



CASTELL
PROJECT

**WOMEN 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.



April 19, 2021

Castell Project's fourth annual report benchmarking women in hospitality industry leadership reflects broad awareness of the value of women in leadership. The statistics are the result of expanding work across the industry to develop female, as well as male, talent for hotel companies.

This has been a year of upheaval due to the COVID-19 pandemic. In essence, the entire industry is going through a simultaneous massive restructuring. This is both the challenge and opportunity of an era.

We strongly believe that taking advantage of this reset to optimize diverse leadership for the future will be a defining characteristic of those companies that are most successful in the post-pandemic years. Enabling women to serve as leaders not only doubles the talent pool available, giving diverse companies more and better opportunities. It also aligns these companies with their customers, markets and workforce.

Purpose of Castell Project

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

- Tracking performance on 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
- Presenting the WSH List and Castell Award to enhance women's image through presence on the podium both for their own careers and to inspire others
- Hosting Castell@College panels showing college students the richness of careers in hospitality for both women and men, including those with families
- Launching Fortuna's Table to bring women into hotel ownership; for this entrepreneurial industry, ownership is a major route to leadership

This report is due to the generous support of the AHLA Foundation. The Foundation's mission is to help people build careers, improve their lives, and strengthen the lodging industry.

Contact and more information may be found at www.CastellProject.org. We would be delighted to work with your company as well as women advancing in the hospitality industry.

Board of Directors

Castell Project, Inc.



Companies with more than 30 percent women on their executive teams are significantly more likely to outperform those with between 10 and 30 percent women, and these companies in turn are more likely to outperform those with fewer or no women executives. As a result, there is a substantial performance differential—48 percent—between the most and least gender-diverse companies. ⁴



There is ample evidence that diverse and inclusive companies are likely to make better, bolder decisions—a critical capability in the crisis. For example, diverse teams have been shown to be more likely to radically innovate and anticipate shifts in consumer needs and consumption patterns—helping their companies to gain a competitive edge.⁴

The “Why”

The past year has been a time of extraordinary awakening to the opportunity diversity holds for businesses as well as other aspects of life. Previously taboo discussions of bias and other factors enabling discrimination are now the focus of intense interest. This change is not comfortable but is necessary and beneficial to the industry and the economy.

Change of the magnitude we are seeing is difficult to navigate under the best of circumstances. COVID-19 accelerated change by altering many aspects of our day-to-day lives. It also added layers of complexity to business operations as we navigate transitions in where and how we work, travel and live our lives. This annual report is a statistical tool first to understand where we are and then to support future planning given a changing marketplace.

Executive Summary

In 2020, rhetoric around women and other diversity in leadership escalated, influenced by social unrest in the USA. Meanwhile, representation of women in hospitality industry leadership barely moved.

- Overall, the odds of a woman reaching the executive leadership level (CEO, partner/principal, president, C-suite) were one woman to 5.9 men at the end of 2019. A year later, at the end of 2020, odds were 5.7 men per woman. Change at these levels is slow because they are usually career capping long-term positions. However, economic drivers including the strain of responding to COVID-19 and demographic drivers, such as a preponderance of Baby Boomer men in these roles, will result in significant turnover in the next few years. The challenge for the industry is to fully develop a diverse talent pool so that the best candidate for the company can emerge. The best candidate is sometimes, but not always, male.
- The fields of investment/development and technology/information have the lowest performance in the hospitality industry with regard to developing women. Female representation in investment/development improved marginally from 2019 to 2020 while technology/information slipped marginally. While there is discussion in both fields about opening opportunity to women, action requires cultural change and that has been slow. The reset after COVID-19 is a critical opportunity to use the technological and workplace adaptations of the past year to support the necessary cultural change in these fields.
- While there was not material year-over year progress, women are nearly half of directors, one of every three vice presidents, and nearly a quarter of EVP/SVPs. There is a strong bench of female talent to move the industry forward.

- Where they went: 11 percent of people listed in this dataset left their company from year-end 2019 to year-end 2020. This includes 12 percent of women compared to 10 percent of men in the sample. Of this group, 27 percent found employment within the hospitality industry, with a slightly higher proportion of men than women gaining re-employment to-date. The full impact of the pandemic is larger than reflected in these statistics because of furloughs and delays in showing change on company websites and LinkedIn. We expect these numbers to increase during 2021.
- HR continues to be dominated by women. Sales/Marketing and Revenue Management are close to or above parity for women at most levels. Legal also has strong representation for women.
- The cost of the pandemic to hospitality industry employment has been in the news. According to the US Bureau of Labor Statistics (BLS), average employment in Traveler Accommodation fell 35 percent (479,000 people) from 2019 to 2020. This average is reduced by full employment in the months before the pandemic. Because there are more women than men employed in the hospitality industry, women lost 32 percent more jobs. Work at the property level was dramatically reduced by the reduction in travel and by hotel closures. While many companies restructured at the corporate level, the pandemic created additional work in areas including asset management, finance, accounting, legal, human resources, etc. Statistics in this report reflect employment in corporate offices rather than at the property level.



This growing polarization between high and low performers is reflected in an increased likelihood of a performance penalty. In 2019, fourth-quartile companies for executive-team gender diversity were 19 percent more likely than companies in the other three quartiles to underperform on profitability. This is up from 15 percent in 2017 and nine percent in 2015. And for companies in the fourth quartile of both gender and ethnic diversity the penalty is even steeper: in 2019 they are 27 percent more likely to underperform on profitability than all other companies in our data set.⁴

Executive team diversity will be a differentiating characteristic of the companies that thrive in the coming years. The statistics in this report are an indicator of where companies can improve their potential.

Keeping children at home through the pandemic put additional stress on an already stretched female workforce. This was true for property-level team members who faced additional financial strains as well as the challenge of supervising education, often without the tools to be effective. It was also true for managerial and executive women who were already challenged between the demands of home and work before losing their support systems. Despite these extraordinary challenges, men and women adapted remarkably and creatively to manage through the year-plus of the pandemic.

We wouldn't benefit from going back to business-as-usual-circa 2018. Carrying the innovation of the past year forward and building on it offers true opportunity for our companies and the men and women working in the hospitality industry.



Methodology

This report represents the public face of the hospitality industry. The data collected reports hospitality industry leadership appearing on its websites. Companies are selective about who they show on the web, so this public face of the industry may not be the full picture.

This report uses a new dataset purpose-built for Castell Project reports. We plan to expand this dataset each year.

There are 7,243 people in this dataset for 2020 and 6,692 for 2019. The dataset includes everyone listed on hotel company websites from director to CEO level. Additional titles are in the dataset, but sample sizes are not sufficiently robust to represent these populations.

We cross-referenced everyone identified on the hotel company websites against their individual LinkedIn pages, recognizing that company websites may not be up-to-date and that LinkedIn profiles may not always be current. Data was recorded in late 2019/early 2020 and again in late 2020/early 2021 to establish trends and enable a comparison pre- and post-pandemic.

There are 801 hotel companies reflected in this report. The hotel company sample was drawn from the *STR Directory of Hotel and Lodging Companies*. It includes most hotel companies listed in the STR Directory that: (1) are based in the US or Canada, (2) have over five hotels and/or over 700 rooms and (3) show executives on their websites.

Considerations for using this report:

- Virtually all the companies list their president and/or CEO. Many list directors, vice presidents, senior/executive vice presidents, chiefs in the c-suite, etc. However, listings are less complete further down the hierarchy. This means that the dataset is most representative at senior levels. Since the sample is large at each level, it is reasonably representative of the industry. However, the confidence level is lower for junior titles.
- Some of the industry's largest employers (Marriott, Hilton, IHG) have been leaders with diversity initiatives over the past ten to twenty+ years and have robust populations of diverse directors, vice presidents, SVPs and EVPs. To the extent that large company director to senior/executive vice president level employees are not shown on corporate websites, diversity at these levels may be under-reported.

In past reports, hotel investment conference rosters were used to provide a snapshot of the real estate portion of the industry. Only one of these conferences took place in 2020; the others did not have live events due to COVID-19. We plan to incorporate this analysis again in the 2022 report.



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STR Directory of Hotel & Lodging Companies was used as a large sample of hotel company executives in prior reports. The *Directory* was only used for its listing of hotel companies in this year's report while the data has been replaced by the new dataset. As a result, this year's statistics will not match statistics in prior reports and should not be used together in trend analyses.

Levels and Fields in this Report

This report classifies each person by gender, field (operations, construction, accounting/finance, etc.) and level (CEO to director). The fields and levels used in this analysis are defined in the appendix. We also classify each person by race, and this is presented in a separate report, *Black Representation in Hospitality Industry Leadership*.

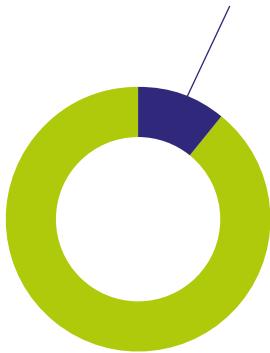
COVID-19 Pandemic

To the extent job changes are shown on company websites and LinkedIn, we developed statistics to assess the impact of the COVID-19 pandemic to date. Although we cross-referenced company websites with individual LinkedIn pages, it is probable that more people are furloughed or unemployed than is reflected in this data. Not all companies have updated their websites and individuals often prefer to present themselves as employed on LinkedIn. However, the following statistics are presented as an indicator.

Where they went:

- 11 percent of people listed in this dataset left their company from 2019 to 2020.
- People leaving companies included 12 percent of women and 10 percent of men in the sample.
- Among those leaving their companies, 27 percent found employment within the hospitality industry, with a slightly higher proportion of men than women gaining re-employment to date.
- An additional three percent changed jobs/titles within their company. A slightly higher proportion of women than men changed jobs/titles within their company.
- Only 44 (0.5 percent) of the people who left were at the CEO, president and partner/principal level. A slightly higher proportion of these were men than women. Not unexpectedly, most of those who left companies during the pandemic were in junior level positions.
- We expect to see additional impact in next year's report as websites and LinkedIn reflect new placements more fully.

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Women by Corporate Level

Overall, the odds of a woman reaching the executive leadership level (CEO, partner/principal, president, C-suite) were broadly one woman to 5.9 men at the end of 2019. A year later, at the end of 2020, odds were 5.7 men per woman.

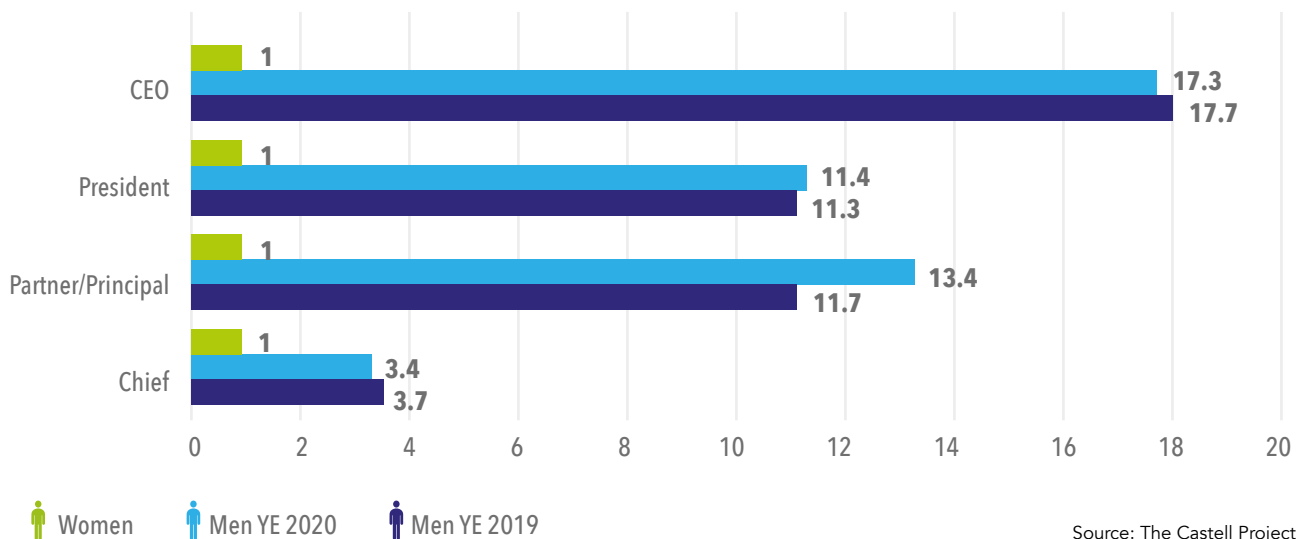
The pace of change at the top is very slow. These are often roles with lifetime tenure, particularly for entrepreneurial founder-led firms. However, several factors suggest that change is coming. Leading through the pandemic has been draining and as companies recover, some leaders will be ready to pursue other interests. In addition, Baby Boomers are of retirement age and are as large part of hotel company leadership as they are for other professions.

Corporate leaders and boards see a changing marketplace and will press for new kinds of leaders in response. Women and men generally bring different leadership styles. Logically, this should benefit companies as they grow. As Korn Ferry notes: "The traits that made these women CEO material—curiosity, willingness to take risks, persistence, and a need for achievement—were reinforced early in their lives. But these traits are not rare among women and can be further cultivated in the workplace."²



"A different mindset as CEO: These (female) CEOs appear to highly value the contributions of others, and moreover concede that they can't single-handedly bend the future to their will. This showed up in assessment scores related to humility and confidence, areas of the greatest divergence from our general CEO benchmark."²

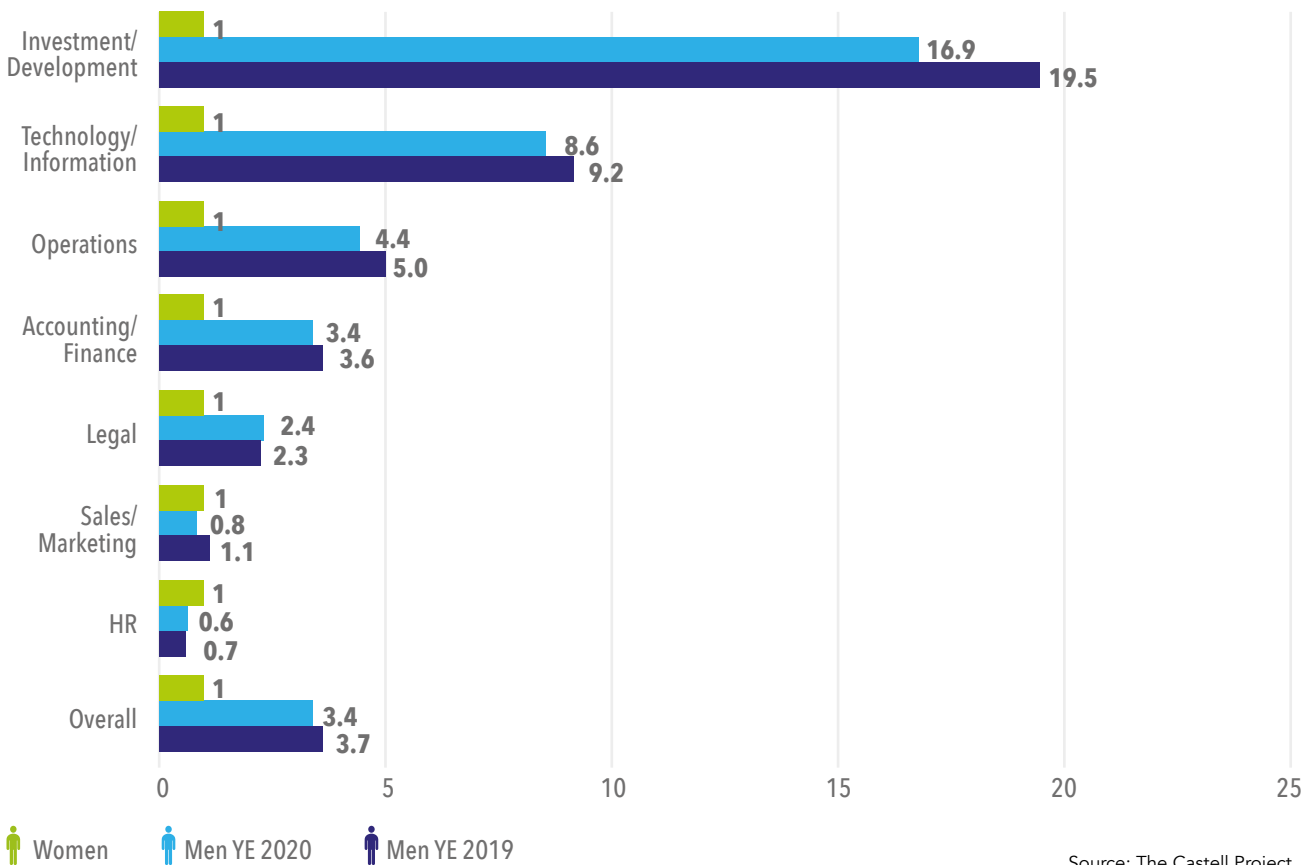
Hotel Company Leadership: Number of Men per Woman



Chiefs: Women in the C-suite

As the data increasingly shows a strong business case for diverse leadership, corporations are focusing on changing their gender mix. This is showing in the C-suite where four specialties are gaining on or exceeding the Castell Project goal of a woman in more than one of every three seats.

Chiefs: Number of Men per Woman



“Women were rated more positively on 13 of the 19 competencies in our assessment to comprise overall leadership effectiveness.” ¹

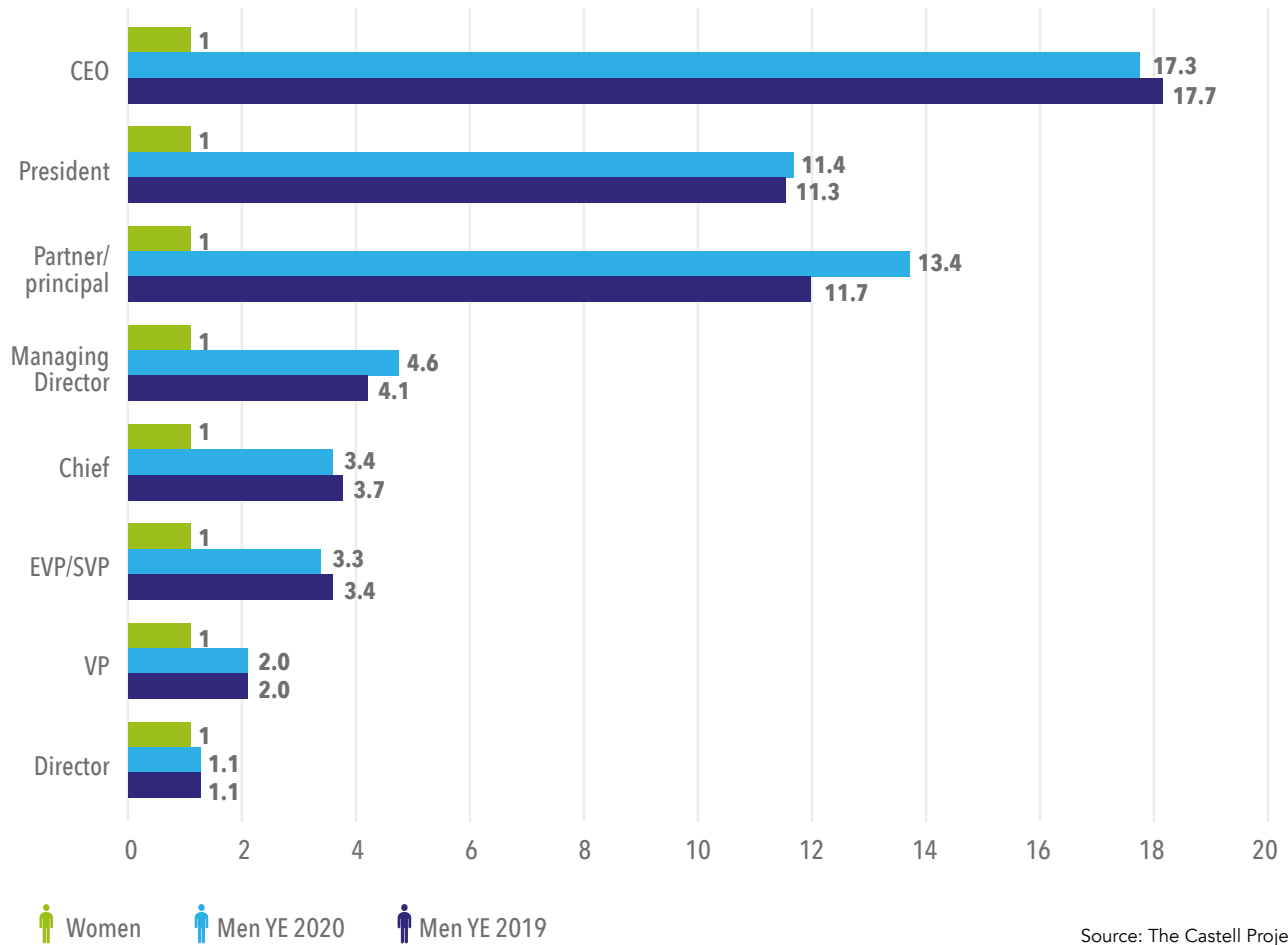
Along with research on the financial benefits of diverse leadership, data is emerging about additional positive attributes of women leaders – and debunking some of the misconceptions that have been used to justify bias.

Level

By level, directors are now almost half female. This is not evenly distributed by field, as shown in subsequent charts, but is positive. Change from year-end 2019 to year-end 2020 was marginal. The pandemic was not a time when companies deliberately invested in leadership change. Statistics show women losing ground at the president, partner/principal and managing director levels. However, there are so few women in leadership that the underlying numerical changes were small.

Although the positive numerical changes were small, it is encouraging to see women making even marginal gains among CEOs and in the C-suite (chiefs). While there was not material year-over-year progress, women are nearly half of directors, one of every three vice presidents, nearly a quarter of EVP/SVPs and Chiefs.

Hotel Company by Level: Number of Men per Woman



Source: The Castell Project

The facing quote is enlightening given this data.

We see women working hard in roles that require dedication, production, travel, P&L responsibility, business development, deal making, and every other driver for promotion.

We hear men, particularly millennials, who are determined to play a large part in the lives of their children. Some are opting out of employment in industries and jobs that deny them that opportunity.

During the pandemic, both women and men faced unusual demands from their families. According to Brookings⁵, mothers carried more of the childcare work prior to the pandemic and picked up more of the increase due to school and childcare closures during the pandemic. This is the kind of accommodation described in the quote.

As an industry, in order to compete for talent, we need to do better for women who want career advancement as well as families and for men who want families as well as career advancement.

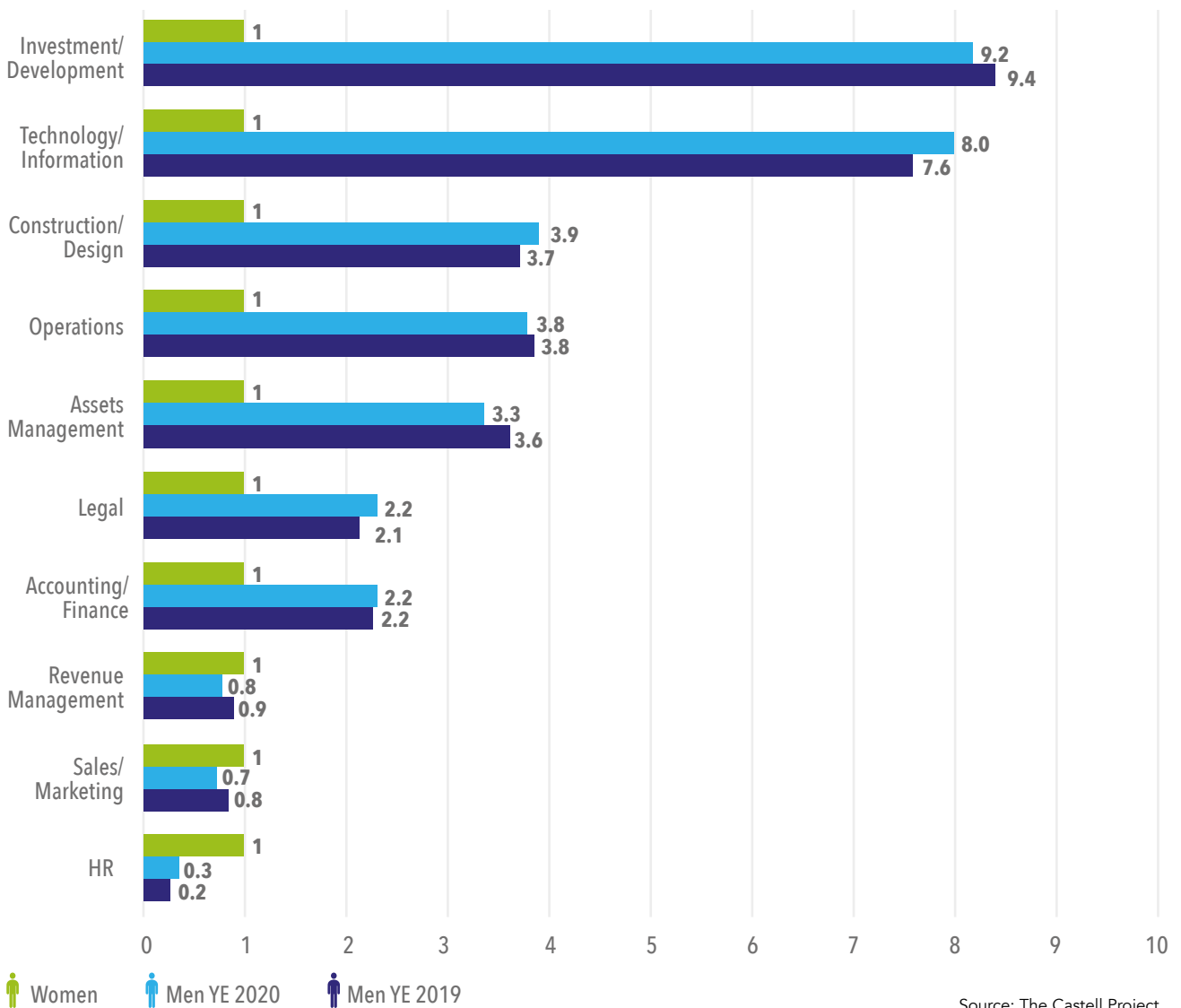


“Women weren’t held back because of trouble balancing the competing demands of work and family – men, too, suffered from the balance problem and nevertheless advanced. Women were held back because, unlike men, they were encouraged to take accommodations... which derailed their careers.”³

Women in Hotel Companies by Field or Specialty

Changes in women’s share by field are marginal. We expect to see these numbers improve more substantially over time. Some fields already are open to participation from women at all levels. Others, notably investment/development and technology/information, lag severely. These are not fields that require brawn. This is a cultural problem that is limiting future access to talent and future performance for these fields.

Hotel Companies by Field: Number of Men per Woman

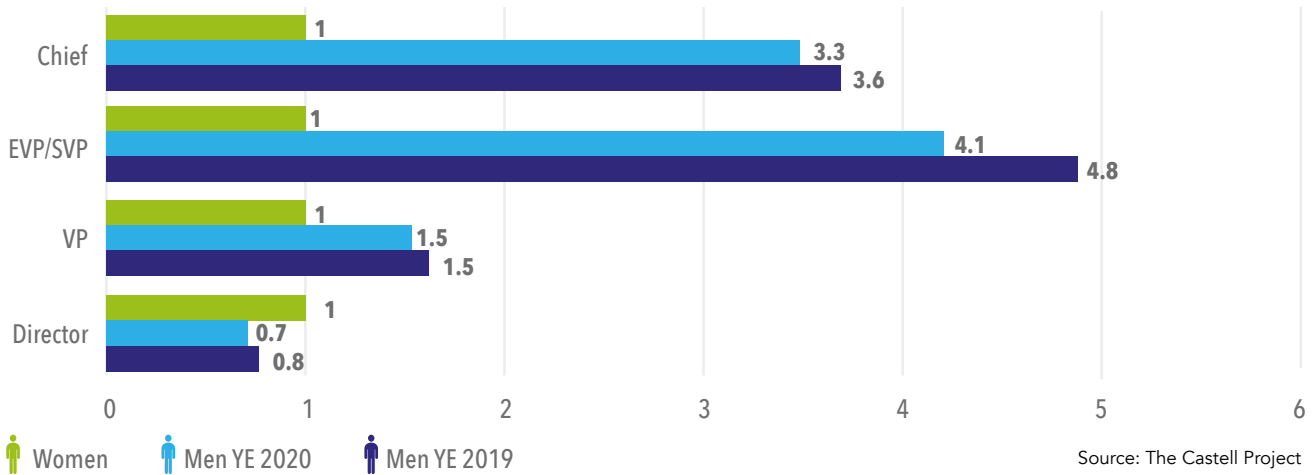


Returning to the status quo should not be the goal. Instead, we should aim higher—for an economy that compensates women fairly for their work, improves access to jobs through family-friendly policies, and supports women in their chosen roles as breadwinners, mothers, or some combination of the two. ⁵

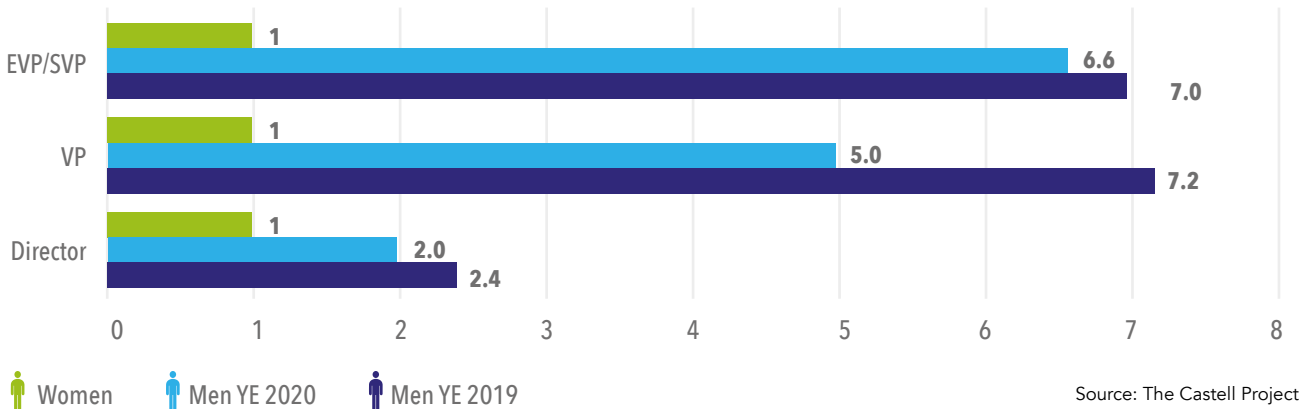
By Field / By Level

The following charts show the number of men for each woman by level in the fields summarized in the foregoing chart. The statistics are presented in table format including sample size following these charts.

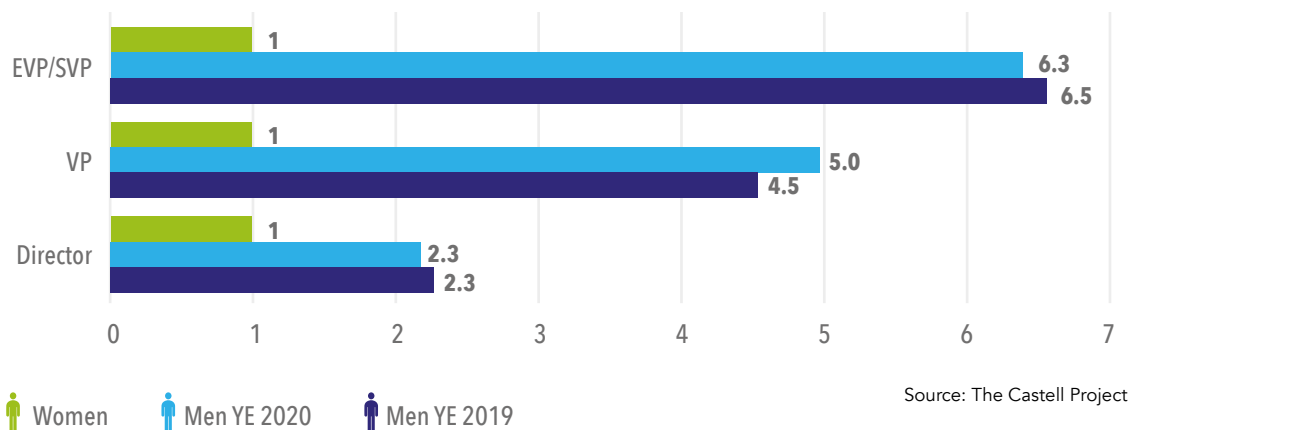
Accounting/Finance in Hotel Companies: Number of Men per Woman



Asset Management in Hotel Companies: Number of Men per Woman



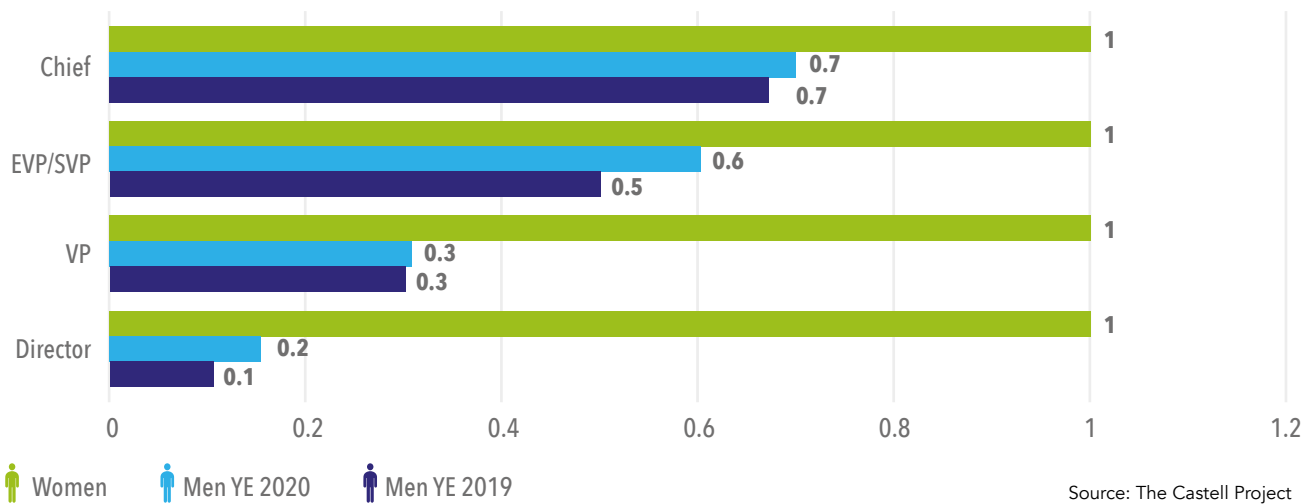
Construction/Design in Hotel Companies: Number of Men per Woman



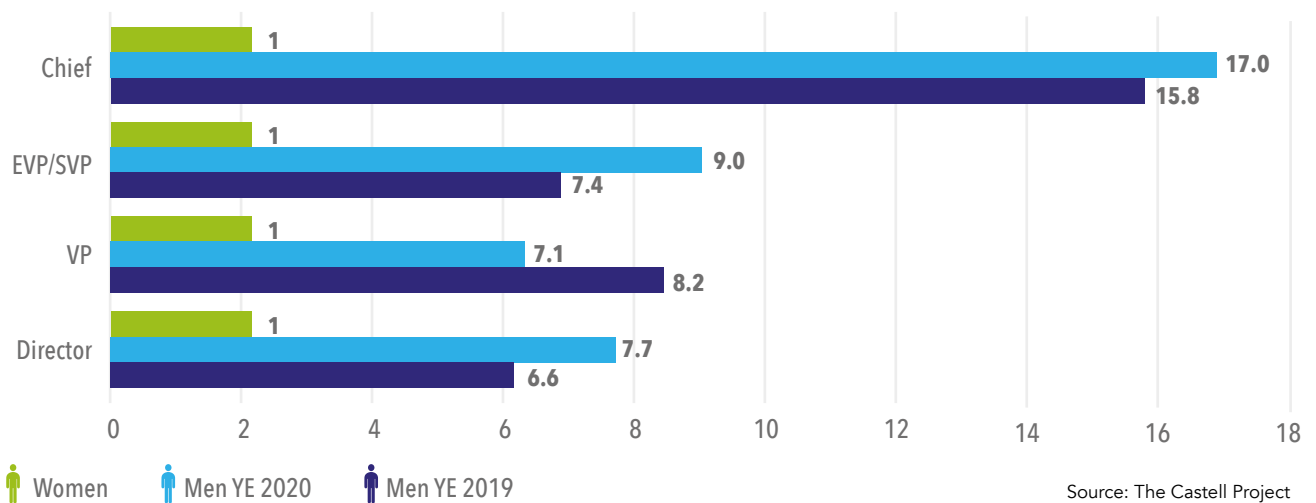


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Hotel Company HR: Number of Men per Woman

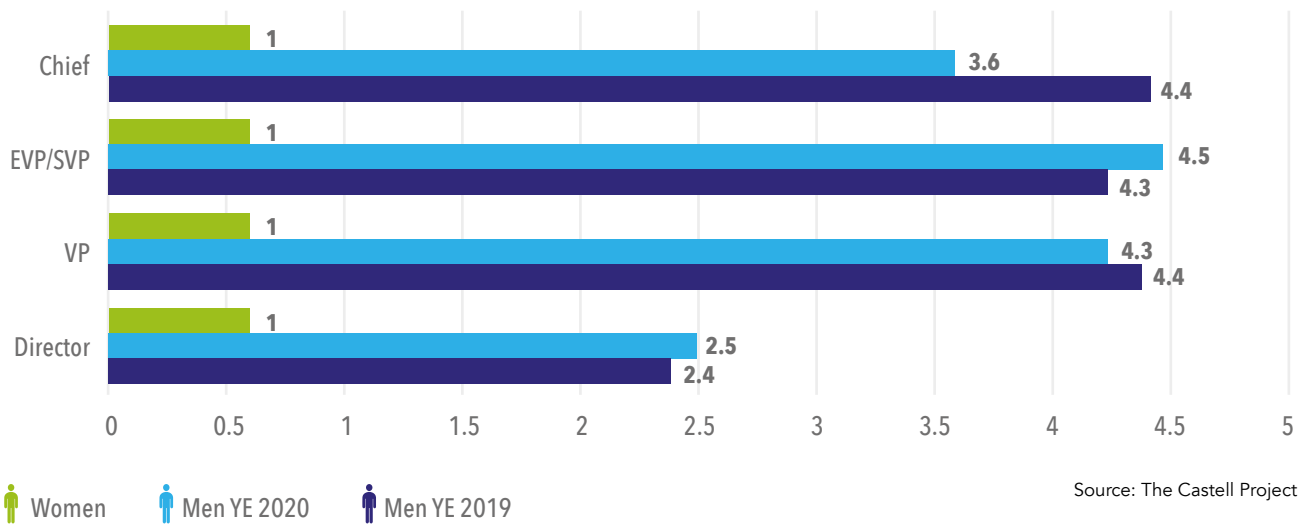


Investment/Development in Hotel Companies: Number of Men per Woman

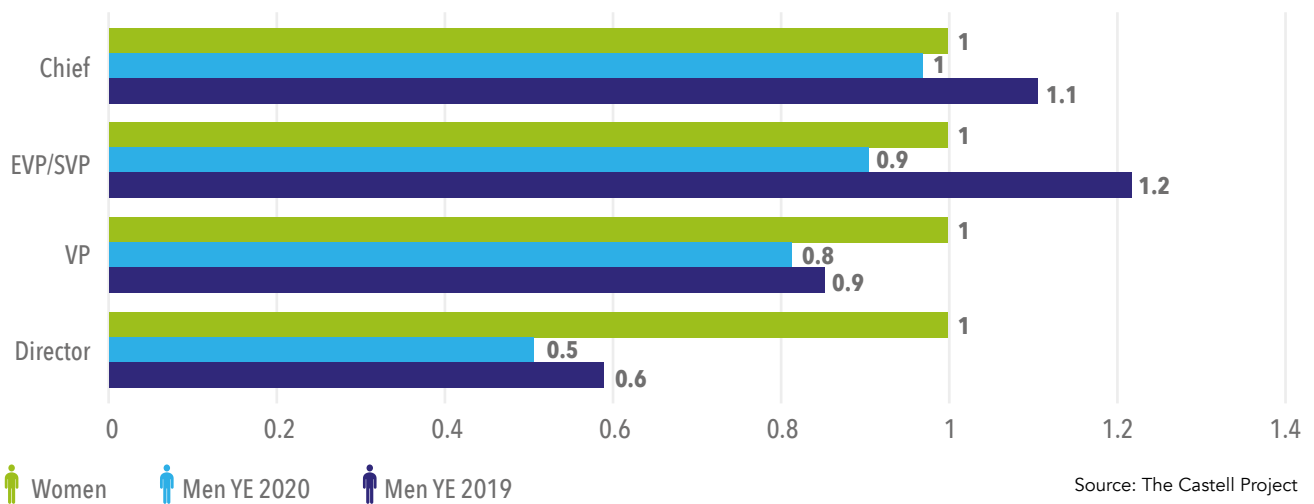




Operations in Hotel Companies: Number of Men per Woman



Hotel Company Sales & Marketing: Number of Men per Woman



Statistical Summary

Share of Positions Held by Women in the Hospitality Industry

	Chief	EVP/SVP	VP	Director	Sample
Accounting/ Finance					
YE 2019	22%	17%	40%	57%	707
YE 2020	23%	20%	40%	58%	699
Asset Management					
YE 2019		13%	12%	29%	122
YE 2020		13%	17%	33%	113
Construction/ Design					
YE 2019		13%	18%	30%	180
YE 2020		14%	17%	30%	185
HR					
YE 2019	61%	65%	78%	89%	340
YE 2020	59%	64%	78%	87%	330
Investment/ Development					
YE 2019	6%	12%	11%	13%	465
YE 2020	6%	10%	12%	12%	468
Legal					
YE 2019	31%	50%	31%	50%	168
YE 2020	30%	71%	25%	40%	170
Operations					
YE 2019	19%	19%	19%	29%	1075
YE 2020	22%	18%	19%	29%	1109
Revenue Management					
YE 2019	50%	36%	49%	59%	230
YE 2020	43%	55%	52%	62%	229
Sales/ Marketing					
YE 2019	47%	45%	54%	63%	578
YE 2020	51%	53%	55%	65%	536
Technology/ Information					
YE 2019	10%	0%	9%	18%	136
YE 2020	10%	0%	6%	17%	133

Source: The Castell Project, Inc.

Levels: Definitions

Titles held by men and women are organized by level in this report using the following groups of titles.

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.

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.

Chief (C-suite)

Executives with "chief-of-ficer" 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.

Principal/Partner

Principal, partner, member, shareholder, regional managing partner, vice chair and co-chair.

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. We do not present board representation in this report. However, our report on *Diversity of Hospitality Industry Public Boards 2021* is available at www.CastellProject.org.

References

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2. *Women CEOs Speak: Strategies for the next generation of female executives and how companies can pave the road.* Korn Ferry Institute, 2017
3. *Hotels that Promote Women Perceived as Fairer, Less Discriminatory.* University of Houston, *International Journal of Contemporary Hospitality Management* www.emerald.com/insight/content/doi/10.1109/IH-CHM-07-2020-0647 July 2020
4. *Diversity Wins: How Inclusion Matters.* McKinsey & Company May 2020
5. *Why has COVID-19 been especially harmful for working women?* Brookings, 19A The Brookings Gender Equality Series, October 2020



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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*

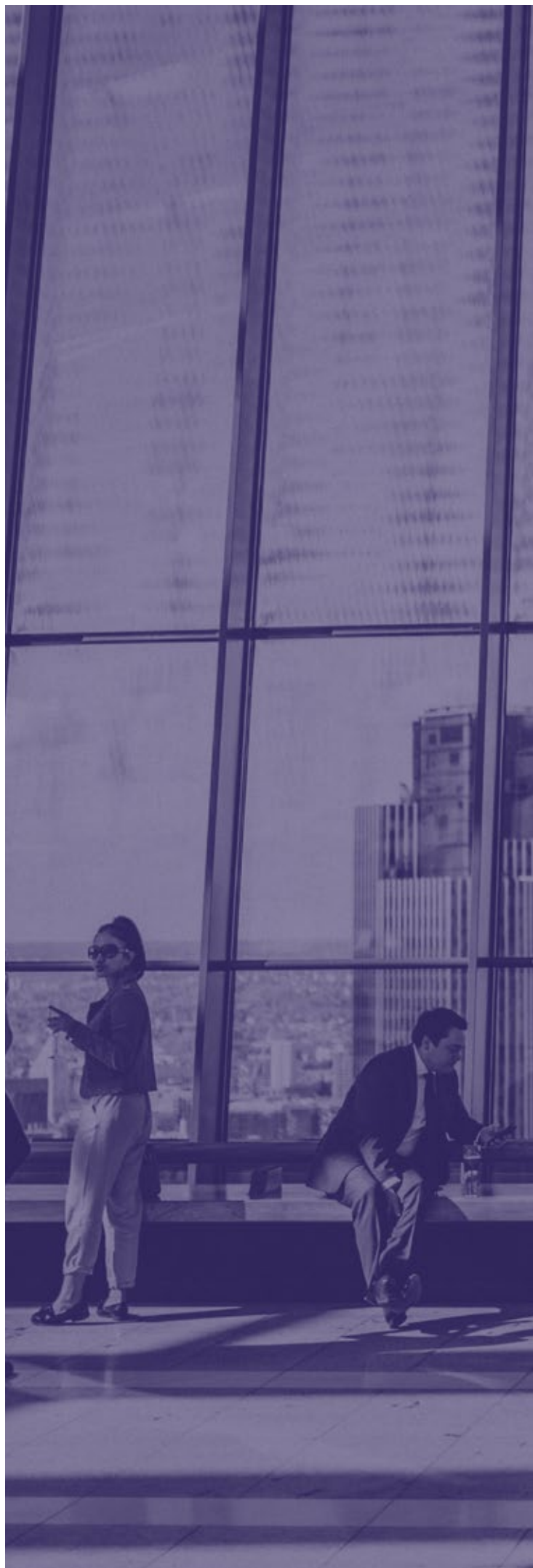
Tracy Prigmore, Founder and Managing Partner, TLTsolutions; Founder, She Has a Deal. *Fortuna's Table committee co-chair*

Rachel Moosa, Managing Director and Founder, The Hospitality Gig

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

Staff

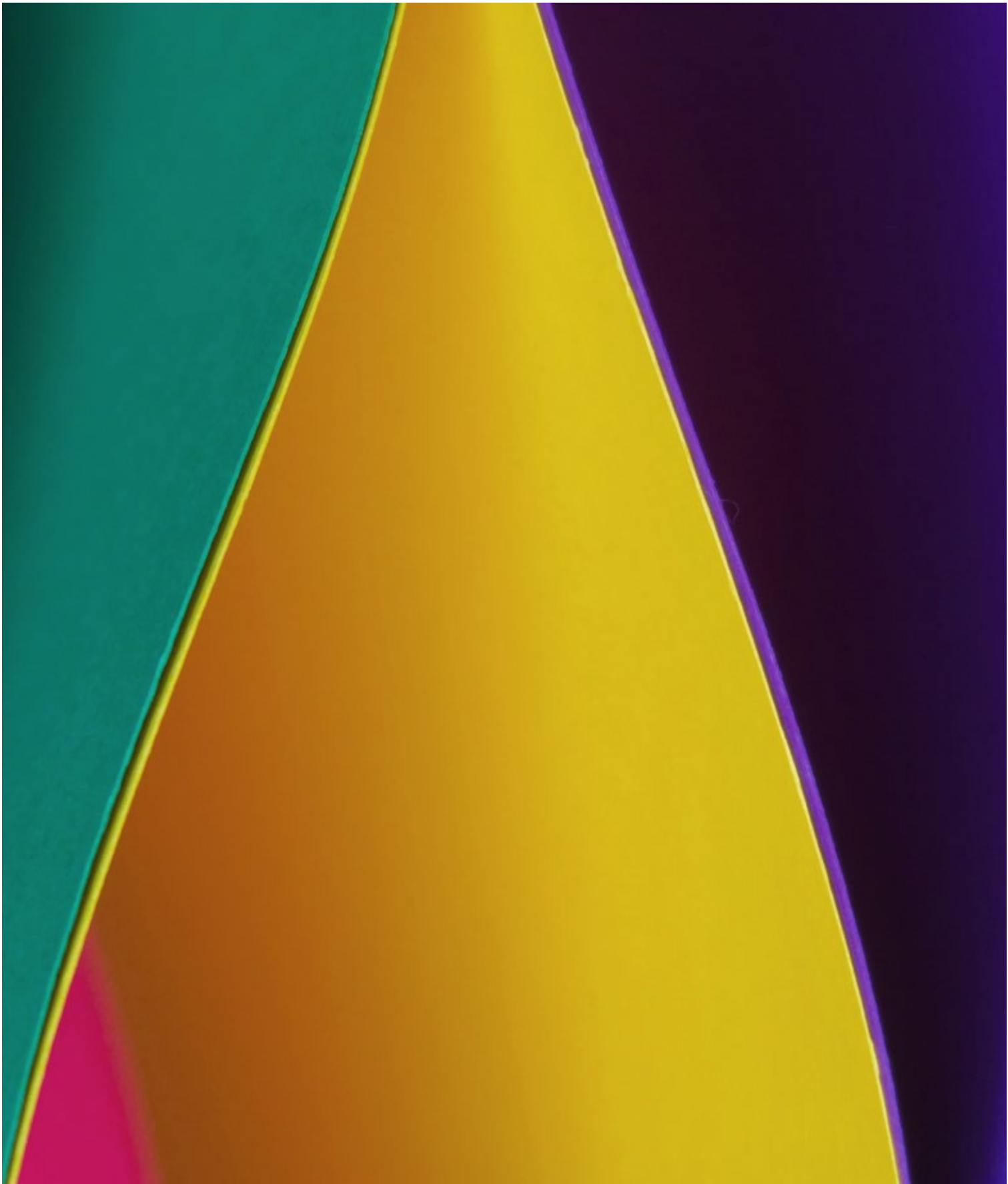
Deborah Cox, Vice President, Castell Project, Inc.





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Castell Project, Inc.

1111 Rosedale Drive NE, Atlanta, GA 30306

pberg@castellproject.org

404.236.9064

www.castellproject.org

   [@CastellProject](https://twitter.com/CastellProject)

