

Ethnic Minority Progression in the Labour Market  
- Case Studies of Good Practice  
in Private Sector Companies

Report for the Performance and Innovation Unit,  
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## ASDA – ‘Talent Race’ Initiative for Skills Development

ASDA, now owned by Walmart, is the UK’s third largest supermarket chain spread across the country. Its policies aimed at promoting diversity in the work place and the ‘Talent Race’ initiative to encourage skills development have captured the attention of all its employees recently. The strong commitment to diversity policies can be traced back to the mid-1990s. In 1996-97 when ASDA decided to open a store in Hulme, Manchester it faced an uphill task. The area had a high unemployment rate of 70%; many businesses had closed down in the area and relocated. The area also had a high percentage of people from ethnic minority (EM) backgrounds. The company decided to reflect the local population in its workforce profile. Michelle Parr, Personnel Manager, took up the challenge of opening the Hulme store and sought the assistance of the Commission for Racial Equality (CRE). Together, they set an example for other ASDA stores.

Parr attempted to break down barriers with the local community. She says, “There was distrust, disbelief and bad feeling before we had even arrived. We were seen as a white employer, we were seen as prejudiced”. The company developed a local recruitment campaign by working closely with community leaders, residents’ associations and women’s groups in Hulme. They advertised in Hulme’s local newspaper and held local recruitment fairs in which the company offered support and advice to applicants, many of whom were long-term unemployed. With the help from CRE, ASDA arranged a business information day to convey the organisation’s commitment to the community. As a result, over 90% of those employed at the store were from the local population and 50% were from EMs. “Probably the EM representation was more because employees did not give information on their ethnicity” says Parr. This recruitment strategy needed the complete support of senior management. The company also realised that it needed to develop the talent of its EM employees if it wanted to improve its productivity. This new strategy to recruit locally and reflect the local population in its workforce profile later became a national policy for the company.

The rationale in adopting this policy has been the changing demographics related to labour force supply through which the company has access to a more diverse range of skills and talents. These need to be effectively used to retain EM employees, improve customer satisfaction and increase market penetration.

Its policy on Equality now reads as, “We aim to make sure that no job applicant, existing colleague, customer or supplier is less favourably treated on the grounds of their gender, marital status, sexual orientation, disability, race, religion, colour, nationality, ethnic origin or age and that no one is disadvantaged by conditions, requirements or practices which cannot be shown to be just and fair”.

### **Recruitment**

To see the rise of EMs at all levels, the company is targeting the intake of graduates from EM backgrounds. Their directions to head hunters is not to positively discriminate in favour of EMs but to bring forward the best candidates. Sometimes the demand is to shortlist as many candidates from the local population as possible. The company also targets agencies to provide shortlists that are representative of the local population and often uses a research company for this kind of data. This has been an effective practice for head hunting people from EMs. “We have run special photo shoots to ensure all ethnic groups are represented. We want to improve our mix so everyone is on the look out, we have head hunting cards with us so if we meet someone who appears right for us we approach them directly”, says Philip Horn of Resourcing.

### **Progression**

Taking the case further at Hulme, a number of measures were introduced to ensure that EMs employed there had equal access to promotion and fair treatment. These measures have now been introduced in all ASDA stores. Personnel Managers were expected to adhere to the plan detailing different type of actions that managers are expected to take in support of the company’s equal opportunities policies, which include analysis of profiles of successful and unsuccessful applicants, gathering information on the local population and comparing it to the employee profile in the store. Similar practices were later introduced across the company. “Taking the example of women at senior management level, almost 50% today, we feel the complacency among senior managers to do similar things for EMs has to be removed and can be done”, says a manager in Personnel.

The company launched the ‘Talent Race’ campaign in 2000. Arnu Misra of Retail operations leads this campaign and reports directly to the Chief Executive on the progress. This aims to

focus at EM colleagues on career development opportunities with the objective of retaining and unleashing the full potential of the group. “Quite often colleagues from ethnic minorities need just a little encouragement to apply for their first management role, so we try to help them through our ‘Talent Race’ events”, says Horn. It is aimed at creating an image for the organisation, specifically, one that promotes its EM employees. It is supported with messages on video, leaflets and a personal invitation to all EM colleagues to attend a briefing on opportunities. Senior managers host these briefings in the business around the country. The ‘Talent Race’ also gives an opportunity to EMs for training and development of skills for their progression or lateral movement across the company. In the words of an EM employee, “If we want to forge ahead, we have to look out for opportunities and apply, for both training and jobs, which I am sure will be supported by my group head”.

### **Monitoring**

Each month the figures on workforce profile are reported against the targets set and discussed at board level. Areas of weakness are addressed through succession planning and People Asset Reviews. Many decisions are based on this - sometimes specifically targeting positions, working with poor areas and also celebrating successes.

Listening groups with employees from all levels are used when a new strategy or action plan is under consideration. A question on equality is included in a regular attitudinal survey, which allows trends to be tracked.

### **Diversity ‘friendly’ practices**

Each employee is given a colleague handbook, which outlines the policy, what it means for them including what to do if they experience unacceptable behaviour, the formal and informal routes that they can take and a confidential help line number. The aim is to solve the problem before it is formally reported.

All employees are offered the opportunity to take a total of two days unpaid leave (in addition to statutory and public holidays) at any time throughout the year to celebrate religious festivals. Many events are held in the stores to support different groups festivals. Two stores also have special prayer rooms with washrooms attached.

**External communication**

ASDA is a member of the Equality Exchange, a consortium of large retailers for sharing best practice. The company is represented at ethnic trade fairs and ‘Melas’ and also through the ethnic media. “They tried to be representative in their advertising campaigns in the past, but found that ‘no one size fits all’. Now they look at the local area and match the advertising campaign to that area. Moreover, advertising is designed to match the ethnic diversity of the area. An advertisement in Leyton shows virtually all colleagues from ethnic minorities whereas the one for Carlisle would be different”, says Horn.

**Results**

Today, 8.4% of ASDA’s employees are from an EM background but in the South East the proportion is 22.41%. At the middle management level, 4.28% are from an EM background and the company feels that its initiatives, including the innovative ‘Talent Race’ campaign, aimed at encouraging training and progression will help improve representation at senior management levels.

As a part of Wal-mart group, ASDA has a corporate commitment to Equality and Diversity but these issues are dealt with locally. Though there are a number of EM managers, the company does not want to rest on its laurels. As a manager said, “ It is a continual loop. It is about constantly improving and not getting complacent”. Next year the company plans to push externally through a new campaign targeting the lifestyle ethnic media.

ASDA’s diversity practices show that the company not only invests in training for progression but also skills development for all employees to gain all-round experience. The company’s policies highlight its sensitivity to diverse faiths and beliefs.

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## Halifax – Cascade Strategy for Promoting Cultural Change

The Halifax is the UK's largest mortgage and saving provider with a customer base of 40 million, staff over 40,000, total assets of £183 billion and profits of £1892 million (for year ended March 2001).

“While the Halifax has a long-standing commitment to equal opportunities (EO), initial attempts to raise awareness proved unsuccessful. However the merger of the Halifax Building Society and the Leeds Permanent Building Society in 1995, alongside the creation of a new management team and the conversion of the Halifax into a public limited company in 1997, led to a renewed resolve to deliver equality of opportunity. A new EO team was formed with a fresh outlook on how to drive the equality agenda forward” explains Gill Dawson, Equal Opportunities (EO) Manager at Halifax.

The need to increase the proportion of ethnic minority (EM) colleagues was felt for a number of reasons. Senior management wanted to ensure that the staff reflected the communities in which the company operated. They also wished to raise the profile of the company as a leading EO employer and create an environment where differences are valued to attract EM customers. The company realised that targeting the EMs could widen the candidate pool and help its resourcing needs. The changing ethnicity of customers meant that greater multi-cultural awareness was needed. EMs could help to improve customer services mainly through their first language, where needed. “Equality is at the heart of Halifax's values and is key to achieving our mission of being the UK's leading provider of personal financial services. The strategy is aligned to the business and supports the mission of being the UK's leading provider of personal financial services”, says Dawson

The Equality and Diversity Policy is now stated as, “The Halifax is committed to promoting equality of opportunity in all areas of employment including recruitment, training and promotion. We will work towards an environment where all members of staff can develop their full potential regardless of gender, marital status, sexual orientation, disability, age, race, colour, nationality, ethnic origin, religion or political affiliation.”

To launch the Equality Strategy in 1998, an Equality Consultancy firm was engaged to assist with the initial briefings to directors. Senior Managers then communicated the strategy, which was cascaded to all levels within the organisation. Malcolm Thompson, Chairman, (1998-March 2001) says, “It is vital that the message is seen to come from the top. If senior managers start to talk about diversity issues then people further down will pick it up. Ensuring equality of opportunity is seen as pivotal to removing barriers to career progression and thereby contributing to the success of the business”. The practices have evolved to meet the changing demographics and business needs of the organisation and have been tailored to meet the needs of different geographical areas.

### **Recruitment**

The company has had an EO Policy for recruitment for more than 20 years. Recruitment procedures have a competency based framework and are regularly reviewed to check for bias. Martyn Steele, Halifax group graduate recruitment manager, has stepped up efforts to bring in graduates from EMs by representing EM employees on career literature and the website. The recruitment process includes a competency based application form, using job relevant competencies that are scored through a standardised procedure. The company introduced localised recruitment strategies, which included the removal of psychometric testing from the recruitment process where it was found to be reducing the numbers of EM applicants progressing through the recruitment and selection process. Pre-recruitment training is provided to applicants from EM communities when considered necessary. The company asks Employment Agencies for balanced and representative shortlists. For all advertised jobs, internal applicants are given the same opportunity as external candidates. On selection, EM employees are trained by EM colleagues to ensure that candidates see someone who understands their particular needs throughout the process.

There are also a number of other recruitment initiatives that support Race Equality. The Leicester Fair Employment initiative encourages black and Asian people to apply to Halifax for work, through a placement scheme. Cariocca is an initiative that provides a 12 month work experience placement for members of the ethnic community based in the North West. Colleagues employed from the scheme also operate in management positions. The Wai Yin Initiative recruits from within the Chinese community within Manchester, and is fast

developing into a national placement service. “These initiatives ensure that whenever we have a vacancy, we have a pool of people to draw from” says Tyrone Jones, EO Adviser.

### **Monitoring**

Individual staff records are held by Personnel teams. Diversity teams produce annual workforce statistics to review progress and to act as a catalyst for change. Individual personnel teams have responsibility to update staff records and to evaluate recruitment campaigns on a regular basis. Personnel teams then use these to determine and evaluate recruitment strategies. The Diversity teams use these to encourage positive action initiatives in support of Diversity objectives – workforce statistics are communicated to the Board, Executive Steering Group and to senior managers within the business. Headline data is used for internal and external benchmarking and is also communicated to staff at all levels within the organisation. These records form the basis of decisions integral to the development and communication of the Diversity strategy and to the promotion of awareness and ownership initiatives across the business. Workforce data and staff opinion data is gathered by ethnicity to check for any disparity.

### **‘Fair’s Fair’ Initiative**

Fair's Fair is the organisation’s innovative and evolving diversity programme to drive cultural change. The aim to position Fair’s Fair as a commercial and personnel issue has seen tremendous success. With a resolve to measure success, baseline data was initially gathered.

Recognising that effective leadership is essential to shifting organisational culture, ‘Fair’s Fair’ was signed off at Board level it has the total commitment of the senior management. It is led by the Chief Executive and championed and owned (responsibility taken) through an Executive Level Steering Group. This group meets quarterly and it's mission is to champion, encourage and influence diversity. It provides the central vision for the organisation on diversity policy, acts as a catalyst for change and delegates the authority to get things done to all levels of staff to increase awareness and ownership of diversity.

The programme is cascaded to managers and staff and is strengthened by equality forums and working parties. Workshops, Focus Groups, Diversity Roadshows, Innovation Forums and Working Parties are regularly held within the organisation. The purpose of the Roadshows is

to promote EO and communicate its business benefits, to identify business opportunities, share successes and to create a sense of responsibility in each branch. Another positive action of the Roadshows has been to ensure that colleagues have multi-cultural awareness training to overcome ignorance and increase knowledge about doing business with EM communities. They are also encouraged to form closer community links and seek ideas from EM colleagues.

Training and development are conducted on a wide range of issues through layered initiatives, which include video training to over 90% of all staff. The company provides staff booklets and accompanying guidelines for managers with comprehensive intranet and on-line support on equality. Internally, the established Resourcing Forum, made up of personnel practitioners from across the business, meets quarterly to discuss best practice on equality and the development of creative recruitment solutions. Other initiatives such as Focus Groups and Innovation Forums involve staff at all levels. Staff are also encouraged to involve themselves in developing wide range of equality policies related to recruitment and customer service which support the Fair's Fair programme.

The cascade strategy of the Halifax, with an aim to reach all levels of the organisation, started with the endorsement at senior level and further communication through teams to others. "Recognising, publicising and praising good practice, particularly early on in the Roadshow programme, encouraged success to breed success", says Dawson.

### **Communication**

Progress on diversity is measured and communicated externally by Annual Report and Accounts, external press, customer research and continuous benchmarking. Jones says, "We believe that EO in the company is already more than just a policy – that it is a way of thinking and behaving. Our approach to diversity is business driven with social, moral and legislative levers underpinning our strategy. Whilst we do use the high profile stance of the current government on race to encourage the business to embrace diversity, we are more focused on the changing demographics than government policy directly. Information on legislation is an important part of Fair's Fair".

Jones has also introduced two important documents that are widely circulated in the organisation. These are a regular questionnaire to all managers on Cultural Awareness and a

monthly update of religious and cultural events and festivals. “As part of the awareness programme, we use our Roadshows to reach managers and personnel teams to encourage positive action. Some of these actions have included formation of localised ethnic working parties to drive ideas for recruitment initiatives and business generation”, says Jones.

### **Marketing**

The EO Steering Group regularly evaluates the diversity reflected within their literature, promotional materials and TV advertisements. In addition they have developed localised marketing strategies that include the provision of dual language posters in six languages, a welcome poster and a menu of company’s services. The company has a range of posters that celebrate different cultures – most recently displayed was a ‘Happy Diwali’ Poster. Marketing recognises that the customers’ perception of Halifax would directly affect its image as an employer.

### **Customer Services**

The company realises that with staff who can speak a wider range of languages, EM customers have more confidence to come into the branches. This has increased the number of EM customers and the level of business from them. Demand for regional Roadshows from branches across the country has surpassed expectations. The Roadshows have generated positive actions leading to a network of diversity champions. “We believe that diversity of our staff should reflect the communities in which we operate”, says Jones. This was clearly seen in the success of the Bradford case in 1999. EM representation at Bradford’s branch increased from 8 to 16% in one year. Employees who could speak Urdu, Punjabi, Bengali and Gujarati often acted as interpreters, which boosted the confidence of many customers to come there. Cultural awareness has led to better management of staff absenteeism on religious festivals. This does not harm the company since customers with the same religious commitments will not be visiting the office on those days. An EM initiative to improve the effectiveness of communications is being implemented in ten local branches in London.

The company has established Race Working Parties that aim to increase the EM representation of the workforce and to strengthen its community links for e.g. this has increased ethnic representation in Halifax from 6.8% to 18.8% and Keighley from 8.7% to 27.3% over the past two years. In addition, branches are encouraged to include EM staff in the

recruitment and selection process. In areas where there is a Race Working Party, a number of EM employees have been "fast tracked", progressing them from the counter into the Banking Hall where they can participate fully in generating new business and improving levels of customer service.

Regular workforce monitoring, Staff Opinion Surveys, Market Research, Evaluation Surveys, Internal/external media, Staff Focus Groups and Internal/External benchmarking ensure success of the policy and its translation into practice. Diversity awards and increased business and customer satisfaction have been a source of encouragement to all involved in these practices.

### **Community Links**

The Halifax is a founder member of the CRE Private Sector Advisory Group and has fed into the development of the revised Leadership Challenge Framework. It is a member of a number of employer led networks committed to diversity. As a member of Race for Opportunity the company approaches diversity from four areas: Employment, Marketing, Community Involvement, Supplier Development.

Executive presentations have taken place to encourage diversity – links with the Impact programme has resulted in a work experience programme with EM graduates and four managers within the group Finance function are currently mentoring EM graduates from Leeds University. Halifax sponsors one EM graduate each year under the Windsor Fellowship.

### **Awards**

The company won the Diversity Award for Excellence 2001 and the British Diversity Award for "Raising Diversity Awareness" in 1999. It was awarded a Gold standard performance in the 2001 Race for Opportunity benchmarking survey – achieving maximum scores in terms of impact, results, planning and policy. The KiCKstart Equality Award for demonstrating good practice in: Policy and Planning, Recruitment and Selection, Retaining Staff, Community and Customers came its way in 2000. The company has been highly commended at the Business in the Community (BITC) Awards for Excellence in diversity in 2001. Most recently, it won the "Boosting Employment" Award for recruitment work with the Chinese community at the

2001 British Diversity Awards. The company was named as one of the top ten diversity employers in the Runnymede Trust Survey-2000.

### **Results**

There has been a significant increase within the graduate recruitment scheme with EM graduates accounting for 10% of all new recruits. Improved understanding of EO and Diversity has generated over 100 ideas for positive action initiatives including increasing cultural awareness and recognition of religious and celebratory festivals. “The Fair’s Fair diversity programme has changed the company’s culture and boosted its business far more than it have ever anticipated”, says reporter Neil Merrick. Currently 25% of people appearing in any marketing literature are from EMs. The TV advertisement featuring Howard Brown has recently been awarded a Silver Standard at the British Diversity Awards 2001 for having a visible minority playing a lead role and for sending a strong message of respect and inclusiveness to its audience. Today 7% of front-end staff are from EM backgrounds.

Today 98% of employees have a good understanding of EO from 70% in 1998. Over 90% now recognise it as their responsibility, compared with 25% in 1998. EM representation has increased from 4% in 1997 to 6.4% of all employees in 2001, thereby exceeding the company’s target of 6%. At the middle management level, EM representation is 2.7% and at senior level 1.7%. Across the company 7.9% of all administrative staff, 2.3% of the finance staff and 2.9% of the marketing staff come from EM communities.

The company is committed to a year on year improvement. It feels there is still a long way to go in visibly changing the composition of the workforce at more senior levels within the organisation. In September 2001, following a merger with the Bank of Scotland, Halifax became a part of HBOS. Personnel and communications director John Lee who has been active in Fair’s Fair since its launch says that “it is vital that the organisation does not rest on its laurels. We will carry on raising the bar. The programmes we have in place will be constantly reinforced”.

At Halifax, the emphasis on EO is cascaded down to junior levels not only by communication but also by practices put in place. The employees are made to take responsibility for EO and

Diversity by emphasising the business case and promoting cultural awareness. The commitment of the senior management is total.

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## **Lloyds TSB – Confidence Building through GEM Network**

Lloyds TSB, formed by the merger of the Lloyds Bank and TSB in 1995, faced many challenges that come with mergers. One was formulating the Equal Opportunities policy of the larger merged company. The actual merger resulted in a financial services organisation with a strong presence in areas with high ethnic minority populations, and as a result, a very diverse customer base. The TSB started off as a community bank leading to a strong concern for social and economic inclusion and strong community roots.

The influence of the TSB's equal opportunities strategy remained strong in the merged company. Some of the present day race equality policies were championed by Andrew Wakelin, who is now a Senior Manager in the Equal Opportunities department. In the early 1990s, Wakelin was assigned to manage a branch in Nottingham, which was marked for closure but he turned it into a profitable branch, by recruiting ethnic minority staff and creating alignment with the customer base. He repeated this with a second branch. This experience established a business case for making greater progress in the area of race equality.

The two Equal Opportunities models were reviewed and it was decided to base the new Equal Opportunities policy on TSB's more comprehensive and established policy and norms. It was quickly appreciated at Board level that to be world class, Lloyds TSB not only needed innovative practices on diversity but also needed to tap the talent pool within the company, irrespective of ethnicity. What emerged was a leading policy backed with practices.

Part of the policy states "At Lloyds TSB we believe that everyone, our staff and customers alike, benefits from equal opportunities in their career or in the service they receive. We actively promote equality at every level of our organisation and throughout our businesses. We believe that no matter what your disability is, you are no less capable than anyone else. Lloyds TSB actively try to ensure that our employees are maintaining a healthy balance between work life and social life".

Following external benchmarking in 2001, in the words of Mike Fairey, Deputy Chief Group Executive, " We are not perfect and we have a long way to go in many areas. But in race

strategies, for example, we are a leader in financial services, if not in the FTSE 100 companies generally".

In 1998, the realisation that despite increased recruitment of ethnic minorities there was a retention issue with ethnic minority junior and middle managers in the company was indication enough for the Board to take action. So, Lloyds TSB embarked on various programmes that focused on ethnic diversity. One of the first research studies on managers from EM background was based on focus groups held across the company to learn about their perceptions of Lloyds TSB as an employer and their apprehensions, concerns and challenges.

The managers who were interviewed raised a number of concerns. Firstly, when they looked at the top management team and saw a group of white, non-disabled, middle-aged men, they questioned how committed this team was to race equality issues. They were unsure of how supportive the organisation was to their career progression aspirations. Many spoke of a sense of isolation, being the only ethnic minority in their team. Finally there was a concern expressed about how capable its managers were in managing people different to themselves, given that many managers were used to managing a fairly homogeneous group of people.

It was clear in the organisation that action needed to be taken and a strategy was formed with a major communications exercise to ensure everyone understood the desire to create a culture that recognises and values difference. A number of positive action initiatives were introduced as a result of the research. This move surprised the EM employees who were unaware of the research. Some even voiced their concern in the company magazine 'Frontrunner'. But the commitment of the senior management was total. An important rationale for senior management was creating a level playing field and ensuring that everyone has equal access to job opportunities. Aligned to this was the belief that talent exists in all sections of the community and the desire to have that talent choose Lloyds TSB as an employer of first choice.

It was equally clear that progress was not going to be achieved by relying on the goodwill of the organisation's managers alone. Though a difficult and sensitive issue, the decision was taken to treat it like any other business issue. This meant defining where the organisation needed to be, the actions required to get there, setting targets, communicating the vision and

monitoring progress. Also, it meant implementation of the race equality strategy was non-negotiable.

So Managing Directors of individual business units were tasked to conduct a gap analysis of where they are against organisational goals and to develop diversity action plans to address issues in their own areas. Progress is measured by the Board every six months.

### **Recruitment**

In East London for example, a large customer base is from the Bangladeshi community, but Lloyds TSB discovered that they employed no Bangladeshi staff there. Not surprisingly perhaps, misunderstandings and communication difficulties were very common and so they set out to change this situation.

Job adverts in Bengali were placed with community groups to attract more Bangladeshi applicants. In addition, a 13 week work experience programme was run. This provided members of the Bangladeshi community with the opportunity to discover whether they wanted to work for us and also to develop the skills necessary to work in a bank.

Anyone who was interested in working for the organisation had to then wait for vacancies to arise in the normal way. At the point of selection, therefore, they were only taking the best and most suitable people. As a result of the programme, however, a number of those who had taken part in the work experience successfully applied for jobs with Lloyds TBS. Since then, the scheme has been widened to include all sections of the community. Well over a hundred people have taken part in the programme over the last couple of years, 70% of those who want to work for the Bank have obtained permanent employment, and over 60% of those are from ethnic minority groups.

Over 40% of employees working in East London are now from the ethnic minority community. As a result of this work, there has been a 30% increase in sales in the area. There has also been a significant decrease in the number of customer complaints. Local line management believe that this is a direct result of having a more diverse workforce and therefore being able to understand the needs of their customers more effectively.

### **Positive Action Career Development Initiatives**

The first initiative is the career development programme (CDP) for ethnic minority employees, which is a five-day programme for junior and middle managers. The programme is distributed over 6 months and groups of 12 join each programme. After a day's pre-briefing, the programme enters its second phase after a month for a three day workshop at the corporate University of Lloyds TSB. An important part of this is a lecture from the guest speaker - an EM employee at a senior position in the bank who can act as a role model for other EM employees. At the end of six months a follow up one day workshop is done.

The second initiative involves those who have undertaken the career development programme selecting mentors from the Bank's senior management population. The third initiative is for senior managers from EM background and involves one-to-one career coaching and support.

### **Lloyds TSB Group Ethnic Minority (GEM) Network**

One of the outcomes of the various CDPs is the GEM – Group Ethnic Minority Network, which was launched at a conference in London on 12<sup>th</sup> March 2001. The conference itself was a chance to hear speakers, both internal and external, talk about emerging business initiatives and an opportunity to network with executives and colleagues from other business units across the Group. GEM's steering committee, led by Mike Clarke, Senior Manager, IT Division, (who is currently on a secondment from IT to Equal Opportunities), consists of 16 people drawn from around the country. He says "The business of the GEM Network is **business**". Inspired by role models with words like 'don't stay in a workplace without an ambition' he has asked GEM Network members to 'ask yourself what you can do for the company and not just what the company can do for you' and to forge ahead. Clarke has gone ahead to identify a slogan 'GEM win:win:win' – win for Lloyds TSB Group, win for Lloyds TSB staff generally as well as win for those from an ethnic minority background. With a better understanding of cultures and issues, the GEM Network is in a position to advice on many aspects of the business, especially with regard to improved service to customers and increased sales and improved marketing. The Bank has shown its support for the GEM Network since it is funded by Business Units. The network has influenced the recent Lloyds TSB TV advertisements featuring established ethnic minority personalities.

Training has also been extended to the white staff with respect to cultural differences. Managers were urged to build links with the local community. Equality and Diversity consultants were also brought in to train management team.

## **Results**

The results of these various actions are already visible in a very short period of time. For example, EM graduate recruitment has increased from 2.5% of the total intake in 1995 to 20% for each of the last three years. 'This will make a difference at the management level', says Wakelin. Since the GEM Network was launched, members of the Board regularly have meetings with groups of EM managers from the network discussing a range of topics relating to the organisations business operations. These meetings are important in discussing emerging strategies. Thus the network has encouraged communication both internally among managers as well as externally with policy making bodies and other organisations. Many other companies have applauded its success.

The benefits of the mentoring activities have included a better work life balance, providing the community and society with better individuals. A Nigerian was promoted from Grade 8 (entry level) to Grade 6 and then to Grade 5 (junior manager) after mentoring. A Briton of Indian parentage after undergoing the career development programme was promoted from Grade 5 to Grade 3 (senior manager) in a short span of 11 months.

Top performing financial consultants sales people are also sent overseas for conventions, irrespective of their race. The marketing initiative has resulted in the new TV advertisement of Lloyds TSB, showing the diversity in workplace and customer base. The business benefits of a diverse workforce are highlighted through the company magazine 'FrontRunner' and through success stories.

Recent progress has brought home the Business in the Community Diversity Award for Excellence 2000. Mike Clarke says "the ultimate goal for the GEM Network in the long term, is that we'd like to see an organisation that doesn't have a need for a formal network or a race strategy, because all hearts and minds respect the value and contribution of all Lloyds TSB employees. But in the meantime we would like Lloyds TSB to become a role model for other

companies.” The GEM Network’s executive sponsor, Mike Fairey (Deputy Group Chief Executive) says "On this basis Lloyds TSB will go from strength to strength".

At Lloyds TSB, the innovative approach that involves the managers through the GEM Network and the company’s Career Development Programme has not only given an opportunity for the EMs to apply and compete for more senior positions, but has also given them the confidence and tools to achieve those positions and succeed in them.

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## Northern Foods – Partnership with Local Communities

Northern Foods, with its head office in Hull and predominantly located in the North and Midlands, has grown over the past 60 years through acquisitions and organic development. During these years, the company has come to be a leading UK food producer. It operates in eight core product areas. The company has benefited from the changing lifestyles and demographics of the UK by supplying convenient-to-eat quality foods. It has long-term relationships with major food retailers in the UK including - Marks & Spencer, ASDA, Sainsbury, Tesco and Safeway producing both branded and label products.

The commitment of the senior management to workforce diversity can be traced back many years. In the mid 1980s the cause of gender was taken up. Diversity related to race was considered seriously as an issue in the late 1980s. “The company initially took some faltering steps. With hindsight, blunders were made because diversity policies were driven by Head Office (HO) - Personnel, which did not achieve significant results or meet the objectives of company’s Equality and Diversity policy”, says Phil Ward, Corporate Affairs Executive. The company has, since its origins, had a strong commitment to the local communities around its operational sites. Social responsibility has been important for the company.

Race diversity was taken up very seriously in the early 1990s when consultants were brought in and this was immensely beneficial. The consultants set the ball rolling by introducing best practices from other companies. A black consultant greatly influenced senior management’s approach to implementing the diversity policy and helped to develop recruitment practices. Since the early 1990s, as indicated by the number of EM employees in the company has gradually increased, and now over 15% of 23,000 strong workforce is from an EM background.

The company’s Equality Policy today reads as, “Northern Foods is committed to equal opportunities, applicants will be judged solely on merit, without regard to disability, gender, age, race, religion, marital status or sexuality”.

The company has pursued its pro-diversity policy amid occasional adverse local and regional conditions. Racial incidents in the local community during the riots in summer 2001 in

Oldham, Bradford and elsewhere have created some tensions in the workplace. The fact that these locations in the North of England are no longer 'preferred locations' for employment sometimes makes senior recruitment difficult. The company believes that head-hunters often struggle to match the company's diversity policy, resulting in fewer senior EM applicants coming to the company.

### **Recruitment**

For a period of two years in the mid 1990's Graduate Recruitment Manager was a Nigerian female. When she spoke and interviewed at University campuses, the EM applications doubled. It showed the company's commitment to career development for all. Recruitment advertisements always carry the Equal Opportunities Policy - that the company would not discriminate on the basis of race, gender or ethnicity. The graduate recruitment website has similar phrases. The graduate recruitment brochure represents the multi-cultural composition of employees in the various company units through photographs.

As the number of graduates applying on the milk round for trainee posts has declined, the number of EM applicants has also declined. Ward says, "The food industry is having to compete with many more different sectors now, also the company is located in the northern part of the country. For us the focus in progression is on the skill sets. An employee irrespective of ethnicity moves ahead in the organisation based on merit and this policy is reflected in the EM representation at the junior management level. At middle manager level and above we still have a fair way to go. We consider quotas to be demeaning and insulting and consider that in our company every employee has an equal opportunity to grow and progress".

### **Monitoring**

Records on ethnicity of employees are maintained but it is not compulsory to disclose one's ethnicity. Some employees of mixed ethnicity are reluctant to identify themselves. The records are now monitored at the end of March each year. A hundred percent co-operation from employees is lacking as some consider that this would categorise them.

**Cultural Awareness**

The company's cultural awareness training programmes and more general diversity training courses have helped to tackle objections or resentment expressed by white employees on issues such as prayer time and holidays for religious festivals. These programmes are conducted at all levels of the organisation. To create real understanding of diversity the company has run more than 140 one day training sessions for Directors and senior managers at all its operating units. An Equal Opportunities consultant leads these sessions. Along with this, junior management and supervisors receive in-house training. Simultaneously, the company runs anti-harassment courses on some its sites and training programmes for counsellors and listeners who can confidentially help other employees.

**Internal Communication**

Northern Foods has a handbook for managers and supervisors on 'Fair Employment'. The handbook discusses many issues related to diversity and how managers could handle related situations. The book starts with "Northern Foods is committed to equality of opportunity. That means we want to treat all our employees fairly in all aspects of recruitment, pay and conditions, training and development". In an interactive format, the handbook provides information about laws on discrimination. With reference to racial discrimination, it details direct and indirect discrimination, urges employees to be aware of cultural issues, and guides them on how to deal with recruitment objectively.

The 'Northern Foods update on Fair employment - a northern news special supplement' in 1997, featured an article by Ward emphasising the need to make equal opportunities everyone's responsibility. The same issue also featured an article by Group Personnel Director Mike Morgan recognising the need to change attitudes and the challenges involved in achieving that change.

**Community**

The company has strong links with local communities around its operating sites. The aim, and Batley- the aim has been to represent the local community in the workforce. When Fox's Biscuits was acquired in the late 1970s, it did not have a single EM employee, even though the factory is in Batley, which had a fairly high concentration of EM population. Today, Fox's has a high proportion of local and EM employees.

The company has a community budget of almost £ 0.5million. Part of this is focused on activities related to ethnic communities. The company was involved in setting up Quest for Economic Development (QED) in Bradford with Ward as its first chairman. One of QED's aims is to provide skills to EM job seekers to facilitate their recruitment.

The company helped sponsor a series of short videos produced by QED for Yorkshire Television, on a range of occupations aiming particularly at young people from EM background. The Northern Foods charities budget supports a range of charities working with EMs including BUILD, First DATA, Hip Hopera, Runnymede Trust and QED.

The company, and its senior managers are active in a number of organisations focusing on diversity issues – Race for Opportunity, Runnymede Trust - as speakers on public platforms and conferences. Ward and one of the graduate trainees researched the booklet on race initiatives by RfO on best practice in East Midlands.

Chris Haskins, Chairman and Ward have been trustees of the Runnymede Trust between 1990 and 1998. Haskins has been the Chairman of Better Regulation Taskforce, which has developed proposals on anti-discrimination legislation. The company has also signed the Commission for Racial Equality's Leadership Challenge.

In 1998 the company publicised its stand on equal opportunities by taking a stand at the Mega 'Mela' Festival held at the NEC in Birmingham.

In the past, support was extended to the National Mentor Consortium - a national organisation aimed at helping black and EM undergraduates to consider and successfully apply for vacancies in the private sector. The TV commercial of Fox's Biscuits reflects the diversity of customers and communities that the company serves.

Although the Annual reports and Review are financial documents, these often become carriers of the company's policy and practices on diversity.

## Results

Today the numbers in the company speak for themselves. Almost 15% or 3,600 employees are from EM backgrounds. At the junior and middle management level about 6% belong to EMs, though at the senior management level the story is quite different. In the words of Ward, “We don’t have anybody at that level from an EM background. It is a cause of great concern for Northern Foods.” The company’s limited ability to retain EM employees through internal progression is a source of discomfort and embarrassment for the senior management. Ward believes that regional factors outlined previously may be one reason for this trend.

Nevertheless, Northern Foods is seen as a company that deals with diversity successfully and proactively. It is now an employer of choice in the local communities of its operating sites. It is now widely known that the company aims to reflect the local communities and thus EM employees. Many changes have taken place over the last decade. These relate not only to recruitment practices and progression but also to flexibility in dress code, prayer timings and religious holidays. The company strives to attract the best talent from the total pool. The company is more professional now, but it is far from complacent since it realises that it has yet to achieve EM representation at senior management levels.

The company’s commitment to EO and its important policy move to represent the local communities in its workforce has led to positive actions for EM recruitment and progression over the years and augur well for the future.

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