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# Ethnic disparities and inequality in the UK: call for evidence

Submission to the Commission on Race and Ethnic Disparities

**Chartered Institute of Personnel and Development (CIPD)**

**November 2020**

## Background

The CIPD is the professional body for people professionals, championing better work and working lives. Our response to this call for evidence will focus on inequality in employment opportunities and career progression, as well as employment related research on skills and education, and health outcomes.

## Our interest and work in this space

We work tirelessly to promote equality and inclusion in the workplace and throughout wider society. Our work in this area includes advising government on policy and frameworks to foster inclusion, responding to calls for evidence and participating in roundtable discussions. Our current campaigns include calling on government to bring in first day flexible working rights for all employees, and making Ethnicity Pay Reporting mandatory.

The CIPD has produced guidance and resources for employers to support good practice in the promotion of equality and inclusion and creating truly inclusive workplaces, which include:

- Developing an anti-racism strategy
- How to have difficult conversations about race at work
- How to source diverse suppliers
- Race and employment

### Ethnic disparities and inequality

Continuing disparities in employment opportunities for ethnic minorities, who's families may have been in the UK for many generations contributes to some from these communities not being able to fully participate in society. Financial insecurity plays a part in negative health outcomes including, mental health issues. Second and third generation migrants from some ethnic minority communities are trying to improve their life chances by obtaining an education and securing qualifications. Continued denial of a chance at employment due to inequity can be hugely demoralising and disenfranchising.

The CIPD, in this submission provides evidence of ethnic disparities and inequality in employment and career progression opportunities, inadequate career education, and negative health outcomes and lack of ethnicity monitoring by healthcare providers. Evidence-based recommendations are given to start to address disparities based on ethnicity, and over time bring parity in employment and career progression, education, and health and social care.

# Our response

> **Q1: What do you consider to be the main causes of racial and ethnic disparities in the UK, and why?**

Equality for ethnic minorities in employment is very important as around 14% of the working age population are from BAME backgrounds. This figure is set to rise to closer to a fifth of the working age population by 2030. Our report, Addressing the barriers to BAME career progression to the top found that 60% of employees from all groups said they are satisfied with their current job. However, the rate of employment among BAME groups at just over 60% is significantly lower than the white British workforce. Broken down further, the rate is even lower at 57% for the combined Pakistani and Bangladeshi ethnic groups.

There is some evidence that a percentage of the ethnic minority population are employed in the informal sector or hidden economy as outlined in the research paper, Evaluating the participation of an ethnic minority group in informal employment. This, in itself, is a potential indicator of inequality, as some of the reasons given for this trend are as a result of being excluded from employment opportunities in the formal economy. Intersectionality also plays a part in ethnic minorities having to seek employment in the informal sector as evidenced in the research paper, Under the radar: explaining the participation of ethnic minority women in London's informal economy.

The CIPD will be publishing the following three reports on race inclusion, early in 2021:

- o *Talking about race at work*
- o *Encouraging ethnicity data disclosure*
- o *Ensuring equality of career progression opportunities*

These reports provide useful and up to date insights on ethnic disparities as well as identifying possible solutions for creating inclusion. They are collectively referred to in this response as the *Race Inclusion* reports.

The *Race Inclusion* reports show that not talking about race or not being able to talk about race is a critical barrier to inclusion. The report found that overall, 35% of respondents felt there is a need to talk about ethnicity, yet evidence shows that employee network groups were the most likely to initiate such conversations. Conclusions can be drawn that conversations about race are happening between employee network groups and senior leaders and HR, as these are the second and third most likely to initiate conversations about ethnicity. There is a sense of preaching to the converted when it comes to conversations about ethnicity in the workplace, with little involvement or interest from the rest of the workforce. Only 23% of white British respondents feel the need to talk about race compared to 40% of BAME respondents.

A lack of ethnicity disclosure and employers not asking employees for data on race may be a reason inequality may not have been identified in many workplaces. Only 47% of employers have asked employees to disclose their ethnicity. The majority of these

employers (69%) are in the public sector, with only 36% of employers in the private sector asking employees to provide their ethnicity. There is also not enough being done to collect data on existing employees with only with only 14% of respondents saying they have received emails from their employer to update their ethnicity on a HR system. Similarly, another missed opportunity to collect data on existing employees is through the staff survey with only 16% of employees having been asked to disclose their ethnicity through this medium.

Disparities in career progression is something for which we have found evidence. Our research found that less than half (49%) of BAME respondents said their career progression had met or exceeded their expectations. Similarly, only 49% of BAME respondents agree there is equal access to development and career progression opportunities for everybody, compared to 60% of white British respondents. A lack of training and development, little or no training when starting a new job, and discrimination were cited by more BAME than white British respondents as reasons their career progression had failed to meet their expectations.

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**Q2: What could be done to improve representation, retention and progression opportunities for people of different ethnic backgrounds in public sector workforces (for example, in education, healthcare or policing)?**

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Our research for the *Race Inclusion* reports found that a higher proportion (45%) of respondents from both BAME and white British ethnicity groups, from the public sector felt there was a need to talk about ethnicity compared to both the voluntary and private sectors. Public sector employees were also more likely to have engaged in employer-supported (as part of a training course or employee network group) diversity conversations. Although, this is most likely a consequence of the public sector equality duty obligations.

As already mentioned, there is also a much higher percentage of public sector employers (69%) that have asked employees to disclose their ethnicity. Public sector employers should, therefore, have much more data on the ethnicity of their employees and are better able to identify disparities in career progression.

Our report on career progression revealed that a lower percentage of public sector respondents (53%) agreed that *'everyone has the opportunity to achieve their potential at work, no matter your racial or ethnic identity or background'* compared to the private and voluntary sectors. Similarly, only 50% of public sector respondents agreed that if they worked hard, they had a good a chance as anyone else to succeed, again lower than the responses from the private and voluntary sectors. Worryingly, less than half (49%) of respondents from the public sector agreed that there is equal access to development and progression opportunities for everybody. This number, again, is lower than the private and voluntary sectors.

**Recommendations**

- o The public sector has good levels of ethnicity disclosure. The data collected should be used to identify disparities in employment and progression opportunities through meaningful analysis.
- o There needs to be improved transparency in promotion processes with a clear career path for employees.
- o Improved access to training and development opportunities.

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**Q5: How can the ways young people (in particular those aged 16 to 24 years) find out about and access education, training and employment opportunities be improved?**

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A recent report by the charity, Education and Employers has highlighted the substantial gap between the career aspirations of young people and the current/future availability of those jobs within the economy. For instance, the number of young people seeking to pursue a career in the creative and cultural industries far outstrips the current and projected demand for jobs in the sector according to the report, Disconnected: Career aspirations and jobs in the UK. The Careers & Enterprise Company, in their report, found that career aspirations are not shaped in a vacuum, and are shaped and influenced by parents, peer groups, teachers and careers guidance professionals, as well as broader societal factors. The Resolution Foundation reported that young people from disadvantaged backgrounds are often locked out of the networks that provide 'insider knowledge', and access to work experience opportunities and face financial barriers which limit career options.

*"It has also been shown that that the lack of 'insider information' about higher-status roles at home, in combination with biased school-based advice (unconscious or not) about the course choices a child should make, and the careers to which they should aim, will heavily structure outcomes" (Resolution Foundation, 2018)*

The CIPD has directly supported the Government's Career Strategy, recruiting HR professionals to support schools via the Enterprise Advisor programme. Feedback from our Enterprise Advisors suggest a number of areas in need of improvement:

1. No centralised approach for careers education resources, young people don't have one direct place to visit to find out what all their options are.

2. You can't be what you can't see: careers education often begins at home but if young people don't have mentorship from their families or communities and networks via family and friends working in employment they will be missing out on vital networks - ensure that there are employers and careers leaders connected to and placed in all schools. These networks are even more vital for SEN/SEND (Special Educational Needs/Special Educational Needs and Disabilities) young people and the parents of SEN/SEND young people.

3. Engage and educate the parents: some EAs have commented that some children from disadvantaged backgrounds, and some children within the BAME community, can be restricted by their parents around work experience and career opportunities, as these are unknown to the parents or the parents feel uncomfortable letting their child leave their local area for work experience opportunities. EAs have commented that parents can have a huge sway on their child's decision making.

4. Peers also have a huge sway to what careers education students pay attention to, so, insight on how students can enhance their internal decision making, as well as tools to help in identifying their own key strengths.

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*Q7: How could inequalities in the health outcomes of people in different ethnic groups be addressed by government, public bodies, the private sector, and communities?*

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We are not medical experts, our focus at the CIPD as the professional body for people professionals, is on the workplace and improving work and working lives. For these questions therefore, we think it would be most helpful to focus our response on the impact of COVID-19 and how organisations can support the health/safety/wellbeing, participation, and fair treatment of ethnic minority staff, as outlined in recent CIPD guidance.

**The impact of COVID-19**

The Public Health England report, *Beyond the data: Understanding the impact of COVID-19 on BAME Communities* summarises a rapid literature review and external stakeholder engagement on the impact of COVID-19 on ethnic minority groups. The report highlights that there is clear evidence that COVID-19 does not affect all population groups equally. Many analyses have shown that older age, ethnicity, male sex, and geographical area for example are associated with the risk of getting the infection, experiencing more severe symptoms and higher rates of death.

Elsewhere in the UK, the Welsh Government has produced a report from its BAME steering group, which contains recommendations on the security of employment and income and a risk assessment tool for BAME front line health and care workers. In Scotland, the Government has convened a new expert group to provide a clearer picture of the impact on minority ethnic communities of coronavirus (COVID-19).

The literature review and stakeholder feedback reviewed in the Public Health England report, indicate that risks associated with COVID-19 transmission, morbidity, and mortality can be exacerbated by the housing challenges faced by some members of BAME groups. The most recent research from the UK suggests that both ethnicity and income inequality are independently associated with COVID-19 mortality. Individuals from BAME groups are more likely to work in occupations with a higher risk of COVID-19 exposure. They are more likely to use public transportation to travel to their essential work. Historic racism and

poorer experiences of healthcare or at work may mean that individuals in BAME groups are less likely to seek care when needed or as NHS staff are less likely to speak up when they have concerns about Personal Protective Equipment (PPE) or risk.

**What more can be done to support people to seek care and speak up about concerns?**

These are extremely important issues and need to be addressed by the Government and the health sector, not just in relation to the pandemic but more broadly in respect to inequalities in health outcomes of people in different racial and ethnic groups.

Many of the recommendations in the Public Health England report *Beyond the data: Understanding the impact of COVID-19 on BAME Communities* should help to create real improvements in these areas, and we would urge these to be prioritised and fully funded, such as:

o   improving NHS and social care ethnicity data collection and recording;
o   creating community participatory research with ethnic minority communities, in which researchers and community stakeholders engage as equal partners in all steps of the research process;
o   improving access, experiences and outcomes of NHS and local government services by ethnic minority communities;
o   accelerating the development of culturally competent occupational risk assessment tools
o   to fund culturally competent COVID-19 education and prevention campaigns; and
o   ensuring that COVID-19 recovery strategies actively reduce inequalities caused by the wider determinants of health and that meaningful approaches to tackling ethnic inequalities are prioritised and fully-funded.

**Supporting the safety/ wellbeing, participation, and fair treatment of ethnic minority staff**

It's vital to remember that the decisions employers are making around COVID-19 (and more generally) are essential in relation to the health/safety/wellbeing, participation and fair treatment of ethnic minority staff.

It's essential that people professionals and organisations engage with the issues and take steps to address the inequality ethnic minority employees are facing as a result of COVID-19 as a key part of their work to ensure a safe return to the workplace, emphasising the safety and wellbeing of their entire workforce. The Public Health England review found that "the pandemic exposed and exacerbated longstanding inequalities affecting BAME groups in the UK" , highlighting the need for organisations to address racial inequality at work more broadly, with a focus on the impact of COVID-19 as the first part of this work. It's vital that people professionals reassure employees that their personal circumstances and any concerns they have will be acknowledged and considered when planning a return to the workplace.

**What the law says**

In planning a safe return to the workplace organisations should begin by looking at the relevant legislation and the latest Government advice. Employers should undertake planning with regards to the Equality Act 2010 (EHRC have produced guidance relating to this) as well as the Health and Safety at Work Act 1974.

In addition, employers should refer to the Working safely during COVID-19 guidance. This guidance outlines safety measures for different types of workplaces, with practical actions for different sectors.

The key issue to consider is risk assessment; working with health and safety and occupational health colleagues, organisations should look to conduct organisational risk assessments and then consider individual health risk assessment where needed - this should involve clinical assessment by occupational health and other professionals and look at that person's fitness for work in the round. Employers may wish to refer to the NHS risk assessments for staff guidance for an idea of what these risk assessments should cover.

Where working from home is not possible the CIPD has recommended following three tests when considering a return to the workplace; is it essential? Is it sufficiently safe? Is it mutually agreed? Organisations should look to follow these three tests for ethnic minority employees but also consider the further considerations which should be made for this group, based on the increased risk and their personal circumstances and feelings.

Employees could (justifiably based on the available evidence) feel at greater risk because of their race; while the guidance distinguishes between those who are high risk and those who are clinically extremely vulnerable (and who had been advised to follow shielding guidance which has now been 'paused' across the UK) it does not currently cover additional considerations for those from ethnic minority backgrounds. To help deal with this anxiety, employers should look to consult over the rules and measures about returning to the workplace and apply these consistently once they are agreed. People professionals should aim for everyone to feel safe and secure about the measures being put in place and to ensure that everyone understands the policies and processes being implemented. Employers should then ensure that these policies and procedures are in keeping with the Equality Act 2010 and their duties with regards to reasonable adjustments.

Flexibility and alternatives are vital; can someone concerned about a return to the physical workspace work at home (in line with the latest Government advice) or remain on furlough (until the scheme ends)? Would flexible working such as staggered start and finish times and staggered lunch breaks help? Could [aspects of] their duties and responsibilities be redesigned to support a more effective work at home arrangement during the pandemic? Perhaps a phased return to work would be helpful? Considering alternatives is key as is discussing with employees the types of adjustments that would make them feel more

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confident about a continuation of/or a return to the workplace. You can refer to our <u>guide on returning to the workplace</u> for more information.

**Good people management principles**

Once people professionals have consulted on and agreed their approach and have made sure it adheres to the legal framework, there are a number of steps that can be taken to ensure a good people management approach for this group of employees.

**Clarity and consistency of management**

Having agreed the approach which will be taken, people professionals must monitor that this approach is consistently applied. Communicate with line managers to ensure they understand the policies and processes being put in place and that they are applying them consistently for everyone in their team.

**Review policies**

Be sure to review your policies to ensure they align with the approach you have agreed to take and that they offer equality for everyone.

**Flexibility**

In order to work collaboratively with employees employers should seek to offer ongoing flexibility around working practices and offer alternatives wherever possible. This could include further periods of working from home, continuation of furlough (where possible) and perhaps even a change of duties (in agreement with the employee) to allow them to perform a role which faces reduced risk or is possible to carry out from home.
Part of this flexibility will be offering adjustments for those employees who are particularly at risk.

**Remember inclusion principles**

Throughout planning a return to the workplace, employers should keep the following inclusion principles at the centre of any measures:

- o  Remember there is no one-size fits all approach
- o  Maintain a clear focus on employee health, safety and well-being, proactively offering and discussing helpful adjustments
- o  Appreciate that everyone's experience is different and provide appropriate support, flexibility is key!
- o  Skill-up line managers for the new way of working
- o  Provide genuine mechanisms for employee voice, including how you involve different networks or groups of staff
- o  Critically review your current people approaches to ensure they're inclusive
- o  Create opportunities for people to connect.

**Communication**

Communication and consultation is key. Even though beginning a conversation about ethnicity can be complex and some people may feel reluctant to talk about race it's essential that employers have a responsive, two-way dialogue with staff to ensure that employees feel listened to and valued. Employers must discuss the reality of the situation with the black, Asian and ethnic minority employees who are at increased risk and listen to their concerns and needs. By doing this, employers will be able to plan reasonable adjustments and appropriate solutions to facilitating a safe return to the workplace. There needs to be an understanding by managers that those individuals who are facing a disproportionate impact from COVID-19, such as those from certain ethnic minorities, could be experiencing elevated level of anxiety. Therefore, it's important managers are capable and confident to have sensitive conversations with people, discuss supportive changes and signpost to help where needed.

More information on communicating with employees about race is available in our anti-racism strategy guide.

**Potential division and conflict**

The disproportionate impact the pandemic is potentially having on different employees and groups of people means that employers will need to be vigilant about any sources of potential conflict and ensure that they take steps to prevent bullying and harassment. Employers need to actively develop and promote processes, communication practices and behaviour that foster inclusive cultures.

Bullying can be defined as 'Offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient' (Acas, 2014). If the bullying is related to a protected characteristic, it is harassment. For more information and support on dealing with conflict in the workplace, including bullying and harassment, see the CIPD's report on managing workplace conflict. Managers should consider the impact on other members of the team that continued working from home / a phased return to work or changes in duties might have. Make sure that co-workers are supported if they have additional tasks to achieve. Encourage them to be alert to, and act swiftly on, bullying and harassment relating to any workplace adjustments made.

**Employees who are also shielding**

Employees who fall under the 'clinically extremely vulnerable' category had been advised to 'shield', although this shielding was paused. The Government has now reintroduced the shielding programme for this group until 2 December in England while national restrictions are in force, with clinically extremely vulnerable people strongly advised to work from home. Therefore, employers will need to hold additional discussions with ethnic minority employees who also fall under the shielding category around potential risks and to

consider adjusted duties or redeployment (provided staff agree). These conversations and support need to continue if shielding is again paused. Any arrangements will depend upon individual circumstances. Specialist advice may be helpful, for example from an occupational health service, doctor's advice on the underlying condition, employment assistance programmes or counselling.

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**Q10: Can you suggest other ways in which racial and ethnic disparities in the UK could be addressed? In particular, is there evidence of where specific initiatives or interventions have resulted in positive outcomes? Are there any measures which have been counterproductive and why?**

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The way the labour market is structured and routes to securing employment in professional and managerial roles often disadvantage ethnic minorities. The intersection between ethnicity and socio-economic status can prevent ethnic minorities from taking up opportunities such as summer placements and internships, which, are unpaid. These are the traditional routes into the legal, professional and financial services sectors and can be a prerequisite to getting a place on a coveted graduate programme. This is evidenced by the recent launch of the campaign to recruit 10,000 black interns by providing paid opportunities.

Employers need to collect, analyse and publish data across career management and HR processes including, recruitment and promotion, as well as pay and bonuses. This will prepare employers for Ethnicity Pay Reporting and give them a better understanding of their current position with regards racial equality.

**Build trust and a sense of belonging**

According to the *Race Inclusion* reports trust in senior management and having a sense of belonging are big drivers of retention and affected whether respondents said they would still be working for their current employer in two years. It is, therefore, critical employers work on strategies and programmes that both engenders trust in management and gives the workforce a sense of belonging.

**Invest in line manager development**

Good line management was identified in the reports as an enabler of career progression and poor line management a major barrier. Furthermore, the CIPD report, Managing Conflict in the Modern Workplace, found that 40% of employees say they have been bullied or harassed by their line manager or supervisor. Employers must provide training to line managers on how to manage people, including coaching and mentoring employees, and supporting career development. Part of this training must centre on raising awareness of bias as the *Race Inclusion* reports showed that employees being able to work in a variety of projects was an enabler of career progression. Therefore, it is important that line managers distribute work equitably based on skills and merit.

**Establish employee network groups**

Employee resource groups have been identified in our *Race Inclusion* reports as a key means of progressing racial equality. They were found to be a particular source of support for African ethnicity respondents (31%), Caribbean ethnicity respondents (24%) and Pakistani ethnicity respondents (21%) and they were considered important for all groups as initiators of conversations about race. The CIPD report, How to set up an ERG for BAME employees, recommends:

- o Leaders, HR and internal D&I professionals from the majority group should articulate and write down the value, role and importance of black and ethnic minority networks not just as a support group, but also to the business.
- o Identify executive sponsors to formally support the ERG, to help demonstrate its importance and business value.
- o Consider the budget and allocate financial resources to the ERG.
- o Allocate time for ERG leaders and members to participate in company-supported activities as part of their role – within normal working hours.
- o If you set up one 'multicultural' network, make sure you recognise any different cultural sub-groups within.
- o Look into allying with other groups.
- o Create a clear, psychologically safe channel for colleagues to be able to share their lived experiences.
- o Consider providing ERG members with guidance on governance and implementation.

**Tackle discrimination in the organisation**

This is a broad topic but to make a start employers should:

- o Have clear anti-discrimination policies and accountabilities for managers and staff.
- o Provide training and support for all staff so that their obligations in relation to the organisation's diversity goals and equality legislation are clear. this is particularly important for line managers as any biases they may have would have a detrimental impact on their team member.
- o Ensure senior leaders demonstrate their buy-in to diversity aims.
- o Collect data about ethnicity and ethnicity pay to be able to identify any inequalities and to monitor efforts to counter them.

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