

STAFFING GUIDELINES & MORE

Survey reveals common staffing practices for hospitality accounting/finance departments and back office accounting system usage

By Tanya Venegas, MBA, MHM

Q. Can you provide information and guidelines pertaining to the accounting and finance department in a lodging property? Specifically, staffing guidelines and any information you have on back office accounting software.

A. In the fall of 2015, HFTP Americas Research Center conducted a survey on hotel accounting standards pertaining to staffing guidelines, accounts receivables standards and back office accounting systems. Results from the survey pertaining to accounts receivable standards will be presented in a future Q&A. The survey was distributed via e-mail to HFTP members who worked in the lodging industry. In total, there were 96 responses to the survey and 79.2 percent of these responses were from individuals working at the property level. Since the Research Center looked to gather data on property level policies and procedures, the following data presented focuses only on those working and reporting at the property level.

Demographics

When analyzing results to any study, it is important to determine the demo-



graphics of those responding to put the information into context. First of all, respondents provided their current job title. Nearly half of all responses came from those with the title of director of finance (49.2 percent) followed by those with the title of controller (31.3 percent), assistant controller (6.3 percent), accounting manager (3.1 percent) and a mix of other titles made up the remaining responses (chief financial officer, financial analyst, income audit manager, etc.).

In addition, the survey asked respondents to provide information on the type of property where they are working. The majority (66.7 percent) work in full-service properties followed by resort (13.6 percent), conference /convention centers (12.1 percent), limited-service properties (6.1 percent) and a mixed-use development (1.5 percent). Another question pertaining to demographics required respondents to provide information about the location of their property. City cen-

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ter was the most popular location (55.2 percent) followed by resort (19.4 percent), suburban (16.4 percent) and airport (9 percent). Overall, most of the properties had less than 500 rooms (74.6 percent).

Other important aspects which may impact accounting standards include the property's market mix and chain scale. The reporting properties indicated that 56.4 percent of the rooms revenue was attributed to transient stays followed by group rooms revenue (33 percent), contract rooms revenue (12.2 percent) and other (9 percent). These numbers are averages for all respondents; therefore, even though the responses for each individual property add to 100 percent the averages equal slightly higher. In addition, chain scale was also examined for the purposes of this survey. Respondents to this survey were primarily split between upper upscale/upscale (38.5 percent), luxury (30.8 percent), and upper mid-scale/midscale (29.2 percent) properties. Economy properties made up a very small portion of responses (1.5 percent).

Accounting and Finance Employees

This survey analyzed several aspects of staffing in the accounting and finance department (page 8): top ranking finance/accounting employee, average tenure, employees supervised and staffing guidelines. The titles sharing the

top spot in the accounting and finance department made up nearly 90 percent of all responses and included the positions of director of finance (60 percent) and controller (29.2 percent). Other titles with the primary responsibilities of overseeing the accounting and finance department included: chief financial officer, accounting manager, vice president of administration and development, and assistant director of finance. The average accounting department tenure for responding properties was 7.5 years and those responding indicated that they supervise 4.5 staff members.

In order to assist accounting managers to determine correct staffing levels, this survey asked respondents to provide information on the number of staff employed at their property (page 8). This information was then analyzed by property type, location, chain scale and number of rooms. The factors that provided the greatest variation included property type and number of rooms. Conference centers averaged just over nine accounting and finance staff members (9.1 staff) while resorts (6 percent) and full-service (5.6 percent) properties hovered around six staff members. Limited-service properties averaged the smallest staff counts at only four staff. These staffing levels can most likely be contributed to the complexity of these properties. On the other hand, it is interesting to note that chain scale provided a very minimal



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impact on staffing levels. The difference between luxury properties all the way through to economy properties only differed by less than one employee (5.8 to 6.6 employees). As expected, the greatest difference in staffing levels was dependent on the size or number of rooms in the property. Properties with 500 or less rooms averaged 5.1 employees and those properties with 1,000 or more rooms had more than double the staff size at 11 employees.

Accounting Software

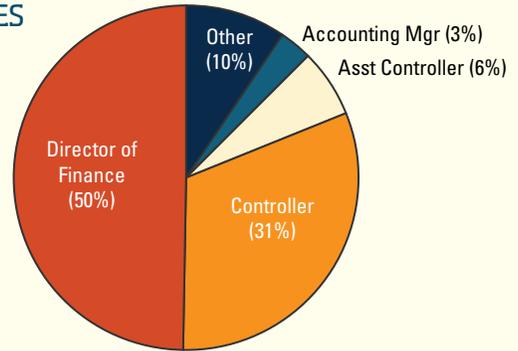
Accounting software plays an important role in the procedures and efficiency in the accounting and finance department. If the organization has an antiquated system which does not fit the needs of the department, it may impact the productivity of departmental employees and possibly clientele satisfaction as well. This survey asked respondents to provide the type of accounting software used at the property level and responses varied greatly (see below). Eleven percent indicated that they use proprietary software and the rest were a mix between large software providers such as PeopleSoft and smaller accounting packages such as Peachtree or QuickBooks. When asked to rate satisfaction with their accounting software, 60 percent indicated they are satisfied with their current software and only 13.4 percent indicated they are dissatisfied.

As with any technology offering, most individuals or organizations do not tend to tap into the full capabilities of the software, gadget, etc. The same goes for accounting software. When respondents were asked if they fully use their accounting system only 51.1 percent provided a positive response, with 48.9 percent indicating that they are missing out on features offered in their accounting system. For those that responded negatively, they estimated that they are using approximately 70 percent of the features in their accounting software. Seventy is still a very high percentage, so the majority of properties are using their accounting systems at or near their full potential.

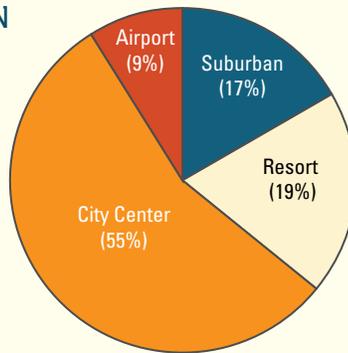
Look out for the second half of these survey results in the next *Q&A from the Research Center*. The article will cover current industry standards in hotel accounts receivables. ■

DEMOGRAPHICS

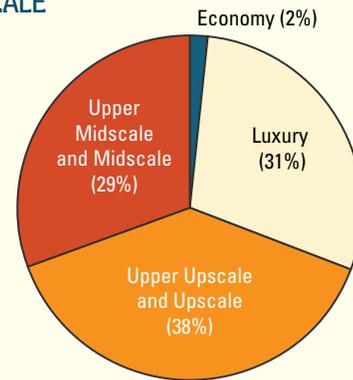
JOB TITLES



LOCATION

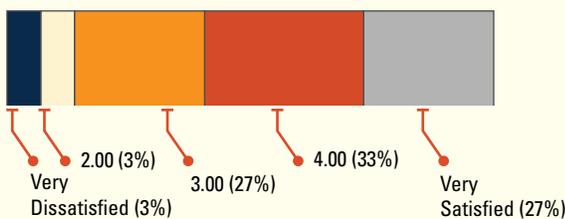


CHAIN SCALE

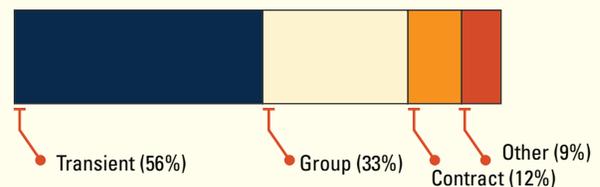


ACCOUNTING SOFTWARE

SOFTWARE SATISFACTION

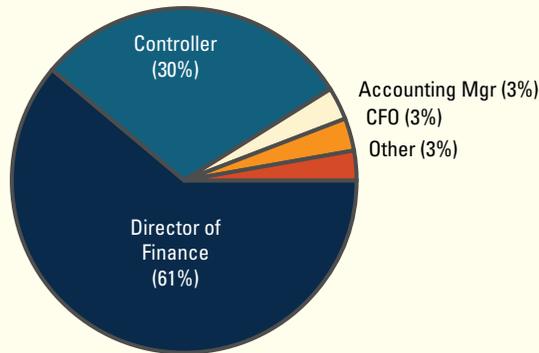


MARKET MIX



ACCOUNTING AND FINANCE EMPLOYEES

TOP POSITIONS



AVERAGE STAFF SIZE AND TENURE

	Staff Size	Tenure
Property Type		
Conference	9.1	6.0
Full-service	5.6	8.3
Limited-service	4.0	5.7
Resort	6.0	6.5
Location		
Airport	6.3	4.2
City Center	6.7	7.6
Resort	5.8	6.9
Suburban	4.1	9.0
Chain scale		
Luxury	5.9	7.1
Upper upscale	6.3	9.5
Upscale	6.0	4.7
Upper midscale	6.6	4.7
Midscale	5.8	10.8
Economy	6.0	2.0
Rooms		
Under 500	5.1	6.5
501 to 750	8.6	10.3
751 to 1,000	8.0	15.0
1,001 to 2,500	11.0	12.8

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