Boosting black representation

General Features



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As CIOT and ATT become supporters of the Charter for Black Talent in the Financial Services Sector and the Professions, Richard Iferenta explains what the Charter seeks to achieve

Over the last few years, the outcry for more diversity and inclusion has grown noticeably louder – and rightly so. With the tragic murder of George Floyd, we saw a sharpening of the focus on the challenges black people face, not just in America but also here in the United Kingdom. One of the effects we have seen as a result is that the concern has spilled over into the business world with numerous businesses identifying that there is a paucity of black people in senior management and leadership positions. A substantial and increasing body of evidence and data

shows that black people are the most under-represented ethnic group in business, who face the greatest hurdles, negative stereotypes and challenges in recruitment and promotion to senior positions.

Many businesses have made commitments to address this issue by breaking the glass ceiling and improving their recruitment processes by removing barriers to entry and progression.

The winds of change led to the birth of the Charter for Black Talent in the Financial Services Sector and the Professions. The Charter models itself on the Women in Finance Charter, which is backed by HM Treasury and signatory firms to work together to build a more balanced and fair financial services industry.

The objectives of the Charter are laudable: in summary, creating more opportunities for the recruitment and career progression of black people in the relevant sectors; and, importantly, measuring progress with data to ensure transparency and accountability.

The tax profession has historically not been the most welcoming to ethnic minorities. Indeed, I recall all those decades ago when I started my career in tax and it was a rarity to meet black colleagues. The few black people were mainly in junior roles with little hope of progressing beyond manager. Decades later, we now see more than a sprinkling of black people in the tax profession, but there are still very few black tax partners, directors or senior managers.

A few months ago, Helen Whiteman (CIOT CEO) and I spoke at a very engaging and interactive Women in Tax event, which triggered a series of discussions around diversity and inclusion across the board, including how the CIOT and ATT are well placed to drive change in a profession that seems absolutely ready for it! Some of the challenges that Helen and the broader EDI Committee committed to address include:

a) How do we attract black talent to the profession?
b) How do we make those who join feel welcome in the profession?
c) How do we ensure they are given equal opportunities to get the same quality of work as their peer group and the same sort of client exposure as others?
d) How do we ensure that black colleagues who join the profession are not held back because they do not have the right support or indeed sponsorship?

It is recognised that the CIOT can only set the framework and then encourage the professional firms who provide taxation services to live up to the commitments made to the Charter. I am very excited about the CIOT and ATT supporting the Charter and I'm keen to see what differences this will make in practice. Clearly, over the next couple of years I am hoping to see greater diversity not just in the CIOT and ATT staff and leadership, but in the profession at large. A quick win in trying to drive change would be for the CIOT and ATT to start to embed diversity and inclusion values into their ethics training and standards. These standards should include the commitments made to the Charter but also broader commitments in relation to gender identity, sexual orientation, disability, socio-economic background and religion.

The FCA recently made a bold statement requiring listed companies to have diverse boards or explain why they do not. We have seen the Discussion Paper 21/2 issued in July from the Bank of England, FCA and the PRA (see bit.ly/39l4YBB), setting the agenda and being clear on the need for financial institutions to take diversity seriously. They have made it clear that this will be a priority for them in the coming years.

Now is absolutely the right time for the CIOT and ATT to drive change. Often, people ask 'What does good look like?' To me, good would be seeing the profession stand up and make commitments to specifically target recruits from the black community. But it's not just about recruitment; it's also about making sure appropriate processes are in place for those recruits to ensure that they feel welcome in what can be a pretty daunting environment for the uninitiated!

Image

THE CHARTER FOR BLACK REPRESENTATION IN THE FINANCIAL SERVICES SECTOR AND THE PROFESSIONS

The Charter's objectives include:

- creating a fair and inclusive environment for black talent to develop careers and to compete without disadvantage for positions at the top of their UK businesses;
- establishing baseline data regarding black employees in their UK businesses;
- developing an action plan with challenging five-year targets to increase the number of black employees in senior grades in their UK business, allowing flexibility for firms to set targets which, whilst ambitious, realistically reflect their particular size, status, maturity, business model and approach to career development and progression;
- publishing annual reports on the corporate website showing the steps taken to achieve the Charter objectives and progress against the baseline data and action plan;
- requiring external service providers to demonstrate their own commitment to promoting black representation in their businesses;
- appointing a member of the senior executive management team (not the HR or D&I function) to be accountable for black representation and inclusion; and
- ensuring that performance appraisals of the responsible senior executive specifically include an assessment of progress on delivery against targets.

Image

CIOT AND ATT: BECOMING SUPPORTERS





Helen Whiteman and Jane Ashton share how CIOT and ATT will work to support the Charter.

Our Joint Equality, Diversity and Inclusion committee welcomed Richard Iferenta to its meeting on 22 June. As Vice Chair and Partner at KPMG, Richard is also closely involved with the Charter for Black Talent in Finance and the Professions and invited both organisations to become supporters. Richard explained the work of the Charter to the committee and how we could work together with other supporters, including ICAS and the ICAEW, to demonstrate leadership and to act as allies and drivers for change. The EDI committee made a recommendation to both the ATT and CIOT Councils for both charities to become supporters and this was approved at their respective July meetings.

Becoming supporters means that as well as being general advocates and allies, we both specifically commit to advocate for the Fundamental Objective of the Charter.

The fundamental objective of the Charter is to bring about long overdue and meaningful change through action led from the top of each firm by senior executives who are fully accountable for the delivery of progress measured against clear action plans and ambitious targets.

In this way, firms will be able to strengthen their workplace cultures, challenge ingrained thinking and address the risk of stereotyping and unconscious bias. They will also be able to 'level up' and create an environment in which black professionals can:

- at last begin to feel confident, not just about prospects for recruitment into the financial and professional services, but about progressing their careers and aspiring to lead and to be represented at the highest levels of top organisations; and
- do so without fear of being deprived of proper opportunities to develop their talents, to realise their ambitions and to make a full contribution to their firms and to the wider economy.

Richard talks in his feature about the challenges we face and we recognise that change will only happen if we commit to starting the conversation and working with other professional bodies and firms to understand the issues and challenge ourselves and others. In 2020, 54.4% of our staff were female and 37.5% from diverse backgrounds. The EDI Committee is revisiting its Action Plan to ensure that the Fundamental Objective is clearly incorporated with appropriate accountability and measurability. One action already underway is for us to undertake a member survey to capture experiences relating to career progression and entry, returning to work after a career break and social mobility indicators.

We continue to develop our governance and operations to demonstrate inclusivity. Both charities introduced a new nominations process for members to become trustees of our respective Councils. We have a new speaker programme which ensures we can deliver a rich and diverse pipeline of talent for the future and we are always looking for new role models like those featured in this article who will inspire those studying for our qualifications.

We also recognise that we have more to do in encouraging those who have yet to decide on a career in tax that this is a profession that is accessible and open. We can only do that with your support.