

ANALYSIS OF HOTEL CORPORATE SOCIAL RESPONSIBILITIES IN THE HOST COMMUNITIES WITHIN ABEOKUTA METROPOLIS OF OGUN STATE, NIGERIA.

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Abstract

The study examined the impact of corporate social responsibilities of hotel industry to the host communities in Abeokuta Metropolis of Ogun State. Specifically, the study underlined the followings: examined the different corporate social responsibilities being performed by the hotel industries in the study area; described the level of the hotel industry participation in corporate social responsibilities in the study area; and examined the challenges confronting hotel industry in carryout their corporate social responsibilities in the study area. The sample size of the study was 123. The study used primary data through structured questionnaire and analyzed using descriptive statistics and the study population was 10% of the workers in selected hotels and community members were interviewed. All the distributed questionnaire were duly return. The findings revealed that hotels in the study area were involved in different corporate social responsibilities such as economic development of their community, payments to national and local authorities, contributing expertise to community programs and similar areas among others. However, their involvements were limited due to various challenges such as insecurity resulting from persistent violent and conflict, poor government policies and multiple taxation. The results revealed that there was significant relationship ($p < 0.05$) between level of participation in corporate social

responsibilities by the hotel industries and challenges confronting hotel industry in carrying out their corporate social responsibilities in the study area. The study recommends that government should find a way of harmonizing taxation among the three tiers of government to prevent multiple taxation, formulation of favourable policies that will enhance the growth of the hotel industry and insecurity issue should be holistically tackle by the government

Key Words: *Corporate social responsibility, Hotel, Host Community.*

Introduction

Corporate social responsibility in the contemporary times has attracted a widespread attention. According to John, et al, (2013), they pointed out that corporate social responsibility has attracted global attention and acquired an important innovation in the global economy. The high increased interest in corporate social responsibility disclosures had been attributed to events such as economic crises and irresponsible business practices and their impact on society. The European Commission according to Archel H, et al, (2011) emphasizes on corporate social responsibility issues by introducing a Green Paper in 2001 and 2002. In addition, the World Council on Sustainable Development according to Carroll, et al, (2010) was among others global organisations to promote corporate social responsibility initiatives.

In the hospitality and tourism (H&T) industry, the basis of the tourism product is the social, cultural, and natural capital of a destination (Moneva, Bonilla-Priego, and Ortas, 2019). While the H&T industry brings economic and social benefits to destinations, it is criticized for its negative impacts on societies and the natural environment, such as climate change, biodiversity loss, air and noise pollution, and waste generation (de Grosbois, 2012; Scott, Peeters, and Gossling, 2010). Criticisms also arise due to certain sectors within the H&T industry, such as fast-food restaurants that cause obesity and casinos that provide opportunities for gambling. This stimulates firms in these sectors to focus on corporate social responsibility (CSR) to decrease reputational costs (Rhou and Singal, 2020). This places greater pressure on H&T firms to behave responsibly and to undertake CSR practices, and thus makes it relevant to study CSR-related issues in the H&T context.

However, the practice of corporate social responsibility had been made mandatory in some countries and not mandatory in other countries. In France, United Kingdom, Denmark, according

to Abdulhaq and Muhamed (2015) corporate social responsibility disclosure is made compulsory to all listed firms, but in Nigeria, it is voluntary. Despite all the efforts that have been put in place to examine the factors responsible for corporate social responsibility disclosure, most of the studies done so far had been focusing on the context of the developed economies. Only a small number of studies according to Hussainey and Reaz (2007) have been conducted in the developing economies such as Nigeria. Therefore, it is against this backdrop this study examines the impact of corporate social responsibilities of hotel industry to the host communities in Abeokuta Metropolis of Ogun State.

The need to examine the social responsibilities of hotel industry is premise on the fact that in many countries, the H&T industry has a large influence on the social, economic, and political environments as an export sector (UNWTO, 2016). The structure of the H&T industry or H&T firms is heavily related to the boundaries of several other industries (Okumus, Altinay, and Chathoth, 2010). Third, according to Singal (2015), the H&T industry shows higher leverage, risk, capital intensity, and competitive rivalry than other industries. These reasons imply that H&T firms face challenges or opportunities in formulating and implementing CSR strategies designed by firms' board members.

Objective of the study

The main objective of the study is to analyze the impact of corporate social responsibilities of hotel industry to the host communities in Abeokuta Metropolis of Ogun State. The specific objectives are to:

- i. describe the socio-economic characteristics of top officials in the selected hotel;
- ii. examine the different corporate social responsibilities being performed by the hotel industries in the study area;
- iii. describe the level of the hotel industry participation in corporate social responsibilities in the study area and
- iv. examine the challenges confronting hotel industry in carryout their corporate social responsibilities in the study area.

Hypothesis of the Study

H₀: There is no significant relationship between the level of participation in corporate social responsibilities by hotel industries and challenges confronting hotel industry in carryout their corporate social responsibilities in the study area

Methodology

Study Area

The study was carried out in Abeokuta metropolis area of Ogun State. The area is geographically located within the basement complex of Latitudes 7° 10' N to 7° 15' N and Longitudes 3° 17'E to 3° 26' E. The area is located in a hummocky terrain with a well pronounced undulating topography with prominent hills characterized by steep slope varying in altitude between 30 m and 180 m above sea level. Abeokuta is underlain by crystalline Pre-Cambrian basement complex of igneous and metamorphic origin and many outcrop of which can be seen in different places. As of 2005, Abeokuta and the surrounding area had a population of 593140 (Wikipedia, 2010; NPC, 2010) spread over about 125,600 hectares of land at present. The occupation of the indigenes varies from local fabric, commercial vehicle operating, to farming, stone quarrying and sand dredging, Bello *et. al.*,2009. The metropolis covers the city of Abeokuta. The metropolis of Abeokuta is well connected with major roads and minor roads within the localities which were motor able and trek able, thereby making accessibility to the outcrops less difficult. Abeokuta hosts numerous hotel industries which include hotels, fast food units and restaurants and tourism parks. The town is known specifically for its natural endowment of good vegetation, rocky features and rocky terrain from which the name Abeokuta was carved out meaning under the rock. Abeokuta is characterized by fertile soil and excellent climatic condition which enhance hospitality activities.

Population of the Study

The study population consisted of 10% of the workers in selected hotels.

Sample Procedure and Sample Size

A multi-stage sampling technique was used for the purpose of this study. The first stage is the selection of hotels from the selected Local Government Area. A pivot survey showed that there are 134 registered hotels within the selected areas ranging from two star hotels to four star hotels.

Fourteen (14) were randomly selected out of one hundred and thirty-four (134) registered hotel in Abeokuta south which represent (10%) of the total registered hotels in the Local Government Areas. A total of One-hundred and twenty-three hotel workers were selected. The table below shows the summary of the sampling procedures

Table 1: Summary of Sampling Procedure and Sample Size.

| Study area | Number of registered Hotels in each LGA | % Selected from Hotel in the study area (10%) | Number of staff in each selected hotel | 10% of staff selected in each hotels |
|---------------------------------|---|---|--|--------------------------------------|
| Abeokuta South Local Government | 134 | Park Inn by Raddison hotel and suites | 310 | 31 |
| | | Celias hotel | 26 | 3 |
| | | Green Legacy Resorts | 300 | 30 |
| | | Richton hotel | 24 | 2 |
| | | D-comfort hotel | 15 | 2 |
| | | Caesar hotel and suite | 24 | 2 |
| | | House 66 hotel | 20 | 2 |
| | | Intercontinental suite | 45 | 5 |
| | | Hallmark hotel | 15 | 2 |
| | | County and marquee suite hotel | 30 | 3 |
| | | Micron hotel | 30 | 3 |
| | | Wemby suite | 45 | 5 |
| | | Nest point hotel | 36 | 4 |
| Mokland hotel | 29 | 3 | | |
| Abeokuta North | 85 | Fijkaz hotel | 26 | 3 |

| | | | | |
|--------------|------------------|------------|-----------|-------------|
| | Capitano hotel | | 27 | 3 |
| | O' lakesin hotel | | 16 | 2 |
| | Feminisimi hotel | | 48 | 5 |
| | Texas hotel | | 14 | 2 |
| | Jokee Hotel | | 45 | 5 |
| | Luk-Yim Hotel | | 15 | 2 |
| | Dabok hotel | | 45 | 5 |
| TOTAL | | 219 | 22 | 1233 |
| | | | | 123 |

Source: Field Survey, 2022

Sources and Methods of Data Collection

The method of data collection that was used for this study includes primary data which involve the use of structured questionnaires. The questionnaires were administered on respondents within randomly selected hotels in the study area. The questionnaires were personally administered to obtain data from the study area within the randomly selected hotel industries.

Development of Research Instrument

Structured questionnaire was the primary tool used to obtain information from the Hotel top officials while community members were interviewed.

Results and Discussions

Socio-Economic Characteristics of Respondents

This chapter presents the findings of the study. Data were collected through questionnaires conducted in 22 hotels and communities members were interviewed in Abeokuta metropolis.

Sex of Respondents

Evaluations of the sex of respondents revealed that majority (74.0%) of the respondents were mainly female while few (4.1%) of the respondents were male. The implication of this finding is that both male and female were not adequately captured in the study. Besides, female were more

than their male counterparts amongst hospitality industries in the study area. This result is in agreement with the findings of Hsieh, (2013) who stated that majority of hotel cleaners are women. Oxenburdge, (2011) also concurred that housekeeping jobs are performed by women on part time basis. Similarly, International Labour Organisation, (2010) stated that women make up between 60-70% labour forces. The gender disparity could be as a result of the role-play concept where individuals are assigned roles based on traditions and practice.

Age of Respondents

Evidence on Table 2 revealed that majority (95.9%) of the respondents were between the age bracket of 26 -35 years, which indicates that majority of the workforce are youths and this could be a consequence of unemployment rate in Nigeria. Possibly young people might get access to labour market through the hotel industry since it is a venue of getting to know people. Hotel industry provides job opportunities through which youth earn income during their vocations or holiday more so the dynamic social environment of the sector attracts youth and not the older people. According to Eurostat (2005) in Cherono, (2011) people less than 35years old account for 48 percent of total employment in hotel sector globally.

Educational Level of Respondents

Education is of great importance in decision making. It can indirectly influence the choice of occupation, the income earnable by respondents which can greatly affect investment, leisure and where leisure time is spent. The study revealed that majority (91.9%) possessed tertiary education certificate predominant at N.D/N.C.E. This implies that respondents had one form of formal education or the other.

Marital Status of Respondents

An evaluation of the respondents' marital status presented in Table 2, shows that vast majority (79.9%) of the respondents were single while a small percentage (20.3%) of the respondents were married. This implies that young people are more in the hotel industries than the married ones.

Religion of Respondents

An evaluation of the religion of the respondents revealed that majority (70.7%) of the respondents practiced Christianity as a religion while 29.3 percent of them were Muslims. This implies that the study is likely to be less biased religious-wise. Besides, it also implies that respondents will possess a level of the fear of God in them and that will help them in the careful handling of their job in the hotel.

Monthly Income of Respondents

Table 2 revealed the income obtained from working in the hospitality industries. Findings revealed that majority (88.6%) of the respondents earned below N50,000 as their monthly income. This is in affirmation with Hsieh Apostolopolous, Sonnez (2013) who state that hotel workforce are less paid and their pay is not comparable to that of other employees in the other sector. It is important to know the socio-economic status of employees to ascertain the extent to which employers of Labour do consider staff welfare, according to Okereke and Daniel, (2013) welfare is an organisation level of obligation and commitment to its employees.

Hotel Experience of Respondents

The findings revealed that majority (73.2%) of the respondents have less than 5 years' experience in hotel industries while a substantive number of the respondents (25.2%) had between 5 and 10 years in the hospitality industries. This indicates that majority of the employees spent fewer years in service which could be as a result of engaging casual workers in the hotel industry.

Table 2: Socio-Economic Characteristics of the Respondents (Top officials only)

| Socio-economic characteristics | Frequency | Percentage |
|--------------------------------|-----------|------------|
| Gender | | |
| Male | 32 | 26.0 |
| Female | 91 | 74.0 |
| Age | | |
| 18-25 years | 5 | 4.1 |

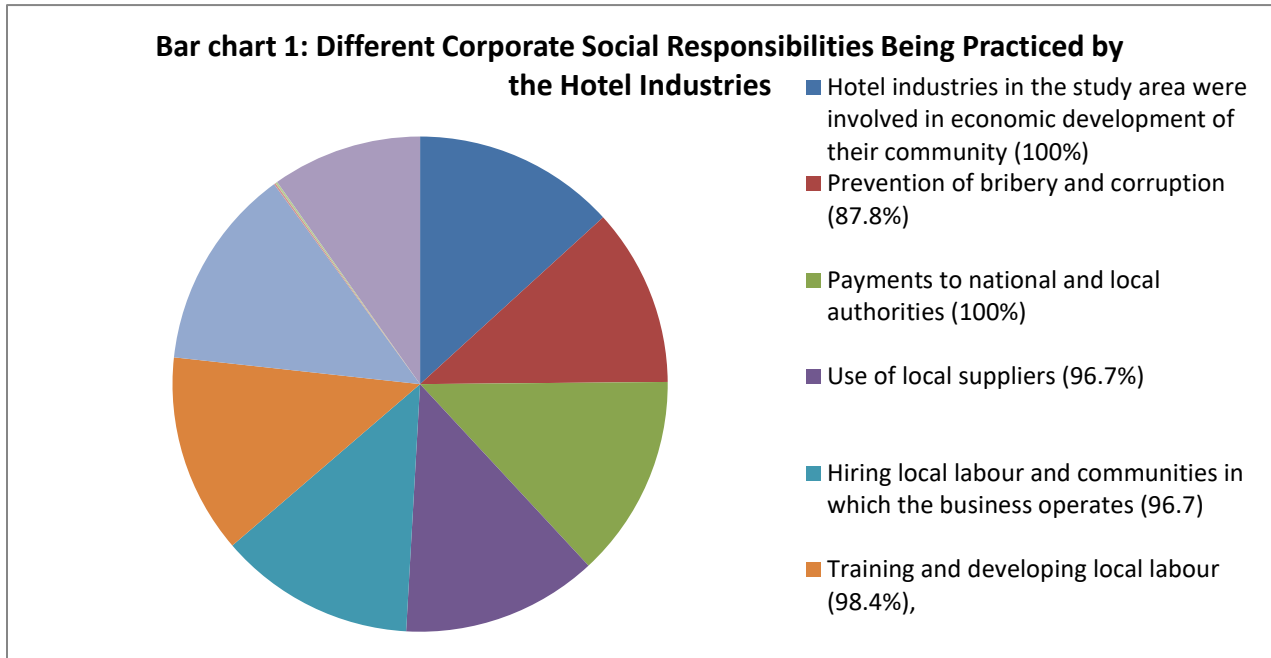
| | | |
|----------------------------------|------------|--------------|
| 26-35 years | 118 | 95.9 |
| Educational qualification | | |
| ND/N.C.E | 113 | 91.9 |
| M.Sc/M.B.A | 10 | 8.1 |
| Marital status | | |
| Single | 98 | 79.7 |
| Married | 25 | 20.3 |
| Religion | | |
| Islam | 36 | 29.3 |
| Christianity | 87 | 70.7 |
| Income per month | | |
| Below 50,000 | 109 | 88.6 |
| N60,000-80,000 | 14 | 11.4 |
| Hotel working experience | | |
| Below 5 years | 90 | 73.2 |
| 6-10 years | 31 | 25.2 |
| 11-15 years | 2 | 1.6 |
| Total | 123 | 100.0 |

Source Field Survey, 2022

Different Corporate Social Responsibilities Being Practiced by the Hotel Industries

The results of the analysis in bar chart 1 showed the different corporate responsibilities being involved by hotel industries in the study area. the results showed that hotel industries in the study area were involved in economic development of their community (100.0%), prevention of bribery and corruption (87.8%), payments to national and local authorities (100.0%), use of local suppliers (96.7%), hiring local labour and communities in which the business operates (96.7%), protection of human right (96.7%), training and developing local labour (98.4%), Contributing expertise to community programs and similar areas (100.0%), precautionary approaches to prevent or minimize adverse impacts support for initiatives (83.7%), promoting greater environmental

responsibility (99.2%) and Developing and diffusing environmentally friendly technologies and similar areas (74.0%).

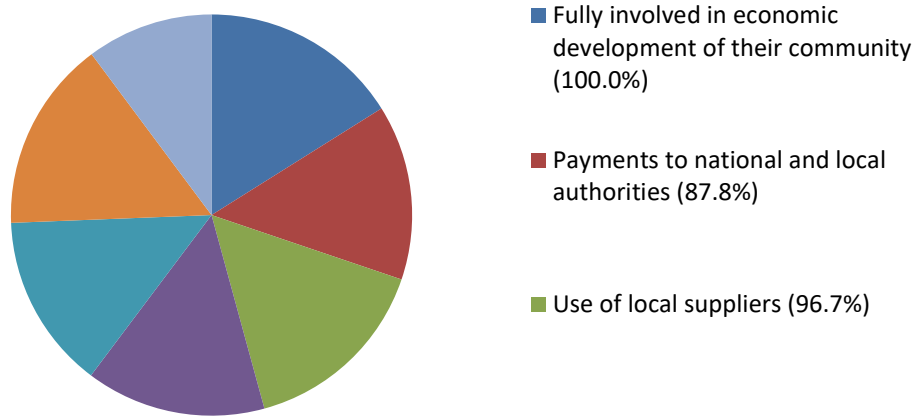


Source: Field Survey, 2022

Level of the Hotel Industry Participation in Different Corporate Social Responsibilities

The results of the analysis in bar chart 2 showed the level of different corporate responsibilities being involved by hotel industries in the study area. the results showed that hotel industries in the study area were fully involved in economic development of their community (100.0%), payments to national and local authorities (87.8%), use of local suppliers (96.7%), hiring local labour and communities in which the business operates (90.2%), training and developing local labour (87.8%), contributing expertise to community programs and similar areas (95.9%) and developing and diffusing environmentally friendly technologies and similar areas (63.4%).

Bar chart 2: Level of the Hotel Industry Participation in Different Corporate Social Responsibilities

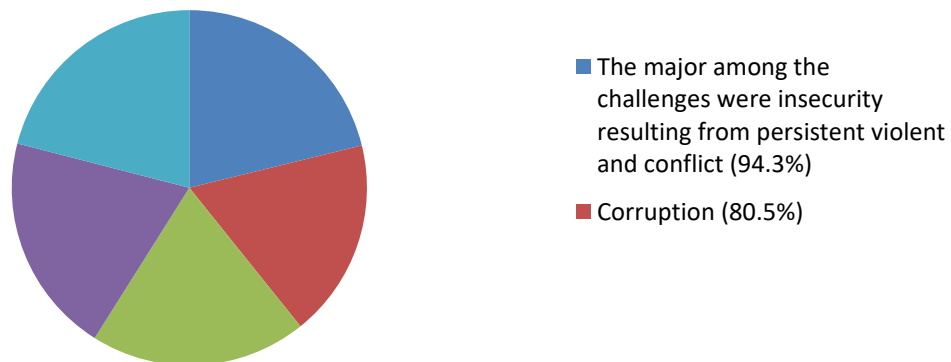


Source: Field Survey, 2022

Challenges Confronting Hotel Industry in their Corporate Social Responsibilities

The results of the analysis in bar chart 3 showed the challenges confronting the hotel industries in the study area from carrying out their corporate social responsibilities. The major among the challenges were insecurity resulting from persistent violent and conflict (94.3%), corruption (80.5%), poor government policies (87.8%), degrading state of infrastructural development and maintenance (89.4%) and multiple taxation by the government (93.5%).

Bar chart 3: Challenges Confronting Hotel Industry in their Corporate Social Responsibilities



Source: Field survey, 2022

H₀₁: There is no significant relationship between the level of participation in corporate social responsibilities by hotel industries and challenges confronting hotel industry in performing their corporate social responsibilities in the study area

The results revealed that there was significant relationship ($p < 0.05$) between level of participation in corporate social responsibilities by hotel industries and challenges confronting hotel industry in performing their corporate social responsibilities in the study area.

Table 3: Chi-square Analysis of Relationship Level of Participation in Corporate Social Responsibilities by Hotel Industries and Challenges Confronting Hotel Industry in Performing their Corporate Social Responsibilities in the Study Area.

| S/N | Variables | Df | χ^2_{cal} | Significance | Decision |
|-----|--------------------------------------|----|--------------------|-------------------|-------------|
| | | | (0.05) | ($P \leq 0.05$) | |
| 1 | Level of participation Vs challenges | 2 | 101.2 ^a | 0.000 | Significant |

Source: Field survey, 2022

Summary

Majority (95.9 %) of the respondents were between the age bracket of 26 -35 years. Evaluations of the sex of respondents revealed that majority (74.0 %) of the respondents were mainly female. An evaluation of the respondents' marital status shows that vast majority (79.9 %) of the respondents were single, (91.9 %) possessed tertiary education certificate predominantly at N.D/N.C.E. The findings revealed that majority (73.2 %) of the respondents have less than 5 years' working experience in hotel.

The results showed that hotel industries in the study area were involved in different corporate social responsibilities such as economic development of their community, payments to national and local authorities, contributing expertise to community programs and similar areas, and so on. The results showed that hotel industries in the study area were fully participated in economic development of their community (100.0 %), payments to national and local authorities (87.8 %), use of local suppliers (96.7%), hiring local labour and communities in which the business operates (90.2 %), training and developing local labour (87.8 %), contributing expertise to community

programs and similar areas (95.9 %), promoting greater environmental responsibility (73.2 %) and developing and diffusing environmentally friendly technologies and similar areas (63.4 %).

The major challenges against corporate social responsibilities were insecurity resulting from persistent violent and conflict (94.3 %), corruption (80.5 %), poor government policies (87.8 %), degrading state of infrastructural development and maintenance (89.4 %) and multiple taxation by the government (93.5 %).

Conclusion and Recommendations

This study has been able to identify the impact of corporate social responsibilities on the host community and concluded that corporate social responsibility contributes to a way of living a healthy life in the community and has a great impact on the society by adding to the infrastructures and development of the society as ascertained by the host community members interviewed.

The study recommends the following:

- i) Government should find a way of harmonizing taxation among the three tiers of government to prevent multiple taxation.
- ii) Government should formulate good policies that will enhance the growth of hotel industries.
- iii) The issue of insecurity should be holistically tackled by the government.
- iv) The theory of CSR refers to the general principle assumed by public must be carried out by the hotels like provision of Wi-fi to the neighboring community, provision of solar street lights, provision of pipe-borne water, considering local community in employment and patronizing them etc.

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