



LEVEL 7 ASSESSMENT SPECIFICATION

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Human Resources Management

Assignment 2

Business Consultancy Report

University of Wales

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Business Consultancy Report

1. Background of the Companies

The two companies under study include the Mandarin Oriental Hotel Group (MOHG) and InterContinental Hotels Group (IHG). MOHG is a Hong Kong venture and management group that acquires, manages and builds superfluous guesthouses, resorts and abodes. The company was founded in 1963 and it is headquartered in Connaught Road in Central, Hong Kong. MOHG is an affiliate firm of the publicly-traded Mandarin Oriental International Limited (FREE, Guide, Guide, Guide, Guide, & Guides, 2006). The latter is a constituent of Jardine Matheson. The company has expanded its operations to various parts of the world over the years. The internalization process undertaken by MOHG stretches from parts of Asia Pacific to the Americas, Europe, Africa, and the Middle East. Currently, the firm operates a total of thirty-three properties in various parts of the world. MOHG has partial or full ownership over twenty of these establishments. Singapore is one of the localities where MOHG conduct their business. The branch of MOHG based in the country is known as Mandarin Oriental, Singapore. This establishment is a luxury hotel situated in Marina Centre in Suntec City, Singapore. The facilities at the hotel include six cafeterias and inns, as well as 527 lodgings and suites (Legal, 2020).

IHG, on the other hand, is a British multinational hospitality firm headquartered in Denham, Buckinghamshire, England. IHG was established on April 15, 2003 as a subsidiary of the FTSE 100 Index (Quek, 2012). IHG owns a number of brands such as Kimpton Hotels and Resorts, Holiday Inn, Regent Hotels, EVEN Hotels, Crowne Plaza, Hualuxe, Hotel Indigo, and InterContinental, among others. These IHG brands are spread across various contents,

including Africa, the Middle East, Australia, Asia and Europe. Today, IHG operates a total of 5900 hotels and over 800,000 guestrooms in over ninety countries. Hong Kong is one of the countries where IHG conducts their business. The property owned by IHG in the territory is known as InterContinental Hong Kong, which is a luxury hotel containing a total of 503 guestrooms and eighty-seven suites (O'Connor, 2011). The location of InterContinental Hong Kong is at 18 Salisbury Road, Tsim Sha Tsui, Kowloon. The hotel is currently undergoing a two-year renovation and is expected to open in 2022. The hotel was opened in 1980 as The Regent Hong Kong and will assume the same name when it reopens in 2022.

2. Human Resource Management Challenges

Mandarin Oriental, Singapore encountered various HRM challenges when it started operating in the country. The Director of Human Resources Cindy Teo is the one currently in charge of issues related to HR at the hotel. One of the primary HRM challenges faced by Mandarin, Oriental, Singapore when it began its operations in the country was the problem of attracting and retaining top talent. The hotel's location is a major financial hub in Asia Pacific region. Many international and local hotel, resort and restaurant brands based in Singapore are domiciled in the area. These establishments compete for personnel by providing various motivational incentives that enable them to attract and retain highly skilled employees (Kee & Ghosh, 1990). Examples of these incentives include conducive work environment and generous pay, among others. Therefore, it was necessary for MOHG to adopt ideal employee retention practices to remain competitive in the market (Lam, Ho, & Law, 2015). A large percentage of the rival hospitality firms based in the Suntec City have better compensation strategies compared to Mandarin Oriental, Singapore. On the contrary, the compensation plans adopted by the latter are primarily suited for the markets in China and Hong Kong (Istiqomah, 2018). Therefore, the hotel needed to adjust their compensation strategy to meet the demands of the labor market in Singapore. Also, appreciation is integral to retaining Singaporean workers.

Comparatively, workers in Hong Kong do not require regular appreciation in order to perform their tasks effectively. Therefore, Mandarin Oriental, Singapore faced the challenge of adopting viable compensation practices tailored to the county's labor market. As a result, the competitiveness of the hotel was lower than that of their rivals.

Mandarin Oriental, Singapore also faced the problem of creating a work environment which offers a path to career growth and development for the local workers (Writer, 2020). The availability of opportunities to professional advancement is one of the major concerns of employees who work in the hospitality sector in Singapore. The hotel lacked a viable occupation development system which offered career growth and development opportunities for jobseekers. As a result, majority of talented employees were absorbed by the hospitality firms that offered attractive career development practices like educational incentives. The issue of housing was also a major concern among employees who applied for job opportunities at the hotel. Majority of individuals who work in Suntec City reside in neighborhoods located outside the city. A large proportion of these workers have to commute to and from their places of work. Some employers in the city especially those who own hotels and restaurants provide their employees with places to stay to avoid delays and other inconveniences. On the contrary, Mandarin Oriental, Singapore does not have a housing plan for their personnel. Therefore, this makes it hard for the hotel to attract and retain talented employees.

That said, the management of workplace diversity is the main HRM challenge the management of InterContinental Hong Kong faced when the company started conducting business in the region (Gröschl, 2011). The Director of Human Resources at the hotel is known as Veronica Chang. She is the one in who oversees all the issues related to HR at the hotel. The management of IHG found it difficult to manage a diverse group of personnel when the firm opened its doors in Hong Kong. As a British firm, it was necessary for the management to develop strategies to manage a cohort of workers of different genders, age and with varying

lifestyles. Hong Kong, a former British colony, shares certain cultural facets with the West. The so-called 'British order' is one of the cultural norm shared by Brits and Hongkongers (Cooke & Saini, 2012). This facet entails complying with certain professional values such as buying coffee on behalf of workmates. However, there exists some notable corporate cultural differences between Western and Eastern workplaces, including punctuality and relationships. With regard to punctuality, it is not uncommon among Westerners to arrive late for meetings or appointments. On the contrary, Hongkongers are highly inclined to maintaining time. Generally, Hongkongers view timekeeping as part and parcel of daily life. Therefore, it is not uncommon for Western managers to experience this kind of culture shock when they set up shop in Hong Kong.

Language barrier is also a challenge for foreign managers who work in China as majority of Hongkongers speak Cantonese. Besides, workplace relations in Hong Kong are viewed in a social perspective where ideas and instructions are shared in a friendly manner (Chen & Ahlstrom, 2017). On the other hand, workplace relationships are kept professional in Britain. For instance, the management of the hotel encountered some challenges when repudiating underperformers. The reason why this is a challenge is because it is a normal thing for superiors in Britain to criticize their juniors in front of other employees. However, criticizing juniors or workmates in the presence of other workers is not a normal behavior among Hongkongers. Workers in Hong Kong prefer to be called out for their mistakes in private. Also, the idea of seeking clarifications on tasks and subjects that one do not understand is a rare thing among employees in Hong Kong. Employees in Hong Kong tend to reserve burning questions to themselves out of fear of intimidating their superiors. However, asking questions for the sake of clarification and elucidation is not a big issue in England.

3. Scope of the Study

This study identifies some of the HRM challenges experienced by the management of two multinational corporations in their efforts to expand their operations outside their countries of origin. These two transnational companies include IHG and MOHG and their areas of expansions are Hong Kong and Singapore, respectively. This study identified two primary HRM challenges faced by these corporations. They include managing workplace diversity and attracting and retaining talents. Workplace diversity entails those portrayals that make an employee unique from his or her colleagues (Armstrong & Taylor, 2020). These physiognomies include age, gender, religion, race, sexual orientation, work style, organizational hierarchy, geographic origin, and communication style. Workplace diversity can improve employee and organizational performance when recognized and managed in a proper manner. Employee attraction on the other hand refers to those unique futures of an organization that makes it attractive to jobseekers (Varkkey & Dessler, 2018).. The most effective way to attract and retain employees is to create an attractive employer brand within and outside the firm. An organization can achieve this by creating a workspace where employees feel valued, respected and appreciated. This study reviews various literature concerning human resource management to identify the impact of these challenges on the effectiveness of the organizations.

Furthermore, this consultancy report highlights some of the interventions these organizations can implement to mitigate the aforesaid challenges. Apart from that, this plan analyzes the impacts of these challenges on the effectiveness of the two firms. Also, it identifies the human resource management areas that require adjustment and improvement to ensure the success of the companies in the market. This study also proposes some short-term, mid-term and long-term interventions for solving the HRM challenges that may emerge in the future. Besides, this report outlines how the proposed recommendations can be executed to meet the

demands of the companies' stakeholders. There exist some common HRM themes and elements among the two corporations. Both corporations can learn from one another on how to improve their HRM practices for their benefit and that of their employees through benchmarking studies like this one. This study recognizes that adopting viable HRM strategies is a key resource in fulfilling the goal of making a company more efficient, productive and responsive to the needs of the stakeholders. Therefore, it is necessary for the two organization to start viewing their HRM practices as a process which impacts corporate environment, organizational effectiveness, customer service, and the way their do business.

4. Analysis

Evans (2010) assert that the emergence of globalization has made it difficult to properly manage employees because of the diversity in languages, cultural practices and gender affiliations. The successful management of persons of diverse cultural backgrounds working in the hospitality sector requires employers to recognize and understand the needs of their workers (Grobelna, 2015). Besides, this will help to prevent cultural tensions that result from misunderstanding the cultural differences that exist among employees. Edenborough (2007) recommend that organizations should discourage the discrimination of employees based on their age, race and sexual orientation in order to attract and retain workers. It is important to eliminate these challenges because they prevent or deter workers from attaining organizational goals (Elkhwesky, Salem & Barakat, 2019). However, there are some problems concerning cultural diversity that require regulation and not termination. For instance, communication barrier is a major challenge that exists in a culturally diverse workspace. Miscommunication can occur in a work setting where people speak the same language. Cultural differences can promote miscommunication within an organization where language barrier is not an issue (Korjala, 2013). For instance, there are some individuals who deliberately use language and words that make others feel excluded from a particular corporate setting. Examples of such

languages include racial and homophobic slurs. Today, the success of the firms in the hospitality sector is tied to effort put forth by these organizations to eliminate the stigmatized descriptions of workers with unique likings, cultural backgrounds and sexual life (Henderson, 2011). Beardwell and Claydon (2007) argue that it is the role of the management to resolve these stigmatized descriptions in order to increase the employees' commitment towards the organization.

Employee turnover is a complex issue which can only be construed through an in-depth assessment of the factors that promote the attraction and retention of employees (Bratton & Gold, 2017). It is important for the management to assess and diagnose the causes and consequences of the solutions aimed at reducing attrition before implementing any mitigation strategy (Shrestha, 2018). The key paradigms that influence worker attrition include individual, economic and organizational variables (Taylor, 2008). Some of the personal issues that can deter an individual from joining a company or cause one to leave an organization include sickness, pregnancy, personal injury, death of family (Brown, 2008). Besides, the transfer of a spouse from one location to another can prompt a worker to quit his or her job. Marriage can also influence a person's decision to leave an organization. Some of the economic issues that impact employee turnover and retention include job meaningfulness, career opportunities, policies and rules, job security, wages, and working conditions (Narkhede & Joshi, 2007). Organization initiated issues like housing, transportation, childcare, health care facilities, physical environment, educational opportunities, leisure activities, and social setting can also influence employee turnover and retention (Taylor, 2010). As stated in the beginning, it is important for the management to understand the extent to which these factors influence the organization's ability to attract and retain workers.

5. Recommendations

5.1 Solutions to Managing Workplace Diversity for InterContinental Hong Kong Chart

Timeline	Intervention	Resources	Potential Outcomes
1/1/2022	Launch a diversity and inclusion board (Dike, 2013).	Ten members (5 males and 5 females)	The board will help to shape the firm's priority with regards to managing workplace diversity
1/20/2022	Educate colleagues on conscious inclusion (Bamel, Paul, & Bamel, 2018).	Diversity instructor, published materials on diversity and inclusion	The management and employees will adopt knowledge and skills to create a more inclusive environment (Hays-Thomas, 2016).
2/1/2022	Introduce new global standards for recruiting (Rawat & Basergekar, 2016).	A diverse panel of policymakers	The company will evolve their practices to help enhance diversity within the recruitment process (Wambui, Wangombe, Muthura, Kamau, & Jackson, 2013).

5.2 Solutions to Attracting and Retaining Talent for Mandarin Oriental, Singapore

Chart

Timeline	Intervention	Resources	Potential Outcome
From January 1, 2021	Give awards based on a lottery system to encourage employee referrals (Tan, Lew & Sim, 2019).	\$500 in prize money	This program will lead to an increase in labor supply in the long run
From January 1, 2021	Hire persons with special needs, minorities, and the elderly (Baker, 2014).	Minority and handicapped role models, retirees	This initiative will attract many jobseekers (Hongal & Kinange, 2020).
From January 1, 2021	Give applicants a more realistic view of the job before hiring (Keller & Meaney, 2017).	Realistic job previews	This initiative will attract many jobseekers
February 1, 2021	Give monetary incentives to employees (Bussin, 2018).	Stock option grants, bonuses, allowances	This initiative will reduce the rate of attrition
March 10, 2021	Provide educational and career development opportunities to workers (Hoang, 2018).	Educational bonus program, scholarships, give employees credit towards tuition	This program will reduce employee turnover in the long run (Goh & Okumus, 2020).
July 1, 2021	Open a day care center (Amaram, 2019).	Offer free or affordable childcare	This program will ensure the retention of current and new female employees (DaValos, 2019).

This plan if implemented properly can solve the HRM challenges faced by the two companies. Another advantage of this plan is that it is based on the principles and theories of HRM practices. Therefore, its recommendations are realistic and can be implemented by modern transnational corporations. The only shortcoming of this plan is that the proposed timeline does not take into account the present global economic, social and political situation. Therefore, it may not be plausible with the current goals of the individual firms.

6. Stakeholders

The diversity and inclusion programs proposed above will help to create a sense of belonging among workers of diverse cultural backgrounds. Also, InterContinental Hong Kong will be competitive in the market because it will attract highly skilled personnel. The policies will ensure that the hotel does not suffer from lawsuits brought forward by dissatisfied employees. The recruitment, selection and retention programs adopted by Mandarin Oriental, Singapore will help to bring skilled workforce into the establishment. Subsequently, this will enhance the effectiveness organizational. An increase in the performance of the hotel will lead to an increase in shares of the company. Subsequently, the investment of the shareholders will receive a huge boost when the shares of the hotel rise.

7. Conclusion

The problem of managing workplace diversity and the challenge of enhancing employee attraction and retention are the primary HRM challenges facing the two hospitality firms. InterContinental Hotel Hong Kong lacks robust policies for managing diversity in the organization. The employees of the hotel have diverse backgrounds. They speak different languages, identify with different genders, are of different ages and practice different religions. The employees of the hotel are also from different cultural backgrounds. Therefore, these differences make it difficult for the firm to properly manage their employees. There are various

solutions that the organization can implement to ensure the effective management of their staff. For instance, the organization should create a diversity and inclusion board which will work to ensure equality and respect for all employees regardless of their background. Besides, the firm should introduce new standards for selecting and hiring employees of diverse backgrounds. The primary HRM challenge facing Mandarin Oriental, Singapore is the problem of attracting and retaining talent. The stiff competition in the hospitality sector has exacerbated this problem. Also, the organization does not have adequate workplace incentives that motivate employees to seek work in the firm. Mandarin Oriental, Singapore also lacks a robust rewarding policy to reduce employee turnover. There are various ways in which the organization can overcome this challenge. For example, the company should institute policy of recompensing employees who perform effectively. This policy can encompass giving monetary rewards to hardworking staff to motivate them and increase their commitment to the organization. Another solution involves providing career and education development opportunities for the employees.

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