

<b>Institution:</b> University of Birmingham		
<b>Unit of Assessment:</b> UoA 17, Business and Management Studies		
<b>Title of case study:</b> Making diversity everyone's business: Shaping new enterprise support and mentoring schemes to drive leadership diversity		
<b>Period when the underpinning research was undertaken:</b> 2014-2019		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b>	<b>Role(s) (e.g. job title):</b>	<b>Period(s) employed by submitting HEI:</b>
Kiran Trehan	Professor of Leadership and Enterprise Development	2013-2020
Monder Ram	Professor of Small Business	2013-2018
<b>Period when the claimed impact occurred:</b> 2014-2020		
<b>Is this case study continued from a case study submitted in 2014?</b> No		
<p><b>1. Summary of the impact</b>          Businesses led by members of minority ethnic communities contributed £25bn to the UK economy in 2013. Yet these and other minority businesses face major inequalities, including difficulties in accessing finance, and minority communities remain under-represented in businesses. The Enterprise and Diversity Alliance (EDA) at the University of Birmingham has <b>shaped the way key financial institutions, sector associations and others work with and support Ethnic Minority Businesses (EMB) in the UK and beyond</b>. This has been achieved through improved business support, mentoring provision, financial support and training around diversity. The EDA has helped develop an 'Inclusive Leadership Pledge' which promotes diversity more broadly in businesses and organisations in the West Midlands.</p>		
<p><b>2. Underpinning research</b>          The EDA was run from Birmingham Business School between 2013 and 2020 by Professor Kiran Trehan and Professor Monder Ram, with the aim of making a tangible difference for EMBs — enterprises owned and managed by ethnic minorities. EDA applied an action-research approach linking the work of academics, policy makers, institutions and practitioners in order to understand what works in addressing local, national and global issues of diversity in businesses. Its work analysed enterprise diversity both in the context of ethnic minorities and women in business, focusing on issues such as relative access to finance, market selection and management skills. Traditionally literatures on ethnic enterprise and women in business have represented separate fields of enquiry, but the work of EDA has explicitly sought to bring these literatures together not only to explore how business ownership is experienced by different social groups, but also to explore the consequences of separating these groups into different categories, one of which is arguably to represent minority subjects as being 'in deficit' to a mythologised norm (R1).</p> <p>The research of the EDA ranged in practice from surveys led by Ram of minority businesses (R2) to more detailed qualitative case study work led by Trehan with specific minority enterprises (R3), but both were linked to wider and active engagement with minority ethnic enterprises in the form of training, workshops and public engagement. Together, these different strands of research and engagement sought to understand the potential for and constraints faced by minority businesses from their own perspective, to tease out narratives both of structural constraints, but also of opportunities and advantages, adopting a 'mixed embeddedness' approach. The research of the EDA challenges 'boosterism' around minority business, as well as normative assumptions that entrepreneurship more generally is associated with economic growth, wealth creation and prosperity. Against a backdrop of structural and economic discrimination, minority entrepreneurs often find that entrepreneurship offers an inherently precarious living (R4).</p> <p>A specific offshoot of this wider action-research initiative has included the investigation of leadership diversity in corporate organisations via work with the West Midlands Combined</p>		

Authority (WMCA) and the West Midlands Mayor (R5). In particular, the WMCA established a 'Leadership Commission' in 2018 and commissioned Trehan to undertake a nine-month research programme that culminated in her authorship of its final report, *Leaders Like You*. Although diversity has potential to enhance performance, and refine and develop markets and services, organisations often lack practical guidance about how to achieve this. One of the themes that links the EDA's work in small businesses and large organisations is the critical importance of mentoring of all kinds — including peer-to-peer and reverse mentoring — in helping to shift major structural barriers to the advancement of minorities and diversity.

### Key Findings

**KF1.** Small Businesses face many barriers to accessing money, markets and support for developing management skills. These challenges are particularly pronounced in the case of EMBs. EMBs are often isolated and excluded from important networks — like banks, mentors and gatekeepers to large organisations. This relegates their businesses to the margins, often operating outside the mainstream economy (R1, R2, R4).

**KF2.** Relationships with gatekeeper institutions, notably, the banking and credit provision industry, are one of the major constraints on the development of minority enterprise (R1, R3).

**KF3.** Perceptions of prejudice prevent ethnic minority communities from starting and growing enterprises, depriving them of associated social and economic benefits. Tackling these perceptions enables productive relationships between banks and minority businesses (R1, R2, R3).

**KF4.** More supportive diversity policies and mainstreaming of diversity proofing in sector-leading institutions are necessary to achieve economic and social inclusion of ethnic minorities and their access to leadership roles (R1, R5, R6).

**KF5.** Business mentoring is critical to the survival and growth of EMBs and for the development of ethnic minorities working within finance sector roles. Peer-to-peer mentoring is effective for capacity-building for EMBs, as is mentoring between large and small firms (R1).

**KF6.** Mentoring opportunities and their benefits need to be communicated better to EMBs and ethnic minorities. Existing mentoring programmes need to allow sufficient time to build the necessary trust between mentor and mentee, which is especially significant in cases of EMBs who have low levels of confidence. These steps will help to overcome the current paucity of mentors and role models which acts as a barrier to both EMBs and ethnic minorities employed in businesses (R1, R5).

### 3. References to the research

**R1.** Carter, S., Mwaura, S., Ram, M., Trehan, K., and Jones, T. 2015. 'Barriers to Ethnic Minor Women's Enterprise: Existing Evidence, Policy Tensions and Unsettled Questions', *International Small Business Journal*, 33(1): 49–69.

**R2.** Jones, T., Ram, M., Edwards, P., Kisilinchew, A., and Muchenje, L. 2014. 'Mixed Embeddedness and New Migrant Enterprise in the UK', *Entrepreneurship and Regional Development*, 26(5–6): 500–520.

**R3.** Trehan, K., and Blackledge, A. 2018. 'Self-Employment; Language, Superdiversity and self-employment'. In *Handbook on Language and Superdiversity*. Edited by A. Creese and A. Blackledge. London: Routledge.

**R4.** Trehan, K., Priyanka, Vedi, and Kevill, A. 2020. 'Against Entrepreneurship: Unveiling Social Inequalities for Minority Entrepreneurship'. In *Against Entrepreneurship A Critical Examination*. Edited by Anders Örténblad. Palgrave Macmillan. doi 10.1007/978-3-030-47937-4-1

**R5.** Trehan, K., et al. 2018. *Leaders Like You: A report from the West Midlands Combined Authority's Leadership Commission*, Birmingham: West Midlands Combined Authority.

**R6.** Trehan, K., and Glover, J. (2019) 'Creating a diverse public service workforce'. In *(Re)Imagining the future public service workforce*. Edited by H. Dickinson, C. Needham, C. Mangan and C. Sullivan. Springer. ISBN 978-981-13-1479-7

### 4. Details of the impact

The work of the Enterprise and Diversity Alliance (EDA) has changed how large banking institutions, sector associations, and other employers and organisations support Ethnic Minority Businesses (EMB) at regional, national and international levels. Specifically the EDA has shaped:

- 1. Changes to business support, including finance, mentoring and advice for EMBs provided by key UK banks**

Two large financial organisations, **NatWest Bank and Lloyds Banking Group (LBG)** have **transformed their mentoring provision and finance support for EMBs across the UK:**

**1.a.** NatWest has improved its business support mechanisms for EMBs through mentoring and better support provision. NatWest trialled an 'Accelerator' programme in London in 2018–2019, which has been rolled out nationally, with bases in Birmingham, Manchester, Bristol, Leeds and Glasgow; and an 'Expert in Residence programme' was piloted in the West Midlands in 2018 and made national in 2019, involving partnership with all 38 Local Enterprise Partnership Growth Hubs (S1). Both programmes build trust between EMBs and the financial sector through access to financial guidance, bank advisers and mentors in local communities and nationally (KF2, KF3, KF6, S1). Accelerators have provided support to 250 EMBs to date (S1). The 'Expert in Residence programme' is a peer-mentoring scheme which facilitates the sharing of local expertise by a local 'expert' to grow EMBs and female-run businesses, improve diversity and inclusion in business (S1). The Strategic Lead for Diversity in Business at NatWest confirms "[EDA's] research has been critical in informing and shaping our approach, policies and practices to diversity", and as a result they report improved customer experience and "stronger relationships" with EMBs (S1). In the West Midlands alone 25 mentoring workshops for EMBs and Bank staff, designed to "change the perception challenges as highlighted by the (EDA's) research", resulted in "stronger relationships with over 100 minority businesses" (S1).

**1.b.** Between 2014-2019, LBG has redesigned and expanded its in house business support for EMBs and introduced staff training and mentoring (S2, KF1, KF2, KF4). They have prioritised mentoring for EMBs seen as "most marginalised by traditional forms of business support" (S2) through a new bespoke scheme, which has **resulted in entrepreneurs who have taken part in LBG Financial mentoring schemes seeing up to a 40% increase in new business** as a result of greater financial capacity due to these improved relationships (S3). They developed new unconscious bias training which is now mandatory for all 2,000 LBG commercial staff nationally (S1). This includes cultural awareness and sensitivity training, considering languages and formats and raising awareness of EMB anxieties (KF2, KF3). The bank has also delivered new unconscious bias training to an additional 600 staff and supported 500 LBG Charity mentors and 500 LBG Social Enterprise mentors to diversity proof their practices in line with Trehan's recommendations (S2). LBG UK Head of Manufacturing SME and Mid Corporate stated, "as a consequence of Professor Trehan's research we developed all our mentor training with an additional focus on listening skills" (S2). The bank has also changed how it engages with EMBs with the new processes resulting from ten "interactive events [which] allowed open dialogue and questions for the first time in a relaxed event setting between diversity entrepreneurs and bankers" held between 2014-18. These allowed the bank to "...build key relationships with leading diversity entrepreneurs. This support resulted in increased levels of trust and understanding between the banking teams and the entrepreneurs and removed barriers to accessing support" (S2).

## **2. Mentoring support provided to EMB clients by major sector organisations and companies across the UK and Europe**

Organisations across the UK and Europe, including the **British Banking Association (BBA)**, the **National Enterprise Network (NEN)**, the **Institute of Enterprise and Entrepreneurs (IOEE)** and the **Organisation for Economic Cooperation and Development (OECD)**, as well as companies such as **Leapfrog Mountain** have changed their mentoring provision and/or strategy around mentoring in the following ways:

**2a.** Between 2015–2019, the BBA, a leading trade association with 200 member banks and operations in 180 jurisdictions worldwide, has transformed the way its member banks engage with and support their EMB clients by expanding and redefining their mentoring provision (S4). Following Trehan and Ram's recommendations (KF1, KF5), the BBA has implemented three different mentoring schemes: **peer-to-peer mentoring for EMBs** through the 12–8 Group; **large corporate mentorship of SME EMBs** and the **BBA Mentorsme mentoring scheme** to reach grassroots businesses that banks find difficult to access (S4). Key policies identified as barriers to EMBs were changed, such as implementing a feedback mechanism to clients whose loan requests were rejected, setting up an appeals procedure and introducing a credit scoring guide to provide better guidance on how they might secure loans in the future (KF1, KF5; R1, R5). The

BBA states that **over 100 EMB businesses have taken up mentoring as a result of joint initiatives with the EDA** over two years and that it has introduced a 'diversity' category into its Excellence in Enterprise Mentorsme Awards directly as a result of its work on EDA. Trehan and Ram's guidance on diversity proofing was implemented for example through the BBA's Mentorsme portal, which is currently used by **120 mentoring organisations, which have around 27,000 enterprise mentors**. According to the Head of the BBA: "Our collaboration with EDA and Professor Trehan of the University of Birmingham informed insights which led to important changes in our strategy for diversity and mentoring practices. We used the research best practice and recommendations to form our new strategy and this was shared with banks mentoring task force resulting in bank wide changes to policy direction and practical implementation of mentoring policy" (S4).

**2.b.** The NEN has **improved its mentoring provision and developed a business case to ensure mentoring remains a key support mechanism for EMBs across their membership despite funding cuts**. NEN has 30,000 enterprise clients a year, of which 20% are EMBs (S5). The CEO of NEN reports "in 2014 Government funding was reduced to social enterprises and/or focused on business advisors instead of mentoring [...] The EDA's work, and Trehan's research, helped us to justify a continued commitment to mentoring. By sharing their research [...] mentoring remained a key support route for our member organisations [...] Many of the Enterprise Agencies the NEN work with had created small mentoring projects previously however, they had found it costly and time consuming. Because of Prof Trehan and teams [*sic*] work and guidance, they were able to implement mentoring schemes with greater ease and to follow best practice to support 60% of our EMB Ethnic Minority Businesses" (S5; KF2).

**2.c.** Between 2016–18, the IOEE changed its policies and practices influencing the work of their 150 referral organisations across the UK (S6). Specifically, they introduced **new mentoring guidelines and processes that take account of diversity and inclusion for the first time**, including inclusive marketing and staff diversity (KF3, KF5). The IOEE "used [Trehan's] research to inform significant change to our approval process for new centres and academies. This means all organisations now applying to be an accredited learning academy with us must evidence their diversity offering, policy and commitment" (S6; KF4). IOEE mentoring guidelines also influenced **a nation-wide audience of 30,000 IOEE members** through the Institute's on-line member-to-member offer (S6). The CEO states: "The research published by Professor Trehan at the University of Birmingham examining the impact of mentoring within diverse ethnicity backgrounds has informed current IOEE policy and practice, as well as future proofing of processes so they are inclusive of the needs of different groups of individuals looking to start or grow their business. Because of this a greater number [of] **over 130 businesses have been able to access quality mentoring support** where historically this may not have been the case" (S6).

**2.d.** Between 2016 to 2018, EDA recommendations **were instrumental in the design and delivery of Leapfrog Mountain's diversity practices and mentoring provision**. Leapfrog Mountain provides bespoke mentoring and leadership programmes to major clients across the UK, including Pearson, the Scottish Chambers of Commerce and the Royal Institute of Architects. Their CEO states: "as a direct consequence of Trehan's research we created our diversity policy, our Mentoring programme design and our Mentor engagement based on her insights and best practices. This has led to best practices being shared and used across a wealth of organisations that we support" (S7; KF5, KF6). This includes (1) new mentor training and a qualifications programme to support **1,000 volunteer mentors for the Scottish Chambers of Commerce**; (2) a new mentoring programme, website and training for **50 key staff at the Royal Institute of British Architects (which has 44,000 members)** and (3) a new on-line training programme for mentors supporting newly qualified teaching staff for the **Society for Education and Training (the largest membership body in the education sector, with over 20,000 members)**. Trehan's research has "shaped key concepts" of a toolkit used by UK corporates in setting up Corporate Social Responsibility mentoring programmes with Leapfrog and the Department of Business, Innovation and Skills (S7).



**2.e.** The EDA's approach shaped practice at the OECD so **informing European Policy and Practice**, which cites the EDA work as an exemplar in its guidance on *Inclusive Entrepreneurship* (S8). The OECD mentoring toolkit for EMBs draws on Trehan's findings and is being disseminated to all the OECD EMB clients across Europe (S8; KF5, KF6). EDA was one of 22 selected case studies from across the EU and beyond (including Canada and Australia) and scored highly from a sample of 193 effective schemes, and was one of only two from the UK (S8). Further, the EDA's work has been reviewed and showcased in a European Commission report which "[d]isseminate[s] lessons learned from these successful initiatives in Europe and beyond and to encourage replication of good practices" to support migrant entrepreneurship.

### **3. The West Midlands 'Inclusive Leadership Pledge'**

The West Midlands 'Inclusive Leadership Pledge' (S9), was launched following the Leadership Commission, a nine-month collaborative process considering leadership diversity in the region led by the West Midlands Combined Authority (WMCA), which culminated with a final report *Leaders Like You*, authored by Trehan (S9). The Commission was commended by PM Theresa May as an exemplar for improving equality (S9). According to the Mayor of the West Midlands, Andy Street: "Trehan's recommendations as presented in *Leaders Like You* went on to inform and shape the launch of the WMCA Leadership Forum in January 2019 and the Leadership Pledge [...] key instruments for building inclusive leadership, which better represents the region's diversity" (S9).

WMCA has committed to implementing key recommendations of the *Leaders Like You* report across a diverse range of organisations including large businesses, small firms, public and professional services. Organisations that have signed up to the Pledge to date include major firms such as KPMG, Wesleyan (S10) and DLA Piper, Wolverhampton Wanderers Football Club and public sector bodies including the Royal Wolverhampton NHS Trust, Black Country Growth Hub, the Coventry and Warwickshire LEP, and regional universities, including the University of Birmingham itself. To aid implementation of the Pledge, WMCA has produced a Toolkit for Inclusive Leadership (S10) which includes five 'What Works' guides that draw directly on Trehan's report. The Pledge LinkedIn page has over 2,700 followers (S10). Following one recommendation, the 'Mayor's Mentoring Scheme' has been expanded to reach 10,000 disadvantaged young people in the region by mid-2020, many from minority backgrounds. UoB staff are mentors in this scheme and, with two other regional universities, have created the *Transformation West Midlands* project providing coaching, mentoring and reverse mentoring opportunities for students from minority ethnic backgrounds (S9).

### **5. Sources to corroborate the impact**

**S1.** Testimonials: Regional Enterprise Manager at NatWest (03.02.2017 and 15.09.2020)

**S2.** Testimonial: UK Head of Manufacturing SME & Mid Corporate, Lloyds Banking Group (16.09.2020).

**S3.** EMB Testimonials: Cleone Foods (13.02.20) and ID Security (16.09.2020)

**S4.** Dossier of BBA evidence [Available as PDF]: Interview transcript with Head of BBA; BBA *Growth and Diversity: Meeting needs, seizing Opportunities* (25.05.16)

**S5.** Testimonial: CEO National Enterprise Network (16.09.2020)

**S6.** Testimonial: CEO Institute of Enterprise and Entrepreneurs (16.04.2019)

**S7.** Testimonial: CEO Leapfrog Mountain (08.01.2020)

**S8.** Dossier of European mentoring work evidence [Available as PDF]: Organisation for Economic Cooperation and Development, [Missing Entrepreneurs 2015](#); Testimonial from Team Innovate, Brussels European Enterprise Network; European Commission, [Evaluation and Analysis of Good Practices in Promoting and Supporting Migrant Entrepreneurship](#) (2016)

**S9.** Dossier of WMCA evidence [Available as PDF]: [Leaders Like You](#) report 2018; [Video of Theresa May](#) providing support for the WMCA Leadership Commission; Testimonial, Mayor Birmingham and the West Midlands (25.02.2021); [Videos of WMCA Leadership Commission pledges](#); [Reverse Mentoring](#) article

**S10.** Dossier of Leaders Like You evidence [Available as PDF]: Testimonial from Chief Risk Officer, Wesleyan (30.10.2020); [Leaders Like You Toolkit](#); [Pledge LinkedIn Page](#)