

A STUDY OF STUDENTS' PERCEPTION ABOUT
ENTREPRENEURSHIP IN HOSPITALITY INDUSTRY & THE
ROLE OF HOSPITALITY COLLEGES IN DEVELOPING THEIR
ENTREPRENEURIAL SKILLS WITH SPECIAL REFERENCE TO
PUNE CITY

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ABSTRACT-

Students graduating from hospitality colleges are very excited about the idea of venturing into entrepreneurship which may be because of the glamour of the hospitality industry or they want to make more money in short time. Moreover due to the demanding nature of jobs in the hospitality industry, students tend to explore allied options. Entrepreneurship is one of these options that students are inclined to. Most of the colleges are trying to fill educational gap by giving real life experiences to the students by organizing activities which enhances the entrepreneurial skills of the students.

This study is aimed at analyzing the perceptions of students towards entrepreneurship & the role of hospitality colleges of Pune in developing their entrepreneurial skills. In an effort to do so, a survey in the form of a questionnaire and interviews was conducted from the sample comprising of hospitality students in Pune to understand their views on the subject. The responses received were represented graphically and analyzed using basic tools.

The findings of the research suggests that most of the students want to be entrepreneurs in future and agree to the fact that formal education is necessary to be successful in the same and amongst the various entrepreneurship development activities carried out by the hospitality colleges, “Organizing Trainings & Field visits” and “Creating entrepreneurial opportunities” are the most effective ones.

Keywords: “Hospitality”, “Entrepreneurship”, “Hotels”, “Hospitality Colleges”

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I. INTRODUCTION:

Students of current generation are very dynamic. They get lots of exposure to see & to do things which was not possible earlier; cause may be technology, economical growth of India or metropolitan cities. Students joining the hospitality courses are from various parts of India as well as from Pune itself. Some students have family background of hospitality business. Their parents want them to learn all business aspects which include technical, economical, market knowledge & human resources. Every student has the different perceptions about the hospitality industry & courses. After the completion of the course some students want to start with the business. Should the hotel management graduates jump into hospitality businesses? Students in hotel management colleges are very excited about the idea of venturing into the business which may be because of the glamour of the hospitality industry or they want to make more money in short time. Fortunately there is lots of scope for hospitality businesses in Pune. Hospitality industry in Pune is developing by leaps & bounds. It is because of three major things- historical places, automobile industry, IT industry & educational institutes. So, there are many opportunities to the students who are passing out from the hotel management colleges. Tremendous growth of the hospitality industry is attracting more students to venture in entrepreneurship. Entrepreneur is one who perceives an opportunity & creates an organization to pursuit it. Entrepreneurial success depends upon entrepreneurial competencies like initiative, persistence, information seeking, problem solving, self confidence, use of influences strategy, monitoring etc. *Source - Managing Entrepreneurship & Small Business in Tourism by Prof. Kapil Kumar*

Two decades ago University of Pune took the efforts to initiate hospitality courses in & around Pune. Around 20 colleges alone in Pune are affiliated with UOP & running courses successfully. University offers three years & four years graduation, & two years master's programme. Many other open & regular universities offer one to three years under graduate, graduate & post graduate courses in hotel management. More colleges are mushrooming in Pune.

Courses offered by colleges are fabulous. In hospitality curricula, they have subjects like entrepreneurship development which gives them better understanding of entrepreneurship & help to take decision for starting a business. But still university syllabus has more scope for improving practical & administrative skills of the students. Because of this flaw some businessmen has contrary opinion about hospitality education. According to them formal education is not required for venturing in business. So curriculum should be based on industry requirement.

Most of the colleges are trying to fill that cavity by giving real life experiences to the students by organizing activities which enhances the entrepreneurial skills of the students. Thus colleges play vital role in molding students to fit in the hospitality field.

II. LITERATURE REVIEW

1. Ramos-Rodríguez & Antonio Rafael, (2012), assessed the influence of certain factors on the likelihood of being a Hotels and Restaurants (H&R) entrepreneur
2. Soliman, Dalia Mohammad (2011), examined entrepreneurial intention of undergraduate tourism students in Egypt and the effect of specific beliefs and subjective norms on this intention.
3. Neeta Baporikar (2011), explored that any industrial unit has to function as one business entity even though skills required to perform various functions like marketing, finance, production etc. are different.
4. Gurel, Eda (2010), investigated the relationship between entrepreneurial traits, socio-cultural background and entrepreneurial intention of university students in the UK and Turkey.
5. Eric A. Morse & Ronald K. Mitchell (2009), explained the venture creation process which has sequence or flow , a set of steps that is ordered by venture precedence relationships & norms & standards , the set of criteria by which person can judge whether a particular steps in the sequence has been performed properly.
6. Vasant desai (2009), stated that it is necessary to decide on what to manufacture, where & how. Then follows the process of establishing a small scale industry.
7. Itxaso del-Palacio, (2008,), studied that many universities have created entrepreneurship centers which offer a set of services to students, educators and professionals in order to promote entrepreneurial attitudes.
8. Brizek and Poorani (2006), explored which hospitality and tourism programmes in the United States are currently offering hospitality-specific courses in small business management and entrepreneurship. The findings indicate that only twelve out of the top 25 hospitality programmes offered related courses, while there is a relatively high demand among students surveyed for including such courses in their curriculum.
9. Prof. Kapil Kumar, (2005), stated that most people start small scale enterprises, yet not all succeed. Book aims at sharpening in the area of entrepreneurship. It familiarizes with various

entrepreneurial types, defining entrepreneurship & entrepreneurial competencies & how one can achieve them.

10. Zapalska, Alina M. (2003), examined how entrepreneurial skills such as innovation, risk bearing, need for achievement and aggression play an important role in students' success as traders and entrepreneurs in the simulation. The experiment provides a competitive entrepreneurial setting for developing, enhancing and practicing entrepreneurial skills.

III. IMPORTANCE OF THE STUDY

Students take admission in hotel management colleges & catering technology colleges to gain theoretical & practical knowledge. They have different perception while taking admission. Hospitality business demands something which is not taught in the colleges. After passing out from the hospitality colleges students have acquired some traits that may or may not help the students for making their career in the hospitality fields. Moreover due to the demanding nature of jobs in the hospitality industry, students tend to explore allied options. Entrepreneurship is one of these options that students are inclined to. Also there are certain students who have to look after their family hotel business after completion of course. However, it is not as easy as it seems to be since entrepreneurship is a special area demanding separate skill sets. It is therefore necessary for the students to gain the required knowledge & traits in entrepreneurship. The hospitality colleges can play a major role in doing so. This study analyzes the perceptions of students towards entrepreneurship & the role of hotel management & catering technology colleges of Pune in developing their entrepreneurial skills.

IV. OBJECTIVES OF THE STUDY

- I. To identify students willingness in venturing into entrepreneurship in hospitality industry
- II. To identify the factors influencing their entrepreneurship decision.
- III. To identify the strategies adopted by the students for venturing into entrepreneurship.
- IV. To explore the challenges in entrepreneurship which leads change of students perceptions towards their entrepreneurial decision.
- V. To analyze the importance of formal hospitality education for successful entrepreneurship.
- VI. To study the role of catering colleges in developing the entrepreneurial skills amongst the students.

V. RESEARCH METHODOLOGY

Collection of Data:

The data required for the research was collected using the following techniques:

- **Personal Interviews:**

The researcher had conducted personal interviews with the final year students of various colleges in Pune to understand their perception about hospitality industry & know future plans for their career.

- **Questionnaire:**

A questionnaire was drafted and circulated to the hotel students of various colleges with a view to obtain their response.

Sampling Techniques:

A random sample of 100 students representing various hospitality colleges of Pune was selected to conduct study.

VI. OBSERVATIONS & DISCUSSIONS

VI.1 Challenges faced by the students while venturing into entrepreneurship:

Venturing into any business is not an easy task. They undergo many challenges which they have just heard of but never experienced. Following are some challenges which every entrepreneur has to face

VI.1.1 Lack of capital

Initial investment for venturing a new business is always high. It is required for infrastructure, machinery, raw material, labor etc. It is more difficult for the students who have just passed out from the college & does not have enough capital to start a business. Without capital nothing is possible so they have to work hard to get money from their parents / relatives / friends / finance company. So this is the first hurdle of venturing into business & every entrepreneur has to overcome this challenge after which has a chance of getting into business.

VI.1.2 Lack of knowledge, experience & expertise

Young entrepreneurs are the students who are just passed out from the college & willing to start a business. They have gained only theoretical knowledge during the professional course but does

not have practical knowledge which is one of the most important requirement of business without which, students face many problems pertaining to practical aspect. Although students have undergone a short industrial training, is not good enough.

VI.1.3 Lack of confidence in operating the business

For successes of business confidence is required without that it is impossible to succeed in business. Confidence is acquired through the experience which the students are already lacking in. They can acquire confidence by real life experience, reading & watching success stories of businessmen, positive thinking etc.

VI.1.4 Pressure from family to get into formal employment

Most of the parents want their child to join a job before venturing into business because they don't want to take any risk after investing such a huge amount into the business. Students are very desperate to venture into enterprise so they get pressure from family members for not starting business without earning any money, experience & beyond that is big risk factor every entrepreneur has to face.

VI.1.5 Fear of failure

After having infrastructure & capital very common phobia of failure remains. They have big question in their mind that what will happen if business doesn't run successfully? Fear of failure discourages entrepreneurs from venturing into business. So entrepreneurs should have more confidence about their business plan.

VI.1.6 Age factor

Student entrepreneur are very young people who have not seen ups & downs of business. When they compete with other established entrepreneurs, they feel nowhere.

However, it has been proven that age does not matter if one has clear ideas & vision and is willing to take calculated risks.

VI.1.7 Desire of getting immediate income through salaries to fulfill preexisting monetary requirement

Generally student takes loan for studies because most of the technical courses are expensive. It includes admission fees, journal, text books, equipments required for practical's etc. students are expected to pay loans immediately after completion of course and if they venture into business, immediate income is not possible. Even the parents have spent on their studies so they also have

expectations from their ward. Thus to overcome the want of immediate and fixed income to fulfill the current liabilities, becomes a major challenge for young entrepreneurs.

VI.2 Factors influencing entrepreneurship decision

VI.2.1 Family business

Some entrepreneur has family business that's why they have taken admission to a technical college & want to expand their business. The decision is already taken by parents who do not have enough technical knowledge or don't know current trends or want to expand their business. After them business will be run by their heir & for enrichment of their wards technical knowledge & skill take admission in professional college. First & foremost important aspect of business is resources which these students already have. It saves their time & energy to begin a enterprise & can easily expand business.

VI.2.2 Nouvelle business ideas / concepts

Some students have God gifted ideas & intelligence or they have developed it through their hard work & efforts. They are very confident of their ideas & business concepts so want to take that risk of starting a business. Nouvelle business ideas are the success of today's businesses; it makes them different from other entrepreneurs.

VI.2.3 Desire of generating more income through business

In this modern age nobody has enough time & is not interested in earning in peanuts. Same is applicable to students & they also don't have patience. They want to earn more in short time & they think business is one of the short cuts. Unlike business it is difficult to earn huge amount through traditional jobs. If business runs successfully then there are many possibilities of generating more income. Students have big dream of setting big empire & which is possible only through business

VI.2.4 Possess sufficient money to put in business

Business demands huge money for initiating new enterprise & even during its operation. Without finance everything becomes difficult. In hotel managements colleges there are many students from affluent families for them money is not the issue. They join Hospitality College for technical knowledge & skill. Money really helps them to start a new business or expand existing one.

VI.2.5 Passion for being self employed

Passion takes to a person on big height. Many entrepreneurs are very successful because they followed their heart. Some students are very passionate for being self employed. They do not want to work under anybody & in some case their parents also help them for the decision. They are ready to work for numerous hours to fulfill the passion & don't feel boring. When your hobby becomes passion the outcome of that is great.

VI.2.6 Unwillingness to take up an employment

Students are unwilling to take up an employment because of their perceptions about employments are different from the students who chose the employment. They work hard on their dream project willingly & prove to be successful entrepreneur.

VI.2.7 Availability of infrastructure / business space

Some students have required infrastructure to initiate business where they can apply knowledge which they have gained in the college. It is one of the assets which require lots of capital without that initiating in business is difficult.

VI.3 Strategies adopted for venturing into entrepreneurship

VI.3.1 Partnership with colleagues / resourceful people

Students are not very confident about their practical knowledge & sometime they don't have sufficient funds so prefer to have partnership with people they know who can help them to initiate business. Everybody is not the expert of everything so there are two options either to hire or make partnership with them. The advantages of partnership are like work is divided amongst the partners. They work harder because they have invested time & money. The purpose is to grow business & make more money.

VI.3.2 Take business loans for initial investment

Initial investment is always high as it is required for basic set up of business. Some entrepreneurs don't like partnership so second option is to take business loans from the bank. The rate of interest is higher but it is the best option to raise the required capital for business. Moreover, the entrepreneur has as option to select his payment term based on his capacity of repayment. The advantage of single entrepreneur is that whatever profits made will not shared with anyone but at the same time the risk of losses has to be borne alone.

VI.3.3 Convince parents for their monetary support

The other option in front of students is to take help of their parents for investment. Some parents have money but would not like to take any risk. Parents will not be very confident on their business ideas. Students need to convince them & give an assurance to their parents through business plans & strategies through which they will get profit.

VI.3.4 Look out for profitable business opportunity

There are many kind of businesses through which profit can be earned. In some businesses profit margin is less or immediate profit is not possible because initial investment is more. In franchise, business is assured & profit margin is less. Entrepreneurs need to do survey of businesses & look out opportunities which will give more profit. However, consideration must be given to long time sustainability of the business.

VI.3.5 Diversification plans for existing family business

Some entrepreneurs have family businesses which they have seen from their childhood & want to make changes in existing business. With this thought in mind they have joined the hotel management college. Sometimes, after completion of the course they realize that existing business can be expanded by using diversification plans. Industry is changing like anything & it calls for different business strategies. It is necessary to follow latest trends instead of following the old one. New plan rejuvenates the existing businesses.

VI.4 Role of hospitality colleges in organizing entrepreneurship development activities & its impact in creating entrepreneurs:

VI.4.1 Guest lectures on entrepreneurship development

Hospitality colleges always take efforts to create entrepreneurs. Students learn some management subjects, it gives them good theoretical knowledge & along with that colleges organize guest lecturers based on entrepreneur which gives them deep insight of enterprises & motivates them to become a successful entrepreneur.

VI.4.2 Entrepreneur opportunities for students (theme dinners, food festivals, bread day etc.)

Hospitality colleges organize co-curricular activities not mentioned in the syllabus which enhances their entrepreneurial qualities. They get many entrepreneurial opportunities during inter collegiate events like food festivals, theme dinners & similar events where they have to plan

everything including décor, menu, budget etc. This is the opportunity they get during the graduation & feel the responsibilities of the entrepreneur. In developing Entrepreneurs College play very important role by providing infrastructure & funds to the students.

VI.4.3 Assignment / project based on entrepreneurship

Teachers give assignments to the students which is mandatory as per the syllabus but have freedom to choose topic for the assignment. In first & second year, students are asked to find out rates of the commodities, local & international brands of the different commodities, different kinds of the fabrics, currencies of the world, sanctuaries etc. Moreover, project work and assignments develop an analytical approach amongst the students which is necessary to be successful in any business.

VI.4.4 Training / field visits

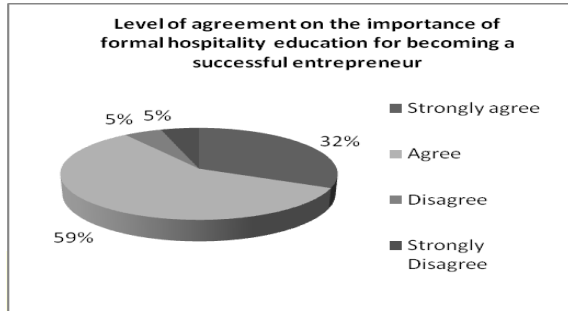
Hotel management colleges place students for training in various types of establishments. Small organizations are always better for learning basic things & work also is not specialized. At the same time students trained in five star hotels get more exposure on five star services. Colleges also organize field visits eg. Five star hotel, industrial catering, sericulture, fort, vinery etc. they get chance to see & experience different aspects of the industry. College role is very important in this scenario. Through these activities students get a feel of the industry and are in a better position to prepare themselves for the same.

VI.4.5 Outdoor catering (ODC)

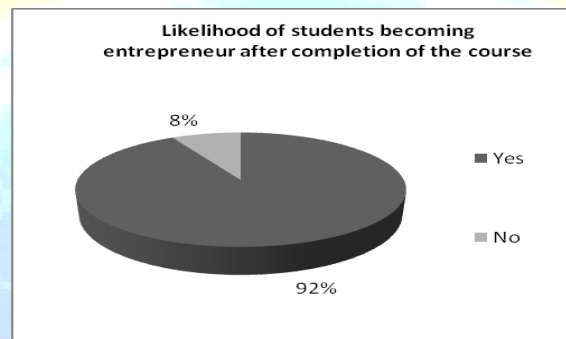
Colleges have made it compulsory to do some stipulated numbers of outdoor caterings to the students. They get opportunity to talk to the guest & to see organizing part of the event. Outdoor catering may be organized in small or large establishments. This exposure helps them to initiate entrepreneurial interests. College role is very vital because it has good contacts & reputation with the industry people due to which students gets outdoor catering opportunities from star category of hotels.

VII. FINDINGS

PRELIMINARY INFORMATION:

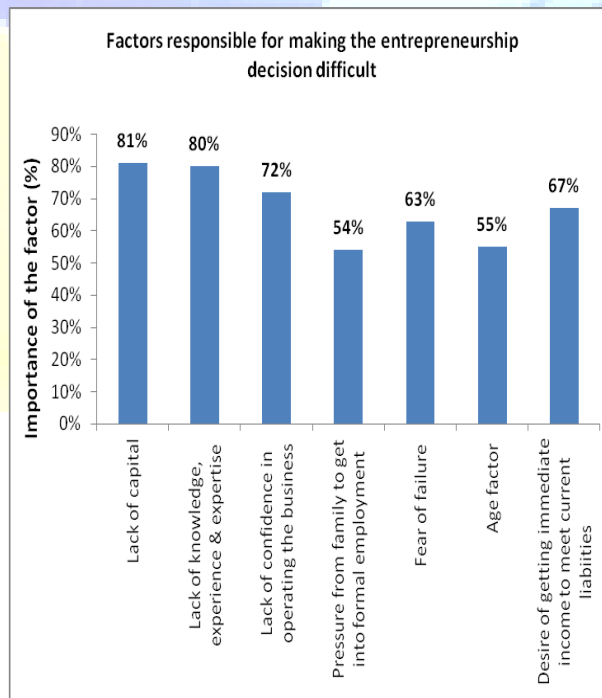


(TABLE 1)



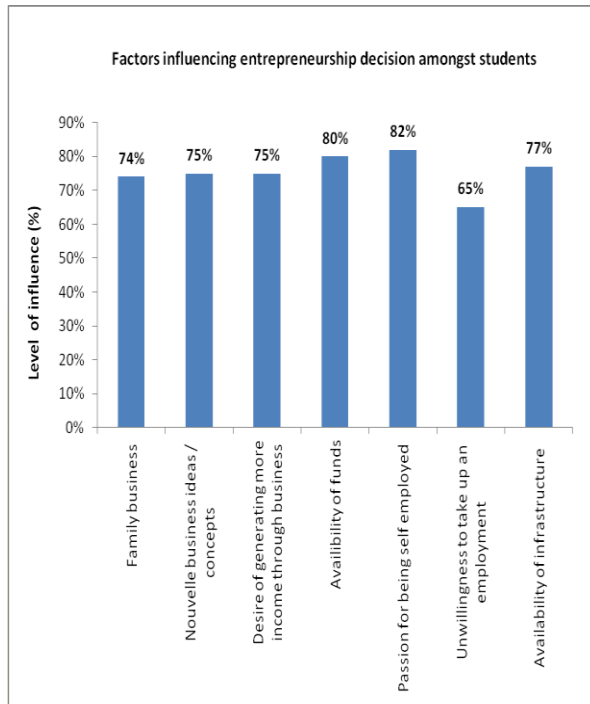
(TABLE 2)

CHALLENGES FACED BY THE STUDENTS WHILE VENTURING INTO ENTREPRENEURSHIP



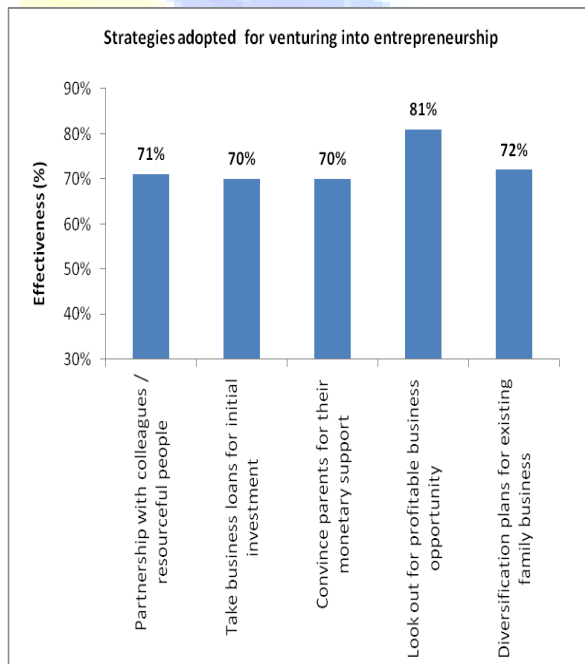
(TABLE 3)

A. FACTORS INFLUENCING ENTREPRENEURSHIP DECISION



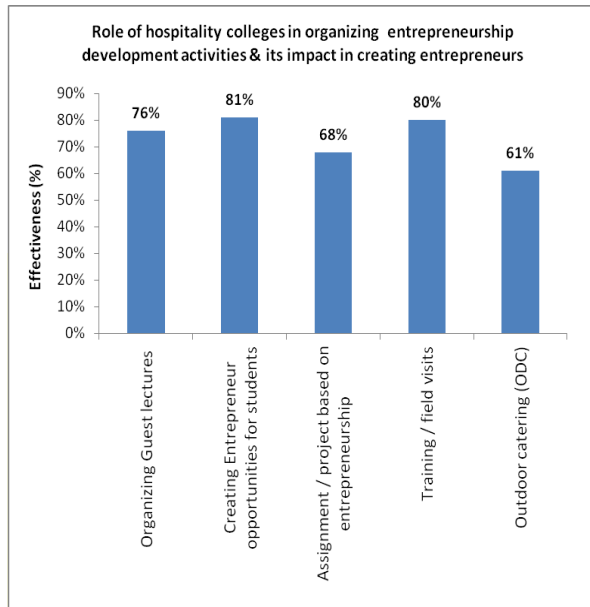
(TABLE 4)

B. STRATEGIES ADOPTED FOR VENTURING INTO ENTREPRENEURSHIP:



(TABLE 5)

C. ROLE OF HOSPITALITY COLLEGES IN ORGANIZING ENTREPRENEURSHIP DEVELOPMENT ACTIVITIES & ITS IMPACT IN CREATING ENTREPRENEURS:



(TABLE 6)

VIII. SUGGESTIONS & RECOMMENDATIONS

Based on the responses received by the hospitality students in Pune on the issues related to entrepreneurship, the following suggestions & recommendations can be made:

1. It is observed that hospitality students take the decision of entrepreneurship in an impulsive manner and without strategic planning. Thus it is recommended that students should take a conscious decision after analyzing the pros & cons of the same.
2. It is suggested that students should procure practical experience for couple of years prior to venturing in business since it goes a long way in the success of the venture.
3. Colleges should incorporate the latest trends while giving inputs on entrepreneurship and should focus on key issues pertaining to the area.
4. The hospitality syllabus should be designed to incorporate entrepreneurial contents with an aim to empower students to deal with the challenges associated with the same.
5. Colleges should deliver content beyond syllabus to address the shortfalls of the syllabus and should promote entrepreneurship as one of the career options for students.

IX. CONCLUSIONS

The findings of the research can be concluded as under:

1. 90% of the students want to be entrepreneurs in future and agree to the fact that formal education is necessary to be successful in the same.
2. Lack of capital, limited knowledge and experience are the major hurdles for the students to take up entrepreneurship immediately after completion of their education.
3. Availability of funds and passion for being self employed are the major influencing factors for the students to venture into entrepreneurship immediately after completion of their education.
4. Lookout for profitable business opportunities is the most adopted strategy by the students for venturing into entrepreneurship.
5. Amongst the various entrepreneurship development activities carried out by the hospitality colleges, “organizing Trainings & Field visits” and “Creating entrepreneurial opportunities” are the most effective ones.

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