



The Impact Of Outsourcing on Hotel Efficiency and Performance

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Abstract

Outsourcing has become a commonly used strategy in the hotel industry to improve operational efficiency and hotel performance. Hotel performance is very important in maintaining the quality of service provided to consumers. Therefore, this research aims to find out the impact of the use of outsourcing on the efficiency and performance of hotels in the Gading Serpong area. In this research, the data used is hotel data in Gading Serpong. The method used in the research is a qualitative method. Based on the research results, it was found that outsourcing has a big influence on hotel efficiency and performance. The number of hotels in the Gading Serpong area is 8 hotels with a classification of 1 to 5 stars. Every hotel in the Gading Serpong area uses outsourcing as a resource to help meet customer satisfaction by increasing hotel efficiency and performance. These findings provide valuable insights for hotel managers in designing strategies to improve their efficiency and performance. As a result, it is hoped that this research can become an important reference for the hotel industry, especially for hotel managers in the Gading Serpong area, in optimizing the use of outsourcing to improve customer experience and strengthen their market position.

Keywords: Hotel, Outsourcing, Efficiency, Performance.

1. Introduction

The development of the business world, especially in the hotel industry, prioritizes the quality of service provided to buyers. With rapid developments in the era of globalization and the number of new competitors, companies need to create new business strategies to be able to compete in the onslaught of new and similar businesses. But inadequate resources and workforce that is not competent enough can lead to failure in implementing the correct business strategy. Therefore, it is necessary to identify the appropriate steps to improve the abilities of workers in order to improve the quality of service in the industry.

In the hotel industry, reputation can measure the quality of a hotel's service, which is why more effort is needed to improve customer experience. However, in reality most hotel management is unable to balance between maintaining the quality of the customer experience and paying attention to the profits obtained. That is why most hotels prefer to partner with the right outsourcing provider to provide assistance in managing customer satisfaction needs and maximizing the efficiency and performance of the hotel.

Outsourcing has long been growing in Indonesia, especially subcontracting work to the mining sector where outsourcing then expanded to other fields, as evidenced by the Decree of the Minister of Trade of the Republic of Indonesia Decree Number 264/KP/1989 concerning Subcontract Management in the Archipelago Free Zone. This aims to increase the value of exports and improve the quality of export products. In addition, with the increasingly rapid development of technology and the free market, more flexible forms of working relationships are emerging with the aim of maximizing business efficiency.

To survive in today's competitive business environment, the hospitality industry must develop and implement appropriate strategies. Outsourcing strategy or outsourcing in the hotel industry is an organizational operational strategy that employs parties outside the company to perform services or make goods that are usually carried out by the company's own employees and staff, with the aim of helping the hotel industry to improve its performance. Outsourcing is an activity often undertaken by businesses as a cost-cutting measure. Therefore, this can affect many different jobs.

Outsourcing practices are still controversial in many countries. Opponents claim that this has led to the loss of domestic jobs, while supporters argue that it encourages businesses and corporations to allocate resources where they are most efficient and that outsourcing helps maintain the free market nature of the economy on a global scale.

However, the most appropriate outsourcing model is determined by the required demands as well as the outline of short-term and long-term goals set by the employer. The main objectives consist of more adequate customer satisfaction, savings in recruitment costs, increased work efficiency, improved workforce performance, access to modern technology and skilled workforce, and regular expansion of service offerings.

Effectiveness is of course needed by businesses in order to run business processes optimally. However, a business can be hampered in achieving its goals due to conditions that occur within the business itself (Kisilu & Gatari, 2021).

Human resource management, especially in training, is an important area that hinders business performance. The training aspect can be the subject of organizational development goals which aim to improve employee performance, so that it can contribute to improving business performance. In the hotel industry, especially hotels around the Gading Serpong area, more human resources are needed to support company efficiency. One example of the form of outsourcing used is security, cleaning service and so on.

Outsourcing companies in the security sector are responsible for preparing and managing security staff who work in user-client companies, where the processes that occur within the company are an important aspect for this company.

The main use of outsourcing is also to support company quality. Therefore, outsourcing in the future must be sustainable, considering its impact on the quality of service for end customers, facilitate the development of Industry 4.0, support innovation and contribute to making hotels more resilient (Espino-Rodríguez, 2023)

Performance is a function of motivation and ability. To complete a task or job, a person must have a certain level of willingness and ability. A person's will and skills will not be effective enough to do something without a clear understanding of what to do and how to do it (Malott, 2013).

Therefore, this research aims to determine the effect of outsourcing related to the hotel industry. In this research, we will see how the impact of outsourcing on the hotel industry has a significant impact on the business world. In this research, we want to find out whether outsourcing affects efficiency and performance in the hotel industry, especially hotels around the Gading Serpong area. Apart from that, we also want to know whether outsourcing can help increase employee work efficiency in the hotel world, especially hotels around the Gading Serpong area. It is hoped that the results of this research can be a source of thought and advice for Hotel Managers in Gading Serpong to evaluate the impact of using outsourcing on business efficiency and performance as well as improving performance. With this research, it is expected that this research can also be useful for developing skills and mastery of knowledge about human resource management by using outsourcing for future researchers.

2. Materials and Methods

2.1. Materials

The research object in this research are hotels in the Gading Serpong area. The focus of this research is the impact of outsourcing on the efficiency and performance of hotels in Gading Serpong area. The focus of this research was chosen to find out whether outsourcing affects efficiency and performance can help performance in the hotel industry, especially hotels in Gading Serpong area. In supporting the results of research conducted using data and information related to outsourcing which affects hotel efficiency and performance.

2.2. Methods

This research uses qualitative methods to examine the conditions under which the use of outsourcing impacts hotel efficiency and performance. This qualitative method is able to play a role and use instruments to carry out measurements and data collection techniques, as well as data analysis in the form of descriptive analysis which is used to explore the characteristics and potential as well as aspects of using outsourcing to meet the human resource needs of hotels in the Gading Serpong area. This research also uses Efficiency and Performance analysis as a comparison variable for whether the use of outsourcing has a positive or negative impact on efficiency and performance at hotels in Gading Serpong area. The results of this qualitative research use a deductive reasoning process to draw general conclusions based on facts or individual cases, which is a type of research with the aim of developing theories or hypotheses through disclosure.

3. Results and Discussion

In the hotel industry, more human resources are needed to support the company's efficiency, so that human resource needs are met through the use of outsourcing which has been carried out in the functions of security, cleaning service and so on. Considering that the hotel industry is a service industry and customer satisfaction is determined by human

resources, there is an interest in understanding the impact of using outsourcing on efficiency and performance in the hotel industry and seeing whether outsourcing can help increase employee work efficiency in the hotel world. Human resource/HR management is a recognition of the importance of an organization's workforce because human resources are important in contributing to organizational goals and utilizing certain functions and activities. It functions to ensure that human resources are used effectively and fairly for good individuals, organizations, and society.

Outsourcing in the outsourcing system is the process of transferring work and services previously carried out within the company to a third party. Outsourcing is an effort to recruit experts and reduce the company's burden and costs to increase its operational efficiency so that it can continue to compete in the face of global economic and technological developments by transferring company activities to other parties as stated in the contract.

Efficiency includes utilizing existing resources to achieve maximum results. So, the definition of effectiveness is how well the work is aligned with the objectives to achieve the desired goal or target. Work efficiency in the context of scientific journals refers to the concept of comparison between the effort made and the results achieved by a job. This involves working methods that are in accordance with work procedures, without reducing the desired results, for example in the easiest, fastest, cheapest, lightest and shortest way. Work efficiency is one of the steps to minimize waste which has a direct impact on production control, as well as a basic principle for carrying out the activities of an organization with the aim of obtaining the desired results with the minimum possible effort in accordance with existing standards. Work efficiency also influences employee performance and can be improved through various factors, such as physical ability, education, training, individual competence, organizational support, and human resource management.

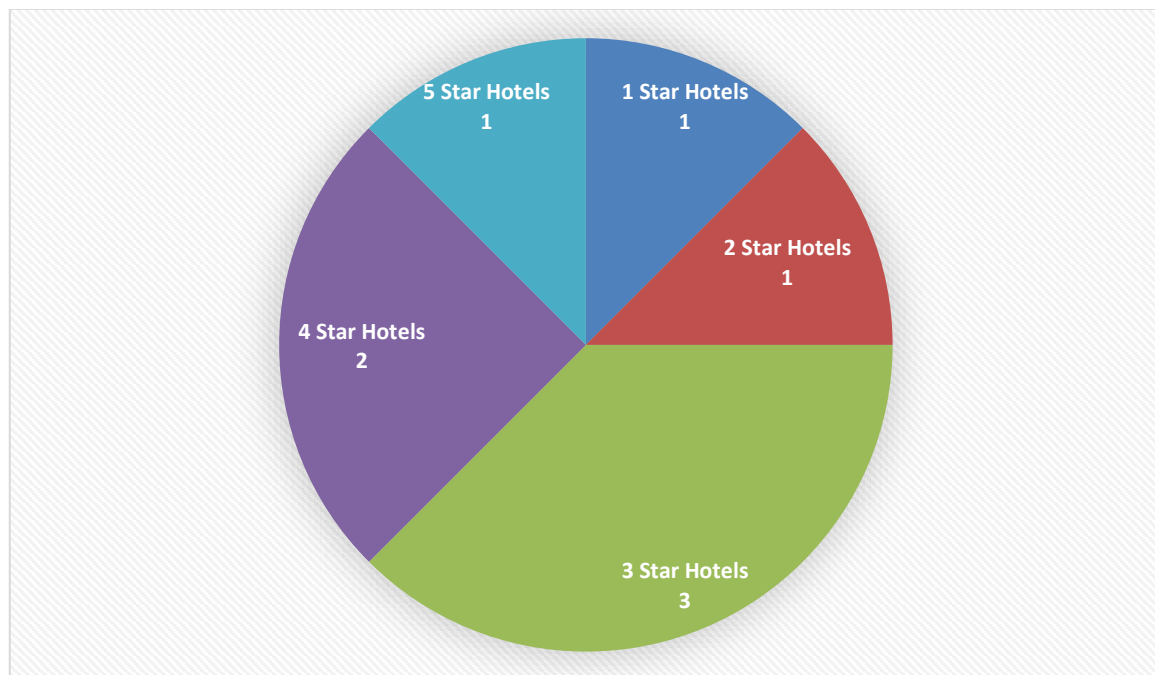


Figure 1: Numbers of Stars Hotel Around Gading Serpong Area.

Gading Serpong has several star hotels from 1 star hotels to 5 star hotels, some of the hotels include:

1. Star : Starlet Hotel Serpong Tangerang
2. Star : Fame Hotel Gading Serpong
3. Star : Vega Hotel Gading Serpong, Qubika Boutique Hotel, Ibis Gading Serpong
4. Star : Atria Hotel Gading Serpong, Episode Hotel Gading Serpong
5. Star : JHL Solitaire Gading Serpong

From all of the differences stars hotel stated above, it can be seen that there are some differences such as:

1. Star : Small hotel operated by the owner directly. The majority of staff serve daily meals such as breakfast, lunch and dinner. However, only breakfast is free. There are two choices for breakfast, served in the hotel dining room or in the bedroom. One-star hotel locations are usually located in busy areas and have public transportation close by at reasonable prices. For the quality of cleanliness, maintenance, hospitality, facilities and services are very minimum.
2. Star : This two-star classification hotel is part of a chain that offers consistent quality with limited facilities. Even though the room size is small or medium, unlike one star, the room has a telephone and television. There is no easy

access to restaurant services from the rooms, however they do have a small restaurant on site. The restaurant or dining room serves breakfast to dinner every day.

3. Star : Located near toll roads, business centers or shopping areas, this hotel offers excellent service, spacious rooms and a decorated lobby. All rooms and restaurants or dining areas are open to local residents. The restaurant offers above average dishes at breakfast, lunch and dinner. The food served at breakfast is completely freshly cooked. Facilities consist of valet parking, housekeeping, a fitness center and a small swimming pool.
4. Star : The staff at four-star hotels will be more professional in responding requests and can provide information about tourism around the hotel. The restaurant or dining room is open to local residents and non-natives. The beds and furniture available in the hotel are of high quality. Breakfast will offer a wider selection of fresh ingredients to cook. The hotel building is quite large with top-notch services. All bedrooms have private bathrooms. There will usually be other hotels of the same caliber clustered nearby, as well as shopping, restaurant and entertainment centers. Room service is above average, as is the restaurant, housekeeping, valet parking, fitness center and a concierge who is always ready at the main door.
5. Star : The hotel offers the most luxurious accommodation with a variety of additional facilities and multilingual services available. Guests will be greeted at the hotel entrance, given a welcome drink and a wine list to choose from while in the room. Awareness of guests' needs is the number one principle for five-star hotels. All bedrooms have private bathrooms. Each room is equipped with quality linens, VCR, CD stereo, Jacuzzi bath and video room. There are several restaurants on site with spacious rooms, gourmet menus and room delivery service 24/7. All food menu choices, including breakfast, use high quality and fresh ingredients. Other facilities include a fitness center, valet parking and concierge service with extensive experience.

With the increase in hotel classifications, human resources in the form of outsourcing are needed to maintain the quality of existing facilities in the hotel because the increasing number of services available means higher quality outsourcing is also needed to increase the efficiency and performance of the hotel to support customer satisfaction.

Research discussing outsourcing on hotel performance has been carried out by previous researchers, in the research of Elhoushy et al. (2020) investigated the relationship between the perceived benefits and risks of outsourcing and outsourcing adoption from the perspective of professional hotel managers. Using a representative sample of hotels in Egypt, the results show that managers' perceived benefits of outsourcing have a positive impact on their current level of outsourcing, but only a small impact on their desired level of outsourcing. This shows that you are just giving. The study found that the surveyed hotel groups outsource some of their services and activities, and that managers have reason to believe that the benefits of outsourcing have a direct impact on current outsourcing levels, indicating that there is significant interest in outsourcing among managers. We will continue to carry out our activities in the same way, namely through outsourcing. This study also investigated the role of perceived risk of outsourcing, resulting in an assessment of the results that showed a positive but insignificant impact.

In research conducted by Lestari et al. (2020) the use of outsourcing is the most effective way to reduce production costs, because they spend less or no money on welfare. The specified Outsourcing Work System only applies to side jobs such as security and cleaners, drivers and telephone operators. The outsourcing work system is available at PT Gapuraning Rahayu Ciamis, it can be seen that the outsourcing work system implemented in companies are getting smaller because they often carry out simple jobs such as security, cleaners and drivers, sometimes companies look for employees in practical ways to save time. By outsourcing, companies hand over work activities to third parties with the aim of obtaining professional employee performance. With the outsourcing work system, it can help facilitate the work at PT Gapuraning Rahayu. If the employee's performance are good, then the chances of being attracted to become a permanent employee of the company will be greater. Based on the results of hypothesis verification, it is known that the outsourcing work system affects employee performance at PT Gapuraning Rahayu Ciamis, that the level of relationship is in the good category, meaning that the independent variable in the form of an outsourcing work system has a significant influence on the fixed variable in the form of employee performance. The research results show that the recruitment system has a positive effect on the performance of outsourced employees.

And in the research conducted by Wolverson et al. (2019) investigate the influence of expectations on the success of IT outsourcing by carrying out a series of examinations using expectation confirmation theory (ECT). This theory states that evaluative expectations regarding customer satisfaction influence product or service performance. The purpose of this article is to highlight the current state of the information systems field in defining and measuring customer expectations through a literature review, empirically investigate the overall situation using data from IT executives, and explore the underlying issues regarding understanding existing expectations. We guarantee higher customer satisfaction.

In the current progress of the business world, it is linked to the provisions of Article 28 D paragraph (2) of the 1945 Constitution of the Republic of Indonesia which states; Everyone has the right to work because basically everyone need an income so that they can survive. In terms of earning income to be able to fulfill various life needs, each person will definitely need other people in a relationship of mutual assistance in providing everything that is still needed from other people, this can happen because humans are political zooms (social creatures). Which was concluded by Prabhaputra

et al. (2019) to fulfill their daily needs, humans are required to work. In general, if someone works for someone else, they certainly have an employment relationship, namely a relationship between the worker and the entrepreneur. However, it turns out that work relationships are not only limited to the relationship between workers and entrepreneurs, there are also work relationships that are partnerships carried out by one entrepreneur with another entrepreneur involving workers, which can be found in the outsourcing system in Indonesia.

And according to research conducted by Tiwari et al. (2023) Previously, scale and expansion were the keys to success, now lowering prices and the effectiveness of services and products are very important for business. Outsourcing is one way to achieve this. Hotels outsource some services to contractors with specialized knowledge, and you can use the services of those contractors. Hotels themselves can save significant costs if their services are outsourced and the use of labor, physical and financial resources transferred to specialized providers. On the other hand, by considering the economic costs of outsourcing services, all hotels can fully invest in their core business and increase their competitiveness.

According to Dewi (2021), it was found that the outsourcing system is a breakthrough in the world of work by providing cost-effective production efficiency for entrepreneurs. By using this outsourcing system, companies seek to save financial costs for human resources (HR) who work in companies, both private and public. The 2003 labor law permits the transfer of part of the work carried out to other companies or to service providers through labor contractors.

4. Conclusion

Based on the results obtained, it can be concluded that outsourcing has a major influence on hotel efficiency and performance. The number of hotels in Gading Serpong are 8 hotels with a classification of 1 to 5 stars. Every hotel in the Gading Serpong area uses outsourcing as a resource to help support customer satisfaction by increasing hotel efficiency and performance. Outsourcing also has a very important role in improving hotel efficiency and performance. It is hoped that this research can become a reference source for hotel managers in improving hotel efficiency and performance.

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