

THE IMPACT OF FRONT OFFICE STAFF PROFESSIONALIZATION ON INCREASING PERFORMANCE OF THE ACCOMMODATION UNITS

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Abstract.

The hospitality industry is a relevant component of the global business environment and the third most important socio-economic activity in the European Union. As regards human resource, a significant percentage of European employees work in this field and their number is expected to increase significantly over the next ten years. At the same time, an increase in interest in the professional training of these employees is expected, which is currently less relevant. The present paper highlights the gap between the socio-economic relevance of the hotel industry, on the one hand, and the characteristics of work in tourism, on the other hand. The paper also presents the direct impact that front-office staff can generate on the revenues of the hotel company, in order to emphasize the relevance of professionalization of work in tourism at all hierarchical levels.

Key words: *tourism, front-office staff, work in tourism, hotel tariff*

Introduction

According to the *World Travel and Tourism Council* (WTTC), the tourism and hospitality industry is one of the most important sectors of the global economy, generating a turnover of 6 trillion dollars annually and employing over 230 million people, which means a significant part of the world's workforce (one tenth of the world's employed). At European level the tourism activity is also remarkable. Thus, in 2018, 51% of tourists traveling around the world arrived in Europe and 39% of the revenue of the tourism industry was generated in Europe (which is an increase of 8% compared to 2017, which in turn it was a year in which there were positive developments in tourism). Also, tourism as a branch of the service industry, exerts a strong influence on the labor market, has a strong social effect, creating a large number of different jobs in different sectors.

However, the characteristics of work in tourism place human resources somewhat on the periphery of the labor market. Thus, the most important resource of the industry is quite little appreciated.

In a socio-economic context in which the tourist market has registered significant increases due to opportunities determined by the evolution of society (eg: increasing leisure time, increasing the ease of movement of people, the existence of various sources of information that increase the attractiveness of tourist destinations, fashion, population emancipation etc.) it can be appreciated that the tourism industry has benefited from a favorable situation without the need to develop strategies to increase the attractiveness of the offer. On the other hand, at least in the medium and long term, the competition is becoming fiercer on the tourism market, which determines the need to increase the interest of hotel operators to find new and innovative competitive advantages, because beautiful rooms located in attractive places are no longer enough in this market.

That is why we support the need to increase the importance of human resources employed in the hotel industry, as a strategy for the sustainable development of companies in the field.

1. Characteristics of work in tourism

The characteristics of tourism work are numerous. But, in accordance with the objective of this paper, however, we present those characteristics that justify the appreciation according to which work in tourism is not evaluated at its true value.

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- *Job instability and a high rate of staff mobility* - this feature is especially evident at the operational level. According to ILO (*International Labor Organization*) estimates, 25% of tourism staff in the European Union are employed part - time, and in countries such as the United Kingdom, Denmark and the Netherlands, this rate exceeds 50%. These reasons make the hospitality industry to be called a "transition industry" which means that many employees see the tourism jobs as a temporary occupations that pave the way for other careers. This aspect has a number of negative consequences such as: high level of stress, low morale, inefficiency, low quality of service delivery, high costs for labor replacement, investments in training which is no longer recovered, disloyal and not work involved employees, low profit rate.

- *A high share of jobs do not require qualification or require semi-qualification* - This characteristic explains the low level of welfare for those who work in tourism, the low level of payment, difficult working conditions. This characteristic also explains the lack of formal tourism education of the employees. To consider that working in tourism does not require specific education and skills is a stereotype that should be overcome in the current competitive context that characterizes the tourism industry.

- *Poorly organized internal labor market* - internal market refers to characteristics of the labor market in a particular field, tourism for example. The tourism internal labor market is considered a weak market because: there are no clearly defined employment standards, employees enter this market easily, the skills specificity is low, regular participation in training sessions is not necessary, there are no clear criteria for promotion and transfer, the salary criteria are volatile. The negative consequences of this feature are: low level of pay, high staff mobility, poor social image of the industry.

- *Low social status for tourism employees* - in many countries, tourism jobs are given a low level of social respect, which creates an "image problem" for the industry. The low social status of jobs in tourism is because these jobs are usually seasonal, part-time, poorly paid, are carried out in difficult working conditions, work is intense in periods of time that for the other areas of activity are holiday periods, the activity is associated with "serving others" or "cleaning up after others". Often the perception of jobs in tourism is transferred to employees in this industry who are considered uneducated, unmotivated, inefficient.

- *Low level of unionization* - this characteristic is determined by the high level of heterogeneity of the industry, by the fragmentation of the industry, by the fact that small organizations are predominant, by the specifics of employees, by the fact that many of the tourist entities are subcontracted, by the predominant paternalistic management style, by the characteristics of the internal labor market.

- *Skills Transferability* - many of the employees skills in the tourism industry are considered to be transferable, which means they are compatible with various segments of activity in the tourism industry but also with occupations in other sectors such as banking, retail, insurance, etc. This feature of work in tourism justifies the mobility of human resources as well as low wages, as long as there is a wide base of potential employees from which employers can recruit and select.

- *Human resources from marginalized or disadvantaged environments* - the tourism and hospitality industry employs, especially for the operational level and for the executors on the first levels of the organizational pyramid, young people, representatives of ethnic minorities, immigrants, generally people considered disadvantaged and marginalized in society.

- *Hard working conditions* - these materialize in irregular and intense work schedule in periods of time associated with the holiday, the use of the whole day as working time, low wages, lack of bonuses for overtime or for working on days off, a low level of job security, low opportunities for advancement, high level of stress etc.

In this context, it is very important for managers to understand the positive or negative impact that human resources can have on financial and of the overall performance of the hotel company and, consequently, to act towards the professionalization of work and the restraint of the performing employees. properly paid

2. Front-office staff as a determinant of the hotel performance

The role of front-office staff in determining the performance of the hotel company can be summarized in three categories of techniques:

- A. Financial techniques
- B. Non-financial techniques
- C. Mixed techniques

A. Financial techniques

Financial techniques refer to those that have a direct impact on the level and structure of the hotel rates, as well as actions that can be taken by reception staff to sell hotel products / services at a certain rate.

A.1. Rates presentation to customers

Rates presentation refers to the technique of presenting a tariff for hotel guests, so that the perceived value of the product / service sold to increase. Although currently the communication of tariffs by front-office staff is increasingly replaced by online communication, this category of staff continues to be active in receiving reservation requests, dealing mainly with the management of reservations.

The rule is to first present to customers the highest rates or the most expensive package, then move on to the options with lower rates if customers refuse the first-rate offer. However, in the literature (Lieberman, 2011), it is suggested that the highest tariffs should not always be presented first. There are other techniques for presenting rates, such as offering first the middle room categories and then the lower ones or presenting the whole range of rates: first the booking rate in advance, then the standard rate and then comparison between the two and explaining the differences by cancellation conditions, time of payment and other issues. For price-sensitive guests, the most effective approach is to present the "bottom-up" tariffs, for example the presentation of the standard tariff followed by information on the possibilities to improve the service with additional fees.

Responsibility of communicating the rates, generates a series of professional skills expected from front-office staff, such as: the ability to analyze statistics on room availability, the communication techniques of presenting accommodation options to customers so as to increase the likelihood that they will choose a more expensive option, the ability to identify the needs of each guest.

A.2. Upselling technique

Closely related to the pricing technique, is the upselling technique. This is a sales technique that aims to get the customers to spend more by buying an updated or premium version of what they want to buy. This technique essentially contributes to achieving satisfactory levels for two relevant indicators in the hotel industry, namely *Average daily rate (ADR)* and *Revenue per available room (RevPAR)*.

The upselling technique can be applied at different times of the stay:

- check-in - for example, guests can be offered a room with increased or more modern comfort, if available
- check-out - for example, guests may be offered the opportunity to book for future stays

For this technique to succeed, the front-office staff must have the ability to make a suitable offer, which clearly presents benefits to hotel guests at the right time, when guests are ready to buy. In applying the technique, the advantage of the new offer should be emphasized, rather than the additional fees, that guests must pay for it.

To succeed, the front office human resources must have marketing knowledge as well as a clear understanding of the range of services the hotel offers and of the alternative functions and room facilities.

A.3. Discriminatory pricing technique

The discriminatory pricing technique involves charging different rates for different customer segments, but for the same service. The correct application of this technique significantly influences the hotel's income. These discriminatory rates may be applied depending on aspects such as: hotel room location, room size, bed linen, furniture and other additional facilities, time of accommodation or departure, booking flexibility, duration or frequency of stay.

To effectively apply this technique, front-office staff must be able to explain tariff differences so that customers are not offended. This is a very important skill for the reception staff due to the fact that, thanks to technology, customers can easily compare the prices charged on various distribution channels and can ask questions at the hotel reception about why the rates are different.

B. Non-financial techniques

These techniques do not directly influence the hotel's revenue but provide the basis for revenue optimization.

B.1. Offer and the length of stay control

The standard approach to booking rooms in a hotel is that reception staff must accept any new booking, regardless of the length of stay, as long as rooms are available for the requested period. However, this approach could lead to a "dilution of tariffs", which means that the revenue generated by such a booking technique is lower than that which would have been obtained if the booking technique were to wait, selling at the best rate. Also, within this category of techniques is the one that involves controlling the length of stay, for example setting a minimum limit or, very rarely, a maximum limit of stay.

Front office staff need to know these techniques, understand their motivation and implement them. Front-office staff must also understand that limits of the tariffs are not fixed but may change depending on the degree of occupancy. For example, when the occupancy rate is below 75%, no limit on the length of stay applies, when the occupancy rate exceeds 75%, the minimum duration can become 2 nights, and when the occupancy rate exceeds 85% the minimum length of stay can become 3 nights.

B.2. Overbooking

To avoid negative effects on no-show revenue, last minute cancellations or unexpected departures, many hotels practice overbooking, that means they accept more bookings than available capacity. In most cases, the front-office staff is involved in implementing the overbooking policy at a practical level

There are two types of overbooking situations. A first type is that overbooking is done for specific room types, rather than for the entire hotel. In this case, the solutions are much easier to find, guests can be offered other rooms under the pretext of a free upgrade or moving the room during their stay. Another type of overbooking is a more aggressive one and consists in the fact that it is done for the whole hotel. In this situation the front-office staff has a greater involvement. This involves checking the booking database to identify certain bookings

that may be prone to cancellation, to seek internal sources to expand usable capacity by taking steps to make rooms with certain defects usable, moving guests to another hotel and providing assistance and so on.

C. Mixed techniques

These techniques can influence both the room rate and the number of rooms available at each rate level.

C.1.. Conversion of the reservation channel

This technique involves converting bookings from higher cost distribution channels to lower cost channels or direct selling. Many hotels, especially large hotels, are less interested in converting bookings made through other channels to front-office employees, as most of the guests of these hotels are usually corporate and VIP guests. But in smaller hotels the involvement of front-office staff in direct bookings is relevant.

The channel conversion can be done when, for various reasons, guests who have made a reservation using other channels contact the hotel staff or, more frequently, the conversion of guests who repeat the purchase can be targeted so that customers are determined to use the direct booking for subsequent visits. Another option for stimulating direct bookings is the loyalty points system, for example only guests who book directly can enter the hotel's loyalty system.

To apply this technique, front-office staff must have specific skills related to direct sales as well as a relevant knowledge of costs and of the distribution strategies of the hotel. Reception staff must be properly informed or trained to identify the appropriate opportunity and method to convert customers and potential customers into direct booking guests.

C.2. Determining an optimal rate per room

Room allocation is an important responsibility of the front-office staff, and this is done before and on the arrival of a guest. During the process of allocating rooms depending on the type of guests, the type of room and the services booked, as well as other special requests, the reception staff may influence the allocation of the room rate. Reception staff must be able to understand and interpret the overall situation of the hotel's daily bookings and, on this basis, to be able to reallocate guests to different types of rooms available, for example by applying upselling techniques and avoiding bidding of free facilities if the lower room categories are no longer available upon arrival of guests.

In summary, the involvement of the reception staff in ensuring the financial performance of the hotel can be presented as follows:

Table 1.
Examples of integrating sales growth activities into the front-office staff activity

Front-Office staff responsibilities	Front-Office staff practices that can influence financial performance
<i>Before arriving at the hotel</i>	
Room reservation	Ability to present tariffs eloquently; Maintaining tariff limits depending on the type of tourists; Granting discounts only justifiably; Clear evidence and knowledge of the hotel's room inventory
Processing customer information	Understanding the reasons for rates differentiation for different guest segments and channels Recording and monitoring guest preferences and setting rates according to these preferences

Front-Office staff responsibilities	Front-Office staff practices that can influence financial performance
Cancellation of the reservation	Sending offers to move the reservation to another date, with a lower rate etc.
Guests arrival	Upselling: e.g. sale of the shuttle service from the place of arrival to the hotel.
<i>Accommodation</i>	
Guest registration	Understanding special guest preferences Carefully check and confirm payments made by hotel guests
Room allocation	Application of upselling and cross-selling techniques Optimal room rate allocation Offer to obtain a membership card to encourage direct sales
<i>Stay</i>	
Customer stay management	Application of upselling techniques through measures to improve the facilities of the room / tourist package during the guests' stay Selling various products and services that tourists can buy from the hotel
Overbooking	Monitoring and understanding of cancellation statistics, no-show rate, and timely identification of cancellable bookings to expand accommodation Communication with customers and establishing advantageous conditions for moving them
<i>Guests Departure</i>	
Procedurile de check-out	Room inventory control Correct identification and registration of payment differences Upselling: e.g. sale of the room departure service after the scheduled time
Follow-up	Reservations for subsequent visits

Conclusions

In this paper we have brought to your attention the importance that human resources in tourism have in ensuring quality services and, moreover, the influence they can have on the company's revenues. More specifically, the paper presents and analyzes the role of staff in direct contact with customers (respectively front-office staff). The special importance of this category of employees derives from the fact that they have a direct and continuous interaction with the hotel guests. The role of hotel reception staff was analyzed in terms of how they can contribute to hotel performance by applying sales growth techniques.

Regarding the ways of involving the staff from the hotel reception in the process of increasing the revenues at the hotel level, three main categories of techniques were identified, respectively: Financial techniques, Non-financial techniques, Combined techniques. The following have been described in the category of financial techniques: price presentation, upselling technique, discriminatory price technique. In the category of non-financial techniques were presented: Offer and the length of stay control technique and Overbooking. In the category of combined techniques were presented: Conversion of the reservation channel and Determining an optimal rate per room techniques.

Through the paper, the authors want to draw attention to the need to professionalize work in tourism and to transform human resources into a source of competitive advantage for companies operating in this field. This is an important aspect in the conditions in which the competition on the hotel services market intensifies permanently, and the classic competitive advantages lose their relevance.

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