

Executive Summary

UGC- Minor Research Project

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Title of the paper: Innovations and its impact on the productivity in hospitality sector in Bangalore City

The tourism and hospitality sector is among the top 15 sectors in India to attract the highest foreign direct investment (FDI). During the period April 2000-February 2015, this sector attracted around USD 7,862.08 million of FDI, according to the data released by Department of Industrial Policy and Promotion (DIPP). With the rise in the number of global tourists and realising India's potential, many companies have invested in the tourism and hospitality sector.

For hotels, which are a subset of the bigger conglomerates, national and international, introduction of the innovated products and services suites in their Bangalore units is not a difficult task. After all, the introduction takes place across the entire group of hotels simultaneously, seamlessly and effortlessly, courtesy the many commonalities between hotels in the group. Hence the innovations and their likely impact on the productivity of the Bangalore units of the group should be more or less the same across the country.

Innovation in the hotel industry should be a relentless and continuous exercise since patrons are becoming more and more technology savvy. Given the preferences of the technology savvy patrons, the hotel industry should capitalise on the scope afforded by technology to innovate in the products and services area.

As is the case with any industry, the hotel industry too needs to be on the lookout for productivity enhancement all the time. Such enhancement can be brought about through innovation too.

This study is an effort to find out what innovations are there in hotel sector and what is its impact on the productivity.

Keywords: Hotels, Innovation, and Productivity.

Materials and methods

Research methodology

The study is descriptive in nature. It has used the 'fact-finding' survey method.

Sources of data

Primary data was collected from the respondents, viz., hotel employees, hotel executives and patrons.

Secondary data was collected from the web sites of industry bodies like the Federation of Hotel and Restaurant Associations of India (FH&RA), the Hotel Association of India (HAI) and the financial press.

Sampling plan

Hotel employees: Simple random sampling under the probability sampling method was employed to select employees of five-star hotels that operate in and around Bangalore city. Employees with a minimum experience of five years were considered. It gave each element an equal and independent chance of being selected. Accordingly, Interview Schedules were administered to 120 hotel employees. The first 60 Interview Schedules received, duly completed, were selected for the study.

Hotel executives: Simple random sampling under the probability sampling method was employed to select executives of five-star hotels that operate in and around Bangalore city. Executives with a minimum experience of seven years were considered. It gave each element an equal and independent chance of being selected. Accordingly, Interview Schedules were administered to 60 hotel executives. The first 30 Interview Schedules received, duly completed, were selected for the study.

Hotel patrons: Simple random sampling under the probability sampling method was employed to select patrons of five-star hotels that operate in and around Bangalore city. Those who have been patronising any of the five-star hotels for a minimum period of three years were considered. It gave each element an equal and independent chance of being selected. Accordingly, Interview Schedules were administered to 100 hotel patrons. The first 50 Interview Schedules received, duly completed, were selected for the study.

The reasons for focusing on hotels from the 5-star category are fairly straightforward: there is more at stake for hotels belonging to the 5-star category and beyond, in terms

of resource optimisation. Hotels belonging to these categories have the financial muscle to undertake innovations since, by default, such innovations are capital – intensive. Additionally, hotels belonging to these categories have a national and at times, international presence. As a result, the investment they make in innovations makes eminent business sense and financial sense. After all, the fruits of innovation will be shared by all the group hotels. The benefit from the investment made in innovation far outweighs the cost incurred.

Data collection instruments

Interview schedules, specially designed for the purpose, were drafted and pre-tested in order to identify the weaknesses, if any, in the instrument. Upon receipt of feedback, they were appropriately revised and finalised for administration to the respondents for collection of primary data.

The Interview Schedules featured open questions and closed questions. Open questions were included since the objective was to identify opinions, ascertain degrees of knowledge and seek suggestions and more information. In some cases, the subject matter of the question was outside the range of the respondent's experience and hence open questions were a superior alternative. Further, open questions were of help in determining the depth of the feelings and expressions of intensity of the respondent. Open questions gave the respondents a chance to think through the topic. Since it was practically impossible for the researcher to assess the level of information possessed by the respondents, open questions came in handy. The response freedom inherent in open questions elicited a variety of frames of references from the respondents, which could provide unanticipated insights. Given the qualitative nature of the values the variables elicited from the respondents, they lent themselves ideally to statistical tools like Likert scale and chi-squared test.

Field work

Field work was undertaken by utilising the services of manpower suitably briefed for the purpose. The respondents were contacted individually and personally and their responses were recorded. The researcher faced a few problems from some of the patron respondents during collection of primary data. They were a bit suspect when requested to fill in the Interview Schedule for the purpose of the study. It took a lot of

time and effort on the part of the researcher to allay the suspicions of some of them that the researcher was a mole planted by the income tax department!

Data processing and analysis plan

Manual method was used for data processing. For testing the hypotheses, statistical tools like chi-square test and mean were used.

Results

Conclusions are inferences / generalisations drawn from the findings and relate to hypotheses. They are answers to the research questions or the statements of acceptance or rejection of hypotheses.

- *There is no scope for innovation-driven productivity enhancement in Bangalore's hotel industry.*
- *To meet its moral obligations, the industry does not need to give something back to the society that has helped it succeed*
- *To meet its moral obligations, the hotel industry need not safeguard the environment and ecological system in which it operates*