RUNNING HEAD: ANALYSIS OF INTERCONTINENTAL GROUP

Intercontinental Group

Name of Student

[Name of the Institution]

Analysis of Intercontinental Group

***Answer 2***

The group has implemented the steps for responsible business on all its stakeholders. The shareholders have placed an increased emphasis on various issues related to environment, society and governance. There are different ways of engaging with shareholders including the annual general meeting and investor relations team (Grosbois, 2012). The group has identified some sustainable development goals from the UN and implemented them within the business. The clean water and sanitation goal is pursued by the group by launching two projects for water stewardship in London and Delhi so that the group can apply different strategies to identify issues related to water. The group reduced water usage by 3.1% per room (Fern Fort University, 2018). This achievement was a result of a comprehensive water risk assessment undertaken by our group in 2016. The human resource department provided quality work experience to 13531 people in the year 2018. The trend of one job from 10 generated from tourism motivated the group to keep a motivated work force. The group offered a learning and development strategy that meant that there were ample investments in the human resources (E.Levy & Park, 2011). The group has made sure that there is an equal opportunity for both genders to get employed with the group. This is also represented in the highest rank on the Human Right’s campaign on corporate equality index. It is also important because our employees have very different backgrounds in terms of religions, races and sexual orientations. This meant that we had to focus more on equality aspects so that these differences do not intercept the organizational goals. The environmental aspects were implemented by the implementation of a number of green engage solutions. There were clear reports mentioning carbon emissions, energy and water usage by the group. The group is focusing on building a complete supply chain that can take on responsible business agenda (ihgplc, 2019).

Intercontinental Hotels Group is highly committed to manage all its operations with fairness, integrity and as per the standard Code of Conduct. It is the responsibility of an organization like IHG to speak-up about all kinds of breaches made against the Code of Conduct that could be related to: Bribery, auditing & accounting matters, conflicts of interest, antitrust violations or competition, fraud/theft or falsification of records, dangers related to health and safety in environment, human rights concerns, and harassment or discrimination etc. All these issues are very severe and IHG is making sure that no such issues are faced by anyone within the company or even with any other stakeholders (C.Zaharia & I.Zaharia, 2015). IHG is having a strong management system that monitors and identifies all such behaviours. This management system directly reports all such behavioural and ethical concerns to the Human Resource Manager, line managers and other critical members of the board (considering the level of issue). The system is kept confidential and secure, so that all the workplace concerns would be addressed. IHG does not allows anyone to make good faith reports of all such mentioned breaches against the Code of Conduct, and overall hospitality industry policies, even if the chances are higher to face loss (J.L.Craft, 2018). The ethical aspects force the group to communicate their services in a clear manner so that there is no mismatch in what is communicated and what is delivered. The food aspects will have to be according to the international standards as communicated through various media including group’s website. Ethical behaviour will mean that the group will preserve the interests of all its stakeholders while making any decision.

***Answer 3***

The US is a system of government where President heads both government and the state. Some differences are present in the political system of US and other European countries. There is a greater degree of power available to the upper house of legislation and more authority at the hands of Supreme Court. The political stability in country provides ample opportunities for businesses to grow themselves and Intercontinental hotel group has taken advantage of political stability (Aldehayyat & Alkhattab, 2011). There are different political systems faced by the group in different countries meaning that it has to combat different features of these systems. One of the most important aspect is the political stability which would allow the group to work with peace. In a country with higher risk of military invasion, the group will not prefer to work. It will be difficult for the group to work in a country where higher level of regulations are implemented in the leisure industry. The legal aspects include the laws related to consumer protection and the intensity with which they are followed. The attitude of the society towards corruption will also change the stance of group. Amount of tax charged on services and income will also affect the group in more than one ways.

The economic factors also have an important impact on Intercontinental group and its ability to give quality services to its customers. The type of economic system in any country will affect the ability of hotel to provide quality services. Generally, there is a majority of countries which follow the mixed economic system so mostly the group will come across this system. The fluctuation or stability of exchange rates also affect the group in many ways. If the group wants to generate finances, the efficiency of capital markets will affect its ability to raise capital within the country. The extent of training required for the employees will also affect the costs incurred by the group. The interest rate will decide whether it is feasible to take loan from banks and other financial institutions. Another important consideration is the choice of factor of production in any country. In a country where labour is cheap, group will use labour intensive techniques and countries in which technology is cheaper, technology based methods are used. Per capita income is also an important variable for the group to consider because this will affect the level of services that can be offered by the group in a particular country (Enz, 2011). The rate of inflation will affect the overall cost of service provided by the group. If inflation is higher, provision of service will be more expensive. The number of foreigners or business people visiting a particular country will also affect the group. Thus, the group has to consider many economic indicators to consider while doing business in different countries.

The major social aspect affecting the group will be the demographic distribution of that country. An ageing population will not suit the hotel because they will not use most of their services. The group has to alter various policies if there is a strong class structure. This is particularly true in case of marketing strategies which would mean that group will target some particular class with its marketing strategy. Education level and standard will affect the group in more than one ways. It will affect the possibility of finding quality human resources from the available pool. The attitudes of a society towards social responsibility of business will also affect the group because it will have to take care of more things if there is more importance given to these aspects by a society (Goldstein & B.Cialdini, 2008).

The technological aspects will also affect the way this group will provide services to customers. The recent steps taken by competitors in terms of technological aspects will have to be followed by this group (Wang, et al., 2016). One of the most important aspects will be the usage of social media for marketing purposes and the impact of various options used for marketing on customers. Another major consideration will be the cost at which technology is available to the group and price which it is willing to pay for it. The technological aspects will play an important role in the success or failure of the group in any country (Ham & Kim, 2005). Technology can affect the provision of service both positively as well as negatively depending upon the state of technology in a particular country.

***Answer 5***

Intercontinental Hotels Group is one of the leading global businesses that is having an exceptional global outlook. The group is working efficiently in more than hundred countries across the globe and it owns exceptional workforce with diverse background. The workforce is based on an amazing mix of races, religions, background, beliefs, cultures and sexual orientation. More than 400,000 people are working with IHG all over the world, which is valued by the millions of guests as the group clearly demonstrates a blend of inclusive and diverse culture. Cultural diversity is so important for a global organization like IHG, as people from all over the world buy products and services offered and for this they all need facilitations in terms of usage and knowledge. IHG could have faced intercultural issues on a serious level if it was not following the policy of hiring native people from the market they serve (I.Gutierrez, et al., 2015). The company is having a good mix of employees, who are culturally aware of all the cultural values, rituals and beliefs. IHG considers sensitivity, understanding of cultural differences and cultural awareness as key to their business success (Simao, n.d.). Therefore, it is actively involved in keeping up of all its guests’ demands. In order to assess whether the cultural diversity can be a competitive advantage or not, the VRIO framework will be applied to the diverse human resource held by the group (Pereira-Moliner, et al., 2016). The first aspect of resource is value which means if the resource adds value for the customers or not? The diverse workforce does add value for customers because there are customers who come from different countries and backgrounds. Employees can cater these guests better if they know their backgrounds better. Employees from varied backgrounds will mean that other employees will have sufficient familiarity with different cultures and backgrounds (Kim, 2004). The rarity option will be applicable to countries where labour is either very expensive or rare. In countries with abundant labour, it is hard to find the suitable person because of lower standard of education. We can thus conclude that the diverse workforce is a rare resource for the group. The resource is hard to be copied by other competitors because it will be expensive for them to try and hire these employees. Finally the group has enough resources to make sure that the competitive advantage is properly utilized. The discussion has helped us to conclude that diversity in work force is a competitive advantage that is sustainable over a longer period of time. The equality in workforce is easily imitable as any competitor can hire men and women in equal numbers to match the organization. The various differences in cultures pose some problems to the group but with the help of continuous trainings, the employees become used to each other and these differences are settled. Another option used by the group is to hire maximum number of employees from the home country so that they know the culture very well (Tani & Papaluca, 2015).

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