## Black livelihoods matter

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## **Employment Law News**

#### Black livelihoods matter

At a time when racial inequality is at the forefront of everyone's minds, new figures revealing the continuing underrepresentation of black people in senior positions in the UK have led to calls for action to secure more diverse workforces.

New figures published by Business in the Community have shown that despite making up over 3% of the population of England

and Wales, black people held only 1.5% of the 3.7 million director and manager level roles across the public and private sectors in 2019. This represents a meagre 0.1% increase in the 6 years since the Race at the Top report was last published in 2014. In contrast, white people held 89.6% of such positions in 2019, which exceeds the white population figure of around 86%. These figures have led to calls for change.

Sandra Kerr CBE, race director at Business in the Community, said: "Black livelihoods matter and employers need to take urgent action to ensure that their organisation is inclusive and a place where people of any ethnic background can thrive and succeed."

At the same time, 29 senior business leaders co-signed a letter to The Sunday Times calling for greater diversity at senior levels within British businesses. Senior leaders from businesses such as BT, Tesco, Sainsbury's, ITV and John Lewis said that firms needed to address "systemic racism". The 29 signatories also committed to setting diversity targets for candidate slates for every vacancy within their business.

### What can employers do to address the representation gap?

Business in the Community has devised a <u>Race at Work charter</u> calling for signatories to take the following five steps:

- Appoint an executive sponsor for race within the business to provide visible leadership and drive key actions: this approach has been adopted with some success in the context of improving gender equality within the workplace. For example, annual gender pay gap reports must be signed off by a director or equivalent within the business, and many reports now open with a statement by that person, outlining the company's values and progress in that arena.
- Gather and report data: gathering ethnicity data from

the employee population is essential to be able to monitor and report progress over time. This data will also be necessary if, and when, businesses are required to report on their ethnicity pay gap (see below). However, there are many hurdles around collecting, analysing and reporting ethnicity data. For example, employees are not legally obliged to disclose their ethnicity to their employer and research shows that self-declaration can be as low as 50%, meaning data sets will be incomplete. Employers need to think carefully how they can encourage self-declaration (e.g. demonstrating that the data will be kept secure) and ensure that it is collected at different points (e.g. at the recruitment stage and then again at the onboarding stage) and at regular enough intervals to enable progress to be monitored effectively.

- Zero tolerance of harassment and bullying: 25% of black and ethnic minority employees report having witnessed or experienced racial harassment or bullying from managers. Board level commitment should be secured to stamp this out. In addition, appropriate training should be delivered across the workforce, clear policies must be put in place and a consistent approach taken towards any offending behaviour.
- Make supporting equality in the workplace the responsibility of all leaders and managers: for example, performance objectives could be tied to such responsibilities. Again, this is something we have seen used to good effect in gender equality arena. In December 2019, senior executives at TSB had their bonuses cut for failing to meet gender equality targets.
- Take action that supports ethnic minority career progression: taking positive action has the potential to make the biggest impact on representation rates. Many employers will have embraced (or be prepared to embrace) soft forms of positive action, such as deploying targeted advertising and outreach work and offering

mentoring, training and networking opportunities. However, few employers within the private sector will have used positive action at the point of recruitment, largely for fear of "reverse discrimination" claims. BDBF have published a detailed paper and presentation on Positive Action in the Workplace, which aims to demystify this area of the law.

# What about pay inequality for black and ethnic minority workers?

As well as tackling representation gaps, employers are also now being urged to tackle ethnicity pay gaps. One of the recommendations coming out of the 2017 McGregor-Smith Race in the Workplace report was that large employers should be required to publish ethnicity pay information as a means of improving workforce diversity. In October 2018, Theresa May's Government opened a consultation on introducing a system of mandatory ethnicity pay reporting, similar to the gender pay gap reporting regime. That consultation closed in January 2019 and the Government has yet to respond to it or take any action to introduce legislation.

Fast forward 18 months and a <u>petition</u> signed by over 100,000 members of the public has triggered a debate in Parliament on the issue, The Government's response to the petition is that it is "still analysing" the responses to the consultation that closed in January 2019. An 18-month window for producing a response seems like ample time (even allowing for Brexit and COVID-19) making it hard not to draw the conclusion that the proposal had been kicked into the long grass — until now.

The date for the Parliamentary debate has not yet been set and it remains to be seen whether this proposal will be resurrected. With the figures reported by Business in the Community, and the powerful impact of the Black Lives Matter movement, it's probably a case of "if not now, then when?"

If you would like to discuss any of the issues raised in this article or how BDBF can help your business navigate race at work issues, then please contact Amanda Steadman (amandasteadman@bdbf.co.uk) or your usual BDBF contact.