



mfha®

**Multicultural Foodservice &
Hospitality Alliance**

The Risk & Reward of DEI Leadership

June 11, 2023



Agenda

- MFHA background
- State of DEI in the industry
- Insights and observations
- Risk and reward of leadership
- Summary and call to action
- Question and comments



Who We Are

MFHA is an educational non-profit with the mission to increase cultural diversity in the restaurant, foodservice, and lodging industry to improve business results.

What We Do

MFHA provides access to diversity and inclusion expertise, insights, education, solutions, and networking for its members and the industry.



Our Approach to DEI

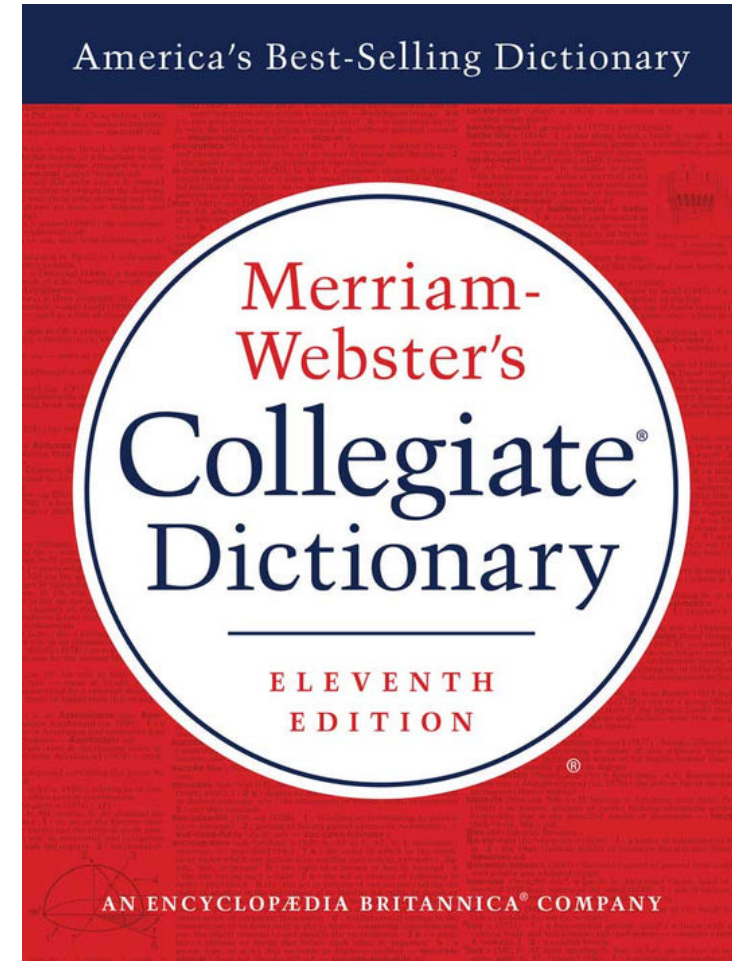
Diversity of **thought**, **perspective**, and **experience** is the goal.

Diverse points of view produce better results.

When people feel included, they are more engaged, more loyal, and more willing to contribute their talent and skills to the enterprise. With inclusion, everyone wins.

Definitions

- **Diversity** acknowledges the many ways that people are similar and different.
- **Equity** is about fairness. It is giving people equal and fair opportunity to participate and to access opportunity.
- **Inclusion** is feeling like you are a part of a group. You are included. It's a situation of giving employees a feeling of belonging.



Belonging

- **Chick-fil-A** - *We inspire a community by meeting people where they are. We promote and sustain a culture where all individuals can thrive and contribute their personal best.*
- **Yum! Brands** - *We're making room for all people and voices at our tables by taking bigger, bolder steps to ensure we reflect the customers and communities we serve in every corner of our business.*



Strategic Pillars

- **Deliver Talent Solutions:** Insights, education, and training that helps companies attract, develop, and retain multigenerational and multicultural talent.
 - *Multicultural Recruiting, Leadership Development*
 - *Unconscious Bias, Community Engagement*
 - *Inclusive leadership best practices to increase employee engagement & retention*
- **Build & Protect The Brand:** Education on how to build cultural authenticity and brand trust with multicultural stakeholders to minimize risk and build loyalty.
 - *Affirmative outreach to communities to build relationships that attract guests & talent*
 - *Strategic planning to intentionally position the brand on issues it values*
- **Develop Strategy & Best Practices:** Consulting, facilitation, speaking, and research for executives, franchisees, meetings, retreats, strategy sessions, and conferences.
 - *2022 Diversity & Inclusion Industry Survey Best Practices*
 - *E.L.E.V.A.T.E.- DEI Framework for the restaurant industry*

Why DEI Matters in Corporate America

- **FINANCIAL PERFORMANCE:** McKinsey & Company's Diversity Wins report found that companies in the top quartile for racial and ethnic diversity are 36% more likely to have above-average financial returns.
- **INNOVATION:** A study by the Peterson Institute for International Economics revealed that companies with gender-diverse executive boards had a 6% higher net profit margin.
- **TALENT ACQUISITION:** Glassdoor's Mission & Culture Diversity Index found that 67% of job seekers consider diversity an important factor when evaluating companies and job offers.
- **CUSTOMER LOYALTY:** A survey conducted by Accenture revealed that 29% of consumers are more likely to switch to a brand that demonstrates a commitment to diversity and inclusion.

State of DEI in the Hospitality Industry

A person is holding a large white sign that says "OPENING SOON" in a bold, serif font. The person's face is partially visible at the top of the sign, and their hands are holding the edges of the sign. The background is blurred, showing what appears to be a storefront at night.

OPENING
SOON

Covid's Impact on the Workforce

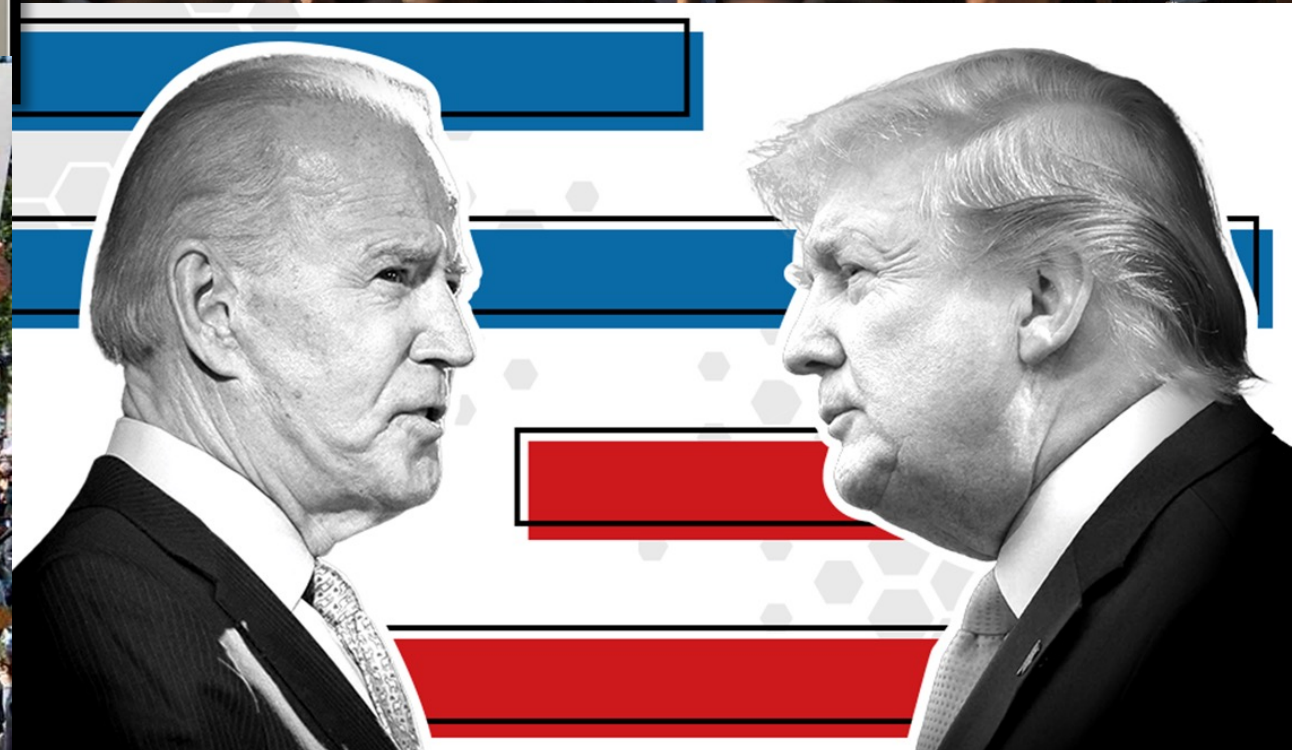
- Latinos and Blacks less able to socially distance, and work from home
- Discrimination, stereotypes, physical threats
- Psychological safety concerns
- Big health care disparities
- Trust in the brand, trust in the industry eroding



Guests Behaving Badly Staff Not Trained to Respond

- Excessive use of profanity
- Refusal to abide by the rules. i.e., cutting in line, offensive attire, use of cell phones
- Firearms in the restaurant
- Threatening of staff or other guests
- Being excessively loud after repeated warnings
- Physical altercations with other guest or restaurant staff





Increase in Anti-Semitism



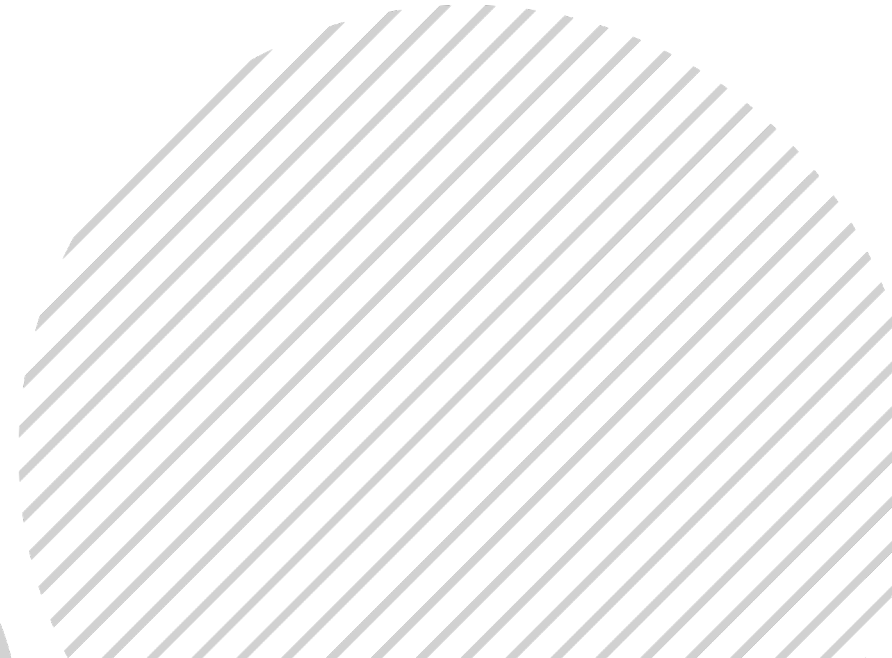
Global Foodservice & Hospitality Exchange

“Sun Valley was The Davos of Foodservice”

- We need the right kind of uncomfortable. Need to ask critical questions and have important conversations about DEI.
- Industry is losing relevance with consumers. We must think, act, win differently.
- Talent pool must expand to hire individuals with barriers to employment.
- Call for anti-racist leadership. CEOs need to be all-in!
- Need to re-imagine our workforce. Concern about losing women. Need more transparency with employees.

Industry Insights

- **DEI initiatives are getting push back** from inside and outside the organization.
 - White men asking, “What about me?”
 - Anti-DEI legislation has slowed progress
- **DEI departments cutting back**
 - Reduced Chief Diversity Officer tenure
 - Layoffs resulted in DEI staff cutbacks



Industry Insights

- **Rise in union activity has a diversity element**
 - Strong DEI practices = less organizing
 - POC more open to union, Gen Z more so
- **Industry image still in question**
 - Pandemic revealed industry's equity challenges
 - Fewer students choosing hospitality
 - Women outnumber men – 65/35, few Black men



Industry Insights

- **Technology impacting DEI**
 - ChatGPT creates opportunity to advance DEI
 - AI bias an issue with recruiting
- **Companies setting target**
 - Marriott, McDonald's gender parity by 2025
 - BRGs, allyship, and mentoring on the increase
 - Board diversity is trending up



Industry Insights

- **Disturbing trends around hate**
 - Asians fear for their safety, have low sense of belonging
 - Blacks, Latinos, and LGBTQ+ communities feel targeted
- **Need for crucial conversations**
 - Hesitance to give performance feedback to Blacks
 - Safety concerns impacting performance, turnover
 - Best & brightest avoid operations, prefer Wall Street

Diversity Makes Dollars & \$ense

- Afro-Latino Spider-man
- Spider-dude in India
- \$120 million in domestic ticket sales opening weekend; \$208 million worldwide
- 59 countries, 1/3 Latino, another 1/3 Black and Asian
- Several Spider-women

[MovieWeb.com](https://www.movieweb.com) – June 3, 2023



The Risk & Reward of DEI Leadership

DEI In the News

New Report: How Companies Are Faking Their DEI Strategy and Making It Worse for Workers

While more employers truly care about diversity, equity, and inclusion (DEI), it is just a box to tick for many others. **Inc.**

The Washington Post

Critics of corporate diversity efforts emerge, even as initiatives falter

Newsweek

Bud Light Stock Suffers Huge Tumble as Company Loses \$4 Billion in One Week

MarketWatch

Three years after companies doubled down on DEI, 'the pendulum swings back.'

Forbes

The New 'Anti-Woke' Crusade Targets DEI—And Chick-Fil-A?

Bloomberg Law

Affirmative Action Cases Could Threaten Employer DEI Initiatives

Culture wars are spreading to work: Republican and Democrat workers deeply divided over DEI

USA TODAY

ChatGPT & AI as DEI Drivers

ChatGPT Sprints to One Million Users

Time it took for selected online services to reach one million users



* one million backers ** one million nights booked *** one million downloads

Source: Company announcements via Business Insider/LinkedIn



statista

- ChatGPT can support DEI initiatives by facilitating unbiased and inclusive language and ensuring that communication is free from bias and stereotypes.
- ChatGPT can help generate ideas for writing, marketing campaigns, or product development.
- — [SHRM June 2, 2023](#)

“Mitigating the risk of extinction from AI should be a global priority alongside other societal-scale risks such as pandemics and nuclear war.”

— [New York Times, May 30, 2023](#)

Summary

- **DEIB initiatives** are not going away. Now is the time to reaffirm our commitments to DEIB.
 - *MFHA is here to support and advocate for the industry.*
- **The stress** of racism, classism, and economic inequality on our workforce will increase.
 - *We must use our resources to support & protect our people.*
- **Creating a discrimination free** culture that works for all people – including White men it the goal.
 - *Leadership involves risk. The returns are worth the risk.*

Call to Action

- **Reaffirm** the “what” and “why” of DEI commitments, again and again and again.
- **Neutralize** the spurious arguments against DEI.
- **Stand** behind statements of purpose.

-- ROBERT F. KENNEDY HUMAN RIGHTS



MFHA Statement on The Value and Importance of DEI Initiatives

At a time when questions are being raised about the value of diversity for organizations, it is imperative to reinforce those values and the importance of diversity, equity, and inclusion (DEI) initiatives.

DEI is not a passing trend or a buzzword; it is a fundamental principle that fosters innovation, strengthens organizations, and drives societal progress.

We must remain steadfast in our commitment to promoting a culture of diversity, equity, and inclusion, as it is not only the right thing to do but also the smart thing to do for businesses, communities, and individuals.

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