

Race at the Top: a review of BAME leadership in the UK

Executive Summary

'Race at the Top' is the most comprehensive picture of Black, Asian and minority ethnic (BAME) representation in leadership in UK business today. It finds that there has been virtually no ethnicity change in top management positions in the five years between 2007 and 2012. Sadly, the pipeline does not give us hope for the future; the gap at management level has worryingly widened between 2007 and 2012.

In the UK today, one in 10 employed people are BAME, yet only one in 16 of top management positions and one in 13 management positions are held by BAME people. By 2051, one in five people in the UK will be from an ethnic minority background, representing a scale of consumer spending and political voting power that business and government alike cannot afford to ignore¹. The gap must not be allowed to widen further, but without action, little will change. This is about business sense, not moral pleading.

Race for Opportunity is calling for a government review into racial barriers in the workplace that is akin to the Lord Davies review into gender, and for two words - 'and race' - to be added to the UK Corporate Governance Code.

We believe that this government-led action will be a powerful force for creating change, and without it the current intake of BAME workers will be unable to progress equally and fairly compared to their white counterparts.

The campaign is also calling on employers in all sectors to do more to attract and retain BAME workers and ensure equal progression, and we make recommendations in the report to support this.

Race at the Top key findings:

- The share of BAME people in top management has increased by just 0.5% between 2007 and 2012, but in real terms the number of BAME people in top management positions has decreased from 95,023 to 73,378 – a drop of 21,645
- Many UK sectors continue to be closed off to BAME people when it comes to leadership opportunities. Nearly three-quarters (74%) of management positions held by BAME people are clustered in just three sectors: banking & finance; distribution, hotels & restaurants; and public administration, education & health. Yet the majority of management positions within the energy & water, construction, legal, media and political sectors continue to be held by white people.
- It is crucial to consider each ethnic group in isolation, as there are stark differences in success rates and sector representation. Between 2007 and 2012, the number of Black / Black British people in top management positions decreased by a huge 42%.
- Bangladeshi, Chinese and Pakistani ethnic groups are most likely to attain management positions in the distribution, hotel & restaurant sectors (36.2%, 38% and 28.9%, respectively) which has a large volumes of small and medium-sized enterprises (SMEs) – yet are missing from management in the energy & water sector.
- Each region has its own story – for better or for worse. There have been increases in BAME people in management positions in the South West and Scotland. But alarm bells ring at the substantial drops in management positions held by BAME people across the East Midlands, North East and Yorkshire & Humber.
- The ‘Other services’ sector category had the second fastest growth rate of BAME managers – a 51% increase between 2007 and 2012. This sector includes SMEs, suggesting that BAME people have found it preferable to start a new business than to find employment in the more traditional industries – whether by choice or necessity.
- There is some good news. The number of BAME people on the first rung of the promotion ladder in 2012 is at 10%, which is proportionate to the 10% of BAME people in employment. The banking & finance sector is getting it right, with the number of managers from all but one ethnic group increasing between 2007 and 2012.

Despite some good news, it's clear that the 2007 BAME management pipeline hasn't reached its full potential five years on. Barriers into leadership positions for BAME

people remain unbroken, and BAME leadership is disproportionately skewed towards certain sectors and against specific ethnic groups. In fact, the situation is far worse than we predicted in our *Race to the Top* report back in 2007.

Our political and corporate leaders must take concerted efforts in this area so that in five years' time we can decisively say that the management gap has closed.

We called for action five years ago – we are calling for action today. The situation needs to change drastically – now is the time to take action.

¹ *Ethnic Population Projections for the UK and Local Areas, University of Leeds, 2001-2051*
<http://www.geog.leeds.ac.uk/fileadmin/documents/research/csap/10-02.pdf>