Action and Achievement:

The 2013 Race for Opportunity and Opportunity Now Benchmark Trends Analysis Report

Contents

Executive Summary

Recruitment

Only by having fair and unbiased recruitment processes can employers be confident that they are accessing the widest talent pool.

Steps to reduce bias in the recruitment process for Black, Asian and Minority Ethnic (BAME) candidates:

We found that White candidates were on average more successful than Black, Asian and Minority Ethnic (BAME) candidates at getting shortlisted and hired. This difference in the success rates was not found in all benchmarking organisations. The top performing organisations for recruitment were defined as being those in which BAME candidates had the highest chance of success in the recruitment process. These organisations are more likely than other organisations to do the following:

- Define clear Key Performance Indicators (KPIs) to monitor progress of their recruitment processes (75% of top performers)

- Mandate training for employees responsible for recruitment (88% of top performers)

- Set objectives for BAME recruitment (64% of top performers)

- Run pre-application events to help candidates understand the recruitment process (75% of top performers)

Methods of reducing bias and increasing the intake of female candidates into the workforce

Organisations in the benchmark who either have no significant difference between the rate of women and men hired or are generally recruiting above average proportion of women are more likely to do the following:

- Make employment agencies, recruitment consultants and head-hunters aware of policies & objectives on gender (100% of top performers organisations)

- Select and retain recruiters in part based on their ability to support the organisation's commitment to recruit women (91% of top performers organisations)

- Mandate training for those people in their organisation responsible for recruitment (82% of top performers)

Calls to Action

- Set targets and publish them

- Review and manage recruitment agency performance to ensure targets and KPIs on diversity and inclusion are met.

- Establish training and refresher modules for those involved in recruitment

- Initiate pre- application and pre-pipeline development work to help potential candidates understand the culture of the sector and organisation.

- Ensure recruitment panels are diverse

Leadership

Organisations face complex challenges today. To survive, they need excellent, diverse leadership and diversity in the wider workforce.

Organisations with more ethnically diverse management and senior management populations were more likely to take the following steps to improve their diversity performance:

- Implement a Race focused Diversity Strategy (75% of top performers)

- Set targets for Board recruitment of BAME talent (42% of top performers)

Organisations with more gender balanced management and senior management populations were more likely to implement the following:

- Link diversity objectives to performance-related pay for Heads/Directors of Functions (69% of top performers)

- Set gender focused objectives in their diversity strategies (75%)

- Ensure at least one woman is on Board nomination committees (31% of top performers compared to 18% of bottom performers)

Calls to Action

- Communicate your organisation's business case for diverse leadership.

- Make use of your networks, especially for race.

- Offer mentoring to all employees and consider the use of sponsorship for top performers.

Progression

To reap the rewards of diverse workforces we need women and BAME people working at every level of our organisations.

Actions that correlate with increased promotion rates and greater representation at management and senior management level for BAME employees:

We found that the top performing organisations are focusing on their BAME networking groups and empowering their networks. Their networks are more likely to:

- Support the professional development of BAME employees (75% of top performers)

- Explore/ strengthens new business opportunities (67% of top performers)

- Have a budget (75% of top performers)

Tackling equal pay

We found that organisations with more women at management and senior management levels were more likely to take pay issues seriously and implement the following actions:

- Have single reward structure for all employees (75% of top performers)

- Publish results of equal pay audits (25% of top performers – compared to 12% of the bottom performers)

Making flexible working work

Again, organisations with more women in senior roles were at a more advanced stage with their flexible working policies. They were more likely to:

- Extend the Right to Request flexible working to all employees (75% of top performers)

- Invest in the technology and infrastructure required to support flexible working (88% of top performers)

Calls to Action

- Do an equal pay audit, ensure your pay structures and sponsorship are clear and transparent.

- Consider mentoring as a means to career progression for women and BAME workers.

- Encourage line managers to take a lead on flexible working and invest in the technology and infrastructure to support flexible working.

- Include information on appointments (internal and external) of BAME employees in any regular reporting.

Foreword

Welcome to Action and Achievement, our analysis of the data and trends from our 2013 benchmark. Our benchmark is the most comprehensive survey available of gender and race equality in the workplace.

By using the Opportunity Now and Race for Opportunity benchmarking tools to help analyse their workplace practices and cultures, employers are better able to drive change, make equality a reality and reap the business benefits of getting it right.

Each organisation that completes the benchmark survey receives a bespoke and in-depth analysis report on how well their organisation is doing on diversity, equality and inclusion.

Business is continuing to drive change on diversity, making the most of a diverse workforce.

Race for Opportunity is committed to improving employment opportunities for ethnic minorities across the UK. We are the only race diversity campaign that has access to and influence over the leaders of the UK's best known organisations. Our campaign priorities are to:

- accelerate representation within the workforce, including Board and senior executive levels;
- track progress across all BAME segments and drive focus on areas most in need of support;
- tackle youth unemployment and ensure balanced inclusion of BAME young people.

Opportunity Now empowers employers to accelerate change for women in the workplace because it makes good business sense. We offer tailored, practical and pragmatic advice on workplace issues. Our campaign priorities are to create:

- a better gender balance for leadership progression;
- unbiased recognition and reward for all;
- agile work cultures that are fit for the future.

This is the second time that Opportunity Now and Race for Opportunity have worked together on our benchmark. We are reaping the rewards, as we are able to give our members a rounded picture of their achievement and scope for progress, and we can learn from the widest possible range of good practice. This benchmark's combination of assessing activities and metrics has given us invaluable data about which diversity interventions actually work.

We hope that the results and feedback will be of great use to you as you think through your next steps on promoting race and gender diversity.

Best wishes,

Kathryn Nawrockyi,
Director, Opportunity Now,
Business in the Community

Sandra Kerr OBE
Director, Race for Opportunity
Business in the Community

Introduction to this report

This report has been prepared jointly by Opportunity Now and Race for Opportunity, the gender and race equality campaigns from Business in the Community. This is the second time we have run a joint benchmarking process – previously, the two campaigns ran separate benchmarks.

98 of the UK's employers completed the Benchmark Survey, representing a combined workforce of nearly 2 million people. The data we have collected comprises two types:

1. outcomes data across a range of areas including representation, recruitment, progression, turnover, flexible working, maternity returners, employee performance and customers / clients;

2. information on the specific policies, practices, processes, strategies, actions and initiatives undertaken by organisations attempting to address particular equality and diversity challenges.

In this report, we have analysed the benchmarking submissions in order to draw correlations between actions organisations have taken and the key outcomes, which are used to measure equality and diversity performance.

We can demonstrate the connections between activity and outcomes. Businesses take action on diversity because they know that diversity can lead to greater profit and turn threats, such as rapid demographic change and perceived skills shortages, into opportunities, by better utilising their existing talent and attracting talented individuals from under-represented groups.

The goal of this analysis is to establish which actions appear to be the most effective at achieving greater equality and diversity.

We hope you enjoy reading this report. We will continue to explore data from our benchmark over the next year. Keep an eye out on our website: www.bitcdiversity.org.uk.

Top 10 organisations

Opportunity Now Top 10s

Private Sector	Public Sector
BT plc	Environment Agency
DHL Supply Chain	Foreign & Commonwealth Office
Enterprise Rent-A-Car	Genesis
EY	HM Revenue and Customs
KPMG LLP	Home Office
National Grid	Leicestershire Police
Nationwide Building Society	National Audit Office
PwC	Ofcom
Royal Bank of Scotland	Royal Air Force
Royal Mail Group	Royal Navy

Race for Opportunity Top 10s

Private Sector	Public Sector
BT plc	Crown Prosecution Service
Enterprise Rent-A-Car	Department for Work and Pensions (DWP)
Eversheds LLP	Genesis
EY	HM Revenue and Customs
KPMG LLP	Home Office
National Grid	Leicestershire Police
Nationwide Building Society	National Audit Office
Pertemps Recruitment Partnership Ltd	Ofcom
PwC	Royal Air Force
Sky	Royal Navy

Recruitment, and how you can make sure that you are hiring the best people for your business

Background

Only by having fair and unbiased recruitment processes can employers be confident that they are accessing the most possible talent.

The Bigger Picture

Women make up 47% of the UK workforce, with 14 million in employment.[i]

4.9 million or 12.4% of the working-age population in the UK is from an ethnic minority background, of which just 3 million are in employment. 60.7% of ethnic minorities are employed compared to 73.1% of white British people.

Employment rates for women vary by ethnicity, with Pakistani and Bangladeshi women experiencing particularly high rates of unemployment and specific barriers to work.[ii]

Removing the barriers which prevent women and BAME people from participating in the labour market as fully as men and white people respectively has been consistently found to benefit business and the UK economy.

Trends and findings

We found a positive correlation between those organisations implementing mandatory training for all those involved in the recruitment process on diversity and successful hiring of women into the organisation. Organisations that insist on mandatory training for recruiters are more likely to have reduced bias in their recruitment process.

We found that organisations that don't show bias in their recruitment processes in this way were more likely to have implemented the following actions:

- Employment agencies, recruitment consultants and head-hunters are made aware of our policies & objectives on gender
- Recruiters are selected and retained in part based on their ability to support our commitment to recruit women

Mandatory training for recruiters
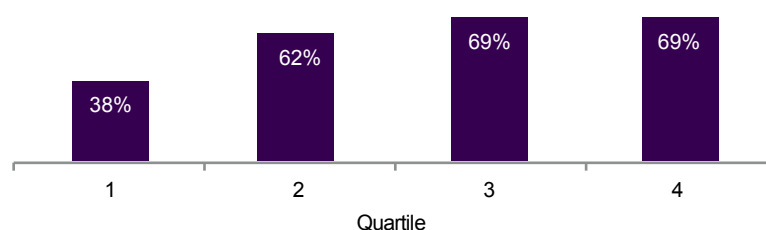
This chart shows that the best performing organisations for the recruitment of women (quartile 4) are more likely to mandate training for colleagues responsible for recruitment

Actively monitor Gender of applicants
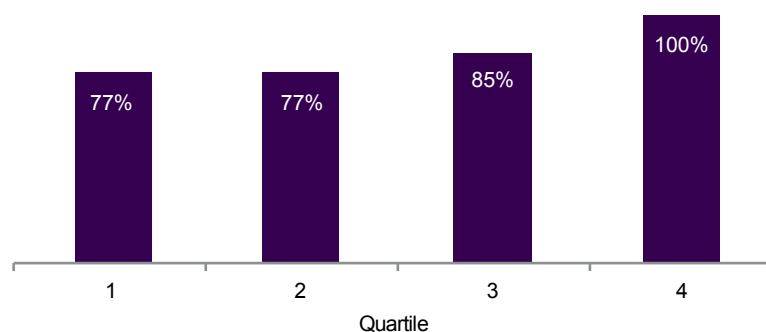
This chart shows that the best performing organisations for the recruitment of women (quartile 4) are more likely to actively monitor the gender of their applicants

Overall, the proportion of organisations within the benchmark that ensure agencies have targets for providing female candidates was only 35%. A high percentage of all organisations in the survey (83%) ensured that recruiters were made aware of their policies on gender and continued to work with these recruiters partly for their ability to support the recruitment of women (72%). The increase in women at Board level in FTSE 100 companies demonstrates the success of target setting, and the business case for increased recruitment of women at all levels is well documented.[iii] Thus, it is concerning that whilst organisations insist their recruiters are aware of their policies, this is not translating into action, such as making sure these recruiters have targets and meet these targets regarding women on candidate shortlists.

Women and men have similar success rates in the PwC recruitment process, with 42% of applicants being female and 41% of those successful at the recruitment process being female. They implement many of the policies that we have found to be successful at reducing bias in the recruitment process and attracting more women. This includes actions such as setting targets for recruiters, providing unconscious bias training for those responsible for hiring, and targeting women at events such as recruitment fairs and community events.

It is encouraging to see the majority of employers in the benchmark (94%) ensure they openly advertise all jobs and (94%) ensure images used in both recruitment and other literature convey an impression of an inclusive organisational culture.

The recent 'Leading Ladies' advertisement campaign from Marks & Spencer displays diverse women modelling their clothing, thus ensuring that M&S not only reflect their customer base in the models they use but also demonstrates M&S's commitment to diversity & inclusion, sending out a positive message to prospective staff.   LINK

53% of organisations participating in the benchmark ensure that training for staff involved in recruitment is mandatory (see above), while 29% reported that training for recruitment staff is undertaken with each policy change.

51% ensure their training covers unconscious bias and its role in the recruitment process. We would like this to be higher – in 2012 we demonstrated that those organisations where women were as successful at being hired as they were at being shortlisted, were 8 times more likely to have mandatory unconscious bias training for recruitment staff.[iv] Unconscious bias training can have a real impact.

59% of participating employers ensure that they have gender-balanced interview panels – this is an action Opportunity Now highly recommends for all levels, particularly recruitment into senior roles, to effectively eliminate bias at the selection stage.

It is concerning that only 53% of employers in our benchmark have current objectives for the recruitment of women and only 43% have set KPIs to check their progress. What gets measured in business gets done, and if over half of the employers that took part in our survey do not have a set of Key Performance Indicators to track progress, they will not be able to demonstrate impact, nor make the case for investment in diversity.
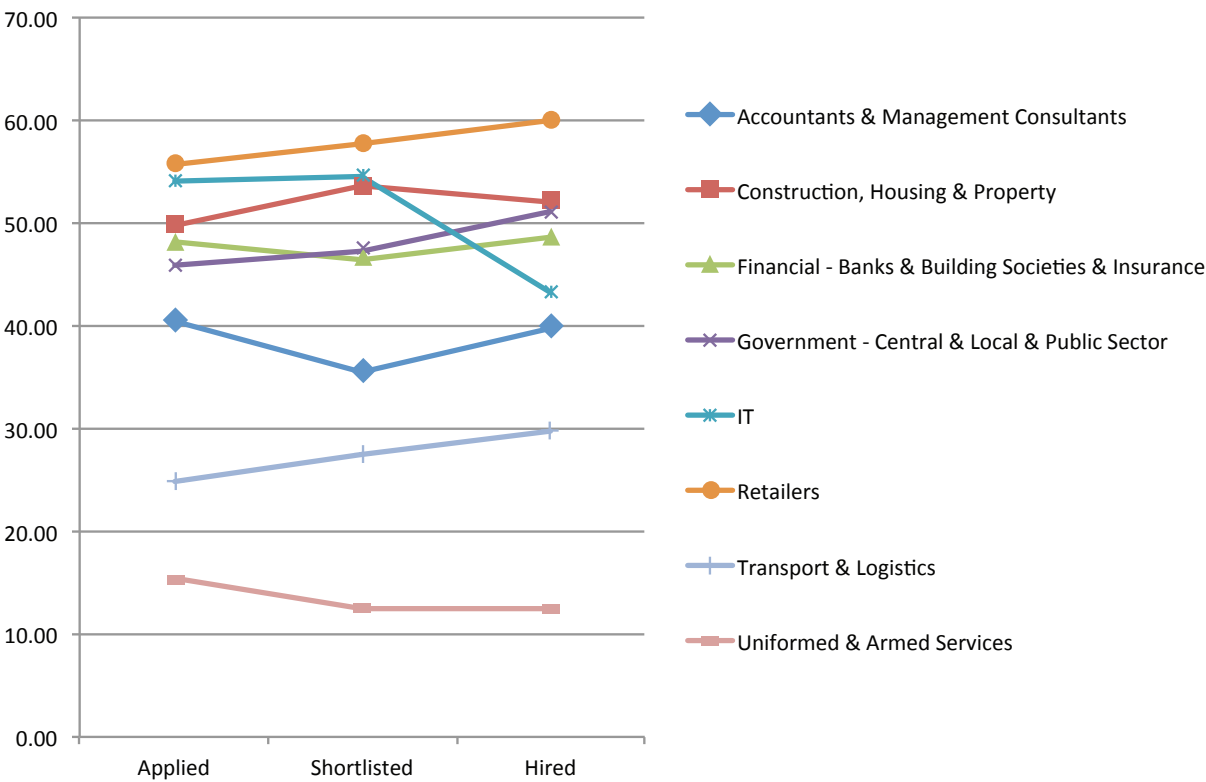
Seeking to tackle occupational segregation, some of the traditionally male-dominated sectors, such as engineering and construction, are taking steps to recruit more women at all levels in order to close skills gaps and to ensure they broaden the talent pool from which they recruit. These organisations are using a range of approaches, including targeted advertising, working with local schools and community groups, and holding pre-application events at universities for female under-graduates.

Many businesses are increasingly recognising the issue of vertical segregation within their organisation, where women are under-represented in roles such as facilities management, finance and IT. 70% of organisations have targeted recruitment of women into roles where they are typically a minority, up from 54% in the 2012 Benchmark.

The graph below shows the proportion of applicants, shortlisted and hired individuals that are women, by sector. This demonstrates the difficulty that some sectors have in attracting women to apply for roles in the first place, such as the Uniformed & Armed services. For some sectors, the increase from application stage, to shortlist stage and again to hired stage indicates a recruitment process in which women perform slightly better than men.

However, for some sectors these findings indicate potential bias at play in the recruitment process. For organisations in the IT sector, approximately 54% of applicants are women and 55% of shortlisted candidates are women. At hiring stage this drops to 43% indicating that there are one or more factors at interview stage or another later part of the process that adversely impact women.

Breakdown of women at each stage of the recruitment process – by industry

Legend:
- Accountants & Management Consultants
- Construction, Housing & Property
- Financial - Banks & Building Societies & Insurance
- Government - Central & Local & Public Sector
- IT
- Retailers
- Transport & Logistics
- Uniformed & Armed Services

X-axis: Applied, Shortlisted, Hired

Race

Policy and targets for recruitment agencies

There was very strong and encouraging evidence that employers are proactive in stating their policy and commitment to diversity including race and ethnicity - 80% of organisations in the benchmark do this. We also found that 68% of these employers have diversity as a key criterion for the selection of their recruiting organisation. There is a need for more follow up – only 29% of employers review and manage the contract's performance. It is really welcome that employers are letting recruiters know about their policies – targets and KPIs on diversity will make real change.

Literature and outreach

The majority of employers are actively ensuring that their literature and images demonstrate their commitment to race diversity, with 91% actually stating in their literature that diverse candidates are welcome

and 94% of employers conveying this message through images.

It was encouraging to note that 51% of employers are now engaging in pre-application events and outreach – this activity alone can help candidates from lower socio-economic backgrounds that are often associated with diverse communities and ethnic minority job seekers to better prepare for employment. The Government's recent Social Mobility and Child Poverty Commission's report 'Business and Social Mobility: a Manifesto for Change' published October 2013, is seeking to encourage employers to implement change that has real impact.[v] The most important actions are those that enable organisations to access wider and more diverse talent pools. The report highlights that there is untapped potential across the UK, with employers' standard recruitment practices often excluding talented individuals.

RfO advocates that all employers initiate some pre-application and

pre-pipeline development work to help potential candidates to understand the culture of their organisation and sector, to share examples of what content is expected in applications, interviews and assessment – in fact all the information that is generally passed to those with extended family and professional networks already associated with their preferred industry and sector and which enables them to be better prepared for the application process and interview.

Lloyds of London has recognised that community is not just a place for philanthropic activity but a potential talent pool. They have been doing some work around pre-application and development of their recruitment pipeline. Managers who attend the market wide leadership programme are invited to become mentors to small businesses in East London.

BAME Recruitment rates – Conversion from application to hire
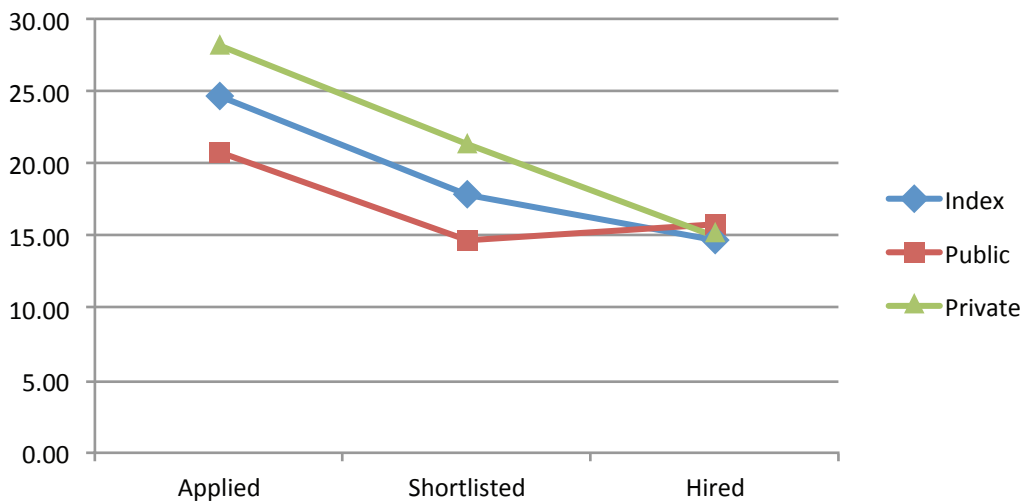
Selection and Interview

Whilst 75% of employers target diverse candidates at events such as recruitment fairs, only 54% follow that through with some form of mandatory training for those involved in their recruitment process. Training for employers seems more likely to be a one-off 'sheep dip' for interviewers which is only updated or revisited when there is a policy change.

RfO recommends that employers establish mini refresher training 'moments' for those employees actively involved in their recruitment process, even if it is in the form of a reminder check list of 'do's and don'ts'. Reminders by way of a refresher should include the key points about talent spotting, i.e. that talent comes in different packages, that we do not recruit just people who look like us, that our customers and clients are always changing and we need a workforce that reflects that.

Employers' materials and messages are obviously being effective in some instances by increasing the attraction of diverse candidates. However, we see a dramatic drop in ethnic minority candidates representation from application to interview resulting in low hire rates, as can be seen in the graph above.

One of the actions that RfO recommends to rectify this pattern is to test sift bias by removing names from applications. Research by the Department for Work and Pensions (DWP) and the BBC mystery shop revealed that candidates with foreign sounding names were more likely to be sifted out at the c.v./application stage. Recent research in Finland showed that job seekers with Russian sounding names were experiencing something similar.

BAME people are more likely to be hired in organisations with unconscious bias training

Unconscious bias training, alongside other tools, and helps to reduce bias in the recruitment process.

When reviewing what successful organisations are doing that others are not, we found that BAME people are more likely to be hired in organisations with unconscious bias training for recruiters. We also found four other actions that seem to be more prevalent. Top performing organisations were more likely to have:
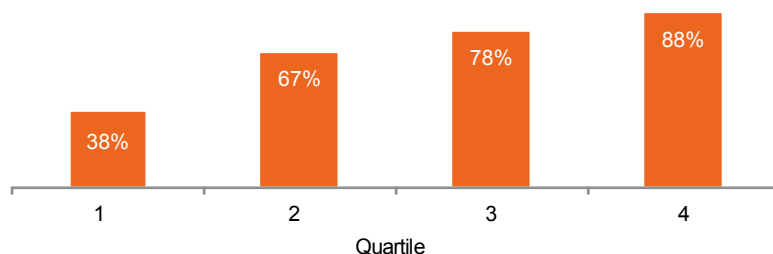
- KPIs to monitor progress
- Mandatory training for recruiters
- Set objectives for BAME recruitment
- Run pre-application events to help candidates understand the process

1) KPIs to monitor progress
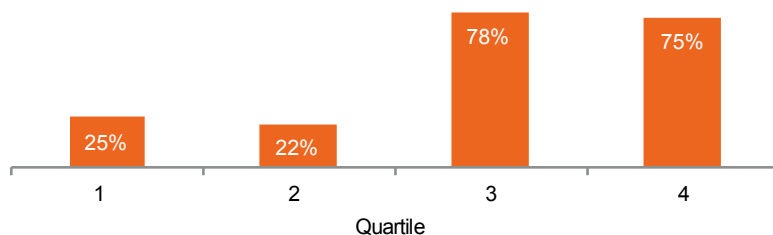
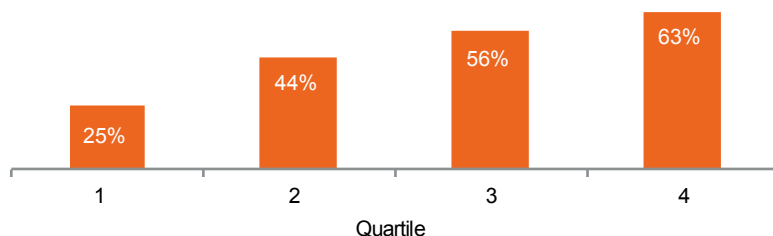| Quartile	Value
1	25%
2	22%
3	78%
4	75%

This chart shows that the best performing organisations for the recruitment of ethnic minorities (quartiles 3 & 4) are more likely to define a series of KPIs to assess themselves

2) Mandatory training for recruiters

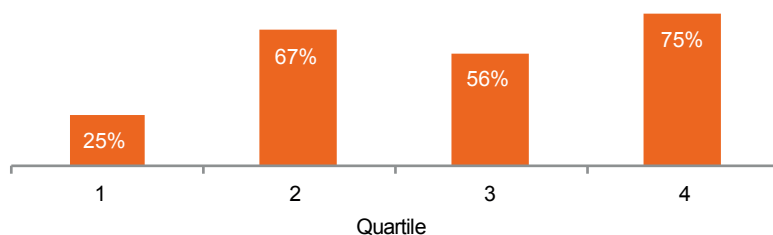| Quartile	Value
1	38%
2	67%
3	78%
4	88%

This chart shows that the best performing organisations for the recruitment of ethnic minorities (quartile 4) are more likely to mandate training for colleagues responsible for recruitment

3) Set objectives for BAME recruitment

Quartile	Value
1	25%
2	44%
3	56%
4	63%

This chart shows that the best performing organisations for the recruitment of ethnic minorities (quartile 4) are more likely to set objectives for BAME recruitment

4) Run pre application events to help candidates understand the process

Quartile	Value
1	25%
2	67%
3	56%
4	75%

This chart shows that the best performing organisations for the recruitment of ethnic minorities (quartile 4) are more likely to run pre-application events to help candidates understand the process

An analysis of application rates by sector reveals the sector with the least detectable bias is uniformed and armed services. So although BAME people are hugely under-represented in this industry, they do seem to make it through each stage of recruitment in the same relative proportions as their white counterparts. Unfortunately, the same is not true of all other sectors we analysed, with legal showing the biggest drop-off when going from applied to hired.
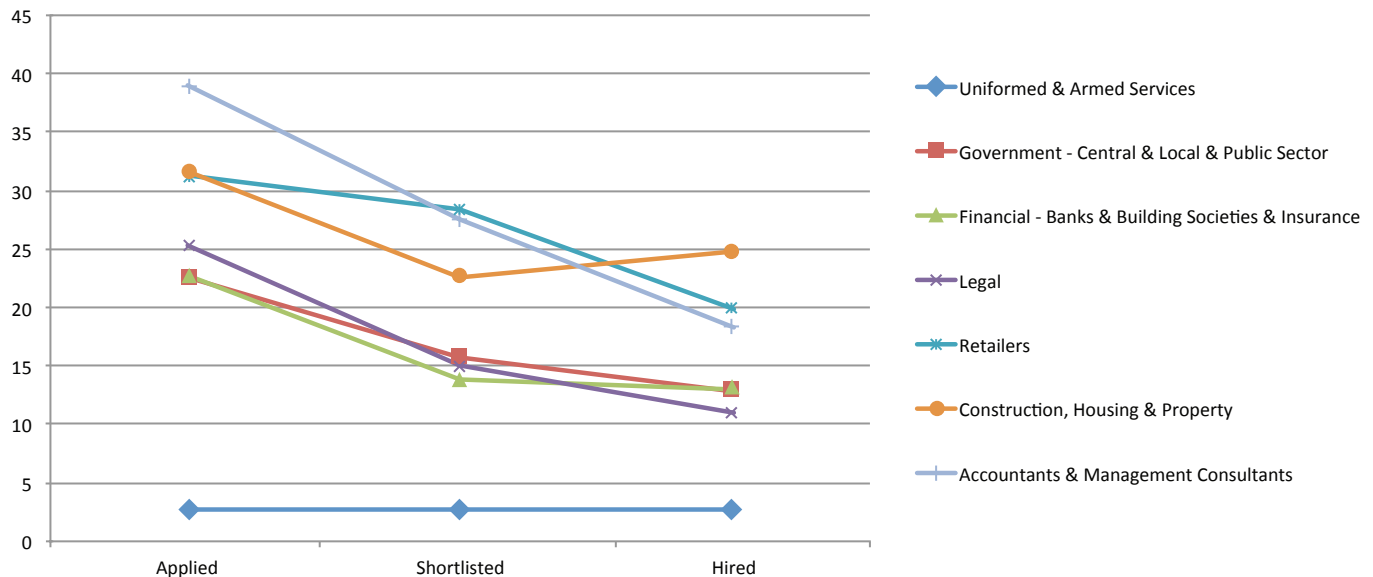
RFO's 2010 report "Aspiration and Frustration" highlights the invisible barriers linked to recruitment especially within the professional sectors such as finance, law, media and government. We can see that that this challenge still exists, with disproportionate drop-off for BAME people at shortlisting and hiring stages.

Diverse representation on recruitment and selection panels

Whilst employers are taking on the need to have women on panels, they are less likely to include ethnic balance. This is a missed opportunity.

71% of employers are conducting some form of monitoring of the pool of applications. However, tracking the progress of candidates throughout the selection process seems to be in the 'too difficult' box for many employers, with only 36% using key performance indicators to track progression rates beyond the application stage.

Breakdown of ethnic minority representation at each stage of the recruitment process – by industry

Legend:
- Uniformed & Armed Services
- Government - Central & Local & Public Sector
- Financial - Banks & Building Societies & Insurance
- Legal
- Retailers
- Construction, Housing & Property
- Accountants & Management Consultants

Calls to action

- Understand the demographics of your local population, using 'RfO's regional factsheets'.

- Set targets for recruitment – ensure division heads, directors and senior leaders are held accountable.

- Know your business case – use the Opportunity Now 'Business Case for Gender Diversity' to reinforce the need for widening the talent pool for recruitment at all levels within your organisation, along with the Women and Work document and our STEM Spotlight.

- Tackle unconscious bias in everyday decision-making. Our 5-points to progress toolkit powerfully demonstrates this with a self-assessment 'unconscious bias' tool. The ON Inclusive Leadership Resource Kit and 10 Questions are invaluable for use in recruitment of management training and training of staff involved in recruitment.

- Update monitoring systems to track recruitment of women and ethnic minorities at each stage of the process, using RfO's 'Monitoring Ethnicity' handbook.

- Review your assessment centre process and check that they are not biased to any particular ethnic group, that they are fair to women and men and that they are accessible.

- Ensure all external recruiters are held to the same standards as internal recruiters and continue to monitor trends to see what changes to hiring process are most effective.

- Develop robust methods for reporting progress – consider publically reporting your targets and your progression against them. Use Think Act Report as a framework.

- Use Race and Recruitment: Exposing the Barriers to consider alternative assessment methods in recruitment.

- Pre-application workshops and orientation opportunities are necessary to understand the nuances of the sector and are vital for levelling the playing field for BAME applicants.

Opportunity Now Recruitment Case study

Microsoft

Motivate

Currently 30% of Microsoft UK Board Directors are women, and Microsoft set targets for each business area to improve hiring women month on month as well as year on year.

Act

A key tool in Microsoft's efforts to increase female hiring has been the T Party forum designed to inspire more women to work and stay in the technology industry. Microsoft has used the T Party to leverage it's own female role models either by speaking in schools, at events or online to debunk myths about working in IT and encourage more women to follow or return to tech careers. Members were also invited to nominate women not currently working in tech to learn to 'code an app in a day', followed by a networking event with T Party members and Microsoft staff from a range of disciplines. By bringing together role models, inspiration and career sponsorship Microsoft aims to enable more women to follow a career in IT.

Over the last year Microsoft has also run an online behavioural targeting campaign which delivers banner advertising to female users whose browsing habits express an interest in IT or working in technology. Users are directed to the Women at Microsoft Facebook page rather than an application page, so that women find out more about the culture, people and environment of Microsoft before applying. The campaign has been tracked and proved highly successful for attracting more 'passive' female candidates.

Impact

Since the launch of the T Party in 2012, Microsoft has seen female technical hiring rise from 23.8% to 36.7%, has received great feedback from event delegates and the Women at Microsoft Facebook page now has over 60,000 fans.

Microsoft also considers the many facets of women in technology and in the last year has run over 30 events catering to their diversity of background, needs and interests including LBT women, BAME young women and DigiGirls, which has inspired 1,200 schoolgirls since 2005.

Race for Opportunity Recruitment Case study

Department for Work and Pensions (DWP)

Motivate

DWP recognises the business benefits of having a workforce that reflects the community it seeks to serve. The UK is a multicultural society, made up of men and women from different backgrounds. If we are to serve these people to the very best of our ability, DWP, like other businesses, must ensure our workforce represents people from all walks of life, who can relate to and understand the challenges and opportunities that we all face. DWP acknowledges that the best people come from all parts of the community and we want a workforce with the richest possible mix of talent from all demographic groups, enabling us to match the best people to the right roles.

Act

DWP uses transparent selection criteria based on a set of 'equality proofed' core competencies which do not disadvantage any one group. The Department has also provided line managers and others involved in recruitment decisions with Unconscious Bias learning to improve individual/organisational decision-making. Applicants' ethnicity is tracked as they move through the recruitment process and this data is used to identify potential barriers and make changes if needed.

When diverse candidates are recruited, DWP has further initiatives in place to retain and progress talent from under represented groups. These include Positive Action Pathway 'Levelling the Playing Field', a new development opportunity focussing on three under-represented groups, including ethnic minority groups. The year-long programme is individually tailored and aims to equip participants with the skills and confidence to realise their full potential and to progress, as a minimum, to the next grade, with the possibility of further career progression.

DWP also participates in the Fast Stream Summer Diversity Internship Programme (SDIP) for ethnic minority and socio-economically diverse undergraduates, which aims to raise awareness of opportunities in central government. DWP offered 25 placements in the 2012-13 SDIP which includes a coaching programme for interns offering a valuable opportunity to improve skills and increase success prospects when applying to the Fast Stream. In previous years this programme has yielded a 35% success rate. The Fast Stream selection process and assessor training is continuously monitored to ensure fairness and avoidance of unconscious bias.

Impact

As a result of DWP's efforts there has been a rise in ethnic minority candidates and appointments, particularly within the Fast Stream, and increased opportunities for career progression.

Leadership

Background

Social upheaval, economic uncertainty, more risk and less certainty, climate change, globalisation, rapid technological development … organisations face complex challenges today, and more so than ever before. They need excellent, diverse leadership.

The Bigger Picture

Sadly, increasing race diversity in the Boardroom has made very slow progress. FTSE 100 Board representation shows little movement. Only 5.7% of Board positions were held by ethnic minorities in 2012 - 62 directorships in total and only 8 of these were known to have British nationality.[vi] Ethnic minorities remain under-represented in management positions. Only 1 in 15 of the BAME workforce is in a management position, when 1 in 8 of the workforce as a whole is BAME.

The story on gender is slightly better, in that progress is being made, although it is now plateauing, with the last Cranfield report putting women's representation on Boards at 17.3%, an increase of 2.3% from 2012.[vii] Research clearly shows that having more women on the Board is a good business decision. A study of 353 Fortune 500 companies found that the 88 with the highest representation of women on top management teams experienced significantly higher returns on equity and total return to shareholders compared to the 89 firms with the lowest female representation.[viii]

Trends and findings

Gender

As the tables below show, the benchmark organisations and their female representation compares favorably with the FTSE 100 and FTSE 250.

Gender representation in Management
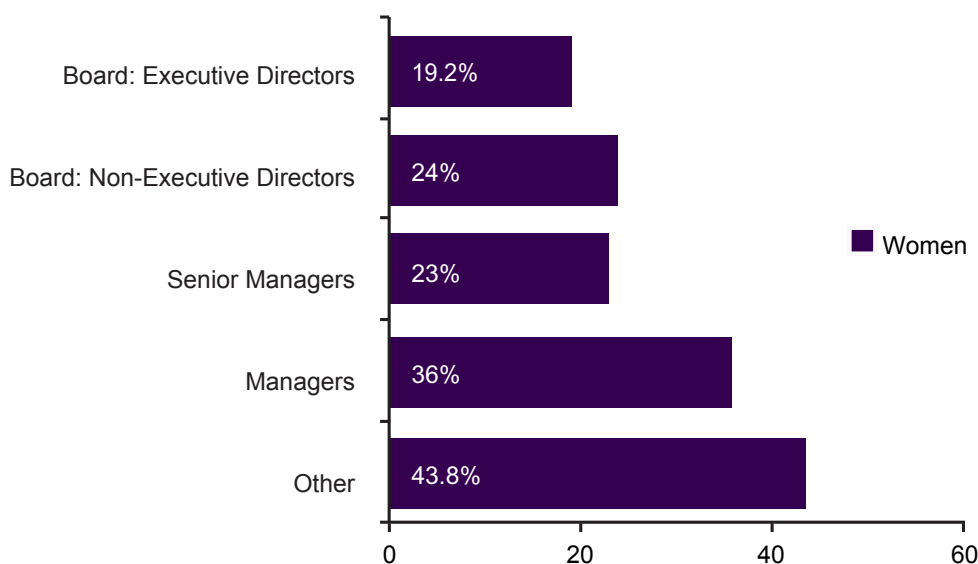
As of March 2013	FTSE 100	FTSE 250
Female executive directorships	18 (5.8%)	32 (5.4%)
Female non-executive directorships	176 (21.8%)	235 (16.6%)
Companies with female directors	93 (93%)	183 (73.2%)

Source: The Female FTSE Board Report 2013, Cranfield School of Management

Leaders who are accountable

94% of organisations in the benchmark this year ensure Board members are held accountable for delivering diversity objectives, compared with 84% last year – an excellent improvement. The majority of organisations make sure that Heads of Functions and other senior managers are also held accountable for diversity objectives, as well as ensuring that D&I values and objectives are assessed as part of performance reviews for senior managers and above.

The data indicates that holding leaders to account has an impact on the proportion of women reaching senior levels in an organisation. As the preceding graph shows, in organisations where Heads/Directors of Functions have performance-related pay linked to diversity objectives, these organisations are more likely to have a higher proportion of women at senior manager level.

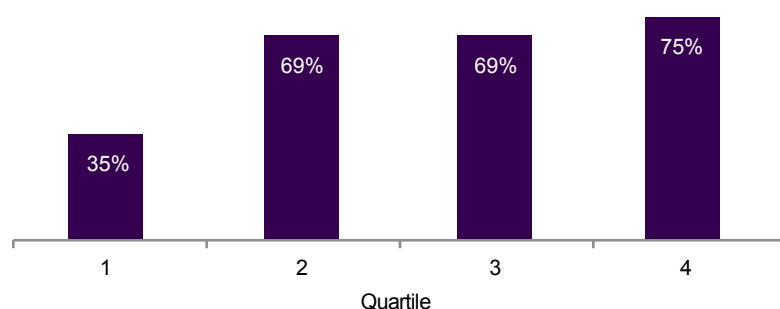### Performance related pay linked to diversity objectives – head of functions
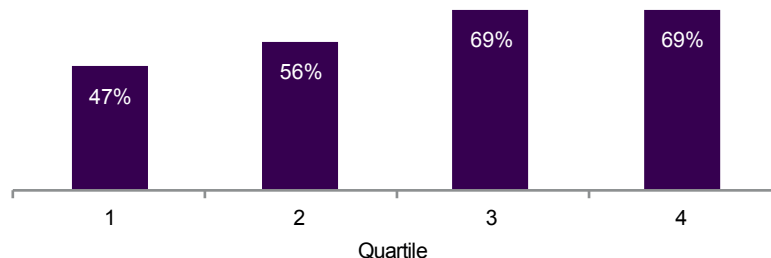
This chart shows that organisations with the most women managers and senior managers (quartiles 3 & 4) are more likely to link performance related pay to diversity objectives for heads of functions

BT's approach is "diversity built in". In practice this means everyone in BT is responsible for taking diversity into account in everything they do. The Global Inclusion Forum, chaired by a member of the BT Operating Committee, is responsible for, in partnership with the Group HR Inclusion team, the strategic direction of Inclusion in BT, ensuring leadership from the top of the organisation. The Line of Business Diversity Steering Groups are accountable to the Global Inclusion Forum to make sure the strategy is in line with the global Inclusion strategy.

Leading the way

Strategy contains gender focused objectives

This chart shows that organisations with the most women managers and senior managers (quartiles 3 & 4) are more likely to have a gender-focused strategy

As the graph above shows, organisations in Quartile 4 with the highest female representation in leadership roles were twice as likely to have gender focused objectives in their diversity strategies, when compared to those with the lowest female representation in senior roles (Quartile 1).

Those (in Quartile 4) with the highest female representation in senior roles are also more likely to put their strategy in the public domain, thereby ensuring a level of transparency in their approach to improving the gender balance in leadership progression. These findings indicate that employers benefit from a targeted approach

with a clear strategy to achieve change. Now more than ever, there is increased pressure for public reporting. For example, the Companies Act amendments mean that UK-listed companies must include a Strategic Report that discloses the organisation's overall gender profile and breakdown at director and senior manager levels.

Consistent with last year's benchmark, most organisations participating in the 2013 benchmark have a business case that rationalises their diversity work (88%), with 58% having a business case that examines the specific benefits women employees and customers can bring to the organisation. However, only 67% ensure their business case is communicated to all employees - a crucial but missed opportunity to enable real culture change in organisations.

The Department for Work and Pensions (DWP) is another great example of top level leadership. The organisation's Permanent Secretary is their Race champion and as well as being a sponsor, is fully on board in embedding diversity into the business.

It is concerning that only 25% of organisations in the benchmark ensure some business units have diversity embedded into its business plans. In order to respond to changing global demography, reflect your customer base and get the best from your talent, your business needs to make diversity a core part of business and place it at the centre of organisational strategy. The organisations in the Top Tens for Gender ensure that gender equality is seen as a strategic opportunity rather than an equal opportunities issue, and is aligned to their overall business strategy.

Nomination committees have at least one woman on them
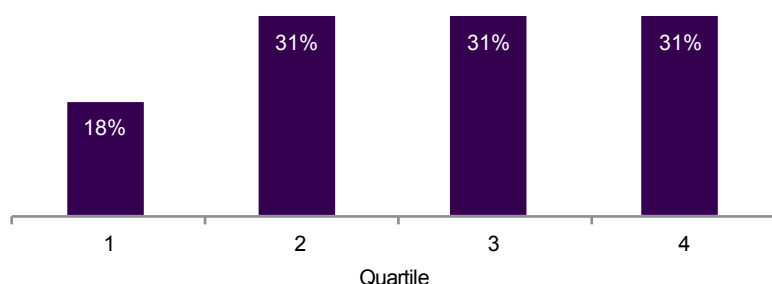
This chart shows that organisations with the most women managers and senior managers are more likely to have at least one women on their Board nomination committee(s)

Board representation and feeder pools

Female FTSE 2013 - 18 out of 292 FTSE 100 executive directors are women

As the graph above shows, those organisations with more women represented at senior levels are more likely to have at least one woman on the Board nomination committee. Nomination committees are crucial in developing balanced Boards, and this finding indicates having at least one woman on the nomination committee does impact on the number of women at senior levels. One third of benchmark organisations overall ensure this is the case, whilst 30% ensure that nomination committees for Board feeder pools include least one woman. Success in business ultimately comes down to having the best people in the right positions. Research shows that diversity at Board level has a positive impact on business performance.[ix] Businesses need to embed practices such as these in order to be ahead of the curve.

Targets for feeder pool recruitment are set and in the public domain
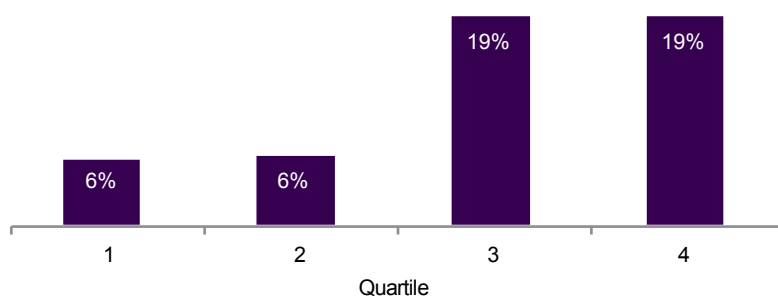
This chart shows that organisations with the most women managers and senior managers (quartiles 3 & 4) are more likely to publish targets for feeder pool recruitment in the public domain

Another key finding from the Benchmark Survey is a correlation between targets for Board feeder pool recruitment being in the public domain and more women represented at senior levels as shown in the graph above. Organisations with the highest female representation in manager and senior manager roles are more likely to set these targets and publicise them.

Given the significance of this finding, it is concerning that only

1 in 5 of the organisations in the benchmark survey have set and publicised their targets for women at Board level, in line with the recommendations in the Lord Davies review. This is all the more pertinent when one considers that 37.5% of participating organisations have set a target internally. The debate on the effectiveness of setting targets rather than quotas rages on, but as we have seen in the UK, setting targets has improved female representation on Boards: currently female-held Board directorships is

17.3%, an increase of 2.3% from 2012.

In Chapter 1 we highlighted the link between unconscious bias training for staff involved in recruitment and more women getting through to 'hired' stage. This means that organisations need to ensure unconscious bias is effectively addressed at promotion stages, including recruitment to Board level and Board feeder pools. However, only 30% of organisations in the benchmark have ensured

all recruitment panels have been through unconscious bias training, and only 1 in 4 ensure this training has extended to Board recruitment panels. Furthermore, only half of participant organisations task their recruitment partners (e.g. executive search firms) with bringing in female candidates.

Are our line managers inclusive?

Opportunity Now conducted research on 'Inclusive Leadership' which found that inclusive leaders bring clear benefits to organisations, by facilitating innovation, making the most of diverse talent, and, through their own adaptability, getting the best results for their organisation. But the research also identified a lack of inclusive leaders currently within UK business.

In addition to having a positive impact on performance and productivity, Inclusive Leaders also have a 'double impact': by recognising talent and supporting it to progress, inclusive leaders positively develop the careers of employees from minority groups.

Employers who have a Race focused Diversity Strategy
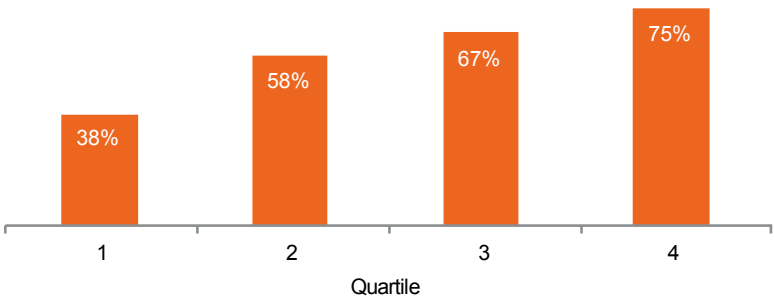
This chart shows that organisations with the most BAME managers and senior managers (quartile 4) are more likely to have a race focused diversity strategy

At the majority of the organisations in the benchmark (86%), line managers are made aware of organisational D&I objectives. However, only 40% of participating organisations make line managers accountable for the progression of diverse groups within their teams. This needs to change. Line managers must take responsibility for progressing talent. We recommend that staff promoted or recruited into people management roles are tested for their ability to be inclusive. Currently only 27% of organisations in the benchmark do this.

Race

The evidence shows that there has not been much change at the top since last year for BAME people at Board level. This continues to be a big challenge, not only for business but also for wider sectors of society, including government and education.

In 2012, our benchmarking survey recorded a modest 5% of BAME people at Board level. This year, the percentage has dropped to 3.3%. However, it has been encouraging to see that the number of BAME people in non-executive and senior management positions has increased.

Some of the activities behind this acceleration is no doubt due to 91% of participating organisations having a business case for race, and 89% of these organisations having a race-focused diversity strategy underpinned by their business case. We found that organisations in the top performing quartiles were more likely to have these initiatives in place.

Whilst 93% of organisations completing the benchmark said that their Board members were held accountable for diversity objectives and 82% were held accountable and measured against delivery of specific diversity metrics/targets, only 57% had any part of their performance pay linked to achievement of those objectives.

BAME Representation in Management (2012 vs. 2013 comparison)

An examination of those senior leaders who had diversity and inclusion, values, behaviours and objectives assessed as part of their performance revealed that this was the case for 78% of Board members and heads of function and 56% of senior managers. It is disappointing that only half (51%) of senior managers have any element of their performance pay linked to diversity performance.

Ethnic minority employees are more likely to be concentrated at the lower levels of employers' workforces and it is therefore vital that the first and second line managers of those employee populations not only have robust and meaningful objectives on diversity and inclusion as part of performance but also have an element of their performance pay linked to the achievement of these objectives.

The regressive trend of ethnic minorities at senior levels is systematic of limited accountability for actions within organisations. As we have seen from the gender benchmark results, having set targets has made a difference to the number of women at senior management levels, Putting this activity into place for BAME workers could well have the same impact for those organisations wishing to increase race diversity at the top.

Race Champions at Board level

An overwhelming 98.2% of employers have a race champion at Board level which is excellent news. This leadership needs to be put into action to achieve maximum impact.

The Sky case study highlights and reinforces the relevance and importance of a Board level champion - someone who influences other Board members. Sky has a Board level race champion because the organisation has recognised that changing demographics and diverse customer viewing habits needs specific focus and attention. Their Board level champion has

Targets for Board recruitment are set and known internally
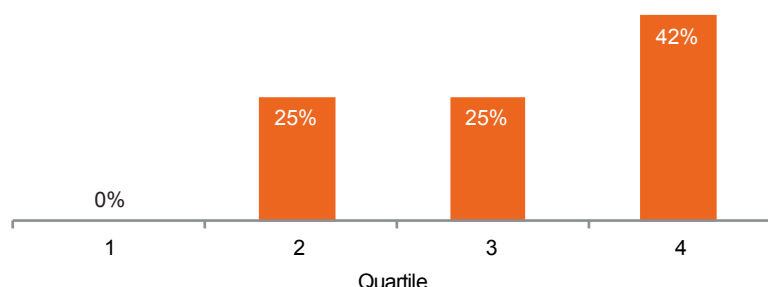
This chart shows that organisations with the most BAME managers and senior managers (quartile 4) are more likely to set targets for ethnic minority recruitment to their main Board

really enabled Sky to progress on its recruitment outreach activities. DWP is another good example of where having a champion at Board level (a permanent secretary) has led to a suite of activities to progress talent into the organisation and to support BAME progression.

A recent analysis of data supplied by the Office for National Statistics' (ONS) Annual Population Survey regarding the occupations of UK workers by ethnicity reveals that for the UK overall, BAME workers hold only 8% of leadership positions.[x] This varies greatly by region with the highest percentage of BAME leaders based in London as one would expect having the greatest diversity, reducing to only 2.5% in Yorkshire and Humber even though this region is the third largest diverse region in England and Wales. See our campaign aims for more on how we intend to square the pyramid on BAME representation.

Sadly, our survey shows that only 30% of all Board recruitment panels have been through unconscious bias training and a marginally higher 38% of organisations in the benchmark task executive search firms/recruitment partners with bringing in BAME candidates. It is also interesting to note that although only 21% of employers disclosed their targets for Board recruitment internally, our correlation demonstrates that it is mainly organisations in the top performing quartile that are doing this.

The National Audit Office (NAO) is a leading example of what Board level championship of race is all about. One of their most senior Board members chairs the Diversity Delivery Board (DDB) and has, amongst other things, renewed membership of the DDB to ensure it includes representatives from the ethnic minority network as well as enlisting an Executive Leader to champion the Ethnic Minority Network (staff network). This organisation's race champion has led the introduction of unconscious bias training to ensure it is mandatory for all staff and commissioned an internal office wide survey to understand the perceptions of BAME staff in relation to progression and development in addition to supporting the development and pilot of a BAME mentoring scheme.

Transparency

It is encouraging to see that more than half (53.6%) of all benchmarking employers are publishing the BAME composition in their workforce. Transparency is key to progression and this is good start. The next step is BAME representation at different levels - 35.7% of organisations are publishing this information. With the '1 in 4' demographics that is

the talent pipeline of the future, employers are absolutely right to be developing in this important area.

Calls to action

- Change Agents is a collection of insights and stories from the many inspiring leaders Opportunity Now works with, to give leaders ideas and tools to change their own organisational culture. Use these examples to inspire your own leaders.

- Hold search firms and internal senior leaders to account, brief them on the business case and the organisation's objectives to improve diversity at senior levels throughout the organisation, so there can be no doubt about the commitment your organisation has made to this agenda.

- Develop more Inclusive Leaders, and examine how your organisation measures up using the 10 question self assessment for leaders.

- Communicate your organisation's business case for diverse leadership and integrate these concepts into strategic and business conversations across the breadth of the organisation's functions and operating areas.

- Engage in dialogue with senior women's/race networks and support them as important to the organisation and its aspiration for diverse leadership.

- Use your race network to engage in creating diverse interview and recruitment panels.

- Offer mentoring to all employees, and consider the use of sponsorship programmes for top performers.

- Use our Race Champion job description to support leaders in your organisation to make change.

- Race for Opportunity's Mentor for Success is available to support you in developing mentors to support those from underrepresented groups to succeed in your organisation.

- Getting Women on Board: Targeting the Issue provides the business case for women on Boards and recommends actions for the Chair, CEO and Executives to effectively increase the number of women at Board level. Many of the lessons are also applicable to BAME recruitment to Boards.

- Businesses are doing more on women's leadership than BAME representation – consider the actions that worked for you on gender, and transfer that learning to race.

- Include objectives and assessment and performance pay for all at management levels especially those who manage populations of BAME employees

- Feeder pool activities:
  - All pools should have at least one BAME person on them
  - All panels should have unconscious bias training
  - Use executive search to bring in BAME candidates
  - Every Board member should mentor a BAME person

The RfO Board (sub-group) has identified and outlined five key actions for leaders at Board level:

- **Understand:** ensure Board members know the diversity of their own workforce, UK demographics and sector talent pool

- **Measure:** monitor workforce and track progress by segmented groups

- **Manage talent pipeline for diversity:** include search agents, succession plans

- **Continuous improvement plans:** identify areas for targeted action and implement improvements

- **Appoint a Board member to be responsible** for Board, senior executive and talent pipeline diversity

Opportunity Now Leadership Case study

Royal Mail

Motivate

Women in Royal Mail Group currently represent 16% of the overall workforce and Royal Mail's aim is to increase this over time. Royal Mail's CEO, as Gender Champion, has tasked the Gender Steering Group (GSG) to drive activity and increase representation of women.

Act

The GSG set up a project team to survey women working at Royal Mail, benchmark with other organisations and propose recommendations. This resulted in refreshing the approach to recruitment to make it as inclusive as possible, consideration of targets on shortlists for certain roles, encouraging actions to strive towards balanced attendance on key development courses and a commitment to develop 1000 women through Springboard by end of the 2013 financial year.

Royal Mail aims to be at benchmark level or above for the logistics and transport sector and to recruit female graduates in line with the current proportions of females graduating. To support this, Directors are looking to increase the number of women on their teams, and Senior Operational Managers are supporting the company's target for the Springboard development programme to encourage frontline operational women to progress in their careers and to consider managerial roles. So far 1600 women have signed up for Springboard and 500 are already going through it. RMG has also trained 23 facilitators to run in-house Springboard training. There is also a balanced gender split attendance on Royal Mail's Executive Programme with Oxford SAID Business School.

The GSG also reviews the Gender Scorecard every quarter, which measures women joining, progressing and leaving the business.

Impact

Royal Mail ensured Inclusive Leadership was part of their review of Leadership Behaviours in 2012. These behaviours are now embedded into performance management and recruitment processes, and are used to help determine whether managers are promoted. Royal Mail also ensures line managers are supported to progress diverse groups within their teams.

Race for Opportunity Leadership Case study

Sky

Motivate

Sky is driving change across the organisation through a series of incremental steps with a focus on inclusion for all.

Act

Sky's approach is based on the development of a strong business case, which goes beyond legal requirements to show the benefits of increased diversity and inclusion across the organisation

With the support of the CEO and the Executive Committee, the company has set an ambition for increased BAME and female representation and monitors progress through regularly updated demographic information across all staff. The availability of data-driven insight allows each business area to identify areas of focus and drive real change. For example the Sky News Diversity Placement scheme in 2013 specifically aimed to address a lack of representation highlighted by the data insight. Such activity is supported by a dedicated diversity manager within Sky's HR department, who works closely with teams across the organisation.

Sky also measures employee engagement three times a year through a company-wide survey, which allows the leadership team to develop action plans to address any issues. Directors and managers in each area work with HR managers to deliver improvements and a regular leadership survey provides further feedback from their peers and teams.

Impact

This approach has led to strong support of ethnic diversity across Sky. While Sky recognise they are early into their programme, Sky's initiatives have already had a positive impact with a steady increase in BAME representation both at senior levels and across the company as a whole over the last year. At the same time, the action on internal diversity has resulted in a greater focus on inclusion for customers, through on-screen events such as Black History Month and the addition of the Star TV network of South Asian language channels into the Sky Entertainment Pack.

Progression

Background

To reap the rewards of diverse workforces we need women and BAME people working at every level of our organisations.

The Bigger Picture

The barriers that women experience in progressing to senior levels within business are complex and varied. Opportunity Now research What Holds Women Back found that the biggest barrier to women getting senior jobs is the need to balance work and family responsibilities. 82% of female managers and 54% of male managers see this as the main barrier. Secondly, 57% of women managers and 20% of male managers believe that women are seen as less committed to work because they may have family commitments. The third most cited barrier to women's progression was a lack of senior or visibly successful role models (according to 52% of female respondents and 26% of male respondents).

RfO's Race to Progress: Breaking Down Barriers revealed that ethnic minorities want to progress. Three-quarters of the BAME workers surveyed said career progression was important to them. However, whilst White workers had on average almost four promotions during their career, BAME workers had only been promoted an average of 2.5 times. BAME women are more likely to be in low paid jobs with few opportunities for progression.

Trends and findings

Gender

The following actions have been found to correlate with greater representation of women at management and senior management levels, meaning that

Unconscious bias training for all employees (as part of general diversity training)
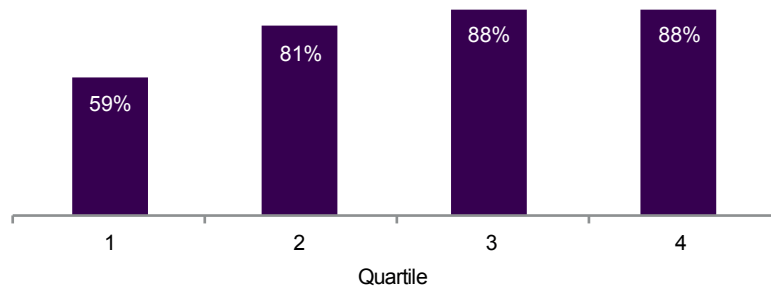
This chart shows that organisations with the most women managers and senior managers (quartiles 3 & 4) are more likely to provide unconscious bias training to their employees

companies with more women at the top and middle are more likely to undertake the following:

- unconscious bias training for recruiters/those involved in recruitment;
- diversity questions in staff surveys;
- unconscious bias training for all employees included in diversity training.

As the graph shows, organisations that have a high representation of women at manager and senior manager level are more likely to incorporate unconscious bias training into diversity training for all employees. Earlier we have seen the impact that unconscious bias training has on women getting through to hired stage in recruitment, all of which indicates that this is a significant part of the equation in creating a diverse and inclusive workplace. It is only part of the answer and we encourage business to consider how staff can address their biases once they have had their awareness raised.

Targeted Interventions

Opportunity Now's research What Holds Women Back found that line managers frequently do not regard women's progression as their

responsibility. This, combined with the fact that inclusive leaders have a 'double impact' on minority groups by developing an organisation's talent, means it is concerning that only 47% of organisations require managers to promote gender-related initiatives to their team.

Two thirds of organisations in the benchmark actively monitor their talent pipeline and are aware of the progression rates of women. It is welcome that the majority of participating organisations have a Gender Network Group (83%). The majority of these support the professional development of women and 64% go further, with the network strengthening new business opportunities.

We recommend organisations measure women's progression rates and define acceptable levels of variance in promotion rates, taking steps to address any areas of underperformance.

The Future of Work

Recently we have seen a significant shift towards more agile workplaces. Businesses are recognising the positive impact on staff productivity and engagement, cost savings and the environment of adopting different ways of **when** and **where**

Have extended the Right to Request flexible working to all employees
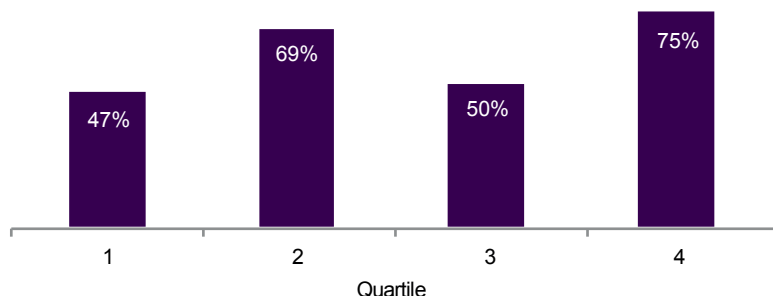
This chart shows that organisations with the most women managers and senior managers (quartile 4) are more likely to extend the right to request flexible working to all employees

Invest in the technology and infrastructure required to support flexible working
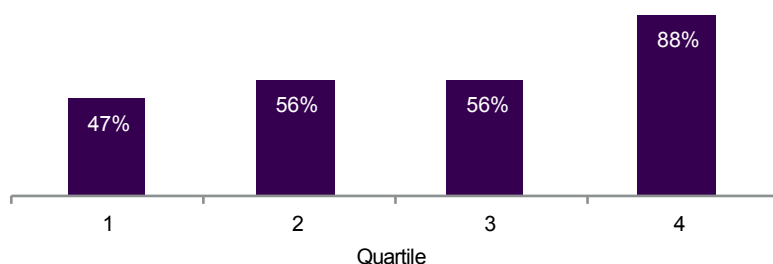
This chart shows that organisations with the most women managers and senior managers (quartile 4) are more likely to invest in the technology and infrastructure required to support flexible working

Evidence of increased productivity	23.4%
Evidence of improved employee retention	29.7%
Evidence of reduced absenteeism and increased wellbeing	20.3%
Evidence of increased morale and satisfaction	40.6%
Evidence of reduced travel and environmental impact	29.7%
Evidence of reduced accommodation costs	20.3%

people work. Currently, there are 5.2 million female part-time workers and 1.5 million male part-time workers, and the business case for agile workplaces continues to grow. Research from The Agile Future Forum (AFF) shows that employers could generate more than 10% in workforce cost savings if they use more flexible working practices. In some cases, they could gain an extra sales boost of up to 11%.[xi]

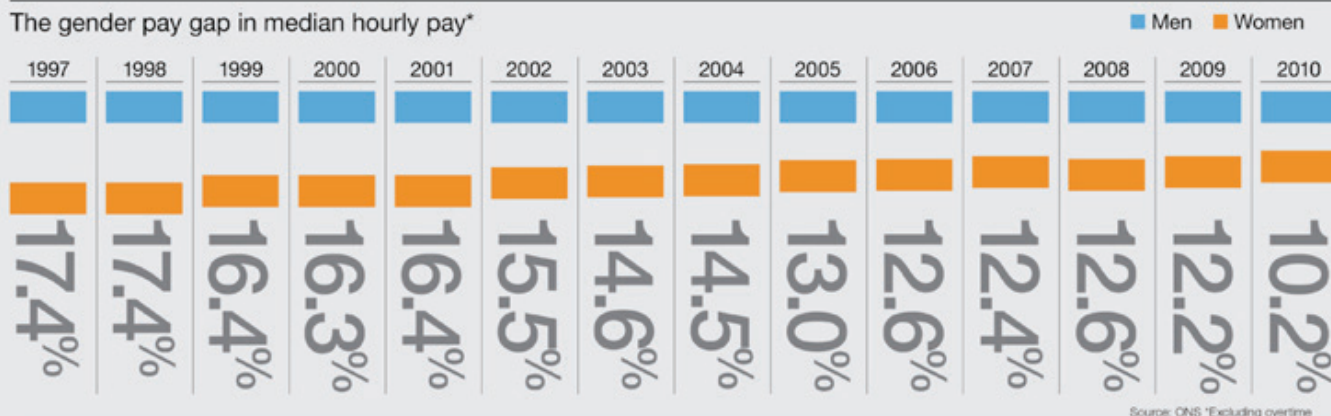Consistent with last year's findings, we have seen a positive correlation between high representation of women managers and senior managers and spread of flexible working. Organisations in the benchmark with had more women at senior levels, were more likely to do the following to enable an agile workplace:

- extended the Right to Request Flexible Working to **all** employees;

- highlight and profile senior role models who work flexibly;

- encourage line managers to take a lead on flexible working and provide the overall organisational support;

- invest in the technology and infrastructure to support flexible working

As the table shows, the proportion of organisations participating in the benchmark that can demonstrate the business benefits of flexible working is growing, contributing to the strong business case on creating agile workplaces that are fit for the future.[xii] 1 in 5 businesses trialled flexible working during the Olympic Games and O2 conducted research on their flexible working pilot which found that 88% staff said they were as productive as normal when working from home, and 36% claimed they were more productive [xiii].

Through an organised, strategic approach to flexible work arrangements, State Street has taken an innovative turn in creating an agile workforce. Championed by senior executives, the company's top-down approach to a flexible work environment has led to a manager-initiated 'Flex' program. The initiative gives managers the tools, technology and resources they need to assess how Flex arrangements can create efficiencies in their specific organisations. Managers are supported through coaching and training to successfully manage flexible workers.

All State Street employees have the right to request flexible work arrangements. Because the company believes that all roles can have a certain level of flexibility, they see their flexible work environment as a strong employee benefit. As a sign of success, State Street has found that employees on flexible work arrangements experienced 40% less turnover when compared to employees who don't take advantage of the Flex program.

The gender pay gap – full-time only

Think Act Report
Gender equality at work

The gender pay gap in median hourly pay*

■ Men ■ Women

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
17.4%	17.4%	16.4%	16.3%	16.4%	15.5%	14.6%	14.5%	13.0%	12.6%	12.4%	12.6%	12.2%	10.2%

Source: ONS *Excluding overtime

Working part-time

For their main job, women are over three times more likely to be working part-time than men.

Full-time 11,319,000 **88.4%**
Part-time 1,486,000 **11.6%**

Full-time 7,089,000 **57.7%**
Part-time 5,198,000 **42.3%**

Why it matters: median hourly earnings (excluding overtime).

Full-time workers £12.56 Per hour

Part-time workers £8.00 Per hour

Source: Annual Survey of Household Earnings [ASHE] (2011) Office for National Statistics – Workforce composition of men/women and full-time/part-time employees.

Given the clear benefits of flexible working practices, the lack of measurement undertaken by businesses in the benchmark survey is concerning. Less than half of the organisations surveyed record the number and type of flexible workers in their business (48%), while only 4 out of 10 measure the number of flexible working requests they receive and the number of approvals. Without effective evaluation of the success of more flexible working practices, businesses risk sidelining these cost-saving practices and employee benefits.
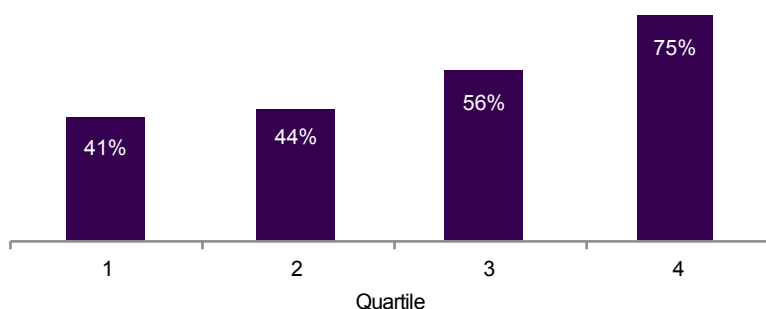
Equal pay, reward and recognition

Responsible businesses need to do more than rely on an assumption of a meritocracy by actively ensuring they test their reward and recognition processes to prove they are unbiased. There is a clear business rationale for making the most of all available talent and ensuring it is being fairly recognised and rewarded.

Have single reward structure for all employees

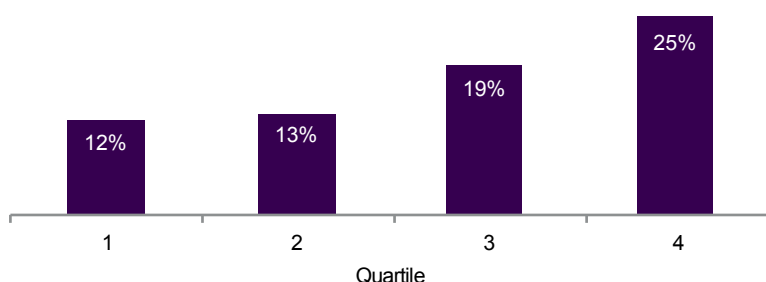| Quartile	1	2	3	4
	41%	44%	56%	75%

This chart shows that organisations with the most women managers and senior managers (quartile 4) are more likely to have a single reward structure for all employees

Pubish results of equal pay audits

Quartile	1	2	3	4
	12%	13%	19%	25%

This chart shows that organisations with the most women managers and senior managers (quartile 4) are more likely to publish the results of their equal pay audits

As this infographic from Office National Statistics shows, the gender gap in median hourly pay has reduced over the last 15 years. However, women are still over three times more likely to be working part-time than men for their main job.[xiv]

These graphs show that for those organisations with a high representation of women at middle and senior levels there is a correlation with having a single reward structure for all employees. In other words, organisations with more women at the top are likely to ensure no groups of employees unfairly benefit from different reward structures. These organisations are also more likely to publish the results of their pay audits.

Race

Employee engagement

The benchmark results show that only 46% of respondents regularly consult their employees and de-aggregate the response by ethnicity.

Employee surveys are a key mechanism by which organisations can hear from employees. It is vital that the core issues, such as their perception of inclusion, if they feel supported by their line managers, have sufficient access to training and development, or believe they can use all of the skills and talents in the workplace, are understood in terms of ethnicity.

Analysis of the data by demographic groups enables employers to identify if there are any performance gaps within the organisation which may need targeted planning and action to resolve.

Although 87.5% of employers in the benchmark asked questions about how inclusive line managers were, only 46.4% were in a position to understand how the employees from BAME backgrounds responded to this question. RfO recommends that employers seek to understand how employees from different ethnic groups respond to this question.

Regularly reporting progress

on diversity

Almost 70% of benchmarking employers said they regularly reported progress on their diversity strategy. Unfortunately, since only 46% de-aggregate results of employee engagement surveys by ethnicity there is probably less focus from the employer on what is happening in the ethnicity space. This can easily be readdressed by including an ethnicity lens.
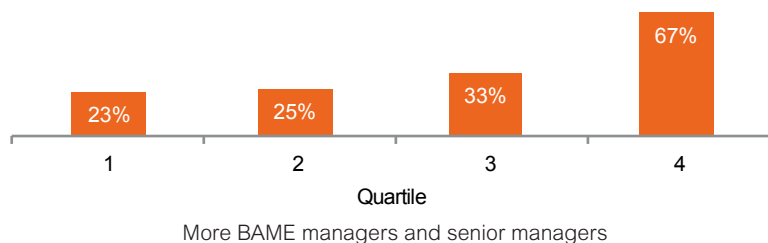
Clear strategy

1) BAME network supports the professional development of BAME employees
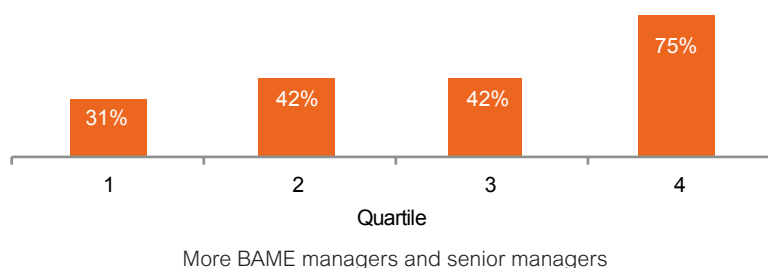
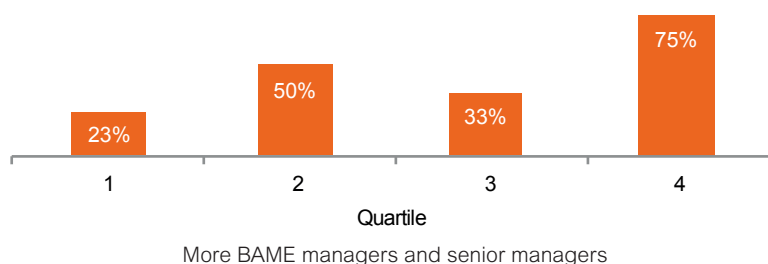More BAME managers and senior managers

This chart shows that organisations with the most BAME managers and senior managers (quartile 4) are more likely to have BAME networks that support the professional development of their members

2) BAME network explores/strengthens new business opportunities

More BAME managers and senior managers

This chart shows that organisations with the most BAME managers and senior managers (quartile 4) are more likely to have BAME networks that support explore / strengthen new business opportunities

3) BAME network has a budget

More BAME managers and senior managers

This chart shows that organisations with the most BAME managers and senior managers (quartile 4) are more likely to have BAME networks with their own budget

As for gender, having a clear transparent race strategy separates the strong performers from those who still have some way to go. Our survey also found that organisations with more BAME managers and senior managers were more likely to have a strategy and BAME networking groups.

Race diversity networks

The importance of employee networks cannot be understated. The benchmark shows that employers with vibrant employee networks were more likely to have progression and larger populations of BAME employees.

In addition, we looked at how advanced BAME network groups in organisations were operating at different performance levels with respect to management and senior management representation. A bit like flexible working, it is likely that the networking groups in organisations with good representation are likely to be more advanced – and again, this may act as a feedback loop. The most advanced organisations were far more likely to have BAME networks with a budget and have a focus on professional development and business opportunities.

Networks where there is senior leader engagement or executive sponsorship and where the network is acting as a support community for employees:

- add value to the business by contributing to policy development;

- provide valuable input into client-facing projects;

- bring opportunities to enhance customer service in an increasingly global market place;

- increase awareness and connectivity with colleagues across the wider population and give employees the confidence to apply for promotion and/or lateral moves to broaden their skills portfolios.

Focus groups, surveys and development 'master classes' can also work in connecting with your employees.

RfO has been championing the connection between employee networks and progression for some time and has had an award for

RfO e-mentoring portal

The Race for Opportunity Campaign Team and Leadership Board has created a simple web portal linking to the different sites and information available from various mentoring organisations and networks dispersed across the internet. The aim is to make it easier for potential mentees and mentors to connect with existing organisations and networks that run mentoring programmes or provide training and accreditation materials. There is also an opportunity to gain external recognition for mentoring skills.

See more at:
http://raceforopportunity.bitc.org.uk/leadingchange/RfOmentoringportal

Employee Networks for both private and public sectors for the past six years. A number of race diversity networks within RfO member organisations engage in mentoring as they have a desire to support the next generation and a sense of responsibility mindful of supporting young people in schools and colleges. They also provide personal development for the mentor and the mentoring is often reciprocal.

The RfO Leadership team recognises the tremendous value of mentoring as a means of career progression and many of its senior leaders acknowledge they have benefited from mentors in their lives.

Race and flexible working

RfO's Race and Recruitment research found that 40% of BAME people wanted more flexibility at work. Many may see flexible

1) Highlight senior role models who are flexible workers
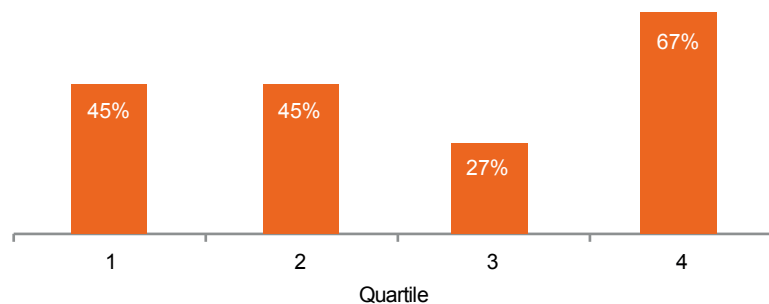
This chart shows that organisations with the most BAME managers and senior managers (quartile 4) are more likely to highlight senior role models who are flexible workers

2) Embedding flexibility jointly owned by HR, IT and Facilities Management
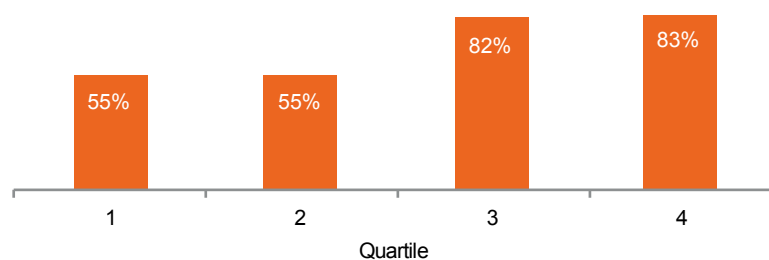
This chart shows that organisations with the most BAME managers and senior managers (quartiles 3 & 4) are more likely to embed flexibility by ensuring it is jointly owned by HR, IT and facilities management

working as an issue for mothers, or a benefit for parents – this is not accurate. An analysis of the race and flexible working data revealed that employers with greater numbers of ethnic minority employees were more likely to:

- promote the take-up of flexible working options – 75%

- highlight senior role models who are flexible workers – 67%

- have line managers take the lead on flexible working – 83%

- invest in technology and infrastructure to support flexible working – 75%

- have embedded flexibility jointly owned by HR, IT and facilities management – 83%

Flexible and agile working policies will benefit people practising religious observance and carers of elderly relatives, both important to BAME communities.

Calls to Action:

- Opportunity Now's 'Changing Gear' provides guidance on how to quicken the rate of women's progression through ten impactful steps.

- Race for Opportunity's 'Bridging the Value Gap' toolkit has simple steps for senior leaders, line managers and individual employees to adopt in order to bring about a culture of value and respect throughout an organisation's hierarchy.

- Race for Opportunity's 'Race to Progress: Breaking Down Barriers' offers guidance on targeted interventions such as sponsorship and mentoring.

- Opportunity Now's Equal Pay Journey provides useful tools and best practice guidance on how to tackle a pay gap.

- Opportunity Now's toolkits on agile/flexible working, and tools to support line managers in implementing agile/flexible workers and workplaces.

- See Race for Opportunity's new mentoring portal.

- RfO recommends employee networks – they are a great way to engage with BAME employees. Alternatives are focus groups and the use of employee surveys. Use survey data to de-aggregate the responses by diverse group as a way to communicate and listen to what employees are saying.

- Employers with BAME network groups should share information on recruitment pipeline activities or challenges and collaborate with them to action plan and find solutions.

- RfO recommends public reporting on appointments of BAME people at senior levels, on BAME representation at all level and on the percentage of BAME recruitment.

- RfO recommends objectives and assessment and performance pay relating to diversity for all at management levels especially those who manage populations of BAME employees

Opportunity Now Progression Case study

DHL

Motivate

DHL Supply has made significant progress towards its public commitment that no less than 25 to 30% of senior roles will be filled by women, with the European business currently achieving 24%.

A recent DHL Women in Management survey revealed the company had to address four main barriers to female progression: Company Culture, Working culture, Career support and Inclusive Processes. A strategic framework was developed to raise awareness, change attitudes, make change tangible and track success.

Act

DHL identified priority areas, including communication and training, diversity standards, talent management and career support. The organisation has a female network, runs compulsory diversity training and has launched a diversity portal. DHL has also refreshed the hiring process, is building a diverse pipeline and ensuring talent pools were inclusive of gender diversity. For example, DHL used structured succession planning panels to identify 62 high potential women in its UK workforce, and developed focused interventions to support this group including, career planning, increased international exposure, mentoring programs and networking opportunities.

Following the successful 'Leaderful Women' development pilot programme in 2012, a further training initiative took place with 12 women across a spectrum of roles within DHL UK, which focussed on supporting women to develop capabilities and behaviours in-line with the ever-changing logistics environment. The training involved four days of classroom modules, including topics like emotional intelligence and resilience, career coaching sessions within a mixed group, networking with executive team members and sharing experiences with executive level role models. Participants also received one-to-one interviews with the Global Talent manager and Head of Talent to review their CV and career plans, which were logged with the Global Talent Manager for consideration for future critical roles.

Impact

DHL is already tracking close to its target of 25-30% of senior vacancies being filled by female candidates. In addition, over 90% of participants of our focussed development programme have been promoted since their attendance, and over 80% are recognised as successors to senior managers with specific actions targeting them towards these roles. The work to date will now be used to shape DHL's approach across Europe and globally.

Race for Opportunity Progression Case study

National Grid

Motivate

National Grid is taking a range of steps to improve BAME representation, particularly at management and senior management levels.

Act

In 2012 a pilot programme for a specific development course for ethnic minorities, 'AMP – Achieve Maximum Potential', was carried out. Its aim was to equip participants with the tools and techniques to proactively manage their own career development. It used a range of approaches such as interactive classroom delivery, group-based exercises and invited guest speakers. Participants also received access to learning sets facilitated by mentors, to enable coaching and highlight their progression beyond the course.

Following this success, National Grid, through its ONE Employee Resource Group, which supports BAME staff, is working with another consultancy to extend BAME employee development further. An additional programme will be offered in 2013/14 to motivate participants to empower themselves within their own career development. Key ingredients of this programme will be to understand techniques to 'transcend unconscious bias' and 'navigate organisational politics' in order to progress throughout the organisation.

National Grid has also offered training modules for first line managers and senior managers which include Diversity & Inclusion modules, as well as Inclusive Leadership training for all senior managers. In 2012 they held unconscious bias testing and awareness pilot sessions with 20 middle managers within their UK Construction and Asset Management teams, including group and individual training and a follow-up phone call to provide one-to-one support. They are now looking to extend unconscious bias training to 'in the moment' sessions, focusing particularly on management decisions for recruitment and talent management.

Impact

The number of BAME managers has increased by 20 per cent since 2012, and 17.3 per cent of new starters this year are from a BAME background.

Methodology

Data collection

The Diversity Benchmark is a two-step assessment process, which covers both race and gender diversity.

Step 1: Organisations submitted detailed workforce metrics across a range of areas. These were:

- workforce profiles
- recruitment
- impact measurements of workplace policy and performance
- progression
- customers, clients, consumers and service users

In total, there were 23 separate questions. Organisations answering questions from a race perspective did not answer three questions on flexible working, reducing the ace survey to 20 questions.

Step 2: Organisations answered a series of questions on the actions they were taking to embed diversity and inclusion into their corporate culture. The questions covered:

- leadership, business case and strategy
- recruitment
- workplace policies and practices
- career progression
- supplier diversity
- diversity and inclusion in procurement
- customers, clients, consumers and service users
- community
- globalising diversity

In total, there were 35 separate questions. Organisations answering questions from a gender perspective did not have to answer four questions on community. Organisations answering questions from a race perspective did not have to answer two questions on equal pay and flexible working. The global section was voluntary and was not scored – the results of which are shared privately with these organisations. In some questions, organisations were asked to provide additional supporting statements and/or documentary evidence.

Assessment

The data in Step 1 was checked for accuracy. Scores were awarded for the magnitude of the outcomes and for the extent of monitoring systems.

The responses and evidence in Step 2 were assessed using detailed scoring criteria. All submissions were double reviewed and the assessed scores determined by moderation.

The final scores were calculated by combining the two scores at a particular weighting.

Organisations were awarded a banding which corresponded to the following scores and criteria:

Banding	Typical standards – gender	Typical standards – race
Platinum	• Carries out regular equal pay audits/reviews • Implements best practice in pay systems to remove bias • Monitors for gender across a range of areas (promotion, maternity return rates, recruitment and selection) • Has a very senior diversity champion with a gender specific remit • Unconscious bias training for employees involved in the recruitment process • Public targets for Board recruitment • Publically reports workforce composition	• Tracks the promotion rates of all employees • Has a well defined business case • Has a detailed race-specific strategy which is signed off by the Board • Board-level accountability for race diversity performance • Has a very senior diversity champion with race-specific remit • Unconscious bias training for employees involved in the recruitment process • Publically reports workforce composition
Gold	• Has a diversity champion • Employee engagement surveys are disaggregated by gender • Takes steps to recruit women into roles of traditionally high occupational segregation • Flexible working designed into job roles from outset • Assesses promotion rates and makes interventions where necessary to address imbalances	• Has a diversity champion • Employee engagement surveys are disaggregated by race • Uses a variety of recruitment methods to attract ethnically diverse candidates and assesses effectiveness of these methods • Assesses promotion rates and makes interventions where necessary to address imbalances
Silver	• Tracks the gender of all employees during recruitment and selection • Has defined diversity objectives with a gender focus • Takes steps to attract diverse candidates	• Tracks the ethnicity of all employees during recruitment and selection • Has defined diversity objectives with a race focus
Bronze	• Tracks the gender of all employees • Diversity training for managers • Basic flexible working policies and practices	• Monitors workforce profile for ethnicity • Diversity training for managers

About Opportunity Now
and Race for Opportunity

Opportunity Now and Race for Opportunity are part of Business in the Community.

Opportunity Now is the gender equality campaign, empowering employers to accelerate change for women in the workplace.

Race for Opportunity is the race equality campaign and is committed to improving employment opportunities for ethnic minorities across the UK.

Business in the Community stands for responsible business. We are a business-led charity with a growing membership of 850 companies, from large multinational household names to small local businesses and public sector organisations.

We advise, support and challenge our members to create a sustainable future for people and the planet and to improve business performance.

Our members work with us to define what responsibility looks like in the workplace, marketplace, community and the environment – and we share what we learn about driving performance through responsible business practice.

[i] Office of National Statistics (2013) 'Women in the Labour Market 2013'. http://www.ons.gov.uk/ons/rel/lmac/women-in-the-labour-market/2013/rpt---women-in-the-labour-market.html

[ii] ONS, Labour Force Survey, Q3 2012; Equal Opportunities Commission, 2006, Moving on Up.

[iii] http://opportunitynow.bitc.org.uk/research_insight/ff/the_business_case

[iv] See page 11, Benchmark Trends 2012 http://opportunitynow.bitc.org.uk/awards_benchmarking/2012_benchmark_trends

[v] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/246696/Business_Social_Mobility_Manifesto.pdf

[vi] Cranfield School of Management, 2012, 'The Female FTSE Board Report 2012'.

[vii] Cranfield School of Management, 2013, 'The Female FTSE Board Report 2013' http://www.som.cranfield.ac.uk/som/dinamic-content/media/Research/Research%20Centres/CICWL/FTSEReport2013.pdf

[viii] Opportunity Now, 2011, Getting Women on Board, http://opportunitynow.bitc.org.uk/leading_change/getting_women_on_board

[xi] Opportunity Now, 2011, Getting Women on Board, http://opportunitynow.bitc.org.uk/leading_change/getting_women_on_board

[x] Leadership positions equate to roles classified as Managers, Directors and Senior Officials. NOMIS ONS Annual Population Survey (APS) - Table 15 Employment by occupation (SOC2010) and ethnic group October 2011 - September 2012

[xi] http://www.agilefutureforum.co.uk/

[xii] Opportunity Now, 2012, Food for Thought Factsheet: The Business Imperative for Gender Equality, http://opportunitynow.bitc.org.uk/research_insight/food_for_thought_factsheets_index

[xiii] http://news.o2.co.uk/?press-release=o2-releases-the-results-of-the-uks-biggest-ever-flexible-working-pilot; Institute of Leadership & Management, 2013, Flexible Working: Good bye nine to five, https://www.i-l-m.com/~/media/ILM%20Website/Documents/Information%20for%20centres/Research_flexibleworking_march2013%20pdf.ashx.

[xiv] http://www.ons.gov.uk/ons/rel/ashe/annual-survey-of-hours-and-earnings/2012-provisional-results/stb-ashe-statistical-bulletin-2012.html https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/200827/DCMS_TAR_INFGRPHCS_AW.jpg

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