







The travel industry is one of the most vibrant business sectors in the UK and Ireland today.

Not only does it put smiles on the faces of the millions it takes away on holiday or business every year. It employs huge numbers, more than three million by some estimates, across airlines, cruise lines, tour operators, hotels, travel agencies and the main service industries that feed into it.

As an exciting business sector that brings people together from across the globe, introducing different cultures, fostering new understandings and sparking new relationships, travel should be the most diverse industry

But it's not. The travel workplace has some way to go if it is going to take full advantage of the benefits that come from a truly diverse and inclusive culture. Some people say travel is a predominantly female industry – and that may well be true, but it's certainly not at board-level where fewer than 25% of board members are female.

Others may say travel is an open, all-embracing industry, with an entrepreneurial culture. But how does that explain the severe lack of ethnically diverse attendees at travel industry conferences, where non-white attendees usually number fewer than 5%?

Many companies will claim they take diversity and inclusion seriously, with a significant number setting out their policies on their websites and more employing their own diversity and inclusion officers or teams. Yet the research conducted for this report suggests there is still a significant gap between their intentions and what they are actually achieving.

There is a growing awareness that diversity in the workplace is an area in which travel companies need to get better. Understanding the practical measures that can be made in this area, and the many reasons why more travel businesses should make them, are the next steps.

TTG Media, and our partners PwC, hope this report will help support and drive that change.

Daniel Pearce

CEO

TTG Media

We're delighted to have worked with TTG Media on this report into how far the travel industry has come on diversity and inclusion, and what more businesses need to do to make the promise a reality.

There's always been a compelling moral case for diversity and inclusion – why should the chance to succeed be confined to a favoured few? There's also an equally compelling business case. From fresh perspectives to stronger engagement and motivation, the power of diversity and inclusion is something I see right across my work with colleagues and clients.

While the case for diversity is strong in all industries, it's especially so in a consumer business like travel. A good reputation on diversity makes it easier to attract and retain both staff and customers – all of whom increasingly value and expect diversity. But a poor perception can damage your brand.

This report highlights the valuable progress being made in areas ranging from the setting up of employee networks to boosting the number of female pilots. Overall, however, the maturity ratings for travel are behind the average for others sectors we've surveyed in key areas such as leadership focus, alignment with business strategy and tracking against targets.

How then can travel businesses accelerate progress? High level policies and isolated initiatives aren't enough. Giving diversity real impetus requires the same board-level direction, organisation-wide push and regular reporting, review and intervention that would be applied to any other strategic priority. For progress to be sustainable, diversity needs to be become part of the cultural DNA, along with the performance objectives and appraisal of all levels of management, including the board.

I hope the research and recommendations provide useful insights into how to move the dial on diversity and inclusion within your business. If there are any aspects of the report you would like to discuss further, please feel free to get in touch.

Jon Terry

Diversity & Inclusion Consulting Leader PwC UK

Bottom-line imperative: How diversity and inclusion can give your business an edge

In a mass consumer market with a highly visible public profile, diversity and inclusion aren't just people management priorities – they have a significant influence on customer engagement, understanding and advocacy.

Closer connection with customers

From the smallest tour operators to the largest cruise liners and airline companies, travel is an industry that touches almost everyone's lives and in which success is all about customer experience.

The industry's diverse customer base is deeply conscious of who is serving them and how they come away feeling. Diversity and inclusion on the frontline of the business and in its leadership play a key role in creating these impressions, shaping the customer experience and your ability to develop an affinity with them.

Boosting diversity and inclusion is therefore an opportunity to truly connect with your customers by creating a workforce, leadership and culture that reflects and understands the people you serve in all their diversity.

At Flight Centre, we believe everyone should have equal privileges, rights and opportunities. The company appreciates the enormous benefits that follow when employees can bring their whole self to work, such as increased engagement, collaboration, creativity and camaraderie."

Will Leonelli, Peopleworks Leader, Flight Centre UK

Broadening your talent pool

People want to work for diverse organisations, where everyone can fulfil their potential. A PwC survey of more than 4,000 people from around the world found that over 60% of women looked at the diversity of the leadership team when deciding to accept a position with their most recent employer, as did almost half of men.

Sharpening innovation and differentiation

This is also a market that is alive with choice and where customer expectations are becoming more exacting all the time. Even within budget travel, people want something new, something different. This underlines the need to strengthen differentiation and innovation, while avoiding the dangers of stale and rigid group-think. Diversity and inclusion can help bring in people with fresh ideas and experiences and foster a culture that enables creativity to thrive.

The right thing to do

Ultimately, promoting diversity and inclusion is about fairness and equality. Josh Weinstein, President, Carnival UK. made the point in an interview for this report, "surely most of us now look in the mirror in the morning and say 'I want to do the right thing'."



We need to recruit from a wider pool, from a leastobvious pool, in order to incorporate a wide variety of skills, background, gender, races and perspectives to create the 'winning team'."

Jo Rzymowska, Vice-President and Managing Director for UK & Ireland & APAC, Celebrity

Diversity and inclusion in travel Diversity and inclusion in travel

Hot topic: Why diversity and inclusion are forcing their way up the business agenda

A combination of changing attitudes within society, high-profile public disclosures and an intensifying media spotlight are putting travel companies under pressure to tackle inequality and change ways of working.

Diversity and inclusion are under the spotlight from customers, employees and the media – your brand is on the line as a result. There may well be areas where progress is needed – our survey highlights this. Yet, this is also an opportunity to showcase achievements and plans for improvement. Either way, these reputational sensitivities mean that boards can't ignore diversity and inclusion or leave them to HR to manage on its own.



Accepting and embracing the differences in humanity – gender, sexual orientation, disability, age, religion or beliefs, and racial or ethnic origin – is vital to the future of our industry."

Melissa Tilling, Managing Director, Funway Holidays So why has diversity and inclusion come under such scrutiny?

Customers are taking a stand

In the same way that consumers are gravitating towards environmentally sustainable businesses, they want to spend their money with diverse and inclusive companies.

Pay gap reporting exposes inequality

The advent of gender pay gap reporting has been a key catalyst by putting the spotlight on the lack of women in the highest paid positions. PwC analysis shows that median gender pay gap for travel (21%), well above the economy as a whole (13%). A key driver is the underrepresentation of women in senior positions and technical posts such as airline pilots.

At present, gender pay gap reporting only covers businesses with over 250 employees, but there are moves within Parliament to reduce the threshold to 50. It's also likely that ethnicity pay gap reporting will soon become a legal requirement and further highlight the lack of diversity in many workforces.

Employees want progress

Just as importantly, diversity and inclusion are a growing part of the conversation within your business, from the extent to which difference is embraced to whether the opportunities to move up the organisation are genuinely open to all. And this is a conversation that your employees are having with their friends and family, many of whom could be customers or potential recruits.

Are opportunities genuinely equal?
Being hired through social connections is much less likely and selection criteria take more objective account of merit and performance. Yet the senior leadership of travel companies still doesn't reflect its employees or its customers – less than a quarter of board members are women, for example.

We have been working for a number of years to tackle our gender pay gap, create an inclusive workplace and increase the diversity of our workforce through the development of our Springboard scheme for women, as well as the launch of engineering apprenticeships."

Nikki Humphrey, Senior Vice-President People, Virgin Atlantic

Diversity and inclusion boost creativity

Royal Caribbean Cruises Ltd (RCCL) has identified that innovation and creativity are increased when the workforce is formed of individuals from multiple different backgrounds, ethnicity, gender or sexual preference.

Jo Rzymowska, Vice-President and Managing Director for UK & Ireland & APAC, Celebrity Cruises, says: "We want RCCL's cultural identity to reflect the make-up of the modern world – diversity and inclusion ensures that our focus is on the talent of our employees."

One initiative that tackles this ambition within the company is five groups representing staff members with different backgrounds. These are: LGBT+ (Pride); women's group (Now); young professionals (YoPro); ability and wellbeing (Roar) and work-life balance.



Attitudes are changing

Forces ranging from new technology to demographic shifts and changing social attitudes are transforming how we work and how we live, while blurring the lines between the two.

A clear sign of change is that more and more women are becoming the main breadwinners, with men taking on more childcare and household responsibilities.

The 9-to-5 working day is also disappearing as flexibility and mobility come into the mix. Far from just a priority for parents with young children, flexibility is an effective way to give staff greater autonomy over how they meet professional demands and balance this with their personal aspirations. Embracing this new way of working means challenging the assumption that flexibility simply means reduced hours by seeking to promote 'agile' ways of working, which may be part-time or full-time, and are flexible in where and when work is carried out. For the generations coming into the workforce, this agile approach is an expectation, which ties in with their desire for empowerment, work-life balance and digitally-enabled ways of working.

The 24/7 demands of the sector can make offering flexible hours more difficult. But this shouldn't be used as a blanket excuse. Although not always easy, you can still create an inclusive working environment and enable your people to work in agile ways without impeding your ability to meet customer demands. The resulting improvements in employee satisfaction and motivation can have a big impact on customer experience. And with job comparison sites lifting the lid on what it's really like to work in yours and other organisations, you risk deterring key talent if your people experience falls short.

Flexibility comes of age: Letting people decide how they work best

Carnival UK believes that promoting the company's fully accessible flexible working policies play a key role in attracting the best staff, as well as retaining them.

"Our flexible working framework isn't targeted just at those with caring responsibilities. It is framed as an approach that supports everyone," says Josh Weinstein, President, Carnival UK. "It's about understanding that everyone is an individual, and that's really what diversity and inclusion is all about – thinking about the employee not as an employee, but as a person."

Customers and employees want you to take a stand

Tour operators, cruise liners and airline companies are household names. The industry and the companies within it can therefore have a powerful influence as an advocate for and beacon of diversity.

And this involves much more than just complying with legal responsibilities. A clear case in point is support for LGBT+ employees and customers who are working in or visiting destinations where they may face prejudice and discrimination. They expect your protection and want you to stand up for their human as well as legal rights.

Clear sense of purpose

Many companies talk about their purpose. Intrepid Group has put real weight behind this commitment by creating the post of chief purpose officer (CPO) at board level. Leigh Barnes, Intrepid CPO's role is to ensure the business meets its objectives in all areas beyond sales and profits, including diversity and inclusion.

"We had people focusing on profit, but we needed someone to give the same focus to our purpose – we wanted to make sure we do the right thing for our people, our planet and the communities we engage with," says Chief Purpose Officer, Leigh Barnes.

Barnes explains that a key focus has been empowering women in the business. "We've been doing a lot of work at a leadership level – we're ahead of schedule on our goal to double female leaders. We've had really good buy-in in India and Morocco from our leaders and we've been changing how are we going about recruiting female tour leaders. We had to change the advertising around the jobs, then we had to have conversations with applicants' families – tour leading may not have been seen to be a great job to go into locally so our leaders have been promoting the opportunities." Conversations also took place at government level in Morocco, to ensure that women were able to apply for the appropriate work permits.

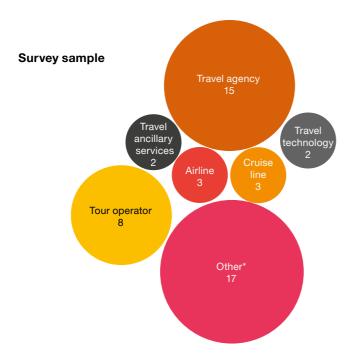
Barnes adds that the company knows that it has lots more work to do in similar ways globally. "We know there are lots of areas we can improve on – we are OK on gender splits but are we diverse enough from an age point of view, employing people of differing abilities or refugees? If we are truly going to make a difference, we need systems change, strong leadership and lots of conversations, just as in Morocco."

The acid tests: How diverse and inclusive is the travel industry?

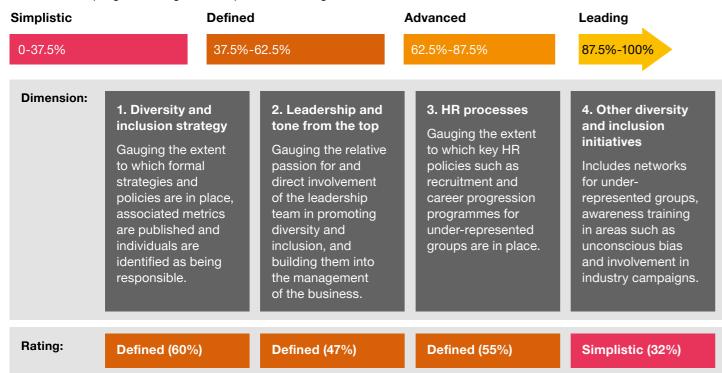
To find out how far the travel industry has come and what more needs to be done, PwC and TTG Media surveyed 50 companies from a cross-section of industry segments including airlines, cruise lines, travel agencies and tour operators.

The survey questions were designed to help gauge maturity of travel businesses across four key dimensions:

- 1. Diversity and inclusion strategy
- 2. Leadership and tone from the top
- 3. HR processes
- 4. Other diversity and inclusion initiatives.



The result is a progress rating from simplistic to leading in each of the four dimensions:



^{*}This includes a range of different firms in the travel sector such as recruitment, training and PR

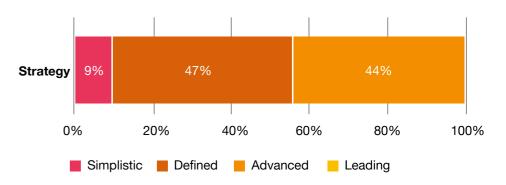
Rating progress

What kind of progress would be needed to achieve a leading score in each of the four categories and how does travel rate?

Diversity and inclusion strategy

Among the key defining factors of a 'leading' business would be a clear diversity and inclusion strategy, which is embedded within overall business strategy. This would be supported by targets and tracking against them.

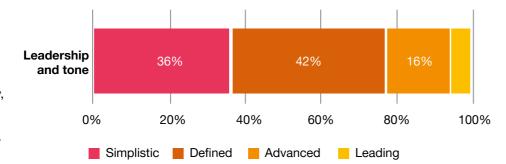
In an example of business strategy and inclusion coming together, a telecoms group has built empowering women in emerging markets into its strategic vision. This includes gearing its services to help women communicate independently and improve access to healthcare and mobile banking.



There are no travel companies in our survey who are 'leading', but more than 40% are advanced. In many cases, the gaps between where the industry is and would want to be centre on application rather than intentions. Having a strategy is one thing, the real imperative is delivering this – actions speak louder than words.

Leadership

Among the key defining factors of a 'leading' business would be ensuring a senior member of the executive team is directly responsible for setting and managing diversity and inclusion policy, rather than delegating this. To support this, diversity and inclusion metrics are built into performance assessment. For example, an insurance group includes performance against diversity targets in its long-term incentive plan balanced scorecard, alongside factors such as customer protection.



Around 5% of the travel companies in our survey rate as 'leading'. However, the bulk are a long way behind, with the board devoting limited time and having little direct accountability for diversity and inclusion.

Brighter futures

Part of Flight Centre's commitment to having a diverse workforce at all levels has seen it create a four-pronged framework, Brighter Futures, with one of the four key elements to this framework focusing on its people.

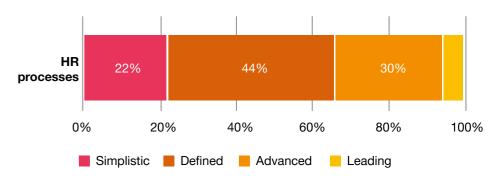
This February, Flight Centre joined Stonewall's Global Diversity Champions Programme. The scheme ensures all LGBT+ staff are accepted without exception in the workplace.

Stonewall also helps Flight Centre to run events, supports networking and has set up a recruitment board to help the company attract prospective LGBT+ employees.

The company also has a focus on ensuring more women secure key senior roles. Fast Track is a programme designed to identify and mentor future senior leaders, both men and women, which currently comprises 57% women.

HR processes

Among the key defining factors of a 'leading' business would be the development and effectiveness of talent identification, recruitment and progression programmes for underrepresented groups. For example, the board within an investment management group actively reviews the advancement of people from underrepresented groups within its talent pipeline as it looks to strengthen diversity and tackle potential barriers.



Around 5% of the travel companies in our survey rate as 'leading' and a further 30% are advanced. However, most have yet to put in place the talent development processes needed to increase the diversity of senior management.

Forging a more diverse leadership team

EasyJet takes a refreshing position on diversity and inclusion. It recognises some of the travel industry's issues with the area – getting more women into senior roles, and more ethnically diverse teams in place, among others – and knows it's not perfect itself. But it's still widely seen as leading the charge among travel companies.

"Currently, 15% of new entrants are female, and within the business, 37% of senior managers are now female. By August 2019 50% of our board will be female," says Sophie Dekkers, UK Country Director.

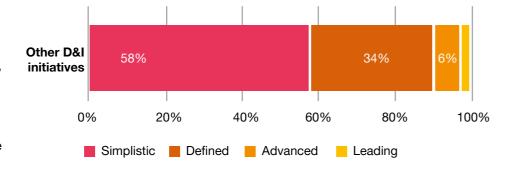
Actions include working with leadership trainers Shine For Women and playing a leading role in the Women in Hospitality, Travel & Leisure organisation, plus signing up to the government's Women in Aviation and Aerospace Charter.

"We've set up systems to support our teams," Sophie Dekkers explains. "A women's network has been established for a number of years now, helping females in the business get together, build confidence and discuss ways in which they can move up through the business."

"We're doing a lot, but we know we can do a lot more," she says. "We'll keep challenging ourselves, for the good of the business."

Other diversity and inclusion initiatives

Typical initiatives would include networks for underrepresented groups, awareness training in areas such as unconscious bias and involvement in industry campaigns. Leading businesses are typically characterised by award-winning programmes and the level of take-up and buy-in within their organisations.



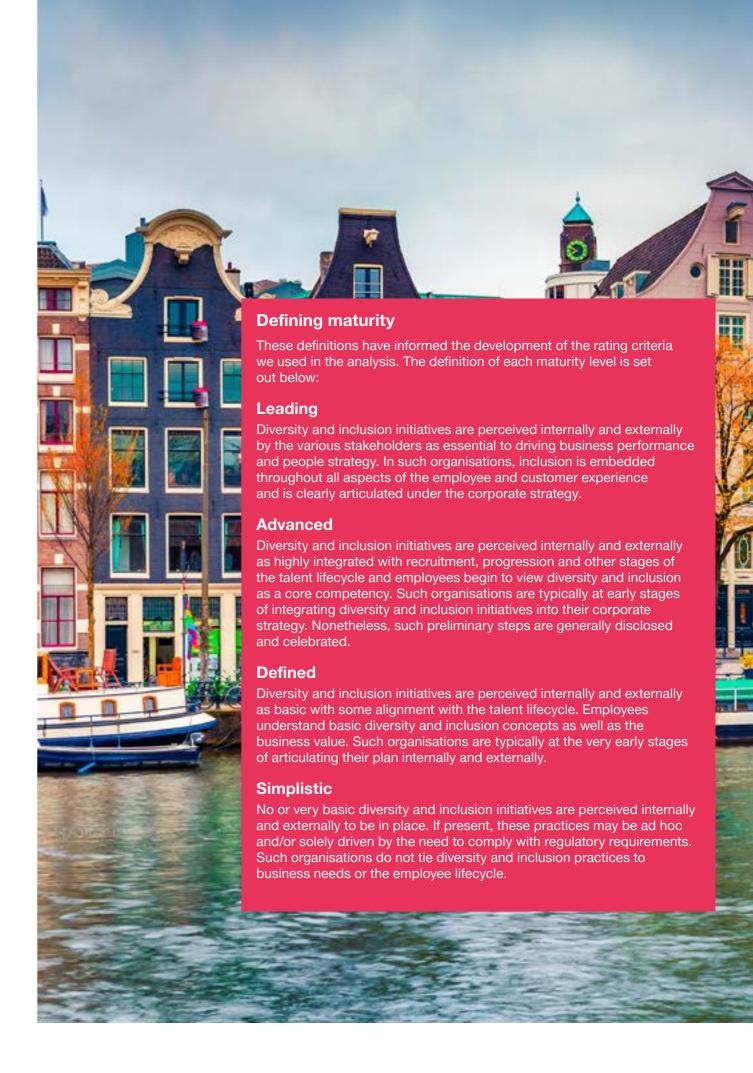
There is one participant that is leading, but most others are trailing – this is the lowest-scoring category in our survey.

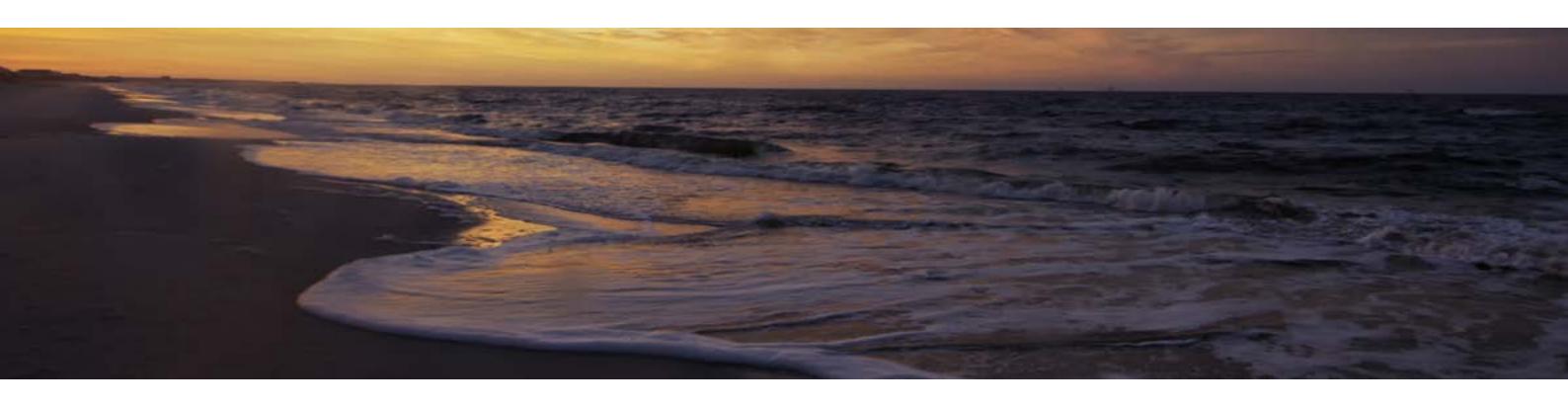
Overall rating

So how does travel compare to other sectors overall? At first glance, scores of 50-60% might not seem too bad. But the par rating for other industries we've surveyed is around 70%, which is some way ahead of travel.

Behind the average scores, there is a wide gulf in the ratings, with a number of respondents scoring advanced across the board and others simplistic.

With the travel industry lagging behind other sectors, the need for a rethink of attitudes to diversity and inclusion and action to tackle barriers is becoming ever more pressing.





What's holding up progress?

For all the good intentions, diversity and inclusion are still generally seen as nice-to-haves rather than as strategic imperatives with bottom-line implications.

The lack of alignment with business strategy is reflected in the limited collection and analysis of data in key areas. For example, only around 20% of organisations collect and analyse data on discrepancies in promotions by gender, race and/or other dimensions of diversity. Less than 20% collect feedback from customers. If diversity and inclusion were seen as business imperatives in the same way as boosting revenue or customer satisfaction, there would be more data to support this.

And while more than 80% of organisations believe that diversity isn't a barrier to progression, the palpable lack of data means that this confidence and the decisions that stem from it are based on assumptions, not fact.

Taking responsibility

A lack of overall accountability is reflected in the fact that while most senior leaders have oversight over diversity and inclusion, they generally delegate direction. Moreover, few are directly accountable for the outcomes.

Leadership is key for setting the tone and providing role models. It is also critical in determining what areas to prioritise and where to intervene. Leaders who fail to use this influential power risk reinforcing the notion that diversity and inclusion are secondary priorities.

Actions not reactions

Organisations are also responding reactively with relevant communications, seeing reputation as something that can be managed through PR as opposed to employees acting as brand ambassadors for diversity and inclusion.

As the public face of change, leaders should communicate progress, explain why it might not be happening in some areas and chart the road ahead. Yet nearly 60% of organisations feel that their business leaders communicate about diversity and inclusion on an ad hoc basis at best or not at all.

Influencing suppliers

Supply chains within the travel industry are highly interdependent, with many travel companies partnering with and supplying others in the industry. This interdependence gives companies significant opportunities to influence policies across the industry by making diversity and inclusion an important condition for doing business with them. Yet, more than half of organisations don't consider supplier diversity at all or only on an ad hoc basis.

The way forward: How can your organisation accelerate progress?

The experience of companies making the most progress highlights the importance of ensuring that diversity and inclusion get the same direction and accountability that would be applied to any other strategic priority. In practice, this comes down to five key pillars for accelerating change.

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Diversity should be an agenda item at board level with a plan and measure of why and what you are doing about it.

We have an inclusiveness plan that has the aim of supporting everyone to feel included and supported."

Gary Lewis, CEO Travel Network Group

1. Align with your business strategy

Treating diversity and inclusion as business critical is the starting point. You can then build them into the fundamentals of strategic management, not just talent selection and progression, but also business planning, marketing and operational management.

2. Provide clear direction and promote accountability from the top

Senior leadership and board members should take the lead. This requires more than just statements of intent. It's important to ensure that someone within the leadership team is given the job of making it happen, and held to account. This can be supported by building diversity and inclusion metrics into individual performance objectives and incentives as part of an organisation-wide accountability framework.

3. Set realistic objectives and action plan

Translate the headline objectives into an action plan that sets out measurable goals and how they will be achieved in practice.

If you've identified unconscious bias as a barrier to advancement, for example, the resulting action plan might include steps such as reviewing job descriptions to ensure the language is inclusive and providing training for interviewers.

If you're a small organisation, you might think that you don't have the resources for this. But greater awareness and a shift in attitudes among management can be achieved at virtually no expense as long as the commitment is there are we hiring and promoting people on merit, for example, or because this is someone we know or fits into the existing leadership profile? And as for the fine points of policy and execution in areas such as job advertising or tackling unconscious bias, bigger companies and industries could and should share best practice with smaller counterparts.

4. Measure progress with real data

What gets measured gets done.

Data-driven decision making is far more credible than guesswork and leaders can use this data to prioritise and stage targeted interventions.

5. Tell it as it is

Tell it as it is by showing the gaps, what the business is doing about them and the objectives to achieve. Use examples to demonstrate impact on people, profit and customer. Even if an organisation is upholding a well-managed image externally, employees know how it feels behind closed doors and the truth will eventually come out.



Conclusion: Time for a rethink

So where does your business begin?

The findings of our survey underline the need for a rethink of diversity and inclusion's place within the boardroom agenda and decisive action to overcome lingering barriers. Without this, key talent will leave and customers will take their business elsewhere.

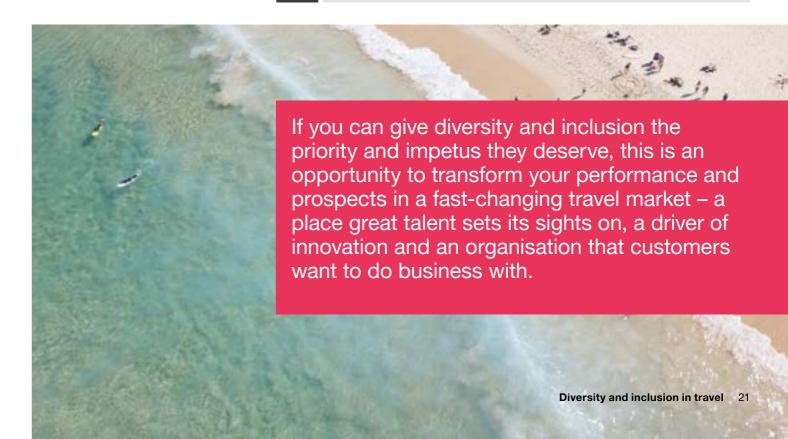
From influencing customer advocacy to bringing in new ideas, diversity and inclusion are strategic issues and key sources of differentiation rather than simply matters for HR. They are also under the spotlight as never before.

Recognising the links between a diverse and inclusive workplace, your brand and the bottom line have never been more important to your success as a business. And the correlation is growing stronger as the momentum around diversity and inclusion increases and more pressure is applied on your organisation to act. Customers are putting their money where they feel an affinity and opting for organisations that can provide an inclusive and relatable experience.

Our survey finds that some of the important foundations are in place. And as our interviews highlight, leading businesses are moving forward on a number of fronts. Yet if the acid test of commitment and progress is whether diversity and inclusion are business imperatives or nice-to-haves, the industry as a whole is falling short. It's hard to imagine that a senior leader would delegate direction to a back office team if customer satisfaction. referral or sales conversion rates were as underwhelming as the industry's gender pay gap results.

As you strive to move the dial on diversity and inclusion and realise the business benefits, we believe that there are five key questions you should consider:

- Are the business benefits of diversity and inclusion clearly articulated within the organisation?
- Are diversity and inclusion treated as business priorities and, if so, how?
- Is there a clear strategy and action plan with robust objectives and measures in place?
- How accountable are you for progress against diversity and inclusion goals?
 - How transparent and open are you with your people about where you are on the diversity and inclusion journey?



About PwC

At PwC, we recognise that promoting diversity and inclusion is the right thing to do. From a business perspective, we also recognise that we need to make sure that we can bring the best talent to our clients, regardless of characteristics such as race, gender or social background.

We have continued to focus on embedding diversity in our business and make sure that we have measures in place to track our progress. For instance, our business leaders are accountable for setting and delivering gender and ethnicity targets and we have a target of a minimum of 30% female partner admits each year, which reflects the director talent pool from which they are drawn.

About TTG

TTG Media resonates through the travel industry in the UK, Ireland and beyond as the authoritative and trusted trade media voice through its many events, website ttgmedia.com and its magazines.

Extensive research of the travel industry has seen the business rebranded in 2019, the redesign of weekly magazine TTG, and the introduction of a new Smarter, Better, Fairer vision for travel.

In recent years TTG has become well known for championing diversity through its TTG LGBT network and its partnership with the Everywoman in Travel awards, and for celebrating the youngest achievers through the TTG 30 Under 30, run in association with ITT. Its Diversity Charter has been signed by most of the major businesses in travel, while in July 2019 it hosted the first TTG Diversity & Inclusion in Travel conference.

ttgmedia.com continues to be the home for many of the travel industry's breaking news stories, while the business remains underpinned by TTG, publishing weekly since 1953, and quarterly title ttgluxury.

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