

BMTP4004

Managing Tourism, Leisure and Events Organisations

Organisational Structure



HOSPITALITY
AND
TOURISM
MANAGEMENT



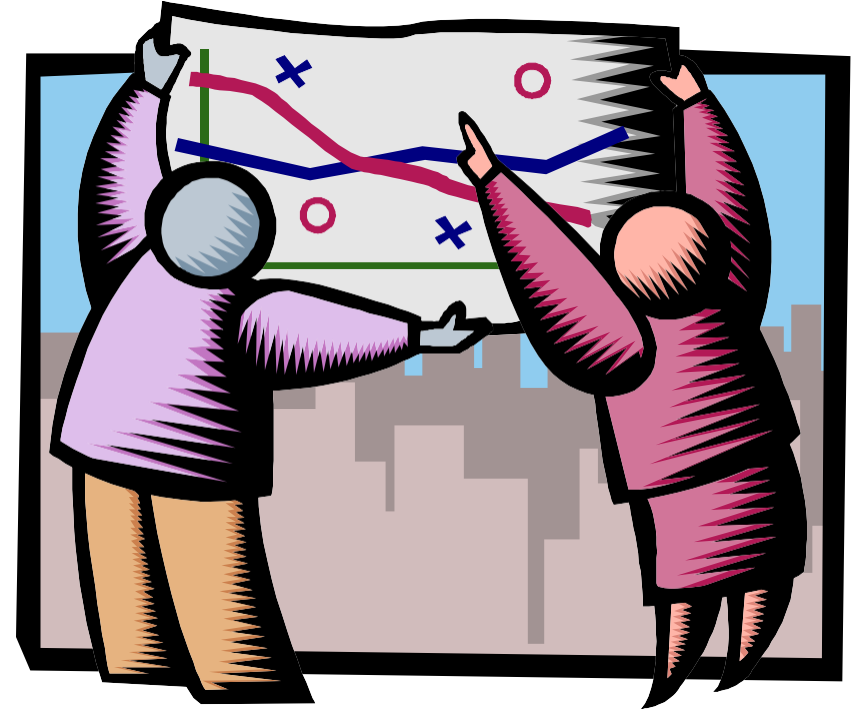
Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales



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Today's Objectives

- Review the concept of organisational structure and its key principles.
- Identify the levels of an organisation and formal relationships.
- Explain why having a good structure is important and the risks of getting it wrong.
- Explore new and emerging organisational structures.



What is an Organisation?

An organisation is a **group of people** who work together to **achieve common goals**.

Key Characteristics:

- **Structure:** Defined roles, responsibilities, and hierarchy.
- **Goals:** Clear objectives and purpose (e.g., profit, social good).
- **Resources:** Uses resources like people, money, and materials to achieve goals.

Types of Organisations:

- **For-profit:** (e.g., businesses)
- **Non-profit:** (e.g., charities)
- **Governmental:** (e.g., public services)



Why do Organisations Exist?



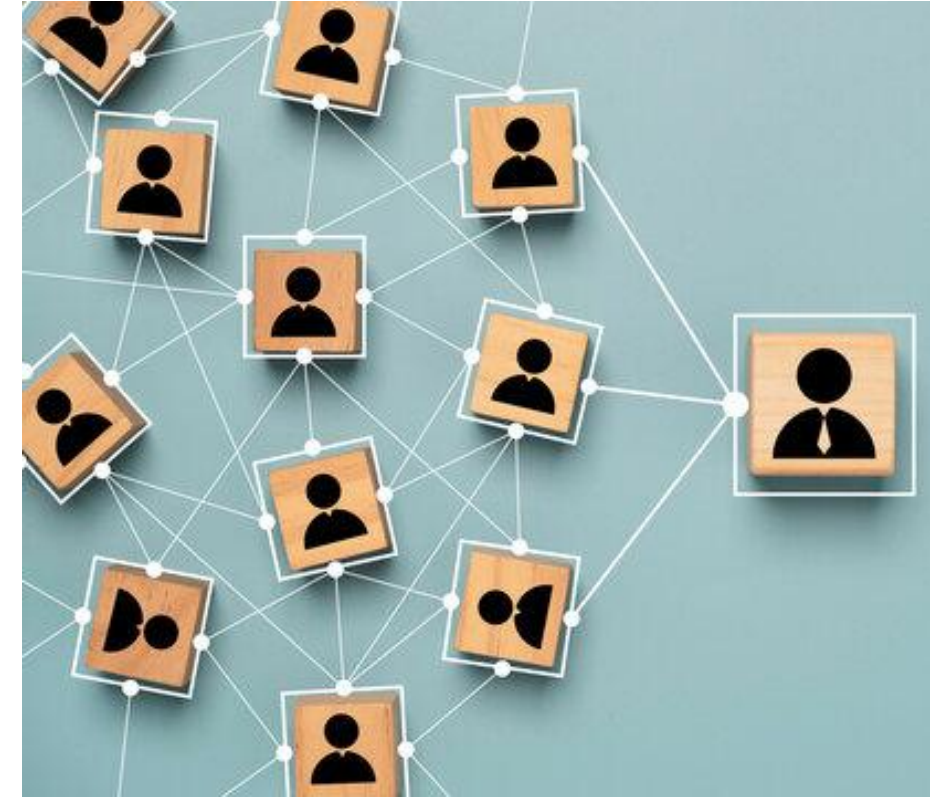
- Organisations bring people together to **achieve goals** that individuals can't reach alone, like profit, social impact, or innovation.
- Organisations provide structure and coordination to use resources **efficiently**, like time, money, and people.
- Organisations **bring together people** with different skills to work toward a common goal.
- Organisations **create value** through products, services, or social impact for customers, employees, and communities.

Organisation Structure

Organisational structure is how roles, responsibilities, and authority are organised within a company.

What's considered in an organisation structure?

- **Hierarchy:** The levels of authority, from top management to lower-level employees.
- **Roles & Responsibilities:** How tasks and duties are divided among individuals or departments.
- **Communication Channels:** The pathways for information and decision-making.



Objectives of Structure

- **Clarify Roles and Responsibilities:** Defines who does what, ensuring clear duties for everyone.
- **Ensure Efficient Communication:** Organises communication to share information effectively at all levels.
- **Improve Decision-Making:** A clear structure defines authority and decision-makers, improving the process.
- **Support Growth and Adaptability:** Allows the organisation to grow and adapt with a flexible structure.



Factors Influencing Organisational Design

- **External Environment:** Economic factors, market trends, competition and technology shape an organisation's design.
- **Organisational Strategy:** Goals like growth or innovation influence structure, with innovation needing flexibility.
- **Size of the Organisation:** Larger organisations are more complex and hierarchical, while smaller ones are more informal.
- **Employee Skills:** Skills affect training, delegation, and decision-making.



The Importance of Good Structure

- **Clarifies Roles and Responsibilities:** Ensures everyone knows their job, reducing confusion.
- **Improves Communication:** Sets clear channels for efficient information flow.
- **Increases Efficiency:** Streamlines tasks and decision-making.
- **Supports Growth:** A strong structure helps the organisation scale and adapt.
- **Boosts Morale:** Clear structure reduces stress and creates a positive work environment.



Types of Organisational Structure



ORGANISATIONAL STRUCTURES EXPLAINED

FLAT

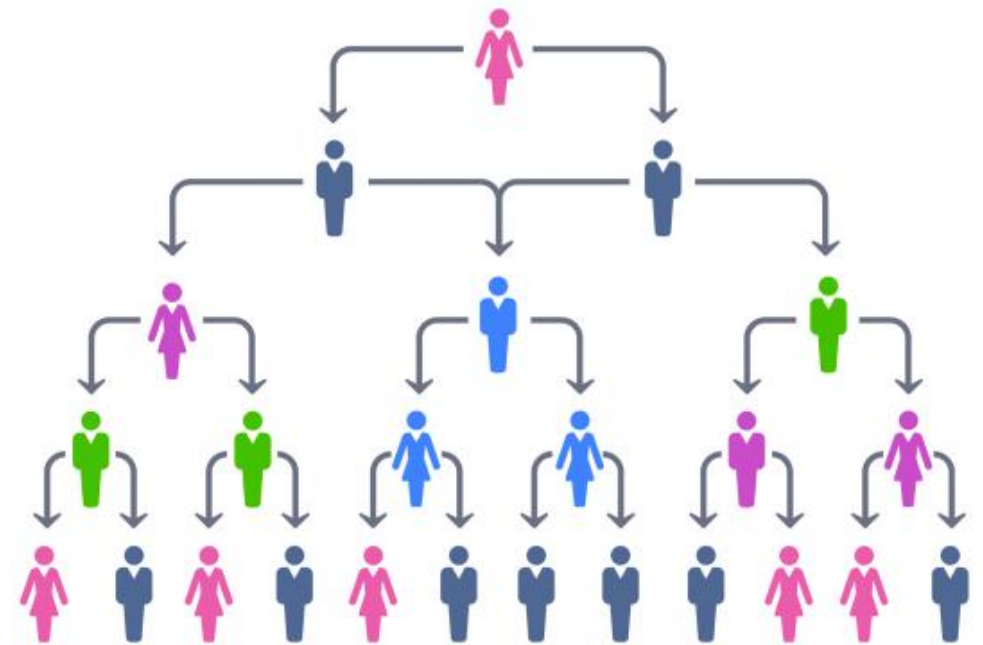
HIERARCHICAL

MATRIX

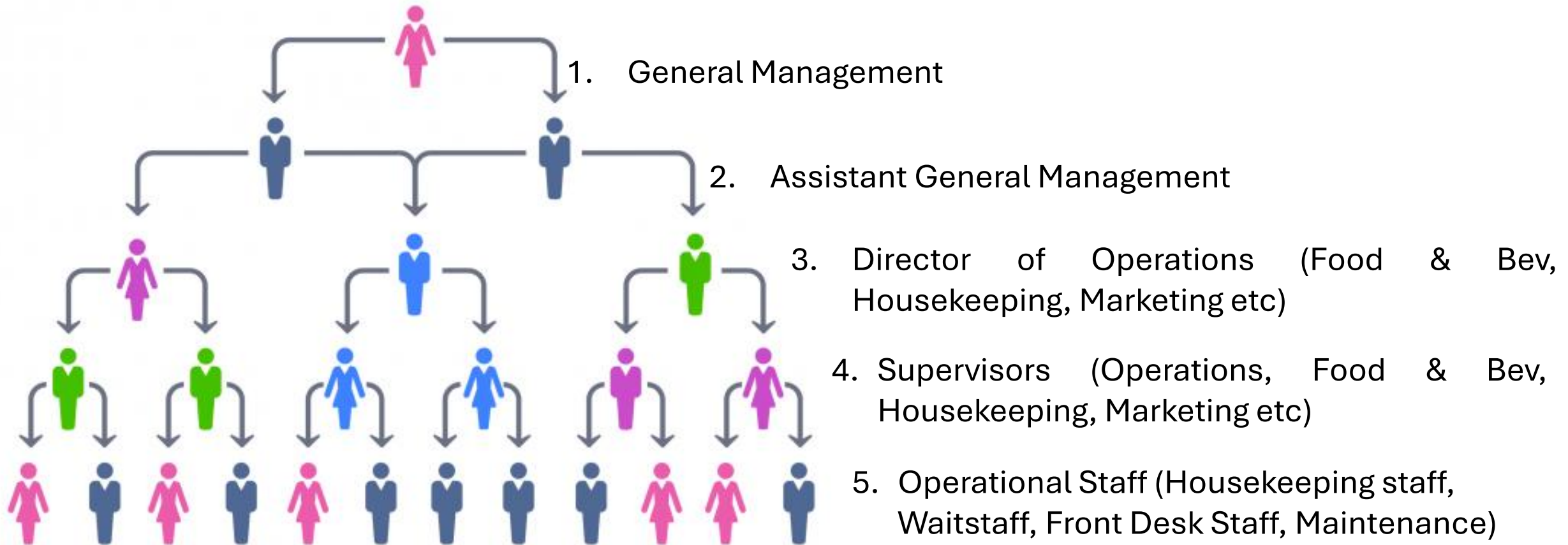
1. Hierarchical Structure

A **hierarchical** structure groups employees by authority levels, with each level having clear responsibilities.

- **Clear Chain of Command:** Employees report to supervisors, who report to higher management.
- **Levels of Authority:** The structure has multiple levels, with top management at the peak.
- **Centralised Decision-Making:** Decisions are made by higher levels of the hierarchy.



Grandview Hotel (Hierarchical Structure)



Hierarchical Structure – Example

Employee 1: Sarah (Housekeeping Staff)

Reports to:

- **Housekeeping Supervisor** (directly)
- **Director of Housekeeping** (indirectly, through supervisor)
- **General Manager** (ultimately, though there are several layers in between)

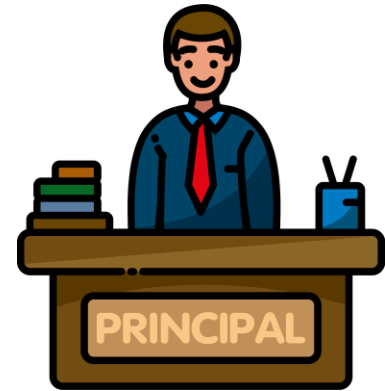


Hi! I'm Sarah

Hierarchical Structure

However, a hierarchical structure is not just found in a workplace organisation...

1. Hierarchy at School (Headteacher > Teachers > Students)



2. Hierarchy at Home (Parents > Siblings > Me)



3. Hierarchy in a Social Situation (Group Leader > Group Members)



Hierarchical Structure - Advantages

- **Clear Roles:** Everyone knows their position, reducing confusion.
- **Defined Authority:** A clear chain of command improves decision-making and accountability.
- **Specialised Roles:** Employees focus on specific tasks, boosting efficiency.
- **Consistency and Control:** Easier to maintain control and enforce policies.



Hierarchical Structure - Disadvantages



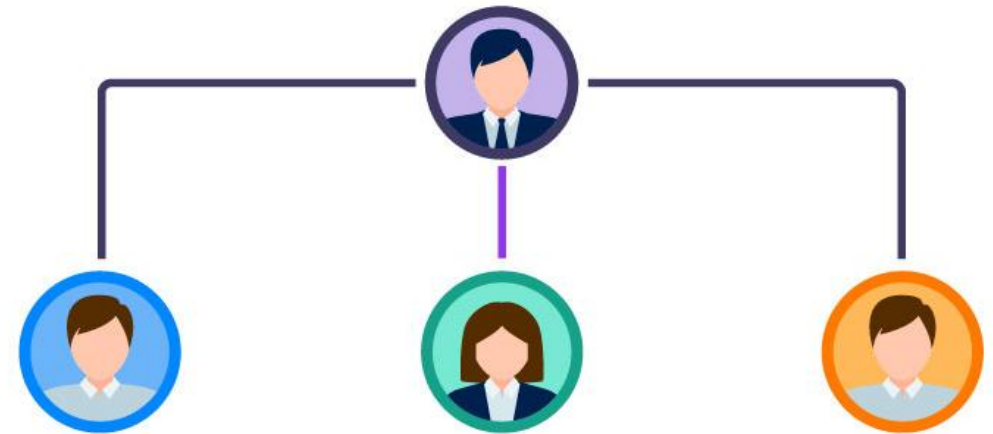
- **Limited Communication:** Messages may be slower due to multiple levels of authority.
- **Inflexibility:** The structure can be rigid, making change and innovation harder.
- **Employee Morale:** Lower-level employees may feel disconnected due to limited input.
- **Slow Decision-Making:** Decisions can be delayed as they move up the hierarchy.

2. Flat Structure

A **flat organisational structure** is one that has fewer levels of management between employees and top executives.

Key Features:

- **Minimal Hierarchy:** Few layers of management.
- **Decentralised Decision-Making:** Employees at all levels have more autonomy to make decisions.
- **Broad Span of Control:** Managers oversee larger teams due to fewer hierarchical layers.



Flat Structure - Example

Cosy Inn is a small boutique hotel with a flat structure, offering personalised guest experiences in a cosy, informal setting. Employees have more independence and decision-making power due to the few management levels.

Staff Structure:

- **Owner/ Manager:** Manager the entire hotel, overseeing all operations
- **Team Members (Multiple Roles):**
 - Receptionists
 - Housekeeping Staff
 - Chefs and kitchen staff
 - Waitstaff
 - Maintenance staff



Flat Structure - Example

In this flat structure, the Owner/Manager is at the top, and there are no middle managers. The staff members all roles have more direct involvement in decision-making and communication.

How does this work for Sarah (Front Desk Receptionist)?

Reports to: Owner/ Manager (directly)

Responsibilities:

- Sarah manages check-ins, check-outs, reservations, and guest inquiries. She communicates directly with the Owner/Manager about issues or suggestions.
- Sarah can make decisions, like offering discounts or resolving complaints, to speed up operations.



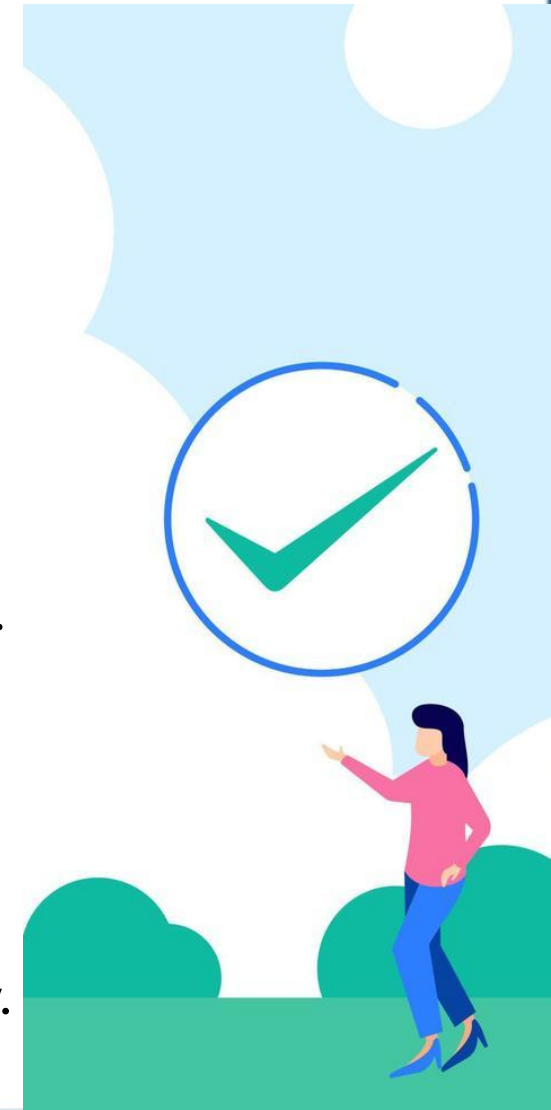
Flat Organisational Structure - Scenario

Read the scenario provided to you and answer/ discuss the following questions;

1. How can the flat structure help solve the issues quickly in this scenario?
2. What challenges might arise from having a flat structure during a busy weekend like this?
3. Without middle managers, how can the team members stay motivated and focused on their tasks?
4. What strategies can the staff use to coordinate and communicate effectively during this busy time, given the lack of hierarchy?
5. How could the GM ensure that the hotel runs smoothly even if they can't be available for all decisions?

Flat Structure - Advantages

- **Faster Decision-Making:** Fewer layers mean quicker decisions.
- **Greater Autonomy:** Employees have more freedom, boosting ownership and empowerment.
- **Increased Communication:** Communication flows more easily with fewer levels.
- **Cost-Effective:** Fewer managers reduce costs and overhead.
- **Flexibility and Innovation:** A flat structure encourages adaptability and creativity.



Flat Structure - Disadvantages

- **Lack of Clear Authority:** Fewer management levels can create confusion over decision-making.
- **Limited Career Progression:** Fewer management positions offer less chance for advancement.
- **Role Ambiguity:** Broad roles can lead to unclear responsibilities and inefficiency.
- **Overburdened Managers:** Managers may struggle with overseeing too many employees, reducing personal attention.



When is a Flat Structure Effective?

- 1. Small to Medium-Sized Organisations:** Flat structures suit smaller teams, where flexibility and communication are key.
- 2. Innovative Environments:** Flat structures support creativity, innovation, and quick responses to change.
- 3. High Trust and Autonomy:** Works well when employees are skilled and trusted to make decisions independently.



3. *Matrix Structure*

A matrix structure is an organisational design that combines both functional and project-based structures. Employees report to **two managers**:

1. **Functional Manager:** Manages an employee's department (e.g., finance, marketing).
 2. **Project Manager:** Oversees the overall working environment (e.g. Manager/ Owner).
- **Dual Reporting:** Employees have more than one manager.
 - **Cross-Functional Teams:** Encourages collaboration across departments to achieve project goals.
 - **Flexible and Dynamic:** Adaptable to changes in projects and business needs.

Matrix Structure – Example

LuxuryStay Hotels is a large hotel chain with multiple locations, offering services like accommodations, food, events, and leisure. The company uses a matrix structure for flexibility and collaboration across departments and locations.

Functional Manager	Hotel Manager (Project Manager)
Housekeeper Manager	Hotel Manager A (Hotel in City X)
Food & Bev Manager	Hotel Manager B (Hotel in City Y)
Sales and Marketing Manager	Hotel Manager C (Hotel in City Z)
Human Resource Manager	
Finance Manager	
Guest Service Manager	
Maintenance Manager	

Matrix Structure – Example

In this matrix structure, the employees at LuxuryStay Hotels work under two reporting lines: a **functional manager** (overseeing their department) and a **hotel manager** (overseeing a specific hotel or event).

Employee: John (Housekeeping Staff)

Reports to:

- **Functional Manager:** Housekeeping Manager
- **Hotel Manager:** Hotel Manager A (Hotel in City X)



Functional Role:

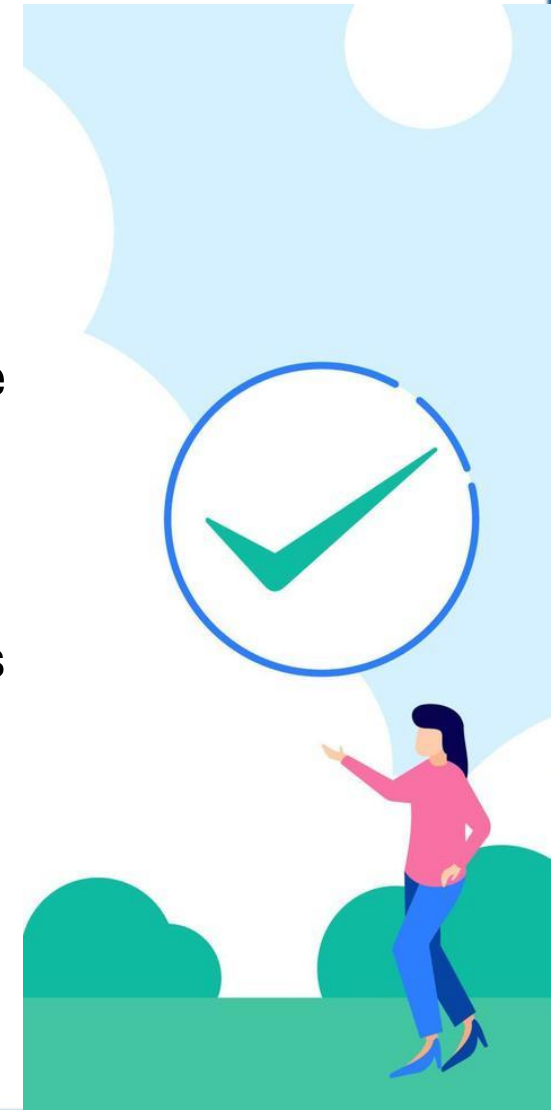
John, part of the housekeeping team, cleans rooms, makes beds, and maintains hotel cleanliness, following the **Housekeeping Manager's** standards.

Hotel-Specific Duties:

John works with **Hotel Manager A** to ensure housekeeping tasks are done on time, especially during peak times like conferences or large events.

Matrix Structure - Advantages

- **Enhanced Collaboration:** Promotes teamwork across departments.
- **Better Resource Allocation:** Resources are shared for more efficient use of skills.
- **Improved Decision-Making:** Access to multiple managers' expertise leads to better decisions.
- **Fosters Innovation:** Diverse perspectives encourage creative solutions.



Matrix Structure - Disadvantages

- **Complex Reporting:** Dual reporting can cause confusion over authority and responsibilities.
- **Power Struggles:** Tension between managers can lead to unclear decision-making.
- **Resource Conflicts:** Both managers may compete for limited resources.
- **Employee Confusion:** Employees may struggle to manage multiple tasks and priorities.



4. *Team-Based Structure*

A **team-based structure** groups employees into teams responsible for specific projects or processes, working independently toward common goals.

Key Features:

- **Decentralised:** Decision-making is pushed down to the team level.
- **Cross-Functional:** Teams often consist of members from different departments or areas of expertise.
- **Collaboration-Focused:** Emphasises collaboration and communication within and between teams.
- **Empowerment:** Teams are given the authority and responsibility to make decisions and take action.

How would this work in a tourism/ events context?

- A team-based structure means **different teams work together** to organise parts of an event or tourist experience.
- One team might handle bookings and customer service, while another takes care of things like transportation or setting up the venue.
- Each team has its own job but **works closely** with others to make sure everything goes well for the guests or attendees.



Team-Based Structure

Read the scenario provided to you and answer/ discuss the following questions;

1. How would you prioritise the tasks for each team (Front Desk, Housekeeping, Food & Beverage, and Maintenance) in this situation?
2. Which team should take the lead in resolving the guests' complaints, and how can other teams support them?
3. How can you ensure clear communication between teams to prevent confusion or delays?
4. What can you do to prevent similar issues from arising in the future, and how can you ensure that all teams work well together in the future?
5. How would you motivate your team members to stay calm and focused during a high-pressure situation like this?

Team-Based Structure – Advantages

- **Better Communication:** Teams can easily talk to each other, reducing barriers between departments.
- **More Flexibility & Innovation:** Teams can adapt quickly and come up with creative solutions.
- **Quicker Decisions:** Teams can make decisions fast without long approval processes.
- **Boosted Motivation:** Employees feel more motivated when they have control over their work.



Team-Based Structure – Disadvantages

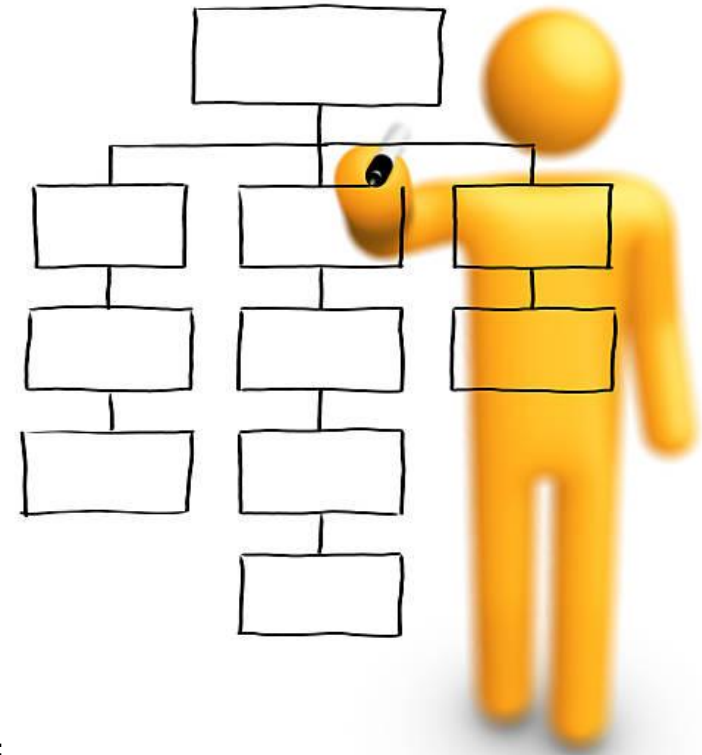


- **Unclear Roles:** Without clear hierarchies, roles and responsibilities can be confusing.
- **Potential Conflicts:** Differences in opinions and working styles can cause team conflicts.
- **Coordination Issues:** Multiple teams working separately can make coordination difficult.
- **Resource Strain:** Teams may compete for limited resources like budget, staff, or time.
- **Overworked Teams:** Teams may feel pressured or overburdened, leading to burnout.

Organisational Structure

Recap:

- **Flat Structure:** Few or no levels of middle management between staff and executives.
- **Matrix Structure:** Employees report to both functional managers and project managers.
- **Team-Based Structure:** Emphasises teamwork and collaboration; departments are based on specific projects or goals.
- **Hierarchical Structure:** Traditional structure with multiple levels of management, clearly defined roles, and a clear chain of command.



Next Week!

- Next week, we will be looking at **Change Management!**
- We will also review **Assignment Two** (Round Table Discussion) next week. Please note the following:
 1. Form your groups (I will confirm these by next week).
 2. Review the assignment brief.
 3. Conduct some preliminary research on the assigned topics.



I look forward to seeing you next week.

If you have any questions, please contact me
on Teams or through email

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