CHAPTER-V
CONCLUSIONS AND SUGGESTIONS

The present chapter highlights the outcomes of the study which have been derived from the analysis of primary data on impact of organisational culture on organisational performance in hotels of NCR and draws conclusion and suggestions on the same. The investigator has succeeded to draw certain logical findings of the present study on the strength of the analysis and interpretation and comparison of results in the proceeding chapter.

5.1 Prologue

Indian hospitality industry enjoys second place in the rapidly growing tourism market in the world. It has been estimated that Indian hospitality industry is likely to grow at a rate of 8.8 per cent between years 2007 to 2016. It shall double the number of branded hotel rooms from 100,000, and shall also add over 300 hotel properties. It had estimated 55,000 rooms in the year 2013. It contributes approximately 6.23 percent to the national GDP, and 8.78 percent in the total employment generation of the Indian economy. India annually receives around 6 Million overseas tourists, and nearly 562 Million domestic tourists. According to the prediction of the World Travel and Tourism Council (WTTC), India has the potential to become the number one tourist destination in the world with. Its demand is growing at 10.1 per cent per annum. The WTO (World Travel Organisation) has predicted that India is to likely receive 25 Million tourists in year 2015. The hospitality industry of India is expected to witness high growth over the long term. Its domestic travel is expected to be the primary driver of its growth, and high disposable incomes coupled with an initiation of better locations are expected to drive this growth. Business travellers are expected to be the possible growth segment. Its evolution into a multi-location and multi-format player is emerging as one of the key strategy for the hospitality industry. Budget segment and mid-market segments have emerged as the most preferred investment categories. It has raised the need and pressure for increased quality service and performance. To cope up with the increasing competition and the pressure to perform the hotel employees (executives and subordinates) are pushing
themselves harder than ever to keep up. The culture of hotel industry makes them work minimum 12 to 14 hours a day, they feel perpetually exhausted, and find it difficult to take out time for family and social obligations. They sleep poorly and have no time to exercise. This working environment takes toll on them which when combined with an organisational culture that does not takes care of their comfort, not limited to working environment but only but also to group dynamics, safety and security, empowerment and rewards etc. As a result the performance of both individual and organisation suffers.

As the objective of the present study is to examine the existing organisational culture practices in selected hotels; to examine the association between control variables (demographic) of hotel enterprise and the adoption of organisational culture practices; to identify the relationship between importance of OC practices and the adoption of OC practices; to investigate the relationships between organisational culture and organisational performance and to suggest measures to improve organisational culture vis-à-vis organisational performance. Further attempts has been done to identify a best performing organisational culture which will take care of employee and guest satisfaction ultimately resulting in high performance organisation.

5.2 Conclusions of the study

The study tried to investigate the organisational culture practices in the hotels of NCR, regarding their impact on organisational performance of hotel organisations. The general objective of this study was to analyse whether the existing organisational culture practices have any impact on organisational performance with regards to size, type and category of the hotel.

Despite the fact that most of the hotel organisations understand the importance of there is a gap if exercising the healthy organisational culture practices. Analysis of data confirms that there is a positive relationship between most of the organisational culture practices and organisational performance, still there is a lot of scope to improve, a lot can be done with regards to the adoption of organisational culture practices in order to increase organisational performance.
From the analysis of the data, following conclusions are derived for the selected objectives and hypotheses of the study.

**5.2.1 Objective 1 and Hypothesis 1**

The first objective of the study was **to examine the existing organisational culture practices in the selected hotels.**

The analysis of data presented in tables 4.2 and 4.3 (of chapter 4, pp 158,166) leads to the following inferences.

a. The selected hotel organisations have been observed to use 6 different sets of organisational culture practices which are:

i. *Transparent organised system*, including 'Management communicates its goals and strategies to the employees in my organisation', 'In my organisation clear path for career advancement is used to keep the employees motivated', 'In our organisation fair & equal treatment is given to all the employees', 'Delegation of authority is properly practiced in my organisation', 'My organisation provides an environment where employees can reach out to management openly', 'Departmental hierarchy is well defined in my hotel', 'The leave system followed in my organisation for employees is transparent', 'Any information regarding management decision and policies is widely shared in my organisation' and 'The management in my organisation complies to its policies'.

ii. *Team Orientation*, comprising of 'There is a Friendly & Welcoming work culture in our team', 'Each individual has freedom to decide how to do work in my organisation', 'My organisation provides a high degree of cooperation amongst all the departments', 'The contribution of every individual employee is very well recognized in my organisation', 'All department heads have good relationship with subordinate members in the organisation', 'My organisation supports a culture where co-workers have a good communication amongst themselves', 'The organisation I work with welcomes and implements the suggestions and ideas of employees' and 'On important occasions my organisation provides opportunity for get together of family members of employees for celebrations'.


iii. *Security & care for personal needs*, includes, 'My organisation gives a feel of job security to the employees', 'Working environment provided in my organisation is safe and healthy for employees', 'Flexible working hour options are given to needy employees by the organisation' and 'The management in my organisation give priority to meet needs and demands of the employees, supervisors and other high level authorities'.

iv. *Training, Recognition & Rewards*, includes, 'My hotel provides all tools like software and other techniques for training of employees', 'My organisation frequently organises employee development programmes', 'The process of organisational planning involves every employee to some degree in my organisation' and 'In my organisation the employees who are technically competent and effective are more successful'.

v. *Employee engagement & Empowerment*, includes, 'Management in my organisation have complete trust on employees in increasing the productivity', 'The employees working in my organisation are expected to be self-motivated, and competent', 'Opportunities to act as leader are provided in my organisation time to time', 'The conflict solving attitude is appreciated in my organisation', 'Most employees in my organisation are highly involved in their work during working hours', 'Every employee in my organisation feels that he or she can bring a positive impact to the organisation' and 'The employees in my organisation prefer carrying out their responsibilities and duties, staying within the policies and procedures of the management'.

vi. *Adaptability*, includes, 'Our organisation motivates the culture of winding up difficult issues in a simple way', 'My organisation is flexible towards the new trends and patterns', 'The organisation I work with constantly adopts work related improvements', 'The culture of bringing changes in terms of operations is appreciated in my hotel', 'The guest’s recommendation and suggestions are accepted as positive feedbacks in the organisation' and 'If rules or procedures get in the way employees generally go through proper channels to get permission to deviate from them or have them changed'.

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b. Two organisational culture practices (out of 40) ‘In my organisation the employees who please their supervisors (do buttering) are more successful’ and ‘The employees in my organisation tend to bypass or ignore rules in order to accomplish their tasks or perform their jobs better’ remain excluded from this study.

The above results showed that there is a set of 6 organisational culture practices that is widely used in the hotel industry.

**Hypothesis 1- There is a set of organisational culture practices that is widely used in hotel industry is accepted.** (pp 162)

**5.2.2 Objective 2 and Hypothesis 2**

The second objective was to identify the relationship between importance of organisational culture practices and the adoption of organisational culture practices.

The analysis related to this objective is presented in table 4.4 (chapter 4 pp 166) which leads to following results.

a. Six factors of organisational culture practices are indisputably widely used and important in the Indian hotel organisations such as *Transparent Organised System, Team Orientation, Security & Care for Personal Needs, Training Recognition & Rewards, Employee Engagement & Empowerment and Adaptability*.

b. The OCP “In our organisation fair & equal treatment is given to all the employees.” ranked first out of 38 organisational culture practices (OCP) for importance. While, this variable ranked fourth in case of adoption, indicating that hotels are using organisational culture practices to give fair and equal treatment to the employees.

c. It is found that Indian hotels have adopted (according to first five ranks) Departmental hierarchy is well defined in my hotel; Management communicates its goals and strategies to the employees in my organisation; My organisation gives a feel of job security to the employees; In our organisation fair & equal
treatment is given to all the employees; Working environment provided in my organisation is safe and healthy for employees.

d. On the other side these hotel enterprises gave importance to (according to first five ranks), In our organisation fair & equal treatment is given to all the employees; The contribution of every individual employee is very well recognized in my organisation; My organisation provides a high degree of cooperation amongst all the departments; There is a Friendly & Welcoming work culture in our team; Management in my organisation has complete trust on employees in increasing the productivity.

e. Results reveal that except, 'my organisation provides an environment where employees can reach out to management openly', 'management in my organisation has complete trust on employees in increasing the productivity' and 'the management in my organisation complies with its policies'. There is no uniformity between usage and importance of organisational culture practices in hotels of NCR.

f. The variation in ranking and lack of uniformity in usage and importance of organisational culture practices indicates that hotel organisations are fragmented and they gave low priority to organisational culture practices (OCP).

The analysis provided a strong indication that there was a significant difference on usage and importance of training & development practices in hotels.

**Hypothesis 2- There is a positive relationship between the importance organisational culture practices and the adoption of organisational culture practices is rejected.** (ref pp 171)

**5.2.3 Objective 3 and hypothesis 3**

The third objective of the study was to examine the association between control variables (demographic) of hotel enterprise and the adoption of organisational culture practices.

The analysis of data related to this objective are presented in table 4.5 (chapter 4, pp 172) and following inferences were drawn.
1. The dimensions of ‘type of hotel’ and ‘category of hotel’ found to be statistically significant on all performance variables, except of ‘security & care for personal needs’ for the ‘type of hotel’ dimension.

2. There was no significance of ‘age of organisation’ and ‘number of employees, with organisational culture practice levels.

3. The examination also revealed that the higher the star category of the hotel, the higher the organisational culture practice levels.

In the light of these results it was found that there is a positive relation between organisational culture and type of hotel and category of hotel, and there is no relationship between organisational culture and age of the hotel and number of employee’s.

Hypothesis 3- There is a positive association between organisational culture and demographic profile of organisations is partially accepted and partially rejected. (ref pp 173)

5.2.4 Objective 4 and Hypothesis 4

The fourth objective was to investigate the relationships between organisational culture and organisational performance.

The analysis related to this objective is presented in table 4.6 (chapter 4, pp 174) and following inferences has been drawn:

a. Organisational Performance Variable (OPV) Sales Growth (SG) has a positive correlation with Organisational Culture Practices (OCP) factors, with highest values for Team Orientation (TO) (0.461) and Training, Recognition & Rewards (TRR) (0.461).

b. OPV Productivity within Organisation (PWO) has a positive correlation with (OCP) factors, with highest values for Training, Recognition & Rewards (TRR) (0.532) and Team Orientation (TO) (0.522).

c. OPV Profitability within Industry (PWI) has a positive correlation with (OCP) factors, with highest values for Transparent Organised System (TOS) (0.430) and Security & Care for Personal Needs (SCPN) (0.430).
d. OPV Cost Effectiveness (CE) has a positive correlation with (OCP) factors, with highest values for Transparent Organised System (TOS) (0.370) and Security & Care for Personal Needs (SCPN) (0.370).

e. OPV Good Service Quality (GSQ) has a positive correlation with (OCP) factors, with highest values for Transparent Organised System (TOS) (0.470) and Security & Care for Personal Needs (SCPN) (0.470).

f. OPV Return on Investment (ROI) has a positive correlation with (OCP) factors, with highest values for Training, Recognition & Rewards (TRR) (0.361) and Team Orientation (TO) (0.351).

g. OPV Employee Safety (ES) has a positive correlation with (OCP) factors, with highest values for Transparent Organised System (TOS) (0.450) and Security & Care for Personal Needs (SCPN) (0.450).

h. OPV Average Room Rate (ARR) has a positive correlation with (OCP) factors, with highest values for Transparent Organised System (TOS) (0.420) and Security & Care for Personal Needs (SCPN) (0.420).

i. OPV Revenue per Available Room (RevPar) has a positive correlation with (OCP) factors, with highest values for Transparent Organised System (TOS) (0.427) and Team Orientation (TO) (0.383).

j. OPV Occupancy Percentage (OCC) has a positive correlation with (OCP) factors, with highest values for Adaptability (Adpt) (0.479) and Security & Care for Personal Needs (SCPN) (0.427).

k. OPV Room Yield (RY) has a positive correlation with (OCP) factors, with highest values for Training, Recognition & Rewards (TRR) (0.484) and Adaptability (Adpt) (0.468).

l. OPV Overall Performance (OA) has a positive correlation with (OCP) factors, with highest values for Training, Recognition & Rewards (TRR) (0.639) and Security & Care for Personal Needs (SCPN) (0.515).

m. Further to state OCP factor Employee Engagement & empowerment (EEE) has a positive correlation with OPV variables with highest values for Productivity within Organisation (PWO) (0.472) and Room Yield (RY) (0.426).
n. All OCP factors have positive correlation with OPV variables with highest values for Productivity within Organisation (PWO) (0.471), Occupancy Percentage (OCC) (0.453) and Sales Growth (SG) (0.452).

The correlation coefficients between organisational culture practices factors and organisational performance variables indicate that there is a positive and moderately strong correlation between organisational culture and organisational performance practices.

**Hypothesis 4- There is a positive relationship between organisational culture and organisational performance is accepted.** (ref, pp 175)

**5.3 Suggestions**

After analyzing and understanding the extent to which organisational culture practices have been adopted within the hotel industry. The debate has classically been characterized that as quality of service becomes increasingly critical to competitive success, so does the need to provide staff with the organisational culture to be able to deliver an empowered high quality and professional services to the guests. Thus, it has become imperious for the hotel organisations to use organisational culture practices such as-transparent organised system; team orientation; security & care for personal needs; training recognition & rewards; employee engagement & empowerment and adaptability etc. However, the applicability of organisational culture practices in the Indian hotel industry concerned the factors that might influence the approach taken to the study of organisational behaviour in HRD. These include the impact of product markets, the ability of management to implement changes, workforce resistance to change, location of HR decision making, foreign ownership, management innovations and strategy and so forth. Moreover, the relevance of organisational culture within the industry concerned the relationship between organisational culture practices and organisational performance. It has observed that better performing hotel organisations would be indeed those that will have a quality enhancer approach to business strategy coupled with effective organisational culture practices.
It is recognized fact that to compete successfully in the rapidly changing technology and highly demanding global marketplace, Indian hotel industry needs to first evolve and then continually rethink their organisational culture with relation to their organisational behaviour and HRD policies. The present study recommends following measures to improve the exiting organisational culture practices vis-à-vis organisational performance in hotels of NCR:

I. Hotel organisation should pay more attention towards adopting and institutionalizing organisational culture practices which are identified vital by the managers.

II. Focusing on identifying, creating and sustaining a healthy organisational culture by sensitizing staff members about its importance and need for both individual as well as organisation.

III. Developing an organisational design to ensure high quality confirmation.

IV. Developing individual employee for excellence.

V. Imparting best competitive qualities amongst representatives of the organisation (employees) in alliance with their individual development, advancement and satisfaction.

VI. Building a team that is oriented and determined towards organisational values and beliefs.

   a. Incorporating social and specialized measurements of work to ensure a balance social and professional life for employees.

   b. Improvising interpersonal connections, both formal and informal, as employees can perform better by creating trust, support and participation.

   c. Creating a need for achievement amongst employees.

   d. The vision of top management should be clearly and successively passed on to lower levels of organisational hierarchy.

   e. At the time of hiring a new employee his fit into the existing organisational culture should be ensured.
f. Management should be adaptive towards the new creative and innovative ideas coming from employees that might be useful in creating a high performance culture.

Finally, future research should consider incorporating other important items that have not been considered or omitted from other studies and are likely to influence the adoption of organisational culture practices in hotel organisations to improvise organisational performance such as management support, employee’s satisfaction and attitudes, perceived benefits and problems in implementation of new organisational culture practices.