Impact of Evolving Economies on Socio-cultural Aspects of Hospitality Systems, India

B. Bhargava Teja

Management Consultant, Hyderabad 500 033, India
 E-mail: bhargava_bt@yahoo.com.

Impact of Evolving Economies on Socio-cultural Aspects of Hospitality Systems, India

B. Bhargava Teja *

Abstract

The influence of the perceptions of people towards the growing and emerging economies and the resulting marked changes that took place on values, norms, religious beliefs, lifestyles along with attitude towards other members of the society is investigated. Cultural metamorphosis has taken place in the social domain in India, drifting away from the very composition of the traditional family structures and as a result of this, India has become one of the fastest growing economies in the world. The society has started witnessing a new kind of predicament emanating from a relatively faster phase of transition in socio-economic characteristics. Personality traits of the people are studied to determine how the economy affects human nature and their enduring patterns of perceiving, relating to and thinking about oneself and the environment. The family structures are analysed with the origin and the nature of relationships based on Type theories and by a metaphoric comparison with Galaxy. Based on the Big Five Factors model, five types of psychological dispositions with varying degree of personality factors are found in the people. The five factors that are responsible to various psychological dispositions and for varying degree of personality traits are identified based on earlier established theories. The present analysis shows that depending on psychological dispositions, family orientation is tending to move, from open high spirits, towards more and more confined and self- centred structures.

Keywords: Evolving Economies, GDP, Family Structures, Psychological Types, Personality Traits

*Management Consultant, Dr. B.R.Ambedkar Open University, Hyderabad 500 033, India. E-mail: bhargava_bt@yahoo.com.

I.Introduction

An economic system is a way of policy formulation and implementation of public decisions that affect the general society or social systems (Charles F. Adrian, 1994). Economy involves in the production, distribution and use of goods and services by organizations or participants engaged (Morris Bronstein, 1989). A country's social and cultural systems depend on and/or are shaped by its political ideology and economy. In a given society, a political ideology consists of a set of institutions and activities that link together with government, politics and public policy (David Easton 1957).

During the early 1990's, Indian polity has set itself on the path of globalization and liberalization which was endorsed by all political parties. Shifting its attention from manufacturing to service industry, a major thrust has been given on the service sector as against the traditional agriculture and industrial sector. The process of dismantling of controls and regulations has started, state monopolies broken, tariffs, duties and taxes progressively lowered, which favoured an impetus towards the opening for new international trade and investments. Simultaneously, the Government of India further liberalized FDI to 100% in private participation in some crucial areas of development. The major components of the service sector, such as IT, IT-enabled services, along with the hospitality sector are intensively promoted.

Foreign direct investments (FDI) and foreign institutional investments (FII) have shown a marked growth, an average of fourfold rise in a short span of five years. As a result of these measures, the Indian economy with the GDP of $1.235 trillion stands as the 11th largest in the world (CIA, 2009). The perceptions of the people have started influencing the social domain both internally and externally towards the growing and emerging economies. The household hospitality nurtured and valued over thousands of years confronted a total transformation, bringing forth a new dimension of paid services by eating and dining out. As a result, a wide variety of changes have taken place in the families including family structures, functions, core values on regulated norms (Singh 2004).

The cultural metamorphosis has taken place, drifting away from the very composition of the family structures as a result of evolving economies in Indian society. These structures are analysed along with the nature of their relationships and metaphoric comparison with Galaxy and their universal relationships. It is observed that the structure is followed by consanguinity as joint families, supported by the extended family consequential to urban migration. Subsequently, conjugal nuclear families have emerged with the growth of the service sector and globalization, leading to the advent neutron single-parent family without any formal relationships.

These influences primarily appear to have a bearing on age, education, income levels, spending patterns (Chris Cooper et al, 2005) and personality traits. Personality types refer to the psychological classification of different types of people, whereas personality trait is personality types which come in different levels or degrees. Early works by Doxey (1975), Smith (1989) and Plog (2004) describe various personality types, their adaptation levels to local norms and psychographic analysis with regard to travels. However, during present investigations the author extended Types theory (Carl Jung, 1921) underlying psychologies to investigate the impact of evolving economies on family structures and hospitality patterns.

II. Impact of Liberated Economies

In India, the government institutions and their associates have pursued the path of liberalized policies, encouraging greater participation of private entities in both domestic and foreign capital investments. Duty-free enclaves, namely special economic zones (SEZ), are created by providing critical funding with several incentives in the core infrastructure which is essential to support the IT sector. The growth rate of GDP, share of service sector contribution to GDP along with the constituent components of service sector and their contribution with per capita income are presented in Table 1a and b.

S.No	Year	GDP Growth Rate in %	Share of Service sector in %	Per Capita Income (in Rupees)
1	2004	8.3	58.8	20871
2	2005	9.3	60.2	23198
3	2006	9.7	61.1	26003
4	2007	9.1	62	29524
5	2008	7.3	63	33238
6	2009	5.9	64.5	37490

a. Growth rate of GDP, Share of contribution of Service Sector in per cent along with Per Capita Income

S.No	Year	Components in the Service Sector and Percentage of Contribution			
		Trade, Hotels, Restaurants, Transport, Communication (%)	Financing Insurance Real Estate & Business (%)	Community, Social and Personal Services (%)	Construction (%)
1	2004	24.9	13.4	14.3	6.1
2	2005	25.7	13.5	14.2	6.6
3	2006	26.3	13.8	13.9	7
4	2007	27.1	14.3	13.4	7.2
5	2008	28	14.6	13.1	7.2
6	2009	28.6	14.8	13.9	7.3

b. Various Components of Service Sector contributing to GDP

Table 1: Growth Rate of GDP, Share of Service Sector along with the Detailed Components and Per Capita Income

It can be observed from Table 1a that, for the periods of 2004--2009, the national GDP varies from 5.9% to 9.7%. The growth in the GDP is mainly attributed to the rise in the share of contribution of service sector accounting to almost 60% in all these years. The breakup of major constituents of service sector namely trade, hotels, finance, community services and construction are presented in Table 1b, to investigate which components of the service sector have contributed to the accelerated overall growth in compounding the rise in GDP.

Table 1b shows that trade, hotel and allied components are contributing almost double of that from other constituents in the service sector, namely finance, personal service and real estate amounting to around 30%. Other marginal components whose

contribution is less than 5% are not included in Table 1b, which accounts for the observed difference of the total share of 100%. This in turn has given the scope and advancement of growth in hotels and restaurants to a marketing proposition by creating tourism infrastructure as opined by David Weaver (2002). A visual impact of the growth in the trade and hotel sectors against the growth in GDP is shown in Figure 1 for comparison.
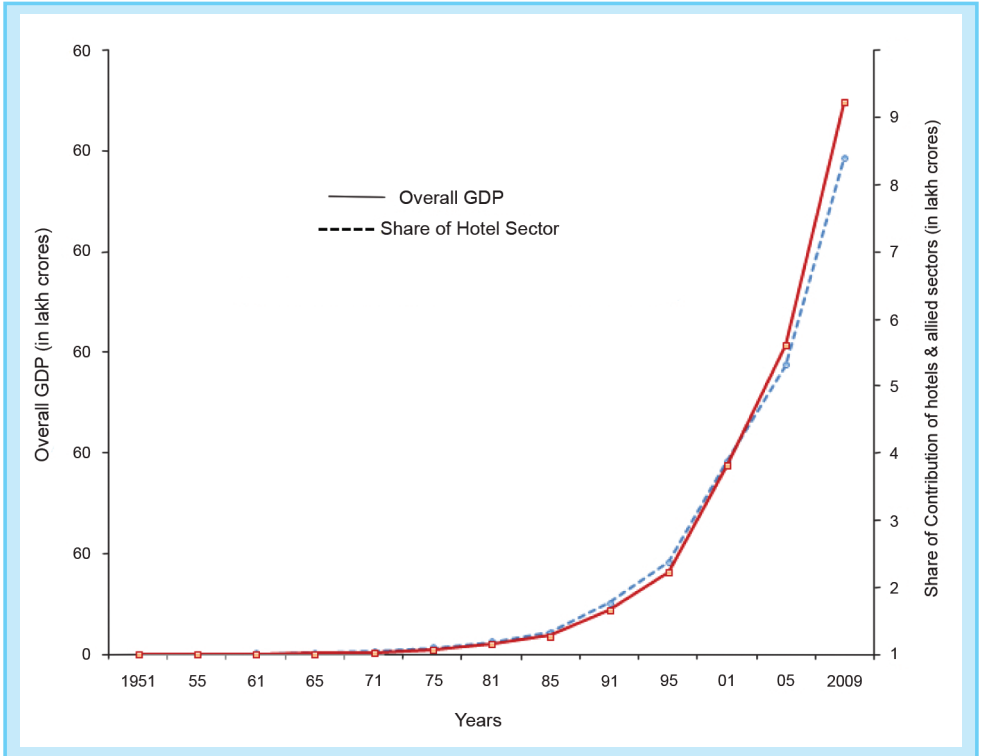

Figure 1: The Growth of Hotel and Allied sector with GDP

Increasing wealth and mobility of people to culturally diverse regions has brought in a decisive change in the social norms and hospitality cultures, evolving a new set of patterns and related value systems as a result of evolving economies. (Bhargava Teja, 2010). Lifestyles during the pre- and post-liberalization era comprising of religion and culture, temperaments and attitudes, beliefs and customs, family systems, living styles and eating habits are codified and presented in Table 2a. The meteoric changes that have occurred in the hospitality patterns are codified and presented in Table 2b.

S. No	Components of Hospitality	Changing Hospitality patterns during Pre-liberalization and Post-liberalization	
		Pre-liberalization	Post-liberalization
2	Faith and Belief	Guest is the God	Guest is an obligation
3	Preparing mode	All house made traditional food including snacks	Mostly outside foods including lunch and dinner with tea breaks and snacks
4	Pre-eating Style	Ritually clean by washing legs and hands	Dispensed by cutlery and tissue culture
5	Eating habits a. Meal Pattern	Sitting on elevated wooden plank	Dining tables with sitting on chairs
	b. Serving Food	Banana/Lotus/Almond leaf stitched together intricately	Plastic, steel, disposable plates
	c. Taking Food	Entire sample menu is served in plate by following particular order	Items selected by choice as and when required with soups and drinks
	d. Serving Method	Two square meal	Four square meal
6	Cuisine Nature	Ethnic food with pickles & powders	Modern meal with exotic spices

a. Impact on Value Systems

S. No	Composition of Society	Lifestyles during Pre-liberalization and Post-liberalization Era	
		Pre-liberalization	Post-liberalization
1	Structure of the Society	Non-competitive, Sharing and harmonizing with nature	Competitive, Saving , control over nature
2	Religion and Culture	Way of life; Hinduism as a general way of life; spread by word of mouth; Myth and example by synthesis	All religions written text Segment of life; Dogma and Instruction by analysis
3	Temperaments and Attitudes	Passive, Patient, Holistic problem solving, Present Orientation, Activities are regulated by natural time	Assertive, Impatience, Analytical problem solving, Orientation towards future, Activities are regulated by clock time
4	Beliefs and Customs	Fatalism, Traditional beliefs, Body and soul are one, Security through faith	Novelty, Rational approach, Materialistic and Scientific, Security through individual's success
5	Family System	Clan system, Fraternalism, Respect for Age and Wisdom; Joint family	Respect for youth, Working relationships; Neutron family
6	Living Styles	Work when necessary , Group emphasis, Aimed at spiritual harmony	Work for itself , Individual emphasis, Aimed at wealth accumulation

b. Impact on Hospitality Patterns

Table 2: Impact of Economy on Value system and Hospitality Patterns in Pre-liberalization and Post-liberalization Era

It can be observed from the table that the comparison of pre- and post-economic era has a profound effect in altering the very nature and behaviour of social structure in the society, in offering food service through traditional hospitality altering the basic Indian ethos. The cultural metamorphosis has taken place, drifting away from the very composition of the society, changing the very denomination and description of value systems (Larry Yu 1999).

III. Socio-cultural Milieu

The emergence of the new milieu has necessitated a detailed study in the changing social system and underlying psychological factors with related adaptation levels in the values (Henry Helson

1947) due to driving economies. The data pertaining to social factors, such as patterns of demography, age structure, education levels, international mobility and growing foreign reserves, are

Age Structure / Year	2001	2006	2011	2016	2021	2026
0--14	361582	356998	346941	340290	336903	327005
15--34	356851	393925	430626	456443	464845	458565
35--54	207559	242653	273629	302505	334950	373995
55--64	55624	62474	75242	91510	108840	124011
65+	44994	56138	66065	78054	94870	116263
Total	1026610	1112188	1192503	1268802	1340408	1399839

a. Changes in Demographic Structure of Indian Population

Item	2005--06	2006--07	2007--08	2008--09	2009--10
No of Institutions under Higher Education	16885	18064	20677	22064	25951
Enrolment in Higher Education	9953000	11028000	11613000	12377000	13642000

b. Growth in Higher Education Enrolment in India

Item	2004	2005	2006	2007	2008	2009
Foreign Tourist (in Millions)	3.46	3.92	4.45	5.08	5.28	5.11
Indian National Departures from India (in Millions)	6.21	7.18	8.34	9.78	10.87	11.07
Foreign Exchange from Tourism (in Million US $)	6170	7493	8634	10729	11747	10605
Foreign Direct Investments (FDI) (in Million US $)	4322	6051	8961	22826	34835	35180
Foreign Institutional Investment (FII) (in Million US $)	10,918	8686	9926	3225	20328	15017

c. Foreign Visitors, Indian Nationals Departures, Foreign Exchange, FDI & FII

Table 3: Demographic Structure, Growth in Higher Education, Foreign Visitors and Foreign Investments

investigated along with cultural factors such as changes in traditional values and hospitality patterns. Detailed studies have been carried out for systematically investigating all these factors by detailed study of the different sources in the planned document (Planning Commission 2007) and data have been analysed along with other related parameters and are presented in Table 3a, b and c. It can be observed from the demography in Table 3a that the total population varies from 1026 million in 2001 to 1399 million in 2026 with an average incremental growth of 1.2% each year. It can be further observed from the column 1 of Table 3a that the age structure of the population is presented in five grades ranging from

0 to 65+. It is interesting to note that the age group of 15--34 is over 35.7 million of the overall population by 2011 and is expected to further grow to about 46.5 million by 2021. By virtue of their natural entrepreneurship (MGI, 2007), this age group will have a decisive role in affecting the socio-cultural constituents due to fast mobility and growing incomes.

In parallel, growing knowledge levels, due to increase in enrolment to higher education to 55% during the years 2004--05 to 2009--10, can be seen from Table 3b. Further, the twofold increase in the number of Indian nationals going abroad, with corresponding trend of the international visitors coming to India can be observed from Table 3c. Thus the inflow of FDI, FII and foreign exchange from tourists in country has grown from $6170 million in 2004 to $11747 million in 2008. All these factors have made India a fastest growing economy.

A new work culture has transformed the family structures in Indian society, giving rise to different types of relationships with enhanced per capita income within the family. Depending on the adaptation of the relationships within the families, all these categories are classified from joyousness through cordial and indifferent to irritation and ends up with state of incongruity. These family structures are metaphorically described similar to that of the universal co-relationships comprising of families of stars, planets and solar system in the Galaxy along with their origin and adaptation levels and are presented in Table 4a and b.

S.No	Category of family and Origin of relation	Nature of Relationship	Adaptation Levels	Metaphorical description
1	Galaxy (Social Norms)	Universal relationships for the entire community as a single holistic family	Joyousness	Harmonious existence of planets, stars, solar system in the Universe with binding forces

2	Joint (Consanguineous)	Living together with age graded hierarchy by sharing resources under benign elderly authority	Warmth	The authority of the Sun controlling/regulating the solar system
3	Extended (Consanguineous)	Either sharing resources or living together under one roof	Cordial	Moon though separated looks towards Earth and acts as its satellite
4	Nuclear (Conjugal)	Independent households with one or no concept	Irritation	Nibiru is a planet in the Universe, moves singularly in its own orbit without any relationships
5	Neutron (Conjugal)	Living together relationships as Single parent or Single household	Incongruity (Hostility)	Neutron possessing high energy to make or break any structure moving unattached

a. Typology of a Family Structure and their Relation with Metaphorical Description

S.No	Category of Family Structure	Psychological Disposition	Degree of Personality Factors
1	Galaxy	Extroversion	Sociable, fun-loving, and affectionate
2	Joint	Conscientiousness	Organized, careful and disciplined
3	Extended	Agreeableness	Soft-hearted, trusting and helpful
4	Nuclear	Demanding	Imaginative, independent and interested in variety
5	Neutron	Neuroticism	Neuroticism: anxious, insecure and self-pitying

b. Category of a Family Structure and their Psychological Dispositions and Personality Factors

Table 4: Dispersion Structure of Traditional Family and Psychographic Analysis in Indian Society

It can be observed from the table that the family structures are broadly classified into five categories, namely, galaxy, joint, extended, nuclear and neutron families, with the last one being introduced with a new nomenclature during the present studies. The detailed features of each of these categories are described in the following along with the adaptation levels and metaphorical description.

Kinship is the system that guides family and clan relationships in a given society (Deresky 1994). Kinship is the root of the Guanxi in China and where it involves personal relationships and connection with others in society. Leading the author to formulate Galaxy to describe ancient Indian society based on their ethos.

- Galaxy Family: In ancient India, the universality of the world was represented by Vasudhaiva Kutumbakam (Upanishad, anonymous), similar to the Guanxi, affirming the universality of the world similar to the galaxy. The adaptation within the society is joyousness.

- Joint Family: Joint family is a group of people affiliated by a consanguinity, affinity or co-residence and is a salient feature of Indian society. The authority was primarily within the family based on social norms and age grade hierarchy was quite strong analogous to the solar system in the universe. The adaptation level in a joint family is warmth.

- Extended Family: An extended family includes all relatives by blood and by marriage and spans over several generations. The extended family continues to have common interest similar to the moon, though separated looks towards earth and acts as its satellite. The adaptation level within the extended family is cordial.

- Nuclear Families: A nuclear family is a conjugal tiny unit living independently consisting of a father, a mother and their children living in close proximities, similar to that of the independent Nibru planet, the adaptation level in the nuclear family is at irritation.

- Neutron Families: Recent onset of living together single-parent unattached relationships, similar to high-energy neutron with readiness to make or break. The adaptation levels in neutron families are a high degree of incongruity with different levels of hostility.

- Diversifyingfamily structures and their adaptation levels ecessitated the author to further investigate with appropriate psychographic analysis of finding out the psychological basis towards changing patterns in the value systems and hospitality patterns.

IV. The Psychology Basis for Paid Hospitalities

- It is well known that Psychology is the changing mental process and social behaviour and psychologists attempt to understand the role of individual functions and behaviour. Lewis Goldberg (1993) proposed various dimensions of personality to describe the characteristics possessed by a person and his behaviour in different situations through Big Five factors. These Big Five factors are openness, conscientiousness, extroversion, agreeableness and neuroticism (which are abbreviated as OCEAN). Extending the analogy the author in the present investigations, has formulated the change in patterns of family relationships and their underlying psychology along with the degree of variation to explain the impact of evolving economies on the family structures and hospitality patterns.

- Further an attempt is made to classify psychological dispositions of individuals into specific categories based on values, attitudes and behaviour. Accordingly, these classified into five types, namely, extroversion, conscientiousness, agreeableness, demanding and neuroticism, and are presented in Table 4b. The degree of variation in the personality factor is presented in the last column of the same table to indicate the individual behaviour, similar to Big Five factors. It can be observed from the Table that these factors are varying from sociable, fun-loving to anxious and insecure, corresponding to different category of family structures starting from galaxy through neutron, respectively. The details of each psychological trait are discussed in the following paragraphs.

- Extroversion: Galaxy families always contemplate on the welfare and well being of others in the community, considering other's problems as their own. The psychology disposition extroversion is indicated by sociable, fun-loving and affectionate

- Conscientiousness: Joint families with disposition of conscientiousness are organized, careful and disciplined enough to take care of the interests of other members of the family, to the extent of sacrificing his/her share of well being for the family.

- Agreeableness: Member's of the extended family are agreeable to extended help and their degree of personality is being soft- hearted, and trustworthy.

- Demanding: Nuclear families are interested in variety and novelty with a psychological disposition of demanding nature, with degree of imaginative and independent personality factor.

- Neuroticism: Neutron families are individuals concentrating only on one's own advancement, gain and glory, their psychological traits being degree of anxiousness and insecure personality factors of the individuals.

A schematic diagram is designed to comprehensively study the impact of the service sector contribution consequently to the rise of per capita income in the family structures along with their psychological dispositions and the developed concept is presented in Figure 2.
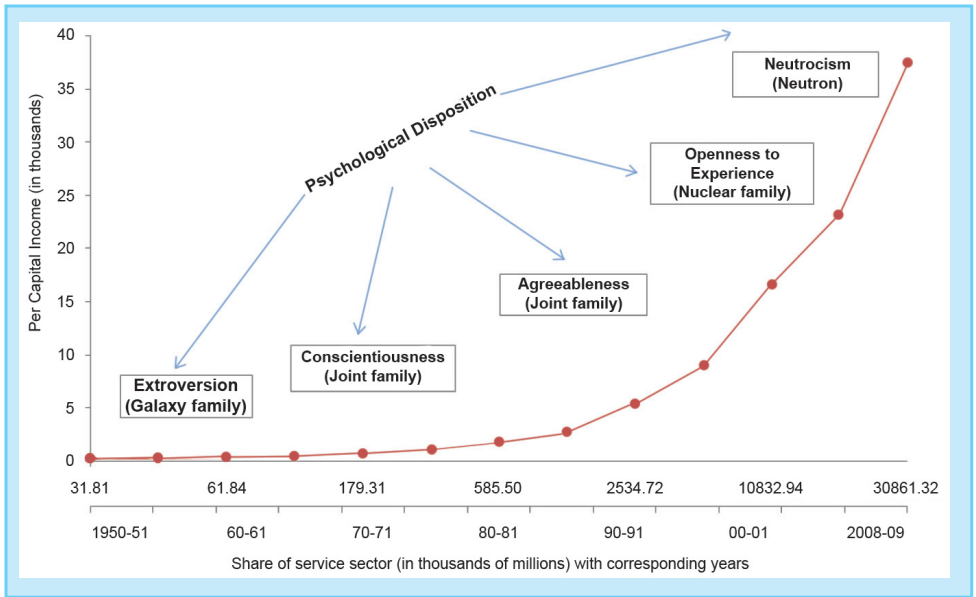
Figure 2: Changes in Psychological Patterns with Growth in Per Capita Income consequent to Service Sector Contribution

It can be observed from Figure 2 that the per capita income has increased from nearly less than Rs.1000 during 1950 to well over Rs 20,000 till 2004. It can be further observed that the psychological dispositions are fast changing during the later part of the earlier century. Also, it is interesting to observe that this sudden growth in the per capita income has started from the year 2004, and within a short span of six years has doubled, i.e., nearing to Rs 40,000, showing an incremental growth of 45%. The increase in per capita income is having direct relation with increase in share of contribution of service sector from the GDP giving rise to the birth of neutron families.

V. Conclusions

Detailed investigations are carried out on demography, age structure and education levels along with the growth rate of national GDP, share of the contribution of service sector to GDP, growing foreign reserves and per capita incomes. Changing work cultures with the phenomenon of rising income, and changing hospitality patterns consequent to large numbers of young population increasingly opting for new

lifestyles are critically analysed. These studies revealed that the contributions from trade, hotel and allied components are almost double the contributions from that of other components in the service sector. The increase in per capita income is having a direct impact on GDP and a bearing on the increase in the share of contribution of service sector. The per capita income of the household is found to have grown twofold in a short span of five years. The phenomenon of rising income is found to be responsible for drifting away from the value systems and family structures. Initially, the structure of the family was that of a joint family by consanguinity, but in course of time it transformed in to an extended family. Subsequently, conjugal nuclear families have emerged, and with the twofold increase in per capita income, it further shifted to a neutron single-parent family, while living together has occurred, without any formal relationships.

Based on the psychological dispositions, the changing patterns of family structures as a result of the impact of rise in economies are classified into five categories as galaxy family, joint family, extended family, nuclear family and neutron family. These relationships are analogous to the co-existence of stars, planets and solar system in the Galaxy and are described by presenting a metaphoric comparison. The psychological dispositions of these family structures are classified broadly into five personality traits, namely, extroversion, conscientiousness, agreeableness, openness to experience and neuroticism. The degrees of personality factors are graded and are found to be varying from sociable and fun loving to anxious and insecure personalities, corresponding to diverse psychological dispositions. This detailed study and analysis revealed that individual personalities are tending towards a more confined and self-centred one from traditional open warm disposition. It is found that the speed and concentration with which the economy is developing has a profound impact on the magnitude and direction of social and cultural systems in the Indian society.

VI. Acknowledgements

References:

Bhargava Teja B (2010), 'Traditional concepts and emerging trends in hospitality services", International Journal of Hospitality and Tourism Systems, 3(1), 115-30.

Carl Jung(1921), Psychological Types: or the Psychology of Individuation, Princeton University Press, NJ:415.

CIA (2009), The World Fact Book: India, Central Intelligence Agency, Washington DC.

Charles F. Adrian, (1994), Comparative Political Systems: Policy, Performance and Social Changes, M.E.Sharpe, Armonk, NY: 7.

JIMS 8M, January – March, 2012. Volume 17, No. 1

Chris Cooper, Fletcher, J., Fyall, A., Gilbert, D. and Wanhill, S. (2005), Tourism Principles and Practices, 3rd edn, Pearson Education Ltd, England.   230-36

David Easton, (1957), An approach to the analysis of political systems, World Politics, 9(3), 379-89.

David Weaver and Lawton Laura (2002), Tourism Management, John Wiley, Australia: 247.

Deresky, H. (1994), Managing Across Borders and Cultures, Harper Collins, New York: 80.

Doxey, G.V. (1975), When enough's enough: the natives are restless in Old Niagara, Heritage Canada 2(2), 26-7.

Henry Helson (1947), Adaptation-level as a frame of reference for prediction of psychophysical data, American Journal of Psychology,60, 1-29.

Larry Yu (1999), The International Hospitality Business: Management and Operations, The Haworth Hospitality Press, NY: 60.

Lewis Goldberg. R. (1993), The structure of phenotypic personality traits, American Psychologist, 48, 26-34.

MGI (2007), Next big spenders: India's middle class, McKinsey Global Institute Report, USA:8.

Morris Bronstein, (1989), The comparison of economic systems, in Comparative Economic Systems: Models and Cases, Bornstein M. (ed.), Itrwin, Homewood, IL: 4.

Planning Commission (2007), 11th Five Year Plan, Vol. 3, Government of India, New Delhi: 246.

Plog, S.C. (2004), Leisure Travel: A Marketing Handbook, Pearson Prentice Hall, Upper Saddle River, New Jersey:59.

Singh, J.P. (2004), 'The contemporary Indian family', in Bert N. Adams and Jan Trost (Eds.), Handbook of World Families, California: Sage Publications Inc.:129-166.

Smith, V.L. (1989), Hosts and Guests: The Anthropology of Tourism, 2nd edn, University of Pennsylvania Press, Philadelphia, PA: 55.

Upanishad (Anonymous), Maha Upanishad, Chapter 6, Verse 72