

Benefits of Ethical Entrepreneurs in Tourism & Hospitality Industry

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Abstract : *There is general consensus that tourism entrepreneurship is the main driver of the economy of most developed and developing nations. Most of the tourism SME are pioneers by entrepreneurs resulting in growth in gross domestic product GDP through foreign exchange earnings, massive domestic employment, technological breakthroughs and innovations. Most governments, institutions and NGO have encouraged and funded entrepreneur initiatives. Recent there has been massive fraud by incompetent unqualified unethical entrepreneurs, resulting in diversion of funds meant for tourism SME growth, business failures. Hence, the need for productive ethical entrepreneurs that can build and develop strong tourism enterprises. These would drive economy growth, productivity and deliver the benefits of entrepreneurship to the economy.*

Keywords: Tourism, Entrepreneurship, Ethics, Government.

INTRODUCTION

ETHICAL ENTREPRENEURS

Ethical entrepreneur development involves providing persons with the ability to recognize business concept, vision, self-esteem information, knowledge, integrity and ability to act on business opportunity (Jones, 2007). The essential knowledge gain through entrepreneurship development comprises the capability to recognize business opportunity in one's life to pursue and develop the opportunities by developing ideas to harness, incubate and birth the business. The tourism entrepreneur must develop the strong code of ethics that would guide the business and ethically treat both the employees and customers (Fleckenstein & Huebsch, 1999:141). He must operate in line with the global code of ethics for tourism (GCET).

Entrepreneurship is a state where an individual gainfully employs his/her skills, attitude and cognitive abilities to earn a living as well as helping others around him to earn. Samer Oviawe, (2010) noted that entrepreneurship is acquisition of skills and ideas for creating employment for oneself and others. It is the process of bringing together the factors of production, leisure embodiment, sight viewing in heritage, land, capital (Visible and invisible capital) to provide goods and services for public consumption.

In essence, entrepreneurship becomes a process of social training through which the strong innovative skills in business plan and innovation marketing plans that use modern communication technology, finance and accounting as well as right attitudes, values and business ethics are being inculcated into the people through a well-planned strategy.

The vision, business accrument and ability of many tourism entrepreneurs has impacted their environment.

Government realizing the importance of tourism entrepreneurship has lend support to programs that boot entrepreneurship development. Entrepreneurship has been a major engine of growth to bring these benefits of tourism in major developing countries.

Normally, tourism entrepreneurship is classified into two categories; lifestyle entrepreneurs who possessed low level managerial ability often have limited capital (Shaw and Williams, 2004). Business entrepreneurs, who are normally motivated by profit.

The business entrepreneurs are responsible in creating business; through innovative ability and business acumen. They are business pioneer or transforming existing business through their entrepreneurship innovations. (Lorcliporindze et al 2005).

They are bold, creative and confident in their ability and display a level of energy and expect immediate feedback and results (Zimmere and Sacarboro 2005).

They take advantage of business opportunities. This behaviour corresponds with the leadership capabilities need in small business organization process (Hinterhuder 2014).

Therefore, the tourism entrepreneur is the founder, facilitator or manger and usually is saddled with the responsibilities of developing and managing many aspect of the business.

Major factors responsible for the success of tourism entrepreneur are the extent to which the operation and the activities of the business align with their personal or cultural or family lifestyle (Kaplan 2007, Monison 2016). Small tourism establishments attract grates proportion of lifestyle entrepreneurs and family operators (Peters 2004). This is because lifetime entrepreneur are motivated and influence by need to generate sufficient increase for self and family.

Instead of focusing on growth and profit improvement strategies, they rather focus on employing business strategies that are characterized by low level marketing, product innovation and business planning activities which normally correspond with their lifestyle aspirations (Weiatrner 2001).

Also, many small tourism enter price are generally single enters supported by their family members (Getz and Cartson 2000).

It then plays a critical role in encouraging and supporting local participation in tourism development relaxes and low entry barrier in capital formal and technology makes it easy or possible for many poor households to start up the business". This business enables the owner to engage himself, the members of his family and possible employ other locals. Although such jobs created might be minimal but the general effect is substantial when compared with the large business entity that might start up with the specific tourist destination. The simple establishment of small tourism enterprise structure creates close enabling environment in which visitors and host interacts intimately.

Governments tend to support this form of small tourism enterprise because they have closer relayed with the local economy, employs locals and choose domestic supplies. The prosperity of this small tourism enterprise cause revenue to be retained within the economy domain of the destination and ensure the benefits extend and spread through the local population.

THEORETICAL FRAMEWORK

An analysis of various entrepreneurship theories reveal that economists differ somehow on the forces that drive entrepreneurs.

Richard Catillon (1680-1734) was the first of the major economic thinkers to define the entrepreneur as an agent who buys means of production at certain prices to combine them into a new product. He classified economic agent into land owners, hirelings, and entrepreneurs, and considered the entrepreneur as the most active among these three agents, connecting the products with customers.

Theory of Entrepreneurial Discover

According to Duru (2011), the theory of entrepreneurial discovery is focused upon the nature of competitive processes, market disequilibria, and the role of knowledge, expectations and learning in the operation of markets the nature and significance of entrepreneurial discovery, and the comparative effectiveness of alternative institutional frame works for evoking entrepreneurship. It is acclaimed as one of the most widely accepted conceptions of entrepreneurship among market process theorist. In line with the broader research programme within which it is embedded, this approach is distinguished but its relationship to ability of the entrepreneur to compete favorably in the industry which he/she operates (Duru, 2011).

Theory of Social Change

The theory of social change was developed by Kart Marx's. Marx's stress on the existential roots of ideas, his stress on the need to view thinking as one among other social activities, has remained no matter what qualifications have to be made one of the enduring parts of his work. Put together with his economic interpretation of the course of human history, his theory of class relations, and his focus on the alienating aspects of social life in modern society, it has become a permanent part of the sociological that creative personality in an individual is characterized by high need for achievement, law, order, autonomy, and problem solving. This helps to explain that in entrepreneurial development the creativity of the people is highly relevant which in the end contributes to improving economic development.

Leibenstein's Theory of Entrepreneurship: Harvey Leibenstein (1922-1994) consider entrepreneur as gap-fallers. The three traits f entrepreneurship include;

- Recognizing market trends
- Develop new goods or process in demands but not in supply
- Determining profitable activities.

BENEFITS OF TOURISM ENTREPRENEURSHIP

The result of ethical, innovative and creative tourism entrepreneurs are numerous and it impacts the economy positively. Vis-à-vis:

Reduction in rural urban migration

- The importance objective of promoting entrepreneurship is to lessen the severity of the rural-urban migrating. The migration of rural dwellers to cities in search of jobs has resulted in congested, high incidence of crimes etc.
- **Employment Opportunities:** Entrepreneurship enables individual to create small business. The labor-intensive nature of small-scale tourism business creates more jobs to alleviate poverty in the country.
- **Economic Development:**

The payment for the different factors to production and profits made by entrepreneur, flow into the national income and the gross domestic product, which improves the standard of living of the citizens of the country and fosters economic development.

- **Development of Local Technological Base:**

Tourism Entrepreneurship will help in enhancing the transferable needed technology for the rapid transformation of the rural environment.

- **Conservation of Foreign Exchange**

The direct expenditure boosts the recipe of foreign exchange, which has multiplier effect of the economics of the local environment.

Tourism Entrepreneurship Challenges:

Tourism entrepreneur businesses face so many challenges:

- **Inadequate Infrastructure:**

Nigeria's infrastructure can be deemed to be a nightmare to both entrepreneurs and the country's populace. With the infrastructure deterioration, the cost of doing business has tremendously gone up. The tourism super structures like hotel lack constant electricity and water supply which is a necessity in hosting the visitors, also dilapidated road network which lead to tourism site is lacking.

- **Failure to Adapt to Change**

Majority of the tourism entrepreneur lack the necessary business skills and management know how to operate tourism business effectively and growth in ICT business solutions demands that the small tourism business acquire the needed skills to cope with the changing business environment.

- **Security Issues:** Lack of security and inadequate protection of lives and properties of the visitor by various security agencies had hindered tourist investment to trape. Security situation in the country has affected the inflow of international tourism of the country. Nigeria has become a home of kidnapers and other unjust harassment.

- **Venture Capitalization:** Has hinder entrepreneurial endeavour financing in Nigeria as a result of political and economic instability.

- **National De-moralization:** Corruption widespread in the country make the procurement of licenses, permits, goods, and services from government agencies and even payment of taxes without giving bribes.

- **Inconsistent Government Tourism Policies:** Government policy inconsistency has generated challenges among entrepreneurs. Have no control over, all they can do is to respect to enacting favourable business laws. But he must have political clout and massive resources to be able to influence government laws.

However, he may not have the political clout or financial muscle to influence government's so the best strategy is to keep a keen eye on government laws and swiftly adjusts your business to align with the policies.

- **Lack of Credit Facilities:** Accessing business facilities is difficult or most small tourism entrepreneur due to stringent conditions and unfavorable collateral demands by the banks to collect loans has hinders so many tourism entrepreneurs to access loan facilities.

Conclusion

Since tourism entrepreneurship business benefits the economy, create employment, result in foreign exchange earnings, the government is expected to develop policies that will encourage ethical and competent entrepreneurs.

Recommendations

It is recommended that;

- The government should encourage tourism entrepreneurship by giving soft loan, incentives and providing enabling environment to ensure that tourism entrepreneurship thrives in the country.
- Tourism entrepreneurship skills should be boosted since it has much bearing to the economic development of the country.
- Every available means through which the nation's economy can be boosted should be encouraged so as to create employment for the teaming unemployed populace.

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