



Hospitality and Tourism Management

**FINANCIAL MANAGEMENT FOR THE HOTEL INDUSTRY
LEVEL 5**

Module: BMIH5007

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Report Title: Comparison of two organisations

1.

The following report is based on analytic factors between Marriott International and Hyatt Hotels Corporation. Differences versus similarities, revenue, growth and commitments using expert's opinion and suggestions.

MARRIOTT

Global chain in hospitality manages and franchise a vast portfolio of lodging and hotel facilities based in United States, founded by J. Willard Marriott and his spouse that open the 1st hotel in Virginia, Arlington in 1957 (Marriott, 2023). The business developed and exponentially grown worldwide, reaching to almost 8000 locations with acquisitions of Starwood Hotels and Resorts and Canadian Delta Hotels (Statista, 2022).

HYATT

Global chain in hospitality with a portfolio of over 1142 hotels and properties in countries worldwide by 2022, the company developed and growth after 2015 (Statista, 2023) founded by Jay Pritzker opening the 1st motel in Los Angeles 1957 (Hyatt, 2023).

TOTAL REVENUE

According to Drury (2021), if a sales quantity increasing is desired, selling price must be reduced to obtain revenue (see Figure 1), however, benefit versus cost involve a linear relationship between total cost and total revenue (see Figure 2).

According to Guilding(2014) hospitality industry is based on high sales volatility that includes:

- intra-day volatility sales
- weekly and seasonal volatility sales
- economic volatility cycle

Same writer sustains that economic volatility involves operational business plan based on climate in economics determined by the accommodation number and expenditure of the business, as families and groups are reducing costs, cutting holiday and unnecessary expenses (Guilding, 2014, p.3)

Guilding (2014) is convinced that “perishability” in hotel industry terms is explained as absolute in the context of an unoccupied room, the night is lost without profit and no option to re-assess the situation exists.

2.

According to Statista (2022) Marriott International revenue has dropped half in 2020 as Covid-19 result, however, the company have approximately 20.77 billion dollars as revenue up to 2022, increasing the profit with 13.86 billion from the previous year (see Figure 13).

Same sources confirm that Hyatt Hotels Corporation revenue peaked up by 2022 only generating 3.03 billion in 2021 and total generated approximately 5.89 billion between 2008 and 2022.

However, Macrotrends (2023) sustain that Hyatt Corporation has -66.75 % as a drop sale under (see Figure 14) based on Covid-19 pandemic.

As a comparison between the two organizations, Marriott operating income by March 2023 was \$0.951B an increase of 70.43% comparing to previous years and Hyatt Corporation operating income by March 2023 was \$0.076B an increase of 245.45 comparing to previous years (Macrotrends, 2023).

Described by Guilding (2014) management of a business is related to financial and management account that involves reports as a main source of information when purchasing, expanding, investing and building confidence of a company is in place, while management accounting involves a system based on fundamental information and operational factors that a company needs for functionality and development.

Accountability of a company from a responsibility centre perspective (see Figure 7) involves a wide process from investment to profit at revenue and cost dimensions that a company must involve with the intention of generating profit (Guilding, 2014, p.157).

Accounting and management sustained by Drury (2021):

1. A massive drop in sales demand can bring a change in fixed price (see Figure 3).
2. Break-even point refers to below and above loss and profit line determined by total cost and total revenue (see Figure 4).
3. Profit-volume is a method of describing the profit and volume changes impact (see Figure 5)
4. Sensitivity analysis focus on changing results if predictions are uncertain and need change to cope with variables changed values (see Figure 6).

3.

MARKET POSITION

Atrill and McLaney (2015) sustain that market position is supplier related, including payable and receivables trade level.

The source suggests that the framework for strategic management includes control, review and perform factors (see Figure 8), as being the business mission with objectives and vision.

On same side, the writers encourage:

- the use of e-commerce as online purchasing is high
- innovation of products, and automatic manufacturing
- new industries and trends and faster time response based on business pressure to develop and deliver products in a timely manner.

The source sustains that the above changes are the actual challenge for management accounting.

Future involves decisions without exception in financial ones, the only exception remaining is the outcome of a plan and solution when the turnout is not as expected. (Atrill and McLaney, 2015, p.14)

MARKET PRICE

Jagels and Ralston (2006) argue that transfer price can be related with:

- commissary cost adding a percentage fixed mark to pay costs of operating
- basing transfer price through the market price of products, market price being what the marketer would pay if the product were bought from an external supplier.

The source mention that there are cases when market price can be decreased with a fix percentage to highlight lower marketing of commissary and the costs of distribution.

However, the writers suggest that a major factor that can affect a net income through the business is the change in revenue mix, explaining that although indirect expenses allocation through departments does not affect the net income and no change is detected in total revenue or indirect expenses, the revenue mix is the change in volume of the revenue from various operational departments (see Figure 10 and 11) for example that sustain the above information.

Marketing intelligence is the process of effecting primary and secondary research.

Primary is designed and self-driven by the company to gather data that is evaluated and analysed for its own purpose.

4.

Secondary is designed and driven by a different organisation with the purpose to understand consumer expectation and market target (Tranter, Stuart-Hill and Parker, 2014, p.38).

Same sources confirm that a different meaning of marketing intelligence is defined as “data mining” that later is used to create personalised and customised packages, services and products for guests. The source argue that is crucial to analyse customers who may not be interested in purchasing services and products from the targeted company, however, customers purchase products from a different company on the market known as direct competitors.

The source confirm: “Revenue managers must understand the characteristics of their customers in their market to be able to develop the proper strategies to obtain and retain their customers” (Tranter, Stuart-Hill and Parker, 2014, p.40)

MARRIOTT: Marriott market cap by May 2023 is \$ 54.12 Billion, making Marriot the 296th world most valuable business with main competitors as Hyatt, Four Seasons, Hilton, Carlson and Wyndham Worldwide ranking in CEO score as 3rd in its position versus competitors (Companies Market Cap, 2023).

HYATT: Hyatt market cap by May 2023 is \$ 12.00 Billion, making Hyatt Corporation the 1289th Most valuable business worldwide with main competitors as Marriott, Hilton Worldwide, Intercontinental Hotel Group and Vail Resorts with a CEO score of 90 out of 100 (Companies Market Cap, 2023).

Budget Implementing

According to Datar and Rajan (2021), budgets are part of control system in management with the purpose of:

- promoting communication and coordination for subunits through the business
- providing a vast idea in calculating performance and easy learning
- motivating employees and managers

Same sources confirm that systematic work and systematic managers concept provided excellent results beginning with 2020 using budget system including projections for Stylistics financial and operating budgets (see Figure 9) that explains the above using:

- Light green for budget revenue on operating and starting point
- Dark green for schedule support and budget quantity for different businesses

GROWTH POTENTIAL and MARKET POSITION

Marriott

Nicholls (2023) sustains that both sector developments and luxury hotels outside of US enforced last year expansion with a growth acceleration, adding over 65000 rooms on 394 global properties in 2022 including approximately 17500 conversion rooms and 40000 international market rooms predicting a growth within 4 and 4.5 %

5.

for 2023. Same source confirms the 22300 rooms within 133 properties for development that are not yet under contract.

According to Marriott (2022) report, 29 of 30 their brands joined Marriott Bonvoy, the programme designed to earn and redeem points by staying in their hotels, providing capital metrics for humans working in their organisation (see Figure 15) where diversity and equality is shown in % confirming that employment rights are equal for both genders. Same source evidence that Marriot intend to reach Net-zero greenhouse gas by 2015 and to use solar panels to generate electricity.

COMPETITIVE ADVANTAGE

Refers to maintaining and exceling and sustaining an advantage through competitors by determining the core and distinctive competencies of an organisation. The goal of a business is to eliminate and minimize weakness using strengths to capitalize and maximize examining their opportunities using external environmental factor of scanning (see Figure 11) that creates the highest rate of opportunities (Tranter, Stuart-Hill and Parker, 2014, p.74).

DEMAND GENERATOR

Defines an event or organisation that is marketplace driven referring to new venue as a task to capitalise and seek the highest opportunities number provided by the actual resources (Tranter, Stuart-Hill and Parker, 2014, p.74).

Hyatt

Janssen (2023) shared that a continuous transformative growth is in place with 117.000 rooms at the end of 2022 worldwide. The source confirm that the acquisition of The Chatwal, Unscripted Hotels and Dreams Hotels are growth drivers of the Hyatt Corporation. In addition, Caption belonging to Hyatt brand combines comfort and design with the select-service flexibility property being a growing point opening Caption by Hyatt Beale Street Memphis 2022 expecting to open further hotels in China, Japan Sidney and Vietnam creating a specific connection between them. The Growth strategy involves international growth and keeping owners closely to create an organic industry-lead in net rooms implementing luxury designs, innovative and personalized services in organic manner.

Overbooking is one of the highest issues of the lodging industry being as the main cause for frustration and negative reviews of the customers (Varini,2012, pp. 479-480).

6.

SALES

Target generate and analysis trend refers to tracking as analysis trend became a practice in nearly every business to forecast sales and future that are related to customer behaviour meaning that generational analysis is the new way of segmentation through population, the source suggesting generation analysing trend to obtain a vast information on customer behaviour (Tranter, Stuart-Hill and Parker, 2014)

SALES PRICE CAP

Raising price on an item familiar for customers, from consumer's perspective is upsetting based on price / value perception. In customer's mind they have a specific value for the familiar product. Increasing the price will raise only one element in the rationale thinking without increasing the second one. Value does not change, however, price goes up. The customer must either evaluate the price versus value or to abandon the product and search for a new one. In either case substituting products for customer availability based on price / value is crucial in maintaining customers within the company (Tranter, Stuart-Hill and Parker, 2014, p.244).

COMMUNICATION IN PRICE CHANGE AND ETHIC

Effective communication with the customers in relating to price change is incredibly important to retain and create acceptance within the customers perception. Example being the gasoline price or the flour and oil in supermarkets, all the companies prepared their customers well in advance to understand why the cost is increased and passed along the information to avoid criticism or customers loss.

Communicating the reasons and the root issues with the customers related to price change, customers will decide whether accepting the price change or seek alternative solution. Monitoring customer reactions and ready to make necessary adjustment if needed are important in retaining customers avoiding reputation damage as the above can influence the collaboration of the customer with the company (Tranter, Stuart-Hill and Parker, 2014, p.247).

FINANCIAL COMMITMENT TO CSR

Based on Marriott (2022) report, the platform Serve 360 involves:

- Advanced human rights
- World nurturing
- Sustainable Operations
- Opportunity empowerment

7.

To follow Serve 360 Marriott is using ESG strategy made by social, government and environmental factors using inclusion and management to achieve goals (see Figure 16) that explains social and sustainability progress.

Same report explains that Marriott holds a vast range of stakeholders with whom the organisation collaborates to understand and report ESG critical interests such as suppliers, guests, community, associates, investors and nongovernmental organisations (see Figure 17).

Snart (2021) declared that Hyatt Hotel Corporation created the programme “World of Care” that involves:

- New commitments in regards diversity
- Equity
- Responsible practice and inclusion

Using ESG platform Hyatt considers the above as being the key opportunity to provide global support for in every aspect of the business.

The same source relates the positive global impact that Hyatt intends to provide such as diversity providing annual data creating an incentive annual planning for the above commitments via its portal “Performance Share Unit Plan.” The source suggests Hyatt as a leader in combating human traffic providing mandatory trainings worldwide.

Snart (2021) argue that Hyatt is focused on conserving water and climate change suggesting a science-based target by 2030 to reduce gas emissions working already with 3Degrees to accelerate the progress in renewable energy including decarbonisation. The writer sustains that Hyatt are involved in the 50% global food waste reduction comparing to their baseline of 2019.

ENVIRONMENT

Bhimani (2006) suggests that environmental accounting has growth over the last decades in regards public profile based on the negative events that took place over time worldwide that include pollution and global warming.

The impact of environmental external factors is based on potential customer's propensity in purchasing products from the marketer. The factors are related to cultural trends, natural and political environment, technological, social and economic. The environmental scanning refers to environment asses and constant monitoring to emerge trends and spot changes in advance (Tranter, Stuart-Hill and Parker, 2014, p.54)

On same subject, the company must acknowledge the threats through environmental scanning, identifying and assessing probability and diminish risks by developing action plans (see Figure 12) (Tranter, Stuart-Hill and Parker, 2014, p.75).

8.

POLITIC

Politicians may propose a tax cut, or a government spend increase, this action leading to increased amount of customers or tax increase and various products became socially and politically unpopular through customer purchases (Tranter, Stuart-Hill and parker, 2014, p.54)

Bhimani (2006) sustain that Modern Government programme included slogans such as partnership work, cooperative work and joined-up work, all being part of government aspirations to create one financial figure from public activities. The author explains the rules from government where a new partnership in business arrangements must control and establish their effective activity and to establish ways to develop and increase performance including a specific way to view the business from their activity perspective.

Marriott recommendation: Based on the above explained factors, revenue and growth, Marriott could develop further a commitment to CSR by creating and sustaining non-profit organisations that support green energy donating a minimal % of their desired locations to help un-helped population that are unable to afford monthly electric billing based on actual increased cost.

Hyatt recommendation: The numbers show an excellent growth of Hyatt Hotels, they could increase a new commitment to CSR using the empty un-booked rooms to protect women that are victims of domestic violence as they already fight against human trafficking by creating a charity against and provide hotel stay in urgent cases.

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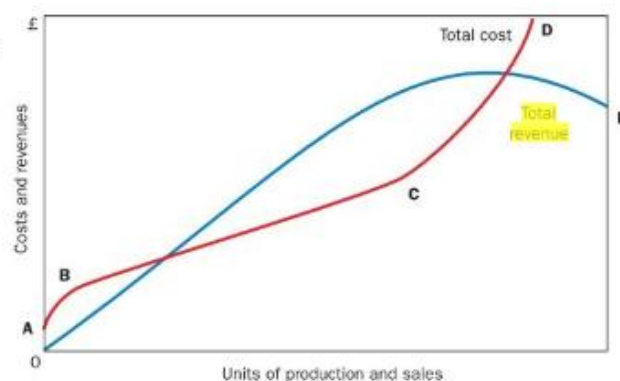
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APPENDIX LIST:

CURVILINEAR CVP RELATIONSHIPS

A diagram showing CVP behaviour is presented in Figure 8.1. This could be described as an economic interpretation of CVP relationships. You will see that the **total revenue** and total cost lines are curvilinear. The **total revenue** line (0-E) initially resembles a straight line but then begins to rise less steeply and eventually starts to decline. This arises because the firm is only able to sell increasing quantities of output by reducing the selling price per unit; thus the **total revenue** line does not increase proportionately with output. To increase the quantity of sales, it is necessary to reduce the unit selling price, which results in the **total revenue** line rising less steeply, and eventually beginning to decline. The decline occurs because the adverse effect of price reductions outweighs the benefits of increased sales volume.

FIGURE 8.1
Curvilinear CVP relationships



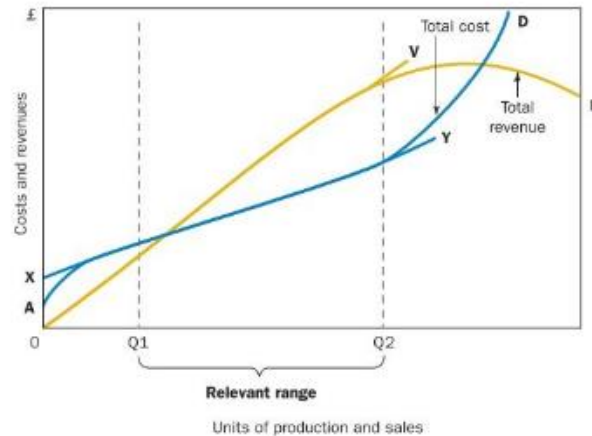
(Drury, 2021, Figure 1)

LINEAR CVP RELATIONSHIPS

In Figure 8.2, the total cost line X-Y and the total revenue line 0-V assume that variable cost and selling price are constant per unit of output. This results in a linear relationship (i.e. a straight line) for total revenue and total cost as output/volume changes. If you look at these two lines, you will see that a linear relationship results in only one break-even point. You can also see that the profit area (i.e. the difference between the total revenue line 0-V and the total cost line X-Y) widens as volume increases. For comparative purposes, the curvilinear relationships shown in Figure 8.1 are also reproduced in Figure 8.2 (with line A-D and line 0-E showing, respectively, curvilinear total cost and total revenue relationships).

FIGURE 8.2

Linear CVP relationships



Management accounting, generally, assumes linear CVP relationships when applying CVP analysis to short-run business problems. These help to provide a relatively simple analysis of the likely outcomes, an initial screening. It can always be developed by the collection of more detailed information and more sophisticated analysis, if time and money are expended. This is an example of the cost versus benefit of accounting information. Curvilinear relationships appear to be more realistic of cost and revenue

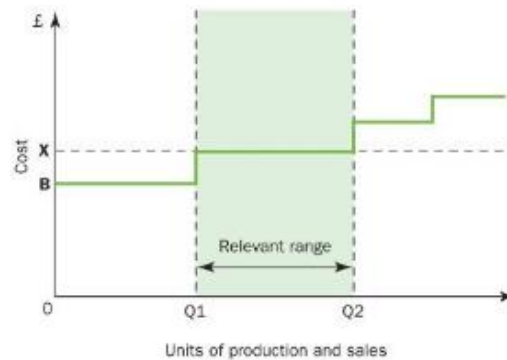
(Drury, 2021, Figure 2)

Fixed cost function

Figure 8.2 indicates that at zero output level fixed costs equivalent to $0X$ would be incurred. This fixed cost level of $0X$ is assumed to be applicable to activity level $Q1$ to $Q2$, shown in Figure 8.3. If there were to be a prolonged economic recession then output might fall below $Q1$, and this could result in redundancies and shutdowns. Therefore, fixed costs may be reduced to $0B$ if there is a prolonged and a significant decline in sales demand. Alternatively, additional fixed costs will be incurred if long-term sales volume is expected to be greater than $Q2$. Over a longer-term time horizon, the fixed cost line will consist of a series of step functions as shown in Figure 8.3. However, since within its short-term planning horizon the firm expects to be operating between output levels $Q1$ and $Q2$ (i.e. the relevant range), it will be committed, in the short term, to fixed costs of $0X$. Thus the fixed cost of $0X$ shown in Figures 8.2 and 8.3 represent the fixed costs that would be incurred only for the relevant range.

FIGURE 8.3

Fixed costs applicable within the relevant range



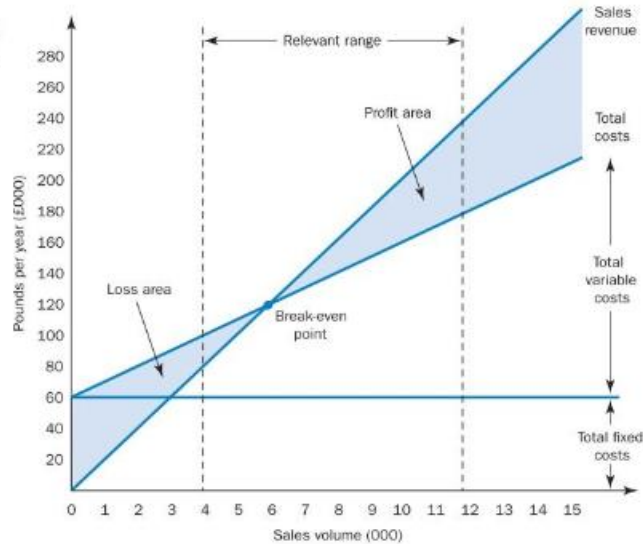
Total revenue function

Linear CVP relationships also apply to the revenue function, that is we assume that selling price is constant over the relevant range of output, and therefore the **total revenue** line is a straight line. This is a realistic assumption in those firms that operate in industries where selling prices tend to be fixed in the short term. Beyond the relevant range, increases in output may only be possible by offering substantial reductions in price. As it is not the intention of firms to operate outside the relevant range, it is appropriate to assume constant selling prices.

(Drury, 2021, Figure 3)

required to insert the total cost line. At zero sales volume the total cost will be equal to the fixed costs of £60,000. At 12,000 units sales volume, the total costs will be £180,000 consisting of £120,000 variable costs plus £60,000 fixed costs. The **total revenue** line is plotted at the rate of £20 per unit of volume. At zero output, total sales are zero and at 12,000 units, total sales revenue is £240,000. The **total revenues** for these two points are plotted on the graph and a straight line is drawn that joins these points. The constraints of the relevant range consisting of two vertical lines are then added to the graph; beyond these lines, we have little assurance that the CVP relationships are valid.

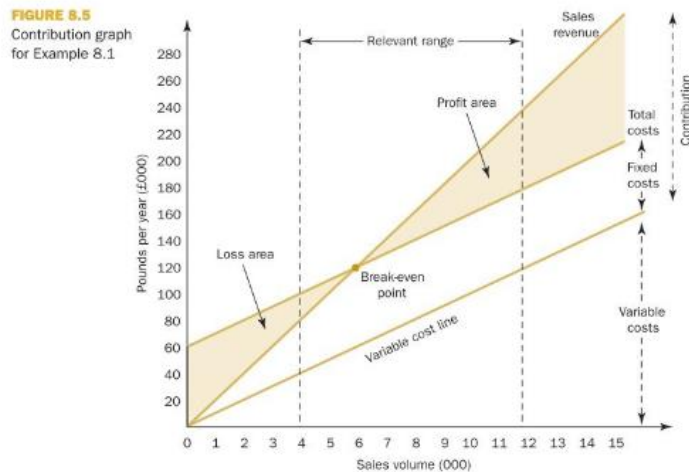
FIGURE 8.4
Break-even chart
for Example 8.1



The point at which the total sales revenue line cuts the total cost line is the point where the concert makes neither a profit nor a loss. This is the break-even point and is 6,000 tickets or £120,000 total sales revenue. The distance between the total sales revenue line and the total cost line at a volume below the break-even point represents losses that will occur for sales levels below 6,000 tickets. Similarly, if the company operates at a sales volume above the break-even point, the difference between the **total revenue** and the total cost lines represents the profit that results from sales levels above 6,000 tickets.

(Drury, 2021, Figure 4)

In Figure 8.5, the variable cost line is drawn first at £10 per unit of volume. The fixed costs are represented by the difference between the total cost line and the variable cost line. Because fixed costs are assumed to be a constant sum throughout the entire output range, a constant sum of £60,000 for fixed costs is added to the variable cost line, which results in the total cost line being drawn parallel to the variable cost line. The advantage of this form of presentation is that it emphasizes the total contribution, which is represented by the difference between the total sales revenue line and the total variable cost line. Note that the sales revenue line as well as the variable cost line start from the origin of the graph, because logically, if volume is zero, then sales revenue and variable costs are zero.



Profit-volume graph

Neither the break-even nor the contribution graphs highlight the profit or loss at different volume levels. To ascertain the profit or loss figures from a break-even graph, it is necessary to determine the difference between the total cost and total revenue lines, the loss or profit wedge. The profit-volume graph is a more convenient method of showing the impact of changes in volume on profit alone. Such a graph is illustrated in Figure 8.6. The horizontal axis represents the various levels of sales volume, and the profits and losses for the period are recorded on the vertical scale. You will see from Figure 8.6 that profits or losses are plotted for each of the various sales levels and these points are connected by a profit line. Two points are required to plot the profit line. When units sold are zero, a loss equal to the amount of fixed costs (£60,000) will be reported. At the break-even point (zero profits) sales volume is 6,000 units. This is plotted at the point where the profit line intersects the horizontal line at a sales volume of 6,000 tickets. The profit line is drawn between the two points. With each unit sold

(Drury, 2021, Figure 5)

THE IMPACT OF INFORMATION TECHNOLOGY

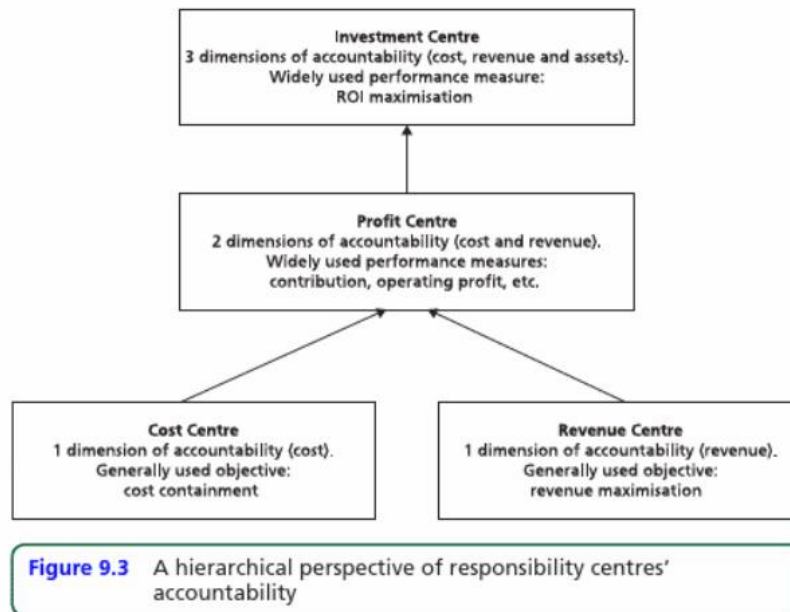
The output from a CVP model is only as good as the input. The analysis will include assumptions about sales mix, production efficiency, price levels, total fixed costs, variable costs and selling price per unit. In practice, estimates regarding these variables will be subject to varying degrees of uncertainty.

Sensitivity analysis is one approach for coping with changes in the values of the variables. Sensitivity analysis focuses on how a result will be changed if the original estimates or the underlying assumptions change. With regard to CVP analysis, sensitivity analysis answers questions such as the following:

- 1 What will the profit be if the sales mix changes from that originally predicted?
- 2 What will the profit be if fixed costs increase by 10 per cent and variable costs decline by 5 per cent?

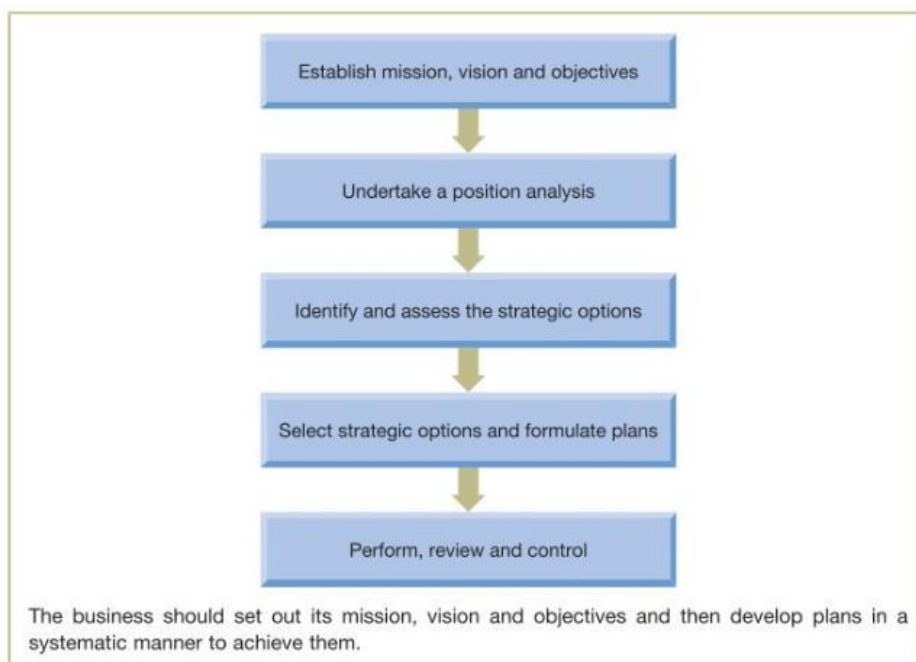
Today's information technology enables management accountants to build CVP computerized models and consider alternative plans by keying the information into a computer, which can quickly show changes both graphically and numerically. Thus, managers can study various combinations of change in selling prices, fixed costs, variable costs and product mix and can react quickly without waiting for formal reports from the management accountant.

(Drury, 2021, Figure 6)

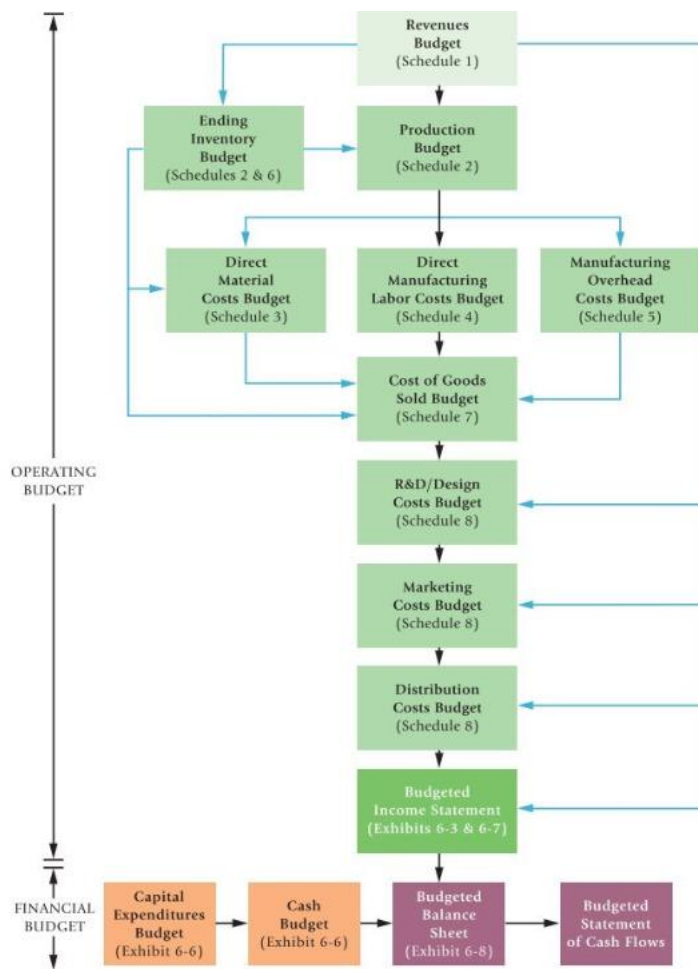


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(Guilding, 2014, Figure 7)



(Atrill and McLaney, 2015, Figure 8)



(Datar and Rajan, 2021, Figure 9)

	Net Sales Revenue	Direct Expense	Departmental Contributory Income	Contributory Income Percentage
Rooms revenue	\$1,150,200	\$ 367,300	\$ 782,900	68.1%
Food revenue	851,600	698,600	153,000	18.0%
Beverage revenue	327,400	208,300	119,100	36.4%
Miscellaneous income	38,200	19,600	18,600	49.7%
Totals	<u>\$2,367,400</u>	<u>\$1,293,800</u>	<u>\$1,073,600</u>	
Total Indirect Expenses			(842,400)	
Operating Income (before tax)			<u>\$ 231,200</u>	

■ **EXHIBIT 2.5**
Contributory Income Schedule

(Jagels and Ralston, 2007, Figure 10)

	Net Sales Revenue	Direct Expense	Departmental Contributory Income	Contributory Income Percentage
Rooms	\$1,250,200	\$ 400,100	\$ 850,100	68.1%
Food	801,600	657,300	144,300	18.0%
Beverage	277,400	177,500	99,900	36.4%
Miscellaneous income	38,200	19,600	18,600	47.7%
Totals	<u>\$2,367,400</u>	<u>\$1,254,500</u>	<u>\$1,112,900</u>	
Total Indirect Expenses			(842,400)	
Operating Income (before tax)			<u>\$ 270,500</u>	

■ **EXHIBIT 2.6**

Contributory Income Schedule for Revised Sales Revenue

(Jagels and Ralston, 2007, Figure 11)

strengths found in hospitality organizations:

- Location
- Destinations serviced
- Facilities
- Amenities
- Excellent price/value perception
- Brand/image
- Reputation
- Product positioning
- Human resources
- Financial resources
- Technological resources
- Customer loyalty/repeat business

Next, an organization should examine its weaknesses. This time, the organization should ask itself, "In which areas could we improve and what are our worst or weakest features and characteristics?" Common weaknesses found in hospitality organizations include:

- Location
- Destinations serviced
- Facilities
- Amenities
- Poor price/value perception
- Poor brand/image
- Poor reputation
- Poor or incorrect positioning
- Weak or lacking human resource talent
- Low financial resources
- Inadequate or dated technological resources
- Little repeat business

(Tranter, Stuart-Hill and Parker, 2014, Figure 11.)

And finally, an organization must assess its **threats**. As with opportunities, **threats** must be determined through continual environmental scanning. Some common **threats** to hospitality industry organizations include:

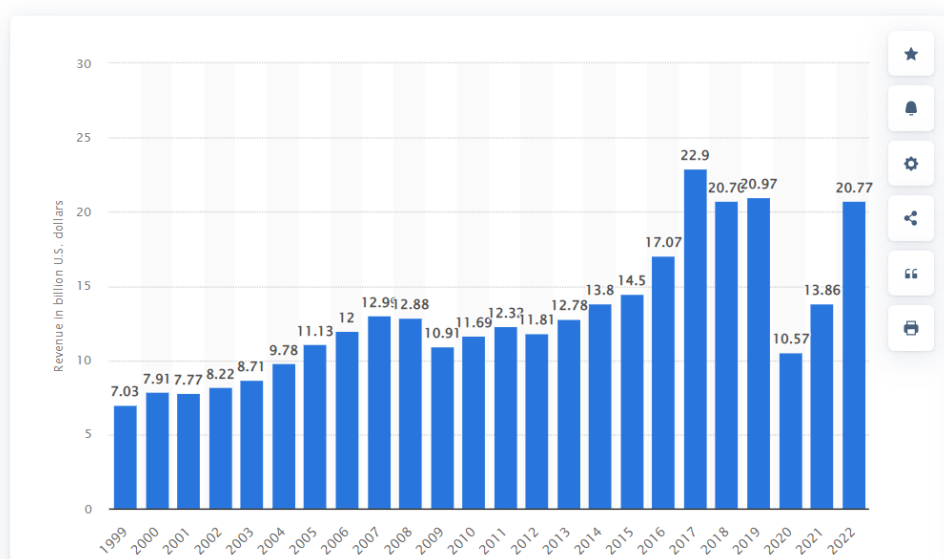
- Terrorism
- Fear of travel
- Cost of fuel
- Weather
- A downturn in the economy
- Political upheaval
- The devaluation of currency (country specific)
- Changing consumer behavior
- Changing demographics
- Changing tastes and trends (what is hot and what is not)
- Changing cultural values and mores
- Other goods and services competing for disposable income
- Bird flu pandemic

It is the responsibility of an organization to first, identify potential **threats**; second, assess their probability; and third, develop action plans to diminish or avoid them entirely.

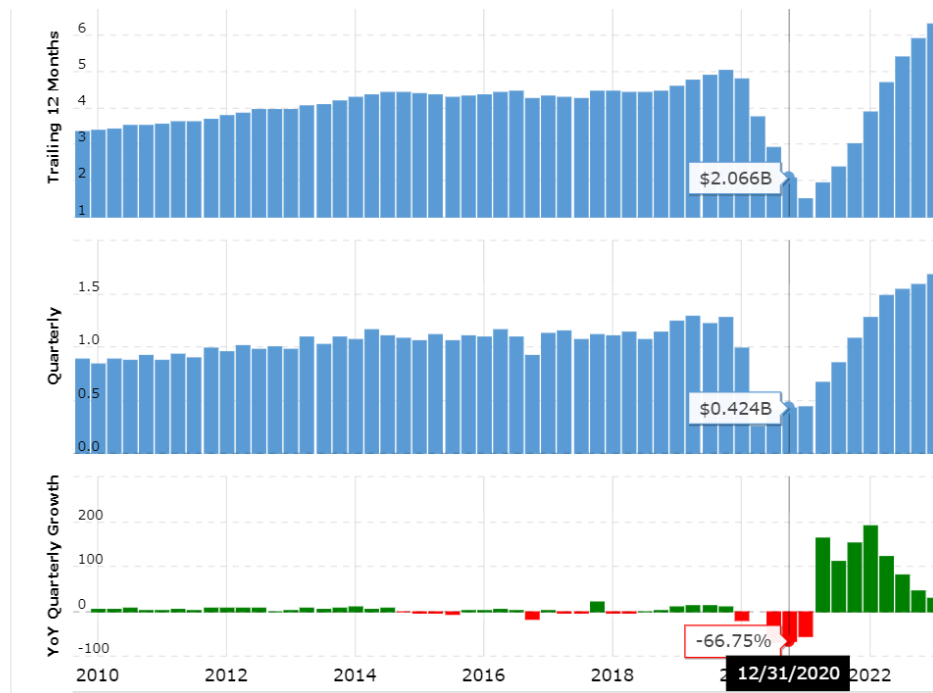
(Tranter, Stuart-Hill and Parker, 2014, Figure 12)

Revenue of Marriott International worldwide from 1999 to 2022

(in billion U.S. dollars)



(Statista, 2022, Figure 13)



(Macrotrends, 2023, Figure 14)

Global Reach

Marriott is a worldwide operator, franchisor, and licensor of hotel, residential, and timeshare properties. At year-end 2021, we had 2,007 company-operated properties, 5,788 franchised and licensed properties, 92 timeshares, and 102 branded residential communities. Consistent with our focus on management, franchising, and licensing, Marriott owned or leased only 64 Marriott-branded lodging properties as of year-end 2021.

Year-End 2021 Company Reach

30 Brands 7,989 Properties
139 Countries & Territories 1,479,179 Rooms

Marriott Bonvoy™

Twenty-nine out of Marriott's 30 brands participate in our loyalty program, Marriott Bonvoy. As of year-end 2021, Marriott Bonvoy had over 160 million members.

Human Capital

At year-end 2021, Marriott managed approximately 325,000 associates globally. This includes approximately 205,000 associates who are employed by hotel owners and approximately 120,000 associates who are employed by Marriott.

Human Capital Metrics*

Global**	2021	2020	2019
Total Global Managed Associates	325,000	321,000	418,000
% Non-management	85%	85%	86%
% Management	15%	15%	14%
% Women	43%	44%	53%
% Men	57%	56%	47%
CEO Direct Reports	2021	2020	2019
% People of Color	0%	13%	11%
% Women	57%	50%	44%
% Men	43%	50%	56%
Global Executives***	2021	2020	2019
% Women	45%	44%	42%
% Men	55%	56%	58%
United States****	2021	2020	2019
Total U.S. Employees (#)	97,000	98,000	136,000
% Non-management	81%	83%	83%
% Management	19%	17%	17%
% Full-time	87%	85%	85%
% Part-time	13%	15%	15%
% Women	54%	54%	53%
% Men	46%	46%	47%
United States Managers	2021	2020	2019
% Women	54%	55%	56%
% Men	46%	45%	44%

* Metrics represent year-end data.
** Includes associates at Marriott managed hotels outside the U.S. who are owner employees.
*** Global Executives are defined as VP and above roles.
**** Includes Marriott employees at properties, headquarters, corporate offices, customer engagement centers (CECs), and managed and owned/leased hotels.

(Marriott, 2022, Figure 15)

2025 Sustainability & Social Impact Goals

In 2021, progress on Marriott's sustainability and social impact goals continued to be affected by the COVID-19 pandemic. Marriott remains committed to these goals and plans to continue to implement programs to advance toward their achievement.

Serve 360 Coordinates	2025 Sustainability and Social Impact Goals	Status	2021 Progress
	15 million cumulative volunteer hours	BEHIND SCHEDULE	6.3+ million volunteer hours contributed since 2016
	50% of volunteer hours will serve children and youth	BEHIND SCHEDULE	33.3% of cumulative volunteer hours served children and youth since 2016
	50% of volunteer activities will be skills-based	BEHIND SCHEDULE	29.2% of cumulative volunteer activities were skills-based since 2017
	15% water intensity reduction from 2016 baseline	BEHIND SCHEDULE	4.7% increase from 2016*
	30% carbon intensity reduction from 2016 baseline	ON TRACK	25.6% decrease from 2016*
	45% waste-to-landfill (and 50% food waste) reduction from 2016 baseline	BEHIND SCHEDULE	Finalized the Hotel Waste Measurement Methodology (HWMM)

* Due to the impacts of COVID-19 on our company, including decreased occupancy, Marriott experienced an increase in our water intensity and decrease in our carbon intensity metrics in 2021.

(Marriott, 2022, Figure 16)

As a global travel company with managed and franchised lodging operations and licensing arrangements, Marriott has a range of stakeholder groups. We collaborate with these stakeholders to understand their priorities through global forums and industry associations, develop policies and programs, and report on our most shared, critical ESG interests.

Associates: Marriott's long history of service, innovation, and growth is built on a commitment to put people first. We invest in associates, with a focus on development, recognition, compensation, career opportunity, and skills training. We also engage our associates on how to embed Serve 360 and drive ESG progress across the company. Customers: Marriott engages with corporate customers to support the company's Serve 360 Goals and ESG strategy, while also providing environmental data, collaborating on sustainability practices, and providing information on diversity, equity, and inclusion programs to support customers in achieving their own goals. Guests: Through Marriott's guest satisfaction survey and reviews, we aim to provide guests opportunities to be heard and to generate superior guest satisfaction and more memorable stays at Marriott properties. We also engage guests through our loyalty program, Marriott Bonvoy, which allows guests to earn and redeem points for staying at Marriott properties and provides guests the option to donate their points to specific Serve 360 partners. Hotel Owners & Franchisees: Through various owner and franchise forums, Marriott encourages participation from owners, franchisees, and management companies on relevant initiatives, collaboration opportunities, and overall progress and learnings around ESG. Suppliers: Marriott engages with suppliers through our sustainable procurement and supplier diversity programs. This includes working with suppliers to drive	progress toward our responsible and local sourcing goals, and collaborating with minority-, women-, LGBT-, people with disabilities-, and veteran-owned businesses. Communities: Along with associates, hotels, and our Business Councils, Marriott engages with local communities and community organizations through investment and volunteer activities. We also support communities through our disaster relief program and biodiversity investments. Industry Associations & Nongovernmental Organizations: Marriott and our leadership team regularly participate with allied trade associations and nongovernmental organizations through leadership roles on boards and executive committees. Marriott executives hold leadership roles at organizations including the World Economic Forum, the Business Roundtable, the World Travel & Tourism Council (WTTTC), the Sustainable Hospitality Alliance (The Alliance), U.S. Council for International Business (USCIB), U.S. Travel Association, U.S. Travel and Tourism Advisory Board, Brand USA, and the American Hotel & Lodging Association (AHLA), including its state-level affiliates. Marriott also engages with diversity, equity, and inclusion organizations, and participates at the board level for Disability:IN, Out & Equal, WEConnect International, and many others. Investors: Marriott communicates with investors through various channels to share updates on a variety of ESG-related topics and provide information and data on our Serve 360 platform and progress toward our 2025 Serve 360 Goals. Marriott also participates in select ESG rating agency surveys and disclosures.
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(Marriott, 2022, Figure 17)