

# Culture for Creativity in Hospitality Industry in Nepal

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*Abstract: This paper examines the relationships between the culture and creativity in the business enterprises of sectors such as hotel, travel and trekking agencies. The survey was conducted in the month of November 2015 in Kathmandu valley. The data analysis was based on data collected from self-administered questionnaires. Of the 150 questionnaires distributed to the respondent-employees, 126 responses were usable making the response rate of 84 percent. The study concludes that collaboration is more important factor than trust and learning for creativity in Nepalese hotels, travel and trekking agencies.*

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*Key words:* Culture, Creativity, Hospitality industry.

## I. BACKGROUND AND OBJECTIVE

Hospitality industry managers must be able to keep and attract new customers by satisfying their increasingly sophisticated demands to manage hospitality industry (Bouncken, 2002). Tourists in particular are more than ever before looking for “new” and “unique” experiences. To meet this new challenge there has recently been more emphasis on “effective culture” in the hospitality industry, and even on the notion of “creativity.” Hotels can improve the quality of their service, for example, by enhancing employees’ knowledge of customers’ preferences and improving their service accordingly. Above all, hospitality industry employees should be aware that their own coordination and joint “creative thinking” are vital to achieving increased customer satisfaction and greater quality of service (Bouncken, 2002).

Culture is a set of beliefs, which provides an identity for the organisation, which in turn defines how the organisation runs day to day. The organisation culture can be defined as both the set of values, philosophy and mission of the organisation, as well as the unspoken set of values that guide the employee’s actions and perceptions in the organisation (McDermott & O’Dell, 2001). Knowledge culture in particular, can be defined as the organisational lifestyle on enabling and motivating to create, share and

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use knowledge towards its continuous success (Bock, 1999). Organisations should assess and review their current cultural situation towards developing a knowledge culture; otherwise any attempt to knowledge management is likely to fail (Davenport & Prusak, 1998). To create a knowledge friendly culture, employees should treat knowledge capturing and sharing as a natural activity and practice it daily.

Culture is values, beliefs, norms, and symbols (Price Waterhouse Change Integration Team, 1996). It is important for facilitating sharing, learning, and knowledge creation. In general, culture highly values knowledge, encourages its creation, sharing, application, and promotes open climate for free flow of ideas. The development of such culture is the major challenge for knowledge management efforts. Organisational cultures change over time as organisations adjust to environmental contingencies. Every organisation has its own particular culture and its own unique practices (Schein, 1985). An effective culture for knowledge management consists of norms and practices that promote the transfer of information between employees and across department lines (Yeh, Lai & Ho, 2006). Building an effective culture where people operate in an organisation is a critical requirement for effective knowledge management (Gupta & Govindarahan, 2000). Many studies conducted to investigate causes of knowledge management initiative failure, have recognised that organisational culture is the main barrier to knowledge management success (Tuggle & Shaw, 2000).

Culture is a broad concept that consists of many components. Among them, collaboration, trust and learning are important. Goh (2002) highlighted that collaborative culture is significant for knowledge distribution among individuals and groups. Collaboration has also been empirically proved an important contributor to knowledge creation. Sveiby and Simons (2002) argue that collaborative climate is one of the key factors that influence the effectiveness of knowledge management. Effective knowledge management requires the creation of a supportive and collaborative culture. This shows that collaborative interactions should be encouraged both formally and informally among different members. Collaboration between organisational members also tightens individual differences (Leonard-Barton, 1995). It can help people develop a shared understanding about an organisation's external and internal environments through supportive and reflective communication. Without established and aligned shared understanding among organisational members, little knowledge is ever created (Fahey & Prusak, 1998).

Trust can be defined as maintaining reciprocal faith in each other in terms of intention and behaviors. Trust may facilitate open, substantive, and influential information exchange (Nelson & Coopride, 1996, O'Dell & Grayson, 1999). When their relationships are based in trust, people are more willing to participate in knowledge exchange and social interactions (Nahapiet & Ghoshal, 1998). People seek advice from trusted colleagues to share understanding of the problems and to sharpen their understanding of the problems. Szulanski (1996) empirically found that the lack of trust among employees is one of the key barriers against knowledge transfer. The investment of trust among organisational members can be thought of as a leap of knowledge transfer (Nelson &

Coopriider, 1996). Therefore, the increase in knowledge transfer brought on by mutual trust results in knowledge creation. However, the exchange of knowledge is not amenable to enforcement by contract, and thus gives rise to a high level of risk and uncertainty.

Learning can be defined as the degree to which it is encouraged in organisations (Hurley & Hult, 1998). The emphasis on individual learning infuses an organisation with new knowledge (Damanpour, 1991; Hurley & Hult, 1998). Through the emphasis on learning and development, organisations can help individuals play a more active role in learning and discover something new about problems. For successful knowledge creation, individuals should be encouraged to ask questions (Ndlela & Toit, 2001). It is important to provide training to complement and supplement employees' existing knowledge. Swap et al., (2001) highlighted mentoring as a key means in creating organisational knowledge. Intense mentoring enables professionals to obtain a higher level of knowledge. They suggested that learning organisations should improve organisational learning culture, team working, learning and creativity, system thinking and participation level in their organisations. They showed that there was significant correlation between organisational cultures and learning in organisations.

Chen et al. (2011) found that the cultural environment of an enterprise was central to its success in the context of China. They stated that a collaborated, trusted, and learning environment within information and communication technology firms would have a positive impact on their knowledge management performance.

In this backdrop this study seeks to examine the relationship and relative significance of the components of culture (collaboration, trust and learning) on organisational creativity in hospitality industry in Nepal.

## **II RESEARCH METHODOLOGY**

This study largely followed the methodology used by Choi (2002). Basically, it is a descriptive study having the features of survey research. For collecting primary data, a survey technique was been adopted. The study considered hospitality industry of Nepal as its population. However, for convenience, samples were taken only from hotels and travel/trekking agencies from within Kathmandu valley. Hospitality industry was further categorised into two groups, namely, hotels and travel/trekking agencies. Nine hotels and 13 travel/ trekking agencies were selected (out of 275 hotels and 1688 travel/trekking agencies within Kathmandu valley) as sample on the basis of judgmental sampling. Employees of executive, officer and non-officer levels in Nepalese hospitality industry are the respondents of the study. The survey was conducted in the month of November 2015. Of the 150 questionnaires distributed to the respondent-employees, 126 responses were usable making the response rate of 84 per cent.

The descriptive statistical tools were used for the data analysis and presentation. To evaluate and test the various statements in the response, mean values of each variable, standard deviation and ranking were used as per the need of the study.

### III. PRESENTATION AND ANALYSIS OF DATA

Table 1 presents the demographic information of the respondents. As the table shows, the majority of the respondents were male (66.7%) and were in the age group of 20-35 years (65%). In terms of marital status, they are almost equally divided. Majority of the respondents are graduates (85%), work in middle and operational level (92%) and have less than five years of experience in the current position (61%).

Table 1 : Demographic Data of the Respondents

Demographic Object	Items	Percent
Sex	Male	66.7
	Female	33.3
Age	<20 years	3.17
	20-35	65.08
	36-50	28.57
	50<	3.18
Marital Status	Married	49.2
	Single	50.8
Highest Level of Education	Plus two	15.1
	Bachelor's degree	58.7
	Master's degree	26.2
Work Experience	<5 years	61.1
	6-10	8.7
	11-15	12.7
	16-20	5.6
	>20	11.9
Current Department	Human Resources	10.3
	Finance/Accounting	15.8
	Sales	26.2
	IT	3.2
	Public Relations	27.0
	Marketing	17.5
Current Position	Top Management Level	7.9
	Middle Management Level	50.8
	Operational Level	41.3

Source: Survey 2015

The questionnaire contained a list of different statements of observations regarding different factors promoting culture for creativity. Out of the 26 statements, 11 related to collaboration, 5 to trust and remaining 10 to learning. The respondents were requested to express their agreement/ disagreement on the given statements by using a seven-point Likert Scale. The summary statistics are provided in Table 2.

Table 2: Promoting Factors for Specific Culture

This table reports mean weightage, standard deviation and rank of the responses on the given statements. The mean values are calculated by assigning scores 1 through 7 for rankings from 'strongly disagree' to 'strongly agree' respectively and by multiplying each score by the fraction of responses within each rank. A score of 0 is assigned when a statement is not ranked.

S. N.	Statements	Strongly Disagree to Strongly Agree							Mean	Std. Deviation	Rank
		1	2	3	4	5	6	7			
<b>a. Collaboration (people in a group help one another)</b>											
1.	Employees in this organisation are supportive and participative.	1.6	1.6	4.8	16.7	21.4	44.4	9.5	5.26	1.23	1
2.	There is good coordination among different units and people.	1.6	2.4	4.8	12.7	32.5	34.1	11.9	5.22	1.25	3
3.	During spare time, employees in this organisation socialize and hold various social activities.	1.6	10.3	10.3	24.6	21.4	27.0	4.8	4.54	1.45	20
4.	Each employee of this organisation contributes equally to this organisation's service innovation.	2.4	5.6	8.7	18.3	30.2	27.8	7.1	4.80	1.4	14
5.	Employees of this organisation are committed to organisational objectives.	1.6	2.4	4.8	16.7	23.0	39.7	11.9	5.24	1.29	2
6.	People keep each other informed about work-related issues in the team.	0.8	2.4	5.6	16.7	28.6	34.9	11.1	5.19	1.23	5
7.	This organisation team is open and responsive to change.	1.6	3.2	6.3	21.4	29.4	28.6	9.5	4.98	1.30	9
8.	People in the team co-operate in order to help, develop and apply new ideas.	0.8	1.6	6.3	14.3	34.1	30.2	12.7	5.21	1.20	4
9.	Employees in this organisation provide practical support for new ideas and their application.	1.6	1.6	7.9	20.6	27.8	30.2	10.3	5.03	1.28	7
10.	Employees in this organisation provide helpful advice and constructive feedback in order to encourage me to do job to the best of my ability.	2.4	4.8	9.5	18.3	24.6	25.4	15.1	4.94	1.50	10
11.	The team continually monitors and evaluates its own performance in order to achieve the highest standard.	3.2	3.2	5.6	20.6	23.0	33.3	11.1	5.02	1.42	8

<b>b. Trust (maintaining mutual faith)</b>											
1.	I believe colleagues in this organisation treat others equally.	0.8	7.1	10.3	19.8	26.2	27.8	7.9	4.79	1.40	15
2.	I believe colleagues in this organisation are honest and reliable.	1.6	2.4	7.9	20.6	27.8.	27.8	11.9	5.02	1.33	8
3.	Employees in this organisation are generally truthful.	0.8	2.4	9.5	24.6	19.8	28.6	14.3	5.03	1.36	7
4.	Employees in this organisation have mutual faith in other employees' intentions and behaviors.	0.8	2.4	7.1	15.9	37.3	29.4	7.1	5.03	1.17	7
5.	Employees in this organisation have mutual faith in others' abilities.	0	4.8	7.9	20.6	36.5	23.8	6.3	4.86	1.20	12
<b>c. Learning (continually study)</b>											
1.	This organisation provides various formal training programs for performance of duties.	4.8	6.3	9.5	12.7	33.3	24.6	8.7	4.72	1.54	17
2.	This organisation provides opportunities for informal individual development other than formal training such as work assignments and job rotation.	2.4	6.3	7.1	23.0	27.0	25.4	8.7	4.77	1.43	16
3.	This organisation encourages people to attend seminars, symposia, and so on.	4.0	12.7	13.5	16.7	24.6	22.2	6.3	4.37	1.61	21
4.	This organisation provides various programs such as clubs and community gatherings.	4.8	16.7	11.1	27.0	20.6	16.7	3.2	4.05	1.54	22
5.	Employees in this organisation are urged to continually study how they work and adjust if needed.	4.8	5.6	7.9	23.8	30.2	22.2	5.6	4.58	1.45	19
6.	In this organisation problems are seen as a chance to learn or change.	4.0	7.1	6.3	23.0	26.2	23.0	10.3	4.71	1.53	18
7.	In this organisation people work and learn together harmoniously in self-guiding teams.	2.4	3.2	5.6	23.0	29.4	27.8	8.7	4.92	1.32	11
8.	Employees in this organisation apply their new knowledge into their daily work.	0.8	6.3	11.9	17.5	23.8	31.0	8.7	4.85	1.42	13
9.	We seek new information in order to learn and create new knowledge.	1.6	4.0	10.3	12.7	18.3	40.5	12.7	5.14	1.44	6
10.	Capturing and storing new knowledge into the system for the further usage in this organisation.	0	4.0	8.7	24.6	21.4	30.2	11.1	4.98	1.31	9

\* These estimates are based on 126 responses.

Source: Survey 2015

The mean values of all observation statements varied from 4.05 to 5.26. It means that the respondents consider all observation statements are important for creativity in Nepalese hospitality industry. In the opinion of the respondents, the creativity is mainly affected by factors related to collaboration. It is evident from the fact that the top-ranked statements (from rank one to five) belong to collaboration. The statement “employees in the organisation are supportive and have participative behaviour” secured the first rank followed by “employees of the organisation are committed to organisational objectives” and “there is good coordination among different units and people” respectively. Further, the fourth and fifth ranked statements - also belong to collaboration.

The mean values for statements belonging to trust ranges from 4.79 to 5.03; and for learning they range from 4.05 to 5.14. These mean values indicate that in the opinion of respondents, the statements leading to trust and learning are also important in hospitality industry in Nepal. The statements “employees in the organisation are generally truthful” and “employees in the organisation have mutual faith in other employees’ intentions and behaviors” secured the seven rank for creativity. As well as the statement “they seek new information in order to learn and create new knowledge” secured six rank for creativity.

Therefore, the employees in the organisation have supportive and participative behaviour; committed to organisational objectives and good coordination among different units and people have a larger impact on the effective culture while various programs provided by the organisation such as clubs and community gatherings have lesser impacts on creativity as compared to others.

## V. CONCLUSION

As regards primary data analysis, the majority of respondents believed that collaboration is the most important factor to culture for creativity in Nepalese hospitality industry. Trust and learning, though not equally important as the collaboration, contribute to creativity in Nepalese hotels, travel and trekking agencies.

The majority of the respondents believe that factors like supportive and participative employees, employees committed to organisational objectives, good coordination among different units and people, cooperative team in order to help each other, new information to develop and apply new ideas, etc. promote to creativity.

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*ANNEX : Survey Questionnaire on*

**"Culture for Creativity in Hospitality Industry in Nepal"**

Dear Sir/Madam,

I request your cooperation to fill this questionnaire to the best of your knowledge and experience based on your organisation. This questionnaire aims to collect information on Culture for Creativity in Hospitality Industry in Nepal. I shall be highly obliged to you for your valuable spontaneous and frank opinion, which is certainly considered as the basic source of information to meet the broad goal of this study. This survey is being conducted as a part of a mini research candidate in the University Grants Commission. The researcher assures that the information supplied by you will be fully confidential and used for academic purpose only.

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*Part I: Personal background*

1. Sex: (1)  Male (2)  Female
2. Age: \_\_\_\_\_ years old
3. Highest educational level:
  - (a).  Plus two
  - (b).  Bachelor's degree
  - (c).  Master's degree
  - (d).  Ph. D.
4. Work Experience: (a)  0-5 years (b)  6-10 years (c)  11-15 years  
(d)  16-20 years (e)  21 years and above
5. Marital status: (a)  Married (b)  Single (c)  Others
6. Current department: (a)  Human Resources (b)  Finance/Accounting (c)  Sales  
(d)  IT (e)  Public Relations (f)  Marketing
7. Current position: (a)  Top Management Level (b)  Middle Management Level  
(c)  Operational Level

*Part II: Survey questions*

Please tick (√) on your choice by using the following scale in your ratings to indicate how much you agree/disagree with the following statements.

	1	2	3	4	5	6	7							
	Strongly Disagree	Disagree	Slightly Disagree	Neutral	Slightly Agree	Agree	Strongly Agree							
<b>S. N.</b>	<b>Factors</b>							<b>SD 1</b>	<b>D 2</b>	<b>SD 3</b>	<b>N 4</b>	<b>SA 5</b>	<b>A 6</b>	<b>SA 7</b>
a	Collaboration (People in a group help one another)													
1.	Employees in this organization are supportive and participative.													
2.	There is good coordination among different units and people in this organisation.													
3.	During spare time, employees in this organization socialize and hold various social activities.													
4.	Each employee of this organisation contributes equally to this organisation's service innovation.													
5.	Employees of this organisation are committed to organisational objectives.													
6.	People keep each other informed about work-related issues in the team.													
7.	This organisation team is open and responsive to change.													
8.	People in the team co-operate in order to help, develop and apply new ideas.													
9.	Employees in this organisation provide practical support for new ideas and their application.													
10.	Employees in this organisation provide helpful advice and constructive feedback in order to encourage me to do job to the best of my ability.													
11.	The team continually monitors and evaluates its own performance in order to achieve the highest standard.													

b.	Trust (maintaining mutual faith )	1	2	3	4	5	6	7
1.	I believe colleagues in this organisation treat others equally.							
2.	I believe colleagues in this organisation are honest and reliable.							
3.	Employees in this organisation are generally truthful.							
4.	Employees in this organisation have mutual faith in other employees' intentions and behaviors.							
5.	Employees in this organisation have mutual faith in others' abilities.							
c.	Learning (continually study)	1	2	3	4	5	6	7
1.	This organisation provides various formal training programs for performance of duties.							
2.	This organisation provides opportunities for informal individual development other than formal training such as work assignments and job rotation.							
3.	This organisation encourages people to attend seminars, symposia, and so on.							
4.	This organisation provides various programs such as clubs and community gatherings.							
5.	Employees in this organisation are urged to continually study how they work and adjust if needed.							
6.	In this organisation problems are seen as a chance to learn or change.							
7.	In this organisation people work and learn together harmoniously in self-guiding teams.							
8.	Employees in this organisation apply their new knowledge into their daily work.							
9.	We seek new information in order to learn and create new knowledge.							
10.	Capturing and storing new knowledge into the system for the further usage in this organisation.							