

Successful and unsuccessful organizations

[Business](#), [Organization](#)



The success rate of a business organization is determined by the level of satisfaction it has being able and is still capable of rendering to those who patronize its services or products. It also depend on the level of trust the clients or buyers have for the service or product from the organization. This will form the bases whether they will continue to patronize the organization. The quality services and product has always being the reckoning force for successful business organizations.

Thus, most successful business organizations have adopted the Total Quality Management (TQM) as a tool for the expansion of their success rate and also curving an edge for themselves over their counterparts in contemporary business world. Total quality is about bringing about a fundamental culture change within an organization. The foundation of the new culture has to be faith- that there is a better way of doing things, and that we are really fully committed to it.

According to KPMG (2005), " Total quality means adopting a customer-oriented business strategy. " This write- up tends to be base on Hilton International as a case study. Here, the organization operations in the past, present will be studied to see whether it will be successful or not in the next five years to come. HILTON INTERNATIONAL ORGANISATION Hilton International organization is a name to be reckoned with when it comes to hostel industry world over.

It has spread its tentacles to developing programmes such as esprit and Hilton University used in training its manpower. The organization is a Multi-International Corporation. Hilton International (HI) owns the right to the Hilton brand name throughout the world, with the exception of the USA, <https://assignbuster.com/successful-and-unsuccessful-organizations/>

where the Hilton brand is owned and managed by Hilton Hotels Corporation (HHC). The Hilton International operates 403 hotels, with some 261 branded Hilton and 142 under the mid-market Scandic brand.

The Hilton International and the North American Hilton Hotel Corporation has a global alliance which extends the number of hotels operated by both companies worldwide to over 2,700- over 500 of which are branded Hilton. Also, both organizations share responsibility for the Conrad brand which includes 17 hotels in 12 countries (national business awards, 2005). Hilton International started its operation in hotel business in postwar cities, with its modest services of offering a clean environment, air-conditioned respite and a cheeseburger.

The Hilton hotels were designed for political impact during this time. The hotels were seen as “little America”, where businessmen and tourists in Europe and the Middle East could retreat from the disturbingly alien into the comfortable services provided by the Hilton hotels. These same features lent the Hilton a utopian aura, for the economically exhausted local population where a space of luxury and promise which realized permanently and prominently, the new and powerful presence of the United States (Wharton, 2001)

The Hilton International built 16 luxury hotels abroad between 1953 and 1966. “All were planned according to the Hilton programme and styled as ‘corporate modern’- the same form that distinguished the American embassies and consulates proliferating in the period” (ibid). The Hilton was the first significant modern structure, introducing a striking visual contrast to the vernacular fabrics of places such as Istanbul, Cairo, Athens and

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Jerusalem. The new architecture impact was amplified by the hotel's unprecedented siting and scale.

As already stated, the ideological base of the creation of Hilton International was not only for profit maximization, but also for political considerations. According to Conrad Hilton, "Hilton International Hotels were constructed not only to earn Hilton shareholders a profit, but also to make a political impact on host countries; an integral part of my dream was to show the countries most exposed to communism the other side of the coin.... the fruits of the free world" (ibid). Hence, the American government had assisted the corporation in no small measure in expanding its base internationally.

The capital for the construction of the earlier Hiltons was commonly provided not by the corporation itself, but by institutions in the host countries, with occasional subsidies from the American Economic Co-operation Administration with the support of the US Department of state. Hilton envisioned a global peace where universal capitalism reign. The consistent modernity of the original Hiltons has made it lost its authority and bears no utopian meaning. This has to do with the remodeling of Hilton International in order to make it remain fashionable.

THE ORGANIZATION'S STRATEGY AND PRESENT STANDING. The Hilton international is recognized presently as the world best known hotel. It triumphed at the prestigious UK National Business Awards for a second year by winning the coveted 'Broad-system Customer Focus Award 2005'. Previous year the organization won the Best Marketing Strategy Award. (National business awards, 2005). The Hilton International has operated a business strategy that makes its customers to have the best quality of

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service. The organization embrace a creative marketing agency, campaign works.

This has supported Hilton's new brand strategy. The strategy first embraced industry and customer research. Innovation Hubs were set up to turn lifestyle analysis and research into a contemporary hotel experience and conventional thinking was challenged which contributed to the creation of the new customer brand promise. The next phase saw the development of innovative internal and external marketing tools that communicated and delivered the brand strategy throughout the organization and to the customer.

The embraced strategy of Hilton International has led to its outstanding success with significant commercial returns. Hilton is now the number one hotel brand in every global market with higher guest satisfaction, improved team member satisfaction and increased financial performance (ibid). The Hilton International is expanding its manpower knowledge through its Hilton University. Currently, there are 8000 team members, team leaders, departmental managers and general managers in 70 countries in the Hilton University.

The university is recognized as a world standard for management development in the hospitality industry. It has a primary focus of a web-based delivery of core management and skill development with the goal of maintaining world-class customer service throughout the Hilton International organization. The Hilton International sees it as a challenge to increase and broaden the reach of the university to serve even more employees worldwide, to increase the sophistication of learning activities it offers and to

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more directly link learning and skills development with the company's business results.

The Sum Total learner management system is aimed at developing more in-depth, blended learning programs, incorporating employee competencies by job role and function, and aligning them with specific content and business goals. (elearnity. com, 2004) According to John Guthrie, head of International management development at Hilton International, ' what sets Hilton apart is the immense pride we take in the standards of service we deliver to all our guests. Sum-Total will help us measure the effectiveness of certain training programs- for example in e-commerce and reservations - in increasing customer satisfaction"(ibid)

In year 2000, Hilton International unveiled a plan to double the speed at which it opens hotels around the world. The shares of the organization enjoyed a massive 40 per cent rise since Hilton announced plans to expand Ladbrokes, into internet betting. The online betting becomes interesting to investors, even though its hotel business accounts for more than two thirds of the group's profits. (Lindsay City, 2000) The present craze for internet betting has made the organization take its turn in partaking in the business.

Turnover of the Hilton in 2000 slipped to 4. 23 billion pounds from 4. 68 billion pounds, mostly as a result of selling off the Corals betting shop chain. The hotel division, bolstered by Stakis, saw profits rise from 181 million pounds to 264 million pounds. In year 2003, the Hilton International sees the increase in its revenue. Hilton reported a pretax profit before exceptional and goodwill for the first half, of 110. 5 million pounds, down from 130 million pounds the previous year.

Hilton plans to open 17 new hotels in 2003, with most of them incorporating either management contracts or franchises, and will continue to open around 20 each year going forward. HILTON INTERNATIONAL POTENTIALS FOR SUCCESS OVER THE NEXT FIVE YEARS. The historical and present operations of the Hilton International have shown that the organization strategy is a strong base for its success in years to come. Total Quality Management as a management tool is used by the organization to continue to win its customers' patronage.

The strategy sees that customers are given the best standard quality of services. This business strategy has made the Hilton International to win the UK National Business awards for 2004 and 2005. The Hilton Business strategy, as discussed earlier on, has a creative marketing agency, campaign works which help in supporting industry and customer research, innovative internal and external marketing tools that communicate and delivers brand strategy throughout the organization and to the customer. This is in practice in the organization.

Also, the divers and expanding business operations of the Hilton International would make the organization to continue to succeed. Even, if one or more business unit of the Multi Corporation experiences a down ebbs in its operational level, other chains and units that is successful would keep the organization going. As already discussed the Hilton International operates a university where its manpower are trained and equipped with the professional skill in delivering standard services to its customers.

In this instance, the practice of Strategic Human Resource Management is put in place, where the workforce of the organization are integrated into the <https://assignbuster.com/successful-and-unsuccessful-organizations/>

strategic operation of the corporation, in order to attain the organization's objectives and long term goals. This practice tends to bring the achievement of best results, and thereby making the Hilton International organization to succeed over the next five years to come and more.