

BMIH5004

Management & Organisational Behaviour

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Executive Summary

This report discusses the organisational structure, culture, goals of Hyatt Hotels Corporation, change initiatives and strategic direction of the corporation. Hyatt has a centralized strategic management system but with the flexibility to accommodate regional particularities, this makes it easy to manage their brands and at the same time respond to market conditions. The corporate culture of the company is based on the principles of inclusiveness and service delivery, a focus on people that contributes to the improvement of the guest experience and employee engagement. Hyatt's main objectives are to expand and grow sustainably, go global, and embrace digitalization with a focus on environmental stewardship through the "World of Care".

Some of the recent changes include sustainability measures, increases in the use of technology to enhance the guests' experience, and changes to the "World of Hyatt" loyalty program. These initiatives have enhanced the market strategy and organisational performance of Hyatt, in a way that reflects the evolving consumer demands. The company's strategic plan includes expansion in new markets, enhancing environmental stewardship, and embracing technology.

Recommendations for Hyatt include: increasing the number of partnerships in the loyalty programs, increasing sustainability through the reduction of waste and energy efficiency, and improving the engagement of employees through training and development. The execution of these recommendations is expected to enhance Hyatt's brand commitment, management adaptability, and image as a leader in the hospitality industry and thus establish the company for future growth in an always-evolving market.

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1. Introduction

Hyatt Hotels Corporation is a hospitality company that operates under the umbrella of luxury and lifestyle brands. Hyatt is a global company based in Chicago which has operations in 76 countries and offers a variety of properties including hotels, resorts and residential properties. The company's portfolio of brands includes the luxury segments brands such as Park Hyatt, and Andaz, and the full-service brands Hyatt Regency and Hyatt Place which target the select service segment of the market, thus positioning Hyatt to capture a share of the market across different segments of the customer spectrum. Hyatt has received numerous accolades in the course of its operations towards clients, creativity and social responsibilities.

The purpose of this report is to review Hyatt's organisational design, culture, strategic objectives, recent organisational changes, and overall strategic plan. By this assessment, the report will assess how Hyatt is differently placed in the competitive hospitality industry and how it has managed to respond to trends and issues within the sector.

The ensuing report has identified some of the most important aspects of the organisation, namely the structure, culture, and objectives of Hyatt; an overview of the recent change management initiatives; analysis of the strategic direction; and recommendations that are aimed at improving the competitive position of Hyatt and its future performance. This study offers a detailed analysis of Hyatt's position, opportunities, and possible directions for its further evolution.

2. Organisation Structure, Culture, and Goals

2.1 Organisation Structure

Hyatt is a centralized organisation but flexible to meet the regional challenges and environments. The central headquarters formulates overall goals, guidelines, and objectives to address the general needs of a local market and are implemented in the regions and localities to fit the specific conditions of the local market. It helps Hyatt to retain the universality of the brand image and quality of the delivered services at the same time taking into consideration the local-specific particularities.

Based on the information provided by Mintzberg's Organisational Structures, Hyatt Hotel can be easily associated with the divisionalised form of company (ACCA, 2019). With this structure, each region or brand can run more or less independently, focusing on distinct customer segments, whether they are affluent leisure travellers, business travellers or long-stay guests, thanks to Park Hyatt, Andaz, and Hyatt Place brands. At the same time, coordinating the global strategic management and local initiatives, Hyatt ensures the company's efficient response to both global and local challenges and the satisfaction of the clientele.

This hybrid structure improves the rate of decision especially concerning regional issues since local managers can make localized adjustments (TMI, 2024). However, the centralized component ensures that the organisation achieves its general corporate objectives, which provides a centralized focus across its network presence. This structure is beneficial in that it maintains homogeneity of operations to achieve efficiency while at the same time fostering heterogeneity at the country level, which is always useful in fields such as hospitality and tourism which are closely tied to customers.

2.2 Corporate Culture

Hyatt's corporate values embrace diversity, and the organisation is focused on being caring and guest-responsive. The organisation places great importance on its colleagues and considers that their satisfaction is key to providing guests with an outstanding experience (Snart, 2021). The culture of 'caring for people so they can be their best.' Initiatives like the one in Hyatt's mission have a solid base for developing customer loyalty and employee retention.

This focus on culture also relates to the Levels of Culture by Edgar Schein (Geraghty, 2023). Based on the guidelines proposed by Hyatt, the artefacts of the company's culture include its diversity policy, employee training, and statements on CSR. It has its espoused values, for example, respect/hospitality as reflected in its service standards; it has the invisible basic assumptions, for example, the value of human-centred service. That is why this focus on a people-first culture improves operating results as it increases employees' commitment and ensures the satisfaction of buyers.

The hiring policy of Hyatt can be described as diverse due to the inclusive nature of the hotel culture; this encourages decision-making and creativity (Majchrowska, 2024). Most employees work with great autonomy within the Hyatt system service guidelines, which leads to personalized and more profound interaction with guests. Furthermore, because Hyatt bases its values and culture on diversity, it has access to a wide pool of talents regardless of their origins, so it may also cater the numerous people from all over the world with different needs and expectations.

2.3 Goals

At the corporate level, Hyatt has strategic goals seeking to achieve its long-term and profitable growth, additional brands', and high levels of guest' satisfaction (Lee, 2024). They range from expanding the company's geographical presence, especially in developing countries, building up its product range through acquisitions and new brands and improving interaction with the digital world (Jones, Hillier & Comfort, 2016). These goals are geared towards attaining the balance between financial and sales objectives with an emphasis on brand equity.

At the level of the individual units, Hyatt targets goals that are operational, services, as well as financial goals on an individual property as well as brand level. For instance: high-end brands such as Park Hyatt are centred on offering high levels of service and possessiveness, whereas, Hyatt Place, a mid-price range brand stresses convenience and simplicity (Jackson, 2018). Strategic objectives encompass percentage occupancy, customer satisfaction, brand image, and revenue generation by offering additional services to confirmed customers. Financial objectives involve matters of profit-making, cost control, and return on investment so that every division avails itself of the improvement of the financial health of the corporation.

3. Recent Change Initiatives

3.1 Identification of Change Initiatives

Some of the recent change initiatives that have been undertaken by Hyatt Hotels Corporation include; Still, one of the noteworthy programs is the environmental and social responsibility called World of Care which is aimed at sustainable development (Hertzfeld, 2023). This plan envisages goals such as net-zero carbon emissions, a 30% reduction in energy use intensity, and the complete phase-out of single-use plastics in guestrooms by 2025. Further, to optimise accommodations and guests' satisfaction, the Hyatt has worked on innovation advancement in technology, for instance, implementing a mobile checking-in option, smart room keys, and feasible contactless services in line with the era's new normal demands.

Hyatt has also made some conscious alterations in terms of its loyalty program known as the World of Hyatt in order to align with guests' expectations and foster loyalty (Geraghty, 2023). More recent changes are the new partnership opportunities and rewards for partners as well as flexibility in the way points can be redeemed by guests.

3.2 Impact Analysis

The following are some of the ways through which these measures have influenced the hotelier's strategies of competition, operations, and guest satisfaction at Hyatt (Bowman, 2014). Hyatt's efforts under the "World of Care" have assisted in achieving global appreciation and market trends of responsible businesses on the environment hence enhancing Hyatt's brand appeal to its conscious clientele. This focus on sustainability also gives a boost to investors and corporate clients' demands since they take into account the concepts of environmental, social, and governance resilience.

Through technological improvement, the current operations have been made easier, especially with check-in procedures which has led to an addition of more conveniences to customers and productivity of staff. These technological innovations have also helped Hyatt to gather information about guests to incorporate in the personalization of services (Wen, Hou & Liu, 2021). Also, the established loyalty program enhancement has reinforced guests' satisfaction and loyalty, giving a competitive edge since the guest will enjoy increased privileges and chances to engage.

3.3 Change Management Evaluation

Hyatt's management of these initiatives has been successful, and that has reformed change management practices which are in parallel with Kotter's 8-Step Process (Rhou & Singal, 2020). Hyatt started by creating a clear understanding of time sensitivity when it comes to sustainability and digital transformation due to the changes in the market and customer requests. This urgency was reflected in the unambiguous messaging about Hyatt's attention to "World of Care" and guest solutions. Subsequently, Hyatt established the guiding coalition of the leaders in the different divisions, including sustainability and technology.

Hyatt also developed a view and achievable by announcing sustainable goals and providing the gains of digital improvements (O'Neill & Mattila, 2016). This vision was communicated through external messages that informed stakeholders of the vision as well as acknowledged internal support such as announcements and training programs. Another condition is the delivery of quick textbook wins like visible operating model improvements and incremental but perceptible and tangible enhancements to loyalty programme offers. By applying change management principles, which involve conducting several assessments and embracing change as a continuous process, Hyatt has integrated these programs into its corporate culture and management blueprint, thus providing a good example of effective change management.

4. Strategic Direction and Implementation

4.1 Strategic Direction

Specifically, Hyatt Hotels Corporation has laid out a strategic vision towards more sustainable growth, increased digitization, and the expansion of a geographical presence (Niininen, Buhalis & March, 2016). The current strategic goals of the company include the development of new markets and continued growth in high-growth geographic regions such as the Asia-Pacific and other regions where the company is not very active and the continued enhancement of its brand portfolio to address different demographic end-user segments. Another key area of focus at Hyatt is environmental responsibility, out of which the company's strategies seek to achieve environmental goals at a global level like carbon footprint and energy efficiency.

However, digital transformation continues to be Hyatt's strategic priority as the management aims to use new technologies to improve the guest experience (Mihalič, Žabkar & Cvelbar, 2016). These

consist of using data to create customized services and applying mobile techniques to enhance guests' engagement (Kim, Woo & Uysal, 2015). By pursuing these objectives, the company intends to become a market leader that pays attention to customers' preferences and cares about global environmental problems.

4.2 Strategy Implementation

To achieve the business strategies, Hyatt has applied the following business strategies. With regard to market growth, Hyatt has made efforts to form affiliations and acquisitions to widen the coverage of the company and product brands (Baum, 2015). As an example, the acquisition of Apple Leisure Group by Hyatt was good because it added more opportunities in the luxury all-inclusive travel segment, and exposure to leisure travellers, thus fortifying the hotel's standing in strategic travel markets. Moreover, the World of Hyatt has expanded the Loyalty program to gain greater market share by improving the loyalty programs and collaborating with airlines and banks to retain the customer base.

Hyatt has also embarked on sustainability-driven strategies through its "World of Care" effort aimed at making environmentally sustainable improvements around Hyatt's properties across the world (Chathoth et al., 2016). Having defined an environmental goal in specific, tangible terms, Hyatt has enhanced its brand in the eyes of customers, investors, and other stakeholders as a socially responsible corporate citizen who is thinking and moving in the right direction. In terms of digitalization, Hyatt remains committed to the advancement of mobile/contactless tools in an effort to drive increased efficiency and customer satisfaction in line with the existing industry trends and with consumers' preferences for integrated technological solutions.

5. Conclusion

Hyatt Hotels Corporation has created an effective structure where decision-making power is centralized but at the same time, a lot of autonomy is provided to the regions so as to create a sense of inclusion and service delivery to customers. Its strategic objectives include sustainable and innovative development as well as delivering high levels of guest satisfaction promoted by recent changes such as the ‘World of Care’ program and technological advancements. Hyatt’s strategic course is based on worldwide growth, environmental responsibility, and technology innovation; it is supported by accretive acquisitions, alliance agreements, and loyalty program enhancements. Altogether, the above initiatives help to create the image of Hyatt as the industry leader, ready to manage new challenges.

6. Recommendations

To enhance its competitive position, Hyatt could focus on strengthening customer loyalty, advancing sustainability, and fostering employee engagement.

Implementation Plan

Who	The Human Resources, Sustainability, and Marketing teams, as well as regional management, would lead these efforts.
When	Implementation should begin within the next year, with initial improvements in customer loyalty and employee engagement visible within six months (Giousmpasoglou, Brown & Marinakou, 2018).
Where	Target high-growth markets for loyalty program expansion and implement sustainability initiatives across all regions.
Why	Enhancing customer loyalty will drive repeat business, advancing sustainability aligns with Hyatt’s brand values, and employee engagement will improve service quality.

How	Hyatt could expand the loyalty program through additional partnerships with airlines and retail brands. For sustainability, Hyatt could adopt energy-saving technologies and establish waste reduction practices, using examples from industry leaders like Marriott. Employee engagement can be boosted by offering professional development opportunities and flexible work options, fostering a more dedicated and satisfied workforce.
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