

Centre  
for Social  
Investigation

NUFFIELD COLLEGE

# Understanding levels of BAME representation and barriers to ethnic diversity in the workplace

Anthony Heath CBE, FBA

Centre for Social Investigation,

Nuffield College, Oxford

# Introduction

- Most minorities are under-represented at higher occupational levels and over-represented at lower levels. They also get paid less than their white peers even when they do reach higher positions.
- In this presentation I will focus on the following potential barriers
  - Disadvantaged social origins
  - Unequal access to education and training
  - Higher risks of unemployment
  - Lack of social connections
  - Racial discrimination and other forms of exclusion

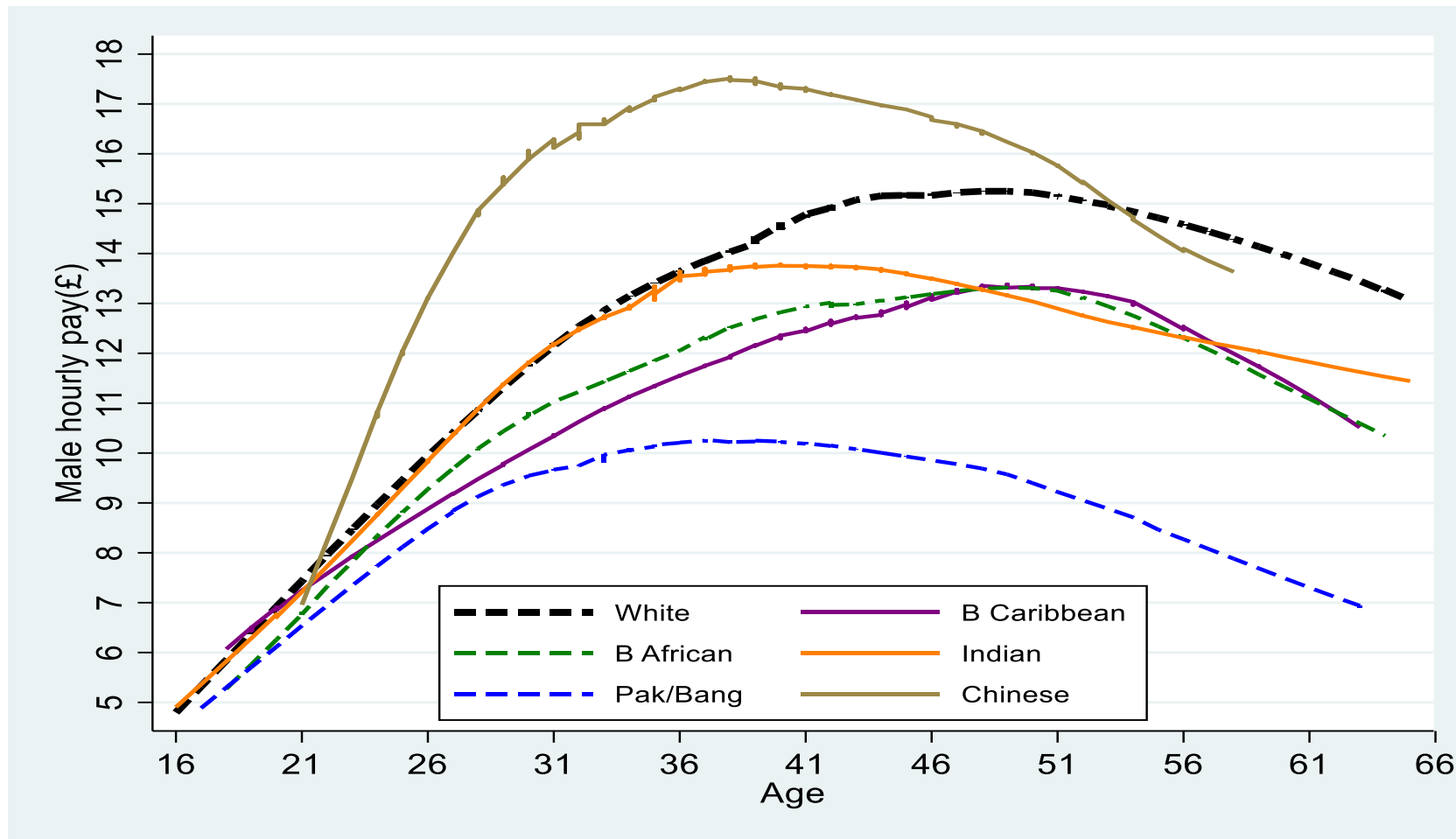
There are major ethnic (and gender) inequalities in earnings over the course of people's working lives

In the next two slides I will illustrate ethnic (and gender) inequalities by showing how different groups' earnings change over the course of people's working lives, even among people with similar levels of education

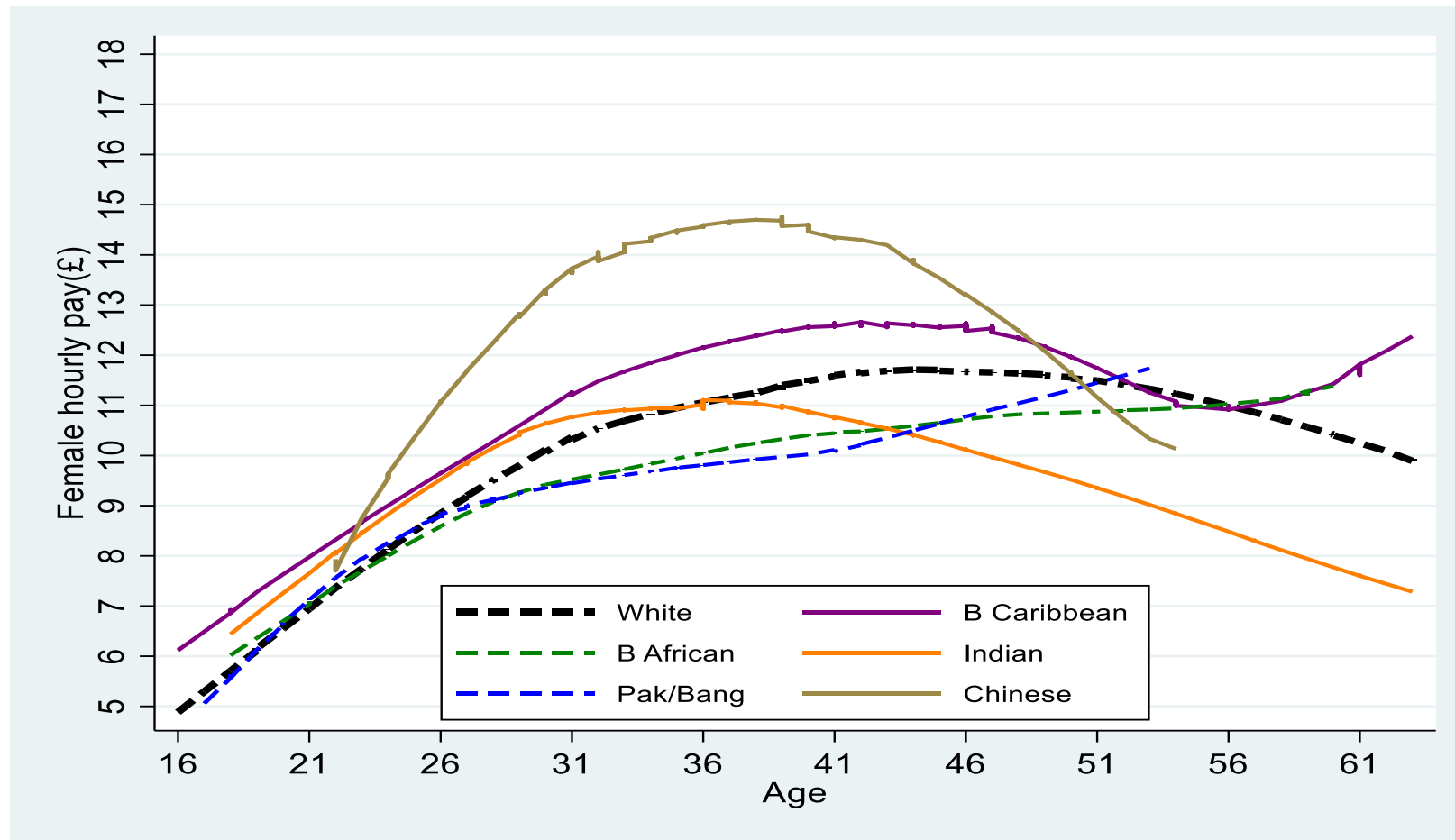
The general pattern is for earnings to rise until mid-career and then to decline somewhat toward the end of the career

What we will see is that Chinese men and women make even more progress than the white British, but the other main minorities – especially those from Pakistani and Bangladeshi backgrounds - all lag behind substantially in mid-career

Chinese men do better than the white British but other minorities fare worse over the course of their careers



Women make much smaller income gains than men over the course of their careers, with ethnic inequalities also visible



So how might we explain these ethnic inequalities in career progression?

First, disadvantaged social origins hold people's careers back. But they are not the whole story

Recent work on the 'class ceiling' has shown that, even among people with similar levels of education, those from advantaged social backgrounds get better jobs and earn more than people from working-class backgrounds.

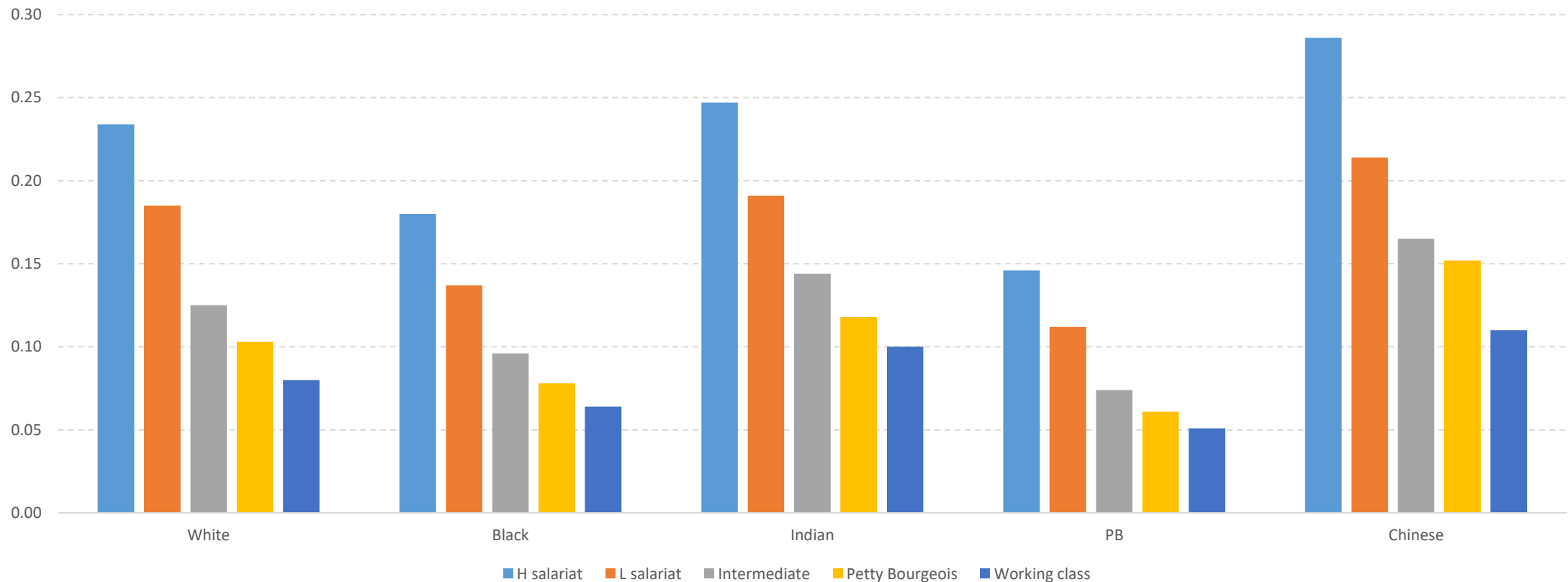
Ethnic minorities are likely to be held back by their class origins too, since they are relatively likely to have had working-class origins.

This can explain some of the gaps, but as the next slide shows is not the whole story

Within each major ethnic group, class origins have big effects on chances of reaching the higher salariat.

But even Black and Pakistani/Bangladeshi groups with advantaged class origins have much poorer chances of success than do white British

Access to higher salariat





Second, British-born minorities' lack of success in the labour market cannot be blamed on a lack of education – but they do experience exclusion at various stages of education

British-born minorities have been highly successful in education despite their disadvantaged social positions – Indians and Chinese outperform their white peers at school by considerable margins, and the other groups do as well or better than the white British from similar class origins

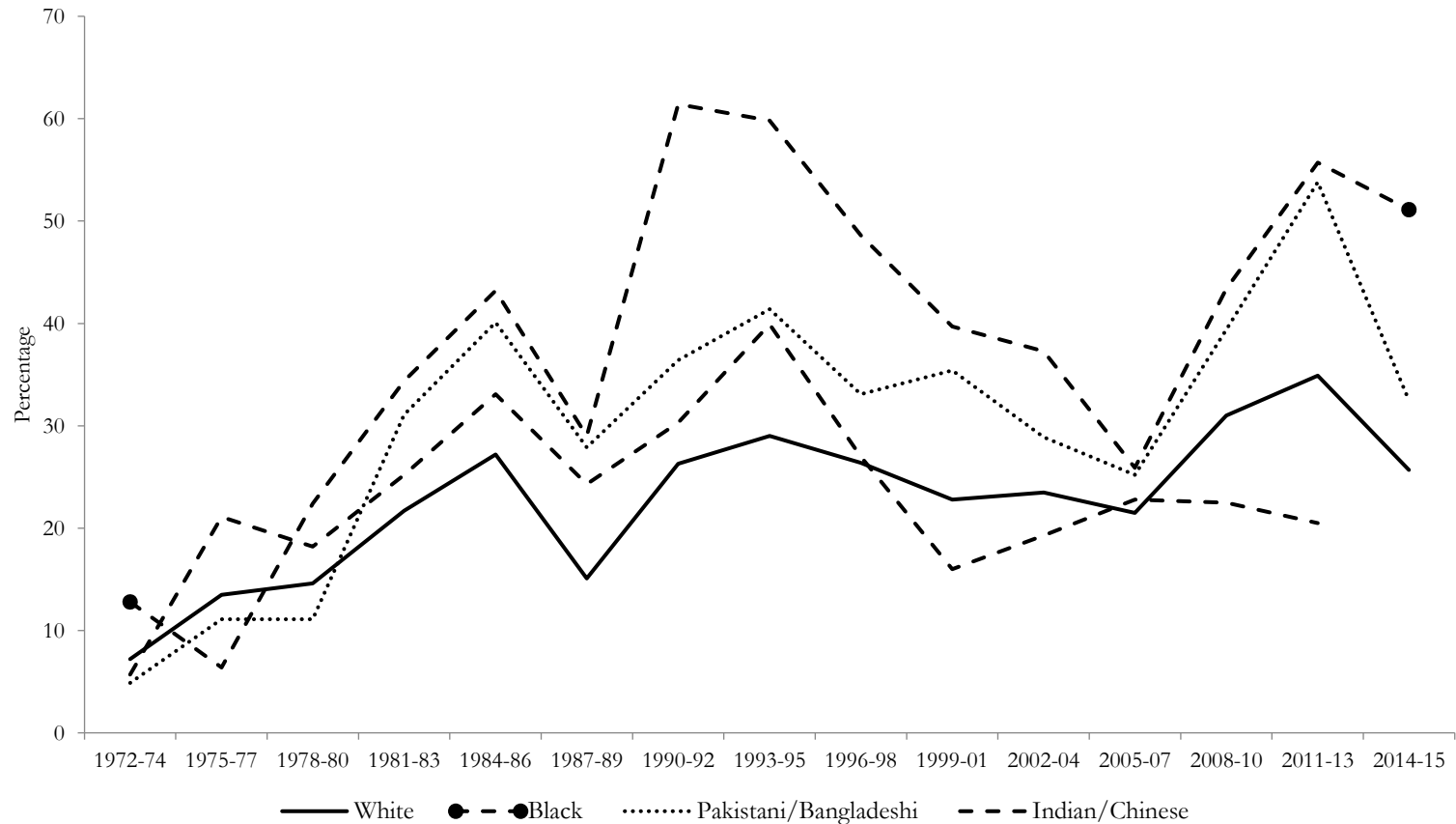
Overall, minorities are more likely than the white British to go on to higher education. But most minorities are under-represented at Oxford and Cambridge and at the elite Russell Group universities (which can be advantageous for career progression)

In addition young Black men are over-represented among those

- Excluded from school
- Not in Education, Employment or Training (NEET)
- And are less successful in gaining access to apprenticeships

Third, minorities tend to find it harder to get their first job than do white British, and have higher unemployment rates than white British with similar levels of education

*Percentage unemployed: Men with low or no qualifications*



## Unemployment early in one's career has long-term 'scarring' effects

Spells of unemployment early in the career can have long-term consequences, as people fail to get useful work experience and thus have less attractive CVs, making it harder for them to obtain secure jobs in future

As with previous recessions, the COVID-19 recession is likely to be particularly damaging for young ethnic minorities, especially for those with few qualifications. This should be a major priority for government

Fourth, lack of social connections with the 'mainstream' (termed 'bridging social capital') can make it harder for minorities to find jobs

While the labour market is increasingly based on formal application procedures, sometimes jobs are still passed on by word of mouth

Social connections can also be important for providing information about which jobs are available to apply for

Some minorities lack bridging social capital, and in particular may lack 'linking' social capital – connections with individuals in more advantaged social positions

## Finally, racial discrimination and exclusion still remain important in the British labour market

Britain was a pioneer in studying racial discrimination in the labour market – and the results of the pioneering research in the 1960s influenced the earliest Race Relations legislation

To study discrimination in the labour market, researchers conduct ‘field experiments’ - they send out fictitious job applications to real vacancies. The applications are matched in all respects differing only in the name of the applicant – either a typical British name (eg John Roberts) or one associated with an ethnic minority (eg Sanjay Kumar). One can then compare the number of positive ‘callbacks’ from the employers

The first study of this kind was conducted by Roger Jowell in 1969 and the most recent by my team in 2017

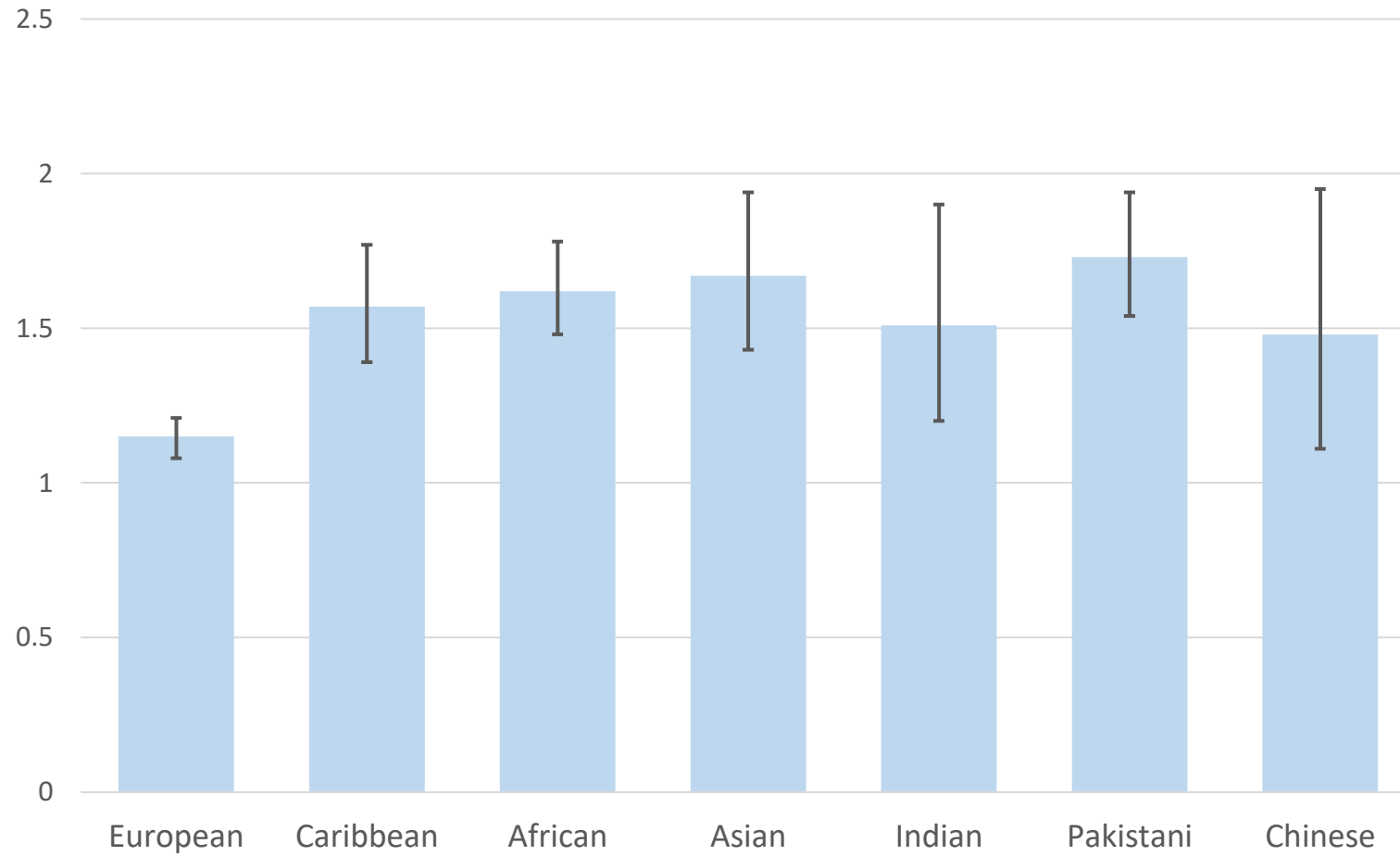
European applicants experience very little discrimination but others all have to make more applications than the white British in order to get a positive callback

The next slide will show how callback rates differ between the main minorities

Each bar shows how many **more** applications a minority applicant has to make than a white British applicant.

A ratio of 1 indicates equal chances and the higher the ratio, the more unequal the chances. Most of the ratios are over 1.5, indicating that minorities have to make 50% more applications than a white British applicant in order to get the same number of callbacks. The only exception is the callback ratio for the European applicants, which is close to 1

## Summary discrimination ratios, 1969-2017



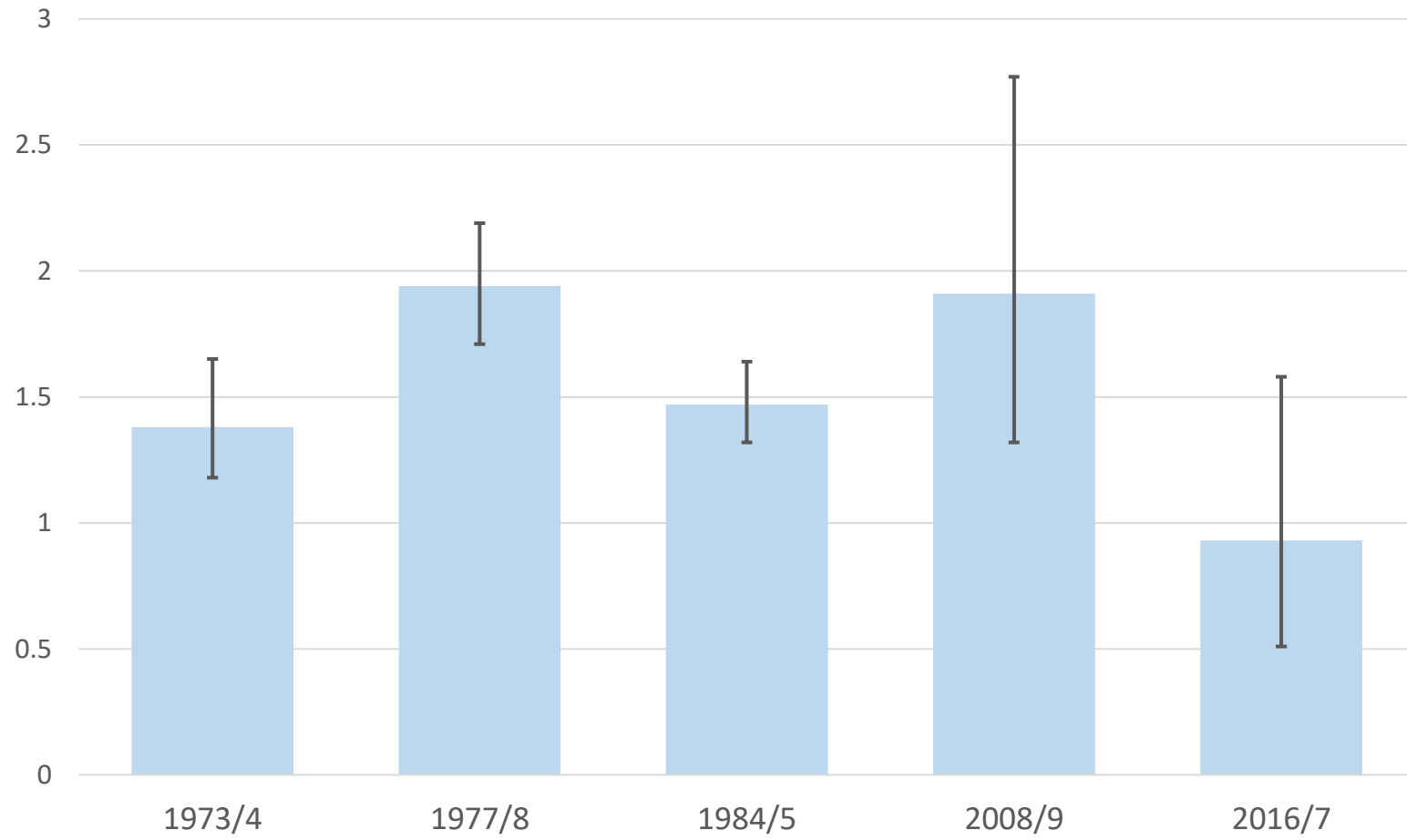
Remarkably, despite legislation outlawing racial discrimination, there seems to have been very little change over time in the risk of minorities being discriminated against

As the next three slides will show, Indians may now be less at risk of discrimination (but there is a large 'confidence interval' around the most recent data)

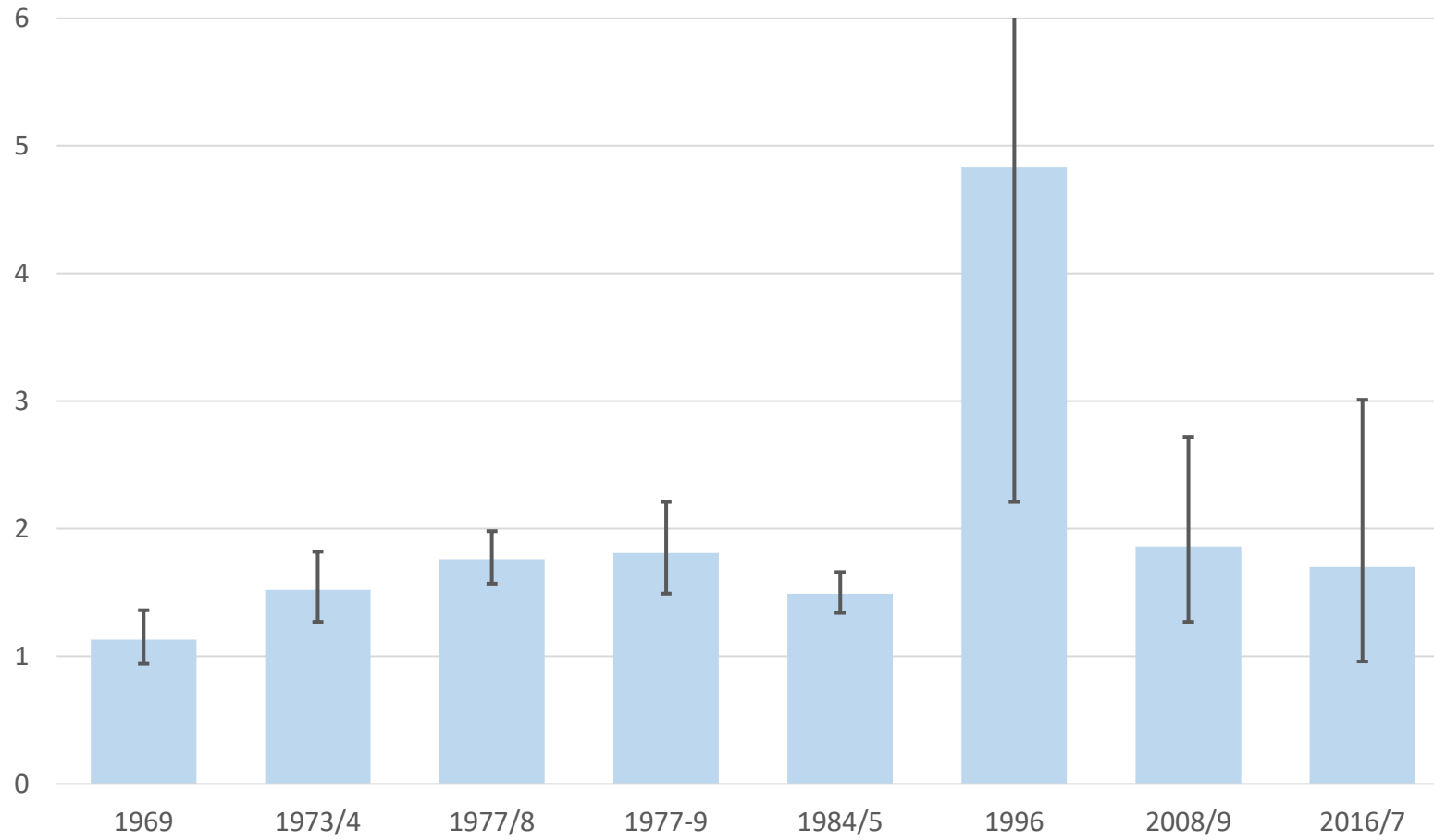
But there is no sign that either the Black Caribbean or the Pakistani background group have seen a decline in risks of discrimination



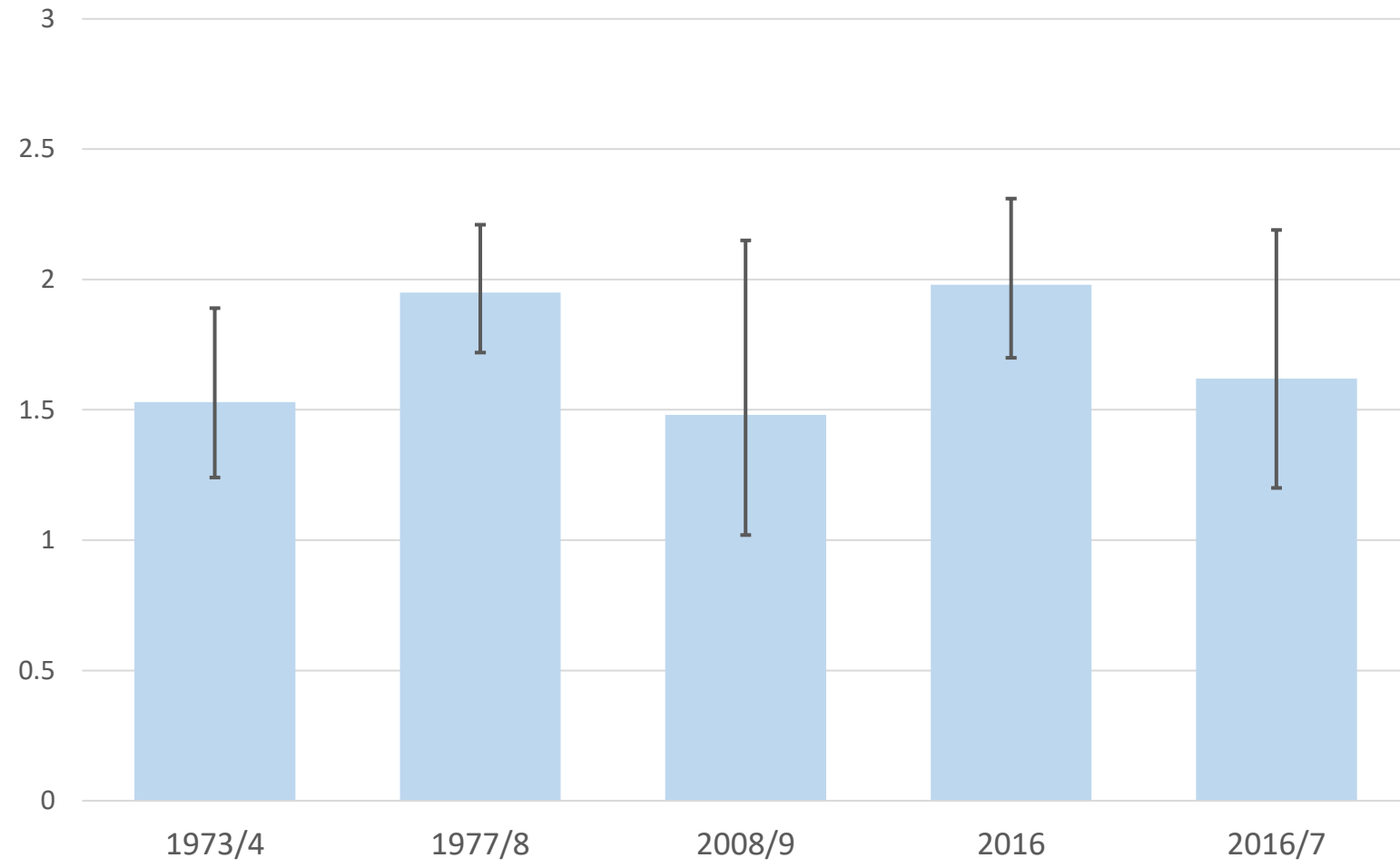
## Trends over time: Indians



## Trends over time: Black Caribbeans



## Trends over time: Pakistani



# What are the drivers of discrimination?

Racial discrimination may arise because of overt racism. Recent survey research shows that many (over a fifth) of British people still subscribe to racist beliefs about racial differences

In addition many people who are not racist in this sense share negative stereotypes about specific ethnic groups – that they are less hard-working for example

And even people who do not stereotype minorities unjustly, may simply prefer people like themselves (termed ‘homophily’) – “will this applicant fit in?”

# Why doesn't current policy work?

Existing government legislation and business policies have not solved these long-standing issues

- Complainants need to bring cases under the legislation, but may often be unaware of the discrimination they face
- Firms' equal opportunities policies are often 'empty shells' – tick box exercises
- Absence of ethnic monitoring means that employers may also be unaware of the extent of discrimination that occurs in their organizations (and even more so in the supply chain)

# What could be done?

- Greater resources and investigation powers should be given to the Equality and Human Rights Commission
- Positive action policies (NOT positive discrimination), which have been shown to be effective in the USA and in Northern Ireland, could be introduced to Britain (and monitored by the EHRC)
- As in Northern Ireland (for religion), ethnic monitoring should be required
- More firms could formalize hiring practices, thus reducing scope for individual discretion (the civil service already does and exhibits less discrimination than the private sector at entry level jobs)
- Name-blind application forms should always be used