

Motives and Commitment of Entrepreneurs in Hospitality/Tourism Firms in Port Harcourt

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This aim of this study is to provide both theoretical and empirical insights on entrepreneurs' motives and commitments in the hospitality and tourism industry in Nigeria, using simple descriptive statistics and complemented with interviews. The study adopted an exploratory research methodology to explore the phenomena of motives and commitment, using descriptive statistics, particularly mean, and standard deviation to present the extent of occurrences in the study subject. The study is based on a sample of 120 entrepreneurs who are owners of small restaurants in Port Harcourt, Rivers State. The results show that entrepreneurs in the hospitality industry are mostly motivated by family related factors such as family tradition, family situation, family line of business, and family prestige. Societal factors are more prominent in the list than both personal and income, financial considerations. The least considered factor that motivates a business start-up is finance or income. The results also suggest that although, entrepreneurs are highly committed to starting and growing their own businesses and are willing to do anything that will help achieve this objective including significant personal sacrifices, they are however, not willing to compromise their family lives.

Keywords: entrepreneurs, motives, commitment, hospitality industry

Introduction

There is increasing global recognition of small and medium scale enterprises (SMEs) as the main drivers of economies. Thus, the role of entrepreneurship as a factor in inclusive economic growth cannot be overemphasized. According to Barha-Sánchez and Atienza-Sahuquilk (2012), opening a new business enterprise represents a decision based, not only on both personal and subjective motives, but also, on the environment. The motivation of an entrepreneur also represents a commitment to start and grow a new business based on available resources (e.g., land, labour, and capital), and thus, increasing national income, employment, and output.

The Nigerian hospitality and tourism industry primarily engages in providing services such as restaurants, hotels, bars, cruise lines, and many other related businesses. The origins of the modern Nigerian hotel industry dates to 1942 with the opening of the Lagos Airport Hotel between 1960 (the year of Nigeria's independence)

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and 1979 (when the country returns to civilian rule after a long military rule); more hotels were established mostly by the government owing to lack of capacity in the private sector (NBS, 2015). These include Hotel Presidential in Port Harcourt in 1963, the Eko Holiday in 1976, the adjacent Eko Hotel in 1977, the Festac 77 Hotel in 1977, and the three Gateway Hotels in Abeokuta, Ijebu-Ode, and Ota in 1979.

The GDP of accommodation and food services in Nigeria grew in the early 1980s, which was attributed to the oil boom of that period, but dropped considerably between 1983 and 1985 (see Figure 1).

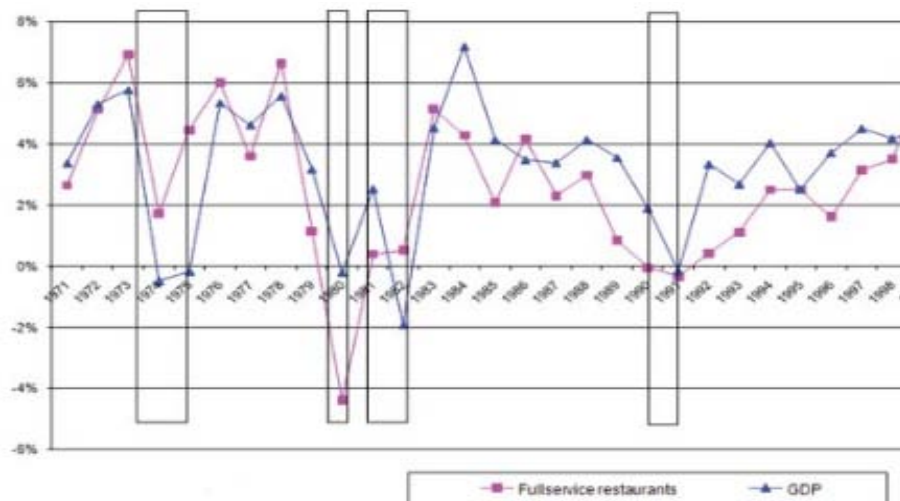


Figure 1. The GDP of accommodation and food services.

This sharp decline in the growth rate coincided with the period of military take over. In the late 1980s and early 1990s, there was a considerable growth which also coincided with the period of deregulation associated with the structural adjustment programme that was introduced in 1986. As shown in Figure 1, from 1999 when the country returns to democratic rule, there was a steady increase in the GDP of the accommodation and food services, reflecting an improved economic activities and business environment. However, the growth in this subsector has been unstable.

This study aims at providing both theoretical and empirical insights on entrepreneur's motives and commitment in the hospitality industry, focusing on the small-scale hotel businesses in the Port Harcourt metropolis, Rivers State, Nigeria using simple descriptive statistics.

The remaining part of the study is organized into four sections.

Literature Review

Theoretical Foundation

The issue of what motivates the decision to start a new business has been central in entrepreneurial research. Schumpeter (1952) is among the first authors that classify entrepreneurial types based on entrepreneurial motives. The first motivating factor is self-esteem or self-realization. Entrepreneurs start a new business because of inner desire to realize own ideas which they believe would make a significant contribution to the development of the society. Thus, innovation is the main force behind every entrepreneurial undertaking. Another motive is the desire to earn higher income and improve social status. In this case, the decision to own a business is based on the need to meet certain financial needs that will improve prestige and to establish one's own empire.

The third motive behind entrepreneurial activities is what is known as “will to win spirit”. This “will to win spirit” and desire to succeed make people to prefer self-employed or employers of labour over paid employment. Entrepreneurs in this category are keen to exert positive influence in the society through employing others and offering real opportunities to people for greater prosperity. The fourth motive is the desire to preserve and maintain some inherited practices or traditions, which manifest in the desire to continue family businesses over several generations.

Two categories of entrepreneurs have also been identified in the literature; entrepreneurs motivated by economic needs and those motivated by self-realization. According to Williams, Round, and Rodgers (2009), it is now common to distinguish between necessity entrepreneurs and opportunity entrepreneurs. While necessity entrepreneurs are motivated by economic needs (survival factors) and are pushed into entrepreneurship because it is the only viable option left for them, opportunity entrepreneurs are those who become entrepreneurs out of personal desire to exploit opportunities in the business environment.

Empirical Studies

Welsch, Liao, Pistrui, Oksoy, and Huang (2003) investigate the nature and characteristics of emerging entrepreneurs during the transition period towards a market economy. Based on 222 samples of Wuhan entrepreneurs in Hubei Province in central China, they find strong evidence that entrepreneurs are highly committed and motivated to grow and expand their enterprises in terms of adding new products/services, seeking new markets and making the necessary sacrifices to achieve the desired goals. A breakdown of the results show that the entrepreneurs are mainly motivated by increased earnings, personal sense of accomplishment, fun and better use of trainings and skills while their main attributes include hard work, diligence, and the desire to be prominent.

In Poland, Zapaiska and Brozik (2007) examine the nature of tourism and hospitality family businesses as well as the environment for development and growth of these entrepreneurial firms in the transitional and reforming economy using survey data collected from 100 family businesses operating at the last stage (the Stability Stage) via telephone. The study classifies entrepreneurs according to their motives and the results indicate among other things that entrepreneurs are mainly motivated by success, tolerance for ambiguity and taking risks, locus of control.

In Moscow, Williams, and Round (2009) examine the co-presence of necessity (push) and opportunity (pull) factors in motivating entrepreneurs in the informal sector using a survey data. The results show that most of the entrepreneurs are influenced by both necessity and perceived opportunity in their decision to start a business enterprise. There is also tendency for them to shift from motives towards pull drivers as their enterprises become more established.

In Turkey, Benzing, Chu, and Kara (2009) examine the motivations, success factors and problems associated with business ownership using principal component analysis. Based on survey responses from 139 entrepreneurs, they find among other things that the main motives behind business start-up are financial rewards (increase in income), job security and independence while success factors are social skills and good customer care.

In Italy, Peters, Reich, Mark, and Pichler (2012) examine the role of commitment in the succession of hospitality businesses in South Tyrol using cluster analysis. The results, based on data collected through interview of 15 successors of hospitality business, show that commitment, measured by motive, family business

and take-over, plays a very major role in the whole succession. The results also show that parents' heritage or the successors' perceptions of the business as the home where they have grown up are important motives for running a family business, and that trust or personal support through family members are the push motives to become the successor.

In Ukraine, Williams, Round, and Rodgers (2009) examine whether entrepreneurs in the informal sector are necessity driven or are pulled into entrepreneurship by opportunity in the business environment. Based on data collected from 298 informal entrepreneurs through face to face interview between 2005 and 2006, they find that although, most entrepreneurs identify themselves as necessity entrepreneurs when initially asked whether they were either pushed or pulled, subsequent questions reveal in the vast majority of cases, there were not only both push and pull factors driving their original decision to start-up informal enterprises, but also a clear shift among these entrepreneurs as their business became established away from necessity-oriented motivations and toward more opportunity-oriented motivations.

De Silva (2010) investigates start-up and growth motives of UK entrepreneurs who are owners of small and medium scale enterprises in Bradford using interview data collected using storytelling approach. He finds that at the start-up stage, both pull and push factors play out in motivating each entrepreneur in the sample but the growth stage of the business, they are motivated by only pull factors.

Barha-Sánchez and Atienza-Sahuquillo (2012) investigate the motives of entrepreneurs, and why they establish new enterprises. Based on a sample of 101 entrepreneurs who are owners of companies, they find that making money or independence are sufficient reasons for a business start-up, and that entrepreneurs motives significantly influence their decision to start a business.

In China, what appears to be the first empirical entrepreneurship study in the hospitality industry is the work of Chen and Elision (2013) using cluster analysis, discriminant analysis, cross tabulation, and multivariate analysis of variance (MANOVA). The study is based on survey data collected from 254 owners of small scale restaurants across three provinces. The findings of the study suggest among other things that autonomy, family protection, and financial reward or profits are the main motives behind small restaurant entrepreneurs.

Recently, Kozub Iková, Sopková, Krajčů, and Tyll (2017) consider the relationship between entrepreneurial motives and factors relating to entrepreneurial orientation (innovativeness, proactiveness, and competitive aggressiveness) for small and medium-sized enterprises (SMEs) in Czech Republic. The full sample consists of 581 entrepreneurs which is divided into two groups based on their motives (money and life mission). They find that there are significant differences in all the constructs of entrepreneurial orientation (innovativeness, proactiveness, and competitive aggressiveness) between the entrepreneurs whose motive is to make money and those on a life mission.

In Nigeria, Aligba and Fusch (2017) consider the factors that influence the decision to become an entrepreneur using primary data collected from 20 youths who are owners of SMEs in the Niger Delta. They find that 19 dominant factors, including unemployment, the desire for control and freedom, financial independence, the willingness to take risks, determination, self-motivation, and persistence, influence the decision to own a business.

Akinyemi and Adejumo (2017) report a comparative analysis of the peculiarities of entrepreneurial motives and their challenges in Nigeria and South Africa. Based on data collected from 1,200 entrepreneurs, they find that most of the entrepreneurs are driven by pull factors or passion while only a few of them are driven by push factors or poverty.

Methodology

The study adopted a cross-sectional survey, using exploratory research approach to examine the phenomenon of motives and commitment of entrepreneurs in the Nigerian Hospitality and tourism industry. The study use descriptive statistics to present a bivariate analysis, as it did not intend to seek correlation between motive and commitment. Also, the following methodological issues were thus addressed.

Data and Sample

We adopted the Entrepreneurial Profile Questionnaire (EPQ) used by Welsch, Liao, Pistrucci, Oksoy, and Huang (2003) which has also been used by several entrepreneurship researchers both in developed and developing countries. The EPQ contains both demographic information of the respondents.

The study focuses on the small restaurant owners in Port Harcourt in Rivers State (Port Harcourt is one of Nigeria's major urban cities while Rivers State is one of the oil-rich states in Niger Delta Region of Nigeria). A total of 200 entrepreneurs participated in the study. However, 120 questionnaires were correctly completed and returned, and thus, the response rate is 60%. The analysis of the demographic data shows that small hotel owners in Port Harcourt are mostly women (only 10% are men), with average number of years in business as five years and average monthly income of ₦30,000 respectively. 80% of the respondents are married while only 20% attended secondary education (70% attended primary education, 5% attended tertiary education, and 5% are either school drop-outs or have no formal education). The data analysis is based on simple statistics such as means and standard deviations.

Measurement

Motives. The original version of this scale contains 38 statement items (Welsch et al., 2003). Items in this scale define entrepreneurs' motives for growing and expanding a business enterprise and are measured on a five-point Likert scale. However, not all the 38 items relate directly to small-scale hotel business owners. Thus, we modified the original scale by including items that suit our purpose and removing those that are irrelevant. The modified scale contains 24 statement items.

Commitment. The original version of this scale as used by Welsch et al. (2003) contains 11 statement items. Items in this scale define an entrepreneurial commitment to growing and expanding a business enterprise and are measured on a five-point Likert scale. We also modified the original scale by including items that relate directly to small-scale business owners in the hospitality industry and removing items that are off the line. The modified scale contains eight statement items.

Data Analysis and Discussion

Motives of Entrepreneurs

Table 1 shows the results of the ranking of motives for growing and expanding business enterprises by entrepreneurs in the Nigerian Hospitality sector based on mean and standard deviation. Nigerian entrepreneurs in the hospitality industry (small restaurant owners) are mostly motivated by family related factors, with family tradition, family situation, family line of business, and family prestige being the Top 4 items in Table 1. Surprisingly, small restaurant owners are more motivated by societal and environmental factors than personal independence and financial factors, with societal welfare, job creation, and environmental challenges being the 5th, 6th, and 7th ranked items respectively with relatively lower variability. However, personal factors (respect and independence, choice and passion) are ranked above financial factors, with items such as higher income,

financial freedom, survival etc., appearing at the bottom of the list. These results are largely consistent with the findings of Peters, Reich, Mark, and Pichler (2012) that parents' heritage or the successors' perceptions of the business at the home where they have grown up are the important motives for running a family business. Our results also agree with the results of Barba-Sánchez and Atienza-Sahuquillo (2012). However, our results are at variance with the findings of Welsch et al. (2003) and Benzin et al. (2009). Both studies are of the view that entrepreneurs are mostly motivated by financial reward and higher income.

Commitment

Motivated mostly by family factors and social welfare (Table 1), small restaurant owners in Nigeria are highly committed to starting and growing their own businesses rather than even earning a higher salary from someone else as shown in Table 2. They can only work for someone else only to the extent such can help them establish their own business and there is no limit as to the level of commitment to establishing their own businesses. They are willing to do whatever it takes to establish their own businesses including significant personal sacrifices but not at the expense of their family lives. They do not have any plan to sell their hard-earned businesses eventually.

Table 1

Motives

Rank	Statement item	x	α
1	I want to continue a family tradition	3.93	0.823
2	My family situation pushed me	3.91	0.778
3	To continue in my family line of business	3.89	0.742
4	To increase the status and prestige of my family	3.89	0.807
5	To contribute to the welfare of the society	3.88	0.735
6	To create job for others	3.87	0.728
7	To be challenged by the environmental problems and opportunities of starting a business and making it grow	3.87	0.728
8	To earn personal respect	3.62	0.870
9	To be independent	3.35	1.268
10	It is my personal choice and desire	3.34	1.096
11	To do things my own way	3.34	1.206
12	To control my own time	3.34	1.134
13	To be my own boss	3.32	1.069
14	To work for my self	3.32	1.216
15	To do things differently	3.32	1.159
16	To follow my passion	3.31	1.151
17	To make better use of my training or skills	3.31	1.158
18	To support my family financially	3.30	1.185
19	To have financial freedom	3.30	1.199
20	To earn higher income	3.29	1.212
21	Needed more money to survive	3.28	1.175
22	To earn financial reward	3.28	1.197
23	Nothing else to do to make real money	3.27	1.22 1
24	To boost my family income	3.27	1.235

Source: Survey data, 2018.

Table 2

Commitment

Rank	Statement item	x	α
1	I would rather own my own business than earn a higher salary employed by someone earn.	4.09	0.722
2	I would go to work somewhere else only long enough to make another attempt to establish my own firm.	4.09	0.722
3	There is no limit as to how long I would give a maximum effort to establish my business.	4.08	0.729
4	My personal philosophy is to do whatever it takes to establish my own business.	4.07	0.719
4	I would be willing to take significant personal sacrifice in order to stay in business.	4.06	0.702
4	I will do whatever it takes to make my business a success.	4.06	0.737
5	I will do whatever it takes to make my business a success.	3.99	0.680
6	I would rather own my own business than pursue another promising career.	3.96	0.738
7	My business is the most important activity in my life.	3.92	0.751
8	I would like my business to make a significant contribution to the society by developing a successful business.	2.62	0.852
9	Owning my own business is more important than spending more time with my family.	2.31	0.877
10	I plan to eventually sell my business.		

Source: Survey data, 2018.

Conclusion

This study examines the motives and commitments of entrepreneurs in the hospitality industry in Nigeria, using simple descriptive statistics. The study is based on a sample of 120 entrepreneurs who are owners of small restaurants in Port Harcourt in Rivers State. The conclusions are as follows:

There is evidence that entrepreneurs in the hospitality industry are mostly motivated by family related factors such as family tradition, family situation, family line of business, and family prestige. Societal factors are more prominent in the list of factors than both personal and income financial consideration. The least considered factors that motivate a business startup are finance related. The use of finance here is restricted to the push to do business because there is sufficient fund for start up. It is not use to connote the drive to make more money through profit. The profit motive is not raised in this exploratory study because it is assumed to be a given and *sine qua non* to every business intention. However, the pressure to do business may be driven by other motives such as: prestige associated with enterprise ownership; high need for power to control others as one's own employee; the non-availability of paid jobs; the scary phenomenon of job insecurity in Third World economies; and the passion to engage in entertainment based business, as an affective state in vocational choices.

The results also suggest that although, entrepreneurs are highly committed to starting and growing their own businesses and are willing to do anything that will help achieve this objective including significant personal sacrifices, they are however, not willing to compromise their family lives.

The exploration on motives and commitment of entrepreneurs in hospitality and tourism firms has shown the level of occurrences of these phenomena amongst owners of the firms investigated. However, the use of descriptive statistics particularly mean and standard deviation only merely described frequency attributes associated with analysis at the primary level. This tends to demand further that a correlation study be done where inferential statistical tool will be used to determine the relationship between motive and commitment of entrepreneurs in the hospitality and tourism industry.

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