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**THE SCORECARD REPORT 2018**

# RACE AT WORK 2018

## The McGregor-Smith Review one year on

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**The Scorecard Report 2018**

# EMPLOYERS HAVE WORK TO DO

**July 2018**

## THE MCGREGOR-SMITH REVIEW ONE YEAR ON

### Foreword

I am delighted to present the one-year on review of how employers in the UK are performing against the recommendations outlined in the McGregor-Smith Review 'Race in the workplace'.

The scorecard report sets out the performance of UK Plc using a YouGov sample survey of 6,506 respondents. In addition to the YouGov data, the Race at Work 2018 survey was completed by a further 17,804 people who participated through an open public link taking the total respondents to 24,310.

It provides us with a richness of data and comments from employees about their experiences in the workplace. There were more than 17,000 written comments in the survey linked to leadership, bullying and harassment and employee experiences of being overlooked for promotion. We will be commissioning a thematic review into organisational culture.

The results highlight that British Black, Asian and Minority Ethnic (BAME) people in the workplace are ambitious but there is a lack of opportunity and there is a strong desire for fast track opportunities and programmes which is still not being fulfilled.  This is a waste of talent, energy, enthusiasm and expertise.

The UK workplace remains uncomfortable talking about race.  Employers need to create more opportunities to enable employees to do so.  Whilst we are tackling the issue of race, we might want to look at religion too.  There is often an intersection and the results indicate that employers have work to do.

We need inclusive leaders to demonstrate positive sponsorship behaviours in the workplace, engaging in mutual mentoring and ensuring fair assessment at appraisal.

It is time to look at role models from diverse ethnic minority backgrounds. Employers through Inclusive Employee Networks can create forums to hear the stories of those who made it to the top despite obstacles and challenging odds. As part of those stories it is important to hear about the important roles played by all the encouragers, facilitators and sources of inspiration.

The results indicate that it is time for action on ethnicity and pay. Capturing the ethnicity and diversity data of your workforce has become increasingly important as the bedrock for establishing a starting baseline, measuring progress and celebrating success.

I want to say thank you to the Department for Business, Energy and Industrial Strategy (BEIS) for the sponsorship of this review. Thank you to YouGov for their expert analysis and thank you to the 24,310 people who took time out to complete the survey and to share their stories with us.

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

**Employers need to monitor and review the access that  diverse talent has to training and development programmes. It is time to guarantee that BAME talent is given the opportunity to access these programmes by ensuring potential is weighted as heavily as experience.**

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# THE MCGREGOR-SMITH REVIEW ONE YEAR ON

We can't change what we don't measure and listening to the voices of employees is critical to make sure we make the right change.  These findings show there is still a lot of work to be done if we are to achieve true equality for **BAME** people in the workplace in our lifetime.  Over half of **BAME** employees feeling like they need to leave their jobs in order to progress is unacceptable and we must ensure society and business retains this rich source of skills and talent.

Baroness Ruby McGregor-Smith CBE

I would like to thank **BITC** for producing a comprehensive assessment of how UK employers are performing against the recommendations made by Baroness McGregor-Smith on race in the workplace. Creating real opportunity for all is a key part of our Industrial Strategy which will deliver significant benefits for our economy. While some progress has been made, it is disappointing to see we have a long way to go to improve the experience of ethnic minorities in the workplace. Clearly more needs to be done and this Government is ready to take the action required to make these much needed changes.

Kelly Tolhurst, Minister for Small Business, Consumers and Corporate Responsibility

## Comparing the findings between the 2015 survey results and the position now in 2018 we note the following headlines:

### Changing the culture

1 in 4 BAME employees (25%) reported in 2018 that they had witnessed or experienced racist harassment or bullying from managers in the last two years.

The proportion of white employees who report experiencing or witnessing racist harassment or bullying from managers has fallen since 2015. Witnessing or experiencing harassment from managers has fallen most for those from an Asian background (25% down from 29%) with other ethnicities seeing no change.

Since 2015 there has been an increase in the proportion of people from a BAME background who report they have witnessed or experienced racist harassment or bullying from customers or service users (up to 19% from 16%) – with those people of a mixed ethnicity experiencing the largest increase in harassment or bullying from customers (20% up from 13%).

### Supporting progression

Progression remains important to BAME employees with 70% saying that career progression is important to them, compared to only 42% of White British employees. However, over half of BAME employees (52%), believe that they will have to leave their current organisation to progress in their career, in contrast with 38% of White British employees who believe this.

### Measuring success

In 2015, 48% of BAME managers had a performance objective to promote equality and diversity, compared to only 32% of white managers with a performance objective to promote equality and diversity. Worryingly the proportion of managers who report that they have a performance objective to promote equality at work has fallen from 41% in 2015 to 32% in 2018 –this figure has fallen almost equally for those from a White British (26% down from 32%) and BAME background (38% down from 48%).

There has been little development in the number of people comfortable talking about race with 38% answering that they are compared to 37% in 2015.

'During the course of this review, we have heard a number of examples of discrimination and outright racism that are illegal and clearly have no place in any 21st century company. Where these are identified, employers need to act fast and ensure that outdated and offensive views or behaviours are not tolerated.'

The McGregor-Smith Review Race in the workplace 2017 report

# RACE AT WORK 2018 CORE INDICATOR SCORECARD

These findings are based upon a representative sample of 6,506 working adults in the UK delivered by YouGov. In total 3,837 white employees and 2,669 BAME employees responded to the survey. Fieldwork was carried out online from 21 April to 10 May 2018. 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.

The 2018 survey updates the research undertaken in 2015 and allows a tracking of attitudes and experiences of white and BAME employees in the UK over time.

We have used the 2018 race at work results to take stock of progress, one year on from the publication of Baroness McGregor-Smith's 'Race in the workplace' review.

The data provides an evidence base to undertake a fair assessment of the progress made by employers against the 6-point roadmap for success set out in the McGregor-Smith Review 2017:

• Gather Data
• Take Accountability
• Raise Awareness
• Examine recruitment
• Change processes
• Government support

'The potential benefit to the UK economy from full representation of BME individuals across the labour market through improved participation and progression is estimated to be 24 billion a year which represents 1.3% of GDP.'

The McGregor-Smith Review Race in the workplace 2017 report
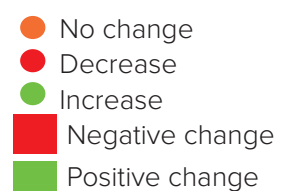
# RACE AT WORK 2018 CORE INDICATOR SCORECARD

## Race at Work 2018 - Core Indicator Scorecard

| Theme | Indicator | 2018 | 2015 | Change | RAG |
|---|---|---|---|---|---|
| Gather data | Employer collects ethnicity pay gap ratio data | 11% | n/a | - | 🟠 |
| Take accountability | Performance objective to promote equality at work | 32% | 41% | -9% | 🟥 |
| | Organisation offers equality, diversity and inclusion training to all employees | 48% | 49% | -1% | 🟠 |
| | Senior leader and/or champion who actively promotes equality, diversity and fairness | 33% | 33% | 0% | 🟠 |
| Raise awareness | Mentor - Yes | 22% | 20% | 3% | 🟩 |
| | Sponsor - Yes | 10% | 10% | 0% | 🟠 |
| | Career role model - Yes | 31% | 29% | 2% | 🟠 |
| Examine Recruitment | Believe that recruitment agents treat them fairly - White British | 43% | 40% | 3% | 🟠 |
| | Believe that recruitment agents treat them fairly - Black, Asian and Minority Ethnic (BAME) | 44% | 42% | 2% | 🟠 |
| Change processes | Taken part in management fast track programme - Yes | 8% | 8% | 0% | 🟠 |
| | I feel I have to leave my current organisation to progress in my career - White British | 38% | 37% | 1% | 🟠 |
| | I feel I have to leave my current organisation to progress in my career - Black, Asian and Minority Ethnic (BAME) | 52% | 49% | 2% | 🟠 |
| Government support | Comfortable talking about race | 38% | 37% | 1% | 🟠 |
| | Comfortable talking about religion | 35% | 35% | 0% | 🟠 |

Sample: 2018 - All employees in the UK (n=6,506), 2015 - All employees in the UK (n=6,076), 2018 - White British (n=2,647), 2015 - White British (n=2,770), 2018 - BAME (n=2,669), 2015 - BAME (n=2,935)

### Key findings
- The proportion of managers who have a performance objective to promote equality at work has **fallen** since 2015
- There has been an **increase** in the proportion of all employees who have a mentor in the workplace that advises them on their career

🟠 No change
🔴 Decrease
🟢 Increase
🟥 Negative change
🟩 Positive change

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## One year on review of employer performance against 'Race in the workplace' roadmap to success and recommendations

### Gather Data

| Monitoring ethnicity and pay | Race in the workplace recommendations | RAG |
| --- | --- | --- |
| In 2018, just 11% of employees reported that their organisation collects data on the ethnicity pay gap ratio - in particular those in small organisations are much less likely to report that their organisation collects data on the ethnicity pay gap ratio, just 8%.<br><br>Of those people who work in an organisation that collects data on the ethnicity pay gap, 50% reported that their organisation publishes the data that they collect. | 1 Published, aspirational targets: Listed companies and all businesses and public bodies with more than 50 employees should publish five- year aspirational targets and report against these annually.<br><br>2 Publicly available 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.<br><br>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.<br><br>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. | 🟠 |

### Take Accountability

| Leadership and executive sponsorship | Race in the workplace recommendations | RAG |
| --- | --- | --- |
| In 2018, 1 in 3 employees, 33% said there was at least one senior leader or champion in their organisation who actively promotes equality, diversity and fairness.<br><br>There has been no change in the percentage of leaders since 2015. | 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. | 🟠 |

| Objectives to promote equality | Race in the workplace recommendations | RAG |
| --- | --- | --- |
| In 2015, of BAME managers, 48% had a performance objective to promote equality and diversity, compared to only 32% of white managers with a performance objective.<br><br>Worryingly the proportion of managers who report that they have a performance objective to promote equality at work has fallen from 41% in 2015 to 32% in 2018 –this figure has fallen almost equally for those from a White British background (26% down from 32%) and BAME background (38% down from 48%) | 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. | 🔻 |

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## Raise Awareness

| Training on equality and diversity | Race in the workplace recommendations | RAG |
|---|---|---|
| 49% of employees said that they had received equality and diversity training in 2015.  In 2018, 48% of employees said that this is the case. Only 4% of employees said that this training is mandatory for managers.<br><br>In 2018, 1 in 4 employees (24%) said their employer does not offer any equality and diversity training. This is a slight increase than the 22% who reported this in 2015. | 6 Mandatory unconscious bias training: All organisations should ensure that all employees undertake unconscious bias training.<br><br>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. | 🔴 |

| Mentors, sponsors, role models | Race in the workplace recommendations | RAG |
|---|---|---|
| There has been a small increase in the proportion of all employees who report that they have a mentor in the workplace.<br><br>Employees from a BAME background remain more likely than those from a White British background to have a mentor at work – with all groups reporting an increase since 2015.<br><br>It also remains the case that BAME employees are much more likely than White British employees to have a desire to have a mentor (41% v 21%). With demand strengthening since 2015, when 34% of those from a BAME background wanted to have a mentor. This desire is particularly strong with Black African employees with half (52%) reporting they would want a mentor.<br><br>In 2018, 19% of those without a sponsor would like one, similar to the 18% seen in 2015. This is higher among BAME respondents, with 28% saying they want one. In contrast only 12% of White British respondents that said they would like a sponsor.<br><br>In 2018, 44% of BAME employees have a career role model either inside or outside their organisation, compared to 31% overall. Asian/Asian British workers are the most likely to want a role model from the same background as them, with 37% agreeing with this statement. | 10 Reverse mentoring: Senior leaders and executive board members should undertake reverse mentoring with individuals from different backgrounds, to better understand their unique challenges as well as the positive impacts from diversity.<br><br>21 Provide mentoring and sponsorship: Mentoring and sponsorship schemes should be made available to anyone who wants them.<br><br>20 Establish inclusive networks: Employers should establish formal networks and encourage individuals to participate, incoporating the networks' objectives into the mission of the company. | ⬆️ |

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## Examine Recruitment

| Recruitment and agencies | Race in the workplace recommendations | RAG |
|---|---|---|
| In 2018 BAME employees are more likely than White British employees to register with a recruitment agency. (57% vs 46%). Those from a Black African background are most likely to register with an agency at 75%, those from Black Caribbean background at 64% and those from a mixed-race background at 59%<br><br>Employees from a Black African (47%) and Black Caribbean (45%) background remain more likely than those from a White British (30%) background to say that they will use a recruitment agency to search for their next job or role. | 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.<br><br>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.<br><br>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.<br><br>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.<br><br>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). | 🟠 |

## Change Processes

| Performance reviews at work | Race in the workplace recommendations | RAG |
|---|---|---|
| In 2018 there are differences between ethnicities in the experience of performance reviews at work. BAME employees are more likely than those from a White British background to report that they have a performance review (78% compared with 67%).<br><br>BAME employees (44%) subsequently are more likely than White British employees (34%) to have received a standard performance review, with no difference in the proportions receiving outstanding or an unsatisfactory performance review.<br><br>However, within the outstanding ratings are significant differences with Black Caribbean employees being the least likely to receive an outstanding performance rating and those from a mixed-race background being the most likely (27% vs 37%). | 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. | 🟠 |

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## Change Processes

| Career progression and fast track | Race in the workplace recommendations | RAG |
|---|---|---|
| In 2018 progression remains important to BAME employees with 70% saying that career progression is important to them, only 42% of White British employees said this.<br><br>In 2018 more than half of BAME employees (52%), believe that they will have to leave their current organisation to progress their careers, in contrast with 38% of White British employees who believe this. In 2015 49% of BAME employees said that they believe that they have to leave their current organisation to progress.<br><br>One in ten (10%) BAME employees have taken part in a fast track scheme, compared with 6% of their white counterparts. Of those who haven't, 43% of BAME employees would like to take part in one, compared to 20% of White employees.<br><br>Interest in a fast track programme is highest among Black/Black British employees (50%), and lowest among White British (19%). | 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.<br><br>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. | ● |

## Government Support

| Talking about race, diversity and inclusion | Race in the workplace recommendations | RAG |
|---|---|---|
| This remains a challenge in 2018 with 38% saying that employees in their organisation are comfortable talking about race. Only 35% of employees said their organisation was comfortable talking about religion and just 33% said they were comfortable with talking about social grade.<br><br>Employees from a BAME background are more likely than those from a white background to report that their organisation provides support for them to talk openly about race (25% vs 22%). | 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. | ● |

## Government Support

| Government and Business in the Community (BITC) action | Race in the workplace recommendations | RAG |
|---|---|---|
| As part of the Prime Minister's Race Disparity Audit, the Ethnicity Facts and Figures website was launched in October 2017 to show how people of different ethnicities are treated across public services. By publishing data held by the Government the Prime Minister has challenged government, public services and wider society to "explain or change" these disparities. There is an inter-ministerial group which meets to address the issues and take forward recommendations. | 5 Free unconscious bias resource online: The Government should create a free, online unconscious bias resource available to everyone in the UK. | ⬆ |

As part of the Prime Minister's Race Disparity Audit, the Ethnicity Facts and Figures website was launched in October 2017 to show how people of different ethnicities are treated across public services. By publishing data held by the Government the Prime Minister has challenged government, public services and wider society to "explain or change" these disparities. There is an inter-ministerial group which meets to address the issues and take forward recommendations.

In March 2017, the first Best Employers for Race listing was established. The then Minister for Small Business, Consumers and Corporate Responsibility wrote to FTSE 350 Chief Executives encouraging participation in the BITC Best Employers for Race list 2017. 66 employers made the 2017 List which was announced in October 2017. The 2018 list was opened in February 2018.

In October 2017, BITC launched a portal of best practice and the 'Let's talk about race' booklet. In February 2018, BITC also added free unconscious bias infographics and signposts to free training material onto the online portal of best practice.

Other government action following publication of 'Race in the workplace' include:

- Tackling gender, disability and ethnicity pay gaps: a progress review July 2017 - Equality and Human Rights Commission (EHRC)
- Lammy Review of Criminal Justice System - September 2017
- A Brilliant Civil Service Strategy – Targeting talented BAME & Disabled People – October 2017
- A roadmap to race equality EHRC – October 2017
- Parker Review Ethnicity on Boards update – November 2017
- BEIS Minister commissions BITC to deliver one year on review with Race at Work 2018 survey - February 2018
- Government launches £90 million fund to tackle employment racial disparities for 18-24 year olds
- Ministry of Housing, Communities and Local Government (MHCLG) – An Integrated Britain Green Paper includes tackling unemployment disparities for young people aged 18-24 year old from BAME backgrounds – March 2018
- Civil Service Diversity and Inclusion Dashboard setting out progress against targets published by Cabinet Office - June 2018

**Race in the workplace recommendations**

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.

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# THE SCORECARD REPORT CALLS FOR ACTION 2018

**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 harrassment policies and procedures are implemented.

**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 BAME backgrounds in the workplace. Business in the Community and Government to encourage Chief Executives and Chairs to sign the Race in the workplace charter.

**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 ethnic minority 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.

* Specific, Measurable, Attainable, Realistic and Timebound/Timely

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# MAKING THE CASE FOR MENTORING

**Unemployed Mentoring Circles - Business in the Community ran its first unemployed mentoring circle in Brixton during 2014 which was borne out of a hugely successful visit that was part of The Prince's Seeing is Believing Programme with business leaders. It highlighted the need for employers to increase the transparency of their recruitment processes for young BAME job seekers to increase their engagement with employers.**

**One**

Provide insight and practice with current application form or CV process

**Two**

Provide insight, practice and feedback on current interview and/or assessment process

**Three**

Organise an onsite visit and where possible a meet and greet with some of your employees

The Race Disparity Audit highlighted 20 challenge areas where the employment outcomes for BAME people is far worse than for white people. In response to the Audit the Department for Work and Pensions (DWP) is working in collaboration with Business in the Community to deliver employer led Mentoring Circles in the challenge areas.

## Race Disparity Challenge areas

- Tower Hamlets
- Waltham Forest
- Newham
- Hackney
- Redbridge
- Islington
- Westminster
- Barnet
- Harrow
- Brent
- Hounslow
- Ealing
- Southwark
- Luton
- Birmingham
- Glasgow
- Sheffield
- Manchester
- Bradford
- Leicester

## Building the Case for Mentoring

BITC BAME Women and career progression mentoring pilot sponsored by MHCLG in 2009

BITC Aspiration and Frustration Report – 2010

BITC Race to Progress report– 2011

BITC Race and Recruitment report – 2012

BITC established Cross Organisational Mentoring Circles Programme - 2013

BITC Seeing is Believing leaders visit lead to Unemployed Mentoring Pilot, Brixton Jobcentre – 2014

BITC Race at Work report – 2015

McGregor-Smith Review recommendations - 2017

BITC and DWP Unemployed Mentoring Circle pilots in London, Birmingham, Manchester - 2018

**Sandra Kerr OBE**
**Race Equality Director**

**Business in the Community**
137 Shepherdess Walk
London N1 7RQ

www.bitc.org.uk