

The change in managerial efficiency and technology of hotels in Chiang Mai, Thailand

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Abstract

The aim of this study is to estimate the change in managerial efficiency and technology of 43 hotels in Chiang Mai, Thailand during 2002 and 2006. This study uses Data Envelopment Analysis (DEA) proposed by Banker *et al.* (1984) to examine managerial efficiency and applies Malmquist productivity approach developed by Färe *et al.* (1992) to evaluate the change in managerial efficiency and technology.

The results show that smaller hotels achieved higher managerial efficiency than large hotels. A half of hotel samples achieved maintaining managerial efficiency but lack of improving managerial technology, which decreased the total factor productivity. Improving managerial efficiency is one of the factors that increases competitiveness in short term, while improving managerial technology is the most important factor for maintaining competitiveness in the long term.

Keywords: Change in managerial efficiency and technology, Data Envelopment Analysis, Malmquist Productivity Approach