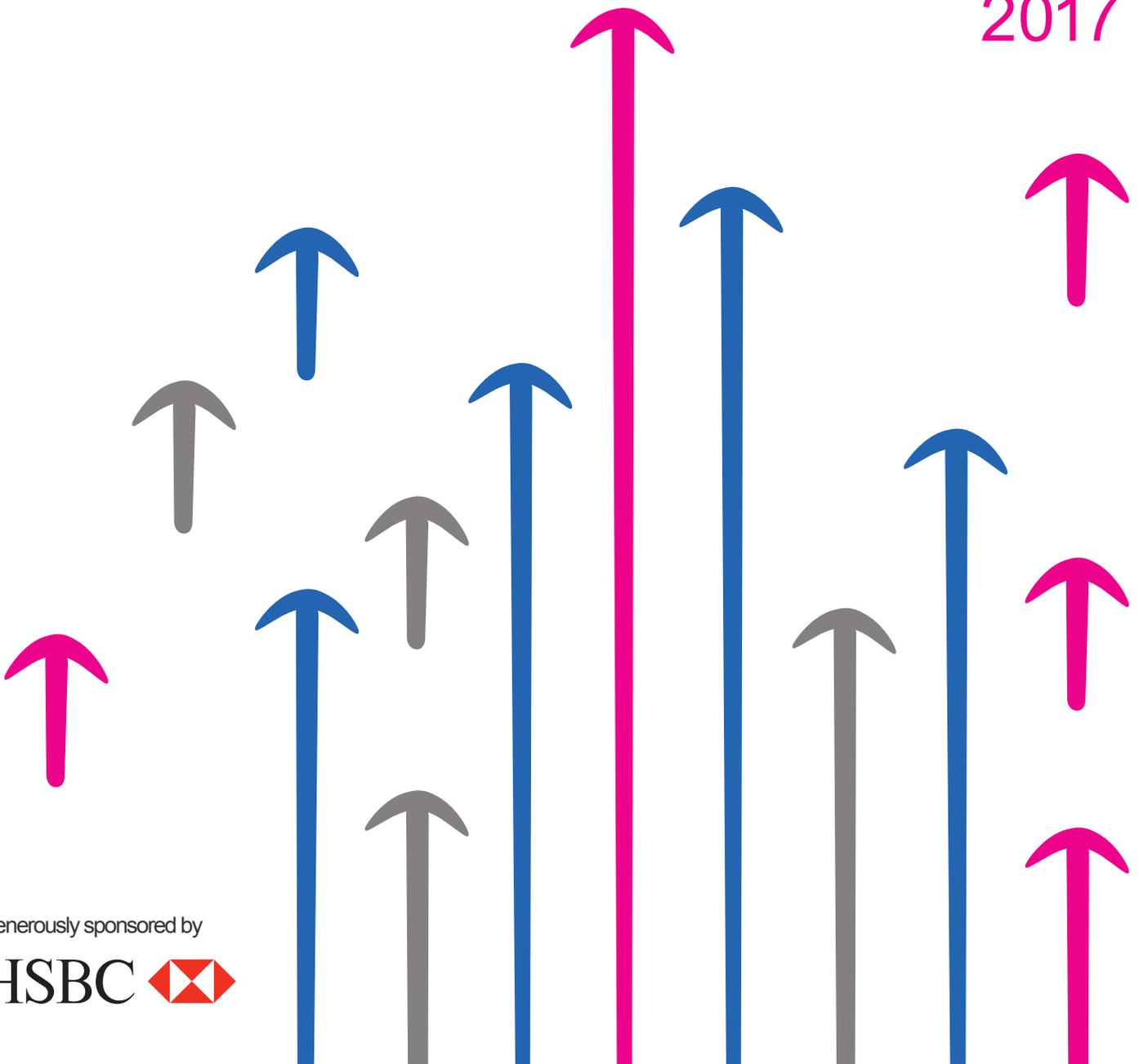




Best Employers for Race

2017



Generously sponsored by



“I would like to congratulate these employers for their efforts in helping to drive the agenda for a more diverse and inclusive workplace, and I urge other employers to follow suit to reap the social and economic benefits.

Baroness McGregor-Smith’s government-backed review sets out important recommendations on how to increase black and ethnic minorities’ participation and progression in the workplace, and Business in the Community is playing a significant role in encouraging employers to take them up.

I am particularly pleased that my department is listed as one of the best BME employers and we will look to build on this success in our push for greater diversity.”

**Rt Hon Margot James MP,
Parliamentary Under Secretary of State, Minister for Small
Business, Consumers and Corporate Responsibility**

Foreword

I want to congratulate and applaud those organisations who entered the Best Employer for Race Listing for 2017

When the *Race in the Workplace* report was published in February 2017, I was keen to spearhead the pilot of the Best 100 Employers for Race listing. I thought that with 418 local authorities, 130 universities in the UK, 45 Government departments, 51 fire services across the UK, 48 Police Forces, 23 rail operators, more than 1,700 housing associations across the housing federations and over 200 NHS trusts across the UK, surely, we would be overrun with entries from public sector bodies?

Then when I thought the FTSE100, FTSE 250 and FTSE 350 Chief Executives had been alerted about the survey with a letter from Rt. Hon. Margot James MP, Minister for Business, there would be no shortage of employers to choose from. And, if not them, then the CBI with more than 1500 members, the Federation of Small Business and the TUC working with employers or the EHRC network of employers would provide many entries, or entries would come from employers linked to an estimated 3,500 trade associations in the UK.

Even with this wide potential pool of employers who could submit entries, I wanted to ensure the pilot survey was straightforward so that there

would be no complaints of it being too complex or too time-consuming or too resource-intensive. The simple set of questions was introduced to make the survey easy to complete. This report is a six-month snapshot of those UK organisations who were bold enough to put their heads above the parapet and declare they are committed to action on race within their workplace.

I believe that there are more employers out there who are taking action on race, with stories to share, that will inspire other employers within their sectors and more widely. Therefore, I am calling on all the employers who have been listed to ask the top five employers in their supply chains to join them and enter the listing for 2018.

We know from our own research and the Government's Review that talking about race in the workplace is a challenge. I have produced a pocket guide for employers that will hopefully stimulate the beginning of these conversations.

The time for talking is truly over. It is time to act.

Sandra Kerr OBE,
Race Equality Director, Business in the Community

2017 Best Employers for Race Listing

Accenture
Baker McKenzie
Barclays
BBC
Bramwith Consulting
Brent Council
BT Plc
CA Technologies
Capgemini UK
Cheshire Constabulary
Coventry & Warwickshire Partnership
NHS Trust
Coventry Building Society
Crown Prosecution Service
Deloitte
Dentsu Aegis Network UK & Ireland
Department for Business, Energy &
Industrial Strategy
Department for Education
Department for Transport
Department for Work & Pensions
EDF Energy
Enterprise Rent-A-Car
EY
FDM Group
Fidelity International
Financial Conduct Authority
Freshfields Bruckhaus Deringer LLP
GCHQ
Government Digital Service
Hampshire Constabulary
HarperCollins Publishers (UK)
Herbert Smith Freehills LLP
Hogan Lovells International LLP
House of Commons
HSBC UK
John Lewis Partnership
KPMG UK
Leicestershire Police
London South Bank University
MI5
Ministry of Defence
Ministry of Justice
Mott MacDonald
National Grid
Network Rail Limited
Norton Rose Fulbright
Optimity
Pertemps Recruitment Partnership
Public Health England (PHE)
PwC
RBS
Ricoh UK Ltd
Royal Air Force
Royal Navy
Sainsbury's
Santander UK
Secret Intelligence Service (MI6)
Shell
Slaughter and May
Southbank Centre
St Mungo's
Stagecoach – East Midlands Trains
Standard Life Aberdeen plc
The British Army
The Home Office
TSB Bank plc
Virgin Money

Introduction

We are pleased to present this report six months after the launch of the Government's review of race in the workplace in February this year. There is much that needs to be done. It is apparent from the listing's trend data that the employers who entered the list are performing above the national average established by the 2015 *Race at Work* Survey run in collaboration with YouGov, of 24,457 employees, and the statistically valid sample within that survey. Wherever possible, we have shown the comparisons to the *Race at Work* survey results within this report.

The business case for action has been well made. McKinsey's '*Diversity Matters*' research provided evidence of a 15% uplift for employers with good gender representation within their organisations and 35% uplift for employers with good diversity of ethnicity representation across their workplace. We have the government's review, spotlighting the potential £24bn per year improvement to the UK economy by employers getting race equality in the UK right.

With one in 4 children in primary and secondary schools from a black, Asian and Minority Ethnic (BAME) background, one in eight of the UK working age population coming from a BAME background yet only one in 10 in the workplace, and the persistent one in 16 at senior levels, we need a step-change in action from all employers in the UK.

The time for that action is now.

.....

“I am delighted that we have this snapshot of UK employers that are prepared to show their leadership on race in the workplace, six months on from my review which recommended the creation of the Best Employers for Race list. By taking action on this issue, they have demonstrated that their workplaces are for everyone, not just the privileged few. I am now calling on more organisations to continue this momentum by entering the process in 2018.”

Baroness Ruby McGregor-Smith CBE

Employer characteristics

The first four recommendations from the government review *Race in the Workplace* relate to data capture.

A total of 66 employers made the 2017 Best Employers for Race Listing. They all demonstrated that they capture their employee data by ethnicityⁱ. The majority, 59%, were private sector, 38% were public sector employers and 3% were employers in the third sector.

The survey represented over 1.1 million workers in the UK equating to 3.6% of all people in employment in the UK. 12% of these workers were from a BAME background. This figure mirrors the percentage of BAME people aged 16-64 in employment in the UK for the period April 2016-March 2017ⁱⁱ. The survey showed that employers in the private sector, who participated in the listing, had a higher representation of BAME people in their workforce compared to the public sector – 13.9% compared to 9%.

The Government's new Race Disparity Audit of Public Services website platform will greatly help employers nationally and locally, to collect and compare data on ethnicity.

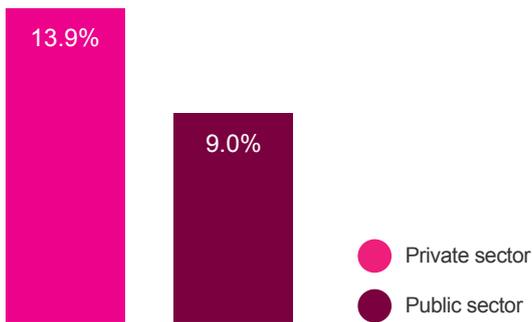
Recommendation 3 Encourage all employees to disclose:

All employers should take action to improve reporting rates amongst their workforce, explaining why supplying data will improve diversity and the business as a whole.

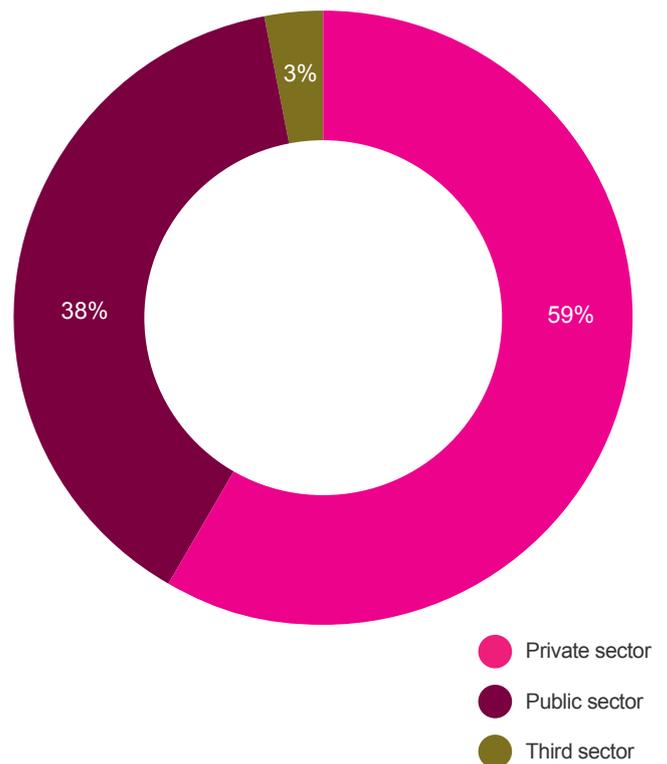
ⁱ 72 organisations in total applied to enter the listing
ⁱⁱ Annual Population Survey UK April 2016-March 2017
 – All aged 16-64 in employment 30,395,200.00

Sector participation – overall

Representation of BAME workers by sector



Does not include the workforce numbers of three of the public sector employers in the listing

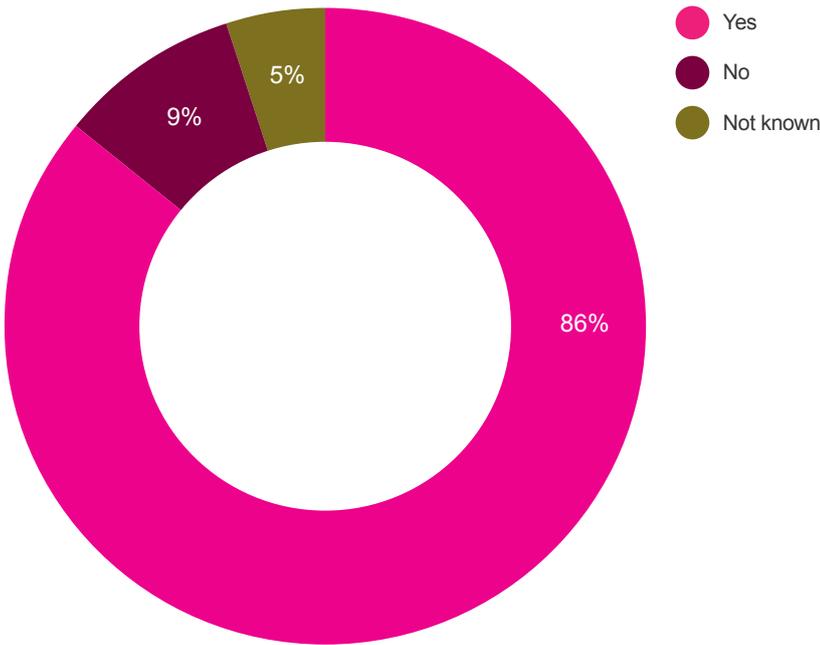


Action on leadership

There was a call to action from leaders in the Government's review and a key recommendation contained actions for senior leaders at executive and board level.

The majority of employers who took part in the list had established a Race Champion at Board or senior executive level (86%). However, a review of the data by sector shows that the public sector was more likely to have an appointed Race Champion at Board or senior executive level (88%) compared to private sector (87%).

Have a Race Champion – overall

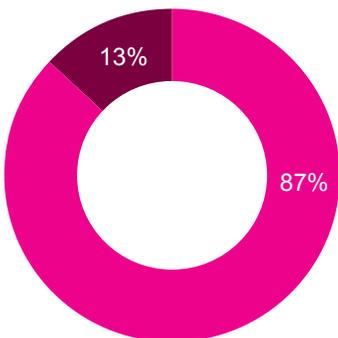


Recommendation 8

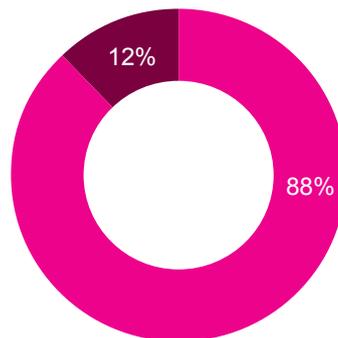
Executive Sponsorship:

All businesses that employ more than 50 people should identify a board-level sponsor for all diversity issues, including race. This individual should be held to account for the overall delivery of aspirational targets. In order to ensure this happens, Chairs, CEOs and CFOs should reference what steps they are taking to improve diversity in their statements in the annual report.

Have a Race Champion – Private sector

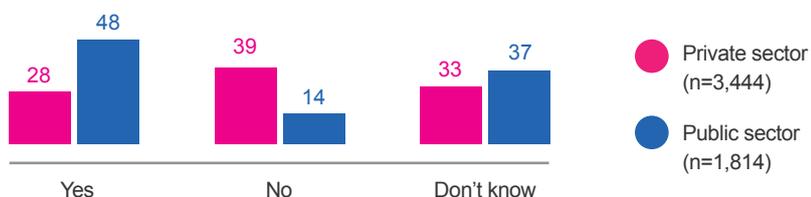


Have a Race Champion – Public sector



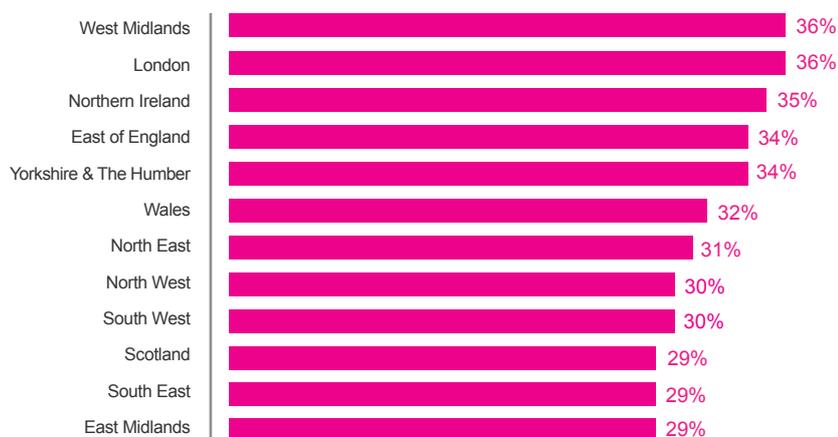
Employers who participated in the Best Employers for Race listing outperformed the national average gleaned in our *Race at Work* survey (2015), with **86%** of employees saying their organisation had a senior champion for diversity, compared to *Race at Work* where, overall, only **33%** of employees were aware of such leadership.

Race at Work survey (2015): Survey respondents who said their organisation does have at least one senior leader and/or champion who actively promotes equality, diversity and fairness by sector



The breakdown of further analysis of race and diversity champions by region, is shown below:

Race at Work survey (2015): Survey respondents who said their organisation does have at least one senior leader and/or champion who actively promotes equality, diversity and fairness by region



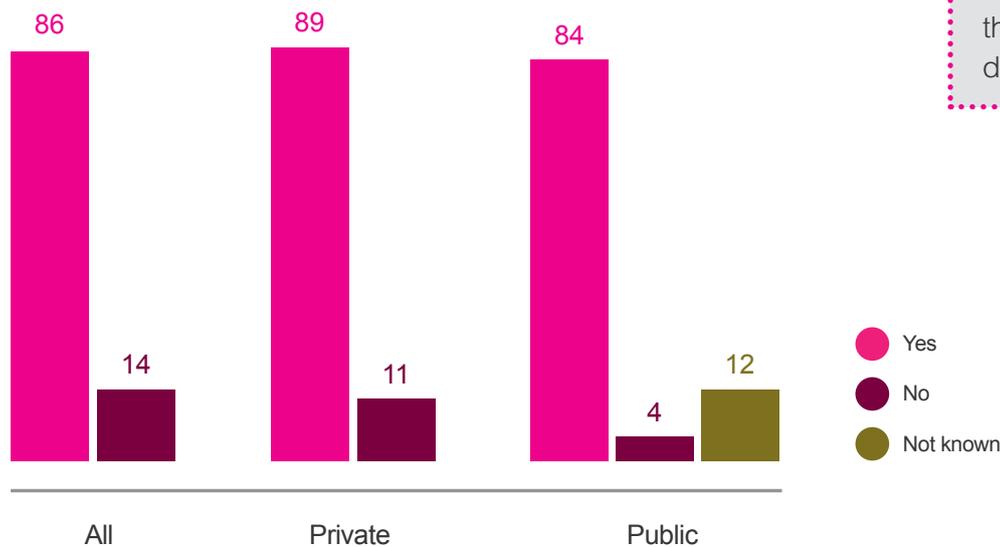
Further breakdowns can be found in our regional insight factsheets for the South West and the West Midlands that shows what leadership in those areas look like.

“One of my key priorities as Speaker of the House of Commons has been to increase the diversity of staff and to create a more inclusive workplace. While we have taken important steps already, there is still much to be done. The recommendations from the BAME advisory group will be vital in ensuring that the change we require is supported throughout the organisation. I am delighted that we are further demonstrating our commitment through our participation in BITC’s Best 100 Employers for Race in the UK.”

Rt. Hon. John Bercow
Speaker of the House of Commons

Race at Work called for leaders to engage in mentoring and *Race in the Workplace* echoed these calls for action and engagement. It is good news that 86% of employers in the Best Employers for Race listing stated that their senior leaders were engaged in a two way mentoring model, mutual mentoring/reverse mentoring.

Best 100 Employer Question on Leadership: Q.1.1.3 – Do any of your Board members or senior teams mentor and/or reverse mentor ethnic minority employees?



Recommendation 10
Reverse Monitoring:
 Senior leaders and executive board members should undertake reverse mentoring with individuals from different backgrounds, to better understand their unique challenges as well as the positive impacts from diversity.

Business in the Community has conducted a number of surveys that were analysed by all ethnic groups in the UK census, including *Aspiration and Frustration* (2010), *Race to Progress* (2011) and *Race and Recruitment* (2012). These surveys consistently show that mentoring is highly desired and valued by BAME people in the workplace and those who are looking for work.

“I believe that having a diverse and inclusive culture is key to our business success. Our ambition to become the bank of choice for both our customers and people employees drives us to new ways of working that helps foster an open culture better suited to a changing society. The BAME agenda is of great importance to me, we have a lot to do, but we are making great progress and have a strong plan to continue the shift from talk to action. I fully support our BAME strategy and the actions to shift the dial. We are a global organisation that understands our local populations and values the diversity of the markets that we operate in. Establishing our head office in Birmingham provides another great opportunity to embrace BAME diversity and the richness of the multicultural society we live in for the benefit of our people and our customers.”

Ian Stuart
CEO, HSBC UK

“Our entire diversity and inclusion approach is about creating an environment which will support the achievement of our targets on BAME and gender. One of the key priorities of our strategy is to set the tone from the top, requiring strong and consistent leadership to deliver on our aspirations. Accountability for this is addressed in the same way as other strategic priorities against which our leaders will be measured and rewarded.

We are focused on strengthening our BAME talent pipeline by improving progression and retention of our BAME people. We will do this through refining our approach to talent management, succession planning, work allocation, and targeted development and interventions.”

Laura Hinton
Executive Board – Head of People, PwC

Action on progression

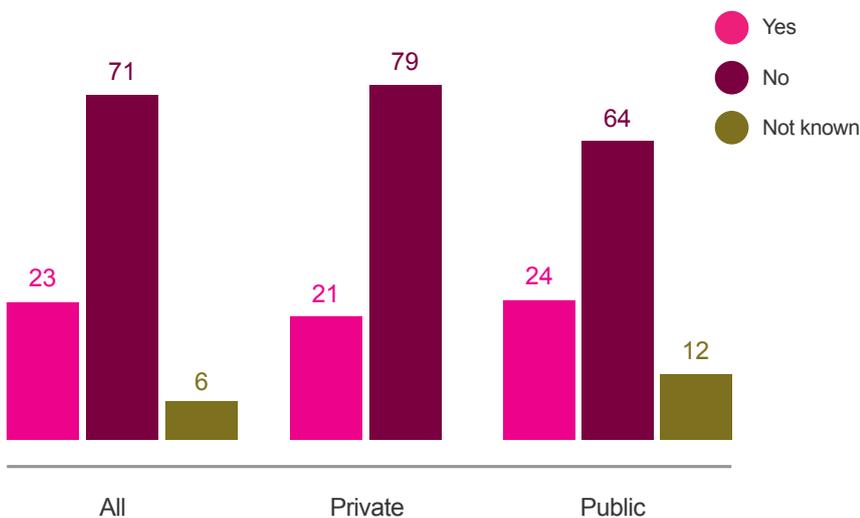
Taking action on diversity and inclusion as a key performance indicator, provides great opportunities to encourage accountability for action on race inequality in the workplace amongst leaders and managers. Further analysis of the *Race at Work* survey highlighted that 41% of respondents said that they had an objective to promote equality at work and from this survey, a key recommendation was to set objectives for managers at every level to ensure diversity and inclusion within their teams. This was echoed in a key recommendation in the *Race in the Workplace* report.

Recommendation 9

Diversity as a Key Performance Indicator:

Employers should include a clear diversity objective in all leaders' annual appraisals to ensure that they take positive action seriously.

Best 100 Employer Question on Progression: Q.2.3.1 – Do your line managers have diversity performance objectives to take action to facilitate the development and progression of diverse BAME talent within their teams?



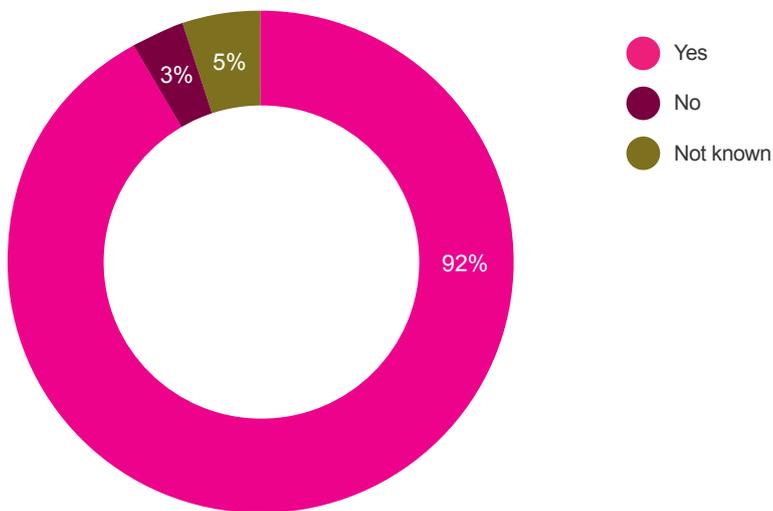
Only 23% of employers in the Best Employers for Race listing said that their line managers had diversity performance objectives. Further analysis of diversity performance objectives in the *Race at Work* survey highlighted that BAME employees are more likely to have diversity performance objectives than their white counterparts. These results demonstrate that there is action needed in both the private and public sector to ensure managers and those who lead teams have objectives to demonstrate inclusive leadership as well as to help to develop talent within their teams.

Employer cultures

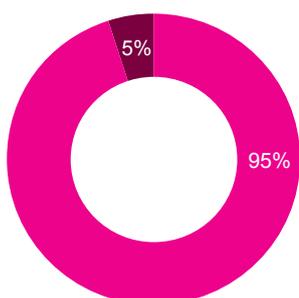
There were three recommendations in the Review that referred specifically to unconscious bias training (*see aside*).

Equality and diversity training was a main staple for the employers taking part in the Best Employers for Race listing. 92% of participants said that they provided equality and diversity training for their employees. The survey showed that the private sector was more likely to have this in place than the public sector, 95% compared to 88%. These findings demonstrate again, that the employers who entered the Best Employers for Race listing are outperforming the *Race at Work* findings where only 49% of employers said that there was mandatory diversity training in their organisation, dropping to only 7% when asked about training for managers.

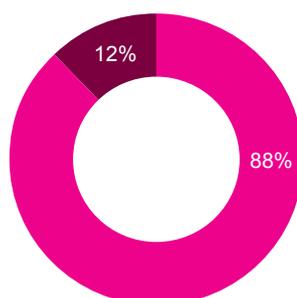
Provide equality and diversity training – overall and by sector



Private sector



Public sector



Recommendation 5 **Free unconscious bias resource online:**

The Government should create a free, online unconscious bias training resource available to everyone in the UK.

Recommendation 6 **Mandatory unconscious bias resource training:**

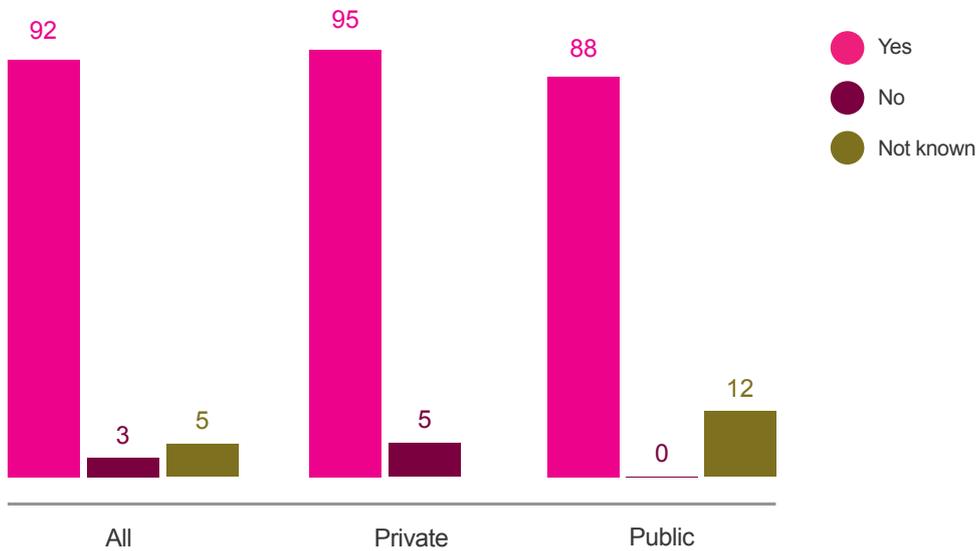
All organisations should ensure that all employees undertake unconscious bias training.

Recommendation 7 **Unconscious bias workshops for executives:**

Senior management teams, executive boards and those with a role in the recruitment process should go further and undertake more comprehensive workshops that tackle bias.

It is also great to see examples of real action by employers in the Best Employers for Race listing through their case studies, as evidence that they are taking steps to eliminate bias from their recruitment and selection processes.

Best 100 Employer Question on Recruitment: Q.3.3.2 – Do you provide unconscious bias training for those involved in recruitment?



“Santander’s commitment to D&I starts with accountability and commitment from the executive team but everyone needs to co-own the responsibility of making Santander an inclusive place to work. As the Executive sponsor for the Ethnicity@Work network and race stream, I believe active engagement and driving the agenda are key to success. Since February, we have reached colleagues across contact centres, branches and headoffices to get people talking about race with an amazingly positive response. We’ve introduced speed mentoring sessions with executive teams and hosted a much needed conversation on BAME women in the workplace. Members also participated in BITC’s cross-organisational mentoring circles and Santander’s reverse mentoring initiative. It’s crucial to have data and insights on diversity, with a companywide survey providing the starting point to build on and take forward. Although young, our ambition is to catch-up, leap ahead and create a level playing field for diverse talent to perform!”

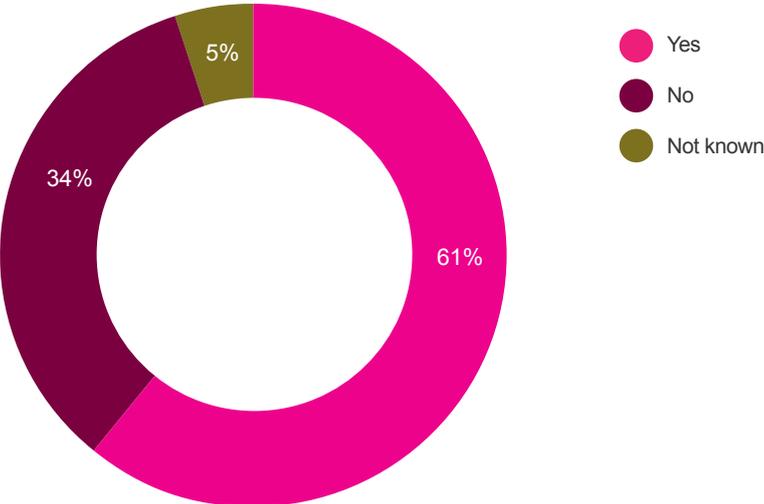
Sigga Sigurdardottir,
Chief Customer and Innovation Officer, Santander

Action on recruitment

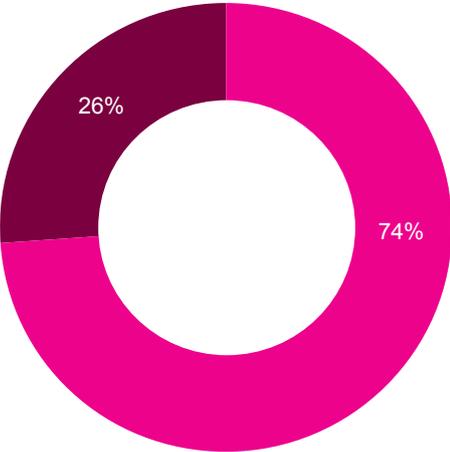
The importance of briefing recruiters to produce diverse shortlists using demographic data is gathering pace. Overall, 61% of employers said they were doing this. However, there was a significant difference between sectors with 74% of private sector employers insisting on a diverse list of candidates and the public sector trailing some way behind at 44%.

Recommendation 11
Reject non-diverse lists:
All employers should ensure proportional representation on long and short lists, and reject lists that do not reflect the local working age population.

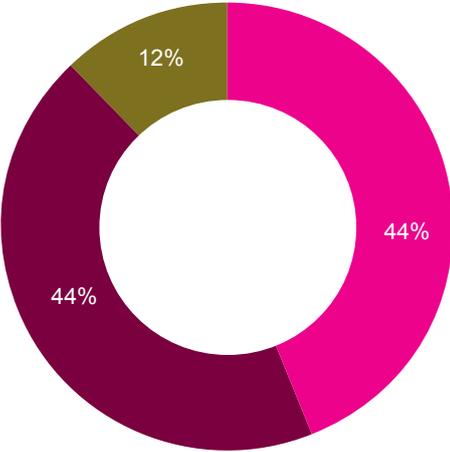
Brief recruiters on diverse slates - overall



Private sector



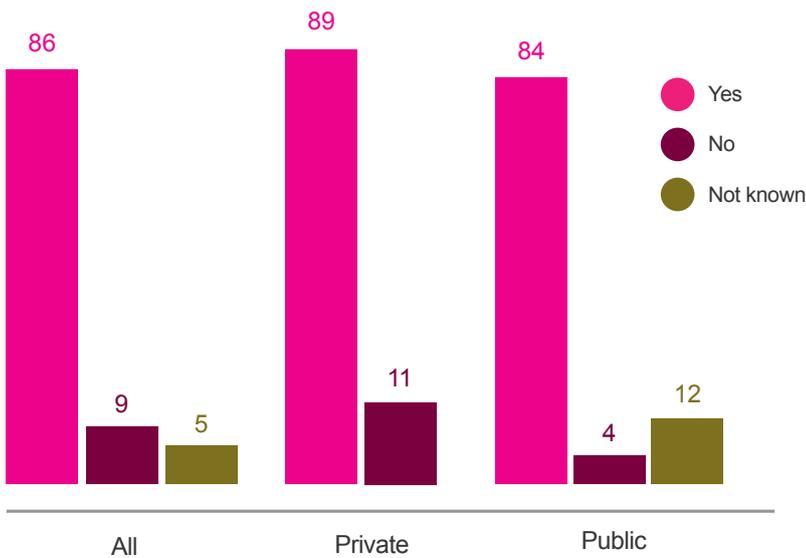
Public sector



We have seen, consistently, from our reports *Race to Progress* (2011), and *Race and Recruitment* (2012) as well as our *Race at Work* (2015) research, that BAME people are more likely to use a recruitment agency than white people. Therefore, we need to ensure that employers are asking to see this diverse talent in their long lists and short lists. A key recommendation from the *Race in the Workplace* review was to say no to non-diverse shortlists. All the public sector organisations who are funded by a racially diverse tax paying public, need to start taking action with their recruitment agencies now.

The first recommendation in the *Race in the Workplace* review was for published targets. We also know from our benchmarking trends from 2012-2016 that employers who set targets for recruitment and monitor each stage of the recruitment process have better results.

Best 100 Employer Question on Recruitment: Q.3.1.1 – Do you set targets or KPIs for recruitment using national and local demographic data to ensure that your applications reflect the talent pool?



A key recommendation that appears to yield results for employers that take action is ensuring there is a consistent racial diversity on selection panels for recruitment.

“Inclusion and diversity cannot be addressed in a vacuum. To make improvements, employers need to look at their recruitment processes in the round. Asking the right questions, embedding inclusion goals and strong partnerships between recruiters and employers are key to ensuring better hiring results. The way forward is to tap into existing initiatives like the Good Recruitment Campaign which enable employers to benchmark their current processes and reinvigorate their hiring strategies. Inclusive hiring practices are good recruitment and at the heart of this initiative.”

Tom Hadley,
 Director of Policy and Professional Services, Recruitment and Employment Confederation

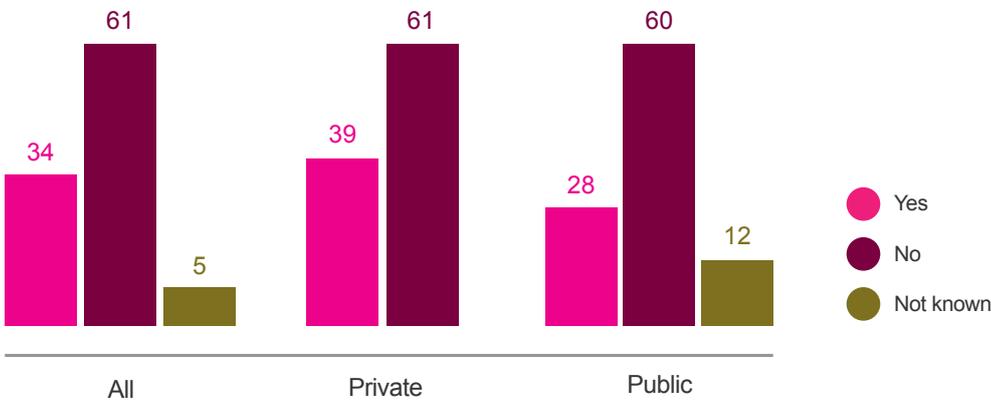
Recommendation 14

Diverse interview panels:

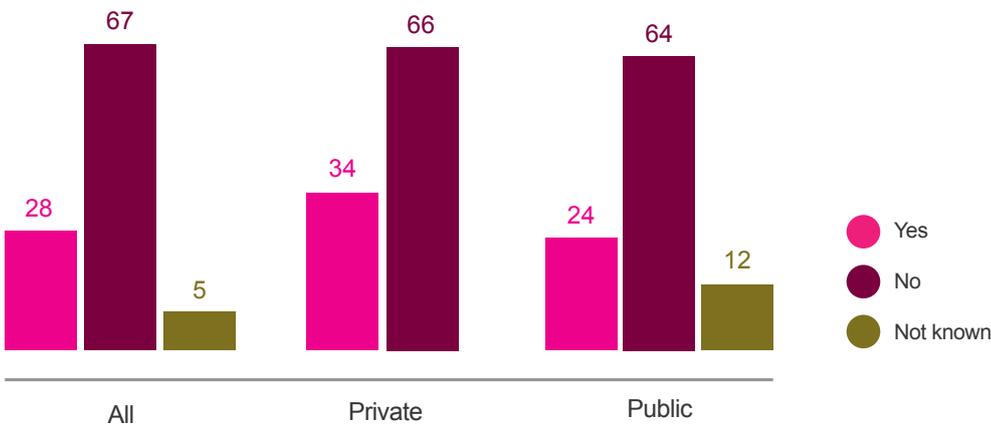
Larger employers should ensure that the selection and interview process is undertaken by more than one person, and should ideally include individuals from different backgrounds to help eliminate bias.

We asked employers if they were taking action to ensure that they had racially diverse people in their selection panels for promotion and recruitment.

Best 100 Employer Question on Recruitment: Q3.2.1 – Do you ensure there is racial diversity on your interview panels?



Best 100 Employer Question on Progression: Q2.3.7 – Do you consistently have racially diverse panels for promotion interviews?



There are opportunities for employers to diversify their promotion and recruitment panels by creating a pool of people trained in recruitment and selection. Employers can engage employees at the substantive grade and include those employees in the feeder grades and fast track talent pipelines from diverse backgrounds in the selection process. There are also opportunities to engage selection panellists from your employee network groups and external organisations affiliated to yours.

“I believe very strongly that D&I, including racial/ethnic D&I, is a vital part of any modern and forward looking organisation... which we aspire to be. But we know the MOD has some way to go. This is why we established the Defence Diversity and Inclusion Programme (DDIP), our key delivery vehicle for D&I across defence. So why is the race agenda specifically important for the MOD? We are not representative of the current British workforce... only around 4% of our civil servants are from the BAME community. That is simply unacceptable... And we know that future demographics point to an even more diverse UK population. We need to ensure that we are an employer of choice and can attract the best... that our BAME staff are supported, their unique and diverse contribution is valued, and positive change is visible... and D&I is not a ‘minority’ issue. Valuing diversity and promoting inclusion is everyone’s business.”

**Lieutenant General Richard E Nugee,
Chief of Defence People (CDP), Ministry of Defence**

A call for action for employers 2017/2018

A key recommendation in the *Race in the Workplace Review* was for diversity in supply chains.

We are calling on all the employers listed to invite their top five suppliers to enter the list. This will enable them to ensure that those who they procure from are committed to the same action as they are and participate in the celebration of the Best 100 Employers for Race in 2018.

Recommendation 16

Diversity in supply chains:

All organisations (public and private) should use contracts and supply chains to promote diversity, ensuring that contracts are awarded to bidders who show a real commitment to diversity and inclusion.

“Businesses are increasingly realising the importance of paying attention to diversity when trying to recruit and retain the best staff. As well as the moral imperative, there is a clear business case for open hiring practices which create a level playing field for candidates and reduce the risk of someone with great ability or potential being overlooked. Employers are currently facing skills shortages in many areas ranging from engineering to IT so we would urge all companies to look again at whether the way they pick employees is getting them the best possible staff.”

Stephen Martin
Director General, Institute of Directors (IoD)

Appendix

The 2017 Best 100 Employers for Race survey consisted of 31 questions under Business in the Community's race equality campaign's main themes. Below is a small sample of the question set.

1: Leadership (9 questions)

1:1 Taking Action and Measuring Success

1.1.1 Do you have a senior Race champion at Board or executive level? Y/N

1.1.3 Do any of your Board members or senior teams mentor and/or reverse mentor ethnic minority employees? Y/N

1:2 Responsibility and Accountability

1.2.3 Does your Board and senior team have personal performance objectives on diversity that include action on race? Y/N

2: Progression (13 questions)

2:1 Engagement and Retention

2.1.1 Do you have a race, ethnicity, cultural diversity or inclusion network? Y/N

2.1.3 Do you analyse your employee survey results by ethnic group using Census 2011 categories? Y/N

2:3 Development and Promotion

2.3.1 Do your line managers have diversity performance objectives to take action to facilitate the development and progression of diverse BAME talent within their teams? Y/N

2.3.2 Do you monitor take up of development training by ethnic group? Y/N

3: Recruitment (9 Questions)

3:1 Outreach, Attraction and Sift

3.1.1 Do you set targets or KPIs for recruitment using national and local demographic data to ensure that your applications reflect the talent pool Y/N

3.1.2 In your recruitment outreach do you include pre-application workshops and/or events which include potential candidates from BAME backgrounds? Y/N

3.1.3 In your recruitment outreach activities do you include employees from different levels / grades that are from a BAME backgrounds? Y/N

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