



Human Resource Management Cost Practice and Operational Efficiency of Hospitality Industry in Ondo State, Nigeria

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Abstract. The study examines the relationship between human resource management cost practices and operational efficiency of the hospitality industry in Ondo State, Nigeria. The study employed survey research design with the population of 449 registered hotels in Ondo State, Nigeria (Ondo State Ministry of Commerce, 2023). The sample size was purposively done to select a sample of 80 hotel managers as the respondents from the high-ranking hotels in the Ondo State. The study employed purposive and quota sampling techniques to gather information via questionnaires. The reliability of the instrument was established through validation by the supervisor, and a Cronbach alpha test revealed a high-reliability score of (.891). Data analysis was conducted using descriptive, factor analysis, and ANOVA methods to test the research hypotheses. The statistical tool employed was SPSS 22.0 version. The study revealed a significant and positive relationship between these variables. Consequently, the study rejects the proposed null hypotheses at a significance level of 0.05. The findings contribute to the existing empirical, theoretical, and practical literature, offering new insights to future researchers and benefiting Nigerian hotel and hospitality managers. The study recommends that

hotel managers understand cost-saving strategies and consumer demands to enhance the effectiveness of the hotels. Additionally, improving human resource management cost practices throughout the hospitality sector will aid in keeping tourists informed about industry developments. The study further suggests identifying potential practices and techniques within human resource management that could benefit hotels in the hospitality sector, proposing a new conceptual framework for cost-effective practices. Encouraging adherence to industry regulations will improve the sector's effectiveness in Nigeria and position managers as integral policymakers within the hotel industry.

Keywords: Human Resource, Management, Cost Practices, Efficiency and Hospitality Industry

1. Introduction

The hospitality industry in Nigeria continues to experience robust growth, attracting both travellers and investors, thereby expanding its networks and establishments. This upsurge in the tourism sector further propels the expansion of the hotel business, making a substantial contribution to the nation's

income. Therefore, this study focuses on the hotel segment of the hospitality industry, acknowledging its potential for growth and its consequential impact on other related enterprises. The study emphasizes the importance of human resource management cost practices in shaping the efficiency of these hotels and aligning them with the diverse needs of customers, tourists, and foreign visitors. Determining customers' preferences across various hotel categories and adapting facilities in different locations becomes imperative for providing enhanced and personalized services.

In Nigeria, the development of the hospitality sector progressed steadily. As elucidated by Abomeh (2012), a significant milestone occurred with the government's introduction of catering guest houses in the 1920s, which saw further expansion with the establishment of additional catering guest houses across the nation in the 1950s. These initiatives laid the groundwork for the emergence of Nigeria's formal hospitality industry. He further observes that in Nigeria's early stages, the initial hospitality establishments were predominantly built and overseen by the government. These facilities were strategically positioned at vital locations such as seaports, railway terminals, major towns, and regional capitals. Noteworthy among these was the European Rest House established in Port Harcourt in 1923, followed by a similar establishment in Lagos in 1931.

Undoubtedly, Nigeria's hospitality industry could have achieved significantly higher levels of efficiency and quality if it had access to a larger pool of skilled operational workers, particularly at the managerial level. Reports from Esu (2015) and Yusuf (2019) indicate that Nigeria is currently facing a shortage of qualified personnel capable of effectively utilizing excellent hospitality resources to develop compelling hotel products, highlighting the sector's inadequate human resource management practices. According to Inyang and Esu (2008), Adedipe and Adeleke (2019), and Joshi and Yadav (2021), only 5.8 percent of employees in Nigeria's hospitality industry hold dedicated tourism and hospitality certifications. It is commonplace in the hotel industry to recruit expatriate general managers and department heads.

According to Ahmodu, et al (2022), cost-effectiveness is viewed as a procedure for choosing the most suitable alternative courses of action within an organization, considering their effectiveness in achieving specific objectives. This approach aims to identify the most economical means of reaching a goal or attaining the maximum output at a given cost. Unlike cost-effectiveness, which prioritizes cost over effectiveness, this method places greater emphasis on

achieving goals at minimal expense. The primary aim of cost-effectiveness is not to assess the benefits of goal attainment but rather to ensure the accomplishment of the organization's specific objectives while minimizing costs.

Silva, et al (2017) explains that the Nigerian hospitality industry's current condition is largely influenced by inadequate human resource management practices and unethical conduct among industry practitioners. Myriad hospitality establishments, particularly indigenous brands, operate below satisfactory standards, often unaware of the crucial importance of proficient staffing and operations. Despite opportunities for professionally managed businesses to thrive in Nigeria, the country's deficient infrastructure results in additional costs, particularly impacting hospitality operators. Bassey and Arinze (2012) portray that human resource management cost practices act as a distinguishing factor, laying a strong foundation for its competitive position relative to competitors within the quality of an organization. The complex tax system involving local, state, and federal taxes further burdens hospitality operators, leading to increased operating costs. These challenges lead to the problem confronting the efficiency of the hospitality industry in Ondo State, Nigeria. The study aims to examine how human resource management cost practices influence the operational efficiency of the hospitality industry in Ondo State, Nigeria.

1.1 Research Questions

- What are the factors impelling the human resource management cost practice on the operational efficiency of the hospitality industry in Ondo State?
- Does the type of human resource management costs practice improve the operational efficiency of the hospitality industry in Ondo State?
- What is the level human resource management cost techniques adoption on the operational efficiency of the hospitality industry in Ondo State?
- Is there any significant association between human resource management cost-effectiveness and the operational efficiency of the hospitality industry in Ondo State?

1.2 Research Hypothesis

- There is no significant influence between the factor impelling human resource management cost and the operational efficiency of the hospitality industry in Ondo State.
- There is no significant influence between the types of human resource management cost and operational efficiency of the hospitality industry in Ondo State.
- There is no significant influence between human resource management cost techniques and operational efficiency of the hospitality industry in Ondo State.
- There is no significant association between human resource management cost-effectiveness and operational efficiency of the hospitality industry in Ondo State.

2. Literature Review

2.1 Conceptual Framework

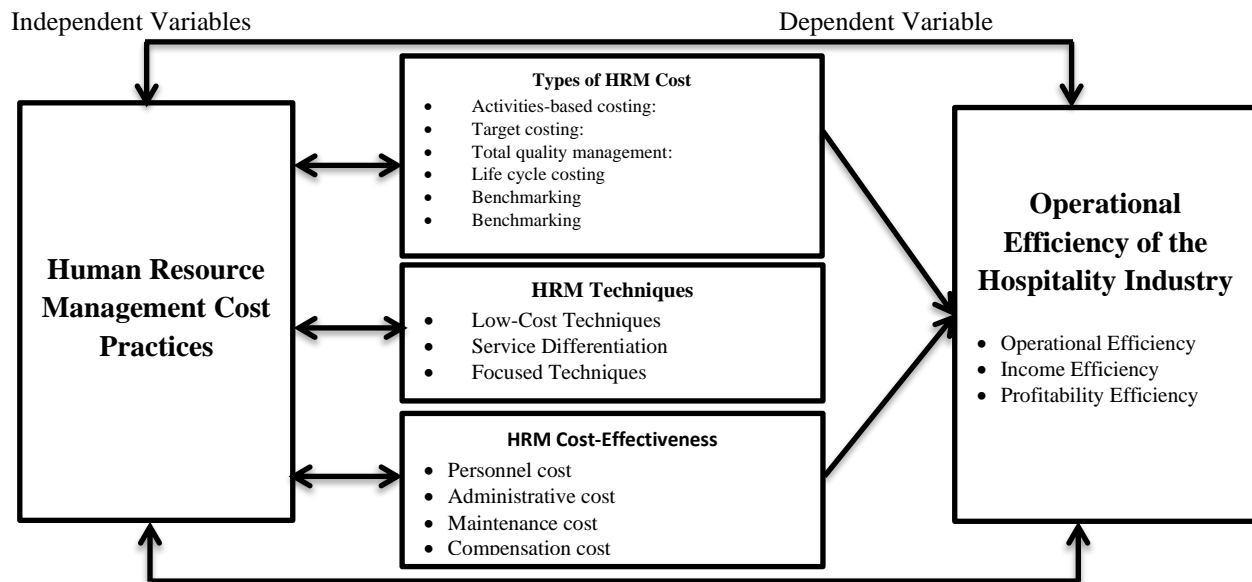


Figure 1: Conceptual Framework (Researcher Designed, 2024)

About twenty years ago, the hospitality industry predominantly focused on what was commonly referred to as personnel management. The changes brought about by the introduction of human resource management (HRM) cost practices can be classified into two primary dimensions: firstly, the strategic management of costs and the mobilization of personnel, and secondly, the shifted perspective on employees as indispensable assets contributing substantially to the organization's success. Hospitality management involves diverse conceptual frameworks that delineate their respective scopes. These frameworks represent foundational principles and assumptions underlying human resource management cost practices. Considering the contemporary nature and intricacy of this field of study, there is a pressing requirement for a comprehensive investigation into human resource management cost practices and operational efficiency of the hospitality industry in Ondo State, Nigeria. As individuals seek leisure and fulfilment when travelling, hotels serve as an immediate solution to their varied preferences and requirements.

2.2 Theoretical Review

2.2.1 Black Box Theory

Norbert Wiener introduced the black box theory in 1961, conceptualizing it as an unidentified system that could be elucidated through system identification methods. He posited that replicating the output behaviour of a black box marked the initial phase of self-organization. Kotler (1967) and Yusuf (2019) explained that the average human is a thinker and problem solver who responds to various internal and external stimuli. The internal factors influencing human decisions are termed the 'black box,' which also applies to consumers. This black box encompasses their

beliefs, perceptions, values, motivations, and sociocultural influences affecting their choices in hotels. Decision-making processes within this black box include problem-solving abilities, evaluation, information search skills, alternative assessments, purchasing decisions, and post-purchase behaviours. The implication of this concept in the study is that a consumer's response stems from a conscious and rational decision-making process. Therefore, a potential consumer's purchasing behaviour or practices constitute their black box. However, this theory is employed to evaluate the human resource management techniques employed by hotels in the hospitality industry to provide services that resonate with their guests.

2.3 Empirical Review

Kwarbai and Akinpelu (2016) delved into the influence of human capital efficiency on corporate governance within industrial goods companies listed on the Nigerian Stock Exchange Market over a 6-year span (2009-2014). Employing ordinary least squares (OLS), their study unveiled a significant positive correlation between human capital efficiency and Return on Assets (ROA) and Earnings Per Share (EPS). Furthermore, they discovered an insignificant negative relationship between human capital efficiency, lagged size, and the growth of the number of employees. The study identified a methodological gap, suggesting a variance in the methodology employed for the research.

Muktar (2010) investigated the impact of human resource development on the performance of money deposit banks in Nigeria. The study revealed a robust and positive association between the performance of money deposit banks and human resource development and training. Similarly, Ismaila (2010) utilized OLS to analyze the effect of human capital investment on the performance of money deposit banks and their human capital efficiency. The findings demonstrated a significant relationship between market price per share (MPs) and human capital investment, Book Value per share (BVs), and human capital, affirming that human capital investment positively influences bank employee efficiency.

Ivica and Vukovar (2015) explored the significance of Internet marketing in the modern hotel industry, highlighting the transformative impact of Internet technology on traditional marketing practices. The advancement of Internet marketing significantly impacts the productivity and efficiency of hotels across various economic activities, thereby enhancing business outcomes. Rashad and Lim (2014) conducted a study on the Impact of Social Networking Sites on the Hospitality and Tourism Industries, emphasizing the role of social media in connecting people and its influence on leisure and business activities. They discussed consumer behaviour and the advantages and disadvantages of social networking sites in the hospitality and tourism industry.

Joshi and Yadav (2021) evaluated hospitality management services in India utilizing a descriptive survey research design and data analysis through factor analysis and SPSS. They concluded that while achieving efficiency in the hospitality industry is feasible, effective management of all hotel activities is imperative. The study recommended further research in a different country to validate if their findings are pertinent to the efficiency of the hospitality industry in Ondo State, Nigeria. Murray, et al (2017) examined human resources challenges in Canada's hospitality and tourism industry using a phenomenological research design. They identified a shortage in the labour supply within the Canadian hospitality industry. The study suggests that as the size of a hotel increases, the efficiency of the hospitality industry when combined with human resource management, necessitates a predictable number of employees.

Chand (2013) and Ko (2018) researched human resource management in the Indian hospitality industry, employing an exploratory research design to compare HRM qualities among Indian hospitality industries, highlighting the influence of contextual factors on these qualities. The study indicated that foreign-owned hotels tend to align more with global HRM trends than locally owned hotels. Cicek and Demir (2015) investigated the efficiency of human resource management in Indian hotels, utilizing a survey research design to determine the significant level of performance evaluation variables. Their findings suggested a significant impact of human resources functions on departmental performance.

Yadav, et al (2016) explored the barriers to sustainable tourism management in a protected area in India using a case study of the National Chambal Sanctuary. Their study identified key barriers to sustainable tourism management, such as a lack of stakeholder coordination and government incentives, but noted the generalization in applying these findings to other countries. Campos, et al (2022) assessed the management accounting practices in the hospitality industry using a phenomenological descriptive analysis. The study concluded that management accounting practices significantly influence overall performance and support decision-making in the hotel industry. The implementation of benchmarking was found to correlate with a higher percentage of indirect costs over sales revenue.

3. Methodology

The study employed survey research design with the population of 449 registered hotels in Ondo State, Nigeria (Ondo State Ministry of Commerce, 2023). The sample size was purposively done to select a sample of 80 hotel managers as the respondents from the high-ranking hotels in the Ondo State. The study employed purposive and quota sampling techniques to gather information via questionnaires. The reliability of the instrument was established through validation by the supervisor, and a Cronbach alpha test revealed a high-reliability score of (.891). Data analysis was conducted using descriptive, factor analysis, and ANOVA methods to test the research hypotheses. The statistical tool employed was SPSS 22.0 version.

4. Results

4.1 Descriptive Analysis

Research Question 1: What are the factor impelling the human resource management cost practice on the operational efficiency of the hospitality industry in Ondo State?

Table 1: Descriptive analysis of the factor impelling the human resource management cost practice on the operational efficiency of the hospitality industry in Ondo State

S/N	ITEMS	VI	I	MI	SI	NI	Rank
		F(%)	F(%)	F(%)	F(%)	F(%)	
1	Organisational readiness for change	24(30.0)	26(32.5)	15(18.8)	5(6.3)	10(12.5)	6 th
2	Management support	-	35(43.8)	30(37.5)	15(18.8)	-	10 th
3	Flexibility	12(15.0)	33(41.3)	25(31.3)	10(12.5)	-	7 th
4	Ease of use	12(15.0)	23(28.8)	10(12.5)	15(18.8)	20(25.0)	13 th
5	Budget	12(15.0)	38(47.5)	25(31.3)	5(6.3)	-	5 th
6	Competitive advantage	-	29(36.3)	31(38.8)	10(12.5)	10(12.5)	12 th
7	Customer satisfaction	30(37.5)	50(28.8)	-	-	-	1 st
8	Low patronage	17(21.3)	23(28.8)	30(37.5)	-	10(12.5)	9 th
9	Disease outbreak	10(12.5)	55(68.8)	5(6.3)	10(12.5)	-	4 th
10	Safety	27(33.8)	47(58.8)	6(7.5)	-	-	2 nd
11	Cost of Operations	10(12.5)	34(42.5)	26(32.5)	10(12.5)	-	8 th
12	Interactiveness	12(15.0)	11(13.8)	32(40.0)	20(25.0)	5(6.3)	11 th
13	Security	30(37.5)	38(47.5)	12(15.0)	-	-	3 rd

Key: Very Important (VI), Important (I), Moderately Important (MI), Slightly Important (SI), and Not Important (NI)

The table presented above illustrates the frequencies and percentages detailing the factors impelling human resource management costs practice and operational efficiency of hospitality industry in Ondo State. Through the collected responses, the table delineates how each factor influences the adopted human resource management cost practices in the hospitality industry. The factors are categorized based on their influence on the hotels' human resource management practices, ranked as follows: customer satisfaction, safety, security, disease outbreak, budget, organizational readiness, flexibility, cost of operations, low patronage, management support, interactiveness, comprehensive advantage, and ease of use (listed from 1st to 13th, respectively). Notably, these factors were assessed, highlighting their significance to the industry. All factors are deemed critical for enhancing hospitality operational efficiency, except the effect of disease outbreak.

Research Question 2: Does the type of human resource management costs practice improve the operational efficiency of the hospitality industry in Ondo State?

Table 2: Descriptive analysis of the types of human resource management costs practice and operational efficiency of the hospitality industry in Ondo State

S/N	ITEMS	AU	FU	MU	RU	NU	Decision
		F(%)	F(%)	F(%)	F(%)	F(%)	
1	Activities-based costing	40(50.0)	20(25.0)	5(6.3)	10(12.5)	5(6.3)	Always Used
2	Target costing	10(12.5)	40(50.0)	25(31.3)	5(6.3)	-	Frequently Used
3	Total quality management	17(21.3)	20(25.0)	33(41.3)	10(12.5)	-	Moderately Used
4	Life cycle costing	10(12.5)	28(35.0)	20(25.0)	22(27.5)	-	Frequently Used
5	Benchmarking	22(27.5)	-	-	21(26.3)	37(46.3)	Not Used

Key: Always Used (AU), Frequently Used (FU), Moderately Used (MU), Rarely Used (RU) and Not Used (NU)

The table presents a descriptive analysis of various types of human resource management cost practices used to bolster the operational efficiency of hospitality industry in Ondo State. This analysis underscores the frequency of use and the degree of adoption of specific cost management practices. Activities-based costing emerges as a consistently employed human resource management cost practice aimed at enhancing operational efficiency. Both target and life cycle costing are frequently implemented to improve operational efficiency, while total quality management sees moderate utilization. In contrast, benchmarking, as a human resource management cost practice, is not commonly used to enhance operational efficiency in the sampled hospitality industry. These findings suggest that respondents primarily used activities-based costing due to its efficacy in enhancing the operational efficiency of the selected hospitality industry.

Research Question 3: What is the level human resource management cost techniques adoption on the operational efficiency of the hospitality industry in Ondo State?

Table 3: Descriptive analysis of the level human resource management cost techniques adoption on the operational efficiency of the hospitality industry in Ondo State

S/N	ITEMS	AU	FU	MU	RU	NU	Decision
		F(%)	F(%)	F(%)	F(%)	F(%)	
1	Low-Cost Techniques	40(50.0)	20(25.0)	5(6.3)	10(12.5)	5(6.3)	Always Used
2	Service Differentiation Techniques	10(12.5)	38(47.5)	27(33.8)	5(6.3)	-	Frequently Used
3	Focused Techniques	21(26.3)	22(27.5)	11(13.8)	26(32.5)	-	Rarely Used

Key: Always Used (AU), Frequently Used (FU), Moderately Used (MU), Rarely Used (RU) and Not Used (NU)

Table 3 depicts the frequencies and percentages of respondents concerning the various human resource management cost techniques adopted to enhance the operational efficiency of the hospitality industry in Ondo State. According to the findings, low-cost techniques emerged as the predominant choice, consistently utilized in the hospitality industry based on respondents' perspectives. Service differentiation techniques were indicated as frequently employed, while focused techniques were reported to be used infrequently, as respondents' feedback. These outcomes indicate that among the cost practice techniques employed to improve the operational efficiency of the hospitality industry, the prevalence of low-cost techniques is notably higher compared to other techniques. This preference may be influenced by the specific nature and demands of the industry.

Research Question 4: Is there any significant association between human resource management cost-effectiveness and the operational efficiency of the hospitality industry in Ondo State?

Table 4: Mean analysis of the significant association between human resource management cost-effectiveness and the operational efficiency of the hospitality industry in Ondo State

S/N	ITEMS	Freq	%	N	Mean	SD	Decision
1	Personnel cost	23	28.8	80	1.67	.591	Rarely used
2	Administrative cost	27	33.8	80	1.98	.886	Frequently Used
3	Maintenance cost	20	25.0	80	2.46	.502	Always Used
4	Compensation cost	10	12.5	80	1.67	.591	Rarely used
Targeted Mean		1.90					

Key: Always Used (AU), Frequently Used (FU), Moderately Used (MU), Rarely Used (RU) and Not Used (NU)

Based on the data presented in the table, maintenance costs emerged as the most influential factor in enhancing the operational efficiency of hospitality industry, as indicated by their higher rating with a mean value of 2.46. Administrative costs were ranked second among the various expenses contributing to operational efficiency, with a mean value of 1.98, while both personnel cost and compensation cost were reported to be infrequently utilized in the industry to enhance operational efficiency, each receiving a mean value of 1.67. Respondents favoured maintenance costs, underscoring its effectiveness in enhancing the operational efficiency of the hospitality industry. This preference was evident as the majority of respondents selected maintenance costs as "Always Used," resulting in the highest mean score among the options presented.

Test of Research Hypothesis

H:0₁ There is no significant influence between the factor impelling human resource management cost and the operational efficiency of the hospitality industry in Ondo State.

Table 5: Correlational analysis of the factors impelling the human resource management cost practices on the operational efficiency of the hospitality industry in Ondo State

S/N	HRM Cost Practices Factors	The efficiency of the Hotels			F-Value	P-Value	Decision
		OE	IE	PE			
1	Organisational readiness for change	.664	-.454	.116	-.508	.000	Rejected
2	Management support	-.728	-.534	.295	.023	-.256	Do not reject
3	Flexibility	.697	.149	.461	.449	.000	Rejected
4	Ease of use	-.467	.134	-.523	-.051	.655	Do not reject
5	Budget	.530	-.328	.443	.548	.000	Rejected
6	Competitive advantage	-.129	.728	.230	-.394	.000	Rejected
7	Customer satisfaction	-.848	.189	-.168	-.616	.000	Rejected
8	Low patronage	-	-.610	.595	.271	.016	Rejected
9	Disease outbreak	.405	.237	-.216	.401	.000	Rejected
10	Safety	.142	.491	.301	.133	.243	Do not reject
11	Cost of Operations	.824	.245	-.203	.220	.051	Do not reject
12	Interactiveness	-.297	.259	.370	-.061	.594	Do not reject
13	Security	-.518	.384	.183	-.467	.000	Rejected

Table 5 above illustrates the significant influence between the factor impelling human resource management cost and the operational efficiency of the hospitality industry in Ondo State. According to the findings, factors 1, 3, 5, 6, 7, 8, 9, and 13 exhibit a substantial relationship. Their mean relationship, F-value, and P-value demonstrate statistical significance, indicating that at the 5% level of significance, the larger F-value compared to the P-value signifies a meaningful relationship between human resource management cost practices and the operational efficiency of the hospitality industry. This suggests a collectively significant influence of these variables. In contrast, other factors numbered 2, 4, 10, 11, and 12 displays a lower F-value compared to the P-value at the 5% level of significance, implying an association between these variables but with varying degrees of connectivity.

H:0₂ There is no significant influence between the types of human resource management cost and operational efficiency of the hospitality industry in Ondo State.

Table 6: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	29.159	2	14.579	14.332	.000
Within Groups	78.329	77	1.017		
Total	107.488	79			

The ANOVA analysis outcome for this hypothesis clarifies the average relationship between the various types of human resource management cost practices and the operational efficiency of the hospitality industry. This analysis illustrates the average impact examined to ascertain the importance of the variables. The results of the ANOVA reveal an F-statistic value of 14.332, indicating the significance of the variable at a 5% level. With a p-value of less than 5%, it was confirmed that a positive and significant correlation exists between the types of human resource management cost practices and the operational efficiency of the hospitality industry. Thus, the null hypothesis, which suggests that there is no significant influence between the types of human resource management cost and operational efficiency of the hospitality industry in Ondo State, is rejected.

H:0₃ There is no significant influence between human resource management cost techniques and operational efficiency of the hospitality industry in Ondo State.

Table 7: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	37.843	3	12.614	13.766	.000
Within Groups	69.644	76	.916		
Total	107.487	79			

The ANOVA findings concerning human resource management cost techniques and operational efficiency reveal the average relationship between these variables in the hospitality industry. The ANOVA analysis yielded an F-statistic value of 13.766, indicating the significance of the variable at a 5% level. With the obtained p-value falling below 5%, it was established that a positive and significant influence exists between human resource management cost techniques and the operational efficiency of the hospitality industry. Hence, the null hypothesis, which suggests that there is no significant influence between human resource management cost techniques and operational efficiency of the

hospitality industry in Ondo State, is rejected.

H:0₄ There is no significant association between human resource management cost-effectiveness and operational efficiency of the hospitality industry in Ondo State.

Table 8: Analysis of Variance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	35.175	4	8.794	9.121	.000
Within Groups	72.313	75	.964		
Total	107.488	79			

Table 8 presents the ANOVA findings regarding the association between human resource management cost-effectiveness and operational efficiency in the hospitality industry. The ANOVA analysis unveils an F-statistic of 9.121, indicating the significance of the variable at a 5% level. With the p-value falling below the 5% threshold, it was concluded that a notable and positive influence exists between human resource management cost-effectiveness and operational efficiency of the hospitality industry in Ondo State, Nigeria. Therefore, the null hypothesis, which posits that no significant association between human resource management cost-effectiveness and operational efficiency of the hospitality industry in Ondo State, is rejected.

5. Discussion of Findings

The results obtained from the investigation into human resource management cost practices and operational efficiency within the hospitality industry in Ondo State, Nigeria, illuminate several notable findings. The analysis uncovered a significant correlation between various human resource management cost practices and operational efficiency in this sector, suggesting a direct influence of the strategies employed by hotels on their operational effectiveness. Contrary to the assertions made by Chand (2013) and Ko (2018), who implied that foreign-owned hotels tended to align their HRM cost practices more closely with global trends compared to Nigerian-owned hotels, the current study revealed a different perspective. It highlighted that a majority of appointed hotel managers lacked expertise in hospitality management, which hindered their ability to identify influential efficiency factors.

Moreover, specific cost practices emerged as particularly influential in enhancing operational efficiency. Notably, maintenance costs were identified as the most impactful factor, followed by administrative costs. This underscores the significance of investing in maintenance activities and administrative functions to optimize operational performance within the hospitality sector. The findings also revealed a strong interest among the

majority of respondents in utilizing activities-based costing to enhance the operational efficiency of hotels. The rejection of the null hypothesis resonates with the assertions of Rashad and Lim (2014) and Ivica and Vukovar (2015), emphasizing that social activities predominantly dictate the types of HRM cost practices employed to bolster hotel efficiency.

Furthermore, the study highlighted a preference among respondents for low-cost techniques, indicating a penchant for cost-effective approaches in human resource management. This underscores the importance of implementing efficient cost management strategies to improve operational efficiency in two-star hotels within Ondo State. Additionally, respondents acknowledged that the cost techniques adopted in the hotel industry significantly influence their operational efficiency, aligning with the findings of Campos, et al (2022), who observed that a larger proportion of indirect costs over sales revenue are prevalent in hotels.

Finally, the analysis revealed a significant positive correlation between human resource management cost-effectiveness and operational efficiency. This suggests that hotels that effectively manage their human resource costs are more likely to achieve higher levels of operational efficiency within the hospitality industry of Ondo State. This finding is consistent with the conclusions drawn by Chand (2013) and Ko (2018), highlighting the importance of considering the net costs and outcomes of disease outbreaks in maintaining operational efficiency within hotels.

6. Conclusion and Policy Recommendations

The findings from this study provide valuable insights into the dynamics of cost management and its impact on hotel operations. Through an analysis of various cost practices and their influence on operational efficiency, the study concluded as follows: that there exists a significant relationship between human resource management cost practices and operational efficiency in Ondo State's hospitality industry. This underscores the importance of strategic cost

management in enhancing overall hotel performance. Thus, maintenance costs and administrative costs have been identified as particularly influential factors in improving operational efficiency.

Based on the findings of this study, several policy recommendations were proposed to enhance human resource management cost practices and operational efficiency of the hospitality industry in Ondo State, Nigeria:

- There is a need for training and capacity-building programs aimed at equipping hotel managers with the necessary skills and expertise in hospitality management.
- Governments and stakeholders should prioritize investments in maintenance activities within the hospitality industry.
- Policies should be implemented to promote the adoption of cost-effective practices such as activities-based costing and low-cost techniques.
- Stakeholders within the hospitality industry should collaborate and share best practices in cost management and operational efficiency.
- Regular monitoring and evaluation mechanisms should be put in place to assess the effectiveness of cost management practices and their impact on operational efficiency.

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