



Financial Reporting Council

Navigating barriers to senior leadership for people from minority ethnic groups in FTSE 100 and FTSE 250 companies

Cranfield University:
Gender, Leadership and Inclusion Centre
DeltaAlphaPsi
Commissioned by the Financial Reporting Council

September 2022

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We greatly appreciate the contributions of all the individuals who generously made time in their busy schedules to talk with us. In particular, we thank those from minority ethnic groups who talked openly and honestly about their lived experiences of achieving their success.

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Not our views

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Foreword

How companies are governed and managed is fundamental to boosting and maintaining strong economic growth in the UK. In challenging economic times good corporate governance is perhaps even more important. The UK Corporate Governance Code offers a proportionate framework for companies to comply with their governance obligations and the Financial Conduct Authority (FCA) Listing Rules. Principle J states:

“Both appointments and succession plans should be based on merit and objective criteria¹ and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths”.

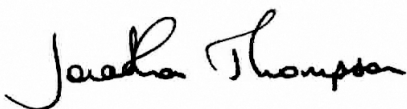
Sir John Parker, in his latest update to the Parker Review on Improving the Ethnic Diversity of UK Boards² in March 2022, emphasised the business case: the importance of boards aligning with their customer base and their investor base. Whilst the corporate and investor communities may debate the meaning of ESG (environmental, social and corporate governance) investing, it remains vital for boards to have talented individuals from a cross-section of backgrounds with the range of skills and knowledge to challenge norms and to relate and respond to a broad range of stakeholder and investor views. Another recent research piece for the FRC by the London Business School Leadership Institute and SQW Board Diversity and Effectiveness in FTSE 350 Companies showed that board diversity pays benefits in terms of effectively developing boardroom culture and performance to meet current and future challenges.

Previous analysis by the team at Cranfield University for the FRC, and forming part of the Parker Review update in 2020, Ethnic Diversity Enriching Business Leadership, assessed the current extent and manner of reporting by FTSE 100 and FTSE 250 companies on ethnic diversity at Board and senior management levels in their annual reports. That research illustrated how there is an increase in both the quantity and quality of board diversity policy reporting, including monitoring of board ethnic diversity, reporting of measurable objectives for ethnic diversity, plus consideration of ethnic diversity in succession planning and board evaluation.

In commissioning the research for this current report we wanted to get ‘under the hood’ of the good practice reported and ask people on the ground, of all ethnicities but particularly those from minority ethnic backgrounds who are at executive committee/board level: what works and what doesn’t? Which barriers remain and how to remove them?

It is my sincere hope that the experiences described in this report, will open-up the conversation about how to successfully increase ethnic diversity and other forms of diversity in senior positions on boards and create and embed sustainable pipelines of diverse talent to fill both executive and non-executive roles.

Lastly, it remains for me to add my thanks to all those who gave up their time to contribute and describe their experiences so clearly and candidly. The routes to success for individuals, companies, and the UK economy come together in good corporate governance.



Sir Jon Thompson
Chief Executive Officer

1 Which protect against discrimination for those with protected characteristics within the meaning of the Equalities Act 2010.

2 The Parker Review update 2022 included the initial findings of this research on the barriers preventing minority ethnic groups achieving senior leadership roles.

Executive Summary

Aims of the research

The Financial Reporting Council (FRC) plays a key role in encouraging and supporting listed companies to strive for diversity in employee profile, particularly as one of the principles of good governance is that boards and executive teams should be diverse in their composition. As listed companies continue to execute their inclusion strategies, the FRC is keen on homing in on and providing evidence to support what works in terms of promoting senior level diversity, especially as it relates to ethnicity in listed companies.

The aim of this research is to provide evidence on the challenges and opportunities that Black and minority ethnic individuals may experience in progressing to the boards of FTSE 100 and FTSE 250 companies, executive committee roles (the pipeline to board positions), and the direct reports of members of the executive committee (also part of the pipeline). A second overarching aim is to identify good practice and assess its effectiveness in increasing the ethnic diversity of FTSE boards and ensuring a sustainable pipeline of talent from a range of ethnic backgrounds.

This report presents findings from two sets of data. We conducted interviews and focus groups with 54 people in a range of senior positions in FTSE 350 companies, including chairs and non-executive directors (NEDs). We also spoke with executive search consultants. Due to the nature of the career trajectory to achieve NED positions, which often involves moving between organisations to reach the next level, or to gain new experience, we found no notable differences in the accounts of people currently working in FTSE 100 and FTSE 250 companies. We also reviewed annual reports from 25 FTSE 100 companies and 38 FTSE 250 companies to assess the reporting of the breadth and depth of initiatives in place to diversify senior leadership, highlighting differences between the two groups where relevant.

Key findings from interview and focus group data

A key finding from interviews with participants across all the different categories related to the impact of the increased awareness of the Black Lives Matter (BLM) movement from 2020. Many people related this to a significant shift in the quality of conversations about the organisational approach to race and ethnic diversity, such that actions and initiatives are being reviewed with greater scrutiny. This provides a strong platform for building on the work done by many organisations so far, with the aim of accelerating change.

The board directors and senior managers (those who are in the pipeline to executive roles) shared their career experiences, highlighting both the many positive aspects of their career trajectory, and also discussing the barriers and



challenges and their strategies for overcoming them. Challenges included being overlooked for promotion, overt and covert racism, and having to demonstrate higher standards of performance when compared with colleagues from majority backgrounds, in order to progress or have the same development opportunities. These participants referred to both their own agency and individual strategies, as well as organisational initiatives and the support of senior colleagues, when discussing how they have dealt with the challenges. The board directors also talked about the – often recent – realisation of a responsibility to contribute towards change, for the benefit of those lower down the organisational hierarchy.

In relation to organisational initiatives, interviewees at all levels described recruitment-related practices, including more diverse interview panels, advertising in innovative ways including use of social media, to target under-represented groups, and using a wider range of recruitment agencies for roles throughout the organisation. Facilitating professional relationships involved networking, mentoring schemes and sponsoring, often external to the organisation itself. The backing of senior leaders was seen as a major source of support by participants when describing positive factors in their careers, with leaders often seen as informal allies rather than contributing to a specific organisational practice. Targets were regarded as an essential feature of initiatives to facilitate progression of the talent pipeline, accompanied by monitoring and accountability. This included having explicit organisational success criteria related to attendance of individuals on development programmes and managing expectations of possible outcomes.

Finally, the role of executive search consultants was discussed in identifying candidates from minority ethnic backgrounds, particularly in working with chairs and other board members. Widening their search to include those with less traditional careers involves attention to the language used in recruitment briefs, and ensuring similar expectations from all candidates, rather than minority candidates having to demonstrate more skills and expertise than those from the majority.

Key findings from review of selected annual reports

Overall, as may be expected, a larger proportion of the selected FTSE 100 firms reported on initiatives to diversify senior leadership compared to the FTSE 250. Across the FTSE 350, initiatives linked to governance (e.g. setting up a steering committee or task force) were some of the most frequently-reported actions. However, these were sometimes targeted at broader diversity strands, rather than having a unique focus on ethnicity. Key findings were:

- Companies reported on the use of **targeted programmes** to support the development and leadership capability of high potential individuals from under-represented groups. However, there was limited reporting on the design and content of targeted race and/or ethnicity programmes. Such programmes rarely had explicit outcomes in relation to company diversity objectives.



-
- Reporting on appointments to **govern diversity** demonstrates a level of commitment from the company to achieving its diversity objectives. Limited information beyond oversight of diversity and inclusion was reported in all cases.
 - Few companies presented their **race action plans** in any depth. Better quality reporting stated both broad objectives and specific actions within the plan as well as parameters for implementing change.
 - There were many examples of companies **publicly reporting their targets, pay gaps or performance metrics** as evidence of actions that the company has taken. However, we found limited examples of companies reporting initiatives that would help them to meet their objectives.
 - **Board level initiatives** were primarily focused on recruitment, succession planning, talent mapping, working with external search consultants and board level targets for race and/or ethnicity. The only initiative reported by companies that had demonstrable impact was the intentional recruitment of individuals from minority ethnic backgrounds or other under-represented groups; reporting on this initiative was limited.
 - Reporting on **charters, external validation and benchmarking** was limited to companies' declaration of their membership of or support for a specific campaign. It is largely unclear how charters are expected to help drive change in racial representation within the companies.
 - **Data collection** provides an important first step for understanding the diversity context, challenges and opportunities for change. Many companies across the FTSE 350 reported data collection activities being used to start, refresh or continue their diversity initiatives.
 - The tendency of companies to group **diversity initiatives** in their annual report means that initiatives are often not clearly linked to specific diversity objectives.



Recommendations from interviews and focus groups

Our research questions aimed to understand barriers to progression to senior leadership levels by people from minority ethnic groups, identify good practice, and assess its effectiveness in increasing the ethnic diversity of FTSE boards and ensuring a sustainable pipeline of talent from a range of ethnic backgrounds. Our recommendations on dismantling these barriers and implementing good practice are below:

1. Be transparent



Our findings indicate that many senior minority ethnic individuals observe being overlooked for promotion or reaching career plateaus and also carry a burden of overperformance under heavier scrutiny. We recommend greater transparency in decision-making and promotion processes. Companies should review all processes and policies to ensure transparency in decision-making involving selection, promotion, and performance reviews especially at middle management to senior levels. This should include a critical analysis of all criteria, ensuring they are all necessary and relevant and can be consistently applied, followed by monitoring of decisions taken against these criteria. This will allow organisations to assure all stakeholders that an equitable process is being adhered to. Where candidates are unsuccessful, comprehensive and actionable feedback should be offered and details of a process for appeal should be made available. In addition, organisations should establish and maintain a diverse employment pipeline by widening their search to recruit employees at all levels. For example, organisations can work with firms that specialise in contextual recruitment³ to ensure that talent and performance are spotted across diverse backgrounds. The responsibilities of senior leaders when appointed as diversity champions should be clarified.

2. Embed data and build in accountability



Our findings indicate that while companies employ a wide range of initiatives and practices to diversify their executive pipeline across ethnicity, gender and other underrepresented groups, there is insufficient monitoring, measurement and accountability built in. Much greater emphasis should be placed on data analytics. The organisation's equity goals (not just headline company targets, but specific goals across the talent management cycle including recruitment, progression, and retention) should be embedded into the business strategy, alongside all other business goals, and cascade down into individual objectives. The performance of all leaders and people managers should be assessed against these goals. Further, race and ethnicity data collection and monitoring should go beyond considering and grouping 'ethnic minorities', and instead explore the differences between the experiences and career outcomes of

³ Contextual recruitment interprets candidates' performance in light of their personal circumstances thus helping organisations identify outperformance bearing in mind a person's social context and background. See <https://ise.org.uk/page/case-study-rare>

individuals from various ethnic groups. Acknowledging that progress on increasing ethnic diversity at board level has been accompanied by gender diversity⁴, companies should continue to monitor progress towards advancing an ethnically diverse female talent pipeline to executive roles. Companies should use positive action⁵ (which is legal) when appropriate and openly communicate the rationale for doing so, showing ownership and commitment to achieving race and ethnic equality goals.

3. Boost trust



Our findings indicate that the BLM movement prompted many organisations to review their approach to inclusion, especially regarding race and ethnicity. Subsequently, multiple initiatives were introduced, and momentum needs to be sustained; focus should be maintained on creating cultures of belonging and fostering authentic relationships across difference to reduce the sense of otherness and hypervisibility many senior professionals experienced on their career journeys. Trust should be nurtured and boosted within organisations and between individuals. For example, at an organisational level, companies should introduce targeted training programmes that involve multiple stakeholders (not just minority ethnic individuals) to co-create a culture of fairness and psychological safety for all employees and develop understanding of concepts such as intersectionality. More inclusive cultures will encourage all employees to self-identify against all diversity demographics, providing more accurate data to guide racial/ethnic equity goals (i.e., feed into Recommendation 2 above). An inclusive culture should promote a zero tolerance to overt/covert/ 'casual' racism and 'banter'; toxic individuals should be called out and, ultimately removed (even if they are powerful people). Corporate leaders should engage with the inclusive business strategy and be active allies. Greater trust will be fostered in the long term through visible inclusive leadership and vulnerability and courage - the fear of saying the wrong thing being a roadblock to action should no longer be permissible. At interpersonal levels, opportunities should be created for developing relationships and stronger and more inclusive networks throughout the organisation. Nominations committees and search consultants should collaborate in longer term activities (e.g. through horizon scanning/ market mapping) to identify appointable, or soon to be appointable, candidates from minority ethnic backgrounds. Fostering social interactions and developing professional relationships between potential candidates, search consultants and nomination committees/board chairs will mitigate any sense of unfamiliarity or 'risk' associated with appointing suitably qualified candidates who do not fit an imagined 'type'⁶.

4 As reported in the Parker Review 2022 update, 49% of directors from minority ethnic groups in the FTSE 100 are women; this figure is 44% for the FTSE 250. https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topics/diversity/ey-what-the-parker-review-tells-us-about-boardroom-diversity.pdf

5 Equality Act 2010: A step-by-step practical guide to using positive action when making appointments https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/85015/positive-action-practical-guide.pdf

6 See page 45 of the '2022 Update from the Parker Review: Improving the ethnic diversity of boards', which can be located here: https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topics/diversity/ey-what-the-parker-review-tells-us-about-boardroom-diversity.pdf for more information on talent mapping activities



Recommendations from review of annual reports

- Reporting on **targeted programmes** should be linked to specific diversity objectives with expected outcomes and include data showing evidence of impact.
- Reporting on diversity and inclusion (**D&I**) **governance** should provide information on the structure, composition and specific function of D&I focused committees and taskforces and should explain how they will provide the data required to understand their effectiveness in diversifying senior leadership and the best design and approach to achieve this.
- Specific objectives and the rationale for the **race action plan** – and an evaluation of actions and initiatives already conducted as part of the plan – could be included in the annual report to assess effectiveness of such interventions.
- Companies are reporting a wide range of **public objectives** including their targets, pay gaps and performance metrics. Reporting could be further enhanced by clearly outlining the initiatives or measures being taken as part of a broader strategy to meet such objectives.
- We recommend all FTSE 350 companies should analyse the data on the diversity and demographic makeup of their boards; this analysis should be used to justify, where required, their intentional, positive action recruitment, succession planning, and talent mapping initiatives that bring the right technical skills coupled with the required level of diversity to increase ethnic minority representation at **board level**.
- When reporting on **charters, external validation and benchmarking**, companies should make a clearer link between their broader strategic diversity objectives and the initiatives that they are undertaking as part of the commitments outlined in the charter(s) they have signed up to.
- We recommend reporting on the design and approach of **data collection** campaigns to share good practice and support other organisations in capturing this fundamental information. Reporting could be improved by providing parameters for taking action on findings, such as under-representation in specific areas or levels of the business or reporting on the actions and initiatives that the company intends to take should they capture sufficient diversity data or measure suboptimal levels of diversity.
- The quality of reporting would be enhanced by describing the process by which **other initiatives** can support the company to meet specific diversity objectives. For example, when reporting on training, reporting could be enhanced by including information on the design, content, or impact of the training in helping to diversify senior leadership.

Introduction

The Gender, Leadership and Inclusion Research Centre (GLIC) at Cranfield University, working in conjunction with the specialist consultancy Delta Alpha Psi, has undertaken this research on behalf of the Financial Reporting Council (FRC). The aim of the research is to develop greater understanding of the barriers preventing individuals from minority ethnic groups achieving senior representation in FTSE 100 and FTSE 250 companies.

The FRC identified four key areas of research on which it aimed to gain greater understanding with respect to companies in the FTSE 100 and FTSE 250.

Question 1: What are the barriers to progression to senior leadership levels by people from minority ethnic groups? Are there consistent themes to those barriers?

Question 2: Is there established good practice for increasing the ethnic diversity of FTSE boards? How effective is that good practice in terms of outcomes and the real experiences of people from minority ethnic groups in FTSE companies?

Question 3: Does good practice extend to ensuring a sustainable pipeline of talent from a range of ethnic backgrounds with the skills and knowledge, and presence in those 'feeder roles', acknowledged as being desirable to successfully attain executive and board positions?

Question 4: Can a set of good practices/procedures be defined, or refined, that supports the progress of people from minority ethnic groups to senior leadership levels, and which might be applicable to the wider business community?

In addressing the questions above, we draw on previous work on the progress made and steps taken to promote ethnic diversity on boards; in particular, work commissioned by the FRC on Ethnic Diversity Reporting in 2019-2020 and reported in the Parker Review update in February 2020⁷ *Ethnic Diversity Enriching Business Leadership*. In addition, we expand upon the early findings of this research which were reported in the more recent Parker Review update in March 2022⁸ *Improving the Ethnic Diversity of UK Boards*. Our research here is designed to focus on two essential elements.

- Firstly, we aim to increase understanding of the lived experiences of people from minority ethnic backgrounds who have reached senior leadership positions in FTSE 100 and FTSE 250 companies, or are in the talent pipeline.

7 Ethnic Diversity Enriching Business Leadership, 5 February 2020 https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/news/2020/02/ey-parker-review-2020-report-final.pdf

8 Improving the Ethnic Diversity of UK Boards, 16 March 2022 https://assets.ey.com/content/dam/ey-sites/ey-com/en_uk/topics/diversity/ey-what-the-parker-review-tells-us-about-boardroom-diversity.pdf



- Secondly, we want to clarify key initiatives and organisational good practice that support the development of a sustainable pipeline to executive and board positions. Recommendations based on analysis of findings will be made to develop understanding and guidance about further good practice.

In writing this report and preparing interview questions, and during the interviews and focus groups themselves, we were aware of the importance of using the right language, words and phrases. Indeed, the importance of language was one of the themes emerging from the interviews and focus groups. For example, it is now widely recognised in organisational leadership that the phrase 'Black, Asian and minority ethnic' people, and its associated acronym 'BAME', is outdated and unsuitable. Primarily, this phrase overlooks the significant differences among minority ethnic groups, and therefore provides a largely meaningless description of people. It is helpful to note that in a recent report by Spencer Stuart on board composition,⁹ "Directors are described as 'minority ethnic' in relation to the dominant ethnicity of the country in which the company has its HQ". In this report, for consistency with the Parker Review, we draw on UK government guidelines and use 'minority ethnic' throughout.

The report is structured as follows. Firstly, we provide brief findings from existing 'grey' literature in this field. Next, we explain the choice of different methods used to address the questions outlined above: interviews and focus groups with a range of individuals, and examination of company annual reports. Findings are therefore presented in two sections, highlighting key themes.

9 2021 UK Spencer Stuart Board Index. <https://www.spencerstuart.com/research-and-insight/uk-board-index/diversity>



Background

Data on UK workplace inequalities shows a persistent lack of representation of people from minority ethnic groups in senior positions. This lack of representation varies across ethnic groups. While 10.6% of people in the Indian ethnic group were in 'manager', 'director' or 'senior official' roles, the percentage of workers from the Black ethnic group employed in these senior level roles is 4.6%. (ONS, 2022).¹⁰ For comparison, this figure is 10.7% for White British workers (ONS, 2022).¹¹ Thus, compared to all other ethnic groups, Black workers are in the smallest proportion at senior levels.

The lack of representation cannot be explained by a lack of ambition. Black, Asian, Mixed race and other minority ethnic employees' desire for career progression remains consistently high at 69%. Black African employees remain the most likely to express the desire for progression at 85%, compared to 47% of White employees (BITC, 2021).¹²

Progress across minority ethnic groups varies, with many from Indian and Chinese ethnic groups having made notable progress over the past two decades in the upper tiers of the legal and medical professions (Saggar et al., 2016).¹³ However, perception of organisational barriers to career progression also varies. When compared to their White colleagues, Black, Asian and minority ethnic employees are more likely to state that their career progression has failed to meet their expectations, citing discrimination as a problem (CIPD, 2017). Additionally, in comparison to 31% of White employees, 45% of minority ethnic employees feel they need to leave their organisation to advance their careers (BITC, 2021).

Organisational efforts required for greater equity include setting targets and establishing retention strategies (BITC, 2021). Furthermore, *The Board's Oversight of Racial and Ethnic Diversity, Equity, and Inclusion (2020)*¹⁴ encourages boards to consider integrating their oversight practices in a manner that suits their respective organisational culture and governance framework. The report also highlights the importance of acknowledging the challenges that come with operating in a global context, as diversity is understood differently in varying geographies.

10 ONS (2022), Employment by occupation. Retrieved on 7 August 2022. From <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/employment/employment-by-occupation/latest>

11 ONS (2022), Employment by occupation. Retrieved on 7 August 2022. From <https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/employment/employment-by-occupation/latest>

12 BITC (2021), Business in the Community, Race at work 2021 Scorecard Report: McGregor-Smith Review Four Years on. Retrieved on 7 August. From <https://www.bitc.org.uk/wp-content/uploads/2021/10/bitc-race-report-raceatwork2021scorecardreport-oct2021.pdf>

13 Saggar, S., Norrie, R., Bannister, M., and Goodhart, D. (2016). Bittersweet success? Glass ceilings for Britain's ethnic minorities at the top of business and the professions, Policy Exchange. Retrieved on 7 August 2022. https://policyexchange.org.uk/wp-content/uploads/2016/11/PEXJ5011_Bittersweet_Success_1116_WEB.pdf

14 The Board's Oversight of Racial and Ethnic Diversity, Equity, and Inclusion (2020). Retrieved on 7 August 2022. From <https://www.ssga.com/library-content/pdfs/global/boards-oversight-of-racial-and-ethnic-diversity.pdf> State Street Global Advisors, Ford Foundation, Russell Reynolds Associates

Career strategies adopted by under-represented legal professionals (including Black and minority ethnic women and men) in response to discriminatory organisational structures tend to maintain rather than remove organisational barriers. Understandably, due to their relative lack of power, such individuals early career strategies in particular tended to consist of conforming and making adjustments, in order to capitalise on the opportunities available, rather than seeking to transform their organisations. Once they had adapted and achieved success, there was less impetus to strive for change. In some cases, they had moved away from limiting environments, again leaving structural and systemic barriers in place (Tomlinson et al., 2013).¹⁵

Our review of research indicates the need for a deeper exploration of career experiences across minority ethnic groups, to create a robust set of good practice guidelines for organisations.

Methods

This report uses mixed methods to gather data. Mixed methods offer breadth and depth and can provide a more comprehensive understanding of complex phenomena. The methods used were:

- Semi-structured interviews
- Focus groups
- Examination of company annual reports

In all instances, the sample included FTSE 350 listed companies as of 13 December 2021.

Responding to the FRC's request to bring forward the lived experiences of those from minority ethnic groups and their career journeys, we targeted several groups of participants. Firstly, we interviewed individuals from a range of minority ethnic backgrounds in FTSE 350 organisations; the sample included those who hold board positions, are on the company executive committee (ExCo), or are up to two levels below ExCo and aspire to senior roles. We also held two focus groups with participants in the latter category. Interview and focus group questions were designed to explore individuals' career experiences, including preparatory questions about their career timeline, challenges faced during their working lives, and organisational initiatives that had been effective in facilitating their career success.

In order to investigate established good practice and specific approaches to increasing the progression of individuals from minority ethnic backgrounds to senior roles and leadership positions, we also conducted semi-structured interviews with chairs and HR/D&I¹⁶ directors from FTSE 350 companies.

¹⁵ Tomlinson, J., Muzio, D., Sommerlad, H., Webley, L., and Duff, L. (2013). Structure, agency, and career strategies of white women and black and minority ethnic individuals in the legal profession, human relations 66(2) 245-269, hum.sagepub.com

¹⁶ Diversity and Inclusion

These interviews explored organisational approaches to talent management and succession planning, monitoring of the diversity of ethnic representation, inclusion practices, and changes implemented or planned as a result of participation in external initiatives (for example, the Race at Work Charter and Change the Race Ratio). Lastly, we also interviewed specialist search consultants to explore the approach taken towards putting forward a diverse pool of candidates.

Research participants were identified in a number of ways, including personal contacts of the research team, introductions from members of the Parker Review Committee to possible participants, via posts on LinkedIn (explaining the aims of the research and the target sample), and via snowballing (i.e. asking interviewees to pass on information to their contacts who met the criteria).

In addition, and as a means of assessing the breadth and depth of initiatives in place to diversify senior leadership, annual reports from 25 FTSE 100 companies and 38 FTSE 250 companies were reviewed. By agreement with the FRC, the 25 FTSE 100 companies were selected based on previous FRC/Cranfield University analysis for the 2020 Parker Review, which identified companies considered to be using 'good practice' in reporting on board level diversity. FTSE 250 companies were chosen if they met the same criteria used to identify 'good practice' in the 2020 Parker Review. To increase the number of company reports to be analysed, FTSE 250 companies identified as having met the target set out in the 2022 Parker Review (published in March 2022) were also included; an overlap of companies identified using the two approaches led to a final list of 38 companies.

The reports were reviewed in January 2022 (FTSE 100) and May 2022 (FTSE 250), using each company's latest full annual report publicly available on their website at that time. Stage one of the analysis identified all stated initiatives to increase diversity across the business. Stage two examined whether the identified initiatives were focused on: a) ethnic diversity, another diversity strand, or broader diversity (i.e., multiple protected characteristics); and b) diversifying senior leadership or other levels within the company. Because the analysis was limited to annual reports, the initiatives discussed may not represent the full range of initiatives being undertaken by the selected companies, which may be published elsewhere.

Analysis of interview and focus group data

An important concern in reporting our findings from interviews and focus groups is to protect the confidentiality of respondents, particularly those from minority ethnic backgrounds. Given the relatively low numbers of such individuals in senior positions within organisations in both the FTSE 100 and the FTSE 250 companies, they may be easily identifiable; therefore, we have taken great care to maintain their anonymity. As shown in the table below, we spoke with 54 people in total. One of the aims of this research was to understand the barriers in progressing to senior roles, and we did so by uncovering the lived career experiences of people who had achieved a senior leadership position, such as non-executive director or member of the executive team, and also of those who were ambitious, and still progressing in their career, at one or two levels below executive director. We conducted interviews and focus groups with 34 participants from under-represented minority ethnic backgrounds in the FTSE 350 (22 currently working in FTSE 100 companies, and 12 in FTSE 250 companies).

In addition, we wanted to highlight good practice within organisations, report any initiatives which may not have been achieving the intended aims, however well-meaning, and examine the reasons why those initiatives were not working. To understand more about the views of the board and the organisational perspective, we interviewed a further 16 people representing two roles: six interviewees held the position of chair in at least one organisation in either the FTSE 100 or FTSE 250, and ten interviewees held a senior executive position responsible for diversity and inclusion (human resources directors or diversity and inclusion directors). Our final target group consisted of four executive search consultants, who discussed the work they do with chairs and other board members, and the changes they have made in recent years to ensure they are reaching a wider talent pool. In these latter three groups, we had participants from a range of ethnic backgrounds, including White.



Including the chairs and the HR/D&I directors, participants came from 17 companies in the FTSE 100 listing, 12 FTSE 250 companies and three executive search firms. In analysing the findings, we found no notable differences between FTSE 100 and FTSE 250 companies. When using quotes in the following sections, individual participants will be identified by a randomly allocated number from 1 to 54. We also refer to our interviewees in the findings section using the following terms:

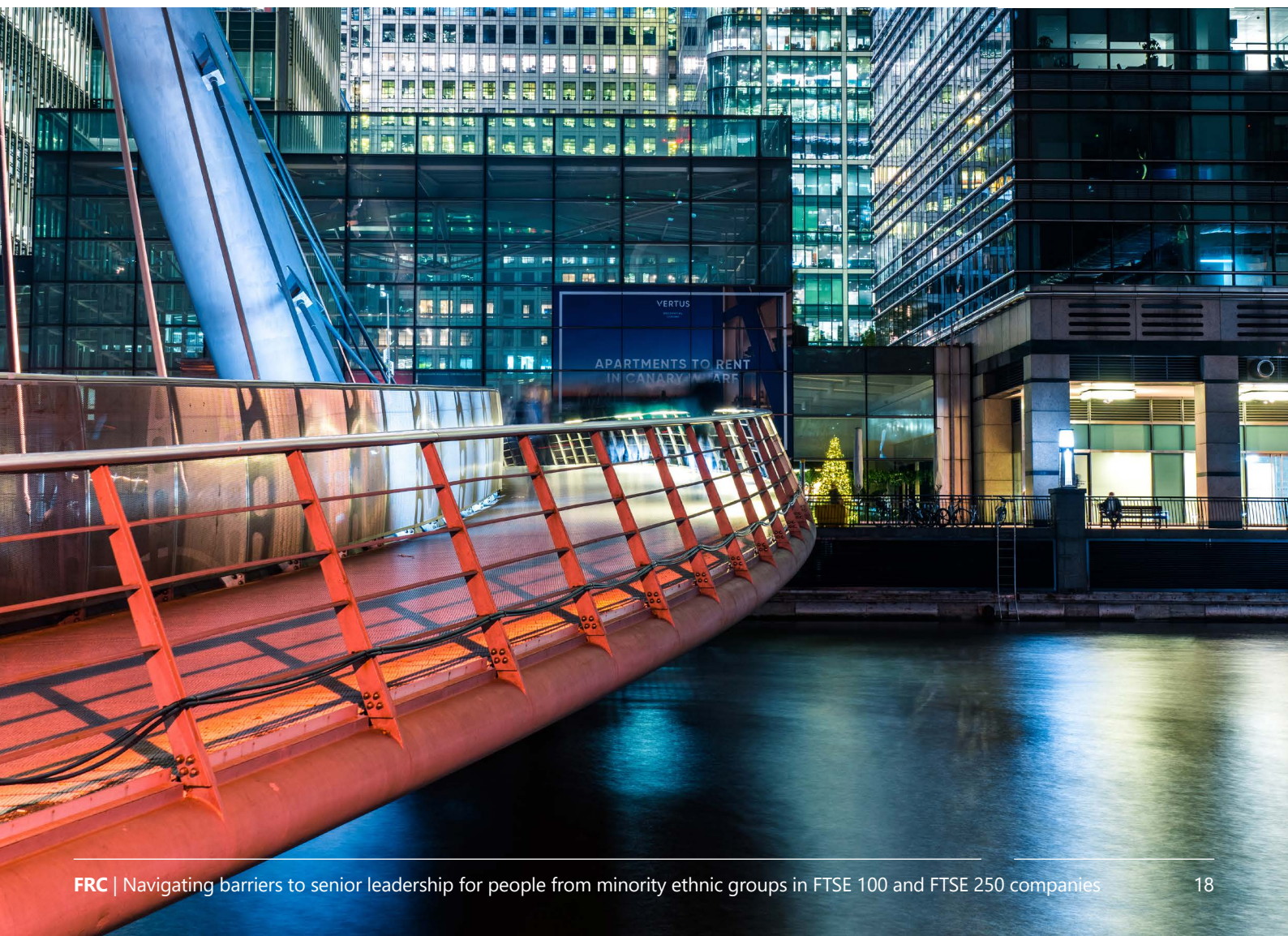
People interviewed	Referred to in reporting the findings below as:	Number of participants
Participants from a range of minority ethnic backgrounds in the pipeline towards senior roles	Senior managers	14
NEDs and executive directors from a range of minority ethnic backgrounds	Board directors	20
Chairs	Chairs	6
HR directors/D&I directors	HR/D&I directors	10
Executive search consultants	Search consultants	4
Total		54

Our sample of board directors and senior managers includes people who have been born and brought up in the UK as children of immigrants, or who came as young children with their parents to settle in the UK. We also have a number of people who have grown up and been educated in their home countries before moving to the UK at some stage in their working career. Some of the non-executive directors are not based in the UK and have never lived here. We therefore acknowledge the differing experiences of participants, particularly in their formative years. These differences will inevitably have affected their career progression in myriad ways.

Our findings focus primarily on issues relating to race and ethnicity; however, we also acknowledge intersectionality. The stories shared by the board directors and senior managers concerning their successes and challenges are not based on one aspect of identity (ethnicity) alone. Although they were fully aware that the main focus of the research was on race and ethnicity, their career experiences inevitably reveal the intertwining threads of different dimensions of diversity, including gender, socio-economic status, and age, including how individuals' experiences with different genders is different from our experience with different ethnic groups.

You're almost a double minority – woman, and then a Black woman. So, the intersection between gender and race, probably globally I think, is there because the same perceptions or misconceptions that men, or people who are in the majority have, around those who are not visibly represented is always around. "Maybe they're not here because they're not competent". "Maybe they're not here because we can't find the right fit". Whatever story they tell themselves around why women are not represented, or Black people not represented ... they are still having this stereotype around, it's a woman and almost like a double-take of "Okay, yeah, so she's actually a woman and a Black person on top of that, and therefore, I need to explain to her how things work here". **Participant 37**

There is a profound difference in the room, and in reality, between gender and ethnicity. There is a really deep difference, which I am now understanding better, and the difference is this. Somewhere, in your intimate close upbringing and life experience, family, neighbourhood, or whatever, you have experience of people who are a different gender to your own. ... I don't mean working, I don't even mean school, I mean literally in your household, in the people you spend your discretionary time with; you have experience of people of a different gender to your own in that intimate close space. So it is still really segregated and this isn't just a dominant White issue. **Participant 35**



Findings from the interviews and focus groups

It was a privilege as researchers to interview these successful individuals, who generously gave their time and expressed their belief in the importance of this research, as they shared their stories with us. They all talked about how hard they have worked throughout their careers, often built on academic success and the expectations of their own families, explaining the importance of developing skills and expertise that allowed them to excel and also to establish their credibility. They gave examples of the many positive experiences that contributed to their success; and we acknowledge these in order to emphasise and celebrate their achievements, and to avoid a model of deficiency with connotations of inadequacy or the need for extra support in some way.

The participants have achieved their success in spite of the structural and systemic biases they have faced, and pointed out that it is time for lasting change to make organisational life more equitable and inclusive for all. However, the specific aim of this research is to understand their lived career experiences as individuals from minority ethnic backgrounds. We therefore focus below on the challenges they have faced during their careers, and how they have overcome them, through their own agency and through organisational initiatives. As stated earlier, there were no notable differences in the lived experiences or reported initiatives between companies in the FTSE 100 and those in the FTSE 250; individuals have often worked in a number of different organisations at various points in their career.

Data analysis led to the identification of a number of themes, which we have grouped into four sections:

- Black Lives Matter as a catalyst for change
- Barriers to career progression
- Individual strategies for overcoming challenges
- Organisational practices acknowledged in overcoming challenges

Firstly, we present the views of participants at all levels regarding the impact of the significantly increased awareness of the Black Lives Matter movement (BLM), following the murder of George Floyd in Minneapolis, USA in May 2020. This resulted in many organisations reconsidering their policies and practices, and their understanding of the experiences of their own employees, often leading to a corporate response of some form. Then, in addressing the original research questions (see page [4]) we report the lived experiences of challenges and barriers that were shared by board directors and senior managers during interviews and focus groups. We follow this by discussing the strategies used to overcome the challenges, from an individual perspective and also from an organisational perspective. We conclude with additional themes emerging from the interviews with executive search consultants.

Black Lives Matter as a catalyst for change

The Black Lives Matter (BLM) movement was seen as a major catalyst for change in the approach of organisations to race and ethnicity as part of their D&I agenda.

Participants from all categories talked about this. Board directors and senior managers described it as significant in shifting the quality of the discussion taking place within their organisations. They explained that, previously, the race and ethnicity gap was seen as the burden of under-represented groups. The events of 2020 led to deeper scrutiny of organisational practices and behaviours, with more honest and open critique of previously shallow messaging regarding race and ethnicity. Rather than virtue signalling in organisational D&I policies, board directors and senior managers felt that the White majority has gained awareness of the need to discuss and explore this issue, with an increased imperative to take actions leading to change. Chairs and HR/D&I directors also talked about the shift in thinking that had taken place, and the recognition of the need to move beyond aspirational targets and data analytics towards a changed mindset and subsequent effective action.

Our positioning for Black Lives Matter was inescapable; how could you not support Black Lives Matter if you were saying you wanted a more diverse organisation? You have set an expectation that you now have to live up to. How could we not look at development opportunities to help move people through the pipeline and exploit our own diversity within the organisation?

Participant 30

BLM provided a strong impetus for acknowledging the existing diversity in their own organisations; and strengthening inclusivity, through development opportunities and other initiatives, to support individuals moving through the pipeline. Chairs and HR/D&I directors pointed out that they took the opportunity to review all aspects of diversity and to talk with people from a range of under-represented groups, again emphasising the intersectional complexity of the inclusion agenda. The role of the Black Lives Matter movement in catalysing action for greater racial and/or ethnic diversity was reported in annual reports (reviewed in the next section) across the FTSE 100 and FTSE 250. Companies also reported how BLM led to the creation of broader diversity and inclusion taskforces, which is aligned to these interview findings.

Many of the board directors and senior managers spoke of organisations arranging meetings and focus groups for employees from minority ethnic backgrounds to talk about their feelings following the murder of George Floyd, and to share their own experiences of racism. These participants explained that it was the first time they had openly discussed explicit examples of racism, and they appreciated this opportunity to come together and to be listened to. When reflecting back on such discussions, a few participants noted a connection between the support given in response to that tragic event; increased interest by company leaders in issues relating to race and ethnicity and organisational changes and adjustments which they had become more aware of. These



“How could we not look at development opportunities to help move people through the pipeline and exploit our own diversity within the organisation?”

included mentoring schemes, networks, diversity profiling across the company, and insistence on search firms seeking out candidates from minority ethnic backgrounds.

Some HR/D&I directors also talked about the powerful impact when individuals from under-represented groups share their experiences. Interestingly, this was also linked to the realisation that such conversations are an essential part of effecting lasting change with regard to increasing representation at senior levels. One HR/D&I director explained the emotional responses of senior leaders when they heard the experiences of colleagues from under-represented groups:

I think there is a huge sense of responsibility for the experiences people have within the business and so shock, humility, anger, embarrassment, fear; we've had a lot of fear actually amongst the senior leaders – a real fear of getting it wrong. **Participant 13**

However, there was cynicism among some interviewees from under-represented groups who questioned whether there would be lasting change, and indicated their concern over potential backlash:

In the last couple of years there has been a shift, but I still think after the initial reaction of the George Floyd issues and all that global social activity, it has waned and people are as weary as I expect them to be of the whole D&I thing. And I believe, or I suspect, that some people still don't think that it IS a thing. And there is an element of backlash I have seen whereby people think the D&I flag and the ethnicity flag in particular is being waved too much. **Participant 7**

It is important to recognise that such understanding and responsibility has to extend throughout the organisation, and it is necessary to educate employees at all levels, and perhaps especially middle management, about the need to explicitly address challenges associated with race and ethnicity. In order to overcome that "fear of getting it wrong", it is necessary to develop race fluency and equip people at all levels with the appropriate language to use when talking about sensitive topics around race and ethnicity.

Barriers to career progression

The interview questions were designed to encourage board directors and senior managers to reflect on the challenges they faced in relation to their ethnicity. Inevitably, they also referred to overcoming issues and setbacks which any ambitious person, regardless of demographics, may face in building and developing their career. With a focus on race and ethnicity, there were four main themes:

- Being overlooked for promotion
- Overt/covert racism
- "Otherness"
- Hypervisibility and invisibility



Being overlooked for promotion was commented on more frequently by the women in the sample, who may have been more aware of this theme because of the intersection of gender and race, which throws up additional barriers. Examples were given of being on the receiving end of both overt and covert racism, as well as explaining the adverse impact of the accumulation of multiple, seemingly insignificant, events or decisions through their careers. Participants described a sense of "otherness", and being seen as different, often as a result of inappropriate behaviour from colleagues, laughed off as "banter". Experiences of being closely monitored were linked to having to constantly "prove oneself" beyond levels expected of the majority.

Being overlooked for promotion

Two key issues can be drawn from the interviews: being overlooked for a specific promotion and also realising that they had reached a career plateau and were not making progress. There were many examples given of moving to a different organisation, as a result of the frustration associated with a period of stagnation in their career. For example, one person talked about their contribution to the goals of the organisation, receiving feedback that they were doing well and were valued, and treated as the successor, and yet there was no promotion to the next level forthcoming.

I was getting carrots dangled, "Go and do this development programme", or "Let's send you on this course". And it got to about five years when I went to the chairman. And with hindsight, I wish I'd done this sooner. I asked, "Are you going to give me the senior executive job?" When he said, "No", I asked why not? And I thought, well, I wish you'd told me this sooner, right, because I've been five years here slogging away. **Participant 5**

A similar example referred to having to move around between organisations, in order to find one where they felt included and valued for the contribution they were bringing.

I was overlooked for promotion and things like that. You have to remember that I was the most qualified and had a list of successful deliveries behind me and an in-depth knowledge of tech and deep understanding of the industry, but things were not happening and there were times when I had to leave my organisations in order to move upwards. I would get to that point where I would hit that ceiling after three or four years and the time would go quite quickly because I was growing in my role, but I was not making that move upwards. So, I saw the only way to advance my career progression up the ladder was to move outwards and then move upwards. **Participant 36**

Participants considered that fixed ideas of cultural fit and unconscious bias were at play in the practices used within organisations, especially around hiring and promotion decisions. When seen as an outsider in some way, then an individual's progress may be adversely affected, however inadvertent that may be.

I do feel that there may be disadvantages if you're not like [the majority] as there's a lot of focus on cultural fit. And I hate using that term, because I don't think that's fair at all, especially in interviews. Whether you're assessing someone is the right fit for your company, because what does that really mean?

Participant 29

Sometimes the decision to move to another organisation was linked to accounts of bullying and harassment. One woman described the comments made to her by her line manager:

My line manager actually said to me, "You would not be able to compete in a room full of men who are speaking belly to belly," and he asked me what made me think I would be welcome "in the room" and I remember that phrase. So it was because I was different and not wanted. Those sorts of things were said to me more than once during my career pathway. **Participant 36**

As part of the response to the BLM movement, many participants reported that colleagues from all minority ethnic backgrounds were invited to meetings within their organisation, as the organisations were recognising the need for much greater efforts to understand their experiences of discrimination in their lives and careers. Perhaps not surprisingly, the women from various backgrounds, when they came together at such meetings, found that they had similar experiences regarding double standards relating to behaviour required from women.

I was either too emotional or too aggressive. [Other colleagues] said that if you don't speak up about what you want, then you're not going to get it. So you get these real mixed messages, and another woman there said the same thing actually because, after BLM, we did a lot of meetings on how it affects us. And we had a meeting with our group CFO at the time. And you know, quite a few women were saying that, that they were having that sort of feedback given, and ethnic minority women, they were having that whole issue of, 'we expect you to speak up'. If you don't speak up, then you can't get to the top, if you speak up, then you're aggressive. And so, it's really difficult. **Participant 43**

It is notable that very few of the men gave examples of being passed over for promotion, whereas this was a common topic raised by the women among the board directors and senior managers.

I put my hand up for a role in that organisation that was really toxic and it was literally a side step and so nothing different, it was doing exactly the same as what I had been doing but just a different region and my boss said "Oh, I didn't think you would be interested" and I was like "Why not?" and he said "Well, because you have a family" and I said "What has that got to do with it?!" – and he still didn't put me forward for the role because they gave it to another White guy. **Participant 26**

"I do feel that there may be disadvantages if you're not like [the majority] as there's a lot of focus on cultural fit. And I hate using that term, because ... what does that really mean?"

Similarly, women participants talked about wanting to be recognised for the skills and expertise they bring to a role, and to be able to own their success, rather than wondering if they have been given an opportunity because of their ethnicity or gender.

I don't want to be made to feel like I've been given a job because I'm a Black woman in [my field]. I want to be made to feel like I've got the job because I applied for it and I bring the required level of expertise. So, it's also quite hard to feel like you do belong if you are there because of positive action. Like, that's great. But I don't want to feel like that's the reason that I am where I am; I want to be made to feel like I'm here because I deserve to be and I'm good at my job. **Participant 7**

Interestingly, chairs and HR/D&I directors referred to their awareness and concern about this, explaining the need to avoid any suggestion that decisions on positive action¹⁷ do not sufficiently consider merit. They emphasised that appointments are made following an evaluation of skills and competencies.

Interestingly several participants also reported instances of having older men from their own cultural background giving them advice about the role of a young woman, and actively discouraging them or even preventing them from gaining promotion.

I was up for a promotion where [my line manager], you know somebody from my own race, was supposed to be my sponsor. I was told, if you do this project for me, this would be your case for going up the ladder. Eighteen months later, with good reviews from the client, I approach my manager to speak about preparing the business case. Lo and behold, he says oh, what's the hurry? I was completely dumbfounded. What do you mean, what's the hurry? It's 18 months. And we talked about it, this was going to be my business case. I've proven myself. Oh, no, he said, you know, girls your age, you should be thinking about settling down. I was 26 at that point! So he said, I know you're here to prove yourself. But remember, you don't have to do that. Think about settling now. And as somebody from the same race and from your culture, I'm telling you, that's the right thing to do. So he retreated from the deal under the premise of 'I am looking out for you'. **Participant 33**

Overt/covert racism

Experiences of racism were referred to in most of the interviews in some way. Some participants were very clear that they had been on the receiving end of both subtle and overt racist comments or actions at some stage in their lives, and they discussed the impact this had had on their behaviour in the workplace. Others were equally explicit about the fact that they had not experienced racism.

"I don't want to be made to feel like I've been given a job because I'm a Black woman in [my field]. I want to be made to feel like I've got the job because I applied for it and I bring the required level of expertise."

17 Government Equalities Office, 2010, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/85014/positive-action-recruitment.pdf

One participant explained how he had reflected on his career in preparation for the interview and was only now questioning his own experience of seeing others progress while he plateaued for a time.

I didn't witness any moments of racism but at the same time, I also didn't get any promotions for a while when I was seeing colleagues next to me who were being promoted, but it never really occurred to me at the time that this was because of my ethnicity. So that just led to me working harder as I thought I just wasn't good enough. I was discussing it with my wife, and she was saying "Well, why are you being held back?" and we talked about it over the weekend, and not once did we ever say "Oh, was it because of your ethnic background", we talked about that "Oh, maybe you don't fit in" and things like that. **Participant 23**

These examples and others relating to missing out on promotion highlight the need for transparency in decision-making and promotion criteria.

The quotes below explain how ongoing, mostly invisible, shadow processes have a 'filtering' effect that can ultimately lead to differential outcomes for under-represented and minority ethnic people.

In recent years, definitely, there are some instances when you think, how come there are opportunities that my peers have, and I don't, even though we work just as hard as each other, or if not, in some cases, I've kind of worked really, really hard at something that's really high profile, but somehow my peers get the exposure as a matter of their everyday work, whereas I've had to fight tooth and nail and still not get anything. So, it's not necessarily that I've been explicitly excluded. But when you kind of think about it, how does that stack up exactly? **Participant 41**

I don't sense that there is an explicit or active reason to keep people out. I think it is those soft and smaller factors. ... The trouble is, when you make decisions based on relatively arbitrary criteria, and then you give all of the training and support to one group of people, the only outcome is that group of people will go on to become more successful than the ones who didn't get that. And I think that filtering, and that is what is happening, and therefore, industry-wide, we have to be more proactive about trying to compensate for that filtering. Because I think you have to recognise that people who come from minority ethnic backgrounds get less support outside, and therefore we have to try and find ways to provide it. **Participant 46**

"Otherness"

Participants who grew up in the UK talked more than international colleagues about a sense of "otherness", showing an underlying concern or anxiety which affected the choices available to them, and the decisions they made. For example, one person spoke about the constant worry of rejection because of being different:

You're always wondering will somebody accept you, and you are always having to slightly change who you are, you can't really convey your true self in these environments. Because if I'm really honest, you know, when I submitted a job application, at the very beginning of my career, I used to wonder when I put down my name, would I just get my CV thrown in the bin. **Participant 38**

Similarly, one person explained how they had grown up in their own integrated community, surrounded by other immigrants, and so feeling confident in that familiar environment. The sense of difference became salient to them when they began work, describing it as alien, and pointing out, "There was nobody who looked like me and talked like me".

Participants also shared stories of 'banter', supposedly inoffensive and/or humorous remarks which heightened their awareness of their ethnicity. For example, one board director (born, educated and working in the UK) recounted a recent conversation with a search consultant who told him, "So you're kind of British, but you've just got a bit more melanin". On another occasion he turned up to an informal networking event, to be greeted with the comment, "Oh, I didn't realise Rishi Sunak was joining us for lunch" and much laughter by the other (White) attendees. Participants explained their mixed reaction in the moment to such comments; on the one hand an element of surprise that these comments are still made in the professional environment in 2022, and were somehow thought to be acceptable, and yet also being resigned to this highlighting of their ethnicity, a very overt reminder: "You are different".

Hypervisibility and invisibility

Several board directors and senior managers talked about a sense of being constantly observed and monitored, as if there was almost an expectation that they may not deliver to the expected levels. One woman explained how she felt that she was not part of the "in-group" and had to prove herself beyond what was needed for others from majority backgrounds, who were more likely to be given "the benefit of the doubt".

The women at board director and senior manager levels also wondered if such excessive scrutiny was associated with an assumption that they were out of their depth in some way, because of their minority status (in terms of both gender and race/ethnicity). They felt there was an additional pressure to constantly demonstrate their ability and competence, and to prove themselves, beyond what might be expected of the White (male) majority.

You are in the minority, and I believe that there's still more of a different scrutiny, additional scrutiny that is on you in terms of, will you be able to handle all this? One of the questions that I always find annoying as much as I marvel at it, is that the first question that well-meaning people would ask is, "How are you coping?" You know, because it's kind of, "You've got so much on your plate" and I keep on thinking, but I've got so much on my plate like

"You're always wondering will somebody accept you, and you are always having to slightly change who you are, you can't really convey your true self in these environments."

"You are in the minority, and I believe that there's still more of a different scrutiny, additional scrutiny that is on you..."

my peers at this level. So how am I coping? I'm coping very well. I manage my time and do this, I delegate and work with colleagues, I collaborate.

Participant 37

Other participants talked about hypervisibility because of their ethnicity and their role; several are the only senior person of colour in their organisations and so feel that they always stand out, because of their seniority and ethnicity combined.

I think in many respects, many of the people I grew up with were just hypervisible. And therefore, I think I was prepared for that in some respects. It's one of these things where at the end of the week, you're exhausted, you know, you're tired, and you need points to recharge, you need moments of actually being hyperinvisible, at least I do, the hollowness of being invisible, where I can just retreat within myself, within my family. **Participant 52**

Senior managers shared similar experiences of being the only person from their ethnic group in their department, and also linked this to self-identification and participation in company surveys and questionnaires. They felt that anonymity in such instances was impossible because of their personal characteristics.

Individual strategies for overcoming challenges

Having discussed the platform provided by BLM and the barriers to senior-level positions reported by our participants, we discuss five main themes for the individual strategies used by board directors and senior managers to overcome the barriers they encountered:

- Assimilation
- Playing the game
- Celebrating one's difference
- Paying it forward
- Creating one's own brand

To overcome, and thrive, participants discussed assimilating, or doing one's best to blend in and minimise the perceived difference. Secondly, they talked of finding ways to 'play the game', or demonstrate their value under the additional scrutiny they faced. This often involved putting themselves forward and constantly seeking more, reminding their bosses of their potential so they did not go unnoticed when high profile opportunities arose. Some of the women participants spoke of using their visibility as a woman of colour to their advantage or celebrating their difference. The board directors also talked about the, often recent, realisation of a responsibility to 'pay it forward' – to contribute towards change for the benefit of those lower down the organisational hierarchy. Networking and developing one's own brand represented the final strategy referred to by individual participants.



Assimilation

Assimilation involves the display of behaviour patterns that reflect the norms of the dominant culture within the organisations, normally those of White masculinity. Participants talked of adjusting their style of dress and hair, and taking up, or showing an interest in, hobbies and leisure pursuits. All this was done because of a need to fit in, and to seek acceptance by the majority in some way.

If I look back on my life and career, and this is really relevant to overcoming barriers, I would say, you know, and probably most people who are the children of first-generation immigrants would recognise this, I feel like you spend your time searching for acceptance and seeking how to fit in. ... It sort of reinforced that sense of needing to somehow assimilate and fit in and not be different in that way. **Participant 38**

Again, intersectionality is important here, with the women talking about the challenge of having to adapt their behaviour to fit in with a male drinking culture, which may be particularly alien given the norms of their ethnic culture. For example, one woman explained that she adopted an alter ego in the pub, “behaving just as badly as the boys, if not worse.” She observed her male peers’ behaviour, and the connections they were able to make in a social setting and determined that this was a necessary strategy for her from time to time: to act up, in order to build good relationships and develop contacts.

Assimilation was evident in relation to age and socio-economic status, as well as gender and race/ethnicity. For example, some board directors and senior managers talked about coming from a working-class background combined with an ethnic culture where education was highly valued. At school, it was described as safer to “blend in” and not be noticed as “different”. Participants commented on the complexity of the paradox of sameness and difference throughout their lives and careers, adjusting their behaviour or dress/appearance in order to feel that they were “just like everyone else”, and in so doing, they “warranted membership of the [majority’s] club”.

One participant reflected on his experience of progressing to a senior role, and only then gaining the confidence to act more authentically.

I actually deliberately hid that sort of, like the ethnic part of myself, to make me an easier sell, I guess, to others. ... Then I came into [this senior role] with a lot more confidence than I had previously. And that has allowed me to be, I’m much more myself, I have to say, at work than I ever have been before. I think I’m just much more me. And I think others must feel this as well. And I’m fortunate that I’m in position that I can be myself, but I’m sure others are not. **Participant 46**

Playing the game

This was a strong theme in our data, with participants giving many examples of strategies used to overcome challenges by ensuring high performance, often

“I feel like you spend your time searching for acceptance and seeking how to fit in. ... It sort of reinforced that sense of needing to somehow assimilate and fit in and not be different in that way.”

considering that they had to over-perform in various ways and prove their value in comparison to colleagues from the majority group. These individual strategies were often related to addressing structural issues faced within their organisations, such as lack of transparency in promotion processes. It is important to note that adjusting one's own behaviour to reflect the 'rules of the game' requires a level of energy similar to the effort needed to assimilate, as discussed above.

I was really excited about being a portfolio NED because I can learn rules for new environments. We all can, but especially minorities and women; you can all learn the way the game is played and although it can be uncomfortable at times, you can play it and even thrive in that environment. But it is chaotic because I can't tell what rules are supposed to apply at any given time and it is not something I have access to. **Participant 21**

Within the main theme of 'playing the game', we identified two sub-themes of career planning, and putting oneself forward.

Career planning

Perhaps it is to be expected that successful individuals who have reached senior levels will discuss the importance of career planning, and the board directors and senior managers gave many examples of using this strategy in their career progression. However, it is a particularly important finding in this study because the interviewees often connected the use of this strategy to their recognised minority status. For example, one participant clearly articulated the cumulative effect of the "tiny" decisions made over many years which contribute to a narrower range of options over time. Given the biases and discrimination faced, therefore, resulting in fewer opportunities; this theme was described as having a greater cumulative effect for those from minority ethnic backgrounds.

Participants talked about being the best they could be, and ensuring they always met or exceeded standards of performance and targets. The women participants in the sample were particularly cognizant of their gender as they described their career paths and overcoming some of the many subtle challenges, they faced in being seen as competent professionals. For example, this woman talked about the lack of role models and the need to be confident in one's own performance, again emphasising the need to prove oneself.

In the organisation I am in, being female is great. But if I look around, I don't see many people of my colour proceeding to a particular level. There are times when I'm put in front of people because I speak up. I present a lot so I'll get to places and I will use that. However, it's all political, all strategic. ... It's about performance. It's about working well; for me talking too much about it doesn't achieve anything. Work, work with it, try and be the best you can. And by being the best you can, no one can argue with that and you find that then it aligns perfectly. **Participant 10**

"In the organisation I am in, being female is great. But if I look around, I don't see many people of my colour proceeding to a particular level"

Although some participants described their career as being relatively traditional in terms of leaving university and joining an organisation's graduate training programme, and then taking hierarchical steps through various organisations, others talked about the different career paths they had taken. Recognising the varying experiences of individuals from different backgrounds is particularly important here. One participant explained his observations about his own career, and those of other Black people, referring to "zig-zag careers" which may involve moving out of corporate roles into entrepreneurial opportunities, and back again, in order to keep progressing and developing. This results in a less traditional career path which may be viewed more cautiously by those recruiting to senior positions. However, such careers should not be overlooked: embracing different career paths is more likely to enhance discussion and decision-making at senior levels by considering potential outcomes and issues that may not have been aired by those who take traditional routes to the top.

Putting oneself forward

The second element of the theme 'playing the game' represents the reflections of participants on in-group/out-group dynamics; and how those dynamics can sustain privilege and disadvantage in terms of invisibility, access to, and distance from decision makers. Participants talked of their strategies to ensure that they were seen and known by key stakeholders in their environments. This related to practices such as seeking opportunities to grow/develop, or showing interest in a particular assignment, and capitalising on those informal mechanisms.

For example, this person commented when thinking about his career planning:

And in hindsight now, when I talk to people in my position on what you need to be doing in an investor meeting, you need to tell him, I want to sit with you and sit in front of an investor or an analyst, you need to be present, attending the audit committee, attending the key meetings, not just preparing the material. I was preparing all the material and giving it to someone else, and they would present it. So I wasn't pushy or punchy enough. And in hindsight, if I could do it again, I absolutely would have been doing that, saying, I want to be in this session, I want to get this exposure. These are the things that I need to be doing [to get that executive role]. **Participant 5**

The following quote illustrates the need to play the game that others are already playing, and to use personal connections if the opportunity arises.

What I also see is people taking advantage outside of the kind of procedures that we're talking about. So, my view is, why wouldn't you because it happens anyway. Contracts, roles are filled on the basis of, you know, who knows who, who knows someone and recommendations and connections more so as you go kind of up the pipeline. So that my view is do take advantage of those when they happen. **Participant 7**

Having belief in one's own competence and expertise was described as essential in order to build reputation and personal credibility, and to facilitate one's own ability to "capture the opportunity". This might involve, as in the quote below, seeking out opportunities for new responsibilities and gaining different expertise.

What I had to do at all times in that organisation was to remind my bosses that I was interested in more because it wasn't assumed that I was interested in career progression. I had to actually just keep saying it to my boss for six, seven years, "I've done this I can do more, give me more, give me more." I saw other bosses explicitly sponsoring people, like the sons of friends, very bright people who were on the list of potential. And so the difference for me was, I would say to anybody who would listen, I would say, you know, this is what I've done. This is what I'd like to do; at all times I had to do that. **Participant 26**

Celebrating one's difference

This theme is one that emerged from the interviews with women in particular, and probably speaks to the intersection of race and gender. Both women and men spoke of assimilating, and trying to fit in to the team, the organisation, the culture; but some of the women also talked about how they used their visibility as a woman of colour to their advantage.

My minority status is my superpower, that is how I describe it because I'm memorable, there is just one me, they may not remember all names but they will remember mine – and so I have never felt throughout my career that it has been a limiting factor, it has always been my superpower because being the only, having technical competence, industry knowledge and strategic views meant that I could hold my own in any room I walked into and so people just remembered me. **Participant 26**

A few of the men talked of the realisation that had come to them that they no longer needed to assimilate, to fit in. They had reached a level of seniority where they felt more confident that others saw the tremendous contributions they bring to the role, and so there was no longer the same pressure to hide elements of their heritage and in fact they could be celebrating it.

When I spoke earlier about that sort of 'imposter syndrome' or hiding my roots to try and be more inclusive if you like with my other colleagues and my bosses, I suddenly saw somebody who was a leader talking about their background and being proud of it, and it suddenly dawned on me that actually, I have a very rich background and heritage culturally and so it sort of flipped my thinking. **Participant 23**

"What I had to do at all times in that organisation was to remind my bosses that I was interested in more because it wasn't assumed that I was interested in career progression."

Pay it forward

Related to the theme above of celebrating one's heritage and one's difference, several participants also talked of the responsibility of capitalising on their current opportunities in order to create change for the benefit of those who are coming behind them.

I think that the wider network that you have to interact with as a member of a board like [name of organisation], is still predominantly White upper-class. So, where I've got to penetrate is our institutional shareholders. I've got to forge relationships with them, and make them you know, look at me differently. I applaud what's happening to get even more ethnic representation. It's so long overdue, and I think about my children who are just entering the world of work and what their experiences will be. But I've never been more aware of being Black than I am now. And I would say in my earlier career, it wasn't a thought, it was just, get on and get promoted, get paid and, you know, have a good time. But I'm made aware of it. **Participant 28**

Others talked of the lengths they have gone to over many years to avoid drawing any attention to their ethnicity and spoke almost with some relief about the opportunity to be their authentic selves, and also to encourage and support younger people.

I remember, a performance coach said to me a few years ago, you're almost leading a double life, between your home life and your work. Now, I would say that the BLM piece has increased recognition of this. And one thing, it has made me realise how important it is that I use the lucky situation that I find myself in to make sure that I just put myself out there as much as I can if it will encourage a few more kids to consider this as a career. Because I think role models are an enormous thing. I think the conversation has become a lot more open and enabled through what's happened to George Floyd, but I think personally, the big change is this person has made me realise that I have a really important duty, frankly, to be more visible or open. **Participant 46**

Others have perhaps been more outspoken throughout their careers, sometimes to their detriment; but still believing that others should benefit from them pursuing the fight and supporting the changes being made.

What I found, especially in my case, is that when you stand up for what you believe in, you're either moved elsewhere, or you're let go and the problem is not resolved. The only difference for a person like me is, I will speak up. I don't shout as it doesn't achieve anything, but I will speak up and make sure that if nothing else, the people who come after me will benefit in some way from whatever experience I had gone through. **Participant 10**

One person at board level added a cautionary note against involvement with the D&I committee too early. He talked of the need to establish credibility in other areas, in order to avoid confirming any possible biases on the part of other board members that they were there because of their ethnicity.

"I remember, a performance coach said to me a few years ago, you're almost leading a double life, between your home life and your work."

"I will speak up and make sure that if nothing else, the people who come after me will benefit in some way from whatever experience I had gone through."

Creating one's own brand

The importance of being well known within one's current organisation, and recognised for delivering excellence in one's role, was noted as essential for career progression; and the board directors and senior managers shared their experiences of developing expertise and becoming known as a high performer.

Obviously, you have to be excellent at your job, the technical capability, but I think you also need to be well networked. You know, you need to know how the organisation works. You need to have an ability to look across the organisation and be well networked within it. I think that's really, really important. And I think it's becoming even more important to also bring outside experience and best practices into the organisation. **Participant 52**

Most of the board directors and senior managers talked of networking as an important strategy for overcoming some of the barriers faced, particularly in relation to being overlooked. Many gave examples of joining networks, or of deliberate strategies to meet new people within their profession, or of broadening their circle in some way. A few talked of setting up networks, particularly for colleagues from a range of minority ethnic backgrounds.

This is another thing I encourage women to do. You need to get out of your comfort zone, and it is okay to network within the organisation, it is great to do that but the best networks and support are actually outside of your organisation because you get that psychological safety from those conversations and they give you objective views and they don't have a vested interest and so it is better to have both internal and external networks. **Participant 26**

Some participants pointed out the challenges of networking, even when recognising the benefits. It was described as time consuming and also an uncomfortable but necessary means of overcoming some of the challenges faced in career progression; particularly in terms of learning from others, identifying role models as a means of working towards one's own aspirations. The distinction between formal and informal networks was highlighted.

I think my networks have helped – and these are not necessarily board roles, these are recommendations that come through consulting or speaking engagements from people who have worked with me in the past, so those sorts of external networks. When I was working, I didn't really have time for working those networks or going to network events or anything like that, my head was down and I was focusing on what I was doing, working full time. **Participant 36**



Organisational practices acknowledged in overcoming challenges

In addition to individual agency, it is essential to understand good practice developed by organisations to support the development and progression of under-represented groups in the pipeline and in reaching senior leadership positions. Many of the board directors and senior managers noted how D&I was a much more visible part of organisational strategy than it had been previously, and now retained its importance on the strategic agenda. Respondents shared their experiences of engaging with organisational practices which they have found to be beneficial in overcoming career challenges. Several spoke highly of the different ways in which their organisation was breaking down barriers and accelerating the rate of change in this area, and there was no sense of complacency.

Apart from the need to maintain a focus on the D&I agenda at all levels, and acknowledging some successes, particularly at entry level, there is still a significant challenge in supporting the pipeline through to higher levels of organisations, and often a particular challenge at middle management level. The HR/D&I directors all emphasised the essential need to take a strategic approach to ensure change happens across the organisation in all parts of the business.

Four themes were identified here:

- Recruitment-related practices
- Facilitation of professional relationships
- Developmental opportunities
- Role of executive search consultants

Interviewees at all levels described recruitment-related practices, including more diverse interview panels, advertising to target under-represented groups, and using a wider range of recruitment agencies for roles throughout the organisation. Facilitating professional relationships involved networking, mentoring schemes, and sponsoring, as well as senior leaders working actively as champions and allies. Regarding developmental opportunities, targets were regarded as essential to facilitate progression of the talent pipeline, accompanied by monitoring and accountability. This included having explicit organisational success criteria related to the attendance of individuals on development programmes and managing expectations of possible outcomes. Finally, the role of search consultants in identifying candidates from minority ethnic backgrounds, particularly in working with chairs and other board members was raised. Expanding search criteria to include those with less traditional careers involves attention to the language used in candidate briefs, and ensuring similar expectations from all; rather than minority candidates having to demonstrate more skills and expertise than those from the majority.

Recruitment-related practices

Participants reported a number of recruitment initiatives. One practice which has become more common recently is ensuring diverse representation on interview panels, and some colleagues had themselves been involved as a panel member, although one pointed out that it can be extremely time consuming when there are so few senior people themselves from minority ethnic backgrounds. Several of the senior managers talked of their own involvement in initiatives relating to D&I. For example, one person explained a scheme to attract students from less privileged socio-economic backgrounds into apprenticeships or internships, something that was also highlighted by HR/D&I directors. There was a notable emphasis on ensuring a diverse pool of applicants at all levels, as organisations are very clear of the need to ensure there is a diverse pipeline. This was linked in some cases to the need to distinguish between different ethnic groups in order, as explained here:

If I look at our Black pipeline, it is totally limited and when I talk to Black colleagues, they say to me that the issue is not about once you are in getting on, the issue is about getting in in the first place because you mix in circles and don't understand how corporates work and you don't naturally feel comfortable with the kind of style or the way things are done and so therefore, you almost get rejected before you have even had the opportunity to get a foot in the door. **Participant 19**

"If I look at our Black pipeline, it is totally limited..."

Several examples were given of using a wider range of recruitment agencies, providing a clear mandate for greater diversity on shortlists, and using social media as a key element when recruiting entry level candidates into the organisation.

For board level appointments, organisations have been reviewing their relationships with search consultants, including engaging with new firms and challenging them to achieve greater success in attracting candidates from a wider range of backgrounds. Some participants talked of working with firms who specialise in engaging with potential candidates from different ethnic backgrounds. Widening the talent pool remains a key objective, while accepting that specific industry experience is no longer always seen as essential, facilitating the consideration of a greater number of candidates with relevant functional or regional experience, who are therefore likely to have a wider, diverse range of backgrounds. Executive search consultants also commented on recognising the less traditional career paths which potential candidates from under-represented groups may have had. As one person explained:

If potential candidates are not coming up through the FTSE 350s, then let's not look there. I had a hunch that the public sector, the voluntary sector and the SME community were better at progressing diverse talent than the FTSE 350. **Participant 20**

The concept of meritocracy was raised, with the suggestion that it is not a helpful concept in increasing career opportunities for those from minority ethnic backgrounds.

I think we should drop the “we always hire the best candidate”. I think it’s a charade. And the, I mean, okay, D&I exercise aside, partly how I explain it is, when I’m building a portfolio, when I’m buying an investment, I say what I need from this specific investment, and that’s what matters. Not that this in itself is better than all the others. This is what I need it to do in my portfolio. That’s how it needs to be with talent, not one to one the best talent but I need to build a balanced whole. If I’m lacking diversity, that’s what I need to recruit.

Participant 3

Another participant referred to the “best person for the job” from a different viewpoint:

I think some are great and some have to be really challenged to do that because it is often too easy to go to the known people and I think this is true for women as well – I’m sure that someone doesn’t want to be appointed to a role just because they are a woman or from an ethnic minority, they want to be there because they are the best person for the job but on the other hand, if they don’t get exposed to the opportunities coming up, then they are never going to be the best person for the job. **Participant 47**

Although many of the participants talked about being overlooked for promotions, a number talked about not considering their ethnicity (or gender) as relevant in the workplace for most of their career; and being very clear that they were offered promotions and new jobs because of their skills and expertise.

When I think about, you know, the opportunities, one of the roles where I accelerated quite quickly, I had an amazing line manager, who just, it helps that we got along on a personal level, obviously, but she gave me a lot more autonomy, she gave me like, kind of really big, chunky, high-profile pieces of work. Obviously, there’s a period of proving yourself first and before I worked for her, I had already built a bit of a reputation to fit upon being reliable and not kind of dropping the ball. **Participant 41**

There were many examples given of being recognised as an excellent performer, leading to increasing career opportunities and progression, and dispelling the myth of the limited binary choice between merit or diversity.

They were just interested in whether I was going to be good for business and it was very tangible when that happened. **Participant 35**

“...they want to be there because they are the best person for the job but on the other hand, if they don’t get exposed to the opportunities coming up, then they are never going to be the best person for the job.”

Facilitation of professional relationships

Organisations focus in a number of ways on facilitating professional relationships between senior leaders and those throughout the organisation. The ability to be oneself in the workplace has been discussed above in relation to an individual's own actions. Several participants also gave credit to managers and other work colleagues in senior positions who have offered positive comments, advice, access to information, recommendations to other stakeholders and other similar inclusive behaviour; which has been welcomed and valued in gaining access to and capitalising on career opportunities open to majority ethnic colleagues.

In addition to supportive line managers, there were many examples given of successful relationships with more senior colleagues. Although some talked specifically of formal mentoring schemes experienced during their career, the board directors and senior managers made little distinction between sponsors, mentors, champions and allies. Whichever term they used, the participants explained the benefits of having someone in a more senior position, who was a trusted and respected ally, challenge them to push themselves.

I think he was the one who gave me confidence in my social network; he said, "You know, you have a lot of capabilities and a lot of skills and a lot of senior people ask about why you don't get promoted" – and I got a lot of insight, investment, training and coaching from him in terms of how to talk to people and how to talk in executive environments. **Participant 51**

I had inspirational, but very supportive, and frankly very challenging in some instances, leaders and managers. I had coaching opportunities, I had mentoring opportunities, both of which probably were the key interventions. ... There were these mentors and sponsors effectively saying, "Well, why not? What's holding you back? What is it that you want, what will this give you and how do you want to build from here?" **Participant 14**

Participants appreciated the belief that board directors had in them, in terms of offering support and recommending them for opportunities. One person reflected on the stereotype of someone from a minority ethnic background being considered a potential risk, and therefore seeing someone in a leadership position as taking a risk when actively supporting them and providing them with opportunities:

From all the opportunities I had, I'd say, it's as much as 50% my own hard work and support, and working with others, the other 50% has been around my sponsors and champions, and mentors, who at the right stage of my career, I was given those breaks and also, they will be prepared to take on the risk, the so-called risk of taking me and give me a stretch assignment. It's absolutely crucial. **Participant 37**

"...I'd say, it's as much as 50% my own hard work and support, and working with others, the other 50% has been around my sponsors and champions, and mentors."

Company policies were acknowledged as important in contributing to a more inclusive culture, offering clear routes for career progression. However, some colleagues expressed concern about the need to continually monitor the informal aspects of an internal job market, to ensure that unconscious bias does not undermine the positive intent of the policy aims. As one senior manager discussed:

I do think in terms of internal mobility for our company in particular, it's a lot about networking and getting to know other departments. And by the time an internal role is posted on the intranet, if you weren't already speaking to the hiring manager, basically, you're already behind, and it's quite difficult to move without setting up those relationships. ... So, I would say that I've not found it difficult to move up within my department. But if I was to try and then move further out, I think I would struggle as a result of not being able to sort of make connections as easily. **Participant 29**

Several of the HR/D&I directors also emphasised the importance of networks, acknowledging the challenges that may be experienced by some colleagues from minority ethnic backgrounds in terms of breaking into those networks in the first place. This links to the individual strategy described above of 'paying it forward' and accepting the responsibility to introduce colleagues and provide access.

I think there are some challenges for people from ethnic minorities to get involved in and to feel comfortable in networks where they might become visible and, in that context, I think it is really great when you see organisations like the IWF (International Women's Forum) embracing women from very diverse backgrounds and experiences; and I think it is very important that those of us who are in these networks identify others and help to involve them in networks because that is an important place for visibility. **Participant 47**

Participants from all three groups – chairs, HR/D&I directors, and executive search consultants – talked about some of the many collaborative initiatives and programmes introduced in recent years to widen networks to include those who have previously been under-represented. A number of cross-industry formal mentoring schemes were described as providing an important mechanism for facilitating the progression of talent from a range of minority ethnic backgrounds.

The HR/D&I directors shared examples of working to ensure a more robust pipeline in terms of greater diversity at all organisational levels. Employee resource groups were described as one important mechanism for providing a platform to give voice to the employees; and as being linked to the post-BLM meetings which led to senior leaders actually listening to their experiences. For example, one participant explained how they were developing understanding of the needs of employees from different ethnic backgrounds:

"I think it is very important that those of us who are in these networks identify others and help to involve them in networks..."

[We see it as] leaning into the issues as opposed to having a solution to it all and then allowing the people who are kind of feeling it day to day to have a voice so that they can then lead those changes, rather than us saying this is the answer, and if we do this, this would happen because I don't think we know enough to say we have the answer. **Participant 19**

Reverse mentoring continues to have a big impact on senior leaders, as one means of enabling them to develop a greater understanding of what makes people feel comfortable in the workplace, and able to behave naturally rather than having to assimilate (one of the individual strategies referred to above by board directors and senior managers). Although several participants at different levels (board directors, senior managers, chairs, HR/D&I directors) mentioned role models during the interviews, there was little indication of how they can be used practically and successfully at an organisational level. This relates to the complexity of the individual strategies outlined above, where people are working hard to fit in or assimilate, and having reached a senior position, are recognising a responsibility to pay it forward; but also want to be clear that they are in that role because of their skills and expertise, rather than their ethnicity. So, they face the ongoing dilemma of blending in or standing out. One person commented:

We don't do enough to celebrate role models. And if there were role models who came forward, and say it is possible to have a career path, we can say here's a role model and it will give the emerging talent and pipeline the confidence to say this is possible. **Participant 18**

Developmental opportunities

Various development opportunities were discussed in some depth, including formal programmes, mentoring schemes, networking, and also performance management and promotion criteria. Underpinning all of these initiatives was the need for monitoring the outcomes and setting clear targets. As one participant explained:

Set targets and then drive those targets into your performance management system as you do with all other business metrics. There's a diversity and inclusion component to our non-financial metrics that our CEO and executive directors are held accountable to every year, ... and our investors are saying 'how are you doing this?' **Participant 30**

This theme was prevalent in interviews with chairs and HR/D&I directors, and was emphasised as an essential aspect of ensuring change in the career progression of individuals from minority ethnic backgrounds. Some of the chairs, HR/D&I directors, and executive search consultants also talked about their experience of a reluctance to openly discuss intersectionality when considering board appointments; such a reluctance can itself contribute to a continuing lack of individuals from minority ethnic backgrounds. Participants from all groups pointed out that there remains a need for greater awareness and understanding of the concept of intersectionality. This was mentioned particularly in relation to

“There's a diversity and inclusion component to our non-financial metrics that our CEO and executive directors are held accountable to every year...”

the huge increase in gender initiatives within organisations over the last 25 years, which has arguably benefited White women rather than all women. Discussions involved consideration of how learning from work on increasing gender parity has been used to tackle the issue of racial inequity, and the integrated approach to addressing the under-representation of people across all protected characteristics.

Some talked about the huge effort being put into building trust amongst employees in order to gather accurate data and encourage the vast majority of the workforce to self-identify in terms of ethnicity (and other diversity dimensions). They recognised the resistance of some people who may feel that such data has in the past been used against them.

Talent management programmes were described as important elements of the overall approach to ensuring greater representation of minority ethnic individuals at senior levels. Many of the board directors and senior managers expressed their appreciation of the formal opportunities they had been able to access over the years, often crediting supportive line managers, and this had enabled them to develop relevant skills obtain broader experiences and progress their career. However, there was often a caveat that such opportunities had been in some organisations only, and very definitely not in all the companies they had worked for.

Some experiences of development were self-initiated by individuals, driven by a desire for personal growth and to equip themselves more fully for future opportunities. However, some felt that they almost became over-qualified, attending numerous programmes and acquiring new skills, and yet not being successful in securing a new position or a place on that high profile project.

You are getting all of this training and all of this stuff but there is nowhere to go. You can't use it, you are going on this training course here, and that training course there, and you are put on this talent management programme and then what happens is, eventually, you become frustrated and then you are rich pickings for the competition because you have done all of this training, but you haven't ascended the career ladder. **Participant 36**

Managing expectations around what may happen subsequent to development programmes is essential, and an area discussed by the HR/D&I directors. They were working on ensuring that targeted objectives and clear success criteria are introduced alongside any initiatives to support talent management. In addition, they talked of the need to ensure stretch assignments or promotion opportunities follow on from development, with transparency of promotion criteria. A further link was made to performance management, requiring a greater emphasis on data monitoring to understand what is happening at all levels throughout the organisation.

I'm still feeling that we're not prepared to be radical enough, to be equitable, in terms of how we create opportunities for people to progress. ... I think that we've got to build in processes where we scrutinise much more progression, retention, with data and with accountability, so that we have a much better understanding of what line managers are doing day to day. **Participant 1**

The issue of bias was discussed, awareness that it exists, up and down, and throughout the organisation, and therefore needs to be explored to understand why it exists and provide training and time to remove it. HR/D&I directors talked of aiming for an integrated approach that links inclusion to the values of the organisation, embedding it into processes, and it is clear that organisations are at different stages in achieving this.

And then we also incorporated some of the values, putting a set of competencies around them in order to champion inclusive behaviours, and then we put those in the performance management process, you know, so the exec team have done a lot of work on getting the metrics and the processes that will fill people's awareness of it, and that will build it into recruitment processes, and retention processes and performance management processes. **Participant 2**

Role of executive search consultants

Participants at all levels talked about the role of search consultants when an organisation considers its overall approach to improving the recruitment, retention and progression to senior leadership positions of people from minority ethnic backgrounds. As well as ensuring a wider talent pool of candidates, as discussed above, search firms and chairs should take the opportunity to consider how they work together in ensuring the recruitment process and transition to the board works to the advantage of candidates.

One of the challenges identified related to awareness of opportunities, by potential candidates, chairs and search firms. Despite the many initiatives discussed by executive search consultants, some board directors talked about how difficult they found it to make the necessary connections with search firms, in order to make themselves known as someone who was a viable candidate for a board position.

I became a commercial NED despite the head-hunting fraternity not because of it. **Participant 35**

One person with extensive work experience in a country outside the UK explained how they travelled back to visit ex-colleagues, asking for introductions to executive search firms:

Through those introductions I was able to get to know some different head-hunters and purposely build a relationship with them, and then I asked the head-hunters to recommend me to their UK colleagues. It was the only way I could get that step in the door and be taken seriously here in the UK. But it was exhausting, travelling back and forth to build those relationships. **Participant 49**

"I'm still feeling that we're not prepared to be radical enough, to be equitable, in terms of how we create opportunities for people to progress..."

Broadening the network between chairs and potential candidates was also discussed, with a view to increasing the pool of people who are known. In particular, participants spoke about getting to know candidates who are not yet ready for a board position but may be in the foreseeable future. Various initiatives exist to support this group, as explained here:

Some of the search firms run excellent networking events, events like a dinner with FTSE 100 chairs, for instance. ... When the chairs can actually get to know you in a social context, I think it's easier on both sides. So, I think we just need to think more about it, because that would have the effect of accelerating the network. **Participant 28**

Similarly, a search consultant shared an example of working with a company to arrange a networking event for their board members, and talent currently two levels below the board, as a means of informing potential future candidates about what chairs and chief executives are looking for; and giving them an idea of what a first non-executive director role might look like.

Some board directors explicitly pointed out that they had found search firms to be very important in successfully finding a board position, and then facilitating their smooth transition on to the board.

They were very intentional in how the on-boarding went through; making sure I had time in everyone's diary as often as I needed and access to whatever I needed and there was always someone checking in and making sure I was okay. **Participant 26**

Search consultants talked about the importance of a robust and inclusive process in terms of interviews and the assessment of skills. As search consultants, they then need to insist on receiving comprehensive and actionable feedback when a candidate is rejected, something which they do regardless of the demographics of a candidate. However, they stressed that along with having to provide more data to prove the suitability of a candidate from an under-represented group, they equally had to be more insistent about specific comments which were actionable and would therefore enable the candidate to learn from a rejection and understand why they had not been successful.

One of the boards gave feedback about an unsuccessful candidate using the word 'fit', and I just will not allow them to do it or get away with it. I think the word is overused and wrong because if you are going to get diversity, it will not 'fit', it will feel uncomfortable. **Participant 20**

Search consultants gave several examples of how they are widening their search for candidates from minority ethnic backgrounds, such as recognising the less traditional career paths which such potential candidates may have had.

“One of the boards gave feedback about an unsuccessful candidate using the word ‘fit’, and I just will not allow them to do it or get away with it.”

At a more individually targeted level, effort is required to ensure that candidate briefs are more attractive to a diverse range of individuals, so candidates will see the positions as relevant to them, and something for which they can apply and be successful. The search consultants in particular talked of minority ethnic senior talent typically having less 'traditional' career paths, and as a consequence, being perceived as having to demonstrate higher levels of skills.

What I find most frustrating is where diverse candidates have to jump through more hoops to prove themselves. It's really frustrating because you maybe do not see that with a non-diverse candidate. **Participant 48**

The search consultants also talked about working with candidates and guiding them in terms of the preparation needed, as they do with every candidate, regardless of demographics. For example, they offer support for CV writing to showcase skills tailored to a non-executive role; and especially encourage candidates to think about the questions they would be proactive in asking in an interview, again to demonstrate their skills. Interestingly, the search consultants also talked about helping the candidates to position their ethnicity as part of their application, given the current demand for increasing ethnic diversity on boards.

There's a whole generation of people who've had to have their professional success by making their difference invisible and now you gently coach and encourage them to make that difference part of the story that they are telling about who they are. **Participant 27**

It is interesting to juxtapose this with the sensitivity of not wanting to approach candidates explicitly because of their ethnicity, (also reflecting the concern mentioned above, that chairs do not want to heighten the issue of ethnicity but to maintain a focus on skills). One consultant explained:

You have to work quite a bit with the clients on the rationale, the story, the reframing of the companies and objectives and why they want to make this hire. **Participant 27**

Both search consultants and board directors spoke about the difference between an executive director role and a non-executive director, and the shift in thinking required in order to be successful in obtaining an NED position. In explaining how they work with candidates to prepare for interviews for a board position, a search consultant explained the different approach, particularly in relation to questioning:

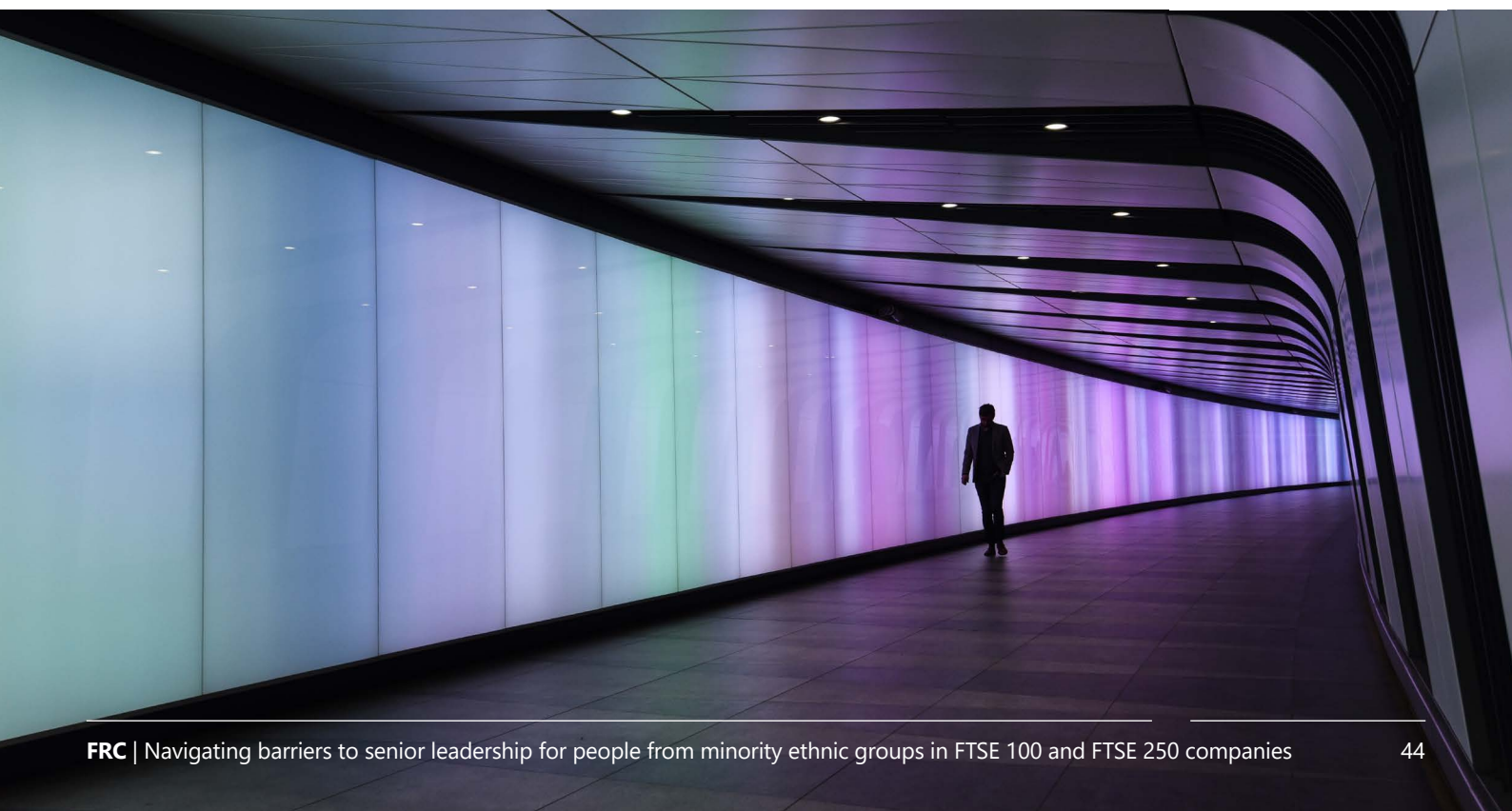
The great skill of a non-exec is asking good questions, so we encourage candidates to think about, "What are the issues facing this board?" and "If I was on that board, what questions would I be asking?" So, not what questions am I going to answer but What questions should I be asking, and that requires some confidence and that is a conversation that you tend to have around board meetings and around the board table. **Participant 20**

"What I find most frustrating is where diverse candidates have to jump through more hoops to prove themselves."

Search consultants and chairs also talked about the role of the chair in actively supporting a new appointment as they begin their role on the board. For example, a search consultant explained that they consider they have a responsibility not just in advising the candidates on their preparation, but also in guiding the chair about the requirements for facilitating the on-boarding of new board members.

Once the individual has been appointed, particularly if it's their first board appointment, really trying to set that situation up for success by getting the chair to be very thoughtful about how they are going to make sure that they chair in an inclusive way. And if it's the individual's first appointment, that they are supported so that they have, sort of appropriately intensive coaching from the chair to make sure they are getting it right. **Participant 27**

Overall, from the perspectives of senior managers and directors, the key themes contributing to barriers to progression to senior levels include being overlooked for promotion, experiencing overt and covert discrimination, "otherness" and managing hypervisibility and invisibility. The senior individuals managed these experiences and barriers with a wide spectrum of tactics – from 'blending in' through assimilation and playing the game, to 'standing out' by celebrating difference and creating one's own brand, with a focus on paying it forward, being cognisant of their senior positions. From all participants, we identified organisational practices that have an impact including recruitment-related practices, facilitation of professional relationships, offering development opportunities. Participants also reported on the role of executive search consultants in enabling relationships and offering supportive feedback and challenge to unsuccessful candidates and Nominations Committees/Boards. Next, we discuss the diversity initiatives reported by a specially sampled selection of FTSE 350 firms.



Findings from review of selected annual reports

To address the research question in relation to good practice for increasing the ethnic diversity of FTSE boards, in this section we report on findings from the annual reports of 25 FTSE 100 companies, and 38 FTSE 250 companies which have been identified in both the 2020 and 2022 Parker Reviews as using good practice in reporting on board level diversity (see 'Methods' section for details of sampling criteria).

In the table below, we report the results of the analysis on diversity initiatives for those focused on race and/or ethnicity only, unless specified. Additional results are provided in text to provide further context and commentary on the findings, including quotes taken directly from annual reports.

Type of initiative	Specific initiative	FTSE 100 (25)	FTSE 250 (38)
Targeted programmes	Talent programme	1	1
	Leadership programme	4	0
	Mentoring programme	1	1
	Reverse mentoring programme	1	1
	Sponsorship programme	2	0
Governance	D&I Lead (not race/ethnicity specific)	5	7
	Committee or taskforce	12	12
	Nominations committee (not race/ethnicity specific)	15	14
Race action plan	4	2	
Public objectives and reporting	Workforce targets	11	14
	Senior level targets	10	10
	Pay gap reporting	5	5
	Non-financial performance	1	2
Board level initiatives	Intentional recruitment (positive action)	2	2
	Executive search firm briefing	1	1
	Short- or longlists	3	0
	Consideration for diversity (race and/or ethnicity)	2	5
	Voluntary Code of Conduct	9	7

Type of initiative	Specific initiative	FTSE 100 (25)	FTSE 250 (38)
Benchmarking, external validation and charters		3	5
Data collection		3	3
Other initiatives	Manager training (not race/ethnicity specific)	13	15
	Employee resource groups/networks	7	4
	Policies (not race/ethnicity specific)	6	7

Targeted programmes

We found that many companies reported on the use of targeted programmes as diversity initiatives to address differential outcomes across racial and ethnic groups. Such initiatives include targeted talent, leadership, mentorship, sponsorship, and reverse mentoring programmes.

FTSE 100 targeted programmes

Targeted programmes to address differential outcomes across racial and ethnic groups were reported by 15 out of the 25 FTSE 100 companies. Of these, eight companies reported race-specific programmes, ten reported gender-specific programmes, and five reported targeted programmes based on broader diversity characteristics (some reported more than one of these). In relation to leadership programmes specifically, only four companies reported leadership programmes to racially diversify the company's leadership.

The following quote demonstrates a link between the company's diversity objective (to develop Black leadership talent) and their diversity initiative to help them meet this objective (a bespoke programme):

We know we need to do more to support, nurture and strengthen our diverse and inclusive culture. During 2020, we made a number of commitments such as doubling ethnic minority representation in leadership, particularly to support our Black employees and communities in the Americas. ... In the Americas, as part of the commitments we announced in 2020, we are launching a bespoke programme to develop Black leadership talent and build partnerships with organisations dedicated to supporting Black employees.

Intercontinental Hotels Group PLC



Introducing a sponsorship programme to assess the effectiveness of “sponsorship and senior level advocacy” for producing career dividends, the following quote captures how initiatives can be piloted and evaluated to create change:

Pearson operates a portfolio of accelerated learning and career development experiences targeted at the Executive pipeline. In 2020, the Global DE&I [Diversity, Equity and Inclusion] Council launched a pilot sponsorship programme for diverse talent, focusing particularly on ethnicity and gender. The pilot is designed to assess how sponsorship and senior level advocacy in the workplace can produce career dividends for protégés and for their sponsors. The model has subsequently been adopted across the company.

Pearson PLC

FTSE 250 targeted programmes

Of the 38 FTSE 250 companies, 18 reported targeted programmes as diversity initiatives, but did not directly link them to the talent pipeline. Of these, three specifically mentioned race or ethnicity. Companies reported that the majority of these programmes were designed for broader characteristics, such as ‘under-represented groups.’ Of the three programmes specifically for race or ethnicity, one was a talent programme, one was a mentoring programme, and one was a reverse mentoring programme.

As an example of good practice, the following quote highlights the company’s deeper understanding and awareness of racial inequities and intersectionality, going beyond the broader categorisation of ‘minority ethnic’ to address racial disparities for Black employees, and Black women more specifically:

Worked with BEAM (Black Employees and Allies at Man), one of our internal networks that supports our diversity agenda, as part of their mentoring programme and introduced Generating Genius on behalf of the Man Charitable Trust, with whom we ran a summer programme for Black Women in Tech.

Man Group PLC

Summary of targeted programmes

The main objective outlined by companies reporting their implementation of talent and leadership programmes is to support the development and leadership capability of high potential individuals from under-represented groups. Companies reported that mentoring programmes aim to facilitate the transfer of skills. Reverse mentoring programmes aim to increase senior leaders’ understanding of the experiences of a diverse range of colleagues, and to increase exposure of individuals from under-represented groups to senior leaders.

Across the FTSE 350, there was limited reporting on the design and content of targeted race and/or ethnicity programmes. At most, many companies reported the broad range of topics included in the programme.

Additionally, we found that many examples of reporting on targeted programmes were listed alongside other diversity and inclusion initiatives, and programmes were often not linked to specific company diversity objectives with expected outcomes. However, the following quote demonstrates good practice, linking the targeted programme to specific diversity objectives as well as capturing evidence of impact:

In 2021 we launched our mentoring sponsorship programme which matched employees from under-represented areas of the Group with an executive or senior manager for a six-month period. The programme aims to provide targeted career development support, raise visibility, and expand the network of our diverse employees. Twenty employees took part in the programme in 2021, with employees rating the pilot programme 4.2 out of 5 in terms of the impact on their career confidence and some saying it's already proving to be "more than expected".

Moneysupermarket.com Group (FTSE 250)

Key challenge and recommendation



Across the FTSE 350, there was limited reporting on the design and content of targeted race and/or ethnicity programmes. At most, many companies reported the broad range of topics included in the programme.

We recommend that companies provide further detail on the objectives, design and content of these programmes. Additionally, reporting on the outcomes, including the extent to which the programme has met its objectives, will provide important evidence for what works for diversifying the ethnic composition of senior leadership teams.

D&I governance

Governance captures the operating structure under which diversity and inclusion initiatives are introduced and overseen; it indicates how decisions are made, who by, involvement and accountability. Governance initiatives include recruitment of an individual to lead on diversity and inclusion for the business, the introduction of committees or taskforces to oversee diversity initiatives, and/or oversight of board diversity under the governance/nominations committee at board level.

FTSE 100 D&I governance

Sixteen of the 25 FTSE 100 companies reported introducing governance structures as part of the implementation of their diversity and inclusion strategies. Five companies reported recruiting individuals to lead diversity and inclusion for the business, including a chief diversity officer, diversity and inclusion director, and global diversity and inclusion lead.



Of the companies who reported the introduction of a diversity and inclusion taskforce or committee, 12 out of 25, some of these committees were introduced in response to the recent greater prominence of the Black Lives Matter movement. Additionally, other companies reported that governance of the diversity strategy continues to be provided by a previously established taskforce, suggesting that D&I governance is already well-established in these companies. The example below demonstrates how companies are introducing governance and support structures to facilitate the attainment of diversity goals:

We have developed our first D&I strategy. We recognise we still have more to do in this area, but we are committed to being an inclusive employer. ... To oversee and keep us focused on this strategy, we've created a steering group.
Land Securities Group PLC

Governance of the employee-level or leadership-level D&I strategy was attributed to the boards of three companies. Governance of D&I at board level was almost exclusively attributed to the nominations committee, which was reported by 15 of the 25 companies. In addition to oversight of diversity at board level, some companies reported the role of the nominations committee in overseeing the diversity strategy across all levels of the business.

FTSE 250 D&I governance

Fifteen of the 38 FTSE 250 companies reported governance initiatives to meet diversity objectives. Seven reported the appointment of an individual to oversee diversity and inclusion, and 12 reported the formation of steering committees or taskforces. In contrast to the FTSE 100 companies, no examples of race-specific steering committees or taskforces were identified. FTSE 250 companies were more likely to focus on broader diversity characteristics instead of being focused on one protected characteristic.

Formed an Inclusivity and Diversity Committee to ensure that the Company improves the diversity of its workforce and embeds diversity and inclusivity in everything it does.
Big Yellow Group PLC

Fourteen out of 38 FTSE 250 companies reported on the nomination committee's role in overseeing board level diversity, similarly to the FTSE 100 companies. Additionally, the following example captures the role that the board plays in keeping up to date with, and reviewing, diversity across the business:

The Chief People Officer regularly updates the Board on key people metrics, including recruitment, retention, diversity and inclusion, and key People initiatives.
Trustpilot Group PLC

No FTSE 250 companies reported a governance focus on ethnic diversity in senior leadership.

Summary of D&I governance

The analysis found that the appointment of a D&I lead was typically accompanied by a statement of diversity and inclusion ambitions which would be supported and fulfilled by the post holder. Reporting on appointments to govern diversity demonstrates a level of commitment from the company to achieving its diversity objectives. The quality of reporting could be further improved by providing information on the process by which the appointed individual will help the company to meet its diversity objectives, and by clearly stating the links to company strategy (see also FCA guidelines¹⁸).

Key challenge and recommendation



Reporting on committees and taskforces was similar to reporting on the appointment of a D&I lead; limited information beyond their oversight of diversity and inclusion was reported in all cases.

The quality of reporting on D&I governance could be further improved by providing a rationale for establishing the group, based on data and insights, as well as information on how the company expects the group to drive change, its targets or objectives, and time frames for achieving these. Additional information on the structure, composition, and specific function of diversity and inclusion focused committees and taskforces will provide the data required to understand their effectiveness in diversifying senior leadership and the best design and approach to achieve this.

Race action plans

Race action plans help companies to prioritise and publish their actions and initiatives with respect to levelling the playing field and driving equity in career outcomes across race. Often attributed or linked to the Black Lives Matter movement of 2020, some companies are reporting race-specific action plans that capture their commitments to racial equity and set parameters, such as timeframes, for implementing change.

FTSE 100 race action plans

Of the 25 companies, six reported an action plan over and above their D&I strategies. Four of these six companies reported an action plan for race and/or ethnicity as opposed to broader diversity, with some variation in the quality of their reporting on action plans. The following example demonstrates enhanced reporting, including information on broad objectives (to attract, develop and add to their Black talent), how the plan was developed, and how it will be evaluated (using data to set goals and measure success):



¹⁸ FCA, 2022, Diversity and Inclusion on company boards and executive management.
<https://www.fca.org.uk/publication/policy/ps22-3.pdf>

In October, Barclays implemented a 12-point Race at Work action plan focused on opening up opportunities to attract, develop and add to our Black talent. The plan comprises a thorough set of actions, using data to set goals and measure success, and will be expanded in 2021 to include other ethnically diverse colleagues, as well as customers, clients and communities.

Barclays PLC

FTSE 250 race action plans

Of the 38 FTSE 250 companies, seven reported diversity action plans over and above their D&I strategies. Of the seven, two of these were race specific. Similar to the findings for targeted programmes, FTSE 250 companies are more often reporting initiatives for broader diversity over race-specific interventions. Nonetheless, the following quote captures the overlap between one company's action plan and commitment to the Race at Work Charter, and how their initiatives address both. Reporting outlines the scope of the initiative as well as the outcomes (greatly increased awareness and recognition of non-inclusive behaviours at work):

During 2021, we continued to implement our Race Equality Action Plan and Race at Work Charter commitments. This included rolling out inclusive leadership workshops which focus on creating inclusive culture, decisions, and relationships, and dealing with microaggressions, to almost 160 managers and members of the People Team which resulted in greatly increased awareness and recognition of non-inclusive behaviours at work.

Moneysupermarket.com Group

The role of inclusive leadership training in diversifying leadership is discussed further in the 'Other initiatives' section.

Summary of race action plans

Race action plans provide a good opportunity for companies to report on their initiatives, the rationale for such initiatives, progress, and outcomes. At a minimum, companies presented their development and publication of race action plans as an initiative. Better quality reporting stated both the broad objectives and the specific actions within the plan, and parameters for implementing change. The following quote captures how companies can report race action plans with a higher level of detail that captures the breadth and depth of the company's race action plan, including how it is structured, as well as actions and initiatives to be conducted within the scope of the plan:

An action plan comprising goals, pillars for action and 50 initiatives for implementation over the next 12 to 18 months underpins our commitment. This includes investment in a new recruitment platform, enhanced leadership development opportunities targeted at Black and ethnically diverse talent, and new guidelines on race and ethnicity to guide our editorial teams.

Pearson PLC (FTSE 100)

Key challenge and recommendation



Companies' race action plans are often published separately and therefore receive less attention in their company's annual report. This separation may explain why companies typically limit their race action plan reporting to high level summaries.

As a key driver of change for ethnic diversity at senior levels, specific objectives and the evaluation of actions and initiatives that are already conducted as part of the company's action plan could be included to assess the effectiveness of such interventions.

Public objectives and reporting

Setting public diversity targets and reporting on optional diversity statistics, such as the ethnicity pay gap, were reported across the FTSE 350. Public targets and reporting demonstrate that the issue is being addressed at board level, and such senior level involvement is an important factor in developing an inclusive culture. Policies and practices can be introduced with the clear aim of reaching the targets. In this way companies are able to not only publicise their commitment to racial equity but to hold itself accountable for the progress being made.

FTSE 100 public objectives and reporting

Of the 25 company reports, 17 reported diversity targets. Of those, 11 were race and/or ethnicity based and the majority, 10, were targets to increase race and/or ethnicity at senior levels. The focus on race and/or ethnicity targets at senior levels is reported as largely driven by the Parker Review target of 'one by 21'.

Our policy on Board gender diversity, which is available on our website, is aligned to the recommendations of both Lord Davies in his report 'Women on Boards' and the Hampton-Alexander Review, which encourages at least 33% representation of women on FTSE 350 boards by the end of 2020; and with the Parker Review 'Beyond One by 21', which recommends that FTSE 100 company boards should have at least one ethnically diverse Director by 2021.

Intertek Group PLC

Additionally, and promisingly, nine companies highlighted their actions surrounding pay gap calculation and reporting. Of these companies, five specifically discussed their ethnicity pay gap. The following example demonstrates how calculation of the ethnicity pay gap can inform further initiatives to address minority ethnic representation:

We are committed to having a better baseline understanding of our ethnicity pay gap, as we know that having data is foundational to making progress. We launched that process this year with a data collection effort and will be producing our first-ever ethnicity pay gap report later this year. This is an important step to understanding the dynamics of ethnicity and race in AVEVA.



We plan to use its findings to develop an action plan that will help us to close any gaps and build an inclusive, equitable culture for everyone.

AVEVA Group PLC

Only one of the 25 companies reported diversity as a non-financial performance metric. The example below demonstrates how a company can go beyond target-setting to hold itself accountable for diversity in senior leadership by introducing a performance measure in the long-term incentive plan (LTIP). Alongside this, the company reports the performance weighting and threshold to meet the target for gender and ethnicity respectively:

To recognise the importance of getting our approach right in these areas, for 2021 we are proposing to focus 10% of the LTIP [long-term incentive plan] on an ESG agenda. This will be split across three metrics: % reduction in CO2 intensity of shareholders' assets; % of women in senior leadership roles in UK, Ireland and Canada; % of ethnic minority employees in senior leadership roles in the UK.

Aviva PLC

FTSE 250 public objectives and reporting

Of the 38 company reports, 21 reported diversity targets. Of those, 14 were related to race and/or ethnicity specifically, and 10 of these were focused on ethnic and/or racial representation at senior levels. The following quote demonstrate how companies can acknowledge specific diversity challenges and commit to targets, with a specified level (senior leaders) and timeline (by 2025), to address that challenge:

Nevertheless, Synthomer needs to do a lot more to address diversity across the business, including making more progress on ethnic diversity. Here, too, we have set a short-term objective to have 20% of senior leaders from ethnically diverse backgrounds by 2025.

Synthomer PLC

Additionally, three companies reported group or company-wide racial and/or ethnic representation targets. While not an explicit target, the following quote demonstrates the need for workforce racial representation across levels:

We aim to create a workforce that fully reflects, at all levels, the ethnic diversity of our major markets before 2030.

Ascential PLC

Five companies in the FTSE 250 also discussed their ethnicity pay gap, with three committing to optional ethnicity pay gap reporting. The following quote captures the company's maturity in understanding the role of data declaration, and the diversity of identities within the 'ethnic minority' categorisation, to provide a comprehensive breakdown of its ethnicity pay gap across groups:

Our ethnicity pay gap reporting is based on the ethnicity data from 78% of colleagues who shared their ethnicity as of April 2021. 15% of those colleagues came from multi-ethnic backgrounds. Our ethnicity pay gap is 7.6% – this is lower than the UK average of 12%, as reported by UK Data Hub. When broken down by the specific ethnic groups, the ethnicity pay gap is in favour of Asian colleagues (-3.4%) who have the highest representation within the Group. Employees from ethnic minority groups represented 12% of our workforce in 2021, with 9% (1 out of 11) representation in executive management.

Moneysupermarket.com Group

Additionally, eight FTSE 250 companies also linked diversity to performance. Of these, two mentioned race and/or ethnicity specifically. The following good practice examples go beyond non-financial performance metrics to specifically link progress on ethnic diversity (as well as diversity across other characteristics) to financial reward, demonstrating the value that the company places on ethnic diversity and holding leaders accountable for progress against their objectives:

The qualitative objectives in the bonus also represent an opportunity to link reward to progress on, for example, other types of diversity including gender, ethnicity and neurodiversity as well as on the broader environmental agenda, such as progress towards achieving net zero.

Man Group PLC

In determining remuneration policies for Executive Directors, reviewing and having regard to remuneration of the wider workforce, including considering pay gaps and disparities in the Company's broader approach to workforce remuneration, particularly considering gender and ethnic diversity.

Endeavour Mining PLC

Summary of public objectives and reporting

We found many examples of companies publicly reporting their targets, pay gaps or performance metrics as actions taken by the companies. While targets demonstrate public commitment and accountability, introducing performance metrics for diversity goes a promising step further than targets in holding the company to account. In addition, linking financial reward to progress on ethnic diversity is an initiative that goes even further, with material reward or consequences for performance.

Key challenge and recommendation



Despite the promising link between ethnic diversity and performance being reported across the FTSE 350, we found limited examples of companies reporting initiatives alongside their reporting of targets, pay gaps or performance metrics that would help them to meet their objectives. While public commitments provide a promising first step for diversifying senior leadership, organisations are likely aware of the need to introduce further initiatives in order to help them to meet those objectives.

Given the breadth of initiatives being undertaken by these companies, reporting could be further enhanced by clearly outlining the initiatives or measures being taken as part of a broader strategy to meet such objectives.

Board level initiatives

Initiatives to diversify the board specifically were most likely to be reported in the board diversity policy, in the annual report. Such initiatives were primarily focused on recruitment, succession planning, talent mapping, working with external search consultants and board level targets for race and/or ethnicity.

FTSE 100 board level initiatives

All 25 companies reported board level diversity initiatives. Recruitment initiatives were reported by 19 of the 25 companies. Of these, seven reported making intentional appointments based on both merit and diversity to directly address under-representation. Only two of these companies mentioned race specifically; however, all seven reported increased diversification of their boards due to this initiative. The following example demonstrates how boards can report on the process through which identifying under-representation can lead to positive action initiatives, to fulfil both technical requirements and representation through recruitment practices:

The Committee discussed that the Board would benefit from further diversity, including ethnic diversity. In 2020, the Board progressed these discussions and recruited two new non-executive directors, both of whom add valuable experience to the Board in financial services but also in sectors in which the company's exposure is increasing, such as real estate. The two new non-executive directors also add additional diversity to the Board.

Legal & General Group PLC

Less impactful initiatives than intentional recruitment were reported only slightly more than intentional recruitment, with eight reporting including diversity in their brief to the executive search consultant and seven requiring diverse short- or longlists. A higher proportion of companies, 14 of the 25, reported the less specific initiative of considering diversity as part of their recruitment process. Overall, reporting demonstrates relatively widespread commitment to diversifying the board.



Of the 25 companies, nine reported that they only engaged external search consultants who were signed up to the government's Voluntary Code of Conduct: executive search firms. The Code, which was initially developed for board gender diversity, has been amended and enhanced to reflect the Parker Review.

With respect to other board activities, ten companies reported consideration for diversity in their succession planning and/or talent mapping, with 12 companies reporting reviewing diversity as part of these processes. In these cases, the difference between considering diversity and reviewing diversity is unclear, as we did not find examples of actions being taken as a result of this initiative. Examples of greater commitment in this area, reported by four companies, included intervening in succession planning and talent mapping to ensure greater diversity in the pipeline.

To increase our pipeline of female leadership talent we have focused on:
Building targeted development and succession plans for female leaders.
Ocado Group PLC

As discussed in the reporting section, of the ten companies reporting senior level ethnicity targets, nine of these were focused on board level.

FTSE 250 board level initiatives

FTSE 250 companies also demonstrated a commitment to board level diversity initiatives, with all 38 reporting at least one. No initiatives were reported that were different to those already described for the FTSE 100 (see above). However, 34 reported recruitment initiatives, with the most common being consideration for diversity in appointments (32 companies). While this reporting recognises the need for diversity in board recruitment, it is not proactive. This low impact initiative was reported most frequently, though some companies reported other initiatives alongside consideration. For example, seven companies reported only working with search consultants signed up to the Voluntary Code of Conduct, six and four reported requiring diverse short- and longlists respectively, and five reported requesting consideration for diversity in their briefs to search consultants. Overall, five of the FTSE 250 companies analysed reported intentional recruitment, with two of these mentioning race and/or ethnicity specifically.

The following example demonstrates a considered, positive action approach to intentional board recruitment, resulting in increased minority ethnic representation where a gap was identified. The company reports that it was guided by the Parker Review target, using it to reflect on its own lack of ethnic diversity, on which it then took action by instructing its recruitment consultants:

In 2017, the Parker Review on ethnic diversity of UK Boards was published, with the target that no member company of the FTSE 250 lack a person of colour as a director on its board by 2024. The Board, and the Nomination Committee, recognised that ethnic diversity, and the benefits it brings, was missing amongst the Company's Board membership. In Q4 2021, we commenced a search for a new Non-Executive Director. As noted above, the Company instructed recruitment consultants in connection with this appointment. Apart from providing prior recruitment advice, The recruitment consultant has no other connection with the Company or any of its individual Directors. The Board was therefore pleased to announce that its diversity will be deepened from May 2022 upon the appointment of Luis Araujo, who has South American heritage and citizenship in Brazil, Portugal and the UK.

Capricorn Energy PLC

In total, 18 of the 38 companies reported consideration for diversity in succession planning, with five reviewing their succession plans in the light of diversity objectives and three taking action as a result of this. None of the 38 companies mentioned race in succession planning. In addition, race was not reported in talent mapping initiatives for the board.

As highlighted in the objectives and reporting section, 10 companies reported senior level race and/or ethnicity targets. Of these, nine specifically focused on board level targets.

Summary of board level initiatives

Companies' reference to the Parker Review across the FTSE 350 suggests that a clearly defined voluntary target is an effective initiative for diversifying senior leadership. One downside of the voluntary target is the potential for companies to focus on meeting the target as opposed to building a sustainable pipeline or surpassing the target. The examples below demonstrate how a company can report their intention to meet the Parker Review target while also not being confined by it:

We continue to work towards meeting and subsequently exceeding the targets set by both the Hampton-Alexander and the Parker Reviews.

AVEVA Group PLC (FTSE 100)

We have maintained a Board that has gender parity and meets the Parker Review ethnicity targets. This does not mean that our work is finished. The Board will always be mindful of diversity, in its broadest sense, when considering its current composition and when making future appointments in accordance with our Board Diversity Policy.

Man Group PLC (FTSE 250)

Overall, however, the quality and commitment of board level initiatives varied across companies.

- Initiatives with the lowest commitment referenced a consideration for diversity in their recruitment process, succession planning or talent mapping.
- Initiatives that go a step further include briefing the external search consultant, requiring diverse long- and/or shortlists for board member candidates, or working exclusively with executive search firms signed up to the Voluntary Code of Conduct.

Companies that only work with search consultants signed up to the Code demonstrate their support for ethical executive search methods. The Code provides a means by which companies can outsource with an eye to successfully enhancing their board diversity, but the extent to which this is sufficient to drive meaningful change remains unknown.

Key challenge and recommendation



The only board level initiative reported by companies that had demonstrable impact was the intentional recruitment of individuals from minority ethnic backgrounds or other under-represented groups to address under-representation. However, reporting on this type of positive action initiative was limited.

We recommend all FTSE 350 companies should analyse the data on the diversity and demographic makeup of their boards. Companies should use this analysis to justify, where required, their intentional, positive action recruitment, succession planning, and talent mapping initiatives that bring the right technical skills – coupled with the required level of diversity – to increase minority ethnic representation at board level.

Charters, external validation and benchmarking

For the majority of companies, external validation and benchmarking was presented as an action-oriented initiative by the company. Two frequently reported charters/initiatives were the Race at Work Charter and the Change the Race Ratio. The Race at Work Charter comprises five calls to action: the appointment of an executive sponsor for race; capturing ethnicity data and publicising progress; commitment at board level to zero tolerance of harassment and bullying; making clear that supporting equality in the workplace is the responsibility of all leaders and managers; and taking action that supports minority ethnic career progression. Similarly, the Change the Race Ratio has four commitments to change: to increase racial and ethnic diversity among board members (aligned with the Parker Review recommendation); to increase racial and ethnic diversity in senior leadership (recommended targets); to be



transparent on targets and actions (publish an action plan alongside targets and disclose the ethnicity pay gap); and to create an inclusive culture in which talent from all diversities can thrive.

FTSE 100 charters, external validation and benchmarking

Of the 25 companies, ten reported the company or senior leaders' membership of, or commitment to, an external organisation, charter, or corporate benchmark. The example below demonstrates how a company can go beyond listing their signature to use the focus areas to drive change:

In the UK, we signed the UK Race at Work Charter with BITC (Business in the Community) in July 2020. We are committed to using the key focus areas outlined in the charter to further drive our race and ethnicity diversity and inclusion actions.

Intercontinental Hotels Group PLC

FTSE 250 charters, external validation and benchmarking

Of the 38 FTSE 250 company reports analysed, 10 companies reported membership or being a signatory of diversity charters as an initiative. Five companies specifically mentioned the Race at Work Charter, which was the only race-related charter to be reported for the FTSE 250 companies. The following example captures the potential impact of external charters, such as commitment to voluntarily publishing the company's ethnicity pay gap:

As part of the Race at Work Charter, we committed to publishing our first ethnicity pay gap in 2021, alongside our usual gender pay gap report.

Moneysupermarket.com Group

Summary of charters, external validation and benchmarking

Typically, reporting on charters, external validation and benchmarking was limited to companies' declaration of their membership of or support for a specific campaign. However, many of the initiatives outlined in the charters that were reported across the FTSE 100 and FTSE 250 companies are already being undertaken and reported by the companies. Nonetheless, there is evidence that the charters are encouraging companies to do more, and more reporting on these initiatives and their outcomes is required.

Key challenge and recommendation



At present, it is largely unclear how companies that have signed up to race charters expect it to help them drive change in racial representation within their company.

We recommend that companies make a clearer link between their broader strategic diversity objectives and the initiatives that they are undertaking as part of their commitments outlined in the charters for which the company is a signatory.

Data collection

Companies reported data collection as a diversity initiative. While data collection was predominantly focused on quantitative or self-reported data (to understand the demographics represented in the organisation), examples of qualitative data collection through listening sessions were also reported. Some companies reported that a lack of data was preventing the introduction of initiatives, and that self-identification measures would help to drive the planning and implementation of diversity focused actions. Monitoring changes in the data provides an essential foundation for the implementation of evidence-based initiatives to diversify senior leadership.

FTSE 100 data collection

In total, 11 companies reported collecting data to reveal the gaps in their understanding of their company diversity challenges, and five reported monitoring and measurement of diversity dimensions. The example below demonstrates how companies are introducing initiatives to collect the data that will support them to introduce further evidence-based initiatives:

In 2019, a data campaign #ThisIsMe was launched to collect the diversity data of UK colleagues. The completion rate has progressed from 10% in 2019 to 53% in 2020. The data will be used to drive evidence-based actions and help set targets for ethnicity.

Aviva PLC (FTSE 100)

The following example captures the importance of data collection and understanding the demographics represented in the organisation for providing accurate analysis of further actions, such as ethnicity pay gap reporting. Starting with data collection, companies can use this to inform initiatives such as the ethnicity pay gap, which can then lead to further impactful work by identifying reasons for the pay gap (such as racial representation in senior leadership) and then implementing actions to address it:

During 2020 we continued to encourage our people to complete their diversity profiles, to allow us to begin reporting on other measures of diversity, including ethnicity and disability, and we will continue to do so during 2021. We remain committed to publishing our ethnicity pay gap once 80% of our employees have completed their diversity profiles and we are already at over 70% completion.

Schroders PLC

FTSE 250 data collection

FTSE 250 companies also reported collecting data to use for designing diversity related interventions or to better understand the employee experience for under-represented colleagues. Overall, 20 companies reported diversity related data collection initiatives, three with a race-specific focus.

The following example recognises the pitfalls of a lack of diversity data and the use of initiatives to increase reporting. The company also reports on the effectiveness of the campaign (a 31% increase in employees reporting ethnicity data):

Historically, a lack of quality data has held us back from developing strategies to make our workforce more diverse across ethnicity, age, physical capacity and so on. This year our HR department collaborated with the IG Black network to run a campaign that aimed to improve our data set. This was a great success. For example, previously only 61% of our employees had recorded their ethnicity. This has increased to 92%. Our next step is to analyse this data and use it to identify ways to make further improvements in our ethnic diversity.

IG Group

Furthermore, one company reported conducting roundtables to better understand the experience of minority ethnic colleagues. The following example demonstrates how qualitative data collection can lead to interventions that increase diversity at higher levels of the organisation, by identifying development pathways and mentoring as key areas of focus. Going a step further, the company creates accountability for the areas of focus by appointing an 'owner':

BAME roundtables, attended by representatives from around the business, were held during the year with four topics identified as key areas of focus. These were (1) top-down support, (2) development pathways, (3) recruitment and (4) role models and mentoring, with each such area allocated ownership by a roundtable attendee.

Rank Group PLC

Summary of data collection

Data collection provides an important first step for understanding the diversity context, challenges and opportunities for change. Many companies across the FTSE 350 reported data collection activities to start, refresh or continue their diversity initiatives.

Key challenge and recommendation



Several companies reported a need to increase self-disclosure rates before they could introduce diversity initiatives. However, limited information was shared regarding how a self-disclosure campaign can be run and what makes it successful.

Where companies are succeeding in their data collection campaigns, we recommend reporting on the design and approach of such initiatives to share good practice and support other organisations in capturing this fundamental information. Furthermore, reporting on data collection and monitoring could

be improved by providing parameters for taking action, such as under-representation in specific areas or levels of the business; or reporting on the actions and initiatives that the company intends to take should they capture sufficient diversity data or measure suboptimal levels of diversity.

Other initiatives

Companies' tendency to group diversity initiatives in their annual report means that initiatives are often not clearly linked to specific diversity objectives. As such, further initiatives not clearly conducive to diversifying senior leadership were reported alongside those that are. The quality of reporting on such initiatives would be enhanced by describing the process by which the initiative can support the company to meet its diversity objectives. For example, 13 of the 25 FTSE 100 companies reported training for managers and leaders or broader diversity and inclusion training. For the FTSE 250, this number was 15 out of the 38. The most common training reported was inclusive leadership training, followed by unconscious bias training. Race education, dialogue on race, and race fluency training were also reported.

To further enhance the quality of reporting, information on the design, content or impact of the training could be included; this information could help to identify how such initiatives may help to diversify senior leadership, if at all.

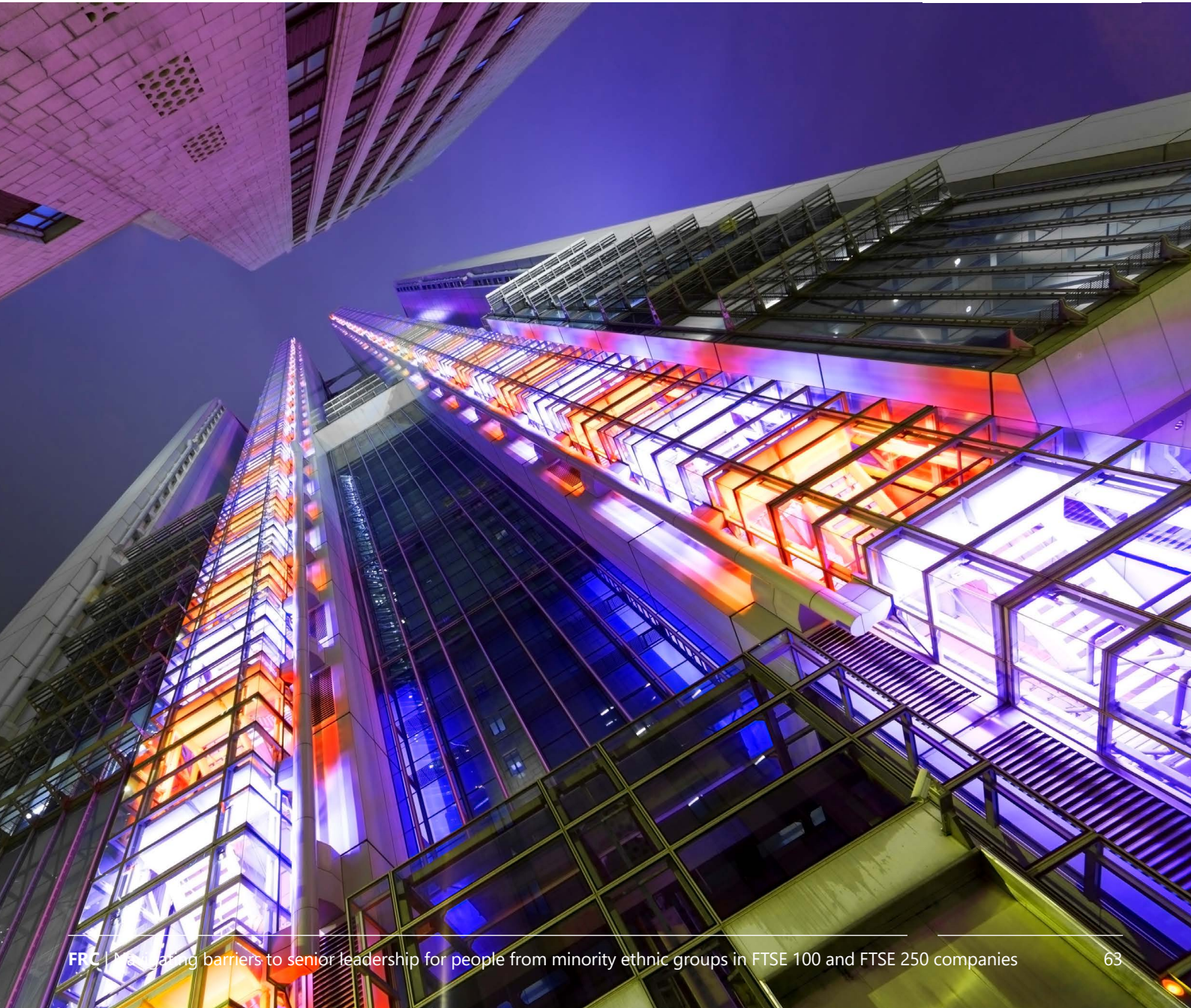
Further initiatives reported include the company's support for employee resource groups, reported by seven companies in the FTSE 100 and four companies in the FTSE 250 analysis; as well as policies to support diversity, also reported by six and seven companies in the FTSE 100 and FTSE 250 respectively. In some cases, companies discussed the role of senior leaders as executive sponsors for the network. In the majority of cases, employee resource groups were linked to inclusion more than diversity, though some companies reported increased diversity as a benefit of the groups. Of the six and seven companies that reported diversity focused policies, most reported flexible working. Flexible working is most often linked to gender diversity and reported alongside parental leave policies. Other diversity policies include domestic violence support policies, disability and reasonable adjustments, and reviewing all processes for bias. For both employee resource groups and diversity focused policies, reporting on the link between the initiative and diversifying senior leadership could be improved by reporting the process by which the policy supports career progression; or the impact and effectiveness of such policies.

Less formal/ structured initiatives were reported in some cases. For example, companies made reference to events involving the active participation of senior leaders. Such events, including conversations on race, diversity panels and forums, showcase a commitment to diversity and inclusion at the highest level of the organisation. The following quote demonstrates how the involvement of leaders in conversations on race can increase support for the development of commitments at board level:

Our first response was to engage in a series of organisation-wide conversations about ethnicity. These included team-level discussions, thought leadership pieces from the group's Multicultural Network and Zebra Crossing Initiative, and panel discussions titled 'Let's talk about race.' Some of these sessions included Q&As with members of the board and senior management, and others involved representatives from the People & Organisation team. These conversations informed the commitments made by the board to address racial equality.

Investec PLC

Reporting on less tangible initiatives is helpful for demonstrating the breadth of initiatives, particularly where positive outcomes are identified. Reporting could be further enhanced by stating the aims of such initiatives, as well as the design and evaluation of their impact. For example, describing the process by which access to senior leaders, and creating visible role models can increase diversity at senior levels, would encourage wider adoption of these types of initiatives to drive positive change.



Conclusion

A core principle of good governance is diversity on boards. Globally, and in the UK, we have observed recent advances in gender diversity on boards, ethnic diversity on boards and the propulsion into action prompted by the Black Lives Matter movement; there is an aligning of societal and business focus on inclusion, belonging and representation of diverse forms of human talent employed by, and running, corporate organisations.

This research suggests we can be guardedly optimistic that the impetus for change has been taken seriously across the spectrum of principal stakeholders including senior managers, executive leaders, board chairs and executive search consultants – all our participant groups echoed this.

Our findings suggest that while minority ethnic executives lead successful careers and run successful businesses, they also have had to contend with the additional burden of selecting between strategies like 'blending in' and minimising their difference to get on, or 'standing out' with the intention to define their brand and celebrate their difference. As they, and we, look to a future in which all boards run well and manage the full diversity of human talent, we encourage leaders to recognise that the barriers are structural and to drive sustained change through our key recommendations. First, be transparent - internal and external stakeholders should maintain a policy of transparency and openness across the talent management pipeline for non-successful candidates/applicants. Second, embed data - adopt a data-driven approach that drives equity goals across all stages of the employment cycle and is intersectional, and to which senior leaders are held accountable. Overall, leverage on and boost the levels of the burgeoning trust as indicated from our research – we maintain the hope and optimism that business leaders (in tandem with executive search consultants) will prioritise and drive fostering trusting relationships and nurturing inclusive cultures.



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