The truth behind the figures

General Features



01 August 2020

Tax Adviser presents the views of Black, Asian and Minority Ethnic tax practitioners about their experiences in the profession

Tony Wilson, Institute Director at the Institute for Employment Studies, reports that racial inequality in the labour market has persisted for decades – and that we all have to play a part in addressing it

The protests around the world following the killing of George Floyd have thrown into sharp relief the structural racism that still pervades our society. Over decades, progress has been too slow in addressing racial inequalities, and we are seeing the impacts of this in the current crisis – with people from Black, Asian and Minority Ethnic (BAME) groups more likely to die from the virus, reflecting among other things existing health inequalities, where people live and the jobs that they do.

Racial inequalities have been particularly pronounced in our labour market, over decades. BAME people are more likely to be out of work than white people, to be in low paid work and to experience poverty. Overall, just over two thirds of BAME people are in work (68%) compared with nearly four fifths of white people (78%). White people are more likely to be in work than any other ethnic group, and this applies for both men and women (with one exception, where Indian men are more likely to be in work than white men). Underneath this, the employment rate gap has fallen significantly over the last two decades for men, to just 5 percentage points – but for Black men, the gap stands at 11 percentage points (with employment for Black men actually falling in recent years, while it has risen for others). For women the employment rate gap has narrowed more slowly, and now stands at 14 percentage points (but is more than double this for women of Pakistani or Bangladeshi descent).

Once in work, BAME people are also more likely to be low paid than white people. This in large part reflects longstanding occupational segregation, which our work on under-representation in apprenticeships shows starts before people enter the labour market and often intersects with other characteristics like gender and class. People from minority ethnic groups are over-represented in a range of lower paying jobs (care workers, security, hospitality, customer services and taxi drivers) even as they are more likely to work in a small number of higher paying jobs like as doctors and IT professionals.

Part of these pay differences are explained by demographics, but research by the Resolution Foundation in 2018 and by the ONS last year suggests that pay gaps are not fully explained by the jobs that people do, nor by working patterns, qualifications (where separate research suggests that BAME groups are more likely to be overqualified for their jobs), age or gender. Pay penalties persist, and appear to do so particularly for men and for those born overseas. And part of this ongoing inequality, undoubtedly, is a result of racial discrimination. This has been most

clearly borne out in studies using fictitious CVs to apply for jobs – most recently by Nuffield College, Oxford, who in findings last year reported that people with ethnic minority backgrounds had to submit 60% more applications than the ‘majority group’ in order to get a callback. These ‘shocking levels of discrimination’, as the study put it, are unlikely to stop at recruitment, and of course are not limited to the labour market.

These issues have existed for decades, and progress in addressing them has been far too slow. So as we think about the recovery from this crisis, recent events have reiterated that it has never been more pressing that we work to address this. A great place to start is the ‘Colour of Money’ report by the Runnymede Trust last month, which has a range of specific proposals on how policy and practice needs to change in the recovery. Three points however stand out for me:

- We need better targeted interventions to address specific barriers or discrimination that BAME people face.
- We should be much more rigorous in ensuring that ‘universal’ policies that are meant to address disadvantage actually do so for BAME groups.
- There needs to be more representation of BAME voices and perspectives.

For us at IES, in our work on employment, HR and wider public policy like education and skills, we are acutely aware that we need to play our part in driving this change, and that we can do a lot more. So, on better targeted measures to address inequalities in pay and participation, we need to build on our work on ethnicity pay reporting, tackling pay gaps and inclusive recruitment to better support employers and employer bodies to take action. However, where we identify specific disadvantages for BAME groups – as we did in research on youth employment last year – we also need to challenge ourselves on whether targeted measures are needed, and what form those should take.

Tony Wilson
Institute Director, IES

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A lack of Black role models Sofia Thomas
Director, Sofia Thomas

As with all individuals, my experiences in work reflect all parts my identity and not just my ethnicity. As I reflect on my challenges, it's hard to pinpoint which are most relevant for this piece. At the beginning of my career in tax, I struggled with the lack of Black partners to role model my career after. It reminds me of the now well-known belief that 'if you can't see it, you can't be it'. Unfortunately, this was being reinforced with a lack of Black speakers at tax events or in technical publishing. As a junior tax professional, I'd sometimes feel like an outsider at these events when I'd realise that I was only one of a handful of attendees from an ethnic minority background.

As an industry, I think we should be holding space for underrepresented affinities, not due to the affinity they represent but as they are subject matter experts. We know that diversity brings different perspectives and experiences and, as an

industry, we need to hear from these thought leaders.

Part of hearing from new voices means that individuals who have previously held positions will need to make space for others. I saw a great example of this recently in Women in Tax, where a senior committee member announced that she would be stepping down to create space for a new member to step up.

Another great example includes the ATT delivering a talk on a career in tax at What Career Live. Initiatives like these can provide role models for young people considering a career in tax that I felt was missing at the start of my career.

Although I believe the tax industry can do more to engage diverse speakers and writers, my personal experience over the years has been that the tax community is incredibly kind and welcoming. I recall turning up to one meeting with former CIOT President Ray McCann with my son in tow, as childcare fell through at the last minute, and Ray didn't bat an eyelid! This kind of experience made me feel really accepted.

For younger professionals coming into the industry, I would urge you to find a sponsor and reach out to those in the profession who can offer guidance and support. (If you can't find one, email me!) One of things I wish I had known when I had started out is how kind and supportive much of the profession is. Just because you might not be able to see yourself in them doesn't mean they aren't waiting to welcome you in.

Image



BAME representation in tax Tasneem Kadiri
Tax Director UK & Ireland, L’Oréal

Statistics have shown that a white woman is twice as likely to reach the top three positions in a FTSE 100 company compared to an ethnic minority male and 20 times more likely than an ethnic minority female. As a Tax Director from an underrepresented group, I am often asked to speak on the topic of ethnicity. Ethnic minorities are still unrepresented in senior level roles and this is especially the case at Partner and Director level. While the tax profession is progressing in the diversity debate, there is still not enough being done to address the lack of representation of

Black, Asian and ethnic minority individuals at senior levels. We have a long way to go to get to a truly diverse workforce in tax.

My advice to companies: Business in the Community (www.bitc.org.uk) recommends organisations to sign up the Race at Work Charter, which makes five calls for action:

1. Appoint an Executive Sponsor for race.
2. Capture ethnicity data and
publicise progress.
3. Commit at board level to zero tolerance of harassment and bullying.
4. Make it clear that supporting equality in the workplace is the responsibility of all leaders and managers.
5. Take action that supports ethnic minority career progression.

The Charter also calls for employers to capture and publish ethnicity pay gap data. Whilst this is not currently obligatory, I believe it won't be long before this becomes mandatory just like gender pay gap. At the moment, just 15 organisations are voluntarily publishing this information. The Charter also calls for employers to take the race at work survey.

I also recommend looking at the 2020 Parker Review, which states that supporting equality in the workplace is the responsibility of all leaders and managers. See go.ey.com/390OvkR.

My advice to BAME tax professionals: Building allies will help to create more BAME awareness. A great BAME ally is someone who is willing to take the time to educate themselves on BAME experiences. Allies need to be well informed on BAME issues to make better decisions for inclusivity. The Parker Review states that supporting equality in the workplace is the responsibility of all leaders and managers.

Challenge stereotypes in your own communities: There can be stereotypes within some BAME communities. For example, in the Asian community it is more typical and expected that men will be the main breadwinners. As a result, ethnic minority women who are working may face judgements from within their communities, especially if they are working mums. They may be more likely to suffer from 'mum guilt' which can in turn impact their confidence levels. Such obstacles make it even harder for ethnic minority women to succeed, as not only are they grappling with the obstacles in place due to the outside world but some may also be

grappling with obstacles or lack of support from their own communities.

I encourage people to start challenging these stereotypes and to help break down such barriers. If you do face this, try to find support from positive role models, which will help you in times of challenge or self-doubt.

Mentors, role models and sponsorship: It is important that you have people that you aspire to, and to surround yourself with people who support you on your journey. Choose someone you look up to within the organisation to be your mentor. They will understand the culture and characteristics of the people you work with, helping you to see things in a different light and find solutions. Research shows that mentoring can particularly help people who are in the minority, or in more junior roles, to have greater influence and progress their careers.

Educate yourself on the different levels of difficulties faced within the BAME community: Within the FTSE 100 there are just 10 BAME leaders, of which two religions are most widely represented (Hindu and Sikh) and only 1.4% of these leaders are Black. This has to change. This is where the discussion of equality and equity comes in. Although both promote fairness, equality achieves this through treating everyone the same regardless of need, while equity achieves this through treating people differently depending on need.

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Offering opportunities to disadvantaged communities Ebrahim Sidat
CEO, Signature Tax

Ebrahim runs the AMS Academy, taking talented youngsters from disadvantaged communities with limited opportunity and mentoring them into successful careers in accounting and finance.

MS Academy offers school leavers an opportunity and pathway into accountancy and finance. We set it up for two reasons. The first was to address some of the issues we were experiencing recruiting the right candidate. Typically, there is too much focus

on recruiting candidates that are the very ‘cream of the crop’ in terms of academic grades. Each year, we see the largest organisations only taking candidates with the very top grades.

However, we see this as an outdated and flawed model, as these exams do not measure, recognise or value the softer skill set that we believe is crucial for all great accountants. We believe more impetus should be placed on these softer skills early on, as these skills are usually forgotten and not developed until later within a career in accountancy. At AMS, we place far more emphasis on the client experience, as our client bank demands these skills from us as much as our expertise.

The second reason for setting up AMS Academy was so that we can give back and support our communities and local schools. This is extremely important to us; it is engrained in our strategy and DNA. We look to give back, to develop and help people and causes wherever we can. We’re a very diverse business and we try to support candidates with limited opportunities from disadvantaged backgrounds and mentoring them into successful careers in accounting and finance.

The Academy has been a pilot until this point, where opportunities have been offered to candidates from disadvantaged backgrounds or to those that may have been knocked back from other organisations. Nine years ago, we took on Yasin, who was paying for his accounting exams himself whilst in another job. Yasin passed his exams but he lacked experience and found it very difficult to find a company to give him an opportunity. We took him on and developed his softer skill sets, helping to shape him over time into an excellent accountant. Today, Yasin is an equity partner and lead partner of our Medical division here at AMS.

This is one of the earliest examples of how investment in a softer skill set has helped to shape and develop what we believe to be more well-rounded accountants. With what we’ve learnt to date, we’re now in a position to build the AMS Academy, which is to be located next to our head office in Manchester. We’re looking to create a facility that offers an in-house teaching programme combined with on the job training, so we can develop the right level of talent for the accountants of the future, to support our business and give our clients the support they deserve.

As of next year, we hope to have developed a regimented programme delivered by a qualified trainer, where our students will receive lectures and revision sessions alongside on the job experience. We’re looking at partnering with local schools to

offer candidates the opportunity for a first-class experience to get into accountancy and finance.

Image



The challenges of relocating to the UK Tafadzwa Kativu
Tax Assistant Manager, M+A Partners

Eight years working within the Zimbabwe Revenue Authority (ZIMRA) was the start of my journey within the tax profession. I qualified, worked as a tax auditor

(inspector) and became a training officer in both direct and indirect taxes. I later found another relationship that would equally shape my long-term future when I fell in love with a girl who was based in the UK and relocated after our wedding in 2013.

Moving to the UK was extremely challenging. It meant leaving my family and friends and embarking on a search for employment within a professional environment that was very different from the one I had left behind in Zimbabwe. After unsuccessfully trying to find a suitable position for a few months, I enrolled for the Chartered Tax Adviser qualification. The CIOT was helpful in exempting me from ATT, on the condition that I passed the awareness paper first. I gained a pass despite the fact that I had to self-study as I could not afford to enrol on a taught course.

To my advantage, I had taught tax legislation for over three years and was pleasantly surprised that some of the case law (my favourite) was the same. Whilst the tax rules are broadly similar, there are some differences, including distinguishing between the UK and Zimbabwean tax treatment of concepts like rollover. I was employed in taxes in 2014 and continued to self-fund (hoping I would pass all three CTA exams in one sitting). I then realised that I would need to pay for some revision courses (which also meant paying for accommodation in London) and eventually I had to enrol on taught courses, allowing me to pass the exams.

As a tax professional, I have never felt disadvantaged based on the colour of my skin. I work with an amazing team at M+A Partners in Norwich and am barely conscious of differences in skin colour or race as I interact with colleagues and clients. Unfortunately, this is not always the same away from work. A complete stranger once shouted a racist remark as they drove past me as I was cycling, which was a truly unpleasant experience.

However, I am mindful of cultural differences, having spent most of my life in Zimbabwe. At times, I do wonder if I might convey more of a relaxed and open persona in professional settings. I often have to choose between adapting in respect of societal values or maintaining my cultural values and norms. In Zimbabwe, making direct eye contact with someone older or more senior is considered a sign of disrespect and confrontation; while in the UK, direct eye contact is a sign of confidence, respect and truthfulness. I find myself making a conscious effort to look directly in people’s eyes, reminding myself that this is not a confrontation but a way of engaging in receptive and honest conversation.

As professionals, we all have a role to play in making this career accessible to the younger generations. For the profession to continue diversifying, it is so important to strengthen the relationship we have with those in education by targeting schools and colleges in predominantly minority ethnic communities, showing them how individuals from a wide range of backgrounds and nationalities can find success within the sector. I have recently signed up to volunteer as a member of the CIOT Corporate Taxes Subcommittee and whilst it is early days for me, I feel I have something to contribute to the development of tax law based on my experience of a different tax regime.