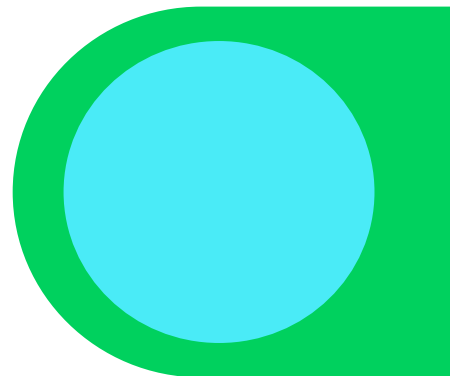
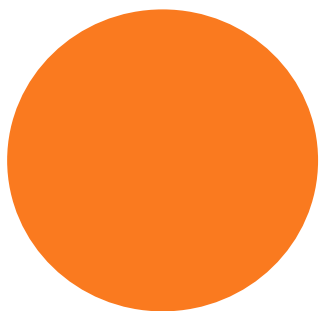


Race to Equality: UK Financial Services Report 2022

Addressing underrepresentation of ethnic minorities in the UK financial services sector.



Foreword

For the second successive year, Reboot is pleased to present its Race to Equality: UK Financial Services Report. One of the most extensive surveys of its kind within the sector, this paper examines the responses of 800 online interviews with mid-to-senior level ethnic minority (600) and white (200) employees across financial services. This year, we have also undertaken a 'Leaders' survey' capturing responses from 100 senior decision-makers within the industry, to better understand potential gaps that could be hindering career progress and opportunity.

Together, this independent research captures the experiences of ethnic minorities in UK financial services, gathering insights on recruitment practices, career progression, diversity and inclusion efforts, and, importantly, areas where discrimination continues to have a negative impact.

The findings of the Race to Equality: UK Financial Services Report are very similar to the findings of other reports and sentiment on race and ethnicity in the UK. Namely, a lack of career progression, discrimination for being a minority group within the UK, and low levels of diversity in the workplace across the UK, particularly in senior roles.

Within this report we highlight the significant challenges that ethnic minority employees face in the financial services workplace, alongside perspectives from business leaders as they seek to make progressive changes within their organisations. We provide insights that we hope business leaders and other white

allies can learn from, while educating employees from all backgrounds and seeking to ensure that community and inclusion are prioritized within corporations.

The UK financial service industry is world-leading. However, to maintain its competitive position on the global stage, it must continue to embrace and employ those from a wider range of ethnicities and backgrounds, to ensure we can continue to innovate and progress for a modern world. As you read this report, we want you to ask yourself two questions. First, how can we ensure that our financial services industry can attract and retain the best talent that is truly representative of the broader society and communities we serve? Second, how much discrimination or inequity (including compensation) are we willing to tolerate or look the other way?

We hope the answer to the latter is none, but the reality is today that discrimination is a major factor inhibiting the careers of ethnic minority professionals in our industry. Collectively, we have the power to change this and deliver better answers to these questions and much better outcomes for our industry. Reboot is committed to taking on this challenge, and we hope you are too.

The Reboot research was conducted by Coleman Parkes during August 2022 through 800 online interviews with mid-to-senior level ethnic minority (600) and white (200) employees across the financial services sector, representing 392 companies with a combined annual revenue of approximately £1.4trn.



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Introduction

Financial services are an enormous contributor to the UK gross domestic product. The sector brought in £173.6 billion to the UK economy in 2021¹, which equates to 8.3 per cent of the country's total economic output. Despite its size, and the diverse people it serves through its fiduciary responsibilities, the sector continues to struggle with diversity.

In 2021, the industry regulator - the Financial Conduct Authority (FCA) - recognised that the problem for ethnic minorities was not only significant, but a growing one.

In a discussion paper entitled 'Diversity and inclusion in the financial sector'², the watchdog stated that while progress had been made in many areas of diversity, the situation for ethnic minorities "shows signs of going into reverse". It concluded that those individuals from an ethnic minority who manage to get into the sector, "struggle to achieve the same progression opportunities as their counterparts in the UK".

Not only is this an issue for employers, who face discouraging talented ethnic minority

individuals from a career in finance, it is also an issue which will limit the earning potential of entire groups within society. According to the Office for National Statistics (ONS), the 2021 gross median salary across the UK was £25,971³. However this was dwarfed in comparison to the average financial services salary which stood at £42,583⁴, before bonuses.

Furthermore, earlier this year, the Bank of England (BoE) updated its DP21/2 DE&I discussion paper in collaboration with the Prudential Regulation Authority (PRA) and the FCA. The paper focuses on the development of DE&I within the financial sector, assessing the role of the regulators, and examining the progress already made. It was written with the purpose of targeting stakeholders to open the debate of how meaningful change can be implemented into financial institutions, and allowing for comments to be made. It will be interesting to see how this discussion progresses and how organisations respond to the consultation.

Increased industry efforts to improve diversity have been a commercial reaction as well as a socially conscious

1 <https://researchbriefings.files.parliament.uk/documents/SN06193/SN06193.pdf>

2 <https://www.fca.org.uk/publication/discussion/dp21-2.pdf>

3 <https://static1.squarespace.com/static/5d8c6cef28ac7b58bd17ab1e/t/6294cc58e8329c2709c6b775/1653918810378/Annual+Gross+Pay+Salary+Wages+for+all+employee+jobs+in+the+UK+and+regions+-+ONS+Data+2021.pdf>

4 <https://uk.talent.com/salary?job=financial+services#:~:text=The%20average%20financial%20services%20salary%20in%20the%20United%20Kingdom%20is,or%20%C2%A321.84%20per%20hour.>

one. Multiple studies have concluded that a diverse workforce boosts profits, innovation, creativity, and productivity. It can also improve decision making and risk outcomes. Despite that, the fieldwork for this report shows that there is still much more to be done if the industry is to harness these benefits.

Specifically, there remains an absence of role models to which those from an ethnic minority background can aspire, particularly in the most senior of positions. At the same time, initiatives to improve the diversity of intakes at entry level are well-intended, but still need further improvement when it comes to execution.

A disappointing theme that has remained in the feedback for this year's survey is that institutionalised racism remains rife throughout financial services. Many respondents were able to count several experiences of discriminatory behaviours in their career in the past 12 months alone. Furthermore, organisations are doing more year-on-year, but there is no tangible evidence that these efforts are working. This is not surprising however, with only one third of respondents feeling the leadership of their organisation is fully committed to DE&I – no change year-on-year.

With this remaining the case, it underscores the importance of the work that Reboot does. It also underlines that companies and their leaders must take authentic action if they are to harness the true potential of a diverse workforce and deliver against their own impact objectives as responsible corporate citizens.



Careers and progression

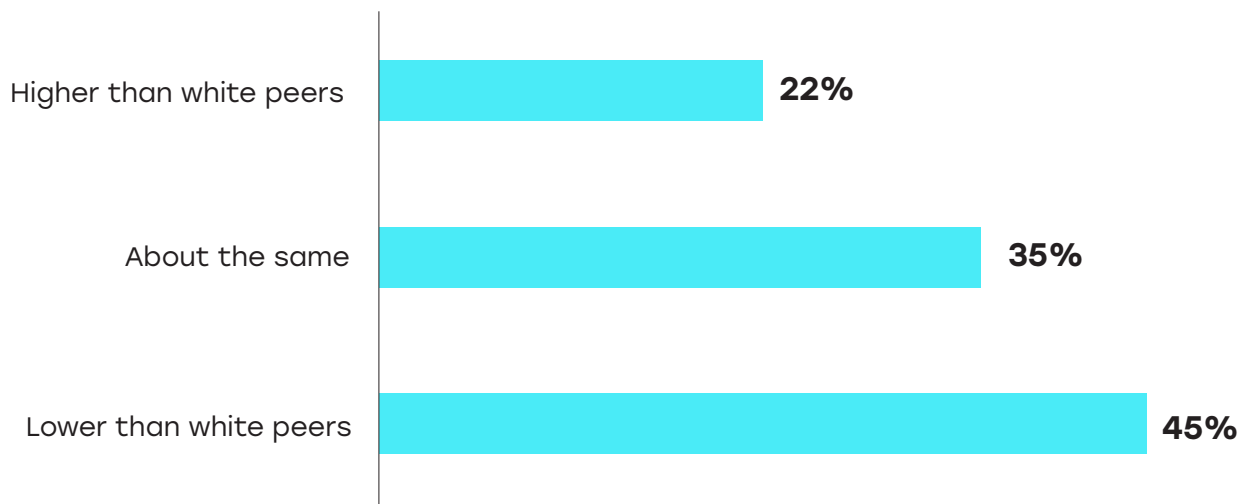
People choose a career in financial services due to the attractive salaries and benefit packages, along with the opportunities for personal and career development. Sadly, the latter remain the preserve of non-ethnic minority employees.

Individuals from an ethnic minority still feel that their career progression is lower than

their peers of a white ethnic background. Almost half (44%) of those polled said that they felt their career progression was lower than their white peers.

At the same time, more than a third of white respondents felt that their career progression had been higher than their ethnic minority peers.

How would you rate your career progression to date, compared to your white peers? %



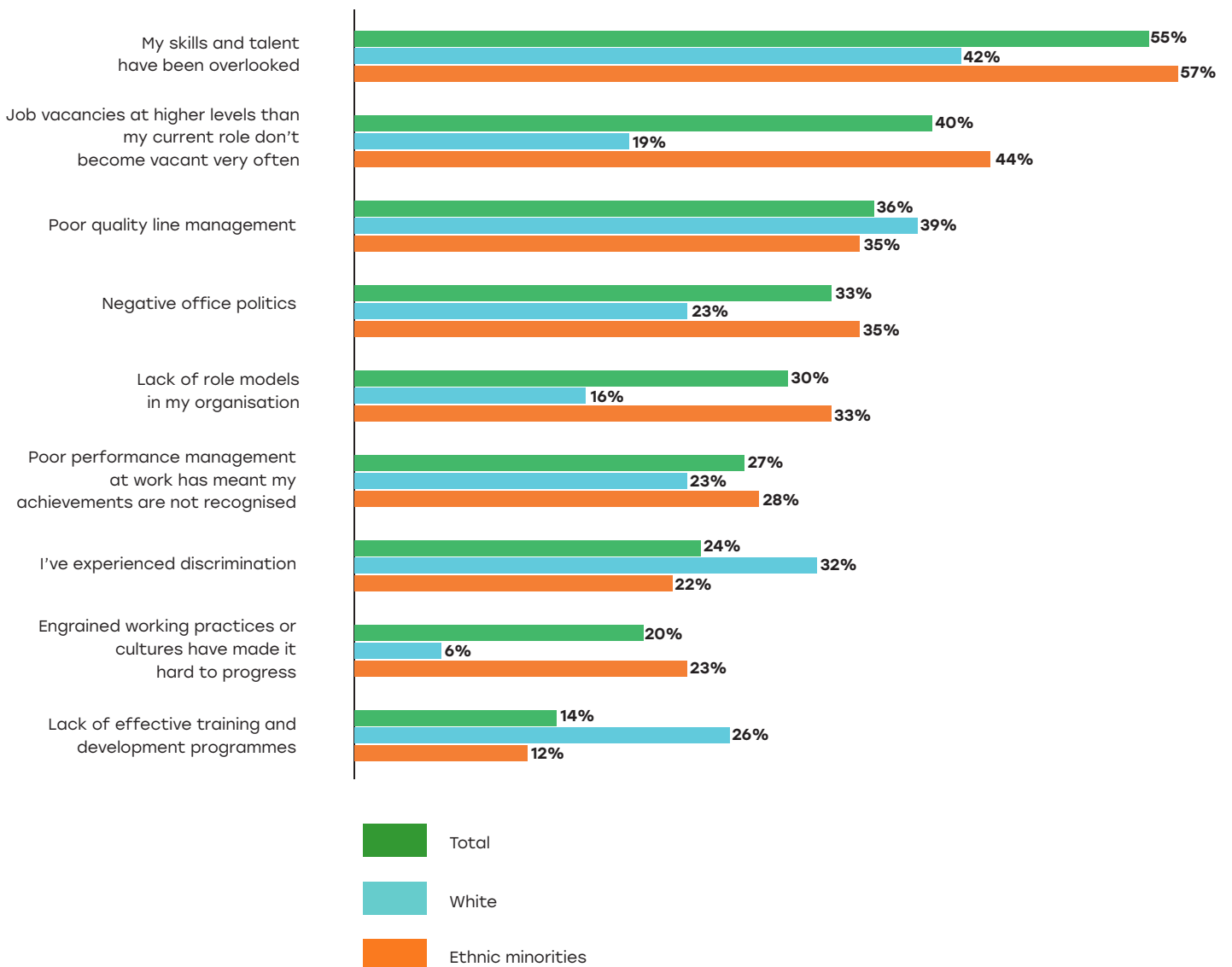
This year’s survey participants were asked whether their career progression to-date had met their expectations. More than a quarter (26%) of those from an ethnic minority background said their career progression had not met expectations, while just 16% of white respondents felt the same way.

Among ethnic minority employees, more than half (57%) felt that their skills and talent had been overlooked, while 44% said that job vacancies higher than their current role, rarely become vacant.

However, there was also some positive traction since last year’s survey. The number of respondents from an ethnic minority background who felt that engrained working practices or cultures had made it hard to progress fell by 13 percentage points.

While this still represents nearly a quarter of respondents (23%), it suggests that some progress is being made.

Factors that have prevented meeting career expectations



Discrimination in the workplace

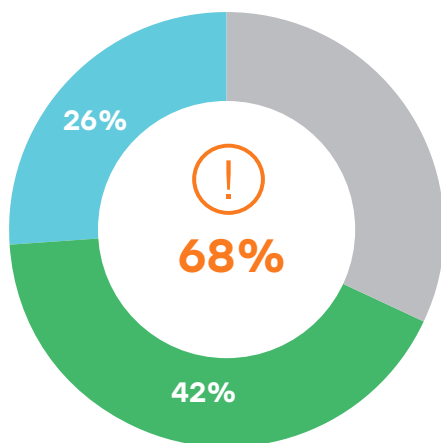
In the financial services sector, the social element of ESG is gaining traction. However, this isn't preventing discrimination, with seven in 10 ethnic minority employees (68%) still facing issues in the workplace. Effectively, while these companies are saying all the right things, words are not necessarily converting into action.

The majority of those in C-suite positions across the UK are both White British and male, underscoring the lack of progress in enabling other demographics to gain any form of power in the workplace. A third of employees feel as though their identity is impacting the opportunities they're

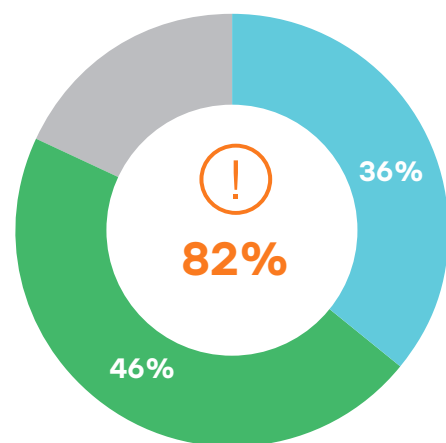
receiving, and so the lack of diversity within senior roles across organisations is often a trigger point for employee dissatisfaction.

This year's survey found that a quarter of respondents say racial jokes are still tolerated in their workplace, with a third of ethnic minority employees feeling their identity or background can have an effect on the opportunities given to them. Seven in 10 (68%) ethnic minority employees have experienced discrimination and a shocking 82% have experienced unwelcome comments or conduct at their organisation based on their background in the last 12 months.

Employees raising a complaint about discrimination based on their background in the last 12 months



Employees experiencing unwelcome comments/conduct based on their background in the last 12 months



No
 Yes, once in a while
 Yes, several times

However, when it comes to reporting these unwelcome comments and behaviours, it is often left to individuals within the Human Resources (HR) function to ensure the required action is taken.

Around half (47%) of ethnic minority respondents have raised issues with their HR department on racism and discrimination, and three-quarters felt HR was not very effective at dealing with their issues.

Worryingly, ethnic minorities feel penalised for raising issues. Employees who reported their discrimination felt they had greater scrutiny by managers and are being treated differently by colleagues. Half (49%) of those who faced discrimination had time off work and over half of them have had counselling.

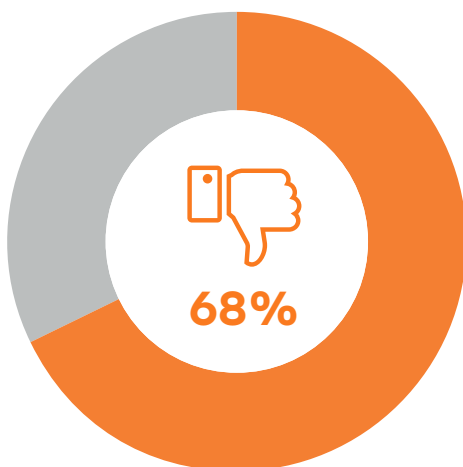
Looking at the effectiveness of HR departments from the perspective of the employees, the results varied from those of senior leaders. Here, we find

that nearly three-quarters of participants from ethnic minorities felt as though their organisation's HR department was ineffective when handling discriminatory and racism issues. In this year's survey, respondents stated that more than half (54%) of HR teams are not diverse. However, there is a clear disconnect with what leaders think. The majority of the leaders feel HR is very effective or effective in dealing with racism and discrimination issues. This has resulted in more than half of leaders believing employees are comfortable or very comfortable reporting discriminatory behaviour.

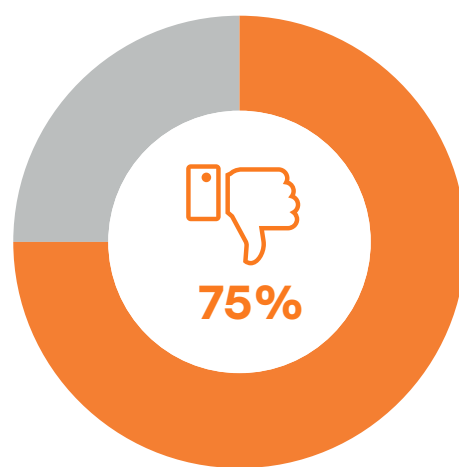
This year's result shows there remains a disconnect between senior leaders and HR teams. Leaders are often oblivious to the inefficiency of HR when dealing with cases, instead remaining under the impression issues are being dealt with effectively. This could offer an explanation as to why employers are failing to appreciate why employees do not feel comfortable reporting issues.

% employees believing their HR department are NOT very effective in dealing with racism and discrimination issues

White respondents



Ethnic minorities



Very effective Not very effective

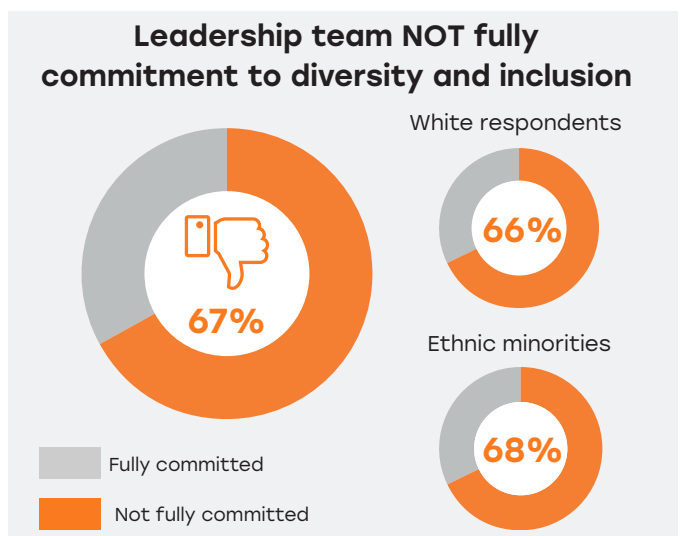
Recruitment, representation and pay

Diverse recruitment does now thrive at entry-level. The implementation of diversity schemes is starting to generate results. However, the issues seem to arise when people try to manoeuvre into more senior roles.

According to a 2021 review, there is not a single black chairman, CEO or CFO across the UK's FTSE 100 companies⁵, and according to a 2022 study, only six black CEOs across the Fortune 500⁶. Lesser known is that British Pakistanis and British Bangladeshis represent 3% of the UK population – the same as their black counterparts. These groups are amongst the most underrepresented, yet beyond ONS data and adhoc studies, little time and consideration is given to other underrepresented groups which form a sizeable percentage of the UK population – something that needs more attention.

According to the 2022 Opinium and Reboot Multi-Cultural Britain report, a survey of almost 4,000 UK adults, 46% of ethnic minorities felt as though they had less of a chance of progressing into a CEO role at a large company because of their ethnicity, much higher than the 12% of white peers who felt the same way. The same report found that 80% of ethnic

minority respondents place importance on seeing people of their own ethnicity in senior leadership positions, with 72% saying it makes them feel they can climb to the top of the corporate ladder. Furthermore, three-fifths of respondents want role models in the workplace that look like them.



Representation – or a lack of – is a huge issue within financial services organisations, with nearly 70% of employees surveyed feeling as though their leadership team is not fully committed to DE&I, despite policy implementation.

⁵ There Are No Black CEOs In Any Of Britain's 100 Largest Companies (forbes.com)

⁶ The Fortune 500 features 6 Black CEOs—and the first Black founder ever | Fortune

When looking at representation across the financial sector, the employer survey revealed one of the dominating trends: underrepresentation is significant across the industry. Two thirds of organisations are not diverse at the senior leadership level, and 61% at the mid-level according to the fieldwork conducted for this year’s report. More than half of respondents (58%) said that the lack of diversity is reflective of poor diversity recruitment at a senior leadership level.

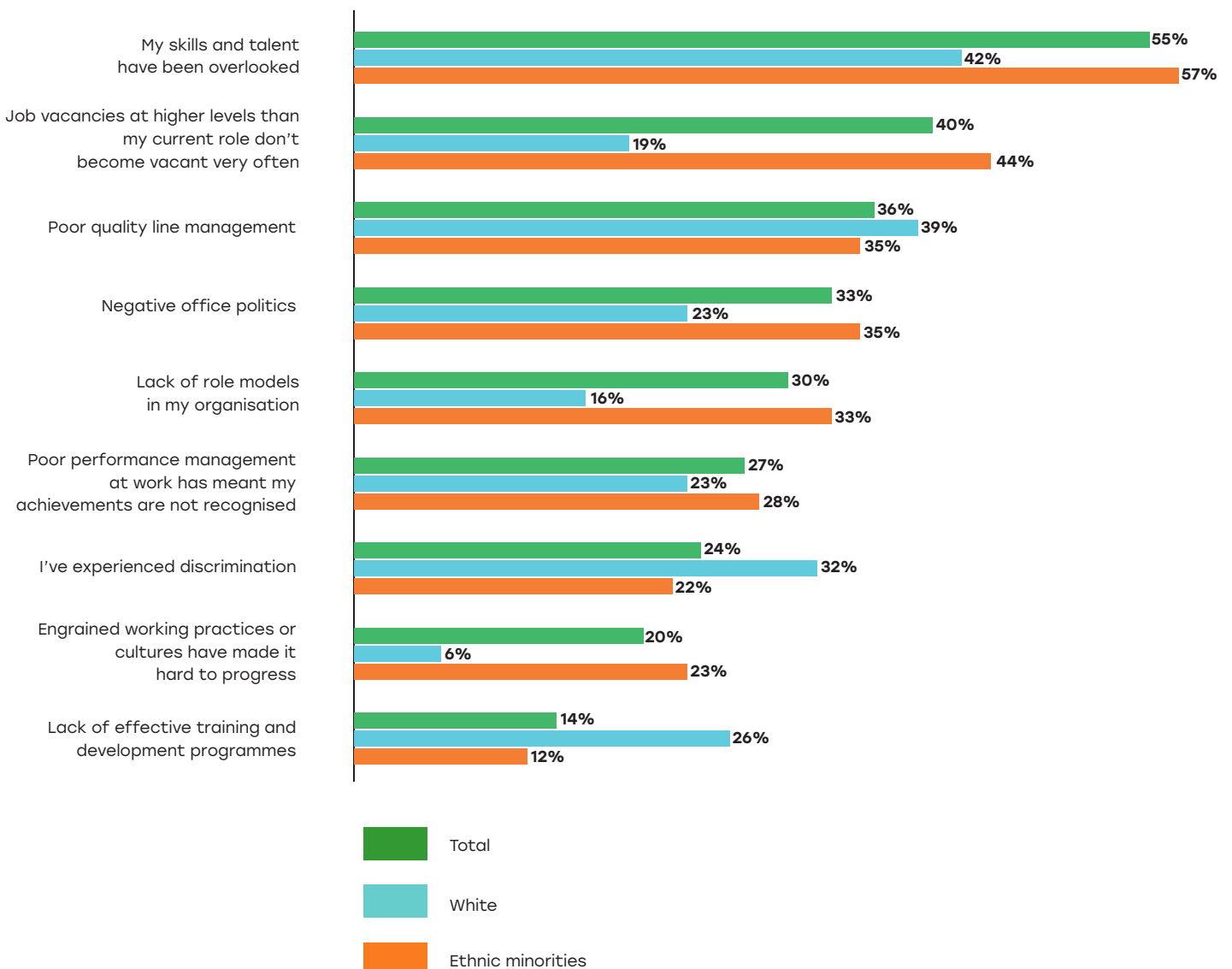
This lack of representation has the power to force job moves, with nearly 40% of

ethnic minorities likely to search for a new role across the next six to 12 months. One in 10 of those polled blame the organisation’s discriminatory culture for the move.

Pay rises – or the lack there of – are also a driving force for moves away from firms lacking representation. Nearly two thirds of ethnic minority employees see this as the main reason to search for a new job in a more equal and progressive environment.

However, recruitment is what generates diversity, and without the implementation

Factors that have prevented meeting career expectations



of diversity into recruitment, it cannot be expected to translate into an organisation. Leaders recognise this issue, supporting the idea that a lack of diverse recruitment is the reason for underrepresentation.

Despite the survey showing that 69% of organisations are planning to implement more diverse recruitment, this is still outweighed by reality. The same figure voted against the approaches taken by their organisation's human resources department, offering insight into their lack of diversity.

When only one third of leaders are fully committed to DE&I, according to survey respondents, year on year change is inhibited, especially when a self-confessed 54% of leaders admit to wavering in their commitment. Progress is gradually being made, however, with 73% of survey respondents acknowledging organisational efforts to be more diverse in their recruitment.



Views on DE&I

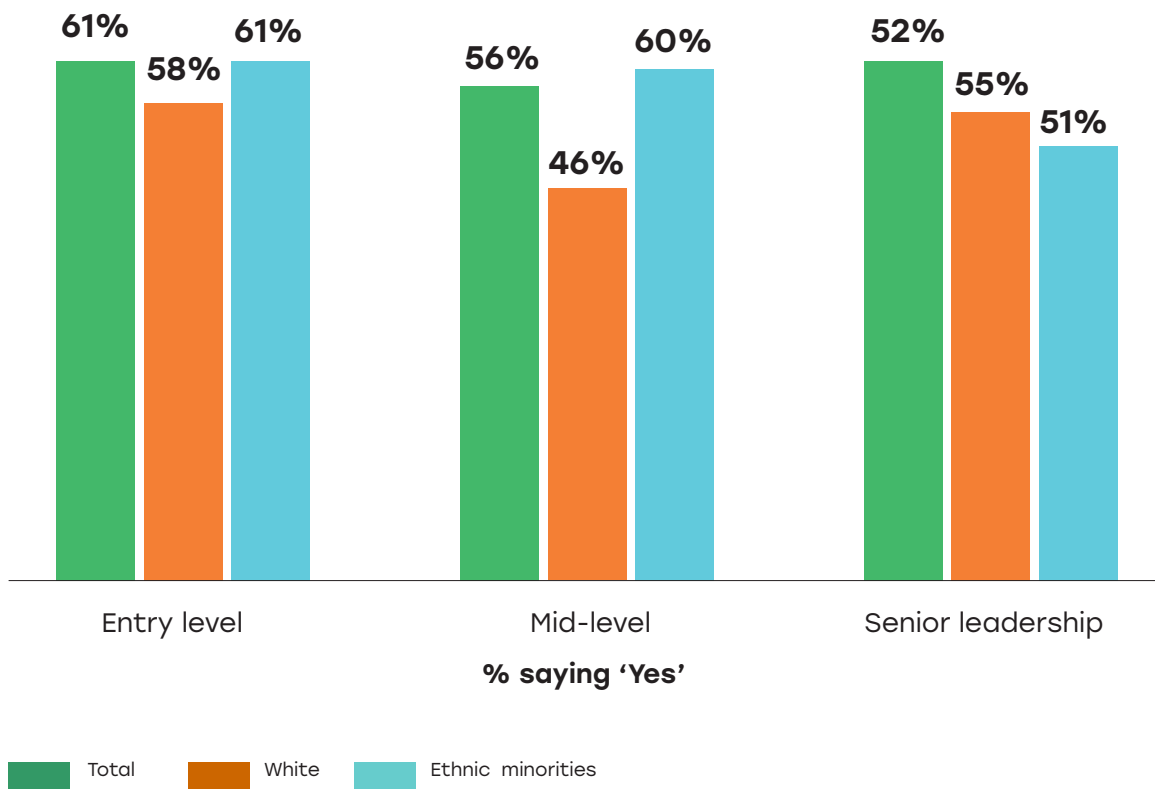
Respondents of all ethnicities agreed that most financial services organisations are not diverse. This was the case across all levels of seniority.

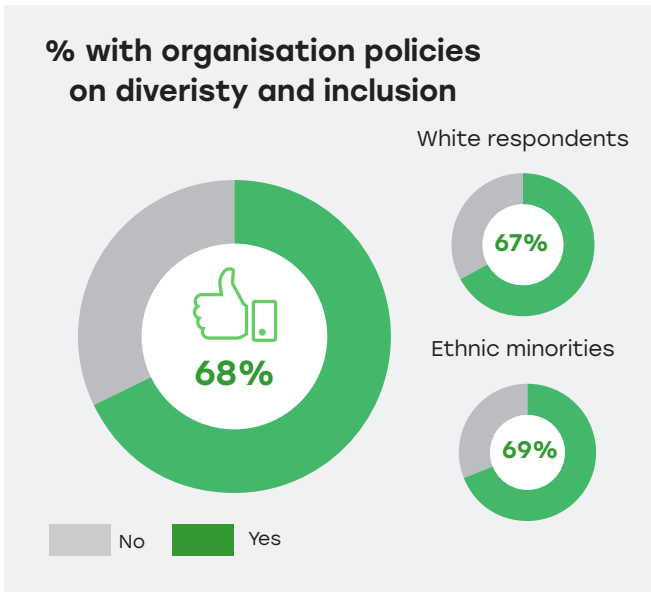
More than half (55%) of white senior leaders felt this lack of diversity was reflective of a lack of diverse recruitment approaches.

The majority of respondents across all ethnicities feel that their employers do have policies specifically giving consideration to DE&I. More than two thirds of those polled (68%) felt this way.

In a sign of potential progress in organisations, the number of white respondents that felt their employer had DE&I policies in place was up on last year by 15%.

% believing lack of diversity is reflective of the lack of diverse recruitment in organisation





In addition, it appears that both white and ethnic minority respondents do believe that organisations are trying to foster an inclusive culture, with just 8% disagreeing

with the idea that their organisation values DE&I.

Around eight out of 10 respondents (81%) felt that their company was actively promoting an inclusive culture.

The majority of respondents stated their organisations have now implemented DE&I policies, with 82% of organisations promoting an inclusive and diverse working culture.

Six in 10 employees, however, feel that leaders work harder to tackle gender issues, often disregarding the importance of ethnic discrimination. This can be due, in part to white employees and leaders still feeling uncomfortable talking about race and ethnicity.



Diversity and inclusion training

The results from this year’s survey suggest that employers have invested and engaged in additional DE&I training and worked to implement new policies.

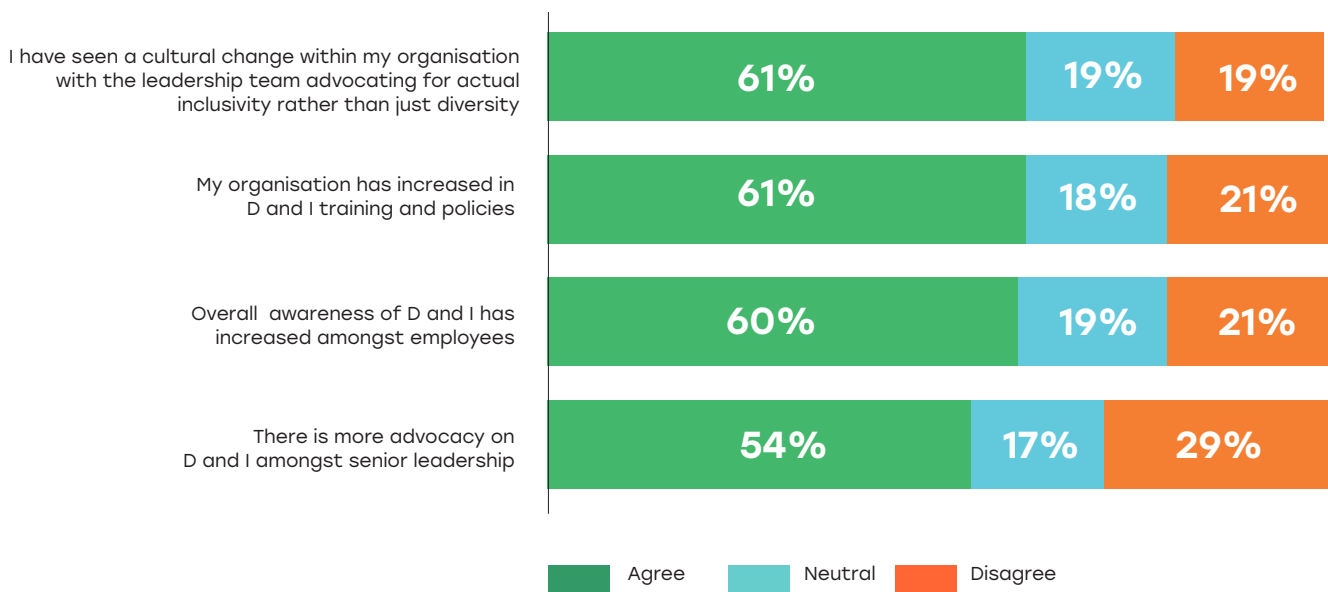
Asked whether they had witnessed change over the past year, 61% of respondents said they had seen a cultural shift in their company’s behaviour, with the leadership teams actively advocating for inclusivity and not just diversity.

The same percentage said they had noticed an increased investment in DE&I training and policymaking.

Despite the efforts that organisations have made in DE&I training, the outcomes from this training may not necessarily be coming through.

Fewer respondents than last year felt that they “have the opportunity to achieve their potential at work, irrespective of their identity”. This year, around half (53%) agreed with this statement, compared to 69% in last year’s poll.

Changes within organisation in the last 12 months



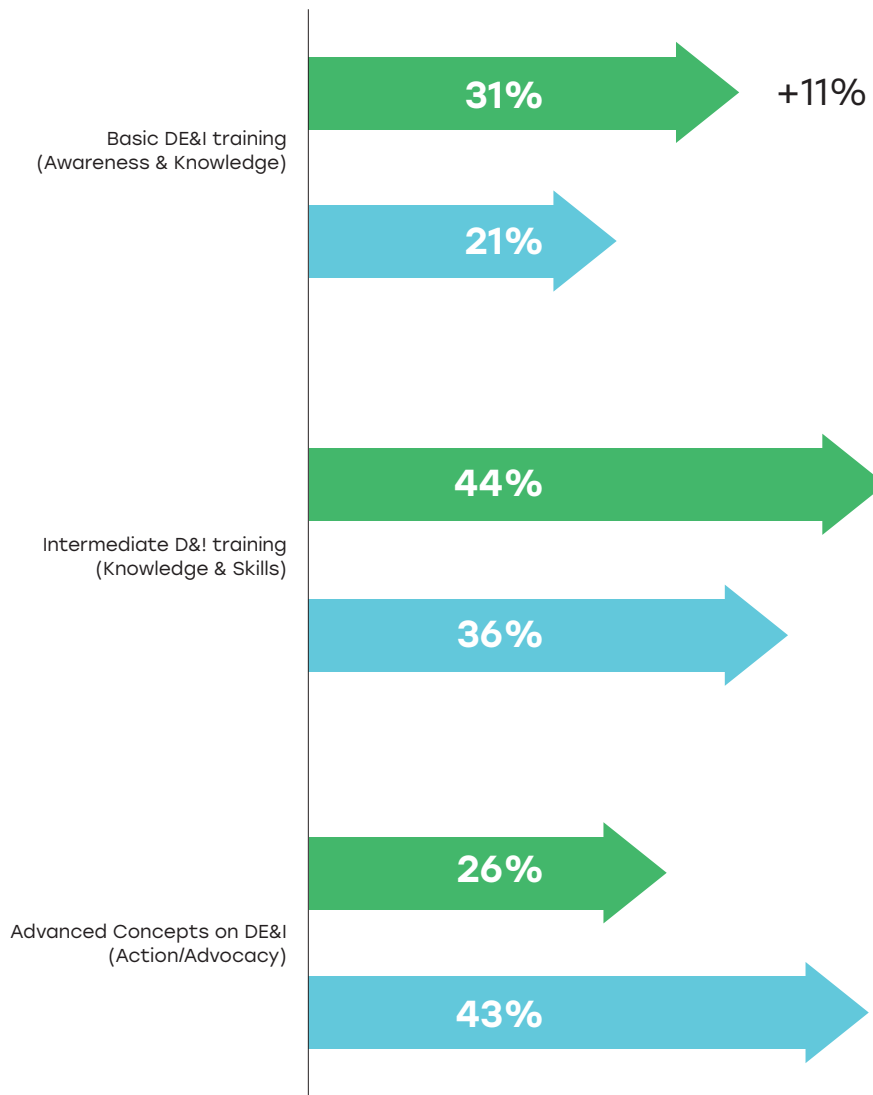
While this may be the case, respondents were still largely positive about the impact of DE&I training – both employees and senior leaders. Three quarters (75%) of respondents felt that training provided for employees was either effective, very effective or extremely effective. Similarly, 75% of respondents also felt that the DE&I training for senior leaders had been effective.

It seems that more training on DE&I is being given across the board. Almost one in three (31%) of this year’s survey participants said that basic DE&I training had been given at

every level for employees, up 11 percentage points on last year. Intermediate-level training, meanwhile, now stands at 44%, with a quarter of all employees now receiving training on advanced concepts of DE&I.

Only 34%, however, saw training explaining the benefits of inclusion on the business as ‘extremely effective’, and only 56% saw the benefit of DE&I training for employees, up 14% from last year’s research.

Training given to employees and senior leaders on diversity and inclusion



Race and pay-gap disclosure

To really drive change, companies must do more work to turn good words and commitments into real action.

One way to achieve this is to take the success of mandatory Gender Pay Gap reporting and apply it to ethnicity data. This will hold businesses to account, track progress and keep the spotlight on race inequities and how to encourage change. It is a good sign that the FCA is considering this.

Today, only 13 of the FTSE 100 companies across the UK report their ethnicity pay gap⁷, with only three of these disclosures being from financial services firms⁸.

A voluntary reporting method fails to regulate the ethnicity pay gap, with only a handful of firms offering their statistics.

Three quarters of employees and leaders who took part in the survey felt as though ethnicity pay gap reporting should be mandatory, raising questions about whether a political driving force is necessary for this change to be made.

Respondents also believe that the FCA could do more on ethnicity pay gap reporting. Some 41% of employees stated

that the FCA has failed to take the necessary action to encourage companies to address the issue. More than a third (38%) of leaders also felt this way. An improved level of compulsory disclosures would perhaps induce a greater level of awareness surrounding the ethnicity pay-gap and could potentially force companies to make changes to close the gap.

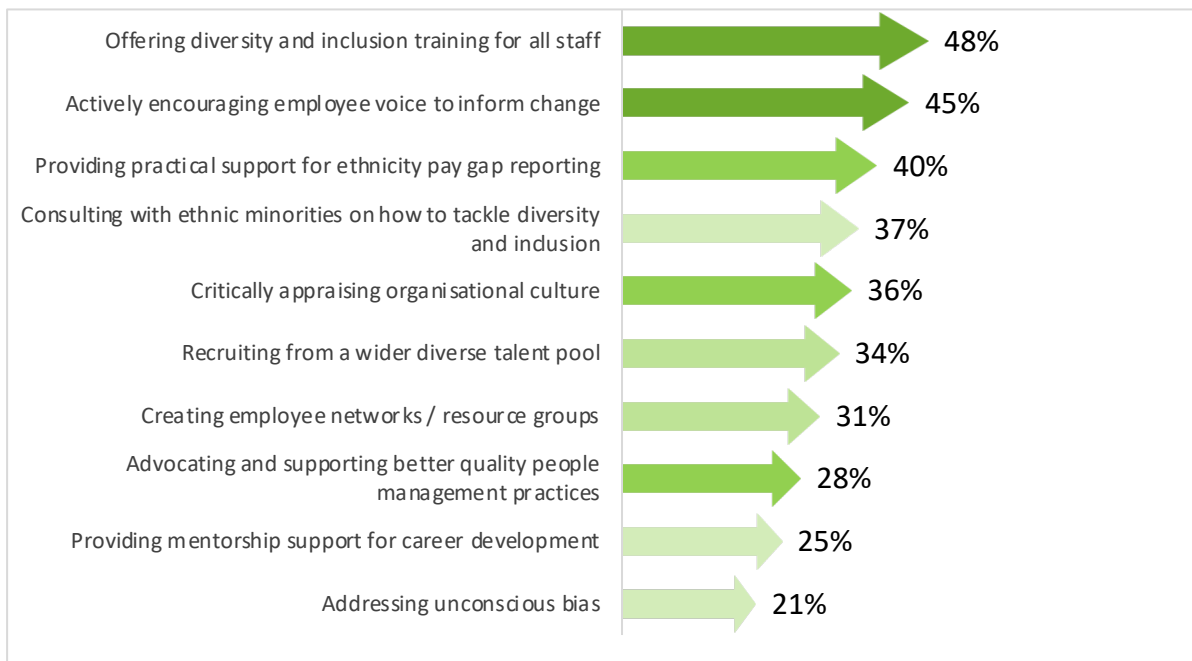
Despite more than half of ethnic employees stating that job satisfaction was a greater factor when considering career progression and their working life, 43% still consider pay a massive factor in their progression, therefore reinforcing the need to introduce some form of regulation for the elimination of the pay gap.

Pay gap reporting appeared in the top five suggestions from ethnic minorities of what companies should be doing to build an inclusive working culture, and yet, it also featured in the bottom five priorities of what organisations are currently doing. Despite this misalignment, when asked specifically if pay gap reporting should be mandatory – the majority of all respondents from both surveys agreed it should be.

7 Just 13 FTSE 100 firms report ethnicity pay gap | IR Magazine

8 Diversity in the workplace: Why data disclosure in financial services could help solve the ethnicity pay gap (inews.co.uk)

What organisation should be doing in terms of building a DE&I culture



This year, ShareAction, the responsible investment non-governmental organisation (NGO), launched a programme to lift the standard for ethnicity pay gap reporting for FTSE 100 companies. The first year of the programme will target financial services companies, before expanding to other sectors, to raise awareness of, and help address, racial inequality across workforces.

As part of this, the Chartered Institute for Professional Development (CIPD) recommends that ethnicity pay gap data be aligned to gender pay gap reporting, and that pay gap data can be disaggregated according to ONS categories on ethnicity. This would help identify 'the exact location and causation of gaps'. They also recommend that the report should contain an analysis of the gap and a targeted action plan to close gaps. Currently, none of the financial sector companies in the FTSE 100 report ethnicity pay gap data in accordance with ONS categories.

Self ID is a barrier to ethnicity pay gap reporting

Self-identification – or lack of – is a common reason why organisations claim they cannot collate pay gap reporting. In late 2021, Opinium carried out a pulse survey for Reboot – a poll of 2000 UK adults, representative of UK society. It revealed broad support for ethnicity pay gap reporting within financial services, with almost half (49 per cent) of respondents believing it should be mandatory.

But if you scratch beneath the surface, it starts to paint a telling picture. Of those surveyed, those from ethnic minority backgrounds were far more likely to support greater transparency than their white counterparts: 74 per cent and 47 per cent respectively. Only 38 per cent of white people aged 55 and over agreed to this.

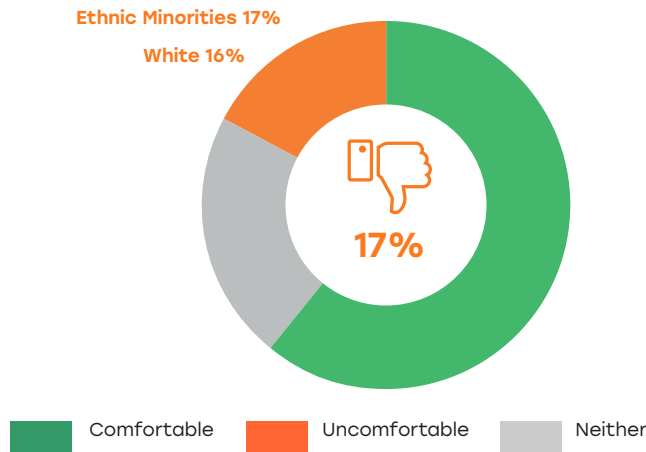
What we can conclude is that, within financial services businesses, those that

are most likely to hold senior positions fall into the demographic categories that are currently hesitant about more transparency on diversity data.

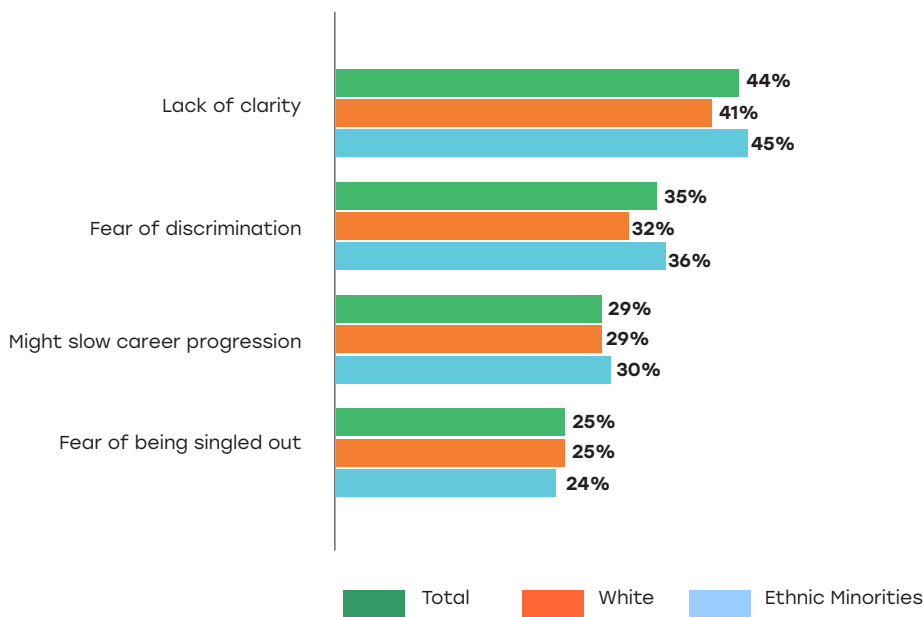
In this year’s Race to Equality fieldwork, nearly one fifth (17%) of employees said they felt they were unable to self-identify within their workplace. It is crucial to understand why employees are not willing to disclose this data. When

asked why ethnic minority employees feel uncomfortable self-identifying in the workplace, 45% claimed lack of clarity was the thing stopping them. Other studies suggest it is white employees who are most reluctant to self-identify. The industry must do more to create a more inclusive environment where employees are comfortable and clear on why self-identification is an important component to support all groups and walks of life.

% employees NOT comfortable self-identifying within organisation



Why employees are uncomfortable with self-identifying



White peers on diversity

The Race to Equality research conducted for over the past two years has shown that it is far more common for white ethnicities to be offered the fastest career progression routes, with those of ethnic minorities witnessing much slower progression.

This year’s employee survey found that nearly half (44%) of ethnic minorities felt the speed of their career progression was slower than that of white peers, with a quarter revealing they felt as though career progression expectations had not been met. This was 10 percentage points higher than the response of their white peers.

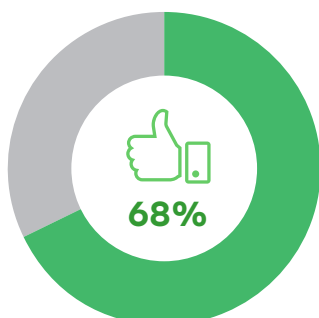
In comparison, 14% of white peers felt their progression was slower than that of their ethnic minority colleagues, while a quarter of leaders acknowledged that ethnic minority career progression was lower than that of white peers.

At the same time, two fifths of employees doubt their leaders’ understanding of how critical diversity is for future success.

Elsewhere, a third of ethnic minorities responding to this year’s survey said they do not have the same opportunities as their white peers. The introduction of ethnic minority role models and networking methods could have a colossal implication on ethnic minority career progression, with 46% of employers agreeing that lack of organisational role models also hinders progression.

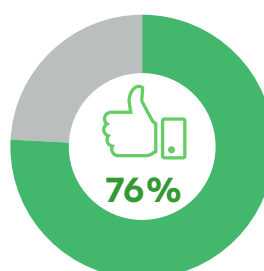
More than half of white peers, however, see the benefit and importance of a more diverse workforce, but the issue stems from the lack of action, as evident by nearly 40% of those white peers who said they find race difficult to discuss in the workplace. The ‘taboo’ surrounding diversity is often the thing that hinders progress.

% of employees who feel they have equal OPPORTUNITIES as their colleagues

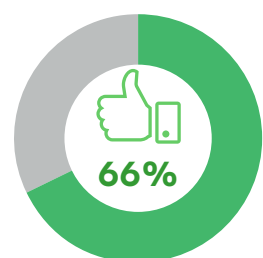


■ Yes ■ No

White respondents



Ethnic Minorities



Furthermore, the elephant in the room continues to be talking about race and ethnicity. Six in 10 employees feel leaders are more comfortable tackling gender issues but there is still a discomfort around ethnicity issues. Almost four in 10 white peers cite they are uncomfortable talking about race in the workplace, but want to be advocates for their ethnic minority colleagues.

Despite this, the survey captured that white peers do generally recognise the benefits of a more diverse workforce, with respondents stating that they believe diversity can offer an organisation a greater range of opinions, talent and creativity.

When asked about the advantages of a diverse workforce, white peers delivered

positive results, with over half seeing perspective variety as the greatest advantage, followed by 44% referencing a greater range of talent being made available to the firm. Other advantages such as reduction in employee turnover, an increase in productivity and increased profits were also stated.

White peers also expressed the factors they felt acted as barriers to a diverse workforce, including communication barriers, resistance to change, and ethnic and cultural differences.

Leaders admitted that opportunities for white peers were often higher than those for ethnic minorities, with just over a quarter of employers admitting that ethnic minority career progression within their firm was much lower than that of white peers.



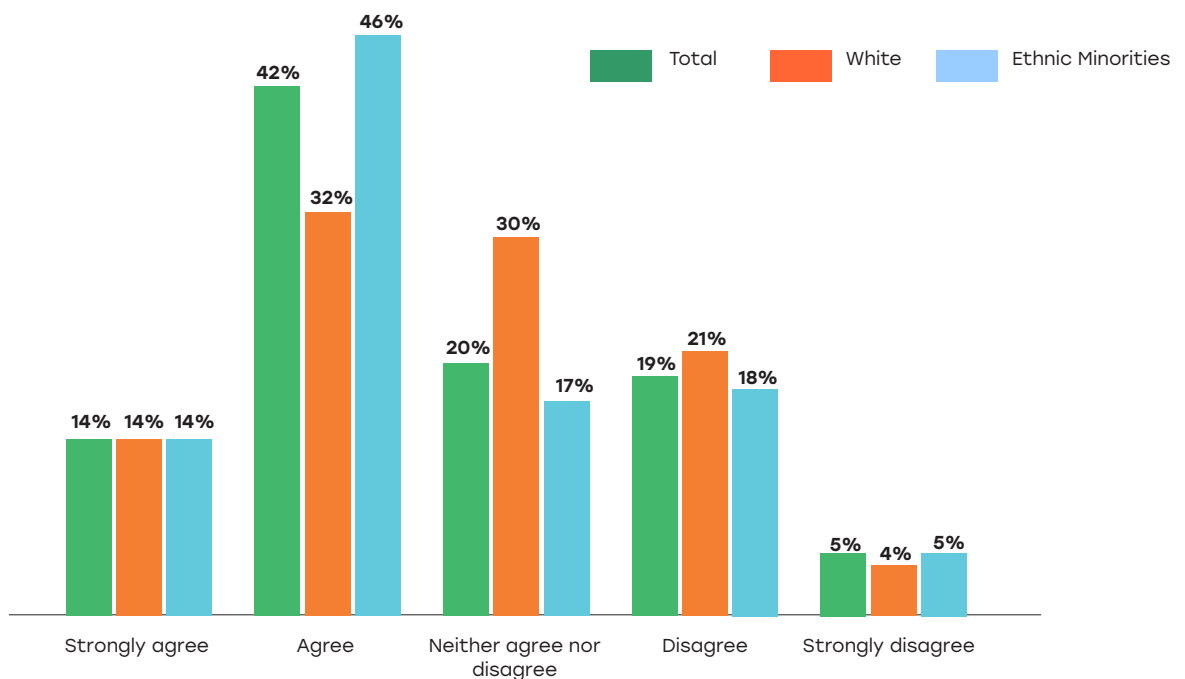
Diversity and ESG

Over half of financial services employees surveyed agree that the social element of ESG is gaining more attention each year in terms of ethnicity.

Largely being driven by shareholders and stakeholder activism, the social element of ESG is being driven by client requests. Our Leaders' survey reveals one fifth of respondent's clients want an ethnicity breakdown of their organisation when making request for pitch (RFP) requests.

The rising commitment to social ESG is evident, but firms still need to overcome the ethnicity pay gap to fully succeed in ensuring diversity within its ESG practices.

The S in ESG is getting more attention year on year



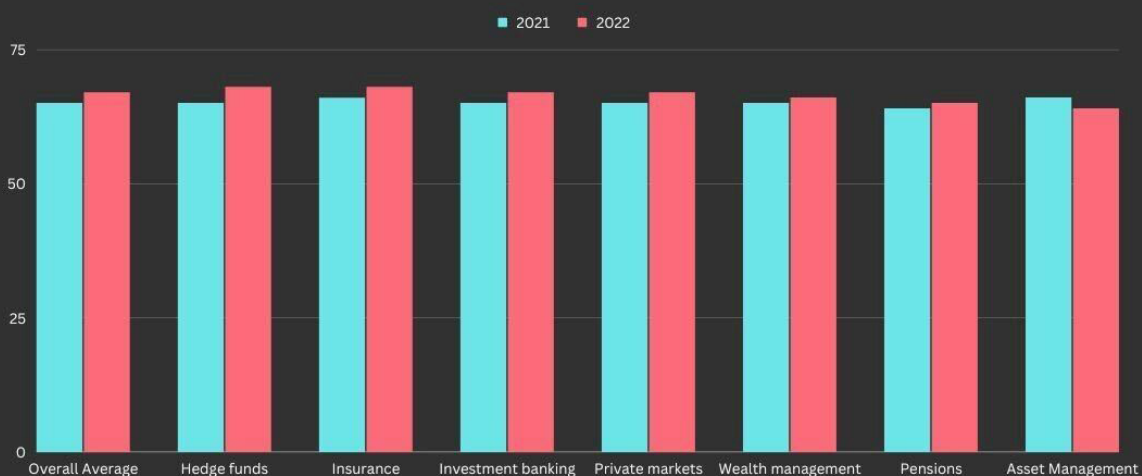
Measuring diversity for race and ethnicity

The Reboot Race to Equality Index assesses DE&I levels across the financial services industry and creates a scorecard for each sector. With a lack of data on race and ethnicity across the industry, this index seeks to act as a measure for progress on DE&I across the financial services industry on an annual basis – an important step to monitor the strides the financial services industry is making to create more diverse, equitable and inclusive workplaces.

Last year, we launched the index to sit alongside the report to act as a barometer of change within the industry,

that can be tracked year-on-year. There is some positive news with the index score improving to 67 from 65 last year. While this may seem like a modest improvement (and the target score for companies is 100), we have to assess this with a degree of realism and recognise that changing culture in organisations doesn't happen overnight. For instance, even hiring people to drive DE&I policies can take several months, never mind the time they will need to make tangible changes to policies. So realistically, we might expect to see a five to 10 point improvement over the next three to five years.

Reboot 2022 Race to Equality Index



DIVERSITY, EQUITY AND INCLUSION SCORES BY SUB-SECTOR, 2021-22

[RESEARCH CONDUCTED BY COLEMAN PARKES]

reboot

Driving these improvements within the index score are:

- **Large organisations:** a key driver for the increase is down to organisations with USD\$10million or more in revenue registering an index score of 70 (up from 67 last year).
- **Changes across the age groups:** the increase has also been driven by certain age groups registering an increase in sentiment. For instance, 30 to 34 years olds scored 70 this year, compared to 65 last year.
- **Hedge funds and Insurance sectors driving change:** individuals working for hedge funds and insurance companies have seen the largest improvements since last year.

While the index remains a useful tool to monitor DE&I progress, we still require more firms to disclose ethnicity related data. Accurate data on representation within the industry will provide much needed context on a range of issues, including the ethnic pay gap, and allow for a more focused view of the experiences of specific ethnic groups. The experiences of ethnic minorities are not uniform, and that needs to be reflected in the data.



Time to reboot

This year's survey shows that ethnic minorities are still underrepresented in positions of leadership, and their pathway to senior roles is far harder than those of white ethnicity.

Despite having seen an increase in the DE&I index from 65 last year to 67 out of an optimal 100 this year, there is still a long way to go.

A third of leaders revealed they do not see diversity as a critical factor to future success, despite recognition that more needs to be done to reaffirm DE&I efforts in the financial sector and both employers and employees still seeing significant barriers to support a fairer trajectory for ethnic minorities.

Ethnic minorities have already experienced behaviours and comments that are enough to blemish the industry, making it a less appealing place to work. It calls into question whether the past has had too much of an impact on corporate cultures, and should stimulate the discussion about what more needs to be done to break down these barriers to equality.

Underrepresented groups long to feel as though they are being offered the same opportunities as their white peers. But their motivation is being harmed because of an absence of opportunities to climb the corporate ladder.

Without the implementation of more ethnic minority directed social ESG practices, financial services firms risk losing the

limited diversity they have built to-date, along with the range of opinions, creativity and talents that accompany that diversity.

Instead, these organisations need to work on their ethnicity pay-gap, their HR departments, and their career progression opportunities, for the benefit of all employees.



Call to action: a three-point plan supporting financial services

Having illustrated the continued biases facing ethnic minorities within the financial services sector, this research provides the basis for what needs to be done next.

Reboot has provided financial services businesses with a three-point plan for the support of ethnic minority employees, and how to form a diverse workspace.

1 Leaders take charge

To remove barriers to progress, leaders have to set the tone and not outsource diversity and inclusion. By championing the cause from the top and supporting ethnic minority role models within the business, it will help to empower workforces and create an environment where employees feel comfortable to talk about race, just like we have observed with gender diversity.

2 Challenge negative office cultures

Poor attitudes in the workplace are still hindering progression. Racism has no place in the modern workplace, and it is telling that ethnicity-related jokes are still heard in offices across the industry. These behaviours need to be challenged and extinguished if we are to create a safe working environment for those of every background.

3 Close the gap and be transparent

The majority of all respondents believe ethnicity pay gap reporting should be mandatory. More transparency on ethnicity data reporting will therefore mean companies will have to become more accountable – and this will help build a sustainable roadmap. Furthermore, organisations that can show that they are fair will be more attractive to employees, customers, and investors.

Appendix

Methodology

The Reboot research was conducted by Coleman Parkes during August 2022 through 800 online interviews with mid-to-senior level ethnic minority (600) and white (200) employees across the financial services sector, representing 392 companies with a combined annual revenue of approximately £1.4trn. Of those, 25% described their ethnicity as white, 25% as being from a mixed or multiple ethnic groups, 19% Asian or British Asian, 19% Black, African, Caribbean or Black British, and 12% were from other ethnic groups.

In addition, 47% were born in the UK to immigrant parents, 39% were born in the UK and have a family who have settled in the UK for many generations, and 14% emigrated to the UK as an adult for work or higher education.

Of the respondents, 50% identified as male and 50% identified as female.

About Reboot

Reboot is an award winning campaigning group of senior financial services industry professionals working together with the industry to help drive real change by elevating the dialogue about racial inequality in our industry and broader UK workplace. Launched in January 2020, we want to help switch the narrative, normalise the topic of race in the workplace, better elevate role models for the next generation and work towards a fairer industry through measurable change, such as ethnicity pay gap reporting.

Acknowledgements

With special thanks to our partners – Coleman Parkes Research, Rhotic Media, Opinium, FTI Consulting, Citigate Dewe Rogerson, Trequartista Consulting as well as all our ambassadors for their support in Reboot's 2022 Race to Equality: UK Financial Services report.

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To find out more about Reboot, please contact us on hello@rebootequality.org