

Hotel Hilton Organizational Audit

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Introduction

Success of a business organization is dependent on different factors such as its strategy, leadership, efficiency of human resources, adaptation with the environment etc. It is important for business organizations to ensure that they are able to effectively implement all the strategies in the best interest of the organization. This report will be focused on conducting a detailed analysis of internal operations in Hilton Group. Hilton group is considered to be one of the most popular and profitable hotel chains all across the globe. Level of competition in this industry is high and this report will evaluate recent changes made by the organization in order to cope up with the negative changes in business environment due to covid-19 pandemic.

Organizational structure, culture and goal

Organization structure can be defined as a structure used by a business organization to divide roles and responsibilities in a business operation. It is very essential for business organization to properly define their roles and responsibilities in order to achieve full potential of every resource. Majority of operations in any business organizations are performed by human resources and it is essential that human resources are aware about the direction in which they want to move in the future (Sáenz-Royo, Gracia-Lázaro and Moreno, 2015). A proper road map should be created by an organization for their employees so that they are aware about steps to be taken by these employees to achieve organizational goals.

Different type of organization structure can be used by business organization depending upon their size nature and scale of operations. In the given scenario, Hilton Group is using functional organization structure. Functional organizational structure is a structure that is helpful in providing roles and responsibility on the basis of functions performed by the employee. Different types of functions are performed by employees and these functions can be divided into core operations and auxiliary services (Mathur and Nair, 2016). Hilton Group has divided its operations into corporations and auxiliary services. Operations are directly related to the functions of organization that are essential to provide customer service and products at their hotels. On the other hand, auxiliary services are services

that are helpful in helping for business operations to grow over the period of time (Child, 2015).

One of the prime examples of auxiliary services in Hilton Group can be considered to the information technology system. Information technology system is a system that is primarily focused on providing backup to different type of functions performed by employees on a day-to-day basis. It is essential for business organizations to ensure that they are able to execute these functions with the help of technology as it is become very essential to gain competitive advantage in today's business environment (Zaki et, al, 2015).

Organizational culture can be defined as a combination of values, expectation and practices that will help an organization to create effective and efficient work environment. Motivation level of employees plays a very important role in achieving full potential of every resource in the company. It means that motivation level of employees will be helpful in ensuring that every resource operating at an efficient cost. Hotel industry is highly competitive and it becomes essential for businesses to ensure that they are able to extract maximum benefits from every so that they can provide products and services at efficient cost as compared to competitors.

Hilton Group has been able to effectively develop a business environment that helps in satisfying needs and requirements of employees as well as customers. For example, company considered as personal goal of employees why is deciding organizational goals and objectives (Samah et.al, 2019). Both of these goals move in a forward and same direction which is helpful in ensuring that there are no conflicts among employees about the management of for overall operations of the company. Employees will feel as a part of the organization and they were work with more efficiency (Kalaifarasi and Sethuram, 2017).

Growth and profitability can be considered as two of the major goals of the organization and the consideration. Hilton Group is primarily focused on generating sufficient to revenue to satisfy their investors. Company has been able to successfully achieve this objective with the help of their growth plans on an international level (Ekawati et.al, 2019).

Primary strategy of the organization is to create a brand name for the organization in international market so that different subsidiaries opened of Hilton Hotel can generate revenue without any major competition from other local organizations operating in the same industry. This will be achieved by the organization by ensuring that quality services are provided with different things such as room service means or expanding business operations through customer management.

This organization has also been able to achieve the objective of international growth. This company was founded by Conard Hilton in the year 1919. Over the period of time this organization has been able to expand its operations in 180 countries. Company has used franchising and licensing the option to generate revenue (Soelton, 2018). This type of business expansion can strategy can be very risky but the organization was primarily focused on creating a brand image so that franchising business can also operate to without any problems.

Recent in changes initiated by Hilton Group

One of the major factors that has affected all the business organizations operating in hospitality industry has been covid-19 pandemic. Every business organization across the globe have been affected by the lack of demand of their products and services. This type of demand has decreased to the ability of business organizations to generate revenue over the period of time. It is essential for business organizations to ensure that they have regular stream of revenue in order to sustain for a long period of time (Tunio et.al, 2021). Overall expenses to be borne by an organization operating in hospitality industry is significantly higher as compared to any other industry. This is because they have to maintain the quality of services whether the customer is visiting their hotel or not (Jiang and Wen, 2020). For example, they have to keep in direct expenses of cleaning and electricity irrespective of customers. Following are some of the changes that have been made by the organization along with their impact and management-

Safety precautions

Primary focus of every business organization was to make customers feel safe while visiting hotels and other places associated with hotel industry. Major reason that people

are not coming out of their houses was the risk of getting covid from contamination. Government has also composed the certain guidelines to ensure that spread of covid-19 and economic can go to normal (Gursoy and Chi, 2020). Hilton hotels have also needed some changes in their different operations to ensure that they are able to incorporate all the suggestions made by government. In addition to the that, they have also taken an initiative internally to make customer feel safe while visiting the hotel.

These precautionary measures were properly managed by the organization with the cooperation of all the employees and management. Specific guidelines issued by the top-level executive members of the company with the help of memos and announcement on official website of the company and personal of employees. This has definitely helped the in collaboration and cooperation with every department working in the company. It can be said that this system has a positive impact on ability of organization to generate revenue. After lockdown super lifted by government number of visitors have increased significantly and it will have a positive impact on future of the company and its strength to regain its revenue generating capabilities (Roy, 2020).

Changes in human resource management

Significant changes were also made by the organization in the human resource management strategies. One of the primary factors that has affected the business operations of hotel industry is its inability to maintain its cost. Indirect expenses associated with any business organization operating in this industry is very high as compared to other companies. Costs associated with electricity, cleanliness will continue irrespective of demand of their products and services in market (Roy, Malakar and Vaid, 2020). It becomes essential for business organizations to ensure that they are able to control the cost of operation during the economic crisis. company had to make some major changes in the salary structure in order to ensure that business organization is able to sustain during the economic downfall.

Salaries were cut down for every employee working in the organization especially employees that are working at top levels. This is because their remuneration is significantly higher as compared to employee working at operational level. This step was

also taken more positively by employees as other business organizations but terminating Their employees rather than cutting down their salaries (Awasthi, Nain and Roy, 2022). It can be said that this is one of the primary reasons that company has been able to sustain and no major losses were identified from the group revenue.

Changing in accordance with the changing business environment

Business environment is highly dynamic and it is essential for business organizations to change with the changes. Company has also taken humanitarian name of direction during the time of covid-19 pandemic. Hilton Group was working with government all across the globe in order to provide facilities for covid-19 patients (Kotfis et.al, 2020). Hotel rooms add different locations were converted to into entertainment zones for the patient. These types of voluntary activities are also very essential as companies using resources of environment with their operating. It is responsibility of every business organization to ensure that they are preparing for the natural resources that they are consuming out of the environment.

This is type was also positively taken by employees as they were also aware about the negative impact that longest sustenance of covid-19 pandemic could have on their jobs and overall industry (Vaccaro et.al, 2020). This might have resulted in increased cost of operation but the in long run it will be a beneficial factor for the organization from marketing point of view.

Organizational strategic direction and current performance

Strategic direction can be referred as a plan that is needed by an organization to progress towards their long-term goals and objectives. It is essential for any business organization to ensure that they have developed the short term and long-term plans for their growth and development (Stretton, 2018). Short term plans will help business organization to ensure that they are able to sustain in a highly competitive market. On the other hand, long-term plans will help business organization to prove the period of time which is essential for strong consistency in the market.

One of the major steps that will be taken by the organization will be brand valuation and marketing to achieve the objective of long-term growth and development. With the help of effective and efficient strategic business organization will be able to ensure that their product and services will remain popular all across the globe (Anatolievna and Anatolievna, 2018). This type of strategy is very common for business organizations that are growing on an international level with the help of licensing and franchising. Primary strategy of Hilton Group to expand operations in international market has been franchising.

Understanding and evaluating changes in business has also been very profitable for the organization to achieve these objectives. Identify company is continuous to evaluating internal and external environment in which they are operating. They are able to identify external and internal factors that might have a negative impact on the operations (Strydom and Rudansky-Kloppers, 2016). This evaluation has also helped the company to identify the opportunities that will be beneficial for their operations and market growth.

Need of external and internal business environment analysis has increased significantly after covid-19 pandemic. Business and organizations have been able to identify the negative impact that any major Global event can have on their operations. Hilton Group has to overcome different challenges during this period of time due to its ability of managing cost of operation. They have understood that predicting this type of event can have significant positive impact on their operations (Morden, 2016). Companies also focus on developing contingency plans that will help them to sustain in economic crisis for a long period of time (Barrozo et.al, 2021). For example, creating contingency reserves out of the profit of every financial year will be helpful in such situation.

Overall operations of the company have affected significantly in the in the last 3 years. company was able to generate a total revenue of \$0.881B in the year 2019. It means that a total growth of 15% was shown by the organization in its profitability as compared to 2018. Every business organization in the world was affected by the negative impact of covid-19 pandemic. Business organizations for not able to effectively maintain their profits and it was evident from the financial statements of Hilton Group. This organization also

recorded a loss of 0.715 billion 2020 which was 181.16 percent lower as compared to 2019 (MacroTrends, 2022).

Hilton Group has been able to recover over the period of time and it is evident from its financial statements in 2021. Company has recorded a net income of \$0.41B which is lower as compared to 2018 and 19 but better as compared to 2020. It is expected that this organization will be able to generate better revenue over the period of time and recover efficiently from this economic crisis.

Conclusion

It can be concluded that importance of human resource is a significantly higher in hotel industry as compared to other industries. This is because the service factor is considered to be essential part of creating brand in this industry. This report has concluded that Hilton group has been able to improve the efficiency of their human resources with the help of its functional organizational structure. They are able to categorise different functions and assign responsibilities accordingly. This report has also evaluated different changes made by the organization in order to cope up with the negative economic impact of covid-19 pandemic. Overall strategy of the organization is efficient and it is expected that company will recover its earlier position in market with positive changes in business environment.

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