

INNOVATION-THE KEY TO ENTREPRENEURIAL SUCCESS: WITH SPECIAL REFERENCE TO TOURISM IN KERALA

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ABSTRACT

Innovation is of utmost significance to modern lines of business growth and development. Entrepreneurship and innovation are two pervasive concepts and there are gaps in the understanding of the interaction between entrepreneurship and innovation. For businesses innovation has the potential to boost productivity and increase the ability to follow price differentiation and enhance profits. In today's globalised world, tourism has become an important source of revenue for many countries including India. Innovative entrepreneurship is necessary for overcoming the challenges in various forms of industries including tourism and its outcomes are the different kinds of tailored products and services. Entrepreneurship by the development of new concepts and initiatives to gain a competitive edge is a key strategy as companies realign their brand, vision and uniqueness. The key message of this paper is initiatives on innovative entrepreneurship in tourism. It also shows vital role of entrepreneurship in tourism to address problems of environmental degradation and climate change in the context of globalization.

KEYWORDS: *Innovation, Entrepreneurship, Competitive Edge, Employment, Tourism Entrepreneurs.*

Introduction

Research in the fields of innovation and entrepreneurship is still in developing stage. Innovation is central to modern lines of business growth and development. Entrepreneurs can contribute to economic development by facilitating the reallocation of resources from less to more productive uses by performing the strategies of 'cost discovery', 'gap filling' and input completing process. Entrepreneurship and innovation are two of the most pervasive concepts of our time, yet there are gaps in our understanding of the interaction between entrepreneurship and innovation. According to Morrison (1998) 'entrepreneurship, primarily, involves the process of creating value by bringing together a unique assembly of resources to create or exploit a market opportunity'. Hence innovative entrepreneurship is necessary for overcoming the challenges in various types of industries and its outcomes are the various forms of innovation.

Entrepreneurial initiatives generally develop new means of production, new products, new markets, new methods of manufacturing or distribution, new sources of material, or new forms of organization according to Schumpeter, 1934. In addition to various economic benefits, entrepreneurship in new forms can also prove hugely beneficial in social upliftments. The tourism industry is a large and varied field and it provides challenging and exciting career opportunities for people. Human resource development is a thrusts area for the tourism industry anywhere in the world as it is a service sector that is largely people driven and the products are experience centric. Trained manpower, the so called 'human capital' makes the experience more rich and delightful for tourists. Kerala has made concerted

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efforts to develop tourism and has succeeded in gaining recognition as one of the top ten must see tourism destinations in India. But, tourism like any other business faces stiff competition from within and outside India. If Kerala wants to establish itself as a solid travel destination and increase foreign revenue, there is a need for more planned efforts and initiatives from the part of the government for developing this sector in accordance, with the global standards of services.

Significance of Tourism Sector

The hospitality and tourism industry holds tremendous potential for any economy. It can provide impetus to other industries can create millions of new jobs and generate enough wealth to help pay international debt. Tourism thus, plays an important role in driving growth and bringing about economic prosperity. As far as Kerala is concerned the opportunity is far above normal in providing foreign exchange earning which is important in improving state's economy. Improvement of tourism industry needs to foresee sustainability. This sustainability in tourism relies on both quality and quantity tourism which requires trained personnel to man the various positions in the industry. This brings to light a need to for planning development of human resources in the tourism industry. Kerala promoted as 'God's Own Country' is blessed in its nature with varied geographical features such as beaches, hill stations, backwaters, and wild life sanctuaries. Moreover its weathers provide Kerala with ample opportunities to be one of the greatest tourist centers in the world.

The travel and tourism industry in Kerala is becoming more and more competitive. The amateur stage of the travel business is long over. Over the last two decades, the travel companies have transformed their pattern and structure to meet tough challenges in the international tourism market. So, in this volatile business environment, only those travel and tourism organizations that adapt to meet the competitive threats and opportunities to match the need of new travel market and that bring flexibility, creativity, innovation, determination and professionalism into its operations shall succeed.

Tourism and Human Resource

The tourism industry includes everything that a traveler does on a trip eat, sleep, party, attend conference, available rent a car, take a taxi, shop, change foreign currency etc. Tourism is a labour intensive industry where labor costs of goods and services produced are very high. It means that labour expenses have an important share on total expenses.

Employment Created

- Direct employment in the hospitality sector such as hotels, resorts, restaurants, transportation, etc. in the form of front officers, accountants, housekeepers, waiters, catering staff like cooks, etc.
- Indirect employment generated on account of consumption of local goods and services by tourists give opportunity to guides, local transporters, banks, etc.
- Induced employment generated to meet the specific requirements of tourists such as porters, chambermaids, gardeners, hawkers, coolies, brokers, artists, performers, musicians, etc.

But tourism and hospitality has often struggled with negative perceptions about employment performance and working conditions. This perception has often been in the tourism and hospitality industry because there are a number of problems related to work environment, including:

- Generally low wages, unless skill shortages act to counter this
- Unusual hours and shift patterns that are not family friendly;
- Poor or non-existent career structures and use of casualized seasonal employment
- Over reliance on informal recruitment methods;
- Lack of evidence of good personnel/HRM practices;
- High levels of labour turnover;
- Difficulties in recruitment and retention of employees.

Recognizing this reality of poor employment practices, Riley et al. (2000) argue that economics is the key determining factor for HRM policies and practices in tourism and hospitality.

Kerala Tourism

Kerala is a green strip of land, in the south west corner of Indian peninsula. It is one of the four major southern states of India and shares boundaries with Karnataka and Tamil Nadu. The number of

revenue divisions included 14 districts, 63 Taluks, and 20 towns." Kerala is hailed as a land of 44 rivers and innumerable lakes with 1500 kilometers of backwaters that sprinkle canvasses. Kerala with unique features, cultures, traditions and varied demography has become one of the most popular tourist destinations in the world. Foreign and domestic tourist visits to Kerala shows growth during the last few years. As Kerala's economy continues to open up in an effort to integrate with the world economy, this brings in its wake transit travelers, business travelers, business meets and holiday seekers. Tourism activities also have wider impact on the economy in terms of creating jobs and income for the households through tourists' spending in the local economy. In broad terms, economic impact of tourism has been defined under three categories:

- Direct impact: Direct impact refers to changes in the industries associated directly with visitor spending.
- Indirect impact: It is about the intermediate consumption for the production of goods and services in the tourism sector.

Environmental Sustainability

Across the globe there is a growing realization that presence of resources and favourable government policies cannot automatically generate economic development. It is the entrepreneurial spirit of the people which can transform the economy of that region. That is why entrepreneurship is widely acknowledged to be the engine of economic growth and different countries have been prepared detailed plans for the development of such a culture in their country.

Unsustainability of present social-economical processes is recognized now by both public and researchers. Given the present environmental problems facing the world, it is time to pay attention to the role that entrepreneurs can play in protection of the environment. Mounting evidence in the natural environment has suggested over the past decades that growth does not go hand in hand with the preservation of nature. The first efforts to protect the human environment were undertaken in 1972 through the United Nations Environment programme (UNEP) Stockholm declaration which addressed human activities to protect livable conditions on our planet. The World Commission on Environment and Development led by Gro Brundland developed the concept of sustainable development in an attempt to reconcile economic growth with environment and social issues. Sustainable development is referred to as an ability to meet the needs of the present generation without compromising the ability of future generations to meet their own needs (WCED1987). Considering the apparent antagonism between environment and economics the pathway to sustainable growth is no painless. The broad spectrum of sustainable entrepreneurship indicates a unique balance between a focus on societal, environmental and economic issues-known as the 'triple bottom line' (Elington, 1998). Entrepreneurship for sustainable development thus holds a bold promise (Kuckertz and Wagner,2010).

Schumpeter's 'creative destruction' draws attention again when talking about the new pressure of sustainability creating different types of market failure and creating opportunities for new systems ,processes and practices. So the adoption of environmentally responsible and eco-friendly business practices can open up an additional range of opportunities for entrepreneurs. New business practices are not only important because it provides new opportunities for the initial start-ups / first movers who identify and exploit such opportunities but also because it has the potential to be a major force in the overall transition to a more sustainable business paradigm. Individuals who understand the sustainability issues and identify the emergence of current trends can develop a feasible business idea and create their own successful niches. By demonstrating the economic benefits that come from being greener, business organizations can act as a catalyst that encourages other firms to proactively go green.

Conclusion

Innovative entrepreneurship is necessary for overcoming the challenges in various forms of industries including tourism and its outcomes are the different kinds of tailored products and services. It is now widely identified that the promotion of entrepreneurship is not only necessary for a healthy economy but also critical for sustaining prosperity and creating new jobs' it can act as a recipe for economic prosperity and that it can reduce unemployment. An awareness of the importance of innovative and environment friendly entrepreneurship in hospitality, leisure, sport and tourism is of paramount importance to Kerala economy. Entrepreneurship education with a specific focus on sustainability, energy conservation, and renewable energy is one of the mechanisms that can be used to stimulate future entrepreneurial behavior so that the ecological crisis and its consequences are also addressed in the

social-economic choices in the future. The travel and tourism industry in Kerala is becoming more and more competitive. The amateur stage of the travel business is long over. Over the last two decades, the travel companies have transformed their pattern and structure to meet tough challenges in the international tourism market. So, in this volatile business environment, only those travel and tourism organizations that adapt to meet the competitive threats and opportunities to match the need of new travel market and that bring flexibility, creativity, innovation, determination and professionalism into its operations shall succeed.

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