

International Journal of Public Administration (IJOPAD)
3 (2) August, 2024 p-ISSN: 2617-129X; e-ISSN: 1115-7119
Available online at: <https://ijopad.org>

Copy Right: © Author (s)



HOSPITALITY INDUSTRY AND NATIONAL DEVELOPMENT IN NIGERIA: CHALLENGES AND OPPORTUNITIES

UGBAJA CHINWENDU GLORIA

**Department of Hospitality and Tourism Management, Federal Polytechnic Oko,
Anambra State.**

Corresponding Author's email: chinwegloria@gmail.com

Abstract

This work is an attempt to investigate the hospitality industry and national development in Nigeria: Challenge and opportunities this study is carried out based on the secondary data sources, various literature, newspapers, organizational and government publications, website materials. The study found that the hospitality industry contribute to national image, though there are some major challenges facing the industry, from the findings the researcher recommends enhanced investment in the sector and provision of adequate infrastructure and enabling environment if the industry's full potentials will be properly harnessed towards national development.

Keyword: Hospitality Industry, national development, challenges, opportunities.

Citation of article: Ugbaja, C. G (2024). Hospitality Industry and National Development in Nigeria: Challenges and Opportunities. *International Journal of Public administration (IJOPAD)*, 3(2): 187-195.

Date submitted: 02/07/2024 Date accepted: August 15, 2024 Date published: August, 2024

Introduction

Hospitality Industry is a major sector in the Tourism Industry, which, in turn is one of the most rapidly expanding fields in the service industry, the concept of hospitality is about receiving guests in a spirit of good will and, it based on guest and host relationship. To better understand and hospitality activities we need to understand the provision of food, drink and accommodation in the nuclear family. According to Lashley and Morrison (2000) the hospitality industry as an economic activity includes the provision of service and the organization of short-term accommodations in the hotels, motels, campsites and other accommodations facilities for a fee. The new names of hospitality industries have increasingly been created by the retailer of its business and the industry is divided into private sector (industries owned by the group of individuals or Franchised by the expertise of hospitality management) and public government sector (industries owned by the government or public association).

The conceptual literature in hospitality industry, with its roots in the centuries old tradition of inn-keeping (Jones 1996). During the Roman Empire, Inns grow along major highway and other accommodations were maintained along major highway, primarily for government officials and person of importance (Chuck 1997). In some areas, small shelters were placed at stops along caravan routes those that travel for religious purpose looked to religions house to give sanctuary, rest and refreshment along the way. The word hospitality is derived from hospice, a medieval word for house of rest for travellers' even to this day some Alpine in Europe continue the tradition of offering food and rest to weary travellers (Lattin 1985) food and wine services can be trace back in history to as far back as 400BC. When establishment began selling food and wine, such establishment continued and flourishes during the Greek, Roman and Byzantine periods (Gee et al 1997). Commercial hospitality ventures makes their appearance in the fifteenth century the type of accommodation was the spare bed in private homes I offered to travellers for small price. At the time, standing Inn appeared built by rich Landlord and named after them. In the sixteenth century, some Inns began serving meals at set price, at regular meal time (Mill 1990). By the end of the seventeenth and down of the eighteenth centuries, lodging facilities which could be called a version of hotels.

According to Ghana's ministry of Tourism (2013) there are two main business sectors in the hospitality industry: Accommodation (To provide accommodation to people who and whatever reason are away from home) and food & beverage (To provide food and beverage to local, community, transient customers and tourist), the hospitality industry has grown rapidly to become one of the world's foremost economic phenomena (Walker, 2007) many countries have

already realized the potential positive economic impact of the hospitality industry and have since taken steps towards the development of the industry but in Nigeria hospitality sector, commensurate with its relative economic significance, has not received the attention it deserves in national development policies vis-à-vis other sectors. This is not, however, surprising given that hospitality and Tourism has played little or no significant part in the Economic and Social development activity of the country (Kenedell, 1990). The Nigeria Economy since 1960 has been characterised as mono-economy, where over dependence has been on crude oil as the major revenue base of the nation, Ajake, Akande and Olure-Bank (2015) opined that with the volatility of global oil prices and volatile growth of Nigeria's Economy, the country has wasted much of its opportunities to break away from under development despite its massive natural and human resources endowments, government at its various level should away from its dependence attitude on crude oil and diversity by maximizing her abundant resource base to rebuild the Economy, hospitality Industry with its connection with Tourism sector can actually promote national development in Nigeria if the government, private sector and other stakeholder can come together to provide enabling environment for hospitality and Tourism sector to thrive.

Conceptual Literature

Hospitality Industry made their appearance, in 1774 the first hotel was opened in London, in later eighteenth century, the term "Restaurant" was first used in Paris referring to dining room and in the United States, Delmonico's opened in 1834 offering meals in the English fashion of fine dining. In the United States, the resembling today's facilities is believed to be the Tremont House, it established, a number of precedents like a Lobby indoor plumbing, private guest rooms with locking doors, and a complementary cake of bath soap (Mill 1990). In Nigeria, Hospitality industry began with the arrival of the missionaries on one and the trans-saharan trade on the other hand. The missionaries are the white men who brought religion of Christianity to Nigeria. The work of the missionary necessitated them to build their rest house and provided catering services after their evangelical work at the end of the day, as they move from one geographical region to another in Nigeria, so they built rest house and catering rest-house. People were engaged and called the domestic servants. An increase in the number of convert who became Pastors, Evangelists and Bishops were transferred to distant places. Accommodation and catering services were provided for them, this was how Rest House and Catering Rest-Houses started in Nigeria.

Hospitality Industry is the rise in the recent time across developing economies, Eja, Ajake, Otu and Ndonah (2011) revealed that it has become an important industry in most countries of the

world, especially those with great tourism potentials, their work exposed further that, the Nigeria hospitality is making heavy investment and providing new facilities such as more parking areas, swimming pools and more new buildings with larger guest rooms to provide comfort to different categories of visitors and serve as one of the alternative to national income. The first recognised catering organization was the Nigeria Railway Caterers Limited, they contributed in no small measure to building of Guest Houses whose aim was to provide accommodation and catering services for their staff and other travellers, after the second world war 1939-1945 Hotels and Guest House increased because of the importation of cars which give opportunity to more people to travel far and near, the incoming of foreigners also encouraged and promoted tremendous improvement on accommodation services and catering services to meet up with the international standards during the period Civil aviation started in Nigeria 1958. (Gale and Odgers 1989).

Hospitality and Nigeria Economy

The Nigeria Economy is undiversified with mining, essentially petroleum, the dominant sector, this being the main source of foreign exchange earnings and government revenues (Dieke et al 2020) over two decades, there have been cries from different stakeholders and players of the economy for diversification in order to relief oil sector from its over bearing, the crash of oil prices in the past 12 months, driven by higher, America's discovery of shale-oil technology will increase its daily production of oil to 12 billion barrels of crude oil, when compared to Nigeria's daily production of 1.8 billion barrels and also the fact that the world production of crude oil is growing at a phenomenal rate, the implication for Nigeria is obvious: so in the next 3 years, Nigeria oil will be worthless in the international market owing to increase in supply and decrease in demand (Nwodo, 2020). Concerns have been geared therefore to the business of hospitality with the presence of many tourism centres across the nation to serve as one of the alternative national income. Generally, hospitality industry is the livewire of Tourism at all level and the United Nations World Tourism Organization (UNWTO) confirms that between 70% and 75% of International tourists' expenditure goes to hospitality service on annual basis (Sanni, 2009).

Hospitality and Tourism represents a rapidly rising proportion of world trade: It accounts for 5% of global gross domestic product (GDP) and 8% of total employment, again receipts from International tourism expenditure in 2004 alone was US \$474 billion; and International tourist receipts totalled \$856 billion, in 2007; and will continue to grow at least up to US \$2 trillion annually by the year 2020 as estimated by the World Travel Organization/WTO (WTO, 2008). In the hospitality and Tourism contributed ₦1, 559.5 billion (6.1% of total GDP) to GDP in

2013 and is estimated to rise to ₦2, 886.2 billion or 3.4% of national GDP by 2024 (World Travel and Tourism Council, 2014).

According to the findings of Timothy and Samson (2014), the Nigeria hospitality industry has contributed significantly to the socio-economic development of the most important sectors of a nation's economy. They provide and create job, they are a source of innovation and entrepreneurial spirit, they harness individual creative effort and they create competition and are the seed bed for business of the future, in short, hospitality industries are vitally important for the development of nations' economy (Walker, 2007).

Administrative Structure for Hospitality and Tourism Industry in Nigeria

The Federal Ministry of Culture and Tourism (FMCT) is currently responsible for formulating policy and monitoring and maintaining Linkages with State government on all tourism matters, it is also charged with planning and funding nationally-oriented tourism infrastructure, participating in International Tourism Organization and providing policies and directives to State government, the Nigeria Tourism Development Corporation (NTDC), established in 1992 by Decree No 81, is responsible for regulation and supervision of the registration and grading of Tourism and hospitality establishment. It also promoted the industry; it publishes handbooks and general guidelines for the operation of the industry as well as collaborate with private sector participants in implementing policies and projects (<https://234intel.com.hospitality>)

The National Council on Commerce and Tourism used to be the body entrusted with the coordination of the planning and development of Tourism in Nigeria, it was made up of the Minister of Commerce and Tourism as the Chairman, State Commissioners of Commerce and Tourism, representatives of Travel agents, hoteliers and catering associations, tour operators and boards of airlines. The role of the State governments is to initiate projects, control land allocation, and generally develop tourism at the State level. They are also to ensure that the operations of hotels and catering institutions are in line with federal government policy. Government shall initiate training programmes in tourism, travel and hospitality industries through specialized institution such as National Institute for Cultural Orientation (NICO), National Institute for Hospitality and Tourism (NIHO TOUR) and for tertiary institution in the areas of tour guide, hotel and resort management, catering etc (Nigeria Tourism Policy, 2005). The NIHO TOUR is a parastatal under the Federal Ministry of Culture and Tourism, the Institute was established in 1998 to provide improved and quality services in the hospitality and tourism industry, to supervise training for the development of specific skills, and to provide a forum at which representatives to both public and organized private tourism sectors and tourism

institutions exchange ideas and information on development in the industry (<https://www.harlemsolicitors.com>)

The Hospitality and Tourism Management Association of Nigeria (HATMAN) is a professional body for the international hospitality industry with around 4,000 members in 36 states and federal capital territory, HATMAN is recognized throughout the nation, established in 1996, HATMAN's national influence brings together individuals from all sectors of the hospitality industry – Hotels, contract catering, restaurants, fast food, pubs and clubs, hospitals, education, armed forces and the teaching profession(<https://www.plateaustate.gov.ng>)

The Role/Opportunities of Hospitality Industry to National Development

National development is essentially the overall development or a collective socio-economic, political as well as religious advancement of a country or nations. It is also the ability of a country or countries to improve the social welfare on the people by providing basic infrastructure such as roads, schools, hospitals, recreational facilities etc. Consequently, a country could be considered to be developed to the extent at which every sector of its economy or national life reflects steady, yet progressive growth. The overall concept and goal of national development is to fulfil the rapid growth of the incomes of population in general, reduce poverty, satisfy basic social and economic needs of the people and hospitality industry takes part in fulfilling these needs

The hospitality industry is a broad category of fields within service industry that includes lodging, event planning, theme parks, transportation, cruise line and additional fields within the tourism industry, it is a multibillion-dollar industry that depends on the availability of leisure time and disposal income. The industry plays significant roles in many economies, beginning from the macro level, hospitality industry is estimated to boost economic growth by generating foreign exchange as well as increasing various form of government revenue. At the micro level, hospitality industry is expected to facilitate job creation, income and revenue thereby enhancing national development, which ultimately should improve the quality of life of residents, hotels are a service-based industry and as such, have been an important factor in service sector growth into the economy (Walker, 2007). The role hospitality industry play to national development cannot be overemphasized, it act as a good source of local and national employment when people travel abroad, they want to visit places of natural beauty or historic significance, this creates new job opportunities like tour planners and operators, site visit guides and revenue helps the government build the necessary infrastructure like bridges, rail-lines, road, schools, hospital etc.

The growth of the service industries has created a demand for research into their operation and marketing, the hospitality industry's success can be seen as one of the key components of growth in the Nigeria economy. The most obvious role of hospitality industry in national development is the creation of job, contribution of GDP in terms of taxes, revenue and foreign exchange, on the other hand, the building of hotels and the infrastructures necessary to their functioning generated the considerable investments that are proper to stimulating technical, industrial and financial development of the country (dieke 2007)

The two types of organizations in hospitality management are either private-run or government-run, they both have an enormous impact on hospitality management, from the point of view of the private sector accommodation, catering, recreation and services for visitors are component element of the tourism industry, most hospitality industry are owned and operated in the private sector with the aim of making profit for the owners and shareholders of the private enterprise, in terms of public sector it is a part of the state that deals with the production, ownership, sale, provision, delivery and allocation of goods and services by and for the government or its citizens, in hospitality industry private and public sector participation includes marketing and promotion, product development, infrastructure development and renewal, attraction development, enhanced productivity and service, community development, cultural and heritage protection and environmental protection/enhancement (Inter-American Development Bank, 2014) using the opportunity of public and private hospitality/tourism sector such as hotels, tour operators, car rental companies, online travel agents, airlines, tourism offices, tourist information centers, souvenir shops, loges, tourist guide associations, tourism professional associations, accommodation and catering facilities has established solid institutional base for the national development.

Challenges Facing Hospitality Industry in National Development

The hospitality industry is an important part of national development and economic emergence and attractiveness, the hospitality market is booming and with that boom comes new found diversification in range, quality and classifications, yet there is much room for growth, diversification and standardization (Akshay 2018). Today hospitality industry is globally dealing with vast set of major challenges like

1. **Rising Technological Demand:** Technology is a constant travel companion, wherever we go, innovative use of technology that benefits customers and not just hotel operations helps hotel to stand out from the competition and attract new customers. The demanding nature of the average guest is skyrocketing in the area of technology and

speedy service and it has become a major challenge facing hospitality industry. (Akshay, 2018).

2. **Effect of Covid-19 Pandemic:** The whole world shut down travelling during COVID-19 outbreak, because of which the hospitality industry also had to shut down its operations, cancelled reservations, lockdown, shutdown hotels, this was probably the worst time for the industry.
3. **Manufacturing Cleanliness and Hygiene:** Cleanliness and hygiene is a basic requirement of every guest the majority of hotel guests would happily give up on complimentary luxuries and technology such as Wi-fi access than to stay in a dirty hotel.
4. **Increasing Competition:** Travelers always look for the perfect accommodation, due to high demand in accommodation, the competition is also high in this business, to reap the high profits, new or existing competitors could significantly reduce rates or provide greater conveniences, services or amenities, higher competition is a major challenge in this sector (Akshay, 2018).

Opportunities in Hospitality Industry

The benefits hospitality industry will have on a national development are endless the most obvious factor is the employment created as a result of hotels, airlines, travel agencies and more.

- **Multiplier Effect:** When one sector booms in a local town, so do others, if a tourist destination is popular, hotels and restaurants nearby will be required, this creates an opportunity for other business.
- **Greater Technology:** A fast moving sector such as hospitality should focus on new technologies to create the best experience possible for customers.

Conclusion

Hospitality industry encompasses many subsectors: lodging, food services, gaming, cruise lines and travel. The industry generates substantial direct and indirect revenues for local and regional economies, create employment and contribute to national development, though the industry is faced with major challenges like Rising Technological demand, effect of COVID-19, maintaining cleanliness and hygiene, and increase in competition. Public and private sector

needs to channel their attention to hospitality industry for it is an avenue for national development.

Recommendation

From the findings and conclusions of this study, the researcher recommends the following

1. **Financial Support:** The banking industry should provide financial support to hospitality industry to access loan which will help in the development of the industry.
2. Also the public and private sector should make the policies regulating the hotel industry so simple, provide adequate infrastructure and enabling environment.

Reference

- Ajake, A. O (2015). Assessing the Impacts of Hospitality Industry in Enugu City, Nigeria. *American Journal of Tourism Management*, 4 (3), 43-53. Doi: 10.5923/j. Tourism. 20150402.01: Retrieved on 18/12/15.
- Akshaw, N. (2018) A Study on Major Challenge faced by hotel Industry Globally.
- Eja, E, I, Ajake, A.O, Out, J. E. and Ndomah, B. N, (2011), Using Multiple Regression Analysis Modeling the Role of Hospitality Industry in Cross River State, African Research Review; S (6) 23 231-238; DO 1 <http://dx.doi.org/10.4314/afrev.v5i6.19:retrievedon18/12/15>.
- Gale, K Qdgers (1989) Hotel and Catering Supervision (Social and Economic Aspects of the Industry) Published by Pitman ISBN 0273028162.
<https://234intel.com/hospitality>
<https://www.harlemsolicitors.com>
<https://www.plateaustate.gov.ng>
- Inter-American Development Bank (2011). Public-Private Partnerships for Sustainable Tourism.
- Jones, P. (1996), Introduction to Hospitality Operations, Cassell, London
- Leshley, C. & Morrison, A. (2000), In Search of Hospitality; Theoretical Perspectives and Debates, Butterworth – Heinemann, Pp 1-7.
- Sanni, M, R (2009) “The Influence of the Economy on the Hospitality Industry in Nigeria. *Ethiopian Journal of Environment Study and Management*, Vol 2 no. 1. Pp. 29-32.
- United Nation World Tourism Organization (2008) Tourism Highlights, Edition (Madrid: UNWTO, 2008) and World Tourism Barometer June, 2009).
 Volume 6, Issue 1 February 2018/ ISSN. 2320-2882.
- References**
- Walker, J, R, (2007) Introduction to Hospitality Management, Pearson Education, New Jersey 07458. Inc, Upper Saddle River.
- Walker, J. R (2007) Introduction to Hospitality Management, Pearson Education New Jersey 07484. Inc. Upper Saddle River.
- World Tourism Organization (2008) Tourism Statistics. Vol. 6(2). Accessed 14th September 2019 Available at <http://www.tourismroi.com>.
- World Travel and Tourism Council (2014). Travel and Tourism Economic Impact Nigeria 2014 “T & T Council, London. Available Online at <https://www.wttc.org>.