Evaluation of Strategic Risks amongst Hotels in Goa using Grid Group Structure

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Abstract

This research classifies hotels based on grid and group structure given by cultural theory of risk and finds out whether the hotels differ on risk related practices for strategic risks. Managing strategic risks at the hotels goes beyond tangible aspect of property to intangible aspect of services and liability. Research attempts to understand relationship between hotels types and their risk practices.

Qualitative methodology using content analysis of 11 annual reports for risk disclosures resulted in developing risk inventory endemic to hotels and identified that strategic risks are prominently disclosed by most of the hotels.

Data from 112 hotel managers is captured using structured questionnaire. Paper identifies that hotels classified based on grid group configuration differ significantly for strategic risks on risk aspects, confirming structure of hotel, the grid and group does impact the hotels risk world view.

The theoretical contribution lies in the examination of structure of hotel with relevance to its risk aspects. The study in strategic risk area offers a preliminary glimpse into hospitality servicescape. This study contributes to the ongoing dialogue on risk perception. This would seek increase academic understanding about how strategic risk is viewed and perceived.

The study will find relevance to practitioners to manage risk and researchers to comprehend strategic risks. Suitable changes in the grid and group can improve hotels risk world view enabling better risk appraisal and risk perception.

Key words: *strategic risks, grid, group, cultural theory of risk, risk applicability, risk perception, perceived benefit of addressing risk.*

Introduction

The surge in hotels growth has generated opportunities in the sector. The rise of the hotel industry is bedeviled with the changing dimensions of risk. The environment in which hotels provide service to growing number of tourist is unpredictable, dynamic and uncertain. The world today is experiencing heightened risk conscious environment. The uncertainty in hotel industry is growingtoo (PWC, 2015). What is getting into focus is the extent to which a hotel firm is in a position to sense the risks, and the expeditious response using proactive preparedness and structure. There appears conscious effort to explore the world in and around hotel, addressing the risk world view using hard pragmatism and soft subjectivity.E ffective risk management apparently remains elusive till date.

Literature Review

There are various perceptions and connotations of risks. The current research has tried to assimilate the concepts related to risks in context of hotel industry. The extant hospitality literature is on a steep growth path but relatively a small proportion of research is undertaken in area of risk and strategy. The paper first takes a stock of the available literature to enlist the different concepts related to risks, namely risk perception, risk applicability and perceived benefit of addressing risk. We have used cultural theory of risk to unearth the relationship between organizational structures of hotels and their views of risks.

Constructs under study:

Risk perception is defined as cognitive structure of beliefs, feelings and appraisal regarding risks (Rohrmann and Chenn, 1999). It is the subjective valuation of the probability of particular risk and anxiousness regarding the consequences. It includes probability and impact of undesirableconsequence of a happening. Attitudes and behaviors of hospitality consumers are changing very quickly off late (Delloite, 2015). The two important aspects of risk perception are the risk and the perceiver. The question is what influences risk perception? Factors of evaluation of risk perception are norms, cultural peculiarities, and structures. Firm size has repercussions on risk perception (Hain, 2011). Regulations, rules and methods to completely manage risk have been unsuccessful, and risk management suffers because of poor information, poor valuation and poor regulation (Dionne, 2013). Services are very essential in hospitality and can lead to developing risk perception (Sun,2014).

Risk applicability refers to applicability or relevance of particular risk in organizational context. Analysis of risk judgments is circumscribed around factors of risk applicability. Hotels considers few risks relevant/applicable to them, the increase of feeling or worry of one risk being more relevant than the other leads to decrease of worry about other risks (Linville and Fisher, 1991). Hospitality is most vulnerable to risks and crisis due to increased severity and frequency due to its 24x7 working.Investigating applicability of risk is the first step in identifying whether a particular risk is relevant.Fuzzy logic is used for assessment of risk response capability of firm. (Zlateva, Velev, & Raeva, 2015).The concept of risk applicability and vulnerability is expanding by breadth and depth encompassing susceptibility, coping capability, exposure, adaptive capability and physical, economic, sociopolitical, environmental; and firm specific vulnerabilities, intrinsic and human centered (Birkmann, 2005, 2006, 2007). Well-known companies disclose more risks (Beretta and Bozzolan,

2004). Risk identification and disclosures are more in large firms (Hossain, Tan, & Adams1994; Depoers, 2000, Amran, 2006, Amran, Bin, and Hassan, 2009).

Perceived benefit of addressing the risk: Hotels address risk with intention to reduce loss. Benefit of addressing risk is function of cognition as well as structural influences and includes multitude of contextual factors (Rohrmann, 1998).

The assessment of perceived benefits of risk assessment is studied in relation with individual perceptions so far, hence the current research seeks to see whether perceived benefit of addressing risk could be influenced by a firm's organizational culture and structure. The relevance, perceived benefit and risk perception is termed as positive predictor of information and knowledge related to risk even though few researches have proved the opposite (Trumbo, 2002).

Firms vary in the way they identify and see risks. The analogy behind these variations can be attributed to differing worldviews towards risks.

Rationale behind classificationof hotels based on structure

Hotels have been classified based on size, target market (business, resorts, and casino), levels of service, geographical location, affiliation and ownership.

Hotels do undertake various activities of which few are quiet risky and few are not. The question arises is which of the risks hotel should consider? Which it should attempt to manage? How should hotel determine how much is optimal level? This body of argument poses further question about whether certain type of hotels appreciate, analyze, and respond to risk differently than the other types? The research inquiry on the types of hotels has to go beyond the traditional ways of classification or categorization. The risk aspects need to be considered beyond the traditional lenses. The dimensions of structure have to be considered which amalgamate knowledge about risk and the sharing and practicing of this knowledge in identification and analysis. The classification is based on the approach that considers risk as a social construction (Tansey, 2004). Hence research aims to classify hotels based on organizational structure to study risk related aspects.

Strategic risks

The planned acts of hotelkeeping in mind the dynamics of business environment, competition and customers, is known as Strategy. It is this proposition offered by an hotel, which it affirms by expressing: "Here is how we will create unique value" (Waterman, Peters, and Phillops, 1980). Strategic risks are those risks which affect these aspects of firm. They arise while achieving business objectives and goals. As per Hambrick and Fredrickson, (2005) the strategy has five elements namely,"arenas, vehicles, differentiators, staging, economic logic". The risks associated with these all elements needs to be considered in strategic risk category.Firm's main strategic objective is identification and managing risks. (Ghoshal, 1987; McCarthy and Flynn, 2004), Strategic risk is becoming more and more important in firm management (Cooper and Faseruk, 2011), Strategic risk are considered important by hotels and hence the disclosure frequency is high (Waikar, Desai, &Borde, 2015a; 2015b).

Olsen, Tse, & West, (1992) pointed out infancy in strategic risk area and suggested for the scope for research enquiry.Implementation of strategy is equally important in a firms risk response (Schiller

and Prpich, 2013).Few hotel related risks have potential and can trigger disaster (Sawalha, Jraisat, & Al-Qudah, 2013).

The few strategic risks from extant literature are as follows,

Competition risk is major concern hotels have. This risk arises due to availability of rooms and newer options in the market. Olsen *et al.,* (1992) and Olsen in 1995 particularly considered competition and business environment in hospitality industry. Strategic approach to pricing is very vital in managing risks in hospitality (Cathy, Linda &Rest, 2015)

Business mix: The product and service mix offered by a hotel has relation with its revenue earnings. Schaffer, in 1984 and Olsen *et al.,* (1992) assessed the weaknesses in business mix in hospitality strategy area. Specifically business positioning and concentrating on a particular and specific market segment may increase firm's risks. Services portfolio including food safety is very essential and forms part of strategic game plan. Innovative strategy for food safety initiatives for hospitality business is very essential (Al-Qassemi, Ibrahim, Azzam, Taylor, & Shannon, 2011). Other aspect is room occupancy and business mix. The global risk factors are associated with room occupancy at hotels (Putcha and Liu, 2015)

Hotel project risk: All hotel projects have high risks associated with them (Ovcharov, 2008).

The outcome may turn out to be different than what is planned. At various projects stages such as initial, during and at end of project phase uncontrollability and unpredictability of several activities leads to building up of risks. Practical methodology for appropriate risk analysis for hotels construction projects is very much essential (De Marco and Thaheem, 2014; Dzhandzhugazova, Zaitseva, Larionova, Petrovskaya & Chaplyuk, 2015).

Reputation and prestige risk is the potential loss in form of reduced turnover, litigation or decline in reputation caused due to negative publicity or adverse event damaging perception of hotel. Branding and publicity in spite of careful planning and execution may not achieve desired objective due to untoward happening.

Variance in taste and demand risk: Changes in individual and group lifestyle, changes happening in social, governance, environmental as well as human behavior needs to be understood and hotels must be adept to respond to this dynamics to offer quick and appropriate proposition before it impacts the bottom line and hotels financials.

Business contract and joint ventures risk: Many initiatives are taken to offer broader portfolio with lesser assets and faster presence in the market place. These contracts and joint ventures between various parties having differing ideologies, management style hence may lead to conflicts affecting business.

Business **sourcing and external reservation** risk: The growing involvement of third party intermediaries in the business models introduces bring new set of rules and working platform related risks. The change in general to specific business models, Proximity to end user by newer channel partners has its positives as well as new risks such as wrong promises, cost and return imbalance etc.do emerge.

Obsolescence risk is the risk due to outdating of property and service offerings of hotel. As customers taste changes and service technology undergoes innovations, hotel has to be adaptive otherwise the gap between hotels value proposition and its customers anticipated requirements widens resulting in decrease in revenues. Hotels have to prompt in responding to these risks.

Risk arises due to lack of **risk framework, policy and practice.** Not knowing risk itself is a risk. Recognizing the deficiencies in systems, processes and internal controls is essential. Hence frame and policy is very essential in managing risk in operations (MacCarthy and Flynn,2004).

Risk arising due to **mergers and acquisition:** There are several implications ofmergers and acquisition on stakeholders such as employees, top management, customers,and suppliers etc. many of which may have adverse impact.

Based on customers **spending pattern** businesses are designed. Any substantial change in customers spending pattern brings in host of challenges and risks have to be addressed.

Outsourcing is offloading various tasks to third party. The presence of suitable work environment and subjectivity in service delivery are issues.

Associates are non-employees who are not on role of hotels. Attracting the right talent, training them appropriately and retaining is a difficult as the costs drive this option hence maintaining work engagement and high motivation to serve are concerns.

Partner risk is important as the partners must behaving uniform business vision and objectives
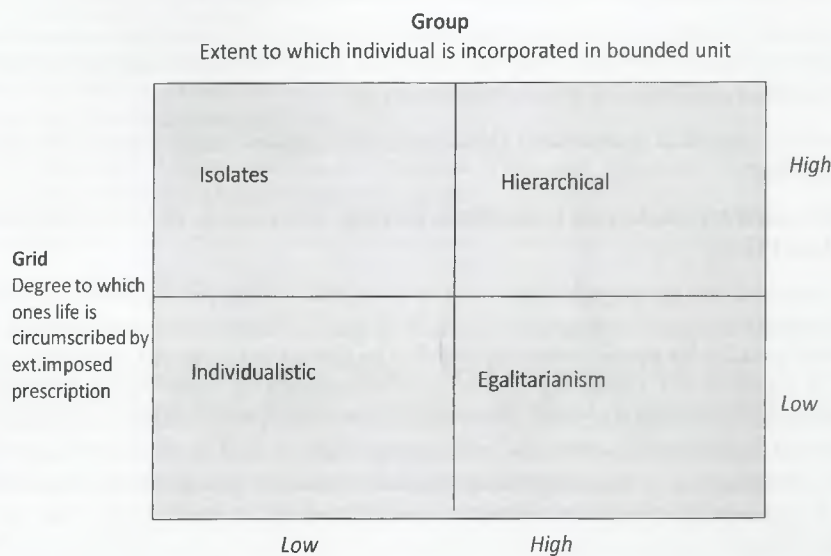
Business process risk arises when processes are not in sync with business model and instead of facilitating may act to be deterrent in serving effectively.

Cultural theory of risk (CT) - Grid Group model (Douglas & Wildavsky, 1982).

In the 1980s, risk research seriously looked at sociocultural perspectives. Cultural theory proposed thatone selects or deselects fears which is direct results of their way of life or "culture" they belong to. The theory builds on four ways of organization which acts as formative context. It is based on two sets of constraint –Grid –a systematic constraint and group –incorporation in bounded units. These two dimensions are "control (grid) and social commitment (group)". Diagonally opposed types show differences on both dimensions (grid and group).Group refers to "the extent to which an individual is incorporated into bounded units, the greater the incorporation, the more individual choice is subject to group determination". Grid denotes the "degree to which an individual's life is circumscribed by externally imposedprescriptions" (Thompson, Ellis, & Wildavsky, 1990).

Figure 1: Grid/GroupDimension. (Rippl, 2002)

CULTURAL PARADIGMS

Group
Extent to which individual is incorporated in bounded unit

Isolates	Hierarchical	*High*
Individualistic	Egalitarianism	*Low*

Grid
Degree to which ones life is circumscribed by ext.imposed prescription

Low   *High*

The cultural theory of risk –grid group model concerns why groups choose particular hazard risks for attention.Culture of firm depends on structure, action and values existing in the firm.In context of Hotels, Grid group model of CT is used in present research to explore its applicability to approaches to risk. As people organize, so they act (Thompson *et al.*, 1990). Linden in 2015 in his commentary critically looked at the Theory to explain why certain groups with opposite views disagree over certain contemporary scientific issue. Firms are largely cultural monoliths. It is posited that different categories of hotels will perceive risk, find relevance/applicability of risks and perceived benefit of addressing risk according to the group-grid configuration to which they would belong. The theory has been used by several authors to understand risk perception(Park, Jeong &McCleary, 2012; Al Khattab and Hood, 2015, Linden, 2015,Malalgoda and Amaratunga, 2015).

Travel and tourism industry

The Global Travel and Tourism Industry is estimated to grow in coming days, worldwide, the contribution to GDP from travel and tourism will have grown by 3.7% by the end of this year 2015 and the sector estimates given by united nations world tourism organization UNWTO say that it will contribute 284 million jobs, directly and indirectly, or one in 11 of all jobs on the planet. (UNWTO, 2014).The state of Goa in India has been chosen for study, as Tourism has made substantial

contribution to the economic development by way of foreign exchange earnings, local employment generation, rural regeneration and overall improvement in the standard of living of its people. The Hotel Industry is flanked between unprecedented growth on one side and ever increasing challenges on other side. Risk is assuming higher significance hence worthy of investigation.There exists a relationship between risk management and firm value (Abdel-azim and Abdelmoniem, 2015).

Goa is termed as primary market in India by Federation of hotels and restaurant association of India (FHRAI).Their Report of 2013- 14 states that for past few years the hotel market in Goa exhibited robust growth in Revenue perAvailable Room(FHRAI,2014).

The present research is aimed to understand the hotel level risksand study impact of organizational structure on risk aspects.

A)   ***Risk theory is used on studies on individuals largely. Firm needs to be investigated. Unit of analysis is hotel firm.***

Is risk objectively determined by physical facts? Or is it influenced by perception – that is seen as a social and cultural construction- independent of physical facts? The research undertaken in the area of risk has been criticized for its methodological pitfall. The question is, should one take an individual or group as unit of analysis for exploring the inquiry pertaining to risk? Recognizing that group decisions may differ from personal decision, there exists this conceptual conflict, as a result of which, developing a universal framework to identify and manage risks is still in an early stage of research. The psychometric paradigm is a first approach in risk research is ingrained in psychology and decision making. It centers on cognitive elements considered by an individual view on risk. This paradigm does not consider social and cultural impact on risk views. The cultural theory given by Douglas and Wildavsky, (1982) looks at social and cultural influence on individuals risk perception. Quantitative approach was used to test this theory empirically by Dake, (1990, 91) as well as by Wildavsky and Dake, (1990). The today's firm is impacted by social and cultural influence on risk views.Though a large amount of research has been undertaken on individual risk perception and behavior, much more work has to be undertaken at the level of firm. Risk needs to be understood from perspectives of a firm. The unit of analysis in the present research is "Hotel" and the objective was formulated accordingly capturing firm level aspects.

B)   *Classification of risk based on grid and group structure.*

Hotels are classified based on demographics parameters such as type of accreditation, geographic presence, size –number of rooms, employee strength, property characteristics, turnover and other parameters (Brotherton, 1999; Harrington, 2005).

However the Cultural theory of risk gives the two central dimensions. Grid/group dimension are considered to study the strategic risk practices at hotels. This being the existing gap in the literature the objective was designed to classify the hotels based on hotels grid and group structure using *cultural theory of risk.*

C)   *The study of risk related aspects*

Risk aspects namely, applicability, risk perception and perceived benefit for strategic risks have not been undertaken for strategic risks. Earlier studies are seen in area of risk perception alone and that

too less researched in hospitality area. The objective was designed accordingly to bridge the research gap. *The research objective is to find whether hotels thus classified, differ on risk related constructs for the risks inventoried.*

Methodology

The Scope of the research paper

Goa is known as paradise of the east and is well known on tourist map of world. It attracts the international as well as domestic tourists. This study is limited mainly to the luxury hotels which includes four and five star hotels in Goa.

Risk being a strategic subject which is managed from the top, this is a study involving senior managers at the top of the organizational pyramid.

Research objective

Objectives of the research are as follows:

1) To classify types of hotels based on its grid and group structure using cultural theory of risk.

2) To find whether hotels thus classified, differ on risk concepts such as risk relevance (applicability), risk perception (likelihood and severity), perceived benefit of addressing risk for the strategic risks hotels face.

Hypothesis based on literature review and exploratory study

The purpose of study was to examine type of hotels with their strategic risk practices. Research addresses the basic questions whether the hotels differ on the way they see risk. This led to developing the hypothesis.

Hypothesis: There is a significant difference between risk applicability, perceived benefit of addressing risk, risk perception for strategic risks across different grid group category of hotels.

Sampling

We had targeted all the 125 Luxury hotels from Goa State for data collection. A total of 112 luxury hotel participated in the survey.

Methodology for objective1 and 2- Classification of hotels based on Grid and group structure and differentiation based on their risk related viewpoints.

Methodology for the objective initiated with scale development. The scale given by Wildavsky and Dake as modified by Rippl was again suitably modified (Wildavsky and Dake, 1990; Dake and Wildavsky, 1991; Dake, 1990, 1991; Rippl, 2002). Scale items were revised to measure hotel management's viewpoint and scale was checked for reliability and validity.

A comprehensive inventory of risk has been developed using two pronged approach. First was study of existing literature, Bharwani and Mathews in 2012 identified 34 key risks which hotel industry considered important. The existing literature and framework helped to cull out broad themes and risk typology. The qualitative methodology was used to enrich this further. Content analysis of 11 published annual reportsof year 2010-11of hotels for risk disclosures was undertaken.

The participants were asked to rate the hotel based on group and grid items. Thereafter, based on the items of risk inventory developed, the participants were asked to rate the hotels for applicability, perception and benefits of addressing the stated risks using semantic differential scale. The risk perception was captured as perceived likelihood that a particular risk will endanger hotel business and perceived severity of a particular strategic risk on hotel. We calculated risk perception value as average of perceived likelihood and perceived severity response values. The questionnaire was administered to General Managers/DGM's/Vertical heads using face to face interviews conducted at hotels premises. The respondents were requested to respond purely considering their company's point of view.

Testing of Scale

The grid group items were operationalized via 23 items. Content validity and reliability of scale was then undertaken. Content validity is computed using ratings of items by 6 experts from hotel and insurance area. The Item level content validity index CVI-I is 0.89 and scale level content validity index CVI-S is 0.72.

In order to measure the construct grid and group we conducted factor analysis to identify these dimensions and how they were loaded. After performing content validity and factor analysis, few questions were not included leaving behind 13 questions. Seven questions were loaded onto one factor: Grid and 6 questions loaded onto other factor: Group.

We tested the reliability of each dimension and then overall scale Cronbach's alpha was calculated.

Prior to further analysis we carried out KMO measure of sampling adequacy in order to find out the fitness of the data. The KMO test value for this study was 0.870 which is very good as per Field, (2009).Before extraction; SPSS identified 14 linear components within data sets. The first value explains 38 % of the total variance and first two values together explain 60 % of the total variance

Factor loadings less than 0.55 have been suppressed (ideal to capture values above 0.54 for sample size of 100). Certain questions were dropped as they did not load on single one factor.

Factor 1 is 'Grid component', and factor 2 is 'group component'. Coefficient above 0.54 is considered sufficient reliability for exploratory studies (Nunnaly, 1967).

Table 1 : The Results Of Factor Analysis: Rotated Component Matrix.

Rotated Component Matrix [a]

	Component	
	1	2
V1	.809	
V2	.781	
V3	.841	
V4	.865	
V5	.835	
V6	.768	
V7		.834
V8		.763
V9		.586
V10		.588
V11		.587
V12		.685
V13	.855	

Grid subscale Cronbach Alpha is 0.933, Group subscale it is 0.789 and for entire scale it is 0.90. The value above 0.7 indicates a reliable scale. The factor analysis was conducted on 13 items with orthogonal rotation withVarimax. Also the average variation extracted was higher than 0.50 suggesting that more than 50% of the variance is accounted for. All the item loadings were above 0.50 hence construct validity is accepted. An initial analysis was performed to acquire eigenvalue for each component in the data. Two components were having eigenvalue over 1 and in combination explained 60.53 % of the variance. The average variance extracted was found to be higher than the variance shared. The square root of average value, 0.67, was noted that was higher than matrix's off-diagonal element i.e. 0.273, confirming discriminant validity.

The scheme for classification of hotels

The factor score output of factor analysis was basis of classification. Firstly the mean value was computed for the grid and group factor scores. The grid factor score above mean value was considered as high grid and below the mean value was considered as low grid. Similarly the group factor score above mean value was considered as high group and score below the mean value was considered as low group. The results showed that out of 112 total hotels, 25 hotels have high grid high group score are termed as HGHG, 23 hotels show high grid low group score are termed as HGLG hotels, 40 hotels show low grid low group score are termed as LGLG hotels and 24 hotels show low grid high group score are termed as LGHG hotels.

Figure 2: Quadrant vise Composition of Cultural Paradigm

HGLG: 23	HGHG :25
LGLG: 40	LGHG:24

Association of categories and the risk views

ANOVA was performed to establish whether the three concepts of riskswere viewed as distinct constructs across different categories of hotels.We have used Scheffe test of Anova, which is used with unequal sample size.

Findings and Discussions

Findings of content analysis.

Quantitative content analysis: The highest disclosures 73% were from subgroup category of competition, changes in the customer preferences and demand risk followed by reputation risk which was 64%. Management contract and JV risk disclosures were 54% followed by external reservation channel risk 27% and lastly by seasonality of business risk 18%.

Qualitative content analysis:

Table 2: Strategic Tone of Disclosures in Annual Reports.

Type of Hotel	Strategic tone
Local (1)	1(100%)
National (5)	2 (40%)
International (6)	6 (100%)

It is inferred that most disclosures were strategic. The International hotel disclosed risks such competition, brand burn, changes in customer preferences and demand risk, Management contract/JV risks, adopting mix of contracting modes, addressing political risks by carrying threat assessment, rate guarantee, renovating /repositioning of properties and service standards, HR risk agreement with key employees, multi branding portfolio, addressing needs of various segments, financial security measures, update of processes, developing risk and control matrix indicating the strategic tone.

Local Hotel: Here the initiatives such as maintaining contemporary product, pre recruitment initiatives, strategic HR initiatives, setting up in-house Training academy to mitigate organic risk.

National Hotels: Tone was evident through the incorporation of the following --Balanced representation in key markets -Geographic risk reduction, Developing risk management framework, balance between developments, expansion, leases, zero long term debt in their strategic disclosures

Table 3: Add-onInventoryfor Strategic Risks

Bharwani and Mathews, (2012)	The present research added these risk to inventory
New project viability	Balancing resorts inventory/customer growth across locations.
Reputation (brand burn).	Obsolescence risk.
Competition.	Absence of risk framework/policy and practice.
Business portfolio revenue contribution.	Merger/acquisition.
Change in customer preferences/demand.	Spending pattern change.
Seasonality of business.	Outsourcing.
Management contracts/joint venture.	Associate (non-employee) attract/retain/talent related risk.
External reservations channels.	Partner.
	Business process risk.

Results Across three category of Hotels

The results indicate that, Low grid high group hotels consider risk applicability as most important risk aspect. The high grid high group hotels consider perceived benefit of addressing risk as most important risk aspect. The mean is highest indicating the high importance. The low grid high group hotels consider risk perception as most important risk aspect.

Table 4: Multiple Comparisons, For Risk Applicability Using ANOVA

Hotel category		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
HGHG	HGLG	.13024	.17900	.912	-.3781	.6386
	LGLG	.72717*	.16052	.000	.2713	1.1831
	LGHG	-.30572	.17724	.400	-.8091	.1976
HGLG	HGHG	-.13024	.17900	.912	-.6386	.3781
	LGLG	.59693*	.15839	.004	.1471	1.0468
	LGHG	-.43596	.17530	.110	-.9338	.0619
LGLG	HGHG	-.72717*	.16052	.000	-1.1831	-.2713
	HGLG	-.59693*	.15839	.004	-1.0468	-.1471
	LGHG	-1.03289*	.15639	.000	-1.4771	-.5887
LGHG	HGHG	.30572	.17724	.400	-.1976	.8091
	HGLG	.43596	.17530	.110	-.0619	.9338
	LGLG	1.03289*	.15639	.000	.5887	1.4771

*. The mean difference is significant at the 0.05 level.

Table 5: Multiple Comparisons, For Perceived Benefit of Addressing riskUsing ANOVA

Hotel category		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
HGHG	HGLG	.39026	.20492	.310	-.1917	.9722
	LGLG	.98719*	.18377	.000	.4653	1.5091
	LGHG	.01034	.20290	1.000	-.5659	.5866
HGLG	HGHG	-.39026	.20492	.310	-.9722	.1917
	LGLG	.59693*	.18132	.016	.0820	1.1119
	LGHG	-.37991	.20069	.315	-.9499	.1901
LGLG	HGHG	-.98719*	.18377	.000	-1.5091	-.4653
	HGLG	-.59693*	.18132	.016	-1.1119	-.0820
	LGHG	-.97684*	.17904	.000	-1.4853	-.4683
LGHG	HGHG	-.01034	.20290	1.000	-.5866	.5659
	HGLG	.37991	.20069	.315	-.1901	.9499
	LGLG	.97684*	.17904	.000	.4683	1.4853

*. The mean difference is significant at the 0.05 level.

Table 6: Multiple Comparisons, For Perceived RiskUsing ANOVA

Hotel category		Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
HGHG	HGLG	.22283	.19706	.735	-.3368	.7825
	LGLG	.97151*	.17672	.000	.4696	1.4734
	LGHG	-.12796	.19512	.934	-.6821	.4262
HGLG	HGHG	-.22283	.19706	.735	-.7825	.3368
	LGLG	.74868*	.17437	.001	.2535	1.2439
	LGHG	-.35079	.19299	.352	-.8989	.1973
LGLG	HGHG	-.97151*	.17672	.000	-1.4734	-.4696
	HGLG	-.74868*	.17437	.001	-1.2439	-.2535
	LGHG	-1.09947*	.17218	.000	-1.5885	-.6105
LGHG	HGHG	.12796	.19512	.934	-.4262	.6821
	HGLG	.35079	.19299	.352	-.1973	.8989
	LGLG	1.09947*	.17218	.000	.6105	1.5885

*. The mean difference is significant at the 0.05 level.

Table 7: Analysis of Results Across categories of Hotels

Hypothesis No.	Statement.	Supported or not supported
1a	For strategic risks, there is no significant difference in risk applicability across HGHG and HGLG hotels.	supported
1b	For strategic risks, there is no significant difference in risk applicability across HGLG and LGLG hotels.	not supported
1c	For strategic risks, there is no significant difference in risk applicability across HGHG and LGLG hotels.	not supported
1d	For strategic risks, there is no significant difference in risk applicability across LGLG and LGHG hotels.	not supported
1e	For strategic risks, there is no significant difference in risk applicability across HGLG and LGHG hotels.	supported
1f	For strategic risks, there is no significant difference in risk applicability across HGHG and LGHG hotels.	supported
2a	For strategic risks, there is no significant difference in perceived benefit in addressing risk across HGHG and HGLG hotels.	supported
2b	For strategic risks, there is no significant difference in perceived benefit in addressing risk across HGLG and LGLG hotels.	not supported
2c	For strategic risks, there is no significant difference perceived benefit in addressing risk across HGHG and LGLG hotels.	not supported
2d	For strategic risks, there is no significant difference in perceived benefit in addressing risk across LGLG and LGHG hotels.	not supported
2e	For strategic risks, there is no significant difference in perceived benefit in addressing risk across HGLG and LGHG hotels.	supported
2f	For strategic risks, there is no significant difference in perceived benefit in addressing risk across HGHG and LGHG hotels.	supported
3a	For strategic risks, there is no significant difference in risk perception across HGHG and HGLG hotels.	supported

Hypothesis No.	Statement.	Supported or not supported
3b	For strategic risks, there is no significant difference in risk perception across HGLG and LGLG hotels.	not supported
3c	For strategic risks, there is no significant difference in risk perception across HGHG and LGLG hotels.	not supported
3d	For strategic risks, there is no significant difference in risk perception across LGLG and LGHG hotels.	not supported
3e	For strategic risks, there is no significant difference in risk perception across HGLG and LGHG hotels.	supported
3f	For strategic risks, there is no significant difference in risk perception across HGHG and LGHG hotels.	supported

The likely explanation of 1a, 2a and 3a is presence of strong grid in these categories. The likely explanation of supporting of 1e and 2e is existence of either strong grid or strong group. The likely explanation of 1f, 2f and 3f is presence of strong group in these categories.

Results indicate that the low grid high group hotels consider risk applicability, perceived benefit of addressing risk and risk perception construct as most important risk constructs.

Relative importance.

Table 8: The Relative Importance Of Risk Constructs.

	HGHG/rank	HGLG/rank	LGLG/rank	LGHG/rank
Risk applicability	3.08(2)	2.65(3)	2.32(4)	**3.32(1)**
Perceived benefit of addressing risk	**3.58(2)**	3.03(3)	2.67(4)	**3.59(1)**
Risk perception	3.22(2)	2.72(3)	2.25(4)	**3.25(1)**

Conclusions, managerial Implications, limitations and future of the study.

Theoretical contribution of study: The study adds to growing body of literature prompting new relationship between risks related constructs and grid group dimension of hotel.

Findings pertaining to significant difference reported:

Risk applicability, Perceived benefit of addressing risk as well as risk perception is reported to be significantly different between HGLG and LGLG hotels, HGHG and LGLG hotels, LGLG and LGHG hotels.

Findings pertaining to no significant differences reported and likely explanation:

The likely explanation for no significant differences reported across hotels may be presence of strong grid which dominates the categories. HGHG & HGLG hotels groups do not show significant differences for all risk aspects. Similarly presence of strong group characteristic alone dominates certain categories. HGHG & LGHG hotels do not show significant differences for all risk aspects.

The ANOVA tests brought to the fore more differences across group grid categories for risk related practices.Low grid high group hotels consider risk applicability, perceived benefit of addressing risks as well as for risk perception constructs important. Presence of stronggroup may have led to this result.

Limitations of study and Future research prospects

The major limitation is that we have not considered non luxury hotels.For content analysis of disclosures subjectivity is major limitation.There are several research directions deserving of further investigation. First, future research can be undertaken to develop risk profile of hotels using enriched inventory of strategic risks. The hotel risk index can be computed using estimates and actual figures pertaining to Vulnerability (property and life estimates), losses, frequency and risk severity. Suitable changes in the grid (control) and group (interdependencies) can improve hotels risk world view enabling better risk appraisal, perception and risk response.

The impact of group grid structure on other concepts, management issues and problems can also be studied. In future research, similar study can be replicated with regards to strategic risks for risk management practices related to mitigation, absorption and transfer and for the operational risks for risk and risk management practices.It can be concluded that structure of hotel –the grid and group does impact the hotels risk world view.

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