MOVING ON UP?
Racial Equality and the Corporate Agenda
A Study of FTSE 100 Companies

A Report for The Runnymede Trust
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Executive Summary extracted from ‘MOVING ON UP? Racial Equality and the Corporate Agenda – A Study of FTSE 100 Companies’ – written by Sandra Sanglin-Grant and Robin Schneider of Schneider~Ross:

1.0 EXECUTIVE SUMMARY

1.1 Aims Of The Research

Commissioned by The Runnymede Trust with sponsorship from BP Amoco, the Cabinet Office, DfEE and the Home Office,¹ this research is designed to help companies re-energise their strategies on combating racism and discrimination in employment by looking at the experience and learning amongst FTSE 100 companies in the UK.

There are three specific aims for the research, to:

1. indicate the numbers of ethnic minority professional and managerial staff in FTSE 100 companies in the UK;

2. identify best practice in terms of the policies and systems that are in place in companies to actively promote equality of opportunity for ethnic minority employees;

3. describe the opportunities and barriers that ethnic minority professional and managerial staff experience as they progress through organisations.

1.2 Methodology

The research took place between September 1999 and January 2000. It was undertaken by Sandra Sanglin-Grant and Robin Schneider of Schneider~Ross. The

¹ This research was commissioned specifically as new primary research for a Conference sponsored by the European Union, to be held on 7 February called: ‘The Corporate Face in Europe’. The conference project has been undertaken by the Runnymede Trust in partnership with MPG and the City of Amsterdam.
Research Committee, was led by Michelynn Laflèche of the Runnymede Trust, with membership from BP Amoco.

A questionnaire was distributed to all of the FTSE 100 companies in order to gather data on their policies and the demographic profile of their employees. 55 companies responded, 40 returned the questionnaire and 15 wrote in with reasons for not completing the survey (which ranged from ‘company reorganisation’ to ‘having a stated policy, agreed with the Trade Unions, of not doing any ethnic monitoring’).²

Focus groups and one-to-one discussions involving 23 ethnic minority professionals and managers from 9 of the responding companies were held in order to gain an insight into their experiences and perceptions.

1.3 Key Findings

1.3.1 Lack of ethnic minorities in senior positions

Of those companies willing and able to provide this data (27 companies employing 860,000 employees in the UK) 5.4% of employees were from ethnic minorities (versus an estimated 6.4% in the population as a whole in the UK). Representation, however, fell sharply with grade: 3.2% of junior and middle managers, 1.0% of senior managers.

There are significant variations in representation between different ethnic groups, with those from Indian ethnic origin (for instance) represented more consistently across the grades and Black Caribbean’s significantly under-represented at managerial and professional levels. Bangladeshis in particular appeared significantly under-represented at all levels.

² An additional 10 companies expressed interest in the research and promised to return the questionnaire, but for unknown reasons were unable to do so.
1.3.2 Ethnic minority professionals & managers feel excluded by subtle, non-overt discrimination

All the responding companies believe that their policies and procedures for progression do not discriminate against ethnic minority groups, but this view is not shared by ethnic minority employees themselves.

They perceived the lack of representation at senior level as a significant and demotivating factor which feeds suspicions that a subtle, non-overt form of discrimination continues to operate.

All those involved in the focus groups and one-to-one discussions reported occasions when they had felt excluded by colleagues or not supported by their managers, and many had felt it necessary to move companies to get on. This was deemed to be easier than confronting the issues. As one put it: “I worried how it would affect my references, would I be seen as some sort of troublemaker? But it means that I didn't get it off my chest, which I regret.”

Ethnic minority employees are anxious not to attract special favours (and have concerns about targets in this regard) but they do expect companies to have policies in place and to address the behavioural issues.

Interestingly, ethnic minority employees, whilst welcoming opportunities for assignments in North America (which was deemed to be more meritocratic) were much less enthusiastic about the prospects of working in European Union member states outside the UK. Because of media images of violence and hostility towards ethnic minorities, most concerns were expressed about Germany and Austria and, to a lesser extent, France.
1.3.3 Race is still not firmly on the business agenda

For many FTSE 100 companies (let alone UK plc as a whole) racial equality is not yet firmly on the business agenda.

This is reflected in the numbers who, despite long-term and plentiful guidance from the Commission for Racial Equality and others, do not monitor their staff populations by ethnicity. (Only 27 companies were able to provide this data.) The tentative approach of many organisations is best summed up by the fact that only 4 companies reported setting targets for the representation of ethnic minorities.

Even amongst the 40 companies who responded to the survey, only 60% had developed a business case for race equality and 48% had agreed a strategy for improving racial equality.

There are, however, indications of race moving up the corporate agenda and, of the 40 respondents, many indicated that policies were “under development”.

1.3.4 Leadership from a few companies

A core group of 10 companies had actioned between 65% and 80% of the best practice policies mentioned in the survey, exercised consistent leadership and (not surprisingly perhaps) included many that tended to have a higher representation of ethnic minorities amongst their employees. In the one company amongst this group where ethnic minorities were significantly under-represented, they had recently increased their intake of ethnic minority graduates from 4% to 19%.

Interestingly, all 10 organisations were in the business of providing services direct to the public (including 5 financial
services companies and 3 retailers) and they had all developed a business case for race equality.

1.4 ‘When’ There’s A Will There’s A Way

This suggests that once organisations have seen the commercial significance of racial equality, they are prepared to invest appropriately in its development within their organisation.

The steps taken by the leading companies are simply sound strategies that would be the norm for any other business issue. The various best practice options are based on our extensive experience of policies in leading organisations in the UK and on advice from organisations such as the CRE (Commission for Racial Equality) and RFO (Race for Opportunity).

Leading companies firstly ensure that there is an appropriate infrastructure in place – with a business case, good quality data, and leadership. They then take action on the recruitment front to attract ethnic minorities with the skills they need, take steps to open up resourcing of jobs internally, and support their managers and employees by providing race awareness training. Furthermore, they ensure that race issues are integrated not only into the ways in which they recruit and retain their employees, but also into their more general business strategies and relationships with customers and other business partners.

The task for companies, therefore, is to address themselves to removing all obstacles and to harness the diversity available to them, using it to build stronger, more competitive organisations.