



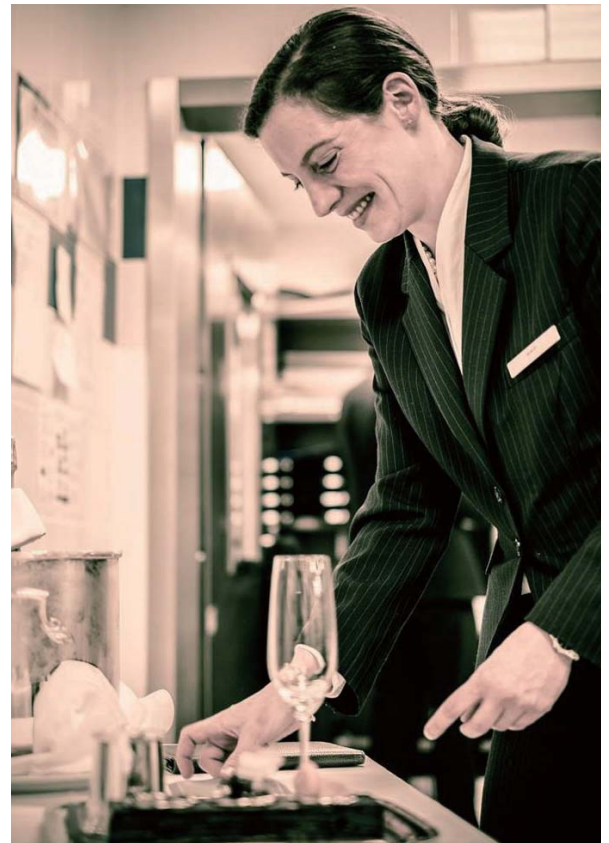
OUR PEOPLE AND EXPERTISE

HSH is growing and expanding our portfolio, which means more career opportunities for new and existing employees. Yet growth brings challenges – and we realise that attracting, retaining and developing key talent is the key to driving our future success. This chapter explores our investment in the “human capital” side of our business.

HSH currently employs more than 8,000 people around the world. Our Employees are included as one of the seven pillars in the Group’s Sustainable Luxury Vision 2020 (pages 26 to 37 of the Corporate Responsibility and Sustainability Report). Demonstrating the importance of human capital to HSH, the Group Director of Human Resources, Sindy Tsui, is also a member of the Group Management Board (GMB) reporting directly to the CEO, and as such is involved in the highest levels of business strategy and planning.

At HSH, we are committed to creating a culture of engaged employees across the Group, and a particular concern is to attract and retain talent, as well as improving our succession planning. The travel and tourism sector is notorious for its high turnover of staff; World Tourism & Travel Council Research shows that the travel and tourism sector could face a shortfall of up to 14 million jobs over the next ten years – human capital challenges are significantly higher than those faced in other sectors with 37 out of 46 countries showing a talent “deficit” or shortage in the next 10 years, compared with only 6 out of 46 for the whole economy.¹

¹ WTTC Global Talent Trends & Issues
<http://www.wttc.org/research/policy-research/human-capital/global-talent-trends/>



As a company with 150 years of history, we are very concerned about maintaining the company culture and family environment of our Group

Therefore, a key focus of our HR team in 2015 was to develop retention strategies for our talents, in particular, younger employees in the under-30s age group, and to ensure they are given adequate career progression opportunities and development plans. In 2015, we invested HK\$25 million on learning and development programmes across the group, including 170 cross exposure programmes. Some 30% of the cross exposure programmes in 2015 included staff from The Peninsula Beijing, which started its major renovation in 2015. We took the opportunity to send these employees to our other Group properties to learn best practices and broaden their skillset by experiencing a new work environment, operations, people and culture.

We expanded our Corporate Management Trainee Programme in 2015 where graduates were assigned to corporate office roles. Since the inception of the programme eight years ago, we are delighted that one of our graduates of the programme has reached the level of Director of Food and Beverage.

In 2015 we developed a five-year Human Resources Strategy that incorporated the Sustainable Luxury Vision 2020. This five-year plan includes five key areas of focus:

1. Attract and Select
2. Develop and Grow
3. Engage and Energise
4. Reward and Recognise
5. Build and Enhance

To communicate our strategic vision to our HR teams across the Group, the HR Conference 2015 was held at The Peninsula Bangkok in June 2015. This event brought together over 50 HR and Learning & Development leaders from across the company; a 40% increase in attendees compared to previous HR conferences. The objectives of this meeting were to:

- Get to know each other as part of one strong HR community collaborating towards success across our organisation
- Cultivate our future by defining initiatives required to deliver our HR Strategy
- Hone our HR skills on how to be influential and impactful for the future
- Incorporate operational input into the HR Strategy before it was finally submitted and approved by the Group Management Board.

Our people are at the heart of our business and our brand. As a company with 150 years of history, we are very concerned about maintaining the company culture and family environment of our Group. We place great value on having the right skillsets, but even more important is to have a passion for the industry and the company, to be extremely caring about our guests, and to be respectful, humble, creative and detail-oriented. Such values can be intangible but our global competency framework ensures that we recruit and develop our talents in the right way to reinforce our values.

HSH COMPETENCY FRAMEWORK



This competency framework also provides an important foundation for our new global talent management system. In 2015 we expanded this system and incorporated succession planning onto the framework. A total of 202 employees joined the succession management process across 20 operations, and 59% of the selected population said they were willing to relocate with their career in HSH.

As a relatively small company, we are able to personalise our learning and development programmes and, for a select group of corporate management trainees and senior executives, we tailor these programmes to our people's exact training requirements. This enables our management team to develop better leadership skills and to inspire success in their teams.

More details of our Group's Vision 2020 strategy for our employees, including case studies and our approach to training and development are described in our Corporate Responsibility and Sustainability Report on pages 30 to 37.



The HR Conference 2015 at The Peninsula Bangkok.