
SUN, SAND AND CEILINGS:
WOMEN IN THE
BOARDROOM IN
THE TOURISM INDUSTRY

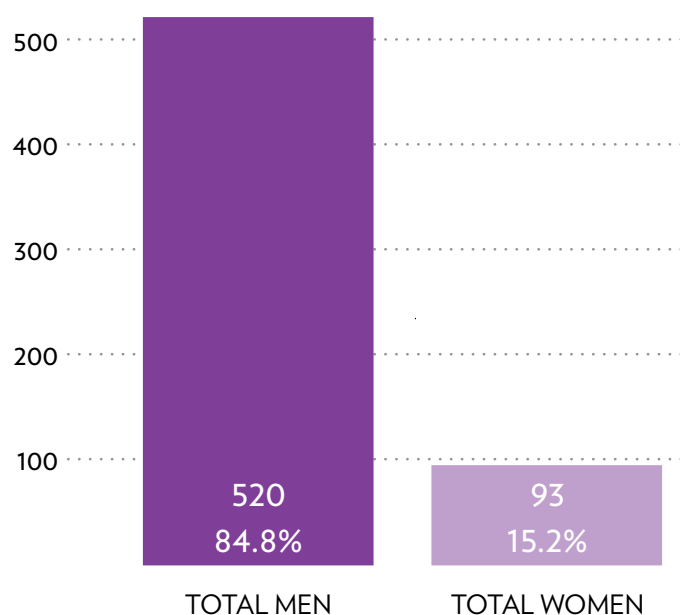
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WOMEN IN THE TOURISM INDUSTRY ARE UNDER-REPRESENTED AT EXECUTIVE LEVELS OF THE TOP TOURISM COMPANIES WORLDWIDE DESPITE THE FACT THAT WOMEN MAKE UP THE MAJORITY OF THE TOURISM WORKFORCE IN MOST COUNTRIES. OUR SURVEY OF 78 COMPANIES ACROSS FOUR KEY SECTORS OF THE TOURISM INDUSTRY FOUND THAT ONLY 15.8% OF ALL BOARD MEMBERS ARE WOMEN (SEE FIGURE 1). IN MORE THAN A QUARTER OF THE COMPANIES SURVEYED, THERE WAS NOT A SINGLE FEMALE BOARD MEMBER.

This evidence highlights an aspect of the tourism industry that has remained hidden. While it is known that the representation of women in executive positions in the world's top companies does not reflect the proportion of women working at other levels, it has not been known that the tourist industry - in most countries dominated by women workers at lower-skilled levels - suffers from such an imbalance. Our findings suggest that the tourism industry is failing to promote women to the highest levels of decision-making despite having a larger pool of female talent from which to draw.

In this report we set out our findings over four key sectors of the tourism industry, both in the UK and internationally. The report addresses four key questions: What is the problem? Why does this matter for the tourism industry? Why does this problem exist? What is being done to tackle the problem? We close with a series of recommendations on how gender balance in the boardrooms of tourism companies can be improved.

FIGURE 1: ALL SECTORS



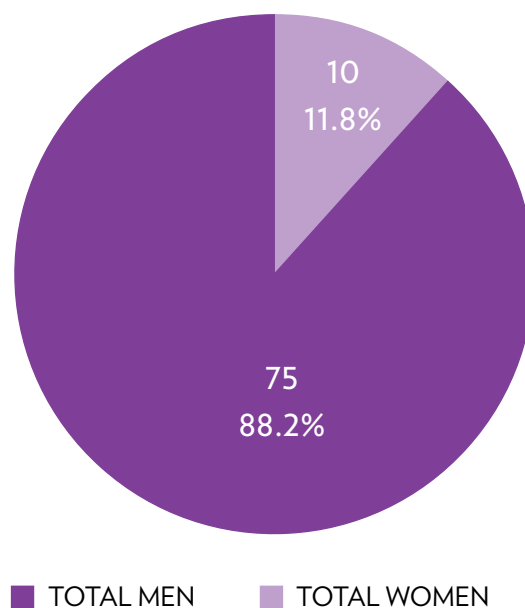
WHAT IS THE PROBLEM?

Women make up 55.5% of the tourism industry labour force worldwide. While a small number of countries, such as Egypt and UAE, have an extremely low female participation in tourism employment, in most countries women comprise more than half the tourism workforce (85.63% in Lithuania, for example).ⁱ However, these high levels of participation are not reflected in executive decision-making. Worldwide, women are under-represented in senior management positions and over-represented in lower-skilled occupations. In the UK, for example, women make up 53.6% of the tourism workforce, 8.6% higher than the proportion of women employees in the national workforceⁱⁱ. However, as shown in Figure 2, in the 16 UK tour operators identified in our research, women occupied just under 12% of the seats on their boards. It is interesting to note that while consumer-facing industries in general tend to have the highest number of women on their boards, this trend is not reflected in the consumer-facing tourism industry.

Our survey of 78 companies was across four key sectors of the tourism industry (where information was publicly available): international tour operators (30); carriers: airlines and cruise ships (19); hotel groups (20); and international professional associations and certification bodies (9). Of these leading tourism

companies, women make up 15.8% of all board members - 99 women out of a total of 526 positions, as shown in Figures 3 and 4. There is also a wide variation of female representation on the boards of tourism companies. In 21 of the companies and professional associations surveyed there was not a single female board member.

FIGURE 2: UK TOUR OPERATORS



BOX 1: TUI TRAVEL

AT TUI TRAVEL, ONE OF THE WORLD'S LEADING TOUR OPERATORS, WOMEN MAKE UP 59% OF THE WORKFORCE BUT ONLY 13.3% OF THE BOARD ARE WOMEN. IN 2012, TUI TRAVEL'S ANNUAL REPORT & ACCOUNTS STATED, "OUR MOST SENIOR LEADERSHIP GROUP (236 LEADERS) ILLUSTRATES THE DIVERSE NATURE OF OUR ORGANISATION. THEY ARE BASED IN 24 DIFFERENT COUNTRIES, WITH OVER A QUARTER BEING FEMALE. IF WE LOOK AT OUR TOTAL WORKFORCE, 42% OF MANAGERS ARE FEMALE. THIS YEAR WE HAVE STARTED TAKING PART IN A PROGRAMME WHICH FOCUSES ON MENTORING, SPECIFICALLY FOR FEMALE TALENT, AS PART OF OUR COMMITMENT TO INCREASE THE NUMBER OF WOMEN IN SENIOR ROLES WITHIN TUI TRAVEL."

TUI TRAVEL'S HUMAN RESOURCES DIRECTOR JACKY SIMMONDS SAYS, "I BELIEVE THAT WORKFORCE DIVERSITY IS CRITICAL FOR SUSTAINED BUSINESS SUCCESS IN THE 21ST CENTURY, AND AM PROUD THAT 42% OF MANAGERS AT TUI TRAVEL ARE FEMALE. OUR LEARNING & DEVELOPMENT DEPARTMENT IS ANALYSING HOW BEST TO CONTINUE TO HELP WOMEN REACH THEIR FULL POTENTIAL AT WORK." TUI TRAVEL HAS SET A TARGET OF 25% OF WOMEN ON THEIR BOARD BY 2015. EQUALITY IN TOURISM CONSIDERS THAT 25% IS NOT HIGH ENOUGH – AND CHALLENGES TUI TRAVEL TO COME INTO LINE WITH THE PROPOSED EU DIRECTIVE TARGET OF 40%.

The tourism industry compares poorly with the UK FTSE 100, for example, where women make up 17.3% of board directors, despite comprising 45% of all employees in the UK.ⁱ There are five tourism companies in the UK FTSE 100. Whitbread is ranked 6th for female board representation, at 30.8%; followed by Intercontinental Hotels Group (12th) with 27.3%; Carnival (61st) with 14.3%; TUI Travel (66th) with 13.3% (see Box 1); and IAG (89th) with 7.1%.ⁱⁱ However, these figures and rankings are not weighted for the proportion of women in the workforce.

We believe that tourism companies have an important role to play in working towards the goal of gender equality — an essential part of healthy, sustainable societies. We believe that the boards of tourism companies should aim for a greater representation of women than other industries due to the high proportion of women in their workforce.

FIGURE 3: TOUR OPERATORS AND HOTEL GROUPS

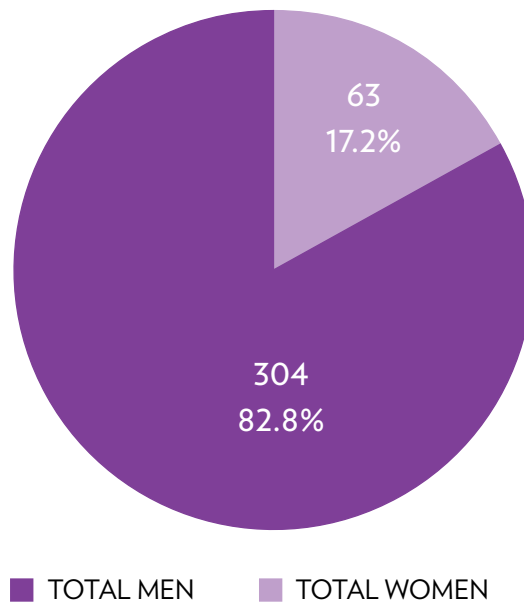
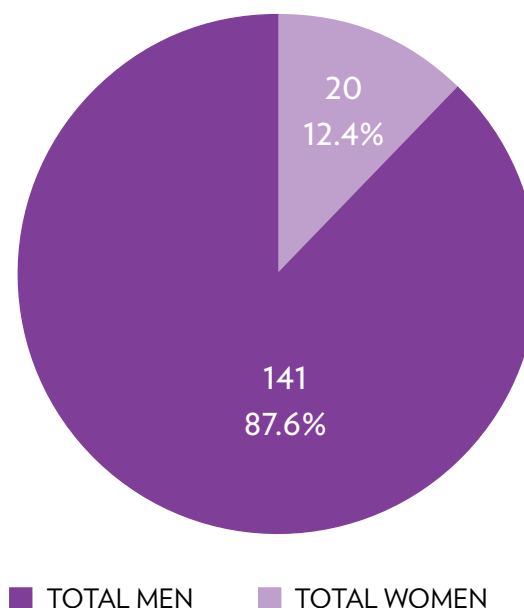


FIGURE 4: CARRIERS, AIRLINES AND CRUISES



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BOX 2: MAIN FINDINGS:
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COMPANIES AND PROFESSIONAL ASSOCIATIONS WITH
GENDER BALANCED BOARDS (2 OUT OF 78)
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COMPANIES AND PROFESSIONAL ASSOCIATIONS WITH
CLOSE TO GENDER BALANCE (2 OUT OF 78)
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COMPANIES AND PROFESSIONAL ASSOCIATIONS WITH
ROUGHLY ONE THIRD WOMEN (8 OUT OF 78)
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COMPANIES AND PROFESSIONAL ASSOCIATIONS WITH A
WOMAN PRESIDENT OR CEO (6 OUT OF 78)
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COMPANIES AND PROFESSIONAL ASSOCIATIONS WITH A
WOMAN MANAGING DIRECTOR (6 OUT OF 78)
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WHY DOES THIS MATTER?

Women are increasingly central to economic development (in the UK, for example, they comprise nearly half the working population) and to consumer decision-making. By 2025, women in the UK are expected to own 60% of all personal wealth and there are now more female millionaires between the ages of 18 and 44 than male.^v Moreover, in tourism, women are the key household decision-makers and influence up to 80% of buying decisions.^{vi} Tourism companies miss out by retaining male-biased boards and failing to represent the majority of their consumer base in executive decision-making. In a survey of senior executives in the hotel industry, 79% of respondents agreed that “the presence of female workers improves the quality of our overall workforce”. Some 85% agreed that “women greatly improve the talent pool from which we can recruit internationally”. However, due to the lack of training and career advancement offered to women in the industry, many women feel little loyalty to their employers.^{vii}

Extensive research demonstrates how low levels of gender diversity on boards impedes business success. In a wide-ranging consultation for the Davies Review on Women on Boards, for example, companies outlined a number of significant problems caused by a lack of gender diversity: too few senior women to act as role

models and mentors; higher staff turnover; poor decision-making processes; a lack of collaboration and team work; and old-fashioned work practices. The business case for more women on boards has four key dimensions: improving performance; accessing the widest talent pool; being more responsive to the market; and achieving better corporate governance.^{viii} A proven link exists between the presence of women in corporate management teams and companies’ organisational and financial performance, suggesting that the companies where women are most strongly represented at board or top management level are also the companies that perform best.^{ix} Research on female leadership shows that behaviours more often applied by women reinforce a company’s organisational performance through several dimensions, and will be critical to meet the expected challenges companies will face over the coming years.^x

In this context, tourism companies are failing to reflect and understand their industry’s customer base. By not reflecting the gender diversity of its workforce on company boards, the tourism industry is missing out on vital aspects of dynamic, modern business practices.

WHY DOES THIS PROBLEM EXIST?

In the tourism industry, a number of issues prevent women from entering senior management and executive positions. According to a study conducted by People 1st in 2010, five key barriers impede women's advancement to executive roles in tourism: the difficulty of combining work at a senior level with caring responsibilities; dominant masculine organisational culture; preconceptions and gender bias; a lack of networking and exclusion from informal networks of communication; and a lack of visible women in senior positions.^{xi} Promotion to the boards of tourism companies is usually informal, without written criteria, and based on personal relationships: this means that women are often passed over because they do not meet preconceived ideas.^{xii} The "talent pipeline" is also an important issue for increasing women's representation on boards, and without creative solutions for retaining and promoting women up to the highest levels, these issues will not be addressed.

Recent research commissioned by the International Labour Organization (ILO) conducted focus groups with senior managers in the hotel sector on their attitudes towards women and gender issues. Overall, these managers perceived that their recruitment practices were gender neutral. However, in practice their implementation "can disadvantage women with child and parental care responsibilities". As such, a combination of recruitment, workplace and societal issues combine to impede women's progression to executive positions in tourism, reinforcing the lack of gender diversity on boards and perpetuating the problem of female under-representation in decision-making circles.

WHAT IS BEING DONE ABOUT THIS?

A range of initiatives has been implemented to increase gender balance on corporate boards. The most radical example is Norway's quota system, where in 2002 the government set a target of 40% of women on boards of private listed companies by 2005. When companies were slow in complying, a final deadline of January 2008 was imposed, and companies were threatened with fines and closure. By 2009, all companies had achieved 40% representation. Following the success of Norway's approach, several other countries have followed suit and legislated for quotas for female representation, some with and some without sanctions for non-compliance. These include Spain, Iceland, France, Malaysia, the Philippines, Kenya, Hong Kong and the United Arab Emirates. A target system is currently being debated in a number of countries, including Germany. At the European level, a proposed EU Directive is being developed that would impose a target of 40% women board members by 2020 for all listed companies with a turnover of €50 million.

Yet, while target systems have largely been successful at achieving women's participation in boards, this approach has also been criticised. For example, in Norway the increase in board representation has not been matched by an increase in female executive directors, and no Norwegian company has a female chief executive. At the

highly influential International Centre for Women Leaders at Cranfield University, for example, quotas are not considered to be the solution; rather, it believes that it is necessary for chairs of boards to "understand the benefits of gender diversity and commit to achieving it".

A number of less radical approaches to increasing women's representation also exist. The "comply or explain" system – implemented in Finland, Denmark, the Netherlands and Sweden – requires companies to comply with a range of measures or justify not doing so. Other countries – such as the USA and Poland - have included gender diversity in corporate governance codes. The current UK approach is generally referred to as a "voluntary" approach, in which targets of 25% female representation for all FTSE 100 boards by 2015 were set by the government in 2011. However, there are no specific sanctions for non-compliance, and this is broadly considered to be the least radical approach to tackling gender imbalance. Nevertheless, in the two years since the publication of the Davies Report on Women on Boards, the proportion of female representation on boards has increased by 4.8% for FTSE 100 companies and 5.4% for the FTSE 250. This means that women have made up roughly a third of all new board appointments during this period. Only 6% of FTSE 100 boards now have no female members, compared with 21% in 2010. For the FTSE 250, all-male boards now represent 26.8% of the total, compared with 52.4% in 2011.

WHAT DOES THE TOURISM INDUSTRY NEED TO DO?

We believe it is time for the tourism industry to come into line with other sectors and start taking gender equality seriously – responsible tourism is gender equal. Although we know that a more balanced representation of women on the boards of tourism companies will not fix gender inequality in the tourism industry, it would be an excellent place to start. It would send a message to female employees and customers that they are valued and can lead in the sector. Tackling gender imbalance on company boards would also demonstrate that the tourism industry takes issues such as fairness, diversity and sustainability seriously. If the EU Directive on a 40% target for women on boards is passed, this would supersede any existing corporate governance codes or voluntary approaches and would apply to all European tourism companies with a turnover of €50 million or more. As such, tourism companies need to pay attention to what they can do about increasing female representation on boards, or they will find themselves far from meeting these legally binding targets.

We propose that, as a bare minimum, all tourism companies — not just those in our survey — should come into line with other UK businesses and set targets of at least 25% female representation on boards for 2015. The business case for gender equality is solid. The issue of women on boards offers an opportunity for the tourism industry to engage in this debate on a more substantive level.

Although we have focussed on the representation of women on boards of tourism companies in this report, we consider this to be just the tip of the iceberg. The issues discussed here reflect much deeper concerns about the role of women across the industry and how gender inequality permeates at all levels and across all sectors.

As an organisation, Equality in Tourism will act as a focal point for starting a conversation about how the tourism industry can engage in promoting gender equality. We can facilitate this through online debates, training, awareness-raising and gender analysis of company procedures.

We hope that this report will open up a dialogue with the industry on these issues, with the overall aim of achieving a greater role for women in decision-making in the industry and a more equal share for women from the benefits of tourism. Both from a social justice and a business perspective, the importance of gender equality in the tourism sector cannot be overlooked.

EQUALITY IN TOURISM IS A NEW, INDEPENDENT, NON-PROFIT WOMEN'S NETWORK DEDICATED TO ENSURING THAT WOMEN HAVE AN EQUAL VOICE IN TOURISM AND AN EQUAL SHARE IN ITS BENEFITS. WE BELIEVE THAT QUESTIONS OF GENDER DISCRIMINATION HAVE BEEN LARGELY OMITTED FROM THE THEORY AND PRACTICE OF TOURISM AND THAT GREATER GENDER EQUALITY IS AN ESSENTIAL COMPONENT OF A SUSTAINABLE TOURIST INDUSTRY.

WE SEEK TO ADDRESS THE PROBLEM BY PROVIDING SPECIALIST ADVICE, RESEARCH, TRAINING AND CAPACITY-BUILDING USING OUR GLOBAL NETWORK OF EXPERTS.

FOR MORE INFORMATION AND TO WORK WITH US, PLEASE SEE EQUALITYINTOURISM.ORG.

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- xiii. HM Government (2011), p.25
- xiv. Baum (2013), p.60
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