

Local Procurement in Ghana's Hotel Industry: A Study of the Driving Forces, Perceptions and Procurement Patterns

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Abstract : Local procurement has become one of the latest trends in the discourse of sustainable tourism due to the economic benefits it generates for tourist destinations in developing countries. Local procurement helps in creating jobs which consequently helps in alleviating poverty. However, there have been limited studies on local procurement patterns in developing countries. Research on hotel procurement practices has mainly emphasized the challenges that hoteliers face when procuring locally, leaving questions regarding their motivations to engage in local procurement unanswered. The institutional theory provides a suitable framework to better understand these motivations as it underlines the importance of individual cognitive perceptions on issues in shaping organizational response strategies. More specifically, the extent to which an issue is perceived to belong to the organization's responsibility. Also the organizational actors' belief of losses or gains resultant from acting or not acting on an issue (degree of importance). Furthermore the organizational actors' belief of the probability of resolving an issue (degree of feasibility). These factors influence how an organization will act on this issue. Hence, this paper adopts an institutional perspective to examine local procurement patterns of food by hoteliers in Ghana. Qualitative interviews with 20 procurement managers about their procurement practices and motivations, as well as interviews with different stakeholders for data triangulation purposes, indicated that most hotels sourced their food from middlemen who imported most of their products. However, direct importation was more prevalent foreign owned hotels as opposed to locally owned ones. Notwithstanding, the importation and the usage of foreign foods as opposed to local ones can be explained by the lack of pressure from NGOs and trade associations on hotels to act responsibly. Though guests' menu preferences were perceived as important to hoteliers business operations, western tourists demand foreign food primarily with the foreign owned hotels make it less important to procure local produce. Lastly hoteliers, particularly those in foreign owned ones, perceive local procurement to be less feasible, raising concerns about quality and variety of local produce. The paper outlines strategies to improve the perception and degree of local Firstly, there is the need for stakeholder engagement in order to make hoteliers feel responsible for acting on the issue. Again it is crucial for Ghana government to promote and encourage hotels to buy local produce. Also, the government has to also make funds and storage facilities available for farmers to impact on the quality and quantity of local produce. Moreover, Sites need to be secured for farmers to engage in sustained farming. Furthermore, there is the need for collaborations between various stakeholders to organize training programs for farmers. Notwithstanding hotels need to market local produce to their guests. Finally, the Ghana hotels association has to encourage hotels to indulge in local procurement.

Keywords : sustainable tourism, feasible, important, local procurement

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