

# Organisational structure of flight centre



A market is any institution or arrangement which brings together buyers and sellers of a product, service, or resource. Markets may be at a local level, while others are at a national or international level (Gaur & Wankel, 2009). Some are highly personal and involves a face-to-face contact between consumers and producers. For some, it is highly impersonal, with buyers and sellers never seeing and knowing each other. Today, in order to stay in the market, organisations undergo a series of inventing and reinventing in order to survive (Schermerhorn et al., 2011). The Flight Centre Limited, a travel agency in Australia, remained at the forefront of travel industry through its behavioural management style. This report focuses on Flight Centre's market environment and management style and strategies. The company's strengths, weaknesses, opportunities, and threats are given special attention. They survey the different management areas, gain insight into the significance within the framework of the company, and accordingly initiate suitable actions (Houben, Lenie, & Vanhoof, 1999).

The Flight Centre Limited has both Australian and overseas markets. The company markets travel as 'Lowest Airfares Guaranteed' (Flight Center Australia, n. d.), boasts more than 200 shops and businesses and caters a complete travel package for leisure and business travelers in 11 countries namely Australia, New Zealand, the United States, Canada, the United Kingdom, South Africa, Hong Kong, India, China, Singapore and Dubai. It is the best known and most successful business is the Flight Centre retail travel band. Travel agents act as a middleman between the suppliers and consumers of the travel service (Finch, 2012). Today, the company employs about 8000 consultants and support staff through its network, FCm Travel

Solutions, it extends its services to more than 40 other countries through strategic licensing agreements with independent local operators (Flight Center Limited, n. d.).

## Discussion

The Flight Centre's strengths are its competitive state, teamwork, sales-driven commission payment system, empowerment of employees, how it recognises and praises good performance of employees, availability of training for professional growth of employees, its promotion schemes, and information sharing within the organisation (Dunford & Palmer, 2002).

### Figure 1. Organisational Structure of Flight Centre

Figure 1 shows the organizational structure of Flight Centre, which is simple, lean and team-based. A unit of small teams comprised of three to seven members, known as the 'family', is the building block of the organisation. These are the retail stores. The next level is the 'village' which is composed of four to five families that work closely together due to geographic proximity. Consequently, after the 'village' is the country, which is an aggregate of around twenty stores. There is a total number of 16 countries in Australia. The support towards effective operations of countries is the role of 'country leader' and a small number of specialist staff. This highlights the importance of information system in an organisation composed of small groups. In here, decisions may take in the form of brainstorming and effective sharing of information. Information system exists to help an organisation accomplish its objectives. It provides guidance to employees to better assist them in accomplishment of goals and objectives. Specifically, it <https://assignbuster.com/organisational-structure-of-flight-centre/>

impacts all levels of organisation: operational, tactical, and strategic (Kamal Nayan, 2009).

Small organisations have been traditionally viewed as an excellent training ground for an employee. It can provide excellent education because of the one-on-one attention the employee receives. Ordinarily, the employee becomes involved in many aspects of the business during its first year. New employees may be able to influence the way a company approaches or completes a project because they managers are directly accessible. In addition, managers can make decisions together with individuals on a case by case basis without setting a precedent from other staff members (Quirk, 1999). Team work plays a vital role for many organisations. The increased pressure on professionals to perform their tasks with fewer coworkers, at faster speeds, and with more quality and customer responsiveness creates the need for team work. One important aspect of team work is how to make decisions. The Japanese team work approach emphasizes the importance of joint decision-making in order to create a sense of shared responsibility in the team. On the other hand, traditional work groups operate under the management and decision-making control of a designated leader. It is often believed that team work requires some type of joint decision-making from team members. Joint decision-making can range from leader-controlled consultative decision-making to a democratic or even consensus decision-making (Levi & Slem, 1995). The team-based organisation can also expedite the tasks to be done and easily adopt rapidly changing environment through support groups (Forrester & Drexler, 1999).

Flight Centre's organizational structure encourages team playing and participation amongst its employees. Coupled with a sales-driven commission, the company boasts employees who are empowered and motivated. It has a system wherein one employee can affect the performance of their respective 'family'. For instance, salaries of each family member are dependent on commissions derived from each team members. The higher the sales of each member can give higher the salaries for the latter as well. The Flight Centre employee rate is well above the industry rate and its employees are empowered because they make them 'think out of the box'. They have freedom to choose what is good for the company, how can they increase their sales and take risks. In addition, they are encouraged to have a sense of proprietorship of the business. Motivation strategies are also in place. Good performance of employee is recognized. Similarly, training programs are available for every employee in the company for their professional growth. All staff are expected to attend a minimum of two conferences per year, while managers attend up to seven. Promotions and information sharing are also strengths of the company. Flight Centre does recruit but instead promotes its current staff to higher positions. Moreover, there is open information sharing within the company. Empowering is a tricky concept to grasp but it leads to the goals and associated profits. (Dunford & Palmer, 2002).

Flight Centre has two major weaknesses in its operations. First, it is the traditional practice of travel services. They are directly distributed by travel agents. It is time-consuming and not cost efficient. Second, the marketing strategy of the company is fairly limited. The ads are very strategic and

focused and with the growing trend in consumerism, their art work is still being done and coordinated by their own in house agency, Artwork (Dunford & Palmer, 2002).

### Recommendation

It is of critical importance in today's competitive work environment because motivated workforce helps to give a company a sustained competitive advantage. Employees are motivated in the companies to produce a better quality product at a lower cost, have a more stable working environment, and to attract more competent and effective personnel.

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