

IJBESAR

**International Journal of  
Business and Economic  
Sciences Applied Research**  
**8(3): 83-96**

<http://ijbesar.teiemt.gr>



**Influence of outsourcing on innovativeness and characteristics of hotel enterprises  
in the Dubrovnik-Neretva county**

**Želimir Dulčić<sup>1</sup>, Zdenko Klepić<sup>2</sup>, Goran Vučur<sup>3</sup>**

<sup>1</sup>University of Split, Faculty of Economics, CviteFisković 5, 21000 Split,  
zelimir.dulcic@efst.hr

<sup>2</sup>University of Mostar, Faculty of Economics, MaticeHrvatske bb, 88000 Mostar,  
zdenko.kleplic@sve-mo.ba

<sup>3</sup>University of Dubrovnik, BraniteljaDubrovnika 29, 20000 Dubrovnik,  
goran.vucur@unidu.hr

**Abstract**

**Purpose** – The paper aims to explore the application of outsourcing in hotel enterprises in the Dubrovnik-Neretva County. The purpose of the paper is to explore the correlation between outsourcing and innovativeness of hotel companies.

**Design/methodology/approach** – The hypothesis is that an increase in the level of outsourcing is related to a higher degree of innovation of hotel enterprises. We will analyze innovations in the tourism sector related to the introduction of new products and services, technological equipment and software, new activities and organization of business operations, as well as innovations in the field of marketing.

**Findings** – Quick response to market changes and raising the level of competitiveness are considered to be key factors of business of hotel enterprises. Strategic management of hotel enterprises involves the use of different tools that help improve the business performance. Outsourcing of activities can be used as an option that facilitates the improvement of business operations. By using outsourcing, an enterprise tries to improve a variety of business segments that are included in the internal organization of the business, thereby trying to meet the needs of consumers. An important factor in business of an enterprise is innovation that results in creating comparative advantage over competitors.

**Research limitations/implications** – The research was limited to a period of one year and includes area of Dubrovnik-Neretva County in Republic of Croatia.

**Originality/value** – The research will be focused on the application of outsourcing in hotel enterprises, where it is planned to investigate the activities that are separated the most and their importance for the company's business. Attention will also be focused on characteristics of hotel enterprises with regard to outsourcing.

**Keywords:** outsourcing, innovativeness, characteristics of hotel enterprises

**JEL Classification:** L20

## 1. Introduction

After the successfully completed transition period, Croatian tourism achieved enviable results, particularly in the last fifteen years, when progressive growth and development were registered. Considering the last period from 2012 onwards, it can be concluded that the average increase in overnight stays on an annual basis in the Dubrovnik-Neretva County stood at the level of 6.5%.<sup>1</sup> More than 50% of the observed overnight stays accounts for hotels and similar accommodation. In accordance with that, the marked dynamism of the tourist market calls for a clear strategy to be defined by hotel enterprises, by clearly defining the objectives that are intended to be achieved in a certain time period. The specificity of hotel services is manifested in the fact that competition necessitates positioning on the market with the use of outsourcing and innovation that facilitate the differentiation of supply and increase in the market share. In addition, the business of hotel enterprises is sensitive to geopolitical and economic trends in the market, the globalization of which has forced hotel enterprises to invest additional efforts into a strategy that would contribute to achieving business success. Since hotel enterprises cannot influence the external environment, it is necessary to focus attention on internal business segments that can help achieve a better position in relation to the competition.

The objective of the paper is to explore outsourcing as a strategic tool with which hotel companies separate part of their activities and try to reduce costs and raise the quality of their services. The research is focused on hotel enterprises in the Dubrovnik-Neretva County, where it is desired to explore the correlation between outsourcing and innovativeness of hotel enterprises. In accordance with the studied literature, it can be assumed that there is a correlation between outsourcing, which

contributes to increasing levels of innovativeness of hotel enterprises through innovations in business operations. The analysis will include manufacturing, technological, process, organizational and marketing innovations.

In accordance with the stated facts, the following hypothesis can be made:

***H1: Hotel enterprises that have a higher level of outsourcing have a higher level of innovativeness.***

Also, basic characteristics of the hotel companies that separate some business activities will be explored, in which process it will be established whether there is a statistically significant difference with regard to application of outsourcing. In studying the characteristics of hotel companies, it can be assumed that a difference in basic characteristics exists, or that the hotel companies that use outsourcing differ from the hotel companies that do not use it. As the criteria that will be included in the study, it is possible to select: legal form, ownership structure, number of seasonal employees, size and age of hotel companies.

In accordance with the abovementioned, the following hypothesis therefore can be made:

***H2: Hotel companies that use outsourcing are different from the hotel companies that do not use outsourcing in basic characteristics.***

The research methodology includes a questionnaire as the research instrument that is distributed to randomly selected hotel companies included in the basic set of the study. Once collected, the data were sorted out and processed, and based on the formed database, statistical analysis was carried out, the results of which are presented in the empirical part of the study.

In terms of the structure of the paper, it should be emphasized that the introductory part of the paper covers introductory considerations of the subject area, resulting in the objective and purpose of the research, on

---

<sup>1</sup> Croatian Bureau of Statistics, [www.dzs.hr](http://www.dzs.hr), (accessed 6.6.2014)

the basis of which we make hypotheses that we will try to prove in the following, by using an adequate methodology. Also, the first part of the paper presents in more detail the theoretical framework that takes into account previous research of the considered subject area. The second part of the paper represents the empirical part of the research in which results of the conducted study are presented. At the end, the paper presents final considerations, recommendations for future research and limitations that affected the considered research.

## **2. Outsourcing in the context of innovativeness and characteristics of hotel enterprises**

Business operations in the hotel sector call for a wide range of knowledge and skills of hotel managers, who often do not have enough time to devote themselves to each hotel activity sufficiently, which poses a problem in current business and puts into question the quality of the performed service and expenses incurred in the performance. In line with this, it is possible to consider the specifics of hotel services in business operations of hotel enterprises that are very sensitive to tourist demand, which is location-specific or specific to the position of the hotel enterprise. The specifics of services offered by hotel enterprises are tangible and intangible in nature. The traditional understanding of basic functions of hotel business is related to food and accommodation, while other functions had a secondary character. As the tourist sector evolves, the functions gradually become business processes consisting of a series of activities, which assume different levels of importance for business operations of hotel companies. The manifestation of performance of certain activities represents the foundation for perception of the service experienced by guests, while employees at all operational levels in hotel companies play the main roles. A special role is played by managers who by their decisions help create a hierarchical structure of business processes or influence the performance of individual business activities of hotel enterprises. In

accordance with the above facts, it is necessary to take into consideration various possibilities of operative management, whose ultimate goal is to raise business performance levels of hotel companies. In this context, it is possible to consider the concept of outsourcing, which is offered as a strategic tool for achieving the set goals of hotel enterprises. Outsourcing involves transferring internal business functions, processes or activities to outside suppliers or service providers as set forth in a concluded contract (Greaver, 1999, p.3). In addition to separating certain activities, which may involve transfer of staff, property and equipment, the concept of outsourcing today is used as a synonym for raising the quality levels of performance of some activities so as to include creating added value. Beginnings of the idea of outsourcing were aimed at separating some secondary business activities in order to achieve savings, while recently the concept of outsourcing is used to achieve a strategic position in the market. Separation of certain activities depends on the size, location, market and ownership of hotel enterprises. Consideration of implementation of outsourcing in hotel enterprises need to be viewed through competencies, organizational culture, the system of review, evaluation and control of activities, the branding system and operativeness of the business (Lamminmäki, 2003, p.70-88). Most hotel enterprises in the world base their business on separating and branding individual business activities (Barrows et. al., 2006, p.419). Differentiation of supply through outsourcing is used for implementation of new ideas in order to achieve competitive advantage and increase the level of invention and innovation of hotel enterprises.

Consideration of innovativeness in the context of business of hotel enterprises need to be viewed through the following specific qualities that characterize the business of hotel enterprises (Pivčević, 2010, p.61):

- Simultaneousness of production and consumption of services,
- IT intensiveness,

- Importance of the human factor,
- Importance of organizational factors.

All these parameters represent the specifics of the hotel sector that are manifested through a wide range of hotel business activities, the final product of which are the services provided to guests. The process of innovations is the systematic development and practical application of ideas or the process of turning innovations into new procedures, techniques, technological processes, technologies and products (Buble et. al., 2007, p.90). Previous research (Pivčević, 2010, p.78-81) of innovativeness of hotel enterprises resulted in the conclusion that material innovations were applied more than service innovations. Lack of financial resources is stated as the main reason of the insufficient level of innovativeness. A higher level of innovativeness is registered in larger hotels that have a higher service category, and the environment of hotel enterprise is emphasized as an important factor affecting innovation. Also, it can be concluded that there is a positive relationship between the internal employee training and introduction of innovations. This suggests a strong commitment to employment through training gives positive impacts on innovation activities (Martinez- Ros et. al., 2012, p.693).

In general, innovativeness in the tourism industry can be observed through changes in the product, processes, logistics, organization, market and marketing. The above factors influence the perceived experience of guests (Peters et. al., 2009, p.79.). Innovations in hotel companies are an integral part of internal processes and are aimed at creating long-term value. The research process consists of two stages that are related to research of the market and design and development of a product or service. In the research process, we obtain knowledge of the characteristics of the market and needs of potential and present consumers. Having identified the needs and wishes of consumers in the target market, hotel enterprises make efforts to find

innovative solutions for development of new products and services that usually have longer service life than "traditional" products or services (Žager et. al., 2008, p.363-366). Consideration of innovation processes in hotel enterprises need to take into account continuous changes of trends and demands in the market and to involve them in planning processes. To find new ways of attracting guests by promoting the supply and increasing the quality of guest stays is one of the important tasks of innovativeness in hotel enterprises. The analysis should also include the differentiation in relation to the competition through differences in the supply and perception of products and services (Peters et. al., 2009, p.130). It is necessary to consider the facts related to increasingly demanding attitude of guests, who simultaneously want new services and also expect standardized services that hotel companies have, in which process they can be very price-sensitive at one moment, while at another moment they are not interested in the cost price of a certain product or service. Therefore, business operations of hotel companies must take into account innovativeness of all business segments, which guests compare with other competitors, selecting the hotel company that will best satisfy their needs and preferences.

By observing innovations in the hotel business, it is possible to carry out the classification of innovations into (Pivčević, 2010, p.67, 245-246):

- Production innovations - involve the introduction of entirely new products and services and/or significant improvement of the existing ones (e.g. different loyalty programs for guests, traditional events, etc.),
- Technological innovations - involve the introduction of new technological equipment or software and/or significant improvement of the existing ones (e.g. surveillance system, "smart" rooms, etc.),
- Process innovations - involve the introduction of new and/or significant improvement of the existing methods of providing services, distribution and/or

support business activities (e.g. changes in logistics etc.),

➤ Organizational innovations - involve the introduction of new organizational business methods and/or significant improvement of the existing ones (e.g. changes in relations with external partners etc.),

➤ Marketing innovations - involve the introduction of a new and/or significant improvement of the old design and interior and exterior decoration, method of promotion and/or sales (e.g. new logo etc.).

A continued focus on the satisfaction of guest needs through innovativeness of the hotel business is essential for achieving the leading position in the market. The increasingly demanding market forces hotel companies to understand innovativeness as a key factor of creating value. In this context, predicting future wishes and needs of guests ensures superiority over increasingly large and capable competition. Originality of ideas in the hotel business has an important role in increasing guest loyalty and increasing the share in target markets. Innovativeness may require additional financial investments that represent costs in the short term. However, in the long term, if business of a hotel enterprise is oriented to meeting the needs of guests through satisfied employees, innovativeness helps hotel companies achieve business success.

Characteristics of hotel enterprises that determine business operations of hotel enterprises have an important role in everything. Hotel enterprise is a complex legal body that is different from other enterprises in the tourism sector in many respects. If a comparison with agencies, restaurants and casinos is made, it can be concluded that hotel enterprises are operation- and capital-sensitive. It is these very differences that influence the structure and mechanisms of corporate governance

(DropulićRužić et. al., 2011, p.180). As an economic entity, enterprise represents a complex concept that should be considered from the aspects of ownership, scope of activity, size, legal form, sociological aspect, and other aspects that give it some other characteristics (Cerović, 2010, p.102). If ownership structure of hotel enterprises is taken into account, it can be concluded that hotel enterprises that are domestic or foreign majority private property are more successful in terms of business than majority state-owned hotel enterprises (KneževićCvelbar et. al., 2007, p.32). One of the essential characteristics of hotel companies concerns work force and the ratio of permanent to seasonal employees. Due to a high percentage of staff turnover, hotel enterprises spend a lot of time on the recruitment of new employees that may be outside of the hotel enterprise or in the form of promotion of the existing staff (Hayes et. al., 2005, p.145-146). Although hotel enterprises do not pay greater attention to staff recruitment, it should be noted that the said is one of the key factors of business success of hotel enterprises because it is directly related to provision of services and contact with guests. Therefore, it is necessary to examine characteristics of hotel companies in the context of application of outsourcing and analyze the results, on the basis of which it will be determined whether hotel enterprises differ in characteristics with respect to application of outsourcing.

### **3. Survey**

#### **3.1 Survey method**

According to the database of the Croatian Chamber of Commerce<sup>2</sup>, 51 hotel companies were registered in the area of the Dubrovnik-Neretva County (DNC) under the sort code I551<sup>3</sup> Hotels and Similar Accommodation. The basic set includes all active small, medium and large hotel enterprises that have one or more employees and that have

---

<sup>2</sup>Croatian Chamber of Economy, [http://www1.biznet.hr/HgkWeb/do/extlogon?lang=hr\\_HR](http://www1.biznet.hr/HgkWeb/do/extlogon?lang=hr_HR), [accessed 6.6.2014]

<sup>3</sup> According to National Classification of Activities from 2007 of Croatian Bureau of Statistics

submitted financial statements for 2013 and are located in the area of the above county.

**Table 1: Number of hotel companies and structure of the basic set and sample**

Size of the hotel company	Basic set		Sample	
	Number of companies	% of companies	Number of companies	% of companies
Small (1 or more employees)	33	64,71	20	62,50
Medium	17	33,33	11	34,38
Large	1	1,96	1	3,13
TOTAL	51	100,00	32	100,00

Source: Made by authors

Companies are classified as small hotel enterprises with up to 50 employees, medium hotel enterprises with from 51 to 250 employees and large hotel enterprises with more than 250 employees. A sample of 32 hotel companies was defined by random selection from the predefined basic set, accounting for 62.75% hotel enterprises from the basic set. The questionnaire was distributed to e-mail address of selected hotel companies that duly filled it out. The software suite IBM SPSS Statistics 20 was used for data

processing. The data used in the study were related to the year 2013.

### 3.2 Survey results

Survey results showed that, out of the total number of enterprises that have filled out the questionnaire, 62.5% hotel companies use outsourcing, while 37.5% do not use it. Out of the total number of companies that do not use outsourcing, 16.67% of hotel companies stopped using outsourcing, 25% intend to start using it, while 58.33% of hotel companies do not intend to start using outsourcing.

**Table 2: Application of outsourcing in hotel companies in DNC**

Application of outsourcing					
		Freq	Percent	Valid Percent	Cumulative Percent
Valid	Yes, presently we use it	20	62,500	62,500	62,50
	No, we stopped using it	2	6,250	6,250	68,75
	No, but we intend to use it	3	9,375	9,375	78,125
	No, and neither we intend to use it	7	21,875	21,875	100,0
	Total	32	100,0	100,0	

Source: Survey results N=32

Considering the hotel companies that do not apply outsourcing, it can be concluded that 27.27% of them believe that it is the best to perform all activities within their own company, the same percentage express a concern about jobs of their own staff, 9.10% of them express fear of losing control over transferred activities, 18.18% of them believe that sufficiently high-quality outsourcing partners do not exist in the market, while the same percentage of

hotel companies never considered the options of applying outsourcing.

**Table 3: Activities that were the subject of outsourcing in hotel companies in DNC**

Activity	% of companies
Laundry	31,3%
IT systems	21,9%

Animation	18,8%
Security and surveillance	15,6%
Legal affairs	15,6%
Room cleaning	15,6%
Technical maintenance	12,5%
Cleaning of common premises	12,5%
Accounting	9,4%
Marketing	9,4%
Gardening services	6,3%
Purchasing and delivery	6,3%
Sales	6,3%
Education	6,3%
Restaurants	6,3%
Management	6,3%
Work force	3,1%
Market research	3,1%
Sports and recreation	3,1%
Bars	3,1%
Kitchen work	0,0%
Reception	0,0%

Source: Survey results N=32

If operational activities are taken into consideration, it can be concluded that outsourcing is used the most in the activities related to laundry services, IT systems and animation. Activities that are not separated at all are related to kitchen work and reception.

In order to obtain outsourcing levels of individual hotel companies, it was necessary to carry out the procedure of min max normalization,<sup>1</sup> or divide the number of outsourced activities with the total number of activities. Percentage levels of outsourcing were obtained in the described manner for each individual hotel company. The obtained outsourcing levels were correlated with individual innovation indicators.

A Likert scale of 7 intensity points, indicating innovation levels in hotel companies for each particular indicator, was used to measure innovation indicators. Since innovation indicators are not directly measurable, we conducted confirmatory factor analysis (Rozga, 2011, p.52) that tested and confirmed agreement of models according to the theoretical concept with the empirical data.

**Table 4: Correlation between the total outsourcing levels and innovation of hotel companies in DNC**

		Correlations						
		O1	I1	I2	I3	I4	I5	
Spearman's rho	O1	Correlation Coefficient	1,000	,228	,334*	,254	,327*	,268
		Sig. (1-tailed)	.	,105	,031	,080	,034	,069
		N	32	32	32	32	32	32
	I1	Correlation Coefficient	,228	1,000	,692**	,752**	,832**	,736**

<sup>1</sup>[http://hr.swewe.net/word\\_show.htm/?54163\\_1&Normalizacija](http://hr.swewe.net/word_show.htm/?54163_1&Normalizacija), [accessed 4.5.2015]

		Sig. (1-tailed)	,105	.	,000	,000	,000	,000
		N	32	32	32	32	32	32
	I2	Correlation Coefficient	,334*	,692**	1,000	,714**	,754**	,737**
		Sig. (1-tailed)	,031	,000	.	,000	,000	,000
		N	32	32	32	32	32	32
	I3	Correlation Coefficient	,254	,752**	,714**	1,000	,862**	,833**
		Sig. (1-tailed)	,080	,000	,000	.	,000	,000
		N	32	32	32	32	32	32
	I4	Correlation Coefficient	,327*	,832**	,754**	,862**	1,000	,924**
		Sig. (1-tailed)	,034	,000	,000	,000	.	,000
		N	32	32	32	32	32	32
	I5	Correlation Coefficient	,268	,736**	,737**	,833**	,924**	1,000
		Sig. (1-tailed)	,069	,000	,000	,000	,000	.
		N	32	32	32	32	32	32
*. Correlation is significant at the 0.05 level (1-tailed).								
**. Correlation is significant at the 0.01 level (1-tailed).								

Source: Survey results N=32

Spearman's rank correlation coefficient is used to test the influence of the total level of outsourcing of business activities of hotel companies on innovation of hotel companies (Rozga et. al., 2009, p.128). The previous table shows the value of Spearman's rank correlation coefficient between the level of outsourcing in terms of the number of separated activities in % (O1) and introduction of new services and/or significant improvement of the existing ones (I1), introduction of new technological equipment or software and/or significant improvement of the existing ones (I2), introduction of new methods of service provision or distribution and/or significant improvement of the existing ones (I3), introduction of new organizational methods and/or significant improvement of the existing ones (I4), introduction of a new design and decoration of the hotel and/or significant improvement of the existing ones (I5). The results show that there is a positive and statistically significant correlation between the level of outsourcing of business activities of hotel companies and innovation of hotel companies measured by all company

innovation variables at a significance level of 10%, except between the level of outsourcing and introduction of new services and/or significant improvement of the existing ones, which slightly exceeds the significance level of 10%. **This confirms the hypothesis H1 that says: Hotel enterprises that have a higher level of outsourcing have a higher level of innovativeness.**

Chi-square test is used to examine if there is a statistically significant difference in characteristics of hotel enterprises with respect to application of outsourcing. An overview of individual relations between application of outsourcing and individual characteristics of hotel companies is given in the following.

**Table 5: Relation between application of outsourcing and age of hotel companies in DNC**

<b>Application of outsourcing 1 * Age of company Cross tabulation</b>				
		Age of company		Total
		Up to 15 years	More than 15 years	
Application of outsourcing 1	No	8	4	12
	Yes	7	13	20
Total		15	17	32

Source: Survey results N=32

The previous table shows the relation between application of outsourcing (AO1) and age of company (AC) with respect to the number of hotel companies

**Table 6: Chi-square test of application of outsourcing and age of hotel companies in DNC**

<b>Chi-Square Tests</b>					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	3,020 <sup>a</sup>	1	,082		
Continuity Correction <sup>b</sup>	1,882	1	,170		
Likelihood Ratio	3,062	1	,080		
Fisher's Exact Test				,144	,085
Linear-by-Linear Association	2,926	1	,087		
N of Valid Cases	32				

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 5,63.

b. Computed only for a 2x2 table

Source: Survey results N=32

The results of chi-square test show that there is a statistically significant difference in application of outsourcing between hotel companies with respect to age of company at a significance level of 10%.

**Table 7: Relation between application of outsourcing and size of hotel companies in DNC**

<b>Application of outsourcing 1 * Size of company Cross tabulation</b>				
		Size of company		Total
		Up to 100 employees	More than 100 employees	
Application of outsourcing 1	No	5	7	12
	Yes	18	2	20
Total		23	9	32

Source: Survey results N=32

The previous table shows the relation between application of outsourcing (AO1) and size of company (SC) with respect to the number of hotel companies.

**Table 8: Chi-square test of application of outsourcing and size of hotel companies in DNC**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	8,667 <sup>a</sup>	1	,003		
Continuity Correction <sup>b</sup>	6,441	1	,011		
Likelihood Ratio	8,720	1	,003		
Fisher's Exact Test				,006	,006
Linear-by-Linear Association	8,396	1	,004		
N of Valid Cases	32				

a. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,38.

b. Computed only for a 2x2 table

Source: Survey results N=32

The results of chi-square test show that there is a statistically significant difference in application of outsourcing between hotel companies with respect to size of company at a significance level of 1%.

**Table 9: Relation between application of outsourcing and legal form of hotel companies in DNC**

Application of outsourcing 1 * Legal form of company Cross tabulation				
		Legal form of company		Total
		Limited liability company	Joint stock company	
Application of outsourcing 1	No	9	3	12
	Yes	9	11	20
Total		18	14	32

Source: Survey results N=32

The previous table shows the relation between application of outsourcing (AO1) and legal form of the company (LF) with respect to the number of hotel companies.

**Table 10: Chi-square test of application of outsourcing and legal form of hotel companies in DNC**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	2,743 <sup>a</sup>	1	,098		
Continuity Correction <sup>b</sup>	1,659	1	,198		
Likelihood Ratio	2,839	1	,092		
Fisher's Exact Test				,147	,098
Linear-by-Linear Association	2,657	1	,103		
N of Valid Cases	32				

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 5,25.

b. Computed only for a 2x2 table

Source: Survey results N=32

The results of chi-square test show that there is a statistically significant difference in application of outsourcing between hotel companies with respect to legal form of company at a significance level of 10%.

**Table 11: Relation between application of outsourcing and ownership structure of hotel companies in DNC**

<b>Application of outsourcing 1 * Ownership structure of company Cross tabulation</b>				
		Ownership structure of company		Total
		Domestic	Foreign	
1	No	6	6	12
	Yes	18	2	20
Total		24	8	32

Source: Survey results N=32

The previous table shows the relation between application of outsourcing (AO1) and ownership structure of company (OS) with respect to the number of hotel companies.

**Table 12: Chi-square test of application of outsourcing and ownership structure of hotel companies in DNC**

<b>Chi-Square Tests</b>					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	6,400 <sup>a</sup>	1	,011		
Continuity Correction <sup>b</sup>	4,444	1	,035		
Likelihood Ratio	6,351	1	,012		
Fisher's Exact Test				,030	,018
Linear-by-Linear Association	6,200	1	,013		
N of Valid Cases	32				

a. 1 cells (25,0%) have expected count less than 5. The minimum expected count is 3,00.

b. Computed only for a 2x2 table

Source: Survey results N=32

The results of chi-square test show that there is a statistically significant difference in application of outsourcing between hotel companies with respect to ownership structure of company at a significance level of 5%.

**Table 13: Relation between application of outsourcing and number of seasonal employees of hotel companies in DNC**

<b>Application of outsourcing 1 * Number of seasonal employees Cross tabulation</b>				
		Number of seasonal employees		Total
		Up to 30	More than 30	
Application of outsourcing 1	No	6	6	12
	Yes	11	9	20
Total		17	15	32

Source: Survey results N=32

The previous table shows the relation between application of outsourcing (AOI) and number of seasonal employees (NSE) with respect to the number of hotel companies.

**Table 14: Chi-square test of application of outsourcing and number of seasonal employees of hotel companies in DNC**

Chi-Square Tests					
	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	,075 <sup>a</sup>	1	,784		
Continuity Correction <sup>b</sup>	,000	1	1,000		
Likelihood Ratio	,075	1	,784		
Fisher's Exact Test				1,000	,536
Linear-by-Linear Association	,073	1	,787		
N of Valid Cases	32				

a. 0 cells (0,0%) have expected count less than 5. The minimum expected count is 5,63.

b. Computed only for a 2x2 table

Source: Survey results N=32

The results of chi-square test show that there is no statistically significant difference in application of outsourcing between hotel companies with respect to number of seasonal employees.

In keeping with the above results, it is possible to make the following judgment of the hypothesis. We confirm the hypothesis H2, which says: Hotel companies that use outsourcing are different from the hotel companies that do not use outsourcing in basic characteristics.

#### 4. Conclusion

Since the hotel sector records continuous growth in overnight stays and as such represents one of the most important factors of tourism industry, it is necessary to point out the possibilities of improving business through the application of outsourcing as a strategic tool. In addition to numerous advantages that outsourcing brings, it should be emphasized that the conducted research proved that an increase in the level of outsourcing is directly related to an increase in the level of innovation, or that outsourcing contributes to production, technological, process, organizational and marketing innovations in hotel enterprises. Consequently, it can be concluded that

outsourcing contributes to the introduction of new or improvement of the existing technological equipment of hotel companies, leads to improved organizational methods of business operations and new methods of providing services, and helps raise the reputation of hotel enterprises. Although the influence of outsourcing on production innovations stood just over the limit of statistical significance, the limit can not be clearly set and it can be concluded that outsourcing has the least influence on production innovations that involve introduction of new products and services in the business of hotel enterprises. The above is set as the logical conclusion that can be explained by the fact that separation of secondary business activities aims to separate those activities that do not have a direct contact with guests, i.e. that such activities do not generate the final product or service, which external contractors directly offer to guests. If we analyze the business activities that are separated the most, it can be concluded that activities concerning the direct supply of products and services to guests are separated in rare cases (except for activities related to animation of guests). Examining the characteristics of hotel

enterprises and correlating them with outsourcing, we can conclude that the typical hotel companies that apply outsourcing are older than 15 years and have up to 100 permanent employees. It is interesting to point out that the trend of separating individual activities in larger hotel enterprises is reverse. The hotel enterprises that apply outsourcing to a greater extent run business as domestically-owned joint stock companies. The situation with foreign-owned hotel enterprises is in the opposite. Considering the number of seasonal employees, it can be concluded that there is no statistically significant difference in application of outsourcing between hotel companies. Observing the relevant literature, it can be concluded that the introduction of new products and services linked to the type of communication and presentation which directly affects business results. Also, research shows that the introduction of new information technologies was the most beneficial and had an impact on the future performance of hotel companies.

As one of the possible limitations of the research, it is possible to specify the time frame, which is limited to one year. Outsourcing represents a dynamic process that most often refers to a period of several years, and should be considered as such in order to bring out a more realistic picture on the influence on particular business segments of hotel enterprises. As a limitation, it is necessary to consider the external and internal environment of hotel companies that affect the application of outsourcing in an area, in this case the area of a county.

Future research should be based on studying outsourcing in the context of comparison of different business activities in order to get a clearer picture of application of outsourcing in the economy in general. What should also be explored is the dynamic character of outsourcing involving monitoring of the said phenomenon through a longer period of time, and which has a significant role in creating strategies of hotel enterprises. It is recommended to analyze

characteristics of hotel enterprises in even more detail so as to include in the research the largest possible number of indicators that will ultimately generate a model of hotel company with respect to application of outsourcing.

## References

- Barrows, C. W., Giannakopoulos, E., 2006, 'Istraživanje eksternalizacije pripreme hrane u kanadskim hotelima', *Turizam: međunarodno stručno časopis*, 54, 4, pp. 417-424.
- Buble, M., Klepić, Z., 2007, *Menadžment malih poduzeća – osnove poduzetništva*, Faculty of Economics, University of Mostar, Mostar
- Cerović, Z., 2010, *Hotelski menadžment – drugo izmijenjeno izdanje*, Faculty of Tourism and Hospitality Management - University of Rijeka, Opatija
- Dropulić Ružić, M., 2011, 'Korporativno upravljanje u hotelskim poduzećima - slučaj Hrvatske', *Ekonomski misao i praksa*, 1, pp. 171-201.
- Croatian Bureau of Statistics, [www.dzs.hr](http://www.dzs.hr), (accessed 6.6.2014)
- Greaver II, M. F., 1999, *Strategic Outsourcing: A Structured Approach to Outsourcing Decisions and Initiatives*, AMACOM, New York
- Hayes, D.K., Ninemeier, J.D., 2005, *Upravljanje hotelskim poslovanjem*, M plus, Zagreb
- Croatian Chamber of Economy, [http://www1.biznet.hr/HgkWeb/do/exitlogon?lang=hr\\_HR](http://www1.biznet.hr/HgkWeb/do/exitlogon?lang=hr_HR), (accessed 6.6.2014)
- [http://hr.swewe.net/word\\_show.htm/?54163\\_1&Normalizacija](http://hr.swewe.net/word_show.htm/?54163_1&Normalizacija), (accessed 4.5.2015)
- Knežević Cvelbar, Lj., Mihalič, T., 2007, 'Ownership Structure as a Corporate Governance Mechanism in Slovenian Hotels',

- Privrednakretanjaiekonomska politika*, 112, pp. 27-51.
- Lamminmaki, D., 2003, *Outsourcing in the Hotel Industry: A Management Accounting Perspective*, Griffith University, Gold Coast
- Martinez-Ros, E., Orfila-Sintes, F., 2012, 'Training plans, manager's characteristics and innovation in the accommodation industry', *International Journal of Hospitality Management*, 31, 3, pp. 686-694.
- Osnovnitestovi u SPSS-u, <http://stat.uns.ac.rs/LLLprogramme/NP/TeachingMaterial/Uputstvo.pdf>, (accessed 4.5.2015)
- Peters, M., Pikkemaat, B., 2009, *Innovation in Hospitality and Tourism*, **The Haworth Hospitality Press**, New York
- Pivčević, S., 2010, *Umrežavanje kao čimbenik inovativnosti hotela*, doktorski rad, Fakultet za ekonomiju, Split
- Rozga, A., Grčić, B., 2009, *Poslovnastatistika*, Fakultet za ekonomiju, Split
- Rozga, A., 2011, *Multivarijatna analiza - autoriziranapredavanja*, Fakultet za ekonomiju, Split
- Sampetua Hariandja, E., 2011, 'The relationship between Innovation, Marketing Communication, and Performance in Hospitality Industries - A Conceptual Framework', *Proceeding of Industrial Engineering and Service Science*, September 20-21
- Žager, K., Mamić-Sačar, I., Sever, S., Žager, L., 2008, *Analiza financijskih izvještaja - 2. prošireno izdanje*, Masmedia, Zagreb