BLACK REPRESENTATION IN HOSPITALITY INDUSTRY LEADERSHIP

2021
Our mission is to see women in more than one in three positions at all levels of hospitality industry leadership and ownership.
May 10, 2021

Castell Project’s second annual report benchmarking Black representation in hospitality industry leadership reflects a business that is deeply reliant on Black employees. It also reflects an industry that has not yet opened as much growth opportunity to Black workers as it has for other populations.

Bureau of Labor Statistics reports indicate that Black employees in the hospitality industry have disproportionately lost jobs during the COVID-19 pandemic. Statistics also show disproportionately low Black representation in hospitality industry leadership.

This has been a year when US companies have stepped up their commitment to Black workers. As the hospitality industry hires post-pandemic, its ability to attract employees will be affected by its ability to deliver equity and inclusion.

According to McKinsey & Company, “for diverse companies, the likelihood of outperforming industry peers on profitability has increased over time, the penalties are getting steeper for those lacking diversity.” This is a potentially expensive weakness for industry profitability. Further, it suggests a competitive advantage for hospitality companies that treat Black employees equitably and provide equitable opportunity for advancement.

Purpose of Castell Project

Castell Project, Inc., a 501c3 non-profit, implements initiatives that enable companies and their diverse employees to fully benefit from workforce participation. Castell Project initiatives include:

• Tracking performance on hospitality industry diversity with benchmark statistics, including this report
• Providing leadership training to accelerate women on the corporate ladder; Castell BUILD and Castell ELEVATE programs will be offered in 2021 with scholarships available for Black women
• Presenting the WSH List and Castell Award to enhance women’s image through their presence on the podium, both for their own careers and to inspire others
• Hosting Castell@College panels showing college students, both women and men, the richness of careers in hospitality for people of all genders and races
• Launching Fortuna’s Table to bring women and underrepresented minorities into hotel ownership; in this entrepreneurial industry, ownership is a major route to leadership

Contact and more information may be found at CastellProject.org. We would be delighted to work with you and your company.

Board of Directors, Castell Project, Inc.
How we bring people back to work, and who we bring back, will define the industry for years to come. This is a unique opportunity to re-shape the industry for a diverse future marketplace.

Statement from the Castell Project Board

We produce this statistical report to add clarity to discussions about Black representation in the hospitality industry. Discrimination and bias are real and can only be addressed when they are recognized and enumerated.

This is a pivotal moment. Because of the scale of business disruption during the pandemic, essentially every company in the hospitality industry is undergoing a corporate restructuring at the same time. How we bring people back to work, and who we bring back, will define the industry for years to come. This is a unique opportunity to re-shape the industry for a diverse future marketplace.

When we produced the first Black Representation in the Hospitality Industry report in 2020, we evaluated the Castell Project and decided to deliberately advance diversity in this organization. Now, we are meeting measurable commitments for the organization and each of its initiatives. We are committed to programs that catalyze Black as well as female representation in hospitality industry leadership.

Executive Summary

We produced the first Black Representation in the Hospitality Industry as the nation grappled with civil unrest around the treatment of Black people. The data in that report immediately preceded the COVID-19 shutdown. This second annual report is a snapshot one year later, as the COVID-19 pandemic winds down. In spite of industry statements of support, Black employees lost share of hospitality industry employment and remained under-represented in leadership over the past year.

- Black representation in leadership for the public face of the hospitality industry fell from year-end 2019 to year-end 2020. At year-end 2020, only 11 percent of the 801 hotel company websites reviewed for this study showed Black executives (director through CEO) compared to 16 percent of 630 company websites in 2019.

- Black executives represented 1.6 percent of hospitality industry executives at the director through CEO level on company websites in 2020. This is 10.9 times lower than their 17.5 percent share of hospitality industry employment. This indicates that advancement is not equitable for Black employees in the hospitality industry.

- One in 5.7 industry employees’ is Black compared to one of 49 vice presidents and one of 58 EVP/SVPs shown on hospitality company websites at year end 2020.

- There were 5.7 white to each Black employee in year-end 2020. Black employees lost share from 2019 when there were 5.3 white to each Black employee.
The hospitality industry employs Black workers at 44.6 percent above their 12.1 percent pro rata share of the employed US civilian labor force.¹ This does not carry through to leadership; at the director to CEO levels 1.6 percent are Black.

Average employment in Traveler Accommodation fell 35 percent (by 479,000 people) from 2019 to 2020, according to the US Bureau of Labor Statistics (BLS).¹ The hospitality industry let go a higher proportion of its Black workforce than other employees. Black employees comprised 17.5 percent of traveler accommodation employees in 2020, down from 18.8 percent in 2019. The hospitality industry also let go a higher proportion of Black employees than the overall average for US businesses. In 2020, 12.1 percent of all people employed were Black, down only slightly from 12.3 percent in 2019.

Korn Ferry reports that Black leaders hold five percent of executive positions across all industries and four percent at S&P 500 companies. This compares to the hospitality industry at 1.6 percent.²

HR is the field where Black leaders have found opportunity in the hospitality industry and 32 percent of Black hospitality industry executives are in HR.

Intersectionality, the combined impact of race and gender, is more pronounced for Black women at each higher level.

Although the hospitality industry is more reliant on Black employees than many other industries, it has less Black representation in the executive ranks.
Insight from Thought Leaders

We provide these insights from several Black thought leaders as change moves through the industry.

**Tracy Prigmore**
**Managing Partner, TLTsolutions; Founder, She Has a Deal; Co-Chair Fortuna’s Table; Board Director Castell Project, Inc.**

With racial justice finally being a priority in this country, the hotel industry should be ultra-focused on growing the number of Black-owned hotels, management companies, and supplier businesses. When the ownership and investment side of the business is more diverse, the number of Blacks in leadership positions will grow, and the industry will become more inclusive, which should drive continuous innovation.

Furthermore, diversity in ownership will uplift communities and build economic vitality, helping to close the racial wealth gap.

**Andy Ingraham**
**President Founder & CEO, NABHOOD**

Jonathan Tisch, Chairman & CEO of Loews once asked me, “why are so many people of color leaving the industry?” I replied that the reason was access to promotion. Every study shows that our industry lacks diversity and upward mobility, specifically for people of color. Let’s all make a great industry better and demonstrate that “Black Lives Matter.” Diversity and inclusion can no longer just be buzz words but must be woven into the fabric of post COVID-19 pandemic rebuilding. Will the hospitality industry change and open its boardrooms and C-suites to minorities and people of color or is it a moment that will be forgotten? We all have a responsibility to do our part but top leaders must make the commitment because they set the standard.

**Greg DeShields**
**Executive Director, PHL Diversity of the Philadelphia Convention & Visitors Bureau; Executive Director, Tourism Diversity Matters**

Group hotel selection is increasingly sensitive to the diversity of lodging owners and leaders. Properties that deliver diversity while re-building post-pandemic will be better positioned in the group sector.

As the hotel industry recovers, a substantial focus to advance diversity throughout industry leadership must be a priority. We must address the barriers and challenges to access. Tourism Diversity Matters (TDM) strives to be the collaborative leader for Diversity, Equity, and Inclusion (DE&I) initiatives that address the blind spots of ethnic disparities and provide decision-makers access, resources and tactics to develop more effective DE&I strategies that engage and retain a diverse workforce.
Equitable advancement requires leadership from corporate and delivery from general managers. Over the past several years we have prioritized diversity, equity and inclusion programs to enable us to care for people so they can be their best. At the corporate level, our Global Diversity, Equity, and Inclusion Council and Diversity Business Resource Groups have helped create environments across the globe where all colleagues can be their authentic selves at work. At the property level, Hyatt general managers, Donte Johnson and Tracey Pool, provide insight into building diverse leadership for the post-pandemic industry.

“Equitable advancement requires leadership from corporate and delivery from general managers. Over the past several years we have prioritized diversity, equity and inclusion programs to enable us to care for people so they can be their best. At the corporate level, our Global Diversity, Equity, and Inclusion Council and Diversity Business Resource Groups have helped create environments across the globe where all colleagues can be their authentic selves at work. At the property level, Hyatt general managers, Donte Johnson and Tracey Pool, provide insight into building diverse leadership for the post-pandemic industry.”

Donte Johnson
General Manager, Hotel Revival

Our leadership team at Hotel Revival looks demographically similar to our community. We simply do not place a premium on characteristics or traits that don’t have a true impact on someone’s ability to perform a job. Engaging with any community primarily on the basis of attracting talent or business is being the friend that calls when they need a favor. We set out to genuinely pour our energy into the whole community - the creatives, the businesses, the thought leaders, the storytellers. The community has more to offer than labor and customers. Honoring that has been our approach.

“Not one of us has advanced without the support of others.”

Tracey Pool
General Manager, Hyatt Regency Baltimore

A best practice I use (and recommend) to remove obstacles is connecting and building relationships. And when I say “connecting,” I don’t mean on a surface level. I’m not talking about handshakes or rubbing elbows, I’m talking about building actual relationships. I used to believe that if I simply worked really hard, my work would somehow be recognized and I would be catapulted to levels beyond where I was. I now know that advancement doesn’t necessarily work that way for everyone. “It’s all about who you know” has such a negative connotation, but the truth is this: not one of us has advanced without the support of others. Please connect with others who may not look like you, whether you are a sponsor or the person being sponsored.

“The community has more to offer than labor and customers. Honoring that has been our approach.”
Share of Black Leaders by Gender

As shown in the following graphs, representation of Black leaders is extremely low in the hospitality industry, falling from 2.6 percent at the director level to 0.9 percent at the CEO/President level. These statistics refer to mid-management directors working in corporate offices, not members of the board of directors.

Black Men & Women Percent of Hospitality Company Leadership

Black Representation as a Percent of Hospitality Company Leadership by Title

Black men and Black women made marginal gains in share in most of these positions from year-end 2019 to year-end 2020.
Black Women Percent of Hospitality Company Leadership

- Director: 1.8% (2019), 1.9% (2020)
- VP: 0.7% (2019), 0.8% (2020)
- EVP/SVP: 0.5% (2019), 0.7% (2020)
- Principal/Managing Director: 0.7% (2019), 0.6% (2020)
- Chief: 0.5% (2019), 0.7% (2020)
- CEO/President: 0.1% (2019), 0.1% (2020)
- Sample Overall: 0.8% (2019), 0.9% (2020)

Source: The Castell Project

Black Men Percent of Hospitality Company Leadership

- Director: 1.0% (2019), 0.7% (2020)
- VP: 1.1% (2019), 1.2% (2020)
- EVP/SVP: 1.0% (2019), 1.0% (2020)
- Principal/Managing Director: 0.0% (2019), 0.2% (2020)
- Chief: 0.3% (2019), 0.4% (2020)
- CEO/President: 0.6% (2019), 0.8% (2020)
- Sample Overall: 0.8% (2019), 0.8% (2020)

Source: The Castell Project
Share of Black Leaders by Field

Black representation in leadership is heavily weighted toward human resources. HR employs over 30 percent of Black employees at the director to CEO levels. This table shows how Black leaders are distributed by field.

Distribution of Black Executives by Field (Director to CEO)

<table>
<thead>
<tr>
<th>Field</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>30%</td>
<td>32%</td>
</tr>
<tr>
<td>Accounting</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology/Information</td>
<td>8%</td>
<td>7%</td>
</tr>
<tr>
<td>Sales</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Marketing</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Operations</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Asset Management</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Other</td>
<td>15%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: The Castell Project

This table shows the share of Black leaders in each field. Nine percent of HR executives are Black, which is substantially closer to pro rata representation at the director to CEO level than any other field in hospitality. The US population is 13.4 percent Black. Women, including Black women, hold the great majority of HR roles. Sales/marketing also has a few Black women. Black men are more likely to find opportunity in operations and accounting/finance.

Share of Black Executives by Field

<table>
<thead>
<tr>
<th>Field</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR</td>
<td>8%</td>
<td>9%</td>
</tr>
<tr>
<td>Accounting</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Operations</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Sales</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Technology/Information</td>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>Revenue Management</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Revenue Management</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: The Castell Project
Odds of Reaching Leadership

Without bias or disadvantage, Black employees could be expected to be represented in leadership at a rate proportionate to their share of the hospitality labor force. The following charts compare representation of Black executives to their proportionate share of one Black to 5.7 other traveler accommodation employees (17.5 percent)¹. The bars show the number of other executives to each Black executive, ranging from 38 to 109 depending on level. Black representation diminishes at higher levels. The odds improved for Black executives over the past year. However, this is partly because the sample includes more companies and the number of Black leaders in these roles is so small that a shift of one to three can drive the changes reflected in this chart.

Other Executives for Each Black Executive Compared to Pro Rata Share

Analyzing the odds by gender shows 94 other men for each Black man at these levels. Because all women are poorly represented at these levels, there are 30 other women for each Black woman.

Other Women for Each Black Woman Compared to Pro Rata Share
Black Representation by Title and Gender

These charts show the distribution of jobs between Black men, Black women, other men and other women. Charts are presented for the director, VP and EVP/SVP levels. At the staff level, women outnumber men in the hospitality industry. By the director level, women are less well-represented than men. Black representation is weak and Black men are even less represented than Black women. At each higher level, with its correspondingly higher compensation, representation diminishes.

Black women in particular lose ground both as a share of all vice presidents and relative to Black men. This intersectionality, the combined impact of race and gender, is more pronounced for Black women at each higher level.

**Directors by Race and Gender**

- **Other Men**: 2019: 52.1%, 2020: 52.7%
- **Black Men**: 2019: 1.0%, 2020: 0.7%
- **Other Women**: 2019: 45.1%, 2020: 44.7%
- **Black Women**: 2019: 1.8%, 2020: 1.9%

Source: The Castell Project
Vice Presidents by Race and Gender

EVP/SVPs by Race and Gender

Operating Environment

Statistics summarizing the overall operating environment for Black employees in the hospitality industry are shown in the following table.

Operating Environment for Black Leaders and Employees

<table>
<thead>
<tr>
<th>Category</th>
<th>2019</th>
<th>2020</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Traveler Accommodation Employees: Percent Black</td>
<td>18.8%</td>
<td>17.5%</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Traveler Accommodation: Number of White for Each Black Employee</td>
<td>5.3</td>
<td>5.7</td>
<td>7.4%</td>
</tr>
<tr>
<td>Total US Employed: Percent Black</td>
<td>12.3%</td>
<td>12.1%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Hospitality Industry Director to CEO Level: Percent Black</td>
<td>1.6%</td>
<td>1.6%</td>
<td>0%</td>
</tr>
<tr>
<td>Korn Ferry S&amp;P 500 Executives: Percent Black</td>
<td>5%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Black Share of US Population: US Census</td>
<td>13.4%</td>
<td>13.4%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Methodology and Sample

Methodology: These statistics show the public face of hospitality industry leadership. Two analysts captured information from the websites of hotel companies listed in the STR Directory of Hotel & Lodging Companies. Each entry was reviewed twice, once in the company website and then compared to the LinkedIn profile. Identification was made by visual inspection and self-identification could vary.

Titles: Definitions for groups of titles used for this analysis follow.

Sample: This report presents statistics about a large sample of hospitality industry executives that their companies show on their corporate websites. Data includes hotel companies based in the US and Canada listed in the STR Directory of Hotel & Lodging Companies. The sample has a minimum of 5 hotels or 700 rooms. The dataset includes 7,243 people in 801 companies for 2020 and 6,692 people in 630 companies for 2019. Statistics shown reflect employees from the level of director through CEO.

Validity: This study only reflects the public face of the hospitality industry as reflected on hotel company websites. There are executives who are not shown on these websites. We also note that only a few top executives are listed for very large hotel companies that have robust diversity initiatives. We believe statistics for these companies are under-represented.

Virtually all companies show a CEO and/or president and the statistics are highly representative at these levels. At lower levels, sample size is substantial, but is less complete and therefore less representative. For the same reason, CEO / Presidents are over-represented in the overall averages in this report by the nature of positions shown on corporate websites.
## Summary Table

<table>
<thead>
<tr>
<th></th>
<th>Other Men</th>
<th>Black Men</th>
<th>Other Women</th>
<th>Black Women</th>
<th>Men</th>
<th>Women</th>
<th>Sample</th>
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</thead>
<tbody>
<tr>
<td><strong>Director</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>52.1%</td>
<td>1.0%</td>
<td>45.1%</td>
<td>1.8%</td>
<td>53.1%</td>
<td>46.9%</td>
<td>1327</td>
</tr>
<tr>
<td>2020</td>
<td>52.7%</td>
<td>0.7%</td>
<td>44.7%</td>
<td>1.9%</td>
<td>53.4%</td>
<td>46.6%</td>
<td>1285</td>
</tr>
<tr>
<td><strong>VP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>66.1%</td>
<td>1.1%</td>
<td>32.1%</td>
<td>0.7%</td>
<td>67.2%</td>
<td>32.8%</td>
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</tr>
<tr>
<td>2020</td>
<td>65.7%</td>
<td>1.2%</td>
<td>32.3%</td>
<td>0.8%</td>
<td>66.9%</td>
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<td>1247</td>
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<tr>
<td><strong>EVP/SVP</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>76.1%</td>
<td>1.0%</td>
<td>22.4%</td>
<td>0.5%</td>
<td>77.1%</td>
<td>22.9%</td>
<td>624</td>
</tr>
<tr>
<td>2020</td>
<td>75.7%</td>
<td>1.0%</td>
<td>22.6%</td>
<td>0.7%</td>
<td>76.7%</td>
<td>23.3%</td>
<td>592</td>
</tr>
<tr>
<td><strong>Chief</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>76.8%</td>
<td>0.3%</td>
<td>22.4%</td>
<td>0.5%</td>
<td>77.1%</td>
<td>22.9%</td>
<td>930</td>
</tr>
<tr>
<td>2020</td>
<td>75.5%</td>
<td>0.4%</td>
<td>23.4%</td>
<td>0.7%</td>
<td>75.9%</td>
<td>24.1%</td>
<td>980</td>
</tr>
<tr>
<td><strong>CEO/President</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>92.7%</td>
<td>0.6%</td>
<td>6.6%</td>
<td>0.1%</td>
<td>93.3%</td>
<td>6.7%</td>
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</tr>
<tr>
<td>2020</td>
<td>92.5%</td>
<td>0.8%</td>
<td>6.6%</td>
<td>0.1%</td>
<td>93.3%</td>
<td>6.7%</td>
<td>879</td>
</tr>
</tbody>
</table>

Source: The Castell Project, Inc.
Black representation in hospitality industry leadership
Levels: Definitions

Titles are organized by level and grouped in this report as follows:

**Director**
People with the title of director, corporate director, senior director, etc. in all fields. However, hotel level directors (director of sales, etc.) and area directors (regional director of operations, for example) are excluded from this dataset. Regional vice presidents are classified as directors in this dataset.

**Principal/Partner**
Principal, partner, member, shareholder.

**Managing Director**
Managing directors, managing principals and senior managing directors as well as “head” titles.

**President**
President, owner and founder. Presidents with the additional title of CEO are listed under CEO. Those who are also chiefs are included in the leadership statistics as presidents and are also included in the C-suite detail.

**CEO**
CEOs, as well as CEOs with additional titles such as CEO and chairman, president or managing director.

**Board**
Chairman and board director.

**VP**
Vice presidents in all fields. Vice presidents who also are C-suite chiefs are classified as chiefs. Those who also carry a partner or principal title are classified as partner/principal.

**EVP/SVP**
Executive and senior vice presidents in all fields. Those who also carry a “chief” C-suite title are classified as chiefs.

**Managing Director**
Managing directors, managing principals and senior managing directors as well as “head” titles.

**Chief (C-suite)**
Executives with “chief-officer” in their title – CFO, COO, CMO, CLO, etc. General counsels are classified as CLOs. Some chiefs also are presidents or SVPs, for instance. Dual titles including chief and director, VP or EVP/SVP are categorized by their chief role. Dual titles including president or CEO are classified as president or CEO and also shown in the distribution of chiefs.

References

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**Eve Moore**, Vice President of Operations, Legacy Ventures. Castell Project Secretary

**Catherine Morgen**, Partner, Morris, Manning & Martin. Castell Project Treasurer

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**Fern Kanter**, Executive Vice President, CHM Warnick. Castell@College committee chair

**Kirk Kinsell**, Principal, Panther Ridge Partners. Castell Partners and Funding committee chair

**Tracy Prigmore**, Founder and Managing Partner, TLTsolutions; Founder, She Has a Deal. Fortuna’s Table committee co-chair

**Rachel Moosa**, Managing Director and Founder, The Hospitality Gig

**Talene Staab**, Vice President & Global Head of Tru by Hilton

**Staff**

**Deborah Cox**, Vice President, Castell Project, Inc.

**Jane Nguyen**, Administrative Assistant, Castell Project, Inc.
As the hospitality industry hires post-pandemic, a company’s ability to attract employees will be affected by its ability to deliver equity and inclusion.