



PRESS RELEASE: FOR IMMEDIATE RELEASE

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A WEAK COMMITMENT TO INCLUSION IS BAD FOR BUSINESS

Management teams whose commitment to ethical values and ethnic diversity is purely superficial can foster workplace cultures that harm individuals and their organisations, according to new research.

In order to be truly ethnically diverse, private sector organisations must expand their focus beyond checkbox exercises and consider the informal cultures they create, finds a report by race equality thinktank The Runnymede Trust.

The possible consequences of work environments not rooted in diversity, according to the report, include conflict-ridden working relationships, unhappy and under-committed employees and, in extreme cases, a threat to the sustainability of the business as a whole

The report, entitled **Snowy Peaks: Ethnic Diversity at the Top**, focuses on the upper echelons of the private sector in the UK, which is notoriously lacking in ethnic diversity. **Snowy Peaks** was commissioned by Lloyds Banking Group and is published today, 21 December 2010.

Among the research findings is that black and minority ethnic (BME) senior managers were much more likely to report incidences of unfairness in the workplace, compared to their white counterparts. More than half of the BME survey respondents believed that they had to work harder than their white colleagues for the same level of recognition. However, just 12 per cent of the white survey respondents agreed that this was the case.

Furthermore, almost half of those from a BME background reported that bias and prejudice played a part in their organisations' day-to-day decision making processes, while only roughly a quarter of white employees said the same thing.

However, the overall purpose of the paper, according to author and independent social policy consultant Veena Vasista, is "to provoke considered thought and debate leadership", rather than make accusations of businesses.

She said: *“Business leaders seeking a visionary management approach will commit to an organisational culture that fosters diversity and inclusion, with ethical values at its heart. The result will be more vibrant, thriving workplaces that generate value for the organisation.”*

The report also makes a number of key practical recommendations that employers could implement to drive diversity at senior levels within their organisations:

- Introduce bias awareness training in the workplace targeted at senior executives, followed up by support in behaviour change.
- Turn Graduate Recruitment Programmes into ‘High-Potentials Programmes’ and recruit not just graduates but individuals with high-potential from all backgrounds. Assess potential based on life experience, e.g. role in the family and community, not just conventional professional experience.
- When recruiting senior managers, re-think the person and leadership specifications - consider which knowledge can be quickly learned on the job and which knowledge is acquired through experience.
- Start young – government, social entrepreneurs and businesses should work together to expose young people from disadvantaged communities to the ‘glass-building’ cultures and de-mystify them and the occupations within them.
- Ensure recruiters are monitoring and reporting on race and gender at all stages of the executive recruitment process – it requires that recruiters look for potential. Work with executive recruiter agencies to do a mapping out of the ethnic minority talent pool for roles.
- Measure for inclusion and engagement through quantitative and qualitative data, and create a set of diversity competencies tied to managerial performance assessment.

Angie Risley, group human resources director at Lloyds Banking Group, said:

“We are proud to have made a great deal of progress over the years in creating a diverse and inclusive organisation, but we still have work to do, particularly at the top levels. The findings of the research will help us to recognise what we can do differently to build on what we’ve already achieved and to form more diverse leadership teams, making the most of the talented black and minority ethnic people within our organisation, and also those we hope will join us in the future.

As Lloyds Banking Group’s executive sponsor for ethnic diversity, my commitment to the agenda is, of course, motivated by the business benefits our organisation can gain – a diverse and vibrant workforce reflective of our customer base clearly makes good business sense. But fundamentally, I also believe that it’s the right thing to do.”

Dr Rob Berkeley, director of the Runnymede Trust, said:

“The challenges facing business are greater than ever and so we need to make the most of our resources. Ensuring that we use the talents from all parts of our society will help us overcome the challenges.

“While many organisations have made progress in having a more ethnically diverse workforce, too often this diversity is not reflected at the senior levels. We hope through this report to help business leaders to reflect on what they can do to ensure that their organisations benefit from the talent evident in all parts of our society.”

ENDS

NOTES TO EDITORS

1. Read the full report on the Runnymede website: www.runnymedetrust.org
2. For more information or to request an interview with the report author Veena Vasista or Runnymede director Rob Berkeley, please contact info@runnymedetrust.org, or on 020 7377 9222.
3. About the research: The analysis for this report included a literature and research review, as well as primary research including a focus group with black and minority ethnic (BME) senior executives and managers, an indicative survey of just under 200 respondents, as well as 17 interviews with white, black and minority ethnic private sector senior managers and executives, executive recruiters, in-house company diversity specialists and diversity consultants.
4. Lloyds TSB Group plc was renamed Lloyds Banking Group plc on 19 January 2009, following the acquisition of HBOS plc. This makes it the largest retail bank in the UK with a number of leading market positions. One in three people bank with the Group. Its goal is to be the best financial services provider in the UK. This means it must build a leadership position not on the basis of scale but on the foundations of reputation and recommendation. The creation of Lloyds Banking Group comes with a big responsibility. Serving over thirty million people means it has a clear role to play in society; through helping customers everyday.
5. The Runnymede Trust is a social policy research organisation focused on race equality and race relations. We work by:
 - Identifying barriers to race equality and good race relations
 - Enabling effective action for social change

- Influencing policy at all levels through providing thought leadership and robust evidence

Further information is available on our website: www.runnymedetrust.org