

## Reducing Employee Benefit Costs While Increasing Employee Satisfaction



### client

Marriott Hotels is the largest lodging company in the work with almost 2,400 owned or franchised properties in 67 countries. Its hotel brands include: Courtyard, Marriott, Residence Inn, Spring Hill Suites and Ritz Carlton.

### objectives

Marriott considered changing employee benefits to reduce overall costs. Prior to implementing such changes, Marriott wanted to assess the impact of such changes on employee satisfaction. The president of Marriott Hotels asked DMR's founder to accept the challenge.

### process

The process involved identifying the drivers of employee satisfaction **and** the impact of the proposed benefit changes. The statistical methodology used in this work was cutting-edge – The Key Driver model.

### results

#### Marriott Hotels

The results showed little variation in drivers of employee satisfaction across various employee categories identified by job function, level, length of employment, etc.

Seven factors were identified which, if improved, would lead to the greatest impact on employee satisfaction and reduce employee turnover. Moreover, **none of the proposed changes in reducing costly employee benefits showed any substantial impact** on employee satisfaction.

The benefit changes were implemented along with lower cost measures to increase employee satisfaction.

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The results led to an employee-driven set of strategies and tactics for revising employee benefits and human resource programs.

*As a result, Marriott achieved **significant cost savings** in employee benefit programs. In addition, the results led to a **surprising 12 percent improvement in employee job satisfaction** in one year.*