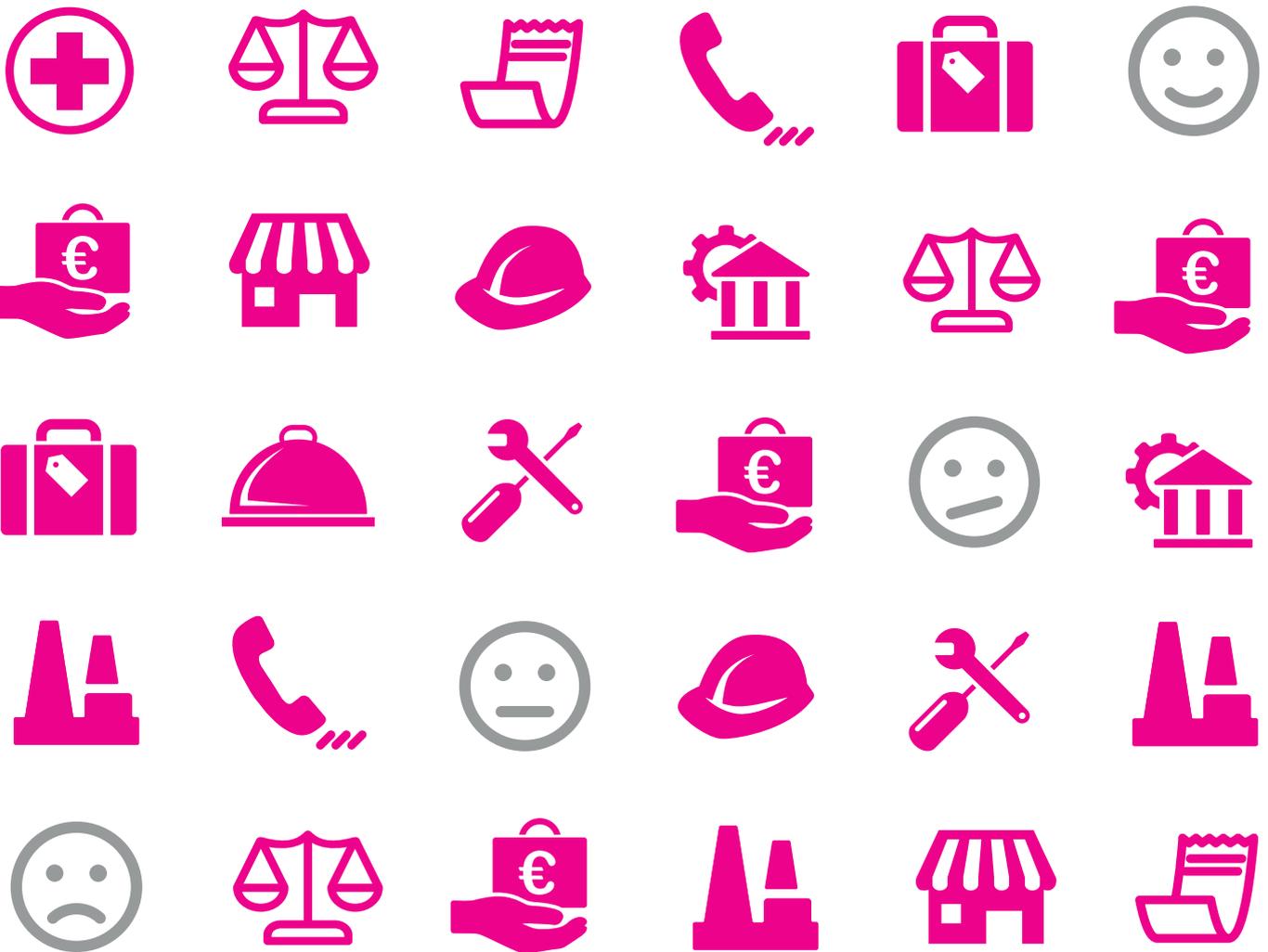




Race at Work 2015

Executive Summary



Created with the support of:

Foreword

Sandra Kerr,
Race Equality Director, Business in the Community

A year ago, I was fortunate enough to access the results of 2.5 million online bias tests from *Project Implicit* that had been conducted globally over 10 years. I was surprised to learn that people in the UK were three times more likely to take the racial bias test than any other – over age, gender or sexuality. Digging deeper into the data, we found that individuals from all ethnicities were taking this particular test not because their employer asked them to, but because of what they were reading in the media. It was patently clear that people in the UK are interested in understanding and talking about race at work.

This led Business in the Community's race equality campaign to find out what is actually happening on race at work in the UK's workplaces. Working in partnership with **YouGov**, we set what we thought was a bold target – to hear from 10,000 people across the UK aged 16 or above and in employment.

We heard from 24,457 people in work in the UK today.

This *Race at Work* report is a top line view of key trends and insights from the data collected. Several of the findings reiterate our existing knowledge about race inequality at work; some are surprising, others are concerning. More than 2,000 comments in relation to discrimination were submitted and a further 3,000 about leadership. Of course, we cannot do these comments full justice in this report. Our intention is to stream them by work issue and undertake further analysis to support future guidance for employers.

This report takes its lead from the YouGov panel data (6,076 respondents) which has been weighted to be representative of UK employees. Throughout the report you'll see spotlight boxes and graphs that make reference to the open survey (18,381 respondents) as a verification of the panel data – in some cases amplifying and reinforcing it.

The changing demographic of the UK workforce – its age, its education background and its ethnicity – means that employers need to ensure that they are creating workplaces that truly are equal for all in work today, tomorrow and beyond. *Race at Work* paints a clear picture that it is time for action now.

We provide some simple practical recommendations for the government and employers to work from and start taking action today.

I want to say a special thank you to our sponsors **BT, Enterprise Rent-A-Car, KPMG, Nationwide** and **Sainsbury's** – bold employers who have demonstrated their commitment to the issue through supporting this research project, which provides invaluable insight to benefit all organisations in the UK today and in the future.

A final thank you to the 24,457 people across the whole of the UK who took the time to share their experiences with us through *Race at Work* – thank you.

Sandra Kerr OBE
Race Equality Director,
Business in the Community



Executive Summary

In the UK today, **Black, Asian and Minority Ethnic (BAME)** people are under-represented at every management level in the workplace. One in eight of the working-age population is from a BAME background, yet only one in ten are in the workplace and only one in 16 top management positions are held by an ethnic minority person.¹ British people with a BAME background are more likely to enjoy their work but are less likely to be rated as top performers compared to their white counterparts.²

This *Race at Work* report provides us with greater understanding of the issues around this under-representation of ethnic minorities in the workplace and at senior levels. In this report we share the experiences of 24,457 ethnic minority and white employees aged 16 and over and currently in employment in the UK (England, Wales, Scotland and Northern Ireland). The participants took the race at work survey via a YouGov panel survey (6,076 respondents) and a public open survey (18,381 respondents).

We find that:

- **BAME people are more likely to enjoy their work and have far greater ambition than their white colleagues.** 64% of BAME and 41% of white employees in the panel survey said it is important that they progress. This is amplified in the open survey with 84% of BAME employees and 63% of white employees saying it is important to progress.
- **Racial harassment and bullying within the workplace is prevalent.** 30% of those employees who have witnessed or experienced racial harassment or bullying from managers, colleagues, customers or suppliers report it has occurred in the past year alone.

- **Many UK employees do not feel valued or inspired.** Many employees do not have access to career role models, nor are they inspired, feel supported or valued by their managers. This is felt most keenly by people from an ethnic minority background; BAME employees are less satisfied with their experiences of management and progression than white employees and just over half of the open survey respondents feel that they are working as part of a team. The lack of role models in the workplace is particularly stark for Black Caribbean (11%) and other black group (7%) employees, with Chinese and mixed race employees lacking role models both inside and outside of the workplace.
- **We are not comfortable talking about race at work.** UK workplaces might be comfortable talking about age and gender, but are less comfortable talking about race. It is clear employers need to have more confidence to address the issue of race at work and aim to understand how it has an impact on the individual and their opportunity to reach their full potential. It also has an impact on organisational success and survival.

¹ *Race at the Top*, Business in the Community, June 2014

² *Gender and Race Benchmark 2014: Performance and Appraisal*, Business in the Community, 2014

Recommendations for Government

- **Getting on the fast-track is an unequal business.** Interest in taking part in a fast track programme is significantly higher among BAME groups, jumping from 18% of white employees who would take part to 40% of BAME employees. However, this is not reflected by greater access to fast track management programmes or inclusion in succession planning for all ethnic minority groups. The leadership pipeline of today needs to be populated with sufficient BAME talent to ensure that senior management of the future reflects an increasingly diverse working-age population.
- **There is some good news.** There is some evidence that workplaces are responding to a high demand for mentors from BAME employees. Access to a sponsor is important when any group is underrepresented at senior levels and there is some evidence that BAME people are more likely to have access to a sponsor than white employees. Where these relationships exist, BAME people respond positively – they feel valued and actively supported in their career progression.

It appears that despite best efforts, ethnic minorities' experiences of work are still less positive than their white counterparts. When we consider these findings in light of recent evidence that organisations with greater racial diversity on senior teams experience 35% greater financial returns³, and the changing profile of the UK workforce, this report is certainly timely.

We are all having to stay in work for longer, and one in four of the future workforce will be from an ethnic minority background. Understanding the age demographic of each ethnic group is important for employers to understand the full picture behind BAME under-representation in the workplace.

Race at Work presents employers with a great opportunity to harness the huge ambition of ethnic minority employees, and reap the rewards. Employers shouldn't be afraid to talk about race at work – let's turn debate into policy and action today, so that the UK fully utilises the diverse talent that exists in its workforce.

The voices of 24,457 individuals cannot be ignored.

With thanks to our partners YouGov, The Centre on Dynamics of Ethnicity (CoDE) at The University of Manchester, and our sponsors BT, Enterprise Rent-A-Car, KPMG, Nationwide and Sainsbury's.

³ *Diversity Matters*, McKinsey & Company, February 2015

Immediate action:

- Support the Financial Reporting Council during its 2016 consultation of the UK Corporate Governance Code to add "and race" to its definition of diversity in the four provisions where the Code recommends boards pay heed to "its diversity, including gender".
- Use its procurement spending power to ensure that businesses that tender for public contracts can demonstrate a commitment to race diversity, with evidence of their policies and action in the recruitment, progression and retention of ethnic minority people and preventing racial harassment and bullying in the workplace. This was successfully done with Olympic 2012 contracts and can now be embedded into the way business is done with government contracts in the UK.

Medium term action:

- Draw up a policy framework on race that includes a strong recruitment agenda to close the unemployment gap which has stubbornly persisted for many years. The framework should have a focus on leadership, increasing transparent career progression ladders, and role models in order to encourage the promotion of good practice. The government could also consider adapting the approach taken by the Women's Business Council and using those principles to establish a Race and Ethnicity Business Council.

- Consider an overview of all of the governments various BME 2020 targets to ensure that specific targets are stretching, deliver progress and are relevant to the context they are operating in. This will ensure that momentum is sustained over the next five years.

Longer term action:

- Consider commissioning a wide-ranging review of race equality in the workplace, particularly on access to promotions at senior management levels. The decision to appoint Lord Davies of Abersoch to identify the barriers preventing more women reaching the boardroom has led to a step change in attitude and behaviour. There is no reason why a similar intervention on racial equality will not produce results within the FTSE 100 board rooms and executive teams.

Recommendations for Employers

1. Increase access to work experience.

There is overwhelming acknowledgement that work experience is critical for gaining access into the workplace. Employers need to ensure they are giving equal access to work experience opportunities to young people from BAME backgrounds, and consider other ways of engaging with potential talent when a broad portfolio of work experience is not available.

2. Promote training and awareness of racial bias in the workplace.

We recommend this is mandated during employee induction for new managers and senior management, as well as for all individuals responsible for recruitment, pay and promotion decisions. Ideally, some form of unconscious bias and cultural diversity awareness should be mandatory for all employees. This will ensure a culture of diversity and inclusion continues to be nurtured, as our research shows that racial bias affects people of all ages.⁴

3. Communicate the business case and strategy for race diversity.

McKinsey's Diversity Matters report shows that organisations with racially diverse senior teams experience 35% greater financial returns.⁵ For employers to achieve diversity at senior levels, they must review the gaps in their workforce

demographics and action plan for change. This also requires understanding of the changing demographic⁶ of their customers, communities, clients and service users.⁷

4. Set objectives for managers at every level around ensuring diversity and inclusion in their teams.

These objectives should include ensuring diverse talent has equal access to training, development opportunities and progression programmes.

5. Senior leaders to recognise that racial harassment and bullying exists and take action to erase it from the workplace.

Deliver a clear message from the top that this behaviour is not tolerated from managers, colleagues, clients or contractors; ensure that perpetrators are dealt with; and ensure channels for reporting of harassment and bullying are accessible and straightforward.

6. Review succession planning lists for diverse talent.

If BAME people are under-represented on the list, targets should be set to increase the diversity of this pipeline and an action plan developed that focuses on the progression of existing BAME employees and a review of external recruitment processes. Targets should be short, medium and long-term to ensure momentum is sustained.

7. Encourage and deliver mentoring. There is a high demand for mentors from the BAME workforce and job seekers. Employers should engage in reciprocal mentoring – creating their own programmes or joining existing ones like the Business in the Community Cross Organisational Mentoring Circles.

8. Leaders to act as sponsors. We need leaders to act as active sponsors, using their influence to mention the names of the BAME people when development or progression opportunities are being discussed – especially when there are no people from BAME backgrounds in the room during these conversations.

9. Identify diverse role models in their workplaces.

The trend of no career role models must be reversed, as it currently sends a message to BAME people that despite their ambition there is little evidence that certain employers support equal progression. Employers should take specific action to ensure that Caribbean, Chinese and mixed race role models in the workplace are visible. Diverse role models drawn from all ethnic groups demonstrate that BAME employees are able to thrive and progress no matter their ethnicity. It is equally important when focusing on the next generation – 1 in 4 young people in primary and secondary school from a BAME background deserve to see role models 'like them' in all aspects of UK society.

10. Take leadership. Executive team and board members to take personal commitment for bringing the issue of race inequality to the top table within their organisation and with their peers. Sectors with low representation of BAME employees can learn from leading sectors in order to introduce immediate steps for change.

⁴ *Infographic: Racial bias in sectors around the world*, Business in the Community, July 2015

⁵ *Diversity Matters*, McKinsey & Company, February 2015

⁶ http://raceforopportunity.bitc.org.uk/research-insight/ethnic-minority_fact_sheets

⁷ *The Census Years – infographic of changes in BAME populations across the UK*, Business in the Community, March 2013

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November 2015

Registered details: 137 Shepherdess Walk, London N1 7RQ
Registered Charity No: 297716
Company Limited by Guarantee No: 1619253
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Designed & produced by itslikethis.co

