companies are failing to implement adequate policies, or are failing to enforce a policy where it is in place (Sauser, 2003). According to Campbell (2002) there are always exceptions that could be found for not complying with the corporate travel policy and travellers are starting to find more of them. He notes that as policies are becoming more restrictive, they become more difficult to comply with all the time. A global 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 on corporate travel management in selected South African organisations found that only 22% of organisations surveyed reported that travellers comply with the travel policy 100% (Lubbe, 2003). Reasons for traveller non-compliance range from deliberate infringement as a result of last-minute bookings, the use of personal loyalty cards, to unknowing infringement of the policy due to a lack of knowledge on its conditions (Douglas and Lubbe, 2006). Recent studies, in the USA, have estimated the average compliance cost for companies at about $3 million a year (Hulett, 2005). In North America, more than 55% of business travellers said they book outside of 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 (Association of Corporate Travel Executives, 2006). The Institute of Travel Management (2006) found that non-compliance also has a significant impact on travellers. These impacts include reduced security and no access to 24–hour service as well as self-payment by travellers for corporate travel expenses. Travellers are generally oblivious to the costs of non-compliance and are generally unaware of the ramifications (Btt Bulletin, 2006). In the Btt Bulletin study (2006) travellers were asked if there are ramifications to their company if they consistently booked outside of the corporate travel policy conditions. Almost half of the respondents indicated that they believed there
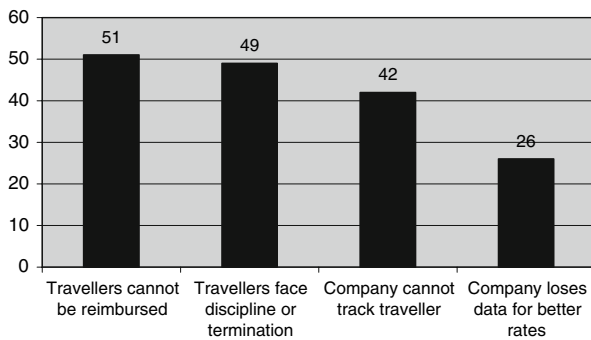
Figure 1. Ramifications for non-compliance. Source: Btt Bulletin (2006).

Figure 2. Reasons for non-compliance with the policy (2003 and 2006). Sources: Douglas & Swart (2003); Douglas & Lubbe (2006).

were no ramifications. When asked about specific ramifications, responses varied as shown in Figure 1. Specific ramifications to travellers of non-compliance include: they cannot be reimbursed for travel and entertainment expenses; they face discipline or out-right termination; the company will not be able to track traveller whereabouts in an emergency; and, the company loses data for better rates with travel suppliers.

A number of studies, both internationally and in South Africa have identified some of the most important reasons for non-compliance. Business travellers who book outside of the corporate travel policy responding to an American Express (2007) survey cite many reasons for doing so, but the reason most commonly indicated is that the preferred airline's scheduled flight times do not meet the traveller's business needs (24%), followed by ''the preferred airline causes the traveller to take specific connections'', and ''the preferred hotel is not close enough to where the traveller is doing business'' (both at 12%). In South Africa seventy eight percent of organisations are of the opinion that last minute bookings are a reason for non-compliance, 69% agreed that unknowing infringement by travellers is a reason while 54% indicated the use of personal loyalty cards (Lubbe, 2003). The survey done by Douglas and Swart (2003) supports these results, with 61.9% of respondents agreeing that last minute bookings are the main reason for non-compliance, as shown in Figure 2. In 2006, Douglas and Lubbe reported the following as reasons why travellers do not comply with the travel policy: last minute bookings by travellers, followed by personal loyalty

cards held by travellers, and unknowing infringement of the travel policy by travellers (indicated in Figure 2).

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 article 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 factors that might influence corporate travellers' compliance with the travel policy will be proposed. As explained in the introduction these factors are broadly classified into two categories: corporate-related factors and personal-related factors (Figure 3).

Corporate-related factors

For the purpose of this article, corporate related factors that influence the corporate traveller's compliance with the travel policy can be explained as organisational factors 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 which relate to the formulation and ''spirit'' of the travel policy.
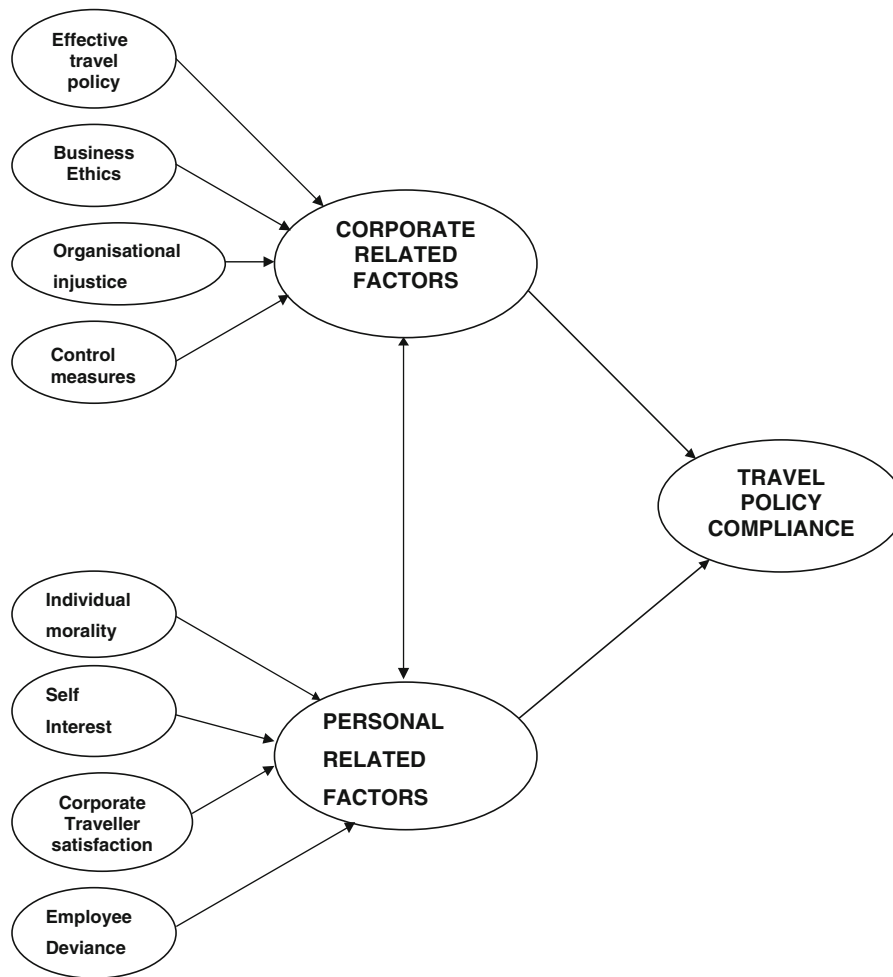
Figure 3. A model for travel policy compliance.

These are an organisations business ethics as reflected through the organisational culture, the content and communication of the travel policy and the monitoring of business travellers' behaviour. In the discussion on the first 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 different types of companies will probably have different types of travel policies. The second concept, travel policy and non-compliance will be viewed from the perspectives of clarity, communication and senior management commitment to its effective implementation. The final concept, the monitoring of traveller behaviour will be discussed in terms of reporting measures.

Business ethics

Typical definitions of business ethics refer to the rightness and wrongness of behaviour, but not everyone agrees on what is morally right or wrong, good or bad, ethical or unethical. According to Lewis (1985) business ethics are moral rules, standards, codes or principles, which provide guidelines for right and truthful 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. Scott (2003) argues that many models of behaviour in organisations suggest that there are both organisational and personal reasons for individuals' behaviours. However, these models depict the person and organisation as independent variables, suggesting that employees and organisations are randomly assigned to each other. Scott (2000) says that

employees choose organisations, often based on the fit of their moral values with those of the organisation. This means that the values 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 socialization techniques result in some degree of homogeneity in organisations' employees (Chatman, 1991; Schneider, 1987). This suggests that the characteristics, views, values, and capabilities of the employees are, at least in part, selected, trained, or encouraged by organisational values and characteristics. Behaviour by employees, at least as part of their organisational roles, may thus be partly dependent upon organisational characteristics. The persons engaging in dishonesty, the types of dishonesty they engage in, the potential consequences, and the potential victims of dishonesty all are not necessarily *caused* by the organisation, but they are not completely independent, either. According to Sinclair (1993) an examination of organisational culture offers a plausible explanation for the incidence of unethical behaviour. Unethical behaviour is often attributed to the defective moral upbringing of an individual. Such individuals are termed ''bad apples'' as it is believed that their upbringing has determined their moral character and they cannot be changed into morally sensitive individuals (good apples). Individuals are affected by their social setting in the same ways as apples may be placed in different barrels. Apart from upbringing, the social settings or organisations (barrels) that individuals work in can also have either a good or corrupting influence on their moral character. People with dubious or even good moral characters can turn to unethical behaviour if they find themselves in organisations where unethical conduct is the norm. Thus, bad barrels can corrupt dubious or even good apples. The opposite is equally true. Dubious or even bad apples can be restrained from unethical behaviour should they find themselves in organisations that do not tolerate unethical behaviour, but reward ethical behaviour (Rossouw, 2006).

Rossouw and Van Vuuren (2003) 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''. 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 ''institution-alise'' 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 (Rossouw, 2006). As is shown in Table I, each mode is described in terms of its nature, primary purpose, predominant strategy and typical challenges. The challenges that arise within each mode provide an explanation for the change in mode of managing ethics that typically occur within organisations over time. These challenges arise when organisations sense that they may have exhausted a specific mode's potential for managing ethics (Rossouw and Van Vuuren, 2003).

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. In analysing an organisation's travel policy in terms of its level of control in influencing traveller behaviour, it seems logical that there should be a discernible relationship between the type of travel policy that an organisation utilizes and the strategy the organisation implements to manage its ethics. Corporations generally follow one of the three types of policy: low control, medium control or high control of travel planning and expenditure in an organisation. 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). Table II provides a concise example of some of the components of the different types of policies.

TABLE I

The modes of managing morality model

Dimensions of comparison	Immoral mode	Reactive mode	Compliance mode	Integrity mode	Totally Aligned Organisation mode
Nature	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 remain unpunished	Commitment to manage and monitor ethics performance *Rule based approach* to ethics Disciplining unethical behaviour	Internalisation of ethical values and standards *Value based approach* 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
Purpose	Ethics has no place in the singular pursuit of the bottom line Unethical behaviour espoused as good business	Protection against dangers or 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
Ethics Management Strategy	A Machiavellian orientation exists that denies the need to make decisions concerning ethics No concern for stakeholders No ethics management strategy or interventions	Laissez-faire ethics management Inability to manage ethics Corporate (ethical) values are words on paper	Transactional approach to managing ethics Code clear and comprehensive & corporate ethics management function exists Ethics management system 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

TABLE I
continued

Dimensions of comparison	Immoral mode	Reactive mode	Compliance mode	Integrity mode	Totally Aligned Organisation mode
Challenges	Financial consequences of immorality becomes 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 or 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/moral arrogance; moral laxness; Neglect ethics induction of new employees; Lack of co-ordination in managing ethics

Source: Rossouw and Van Vuuren (2003).

In analysing the nature and purpose of the compliance-mode organisation, it would appear that the high control policy would reflect the organisational culture. In this respect, it is a rule-based approach and has a strategy of monitoring behaviour and disciplining unethical behaviour. A compliance mode organisation would probably utilise a high control policy as they have a commitment to manage and monitor ethics performance and they have a rule-based approach to achieve ethical behaviour. The integrity mode would probably employ a medium control policy, as they believe in the internalisation of ethical values and standards. They rely more on the individual values of a traveller to comply with the policy and less on the 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 the critics by the existence of ethics standards. The immoral mode would probably make use of a low control policy, as they believe that ethics have no place in the business and denies the need to make decisions concerning ethics. In addition, they have no concern for stakeholders and no ethics management strategy or interventions. On the other hand, the totally aligned organisation mode would also make use of a low control policy. That is because there is a seamless integration of ethics in corporate purpose, strategy and operations and ethics is entrenched in 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 own ethical choice to comply with the policy.

The travel policy

An effective travel policy is dependent on three elements: clarity, communications and, perhaps most important, senior management commitment. The most common cause of non-compliance is a poorly written policy. Many policies are written with too many grey areas, if the traveller can argue that the policy is wrong, it can be difficult to enforce (Cohen, 2000). According to Samee (2004) 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

TABLE II

The types of travel policies

Travel component	Low control travel policy content	Medium control travel policy content	High control travel policy content
Airline class of service	Domestic – economy class International – business class First class – for directors only	Domestic – economy class International – business class First class – authorisation required	Domestic – economy class International – economy class for less than five hours; business class for more than five hours First class – authorisation required
Airline choice	No mention	Traveller may choose	Must fly specific airlines
Frequent flyer benefits	Traveller allowed to keep benefits	Benefits belong to the company and should be handed in	Benefits go straight to the company
Rental cars – Class	No class specified	Compact, fuel-efficient cars	Economy cars only
Expense reports	Completed and signed by supervisor	Completed and signed by supervisor within 7 days of return	Completed within 7 days, all expenses must be explained

Source: Adapted from: Jenkins (1993).

company's travel policy (American Express, 2002; Douglas, 2005). In order to comply, travellers need to understand what the policy is and it needs to be communicated to them (Slaughter, 2003). In his research, Mason (2002) shows the differences in views between travel managers and their travellers when considering aspects of the corporate travel policy. It would seem that travellers view travel policies as being much more flexible than their travel managers may have intended. In his study, 42% of travel managers described their policies as "airline and class level rules to be strictly followed." Only 16% of the travellers agreed with their travel managers, whereas 44% of travellers described their policies as "policies to be followed where possible." Many corporate travel buyers are of the opinion 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 out of policy and that contradicts the true purpose of what the policy is aiming to do (Campbell, 2002).

The involvement of divisional budget managers can have a greater impact on compliance than the travel manager. Too many travel managers have focussed on distributing the policy from the bottom up, but lacking senior management understanding. Travel managers spend a lot of energy and time trying to distribute the information to travellers using their portal or newsletters, but when the travel manager tries to communicate from the bottom of the pyramid, he will not be as efficient as he would by going to line managers (Campbell, 2002).

An additional aspect of the travel policy that has an impact on policy compliance is the decision on the allocation of loyalty points (Campbell, 2002; Douglas and Swart, 2003; Lubbe, 2003; Mason, 1999). Campbell (2002) says 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 the cheaper flight. At the same time, a traveller might be tempted to fly with an airline of which 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) that revealed that individual travellers might be adverse to corporate influence in their travelling behaviour. Corporate choices may be contrary to the preferred choice of the traveller if the traveller is a member of a frequent flier programme (FFP), or if the choice of airline is perceived to reduce the travelling, comfort, flexibility, status, or convenience. Furthermore, if policy stipulations are not consistently applied and applicable to all personnel levels this could also lead to non-compliance. A study done on the management of corporate travel in South Africa supports this. In the study, corporate travellers agreed that they do not comply with the policy either because senior management does not comply or because the travel policy is unfair and that all travellers are not allowed the same treatment (Douglas, 2005). Another factor to consider is the seniority of travellers. According to Campbell (2002) the lower levels of traveller are always more inclined to compliance than higher level employees.

Monitoring the business traveller's behaviour

According to Northstar Travel Media Research corporate travellers break the policy because it is easy to get away with it (Samee, 2004). Monitoring compliance – by using 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, per trip information on costs, vendors, dates and locations is lost (Crane, 2001). Corporate card programmes can also improve policy compliance by providing management information that identifies out-of-policy expenditure. The breakdown of expenditure information that such cards provide can be used to monitor travel patterns and to highlight deficiencies in the travel policy. Using this information, the company can then amend the travel policy to ensure it supports travel patterns and travel needs and consequently increase travel policy compliance (Hans et al., 2003). If the pre-trip approvals and post-trip reviews from management are neglected or if corporate card programmes to track out of policy expenditure are not in place, corporate travellers will break the policy because it will be easy to get away with it.

Organisational injustice

Aquino et al. (N.d) are of the opinion that organisational injustice presents strong situational cues that motivate people to engage in unethical workplace behaviour. According to Cohen (2000), some corporate travellers break the rules of the travel policy simply to be wayward. The travel policy is an ideal opportunity to express rebelliousness through relatively trivial transgressions of company rules. This was substantiated by a South African survey on corporate travel, where 42% of the organisations agreed that the travel policy was deliberately infringed (Lubbe, 2003). This might also elucidate the 24% of corporate travellers explaining their unethical behaviour by saying that their company owes them extra compensation for the time and hassle involved with business travel (Samee, 2004). Revenge against the organisation is a very common theme in the dishonesty literature. Greenberg (1990, 1993) and Greenberg and Scott (1996) finds that employees who perceive that they have been treated inequitably by the organisation are more likely to steal from the organisation. Others have found similar results (Lewicki et al., 1997; Shapiro, Lewicki & Devine, 1995 in Scott, 2003). The second category of factors that influence a traveller's compliance with the travel policy could be termed: personal related factors. These factors investigate the psyche of the traveller to understand his/her reasons for non-compliance.

Personal–related factors

The next category of factors that could influence compliance with the travel policy is labelled personal related factors. These factors relate to the needs and values held by corporate travellers and include matters such as the honesty of a traveller, the extent of morality that a traveller possesses, actions related to self-interest and the level of satisfaction that the traveller enjoys with life in general, his/her job and his/her travelling for business reasons.

Individual morality

People make moral decisions in different ways. The most common theory of moral development was

created by Kohlberg, and suggested that people go through a series of levels as they mature. These morality levels include the preconventional level, the conventional level and the postconventional level. He argued that most adults are guided by rules and regulations when they make moral decisions. For example, if the rule is that a certain airline must be used for company business travel, most adults use that rule as their primary criterion for choosing an airline. The trouble with this level of conventional moral reasoning is that ethical dilemmas in life are not codified. The rules do not always apply: rules are ambiguous, and different rules exist in different places (Grover, 2005). Moral maturity affects whether or not people lie in various situations. People working from a set of principles are less likely to be influenced by particular situations. In contrast, those using conventional moral reasoning are often perplexed when they face conflicting demands. Shepard and Hartenian (1991) identified lying, cheating, and stealing as the key unethical behaviours in organisations when they developed an unethical behaviour measurement instrument. Opportunity is a situational ingredient that promotes lying. People are not so likely to lie when they are obviously going to be caught. Social scientists have repeatedly found that most people are dishonest when given the chance (Grover, 2005). Thus, if a traveller is given a chance to breach the travel policy, he will do so. Samee (2004) 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 toward 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 organisation allegiance.

Northstar Travel Media Research recently surveyed a random sample of 300 business travellers throughout the United States on their travel habits and preferences. According to the survey, 30% of business travellers falsify their expense reports. Of those, 10% do so for every business trip that they take, and 33% add on an additional $100 or more above actual costs. Respondents to the Northstar Travel Media Research cited various rationales for this behaviour:

- Forty three percent said that their company's spending guidelines are so tight that travel costs them out-of-pocket money.
- Twenty eight percent do so because it is easy to get away with it.
- Twenty four percent said that their company owes them extra compensation for the time and hassle involved with business travel. (Samee, 2004)

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). Frequent Flyer Programmes also pose significant ethical quandaries to corporate travellers. According to Deane (1988) an employee with significant award points in a particular airline's programme may be induced to choose that carrier for an upcoming trip even though the trip could be made more conveniently, efficiently or economically on another carrier. In addition, there may be an incentive for an employee to take a less efficient or more costly routing on the same carrier merely to build up points. In his research, 95% of travellers surveyed personally receive frequent flyer miles from company paid travel. Approximately 80% of these business travellers receiving points do admit that frequent flyer membership is at least sometimes a factor in choosing travel services. Dettinger (1985) in Deane (1988) further reports that 25% of the frequent travellers admitted taking trips that were totally unnecessary in order to build up point awards. In a survey of 520 travel agents in the US, the General Accounting Office found that 57% said their business clients "always or almost always" choose flights on the basis of frequent flier programmes. An additional 24% of them said that their clients do so "more than half the time" The problem arises because employees are no longer concerned with the cheapest and most direct route in choosing which airline to fly, but rather, they are concerned with which frequent flier club they belong to and how many more miles they need to receive a free ticket (Lansing and Goldman, 1996).

Self interest

The self-interest paradigm predicts that unethical behaviour occurs when such behaviour benefits the actor (Grover, 2005). Theorists who have grappled with the determinants of lying behaviour have generally relied on the self-interest notion: people will lie when doing so benefits them (Grover and Hui, 1994). According to Mason and Gray (1999) a corporate traveller will have a list of personal wants when travelling on behalf of his company, including to have 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 lies because it benefits him to do so. Scott and Jehn (1999) further support this argument by suggesting that self-enrichment could be a possible motivation for dishonesty. As is evident from the above discussion, the potential for savings is greatly affected by company employees' cooperation with a travel department's efforts to apply travel policy, but employees can always make excuses for not following guidelines on the basis of their specific needs on a business trip (Amster, 1986). Hotel chiefs have warned travel management firms and corporates that business travellers will disregard company travel policies to stay in the hotels they prefer. If customers have had good experiences with a particular hotel brand, they are likely to return to that company when conducting business travel – regardless of corporate policy. It all goes back to the customer experience. Despite the office procedure, a customer will come back to the hotel they have had a good experience with (Crawshaw, 2005). 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 the travel policy. It can be assumed that corporate travellers will comply with the travel policy if their travel needs are satisfied by the policy.

Corporate traveller satisfaction

For the purpose of this research satisfaction will be defined as to: meet the expectations, needs, or desires and to fulfil a desire or need. 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 he/she travels on behalf of the company.

Life satisfaction can be defined as a global evaluation by the person of his or her life. It appears that individuals ''construct'' a standard, which they perceive as appropriate for themselves, and compare the circumstances of their life to that standard (Pavot et al., 1991). Studies indicate that people are satisfied with their lives to the extent that their needs and values are satisfied (Abbott, 2002; Karl and Sutton, 1998; Locke, 1976; Myers and Diener, 1996). According to Myers and Diener (1996) four traits characterise happy people. First, they have high self-esteem and usually believe themselves to be more ethical, more intelligent, less prejudiced, better able to get along with others, and healthier than the average person. Second, happy people typically feel personal control. Those with little or no control over their lives suffer lower morale and worse health. Third, happy people are usually optimistic. Fourth, most happy people are extroverted. Although one might expect that introverts would live more happily in the serenity of their less stressed, contemplative lives, extroverts are happier – whether alone or with others. If people are not utilized and managed properly in organisations, it is unlikely that organisations will reach their full potential. This may lead to a phenomenon that is not uncommon in corporate life, namely widespread job dissatisfaction. *Job satisfaction* can be described as an affective attitude of dislike towards one or more job related dimensions. Since attitudes and negative attitudes in this case, are reasonably good predictors of behaviour, a wide variety of consequences, from mild to destructive may follow. Dissatisfied people may engage in psychological withdrawal or even overt acts of aggression and retaliation. Besides the negative effect of job dissatisfaction on performance, it also has a number of other detrimental consequences. These include high employee turnover, absenteeism, tardiness, theft, violence, apathy, sabotage, fraud and corruption (Rossouw, 2006). From an employee's standpoint, job satisfaction is a desirable outcome in itself. According to Edwin Locke (1976), job satisfaction results from the perception that one's job fulfils or

allows the fulfilment of one's important job values (Karl and Sutton, 1998). In addition, the study done by Karl and Sutton (1998) suggest that today's workers place the highest value on good wages and job security. A comparison of public and private sector workers revealed private sector workers place the highest value on good wages, while public sector workers valued interesting work the most. According to a study by Abbott (2002), the following factors lead to low morale and low job satisfaction: disillusionment about management, long hours and work/life balance. These factors combined made respondents feel that the company did not care. More personally, respondents felt that their management had neither time nor inclination to listen to them. Lack of empowerment was also a problem, especially as people expected to be empowered in their jobs, but in reality were not. A *satisfied traveller* is someone whose needs have been satisfied optimally. Corporate travellers have very specific needs with regards to the tangible aspects of travel, these relate to air transportation, accommodation and technology. In addition, they also have intangible needs referred to here as psychological needs.

Tangible needs

Technology helps a corporate traveller to stay on top of his workload. They require access to email and a laptop when travelling on behalf of their company. Self-booking tools 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; Lehman and Niles, 2001; Lubbe, 2003; Mason, 2002). 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, while wasted time at airports 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, some 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 that 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 (Alamdari and Burell, 2000; Evangelho et al., 2005; Fourie and Lubbe, 2006; Mason, 2001; Mason and Gray, 1999). Wishing – or needing – to be more industrious and productive while travelling on company business, many business guests in hotels have come to require much more than a quiet room. They increasingly want accommodation establishments to be not so much home from home but offices away from the office (Davidson and 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 (Douglas, 2005; Douglas and Swart, 2003; Knutson, 1988; McCleary et al., 1993; Weaver and Oh, 1993).

Another aspect of traveller needs that requires more research and could be explored further in a next article is that of safety and security. According to Grossman (2007, p. 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 of the airline despite corporate travel policies that may require the use of that specific airline. Additionally, company policies requiring 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 perceived less favourable safety records of economy or compact fuel efficient cars. 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 sup-

porting trustworthy suppliers, companies will have more peace of mind when sending their corporate travellers on business.

Intangible needs

Travellers also have particular psychological needs. Corporate travel is often a positive experience but regrettably, frequent work-related travel may also have negative consequences. In order to ensure that a traveller's psychological needs are being satisfied employers should eliminate unnecessary trips and avoid travel on weekends and special occasions. Corporate travel should not take priority over other needs in employee 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. Travellers want to feel secure and safe when travelling for business purposes (Institute of Travel Management, 2006).

Conclusion

In this article factors that influence the corporate traveller's compliance with the travel policy were recognised. These factors were identified into two categories: corporate related and personal related. Based on the identified factors a framework can be graphically presented that depict the constructs for measuring traveller compliance. Future research is needed to test the validity of the framework. If the framework proves to be valid, the constructs could be used to measure traveller compliance. Based on the results, a company can formulate a travel management programme that will enhance policy compliance. The current study has laid the foundation for such.

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Tourism Management,
University of Pretoria,
Pretoria, Gauteng, 0002, South Africa
E-mail: anneli.douglas@up.ac.za

The fifth International Conference on Ethics in the Public and Private Spheres

The impact of business ethics on corporate travel policy compliance

Ms Anneli Douglas

Prof Berendien Lubbe

University of Pretoria

South Africa

Public and private sector organisations are increasingly concerned about policy violations in the business travel domain. The result of such violations is not only reflected in the rising cost of travel to organisations, but has a further consequence, particularly for public sector organisations where the perception of abuse of privilege by government officials is created. Studies have also shown a higher rate of deliberate travel policy violation in the public sector. A lack of scientific evidence on the underlying reasons for travel policy violations exists. This is mainly due to the relative newness of the field of tourism as an academic discipline and business and corporate travel as sub-disciplines of this field. Organisations have had to mainly rely on industry-type surveys to seek answers to what causes traveller non-compliance. These answers have often been of a superficial nature with inadequate corporate guidelines and travel policy prescriptions presented as the main reasons for violations. The purpose of this paper is to look beyond these established reasons and identify underlying factors such as the effect of corporate culture on the behaviour of the corporate traveller as well as business and individual or personal ethics. Two broad categories of factors are identified and discussed from a theoretical perspective as a first step towards formulating a model against which violation of the corporate travel policy can be empirically tested within organisations: those related to the corporate travel policy as formulated and communicated by the organisation, referred to as corporate-related factors and including issues of corporate culture and business ethics; and those related to the person of the corporate traveller, referred to as personal-related factors and including issues of the personal ethics of the corporate traveller. The research methodology follows a two-stage approach, a qualitative phase and a quantitative phase. At this stage of the research the qualitative stage has been completed. This entailed confirming the identified constructs that underpin travel policy non-compliance. The Delphi technique was applied to senior management in corporate travel portfolios. From the literature survey and the results of the Delphi methodology a model was

conceptualised. The model includes those aspects that have not previously been considered: the effect of business ethics on policy compliance and the extent to which an individual's ethics and morals have an influence on policy compliance. It is the first scientific study of its kind in the context of business and corporate travel and relates to the values and norms in the public and private domains. The second stage of the study proposes the use of a structured questionnaire to corporate travellers in the private and public sectors to test the relationship between corporate- and personal-related factors and travel policy non-compliance as shown in the conceptual model.

The Travel and Tourism Research Association (TTRA) Conference

Towards a model for corporate travel policy compliance

Ms Anneli Douglas

Prof Berendien Lubbe

University of Pretoria

South Africa

Abstract

Previous academic research has focussed on trends in the broader business travel market and very little research has been forthcoming on the management of corporate travel. A travel management programme allows an organisation to manage corporate travel expenditure, and through a well-formulated travel policy, to control its travel expenses. Traveller non-compliance of the travel policy is an increasing area of concern with (mainly industry) surveys conducted amongst travellers showing various reasons for non-compliance, both deliberate and unknowing. This paper goes beyond the reasons for non-compliance and seeks underlying factors not previously recognised. The overall purpose of the paper is to build and test a model of travel policy compliance based on these factors. Two broadly conceptualised factors that influence travel policy compliance are identified. The first can be termed corporate-related factors which relate to the corporate travel policy as formulated and communicated by the organisation and which include issues of corporate culture and business ethics. The second can be termed personal-related factors, which relate to the person of the corporate traveller and include issues of personal ethics. The study followed a two-stage approach: the first stage involved a qualitative methodology, the Delphi technique, to confirm the identified constructs that underpin travel policy non-compliance. From the literature survey and the results of the Delphi methodology a model was conceptualised that represents the factors and underlying constructs that influence travel policy non-compliance. The model proposes that travel policy compliance is a direct result of corporate-related factors and personal-related factors. Based on this model an instrument was developed to measure the policy compliance of corporate travellers. This forms the basis for the second stage of the empirical research. Corporate travellers from a number of organisations in the public and private sectors, who agreed to participate in the research, were requested to respond to the web-based questionnaire. Convenience sampling was used with

the aim to gather sufficient responses to overcome the limitations inherent in a convenience sample. The analysis of the data followed the path of first testing the data assumptions of the model, then testing the validity of the constructs and finally testing the travel compliance model using exploratory and confirmatory data analysis. The outcome of this study should produce a model which organisations can use to guide their travel management programme and against which they can evaluate their propensity for non-compliance. The results will provide insight into the factors that influence corporate travel policy compliance, both in the private and pubic sectors. It also measures aspects that have not as yet been considered as factors that may lead to non-compliance such as: the effect of business ethics on policy compliance and the extent to which an individual's ethics and morals have an influence on policy compliance. Finally it adds to the body of knowledge on business travel and in particular, corporate travel in so far as it is the first scientific study of its kind that tests both corporate and personal-related factors that could lead to non-compliance.

APPENDIX B

- LIST OF PARTICIPANTS IN QUALITATIVE AND QUANTITATIVE RESEARCH -

LIST OF EXPERTS PARTICIPATING IN QUALITATIVE RESEARCH

1. Kobus Meyer - Vodacom
2. Martin van der Merwe - PWC
3. Santie Visagie – Connex
4. Maria Martins – Carlson Wagonlit Travel
5. Sean Geyer - McKinsey
6. Ruby Naidoo – IBM
7. Duncan McCalllum – Anglo American
8. Elaine van der Walt – First Rand
9. Mandy Diggle – Group 5
10. Carol Michel – Standard Bank
11. Jeannette de Kruijff – SABMiller
12. Anna Hattingh – Spescom
13. Jacqui Abrahams – Accenture
14. Felicity Meyer - ITMSA
15. Linda Basson – Accenture
16. Sally Rademaker – Ericsson
17. Talitha Redelinghuys – Sasol
18. Ray Lecolle-Brown – Unilever
19. Lynette Swart – PetroSA
20. Theresa Krynauw – PetroSA
21. Leon Kruger – ABSA
22. Abdul Khan – MTN
23. Sandra Hattingh – MTN
24. Mandy Gonsalves – Liberty
25. Karen Smith – Barloworld
26. Andrew Hillman – Pfizer
27. Brian Fredericks – Barloworld
28. Noreen Creswell – Carlson Wagonlit Travel
29. Denise Reyneck – Carlson Wagonlit Travel
30. Gaby Lindeque – Carlson Wagonlit Travel
31. Chane de Jongh – Carlson Wagonlit Travel

LIST OF ORGANISATIONS PARTICIPATING IN QUANTITATIVE RESEARCH

1. BP
2. VODACOM
3. SWISS RE
4. TRAVEL WITH FLAIR
5. UNIGLOBE
6. BMW
7. SASOL
8. DEPARTMENT OF WATER AFFAIRS
9. DEPARTMENT OF EDUCATION
10. SABS
11. TELKOM
12. CONNEX TRAVEL
13. PWC
14. COLUMBUS STEEL
15. DUBAI TOURISM
16. TRAINING COMPANY BASED IN PRETORIA

APPENDIX C

- DELPHI PROCESS -

Please indicate with an "X" whether you agree or disagree with the following statements.

I believe that the following factors could influence travellers' non-compliance with the company travel policy:

	AGREE	DISAGREE
Travel management is not a priority in the organisation		
Top management does not comply with the travel policy		
A lack of top management support for travel policy compliance		
Line management are unaware of the travel policy stipulations		
The department under which travel management falls for example finance, supply chain, procurement et cetera		
The corporate culture of the company for example a informal entrepreneurial culture vs. a more formal bureaucratic culture		
No dedicated full time travel manager		
The person responsible for the corporate travel function within the organisation does not have sufficient time to manage the travel function		
A lack of control of travel expenditure		
A poorly-formulated policy		
No or difficult access to the travel policy		
A lack of understanding of the travel policy		
Outdated travel policies		
A vague travel policy with possibilities of loopholes for non-compliance		
An online booking tool with inadequate features to monitor compliance		
An online booking tool that does not align with the travel policy		
A TMC that does not work according to the travel policy		
Inferior MIS reports		
Inadequate formal processes to measure compliance		
Out of policy travel are not managed prior to travel		
Inadequate pre-trip authorisation process		
Inadequate post-trip claim process		
Inadequate consequences for non-compliance		
Traveller ignorance on preferred suppliers for example: an airline's perceived safety performance		

Frequent flyer miles accrue to the traveller for personal use		
Travellers break policy because cheaper options are available		
Traveller convenience comes before policy stipulations		
Travellers' perception of more reliable, safer and greater quality products vs. those stipulated in the travel policy		
Travellers prefer to use suppliers with whom they have had a personal experience		
Traveller's personal self esteem is more important than policy stipulations		
Old school vs. New school (older travellers are more likely to comply than younger travellers)		
Travellers feel that business travel is disrupting their lives and thus they should be allowed certain options that is not necessarily included in the travel policy		
Undisciplined travellers. If I miss my flight I will just take the later flight.		
Newer travellers are more compliant than frequent travellers		
A mentality of: "You can not tell me what to do"		
A mentality of: "What can I get away with?"		
An attitude of: "What is not stipulated is allowed"		
A non – compliance culture in the organisation		
A well documented travel requisition process will increase compliance		
Highlighting areas of non-compliance in the company newsletter will increase policy compliance		
Making an example of a non-compliant traveller will increase policy compliance		

Please add any other factors that were not mentioned above but that you feel might have an influence on policy compliance.

_____

_____

_____

_____

_____

_____

_____

_____

APPENDIX D

- COPY OF IN-DEPTH INTERVIEW -

INTERVIEW WITH ALAN REID, PROCUREMENT MANAGER OF BP

Participants: AD – Anneli Douglas

                      BL – Professor Berendien Lubbe (Supervisor)

                      AR – Alan Reid

An introduction of the interviewers and a brief indication of the purpose of the project initiated the interview. Permission were asked to take notes and audiotape the conversation, and the respondent was thanked for his willingness to make a contribution to the research project.

AD: Do you experience problems in compliance with the corporate travel policy?

AR: We've probably got about 10 percent non-compliance. And we know who they are, and occasionally we bust them. But the way our travel policy is applied at the moment is that we cut out options so that travellers do not really have too many choices.

BL: Why do you think they (corporate travellers) do not adhere? Is it more personal related rather than corporate related, that the policy isn't clear, or…?

AR: Oh, the policy is very clear, I think the primary reason is let's call it self interest – Travellers are saying: I Don't want to fly on BA because I believe SAA's Voyager is a better programme. Or I don't want to bounce between airlines because I am not going to be able to accumulate my voyager miles for points so that I can be a silver or gold card holder, cause I want to go into the lounge because that is what some people believe shows the importance of people. Then you have some people saying that they don't want to stay in a certain hotel because they prefer another hotel for a number of reasons and a lot of it has to do because they want to say "I stayed in the Westcliff", or the Sheraton". They don't want to say I stayed in the City Lodge or drive Chico Golf because how does that look in front of my peers or colleagues? If you work for a big company you are perceived to be important. Then we get a few non-compliance issues around airlines, I do not know of another corporate

who runs a corporate credit card system to the extent that we do. Every single traveller, or no not every traveller, let's say 80 % - 90 % of travellers have their own corporate credit card, for all travel and entertainment expenses. So when I book with Carlson Wagonlit, anything related to my trip goes to my AMEX, it all comes to me, I have to capture it in our system and then my AMEX card gets paid. Now if I don't do that my AMEX card does not get paid, my AMEX card gets suspended and I can't travel. So that puts a very tight reign on payments.

BL: Is the policy structured on the level of management, where certain levels of travellers are not allowed to do something you know…

AR: Everybody is allowed the same treatment. Policy is structured around the trip. If the chairman or the chief executive wants to fly business class we're not going to say they can't, but they won't. Top management comply with policy and because they are gold cardholders they get upgraded automatically in anyway.

BL: Do you have an online booking system that goes to the travel agency or do you have an in-house travel agency?

AR: Yes we have an in-house in Cape Town, but that is a legacy that we are trying to get rid of and then we have the TMC just around the corner.

BA: So the secretaries and PA's generally make the bookings?

AR: Most individuals book their own travel, some people will phone and say I need to go to CT on this date so find me a hotel. They make the booking and send the email through, confirming the booking.

BL: In that process is there a process of approval at the time of booking?

AR: No, the TMC will send me back a note saying Alan you are flying on this date and staying at that hotel and you are flying back on tat date. They then require

me to confirm the acceptance of that by a paper approval process –the direct manager must approve the booking with his signature. The problem is that this might take up to 5 days to get signature for travel. Only when they have received the form with the manager's signature on, will they confirm the booking.

BL: It seems to me that the whole process of approval is very much a matter of integrity and trusting the integrity of the traveller and supervisor?

AR: Yes, but if the manager sees that a line item wasn't approved, the traveller will not be reimbursed. If there is a health and safety emergency and the guys have to get on a plane immediately now in those cases the entire process will fall apart, because nothing is more important than health and safety. It does rely on integrity but there are some checks and balances in place. Five percent of travellers are going to buck the system in any case so why create a laborious process for 95 % of the travellers that comply.

BL: Do you think unnecessary travel occurs, in other words that people travel to get away from home?

AR: I think possibly you might get a new kid on the block who might try to manufacture a trip but because of the approval system that doesn't really happen.

AD: How do you communicate the travel policy to your travellers?

AR: Just on the Internet and we educate small forums of people. If you have a manual policy no one reads it.

BA: Do you have a feedback system in any format where travellers can say if anything worries them about travel or anything that they would like to change or that they feel are uncomfortable about travel?

AR: The biggest complaint is getting people to travel in non-business hours. It is an Old school vs. new school scenario. Older travellers are more likely to comply. That is the big issue. I don't want to stay in a cheap hotel, because travelling is disrupting my life. Our problem is that we have too much money. Travellers are saying why do I need to save my company money if they are making so much money and have such an enormous travel budget. The other issue is that our travellers are all members of incentive programmes.

BL: Do the miles accrue to them personally?

AR: Yes and this is a reason for non-compliance. BUT we don't give them a choice anymore. We used to give them a choice if the difference was less than 500 bucks on a ticket but now, the cheapest most direct route gets preference.

BA: What is your policy on low cost airlines?

AR: Students and contractors fly with the low cost airlines. Ignorance leads to non-compliance. I don't want to fly Kulula because they are a low cost airline and unsafe. We do not fly Mango and OneTime because they do not allow changes to bookings. Our travellers are very undisciplined. If they miss the flight they will just take a later flight.

BL: Do you see a difference in the different age groups; that the older guys are more disciplined than the younger guys?

AR: Yes, definitely.

AD: Do you think that there is a difference between frequent and less frequent travellers. So that the frequent travellers are less compliant than the less frequent travellers?

AR: Yes, because frequent travellers know how to buck the system.
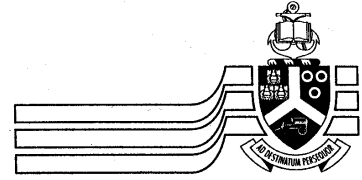
BL: Thank you Alan, you have given us a lot of valuable information, we appreciate your time.

APPENDIX E

- CORRESPONDENCE WITH ORGANISATIONS -

Dear Colleague

Based on the results of the successful corporate travel management survey conducted in South Africa in 2002, and repeated in 2004, the Department of Tourism Management at the University of Pretoria developed a model to manage corporate travel more effectively. The University is now expanding on this research by testing one very important component of this model, namely travel policy compliance. We are proud to say that South Africa is a leader in this particular research field.

We need your expert opinion on what influences travel policy compliance. This will ensure that the questionnaire to be distributed to corporate travellers throughout South Africa adequately covers all factors that may influence compliance.

Your contribution is required for two rounds. In the first round we would like you to give your opinion on all the factors that you feel may influence compliance. This should take approximately **20 minutes** to complete. We then consolidate the opinions of all the respondents and return this to you for a second round. **Your individual response remains confidential.** In this round you may agree or disagree with your colleagues. This should take no longer than **10 minutes** to complete.

In asking you to respond with your views I realise that 30 minutes of your time is no small request in your busy day. However, your response will ensure that the survey achieves its main aim of improving corporate travel policy compliance in companies. We would like to urge you to please respond to this email before **28 September 2007**. We can assure you that you will benefit from the results of this survey, as **all respondents will receive a complementary executive summary of the final report.**

Through a comprehensive review of the literature and current research on travel policy compliance globally, we have determined that factors ranging from personal morality to corporate culture and travel policy restrictions influence compliance. However, we need to ensure that we take your views into consideration. Please provide **your opinion** of all the factors that you see as having an influence on compliance **as comprehensively as possible**. You may list the factors or describe them in sentence form. Please do this as a reply to this email or forward to the following address: anneli.douglas@up.ac.za.

For further clarity and information, we attach a document explaining the research process.

Please feel free to contact me with any queries or problems.

We thank you for your kind co-operation.

Prof Berendien Lubbe
Professor

Department of Tourism Management,
University of Pretoria
South Africa
Tel: 27 12 420-4102
Fax: 27 12 420-3349
Cell: 0824521743

Dear

I would like to thank you for your cooperation thus far in this important study. We have reached the stage where the questionnaire must be distributed to your corporate travellers (unfortunately later than what we originally envisaged). As discussed, the questionnaire is in a web format and will only take your travellers approximately 10 minutes to complete. I would like to urge you to motivate all your travellers to complete the questionnaire, as the more travellers that respond, the better the final results will be and the greater the benefit that you will gain from the study.

I realise that this is a very difficult time of the year and that most of your travellers might already be on leave but would like to distribute the questionnaire none the less, believing that we will get some responses. The questionnaire will remain open on the University of Pretoria website until the 31st of January, to allow enough time for responses. I will send out an email in the middle of January again, reminding and encouraging the travellers to complete the questionnaire.

I would like to suggest that you distribute the link to the questionnaire via an email to all your travellers. The questionnaire is hosted on the University of Pretoria website and therefore the traveller and the company from which respondents reply remains anonymous.

For your convenience, I have compiled a letter that may serve the purpose of a cover letter for distributing the questionnaire to your travellers. However, this is merely a suggestion. The letter reads:

"Dear Corporate Traveller

The University of Pretoria, together with a number of companies is conducting research into the travel needs of corporate travellers. We at BP have decided to participate in this very important study and would like to request you, as a corporate traveller, to respond to the questionnaire hosted on the University of Pretoria website (http://online.up.ac.za/surveys/fillsurvey.php?sid=2)

Please be assured that neither you nor our company can be identified, giving you the opportunity to voice your honest opinion. We would like to urge you to complete the questionnaire which should not take more than 10 minutes. The deadline for responses is 31 January 2008. For the study to achieve its purpose, your participation is essential.

If you agree to take part in the study please click on the link provided below.
http://online.up.ac.za/surveys/fillsurvey.php?sid=2

The link will take you to the questionnaire which is hosted on the University of Pretoria website. When you have completed the questionnaire, click the submit button at the end of the questionnaire.

Thank you for your time and participation in this study"

Thank you once again for your cooperation and support, it is much appreciated.

Kind Regards
Anneli Douglas

Department of Tourism Management,
University of Pretoria
South Africa
Tel: 27 12 420-4073
Fax: 27 12 420-3349
Cell: 082 497 4870
Dear

We have received a number of responses to our Corporate Travel Policy Compliance Questionnaire and we greatly appreciate your travellers' cooperation. Your travellers' responses will ensure that the survey achieves its main aim of improving the travel policy compliance rate in your company. We would like to request you to urge those travellers who have not yet responded to please do so before the end of January. As discussed, the questionnaire is in a web format and will only take your travellers approximately 10 minutes to complete. The questionnaire is hosted on the University of Pretoria website and therefore the traveller and the company from which respondents reply remains anonymous. We can assure you that you will benefit from the results of this survey.

For your convenience, I have compiled a note that may serve the purpose of a reminder to your travellers. However, this is merely a suggestion. The note reads:

"Dear Corporate Traveller

The University of Pretoria, together with a number of companies is conducting research into the travel needs of corporate travellers. We at Swiss Re have decided to participate in this very important study and would like to request you, as a corporate traveller, to respond to the questionnaire hosted on the University of Pretoria website (http://online.up.ac.za/surveys/fillsurvey.php?sid=2), if you have not done so already.

Please be assured that neither you nor our company can be identified, giving you the opportunity to voice your honest opinion. We would like to urge you to complete the questionnaire which should not take more than 10 minutes. The deadline for responses is 31 January 2008. For the study to achieve its purpose, your participation is essential.

If you agree to take part in the study please click on the link provided below.
http://online.up.ac.za/surveys/fillsurvey.php?sid=2

The link will take you to the questionnaire which is hosted on the University of Pretoria website. When you have completed the questionnaire, click the submit button at the end of the questionnaire.

Thank you for your time and participation in this study."

If you have distributed the questionnaire together with the reminder to your travellers, would you please be so kind as to confirm your participation with an email to this address, so that we could send you a copy of the executive summary.

Thank you once again for your kind cooperation.

Kind Regards

Anneli Douglas

Department of Tourism Management,
University of Pretoria
South Africa
Tel: 27 12 420-4073
Fax: 27 12 420-3349
Cell: 082 497 4870

Dear

We have received 102 responses to our Corporate Travel Policy Compliance Questionnaire and we greatly appreciate your travellers' cooperation. Unfortunately we need a minimum of 200 questionnaires in order to draw reliable statistical inferences from the data. Therefore, we desperately need more responses so that the survey achieves its main aim of improving the travel policy compliance rate in your company.

Please would you be so kind as to send a final reminder to your travellers, urging them to respond to the questionnaire as soon as possible. To acquire more responses the website will now remain open until the 15 February 2008.

For your convenience, I have compiled a note that may serve the purpose of a final reminder to your travellers. However, this is merely a suggestion. The note reads:

"Dear Corporate Traveller

This is your final chance to have your say and voice your honest opinion!

The University of Pretoria has decided to extend the deadline for their survey on the needs of corporate travellers. This will allow you more time to give your valuable input by completing the survey. Please take 10 minutes to respond to the survey hosted on the University of Pretoria website (http://online.up.ac.za/surveys/fillsurvey.php?sid=2), if you have not done so already.

Be assured once again that neither you nor our company can be identified, giving you the opportunity to voice your honest opinion. The deadline for responses is now the 15 February 2008. For the study to achieve its purpose, your participation is essential.

If you agree to take part in the study please click on the link provided below.
http://online.up.ac.za/surveys/fillsurvey.php?sid=2

The link will take you to the questionnaire which is hosted on the University of Pretoria website. When you have completed the questionnaire, click the submit button at the end of the questionnaire.

Thank you for your time and participation in this study."

We have also contacted a number of other companies to participate in the research so hopefully this last effort will render sufficient responses!

Thank you once again for your kind cooperation.

Kind Regards

Anneli Douglas
Department of Tourism Management,
University of Pretoria
South Africa
Tel: 27 12 420-4073
Fax: 27 12 420-3349
082 497 4870

APPENDIX F

- CORPORATE TRAVELLER QUESTIONNAIRE -

Introductory letter and consent form for participation in a research study

University of Pretoria

The Department of Tourism Management, Faculty of Economic and Management Sciences, University of Pretoria.

RESEARCH ON FACTORS THAT MIGHT INFLUENCE A CORPORATE TRAVELLER'S COMPLIANCE WITH THE CORPORATE TRAVEL POLICY

Description of the research

You are invited to participate in a research study conducted by Anneli Douglas under the direction of Prof. Berendien Lubbe of the Department of Tourism Management, Faculty of Economic and Management Sciences, University of Pretoria.

The purpose of the study is to investigate the factors that might influence a corporate traveller's compliance with the corporate travel policy.

Protection of confidentiality and voluntary participation

We wish to assure you that all information we receive will remain confidential and that your participation will remain anonymous. Your contribution to this study is extremely important to ensure the success of the project. Your participation in this research study is, however, voluntary. You may choose not to participate and you may withdraw your consent to participate at any time. You will not be penalized in any way should you decide to withdraw from this study.

Your participation

The questionnaire has been structured in such a way that it facilitates quick and easy completion and it should only take you 10 minutes to complete. Your task is to answer the questions as accurately and truthfully as possible. There are no correct answers.

Potential benefits

Once the data has been analyzed, summary findings will be presented to participating companies, with recommendations on how to respond to the results. In this way, your contribution to the research should benefit you and your company in future. The value and outcome of the research depends on your willingness to take part in this project.

Contact information

If you have any questions or concerns regarding this study or if you encounter any problems, please contact:
* Professor Berendien Lubbe at 012- 420 4102; e-mail berendien.lubbe@up.ac.za.
* A. Douglas: (w) 012- 420 4073, cell: 0824974870, fax: 012-4203349 or e-mail:anneli.douglas@up.ac.za.

Yours faithfully
Miss A. Douglas
Researcher

I have read the consent form and have been given the opportunity to ask questions. I am prepared to willingly participate in this study (Please tick in the shaded box).

Yes	

Dear respondent

Please answer all the questions. There are no right or wrong answers. Your data will automatically be submitted to a spreadsheet, where any method of personal identification is impossible. Therefore, we guarantee you full confidentiality and anonymity.

1. Approximately how many business trips have you made domestically / internationally (including Africa) on behalf of your organisation **during the past 12 months?**

Domestic	_____**Times**
International (including Africa)	_____**Times**

2. In total, approximately how many days in a year are you away from home on business trips?

_____ **Days**

3. On average, how long (number of days) is your typical business trip?

Domestic	_____**Days**
International (including Africa)	_____**Days**

4. Who is **MAINLY** (Choose only **ONE** option) responsible for making your travel reservations when you travel for business purposes?

Myself	
My secretary/personal assistant	
A specifically allocated person in each office	
A central travel department for the whole organisation	
Other (please specify)	

5   Is the travel management function in your organisation part of:

A corporate travel department	
The procurement/purchasing function	
The financial function	
No travel management function	
I do not know	
Other (please specify)	

6. Does your organisation have a(n):

Corporate self-booking tool	
In-house travel agent	
Outside travel agent / s	
Other (please specify)	

7. Are **your** business travel arrangements made **MAINLY** through:

The organisation's own corporate-self booking tool	
An in-house travel agent	
An outside travel agent/s	
Directly on the internet (Any other supplier or agent)	

8. What type of travel policy do you think your organisation has?

High control (Prescriptive and mandatory)	
Medium control	
Low control (Informal guidelines, to be followed when possible)	
I do not know	

9. What is the **MAIN** form of communication of the travel policy to employees?

Online accessibility	
Regular memorandums	
Single written document	
Word of mouth	
No communication	
I do not know	

10. How well do you generally understand the travel policy of your organisation?

Very well	
More or less	
Not at all	

11. How do you think your organisation should distribute the loyalty card points you have earned for business travel?

For the traveller's personal use	
For travel on behalf of the organisation	
The organisation can use it as they like	
A split between organisation use and personal use	

12. Overall, how would you rate your organisation's travel policy?

Fair	
More fair than unfair	
Neutral	
More unfair than fair	
Unfair	

13. Do you experience problems in general in complying with the travel policy?

All of the time	
Most of the time	
Some of the time	
Rarely	
Never	

14. I find it difficult to comply with the travel policy in the area of

	Never	Rarely	Some of the time	Most of the time	All of the time	No policy guidelines
Class of air travel						
Choice of airline						
Choice of accommodation establishment						
Choice of car rental company						
Type of car						
Meals and entertainment						
Travel approval procedures						
Other (Please specify)						

15. Indicate your opinion on how the possible reasons for non-compliance may apply to you.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
Last-minute airline bookings, because of Inflexible business schedules.							
Last-minute accommodation bookings, because of inflexible business schedules.							
Policy does not seem to meet my travel needs.							
I prefer to use airlines where I am a loyalty card holder.							
Lack of communication on correct travel procedures.							
Policy not easily understood.							
Policy is vague.							
I have unknowingly infringed the travel policy (for example, not using the preferred supplier).							
I sometimes break the rules of the corporate travel policy to save my organisation money.							
Policy not easily accessible.							
I cannot always comply with the travel policy when my trip details change while I am on the trip.							
The airline stipulated in the travel policy does not always have seats available.							
The accommodation establishment stipulated in the travel policy does not always have rooms available.							
Because management does not comply with the travel policy, I feel I do not always want to comply with the travel policy.							
Unfair travel policy. All travellers are not allowed the same treatment.							
Other, please specify							

16. What is your approximate percentage (%) of **COMPLIANCE** with the travel policy? (A percentage between 0 % = never comply to 100 % = always comply)

	%

17. Indicate the extent to which you agree with the following statement.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
I believe travellers in my organisation are generally policy compliant.							

18. I would describe my organisation as:

Entrepreneurial (Informal and employee oriented)	
Neither entrepreneurial nor bureaucratic	
Bureaucratic (Formal and organisation oriented)	

At this stage of the questionnaire it is important to remind you that your responses will remain strictly confidential. There is no way that you could be identified by your responses. This is your chance to be honest and have your say!

19. Please indicate the extent to which you agree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
Managers in my organisation often engage in behaviours that I consider as being **unethical**.							
In order to succeed in my organisation, it is often necessary to compromise one's ethics.							
Top management in my organisation has let it be known in no uncertain terms that **unethical** behaviours will not be tolerated.							
If a manager in my organisation is discovered to have engaged in **unethical** behaviour that results primarily in personal gain (rather than corporate gain), he or she will be promptly reprimanded.							
If a manager in my organisation is discovered to have engaged in **unethical** behaviour that results primarily in corporate gain (rather than personal gain), he or she will be promptly reprimanded.							

20. Please indicate the extent to which you agree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
I sometimes break the rules of the corporate travel policy because I believe that my organisation owes me extra compensation for the time and hassle involved with business travel.							
I sometimes break the rules of the corporate travel policy because I have been treated inequitably by my organisation.							
Because management does not comply with the travel policy, I feel I also do not need to comply with the travel policy.							
The travel policy is unfair. All travellers are not allowed the same treatment.							
I sometimes feel that my organisation is insensitive to my safety needs when I travel for business purposes.							
Cost saving seems more important than traveller convenience.							
Corporate agreements with specific suppliers appear to be more important than personal loyalty cards.							

21. Please indicate the extent to which you agree with the following statements.

	Never	Rarely	Some of the time	Most of the time	All of the time
I have to complete a comprehensive travel requisition form when I travel for business purposes.					
I have to get pre-trip approval before undertaking any business trip.					
When returning from a business trip I have to submit details of my trip for post-trip reviews.					
I tend to travel out of policy (not according to policy stipulations) because there is very little control of the travel process.					
My travel agent informs me when I make a booking that is out of policy.					
My travel agent will not make a booking when it is out of policy.					

22. Please indicate the extent to which you agree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
In my job I sometimes compromise my beliefs to do my job the way the organisation wants me to do it.							
Sometimes I report only part of the truth to my boss.							
Sometimes I have to alter things (documents, time cards etc) in order to please my organisation.							
Sometimes I have to break organisation policy to do what is necessary.							
Sometimes I say one thing even though I know I must do something else.							
Sometimes I claim to have done something I have not.							

23. Please indicate the extent to which you agree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
In order to present a degree of status to business colleagues, it is important to fly business class, even if it is out of policy.							
I sometimes break the rules of the corporate travel policy because it benefits me to do so.							
I will disregard organisation travel policies to stay in the hotels I prefer.							
I will disregard organisation travel policies to fly with the airlines I prefer.							
I will disregard organisation travel policies to hire the vehicle I prefer.							

24. Rate your level of satisfaction with the service providers as prescribed in your travel policy.

	Dissatisfied	Not that satisfied	Neutral	Satisfied	Very satisfied
Accommodation providers					
Airlines					
Car rental companies					

25. Please indicate the importance, to you **personally**, of each of the following factors when **travelling longer distances by air** on behalf of your organisation.

	Unimportant	Not that important	Neutral	Important	Very important
Comfort of airline seat					
Price of airfare					
In-flight entertainment and meals					
Overall service					
On time performance					
Lounge facilities					
Safety					
Loyalty programmes					
Own choice of airline					

26. Please indicate how important the following factors are to you **personally** with regard to **accommodation establishments** when travelling on behalf of your organisation.

	Unimportant	Not that important	Neutral	Important	Very important
Price					
Service					
Location					
Safety					
Facilities					
Comfort					
Aesthetic appeal					
Loyalty Programmes					
Own choice of accommodation establishment					

27. To what extent do you agree with the following statements with regard to your **level of satisfaction with your job?**

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
I am satisfied with my promotion opportunities.							
I am satisfied with the recognition I receive for a job well done.							
I am satisfied with the amount of say I have in how my work is done.							
I am satisfied with my job security.							

28. **In terms of my life in general** I would describe myself as:

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
Satisfied							
In control of my life							
An extrovert							
Optimistic							
Someone with a high self-esteem							

29. Indicate the extent to which you agree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
I do not like it when someone tells me what to do.							
I like to see how far I can push the boundaries.							
I believe what is not stipulated is allowed.							
I do not believe I harm my organisation when I miss my flight and simply take a later flight.							
In my organisation there are clearly defined consequences to various levels of non-compliance (for example an employee who repeatedly infringes the policy deliberately will be dismissed).							
In the past, my company has made an example of a non-compliant traveller.							

30. Is your organisation in the

Private sector	
Government sector	
Other (Please specify)	

31. Do you reside in:

South Africa	
Europe	
Other, please specify	

32. What is your position in the company?

Top Management	
Middle Management	
Junior Management / Supervisor	
Employee (Other)	

33. What is your marital status? *Our aim with the question is to determine whether there is a significant difference in the travelling needs of corporate travellers who are in different stages of the lifecycle.*

Single	
Married/Cohabiting with no children	
Married/Cohabiting with children	
Divorced	
Widowed	

34. What is your gender?

Male	
Female	

35. How many years have you been an employee of the company? *This question is asked to determine whether the needs of employees differ according to the number of years they have been employed at the company.*

_____ **Years**

36. What is your age?

_____ **Years**

Thank you for completing the survey.
We appreciate your assistance.