



A TALE OF PRIDE AND PREJUDICE

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"The Urge To Surge Ahead"

It has been done again. In the wake of wide acceptance and appreciation of CSR-GHRDC Hotel Management Survey 2007, the 2008 edition of the Survey has been conducted and presented. The Survey provides new insights into hotel management education and profession, analyses emergent issues and discusses strategies and solutions to strengthen hotel management education in India. A very promising prospect is portrayed about hotel management standing up to business management and even narrowing the gap between the two. 'The Urge to Surge Ahead' seems to be the mantra for hotel management profession.

The second CSR-GHRDC Hotel Management Survey -2008 is a step forward as it not only looks at the existing scenario of hotel management education in the country, but also analyses in depth the emerging trends and issues impacting the professional training. In the process, it unearths some unknown or half-known facts. These facts are a mixed bag. While some of them are positive and suggest a bright future for hotel management graduates, others unveil some disturbing facts and are areas of concern.

Hotel Management and Business Management Education in India



Dr. S. Chandra

Years ago we witnessed the mushrooming growth of MBA professionals due to the effect of Globalisation and Liberalisation. After a few years we could feel the IT boom. And today we can foresee the similar trend for professionals from the Hospitality & Tourism (H & T) sector—a sector that is witnessing a phenomenal, sustainable and promising growth. History of hotels is not new and this is one industry that promotes one of the resources we have in abundance—Human resources. May be we never felt the requirement of a trained staff in this field and were happy with our *Bawarchis, Khansamas & Panditjis*. But today we realise that there is definite dearth of trained staff in this industry and the ones catering to the ever increasing demand of quality professionals have not been able to cope up with it.

The positives that the survey takes note of, include a trend of upgradation of professional programme from three to four years leading to a degree in hotel management. The hotel management institutes are increasingly offering the degree programme along with diploma course. The



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finished product of a degree course is almost comparable to MBAs in several aspects – salaries of course not being one of them.

As a research organisation and with several years of exposure and experience, GHRDC has attained a unique position to understand, analyse and appreciate the critical developments and emerging issues related to both business management education and hotel management education. A significant issue that the Survey raises is that of both hotel management education and business management education having the same life span (both have about 40 years' existence) yet there is a marked difference between them in terms of placement, employment conditions, social status and mobility.

Business management has reached the top wrung of the ladder of professions whereas hotel management is languishing. The reasons are not far to seek. Hotel management lacked focus, had low intake levels (10+2), had stigma attached (it is a low profile job), and did not have very enlightened employers in hotel industry, especially in the unorganised sector. Corporate houses and the industry being on the upswing offered much better options to MBAs. Another significant difference between the two was that unlike business management which was supply-driven, hotel management was demand-driven. The last factor should have gone in favour of hotel management in raising their market value. Sadly, however it did not happen that way. At the same time, there is enough evidence reflected in 2008 Survey to show that the gap between hotel management and business management is narrowing down. With this pace



of growth, will hotel management education offer close competition and finally, upstage business management education in certain areas of employment? It is being realised that branding and fat packets of salary may not be there for ever and myth of MBA supremacy may be broken. As Prime Minister Dr. Manmohan Singh stated, "Mind blowing salary is great but what is not evident whether the contribution to the body knowledge of management education is equally great."

Growth of Hotel Management Institutes

The 40-year growth of hotel management education in the country has witnessed a dispersed and differentiated history. The foundation of hotel management education in the country was laid down by the National Council for Hotel Management and Catering Technology, the apex body under the Ministry of Tourism, Government of India. The Council presently has a network of 26 IHMs in different parts of the country. It is gratifying to note that 9 of these IHMs have participated in 2008 Survey. The IHMs, sponsored and regulated by the Government of India, have standardised infrastructure, finances, intake policy, faculty strength, curriculum and placement patterns. The leadership quality, governance, links with foreign institutes and reputation differentiate one from the other.

As in the case of business management education, hotel management education too underwent a transition when private sector initiative made a forceful entry. Another private initiative was spearheaded by the hotel chains backed by the corporate houses. The Taj, Oberois & Welcomgroup set up hotel management training outfits of excellence. They established benchmarks for others to follow and emulate. Although they largely feed their own manpower needs, they are a class apart in terms of infrastructure, equipment, quality faculty, intensive practical training, evolving curriculum and class placements. The rest of the hotel management training institutes are either university departments, or part of business management institutes, or private institutes backed by trusts or philanthropists. Many of the private institutes are affiliated to universities. The university system while legitimises the degree or diploma awarded by the institutes, also encumbers them with its rules and regulations, rigidity in curriculum, faculty salary grades, library grants, etc. The second CSR-GHRDC Hotel Management Survey 2008 had a fair representation of all the above categories of hotel management institutes.

Qualitative improvement in Hotel Management Education

The number of hotel management institutes increased but not necessarily the quality of education or the product. The 2008 Survey examines these issues in detail. It notes with



concern the lack of basic minimum infrastructure e.g. adequate space and facility for kitchens, bakeries, restaurants, classrooms, training equipment and competent faculty. It is obvious that the quality of infrastructure and faculty determines the quality of the product i.e. trained professional. GHRDC strongly feels that basic norms need to be established and adhered to. The Government of India, other educational bodies and universities have to take necessary steps. It is observed that these bodies have not fully lived up to its regulatory role. As a matter of fact, the National Knowledge Commission (NKC) has recommended to the Government of India to do away with these bodies and set up an independent Regulatory Authority for Higher Education which would give sanctions for starting technical and business schools and strictly monitor the established norms.

Hospitality Industry and Manpower

The strong growth in tourist arrivals in India is partly attributable to the outbreak of SARS in East Asia, as well as after the war on Iraq, which resulted in India being perceived as a safe region to visit. The more fundamental reason, however, relates to a strong sense of business and investment confidence in India. Inspired by India's strong GDP performance, domestic travel, both business and leisure, also benefited from a thriving economy. Assuming a stable economic and political climate worldwide, the outlook for inbound tourism—both business and leisure—is strongly encouraging. Many international investors, are now looking at India as the next opportunity. Domestic tourism will continue to develop rapidly, and will be the real driving force for this industry over the next decade or so. This segment will be helped by the growing wealth base of India's population and discounted fare options. With disposable incomes having risen significantly in the last five to seven years, across much of India's middle income and upper-middle income segments, families have been taking more holidays—and spending more on their vacations—than ever before. The concept of travelling for leisure has, in recent years, gained a more widespread appeal, not only with families, but also with young adults, a segment that is earning far more than their parents did at that age. With a certain degree of social change taking place across India, domestic tourism is poised to grow rapidly in the coming years.

A three and a half trillion dollar service sector within the global economy, the hospitality industry in India is on a roll, thanks to the surge in both business and leisure travels by domestic and foreign tourists. We can foresee a phenomenal, sustainable and promising growth in the hospitality and

tourism sector. A boom in Indian tourism industry has propelled the growth of the hotel industry. An Axim Bank Survey points out that India stands to gain in the growing US \$150 billion global medical tourism industry due to skilled health professionals, cost-effective healthcare system and traditional methods and medicines.

Another detailed analysis of projections of new hotel supply and required manpower in the country suggests the need for convergence between the two. An increase of about 1,02,000 additional rooms is projected by 2012 in the organised sector alone. With an estimate of 1.75 staff to every room an average, we are looking at a demand of manpower to the tune of 1,78,500 hotel professionals by 2012. The present capacity of hotel management institutes is woefully short. Steps need to be taken to set up new institutes, increase the intake of students, seek affiliation with hotel chains and improve salaries and working conditions in hotels to recruit and retain trained professionals.

As the Survey reveals, the trends in hotel management employment are characterised by low compensation, tough working conditions and limited upward mobility. While some get stuck with hotels, others move away seeking jobs with airlines, restaurants, call centers, clubs, railways, etc. Many are going for foreign placements while some others pursue higher studies. It is an ironical situation—the manpower specifically trained for hotels is turned away to other segments while hotels continue to face shortage of trained manpower. The Survey underlines this as an area of serious concern requiring concerted action by all stakeholders. Particularly, it is high time that the hotel industry wakes up to the ground realities and takes appropriate remedial action.

Progressive Changes in Hotel Management Education

The 2008 Survey has also brought out with force the imperative need to follow the “medical college model” in hotel management training which provides for a mandatory and structured component of practical training through internship of one year in a hospital. Such a practical training is absolutely essential to ensure the ‘quality professional education’. The



Survey reveals that wherever such a training attachment with a hotel is available, the training acquires an edge over those having a short term summer training attachment with hotels. A move by the Government of India to set up training hotels in selected IHMs is a very welcome step.

Hotel management in India is on the threshold of a turnaround. A qualitative change is taking place. The rapidly growing demands for professionals, new technological developments, changing mindsets and social attitudes have put hotel management education in a new perspective. The demand for young professionals is outstripping the supply, yet paradoxically there is no significant improvement in the entry point wages, benefits and work conditions for hotel management graduates.

The Survey 2008 underscores these facts backed by hard data collected on four key parameters namely infrastructure, faculty, admission, programme delivery and placement & networking (see write-up on methodology). The bottom line is that the hotel management graduates with their acquired poise, versatility and confidence, match if not outclass their business management counterparts. Very shortly, they might even bite into the sweet pie of flourishing job market hitherto dominated by MBAs. A very happy prospect indeed!!

In their new-found image, visibility and confidence, hotel management institutes and students have started displaying soft skills and social competence acquired by them. They have started reaching out and extending help and support to social causes and disadvantaged sections of society. Several hotel management institutes have started taking such initiatives. While on the one hand social cause is served, on the other a responsive responsible and well-rounded personality also results.



H.O.P.E.
Help Our People Exist

A prominent case of being alive to social issues and concern and carrying out concrete programmes to address them is that of the Welcomgroup Graduate School of Hotel Administration, Manipal. The students supported by the faculty and under the leadership of Major General Kaul started project H.O.P.E. (Help Our People Exist) in 1999. The project became an annual feature of the school curriculum, doing something for the deserving, creating a difference in making the world a better place to live and extending helping hands to charity organisations and NGOs dedicated to the cause of children, cancer patients and destitutes. H.O.P.E. organises annual ‘FUN FOR CHARITY’ event to mobilise funds and resources to support its social engineering activities. A tidy sum of Rs.15 lakhs has been raised under H.O.P.E. and distributed to the beneficiary groups.

H.O.P.E. carries the following quote on its banner.

*It is difficult to say what is impossible,
for the dreams of yesterday,
is the hope of today and the reality of tomorrow.’*