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The status of women in the UK travel & tourism industry: an evaluation of the cruise and tour operator sectors

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THE STATUS OF WOMEN IN THE UK TRAVEL & TOURISM INDUSTRY:

An evaluation of the cruise and tour operator sectors

In collaboration with AWTE

Prepared by Dr Petra Glover and Angela O'Reilly
based on dissertations by Heather Bratton and Angelina Periskic

UNIVERSITY OF EAST LONDON SCHOOL OF BUSINESS & LAW

DELIVERED MARCH 2016



association of women
travel executives



**School of
Business and Law**
University of East London

Allow us to proudly introduce the AWTE Women In Travel Empowerment Index.

With this inaugural survey, AWTE has created a vehicle that will, on an annual basis, provide the definitive guide to the status of women within the UK travel and hospitality industries.

This will enable us to monitor and advise on the empowerment of women within this sector of the economy. We, in conjunction with the University of East London intend to supply benchmarking data that, over time, can show the progress (or otherwise) of women in the sector – both in current leadership roles and influence, and in predicting future trends in female leadership of the travel and hospitality industries.

The word empowerment is positive. The report will celebrate how well women are doing within the industry as well as illustrate the potential they have and can bring to the industry in addition to highlighting areas of the sector that could do better.

The role of women and their success in the UK travel and hospitality sector has until now largely been based on anecdotal evidence. With this empirical evidence we can now have a meaningful debate and help devise a clear strategy. Our benchmarking index will annually, across a range of metrics, examine quantitative and qualitative studies in the travel and hospitality sectors and leading women in travel will be profiled. Over the coming years we will be examining how many women are employed in management (junior, middle and senior) in the hospitality, car rental, aviation, tour operating, travel retail, cruise, ferry and ancillary (insurance, attractions etc).

The statistics will allow straightforward comparison between sectors of the industry. Which sector is most enabling for female career progression and which is not doing so well? How do they perform year on year? We believe this will give us a fuller picture and can help businesses review their own practices.

We want to say a huge thank you to all of those women who participated in this first survey, you have provided the colour and brought life to our report and we look forward to involving more of you in the future.

Please contact AWTE if you are inspired by our work and would like to participate or find out more about our future research process.

We look forward to the debate.

Best wishes

The AWTE board of Directors 2016

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1 INTRODUCTION

There is a much quoted “fact” that tourism is an industry of choice for women. Indeed, according to the British Hospitality Association (BHA) approximately 60% of employees in the tourism and hospitality industries are women.¹ Yet, despite a number of recent, high-profile, executive appointments of women in large UK-based travel organisations such as Carolyn McCall (CEO, Easyjet), Harriet Green (former CEO, Thomas Cook), Sally Balcombe (CEO, VisitBritain) and Sandie Dawe (former CEO, VisitBritain), female executives seem to be underrepresented.

To date, little comprehensive reliable research exists that supports or rejects the hypothesis that women are overrepresented as employees but underrepresented as executives in UK tourism organisations. A report published by Equality in Tourism in 2013 was an important contribution to highlighting the discrepancy between the number of women in the tourism workforce and their appointment to company boards. The Equality in Tourism survey incorporated 78 companies across four industry sectors and found that “only 15.8% of all board members are women” and that “in more than a quarter of the companies surveyed, there was not a single female board member”.²

The report presented here is a first step towards developing an annual index for the United Kingdom that not only identifies the current status of women in tourism organisations but also tracks changes over time. It follows in the lines of the Davies Review which was launched by the UK government in 2010 to examine the representation of women on the boards of FTSE 100 and FTSE 250 companies and to make recommendations regarding the removal of potential barriers to career progression.

2 METHODOLOGY

This report presents data collected from two sectors: tour operators and cruise operators. For both sectors the gender composition of company boards has been used as an indicator for the status of women. Gender diversity on company boards in 2015 is compared with 2005. The availability of relevant data for 2005 limits the number of companies that are included in this report. Further, due to the significant M&A activity in both sectors, like-for-like comparisons between companies over the ten year time period are also constrained.

¹ http://www.bha.org.uk/bha_news/gender-gap-transparency/

² Equality in Tourism (2013) Sun, sand and ceilings: Women in the boardroom in the tourism industry. Equality in Tourism, p. 2.

Table 1: Overview of companies included in the statistical analysis

	2005	2015
CRUISE OPERATORS	Royal Caribbean Carnival Corp & plc Genting (Star Cruises) Mundy Cruising	Royal Caribbean Carnival Corp & plc Genting (Star Cruises) Mundy Cruising Princess Cruises
TOUR OPERATORS	Shearings Holidays All Leisure Group Kuoni Travel Thomas Cook Thomson First Choice Lunn Poly	Shearings Holidays All Leisure Group Kuoni Travel Thomas Cook James Villas Flight Centre TUI travel plc

In addition to examining the board statistics, telephone interviews were conducted with seven women in executive positions who shared their experiences and perceptions of the status of women in the UK tourism industry. All seven interviewees have been working in the travel and tourism industries for at least 20 years and currently occupy an executive position.

Table 2: Overview of interview participants

NO.	TOUR/CRUISE OPERATOR	POSITION	TIME IN COMPANY
1	Cruise Operator	Owner/ Director	15 years
2	Cruise Operator	HR Director	25 years
3	Tour Operator	Managing Director	5 months
4	Tour Operator	Retail Director	28 years
5	Tour Operator	UK Sales Manager	3 years
6	Tour Operator	Nordic Development Manager	21 years
7	Cruise Operator	Group Operations Director	4 years

3 FINDINGS

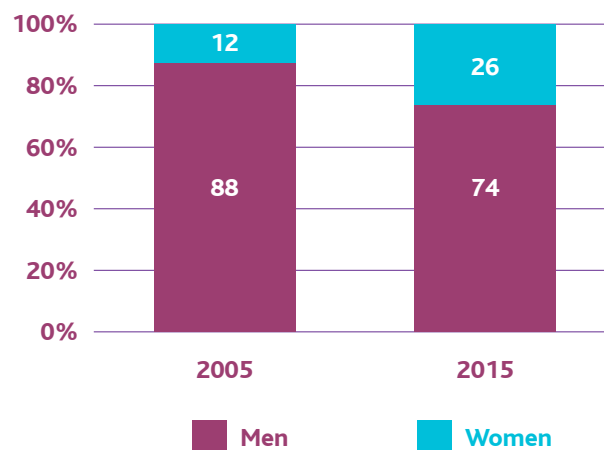
3.1 BOARD STATISTICS

3.1.1 Gender diversity

A sample of selected companies in the cruise and tour operator sector was chosen to examine the representation of women on company boards.

The results show that significant improvements in gender diversity were made between 2005 and 2015 on the boards of the companies selected for this report. In 2005, an average 12% of the board members were women. In 2015 female representation has grown to an average of 26%.

Figure 1: Average gender distribution of board members in 2005 and 2015 [%]³



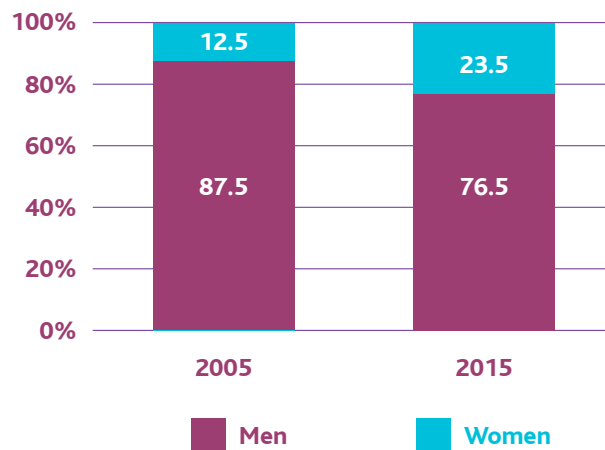
We have compared our findings with statistics derived from the 2015 Davies Review Annual Report According to the 2015 Davies Review Annual Report "Women's representation on FTSE 100 boards now stands at 23.5%, almost double where we started at 12.5% in 2011."⁴ Whilst the time series of the two surveys are different, the similarities in the findings are compelling as both record a marked increase in the proportion of women board members over time. That said, at circa 23-26% representation in the two samples, it is clear that there remains scope for further growth in the representation of women at board level.

We have also compared the results of our sample with those presented by Equality in Tourism 2013. We note that our smaller sample records a higher proportion of women board members, at 26% in 2015, than that suggested by the Equality in Tourism report, at 15.6% in 2013. This may reflect the broader sample base within the Equality in Tourism report and suggests that our limited sample may overstate the representation of women across a wider range of tourism sub-sectors. This is an area we would hope to address in subsequent iterations of this report.

³ Data retrieved from the following sources: Bloomberg Database, Carnival Corporation (2015), Company Check, Royal Caribbean (2005) Star Cruises Limited (2005).

⁴ Department for Business, Innovation and Skills (2015) Women on boards: Davies Review Annual report 2015. London: UK Government, p.4.

Figure 2: Average gender diversity on FTSE100 companies [%]⁵



Returning to the specific findings of the sample used for this report, there is significant variety in the gender distribution of board members among the companies. Selected key findings include;

- In 2005, the highest share of female board membership was 50%, albeit on a two-person board. Four of the eleven selected companies (36%) had no female representation.
- In 2015, one company has more female than male board members (63% women), and two of twelve companies (16%) have no women on their board.

The statistics show an improvement in the representation of women over time with fewer boards being all-men in 2015. Again, the Equality in Tourism figures in 2013 suggest a higher proportion (over a quarter) of all-men boards inferring our sample may overstate the current representation of women. What is clear, from the findings of both samples, is that the tourism sector is lagging behind the FTSE 100 companies where “there are now no all-men boards”.⁶

It is noteworthy that the size of company boards varies between companies in our sample, ranging from 2 to 20 in 2005 and from 2 to 9 in 2015. This potentially signifies a trend towards smaller executive boards. However, there is no indication that the size of the board affects the level of gender diversity.

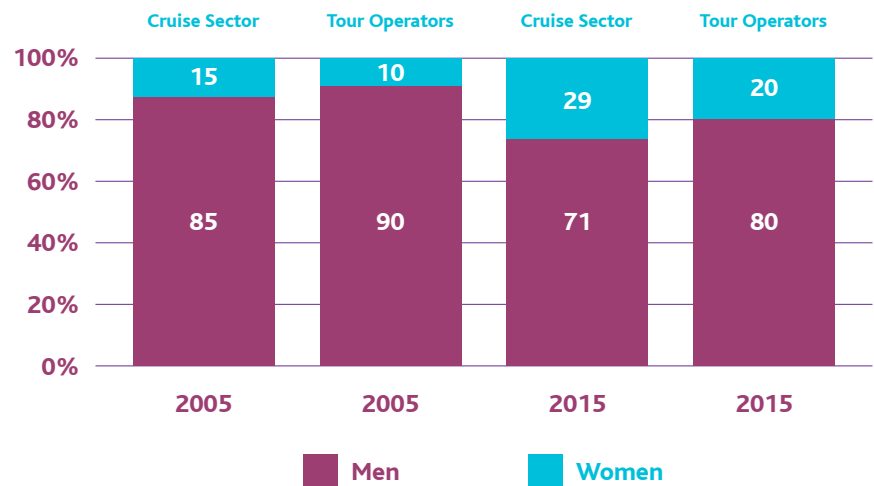
3.1.2 Comparison between industry sectors

Our results support the findings from Equality in Tourism that there are differences between industry sectors regarding gender diversity on boards. Among the cruise companies the average female representation on the board grew from 15% in 2005 to 29% in 2015. In contrast, gender diversity was and has remained lower among the tour operators where women represented 10% of all board members in 2015, compared with 20% in 2005.

⁵ Department for Business, Innovation and Skills (2015) Women on boards: Davies Review Annual report 2015. London: UK Government, p.4.

⁶ Department for Business, Innovation and Skills (2015) Women on boards: Davies Review Annual report 2015. London: UK Government, p.4.

Figure 3: Comparison of average gender diversity between industry sectors [%]



3.2 INTERVIEWS

3.2.1 Changing equal opportunities over the past 10 years

Respondents were asked if they believed that equal opportunities for men and women exist in their company and in their industry sector, and whether there had been any change over the past 10 years.

All of the women were confident that equal opportunities exist within the company they currently work for. Two participants specifically highlighted that jobs are given on merit and not based on gender.

One respondent stated that 'travel is the one industry that does have equal opportunities'. However, most interviewees were less confident about equal opportunities in the industry. Despite these reservations, most acknowledged that opportunities for women to reach senior positions had improved over the past 10 years. This perception is reflected in one respondent's statement that "there has been a lot of change in my generation (...) the next generation will see it change even more". Another respondent however argued that changes were more visible in junior and middle management than at senior and executive level. One interviewee highlighted the potential influence of motherhood on career opportunities by stating that "women without children have had more opportunities (...) getting to senior positions".

3.2.2 Gender composition of employees and board

Respondents were asked about the gender composition of their staff in general and the board in particular. The responses confirm the hypothesis that many businesses have a higher proportion of female employees than executives. According to the respondents the proportion of women among employees ranged between 50% and 78%, whereas only between 15% and 60% of board members were women. Three of the seven companies had 50% or more female board members.

3.2.3 Introduction of gender quotas

Participants were asked whether they would welcome the introduction of gender quotas for company boards. Opinions were divided. One respondent stated that this could be counter-productive as "companies should not be

handcuffed into employing a certain amount of women". Another however argued that gender quotas may encourage women and assist in developing their confidence to put themselves forward for such positions. Generally, there was consensus that any position, including board membership, should always be assigned on the basis of merit, ensuring a fair job selection process that results in appointing "the right person for the role".

3.2.4 Pay transparency

Different opinions were voiced regarding the recently introduced Equal Pay (Transparency) Act 2015 which requires "employers of more than 250 employees to publish information relating to the pay of employees for the purpose of showing whether there are differences in the pay of male and female employees".⁷ Most respondents considered revealing pay levels a positive development as it would stop bias. However, some believed that it may not be helpful because it could prevent recognition of individual qualifications as "different people in the executive level get paid differently [...] due to different skill sets".

4 CONCLUSION

The findings presented here confirm that women are currently underrepresented on the boards of many UK cruise and tour operator companies, although progress in gender diversity has been made over the past 10 years. This observation was supported by both the board statistics and the narrations from female executives that were interviewed for this report. Further it is important to note that there were divided opinions regarding the introduction of gender quotas and pay transparency as means of improving gender diversity at executive level.

5 RECOMMENDATIONS FOR FUTURE REPORTS

As this report was set out as a first step towards an annual index of gender diversity in the tourism industry, the following recommendations are made to improve the value of the report in the future:

1. General

- a. To increase the number of represented industry sectors to provide a more complete picture of the entire industry.

2. Statistics

- a. To increase the number of companies included in the statistics. This should be achievable if more focus is placed on year-on-year comparison than developments over 10 years.
- b. To include a pay analysis, allowing a further insight into gender equality.
- c. To explore the functions of the executive positions held by women. This would provide an indication whether there are certain functions in which women experience better career progression opportunities, and whether "typically female roles" relate to gender pay imbalances at board level.

3. Interviews

- a. To increase the sample size for the interviews to gain a broader range of opinions.

⁷ UK Government (2015) Equal Pay (Transparency) Act 2015, London.

- b. To include both men and women in the interview sample to achieve a wider perspective of opinions and experiences.
- c. To add interview questions
 - i. Regarding existing measures within the company that promote gender diversity at executive level and suggestions for further measures. This broadening of the report objectives would bring it further in line with the objectives of the Davies Report.
 - ii. Regarding suggestions how career progression of women could/should be measured within companies or industries.

ACKNOWLEDGEMENTS

We would like to thank the board of AWTE for assisting us with identifying and recruiting participants for the interviews, as well as the seven interviewees for their time and insights.

LIST OF KEY PUBLICATIONS

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We trust that you have been enlightened and encouraged by our first report. We want it to inspire businesses to do more; there is definitely plenty of room for improvement and change.

This was the beginning, the first steps into what we want to be a bigger discussion and we can only do that with your help. We will be sending out more surveys and also asking more of you to get involved with our interviews for further research. We can't do it without you.

A huge thanks goes to those of you who took part, we do keep the responses anonymous as you can see from this initial report. It doesn't take much of your time and helps us enormously. So please do get involved for the next stages of this index as well as the further research that we want to conduct on behalf of the industry.

We must also thank Tricia Handley Hughes from Pinpoint Communications who gave the AWTE our initial introduction to UEL, as well as Steve Dunne from Brighter for his enthusiasm and support throughout the process. Our Partnership Director Kylie Mather worked hard to bring it all together and to all of you we appreciate your dedication.

The University of East London have been fantastic in giving us direction, support and of course preparing the report and we are delighted that they have agreed to be part of this ongoing collaboration. Their involvement opens areas of discussion that we can explore with you. The students involved work hard and this forms part of their course work, developing them as well as helping all of us. We are extremely grateful to them and look forward to our ongoing relationship to bring you and the wider audience a real look at gender diversity in the sector.

We will be in touch with our next steps, further surveys and asking you to get involved with interviews. Comparison is important and it is our aim to ensure we reach as many of you as possible covering the breadth of the sector with your views, opinions and facts to allow us to report and encourage for the future.

Yours

Debbie Dale
AWTE CHAIR 2016

About AWTE

Founded in 1954, AWTE is a member organisation that provides women in the travel industry with a programme of professional development seminars, workshops and events for business improvement and networking. A not-for-profit organisation, the AWTE is run voluntarily by a board of experienced senior women in the travel sector. In addition to individual membership, AWTE offers Company Membership that welcomes male members.

For all latest news and events visit: www.awte.org.uk

To join the AWTE email: membership@awte.org.uk

Press enquiries please contact: pr@awte.org.uk



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