

Management & Organizational Behavior

Report on InterContinental Hotels Group (IHG)

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Introduction

Analysis of organizational behavior is important for its management to understand how an organization reacts to different actions. The management of strategic direction of an organization is selected based on the learning of organization. The strategies of an organization also influence organizational behavior (Alvesson, 2021). This report is about the explanation of varied factors regarding organization behavior, its structure, culture, and its strategic direction. The whole report shows an explanation of these factors with the company InterContinental Hotels Group (IHG). The group is a renowned hotel group consisting of several hotel brands service in the industry.

Organization Structure, Culture, and Goals

Organizational Structure

Organization structure is a defined outline of organizational system of communication, command from the top and allocating responsibilities to various positions. The professionals involved in an organization are defined properly with their duties, responsibilities, and power to influence others in the organization (Buchanan and Huczynski, 2017). The company IHG operates with a hybrid organizational structure that helps combine the functional approach and the divisional structure. The company structure with its hybrid nature enables it to specialize the functions to maintain a strong focus on regional markets and managing its brand properly.

Functional Structure: Functional structure of an organization relates to the establishment of different functional departments based on expertise and group of people allocated for distinct functions of the organization (Cavanaugh, 2020). For IHG the functions like finance, marketing, operations, HRM, management and research and development are done by different functional teams. With these functional teams the company attains high value achievement through their specific goals.

Divisional structure: An organization's Divisional structure is a geographical structure that recognizes different regions and provides separate management for the organization's specific department. For IHG, the services are provided worldwide so the company must incur regional management with a divisional structure. It promotes separate and decentralized management for its branches and brands located in Asia,

America, the Middle East, Europe, and Africa. All the regions operate semi-autonomously to tailor the strategies for their local markets and customer needs.

Hybrid structure: The combination of functional and divisional is mixed in the hybrid strategy to balance centralized control and offer regional strategic direction (Chopra, 2019). IHG follows such a structure to adapt unique marketing strategies in different regions and processes with the growth potential.

Organizational Culture

Organizational culture is representation of its practice, ethical values, attitudes, principles, and influence of individual behavior on the organizational performance. An organization's culture is influential to the people within its environment for involving in different practice (Fitzsimmons, Fitzsimmons, and Bordoloi, 2019). The development of organizational culture and process of interacting with culture is adopted with different strategies by organizations. IHG hotels is focused on a catered culture with proper commitment to providing True Hospitality for everyone. It has been promoting values such as integrity, respect, care for the consumers depending on their teamwork and ethical values. There have been several programs and session for embedding these values and promote them with the following initiatives:

Employee Engagement: IHG management and HRM Team works for maintaining workplace environment that makes the employees engaged with the workplace through their efficient relationship and collaborative outlook (French et al., 2015). Proper training is provided to the employees so that they can develop themselves. Effective career opportunity is also there to initiate employees and staff on turning their permanent job placement with the group.

Diversity and Inclusion: Diversity and inclusion program for an organization is the arrangement of workplace in a way that makes everyone important and feel confident with their skills. There is no discrimination practice according to diversity and inclusion for which employees and staff at organizations are selected from diverse background regardless of their race, gender ethnicity (Hoffmann, 2016). The focus with diversity and inclusion is on the skills and abilities of the employees. IHG maintains diversity and inclusion through its recruitment and selection of employees from diverse backgrounds in different regions. It runs proper skill tests to select people.

Organizational Goals

The goals of an organization are related to its achievement and planning for the future. The goals are selected for the organization based on its capabilities and opportunities in

future. For IHG, the primary goals revolve around its customer satisfaction, organizational growth, and initiation of sustainability in its service.

Customer Satisfaction: Customer satisfaction is an achievement for an organization that calls for providing the customers and guests in hotels with the required service and earning their positive feedback regarding their experience (King and Lawley, 2022). IHG has been serving with excellence to provide innovative and exciting service to customers and make them satisfied with the service.

Organizational Growth: Organizational growth is a term that depicts the development of its district, area of service and collection of revenue. The company IHG is involved in planning for expanding its market area with more branches around the world to enhance its brand portfolio, increase its revenue generation power and grab more market share.

Sustainability: The term sustainability involves service and maintaining value of economic, social, and environmental welfare together (Meyer, 2022). The company IHG has been working with innovative projects to initiate sustainability in its operations and service. The company initiates projects like green hotel infrastructure, natural sight arrangement and utilization of products without plastic.

Recent Change Initiatives

Digital Transformation

The digital transformation in organization relates to the formation of rules and regulations compiled with regulating organizational activities with digital media connection (Mustafa, 2013). There are initiatives taken by an organization in control of its presence. For IHG, the initiatives for transforming its operations and activities in digital transformation would be followed with the below stated activities.

IHG Concerto: IHG concerto is a state-of-the-art cloud-based platform initiated to manage its operations and functions. The company uses this platform to manage its revenue stream, distribute resources, allocate property management processes, and guide branches and decentralized management team with real-time insights to avail better decision making. It also facilitates effective collaboration insight among the staff and employees.

Mobile and Online Platforms: The company IHG hotels have also launched its own mobile apps and declared its presence in the online platform to avail themselves of their service. With these facilities customers and consumers can interact with their service properly (Pugh, 2019). There are several insights by the company facilitating with the organizational progress to promote using mobile apps and other online platforms. The

service within these apps includes digital room keys, personalized recommendations, mobile check-in.

Sustainable Practices

Sustainability is a greater initiative by the company IHG to initiate change to its management and system. It has ambition of some goals to be attained within 2030 in its Journey to Tomorrow project. Some key initiatives within this project includes:

Green Engage System: Green engagement system is a comprehensive sustainability management system allowing hotels to manage, measure environmental impacts and reduce negative impacts. With this system included in the group, there are more than 200 green solutions which cover solutions to water pollution, air pollution, managing waste properly and developing community growth.

Carbon Reduction: The IHG group has a target of reducing 46% of carbon emissions for each of the rooms by 2030. With these initiatives, the company has invested in energy-efficient technologies and renewable energy sources for the achievement of goals.

Waste Management: Proper waste management comes under the green engagement system which is guided to every team of the company (Robbins, Judge and Campbell, 2017). Apart from that, the management has special focus on waste management to reduce environmental damage and pollution in the locality. It promotes an effective recycling system and reducing waste through effective measurement in its hotels and restaurant buildings.

Impact and Management of Change Initiatives

Change while occur to an organization, there might be several impacts that management team needs to tackle. The change initiatives and their management process also impact the organizational management system. Here are some major impacts and their management process due to the change taken place in the company.

Stakeholder Engagement: The stakeholder engagement process in the company due to the green engage process takes consideration of involving key stakeholders including its guests, investors, and employees to be involved in contributing to the change (Schein, 2016). They are properly motivated about the environmental improvement which makes them communicate with the changes.

Continuous Improvement: A continuous improvement in the organization is adopted by the management of the company in regulating and reviewing its strategies. The consumer and internal stakeholders are motivated to give their valuable feedback based on which the continuous improvement processes are initiated.

Strategic Direction

While talking about strategic direction, there are several strategies initiated by the company IHG to strengthen its market position and attain a competitive edge in the market. The company focuses more on boosting efficiency of leadership positions in the industry (Smith, Yellowly and Farmer, 2012). There is combination of such strategies like brand differentiation, market expansion and innovative service with customer focus.

Brand Portfolio: The company IHG hotel is concerned about forming its effective brand portfolio in the industry. There are 19 hotel brands under the hotel and resort group IHG. With its different expansion of brands, it is strengthening its brand portfolio that captures most of the market share.

Competitive Strategy: Several competitive strategies are initiated by IHG for its competitive strategy to build its delivery of high-quality guest experiences, leveraging its technologies and fostering its strong brand loyalty to the consumers and customers (Witte and Mujin, 2020). The company initiated IHG Rewards Club, held as the largest loyalty program in the industry, motivating customers and consumers with high engagement with the hotel.

Expansion and Innovation

Bringing innovation to industry helps in expanding the brand activities and promote more of the company. The company IHG hotels and resorts bring more innovative service and continues to expand its market. The investment by the company in its innovation grounds to stay ahead of the market trends keeps the company advanced compared to that of other organizations on the line.

Market Expansion

Market expansion has higher opportunity for any organization to include more revenue generation power by an organization (Meyer, 2022). There are facilities rendered in the market to initiate such opportunity with expansion. The company IHG continues to expand its service in the Middle East, China, and India with potential target of expanding market service.

Innovation

The investment by the company in its innovative technology and integrating its service offering with enhanced digital media experience proves a smart plan by the company (Hoffmann, 2016). The utilization of AI in guiding customers and recommending them for booking and purchasing services from the company has more efficiency.

Recommendations

Based on the explanation of strategic factors, here are some recommendations to the company:

Enhance Personalization: The company can invest more in enhancing personalization of service with more AI and data analytics in its recommendation system.

Sustainability Leadership: Engaging more with sustainability can help the company utilize natural resources. There is also an extra benefit of earning brand value and boosting its image on the market among environmentally aware people.

Expand Loyalty Program: More loyalty programs can enhance the efficiency of customer loyalty and prove more effective.

Employee Development: Developing employees and their skills can enhance the efficiency of service promoted to the guests and travelers. Regular training and motivational sessions should be arranged in this regard.

Leverage Partnerships: The company should engage in effective partnership with agencies, technology service providers and suppliers.

Conclusion

Managing an organization and its behavior in this modern time requires effective understanding of the organization and promoting its innovative direction properly. Strategic direction for an organization takes initiative to implement effective environmental formation by updating its structure and reforming its culture. This report has shown the effectiveness of organizational culture and structure for its adoption of change and managing them. The company IHG hotel and resort has been used as an example scenario in this report to present varied factors and their explanation.

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