

Entrepreneurial Practices on Performance of Tourism Centres in South-Western Nigeria

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ABSTRACT: Entrepreneurship progress improves in relieving hardship when employment prospects are established through new entrepreneurial centres or the growing of active ones. Nigerian tourism centres have not been able to show value creation for growth to make profits. The study examined Entrepreneurial Practices on Performance of Tourism Centres in South-Western Nigeria. This study will adopt the quantitative method to analyze the critical appraisal of effectiveness of tourism in South-western Nigeria. The quantitative approach was adopted to analyze the data; Standard Multiple Regression (SMR) was used to test the hypotheses using Statistical Package for Social Sciences (SPSS). From the result, hypothesis one probability value (0.006), which is less than the chosen 5% significance level (0.05). This indicates that the null hypothesis was rejected (i.e., funding has an impact on sustainability of tourism centre). Hypothesis two probability value (0.000), based on the result, the null hypothesis is rejected, thus, there is positive significant effect of value creation on profitability of tourism business. The study conclude value creation improves service of tourism profitability, it results in more market share and ends up with future business expansion. tourism financing will have adverse effect on economic growth which will improve the visitation of foreigners to Nigeria. Tourism centres owners in Nigeria should maintain its strategy and improve on it practice of value creation in helping the tourism centres attain it productivity. Tourism owners in Nigeria should ensure that they have enough access to funding to sustain their business.

Keywords: Entrepreneurial practices, Tourism Centres, Value creation, Funding, Performance

1. INTRODUCTION

Entrepreneurship development helps in alleviating poverty when employment opportunities are created through new entrepreneurial centres or the growth of existing ones. Nigerian tourism centres have not been able to show value creation for growth to make profits. Accessing financing from either internal or external sources and infer that these constitute the crucial determinant of tourism areas, development, and performance for entrepreneurial ventures. Some of the problems associated with tourism centres includes poor infrastructural facilities; poor managerial and entrepreneurial skills; financing challenges; limited demand for their products and services; poor research and development as well as innovation; poor technology system;

corruption, lack of transparency arising from government regulations and regulatory bodies (Ufua, Olujobi, Ogbari, Dada & Edafe 2020).

Financing tourism may enhance the performance of entrepreneurial ventures, facilitate market entry as well as promote innovation and exploitation of investment opportunities. Tourism fosters technological development through innovation, provide the leading ground for the emancipation of indigenous technology through creativity (Ocloo, Akaba & Worwui-Brown 2014). The stronger the value that a centres has the stronger the facilitation and promotion from entrepreneurial experiences on business planning. The essence of tourism business is to increase the value of services and apply resources allocation to new ventures. According to Wisse-Huiskes (2017) the change in represents structure from debt to the adoption of more sustainable equity-based financial strategy represents an important solution to entrepreneurial financing challenge. Individuals have very little money invested in tourism centres. It's in this view of the above that this study is designed to examine the effect of value creation on profitability of tourism centres and ascertained the effect of funding tourism on sustainability of tourism centres in South-western Nigeria.

1.1 STUDY HYPOTHESES

- i. Value creation does not have significant effect on profitability of tourism centres in South-western Nigeria.
- ii. Funding does not have sustainability of tourism centres in South-western Nigeria.

2. LITERATURE REVIEW

2.1. ENTREPRENEURIAL PRACTICES

The entrepreneurial process in the innovation era consists of distinctive activities such as the identification of opportunities, the mobilization of resources and the creation of an organization. Entrepreneurial practices embrace all new ventures and the transformation of existing businesses that drive economic and/or social value by creating and using novel digital technologies. Achugbu, (2017), centres contribute immensely to the Growth Domestic Product (G.D.P) and Gross Value Added (G.V.A). Centres are characterized by a high intensity of utilization of novel digital technologies (particularly social, big data, mobile and cloud solutions) to improve business operations, invent new business models, sharpen business intelligence, and engage with customers and stakeholders.

Tourism environments are considered as an investment option, other than as a means of environmental site sightseeing. Grigore and Gurau, (2019), argued that the most critical problem facing tourism business in Nigeria is loss of identity. On the other hand, operators of tourism centres are involved in the business of earning their incomes from preparing feasibility reports. They create the jobs and growth opportunities of the future. What happens is that the entrepreneur is not acting alone but together with others, and thereby the entrepreneurial activity is embedded in the network around the entrepreneur.

2.2. TOURISM CENTRES

Tourism environments that the most important factors contributing to the success of the economy, they have the overall ability of contributing financially. Tourism centres can negotiate acquiring funds, expertise in planning business and effective launching. Tourism financing plays critical roles in modern knowledge-based economies. Tourism centres are supposed to create employment creation, improvement of standard, poverty reduction, mobilization of domestic savings for investment, reduction of inequalities, enhancement of resource utilization among others (Brixiová, Kangoye & Yogo 2020).

Tourism centres are crucial to any country's economy and the relationship between the environments, investors and the government is vital for any centres to survive the outside world. They provide knowledge about new technologies, but also on markets, legal and financial aspects even if centres seldom get their ideas from their environment (Rubin, Aas, & Stead 2015). Tourism environments and small enterprises play a vital

role in society especially as they not only fill the “missing-middle” but subsequently metamorphose into medium-sized companies of tomorrow. There is an urgent need to reduce the cost of unemployment by the Nigerian government through the promotion of tourism centres and small enterprises. The government of every country needs to take a positive front towards tourism environments.

2.3. VALUE CREATION

Tourism initiatives help technology entrepreneurial firms by emphasizing value creation. Ren, Raghupathi and Raghupathi, (2021), argues that value creation is realized through a concerted effort that leads to accelerated growth of innovative products and services either with technology or greater market penetration ability. They added that Venture Capitals also share their wealth of expertise & knowledge and provide advice on vital issues to improve the firm’s performance. Noteworthy is the fact that an increased centres growth has a direct effect on GDP growth due to increased output, value add and profits. centres are increasingly expected to seek out their own opportunities, actively create value and behave ethically, rather than faithfully follow rules and routines set by others. This leads to the generation of numerous self-employment opportunities.

Many tourism entrepreneurs, eager to prove the merits of their great idea, make the mistake of entering the discussion with an unrealistic value of their company. Not being realistic about the financial situation of tourism from the beginning shows a lack of understanding and maturity. Accordingly, empirical findings showed that tourism are strategically positioned to absorb up to 80% of jobs in Nigeria, improve per capital income and increase value addition to raw materials supply (Abosedo, Hassan, & Oko-Oza, 2017), improve export earnings and step-up capacity utilization in key industries. Ideally, an investor is looking for a company with a clear and scalable business model they can get behind and help grow. Great leaders have not been successful solely on their own. They surround themselves with people that add value to their business, and you need to do the same. Also, in the case of unsuccessful startups, knowledge is generated which can be of value for other organizations, institutions, or individuals.

2.4. TOURISM FUNDING

Funding is critical to a smooth take-off, ensures effective functioning and guarantees the continued existence of any new venture. Most financial institutions have a range of facilities for providing business funding for startup small-scale enterprises (Yeboah & Koffie, 2016). Financing tourism has particularly been challenging in all kinds of economies including knowledge-based economies. The inability to overcome funding problems has forced many people with ambitious ideas that would have been launched audaciously towards economic emancipation and development to forcefully discard them.

Entrepreneurs at the startup level may resort to forming “cooperative agreements” with other firms to procure tourism funding, improve its cash flow and minimize costs. Zeidan, Galil and Shapir (2018) found that cash flow management is key to business funding and sustainability. Strategies for initial and continued business funding are equally important to the survival of business. Indeed, most new venture promoters have realized that except for adequate funding is obtained, their dreams will largely remain on the drawing boards.

2.5. PERFORMANCE OF TOURISM CENTRES

In developed countries, tourism has a significant impact on the performance of the economy. However, because of numerous challenges facing the sector, the contribution of tourism to the economic growth and development of Nigeria is low (Okello, Bongomin, Mpeera, Munene & Akol 2017). The advent of tourism financing in Nigeria served as sustainable financing mechanisms to resuscitate tourism performance. While innovation performance can be measured through an analysis of patents, a firm’s survival and economic performance pose difficulties linked to the transient nature of startups. In contrast, the performance of tourism in developing countries especially Nigeria has been unsatisfactory, (Otero, 2015).

2.6. TOURISM PROFITABILITY

The progress in profitability and growth can be accredited to the direct involvement of the entrepreneurs in the management of tourism as they play a pivotal role in mitigate the high risks associated with the startup firms. Hamzani and Achmad (2016) remark that the contributions of tourism performance can be measured by the following indicators: increase productivity, development of business units, increase in sales volume, increase in sales revenue. For tourism centre can optimize profitability and to maintain good beautification position, tourism decision should be considered side by side with their locations.

2.7. TOURISM SUSTAINABILITY

The tourism business plays a pioneering role in the context of an economy that is changing towards sustainability on a global scale. Investing in sustainable projects can help one to deal with tourism sustainability challenges. Sustainability oriented campaigns attract a significantly higher number of investors from the crowd funding (Vismara 2019). Diversification of sources of revenue affords tourism owners a broader range of funding alternatives, enhances productivity, improves performance, and enables sustainability (Mayombya, Mwantimwa, & Ndenje-Sichalwe, 2019). Tourism sustainability require enhanced productivity through ample financing to maintain or make an appreciable contribution to the socioeconomic development of a country like Nigeria.

3. METHODOLOGY

This study will adopt the quantitative method to analyze the critical appraisal of effectiveness of tourism in South-western Nigeria. The justification of using the quantitative method is that it deals with data procedures, data management, data corroboration, and data reporting and testing. The quantitative approach is also been adopted to analyze the data; Standard Multiple Regression (SMR) will be used to test the hypotheses using Statistical Package for Social Sciences (SPSS).

Quantitative methodology is suitable for testing the hypotheses, study mathematical relationship, statistical elements, and variable for a broad inquiry (Ketokivi & Choi, 2014). The population of the study are managers of selected 300 tourism centres in South-western States. Since the population is a finite one, application of statistical formula in determining the sample size is not necessary. The use of questionnaires is highly recommended in ensuring that the objectives of the research study are achieved because they have also been deemed to be appropriate in other works. In addition, instruments are being increasingly designed through surveys products (Sue & Ritter, 2012).

4. DATA ANALYSIS

4.1 HYPOTHESIS ONE

H0₁: Value creation does not have significant effect on profitability of tourism in South-western Nigeria.

TABLE 1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.901 ^a	.812	.809	.236

a. Predictors: (Constant), Total Value creation

Source: Researcher's Field Survey, 2022

The result of the regression as contained Table 1 (Model summary) shows that the R Square gave a value of 0.812. This means that the model (which includes value creation) explained about 81% of the variance in perceived value creation. This means that the regression (model formulated) is useful for making predictions since the value of R^2 is close to 1.

TABLE 2 ANOVA^b

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	55.728	3	18.576	333.341	.000 ^a
Residual	12.929	232	.056		
Total	68.657	235			

a. Predictors: (Constant), Total Value creation

B. Dependent Variable: Total Profitability

Source: Author's Computation, 2022

Standard multiple regression was used to explore the effect of value creation on business profitability of tourism start-ups. Preliminary analyses were performed to ensure no violation of the assumptions of normality, multicollinearity, homoscedasticity, and linearity. The result regression as contained in Table 2 ANOVA, shows that the F-test was 333.341, significant at 5% [$p < .000$]. This showed that the model was well specified.

TABLE 3 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.377	.068		79.519	.000
	Total Value creation	.263	.031	.408	8.563	.000

A. Dependent Variable: Total Profitability

Source: Author's Computation, 2022

Specifically, the result of regression as contained in Table 3 Regression Coefficients, tests the hypothesis one for this study. From the output above, there is positive impact of value creation and profitability of tourism centres such that a unit increases in perceived value creation caused about 0.408 unit decreases in perceived firm profitability scores which were statistically significant at 5% going by the p value (0.000). Based on the result, the null hypothesis is rejected, thus, there is positive significant effect of value creation on profitability of tourism business.

4.2. HYPOTHESIS TWO

H0₄: Funding does not have significant effect on sustainability of tourism centres in South-western Nigeria.

TABLE 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
**1	.695 ^a	.844	.768	1.10016

a. Predictors: (Constant), Funding

Source: Researcher's Field Survey, 2022

The model summary as indicated in Table 4 above shows that R Square is 0.84; this implies that 84% of variation in the dependent variable (sustainability of tourism) were explained by the constant variables (funding) while the remaining 16% is due to other variables that are not included in the model. This means that the regression (model formulated) is useful for making predictions since the value of R^2 is close to 1.

TABLE 5 ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	146.192	4	36.548	30.196	.000 ^a
	Residual	156.136	129	1.210		
	Total	302.328	133			

a. Predictors: (Constant), Funding

b. Dependent Variable: Sustainability of Tourism

Source: Researcher's Field Survey, 2022

The above Table 5 presented the variation in the dependent variable with regression sum of squares (146.192) in comparison to the residual sum of squares with value of 156.136 (this value indicated that the model does not fail to explain a lot of the variation in the dependent variables. However, the estimated F-value (30.196) as given in the table above with significance value of 0.000, which is less than p-value of 0.05 ($p < 0.05$) which means that the explanatory variable elements can jointly influence change in the dependent variable (sustainability of tourism).

TABLE 6 Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.437	.728		7.466	.000
	Total business funding	.400	.143	.091	2.794	.006

a. Dependent Variable: Sustainability of Tourism

Source: Researcher's Field Survey, 2022

The coefficients Table 6 above represent the impact of funding on sustainability of tourism. The result shows that funding has a positive impact on the sustainability of tourism. According to the table presented above, the result was found to be statistically significant at 5% significance level. This is shown by its probability value (p -value= 0.006), which is less than the chosen 5% significance level (0.05). This indicates that the null hypothesis will be rejected (i.e., funding has impact on sustainability of tourism centre).

4.3. DISCUSSION OF RESULTS

The outcome of research hypothesis one revealed that value creation has significant effect on profitability of tourism in South-western Nigeria. This result is empirically in support of the study conducted by Ajagbe & Ismail (2014) argues that value creation is realized through a concerted effort that leads to accelerated growth of innovative product and services either with technology or greater market penetration ability. The result revealed that value creation influences tourism, value creation has a profound impact on the way people perceive the tourism centres.

Furthermore, research hypothesis two revealed that funding has effect on sustainability of tourism centres in South-western Nigeria and the result was empirically in support of the study of Groot, Bolt, Jat, Jat, Kumar, Agarwal & Blok (2019) tourism provide the needed goods and services, generate wealth by providing employment opportunities, improving business skills and entrepreneurship as well as standard of living and welfare among the populace across the globe. Funding tourism improves the sustainability of tourism.

5. CONCLUSION

The study concludes value creation improves service of tourism profitability, it results in more market share and ends up with future business expansion. The value with which the tourism management integrates a country activity will ensure productivity. This will enable tourism managers to be able to work in line with the state goals and objectives to achieve tourism mission and vision statement. The study also concludes that funding enhances sustainability of tourism in South-Western in Nigeria. This implies that the tourism financing will have adverse effect on economic growth which will improve the visitation of foreigners to Nigeria.

6. RECOMMENDATIONS

- i. Tourism centres owners in Nigeria should maintain its strategy and improve on its practice of value creation in helping the tourism centres attain its productivity. This by implication will assist our country in remaining as a frontrunner in the tourism sector in Africa.
- ii. Tourism owners in Nigeria should ensure that they have enough access to funding to sustain their business. Improving their service effectively and efficiently will improve tourism sustainability.

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