

FINANCIAL MANAGEMENT FOR THE HOTEL INDUSTRY

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REPORT ; SUSTAINABLE BUSINESS REVENUE GENERATION PLAN

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SUSTAINABLE BUSINESS

REVENUE GENERATION

PLAN

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INTRODUCTION

Sustainable growth in business concern with growth rate through which company can achieve success without any need of additional funding and representing operational hurdles (Clauß, Kraus and Jones, 2022). By fulfilling audience specific needs and repairing social trust can make firm to achieve growth, while incorporating diversified leadership and holistic approach enables firm in remaining competitive within market domain. Sustainable revenue plan incorporates with businesses ultimate goals while providing strategies to achieve long term benefit. Such plan includes aspect that helps firm in growing its revenue which is constant and manageable without compromising quality of goods and services (Moro-Visconti, Cruz Rambaud and López Pascual, 2020). Present report is based on Hyatt hotel a multinational hospitality brand that traditionally catered to upscale customers, while corporation also ensures best hotel services to their guest by engaging them with personalised services. As company is reputed hospitality which makes it obvious for them to provide best services to guest in terms of housekeeping and others. Following report will be going to cover importance of outsources and insourced housekeeping for organisation along with its comparative analysis.

MAIN BODY

Importance of housekeeping outsourcing and its pros and cons

Housekeeping services like dusting, cleaning, vacuuming and disposing waste all are essential to maintain hygienic place, it also includes outdoor chores like washing windows and doormats etc (Rossi and et.al., 2020). Function of housekeeping in hotels concern with maintaining hygiene in rooms and to put organisation's best aspect forward so that it will ensure better guest satisfaction. Hyatt manages more than 200 hotels and resorts in various different countries, their popularity is depending on the type of services they provide to their hotel guest. Outsourcing housekeeping simply means to hire staff from third part or from external organisation rather than directly hiring under company's name (*Outsource Housekeeping Services*, 2021). This trend is anticipating the hotel industry, where most of the hotels regardless of their size have considered outsourced services and enjoying benefit from it (Shad and et.al., 2019). Hotels are seem dropping 30% in their workers cost when housekeeping services are outsourced, it is also reported that hotels have ensured quality in housekeeping when it was outsourced from third party (Laukkanen and Tura, 2020). Outsourcing housekeeping services is

profitable for every hotel business, where Hyatt hotel also uses this service at its subsidiaries to ensure quality services offered to guest. There are some pros and cons of outsourced housekeeping (HK) services which are discussed below-

Benefit of outsourced HK service

Quality of service: Outsourcing organisations always ensures in providing staff that cater requirement of their clients. Such agencies provide modern and world class trainings to their employees so that each staff can meet requirement of hotel brand (Pieroni, McAloone and Pigosso, 2019). Therefore, staff from such agency can lead hotels to provide best quality services which reflects property's standards while also make guest satisfied every time they visit hotel. Therefore, Hyatt is top hotel and outsourced staff can help them in providing exceptional experience to their guest which will surely marks their next visit.

Specialisation: It is a vital component in outsourcing as it concerns with paying attention towards specific fields that can be arose during crisis situation (Cantarero, 2020). For an instance if outsourced housekeeping staff enters guest room and found that guest is experiencing difficulty in turning on TV then instead of calling electronic operator they started fixing problem. Therefore, such staff can save time and helps in delivering satisfactory services to guest.

Increased resources: Outsourcing hotel housekeeping employee can enable firm in completing all task on time like rooms cleaning, sweeping doormats etc. Further, it also allows firm to focus on their other departmental work with zero concerns and leave housekeeping to it (Olabi and et.al., 2022).

Competitive advantage: It is one of the benefit which hotels can gain when they have outsourced housekeeping staff, as such staffs are well trained and possess good knowledge which works efficiently from their first day, thus best services can enable firm to stay ahead from their competition (Fernando, Jabbour and Wah, 2019).

Drawback of outsourced HK service

- Outsourcing services can make businesses to loss control over their activities as how they should be completed, thus such situation turns out to be disastrous for the hotels.
- It is often found that outsourcing agency can easily view their client's payroll and other process which might turn as security threat to particular client. Therefore, such threat can affect brand equity of hotels.

- Also agencies have pressure to provide staff to companies where they lack in giving their 100% attention to company (Bibri, Krogstie and Kärrholm, 2020). Therefore, if hotel have outsourced the staff which is unable of meeting their desired goals can result in waste of capital investment of hotel.
- Hotels also faces complex situation in outsourcing right staff for their workplace, such things require additional time and money resource which can make firm end up with finance burden.

Comparison between insourced and outsourced housekeeping team in terms of the abilities of those employed as well as the cost implication of each approach

Insourced housekeeping means organisation self-recruit employees and focus on providing trainings by their own so that hired staff can incorporate with organisations vision, mission. Its benefit is that company self-taught their employees about their brand values so that staff can work accordingly to make firm in attaining its desired goals and objectives (Carlisle, Ivanov and Dijkmans, 2021). On the other hand, outsourced housekeeping where hotels hire employees from external agencies to ensure accuracy in their work. Both have equal benefits and drawback. In context with the Hyatt hotel, they use both insourced and outsourced technique for their housekeeping services at hotel and resorts (Akgunduz and Gürel, 2019). As company have around 37,000 workforces by 2020, which works at its various hotel branch in ensuring successful delivery of hotel operations. Thus comparative analysis of insourced and outsourced housekeeping team is discussed as follows-

Insourced housekeeping staff

Having in housekeeping services can provide benefits to business in many ways from workplace security to organisational culture. Hyatt have potential in housekeeping staff which helps them in maintaining positive workplace environment so all staff works collaboratively to cater needs of hotel guests in terms of sanitation, room hygienist and others (Tavitiyaman and et.al., 2022). There are some aspects which in housekeeping concerns with-

Constant training: Hotels who hired staff by their own provides all guidelines and policies to staff so that they adhere with it. From the very starting point company ensures safety and other trainings of cleaning staff so that they understand company's work requirement and can carry out

cleaning, dusting and other services appropriately (Tavitiyaman and et.al., 2022). Thus it helps in fostering cohering working environment where communication can be found easily. Thus having such staff is helping Hyatt in making their desired goals achievable, therefore company always hires employees based on their knowledge and specialism to fulfil needs of their guests.

Security: Having own staff can ensure safety and comfort at workplace, it also helps in making personnel decisions that benefits business. Hyatt hotel does not hesitate to ask their insourced staff to share their views over any services, it helps them in making decision which suits each individual at workplace.

Scheduling: Hotel functions are dynamic, where accident situations are bound to happen that need immediate action. Therefore, in such situation hotel can easily able to arrange their staff's cleaning shifts as per their specification.

Therefore, abilities and knowledge specification of candidate can help them in getting appointed for housekeeping task (Otegui Carles, Fraiz Brea and Araújo Vila, 2023). Hotels and services are two interrelated concepts and it is based on staff specification to provide exact services which guest is expecting for. Hyatt hotel provides training to their housekeeping staff like how to maintain hygiene at hotel rooms and how to provide services which assures satisfaction of guest. Therefore, knowledge and experience of staff can help in fostering coherent ecosystem at workplace.

Outsourced housekeeping staff

Outsourced cleaning staff offers numerous benefits to hotel. After covid Hyatt hotel also have faced downturn in business because of this company have lay off their staff, instead company have invested in outsourcing staffs so that best services can be assured. Some of the advantage which this technique offers are listed below-

Save money: If hotel is looking for the cost saving approach then switching to outsourced staff can be an appropriate option. Instead of hiring staff and providing them trainings that increase finance burden, companies can easily have hired staff who are already trained in their field. Therefore, to deal with covid effect Hyatt have also hired staff from third party agency so that best services can be given to their guest as well as it helped them in saving the money which might be invested on employee trainings and recruitment process (Tavitiyaman and et.al., 2022).

Experience and capabilities: Outsourced staff holds good experience in cleaning, dusting and in different housekeeping services, so these capabilities help hotel in outperforming their task without any worries. Having such staff also allows Hyatt to have different cleaning systems for deep cleaning, carpet cleaning and others.

Supervision: With an outsourced team work of supervision is not much required. Outsourced team is mainly cheaper and needed less input from firm and from other employees, and they can do possibly more than their job requirement (Abdeen, Sandanayake and Ramachandra, 2022). That is why Hyatt hotel has considered this technique to ensure efficiency in their housekeeping services.

Cost implications

Insourced method of hiring staff costs more, in such organisation requires to set up a recruitment panel which consumes lots of resources. Other than this organisation also need to provide trainings and to conduct other programs for them which eventually consumes lots of finance resources (Hayyolalam and et.al., 2022). On the other side, Outsourced method helps firm in terms of cost as it allows firm to focus on other projects while leaving responsibilities on outsourced staff who are capable of giving their 100% in every work. Therefore, hotel Hyatt also hires such staff as they are already trained so company does not have to worry about employee trainings also such staffs always be ready for any kind of work.

Recommendations

It is recommended to Hyatt hotel to utilise their outsourced and insourced resources in manner so that expected outcomes can be drawn upon (Løberg, 2021). Regarding outsourcing organisation can proceed with using at least 10 month contracts to hire housekeeping staff, if they are satisfied with their services then they can continue with them by renewing contract. Further for frequent housekeeping services, they can proceed with providing cleaning machines to staff, as outsourced staff always have relevant knowledge so they would not found any problem in handling task with machinery equipment (Amos, Au-Yong and Musa, 2021). Regarding workplace inclusivity, Hyatt can proceed with hiring diverse background outsourced employees, so that knowledge sharing among employees can be found which will also help in dealing with range of customers coming from different cultural background. Furthermore,

leveraging different technologies within hotel operation can help in ensuring best service delivery to guest, while it will also help in strengthening hotel image within hospitality domain.

CONCLUSION

It has been summarised from the above evaluation that housekeeping services plays a significant role in improvising hotel's image, better service delivery can ensure revisit of customers. Above have discussed about outsourced housekeeping source where it highlighted that having outsourced staff from external agencies could help hotel in minimising cost while also results in satisfactory services given to guest. Further discussion has been made over insourced and outsourced housekeeping team where its comparative analysis also being done, having insourced staff could lead firm to perform well as they possess all required knowledge which organisation given to them at the time of hiring, however this method could increase financial burden where capital could be invested on employee management and on trainings. Outsourced housekeeping staff could lead hotel to do their best and ensures successful delivery of services which adds into guest experience, this type of services could help hotel in every manner.

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