



The Prince's
Responsible
Business Network



RACE AT WORK CHARTER

ONE YEAR ON

2019





Discrimination has no place in modern Britain, let alone in our jobs market. Diversity is good for business and the communities they serve, and we are committed to working with the business community to create more inclusive workplaces – from the shop floor to the boardroom. I believe that giving businesses a clear set of actions to work towards will only further this goal, and I would like to thank Sandra Kerr and her colleagues at BITC for their tireless work in bringing the Race at Work Charter to life. 185 sign ups in just one year is a huge achievement – and I would like to congratulate those of you here today whose organisations have signed up to the Charter. When running my business, I could see rival companies who all thought and looked the same, and didn't reflect the society they worked in. It is well-known that more diversity of the workforce only accelerates success. We have near record high ethnic minority employment in the UK, but we recognise we have further to go to level the playing field.



Kelly Tolhurst MP
Parliamentary Under Secretary of State
(Minister for Small Business, Consumers
and Corporate Responsibility)

FOREWORD

As a follow up action from the McGregor-Smith Review Race in the Workplace One Year On Scorecard Report, Business in the Community, in collaboration with the Government, launched the Race at Work Charter. Using insight from the Race at Work 2018 survey, the Charter established five principle calls to action that any UK employer could aspire to, and also take immediate action in order to bring about real race equality and inclusion within their organisation.

We have gained some amazing insights from this unique survey. It is exciting that this survey has embraced a wider reach of industries not previously engaged on the race agenda. For the first time, we are getting a more detailed read out on what actions employers are taking, and have a current picture of the challenges that need greater focus and where employers may need support.

We are keen to share the stories of the actions that generate results and those areas that may need fresh thinking, innovation and support to ensure tangible impact and progress.

It is encouraging to see more employers publishing their ethnicity and pay gaps voluntarily. We need more employers to do this.

Less than 50% of employers surveyed have commissioned reviews into bullying and harassment. This is an important action and should incorporate a review of engagement with customers and clients also.

There is also much more that employers can do to increase the engagement of managers throughout their organisations, through performance objectives that facilitate and support the development and progression of diverse talent in their teams.

I would like to say thank you to the 108 employers who participated in the survey. They have demonstrated leadership and a determination to be inclusive workplaces where all talent thrives.


Sandra Kerr CBE
Race Equality Director
Business in the Community

2019 Race at Work Charter Survey Participants


ACAS
Accenture
Action for Children
Age UK
Atos
Auto Trader UK
Aviva Plc
Baker McKenzie
Bank of England
Barclays
Baringa Partners LLP
Bayer Plc
Bramwith Consulting
Bridgewater Community Healthcare NHS Foundation Trust
British Broadcasting Corporation
British Film Institute
Cabinet Office
Calderdale Council
Canada Life (UK) Limited
Capgemini UK
Central London Community Healthcare NHS Trust
Centrica
CMS
Crown Prosecution Service
Deloitte
Department for Business, Energy & Industrial Strategy
Department for Digital, Culture, Media and Sport
Department for Education
Department for International Trade
Department for Transport
Department for Work and Pensions
Derbyshire Healthcare NHS Foundation Trust
Dimensions
DWF Law
EDF Energy
Enterprise Rent-A-Car
Essentra Plc
Eversheds Sutherland LLP
FCO Services
Financial Conduct Authority
Financial Ombudsman Service
Financial Reporting Council
Food Standards Agency
Freshfields Bruckhaus Deringer LLP
Fujitsu
Grant Thornton UK LLP
Greater London Authority
Hachette UK
Hampshire Constabulary
Herbert Smith Freehills LLP
Hogan Lovells
Home Office
Intellectual Property Office
Jaguar Land Rover
KPMG
Lambeth Council
Leicestershire Police
Linklaters
London Borough of Havering
M&GPrudential
Marks & Spencer
Ministry of Housing, Communities and Local Government
Ministry of Justice
Morgan Stanley International
Mott MacDonald
National Grid
Nationwide Building Society
NEL

NHS Salford Clinical Commissioning Group
North West Ambulance Service NHS Trust
Norton Rose Fulbright LLP
Ofcom
Oil & Gas Authority
Paul J Watson Solicitor
Pearson
Pertemps
PwC
Public Health England
RBS Group
Redington Limited
Ricoh UK Ltd
Royal Mail Group
Royal Navy
RPC LLP
Sainsbury's Group
Santander UK
Shell UK
Sky
Slaughter and May
Southbank Centre
St Mungo's
Standard Life Aberdeen
Tameside & Glossop Integrated Care NHS
Foundation Trust
The British Army
The Christie NHS Foundation Trust
The House of Commons and Parliamentary
Digital Service
The Telegraph
Tideway I Bazalgette Tunnel Ltd
TSB Bank Plc
UBS
UK Athletics Ltd
UK Government Investments

Unilever UK&I
University of St Andrews
Victim Support
Wellcome Trust
Welsh Government
WPP



**We put inclusion
and diversity at the
heart of the way we
work, think and run
our business. We
believe that a diverse
workforce is a more
powerful workforce.**



**Oliver Benzecry,
Chairman and Managing Director
Accenture, UK and Ireland**

INTRODUCTION

The Race at Work Charter One Year On report presents the findings of a diverse mix of employers who have shared their organisation's current actions against the five Race Charter principles.

Participation in the survey was voluntary and allowed employers to sense-check the activities they have in place to support race equality in the workplace, and to gauge and understand where the gaps may lie in their efforts. This report has captured the trend data from 108 employers who shared their information. Within this report and also online, we have captured some good practice underway within UK organisations that are bringing the Race at Work Charter principles to life.

The Charter – Progress against the five calls to action:

1. 84% of employers have a senior Race Champion, however only 41% of employers have targets to increase the racial diversity of their boards and executive teams.

2. 63% of employers monitor data on pay and ethnicity, however only 31% of employers publish their ethnicity pay gap.

3. 97% of employers have a clear zero-tolerance policy on racial harassment and bullying, but only 45% of employers have commissioned a review into bullying and harassment in the workplace.

4. 50% of employers ensure that performance objectives of their board and senior team include action on race. However, only 21% of managers have a diversity performance objective to facilitate the development and progression of ethnic minority talent in their teams.

5. 80% of board members and executives are engaged in reverse/two-way mentoring and 53% of board members or senior teams sponsor talented ethnic minority employees.



CASE STUDIES

The case studies/impact stories contained within this report are extracts from the full version available online.

NOTES

Base for data in this report: All (n=108), Private (n=56), Public (n=43) and Third sector (n=9) unless otherwise stated. Third sector not featured due to low representation.

PARTICIPANT PROFILE

- **108** UK employers participated in the Race at Work Charter survey.
- **52%** from the private sector, **40%** from the public sector and **8%** from the Third sector.
- Collectively they represent a UK workforce of over **1.3** million people and a global workforce of **3.9** million people.
- In the UK, **13%** of the workforce represented in the survey were from an ethnic minority background.
- There were over **32,000** ethnic minority employees in the UK management population represented in this survey and just **496** ethnic minority employees holding a UK board or senior executive level position.

We have received **39** quotes from the most senior executives in organisations, some of which we have shared in this report and online. **83** employers shared their stories of impact and we have highlighted some in this report and online.

At Nationwide we're proud of being different. We are a building society still standing on the principle that we're stronger together. One that celebrates the differences that make us all unique and truly knows the value of belonging. We always strive to do what's right for everyone who works with us, and we embrace the diversity of the communities each of us is a part of to achieve our goal of building society, nationwide.

Joe Garner
CEO, Nationwide Building Society

I am delighted to see that so many employers have signed up to the Business in the Community Race at Work Charter since its launch a year ago. It is great to see a number of businesses are making progress, but it is clear that more progress is needed. It is right that employers are ensuring that Inclusive Leadership training and awareness is part of their actions to fast track or accelerate employee progress in their organisations. However, there is more to be done to ensure fair access to good work, project opportunities and assignments which will in turn support retention and career progression.

Richard Iferenta
Partner, KPMG and Chair, Business in the Community Race Equality Leadership Team

13%
of 1.3 million UK workers represented are from a Black, Asian and Minority Ethnic (BAME) background

PRINCIPLE ONE



Race at Work Charter – Principle One

Appoint an Executive Sponsor for Race

Executive Sponsors for Race provide visible leadership on race and ethnicity in their organisation and can drive key actions such as setting targets for ethnic minority representation, briefing recruitment agencies and supporting mentoring and sponsorship.

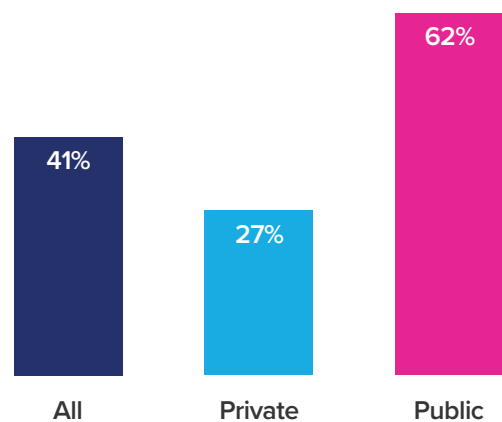
“Over the past few years, we have made significant progress driving Black, Asian and Minority Ethnic (BAME) diversity and progression at National Grid, and we are not stopping. Our UK Executive team is fully committed to continue driving a positive change by providing visible leadership on race / ethnicity, working closely with our BAME employee resource group. We are actively supporting key actions such as reverse mentoring, sponsorship, bespoke development programmes and unconscious bias training to educate our employees on how to mitigate bias and foster an inclusive working environment. At National Grid, everyone is responsible for inclusion and diversity.”

Nicola Shaw, UK Executive Director,
National Grid

The 2019 Race at Work Charter Survey revealed that:

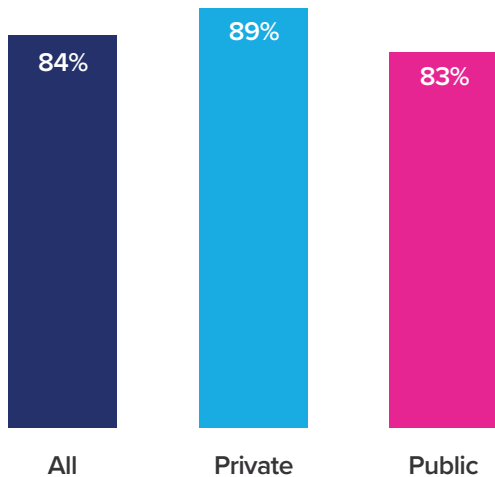
- Only **27%** private sector organisations have targets to increase the racial diversity of their board and senior executive teams in contrast to **62%** of public sector organisations. See *Figure 1*.
- In terms of setting targets for general recruitment, overall **38%** of employers set targets for recruitment using local and national demographic data. However, the survey shows that this is more prevalent in the private sector where **75%** of employers engage in this activity compared to **41%** in the public sector. (Not shown)
- **84%** of the employers who participated in the survey have a senior Race Champion. See *Figure 2*.

Figure 1: Survey Q3 – Do you have targets (internal and public) to increase the racial diversity of your board and senior executive teams?



Base: All (n=108), Private (n=56), Public (n=39)

Figure 2: Survey Q1 – Do you have a senior Race Champion?



We need more employers setting realistic but stretching targets for senior executive and board level appointments. A step change in action is needed if we are to see increasing diversity across the most senior roles in private and public sector organisations in the UK.

CASE STUDY

CABINET OFFICE

Inclusive Culture, Diverse Projects – Cabinet Office’s holistic approach to targeted action

We are proud that our approach of mandatory diverse interview panels for senior roles has been rolled out to other government departments. We have embedded diversity leadership into performance management. We have continued the race champion Kevin Cunnington’s Let’s Talk About Race sessions, covering 16 Cabinet Office business units and more than 400 senior staff, getting people talking about race and ethnicity. We have now run the sessions at Civil Service Live! These actions have had a positive impact: interview panel representation increased from around 50% in 2017 to almost 100% in 2019. Recording rates for ethnicity of senior staff in the Cabinet Office have increased to 71%, and senior level representation has increased from 4% in 2017 to 9.4% in 2019.

WHAT ACTIONS ARE EMPLOYERS TAKING?

- Appointing senior leaders to drive conversations about race.
- Building Inclusive Leadership training for managers and directors as a key part of talent development programmes or initiatives.
- Ensuring each network has its own Executive Sponsor who coaches the network on their approach and strategy, and ensures a voice for that network at the most senior levels in the business.
- Engaging senior leaders in reverse mentoring and reverse coaching.
- Chief executives and permanent secretaries convening review boards to ensure targeted actions and commitments are having an impact.
- Including diversity and inclusion as a standing item on board agendas to ensure regular review of performance against targets.
- Creating a Diversity Allies programme that will provide a network of individuals who are able to support under-represented employees by ensuring they have a voice on boards at every level.

CASE STUDY

MORGAN STANLEY

Appointment of an Executive Sponsor for Race and Launch of Race to Action Group

Morgan Stanley has launched a Race to Action Group (RAG), chaired by our Charter Champion, Tosin Ajayi, Managing Director and Global COO for Macro-Research. The RAG acts as a catalyst to drive forward the UK BAME strategy, in close connectivity with the Diversity Action Council, and aims to raise and broaden the visibility of our BAME talent commitment. A separate MD group monitors the careers of our BAME MD pipeline, advocating for and sponsoring individuals where appropriate. Three round table discussions took place with BAME MDs and Allies, select BAME Network Heads and Steering Committee Members. Comments from our BAME population in the annual Engagement Survey were also analysed. 65 suggestions are currently being prioritised for implementation and worked on by the RAG's four strategic work streams: Recruitment; Retention and Development; Education and Communication; Management Accountability; and Engagement. The BAME MD and officer pipeline is currently being discussed in annual divisional diversity reviews with the senior management team. A new BAME ED and VP Leadership programme (LEAD) was launched in April which will be followed up by a '4P' action plan for each participant (Profile, Platform, Performance and Potential).

CASE STUDY

DEPARTMENT FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY (BEIS)

Progression of Diverse Talent

As of March 2019, BEIS has 117 mentors and 127 senior civil servant mentees. The programme has had a positive impact on both mentors and mentees by bringing people into contact who ordinarily might not meet each other. Reverse mentoring has given mentors visibility with senior leaders and has empowered them and instilled confidence through training and development. Following his experience of reverse mentoring, a deputy director published a blog on race with over 4000 views, prompting further conversations and a race awareness campaign within the department, including presentations to Director General leadership teams.

CASE STUDY

WPP UK

Ensuring we reflect modern Britain in everything we do

Best practice is shared, amplified and driven forward by the UK Inclusion Board, set up last year and chaired by Karen Blackett OBE. Meeting every six weeks, members include CEOs, HR heads and client leads from our UK businesses who have the responsibility and influence to implement best practice approaches, engaging with experts who can help surface overlooked talent and setting minimum standards across the group. With a commitment to increasing the diversity of our UK workforce, key initiatives have included: a diversity survey to improve benchmarking; the building of a WPP mentoring app; new partnerships with universities, professional groups and recruiters; and supporting The Summer Accelerator, a programme that focuses specifically on attracting BAME talent into the industry.

PRINCIPLE TWO

Race at Work Charter – Principle Two

Capture ethnicity data and publicise progress

Capturing ethnicity data is important to establishing a baseline and measuring progress. It is also a crucial step towards an organisation being able to report on their ethnicity pay gap.

“At Sainsbury’s we want to be the most inclusive retailer where every single one of our colleagues can fulfil their potential and where all of our customers feel comfortable when they shop with us. As part of this ambition, we are holding ourselves accountable through an aspirational target to have 10% of our senior leadership from BAME backgrounds.

I take my role as board sponsor for race very seriously. Part of this commitment is a pledge to work alongside our BAME colleagues to ensure they have a voice and platform to share their lived experiences, and the opportunity to positively impact our journey towards greater inclusion across the organisation.

Taking part in the Race at Work Charter Survey is once again another opportunity for us to collaborate, learn and share best practice to drive inclusion across the UK.”

Simon Roberts, Retail and Operations Director, Sainsbury’s



The survey showed that:

- 63% of employers monitor data on pay and ethnicity, up from 61% in 2018. However, there is a stark contrast between sectors – 71% of public sector monitor compared to 58% of private sector. See *Figure 3*.
- 31% of employers publish data on pay and ethnicity. This is an increase from 19% reported in 2018. See *Figure 4*.
- 83% of all employers monitor their workforce by ethnic group at each management level (not shown).

Figure 3: Survey Q10 – Do you monitor data on pay and ethnicity?

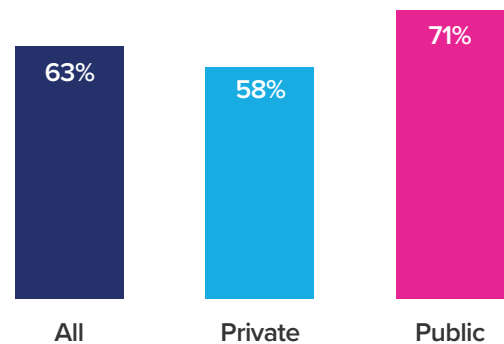
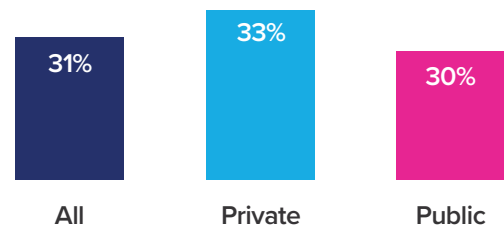


Figure 4: Survey Q11 – Do you publish data on pay and ethnicity?



We need employers to focus on capturing the ethnicity data of their employees by UK Census 2011 categories. This will enable them to set targets and track the representation of BAME candidates at all stages of recruitment, promotion and selection processes. Capturing

employee data in this way will also help employers to track the employee retention by demographic group and identify if there are any disparities. This quality of data will enable employers to publish their ethnicity and pay gap data voluntarily.

WHAT ACTIONS ARE EMPLOYERS TAKING?

- Examining ethnicity data at different levels within the organisation to build diversity into the talent pipeline, and identify where there are issues with employee retention.
- Building more accountability for developing talent pipelines at departmental levels and supporting them with data on employees across functions.
- Publishing Fair Pay reports which include all aspects of ethnicity pay gap reporting, bonus distribution and analysis of senior pay disparities.
- Using data on disparities to launch internal campaigns to make the case for changing stereotypes on race, ethnicity, religion and language.
- Reviewing data on other potential gap areas, such as the attraction gap, progression gap, pay gap and experience gap in the organisation.

CASE STUDY

CENTRICA

There's a place for everyone at Centrica

To improve employee self-declaration rates within Centrica, each year, we run an annual Count Me In campaign designed to better understand the composition of our workforce. This year Count Me In was led by Sarwjit Sambhi, Managing Director of Centrica Consumer and he stated: "Unless we understand diversity in a business, then actually we can't care for each other and understand those differences. For me it's important, because the people who work in Centrica need to reflect society. We need to reflect society because actually, if we don't then we can't meet the needs of our customers." Because of the campaign we have a 92% declaration rate 64% declared, 28% prefer not to say and 8% left blank.

CASE STUDY

HACHETTE

UK Ethnicity Pay Gap 2019

In the weeks following publication of our report we held several Ethnicity Pay Gap workshops, chaired by our CEO, and attended by our Group HR Director, representatives from our diversity and inclusion leadership, and representatives from our BAME employee network THRIVE, including their executive sponsor. The feedback provided was used to build upon the draft actions on our report, to inform a more robust action plan moving forward. The publication of our ethnicity pay gap is an open and transparent way of acknowledging where we are with our mission to become the publisher of choice for all people regardless of background, demonstrating our commitment to our mission, and holding us to account.

CASE STUDY

HOGAN LOVELLS

Diversity data sharing – Self ID campaign

We ran a Self-ID campaign to encourage our people to share their diversity data in our new online self-service people system. Our aim was to increase disclosure rates across all characteristics and, particularly, to push up on our ethnicity disclosure to ensure the information we used to calculate our ethnicity pay gap was as accurate as possible.

As a result of the campaign, 91% of our people have shared their information with us and 17% of our people identified as BAME in February 2019, up from 13% in June 2018. We used this data to accurately calculate our ethnicity pay gap which we voluntarily published in March 2019; one of only a small number of City law firms to do so.

Here at Ricoh UK we value people for being themselves and believe that a diverse workforce adds to our ability to be innovative and creative, to keep ahead in a fast paced market place. We are committed to equality, diversity and to eliminating discrimination from the very top of our organisation.

Phil Keoghan
CEO, Ricoh UK Ltd

CASE STUDY

WELLCOME TRUST

Improving our diversity data

Communications included an all staff meeting, line manager guidance, email reminders, intranet posts and a poster campaign. Staff were encouraged to submit their data by our Director, Jeremy Farrar, and their Divisional Directors. Following this push, response rates increased from 30–70% over a three-week period. This allowed us to comprehensively review our diversity data for the first time, and addressing our under-representation of BAME staff (alongside disabled staff) is now a priority for us.

Our Inclusion Strategy has had a positive impact on BAME recruitment, progression and retention but we know there is more to do.

The Bank is a signatory to the Race at Work Charter because its five Principles provide us with a valuable framework for making further progress.

Lea Paterson & Jonathan Curtis,

Executive Directors, HR
Bank of England

PRINCIPLE THREE



The survey showed that:

- 98% of the employers participating in this survey encourage employees to call out bullying and harassment if it is observed in the workplace. See *Figure 5*. However:
 - » Less than half (45%) of all these employers have conducted or commissioned a review into harassment and bullying. See *Figure 6*.
 - » The public sector is more likely to have commissioned a review with 71% saying this was the case compared to 31% of employers from the private sector.

Race at Work Charter – Principle Three

Commit at board level to zero tolerance of harassment and bullying The Race at Work Survey revealed that 25% of ethnic minority employees reported that they had witnessed or experienced racial harassment or bullying from managers. Commitment from the top is needed to achieve change.

“Santander UK is committed to supporting BAME talent and to creating an inclusive culture. We believe that all our employees should feel able to bring their whole selves to work and that this is only possible by helping to build a supportive working environment.

Our customers come from a wide range of backgrounds, and so do our people. We aim to reflect and celebrate diversity in our workplace to create an inclusive culture that adds real value to our business.”

Manroop Khela, Chief Transformation Officer, Santander UK

Figure 5: Survey Q20 – Do you encourage your employees to call out bullying and harassment if it is observed in the workplace?

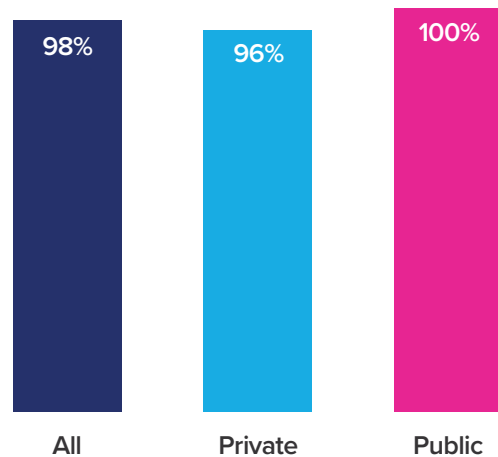
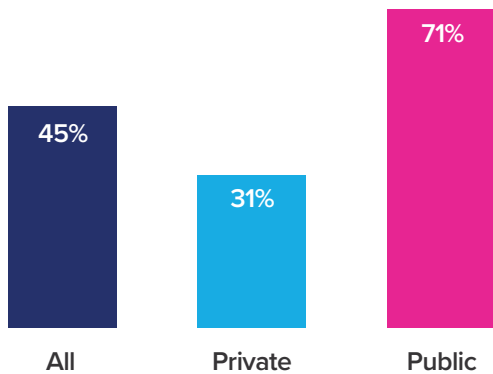


Figure 6: Survey Q22 – Has your board conducted or commissioned a review into harassment and bullying?



With 1 in 4 BAME employees saying they have experienced or observed racial harassment or bullying from their line managers in the last two years, we recommend more employers commission reviews to ensure that their organisation is truly inclusive, and free of bullying and harassment. Internal campaigns to restate your organisation's commitment to the wellbeing of all employees can also be launched as part of the review.

WHAT ACTIONS ARE EMPLOYERS TAKING?

- Ensuring that there is a session on the organisation's values and its zero-tolerance stance on any form of discrimination at induction.
- Establishing weekly and/or monthly catch ups between managers and individuals to discuss performance and any issues affecting them so that they can maintain a happy and motivated team.
- Creating guidance and principles to establish the right tone at the outset of new collaborative projects.
- Creating a safe space for people to discuss any issues that arise with trained 'designated people' who can address inappropriate behaviour.
- Launching a CEO-led communication campaign on Dignity at Work.
- Creating a week-long external public facing campaign on bullying and harassment using posters in walk-in centre receptions and social media.
- Introducing a BAME allies programme for white colleagues to support the work of employee resource/network groups and actively take steps to increase diversity and inclusion.

CASE STUDY

FOODS STANDARDS AGENCY

FSA takes a zero-tolerance approach to bullying and harassment

We developed a Code of Conduct that sets out the behaviours which are not acceptable in the workplace. It applies to all staff working in and for the FSA, and features a Chief Executive quote: "The FSA will not tolerate bullying or harassment. Every one of us has the right to work in an environment where we are shown dignity, respect, and valued for our individual contribution. The FSA is committed to eliminating all forms of harassment, bullying, creating a fair and inclusive working environment for its employees, and those who work on the FSA's behalf."

A behaviour group was established to improve the methods we use to deal with bullying and harassment. Members can be contacted to help others who may be experiencing problems at work. The group aren't fixers, but listen and advise on possible next steps and signpost to the necessary support services.

Essentra is built on diversity. Of parts, products and services. Of customers, partners and markets. Of people, perspectives and ideas. As Chief Executive, my ambition is for everyone to feel safe, respected, valued and able to thrive as part of a winning, engaged and diverse team.

Paul Forman
Chief Executive, Essentra

CASE STUDY

PUBLIC HEALTH ENGLAND

Development of an Anti-Bullying, Harassment and Discrimination (BHD) action plan

In March 2018, PHE Chief Officer reaffirmed expectations with the Senior Leadership Team. A personal message was sent directly to all staff that reminded everyone to treat each other with respect, decency and kindness. The PHE People Charter sets out the core values, which include respect, and the behaviours that all staff are required to demonstrate.

From June 2018 senior teams were briefed on the need for positive relationships, for staff to treat each other respectfully. It was made clear that bullying, harassment and discrimination would not be tolerated.

From November 2018, PHE refreshed its action plan following the 2018 survey outcomes and wider work across the Civil Service. The actions include a new staff infographic which explains the support available, a dedicated confidential bullying, harassment and discrimination reporting line, and the implementation of Respect Champions. Staff have indicated that the refreshed action plan is both positive and comprehensive.

To illustrate: 4,268 staff participated in the survey and 72% indicated that the PHE People Charter behaviours are consistently demonstrated where they work. Furthermore, a new survey question confirmed that 84% felt that others around them treat them with respect, decency and kindness.

PRINCIPLE FOUR



Race at Work Charter – Principle Four

Make clear that supporting equality in the workplace is the responsibility of all leaders and managers

Actions can include ensuring that performance objectives for leaders and managers to support fairness for all staff.

“Successful businesses make all employees and customers feel welcome and valued. I am passionate about all the initiatives that foster diversity and inclusion at Enterprise, particularly around hiring and developing ethnic minority talent. It means that as a business we are ensuring that everyone that touches the Enterprise family feels like they are part of it – that they can belong. This is key to great customer service and employee engagement.”

Khaled Shahbo, MD UK and Ireland, Enterprise Rent-A-Car

- Overall, 96% of employers provide equality and diversity training (not shown).
- 50% of all the employers in this survey have boards and senior teams who have personal performance objectives on diversity that include action on race. See *Figure 7*.
- Overall, only 21% of line managers within organisations have performance objectives to take action to facilitate the development and progression of BAME talent within their teams. See *Figure 8*.

Figure 7: Survey Q23 – Does your board and senior team have personal performance objectives on diversity that include action on race?

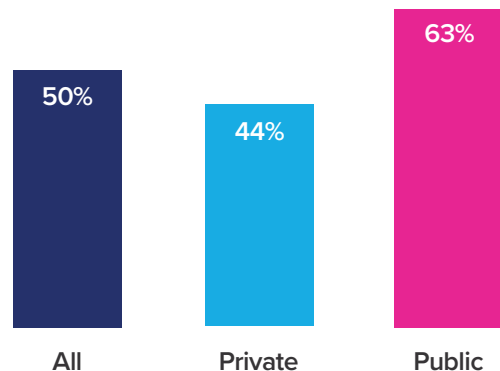
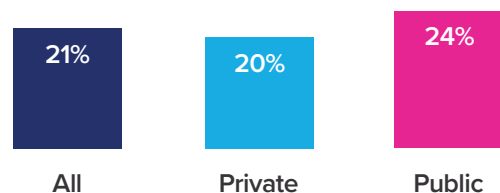


Figure 8: Survey Q24 – Do your line managers have diversity performance objectives to take action to facilitate the development and progression of diverse BAME talent within their teams?



Employers action against this commitment remains stubbornly low. Leadership commitment and action at all levels within the organisation is vital if we are going to see the breakthrough

of BAME talent into management levels that is right, fair, and frankly, overdue for many BAME employees in the UK.

WHAT ACTIONS ARE EMPLOYERS TAKING?

- Creating diversity panels (a senior-led group) using data to review the Performance Management outcomes to assess whether there has been equality of treatment and consistency of approach across all diversity groups.
- Introducing financial consequences for senior managers, recognising them for their specific and tangible contribution to delivering targets.
- Convening quarterly, whole-day engagements led by leaders and managers, with everyone focused on building awareness and inclusion of diversity.

CASE STUDY

PwC **Driving leadership responsibility and accountability for equality in the workplace**

We've developed an Inclusive Leadership programme, rolled out over the last two years for partners and directors. Its objective is to:

- Create consistent understanding that behavioural change is required.
- Understand inclusive leadership, and the skills and behaviours of inclusive leaders to create the desired culture.
- Drive responsibility and accountability for actions to support inclusion, enabling the delivery of diversity targets.

Approximately 43% of our partners have completed this programme to date.

We're embedding inclusive leadership into all development programmes. It's a key module

in our development programme for senior managers, recognising the significance of their role in leading teams, and the impact they have role modelling inclusive behaviours.

320 have participated to date, and 1,500 will complete it this summer. We're embedding inclusive leadership into the development of our 5,300 Career Coaches and 750+ Relationship Leaders. Everyone has a Career Coach responsible for their coaching, development, performance and wellbeing. Relationship leaders manage groups of around 30, and have an important role supporting the people agenda. They work closely with career coaches to support the performance and development of our people. Targeting these two key populations means we have a greater impact, driving responsibility for inclusion into all leader roles. Our next step is to embed inclusive leadership into new hire induction.

CASE STUDY

ROYAL NAVY

Introduction of senior leaders' and managers' personal diversity and inclusion directives and action plans

Each senior leader will publish their own directive on the behaviours expected in their areas of responsibility, a personal action plan to demonstrate their commitment to furthering diversity within the organisation, and embedding a genuinely positive culture. They will be held accountable for their action plan outputs during their annual appraisal.

All line managers (LMs) are required to attend and pass a 10-day residential 'Line Management Course' and conduct mandatory two-yearly Diversity and Inclusion training to equip them with the necessary tools. They have a responsibility to lead by example and their performance is judged in their annual appraisal according to the organisations criteria:

"You should consider and assess:

- The person's commitment to preventing and dealing effectively with discrimination, harassment and bullying.
- The extent to which the person behaves appropriately towards others, whatever their background origin, colour, race, religion/belief, gender, sexual orientation or personal circumstances.

Make particular comment where the persons attitudes and/or behaviours fall below acceptable standards or exceed what is expected".

CASE STUDY

STANDARD LIFE ABERDEEN

Inclusive leadership is the responsibility of everyone

One of the commitments in our published Ethnicity Action Plan is developing inclusive leadership capability and accountability. We do this by embedding inclusion at three levels:

- A published co-created inclusion strategy. PLC-wide, we embed inclusion in strategy, values, brand, sponsorships and procurement.
- Each leadership team has inclusion commitments of which they are accountable for.
- We support our people through employee-led forums/networks.

We've grown inclusive leadership capability/accountability through:

- Interventions to develop inclusive leadership capability.
- Global anti-discrimination/harassment mandatory learning.
- Leadership accountability.
- Tools for team discussions, leadership sessions, and individual reflection.

We started our CEO and executive team, followed by with immersive, inclusive leadership development as a team and individuals.

PRINCIPLE FIVE

Race at Work Charter – Principle Five

Take action that supports ethnic minority career progression

Actions can include embedding mentoring, reverse mentoring and sponsorship in their organisations.

“As a business, we have always been proud of our commitment to ED&I. However, signing up to the Charter and being recognised externally for our approach has enabled us to showcase these achievements to the wider business world. We are fortunate to work alongside a large number of companies from a diverse cross section of industries, and are therefore in a position to promote diverse workforces around the country. We see it as our responsibility to promote ED&I within other businesses, and hope that our influence can convince others to follow suit, adopting a proactive approach to ED&I within their strategies and methods.” Carmen Watson, Chair and Managing Director, Pertemps



- Overall, 57% of employers check for ethnic minority talent in their senior succession planning lists. See *Figure 9*.
- However, just 38% of all employers in this survey review promotion shortlists by ethnic group, and also when it comes to monitoring fast track and management training by ethnic group (not shown).
- Only 32% of employers ensure there is racial diversity on interview panels – see *Figure 11*.
- Just 29% have consistent racially diverse interview panels for promotion interviews. See *Figure 12*.
- In contrast, 80% of board members and/or senior teams mentor/reverse mentor ethnic minority employees.

Figure 9: Survey Q28 – Do you check for ethnic minority talent in your senior succession planning lists?

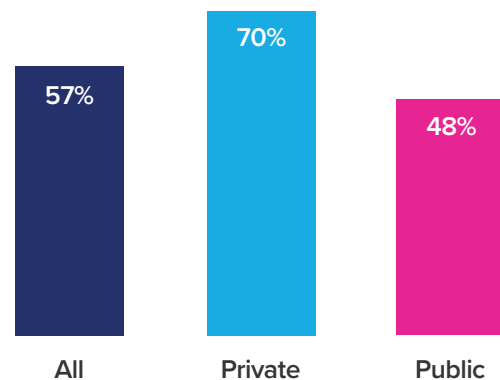
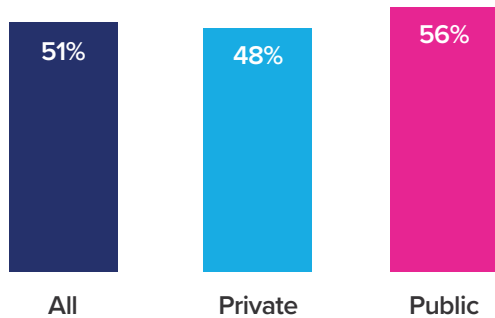


Figure 10: Survey Q4 – Do you brief your recruiters and head-hunters to produce an ethnically diverse shortlist using national and local demographic data?



Base: All (n=108), Private (n=56), Public (n=39)

Figure 11: Survey Q5 – Do you ensure there is racial diversity on your interview panels?

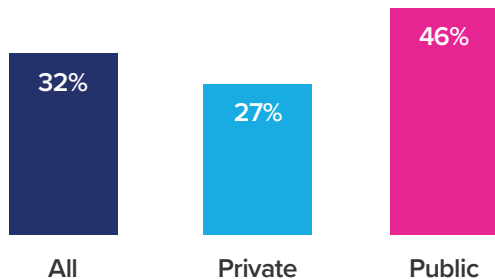
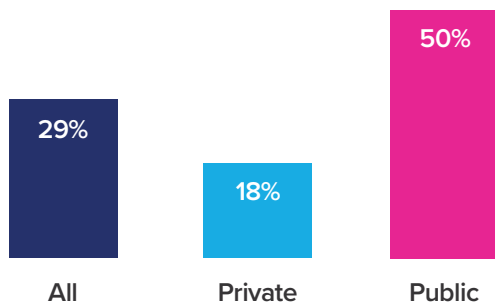


Figure 12: Survey Q35 – Do you consistently have racially diverse panels for promotion interviews?



Including BAME employees as part of the selection process is important, and employers who do this have reported an increase in the recruitment and progression of BAME talent within their organisations. We would like to see all employers adopt this as standard action for all recruitment and progression panels.

As CEO and senior race diversity champion, my role is to ensure equality diversity and inclusion can be seen and felt as key attributes of our culture. Last year, Lambeth was deeply challenged by publication of institutional racism claims by some staff. This accelerated my leadership challenge to confront some tough realities and uncomfortable truths. Yes, we do need to talk about race and I have participated and encouraged these conversations within our diversity, staff and leadership forums. Within a year, we have made real progress in addressing the ‘Guinness effect’, by increasing race diversity at senior levels by over 7%. We have also committed to race (and other) equality targets for senior leadership and are taking concerted action to achieve this via targeted recruitment campaigns and growing our own. This is a journey and we are on our way with one of London’s most diverse and BAME workforces.

Andrew Travers CEO, Lambeth Council

WHAT ACTIONS ARE EMPLOYERS TAKING?

- Setting targets across the business for the recruitment, progression and retention of BAME talent.
- Offering opportunities for BAME employees to be trained up to participate fully in recruitment and selection exercises, including outreach, sifting and interview.
- Targeting recruitment outreach to universities with a high proportion of BAME students.
- Introducing people panels and interview champions in senior recruitment which includes people from all grades, across the organisation, to contribute to selecting senior leaders.
- Creating independent panel members from outside recruiting business areas, brings a new diversity of approach, experience, and thought, to create true challenge and add rigour to the process of leadership appointments.
- Widening access to shadowing, temporary work placements, and short-term secondment opportunities.
- Creating a six-month programme combining emotional intelligence, personal and career development, and inclusive leadership modules for delegates and their line managers.
- Focussing on professional development to sponsor emerging BAME female talent in the organisation.
- Recognising high performers on internal and external platforms.

CASE STUDY

FUJITSU

Three changes to achieve a more ethnically-diverse graduate programme

We made three changes to our graduate recruitment process to achieve a more ethnically-diverse graduate programme.

First, we amended the assessment process to include a new bespoke situational judgement test, which aligned to real graduate experiences. This would help overcome the high drop-out rates of BAME candidates.

Secondly, we trained all our graduate assessors in unconscious bias, and we repeat this each year. This is a two hour recruitment special and includes how personal characteristics such as someone's ethnicity can impact hiring decisions. This is delivered just before graduate

assessments to ensure it is still fresh in assessor's minds. We know this works because during the assessment centres we hear assessors checking each other's bias.

And finally, over the past couple of years we have evaluated graduate academic achievements against in-role performance and found no positive correlation. Therefore in 2018, we removed all degree classifications (previously a 2:1) as an entry requirement, meaning we now accept graduates who have received a third.

The results were that in 2018, 28% of our graduates came from a BAME background, an increase from 13% in 2016. Furthermore, 91% of BAME applicants completed their online assessment tests, meaning we had more BAME candidates at the interview stage.

CASE STUDY

CROWN PROSECUTION SERVICE Recruitment and Promotion Process in CPS

The CPS recruits, based on the Civil Service principles of fairness, openness and merit, are concerned with ability, motivation and potential, rather than grades attained or attendance at a prestigious university. The percentage of BAME applicants increased by 4% to 46%. The percentage of BAME candidates meeting the standard for appointment was 23%, comparing favourably with our peers. At senior levels, resulting from recent selection campaigns featuring role models in post, we have increased BAME representation from 9% to 13%, exceeding the target agreed with the CPS Board.

As the Race Champion and an Army board member, I recognise that becoming a more diverse and inclusive organisation is integral to our future success. We must attract, develop and retain talented people with different backgrounds and experiences. I work closely with our BAME network, conducting focus groups with their membership to understand the lived experience of our soldiers, and reflect this back to my fellow board members. Through my responsibility for Army engagement and recruiting, I ensure that outreach is conducted with diverse communities and drive forward increased BAME recruitment, representation and progression, ensuring we are representative of the country we serve. I am fully supportive of our new diversity initiatives and am particularly enthused by the Army Diversity Allies programme which provides a network of individuals who are supporting our under-represented cohorts, ensuring they have a voice on boards at every level.

Lieutenant General Tyrone Urch CBE,
The British Army

CASE STUDY

DELOITTE Reverse Mentoring

The programme paired around 30 junior BAME and female employees (the mentors) with senior leaders (the mentees).

The nine-month programme gives the mentors an opportunity to share insights about their 'on the ground' experiences and provides a fresh perspective to our senior leaders when it comes to our business, our strategy, and also perspectives on culture. The pilot has proved to be one of our most powerful initiatives and as such we have doubled the size of the programme for 2019. How did the mentors feel about the programme?

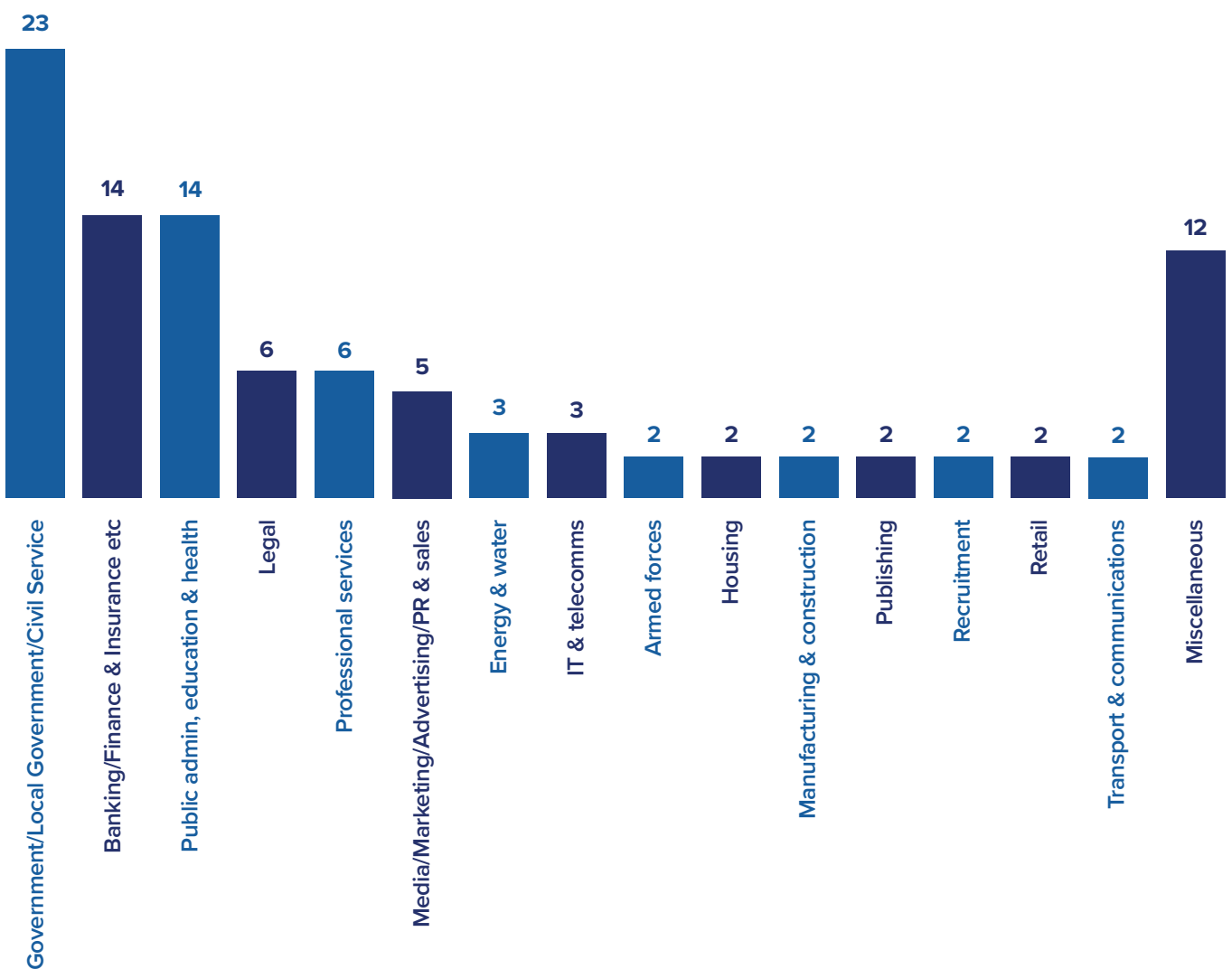
- Over 87% of mentors felt they built a strong and meaningful relationship; they told us that they felt empowered to build connections that they otherwise would not have been.
- 67% of mentors felt their opinions and voices were heard.
- 100% of mentors committed to keeping in touch with their mentee; 47% of mentors have been promoted since the commencement of the programme.

RACE AT WORK CHARTER SIGNATORIES

185 online signatories as of 1 September 2019

Industry/Sector Representation

Figure 13: Race at Work Charter signatories by industry/sector %



CALL TO ACTION

It is great to see actions employers are taking within their organisations to ensure they are truly the best places to work for employees from all backgrounds and ethnicities. This must continue, and we are encouraging employers to continue taking action.

We are calling on the leading employers within this survey, and those who have already signed the Race at Work Charter, to encourage the key suppliers within their supply chains to sign up and take action.

Additionally, we are calling on sectors where we have seen low uptake such as hospitality, local government, recruitment and retail, as well as employers in the education sector including universities, schools and colleges to step up and sign the Charter.

We need collective practical action from all employers across the five Charter principles (see opposite):


Get more leaders engaged: the most senior leaders across the organisation to engage in mentoring and sponsorship behaviours. Set targets for senior representation in pipeline and at executive levels within organisations. Engage your head-hunters to support your organisation in the external talent search.

Enhance data capture: focus on capturing data across the UK Census 2011 categories to voluntarily publish ethnicity and pay data, and set targets for recruitment, retention and progression of talent in the organisation.

Create a culture of inclusion: train employees and ambassadors throughout the organisation to support early reporting and to provide a safe space to discuss bullying and harassment from colleagues and customers.

Engage all managers: set performance objectives for all managers and establish the principles of inclusive leadership and management.

Recruit and progress BAME talent: establish diversity within selection panels and processes for recruitment, promotion and senior appointments as standard good practice. Include inclusive leadership training for managers and directors as a key part of talent development programmes or initiatives.



I am delighted to see so many employers sharing their actions since the review of Race in the Workplace, with the Business in the Community Race at Work 2018 Scorecard report, and signing of the Race at Work Charter. It is important that employers continue to capture their ethnicity data, and voluntarily publish their ethnicity and pay gaps alongside other important data on the recruitment, retention and progression of their BAME talent. We know that this action collectively from employers will provide an annual economic boost to the UK of £24bn. The case for change has been made. Let's encourage key employers in the supplier and value chains to also take action.

Baroness Ruby McGregor-Smith CBE





The Prince's
Responsible
Business Network

Business in the Community

137 Shepherdess Walk
London N1 7RQ

www.bitc.org.uk

Chairman: Jeremy Darroch

Business in the Community is a registered charity in England and Wales (297716) and Scotland (SC046226) Company Limited by Guarantee No: 1619253.

