

PROXIMITY AND PERFORMANCE OF HOTELS IN PORT HARCOURT: A CORPORATE OPERATIONS CHALLENGE

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ABSTRACT: *The need for proximal positioning for effective performance has been highlighted in this study which sought to examine the relationship between proximity and performance of Hotels in Port Harcourt. The study was guided by six hypotheses stating that there is no significant relationship between proximity (dimensioned by proximity to customers and proximity to staff) and performance (measured with patronage, customer retention and employee turnover). A sample of ninety managers was drawn from hotels in Port Harcourt using the cluster sampling technique. Pearson's product moment correlation (r) was used in testing the hypotheses at 95% level of confidence. The findings indicated that proximity to customers related significantly with patronage, customer retention and employee turnover. While proximity to staff did not relate significantly with patronage and customer retention; but with employee turnover. Based on these, it was concluded that to a large extent, proximity is a good predictor of performance of hotels in Port Harcourt. Hence, hotels need to reposition and/or re-strategize so as to mitigate the locational challenges of proximity to customers and employees that are capable of impeding their performance. Consequently, the study recommended among other things that hotels should be located in such a way that they are easily accessible by customers and employees so as to enhance economic activities. Where this is not the case, hotel management should collaborate with transport service providers to address the issue of proximity and easy access to and fro their facilities.*

KEYWORDS: accessibility, customer retention, employee turnover, facility location and patronage.

INTRODUCTION

The need for hotels to reposition and/or innovate for effective performance is more manifest now than before. This need is being highlighted by the locational challenges clogging their wheel of operations and likely affecting customer cum employee behaviours. These challenges are capable of impeding performance thereby underscoring its importance and making business performance one of the most investigated areas in the management and behavioural disciplines. In recent times, this importance of business performance has stimulated the interest of stakeholders like business strategists, product designers, facility managers and workplace consultants to become conscious of the location of their facilities; causing them to site and design physical environments that foster business success (Ndu, 2016). Though the advent and continued growth of electronic business (E-business) seems to downplay this reality; the fact that the hospitality industry mostly thrives on physical contact for service consummation underscores the location-performance correlation. A

major consideration in hotel location is proximity; especially to customers and staff. This accounts for the reason why hotels are usually cited at accessible locations; close enough to customers and members of staff. Investigators have linked facility location to varying corporate measurement metrics. For instance, Tepavcevic, Blesic, Bradic, Ivkov and Stefanovic (2016) in their study “Importance of location and exterior of city hotels as elements of guest satisfaction” established that the location of city hotels as well as their exteriors are antecedents of guest satisfaction. Similarly, Manning, Rodriguez and Ghosh (1999) used their article “Devising a corporate facility location strategy to maximize shareholder wealth” to show that location decisions impact on corporate sales revenues. Other studies of similar correlational propositions include Rodriguez and Sirmans (1996); Chan, Gau and Wang (1995); Ghosh, Rodriguez and Sirmans (1995) etc. While these studies focused on the impact of facility location on identified performance metrics, none was found to have investigated the proximity – performance relationship; hence the need for this study.

The investigation of performance in the hospitality industry is so crucial that wherever success is lacking, it is easily noticed. For instance, Ndu (2016) noted that some hotels in Port Harcourt have become declining, with decaying buildings, defaced façade, rain-washed paints; and in extreme cases, rodents and messy environment are common features. Such hotels according to him rather than be centres for beehives of activities, have turned to solitary environments where friends and relatives of management/staff resort to for sleeping and relaxation just to maintain human presence. He further maintained that in such hotels, workers’ salaries are unpaid; running cost is high as there is no commensurate revenue to break-even let alone make profits. All these probably because such hotels are not proximally located and consequently attract low traffic of customers and workers. The implication of location decisions on hotel performance is so crucial that it is capable of determining expected revenues and costs. Specifically, it is capable of affecting traffic to and fro the hotel; the occupancy rate, the hotel rating, type and quality of guests attracted; etc. In spite of these, quitting is an option not usually considered by hotels; probably due to the huge resources already committed; leading to escalation of commitment (Nwachukwu, 2006). The indication here is that organizations ought to go beyond current cost implications and factor in the long term effects of their location decisions and use that as the basis for their choice of location. Since previous studies focused on the location – performance relationship, this study thought it wise to focus on an aspect of facility location (proximity) and how it may impact on the performance of hotels. Saale (2007) had listed a plethora of factors to be considered in locating facilities to among others include proximity to consumers. While Campbell cited in Hahn (2007) listed some of the measures for organizational outcome data to include profitability, employee turnover and customer retention. Borrowing from these two scholars, this study sought to investigate the relationship between proximity (as dimensioned by proximity to ‘customers’ and ‘staff’) and performance (as measured by patronage, customer retention and employee turnover) of hotels in Port Harcourt. This was in an attempt to explain and proffer lasting solution to some of the corporate operations challenge faced by some hotels in Port Harcourt. Specifically, the objectives of the study were to investigate if: 1) Proximity to customers influences patronage. 2) Proximity to customers influences customer retention. 3) Proximity to customers influences employee turnover. 4) Proximity to staff influences patronage. 5) Proximity to staff influences

customer retention. 6) Proximity to staff influences employee turnover. These gave rise to six research hypotheses stated thus:

H₀1: There is no significant relationship between proximity to customers and patronage.

H₀2: There is no significant relationship between proximity to customers and customer retention

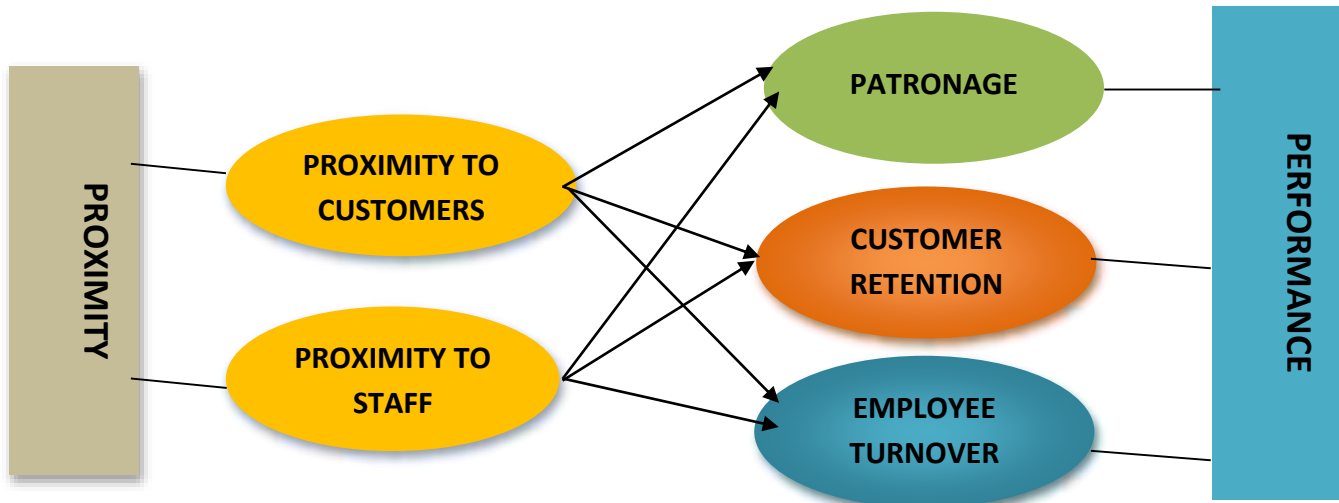
H₀3: There is no significant relationship between proximity to customers and employee turnover.

H₀4: There is no significant relationship between proximity to staff and patronage.

H₀5: There is no significant relationship between proximity to staff and customer retention

H₀6: There is no significant relationship between proximity to staff and employee turnover.

The apparent relationship between proximity and performance has been modelled in figure 1



Source: Researchers' Conceptualization 2019, based on dimension of Proximity Adapted from Saale (2007) and Measures of Performance Adapted from Campbell (2005).

Fig.1: Model of the Relationship between Proximity and Performance

Figure 1 captures the anticipated flow of correlation between the variables of the study. The two dimensions of proximity (proximity to customers and proximity to staff) are anticipated to have direct correlation with the three measures of performance (patronage, customer retention and employee turnover); subject to the test results. The outcome of this study is expected to help hotel managers and other stakeholders in the hospitality and tourism industry in formulating corporate strategies. It will equally serve as a guide to critical investment decision-making for intending investors. By showing the long-range effects of facilities location decisions on performance, it will aid in proper site analysis and decision making. To the government, it will help in urban planning and development; assist in tackling logistic challenges and regulations that will promote activities in the industry. It will equally assist in determining relevant taxes and duties. To the general public, it will help in easy access to hotels and in the rating of hotels. It will equally increase the repertoire of knowledge on the subject matter. The literature in this study was limited to the subject matter – proximity (and by extension facility location) and performance; especially as they relate to hotels. The study covered only hotels in Port Harcourt that are duly registered with the relevant

authorities and have at least ten staff and minimum of twenty standard rooms. Being a macro level study, managers of the target hotels constituted the sample elements. The entire discourse of the study was captured under such sub-headings as introduction, literature/Theoretical Underpinning, methodology, results/findings, discussions, implications to research and practice, conclusions and future research.

LITERATURE/THEORETICAL UNDERPINNING

The underlying theory for this work is the stakeholders' theory. This theory focuses on the purpose of the firm which according to the theory, is to create wealth or value for its stakeholders via the conversion of their stakes into goods and services (Clarkson, 1995) or to serve as a vehicle for coordinating stakeholder interests (Evan & Freeman, 1988). This theory was first propounded as a managerial theory (Secchi, 2007). Accordingly, the organization ought to be managed for the stakeholders' benefit which comprises the owners, shareholders, customers, employees, suppliers and host communities, as well as maintaining the firm's survival (Evan & Freeman, 1988). The decision making structure is based on the discretion of the top management and corporate governance, and frequently it is stated that such governance should incorporate stakeholder representatives. Stakeholder theory is akin to the idea that organizations in addition to their stockholders owe certain obligations to constituent groups in the society beyond that which is prescribed by law or union contracts (Jones, 1995). Hence, stakeholder theory considers individuals and groups with a stake in the organization such as the shareholders, employees, customers, suppliers, host community as well as the natural environment. Relating this theory to this study explains the need for hotel owners to carry out their business in such a way that will be beneficial to concerned stakeholders. One way of ensuring this is by locating their facilities as close enough to the customers, employees and affected stakeholders as possible. It is understandable that since hotels are primarily built for customers' satisfaction and comfort (Ndu, 2016), it is therefore important for them to be easily accessible to the customers and by extension, the employees.

Conceptual Framework

A fairly detailed discussion of the major concepts of this study has been presented below. This is to enable the reader have a fair grasp and understanding of the concepts as they pertain to the study.

Concept of Proximity

Proximity in this study refers to the closeness of hotels to identified stakeholders or factors. In this case, customers and employees. Usually, facilities like plants, machinery, and equipment used by organizations and businesses need to be properly sited for effective capacity utilization and optimum performance (Ndu, 2016). It is against this backdrop that the concept of proximity derives its relevance. Ndu observed that one of the major decisions that need to be made whenever a new business is starting, or an existing one is being expanded, is where to site the major facilities for efficient production/service. It is usual for several considerations to be made before settling for a particular site. According to Saale (2007), "the moment the need for a new facility is apparent, alternative sites must be identified; the cost of the sites must be evaluated and compared with the site with minimum total costs (tangible and intangible) selected". The factors usually considered

in deciding on where to site a facility vary significantly from organisation to organisation; and also in terms of industry and geographic location.

On a general note, Saale (2007) outlined some of the factors usually considered to include integration with group companies, availability of quality labour, availability of housing and other amenities for staff, closeness to source of raw materials, availability of services, proximity to consumers, closeness of seaport and airport, room for expansion, construction cost, political stability, zoning regulations, host community, safety requirements, free trade zone, trading blocks, environmental regulation, government policies and taxes. In the hotel industry, some of the major considerations are proximity to target customers and employees; as they are key to success in the business. For the purpose of this study, '**Proximity to customers**' and '**Proximity to staff (employees)**' were chosen as the two dimensions of the predictor variable - proximity. Proximity here, indicates the closeness of a hotel facility to the target customers and employees. In other words, it indicates the ease with which customers and employees access a hotel facility. Its importance is underscored by the fact that there are many competitors; such that accessibility should not be a discouraging factor to customers and other stakeholders. This perhaps explains the reason for the concept of airport hotels, beach-side hotels, railway hotels etc. Other target locations for hotels include city centres where business men and women can easily access; major highways (especially for motels) where travellers can easily reach etc. The idea being that citing these hotels as proximate enough to the target customers as possible, will to a reasonable extent guarantee patronage. In the case of proximity to staff, some hotels usually provide accommodation for members of staff within their facility, or at locations close enough to the hotels. Where this is not possible, transportation arrangement to and fro the hotel is usually made by the management; all in a bid to ensure unhindered service by the employees. It is also important for such sites to remain functional as noted by Bai, Li, Peng, Wang and Ouyang (2015) when they posited that once a facility is built, it should remain functional all the time. This is necessary for the enhancement of efficiency. Similarly, in determining the location of a facility, the management of the facility should also be considered so as to ensure effectiveness of the organization (Tranchard, 2016).

The Concept of Performance

Performance estimation has always been a thing of great interest to both researchers and organizational leadership teams (Jenatabadi, 2015). This is probably because the potential success or failure of any business is largely dependent on its organisational performance (Randeree & Al Youha, 2009). Moreover, it has continued to be pervasively used in management and allied fields as the ultimate evaluative criterion by most investigators and strategists (March & Sutton, 1997; Richard, Devinney, Yip & Johnson, 2009). According to Randeree and Al Youha (2009), organisational or business performance is generally regarded as an organisation's ability to realize its objective via effective implementation of corporate strategies. Almatrooshi, Singh and Farouk (2016) posited that this ability to effectively implement corporate strategies is largely dependent on the skill set possessed by its leaders. The only way to ascertain this is the measurement of performance at a given time; thereby underscoring the importance of performance. In other words, measuring organisational performance enables practitioners and researchers to assess the activities of managers and their firms; so as to know their standing in comparison to competing firms as well as their evolution and performance over a given period (Richard et al 2009). According to Richard

et al, measuring firms' performance cuts across three outcome areas - financial indicators (which include profits, return on investment, return on assets, etc.); market standing (such as sales, market share, etc.); and shareholder return (e.g. total shareholder return, economic value added, etc.). Some experts prefer measuring performance based on a single factor; while others prefer the multiple factor approach (Hahn, 2007). This has generated some debate or controversy that points out the high and low points of each of these approaches. Irrespective of the approach adopted by investigators or the different schools of the thought, it is important for such evaluations be based on outcome measures that capture the objectives of such organisations. For the purpose of this study, the researchers adopted the multi factor measure approach; involving such measures as are usually used in the hospitality industry. They include patronage, customer retention and employee turnover. These have been briefly reviewed hereunder as they apply to this study.

Patronage

Patronage is a crucial parameter for measuring the performance of hotels. This is because, the main reason for the existence of hotels is for customers to patronize the services provided. This in turn is expected to positively affect the revenue generated. Hence the survival of any hotel business is largely dependent on the level of patronage it receives; and every other outcome measure is a function of the patronage level.

Customer Retention

Customer retention simply refers to rate at which businesses organisations attract customers to their brand and retain them over a period of time. Some of the factors that influence customer retention are customer satisfaction and quality of relationship (Gustafsson, Johnson, & Roos, 2005; Tamuliene & Gabryte, 2014). No doubt, organizational goals should among other things include customer retention; and when customers are satisfied with product or service quality, they tend to complain less (Ndu, 2016). This tends to influence and guarantee their loyalty to the brand. It has been argued that customers' purchase decisions are based on a lot of factors which are influenced by the product/service design; which in turn, impact customer satisfaction and retention (Vonderembose, 2011). Although investigators differ on what these factors include for different organizations; this study is premised on the assumption that proximity could influence the decision of a customer to be retained in a particular hotel. Hence, the paper sought to establish empirical evidence for the relationships between the dimensions of the proximity as used in this study and this measure of performance.

Employee Turnover

This is the rate at which employees enter and leave an organization. When this rate is high, it does not seem to speak well of the organization and this sends a negative signal about the organization. In a study carried out by Cosh, Hughes, Bullock and Potton (2003) on the relationship between training and business performance, it was found out that training lowered the rate at which employees (engineers) leave their company by 40%. This saved quite a lot of money for the companies. Thus employees tend to stay longer in their organizations if working conditions like pay, transportation, accommodation etc., are favourable.

Empirical Literature

Previous researchers have established that corporate location decisions can significantly impact on expected revenues and costs (Manning, Rodriguez & Gosh, 1999, Ndu, 2016; Tepavcevic et al, 2016). Business organisations make this decision based on a lot of factors ranging from lowest cost sites to market expectations (Bai *et al*, 2015; Mac'Odo, 2005; Saale, 2007). This section of the literature review focused on each of the hypothesized relationships.

Relationship between Proximity to Customers and Patronage

The relationship between proximity to customers and patronage has been highlighted in previous studies. For instance, Tepavcevic et al (2016) used their study “Importance of location and exterior of city hotels as elements of guest satisfaction” to establish that the location of city hotels as well as their exteriors are antecedents of guest satisfaction; implying that hotel location and the exteriors enhance patronage and customer retention. Note that a satisfied guest is most likely to patronize same hotel next time and eventually be retained as a customer. Similarly, Harding (1988) used his study ‘Quantifying abstract factors in facility-location decisions’ to forecast that, in the future, global business competition will push companies in capital-intensive manufacturing, service and distribution industries, with high service requirements, to locate closer to their markets (customers), this is to ensure easy accessibility to customers which will give rise to profitable organization due to increased patronage and no doubt, employees will be engaged further. This study therefore seeks to affirm or disprove the hypothesized statement that **there is no significant relationship between proximity to customers and patronage.**

Relationship between Proximity to Customers and Customer Retention

It has been argued that one of the factors to be considered in locating a facility is accessibility by customers (Harding, 1988; Manning, Rodriguez & Gosh 1999; Saale, 2007, Vonderembose, 2011). This is probably because customers will likely consider alternatives that are easily accessible to them than others. This appears to be more evident in the hospitality industry; where convenience, accessibility, quality of service and security are important to the customer. Specifically, Manning, Rodriguez and Gosh (1999) in their study titled ‘Devising a corporate facility location strategy to maximize shareholder wealth’ found that facilities that are properly located attract more customers (patronage) and most likely retain them. In the same vein, Erickson and Wasylenko (1980) used their investigation “Firm relocation and site selection in suburban municipalities’ to conclude that businesses that are located close to their customers are more likely to attract and retain same than those that are not. Tepavcevic et al (2016) was also of similar conclusions. Hence the need to test the hypothesized statement of **no significant relationship between proximity to customers and customer retention.**

Relationship between Proximity to Customers and Employee Turnover

Ordinarily, it appears unreasonable to associate proximity to customers to employee turnover. However, when one considers the fact that the functionality of a facility is largely dependent on its location (Bai *et al*, 2015); and that in determining the location of a facility, the employees which form the management should be considered, so as to ensure effectiveness of the organization (Tranchard, 2016), the hypothesized relationship becomes important. This was vividly captured in Harding (1988) when he used his study ‘Quantifying abstract factors in facility-location decisions’

to predict that, in the future, global business competition will push companies in capital-intensive manufacturing, service and distribution industries, with high service requirements, to locate closer to their markets (customers), this is to ensure easy accessibility to customers which will give rise to profitable organization due to increased patronage and no doubt, employees will be engaged further. Note that the engagement of employees will keep them busy and reduce the chances of boredom that characterize less busy hotels. All things being equal, workers' salaries are more likely to be paid regularly; thereby limiting the chances of job-hopping. Nevertheless, the hypothesized proposition of **no significant relationship between proximity to customers and employee turnover** is test-worthy.

Relationship between Proximity to Staff and Patronage

No study was found to have established any relationship between proximity to staff and patronage. Hence, it is noteworthy that the closeness of a hotel to members of staff only guarantees their availability and not that of the customers. Harding (1988) captured this when he used his afore mentioned study to predict that locating businesses closer to their customers (not staff) gives rise to increased patronage. This has necessitated the testing of the hypothesis that **there is no significant relationship between proximity to staff and patronage**.

Relationship between Proximity to Staff and Customer Retention

No study has been found that established a relationship between proximity to staff and customer retention. Closeness of a hotel to members of staff may only guarantee labour availability as well as punctuality; and not essentially customers. Erickson and Wasylenko (1980) used their afore mentioned study "Firm relocation and site selection in suburban municipalities" to conclude that businesses that are located close to their customers (and not staff) are more likely to attract and retain customers than those that are not. This obviously leaves the hypothesis of **no significant relationship between proximity to staff and customer retention** to be subjected to testing for possible confirmation or not.

Relationship between Proximity to Staff and Employee Turnover

When facilities are located close enough to staff, it saves them transportation cost and the associated stress of covering long distances in order to go to work. This may reduce their chances of job-hopping especially if pay and other conditions of service are not favourable. Although no study has been found to have investigated the correlation of proximity to staff and employee turnover, Harding (1988) in his afore mentioned study envisaged that locating facilities closer to markets (customers) engenders profitability, increased patronage and further employee engagement. This underscores the need to test the hypothesized proposition that **'there is no significant relationship between proximity to staff and employee turnover'**.

METHODOLOGY

The survey research design was adopted for this work; and data was generated through the primary source via an instrument developed by the researchers for this study. The data so generated from the study sample formed the basis for the analysis; and the result was used to make relevant inference upon the target population. The target population, comprised hotels in Port Harcourt

which numbered four hundred and forty (Hotels.ng, 2020). Of this number, only two hundred and eighty (280) are registered with the relevant government agency; in this case, the Rivers State ministry of tourism and Culture. It is important to state that this number excluded allied businesses such as fast food centres, eateries, restaurants, motels, guest houses, brothels, chalets etc. The researchers used the cluster sampling technique to select proximally located hotels (with at least twenty standard rooms and a minimum of ten staff) within the Aba road, Ikwerre road, Government Residential Areas, old Port Harcourt town and Diobu areas of Port Harcourt. This reduced the number to one hundred and three hotels. Consequently, the accessible population comprised the one hundred and three (103) managers of these hotels. Since this number is relatively small, all the sampling units were considered for the study; thereby, leaving us with a sample size of 103 managers; i.e. one from each of the sampled hotels.

The purpose of the instrument which was developed by the researchers for the study and titled '**Proximity and Performance**' was generate data for the examination of the influence of proximity on performance. The response format was in a five point Likert scale; measured as follows: 4–Strongly Agree; 3–Agree; 2–Disagree; 1 – Strongly Disagree; 0–Undecided. The Pearson's product moment correlation (r), which is a non-parametric test, was used in testing the hypotheses at 95% level of confidence; giving rise to a significant level of 0.05. This analysis was aided with the use of Statistical Package for Social Sciences (SPSS).

Results/Findings

A total of one hundred and three copies of the questionnaire were administered; out of which seventy-five were responded and returned. This gave rise to a 72.82% response rate. Out of this number, only fifty were found to be valid for the analyses. This resulted to a 66.67% valid response rate. Consequently, the number of responded questionnaires used for analysis was fifty.

	Proximity to Customers	Patronage
Pearson Proximity to Customers Correlation Coefficient	1.000	.831**
Sig.(2-tailed)	.000	.000
N	50	50
Patronage Correlation coefficient	.831**	1.000
Sig. (2-tailed)	.000	.000
N	50	50

** . Correlation is significant at the 0.05 level (2-tailed).

Table 1: Correlation between Proximity to Customers and Patronage

In table 1, a correlation coefficient of 0.831 was recorded and a P-value of .000 which is less than the .05 level of significance; indicating a significant correlation. Since the null hypothesis here was not supported, the alternate hypothesis was upheld. Consequently, it was stated that there is a significant and strong direct relationship between proximity to customers and patronage of hotels.

	Proximity to Customers	Customer Retention
Pearson Proximity to Customers Correlation Coefficient	1.000	.481**
Sig.(2-tailed)	.	.001
N	50	50
Customer Retention Correlation coefficient	.481**	1.000
Sig. (2-tailed)	.001	.
N	50	50

** . Correlation is significant at the 0.05 level (2-tailed).

Table 2: Correlation between Proximity to Customers and Customer Retention

In table 2, a correlation coefficient of 0.481 and P-value of .001 were recorded at 2-tailed. Since the p-value is less than the .05 level of significance, the null hypothesis here was not supported; implying the upholding of the alternate hypothesis. Consequently, it was stated that there is a significant and moderate direct relationship relationship between proximity to customers and customer retention.

	Proximity to Customers	Employee Turnover
Pearson Proximity to Customers Correlation Coefficient	1.000	-.392**
Sig.(2-tailed)	.	.000
N	50	50
Employee Turnover Correlation coefficient	-.392**	1.000
Sig. (2-tailed)	.000	.
N	50	50

** . Correlation is significant at the 0.05 level (2-tailed).

Table 3: Correlation between Proximity to Customers and Employee Turnover

In table 3, a correlation coefficient of -0.392 was recorded at 2-tailed and P-value of .000 which is less than the .05 level of significance. Since the null hypothesis here was not supported, the alternate hypothesis was upheld. It was therefore stated that there is a significant and moderate indirect relationship between proximity to customers and employee turnover of hotels.

	Proximity to Staff	Patronage
Pearson Proximity to Staff Correlation Coefficient	1.000	.411**
Sig.(2-tailed)	.	.076
N	50	50
Patronage Correlation coefficient	.411**	1.000
Sig. (2-tailed)	.076	.
N	50	50

** . Correlation is non significant at the 0.05 level (2-tailed).

Table 4: Correlation between Proximity to Staff and Patronage

Table 4, shows a correlation coefficient of 0.411 and P-value of .076 which is greater than the .05 level of significance; indicating a non-significant and moderate direct correlation. Since the null hypothesis here was supported, it was upheld that there is a non-significant but moderate direct relationship between proximity to staff and patronage of hotels.

	Proximity to Staff	Customer Retention
Pearson Proximity to staff Correlation Coefficient	1.000	.371**
Sig.(2-tailed)	.	.067
N	50	50
Customer retention Correlation coefficient	.371**	1.000
Sig. (2-tailed)	.067	.
N	50	50

** . Correlation is insignificant at the 0.05 level (2-tailed).

Table 5: Correlation between Proximity to Staff and Customer Retention

In table 5, a correlation coefficient of 0.371 and P-value of .067 were recorded at 2-tailed. Since the p-value is greater than the .05 level of significance, the null hypothesis here was supported. Consequently, it was upheld that there is no significant relationship relationship between proximity to staff and customer retention.

	Proximity to Staff	Employee Turnover
Pearson Proximity to staff Correlation Coefficient	1.000	-.461**
Sig.(2-tailed)	.	.000
N	50	50
Employee turnover Correlation coefficient	-.461**	1.000
Sig. (2-tailed)	.000	.
N	50	50

** . Correlation is significant at the 0.05 level (2-tailed).

Table 6: Correlation between Proximity to Staff and Employee Turnover

In table 6, a correlation coefficient of -0.461 was recorded at 2-tailed and P-value of .000 which is less than the .05 level of significance. Since the null hypothesis here was not supported, it was upheld that there is a significant and moderate indirect relationship between proximity to staff and employee turnover of hotels.

DISCUSSION OF FINDINGS

In the testing of hypothesis one, the finding showed a significant and direct relationship between proximity to customers and patronage. Meaning that proximity to customers is an antecedent of patronage. The R^2 value of 0.6906 implies that about 70% of the variance in patronage can be explained by proximity to customers leaving the remaining 30% to other factors not captured in the model. This finding agrees with that of Harding (1988) who used his study to forecast that, in the future, global business competition will push companies in capital-intensive manufacturing, service and distribution industries, with high service requirements, to locate closer to their markets (customers), this is to ensure easy accessibility to customers which will give rise to profitable organization due to increased patronage and no doubt, employees will be engaged further. Support was also found in the works of Tepavcevic et al (2016) who established that the location of city hotels as well as their exteriors are antecedents of guest satisfaction. Other supportive works include those of Manning, Rodriguez and Gosh (1999); Erickson and Wasylenko (1980) who used their works to explain that facilities that are properly located attract more customers (patronage) and most likely retain them. However, the unexplained variance of 30% is worth paying attention to, as it is understandable that proximity to customers alone is not enough to guarantee high levels of patronage. Other factors like type and quality of services rendered all contribute to influence patronage positively. Lastly, the result from hypothesis three testing, showed the non-existence of a significant relationship between proximity to customers and customer retention. Meaning that no meaningful relationship can be established between the variables. This finding differs from the works of Manning, Rodriguez and Gosh (1999); Erickson and Wasylenko (1980) who tried to associate facility location with customer retention. As stated earlier, it is understandable that proximity to customers alone is not enough to guarantee customer retention; other factors like

quality of service, price, availability of world class facilities etc., are the main factors that largely determine customer loyalty.

In hypothesis two, the finding showed that there is a moderate significant and direct relationship between proximity to customers and customer retention. implying that proximity to customers is a moderate antecedent of customer retention. The R^2 value of 0.2314 implies that about 23% of the variance in customer retention can be explained by proximity to customers; leaving the remaining 77% to other exogenous factors not captured in the model. Support for this was found in the works of Harding (1988); Manning, Rodriguez and Gosh (1999) and Saale, (2007) who respectively used their studies to establish that closeness of facilities to the target market (customers) influences their decision to chose a particular business in preference to others in same industry. The moderate relationship may be explained by the fact that other factors like type and quality of service, facilities in place, room rate etc., all contribute significantly to determining the rate at which a hotel retains customers or not. impact of distance covered, carrying cost and other extraneous variables. For instance, while Harding tried to forecast that, in the future, global business competition will push companies in capital-intensive manufacturing, service and distribution industries, with high service requirements, to locate closer to their markets, this is to ensure easy accessibility to customers which will give rise to a profitable organization and employees will be engaged further.

In hypothesis 3, it was established that there is a significant and moderate indirect correlation between proximity to customers and employee turnover of hotels. The R^2 value of .1537 indicates that about 15% of the changes in employee turnover can be explained by proximity to customers. The remaining 85% can be accounted for by other factors not accommodated in the model. This finding is not surprising at all as it is understandable that hotels that located close enough to customers attract more patronage and are likely to be more profitable. The ripple effect is that workers are more likely to be busy thereby reducing the chances of boredom that characterize less busy hotels and eventually lead to job-hopping. All things being equal, workers' salaries are more likely to be paid regularly; thereby limiting that chances of job-hopping.

In hypothesis four, the finding showed a non-significant relationship between proximity to staff and patronage. Meaning that proximity to staff is not an antecedent of patronage. This is understandable in that the fact that a hotel is close enough to members of staff only guarantees their availability and not that of the customers. Support for this was found in the work of Harding (1988) who used his study to forecast that, in the future, global business competition will push companies in capital-intensive manufacturing, service and distribution industries, with high service requirements, to locate closer to their markets (i.e. customers not staff), this is to ensure easy accessibility to customers (not staff) which will give rise to profitable organization due to increased patronage and no doubt, employees will be engaged further.

In hypothesis five, the finding showed that there is no significant correlation between proximity to staff and customer retention. implying that proximity to staff cannot be used to predict the rate at which hotel customers are retained. Again, this is not surprising in that closeness of a hotel to

members of staff may only guarantee labour availability as well as punctuality; and not essentially customers. Hardings postulation above is equally supportive of this finding.

Lastly, hypothesis 6 established that there is a significant and moderate indirect correlation between proximity to staff and employee turnover of hotels. This implies that the closer hotels are to members of staff, the less likely they are to quit. The moderate relationship is explained by the fact that other factors like pay and conditions of service all contribute to influence employees' decision to stay or quit his job in a particular hotel. The R^2 value of .2125 indicates that only 21% of the variations in employee turnover can be explained by proximity to staff. The remaining 79% can be accounted for by other variables not accommodated in the model. This finding is quite understandable in that hotels that are located close enough to staff saves them transportation cost and the associated stress of covering long distances in order to go to work. This reduces the chances of looking for another job while working. When pay and other conditions of service are favourable to employees, one major factor they consider before deciding to quit or not is the distance to work and associated cost of transportation. If it is relatively low, they most likely would remain; thereby reducing turnover intentions cum rate. This position agrees with that of Manning, Rodriguez and Gosh (1999) and Wasylenko (1980) who established a correlation between the location of facilities and customer retention, not employee turnover.

Implications to Research and Practice

Sequel to the findings of this study, it was established that proximity to customers related significantly with patronage, customer retention and employee turnover. While proximity to staff did not relate significantly with patronage and customer retention; but with employee turnover. This has thrown up some implications to both researchers and practitioners who stand to gain from the insights of the study if they heed the advices.

First, researchers will find this study useful because it has added to the repertoire of knowledge on the subject matter. Consequently, discourse on locational challenges that are hinged on proximity and its potential impact on performance will no longer be based on head knowledge or experience; but on empirically proven facts as shown in this study. By sparking off further investigations especially as outlined in the suggestions for further studies, this study will help to lengthen the debate on our discourse and create broader perspectives.

In terms of practice, hotel owners and managers that wish to enjoy increased customer patronage, customer retention and low employee turnover, will benefit maximally from this study in that it has detailed to them the main factors to be addressed in order to achieve their objectives. Specifically, the study has shown them that their hotel location matters a lot. Hence if they want to improve on the analysed performance metrics, they need to relocate or re-strategize. Where it may not be feasible to relocate, they may need to partner with transport agencies to provide shuttle services for customers and staff to and fro their venues. They can also remodel their services to meet the need of prospective customers in their immediate environment. To government and regulatory agencies, the study has legitimatised the need for proper regulation in the hotel industry. It also serves as reference document to them for urban planning and development purposes. Such

concepts as airport hotel, railway hotel, beach side hotel, highway motel, ‘aerotropolis’, industrial parks, residential areas, parks and gardens etc., all find relevance in this piece.

CONCLUSIONS

This study set out to ascertain the relationship between proximity and performance of hotels in Port Harcourt. Using a sample of fifty hotel managers and the Pearson’s product moment correlation technique, it was established that there is significant correlation between the dimensions of proximity and the three measures of performance. Specifically, it was ascertained that proximity to customers related significantly with patronage, customer retention and employee turnover. While proximity to staff did not relate significantly with patronage and customer retention; but with employee turnover. Based on these, it was concluded that to a large extent, proximity is a good predictor of performance of hotels in Port Harcourt; and that hotels facing such challenges as discussed in this study must re-strategize in order to mitigate the locational challenges of proximity to customers and employees that are capable of impeding their performance. Accordingly, the following recommendations are germane:

1. Hotel owners and regulatory agencies need to ensure that their hotels are located in such a way that they are close enough and/or easily accessible to customers as it has been proven to enhance their patronage. Places like tourist attraction centres, airports seaports, railways *et cetera* are typical examples of easily accessible places. It is also believed that citing hotels around these places will enhance the quality of such places; especially in terms of boost in economic activities and aesthetics of the environment.
2. The management team of hotels should try as much as possible to provide and/or create a transport logistics arm in their operations portfolio. This can be achieved by partnering with transport companies so as to provide easy access and movement to and fro their hotels. This will not only aid customers and guarantee patronage; but will as well assist employees in movement to and fro their work places (i.e. the hotels).
3. To ensure hotels are proximate enough to employees, management should ensure accommodation is provided for staff members within the hotel premises or at quarters close enough to the hotels. Where this is not the case, transportation arrangement should be made to pick staff to and fro the hotels. This will guarantee their availability, prompt service delivery and largely discourage employee turnover.
4. Finally, owners and intending owners of hotels should endeavour to engage facility location experts when carrying out their site analysis. It is believed that this will help to integrate and factor in all possible considerations into the analysis so as to enhance the quality and suitability of the final location decision. This will go a long way to eliminating the regrets and avoiding the mistakes associated with poorly located facilities.

Future Research

For the purpose of future research, this study can be replicated using other industries; especially those that are service oriented such as quick service restaurants, banks, the telecommunication industry, etc. It study can equally be replicated in another geographic location. This will go a long

way to help in validating the findings of this study or otherwise. A comparative study of effects of proximity on performance of different industries can be also be attempted. The effect of proximity on other macro and micro variables can equally be investigated.

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