

Student name:	Marius Tanase	Student ID number:	2111272
Programme:	BA International Hotel Management		
Module:	Financial Management for the Hotel Industry		
Module code:	BMIH5007	Contribution to Overall Module Assessment (%):	50% (2 of 2)
Lecturer:	Dale Clarke	Internal Verifier:	Neil Dyer
Assignment Title:	Sustainable Business Revenue Generation Plan	Word count (Or equivalent):	2,000
Submission deadline:	March 17 2023, 23:55		

Table of Contents

Introduction:	3
Comparison between insourced and Outsourced housekeeping:	3
Advantages of outsourced housekeeping department:	3
Disadvantages of Outsourced housekeeping in hotels:	7
Advantages of insourced housekeeping:	7
Disadvantages of insourced housekeeping	7
Analysis:	8
Conclusion:	9
References:	10
Appendix 1: Rank of the Hotel:	12

List of figures:

Figure 1: Cost differences between Outsourced and Insourced housekeeping	4
Figure 2: Poor Housekeeping of the Marriott hotel	5
Figure 3: Occupationally related costs faced by hotels	6

Introduction:

Cleaning, structuring, and administering a home or commercial building are all part of housekeeping. Housekeeping ensures that **a hotel** is continually hygienic and has an enjoyable atmosphere for guests (G Raghubalan and Smritee Raghubalan, 2015). According to another definition, housekeeping is the operational department at a hotel that is in charge of the management and care of guest rooms, common areas, the hotel's kitchen, and the exterior grounds. Hotel housekeeping has two primary Objectives: (i) to ensure that the entire hotel is always hygienic, and (ii) to wipe the hotel most efficiently and effectively possible. Due to the cyclical nature of the hospitality sector, outsourcing housekeeping services is increasing prominence across the world. This paves the way for the hotel to cut expenditures where it can, consolidate operations, keep its workers mobile, and adopt a just-in-time policy (Bhatnagar and Dheeraj, 2019). As a result, hotels may boost their bottom lines and increase productivity. The chosen hotel for this report is the Marriott hotel. In this report, the benefits of outsourced housekeeping departments will be considered for discussion. In addition, critical statistics related to the benefits of outsourcing the housekeeping department in the hotel will be added. After that, the advantages of an outsourced housekeeping department will be described. Then the disadvantages of an insourced housekeeping department will be described.

Comparison between insourced and Outsourced housekeeping:

Advantages of outsourced housekeeping department:

Reduction of the Operating costs: The main benefit of outsourcing is that these charges may be adjusted to fit the situation. Therefore, the company can reduce Operating costs (Hayes, 2022). The chosen hotel Marriott did not outsource the employees; therefore, the hotel's operation costs have increased yearly. For the twelve months that ended September 30, 2022, Marriott's operating costs were \$16.195B, an increase of 52.84% over the previous year. There was a 15.45% rise from 2020 to 2021 in Marriott's annual operating expenditures, which totalled \$12.107B in 2021. The \$10.487B that Marriott will spend on operations in 2020 decreases 45.3% from the \$17.4B that was spent in 2019. Hotels that outsource their cleaning services often achieve labour

savings of more than 25 per cent (macrotrends.net, 2022). The following figure represents the differences between outsourced and insourced housekeeping costs:

Cost Category	Alternative 1: Outsourcing			Alternative 2: Insourcing		
	2014 BWP	2014 U.S. dollars	% of total cost	2014 BWP	2014 U.S. dollars	% of total cost
<i>Direct Costs</i>						
Contract	7,500,000	805,585	96.4%	-	-	0%
Personnel	-	-	0%	2,199,942	236,299	26.7%
Supplies	-	-	0%	4,270,925	458,746	51.9%
Equipment	-	-	0%	1,282,812	137,789	15.6%
<i>Indirect Costs</i>						
Training	5,823	625	0.1%	30,857	3,314	0.4%
Management	58,357	6,268	0.8%	155,618	16,715	1.9%
Operational	215,719	23,171	2.8%	287,625	30,894	3.5%
Total	7,779,899	835,650	100%	8,227,780	883,757	100%
Total per square metre	273.35	29.36	-	289.09	31.05	-

Figure 1: Cost differences between Outsourced and Insourced housekeeping

Source: (Mujasi and Nkosi, 2018)

Specialised Services: Increased quality in specialised Products and Services is one of the benefits of outsourcing. Employing people whom specialists have advised after carefully considering their virtues, fortes, and strengths is likely to yield the finest results. It can be seen that when an organisation has insourced housekeepers, they need to be given more training by the organisation or receive more training from the expert hand since the hotel likes to reduce its costs (Sturman et al., 2011). Therefore, different issues have been raised in the hotel, such as poor cleaning of the room, theft from the hotel room Etc. The following figure represents a poor housekeeping review of the Marriott hotel:



Figure 2: Poor Housekeeping of the Marriott hotel

Source: (tripadvisor.com, 2018)

If the housekeepers were outsourced, they would be trained enough as professionals, and if they did not do their tasks, they would be penalised by the agency, so they would be sincere, resulting in good services.

Protected Information Is Now More Secure. The security of sensitive information is paramount for any modern company, but in the hospitality industry, protecting guests' privacy and trust is of essential concern. Because of this, many hotels choose to have third-party providers that use military-grade security systems to store their guests' personal information. Housekeepers have excess everywhere and in every hotel department due to their Job role, and they keep very close contracts with customers (hotelmanagement.net, 2010). So, the money they can sell the information to the third party affects the guests' competitive advantage and personal interest; hence customers will be dissatisfied. Most of the problems have occurred from the insourced housekeeper because they may have clashed with the organisation, whereas outsourced the agency has hired housekeepers, so they did not have any interest towards the organisation.

Better control over staff: Among the total number of employees, most of the employees are from the housekeeping department, so the organisation needs to employ additional staff to maintain them and all their accounts, which reasons for additional costs for the employees when the organisation had insourced its employees while when outsourced employees, organisations did not need to spend additional expenses for supervising the

staffs. Marriott hotel pays \$18 per supervisor for an hour, which is the reason for such hotel expenses (payscale.com, 2021).

Reduced Liability: Employees are hired and paid, benefits are provided, and the third-party company provides training. This shifts the emphasis of the company's labour expenditures to the essential employees. Using an outsourcing service might help hotels to save money on this side (Zagade and Tyagi, 2017). Besides, organisations do not need to face any occupational safety problems from the employees. The following figure represents the costs:



Figure 3: Occupationally related costs faced by hotels

Source: (Hayes, 2022)

When the hospitality industry outsourced employees, they did not bear the whole responsibility of the employees; therefore, the costs have been reduced as well as the reputation of the hospitality company is intact.

Competitive advantage: Due to the reduction in operating costs, Marriot hotel can charge less price for its services to the customers. Moreover, tourists will be satisfied with the room services of the hotel. Moreover, data protection will be ensured, and this hotel will be popularised among the people as a safe workplace. This will create a competitive advantage for this hotel.

Disadvantages of Outsourced housekeeping in hotels:

Lack of dedication of the workers: As outsourced housekeepers are not part of the regular employees, they will not have a similar dedication to their work which might affect customer service of the Marriot hotel and destroy the resources of the Marriot hotel. Another disadvantage of outsourced housekeeping is that as the housekeepers are not permanent employees of the organisation, they cannot be available at every time (Rothaermel, 2017). Elizabeth Linares, the executive housekeeper at the Holiday Inn Miami Beach, stated that though it is beneficial for the organisation, it is tough to manage skilled housekeepers when needed. This might be an excellent problem for the Marriot hotel (hotelmanagement.net, 2010).

Advantages of insourced housekeeping:

While an additional cost is associated with hiring and training an in-house team, the benefits far outweigh the costs. One advantage is that new employees may learn about and embrace Marriot's core principles during orientation (Kappa, Nitschke and Schappert, 2015). If Marriott wants to maintain its existing solid reputation in its field, nothing is more critical than the workforce's level of service. Marriott has gone up to the top this year compared to other brands. About one-third of people (35.1%) in the past year have desired to stay at a Marriott property. Courtyard by Marriott, another Marriott International property, is fourth on the list, with 31.7% of interviewees reporting that they are pondering booking a stay at one of their properties (business.yougov.com, 2022). These are the key reasons these market leaders always have their cleaning crew for behaviour and conduct training, teaching the personnel the fundamentals of the hotel, and establishing actual brand value through their professionalism.

Creating more favourable job prospects for skilled workers in this field leads to a second benefit. When an outsourcing firm's primary goal is to provide low-priced services, it presents its personnel with little room for compensation, an area in which salaries tend to be higher for in-house workers (Woods et al., 2013). They are available for discounts and other incentives outlined in the brand policy (which keeps labour unions happy too). To reiterate, internalising housekeeping leads to higher quality output for brands that value attention to detail.

Disadvantages of insourced housekeeping:

The cost of maintaining the own housekeeping staff is the primary disadvantage of using such a service in the modern world. When the off-season rolls around, Marriott hotel needs to spend extra money to keep track of because having recruited the housekeeping personnel based on peak season data. Then the company fulfils this loss by taking extra money from the visitors (Kandampully and Pearson Education Staff, 2013).

The second issue with in-house cleaning is the demand for proper management and monitoring of the cleaning crew. Since the cleaning team is under direct supervision, they must handle all administrative tasks (Duncan, 2021). Brand perks include pay increases, incentives, performance reviews, education, and more.

Analysis:

Based on the above discussion, it has been found that both in-sourced housekeeping and outsourced housekeeping have advantages and disadvantages. However, analysing the advantages and disadvantages, it can be found that outsourced housekeeping is better for the Marriott hotel.

The main advantage of outsourced housekeeping is that company gets cost advantages over insourced housekeeping as the company does not need to pay housekeepers throughout the year because the customer demand is not the same throughout the year. However, the company must pay employees' salaries and all other benefits throughout the year (Szende, Dalton and Yoo, 2021). After the pandemic, most customers have become cost-sensitive, even higher-class customers, and the present financial condition of the world is different from before. Therefore, visitors look for a hotel where they can get the best customer services with a reasonable budget; hence this will ultimately reduce the number of customers of the Marriott hotel, reducing the profit margin of the Marriott hotel. As of September 30, 2022, Marriott's net profit margin is 11.16 per cent, while as of September 30, 2021, Marriott's net profit margin is 4.03%. The hotel's profit margin remained relatively high compared to its competitors. As of September 30, 2022, IGH's net profit margin is 12.42%. The company has been able to generate much profit since it has reduced its operating expenses by implementing outsourced operating expenses. The operating expenses of the Hilton hotel were \$4.35 billion (tradingeconomics.com, 2022), and the Operating expenses of the IHG were \$1.43 billion (tradingeconomics.com, 2022a).

Though insourced outsourcing has advantages over outsourced housekeeping, the Hilton hotel can get many benefits if it decides to outsource its housekeeping employees.

Conclusion:

Outsourced housekeeping is partnering with an exterior business to provide hotels with a maintenance crew rather than looking inside. The hotel industry has become competitive over the period, and as there are many options for customers, customers are looking for the best services at a reasonable cost. Therefore, the Marriott hotel authority needs to be cautious enough to reduce their costs and the pricing of the rooms and services to attract new customers. However, this can only be possible if the Marriott hotel can reduce its operating expenses to a greater extent. Because most of the expenses of a hotel have occurred in the operating sector and under operating expenses, most of the costs occurred on the housekeeping side since most of the hotel employees are in the housekeeping department. Outsourcing can reduce this cost to a greater extent in the hospitality sector. However, there are a few problems related to the outsourcing of housekeepers. Below are a few recommendations that can be given to overcome the problems:

- The most common problems of outsourcing the housekeepers are that they are unavailable to the organisation when needed; hence the Marriott hotel can go for a long term to a particular agency which will supply housekeepers to the Marriott when needed.
- To increase the employees' dedication, the Marriott hotel authority can give incentives to the best outside housekeeping performers. This will motivate employees towards the organisation.

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Appendix 1: Rank of the Hotel:

Rank	Brand	Parent Brand	Consideration - US Gen Pop
1	Marriott	Marriott International	35.1%
2	Holiday Inn	IHG Hotels & Resorts	34.3%
3	Holiday Inn Express	IHG Hotels & Resorts	32.7%
4	Courtyard by Marriott	Marriott International	31.7%
5	Hilton	Hilton	31.0%
6	Best Western	BWH Hotel Group	29.5%
7	Hampton by Hilton	Hilton	29.1%
8	Comfort Inn	Choice Hotels	26.6%
9	Embassy Suites	Hilton	23.0%
10	Hilton Garden Inn	Hilton	22.4%

Source: (business.yougov.com, 2022)