



CBI



# Time to advance

Key steps for business to progress on the D&I journey

January 2022

A practical guide exclusively for members

# How does D&I benefit business?

## Get started

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## Building an inclusive economy is vital to Seize the Moment

The COVID-19 pandemic has led to some of the biggest social and economic challenges in living memory, during a period of significant regulatory change due to the new EU-UK relationship. Some sectors such as aviation, hospitality and leisure shut down virtually overnight, UK unemployment rates rose to the highest in five years, and businesses had to adapt to the biggest external threat in a generation.

As set out in the CBI's economic vision, *Seize the Moment*, the UK has a once-in-a-generation opportunity to reset the economy and build a more prosperous society. An inclusive economy is a key component of the CBI's economic vision, which sets out concrete prizes to reach for and help UK business and our people to prosper.

Businesses are a vital part of achieving a more inclusive economy. By investing in inclusion, businesses are primed to unlock talent, problem solving and creativity. Doing so will allow them to design and deliver products and services that are responsive to the needs and expectations of diverse customers in the UK and globally. 2021 marked the five-year anniversary since the CBI launched its first Diversity and Inclusion campaign – it's now time to see how far we have come and where businesses want to go next.

## Improving D&I leads to quicker business recovery from the crisis

During the height of the global health and economic crisis, there was a risk that other urgent priorities would side-line D&I. However, due to the nature of the crisis this risk did not materialise. Instead, the crisis only amplified firms' focus on their people.

Now could not be a more crucial time for businesses to get the D&I agenda right. Businesses with inclusive workplaces and diverse workforces have proven to aid business' recovery.<sup>1</sup> Many companies have had to reimagine their business models and develop new products and services because of the impact of COVID-19. Firms that draw from a diverse pool of perspectives across genders, generations, cultures, ethnicities, and backgrounds are best positioned for a new economic reality.

Businesses have told us that labour and skills shortages are widespread and effecting numerous sectors – from construction and manufacturing to retail and hospitality. Embedding D&I into the business strategy is a major tool at companies' disposal to overcome these challenges. In a further sign of recovering labour demand, there were an estimated 1.2 million vacancies in the three months to September to November, a quarterly increase of 185,000 and a new record high. This is the fourth consecutive month that the three-month vacancy average has risen further above one million. The number of vacancies is now 434,500 above pre-pandemic levels.<sup>2</sup>

1. McKinsey and Company, 2020, *Diversity Wins: How inclusion matters*  
2. ONS, December 2021, *Labour Market overview*, UK





**1.2m**

Vacancies



**76%**

of businesses think access to labour is a threat to labour market competitiveness<sup>3</sup>



**48%**

of businesses said their workforce priority is retaining talent<sup>4</sup>

## Building an inclusive economy makes moral and business sense

The business and moral case for a more diverse workforce is well documented. Companies in the top quartile for gender diversity on executive teams are 25% more likely to have above-average profitability than companies in the fourth quartile.<sup>5</sup> The most ethnic and culturally diverse companies also outperform the least ethnically and culturally diverse companies by 36% in profitability.<sup>6</sup>

The CBI has spoken to over 50 businesses of different sizes and from different industries to understand what companies want to achieve on diversity and inclusion in the next two to five years and how they plan to do it. The outcomes of these interviews form the basis of this guide and are accompanied by case studies providing examples of good practice.

The interviews explore how businesses are currently approaching D&I and reveal a strong case for broadening understanding and action in the diversity and inclusion space beyond the characteristics protected by the Equalities Act 2010.

3. CBI/Pertemps, 2021, Employment Trends Survey: Investing in People

4. Ibid.

5. McKinsey & Company, May 2020, Diversity wins: How inclusion matters

6. Ibid.

# How are businesses approaching D&I now and what are their ambitions for the future?

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## Companies have largely focused on improving demographic diversity such as gender and race

Over the past five years the drive to increase diversity and inclusion has gathered momentum. The businesses we spoke to identified different factors that have driven progress on D&I. The most cited drivers of change may partially explain why companies have mainly focused their efforts on two protected characteristics: improving the representation of women and ethnic minorities at all levels of their organisations.

The Hampton-Alexander Review, changing public opinion and the increasing importance of the diversity agenda for employees, customers, communities, and investors have been significant drivers of change for the businesses we spoke to. In some cases, difficulties with recruitment or a change in leadership have led to an increased focus on D&I.

Most businesses referred to social justice movements like “Me Too” and Black Lives Matter, amplified by the murder of George Floyd, as the catalysts which led to changes. As a result, many firms we spoke to had introduced and enhanced policies to improve representation of ethnic minorities in their companies.

Companies remain at different stages on their D&I journey, with action ranging from running initial focus groups, collecting personal information and running bias training. Others are implementing blind recruitment, setting stretch targets and working towards reducing their pay gaps. The most advanced companies have linked D&I to remuneration.

Read our previous guides for more examples of actions businesses can take to close the [gender pay gap](#) and the [ethnicity pay gap](#).

## Despite progress in gender and ethnic representation there is still a long way to go

In 2020, the Hampton-Alexander Review concluded that its target had been met, with 34.3% of FTSE 350 board roles now held by women. However, a 2021 report by Women on Boards UK showed that less than half of listed firms outside of the biggest 350 companies have met targets for women in the boardroom and 54% still have no female senior leaders. Currently UK ministers are drawing up proposals to relaunch the review with new, more ambitious aims.

According to Business in the Community, the proportion of black people in leadership positions barely changed between 2015 and 2019. In 2019, 1.5% of the 3.7 million leadership positions across the UK’s public and private sectors were held by black people, compared with 1.4% in 2014.

The progress achieved against the Parker Review targets reported in March 2021 indicate an incremental shift forward, with the number of FTSE 100 companies with ethnic representation on their boards increasing from 52 in January 2020 to 72 in November 2020.<sup>7</sup> But it’s clear there is much further to go.

This is why the CBI, in collaboration with partners in 2020, launched [Change the Race Ratio](#), a campaign that aims to increase representation of ethnic minorities in leadership teams in business and has so far attracted over 100 signatories.

## **Businesses will continue to focus on increasing representation of women and ethnic minorities, but the scope of their D&I strategies will also broaden**

Employers told us that the pandemic has been a major driver in their D&I efforts. The differential impact of the pandemic on women, who often carry the bigger burden of caring responsibilities, and ethnic minorities highlighted existing inequalities in society.<sup>8</sup> Going forward most companies plan to continue focusing on increasing representation of women and ethnic minorities in the workforce. This remains a long-term strategic priority.

Businesses also told us that they will start to consider more protected characteristics such as disability, and age, and will start to look beyond protected characteristics at topics such as inclusion and social mobility in their D&I strategies.

## **Businesses who hire people with a disability will have a competitive advantage by attracting talent from an untapped pool**

The moral imperative and business case for creating diversity through the recruitment and retention of people with a disability is also becoming more established. People with disabilities represent a big pool of untapped talent which should not be ignored. 19% of working-age adults report having a disability.<sup>9</sup> But only about half of disabled people are in employment. Disabled people have an employment rate that is 28.8% lower than that of people who are not disabled.<sup>10</sup> This difference is often referred to as the disability employment gap.

The businesses we interviewed said that they have become more confident speaking about disability due to the pandemic, largely because of the reasonable adjustments that they have made while people were working from home. Firms have told us that they want to hire more people with a disability and that they want to better support people with a disability in the workplace. For example, in July 2021 EY UK launched its Neuro-Diverse Centre of Excellence to unlock a new dimension of creativity and drive greater diversity and inclusion in the workplace.

## **Retaining older workers will make firms more resilient to skill and labour shortages**

The UK population is ageing and by the mid-2030s half the adult population will be over 50.<sup>11</sup> This will create implications for businesses. The retention of older workers is likely to be increasingly important for employers.

The price of inaction is high. As a growing proportion of the workforce is over 50, focussing talent strategies primarily on younger workers and failing to shape recruitment efforts to attract older workers when trying to meet future skills needs will become increasingly ineffective. If current workforce exit rates continue for the over-50s the labour shortages businesses are already facing are not likely to ease.<sup>12</sup>

There are now five generations in the workforce, making it the most age-diverse workforce ever. Long-standing staff members develop industry-specific knowledge and networks which are not readily available to new hires. Firms need to embed policies into their workforce strategy to retain and develop older, more experienced workers and find ways to transfer knowledge from these individuals before they retire. The ability of employers to ensure that older workers stay and thrive in work for longer and enable effective collaboration between other generations will have an impact on the productivity and economic success of businesses.

8. Public Health England, 2020, Disparities in the risk and outcomes of COVID-19

9. DWP, 2021, Family Resources Survey: financial year 2019-2020

10. House of Commons Library Briefing Paper, 2021, Disabled people in employment

11. Government Office for Science, 2016, Future of an Ageing Population

12. Altman, R., 2015, A new vision for older workers: retain, retrain, recruit



£260m

boost for UK economy if 1% more of disabled people were in employment.<sup>13</sup>



£88.4bn

could be added to the UK economy if the employment rate of older workers matched those aged 30-40.<sup>14</sup>



### Advancing social mobility can unlock business prizes

Increasing social mobility could add £140bn to the UK economy per year, improve productivity and social cohesion. According to Deloitte, the UK has one of the poorest rates of social mobility in the developed world. And this has direct knock-on effects on productivity, GDP, and social cohesion. The World Economic Forum report assesses the cost of low social mobility to the UK economy at £140bn a year over the period to 2050, amounting to £1.3tn in lost GDP between 2010-2050.<sup>15</sup> The lack of social mobility in the UK is a long-standing problem; CBI research conducted in 2014 revealed that 1 in 3 workers remain stuck in the bottom pay group, even after 14 years.<sup>16</sup>

Improving social mobility is particularly relevant for businesses who want to make sure that their activity aligns with the values of consumers. 42% of people think that employers should take action on social mobility.<sup>17</sup>



42%

of people think that employers should have to take action to improve social mobility.<sup>18</sup>



13. DWP, 2017, Improving Lives: The Future of Work, Health and Disability

14. Business in the Community (2015) The Missing Million: Recommendations for Action

15. World Economic Forum, 2020, Global Social Mobility Report

16. CBI, 2014, A better off Britain

17. Social Mobility Barometer, Social Mobility Commission, "Public attitudes to social mobility in the UK, 2021, March 2021

18. Ibid.

## Progressing the social pillar of ESG will be key to attracting investors and talent

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Social criteria examine how the business manages relationships with employees, suppliers, customers, and the communities where it operates. Social factors have gained greater attention over the past year, as COVID-19 forced working and living practices to change and highlighted existing social issues.

Firms want to give back to their local communities, their clients and customers. But advancing the social aspect of ESG is also driven by demand from investors, who are looking more closely at diversity and inclusion measures in companies as one of the ways to measure the S of ESG. For example, in 2020 Legal and General announced that they will vote against all-white boards that fail to diversify their leadership teams by 2022, and the Financial Conduct Authority has launched a consultation on rules to require companies to disclose on a comply or explain basis whether they meet specific board diversity targets and to publish diversity data on their boards and executive management.

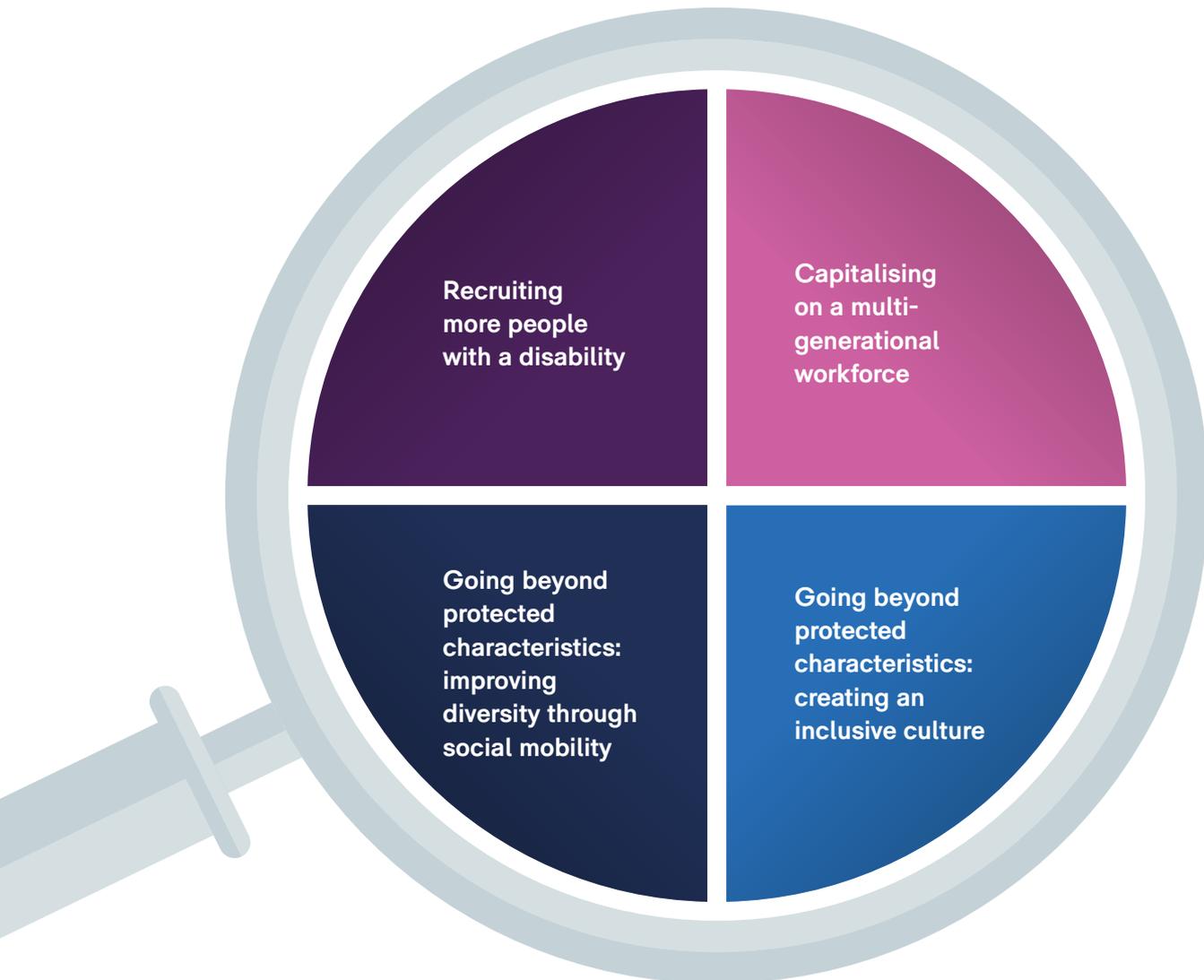
With a greater focus emerging on the S of ESG, work practices and the internal and external social impact of firms are likely to become more important in remaining attractive to future investment and talent. Reporting on the S of ESG can be difficult, due to the lack of clear definitions, the volume of reporting metrics, and the inconsistency of ESG ratings. But initiatives such as ethnicity pay gap reporting, [Change the Race Ratio](#), the Parker Review and the Hampton-Alexander Review all provide opportunities to measure D&I outcomes. Companies can use the OECD's Responsible Business Conduct, as well as relying on voluntary metrics such as the Global Reporting Initiative, which helps organisations understand and communicate their impacts on issues such as climate change, human rights, and corruption.



# Putting ambition into action

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Find out more about how businesses are implementing strategies to consider protected characteristics such as disability and age, and how they will start to look beyond protected characteristics at topics such as inclusion and social mobility in their D&I strategies.



# Recruiting more people with a disability

The pandemic has put the topic of employees' physical and mental wellbeing front and centre of businesses' agendas. It has pushed employers to do more on mental wellbeing and disability.

## **Businesses want to talk about disability in the workplace and create a culture where people feel comfortable to share their personal information**

Firms have told us that they want to hire and support more people with a disability, and specifically those with less visible disabilities. To do that many are thinking about additional line manager training. One business we spoke to is piloting training on how to have good conversations with colleagues with a disability about how they can be best supported. Others want to join or advance in the government's [Disability Confident scheme](#). And many have said that they want to collect more data on disability in their business and make people feel comfortable to disclose this information. Data collection enables employers to analyse the information, communicate back to staff and then provide better support for disabled colleagues.



### What can businesses do to improve disability inclusion?

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- Speak more about disability, both those that are visible and invisible, in staff sessions and provide disability awareness training.
- Set up employee resource groups to provide safe spaces to share their lived experiences and identify barriers in the workplace.
- Review attraction and recruitment processes to make sure that language is inclusive and that application forms are in accessible formats. Offer reasonable adjustments for interviews where necessary.
- Sign up to disability accreditation schemes such as the **government's Disability Confident** scheme and think about how they can streamline the reasonable adjustment process.
- Collect and analyse data on disability. Use this to set internal targets to measure progress against.
- Provide managers with training on how to have conversations about disability and reasonable adjustments.

## University of Sunderland introduces an inclusion passport to enable seamless transfer when colleagues with a disability change jobs

The University of Sunderland is a global institution with four main sites at Sunderland, London, and Hong Kong. Diversity and inclusion are key for them. One challenge has been that the declaration rate for staff with disabilities was 5%, well below the rate of those of working age with disabilities within the UK population (19%).<sup>19</sup> In addition, their disability staff network indicated that there wasn't a seamless transfer when colleagues with a disability get a new line manager or move between departments.

To demonstrate an inclusive environment, the organisation introduced an inclusion passport. It is a live record of adjustments that have been agreed between the member of staff and their line manager to support the member of staff at work because of a health condition, impairment or disability. The document should not be passed on to anyone automatically, so the member of staff has control of the information and who it is passed to.

The main purpose of an inclusion passport is to make sure that everyone has a record of what adjustments have been agreed, to reduce the need to re-assess adjustments every time the member of staff changes jobs, is relocated or is assigned a new manager, and to provide the member of staff and the line manager with the basis for future conversations about adjustments.

The inclusion passport has been introduced recently, but the University of Sunderland hopes that its introduction will increase declaration rates for disabled colleagues, lead to a further improvement in staff survey results and reduce staff complaints on the process for reasonable adjustments.

*"At the University of Sunderland, we welcome and value differences of all kinds and are committed to ensuring inclusion and equality for people with disabilities. We recognise that from time to time this may mean changing the way we communicate and structure work, including the removal of physical barriers and/or providing extra support for a disabled team member.*

*The Enable Staff Network together with the HR Team worked to introduce some guidance on how to carry out reasonable adjustments together with an inclusion passport to support this process. The purpose of its introduction was to encourage the introduction and continuous support of reasonable adjustments which provides a framework for discussion with a manager and disabled employee regarding the support required."*

**Justine Gillespie, Equality, Diversity and Inclusion Manager,  
University of Sunderland**



### Key takeaway

Consider introducing an inclusion passport for disabled colleagues to allow for a seamless process when they are changing jobs.



### EY establishes a Neuro-Diverse Centre of Excellence to boost client innovation and support neurodivergent individuals

EY is a global leader in assurance, consulting, strategy and transactions, and tax services. The organisation has over 300,000 employees across 150 countries, making it one of the largest professional services firms in the world.

In July 2021, EY announced that it would launch a UK Neuro-Diverse Centre of Excellence (NCOE) to fuel innovation in technology, bringing a new dimension of creativity and driving greater diversity and inclusion in the workplace. The UK NCOE builds on the success of NCOEs EY has established around the world, including six in the US.

EY recognises the valuable contributions from its current neurodivergent employees and is leveraging their experiences in building the new NCOE, which will provide an opportunity for those individuals who may have previously experienced barriers to employment.

The NCOE will create a supportive environment for individuals with cognitive differences such as autism, dyslexia and attention deficit hyperactivity disorder, and will help them to apply their strengths and meet clients' business needs in emerging technologies. Only 22% of autistic adults are in any type of employment in the UK, according to the Office for National Statistics, yet they are typically highly proficient in skills that are in-demand such as data analytics and application engineering.

By 2024, EY aims for the NCOE to have hired 150 neurodivergent individuals, shifting its recruitment processes from behaviour-based interviews to performance-based interviews. This method of interviewing focuses on a candidate's past successes which will better match them to a role more suited to their strengths. Orientations are also offered in advance so candidates can familiarise themselves with their surroundings. The NCOE is open to both graduates and experienced hires and has its first team of six joining in Manchester.

EY UK is hoping to gain similar benefits to the NCOEs established globally in the US, Canada, India, Poland and Spain, where neurodivergent employees excel in innovation due to their diversity of thought and creativity.

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*“Harnessing the exponential power of neurodiversity will enhance the service we provide to our clients. For instance, in the US, we measured the impact on innovation, by comparing the work quality, efficiency, and productivity, generated by neurodivergent and neurotypical professionals. Quality, efficiency and productivity were comparable, but the neurodivergent employees excelled at innovation. The diversity of thought and creativity they brought was a differentiator.”*

**Catriona Campbell, EY's Client Technology & Innovation Officer, UK&I, who leads EY's UK NCOE**



#### Key takeaway

Neurodivergent individuals have a lot to offer, but businesses need to do more to understand the range of different traits and abilities and offer tailored hiring and working experiences that use their strengths.



## Keela focuses on increasing the representation of people with disabilities in its manufacturing workforce

Keela is an independent, family-owned outdoor garments manufacturer based in Scotland. The company makes ethical and sustainable garments using innovation and technology, with clients ranging from emergency services to the police and military.

It can often be challenging for disabled people to find employment. Keela's UK manufacturing plant, Ilasco, wanted to be part of the solution by turning this challenge into an opportunity: they offer disabled people meaningful work through their supported business commitment.

It can be more difficult for SMEs compared to large organisations to support disabilities within the workforce as they have less resources, time and capital to provide the extra support required. However, the advantages are that SMEs are often more flexible and staff feel more valued and engaged, which helps staff retention, an important factor in today's labour market.

Keela is committed to overcoming barriers facing disadvantaged employees by adopting a more flexible and hands-on approach. For employees that have learning disabilities, Keela offers tailored support, making the job easier to understand and increasing productivity. This occurs at all levels throughout the company. These steps can be as simple as using flash cards with visuals for explanations and increasing time invested in mentorship.

By offering tailored support, disabled employees at Keela feel more included and have a better sense of belonging at the firm. As a result, the company has been able to increase its representation of disabled employees within its manufacturing section Ilasco and has a target of 35%-40% in the supported business category. An essential factor contributing to the success of Keela's work on disability is allowing managers and senior leaders the time to focus on issues relating to disability. This has also been helped by working with various support organisations, such as the local skills development centre, who Keela partnered with to support a young person gain valuable hands-on experience. This experience helps foster a more collegial working culture.

Keela believes that work is not just transactional. It provides a sense of purpose, social engagement, and routine. The well-being that comes from this cannot be understated. It is in everyone's interest for people who have disadvantages in life to have a purpose and be a valued part of society, and the workplace can play a big role in this aspect.

*"I have worked for Keela for 27 years now. I have always had lots of support to help me do my job. Wendy has been really helpful and explains everything to me so I understand what I need to do. I like trying new tasks and have helped out in other areas of the business when they need a hand. Susan and Ruwan [Director] were also great when I needed support at a time when I was grieving. They helped me find a bereavement help group that have really been amazing and helped me move forward. I like to keep busy and prefer to be at work where I feel supported. I now live on my own but know if I need any advice my colleagues are always on hand to help."*

Employee and participant of the programme, Keela



### Key takeaway

If you are an SME consider how your company can provide more tailored and bespoke support for disabled employees. More information and support are available from organisations like Scope, Remploy or the Business Disability Forum. The Disability Confident and CIPD guide also provides more information for line managers.





### GSK invests in specialist adjustments to increase inclusivity for employees with disabilities and health conditions

GSK is a science-led global healthcare company headquartered in the UK, employing around 100,000 people, with operations in more than 100 countries.

GSK recognised that, whilst fostering a positive culture towards disability inclusion, there were three key priorities they needed to develop:

1. Clarifying their adjustments processes including who 'qualifies' for support
2. Developing specialist supply chains – to offer items not available in standard catalogues
3. De-medicalising the process – focusing on providing solutions to enable productivity and inclusion – support not being limited to those with a 'qualifying' disability.

To help deliver these priorities, GSK created a one-stop-shop Workplace Adjustments Service (WAS), launching in the UK in 2017, and has since fully redesigned the WAS site in 2020. The service has also expanded to Belgium, Canada, Ireland and India, reaching more than 50% of global headcount and still developing the specialist supply chain to expand the managed service available to more GSK markets.

The purpose behind this initiative was threefold:

1. **Making the process of requesting / securing accessible solutions easier for all** – through a service delivered by people who understand working with a disability or health condition.
2. **Supporting productivity for all - not constrained by disability compliance definitions** - equipping people with solutions (not available in standard catalogues) they need to be successful
3. **Driving disability confidence and inclusion opportunities**, underpinning GSK's values, disability confidence commitments and inclusion training.

As part of the Workplace Adjustment Service, GSK created a central team, partnering with adjustments specialist vendors, delivering end-to-end case management, assessment of employee needs plus central approval and supply/ installation of adjustments solutions.

The service is delivered via a bespoke and fully accessible GSK intranet site; including internal disability policies, common adjustments solutions, [data privacy compliant] process steps to initiate a request, and FAQs. Employees can self-refer for support, with the cost and approvals managed by the dedicated central team. On average, it costs £700 per individual to provide tailored workplace adjustments. Service user feedback is consistently returning 100% satisfied with the process and outcomes.

In 2021 Business Disability Forum added a case study on the GSK workplace adjustments model in their member resources and referenced this good practice in their publication: Global Workplace Adjustments - Insights on current practice.

*"I am proud to work for a company that demonstrates commitment to disability confidence and inclusion, where initiatives like providing workplace adjustments are viewed as critical steps towards enabling our people to be the best they can be, working in ways that work for them and the business."*

**Andy Garrett, Workplace Adjustments Service Programme Director, GSK**



### Key takeaway

Providing workplace adjustments support to employees with health conditions and disabilities is essential for any business committed to ensuring equity and inclusivity. Removing unnecessary barriers and providing accessible solutions means individuals can be their most productive and authentic selves at work.

# Capitalising on a multi-generational workforce

Only a handful of companies we spoke to currently have specific policies in place to support older workers, even though demographic change means that the proportion of the workforce over 50 will continue to increase. Reasons for inaction included struggling with competing D&I priorities. This was especially the case in ageing industries such as construction, engineering or logistics. Businesses are likely to find their recruitment and retention strategies are less effective if they are only focussed on young people.

Employers who did have specific policies in place had introduced policies like phased retirement where employees stay on as consultants for a couple days a week, mid-life reviews that prepare employees for the next phase of their career by looking at career goals and retirement funding, or returnship and apprenticeship programs to help older workers to return to work.

Flexible working was the most cited policy, although this was available to all employees rather than as a specific benefit to older workers. This accords with OECD findings, which state that fewer than 5% of employers have specific policies in place to support older workers. And according to Deloitte, only 6% of their survey respondents strongly agree that their leaders are equipped to lead a multigenerational workforce effectively.<sup>20</sup>

## **Employers can steer cultural shifts and highlight ageing as a purposeful life stage**

To retain older employees, businesses need to start thinking about a value- or attitude-based approach to understanding the workforce, rather than an age-based approach.

Members of multi-generational workforces can have different priorities. But contrary to existing beliefs, the needs, and expectations of different generations within the workforce are often quite similar. Deloitte research found that across all generations people want to work for an employer that reflects their values, allows for flexibility, enables them to advance in their career, and shows good leadership.<sup>21</sup>

Businesses will need to ensure intergenerational differences are not exaggerated, whilst also recognising employees may have different priorities at different life stages. Employers who offer benefits packages with flexibility built in, rather than taking a one-size-fits-all approach, are likely to appeal to multi-generational workforces.

Empowering employees at all stages of their career to have the confidence to participate in training and reskilling as adults is as important as myth-busting misconceptions about older workers being resistant to learning new skills or being less able to use technology.

20. Deloitte, 2020, The Postgenerational workforce

21. Ibid.



### What can businesses do to retain older workers?

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- Ensure age inclusive recruitment processes and multiple entry routes: review job adverts and make sure that the language used avoids stereotypes and assumptions, omit the applicant's date of birth and ask for relevant experience against competencies rather than chronologically. Omit dates for qualifications from application forms to reduce assumptions and bias, where appropriate
- In addition, employers can offer multiple entry routes into a company, many are offering returners programs for people that have been out of the workforce for some time.
- Promote employee engagement and awareness raising – this can be done through putting in place employee resource groups focusing on older workers and multi-generational workforce or through internal communications sessions on the topic.
- Offer phased retirement programs and flexible working: more companies are now thinking about phasing into retirement by enabling employees to work in a different capacity – for example as a consultant for two days a week, instead of switching abruptly from full-time work to full-time retirement.
- Support employees with retirement and financial planning: companies are offering a mid-life review or "MOT" for people over 45 years old to prepare employees for the next phase of their career by looking at career goals and retirement funding.

## Sodexo's GenMatch game helps employees appreciate multi-generational differences

In the UK and Ireland Sodexo employs around 30,000 people and partners with clients in many sectors across business and industry; schools and universities; sports and leisure; energy and resources; government and agencies; healthcare; homecare, justice and defence.

Sodexo's connected, people-centric approach brings together a diverse range of expertise. The breadth of services it offers ranges from food and hospitality; cleaning; reception; concierge; security; property management and technical services through to employee engagement and data driven workplace strategy and design.

With five generations of employees delivering services Sodexo recognised a need to create an environment for people to better understand each other and break down misperceptions to enhance cross-generational working.

To connect, engage and educate employees, Sodexo's Generations employee network developed a board game called GenMatch, to help employees appreciate the company's diverse workforce and the opportunities and challenges this can present. Players match statements about work motivation, style, technology and lifestyle to the relevant generations. This helps overcome myths and misbeliefs that people hold about others in different age groups – such as older workers being less interested in learning new skills or younger workers being better with technology.

Playing the GenMatch game has raised awareness of the importance of a multi-generational workforce and the value it holds. 1,648 copies of GenMatch have been distributed to over 200 sites, which has resulted in a 5% increase in employee engagement in the 20-30 age group. The game also featured in eight internal communications, with people citing that GenMatch has encouraged them to think and interact with customers and colleagues in a different, more positive way. It helps managers understand their multi-generational teams and why people from different generations may approach things differently.

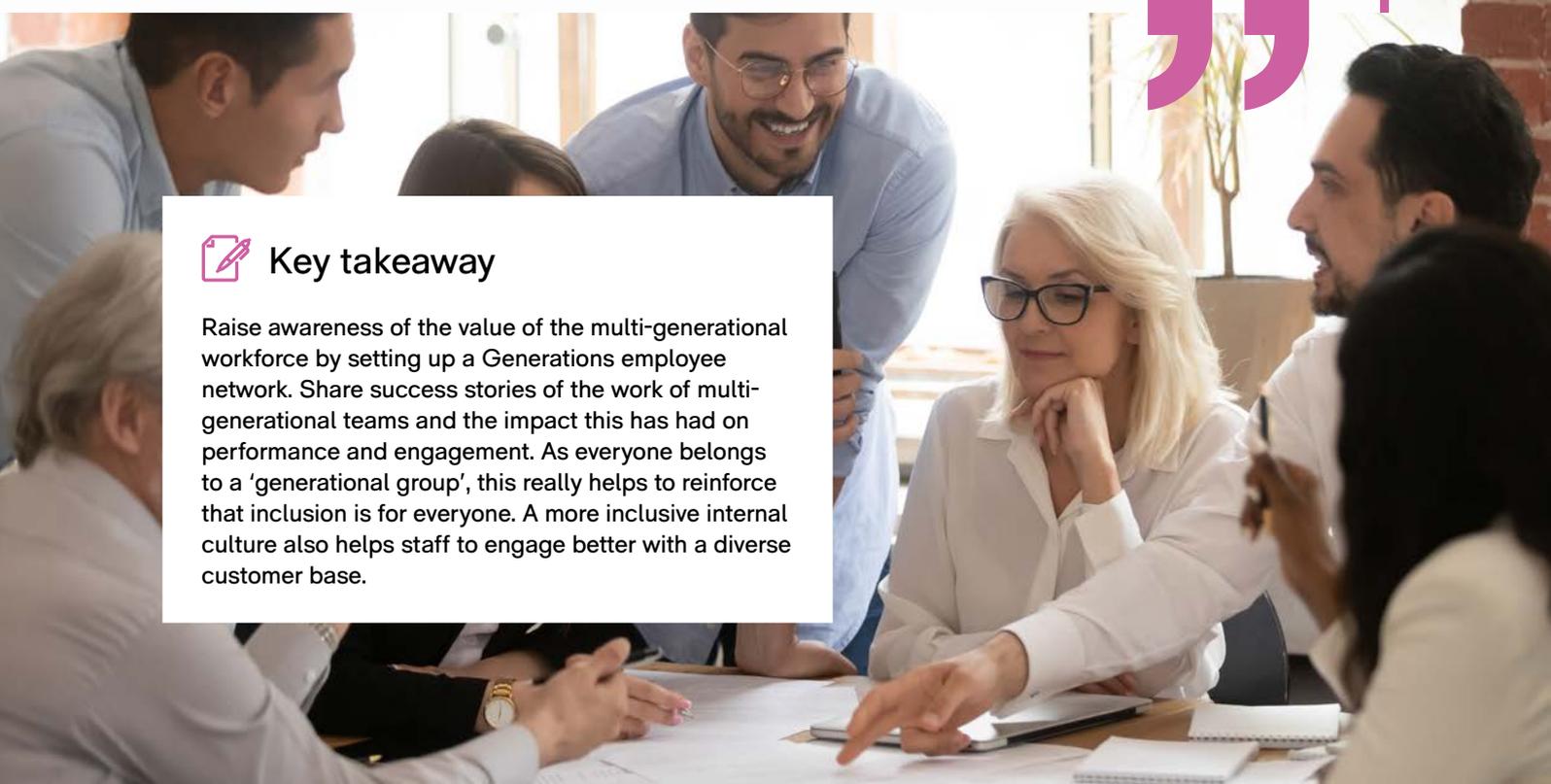
*"The game has proved to be a fantastic team building exercise allowing our employees to explore generational differences in a safe space. This has led to greater learning and understanding amongst teams of preferred styles and approaches."*

**Raj Jones, Head of Diversity, Equity & Inclusion, Sodexo UK & Ireland**



### Key takeaway

Raise awareness of the value of the multi-generational workforce by setting up a Generations employee network. Share success stories of the work of multi-generational teams and the impact this has had on performance and engagement. As everyone belongs to a 'generational group', this really helps to reinforce that inclusion is for everyone. A more inclusive internal culture also helps staff to engage better with a diverse customer base.





### **Sage, with the support of Mercer, balances providing flexibility to its older workforce while retaining and sharing their skills, knowledge and expertise**

Sage is the market leader for integrated accounting, payroll, and payment systems, supporting the ambition of entrepreneurs. They have 13,000 employees supporting millions of entrepreneurs across 23 countries.

Critical to this success are Sage's engineers. They create and maintain the technology which provides their customers with innovative solutions to manage everything from money to people. But, this population is ageing. By 2025 around 15% of the engineering population in the UK will be eligible to take retirement.

In November 2020, Sage partnered with Mercer to understand how adapting their approach to retirement in the future could be of mutual benefit to both colleagues and the company. The aim was to explore how offering a flexible approach to retirement (such as part time working, contract work etc.) could retain this group and their skills and tacit knowledge for longer, whilst providing them with opportunities to continue learning and contributing value.

With the support of Mercer, Sage embarked on a piece of research which explored the views of 22 colleagues and managers through online surveys, interviews, and focus groups. The participants ranged in age from 35-65 years and were split equally between males and females. All, except one, worked full-time.

The research identified that flexible retirement can:

1. Enable smoother succession planning and knowledge transfer between colleagues and generations
2. Ensure a team of experienced employees are readily available for short-term, critical projects and save time and money in the recruitment process
3. Enable certain critical roles to be filled more quickly, e.g., product designers or machine learning experts

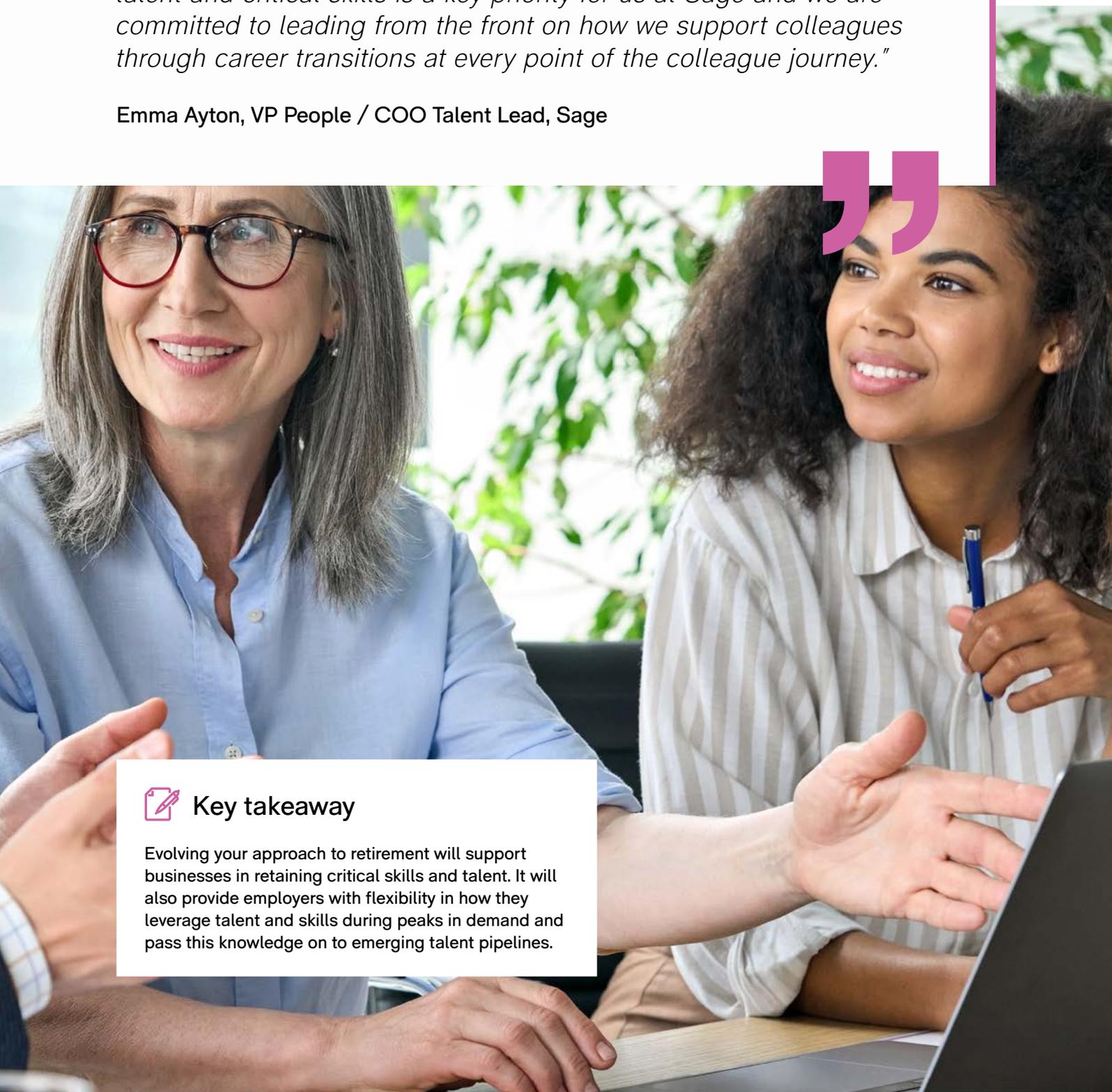
Participants of the research said:

- 100% overall agree that they prefer to work for a company with flexible approach to later life working and retirement due to the positive impact it will have on health and wellbeing
- 93% would find it easier to identify new opportunities for experienced employees that fit with their abilities within their current organisation than a new employer
- 56% would consider working past the age of retirement if a flexible approach was available

Sage is kicking off a pilot in 2022 that will target a subset of the engineering population that are nearing retirement to provide them with an opportunity to work more flexibly before they roll it out across the whole business. This is to ensure they can measure the impact and provide greater consistency on a larger scale.

*"Our people are critical to the success of our strategic ambitions and are integral to innovating great products and providing a world class experience for our customers. We understand the population is ageing and are committed to explore how we can support our colleagues as the focus shifts from retirement to retention. Retaining talent and critical skills is a key priority for us at Sage and we are committed to leading from the front on how we support colleagues through career transitions at every point of the colleague journey."*

Emma Ayton, VP People / COO Talent Lead, Sage



### Key takeaway

Evolving your approach to retirement will support businesses in retaining critical skills and talent. It will also provide employers with flexibility in how they leverage talent and skills during peaks in demand and pass this knowledge on to emerging talent pipelines.

### Phoenix Group shatters age-bias by offering Later Life Apprenticeships to its older workforce to continue professional development

Phoenix Group is the UK's largest long-term savings and retirement business, with £338bn of assets under administration and around 14 million customers. They are a growing business with the purpose to help people secure a life of possibilities.

Overall, Phoenix Group wants to have more colleagues, across all age demographics, taking up professional training with clear routes. It will give employees the opportunity to continue their professional development regardless of age. As a business Phoenix believes it is important that everyone has the opportunity to reskill, retrain and upskill in order to maintain a healthy, happy and engaged workforce, and to increase diversity and inclusion through succession and to drive engagement.

The biggest challenge of this project was due to the perception of age. Apprenticeships are usually associated with younger people who are starting their careers so Phoenix Group were mindful that colleagues could be cautious about applying for a later life apprenticeship. They wanted to encourage life-long learning and improve people's mobility within the business.

They knew the positive impact offering later life apprenticeships to staff would have. To combat challenges around the perceptions of age, Phoenix Group raised awareness of their offering by showcasing that participating colleagues would be completing a professional qualification, funded by the apprenticeship levy. Phoenix Group ran insight sessions which were attended by hundreds of colleagues looking to find out more about the qualification, one for managers and the other for colleagues.

They also created case studies of those who have applied to the apprenticeship to show previous positive experiences to encourage others to apply, and the Group is looking to run a full evaluation on its apprenticeship programmes utilising the experiences of over 300 colleagues who have completed them across the UK. This was an effective tool to enable colleagues to see that a later life apprenticeship could work for them and help further their career. Phoenix Group hopes that they will help attract people at all stages in their career. They will also improve their ability to retain and develop people regardless of where they are in their careers.



*“Through providing later life apprenticeships we’ve been able to offer colleagues a clear pathway to a professional qualification. The business is already seeing progress and has helped a number of colleagues rise up the career ladder and progress. This includes helping a long-term female colleague who had worked as a PA whilst she brought up her children and who then decided to do an apprenticeship. She is now successful in her new career as an audit manager. We believe life-long learning is essential for people, of all ages, and at all stages of their careers.”*

Vicki Hopkins, Learning and Development Consultant, Phoenix Group



### Key takeaway

Businesses should consider reframing their apprenticeships strategy, so it is attractive to people at all stages of their career. Showcasing past positive experiences of those who have gone through the same process is a really effective way to engage other colleagues and show them what is achievable.

# Going beyond protected characteristics: creating an inclusive culture

The goal of inclusion is to create an environment where all people feel respected, accepted, supported, treated fairly, valued and that their voice is heard. All employees should be part of decision-making processes and development opportunities within an organisation.

Firms said that the pandemic has increased their focus on inclusion, as it created more empathy - in a remote working environment people saw their colleagues in their homes and with their loved ones. Remote working also meant that people have had to be more conscious about how to manage diverse teams in a way that ensures that everyone feels included and are given opportunities to progress.

## **Increasing diversity and representation are not enough to drive change – businesses are shifting their focus to inclusion**

Many businesses told us that they have developed successful strategies to attract and hire diverse talent. But they also said that getting diverse talent into the organisation is only the first step. Creating a culture of inclusion and where everybody feels like they belong is the second and more important step, as it unlocks the performance potential of a diverse workforce. It also requires large-scale cultural change in an organisation. If employees don't feel like they belong, they are more likely to underperform or leave the business.

## **To effectively measure and track inclusion, businesses need to collect, review and measure employee sentiment data more regularly**

While diversity is more tangible and easier to measure once companies have collected data on their employees – inclusion, which describes a feeling, is harder to measure as there is no one metric that everybody can follow.

Most companies that have started measuring inclusion have said that they are running pulse and engagement surveys as well as listening groups. These engagement strategies are used to try to understand if their employees feel like they are treated fairly, if they feel psychologically safe, and if they feel like they belong. One building material company told us that in collaboration with the National Centre for Diversity they have surveyed their workforce on fairness, respect, equality, diversity, inclusion and engagement – the FREDIE survey. Based on the survey results they will now be developing action plans for the company to drive inclusion.

Companies that are already measuring and tracking inclusion have told us that doing so requires gathering more data and employee feedback through themed engagement and pulse surveys that are run more frequently than once a year. With these survey results, they can create a baseline measure of employee perceptions and look for pockets of inconsistency, both in variability within teams or more broadly between parts of the organization and work towards eliminating barriers.

### What can businesses do to be more inclusive?

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- Provide training to line managers and the wider organisation on how to be inclusive. These training sessions can cover topics from how to conduct an inclusive meeting and how to bring in different viewpoints and voices, to awareness of biases and privilege, as well as how to speak about the value of diversity and inclusion to the company.
- Create employee networks to enable people to connect and to provide a safe space to share their experiences and to hold organisations accountable.
- Look at hiring, promotions, and work allocation to ensure fairness of opportunity and fairness of the process.
- Raise awareness and support different celebrations in everyday communications such as Diwali, Eid, and Pride month to make people from all backgrounds feel included.

### What can businesses do to track inclusion?

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- Run regular employee engagement and pulse surveys to see how different aspects of inclusion develop over time – and track trends and progress.
- Conduct regular listening sessions to understand lived experiences of different employee groups and potential barriers they face.

## Flagship Group collects data that goes beyond protected characteristics to better understand its workforce and its preferences

Flagship Group builds homes, lets, improves, and maintains them. The Group employs around 1400 people, who work together to solve the housing crisis in the East. Flagship is committed to strengthening its inclusive culture, where everyone can bring their whole selves to work. However, when it comes to diversity and inclusion, a challenge that many companies often face is fully understanding its people and holding accurate data.

To overcome this challenge, Flagship Group's dedicated inclusion champions developed a 'This is Me' in-depth survey. By collecting and analysing equality monitoring data – that goes beyond the nine protected characteristics and includes questions about learning styles and social mobility – the Group believes it can improve its employee experience and achieve a better culture of belonging.

Over a period of three months, the Group collected insightful data from around 30% of its people. Whilst the campaign is ongoing, Flagship can already see its benefits. Employee engagement has increased to 40%. As part of their culture of continuous improvement, they are always reviewing their communication with staff and making things more inclusive. Flagship Group has an inclusion community as part of their intranet and has shared videos for each of the protected characteristics. In December 2021, they started their 'It's not okay' campaign which educates staff on how to have more inclusive conversations with people.

The Group has identified improvements that can be made to disability disclosure and will focus on raising awareness about the benefits of sharing this kind of information. The personality and preferences types are also now considered as part of an ongoing community and facilities review.

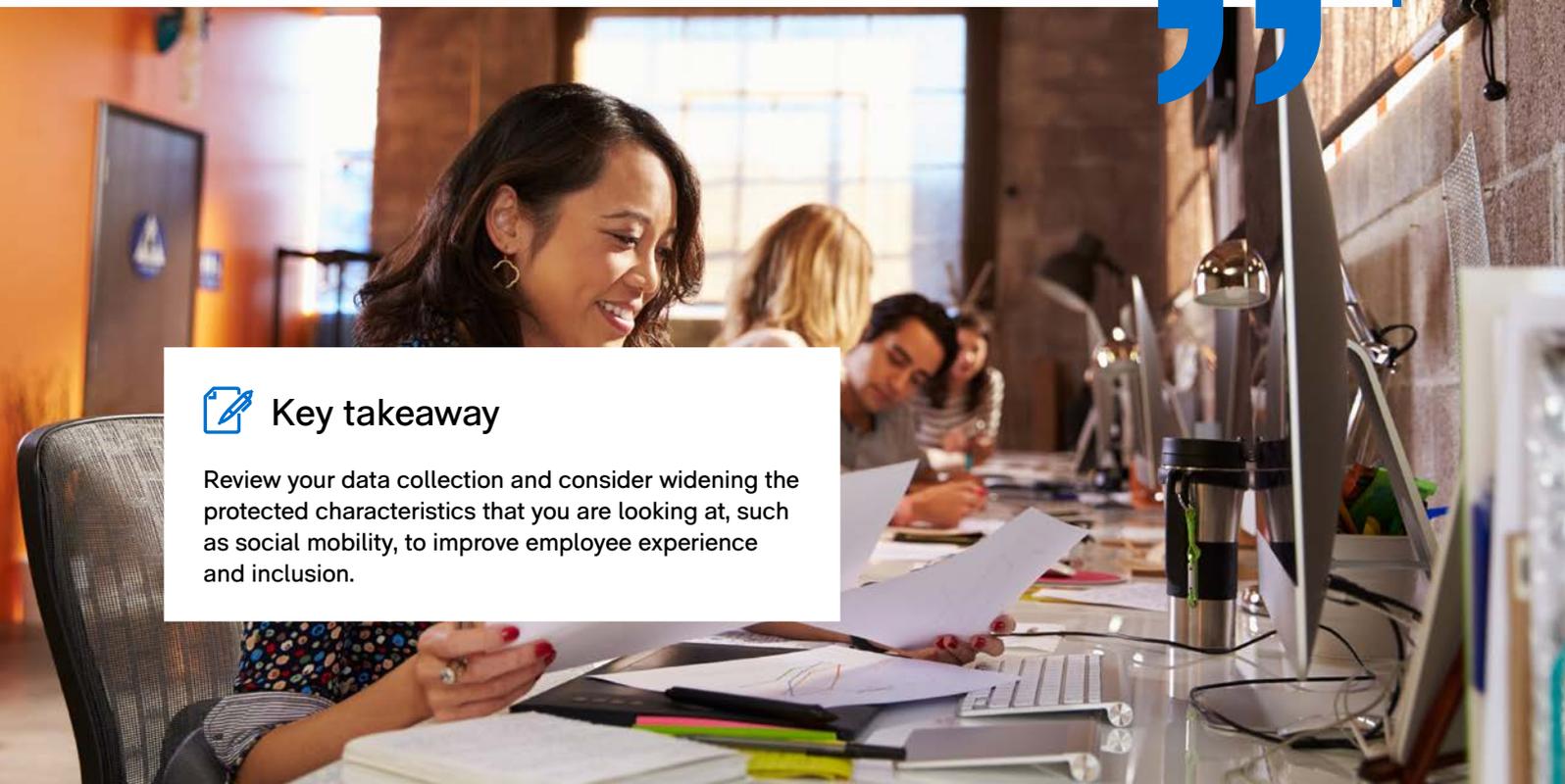
*"As part of our culture of continuous improvement, we're relaunching our This is Me survey to collect even more data. It's not something you can just do once – it needs to be ongoing, always trying to understand our people even more. We would really recommend this kind of in-depth analysis of employees – if anything, it has generated discussion and awareness of ED&I and is helping to drive a culture of belonging."*

**Nadine Tapp, Head of the Flagship Academy and inclusion champion**



### Key takeaway

Review your data collection and consider widening the protected characteristics that you are looking at, such as social mobility, to improve employee experience and inclusion.



### Tesco develops training for managers to increase inclusive practices at work

Tesco is a British multinational retailer specialising in groceries and general merchandise, with around 300,000 colleagues in the UK. Tesco recognises that it can do more to make its workplace more inclusive, by investing in inclusivity training for managers.

Managers' behaviours determine whether colleagues feel included. Tesco realised there were varying levels of inclusive practices being demonstrated by managers across the business, resulting in an incoherent colleague experience. To tackle this issue, Tesco developed training for its managers to help them recognise barriers to inclusion and their role in reducing them; provide them with the right tools to respond to the diverse needs of their team; and create psychologically safe environments where everyone feels welcome and listened to.

Through a combination of self-led modules and facilitator-led workshops, Tesco managers are currently building their D&I capability. This training aims to embed long-term behavioural change by increasing knowledge, shifting attitudes and perspectives, and highlighting skills that promote inclusion and build inclusive habits. This includes understanding what it means to have bias or privilege as well as knowing what role managers can play to foster inclusivity. Designing the training regime took six months to complete and is currently being rolled out. Tesco ensured it was retail-specific and included examples from its own operations, as well as colleague stories highlighting what they are already doing well and where they must do better.

The training has been a success. It has a score of 91, with 100% feeling more aware of their impact as a manager. Tesco has already experienced positive outcomes as a result of this inclusivity training and expects to see both an uplift in the D&I related measures in its colleague engagement survey, and a reduction in D&I-related disciplinarys in the longer term.



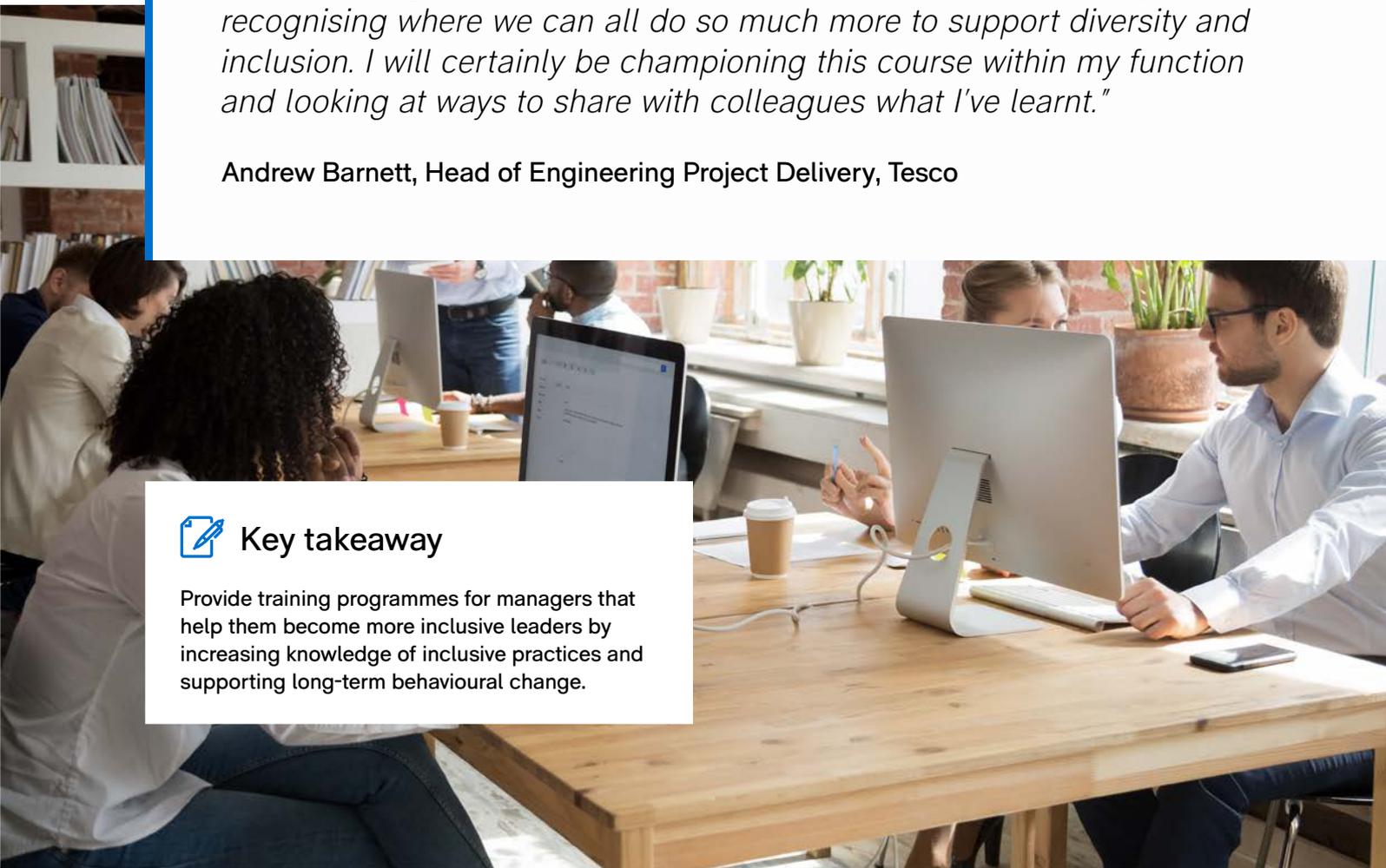
*"This is up there with one of the best courses I've been on at Tesco and acted as a "lightbulb" moment for me and [I'm sure other colleagues] in recognising where we can all do so much more to support diversity and inclusion. I will certainly be championing this course within my function and looking at ways to share with colleagues what I've learnt."*

**Andrew Barnett, Head of Engineering Project Delivery, Tesco**



#### Key takeaway

Provide training programmes for managers that help them become more inclusive leaders by increasing knowledge of inclusive practices and supporting long-term behavioural change.





## Work allocation is critical to equal and fair access to opportunities, KPMG UK says

KPMG UK is a leading provider of professional services, with a workforce with approximately 16,000 colleagues across the country. The company is committed to ensuring every employee, regardless of background, reaches their full potential.

The firm identified that the work and opportunities colleagues were given played a key role in determining future career opportunities, and that inconsistent work allocation practices in the past had disproportionality impacted historically underrepresented groups.

To tackle this, KPMG commenced a firm-wide project that combines technology and behavioural change to improve the equity and efficiency of work allocation. To date, this has entailed extensive data analysis, implementing a resourcing tool and skills database called ProFinda, and designing a framework based around six principles of good work allocation.

The six principles of good work allocation are behaviours KPMG expect of colleagues to enable fairer and more equitable work allocation practices, and are as follows:

- Senior leadership call out any perceived 'favouritism' in the workplace
- Work is allocated based on skill, experience, and opportunity requirements, not personality or close relationships
- All colleagues manage their own biases to ensure they do not impact work allocation decisions
- Managers agree to stretch opportunities for individuals, aligned to their development needs and progression ambitions
- Managers provide a fair, consistent, and well-rounded experience for all team members
- Managers provide honest and timely feedback at the end of each engagement.

The good work allocation behaviours are weaved into key learnings to support the required behavioural change. This framework and the ProFinda tool have increased the transparency of opportunities and provided a platform for colleagues to publicise their skills so they can be identified for opportunities. Fair work allocation ensures KPMG maximises each teams' performance through the most efficient deployment of skills and capabilities.

The next focus areas for this project are to develop regular data reporting on work allocation and implement local action plans to support firm-wide activities.



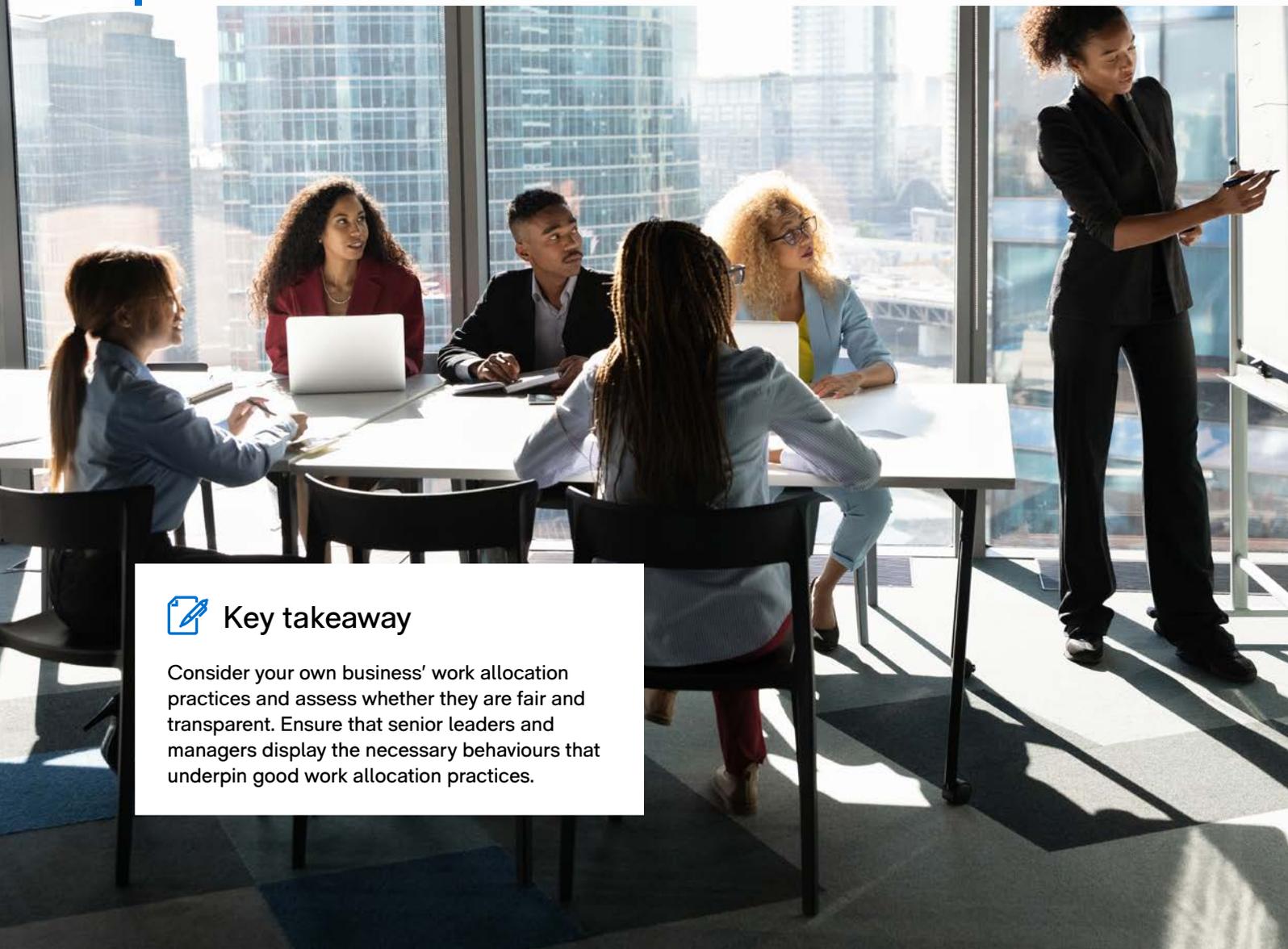
*"Research conducted at KPMG UK by the Bridge Group in 2017 showed that the work people were allocated was a determining factor in their progression and the future opportunities they were given. If we can get this right, we know it will have a significant impact on the day-to-day experiences of our colleagues and provide a fairer and more equitable experience for everyone at KPMG."*

**Jenny Baskerville, Head of Inclusion, Diversity and Equity, KPMG**



### Key takeaway

Consider your own business' work allocation practices and assess whether they are fair and transparent. Ensure that senior leaders and managers display the necessary behaviours that underpin good work allocation practices.



## Hays drives up employee data to inform its long-term equity, diversity, and inclusion strategy

Hays is a global specialist recruitment group and a market leader in the UK, Germany and Australia, recognised for recruiting skilled people across industries.

Initially, in the UK and Ireland, Hays only held data for 27% of their staff and there was a need to better understand the make-up of their business and the challenges their staff faced. It was impossible to set diversity and inclusion targets without a clear picture of which underrepresented groups required the most support.

Hays wanted to turn conversations around equality, diversity and inclusion into meaningful action. Their aim was to better understand people's lived experiences and to make recommendations on ways to overcome barriers that people face at work. Therefore, diversity data collection became a strategic priority.

Hays' data collection programme ran through National Inclusion Week and they developed a campaign to drive engagement. Along with internal emails, FAQs, and news articles, Hays created a video where members from their leadership team and community groups explained the importance of employee diversity data and gave reassurance around confidentiality. They also took steps to ensure the questions were diverse and accessible, including a 'prefer not to say' option throughout.

At the end of Inclusion Week 2020, over 1,700 people submitted their diversity data – 64% of Hays' people in the UK and Ireland. They have also commenced rolling out a Conscious Inclusion programme to drive better inclusion within Hays.

Since the beginning of this campaign, Hays has:

1. Used the data to compile an internal ethnicity pay gap report
2. Started work on a transgender policy as the data revealed 1% of their workforce identify as transgender
3. Increased the number of employees who have shared their diversity data, up to 72% since April 2021.



With a fuller picture of the state of their workforce, Hays now has a clearer idea of what actions they need to take. Hays is creating initiatives that support access to opportunities and progression in a way that is fair and inclusive to all, such as:

1. Enlisting the help of employees who want to make a difference to ED&I
2. Ensuring plans remain simple, consistent, and realistic
3. Being bold by setting ambitious targets and communicating progress regularly – with a target of 100% of the Hays UK&I workforce submitting their diversity data by June 2023.



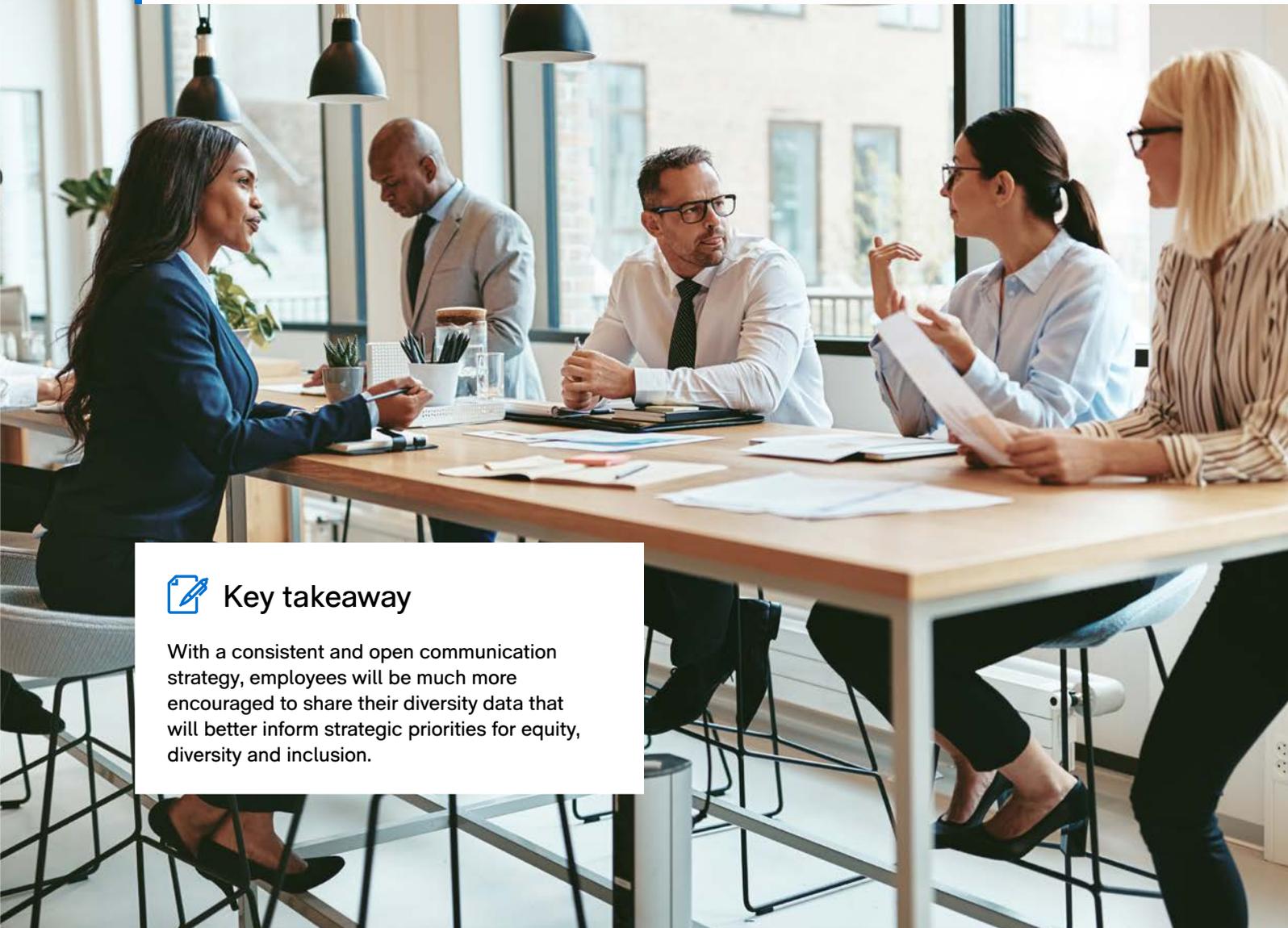
*“Taking action to increase the diversity data we hold on our people has helped us to better understand the shape of our business, which has in turn enabled us to develop our ED&I strategy. We’ve made real progress in helping staff to understand why sharing diversity data is so important in helping us build an inclusive culture for everyone in Hays.”*

**Trisha Brookes, Director of People & Culture, Hays UK and Ireland**



### Key takeaway

With a consistent and open communication strategy, employees will be much more encouraged to share their diversity data that will better inform strategic priorities for equity, diversity and inclusion.





## **Santander UK's Everyday Inclusion Strategy helps create a culture that celebrates diversity and where everybody feels like they belong**

Santander is a customer-focused bank with over 20,000 colleagues in the UK and a global presence in 15 countries worldwide. Santander has undergone significant change and transformation over the last few years and is still on the journey towards increasing D&I. They wanted to have a stronger view of their workforce data so they could identify where the 'gaps' were and use this information to make more informed and efficient decisions. They have since improved their data collection through data disclosure campaigns and an improved data dashboard with an intersectional lens to launch targeted interventions to support colleagues that face institutional barriers in their development and progression.

Initiatives in Santander UK's Everyday Inclusion Strategy span across four main pillars of activity:

### **1. Growing diverse and inclusive leaders:**

Santander wants to grow leaders that proactively champion inclusion and build diverse teams. To do this they put in place Accelerating You development programmes for talented colleagues from underrepresented groups to help them develop their leadership skills and support them in taking the next steps in their careers through sponsorship and advocacy from existing senior leaders. To date, over 400 colleagues have completed these programmes. They also have mandatory training and accountability measures for senior leaders to focus on providing more opportunities as well as developing existing talent.

### **2. Driving internal and external advocacy:**

Santander encourages sharing and the promotion of colleagues' Inclusion stories internally and externally that speak proudly about their sense of belonging at Santander. Santander's eight People Networks are integral to this, helping to find, write and promote colleague inclusion stories and showcasing them for events across the organisation to encourage more effective allyship.

### **3. Working towards more equitable systems and opportunities:**

Santander wants to remove barriers that colleagues face and have implemented black inclusion and gender action plans, and campaigns focused on women in tech and social mobility. This has seen gender equal shortlists and interview panels helping more women into senior leadership, and a review of workplace adjustments processes to help all colleagues receive the support they need.

### **4. Embedding a culture of respect that promotes diversity across the bank:**

Santander achieves this through an Inclusion Hub which hosts dedicated training and resources, and by hosting regular Let's Talk and Listening Circles across the bank to understand any issues colleagues experience while encouraging greater allyship and more inclusive leaders.

As a result of embedding these pillars, Santander has seen its place in the Social Mobility Employer Index shoot up from 49th place in 2018 to 18th in 2021 out of the top 75 employers. A third of the company's senior leadership are now women, with ethnic minority representation at that level also increasing to 10.1% in 2021.



*"At Santander our purpose is to help people and businesses prosper. As part of this we want to be the place all our people feel they belong and are supported to succeed. In achieving this, we will best reflect our customers and the communities we serve as well as attracting and retaining the most diverse and talented people."*

**Drew Gibson, Head of Inclusion, Belonging & Wellbeing, Santander UK**



### Key takeaway

Cultivate a culture where all people feel like they can succeed. To do this ensure your organisation has strong diversity data, but also work towards better understanding your colleagues lived experiences through engagement surveys, listening circles and people networks.



# Going beyond protected characteristics: improving diversity through social mobility

Social mobility can be understood as moving 'upward' or 'downward', whereby people see their circumstances become better or worse off than those of their parents or within their own lifetimes. Socio-economic status heavily influences employment prospects, job quality, health outcomes, education and the other opportunities (including access to relevant networks) that matter to people's well-being.<sup>22</sup>

Businesses want to enable people from all social backgrounds to find jobs and to rise to the top. Many firms have told us that by increasing social mobility they will also be able to broaden the pool of talent they can hire from. This is especially true for law, accountancy, and engineering firms that are increasingly working with schools and universities to make their sectors more accessible for people from lower socio-economic backgrounds. For others, increasing social mobility is one of the ways of giving back to the community they serve and to ensure that their workforce represents the customers it serves.

## **Many businesses are now taking action to drive social mobility for their employees and their communities**

Some businesses we spoke to, including a financial services firm, are trialling CV-free recruitment for entry level positions. Another organisation is trialling the inclusion of equivalent work experience in its job descriptions to open up jobs to people from different social backgrounds that might have no experience in the required sector. In November 2020, the financial and professional services industry announced a new task force on social mobility, the first of its kind in the UK. The Socio-economic diversity taskforce was announced by HM Treasury and BEIS, who have commissioned the City of London Corporation to lead an independent taskforce to boost socio-economic diversity in UK financial and professional services.<sup>23</sup>

Other businesses we spoke to have increased their focus on social mobility by broadening their collaboration with schools and universities. Some businesses have joined the 5% club as a way to improve social mobility within the business. The **5% Club** is a movement of employers working to create a shared prosperity across the UK by campaigning for greater skills training, through 'earn and learn' job opportunities.

22. OECD, June 2018, A broken social elevator? How to promote social mobility

23. The City of London, 2021, Socio-economic diversity taskforce

### What can businesses do to improve social mobility?

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- Start by collecting data on and tracking socio-economic background of employees by asking relevant questions. The Social Mobility Foundation found that the single most defining question that employers should ask is about the occupation of an employee's parents when the employee was 14 years old.
- Provide different entry routes to being employed in their organisation - by offering graduate roles, but also apprenticeships, paid work placements and internships.
- Broaden school and university engagement. Many firms are now reviewing their strategies for engagement and targeting universities that represent students from lower socio-economic backgrounds or more ethnically diverse students.
- Offer more support for CV writing, interview practice, mentoring and networking opportunities for students from lower socio-economic backgrounds.
- Take a range of factors into account instead of overly focusing on one metric that is disproportionately skewed by background. For example, take a person's background into account more broadly when recruiting. Look beyond GCSE grades and work experience. Try to understand a person's motivation, attitude, problem-solving ability, and openness to learning. Trial CV-free recruiting for entry level positions.

## Phoenix Group utilises government's Kickstart scheme to increase diversity and strengthen their succession planning

Phoenix Group is the UK's largest long-term savings and retirement business, with £338bn of assets under administration and around 14 million customers. They are a growing business with the purpose to help people secure a life of possibilities.

The goal of utilising the government's Kickstart scheme was to support young people post-pandemic and to increase the diversity and opportunities at Phoenix Group. The biggest challenge was in understanding how to apply for the funding and determine which entry-level roles would be beneficial for the Kickstarters.

To overcome the challenges in attracting the right talent and navigating the funding, Phoenix Group built relationships with work coaches at the job centres and made sure to contact applicants directly. Phoenix felt that direct contact enabled them to provide encouragement to the candidate, reassure them about the role, the company and the support that could be provided. The final element was to ensure flexible development plans for all Kickstarters to reflect their different qualifications.

The benefit Phoenix Group has seen as a result is increased diversity within the Kickstarters, particularly with disabled individuals, ethnic minorities and those from lower socio-economic backgrounds. Phoenix used blind CVs and aimed to find a role for everyone they received an application from, which sometimes meant directing them to other roles once a role had been filled. All Kickstarters that have completed their six months to date have been offered and accepted roles. The Kickstarter scheme has also had an indirect positive impact on permanent colleagues, whose own engagement increased as they too learned from the experience. Having Kickstarters in the organisation provides a stronger, diverse pipeline of talent that will help the business' succession planning.

*"Once the UK government's Kickstart scheme was announced we were quick to begin recruiting through it. We want to support young people post-pandemic and saw the scheme as a way to help us further increase the diversity across the business, encompassing gender, ethnicity, disability and social mobility. Many Kickstarters are already being offered permanent positions across the group which is having a positive impact on succession planning."*

**Vicki Hopkins, Learning and Development Consultant, Phoenix Group**

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### Key takeaway

Engaging with active labour market schemes like the Kickstart scheme are fantastic ways for businesses to identify unpolished potential and to build people up, through experience, work skills and confidence. It also brings benefits to the individuals, to our business and to our society. We suggest that other businesses develop a good working relationship with their local Job Centre Plus to help identify the right candidates and fully embrace the benefit that schemes like Kickstart and Restart can bring to their business.



### Fidelity International uses no-CV recruitment to diversify its apprenticeship intake and provide employability skills to candidates

Fidelity International provides investment solutions and retirement expertise to institutions, individuals and their advisers. They are committed to a diverse and inclusive environment and recognise that a diverse workplace brings benefits for their customers, their business and their people.

In 2021, Fidelity collaborated with Entrepreneurs in Action (EiA), and worked together on a programme to deliver a new positive recruitment experience for their apprenticeship applicants. This was especially important in light of the mental health challenges and low level of self-esteem that many young people have experienced due to lockdown. The goal was to hire candidates through a CV-less process - not seeing any CVs but instead the assessment was based on their attitude, personality and skills demonstrated in group activities over the two phases of recruitment. The first phase was a confidence-building assessment day. The second phase was a three-day mini-internship working on a real business challenge set by Fidelity, which was then presented to senior executives.

This programme was seen as a win-win for Fidelity and the applicants. The success was reflected in delivering a wonderfully diverse cohort as well as the number of hires being five more than originally planned; 17 of the 27 applicants were offered roles. All Fidelity employees that participated in the process agreed that this process made them comfortable with recruiting candidates without looking at their CV. Applicants learned important skills - 96% felt that they improved their ability to work under pressure and 93% felt that they had improved their teamwork skills and working with new people. All participants who made it to the second phase, received an internship certificate as well as an interview and CV support session to help further improve their employment skills.

Applicants also stressed that the CV-less approach revolutionised the recruitment process for young people and emphasised the extent to which this process made them feel valued and confident.



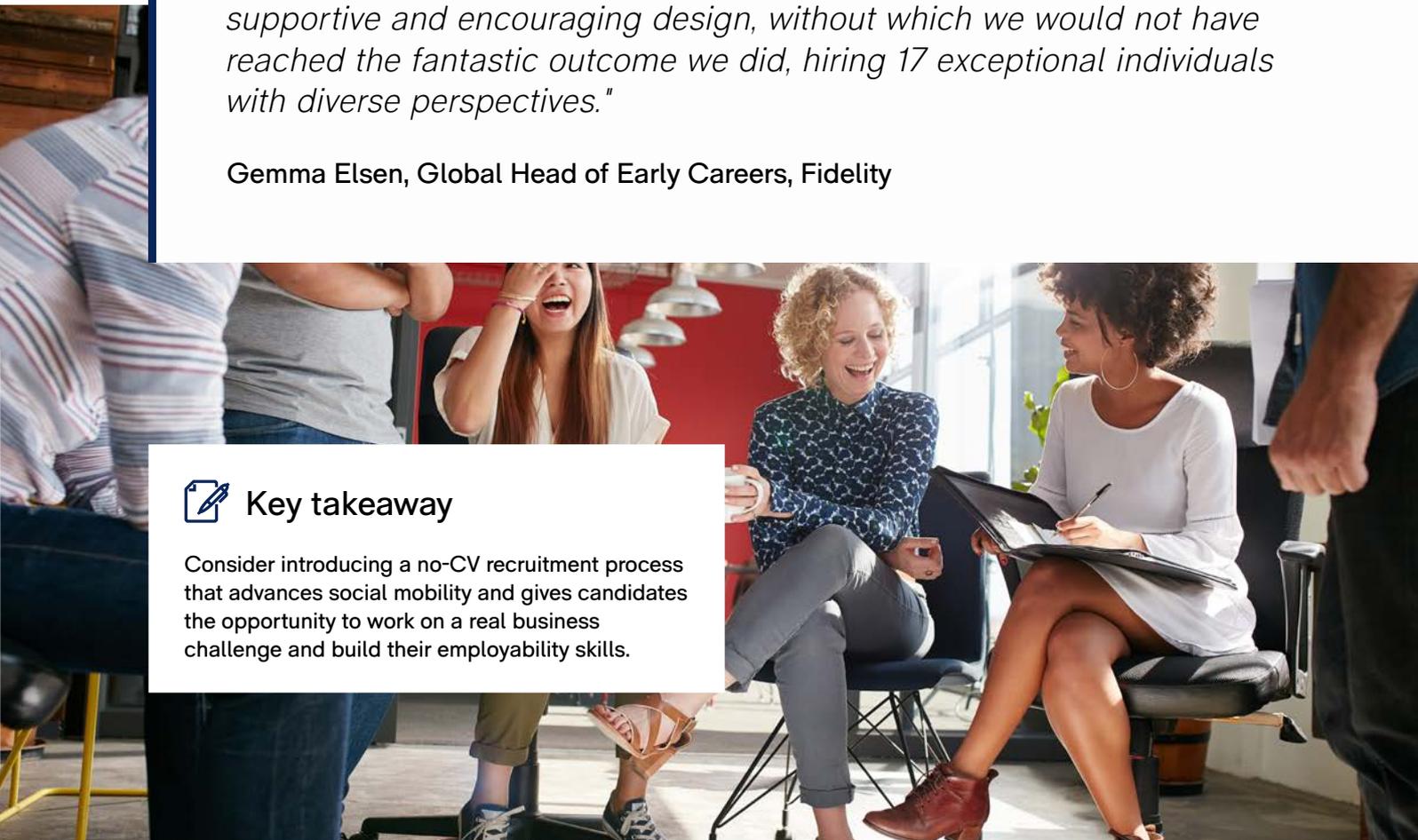
*"The programme brought out the best in the candidates because of its supportive and encouraging design, without which we would not have reached the fantastic outcome we did, hiring 17 exceptional individuals with diverse perspectives."*

**Gemma Elsen, Global Head of Early Careers, Fidelity**



#### Key takeaway

Consider introducing a no-CV recruitment process that advances social mobility and gives candidates the opportunity to work on a real business challenge and build their employability skills.





## **BDO taps into young talent from black and low socio-economic backgrounds to create a diverse pipeline fit for the future**

BDO LLP operates across the UK, employing 6,000 people offering tax, audit and assurance, and a range of advisory services to businesses across all sectors.

BDO's priority is to increase diversity and social mobility in their internship and graduate programmes, an important element of the firm's 'Be Yourself' strategy. BDO's resourcing team planned to improve the diversity of their 2020/21 intake by launching two virtual insight programmes during summer 2021. The first was aimed at university students with black heritage and the second was aimed at candidates from a lower socio-economic background.

Across the week, candidates met professionals from across the business and learned more about what BDO does and the overall priorities of the firm.

### **Programme 1: Black Heritage**

There were 30 spaces available for university students in their first year of a three-year course, or the second year of a four-year course. Participating candidates had the opportunity to fast track themselves to BDO's summer internship programme, where most students then go onto the graduate programme once they finish university.

### **Programme 2: Explore BDO**

There were 60 spaces available for the week-long programme for students in year 10 to 12 who met the social mobility criteria and were given the opportunity to secure fast track to BDO's 2022 school leaver programme.

### How much did it cost, and what was the impact?

The programmes were successful and the overall cost was just under £17,000 in total. There was a 65% increase on the pass rate for students on the Black Heritage programmes who applied for other BDO programmes. This has allowed BDO to redesign its team and processes to deliver effective skills sessions across the entire year.

BDO increased its pipeline of black heritage and social mobility candidates because of these initiatives, therefore increasing the number of hires in these groups. In addition, BDO incorporated 17 black heritage Brand Ambassadors across universities to help encourage more diversity in their future applications moving forwards.

BDO expects programmes like these to strengthen their early careers pipeline in the long-term and benefit the wider professional services sector. The programmes were primarily a success due to commitment from the team and stakeholders. Reviewing the data both before and after the programmes was critical to truly assess and understand their impact.

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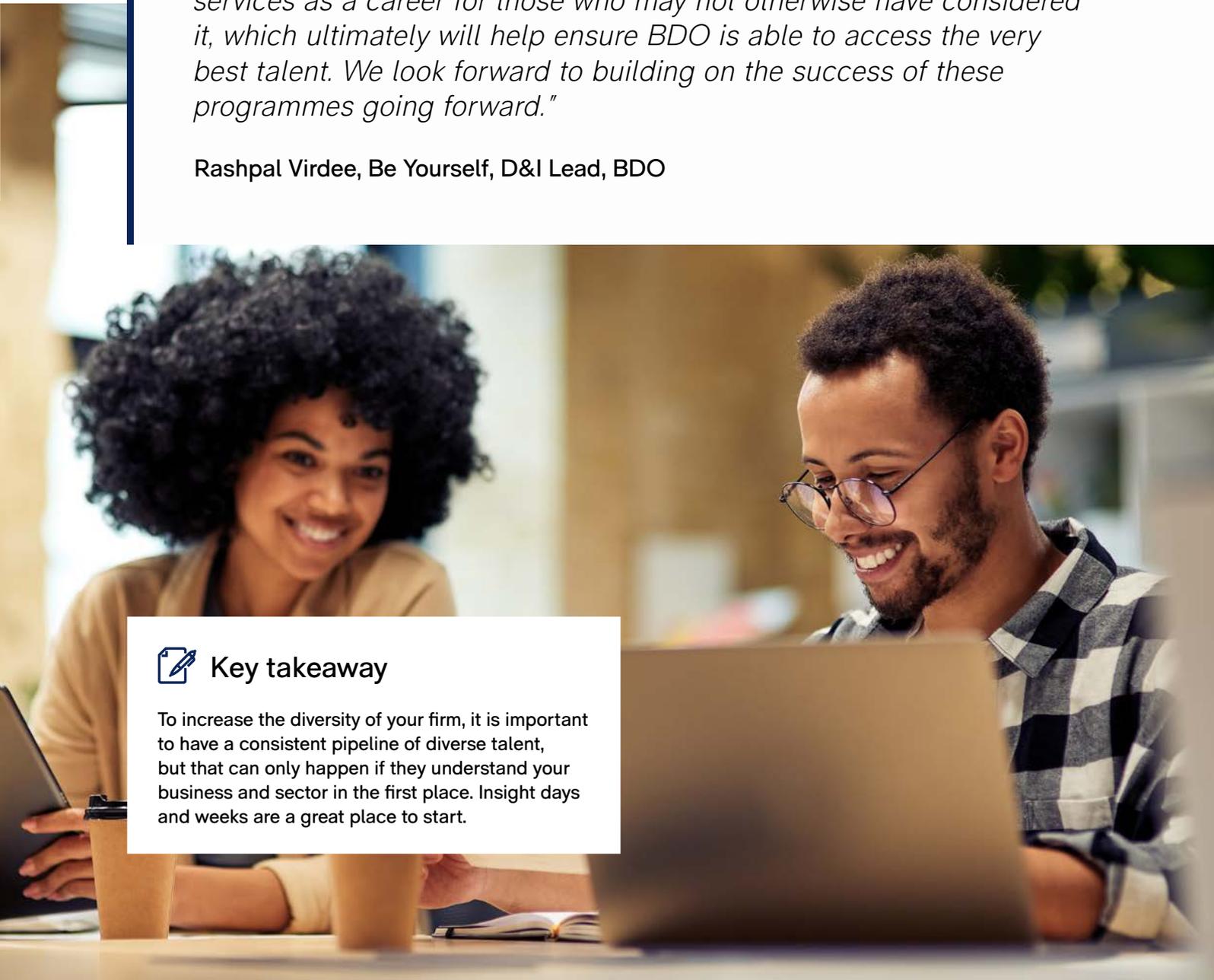
*"We've been delighted by the success of our inaugural insight programmes, they play an important role in opening up professional services as a career for those who may not otherwise have considered it, which ultimately will help ensure BDO is able to access the very best talent. We look forward to building on the success of these programmes going forward."*

Rashpal Virdee, Be Yourself, D&I Lead, BDO



### Key takeaway

To increase the diversity of your firm, it is important to have a consistent pipeline of diverse talent, but that can only happen if they understand your business and sector in the first place. Insight days and weeks are a great place to start.



## The University of Warwick introduces scholars programme to enable students from socio-economically disadvantaged backgrounds to access world leading education

At Warwick, access to a world-leading university should be open to people from all backgrounds. The university has created a programme and a community which addressed the barriers to attainment, progression, and success, which students from the least socially mobile communities experience. The university is enabling Midlands-based students from disadvantaged backgrounds to see Warwick as an attainable university destination where they would be welcomed, supported, and celebrated for the diversity of experience they bring with them.

Therefore, in 2019 the university extended their Warwick Scholars social mobility programme to the local community, inviting sixth form students to become Warwick Scholars before they even apply to Warwick, so that they could benefit from the many opportunities the university offers its students. In addition, membership of the programme provides the safety net of a guaranteed offer of a place at Warwick with entry grades set two to four grades below the standard offer. This is combined with a 50% tuition fee discount and a generous bursary to address the financial barriers which can prevent students from working-class backgrounds even considering a university education. Additionally, Warwick Scholars benefit from focussed support during their post-16 studies including one-to-one tutoring, mentoring from current undergraduates and individualised UCAS support. This replicates input which their peers from more advantaged backgrounds access through their school and family connections. The university has made a financial commitment of over £10m to fund the Warwick Scholars programme.

First year undergraduates who joined Warwick Scholars are encouraged to grow and thrive through the transformative 'Wheel of Opportunity', a suite of activities and experiences, underpinned by collaboration and student agency, which address aspects of the student experience which historically students from lower socio-economic backgrounds are less inclined to engage with. For example, they have participated in a global leadership experience in Malaysia and team-based internships with organisations across the globe; accessed professional mentoring and skills development through the collaboration with upReach; and have opportunities to 'give back' through outreach programmes, all of which enhance their educational experience and contribute towards successful progression into their chosen careers or postgraduate study.

From small beginnings in 2013, with a bursary for nine students from lower socio-economic backgrounds embarking on their undergraduate studies, Warwick Scholars has grown into a comprehensive programme designed to level the playing field and aid social mobility. By 2020, the Warwick Scholars community was made up of 300+ students and will continue to grow to beyond 1,000 in the next few years. Intersectionality is key; the students meet multiple disadvantaged markers and 75% of students are ethnic minorities.

*"Warwick Scholars has and will continue to inspire some of the brightest minds. Our commitment is to remove educational, social and economic barriers to a Warwick education, level the playing field by providing opportunities to students to reach their full potential."*

Paul Blagburn, Head of Widening Participation, University of Warwick

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### Key takeaway

Introduce a programme that supports social mobility and addresses the barriers to attainment, progression, and success which students from the least socially mobile communities experience.



### CPI invests in work experience for disadvantaged students as part of its social mobility programme

The Centre for Process Innovation (CPI) is a leading independent technology innovation centre, connecting academia, businesses and funders to bring ideas and research into the global marketplace. The North East of England, where CPI is headquartered, has relatively poor levels of educational attainment compared to other areas of the UK. This mainly impacts the future career prospects of young people, restricting access to further and higher education and therefore limiting opportunities. As a result, CPI started an initiative called the Chris Dowle Meaningful Encounters (CDME) programme to inspire and support young people from disadvantaged backgrounds and provide opportunities to help them realise their true potential.

The CDME programme launched in 2019, in collaboration with the Middlesbrough Football Club Foundation, to target 15 secondary school pupils. The initiative took students through 12 sessions where they worked towards completing an Award Scheme Development and Accreditation Network qualification. They developed valuable work-ready skills such as teamwork and communication by participating in engaging tasks, where working together was key to solving problems, as well as learning about a range of careers and work environments first-hand through CPI staff. The programme increased the student awareness of the reality of the world of work and encouraged them to think about their future career plans, with a long-term view to improve social mobility in the region.



It has since been running annually with a minimum of 15 students and is now an embedded part of the business. The programme is cost neutral, incorporating a fundraising social action project into CPI's Professional Skills Development programme. Early careers employees are responsible for designing and executing fundraising activities that cover the cost of the programme. This gives the organisation a closer connection to the programme, with many volunteers willing to speak to and engage with the students.

Due to the programme, students have started to consider careers in industries they would have otherwise not known were possible, such as STEM.

*"Working with CPI on the meaningful encounters programme has had a massive impact on a group of Y10 students at Outwood Bydales. Despite Covid restrictions, the company managed to give access to a range of guest speakers using video call technology. Seeing and hearing from young people, not much older than themselves, involved in highly skilled well paid career pathways has broadened their vision of what is available to them post-16.*

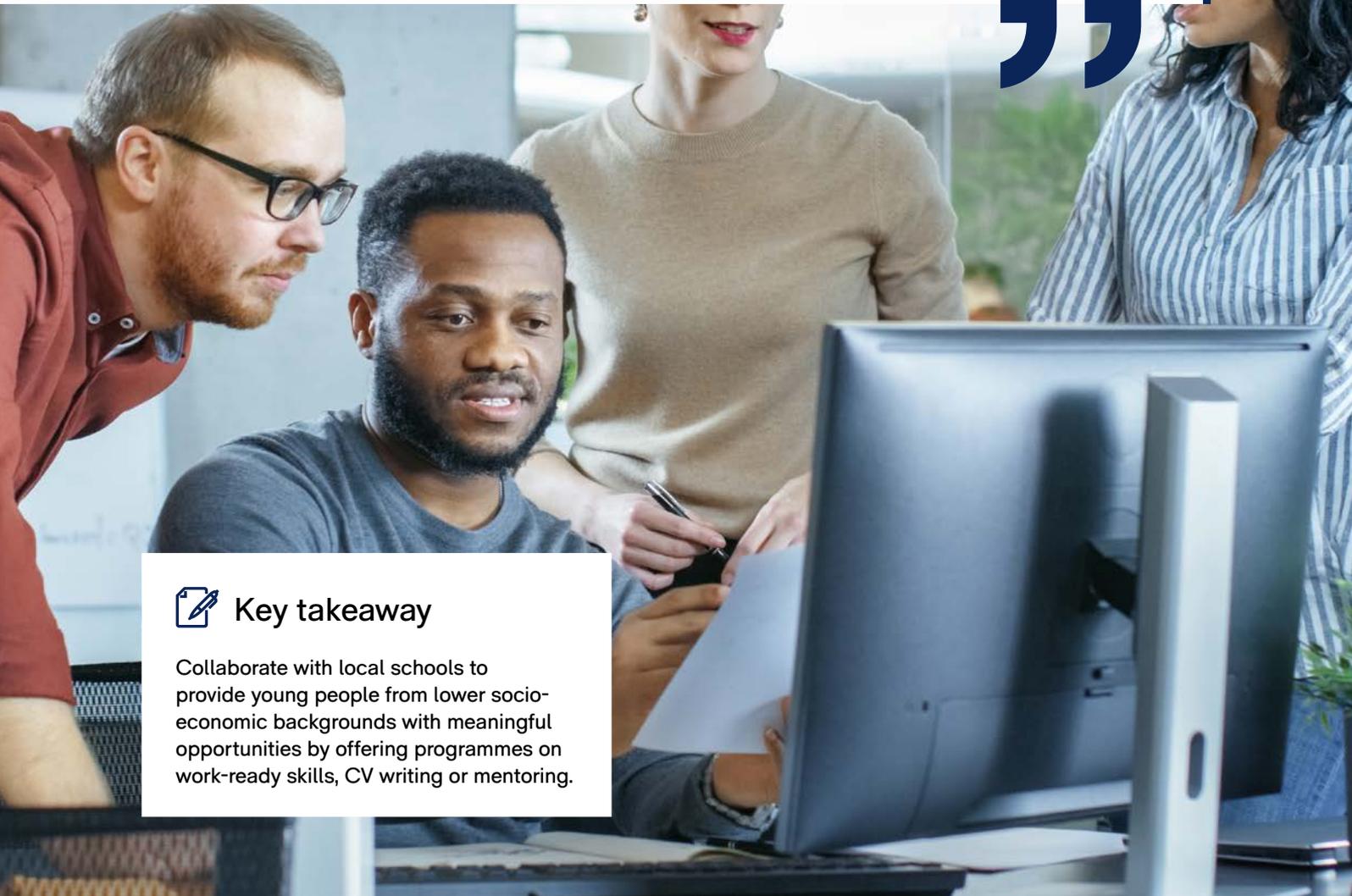
*Overall, the sessions delivered by CPI were well planned, engaging, and meaningful. They allowed the students to develop and practice their enterprise skills and were well received by all."*

**Neil Dooley, Employability Tutor, MFC Foundation**



### Key takeaway

Collaborate with local schools to provide young people from lower socio-economic backgrounds with meaningful opportunities by offering programmes on work-ready skills, CV writing or mentoring.



### PwC places data at the heart of its social mobility agenda

PwC operates in 155 countries with over 284,000 people employed globally, 22,000 of those in the UK.

In 2018, PwC had socio-economic background data for less than 25% of their employees, so were unable to analyse a full dataset and complete a robust analysis of the impact of an individual's socio-economic background on their career at PwC. Specifically, PwC wanted to understand how someone's background impacted access to opportunities at the recruitment stage and, once employed, the impact on performance, progression, pay and turnover throughout the employee lifecycle.

Their goal was to have at least 70% of their employees disclosing their socio-economic background data. Having this information became the foundation of a data-driven approach to deliver on their diversity and inclusion strategy.

Data plays a crucial role in how we see, analyse and tackle problems. For PwC's work on diversity and inclusion, data has played a powerful role in:

1. Identifying key trends and issues among their workforce and diagnosing them
2. Testing hypotheses and identifying appropriate actions
3. Measuring the impact those actions have had in solving the problem.

PwC launched an internal campaign to gather the socio-economic background data – based on parental occupation. Essential elements of the campaign were:

1. **Leadership and advocacy** that reinforce the value of data
2. **Building trust** that helps individuals feel comfortable sharing personal information
3. **Being transparent** by explaining how the data will be used
4. **Having consistency** by sustaining focus on requesting data throughout the year
5. **Maintaining confidentiality** by securely storing data
6. **Making it meaningful** by providing examples of how data is used in analysing and communicating pay gaps, monitoring applications and hires, and career progression
7. **Modifying language** such as inviting individuals to 'share' instead of 'disclose' their data
8. **Appealing to all** by always having a 'prefer not to share' option.

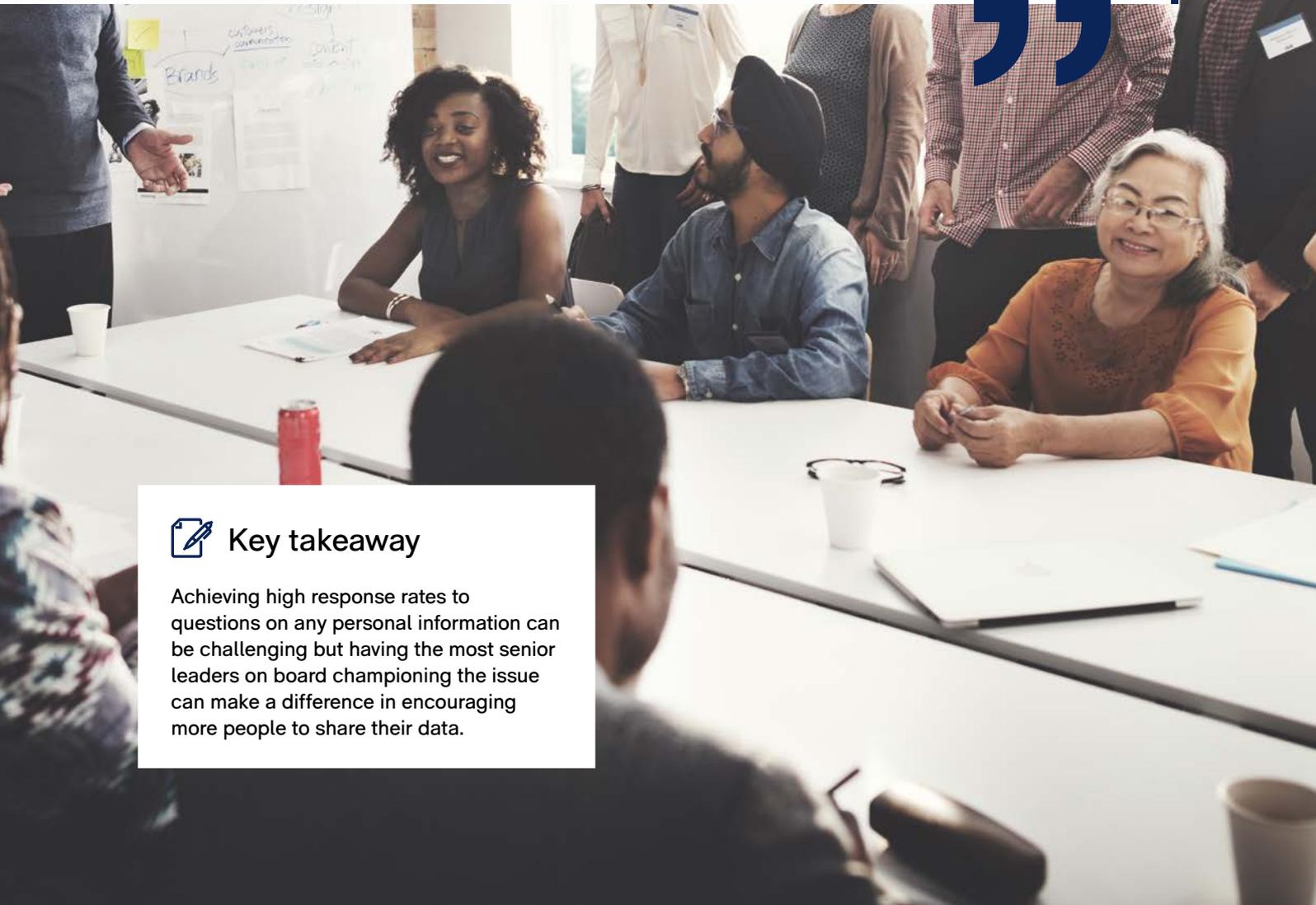


The impact of the campaign has been a huge success. Since the launch, 80% of PwC staff have now shared their socio-economic background, rising to 85% at partner level. As a result, PwC has been able to publish data on the socio-economic background of their people, by grade, in their annual report. They have also published the proportion of new hires and partners from lower socio-economic backgrounds and their socio-economic background pay gap.

PwC is working with University College London to review the impact of socio-economic background on the careers of their people. They plan to include socio-economic background in their diversity dashboard reports produced for leadership teams to provoke any behavioural or operational changes required and they're planning a detailed predictive analytics exercise to set demographic targets - similar to those they have been setting since 2015 for both gender and ethnicity.

*"We've learnt a lot over the past few years about the importance of encouraging employees to voluntarily share their data, which provides us with an invaluable tool in identifying and tackling areas where improvement is needed. Our action plans on gender, ethnic and socio-economic background diversity and representation are all based on data, which helps us to track the impact of our actions. Our gender and ethnicity pay gaps are moving in the right direction, and we hope to see the same for socio-economic background in the years to come."*

Laura Hinton, Chief People Officer, PwC UK



### Key takeaway

Achieving high response rates to questions on any personal information can be challenging but having the most senior leaders on board championing the issue can make a difference in encouraging more people to share their data.

## Useful resources to help you advance D&I

Businesses are taking action to advance diversity and inclusion at all levels of their company. But there is no one size fits all approach and firms remain on different stages of their journey towards greater diversity & inclusion. Join those who have successfully narrowed their gender and ethnicity pay gaps.

### 1. Discover CBI resources:

- Eager to invest in mental health and wellbeing in your workplace? Our **Keep mental health front of mind** practical guide covers the key steps you can take to effectively support your people.
- Looking to achieve buy-in from your wider organisation so that your firm can take action? Our **Time for Action** report sets out the business case for diversity and inclusion and stresses the importance of leadership, targets and challenging the everyday to make workforces more diverse.
- Looking to close your gender pay gap? Our **Mind the gap guide**, will help your business learn from the experiences of others and understand how to close its pay gap.
- Looking to close your ethnicity pay gap? Our **Bridge the gap guide**, will help you to understand how to increase disclosure rates, speak about race at work and build a pipeline of ethnic minority talent.
- Visit **My CBI: Ideas Forum**, our dedicated forum on all diversity and inclusion thought leadership, written by and for members.

To share your views on this topic or ask us a question, contact:



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