

2021 SMARTBRIEF
FOODSERVICE AND HOSPITALITY

Diversity and Cultural Intelligence Report



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INTRODUCTION

The foodservice and hospitality industries have long been more accessible to — and heavily reliant on — immigrants and people of color as employees.

[According to the National Restaurant Association](#), 40% of restaurant managers and supervisors and 60% of chefs are people of color and, by 2030, it's estimated that women and people from multicultural backgrounds will hold a larger proportion of the industry's upper-management jobs. In hospitality, almost 57% of people working in the hotel industry are Black, according to [Castell Project's 2021 Black Representation in Hospitality Leadership report](#), yet only 1.6% of executives at the director level or above are Black.

NATIONAL RESTAURANT ASSOCIATION REPORTS:



ACCORDING TO CASTELL PROJECT'S 2021 BLACK REPRESENTATION IN HOSPITALITY LEADERSHIP REPORT:



Over the past year, protests and movements around diversity and anti-racism have spurred reckonings around racial inequity, and the pandemic is creating uncertainty but also an opportunity for a fresh start for the industries. As these times represent a watershed moment for the industries to overhaul the way things have always been done and make change from the top down and bottom up, we wanted to check in with our readers who work in the foodservice and hospitality industries on where they think diversity, equity and inclusion efforts are today, and identify ways for businesses to get started on a strategy that has the potential to effect real change in a sustainable way.

Key findings from SmartBrief's survey conducted in May 2021 are outlined here, along with comments from industry executives who have demonstrated commitment to improving diversity and inclusion at their own companies. We hope sharing these insights will pave the way for solutions toward more diversity, equity and inclusion in the foodservice and hospitality industries.

THE STATE OF DIVERSITY IN FOODSERVICE AND HOSPITALITY TODAY

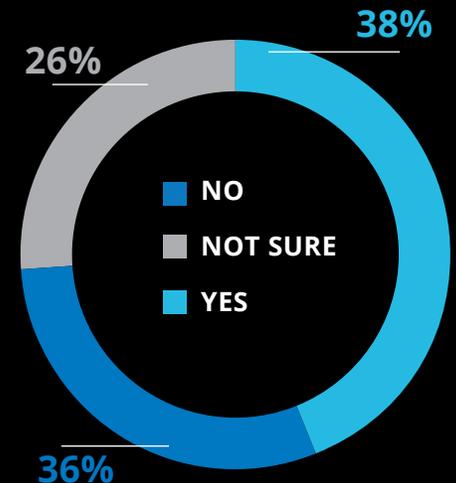
As shown in the following graphs, while the industries are making strides in DEI, there is still work to be done. The majority, or 62%, of respondents reported their company either does not have a DEI or anti-racism initiative in place, or that they were unsure if it has one. Of those who said their company has a DEI or anti-racism program or initiative in place, the results were nearly split in half between those who said they believe their company addresses diversity very well or well, and those who said not very well, not at all or were neutral in their position.

It's worth noting that executives were more likely to say their company was doing well at addressing DEI issues (66%), compared with nonexecutive employees (54%), while respondents who identify as multiracial are less likely to say their company is doing well in this area (32%).

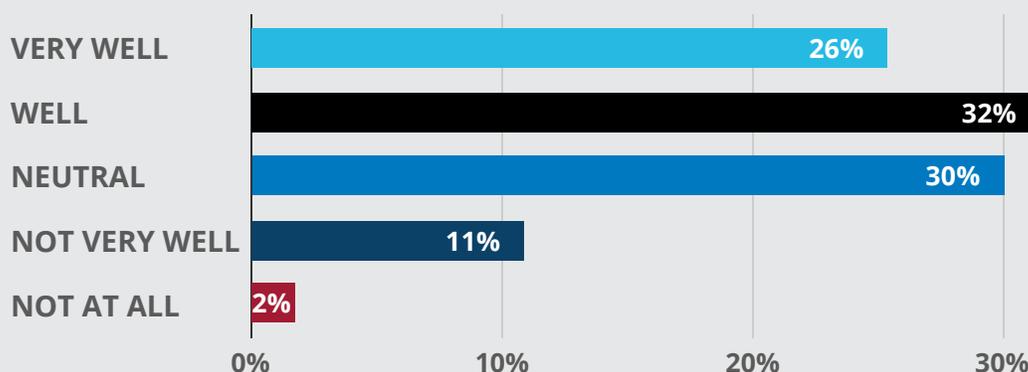
Just over one quarter, or 27%, of respondents who said their company has a DEI or anti-racism program in place noted the program was created in response to the recent anti-racism protests in the US this past year.

Fear, ignorance, lack of external pressure and the lack of data have all been obstacles previously when it comes to the industries addressing DEI, asserts Gerry Fernandez, president of the Multicultural Foodservice & Hospitality Alliance.

Does your business have a DEI or anti-racism program/initiative in place?



How well do you feel your company addresses diversity?





Culture change is hard. Really hard. If you have no pressure to make change, you won't make change.

— Gerry Fernandez—
MFHA President

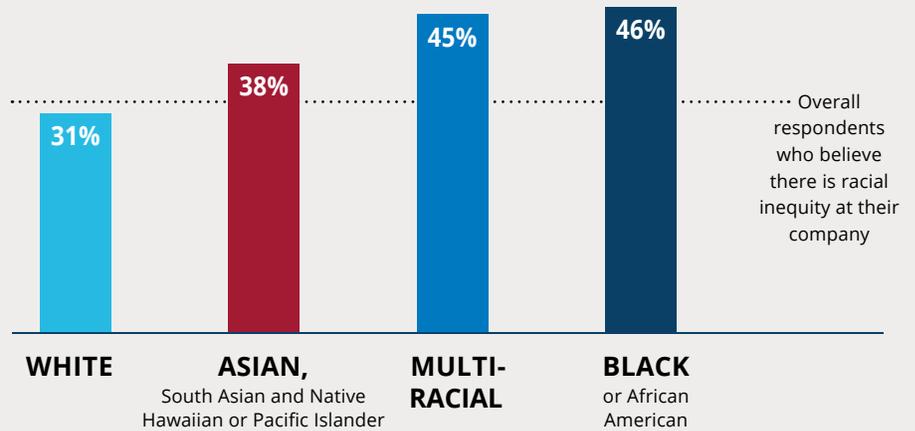


“Culture change is hard. Really hard,” he says. “If you have no pressure to make change, you won't make change.”

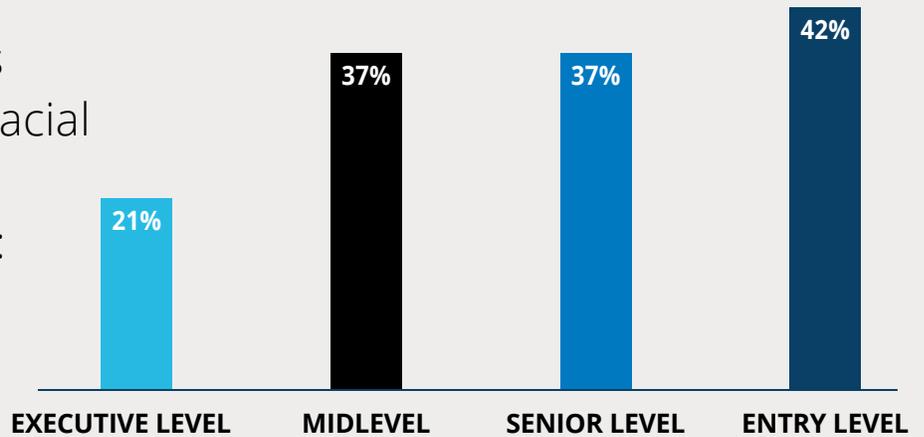
Overall, 34% of respondents said they feel there is racial inequity at their company. However, when broken down by race, almost half, or 46%, of Black or African American employees said they believe there is racial inequity at their company, and 45% of those who identify as multicultural said they feel the same way. In contrast, 31% of white respondents said they believe there is racial inequity at their company.

These numbers climb when we look at the sentiments of those who work for companies that do not have a DEI program in place, which suggest that DEI efforts can affect employee perception of racial inequity in the workplace.

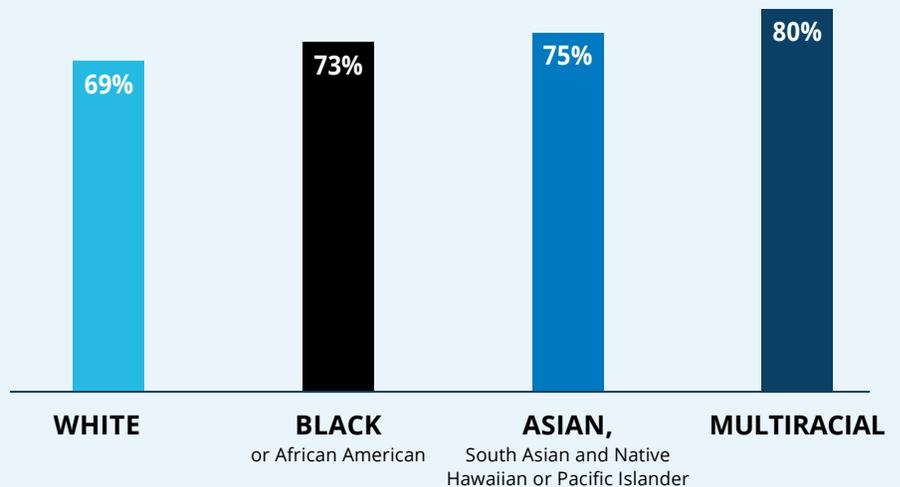
Share of respondents who believe there is racial inequity at their company, by race:



Share of respondents who believe there is racial inequity at their company, by position:



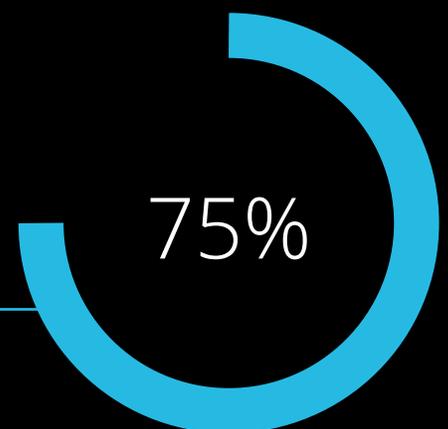
Share of respondents, by race, who feel there is racial inequity at their company, which does not have a DEI program:



PERCEIVED BARRIERS TO INTRODUCING DEI INITIATIVES

When asked about barriers to introducing DEI initiatives in their companies, cost, time, lack of interest or passion, and unclear goals each received around the same number of votes, with time being the most cited. An equal number of people said there are no barriers.

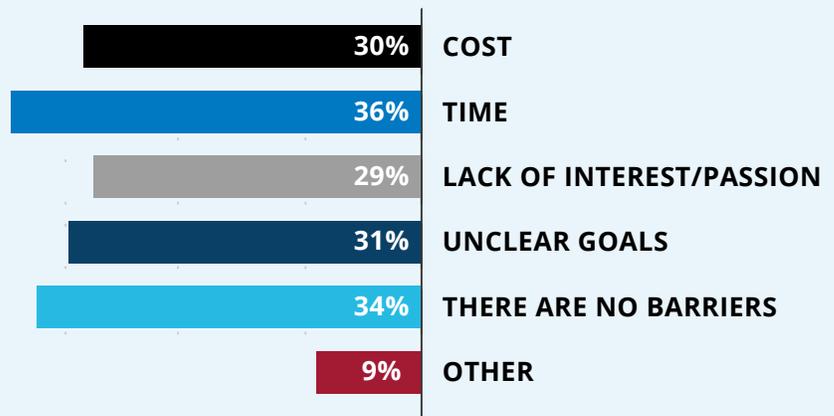
Interestingly, 75% of executives who responded that there are no barriers to introducing DEI initiatives work at a company that does not currently have a DEI program in place.



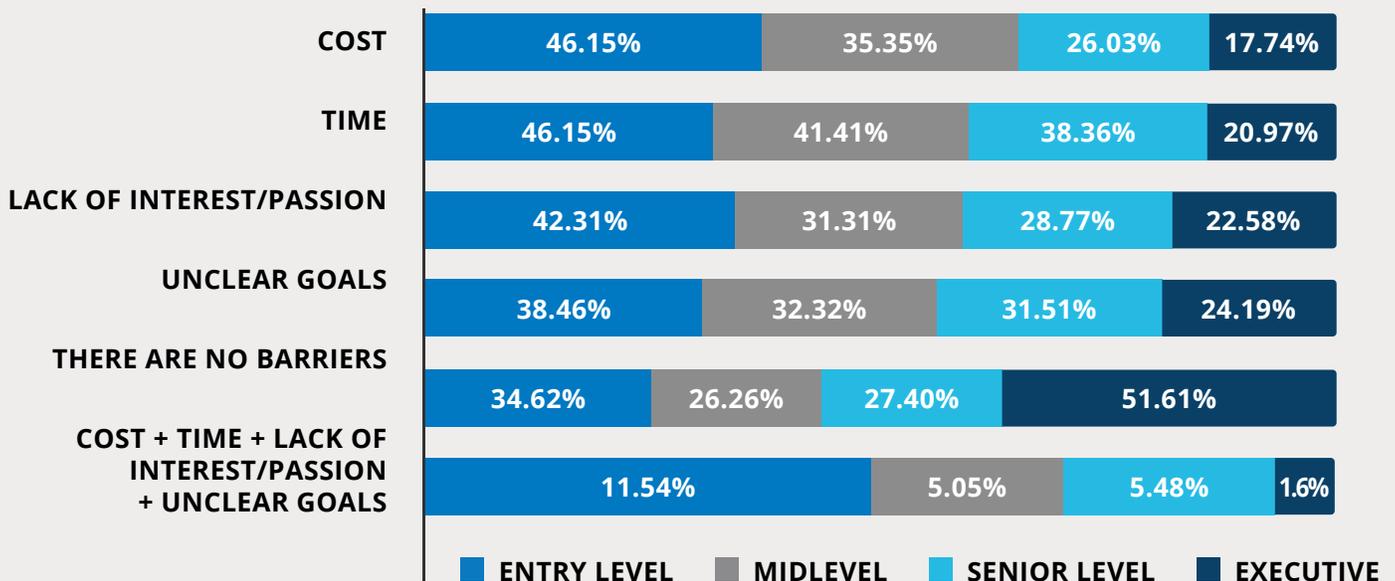
Also, entry-level respondents were the most likely to identify each factor as a barrier to introducing DEI initiatives, whereas executives were less likely to name the factors identified as barriers at their organization. “Unclear goals” appeared to be where respondents found the most common ground, indicating that establishing clear goals could be an effective way to get started.

While there can always be perceived barriers, both Tawanda Starms, vice president of talent and culture for Chipotle Mexican Grill, and Apoorva Gandhi, vice president of multicultural affairs and business councils for Marriott International, agree that DEI work

Barriers to introducing DEI initiatives



In your opinion, what are the barriers to introducing DEI initiatives at your organization?



should be baked into the company and employees' roles, and not be something tacked on as an afterthought.

"You should contrast [perceived barriers] to what the lost opportunity is, and I would say the cost and time is going to be worse if you don't focus on this," Gandhi says, citing examples of the cost of lost employees or employees who leave — and then having to find and retrain others — and the time sunk into retraining people or trying to work with people to have them feel better about working at your company.

THE INDUSTRY'S ROLE IN ADDRESSING STRUCTURAL RACISM

Encouragingly, 63% of respondents said they believe the industry does play a role in addressing structural racism, and 88% of respondents said they believe that a diverse workforce has the potential to make a positive impact on driving business, innovation and strong financial results.

"The role of foodservice and hospitality industries in fighting racism is huge — it's very, very important," Gandhi says. Marriott operates more than 7,000 locations across the world, many of which include restaurants and foodservice operations, which allows him to look at the opportunity from a variety of perspectives, Gandhi says.

"It all fundamentally comes down to the notion of welcoming all and welcoming all with cultural competence," he adds.

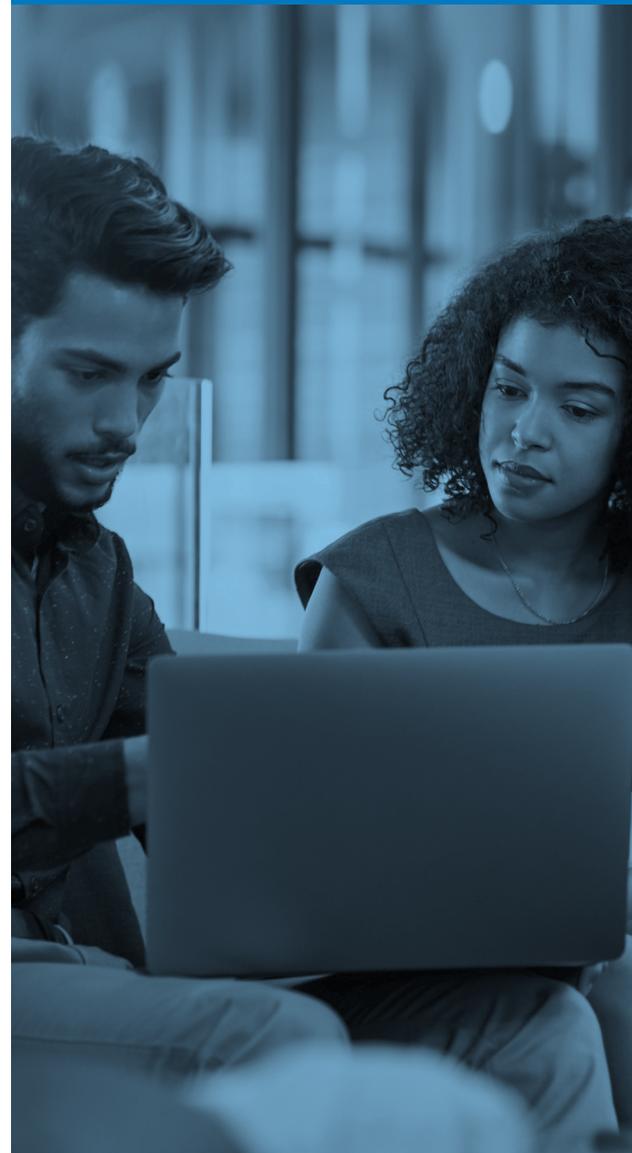
"A way that we can fight racism is through our example, our example of welcoming all, no matter who you are, where you come from, what your abilities are or who you love. By showing that word, 'welcome,' that's what hospitality is all about."

The industry can also fight racism through providing opportunity, Starms points out. Chipotle offers debt-free education and tuition reimbursement, and has created a training academy with online courses that teach a wide range of skills, from conflict resolution to goal-setting, to help employees of all backgrounds climb the corporate ladder.

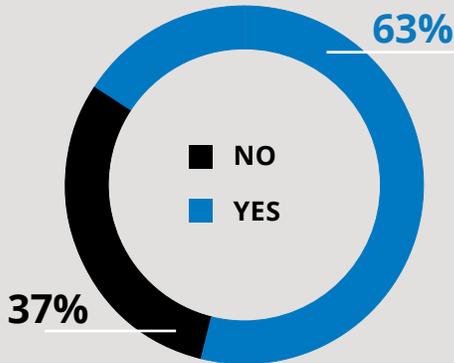


The role
of foodservice
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— Apoorva Gandhi —
*Vice President of Multicultural
Affairs and Business Councils
for Marriott International*



Do you think the industry plays a role in addressing structural racism?



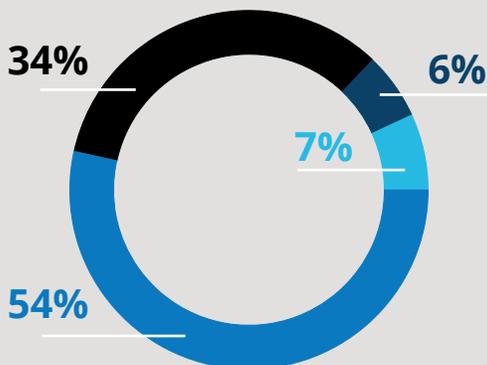
“When you think about structural racism, you think about the systems that are created to keep [people] from generating wealth, or to keep people from getting ahead,” she says.

“I think at Chipotle Mexican Grill in particular, and in the industry, a lot of the opportunity is through wealth creation as well as opportunities for folks to better themselves through educational opportunities or even entrepreneurial opportunities.”

“The food industry needs to be a huge part in fighting racism and boosting DEI,” says Executive Chef Kevin Tien of Moon Rabbit, a Vietnamese restaurant located within an InterContinental Hotel in Washington, D.C. Tien also co-founded Chefs Stopping AAPI Hate, an organization that brings dozens of chefs from around the country together to raise awareness of hatred faced by Asian Americans and Pacific Islanders.

“As an industry that has been known to take advantage of the labor and exploitation of [Black, indigineous, people of color], this industry has to be torn down and rebuilt. So much of this industry is built on systemic racism and the owners of businesses need to recognize the changes that need to happen and respect and listen and compensate the staff who work tirelessly for them,” Tien adds.

Do you believe that a diverse workforce has a positive impact on driving business, innovation and strong financial results?



- YES, WITHOUT A DOUBT
- I BELIEVE IT HAS THE POTENTIAL TO
- NO
- NOT SURE



GAPS AND OPPORTUNITIES

Data from respondents to the SmartBrief survey suggests there is a gap in perception between executives and nonexecutive employees, as well as between white respondents and respondents of color, regarding how well a company is addressing diversity and feelings about racial inequity within the company.

Overall, one quarter of respondents who said they feel there is racial inequity at their company are working at companies that have a DEI program.

These gaps lead to the questions of what is working and what can be done to advance diversity, equity and inclusion efforts at companies? Here are some key findings that attempt to address those questions.

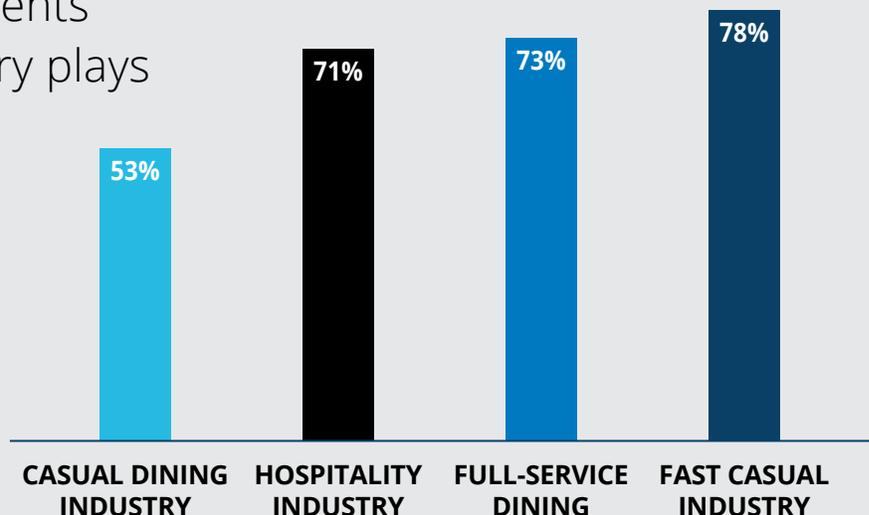


When you think about structural racism, you think about the systems that are created to keep [people] from generating wealth, or to keep people from getting ahead.

— Tawanda Starms —
Vice President of People and Culture,
Chipotle Mexican Grill



Percentage of respondents who believe the industry plays a role in addressing structural racism, by business type:





KEY FINDINGS:

76%

76% of respondents said they think **blind screenings** used in hiring/promotions at their company would be at least moderately effective/important (3 or higher on the 1-5 scale).

87%

87% of respondents whose DEI programs' focus included **achieving equal pay** think their company is addressing diversity well or very well.

34%

Of the respondents who feel there is racial inequity at their company, only 34% are working at companies that **assess equality in compensation packages by race and gender**.

When asked
 "What has been
 the most effective
 diversity measure
 at your company?"
 the most-cited responses were:

1. Trainings and conferences
2. Accountability, sharing diversity data, either internally or externally
3. Hiring and promoting people of color and women to visible positions of authority
4. Surveys
5. Involvement from senior leadership
6. Newsletters and/or communications from executives
7. Community or networking groups

What is your DEI department's goal, or what are the primary focus areas?

83%

To foster a sense of belonging among all employees

76%

To address and eliminate biases within the organization

62%

To recruit employees of diverse backgrounds

53%

To promote more employees of color to leadership roles

23%

To achieve equal pay

5%

It's unclear

EFFECTIVE AND SUSTAINABLE DEI INITIATIVES IN ACTION

Marriott recently created a program called Talent Network Teams to generate ideas for all levels of the organization on how to improve the experience for all, but particularly people of color.

“We want it from up and down the organization; it shouldn’t just be from the top because we find that ideas that are kind of homegrown from our employees usually are the best ones, those are the ones that work best,” Gandhi says.

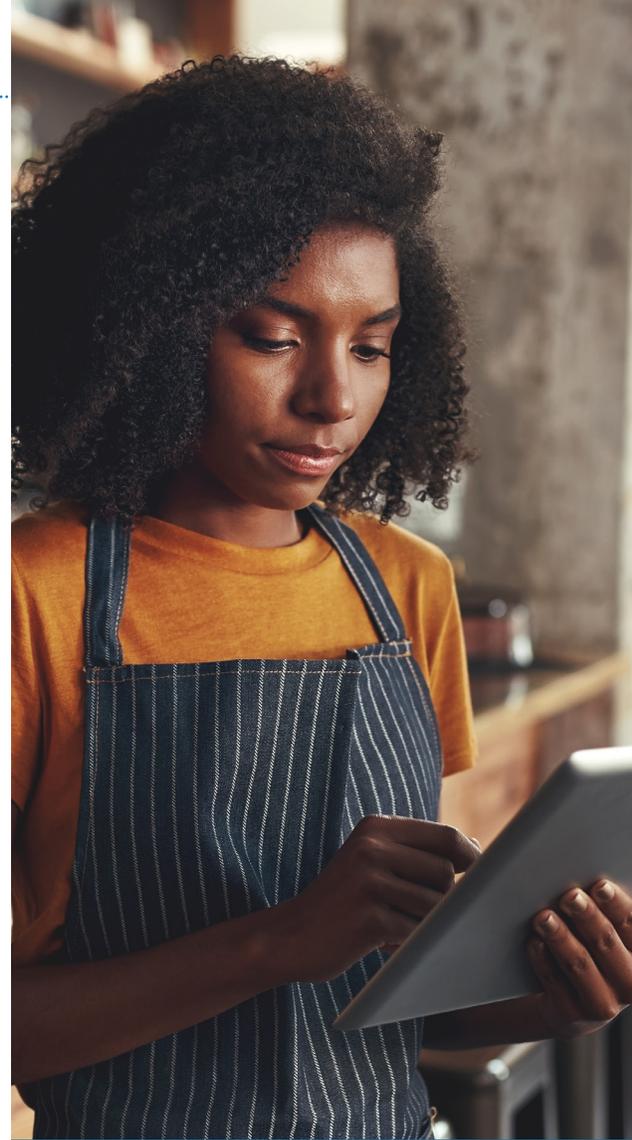
Beyond offering educational and entrepreneurial opportunities, Chipotle also announced earlier this year that executive compensation will now be linked to hitting targets tied to the company’s environmental and diversity goals.

“Our executive team sat down and they were very intentional about creating a purpose and a value for our organization ... that was probably one of the most impactful actions that were taken,” Starms says, adding that other powerful and effective actions include the act of listening.

“We’ve got 94,000 employees who have a voice and are a part of our organization,” she says. “We’ve listened and we’ve responded. When our employees tell us if it’s not working, we pivot, because again, it’s about their voice and doing something. We’ve [also] created meaningful opportunities with no judgment for people to learn. We’ve recognized that culturally, we need to meet people where they are, so we give meaningful opportunities for people to come alongside the journey in safe places.”

Communication is key, Fernandez agrees, stressing the importance and power of having purposeful and intentional conversations to listen to employees and asking questions like: “What’s going on in your life?” “How are you feeling?” “How are things in your community?” “What do we need to know that we don’t?” “How can we help?”

“It’s just listening with authenticity, with cultural intelligence, cultural competency and cultural fluency,” he says. “All those things matter, because then it communicates to folks that you give them your time and your ears, and they can say, ‘my stuff really matters, I feel like that’s a company I want to be with.’”



It’s just listening with authenticity, with cultural intelligence, cultural competency and cultural fluency.

— Gerry Fernandez—
MFHA President



INDUSTRY LEADERS ON ALLYSHIP AND ACTION

Insights from industry thought leaders on what it means to be an ally and take action.

“ **Diversity, equity and inclusion is everyone’s job**, and I think that allies are a tremendously important part of this. Because many times, I’ll just say, for those in the majority, they may have access to forums, they may have access to certain tables that others don’t. And it can be quite powerful for someone who is not part of the majority, to advocate for them — for the majority to advocate on behalf of the minority, sometimes you get 3x. ”

— Apoorva Gandhi
Vice President of Multicultural Affairs and Business Councils, Marriott International



“ **For us, it starts with our purpose, which is cultivating a better world.** And it starts also with our values, and the value I think about in particular is ‘authenticity lives here’ — we want everyone to be able to be who they are, love who they love — we want to make sure that we’re championing them in all those facets. We think about making sure that we’re creating trusting spaces for people to be able to learn and grow and do that with individuals that they work with. ”

— Tawanda Storms
Vice President of Talent and Culture, Chipotle Mexican Grill



“ **We have to be consciously proactive**, intentionally looking for ways to dismantle things that favor one racial group, cultural group or agenda, over the other. And allyship has to become more than [just words] — what are you actually doing? ”

— Gerry Fernandez
President, Multicultural Foodservice & Hospitality Alliance



“ **My advice would be for a company to reflect internally and see if you are doing everything right.** The answer will most likely be ‘no.’ There probably isn’t a company that is doing it all correctly, but what is important is that you recognize that and be willing to make the change happen. Companies should truly look at what they serve, who they serve, how they serve and who is doing the serving. ”

— Kevin Tien,
Executive chef/owner, Moon Rabbit



A woman with dark hair, wearing a dark top, is smiling and speaking into a microphone. She is in a professional setting with other people in the background, some of whom are also smiling. The image is overlaid with a blue tint.

HOW TO GET STARTED ON A DEI STRATEGY THAT WILL EFFECT CHANGE

- ✓ Establish a purpose and list of values for your company.
- ✓ Create a safe space for dialogue and discussion; listen to your employees:
 - ✓ Conduct employee engagement surveys — these can be anonymous.
 - ✓ Tie survey feedback into manager and executive performance reviews.
- ✓ Meet people where they are, culturally.
- ✓ Create employee resource groups that are inclusive and open to all, not affinity groups.
- ✓ Utilize inclusive language companywide.
- ✓ Embed DEI throughout: Learning programs, policies, best practices, etc.
- ✓ Evaluate existing practices that have bias built in — such as unconscious hiring bias and assessments — and change them.
- ✓ “Create measureable goals; as Apoorva Ghandi says, “what gets measured, gets done.”

“ Real change can only occur when businesses themselves recognize the part they play in a system that upholds white supremacy. It starts with investing in your staff and creating a more equitable and safe work environment, from providing a fair living wage, including benefits, and other resources so that the staff can develop their skill set and move forward in this industry. Also, providing them the tools to become future leaders and empowering them. ”

— Kevin Tien
Executive chef/owner, Moon Rabbit

METHODOLOGY

The anonymous survey garnered responses from executives and employees in the foodservice and hospitality industry who are readers of multiple foodservice and hospitality briefs published by SmartBrief.

The survey consisted of dichotomous, multiple choice, matrix, and open-ended questions in order to gather a variety of data points. Only those who completed the survey in its entirety (260) were considered in the analysis. Based on audience size and response rate, the results of the survey are statistically significant.

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ABOUT



MFHA is an educational non-profit 501(c)(3) that helps its members build cultural intelligence by delivering products and solutions that raise the top line, improve the bottom line and build culturally authentic brand value. Its mission is to bring the economic benefits of diversity and inclusion to the food and hospitality industry by building bridges and delivering solutions, and is committed to delivering connections and opportunities to build its members' cultural intelligence to effectively engage multicultural employees, customers and communities. [Learn more about MFHA.](#)

ABOUT



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