

Research Article

# Hospitality Industry and Socio-Economic Sustainability of the Host Communities in Ondo State, Nigeria

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## Abstract

The study explores the social, economic and stakeholder theory to expound on the benefits that are derivable by the community that play a host to hospitality facilities. The study aims to identify the socio-economic impacts of the hospitality industry on the sustainability of host community in Ondo state, Nigeria. To achieve the objective, the study used a self-administered questionnaire and opted for a descriptive research design. The researcher administered 367 questionnaires to respondents from five hotels each from the three senatorial headquarters of Ondo state. Three categories of respondents; guests, hotel staff and residents of the selected communities were chosen randomly, and only 355 questionnaires were returned. The data were analyzed using multiple regression to test the study hypotheses. The study provides insight and understanding of the socio-economic advantages of the hospitality industry to the sustainability of the host communities. Findings indicated that the hospitality industry contributes immensely to the socio-economic sustainability of the host communities. Additionally, A p-value < 0.05, provides evidence that the coefficient is different to 0. ECO (t-value= 2.567, > 1.96; p =0.011, < 0.05), SOC (t-value= 5.633, > 1.96; p =0.000, < 0.05) are all significant predictors of host communities' sustainability since their t-value was within the thresholds of greater than or equal to ( $\geq$ ) 1.96 and p-value was less than 0.05. Previous studies in this area are limited, making this study particularly novel. Thus, this study represents one of the initial attempts to evaluate the contributions of the hospitality industry to host community sustainability.

## Keywords

Hospitality Industry, Social Impact, Economic Impact, Sustainability, Host Community

## 1. Introduction

The hospitality industry is an industry that caters to the welfare and well-being of people. The industry has over the years contributed to the development across the globe in terms of cultural, environmental, social, and economic aspects of the host towns in the modern era [1]. The hospitality industry covers food service outlets, beverages production and services, lodging or accommodations services, event planning and management, restaurants, canteens, transpor-

tation, theme parks, cruise lines, and other ancillary services including services to tourists, room apartment services, event management, and events centres, the commercial components of the industry some of which are: prison canteen, industrial canteen, hospital canteen, etc. Conversely, being hospitable entails responding in a way that welcomes the intended guests and guarantees their needs or expectations are met [18].

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An establishment held out by the proprietor as the offering of food, drinks, and, if required, sleeping accommodation, without a special contract to any traveller presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided and who is in a fit state to be received according to the Hotel proprietor act of 1956 (British Assent, during the colonial era in Nigeria). [17] posit that hospitality operations undeniably contribute to economic growth by drawing in foreign capital, boosting local employability, business expansion, and tax receipts; promoting population mobility and a sense of global community; elevating environmental consciousness; and facilitating technology diffusion. Thus, the focus on tourism growth has an impact on the environment, technology, politics, society, economy, and culture. The provision of jobs for potential host towns is one of the main ways that the tourism sector supports the local economy, both directly and indirectly.

The hospitality industry is the world's largest and fastest-growing industry. As a result, hospitality is a key driver of economic growth in the majority of countries. [20] agree, claiming that the tourism and hospitality business has risen to be the greatest single sector of world commerce. [24], tourism produced 330 million employment opportunities globally in 2019 and contributed 10.3% to global GDP. Consequently, tourism has a substantial influence on the global economy. Tourism was one of the most important economic sectors in South Africa in 2019, accounting for 7% of the GDP [24]. This sector supports the expansion of local communities as well as the economy of the nation and area. [12]. Meanwhile, [13] suggested that the hospitality sector accounts for more than 60% of all tourist services, it is obvious that hotel operations are benefitting their host communities in terms of social and economic aspects of the economy.

However, despite the huge socio-economic contributions to the nation's economy, the government has not paid attention to hospitality development in Ondo State. The hospitality industry's contributions so far to the infrastructural development of the state, employment generated within the communities that are made up of the state, the ambience it has created in the state, the enormous contribution of hospitality services to the development and success of other businesses, the revenue accrued to the government coffers as sourced from the hospitality services, the social security the industry has provided to the state, all these and many more of essential contributions which the researcher has coined as socio-economic importance by the hospitality industry, have not been reckon with by the government at all level in the state [15].

### 1.1. Objectives of the Study

This study's main objective is to investigate the hospitality industry and socio-economic sustainability of host communities in Ondo State. To achieve this, the following specific

objectives are stated are studied;

1. to examine the economic impacts of the hospitality industry on the host communities in Ondo State.
2. To examine the social impacts of the hospitality industry on the host communities in Ondo state.

### 1.2. Hypothesis of the Study

#### *Hypothesis One*

Ho: The hospitality industry does not have a significant economic impact on the host communities in Ondo State.

#### *Hypothesis Two*

Ho: There are no significant socio-economic impacts of the hospitality industry on the host communities in Ondo state.

## 2. Literature Review

### 2.1. The Overview of the Socio-economic Contributions of Hospitality Industry to the Global Market

Internationally, hospitality industry investments continue to grow rapidly. It was reported that investment in the hospitality industry was USD 882.4 billion in 2017 which is equivalent to 4.5% of the entire global investment [24]. According to the report, it is estimated that global investment in the Hospitality sector can increase by 4.3% over the next ten years to USD 1,408.3 billion in the year 2028 indicating 5.1% of the entire global investment.

Meanwhile, in terms of contributions of the hospitality industry to the world GDP, it was reported that the Hospitality and Tourism sector contributed US\$6,630.4 billion in 2012 to the GDP and US\$10,507.1 billion in 2013. Whereas, the report has it that \$8.8 trillion was added to the global GDP [Gross Domestic product] by the Hospitality industry in 2018 compared to the \$8.3 trillion contributions in 2017 (World Travel and Tourism Council, 2019). The contribution of the hospitality industry further increased by 3.6% to US\$D (9,126.7 trillion (10.4% of GDP) by the end of 2019 and it was estimated that the figure will rise by 3.8% per annum to USD 12,450.1 billion which an equivalent of 11.7% GDP (World Travel and Tourism Council, 2018). In terms of employment generation, the hospitality and tourism sector contributed 319 million jobs which is equivalent to 10% of the entire world employment generation in 2018 compared to 313 million jobs generated in 2017 according to the World Travel and Tourism Council, 2019. The industry is presently contributing enormously to global socio-economic development by accounting for one out of five jobs created globally and it is forecast to contribute 100 million additional employments created globally over the next five years, contributing 421 million jobs by 2029 as reported by [24].

## 2.2. Hospitality Industry and the Nigeria Economy

The hospitality industry is a distinctive multifaceted people-oriented industry, which significantly contributes to the service economies of many nations. It was argued by [16] that the Hospitality industry is the world's largest industry contributing significantly to the national economy. The hospitality industry is located across the nooks and crannies of the entire country contributing to the socio-economic development of every community they are domiciled. The hospitality industry does not only generate employment opportunities for community dwellers, but it also helps the government to generate revenues through taxes and foreign earnings via expatriate Guest or tourists, they also help in the infrastructural development of the community, creating the enabling environment for other businesses to thrive, providing security, helping to preserve cultural heritages, protection of environment and promoting social dexterity.

## 2.3. The Significance of Hospitality Industry in Nations' Development

The hospitality industry remains an essential ingredient of growth for the world economy even at the macroeconomic level, the industry is capable of promoting economic growth through foreign exchange earnings, in addition to the generation of revenues to all forms of government via immigration levies, tickets, taxes and rates [6]. However, job creation, income generation, revenue in the forms of tax to the government, infrastructural development etc., can be provided by the hospitality industry at the micro level. In consideration of both macro and micro-level contributions of the industry to the economy, it can however be said that the hospitality industry is a service-based economy which has multiplier effects on the growth and development of every other business [21].

## 2.4. Socio-Economic Development

Socio-economic development deals with the interrelation between activities and social behaviour in a given community. It therefore emphasizes the contributions the economic activities to the well-being of the individual within the community. The hospitality industry is a type of industry that changed the way of life that results from interactions between change agents and the subsystems on which they have an impact." The social and cultural effects of tourism, according to them, are how tourism brings changes in value systems, individual behaviour and family connections, communal ways of life, protection levels, ethical habits, artistic expressions, traditional rites, and community groups. Economic repercussions are either immediate or lasting changes in economic circulation.

## 2.5. Hospitality Industry and Community Development

The word "development" in community development refers to a certain kind of deliberate endeavour to promote betterment. Where progress leads to constructive transformation. For instance, these are systems that are open to modification. Change will occur gradually over a lengthy period, within a process (. It is quite improbable that the system will be able to revert to its initial condition once this process has started. Conscientious effort provides direction and stimulation to the process. In the deliberate attempt to offer guidance, a theory or model of development Gives expectations and points of reference. [14]. Economic development focuses on the microeconomics of the economy, and without it, economic progress is limited.

## 2.6. The Host-Community for Hospitality Facilities

The most prevalent method for evaluating studies that examined how a community felt about tourism was to gauge how its effects were felt by locals [4]. The research on host communities entered a balanced phase, stressing both beneficial and detrimental effects. In the new century, tourist impact studies persisted in dealing with the rapidly expanding tourism.

## 2.7. Conceptual Framework

The hospitality sector encompasses a wide range of companies that offer services to guests. Three primary segments comprise the industry lodging, food and drink, and travel and tourism. Although they occasionally offer varying degrees of service, all of these sectors are customer-focused. The hospitality sector comprises a wide range of businesses that offer services to people. It depends on consumers' discretionary income as well as their availability and free time. Because the experiences offered by the hotel sector are not essentials of life, there needs to be a demand for leisure activities for the business to succeed. It's crucial to investigate the definition of hospitality as a concept before coming up with a thorough one [2].

## 2.8. The Sustainability Theory

Sustainability theories make an effort to incorporate and emphasize social solutions to environmental and economic issues [19]. A political model looks to social structures that uphold human dignity; an ecological model looks to biological diversity and ecological integrity; and an economic model looks to sustain natural and financial capital [7]. With its symbolic, crucial, and inspirational tools for cultural transformation, religion has entered the discussion. The ability to preserve or enhance the quality and availability of desired

materials or circumstances over an extended period is known as sustainability [3].

### 2.9. The Stakeholder Theory

In a highly complex and chaotic world, stakeholder theory offers a pragmatic, economical, successful, and moral approach to managing organizations [9]. This notion applies to all businesses as managing stakeholders is a must; how well a company manages its stakeholders is a different matter. It is effective because satisfied stakeholders are more likely to return the favour by sharing important information, purchasing more goods or services from the company (customers), offering tax breaks or other incentives to communities, offering better terms to financiers, encouraging shareholders to purchase more stock, or working hard and sticking with the company through tough times (employees) [23].

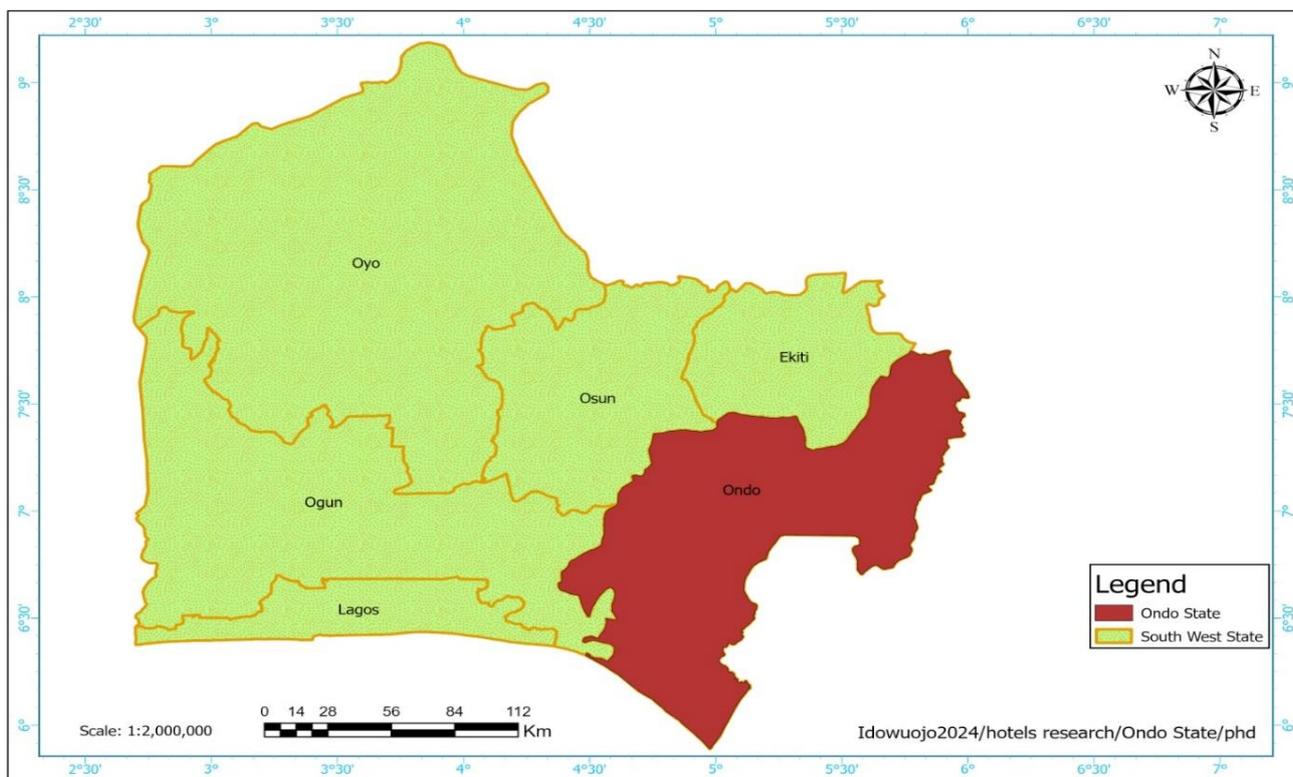
### 2.10. The Community Development Theory

Community development describes the ability of people to organize and mobilize their resources for the accomplishment of consensual defined goals [8]. Community development refers to the extent to which members of a community can work together effectively to develop and sustain strong relationships; solve problems and make group decisions; and collaborate

effectively to plan, set goals, and get things done. There are many types of social systems and community development intends to focus on a specific type, which community interacts with many other types of systems. It is necessary to differentiate communities from other classifications of social systems. There are many ways to define community. A deliberate attempt to create resources that boost people's ability to enhance their quality of life is known as community development. These resources could include personal, financial, social, physical, and environmental community capital [22].

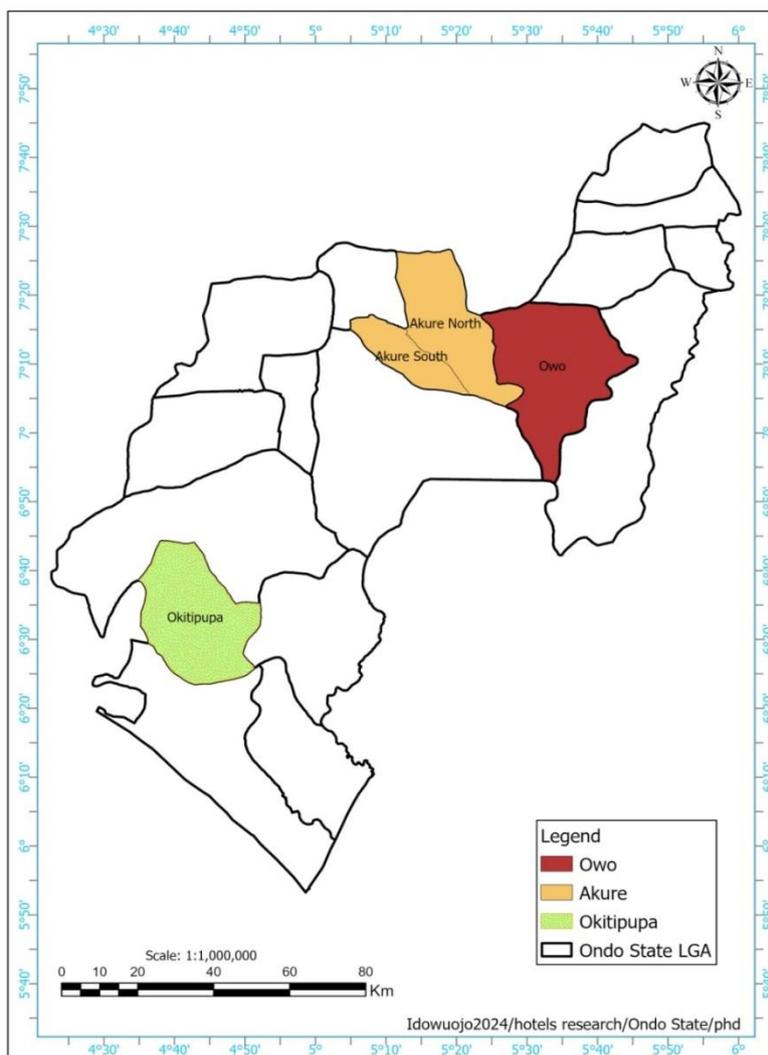
## 3. Methodology

A descriptive survey methodology was adopted by the researcher. The Southwest region of Nigeria, Ondo State was used as the site of the research. Nonetheless, the state's senatorial districts were used as the focus of this investigation, with five hotels from each district sampled using hotel ratings as a yardstick for selection and fifteen hotels were selected altogether Ondo North, Ondo Central, and Ondo South which are the three senatorial districts that make up the State. The researcher administered 367 questionnaires to respondents but 355 were retrieved. Multiple regression was used to test the hypothesis.



Source: Researchers design, 2024

Figure 1. Represent Ondo State Map.



Source: Researchers design, 2024

Figure 2. Represent the map of the study areas.

### 3.1. Demographic Characteristics of the Study

The demographic characteristics of the respondents who participated in this study across the three senatorial districts in

Ondo state, Nigeria. The respondents comprised guests, staff and residents from each of the study areas of Ondo State The profile of respondents examined included gender, age, marital status, ethnicity, religion, education, occupation, category of respondent and location.

Table 1. Demographic Characteristics of the Respondents According to Gender.

	Frequency	Per cent	Cumulative Percent
Valid			
MALE	143	40.3	40.3
FEMALE	212	59.7	100.0
Total	355	100.0	

Source: Field Survey, (2024)

Table 1 presents the demographic characteristics result of respondents' gender, as shown in the table above, 143 re-

spondents were male representing 40.3% of the total respondents while the remaining 212 respondents were female

which represents 59.7% of the total respondents. This simply means that the majority of the respondents were female.

**Table 2.** Demographic Characteristics of the Respondents According to Age.

	Frequency	Per cent	Cumulative Percent
	31-40	106	29.9
	41-50	145	40.8
Valid	51-60	69	19.4
	61 Above	35	9.9
	Total	355	100.0

Source: Field Survey, (2024).

Table 2 shows the age distribution of the respondents, it revealed that 106 of the respondents were between the age bracket of 31-40 years, 145 were between the age bracket of 41-50 years old, 69 were between the age bracket of 51 -60 years and 35 were between the age bracket of 61 years and

above which represents 29.9%, 40.8%, 19.4%, and 9.9% respectively. This also means that the majority of the respondents were between the age bracket of 41-50 years old, followed by 31- 40 years old, 51- 60 years old and lastly, 61 years old and above.

**Table 3.** Demographic Characteristics of the Respondents According to Marital Status.

	Frequency	Per cent	Cumulative Percent
	Single	105	29.6
	Married	179	50.4
Valid	Divorced	35	9.9
	Widowed	36	10.1
	Total	355	100.0

Source: Field Survey, (2024).

Table 3 shows the marital status distribution of the respondents, it revealed that 105 respondents were single, 179 were married, 35 were divorced and 36 of them were wid-

owed, representing 29.6%, 50.4%, 9.9% and 10.1% respectively. The analysis shows that the majority of the respondents were married followed by single widowed divorced.

**Table 4.** Demographic Characteristics of the Respondents According to Ethnicity.

	Frequency	Per cent	Cumulative Percent
	Yoruba	214	60.3
	Igbo	106	29.9
Valid	Hausa	35	9.9
	Total	355	100.0

Source: Field Survey, (2024).

Table 4. presents the analysis of the respondents based on their ethnicity, 214 were Yoruba, 106 were Igbo, and 35 were Hausa, representing 60.3%, 29.9% and 9.9% respectively.

This analysis shows that the majority of the respondents were Yoruba, followed by Igbo and lastly Hausa.

**Table 5.** Demographic Characteristics of the Respondents According to Religion.

		Frequency	Per cent	Cumulative Percent
Valid	Christianity	177	49.9	49.9
	Islam	105	29.6	79.4
	Traditional	73	20.6	100.0
	Total	355	100.0	

Source: Field Survey, (2024).

Table 5. presents the descriptive analysis of the respondents according to their religion, 177 were Christians, 105 were Muslims, and 73 were traditionalists, representing 49.9%,

29.6%, and 20.6% respectively. This simply means that the majority of the respondents were Christians, followed by Muslims and lastly the traditionalists.

**Table 6.** Demographic Characteristics of the Respondents According to Educational Qualification.

		Frequency	Per cent	Cumulative Percent
Valid	No formal education	36	10.1	10.1
	School certificate or equivalent	70	19.7	29.9
	ND/NCE	106	29.9	59.7
	Polytechnic	72	20.3	80.0
	University	35	9.9	89.9
	Postgraduate	36	10.1	100.0
	Total	355	100.0	

Source: Field Survey, (2024).

Table 6 presents the educational qualifications of the respondents, it indicated that 36 respondents do not have formal education, 70 respondents have certificates or equivalents, 106 were OND/NCE holders, 72 were HND holders, and 35 were BSc. Holder and 36 have postgraduate education. This represents 10.1%, 19.7%, 29.9%, 20.3%, 9.9% and 10.1%

respectively. This shows that the majority of the respondents were OND/NCE holders, followed by HND holders, certificates or its equivalent holders, those with postgraduate education and those without formal education took the last position.

**Table 7.** Demographic Characteristics of the Respondents According to Occupation.

		Frequency	Per cent	Cumulative Percent
Valid	Student	36	10.1	10.1
	Apprenticeship	36	10.1	20.3

	Frequency	Per cent	Cumulative Percent
Self-employee	71	20.0	40.3
Civil servant	35	9.9	50.1
Private employee	107	30.1	80.3
Farming	35	9.9	90.1
Retiree	35	9.9	100.0
Total	355	100.0	

Source: Field Survey, (2024)

Table 7 presents the demographic characteristics of the respondents according to their occupations. 36 (10.1%) were students, 71 (20%) were self-employed, 36 (10.1%) were apprentices, 35 (9.9%) were civil servants, 107 (30.1%) were private employees, 35 (9.9%) were farmers, and 35 (9.9%)

were retirees. It implies that the majority of the respondents were primary employees, followed by self-employed, students, and apprentices, who were in the same position just as farmers, retirees, and civil servants came last.

Table 8. Demographic Characteristics of the Respondents According to Respondents Categories.

	Frequency	Per cent	Cumulative Percent
Valid Guest	117	33.0	33.0
Hospitality staff	123	34.6	67.6
Resident	115	32.4	100.0
Total	355	100.0	

Source: Field Survey, (2024)

Table 8 presents the respondents categories, 117 (33%) were guests, 123 (34.6) were hospitality staff and 115 (32.4) were residents. This analysis shows that the majority of the

respondents were guests, followed by hospitality staff and residents.

Table 9. Demographic Characteristics of the Respondents According to Respondent Locations.

	Frequency	Per cent	Cumulative Percent
Valid Okitipupa	104	29.3	29.3
Akure	158	44.5	73.8
Owo	93	26.2	100.0
Total	355	100.0	

Source: Field Survey, (2024)

Table 9 presents the distribution of the respondents according to their locations, it indicated that 104 were located in Okitipupa (Ondo South), 158 respondents were located in Akure (Ondo Central) and 93 were located in Owo

(Ondo North) and represents 29.3%, 44.5%, and 26.2% respectively. This revealed that the majority of the respondents were located in Ondo Akure, Ondo state central senatorial districts.

### 3.2. Descriptive Statistics of the Study According to Variable

This sub-chapter provides descriptive statistics of each of the study's variables, using minimum, maximum, mean, and standard deviation. [19] opines that the five-point Likert scale is considered an interval

scale and its mean is very significant. Pimentel explains that from 1 -1.8, represents strongly disagree (SD), from 1.81-2.60, represents disagree (D), from 2.61-3.40, represents neutral (N), from 3.41-4.20, represents agree (A); and from 4.21-5, represents strongly agree (SA). The results of the descriptive statistics are presented in the tables below:

**Table 10.** *The Economic Impacts of the Hospitality Industry on Host Communities Sustainability.*

Code	Items	N	Min.	Max.	Mean	Std. Dev.	Decision
ECO1	The hospitality industry creates significant employment opportunities in the local economy.	355	1	5	3.62	1.046	A
ECO2	The hospitality industry contributes to the growth of local businesses through increased demand for goods and services.	355	1	5	3.86	1.018	A
ECO3	The hospitality industry stimulates investments in the local economy.	355	1	5	3.79	.970	A
ECO4	The hospitality industry attracts foreign investment into the local economy.	355	1	5	3.75	1.112	A
ECO5	The hospitality industry leads to infrastructure development such as roads, airports, and public services.	355	1	5	3.89	.994	A
ECO6	The hospitality industry contributed to the growth of local businesses within the community	355	1	5	3.84	1.029	A
ECO7	The hospitality industry unlocks investment opportunities within the community	355	1	5	3.97	.927	A
ECO8	The hospitality industry attracted foreign investment into the local economy	355	1	5	3.91	1.009	A
ECO9	The hospitality industry unlocks business opportunities in the community	355	1	5	3.96	1.049	A
	Valid N (listwise)	355					

Source: Field Survey, (2024).

Table 10. presents the descriptive statistics of the items on the economic impacts of the hospitality industry on host communities' sustainability in Ondo state. According to the table, all the items (ECO1, ECO2, ECO3, ECO4, ECO5, ECO6, ECO7, ECO8, & ECO9) have mean values between

3.41-4.20, which represent Agree (A). It can be concluded that all the respondents agreed that the hospitality industry positively has an economic impact on the sustainability of the host communities.

**Table 11.** *The Social Impacts of Hospitality Industry on Host Communities Sustainability.*

Code	Item	N	Min	Max	Mean	Std. Dev	Decision
SCO1	The hospitality industry creates social cohesion by promoting interactions among people from diverse backgrounds.	355	1	5	4.49	.706	SA
SCO2	The hospitality industry supports cultural preservation and promotes cultural heritage.	355	1	5	4.49	.623	SA
SCO3	The hospitality industry actively involves local communities in decision-making processes.	355	1	5	4.43	.630	SA
SCO4	The hospitality industry enhances the overall quality of life for residents.	355	1	5	4.08	.942	A

Code	Item	N	Min	Max	Mean	Std. Dev	Decision
SCO5	The hospitality industry provides training and skill development opportunities for local communities.	355	1	5	4.02	1.044	A
SCO6	The hospitality industry can create social inequalities between locals and tourists	355	1	5	4.12	.956	A
SCO7	The hospitality industry may lead to increased crime rates in local communities	355	1	5	4.16	.988	A
SCO8	The hospitality industry provides training and skill development opportunities for local communities.	355	1	5	4.05	.949	A
SCO9	The hospitality industry can lead to the displacement of local communities.	355	1	5	4.11	.973	A
	Valid N (listwise)	355					

Source: Field Survey, (2024).

Table 11. presents the descriptive statistics of the items on the social impacts of the hospitality industry on host communities' sustainability in Ondo state. According to the table, items (SCO1, SCO2, and SCO3) have mean values between 4.21-5, which represent Strongly Agree (SA) while items

SCO4, SCO5, SCO6, SCO7, SCO8, & SCO 9 have a mean score between 3.41-4.20 which represent Agree (A). It can be concluded that the majority of the respondents agreed that the hospitality industry positively has a social impact on the sustainability of the host communities.

Table 12. Sustainability of the Hospitality Industry/Host Communities.

Code	Item	N	Min	Max	Mean	Std. Dev.	Decision
SUS1	Integrating eco-friendly practices into every aspect of the industry's operation.	355	1	5	4.17	1.002	A
SUS2	The Creation of employment opportunities enhances sustainability	355	1	5	4.14	.942	A
SUS3	The social responsibility of hotels helps to sustain both the hospitality industry and the host communities	355	1	5	4.03	.968	A
SUS4	Efficient energy consumption helps to promote sustainability in the host communities.	355	1	5	3.92	.985	A
SUS5	Promoting sustainable means of transportation helps to ensure sustainability	355	1	5	3.72	1.072	A
SUS6	Water conservation management is pivotal for sustainability	355	1	5	4.02	1.076	A
SUS7	Encouraging community participation and dialogue promotes sustainability	355	1	5	3.95	1.126	A
SUS8	Local sourcing of raw materials and partnerships enhances sustainability	355	1	5	3.91	1.101	A
SUS9	Hygiene practices are a good measure of sustainability	355	1	5	3.72	1.222	A
SUS10	Quality and efficient services help to promote sustainability	355	1	5	4.67	.620	SA
	Valid N (listwise)	355					

Source: Field Survey, (2024).

Table 12. presents the descriptive statistics of the item on sustainability of the hospitality industry/host communities in

Ondo state. According to the table, all the items (SUS1, SUS2, SUS3, SUS4, SUS5, SUS6, SUS7, SUS8 and SUS9) have mean scores between 3.41-4.20, which represent Agree (A) while item SUS10 has a mean score between 4.21-5 which represents strongly agree (SA). It can be concluded that the majority of the respondents agreed that the hospitality industry has enhanced the sustainability of the host communities through hygiene practices, local sourcing of raw materials and partnership, encouragement of community participation and dialogue, water conservation management, promotion of sustainable means of transportation, efficient energy consumption, integrated eco-friendly practices and social re-

sponsibility.

*Multiple Regression Tests of Hypotheses*

This sub-chapter presents the results of hypotheses testing between the independent variables (economic (ECO), social-cultural (SCO), and the dependent variable (sustainability (SUS))). However, to understand the actual effects of the various hospitality industry impacts on the host communities in Ondo state, a multiple regression analysis was conducted. A detailed explanation of this was presented using three [3] tables namely; model summary, ANOVA table and coefficient table.

**Table 13.** Model Summary.

Model	R	R <sup>2</sup>	Adj. R <sup>2</sup>	Std. Error.	Change Statistics				
					R <sup>2</sup> Change	F Change	df1	df2	Sig. F Change
1	.708a	.501	.494	.55067	.501	71.992	2	287	.000

a. Predictors: (Constant), ECO and SOC  
 b. Dependent Variable: SUS

Source: Field Survey, (2024).

Table 13 presents the regression model summary that provides detailed and sufficient information about the characteristics of the study model. The independent variables in the study are ECO and SOC. They are the main variables to be considered in the study, because of their ability to predict or explain the dependent variable. The relevant and necessary elements due for interpretations in Table 13 are; R-value, R<sup>2</sup> and adjusted R<sup>2</sup>. The R-value represents the correlation between the dependent and independent variables. If the R-value is greater than 0.4, it is considered fair and good, [11]. In respect to this study, the R-value was 0.703, which is fair and good.

R<sup>2</sup> stands for the total variation of the dependent variable

that could be explained by the independent variables. If the R<sup>2</sup> value is greater than 0.5, means that the model is effective enough to determine the relationship between the independent and dependent variables [11]. In this study, the R<sup>2</sup> value was .501, which is acceptable, statistically significant, effective, and good for this study. Adjusted R<sup>2</sup> value displays the generalization of the results in the model, which is the variation of the sample results from the population in multiple regressions. It is required to have a difference between R<sup>2</sup> and adjusted R<sup>2</sup> minimum. In this study, the adjusted R<sup>2</sup> value was .494, which is not far off from .501, so it was considered good as suggested by [11]. Therefore, the model summary table is satisfactory to proceed with the study.

**Table 14.** ANOVA Table.

Model		Sum of Squares	Df	Mean Square	F	P-value
1	Regression	87.322	2	21.830	71.992	.000 <sup>b</sup>
	Residual	87.028	350	.303		
	Total	174.350	354			

a. Dependent Variable: SUS

b. Predictors: (Constant), ECO and SOC

Source: Field Survey, (2024).

Table 14 determines whether the model is significant enough to determine the outcome of the study. The elements of the table, which are relevant for interpretation, are the *P-value and F ratio*. Generally, a 95% confidence interval or 5% level of the significance level is chosen for a study. Thus, for social and management sciences the p-value should be significant if it is less than or equal to 0.05 [11]. So, about this study, the p-value is significant with .000. Therefore, this means that the result of this study is very significant. More-

over, any study that has the p-value of its ANOVA table below the threshold significance level (p-value <0.05), thus has a possibility of rejecting the null hypothesis. *F-ratio* represents an improvement in the prediction of the variable by fitting the model after considering the inaccuracy present in the model. In a study, if the f - f-ratio value is greater than 1, it means that the model is very strong, robust and efficient [11]. Based on the above table, the f - ratio value is 71.992 which is very efficient, robust and good.

Table 15. Coefficient Table.

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics			
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF	Decision
(Constant)	-.350	.264		-1.326	.186			
1 ECO	.019	.007	.108	2.567	.011	.983	1.017	Rejected
SOC	.400	.071	.301	5.633	.000	.609	1.643	Rejected

a. Dependent Variable: SUS.  
Source: Field Survey, (2024).

Table 15 shows the strength of the relationship between the independent variables and the dependent variable.

The Sig column contains the p-values for each of the independent variables. The hypothesis being tested for each is that the coefficient (B) is 0 after controlling for the other variables. A p-value < 0.05, provides evidence that the coefficient is different to 0. ECO (t-value= 2.567, > 1.96; p =0.011, < 0.05), SOC (t-value= 5.633, > 1.96; p =0.000, < 0.05), are all significant predictors of host communities' sustainability since their t-value was within the thresholds of greater than or equal to (>=) 1.96 and p-value was less than 0.05 [11]. Given the above findings, all the formulated null hypotheses were rejected.

### 3.3. Discussion of Findings

The discussion was guided by the research objectives stated in chapter one of this study. Thus, each variable was discussed based on its findings about the findings of related previous studies.

#### 3.3.1. Economic Impact of Hospitality Industry on Host Communities Sustainability

The study found a positive correlation between the economic impact of the hospitality industry and host communities' sustainability in Ondo state (correlation coefficient 0.187, P-value = 0.001). This simply means there is a linear relationship between the economic impact of the hospitality industry and host communities' sustainability, although the

relationship was weak (18.7%) it was positive and significant (p-value=0.001). The hospitality industry in Nigeria contributes significantly to the GDP of the nation and is anticipated to expand further with the development of infrastructure and greater investment in the sector [2]. When tourists spend money on lodging, food, transportation, and souvenirs, the hospitality business contributes to foreign exchange revenues from tourism.

Furthermore, the findings from the regression model (t-value= 2.567, >1.96; p-value= 0.011, <0.05) show that enhancements on the economic impact of the hospitality industry while holding the other factors (sociocultural and sustainable development) constant would enhance the sustainability of host communities in Ondo state, Nigeria by a factor of 0.019. The finding of this study agreed with the research findings of [10] and [5] which reported that the hospitality industry has an economic impact on the sustainability of the host communities. In addition to this, the study's descriptive statistics findings revealed a mean score above average, which means that the majority of the respondents agreed that the hospitality industry has an economic impact on the sustainability of the host communities (Mean = 3.81, Std. Dev = 0.664).

#### 3.3.2. Socio-Cultural Impact of Hospitality Industry on Host Communities Sustainability

The study's inferential statistics found a positive correlation between socio-cultural impact and host communities' sustainability in Ondo state (correlation coefficient = 0.594,

P-Value = 0.000). This simply means there is a linear relationship between the socio-cultural impact of the hospitality industry and host communities' sustainability, the relationship was moderate at 59.4% and it was also positive and significant at  $p$ -value=0.001. The hospitality industry is essential in promoting social connections and cross-cultural exchange because it provides opportunities for individuals from different backgrounds to meet, share experiences, and learn about other cultures [25].

Furthermore, the finding from the regression model ( $t$ -value=2.567,  $>1.96$ ;  $p$ -value= 0.011,  $<0.05$ ) shows that the adoption of sociocultural impact while holding the other impacts (economic, sustainable development, and challenges) constant would enhance the sustainability of host communities in Ondo state by a factor of 0.400. That is, every 1 per cent increase in socio-cultural activities by the hospitality industry will bring about a 40% increase in the sustainability of the host communities. Among the items included in this are the preservation of local cultural legacy and the regeneration of its businesses, the known cultural design and architecture infrastructures, historic buildings and wells, pedestrian paths and so on. In addition to this, the study's descriptive statistics findings revealed a mean score above average, which means that the majority of the respondents agreed that the hospitality industry has an economic impact on the sustainability of the host communities (Mean = 4.22, Std. Dev = 0.583).

## 4. Summary, Conclusion and Recommendation

### 4.1. Summary

This research project investigates the hospitality industry and socio-economic sustainability of host communities in Ondo State, Nigeria. It unveiled the economic importance of the hospitality industry to the development and sustainability of the host communities where they are domiciled. The hospitality industry creates significant employment opportunities for residents, the hospitality industry contributes to the growth of local businesses through increased demand for goods and services. The findings show that hospitality stimulates investments in the local economy, attracts foreign investments and develops infrastructures in the host communities. On the other hand, the study revealed the social impacts of hospitality on the sustainability of the host communities through the creation of social connections, and promotion of interactions among people of diverse backgrounds. The study shows that the hospitality industry supports cultural preservation and promotes cultural heritage.

### 4.2. Conclusion

The hospitality industry remains a tool for the socio-economic development and sustainability of the host community. The study revealed the socio-economic im-

portance of the hospitality industry to the sustainability of their host communities. The hospitality industry has a profound impact in terms of economic and social benefits which enhances the prompt and rapid development of host communities. While it generates significant socio-economic benefits, it poses challenges such as cultural homogenization, environmental degradation, and social displacement.

### 4.3. Implications and Contributions to Knowledge

- i. The study provides useful scientific data for the socio-economic contributions of the hospitality industry to the sustainability of the host community in Ondo State for the first time.
- ii. This research contributes to the understanding of the hospitality industry's socio-economic and sustainability on the host communities which entails impacts and informs strategies for sustainable development.
- iii. Its findings have practical implications for hospitality operators, scholars, policymakers, and local communities seeking to harness the industry's potential for development and mutual benefit.
- iv. The study is a pilot study and provides modalities and guidelines for further research.
- v. The findings provided essential information for future official use.

### 4.4. Recommendations

#### 4.4.1. For Hospitality Operators

- I. Develop and implement CSR policies prioritizing community engagement, local participation strategy, local/management decision-based mechanism and environmental hygiene practice for sustainability.
- II. Invest in staff training on guest services and satisfaction, handling customer complaints and a strong customer feedback system, enhancing cultural sensitivity and community outreach.
- III. Collaborate with local businesses for supplies, security, synergy and stakeholders to promote economic benefits.

#### 4.4.2. For Policy Makers

- I. The creation of regulatory frameworks by the various levels of government in promoting sustainable hospitality and community development.
- II. Provide incentives for community-based hospitality initiatives.
- III. Develop capacity-building programs, brainstorming and conferences for local stakeholders.
- IV. Encouraging institutional training through colleges of education, polytechnics and universities where the tenets, professionalism and ethics are learned.
- V. Collaboration between hospitality operators, stakehold-

ers, community leaders and the government in decision-making.

VI. Encouragement of model planning for hospitality facilities and incorporation of the building or civil engineering with hospitality professionals.

VII. Strategic implementation of professional recommendations and suggestions through research articles/journal and conference papers.

#### 4.4.3. For Local Communities

I. Establish community-led hospitality initiatives to ensure resident participation.

II. Prioritizing the interest community interest and preservation of their heritage.

III. Developing and organizing entrepreneurial skills and training of the residents to benefit from hospitality industry growth.

IV. Engage in participatory planning processes for sustainable development.

V. Safeguarding the infrastructures of the hospitality operators.

VI. Peaceful and amicable resolution of conflicts between hospitality operators and the residents for sustainability.

#### 4.4.4. For Future Research

I. Investigate the hospitality industry and socio-economic sustainability of host communities in other states of Nigeria and the Federal Capital Territory, Abuja.

II. Investigate the environmental impacts of the hospitality industry on the sustainability of the host community.

III. Investigate the impact of technology on sustainable hospitality practices.

IV. Explore the role of community-based in conflict-affected areas.

V. Develop comprehensive frameworks for measuring socio-economic impacts.

## Abbreviations

GDP	Gross Domestic Product
ECO	Economic
SOC	Social
SUS	Sustainability

## Author Contributions

**Idowu Ojo:** Conceptualization, Investigation, Methodology, Writing – original draft

**Ekundayo Mejabi:** Supervision, Writing – original draft

## Conflicts of Interest

The authors declare no conflicts of interest.

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## Research Fields

**Idowu Ojo:** Hospitality, Tourism, Host Community, Sustainability, Social, Economic

**Ekundayo Mejabi:** Tourism, Hospitality, Sustainability, Host community, Economic, Social