

Great
Place
To
Work®

Marriott
INTERNATIONAL

A NEW MARRIOTT —FOR ALL AND BY ALL

The hospitality giant once expanded by replicating its successes. Now it is growing through innovation—and its culture of fresh ideas is fueled by a commitment to diversity + inclusion.



At the Marriott Irvine Spectrum in Southern California, you won't see interior designers testing new bedding, reviewing a variety of fabric swatches, or taste-testing new food and beverage options. Instead you might notice the open-flow lobby furnished with angular leather wing chairs and tweedy ottomans. But make no mistake: This hotel is also a lab.

Marriott International Key Facts

No. 31 on Fortune's 2019 list of the 100 Best Companies to Work For

HQ: Bethesda, Maryland

REVENUE: \$23 billion

Having appeared on the 100 Best Companies list every year since Fortune first began publishing it in 1998, Marriott International is the largest hospitality company in the world and continues to be one of the best global employers, with more than 425,000 associates working in 130 countries and territories.

Marriott International unveiled its first hotel innovation incubator, the M Beta at Charlotte Marriott City Center, in 2016 to much fanfare. A year ago, it opened its West Coast counterpart in Irvine, Calif., the tech hub of Orange County, about 40 miles south of Los Angeles.

Marriott Irvine Spectrum is a proving ground for new ideas, from open, flexible lobby layouts to rooms equipped with voice-activated assistants. It's also a potent symbol of how the company has changed direction in recent years. The lab hotels are a key ingredient to re-thinking the company's legacy brand, which is only one of the 30 hotel brands it manages within the Marriott International portfolio, after a recently-completed merger with Starwood Hotels & Resorts.

Over the past decade, Marriott has shifted from being a company that replicates to grow to one that innovates to grow. And its new culture of innovation depends on its commitment to diversity and inclusion. These dual priorities are being expressed at the Marriott Irvine Spectrum in subtle and noticeable ways.

Guests won't see the reservations system that's being tested, but they might order lunch through a beta program called Mobile Dining. Aware that travelers increasingly use services like Uber Eats and Seamless as alternatives to room service, Marriott created a mobile service that allows them to dine anywhere in the hotel, from the lobby to the rooftop lounge.

Visitors might notice that the general manager is a 31-year-old woman—a rarity in an industry where an estimated 20 percent of GMs are female, and far fewer are young.

Dianne Markis, Irvine's General Manager, says that other hospitality companies she worked for were male-dominated, and she spent many years trying to act older than she was. "I was especially attracted to this hotel because I got to be who I am," she says. "A GM who's not going to have every answer but comes to it with a fresh perspective."

Marriott is among the leading companies that recognize that today, success requires tapping the ideas, passion and full potential of everyone in the organization, no matter who they are or what they do. And that approach to agility and invention is grounded in creating a great workplace experience for all employees—of all ages, genders, races and abilities. It's a new Marriott, one that is For All and By All.



BORN TO INNOVATE

Though the company has made a major push for innovation in the past decade, fostering new ideas and betting on fresh business approaches has been part of Marriott's approach from the start.

Back in 1927, J. Willard Marriott opened a root beer stand in what's now the Columbia Heights neighborhood of Washington D.C. The son of a Utah sheep rancher, Marriott showed entrepreneurial promise early in life—at the age of 13, he made \$2,000 by raising lettuce on a corner of his family's farm. Later, while passing through the capital as a missionary, he recognized that the sweltering city was ripe for an A&W franchise.

Soon Marriott, his wife, Alice Sheets Marriott, and their partner, Hugh Colton added hot food to their menu, transforming the root beer stand into a chain of restaurants called Hot Shoppes. Additional locations, including the first drive-in restaurant on the East Coast, came within a year; a decade later, Marriott saw the promise of commercial aviation and began an airline catering operation. The founders' son, Bill Marriott, expanded into hotels in 1957. Over the years, Marriott became one of the first hotel companies to launch a loyalty program and the first to offer a portfolio of brands. Starting in the early 1990s, it pioneered an asset-light model in which it managed hotels for a fee, leaving the capital-intensive business of building and owning properties to others.

"We've reinvented ourselves many times over during our 92 years," says Debbie Harrison, one of the founders' grandchildren and the company's global officer for Marriott Culture and Business Councils. "Otherwise, we wouldn't be here."

Still, as in every industry, the pressures to be innovative have become more intense. "The world is crazy fast in terms of evolution," says Stephanie Linnartz, Marriott's global chief commercial officer. "Companies that don't innovate and change at an even more rapid pace than they did a decade ago probably aren't either going to be around and/or be healthy. The growth of technology and the world



population has forced companies like us—even though we had innovation in our DNA—to step up our game."

In the past several years, Marriott has released a plethora of smart new products, introducing keyless room entry, a home-sharing program, and virtual assistant-equipped rooms. The company produces groundbreaking content and leverages geo-fencing technology to initiate surprise and delight moments with guests while on-property. Marriott even won Gold and Silver Creative Data Lions at the 2017 Cannes International Festival of Creativity and a 2018 Platinum Shorty Award for their real-time social media command centers around the world. In 2020, Marriott's Ritz-Carlton brand will launch a luxury cruise line. The company has demonstrated a level of agility that's rare for a large organization—much less the largest hotel company in the world, which it became in 2016 after purchasing Starwood.

“THE GROWTH OF TECHNOLOGY AND THE WORLD POPULATION HAS FORCED COMPANIES LIKE US—EVEN THOUGH WE HAD INNOVATION IN OUR DNA—TO STEP UP OUR GAME.

STEPHANIE LINNARTZ

MARRIOTT'S GLOBAL CHIEF COMMERCIAL OFFICER

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Over the past 10 years, Marriott's revenue has nearly doubled; profits grew from \$94 million in the third quarter of 2008 to \$483 million for the same quarter of 2018. The company's financial success is not surprising given its inclusive approach to innovation. In effect, Marriott is building what we at Great Place to Work call an "Innovation By All" culture—a work environment in which all employees create, are connected and contribute. Our research on 800 companies has established that the organizations that are most inclusive in their innovation activities grow more than five times faster than their less-inclusive peers (See sidebar: Innovation By All Cultures Race Ahead).

Marriott has managed to shift its culture even though it's in a particularly difficult position to do so. "This business model doesn't intuitively lend itself to innovation," says Jennifer Hsieh, vice president of Customer Experience Innovation. Most modern hospitality companies don't own the properties that bear their brands—which means

that owners and franchisees quite literally need to buy into changes. "Every time you ask an owner or a franchisee to put something new in their hotel, they ask—what's the ROI?," Hsieh says. "Well, innovations don't have a guaranteed ROI because we haven't done this before."

Which makes Marriott's transformation from a company that expanded by duplicating successful hotel models to an invention-focused organization all the more impressive. "When I first joined Marriott 10 years ago, it was an operations-, scale-, finance-driven business," Hsieh says. "It was about grow, grow, grow, and replicate—you've got a great-looking Courtyard, let me replicate that in dozens of secondary and tertiary markets. We have fostered an incredible culture in a very short amount of time—while scale is important, we're now reinventing, expanding with a laser focus on our customers."



LEADING IN INNOVATION BY LEADING IN DIVERSITY + INCLUSION

Gender parity isn't a new concept at Marriott. Alice Sheets Marriott was a true partner in the founding of the company back in 1927—"the first bookkeeper, the first interior designer," Harrison says. When Alice Sheets Marriott joined the company's board of directors in 1953, she became only the third woman ever on the board of a Fortune 250 company. Marriott established the industry's first formal diversity and inclusion program 30 years ago. The women's leadership development initiative came 20 years ago.

But as on the innovation front, in recent years Marriott has made big strides in diversity and inclusion—especially when it comes to women. Currently, four out of its 13 board members and, prior to a recent retirement, 50 percent of the CEO's direct reports are female—unheard of for a Fortune 200 company. CEO Arne Sorenson believes that the more impressive statistic is that 40 percent of the top 850 people in the company—meaning vice presidents and above—are women. "We're not at parity," he says, "but we're pretty darn close."

Marriott is well ahead of industry peers when it comes to the diversity of its executive and C-level ranks. The company's minority make-up of this senior leadership level is 78 percent higher than the average for hotel companies that are Great Place to Work-certified.

Overall, 65 percent of the company's employees are minorities, and 31 percent of the company's mid-level managers are minorities in the U.S. The diversity effort extends beyond its own payroll: Marriott has relationships with more than 4,000 suppliers owned by women, minorities, veterans, disabled people and members of the LGBTQ community, spending more than \$5 billion with them over the past decade.



DIANNE MARKIS AND ABELINO MARTINEZ

It's no coincidence that the diversity and innovation initiatives have happened simultaneously—they're not parallel efforts, but intertwined ones. Marriott leaders know that inclusion and inventiveness reinforce each other and lead to business success. It's ever clearer that companies with greater gender, ethnic and cultural diversity in their executive teams outperform peers on profitability. And it isn't just about representation. Great Place to Work's research has shown that companies that provide a consistently great experience for employees across the organization enjoy much higher revenue growth than organizations where significant gaps exist between employees of different demographic groups.

In effect, when organizations create cultures where people feel comfortable being themselves, have the power to suggest better ways of doing things and feel deeply respected by leaders, they bring



their best to work. And when organizations can tap the full potential of people of varying backgrounds and perspectives, great ideas emerge. It's part of the secret sauce of innovation.

"To come up with new ideas, it's not taking the same four people who are identical—whether that similarity is in ethnicity, gender, life experiences, generations," Hsieh says. The company's properties include a luxury hotel in Osaka that welcomes many older guests, and a Courtyard

Marriott in Cleveland that caters to millennials. Accordingly, eight of her 14 direct reports are women; four are Asian, one is Latino and one African-American. The group includes single recent grads and empty-nester Baby Boomers. "The people who travel through our hotels are incredibly diverse. We need innovators who can design around all of those different segments."

It's easy to say, but far harder to turn into a reality. Marriott makes it happen on a number of fronts:

with priorities and goals made explicit at the very top of the company, using metrics to track success, modeling care for its employees, encouraging innovation at all levels of the company, and putting smart programs into place. These efforts are not siloed, but infuse all of Marriott's operations around the globe.



PRIORITIES AT THE TOP

Not long ago, Sorenson appeared on a panel at a diversity and inclusion conference, moderated by “The Daily Show” host Trevor Noah. One of the women executives on the panel said she was sick of hearing people say that women were not qualified for senior roles, which led Noah to suggest, provocatively, that maybe companies need to lower their standards to achieve greater diversity.

When Bill Marriott named him CFO in 1998, Sorenson argues, he looked past Sorenson’s obvious qualification gaps. “In a sense that’s not surprising, because when you’re talking about promoting somebody, they almost never are going to be able to check every box,” Sorenson says. But often, there’s a discrepancy between the allowances made for white men and women or minorities. “Somehow it’s okay, because we’ve been doing it for a long time, for us to say with respect to a white man, ‘Yeah, but I’m going to take a bet on them, and they’re ready for it,’” Sorenson observes. “But when you get to a woman or an African American, somehow we seem to say, ‘Well, wait a second, have they checked all the boxes?’”

Sorenson says that nothing in particular opened his eyes to inequality in the workplace—though perhaps growing up in Japan gave him a taste of what it’s like to be an outsider. It certainly, he says, planted in him a desire to experience different cultures and see people as individuals rather than categories. A more important factor, he says, is that as a global hospitality company, by definition Marriott welcomes people of all different identities, from all over the world.

He also believes that the Marriott culture has always celebrated an individual’s earned success, rather than pedigree. When he first began working with the company in 1992, he was struck by how board



ARNE SORENSON

members spoke about employees. “You would always hear, ‘Well, so-and-so started as a waiter in a restaurant, and look at the job that they have today.’ You would never hear, ‘Oh, they’re graduates of Wharton.’ And I think that’s quite unusual.”

Still, while he deflects credit, during his tenure, Sorenson has made diversity and inclusion top priorities alongside innovation. He chairs the company’s Global Diversity and Inclusion Council; he also is a member of the board-led Committee for Excellence that since 2003 has established and monitored annual diversity goals—among the workforce, owners, customers and vendors. The company quietly started offering benefits to same-sex partners in the 1990s, but under Sorenson, Marriott has very publicly shown support for the LGBTQ community. In 2014, it launched #LoveTravels, an award-winning inclusive marketing campaign, which reached out to African American, Latino, LGBTQ and women customers. Ads featured gay basketball player Jason Collins and transgender

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WE SET GOALS FOR OURSELVES TO RECRUIT TALENT, DEVELOP TALENT, MENTOR TALENT, TO ENSURE THAT OUR PEOPLE CAN SEE THAT IT'S POSSIBLE FOR THEM TO BE IN THESE ROLES.

ALEX AHLUWALIA
SENIOR VICE PRESIDENT GLOBAL OPERATIONS

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model Geena Rocero. In September 2018, Marriott announced the next phase of #LoveTravels, called Beyond Barriers, which celebrates and supports people who are leading unique strategies to promote inclusion, equality, peace, and human rights. In many respects, Sorenson embodies what Great Place to Work calls the For All Leader. This is the top level of leadership we discovered in a study of 10,000 managers (See Sidebar on For All Leadership). For All Leaders stand out for creating a great work experience for virtually every employee on their team—and producing outstanding business results. Qualities they share include commitments to fairness, to forging connections among team members and to keeping the mission of the organization front and center.

Another central trait among these leaders is humility. The fact that Sorenson is chairing Marriott's Global Diversity and Inclusion Council—a rarity among CEOs of big companies—signals his focus on fairness and building connections. And these actions are anchored in Sorenson's dedication to creating welcoming hotel stays for all people from all corners of the globe. In essence, he is living out Marriott's vision statement: “To be the World's Favorite Travel Company.”

Sorenson's For All Leadership at the top of the organization sets the tone for a company that is deeply devoted to helping all employees thrive.

“I think my personal journey is evidence of what Marriott can do,” says Alex Ahluwalia, who was born in India and started his career with Marriott as a banquet captain. “But you have to have a clear intent beyond just fostering a climate and nursing a culture. I feel like one of the things we've done well in the last 10 plus years is identified diversity at all levels as an express leadership goal. We set goals for ourselves to recruit talent, develop talent, mentor talent, to ensure that our people can see that it's possible for them to be in these roles.”

The For All Leader

Great Place to Work analyzed a sample of 75,000 employees and 10,000 managers in multiple US industries to identify qualities held by leaders who create Great Places to Work For All employees—no matter who they are or what they do for the organization.

GPTW found five clusters of employee experiences—corresponding to five leadership levels. At the top are what we call For All Leaders. They create a positive experience for virtually all their people. Among their attributes are humility, the ability to create close bonds within and beyond their teams, a commitment to continual improvement and a focus on the organization's bigger purpose.

These leaders not only foster a great environment for their people. They get great results. Compared to teams headed by Level One “Unintentional Leaders,” teams led by For All Leaders enjoy:

353% higher productivity

300% greater agility

325% greater readiness to innovate

128% greater desire to stay at the company

For more on For All Leaders, see Chapter 7 of *A Great Place to Work For All*.



INCLUSION FROM TOP TO BOTTOM

“Diversity and inclusion doesn’t just stand on its own in the corner,” says David Rodriguez, Marriott’s chief human resources officer and its global leader on strategic matters relating to diversity, inclusion and employee wellbeing. “It is seen as one of the key pillars of the company’s culture.”

Growing up in the South Bronx, Rodriguez had trouble fitting in. “I was a fair-skinned, Puerto Rican with reddish-brown hair,” he says. Latino kids shunned him because he didn’t look like them—and didn’t speak Spanish well. In elementary school, he attended a special academic program in Harlem and thought of himself as African-American, like his friends.

“I could cite verse and chapter on the research on inclusion,” Rodriguez says. “But a lot of my philosophy about diversity and inclusion is from personal experience—being a person who did not fit into any constituency, but still having the very human need to want to fit in.”

He relies on a combination of metrics and gut feel to assess how well Marriott is doing on the D&I front. While diversity can be tracked with simple measures, inclusiveness is more elusive. Each year, the company conducts a global associates census, with roughly 345,000 people participating. One of the first things Rodriguez looks at is the breakouts in wellbeing by race, gender, and other measures.

“What I’m looking for is, are there significant differences in employee wellbeing?” he says. “Do I have any constituencies who are feeling disenfranchised?”



DAVID RODRIGUEZ

Rodriguez also takes an anthropological perspective on the company. “When I go into our cafeteria, what I am looking for is who’s sitting with who,” he says. While there’s nothing wrong with a group of people from a single identity sitting together, he believes the intermingling that prevails at Marriott is a sign of health. “It’s easy for me to spot a place where inclusion’s probably on the low end because you see people of the same ilk flocking together,” he says. “I don’t have a direct measurement of that, but I can almost guarantee that’s a bad problem for a company.”

In the hospitality business, it’s not difficult to have diversity among hourly employees—in the housekeeping departments and at restaurants. The real test is whether everyone, no matter their background, is able to move up in the organization and have their ideas heard.

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DAVID RODRIGUEZ

MARRIOTT'S GLOBAL CHIEF HUMAN RESOURCES OFFICER

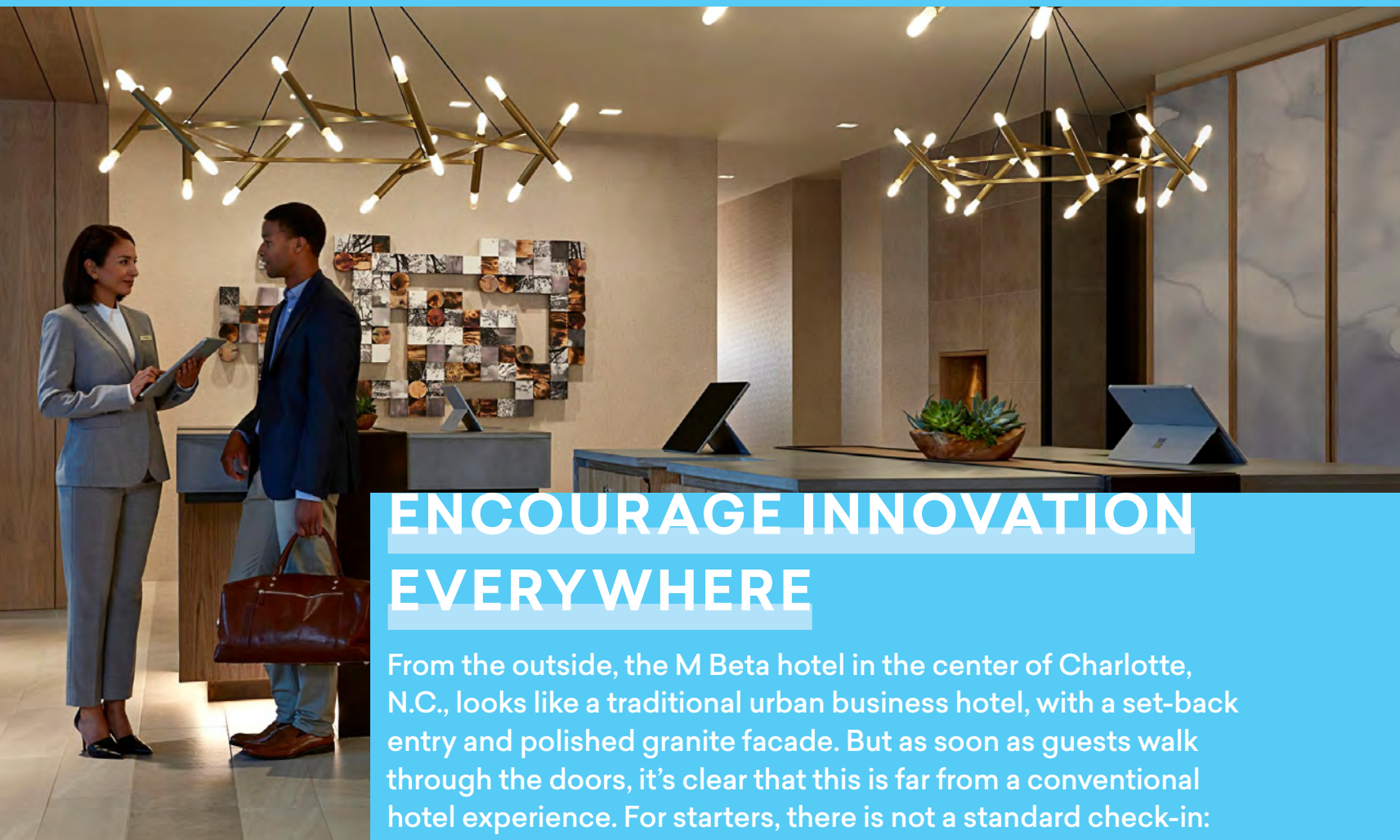
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As a central focus of Marriott's award-winning employee wellbeing program, D&I initiatives span every level of the entire organization across all geographies. Translators are present at hotels' daily housekeeping meetings, to make sure that everyone's voice can be heard. The Emerging Leader Program identifies high-performing associates at varying career points and puts them through a year-long development and mentorship program. More than 1,500 associates have gone through or are in ELP; more than half of the participants are women, and more than a third minorities. More than 90 percent of participants have been promoted or selected for strategic developmental roles after going through the program.

The Women's Leadership Development Initiative, which was launched 20 years ago, works to develop a strong pipeline of women leaders and provide networking and mentoring. Today, 92 percent of women at Marriott feel they are treated fairly regardless of their gender, and 82 percent say everyone has the opportunity to get special recognition—roughly the same percentage as men—according to the latest GPTW survey.

Sorenson says that when he sits down with his dozen direct reports, he doesn't distinguish opinions or voices by gender. "I hear Dave's voice, I hear Stephanie's voice, I hear Leeny's voice—and they are as different from one another, even the women are as different from one another, as the women are different from the men."



ENCOURAGE INNOVATION EVERYWHERE

From the outside, the M Beta hotel in the center of Charlotte, N.C., looks like a traditional urban business hotel, with a set-back entry and polished granite facade. But as soon as guests walk through the doors, it's clear that this is far from a conventional hotel experience. For starters, there is not a standard check-in: associates greet guests as they walk in the door, or they can register on their phones and proceed to their rooms without having to talk to anyone. Instead of easily-lost plastic key cards, guests can use their phones to unlock their rooms. Fitness-conscious visitors can choose from more than 600 streaming workouts in the gym.

The hotel has been around since 1984, but in 2013, Marriott spent \$111 million to buy the property, renovating it and transforming into a living lab for hospitality ideas. Owning the property allowed the company to implement new ideas and get rapid feedback from guests—in particular, from the feedback buttons that are scattered around the hotel.

“In the past, we would try to perfect new programs here at HQ, then push it to hotels,” Jennifer Hsieh says. “We’ve flipped the paradigm—we do a lot of proof of concepts at our Hotel Labs now, with the first beta of a product that we feel good putting in front of customers. It doesn’t have to be fully automated or integrated into our systems. We engage Associates and Customers to co-create the best product or experience with us.” That allows the company to take smarter risks, and also to work out the kinks of an idea in a realistic environment.

Hsieh says that a combination of culture and process result in the best outcomes for Marriott. On both sides—and in both innovation and diversity—the company is honed in on the human component. The culture of an organization might be to solve a problem through a financial lens, an operations lens or a consumer-focused lens. “You need all three,” Hsieh says. “But we lead with the consumer in mind.”

Innovation By All is Better for People

Innovation by All cultures are not only better for business results. They also are better for the people who work there. Across companies and industries, we have found that nearly 100 percent of the employees who experience a lot of opportunities to innovate call their workplace great. But when employees report no opportunities to innovate, fewer than half call their workplace great.

The innovation-engagement equation holds true at Marriott as well. When Marriott employees have a lot of innovation opportunities, 97 percent call the company a great place to work. In addition, 97 percent of those employees would endorse Marriott to family and friends as a great workplace, and 95 percent of them say they want to work at the company for a long time.

A few years ago, one of Marriott’s luxury brands asked the innovation team to take a crack at solving “the minibar problem.” Guests aren’t crazy about them because they’re so expensive, but they’re actually money-losers for hotels because of all the checking and refilling.



From a financial perspective, you might just take out the minibar—but guests will still wake up hungry and thirsty in the middle of the night, Hsieh says. From an ops angle, you could install sensed systems—but that creates other problems, especially when they make mistakes.

The team eventually settled on a solution that would be best for guests, while also saving money for hotels: put essentials in the room and launch an ordering system that allows guests to have snacks, meals delivered faster and from anywhere. These insights and solutions are coming to hotels as part of the Mobile Dining solution, which will be scaling to 200+ hotels this year.

To generate such people-centric ideas, it's essential to involve many different kinds of people, Hsieh says. "My team spans all generations and all ethnicities." As effective as that team is, it can't

be the only source of new ideas and solutions for the entire \$23 billion company. Marriott needs a constant stream of ideas from around the globe—which means it's essential to cultivate a culture of openness.

"We empower everyone," says Debbie Harrison. "There are no reprisals for speaking up."

The numbers back Harrison up. Fully 8 in 10 Marriott employees report that managers genuinely seek and respond to suggestions and ideas. The same share of employees also say "We celebrate people who try new and better ways of doing things, regardless of the outcome."

And this sense that everyone can contribute good ideas creates a virtuous cycle. When employees at Marriott and other companies have the power to innovate on the job, they are much more likely to

have a positive experience at work—which further inspires people to speak up with suggestions (See Sidebar: Innovation By All is Better for People).

The ability to invent fired up Alex Ahluwalia, senior vice president for global operations. When he was general manager at the JW Marriott Starr Pass in Tucson, Ariz., several years ago, his team of senior executives looked at guest evaluations and tried to identify a problem they could solve. They decided to attempt to elevate the guest arrival experience from a 78 percent score to an 83 percent score. "I love when an innovation objective is that clear and that tangible and that measurable," he says. They started out by learning about guests' pain points, giving customers phones to record their journeys from the freeway to the hotel. Armed with that information, they put the executive team in a van and made the trip over and over again. They did

it at different times of day, with kids in the car and without, with people of different ages behind the wheel, to get as many perspectives as possible.

They ended up dramatically changing the approach to the hotel—not by building or rerouting, but by adding signage, and changing lighting and parking configurations. They created a QR code guests could snap to help them navigate to the lobby, and installed a display about native quails to lead people there intuitively.

"We went through this innovation design process of building empathy with the customer, prototyping, iterating and building an experience that's authentic," he says. Before that, the resort was in the top 20 in arrival scores for the Marriott brand. In the years that followed, it was in the top five.



MODELING CARE

When the recession hit in 2008, scores of Marriott employees started losing their health insurance. The global financial calamity hit the hospitality industry hard, which meant less work for hourly employees—and, under Marriott policies, fewer of them qualifying for health benefits unless an exception was made.

David Rodriguez still remembers the morning he brought the problem up at a staff meeting. “Bill Marriott was CEO back then,” he says. “I was just 30 seconds into my plea when he cut it off and said, ‘Well, this is obvious what we need to do. Suspend that rule.’”

For Rodriguez, it was a shining example of how Marriott’s leadership has built its culture by doing right by its employees.

“A lot of companies will go out and say, ‘Our employees are our most important asset and we’re all family here.’ But they drop the ball when it really matters.”

Last February, Bill Marriott’s successor had a parallel moment. The passage of the Tax Cuts and Jobs Act meant the company would get a tax windfall. The company’s top executives were scheduled to go on a strategic planning off-site; the night before, Sorenson called Rodriguez and suggested that they delay the start by a couple of hours and use the time to figure out how to share some of the gains from the windfall with employees.

“We outlined spending \$140 million on programs in support of our employees’ wellbeing,” offering a one-time \$5-to-\$1 retirement savings match, Rodriguez says. “He knew he’d be taking a



chance, because he’d have other constituencies saying, ‘Why did you choose to do that when other companies didn’t?’ I think that’s going to pay dividends over time.”

In fact, Great Place to Work research has found connections between employee wellbeing and innovation success. Among the hidden barriers to innovation that we discovered is “Running Too Lean.” When employees struggle to make ends meet—say, in the form of paying for health insurance—they can’t participate fully in innovation. Another hard-to-see hurdle to effective invention is “Everyday Fear.” That refers not to traumatic worries like looming layoffs or a dress-down by the boss, but rather to employees’ low-level anxiety that they cannot ask for time off to care for themselves or loved ones. At Marriott, the vast majority of employees are free from this innovation-impeding fear. Fully 86 percent of staffers say they can take time off when necessary

“RESEARCH HAS FOUND CONNECTIONS BETWEEN EMPLOYEE WELLBEING AND INNOVATION SUCCESS. AMONG THE HIDDEN BARRIERS TO INNOVATION THAT WE DISCOVERED IS “RUNNING TOO LEAN.” WHEN EMPLOYEES STRUGGLE TO MAKE ENDS MEET—SAY, IN THE FORM OF PAYING FOR HEALTH INSURANCE—THEY CAN’T PARTICIPATE FULLY IN INNOVATION.

GREAT PLACE TO WORK

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MR. MARRIOTT AND ABELINO MARTINEZ

Abelino Martinez was a high school student when he started working at Marriott, as a lobby greeter for the Courtyard Marina Del Rey in California and continued with the company while he studied for his degree in business management. At one point, his manager sat him down for a chat. “He said, ‘You really show that you have passion for this company. How can I help you?’” Martinez recalls. Martinez explained that his priority was completing his schooling; his manager made sure the schedule allowed him to do just that.

“It was something that I was thankful for, and really something that I remembered,” Martinez says. “I kind of do the same now with all my hosts.”

In doing so, he’s in line with the company’s culture: nearly eight out of 10 Marriott employees say they’re encouraged to balance their work and personal lives.

He moved on to manage housekeeping at the Renaissance Los Angeles Airport (and now is at the Irvine Spectrum). When he came in, the department had relatively low engagement scores. He started listening, and making changes to support associates, from buying new vacuums to changing the size of the schedule. The small type had been difficult for older associates to read. He implemented a small innovation, making it poster-sized. Under his leadership, engagement soared.



PROGRAMS THAT WORK

Taylor Ryan doesn't need to be told that Marriott offers women equal leadership opportunities—she lives it. She started as a front desk agent at the Renaissance Charlotte SouthPark, and is now senior manager of guest experience at the M Beta hotel in Charlotte. In her nine years with Marriott, she has worked under three general managers; the first two were women.

"It's inspiring," Ryan says. "Both women are strong leaders, but with very different styles—one a traditionalist, one a rule-breaker." It showed Ryan that there was no one way to be a female leader, and gave her permission to draw from different models to create her own leadership approach.

Marriott's development programs have exposed her to an even greater range of examples; one of her favorite events is the company's Evenings of Engagement, which gives women the opportunity to network, swap advice, and build relationships with senior women executives. "It's an evening of asking powerful questions," she says. "You see a lot of strong female leaders emerging within the company."

Evenings of Engagement are just one component of Marriott's global Women's Leadership Development Initiative, which got its start back in 1999. Senior executives realized there was a strong business case for developing a pipeline of women leaders to align with the key role women have in our customer base and in the market place, says Maruiel Perkins-Chavis, the company's vice president of workforce engagement & global diversity + inclusion. "First, women are business travelers," she



MARUIEL PERKINS-CHAVIS

says. As they become increasingly powerful, they have more control over corporate dollars. "Also, data shows that household finances are managed by women. Many leisure travel decisions are made by women."

Executives assembled a steering committee, which organized focus groups and conducted interviews, concluding that there were three crucial areas to address leadership, networking and mentoring, and work-life integration. From there, they launched the first women's leadership conference, to bring together the company's most senior women and discuss what was most needed going forward. "One of the things that was critical to our initial launch was that we had Mr. Marriott there," Perkins-Chavis says. "That personal affirmation really went a long way."

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SENIOR EXECUTIVES REALIZED THERE WAS A STRONG BUSINESS CASE FOR DEVELOPING A PIPELINE OF WOMEN LEADERS...

MARUIEL PERKINS-CHAVIS
VICE PRESIDENT OF WORKFORCE
ENGAGEMENT & GLOBAL DIVERSITY + INCLUSION

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The involvement of top leadership was crucial, she says, and so was having accountability in place: “Unless you have accountability in place, you’re not going to make progress.” The leadership initiative was not just allowed to grow, but actively encouraged. At first the programs focused on the most senior levels of the company, but over time they expanded to mid-level management and then associates. For example, the first women’s leadership conference led to regional conferences. Five years ago came the Emerging Leader Program, an inclusive leadership development program.

Two senior women came up with Evenings of Engagement, which also spread globally—and no longer just benefits women; there are Evenings of Engagement for diverse men as well. Similarly, the focus on work-life integration cuts across gender, ethnic and generational lines. One of the programs that supports work-life is My Assistant and Resource for Life (myARL), a 24/7 hotline that connects associates with resources, from financial advisors to childcare services to grief counselors.



TACKLING CHALLENGES

You might think that taking on a whole new company would be the biggest obstacle to creating and maintaining Marriott's culture. While there have been some bumps, Marriott's open and candid approach helped, Rodriguez says. Executives were open about the fact that not everyone would retain a leadership position at the new company. (In GPTW's survey, 81 percent of employees said that management both keeps them informed and gives straight answers to questions.)

The fact that both Starwood and Marriott focus on hospitality eased the transition as well. "There were more cultural aspects in common than the outside observer might have thought," Rodriguez says.

When he and Sorenson first met with the Starwood executive team, he was asked the question, "How are we going to merge the cultures?" He replied: "Let's start with our commonalities emphasizing innovation, excellence and integrity."

Stephanie Linnartz believes there were elements of Marriott that Starwood employees embraced right away: "I think honestly that Starwood women were like, there are a lot of senior women at Marriott. That's cool."

The challenges have mostly been subtle. Several years ago, while reviewing the company's annual Associate Engagement Survey, Rodriguez noticed that while people from different ethnic groups seemed happy, those coming from multicultural backgrounds were less so.

"People who, let's say, had an African-American father and a white mother, tended not to feel as included," he says. It reveals a flaw in the focus that companies have placed on single identity groups:



JENNIFER HSIEH

in an increasingly complex, multicultural world, what happens to the people who happen not to fit neatly into a group?

"It led us to really think about how inclusion shouldn't first be about single-identity affinities, it's about everybody feeling part of the whole," he says. Marriott began working to accentuate commonalities. Instead of "diversity," the company has been using the word "unity"—which is also more meaningful on a global level, says Perkins-Chavis. Over time, the satisfaction gap has dissipated. "The most important thing we did was maybe the hardest thing for a company to do, particularly if the company has been around for a long time," Rodriguez says. "It's to say, you know what? The culture of the company really has to be expressed by our associates. We set what we call our core values, but our associates know they are empowered to express the culture in a way that makes sense to them. The biggest mistake is to say, this is who we are, this is how we must stay."

These days, the company avoids using check-boxes for all different possible identities, Sorenson says. “We all want to see ourselves,” he says. “But we will paralyze ourselves. To me it’s really important that we have a system which is inclusive and fair. That’s more important to me than that we have every separate identity represented, no matter how small.”

The data show Sorenson and Marriott have hit the mark when it comes to fairness. Employees rate it at or above the benchmark for the 100 Best Companies to Work For on several measures of even-handed treatment. Roughly 3 of 4 employees say managers avoid playing favorites, and nearly 80 percent say people avoid politicking and backstabbing in the company.

Marriott’s innovation progress is being fueled in part by its climate of fair treatment, our research indicates. When people aren’t consumed by suspicions of favoritism or lasting grudges, they

have more energy and interest in driving the organization forward with suggestions for business improvements and breakthrough products. We found that employees at organizations with the most advanced Innovation By All cultures are much more likely to experience a just workplace—including in the realm of promotions.

There’s more work to be done on other fronts, though. A persistent challenge is setting goals for diversity and inclusion. Alex Ahluwalia spent some years chairing Marriott’s Regional diversity and inclusion council, where his role was to identify diverse talent across regions and ensure they had opportunities and tools to develop their careers, and exposure to senior leadership. That involved some uncomfortable conversations, he says.

“We want to encourage and inspire, every person in our organization,” Ahluwalia says. “And sometimes it’s not easy to recognize that there’s a group within this population that perhaps needs additional support, additional resources.”

Several years ago, he convened a meeting of 15 or 20 hotel managers, who were tapped to be part of the diversity and inclusion council. By design, the group included minorities and non-minorities, and a discussion quickly emerged over whether and why the company should address the needs of any specific group within the larger population—a discussion that took place over several hours.

“There was a closed-room debate, a very honest debate,” Ahluwalia says, at the end of which the group agreed that leveling the playing field outweighed fears of giving preference to any given group. “People don’t have to agree, but I think they have to see that the intent is honorable. If the intent is to serve the organization, the intent is to serve our guests, the intent is to serve our associates, then disagreements are much easier to bridge.”



Goals for the Future

Marriott has set some ambitious goals for the next several years. It’s continuing to build a culture of innovation, adding to programs that train in human-centered design thinking, as well as speaker series and annual innovation days. The company will bring to market more enterprise and brand innovations, like Marriott Moments, its foray into tours and activities, and its homesharing pilot.

But it’s also looking farther into the future, trying to stay on top of emerging technologies and trends that are likely to affect how people travel or experience hotels. “At a high level, we’re honed into the evolution of artificial Intelligence and machine learning,” Hsieh says. “How do these technologies help our Associates create more personalized experiences for our guests, how do we remove pain points, and make experiences seamless?”

Internally, Marriott plans to reach full gender parity for the entire global leadership team by 2025, and has committed to investing at least

\$5 million in expanding and deepening programs and partnerships that promote career advancement across its global diverse workforce.

There are other gaps to fill as well. Sorenson wants to see more progress on ensuring that minorities have equal opportunities to rise to the highest levels of the organization. Marriott has implemented several programs aimed at bringing people with disabilities into the fold, and Alex Ahluwalia believes the company has an opportunity to make an even more meaningful difference in the lives of people with special needs.

“Diversity goes far beyond making it easier for people with disabilities to travel,” he says. “I feel like it’s my role to be a leader in solving for these pain points or finding delight in these experiences both from a guest standpoint, and associate standpoint.”

“It may not be foremost on the corporate radar yet”, he says. “But it’s on my radar—and that’s not a bad start.”





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