

## **ASSESSMENT OF MEDIUM SIZE HOTELS: A PANACEA FOR JOB CREATION IN ILORIN, KWARA STATE, NIGERIA**

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### **ABSTRACT**

The most disturbing and alarming situation in the country today is the menace of youth unemployment. This study therefore intends to assess the role of medium scale hotels in job creation in Ilorin Metropolis, Nigeria. Amongst others, the objective was to identify the medium scale hotels, ascertain the contributions of medium scale hotels to job creation and find out the challenges facing these hotels in the study area. The study population is comprised seven (7) selected medium size hotels in Ilorin-South LGA of Kwara State. The research findings revealed that the contributions of hotels in job creation created means of livelihood for the residents, reduced unemployment rate with a mean coefficient of 4.83 and 4.79, reduced level of poverty with a mean coefficient of 4.67 and reduced the level of labour migration with a mean coefficient of 3.35. Thus, we concluded that medium sized hotels have significant positive relationship with employment generation and despite such tremendous importance of medium sized hotels, they are still constraint with numerous crucial problems which hinder their efforts to effectively provide adequate employment to the teeming unemployed population. Our study therefore recommended that more medium scale hotels with adequate facilities should be established in various part of Kwara state and not just some certain areas for even distribution of economic and social wellbeing of other community. We further recommended the enhancement of infrastructure as well as favorable tax system in relation to suitable policy and government regulations geared towards improving and encouraging the activities of medium scale hotels should be guaranteed.

*Keyword:* Assessment, creation, hotels, job, size

### **INTRODUCTION**

Small and medium scale hotels have been considered and gained recognition particularly in advanced part of the world for playing very significant roles in accelerating economic growth, development and stability across several economies. Their contributions in strengthening the performance of a nation's economy in terms of fostering the Gross Domestic Product (GDP)

through creating jobs and perhaps enhancing productivity in the economy cannot be undervalued. The Small and medium scale enterprises have long been recognized as an instrument of economic growth and development all over the world (Onuoha, 2005).

On the basis of size, a hotel with 100 rooms and less may be termed as a small hotel and a hotel which has between 100-300 rooms is known as medium sized hotel while a hotel which has more than 300 rooms are termed as a large hotel. Mega hotels are those with more than 1000 rooms (<https://www.shcollege.ac.in>). Hotels are classified based on several factors such as size, target market, available facility, the level and type of service, affiliation and ownership. Apart from these parameters, hotels can also be rated according to the crown, star or diamond system, which depend on the geographical location (<https://www.hospitality-school.com>). These classification helps visitors and guest to have an overview of a hotel even before visiting the property. Medium hotels include hotels with the number of guest rooms ranging between 26 and 100 (<https://www.hospitality-school.com>). However, the above basis and classifications of hotels were adopted as the measuring tools for determining a medium scale hotel in the study area.

Hotel is an integral part of the hospitality sector and is recognized as the largest sector in the tourism industry which has played a vital role in the hospitality sector particularly in rendering tourist and visitors with the necessary required comfort in a destination (Laws, 2013). This awesome role that medium scale hotels play in ensuring a comfortable and convenient atmosphere for tourist in a destination away from their original place of abode and indeed, promoting economic activities through employment creation and enhancing economic growth have led to the recognition and commitment of World Bank group on medium scale hotels sector, as essential and crucial aspect in its strategy, to foster economic growth, employment and alleviating poverty (Onwubiko, 2011). Medium scale hotels have contributed immensely through employment generation and perhaps, poverty reduction and these are fundamentally possible due to the size, facilities and indeed, the essentiality of the services provided by the hotels. Medium scale hotels empower the young youths and provide job for the timid unemployed youths and as a result, reduce poverty level in the society (Evans, 2016).

Services vary from one category of hotel to another from the status of hotels measured in terms of the available facilities, quality and variety of services provided by the hotels. There are various units of hospitality viz., restaurants, hotels, servers, housekeepers, porters, kitchen workers, bartenders, etc. which requires proper management, marketing, and human resources (Carr, 2013). All the itemized units are responsible for providing a specific service geared towards satisfying the needs and wants of customers/ tourist at a destination. However, despite these tremendous and crucial services rendered by medium scale hotels in ensuring a convenient and appealing atmosphere for tourist in particular and also its essential role in providing means of livelihood to a teeming population of youths, is still confronted with fundamental problem of inadequate finance for operational expense and investment expansion which can retard the absolute actualization of its noble objectives. Abor and Quartey (2010) reaffirm this assertion that the major challenge that small and medium scale hotels often face is access to capital, and SMEs development is inevitably constrained by limited availability of financial resources to meet varieties of operations and investment needs.

Wei, (2019), Okwa, (2016), Safariyu, (2012) and several other scholars studied the perspective of small and medium-sized accommodation: start-up motives, perceptions and operations issues. He finds that the main motivational factors in starting up small and medium-sized

accommodation are heritage from family business (pull factor) and personal and attitude (push factor). He further added that the major challenges faced by operators are related to competition, financial issues, human resource, government regulations and policies, customer service and satisfaction, and marketing.

Okwa (2016) conducted research on the growth of medium scale hotels in Lagos state where he utilized secondary source for data collection and finds that there is statistical significance for the impression that the difference in the medium scale hotels competitiveness and their respective ages reflect their locus in the innovation adoption curve. In the same vein, Safariyu (2012) conducted a research on challenges facing medium scale hotels in South-West of Nigeria. The study employed primary data with the aid of questionnaire and reported that the problems facing medium scale hotels include insufficient financial resources, poor managerial experience, poor location, laws and regulations, general economic conditions, as well as critical factors such as poor infrastructure, corruption, poor demand for hospitality products, and poverty. The big firms dominate every opportunity for obtaining loans and raw materials respectively. Meanwhile, the above studies dwell on perspective of small and medium-sized accommodation: start-up motives, perceptions and operations issues, growth of medium scale hotels in Lagos state and finally challenges of medium scale hotel in South-West Nigeria. However non among the literature dwells on the contribution of medium scale hotels in job creation, particularly in Ilorin metropolis of Kwara state and non among the above studies adopted structured questionnaire of Likert scale format with weighted average of 5 for data collection Therefore this study is design to fill the aforementioned gaps.

This study was prompted based on the fact that the most alarming, disheartening and disturbing scenario in the nation today is the problem of the teaming unemployed youths (Fagge, 2004). The country is encountering the problem of increasing social vices such as banditry, kidnapping, drug abuse, prostitution and high mortality rate which are all associated to youth unemployment (Ignisi, 2003). Therefore, the need to examine medium scale hotels and their proportional contributions to job creation becomes imperative and this study is designed basically to identify medium scale hotels in Ilorin metropolis, ascertaining the contribution of the hotels in creating jobs within the study area and to examine the challenges facing the hotels with respect to job creation. The outcome would be beneficial to national development; as such government can utilize the findings of the research as a basis for policy formulation as regarding medium scale hotel development to further provide avenues for job creation among the teaming youths and subsequently reduce to a negligible extent, the rate of social vices. The study will also contribute to the existing knowledge as future researchers can deduce from this research findings that medium scale hotels have significant positive relationship with job creation in a variety of dimensions i.e income generation, enhanced standard of living, mitigating labour migration among others.

## LITERATURE REVIEW

### **Theoretical framework**

#### **Theory of Entrepreneurship Alertness – (Kirzner’s 1984)**

The study adopts Kirzner’s theory of “entrepreneurship alertness” because it deals with creation of jobs which empower the people, reduces poverty and propel economic growth. Kirzner (1984), focuses on “entrepreneurial alertness” to available, but as yet unnoticed opportunities. The essence of alertness theory is that someone is endowed with the trait to recognize something

others have failed to recognize the need to invest in hospitality and related ventures; that there is an opportunity waiting to be exploited. Kirzner believes that this alertness is a trait successful entrepreneurs have. The use of entrepreneurial skills for economic development through operating hotel enterprise to generate employment empowers the people, reduce poverty and enhance economic growth.

## METHODOLOGY

### Study area

Ilorin is the state capital of Kwara state in North-central Nigeria. It is located on coordinate  $8^{\circ}30'N^{\circ} 4^{\circ}33'E$ . As of the 2006 census, it had a population of 777,667, making it the 7<sup>th</sup> largest city by population in Nigeria. Ilorin was founded by the Yoruba, one of the three largest ethnic groups in Nigeria, in 1450. It became a provincial military headquarters of the ancient Oyo empire, and later became a Northern Nigeria protectorate when Sheu Alimi, an itinerant Islamic preacher and teacher, took control of the city through the spread of Islam. The capital was occupied by the Royal Niger Company in 1897 and its lands were incorporated into the British colony of Northern Nigeria in 1900, although the emirate continued to perform ceremonial functions.



Figure 1: Map of the Study Area  
Source: Google Map (2020)

The study population comprises the staff of selected medium scale hotels and residents of Ilorin-South LGA of Kwara state.

**Table 1: List and Location of Medium-Scale Hotels in Ilorin-South LGA of Kwara State**

S/N	Name of Hotel	Location
1	Travellers Hotel	N0 29, Reservation Road GRA Ilorin
2	Glamour Hotel	Flower Garden Road, GRA Ilorin
3	Amasi Hotel	No 12B, Abdullahi Aguye Road, GRA Ilorin
4	Forest Hotel	Forest Road, GRA Ilorin
5	Rehoboth Hotel	12, University of Ilorin Road, Tanke, Ilorin
6	Royalton Hotel	4, Station Road, GRA Ilorin
7	Princess Hotel and Suite	Plot 31 Pipe Line Road, Ilorin
8	Fresh Hotel	Fate Road, Beside Shoprite Ilorin
9	G pinnacle Hotel	15a, Pipe Line Road, Ilorin
10	De peace Hotel	Beside Rhema Chapel, Tanke Ilorin
11	Elite Tranquil Hotel	No 49, Offa Road, Adjacent Old Herald Printing Press Ilorin
12	Rotana Hotel	Fate Road, Opposite Enterprise Grooming Institute Ilorin
13	Purple hills Hotel	1, Sodik Sulyman Street Off Fate-Tanke Ilorin
14	Noktel Hotel	14 and 16 Noktel drive, Off catchment road, GRA Ilorin
15	Tafol Hotel	Ayinla Mogaji Road, Opposite Tenderfoot Nursery and Primary School, Fate Ilorin
16	Bekadims Hotel	No 1, University of Ilorin Road, Tanke, Ilorin
17	Belmorris Hotel	Victory Street, Off Basin Road, Ilorin
18	Broadway Hotel	6, Umaru Audi Road, Ilorin
19	Hotel mirabilis	Umaru Audi Road, Fate Roundabout, Ilorin
20	E Phoenix Hotel	13, Reservation Road, off flower Garden, GRA Ilorin
21	Suitorial Hotel	NNPC pipeline road, Gaa-Akanbi, Ilorin
22	Treden	4a, University of Ilorin Road, GRA, Ilorin
23	DOA Hotel	Off Awolowo Road, Behind Aderoju School, Tanke Ilorin
24	Savannah Hotel	6, Trinity school road, Off Flower garden GRA Ilorin
25	Sinclair Hotel	6, station road, Ilorin
26	Beniks Courtyard Hotel	22, Kola Bukoye Street Tanke, Ilorin
27	The emirates Global Hotel	2, Achimugu Road, Flower Garden Road GRA Ilorin
28	Charis Hotel	17, Adelodun Road, GRA Ilorin

Source: personal observation, 2023

Table 1 above depicts the whole medium scale hotels situated in Ilorin South Local Government area. A total of 28 hotels of such category exist in the study area. This shows that the area is rich enough to constitute a study area for the conduct of research of such magnitude and capable of providing certain benefits to the host community under ideal situation, other things remaining constant.

### Sampling techniques

Purposive sampling technique is used to select seven (7) medium scale hotels (Purple Hill Hotel, E-phoenix Hotel, Fresh Hotel, Travellers Hotel, Glamour Hotel, De Peace Hotel and Charis Hotel) based on their popularity, facilities and services while Thirty-Five (35) staff were selected from the 7 selected hotels with special consideration to the individual hotel staff strength and sixty-five (65) residents were accidentally selected. A total of 100 respondents were drawn for this study.

**Table 2: Staff Strength of the Selected Hotels**

<b>Hotels</b>	<b>Staff Strength</b>
Purple Hill Hotels	17
E-phoenix Hotels	37
Fresh Hotel and Suite Hotels	24
Travellers Hotels	29
Glamours Hotel	17
De peace Hotel	31
Charis Hotel	14
<b>Total</b>	<b>169</b>

**Source: selected hotels record**

Table 2 reveals the staff strength for the 7 selected medium scale hotels amongst the 28 hotels in the study area. The seven were selected purposively based on their popularity, patronage, facilities and services rendered. This selection does not render the remaining one's inferior in any ramification. They were basically selected for the purpose of research and nothing but research.

### Research Instrument

The study implores primary sources of data collection and used a well-structured questionnaire of closed ended format, Likert scale with weighted average of 5 was used to generate data from the respondents based on the objectives of the study.

### Data analysis

Data gathered were analyzed using Statistical Package for Social Science (SPSS) which include; frequency, percentage and mean coefficients and results were further presented in tables for better understanding.

**Table 3: Selected Medium Scale Hotels in Ilorin Metropolis**

Variable	5 (%)	4 (%)	3 (%)	2 (%)	1 (%)	Mean	Ranking
Purple Hill Hotels	73.9	26.1	-	-	-	4.81	2 <sup>nd</sup>
E-phoenix Hotels	70.5	29.5	-	-	-	4.57	4 <sup>th</sup>
Fresh Hotel and Suite Hotels	58.0	42.0	-	-	-	4.50	5 <sup>th</sup>
Travellers Hotels	87.5	12.5	-	-	-	4.90	1 <sup>st</sup>
Glamours Hotel	62.5	37.5	-	-	-	4.73	3 <sup>rd</sup>
De peace Hotel	63.6	14.8	-	-	21.6	4.18	7 <sup>th</sup>
Charis Hotel	75.0	21.6	3.4	-	-	4.28	6 <sup>th</sup>

Source: field survey, 2023 NOTE: 5- Strongly agreed, 4- agreed, 3- Neutral, 2- Strongly disagreed, 1- Disagreed

The selected medium scale hotels in Ilorin metropolis were revealed in table 3, Travelers’ Hotel and Purple Hill hotels recorded the highest mean of 4.90 and 4.81, followed by Glamours hotel with 4.73 while De peace Hotel recorded the least with 4.18. This indicate all the hotels highlighted as medium-scale hotels are functional and relevant in the community and as well the most popular and well patronized medium scale hotels due to their level of facilities and services rendered. Location could also be a factor.

**Table 4: Contributions of Medium-Scale Hotels in Job Creation**

Variables	5	4	3	2	1	Mean	Ranking
It creates means of livelihood for the residents	87.5	12.5	-	-	-	4.83	1 <sup>st</sup>
Income generation	75.0	21.6	3.4	-	-	4.28	4 <sup>th</sup>
It reduces the level of labour migration	30.7	37.5	9.1	13.6	9.1	3.35	6 <sup>th</sup>
It reduces unemployment rate	81.8	18.2	-	-	-	4.79	2 <sup>nd</sup>
It reduces level of poverty	76.1	23.9	-	-	-	4.67	3 <sup>rd</sup>
Better standard of living	63.6	14.8	-	-	21.6	4.18	5 <sup>th</sup>

Source: field survey, 2023

Table 4 reveals the contributions of hotels in job creation, it creates means of livelihood for the residents and it reduces unemployment rate with a mean coefficient of 4.83 and 4.79 respectively, followed by it reduces level of poverty with a mean coefficient of 4.67 while it reduces the level of labour migration with a mean coefficient of 3.35. This suggested that the medium scale hotels have contributed to job creation of the study area in a diverse way. This further implies that medium scale hotels have positive significant influence with job creation in variety of ways as could be seen from the table above. Each individual variable is statistically significant from their mean coefficient above 3.0. This finding is in agreement with the findings of Okwa (2016) who reported that medium-scale hotel has impacts on the wellbeing of host community in Lagos state, Nigeria.

**Table 5: Challenges Facing the Hotels with Respect To Job Creation**

VARIABLE	5	4	3	2	1	MEAN	RANK
Financial challenges through low turnover	75.2	20.0	5.0	-	-	4.39	1 <sup>st</sup>
Infrastructural challenges	62.5	37.5	-	-	-	4.21	3 <sup>rd</sup>
Heavy taxation	69.1	22.4	8.5	-	-	4.29	2 <sup>nd</sup>
Competition issues	20.5	19.8	15.5	12.5	19.2	3.87	5 <sup>th</sup>
Inadequate skilled labour	59.5	12.8	9.5	5.5		4.12	4 <sup>th</sup>
Government policy/regulation	31.8	29.8	20.0	12.8	12.5	3.66	6 <sup>th</sup>

Source: field survey, 2023

The challenges facing the hotels with respect to Job creation are indicated in table 5 above, in which financial challenges through low turnover and heavy taxation recorded the highest mean coefficient of 4.39 and 4.29, followed by infrastructural challenge and inadequate skilled labour with a mean coefficient of 4.21 and 4.12 while government policy/regulation recorded the least mean coefficient of 3.66. This signifies that the medium scale hotels in the study area are facing numerous challenges. This agrees with the findings of Safariyu (2012) that hotels in Nigeria are going through a lot of challenges. It is therefore necessary to do everything possible to arrest the challenges facing the medium scale hotels with a view to foster their effectiveness in providing employment to the teaming population.

### CONCLUSION

The study has clearly shown that Ilorin South LGA has numerous medium scale hotels situated at various locations in the local government areas. The hotels have contributed immensely in creating jobs to the teaming youths through providing means of livelihood for the residents, reduces unemployment rate, reduces level of poverty etc. The major challenges facing the hotels are financial challenges which could be attributed to low turnover (due to inability to expand investment), heavy taxation, infrastructural deficit and inadequate skilled labour among others.

### RECOMMENDATION

This study came up with several recommendations. We recommend that management member of the various hotels should be aware of their corporate social responsibility to their host community in order to act accordingly. More medium scale hotels with adequate facilities should be established in various part of Kwara state and not just some certain areas for even distribution of economic and social wellbeing of other community and to further drive more contributions of hotels to the host community. Enhancement of Infrastructure as well as favorable tax system in relation to suitable policy and government regulations geared towards improving and encouraging the activities of medium scale hotels should be guaranteed.

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