

Assessing the Strategies of Production planning and Inventory control in Selected Hotels in Lagos State

Folalu A.A.

Department of Hospitality Management
The Federal Polytechnic Ilaro, Ogun State

*Correspondence: omobolanle202@gmail.com 08068226515

Abstract

A descriptive and cross-sectional study was conducted among hundred workers in selected hotels in lagos State to assess the strategies of production planning and inventory control in hotel industry. A semi-structured questionnaire was used to obtain information on the bio-data/socio-economic characteristic and assess the various strategies involves in production planning and inventory control and the ways in which production planning and inventory can reduces operational cost in the study area. Data obtained was analyzed using statistical package for social science (SPSS V.20). The results showed that more than half of the respondents (68%) agreed that production planning gives the hotels the survival strength to cope with external threat and almost (59%) of the respondents attested that accurate inventory helps to maintain production planning in the hotel industry and also proper production planning prior to incurring of materials reduces operational cost which is one of the way in which its reduces operational cost in the study area .The study suggests that hotel management should understand that inventory control is very important for any successful production planning.

Keywords: Hotel, planning, inventory, control, industry

1.0 INTRODUCTION

Hospitality entails cordial reception, kindness in welcoming guests and strangers. In today's global market, supply chain management (SCM) has provided several advantages for hotels' strategy in order to improve their competitiveness. It contributes to prosperity creation and further economic development of a country; it covers hotel, resorts, and travel as well as restaurant businesses. The business terrain in which hotels operate has witnessed tremendous change in the past in terms of material sourcing, customer satisfaction, inventory management and overall profitability. According to (Ikon and Nwankwo 2016) Inventories are vital to the successful functioning of hotel business. They may consist of raw materials, work-in-progress, spare parts/consumables, and finished goods. It is not necessary that an organization has all these inventory classes. But, whatever may be the inventory items, they need efficient management as, generally, a substantial share of its funds is invested in them. Different departments within the same organization adopt different production planning and inventory control.

Production is a process or procedure developed to transform a set of inputs like men, materials, capital, information and energy into a specified set of output like finished products and services in proper quantity and quality, thus achieving the objectives of an enterprise.

Production planning embraces the task of adjusting the product and its life cycle to match the changes in customer demands in hotels. Production planning is however characterized by dangers and uncertainties, the danger may be in material and financial with achieve success protection and market acceptance, the uncertainties arise as to whether the product or services, face and survive much competition or die on the competition.

According to (Ikom & Nwankwo 2016), Production planning is associated with planning (that is the acquisition, time of usage, quantity) of the resources required to perform these transformation steps, in order to satisfy the customers in the most efficient or economical way (Ahuja, 2004). An effective production planning process alongside inventory control system is considered as the mechanism that triggered quality services i.e. uninterrupted material availability during production process in the hotels effect stock of materials and finished production via inventory control to enhance customer satisfaction enhance customer demands and want which also direct increase the competitive strength of the hotel and as well as its corporate image in its society.

2.0 MATERIALS AND METHODS

Study Area

This study was carried out in selected hotels in ojodu local government areas of lagos State.

Study design

The study was cross sectional and descriptive in nature and involved hotel workers in selected hotels in ojodu local government areas of lagos State.

Sample size and techniques

Five (5) hotels were purposely selected for this research work in ojodu local government areas of lagos state. A total of 100 respondents were selected through a random sampling technique.

Data collection

A semi structured questionnaire was administered for data collection, questions were asked on areas peculiar to the study; Section A contains the socio-economic characteristics of the respondents, Section B contains the impacts of Production Planning and Inventory Control in the Hospitality industry and Section C Strategies Involve in Production Planning and Inventory Control

3.0 DATA ANALYSIS

Data collected on this study was subjected to descriptive statistic using statistical packaged for social scientist (SPSS) version 20.

Results

Table 1 shows the socioeconomic characteristics of the respondents. It shows that 57% of the respondents were male and 43% of the respondents were female respectively. It also shows that 29% of the respondents were between the age limit of 24-29yrs, 28% were above 36yrs, 26% of the respondents were between 30-35yrs and 17% were between 18-23yrs respectively.

The table also reveals that 53% of the respondents were holders HND/BSc, 45% ND/NCE, 2% were MSc/Mba holders respectively. It also revealed that 71.7% of the respondents were single, 28.3% were married respectively. Furthermore the table also shows that 36% of the respondents have been working for 6-10 years, 30% of the respondents have been working for 1-5yrs, and 17% of the respondents have been working for 11-20 years respectively. It can be deducted from the table that 35.0% of the respondents are manager, 28% of the respondents are chef, 13% of the respondents are waiter/waitress, 11% of the respondent are accountant, 7% of the respondent are cook, 5% of the respondents are security respectively.

Table 1: Distribution of respondents' socio-economic characteristics

Socio-Economic Characteristics	Frequency	Percentage
Gender		
Male	57	57.0
Female	43	43.0
Age		
18-23 years	17	17.0
24-29 years	29	29.0
30-35 years	26	26.0
Above 36 years	28	28.0
Educational qualification		
ND/NCE	45	45.0
HND/B.SC	53	53.0
M.SC/MBA	2	2.0

Working Experience		
1-5 years	30	30.0
6-10 years	36	36.0
11-15 years	17	17.0
16-20 years	17	17.0
Job restriction		
Manager	35	35.0
Security	3	5.0
Cook	7	7.0
Chef	28	28.0
Auditor	1	1.0
Waiter/waitress	13	13.0
Accountant	11	11.0
Total	100	100.0

Table 2 below shows the impacts of production planning and inventory control in the study area. 64% of the respondents strongly agreed that Production planning increases hotel performance in all areas of the hotel while 31% of the respondents agreed as well. Also from the table 56% of the respondents agreed that proper inventory control helps to increase production planning by ensuring the produce do not exceed the customer demand which may result to waste and by so doing creating quality goods and most importantly satisfying customers while 37% strongly agreed as well.

It can also be seen from the table below that 55% of the respondents agreed that inventory control reduces wasting of resources to be used in the production of goods and services which will results to using only the needed quantity of materials needed for a specific period of time while 41% of the respondents attest to it also. Furthermore, 68% of the respondents agreed that the Proper production planning gives the hotels the survival strength to cope with external threat which may arise as a result of competition from the neighboring hotels and also 60% of the respondents agreed that production planning and effective inventory process enhances hotels quality management in the study area which makes them to identify the quality standard services to be rendered to customers.

Impacts of Production Planning and Inventory Control in the Hospitality Industry

Table 2: Showing the impacts of production planning and inventory control in the hospitality Industry

Statement	SA		A		D		SD		Mean
	Freq	%	Freq	%	Freq	%	Freq	%	
Production increases hotel performance	64	64.0	31	31.0	2	2.0	3	3.0	3.56
Proper inventory control helps to increase production planning	37	37.0	56	56.0	7	7.0	-	-	3.30
Inventory control reduces wasting of resources in the production of goods and services	41	41.0	55	55.0	4	4.0	-	-	3.37
Proper production planning gives the hotels the survival strength to cope with external threat	31	31.0	68	68.0	-	-	1	1.0	3.29
Production planning and effective inventory process enhances hotels quality management	30	30.0	60	60.0	10	10.0	-	-	3.20

Table 3 below showed the different strategies involved in production planning in the study area. 50% of the respondents agreed that assembling products to order in likes of perishable and non-perishable goods and items will help to reduce waste and increases output required in each production, 59% of the respondents agreed that maintaining accurate inventory records will assist production in such a way that the hotel will be able to meet unexpected customer demands the study area.

It can also be deduced from the table that 54% of the respondents agreed that production planning can be used for effective control management which enables and ensure that the production team achieves required production target for the day by speeding up processes and ensure timeliness in meeting consumer demands.

The table below also shows that 52% of the respondents in the study area strongly agreed that frequent inventory is a strong key for effective production planning which helps reduce waste and also mitigate possible problems or delays that may occur during the production process.

Strategies Involve In Production Planning

Table 3: Showing the strategies involve in production planning in the hospitality Industry

Statement	SA		A		D		SD		Mean
	Freq	%	Freq	%	Freq	%	Freq	%	
Assemble products to order in likes of perishable and non-perishable goods and items	50	50.0	50	50.0	-	-	-	-	3.50
Maintaining accurate inventory records for effective production	31	31.0	59	59.0	10	10.0	-	-	3.21
Production planning for effective control management	45	45.0	54	54.0	1	1.0	-	-	3.44
Frequent inventory is a key for effective production planning	52	52.0	39	39.0	6	6.0	3	3.0	3.40

Table 4: Chi-square analysis of the significant relationship between impact of production planning and inventory control and strategies involve in production planning and inventory control.

Variables	χ^2 -cal	χ^2 -Tab	Df	Remark
Strategies vs Impact	83.400 ^b	51.302	12	Significant

5.0 Conclusion

It was found out from the result that production planning and inventory control has a positive impact in the study area by increasing the hotel performance for both the management and the staffs which will make the hotel to stand out among its competitors (Lyons I. & Gillingham E.S. 2011),

The respondents also attest that production planning reduces wastage of materials for production of goods and services for customers by ensuring the produce do not exceed the customer demand which may result to waste and by so doing creating quality goods and most importantly satisfying customers. (Coyle D. C. 2009).

The respondents also revealed that proper production planning and inventory control gives the hotel the survival strength to cope with competition that may arise from its environment and to top it all rendering good quality services for customers which is in line with (Ikon, O. &Nwankwo C. 2016). Also the respondents confirmed the strategies involve in production planning and inventory control in the study area has helped the hotel business greatly in terms of waste of resources i.e assemble products to order in likes of perishable and non-perishable goods

and items using FIFO (first in first out) and LIFO (last in first out), also taking proper stock to avoid theft of goods or pilfering within the hotel which may result in failure of the hotel business. (Umoh G.I., & Wokocha I. H., 2014)

It came to limelight that production planning and inventory control practices influenced hospitality service industry performance, also production planning and inventory control had the strongest relationship with service in the industry performance. Ahuja L. (2004)

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