# "Pay-per-room" cleaning can save time and labor expense while increasing service scores and room attendant satisfaction

Another great article from The Rooms Chronicle®, the #1 journal for hotel rooms management! \*\*\*Important notice: This article may not be reproduced without permission of the publisher or the author.\*\*\* College of Hospitality and Tourism Management, Niagara University, P.O. Box 2036, Niagara University, NY 14109-2036 Phone: 866-Read TRC E-mail: editor@roomschronicle.com

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A commonly known fact is that the hospitality industry is famous for its high level of turnover. Although all departments suffer when employees are lost, one of the key difficulties for hotels is the retention of quality employees in the housekeeping department. As the economy continues to worsen, the prices for fuel increase, and the cost of living proportionally rises for everyone. Those employees that are most affected by these economic factors are our housekeepers. Although minimum wage has risen to somewhat match the economy, it is still difficult for many hotel employees to make ends meet on the hourly wages that are being paid for entry level positions.

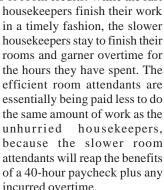
At the same time, employers are faced with a growing uncertainty about the economy, and are taking measures to ensure that costs are controlled in every aspect of business. It is widely known that the highest cost of business in a hotel is labor, and that Rooms Division employees constitute the bulk of the labor cost in any hotel. Therefore, the quandary that hotel managers are faced with is this: How to balance the pressure from owners and stakeholders to keep labor costs down, yet still maintain a competitive advantage when it comes to retention of quality employees?

#### The current model

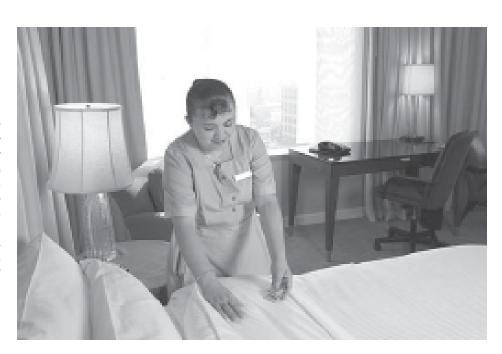
As most labor models will suggest, housekeepers should be scheduled based on occupancy projections. A busy season for the hotel means a guarantee of full-time hours for each room attendant and house person, while a slow season could mean fewer days or hours of work for each housekeeper than they would typically require in order to meet their financial needs. The problem that arises is one in which housekeeping personnel will slow down their room cleaning pace in order to work a full eight-hour day, while cleaning less rooms than they typically would clean on a busy day. This decrease in productivity causes the labor costs to increase at a rate that is definitely not proportional to the rooms sold in the hotel.

Another problem that can arise from the hourly housekeeping pay model is that of inequity between housekeepers with differing skill levels. Generally, all housekeepers are given the same number of assigned rooms to clean every morning. For most full-service and select-service hotels, this will range from 12-18 guestrooms or room credits. While the fast

> in a timely fashion, the slower housekeepers stay to finish their rooms and garner overtime for the hours they have spent. The efficient room attendants are essentially being paid less to do the same amount of work as the unhurried housekeepers, because the slower room attendants will reap the benefits of a 40-hour paycheck plus any incurred overtime.







### The "pay-per-room" model

One solution to the problem of labor disparity and inequity between housekeeper work levels is that of the "pay-per-room" model. This model operates on the basis that housekeepers can clean a set amount of rooms in an eight-hour day. It then divides the total number of rooms to be cleaned by the hourly pay received for eight hours of work in order to come up with the "per-room payment". For example, let's say a housekeeper makes \$8 per hour and the budgeted standard is that a housekeeper should be able to clean 18 rooms or credits in a day. If they work a normal eight-hour day, they will gross \$64.00 for their work. Calculated to a per-room standard, the housekeeper is basically paid \$3.56 per room cleaned, regardless of how fast or slow they clean each room.

Housekeepers who are efficient in cleaning their rooms above standard rate will be given the chance to leave work early and still be paid as if they worked a full eight-hour day. Housekeepers who are behind the standard will be checked periodically during the day to ensure their pace, and the faster housekeepers are given the chance to "barter" with the other housekeepers in order to "buy" rooms from each other. If there are no extra rooms to clean, the housekeepers are free to go home or to help in other areas of the hotel, such as laundry, public space cleaning, or even training at the front desk or restaurant.



## **Implementation**

The key to a successful pay-per-room program is buy-in from the associates and leadership team. On the associate level, there needs to be a full understanding of the program, especially since this program differs from any method of payment that the room attendants have been accustomed to receiving for their work. Hotels implementing this model should schedule a rollout meeting for all housekeepers and explain the program in detail, allowing plenty of time for questions and concerns. The energy in the rollout meeting needs to be focused on why this program benefits the associate, and how there is an opportunity to make more money while doing the same amount of work that they have always done.

Leadership team buy-in is also crucial as the payroll process becomes much more cumbersome once this model is introduced. Since the focus is on tight productivity control, managers need to ensure that no overtime is incurred, as hotels must still comply with respective state and federal laws for overtime, even when hourly pay is not being used. Also, the slower-paced room attendants must be retrained and motivated so that they will not fall below their previous hourly rate of pay, in effect losing money from this program. Managers will need to spend time explaining paychecks to the associates, and will need to be patient as employees' understanding of the program increases.

As each room attendant is given the chance to clean rooms at a faster pace, they may be faced with the temptation to sacrifice quality of room cleanliness in order to finish rooms even more quickly than is necessary. This is why a rigorous inspection process must be implemented and maintained at any property that is paying housekeepers on a per-room basis. The inspection process should focus on those things that are most important to guest satisfaction scores and weigh heavily on the same matters that consistently decrease high customer satisfaction scores. A strong concentration should be on making sure that there are no signs of a past guest, and also that everything in the room is in perfect working order.

Guestrooms should be randomly inspected by the housekeeping manager or supervisor, and the results should be clearly communicated to the room attendant that cleaned that room. This feedback will give the housekeeper the information he/she needs to improve inspection scores for the future and will help to deliver a consistent quality product to each guest, every time they frequent the hotel. Daily inspections will allow the hotel the chance to roll out an incentive program to the housekeepers with the highest scores, causing some friendly competition and inspiration to all room attendants.

This program may not work the same for every hotel, as it needs to be modified to work for specific seasons and room types, brands, and types of business (group, extended-stay, transient business, leisure). The program is difficult to implement, and there is much time and preparation needed in order to effectively roll out such a change, especially when the majority of room attendants have been employed at that property for many years. Many hotels, however, have experienced resounding success in using the pay-per-room model. Once the growing pains have passed, Management will find that most housekeepers will never want to return to their hourly method of pay. In fact, the room attendants will consider hourly pay to be a "punishment", as they are no longer in control of their time and room-cleaning pace.

#### **Bottom line results**

The success is in the results that can be experienced from the implementation of this program. One particular hotel has struggled with high labor costs for years, and has just implemented this program in early 2008. Before the introduction of "pay-per-room" cleaning, the hotel's housekeeping productivity was at .53 hours (about 32 minutes) per room. Two months after implementation, the productivity had risen to .41 hours (less than 25 minutes) per room. Every housekeeper is now cleaning rooms in record time, and guest satisfaction scores have increased from the low 80s to the low 90s in only two months time. Several housekeepers are now averaging \$11 to \$13 per hour, when their previous hourly rates were all below \$10 per hour. There has been buy-in from all team members, and continuous support from management as the program complications are smoothed out.

From a guest, owner, and associate perspective, this program can be a huge success if it is properly introduced and maintained. The key is strong leadership, continuous communication, and constant maintenance of the program once introduced. In times when new employees are hard to find, both retention and motivation of our hard-working housekeepers are crucial aspects to the well-being of our hotels. The hotel will realize bottom line gains from this program, and housekeepers will be motivated to do their jobs effectively and efficiently, all the while continuing to work for a company that they know and trust to take care of their life needs.  $\diamondsuit$ 

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