

A MODEL OF THE ORGANIZATIONAL STRUCTURE OF THE HOTEL COMPANY THAT ALLOWS THE PERFORMANCE OF PROCESSES

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***Abstract:** The aim of the paper is to present a model, which reveals in details certain key processes and departments of a specific company in the field of tourism - the hotel company - as well as the relations between them. In this regard, the author of the paper has presented the model of the hierarchical organizational structure, which allows the performance of the processes, applied to the specific economic sphere of tourism, namely hotel activities. The typical business processes and departments of a tourism organization - the hotel company - are identified and each department the performance of which process provides is pointed out.*

***Keywords:** a hotel company, model, process, organizational structure*

Introduction

A number of scientists and authors present a model of the hierarchical line organization in a company, which allows the performance of processes (Jacobson, Ericsson, Jacobson 1995; Oyhman, Popov 1997, etc.). However, the model only shows the names of sample units and processes, notes that there are relations between units and processes but the relations are not explained. Accordingly, it does not reveal which units, which processes perform. In addition, the model refers to business enterprises regardless in which economic sphere they operate. The reason the model is only schematized but not explained and detailed by the authors is that the later have adopted the process approach, which focuses solely on business processes, their analysis and improvement and considers that the structure could hinder the effective implementation of the processes, dividing them into very small pieces, performed by employees from different departments, which would require more effort and time to coordinate work. In this regard, authors recommend the development of a process organizational structure, where individual business processes are identified and the implementation of an overall process is assigned to an employee or to a process team.

We share the ideas of the authors - supporters of the process approach - and think that the employees from each department should execute a whole process and correspondingly a department should be responsible for the performance of a whole business process. However, we consider that the hierarchical organizational structure should not be overlooked as it significantly influences the way business processes are performed. With a view of the above, the aim of the paper is to present a model, which reveals in details certain key processes and departments of a specific company in the field of tourism - the hotel company - as well as the relations between them. In this regard, the author of the paper has presented the model of the hierarchical organizational structure, which allows the performance of the processes, applied to the specific economic sphere of tourism, namely hotel activities. The typical business processes and departments of a tourism organization - the hotel company - are identified and each department the performance of which process provides is pointed out.

Key Concepts: Processes and Organizational Structure

The provision of services is the result of the performance of hotel activities. In his work, Watson presents the activities as "the set of sequenced tasks that transform inputs into outputs, consume resources, apply competences and capabilities, and respond to systemic signals for increased or reduced output production" (Watson 1994).

The overall activity of a hotel establishment could be divided into separated processes. The process is a relatively completed part of an activity, which result is used (as a resource) by another department of the organization or by other organizations and individuals. Each process is characterized by an input - resources that are processed - and output - results that are achieved. The output is a product that meets needs of customers. During the process resources change their shapes or are physically moved. The identification of a process requires setting its start and end. Here are some definitions of the process:

- "Business process is viewed as an arranged set of work tasks in time and space with an indication of their beginning and end and precisely setting their inputs and outputs..."; "Each business process is a set of different activities, starting with one or more inputs and finishing with the product or service needed from the customer, which satisfy him/ her in terms of price, quality, quantity, reliability, safety, comfort, durability, time and place of delivery and use"; "Customers could be external (direct and indirect) and internal (within the company) consumers in the value chain of business processes of the company" (Hadjiev 2007).
- It is assumed that "a process is a set of linked activities that take an input and transform it to create an output. Ideally, the transformation that occurs in the process should add value to the input and create an output that is

more useful and effective to the recipient either upstream or downstream" (Johansson, McHugh, Pendlebury, Wheeler III 1994).

Although the activity of the organization should be divided into separate processes in order to be comprehended, it is required interdependence and interrelations of these processes to be established: "The establishment of a process concerns its essence, location, duration and interrelationship with other processes..." We cannot talk about a good result if the processes are not considered in their entirety and interconnectedness" (Hadjiev 2000).

The examination of the individual business processes and the relationships among them helps to gain an understanding of the state and the changes of the overall activity of the hotel company.

An exemplary classification of common processes in hotel industry is shown below. The processes are classified into several groups. The first group includes sample processes necessary to create hotel companies, which are related to: concept development, selection of land, design and construction of hotel facilities, categorization and introduction of the accommodation in operation. The very construction of hotel facilities is defined as a production of a single product that is carried through several stages, which sequence should strictly be followed: excavation, rough construction, plumbing and electrical installation and finishing works. The beginning of the new stage is not possible without the completion of the previous one.

The next group of the main processes is related to the main purpose of the accommodation or the meaning, the reason for which it exists, namely to provide basic and supplementary services to its guests in order to meet their needs and requirements. These are the processes that add value according to customers. The following processes are included here: development of product concepts (starting from the idea and ending with the design of a new product; important part of it is the consumer survey); supply of resources; sale of goods and services (starting from the request of the customer and ending with the negotiation and payment for the product); production of goods; service in providing shelter that includes back office operations related to cleaning of hotel rooms and front office operations related to customer service on the reception by hotel staff. The cycle of customer service includes the following stages: service before arrival (e.g. associated with room reservations); check-in service; service during stay; check-out service and service after departure (e.g. subsequent correspondence with the guest, consumer satisfaction surveys, etc.). The other main processes are associated with the provision of additional services and also contain front and back office operations.

The group of supporting processes provides the conditions and facilitates the performance of the main processes. They are not associated with the meaning and the reason for existence of the hotel company but without their existence it could hardly function. The group includes processes in connection

with obtaining and efficiently using, maintaining and improving the quality and value of resources - physical, human, financial, time and information. Some of the activities included in these processes are maintenance of facilities and equipment, selection, hiring and training of staff, maximizing revenues and minimizing costs.

Last but not least, the group of management processes coordinates the main and the supporting processes, i.e. the overall activity of the hotel company. These processes are carried out mainly by the senior but also by medium and low-level managers of the hotel company. They include the development of the overall policy of the company, the coordination of the work activities of employees of various departments, etc. Managers set goals and prepare plans for the work to be done. They allocate resources and tasks among their employees; supervise and coordinate the performance of the work operations and monitor and report the results of the work done. It is these actions, known as planning, organizing, directing and controlling that form the composition of the management process.

Besides, by the nature of its activities, each accommodation is characterized by a certain organizational management structure. It influences the activity of the hotel company and correspondingly its constituent processes and operations. The structure of the company could be defined as the way the tasks, management power, jobs, departments, responsibilities and relationships among them are arranged. We adhere to the following definition of the organizational management structure of tourism enterprise:

"The organizational structures of the enterprises of the hospitality industry is characterized by the combination of jobs, positions, management bodies and manufacturing divisions and the forms of their interactions, which provide the fulfillment of the strategic goals of the hotel company" (Volkov 2003).

The structure could be considered both vertically and horizontally. Vertically, the organizational management structure reveals who is subordinated to whom. In this sense it is characterized by the number of management levels: senior managers (executives, e.g. general manager or CEO), middle-level managers (head of departments) and junior managers (they directly manage the employees of non-management positions and include team leaders, supervisors, etc.). Horizontally, the organizational structure is characterized by the nature of work, type and number of units/ departments and number of employees in individual units. Employees of the same departments perform similar specific tasks, which differ from those of the employees of the other departments. In the company, certain relations exist among employees and departments at the same and at different management levels.

This paper presents an exemplary organizational management structure of a hotel company. Most often "on the top" of the company is the executive director,

who manages, coordinates and is responsible for the overall activity of the hotel company. He/ she sets and updates the objectives and strategies, develops plans and takes decisions concerning the overall policy of the accommodation. The other tasks of the executive director are: to select target market segments, to develop and improve the organizational structure, to develop work technology, to allocate resources, to choose sources of funding, to develop indicators of the financial success of the company and to review the financial reports. He often controls the quality of facilities and equipment, service, costs, revenues and profit. The executive director determines the orientation to certain suppliers and negotiates with key clients and intermediaries. He formulates the general policy in the field of personnel management; skills and abilities required for the jobs and he appoints the heads of key departments. His duty is the direct supervision of the other managers and the coordination of the work of the departments of the accommodation. The executive director helps the managers of the departments to set their goals; he trains them, gives them guidance on their fulfillment and receives feedback from them on the tasks. The executive director communicates with the owners of the accommodation.

Employees from the "accommodation" department provide the basic service of the hotel company - shelter. The department is led by the head of the "accommodation" who coordinates the work in its two subdivisions: "front office" and "back office" (known as "housekeeping division").

"Front office" division includes subdivisions, which employees communicate directly with hotel guests. Each subdivision has its own manager. The work of the Head of "Front office" division is to coordinate and manage the activities of these subdivisions. Accordingly, each manager of these subdivisions reports its results to the Head of the "Front Office". The main subdivision of "Front Office" is the "Reception", which is headed by a chief receptionist and which employees - the receptionists - meet, check in, serve during stay and check out the guests. Usually, they also give and get back the keys from the guests. The other subdivisions are: telephone office responsible for incoming and outgoing calls of guests and employees of the hotel company; bellboy who carries the baggage of the guests from and to their rooms; the messengers who deliver messages to/ from guests; cashiers who keep the accounts of guests; currency exchangers who exchange local and foreign currency; informants who give information to guests about the accommodation and the region; valets who park the cars of guests; employees who perform services for guests - e.g. call taxis, rent cars, organize celebrations, make purchases and reservations on their behalf, etc.

It is disputable whether if there are so numerous jobs an economic efficiency could be achieved. Of course, whenever it is possible an employee should carry out not just one but several of these activities. It is recommended the client to communicate only with one member of the staff during the entire stay at

the accommodation, e.g. the same employee to meet him/ her, register, send to the room and answer the phone when he/ she calls the Front Office, to deliver messages to him/ her, to buy on his/ her behalf tickets and products, to give him/ her information, to order a taxi, to keep his/ her account, to accept payment and send him/ her. Of course, that incurs more costs and requires time to train the employees to perform all these activities but the benefits for the accommodation are great. On the one hand, employees perform a variety of tasks, their work is more interesting and thus they are highly motivated to perform their duties; therefore work faster and more thoroughly. On the other hand, customers are more relaxed as they have to communicate only with one member of the staff.

"Front Office" is "the face" of the accommodation. Guests refer to its members about all matters. Therefore this division is in relationships with all other units, e.g. it communicates with Housekeeping division in connection with the requests from guests for loading rooms with certain consumables; with department "Technical support" - when guests find damages, etc.

Hotel "Housekeeping" division includes two subdivisions: "Maid Service" and "Laundry". Employees of "Maid Service" are responsible for the cleanliness of the accommodation. Here house cleaners who clean the rooms and suites for guests and hygienists (cleaners) who clean common areas, such as corridors, stairways, lifts, etc., as well as cleaning inspectors work. Head of the subdivision "Maid Service" is the senior house cleaner and in larger hotels, there could be house cleaners who are her subordinates and are managers of house cleaners who work at the separate floors. The staff of "Laundry" subdivision deals with the provision of clean bed linen and towels for the guest rooms and sometimes with laundry and dry cleaning of the clothes of guests. In this regard, the employees of the unit perform the activities laundering, ironing, folding, drying and dry cleaning of textiles. A Head of Laundry heads the subdivision. Launderers, ironers, tailors, etc. work there.

The staff of Department "Food and Beverages" is responsible for providing the service "catering" for guests of the accommodations, i.e. for the management and performance of the activities of the restaurants, cafes, bars and confectioneries of the accommodation, as well as for the room service (offering meals and drinks in guest rooms), catering (serving meals and drinks during celebrations) etc. The department is generally divided into two divisions - Front and Back office. Front office staff is in contacts with the guests and is responsible for the waiter service in food and beverage establishments of the accommodation, in guest rooms and during events and celebrations. Back office staff is responsible for the preparation of meals and drinks in the kitchen. The front office is headed by a host or a senior waiter. Waiters who serve foods, drinks and barkeepers are employed there. The back office is usually managed by a chef and includes employees, such as cooks, assistant cooks, butchers, bakers, dishwashers, etc.

At various accommodations, there are different departments, which employees provide a number of additional services, such as: conference and business center, sport center, medical, spa and wellness center, etc., which purpose is to diversify the stay of guests.

An important function in the organizational structure of the accommodation has the "Marketing" department. The experts from the department are responsible for the activities in the field of marketing surveys of actual and potential customers, determining the range and characteristics of services, forms of service, brand conception, logo and signs, services packages, as well as pricing (establishing pricing methods and price discounts), sales and communication (advertising, public relations, personal selling and sales promotion) policies of the accommodation. An important part of these activities are the preliminary sales - reservations - as most customers of the accommodations purchase services in advance. The department is managed by the Head of Marketing and includes employees who handle reservations, marketing specialists, etc.

Significant roles in the structure of the hotel company play the departments: technical, human resources, finance and accounting. The members of "Accounting" Department monitor the financial results of the accommodation. They deal with issues, such as acquisition and spending of funds. In this sense, they are responsible for cost controlling and providing revenues and profits. The department is headed by a chief accountant or controller. Financial experts, accountants, cashiers, etc. can work there. Experts of "Human Resources" department perform activities, such as selection, recruitment and training of appropriate personnel of the accommodation establishment, drafting contracts and preparing documents during hiring and firing of staff, etc. Depending on the size of the accommodation, Technical department could be divided into three divisions: Maintenance, Security and Supply. "Maintenance" division is headed by a chief engineer or by a technical director. The unit experts - technicians, craftsmen, furniture makers, carpenters, gardeners, etc. - are responsible for the maintenance of the good condition of the facilities and equipment. Employees of "Security" division - door attendants, security guards, etc. - are responsible for the safety and security of people and property on the territory of the accommodation. "Supply" division staff deals with the supply of physical resources for the hotel company.

Relationship between the Organizational Management Structure and the Processes of the Hotel Company

Employees who work at the various departments ensure the performance of processes of the hotel company. Figure 1 shows an exemplary organizational management structure of the accommodation and how the departments' employees allow the performance of its exemplary processes. The activities of the hotel company that are carried out by the members of the

various departments could be divided into processes related to the supply of resources, sales of services and customer service. Those exactly are the key processes of the hotel companies, which add value to customers.

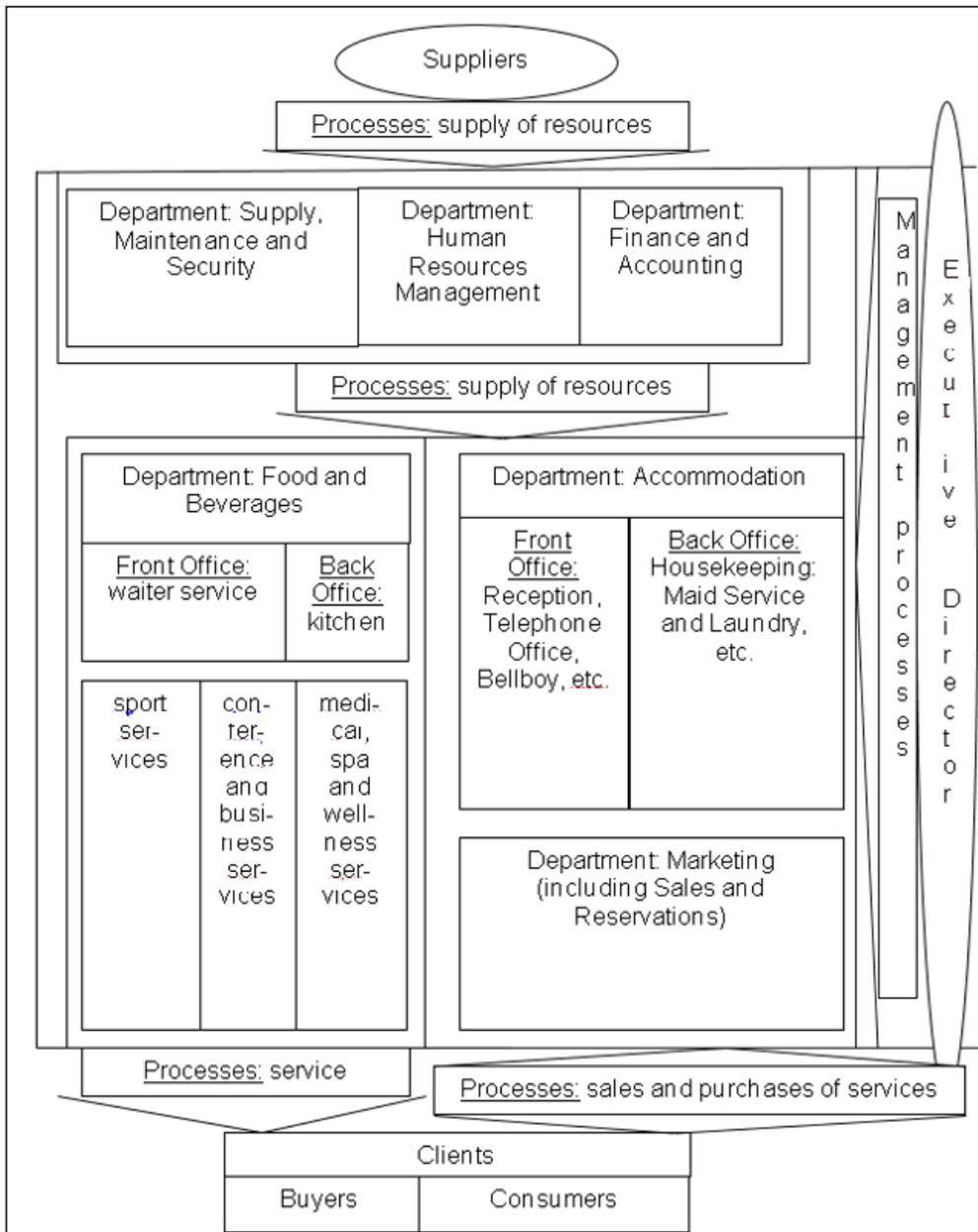


Figure 1. A Model Illustrating How the Organizational Management Structure of the Hotel Company Allows the Performance of Processes

The staff of departments "Finance and Accounting", "Human Resource Management" and "Supply, Maintenance and Security" performs the processes related to the deliveries of resources. Their members acquire these resources from external organizations and individuals and allocate them among the other departments of the hotel company that need these. In this regard, each of the three departments (Supply, Maintenance and Security) has relations with all other units of the accommodation. The staff of "Finance and Accounting" department is responsible for the provision of financial resources of the accommodation, of "Human Resources Management" - for the provision of human resources (as its name suggests) and of "Supply, Maintenance and Security" - of the physical (material) resources. Besides, as the specialists of "Human Resources" department prepare contracts of staff of the accommodation, which state among other clauses what the working time is, it could be concluded that the "Human Resources" department displays the time potential of the company. In some large hotels, there is also "Information Technologies" department, which staff is responsible for the provision of the information resources. In addition to the supply of resources the staff of all these departments is engaged in maintaining them in good condition (e.g. through repairs of equipment, computer systems, etc.) and even in enhancing their value (e.g. through training of human resources, increase in funds, renovations of facilities, new techniques, etc.).

Unlike manufacturing, where processes of supply of resources are carried out first, then the production itself and finally the sales of goods and services, in hotel business, which is a servicing activity - after the processes of resources supply, the sales and finally those providing customer service are performed.

The analysis of the processes related to the sales of services shows the following options: these processes could be performed through the efforts of staff of "Marketing" department or of "Front Office" of "Accommodation" department, as well as of departments for additional services. Marketing experts usually perform the preliminary sales. Usually all sales of services to organized groups, of celebrations and business events are carried out by them. Preliminary sales to individual customers are carried out by employees of "Reservation" unit, which most often is a part of "Marketing" department but sometimes is included in the "Front Office" division of the "Accommodation" department. The staff of "Marketing" department communicates with the one of the "Accommodation" department in connection with rooms' sales and with the one of additional services departments - in connection with the preliminary sales of those services, especially purchases by the organizers of celebrations and business events and by groups. "Front Office" staff of the "Accommodation" department usually sells rooms and additional services to customers who arrive at the accommodation. They may also perform preliminary sales - reservations of rooms and additional services - if customers call outside the working hours

of "Marketing" department. In this case, the "Front Office" staff of "Accommodation" department may have to communicate with additional services departments. Customers may buy additional services both at the "Front Office" of the "Accommodation" department, in particular on the reception and in the departments for additional services. Thus, these departments also sell services to external customers.

The processes associated with the service are performed by the personnel of "Accommodation" department - during the provision of the basic service - accommodation or shelter - or by the staff of the departments for additional services - "Food and Beverages", sporting center, conference and business center, medical, spa and wellness center - in their realization. These departments may include divisions or employees who perform "front office" operations, which includes contacts with customers, such as reception, waiter service, etc., i.e. employees who actually serve customers, as well as divisions or employees who perform "back office" operations, such as housekeeping, kitchen, etc. and who do not have contacts or may perform their work without the presence of the clients but without their presence, services of accommodations could not be provided.

Finally, the executive director is responsible for the implementation of the management processes: development and implementation of the overall strategic directions, overall policy, direction and coordination of the hotel business.

Conclusion

Figure 2 points the staffs of the individual departments who are responsible for the performance of certain processes. It could be concluded that the executives of the hotel company are responsible for the management processes. The staffs of departments "Finance and Accounting", "Human Resources Management", "Supply, Maintenance and Security" and "Information Technologies" perform the main processes related to the provision of the resources, as well as the supporting processes related to the maintenance of these resources. "Marketing" department performs the main processes connected to the development of product concepts and sales of basic and additional services. For services sales other departments are also responsible, such as "accommodation", "food and beverages", and the departments for the other additional services. These departments also perform the main processes related to the service in the provision of the basic and additional services of the hotel establishment.

Departments of the hotel company	Processes for which department staff is responsible
CEO/ Executives	Management processes, including planning, organizing, supervising and controlling
"Finance and Accounting"	Main process: -supply/ provision of financial resources Supporting process: -financial management
"Human Resources Management"	Main process: - supply/ provision of human and time resources Supporting process: -human resources management
"Supply, Maintenance and Security"	Main process: -supply/ provision of physical/ material resources Supporting process: -maintenance and security
"Information Technologies"	Main process: -supply/ provision of informational resources Supporting process: -maintenance of informational resources
"Marketing"	Main processes: -development of product concepts -sales of basic and additional services
"Accommodation"	Main processes: -sales of basic and additional services -serving in the provision of the basic service - accommodation, shelter - including service before the arrival, check-in, service during stay, check-out and service after the departure of the guests, as well as housekeeping/ maid service and laundry
"Food and Beverages"	Main processes: -sales of meals and drinks -serving in the provision of catering, including the waiter service at food and beverage establishments and the preparation of meals and drinks in the kitchen
Departments for other additional services: sporting, conference and business, medical, spa and wellness centers	Main processes: -sales of the additional services -serving in the provision of additional services

Figure 2. Processes for which the departments of the hotel company are responsible

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