

# Ethnicity & Inclusion in the Workplace

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## Should we focus more on race or less?

Experts warn that a shift toward 'colour blindness' over multiculturalism perpetuates bias, say *Carola Hoyos and Farva Kaukab*

Ethnic labels — Middle Eastern, black, Hispanic — are the root of racism and war, says Richard Williams, aka US rapper Prince Ea, in his widely-viewed spoken word piece "These Labels were Made Up to Divide Us".

"Human beings were not meant to be slapped with labels . . . Only until we remove them all and stop thinking and living so small will we be free to see ourselves and each other for who we truly are," he says.

His sentiments are widely shared. Many companies, institutions and policymakers have moved away from labels such as BAME (black and minority ethnic), instead embracing colour-blindness.

In the US, universities have reduced programmes of affirmative action, which discriminate in favour of applicants from ethnic minorities. In law, colour blindness has become the standard against which acts of bias are judged. Meanwhile in Europe, companies and universities are adopting name-blind applications.

To its proponents, colour blindness epitomises the dawn of the post-racial society. But some academics, activists and business leaders say it is a misguided approach. They point out that the election of Barack Obama as the first black US president hardly ushered in a post-racial society, nor will the election of Sadiq Khan as London's first Muslim mayor end racial bias.

From police brutality against African Americans to the growing political backlash in Europe against the influx of refugees and migrants from Syria, Iraq and Afghanistan, racial tensions are rife on both sides of the Atlantic. They are spilling into politics, with Donald Trump proposing a ban on Muslims coming to the US as part of his presidential campaign. In Austria, the far-right anti-immigration Freedom party came close to claiming the presidency on Sunday.

Disparities in pay may be less dramatic, but no less pernicious. The latest US census found that the gender pay gap hurt Hispanic and black women most, with the former earning 61 cents and the latter 64 cents for every dollar earned by white, non-Hispanic men.

In the UK, just three companies in the FTSE 100 have non-white chief executives and the discrimination starts at entry level, with research suggesting candidates with names hinting at a minority ethnic background are significantly less likely to be hired than those with white-sounding names.

The internet economy is far from immune. Harvard researchers recently found that guests looking for accommodation on Airbnb were about 16 per cent less likely to be accepted if they had distinctively African-American names, rather than ones suggesting they were white.

### The UPstanding Leaders List Inaugural top 100 celebrates personal achievement and promotion of ethnic diversity and inclusion

Racial bias remains a serious barrier to the success of many people from black and minority ethnic communities. The UPstanding Leaders' List highlights and ranks 100 executives in the US and UK who have reached senior roles in business while also fighting against discrimination and championing ethnic diversity and inclusion in the workplace and beyond.

Below right we present the top 30, with the remainder listed online at [ft.com/ethnic-diversity](http://ft.com/ethnic-diversity)

UPstanding was initiated by barrister Sophia Cannon and Suki Sandhu, chief executive of Audeliss, the executive search company, who is also behind the the OUTstanding list of LGBT leaders which was published in the FT in November.

The ranking of the top 100 Upstanding leaders was decided by a panel of eight judges from different ethnicities and industries. Each application was ranked against four equally weighted criteria:

- 1) Actions and impact of minority ethnic initiatives in the workplace
- 2) Actions and impact of minority ethnic initiatives outside of work
- 3) Achievements as a business leader
- 4) Influence, seniority and visibility within the workplace

We defined businesses as for-profit organisations without charity status and also included organisations that are significantly business facing — so, universities could not be included, but a business regulator could.

A key element that shaped the list was the requirement that nominees agree to their inclusion.

The judges were: Paul Polman, chief executive, Unilever; Nina Vaca, chairman and chief executive, Pinnacle Group; Ashok Vaswani, chief executive, Barclays UK; Linda Yueh, global economist, broadcaster and author; Vivian Hunt, managing partner, UK and Ireland, McKinsey; Carola Hoyos, editor, Executive Appointments and Non-Executive Directors Club, Financial Times; Ms Cannon and Mr Sandhu.



Go online to find the full ranking of top 100 executives. Find out who else the judges selected for the list at: [ft.com/ethnic-diversity](http://ft.com/ethnic-diversity)



Mixed message: Prince Ea's spoken-word piece 'These Labels Were Made Up to Divide Us' (see main story) has been widely viewed on YouTube — Charlie Bibby

**1. Muhtar Kent**  
Chairman and CEO, The Coca-Cola Company (see profile, below)

**2. Manjit Wolstenholme**  
Chairman, Provident Financial

**3. Albert Cheng**  
Chief operating officer, Amazon Studios

**4. Tunji Akintokun**  
Director, commercial and partner organisations for Africa, Cisco

**5. Ruby McGregor**  
CEO, Mitie Group

**6. Minouche Shafik**  
Deputy governor, markets and banking, Bank of England

**7. Ajay Banga**  
President and CEO, Mastercard

**8. Stacy Brown-Philpot**  
CEO, TaskRabbit (see profile, below)

**9. Karen Blackett**  
Chairwoman, MediaCom UK

**10. William F. Kornegay, Jr.**  
Senior vice-president, supply management, Hilton Worldwide

**11. Ken Olisa**  
Chairman, Restoration Partners

**12. Chris Carr**  
Executive vice-president, licensed stores US & Americas, Starbucks

**13. Ime Archibong**  
Director, strategic partnerships, Facebook

**14. Harish Sodha**  
Executive chairman, Diversity Travel (see story, page 4)

**15. Torrence Boone**  
Vice-president, global agency sales and services, Google

**16. Timothy Wilkins**  
Partner, Freshfields

**17. Nathaniel Peat**  
Co-founder and CEO, Gennex

**18. Hani Kablawi**  
Executive vice-president and CEO, EMEA asset servicing, BNY Mellon

**19. Funke Abimbola**  
General counsel and company secretary, Roche UK

**20. Leena Nair**  
Chief HR officer, Unilever

**21. Shriti Vadera**  
Chairwoman, Santander UK

**22. Tony Chanmugam**  
Group finance director, BT Group

**23. Sophie Chandaoka**  
Executive director and chief admin. officer, EMEA, Morgan Stanley

**24. Paul Monokosso Cleal**  
Partner, PwC

**25. Fama Francisco**  
President, global feminine care, Procter & Gamble,

**26. Netsai Mangwende**  
Head of finance business partnering, UK and Europe, AIG

**27. Richard Mark**  
President, Ameren Illinois

**28. Tom Shropshire**  
Partner and co-head, operational intelligence group, Linklaters

**29. Daryl Scales**  
Vice-president, finance director UK and Ireland, Enterprise Rent-A-Car

**30. Sandie Okoro**  
General counsel, HSBC Global Asset Management

Removing racial markers at such moments, or in job or university applications, can be helpful. But a broad-brush colour-blind approach perpetuates bias, business leaders and academics warn. Instead of ignoring racial distinctions, they are urging companies and policymakers to embrace them.

"Shutting our eyes to the complexities of race does not make them disappear, but does make it harder to see that colour blindness often creates more problems than it solves," says Michael Norton and Samuel Sommers, academics at Harvard Business School and

Tufts University, who have published several studies on the issue.

After analysing the survey responses of 3,758 employees of a large US health-care company, academics at the University of Georgia concluded that companies run mainly by white people that endorse colour-blind policies increase the perception of racial bias among their ethnic minority employees. Conversely, when a majority-white company endorses multiculturalism, minority employees perceive their employer to be less biased.

Meanwhile, several other pieces of

academic research conclude that a multicultural approach has multiple benefits. For example, a manager who asks team members to consider the ethnic diversity of their colleagues, rather than ignore it, fosters appreciation for other people's perspectives and sharpens assessments of discrimination.

Talking about race is uncomfortable, admits Mellody Hobson, president of Ariel investments and chairman of DreamWorks Animation, which, she says, makes her one of only two black women to chair a publicly traded US company.

Yet Ms Hobson believes "we cannot afford to be colour blind". "We have to be colour brave," she said in a Ted Talk. "We have to be willing, as teachers and parents and entrepreneurs and scientists . . . to have proactive conversations about race with honesty and understanding and courage."

In the talk she applauds John Skipper, president of sports channel ESPN, for insisting that the company consider a diverse slate of candidates for every position it fills.

Such policies are facing a backlash. Professors Norton and Sommers

believe there is growing resentment among white people of actions they perceive as unfairly favouring people from ethnic minorities.

Despite their preference for a multicultural approach, the two academics expect colour-blindness to gain in acceptance, not because people with ethnic minority backgrounds feel victimised by labels, but because white people do.

In a 2011 survey they found that the average white American believes they face more racial bias than African Americans.

### Profile Muhtar Kent, Coca-Cola

As the New York-born son of a Turkish diplomat who was raised in Thailand, India, Iran and Turkey, there is no doubt that Coca-Cola chairman and chief executive Muhtar Kent had an eclectic upbringing.

This background has clearly influenced his leadership style, whether it is through the emphasis he has placed on diversity in the workplace or his ability to adapt when he visits the 200-plus countries where Coca-Cola products are sold.

"If you run a global business you really have to understand cultures, you have to understand languages, understand what is important to people in different parts of the world," Mr Kent said at an EY event last year. "You've got to be comfortable living in Munich or Mumbai in today's world."

Under his leadership over the past seven years, Coca-Cola's multicultural workforce has reached 43 per cent of the total in the US from 40 per cent in 2011.

More than half of the Atlanta-based company's spending on communities goes to non-profit organisations focused on ethnic minorities, veterans, those with disabilities and the LGBT community.

In 2012, he championed the creation of a multicultural leadership council charged with supporting changes in mindsets,



behaviours and systems to improve the advancement of multicultural US employees within the firm. The council's activities included sponsoring the creation of Multicultural Edge, a week-long leadership development programme for emerging leaders, and championing the launch of Diversity 50, a year-long leadership development programme designed to strengthen Coca-Cola's pipeline of diverse leaders.

Much of Mr Kent's work in diversity has been focused on women both inside the world's largest drinks company and among its suppliers and customers in emerging market communities. Under his chairmanship, Coca-Cola has increased the number of women on its 15-member board from two to four. Two of those women are African American and one is Hispanic. Of the 11 male board directors, 10 are white.

Marketing experts argue that diversity is key to a company's brand given changing US demographics and the increasingly global nature of the country's corporations. "The reality is we live in an exponentially more diverse world. A brand that's not reflecting [today's diversity] is grotesquely out of touch," says Thomas Ordahl, chief strategy officer at Landor, a brand consultancy. "It's not a feel good thing, it's reflecting the market place."

Lindsay Whipp

### Profile Stacy Brown-Philpot, TaskRabbit

Having joined TaskRabbit, the online marketplace for odd jobs, after nine years in management at Google, Ms Brown-Philpot is a rare example of a black, female chief executive in the tech industry. Mentored by Sheryl Sandberg, she credits her success in part to her decision to head online sales and operations for Google in India, a move that gave her chances that would have been otherwise unavailable.

At the tech giant she founded the Google Black Network, an employee resource group which is an important part of Google's efforts to improve diversity. Shortly after her appointment as chief executive of TaskRabbit in April, she launched a partnership with the Congressional Black Caucus, which represents black members of the

US Congress, to focus the start-up's recruiting and retention efforts on African Americans and other under-represented groups.

"I believe you accomplish what you measure and by setting some real targets and going public about them," she has said. Ms Brown-Philpot's

multi-pronged approach involved being accessible in weekly office hours, a mentorship programme and creating summer internship opportunities for top black and Latino engineering talent through Code2040, a US nonprofit organisation working for greater participation of those groups in technology. She is also board member of Black Girls Code, a nonprofit organisation that provides technology education to African-American schoolgirls.

Farva Kaukab



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## Executive Appointments Ethnicity &amp; Inclusion in the Workplace

# More honesty seen as cure to fears about migration



**Porous borders** Academics say political leadership is weak at a time of rapid influx, writes *Brian Groom*

Europe is struggling to cope with refugees from Syria and economic migrants from Africa, while control of borders takes centre stage in the UK's Brexit referendum. In the US, Republican candidate Donald Trump has promised to build a wall to keep out Mexican immigrants and described as "insane" the decision by Angela Merkel, chancellor, to accept more than 1m migrants last year.

Tension can rise when immigration is rapid, as has been the case in high-income countries for two decades. It may provoke fear and hostility despite arguments that migration brings economic benefits to receiving countries.

Incidents such as sexual assaults on women in Cologne at New Year, and fears that migration facilitates Islamist terrorism mingle with longstanding anxiety that migrants are competing for jobs and housing. In the UK, rules have been tightened to try to stem the inflow.

"I would be hesitant to say there is a general hostility to immigration, but there is obviously big concern about the

extent to which high-income countries are able to control what's going on," says Martin Ruhs, associate professor of political economy at Oxford university.

In modern times, people mostly move in search of work and prosperity, though some do so to reunite with their families, study, escape persecution or war, retire or seek a better quality of life.

Migration is high in an interconnected world where transport, the internet and mobile communications make it easier to move. Meanwhile, conflict, poverty, inequality and lack of decent jobs drive many to seek a better future. Climate change may force even more to move.

People living outside their home country reached a record 244m in 2015, up from 173m in 2000, according to the UN. That is a modest increase from 2.8 per cent to 3.3 per cent of the world's population, and growth slowed after the financial crisis.

Yet there has been a big impact in high-income countries, whose proportion of migrants as a share of the national population rose from 9 to 13 per cent over the same period. The US

**New beginning:** Razan Azis (centre), from Syria, at a Berlin jobs fair for refugees

Getty

has the largest number of migrants, about a fifth of the world's total (mainly from Mexico), followed by Germany, Russia and Saudi Arabia. Worldwide, most migrants are from middle-income countries, whose citizens can better afford to travel. India has the biggest diaspora, followed by Mexico, Russia and China.

Most migration is economic. Though refugees fleeing war or persecution are at a post-second world war high, they still account for only 8 per cent of the total. Migrants send at least \$600bn a year to their families, according to the World Bank. Yet they are vulnerable: often the first to lose jobs in a downturn, working for less, for longer hours and in worse conditions than national workers.

In host countries, migrants fill labour shortages, create jobs as entrepreneurs and contribute in taxes. Indian graduates, for example, have played a large part in Silicon Valley's development. Economic studies tend to point to modest average gains for most people in the host country, because migrants are also consumers and lift demand, though the

picture is mixed for low-income workers. There is also a demographic imperative: Europe's population would shrink without migrants, making it hard to support ageing societies.

John Skrentny, professor of sociology at the University of California, San Diego, says reaction to migrants often "starts not from hatred, but from a positive seed of valuing communities". He adds: "Often working-class people will take great pride... that generations have lived in the same place for years. For them, immigration suggests a loss of something that's at the centre of their lives." He proposes measures to retrain indigenous workers who lose out, coupled with steps to protect migrants from exploitation. He cites the meat processing industry, which used to provide unionised jobs. "Employers have been desperate to bring in migrants and they pay them half what the American workers used to make. They have increased line speeds and injury rates."

Before immigration dominated the Brexit campaign, a 2014 Transatlantic Trends survey showed that 54 per cent

of Britons felt they hosted too many immigrants. But when the actual share of migrants was pointed out, the figure fell to 31 per cent. "I don't think resistance to migration in Britain is stronger than in most periods in the past," says Panikos Panayi, professor of European history at De Montfort University, Leicester. While governments claim to be trying to control it, "in reality, the economy has been built on migration". He adds that despite a "political-journalistic" discourse of hostility, "there is interaction in all sorts of positive ways".

Bridget Anderson, professor of migration and citizenship at Oxford university, suggests more mixing is needed, for example at primary school, to overcome hostility. "These things can be turned round quite quickly but it needs political leadership and we haven't really seen any of that yet." Prof Ruhs adds: "In a number of countries, the government's rhetoric on immigration is much tougher than actual policies are. I think there needs to be more honesty about the power and limits of nation states in controlling national borders."

'I don't think resistance to migration in Britain is stronger than in most periods in the past'

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Executive Appointments Ethnicity & Inclusion in the Workplace

# Black and ethnic names have less chance of making shortlist

**Recruitment**  
Bias means that well-qualified candidates struggle to get a foot in the door, writes *Barney Thompson*

When Kayo Anosike embarked on a career change, she studied for a masters degree in business psychology at the University of Westminister. She then sent out her CV to prospective employers – and heard nothing.

When Kayla Benjamin lost her job and retrained for a new career in the corporate world, she, too, did a masters in business psychology at the same university. A mere 10 days after sending out her CV, she secured a new job.

Kayla was delighted, relieved and mildly shocked. Kayo felt exactly the same way – because they were, and are, one and the same person.

It was only when Kayo Anosike chose Kayla Benjamin as her alter ego that she managed to get a foot in the door. “All my friends said to me that if I got to the interview stage, [employers] would see I was the right person,” she says.

The tactic was so successful that a few months later she tried it again. “Because it had worked for me the first time, when my first contract ended I thought, this is my new professional employment history.”

When Ms Benjamin, the name she has retained for her professional life, sent out her CV again, she was “inundated with interviews – the combination of my masters and my new name was working”. Even though she was unsuccessful for most of the jobs she applied for, “at least I was being given a fair shot”.

The issue of names that “sound ethnic” was identified by David Cameron in his October 2015 speech to the Conservative party conference. Name bias meant “the disappointment of not getting your first choice of university place”, the prime minister said.

“It’s being passed over for promotion and not knowing why; it’s organisations that recruit in their own image and aren’t confident enough to do something different, like employing a disabled person or a young black man or woman.”

Name bias is on the political and business agenda. This year the Cabinet Office announced name-blind recruitment processes for the National Health Service and Civil Service by 2020. A host of organisations, including the BBC, Deloitte, HSBC, KPMG and Teach First, is following suit.

“By removing the candidate’s name and other personal information, such as their nationality or the university they attended, we aim to ensure that people will be judged on merit and not on their background, race or gender,” says John Manzoni, head of the civil service.



**Pseudonym:** Kayo Anosike had better luck as alter ego Kayla Benjamin when she applied for jobs

Studies have pointed to recruitment problems for applicants with “non-white” names, though most acknowledge that this is far from the only barrier to employment. A 2009 study carried out by the National Centre for Social Research on behalf of the Department for Work and Pensions found “white” sounding people needed to send nine written job applications to get a callback for interview. The figure rose to 16 from ethnic minority applicants.

One troubling aspect, says Biju Menon, founder of a “name-blind” headhunting platform called Nottx, is that it is difficult to know if you have been on the receiving end of unconscious bias. But when you are repeatedly ignored for jobs for which you are qualified, he adds, the suspicion grows that your name is holding you back.

“We don’t have a clear [transparent] process of recruitment so I wanted to create that process . . . It is common sense to take the name and the gender out of the equation and not have that unconscious mindset [come into play].”

After an email survey of its members, Nottx found almost a quarter of female clients in the UK with “non-white” sounding names had adopted a pseudonym because they thought it would help their job prospects, though only 10 per cent of men had done the same. In the US, the figure among Nottx candidates was 17 per cent but the spread among men and women was more even.

Aia Alkhubair has experienced her own version of the problem. Born and

raised in Nova Scotia, she has a Canadian university degree, pale skin, red hair and an Arab name. Despite being educated to masters level, she has spent two years failing to find a job that matches her qualifications and is convinced her name is the reason. “Recruiters look at names on a CV and disregard skills and experience,” she says. “They automatically think a person with an ethnic name is unable to speak English or cannot be a team player.”

The problem goes deeper than the “colour” of a name, however. In 2005 Raphael Mokades set up Rare Recruitment, an agency for ethnic minority graduates, with the aim of matching the best candidates to jobs in leading law firms, banks and other companies.

He found that the interview stage raised problems concerning the social and ethnic differences between interviewer and interviewee, suggesting that removing names and other information from applications worked only up to a point. A recruiter’s subconscious assumptions based on body language and speech, for example, created similar issues to the problem of names.

“[Recruitment] is a battle between someone who ticks the boxes for academic achievement, extra curricular interests and work experience but may not have the Duke of Edinburgh awards and the hedge fund internship,” he says. “There are barriers of confidence and fluency, of social and cultural capital – and there are penalties for people who are different.”

‘There are barriers of social capital – and penalties for those who are different’

# Minority report: companies wake up to the benefits of diversity

**Corporate policy**

Businesses are increasingly willing to improve, but which tactics actually work, asks *Shyamantha Asokan*

Until five years ago, Amir Kabel says it was hard to get companies fired up about ethnic diversity. Many employers simply wanted to ensure they complied with anti-discrimination laws and leave it at that.

“They would often just revert to [doing] the minimum,” says Mr Kabel, head of diversity and inclusion at Green Park, a UK-based executive search firm. “But the conversation is changing. Now, people view it as an opportunity.”

From established accounting firms to tech start-ups, companies are starting to take supporting minorities more seriously, diversity experts say.

One reason is that recent reports, including 2014 research by McKinsey, the consulting firm, have argued that diverse companies are more likely to be innovative and have higher returns. The public is also becoming more vocal, often using social media to rail against sectors that lack diversity – this year’s #OscarsSoWhite hashtag is an example.

Mr Kabel says that, for many employers, a starting point is to collect and analyse ethnicity data. This helps pinpoint the root of a diversity deficit, be it in recruitment, retention or promotion. He points to Transport for London (TfL), which runs the capital’s public transport network, as an example of good practice. TfL publishes annual data on how under-represented groups fare in terms of job applications, job leavers, promotions and pay.

People from ethnic minorities hold only one in 16 senior management roles in the UK, although they account for one in eight of the working age population, according to a 2015 study by Business in the Community, which advises public and private sector bodies on diversity. Just three chief executives of FTSE 100 companies are not white.

Some employers use targets to focus their efforts. Channel 4, the UK broadcaster, launched a diversity plan last year that aims to increase ethnic minority employees from 15 to 20 per cent within five years. Another goal is to raise the proportion of such staff in leadership roles from 8 to 15 per cent. The targets are above the national average partly because the broadcaster is based in multiracial London.

“Having targets . . . is an important part of galvanising people to act,” says Dan Brooke, Channel 4’s board member in charge of diversity and its chief marketing and communications officer.

For example, the broadcaster now holds open days across the UK, tells external headhunters that it cares about supporting minorities, has compulsory diversity training for all staff and publicises its diversity push on social media.

Mr Brooke says the latter has been particularly helpful: “When you start to get it out there on Facebook, for example, we know from what people say when they apply for jobs here that it is having quite a significant impact.”

The proportion of Channel 4 staff

from ethnic minorities has risen from 15 per cent to almost 18 per cent since the diversity plan was launched in January 2015. In senior roles, it is up slightly from 8 per cent to just over 9 per cent.

In Silicon Valley, the challenge is to attract and foster employees from specific minorities. Google, Microsoft and Facebook all have a US workforce that is 55-60 per cent white, roughly in line with 2014 figures for the country’s population. However, among remaining staff, Asians are over-represented while Hispanic and Latino and black groups are under-represented.

Slack, a workplace chat app that was launched in 2013 and employs more than 450 people, is faring slightly better than bigger, older peers in terms of African-American employees – 4.4 per cent of its US workforce, below the figure of 13 per cent for the population as a whole but above many other tech businesses.

The company started thinking about diversity at an early stage, says Anne Toth, Slack’s head of people and policy. “It’s almost silly not to do this early if you can,” she says.

Because Slack tried to hire from under-represented groups when it had just 85 staff at the start of 2015, it now has employees who it hopes will encourage people in their networks to apply for vacancies. The company plans to double its headcount by this time next year.

Ms Toth says she still has much to do, especially in terms of hiring Latinos, the biggest ethnic group in California. Slack plans to launch a graduate recruitment



Sandra Kerr of BITC says that while top men may have daughters, they lack links with ethnic minorities

drive this year that will include visits to local universities.

For many companies, the toughest challenge is to retain and promote staff from minorities once they have been hired. One solution is diversity training, teaching team leaders to ask open questions, rather than make assumptions about their staff. Another tool is unconscious bias training, in which managers often take an online quiz to find out if they favour certain groups without realising.

For minority employees, in-house networks can create a “safe space” to find mentors and talk openly. EY, the professional services firm, runs a support scheme in the US for young recruits from minorities that includes an annual networking event.

Slack has staff groups for people of colour and LGBT employees that provide informal feedback on the company’s diversity projects.

Diversity advocates welcome growing interest in supporting minorities but say there is some way to go and that in many companies ethnic diversity is a lower priority than gender diversity.

“Many of the men who I think have spearheaded things [on gender diversity] have daughters . . . it becomes personal, they think ‘I don’t want my daughter to put up with this stuff,’” says Sandra Kerr, race equality director at Business in the Community. “But for ethnic minorities, if they don’t have powerful leaders in those positions, where’s that personal link?”

**Initial public offerings** Laggard boards ‘must try harder’ after IPOs highlight lack of diversity

A new study of London’s initial public offerings in 2015 has revealed the dismal state of ethnic diversity on corporate boards of emerging companies.

Of 25 IPOs in the “premium” category last year, almost a third of the companies had no black or ethnic minority board members, according to the report from headhunter Sapphire Partners.

Just 6 per cent of 130 non-executive directors appointed by those companies last year were not white. None of the 186 executive and non-executive directors appointed were black. In the 2011 census, 14 per cent

of the UK’s population did not identify as white.

Those boards “really missed a trick in not coming to market with greater diversity,” says Kate Grussing, founder of Sapphire. “Recently listed companies all could have started their lives as PlCs with truly diverse boards; instead they are laggards and need to try harder.”

The findings mirror what were already identified as critical failings in the broader UK workforce.

The number of people from ethnic minority groups who are in leadership roles in FTSE 100 companies fell

in the year to April 30 2015. Almost two-thirds of FTSE 100 companies had no ethnic diversity on their boards at all.

“Greater attention to a diverse pool of senior executive talent leads to increased performance for the company and its shareholders,” says Sir Winfried Bischoff, chairman of the Financial Reporting Council, the UK regulator. “The argument that you need diversity of thought and perspective has moved from being politically correct to increasingly being regarded as enlightened business sense.” **Mary Childs**



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## Executive Appointments Ethnicity &amp; Inclusion in the Workplace

## One refugee's long journey to success

**Interview** Harish Sodha fled Uganda and now runs a company helping aid workers travel, writes *Sharmila Devi*

Harish Sodha has spent so much of his working life helping other people travel to far-flung and volatile places that he has had little time to travel himself – not even to return to his native Uganda.

Mr Sodha, 63, a Ugandan Asian, is founder of Diversity Travel, which specialises in the non-profit sector, helping non-government organisations such as Save the Children and ActionAid reach the places where they work. The company employs more than 125 people and has a turnover of some £57m.

"I've worked hard and raised a family but I hope now to do more travelling," he says. "I would love to go back to Uganda as I have fond memories of the place. In my teenage years, I remember walking up Mount Elgon, admiring the rich green vegetation. I still love being close to nature today, and I think much of this appreciation comes from the years I spent in Africa."

Mr Sodha, number 14 on the UPstanding Leaders List, has no plans to retire. He is an example of the largely African-Gujarati diaspora who have found success since being thrown out of Uganda by Idi Amin. The dictator ordered the expulsion of some 60,000 Asians from the country in 1972, accusing them of hoarding wealth and sabotaging the economy.

Britain allowed some 27,000 Ugandan Asians to settle after failing to persuade British overseas territories to take them. Proponents of migration in the current debate often point to their successful integration.

Other success stories include Baroness Shriti Vadera, chairman of Santander UK, and Lord Rumi Verjee, the entrepreneur who brought the Domino's Pizza franchise to the UK.

Mr Sodha has 11 siblings and the family had a clothes shop in Uganda. They came to Britain with only a few



Good journeys: Sodha's company helped OnCall: Medicine with a Mission travel to the Philippines

gold bangles hidden in his mother's sari. "The life of a refugee is terrifying and desperate. I have seen this first-hand," says Mr Sodha. "If each country did their fair share, the problem would not appear as monumental as it does now."

Extended family was a lifeline as the Sodhas struggled to build a life in Britain, he says. He stayed with his sister already living in the UK, while his parents and the rest of the family lived with a brother, another early arrival.

"It was sometimes quite crowded . . . but we were lucky and knew people here," he says. "Getting a job and starting to earn money was more of a challenge." His siblings now work in a variety of roles and industries all are "happy and comfortable".

"I grew up feeling a lot of Indo-phobia in Uganda," he says. "The reason was we were a small minority but had a large share of retail and commercial success and we kept to ourselves to a certain extent," he says. "In Kampala . . . there were many schools where Asian pupils

were the majority and had less chance to mix. When my children started school in the UK . . . I'm glad they had the opportunity to integrate into a much more diverse community."

Mr Sodha graduated with a degree in business administration from the University of Bath in 1977. There were no fees and grants were available for living costs. "If it hadn't been for these, I

Harish Sodha: 'I believe displaced people work even harder to achieve, to repay family members'



wouldn't have been fortunate enough to go to university," he says.

He decided on a career in accountancy but quit after a year. "It was the classic Asian thing to do but I wasn't happy, the work was tedious."

While deciding what to do next, he took a job in a small travel agency,

Transroute, and came up with the idea of providing a service to non-profit organisations.

"I knew Africa and always admired the work charities did to help people. I also knew the airlines often had spare capacity on routes there," he says. "So I started talking to them about how to give charities the chance to use that capacity with the flexibility they needed but [which] usually came with much higher-priced tickets."

Mr Sodha sees no contradiction in making a profit by servicing charitable organisations. "The charities know we provide a good service that helps them get to lots of places safely," he says.

"We are also in the process of forming a foundation. Our staff will decide which projects they want to support. I of course hope it will include Uganda," he says in a soft voice with a Gujarati accent.

He founded Key Travel in 1980 after persuading airlines of his idea. "There was no investment or seed funding. I used my own money from savings built

up over time to start the business. In our tight-knit community, family and friends will always help others out. I believe displaced people work even harder to achieve, to be in the position to repay family members and do the same for others that need help."

A system of rules and checks was devised to reassure the airlines, which now include the likes of British Airways, Lufthansa and KLM, that his service benefited genuine aid workers.

"The airlines saw it was a good idea to help the charities, which could spend more on their projects rather than travel. In the early days, the airlines said no because they were worried that [non-aid workers] would take advantage. We had to be very disciplined to check people and we still do a lot of training."

He managed to negotiate perks for aid workers that usually cost extra, such as no, or reduced, excess baggage fees and flexibility. "Charities often have to change their plans at the last moment if a project isn't ready or it's become dangerous. This used to cost a lot in fees," he says.

The company suffered less than some from the disruption caused by the internet. "To an extent, we have been less affected as we deal with complex itineraries for clients that travel to very remote places at short notice," he says. "We also have our own self-booking tool, although our clients often prefer to speak to someone who can advise them, from experience."

Mr Sodha sold his share in Key Travel in 2005, when it had a turnover of £45m. Two years later, finding he missed the travel business, he and two ex-colleagues started Diversity Travel, which after a year operating in corporate travel, moved into a similar sector to Key Travel.

"When we started, we established small teams that serviced the individual needs of the charities we were working with," he says. "This small business model and approach is still with us today, even after the . . . growth we have experienced."

Other companies now target the same niche market and Mr Sodha welcomes the competition. "We are still the largest, and anything that gives more choice for charities is good."

## The big questions

## Why are there few people from ethnic minorities at the top of US and UK business?

Research points to three reasons. Senior executives tend to promote people like themselves. The lack of African-American men in leadership positions is an example. Qualities that in white men are seen as ambitious, in black men are seen as threatening. Secondly there are low expectations of black staff. Diversity policies, despite good intentions, can treat black staff as victims rather than encouraging ambition. Thirdly, leaders fail to advocate for talented black staff.

## Which policies work?

Leaders have to be serious about wanting change and take an active role in spotting and promoting talent from under-represented groups. Recognise the ambition of colleagues from ethnic minorities and recruit and promote them.

## What are the pitfalls?

Never fall into the trap of accepting that you must choose between diversity and quality. Diversity should extend the talent pipeline, not exclude people with potential. Recognise barriers, but develop talent and keep the bar high.

## Are certain minorities more discriminated against than others?

Professor Kenji Yoshino from NYU in a report called Uncovering Talent found all groups of staff feel their organisation requires them to hide or change part of themselves to succeed. He coined the term "covering" and defined four axes along which individuals "cover": appearance, affiliation, advocacy, and association. Suppression of our selves — and therefore probably our potential — is something that organisations ask of all of us. It's effect on minorities is far worse.

Simon Fanshawe is partner and co-founder at *astar-fanshawe*, a consultancy that works with companies to create greater diversity in their staff and boards

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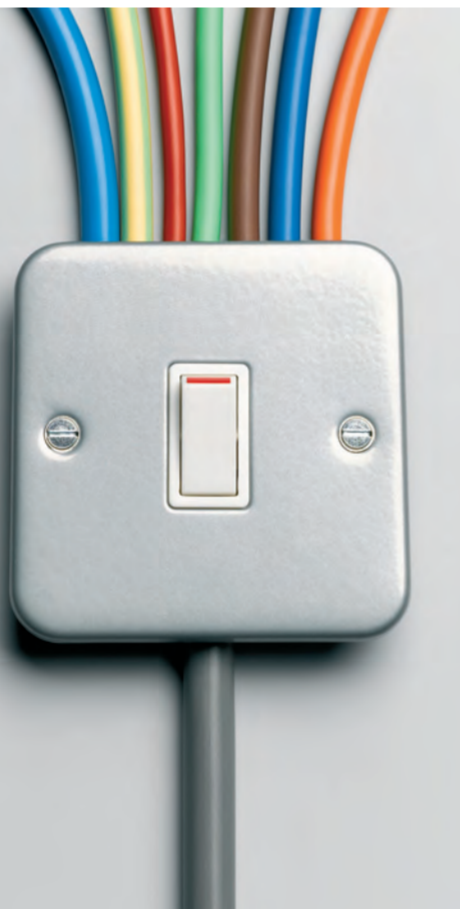
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2016 Diversity Mentoring Scheme was Highly Commended at Excellence in Diversity Awards

2015 Promoted to Manager

2015 Became chair of our Multicultural Business Network

2013 Promoted to Senior Associate

2013 Set up our Diversity Mentoring Scheme

2011 Joined PwC on the consulting graduate programme

2011 Graduated from University of Warwick with an Economics degree

*Dara's story, Manager in Consulting*

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