

Barriers to Innovation in Hospitality Provision: Towards a reorientation of theory and practice

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Introduction

Recent challenges within the hospitality industry highlight a critical need for research and innovation to inform management practice. Surprisingly, however, a comprehensive review of literature has found that innovation research within the industry is scant and that innovative practice lags behind many other industries. In a study into innovation activity across 14 industries in the UK, for example, Robson and Ortman (2006) found hotels and restaurants to be the second least innovative. This lack of innovation activity is most pronounced in the food and beverage sector with Enz (2004, p.5) noting that the food service sector in the US is reactive making few advances in current practice '... until a period of crisis arises' and Ottenbacher and Gnoth advising that hospitality 'managers often rely on gut feeling, speculation, and their own limited experience about the keys to innovation success' (2005, p. 206).

An emerging crisis is currently evident in the food and beverage departments of international chain hotels. Indeed, a continual decline in customer demand within this sector has prompted Riley (2000, p.112) to pose the question 'can hotel restaurants ever be profitable?' Riley's question is based on his observations that chain hotels are losing market share prompting outsourcing of restaurants and the cancellation of several service periods (Riley, 2000). This downgrading of food and beverage within these establishments has also been noted by Wood (2007) who advises that apart from a few hotels that are food led, the majority now make their money from room sales. A similar situation is occurring in Australia where the majority of international chain hotels have abandoned fine dining altogether reducing their food and beverage outlets to casual dining with the main emphasis on providing breakfast and 24 hour room service.

This conceptual paper argues that the current management paradigm in international chain hotels presents a barrier to innovation, which is compounded by a failure to recognise that hospitality and tourism experiences have important emotional dimensions. The paper explains that by understanding the hospitality transaction between hosts and guests commercial operators can deliver customer experiences that build customer loyalty. The paper then illustrates how a reflective hospitality curriculum can prepare hospitality management graduates to react to the dynamic environment that is today's hospitality industry.