

Human Resources Management Practices and Destination Competitiveness in Nigeria

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Abstract

Many developing countries are facing challenges in human resources management practices, such as staff training, ease of finding skilled employees, pay, productivity, etc., and these influence a country's abilities to attract international tourists negatively. This study seeks to examine the influence of human resources management practices on destination competitiveness using Nigeria as a case. The longitudinal survey design was used in the study, with yearly data on international tourist arrivals, the extent of staff training, ease of finding skilled employees, and pay and productivity from 2010-2021 being the subjects of investigation were used. Pearson Product Moment Correlations was used with the help of SPSS to test the level of relationship between the human resources management practices and destination competitiveness. The findings revealed that: the extent of staff training, ease of finding skilled employees, and pay and productivity of the employees showed no significant relationship with destination competitiveness in Nigeria. Thus, there is need to develop a strategic training plan for staff working in the industry to enable them have the basic skills and knowledge required in the industry to boost tourism development. Employees should have basic trainings on marketing skills and how to manage customers in the tourism ecosystem. Policy makers and managers in the tourism industry should do more to improve the pay of workers in the industry to improve the productivity and destination competitiveness of Nigeria.

Keywords: Staff training; Skilled employees; Pay and productivity; Destination competitiveness

Introduction

Tourism is a socio-cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal, business or professional purposes. The report of the World Tourism Organization of 2018 considered tourism as one of the world's largest export earners representing 7% of the world's exports of goods and services. The tourism industry has a direct impact on the growth of the economy, and also stimulates the growth of other sectors through backward and forward linkages and increases the income of local people as well as effective demand (UNWTO, 2018).

Due to the influence of the tourism industry on the economy, many nations of the world are turning their attention to the industry for economic revitalization. Before Covid-19 pandemic and the resultant international restrictions, the international tourist arrivals to Sub-Saharan Africa where Nigeria belongs, recorded 37,413.5 million tourist arrivals, US dollars (World Economic Forum, 2019). As regards Nigeria, the tourism industry has been contributing its fair share to the country's economy. The World Economic

Forum's current report shows that Nigeria received 1,889,000 international tourists in 2021, with an inbound receipt of \$313.3 million. It contributed \$2,730.1 million to the country's Gross Domestic Product (GDP), and the industry's share of employment was 0.91% (World Economic Forum, 2022).

The travel and tourism industry is service-based, as the values are often created by the human resources of the organizations. Rana and Singh (2016) as cited by Bello and Bello (2022) opine that employees are indispensable resource needed by every organization to achieve high performance. The constant change in consumer behaviour and high level of competition in the industry necessitate the need to have a highly skilled, trained and competent workforce (Hieu, Vu & Nwachukwu, 2020). Sandra (2015) as cited in Hieu et al; (2020) opined that the "human factor is the key factor to reach success, competitiveness, and survival on the market because the new market values will be created from the knowledge, skills, abilities, and motivation of the human". For tourism development in destinations, and the achievement of the determined economic standards and targets, such as the increase in the number of international tourist arrivals, competent human resources are paramount (Qigi & Rova, 2014; Hieu, et al; 2020). To develop and create exceptional tourism products and to satisfy the needs of both domestic and international tourists, a high-quality workforce must be in place (Hieu et al; 2020).

Human resources development in tourism hinges on the development of a professionally trained and educated workforce, the host community and the tourists (Font, et al., 2017). Efficiency, effectiveness and competence of the human resources of a particular organization determine its success and competitiveness. According to Baum (2012), human resources are "regarded as the most vital element of the tourism industry which requires high human involvement in the development and delivery of its services". Kusluvan, et al; (2010) opine that "the human element in tourism organizations is critical for service quality, customer satisfaction and loyalty, competitive advantage, and organizational performance". According to Mukhtar, (2013), as cited in Ganie and Dar (2020), the tourism industry is labour-intensive, capable of absorbing both skilled and unskilled labour force. Dachner, Elligson, Noe and Saxton (2019) as cited in Pegoelong, Ezenagu and Nasiru (2022) state that the development of employees' knowledge, skills, and abilities constitutes critical talent management initiatives, and these could be through formal education, job experience and professional relationships. To succeed and gain a competitive advantage in today's dynamic and highly competitive environment, the tourism industry must have dedicated, committed, effective, and competent human capital, which is regarded as the most vital asset of the tourism industry (Ganie & Dar, 2020).

Previous studies have shown that there is a positive relationship between human resources and tourism development in different destinations. Razzaq et al; (2013) identified the lack of tourism knowledge and skills as the basic constraints that limit the ability of local people to actively participate in tourism planning and development. In examining human resources and sustainable tourism development, Hieu, et al; (2020) discovered that Phu Quoc Island is faced with the issue of incompetent human resources and shortage of management team for tourism businesses. Other studies with a significant relationship between human resources and tourism development include Ganie and Dar (2020); Adoyan (2015); Zaiiril, (2019); Alwan and Nori (2021); Hermawati et al; (2020); and Prayag and Hosany (2015).

Nigeria is blessed with an abundance of tourism products but the development of the sector is not getting the needed attention. The current report of the World Economic Forum shows that Nigeria ranks 110 out of 117 countries surveyed in 2021, with an overall score of 3.0 out of 7.0. On the country's rating in human resources and labour market, Nigeria ranked 100th out of 117, with an average score of 3.4. The sub-indicators of the Human Resources and Labour market pillar; extent of staff training ranks 76 out of 117, with an average score of 4.0, while ease of finding skilled employees in the local labour market ranks 96 out of 117, with an average score of 3.8 (WEF, 2022). This report shows that lack of professionalism in the sector as discovered by UNWTO (2006) is still affecting the development of the sector in Nigeria. The report shows weaknesses in human resources management practices in the tourism sector, which include: inadequate on-site practical training, lack of professionalism, imbalance between academic and skill training, etc. (Esu, 2012). The importance of human resources in business organizations, especially in the tourism industry has been studied previously in such works as Razzaq et al; (2013), Hieu, et al; (2020); and Gernie and Dar (2020), Alwan and Nori (2021), and a host of others, but there is paucity of recent works on human resources management practices and destination competitiveness in Nigeria, with the application of secondary data from various years.

This paper examines the relationship that exists between the extent of staff training and ease of finding skilled employees in the local labour market, pay for workers and productivity, with international tourist arrivals in Nigeria. The main objective of the study is to examine the influence of human resources management practices on destination competitiveness in Nigeria. Specifically, the research work strives to examine: (1) the effect of staff training on international tourist arrivals in Nigeria, (2) the effect of ease of finding skilled employees on international tourist arrivals, and (3) the influence of pay for workers and productivity on international tourist

arrivals. The study is guided by the framework below and the human capital theory.

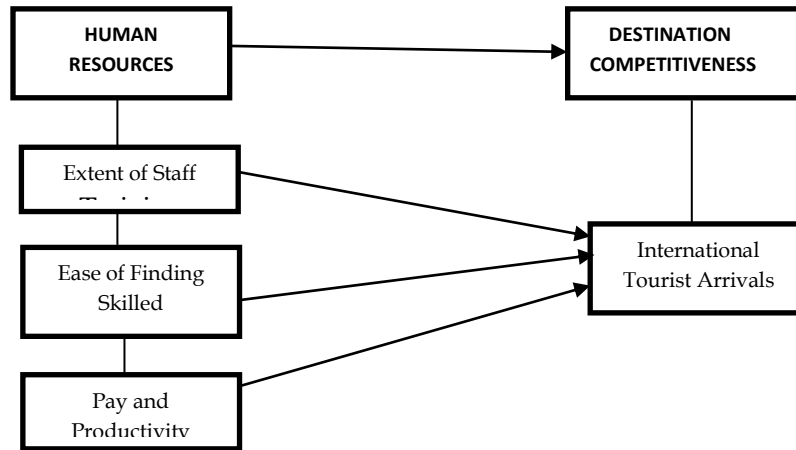


Figure 1: Conceptual Framework Fieldwork

Human Capital Theory

Human capital theory was propounded by Schultz (1961, 1963), but enhanced by Becker (1964). The theory focuses on the importance and need to invest in human capital development to achieve and sustain competitive advantage in any business environment. It posits that there is a positive relationship between human capital development and economic growth. Therefore, the enhancement of a country's human resources would positively impact the country's economic development. The theory also posits that investments in human capital development enhance the ability of people in a particular industry to use their national skills and abilities to create positive outcomes. Investing in the training of human resources, in turn, increases employability and also plays a significant role in the growth of national income.

Human resources are vital for the growth of the tourism industry. As a service-related industry, and with changing features of consumers, human capital development such as training, education, etc. are vital in order to compete favourably with other destinations. This theory aligns with the purpose of the study, namely the ease of finding skilled employees from the local economy, and the extent of staff training. It shows that the more a nation focuses on human capital development through staff training, the greater the chances of finding skilled employees to manage the tourism industry.

Methodology

This research made use of the trend form of longitudinal analysis in obtaining, analyzing and interpreting data relating to the stated hypotheses. Therefore, the dependent variable (International Tourist Arrivals) and the independent variables (extent of staff training, ease of finding skilled employees, pay and productivity) were observed for twelve years (2010-2021) and measured based on the scores of 1 to 7 scale (1= extremely poor; 7 = excellent), according to World Economic Forum methodology. For data presentation and analysis, both descriptive and inferential statistical tools were employed. The descriptive Statistical tools employed under this study include; tables to organize the data and the inferential statistics used were Pearson Product Moment Correlation to test the hypotheses.

Data Presentation and Analysis

Table 1: Scores of Extent of Staff Training, Ease of Finding Skilled Employees, Pay and Productivity and Number of Tourist Arrivals to Nigeria from 2010-2021.

Years	Extent of Staff Training Score (1-7)	Ease of Finding Skilled Employees Score (1-7)	Pay and Productivity Score (1-7)	Number of Tourist Arrivals (Millions)
2021	4.0	3.8	3.3	518,000
2020	4.0	3.8	3.3	502,000
2019	3.7	3.8	3.6	2,010,000
2018	3.7	3.8	3.6	1,889,000
2017	3.9	3.9	3.9	1,255,000
2016	3.9	3.9	3.9	5,265,000
2015	4.3	3.5	4.2	1,255,000
2014	4.3	3.5	4.2	854,000
2013	3.1	4.4	4.4	600,000
2012	3.1	4.4	4.4	486,000
2011	3.0	4.5	4.1	715,000
2010	3.0	4.5	4.1	1,555,000

The World Bank (2022).

Table 1 shows the scores of the dimensions of human resources development for Nigeria and the number of international tourist arrivals to Nigeria from 2010 - 2021. The extent of staff training recorded a high level of inconsistencies in the trend of the scores. Nigeria recorded scores below average from 2010 - 2013 and improved from 2014 - 2021. The improvement suggests that the country is gradually improving in the extent of staff training in the tourism industry. Although, it is just a little above the average, measures need to be taken to improve more regarding staff training. Ease of finding skilled employees recorded above-average scores from 2010 - 2013, but slipped from 2014 to 2021. This shows that Nigeria is not doing much in the area of skilled employees. Finding skilled employees is one of the factors

that boost tourism and hospitality businesses, as skilled employees know how to manage the available resources and treat visitors well. Pay and productivity, according to the table, recorded above average from 2010 – 2015, but declined thereafter with the worst rating in 2020-2021. This shows that staff working in the tourism industry are not well rewarded financially and this has also affected their level of productivity and commitment to the development of the industry. The number of international tourist arrivals fluctuated also during the periods reviewed. It was only from 2015 to 2019 that Nigeria recorded above a million tourist arrivals. In other years, Nigeria struggled to attract international tourists despite the abundance of natural and cultural resources in the country.

Test of hypotheses and implications of the results

Hypothesis One

There is no significant relationship between the extent of staff training and tourism development in Nigeria.

Table 2: Correlations result of the extent of staff training and tourism development in Nigeria.

		International Tourist Arrivals	Extent of Staff Training
International Tourist Arrivals	Pearson Correlation	1	.298
	Sig. (2-tailed)		.346
	N	12	12
Extent of Staff Training	Pearson Correlation	.298	1
	Sig. (2-tailed)	.346	
	N	12	12

SPSS 25.0

Table 2 is the Pearson Correlation Coefficient matrix of the relationship between the extent of staff training and international tourist arrivals, showing the correlation coefficient, significant value and the number of cases. The correlation coefficient shows a weak relationship (0.298) with a p-value of 0.346 which is higher than 0.05. This implies that the extent of staff training has no significant effect on international tourist arrivals. Therefore, the null hypothesis is not rejected.

Hypothesis Two

There is no significant relationship between the ease of finding skilled employees and tourism development in Nigeria.

Table 3: Correlations result of ease of finding skilled employees and tourism development in Nigeria.

		International Tourist Arrivals	Ease of Finding Skilled Employees
International Tourist Arrivals	Pearson Correlation	1	-.323
	Sig. (2-tailed)		.306
	N	12	12
Ease of Finding Skilled Employees	Pearson Correlation	-.323	1
	Sig. (2-tailed)	.306	
	N	12	12

*. Correlation is significant at the 0.05 level (2-tailed).

SPSS 25.0

Table 3 is the Pearson Correlation Coefficient matrix of the relationship between the ease of finding skilled employees and international tourist arrivals, showing the correlation coefficient, significant value and the number of cases. The correlation coefficient shows a weak relationship (-.323) with a significant value of 0.306 which is higher than 0.05. This implies that there is a weak relationship between the ease of finding skilled employees and tourism development in Nigeria. Therefore, the null is not rejected.

Hypothesis Three

There is no significant relationship between pay and productivity and tourism development in Nigeria.

Table 4: Correlations result of pay and productivity and tourism development in Nigeria.

		International Tourist Arrivals	Pay and Productivity
International Tourist Arrivals	Pearson Correlation	1	-.259
	Sig. (2-tailed)		.417
	N	12	12
Pay and Productivity	Pearson Correlation	-.259	1
	Sig. (2-tailed)	.417	
	N	12	12

SPSS 25.0

Table 4 is the Pearson Correlation Coefficient matrix of the relationship between pay and productivity and international tourist arrivals, showing the correlation coefficient, significant value and the number of cases. The correlation coefficient shows a weak relationship (-.259) with a p-value of 0.417 which is higher than 0.05. This implies that pay and productivity in the tourism industry have no significant effect on tourism development in Nigeria. Therefore, the null is rejected.

Discussion of Findings

This study examined the nature of relationship between the human resources management practices and destination competitiveness with the use of secondary data from the World Economic Forum, the World Bank, World Travel and Tourism Council. The dimensions of human resources management practices used for the study were: the extent of staff training, ease of finding skilled employees, and pay and productivity. These variables were examined against international tourist arrivals as a measure of destination competitiveness in Nigeria. The three hypotheses formulated were subjected to statistical tests with Pearson Product Moment Correlations. The first hypothesis examined the relationship between the extent of staff training in the industry and destination competitiveness. The correlation coefficient shows a weak relationship (0.298) with a p-value of 0.346 which is higher than 0.05. This implies that the extent of staff training has no significant effect on international tourist arrivals, which led to the non-rejection of the null hypothesis. The result was in support of the views of the WTO (2006) and the various World Economic Forum's publications on the position of Nigeria regarding staff training in the tourism industry. The findings are also in line with the studies of Razzaq et al., (2013) and Zairil (2019) that tourism development is constrained by a lack of training in tourism skills and knowledge, and these have limited the local people's ability to participate in tourism development. The country's inability to improve on her rating on staff training is affecting the rate at which we attract international tourists to Nigeria.

The second hypothesis examined the relationship between the ease of finding skilled employees in the industry and destination competitiveness. The correlation coefficient shows a weak relationship (-0.300) with a p-value of 0.344 which is higher than 0.05. This implies that the rating of ease of finding skilled employees has no significant effect on destination competitiveness, and as a result, the null is not rejected. The result is in support of the views expressed by WEF (2022) on the ratings of Nigeria in terms of finding skilled employees to manage the industry. The findings are also in line with the studies of Hie et al., (2020), Atoyán (2015) and Zairil (2019). These studies revealed that there are incompetent human resources, lack of quality

professionals and shortage of management teams in the tourism and hospitality industry.

Hypothesis three examined the relationship between pay and productivity of the employees and destination competitiveness. The correlation coefficient shows a weak relationship (-0.259) with a p-value of 0.317 which was higher than 0.05. Impliedly, pay and productivity of the employees have no significant effect on destination competitiveness and this led to non-rejection of the stated hypothesis. The result supported the view of WEF (2022) on the pay and productivity of the employees in the industry. The report shows that the rating on the country's pay and productivity dropped below average from 2020 -2021. The findings of Ganie and Dar (2020) revealed that there is a positive association between human resources and tourism development. That is, if the employees are treated and rewarded well, their level of productivity will also increase.

Conclusion

Human resources in the tourism industry represent all the people from managers to labourers working in different sectors of the tourism industry. Human resources are multidimensional and involve those who engage themselves to fulfill their needs as well as the needs and objectives of the organizations in the tourism industry. Human resources make use of other resources of an organization and thus enable the organization to accomplish its goals. In a service industry especially tourism, human resources constitute the core element, the absence of which will mar the existence of the industry. Nigeria is blessed with numerous tourism resources and if well harnessed, would significantly contribute to economic growth and development. This sector is promising for Nigeria, but the major challenges facing the sector are limited professionals, continuous staff training, customer orientation knowledge, pay and productivity, etc. To develop and promote Nigeria's tourism potential and make Nigeria a competitive and a choice destination, urgent and credible actions are needed in the areas of human resources development such as staff training, customer orientation, tourism-related skills, and the remuneration of the employees working in the industry to improve on their productivity. Human capital is considered the life blood of any service industry, especially the tourism industry which deals with the interactions with people travelling from one destination to another. Therefore, adequate attention should be on developing skilled manpower in the industry, training them on customer orientation, and paying them well to improve their productivity to the benefit of the country and ultimate increase in international tourist arrivals and receipt. A strategic training plan for staff and the locals of the host environments, when combined with policy directions that improve the pay of workers in the industry, would resultantly improve productivity and destination competitiveness in Nigeria.

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