

Developing Diversity

Hyatt Hotels Corporation sees its comprehensive program as 'the right thing to do.'

BY ROB HEYMAN

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hen you consider the rapidly changing face of the American population, addressing diversity no longer seems like a choice companies have, but rather an expectation—maybe even a requirement.

The Hispanic community alone is one of the youngest and fastest-growing populations in the nation. As more baby boomers enter retirement in the next several years, Hispanic and other minority communities will offer an important pool from which to draw employees in order to fill new job openings.

From a business standpoint, addressing diversity certainly makes sense, but the benefits go beyond ensuring a strong and productive employee base. As Hyatt Hotels Corporation has discovered, marketing efforts that also focus on diversity and target diverse customers can yield an enormous return on investment, not only in terms of revenue, but also on the positive effects they have on employees, business partners and the communities the company serves.

“Leading this issue is the fact that [diversity management] is the right thing to do, it’s the moral thing to do,” says Salvador Mendoza, Hyatt’s assistant vice president of diversity, who oversees the company’s efforts in recruitment, community relations, supplier diversity and development and retention of women and minorities.

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HYATT HOTELS CORPORATION





“From the standpoint of return on investment, [the benefits] are twofold. One is dollars and cents. The other is building brand equity into the community. Implementing programs and initiatives that are of benefit to your diverse associates, diverse community and the diverse groups you do business with—that is brand equity that no amount of money can buy,” Mendoza adds.

Hyatt has earned the reputation as one of America’s best companies for diverse communities to work for, and one only has to look at its lengthy list of awards and accolades to see proof. In its “2006 Best Places to Work,” the Human Rights Campaign gave Hyatt a perfect score in its rating of corporate America’s treatment of gay, lesbian, bisexual and transgender employees. DiversityInc has repeatedly named Hyatt as a noteworthy company, and *Fortune* magazine has named it one of “America’s 50 Best Companies for Minorities.”

“Prior to my arrival 10 years ago, I think that our focus was primarily on demographics, on building a more diverse team of associates,” Mendoza says. “The big difference now is it’s a very comprehensive program that addresses issues not only of employees but also of the marketplace.”

Hyatt’s efforts to make its hotels comfortable places for minority groups to work and stay have attracted some criticism, particularly as those efforts relate to the gay and lesbian community. The Hyatt Regency Chicago and The Hyatt Regency Washington on Capitol Hill, for example, regularly serve as the hotel-of-choice for annual gay and lesbian community events.

“We have received, to some extent, calls and letters,” Mendoza says. “In some instances, some organizations have threatened to boycott certain hotels. But I think it comes down to us standing our ground to say, ‘Hey, these groups are going to be treated with the same dignity and respect as we treat any other group.’ And, to our credit, we haven’t wavered to that extent.”

Hyatt offers diversity training workshops to help managers and their employees work with and relate to individuals of different cultures and identify what it calls micro-messages, or subtle interactions, that can lead to miscommunication between groups.

A side component of Hyatt’s diversity program is volunteerism and community outreach. Through its F.O.R.C.E. (Family of Responsible and Caring Employees) program, Hyatt employees volunteer for causes relating to education, youth services, natural disaster relief, the environment and hunger relief, among others.

Global Hyatt’s partnership with the Make-A-Wish Foundation of America and Make-A-Wish Foundation International has helped those organizations with accommodations and raising funds to realize the dreams of children affected by life-threatening medical conditions.

Mendoza acknowledges that business considerations do play a part in offering a good diversity program. “I get calls from our national sales office that all the big companies that are signing national contracts with Hyatt are demanding that diversity is one of the issues that they put on those contracts. They say, ‘Hey listen, in order for us to sign this contract with you guys, which represents millions of dollars, we want to know what it is that the company [offers] as it relates to supplier diversity.’ What they want to do—and it makes sense—is partner with a company that is also doing the right thing. It could be very embarrassing for some of these companies that sign a contract with Hyatt or do business with Hyatt or any hotel company to find out that the company is being sued for discrimination.”

For other hoteliers looking to incorporate a diversity program, Mendoza recommends that the company first do a self-assessment to determine why it is doing it and where it wants to go with it. “If it’s just for public relations reasons and/or to just say they have a diversity program, it’s not going to work. They need to be honest with themselves as to what the challenges are—as they relate to people, budget and culture, for example—and address it head-on.” ■