

Organizational Structure and Goals

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### Analysis of the Industry

The hospitality industry by nature is labor intensive and operates in a multifaceted dynamic environment composed of small independent enterprises (Sufi, n.d.). The primary goals of this industry include uncompromised customer service and product quality. Customers are the heart of this industry, and the main focus is on the customer base. Customers obtain this service for recreation, and an unpleasant experience might prevent them from returning again. Thus, customer satisfaction is the key to success in this industry. In addition, brand loyalty is the key to continued success in this sector. Hence, associated companies do their best to offer quality services. Reliability and quality of service, therefore, have to be top-notch. Product quality and employee welfare must be taken care of to achieve these larger goals (Widjaya, 2015).

### Essential Functional Areas for a Hotel

Being a part of the hospitality or the service industry, hotels share broader goals and features of these industries. Since the main goals of a hotel are to ensure quality service, customer delight, and brand loyalty, a hotel must be supported with necessary functional areas that contribute toward achieving these goals. Therefore, the three essential functional areas identified for a luxury hotel include the following:

- **Human resources (HR):** Human resources are valuable assets for any organization (Cherian & Farouq, 2013). When it comes to quality of service, a firm must be willing to invest in skilled employees (Widjaya, 2015). Since the hospitality industry is “customer facing,” people who interact with customers must be properly trained. A major problem in the hotel industry, however, is related to employment. For example, according to the International Society of Hospitality Consultants report “Top Ten Issues in the Hospitality

Industry for 2007,” more people are exiting than entering the hospitality workforce. The report identifies below average wages as a cause. This is where the role of the human resource function becomes prominent. Expert recruiters help businesses select quality housekeepers, wait staff, chefs, and bartenders they require. Also, by ensuring that every position is described in detail, HR helps new hires and veteran workers get a clear picture about their duties and responsibilities (Bolden-Barrett, 2016). By hiring proficient employees, providing training, and compensating them in accordance to market standards, HR helps counter workforce problems in a labor-intensive industry.

- **Marketing and branding:** Marketing is a process by which a product or service is introduced and promoted to potential customers. The marketing umbrella of any management covers advertising, public relations, promotions, and sales. Without the marketing wing, sales may crash and companies may have to close. Marketing helps an organization on a larger level by getting the word out to potential customers about the various attributes of a product or service. The advancement in marketing techniques, such as e-marketing, mobile apps, and social network systems, allows hotels to deliver messages to customers and the market that inform them about the wide range of available products and services. (Pereira & Almeida, 2014).

In addition, marketing builds brand name and recognition for a company. Forming an exclusive brand identity is essential to establish a firm’s customer base in a competitive hospitality market. Customer experience is top priority for marketing executives. By making strategic decisions about item type, branding method, and monetary expenditures, marketing managers make the hospitality experience memorable for customers. Frontline employees, be it people behind the counter, on the phone, in the

cloud, or walking the floor, have a strong ability to influence customer experience.

Branding ensures that customers return again and recommend the hotel's services to others.

- **Information technology (IT):** IT is becoming an essential part of every business, big and small. It has an intense effect on both the hotel industry and its customers. Improving customer experience means understanding the customer by analyzing their patterns and behaviors. It requires comprehending and then strategically using data analytics to examine the data an organization collects on a customer—the Big Data. Information generated by the IT department helps the marketing team keep customers informed about existing and improved services, communicate constantly with the target market in order to offer last minute deals for consumers, and facilitate technology-based services. This in turn leads to enhanced customer relationship management (CRM). The IT function also allows hotel chains to coordinate the collection, management, and dissemination of guest information, which is an expensive process (MacKechnie, 2016).

### **The Organizational Structure for the Selected Functional Areas**

Most hotels are based on a functional organizational structure. In this structure, each functional department is administered and directed by a supervisor, who reports to the general manager. In a functional structure, coordinating tasks and communication within departments is easier, and the resulting job specialization leads to enhanced productivity and quality (Friend, 2016).

Leading organizations are inclined to collaborate across their major departments. These organizations work to develop cross functional understanding across the organization so they

can utilize the capabilities and strengths of their employees within the organization to their advantage.

Therefore, although the three functional areas have distinct objectives and roles within a functional organizational structure, the three departments work in collaboration to maximize service quality and customer satisfaction.

### **Conclusion**

Creating a workable organization structure with well-defined roles, functions, scopes of authority, and systems helps to ensure that employees are working toward achieving the larger organizational goals.

In a functional organizational structure, HR will help the organization acquire and train suitable employees to meet customer expectations, marketing and branding will help communicate with customers and build a unique identity, and IT will help the staff deliver quality and timely services. Although these functions operate separately, they share a common goal—customer satisfaction through quality service. Through quality service, one-time customers will turn into loyal customers. When returning customers share their positive experiences through word of mouth, the organization will continue to grow and succeed in its field.

## References

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