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Human Resource Sales Force Transformation...The Marriott Way

Good morning everyone. I'd like to thank Etisalat Academy for inviting me along here today. I feel privileged that we are the only hospitality industry speaking at this event, as this acknowledges that yes, Marriott has an extremely effective HR policy, and yes, we treat our staff so well that most people who start working at Marriott will continue working there throughout their lives.

Tourism and hospitality is a multi-billion-dollar industry, and the fastest growing one in the world. According to the World Tourism Organisation, tourism is one of the top 5 export categories for more than 4 out of 5 countries worldwide. It also recognises the Middle East as one of the fastest growing areas of the world in tourism.

In the UAE, tourism represents 15% of economic activity, and in fact hotels generate more than 3.1 billion dirhams annually. This figure is set to increase, particularly in Dubai, where they estimate that the 5 million tourists we are getting now, will double to 10 million by 2009. Not surprising, when you think of some of the super projects that HH Sheikh Mohammed is planning, amazing developments like the Palms in Jumeirah, Jebel Ali and Dubai, the World, the Waterfront, and even the Business Bay. It is this type of vision that will develop Dubai into one of the most attractive tourism sites globally.

So it's a very exciting time to be in the tourism industry, particularly in Dubai and the Middle East. I think too that the concept of working in the hotel industry has changed.

Young people are more informed than in the past, and have aspirations for specific careers, e.g. in sales, or reservations, or in food and beverage. There's also recognition that this tremendous growth in the industry is spawning some terrific career options. And the hospitality industry is well known for the opportunities it offers for advancement, and for training. So that people can start at a low level, but can still aspire to be managers some day.

Of course, while there has been very strong growth in tourism, the last few years have been tough ones, with 9/11, SARS, a downturn in the US economy, and of course a general fear of terrorism. We'll also be waiting to see what the fallout for the tourism industry will be from the Tsunami disaster.

While all this has been going on, behind the scenes of the hospitality industry, there has been a lot of worry about sales results and occupancy rates. This is where I think of the Billy Ocean song 'When the going gets tough, the tough get going'. We at Marriott have been able to weather the storm, and come out the other end, by adapting our policies and adopting a culture change within our organisation.

Just to give you an example of how successful we were, our 2003-2004, RevPAR results in the UK surpassed the market by an average of 16%. We didn't achieve this success by cutting costs all over the place, or by laying off a large number of staff, while of course, we did have to make some cost adjustments.

But behind it all, we have continued to operate with the same principles as we were set up with over 75 years ago. That's really what I want to talk about today. Our 'Spirit to

Serve' and the Marriott Way, the central tenets behind our success. But I also want to tell you how we reacted to adverse market conditions through adapting a culture of transformation, and how Marriott is using that to stay ahead of the competition. Our chairman Bill Marriott Jr, wrote a book called 'The Spirit to Serve: Marriott's Way' a few years back. While much of it was a history of how and why we got to where we are today, with over 2,800 hotels in the world, the book also covered a lot of simple but effective management ideas that could be adopted by any company hoping to succeed in any industry.

A lot of service industries like to throw around the slogan that 'the customer is always right'. Well, it sure sounds good to the customer, but what about the person serving that customer; does that imply that he's always wrong, or that, whether he's right or wrong, who cares? At Marriott, we have one central belief that underpins everything else. It's something that our founder JW Marriott believed in, and it's something that goes through every facet of the company; "Take care of your associates and they will take care of our guests." No matter how many new HR ideologies come on the market, you'll never get one to beat that simple fact.

This isn't just a pretty slogan, as can be easily seen in the facts and figures. Marriott has one of the highest HR retention figures in the hospitality industry, with many of our staff spending their whole career with us. Marriott routinely makes Fortune magazines annual list of the top 100 places to work, and it has also been acknowledged as a great place to work by organisations and publications like the NAACP, Working Mother, Hispanic, and Latina Style. In the UK, it was voted 14th in the Financial Times 'Best Workplaces UK'

survey, and was the only hotel company to even appear in the ratings, coming above IBM and Marks and Spencers.

So how do we do it? How do we apply the Marriott Way, and look after our people? Well, starting with a very basic thing, we do not call them “employees”. If you work at Marriott, you’re an “*Associate*” from the word go, and you’re also a member of the Marriott family. That’s the first thing we say to people who join us, “Welcome to the family”. While we’re constantly looking at ways of improving operations, we still believe that the focus has to be on people. We don’t believe in following every HR fad, because we know that taking a genuine interest in our associates is our first concern. I suppose that goes back to the fact that Marriott is a family company, and that Bill Marriott is, today, the chairman.

Looking after our associates covers so many different areas, from providing a good working environment and conditions, and giving ample rewards and recognition’s, to offering great training and promotion possibilities.

Just to give you an example, a few years back, we took over a group of hotels in the UK called the Swallow group. Naturally, we had to spend a lot of money making sure that they fitted with our brand. But I think what really impressed our new associates there was that we spent three million pounds on the ‘back of house’ associate areas, the places where people change and take their breaks, places that no guest will ever see. In fact, when MDs and board members visit properties, it’s the back of house area that they’re often most interested in. The way we see it, there’s no point having a beautiful hotel lobby and miserable staff who are going to leave at the first opportunity.

A family looks after its members, so it's very important that our associates are happy with us. We have a culture of 'going the extra mile' but nobody is going to go an extra metre for you if he feels you wouldn't do the same for him. That's where our culture of listening to our associates comes in. As far as we're concerned, they are our eyes and our ears, and we need their feedback on what they want and how we can improve our operations. Within Marriott, someone can start as a bellboy and end up as a general manager. Talking of which, John Marriott started his career as a dishwasher, just showing the family's core values of working hard, and working together.

I've been talking a bit about Spirit to Serve. You can say that this concept is more important to us than the mere idea of service. We want our associates to serve our guests, each other, and the community. We believe in being active in each community, and forging partnerships with local and regional charities, like the Red Crescent, the Red Cross, and Habitat for Humanity International. Here in Dubai, Marriott International hotels join together to have 'clean up the environment' days, as well as getting involved with Riding for the Disabled, and the Al Noor. We do this to be involved in the community, but also for the associates themselves to give something back.

Wherever our hotels are, we believe in giving something back to the community. So for example, we have a beautiful hotel in Jordan at the Dead Sea, and we have made a policy of bringing people from the surrounding villages to work there, making sure that the local economy benefits.

One of the main reasons for Marriott's popularity as an employer is the way we develop our associates' careers. We want to nurture our associates the same way a mother would nurture her child, and to look after their growth. The last thing we think of doing is cutting the umbilical cord. We know that attracting and retaining talented associates is crucial to our success as a global brand leader. Developing diverse, smart and talented decision-makers is the foundation of our success. To do this, we are constantly applying new development tools to tap into the right talent and empower our associates.

One of our important tools is our Career Leadership System, or CLS. This is a programme we have created for developing and managing careers, built on the idea of a partnership between associates, supervisors and Marriott. The CLS enables associates and supervisors to work together to make and achieve individual career goals, while also reviewing performance and compensation. Used on a six-monthly basis, the CLS creates a consistent and regular process for receiving feedback and coaching. It also enables us to provide tools for achieving career success. The overall result is that we can manage out talent effectively, and identify the leaders of tomorrow, while also giving performance linked rewards.

Of course, we're interested in career goals, but we also ask our associates about personal learning goals. It could be something like learning a new language, or even doing a dancing course. If we think it will help their personal development, then we go ahead and help finance them. If you have happy associates, they will definitely go the extra mile!

On the subject of feedback, we have a system whereby teams meet on each property, with voluntary team leaders from different departments. The teams give suggestions on improvements for the property, and we reward the best suggestion each month.

While the CLS is a very important tool in the long-term management of associates' careers, we also have short training programmes, like our training energizers. These are Powerpoint based training sessions that are created to provide crucial and accessible training for our associates. Lasting an approximate duration of 15 minutes, the training sessions can be based on anything from email etiquette to sales skills. Their flexibility means they can be delivered during daily or weekly meetings, or can even be taken by associates individually, through the Internet via Brainshark.

While we already spend **\$12 million annually** on training, we are constantly looking at new options to help our associates grow. In fact, one of our strategic initiatives for 2005 is to develop talent. We have various elements to this. Firstly, we seek to improve our talent acquisition through our targetting processes. We want our associates to have passion and commitment before anything else. Further, we are going to expand career development opportunities through utilisation of the LLP, meaningful career discussions, and the use of PeopleSoft to ensure we utilise local and regional talent. We also aim to use the Gallup selection tool to track the performance of our sales force, something that we have already done very successfully in Marriott Vacation Club International.

For sales related positions, we intend to link business management metrics to the LPP business results section, and go from there to setting goals.

We have also recently launched a number of management programmes, including Management Business Priorities, Dynamic Teams, On Boarding and Ashridge Virtual Learning Resource Centre. While these training programmes cost money, the money we invest on our associates is well repaid when we create our leaders of tomorrow.

As VP of Marriott Global Sales, obviously, my primary interest is sales, and I'm very proud to say that this is something in which Marriott really has an edge. Sales has become something of a science in recent years, and is no longer the transactional activity it was in the past. However I think it's very important to remember that no matter how many advances in communications, and in sales strategies, at the end of the day, it is the human element that is the most important. We have definitely become more strategic, rather than tactical, particularly in the management of large accounts. We invest heavily in managing these accounts effectively.

I talked a lot earlier about 'Spirit to Serve'. Well, as a response to the adverse environment of recent years for the hospitality industry, we also introduced a "Spirit to Sell" programme. This was all about moving the emphasis from cost cutting and the bottom line to the top line and sales. The programme included training toolkits, incentive schemes, and 'train the trainer' programmes, to make sure the module reached as many Marriott associates as possible. The programme has a lot of traditional elements like cross-selling, and up-selling, but also includes bonuses like vouchers to reward our top performers. We also have annual awards ceremonies where we identify the top sales associates. In fact, we have a number of awards for outstanding associates, because we want to recognise and reward those who do go the extra mile.

While we are constantly looking for the latest training methods to further sharpen our edge as a leading hotel management company, I would really like to emphasise that the cornerstone of our success is the fact that our associates come first. This is the Marriott Way, but it's not just for Marriott; this is something that every organisation can and should do. Remember, if you treat your associates well, they'll treat your clients well, and that's where your success lies.