

Effective Management

-by Naseer Ahmed

For profitability and success of any business ultimately what is the most important element – if this question is asked to any individual, the obvious answer will be effective management. Many of us know the answer but still we find many companies are doing bad in terms of business performance. So, knowing the answer is not the actual matter what is important is real actions in business.

In this context, we want to project one company's management scenario and how they reaped the benefit of effective management.

The name of the company which has a great role in the US hospitality industry is Marriott Corporation. It is very famous for its hotel chain. The company had double digit growth rates for some decades. It materialized huge expansion programmes in terms of new hotels and occupancy. Its stock jumped more than four times and it kept its occupancy rate at comfortable points above the industry's average.

It is said that, the secret of its success is effective management together with appropriate control system. Within this hotel chain, there were around 200,000 rooms and over 1500 restaurants. 70 per cent of the Marriott's revenue came from food sales including those made at hotels and catered to airlines and to big companies. With its 300,000 employees, it feeds more people each day than many other organizations in the world.

I went through the performance of the company recently depicted nicely in a case – I mean business case. It was mentioned that, in spite of its big size, the company was run by a family – in a very patriarchal way.

The CEO of the company makes management by moving around or through regular periodic visits of the hotels. He observes carefully and lets his managers know what looks good and what changes are required for better customer satisfaction. He keeps notes so that he can comment on the improved decoration or cleanliness the next time he comes for a visit. He also reads hundreds of comment cards from the customers and carefully evaluates them for future improvement. He sits in on planning meetings, listens carefully to what planners say and makes sure future needs are met properly.

Marriott guests receive 'guest service index' sheets at check in, in the restaurants and in their rooms. Some of their hotel managers even build contests around the sheets – put your rating sheet with a business card in this briefcase and get a chance to win a briefcase. Company encourages feedback from the customers to feel their actual pulses.

Marriott also employs outside research organizations that survey, unannounced a certain percentage of guests who have recently visited a particular hotel. Their ratings do go right to the top management and they can affect whether a particular manager is put in line for a promotion or visited by company experts who help straighten out problems.

The CEO of the company believes that a company can make money while still treating both customers and employees well. Marriott gives competitive remuneration and benefits to its employees, invests heavily on employee training and has a policy of

promotion from within. These practices keep employee turnover low and allow Marriott to be strictly selective while hiring quality people.

Marriott consistently ranks at the top of its industry in surveys of customers. Business people say that, it is simply the best place to stay or to hold a meeting.

The management style of Marriott may be a bright example to be followed by our companies who are striving for excellence in management and for better profitability.