

Evaluation of the Daily Labor Budget and Calculation of Additional Labor Needs at Hotel XYZ in Makassar

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Abstract

Fluctuations in occupancy rates and the high frequency of special events in the hospitality industry require management to be adaptive in controlling variable operating costs, particularly the budget for casual/daily workers. This study aims to evaluate the effectiveness of implementing activity-based budgeting and flexible budgeting in meeting the need for additional staff at Hotel XYZ in Makassar. Using a quantitative descriptive approach with a case study method, this study analyzes actual budget expenditure data and the number of operational personnel during the transition period of November and December 2025. The results show that the implementation of flexible budgeting at Hotel XYZ in Makassar was highly responsive in addressing peak season demands. There was an 81.48% increase in the number of casual workers (from 27 to 49 personnel), accompanied by an 80.35% increase in budget allocation (from Rp90,217,130 to Rp162,711,180). The Food & Beverage (Kitchen & Banquet) division and the Security department were identified as the primary cost drivers, absorbing the largest portion of the budget to maintain the hotel's service and security standards. This study concludes that this dynamic budget adjustment is capable of optimizing the hotel's operational efficiency. Management is recommended to implement strict key performance indicators (KPIs) for casual workers and conduct cross-training to prevent the risk of rising variable costs that could erode the company's net profitability.

Keywords: Flexible Budget, Casual Labor, Hotel Occupancy, Operational Efficiency

INTRODUCTION

The post-pandemic tourism and hospitality industries are experiencing a highly dynamic yet competitive recovery, with consumer expectations regarding service standards

rising significantly (Arbindarta Kusuma, 2021)(Raditya, 2022). Amid this intense business competition, a hotel management team's ability to ensure business sustainability no longer depends solely on aggressive marketing strategies to attract guests. Management is required to demonstrate cost awareness and strict budget discipline across all operational lines (Nugraha et al., 2023). One of the greatest challenges facing hotel management today is managing the volatility of market demand, which often changes rapidly and directly impacts the stability of cash flow and the company's profit projections.

As one of the leading accommodations, Hotel XYZ Makassar is a 4 star hotel offering a comprehensive range of facilities in the city of Makassar. The hotel features a spacious lobby, a large-capacity ballroom, swimming pools for children and adults, spa services, a fitness center, and a variety of integrated entertainment venues. Strategically located on Jalan A. P. Pettarani the heart of the city Hotel XYZ Makassar boasts excellent accessibility and high visibility to the public. These comprehensive facilities enable the hotel to simultaneously serve various market segments, ranging from business travelers and families on vacation to serving as a premier destination for regional and national event organizers (Waliyamursida et al., 2025).

The comprehensive facilities and prime location of Hotel XYZ Makassar have had a significant positive impact on increasing occupancy rates and the hotel's appeal as a venue for special events (Somantri et al., 2024). Substantial investment in premium facilities has proven to be a crucial strategy for creating memorable guest experiences, fostering loyalty, and maximizing revenue from various business lines. However, this high volume of visitors has a direct impact on the hotel's operations (Made Erik Juniarta et al., 2024). Every surge in room occupancy and event hosting automatically leads to a massive increase in the use of resources, utilities, supplies, and daily service activities.

The direct impact of fluctuations in occupancy and event activity is felt in daily operating costs, particularly variable labor costs. Labor is one of the largest cost components in the hospitality industry, and its supply is highly dynamic, following the market demand curve. When a hotel enters its peak season, management cannot rely solely on permanent staff and must allocate additional funds to hire casual or daily workers (Susanti, 2023). Therefore, hospitality business managers are required to move away from a static budgeting system and adopt a flexible budget that can automatically and proportionally adjust expenditures in response to changes in actual business volume on the ground.

A common phenomenon in the field shows that adjusting workforce needs often involves complex challenges. When occupancy rates and the number of events spike sharply, Hotel XYZ Makassar frequently faces operational challenges such as staff shortages, which lead to a decline in service quality, delays in service, unaddressed guest complaints, and even

physical exhaustion (overload) among employees. Failure to immediately meet the ideal daily staffing levels can damage the hotel's reputation through negative reviews from guests. Conversely, if management hires an excessive number of daily workers without careful planning, the hotel will experience financial waste (budget variance) in the form of high operating costs that directly erode profit margins, and may even risk incurring losses when occupancy rates drop again (Andriani & Ujianto, 2025).

Given the magnitude of these operational and financial risks, research on the evaluation of the daily labor budget is of great importance and strategic value to hotel management (Wulandari & Simanjorang, 2023). This research is not merely a technical study of expense accounting but rather a problem-solving effort (solution-oriented) to find the optimal balance between three critical elements: guest satisfaction levels, operational cost efficiency, and employee well-being or measurable workload (Lidia Berliana Siboro, 2025). Through comparative and activity-based analysis, this research serves as a tool for management to allocate human resources precisely, avoid budgetary inefficiencies, and maintain the stability of service quality at Hotel XYZ Makassar under all market conditions.

Given the pressing need described above, this study aims to evaluate the effectiveness of the operational budget for daily workers using an activity-based budgeting approach. The researcher will focus on a comparative analysis of actual data regarding the number of operational personnel and the allocation of the casual labor budget for November and December 2025 a period known as one of the transitional phases leading up to the peak of year-end visits. Through this descriptive quantitative approach, it is hoped that the evaluation results will accurately map the patterns of daily labor needs by department, provide an overview of budget variances, and formulate tactical recommendations that management can use in future strategic decision-making processes.

THEORETICAL REVIEW

The Theory of Daily Labor Budgeting

Daily labor budgeting is rooted in the Theory of Operational Budgeting and Cost Accounting. The Theory of Cost Efficiency: Daily budgets serve as a control tool. In cost accounting, daily labor is generally categorized as a variable cost or direct labor, the amount of which fluctuates according to the day's production volume or workload. By preparing a daily budget, management can minimize wage costs resulting from idle time. Work Scheduling Theory: This principle governs the daily allocation of working hours to meet short-term targets without triggering excessive overtime costs. A strict daily schedule ensures that available labor capacity matches required capacity (Nur et al., 2022).

METHOD

This study employs a descriptive quantitative approach using the case study method at the XYZ Hotel in Makassar. The descriptive quantitative approach was chosen because this study focuses on the objective collection, processing, and presentation of numerical data regarding budget allocation and the number of casual/daily workers. Through this approach, the researcher does not test statistical hypotheses or seek parametric causal relationships but rather seeks to describe, mathematically and systematically, the budget variance and the percentage of fluctuation in daily staff requirements across departments during the observed period (Neuman, 2011).

The data sources for this study consist entirely of quantitative secondary data, obtained directly from the financial and operational management of Hotel XYZ in Makassar. The data collected include profit and loss statements, draft staffing budgets (casual budgets), and records of the actual number of daily staff per department for the period of November and December 2025. Data collection was conducted using the documentation method, which involved downloading, recording, and classifying draft financial reports and daily employee manifests relevant to the hotel's operational analysis needs.

The data analysis technique used was quantitative descriptive analysis, applying the formulas for Analysis of Variance and Growth Percentage. The steps for quantitative analysis were as follows:

1. Calculate the difference (variance) between the budget allocation and the actual number of daily workers in each department.
2. Calculate the percentage change in the number of personnel and budget costs from November to December 2025 using the standard descriptive formula:
$$\text{Percentage Increase} = \frac{\text{December Data} - \text{November Data}}{\text{November Data}} \times 100\%$$
3. Present the results of these calculations in the form of a comparative table and a graph to identify the department with the highest budget burden. The results of these calculations are then interpreted descriptively to formulate efficiency recommendations for hotel management.

RESULTS

1. Description and Presentation of Daily Labor Budget Data

An evaluation of operational cost efficiency at Hotel XYZ in Makassar was conducted by analyzing draft expense reports and the allocation of daily workers (casual/daily workers) during two critical periods: November 2025 (regular season) and December 2025 (peak season). The data was classified by operational department to examine the specific dis-

tribution of cost burdens. This quantitative comparative data is presented in Table 1 below:

Table 1. Comparison of Personnel Allocations and Budgets for Casual Workers for the November–December 2025 Period

No	Department / Division	Number of Casual Employees (Nov-25)	Casual Employee Budget (Nov-25)	Number of Casual Employees (Dec-25)	Casual Employee Budget (Dec-25)
1	Front Office	1	Rp3.766.920	3	Rp11.300.760
2	Housekeeping	3	Rp8.520.000	5	Rp14.200.000
3	Engineering	2	Rp6.066.000	4	Rp12.132.000
4	FBS - Banquet	4	Rp14.420.000	6	Rp21.630.000
5	FBS - Sky-pool	1	Rp3.640.000	3	Rp10.920.000
6	FBS - Suna-chi	0	Rp0	1	Rp3.380.000
7	FBS - KOI	0	Rp0	1	Rp3.125.000
8	FBS - Bar	0	Rp0	1	Rp3.225.000
9	FBS - Legend	0	Rp0	1	Rp3.225.000
10	FBS - Exlo	0	Rp0	1	Rp3.125.000
11	FBP - Product (Kitchen)	7	Rp22.680.000	10	Rp32.400.000
12	Entertainment	0	Rp0	0	Rp0
13	Finance & IT	0	Rp0	0	Rp0
14	Security	7	Rp25.480.000	9	Rp32.760.000
15	Sales & Marketing (S&M)	0	Rp0	0	Rp0
16	Parking	2	Rp5.644.210	4	Rp11.288.420
-	TOTAL	27	Rp90.217.130	49	Rp162.711.180

2. Analysis of Workforce Fluctuations and Growth

Based on the data visualization in Table 1, there was a very significant surge in the number of daily workers in December 2025. The total number of casual workers increased from 27 to 49. Using the growth percentage calculation, the expansion in the workforce was as follows:

$$\text{Workforce Growth} = (49 - 27) / 27 \times 100\% = 81.48\%$$

This 81.48% increase implicitly reflects the tactical response by the management of Hotel XYZ Makassar in anticipation of the year-end peak season and the 2026 New Year's celebrations. This immediate increase aligns with the concept of Activity-Based Budgeting, in which staffing levels are not fixed (static) but are directly driven by projected business activity volumes, such as room reservation trends and ballroom booking schedules for large banquet events.

3. Analysis of Operating Budget Expenses and Departmental Clustering

As the number of personnel surged, the total daily labor cost budget crept up from Rp90,217,130 to Rp162,711,180, representing an increase of 80.35%. An in-depth analysis of the cost structure by department identified three main clusters that accounted for the largest share of the budget in December:

- a. Food & Beverage Sector (Product & Service): The Food & Beverage Product (Kitchen) Division was the sector with the largest workforce allocation, totaling 10 people with a budget of Rp32.4 million. Meanwhile, FBS - Banquet saw an increase in spending to Rp21.63 million for 6 people. When combined with the hiring of casual staff at secondary outlets (Sunachi, KOI, Bar, Legend, Exlo)—which was initially zero in November—the F&B sector accounted for more than 45% of the hotel's total daily operating budget. This confirms that Food & Beverage activities are the primary cost driver of the hotel's variable expenses during spikes in special events.
- b. Security Sector: The security department accounted for the second-highest budget allocation in December, totaling Rp32.76 million for 9 personnel. This high allocation reflects management's preventive policy to tighten security protocols, crowd control, and property surveillance due to increased foot traffic at the XYZ Hotel in Makassar throughout the year-end holiday season.
- c. Support Sectors (Front Office, Housekeeping & Parking): The front-line departments and parking facilities saw a proportional increase of two to three times. This increase aims to maintain service quality so that check-in/check-out processes and room cleanliness remain at 4-star hotel standards even under high occupancy conditions.
- d. Based on the data in the table above, we can see a comparison of the increase in workforce size, with a significant rise in the number of staff from November to December. The total number of casual workers increased from 27 in November to 49 in December.

Interpretation: There was an increase of 22 personnel (up ~81%). This indicates that the hotel is preparing for the year-end peak season or the 2026 New Year's celebrations. Budget Analysis of Total Expenses: The budget increased from Rp90,217,130 (Nov) to Rp162,711,180 (Dec).

- e. Department with the Highest Expenses: FBP - Product (Kitchen): Budgeted Rp32.4 million for 10 staff members in December. This is the largest number of staff. Security: Budgeted Rp32.7 million for 9 people. This indicates a strong focus on security during the December period. FBS - Banquet: Increased from 4 people to 6 people at a cost of Rp21.6 million, likely due to the large number of year-end events.

DISCUSSION

Theoretically, the pattern of surges in variable costs demonstrated by Hotel XYZ Makassar confirms the effectiveness of implementing a Flexible Budget. In modern financial management, daily labor cost budgets are indeed designed to automatically adjust expenditure levels in response to actual fluctuations in business activity. When room occupancy rates and the number of events increase, this rise in operating costs is justified because it is accompanied by the potential for increased revenue generation from room sales and event packages.

However, management must remain vigilant regarding the point of efficiency saturation. The hiring of daily staff at small outlets (such as KOI, Sunachi, and the Bar)—each of which incurs costs ranging from Rp3.1 to Rp3.3 million—needs to be closely monitored through measurable Key Performance Indicators (KPIs). If the addition of these daily casual staff is not offset by high productivity or if the outlet's sales targets are missed, then these variable costs risk becoming a deadweight loss that actually reduces the hotel's net profitability. Striking a balance between increasing staff numbers to ensure guest satisfaction and strictly controlling financial expenditures is the key to the success of Hotel XYZ Makassar's operational management.

CONCLUSION

Based on the results of a quantitative descriptive analysis of budget management and the allocation of daily (casual) workers at Hotel XYZ Makassar during November and December 2025, the following key conclusions can be drawn:

1. Effectiveness of Budget Flexibility: The implementation of flexible budgeting and activity-based budgeting at Hotel XYZ Makassar has proven to be responsive. Management was able to dynamically adjust the allocation of casual workers to anticipate a surge in operational activity leading up to the year-end peak season. This is demonstrated by an 81.48% increase in the number of casual staff (from 27 to 49

people), which is directly proportional to an 80.35% increase in the total labor budget (from Rp90,217,130 to Rp162,711,180).

2. Key Cost Drivers: The Food & Beverage division (including both Product/Kitchen and Service/Banquet) and the Security department accounted for the largest portion of the budget and were the key cost drivers of the hotel's variable expenses in December. The F&B sector accounted for more than 45% of the budget due to the hiring of staff at secondary outlets and the high frequency of banquet events. Meanwhile, the Security department had the second-highest budget allocation (Rp32.76 million) to ensure compliance with security protocols and crowd control measures during the holiday season.
3. Managerial Implications: Although this surge in variable costs can be academically justified as being driven by increased business volume (occupancy and events), the precise allocation of daily temporary staff across each work unit remains crucial. Measured cost control through strict key performance indicators (KPIs) is essential to ensure that this addition of daily staff makes a tangible contribution to enhancing service quality and optimizing the hotel's net profit margin, rather than becoming a source of financial inefficiency that harms the company.

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