



**A STUDY ON COST CONTROL PRACTICES
TOWARDS
ORGANIZATIONAL PERFORMANCE IN
HOSPITALITY INDUSTRY;
WITH SPECIAL REFERENCE TO FOUR-STAR AND FIVE-
STAR HOTELS IN DOWN SOUTH AREA**

This dissertation is submitted as a partial fulfillment of the degree of
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Management

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ABSTRACT

The growth of the hospitality and tourism sector has been rapidly growing in recent years and therefore increase in tourism business has become increasingly popular with it. Further with its exponential growth, the business owners pay much concern on increasing their profit margin. Most business owners expect short term economic benefits, despite long term economic benefits create a great effectiveness to develop sustainable business. Therefore, they concern on implementing cost control practices to improve the business revenue as well as the performance of the company. Hence, the objective of the study is to identify the current cost control practices, to identify the current issues and barriers encompass when implementing the cost control practices and to examine the factors affecting to improve cost control practices towards organizational performance in the hospitality industry. Primary data collected from 12 managers in selected Four-star and Five-star hotels, located in the Down South area of Sri Lanka, who have the membership of Sri Lanka Tourism Development Authority. Qualitative data analytical method was employed and the collected data were transcribed and analyzed by using Thematic Analysis. The findings of the study revealed that the most of the hotels are practicing cost control techniques in order to increase profit margin and perform well within the pre-determined budget. Further, the recommendations of this study included the importance of implementing cost control practices and how they improve the performance of the organization.

Keywords: Hospitality industry, Cost Control practices, Organizational Performance