

# Study on the Benefits of Outsourcing to Housekeeping Department in the Hotel

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**Abstract:** *Major hotels and corporate companies are relying more and more on outsourced professional housekeeping service providers to cater to their needs. This study focuses on the reasons of outsourced services in Housekeeping department and its impact on Housekeeping operations. It has been observed that outsourcing is practiced in most of the Hotels to sustain cost effectiveness, improves performance of existing employee, saves time, improves service quality and improves efficiency of department.*

**Keywords:** . housekeeping, outsourcing, employee performance

## I. INTRODUCTION

The term outsourcing was introduced in the mid-1980s. However, the idea of hiring someone else to do specific jobs or of dividing labour has existed for hundreds of years. In business, outsourcing can be found everywhere; whether big or small, simple or complex. During the pre-1900s, the outsourcing was primarily focused on labour intensive production tasks and business activities outside the company's core competitiveness, such as outsourcing printing press, food preparation and janitorial work, hiring the seasonal migrant farm workers and so on.

Hotels are increasingly opting for outsourcing and contract services to sustain cost effective housekeeping operations and to ensure that the resources and assets of the property are utilized to the maximum. Major hotels and corporate companies are depending mostly on outsourced professional housekeeping service providers to cater to their needs. Rapid changes in the business environment require senior management to adopt strategies that focus on both current success and to invest in those activities that will promote a competitive advantage for future success. Many managers view outsourcing as the only way to keep a business competitive into the twenty-first century.

Hotels in India are increasingly looking at outsourcing as a means of curtailing operational costs, increasing efficiency and saving space. Outsourcing has grown from being limited to laundry operations to areas such as housekeeping, horticulture, F&B, security, spa and IT.

I. Commons (1931), Coase (1937) and Williamson (1975) stated Outsourcing is a widely excepted business tool for achieving business goals. "It is commonly being preferred to use as when in house activities are higher than buying products or services from the market".

II. Kliem, (1999); Quinn (1999) stated conditions Outsourcing not only serves the advantage to the existing staff to concentrate on core organizational activities but also focuses on achieving key considered objectives, followed by lowering costs or stabilizing overheads costs, and ultimately gaining cost advantage over the competition, providing flexibility with respect to changing market, and most importantly reducing investment in high technology.

III. Teece, (1992) mentioned that the increasing importance of this field of research has led to the need of more studies to deeply analyse its causes and consequences. Outsourcing is a kind of organizational relationship with very specific terms and relationships regarding a lapse of time for which determined activities directly related to core competences of one firm are transferred to another specialized firm. It refers to the type of „agreements where two or more businesses participate in trying to achieve the same objective by sharing resources and activities“

IV. Momme (2001) indicates different sourcing strategies: make or buy, outsourcing, in-sourcing, and strategic sourcing. The most common types of outsourcing are traditional and transformational or strategic outsourcing. In general, there exist three main clusters of reasons driving the outsourcing decision – reducing cost, improving operational performance and developing competencies. The range of outsourcing arrangements has evolved to match

these needs. The value added by outsourcing is significantly different in each case and the relationship and governance issues are substantially different. Traditional outsourcing is tactical, focused on operational level, its main reason is to cutting costs, and it is focused on non-core activities.

V. Ehie and Kremic et al. (2006) stated the different items measuring outsourcing benefits.

Organizational benefits	Business benefits
1. Shortens activities development cycles	1. Allows focusing on core activities
2. Improves technologically operations	2. Produce cost savings
3. Allows access to latest technologies	3. Reduce capital expenditures
4. Reduces training costs	4. Transfer fixed cost to variable
5. Improves management processes	5. Allows to focus on internal business improvement
6. Increases innovations trends	6. Improves strategic positioning
7. Reduces organizational risks	7. Get rid of problem functions
8. Builds entry barriers for competitors	8. Legal compliance
9. Permit access to skills and talent	9. Legal compliance

VI. Espino-Rodriguez and Gil-Padilla, (2005); Ford & Farmer, 1986; Johnson, 1997; Saunders, Gelbet, & Qing, 1997 stated Ten advantages of hotel outsourcing were identified from a review of theoretical and empirical literature on the main strategic advantages of outsourcing allows hotels to:

- i. Acquire capabilities and skills that are difficult to provide with internal resources;
- ii. Increase flexibility in performing hotel operations;
- iii. Focus on the hotel's core activities;
- iv. Reduce investment;
- v. Complement hotel resources and capabilities;
- vi. Access more qualified and experienced personnel;
- vii. Acquire the service more cheaply than if it were performed by the hotel;
- viii. Receive good service from suppliers;
- ix. Facilitate the performance of in-house hotel operations;
- x. Reduce hotel costs.

## II. CONCLUSION

There are many services are outsourced in the housekeeping department. This study covered maximum all outsourced services in Housekeeping department. All housekeeping services in this study are very much evident. However, services like Pest Control, Public area bathroom cleaning, Flower decoration, Upholstery maintenance, Public area cleaning; Façade cleaning are the most preferred outsourced services of the Housekeeping department.

The reasons of Outsourcing Housekeeping services have positive findings. Outsourcing saves the company's time and money; enables to concentrate on core business and overcome skill shortage are strongly preferred reasons.

There is an impact on operations of the outsourced housekeeping services. The impacts are positive in all selected parameters. The maximum positive impacts observed on Employees performance, Time saving and efficiency parameters.

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