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**ROLES OF HOTELS IN REVENUE GENERATION TO UYO LOCAL GOVERNMENT AREA IN AKWA IBOM STATE: EVALUATING THEIR CONTRIBUTIONS IN EMPLOYMENT GENERATION.**

By

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**ABSTRACT**

*The study investigates the roles of hotels in revenue generation to Uyo Local Government Area in Akwa Ibom State as well as evaluating their contributions in employment generation. The specific objectives were to evaluate the contribution of hotels in the revenue generation to Uyo Local Government Area in Akwalbom State, evaluate the contribution of hotels in employment. Two research questions were formulated for this study. A sample size of 120 respondents were selected from the hotels staff and the residents of the host communities in Uyo Local Government Area of Akwalbom State, Nigeria. A structured questionnaire was the instrument used for data collection. Objectives of the study were analyzed using means and ranks. The results showed that the hospitality industry significantly enhances the growth and development of Uyo Local Government Area by fostering economic growth, elevating government revenue and creating employment opportunities. The widespread prevalence of this advantages underscores the impacts of the tourism and hospitality sector on the people of Uyo Local Government Area. It was recommended that efforts should be made by the government to increase investment in the hospitality industry.*

**KEYWORDS:** Hotels, Revenue Generation, Uyo Local Government Area, Akwa Ibom State.

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**INTRODUCTION**

In ancient time, people used extra spaces in their homes to let the travelers rest during their journey. There were no purpose-built resting facilities for tourists until monasteries decided to build one. This gave birth to lodging services. In the late 1700s, Inns came into being. Inns were nothing but a shelter by the road where travelers can stop to take rest and get some food. They would also take care of traveler's horses while they rest. This is the time when the seeds of the modern hospitality facility were planted. What we see today is the growth of the past two millennia, (Russell et Dawson, 2016). The term hospitality is derived from a French word "Hospice" which means "Taking care of the travelers". Reuland et al., (2010) viewed hospitality in restaurants and hotels as a process involving provider or employee, receiver or guest and transfer of three elements: product (meal or bed), behavior of employees and environment of restaurant or hotel. Receivers bring physiological, social and psychological needs and expectations to the transaction. The word is derived from the Latin word "Hospes" meaning visitor or stranger. The hospitality and tourism industry is a vast sector that includes all the economic activities that directly and indirectly contribute to, or depend upon, travel and tourism. This industry sector includes: hotels, resorts, restaurants, catering, night clubs, bars, travel and transportation, tourism, spas and wellness, cruise liners, bus tour and events (private, business, cultural and sport).

According to Bagyono (2016), hotel is an accommodation using a part or all building in order to provide rooms, attendant service, food and beverage service, and any other services to the public.

Hotel is also defined by the international accommodation as properties with at least one licensed bar and restaurant on the premises, with on-site management which serve breakfast and sometimes have conference or banqueting facilities setting them apart from other accommodation categories such as self-catering accommodation, camp sites or houses (Tuhin, 2011). The industry



is one of the important sectors of nation's economy. The hospitality industry includes hotels and restaurants, as well as many other types of organizations or institutions that offer food, drink, shelter and other related services. These products and services are offered not people away from home, but also to local guests (Narteh, 2013). They provide and create jobs, especially during times of holidays; they are a source of innovation and entrepreneurial spirit; they harness individual creative effort; and they create competition and are the seed bed for businesses of the future (Okome, 2012). The hospitality industries are important for the development of the economy.

Some positive impacts of the hospitality industry to the economic growth of the state and nation include: job creation and revenue generation. However, the Nigerian hospitality industry is faced with a myriad of challenges ranging from poor energy supply and insecurity to misconstrued internal perception, flawed hotel classification, poor customer service, little or no standardization in operations, inconsistent regulatory environment and skilled labour shortages caused by a few entrepreneurs with little knowledge of the workings of the industry who hijack the process to perpetuate plans for their own personal expansion of power (Njoku, 2015). Hence, this research study seeks to evaluate the contribution and impacts of the hospitality industry to community development in Uyo Local Government Area, Akwalbom State.

### **STATEMENT OF THE PROBLEM**

This research aims to investigate the contributions and impact of the hospitality industry on community development in Uyo Local Government Area. With numerous hotels in the study area, the study seeks to understand how these establishment actively contribute to and influence the societal development of the local community.

By scrutinizing their economic, social and cultural interactions, the aim is to unravel the relationship between the hospitality sector and the communities in the study area.

#### **Objective of the study**

The main objective of this research study is to evaluate the contributions and impacts of hospitality industry (hotels) to the growth of the national development. The specific objectives are to:

1. Evaluate the role of hotels in the revenue generation to Uyo Local Government Area in Akwalbom State
2. Evaluate the contribution of hotels in employment generation in the study area

### **RESEARCH QUESTIONS**

The study intends to find answers to the following research questions:

1. What are the roles of hotels in revenue generation in Uyo Local Government Area, Akwalbom State?
2. What are the contributions of hotel towards employment generation in the study area?



## **CONCEPTUAL FRAMEWORK**

### **Concept of Hospitality Industry**

The hospitality industry is one of the branches of the longest living service industries. In the Oxford English Dictionary, hospitality is defined as friendly and generous reception and entertainment of the guests, visitors (Barrow et al., 2012). According to Walker (2013), the hospitality concept is from the old French language known and means “taking care and shelter giving to the travelers”, hence provides the service; and was known in the ancient civilization already.

The hospitality industry is a broad category of field within the service industry that includes lodging, restaurants, event planning, theme parks, transportation, cruise line and additional fields within the tourism industry. The hospitality industry is a several billion dollar industries that mostly depends on the availability of leisure time and disposable income. The hospitality industry provides services for people who are away from home regardless of whether it is for long or short periods of time. These services can vary according to the specific needs of both the person away from home and the organization operating those services (Baker et al., 2000). According to Walker (2007), hospitality industry refers to the services rendered by hotels, restaurants, resorts and entertainment sector of the economy. At macro level, hospitality industry is estimated to promote economic growth by generating foreign exchange as well as increase various forms of government revenue. At the micro level, hospitality industry is expected to facilitate job creation, income and revenue thereby enhancing development, which ultimately should improve the quality of life of residents. Hotels are a service-based industry and as such, have been an important sectors of a nation’s economy. They provide and create jobs, especially during times of holidays (summer break); they are a source of innovation and entrepreneurial spirit; they harness individual creative effort; and they create competition and are the seed bed for businesses of the future. In short, hospitality industries are vitally important for the development of the economy.

### **Revenue Generation**

In Akwalbom state, hotels alone generate about 5,972 direct jobs and approximately eleven million naira (11,000,000.00) direct revenue to government in 2016.

Moreover, revenue generated from hotels contributes toward the development of the state. Tourism and hospitality activities increase the tax-revenue of the centre and the state governments (Gee et al., 1989). Many types of taxes are included in tourist-related goods and services. All tourist earnings increase many economic activities in the countries and these economic activities are a big source of taxable earnings’ for the governments. The tourism and hospitality sector can contribute to government revenue generation through various means such as taxes, fees, permits and licenses. The government can collect revenue from the tourism and hospitality sector, which can be used to fund public infrastructure development, social services and other government programmes, contributing to the overall economic growth and development of the state (Okijie, 2013).

### **Employment Contribution**

Tourism and hospitality industries create many employment opportunities in different areas like accommodations, transportation, attractions sites. Therefore, that availability of skilled and trained manpower is a crucial element in the success of any hospitality development plan or programme (Aynalem et al., 2016).



In line with the overwhelming pace of tourism growth, hospitality have become an important source of employment for many countries, making it one of the key employers in the global economy.

Employment opportunities in the tourism and hospitality sector can be created either directly or indirectly (Dayanada, 2014). Direct employment opportunities are the total number of job opportunities supported by directly in the hospitality industry. For example, employment by hotels, restaurants, resorts, photography, sightseeing tour guides, farmhouses, bed and breakfast, rural inns and guest houses.

Hospitality also supports indirect employment in activities like restaurant suppliers, construction companies that build and maintain facilities, as well as necessary infrastructure, various handicrafts producers, marketing agencies, accounting services, which are more or less dependent on the companies providing direct employment for their revenues (Yunis, 2009).

### **Tourism and Hospitality industry in Akwalbom**

The hospitality industry in Akwalbom state is experiencing a phenomenal growth that is fast assuming the nature of a revolution. This growth is in tandem with the fact that the state is emerging as a tourism and hospitality destination not only in Nigeria, but also in the West African sub-region. Over 2,000 hotels have so far been registered in the state, to ensure standardization of operations, in order to make them function in line with international best practices (Ndifreke, 2021).

The changing hospitality landscape in the state has come about as a result of the very conducive economic environment the government has created, which has attracted investors from within and outside the state, and in turn spurred massive investments in the hospitality industry. The impact of the booming hospitality sector in Akwalbom is already being felt in the area of job creation, as hundreds of young men and women have been employed to cater to the needs of the growing number of visitors to the state on business and leisure. The development has spurred hospitality operators to embark on training and retraining of staff to enable them to acquire skills that are needed to provide the manpower that is expected in running a specialized industry that operates with the highest standards (Ndifreke, 2021). As the Akwalbom hospitality industry expands and becomes more sophisticated, so also will it guarantee employment generation for the youths of the state that come out every year from institutions of higher learning, with the certainty of improving standard of living. It is helping to achieve the job creation goal of the government.

### **METHODOLOGY**

The researcher focused on Uyo Local Government Area in Akwalbom State, Nigeria. The population for the study was made up of ten percent (10%) of the total number of registered hotels in Uyo Local Government Area. A simple random sampling technique was used select 120 respondents from the population. A research instrument titled Contributions and the Impacts of the Hospitality Industry Questionnaire (CAHIQ) was used for data collection. Face and content validation of the instrument was carried out by an expert in test, measurement, and evaluation in order to ensure that the instrument has the accuracy, appropriateness, and completeness for the study under consideration.



**RESULTS AND DISCUSSIONS**

**Research Question 1: What are the roles of revenue generation In Uyo Local Government Area?**

**Table 1: Role of hotels in revenue generation to Uyo LGA in Akwalbom State.**

<b>Roles Rank</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	
<b>Hotels provide Employment opportunities Or local residents thereby Reducing unemployment Rate</b>	<b>99*(82.5)**</b>	<b>19*(15.8)*</b>	<b>2*(1.7)*</b>	<b>-</b>	<b>3.81</b>	<b>1</b>
<b>Hotels attract tourists and Business traders thereby contributing to increased Revenue.</b>	<b>48(40.0)</b>		<b>61(50.8)</b>	<b>10(8.3)</b>	<b>1(0.8)</b>	<b>3.30 2.5</b>
<b>Hotels generate tax revenue For local government through Occupancy taxes, sales taxes And property taxes</b>	<b>58(48.3)</b>	<b>43(35.8)</b>	<b>15(12.5)</b>	<b>4(3.3)</b>	<b>3.29</b>	<b>4</b>
<b>Hotels support local suppliers By purchasing goods and services Such as good items, linens and Maintenance supplies, which can Stimulate other local businesses.</b>	<b>56(46.7)</b>		<b>45(37.5)</b>	<b>18(15.0)</b>	<b>1(0.8)</b>	<b>3.30 2.5</b>
<b>Hotels have a positive impact on Nearby business In increasing customers</b>	<b>38(31.7)</b>		<b>28(23.3)</b>	<b>32(26.7)</b>	<b>22(18.3)</b>	<b>2.68 5</b>

**Note: \* and \*\* = frequencies and percentages; rank 1 is the most significant role of hotels in revenue generation while rank 5 is the least significant role.**



**Research Question 2: What are the contributions of hotels toward employment generation in the study area?**

**Table 2: Contributions of hotels to employment generation in the study area.**

<b>Roles Rank</b>	<b>SA</b>	<b>A</b>	<b>D</b>	<b>SD</b>	<b>Mean</b>	
Hotels are significant Employers in communities, Offering a wide range of Job opportunities, which Includes; front desk, house Keeping, management, food And beverage, security, Human resources, sales and Marketing etc.	83*(69.2)**	27*(22.5)**		9*(7.5)**	1*(0.8)**	3.601
Hotels often hire locally, Which directly benefits the Community by reducing Unemployment and offering Stable hospitality industry.	73(60.8)	32(26.7)	13(10.8)	2(1.7)	3.47	2
Hotels often offer comprehensive Training programs, thereby Equipping individual With valuable skill for Careers in the hospitality industry	1(0.8)	23(19.2)	45(37.5)	51(42.5)	3.22	4
Hotels often provide employment Contracts and opportunities e.g. full time employment, part time employment, seasonal employment, internship etc. thereby contributing to job stability and income security for individuals	63(52.5)	31(25.8)	25(20.8)	1(0.8)	3.30	3

**Note: \* and \*\* = frequencies and percentages; rank 1 is the most significant contribution of hotels with regards to employment generation while rank 5 is the least significant contribution.**

**DISCUSSION OF FINDINGS**

The finding from table 1 revealed that the respondents agreed that the most significant role of hotels in revenue generation in Uyo LGA was that hotels in Uyo LGA provide employment opportunities for local residents thereby reducing unemployment rates. The findings of this study are in agreement with Ampofo, (2020) who found out that the hotel industry has globally aided many countries in terms of revenue generation. He stated that a country’s revenue system can work effectively if the hotel industry pays their tax rate allocated to them.



The respondent also agreed that the least significant role of hotels in revenue generation in Uyo LGA was that hotels have a positive impact on nearby businesses by increasing customers. This was in agreement with Emma et al., (2018) that the development of local businesses around the hotels are largely neglected. This can be attributed to the fact that hotels render most of the services the local businesses render, examples include: dry cleaning, restaurants, car wash, bar, snack etc. in this case, the hotels will prioritize their businesses and clients over that of the local businesses.

The findings from table 2 revealed that the respondents agreed that the most significant contribution of hotels to employment generation is that hotels are significant employers in communities, offering a wide range of job opportunities, which includes: front desk, housekeeping, management, food and beverage, security, human resources, sales and marketing etc. this finding agreed with the findings of Dayanada (2014) that hotels provide direct employment opportunities by directly employing staff to work in the restaurants, resorts, photography, marketing, housekeeping etc. According to the respondents, the least significant contribution was that hotels often offer comprehensive training programs, thereby equipping individual with valuable skill for careers in the hospitality industry.

## **CONCLUSION**

As a result of the field study and analysis of results, the following conclusions were made:

That the contributions of the hospitality industry to the growth and development of the Uyo LGA include that it increases economic growth; it boosts the revenue generation of the government and it creates employment.

## **RECOMMENDATIONS**

Based on the findings of this study, the following recommendations were made:

1. Efforts should be made by the government to increase investment in the hospitality industry.
2. Government should equally ensure proper supervisory agencies is created to supervise the industry



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