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Causes of Failures in Hospitality Industry in Port Harcourt, Nigeria

Austin O. Oparanma (Department of Management Rivers State University of Science and Technology Rivers State, Nigeria)

Justin M. O. Gabriel (Department of Management Rivers State University Science and Technology Rivers State, Nigeria)

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Author (s)

Austin O. Oparanma

Department of Management Rivers
State University of Science and
Technology Rivers State, Nigeria.
[E-mail:okachi@yahoo.com](mailto:okachi@yahoo.com)

Justin M. O. Gabriel

Department of Management Rivers
State University Science and
Technology Rivers State, Nigeria.

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Abstract

This article is aimed at determining those problems associated with hospitality industry failures in Port Harcourt. With the ever-changing nature of the Nigerian business environment, a systematic approach to solve the problems becomes increasingly necessary. Coupled with the rapid increase in the number of corporate bodies and products or services today than before also calls for special attention. Base on what we gathered, to prosper in the business, either the individual must continue to add to his present skills and knowledge or he must gather around him human resources whose personality, training, skills, and energy can be combined into a productive corporate organization.

Keywords: Hospitality, Motivation, Management, and Restaurant.

Introduction

Today, many businesses exist because they provide values that consumers want. In the hospitality industry, the individual restaurant for example, exists only because it offers certain values to its customers. The values may be good food, reasonable prices, courteous service, and dramatic atmosphere, at a convenient location. The point that must be thoroughly be considered is that only to the extent that each operator can discover and satisfy the various needs of its customers will it flourish and prosper. Therefore, the basic purpose of any business is to relate the values it offers to the values demanded by its customers. Management must concentrate, emphasize, and improve these values rather than measure their effectiveness on the margin of profit. In this frame of reference, profit is not a realistic yardstick, it is the end result.

An organization common purpose may very well be to maximize sales or to satisfy the wants of customers through the values that are offered. A secondary goal may be to reduce

expenses. These are realistic objectives that can be planned, directed, and controlled. A goal such as making profit is too general and vague since any time during the life of a business organization, a series of quantitative decisions are continuously being made regarding the selection of the values and services that should be offered and the definite objectives that must be achieved. A wrong decision of a major importance, a significant failure to relate what the customers want and willing to purchase with the values of the business offers at a given price will doom the enterprise from the beginning.

The Main Causes of Failures

The businessman who fails doesn't know himself, doesn't know his market, doesn't know his business and doesn't know what is going on around him. Conceivable, everyone wants to succeed in his personal, his social and his economic goals but very few do. The key to success is not the wish for the desire to be successful. It is easy for anyone to wish for a million dollars in business, but to succeed, the individual needs many things. Above all, for

the need to be a definite goal there must be energy, drive, and the plan to work for it and the recruitment of people dedicated to the same goals. Many people of course settle for less(Campbell, 1993).

Anything can indicate an economic need. The need may be for better or different food, faster service, new convenience, increased status, or a new product. The only way to prosper is to think, not only to see the various facts, but to understand each fact independently to understand the significance when the facts are put together, and to understand the significance, scope, magnitude, complexity, and completeness of this relationship. Disregard an individual's potential ability in resolving complex problems of food quality, service, atmosphere, price and competition and look only at this dynamic relationship between emotion and success. However, can anyone succeed who is bored, indifferent, lazy, stubborn, and in-service? How far can the aggressive, crude, tasteless, impulsive, arrogant, and hostile individual climb?

Another major cause for business failure is the lack of detailed understanding and knowledge of the product. Although the inability to plan, direct, and control the various functional areas associated with food is an extremely serious management deficiency. Also, the failure to really understand the nature of the product sold can be equally catastrophic. The potential restaurant operator is exposed to two major problems that he definitely will not encounter if he elects to enter any other field of endeavour. The two specific problems he must resolve are the perish ability of food and the control of inventory.

Most people are aware that food spoils. However, they don't understand how serious this fact can be. Spoilage begins from the moment a food item is ordered and continues through receiving, dry and refrigerated storage, preparation, production and service, on the delivery truck, food items are thawed, bumped, mishandled, bruised, or robbed off their freshness. In other functional areas, frozen food spoils because it is not stored immediately. Milk source, banana over-ripen, lobsters die, fish rotten, meat dehydrates,

lettuce wits, oil becomes rancid, food is cooked too long, high temperature, too early , and the list is endless(Mintzberg, 1975).

A restaurant operator must serve his food soon after he receives it. Moreover, if he fries the potatoes, cooks the roast, defrosts the rout, and the items are not sold that day, he will not be able to sell them profitably tomorrow. His problems are further multiplied by inventory. A typical restaurant operator who desires to increase his sales volume must not only change his menu everyday, but also offer a large variety of menu items. Unless he is experienced and highly trained, the problems of a constantly changing inventory, coupled with an increase in the number of menu items carried in inventory, can be very expensive to resolve. Consider the fact that an increase in the number of menu items increases the risk of spoilage. Moreover, Charles,(1996) if sales volume drops because of inclement weather or if foods prepared in advance are not sold, the same items cannot be offered to the guest tomorrow. The sales of yesterday's roast rib of beef or yesterday's leftovers will eventually drive away all the customers.

The important of food perish ability and inventory can be summarized by unequivocally stating that, if two individuals of equal drive, intelligence, and ability planned to open businesses, the individual who entered any business except the restaurant field will have an 80 percent better chance to succeed than the restaurateur, simply because the product he sells is not perishable and because there is no daily change in inventory items. Regarding the lack of awareness(even if an individual eliminated the remaining causes of failure), there are too many changes taking place every day that can seriously affect and drastically shape out lives if we are not aware of them and if we fail to do something about them. The changes may be in new food products, increase in competition, higher taxation, changing demand and income levels, deteriorated neighborhood, new consumer tastes, shift in population, better equipment, restrictive zoning laws, civil rights, minimum wages, and a host of other physical, social, legal economic forces that shapes out industry and alter our business (Awujo, 1994).

The only justification for a study of business failure and it causes is to learn from the experiences and mistakes individually in terms of the operators of others to understand and avoid the high relationship between cause and effect, and not only to avoid the high cost of demand error, but also to constructively put to use the antithetical rules so that a lasting success can be built upon knowledgeable human activity. According to Brittle (1997), he emphasized that when it comes to business, size is relative; and that, small firms do everything large firms do but they do it with less. It turns out that the operation of a small business is fundamentally the same as a large one. Regardless of the size, every business must find a way of competing in the social, political, physical, and economic environment. Nevertheless, there are significant differences and they are mainly a matter of scale and resources. We summarize as followings:

Location/ Site: So much of a restaurant success may depend on its location. All the factors that contribute to proper location must be analyzed individually in terms of the operator's desires, the type of operation, and the market for the product. Nonetheless, the location is certain to affect much food service operation.

Menu/ Services: Most of the food operators should realize the vital role played by the menu in the success or failure of the enterprise. A carefully designed menu will determine the type of location, type of service.

Management Problems: Many restaurants operators believe that high-grade personnel are practically impossible to recruit. And, most of the manager-labor problems can be reduced by neutralizing the effect on the organization by problem employees, eliminating the stinks and prevented by selecting healthy personnel.

Employment Wages: Before an organization establishes policy regarding wages and salaries, it should bear in mind the assumptions often made regarding pays; employees regard internal pay inequalities as more serious than external inequalities.

Employee Competence: Successful management, in a small as well as large business, requires the ability to plan, organize, direct and control, unfortunately, a great many entrepreneurs lack so general competence. We

should all know that each kind of operation has its distinct challenge.

Planning of Menu/ Service: The first major decision that should be made in designing an effective operating menu is to determine the number of entrees that will be listed Charles (1996), says that the basic aim of service is to bring food to the customer, and the way this is done will vary according to the type of restaurant.

Conclusions

The purpose of this article is to unfold management problems existing in hospitality industry. It was discovered from the article that the significant increase, change in the segments of population and consumption patterns are some factors that will determine the infinite variety, shape and well-being of the industry. The hospitality industry has been accelerating its growth, and has emerged as a giant conglomeration of diverse and many faceted operations totaling well in food and drink to the public. Success in the hospitality industry may very well depend on the degree to which each owner understand his strengths and weaknesses a is aware of and sensitive to all the people within his strengths and weaknesses and is sensitive to all the people within his environment.

It was also discovered that the typical restaurant operator who desires to increase his sales volume must not only change his menu every day, but also offer a large variety of menu items. The problems of a constantly changing inventory, coupled with an increase in the number of menu items carried in inventory, can be very expensive to resolve. This article further shows that, the only justification for a study of business failure and it caused is to learn from the experiences and mistakes of others, to understand the binding relationship between cause and effect, and not only to avoid the cost of human error, but also to constructively put the antithetical rules so that a lasting success can be built upon knowledgeable human activity.

Recommendations

Based on the above conclusion, we are recommending the following: Regarding the

lack of awareness (even if an individual eliminated the remaining caused of failure), there are to be many changes taking place every day that can seriously affect and drastically shape our lives if we are not aware of them and if we fail to do something about them. Secondly, in order to develop, to correctively change, and to motivate an employee, the manager or supervisor must understand a little of the complexity of human behaviour.

In addition, a productive supervisor of human resources should try to understand and control himself before he can understand and influence others.

The intelligent motivation is aware of the differences that exist between his experiences, his value system, and his outlook and those of the individual employee.

Furthermore, to train effectively the supervisor must eliminate his negative

attitudes and behaviour towards his employees, and train through an understanding of the employee and his environment.

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