

Black Representation in Hotel Industry Leadership

Fourth Annual Report
2023



PennState

School of Hospitality Management

Fourth annual report benchmarking Black representation in hotel industry leadership. This report indicates that steady, but slow progress is being made toward diversifying the upper ranks of hotel companies.

This research was conducted by the School of Hospitality Management at Pennsylvania State University with financial support from the AHLA Foundation and funds provided from the Walter J. Conti Visiting Professorship in the School of Hospitality Management.

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SHM

Established in 1937 Penn State's School of Hospitality Management is one of the nation's oldest and most respected. Its top-ranked undergraduate, professional master's, and doctoral degree programs prepare global leaders with a rigorous, diverse curriculum focused, since its inception, on engaged scholarship, featuring partnerships with top global hospitality brands. It's also home to the oldest Penn State alumni program group, The Penn State Hotel and Restaurant Society. For more information about the School, email pennstateshm@psu.edu.

AHLAF

The AHLA Foundation is the charitable arm of the American Hotel & Lodging Association that supports the industry's workforce at all stages of their career journey. While the hospitality sector is diverse, research points to disparities in representation of women, people of color and other historically marginalized groups at the leadership levels. The AHLA Foundation is committed to advancing the careers of these populations through a variety of initiatives, including female leadership development programs BUILD & ELEVATE (formerly part of Castell), and ForWard; mentorship; and industry trainings focused on inclusive and equitable practices. With the merger of Castell and AHLA Foundation in 2022, we proudly support the legacy of diversity-focused research projects to help inform future action and continued areas of improvement for the hotel industry.

Executive Summary

This is the fourth annual report on Black representation in leadership in the hotel industry, compiled by the Pennsylvania State University School of Hospitality Management with support from the AHLA Foundation. Overall, Black representation from the director to CEO levels has increased or held steady between 2021 and 2022, although most increases are small. The fact is that Black executives remain underrepresented in leadership at all levels in the hotel industry.

Notable statistics from this year's report:

- Black representation in the upper levels of hospitality industry leadership increased slightly year over year from 2021 to 2022
- Overall, Black executives held 2.2% of leadership positions (director to CEO levels) in the hotel industry in 2022. In raw numbers, this is 138 Black executives of 6,284 total executives included on hotel company websites as of late 2022
- Black executives are under-represented when compared to Black representation in the overall traveler accommodation workforce, which is 15.2% Black, and the overall US population, which is 13.6% Black
- After decreasing from 2020 to 2021 as a result of the pandemic, the share of the total industry workforce that is Black has rebounded somewhat. In 2020, one in 5.7 traveler accommodation employees was Black, and in 2021 this number was one in 7.3.

In 2022, this number was 1 Black employee per 6.6 employees in the industry. However, Black representation in the overall traveler accommodation workforce still lags pre-pandemic levels

- Black representation, while low across industry leadership, decreases at higher levels. At lower levels of leadership, there was one Black VP for every 32 VP positions, and one Black director for every 33 director positions. However, there was only one Black chief (C-level) for every 64 chief positions and one Black CEO/President for every 92 positions at those levels

- When the data are separated by gender, there was only 1 male Black executive for every 70.2 males in executive positions across the companies included in the dataset. Women appear to have fared better, with one female Black executive for every 25.4 females in executive positions. However, this statistic is skewed by the fact that women are underrepresented as a whole in top-level leadership positions in the hotel industry

- Black executives in the hotel industry are more likely to occupy roles in the fields of HR, Operations, and Accounting/Finance. Nearly 27% of the total Black executives identified in our sample hold positions in HR. Other fields, such as Investment/Development, F&B, and Asset Management provide opportunities to fewer Black executives

Year	Dataset Sample
2019	5,248
2020	5,172
2021	5,569
2022	6,285

Methodology

The data underlying this report is based on the public face of hospitality industry leadership that is presented on hotel company websites. This dataset includes everyone listed on hotel company websites from director through the CEO level. Data were collected beginning at near year-end 2019, and again every year through year-end 2022. The current report provides insights into the four-year trends of Black representation in the hotel industry.

The sample of companies included in the Hotel Company Executive Dataset is drawn from the STR Directory of Hotel and Lodging Companies. Companies that were listed in the STR directory and that 1) are based in the United States or Canada, 2) have over five hotels and/or over 700 rooms, and 3) provide a listing of executives on their websites are included. Members of the research team manually collected information about hotel company executives from company websites including executive name and title. If websites included pictures of

executives, information about executive gender and race/ethnicity were also collected. If websites did not include pictures of executives, names were cross-referenced with LinkedIn, news releases, and/or press coverage to locate pictures of the executives to allow for coding of gender and race/ethnicity.

The Hotel Company Executive Dataset is large enough to offer a representative sample of high-level hotel industry leadership, however, companies are selective about what executives are shown on their websites – therefore, this analysis of the public face of the industry may not represent the full picture on diversity. Almost every hotel company lists their CEO, president, and C-suite executives on the web, so this data is most representative at the most senior levels of leadership. However, the sample is large enough through the vice president and director levels to be reasonably representative, although confidence declines somewhat at lower-level titles.

The executive dataset includes

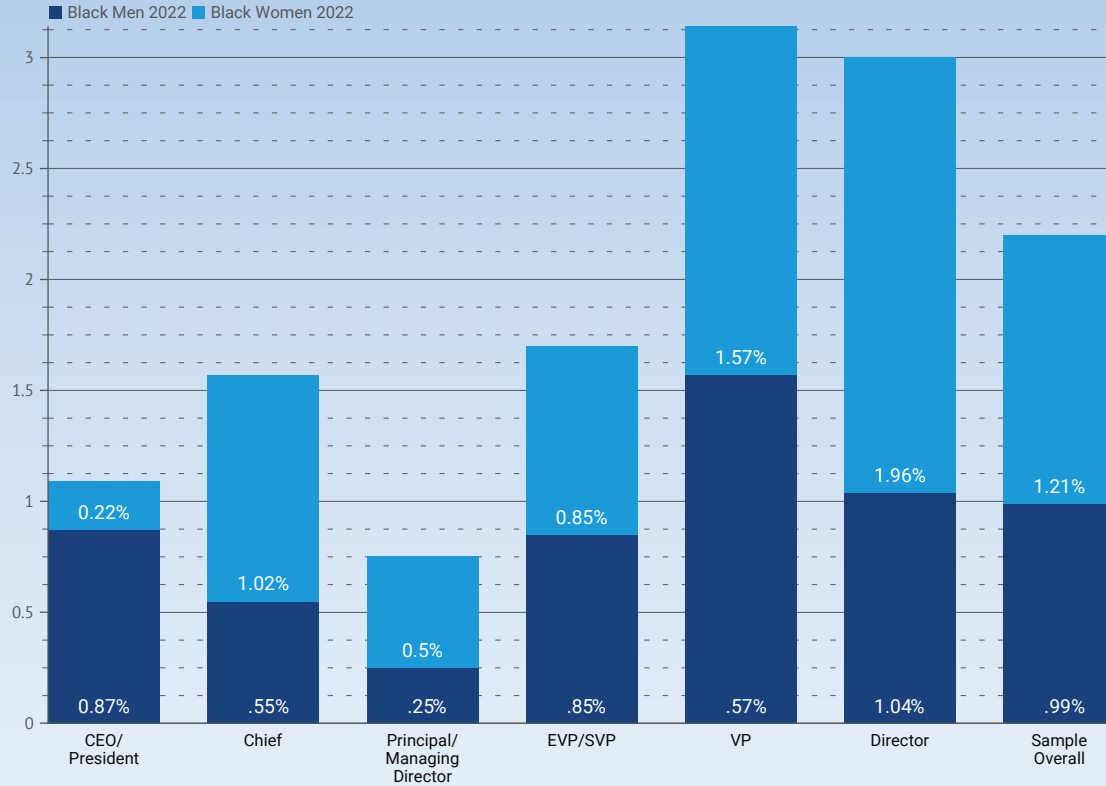
701 companies for 2022. The number of executives included in the sample for each year are listed in the table below. Statistics are presented below in a variety of ways, by field, level (title), and gender. The data are presented as both percentages and as the number of Black executives per number of other executives at a particular level. For example, in 2022 there were 92.4 other executives at the CEO/President for every Black CEO/President.

Levels and Fields in the Report
Each person appearing in the dataset used in this report is classified by gender, field (e.g., Operations, Sales/Marketing, Accounting/Finance, etc.), and level (CEO, chief, VP, director, etc.). Because of the wide variety of titles and fields used in the industry, the titles are consolidated into eight (8) levels in these charts. Functional specialties are consolidated into 13 fields.

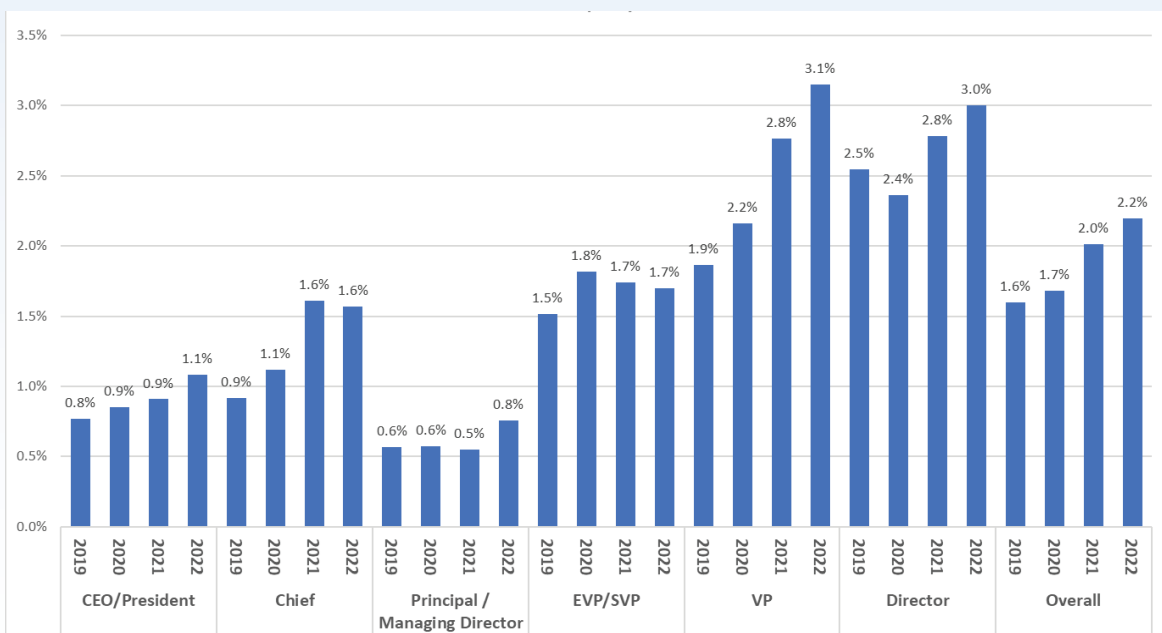
Definitions for fields and levels are provided in the appendix.

Share of Black Leaders by Gender

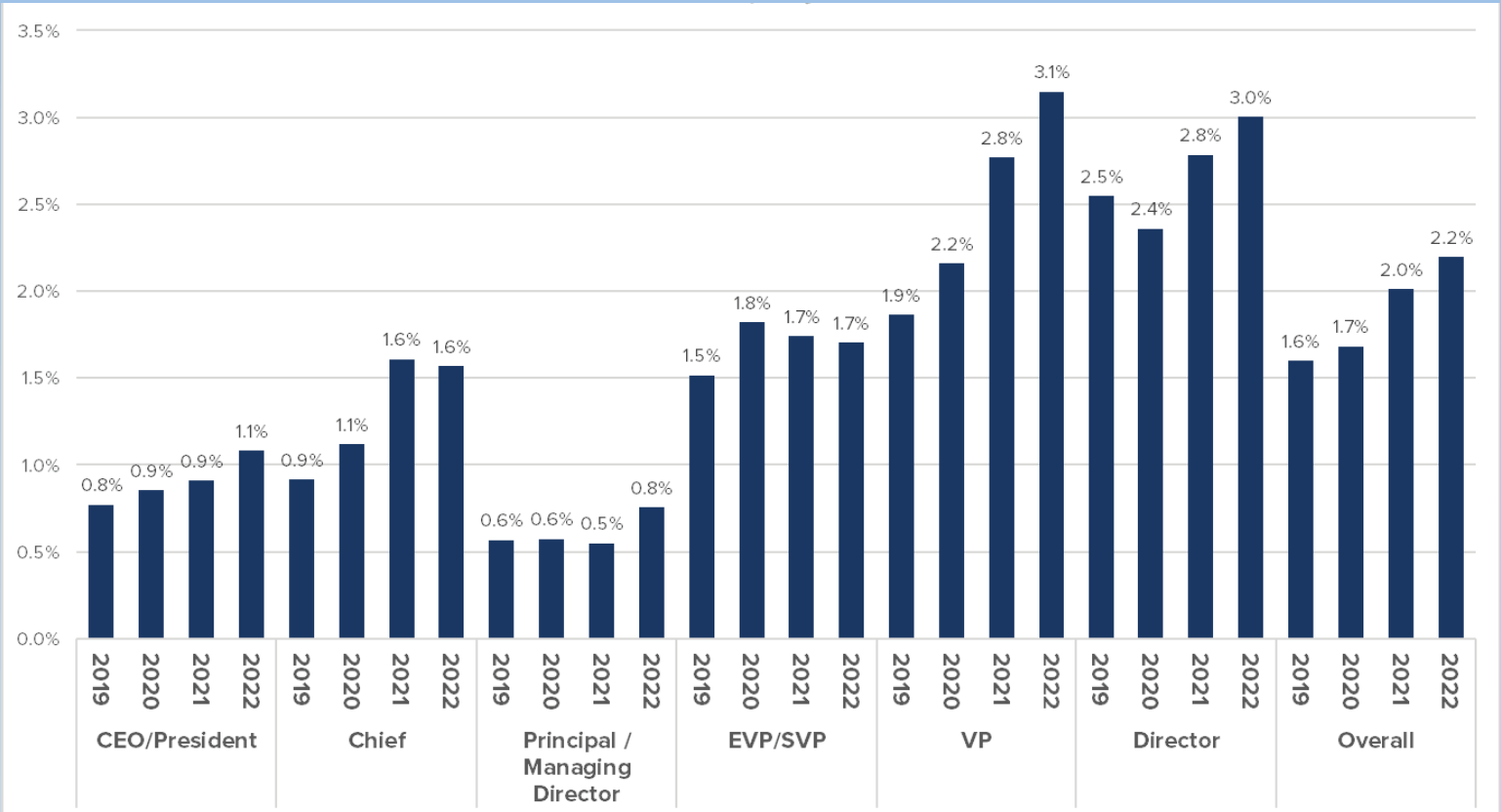
The following graphs provide an overview of black representation at different levels of hospitality leadership, both overall and by gender. In addition, they present trends in the growth or decline of Black representation in hospitality leadership over the past four years. Black leaders have made slight gains at most levels over the past year; however, overall numbers are small enough that even slight changes in the raw numbers of black leaders at each level can significantly affect these statistics.



Trends in Black Representation as a Percent of Hospitality Company Leadership by Level



Trends in Black Representation: as a Percent of Hospitality Company Leadership by Level

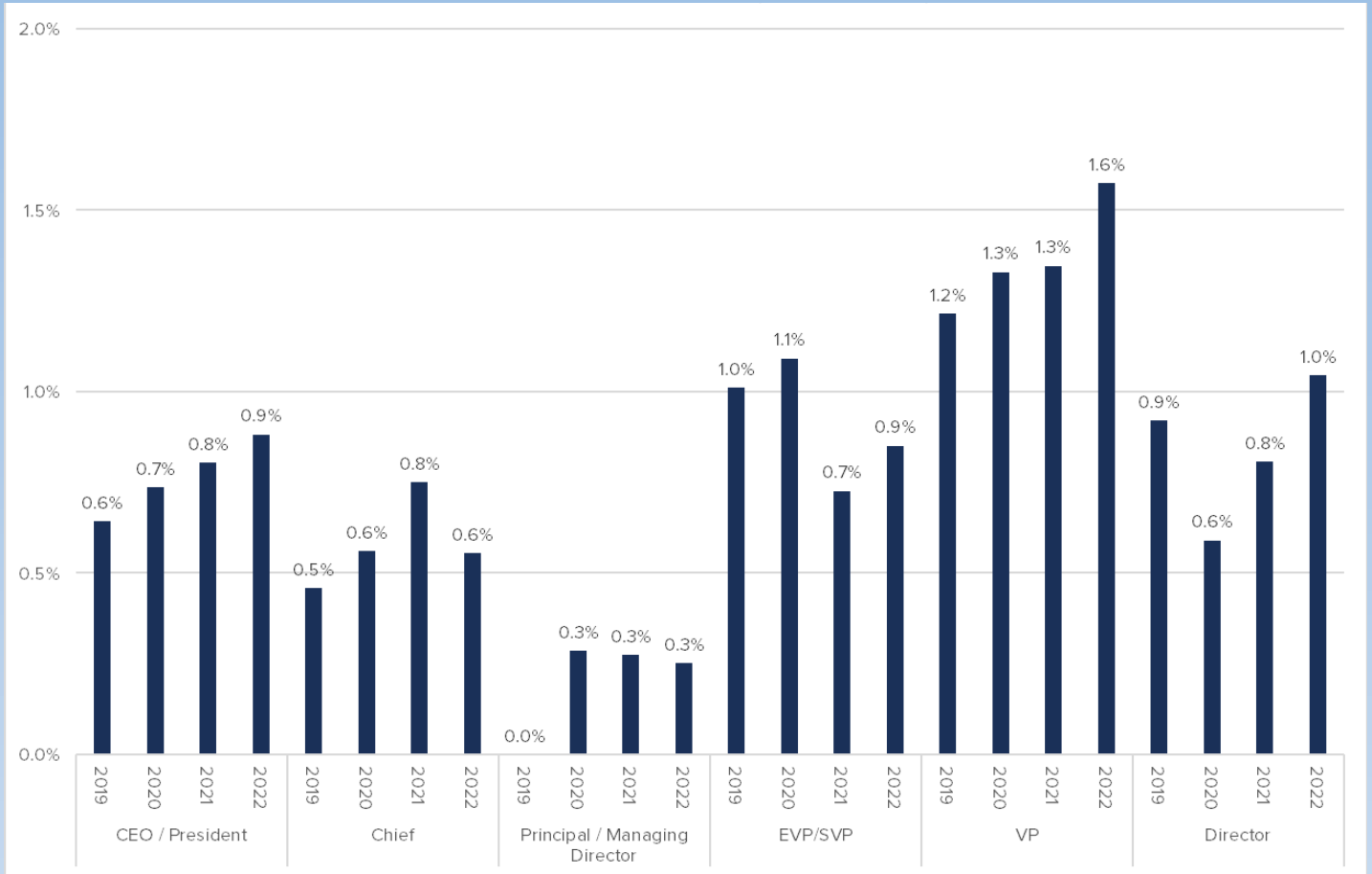


Black Women Percent of Hospitality Company Leadership

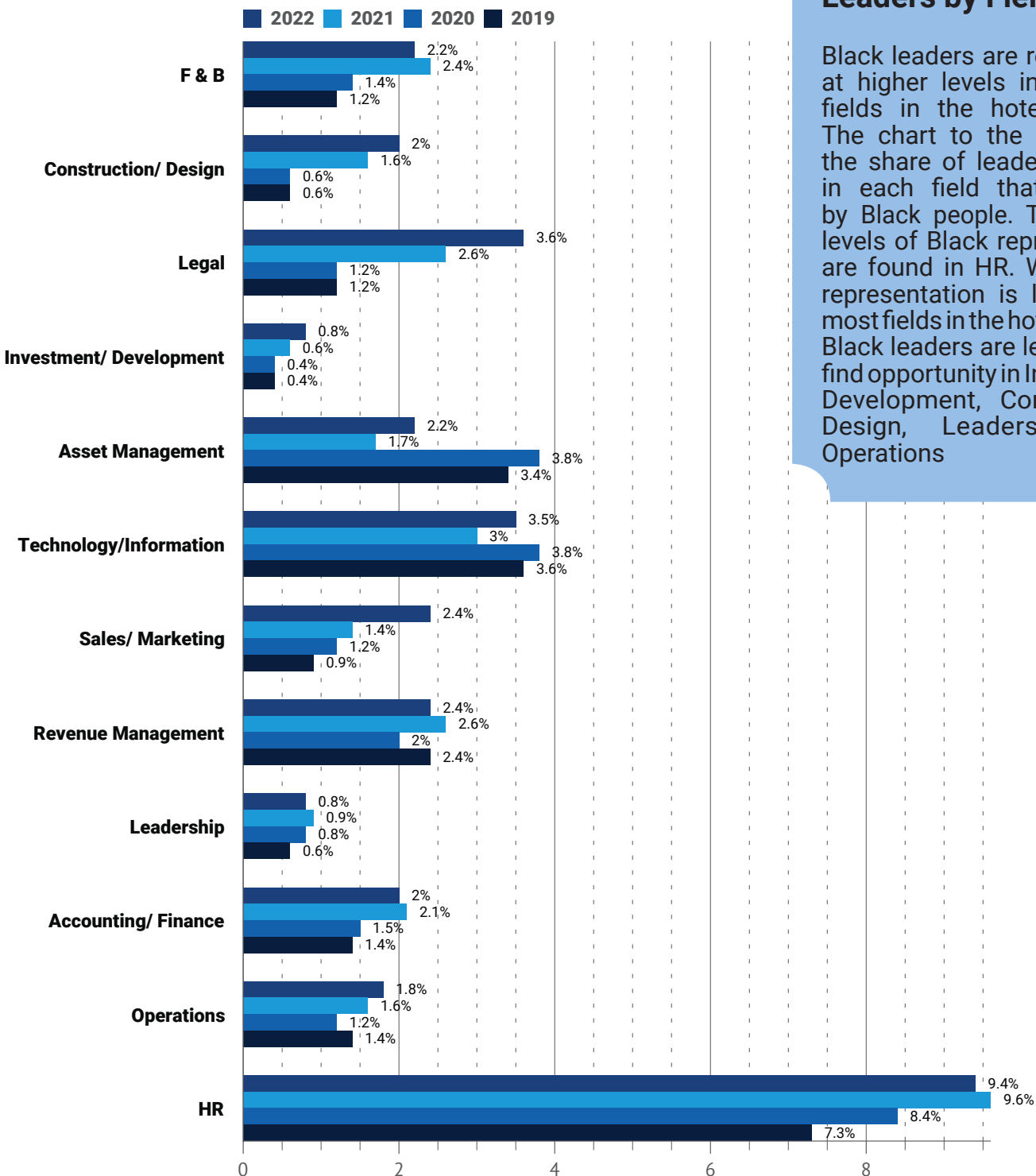
When separated by gender, trends indicate that growth has slightly been stronger (though still marginal) for Black men than for Black women in hotel industry leadership. Both men and women made gains in most areas between 2021 and 2022, and the trends for growth at most levels have been positive.



Black Men Percent of Hospitality Company Leadership

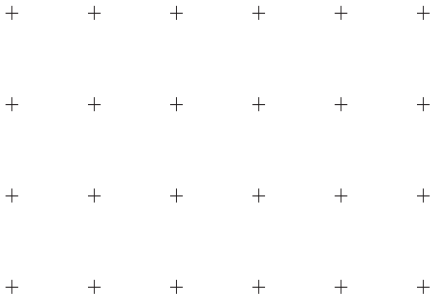


Share of Director to CEO Positions Held by Black Employees by Field

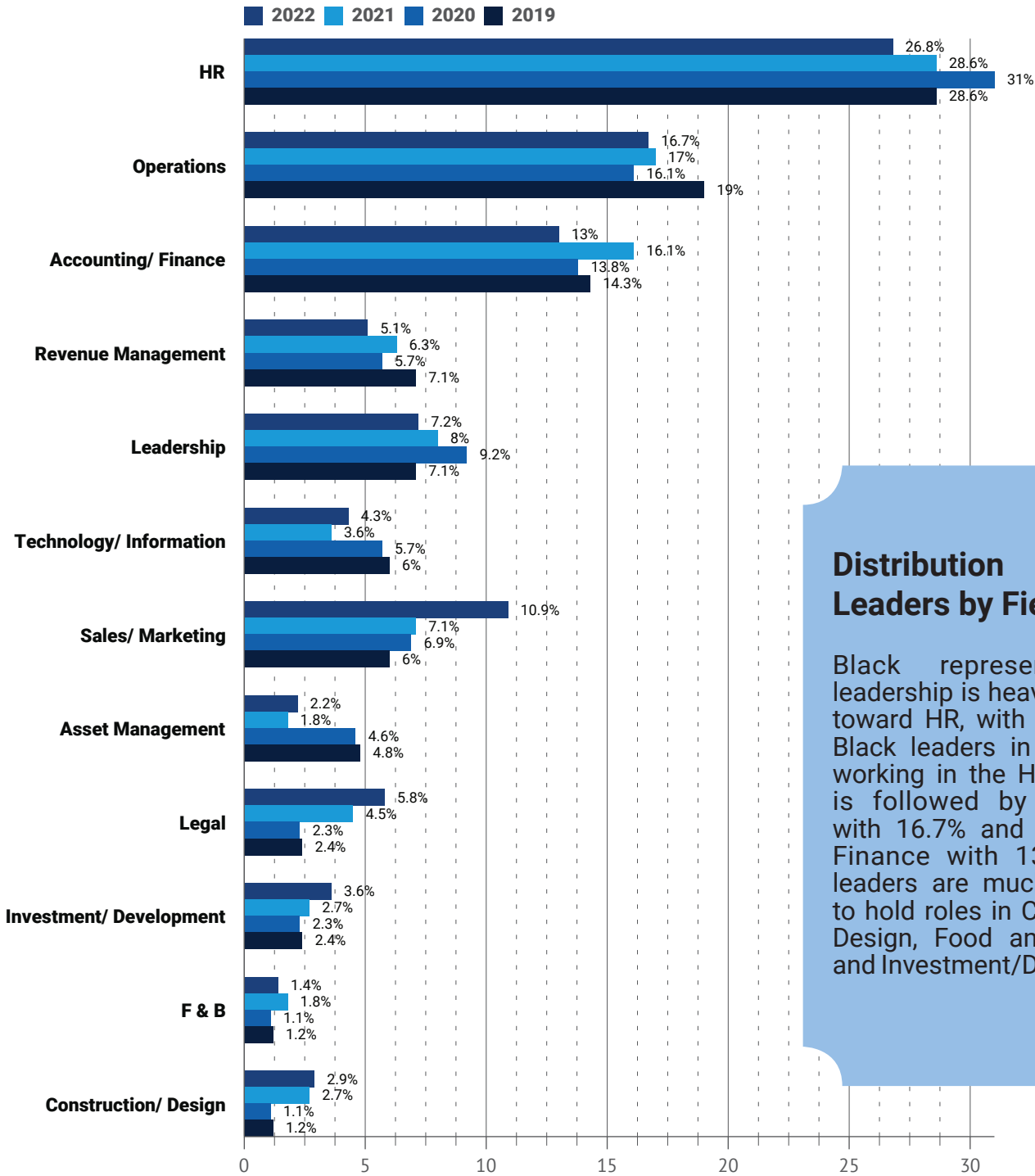


Representation of Black Leaders by Field

Black leaders are represented at higher levels in particular fields in the hotel industry. The chart to the left shows the share of leadership roles in each field that are held by Black people. The highest levels of Black representation are found in HR. While Black representation is low across most fields in the hotel industry, Black leaders are less likely to find opportunity in Investment/ Development, Construction/ Design, Leadership, and Operations



Distribution of Black Leaders by Field



Distribution of Black Leaders by Field

Black representation in leadership is heavily weighted toward HR, with 26.8% of all Black leaders in the sample working in the HR field. This is followed by Operations with 16.7% and Accounting/ Finance with 13.0%. Black leaders are much less likely to hold roles in Construction/ Design, Food and Beverage, and Investment/Development.

Odds of Reaching Leadership

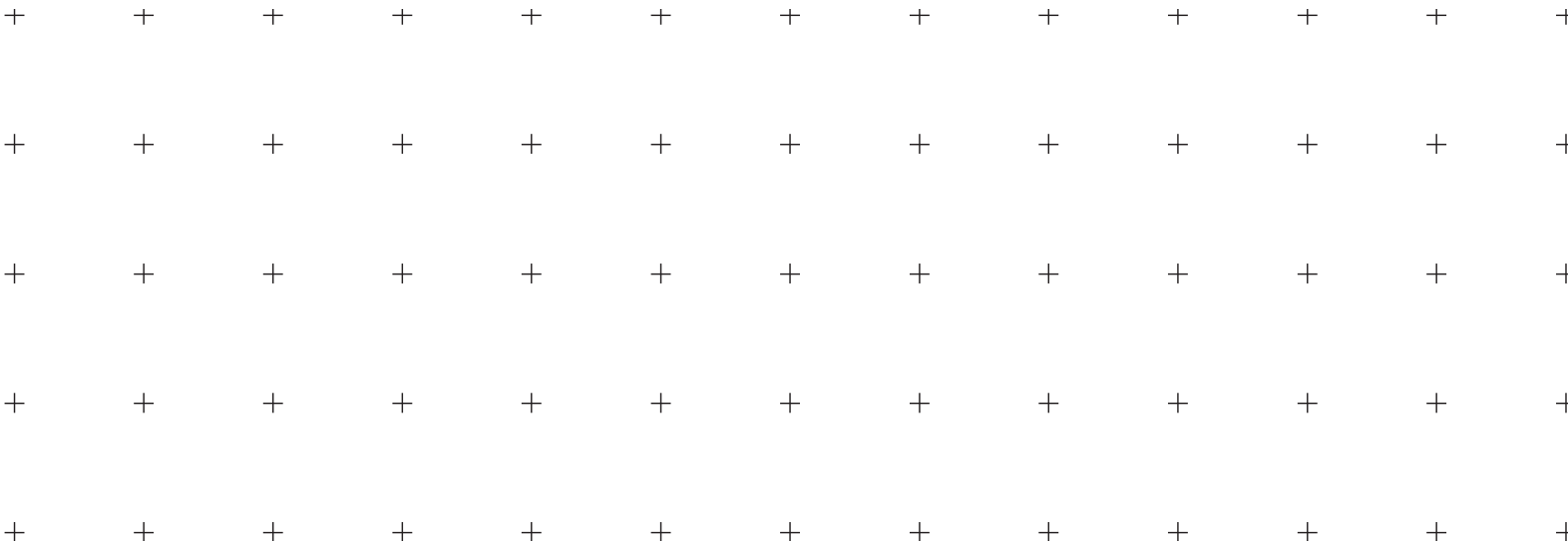
In a workplace without bias or disadvantage, the share of Black employees in leadership should be approximately equal to Black employees' overall share in the hospitality labor force. In 2023, according to the Bureau of Labor Statistics¹, Black employees made up approximately 15.2% of the overall workforce in the travel accommodation industry. This equates to approximately 1 Black employee for every 6.6 total employees in the industry.

The following chart compares Black representation at the executive level to the overall proportion of Black employees in the travel accommodation workforce. The bars show the number of total executives per each Black executive, ranging from 1 Black CEO/President for every 92 CEOs/Presidents in the industry to 1 Black Director for every 33 Directors in the industry.

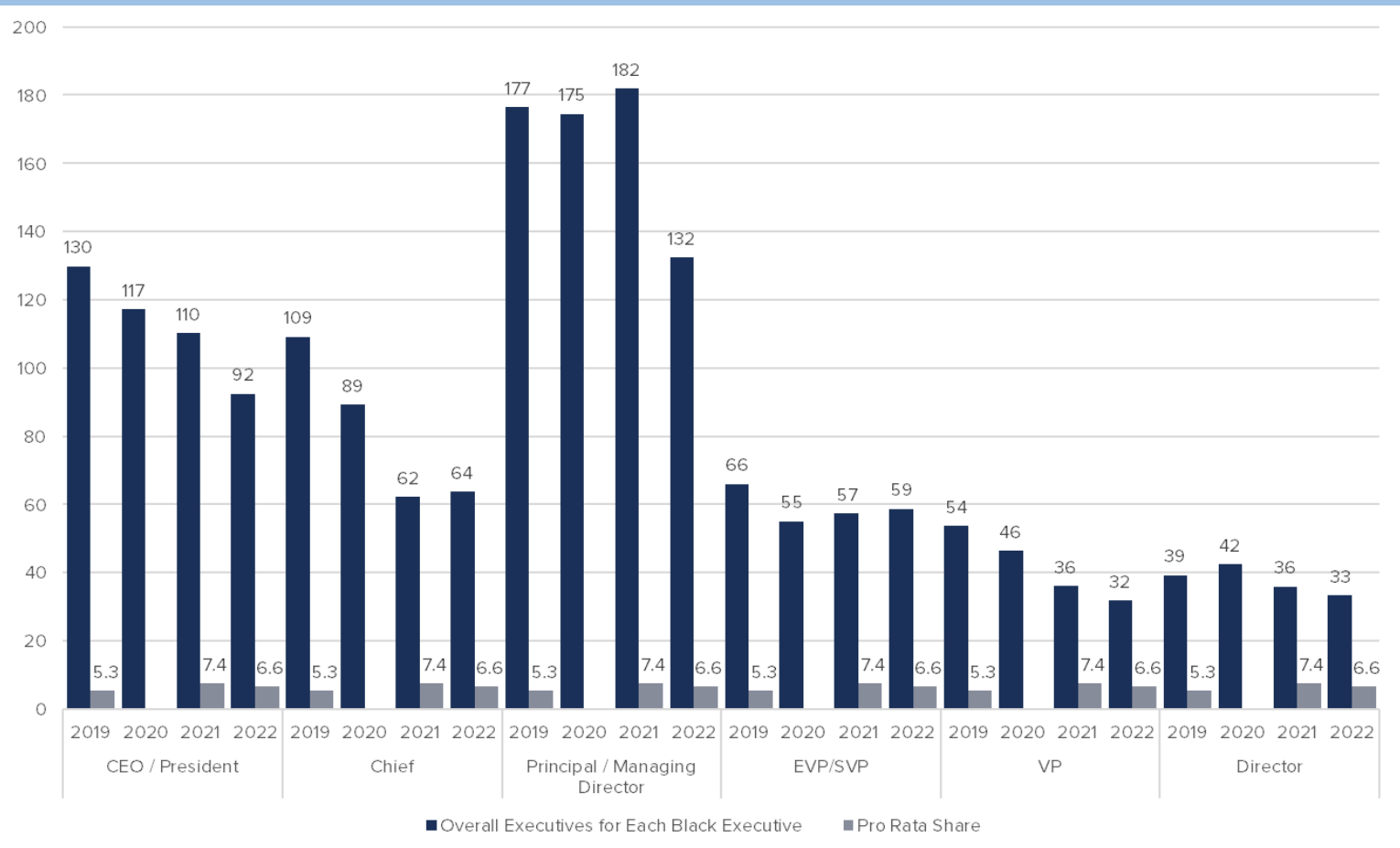
This chart indicates that Black employees remain significantly underrepresented in hospitality industry leadership compared to what would be expected given Black representation in the overall industry workforce. In addition, Black representation decreases at higher levels, which is particularly notable at the highest levels (CEO/President) and ownership (Principal) levels.

Although not reflected in the charts below, when analyzed by gender, results show that there is one Black man at the executive level (director to CEO) for every 70.2 overall executives in the dataset. Although Black women are better represented as a share of overall women at the executive level, with one Black woman executive for every 25.4 overall executives, these data are skewed by the fact that women as a whole are underrepresented in hospitality industry leadership.

...indicates that Black employees remain significantly underrepresented in hospitality industry leadership compared to what would be expected...



Overall Executives for Each Black Executive Compared to Pro Rata Share

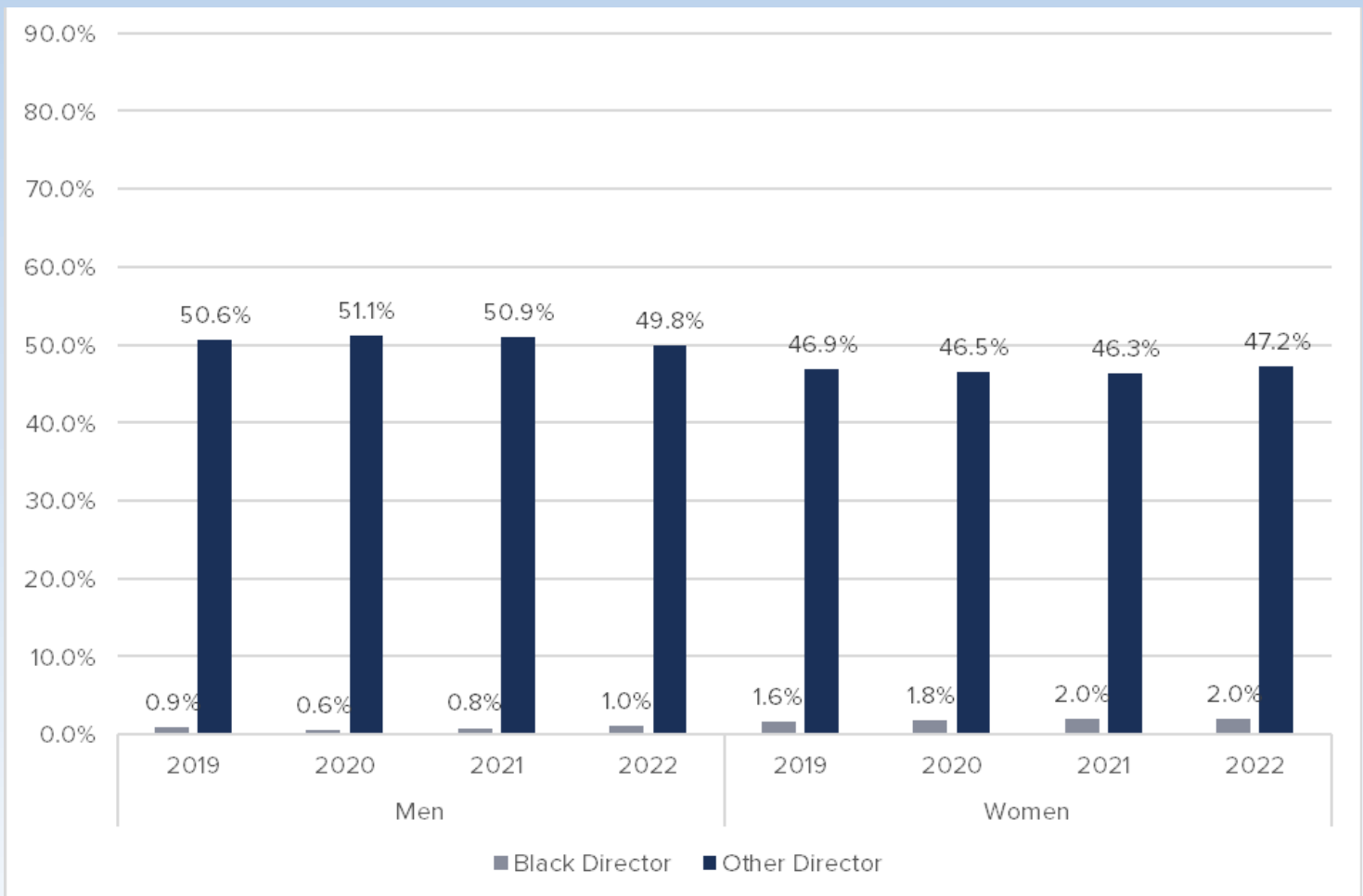


Black Representation by Level and Gender

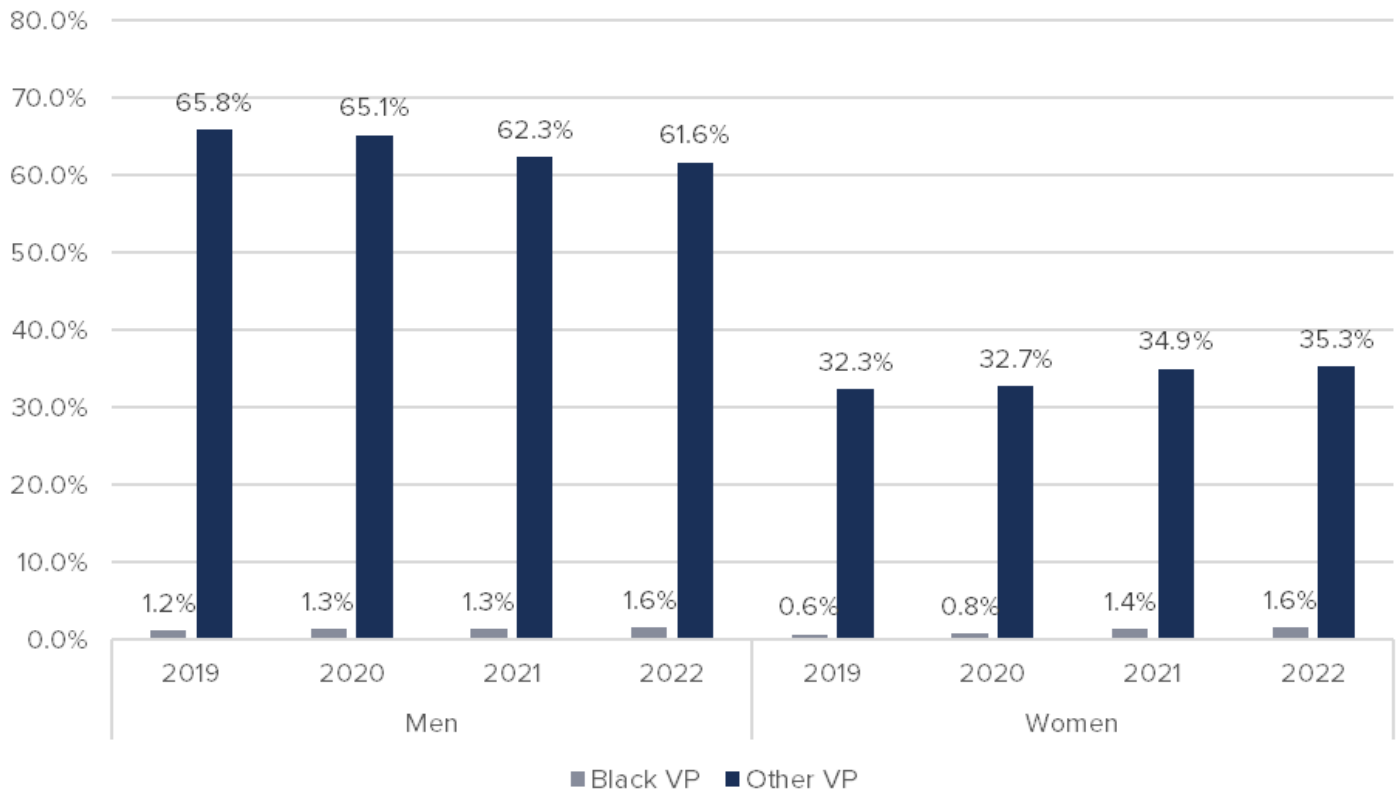
The charts below present information on the distribution of jobs at specific levels between Black men, Black women, other men, and other women. Charts are presented for the director, VP, and EVP/SVP levels. Women outnumber men in the hospitality industry overall, yet at all levels of hospitality leadership women are underrepresented compared to their representation overall.

Black representation at the lower levels of hospitality executive leadership remains weak, with Black women holding a larger (though still small) share of director positions than Black men. At the VP and EVP/SVP levels, Black men and Black women hold an equal share of positions.

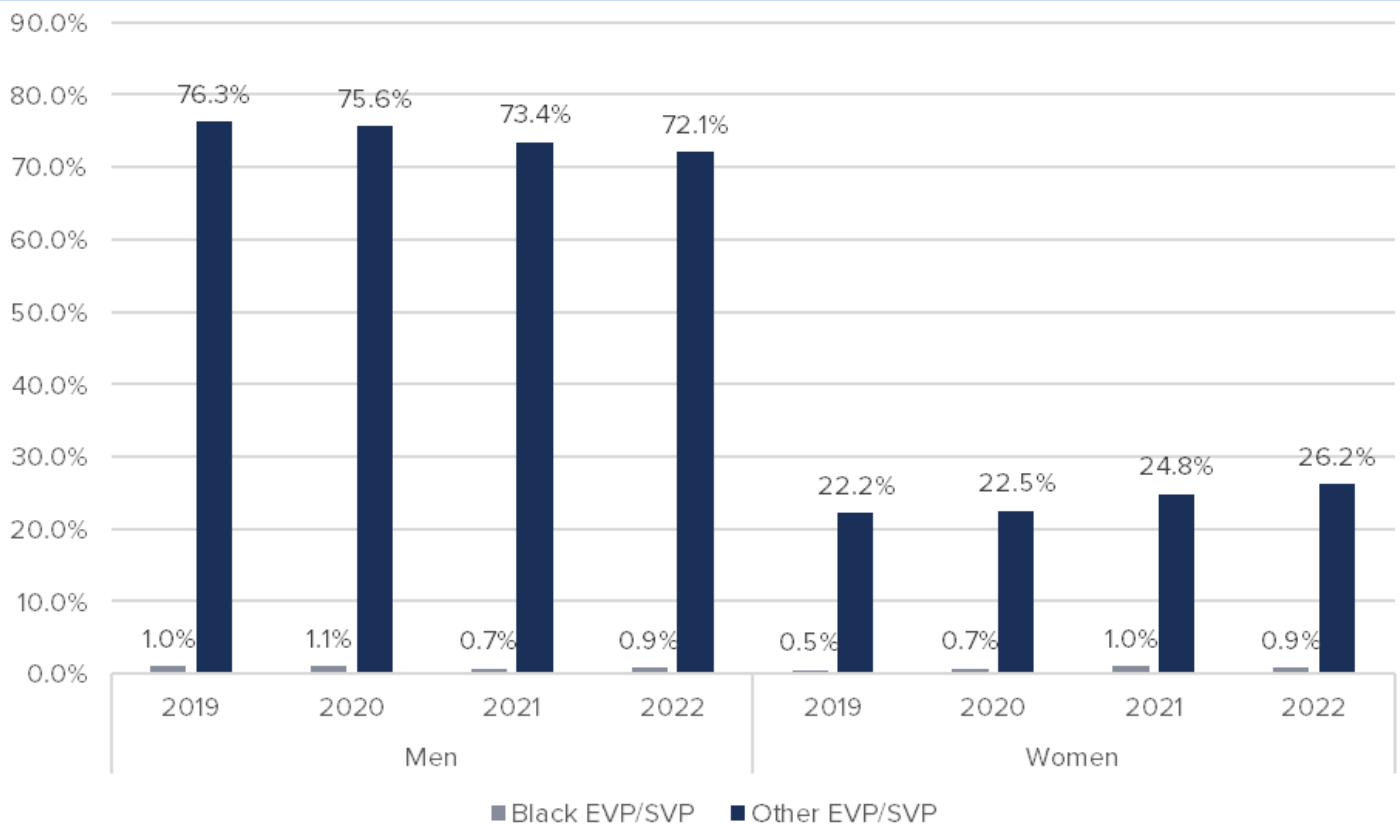
Directors by Race and Gender



Vice Presidents by Race and Gender



EVP/SVPs by Race and Gender



Operating Environment

Statistics summarizing the overall operating environment in the United States are shown below. These statistics are compiled from the US Bureau of Labor Statistics¹, the US Census Bureau², and the data collected for this report.

	2019	2020	2021	2022
Traveler Accommodation Employees: Percent Black	18.8%	17.5%	13.6%	15.2%
Traveler Accommodation: Employees per Each Black Employee	5.3	5.7	7.4	6.6
Hospitality Industry Director to CEO Level: Percent Black	1.6%	1.7%	2.0%	2.2%
Black Share of US Population	13.4%	13.4%	13.4%	13.6%



Summary Table

	Other Men	Black Men	Other Women	Black Women	Total Men	Total Women	Sample
CEO/President							
2019	92.7%	0.6%	6.5%	0.1%	93.3%	6.7%	779
2020	92.4%	0.7%	6.7%	0.1%	93.2%	6.8%	820
2021	92.1%	0.8%	7.0%	0.1%	92.8%	7.2%	881
2022	91.7%	0.9%	7.3%	0.2%	92.5%	7.5%	924
Chief							
2019	76.3%	0.5%	22.8%	0.5%	76.7%	23.3%	873
2020	74.8%	0.6%	24.1%	0.6%	75.4%	24.6%	893
2021	74.8%	0.8%	23.6%	0.9%	75.6%	24.4%	933
2022	74.2%	0.6%	24.2%	1.0%	74.8%	25.2%	1083
Principal/ Managing Director							
2019	88.1%	0.0%	11.3%	0.6%	88.1%	11.9%	353
2020	87.7%	0.3%	11.7%	0.3%	88.0%	12.0%	349
2021	86.5%	0.3%	12.9%	0.3%	86.8%	13.2%	364
2022	86.1%	0.3%	13.1%	0.5%	86.4%	13.6%	397
EVP/SVP							
2019	76.3%	1.0%	22.2%	0.5%	77.3%	22.7%	594
2020	75.6%	1.1%	22.5%	0.7%	76.7%	23.3%	550
2021	73.4%	0.7%	24.8%	1.0%	74.2%	25.8%	689
2022	72.2%	0.9%	26.1%	0.9%	73.0%	27.0%	823
VP							
2019	65.8%	1.2%	32.3%	0.6%	67.0%	33.0%	1235
2020	65.1%	1.3%	32.7%	0.8%	66.4%	33.6%	1204
2021	62.3%	1.3%	34.9%	1.4%	63.6%	36.4%	1337
2022	61.6%	1.6%	35.3%	1.6%	63.1%	36.9%	1525
Director							
2019	50.6%	0.9%	46.9%	1.6%	51.5%	48.5%	1414
2020	51.1%	0.6%	46.5%	1.8%	51.7%	48.3%	1356
2021	50.9%	0.8%	46.3%	2.0%	51.7%	48.3%	1365
2022	49.8%	1.0%	47.2%	2.0%	50.9%	49.1%	1533



Levels: Definitions

Titles of executives included in this report are organized by level using the following groups.

Director

People with the title of director, corporate director, senior director, associate 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 the hotel company dataset. Includes franchise sales directors, global directors, national sales directors, sales and project leads, senior advisor, etc.

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. Includes associate principals, head of business development, etc.

EVP/SVP

Executive and senior vice presidents in all fields. Those who also carry a “chief” C-suite title are classified as chiefs. Includes brand managers, division heads, senior counsel, chief of staff, etc..

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 – dual titles including chief 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.

Principal/Partner

Principal, partner, member, shareholder, regional managing partner, etc.

Managing Director

Managing directors, managing principals, managing partners, and senior managing directors as well as “head” titles including division head, global head.

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; includes global or sector president, owner, or founders who are not presidents.

References

1. US Bureau of Labor Statistics. (2023). Current Population Survey: Employed persons by detailed industry, sex, race, and Hispanic or Latino Ethnicity. Available at: <https://www.bls.gov/cps/cpsaat18.htm>
2. US Census Bureau. (2023). Census Quick Facts: US Population Overview. Available at: <https://www.census.gov/quickfacts/fact/table/US/PST045221>