

## **A ROLE OF RURAL SMALL HOTEL BUSINESS AND ECONOMIC GROWTH**

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Success of small Hotel Business depends upon the entrepreneurial and managerial capabilities of those involved in the Hotel Business. Because of its size and unique operating characteristics, a small Hotel Business requires a management approach, which is also unique. Small Hotel Business is generally managed in a personalized fashion. The owner is also the manager and worker until the Hotel Business grows to a certain level. They participate in all aspects of managing the Hotel Business and there is generally no sharing in the decision-making process. As far as scope and scale of operations is concerned, small Hotel Business usually serve a local market rather than regional or national or international market. They also tend to have a very limited share of a given market. These special characteristics must, therefore, be taken into account in planning for small Hotel Business development on a national scale.

The entrepreneurial spirit, as described by recent studies and experiences on the subject, involves not only a desire to gain monetary benefits but also an admixture of a high need for achievement and all the motivations evident in a higher achiever. Long-term involvement with a goal, which the entrepreneur has set for himself, creates the need to persist with the undertaking even in the face of difficulties and hardships.

Management and entrepreneurial skills must, therefore, be blended in the small Hotel Business owner's total make-up, as these will spell the difference between success and failure. The ideal would be to find a man who is both efficient and effective. Without the latter capability a man may simply be a good manager. He still has to be developed into an effective Hotel Business manager by inculcating in him the entrepreneurial spirit.

## **WIDE RANGING CONTRIBUTIONS BY SMALL HOTEL BUSINESS: -**

There is a wide range of significant contributions that can read to the development process of Hotel Business industry. These include the following:

- 1) It raises productivity through technical and other forms of innovation.
- 2) It is a powerful tool of job creation.
- 3) It facilitates the transfer of technology.
- 4) It plays a strategic role in commercializing new inventions and products.
- 5) It plays a critical role in the restructuring and transformation of economy.
- 6) It help reduce the ossification of established social institutions and the concentration of economic power.
- 7) Its entrepreneurial behavior can breathe vitality into the life of large corporations and governmental enterprises.
- 8) It makes markets more competitive and thereby reduce both static and dynamic market inefficiencies. and Small but self-operating in the informal sector
- 9) It stimulates a redistribution of wealth, income and political power within societies in ways that are economically positive and without being politically disruptive.
- 10) It improves the social welfare of a country by harnessing dormant, previously overlooked talent and creates new markets and facilitate expansion into international markets.

## **RESEARCH METHODOLOGY**

Fifty small hotels were selected for study (Aurangabad, Maharashtra, INDIA) and the owners of these hotels interviewed with the help of duly structured questionnaire. The data so collected is tabulated below which is self explanatory and highlights the significant variables of small hotel institution

**RESEARCH ANALYSIS****Table No. 1 Ownership Pattern**

Sr. No.	Type of ownership	Frequency	%
1	Family	32	64
2	Joint Family	12	24
3	Partnership	6	12
4	Any other	-	
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

Source: - field Survey

- Dominance of individual or joint family ownership

**Table No. 2 Caste wise ownership**

Sr. No.	Type of caste	Frequency	%
1	<i>Warrior/Farming</i>	24	48
2	Priestly	2	04
3	Professional	14	28
4	Reserved/Low service	10	20
5	Any other	-	-
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

Source: - field Survey Dominance of warrior caste

**Table No. 3 Range of Investment**

Sr. No.	Investment in Range (Rs in 000)	Frequency	%
1	Up to Rs .10,000	11	22
2	10-20	12	24
3	20-30	9	18
4	30-40	8	16
5	40-50	7	14
6	50 and above	3	06
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

Source: - field Survey Average investment per hotel is Rs.36.28 thousands`

**Table No. 4 Religion of Entrepreneurs**

Sr. No.	Religion	Frequency	%
1	Hindu / Nav- Buddha	23	46
2	Muslim	12	24
3	Shikh	-	-
4	Jain/Marwari	5	10
5	Christian	7	14
6	Any other	-3	06
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

Source: - field Survey

- Dominance of people from Hindu /Nav Buddha religion

**Table No. 5 Employment**

Sr. No.	Number of Employees (in Range)	Frequency	%
1	Up to 2	22	44
2	2 to 5	18	36
3	5 to 7	5	10
4	7 to 10	4	8
5	10 and above	1	2
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

Source: - field Survey

- Average Intensity of Employment per hotel is 2.88.

**Table No. 6 Sex Composition & Employment**

Sr. No.	Number of Employees (in Range)	Frequency		Total
		Male	Female	
1	Up to 2	18	4	22
2	2 to 5	36	9	45
3	5 to 7	25	5	30
4	7 to 10	27	7	34
5	10 and above	9	4	13
	<b>TOTAL</b>	<b>115</b>	<b>29</b>	<b>144</b>

Source: - field Survey

- Sex Ratio: Percentage of Women in Total Employment is 20.14%.

**Table No. 7 Turnover Per Day**

Sr. No.	Turnover in Range (Rs.)	Frequency	Percentage
1	Up to 500	8	16
2	500 to 1000	11	22
3	1000 to 1200	12	24
4	1200 to 1500	16	32
5	1500 and above	3	6
	<b>TOTAL</b>	<b>50</b>	<b>100</b>

Source: Average Turnover of Rs. 960 per day per hotel.

Reported Profit Average is worked out 22.7%.

*(Summation of reported percentage of profit by 50 owners divided by 50)*

**Table No. 8  
Significant Findings**

Sr. No.	Particulars	Result
1	Employment Potential Per hotel (See T-5)	2.72 persons
2	Ownership pattern (See-T-1)	Domination of Proprietary ownership
3	Cast Dominance (See T-2)	Warrior / Farming Caste
4	Average Range of Investment (See T-3)	Rs. 36,280
5	Labour (inclusive of owner) Intensity (See note below)	Rs. 12,360
6	Profit Margin (See note below)	22.7 %
7	Average Turnover (See T-7)	Rs. 960 /day per hotel
8	Average Absolute Profit per Hotel per day (See note below)	Rs. 217.92
9	Annual Profit 217.92 X 300 days	Rs. 65376
10	ROI	18.02 %

	(See note below)	
11	Ownership Dominance of People from ( See T-4)	Hindu and Nava Buddha
12	% of females in Labour (See T-6)	20.14

Source: - field Survey

• **Notes:**

Sr. No. 5: Labour (inclusive of owner) Intensity =  $\frac{\text{Sr.No.4}}{\text{Sr.No.1}}$

Sr. No. 6: Average Profit margin =  $\frac{\sum \text{of reported profit of all hoteliers}}{50}$

Sr. No. 8: Average Absolute Profit per Hotel per day = Sr. No. 7 x Sr. No. 6.

Sr. No. 10: ROI =  $\frac{\text{Average Profit per hotel}}{\text{Average Investment per hotel}} \times 100$

**CONCLUSION :**

The rural areas in India are progressing through number of social and economic institutions run under cooperative, Govt. and private folds. Hotel institution is significant amongst it and, hence, the subsequent article is made in concern with it. It helps to reduce the problems of congestion, slums, sanitation and pollution in rural area by providing employment and income to people living in rural areas. It plays an important role by initiating the government to build the infrastructural facilities and amenities in rural areas.

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