# NABHOOD: CREATING MORE OPPORTUNITIES AND EXECUTIVE LEADERSHIP POSITIONS FOR PEOPLE OF COLOR IN THE HOSPITALITY INDUSTRY

## AN ACTION-ORIENTED ROADMAP

**Andrew Ingraham**
*NABHOOD*

**Kenneth Fearn**
*NABHOOD*

**Michael Thomas Paz, Ph.D.**
*Cornell University*

**Sean Edmund Rogers, Ph.D.**
*University of Rhode Island*

**Michael Cheng, Ph.D.**
*Florida International University*

**Barron H. Harvey, Ph.D., CPA**
*Howard University*

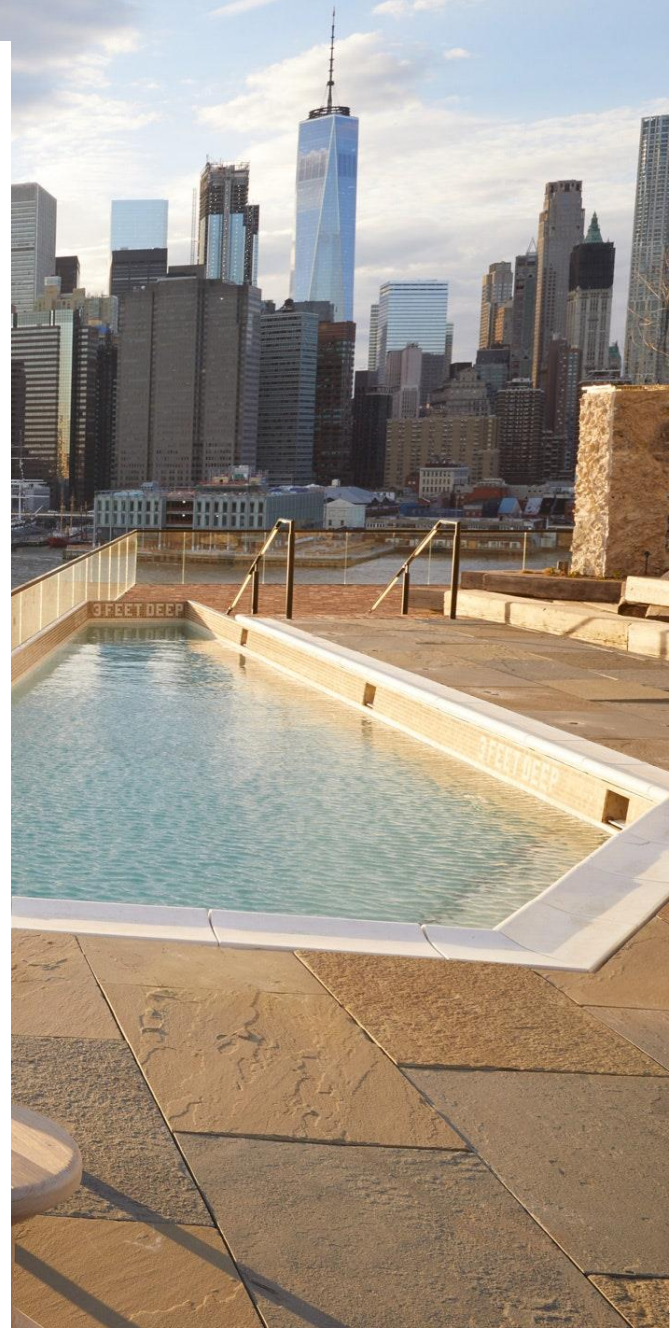**Srikanth Beldona, Ph.D.**
*University of Delaware*

**Michael Hooper**
*Hilton Miami Airport Blue Lagoon*

**Leonard Jackson, Ph.D.**
*Georgia State University*

**Francis Kwansa, Ph.D.**
*University of Delaware*

**Deanne Williams-Bryant, Ed.D.**
*Bethune-Cookman University*

**Victor Younger**
*Cornell University*

**NABHOOD**
National Association of
Black Hotel Owners,
Operators & Developers

**NCBMP**
National Coalition of
Black Meeting Professionals

**BM&T**
Black Meetings & Tourism

**mfha**
Multicultural Foodservice &
Hospitality Alliance

EXECUTIVE SUMMARY

- While racial diversity exists at lower levels in the hospitality industry, very few African Americans ascend to top leadership roles.

- A number of barriers prevent Black hospitality professional from progressing to executive leadership, including lack of mentorship and access to social networks, feelings of isolation and the absence of support, and discrimination and bias, among others.

- These barriers are not insurmountable. While some are systemic and others are rooted in individuals, all of the barriers can be dismantled if current hospitality executives are willing to take actions steps to create the conditions that will allow more African Americans to rise to the top of our industry.

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THE PROBLEM

Many large companies, including many in the hospitality industry, publicly tout their commitment to diversity and state that having an inclusive workforce is a strategic business priority. As a result, firms often institute formal diversity initiatives and hire personnel to lead organizational inclusion efforts. For example, Hilton and Hyatt (and others) have Global Heads of Diversity and Inclusion, and Marriott maintains "long standing partnerships with over 30 diversity organizations" whose "missions align with [its] diversity and inclusion efforts."[1]

Despite their pro-diversity and inclusion stances and initiatives, companies have not been very successful in bringing about significant racial diversity in executive leadership, and top roles in practically all organizations and occupations remain overwhelmingly white and male.[2] This is indeed the case in the hospitality industry.

Demographic data collected by the Castell Project for over 630 U.S. hospitality companies, encompassing more than 6,300 executives, provides insight into the dearth of Black representation among the ranks of hospitality executives. Black people make up 17.9% of employees in the hospitality industry and are overrepresented in the hospitality industry overall (compared to being 13.8% of the overall U.S. population). Despite this:[3]

- Black people hold 0.7% of CEO positions within U.S. hospitality firms
- Black men hold 0.5% of CEO positions while Black women hold 0.2%
- At the Director level and above, Black people hold a mere 1.5% of positions (1.0% by Black men and 0.5% by Black women)

As a group of hospitality industry veterans with wide-ranging professional experiences, along with scholars and academics who are engaged in the education and preparation of future generations of hospitality professionals and leaders, we are concerned about the enduring absence of Black and African American executives in our industry. We provide this roadmap to illuminate a positive path forward and offer ourselves as a resource in this endeavor.

## CAUSES & CONSEQUENCES OF THE PROBLEM

Organizational science reveals several barriers impeding African Americans from thriving at work and progressing to executive leadership positions.

### Isolation and Lack of Support

Underrepresentation at work leads to stereotyping, being marginalized, and feelings of isolation.[4] A recent study of Black professionals identified three main inhibitors to upward mobility: "lack of leadership development training and industry-specific expertise, lack of support for career enhancement, and organizational diversity climate and stereotyping."[5]

### Lack of Mentors and Access to Social Networks

Black employees at all levels find it difficult to tap into and level the social networks that enable advancement to leadership and executive roles.[6] Black women are victims of the double-whammy of race and gender bias and face steep difficulties in finding mentors and being taken seriously, especially in male-dominated working environments.[7] While Black men do have a better chance of forming gender-based ties with white male colleagues, they are frequently stereotyped as less competent and not well suited for high-status executive work.[8]

### The Middle-Management Plateau

Many scholars have written about Black professionals hitting a "middle-management plateau" in which, despite having many years of mid-level management experience, they lack the organizational visibility and personal mentorship needed to break into upper echelons of executive leadership.[9] In the worst case, professionals who hit this plateau become frustrated with their lack of career mobility and might consider leaving their organizations or industry altogether.[10] Scholars have begun to call the phenomenon of Blacks and other minorities being recruited into firms but eventually quitting because they've hit a middle-management plateau or find the psychological costs of working at an organization unbearable the "leaky pipeline."[11]

### Lack of Genuine Commitment to Diversity by Executives and Board Members

While some company executives have argued that their organizations do not have a large internal pool from which to promote Black and other minority employees into leadership roles, a Witt/Keiffer study notes that a lack of genuine commitment on the part of executives and board members might also explain the lack of diversity and inclusion at higher ranks.[12]

### Attribution Bias and the Fallacy of Lowering Standards for Black Employees

Individuals tend to believe that their own good fortune is a result of their hard work and intelligence, whereas the achievements of others are mostly due to luck or other reasons not under their control.[13] This works its way into organizational life in that Black employees, who are societally already assumed to be less proficient, have their professional achievements called into question or discounted as a fluke or due to luck. As current Morehouse University president and Harvard Business School professor emeritus David Thomas noted, "If you're not expecting positive performance from a particular group, such as Black men, you may attribute their success to external factors, like affirmative action or luck."[14]

The Burden of Working Two Jobs in One

Black professionals are often expected by their leaders, or feel personally compelled, to participate in diversity and inclusion activities in addition to their own job responsibilities. As an African American finance industry manager noted in a recent study, "Diversity recruiting activities can be the kiss of death. The natural instinct is to be with people like you. But then you realize, there's a big conflict. Those events aren't on your boss's radar and you have work to be done. I almost lost my job because my time and attention kept getting diverted – and I was party to it."[15]

The Glass Cliff

Oftentimes, Black professionals are given a shot at leadership during periods of organizational crisis. Particularly in the case of women, research concludes that women are preferred for leadership roles during crises because of the perception that they possess greater levels of several characteristics that are critical for crisis management, including emotional intelligence, sympathy, intuition, understanding, and sympathy.[16] This phenomenon of ascending to leadership during organizational turmoil is referred to as the glass cliff because of the high-risk nature of accepting such an assignment. Scholars have noted that minorities appointed to glass cliff assignments are expected to be corporate saviors despite significant lack of resources, limited social capital, unrealistic expectations, crushing pressure to perform, shorter time frames, unusually high visibility throughout the organization, and impatience from executives and board members.[17] Even under normal circumstances, minority leaders are given less time in position to achieve success, and when they do achieve success they are recognized less than white leaders.[18]

Racially-Influenced Attrition

Research has uncovered several instances where Black leaders are more likely to leave their organizations than white employees. Black workers are more likely to be aware of and sensitive to the existence of "ambient racial discrimination" within an organization (whether or not it is affecting them personally), and this awareness is positively related to turnover intentions.[19] And of course, actual anti-Black racial discrimination leads to attrition.[20] The extent to which Black employees feel as though their employer respects their personal characteristics, including race, and treats them and others like them fairly also affects one's organizational commitment and decision to stay or leave.[21]

Bias in Employment Decision-Making

Black workers and leaders often fall victim to systemic biases and discrimination during the performance appraisal process, when being selected (or not) for job assignments, and during deliberations about promotions and advancement.[22] Additionally, many of the same traits that are seen as favorable for white leaders – such as being dominant and aggressive – are viewed as threatening and unprofessional when displayed by Black professionals.[23] In fact, research shows that Black executives benefit from having disarming and nonthreatening behaviors and physical characteristics, qualities referred to as the Black "teddy-bear effect."[24]

## SOLUTIONS & ACTION STEPS TO HELP FIX THE PROBLEM

Below, we present action steps your organizations can and should take to improve the employment and advancement experiences of African American employees. These are derived from research on what

works as well as our own experiences. The first four in particular are ones we believe are of utmost priority – your help is needed right now to make these a reality.

- **For all director and higher level searches, commit to ensuring that at least one African American candidate is in final round deliberations.** There are plenty of qualified Black hospitality industry professionals. Leadership and executive searches that do not include at least one African American candidate in the finalist pool likely reflect unintentional bias or exclusion during the hiring process.

- **Become leading sponsors of and participants in a Hospitality Executive Leadership Fellows program that NABHOOD and other organizations will establish.** To be clear, this will require an investment of your dollars and time. This "fellows program" will have the specific goal of grooming mid-career African American managers for executive leadership roles in hospitality. It will be a year-long program in which participants receive direct mentorship from company leaders, network with professionals across the hospitality industry, and are then purposefully positioned for and slotted into executive leadership roles. It is a deliberate and carefully-planned pipeline program that BEGINS at the middle-manager level and LEADS to the executive ranks. This is NOT a management trainee program. This is the last stop before the C-suite.

- **Set specific African American participation goals within existing General Manager development programs to increase representation at the individual property level.**

- **Participate in a "badge" or "gold star" certification program NABHOOD will create which recognizes hospitality industry firms for following best practices when it comes to the employment and promotion of African American employees.** This is similar to "best place to work" and other designations but is purposefully focused on the African American workforce given the disparities faced by this group.

- **Track employment and advancement statistics for African Americans at all levels within your company and make that information publicly available.**

- **Provide initial and ongoing support for Black owners and developers through targeted loan/key money programs and increased representation on owner advisory boards**

- **Support Black communities by setting publicly-available targets for spending with Black-owned businesses, including contracting firms**

- **Explicitly incentivize all managers and executives to follow through on these commitments through performance-based pay tied to diversity outcome metrics**

The remaining action steps are ones we encourage your companies to commit to making part of your corporate culture and ethos over the long haul:

- **Create initiatives specifically aimed at improvements for Black employees.** Changing organizational demographics has been shown to be more effective when managers and leaders are tasked with developing and executing interventions that are specifically targeted to improve representation of certain groups, such as racial minorities and women.[25]

- **Recognize, value, and pay for the formal and informal diversity and inclusion work that Black workers perform for your organization.** Such work as serving on diversity committees or participating in minority recruitment events, which can be critical to the success of predominantly white organizations, often goes unnoticed and rarely gets rewarded.[26]

- **Make diversity mentoring a central practice in your organization.** A "climate for mentoring" among senior executives and minorities, as well as cross-gender, cross-cultural, and cross-generational mentoring leads to greater job satisfaction and lower turnover among minority employees.[27] Additionally, establish formal support systems both horizontally (e.g., affinity groups for Black employees to support and network with one another) and vertically (between senior leaders and high-potential Black managerial employees).

- **Invest in the success of African American employees not only because it makes business sense, but also because it's the right thing to do.** Be clear about your organization's rationale for promoting diversity and inclusion.[28] It is especially important to not frame outreach to and support for Black employees as merely, or even primarily, a "business case." Although it is the case that a more diverse workforce can provide strategic competitive advantages through gaining access to and legitimacy with expanded markets and demographics[29], a purely business case motive for diversity and inclusion runs counter to increasing calls for social justice and the moral case for diversity.[30]

- **Promote African Americans from within** and look to hire internal Black prospective leaders and executives before engaging in external searches.[31]

- **Really use exit interview data to understand why Black employees are departing your organization.** Consider the possibility that resignations are signaling larger systemic organizational problems and seek feedback from exiting workers on how to improve the situation for remaining and future Black professionals.[32]

- **Recognize the role that Black employees, and especially Black leaders, play in mitigating anti-Black bias within firms.** Research shows that having more African Americans in an organization for all employees to interact with, and pairing Black leaders as mentors to non-Black employees, reduces overall racist attitudes and behaviors of whites against Blacks.[33]

- **Be specific about your support for Black employees.** Labels like "diversity" are increasingly becoming "fuzzy terms" which broadly cover a range of identities, personal characteristics, and even experiences.[34] Even terms like "people of color," which undoubtedly are meant to be inclusive and sensitive to a wide range of groups, run the risk of overlooking historical disadvantage and patterns of exclusion specifically faced by African Americans. Many firms proudly tout their commitment to diversity and inclusion at the same time Black employees decry hostile organizational climates and a frustrating lack of upward mobility.

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