



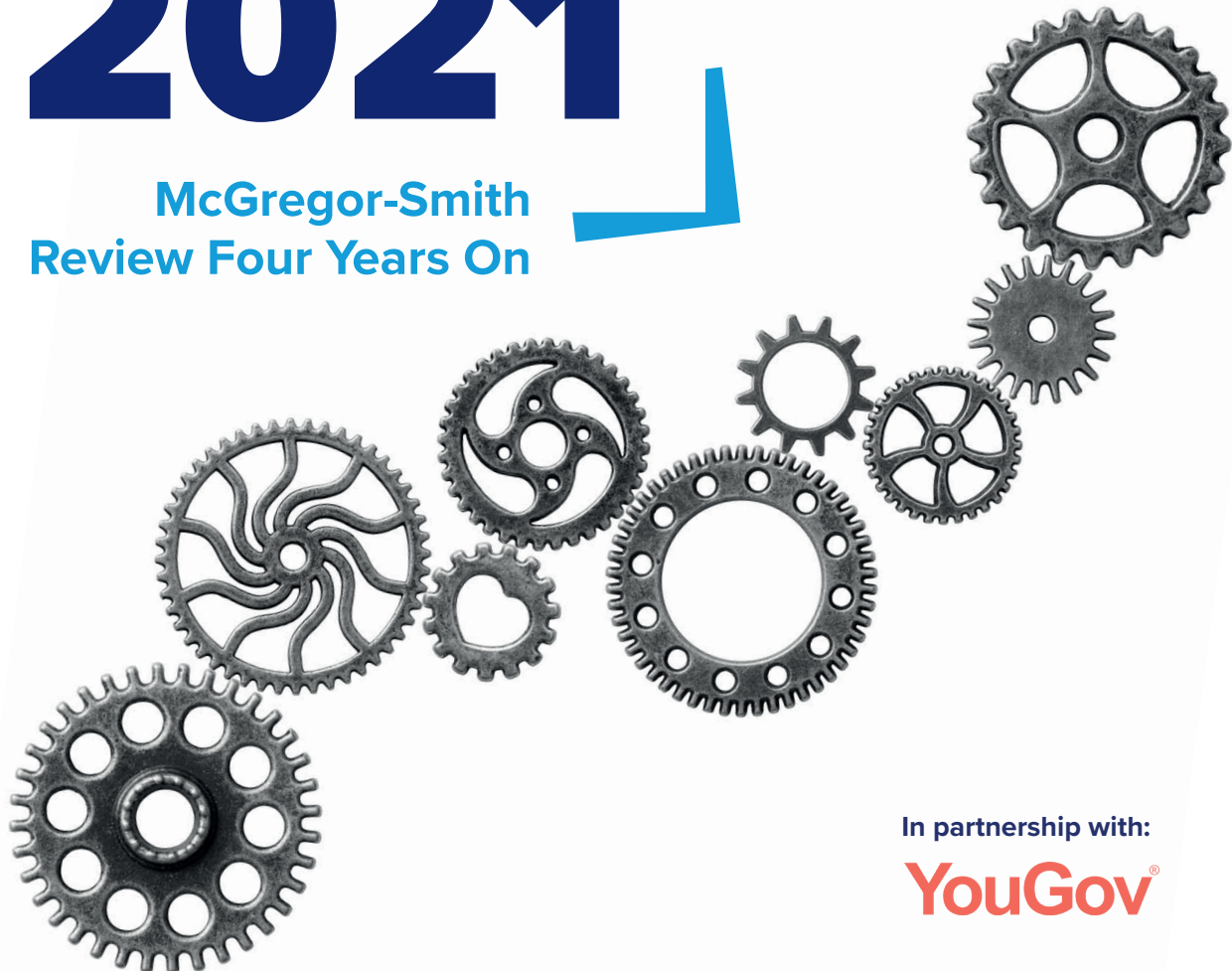
The Prince's
Responsible
Business Network



The Scorecard Report

RACE AT WORK 2021

McGregor-Smith
Review Four Years On



In partnership with:
YouGov

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FOREWORD

I urge you to read with interest the key findings from the Business in the Community and YouGov Race at Work 2021 Survey. This report sets out updated insights from the Race at Work 2018 Scorecard – McGregor-Smith Review Race in the workplace and roadmap to success recommendations.

The findings make for both exciting and disappointing reading. It is exciting because they capture the level of motivation, and ambition that the current generation of British Black, Asian, Mixed Race^a and other ethnically diverse workers have consistently possessed since 2015. And it is exciting to see evidence of the enthusiasm of allies undimmed. But it is also disappointing, because of the visible and invisible barriers that people say they face when seeking career progression opportunities because of the trends from the racial harassment and bullying data, that overt and covert racial discrimination persists in the British workplace, permeating employee relationships with customers, clients, service users and contractors.

Work is an important element of people's lives. As well as bringing in income and increasing the potential to build wealth, it can instil self-confidence and enable people to set and achieve personal and career progression goals. The McGregor-Smith Review clearly set out the size of the prize of inclusion of Black, Asian, Mixed Race and other ethnically diverse employees in the UK workplace – a £24bn annual income boost to the UK economy.¹

This report highlights the ways in which employers are still failing to take advantage of the huge amount of ambition and motivation that Black, Asian, Mixed Race and other ethnically diverse workers display. Of course, not everyone is motivated by the prospect of promotion. But there are some simple demands common to the vast majority of workers: feeling valued, feeling they belong, relevant training to acquire the skills that they need to do their jobs effectively, proper pay and a listening ear from their line manager. What also emerges is a strong demand for mentors, sponsors and role models to help navigate career paths. Our calls to action are simple and mostly low-cost changes that employers from the private, public and third sectors can make which will result in a more engaged and productive workforce, improved business results and customer satisfaction, and in the medium term, deliver a good return on investment in the workforce.

A few of these recommendations will require some investment, but those such as mentoring, 'active' sponsorship, allyship and good line management will not. These require leadership and accountability. Indeed, good line management capability is a business imperative. 2021 trends indicate that employees show an increase in positive feelings about their line managers.

Overall, in 2021, through the panel and open link, 24,638 people completed the Race at Work 2021 survey. This survey also attracted 24,950 comments linked to leadership, being overlooked for promotion, bullying and harassment and allyship.

We have a richness of data and insights from employees about their experiences at work. Employers must tap into the energy and enthusiasm within the inclusion allies in their organisations. We saw the first bold demonstration of support following the death of George Floyd as White and Black people in the UK stood together to say that change is needed. 9,450 of the comments were on allyship alone, for example 39% of White employees said 'My organisation supports employees like me who want to take part in race and ethnic diversity and inclusion activities.' This indicates that the commitment to support Black employees as allies is burning as bright as it was in the shocking summer of 2020.

A few of these recommendations will require some investment, but those such as mentoring, 'active' sponsorship, allyship and good line management will not. These require leadership and accountability. Indeed, good line management capability is a business imperative

We have also seen a significant shift in the number of organisations voluntarily capturing their ethnicity pay gap data. This has increased from 11% in 2018 to 19% in 2021. Some employers who have signed the Race at Work Charter are not waiting on the government to implement mandatory ethnicity pay gap reporting, they are taking concrete action voluntarily.²

Employers need to look at their supply chains, when examining their ethnicity pay gaps. This includes not only setting targets to include Black, Asian, Mixed Race and other ethnically diverse led enterprises and businesses in their supply chains but to monitor contracts for timely payment and fairness in remuneration and value.

The survey results demonstrate that Black, Asian, Mixed Race and other ethnically diverse people in the workplace are ambitious. There is a persistent challenge around increasing fair access to great career development and stretch opportunities. All leaders must consider actions to build equity for diverse talent in the work environment to ensure that they can access the right opportunities at the right time.

There has been an impressive 11% shift in the number of senior leaders as executive sponsors at the top table promoting equality, equity, fairness and inclusion. This has increased from 32% in 2015 and 33% in 2018 to 44% in 2021. This aligns to the increase in Race at Work Charter signatories from 85 in 2018 to over 780 organisations employing 5.8 million people in 2021.

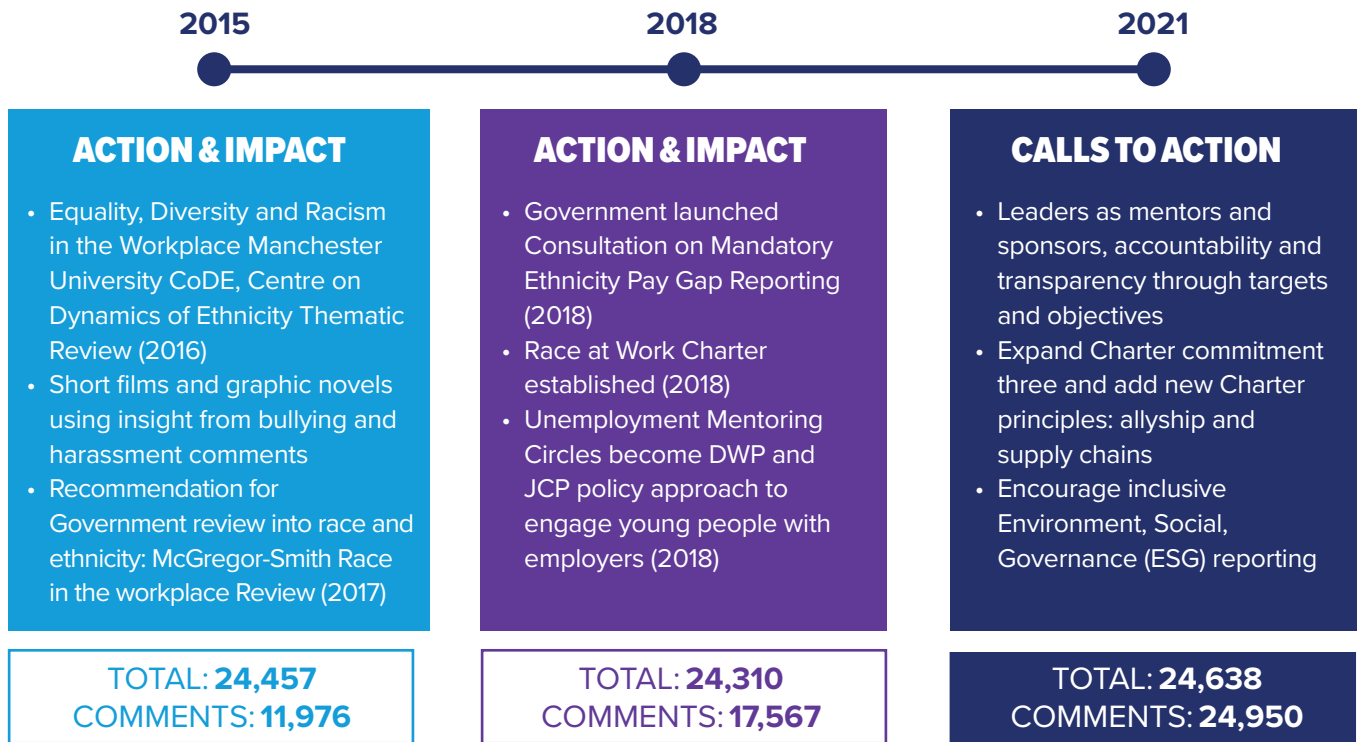
Thank you to our corporate sponsors – Co-op, Enterprise Rent-A-Car, KPMG, Sainsbury's and Shell – who have enabled this timely review to happen and to Business in the Community's Race Leadership Team for their ongoing support and dynamic leadership.

We need focussed action to mobilise this increased volume of leaders at the top tables across private, public and voluntary sector organisations. We need leaders that are well connected, credible and inclusive to use their ability, power, and voice to advocate, facilitate and open doors for people from Black, Asian, Mixed Race and other ethnically diverse backgrounds, so that they can have their voice included around the key decision-making tables. We must be inclusive and fully utilise, nurture and develop the skills and abilities of Black, Asian, Mixed Race and other ethnically diverse populations across the UK, to ensure that we realise the significant economic boost that will contribute to a sustained and inclusive recovery.



Sandra Kerr CBE
Race Equality Director
Business in the Community

RACE AT WORK TIMELINE – 2015 > 2018 > 2021



Race at Work 2021 received the largest number of survey responses (24,638) and the highest number of comments (24,950).

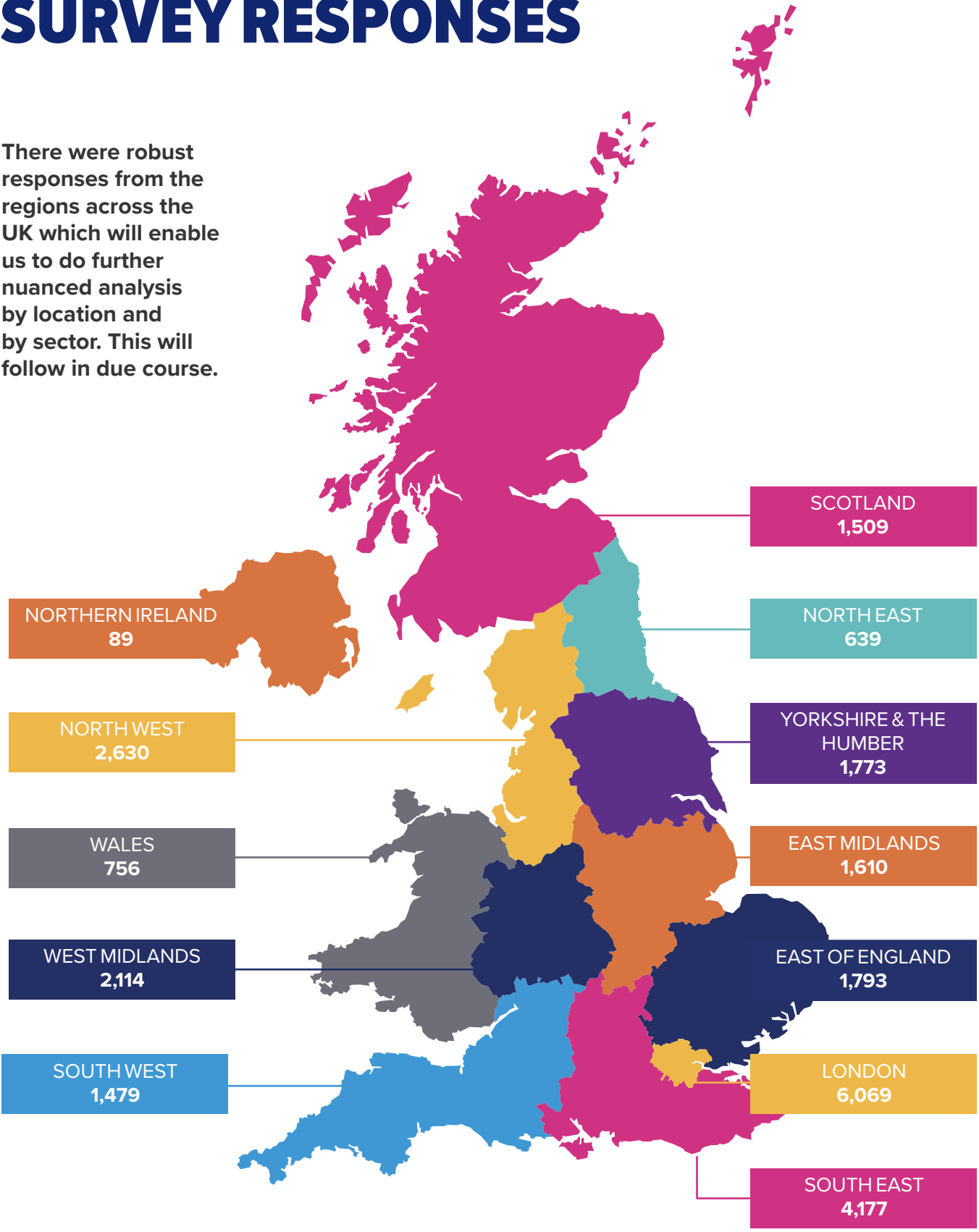
We are delighted that the University of Birmingham and Queen Mary University of London will be supporting us with a thematic review analysis of all the survey respondents who provided comments and insights in 2015, 2018 and 2021.

Thank you to Bain and Company for their pro bono support with a high-level rapid review of some of the comments in 2021. We have shared some of the key themes arising from the report and will share additional insight with Race at Work Charter signatories.

We asked the question about terminology in the survey and respondents preferred the terms, Black, Asian and Mixed Race. We have used 'Black, Asian, Mixed Race and other ethnically diverse' in this report and have used the broader census category descriptors where there are significant differences in the responses.

GEOGRAPHIC SPREAD OF SURVEY RESPONSES

There were robust responses from the regions across the UK which will enable us to do further nuanced analysis by location and by sector. This will follow in due course.



THE MCGREGOR-SMITH REVIEW – FOUR YEARS ON



Baroness McGregor-Smith, CBE

Chair of Mind Gym PLC and the
President of the British Chambers
of Commerce

It is great to see the progress being made across the employer landscape using the recommendations from my review and the six-point roadmap for success published in 2017. Thanks to Business in the Community's use of these principles together with the roadmap, more than 780 employers have signed the Race at Work Charter, showing their commitment to shape their organisations into more inclusive, diverse companies that attract strong talent.

There is still more to be done to achieve equality however, and one major issue addressed in this report is mandatory ethnicity pay gap reporting. This is a key recommendation from my review, a vital action that remains outstanding. Whilst it is great to see that the Government is supporting employers to report their data, that is only the beginning. This report shows the depth of concern among businesses for supporting their colleagues, and it is wonderful to see employers taking action on ethnicity pay gap reporting. These may seem like first steps, but they are big ones.

RACE AT WORK 2021 – SCORECARD CORE INDICATORS

Objectives, Sample and Fieldwork

The Race at Work 2021 Scorecard 'Take Stock and Take Action' Report sets out the performance of UK Plc (England, Wales, Scotland and Northern Ireland) using a YouGov sample survey of 5,181 respondents. The YouGov panel data has been weighted to be representative of working adults in the UK (age 18+) by ethnicity, gender, working status and organisation size and sector.

In total, 2,645 White employees and 2,583 Black, Asian, Mixed Race and other ethnically diverse employees responded to the survey.

The 2021 research updates the research undertaken in 2018 with a sample size of 6,506 and taken in 2015 with a sample size of 6,079 responses. This allows the tracking of attitudes and experiences of White, Black, Asian, Mixed Race and other ethnically diverse employees in the UK over time.

We have used the Race at Work 2021 results to take stock of progress, four years on from the publication of the Government sponsored independent *2017 Race in the workplace: The McGregor-Smith Review* and the calls to action for employers in the Race at Work 2018 Scorecard report and Race at Work 2015 survey.

Fieldwork for the 2021 survey was carried out between 23rd March and 11th May 2021.

The trend data provides evidence of progress against sufficient trends to give a fair assessment of how employers have progressed action against the six-point roadmap for success set out in the McGregor-Smith Review.

- 1 Gather data
- 2 Take accountability
- 3 Raise awareness
- 4 Examine recruitment
- 5 Change processes
- 6 Government support

“What we are seeing in the data is evidence of a shift, as the communication and promotion of equality, diversity and fairness by leadership is not going unnoticed. Publishing and committing to targets for representation and inclusion is arguably one of the most effective ways to demonstrate business commitment, but it’s just a starting point. These targets need to be accompanied by concrete steps and accountability to ensure that tangible progress is achieved.”

Richard Iferenta, Partner and Vice Chair at KPMG UK and Chair of the Business in the Community Race Leadership Team

RACE AT WORK 2021 – 'TAKE STOCK AND TAKE ACTION' REPORT

In comparing findings between 2015, 2018 and 2021, these are the headlines:

Gather data

There has been a significant improvement in the number of employers voluntarily capturing ethnicity data and pay gap data. This has increased from 11% in 2018 to 19% in 2021.

A key recommendation from the McGregor-Smith Review was for the Government to implement mandatory ethnicity pay gap reporting. Business in the Community (BITC) and leading employers have been collaborating with the Department for Business, Energy and Industrial Strategy (BEIS) to produce guidance for employers to enable them to publish their ethnicity pay gaps, with narrative and action plans.

We are calling on more employers to publish their ethnicity pay gaps voluntarily and we are calling on the Government to note this shift in business action and follow through on their promise and the consultation results to implement mandatory ethnicity pay gap reporting.

Take accountability

There has been an impressive 11% shift in the number of Executive Sponsors at the top table promoting equality, equity, fairness and inclusion. This has increased from 32% in 2015, 33% in 2018 to 44% in 2021. We are calling on leaders to be inclusive, act as mentors, sponsors, allies and advocates of diverse talent and to be accountable for improved progression of diverse talent in the workplace. Employers must ensure that Black African employees are included as part of this as they are the group most likely to desire a sponsor at 46%, yet only 15% have one.

In 2018, Black, Asian, Mixed Race and other ethnically diverse workers (32%) were 2.3 times more likely to have a mentor in their workplace than their White counterparts (14%). However, in 2021, Black, Asian, Mixed Race and other ethnically diverse employees (28%) are only 1.6 times more likely to have a mentor at work than their white counterparts (17%) – showing a significant decrease in mentors for Black, Asian, Mixed Race and other ethnically diverse employees.

“It’s important that as an employer we don’t just look better, we are better. Organisational changes can create an impression of progress, but the changes must be genuine, authentic and real to employees. Inclusion must be at the heart of what we do, and it must reach to all areas of a business. If we all feel like we belong, can bring our whole selves to work and that we are welcome at work – this creates an environment for people to bring out the best of their energy, skills and abilities.”

Khaled M. Shahbo, Senior Vice President, Managing Director, Enterprise Holdings UK & Ireland and Member of the Business in the Community Race Leadership Team

Despite this disparity in access to mentorship³, Black, Asian, Mixed Race and other ethnically diverse employees (39%) are twice as likely to want a mentor compared to their White counterparts (20%). Black African employees are the most enthusiastic about mentoring at 54% followed by Indian employees at 44%.

Raise awareness: changing the culture

This year is showing the most significant movement of employees saying that their employers are comfortable talking about race. This has slowly been progressing from 37% in 2015, 38% in 2018 to 41% in 2021. This is an overall increase of four percentage points since we began to track this issue in 2015. Another important shift has been the increase in employees saying that their employers are helping them to talk about race. This has increased from just 22% in 2018 to 33% in 2021 an increase of eleven percentage points.

When examining religion and social grade, there has been little change. White employees are most likely to say their employer is comfortable talking about this, but this was only 39% in 2018 and is 38% in 2021, with Indian employees the least likely to say this, 27% in 2018 and 21% in 2021.

Three quarters (75%) of employees feel included in their team, higher than the 68% who reported this in 2018.

The majority of employees that feel valued at work (73% up +7pts since 2018), and both White (75% up +8pts since 2018) and Black, Asian, Mixed Race and other ethnically diverse (71% up +7pts since 2018) employees have felt a significant increase. However, although there has been an increase in both, Black, Asian, Mixed Race and other ethnically diverse employees feel less valued than their White counterparts.

There is a lot of discussion about the impact of remote and hybrid working on inclusion. The evidence from the survey indicates that it has not hindered employees feeling valued. This emphasises the need for employers to listen to their employees and agree a future that builds on these gains.

What remains totally unacceptable are the trends and performance indicators linked to bullying and harassment towards Black, Asian, Mixed Race and ethnically diverse employees by managers, colleagues, customers, clients, service users and contractors

In 2021, 29% of Black and 27% of Asian employees say that they have witnessed or experienced bullying and harassment from their managers and 38% of Black, 29% of Asian and 27% of Mixed Race employees say

that they have witnessed or experienced bullying and harassment from customers, clients and service users. Black, Asian, Mixed Race and other ethnically diverse employees are twice as likely than White employees to have experienced or witnessed racist harassment from managers, customers/clients and colleagues. Truly inclusive workplaces are free of bullying and harassment in all its forms. There has been no improvement since 2018. The time has come for Government and employers to demonstrate through their words and actions that this will be stamped out, wherever it is found. The Employment Bill which was anticipated following Brexit and the Queen's speech in 2019, but has not yet been delivered, provides an opportunity for the Government to take action. This Employment Bill should include protections for employees within the workplace and protect employees from racial harassment and abuse from customers, clients, service users or contractors.

See Appendix A for additional insights.

Examine recruitment

Black people from Caribbean (71%) and African (67%) backgrounds are more likely to use a recruitment agency, but less likely to believe that they are being treated fairly (34%). This has declined from 38% of Black people saying they believed they were being treated fairly in 2018. In contrast to this, White people are less likely to use a recruitment agency (47%), but are more likely to believe that they are treated fairly (49%). This has increased from 43% of White people saying this in 2018.

These disparities in the perception of 'recruitment agency' treatment by ethnic group have existed since 2015. The recruitment industry, employers and government need to tackle this head on to shift these marketplace perceptions. While doing this, they should tackle the systemic employment and unemployment disparities, which result in ethnically diverse graduates being unemployed for longer.⁴

Change processes: supporting progression

The desire for progression among Black, Asian, Mixed Race and other ethnically diverse employees remains consistent from 2018 at 70% and in 2021 at 69% saying that career progression is important to them. Black African employees remain the most likely to say this (85%). There has been an increase in White employees saying career progression is important to them, with 47% saying this in 2021 compared to 42% in 2018.

“This survey highlights the critical role that senior leaders can play in opening up more opportunities for people of all backgrounds, a crucial step in the quest for greater racial equality. Through strong mentoring and sponsorship, senior leaders can help cultivate workplaces where people of all backgrounds want to work, feel challenged and valued.”

**Roland Ilube OBE,
SVP Finance – Mobility, Shell and
Member of the Business in the
Community Race Leadership Team**

Feelings of encouragement for senior roles are similar for both Black, Asian, Mixed Race and other ethnically diverse (47%) and White (48%) employees. However, White employees have had the largest increase from 2018 (36%) when compared to their Black, Asian, Mixed Race and other ethnically diverse counterparts (44%).

Employers must be inclusive about progression. This means setting targets to ensure that Black, Asian, Mixed Race and other ethnically diverse employees progress at an accelerated rate to tackle the long-term disparities of representation at senior levels.

There has been a decrease overall of employees feeling that they need to leave their organisation to progress, falling from 52% to 45% for ethnically diverse employees and from 38% to 31% for White British employees who believe this. Mixed Race and Indian employees have experienced the biggest change in perception from 49% to 42% and from 52% to 44% respectively.

High turnover of employees is very costly to an organisation, and frankly equals pouring money down the drain. Smart employers are focusing on retention strategies to ensure that employees feel valued, listened to and that they belong in the workplace so that they can hold on to their talented employees.

Since 2018, Black, Asian, Mixed Race and other ethnically diverse employees' confidence in their line manager has increased significantly from 56% to 65%. It is time for managers to have inclusion performance objectives with incentives linked to pay and reward, so that this improved perception is underpinned with concrete practical actions. Evidence from the Race at Work Charter surveys of 2019 and 2020 shows that this is an aspect of the Race at Work Charter's fourth commitment where employers underperform.⁵ Setting these objectives will also support employers to deliver ethnicity targets together with the updated demographic data which will emerge from Census 2021. Employers can support their managers to do their bit towards achieving equality in the UK by ensuring that all their employees can fulfil their ambitions in the workplace regardless of their ethnicity.

“It is so important for employers to understand the differences in lived experiences of employees in the workplace by ethnicity group, and the Race at Work 2021 Survey helps us achieve that. Our experience has been that working hard to gather clear data about your workforce then enables you to set clear targets for improving representation linked to remuneration, develop ethnicity pay reporting and reflect in ESG reports for example. No one size necessarily fits all, and this survey will help employers create targeted action plans to help make a positive improvement in their organisation.”


Deborah Dorman
Director of Group HR, Sainsbury's

Government support: talent wars, retention strategies and enabling flexibility

Whilst a rapid analysis of the comments accompanying the survey show COVID-19 very much in employee's minds, some other notable uplift in trends include the number of employees saying that 'their organisation gives them freedom to work flexibly'. Seven in ten (69%) employees from all backgrounds said this. This has increased from 56% of White employees and 59% of Black, Asian, Mixed Race and other ethnically diverse employees saying this in 2018.

Seven in ten (69%) of employees agree that they would tell their friends and family that their organisation is a good place to work, higher than the 58% who reported the same in 2018. There has also been an improvement in employees saying that they enjoy working in their organisation, Pakistani (76%), White and Mixed Race (74%), Indian (73%) and Chinese and Black Caribbean (69%). There has been a significant increase from Chinese and Black Caribbean employees saying this, from 57% and 58% respectively in 2018. There is a potential correlation to people reporting increased flexibility, feeling more positive about their line managers, employees not feeling that they need to leave their organisation to progress and saying that their organisation is a good place to work. These themes will be further examined in the thematic review.

This evidence indicates that demonstrating that you care about your employees' mental health and wellbeing through freedom with remote, hybrid and flexible working, is set to become a competitive advantage for employers in the retention of talent.



“The Co-op is committed to equity, diversity and race inclusion as part of our overall drive to make Co-op a great place to work, where colleagues feel included, have a sense of belonging, and have a voice, regardless of their personal background or lived experience. Our approach to this is to use the insight we gather from our colleagues to identify where action is needed and what solutions will have the greatest impact on those who need supporting the most.”

Steve Murrells, Chief Executive
The Co-operative Group



THE SCORECARD 2021

Review of employer performance against McGregor-Smith roadmap to success and recommendations

Theme	Indicator	2015	2018	2021	Change 2018-21	RAG & Icon
Gather data	Employer collects ethnicity pay gap ratio data	n/a	11%	19%	8%	▲
	Performance objective to promote equality at work	41%	32%	34%	2%	—
Take accountability	Organisation offers equality, diversity and inclusion training to all employees	49%	48%	51%	3%	▲
	Senior leader and/or champion who actively promotes equality, diversity and fairness	33%	33%	44%	11%	▲
	Mentor – Yes, White British	12%	14%	17%	3%	▲
Raise awareness	Mentor – Yes, Black, Asian, Mixed Race and other ethnically diverse	27%	32%	28%	-4%	▼
	Sponsor – Yes	10%	10%	9%	-1%	—
	Career role model – Yes	29%	31%	30%	-1%	—
	Believe that recruitment agents treat them fairly – White British	40%	43%	49%	6%	▲
Examine recruitment	Believe that recruitment agents treat them fairly – Black, Asian, Mixed Race and other ethnically diverse	42%	44%	41%	-3%	▼
	Taken part in management fast track programme – Yes	8%	8%	10%	2%	—
Change processes	I feel I have to leave my current organisation to progress in my career – White British	37%	38%	31%	-7%	▼
	I feel I have to leave my current organisation to progress in my career – Black, Asian, Mixed Race and other ethnically diverse	49%	52%	45%	-7%	▼
Government support	Comfortable talking about race	37%	38%	41%	3%	▲
	Comfortable talking about religion	35%	35%	36%	1%	—

Notes: Sample: 2021 - All employees in work in the UK (4,929), 2018 - All employees in the UK (n=6,506), 2015 - All employees in the UK (n=6,076), 2021 - White British (2,424), 2018 - White British (n=2,647), 2015 - White British (n=2,770), 2021 - Black, Asian, Mixed Race and other ethnically diverse - (2,296), 2018 - Black, Asian, Mixed Race and other ethnically diverse (n=2,669), 2015 - Black, Asian, Mixed Race and other ethnically diverse (n=2,935)

REVIEW OF EMPLOYER PERFORMANCE

GATHER DATA

RAG

Monitoring ethnicity and pay

Progress: Amber to Green

There has been a shift from 11% of employers capturing ethnicity pay gap data on a voluntary basis in 2018 to 19% in 2021.

In the 2020 Race at Work Charter survey, 60% of employers were capturing ethnicity pay data and 30% were publishing their pay data.

We need employers to increase transparency and accountability by publishing their ethnicity pay gaps and setting targets to improve representation and progression to senior levels, which should be underpinned with action plans to support implementation and track progress.

TAKE ACCOUNTABILITY

Leadership and executive sponsorship

Progress: Amber to Green

There has been a significant 11% increase in employers with executive sponsors for race at the top table. This has increased to 44% in 2021, in contrast to slow progress from 32% from 2015 to 33% in 2018.

In 2021, more than four in ten of both White (42%) and Black, Asian, Mixed Race and other ethnically diverse (45%) employees have seen a significant increase in at least one senior leader promoting equality, diversity, and inclusion in the workplace (up +12 pts and +9 pts respectively).

MEASURING SUCCESS

Objectives to promote equality

Progress: Red to Amber

There has been a narrowing of the gap between White and Black, Asian, Mixed Race and other ethnically diverse managers having objectives to promote equality in the workplace. In 2021, there has been an increase in White managers having a performance objective to promote equality at 32% compared to 26% in 2018.

36% of Black, Asian, Mixed Race and other ethnically diverse managers had these objectives in 2018 and 38% in 2021. This closes the gap on the disparity by eight percentage points. This is a significant shift in the right direction. The Race at Work Charter surveys of 2019 and 2020 showed this as an aspect of the Race at Work Charter's fourth commitment where employers underperform. Only 21% of the 114 employers who completed the Race at Work Charter survey in 2020 said that they had implemented performance objectives linked to pay for managers.⁶

More action on this is required across workplaces in the UK to increase accountability for action and progress.

Training

Progress: Amber to Green

White employees reported having seen significantly more offerings of diversity and training courses from 2021 compared to 2018 (55% vs 51%), while levels for Black, Asian, Mixed Race and other ethnically diverse employees have stayed the same (56% vs 57%).

39% of White employees said *'My organisation supports employees like me who want to take part in race and ethnic diversity and inclusion activities'*. 26% (more than one in four) of White employees said *'I would like my organisation to support me to promote race and ethnic diversity and inclusion'*.

'My organisation is open to its employees promoting race and ethnic diversity and inclusion' 54% of White and 53% of Black, Asian, Mixed Race and other ethnically diverse employees said this.

Mentors and sponsors

Progress: Green to Red

There is a strong case for action on mentorship and sponsorship from Executive Sponsors and line managers to build the talent pipelines.

In 2018, Black, Asian, Mixed Race and other ethnically diverse workers (32%) were 2.3 times more likely to have a mentor in their workplace than their white counterparts (14%). However, this year Black, Asian, Mixed Race and other ethnically diverse employees (28%) are 1.6 times more likely to have a mentor at work than their White counterparts (17%) – showing a significant decrease in mentors for Black, Asian Mixed Race and ethnically diverse employees.

However, the desire for mentors and sponsors is as strong as ever from Black African employees (54%), Indian employees (44%), followed by Pakistani employees (39%), Bangladeshi employees (37%) and Black Caribbean and Mixed Race employees at (34%). 20% of White employees say they want a mentor. See *Appendix B* for examples of practical actions mentors and sponsors can take.

Role models and diversity in supply chains

Progress: No change. Amber

33% (one in three) of ethnically diverse respondents said that it was important to see role models from their ethnic backgrounds. 43% of Black Caribbean and 38% of Black African and Indian employees said this.

The desire for role models has remained consistent for Black, Asian, Mixed Race and other ethnically diverse groups since 2015. Employer engagement with ethnically diverse led business owners in their supply chains is one way to increase and expand visibility in this important area.

34% of employees said that their organisation promotes diversity, inclusion and belonging at work with employee networks.

More than seven in ten (75%) Black, Asian, Mixed Race and other ethnically diverse employees feel networking is important to progress their role. This has significantly increased since 2018 (70%). These significant levels are also found in Chinese employees. However, for Chinese employees, this belief had the biggest peak year-on-year with a significant increase of 12pts between 2018 (63%) and 2021 (75%).

Recruitment and agencies

Progress: Amber to Red

Despite Black African (67%) and Black Caribbean (71%) people being the most likely to use a recruitment agency, they are the least likely to believe that they are treated fairly. The perception of fair treatment has declined since this was reported in 2018 from 36% and 41% to 34% and 35% respectively.

The Race at Work Charter 2020 report⁷ called on the recruitment industry to take action and demonstrate their commitment by signing the Race at Work Charter. There has been slow movement from this industry.

Employers need to introduce performance agreements for diverse longlists and shortlists into recruitment contracts and monitor performance against them to ensure that they are getting the diverse pool of candidates linked to labour market data.

CHANGE PROCESSES

Performance reviews at work

Progress: Red to Amber

Black Caribbean employees have seen the most significant uplift in performance appraisal ratings. In 2018, they were the least likely ethnic group to receive an outstanding performance rating at 27%. This has increased to 37% in 2021. Mixed Race employees continue to be the most likely to receive an outstanding rating at 38% followed by White employees at 36% an increase from 32% in 2018. This said, White employees are still the least likely to receive a Standard review (32%). Pakistani employees are the most likely to experience this (48%).

Career progression and fast track

Progress: No change. Amber

Black, Asian, Mixed Race and other ethnically diverse employee's desire for fast track remains strong, 41% in 2021 compared to 43% in 2018. White employees desire for the fast track remains significantly lower at 18% in 2021 compared to 19% in 2018.

White employees (61%) are more likely than Black, Asian, Mixed Race and other ethnically diverse employees (51%) to say that they feel they have an equal opportunity regardless of their characteristics. There was a +11pts increase from 2018.

For Black, Asian, Mixed Race and other ethnically diverse employees, levels have remained stable year-on-year (51% vs 52%).

Talking about race, diversity and inclusion

Race at Work 2018 calls to action

Progress: Amber to Green

It is great to see since 2018 a 3% increase in employees saying that their organisations are comfortable talking about race at 41%. This was 37% in 2015 and 38% in 2018.

The significant uplift in employers giving their employees support to talk about race is also notable from 22% in 2018 to 33% in 2021. This action from employers has contributed to this positive increase in comfort levels when talking about race.

A guide to talking about race: Government should work with employer representatives and third sector organisations to develop a simple guide on how to discuss race in the workplace. Employers must convene conversations in the workplace for active listening, and then make plans on agreed actions together with their Black employees.⁸

Government and BITC

Race at Work 2018 calls to action

Zero tolerance on racial bullying and harassment in the workplace embedded as Race at Work Charter commitment three

- Tackling Racial Harassment Toolkit provided by BITC for new Race at Work Charter signatories 2018.
- Employer policy action on bullying and harassment in the workplace tracked with Race at Work Charter 2019⁹ and Race at Work Charter 2020¹⁰ surveys.
- Commission for Race and Ethnic Disparities 2021 recommends EHRC funding and action to challenging racist and discriminatory actions and the Government look at online abuse as a priority.¹¹

Evidence from the Race at Work 2015, 2018 & 2021 surveys clearly indicate that employer commitment to zero tolerance action must be expanded to include customers, clients, service users and contractors.

1. Board level commitment to zero tolerance of harassment and bullying

All employees must be able to work in an environment that is inclusive and free from bullying and harassment in order to achieve their potential. Leaders at both national and local level must ensure that anti-bullying and harassment policies and procedures are implemented. (See *Appendix A* for data trends)

Capturing ethnicity data embedded as Race at Work Charter commitment two

- Data indicates a shift from 11% of employers capturing ethnicity pay gap data on a voluntary basis to 19% in 2021.
- BEIS public consultation on mandatory ethnicity and pay gap reporting (October 2018-January 2019).
- ONS Ethnicity Pay Gaps in Britain, 2018.
- CBI Bridge the Gap: Practical ways to close your ethnicity Pay Gap, February 2020.
- Petition for debate in House of Commons surpasses 100,000 signatures, July 2020.
- CBI Launch Change the Race Ratio, October 2020.¹²
- Open letter from CEOs to PM, October 2020.
- ONS Ethnicity Pay Gaps, 2019 briefing (published October 2020).¹³
- Commission for Race and Ethnic Disparities report recommendation, March 2021.
- BITC and Hogan Lovells. A guide for General Councils on Ethnicity Pay Gap Reporting, April 2021.
- Commission for Race and Ethnic Disparities recommends government guidance to support employers with voluntary reporting.¹⁴
- BEIS consulting with BITC and leading employers to develop guidance to support reporting, June 2021.
- Joint letter from TUC, CBI and EHRC calling for mandatory ethnicity pay gap reporting, June 2021.¹⁵
- CIPD Ethnicity Pay Reporting a guide for employers, September 2021.
- House of Commons debate, 20th September 2021.

Evidence from the Race at Work 2015, 2018 and 2021 surveys clearly indicate that employer commitment to zero tolerance action must be expanded to include customers, clients, service users and contractors.

Executive sponsorship embedded in Race at Work Charter commitment one

- Active Ministerial support to promote the Race at Work Charter from Kelly Tolhurst MP (BEIS Minister for Business from 2018-2019).
- Ongoing Civil Service support to promote the Race at Work Charter signatories from (2018-2021).
- There has been an impressive 11% shift in the number of Executive Sponsors at the top table promoting equality, equity, fairness and inclusion, this has increased from 33% in 2015 and 2018 to 44% in 2021. BITC has produced toolkits and reports to support employers who have signed the Race at Work Charter.
- BITC Race at Work Charter executive sponsor: Top Tips to become a visible leader on ethnicity toolkits.¹⁶
- BITC Race at Work Charter report 2019.
- BITC Race at Work Black Voices Report 2020.¹⁷
- BITC Race at Work Charter report 2020.
- CIPD Meeting the BITC Race at Work Charter, March 2021.¹⁸

2. Data capture is the vital starting point to enable effective monitoring and measurement of progress

Government should take action by publishing a consultation on ethnicity and pay. Employers should capture data on ethnicity at all levels, to effectively monitor representation, recruitment, pay, and progression.

3. Executive Sponsors for Race to publicly commit to leadership actions on targets for representation, briefing recruitment agencies, mentoring and sponsorship

Chief Executives to convene round tables and to commit to collective action on the progression of talented people from Black, Asian, Mixed Race and other ethnically diverse backgrounds in the workplace. Business in the Community and Government to encourage Chief Executives and Chairs to sign the Race in the workplace charter.

Line manager's promoting equality embedded as Race at Work Charter commitment four

- Employer action on managers performance objectives tracked with Race at Work Charter 2019¹⁹ and Race at Work Charter 2020²⁰ surveys.
- Mental Health and Wellbeing for ethnically diverse women. A practical guide for managers.²¹

Only 21% of the 114 employers who completed the Race at Work Charter survey in 2020 said that they had implemented performance objectives linked to pay for managers.

Action on supporting ethnically diverse employees to progress embedded as Race at Work Charter commitment five

- A successful pilot of Unemployed Mentoring Circles with BITC, leading employers and DWP in 20 UK locations.
- Unemployment Mentoring Circles introduced as Department for Work and Pensions (DWP) and Jobcentre Plus (JCP) policy approach to engage young people from all ethnic backgrounds with employers (2019).²²
- BITC Cross Organisational Mentoring Circles have expanded in employer and employee participation, taking 975 employees and mentors through the programme and more than 101 participating employers from 2018-2021.
- Commission for Race and Ethnic Disparities encourage sponsorship as part of Advance fairness at work recommendation.²³

4. Employers to take an inclusive approach to performance objectives to promote equality in the workplace

All managers and leaders should have a SMART* objective to promote equality in the workplace.

5. Take action that supports ethnically diverse recruitment and career progression

Promote mentoring and sponsorship related action for progression and recruitment.

Employers to participate in the unemployment mentoring circles model in the 20 challenge areas, to raise awareness of how to access career opportunities within their organisations and industry.



RACE AT WORK CHARTER – EXPANSION 2021

The Race at Work Charter commitment three is being expanded to include zero tolerance action on racial harassment and bullying from customer, clients, service users and contractors. Race at Work Charter employer signatories must not be passive. The 780 employer signatories have the potential to influence 5.8 million employees in the UK. We will be adding two further commitments one on allyship and one on inclusive supply chains to bring the total number of commitments from five to seven. The Race at Work 2015, 2018 and 2021 survey trend data provides evidence for the important expansion to advance fairness, equity and inclusion.

1 Appoint an Executive Sponsor for race

Executive Sponsors for race provide visible leadership on race and ethnicity in their organisations. They drive actions such as setting targets for ethnically diverse representation, briefing recruitment agencies and supporting mentorship and sponsorship.

2 Capture ethnicity data and publicise progress

Capturing ethnicity data is important for establishing a baseline to measure progress. It is a crucial step towards an organisation reporting on ethnicity pay gaps and tracking performance against targets.

3 Commit at board level to zero tolerance of harassment and bullying

Employers commit to actions to foster inclusion. 25% of ethnically diverse employees reported that they had witnessed or experienced racial harassment or bullying from managers. 31% of ethnically diverse employees said that they had witnessed or experienced racial harassment or bullying from customers, clients, service users and contractors. Leaders at the top commit to tackle racial harassment and bullying with internal and external stakeholders.

4 Make equity, diversity and inclusion the responsibility of all leaders and managers

Actions should include setting performance objectives for leaders and managers with responsibility to promote conscious inclusion and fair access to opportunity for all staff. Take action to build inclusion, belonging and include the voices of Black, Asian, Mixed Race and other ethnically diverse employees in the workplace and around key decision-making tables.

5 Take action that supports Black, Asian, Mixed Race and other ethnically diverse employee career progression

Actions should include embedding two-way mentoring and sponsorship in their organisations.

6 Support Race Inclusion Allies in the workplace

Provide support for inclusion allies to promote race equality in teams, at work and within their communities. 26% of White employees say that they would like more support from their employers.

7 Include Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in the supply chains

Employers should ensure that there is specific process to ensure that Black owned businesses and enterprise, are included in targeted action to enrich social engagement with community outreach, equity, monitoring timely payment and contract value. These actions will contribute to building a community of role models for young people and the wider community and economic inclusion.

RACE AT WORK 2021 – SCORECARD CALLS TO ACTION

We want employers to demonstrate their commitment to the expanded Race at Work Charter for supporting allyship and inclusion in the supply chains, we want to reverse the negative trend on access to mentoring and sponsorship for Black, Asian, Mixed Race and other ethnically diverse employees, and to build on the momentum to accelerate growth of numbers of employers publishing their ethnicity pay gaps and setting targets. Demonstrate commitment to inclusive and responsible business through these calls to action:

CALL TO ACTION FOR EMPLOYERS

- 1 Chief Executives to sign up to, and refresh commitment to the expanded Race at Work Charter.** Expand the commitment to zero tolerance on bullying and harassment to include, customers, clients, service users and contractors. Support inclusion allies in the workplace. Include Black, Asian, Mixed Race and other ethnically diverse led businesses in the supply chain (set targets for inclusion, timely payment and contact value).
- 2 Senior leaders to act as mentors and sponsors.** Leaders to act as active mentors and sponsors, using their influence to open doors, for Black, Asian, Mixed Race and other ethnically diverse employees when development or progression opportunities are being planned, discussed and allocated.
- 3 Increase transparency and accountability.** Publish ethnicity pay gaps. Set and publish targets to improve representation and progression, to senior executive and board level. Targets should be linked to pay and reward and incentivise leaders to act as sponsors and advocates to progress talent in the pipeline to the top table, and at every level, while including different voices and perspectives around the key decision-making tables.

- 4 Set performance objectives for managers linked to pay and reward, to ensure active, conscious inclusion in their teams.** All managers should have them. Objectives should include ensuring that employees from Black, Asian, Mixed Race and other ethnically diverse backgrounds have fair access to training, development and progression opportunities.
- 5 Embed actions on inclusion within Environment, Social and Governance (ESG) reporting.** Include indicators of how success against the important principles of ESG will promote inclusion and how the organisations internal and external impact will be measured.

CALL TO ACTION FOR RECRUITMENT

- 6 Recruitment agencies should take action,** including increasing the diversity of their own teams and ensuring bias awareness training to reverse negative trends in perception of fair treatment from Black clients.

CALL TO ACTION FOR GOVERNMENT

- 7 Government to strengthen protection for employees against racial bullying and harassment** from customers, clients, service users and contractors in the Employment Bill.



APPENDIX A

CHANGING THE CULTURE

Experienced or witnessed racial harassment

q330_1: experienced or witnessed racist harassment from managers				
	2021	2018	2015	RAG
All	17%	18%	23%	-1
Black, Asian, Mixed Race and other ethnically diverse	25%	25%	28%	0
Asian	27%	25%	30%	2
Black	29%	28%	31%	1
Mixed	20%	22%	24%	-2
White	9%	13%	17%	-4

q330_2: experienced or witnessed racist harassment from colleagues				
	2021	2018	2015	RAG
All	21%	23%	26%	-2
Black, Asian, Mixed Race and other ethnically diverse	32%	32%	31%	0
Asian	32%	31%	33%	1
Black	37%	34%	33%	3
Mixed	27%	32%	28%	-5
White	11%	16%	19%	-5

q330_3: experienced or witnessed racist harassment from contractors				
	2021	2018	2015	RAG
All	9%	10%	11%	-1
Black, Asian, Mixed Race and other ethnically diverse	14%	16%	14%	-2
Asian	16%	18%	16%	-2
Black	16%	15%	12%	1
Mixed	11%	14%	11%	-3
White	3%	5%	6%	-2

q330_4: experienced or witnessed racist harassment from customers/clients				
	2021	2018	2015	RAG
All	22%	25%	25%	-3
Black, Asian, Mixed Race and other ethnically diverse	31%	33%	30%	-2
Asian	29%	32%	29%	-3
Black	39%	34%	33%	5
Mixed	27%	35%	26%	-8
White	13%	18%	19%	-5

APPENDIX B

MENTORSHIP AND SPONSORSHIP – EXTRACT FROM BITC BLACK TALENT ALLYSHIP TOOLKIT 2021²⁴

This table sets out some tangible actions leaders and allies can take as mentors and sponsors

Mentorship	Sponsorship
<ul style="list-style-type: none">• Establish a long-term mentor/mentee relationship with a Black Heritage colleague.• Support career and professional development.• Advise, offer guidance on work assignments, career decisions, professional dilemmas and provide a fresh perspective.• Provide a safe space to ask questions and discuss professional development.• Share your own network with the mentee.• Act as a sounding board and share your own experiences.• Help a Black colleague discover their wisdom by encouraging them to set and work towards challenging long-term goals.	<ul style="list-style-type: none">• Sponsoring the progression of Black Heritage colleagues.• Performance appraisals – Ensure objectivity when discussing Black Heritage colleagues.• Work allocation – Exposure to new opportunities, new accounts, leveraging your network as a senior sponsor when allocating work.• Introduce and create opportunities for Black Heritage colleagues to connect and create relationships with your extended network.• Ensuring objectivity when discussing promotion cases.

APPENDIX C

THE 30 MCGREGOR-SMITH REVIEW RACE IN THE WORKPLACE RECOMMENDATIONS²⁵

- 1** Publish aspirational targets: Listed companies and all business and public bodies with more than 50 employees should publish five- year aspirational targets and report against these annually.
- 2** Publish data: Listed companies and all businesses and public bodies with more than 50 employees should publish a breakdown of employees by race and pay band.
- 3** Encourage employees to disclose: All employers should take positive action to improve reporting rates amongst their workforce, explaining why supplying data will improve diversity and the business as a whole.
- 4** Government legislation: Government should legislate to ensure that all listed companies and businesses employing more than 50 people publish workforce data broken down by race and pay band.
- 5** Free unconscious bias resource online: The Government should create a free, online unconscious bias resource available to everyone in the UK.
- 6** Mandatory unconscious bias training: All organisations should ensure that all employees undertake unconscious bias training.
- 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.
- 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.
- 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.
- 10** Reverse mentoring: Senior leaders and executive board members should undertake reverse monitoring with individuals from different backgrounds, to better understand their unique challenges as well as the positive impacts from diversity.
- 11** Reject non-diverse long and short lists: All employers should ensure proportional representation on long and short lists, and reject lists that do not reflect the local working age population.
- 12** Challenge school and university selection bias: All employers should critically examine entry requirements into their business, focusing on potential achievement and not simply which university or school the individual went to.
- 13** Use relevant and appropriate language in job specifications: Job specifications should be drafted in plain English and provide an accurate reflection of essential and desirable skills to ensure applications from a wider set of individuals.
- 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.
- 15** Transparent and fair reward and recognition: Employers should ensure that all elements of reward and recognition, from appraisal to bonuses, reflect the racial diversity of the organisation.
- 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.

17 Diversity from work experience level: Employers should seek out opportunities to provide work experience to a more diverse group of individuals, looking beyond their standard social demographic (this includes stopping the practice of unpaid or unadvertised internships).

18 Transparency on career pathways: New entrants to the organisation should receive a proper induction, including basic and clear information on how the career ladder works, pay and reward guidelines and how promotions are awarded.

19 Explain how success has been achieved: Senior managers should publish their job history internally (in a brief, LinkedIn-style profile) so that junior members of the workforce can see what a successful career path looks like.

20 Establish inclusive networks: Employers should establish formal networks and encourage individuals to participate, incorporating the networks' objectives into the mission of the company.

21 Provide mentoring and sponsorship: Mentoring and sponsorship schemes should be made available to anyone who wants them.

22 A guide to talking about Race: Government should work with employer representatives and third sector organisations to develop a simple guide on how to discuss race in the workplace.

23 An online portal of best practice: Government should work with Business in the Community to establish an online portal for employers to source the information and resources they need to take effective positive action.

24 A list of the top 100 BME employers in the UK: Business in the Community should establish a list of the top 100 BME employers, to identify the best employers in terms of diversity.

25 Request for diversity policies: Government to write to all institutional funds who have holdings in FTSE companies and ask them for policies on diversity and inclusion and how they ensure as owners of companies that the representation of BME individuals is considered across the employee base of the companies where they hold investments.

26 One year on review: Government should assess the extent to which the recommendations in 'Race in the Workplace' have been implemented, and take necessary action where required.

END NOTES

a. The Census category Mixed or Multiple ethnic groups includes the following – White and Black Caribbean; White and Black African; White and Asian; Any other Mixed or Multiple ethnic background: <https://www.ethnicity-facts-figures.service.gov.uk/style-guide/ethnic-groups#list-of-ethnic-groups>

1. McGregor-Smith Review Race in the workplace 2017
2. BITC and Hogan Lovells Ethnicity Pay Gap Reporting
3. BITC Cross Organisational Mentoring Circles supports employers to provide support to their employees
4. <https://www.hesa.ac.uk/news/20-07-2021/sb260-higher-education-graduate-outcomes-statistics/activities>
5. BITC Race at Work Charter 2020 survey of employer signatories
6. BITC Race at Work Charter 2020 survey of employer signatories
7. BITC Race at Work Charter 2020 report
8. BITC Race at Work Black Voices Report 2020
9. BITC Race at Work Charter 2019
10. BITC Race at Work Charter 2020
11. Commission for Race and Ethnic Disparities report 2021
12. CBI Change the Race Ratio October 2020
13. ONS Ethnicity Pay Gaps: 2019 briefing
14. Commission for Race and Ethnic Disparities report 2021
15. <https://www.tuc.org.uk/news/tuc-cbi-and-ehrc-issue-joint-call-mandatory-ethnicity-pay-gap-reporting>
16. BITC Race at Work Charter executive sponsors: Top Tips to become a visible leader on ethnicity toolkit
17. BITC Race at Work Black Voices Report
18. CIPD meeting the BITC Race at Work Charter 2021
19. BITC Race at Work Charter 2019
20. BITC Race at Work Charter 2020
21. Mental Health and Wellbeing for ethnically diverse women. A practical guide for managers.
22. <https://www.gov.uk/government/news/national-mentoring-initiative-to-tackle-employment-inequality-across-uk>
23. Commission for Race and Ethnic Disparities report 2021
24. BITC Black Talent Allyship Toolkit 2021
25. McGregor-Smith Review Race in the workplace 2017

BITC has a wide range of training and services to support our members looking to embed the recommendations within this report. Whether it's training sessions on allyship, privilege or inclusive recruitment, workshops on ethnicity pay gap reporting or our Cross Organisational Mentoring programme to support the progression of Black, Asian, Mixed Race and other ethnically diverse staff; our expert Inclusion Advisers are on hand to discuss your needs and build a programme of support for your organisation. Contact advisory@bitc.org.uk to find out more.



Talk to one of our expert team today to learn how membership of BITC can help you take your responsible business journey further and drive lasting global change.



The Prince's
Responsible
Business Network



Business in the Community

137 Shepherdess Walk
London N1 7RQ

www.bitc.org.uk
020 7566 8650

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