

The Altair Review

Delivering a step-change in ethnically diverse leadership across the housing sector



A research review by Altair Ltd
November 2017



“Diversity is London’s greatest strength and I am clear that I am Mayor for all Londoners. I am determined to ensure that every Londoner can share in the prosperity our city generates.

It is vital that London’s leaders look like London. I’m delighted to support this programme and excited by the leaders of the future who will help change London for the better.

Congratulations and good luck.”

Sadiq Khan

Mayor of London

SUPPORTED BY

MAYOR OF LONDON

This review considers the sector both within and beyond London and the recommendations from this report should be accepted UK-wide.

Acknowledgements

Steering group

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- Kate Dodsworth, Executive Director People and Communications of Optivo
- Olu Olanrewaju, Executive Director of Operations at East Thames, part of the L&Q Group
- Jamie Ratcliff, Assistant Director of Housing at the Greater London Authority
- Fiona Deal, Executive Director of People & Culture for Network Homes
- Steve Douglas, Co-Chief Executive at Altair

Interviewees

- Naz Parker, Strategic Director for Economy and Infrastructure at Kirklees Council
- Sheron Carter, Chief Executive of Habinteg
- Chan Kataria, Chief Executive of East Midlands Housing (emh Group)
- Geeta Nanda, Chief Executive of Metropolitan Housing Trust
- Arvinda Gohil, Chief Executive of Community Links
- Victor Adebawale, Baron Adebawale, Chief Executive of Turning Point and Peer
- Sebert Cox, Chairman of Karbon Homes and former Chair Places for People
- Aman Dalvi, former Corporate Director of Development and Renewal at LB Tower Hamlets
- Darra Singh, UK Government and Public – Sector Practice Lead at EY
- John Brewster, previous CEO of United Residents ALMO in LB Lambeth

Commentators

- David Montague, Chief Executive of L&Q
- Fiona MacGregor, Executive Director of Regulation at the Homes and Communities Agency (HCA)
- Carol Mathews, Chief Executive at Riverside
- David Orr, Chief Executive at the National Housing Federation
- Paul Hackett, Chief Executive at Optivo
- Brendan Sarsfield, Chief Executive at Peabody
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A foreword

by Steve Douglas

The housing association sector has always prided itself on its inclusivity and focus on meeting the needs of diverse communities. The creation of a BME housing sector in the late 1970s and early 1980s was regarded by some as the most bold, ambitious and successful equalities and empowerment programme in Europe at the time. It was a demonstration of how important diversity was to the sector's core purpose.

Yet in recent months, as the issue of ethnic diversity among leadership teams of all types of organisation across the UK has received growing attention in the press, the housing sector, despite having this core purpose and being an innovator in diversity in the past, no longer has a great story to tell.

In November 2017, a survey by Inside Housing showed that there were only 3 BME chief executives (out of 64 associations to respond) and 15 BME executives (including the three chief executives) out of 330 executives – the equivalent of 4.5%.

The survey also looked at board level and found only 50 BME board members out of 735 in total (or 6.8%), with 18 boards having no BME representation at all.

It is not that the talent does not exist. Research by the Guardian and Operation Black Vote – as part of its Inequality Project – has shown that BME individuals in major organisations are over-qualified for their roles compared with their white counterparts.

The evidence suggests that the social housing sector, like many other sectors, suffers from unconscious bias in its decision-making when making leadership appointments. It is tough, but we must acknowledge that unconscious bias exists, both within wider society and within the housing sector.

As one consultee to our review has said 'there's an assumption that if you are a black leader that you only contribute BME narrative'. By inference the assumption is that you cannot be a mainstream organisation leader. However, the business reasons to achieve ethnic diversity across leadership teams are compelling. From research undertaken by academics, business leaders in other sectors and other countries, and business advisers such as McKinsey and PwC, we've identified a number of clear benefits that can be gained by housing associations.

These include diversity of thought leading to better business decisions, more effective solutions and greater connection to communities.

Now, when the sector is being challenged on its connection to community and whether it reflects wider society, it is timely once again for housing associations to stand up for diversity of leadership and to better understand what can be done to make a real and lasting change.

This review looks at our sector's current and past experience, includes interviews and profiles of past and current BME leaders, as well as consulting with non-BME leaders.

The review has a practical but ambitious set of activities to effect the step-change that we identify is now needed. A five-point plan. We have been encouraged by the levels of engagement from consultees and commentators, many of whom have already pledged their organisations to take forward the plan of actions, and acknowledge the urgency for action.

However, the challenge now is for leaders to make the change real. Terrie Alafat, Chief Executive of Chartered Institute of Housing, set out the leadership challenge for the sector in her support for action. This is echoed in the support from the Mayor of London, Sadiq Khan.

There can be no excuses. Individual organisations, the housing sector, and the wider community need the sector leadership to be visible on the issue of leadership diversity and to make demonstrable progress.

Altair has been privileged to undertake this important review and looks forward to working with the sector in supporting and achieving success over the coming years.



Steve Douglas
Co-Chief Executive
Altair Ltd

Executive Summary

Both within and beyond the housing sector increasing attention is rightfully being paid to the diversity of leadership teams. Within the sector, the CIH's commission on leadership and diversity, "Leading Diversity by 2020" examines ways to improve the diversity of our industry's leaders. The McGregor-Smith review established that GDP could increase by up to 1.3% a year if workers from BME backgrounds progressed at the same rate as their white colleagues.

Attention has been given to gender, but only recently has race/ethnicity received more focus. The social housing sector has a proud history of working with the most diverse of communities. It has also delivered a raft of initiatives over the decades to promote and foster diversity. Yet, despite all this, there is still a serious lack of black and minority ethnic (BME) representation at senior levels within housing associations.

A survey run by Inside Housing in November 2017 showed that BME individuals made up only 4.5% of all executives in the sector, contrasting with the fact that 17% of social renting households in England in 2015/16 were headed by a non-white person. The 2017 survey also looked at board level and found only 50 BME board members out of 73 in total (or 6.8%), with 18 boards having no BME representation at all.

Ethnic diversity of leadership had great prominence in the late 1980s and 1990s, but has lost attention in recent years. Now, at a time when the sector is being challenged on its connection to community and whether it is reflecting wider society, it is time once again for the sector to stand up for diversity of leadership and to better understand what can be done to make a real and lasting change. This responsibility lies with current sector leaders.

It is not that the talent does not exist. Research by the Guardian and Operation Black Vote – as part of its Inequality Project – has shown that BME individuals in major organisations are over-qualified for their roles compared with their white counterparts. This led them to conclude that BME talent "is not necessarily lacking in abundance, but it is seriously lacking in support". The evidence suggests that the social housing sector, like many other sectors, suffers from unconscious bias in its decision-making when making leadership appointments. Unconscious bias happens when our brains make quick judgments and assessments of people and situations with-

out us realising. These biases are influenced by our background, cultural environment and personal experiences. This bias is not good for business, leading to groupthink and unconsciously shunning diversity of thought.

The business reasons to achieve ethnic diversity across leadership teams are compelling. From research undertaken by academics, business leaders in other sectors and other countries, and business advisers such as McKinsey and PwC, we have identified a number of clear benefits that can be gained by housing associations. These are outlined below, but discussed in more detail in the report:

Diversity of thought makes for better decisions

When the leaders of organisations hire in their own image, boards and leadership teams can fall foul of 'group think'.

Dynamism and innovation

Organisations in the social housing sector are increasingly under pressure to meet new challenges while continuing to deliver their core objectives. These challenges require flexible, dynamic and innovative leadership teams who can produce fresh solutions and manage new risks to deliver their strategic goals.

Driving performance

There is a wealth of evidence which suggests that a more diverse workforce contributes to wider business success. For housing associations, more ethnically diverse boards and executives can help yield greater returns that can be invested in delivering better quality services and more affordable homes.

Building confidence with the communities in which you work

Several reports have underlined the importance of ensuring that leadership teams are diverse, so they can better understand how their decisions affect those in the broader organisation and different communities they serve. In the social housing sector, the need for greater diversity was recently highlighted by the Grenfell tragedy and calls by residents who wanted those leading the enquiry to be more ethnically diverse. They felt this would enable greater confidence of the community.

In light of the above, our recommended five-point plan is as follows:



1. Report annually on key diversity statistics

Organisations should report on key diversity statistics in their annual reports, including BME representation at executive and board level, as well as drawing comparisons with the ethnic diversity of their tenants/residents and the communities that they serve. These figures should cover the areas which associations feel will enable them to tackle any underrepresentation of ethnic minorities in their leadership teams. At the very least this might include pay-gap calculations based on race/ethnicity.

We believe that reporting on key statistics by ethnic diversity will help housing associations become more cognisant of whether their processes and procedures are successfully providing equality or opportunity for all employees. This approach will also ‘nudge’ organisations to more carefully consider ways to improve their approach.



2. Set aspirational targets

As in the CIH’s “Leading Diversity by 2020” report, we recommend that organisations set aspirational targets for their board and committee recruitment from under-represented groups. This will help ensure that governance structures are representative of their wider communities. This approach should also be extended to include aspirational targets for executive teams and mid-tier management roles. Performance against these aspirational targets should not only be reported internally but also monitored and publicised.

Our research has identified that implementing aspirational targets is an effective tool that organisations can use to improve their diversity. This approach is not about lowering standards. The bar must be set at the right level for an organisation’s needs. It is about improving opportunity. This is because evidence indicates that what gets measured gets done. Aspirational targets

help ensure that organisations remain focussed on having access to the widest pool of talent. They concentrate attention on the problem of underrepresentation and encourage organisations to put more thought and effort into sourcing, developing and retaining BME talent, so that targets can be realistically met.



3. Interview more diverse pools of candidates

We recommend that organisations should adopt a policy of committing, wherever possible, to interviewing at least one BME candidate when recruiting to senior leadership positions to the board or executive. In instances where organisations do not adopt or comply with this policy they should explain why in their annual report and through regular reporting to the board and executive teams.

Organisations wishing to take this approach further should consider ensuring their interview panels also include representatives from diverse backgrounds where possible. And further consideration should be given by organisations to applying this to middle-management roles as well. This policy should not lower standards, as it does not give someone from a BME background the guarantee of a job. It simply gives a nudge to the employer to find them a seat at the interview table, if they have the credentials and meet the criteria. When implementing this policy, a BME candidate should not be shortlisted at the expense of someone who is as or more qualified, as that would be positive discrimination and unlawful.



4. Develop the leadership pipeline

We recommend that organisations actively develop their leadership pipeline, by placing an increased focus on developing talent of junior BME individuals in their organisations. This will help with upskilling and retaining staff.

This can be done through identification of diverse talent at entry level within organisations, programmes to support and nurture that talent, leadership programmes, and mentoring and coaching support. This is perhaps even

more important when organisations are challenged to grow their own talent and then retain them. It is more cost effective and yields a bigger return on investment. There are a number of initiatives that organisations can tap into. One such programme aimed at senior managers is Leadership 2025.



5. Lead by example

We recommend that chief executives and boards should take a pro-active and visible role in promoting, monitoring and endorsing all recommendations from the research. A sector-wide culture shift will only occur if it is driven from the top.

This should include signing up to a leadership index of champions for diversity, who are empowered to commit their organisations to work to change the leadership profiles, including middle managers by 2025. These champions/leaders within the sector should be drawn from all ethnic backgrounds and genders to help facilitate the sector-wide culture shift; they might be a specific number of board members, a senior executive, or the chief executive themselves.

As part of leading from the top, organisations in London should encourage members of staff to join the Future of London's diversity network, and organisations outside of London should develop similar networks. All organisations (including conference organisers) and sector leaders should commit to the diversity pledge or something similar. This should include upholding the principles of not participating on non-diverse panels and encouraging staff from diverse backgrounds to speak at events.

Leader Bio

Olu Olanrewaju

Executive Director, Communities and Neighbourhoods at East Thames



Olu is currently an Executive Director at L&Q as a result of the merger with East Thames. Olu qualified as a chartered surveyor and has been in the housing sector for over 27

years. Olu joined housing as a trainee on the PATH initiative and then took on leadership roles at a number of Housing Associations in London, Bristol and Birmingham, including a CEO role. He then studied towards a MBA to broaden his skills and then carried out transformations at a number of large organisations. Olu is currently the Chair of Inquilab, a BME housing association based in West London.

“You have to take ownership for your career development – you are your own brand.”

Sheron Carter

CEO of Gateway Housing



Sheron has recently been appointed Chief Executive Designate at Habinteg Housing Association, a national disabilities provider managing over 3,300 homes. Sheron currently heads

up Gateway HA, an association based in East London with just under 3,000 homes and the largest provider of sheltered housing in Tower Hamlets. Sheron has over 30 years' experience in the housing sector and has worked for three housing associations in the West Midlands. In the 1990's she moved to London to become MD of a homelessness charity, Frontline Housing Advice for 8 years. She has since headed departments with London based housing associations Ujima HA and Genesis HA. Sheron then went on to take up the position of CEO of Arhag HA, a BME HA in London before her current role.

“Leaders require resilience and optimism, the ability to seize opportunities, and to be constantly looking ahead. Authenticity comes from knowing who you are and being a great fit with the organisation's vision and values”

1

Introduction and background to the research

The social housing sector has a proud history of working with the most diverse of communities. It has also delivered a raft of initiatives over the decades to promote and foster diversity. Yet, despite all this, there is still a serious lack of black and minority ethnic (BME) representation at senior levels within housing associations.

The leadership does not reflect social housing tenants and residents, not just that there is a lack of ethnic diversity. Contrast the fact that 17% of social renting households in England in 2015/16 were headed by a non-white person, yet only 4% of the current sector leadership comes from a minority community.

There is little doubt that organisations in the sector must do more to prove that they are serious about building workplaces that reflect and understand the many different communities that they serve.

It is not that the talent does not exist. Research by the Guardian and Operation Black Vote – as part of its Inequality Project – has shown that BME individuals in major organisations are over-qualified for their roles compared with their white counterparts. This led them to conclude that BME talent “is not necessarily lacking in abundance, but it is seriously lacking in support”. The evidence suggests that the social housing sector, like many other sectors, suffers from unconscious bias in its decision-making when making leadership appointments. Unconscious bias happens when our brains make quick judgments and assessments of people and situations without us realising. These biases are influenced by our background, cultural environment and personal experiences. This bias is not good for business, leading to groupthink and unconsciously shunning diversity of thought. To support with identifying ambitious but practical ways to address this continuing issue, Altair was commissioned in October 2017 by L&Q, Optivo and BME Landlords, with the support of the GLA to research and review how the housing sector can deliver a step-change in ethnically diverse leadership.

Although the commissioners are all London-based organisations, the research has national applicability and reflects the position across the whole of the sector. The primary aim of the review has been to make recommendations that can facilitate a culture shift, so that housing associations can tackle both conscious and unconscious bias that may exist within their current decision-making processes. Our focus has been on identifying the ways organisations can institute real change.

Our work has built upon existing work in this area, for example, the Chartered Institute of Housing’s “Leading Diversity by 2020”, the Future of London’s diversity pledge, as well as complementing existing programmes promoting diverse leadership. This includes ‘Leadership 2025’, an intensive 9-month leadership development programme, in partnership with Roffey Park, aimed at senior leaders from BME backgrounds. At its heart, Leadership 2025 aims to support and empower BME senior executive and chief executive-ready professionals to become sector leaders of the future.

A key output of our research has been the development of practical recommendations intended to support housing associations to think and act pro-actively in the way they attract, retain and develop diverse talent pools into senior leadership positions.

To achieve this, the project has adopted the following approach:



Identifying where the sector is currently in terms of BME leadership representation - through a survey conducted by Inside Housing of the 100 largest associations in the UK, by stock owned.



Interviewing past and current BME leaders in the sector - to understand their experiences of diversity in the sector, and to identify any learning points to inform our recommendations.



Conducting external research into what other sectors are doing and what can be learnt from best practice.



Liaising with key consultees and expert advisors – to test and further refine our proposed recommendations



Identifying tangible solutions and practical recommendations - to facilitate a culture shift in the sector that tackles conscious and unconscious bias in decision-making.

This report outlines our findings.

2

Where do we stand?

The current ethnic diversity
of housing associations'
leadership teams

In recent months, ethnic diversity among leadership teams of all types of organisation across the UK has received growing attention in the press. The picture that is painted is not good:

- In January of this year it was revealed that no black academics have worked in senior management in any British university for the last three years.¹
- A report published in August 2017 showed that ethnic minority representation on FTSE 100 boards has flat-lined. Although the ethnic leadership pipeline within FTSE 100 companies increased to 5%, nearly six in ten (58%) of boards are still all white.²
- In September 2017, Operation Black Vote, the Guardian and Green Park recruitment revealed in their research project, The Colour of Power, that of more than a thousand top jobs (including business leaders, supreme Court judges and military chiefs), BME people held just 3% of them.³

The housing sector, despite having a core purpose in meeting the needs of diverse communities, and being an innovator in diversity in the past, no longer has a great story to tell.

In February 2016, a survey by Inside Housing disclosed that only 19 out of more than 500 executives in the UK's

largest housing associations are BME.⁴ This means that BME people made up only 4% of executives. Meanwhile, four in ten housing associations had boards that are all white. BME people also only represented 7% of board members. This compares to 14% of the population of England and Wales being BME, and 17% of social renting households in England in 2015/16 being headed by a non-white person. These results underline how the sector has a long way to go to improve the ethnic diversity of leadership in housing.

In November 2017, a similar survey showed the situation had hardly changed with only 3 BME chief executives (out of 64 associations to respond) and 15 BME executives (including the three chief executives) out of 331 executives. From this smaller sample, this translates to a BME make up of 4.5% of executives.

The 2017 survey also looked at board level and found only 50 BME board members out of 735 in total (or 6.8%), with 18 boards having no BME representation at all.

The overall BME representation at executive levels falls short by considerable margin.

¹ <https://www.theguardian.com/education/2017/jan/19/british-universities-employ-no-black-academics-in-top-roles-figures-show>

² <https://diversityuk.org/ethnic-representation-ftse-boards-flatlines/>

³ <https://www.theguardian.com/commentisfree/2017/sep/25/britain-elite-white-men-colour-of-power-national-self-interest>

⁴ Survey sample was of the 100 largest housing associations in the UK by stock owned.

3

What is the business case?

The benefits of delivering a step-change in ethnically diverse leadership

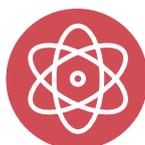
The reasons to achieve ethnic diversity across leadership teams are compelling. From research undertaken by academics, business leaders in other sectors and other countries, and business advisers such as McKinsey and PwC we have identified a number of clear benefits that can be gained by housing associations from implementing the recommendations in this report. These are summarised below.



Diversity of thought makes for better decisions

When the leaders of organisations hire in their own image, boards and leadership teams can fall foul of ‘group think’. In a housing association, this could result in the quality and effectiveness of services being undermined or falling short of their intended objectives due to the narrowed thinking created by groupthink.

A leadership team is especially vulnerable to groupthink when its members are similar in background. Research by Professor Scott E. Page from the University of Michigan has demonstrated that groups that display a range of perspectives outperform groups of like-minded experts. Ensuring boards and executives have sufficient diversity is therefore a vital way to encourage more constructive and challenging debate.



Dynamism and innovation

Organisations in the social housing sector are increasingly under pressure to meet new challenges while continuing to deliver their core objectives. These challenges require flexible, dynamic and innovative leadership teams who can produce fresh solutions and manage new risks to deliver their strategic goals.

A Harvard Business Review article recently presented new research from the New York based Centre for Talent Innovation. This provides compelling evidence that diversity unlocks innovation and drives market growth.

This is something recognised by Apple Inc whose diversity strategy underlines that “the most innovative companies must also be the most diverse”. Diverse leadership is therefore an essential mechanism for housing associations to better realise their strategic goals in a dynamic and rapidly evolving sector.



Driving performance

There is a wealth of evidence which suggests that a more diverse workforce contributes to wider business success.

The McGregor-Smith review established that GDP could increase by up to 1.3% a year if workers from BME backgrounds progressed at the same rate as their white colleagues.

Diversity in leadership is strongly correlated with higher returns and profitability. Research by McKinsey shows that more ethnically diverse companies are also 35% more likely to earn above the industry median.

For housing associations, more ethnically diverse boards and executives can help yield greater returns that can be invested in delivering better quality services and more affordable homes.



Building confidence with the communities in which you work

Several reports have underlined the importance of ensuring that leadership teams are diverse, so they can better understand how their decisions affect those in the broader organisation and different communities they serve.

In the social housing sector, the need for greater diversity was recently highlighted by the Grenfell tragedy and calls by residents who wanted those leading the enquiry to be more ethnically diverse. They felt this would enable greater confidence of the community.

Leadership teams that reflect the diversity of their staff and community will help ensure that housing associations do not become too insular or out of touch with their increasingly diverse staff and customer base.

Overall, the above benefits underline the need for associations to do more, so that they take full advantage of the value that diverse leadership teams add. Organisations that do not focus on making these gains do not just risk being left behind, they already are being left behind. Housing Associations, once at the forefront of championing diversity, now have much catching up to do.

4

What can the sector learn from its past and present leaders?

The barriers and opportunities for improvement

We felt it was important to hear from the BME leaders from the sector who have made it to the top, for example, chairing the largest association in the country, senior management at the Housing Corporation, and Senior Partner at EY, both in and out of the sector. We therefore interviewed a number of directors, chief executives and board chairs (past and present) to explore their experiences and to understand how they achieved their success. We also sought to identify significant barriers, opportunities for improvement, and to learn from what employers did in the past, to inform recommendations for current organisations to help deliver the change to a more diverse leadership in the sector.

From these discussions, we have identified several common themes. Our findings for each of these are summarised below. We have also included profiles of a sample of those we have interviewed throughout this section of the report to highlight these leaders' career journeys and achievements.

Setting the scene: Early opportunities

We invited interviewees to provide reflections on their experiences as a BME person working in the housing association sector. Many recounted how they had lived through local anti-racist campaigns for improved access to housing, and the race riots of 1981 and 1985. They explained how this brought the need for racial equality to the fore of housing policy. During this time, the Housing Corporation launched its first BME Housing Policy. This aimed to promote BME associations to meet the housing requirements of minority communities and encouraged BME leadership by encouraging individuals to take a stake in their community.

The BME association sector reached a peak number of organisations, approximately 100, by the end of the 1990s. An outcome of this growth was the positive role of BME associations in bringing forward BME people into leadership positions. This was underlined in a report by the CIH for the Housing Corporation in 2004 which highlighted how the sector had “ensured that people from BME communities are ‘at the table’ when decisions are made”. It also recounted how “in statistical terms, the success of the BME associations in giving opportunities to BME communities in employment and in leadership roles

cannot seriously be questioned – it is perhaps their greatest quantifiable achievement” .

Of those current sector leaders interviewed, we found that several identified how the BME housing sector had acted as a springboard, providing them with the opportunity to take up leadership positions early in their careers. Several also cited how ‘positive action’ programmes, such as PATH traineeships, designed to create more representative workforces, were essential tools that got them into housing in the first place.

This sentiment is reflected in a selection of quotes from interviewees:

"Key to achieving the milestone of becoming a senior director in my early career was the relationships I developed with the early pioneers in the BME sector... It came down to having those people who were in the position to open doors for me and having faith in my potential to take a chance on me."

"Having shown what I could do in the BME sector was critical to the wider sector seeing that I have the form and track record necessary to lead."

The evidence shows that one of the immense accomplishments of BME housing associations has been their capacity to identify talent, develop BME staff and support them to propel their careers. They have also provided the wider housing sector with an abundance of talent, although this has become more of a challenge as the size of the sector has consolidated.

It is therefore more vital than ever that all organisations, and particularly leadership teams, look to model more inclusive behaviour by providing aspiring staff, including those from ethnic minority backgrounds, with greater opportunities to grow in their role.

Present day: A step backwards

Linked to the above findings, another theme identified from the interviews, particularly with past leaders, was the perception that BME representation at senior leadership levels in the sector has regressed. As one interviewee put it:

“We’ve gone backwards. There’s only a handful of BME leaders.”

As a result, there is a bigger challenge than ever before.

It was stressed that in the past there was greater momentum and a climate in which BME talent was recognised. This meant people were given more opportunities to fulfil their potential and rise to the top. One interviewee reflected how “mainstream HAS’ policies only pay lip service to the issues at hand” and that the sector “doesn’t talk about” the dearth of BME leaders. Another recounted how “people are more complacent now”.

While we are unable to draw upon any historical data to corroborate this view, our further desktop research shows that this is not unique to the housing sector. In an article published in the Guardian in October 2017 Derrick Anderson, the former chief executive of Lambeth Council, argued that austerity has driven progress on diversity backwards among local authorities. He pointed out that there is not a single black or minority ethnic (BME) chief executive in England’s 50 unitary local authorities. But back in the nineties there were BME local authority chief executives around London.

Derrick, in his article, explained that cost-cutting restructures made among senior staff have meant that promotions invariably happen from within a small pool that is limited in diversity. This was a view shared by some of those we interviewed, for example one interviewee explained:

“Organisations were growing rapidly in the past so there were greater opportunities to try different roles within the organisation and move upwards...now organisations are consolidating, and organisational structures are flatter...It’s harder now to progress.”

Such trends underline the importance of implementing the recommendations in this report.

Experiences of conscious and unconscious bias: Having to go above and beyond

Recent research has begun to shed light on how both conscious and unconscious bias has proved a serious challenge for BME people looking to progress in their careers. A study undertaken by the UK Employers Network for Equality and Inclusion found high levels of unconscious affinity bias in three key areas:

- 1. Work allocation: Managers are more inclined to assign stretching projects to people like them.**
- 2. Feedback: Managers are more likely to offer critical feedback to people like them and less likely to do the same for those in their ‘out-groups’.**
- 3. Informal mentoring and sponsorship: Managers are more likely to give informal advice and support to people belonging to their existing social networks.**

One interviewee described how: “...organisations are looking to appoint and develop staff in their own model, and are unwilling to break out of that. They don’t see that diversity adds much value and quality...it remains in my mind that people don’t think outside of their own way of thinking. This is a significant problem.”

It is therefore easy to understand how such behaviour can create substantial barriers for those from ethnic minority backgrounds looking to develop their skills, networks and careers in the housing sector.

Issues associated with unconscious bias were highlighted by Baroness McGregor Smith in the McGregor-Smith Review which examined race in the workplace:

“Overt racism that we associate with the 1970s does still disgracefully occur, but unconscious bias is much more pervasive and potentially more insidious because of the difficulty in identifying it or calling it out. Race, gender or background should be irrelevant when choosing the right person for a role – few now would disagree with this. But organisations and individuals tend to hire in their own image, whether consciously or not. Those who have most in common with senior managers and decision makers are inherently at an advantage.”

In line with the above, some of those we interviewed expressed how overt racism in the workplace had been a significant challenge in their career. The majority did however emphasise that both conscious and unconscious biases were more widespread and prevalent challenges that need to be addressed. For example, one interviewee reflected on their own experiences and how bias still affected them as a current leader:

“The dynamics of human behaviour causes people to choose people similar to them... this is the hardest thing to change... there’s an assumption that if you are a black leader that you only contribute BME narrative. People need to get away from that. They need to see that capability is beyond that. I get a call from the press about black leadership month, but when there’s another issue, who do they call?”

We asked those interviewed to explain how this bias affected them, and how they overcame these challenges to achieving their senior levels of leadership. Many interviewees felt that they had to go above and beyond to achieve their level of seniority; they overcame any barriers faced mainly through hard work and perseverance. This is reflected in the following selection of quotes:

“...You have to be 20% better to be noticed. [As a BME person] you need to work that much harder and go the extra mile”

“...I always demonstrated that I was as good as the next guy. In fact, you had to be better than the next guy.”

“I feel I have to go out of my way. I seem to work harder than anyone else to move my career forward...I get a sense there’s always something more you need to do convince people you are good enough. That you are a safe bet... I realised that I had to take ownership and seek opportunities to grow my knowledge through courses and broadening my experience - you are your own brand.”

This is interesting, given that new research by the Guardian and Operation Black Vote, as part of its Inequality Project, has shown how many BME people in major organisations are over-qualified for their roles compared with their white counterparts, who are more likely to climb the career ladder. This led them to conclude that BME talent “is not necessarily lacking in abundance, but it is seriously lacking in support”.

Investing in staff

However, on a positive note, interviewees mentioned how there were organisations and leaders in the sector that invested in them early in their careers and provided the opportunity to grow into the role. Some organisations took the risk to invest in and nurture BME individuals. Individuals that were provided with this support from their employers used it to gain experience and move up the career ladder. These individuals, by being pro-active and taking advantage of mentoring support and networks opened to them, used the support from their employers as a springboard to progress.

An interviewee stated: “There were not many BME individuals in the sector in the past, and so I was invited to sit on a number of panels that were looking to be more diverse. I grabbed each opportunity, and didn’t mind even if it was tokenistic.”

The above findings show it will be essential in making effective change to acknowledge that there is a particular problem with unconscious bias. For this to take shape, leadership teams in the housing sector need to openly recognise the biases that they naturally display. This will make it clear that they take this issue seriously, and will also enable them to better address such biases both organisationally and as leaders. In addition, organisations need to take an occasional risk on their staff and provide genuine learning opportunities to nurture talent from grass-root levels. This will not be easy, given that the social housing sector believes that it is intrinsically committed to inclusiveness and equality of opportunity. However, it is a vital first step in making the change required in the sector.

Leader Bio

Chan Kataria OBE

Group Chief Executive of emh group



Chan is currently the Group Chief Executive of emh group, one of the largest providers of affordable homes and care & support services in the East Midlands with almost 19,000 homes. Chan has been in this role since 2004. Prior to this he worked for various local, regional, and national housing organisations. Chan is a Board member of the national PlaceShapers alliance and Chair of the National Housing Federation regional Chief Executives' forum. Chan also has a number of non-executive positions on the Boards of various organisations, including a local hospice and further education college. Chan was awarded an OBE in the Queen's 2017 Birthday Honours list for services to Housing in the East Midlands.

"Always try to stick to the issue and be solutions focussed."

Geeta Nanda

Chief Executive of Metropolitan



Geeta Nanda OBE joined Metropolitan, one of the UK's leading providers of affordable housing and care and support services, as Chief Executive in October 2017. Across a career of nearly 30 years, she has held a variety of leadership roles in the housing sector. Most recently she led Thames Valley Housing – overseeing a top quartile performance in the sector for customer service, and the establishment of a highly successful market rent subsidiary. Geeta is a Non-Executive Director of McCarthy & Stone, a FTSE 250 retirement housebuilder, and is a board member of the National Housing Federation. In 2013, Geeta was awarded an OBE for achievements in social housing.

"Individuals should have the willingness and guts to try new things and not be worried about being shouted at."

5

What changes should the sector make now?

A five-point plan for housing associations to attract, retain and develop diverse talent pools into senior leadership positions

Our research has established that, despite a core purpose of housing associations being to meet the diverse housing needs of its communities, the sector has a long way to go to improve the ethnic diversity of leadership in housing. The experiences of past and present leaders have underlined the significant challenges and barriers for BME people looking to progress to senior leadership positions. There is a clear business and reputational case for addressing these issues.

To enable the step-change necessary to break down these existing barriers, we have developed a number of ambitious but practical recommendations. These have been distilled as a five-point plan to support housing associations in achieving greater diversity in their leadership teams. We have also shown how other stakeholders, including the Social Housing Regulator and Chartered Institute of Housing (CIH), are already planning to support and encourage associations in implementing these actions.

The focus of this plan is on facilitating the cultural change and associated actions required to tackle, in particular, unconscious bias. They are intended to provide the basis for organisations to achieve more demonstrably inclusive outcomes. To be successful, the ownership of this plan must lie with the leadership of the organisation, to ensure that these recommendations are delivered throughout the organisation.

These actions have been developed and tested with a number of stakeholders and consultees. This includes chief executives and directors of housing associations, legal experts, representatives from sector trade bodies, as well as the Social Housing Regulator. The input from these stakeholders has been invaluable to ensuring that our recommendations are suitable, feasible and acceptable to those in the sector who will ultimately be responsible for putting them into action.

We have been encouraged that many have confirmed that they will support their organisations to adopt the recommendations; they are prepared to “stand up and be counted”.

In addition, we have built on existing work in this area, in particular the Chartered Institute of Housing’s “Leading Diversity by 2020” campaign, which proposed ten challenges for housing providers to meet by 2020. We have also highlighted examples of what other sectors are

doing and what can be learnt from best practice when implementing these actions.

In light of the above, our recommended five-point plan is:

1. Report annually on key diversity statistics

Organisations should report on key diversity statistics in their annual reports, including BME representation at executive and board level, as well as drawing comparisons with the ethnic diversity of their tenants/residents and the communities that they serve.

These figures should cover the areas which associations feel will enable them to tackle any underrepresentation of ethnic minorities in their leadership teams. At the very least this might include pay-gap calculations based on race/ethnicity.

In a recent interview with the Guardian about how organisations must challenge ‘snowy peaks’ syndrome, Sam Gyimah MP, Parliamentary Under Secretary of State at the Ministry of Justice, said:

“...the very fact that these biases are sub-conscious rather than deliberate means that mining data is key to correcting them...It’s only when data is collected that organisations are forced to change. What gets measured is what gets done.”

We believe that reporting on key statistics by ethnic diversity will help housing associations become more cognisant of whether their processes and procedures are successfully providing equality or opportunity for all employees. This approach will also ‘nudge’ organisations to more carefully consider ways to improve their approach.

A similar recommendation was recently included in the McGregor-Smith Review which advised that listed companies and all businesses and public bodies with more than 50 employees should publish a breakdown of employees by race and pay band. The same report also argued that all employers should take positive action to improve reporting

rates among their workforce, explaining why supplying data will improve diversity and the organisation as a whole.

Introducing diversity reporting should not be too cumbersome for most associations. Organisations with 250 or more employees, by 4 April 2018, must report on their gender pay gaps. The same approach to data collection and analysis could easily be applied to gathering statistics by race. Organisations, such as PwC (appearing below as a case study), have already shown this is possible and can elicit meaningful change.

Other organisations, such as the Bank of America, have integrated diversity and inclusion questions into their bi-annual employee engagement survey. They use their results to open a dialogue within each team, so they can identify what is working well and what needs to improve. In the Parker Review, Nationwide Building Society was commended for its effective approach to increasing Diversity Declaration Rates within the company.

We have found that those leading the way on tackling the race and gender pay gap have used their statistics to examine their practices, so they can

begin to tackle their shortcomings. This is because they recognise that a pay gap can often be a symptom of lack of career progression, or other problems with their people processes. Research has found that organisations are beginning to look beyond simply asking “How many women or BME people do we employ?” Instead, they are approaching statistics from the perspective of developing an inclusive culture. This produces more thought-provoking questions such as “How many BME and female leaders do we have?”, “How can we attract, retain and develop our role models?”

Answering these questions requires mapping pay-gap calculations against other diversity information from activities such as recruitments, length of time for promotion, and exit interviews. This tactic has enabled organisations to establish at what point in the process people from certain groups are failing to get into higher-earning jobs. This can lead to the development of policies necessary to mitigate the problem.

Case Study: PwC



In late 2017, PwC reported on BME statistics in their annual report. It has drawn attention to their shortcomings in pay differences within the organisation. It showed that

BME employees were under-represented at a senior level, not that BME and non-BME employees at PwC are paid unequally for doing equivalent jobs.

The firm had self-published the data, a step that is not required by the government, to help it tackle this issue. The power of reporting diversity statistics has been illustrated by PwC's voluntary publication of its gender pay gap figures since 2014. This has helped reduce the gap from 15.2% in 2016 to 13.7% in 2017. Using the findings from its latest annual report PwC has now

committed to ensuring that at least a tenth of its partners are ethnically diverse by 2020, up from 7% currently.

Kevin Ellis, chairman and senior partner at PwC, said on the issue:

“Our priority is to do all we can to retain our junior BME talent and improve rates of progression to senior management levels. We’re aiming to achieve this through stronger accountability across our business to deliver our gender and ethnicity targets, monitoring our pipelines on a more regular basis and making sure that all of our people can benefit from the most stretching of client engagements. We are also talking to our BME employees to understand their sense of working at PwC to see if there are any barriers we can address.”

2. Set aspirational targets

As in the CIH’s “Leading Diversity by 2020” report, we recommend that organisations set aspirational targets for their board and committee recruitment from under-represented groups. This will help ensure that governance structures are representative of their wider communities. This approach should also be extended to include aspirational targets for executive teams and mid-tier management roles. Performance against these aspirational targets should not only be reported internally but also monitored and publicised.

Our research has identified that implementing aspirational targets is an effective tool that organisations can use to improve their diversity. This approach is not about lowering standards. The bar must be set at the right level for an organisation’s needs. It is about improving opportunity. This is because evidence indicates that what gets measured gets done. Aspirational targets help ensure that organisations remain focussed on having

access to the widest pool of talent. They do not act as quotas which must be met at the expense of quality. This is neither desirable nor possible because positive discrimination is illegal in the UK under the Equalities Act. All they do is concentrate attention on the problem of under-representation and encourage organisations to put more thought and effort into sourcing, developing and retaining BME talent, so that targets can be realistically met.

From our external review, we find that similar recommendations have been made in recent research reports. For instance, the McGregor-Smith review argued that listed companies and all businesses and public bodies with more than 50 employees should publish five-year aspirational targets to improve ethnic diversity and report against these annually. The Parker Review went one step further to recommend that FTSE 100 boards should have at least one BME director by 2021, and each FTSE 250 company should do the same by 2024. The social housing sector should take heed of such advice, and follow suit.

Having reviewed available material, we have identified good practice examples of how organisations are setting aspirational targets to measure their progress. In the Parker Review, EY was cited as a case study of an

Case Study: The Financial Conduct Authority



The FCA has, for some time, been involved in the 30% Club which aims to increase the percentage of women on FTSE-100 boards. A number of its female employees have participated in the cross-company mentoring scheme. The organisation’s board is currently 50% female – significantly above the 25.9% figure for the boards of UK FTSE 100 companies. The organisation also has a well-established Women’s Network that has seen increased growth during the past few years and includes, among its activities, an internal mentoring scheme.

The FCA has signed up to the Government’s ‘Woman in Finance Charter’. To support this it has developed a number of targets which are to be achievable and aspirational. A number of actions and activities have

been put in place designed to change the mix of female and male employees in its senior leadership team. The FCA has also conducted a review of its internal metrics, external benchmarks and an analysis of other organisations in the financial services industry. To firmly demonstrate its commitment, it has set a target for 45% of the senior leadership team to identify as female by 2020, and 50% by 2025.

The organisation is committed to publishing details of the gender balance in the senior leadership team annually as part of its workforce data. The latest data is available publicly on its website. The senior leadership team includes every head of department and director. In 2016-17 the senior leadership team was 39% identifying as female and 61% as male.

organisation that has set and achieved diversity and inclusivity targets. They were introduced in 2011 when it was identified that 96% of EY UK partners were white. Targets were added to partner scorecards to enhance accountability, the organisation invested in building a pipeline of diverse internal talent, and public targets were also announced. The latter included ensuring that 10% of new partner admissions should be from an ethnic minority (which was set on a rolling three-year basis). Managers were also provided with information on ratings and promotions, attrition, satisfaction and representation so they could tackle any associated issues. At present EY's UK leadership team is 10% BME, with partner representation now 9% BME: double what it was in 2011.

Another example is Johnson and Johnson, which twice annually provides its hundreds of company leaders, who are held to individual goals, with breakdowns of the group's diversity. In other organisations, top managers are also evaluated against a range of metrics including diversity hires, which influences their bonus payments. The Financial Conduct Authority represents another excellent example of good practice which could be applied to setting aspirational targets for BME representation within housing associations:

3. Interview more diverse pools of candidates

We recommend that organisations should adopt a policy of committing, wherever possible, to interviewing at least one BME candidate when recruiting to senior leadership positions to the board or executive. In instances where organisations do not adopt or comply with this policy they should explain why in their annual report and through regular reporting to the board and executive teams.

Organisations wishing to take this approach further should consider ensuring their interview panels also include representatives from diverse backgrounds where possible. And further consideration should be given by organisations to applying this to middle-management roles as well.

A serious problem identified in this report has been the negative impact of unconscious bias on enabling those from BME backgrounds to attain senior leadership positions. Adopting the above policy will provide an effective mechanism for organisations to address unconscious bias.

Case Study: Optivo Housing



During the recent merger of AmicusHorizon and Viridian, the newly formed organisation, Optivo, made a commitment to lead sector efforts to address disproportionate progression

rates of BME professionals and women to leadership roles.

Diversity data from the twelve Optivo board members show 25% BME and 75% non-BME. When comparing the committee diversity data to the Optivo resident population, BME are under represented on a number of committees. Therefore, during its board recruitment, Optivo used recruitment targets for each committee.

In a bid to achieve these targets, Optivo decided to look for new ways of attracting a wider pool of diverse candidates for all future vacancies, as well as capturing ideas from, among others, the Optivo Internal Diversity Group.

Key to Optivo's recent success of achieving greater Leadership Diversity was partnering with a search firm who understands and shares Optivo's values and beliefs around the business benefits of great diversity. Effort was made in targeting under-represented groups, discussing the opportunity with individuals in detail and having diverse recruitment panels. It is important to note that a flexible process was also an attributing factor.

Within the last 5 months Optivo has successfully recruited to four separate Committees, a total of eight positions overall. Six of these appointments were from under represented diversity groups.

Case Study: US Law firms

In August 2017, 44 major law firms and 55 corporate legal departments, including DLA Piper, Paul Hastings, Jenner & Block, Morrison & Foerster, Blank Rome, and White & Case, committed to implementing a version of the “Rooney Rule” when promoting and hiring. The version of the rule, named the Mansfield Rule after Arabella Mansfield, the first woman admitted to practice law in the U.S., asks firms to consider two or more candidates who are women or attorneys from a BME background when hiring for leadership and governance roles, promotions to equity partner, and hiring lateral attorneys.

Those implementing the scheme felt it was clear the Rooney Rule did not go far enough, so the new rule takes the old rule’s shortcomings into account. As part of this, the Mansfield Rule will measure whether firms are actively considering diverse candidates for at least 30% of open leadership and governance roles: if you have a slate of ten potential hires, three need to be BME people or women. This is because research shows that 30% in a candidate pool is a tipping point for interview panels to think differently.

The participants of the scheme now have twelve months to prove the idea’s merit. Any firm that can demonstrate they adhered to the guidelines throughout the year (i.e. 30% of the pool for senior positions being diverse) will become Mansfield Rule certified. This distinction comes with a perk: the candidates hired or promoted through the process are eligible to attend a two-day client forum in 2018, attended by 55 corporate in-house legal representatives, to network, mentor and perhaps obtain lucrative new business.

The participating firms are hopeful the Mansfield Rule will yield results. It is a promising way for law firms to hold the industry accountable and demonstrates that systemic problems require systemic solutions.

This recommendation is a variant on the both the ‘Rooney Rule’ and ‘Disability Confident’ (previously known as ‘Two Ticks’) initiative. The Rooney Rule is a National Football League (NFL) policy in the United States that requires league teams to interview minority candidates for head coaching and senior football operation jobs. The initiative has had some notable success in diversifying the senior ranks of the NFL. Disability Confident is a government scheme designed to encourage employers to recruit and retain disabled people and those with ill-health conditions. In this case, Disability Confident employers commit to offer an interview to disabled people who meet the minimum criteria for a job.

We believe our recommendation is a significant tool to help associations achieve their broader aspirational targets for BME representation. This is because it encourages organisations to find candidates from a diverse range of backgrounds. If organisations know they will need to interview at least one BME person, they will do more to seek out and nurture the best BME talent. It is not intended to represent a quick fix and should be supported by other initiatives, such as including unconscious bias into a revised curriculum for interview training.

This policy should not lower standards, as it does not give someone from a BME background the guarantee of a job. It simply gives a nudge to the employer to find them a seat at the interview table, if they have the credentials and meet the criteria. When implementing this policy, a BME candidate should not be shortlisted at the expense of someone who is as or more qualified, as that would be positive discrimination and unlawful.

In practice, this action is likely to be a particular challenge for some organisations, for example those who work in more rural areas where the pool of candidates is already limited, or those merging or consolidating their workforce. This is why it is envisaged that this policy should be utilised when reasonably practicable. It is not a one-size fits all, but most associations should be able to commit to its implementation. When they cannot do so, we think it reasonable to expect them to explain why not as part of their performance reporting.

Our external research shows that a number of organisations are adopting similar policies with great success. For instance, over 100 legal organisations in the US have done so.

Facebook is also piloting a version of the scheme. While they acknowledge it slows down the hiring process, which can be difficult, they feel it is necessary for changing long-standing habits. Facebook's global head of diversity has said that "It builds the habit of looking longer, looking harder". It enables the company to find new sources of talent that had previously been overlooked. Their ultimate goal is a more creative workplace, which better represents their one billion users around the world. They have noted the cultural impact of their pilot at their headquarters and have described how the programme has begun to change the way people operate.

Overall while such initiatives have been criticised in the past as being tick box exercises, existing practice shows that, if done effectively, such schemes can begin to challenge unconscious bias in recruitment practices.

4. Develop the leadership pipeline

We recommend that organisations actively develop their leadership pipeline, by placing an increased focus on developing talent of junior BME individuals in their organisations. This will help with upskilling and retaining staff. This can be done through identification of diverse talent at entry level within organisations, programmes to support and nurture that talent, leadership programmes, and mentoring and coaching support.

This is perhaps even more important when organisations are challenged to grow their own talent and then retain them. It is more cost effective and yields a bigger return on investment.

There are a number of initiatives that organisations can tap into. One such programme aimed at senior managers is Leadership 2025.

Case Study: Leadership 2025



Leadership 2025 is an intensive nine-month leadership development programme, in partnership

with Roffey Park Business School, aimed at senior leaders from BME backgrounds working in the housing sector. Leadership 2025 aims to support and empower BME senior executive and chief executive-ready professionals to become sector leaders of the future. However, more than just a leadership programme, Leadership 2025 seeks to positively disrupt the housing sector by challenging current perceptions and promoting the fact that diversity is not just something that ticks boxes but is actually good for business.

The programme is aimed at senior leaders in the housing sector. The senior leaders can include:

- Second tier executive members
- CEOs of small HAs
- Executive and CEO-ready individuals

This programme will create leaders which will subsequently create gaps for junior members to progress upwards to fill these positions. The aim of the programme will be to attract and retain smart individuals.

Terrie Alafat (CIH Chief Executive) said "The CIH Presidential Commission on Leadership and Diversity identified some big sector challenges to facilitate inclusion at the top. Leadership 2025 is one powerful solution. I'm delighted to see the sector is ready to take action."

Leadership 2025 has a long-term ambition of supporting the creation of a housing sector that is vibrant and diverse at all levels, with better representation of BME individuals at leadership levels. The first cohort comprises six executive/CEO-ready individuals. This rolling programme, over the next seven years, will potentially provide 42 executive-ready candidates.

A number of the interviewees mentioned the benefits of having support from their employers and mentoring early in their career in helping them progress upwards. It is widely acknowledged that mentoring can contribute to both the individual's personal and professional development, as well as providing leaders with insights from different perspectives.

Case Study: Reverse Mentoring

Jack Welch, the former CEO of General Electric, popularised reverse mentoring in 1999, when he required 500 of his top executives to pair up with junior associates for the purpose of learning how to use the internet. Today, many organisations have adopted reverse mentoring and set up formalised programmes to ensure best practice and maximise success.

The Open University (OU) recently implemented a pilot reverse mentoring programme for ethnic minority internal staff. The Aspire[™] Leadership Mentoring Programme was established in response to annual OU monitoring information and research, which showed that ethnic minority internal staff at the OU reported barriers to career progression and had a higher intention to leave the University. Qualitative research was carried out which identified that BME employees felt that promotion procedures were operating fairly, but that they lacked access to influential networks of decision makers. As a result, they had less confidence in putting themselves forward for career development opportunities and were less likely to be recognised as capable if they did. Using this analysis, the OU's Equality and Diversity Team, working with colleagues in Human Resources and the co-Chairs of the BME staff network, designed a programme that specifically addressed these areas of concern.

Through this two-way mentoring, BME individuals could share their concerns with senior leaders and changes could be made at the top level. It also provided a chance for the senior leadership levels to better understand the barriers faced by BME individuals.

Our external research and interviews found benefits in reverse mentoring.

Sir John Parker's report, "A Report into the Ethnic Diversity of UK Boards", recommends that Chairs/Directors of FTSE 100/250 should mentor and/or sponsor BME individuals within their own companies, and support candidates from BME backgrounds to take on board roles internally and externally.

5. Lead by example

We recommend that chief executives and boards should take a pro-active and visible role in promoting, monitoring and endorsing all recommendations from the research. A sector-wide culture shift will only occur if it is driven from the top.

This should include signing up to a leadership index of champions for diversity, who are empowered to commit their organisations to work to change the leadership profiles, including middle managers by 2025. These champions/leaders within the sector should be drawn from all ethnic backgrounds and genders to help facilitate the sector-wide culture shift; they might be a specific number of board members, a senior executive, or the chief executive themselves.

As part of leading from the top, organisations in London should encourage members of staff to join the Future of London's diversity network, and organisations outside of London should develop similar networks. All organisations (including conference organisers) and sector leaders should commit to the diversity pledge or something similar. This should include upholding the principles of not participating on non-diverse panels and encouraging staff from diverse backgrounds to speak at events.

From our external research, a report "Race in the workplace: The McGregor-Smith Review" states that "all businesses that employ more than 50 people should identify a board-level sponsor for all diversity issues, including race. This individual should be held to account for the overall delivery of aspirational targets. Employers

Case Study: Future of London



An example of a recent visibility initiative is the campaign being led by Future of London which

aims to promote representative voices at events on housing, regeneration, infrastructure, economic development and more. The campaign is twofold: A speakers' network and diversity pledge.

The speakers' network invites interested professionals from under-represented groups to complete a questionnaire listing area of expertise, topics they can address, and speaking experience as well as demographics. People without a known track record are invited to submit a short video, and there is support for those needing help with presentation skills. Future of London holds the database, uses the network for its own events, and makes the resource available to other organisations in the sector.

The diversity pledge is made by organisations and individuals. It asks signatories to sign up to at least two of its six commitments, e.g. holding public-facing events which include under-represented demographic groups as speakers, and/or avoiding participating in sessions which feature only one demographic group.

To date, 84 organisations have signed up to the pledges and the speaker network has 95 speakers from underrepresented groups.

should include a clear diversity objective in all leaders' annual appraisals to ensure that they take positive action seriously." By linking it to annual appraisals, leaders have an incentive to embrace the diversity agenda.

The same report states that employers should establish formal networks and encourage individuals to participate, incorporating the networks' objectives into the mission of the company.

There are a number of sector-wide bodies whose support and encouragement will add significant weight to the delivery of the five-point plan.

1. Social Housing Regulator

Housing providers in England have not been compelled to provide diversity information since 2011 as it is no longer considered part of the HCA's remit. The regulator is primarily focussed on economic regulation, in line with its statutory role and objectives. There has been agreement among those interviewed that, while not being prescriptive or introducing regulatory requirements, more could be done by the HCA to signal that diversity and equality are still important issues.

The Scottish Regulator appears to take a more pro-active diversity role. Their approach includes collecting annual information from social landlords on equalities indicators relating to its Charter standards. For RSLs they also collect data on governing body members and staff which they published in "Use of Equality and Diversity Information by Scottish Social Landlords: A thematic inquiry June 2016".

We recommend the English Social Housing Regulator should use appropriate opportunities to encourage organisations to consider the transparency with which they report across a range of relevant areas, including, for example, on diversity statistics and actions to address diversity challenges.

2. Chartered Institute of Housing (CIH)

The work by the CIH represents a positive step in improving diversity in leadership across the sector. Organisations should therefore sign-up to the CIH's "Leading Diversity by 2020" challenge. We suggest that the CIH strengthen measures specifically relating to BME leadership by improving transparency/accountability through greater reporting and publicity.

This could be done in a number of ways including:

- Highlighting and profiling sector leaders enabling ethnically diverse leadership
- Reporting on sector trends and examples of best practice through events, publications and training
- Publishing a report on the outcomes of the 10 by 20 leadership challenge when it concludes in 2020.
- Publishing a state of the sector report in 2020 and 2025.

3. National Housing Federation

The National Housing Federation (NHF) should champion the recommendations in this report, seeking visible opportunities to demonstrate sector leadership on this topic. We also recommend the NHF reference the importance of diverse senior leadership in its publications, research, conferences and seminars.

4. Housing Media

The housing media have in the recent past been pro-active in shining a light on sector performance. Going forward they should continue to play such a role, including reporting performance at board and executive level across the sector.

For example, 24 Housing is launching a diversity conference in May 2018 to highlight best practice in the sector. Inside Housing has carried out a survey in previous years looking at diversity at board and executive levels.

We encourage the housing media to continue this momentum built on addressing the diversity agenda. This could include reporting on annual diversity performance metrics for the top 250 HAs similarly to publicising executive pay and development performance.

Naz Parker

Strategic Director for Economy and Infrastructure at Kirklees Council



Naz is currently a strategic director at Kirklees Council. His career started as a homeless support officer for a Local Authority, and was then as a BME homelessness officer as part of the Home Office programme.

Naz joined a positive action scheme, management initiative course, being offered by West Yorkshire Charitable Trust. This provided the platform for career progression, with Naz progressing to Chief Operating Officer at Anchor Trust for 10 years and then Director at Guinness. Most recently, Naz was an executive Director at the HCA and also sits on a number of Boards.

“It is important to be flexible and reposition and reinvent yourself to the goals of the organisation to be successful.”

Arvinda Gohil

Chief Executive at Community Links



Arvinda started in housing running a Black and Asian women’s refuge in Leeds. Over the years, she set up a positive action programme to get black people into housing.

Arvinda was a trainee on a Positive Action scheme, and then founded Unity Housing Association in Leeds, later becoming its first chief executive. After Unity, she led Inquilab HA, a BME housing association before leaving for South Africa to set up housing projects. Upon her return, Arvinda joined the then Housing Corporation, followed by the NHF. She went back to her roots in homelessness at Emmaus UK and now heads up Community Links, a social action charity running a wide range of community projects and taking its learning nationally.

“I kept doing what I felt needed to be done, and tried to make a difference in whatever way possible. I achieved success by ensuring I supported people and through sheer doggedness.”

Leader Bio

Aman Dalvi

Chair of PA Housing



Aman started his career in the private sector before joining LB Hackney as the Housing community officer. Aman moved to the Housing Corporation as the Assistant Director of Investment. He joined Ujima, when it was 300 homes and grew it to 5,000 homes, together with initiating a whole host of programmes to tackle diversity issues. Aman moved out of the sector to Tower Hamlets as Executive Director of Development and Renewal, before retiring in 2017. He has also held a number of Chair positions, notably with Anchor Housing Trust and is the current chair of PA Housing. PA Housing was formed from the merger of Paragon and asra, and the organisation manages around 24,000 homes.

“You have to be 20% better to be noticed”

Darra Singh

Government & Public Sector

Lead at EY



Darra is currently a senior partner at EY. Darra started his career in 1984 as a volunteer and housing case worker in Tyneside before moving to London to work for The Single Homelessness charity and as a Senior Policy Officer for the London Housing Unit. He later became the Chief Executive of asra and then Hexagon. Darra subsequently left the sector and went on to become the CEO of Luton Borough Council and then LB Ealing. From November 2009 until the end of September 2011, Darra was Chief Executive of Jobcentre Plus and the Department for Work and Pensions’ second Permanent Secretary.

“I knew that I had to take more risks than my peers to be successful. I had to be flexible”

Conclusions

This report sought to identify significant barriers, opportunities for improvement and to learn from what employers did in the past, to inform recommendations for current organisations in the sector to help deliver the change to achieve more diverse leadership. We interviewed a number of directors, chief executives and board chairs (past and present) to explore their experiences and to understand how they achieved their success. Key reflections include:

Setting the scene: Early opportunities

Local anti-racist campaigns for improved access to housing, and the race riots of 1981 and 1985, brought the need for racial equality to the fore of housing policy. During this time, the Housing Corporation launched its first BME Housing Policy aimed to promote BME associations so as to meet the housing requirements of minority communities, and also encouraged BME leadership by encouraging individuals to take a stake in their community.

We found that several current sector leaders interviewed explained how the BME housing sector had acted as a springboard, providing them with the opportunity to take up leadership positions early in their careers. Several also cited how 'positive action' programmes, such as PATH traineeships, designed to create more representative workforces, were essential tools that got them into housing in the first place.

Present day: A step backwards

There is a perception that BME representation at senior leadership levels in the sector has regressed. As a result, it represents a bigger challenge than ever before.

It was emphasised that in the past there was greater momentum and a climate in which BME talent was recognised. This meant people were given more opportunities to fulfil their potential and rise to the top. Such trends underline the urgency of implementing the recommendations in this report to help tackle what appears to be a growing problem.

Experiences of conscious and unconscious bias: Having to go above and beyond

Overt racism that we associate with the 1970s does still disgracefully occur, but unconscious bias is much more pervasive and potentially more insidious because of the difficulty in identifying it or calling it out. This was highlighted in the McGregor-Smith Review which examined race in the workplace.

Unconscious bias can create substantial barriers for those from ethnic minority backgrounds looking to develop their skills, networks and careers in the housing sector. Conscious and unconscious bias remain widespread and prevalent challenges that need to be tackled. Many BME individuals felt that they had to go above and beyond to achieve their level of seniority; they overcame any barriers faced mainly through hard work and perseverance.

Investing in staff

However, on a positive note, interviewees mentioned how there were organisations and leaders in the sector that invested in them early in their careers and provided the opportunity to grow into the role. Some organisations took the risk to invest in and nurture BME individuals. Individuals that were provided with this support from their employers used it to gain experience and move up the career ladder. They were pro-active and took advantage of the mentoring support and networks that were opened to them. These individuals used support from their employers as a springboard to progress.

The above findings show that effective change will depend on acknowledging that there is a problem. Cultural change must be facilitated, especially taking action to tackle unconscious bias. For this to take shape, leadership teams in the housing sector need to openly recognise the biases that they naturally display. This will make it clear that they take this issue seriously, and will also enable them to better address such biases both organisationally and as leaders.

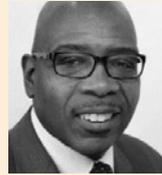
It is not that the talent does not exist. However, organisations also need to take an occasional risk on their staff and provide genuine learning opportunities to nurture talent from grass-root levels. This will not be easy, given

that the social housing sector is inclined to believe that it is intrinsically committed to inclusiveness and equality of opportunity. However, it is a first step in making the change that is required in the sector.

The diversity issue is clear. With ownership of the agenda by the current sector leaders, together with implementation of the Five Point Plan, we believe we can create a lasting legacy. There are a number of sector-wide bodies, such as the Regulator, CIH and NHF whose support and encouragement will add significant weight to the delivery of the recommendations and aspirations in this report.

Leader Bio

Sebert Cox Chairman of Karbon Homes



Sebert is currently the chairman of Karbon Homes, one of the largest housing associations in the North, owning and managing nearly 24,000 homes nationwide. Sebert was the Chairman of the Places for People Group and of its predecessor Board (North British Housing Group). During his time as Chairman he led the organisation through several strategic changes, making it one of the UK's leading housing and regeneration agencies. He has also served as Chairman of the Probation Association Limited and Chairman of Durham Tees Valley Probation Trust. Sebert was on the panel for the 2001 inquiry into racial equality in social housing, which was led by the NHF and sponsored by the Housing Corporation.

“Larger organisations should offer secondments to BME people in the sector, to allow for career development and to broaden their knowledge so that they see how things are done in a larger organisation.”

Victor Adebowale CEO of Turning Point



Victor Adebowale, is currently the Chief Executive of the social care enterprise Turning Point. Victor began his career in Local Authority Estate Management, before becoming a regional director of Ujima HA. He was then a Director of the Alcohol Recovery Project and then Chief Executive of youth homelessness charity Centrepoint. Victor joined Turning Point as Chief Executive in September 2001. Turning Point is a care organisation providing services for people with complex needs. Victor has been involved in a number of taskforce groups, advising the government on mental health, learning disability and the role of the voluntary sector and is currently a board member of NHS England. Victor was created a life peer on 30 June 2001 taking the title Baron Adebowale.

“You shouldn't employ people at the senior leadership team who look, sound and think like you.”

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