

**Minutes of the meeting of the All-Party Parliamentary Group for Corporate Responsibility (APCRG)
on Race in the Workplace**

Date: Tuesday, 14th November 2023

Time: 9am – 10am

Location: House of Lords, Committee Room G

Present: Alexander Stafford MP (Co-Chair), Lord Aberdare (Co-Chair), Baroness McGregor-Smith CBE, Marcus Bell OBE – Director of the Equality Hub, Albertha Charles – Partner, PwC, Sandra Kerr CBE – Race Director, Business in the Community, representatives of Business in the Community (who provide the APCRГ secretariat), and over 40 other attendees.

1. Welcome from the Co-Chairs

- Lord Aberdare welcomed attendees to the first meeting of the ‘new incarnation’ of the APCRГ.
- Lord Aberdare introduced the speakers and started the discussion on what businesses and government can do to help drive further action on race equality in the workplace.

2. Update from Baroness McGregor-Smith CBE – Progress made six years on from *Race in the workplace: The McGregor-Smith Review*.

- Stressed the importance of mandatory ethnicity pay gap reporting, and how it can change the way that businesses think about race in the workplace.
- Said it was great that progress has been made increasing diversity for entry level roles, yet this has not materialised at a more senior level.
- Highlighted the need for flexibility, mentoring, sponsorship, and giving great experience to help Black, Asian, Mixed Race, and other ethnically diverse employees to progress at work.
- Referenced the importance of Business in the Community’s (BITC) Race at Work Charter, which was launched a year after *Race in the Workplace: The McGregor-Smith Review* was published, and how its commitments help measure progress.
- Called for legislation to mandate employers to report on their ethnicity pay gaps, saying that this will be the real start of change for the UK.

3. Sandra Kerr CBE – Action to date on the Race at Work Charter and the importance of collective action (businesses and government).

- Spoke about how the Race at Work Charter has had longevity due to being based in data and evidence.
- Discussed that evidence shows that mentoring and sponsorship are desired by ethnically diverse employees to help them navigate their careers.
- Outlined some of the findings from the Race at Work Charter survey, including:
 - The number of organisations voluntarily reporting their ethnicity pay gap has increased from 30% to 44%.



- 95% of businesses have a bullying and harassment policy in place, but only 25% review their policies, and only 20% of those businesses engage their employees in their review process.
- Stressed the importance of businesses focusing on diversifying their supply chains and mentioned BITC's upcoming research to support employers to do this.
- Highlighted that evidence shows that employers are struggling to make meaningful decisions and actions, but that BITC's Race at Work Charter is helping them to make more informed decisions on actions surrounding race.

4. Albertha Charles – PwC's approach to addressing any race disparities in the workplace.

- Albertha shared her experiences as a black female Partner at PwC, and how more progress has been made over the last eight years compared to the 15 years before that.
- Shared how PwC has a targeted race equality action plan for race in the workplace, leading to PwC having 12 Black Partners – more than any other professional services firm in Europe. Every staff member and Partner in the firm has objectives on diversity. These objectives are linked to the firm's partner reward framework so that Partners can hold themselves to account on delivery. The firm also measures and monitors performance on diversity targets and objectives using dashboards.
- Stressed the importance of equal access to career-defining opportunities, monitoring the allocation of important opportunities by ethnicity. Also, the use of succession planning to provide ethnically diverse talent with greater access to senior roles and strategic positions on key accounts.
- Expressed the need for progression coaches, appointed to support all high-potential ethnically diverse colleagues to access progression opportunities, which has driven an uplift in the number of black directors and partners at PwC.
- Outlined some of the programmes which PwC have in place aimed at education and awareness surrounding ethnicity:
 - Paths We Walk: ethnically diverse employees share stories about how they have experienced racial bias at work.
 - In My Shoes: a VR experience where an employee gets to live in the shoes of an ethnically diverse person and see what it's like to live their life. Noted that this was acknowledged by staff and PwC clients as one of the highest impact experiences which has helped to foster a more open and inclusive culture.
- Albertha also talked about PwC's work on social mobility including PwC's Technology Degree Apprenticeship programme.

5. Marcus Bell OBE – Discussed what can be done to address racial inequality in the workplace.

- Spoke about how the government is strongly supportive of action to support race equality, but it is taking a voluntary approach to ethnicity pay reporting, rather than



putting it in legislation, and that the government think that ethnicity pay gap reporting is a good thing but doesn't want to make it mandatory.

- Stressed the importance of employers having good data and evidence to drive change.
- Laid out three actions that the government has taken surrounding race in the workplace:
 - Published detailed guidance on voluntary Ethnicity Pay Gap reporting and how to go about it.
 - Published guidance on positive action under the Equality Act, including on race.
 - Set up an Inclusion at Work panel, collecting evidence around what is effective in the workplace around diversity and inclusion.

6. General discussion: What would be the most effective action government could take to reduce racial inequality in the workplace?

- Sandra Kerr CBE spoke about using procurement levers to ask questions.
- Baroness McGregor-Smith CBE spoke about introducing mandatory ethnicity pay gap reporting.
- Marcus Bell OBE spoke about collecting better evidence of what is effective in the workplace.
- Albertha Charles spoke about broadening pathways into employment and thinking about the intersectionality between social mobility and inclusion.

7. Q&A

- Question about how government can legislate for how companies operate internally regarding issues like promotion.

Baroness McGregor-Smith CBE said by going a step further than voluntary guidance on ethnicity pay gap reporting and putting ethnicity pay gap reporting in legislation. The impact of this will be employers looking to reduce racial disparities in their workforce.

- Question about what government can do to support people before they enter the workplace.

Albertha Charles stressed the importance of government proactivity in the promotion, understanding and celebration of different cultures in schools and ensuring that children are taught positive stories about different cultures. Baroness McGregor-Smith highlighted the importance of developing emotional resilience.

- Question about how to improve social mobility for people from Black, Asian, Mixed Race and other ethnically diverse employees.

The speakers discussed what businesses can do with government, including facilitating networking to support young people in understanding pathways to progression, ensuring the collection of good data and the use of clear language, and opening doors through



initiatives such as two-way mentoring.

Marcus Bell OBE highlighted the need for good data and clear language, as both have been preconditions to the progress made on race, but more work needs to be done on social mobility.

Albertha Charles highlighted the need for a clear plan to improve data collection and disclosure rates, including clear communication and transparency on how the data is used to drive meaningful action and embedding data collection in the normal day to day processes as much as possible.

- Question about changing attitude to race equality and the political debate around “wokeness”.

Baroness McGregor-Smith said attitudes need to change and that it is leadership and executive teams that need to set the agenda by putting in tangible plans which will result in big changes in the organisation.

- Marcus Bell OBE discussed the representation of ethnically diverse employees across different areas of the public sector and that the passage of time makes a real difference in the shift towards inclusive cultures.

8. Co-Chairs - closing remarks and next steps

- Alexander Stafford MP closed the meeting with the following remarks:
 - Stressed that the collecting of data is important, but it is what we do with the data that matters.
 - Discussed next steps from the meeting, including writing to the Minister for Women and Equalities on the discussion.
 - Encouraged attendees to come to the next APCRG meeting on the rise in the cost of living in January.