

Why Outsourcing Hotel Staff Doesn't Always Work

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The growing prevalence of outsourced labor within the frontline ranks of many guest-facing departments may have deep-rooted consequences that aren't immediately discernable on a balance sheet. Whether your property is thinking of contracting out its valets, bellhops, restaurant servers, banqueting staff or housekeepers, what we stand to lose may be far greater than any apparent cost savings or reductions in employee benefit packages.

While the two abovementioned advantages of outsourcing are indeed quite lucrative – and not to mention the overall decrease in risk involved with all forms of employee care – the primary drawback is that service is compromised, especially in the face of the modern trend for personalization.

Ultimately, a hotel is dependent on its people. Before the dawn of integrated CRMs and omniscient PMSs, this meant that your frontline workers, in tandem with your senior team, had to have the wherewithal and the passion for the job to remember all the specific preferences of habitués and to go

out of their way to properly satisfy each guest's requests. With all the data at our disposal nowadays, we seem to be forgetting this time-honored tradition of our industry.

Guest-Staff Interactions Matter in the Information Age

Yes, data can help you to personalize the guest experience and anticipate service requests, but such systems will never be fully capable of supplanting the emotionally charged, face-to-face encouragement one receives when dealing with a thoroughly knowledgeable and caring staff member.

Because they are transient and because they are not solely devoted to your hotel, outsourced employees won't be able to deliver the same level of enthusiasm and exactness in any manner of tasks executed nor will they be able to master your specific SOPs because they may also be shuffled through a few other properties in the region.

Add to this that outsourcing agencies have significantly higher rates of employee turnover, and it may be that a guest only encounters new faces every time he or she enters a public area. Not only does this dilute the customer's personal connection to the hotel brand and thereby decreases loyalty, but it also poses a slight security risk as you won't know who all these fresh-faced staffers are nor will they be able to recognize suspicious visitors.

I find this trend to be particularly concerning as service is one of the core components of all great hotel experiences. When we let it slide, all key monetary performance indicators will suffer over the long run.

All the Best Properties Value Long-Serving Employees

Indeed, all the best properties in the world – the ones we all dream of staying or working at – are ones where the staff are veterans of all the inner workings of that hotel as well as the local area.

As we are all emotional beings, it only takes one convivial and insightful conversation with an attentive server or butler for a guest to overlook a property's perceived deficiencies and give a five-star rating each and every time. It only takes one benevolent action from a seasoned supervisor who knows how to thoroughly coordinate an effective response in order to nullify any service error. It only takes the conversant fervor of a front desk clerk to motivate a guest to upgrade to a suite or to try out one of your amenities instead of wandering offsite.

Only by knowing a property inside out – which takes lots of time and onsite experience – can a team member truly deliver an outstanding guest experience or feel empowered to go that extra mile and overdeliver on a specific service request. Knowing one's hotel and all manner of specific responses doesn't happen overnight; it requires mastery of one's line of work, which isn't possible via outsourcing.

Effective Service is Built on Teams

When you contract out labor, the team dynamic fails to develop with trust within and between departments. As social animals, we need to develop some sense of regular contact with those in our 'tribe' in order to be at our most productive and for our morale not to dip.

To attain a level of autonomous execution of tasks and to thereby respond in a timely manner to service requests, teams must grow together. You must foster a great corporate culture and support all staff members with internal programs that benefit their wellbeing to instill a strong sense of camaraderie.

If on the other hand you have fostered a culture of frequent turnover via outsourcing, any training investments will naturally have a lower return. This is in contrast with the contemporary and comprehensive in-house training teams at select properties whereby valuing each employee reduces turnover and in turn the sunk costs of onboarding and mentoring. In other words, training has a significant hidden expense associated with it, but this is easily recouped over the long run.

So, if you have made the move to contract out a certain department, please consider the above downsides. They are subtle and won't be immediately reflected on a P&L, but they will inevitably cost you by eroding guest satisfaction and reducing the number of return visits, social media shares or word-of-mouth recommendations.

In a travel landscape where loyalty is already waning by the minute because of the influences of the OTAs and alternate lodging providers, you cannot afford to give consumers any additional reason to not have a thoroughly memorable guest experience. You cannot afford to compromise service for outsourced labor as impeccable service will always be the core of an unforgettable hotel stay.

(Article by Larry Mogelonsky, originally published in [Hotel News Now](#) on September 18, 2018)

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