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"Diversity: The Face of Hospitality,"  
Keynote Remarks for Conference on  
"Quality Through Diversity"

Renaissance Orlando Airport Hotel

September 8, 1997

Orlando, Florida

Good morning, ladies and gentlemen, and thank you for having me here on behalf of The Travel Industry Association of America. I am happy to be a part of this special Quality Through Diversity Conference.

Quality through diversity: It is a subject that is top of mind and of particular relevance to the United States travel and tourism industry and its future. As you can expect, I have some thoughts on the subject that I would like to share with you this morning and I will get to those in short order but first ... I would first like to tell you a little about the organization I serve, the Travel Industry Association of America, or TIA, and why we are interested in the subject of diversity.

TIA is the national, non-profit association comprised of more than 2,000 businesses and organizations, large and small, from both public and private sectors ... and representing every component of the nation's vast and diverse travel and tourism industry. We are its hotels and hotel chains, airlines, car rental companies, buses, trains, cruise lines, theme parks and attractions, tour operators, major travel agencies, state tourism offices, convention and visitors bureaus, university travel and tourism programs, vertical associations that represent specific components of the industry, and more. Many here today are TIA members, including two of this conference's sponsors, the Conrad Hilton College of Hotel and Restaurant Management and the American Hotel & Motel Association.

We have a research department, the U.S. Travel Data Center, which provides regular reports on travel activity and markets based on two monthly national surveys and other data bases. And we have other departments that focus on marketing, membership services, government affairs, strategic planning for the U.S. travel industry, and more.

TIA's principal mission is national in scope: to represent the whole of the \$467 billion U.S. travel industry in order to promote and facilitate increased travel to and within the United States.

As an association staff, we could not carry out this mission on our own. Our strength lies in the active involvement of our industry leaders. Serving on our board of directors, for instance, are more than 90 senior executives from every major component of the travel and tourism industry. And some 200 additional industry professionals serve on our nearly 20 TIA committees that focus on activities reflecting the broad spectrum of interests that are important to our travel industry.

In sum, TIA speaks for the whole of the U.S. travel and tourism industry because it serves ... and is served by ... the whole of the U.S. travel and tourism industry.

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Let me return now to my message for today. As the theme of this conference suggests, it has to do with the people who make up the U.S. travel and tourism industry ... as well as the people who buy its products and services. This population is changing and will continue to change -- literally change -- the face and complexion of America as it does so.

How are we ... the U.S. travel and tourism industry and its many parts, including the hospitality industry ... going to deal with such change?

As I thought about dealing with this change, I recalled an observation on the subject of change that was made three years ago by a well-known industry leader from the Orlando area in keynote remarks at a TIA conference. The speaker was our good friend Judson Green, president of Walt Disney Attractions. Here is what Judson said. "We all think sometimes that we'd like

things in our life to remain the same. But change, really, is the only constant. ... We cannot stop it and we cannot escape it. We can let it destroy us or we can embrace it. We must embrace it. Change is the force that causes us to take a look at the familiar in new ways. Change drives us out of our comfort zones and forces us to rearrange our thought patterns. Change makes the adrenaline kick in and motivates us towards achievement.”

This morning I would like to emphasize, clearly and directly, that we as an industry should not wait passively for diversity to pervade our industry. In fact, to varying degrees, diversity has already come to our industry. And the projected, continuing change in demographics will provide our industry with new opportunities ... new markets, that is ... to deal with ... markets that are simultaneously the same and different than those we've dealt with in the past. Thus my first point of emphasis is that it is only practical that we take advantage of our nation's changing demographics.

As we better understand the potential of these new markets and are better able to serve them, we will create more jobs and provide more economic benefits to our nation and its people. This leads to my second point of emphasis which is that the pursuit of increased diversity in the U.S. travel industry is a profitable venture.

Finally, my third major point of emphasis is that tapping the rich resources represented by the vast diversity of our nation's people is the proper and ethical thing to do.

There are, unfortunately, periods of American history in which one group or another has been excluded from full participation in our society -- sometimes forcibly, sometimes by statute, sometimes by ancestral and/or cultural animosities. Instead of waiting passively, standing on the sidelines as grater diversity pervades the U.S. travel and tourism industry, we should become players and pursue it actively. By playing an active role, our industry can help to ensure our era is recorded as a period of inclusion rather than one of exclusion. When the cultural, economic and sociological historians 50 years from now assess what we in the travel and tourism industry did in dealing with our nation's changing population, I want them to record that we did the ethical thing, the proper thing.

More simply stated, my message to you this morning is that in pursuing and achieving greater diversity in our dynamic travel and tourism industry, we are in pursuit of an objective that is practical, profitable, and proper.

Before we explore these three points in greater detail, we should have a common understanding of what we mean by the key word in this conference: diversity.

For the most part, when travel and tourism professionals -- as well as professionals in other industries -- discuss “diversity,” they are discussing populations using criteria that are usually based on race and gender. While these are the most widely referenced criteria in a discussion of diversity in the U.S. population, they are certainly not the only criteria.

The diversity of the overall population of the United States manifests itself in many other ways. Race and gender aside, for instance, people from the southern United States understand themselves to be southerners, with a cultural and historical background, a way of speaking, and a taste for distinctive foods and music that not ordinarily found in New England. Ask a sampling of people from the Midwest if they are different from the rest of the country, and they will no doubt be able to give you many examples of why they are. The same result would occur if you interviewed a representative sample of individuals from southern California or New York.

There is also great diversity within populations that marketers sometimes tend to lump together. Not infrequently, for example, you will hear of references to the “Hispanic Market.”

But certainly, the poetry of Jose Marti and the music of Tito Puente have much more significance to Cuban Americans than they do to the large Mexican American community in our nation's Southwest. And while the 27<sup>th</sup> of September -- the day in 1821 that Mexican soldiers defeated Spanish troops and declared Mexico's independence -- is widely observed by Mexican Americans, it is not that significant to the New York area's large Puerto Rican population.

Diversity in our nation's people is also evident in those parts of our population who live with some physical disability, have different sexual orientations, speak English in different ways, or practice religions not known to most Americans a generation ago.

Yes, ours is a nation with great diversity -- in fact greater diversity than probably any nation that has ever existed. And we as a nation are enriched by this diversity.

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With the understanding that the definition of diversity is very broader ... let me reference some of the more widely used criteria used to define it.

The three largest minority groups in America today -- African-Americans, Hispanics, and Asian Americans/Pacific Islanders -- today make up 26 percent of our population. This figure will grow to 36 percent by the year 2020 and to 47 percent by 2050. This means that, not long thereafter ... the travel and tourism industry, just like every other industry, will be employing, marketing to, and courting a population that is a "majority of minorities."

As the head of an Association with a strong reputation and bent for marketing, you might expect to hear from me some suggestions as to what types of products we should offer such a market and specific ways to market and promote to minorities. Indeed, last year, TIA published a comprehensive report, *The Minority Traveler*, that provides valuable information for travel marketers interested in better understanding and tapping more fully into minority markets.

My counsel today is simple and, at first blush, seems all too obvious. For the travel and tourism industry -- an industry whose many components focus on the activity of people serving people -- I suggest that we make a more emphatic effort to link the employee to the customer.

As the travel market changes -- reflecting the growing diversity of our nation's population -- so should the workforce: from the ticket counter, turnstile, front desk, and reservations office to the sales office, concierge station and management team ... connecting the employee to the customer at every point of the process through which our industry sells and distributes its product.

Linking the employee to the customer may seem obvious because it is something that has been underway throughout our travel and tourism industry for years ... and it works. How often, for instance, have you visited a theme park, a museum, a restaurant or a hotel and noticed on an employee's name tag his or her home town or country listed?

This listing of name and home does not provide any additional services to a theme park patron or a hotel guest, but it certainly helps connect the employee to the customer, particularly if the customer is from the same city, state or country and shares something in common.

For the international traveler, such a listing may signal that the employee speaks the same language, a very significant factor for the customer who ... more likely than not ... probably speaks English, but is made to feel more comfortable if the customer can connect in his or her native tongue.

I use this example because the international travel market has grown substantially in importance to the U.S. travel industry in recent years: it generated 26 billion dollars in

expenditures in 1986 and grew to 90 billion dollars last year, a 346 percent increase. And we expect the international market to continue to grow at a healthy rate well into the millennium.

Consider the case of Brazil, which is now the number five overseas market for our industry, sending just under a million visitors to the U.S. last year. How helpful is it to Brazilian visitors if a U.S. travel supplier's employees speak Portuguese? The president of the tour company that brings more Brazilians than any other company was quoted in an article last year as saying this: "The difference between speaking the language and not speaking the language is the difference between working for the business or having it given to you."

In a similar vein, consider the case of Japan, our top overseas market, last year sending an estimated five-million-plus visitors to the U.S. It is a highly prized market for those who supply the U.S. travel experience. A Japanese visitor spends, on average, at least three times what a U.S. traveler spends on a typical domestic trip.

All the marketing savvy that exists, however, doesn't connect the employee to the Japanese visitor quite as effectively, for example, as a Hilton Hotels program I would like to tell you about. Several years ago, in conjunction with the Japan Hotel School, Hilton began bringing Japanese students to selected properties to serve as interns. The purpose of the program is to train these students for careers and to provide a better guest experience for Japanese visitors. The percentage of Japanese visitors to the properties taking part in this program has increased. Some of the students have gone on to careers in the company, which now has 23 interns at 11 properties.

I've cited just a few examples of how practical and profitable it is to connect the employee to the customer. There are many others that I could cite. But they all confirm the importance of connecting the employee to the customer -- whether the employee is the senior vice president of marketing for a receptive tour company or the operator of a theme park boat ride. And as our travel market grows more diverse, so too should our workforce, from bottom to top so that the two -- the market and our workforce -- can better connect.

I reiterate that it is an obvious point, but one that we will have to address with greater emphasis as we try to connect -- and connect profitably -- to a larger and more diverse travel market in the future.

Thus far, I've illustrated how it will be both a practical and profitable pursuit to draw upon the diversity of population to staff our industry -- at all levels -- in order to connect an increasingly diverse market of potential customers. I don't have to tell you, however, that as we discuss the issue of quality through diversity at this conference, meaningful diversity in the workforce does not exist at all levels within the U.S. travel industry and its many components.

And this deficiency in workforce diversity at all levels leads me to my final point. We should take advantage of the diversity of our nation's population not only because it is practical and profitable; we should act because it is right and proper.

In the 1960s, the social and economic environment in this country was such that U.S. society attempted to promote and legislate diversity and inclusiveness in our nation -- in its businesses, in its schools, in its communities, and in its places of public accommodation, and more. Congressional laws, Presidential proclamations and Judicial rulings attempted to do this through affirmatively acting to ensure an equal opportunity for access in businesses, housing, and funds for education and sports activities at public institutions, for examples. For better or worse, we are observing an erosion of support for this approach in the mid-1990s.

Yet, this is no reason why business and other communities, especially our industry, can't actively promote diversity and inclusiveness independent of government intervention.

Last November, a major U.S. corporation was severely embarrassed by reports of comments made during a meeting by some of its officers that disparaged minorities and women.

Days after this episode, many of our major travel and tourism businesses and organizations issued statements to their employees and shareholders that reaffirmed their commitment to equal opportunity and treatment. For example, American Airlines issued a statement which said: "This unhappy incident is a powerful reminder to us all about the importance of treating everyone with whom we are associated -- our colleagues, our suppliers and our customers -- with dignity and respect at all times. As the business world becomes ever more diverse, only those companies that maintain a business environment in which all people are treated with respect and dignity -- without respect to age, ethnic background, gender, sexual orientation, religion, or disability -- can hope for continuing success."

American Airlines has set accountability standards in hiring and promotion ... has established a Diversity Advisory Council whose employee members are encouraged to bring new perspectives to our business ... and actively sought minority and female suppliers.

Indeed, American Airlines had already become, for instance, the first Fortune 100 company to establish an entire gay and lesbian national marketing and sales team ... and had been recognized as the first major U.S. airline to specifically include nondiscrimination on sexual orientation in their employment policies. They didn't have to take such actions. They didn't wait for the courts or legislation to mandate them to take such actions.

To be sure, American companies -- as well as others that have taken pro-active steps on the issue of diversity -- recognize the practical and profitable reasons for reaching out to more diverse markets. But it also emphasized that these actions are the right and proper things to do.

As American Airlines added in its closing statement: "In the end, having a satisfactory environment depends on each of us meeting our individual obligation to treat every other person -- colleagues, customers and suppliers alike -- with respect and courtesy. To do otherwise is to devalue ourselves and our company."

Back in the civil turmoil of the 1960s, the late Dr. Martin Luther King used to say ... and say often ... that "the only way for evil to succeed is for good men to do nothing."

Let all of us who make up the vast and diverse U.S. travel and tourism industry not wait for greater diversity to come to our businesses and our organizations. That would be doing nothing.

Let us do something. Let us not wait for legislatures or litigation to mandate action. Let us not wait for the hook of public opinion to pull us toward change. Recalling what Judson Green said, let us, as an industry, embrace change. Let us embrace greater diversity throughout the travel and tourism industry.

And let us embrace greater diversity because, yes, it is practical. Let us embrace greater diversity because, yes, it is profitable. But equally important, let us embrace greater diversity because, yes, it is the right and ethical and proper thing to do.

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Ladies and gentlemen, I thank you once again for having me here on behalf of TIA and the U.S. travel and tourism industry that it serves.

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