

Strategic Contingency Model – Analysis exercise

Read the following CEO blog post.

- 1) Analyze the textual strategies through which the message manages to project a positive image of the writer and his organization, despite delivering or commenting on bad news.
- 2) Reflect on the questions from the slide with your partner.

GREAT LEADERS EMERGE FROM DIFFICULT TIMES

March 9, 2009

I've been through eight recessions in my lifetime and, while this one feels deeper and less predictable, I've learned what companies like Marriott need to do to come out strong. Cost cutting is obviously the key to survival today. But the wrong kind of cuts will delay a comeback and erode our competitive position. We need to invest in people, product and service innovation that will reap benefits in the future.

With fewer people checking into our hotels, we've been forced to eliminate some positions. For me, that's the toughest part of the job. I believe sacrifices must be shared and so I've informed the Marriott Board of Directors that I will decline two thirds of my compensation in 2009. All of our senior executives are seeing significant decreases in their compensation as well.

As we think about strength and vitality going forward, I'm also proud to announce some shifts in our management structure that I believe will put us in the strongest position for the future. Effective May 1, Bill Shaw, our current President and Chief Operating Officer will become Vice Chairman of the corporation overseeing Global Finance, Owner and Franchise Services, Architecture and Construction, Information Resources and will be Chairman of our Corporate Growth Committee. In his 34 years with Marriott, Bill Shaw has provided tremendous leadership, especially during the past 12 years when he oversaw global operations across all of Marriott's brands. Bill has assembled a first rate management team with expertise second to none in our industry. He has been at my side through recessions in the '80s, the '90s and again in 2001. His wise financial judgment was and continues to be invaluable.

I'm pleased to announce that Arne Sorenson, our current Chief Financial Officer and President for European Lodging will be promoted to the position of President and Chief Operating Officer, effective May 1. Since joining Marriott 12 years ago, Arne has rapidly emerged as one of the top senior executives in the hospitality industry. He has shown tremendous range and success across a wide scope of disciplines that positions him uniquely for a larger leadership role in our company at a time when both the challenges and opportunities for growth are terrific. In his new role, he'll be responsible for the performance and growth of our brands and businesses throughout the world.

Carl Berquist, currently Executive Vice President, Financial Information and Enterprise Risk Management, will become Chief Financial Officer, reporting to Bill Shaw. Carl joined Marriott in 2002 after a brilliant career at Arthur Anderson.

The steps we are taking today are important and will put Marriott in the strongest position for a successful future. In these unprecedented times, the company is fortunate to have extraordinary executives who will expand our industry leadership and drive long-term opportunity and growth.

This economy provides a tough environment for any company. But it's a wonderful environment for learning. Over the years, Marriott has assembled a fine team of top executives with tremendous scope and range through a process of rotating them through every part of the business. In fact, our success with this leadership development strategy is profiled in the current issue of the Harvard Business Review. This economy puts all of us to the test. And yet, I am confident we have the people, the places and the sense of purpose that will prevail.

On Inauguration Day, we took out an ad in USA Today to mark the historic presidency of Barack Obama. It listed all the conventional wisdom that has been proven to be wrong in our history: That you can't abolish slavery. That you can't give women the right to vote. That you can't fly an airplane from New York to Paris. That you can't cure polio. That you can't put a man on the moon. That you can't beat the Russians in hockey. That you can't elect a black man President of the United States. But we said, "Yes we can!"

That's how I feel now. We're at a crossroads. Things are tough. But when it comes to building a better future, with more opportunity for our associates to welcome millions of guests at more than 3,100 beautiful hotels around the world, I know the answer is: Yes we can!

I'm Bill Marriott and thanks for helping me keep Marriott on the move.

(Source: <https://www.blogs.marriott.com/marriott-on-the-move/2009/03/great-leaders-emerge-from-difficult-times.html>)