

## EXERCISE 2.2

### Going Global with Marriott Corporation\*

#### Overview

In 2005, Marriott Corporation employed approximately 235,000 employees. From 1987 through 2005, Marriott had been one of the most successful firms in the United States, with 10 percent compounded growth in both sales and return on equity. They had established a strong presence in a variety of service-related industries: hotels, airline food service, business food service, family dining, and contract services. A key to Marriott's success in each of their lines of business came from Marriott's deserved reputation of providing outstanding service to guests and customers. As a result of their excellent service, the Marriott Corporation was considered by customers around the world as the "preferred provider" or the provider customers thought of first when making lodging or food choices.

Marriott's goal for the first decade of the 21st century was a major emphasis on global expansion. Along with being the "provider of choice," Marriott needed to become the "employer of choice" for international assignments. It was felt that if Marriott could not continue to attract, retain, and manage their employees in their overseas operations, then their rapid growth would slow down. Managing employees and becoming the international employer of choice was not an option; it was seen as central to business success and should be directly linked to the "provider of choice" emphasis. For example, one of Marriott Corporation's central challenges has been to ensure that all overseas operations are staffed with the most qualified and cost-effective employees who will join and stay in the business. In the past, Marriott had some problems with expatriate attrition and performance and difficulties in repatriation as well.

#### Learning Objectives

After completing this exercise, you should be able to

1. Identify a number of specific HRM practices that can be pursued by Marriott to create and sustain its goal to be the international "employer of choice."
2. Understand the connection between the goal to be the international "employer of choice" and the "provider of choice."

#### Procedure

##### Individual Analysis

1. Before class, generate a list of four actions the organization can take that will directly contribute to their goals regarding making Marriott the

international employer of choice in the most efficient manner. Bear in mind that competitive advantage does entail labor costs, so your recommendations must be made in the context of estimated relative costs for the various actions the organization could take. Rank order the four actions.

2. Try to think of international opportunities and policies to which you would be attracted as a recent college graduate. How could Marriott gather information to meet its objectives in the context of cost control, the "provider of choice" emphasis, competitive advantage, and total customer satisfaction in their overseas operations? If your instructor has not assigned a country or region, identify one country where Marriott has a hotel and develop an HRM strategy for attracting and retaining the most qualified staff. Prepare your list of four key HRM actions on Form 2.2.1 and provide a concise written justification for your rank ordering of actions. What competitive-advantage principles did you consider in compiling your priority list? Explain how you would go about researching the problems with expatriate attrition, performance and difficulties in repatriation as well.

#### Group Exercise

1. In groups of about six people, exchange your priority lists so that all group members have had an opportunity to review each one. Attempt to reach consensus on a rank-ordered list of four specific actions the Marriott Corporation should take to contribute to its goal of becoming the international "employer of choice" in the context of the "provider of choice" emphasis. How could the HRM systems contribute to the "employer of choice"?
2. A group leader will be designated who will present the consensus view of the group. Discussion should focus on the extent to which the various groups agree on the priority list of Marriott activities.
3. Students should complete the Assessment Questions after group discussion (Form 2.2.2).

\*Contributed by Dave Ulrich

**FORM 2.2.1**

**PRIORITY LIST FOR MARRIOTT'S GLOBAL GOALS**

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Name \_\_\_\_\_

Group \_\_\_\_\_

**Priority #1:**

Justification:

**Priority #2:**

Justification:

**Priority #3:**

Justification:

**Priority #4:**

Justification:

Explain how you would go about researching the problems with expatriate attrition, performance and difficulties in repatriation.

**EXERCISE 2.2**

**ASSESSMENT QUESTIONS—FORM 2.2.2**

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1. To what extent do the recommendations made by your group generalize to organizations other than Marriott? If they do not generalize, why not?

2. To what extent are the recommendations unique to international expansions and international operations?