



UNIT-1 PLANNING AND ORGANISING THE HOUSE KEEPING DEPARTMENT

THE PLANNING PROCESS

The step by step planning process may differ slightly from one hotel's housekeeping department to another's and different terminology may be in use across companies, but essentially the sub-processes and tasks are the same. Housekeeping planning should be done on paper and needs to be properly documented. The questions that arise at the beginning of the planning process lead to the formation of the basic planning documents. These questions and documents are listed in table:-

The answers to the initial questions, we have seen, lead to the subsequent steps of drawing up the planning documents that the executive housekeeper must follow. These documents are discussed step by step in this chapter

STEP 1: DIVISION OF WORK DOCUMENT

In the first step of planning, the executive housekeeper identifies the areas that will come under the purview of housekeeping department for maintenance and upkeep. This is especially important in a newly opened property. Most housekeeping departments in luxury hotels are involved with cleaning guestrooms and the related public areas. The other 'back of the house' areas are taken care of by the stewarding assistants. However, in mid-scale properties, the housekeeping department may also be responsible for such areas as dining and banquet rooms, meeting rooms, recreation rooms, employee areas, and management offices.

The executive housekeeper should make a list of all the guest and employee areas of the property in a division-of-work document and put down on paper that would be responsible for cleaning and maintaining each area. To ensure all possible areas to be cleaned have been covered, the executive housekeeper must make regular tours of the property. It also helps to mark the areas on a blue print of the property plan.

Different coloured markings may be used for the different departments that are responsible for the maintenance and care of the various areas.

This division of work document should be presented to the executive committee for review and approval.

STEP2: AREA INVENTORY LISTS

Once the division of work document is finalized, the executive housekeeper needs to concentrate on the areas that are her department's responsibility. The next important planning task is to prepare a list of all items and surfaces within a particular area that require the attention of housekeeping personnel. The more detailed the list, the more efficient the cleaning and maintenance of the areas will be, in all probability. Area inventory lists also aid in supervision. Separate area inventory lists need to be made for all areas that the department is responsible for. A sample of a guestroom area inventory lists given.



BASIC PLANNING DOCUMENTS

S.no	Initial planning questions	Resultant planning documents
1	What work has to be done?	Division of work document Area inventory list
2	When and how often does the work have to be done?	Frequency Schedule
3	How and to what standards must the work be done?	Performance Standard
4	How long will it take to accomplish the work in accordance with the standards set?	Productivity Standard
5	What amounts of equipment and supplies should be provided to the staff to meet the performance and productivity standards set?	Inventory Levels
6	Who will do the work?	Work schedule

SAMPLE GUESTROOM AREA INVENTORY LIST

BEDROOM	BATHROOM
<ul style="list-style-type: none"> • Doors, locks, chains, stops • Lights, switches • Ceiling • Walls • Floor tiles • Woodwork • Drapes & hardware • Windows • Heater/air conditioner • Telephone • Television & radio • Headboards • Spreads, bedding, mattress • Dressers, nightstands • Lamp shades, lamps, bulbs • Chairs, sofa • Ashtrays and waste paper basket • Carpet • Pictures and mirrors • Closet and safe • Mini bar • Amenities 	<ul style="list-style-type: none"> • Bathroom doors • Lights, switches • Walls • Floor tiles • Ceiling • Mirrors • Tub, grab bars • Shower head • Vanitory unit • Fixtures, faucets • Toilet- flush handle, cistern, seat • Tissue holder • Sani-bin • Exhaust vent • Amenities

STEP3: FREQUENCY SCHEDULES

Frequency schedules show how often the items listed in an area inventory list are to be cleaned or maintained. The frequency of cleaning is directly related to the type and amount of soiling expected in the area or on the item to be cleaned. Frequency schedules divide the cleaning and maintenance tasks into daily, weekly, monthly or periodic tasks. Many tasks in the public areas are scheduled for the night. The higher the standards of cleanliness and hygiene sought, the more frequent the cleaning needed. It should be remembered, though, that some tasks should not be done too often, as excessive cleaning of certain surfaces can damage them. These periodic tasks done at longer intervals are designated as deep cleaning tasks or special projects. Deep cleaning and special projects should be scheduled for periods of low occupancy, and many such tasks take place during the night shift. A sample frequency schedule for cleaning a guestroom is presented below:

Sample frequency schedule for cleaning in the guestroom

Bedroom		Bathroom	
Clean doors, locks, chains, stops	1/D	Damp-dust bathroom doors	1/D
Clean lights, switches	1/W	Clean lights, switches	1/W
Check lights, switches	1/D	Check lights, switches	1/D
Clean ceiling	1/M	Clean ceiling	1/M
Dust walls	1/W	Dust walls	1/W
Wash walls	1/6M	Wash walls	1/6M
Vacuum clean/mop floor tiles	1/D	Mop floor tiles	1/D
Buff floor tiles	1/M	Buff floor tiles	1/M
Polish floor tiles	1/6M		
Dust all wood work	1/D	Damp-dust mirrors	2/D
Polish all woodwork	1/M	Polish mirrors	2/W
Clean window drapes and tracks	1/M	Clean tub, grab bars	1/D
Clean windows	1/W	Clean shower head	1/M
Check heating/ air-conditioning setting	1/D	Damp-dust shower curtain	1/D
Dust and check television and radio	1/D	Scrub shower curtain	2/M
Damp-dust head boards	2/W	Check and clean fixtures, faucets	1/D
Change spreads, bedding	2/D	Clean toilet-flush handle, seat	1/D
Turn and rotate mattress	1/6M	Check and clean tissue holder	1/W
Clean dressers, nightstand	2/W	Empty and clean sani-bin	2/D
Clean lampshades, lamps, bulbs	1/W	Dust exhaust vent	2/M
Check lamps, bulbs	1/D		
Vacuum chairs, sofa	2/W	Replenish amenities	1/D



Empty and clean ashtrays and wastepaper baskets	1/D		
Vacuum carpets Shampoo carpets	2/W 1/6M		
Damp-dust pictures and mirrors polish picture and mirror glass	1/D 1/W		
Dust closet and safe	2/W		
Damp dust mini bar Replenish contents	2/W 1/D		
Replenish amenities	1/D		
NOTE: D=day; W=Week; M=Month; 2M= two months; 6M= six months			

STEP4: PERFORMANCE STANDARDS

Performance standards describe how and to what standards the work is to be done. In other words, performance standards lay down the required quality levels for employees performance. The best developed performance standards are the ones that are prepared in consultation with the staff who actually perform the tasks. Performance standards are achieved when:

- Cleaning methods are correctly selected and systematically followed
- The ideal cleaning agents are used on the various surfaces involved
- The correct pieces of equipment are used on the various surfaces involved
- Cleaning tasks are carried out at required frequencies
- All the employees carry out their cleaning tasks in a consistent manner
- Time-and-motion studies are periodically carried out in the department to obtain best practices in housekeeping.

One performance standards are set; the executive housekeeper should ensure that these are communicated through training to each and every employee and that there is 100 percent conformity to the standards. Supervision, inspection, and evaluation are key processes in ensuring conformity to standards. It is easier for both employees and manager if the standards are compiled in a manual. The executive housekeeper must be constantly on the alert for new, more efficient, and more cost-effective methods. The performance standards should be reviewed and revised at least once a year. A sample of the standard operating procedure used as the performance standard for cleaning a vanity unit is shown below.



Performance standard for cleaning of vanity unit

Equipment required: swab cloth, bottle brush, tweezers, nylon-web scoring pad, neutral detergent solution, lint-free duster, rubber gloves, and plastic apron	
Procedure	Key points
<ol style="list-style-type: none">1. Put on gloves and apron2. Put aside personal property, soap, tooth glass, dental kit, and shaving kit3. Rinse round the basin. Remove any waste from the plug hole and discard in sani-bin4. Half-fill the basin with warm water. Wet the swab cloth5. Apply neutral detergent solution to swab cloth, clean outside of basin, pipes behind, taps, mirror, and behind basin. Use scouring pad only for stubborn marks6. Wash swab cloth and rinse the above areas with clean water7. Empty basin and using bottle brush, clean overflow8. Apply neutral detergent solution to swab cloth and clean remaining portion of basin, plug and chain9. Wash swab cloth. Rinse the above areas with clean water10. Dry mirror, taps, and surfaces with lint-free duster11. Replace personal property, soap, tooth glass, dental kit, and shaving kit. Fold hand and face towels neatly12. Inspect for any fault or damage13. Wash swab cloth, bottle brush, nylon pad, gloves, and apron. Leave to dry. Store cleaning agents correctly. Wash hands.	<p>Take care when removing used razor blades- wrap in paper and keep them separate from other rubbish</p> <p>Use tweezers to remove waste from plug hole</p> <p>Do not use excess water on the mirror. Polish and clean the mirror with glass cleaner and newspaper twice a week</p> <p>Much dirt can collect here if not cleaned regularly</p> <p>This helps give a clean-as-new look</p> <p>Replenish new soap and fresh towels as per company policy</p> <p>If found, report to supervisor.</p>



STEP5: PRODUCTIVITY STANDARDS

Productivity standards communicate the quantity of work expected to be completed by each employee of the department. Housekeeping managers must know how long it should take an employee to perform the main tasks in the area inventory lists, as this knowledge helps in determining staffing requirements. Efficient housekeeping is achieving a balance between performance standards and productivity standards. Standard time rates have been calculated for specific tasks under standard conditions of equipment, agents, and method.

A sample productivity standard calculation for GRAs is worked out below.

Step 1	Time taken to service one guestroom by GRAs in accordance with the performance standards	30 min
Step 2	Total shift time of a GRA	9 Hrs = 9x 60=540 Min
Step 3	Total shift time available for guestroom servicing	540 min
	Total shift time	
	Less: beginning of shift duties	-10 min
	Less: coffee Break	-15 min
	Less: Lunch Break	-45 min
	Less: End of shift duties	-10 min
		=460 min
Step 4	Number of rooms to be cleaned by the GRAs in 1 day shift is obtained by dividing the time available for servicing guestrooms by the time required to service one guestroom	460/30 =15.33=16 rooms
	Therefore the productivity standard for GRAs is 16 rooms per 9 hr shift	
	The productivity standard may also be expressed as	30 minutes per room =0.5 hrs per room per 9 hr shift

Practically speaking, though every hotel must develop their own productivity standards, as there are several factors that influence these standards, as there are several factors that influence these standards, which vary from one property to the other.

Some of these factors may be:

- The type and age of the property
- The accessibility of the work area from the service areas
- The amount of traffic in the work areas
- The function of the work area



- The expected standards of cleaning
- The types of surfaces involved
- The degrees and types of soiling
- The frequency of cleaning
- The types of cleaning supplies and equipment available
- The quality of supervision and inspection
- The quality of employees

STEP6: EQUIPMENT AND OPERATING SUPPLY INVENTORY LEVEL

Once all standards are set and the staff members have been trained to follow them, the executive housekeeper must ensure that the employees have the necessary material resources to carry out their tasks. These material resources are the necessary equipment and operating supplies, which should be adequate in quality and quantity to meet the performance and productivity standards. The term inventory here means the stocks of purchased operating supplies, equipment, and other items held for future use in housekeeping operations. The executive housekeeper is responsible for two types of inventories:

Recycled inventories These are for items that have relatively limited useful lives, but are used over and over again in housekeeping operations. Recycled inventories items include linen, uniforms, most machinery and large pieces of equipment and guest loan items such as hot water bottles, heating pads, irons, ironing boards, and so on.

Non-recycled inventories These, on the other hand, are for items that are used up repeatedly during the course of routine housekeeping operations. Items of non-recycled inventory include most guest amenities, cleaning supplies, and smaller pieces of equipment such as brooms, mops, cleaning cloths, and so on.

The executive housekeeper must establish reasonable levels for both recycled and non-recycled inventories. Overstocking should be avoided, as it ties up cash and calls for a larger storage area. There should be effective purchasing systems to consistently maintain the inventory levels set by the executive housekeeper. To maintain the inventory levels, the executive housekeeper needs to determine the par level for each inventory item.

Sample inventory for non recycled items

Item	Supplier	Purchase unit	Cost per purchase unit	Opening inventory	Items received In this period	No. Of items used	Items in stock	Lead-time quantity	Minimum inventory quantity	Maximum inventory qty	Par level



Determining the par levels

'Par' here refers to the standard quantity of each inventoried item that must be on hand to support daily, routine housekeeping operations. Par levels are determined differently for the two types of inventories. Inventory levels for recycled items are measured in terms of a par number. The par number is a multiple of the standard quantity of a particular inventory item that must be on hand to support day-to-day housekeeping functions. In the case of non-recycled inventory items, the par number is the range between two figures: a minimum inventory quantity and a maximum inventory quantity. The minimum inventory quantity refers to the lowest number of purchase units that must be in stock at any given point of time. The on-hand quantity for a non-recycled inventory should never fall below this figure. The minimum quantity figures are established based on the rate of consumption of a particular inventory item over a certain period. The following formula may be used:

Minimum quantity= lead time quantity + safety stock level

Where the lead time quantity is the number of purchase units that are used up between the time that a supply order is placed and the time that the order is received in hand, and safety stock level is the number of purchase units that must always be on hand in case of emergencies, damages, delays in delivery, and so on, so that the daily operations and functioning of the department are smooth even in emergencies.

The maximum inventory quantity, on the other hand, refers to the greatest number of purchased units that should be in stock at any given point of time. Storage space, the cost of the item, and its shelf life are certain factors that must be kept in mind when establishing the maximum inventory level for a non-recycled inventory item. A sample inventory format for non-recycled items is presented below:

STEP 7: WORK SCHEDULE

Once the executive housekeeper is through with planning the work and resources, the employees can start on their work schedules. It is a document that lists the actual tasks to be carried out by an employee in a particular shift and the time frame in which to undertake each task. The number of schedules made for a given area is thus an indication of the number of staff required to clean that area on the particular day. For guestroom cleaning, the executive housekeeper should schedule GRAs by giving each of them room sections of 15-16 guestrooms reasonably contiguous to each other. In case of team staffing, 30-35 guestrooms contiguous to each other can be assigned. To plan out guestroom cleaning it is recommended that a pictorial representation of the location of all guestrooms within the hotel be developed. The housekeeper can then plan out the room sections to be cleaned by GRAs individually or as a team with greater ease. The work schedules should be handed over to the employees as they start their shift.



TIME AND MOTION STUDIES

Time & motion study is a work measurement technique for recording the times of performing a certain specific job or its elements carried out under specified conditions. For analyzing the data so as to obtain the time necessary for an operator to carry it out at a defined rate of performance.

Extensive research in the form of time and motion studies to analyse work methods has helped the industry to find better and easier ways to carry out tasks and save time and energy. The time and motion studies for a task calculate how long it takes, on an average, to perform a certain task. This helps in calculating staffing levels. To do a time and motion study, several staff members perform the same task, one by one. Their movements are studied and clocked. The results are compared and an analysis is done as to how long it takes on average to perform the task. The best practices derived from this study are then used by everyone, so that the resulting performance will be more standardized and more predictable. Any of the methods discussed below can be used by the executive housekeeper to do a time and motion study in her department

Techniques involved in time and motion studies

Time and motion studies may be carried out using any of the techniques discussed in this section

Pathway chart

This technique involves the study of the path covered by the worker in the undertaking and completion of task. A floor plan of the work area is drawn to scale and fixed to a board on the wall. A long thread is pinned down at the starting point on the plan. The line of motion is marked using this thread- whenever the worker turns, that point is marked with a pin and the thread wound around it. The length of the thread gives an idea of the distance traversed in the completion of the task. The time taken is also noted down. Various pathways are tried out to find the simplest and smallest route to finishing the task successfully. This is done to achieve the least exertion and minimal loss of energy and time. This technique helps to pinpoint all movements that can be reduced or eliminated.

Process chart All tasks, in order to be completed, require a specific process or activity. In this technique, a close study of the process adopted is carried out and the flow of activity closely studied. A record of the time taken to finish the task is kept. All unnecessary movements and steps are then listed down, so as to be avoided in the final process adopted

Operation chart This technique helps one track down all wasteful expenditure of time and energy in all activities. The technique requires a detailed study of all the smaller



activities making up a work process. The movements of the two hands are studied in great detail and a fine analysis shows where in the job delays are occurring

Micro-motion film analysis Using a timing device, every activity is filmed. Then a detailed study, especially of the finer movements of the hands and other parts of the body, helps analyse the areas where changes need to be or can be made to carry out the task with the least expenditure of time and energy

Cyclography This is also a technique that uses filming. Here, a bulb is attached to the worker's body. As the body or the body part so highlighted moves during the activity, the path taken is lighted by the electric bulb and hence easily captured by slow photography. The analysis of the complete film or the record of movement helps reveal how smooth and rhythmic the movements of the activity are. Thus, the worker can be guided to make the necessary changes

Chronocyclography In this technique, a film of the activity is made with small lights attached to the middle finger. The pattern or movement is filmed and finally analysed to find out which movements were unnecessary or arrhythmic and can be eliminated or improved upon



STANDARD OPERATING MANUALS –JOB PROCEDURES

A job procedure specifies the way in which a task is to be performed. A job procedure for cleaning windows is shown below. Job procedures should be used during induction and training sessions and ought to be incorporated into the department's procedure manuals. Updating job procedures is necessary as and when changes in equipment, cleaning materials, and so on, occur. They are most popularly called 'SOPs' or standard operating procedures. They are also referred to as 'work cards' or 'order of work' documents. SOPs comprise the following information:

- The job to be done
- Equipment and materials required
- Time required to do the job
- Safety factors
- Procedure of work

The goals in establishing SOPs are as follows:

- To aid standardization
- To preserve surfaces and materials
- To effect a saving on cleaning equipment and agents
- To prevent accidents
- To help in training
- To ensure the completion of a task successfully
- To aid the compiling of work schedules and help in staffing requirements



WORK SCHEDULING

The foremost step in scheduling is to determine fixed and variable staff positions. Fixed staff positions are the ones that must be filled regardless of the occupancy level and volume of business. Managerial and administrative staff come under this head- for example, the executive housekeeper, assistant housekeeper, and supervisor. Variable staff positions are the ones that vary in relation to changes in the hotel occupancy- for example, room attendants and housemen.

PARAMETERS TO CONSIDER

The executive housekeeper schedules employees by first checking the occupancy levels forecasted by the front office and then referring to the staffing guide table.

The employees need to be scheduled into various shifts:

SHIFT TYPES

Most hotels operate 24 hours a day and these hours are covered in three shifts. Each shift's duration is 9 hours and these shifts are normally scheduled to overlap by an hour with the next shift to facilitate handovers and takeovers

Straight shift

This type of shift extends for a period of 9 hours with a break of 1 hour. For example, the morning shift and evening shift are both straight shifts

Night shift/ graveyard shift

A standard night shift is actually a type of straight shift that normally starts from 10 pm and concludes at 7 am

Break shift/ split shift

This type of shift is split into two sessions that add up to a regular shift of 9-10 hours. This includes a break of approximately 3-6 hours

Rotating shift

An employee may be given a particular shift for a week or two, and then changed over to the next shift. This rotation is done to ensure that all employees get a fair share of all the shifts

Other scheduling concerns

While scheduling, the implications of a change of shifts must be considered. For example, changing over from a morning shift to an afternoon shift or from an afternoon shift to a night shift is acceptable, whereas changing from a night shift to a morning shift without a break is not



Other scheduling considerations are as discussed below

Overtime

Employees may be asked to work overtime when there is a shortage of staff. This entitles the employee for double and/ or compensatory off. Overtime must be avoided as it decreases productivity and increases labour costs

Alternative scheduling techniques

Getting the right staff for various job positions is challenging and it is sometimes wise to consider alternative scheduling techniques to accommodate and retain good staff. Alternative schedules vary from the typical 9-5 work hours. These schedules may attract the right kind of people out of those who find it difficult to fit into a 9-5 job. The alternate scheduling options are discussed below

Part time

Part time employees do not work 9 hours a day like full time employees. They may work only 4-5 hours per day. In the housekeeping department, the ideal example of a part-time position is that of a florist. The candidate for this position could be, say, a homemaker trained in flower arranging and willing to work 4-5 hours a day

Flexi-time

In this kind of scheduling, an employee can work any time according to his/ her convenience and is paid accordingly

Compressed work schedule

An employee working 9 hours a day and 6 days a week puts in 54 labour hours per week. If the employee wishes, these 54 hours can be compressed within 5 days a week, that is, the employee would be required to work nearly 11 hours a day and get 2 days off to compensate

Job sharing

A full-time job may be shared between two part-time employees. The part-time employees involved usually work in different shifts. Job-sharing is advantageous in cases where one partner resigns from the job and leaves. At such a time, the other employee stays and trains the new partner

Legal aspects of scheduling

The executive housekeeper should be aware of certain legal aspects- the shops and establishments act and the state labour rules- while drawing up schedules for employees. Some important issues are as follows:

Work hours Hours of work for employees should not exceed 9 hours per day

Break for rest The break for rest is usually half an hour. Continuous work should not exceed 5 hours without a break



Holidays and days off The employer should prepare a list of closed days at the beginning of each year and the same should be displayed in a conspicuous notice

Work spread over The work spread over of an employee must not exceed 11-14 hours in a day and not more than two breaks should be given

Child labour No child should work in any establishment

Work environment Employees should be given clean, safe, and favourable conditions to work in

Maternity leave Women should be entitled to maternity leave. Nursing women should be given an extra break for feeding their infants if the establishment is running a crèche

Work schedule

A work schedule is a document that lists the actual tasks to be carried out by an employee in a particular shift and the time frame in which to undertake each task. The document includes the following:

- The position of the employee
- The area of operation
- The time at which the employee has to perform the allotted task
- Timings of meals, breaks, and any special job
- Time for tidying equipment and closing up

Work schedules must be written in simple language and have a concise form. Since the amount of work in a day may take longer than the length of one shift, several work schedules need to be compiled for use in one day. The number of schedules made for a given area is thus an indication of the number of staff required to clean that area on the particular day

The schedules should be handed over to the employees when they report for work.

**SAMPLE WORK SCHEDULE**

Position: Housemen		Area: Lobby
Time	Activity	
07:00 am	Report to work; collect equipment and supplies	
07:10 am	<ul style="list-style-type: none">• Clean glass doors• Dry mop floor at the entrance• Damp-mop the entrance, including steps• Sweep porch area• Damp-dust lounge area• Damp-mop the lobby floor• Disinfect house telephone• Discard hold flower arrangements	
09:30 am	Vacuum clean carpets	
10:00 am	Coffee break	
10:15 am	<ul style="list-style-type: none">• Dry-mop floor• Clean glass windows• Damp-mop the entrance area, including steps• Damp-mop the lobby floor• Sweep porch area	
01:30 pm	Break for lunch	
02:15 pm	<ul style="list-style-type: none">• Damp-dust lounge area• Disinfect house telephone• Dry-mop floor	
03:45 pm	<ul style="list-style-type: none">• Wash and put away cleaning equipment and supplies• Report back to the head housemen	
04:00 pm	Go off duty	



DETERMINING STAFF STRENGTH

The housekeeping department employs the largest workforce in most hotels compare to other hotel departments. Manpower thus becomes a major operating expense. Good management of the housekeeping department depends on achieving a balance between the workload and the staff strength. When calculating staff strength, it must be remembered that each property will have its individual requirements. The factors to be considered here are:

- The type of hotel it is
- The location of the hotel
- Traditions and customs of the locality
- The size of the hotel
- The occupancy rate of the hotel
- Management needs
- Company policies
- The quantity of work to be done
- The quality of work expected, that is, the standards to be met
- The time needed to do the work
- The frequency with which the work needs to be done
- The time when the work area is available
- The amount of traffic in the area

The staff strength of the housekeeping department mainly depends on the size and structure of the hotel, that is, whether it has a compact structure with clusters of rooms, the number of rooms per cluster or floor, the expense of the public area and landscaped areas, and so on. The general rules of thumb that aid in determining staff strength in the housekeeping department are presented.

Each hotel needs to develop its own staffing guide, which should help in scheduling the right number of staff for every positional level in the housekeeping department at various occupancy levels of the hotel.

The staffing Guide

A ***staffing guide*** is a scheduling and control tool to determine the total labor hours, the number of employees and the estimated labor expense needed to operate the housekeeping department when the hotel is at specific occupancy levels. Procedure for developing a staffing guide

Developing a staffing guide for Room Attendants

Step 1: Determine the productivity standard for the task that will be performed by the employee

Eg., productivity standard to clean a guest room is 30 minutes (0.5 hr)



Step 2: Determine the total labour hours when the hotel is at specific occupancy level by using productivity standard

Eg., There are 400 rooms in the hotel and the occupancy is 90%

At 90% occupancy,

Rooms to clean next day = $400 \times 90 / 100 = 360$ rooms

Labour hours to clean 360 rooms = $360 \times 0.5 = 180$ hrs

Step 3: Determine the number of employees that must be scheduled to work when the hotel is at specific occupancy levels

Eg., 9 hour shift (Deduct 1 hour for break)= 8 hr

Productivity standard=0.5 hr

$8 \times 0.5 = 16$ rooms can be cleaned by a room attendant

At 90% occupancy,

$360 \text{ rooms} / 16 \text{ rooms} = 22.5 = 23$ FTE (full time employees)

Step 4: calculate the estimated labour expense required to operate the housekeeping department when the hotel is at specific occupancy level.

Eg., the average hourly rate is 20 rs

Then $20 \times 180 = \text{Rs.}3600$

Thumb rules for determining staff strength

Executive Housekeeper	1 for a 300-room property
Assistant Housekeeper	2 (1 per morning and evening shift)
Floor Supervisor	1 per 60 rooms for the morning shift; 1 for the evening shift; 1 for the night shift
Public area Supervisor	1 for each shift
Linen/ uniform room supervisor	1
Room attendants	2
Housemen	Depends on the size of public areas and functions expected; but on average; 1 per 60 room
Desk attendants	1 per shift
Tailors/ upholsterers	1 per shift
Horticulturist	1
Head Gardeners	1 per 20 horticulturists
Gardeners	1 per 4500 sq ft of landscaped area



RECRUITING, SELECTING, HIRING, ORIENTING, AND TRAINING

RECRUITING EMPLOYEES

Recruitment involves identifying sources of labour, reviewing job descriptions and specifications, publicizing job vacancies, and inviting job applications to fill vacancies. The process is initiated by the executive housekeeper in keeping with the guidelines and procedures met by the human resource department.

Identifying sources of labour

Various sources can be tapped for the purpose of recruitment, as depicted in figure. These sources of labour could be external or internal.

Internal sources

Opportunities arising from internal sources should be thoroughly examined before scouting for external sources. Internal sourcing encourages growth within the organisation and prevents stagnation and discontentment among the staff. Internal sourcing is advantageous to the executive housekeeper also, since the manager thus gets employees who have already proven themselves and are familiar with the property. Internal sourcing involves promotions and transfers

PROMOTIONS

It is essential that the executive housekeeper identifies employees who could be promoted to the next level, training and grooming them for the promotion. This is referred to as succession planning. Possibilities for promotion enhance the morale and productivity of employees.

Transfers

Interdepartmental transfers are an option that makes employees more flexible. Employees can be then accommodated in any department when need arises. Keeping transfers as an option calls for cross-training, so that employees can learn the duties of more than one position.

External source

External sourcing is necessary for entry-level jobs and whenever creative inputs from external candidates need to be used at specific positions.

Colleges and high schools

Qualified candidates can be recruited through various hotel management colleges across the country. For some lower-rung positions, high-school students looking for job openings may be recruited



Employment bureaus

These bureaus maintain a database of people looking for jobs. When contacted, the bureaus match the skills required for the vacant position with the skills of candidates listed with them.

Industry employees

Employees of other hotel establishments are often on the look-out for better positions and salaries. These people could be recruited for suitable positions.

Industrial trainees and apprentices

Industrial trainees and apprentices are one of the best sources of labour. They have already worked with the organization and know the procedures, policies, and standards to be met.

Networking and recommendations

Personal contacts of friends, co-workers, or subordinates may also be a potential source of labour. Personal contacts and recommendations are a major source of recruitment in the hotel industry.

Advertising

Along with tapping the above sources, most hotels place advertisements in newspapers and industry publications. An advertisement must include the following details to be complete:

- The position/ positions which is/ are vacant
- The number of positions vacant
- Brief description of the job
- The type of person required for the job
- Conditions
- The address to which the application is to be sent and the relevant telephone and facsimile number

SELECTING EMPLOYEES

The process of selection involves screening application forms and resumes, interviewing, and evaluating. Selection is a process of identifying and hiring people whose probability of success in the job at hand is maximum and who are likely to stay long enough with the organization to add to its development.

Screening applications and resumes

The following criteria should be looked into while screening candidates:



- Age, qualifications, and experience
- Compatibility with job requirements
- Social skills
- Family background
- Health status
- Special interests
- Mental make-up- self-confidence, presence of mind, and initiative
- Ethical values

Resumes should be checked thoroughly to see that the candidate conforms to the job requirement. Resumes that do not meet the requirements should be weeded out. Check the following while screening resumes

- Neatness, layout, language, and spellings
- Gaps in work history
- Omission of any information
- Reasons for leaving previous jobs
- Whether the signature matches the handwriting in the application

Avoid candidates who have worked in various jobs for very short periods and seem overqualified. After the screening of applications, notify the candidates regarding tests and interviews they must subsequently appear for.

Interviewing

Once the screening of applications is over, candidates may be given objective tests involving written and practical work. This is followed by individual interviews with qualifying candidates. Individual interviews are usually conducted by a panel of four to five interviewers. The following are some guidelines for preparing, conducting, and concluding an interview smoothly.

Preparing for the interview

- Select the interview panel members
- Choose the date, time, and venue
- Notify the candidate
- Jot down specific points or questions on resumes
- Read the job description, job specification, and resumes thoroughly before the interview

Beginning the interview

- Greet the applicant
- Observe his/ her physical appearance and body language
- Break the ice by putting the candidate at ease

Conducting the interview



- Ask relevant questions to gather the required information
- Determine the applicant's values, work standards, expectations, and outlook other people
- Use open-ended questions so that the applicant does 80% of the talking
- Record important decisions

Closing the interview

- Allow the candidate to ask a few questions
- If the candidate is suitable, sell the company and the job
- Let the candidate know when the outcome of the interview would be intimated to him/her
- Thank the applicant for applying and for coming

PITFALLS IN INTERVIEWING

The interview panel members should be aware of the various pitfalls that may occur during interviewing despite the best intentions. Some common pitfalls are listed below

Devil's horns effect (negative halo effect)

The interviewer may get overly affected by a negative quality in the applicant might possess and selectively perceives everything about the applicant as negative

Halo effect

The interviewer may get similarly affected by a positive quality in the applicant. As a result, the interviewer becomes blind to the negative qualities that the applicant might possess and perceives everything about the applicant as good

Contrast error

Most interviewers tend to compare one applicant with the other and this causes the contrast error. The interviewer must rather compare the applicant with the requirements of the job

First impression error

The interviewer is affected positively or negatively by the last impression the applicant creates

Given below are some guidelines for becoming an ideal interviewer:

- Be a good communicator
- Be a good listener
- Be a role model and appear enthusiastic about the job
- Be a good judge of people
- Understand and accept differences among people



Evaluating

The process of evaluation takes place partially during the interview itself and is concluded ideally, soon after the interview is over. For the purpose of evaluation, the interview process is recalled, details are discussed among panel members, and a final evaluation of the candidate is arrived at. To avoid confusion, a decision- negative or positive- should be made about each candidate.

HIRING EMPLOYEES

Once suitable candidates are identified and the references checked, the human resource department extends the job offer to them at the earliest. Medical examinations must be undergone by the selected candidates. Finally, identification cards, time-in swipe cards, and relevant forms need to be collected by the new employees. The executive housekeeper must also inform other employees about the identity and position of the new employee and prepare them to extend their co operation to the team member

ORIENTING EMPLOYEES

With the hiring process over, the new employees are now on the payroll of the establishment. The newcomers need to be introduced to people and be familiarized with the environment in which they are to work. This is done through an orientation or induction programme. Orientation is the guided adjustment of a new employee form part of the orientation programme:

- The history of the organization
- General policies and practices of the organization
- Departments; their location and functions
- Staff benefits; location of staff toilets, locker rooms, restrooms, staff mess, and so on.
- Safety regulations and other procedures
- Organizational hierarchy, defining the employee's position and reporting relationships

The orientation may take place through formal methods- using film slides, demonstrations, and lectures-or informal methods. Most hotels have a training department, which takes care of the orientation programme in general



TRAINING EMPLOYEES

Training is the overall enhancement of human ability by developing knowledge, skills, attitude and behaviour in order to achieve individual goals. Training relates not only to new employees, but is an ongoing process for the entire team. Training is effective only when the knowledge gained is applied at work and tested for usefulness. The steps in planning a training programme are presented below. The first step in training is to assess the need for training in the department. The second step is to identify areas in which training is required and list them according to priority. The third step is to determine what type of training is needed in each area. The fourth step is to plan the training programmes and set time periods for implementing them. The fifth step is to evaluate the programme.

Benefits of training

The benefits of training are as follows:

- New employees learn in a comfortable atmosphere
- New employees understand the importance of the job and the expectations to be met
- Existing employees improve their work performance
- Flexibility is incorporated due to cross training
- The incidence of accidents is reduced and safety is enhanced
- Reduced expenditure on maintenance of machines results
- Employees are motivated and their job satisfaction improves
- Employees and overall productivity improves
- Employee turnover is reduced
- The executive housekeeper gets more time for management activities
- Standards and quality of work improve
- Supervision improves
- More profits flow in due to better business

TYPES OF TRAINING

Training may be of various types. They are as follows:

Induction training

Induction training is carried out when an employee is new to the organization and has to learn the required knowledge, skills, and attitude for his new position

Refresher training

This is carried out when an old employee has to be re-trained to refresh his/her memory

Remedial training



This is carried out for old employees when there is a change in the present working style, which may be related to a competitive environment, technological changes, or guest expectations.

Cross training

This training enables employees to work in departments other than their speciality in periods of staff shortage.

On-the-job training

This type of training takes place while a trainee is working on a daily schedule. The trainee in this case is under the guidance of a trainer or a buddy. As part of on-the-job training in housekeeping, the new employee may be instructed in topics such as

- The use and care of equipment
- The use and storage of cleaning agents
- Setting up of the room attendant's cart and
- Linen, laundry, and uniform-handling procedures

Simulation training

In simulation training for housekeeping, an un-rented model room may be set up and used to train several employees. The advantage of simulation training over on-the-job training is that the training process may be stopped in between, discussed again, and repeated if required for reinforcement. The trainee here does not have to prepare the room for guest occupancy

Off-the-job training

Off-the-job training takes place away from work, in a classroom, by means of workshops, demonstrations, lectures, discussions, seminars, audio-visual presentations, case studies, and role-playing. Some topics for instructions may be:

- Controlling expenses
- Ways to meet standards
- Demonstration of new equipment
- Stress management

The four step training method

Prepare, present, practise, and follow up- these are the four steps for effective training programmes

Prepare to train



Training should not be haphazard, but sequentially planned according to the needs of the staff. Therefore, preparation is required in chalking out a training programme. This involves analysing the job and the staff's training needs

Job analysis

Job analysis plays a significant role. The trainee will benefit from the training only when the trainer knows exactly what is expected of the employee at work. Job analysis is the process of determining what knowledge each employee needs, what tasks each employee needs to perform, and the standards to which the employee must perform the tasks. The three components of a job analysis are job knowledge, a job list, and job breakdowns. Job knowledge identifies what an employee needs to know to perform the tasks to the expected standards. A job list enumerates in simple terms the various tasks to be accomplished. A job breakdown is the complete knowhow required to perform a particular task while meeting the required standards

Analysing the staff's training needs

This is a must in order to prioritize training activities. The training needs of new employees and existing staff should be assessed separately. A new employee's training needs can be chalked out on the basis of job lists. The tasks mentioned in the job list should be prioritised according to simplicity and importance. The training sessions should be started with simple tasks.

To assess a current employee's training needs; their work performance needs to be observed for 2-3 days. Their performance on these tasks should then be rated on a scale of 1 to 5. On tasks in which they score less than 3, the staffs need training.

The three basic areas in which employees should be trained are skills, attitude, and knowledge

Skills training

Skills include the practical and technical aspects of the job that an employee has to perform. Skills training are essential for an employee to meet the standards set by the organization. Some important skills that a trainee GRA needs to learn are:

- Arranging the room attendant's cart
- Bed-making
- Dusting
- Vacuuming
- Floor and carpet cleaning
- Cleaning of hard surfaces
- Window and mirror cleaning
- Bathroom cleaning
- Performing the turn-down service
- Using equipment
- Safety and security procedures



Attitude training

Though it is imperative that employees with a positive attitude are selected during recruitment, a new employee's attitude may need to be shaped to a certain extent. Housekeeping trainees need to be guided into thinking that no task is menial, that all tasks are important in rendering service to a guest. The development of interpersonal skills also comes under the head of attitude training

- Attitude training may be required in the following areas:
- Rendering service to the guests
- Dealing with superiors and subordinates
- Management
- Personal hygiene and grooming
- Cleaning public areas and bathrooms

Knowledge training

A new employee needs to gain knowledge regarding the organization, its procedures, policies, and rules, and his/ her co-workers. Some of the areas in which new employees require knowledge are:

- The layout of the entire hotel
- Hotel managers and the HODs
- Co-workers with whom he/ she is to coordinate
- Employee rights and benefits
- Grievance procedures
- Emergency procedures
- Telephone courtesy
- The housekeeping department's common procedures
- Room status codes

Present the training programme

Start the training session with an introduction. While planning how to introduce a topic, keep the following points in mind:

I = Interest – Create interest about the topic

N=Need- Explain the importance of the session

T=Title- Emphasize the title

R=Range- Discuss the range of the topic to be covered

O=Objective-Enumerate the objectives to be achieved at the end of the session

The content is the main part of the training session. It should evince clarity of thought. Attention research studies have shown that multi-sensory delivery helps a person to concentrate attention and integrate all the relevant information. Certain statistics regarding retention of information retained through the five senses-vision, hearing, feeling, smelling and tasting. These studies make it evident that training sessions must



include discussions, demonstrations, audio-visual aids, and exercises, apart from lectures.

Teaching skills to trainees

When teaching skills to trainees, they need to be told as well as shown how to perform tasks. Job breakdowns act as guides to accomplishing this step in training. The new employee should be given written job breakdowns a day in advance, so that they can participate in the training session readily. Some recommendations for teaching new skills to a trainee are listed below:

- Demonstrate the skill at a normal speed
- Break down the presentation of large amounts of information into sessions for easier assimilation
- Repeat the demonstration at a slower pace, asking the trainees to perform along with trainer
- Encourage the trainees; once they are confident, allow them to practise on their own
- Follow up to see how the trainee is performing

Summarizing and concluding the session

This includes:

- Recapitulation of the main points
- Inviting further clarification and discussion, and
- An assessment of the trainees' learning

Practise

After the training session, give the trainees ample opportunity and time to practise on their own, because when they do, they understand better. Encourage them during the practice and appreciate correct performance. Do not allow short cuts at the stage, or else they will become a habit later

Follow up

Follow-up is important to make the employees good workers and comfortable in their jobs. Follow-up includes continuing on-the-job training, appraising performance, giving feedback, and evaluating progress.

PLANNING DUTY ROSTER

Duty rosters specify the allotment of jobs, hours of duty, and days off for each member of the staff. To make for an even share of duties, the roster should be rotated every five weeks. Duty rosters must be simple in format, easy to interpret, clearly written, and displayed on the staff notice board at least a week in advance. A sample duty roster for GRAs is presented below. Duty rosters for other positions may be drawn up on the same lines



Advantages of a duty roster

Planning a duty roster in advance helps to ensure:

- The exact number of staff required to be on duty at any given occupancy
- That staff working hours are as per their employment contract
- Those regular off-days are availed for enhancing productivity
- Knowledge of which employees are present on the premises in instances of emergencies
- Accuracy in attendance and payroll reports

STEPS IN MAKING A ROSTER

The steps in making up a duty roster are as follows:

Step 1: Ascertain occupancy levels and events expected in the hotel. This information is provided by the sales and marketing department at the beginning of the financial year. On a daily and a weekly basis, more specific reports of occupancy are available through coordination with the front office department. The overall forecasts of occupancy must be considered before scheduling the employee's annual leave. These forecasts also help the executive housekeeper to follow the staffing guide to ensure the sufficient staff at peak periods and avoid excess labour during slack periods.

Step 2: ascertain the spread of duty hours to be scheduled in the duty roster, whether 12 hours, 16 hours, or 24 hours. Decide whether the positions will work for 5 or 7 days per week

Step 3: ascertain the type of shift- straight shift, break shift, rotating shift, or any other alternative scheduling- to be used

Step 4: ascertain the number of full-time and part time staff on the payroll

Step 5: ascertain the number of labour hours per day and per week required for various positions

Step 6: incorporate coffee breaks and mealtime allowances in the roster

Step 7: ascertain that each employee gets a weekly off day after 6 working days. Provide for compensatory offs. Schedule one reliever per 6 employees

Step 8: ascertain closed days and restricted holidays, and any contingency planning that may be needed



EXAMPLE

- Day maids are required to work from 7:30 am until 3:30 pm including half an hour meal break for lunch
- Each full-time maid works a 40 hours week
- The hotel has 150 rooms and is fully booked for the week in duration
- Each maid is expected to clean 15 rooms per day
- There are 14 full time day maids
- M is beginning her holiday on Saturday & Sunday has requested Thursday off so that she can take her son to the clinic

In addition to the duty rotas which are planned well in advance, every day the staffing has to be monitored for all the shifts and throughout the day (24 hrs). Alternate arrangement has to be done for absentees, late comers & extra jobs. For which a staff placement register has to be maintained everyday so that all the areas will be covered & extra jobs can be done comfortably.

DUTY CHART

MAIDS	MON	TUE	WED	THURS	FRI	SAT	SUN	WEEKLY HRS
A	8-4	8-4	8-4	8-2 5-9	8-4	OFF	OFF	39
B	OFF	OFF	8-2 5-9	8-4	8-4	8-4	8-2 5-9	40 ½
C	8-4	8-4	OFF	OFF	8-2 5-9	8-4	8-4	39
D	8-2 5-9	8-4	8-4	8-4	8-4	OFF	OFF	8-4
E	OFF	8-2 5-9	8-4	8-4	8-4	8-2 5-9	OFF	40 ½

MEAL TIMES

Lunch 12-1:30 pm or 12:30 – 01:00 pm
 Supper 6:30 – 7:00 pm or 7:00- 7:30 pm
 8-4 =8 hrs less ½ hr= 7 ½ hrs
 8-2
 5-9 =10 hrs less 1hr= 9 hrs (13 hrs spread over)



TEAMWORK AND LEADERSHIP

The current trend in housekeeping operations is to form teams to accomplish tasks rather than scheduling employees on an individual basis. The three important determinants of teamwork are leadership, the building of the right kind of groups or teams for better productivity, and membership

A housekeeping team may consist of one supervisor, several GRAs, and one houseman. This team under the supervisor becomes totally responsible for a particular section of guestrooms in the hotel. Cleaning performance, say, is then measured on a team basis rather than on individual basis.

TEAM CLEANING- AN EXAMPLE OF TEAMWORK

In team cleaning, two or more GRAs together clean one guestroom at a time. Usually teams of two GRAs each are assigned to 30-35 rooms. Team members rotate duties of bedroom and bathroom cleaning. Team cleaning is successful when ideas come from the employees themselves and they are willing to make a change to meet new challenges. Promoting teamwork within each team requires special effort. A teamwork checklist, such as the one shown below, should be followed by the executive housekeeper to make it a success

- Reward teamwork by praising the team and giving them choice assignments, raises and promotions- just as you would individual performers
- Include teamwork as a criterion during the employee's performance appraisals
- Rotate special assignments, allowing everyone an opportunity to shine as an individual occasionally
- Consider ideas generated jointly by the team as well as individual ideas
- Share information and give the team a say in decision making
- Give credit to the team for jobs well done
- Set an example of cooperation with others

ADVANTAGES OF TEAM WORK

There are many advantages of teamwork. Some of these are as follows:

- A principal advantage to the manager is in being able to schedule a group of people as though they were one entity
- Cooperation and workers morale will be higher when they are part of a small unit rather than solitary individuals in a large group of people.
- Team spirit will cause the entire group to excel in operations. GRAs who excel in room cleaning help the poorer performers on the team to improve
- Absenteeism and tardiness get better resolved at the team level because one member being absent or late could have a negative effect on the entire team's reputation



- With increasing concern for safety and security, assigning two or more GRAs to clean a room could save expenses on liabilities and lawsuits
- Mundane cleaning tasks may become fun when performed as a team
- Fewer tools are needed- for example, one room attendant's cart, one vacuum cleaner, and one hand caddy can equip a team of two
- Some heavier cleaning tasks are accomplished more easily and faster with two people- for example, moving beds, turning over heavy mattresses, making up a double bed, and so on
- Bringing new employees up to the required standards becomes easier since they have buddies to coach them along the way.
- There is saving on labour costs since team workers complete work faster, have better attendance, meet with fewer accidents, and develop greater interest in improving the processes

Some guidelines for team cleaning

When planning for team cleaning, the executive housekeeper must address the following considerations

- Have linen and cleaning inventories equally distributed so that teams do not fight over supplies
- If a team must stop because it is faced with some hurdle, the work output of 2-3 people is stopped, as opposed to only one in the traditional method of guestroom cleaning. Hence, the executive housekeeper should make sure that adequate supplies are available and teams are given an accurate list of room assignments
- Scheduling may require special effort to accommodate team members getting the same days off.

LEADERSHIP

For teamwork in housekeeping to be successful, the department leader, that is, the executive housekeeper, needs to be an inspiring role model as a team player as well as an effective leader. The leader of any group can help to build its members into a well- knit team by sharing visions, goals and strategies with them.

Leadership is the capacity to frame plans that will succeed and the faculty to persuade others to carry them out in the face of difficulties. Leadership quality in a manager makes people look up to him/ her for advice, feel motivated to work for and respect the manager, and be loyal to the manager. An executive housekeeper who can mobilize the trust and support of the staff achieves great heights. Some executive housekeepers who are good planners and organizers fail to achieve results because they are not effective as leaders. An executive housekeeper who is a good leader will ensure the following activities:

- Draft a compelling vision
- Communicate passionately
- Get cooperation from others
- Inspire and pull employees towards goals
- Provide direction and momentum



- Be assertive if necessary
- Learn from other leaders
- Make decisions in line with the vision
- Get feedback
- Command and not demand respect and loyalty
- Do some self-evaluation as well

Different leadership styles as presented in table may be used by executive housekeepers. Some distinctly make people work by order or force; others join the group and initiate activity; still others use persuasion; while some, by their pleasant and endearing manner, generate the enthusiasm for work and achieve goals in the best possible manner. An executive housekeeper who is an effective leader uses all these styles to different extents, according to the nature of the decisions to be made and as the situations demand

Most often, executive housekeepers tend to use the participative style and depend more on communication, adopting a supportive attitude and sharing needs, values, goals and expectations with their staff. When employees, regardless of their level of education are involved in decision making, they become highly contributively to successful decisions of major consequence. They are then not only committed to the outcome of these decisions but are also involved in the success or failure of such decisions and are thereby motivated to continue their participation and personal growth

A self-assessment needs to be carried out by executive housekeeper to find out which style of leadership they adopt as their principal one in actuality. The questions listed below need to be addressed for such self-assessment

- Do I tend to think I or We?
- Be concerned with things or with people
- Drive employees or coach them
- Say go or let's go
- Take credit or give credit
- Instil fear or enthusiasm
- See today or look at tomorrow
- Let the employee know how the job is to be done or show them how to do the job
- Depend on authority or goodwill
- Work hard to produce results myself or work hard to help employees produce results
- Let employees know where I stand or where they stand
- Fix blame for breakdown or show how to fix the breakdown
- Use employees or to develop them

STYLES OF LEADERSHIP

Autocratic- Imposes own decision with/ without explanation to subordinate



Participative- Decision made after prior consultation with subordinates

Democratic- Joint decision arrived at

Laissez Faire- Decisions taken by delegation

PROCEDURE MANUAL

Procedure manuals are developed by the organization for all employees, and departmental procedure manuals are developed in common for employees of a particular department. A procedure manual gives information about standard procedures to be followed for various activities. In housekeeping, these activities relate to the organization and procedures of cleaning activities, safety and security measures, human resource issues, and so on. These manuals are necessary in maintaining uniform standards even when managers and employees change. In order to be effective, these manuals must be updated whenever there are changes incorporated in these systems. SOP's should be part of procedure manuals.



BUDGET

A budget is a plan that projects both the revenues that the hotel anticipates during the period covered by the budget and the expenses required to generate the anticipated revenue.

Budgeting is one of the main planning activities of an executive housekeeper. It is the process by which, based on the actual performance of establishments in the past, estimates of expenditure and receipts are made and adjusted for forecasting future outcome. A budget is a plan by which resources required to generate revenues are allocated.

THE BUDGET PROCESS

The operating budget outlines the financial goals of a hotel. The purpose of the operating budget is to relate operational cost to the years expected revenues. The yearly operating budget is broken down into budgets for each month of the fiscal year. In addition, each department prepares its own monthly budget. These budgets cover individual areas of responsibility and serve as a guide for how the department will achieve its expected contribution to the property's financial goals. Essentially, a budget is a plan. It projects both the revenues the hotel anticipates during the period covered by the budget and the expenses required to generate the anticipated revenues. The executive housekeeper's responsibility in the budgetary process is twofold. First, the executive housekeeper is involved in the planning process that leads to the formulation of the budget. This entails informing the room division manager and general manager what expenses the housekeeping department will incur in light of forecasted room sales. Second, since the budget represents an operational plan for the year, the executive housekeeper ensures that the department's actual expenses are in line with budgeted costs and with the actual occupancy levels. As a plan, a budget is also a guide. It provides managers with the standards by which they can measure the success of operations. By comparing actual expenses with allocated amounts, the executive housekeeper can track the efficiency of housekeeping operations and monitor the department's ability to control its expenses within the prescribed limits.

TYPES OF BUDGETS

Budgets may be of different kinds, based on the types of expenses involved, the departments, and the flexibility of expenses

CATEGORIZED BY TYPES OF EXPENDITURE

Based on the types of expenses and assets involved, budgets may be categorized into capital, operating, and pre-operating budgets

CAPITAL BUDGETS

These allocate the use of capital assets that have a life span considerably in excess of one year- these are assets that are not normally used up in day-to-day operations. Furniture, fixtures, and equipment are typical examples of capital expenditures. Capital



expenditures in the housekeeping department may include room attendant's carts, vacuum cleaners, general floor machines, carpet shampoo machines, sewing machines, and laundry equipment. The hotel building itself is also a capital asset

OPERATING BUDGETS

These forecast expenses and revenues associated with the routine operations of the hotel during a certain period. Operating expenditures are those costs the hotel incurs in order to generate revenue in the normal course of doing business. In the housekeeping department, the most expensive operational cost is the salaries and wages or labour cost. The cost of all non-recycled inventory items, such as cleaning and guest supplies, is also operational costs.

PRE-OPENING BUDGETS

These force the planning necessary for the smooth opening of a new hotel. These budgets resource for opening parties, advertising, generation of initial goodwill and public relations. Pre-opening budgets also include the initial cost of employee salaries and wages, as well as supplies, crockery, cutlery, and other items.

CATEGORIZED BY DEPARTMENTS INVOLVED

Based on the department involved, budgets may be categorized into master budgets or department budgets

Master budget these represent the forecasted targets set for the whole organisation and incorporate all incomes and expenditures estimated for the organization

Department budgets Each department of the hotel forwards a budget for its estimated expenses and revenues to the financial controller. For instance, there would be a housekeeping budget, an F & B budget, a maintenance budget, and so on. In fact, the rooms division budget is in this case the combined budget of the front office and the housekeeping department.

CATEGORIZED BY FLEXIBILITY OF EXPENDITURE

Budgets may also be classified on the basis of the flexibility of expenditure

Fixed budgets These budgets remain unchanged over a period of time and are not related to the level of revenues. Such budgets include budgets for advertising and administration.

Flexible budgets These budgets pre-determine expenditure based on the revenue expected and differ with different volumes of sale.



HOUSEKEEPING EXPENSES

Expenses that need to be budgeted for by the housekeeping department may be operating expenses or capital expenditures

Operating expenses

Operating expenses include the following types of costs:

Salaries and wages This is the largest expense category in the housekeeping department, as the department easily has the largest workforce of all departments in the hotel. This category of expenses includes regular employee pay, overtime pay, incentives, leave encashment, and bonuses

Employee benefits This category of expenses includes insurances on pay, employee pensions, payroll taxes, employee medical expenses, employee meals costs, employee provident funds, staff parties, and social events. In many organizations, the salaries and wages and the employees benefits are calculated as one expense category, referred to as SWB

Contract services Expenses incurred on any contract service employed by the housekeeping department, such as guest supplies and cleaning supplies

Linen New linen needs to be bought throughout the year as replacements and the cost of these is budgeted for under this expense category. These expenses also include all linen hire costs

Uniforms This category includes the expenditure forecasted for purchasing material for uniforms, tailoring costs, or costs of renting uniforms

Pest controls This function may be contracted or carried out by the housekeeping department employees, and has to be budgeted for accordingly

Flowers and horticultural expenses This category includes cost of office stationery items such as log books, registers, forms, formats, writing material and so on, as well as telephone, lighting, water consumption, and other such establishment expenses

CAPITAL EXPENSES

Capital expenses include the cost of equipment and machines, furniture and fixtures, etc.

Equipment and machines This category of expenses involves the equipment and machines used by the housekeeping department, and those provided in the guestrooms for guests use

Furniture and fixtures The budget for guestroom furniture and fixtures is under the purview of the housekeeping department since it is responsible for their cleaning and maintenance



CAPITAL BUDGETS

Purchase of most inventoried item in the housekeeping department occurs monthly, these costs appear in the operating budget as expenses against the revenue generated over the same period. Major purchases of machines and equipment in the housekeeping department are not included on operating budgets. Instead, purchases for items with relatively high costs and long life spans are planned as part of capital budgets because they involve additional capital investments by the hotel. Capital budgets are prepared annually. The executive housekeeper will be asked to specify the need for funds to purchase machines and equipment for the housekeeping department.

It is crucial that the executive housekeeper be prepared to justify any requests for capital expenditures. Although such requests may be part of an overall modernization or renovation program, they more typically involve a need to replace existing machines or equipment. Typically, the need to replace major machines and equipment is discovered when a particular item cannot be repaired. However, the executive housekeeper can effectively predict the useful life of each machine in the housekeeping department based on how often it is used and the estimated number of working hours provided by the machine's manufacturer and supplier. Executive housekeepers should be aware, machines and equipment that receives high usage will not live up to the guarantees and estimates of useful life provided by suppliers.

When purchasing housekeeping equipment, executive housekeepers need to focus on long-range considerations. Major purchases of machines and equipment represent a capital expense for the hotel, and planning is required. Whenever possible, it is important to choose a supplier who can service the machines in a quick and efficient manner. If such a supplier cannot be found, the executive housekeeper will need to order an adequate number of replacement parts so that the hotel itself can service the machines. The executive housekeeper is expected to be able to recommend the proper type, quality, and quantity of equipment needed to keep guestrooms and public areas clean and attractive. The housekeeping department needs equipment that will last through continuous use with a minimum of maintenance. Cost effectiveness is the most important consideration. As always, purchase price needs to be considered along with the quality and durability of the product

PLANNING THE OPERATING BUDGET

The budgeting process begins far in advance of the start of the period for which the budget is planned. The process of planning an annual operating budget generally takes several months. It involves gathering information, formulating initial plans, reconsidering goals and objectives, and making final adjustments. The budget planning process requires a closely coordinated effort of all management personnel. Operating budgets are typically prepared for each fiscal year; the annual operating budget summarizes the anticipated year-end results.



Monthly operating budgets are also prepared for the property's fiscal year. This enables managers to clearly outline seasonal variations in expected revenues and corresponding expenses. It also provides managers and department heads with valuable tools to monitor actual results. In budgeting planning, the first step is always to forecast room sales. The reason for this is twofold. First, room sales generate the revenue for operating various departments. Second, and more important, most of the expenses that each department can expect- and the ones that departments are most able to control- are most directly related to room occupancy levels. This is especially true of the housekeeping department where salaries and wages, and the usage rates for both recycled and non-recycled inventory items, are a direct function of the number of occupied rooms, the concept of "cost per occupied room" is the major tool the executive housekeeper uses to determine the levels of expense in the different categories. Once the executive housekeeper knows predicted occupancy levels, expected expenses for salaries, laundry, and other areas can be determined on the basis of formulas that express costs in terms of cost per occupied room.

Occupancy forecasts are generally developed by the front office manager, working closely with the property's general manager. The forecast is based not only on historical data concerning past levels of occupancy, but also on information supplied by the marketing department concerning the anticipated effect on room sales of special events, advertising, and promotions. Some hotels generate forecasts for room sales that predict the level of occupancy for each day of the coming year. Once occupancy levels are predicted, the departments whose costs fluctuate with occupancy levels can forecast expected costs and submit prepared budgets to the general manager and controller for review. Upper management analyzes and adjusts the departmental budget plans so they reflect the property's goals and objectives. Often, budgets are returned to department heads with comments and recommended adjustments. Such feedback primarily reflects the concern of upper management to maximize profits and control expenses while maintaining appropriate levels of service. By specifying expense levels in relation to room sales, the budget actually expresses the level of service the hotel will be able to provide.

In this regard, it is important for department heads how service levels will be affected by budget adjustments. This is especially important for the executive housekeeper. If upper management tones down the operating budget submitted by the executive housekeeper, the executive housekeeper should clearly indicate what services will be eliminated or downgraded in order to achieve the specified reductions. The cycle of feedback and discussion continues as department heads revise their budgetary plans and provide additional input in response to recommended adjustments. It is through this back- and - forth process that agreement is ultimately reached. The final budget represents the forecasts, goals, and constraints that everyone adopts. Each department is then committed to operating under the limits expressed in the budget and achieving its contribution to the overall plan. Once approved, the operating budgets set a standard by which departmental performance can- and will-be evaluated.



Budgeting expenses

The budgeting process begins with a forecast of room sales. Since expense levels in all expense categories on the departmental income statement vary with occupancy, everything in the operating budget depends upon how accurately levels are forecasted. Early in the budget planning process, the room manager will give the executive housekeeper the yearly forecast of occupancy levels, broken down into monthly budget periods. This information may be delivered in a form. Using historical data, along with input from the hotel's marketing department, the rooms manager will predict the occupancy percentage for each budgeted period.

The second column of the form translates the anticipated occupancy percentage into the actual number of rooms expected to be occupied. By multiplying the number of expected occupied rooms by the average rate per room, the rooms manager can forecast the amount of revenue anticipated from room sales. For the rooms manager, this projection of revenue is the most important part of the operating budget. The appropriateness of all expenses expected will be measured in terms of the percentage of revenue represented by each expense category.

For the executive housekeeper, the most important information in the rooms manager's forecast is not so much the total expected sales dollars, but the projected number of occupied rooms for each budgeted period. This is because early on all the expense levels for which the executive housekeeper is responsible are directly dependent upon the number of occupied rooms the housekeeping department will have to service. The executive housekeeper can predict a certain level of expense for each expense category when he/she knows:

1. The cost per occupied room for each category of expense, and
2. The number of occupied rooms forecasted for each budget period

At this point, the budgeting process simply involves relating costs per occupied room to the forecasted occupancy levels.

Salaries and wages

Salaries and wages expense for the housekeeping department is related to such positions as executive housekeeper, assistant housekeeper, inspectors, linen room attendants, house persons, lobby attendants and others employed in the housekeeping operation. By using a staffing guide the executive housekeeper can determine how many employees of each job classification are needed to ensure smooth operations at varying levels of occupancy. When planning the salaries and wages expense for the operating budget, the executive housekeeper can use the staffing guide in conjunction with the occupancy forecasts to determine staffing needs for each budget period. After determining the number of labour hours needed for each job category, the executive housekeeper can multiply the number of hours by the position's average per-hour wage to calculate the



expected cost for that job category. By summing the calculations for all positions, a total wage cost can be determined for each budget period. Costs associated with salaried positions in the housekeeping department can be averaged into each monthly budget period. In forecasting salary and wage costs, the executive housekeeper will also need to account for any scheduled salary and wage increases as well as any cost of living adjustments planned by the property.

Employee benefits

Calculations related to employee benefits depend on the number of labour hours expected to be scheduled, the types of job classifications involved, and the property's policies regarding employee benefits. The kinds of benefits in this expense category may include charges for the cost of holiday or vacation pay, employee meals, payroll taxes, medical expenses or insurance, social insurance such as pensions, and staff parties or social events. With the help of human resources or accounting staff, the executive housekeeper can determine what levels of expense to budget for employee benefits.

Outside services

If the hotel employs any outside contractors for major cleaning projects or for laundry and dry cleaning services, then the costs of these services are averaged throughout the budget periods. The executive housekeeper can consult current contractors or past invoices to determine the expense levels to budget

In-house laundry

The executive housekeeper needs to work closely with the laundry manager to budget laundry expenses. The forecasts of occupancy levels provided by the room division, along with the property's staffing guide will be the basis for determining all expenses related to salaries, wages and benefits for laundry personnel. The cost of operating the hotel's on-premises laundry is directly related to the volume of soiled items to be processed. This, in-turn, is a direct function of the hotel's occupancy levels. Therefore, the cost of laundering room linens and uniforms can be budgeted on the basis of historical information that shows the cost per occupied room of laundry operations. Multiplying the cost per occupied room for laundry operations by the number of occupied rooms forecast for each budget period will provide a figure for the expected laundry expense during the budget period.

Linens

Although linen supplies in the housekeeping department are a recycled inventory item, their lifespan is ultimately limited. New linens must be purchased throughout the year as older linens are removed from service due to loss, damage or wear. Replacement cost for new linens is an expense that needs to be worked into the budget planning process. Monthly physical inventories of linens show the executive housekeeper how long the existing stock of linens lasts and how much of each type of linen needs to be reordered to



maintain appropriate par levels. The results of physical inventories of linens are submitted to the hotel's General Manager who routinely transfers the information to the hotel's accounting department. In turn, the accounting department regularly processes the information and provides valuable statistical information related to usage rates, losses, and expenses per occupied room. The executive housekeeper can use the cost per occupied room for replacement linen to forecast linen expense for the periods covered by the operating budget. Multiplying the cost per occupied room for linen replacement by the number of occupied rooms forecasted for the budget period will yield the linen expense to be built into the operating budget.

Operating supplies

The operating supplies expense category for the housekeeping department includes non-recycled inventory items, such as guest supplies and amenities, cleaning supplies, and small equipment items. As with the other housekeeping expense categories, the executive housekeeper can budget for the costs of these items on the basis of cost per occupied room

Guest supplies include pens, stationery, matches, soap, shampoo, toilet and facial tissue, garment bags, and other amenities the hotel provides in each room for the convenience and use of its guests. The cost per occupied room for guest supplies is the same as the cost of one room par for these items. Budget amounts for guest supplies are determined by multiplying their cost per occupied room by the number of occupied rooms in the budget's forecast.

Cleaning supplies include not only chemical cleaner, polishes, and detergents, but also small equipment items needed on a daily basis such as applicators, brooms, brushes, mops, buckets, spray bottles, and a variety of cleaning cloths. By following the inventory control procedures, the executive housekeeper has an effective system for tracking the usage rates for the various cleaning supply items at different levels of occupancy. By dividing the cost of the number of purchase units used each month by the number of occupied rooms that month, a cost per occupied room can be established for each item in the cleaning supply inventory. Summing the results for all inventory items yield a cost per occupied room for cleaning supplies. Multiplying this figure by the number of occupied rooms forecasted for the budget period provides the cleaning supply expense for the operating budget

Uniforms

Provisions must be made in the operating budget for the cost of new and replacement uniforms. In addition, the cost of washing or dry cleaning uniforms, as well as costs associated with repairing damaged uniforms, any need to be reflected in the operating budget. Like linens, uniforms are a recycled inventory item. But unlike linens- whose usage rates and replacement needs are very predictable- the need for a new uniform during the budget period depends on additional factors such as personnel turnover and



new hiring's. To help organize information for the operating budget and for future purchasing, the executive housekeeper should maintain an itemized list of all types of uniforms maintained in the department's inventory. The cost information should be itemized for each part of each type of uniform. The number of people working in each uniformed position may be obtained from human resources. Since men and women in the same position may require different uniforms- sometimes at different costs- the executive housekeeper also need to consider the number of men and women occupying each uniform position

There are some general rules of thumb that the executive housekeeper can use when budgeting for uniform purchases. While these rules of thumb may be helpful, executive housekeepers should keep in mind that uniform par levels vary from property to property. The executive housekeeper should start by budgeting for one complete uniform for each person. Next, for uniforms that are dry cleaned, the executive housekeeper should start by budgeting for one complete uniform for each person. Next, for uniforms that are dry cleaned, the executive housekeeper should budget for one additional uniform per person, since laundering greatly reduces a uniforms useful lifespan. As a final rule of thumb, the executive housekeeper should budget three additional sets of uniforms for cooks. Taking into consideration an annual plan for replacing uniforms, the executive housekeeper should divide the cost of new uniforms into those months during the budget period in which they will be purchased. In determining the cost of repairing uniforms, the executive housekeeper needs lot to consider not only the materials needed for repairs, but also the cost of the time spent by the supervisor or seamstress to repair the uniforms. Records of past repairs and productivity standards for repair can provide information relevant to the executive housekeeper's estimate for budgeting the cost of repairs.

Operating budgets and income statements

An operating budget is identical in form to an income statement. An income statement- or statement of income- expresses the actual results of operations during an accounting period, identifying revenues earned and itemizing expenses incurred during the period. The difference between an income statement and an operating budget is that the first expresses the actual results of operations for a period that has ended, while the second expresses the expected results of operations for a current or coming period. The one is a report of what actually occurred, while the other is a for what is to come. The operating budget is a plan for the period in the sense that lot predicts or anticipates what the income statement will actually show at the end of that period. The success of the hotel's plan as expressed in the budget is determined by how closely it's forecasted numbers match the numbers on the end-of –that period. The success of the hotel's plan as expressed in the budget is determined by how closely it's forecasted numbers match the numbers on the end-of-the-period income statement. In the budget planning process, upper management collects information from the various department heads to prepare for the whole property. This budget takes the form of an income statement for the coming period.



Income statements that predict the results of current or future operations, as opposed to reporting actual results, are often referred to as pro forma income statements.

The Hotel Income statement

The statement of income provides important financial information about the results of hotel operations for a given period. The period may be one month or longer, but cannot exceed one business year. Since a statement of income reveals the bottom line—the net income for a given period—it is one of the most important financial statements used by top management to evaluate the success of operations. Although the executive housekeeper may never directly use the hotel's statement of income, this statement relies in part on detailed information supplied by the housekeeping department. The sample statement of income often called a consolidated statement because it presents a composite picture of all the financial operations of the hotel. Room division information appears on the first line, under the category of operated departments. The amount of income generated by the rooms division is determined by subtracting payroll and related expenses and other expenses from the amount of net revenue produced by the room division over the period covered by the income statement. Payroll and related expenses charged to the rooms division include the wages, salaries, and benefits paid to housekeeping and front office staff, reservation agents, and uniformed service staff. Since the rooms division is not a merchandising facility, there is no cost of sales to subtract from the net revenue amount. The revenue generated by the rooms division is often the largest single amount produced by revenue centres within a hotel. Since the rooms division is generally the hotel's major source of income, and since housekeeping is a major source of expense incurred by the room division, the executive housekeeper plays an important role in the hotel's overall financial performance

The Rooms division Income Statement

The hotel's statement of income shows only summary information. More detailed information is presented by the separate departmental income statements prepared by each revenue centre. These departmental income statements are called schedules and are referenced on the hotel's statement of income. The format and specific line items used by the rooms division for its departmental income statement will vary with the needs and requirements of individual properties. The following sections briefly describe typical line items found on a room's division income statement. The first heading on the room's division income statement records revenue from room sales during the period. The second heading, allowances, identifies rebates, refunds, and overcharges of revenue. These are generally not known at the time that room sales are recorded. Instead, allowances are adjusted at a later date and may not appear as a budgeted line item on a proforma income statement. Net revenue is arrived at by subtracting allowances from total revenue. It is the net revenue figure that is transferred to the hotel's income statement as sales derived from the hotel's lodging operation. The executive housekeeper is directly concerned with many of the line items listed in the expense sections of the



rooms division's income statement. The largest single expense category listed is salaries and wages. The personnel costs associated with the housekeeping department are incorporated into this total, which also includes payroll costs for all room division employees. Regular pay overtime pay, vacation pay, severance pay, incentive pay, holiday pay, and employee bonuses are included in this expense category. The expenses item referred to as employee benefits are generally calculated by the personnel or accounting departments. It includes payroll taxes, payroll-related insurance expense, pension and other related personnel costs. The share of employee benefit expense that belongs to the housekeeping department is included in this line item. Many of the expense items listed under the heading other expenses fall under the direct responsibility of the executive housekeeper. These include:

- Contract cleaning
- Laundry and Dry cleaning
- Linen
- Operating supplies
- Uniforms

Contract cleaning includes the cost of contracting companies to clean lobbies and public areas, wash windows, and exterminate and disinfect areas of the rooms division. The pros and cons involved in the executive housekeeper's decision to employ contract cleaning services will be discussed at the end of this chapter. The laundry and Dry cleaning expense item refers to the cost of both outside and in-house laundry and dry cleaning services. It also includes the cost of dry cleaning curtains and draperies as well as washing of cleaning awnings, carpets, and rugs in areas of the room division. All the expenses incurred by the property's in-house laundry facility (except salaries, wages, and benefits) are reflected in this expense item. The costs of supplies used to keep the house laundry in a clean and sanitary condition are included- plus the costs of all supplies used in the laundry operation itself. In addition, printing and stationery costs associated with laundry lists, printed forms, service manuals, and offices supplies used by in-house laundry personnel are included. Finally, the costs of purchasing or renting uniforms for in-house laundry employees, along with the costs of uniform cleaning or repair, are incorporated in the total expense recorded in this category. Many hotels use a separate schedule to itemize all the costs within this expense category.

The linen expense item includes the replacement costs or rental fees for sheets, pillow cases, towels, face cloths, bath mats, blankets, and other items included in the linen inventory. The operating supplies expense item includes the cost of guest supplies, cleaning supplies, and printing and stationery items. All guest and cleaning supplies fall within the executive housekeeper's area of responsibility, and their inventories are maintained in the housekeeping department. The uniform expense item includes the cost of purchasing or renting uniforms for all employees of the rooms division as well as other related costs. Some of the expense categories listed under the heading other expenses fall outside the executive housekeeper's area of responsibility. The commission expense



refers to remunerations paid to outside sources, such as travel agents, who secure rooms business for the hotel

Guest transportation includes the costs associated with transporting guests to and from the hotel. Reservations include the cost of a reservations service and a central reservation system involving telephone, telegram, and teletype expenses. In the budget planning process, the room's manager will solicit information from the executive housekeeper concerning the expense categories that fall under the housekeeping concerning the expense categories that fall under the housekeeping department's areas of responsibility. In particular, the room's manager will be interested in assessing expected expenses as a percentage of the revenue forecasted for room sales. Every controllable cost can be expressed as a percentage of revenue. For each expense category, the room's manager will have a standard percentage that is considered to be an appropriate level of expense in relation to generate revenues.

The room's manager will expect that all projected expense will fall within acceptable range of the standard cost percentage for each category. The rooms manager may also build improvements on past cost percentages into selected expense categories, assuming that greater efficiencies will be achieved through better training, closer supervision, and tighter controls. The room's manager's goal is to maximize the department's income by minimizing the expenses while still preserving or enhancing the service levels. Crucial to achieving this goal are the executive housekeeper's operates take the form of monthly income statements for the rooms division. Projected revenues and expenses for each month of the budgeted period will represent the rooms division's operational plan. The executive housekeeper will be held accountable for controlling the expense areas that fall within the housekeeping department's areas of responsibility. As the budgeted period progresses, monthly income statements will be produced that show the actual amounts alongside the amounts originally budgeted. Virtually all actual results of rooms division operations will differ from budgeted amounts for revenue and expense items on a budget report. This is only to be expected because any budgeting processes, no matter how sophisticated, is not perfect, executive housekeepers should not analyze every variance. Only significant variances require management analysis and action. The general manager and controller should provide the executive housekeeper with criteria for determining which variances are significant.

BUDGETARY CONTROL

An operating budget is a valuable tool for controlling expenses and monitoring the course of operation during a specific period. Each month, the hotel's account department produces statement reporting the actual costs in each of the expense categories in the budget. These income statements or profit-and-loss statements are nearly identical to the operating budget.

Controlling expenses



Controlling housekeeping expenses means ensuring that actual expenses are consistent with the expected expenses forecast by the operating budget. There are basically four methods the executive housekeeper can use to control housekeeping expenses; accurate record keeping, effective scheduling, careful training and supervision, and efficient purchasing. Maintaining accurate records is the first step in controlling expenses and identifying problems in relation to managing inventories. As pointed out earlier, accurate record keeping enables the executive housekeeper to monitor usage rates, inventory costs, and variances in relation to standard cleaning procedures. Effective scheduling permits the executive housekeeper to control salaries and wages and the costs related to employee benefits. It is important to schedule all housekeeping employees according to the guidelines in the property's staffing guide. Since the staffing guide bases its guidelines in the level of room occupancy, it ensures that personnel costs stay in line with occupancy rates. At the same time, the need for adequate staffing to maintain the desired level of service leaves the executive housekeeper little room to 'cut corners' by scheduling fewer employees than the staffing guide recommends. The executive housekeeper can ensure that the approved guidelines expressed in the property's staffing guide are consistently followed in all employee scheduling decisions. Adjusting weekly work schedules in light of anticipated occupancy levels is an on going responsibility of the executive housekeeper. Training and supervision should not be overlooked as a cost control measure.

The recommendations in the property's staffing guide are based on the assumption that certain performance and productivity standards are consistently achieved. Effective training programs that quickly bring new hires "up to speed" can significantly reduce the time during which productivity is lower than the standards set for more experienced personnel. Close and diligent supervision, as well as refresher training, can ensure that performance and productivity standards are met- and may even bring about improvements.

Finally, effective training and supervision are an important part of controlling the cost of inventoried items. For example, training employees in the proper use of cleaning supplies can improve usage rates and, over time, lower the cost of cleaning supplies per occupied room. Efficient purchasing practices afford the executive housekeeper the greatest opportunity to control department expenses. The executive housekeeper bears an important responsibility in making sure that the hotel's money is well spent and the maximum value is received from products purchased for use.

PURCHASING SYSTEMS

Efficient purchasing practices can make a significant contribution to the executive housekeeper's role in controlling housekeeping expenses. In fact, the most controllable expenses under the executive housekeeper's responsibility involve the various items whose inventories are maintained by the housekeeping department. Deciding what to buy, whom to buy it from, and exactly how to purchase it requires careful consideration



on the part of the executive housekeeper. Although the actual purchasing may be done by the hotel's purchasing department, quantities and specifications are submitted to the purchasing department by department heads. When ordering items for the housekeeping department, the executive housekeeper will need to fill out and sign a purchase order form. This order form then has to be approved by the controller and general manager. For all items purchased for the housekeeping department, the recommendation as to which product to purchase, in what quantities, and even from what vendor is made by the executive housekeeper. Although different properties have different procedures for processing and approving purchase, the evaluation of what's needed, when, how much, and from heads. The executive housekeeper needs to know how to obtain the best value when purchasing the variety of items needed by the housekeeping department.

LINEN REPLACEMENT

Next to salaries and wages, linen is the highest expensive item in the housekeeping budget. The initial purchase of linens for the hotel will greatly influence the costs of replacing linens that become lost or are taken out of service due to damage or excessive wear. The fabric type, size, and colour will influence both initial purchases and replacements costs. Coloured items are usually more expensive and have shorter lifespan since the colours fade through repeated washings. The physical inventory records show the executive housekeeper how long the existing stock of linen lasts and how much of each type of linen needs to be reordered to maintain par levels. Typically, linen purchases are made annually with deliveries scheduled to be drop- shipped on a quarterly basis. This arrangement enables the executive housekeeper to conserve available storage space by using a supplier's warehouse facilities while periodically receiving replacement stock.

Planning linen purchases on a yearly basis can also result in considerable savings. Linen brokers provide a convenient and quick way to purchase linens, but they are expensive. Ordering larger quantities in bulk can often win lower per unit prices. Planned annual linen purchases also enable large hospitality chains to order linen supplies directly from linen mills. Although these orders require considerable lead time to prepare, a property saves in the premiums charged by linen brokers to process orders and arranges deliveries. Unforeseen emergency needs could then be filled through a linen broker. Quantities of linen to be purchased are determined by assessing the hotel's quarterly requirements to maintain linen at the proper par level. Physical inventories of linens can be used to calculate an annual consumption rate that shows how much linen is used up either by normal wear and tear, damage, loss or theft. With this information, the executive housekeeper can use the following formula to determine the size of annual linen purchase.

$$\text{Annual order} = \text{par stock level} - \text{Annual consumption} - \text{linen on hand}$$



The executive housekeeper is expected to carefully select suppliers and linen products to ensure that the hotel receives good value for money spent. The most important considerations are the suitability of the products for their intended uses and whether the products are economical. Regarding linen, the expected useful life of the linen is often more important than purchase price in determining whether alternative products are economical or not

The cost of laundering linens over their useful life is usually much greater and more important than their initial price. The lifespan of linen is measured in terms of how many times it can be laundered before becoming too worn to be suitable for guest room use. Linen that is purchased at bargain prices but that wears out after only moderate laundering will damage guests' perceptions of quality, increase annual linen usage rates, and increase costs in the long run. Durability, laundry considerations, and purchase price are the main criteria to use in selecting linen. A cost per use can be calculated in order to evaluate alternative linen purchases using the following formula:

$$\text{Cost per use} = \frac{\text{Purchase cost} + \text{Lifespan Laundering costs}}{\text{Number of Lifespan Launderings}}$$

The laundering costs over the lifespan of a linen product can be determined by multiplying the item's weight by the hotel's laundering cost per pound- and then multiplying again by the number of launderings the item can withstand before showing sufficient wear. When orders of new linens are received, shipment should be checked against purchase orders and inspected to ensure that the linens meet all quality and quality specifications. Newly received linen orders should be immediately moved to the main linen room for storage. In the main linen room, new linens that have not yet been put into service should be stored separately from linens that are already in use. Inventories for all new linen received and issued at the hotel should be kept for on-hand quantities of every type of new linen stored in the main linen room. The inventory record should show linen type, specific item, price, storage location, and dates of ordering and receiving.

As linen items are put into service to replace worn, damaged, lost, or stolen linen, the quantity record on the perpetual inventory record should be adjusted accordingly. The executive housekeeper is responsible for placing new linen in use on an as-needed basis to maintain the par level for each linen item. Issuing new linen to be used in daily operations typically occurs each month on the basis of shortages revealed by a physical inventory. New linen may also be issued between physical inventories to replace discarded linens. Some hotels inject a pre-determined quantity of new linen into circulation at pre-established intervals based on past usage rates. New linens should be placed into service on a "first-in first-out basis". New linen not in service should be under the control of the executive housekeeper or laundry manager in the main linen room or other secure place.



UNIFORM REPLACEMENT

Uniforms needed to be replaced when they become damaged or worn. The executive housekeeper needs to establish a procedure for issuing new or replacement uniforms. A notation could be made on the employee's uniform card that a damaged uniform was received and discarded, and that a new uniform new uniform was issued. The date and the employee's signature should be recorded on the inventory card. The executive housekeeper is generally responsible for receiving, storing, and controlling all new uniforms held in the hotel's custody but not placed into service.

The executive housekeeper is also responsible for placing new uniforms into service to ensure that all uniform requirements are met, clean uniform replacements are available, and the laundry is not unduly burdened with clean uniform production. As with linens, the main criteria for purchasing replacement uniforms are durability, lifespan, and the quality of materials. The purchase price of uniforms is a secondary consideration. Comfort, practicality and ease of maintenance are also important considerations. New uniforms should be purchased to maintain the par levels established for the different kinds of uniforms. Comparing the on hand quantities with the established par levels will show the executive housekeeper how many replacement uniforms should be ordered.

CENTRALIZED PURCHASING

Some hotel chains have centralized national purchasing systems for major housekeeping items in order to achieve quantity discounts. Other hotels may join together in purchasing groups to achieve savings on bulk purchases of commonly used items. But, for the most part, the large number and variety of operating supplies are purchased by the individual property and through the direct involvement of the executive housekeeper. Inventory tracking forms can be used to create an exhaustive list of operating supplies that the executive housekeeper will need to purchase on regular basis. Inventory control procedures will show how often and in what quantities supply items will need to be purchased to maintain par levels. Usage rates and cost per occupied room figures can be determined from the inventory records.

This information can form the basis for an effective purchasing system. By following careful purchasing procedures, the executive housekeeper can help the hotel control costs while ensuring that adequate supply levels are maintained. Before buying any product, the executive housekeeper should obtain samples in order to test the product and determine whether it meets specifications. Suitability for the intended task, quality, ease of handling, and storage requirements are just as important as the price in determining whether a product is economical.

Value-not price- should be the leading consideration in making purchase decisions. An inexpensive cleaning agent that has to be used in much larger quantities than a more expensive one may actually cost more in the long run. The crucial concern is to obtain the best value for the money. Selecting the right vendors can often make the executive



housekeeper's purchasing systems more efficient. The executive housekeeper needs to competitively shop suppliers and vendors for the products to be purchased on a regular basis. When asking for price quotations, the executive housekeeper needs to be as precise as possible regarding such specifications as weight quality, packaging, size, concentration, quantities, and delivery times. In evaluating alternative suppliers, the executive housekeeper needs to be concerned with how well the supplier will service the hotel's account.

It is important that selected vendors appreciate the operations of a hotel's housekeeping department, fully understand the products they sell, and are able to provide demonstrations and even training in how to use the products. It is not unusual for the executive housekeeper to select one vendor for all guest supply items, another for cleaning products, and still another for all paper products. By limiting the number of suppliers with whom, the housekeeping department has to deal, the executive housekeeper can streamline the purchasing process, reduce paperwork, and use time more efficiently. In addition, concentrating business with a limited number of suppliers often achieves greater purchasing- and thereby bargaining- power, resulting on improved quantity discounts and better services.

Another consideration in selecting vendors is whether they will be able to stock the products the hotel purchases at their own warehouse facilities and drop-ship the products to the hotel on an as needed basis. This enables the executive housekeeper to achieve savings by purchasing products in bulk whenever possible and at the same time, solve the problem of limited storage space. In the process of reordering operating supplies, the executive housekeeper needs to periodically re-evaluate the suitability of existing products for their intended purposes.

Meeting with housekeeping staff who use the product can help determine any problem that may lead to a reconsideration of quality of functionality. The functionality of the product should be tested, and the executive housekeeper should determine whether the existing specifications for the product should remain the same. Alternative products should be investigated and compared to existing products in terms of performance, durability, price, and value. Worksheets can be used to monitor usage rates and costs for the different types of operating supplies kept in inventory. For each product, the monthly chemical use report identifies the vendor, the product name, and its intended use. Each month, physical inventories provide the executive housekeeper with information concerning how many purchase units of each chemical cleaner have been used. Multiplying the number of units used by the cost per unit yields the total cost of the product used during the month. Dividing the total cost by the number of occupied rooms yields a cost per occupied room figure for each product.

By reducing the room size of each purchase unit (eg., gallons, cans, pints, quarts) to a common sized unit (eg. ounces) and multiplying the number of purchase units used by the common-sized amounts, the total amount used for each product can be determined



in terms that render the different –sized products comparable. After using a common measure to calculate the actual amounts used, the executive housekeeper can divide by the number of occupied rooms to determine the usage of each product per occupied room. In this way, the monthly chemical use report enables the executive housekeeper to compare the relative efficiency of using different products for similar tasks. By comparing the costs per occupied room and the usage per occupied room achieved by alternative products, the executive housekeeper can evaluate which products yield greater cost savings and base purchasing decisions accordingly.

The operating budget outlines the financial goals of a hotel. The purpose of the operating budget is to relate operational cost to the years expected revenues. The yearly operating budget is broken down into budgets for each month of the fiscal year. In addition, each department prepares its own monthly budget. These budgets cover individual areas of responsibility and serve as a guide for how the department will achieve its expected contribution to the property's financial goals. Essentially, a budget is a plan. It projects both the revenues the hotel anticipates during the period covered by the budget and the expenses required to generate the anticipated revenues. The executive housekeeper's responsibility in the budgetary process is twofold. First, the executive housekeeper is involved in the planning process that leads to the formulation of the budget. This entails informing the room division manager and general manager what expenses the housekeeping department will incur in light of forecasted room sales. Second, since the budget represents an operational plan for the year, the executive housekeeper ensures that the department's actual expenses are in line with budgeted costs and with the actual occupancy levels. As a plan, a budget is also a guide. It provides managers with the standards by which they can measure the success of operations. By comparing actual expenses with allocated amounts, the executive housekeeper can track the efficiency of housekeeping operations and monitor the department's ability to control its expenses within the prescribed limits

USING THE OPERATING BUDGET AS A CONTROL TOOL

An operating budget is a valuable control tool to monitor the course of operations during a specified period. Each month, the hotel's accounting department produces statements reporting actual costs in each of the expense categories. The form of these statements is nearly identical to that of the operating budget; actual costs are listed alongside budgeted costs. Such reports enable the executive housekeeper to monitor how well the housekeeping department is doing in relation to the budgeted goals and constraints. Controlling expenses in the housekeeping department means comparing actual costs with budgeted amounts and assessing the variances. When comparing actual and budgeted expenses, the executive housekeeper should first determine whether the forecasted occupancy levels were actually achieved.

If the number of occupied rooms is lower than anticipated, a corresponding decrease in the department's actual expenses should be expected. Similarly, if occupancy levels are



higher than forecasted, the executive housekeeper can expect a corresponding increase in housekeeping expenses. In either case, the decrease or increase in expenses should be proportional to the variation in occupancy levels. The executive housekeeper's ability to control housekeeping expenses will be evaluated in terms of his/ her ability to maintain the cost per occupied room expected for each category. Small deviations between actual and budgeted expenses can be expected and are not a cause for alarm. Serious deviations from the budgeted plan require investigation and explanation. If the actual costs far exceed the budgeted amounts while the predicted occupancy level remains the same, the executive housekeeper needs to find the source of the deviation. In addition to discovering why the department is "behind budget," the executive housekeeper needs to formulate a plan to correct the deviation and get the department back "on budget". For example, a re-examination of staff scheduling procedures or closer supervision of standard practices and procedures may be necessary. Other steps might include evaluating the efficiency and cost of products being used in the housekeeping department, and exploring the alternatives. Even if the executive housekeeper finds that the department is far "ahead of budget", it is not necessarily a cause for celebration. It may indicate a deterioration of service levels that were built into the original budget plan. Any serious deviation from the plan is a cause for concern and requires explanation. Identifying and investigating such deviations on a timely basis is one of the most valuable functions an executive housekeeper can perform in terms of the operating budget.

THE IMPORTANCE OF BUYING

Buying is one of the main functions of management and a great deal of success in any establishment depends upon careful and intelligent buying whether it be cleaning materials, equipment, furniture or fabrics. The responsibility for buying varies according to the type and size of the establishment and the particular type of items required. It is often taken out of the hands of the supervisor/ user and carried out by the supplies/ purchasing officer or the manager or storekeeper. Whoever in the department is responsible for buying should not simply reorder on the basis of past experience but should take into account the current requirements and prices.

AIMS OF GOOD BUYING

It is essential to do the following

- Buy the best value for money available
- Keep up to date with current market trends and prices
- Know the shelf-life of products
- Be able to assess quality in relation to costs
- Make sure goods are bought from a reputable firm
- Make sure goods are ordered in good time and the correct details are given to the supplier
- Maintain optimum stock level
- Ensure a continual source of supply and find substitutes where necessary



- Arrange for goods to be delivered punctually- organization and flow of work can be disrupted if goods do not arrive on time
- Check all goods on arrival for quantity against the official order form and delivery note. Note and follow up any discrepancies immediately. It is essential that substitute goods are received or a credit note is issued by the supplier

METHODS OF BUYING

There is a number of different methods of buying available and the following points must be considered prior to selection being made:

- Type & quality of products required
- Amount of capital available
- Amount of storage space available
- Shelf-life of the products
- Policy of the establishment or group
- Whether standardisation of products is required or not
- Whether the number of suppliers need to be restricted
- Method and frequency of issuing stores

1) WHOLESALE BUYING

Goods are purchased from a supplier who deals with the manufacturer or distributor

Advantages

- Competitive prices for goods
- A ready supply of cash is not necessary because invoices can be paid at the end of the month- depending on the agreement
- Regular delivery can be made thereby helping to eliminate unnecessary stockpiling
- Discounts are available for quantity and prompt payment

Disadvantages

- Range of goods available may be limited
- It may be impossible to purchase half loads or half cases
- Containers may be very heavy and require special racking
- Storage space may be limited and prevent ordering in large quantities

2) BUYING DIRECT FROM THE MANUFACTURER

By buying goods and services direct from the manufacturer the middleman will be cut completely and prices will be very competitive. Goods can also be supplied according to the establishment's own size and specification. Bulk orders can be made, accounts settled



and delivery dates staged so as not to use up valuable storage space. The advantages and disadvantages of this method are very similar to those for wholesale buying

Both methods A and B are suitable for buying on a contract, either for the individual establishment or group of establishments. With some products these may be bought on an area, regional or national contract. Suppliers will be invited to put in tenders for particular goods and services. After receiving these tenders the buyer will then compare at least three of them with particular reference to quality, cost and delivery arrangements. After careful consideration, a contract will be drawn up with the supplier for a specified period of time depending on the type of goods and services required. A price will be fixed unless conditions change considerably. Often the establishment is not free to buy elsewhere during the contract period. On completion of the specified period of time the buyer is free to negotiate a further contract with the supplier or invite new tenders and start the process all over again

3) RETAIL BUYING

With this method of buying the establishment usually buys from a local supplier,, who in turn has bought goods from a wholesaler or direct from the manufacturer

ADVANTAGES

- Quick turnover of goods
- Wide range of products available
- Quick, efficient services offered
- Value for money
- If order is large, discounts may be favourable
- More suitable for smaller establishments
- Useful method in an emergency

Disadvantages

- Cost of goods may be higher than method A or B, but this may be balanced by the reliability of service
- Bulk size containers may not be available, only domestic sizes

4) CASH AND CARRY METHOD

This is usually done at a warehouse where goods can be selected, paid for in cash or by cheque, and then transported by the buyer to the particular establishment. Often a card of introduction is necessary and the establishment may be required to spend a minimum amount of cash over a specified period of time

ADVANTAGES



- Competitive prices
- Wide range of products available depending on type and size of cash- and-carry
- Can be used in an emergency if goods do not arrive from normal supplier

DISADVANTAGES

- Ready cash or cheque required in payment- no credit available
- Range of products may be limited
- Own transport required
- Selection should be made carefully- costs may be higher than local retailer

5) BULK BUYING

This method of buying is available from a wide range of suppliers but advantages and disadvantages must be considered before buying in bulk containers

ADVANTAGES

Cost-more competitive prices available

Wider choice of products

Standardisation of products, equipment, materials, etc

If storage space is available, large orders can be placed to give special discounts for quantity

Issuing may be easier to control, larger quantities less frequently

DISADVANTAGES

Cost- a lot of capital may be tied up in stock

Products may deteriorate because turnover of stock is not quick enough

Storage space may be limited

Issuing may be more difficult because materials may have to be transferred to smaller containers and labelled with contents hazard, dilution rates

Careless use may lead to undue waste

More staff may be required to control delivery, issuing, etc.

THE STOREKEEPER

The storekeeper plays a very important role in the control of stock and the smooth running of the establishment. It is essential that the storekeeper has an efficient and effective system of stock control and ensures that the goods are available in the right quantity and condition at the right time. He or she may be responsible for a large central stores, general stores within a unit or a cleaning and equipment stores in a particular establishment. A great deal of money may be tied up in stock for immediate or long-term use, so it is important that the storekeeper has the following technical and personal qualities to carry out the particular job

- Good technical knowledge of the products- especially the shelf-life of products



- Ability to make good personal relationships with suppliers, staff, cleaning personnel and other departments
- Ability to handle figures, measure accurately and keep up-to-date records on costs and stock levels.
- Knowledge of up-to-date legislation. Eg., health & safety, and fire prevention
- Absolute honesty and trustworthiness in all dealings
- Ability to set an example to others in general approach to work, though storekeepers are not required to be leaders of men or women

Ordering

Each establishment or group of establishments will initiate its own system of ordering from a particular supplier by

- Telephoning
- Telephoning and completing an official order form as a back-up
- Sending an official order form to the supplier
- Using tele sales whereby the supplier telephones in the establishment at a pre determined time for the particular order. This system reduce the amount of paper work involved but care should be taken not to order something just because the supplier is at the order end of the telephone

Delivery of goods

On arrival, all goods must be checked for quantity and quality by checking the official order to the supplier against the delivery note or invoice. Too often goods are delivered and checked by the receiver because it is felt that this is too time consuming on the part of the storekeeper. The control is essential for quality and quantity in order to reduce wastage and ensure cost effectiveness

Storage

The stores area should be well positioned to provide ease of access for delivery of goods to minimize handling problems and possible damage to products or equipment as well as to aid issuing to the various departments. It should be large as to encourage overstocking. The stores should have a controlled access, within the sight of the storekeeper's office, so that goods can be checked in to the stores and also control kept over the issuing to the departments. This should then provide security over the goods and help to prevent pilfering and poor stock control. The stores should well laid out with adequate shelving so that the storekeeper can see at a glance what is in stock. It also helps to provide a good system of stock rotation to ensure that goods are stored in ideal conditions, and to that old stock is used before new stock so that goods do not deteriorate. As a guideline, items which are used frequently should be placed within easy access. Goods less frequently used should be placed elsewhere

Stock records



An essential part of the storage function is the maintenance of clerical records to record all stock movements accurately in and out of the stores. The system used will depend upon the type and size of the establishment. On arrival at the stores all goods must be recorded and added to the original stock

Goods received books give the details shown in the diagram below

DATE	SUPPLIER	PARTICULARS	QTY	UNIT COST	TOTAL COST
01/07/2012	Clean CO chemicals ltd	5 litres Detergents D25	04	Rs.150	Rs.600/-
21/07/2012	Clean CO chemicals ltd	5 litres PL 50 emulsion floor polish	04	Rs. 500	Rs.2000/-

Bin cards are records of all receipts and issues of a particular item and are either attached to the particular bin or kept in a file. An example is shown below

ITEM D 25 Detergent	Price	Rs. 500 per 5 litres
Unit 5 litres	supplier	clean company chemicals ltd
	Maximum stock	16 X 5 litres
	Minimum stock	2 X 5 litres
DATE	BALANCE	ISSUE
	RECEIVED	
6 x 5 LITRES	-	-
4 x 5 LITRES	-	2 x 5 LITRES
12 x 5 LITRES	12 x 5 LITRES	4 x 5 LITRES

Monthly consumption sheet

To find out the total of items used over a period of time or to compare usage rate, this information can be taken from the monthly consumption sheet

ITEM	UNIT	JAN	FEB	MARCH	TOTAL
Detergent polish	5litres	2	3	2	7
Emulsion	5 litres	1	2	1	4



STOCKTAKING

Stocktaking may be done monthly, quarterly, or yearly, depending on the policy of the establishment. It is an essential process to prove the accuracy of the stock records and should be carried out by the departmental heads or external auditors. In order to carry out stock taking it is necessary to suspend all movements of goods during the count and to make sure that all goods are checked and accounted for.

For example, a count of bed linen and single involves checking and counting:

- Sheets on all beds
- Dirty sheets awaiting laundry
- Sheets in stock for use
- New sheets in store

Any discrepancies should be noted and investigated and where necessary deleted from the stock sheets.

ISSUING

The system of issuing goods from the stores to the various departments will vary, but a tight system of control should be in operation. All issues should be made against a requisition or specification form for ease of control. On the requisition form the items may be listed alphabetically, number coded, or each item may be handwritten as a list. On receipt of the requisition form, items should be checked and weighed accurately before the order is made ready to despatch or collection. In some establishments stores may be issued:

- Daily,
- Weekly,
- Monthly
- By a topping up system on the cleaners/ chambermaids trolley-to meet a required basic stock
- By a topping-up system in the cleaners/ chambermaids cupboard to meet required basic stock
- New for old, or full for empty

Whichever system is used spot checks should be made by the supervisor to check usage rate and prevent wastage and pilfering. Staff should be discouraged from ordering more than is required, and issues should be permitted only on the stated day or time unless there is an emergency

When items are issued from bulk containers the following procedure should be adhered to:

- Try to standardise containers in size and colour



- Make sure containers are labelled giving contents, dilution rates, hazards concerning use
- Measure out requirements very carefully to prevent spillage and wastage
- Make sure containers used are made of the correct materials
- After all the orders have been completed by the storekeeper they should be despatched to the various departments and then appropriate records brought up to date

Product sampling

It is important that the supervisor and storekeeper keep up to date with the new products and equipment on the market so that the most suitable product is used for a particular job. They can do this by using a testing panel over a period of time and analysing the results. These results can be compared with those from the product previously used.

Storage, Distribution & control

Storage may be obtained by staff:

- Going to a main store run by a storekeeper; the cleaning materials are issued to the individual maid or cleaner at set times when the rule of new or old or 'full for empty' may be applied;
- Making out requisition lists which are handled in for the housekeeper to countersign and items are collected later from the stores by a porter or maids;
- Going at set times of the day for their replenishments or renewals to a housekeeping store kept under lock and key, which is the responsibility of an assistant housekeeper;
- Who may have their stock of supplies 'topped up' by a house porter several times a week
- Who may collect their box of cleaning materials from the housekeeping stores or even the linen room daily en route to their sections; when the maids finish their works the supplies are returned to the same place to be replenished for the next day

From the great variety of cleaning agents available the housekeeper will normally supply a maid with a suitable:

- Detergent
- Scouring liquid
- WC cleanser
- Mirror cleaner
- Furniture polish
- Air freshener



In the housekeeping stores, there will be other cleaning agents, e.g. lime stain remover, available when required and a variety of cloths. The usual cloths needed by a maid are:

Swab, sponge or disposable cloth

Floor cloth

Dusters

Polishing rags

When buying cleaning agents, powdered items and liquid detergents etc may be bought in bulk; this involves the issuing of small quantities in suitable containers, when it is possible with careless handling for wastage and mess to occur. Although there may be an economy of money when buying in bulk, wastage of materials can occur, and there is much more time involved in issuing of broken quantities. All containers should be clearly labelled. New types of cleaning agents should always be well tried out in small quantities before a bulk order is placed. The toilet paper is ordered by the gross and often arrangements are made for deliveries to come automatically, unless otherwise requested. When ordering, the type of fitment must be remembered and this may be for inter leaved or roll-type paper. The paper may be thin and smooth or soft tissue, and in many instances both kinds are provided in the same toilet. In all cases involving storage, rotation of stock should be practiced, and items which are little used should obviously be bought in smaller quantities. Where the items are requisitioned from a main store, a stock list kept by the housekeeper is not so important; but where deliveries are made direct to the housekeeping department, a much more careful check of stock is necessary in order to prevent waste and running out of stock. The frequency with which stock taking is done varies from establishment to establishment. Where items are bought in bulk, unless there are large scales, actual stock cannot be taken, so in a housekeeping store the stock of these items is an estimated amount.

Stores sheet

Item	Unit	Stock in hand	Receipts	Total	Less Issues	Book stock	Actual stock	Discrepancies
Air Freshener	Tins							
Detergents liquids	Litres							
Dusters	Each							
Mirror Cleansers	Bottles							
Polish Furniture	Tins							



BUDGET-PLANNING PROCESS

The room division’s budget planning process depends on two main factors:

1. Forecasted room sales or occupancy levels
2. Cost per occupied room

FORECASTED ROOM SALES

The room sales for the year are forecasted by the front office manager. The monthly break-ups are also outlined in the forecast. This information is given to the heads of departments far in advance for the preparation of departmental budgets

COST PER OCCUPIED ROOM

The executive housekeeper works out the cost per occupied room based on historical data, a sample of which is shown below.

Operating costs

These can be variable, semi-variable, or fixed

Variable operating expenses

These fluctuate partly according to the occupancy levels. For instance, employees in the housekeeping department cannot be hired or fired according to daily occupancy fluctuations. A minimum number of employees have to be on the rolls, no matter how low the occupancy may be. However, the executive housekeeper should work out annual leave and weekly off-day schedules based on occupancy forecasts to schedule manpower efficiently. Other semi-variable costs are cleaning supplies, flowers, linen, and uniforms.

Fixed operating expenses

When pest control is on contract, this expense is deducted on a monthly basis and does not depend on occupancy.

Since the housekeeping expenses fluctuate based on the occupancy, the executive housekeeper uses only cost per occupied room as the guiding factor in planning the budget. Every operating expense needs to be planned individually for better control. Once the executive housekeeper knows the predicted occupancy levels, the expected expenses for salaries and wages, cleaning supplies, guest supplies, laundry, and other areas can be determined on the basis of the formula mentioned in table that expresses cost in terms of ‘cost per occupied room’.

$$\text{Cost/ occupied room} = \frac{\text{Operating expenses}}{\text{Room sales}}$$

Calculating individual operating expenses



Below is an outline of the considerations in each category

SALARIES AND WAGES To calculate this expense, the salaries and wages paid to all job positions- such as the executive housekeeper, assistant housekeeper, supervisors, GRAs, linen room attendants, housemen, and so on- have to be taken into account. The executive housekeeper first works out the number of employees required at various positions. If the occupancy levels are fluctuating considerably, the executive housekeeper should employ only the minimum staff required on the payroll and the rest of the staff should be hired on a daily wages basis if labour is easily available. Duty rotas need to be planned effectively so that annual leaves and weekly off-days can be given on days of low occupancy. Once the number of labour hours for each job position is determined as per the level of occupancy by consulting the staffing guide, the number of hours can be multiplied by the position's average per-hour wage to calculate the expected cost for that job position. The sum of the calculation for all position gives the total salaries and wages expense for the budget. The format used for calculation may be shown below

EMPLOYEE BENEFITS These calculations depend on the number of labour hours expected to be scheduled, the job positions involved, and the hotel's policies regarding employee benefits. In most properties, employee benefits include the cost of on-duty meals, payroll taxes, provident funds, medical expenses for the employees and their immediate family or insurance, pensions, staff parties, and social events. For calculation, the format is given below

CONTRACT SERVICES The cost of all contract services is averaged throughout the budget period of one year. Considering the historical data of contract services already used will lend an insight into the expense level to budget for.

Operating supplies The major types of operating supplies include guest supplies and cleaning supplies

Guest supplies these are non recycled inventory items and variable in cost. This expense category will depend on the 'cost per occupied room'. The executive housekeeper finds out the consumption factor of each item based on historical data. For instance, if the consumption factor arrived on for soap is 0.8; the budgeted room sales is 4000 for a month; and the cost of a bar of soap with the hotel's monogram is Rs.2.00, the budgeted expense for soap will be

$$\begin{aligned} &\text{Consumption factor X Budgeted room sales X Cost of one unit} \\ &= 0.8 \times 4000 \times 2 \\ &= 6400 \end{aligned}$$

In case two soap bars are to be placed in one guestroom, the amount obtained is multiplied by 2. In all cases, the amount needs to be further multiplied with the par number to be maintained for each guest supply.



The monthly expenditure may be calculated using the format given below

Cleaning supplies These are non recycled inventory items that are semi-in cost. The higher the occupancy, the higher the volume of cleaning supplies used. It also needs to be remembered that the executive housekeeper schedules deep-cleaning tasks during slack periods. Thus 'cost per occupied room' cannot be relied upon here. To calculate the expense for cleaning supplies, the executive housekeeper must refer to historical data and add provisions for any new product. The cleaning supplies expenses may be calculated using the format given below

Linen For budgeting linen expenses, the executive housekeeper needs to calculate the cost of linen per occupied room based on historical data. The higher the occupancy, the more the frequency of washing the linen. Historical data gives some guidelines in calculating linen expenses

Uniforms This expense includes the cost of uniform materials, stitching costs, accessories, and footwear. Each department is debited for its employees uniform expenses. The executive housekeeper thus needs to budget for uniforms for all housekeeping employees. To calculate uniform costs:

1. Calculating the number of uniformed employees in all positions of all departments, keeping in mind the male-female ratio
2. List all types of uniforms
3. Decide how many pairs are required and how often uniforms are to be exchanged
4. Consider turnover of employees
5. Provide for daily- wage employees, trainees, and so on
6. Include the costs of repairing uniforms
7. The total cost incurred at one time is divided equally between 12 months

Laundry The laundry expenses are primarily variable, except for uniforms. The executive housekeeper can refer to the historical data for calculation of laundry expenses as shown in the table. To calculate the laundry expenses, the cost per occupied room needs to be known. Laundry expenses include:

- Chemical cost
- Water cost
- Energy cost
- Labour cost



The cost of laundering is expressed as follows

$$\text{Cost per piece or weight unit} = \frac{\text{Total number of pieces or total weight of linen}}{\text{Total cost incurred in a month}}$$

Flowers The cost are primarily variable according to occupancy, but arrangements displayed in public area do not depend on the occupancy. Historical data are a reliable tool in budgeting for this expense.

INCOME STATEMENT OF THE ROOMS DIVISION

The income statement-or the annual profit and loss statement is reviewed by the rooms division manager with all the department heads, including the executive housekeeper, at the beginning of the budgeting process. This statement lists all sources of income that can be called revenue and all the debited items that are paid out or are actual losses. Debits are then subtracted from the income. If the income is higher than the debits, the hotel posts a profit. If the debits are higher than the income the hotel reports a loss, called a deficit. Revenues and deficits are reported as gross totals, before any adjustment. Sales taxes are figured in or reported as net. The result of the income statement gives the management a baseline from which to start planning the next budget. A sample of an income statement given below

CONTROLLING EXPENSES

An operating budget is a valuable tool for controlling expenses and monitoring the course of operations during a specific period. Each month, the hotel's accounts department produces statements reporting the actual costs in each of the expense categories in the budget. These income statements or profit- and loss statements are nearly identical to the operating budget. The actual costs are listed alongside the budgeted costs. Such reports enable the executive housekeeper to monitor how well the housekeeping department is doing in comparison with the budgeted goals and constraints.

Controlling expenses in the housekeeping department means comparing actual costs with the budgeted amounts and assessing the variances, as shown in table

While comparing actual and budgeted expenses, the executive housekeeper should first determine whether the forecasted occupancy levels were actually achieved. If the number of rooms sold is lower than anticipated, a corresponding decrease in the department's actual expenses should be expected. Similarly, if the occupancy levels are higher than forecasted, the executive housekeeper can expect a corresponding increase in the housekeeping expenses. In either case, the decrease or increase in expenses should be proportional to the variation in occupancy levels. The executive housekeeper's ability to control housekeeping



expenses will be evaluated in terms of his/ her ability to maintain the cost per occupied room that is expected for each category.

Minor deviations between actual and budgeted expenses can be expected and are not a cause for alarm. Serious deviations from the budgeted plan, however, require investigation and explanation. If the actual costs far exceed the budgeted amounts while the predicted occupancy level remains the same, the executive housekeeper needs to identify the source of the deviation. In addition to discovering why the department is behind budget, the executive housekeeper needs to formulate a plan to correct the deviation and get the department back 'on budget'. For example, re-examination of staff-scheduling procedures or closer supervision of standard practices and procedures may be necessary. Other steps might include evaluating the efficiency and cost of products being used by the housekeeping department and exploring alternatives

Constant control is required on the part of the executive housekeeper to ensure that the actual expenses tally with the budgeted expenses. To control expenses, the capital budget should be prepared with care as it involves a large sum of money to be spent on a small number of items.

Controlling operating expenses

As far as controlling expenses is concerned, the executive housekeeper must ensure the following:

Effective documentation All inventories should be documented to monitor their usage rates and costs

Zero-base scheduling This refers to hiring employees by taking into account the actual occupancy for a specified period of time. Following the staffing guide helps in controlling the largest housekeeping expenses- that of salaries and wages\

Right purchasing The executive housekeeper coordinates with the purchase department to purchase for the housekeeping department. The onus of controlling expenses on purchasing is entirely on the executive housekeeper, as he/she decides the right quality, right quantity, right price, right source of supply, and right time for purchasing

Efficient training and supervision Training for new employees as well as training on new methods for older employees is a tool for controlling expenses. Efficient training ensures that the productivity and performance standards are met by all employees consistently. Lower productivity and performance standards may considerably increase housekeeping expenses. Efficient training and supervision also tend to bring down the expenses on cleaning supplies, as employees are then careful about usage rates and wastage. Thus, the cost of cleaning supplies per occupied room is kept under control



PRINCIPLES OF PURCHASING

There are five primary principles of purchasing that need to be upheld by the housekeeping and purchase departments; right quality, right quantity, right price, right time, and right source of supply.

Right quality The house keeping department is responsible for providing guests with a clean, comfortable, safe, attractive, and luxurious environment. To meet and exceed the guests' expectations in this regard, the department needs to buy the best products. Value for money is a factor in each of the products supplied to the guestrooms and public areas. The entire range of items has to meet the standards and specifications determined by the department and the hotel's management.

Right quantity Placing a purchase order of the right quantity is of utmost importance for any organization. A supplier's lure of huge discounts for large quantities should not influence the department's decision. The following factors should be kept in mind when ordering the right quantity of material:

- The cost of the order being placed
- The cost of storage and carrying charges for holding stocks
- Quantity discounts
- Stock levels and order points
- Buffer stocks
- Budgetary controls

Right price One of the major concerns for both the housekeeping and the purchase departments is to get the material at the right price. An in-depth knowledge of the market is vital to make sure that the right price is being paid, that is, the payment corresponds to the exact value of the material purchased. While calculating the right price ex-showroom, the station of the dispatch, discounts, packaging, duties, taxes and so on should all be considered to arrive at the gross price of the item. The terms of payment should also be attended to

Right time The material should be made available at the right time. Lead time which is the period between the indent originating from the consumer department to the instant when the material is ready for use, should be minimal. The total lead time, which includes the suppliers lead time plus internal processing, clearance, receipt, and inspection time, should be as low as possible to work on lower inventory levels. The time should also be right as regards ensuring immediate availability of a particular product in the market.

Right source of supply The right source of supply is critical to the execution of the other principles of purchasing. If the source is right, the right quality and quantity at the right price and at the right time and place are a natural consequence. The selection of the ideal supplier is crucial for both the housekeeping and the purchase departments, in which they are aided



by:

- Knowledge and experience
- Catalogues
- The internet
- Hotel suppliers directories
- Salesperson
- Trade associations and associated companies
- Libraries
- Counterparts

STEPS IN PURCHASING

PRE-ORDER STAGE

Receipt of purchase indent The indents should be checked for specifications, quantity required, the last supplier, and the last supplier's rates. If any clarification is required, it should be referred to the indenting entity at once. If the item indented is not part of the planned budget, it needs the approval of the unit head before indent is processed.

Floating of enquiries Where there is only one manufacturer of a particular product, it is better to contact that manufacturer straightaway instead of approaching commissioned agents or traders. The enquiry should contain complete information.

Procurement of samples for approval The concerned people in the organization must approve of the samples before an order is finalized.

Quotation and ordering The order should be placed with the right supplier, who must be identified on the basis of the right quotation for the right quality.

POST-ORDER STAGE

Issue of purchase order The purchase order should be issued once the pre-order stage is complete and the right supplier has been identified. Since it is a legal contract between the buyer and supplier, the purchase order should include all details of the transaction. It should have the date of issue, purchase order number, expected date of delivery, product specifications, quantity, brand, batch number, date of manufacture, and so on. Also, delivery instructions should be clearly mentioned, including packaging and mode of transport, time of delivery and charges. Discounts, if any, must be mentioned in the purchase order as well. Terms of payment, taxes, and insurance should be clearly spelt out and the order should bear the purchase manager's signature, verifying the contents and the terms and conditions. In most organizations, the purchase order has to be approved by the financial controller and the GM.



Confirmation of receipt of purchase order The supplier should confirm receipt of the purchase order in writing. A duplicate copy of the order should be signed, acknowledging and accepting all the terms and conditions of purchase.

Follow-up There should be a regular follow-up to ensure that the items requested will be delivered on time.

Dispatch advice A dispatch advice note should be sought from the supplier to expedite the process of receipt

Receipt note When the items are received in good condition and found to meet the desired standards after inspection, the receiving department should make out a goods receipt note before transferring them to the main store. If the items do not match the standards prescribed on the purchase order, the purchase manager and the supplier are intimated immediately and the goods are rejected. If the items are deemed suitable for receipt, they are accepted and a GRA is sent to the department concerned to appraise it of the arrival of the goods.

Payment After the goods have been received and transferred to the department concerned via the main stores, the purchase department has the important function of following up on payments.

TYPES OF PURCHASING

Various types of purchasing methods are used in hotels. A single purchasing activity may also be a combination of several types.

FORMAL BUYING/ COMPETITIVE BID BUYING Formal quotations are invited from the sellers against written specifications for each item to be purchased. These requests for bids may be made through newspapers or other publications that are widely distributed, or they may be posted to interested sellers who can be contacted on the telephone. Along with specifications, the buyers also include in their requests such conditions as the last date for accepting quotations, approximate time allowable between order and delivery, mode of delivery, terms of payment, discounts and so on. The quotations received remain sealed until the date of opening, which is also indicated in the buyer's request. They are then opened by the purchase manager in the presence of the bidders and representatives from the department for which the purchase is intended, as well as accounts and administrative staff, who are witness to the quotation accepted. The usual practice is to accept the quotations of the lowest bidder, unless the products clearly fail to meet the specifications.

WHOLE SALE BUYING In this method of purchasing, a contract is signed with a wholesaler for the purchase of items at a specific price for a future period, along with the quantities



required and when. The agreement specifies the intervals between deliveries for the contract period.

NEGOTIATED BUYING This method involves negotiations between the buyer and the seller regarding prices and quantities. The method is generally used for items that are in limited supply, where both buyer and seller are keen that the product be picked up quickly. The buyers contact the sellers directly, negotiate for the price and quantity, and request that bids be submitted as soon as possible. Two types of contracts may be signed between the buyer and the seller. In the firm at opening price type of contract, the buyer agrees to take the supplies at a price to be established in the future when the availability of the items is known. In a subject to approval price type of contract, the buyer has the option of rejecting the order if the price fixed in the future is not considered acceptable by him/her.

CONTRACT PURCHASING/ SYSTEMS CONTRACT This method of purchasing assists the buyer and the seller to improve the re-ordering of items that are repeatedly called for with minimal administrative expenses. The method is similar to blanket-order purchasing, except that the agreement is a long-term one and suppliers are, therefore, not changed frequently. Also, far more formal methods are used to select a supplier in order to eliminate personal considerations. The supplier selected is usually a specialist in the supply of the quantities demanded and offers the buyer discounts on the total contract. The rate of usage and frequency of re-ordering over the contract period need to be known. Under the systems contract, the buyer receives only those brands produced or sold by the contractor. This method of purchasing is commonly used for the purchase of housekeeping supplies.

BLANKET-ORDER PURCHASING A blanket order is an agreement to provide a specific quantity of listed items for a period of time at an agreed price. If the price is not settled at the time of placing the order, a method of determining it is included in the contract. Another type of blanket-order agreement is to furnish all the requirements for particular items for a specific period. In this case, the quantity is not re-evaluated until the fixed time period has elapsed. The blanket-order method is best for items that are required in small quantities but more frequently and whose usage rate cannot be accurately forecast. A blanket order is usually contracted for one year, but variations exist across establishments.

STOCKLESS PURCHASING In this case, the buyer does not keep the stocks of goods ordered; the supplier warehouses them for the buyer instead. The inventory is thus owned by the supplier. Sometimes, the consignment may be kept with the buyer; however, it still belongs to the supplier. In such cases, the term 'consignment buying' is used.

PURCHASE BY PAID RESERVE In this method, money is paid in advance for a commodity to ensure continuity of supply throughout the year.



TOTAL-SUPPLY PURCHASING In this type of purchasing, all required items are supplied by a single supplier. This helps in reducing the paperwork and negotiations need to be done with only one person.

COST-PLUS PURCHASING In this method of purchasing, a supplier buys all the commodities and provides them to the house keeping department. The supplier is given a small commission for this.

CENTRALIZED PURCHASING This type of purchasing is mainly practiced by chain hotels. They purchase items for all their main properties together. This method helps them to source the items at cheaper prices as the quantity of the order is more, resulting in an economy of volumes.

STANDING ORDER In this method, daily suppliers are fixed for perishable items such as flowers for groceries

PURCHASING FROM VAN SALES This method is rarely used for purchasing in an housekeeping department. In this method, purchasing is done from mobile shops that move from one place to the other.

CASH-AND-CARRY METHOD In this method of purchasing, the items are purchased from supermarkets such that prices are competitive and there are no minimum order levels. The disadvantages may be non-availability of certain items and non-availability of delivery services.

WEEKLY/FORTNIGHTLY PURCHASING In this type, purchasing is done only weekly/ fortnightly. This ensures regular availability of the items and makes the suppliers prices more competitive.

DAILY MARKET PURCHASING / PETTY-CASH SYSTEM In this method of purchasing, item quantities in the store are checked on a daily basis and only items falling short are purchased. This method operates on a petty-cash system. Petty cash is the sum of money set aside to meet minor expenses. It is effective for purchasing small orders from the local market in exchange for a bill so that a cash payment is made. The disadvantages are the possible non-availability of items in an emergency and the possibility of fluctuating prices.

CASH-ON-DELIVERY BUYING This ordering system involves payment on acceptance of a delivery. The order may be placed over the telephone or through the internet.

CHEQUE-PAYMENT ORDERING/ PAPERLESS PURCHASING This is a purchase order-and-draft system. It is a combination of the order and a blank cheque for payment. Besides the product specification, the order also contains delivery instructions, bank account number, unit price, quantity, taxes, discounts, and terms of payment. The supplier completes the pre-



signed blank cheque, which states the maximum limit of the payment. A duplicate copy of the completed cheque is returned to the buyer for their records.

AUCTION BUYING This method of purchasing is useful for furniture and equipment that are not obsolete. Sometimes, certain export shipments that were rejected by the originally intended buyer are also auctioned to other buyers.

PLANNING CAPITAL BUDGET

ANNUAL PURCHASES OF GUESTROOM SUPPLIES, CLEANING SUPPLIES, AND LINEN

These items may be divided into recycled and non recycled inventory items.

Purchasing non-recycled inventory items

Worksheets are developed by the executive housekeeper to monitor usage rates and costs for the different types of non-recycled inventory items. For each product, the monthly use report identifies the vendor, the product name, and its intended use. Each month, physical inventories provide the executive housekeeper with information concerning how many purchase units of each item have been used

Every week or fortnight, the floor supervisor takes an inventory of these items. These are compiled with the par stocks to be maintained before ordering new supplies.

All the items to be ordered are compiled from the floor consumption order reports and entered in the stores indent/ requisition form, a sample of which is presented to stores, which in turn provides the items. On receipt of the items, the housekeeping department checks the quality and quantity of the items before accepting them. The received items are then disbursed from the housekeeping store to the various floor pantries, based on the floor consumption report.

Purchasing recycled inventory items

For the purchase of recycled inventory items, the executive housekeeper raises a purchase requisition/ indent form and forwards it to the financial controller and general manager for approval.

Once the requisition is approved, it is directed to the purchase manager. The purchase manager then makes out a purchase order, which is sent to the supplier. The purchase order is similar to the purchase requisition, but also has the terms and conditions printed at the back. Once the items are received, the executive housekeeper checks the quality and specifications of the items before approving the consignment. Once approved by the executive housekeeper, the items are sent to the housekeeping stores with two copies of the GRN. The original GRN is retained in the department and the duplicate is signed by the executive housekeeper and sent back to the purchase department. The purchase department



forwards the approved GRN (Goods Received Note) with the bill to the accounts department for payment.

Annual linen purchase

Linen is the most important recycled inventory item in the housekeeping department. It is also the biggest expense, next to the salaries and wages of the housekeeping staff. Linen articles may require replacement due to wear and tear of initial linen purchases or items getting lost in the course of use. Linen articles that may need to be frequently replaced include bed linen and bath linen. The inventory records for linen are a tool to help establish how long the existing stocks will last. To ensure that the purchased linen is worth the money spent, the executive housekeeper should consider:

- The suitability of the products for their intended use
- The purchase price
- The expected useful lifespan of the linen
- The purchase price
- The costs of laundering

The cost of maintaining linen over its useful life is usually much greater and more important than its initial purchase price. Thus, the cost per use should be calculated in order to evaluate linen purchases, using the following formula:

$$\text{Cost per use} = \frac{\text{purchase cost} + \text{Lifespan laundering costs}}{\text{Number of lifespan launderings}}$$

Where lifespan laundering cost = Item weight X laundering cost per Kg X Number of launderings withstood by item

The quantity of each item of linen to be purchased annually is decided by assessing the hotel's quarterly requirements in order that the ideal par stock of linen is maintained. The inventory records are used up and cannot be considered in the linen par. The annual linen purchases are made using the following formula:

$$\text{Annual order} = (\text{Par stock level} - \text{linen on hand}) + \text{Expected annual consumption}$$

Where consumption = Discards + Discrepancies