
Exploring Cost Awareness and Budget Discipline in Housekeeping Operations: Evidence from a Four-Star Hotel in Jakarta

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Abstract:

This study examines how cost awareness and budget discipline are constructed and implemented within housekeeping operations in a four-star hotel in Jakarta. While budgeting systems and cost control procedures are formally established in most hospitality organizations, limited research has explored how these mechanisms are internalized at the operational level. Using a qualitative case study approach, data were collected through in-depth interviews with housekeeping managers, supervisors, room attendants, and accounting staff, complemented by document analysis and limited observation. Thematic analysis was employed to identify recurring patterns related to cost-related behavior and interdepartmental coordination. The findings reveal that cost awareness among housekeeping personnel primarily develops through operational experience and managerial communication rather than structured financial training. Budget discipline is maintained through formal approval procedures and hierarchical supervision; however, monitoring practices tend to be reactive rather than proactive. Interdepartmental collaboration between housekeeping and accounting departments plays a crucial role in reinforcing cost control, although tensions occasionally arise between financial efficiency and service quality objectives. Organizational culture and leadership communication significantly influence the translation of cost awareness into disciplined budgeting behavior, while operational pressures during high occupancy periods may weaken strict adherence to budget limits. The study contributes to hospitality managerial accounting literature by highlighting the behavioral and organizational dimensions of cost control in housekeeping operations. It proposes a contextual model in which cost awareness serves as a cognitive foundation for budget discipline, moderated by organizational culture and interdepartmental collaboration.

Keywords: Cost Awareness, Budget Discipline, Housekeeping Operations, Managerial Accounting, Hospitality Management

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INTRODUCTION

The hospitality industry operates in a highly competitive and cost-sensitive environment where financial sustainability depends on the effective management of operational expenditures across departments. Among various managerial tools, budgeting and management accounting practices remain central mechanisms for planning, controlling, and evaluating performance in hotel organizations (Uyar & Bilgin, 2011). Budgeting has long been recognized as one of the most widely used management accounting techniques in hospitality settings, serving as both a financial control instrument and a performance evaluation framework (Jones, 2008; Steed & Gu, 2009). Despite technological advancements and evolving accounting systems, budgeting continues to function as a fundamental cost control structure in hotel operations.

Managerial accounting plays a crucial role in supporting internal decision-making, resource allocation, and operational efficiency in hospitality organizations (Paperchase, 2024). Unlike financial accounting, which focuses on external reporting, managerial accounting provides department-level cost information that assists managers in monitoring expenses and improving performance outcomes. Empirical studies confirm that the use of managerial accounting information significantly influences resource allocation decisions in hotels, particularly in dynamic operational environments (Leonandri & Erpurini, 2025). Systematic reviews further highlight that budgeting, cost indicators, and performance metrics remain dominant practices in hospitality management accounting research (Campos, Lima Santos, & Cardoso, 2022; Campos et al., 2025).

Within hotel organizations, housekeeping departments represent one of the most cost-intensive operational units. Housekeeping activities encompass room cleaning, linen management, amenities usage, labor scheduling, and supervision, all of which contribute significantly to operational expenditure (Goodfellow Publishers, 2023). Because housekeeping operates as a cost center, effective cost planning and control are essential to maintain profitability without compromising service quality. Recent studies emphasize that operational cost control strategies are increasingly critical in hospitality organizations seeking efficiency and earnings stability (Afandy, 2024; Nasir, 2025). Case-based research in Indonesian hotels also demonstrates that structured cost management practices positively influence operational efficiency and financial sustainability (Dewi et al., 2025).

Although prior studies have extensively examined budgeting practices and cost control systems at organizational levels (Mia & Patiar, 2001; Schmidgall & DeFranco, 1998), limited attention has been paid to the behavioral and departmental dimensions of cost management. Specifically, little research has explored how cost awareness is formed among operational staff and how budget discipline is practiced within housekeeping operations. Existing literature tends to focus on formal accounting systems rather than on how frontline employees internalize cost-related responsibilities. Pérez Brito et al. (2025) highlight that management indicators significantly influence hotel performance, yet the micro-level behavioral processes that underpin these indicators remain underexplored.

Furthermore, while budgeting frameworks provide structured financial control (HospiInstitute, 2024), their effectiveness largely depends on the organizational culture and leadership that shape employee behavior. Responsibility accounting theory suggests that departmental managers function as accountable cost center leaders; however, the translation of financial accountability into operational discipline requires more than procedural compliance (Abdel-Kader & Luther, 2006). In hospitality settings, tension often arises between maintaining service quality and enforcing strict cost control, creating a complex managerial balance.

In the Indonesian context, particularly in Jakarta as a major hospitality hub, four-star hotels operate under heightened competitive pressure while maintaining high service

standards. Despite the formal existence of budgeting systems, little is known about how cost awareness and budget discipline are practically enacted within housekeeping departments and how interdepartmental collaboration with accounting functions influences cost behavior. Previous bibliometric and empirical analyses confirm the relevance of management accounting practices in hospitality (Campos et al., 2022), yet qualitative explorations focusing specifically on housekeeping cost behavior remain scarce.

Therefore, this study seeks to address this gap by exploring how cost awareness is constructed and how budget discipline is practiced within housekeeping operations in a four-star hotel in Jakarta. By adopting a qualitative case study approach, this research moves beyond technical accounting procedures to examine behavioral, organizational, and contextual dimensions of cost control. The study contributes to hospitality managerial accounting literature by integrating cognitive (cost awareness), behavioral (budget discipline), and structural (organizational culture and interdepartmental collaboration) elements into a contextual framework for understanding cost control in housekeeping operations.

METHODS

This study employs a qualitative case study approach to explore how cost awareness and budget discipline are understood and practiced within housekeeping operations in a four-star hotel in Jakarta. The case study design is considered appropriate because it allows an in-depth examination of organizational behavior within its real-life operational context. Since cost awareness and budget discipline are behavioral and organizational phenomena that cannot be fully captured through numerical indicators alone, a qualitative approach enables a richer understanding of perceptions, interpretations, and everyday practices among operational staff and managers. Although budgeting systems and cost control mechanisms are formally implemented in most hotel organizations, limited research has specifically examined how cost awareness is internalized at the operational level and how budget discipline is enacted within housekeeping departments. Previous studies in hospitality accounting have largely focused on financial reporting, variance analysis, and managerial accounting systems; however, they have paid less attention to the behavioral dimensions that influence how cost-related information is understood and translated into operational practice. This study addresses that gap by investigating how housekeeping personnel perceive the financial implications of their daily activities and how they comply with established budgetary procedures.

The main objective of this research is to explore the formation and implementation of cost awareness and budget discipline within housekeeping operations. More specifically, the study seeks to understand how housekeeping managers and staff interpret cost-related responsibilities, how budgeting procedures are applied in daily operations, how compliance with departmental budgets is monitored, and how collaboration between housekeeping and accounting departments supports or constrains cost control practices. The study also aims to identify organizational and structural factors that influence cost-related behavior within the department.

To ensure conceptual clarity, cost awareness in this study refers to the extent to which housekeeping personnel understand and recognize the financial consequences of their operational activities, including labor allocation, material consumption, amenities usage, linen management, and equipment handling. Budget discipline refers to the degree of adherence to established financial procedures, including spending limits, authorization protocols, documentation requirements, and reporting systems within the housekeeping department. Housekeeping operations encompass all activities related to guest room cleaning,

public area maintenance, inventory management, supervision, and service standard implementation within the department

The research is conducted in a four-star hotel in Jakarta selected purposively based on the existence of a structured budgeting system, a formal housekeeping hierarchy, and a functioning accounting or finance department. Informants are selected using purposive sampling to ensure representation of both operational and financial perspectives. Participants include the Housekeeping Manager, Housekeeping Supervisor, room attendants, and a Cost Controller or Accounting Officer. This selection enables the researcher to capture diverse viewpoints regarding cost practices and departmental coordination.

Data are collected through in-depth semi-structured interviews, document analysis, and limited non-participant observation. Semi-structured interviews allow participants to share their experiences, perceptions, and challenges related to cost awareness and budget compliance. Document analysis includes reviewing departmental budgets, expense realization reports, standard operating procedures, and internal cost monitoring records to understand formal control mechanisms. Limited observation is conducted to gain contextual understanding of operational routines, particularly related to supply usage and workflow processes.

The collected data are analyzed using thematic analysis. The process begins with transcription of interview data, followed by open coding to identify significant statements and recurring concepts. Codes are then grouped into categories that reflect broader themes related to cost awareness behavior, budget discipline practices, interdepartmental collaboration, and organizational culture. Through iterative analysis, themes are refined and interpreted to construct a contextual understanding of how cost control is experienced and enacted within housekeeping operations.

To ensure research rigor, this study applies credibility and trustworthiness strategies including data triangulation across interviews, documents, and observations; member checking to confirm the accuracy of interview interpretations; peer debriefing to minimize researcher bias; and maintaining an audit trail documenting analytical decisions throughout the research process. These measures enhance the reliability and validity of qualitative findings and strengthen the study's contribution to hospitality managerial accounting literature.

RESULT AND DISCUSSION

The findings section of this study is structured around four major thematic dimensions emerging from the data analysis: (1) the formation of cost awareness, (2) the practice of budget discipline, (3) interdepartmental collaboration between housekeeping and accounting, and (4) organizational and structural influences on cost behavior. These themes were identified through iterative thematic coding of interview transcripts, supported by document analysis and operational observations.

Theme 1: The Formation of Cost Awareness in Housekeeping Operations

This theme explores how cost awareness is developed, understood, and practiced by housekeeping personnel.

Interview findings reveal that cost awareness among housekeeping staff emerges primarily through operational experience rather than formal financial training. Room attendants demonstrate awareness of material usage, particularly in relation to amenities and cleaning supplies, although their understanding of broader financial implications remains limited. Supervisory staff, however, display stronger familiarity with labor cost considerations,

especially regarding overtime allocation and scheduling efficiency. The findings suggest that cost awareness is often framed as a practical responsibility rather than a strategic financial concern. Include verbatim quotations such as:

"We try not to waste amenities because it affects the department budget." (Room Attendant)

Theme 2: Budget Discipline in Daily Operational Practices

Budget discipline within the housekeeping department is primarily maintained through structured approval procedures and monthly expense evaluations. The Housekeeping Manager plays a central role in monitoring spending patterns, particularly regarding supply requisitions and labor scheduling. However, interview data indicate that budget control tends to be reactive, especially when variance reports highlight overspending. Proactive financial planning appears to be limited at the operational level.

"We usually review expenses when the finance department sends us the monthly report." (Housekeeping Supervisor)

Theme 3: Collaboration Between Housekeeping and Accounting Departments

Findings indicate that collaboration between housekeeping and accounting is primarily formal and reporting-based. Communication is typically initiated by the finance department during monthly budget reviews. While accounting staff provide cost analysis and variance reports, operational managers sometimes perceive financial controls as restrictive to service quality objectives. This dynamic reflects a tension between cost efficiency and service excellence.

"Finance focuses on numbers, but we focus on guest satisfaction." (Housekeeping Manager)

Theme 4: Organizational and Structural Influences

Organizational culture significantly shapes cost-related behavior within the housekeeping department. Leadership emphasis on efficiency appears to enhance budget discipline, particularly when managers consistently communicate financial targets. However, limited financial training for operational staff constrains deeper understanding of budget structures. High occupancy periods also create structural pressures that challenge strict budget adherence.

"During the high season, our focus is speed, not cost." (Room Attendant)

The findings of this study provide important insights into how cost awareness and budget discipline are constructed and enacted within housekeeping operations. From a managerial accounting perspective, the results confirm that formal budgeting systems alone are insufficient to ensure effective cost control. Instead, cost management is strongly influenced by behavioral, cultural, and organizational factors.

First, the findings indicate that cost awareness among housekeeping personnel is predominantly operational rather than strategic. This supports the perspective of managerial accounting theory, which emphasizes that accounting information becomes effective only when it is internalized and translated into decision-making behavior. Although departmental budgets and variance reports exist, frontline staff often interpret cost control as practical efficiency (e.g., avoiding waste of amenities) rather than as part of a broader financial performance framework. This reflects the behavioral dimension of accounting, where

awareness is shaped by daily routines and managerial communication rather than formal financial training.

Second, budget discipline in housekeeping operations appears to rely heavily on hierarchical monitoring and formal approval mechanisms. In line with responsibility accounting theory, departmental managers act as cost center controllers who are accountable for budget performance. However, the study reveals that budget discipline tends to be reactive—activated when variance reports signal overspending—rather than proactive. This finding suggests a partial implementation of managerial accounting practices, where monitoring mechanisms exist but are not fully embedded in continuous planning processes.

Third, the collaboration between housekeeping and accounting departments demonstrates a structural separation between operational priorities and financial oversight. While accounting provides cost analysis and monitoring reports, operational managers often perceive financial control as potentially constraining service quality. This dynamic reflects the classic tension identified in managerial accounting literature between cost efficiency and service effectiveness. The findings suggest that effective cost control requires not only reporting systems but also relational integration between departments.

Finally, organizational culture plays a mediating role in shaping both cost awareness and budget discipline. Leadership communication, training practices, and performance expectations significantly influence how cost-related responsibilities are interpreted. This aligns with behavioral accounting theory, which argues that organizational norms and leadership styles affect financial compliance behavior. In periods of high occupancy, structural pressures weaken budget discipline despite existing cost awareness, indicating that situational factors moderate cost control effectiveness.

CONCLUSION

This study explores how cost awareness and budget discipline are constructed and practiced within housekeeping operations in a four-star hotel in Jakarta. The findings reveal that cost awareness primarily emerges through operational experience and managerial communication rather than formal financial training. Housekeeping personnel demonstrate practical sensitivity toward material usage and labor allocation; however, their understanding of broader financial implications remains limited. This indicates that cost awareness in operational departments is largely experiential and behavior-driven rather than strategically embedded.

Budget discipline within the housekeeping department is maintained through formal approval procedures, hierarchical supervision, and periodic financial reviews. Nevertheless, budget control practices tend to be reactive, particularly when variance reports indicate overspending. The study also highlights the importance of interdepartmental collaboration between housekeeping and accounting functions. While accounting departments provide financial oversight and monitoring tools, operational managers sometimes perceive financial controls as potentially constraining service quality objectives. Furthermore, organizational culture and leadership communication significantly influence how cost-related responsibilities are interpreted and implemented. During periods of high occupancy, operational pressure may weaken strict budget adherence despite existing cost awareness.

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