



WHITE PAPER

**ETHNIC DIVERSITY & THE BUSINESS CASE FOR
YOUTH EMPOWERMENT - THE YOUTH
PERSPECTIVE**

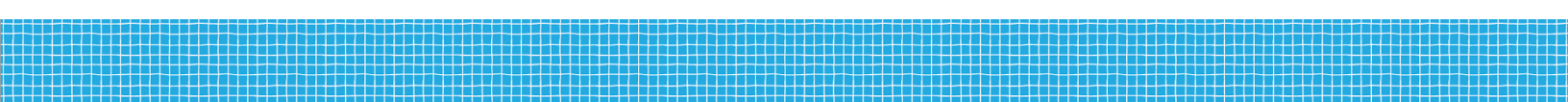




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EXECUTIVE SUMMARY

By David Craig, Chair of the Urban Synergy Corporate Advisory Board


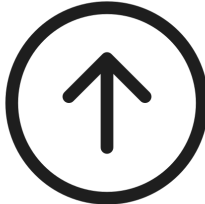
This paper argues that companies can't simply recruit their way to ethnic diversity. It presents a workable alternative for businesses, which offers additional advantages including reduced recruitment costs and increased employee and customer retention.

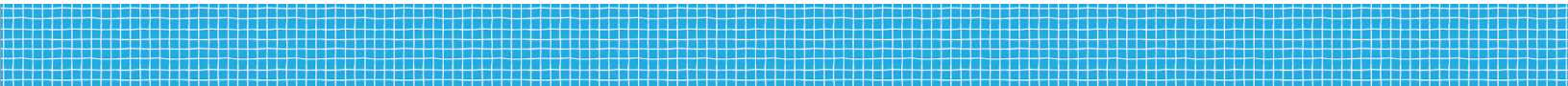
The approach is based on 15 years of experience in mentoring and inspiring young talent and the results of Urban Synergy's annual 2024 survey **"Future Outlook: Next Gen Access to City Jobs Research"** summarised on page 12 of this white paper.



For many companies, "top down" targets at the board level to increase diversity are driving change. However, new research shows that a "bottom up" youth centric "lifecycle" approach is also essential to ensure businesses achieve better outcomes.

When "top down" and "bottom up" strategies combine they have the potential to accelerate change.

For example:

| Top down diversity strategies | Bottom up youth-centric diversity strategies |
|---|---|
|  <ul style="list-style-type: none">• Appoint top diverse talent to non-executive board roles• Recruit diverse candidates from elite schools and universities• Potentially lack authentic diversity in employee ranks and pipelines |  <ul style="list-style-type: none">• Identify top talent by offering paid work experience, internships and apprenticeships• Open firms' doors to enable young people to engage with their brand early and feel comfortable in their 'corridors'• Invite their employees to mentor the next generation |



According to Urban Synergy's **Future Outlook: Next Gen Access to City Jobs Survey**, less than half of school children aged 11-18, from socially poorer areas, are interested in professional jobs in the City.

This raises the concern of whether companies could be missing out on the talent they need to nurture a pipeline of authentic diversity into their leadership teams.

The charity's research also shows that work experience or direct contact with City professionals through mentoring, increases that figure to 90%.

The challenge is that while the "top down" approach outlined below creates the essential board level attention and focus, it does not necessarily lead to the best results.

It drives a recruitment vs. a talent pipeline issue. What is noticeable is the gap in management talent coming through the ranks to fill these board roles.



PROBLEM STATEMENT

You cannot recruit your way to diversity

The Financial Conduct Authority⁽¹⁾ is reviewing diversity and inclusion through a consultation process to tackle any lack of appropriate challenge and groupthink on boards.

While many companies are re-defining “C-Suite” excellence through recruitment, they might not be enabling young people from genuinely diverse backgrounds to work for them via talent pipelines.

Helping individuals feel confident and at ease in successful companies can require intentional preparation and curated access to opportunities or programmes from a young age.

The business and societal advantages to attracting young talent from all backgrounds to professional careers are well researched and publicised, see page 8.

The question is, are we, the business community, making progress and are we going about this in the right way?

Without faster better progress, parts of communities will struggle and businesses will find themselves unable to benefit from an energised, diverse talent pool ready to close the inclusive leadership and culture gap.

Currently, many companies are looking to their recruitment processes to bring in talent from ethnic minority backgrounds.

- However, recruiting people from elite schools won't necessarily overcome the groupthink that the Financial Conduct Authority⁽¹⁾ highlights as a non-financial risk to businesses
- Recruiting top talent to your board will give you more people from diverse backgrounds in non-executive positions, but your pipeline for talent across your business might well remain static
- Progress has been made. Some 96 FTSE 100 companies have at least one member from an under-represented minority vs. 47 in 2016 – this represents a doubling in 6 years⁽²⁾
- 18% of FTSE 100 board seats are now filled with individuals from ethnic minorities. However, mainly in non-executive director (NED) positions (159 out of 190 board roles) – the other 31 individuals were Chair or Executive Directors⁽³⁾

- Overall 17% of board roles are held by ethnic minorities. When compared with the UK population, this is almost at the national average of 18%. But in no way represents regional and local population variations, which for example, comprise a 46% ethnic minority population in London, 33% in the West Midlands, 24% in the South East overall ⁽⁴⁾
- In other words, you could end up with the ‘golden skirts’ scenario ⁽⁵⁾ that happened when business woke up to the fact that women were woefully under-represented on boards
- Rather than nurturing women and bringing them through their ranks to be executive talent, they appointed the same women to non-executive roles on more and more boards

⁽¹⁾ [CP23/20: Diversity and inclusion in the financial sector – working together to drive change | FCA](#)

⁽²⁾ [Thomson Reuters Practical Law Study, 2023](#)

⁽³⁾ [The-Parker-Review-March-2023.pdf \(parkerreview.co.uk\)](#)

⁽⁴⁾ [Regional ethnic diversity - GOV.UK Ethnicity facts and figures \(ethnicity-facts-figures.service.gov.uk\)](#)

⁽⁵⁾ [Ten years on from Norway's quota for women on corporate boards \(economist.com\)](#)

THE EVIDENCE

From the “top down” perspective

The new EY-Parker recommendations raise the ambition and scope of these targets, setting implementation for 2027.

- Boards are invited to now set their own targets, and for FTSE 100+350 to increase participation on the board and senior management
- 50 of the largest private companies are encouraged to set targets and disclose their data (e.g., Accenture, Deloitte, Ineos, Linklaters, Colt)

The Parker Review represents a “top down board view” but this could be usefully complimented via a bottom up “youth view” reflecting changing expectations, challenges and needs, particularly through the education lifecycle.

From the corporation, there are still many issues to overcome.

- Data and Identification – we understandably lack the legal requirement (unlike countries like the US), to self-declare. Companies need to encourage as many individuals to register as possible, use ONS definitions, be clear on what the data will be used for, commit and listen
- Many companies, for example Tesco, have found that having 80% data completion is good enough
- Companies are often looking at this problem as a recruitment issue, not a talent development pipeline problem (demonstrated by the number of NEDs from ethnic minorities on boards vs executive roles). The challenge of course is that talent pipeline management takes time, and does not offer a quick fix but takes several years
- The issues from a youth’s perspective are quite different and reflect changing expectations and perceptions



From the “youth perspective”

The charity Urban Synergy⁽⁶⁾ carried out **Future Outlook: Next Gen Access to City Jobs Research** of 600 11-18 year olds in 2024 at schools with higher than average rates of free school meal recipients.

- The results laid out below show that while 85% of pupils asked are aware of professional opportunities, only 49% are interested in applying for a career in places like the City of London
- When you look at the survey respondents self-identifying as Black this rises to 64% while White respondents record 38% interest in City jobs
- When asked if work experience would make them more interested, some 79% thought it would
- This figure jumps to 90% when young people actually spend time in professional settings with work-ready preparation⁽⁷⁾
- Confidence: Just over half of all young adults are confident of their chances of getting a job in the City, this is slightly lower (by 1%) if you are Black
- Role Model: Just over half of all young adults know someone in the City, but that figure is lower for Black young adults

⁽⁶⁾ [Urban Synergy](#)

⁽⁷⁾ Qualitative research December 2022-23 by Urban Synergy - graduates of the work experience programme

THE SOLUTION

A proven model for nurturing the next generation of authentically diverse talent

For more than 15 years, Urban Synergy has developed a unique and proven model for taking some 27,000 young people from primary education through to higher education and into meaningful careers. At the model's heart: mentoring.

Research conducted by the University of Massachusetts-Amherst found that youth who participated in mentoring programs were more likely to graduate from high school and pursue higher education or gainful employment.

Longitudinal studies conducted in the UK, America, and Europe have demonstrated the lasting impact of mentoring on young people's educational attainment, career success, and overall well-being.

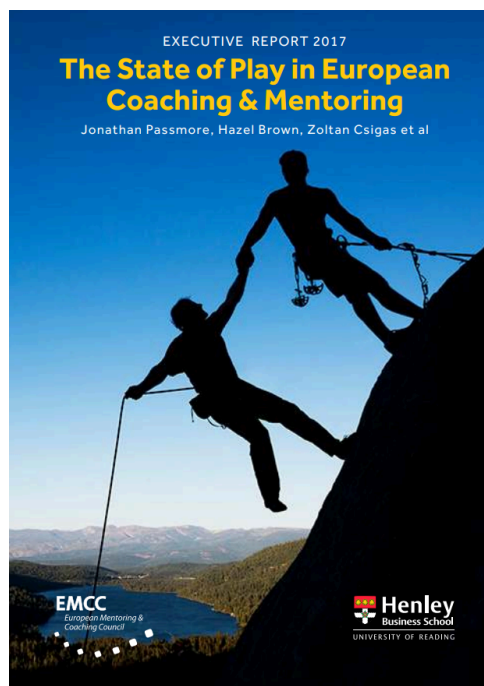
The "Mentoring Effect," a report⁽⁹⁾ by MENTOR: The National Mentoring Partnership in the US, highlighted how mentorship significantly contributes to positive outcomes in education, employment, and mental health, with effects persisting into adulthood.

Mentoring contributes to positive outcomes for young individuals in the UK, America, and Europe, along with evidence supporting its effectiveness.



According to this study by the Youth Endowment Fund, published in the "Journal of Youth and Adolescence,"⁽⁸⁾ mentored students in the UK showed **significant improvements in their academic performance** compared to their non-mentored peers.

A study by the European Mentoring and Coaching Council found that mentored individuals in Europe reported higher **levels of self-esteem and self-efficacy**, leading to greater overall satisfaction with their lives.



In conclusion, mentoring programmes that lead to apprenticeships and paid work play a vital role in supporting young people's educational and career aspirations across various regions, leading to improved outcomes and overall well-being.

The evidence suggests that investing in mentorship initiatives can yield substantial benefits for individuals and societies alike.

⁽⁸⁾ [Mentoring-efficacy-trial-Evaluation-protocol-October-2023.pdf \(youth endowment fund.org.uk\)](#)

⁽⁹⁾ [Executive_Report_-_Nov2017.pdf \(emccglobal.org\)](#)

THE BENEFITS

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If BME talent is fully utilised, the economy could receive a £24 billion boost.

”

The UK government highlighted the economic benefits of helping people from black and ethnic minority backgrounds to realise their full work and educational potential in 2017 in The McGregor-Smith review ⁽¹⁰⁾

There is growing evidence that companies that invest in a “bottom up” approach to their employee pipeline benefit from:

Reduced recruitment costs Initial investment in apprenticeships and paid work experience offset by long term reduction in recruitment costs

Increased retention Employee retention increased through enhanced loyalty by those brought in through the “bottom up” pipeline

Loyalty Customer engagement enhanced when employees reflect a company’s customer base

¹⁰ Race in the workplace: The McGregor-Smith Review.

CONCLUSION

By Urban Synergy CEO Leila Thomas

Creating change needs both “top down” and “bottom up” interventions to have real impact and benefits for business and young people of diverse backgrounds.



Urban Synergy’s research and proven methodology for developing ‘work ready’ individuals from ethnic minority backgrounds and those in need of social mobility requires:

- Viewing increased business’ access to diverse talent as both a recruitment and a longer term pipeline issue
 - Thinking about diversity as a broad range/comprehensively, rather than recruiting from elite universities. This will create a genuine pipeline of ethnic minority talent
 - Expanding the pool of talent reach – beyond traditional individuals and groups
- Starting bottom up - in schools, pre-secondary and university, college – creating a long-term investment in a life cycle of individual, business and communities’ success
 - Making corporates and professional roles more attractive to young people from ethnic minority and disadvantaged backgrounds, mirroring your customers of the future
 - Deliberately nurturing and developing new talent to take executive board roles as part of a bottom up and sustainable approach to diversity

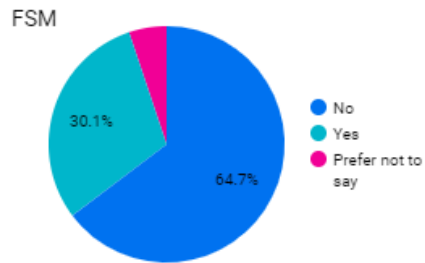
That involves mentoring, work experience, and importantly access to apprenticeships.

Investing in the pipeline is like long-term financial investing. Get it right, and the dividends for individuals, your business and society will be huge. Making a slow-burn Investment in the pipeline of young people who are tomorrow’s leaders starts today.

APPENDIX

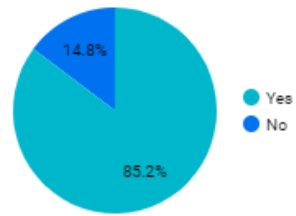
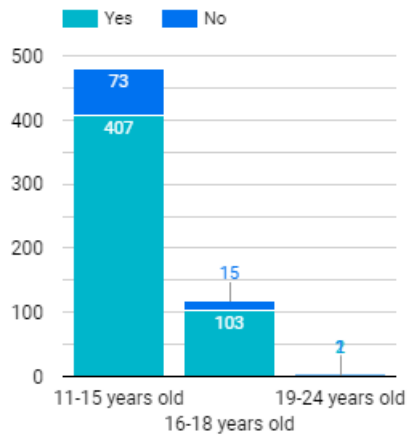
Urban Synergy's Future Outlook: Next Gen Access to City Jobs Research February 2024

The charity Urban Synergy asked young people who had not been through its programmes at schools with a higher than average rate of free school meals (FSMs) how they felt about gaining professional roles in the City of London and Canary Wharf. The sample group of pupils is from schools across 14 London boroughs as well as young people from a basketball club. Most survey responses came from South London schools where Urban Synergy has the most connections.

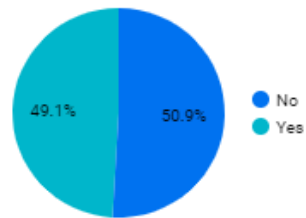
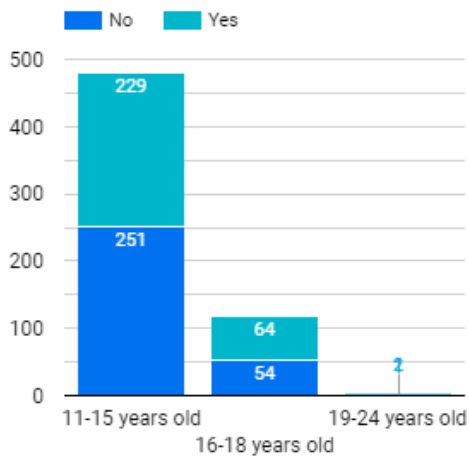


| How old are you? | Record Count |
|--------------------|--------------|
| 11-15 years old | 480 |
| 16-18 years old | 118 |
| 19-24 years old | 3 |
| Grand total | 601 |

Aware of professional jobs in the City

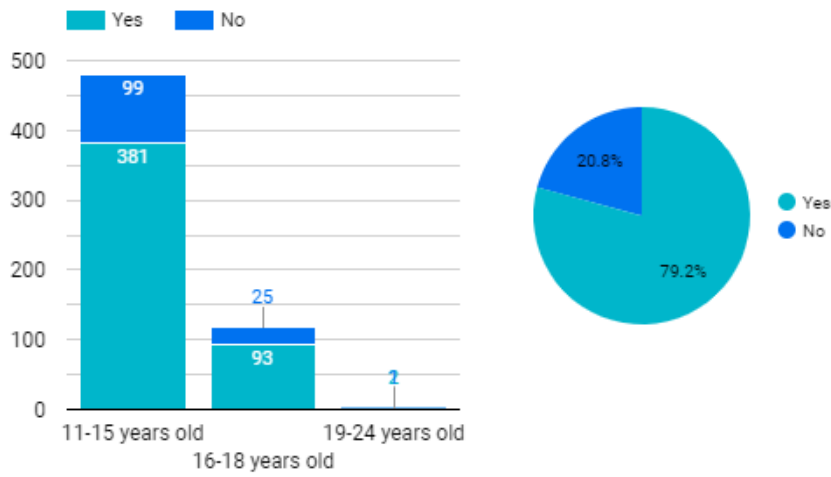


Interested in career in the City

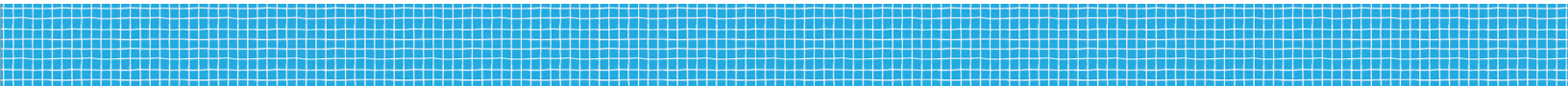
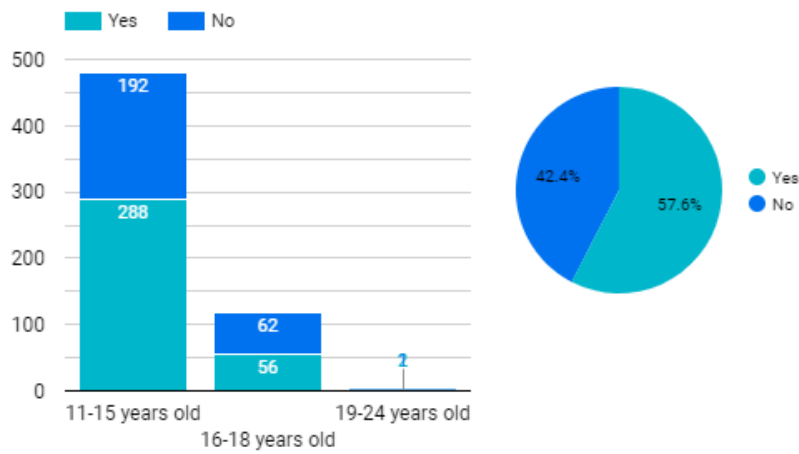




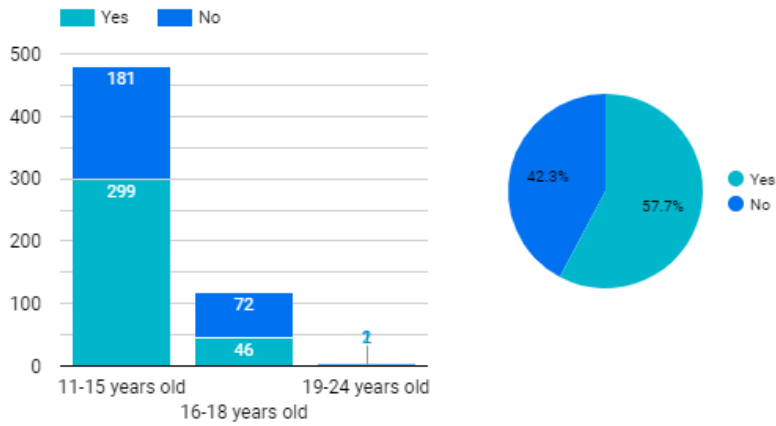
Work experience make you more interested



Confident about getting jobs in the City



Knows someone working in the City



| Respondent Group | Record Count |
|--------------------|--------------|
| White respondent | 262 |
| Black respondent | 148 |
| Asian | 87 |
| Mixed | 73 |
| Other | 31 |
| Grand total | 601 |

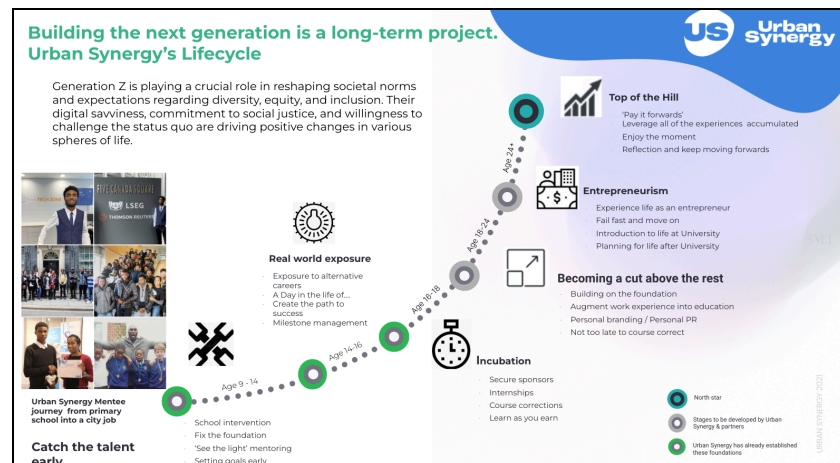
The research covers children and young people from schools in 14 London boroughs.

Please credit Urban Synergy if you reproduce this research.



ABOUT URBAN SYNERGY

Over 15 years, Urban Synergy has developed a unique and proven model for taking some 27,000 young people from primary education through to higher education and into meaningful careers.

- This model works on three key pillars:
 - o **Proven end-to-end training & mentoring model:**
 - Urban Synergy serves young people from 9-24, taking them on a complete journey from primary school through to career
 - Highly-structured mentoring program with specific outcomes that yields work-ready young people



- Targeted work experience programs that support young people to be work ready
- Proprietary training programmes for schools and corporates (eg. Insight Days, Role Model Seminars, Talent Accelerators)
- o **Deep Community Engagement**
 - Urban Synergy succeeds by having deep relationships with schools, communities and parents in ethnically and socially diverse communities
 - This comprehensive community-led approach ensures that young people, their families, teachers and supporters



are fully engaged in the success of the young person and their time in the program. This in turn yields committed and successful graduates of the Urban Synergy program

- Urban Synergy also has a growing graduate network of young people who have completed the program, launched successful careers, and come back to support and mentor the next generation

o **Strong Corporate Partnerships**

- Urban Synergy benefits from strong corporate relationships, which benefit both Urban Synergy Young People *and* the supporting companies
- Corporate sponsorship enables senior-level engagement directly with the Urban Synergy young people – benefitting both the young people *and* the executives
- Corporates provide meaningful work experience to Urban Synergy Young people and top-level firms, creating opportunities for young people and injecting fresh ideas and innovation into the company
- Urban Synergy provides a strong pipeline of diverse talent for companies, as well as mentoring and volunteering opportunities for employees

CASE STUDIES

Examples of “bottom up” diversity strategies in action



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Urban Synergy is one of our strategic partners that enables us to work with young people who wish to explore early careers opportunities in our industry. Recent examples include recruitment masterclasses and hosting students work experience programme.

The aim of our programmes is to raise young people careers aspirations and positively impacting their future prospects. Working with Urban Synergy Team is enjoyable, their care and passion for students development is unparalleled. We share the same strive for excellence and value in delivery.



MARIA WILCOCKSON
M&G PLC APPRENTICESHIP SCHEME MANAGER

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“

PwC has been collaborating with Urban Synergy for the last three years through our ColourBrave charity initiative. It continues to be a great experience, thanks to the professional team at Urban Synergy, and we have built a strong working relationship during this time.

Urban Synergy consistently demonstrate their commitment to excellence in all aspects of our collaboration, from coordinating events to developing bespoke programmes that align with our Purpose as a firm.

It has been great meeting and working with the impressive young people supported by Urban Synergy, and we wish them all the best for a bright future with Urban Synergy and beyond. A huge thank you to Urban Synergy for their ongoing commitment to our collaboration.



EMILY WEBB, PWC SOCIAL VALUE - ENVIRONMENTAL MANAGER

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