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Management

UNDERSTANDING INNOVATION IN HOSPITALITY THROUGH THE WORDS OF INNOVATIVE MANAGERS

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ABSTRACT In this paper, we offer a comprehensive framework for researching innovation in hospitality that comprises drivers of innovation, innovation outputs, and their connections with business performance. The framework synthesizes the research in the manufacturing sector and draws upon the most recent literature in hospitality innovation. Definitions of innovation outputs based on preliminary research from interviews and pilot surveys are summarized. Finally, we submit a typology that may serve as a starting point for academic and practitioner dialogue and suggest that reaching consensus on a typology is critical to advancing new knowledge in a comprehensive manner.

KEYWORDS :

INTRODUCTION

INTRODUCTION Innovation is considered a major source of competitive advantage and economic growth (Porter & Ketels, 2003), and research about innovation is plentiful and diverse. Researchers have pointed to the dearth of studies in the services sector relative to manufacturing (Prajogo, 2006) and some have hypothesized the difficulties in applying product development theories to services (Gallouj, 2002). Growth in western economies since World War II has been characterized by increases in services and declines in the manufacturing sector, yet innovation research in service businesses are still in their infancy. Hospitality and tourism is one of the largest service industries in the world: the World Tourism Organization estimates there will be one billion tourists a year by 2010 (WTO, 2006). Clearly, there is an opportunity to research innovation in this global service industry that is characterized by the intangible, experiential nature of its products and services, yet there have been few recently published academic studies in hospitality innovation. The opportunity to advance the innovation research in the services sector is broad. The research opportunities for academics studying innovation in hospitality are wide open. In this paper, we offer a model for hospitality innovation research based on a synthesis of new product development literature in manufacturing and the recent contributions of scholars in hospitality innovation. We suggest that in order for the academic community to move forward with an innovation research agenda we must first agree on a method of classifying innovation outputs. We offer a potential starting point for hospitality innovation typology based on interviews and a series of survey iterations. We encourage other scholars and industry professionals to provide feedback to the proposed classification scheme.

METHODOLOGY

This paper describes a qualitative study resulting from semi-structured interviews, included in a larger research held in sixteen four and five star hotels, in the Algarve (Monteiro & Sousa, 2008). The qualitative study was held in eight hotels that allowed the researchers to interview the employee in order to identify the more and less innovative leaders. More specifically, they were asked to give the name of an innovative manager. The employees easily identified twenty four managers, at all organizational levels. However, they refused to designate less innovative managers, explaining they couldn"t harm their boss"s reputation. To overcome this inconvenient, six managers where interviewed in hotels where the general manager and his staff stated that definitely it made no sense to talk about innovation in their hotel. Twenty four of the interviewees were male (77%) and six female (23%) and they were managers working in all the hotels" functional areas. All interviews were record with the interviewees" consent. The purpose of the interviews was to gain a deeper understanding of the construct of

innovation in the hospitality industry. The questions were: "Why do you think you have been designated as an innovative (or less innovative) manager?" and "How do you describe yourself, as a manager" The interviews were submitted to a thematic content analysis, keeping in mind the definition of the innovative leadership when extracting the categories (Bardin, 1996).

MAIN RESULTS
MORE INNOVATIVE MANAGERS

The more innovative managers, when asked why they were designated as such, at first are surprised: "I am surprised; I do not think of myself as a particularly innovative person" (interviewee nº 2). However, after a while, nineteen out of the twenty four more innovative explain how they value team work and good relationships: "I am enthusiastic about my work and I am able to transmit it to the team; … this increases the team self confidence" (interviewee nº 1). The remaining five focused on the new things the company has accomplished: "We have been involved in changing the management system, using some tools quite new in hospitality in Portugal, like the Balanced Scorecard. …" (interviewee nº 24). BOOK OF PROCEEDINGS VOL. I – INTERNATIONAL CONFERENCE ON TOURISM & MANAGEMENT STUDIES – ALGARVE 2011 173 Most of them stated that to be innovative, the manager had to motivate their co-workers to be innovative: "It is allowing them to be innovative" (interviewee nº 19). In an opposite way, less innovative managers define innovative leadership as a person who "presents ideas to the administration" (interviewee nº 25). In the description of innovative managers some categories have emerged, namely the importance attributed to continuous improvement processes: "An innovative person is someone concerned with continuous improvement" (interviewee nº 19); The decision was making and activity planning, alongside with the relationships with the different organizational actors (co-workers, clients and managers) emerged as significant categories. The human element was considered the most important and the most difficult to manage: "The key knowledge today in hospitality is not the technical knowledge, as kitchen or bar, it relates with the choice of the right people for the team and with maintaining good relationships" (interviewee nº 6); "The problems enter the organization through my team, and if I stay close to them, I may gain a better understanding of the reality" (interviewee nº 1). The more innovative leaders had a positive perception of people and considered their role to develop the co-workers, by being demanding and promoting participation: "I am very demanding with myself and with my team. I test all the capacities of new comers and involve them in different activities" (interviewee nº 11); And they tolerated mistakes: "Sometimes they do not take the best decisions, but we may correct them later altogether" (interviewee nº 7). The relationship between managers and co-workers develops on low power distance. Most of them

referred their experience of working with innovative managers and described the way they helped their coworkers in daily operation tasks: "We have to give the example. We have to motivate people. My former manager did it naturally, when working in the back office: if she sensed there were too many clients at the desk, she came to help. I try to do the same". (interviewee nº 18). The more innovative leader said he loves his job and expresses the need of learning permanently: "I really love my profession. I wake up every morning feeling happy to come to work". (interviewee nº 10); Innovative managers tended to develop a real client focus in their co-workers activity: "My restaurant waiter must say to himself: I am here to give my client a complete gastronomic experience in this magnificent historical monument" (interviewee nº 9). The more innovative managers established close and friendly relationships with his or her hierarchy: "We have incredibly good relations with top management. There is a friendly climate and communication is very easy" (interviewee nº 11).

LESS INNOVATIVE MANAGERS

As for the less innovative managers the relationship with their co-workers is also a salient category. However, they demonstrate a less confident attitude towards people. The difficulties are not analysed in terms of need for development, but attributed to differences in personality and resistance to change: "They have difficult personalities. Some employees only participate if they are told to do so" (interviewee nº 25);

Along the chain of command, less innovative managers showed more vertical and asymmetric relationships: "This is a hierarchy, chefs talk to me, then I talk to the Director and the General Director and then the decision is taken" (interviewee nº 29). All the interviewees share a negative perception of non innovative leaders, who were described as someone who does not care, who does not like his or her job, someone who does everything the same way for many years, without listening or studying the environment. A non innovative manager is described as authoritarian and maintaining the status quo. Summarizing the results, the more innovative leaders defined their role as team coaches, responsible for creating good relationships between the members which is a condition to guarantee the quality of service. More innovative managers insist on the importance of empowering people at all levels. They are tolerant and accept mistakes as a way of learning and improving continuously the service quality. They emphasize the importance of open communication and trust and seem to achieve it building more equalitarian relationships with all their co-workers. The leader acts as a role model, setting an example of the importance of the client. He or she is able to help the team members in their operational tasks if the situation requires it, thus helping to build cohesion and cooperation. They keep a permanent focus on the client, they insist on little details and on service continuous improvement. They motivate the team to listen to the client s complains and suggestions. The active listening capacities are recurrent in these managers" interviews.

CORRESPONDENCE ANALYSIS

After content analysis and lemmatization of the interviews, the corpus was reduced to a minimum number of words in order to be submitted to a correspondence analysis, following Lebart, Piron & Morineau (2006). Correspondence analysis is an inductive method that allows the statistical analysis of qualitative data. As Lebart et al (2006) said it allows the best simultaneous representation of two sets of data – rows and columns of a contingency table, or in this research categories and subjects. The analysis will allow the aggregation of the variables into dimensions represented graphically. Thus, the corpus was reduced to sixteen words and a correspondence analysis was run, extracting one main factor that clearly opposed innovative and less innovative managers, as can be seen in Figure 1. The first axe explains 55% of the variance. BOOK OF PROCEEDINGS VOL. I – INTERNATIONAL CONFERENCE ON TOURISM & MANAGEMENT STUDIES – ALGARVE 2011 175 Figure 1 – Differences between innovative and less innovative managers' words (factor 1 – vertical axe) The more innovative managers" word

grouping is significantly different and richer when compared to less innovative one. The latter view their role as a part of the hotel hierarchy, caught between their bosses and their subordinates who are difficult to manage due to diverse personalities and resistance to change. On the other side, the more innovative managers also consider the difficulty of leading their co-workers, but they describe their role as a coaches, rather than bosses, motivating, developing people and insuring good relationships among the team members. He is tolerates failure and stimulates co-workers to experiment new ways of doing their jobs and new products and services providing it results in the clients" benefit. They also emphasize a focus on clients" satisfaction and clients" needs. 5.

CONCLUSIONS

The research has revealed significant differences between more and less innovative leaders. They both declare it is very difficult to manage people and consider that technical (or task) skills are important, but easily acquired by training or experience. On the other hand, when less innovative managers talk about their role as leaders, hierarchy category becomes salient: they identify themselves as members of a chain of command, responsible for a team or a hotel, according to their organizational level and insist on how difficult it is to manage different personalities who resist change. Furthermore, for these managers, an innovative leader is someone who has good ideas not always implemented, due to the difficulties in convincing their hierarchy. INNOVATORS LESS INNOVATORS BOOK OF PROCEEDINGS VOL. I – INTERNATIONAL CONFERENCE ON TOURISM & MANAGEMENT STUDIES – ALGARVE 2011 176 The more innovative managers show a very distinct cognitive pattern, as they consider their co-workers as the most important people in the hotel, due to their direct contact with the client. They seem to have an outstanding capacity to understand the members of their teams, putting themselves in their place, thinking as they would think, imagining their expectation and anticipating their reaction, in a process of role taking and role making as Stryker &Satham (1985) described. In their discourse the less managers innovative managers presented a top–down thinking pattern, basing the relationship on power, while the more innovative leader establishes a more equalitarian relationship with the co-workers, based on social influence processes, as Jesuíno (1996) described. The more innovative manager analyses the environment, the organizational context and the followers" potential in order to guarantee an adequate relationship with the team. The innovative leadership consists in developing the co-workers" creativity and innovation, with the purpose of continuously improving quality and clients" satisfaction. They have a client–centred approach to work and manage to align the coworkers with the organizational goals and strategy. The innovative leaders discourse values leader-follower interaction and the development of the teams" and co-workers" creativity and innovation, as Basadur (2004) proposes. However, as hospitality is a business of people working with people to provide other people a unique experience, the client must be integrated in the model. The co-worker appears as an interpreter of the customer"s expectation and needs, in an intermediate position between the client and the leader. The more innovative managers address the importance of recruiting a motivated staff, liking their jobs, capable to enhance quality and establish a warm relationship with the clients, alongside with McAdam & McClelland" (2002) findings. Managers state the central role their co-workers play in service delivery as they receive the clients" suggestions and claims and behaving to solve the problems. The more innovative managers strive to maintain quality relationships with their team, creating conditions to continuous improvement of service quality and to the development of followers" potential. Let us refer that the need to deliver a high quality service able to satisfy a very demanding client and to listen to customers" suggestions is proclaimed by all managers, more and less innovative. The main difference seems to rely in more innovative leaders" active listening attitudes, enabling them to use diverse channels of information, namely clients and co-workers. Less innovative managers only refer to clients" information, without any particular strategy to assess different sources. More innovative

leaders adopt a pattern of behaviour consistent with Sousa"s (2007) description, enabling the construction of trust relationships or psychological security (West, 1990) and tolerance to failure indispensable to allow the co-worker to take the risk of participating. The innovative leader encourages his or her staff to participation and reflection aiming at the service continuous improvement. Innovation in high quality hotels seems to be associated to small changes made in the daily operation, within the teams leaded by managers that encourage a permanent focus in the clients" satisfaction, reflection on the continuous improvement of organizational processes and appeal to co-workers suggestions and participation. Most of the more innovative top managers interviewed revealed the hotel chain has implemented a management system, that could be considered modern in this line of business – the adoption of Management by Objectives or Balanced Scorecard methodologies foster a focus on the client and a continuous BOOK OF PROCEEDINGS VOL. I – INTERNATIONAL CONFERENCE ON TOURISM & MANAGEMENT STUDIES – ALGARVE 2011 177 quality improvement and therefore innovation. They also refer as innovation, the particular attention given to personnel, inviting the employees to receive training and spend some time in a hotel belonging to the same chain, an effective way of offering them the possibility to go through the experience of being a client in a five star hotel. A manager formed a cycling team with receptionists that explored the historical and cultural facilities of the hotel environment, building the team and improving the quality of the information given to the client. More training and living experiences link both the client and the hotel employee, allowing for the emergence of more shared meanings and understanding that may revert in innovation. Furthermore, if innovation occurs in the interaction process, i.e., in the formal and informal processes of communication, the increase of knowledge and the improvement of manager / co-workers relations may help all the team to pay attention to the small details and engage them in reflections that lead to continuous quality improvement and innovation. This study has some limitations that need to be accessed. The first one is related with the difficulty to obtain permission to do the study and interview on job employees. The study was held in only eight four and five star hotels where a small number of managers (twenty four) were identified as innovative. Another limitation has to do with the difficulty of identifying less innovative leaders by the same process the more innovative were nominated. It is useful to recall the co-workers refused to "harm their boss" reputation", showing more and less innovative attributes do not belong to the same dimension. To be less innovative means to be authoritarian and ineffective. This may be explained by the pip effect (identified by Jean Paul Codol in 1975). Future research should acknowledge these limitations, trying to clarify if innovative and creative management always address "good" leadership as opposed to less innovative or creative managers "bad" leadership, to deepen the knowledge of creative leadership. The comprehension of this process would benefit with the extension of these findings to include other hotel categories. This study may help to increase the understanding of the innovation process through the voice of creative managers. It may contribute to train and select the managers able to achieve better results, fostering coworkers commitment and stating the importance of organizational creativity and innovation. Innovative managers, involving their teams in the definition and resolution of the organizational problems, are able to create a system that may help organizations to grow even in a global crisis.

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