

**AN ASSESSMENT OF THE ISSUES AND CHALLENGES FACING SMALL SCALE
HOTEL MANAGEMENT**
(A Case Study of Favour Garden Hotel Auchi)

BY

MOSES ELIZABETH EBHODAGHE
MAT NO: ENV/2082030031

**BEING A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF ESTATE
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CERTIFICATION

We, the undersigned hereby certify that this project work has achieved its objectives both in scope and quality of the requirements for the award of Higher National Diploma (HND) in Estate Management and Valuation Department, Auchi Polytechnic, Auchi.

Mr. Dedegu U. I
Project Supervisor

Date

ESV. Ojeh P.A. Percy ANIVS, RSV
Head of Department

Date

Dr. (Surv). Aweh, D.S
Dean, School of Environmental Studies

Date

DEDICATION

I dedicate this project work to God Almighty, who has given me the grace, strength and wisdom to complete my HND programme and to my parents **Mr.** and **Mrs Moses Adigbon** for the support.

ACKNOWLEDGMENTS

I am thankful to God Almighty who has preserved my life and made it possible for me to achieve this academic feat.

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To all my friends and course mates who have in one way or the other support me in my education, I say a very big thanks you, may God Almighty rewards you accordingly.

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Abstract

The aim of this research is to examine the issues and challenges facing small scale hotel management in Auchi (A Case study of Favour Garden Hotel Auchi). ” To achieve this aim, three research questions were raised. The simple random sampling technique was adopted. A closed ended questionnaire was used to elicit data from a sample size of 30 questionnaire administered to Junior and senior staff of Favour Garden Hotel, Auchi. The data collected were analysed using simple percentage, frequency table and inferential statistics. Findings shows that Findings shows that the major issues and challenges facing small scale hotels management in Auchi were poor financing, inadequate infrastructure and multiple taxation. Study also showed that the prospect of effective management of small scale Hotel in Auchi were boost employment opportunities, contribute to the GDP of the country, poverty reduction: and create wealth for nations, findings shows that the contribution of small scale Hotel to economic Growth in Auchi were helping to solve the daunting unemployment situation in the country, develop a pool of skilled and semi-skilled manpower and the operation of small scale hotels makes possible increased utilization of local resources, study also shows that funding of Small Scale Hotel in Auchi were through private sources, commercial banks, funds from private investment companies, government lending programmes and equipment finance companies The study recommended that government should encourage non-financial and financial promotional programs aimed at assisting small scale hotel. Government should provide an enabling business environment that is supportive, facilitative and favorable for business activities to thrive, Hotel should maintain cleanliness, high quality products, and freshness in order to attract and retain customers.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The establishment of hotels centers in Auchi both small scale and large scale has ultimately helped in the socio economic development of the country. For this development that has been as a result of the building and establishment of these hotels to be lasting, the challenges confronting the small scale hotels in Auchi has to be limited as negligence of these challenges may lead to the shutting down of the already existing ones thereby discouraging entrepreneurs from investing this profitable niche of business known as the hospitality sector of Auchi. The Small scale enterprises have long been recognized as an instrument of economic growth and development in Auchi (Taiwo, Yewande, Edwin, & Benson, 2016).

This growing recognition has led to the commitment of World Bank group on Small scale hotels sector, as core element in its strategy, to foster economic growth, employment and poverty alleviation. The Small scale hotels have been given due recognitions especially in the developed nations for playing very important roles towards fostering accelerated economic growth, development and stability within several economies. Several researches have been conducted on the prospect and challenges of Small scale hotels in Auchi and abroad as Small- and medium-sized enterprises (Small scale hotels) have long been believed to be important in supporting economics development within a country (Chukwuemeka, 2006; Agwu & Emeti, 2004; Arinaitwe,2006; Oboh, 2002; Ihyembe, 2000); and a host of others have observed various factors or challenges that impedes the performance of Small scale hotels ranging from inadequate finance, poor infrastructural facilities, inadequate managerial skill, weak and

instability of government policies and other presumed factors and challenges causing premature death of Small scale hotels as ILO (2010) classified the problems as internal and external.

Hotel is simply described as accommodation and hospitality by ILO (2010) and in the opinion of Singh, Schmidgall and Damitio (2011), it is an operating business that is housed in a real estate asset - building. It has real estate and services trade categories. Anywhere jobs are located with major concentrations of economic and commercial activities; hotels will follow (Rutherford & O'Fallon, 2007). Hotel can therefore be defined as a place where tourist stops (being the traveller) and becomes a guest. It is an establishment that provides paid lodging on a short-term basis and facilities which can range from a basic bed and storage for clothing to luxury features (Arnaboldi & Spiller, 2011). Compared to other sectors of the global economy, the Hotel Catering and Tourism (HCT) industry is one of the fastest growing, accounting for more than one third of the total global services trade (ILO, 2001).

In developing countries and transition economies, Auchu inclusive, 80 per cent of the hotels were under non-equity modes of operation, meaning they were under individual ownership, management contracts, franchise or leases (UNCTAD, 2007). The commercial and hotel properties (despite being housed under the real estate category), possess a noticeable level of similarities and differences that needed to be clearly understood in relation to some attributes, this kind of attributes analysis is still missing in Auchu. There is therefore a need to distinguish real estate investment from trading as well as removing the service effect from hotel property performance to ascertain its real estate attributes. Despite the dearth of quality data, this study aimed at issues and challenges facing small scale hotel management a case study of Favour garden hotel Auchu.

1.2 Statement of the Problem

With a population of about 200 million people and touted as the largest market in Africa, one will be quick to assume that doing business in Auchi will be a walk in the park. Many challenges confront small scale hotel owners here making it difficult for many businesses to reach their full potential. According to UNCTAD (2007) Auchi ranked 131 out of 189 countries regarding the ease of doing business. As a result, 80% of new small businesses fail in 3 years. This is not to say that there aren't business succeeding. But not enough small scale hotel business owners are well equipped for the challenges ahead and so, a lot of the small scale hotel business either pack up completely or remain redundant without growing (UNCTAD, 2007).

In this study, we will be highlighting some of the common issues and challenges facing small scale hotel business owners in the Auchi. Small scale hotel owners and prospective entrepreneurs must be aware of these challenges to enable them to prepare adequately. These challenges can be averted or overcome. Some of the common challenges facing small businesses in Auchi are; access to Financing, Little business knowledge, Government Regulations and Policies, Visibility and Marketing, Inadequate Infrastructure, Finding the right staff among others. Many studies have looked at the respective factors that are germane to the success of Small scale hotels. Teoh and Chong (2008), Ding and Li (2010) argued about that lack of access to credit and managerial skills are the major obstacles to entrepreneurship development and that in a knowledge-based economy, the intellectual capital is gradually replacing the physical assets in modern enterprises. The provision of public infrastructure is a significant determinant of aggregate productivity of Small scale hotels.

It against this backdrop therefore, that this study seek to assess the issues and challenges facing small scale hotel management a case study of Favour garden Hostel Auchi

1.3 Research Questions

1. What are the issues and challenges facing small scale Hotels management in Auchi?
2. What are the prospects of effective management of small scale Hotels the study area?
3. What are the factors that can enhance the growth of small scale Hotels in the study area?

1.4 Aim and Objectives of the Study

The aim of the study is to assess the issues and challenges associated with small scale hotel management a case study of Favour garden Hotel Auchi. The specific objectives of this study are to:

1. Examine the issues and challenges facing small scale hotels management in Auchi
2. Analyze the prospect of effective management of small scale Hotel the study area
3. identify factors that can enhance the growth of small scale Hotels in the study area

1.6 Significance of the Study

The findings of this study may help small scale Hotel owners to identify the problems facing their businesses and institute creative measures aimed at stimulating performance and growth. Business consultants may benefit from improved quality services offered to hotel owners. The trainers in the hospitality industry may use the results to develop a more effective curriculum whereas policy makers in the industry may use it to develop better policy for the benefit of a healthier hospitality sector.

This study will enable management of small scale Hotels to appreciate better the need for a proper feasibility study and business plan before starting up small scale hotels for easy management. The study will enable the government, private sector and prospective small-scale business entrepreneurs to come up with policies that will improve the management of small-scale

business. The study will be of immense help to other people and students who wish to carry out other research in the field or related field.

1.6 Scope of the Study

The scope of this study is limited to the assessment of the issues and challenges facing small scale hotel management (A Case study of Favour Garden Hotel Auchi). The geographical scope will include Favour Garden Hostel located in located in campus 2 axis of Auchi Polytechnic, Auchi

1.7 Limitation of the Study

Lack of funds: The researcher encounter lack of funds for the execution of the project work due to the standard of living in the country which lead to high increase of goods and services. The implication of this is that it has affected the cost of transportation to seek relevant information for the research work. Attitude of the respondent: The attitude of the respondent, during the course the course of investigation was not encouraging enough; some were not willing to give useful information. This necessitates the researcher to pay several visitations to respondents before such information could be released to a researcher.

The researcher was equally challenge with the task of distributing and retrieving questionnaire from respondents. So many of the respondents were not willing to accept the questionnaire while these who had accepted, delayed in making them available as at when required. Nevertheless it is interesting to note that despite all these challenges, the comprehensive nature of the research study was not compromised.

1.8 Study Area

Auchi is in Etsako West Local Government Area of Edo State, is the headquarters of the Local Government Area. It is located between latitude 7° 10' and 7° 20' north of the equator and longitude 6° 16' and 6° 36' east of the Greenwich Meridian with an altitude of 207m. This area experiences the humid tropical climate, which is characterized by wet and dry seasons. The topography is relatively undulating and it slopes from the north of the area to the south. The soil type is the loose sandy soil, which makes it susceptible to erosion.

Geography: Auchi town is divided into five grand quarters which could also be referred to as districts; these are in turn made up of 25 villages. The five grand quarters are: Aboitse, Usogun, Egeroso, Akpekpe, Iyekhei, and Igbe. The language spoken by the Auchi people is Afemai. Religion: Auchi historically is an Islamic enclave, and still has a predominantly larger population of Muslims than Christians. Since the early 1990s there has been a rush of Christian churches setting up base in Auchi and the surrounding towns, this has pushed the religious composition within the community to a 70% Muslim and 30% Christian mix. The very welcoming and hospitable nature of the Auchi people has to a very large degree contributed to the cultural and religious diversity in Auchi.

Climate: In Auchi, the average annual temperature is 25.6 °C. In a year, the average rainfall is 809 mm. The least amount of rainfall occurs in August. The average in this month is 5mm. Most precipitation falls in March, with an average of 135mm. The temperatures are highest on average in July, at around 28.1 °C. In January, the average temperature is 18.2 °C. It is the lowest average temperature of the whole year. The variation in the precipitation between the driest and wettest months is 130 mm. The average temperatures vary during the year by 10.3 °C.

Population: As of 1995, Auchi has a population of 140,612. According to 2006 National population census Auchi has a population of 152,652. Auchi has in recent years been amongst the fastest growing cities in Auchi, with a total land area of 358 Km.

Auchi is a major point for collecting agricultural products such as groundnut, rice, yams, and cassava. These remain its most important exports. The local trade among the population is mainly in yams, maize, groundnut, cotton, cattle, goats and chickens. The town is known for its trade and commerce such as Hotels, Educational institutions and petty businesses. Commerce, Educational institutions and Agriculture is the back bone of the economic within the metropolis. Approximately 90% of the population depends directly or indirectly on agriculture for their livelihood. Auchi is among the largest urban metropolis in Edo State and has the most fertile agricultural lands in the state. Approximately 10% of Auchi arable land is being actively cultivated. The favorable climate conditions provide unique opportunities in Auchi for the establishment of large scale farming in crops such as maize, cassava and yam. The fertile soil and permits the cultivation of most of Auchi's staple crops and still allows sufficient opportunities from grazing, fresh water and forestry development. Some natural and mineral resources can also be found in Auchi. These include: Sand, Marble, and Limestone (Edo State Government, 2021).

Social-Economic: Auchi is a major point for collecting agricultural products such as groundnut, rice, yams, and cassava. These remain its most important exports. The local trade among the population is mainly in yams, maize, groundnut, cotton, cattle, goats and chickens. The town is known for its trade and commerce such as Hotels, Educational institutions and petty businesses. Commerce, Educational institutions and Agriculture is the back bone of the economic within the metropolis.

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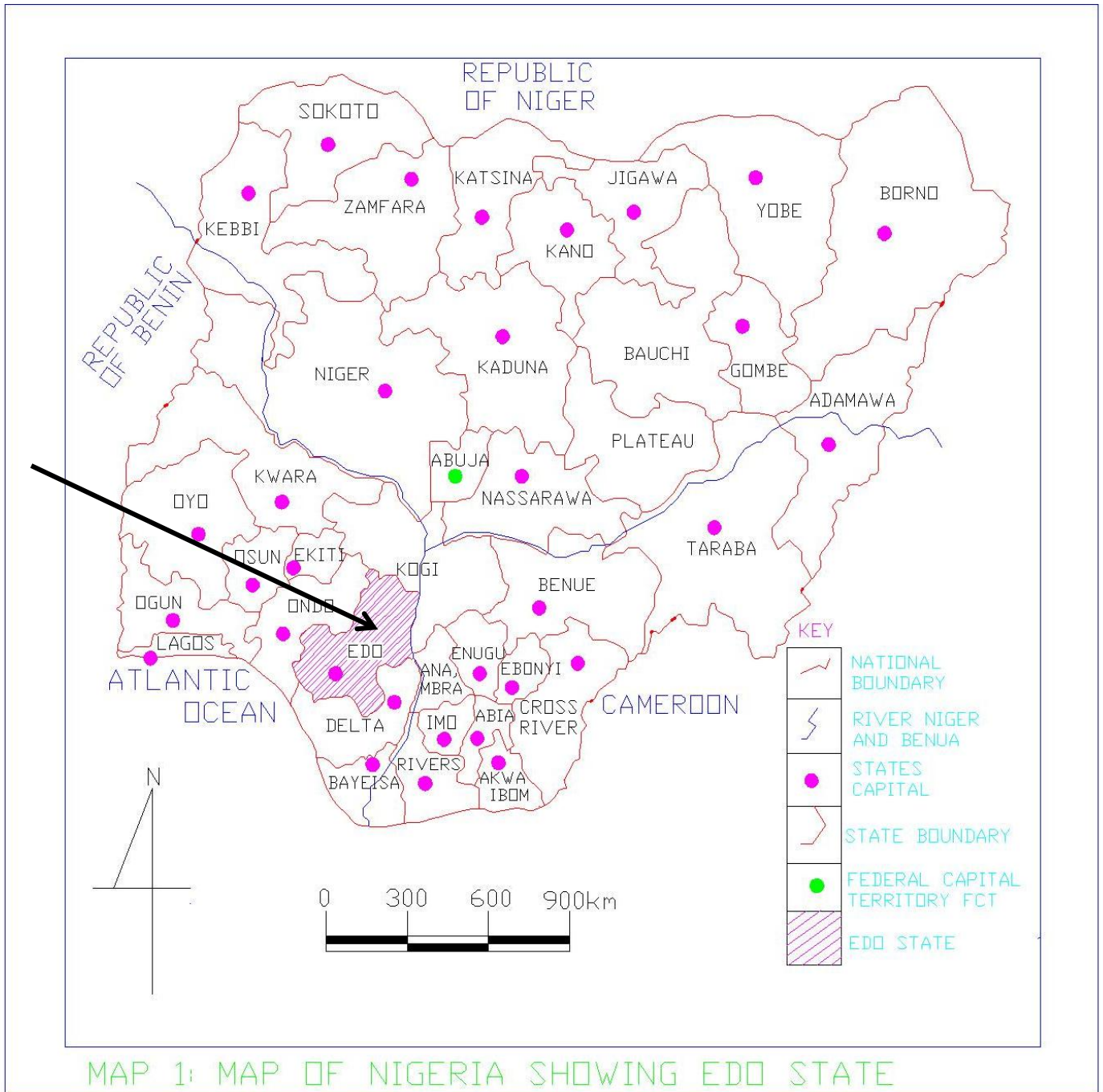


Figure 1: Map of Nigeria

Source: (Feller & Joseph, 2005)

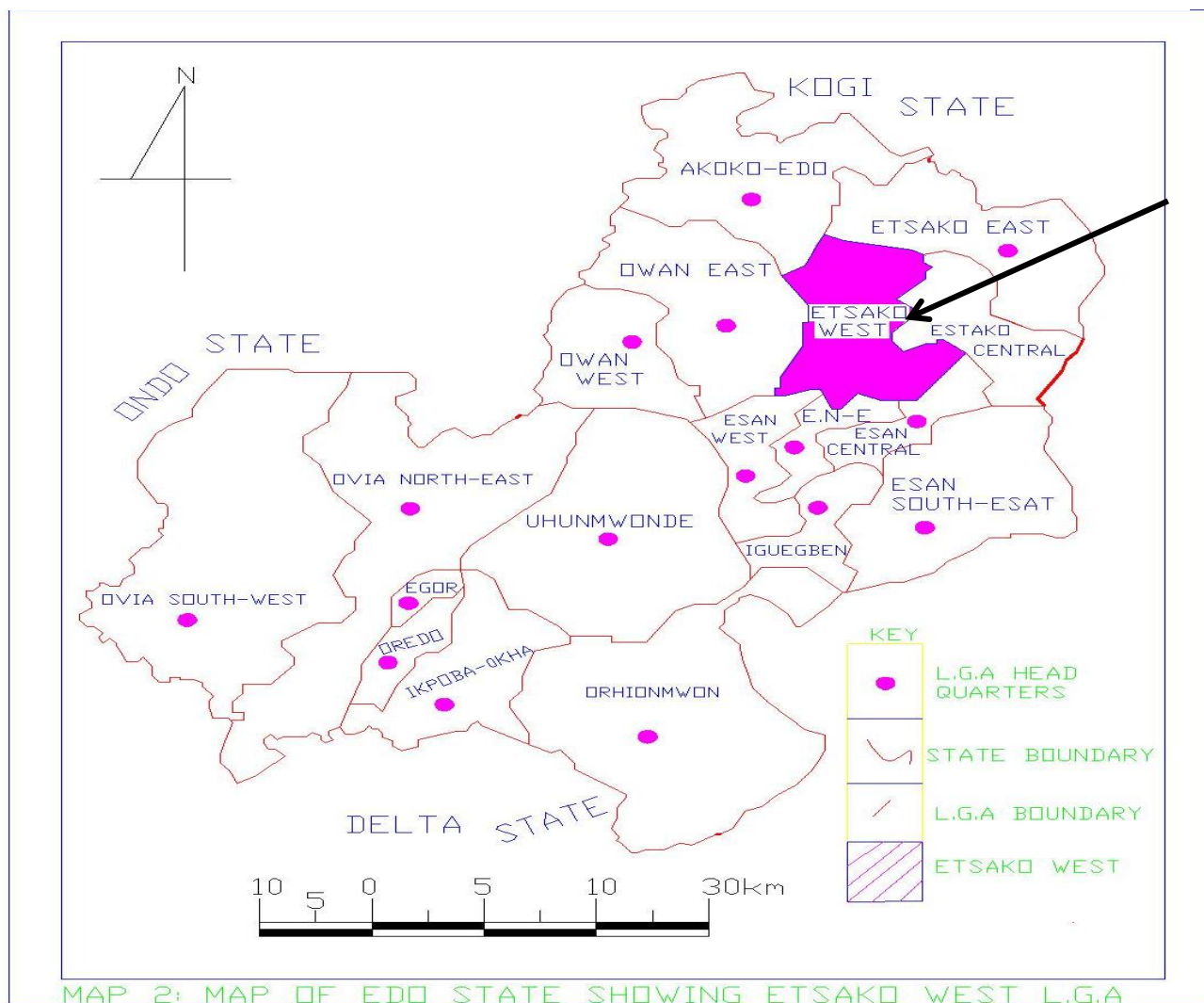


Figure 2: Map of Edo State showing Etsako West Local Government Areas

www.google/maps/nigeria/Edostate (2015).

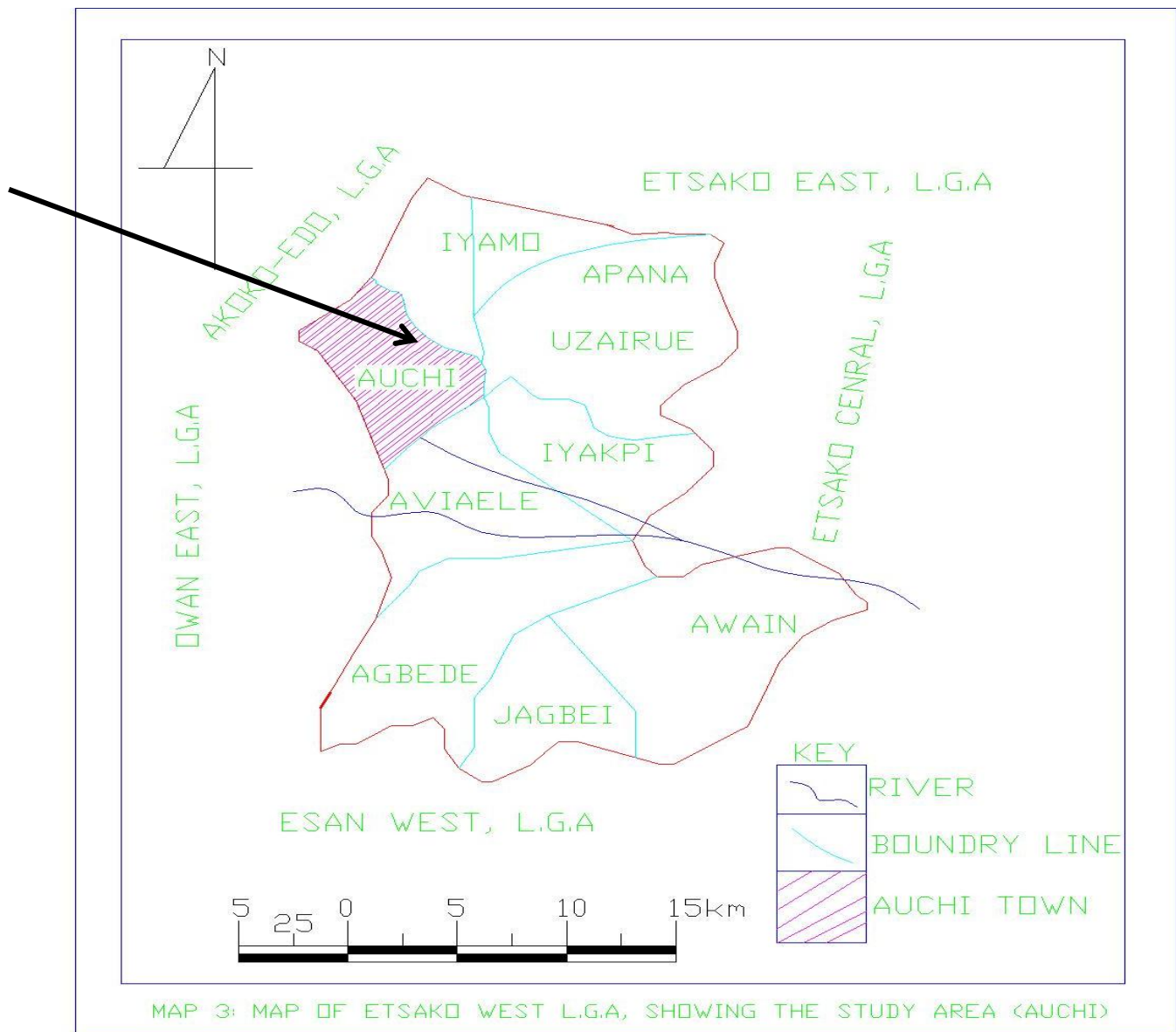


Figure 3: Map of Etsako West showing study area

Source: <https://www.google.com.ng/search?q=map+of+auchi>

1.9 Operational Definition of Terms

Hotel: An establishment providing accommodation, meals, and other services for travelers and tourists, by the night (Lind & Muyingo, 2011).

Small-Scale Industry: An industry with a total capital employed of over N1.50 million, but not more than N50 million including working capital but excluding cost of land and/or a workforce of 11- 100 workers (Ayozie, 2006).

Infrastructure: The basic physical and organizational structures and facilities (e.g. buildings, roads, and power supplies) needed for the operation of a society or enterprise (Ihuah & Eaton, 2013).

Economy: The state of a country or region in terms of the production and consumption of goods and services and the supply of money (Donator & Nogatchewsky (2009).

CHAPTER TWO

LITERATURE REVIEWED

2.1 Concept of Small Scale Business

The role Small Scale Business play in the development of country is very important. Small Scale Business has greatly contributed to the Auchi development in terms of employment, growth and development, and marketing of goods and services (Ayozie 2006). The Auchi Government is turning to small and medium scale industries and entrepreneurs as a means of developing the economy and solving problems (Latinwo & Ayozie, 2010). A great percentage of all registered companies in Auchi are constituted by small scale industries and they have been in existence for a long time (Ayozie, 2006).

Around the world, a lot has been said about Small Scale Business. Also there has been various subject of discussions, seminars, and workshops both locally and internationally about Small Scale Business. Some government have specifically formulated policies to aid the empowering, growth, development and performance of Small Scale Business, while have assisted through loans and fiscal incentives (Onugu, 2005). According to Central bank of Auchi report (2003), Small Scale Business are very important economic catalyst in developing and industrialized countries, in developed countries 98% or more than belong to the Small scale sector.

According to the United Nations Industrial development Organization (UNIDO), developing countries can conquer poverty and inequality by democratizing, deregulating, and liberalizing the integration of global economy. Recent studies have shown that Small Scale Business contribute to over 55% of GDP and over 65% of total employment in high income countries also that SMEs and informal enterprises account for over 60% of GDP and over 70% of

total employment in middle income countries (OECD, 2004). Small Scale Business are important role players in contributing to the transition of agriculture led economies to industrial ones, SMEs help in the absorption of productive resources at all levels of the economy and contribute to the building of flexible economic system in which small and large firms are interlinked (Fida, 2008).

According to Kongolo (2010), Small Scale Business are responsible for the growing forces of the largest growing economy China in terms of national GDP contribution which amount up to 60% diversification of product, scale of assets and creation of employment. A lot of people rely on the small and medium enterprises either directly or indirectly. Social income distribution, employment and tax revenue, adequate utilization of resources and stable family income are some of the significant effects Small Scale Business (Fida, 2008).

2.2 The Definition of Hotel

The word hotel refers to all places constituted to receive the payment from travelers or people who quest for lodging or temporary stay. (Preecha, 2001) The word ‘Hotel’ in the Longman Dictionary of American English (2003) gave a definition of “a building where people can stay, in return for payment”. This refers to a place where people can stay through payment. In the New Model English-Thai Dictionary (So Sethaputra, 2002) gave the definition that the word ‘hotel’ refers to the big hotel, the mansion, or the government offices, such as Hotel de Ville.

2.2.1 Types of Hotels

The general five star classification systems for hotels determine the following objective criteria, satisfactory cleaning and maintenance being a basic requirement for all five categories:

One star hotel – (tourist hotels - low budget hotels): Hotels are mostly small and privately owned, services may be provided by the owner and the family. Meals may be fairly simple. Rooms are small (single 8m², double 12 m²). All rooms have a shower and a toilet in the room (German standard). / Some rooms may not have en suite bathrooms. All rooms have a hand-basin with hot and cold running water (English, Danish standard) and heating. Telephone is available. Breakfast is available. Drinks are offered. Guests can enter or leave any time of the day or night.

Two star hotels – (standard hotels - budget hotels): Hotels are small to medium sized (single rooms 12 m², double 16 m²). They are well equipped, offering comfortable accommodation with en-suite bath/shower rooms. Reception staff is professional, food and drinks are offered. (German standards require buffet breakfast). Cashless payment is possible.

Three star hotels – (middle class hotels – comfort hotels): Usually hotels of a size to support higher staffing levels (single rooms 14 m² and double 18 m²). They have spacious reception with seats and other public rooms. Their employees speak at least one foreign language. Their restaurants normally also cater for non-residents. All rooms have en suite bath and shower rooms with toiletries and good equipment, such as a TV set, a hair dryer, direct dial telephone. They usually offer room service and some business services. If the hotel has more than two floors, it has a lift. Access to the net is available. Credit cards are accepted.

Four-star hotels – (first class hotels): They maintain a high quality of furnishings, decorations and equipment. Bedrooms are spacious (single 16 m², double 22 m²) and well designed, with en-suite bathrooms with a bath and shower. There is enough staff to provide all necessary service; there is a 24-hour room service, laundry and dry-cleaning; a lobby, an a la carte restaurant and a

bar. All rooms are equipped with mini-bars and access to internet. There are armchairs or couches in the room. Shoe polish implements can be expected in the rooms.

Five-star hotels – (luxury hotels) Accommodation is spacious (single 18 m², double 26 m²) and luxurious, matching the best international standards. There are safe-boxes, access to internet and air conditioning in every room. Personalized guest welcome with flowers/sweets can be expected. Suites are available. The hotels have special interior design and elegant furnishings. Service is formal and flawless; round the-clock rooms service is available. These hotels have a lift if there is more than one floor. Their restaurants offer high quality cuisine. The staff is very efficient, courteous and helpful. An indoor swimming pool is available, as well as porter service, laundry, dry-cleaning, ironing and sale of gifts.

Many 3-, 4- and 5-star hotels offer conference facilities, which can also be classified. The classification of conference facilities is carried out according to a special set of criteria.

Three basic kinds of hotels are:

- Commercial hotels – for business travellers and people on short trips; they often have large meeting rooms and catering for different events;
- Resort hotels – for tourists and holiday-makers; they often offer sports and sightseeing; most of them are seasonal (mountain resorts, seaside resorts);
- Residential hotels – guests can rent rooms for long periods of time; they are a lot like apartment houses, but they also provide meals and other hotel services.

Resort Hotel: This is a resting hotel for tourists. These hotels would situate in the tour sources or in the resting sources such as on the seashores, the mountains, on the riverside, near the golf course, etc. Therefore, the conservation of natural beauty is a significant matter, because guests require contacting the beautiful nature, and at the same time, they also need to all the

conveniences and facilities. Therefore, this type of hotel must be fully prepared for the conveniences and facilities, because the guests only wish to rest. In the hotel, there should be the golf course, riding course, and fitness. There should be all the exercises and activities for guests, such as the boat services, horses for riding, wind surf, and ski lawn. All these would enable the success for resort hotels.

Motel: Motel is the combination of the words 'Motel' to 'Hotel'. This word had been initiated in the United States before 1930. After the World War II, when the economy started to revitalize, people sold more motor cars, and went on the travel. Travelers experienced all inconveniences in the lodging. This is usually in town, where the traffic was congested and jammed, with no parking space. In this case, the motel must find all the facilitation for tourists, with a parking service right next to the bedroom, or sometimes, under the bedroom. Usually, motels do not have room services, because guests usually come to rest for only one night, before commencing on the travel in the next morning. Motels usually situate on the highways, and the accommodation service is executed for 24 hours.

An inn: An inn is an establishment which offers travellers food, drink and lodging. Inns were first established in the Roman times when a lot of roads were built. At the time inns were also community gathering places. Nowadays, they have lost their leading role in tourism, as there are numerous hotels, restaurants and pubs. Many hotels or bars use the word »inn« in their names (Holiday Inn). The difference among inns, pubs and taverns is becoming less noticeable. In Europe inns still provide lodgings, whereas the rest of the facilities stated above do not.

A Guest House: A guest house is a private house converted into a lodging facility for tourists. Bed and breakfast are usually offered at guest houses, the owner and his family often live in another building in the vicinity.

2.3 Nature of Management in Small Scale Hotels

Small scale Hotels management requires business owners to provide oversight for several functions in the hotel. Purchasing, human resources, sales, customer service, marketing and product development are a few major departments or functions business owners must manage. Larger business organizations often have more departments or divisions to manage. Business owners in large organizations often delegate management responsibilities to employees. Delegation ensures individuals provide oversight for business functions in accordance with the business owner's management style.

Management can be defined as all the activities and tasks undertaken by one or more persons for the purpose of planning and controlling the activities of others in order to achieve an objective or complete an activity that could not be achieved by the others acting independently (Manfred & Kets de Vries,2000).

Management is here simply defined as the way a commercial/business activity is organized. While it is realized that management in small enterprises normally is personalized rather than being institutionalized, still the management of small enterprises can improve their position vis-a-vis competitors by introducing management practices that give consistency and viability to the administration of the entire business.

The very ownership of a business tends to create elitist attitudes and self-orientation. It imposes a monocular vision which limits the company's capacity to respond positively and aggressively to business opportunities and changing business conditions. A person who stands head and shoulders over his colleagues in perceived authority can create benefits as well as disadvantages for the business. In cases where he is a poor manager even though a good entrepreneur, his domination might prevent the enterprise from obtaining the skills and methods

which are needed for further growth. A gap is thus created between the manager/owner's perception of the situation and his own abilities on the one hand and of the actual needs of the business on the other.

Management support to the small scale sector covers the whole range of issues from identification/selection of entrepreneurs, initial management training, support through extension services and functional support to strengthening of small enterprise development agencies and development of national policies on promotion of small enterprises.

According to Wikipedia encyclopedia (2015) Management in all business and organizational activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization (a group of one or more people or entities) or effort for the purpose of accomplishing a goal. Resourcing encompasses the deployment and manipulation of human resources, financial resources, technological resources and natural resources. Since organizations can be viewed as systems, management can also be defined as human action, including design, to facilitate the production of useful outcomes from a system.

2.4 Issues and Challenges Facing Small Scale Hotels Management

According to Lampadarios (2016), the enterprise success factors of Small Scale Hotels include age and size of the business, business network, customer relations management, financial resources, internationalization, human capital, market and product development, marketing, and strategic planning. An empirical study that investigated the relationship between profitability, the age of small business and size of the business found a significant positive relationship between profitability and size of the business (Olutunla & Obamuyi, 2008). Olutunla and Obamuyi (2008)

stressed there is a relationship between age and growth, but at a point, the age of a business does not determine its profitability. Similarly, Babajide (2012) found a positive relationship between Small scale size, location and the growth of the hotel. A study by Ezeoha (2008) revealed a highly significant negative relationship between financial leverage and profitability of a firm and further affirmed firm age is positively related to the financial leverage in Auchi. The financial requirements of small scale businesses also differ based on size and type of business they operate (Taiwo, Yewande, Edwin, & Benson, 2016). Taiwo et al. (2016) found that microfinance institutions in Auchi consider the size and age of small scale businesses when offering loans, but prefer higher profitability and growth rate when considering a firm's loan application.

The network capability of small scale businesses is related to its positive creation of knowledge, and the capacity of a firm to innovate and spur competition aggressively serves as factors that mediate between performance and knowledge creation (Zacca, Dayan, & Ahrens, 2015). Small scale hotel businesses rely on the contact network of owners and managers and sometimes on networks of their customers during the marketing of their products or services (Adegbuyi, Akinyele, & Akinyele, 2015). Therefore, for small scale businesses to have a marketing that is effective, owners and managers must establish relationships than sales to have the network to engage people at all level and improve their market growth (Adegbuyi et al., 2015). Social media platforms provide the platform by which small scale business owners and managers can create the relationships by the engaging audience through commenting on their posts (Adegbuyi et al., 2015). The challenge for small business owners and managers is their ability to establish relationships with the audience.

2.5 Challenges Facing External Business Environment of Small Scale Hotel Businesses

The external environmental factors affecting Small Scale Hotel success include political, socio-cultural, legal and regulatory, economic, and ecological factors (Lampadarios, 2016). The political leadership of a country provides the enabling environment for Small Scale Hotel to thrive (Agwu & Emeti, 2014). Among the challenges negating the survival of Small Scale Hotel in Auchi are poor financing, inadequate social infrastructure, multiple taxations, and lack of managerial skills of owners and managers (Agwu & Emeti, 2014). According to Agwu and Emeti (2014), the government can guarantee long-term loans to improve financing of Small Scale business, improve infrastructure, and devise ways to curve multiple taxations to enhance the success of Small Scale business in Auchi. Ekpo and Bassey (2016) stressed power supply is grossly inadequate to meet the Auchi needs which give rise to use of small generators to power small scale hotels resulting in high overhead cost. Similarly, Alarape (2014) stated frequent power outages as one of the challenges negating the success of small businesses in Auchi, while Faloye (2014) found power outages as the barrier to small businesses adoption of e-commerce in Auchi. Electricity insecurity is found to be affecting SMEs' productivity in Nepal, Auchi, Tanzania, Pakistan, and Uganda (Scott, Darko, Lemma, & Rud, 2014). Opara (2011) identified six key challenges facing small scale business in Auchi: low demand for products and services, poor and insufficient infrastructure in the economy, corruption, low profit, incompetence in business management, and lack of support from government and financial institutions. Small businesses are also open to risk from fraudsters. Hess and Cottrell (2016) discussed in their theoretical study financial strain, lack of expertise, rapid growth rate, and lack of necessary resources were the factors which opened a small scale business to an attack by fraudsters.

2.6 Solutions to the Problem of *Small Scale Hotels* in Auchi

Provision of Adequate Infrastructure: Inadequate infrastructure is no doubt the major constraints militating against the progress and development of Small Scale Hotels in our nation. Efforts should be made by government to ensure that adequate physical infrastructures like: good road network, adequate supply of electricity, good health care system, and good communication system are all in place in a bid to further encourage small and medium enterprise in participating actively in the sub-sector of the economy. In the long run, it will reduce the cost of doing business and also attract foreign investment.

Elimination of Multiple Taxation System: Government should endeavour to eliminate multiple taxes and levies imposed on small and medium enterprise, in order to further encourage business owners to participate actively in the private sector of the economy. Furthermore, effort should be made to remove any sort of unnecessary dues, levies and taxes which is aimed at frustrating small business owners, and replace them with single tax system.

Provision of Adequate Capacity Building: Capacity building is arguably one of the major constraints of Small Scale Hotels business in Auchi. However, efforts should be made to address the issue of marketing, accounting, administrative, information and technology, and technical problems in order to further enlighten entrepreneurs.

Provision of Accessible Credit Facilities: Government should make sure that entrepreneurs have easy access to credit facilities, either through government agencies like SMEDAN (small and medium enterprise development agency of Auchi). This will eliminate the hassle associated with obtaining high interest loan from banks.

2.7 *Prospects of Small Scale Hotels Enterprise in Auchi*

Economic Development: The role of Small Scale Hotels in economic development cannot be overemphasized. This is owing to the fact that the profits made by these entrepreneurs flows as an increase into the national income and thereby increases the nation's Gross Domestic Product (GDP). The contribution of Small Scale Hotels in industrial sector to the Auchi Gross Domestic Product (GDP) was valued at 37% thereby, making it the second largest contributor to the nation's GDP after the oil sector – according to SMEDAN in 2009.

Encourage Investment: The introduction of an enabling environment for SME's in the sub-sector will further attract both local and foreign investors into the private sector of the economy.

Structural Balance: Small Scale Hotels will enhance structural balance in terms of small and large scale sectors of the industry as well as bring about rural-urban development.

Encourage Technological Development and Innovation: Small Scale Hotels will produce specialized items in small quantity to meet current and diverse demands in the market.

Healthy Competition: The emergence of SME's will bring about healthy competition in the market among several competitors.

Creation of Employment Opportunities: Entrepreneurship encourage the creation of employment opportunities for the Auchi citizens, which in turn increases the participation of small business owners in contributing to the nation's development, by drastically reducing unemployment in our society. The existence of small businesses in the country has provided her citizens with more jobs than the multinationals

2.8 The Factors Influencing the Growth of Small Scale Hotel

Growth is influenced by key internal and external factors that must be considered by entrepreneurs as they move through their growth cycle. Internal factors are those that originate

from the firm such as human experience, leadership, managerial skills and owners capabilities. External factors are those that originate from the environment such as finance, technology and government incentives. Riley (2002) research findings found out access to technical and managerial training, access to finance, involvement in technological innovation and creation of positive enabling environment are they key elements in the growth strategy. Financial issues, education and training and availability of incentives are some of the factors that facilitate growth of Small Scale(Carter, Ennis, Lower, Tagg, Webb & Tzokas, 2000). According to the (Rae, 2000) approximately 66% of the observed growth in the Small scale sector can be attributed to the accumulation of physical and human capital, and education. Human capital refers to skilled labor that is labor that functions on a higher level and has the ability to create new ideas and new methods in economic activity (Rae, 2000). Wickham (2000) identified increasing skills, education investment, economies of scale, new technology and reallocation of resources as some of the major factors that influence the growth of a firm. (Holt (2001) research findings found out that appropriate skills, improvement in technology and productive resources such as capital influence the productive potential of a business. Vernon (1980) identified the major sources of growth as capital input, labor input, advances in knowledge, improved resources allocation and economies of scale. According to Wickham (2000), finance, the organization structure and the strategies adopted by an organization determine its growth. Khan (2009) argues that factors inputs such as capital, education and training are associated with growth in a firm. Holt (2001) research findings indicated that the education level of the business owner contributes significantly to its growth. Rae, (2000). Holds that capital accumulation and technological advancement contribute to firm's growth. Venture capital is a seminal for growth and job creation. Business development services that include auxiliary services provided to SMEs enable

the owners to improve and promote the performance of their businesses (Ngugi, 2000). Pissarides, et al (2001) research findings identified weak and fluctuating demand as the chief reason why small firms fail to grow. The level of customer demand particularly from high student population who spend much of their disposable income on eating out is an important factor influencing growth of the hospitality industry (Pissarides, et al 2001). The growth of the catering industry has been associated with on-the-job training (anonymous, 2001). Education, better marketing, more resources and availability of Internet services have facilitated the growth of the minority owned businesses (Pissarides, et al 2001). In the hospitality industry the quality of restaurant food on whether it was prepared the way customers ask for it and menu variety influences the performance of this industry. The hotel industry in Kenya has grown to the size it is today due to efficient management and continuity in the service and quality of food (Kenya Utalii College, 2000). The performance of hospitality industry is influenced by quality, freshness, taste, price, convenience, design of packaging, nutritional value of the product and the quantity of the product (Riethmuller, 2000). Carter et al (2000) identified access to funding, training and frequent alterations of the premises as some of the major factors set to shape the hospitality industry. Pissarides, et al (2001) suggest that for small firms, geographical location is an important factor for growth.

According to Havenga small firms can reap the benefits of division of labor by clustering together that result in efficiency and flexibility gains. Flexible specialization and inter-firm relationship facilitates the growth of Small scale. Neshamba (2000) has identified a number of themes in research which focuses on the owner/manager and which have an impact on business growth such as psychological or personal traits, the need for achievement, risk taking, locus of control, independence innovation and creativity. Neshamba, (2000) contends that a small

business needs business information to facilitate growth. In rapid-growth of a business, the owner/manager is the key factor not only in the founding of the firm but also in the rough and tumble process of running and growing of the firm (Neshamba, 2000).

CHAPTER THREE

RESEARCH METHOD

Introduction

These chapter deals with the procedures the researcher used in collecting data for the study. They include; research design, population of the study, sample/sampling technique, instrument for data collection, method of data collection and method of data analysis.

3.1 Research Design

A survey research design was used in this study because the procedure was explanatory. This method and design was used in order to allow flexibility in the collection of data for the study. The descriptive survey research method was adopted as the event which the researcher studied had already occurred.

3.1.1 Population of the Study

The population of the study comprises of junior and senior staff of Favour Garden Hostel, Auchu. Four (4) senior staff and twenty six (26) junior staff formed the population of the study. The total population of the study is therefore thirty (30).

3.1.2 Sample and Sampling Technique

In view of the fact that the population is manageable, the researcher decided to use the entire population of 30 junior staff and senior staff of Favour Garden Hostel, Auchu for the study. Hence there was no need for sampling.

3.1.3 Instrument of Data Collection Procedure

The closed ended questionnaire was designed and administered directly to staff of Favour Garden Hostel Auchu. The questionnaire was in two sections. Section A, dealt with personal data

of the respondents while section B, is concerned with the four research questions formulated for the study.

3.2 Method of Data Analysis

The data collected from the respondents will be analyzed using descriptive and inferential statistics. The data will be presented using frequency distribution table in order to identify the strength of the data in terms of their magnitude and percentage distribution. Frequency counter were converted to percentage by computation and was used to analyze the stated objectives. The required test involved the determination of percentiles and mean score will be used to analyze participant's questionnaires to determine the significance of method parameters.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1 Data Analysis

This chapter present the data collected with the questionnaire and the presentation of response and interpretation of data obtained. This enabled the researcher to arrive at a reasonable interpretation and discussion in order to make the necessary conclusion and recommendations.

Based on the population of the study, the researcher administered 30 questionnaires to respondents in the study area, 29 of the questionnaires administered were duly completed and returned.

Table 4.1 Respondents Socio Economic Characteristic

Personal information	Frequency	Percentage %
Sex		
Male	10	34.5
Female	19	65.5
Total	29	100%
Marital Status		
Single	11	37.9
Married	18	62.1
Total	29	100%
Age of the Respondents		
Below 20 years	4	13.8
21-30 Years	13	44.8
31-40 years	7	24.1
41-50 years	5	17.2
51 years and above	-	-
Total	29	100%
Educational qualification		
FSLC	-	-
SSCE	-	-
ND/NCE	17	58.6
HND/B.Sc	12	41.4
M.Sc/PhD	-	-
Total	29	100
Occupation		
Civil servants	-	-
Trade/Business	29	100
Farming	-	-
Retire	-	-
Total	29	100

Source: Field Survey, 2022

Table 4.1 above examined the personal information of the respondents. 10 respondents representing 34.5% were male while 19 respondents representing 65.5% were female. It is thus clear that males constituted the greatest number in the sample of respondents who participated. 11 respondents representing 37.9% were single while 18 respondents representing 62.1 were married. This shows that majority of the respondents were married. 4 respondents representing 13.8% were below 20 years; 13 respondents representing 44.8% were between the age brackets of 21-30 years, 7 respondents representing 24.1% are between the age bracket of 31-40 years; while 5 respondents representing 17.5% are between the age bracket of 41-50 years. From the analysis above it is clear that those within the age bracket of 21-40 years were more among the respondents who participated in this study.

17 respondents representing 58.6% are ND/NEC holders while 12 respondents representing 41.4% were HND/B.Sc holders. From the analysis it is clear that HND/B.Sc holder's constituted the greatest number in the sample of respondents who participated in the study. 29 respondents representing 100% were into business. This shows that the entire respondents were into business.

Table 4.2: Issues and Challenges Facing Small Scale Hotels Management in Auchi

S/N	Issues and challenges	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Poor financing	27(93.1)	2(6.9)	-	-	-	4.93	1 st
2	Inadequate infrastructure	21(72.4)	8(27.6)	-	-	-	4.72	2 nd
3	Multiple taxation	20(69.0)	8(27.6)	1(3.4)	-	-	4.66	3 rd
4	Rising cost of daily consumables	20(69.0)	5(17.2)	4(13.8)	-	-	4.55	4 th
5	Lack of managerial skills of owners and managers	16(55.2)	11(37.9)	2(6.9)	-	-	4.48	5 th
6	Neighbourhood crime	18(62.1)	7(24.1)	3(10.3)	1(3.4)	-	4.45	6 th
7	Irregular cash inflows	18(62.1)	6(20.7)	5(17.2)	-	-	4.45	6 th
8	Operational issues	15(51.7)	8(27.6)	6(20.7)	-	-	4.31	8 th
9	Hiring and retaining the staff	9(31.0)	15(51.7)	5(17.2)	-	-	4.14	9 th
10	Data security challenges	10(34.5)	7(24.1)	6(20.7)	4(17.8)	2(6.9)	3.66	10 th
11	Change in marketing trends and dynamics	8(27.8)	9(31.0)	6(20.7)	4(13.8)	2(6.9)	3.59	11 th
12	Poor environmental sanitation	20(69.0)	7(24.1)	2(6.9)	-	-	3.45	12 th

Source: Field Work, 2022

Table 4.2 above examined the issues and challenges facing small scale hotels management in Auchi. Poor financing was ranked 1st with a mean score of 4.93. This was followed by inadequate infrastructure and multiple taxation with means scores of 4.72 and 4.66 were ranked 2nd and 3rd respectively. Poor environmental sanitation and change in marketing trends and dynamics mean scores of 3.45 and 3.59 were the least ranked.

Table 4.3: Financial Support and Poor Funding Affecting the Management of Small-Scale Hotel in Auchi

S/N	Financial Support	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Poor planning can affect the management of funds in Small-Scale hotel.	20(69.0)	9(31.0)	-	-	-	4.69	1 st
2	Management of Small-Scale hotel can be affected when filled with family relatives that are unqualified to work.	19(65.5)	10(34.5)	-	-	-	4.66	2 nd
3	Money is need to keep the business moving	18(62.1)	11(37.9)	-	-	-	4.62	3 rd
4	Lack of fund can kill the business in no time	19(65.5)	6(20.7)	3(10.3)	1(3.4)	-	4.48	4 th
5	Small firm management requires little or no formalization.	15(51.7)	11(37.9)	2(6.9)	1(3.4)	-	4.38	5 th
6	The nature of work required in the hotel will determine the funding of the Small-Scale hotel.	12(41.4)	9(31.0)	5(17.2)	3(10.3)	-	4.03	6 th

Source: Field Survey, 2022

Table 4.3 above examined the financial Support and poor funding affecting the Management of Small-Scale Hotel in Auchi. Poor planning can affect the management of funds in Small-Scale hotel was ranked 1st with mean score of 4.69, this were followed by management of Small-Scale hotel can be affected when filled with family relatives that are unqualified to work and money is need to keep the business moving with means score of 4.66 and 4.62 and ranked 2nd and 3rd respectively. The nature of work required in the hotel will determine the funding of the Small-

Scale hotel and Small firm management requires little or no formalization were the least rated by the respondents having a mean score of 4.03 and 4.38 accordingly.

Table 4.4 Multiple and High Taxes Influencing the Management of Small-Scale hotel in Auchi

S/N	Multiple and High Taxes	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Small-Scale hotel find it difficult to make profit at the end of the day	25(86.2)	4(13.8)	-	-	-	4.86	1 st
2	Staffs in Small-Scale hotel are reduced due to high level of tax for their staffing capacity.	16(55.2)	11(37.9)	2(6.9)	-	-	4.48	2 nd
3	Affect operation of Small-Scale hotel	14(48.3)	9(31.0)	5(17.2)	1(3.4)	-	4.24	3 rd
4	Affect Diversification of Small-Scale hotel	15(51.7)	7(24.1)	4(13.8)	2(6.9)	1(3.4)	4.14	4 th
5	Affect Stability and consistency of income of Small-Scale hotel	14(48.3)	7(24.1)	5(17.2)	3(10.3)	-	4.10	5 th

Source: Field Survey, 2022

Table 4.4 presents the multiple and high taxes influencing the management of Small-Scale hotel in Auchi, small-Scale hotel find it difficult to make profit at the end of the day was ranked 1st with a mean score of 4.86 followed by staffs in small-scale hotel are reduced due to high level of tax for their staffing capacity ranked 2nd with a mean score of 4.48. Affect operation of Small-Scale hotel is ranked 3rd with a mean score of 4.24, Affect Diversification of Small-Scale hotel is having a mean score of 4.14 and ranked 4th. Affect stability and consistency of income of Small-Scale hotel is at the extreme bottom with the mean scores of 4.10.

Table 4.5: Prospect of effective management of small scale Hotel in Auchi

S/N	prospect	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Small Scale Hotel boost employment opportunities	24(82.8)	5(17.2)	-	-	-	4.83	1 st
2	Contribute to the GDP of the country	21(72.4)	8(27.6)	-	-	-	4.72	2 nd
3	Poverty reduction	20(69.0)	9(31.0)	-	-	-	4.69	3 rd
4	Create wealth for nations	19(65.5)	10(43.5)	-	-	-	4.66	4 th
5	Small Scale hotels contribute to the development of the community	20(69.0)	7(24.1)	2(6.9)	-	-	4.62	5 th
6	Provide facilities such as recreation and entertainment	16(55.2)	13(44.8)	-	-	-	4.55	6 th
7	Improved tax revenue and personal income	17(58.6)	10(34.5)	2(6.9)	-	-	4.52	7 th
8	increased standards of living,	15(51.7)	14(48.3)	-	-	-	4.52	7 th
9	Generating revenues	14(48.3)	10(34.5)	4(13.8)	1(3.4)	-	4.28	9 th

Source: Field Survey, 2022

Table 4.5 examined the prospect of effective management of small scale Hotel in Auchi, Small Scale Hotel boost employment opportunities was ranked 1st with a score of 4.83, followed by contribute to the GDP of the country ranked 2nd with a mean score of 4.72, poverty reduction is ranked 3rd with a mean score of 4.69 they are followed by the following prospect: create wealth for nations, small Scale hotels contribute to the development of the community, provide facilities such as recreation and entertainment, improved tax revenue

and personal income, increased standards of living and Generating revenues with mean scores of 4.66, 4.62, 4.55, 4.52 and 4.28 respectively.

Table 4.6: Contribution of small scale Hotel to Economic Growth in Auchi

S/N	Contribution	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Helping to solve the daunting unemployment situation in the country	23(79.3)	5(17.2)	1(3.4)	-	-	4.76	1 st
2	The small scales Hotel, in a way, develop a pool of skilled and semi-skilled manpower.	18(62.1)	11(37.9)	-	-	-	4.62	2 nd
3	The operation of small scale hotels makes possible increased utilization of local resources	16(55.2)	7(24.1)	6(20.7)	-	-	4.55	3 rd
4	The small scales Hotel, especially the ones operating in the rural areas, help to reduce rural-urban migration	18(62.1)	7(24.1)	3(10.3)	1(3.4)	-	4.49	4 th
5	They have great flexibility for innovation and extend the frontiers of knowledge on local products and services.	12(41.4)	7(24.1)	6(20.7)	3(10.3)	1(3.4)	3.72	5 th

Source: Field Survey, 2022

Table 4.6: examine the contribution of small scale Hotel to Economic Growth in Auchi; Helping to solve the daunting unemployment situation in the country was ranked 1st with mean score of 4.76; The small scales Hotel, in a way, develop a pool of skilled and semi-skilled manpower and the operation of small scale hotels makes possible increased utilization of local resources are ranked 2nd and 3rd with a mean score of 4.62 and 4.55 respectively. Small scales Hotel,

especially the ones operating in the rural areas help to reduce rural-urban migration is having a mean score of 4.49 and ranked 4th respectively while they have great flexibility for innovation and extend the frontiers of knowledge on local products and services is at the extreme bottom with mean scores of 3.72.

Table 4.7: Funding of Small Scale Hotel in Auchi

S/N	Funding	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Private Sources	27(93.1)	2(6.9)	-	-	-	4.93	1 st
2	Commercial Banks	20(69.0)	5(17.2)	4(13.8)	-	-	4.55	2 nd
3	Funds from Private Investment Companies	18(62.1)	7(24.1)	3(10.3)	1(3.4)	-	4.45	3 rd
4	Trade Credit	14(48.3)	9(31.0)	6(20.7)	-	-	4.24	4 th
5	Government Lending Programmes	8(27.6)	9(31.0)	6(20.7)	4(13.8)	2(6.9)	3.59	5 th
6	Equipment Finance Companies	5(17.2)	3(10.3)	8(27.6)	7(24.14)	6(20.7)	2.79	6 th

Source: Field Survey, 2022

Table 4.7: Examine the funding of Small Scale Hotel in Auchi; Private Sources was ranked 1st with mean score of 4.93; Commercial Banks and Funds from Private Investment Companies are ranked 2nd and 3rd with a mean score of 4.55 and 4.45 respectively. Trade Credit is having a mean score of 4.24 and ranked 4th. Government Lending Programmes and Equipment Finance Companies are at the extreme bottom with mean scores of 3.59 and 2.79 respectively.

Table 48: Factors that can enhance the growth of small scale Hotels in Auchi

S/N	Factors	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Location of hotel	22(75.9)	7(24.1)	-	-	-	4.76	1 st
2	Access to finance	21(72.4)	8(27.6)	-	-	-	4.72	2 nd
3	Improve infrastructure	20(69.0)	7(24.1)	2(6.9)	-	-	4.62	3 rd
4	Security	17(58.6)	12(41.4)				4.59	4 th
5	Guarantee long-term loans to improve financing of Small Scale hotel	16(55.2)	13(44.8)	-	-	-	4.55	5 th
6	Provision of Accessible Credit Facilities	17(58.6)	10(34.5)	2(6.9)	-	-	4.52	6 th
7	Quality of service personnel	15(51.7)	14(48.3)	-	-	-	4.52	6 th
8	Technical and managerial training	15(51.7)	9(31.0)	4(13.8)	1(3.4)	-	4.31	8 th
9	Devise ways to curve multiple taxations to enhance the success of Small Scale hotel,	11(37.9)	8(27.6)	7(24.1)	3(10.3)	-	3.93	9 th

Source: Field Survey, 2022

Table 4.8: Examine the factors that enhance the growth of small scale Hotels in Auchi; Location of hotel was ranked 1st with mean score of 4.76; Access to finance and Improve infrastructure were ranked 2nd and 3rd with a mean score of 4.72 and 4.62 respectively. Security is having a mean score of 4.59 and ranked 4th. Guarantee long-term loans to improve financing of Small Scale hotel, provision of accessible credit facilities, quality of service personnel, Technical and managerial training and devise ways to curve multiple taxations to enhance the success of Small Scale hotel are at the extreme bottom with mean scores of 4.55, 4.52, 4.31 and 3.93 respectively.

Table 4.9: Factors contributing to the success of small scale Hotels in Auchi

S/N	Factors Contributing	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Location	21(72.4)	8(27.6)	-	-	-	4.72	1 st
2	Effective supervision	18(62.1)	11(37.9)	-	-	-	4.62	2 nd
3	Cleanliness	14(48.3)	15(51.7)	-	-	-	4.48	3 rd
4	Commitment and traditional dishes	16(55.2)	9(31.0)	4(13.8)	-	-	4.41	4 th
5	Variety of dishes	14(48.3)	10(34.5)	5(17.2)	-	-	4.31	5 th
6	Fresh food	13(44.8)	8(27.6)	5(13.8)	2(6.9)	1(3.4)	4.03	6 th
7	Availability of restroom facilities	13(44.8)	7(24.1)	4(13.8)	5(17.2)	-	3.97	7 th

Source: Field Survey, 2022

Table 4.9: Examine the factors contributing to the success of small scale Hotels in Auchi; Location was ranked 1st with mean score of 4.72; followed by effective supervision and cleanliness with a mean score of 4.62 and 4.48 and ranked 2nd and 3rd respectively. Commitment and traditional dishes is having a mean score of 4.41 and ranked 4th. Variety of dishes, Fresh food and availability of restroom facilities are at the extreme bottom with mean scores of 4.31, 4.03 and 3.97 respectively.

Table 4.10: Factors Influencing the Growth of Small-Scale hotel in Auchi

S/N	Factors Influencing	SA (%)	A (%)	U (%)	D (%)	SD (%)	Mean	Rank
1	Finance	25(86.2)	4(13.8)	-	-	-	4.86	1 st
2	Marketing strategies	20(69.0)	6(20.7)	3(10.3)	-	-	4.59	2 nd
3	Owners business capabilities	17(58.6)	10(34.5)	2(6.9)	-	-	4.52	3 rd
4	Design of packaging	17(58.6)	9(31.0)	3(10.3)	-	-	4.48	4 th
5	Geographical location	16(55.2)	9(31.0)	3(10.3)	1(3.4)	-	4.38	5 th
6	Managerial skills	13(44.8)	12(41.4)	3(10.3)	1(3.4)	-	4.28	6 th
7	Incentives	12(41.4)	11(37.9)	6(20.7)	-	-	4.21	7 th
8	Quality of food	11(37.9)	9(31.0)	5(17.2)	4(13.8)		3.93	8 ^h

Source: Field Survey, 2022

Table 4.10: Examine the Factors Influencing the Growth of Small-Scale hotel in Auchi; Finance was ranked 1st with mean score of 4.86; followed by Marketing strategies and Owners business capabilities with a mean score of 4.59 and 4.52 and ranked 2nd and 3rd respectively. Design of packaging is having a mean score of 4.48 and ranked 4th. Geographical location, Fresh food, Managerial skills, Incentives and Quality of food are at the extreme bottom with mean scores of 4.38, 4.28, 4.21 and 3.93 respectively.

4.2 Discussion of Findings

Data were analyzed based on the responses gotten from the questionnaires distributed. Thirty (30) questionnaires were administered and twelve nine (29) were retrieved representing 96.7%.

34.5% of the respondents were male while 65.5% of the respondents were female. It is thus clear that males constituted the greatest number in the sample of respondents who participated. 37.9% of the respondents were single while 62.1 of the respondents were married. This shows that majority of the respondents were married. 13.8% of the respondents were below 20 years; 44.8%

of the respondents were between the age brackets of 21-30 years, 24.1% of the respondents were between the age bracket of 31-40 years; while 17.5% of the respondents were between the age bracket of 41-50 years. From the analysis above it is clear that those within the age bracket of 21-40 years were more among the respondents who participated in this study.

58.6% of the respondents were ND/NEC holders while 41.4% of the respondents were HND/B.Sc holders. From the analysis it is clear that HND/B.Sc holder's constituted the greatest number in the sample of respondents who participated in the study. 100% of the respondents were into business. This shows that the entire respondents were into business.

Using descriptive statistical analysis as illustrated in table 4.2 findings shows that the major issues and challenges facing small scale hotels management in Auchi were Poor financing, inadequate infrastructure and multiple taxation while Poor environmental sanitation and change in marketing trends and dynamics were the least.

Using descriptive statistical analysis as illustrated in table 4.3 findings shows that the financial Support and poor funding affecting the Management of Small-Scale Hotel in Auchi are' Poor planning can affect the management of funds in Small-Scale hotel, management of Small-Scale hotel can be affected when filled with family relatives that are unqualified to work, money is need to keep the business moving, the nature of work required in the hotel will determine the funding of the Small-Scale hotel and Small firm management requires little or no formalization.

Using descriptive statistical analysis as illustrated in table 4.4 findings shows that multiple and high taxes influencing the management of Small-Scale hotel in Auchi are small-Scale hotel find it difficult to make profit at the end of the day, staffs in small-scale hotel are reduced due to high level of tax for their staffing capacity, affect operation of Small-Scale hotel, Affect

diversification of Small-Scale hotel, affect stability and consistency of income of Small-Scale hotel.

Using descriptive statistical analysis as illustrated in table 4.5 findings shows that the prospect of effective management of small scale Hotel in Auchi are small scale hotel boost employment opportunities, contribute to the GDP of the country, poverty reduction: create wealth for nations, small Scale hotels contribute to the development of the community, provide facilities such as recreation and entertainment, improved tax revenue and personal income, increased standards of living and Generating revenues.

Using descriptive statistical analysis as illustrated in table 4.6 findings shows that the contribution of small scale Hotel to economic Growth in Auchi are helping to solve the daunting unemployment situation in the country, small scales Hotel, in a way, develop a pool of skilled and semi-skilled manpower and the operation of small scale hotels makes possible increased utilization of local resources, Small scales Hotel, especially the ones operating in the rural areas help to reduce rural-urban migration, they have great flexibility for innovation and extend the frontiers of knowledge on local products and services

Using descriptive statistical analysis as illustrated in table 4.7 findings shows that funding of Small Scale Hotel in Auchi are through Private Sources, commercial Banks, Funds from Private Investment Companies, Government Lending Programmes and Equipment Finance Companies

Using descriptive statistical analysis as illustrated in table 4.8 findings shows that the factors that enhance the growth of small scale Hotels in Auchi are location of hotel; Access to finance, improve infrastructure, Security, guarantee long-term loans to improve financing of Small Scale hotel, provision of accessible credit facilities, quality of service personnel, technical and

managerial training and devise ways to curve multiple taxations to enhance the success of Small Scale hotel.

Using descriptive statistical analysis as illustrated in table 4.9 findings shows that the major factors contributing to the success of small scale Hotels in Auchi were Location, effective supervision, cleanliness, commitment and traditional dishes, Variety of dishes, Fresh food and availability of restroom facilities.

Using descriptive statistical analysis as illustrated in table 4.10 findings shows that the major factors influencing the growth of Small-Scale hotel in Auchi are Finance, Marketing strategies, Owners business capabilities, design of packaging, geographical location, Fresh food, managerial skills, incentives and quality of food.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

1. Findings shows that the major issues and challenges facing small scale hotels management in Auchi were poor financing, inadequate infrastructure and multiple taxation.
2. Findings shows that the prospect of effective management of small scale Hotel in Auchi were boost employment opportunities, contribute to the GDP of the country, poverty reduction: and create wealth for nations,
3. findings shows that the contribution of small scale Hotel to economic Growth in Auchi were helping to solve the daunting unemployment situation in the country, develop a pool of skilled and semi-skilled manpower and the operation of small scale hotels makes possible increased utilization of local resources,
4. Findings shows that funding of Small Scale Hotel in Auchi were through Private Sources, commercial Banks, Funds from Private Investment Companies, Government Lending Programmes and Equipment Finance Companies
5. findings shows that the factors that enhance the growth of small scale Hotels in Auchi were location of hotel; access to finance, improve infrastructure, security, guarantee long-term loans to improve financing of small scale hotel, provision of accessible credit facilities, quality of service personnel, technical and managerial training and devise ways to curve multiple taxations to enhance the success of Small Scale hotel.

6. findings shows that the major factors contributing to the success of small scale Hotels in Auchi were Location, effective supervision, cleanliness, commitment and traditional dishes, Variety of dishes, Fresh food and availability of restroom facilities.
7. findings shows that the major factors influencing the growth of Small-Scale hotel in Auchi were finance, marketing strategies, owners business capabilities, design of packaging and, geographical location,

5.3 Conclusion

The major focus of this study was to assess the issues and challenges facing Small Scale Hotel Management in Auchi using Favour Garden Hotel as a case study.” The findings of the study indicate that the growth of small-scale Hotel in Auchi is influenced by both internal and external factors. The internal factors identified in this study include quality of food, cleanliness, effective services, availability of variety of dishes and offering of fresh food. The external factors include finance, competition, infrastructure, location of premises among others. The availability of fresh food, offering the efficient services, variety of dishes and cleanliness all contribute to attracting and retaining customers in Hotel. The major challenges facing small-scale Hotel in Auchi are also identified in this study. They include poor infrastructure, and multiple taxation, high rate of inflation, high cost of inputs and corruption, Poor infrastructure inform of unreliable water supply, high cost of electricity, poor sewerage services, seasonal roads and high telephone bills all increase operation expenses in scale Hotel. Liberalization of the economy either leads to retrenchment or closure of industries that minimizes the number of working class who constitute the major customers of Hotel. Inflation, high cost of inputs, high taxes and corruption cases all influence the operations of small scale Hotel.

5.3 Recommendation

Based on the findings of this study, the following recommendations are suggested:

1. The government should encourage non-financial and financial promotional programs aimed at assisting SMEs.
2. The government should provide an enabling business environment that is supportive, facilitative and favorable for business activities to thrive
3. Hotel should maintain cleanliness, high quality products, and freshness in order to attract and retain customers.
4. There is need to provide good infrastructure in term of reliable water supply, affordable electricity, cheap telephone services, accessible roads and good sewerage system in order to ensure offering of efficient services by restaurant owners

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APPENDIX 1

Auchi Polytechnic
School of Environmental Studies,
Department of Estate Management and Valuation,
Auchi,
Edo State

Dear Respondent,

ADMINISTRATION OF QUESTIONNAIRES

I am a final year student of the above named Institution and in the department of Estate Management and valuation conducting a research work on the topic “**An Assessment of the Issues and Challenges Facing Small Scale Hotel Management (A Case Study of Favour Garden Hotel Auchi).**”

The study is in partial fulfillment of the requirements for the award of Higher National Diploma (HND) in Estate Management and Valuation.

Kindly respond to the questions below as objectively as you can. Your honest contribution will help make this study a success.

I assure you that any information you supply will be treated confidentially and used for academic purposes only.

Thanks for your anticipated co-operation.

Yours faithfully,

MOSES ELIZABETH EBHODAGHE

Researcher

QUESTIONNAIRE

Please tick good [✓] in the option you consider correct from the alternative given below.

SECTION I: Personal Information

1. Sex: Male () Female ()
2. Marital status: Single () Married ()
3. Age: below 20 years () 21-30 years () 31-40 years () 41-50 years () 51 years and above
4. Educational Level: FSLC/SSCE() ND/NCE () HND/B.Sc. () M.Sc./PhD()
5. Occupation: Civil Service () Trade/Business () Farming () Retiree ()

SECTION II: ITEMS RELATED TO THE RESEARCH QUESTIONS

Kindly tick the one that is applicable to you from 1-5, where strongly Agree = 5, Agree= 4, Undecided = 3, Disagree= 2, strongly Disagree = 1

Table I: Issues and challenges facing small scale hotels management in Auchi

S/N	Issues and Challenges	5	4	3	2	1
1	Multiple taxation					
2	Rising cost of daily consumables.					
3	Irregular cash inflows					
4	Operational issues.					
5	Change in marketing trends and dynamics					
6	Data security challenges.					
7	Hiring and retaining the staff					
8	Inadequate social infrastructure					
9	Neighbourhood crime					
10	Poor financing					
11	Lack of managerial skills of owners and managers					
12	Poor environmental sanitation					

Table Ib: Financial Support and Poor Funding Affecting the Management of Small-Scale hotel in Auchi

S/N	Financial Support and Poor Funding	5	4	3	2	1
1	Money is needed to keep the business moving					
2	Lack of fund can kill the business in no time					
3	The nature of work required in the hotel will determine the funding of the Small-Scale hotel.					
4	Poor planning can affect the management of funds in Small-Scale hotel.					
5	Management of Small-Scale hotel can be affected when filled with family relatives that are unqualified to work.					
6	Small firm management requires little or no formalization.					

Table Ic: Multiple and High Taxes Influence the Management of Small-Scale hotel in Auchi

S/N	Multiple and High Taxes	5	4	3	2	1
1	Small-Scale hotel find it difficult to make profit at the end of the day					
2	Staffs in Small-Scale hotel are reduced due to high level of tax for their staffing capacity.					
3	Affect operation of Small-Scale hotel					
4	Affect Diversification of Small-Scale hotel					
5	Affect Stability and consistency of income of Small-Scale hotel					

Table II: The prospect of effective management of small scale Hotel Auchi

S/N	Prospect	5	4	3	2	1
1	Small Scale Hotel boost employment opportunities					
2	Contribute to the GDP of the country					
3	Poverty reduction					
4	Create wealth for nations					
5	Small Scale hotels contribute to the development of the community					
6	Provide facilities such as recreation and entertainment					
7	improved tax revenue and personal income					
8	increased standards of living,					

9	Generating revenues					
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Table IIb: Contribution of small scale Hotel to Economic Growth

S/N	Contribution of small scale Hotel to Economic Growth	5	4	3	2	1
1	Helping to solve the daunting unemployment situation in the country					
2	The small scales Hotel, in a way, develop a pool of skilled and semi-skilled manpower.					
3	The operation of small scale hotels makes possible increased utilization of local resources					
4	The small scales Hotel, especially the ones operating in the rural areas, help to reduce rural-urban migration					
5	They have great flexibility for innovation and extend the frontiers of knowledge on local products and services.					

Table IIc: Funding of Small Scale Hotel

S/N	Funding of Small Scale Hotel	5	4	3	2	1
1	Private Sources					
2	Commercial Banks					
3	Funds from Private Investment Companies					
4	Trade Credit					
5	Government Lending Programmes					
6	Equipment Finance Companies					

Table III: Factors that can enhance the growth of small scale Hotels in Auchi

S/N	Factors	5	4	3	2	1
1	Devise ways to curve multiple taxations to enhance the success of Small Scale hotel,					
2	Guarantee long-term loans to improve financing of Small Scale hotel					
3	Improve infrastructure					
4	Security					
5	Location of hotel					
6	Quality of service personnel					
7	Provision of Accessible Credit Facilities					
8	Technical and managerial training					
9	Access to finance					

Table IIIb: Factors contributing to the success of small scale Hotels in Auchi

S/N	Factors	5	4	3	2	1
1	Cleanliness					
2	Location					
3	Fresh food					
4	commitment and traditional dishes					
5	Variety of dishes					
6	Effective supervision					
7	Availability of restroom facilities.					

Table IIIc: Factors Influencing The Growth Of Small-Scale hotel in Auchi

S/N	Managerial skills	5	4	3	2	1
1	Owners business capabilities					
2	Marketing strategies					
3	Design of packaging					
4	Quality of food					
5	Finance					
6	Incentives					
7	Geographical location					
8	Infrastructure					

