

case study

A High Wire Act: Balancing guest, employee, and organizational perspectives concerning marijuana use in the hospitality industry

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Introduction

There is a growing concern globally that the war on drugs has failed despite the presence of international and domestic policies that are in place and intended to fight the illegal drug trade as well as discourage the production and consumption of such drugs. The Global Commission on Drug Policy issued a detailed report that concluded that the fight against illegal drugs has led to devastating consequences for both communities and individuals (Shani, 2016). The commission recommended that there should be a more humane policy backed by scientific evidence, human rights standards, and public health principles to address the issue of illegal drug use. Additionally, the commission advised that governments stop criminalizing those found in possession of illegal drugs and instead impose compulsory drug rehabilitation. However, with the legalization of marijuana, the scape of the once illegal drug industry is changing, and there are myriad professional and personal implications for the hospitality industry, its workers, and guests.

As with the end of any prohibition, a variety of industries can take advantage of the new opportunity to expand their businesses. In this case, an end to the marijuana prohibition in certain states has fostered many businesses, hospitality included, to open themselves to incorporating the product into their business model, becoming marijuana inclusive. One such avenue has been bed and breakfast style lodging properties that not only allow smoking on premise, but actually provide the product to the guest (Wells, 2017). While the final economic impact of marijuana legalization is still unclear, what is clear is that it has a great potential to bring new dollars into a local economy.

While providing an economic boon, it also comes with some challenges for all purveyors of marijuana. Particular to the hotel industry are the challenges in balancing, on one hand, the new-found freedom for customers to imbibe on the property with, on the other hand, (1) finding qualified employees who desire to work in a marijuana inclusive property, (2) creating and enforcing policies ensuring that guests and employees stay safe, and (3) creating and enforcing policies that provide clear guidance with regards to employee use of marijuana. Further challenges are derived from the legal aspect of being involved in the marijuana industry: (1) use and organizational liability in all its

forms and (2) the discrepancy between state and federal law with its implications for banking.

Social Availability Theory

The prevalence of marijuana use in the hospitality industry by employees has been attributed to its availability (Kang, O'Leary, & Miller, 2016). Based on the theories of availability, it has been suggested that physical and social availability of a drug increases the rate of its usage (Belhassen, 2012). In the hospitality context, social availability refers to the normative support of the use of the substance in the social environment surrounding the users. The culture of marijuana use has become tolerated and even acceptable across a variety of hospitality industry cultures. Marijuana use is not only an issue of concern in the U.S. but also in other parts of the world. For instance, in his study of drug use, Belhassen (2012) found that hotel workers in Eilat, Israel, similarly lead the pack in drug use. Belhassen wrote that certain realities of the hospitality industry foster abnormal behavior and that coupled with the legalization of marijuana has led to an increase in the prevalence of cannabis use among hospitality employees domestically and internationally.

Social availability theory pertains to the current case study in that one of the challenges facing the hotel industry as some properties move towards more marijuana inclusive policies, is how to protect their employees and guests. As employees are more regularly and routinely exposed to marijuana there is the distinct possibility that more of them will try it and even become regular users. The industry must then take steps and create policies to ensure that employees are not imbibing on the job nor do their activities outside of work impair their ability to perform their duties at the requisite levels while at work.

Work as a Calling Theory

A major tenet of the hospitality industry is the emphasis on serving others. Working in the hospitality industry affords its constituents the ability to derive pleasure and meaning from providing others with memorable experiences in addition to a place to find respite and sustenance. The idea of a work as a calling underpins this notion, as a vital component of the theory is the "the pursuit and experience of purpose and meaning" in one's line of work (Duffy, Dik, Douglass, England, & Velez, 2018, p. 427). If a hospitality employee views herself as having a calling, it implies that working in the hospitality industry, in part, offers some type of meaning in her life or allows her to express her purpose (Duffy et al., 2018). In the case of serving a substance like marijuana

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in the hospitality setting, work as a calling may serve to hinder or aid in one's desire to work in the field. There have been numerous reports touting the medicinal properties of utilizing marijuana (Benbadis et al., 2014). However, calling and career commitment have also been strongly linked (Duffy et al., 2018). The more aligned someone's job is with their calling, the more likely they are to remain in that field. The dilemma regarding a place that sells or offers marijuana is that if someone views the hospitality industry as her called career, she may not see the value in working at a place like the Bud + Breakfast as it may limit or even hinder upward career mobility due to the current political and legal stigma surrounding the substance. Given this potential for lack of alignment between the employee's internal calling, and the service of marijuana at an establishment such as Bud + Breakfast, it may make recruiting highly qualified employees more challenging.

The Bud + Breakfast Case Study

Joel Schneider practiced law for 30 years before he decided to pursue his passion, running a 'Bud+Breakfast' property in Colorado. Schneider is a marijuana smoker and advocate. When he had previously traveled to Colorado, he was forced to hide in the bathroom in order to consume the product. When Colorado passed legislation that legalized recreational marijuana use, Schneider capitalized on the opportunity and opened a cannabis-friendly hotel. Schneider's 'B+B' is one of the properties in Colorado that accommodates cannabis enthusiasts over the age of 21. CASH INBIS TV named him one of the most successful businesspersons in the hospitality industry in Colorado (Wells, 2017).

Because Schneider's 'B+B' is first and foremost a lodging operation, he needed qualified staff to operate it, like any other property. This presented him with one of his first challenges, sourcing and recruiting competent, qualified staff. Once he did find and hire staff, it was very difficult to retain them as he found that many of them would partake of marijuana while on the job. He realized that the workers he was attracting were those that were users of marijuana, and that they were either coming to work impaired, or using while on the job, which was hampering their ability to perform their duties (Wells, 2017).

Schneider received reports and complaints from guests that employees were regularly spending their free-time staying up very late into the night consuming alcohol and marijuana. They were not only disturbing the guests during those hours, but then were not prepared to work effectively the next day. Even though these customers were on that property because of its marijuana theme, they still had certain expectations regarding the professional manner of the staff, and the commensurate discharging of their duties. As a result, Schneider took the extreme action of dismissing his entire staff. He had just experienced one of the major downsides of operating a marijuana themed property. How could he effectively manage employee versus guest use of the substance? How could he ensure that his employees were

diligently executing their duties?

This reality was further exacerbated by his initial intention of operating a 'bud bar' within the property where guests could partake in 'free' marijuana, prepared by the staff. As discussed in the social availability theory, the increased contact with the substance may lead to increased use of it. This seemed to be born out in this setting, as Schneider noted that it was during these times at the 'bud bar' that employees would consume the product as well. This consumption thus hampered their abilities to discharge their other duties within the property.

Additionally, Schneider found himself on the wrong side of the law when he was cited by local law enforcement for selling drugs without a license. These two significant challenges made Schneider regret making his company public to raise money only for it to be delisted later (Wells, 2017). However, he survived these challenges. Despite working with employees who consume marijuana, he had repeat customers who come to enjoy cannabis in a social setting. Schneider found that cannabis use among his employees was high, and had led to on the job injury as well as consumer dissatisfaction, both of which cost him financially. He further acknowledged that this was an issue with which needed to be dealt. The main issue is that policies are: not in place, not effectively communicated, and/or not effectively enforced (Wells, 2017).

Case Study Analysis

Marijuana and the Organization Opportunities

Revenue and Differentiation

As business organizations exist to make a profit, it follows that they would continually look for opportunities to increase their profit margins as well as their bottom line in actual dollars. The legalization of recreational marijuana in certain states has provided just such an opportunity. While this opportunity does not come without its own set of challenges, there is little doubt that it brings great potential for revenue. These opportunities come in a variety of avenues.

A mainstream lodging operation could differentiate itself from its competitors by modifying its smoking policies, at minimum, to allow for the consumption of marijuana in specially designated smoking rooms. This would provide opportunity for guests to consume the product in a very unobtrusive manner as it would have minimal impact on the other guests in the facility. This type of differentiation could allow for an increase in occupancy by providing a service not available in other properties and thus attracting additional clientele.

A second avenue for differentiation and added revenue would be to incorporate the sale of the marijuana and associated products in a lounge or café. This consumption would be more conspicuous than the previously mentioned alternative, but would also provide opportunity for an additional revenue stream as well as additional occupancy. This alternative would come with additional legal and policy issues. With

proper placement of the lounge, and policies prohibiting consumption in public spaces outside the lounge, this too would have only a minor impact on guests wishing not to be exposed to the product.

The final avenue would be to fully embrace the marijuana culture as in Bud+Breakfast. The sale and consumption of marijuana would be highly conspicuous and would most certainly only attract those consumers desiring an immersive experience. This alternative would undoubtedly come with the most challenges and legal issues. However, it would also be the most differentiated, catering to a niche market, and perhaps commanding a commensurately high room rate.

Challenges

Hiring Employees

Research indicates that the number of workers in the hospitality industry involved in the consumption of marijuana is on the rise, with Colorado leading the way (Blakinger, 2018). This rise poses a dilemma for the hospitality industry, as having competent employees is crucial to the industry. Generally, hospitality employees are essential in ensuring guest satisfaction and quality of services (Kaminski, Kitterlin-Lynch, Cain, & Beckman, 2019). It is a fairly universal issue within any hospitality organization to find and recruit talented employees. For a marijuana inclusive property this may become an even greater challenge.

Managers and owners of marijuana inclusive properties must still provide an excellent product to their customers, which, in the case of a hotel, is not just the room, but the service as well. While the company will want employees that are able to represent the marijuana friendliness ideal espoused by the organization, it will also need those employees to discharge their duties competently and professionally. This necessitates hiring well-qualified and talented employees, which can be challenging given that many of the potential employees will certainly see this more as a marijuana job than as a hospitality job. Identifying those employees with the proper balance has been challenging as demonstrated by the 'Bud+Breakfast' property (Wells, 2017). The complimentary side of this issue that of the employee perspective in working in a marijuana friendly establishment, will be discussed in the employee perspective section.

The Employee and Policy

The legalization of medicinal and recreational marijuana has led some hotels to capitalize on the opportunity. However, the lack of a precise balance between workplace safety and marijuana use, particularly among hotel employees is a significant challenge. Kitterlin et al. (2015), studied substance abuse among foodservice employees through in-depth interviews with 30 employees. The researchers found that the participants believed that there was an increase in the use of marijuana among employees both on and off the job. The participants further reported that they believed the reason behind this increase in the use

of marijuana among hotel employees is the lack of regulations and substance abuse prevention measures in their workplaces. In a separate research project, it was demonstrated that the consumption of marijuana in the hotel industry, particularly in states that have legalized it, is on the rise because of peer influence (Pepin, Hoss, Schauer, & Holmes, 2016). When they are recruited, some of the workers are not users of the substance, but began partaking at some point during their employment. The hotel industry provides conditions that arguably cultivate undesirable behaviors. To address this issue, it is imperative to shift the focus from workers' personalities and dispositions to a supplementary approach, which considers the influence of broader working conditions that trigger the behavior (Kaminski et al., 2019). The influence of on the job marijuana use among hotel workers is evident and ranges from abnormal behavior to workplace injury as well as economic loss. Identifying ways to combat this behavior will be paramount for future success of the marijuana inclusive hotel industry.

The hospitality industry requires a high level of employee commitment, including emotional and physical labor as a way of enhancing employee-client interactions (Kaminski et al., 2019). Workers are expected to directly identify with the organization, which implies that they should take the organizational activities to heart. For workers to truly identify themselves with the organization, the mission and vision should not only be reflected in the uniforms they wear but also in their professional language and general behavior. As such, an employee in the hospitality industry, particularly in states where marijuana consumption is legalized, may take the lead in interacting with the marijuana product. In some cases, similar to a sommelier tasting wine, a server of marijuana within a hospitality organization may need to sample the product in order to provide appropriate information and recommendations to their customers. This activity combined with the need and desire to align themselves with the organization and its offerings, may in fact lead to higher levels of marijuana consumption among hospitality employees.

According to Kitterlin et al. (2015), marijuana use in the hospitality industry may be on the rise because employees in the industry are not educated concerning the organizational policies regarding use of marijuana both on and off the job. Taking one regressive step, many company policies have not been updated to reflect marijuana's state legal status. This sentiment was echoed by King (2017) when participants indicated that they believed the policies in place were weak. As such, many policies in place are out of date, and therefore not disseminated nor enforced, causing confusion among employees and management alike. In an interview with participants, the researchers found that in the hospitality industry, workers were aware of the policies on drug use, but they were not aware of whether the policy was being enforced in their workplace. The responsibility for the health and wellbeing of the employee sits squarely on the shoulders of the

organization to write, disseminate, and enforce updated policies regarding marijuana use both on and off the job (Kitterlin, 2015).

Some researchers are concerned that hospitality employees are over-indulging in recreational marijuana, and may be suffering unwanted consequences (Pizam, 2012). In Colorado, the use of medical marijuana was legalized in 2010 and its recreational use was legalized in 2014 (Fox, 2018). A more recent survey in the U.S. and Australia indicates that hospitality workers, particularly those in the sector of food service use recreational marijuana at a higher rate compared to other occupational groups and the general population (Shani, 2016). Substance use among hospitality workers today appears to be the norm which can translate into legal and financial issues for industry operators. One such issue is expressed by safety professionals and employers as the potential for an increase in occupational injuries related to employee impairment (Gordon, Conley, & Gordon, 2013). The likelihood of injuring oneself or others increases when an individual is impaired (Fox, 2018). In addition to getting hurt on the job due to being impaired by substances like marijuana, as articulated by Gordon, Conley, and Gordon (2013), marijuana use can lead to health problems and this too occurred at the B+B when some employees incurred personal injury due to impairment caused by the use of marijuana while on duty. From Schneider's point of view as an employer in the hospitality industry, the hazards of substance use by the employees were manifested as increased accidents at the workplace.

In addition to the safety issues, cannabis consumption may impair workers' ability to serve and satisfy hospitality guests. According to Belhassen (2012), employers in the hospitality industry have complained about increased absenteeism, lower productivity, and greater staff turnover. The complaints are high in cities that have legalized the use of marijuana such as the District of Columbia and Colorado, among others. Without proper policy and educational practices, this issue is likely to continue to present a problem for the industry.

Challenges with The Guest

This new opportunity to offer lodging properties that are marijuana friendly provides an economic opportunity to those operators willing to navigate the challenges to become successful. One of those challenges is the guest. While some guests will gravitate towards these types of properties, others will ardently avoid them. The reality is that a property like Bud+Breakfast is a niche offering. In an establishment where marijuana is not just allowed, but is a central theme, the market is necessarily limited to those individuals who want to partake. It is unlikely that Bud+Breakfast would market to families or the business traveler as those two demographics are incongruous with this type of establishment. So, while there is certainly a market, it is very narrow in scope.

There may be less of an issue marketing a property that is merely marijuana inclusive, versus marijuana themed. In the former, the poli-

cies of the property may allow the guest to imbibe in a controlled, limited setting so as to minimize the impact on other guests. This may be less intrusive and thus allow for a greater breadth in marketing to both the marijuana consumer a non-consumer.

Legal Challenges

Based on the case study, there is a challenge because of the laws that legalize the use of marijuana either for medicinal or recreational purposes. In the state of Colorado, marijuana production, distribution, and consumption for medicinal and recreational purposes became legal in January 2014. This was the start of the hotel industry began taking advantage of selling it as 'flower' as well as in edible form. However, based on federal law, the consumption of marijuana in any form remains illegal.

When Schneider opened his business in Colorado, he was very hopeful that he would utilize the opportunity of the state law to sell marijuana in his hotel. Schneider made the decision to take his company public. However, this was not to last, as he was charged with selling marijuana without a license at the federal level. Schneider's business was deregistered based on federal law even though he was not breaking state law. One of the major issues that surround marijuana legalization in Colorado is that in the U.S., the federal government controls all banking. The federal government still views marijuana consumption as an illegal and harmful drug and prohibits a banking institution from operating an account for this business (Sigala, 2017). This means that a business selling recreational or medical marijuana cannot accept personal checks or credit cards. All monetary exchange involving the sale of marijuana must be done in cash (Sigala, 2017). For the Schneider case, the cost of marijuana was included in the total cost of accommodation, but this was not enough to preclude him from the banking laws concerning the sale of marijuana.

Marijuana from an Employee Perspective

For many people finding work that 'speaks' to them to be more satisfying. Through a review of literature, Dik and Duffy (2009) crafted a definition of calling as, "a transcendent summons, experienced as originating beyond the self, to approach a particular life role (in this case work) in a manner oriented toward demonstrating or deriving a sense of purpose or meaningfulness and that holds other-oriented values and goals as primary sources of motivation" (p. 427). Some in the hospitality industry find themselves 'called' to do this work. For those individuals who are called to create their career in the industry and not just in the business for a paycheck, reputation and career progression may play an important part in the companies with whom they choose to associate. Would such an employee view working in a marijuana oriented property as a positive or negative step in their career advancement? Might they be concerned about what judgement a hiring manager in a more traditional brand might make upon seeing a stop in a boutique marijuana property on their resume? Could this

then cause well-qualified potential employees to go elsewhere?

Potential employees may also forgo working in a marijuana oriented establishment for the same reasons some servers and bartenders might avoid working in an establishment that allows tobacco smoking...second hand smoke. It is conceivable that potential employees may shy away from engaging with these types of properties because they do not like marijuana, or at the least, do not want to passively consume it or be exposed to it.

Yet, there is another perspective based on calling. There are those individuals for whom their calling is to work in the marijuana industry in one form or fashion, be it retail, restaurants, lodging, health and wellness or something else. This type of marijuana advocate may be a perfect match for the retail segment, but if their focus is marijuana and not hospitality are they a good fit for the lodging industry? Maybe they are a good marijuana sommelier, but are they a good front desk agent?

Marijuana from a Guest Perspective

The legalization of marijuana in many U.S. states and other countries of the world is not without potential danger to employees, employers, and the hospitality industry at large. In reference to the case study, Schneider complained about the loss of revenue due to the bad reputation caused by hotel workers (Wells, 2017). According to Kitterlin et al. (2015), something must be done to curb or prevent the use of marijuana among employees in the hospitality sector because it has potential negative personal, professional, and economic impacts. Schneider's financial setbacks in terms of issues with revenue collection speak to this issue (Wells, 2017). While many states that have legalized marijuana report economic tax gains, the hospitality industry in those states are experiencing some challenges.

Pizam (2012) argued that the dangerous consumption rate of marijuana in the hospitality industry by the employees may not only lead to severe personal problems but also has serious harm to the economy of the entire hospitality industry. Some of these noted side effects are evident in this case when Schneider recounts his revenue loss due to customer dissatisfaction as a result of hotel employees' impairment.

Conclusion and Key Questions

The case study has provided an opportunity for further discussion and research from several perspectives. The dilemma in this case study is a result of the legalization of recreational marijuana consumption in several states in the US. There are multiple perspectives from which to view the opportunities and challenges for the hotel industry associated with this localized repeal of marijuana prohibition. The organization sees an opportunity for increased revenue and differentiation based on a given level of involvement with marijuana. However, organizations must balance this opportunity against the challenges in human resource policy, guest policy, as well as state and federal legalities and tax issues.

The social availability theory suggests that because marijuana has been moved from the shadows and is now more 'acceptable' more people will try it and use it. When done in the proper setting and with regard to the safety and security of those around you, this is no more harmful than consuming alcohol. However, the use of marijuana on the job is of great concern as it can have legal and financial impacts on a business (e.g. injury, poor customer service). It is clear that organizations must take the lead in creating, disseminating, and enforcing policies that protect the organization, the employee, and the customer from any negative impacts associated with a marijuana inclusive property.

Employee perspectives must also be considered from hiring, safety and security, and legal issues. Finally the guest perspective must be evaluated for feasibility of introducing marijuana to a property. What is the balance of attracting marijuana consumers versus the rejection of the property by those consumers who do not wish to be associated with the product?

The following questions are derived from the preceding analysis:

- Is the prospective increase in revenues for an organization worth the potential legal, employee, and guest issues that come with the inclusion of marijuana in the property?
- What level of marijuana inclusion is most appropriate for a given property?
- How can an organization effectively recruit high quality employees to work in a marijuana inclusive property?
- How can an organization effectively create policy to minimize employee exposure to and use of marijuana while on the job?
- How can an organization ensure that employee on the job performance is not suffering from off the job activities?
- How can management minimize ALL of the legal issues surrounding marijuana inclusion?

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