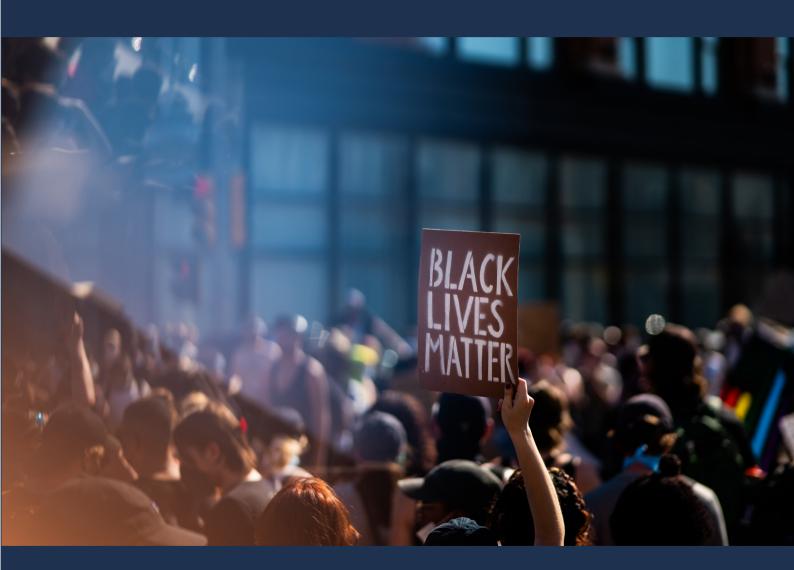
BLACK LIVES MATTER & BUSINESS





FOREWORD

series of shocking racially-motivated killings in the US, culminating in the murder of George Floyd in 2020, catalysed an outpouring of solidarity and support for the #BlackLivesMatter movement from all over the world.

The UK was no exception. Protests and extensive media coverage highlighted the discrimination and systemic racism that has plagued the country. The Black community has been, and still is, disproportionately excluded from opportunities across the social and economic spectrum. While it is self-evident that "all lives matter", it is equally obvious that attention must now be paid to correct injustices that impact Black lives in particular. Business has a vital role to play in this process.

Black people have been a part of corporate Britain for far longer than people usually assume. Exceptional Black historical figures such as Ignatius Sancho, businessowner, abolitionist and first Black man to gain the franchise in Britain, paved the way for Black businesspeople in the UK by becoming entrepreneurs as far back as the 1770s. Unfortunately, even after 250 years, significant obstacles and challenges continue to thwart Black people's entry to and advancement in the corporate world.

The Black Lives Matter movement seeks more than just the elimination of racist violence and police brutality – it also looks to nurture respect and equity, alter our subconscious, and reframe our perspective. The business awareness prompted by Black Lives Matter entering the mainstream must be followed up with concrete action to eradicate discrimination.

The essence of Black Lives Matter is woven through the public commitments of UN Global Compact participants via our <u>Ten Principles</u> and the <u>UN Sustainable Development Goals</u>. The call to action on this agenda is not something new – it is simply a demand to live up to commitments that have already been made.

The UN Global Compact Network UK is committed to being an anti-racist organisation, promoting anti-racism, and ensuring that the human rights of the Black community are respected and upheld through sustained action.



Steve Kenzie
Executive Director
UN Global Compact Network UK

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INTRODUCTION

Acting on its fundamental responsibilities in the areas of human rights, labour, and anti-corruption, as well as its role as a leader in the business sector, the UN Global Compact Network UK organised a series of webinars during the autumn/winter of 2020 to help its stakeholders navigate the pressing issue of systemic racism in the workplace.

he Black Lives Matter & Business webinars sought to encourage honest conversations about practical steps businesses can take to advocate for the rights of Black people. A diverse group of experts shared insights into how companies and individuals can combat racism and improve recruitment, retention, and advancement of Black talent.

The six-part series included the following sessions:

Black Lives Matter & Business: Storytelling

Understanding conscious and unconscious bias through lived experiences

Black Lives Matter & Business: Where to start

How to educate yourself and your colleagues to be antiracist

Black Lives Matter & Business: Recruitment

Understanding the business case and processes for inclusive recruitment

Black Lives Matter & Business: Retention

Creating a workplace culture that is inclusive of Black people

Black Lives Matter & Business: Advancement

Why and how to set targets for promotion of Black colleagues within your organisation

Black Lives Matter & Business: Changing corporate culture

The power of top-down influences and inclusive leadership

This document has been produced from information shared by our speakers and highly engaged audiences during the series, as well as further research. A full list of contributors is provided in Appendix I.



The objective of this document is to support businesses wishing to positively contribute to the Black Lives Matter movement and make their workplaces better, especially for their Black colleagues and future Black recruits.

It provides a business case to support the moral case for an inclusive workplace; identifies key challenges; suggests solutions, acknowledging that one size does not fit all; and signposts resources that can provide deeper understanding.

The Black Lives Matter & Business webinar series was funded by NatWest Group, enabling these important conversations to take place.

NatWest are UK Network members, and we are grateful to have had them support this dialogue and help businesses to actively progress.

Thanks also to Crown Agents Bank for their support of the Black Lives Matter & Business: Retention webinar.

THE BUSINESS CASE

While the moral case behind the Black Lives Matter movement is exceptionally strong, there is also a compelling business case that provides companies with further rationale for its implementation in the workplace.

he following sections outline a few key business considerations that show how ignoring the Black Lives Matter movement is not just a moral failure, but also a bad management decision.

COMPLY WITH RECOGNISED BUSINESS AND HUMAN RIGHTS FRAMEWORKS

The rights of Black people are human rights, and businesses must respect human rights at every stage of their operations. Participants of the UN Global Compact are expected to comply with the Human Rights and Labour Principles of the Ten Principles of the UN Global Compact, which cannot be achieved if anti-Black racism and discrimination persist in their operations.

The UN Guiding Principles on Business and Human Rights, the authoritative international standard in this area, state that responsible business enterprises should a) avoid causing or contributing to adverse human rights impacts through their own activities, and address such impacts when they occur; and b) seek to prevent or mitigate adverse human rights impacts that are directly linked to their operations, products, or services by their business relationships, even if they have not contributed to those impacts.

For more information about how the Black Lives Matter movement is related to the UN Guiding Principles, read Black Lives Matter: Putting Human Rights at the Heart of Corporate Responses.



MAINTAIN HIGH WORKPLACE SATISFACTION

Now more than ever, Black colleagues may be feeling the impacts of racism on their mental health. The Royal College of Psychiatrists has issued a statement recognising that racial discrimination has a disproportionate negative impact on the mental health of people from Black ethnic communities.

Given that there is a <u>strong feedback loop between job</u> <u>satisfaction and mental health</u>, employers should be actively anti-racist and provide mental and emotional health support to their Black employees. **Failing to act on this may lessen employees' workplace satisfaction**, leading to lowered productivity and performance.

AVOID PUBLIC RELATIONS ISSUES

With the rise in visibility of this issue, ignoring or delaying action on discriminatory practices may cause PR problems for an organisation. Inaction or apathy towards pressing societal issues may result in negative publicity.

Being transparent and outspoken about important environmental, social, and governance (ESG) issues, including the Black Lives Matter movement, is widely considered to be a source of competitive advantage, according to our 2020 report, <u>Debating Disclosure: The Pros and Cons of Corporate Transparency.</u>

BOOST CREATIVITY AND INNOVATION

Diversity, including cultural, racial, and ethnic diversity, enhances creativity and problem-solving abilities within an organisation, which is linked to better business outcomes.

In addition, employees from organisations that focus on both inherent diversity (such as gender or ethnicity) and acquired diversity (such as working in another culture or working with different gender groups) report that their company is 70% more likely to have captured a new market.

ACHIEVE HIGHER FINANCIAL RETURNS

The most racially and ethnically diverse companies are 35% more likely to deliver financial returns above expected national industry averages, according to McKinsey's "Why Diversity Matters" report.

Likewise, ILO's "Promoting Equity" report shows that corporate efforts against racial discrimination can ultimately cut costs and increase revenue.

In a <u>study</u> conducted in 2003, researchers discovered that for innovation-focused banks, increases in racial diversity were clearly related to enhanced financial performance.

Taking steps to increase the representation of Black colleagues within your organisation and combating anti-Black discrimination are sound business decisions.

ATTRACT AND ENGAGE THE RIGHT TALENT

Corporate social responsibility (CSR), which includes strengthening the calls for social justice and antiracism, is increasingly seen as a way of attracting the best talent.

Millennials, the generation born between 1980 and 1995, will comprise 75% of the global workforce by 2025, and they are actively looking to be employed by companies with a good CSR record: for example, 82% of millennials would strive to be employed by a company recognised for its commitment to business ethics.

ATTRACT MORE CLIENTS/CUSTOMERS

Younger generations are more likely to buy from socially responsible and ethical companies: 92% of millennials would choose to buy from a company committed to ethical business practices and more than 9 out of 10 would change brands to a cause-related one.

Generation Z (born after 1995) is <u>even more progressive</u>. Of particular relevance to this discussion is a recent poll in the US that found <u>nearly 90% of Generation Z support the Black Lives Matter movement</u>.

Businesses should take note of these attitudes if they wish to ensure that their products and services are appealing to younger generations.

SEVENKEY CHALLENGES AND ACTIONS



#1: BUILDING TRUST

CHALLENGE

Building trust with your Black colleagues and ensuring that they feel comfortable in their workplace is not only the right thing to do, but it also helps facilitate honest conversations and feedback about their work environment.

By extension, building trust helps improve and personalise their experiences at work. However, trust-building is not one-size-fits-all, so each organisation must tailor the process to its own way of working.

ACTION

Business leaders should **speak up, encourage others to speak up,** and:

 Acknowledge that the events of 2020 could be traumatic for Black colleagues;

- Admit mistakes, apologise, and learn from them. Even with the best intentions, mistakes will be made, and unlearning stereotypes and biases takes time, effort, and courage;
- Provide emotional support and forums where your Black colleagues can speak out about their feelings, including, but not limited to, employee resource groups and networks or publicly available articles and blogs;
- Invest time and effort into meaningful and open conversations about barriers faced by Black people in the workplace. Enable Black colleagues to feel safe and share diverse perspectives without fear.
 Examples of this are inclusive employee networks or focus groups set up to discuss issues of race and ethnicity and help with the onboarding process of new Black employees;
- Make it optional to discuss these issues. Not every individual may feel ready to engage in conversations about race:



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The challenge of being anti-racist and the Black Lives Matter issue — it's a systemic one and it's going to require a systemic response. We are in a moment right now when the spotlight is being shone on this issue, but these actions must continue. I want to applaud companies around the world who are taking concerted action, but this is not a project or a workstream, this is life. We have to address this systemic issue over time."

Sanda Ojiambo, CEO and Executive Director, UN Global Compact

(Black Lives Matter & Business: Changing Corporate Culture)

- Stay engaged. In conversations with colleagues, share thoughts and personal reactions. Share how you plan to support going forward;
- Be vocal in advocating for the human rights of Black colleagues, internally and externally;
- Check in and start conversations with colleagues who feel comfortable sharing their experiences.
 Inform them that you are there to listen and be open to suggestions on how best to support them.

Ask:

- How are you doing/feeling?
- How would you like to be supported?
- What are ways we can improve the culture within our team and/or our workplace to address any barriers you or others face?
- What strategies have you adopted to build resilience?
- What do you want others to know about or ask about?

WHAT CAN BE DONE RIGHT NOW?

Reach out to your Black colleagues and openly ask how you can better support them.

Further reading

Opportunities Knocked? Exploring pay penalties among the UK's ethnic minorities.



#2: WHERE TO START

embers of the UN Global Compact Network UK's Diversity and Inclusion Working Group (D&I WG) identified three key priority areas for companies to address if they want to start combating racism in the workplace. They are: reporting and monitoring ethnicity and pay; using appropriate language on race/ethnicity; and providing effective equality and diversity training.

The following sections will explore these issues in more depth and provide actionable steps that companies can take to address them.

1. REPORTING AND MONITORING ETHNICITY AND PAY

CHALLENGE

While business reporting on the gender pay gap is widespread, in 2018 only 11% of employees reported that their organisation collected data on the <u>ethnicity</u> pay gap ratio (p. 7).

The deficiency in reporting on pay differences due to ethnicity has meant that racial inequalities in the workplace have been able to continue unchallenged.

On average, <u>Black workers with degrees earn 23.1% less (p.53)</u> than their White counterparts, while all BAME 1 workers earn 10.3% less. <u>Black male graduates can expect to be paid 17% less (p.9)</u> than White male graduates after accounting for their background and their job.

Gathering data on race-based issues within the workplace can be a very complex and difficult task to take on, but it is necessary because having relevant data means that you can set smart targets for recruitment, retention, and advancement of Black colleagues, which can narrow the ethnicity pay gap.

¹ Please note that while the term 'BAME' is used in some quotations and reports cited in this document, it may be seen as reductionist. For further information on proper terminology regarding race and ethnicity, please read the Equality and Diversity Training section in this document (p.11) or these: The Times, GOV.UK, The BBC, The Guardian.

It is important to consider that building trust – a challenge explored in the previous section – enables better collection of data, including ethnicity pay gap reporting and workplace satisfaction.

ACTIONS

Once your organisation has established trust and transparency regarding data collection on ethnicity and pay, it is time to start collecting and reporting on this data by taking the following steps:

- Learn more about key issues in collecting data on racial and ethnic origin and working with colleagues on how to solve these challenges internally. For more information, please see pp.31-41 of European Commission's <u>Data collection in the field of ethnicity</u> document:
- Liaise with different teams within your organisation to find the best way to collect this data, e.g. via starter forms, online forms, surveys, or updates to internal HR records or systems;





There is a distinction between being a bystander and an upstander."

Baroness Young of Hornsey OBE

(Black Lives Matter & Business: Storytelling)

- Learn from good practice case studies, as outlined on p.22 of the Equality and Human Rights Commission's Research report 117: "Measuring and reporting on disability and ethnicity pay gaps";
- Use the appropriate terminology relating to collection and classification of ethnic group data in the UK in your data collection efforts, as per the <u>Office for</u> <u>National Statistics guidelines</u>;
- Handle your D&I data according to a <u>human rights</u>based approach to data;
- Commit to publicly reporting progress on increasing ethnic and racial diversity within your organisation, including ethnicity pay reporting;
- Promote your ethnicity pay gap report widely and openly, encouraging staff to write their reflections on it, and briefing your employee resource groups on it

 in short, do not do a "soft launch" of your report because this may give the impression that you are "burying it" under other, more important matters for your company.

WHAT CAN BE DONE RIGHT NOW?

Follow and stay ahead of the relevant developments in regard to the introduction of mandatory ethnicity pay gap reporting in the UK, including the UK Government's response to a <u>related petition</u> and <u>consultation</u>, by taking steps to introduce ethnicity pay gap reporting in your own company.

2. USING APPROPRIATE LANGUAGE ON RACE/ETHNICITY

CHALLENGE

Language and terminology related to describing one's race and ethnicity is in constant evolution and differs in meaning and connotations across different jurisdictions. Black people in particular have been referred to as "BAME", "BME", "people of colour", "ethnic minority", and even "non-white" or "coloured" throughout history and depending on where they live and work.

As for the UK context, the Race At Work survey showed that: 1/3 of respondents did not care about the terminology used by their employer as long as action was taken to remedy racial inequalities at their workplace; 1/3 did not like any of the available terms (e.g. BAME, BME, ethnic minority); and the remaining 1/3 of respondents preferred the following terms, in order of preference: 1) ethnic minority; 2) BAME; 3) BME; 4) people of colour.

ACTIONS

- Start being mindful of language in discussion about race and remember that language is constantly changing and adapting. The ideal way to identify the best terminology to use in your organisation is to ask people about their preferences, perhaps using your company's employee networks or resource groups. Ensure to use the terminology that the person or group you are referencing prefers. This may not be as easy as it sounds because even within ethnic groups there are disagreements, as noted above;
- Educate yourself on racial terms that are used today and how they may be received by the Black community:

Black - Be sure to use with an accompanying term as no one is "Blacks". This is often used by racists to make generalisations. Black people are of African or Caribbean descent or African origin. Saying the term 'Black people' is not a racial slur, and there is no issue in using it.

BAME - Black, Asian, and Minority Ethnic is the lumping together of different communities of people with differing histories and injustices. A better alternative to using 'BAME' might be to simply start fully spelling out the acronym:



Black, Asian, and Minority Ethnic. For further reading: <u>The Times</u>, <u>GOV.UK</u>, <u>The BBC</u>, <u>The Guardian</u>.

PoC - Person of Colour or People of Colour: an alternative to 'non-White', which centres whiteness and may be perceived as erasing other identities. Do not use it when you mean a specific group. If you are not sure of the specific group, expand this to include a reference to Black people and other groups that experience unique challenges.

Ethnic Minority - Although used by many UK-based research institutions and considered acceptable by 48% of Race at Work survey respondents, this is perceived by some people as an outdated term that ties an individual's racial identity to the percentage that their identity group makes up within a larger society. A better term would be Ethnic Group.

Racial injustice is an issue that affects the Black community disproportionately. Aggregating all ethnic groups when discussing this topic can understate the impact on the Black community.

For example, it is easy for a company to say that "40% of our workforce are BAME" when only 3% of those employees are Black people. It is important to make these distinctions in order to be transparent and reduce inequalities.

When having these discussions and trying to make the culture within our business more inclusive, it is best to be clear about the specific community we are talking about rather than generalising with terms like 'BAME people' or 'people of colour'. The experiences of different ethnic groups are not the same.

When we break down racism, micro-aggressions, systematic oppression, and marginalisation, the things Black people encounter daily differ from the experiences of other people. It is important to be clear and transparent when addressing these issues within the business.

WHAT CAN BE DONE RIGHT NOW?

Read and circulate the <u>Let's Talk about Race</u> toolkit within your organisation and implement its recommendations.

Read <u>Leveraging the WEPs framework to target racism</u> and discrimination in the world of work and consider intersectionality in your organisation's approach to tackling workplace racism.

3. EQUALITY AND DIVERSITY TRAINING

CHALLENGE

The UK Government has trained 100,000 civil servants on unconscious bias, and recommends that every major employer does the same.

In 2018, the McGregor-Smith Review one year on, found that 48% of employees surveyed for the Race at Work 2018 report received equality and diversity training (p.8), and 24% reported that their employer does not provide any equality and diversity training.

It should be noted that unconscious bias training alone will not eliminate structural racism in the workplace. In fact, there is some controversy around the practice with some saying it is based on <u>unproven suppositions</u> and others that <u>understanding bias does not automatically result in attitude and behavioural change (p.25)</u>. In some cases, studies have even shown unconscious bias training to <u>backfire (p.30)</u>.

ACTIONS

While providing equality and diversity training across your organisation is commendable, it is also important to recognise that this training needs to be effective if it is to create long-term positive impact.

To approach this subject in an appropriate way and create lasting change, it is most important to:

- Allow yourself to be uncomfortable. Having frank conversations and challenging your biases can be difficult at times, but just focusing on the fact that you do have unconscious biases may help you be more conscious of them;
- Provide more than just unconscious bias training, including, but not limited to, explicitly anti-racist trainings on racial justice, inequalities, and discrimination or D&I training programmes that include multiple sessions on perspective-taking and in-depth experiential learning, including examples of lived experiences and microaggressions. A few examples of microaggressions Black staff often face include:
 - Having their hair touched without prior consent;
 - White colleagues comparing their tan with the skin colour of their Black colleagues;
 - Hearing sexualised comments about the colour of their skin, e.g. "chocolate";
 - Being asked whether they were employed through a special "scheme" or quotas/targets;
 - Colleagues asking their Black co-workers stereotypical questions like whether they like spicy food, rap, R&B, grime, dancing etc;
 - Their actions or interests being classed as "unconventional" or "surprising" for "people like them";
 - Team members acting surprised because their Black colleagues are articulate and well-spoken.;
- Remember that one-off anti-racist/D&I trainings tend to be tokenistic and ineffective, and follow-up sessions are necessary to effect real change. Good training providers will offer more than one-off training sessions and encourage staff to challenge their organisation and hold them accountable afterwards:
- Decide whether to go for a top-down or a bottom-up approach. There is a lot of value in a top-down approach, where leaders buy into change and act as

sponsors for change, but if you know that there will be resistance from the top, bottom-up might be a better approach. Different approaches may be needed for enacting individual, team, organisational, and systemic change;

- Remember that normalising conversations about race in the workplace sometimes involves creating "How-to" guides. An example of a guide is the <u>Let's</u> Talk About Race booklet;
- Periodically evaluate your D&I training for effectiveness and assess how much previous work and progress your organisation has done since the start of these trainings. To discover where your organisation truly stands on this issue, audits may be necessary;
- Do not expect Black colleagues to educate their non-Black colleagues on anti-racism. For many Black people, correcting microaggressions and educating people on anti-racism in general is a frustrating, timeconsuming, and exhausting process because it often amounts to them "explaining" their own existence;
- Implement mentoring, reverse mentoring, and sponsorship schemes with individuals from different ethnic backgrounds;
- Embed anti-racist attitudes and approaches in all D&I processes of your organisation, with the view that training and development focused on anti-racism is only a small part of the process of enacting positive change;
- Become true allies of your Black colleagues: ask yourself how you can give your Black colleagues visibility if they are not being recognised for their efforts, and be aware and intentional about how you can create opportunities for Black colleagues.

WHAT CAN BE DONE RIGHT NOW?

Sign the petition calling on the government to introduce mandatory ethnicity pay gap reporting.

Further reading

<u>Diversity management that works: An evidence-based</u> view

#3: RECRUITMENT

CHALLENGE

Many organisations take an approach to recruitment that, intended or not, results in the exclusion of Black people. This is a manifestation of systemic racism that must be addressed.

The <u>unemployment rate (p.45)</u> of the young Black group (30.3%) is more than double that of the young White group (13.3%). The assumption that higher levels of educational attainment will lead to better job prospects and higher wages is not reliable for Black communities.

Over 40% of all Black African employees with A-level and graduate-level qualifications are <u>overqualified</u> (p.50) for their current jobs. Black Caribbean qualifiers have the <u>lowest rate</u> (p.53) of professional employment six months after graduation, at 55.4%, which is 9.3% lower than the highest rate of 64.7% for White qualifiers. Black African groups report 20% higher job refusal rates (p.58) than White people.

Systemic racism can only be defeated by changing the system. Employers need to look beyond their standard ways of recruiting to proactively seek out Black candidates and recruits. For example, candidates from a Black African background are more likely to register with an agency (75%) than White British employees (46%) (p.9).

The common practice of recruiting exclusively from the most prestigious universities can perpetuate systemic racism. Such an approach simultaneously ignores intersectionality, the class-race-gender-disability nexus, and that highly capable people go to other universities.

ACTIONS

Diversity in the workplace can only be achieved with recruitment practices that attract diverse candidates and eliminate bias from selection processes. Businesses can take the following steps to recruit more Black people:





- Commit to closing the opportunity gap through education, paid internships, and reviewing recruitment practices to eliminate bias and discrimination;
- Invest in inclusive recruitment processes, including, but not limited to, using blind recruitment software and committing more financial resources to HR processes;
- Provide your hiring managers, recruiters, and other staff involved in your recruitment processes with support and training so that they understand how to create diverse and inclusive hiring rounds. This must include diverse hiring teams and interview panels;
- Hire from a wide and diverse talent pool and ensure job opportunities are advertised on a variety of platforms, not just LinkedIn or a company website; consider using recruitment agencies. While it is discriminatory and tokenistic to only open a job opportunity to e.g. Black people, it is possible and commendable to look at how you can increase applications from under-represented groups in your organisation. Similarly, it is important to set ambitious diversity targets for applications and shortlists;
- Review the tone, language, and content of your job descriptions and make them as inclusive and unbiased as possible. One way of achieving this is limiting the list of qualifications required to what is

- truly essential; this will reduce the chance that good candidates might self-disqualify;
- Provide job candidates with inclusive pre-application materials. For example, sending applicants a recruitment pack with a diverse team on the front cover will encourage diverse applicants;
- Be realistic about what a good candidate looks like and think outside the box – if you are basing your perception of a "good" employee on your current workforce, you may be inadvertently making your candidate pool smaller and setting yourself up to hire people with skills, knowledge, and experience that already exist within the organisation;
- Call out your hiring agencies who put forward nondiverse shortlists of candidates to you and expand your outreach. Don't rely on your company's usual networks and hiring channels; engage groups such as the Black Young Professionals Network (BYP), Black Women Talk Tech, and Black British Business Show.

WHAT CAN BE DONE RIGHT NOW?

Launch a review of your recruitment processes and software and take action to ensure that they are as bias-free as possible.

Further reading
Race and employment

#4: RETENTION

CHALLENGE

In a paper on the business case for equality and diversity (p.7), the Department for Business Innovation & Skills reports that a lack of equality policies can lead to greater staff turnover rates, with an associated loss of talent.

Investing in and committing to diversity in the workplace is therefore essential to retaining the best Black talent within organisations.

Addressing and fostering diversity does not end with recruitment; to develop an organisation that is diverse at all levels, retaining a diverse range of staff members is crucial.

As such, retention of Black talent is inextricably linked with fostering an inclusive company culture and providing Black colleagues with opportunities to make their voices heard and feel respected and included within the organisation.

ACTIONS

Some of the actions your company can take to positively influence the retention of Black talent include:

- Analyse the touchpoints between graduate recruitment and middle management level and identify whether Black people are being left behind or not being robustly managed at certain stages of their careers;
- Reflect on which people you call upon time and time again to complete special tasks for your organisation or attend certain meetings. If you always call upon the same group of people, consider a more diverse range of colleagues;
- Consider analysing and reporting on your organisation's "stay gap" by monitoring how long people stay in your organisation and why they decide to leave, paying special attention to whether the

You cannot be what you do not see."

Opeyemi Sofoluke, EMEA Lead, Global Technology Diversity and Inclusion, JP Morgan.

(Black Lives Matter & Business: Retention)

retention of Black staff within your organisation differs from other ethnic groups;

- Gather data that enables you to track progress, identify gaps, and pinpoint what else can be measured to change the landscape for the better, including how many Black employees are leaving and why and what made your organisation's Black leaders and senior and middle management stay and progress within your organisation;
- Invest in the advancement of Black talent so that Black staff in middle management and junior positions have role models to look up to within your organisation, which can encourage them to stay in the company for a longer time.

WHAT CAN BE DONE RIGHT NOW?

Start celebrating the professional successes of Black colleagues through your organisation's communication channels and thereby help to create role models.

Further readingAllen and Overy's ethnicity Stay Gap

#5: ADVANCEMENT

CHALLENGE

True diversity in business cannot be achieved unless it is reflected at the top. Given the current under-representation of Black professionals in senior management and C-suite positions, corporate Britain has a long way to go.

In 2020, just 1.5% of employees in top management roles across private sector organisations were Black, an increase of only 0.1% per cent since 2014. This lack of Black role models in senior corporate positions perpetuates a lack of pull and sponsorship for Black staff, which may lead to Black talent feeling like their ambitions have a pre-determined glass ceiling and the disintegration of good talent pools.

Systemic and structural racism in the workplace is undoubtedly a major factor contributing to why there are so few Black leaders in the corporate world. Black people are often stereotyped as "less educated" or "not as capable", which often means that when they navigate corporate spaces, they have to put in additional time and effort to receive positive feedback and advance their career.

For example, Black Caribbean employees are the <u>least</u> <u>likely of all employees to receive an 'outstanding' performance review, (p.51)</u>; 29% of Black Caribbean employees report feeling that they have been <u>overlooked for promotion because of their ethnicity, (p.9)</u>; half or more of Black African (50%) and Black Caribbean (52%) employees <u>do not believe that their skills are put to good use (p.57)</u>; and 30% of employees from a Black background report <u>experiencing or witnessing racial harassment or bullying from managers (p.57)</u> in the last five years.

ACTIONS

Providing the right career progression opportunities to Black people and establishing Black leaders across your organisation may be achieved by taking the following steps:

- Review human resource processes to retain diversity, eliminate biases, and identify barriers in career progression, including performance management processes;
- Ensure that there is no bias in granting of rewards and recognition, so they reflect the racial diversity of your organisation;
- Provide career sponsors and mentors for your Black talent: <u>Black employees</u>, <u>particularly those of Black</u> African heritage, are much more likely than White

A CALL TO ACTION

- **B** Be brave! There is no growth without discomfort. Search for mentors, coaches and other leadership opportunities.
- L Leaders need to understand where the greatest impact is. Educate middle managers and other staff on how to be allies and be supportive of their Black colleagues.
- **A** Action plans! Follow up on statements and focus on the actions and what you are going to do differently. Also, make sure your staff knows about those plans going forward.
- **C** Connect! Organisations should connect with people who are good in the D&I space, e.g. experts and consultants. Connect with them and take advantage of their expertise.
- **K** Keep going. As long as you're doing something, you're making progress.

Hannah Smith, HR Transformation Consultant, HSBC. (Black Lives Matter & Business: Advancement) British employees to have a desire for a workplace mentor (p.7), and nearly 86% of Black leaders said having a sponsor was indispensable to their careers;

- Ensure that mentors and sponsors have an understanding of the lived experience of Black people and are aware of the challenges they face in corporate spaces and elsewhere;
- Encourage middle managers to act as mentors/ sponsors to junior Black staff – they often have more day-to-day contact and influence on junior staff than senior leaders;
- Take care of the psychological safety of Black employees participating in reverse mentoring schemes. This situation may put them in a position of having to explain their lived experiences or defend their feelings while facing discrimination, which can be emotionally exhausting. Likewise, mentees in reverse mentoring schemes need to understand that their mentors may not have all the answers they need:
- Provide Black colleagues with tailored advice on professional advancement and access to networks focused on advancement of Black staff, like <u>Success</u> <u>Talks</u> and the <u>Black British City Group</u>;
- Review the processes through which your organisation has increased women's representation in senior positions and apply some of the know-how from those experiences to the progression of your Black staff;
- Ensure that company leaders from Black backgrounds are not solely Chief Diversity Officers;
- Set informed, strategic, time-bound, and measurable targets for representation of Black people in senior management and every level within the company. These targets should be backed by the right interventions, including, but not limited to, periodic tracking of progress and bonuses related to good performance on racial/ethnic diversity;
- Secure leadership support for your organisation's Black Employee Network Groups: companies which provide executive sponsorship to such initiatives are more likely to have higher promotion rates for BAME² groups, according to the <u>Race at Work Report 2015</u> (p.22)

WHAT CAN BE DONE RIGHT NOW?

- Reflect on whether your organisation's "top tables" reflect the demographics of the communities in which it operates. If there is a disconnect between the two, start working on commitments and action plans to increase the number of Black staff in senior positions within your organisation;
- Talk to your Black staff and check whether they feel like their ideas and contributions are being heard and valued by their colleagues and line managers. If not, this may be a significant barrier to their professional progress, so take action to remedy it;
- Start connecting promising young Black people within your organisation to mentors/sponsors who can advise and support them to climb the corporate ladder.

Further reading

Barriers to BAME employee career progression to the top

Ethnic Diversity Enriching Business Leadership: An update report from The Parker Review

² Please note that while the term 'BAME' is used in some reports cited above, it may be seen as reductive. For further information on proper terminology regarding race and ethnicity, please read the Equality and Diversity Training section in this document (p.11).

#6: CHANGING CORPORATE CULTURE

CHALLENGE

Since the rise of the Black Lives Matter movement, executives across the corporate world, including many CEOs, have pledged to take action against systemic racism.

However, it remains to be seen whether tangible change will result; in 2018, only one in three employees (33%) (p.7) reported that there was at least one senior leader or champion in their organisation who actively promoted equality, diversity, and fairness.

Businesses have increasingly embraced brand activism and taking a stand on social, environmental, or political issues. This trend is driven by consumer demand, as more and more people expect companies to make a positive contribution to society.

Companies must back up their words with action. This should include corporate leaders, who must firmly - and ideally publicly - commit themselves to making their organisations anti-racist.

ACTIONS

Supporting Black colleagues and committing to their inclusion in the workplace is a goal everyone should be striving for, but having executive sponsors who are dedicated to advancing this agenda at the highest levels of company hierarchy is crucial.

This can be achieved by identifying at least one Board-level sponsor for diversity, including race and ethnicity, in addition to making sure that all senior leadership do the following:

- Hold hiring managers to account with diversity targets for ethnicity;
- Consider setting specific objectives for Board ethnic diversity and report progress against these targets annually;
- Ensure that the organisation's anti-racism statements are backed up by strong policies, investments, and actions that systematically tackle racism and inequalities;



What do your policies, practices and procedures look like? The written, but most importantly, the unwritten ones, is where the biggest challenge is. This is going to require concerted and long-term effort."

Sanda Ojiambo, CEO and Executive Director, UN Global Compact

(Black Lives Matter & Business: Changing Corporate Culture)



- Encourage the CEO and other colleagues in leadership positions to educate themselves using available anti-racist resources and encourage employees throughout your operations – from the C-suite down – to do the same;
- Create a culture of shared responsibility where it is everyone's role to advocate for Black people and other ethnic groups. This starts at the top: leaders need to nurture a culture of inclusion where everyone feels they can develop and where Black talent feel they are valued, respected, and supported, no matter the size of their organisation;
- Ensure that as much data and information about the diversity of their workforce – such as the ethnicity pay gap – is measured and publicly published every year. This demonstrates commitment and accountability, which is attractive not only to current, but also potential new employees.

WHAT CAN BE DONE RIGHT NOW?

- Sign the open letter to UK businesses asking to back up their words of solidarity for #BlackLivesMatter with action for change;
- Sign the Race at Work Charter;
- If your company has US operations, get in touch with your American colleagues and have a conversation about making <u>Juneteenth</u> a paid holiday for your employees.

Further reading

Hiring a Chief Diversity Officer Won't Fix Your Racist Company Culture

#7: BROADER SUPPORT FOR BLACK COMMUNITIES

CHALLENGE

Black-owned businesses in the UK face a unique challenge because they are <u>less likely to get external finance or support and advice compared to their white-owned counterparts</u>, limiting their access to opportunities that will aid growth.

The lack of support is likely to stem from unconscious bias. While there are no comprehensive figures on lending to black-owned businesses in the UK, as banks do not ask for ethnic background on application forms, bankers acknowledge there is a problem with funding.

Evidence shows that firms owned by individuals with Black African backgrounds have been <u>four times more likely than so-called "White firms" to be denied loans outright</u>. Black Caribbean and Black African-owned businesses have also been subject to higher interest rates than White and Indian-owned enterprises.

In addition, <u>73% of Black-owned businesses had a higher than average risk rating (p.23)</u>, compared with 47% of SMEs as a whole.

ACTIONS

Businesses can create positive societal change by taking action to support Black communities in the environments they operate. Companies can do the following to achieve such change:

- Include more Black businesses across your organisation's supply chain;
- Donate to anti-racist organisations that work to undo institutionalised racism through policy engagement, advocacy, and training;
- Ensure that Black people are included in the research and development processes for your

products and services. Follow this up by ensuring that Black people in the communities in which your company has a presence have appropriate access to these products and services;

- Ensure that Black people are involved in your organisation's communications, advertising, and marketing efforts, not only as actors or models, but also as marketers and communications professionals. This helps ensure a diversity of perspectives and avoid culturally insensitive messaging, which may alienate or put off Black communities and other ethnic groups;
- Authorise leave requests and employee volunteering schemes on shorter notice to allow employees to attend events that contribute to the empowerment of Black communities, including, but not limited to, cultural events and Black Lives Matter demonstrations.

WHAT CAN BE DONE RIGHT NOW?

Donate to <u>Stand Up to Racism UK</u>, <u>Black Lives Matter UK</u>; Consider including more <u>Black-owned businesses</u> in your supply chain.

Further reading

Here are the retailers going beyond solidarity for Black Lives Matter

APPENDIX I

WEBINAR SPEAKERS

The UN Global Compact Network UK would like to thank everyone who gave generously of their time and wisdom to make the Black Lives Matter & Business webinar series a success:

Jo Appleby, Head of Sustainable Innovation, Impact

Baroness Young of Hornsey OBE

Oyinkansola Ola, Project Management Consultant

Keji Mustapha, Head Network, Brand & Culture Ops, Connect Ventures

Chris Achiampong, IBM Client Executive, Retail & Hospitality

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

Russell J Thomas, Equality, Diversity, Inclusion & Wellbeing Manager, University of Exeter Director & Snr

Consultant – Diversity

Emma Codd. Global Inclusion Leader. Deloitte

Cynthia V Davis, Founder and CEO, BAME Recruitment

Marcia Jones, Group Head of HR, Executive Vice President, Crown Agents Bank

Dennis Owusu-Sem, Oversight Relationship Manager, BMO Global Asset Management (EMEA) & Founder of Success Talks

Naomi Kellman, Senior Manager for Schools and Universities, Rare Recruitment

Warren Wellington, Associate (Corporate), Latham & Watkins & Co-founder of Black British City Group

Hannah Smith, HR Transformation Consultant, HSBC

Opeyemi Sofoluke, EMEA Lead, Global Technology Diversity and Inclusion, JP Morgan

Steve Cunningham, Director of Talent, BT

Sanda Ojiambo, CEO and Executive Director, UN Global Compact

Kevin Ellis, Chairman and Senior Partner, PwC UK

Kate Rowlinson, CEO, MediaCom UK

Dr Márcia Balisciano, Global Head of Corporate Responsibility, RELX

Samuel Okafor, Senior Director, Co-Chair of Global Multicultural Network and Co-Lead of the Racial Equality

Taskforce, NatWest Group

APPENDIX II

ADDITIONAL RESOURCES

It is imperative for individuals to deepen sensitivity, understanding, and knowledge about the systemic and structural racism faced by the Black community. The onus is not on Black people to educate their colleagues; thus, there is a need for individual responsibility in order to face one's bias.

Acknowledging the problem is a crucial aspect of cultural change. To maintain momentum, the below resources can help expand knowledge and introspection. Building awareness is a vital first step.

READ

- Race, Work, and Leadership: New Perspectives on the Black Experience (Laura Morgan Roberts, Anthony J. Mayo, David A. Thomas)
- White Fragility: Why It's So Hard for White People to Talk About Racism (Robin Diangelo)
- How to Be an Antiracist (Dr Ibram X Kendi)
- Black and British: A Forgotten History (David Olusoga)
- Me and White Supremacy (Layla F. Saad)
- Natives (Akala)
- Why I'm No Longer Talking to White People About Race (Reni Eddo-Lodge)
- Brit(ish) (Afua Hirsch)
- So You Want to Talk About Race (Ijeoma Oluo)
- Diversity initiative effectiveness: What organizations can (and cannot) expect from diversity recruitment, diversity training, and formal mentoring programs (Carol T. Kulik and Loriann Roberson)

WATCH

- 13th Netflix
- The Racial Wealth Gap, Explained, S1:E1 Netflix
- Systemic Racism Explained Act.TV
- Black is the New Black BBC iPlayer
- When they see us Netflix
- Small Axe BBC iPlayer
- Black and British: A forgotten History BBC iPlayer

TED TALKS

- "We Need to Talk About an Injustice" Bryan Stevenson
- "The Dangers of Whitewashing Black History" David Ikard
- "Let's Get to the Root of Racial Injustice" Megan Ming Francis
- "The Symbols of Systemic Racism And How To Take Away
 Their Power" Paul Rucker

LISTEN

Subscribe and listen to these podcasts that dive into important conversations around racial equity and justice:

- 1619 (New York Times)
- About Race hosted by Reni Eddo-Lodge
- Code Switch (NPR)
- Intersectionality Matters! hosted by Kimberlé Crenshaw
- Momentum: A Race Forward Podcast
- Pod for The Cause from The Leadership Conference on Civil & Human Rights
- Pod Save the People (Crooked Media)
- Seeing White

ABOUT THE UNITED NATIONS GLOBAL COMPACT

As a special initiative of the UN Secretary-General, the United Nations Global Compact is a call to companies to align their operations and strategies with ten universal principles in the areas of human rights, labour, environment, and anti-corruption.

Launched in 2000, the mandate of the UN Global Compact is to guide and support the global business community in advancing UN goals and values through responsible corporate practices.

With more than 12,000 companies and 3,000 non-business signatories based in over 160 countries, and 69 Local Networks, it is the largest corporate sustainability initiative in the world.

ABOUT THE UN GLOBAL COMPACT NETWORK UK

Through an extensive programme of activity, the UN Global Compact Network UK connects UK-based organisations in a global movement dedicated to driving sustainable business.

We promote practical sustainability leadership through inspiring business ambition, enabling action that delivers sustainable growth, and actively shaping the responsible business environment to create a world we want to live and do business in.

For more information, follow us on <u>LinkedIn</u> and <u>Twitter</u> (@globalcompactUK) or visit our website at unglobalcompact.org.uk

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