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Inclusion at work 2022

Findings from the inclusion and diversity survey 2022

The CIPD has been championing better work and working lives for over 100 years. It helps organisations thrive by focusing on their people, supporting our economies and societies. It's the professional body for HR, L&D, OD and all people professionals – experts in people, work and change. With almost 160,000 members globally – and a growing community using its research, insights and learning – it gives trusted advice and offers independent thought leadership. It's a leading voice in the call for good work that creates value for everyone.

Report

Inclusion at work 2022: Findings from the inclusion and diversity survey 2022

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In recent years we have seen a heightened awareness of the inequality of opportunity that exists across society, related to people's background, identity and circumstances. Significant events across the world have drawn attention to the unacceptable behaviours and ingrained inequalities in society that need to be addressed with urgency.

In addition to societal calls for action, government reviews and reporting requirements have helped highlight the need for action to tackle inequalities in UK workplaces. A genuine commitment by employers to create fair and inclusive workplaces is essential to tackle the disadvantage experienced by many at work, based on their background, identity or circumstances. We are seeing change happen, but not at the pace required.

For some, the situation is improving, but not for all. For example, attention tends to be focused mainly on gender and race, where systemic change is certainly still needed, but there's less focus on other personal characteristics such as social mobility, religion and belief, neurodiversity and the inclusion of transgender and non-binary people. And even where there is more focus, not everyone with a particular characteristic is benefitting from progress in that area. For example, progress on female representation has mainly benefitted white women. People have multiple identities that are interlinked in a complex way, which is why looking at intersectionality is so important.

Addressing inequalities at work isn't something that can be done just by the people function. The whole business needs to own and engage with a commitment to equality, diversity and inclusion, making them part and parcel of all aspects of the business, not just a focus when time and resources allow. Our findings demonstrate there is a long way to go to make this ambition a reality, which starts with seeing the need for action. However, it's encouraging that our survey findings suggest that employers taking action are motivated to do so by moral and social justice reasons, as well as recognising the business benefits.

Labour market figures show there is strong competition for talent and many organisations are facing skills shortages, meaning employers need to pay attention to staff retention as well as recruitment. Structural, cultural and social barriers to getting into work, to being treated fairly, and to progress need to be addressed if we are to enable people to utilise their skills and capabilities, encouraging them to stay with an organisation. Low unemployment but record job vacancies also mean employers will benefit from looking at untapped and underutilised talent pools. However, a diverse workforce won't be attracted to, or stick with, an organisation where they don't feel valued, included and respected, and if they don't feel they have equality of opportunity.

The survey findings
This survey report provides an overview of what UK employers are currently doing to improve inclusion and diversity in their workplaces and the practices they have found to be effective. It also highlights where more action is needed. We propose seven

recommendations for practice to help people professionals improve or re-energise their approach to creating an inclusive and diverse workplace with equality of opportunity (page 12).

Overall, although there are pockets of good practice, the proportion of organisations implementing inclusive people management practices and focusing on removing inequalities faced by people with certain personal characteristics is low.

Looking ahead

It's worrying that notably fewer organisations say they plan to focus on each personal characteristic, or area of I&D, over the next five years (compared with the past five years). Furthermore, 36% of employers said they're not planning to focus on any of these areas over the next five years (compared with just 5% not having had a focus in the past five years). It's important that organisations don't lose focus on I&D and allow operational demands to take over, or assume the job is done.

We hope that the findings, and the points for employer practice to support inclusive workplaces, may help to inspire change and maintain momentum for I&D in your organisation.

Dr Jill Miller (PhD)
Senior Policy Adviser, CIPD

Foreword from the CIPD

2 Foreword from <u>Reed</u>

You may have heard the quote "Culture eats strategy for breakfast" from influential management thinker Peter Drucker. Just so this quote isn't misconstrued, what he is saying is not that a business's strategy is unimportant, but that an empowering and open culture is a much more certain route to organisational success.

Why have I highlighted this quote? I was surprised to see some of the results our research revealed, yet encouraged by certain elements at the same time. As you will see when reading through this report, we all still have a long way to go to achieve a truly inclusive culture within organisations and society as a whole.

The importance of inclusion and diversity
One of the most alarming results from the research was that just 30% of employers say leaders in their organisation are completely committed to having a diverse workforce. And similarly, just 36% said that senior leaders are completely committed to having an inclusive workplace.

The importance of inclusion and diversity in the workforce can be underestimated, but research into the field continually reveals that a high level of adoption is associated not only with greater productivity and performance, but innovation, talent attraction, employee retention and overall workforce wellbeing.

Communication is key
Leaders are busy people (aren't we all) and even if inclusion and diversity are a top priority for their organisation, they may not be communicating their commitment to it effectively. This, therefore, results in employees feeling that I&D aren't at the heart of the business and, as our research highlights, under half of employers agree that senior leaders in their organisation actively promote it.

Effective communication by leaders is vital to ensure all employees feel they are empowered and that they belong – if I&D are important to you, you need to make sure you're communicating that message to your workforce through everything you do and it's high on your company's strategic priorities. Also, your means of communication itself needs to be inclusive.

Widen your talent pool
Our research also highlighted that 21% of employers feel senior leaders just pay lip service to inclusion and diversity in their organisation. This showcases the need for organisations to embed I&D everywhere, in their strategy and communication, and in everything they do, from their employer brand and employee value proposition to recruitment processes.

On a positive note, it's encouraging to see nearly three-quarters (72%) of employers have at least one practice in place to make their recruitment approach more diverse and inclusive. Inclusivity, and diversifying your workforce, are the best ways to organically expand your talent pool and retain talented people. Simple things such as changing the language used in your job adverts, reassessing the qualifications needed for a role, and having a diverse interview panel can have a positive impact.

Keep up momentum

I would like to reiterate CIPD Senior Policy Advisor Dr Jill Miller's concern for the future, with survey results showing fewer organisations say they plan to focus on each personal characteristic, or area of I&D, over the next five years, in comparison to the last five. As an HR professional myself (formerly chief HR officer for the Reed Group), I am more than aware of the vogues human resources teams go through, concentrating on topics that are considered 'on-trend' at the time. At the time of writing this foreword, the environment is firmly at the helm. But while the environment is very important, it's vital as far as inclusion and diversity are concerned that we keep up the momentum to ensure we aren't undoing all of the good work that has been done; rather building on it.

I&D should be the responsibility of everyone in an organisation, not just the HR/people team. So, to complement the work of HR and I&D specialists, and help keep the momentum going, organisations should consider selecting a diversity and inclusion champion, or group of champions, who can keep the topic high on the agenda – we all know that your employees are far more engaged by their peers.

In what is currently a very competitive labour market, showcasing your organisation's inclusive and diverse culture, and dedication and commitment to the cause is vital. Companies are crying out for talented people to fill their open vacancies and having a culture that is diverse and inclusive will set you in good stead to attract the best professionals above your competitors.

Ian Nicholas, Chartered MCIPD,
Global Managing Director, Reed

3 Introduction

Welcome to the CIPD's first *Inclusion at work 2022* survey report, in partnership with Reed. We examine in detail the I&D practices adopted by UK organisations.

This report provides benchmarking data and information about what UK employers are doing in this area, both in terms of current approach and future plans. From the findings, we draw out suggestions for practice to help employers take stock, expand on, and improve their current approach.

Terms used

We refer to inclusion and diversity in this survey, and we provided the definitions below to survey respondents to help ensure consistency in definition for the purposes of this survey. Our intent is that these terms incorporate the idea of equality in its widest possible meaning, including as under the Equality Act 2010.

- **A diverse organisation:** The workforce is made up of people with different backgrounds, circumstances, identities and experiences. Its people are representative of the organisation's community.

- **An inclusive organisation:** Difference is valued, and people feel they belong without having to change who they are at work. Anyone, regardless of their identity, background, or circumstance, has equality of access, treatment and outcomes at work, including equal opportunity to develop, progress and be rewarded. People are treated fairly, with dignity and respect.

However, we recognise that organisations may use different or additional terms (for example respect, belonging, equality, equity, fairness, dignity, justice). In the survey, we asked what terms organisations use and the findings can be seen in .

We included survey questions that asked employers which areas of I&D their organisation is focusing on. When discussing this part of the research, the term 'personal characteristics' is used – the term is broader than the nine protected characteristics and so encompasses the areas of I&D we asked about in the survey.

What the survey covers
- areas of current and future focus
- practices used and views on their effectiveness
- budget
- the role of leaders and managers
- workforce data

Who completed the survey
The survey was conducted by YouGov Plc and took place online between 13 May and 15 June 2022. We had responses from 2,009 senior decision-makers in UK organisations. In terms of sector, we had 1,475 responses from employers in the private sector, 366 responses from employers in the public sector, and 168 responses from employers in the third/voluntary sector.

In this survey report, we examine the approaches taken in each of the sectors, while also examining what small and medium enterprises (SMEs) are doing compared with large organisations.

Table 1 examines the make-up of each sector by organisation size. For example, it is worth noting that 911 of the 1,475 private sector businesses surveyed were SMEs, so the private sector figures reflect a combination of SME and large organisation practice, which can be very different contexts. In this vein, in the main body of the report, we try to draw attention to the notable differences in approach, to enable readers to get a more comprehensive understanding of what other organisations in a similar context to them are doing to improve I&D.

Table 1: Sample profile

	Micro (2–9)	Small (10–49)	Medium (50–249)	Net: SME	Large (250+)	Total
Private sector	365	294	252	911	564	1,475
Public sector	5	40	57	102	264	366
Third/voluntary sector	47	51	31	129	39	168
Total	417	385	340	1,142	867	2,009

The data analysis
YouGov Plc conducted the data analysis. To ensure a representative sample, quotas were set during fieldwork. Results have been weighted and are representative of UK employers by size, sector, and region. Net figures may not precisely total the sum of individual categories due to rounding.

Not everyone answered every question. We report the number of respondents who answered a question as the base number under the corresponding tables or figures.

4 Summary of key findings

Here we present some of the key findings from each section of this survey report.

Strategy and approach to inclusion and diversity
- Inclusion, respect, diversity, equality and fairness are the top five terms respondents' organisations use to refer to this topic.

- Under half (48%) of employers surveyed have either a stand-alone I&D strategy or action plan in support of their wider organisation's strategy, or have I&D integrated into their wider people strategy.

- Around three-quarters (76%) of employers who have an I&D strategy or action plan evaluate its effectiveness in some way; however, 18% do not.

- The most common methods of evaluation are with internal stakeholders (through staff surveys and gathering qualitative feedback from staff networks).

- The public and third/voluntary sectors are most likely to say their approach to I&D is proactive.

Current areas of focus
- The most common areas of I&D that employers focus on are mental health (29%), race/ethnicity (23%) and gender (21%).

- Two key motivations for organisations' choice of focus are to do with improving people's working lives and the benefits that focus will bring to the organisation.

- 'Data showing there are inequalities in this area within the organisation' did not appear on employers' top five list of reasons for focusing on the inclusion and diversity of any of the personal characteristics.

- Just 5% said their organisation has not focused on any I&D areas in the past five years.

Future areas of focus
- The most common areas for future focus are mental health (21%), race/ethnicity (15%) and gender (14%).

- Just over a third (36%) of employers said their organisation is not planning to focus on any I&D areas in the next five years.

- Comparing current and future areas of focus, the ranking of the areas of focus remains largely the same, but the percentage of employers saying they will be focusing on each area in the future is notably smaller.

Inclusion and diversity practices
- The top three most common practices used to make their recruitment approach more inclusive and diverse are: reviewing job descriptions to accurately reflect the requirements of the job; making reasonable adjustments where possible throughout the recruitment process; and using structured interviews (for example, standardised questions).

- Giving underrepresented groups guidance on the recruitment process was the least used recruitment-related practice (used by just 6% of employers), but it was rated highly in terms of effectiveness.

- The top three most common practices used to ensure people management approaches are fair and inclusive are: managers are trained in how to address conflict in their teams and deal with any concerns or complaints; training managers in fair and inclusive people management; and training or awareness sessions for all employees on I&D topics.

- All practices relating to management capability were rated highly in terms of effectiveness.

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- Around half of employers say they have flexible working policies (52%) and a similar number have anti-discrimination, bullying and harassment policies (49%) and hybrid working policies (for example, ability to work from home/remotely and in physical workspace) (48%).

Inclusion and diversity budget

- Just 7% of organisations have a specific I&D budget.

- 20% of employers said activities are funded via the wider training/learning and development budget.

- The majority of organisations (62%) have no specific budget for I&D activities.

- Around half of employers (51%) said the budget was about the same as last year, 25% said it had increased, and just 5% said the budget had decreased compared with last year.

Leadership

- Just over three-quarters (78%) of leaders understand how an inclusive workplace and diverse workforce can benefit the organisation.

- Just over two in ten employers (21%) said leaders are not very committed, or not at all committed, to having a diverse workforce, and 17% are not committed to having an inclusive workplace.

- 21% of employers agreed that senior leaders just pay lip service to I&D in their organisation, with 46% saying they don't.

- Around a quarter (23%) of the senior decision makers we surveyed agreed with the statement that senior leaders wrongly believe we already have an inclusive and diverse organisation.

- Around a quarter (23%) agreed that senior leaders feel uncomfortable talking about I&D.

- Tangible action on inclusion and diversity is part of how senior leaders' performance is judged in 29% of organisations.

Managers

- Around half of employers (51%) believe managers, in general, feel confident to improve I&D in their team.

- Three-fifths of employers say managers have the 'softer' people management skills to manage people as individuals with empathy, fairness and compassion.

- However, managers are not given the time and resources to foster an inclusive and diverse team in 28% of organisations.

- In just under half (46%) of organisations, I&D considerations take a back seat to operational imperatives (for example, when managers are urgently hiring).

- I&D objectives are part of a manager's performance objectives in just 30% of organisations.

Inclusion and diversity data

- Just 38% of employers say they collect some kind of equal opportunities monitoring data.

- The most common personal characteristics they collect data about are sex, age, race/ethnicity and disability.

- I&D data is included in an organisation's dashboard and shared with other business functions in a minority of organisations who collect data (28%). A further 12% didn't know.

- In just over a fifth (21%) of organisations who collect equal opportunities monitoring data, I&D data is connected to other organisation and business data (for example, to examine links between inclusive and diverse teams and customer service and productivity).

- Just over three in five (61%) employers said that senior leaders are interested in the I&D data collected in their organisation.

- Around half of employers who collect data (49%) said there is demand for more I&D data.

- In just 37% of organisations who collect data, I&D data is used to change the people management approach.

- Just under a third (31%) say data helps identify where I&D activities should be focused.

Dealing with conflict

- 72% of employers agree or strongly agree that managers deal with any discrimination, bullying or harassment issues promptly, seriously and discreetly.

- The majority (81%) say employees know how to raise a complaint, and to whom.

- We asked those employers who said reports of discrimination had been raised by employees in their organisation in the past three years (since 2019) which protected characteristics they related to. Around a third (31%) said race/ethnicity, 28% said sex and 20% said disability.

How representative and inclusive are UK workplaces?

- 31% said they thought their organisation was above, or well above, average, in terms of how inclusive it is in comparison with competitors and industry peers, and just 14% said below average. A third (33%) said average.

- Organisations believe they are most representative of the UK working population in terms of age and gender, and least representative in terms of disability and also transgender and non-binary people.

- Organisations say they are slightly more representative of the local working-age community than of the UK as a whole in relation to many of the personal characteristics.

5 Recommendations for practice

This first I&D survey, in partnership with Reed, helps to identify where some of the gaps are in both employer strategy and practice. As well as providing useful benchmarking data, the findings provide ideas of I&D practice you may want to consider for your organisation, based on your context and needs.

We strongly believe that an inclusive workplace, where a diverse range of individuals feel valued and have equality of opportunity to get into work and reach their potential, is good for individuals, organisations and society. It's not just the right thing to do; it makes business sense and can help achieve your strategic priorities. But inclusion cannot be an add-on or just focused on during the good times. An organisation's structures, culture, policies and standards of behaviour all need to be designed with inclusion in mind, with everyone in the organisation appreciating they have a role to play in making it a reality.

Based on the survey findings, we have drawn out seven recommendations for practice that we hope will help you as people professionals (and I&D specialists in particular) improve or re-energise your approach. These are:

1 Build an evidence-based long-term plan or strategy with impact measures to track progress.

2 Take a data-driven approach to gain buy-in, investment and maximum impact.

3 Critically assess your people management approach with an I&D lens.

4 Enable managers, including through job design and training on core people management skills, to fulfil their key role in creating inclusive workplaces.

5 Support leaders to champion I&D as role models and hold others accountable.

6 Tailor your I&D approach to your organisation context.

7 Take a long-term view; don't take your foot off the pedal.

Taking each in turn, we discuss the seven recommendations for practice in detail, and suggest what you might want to consider when reviewing or rebooting your I&D approach, to ensure I&D is one of the fundamental principles by which your organisation operates.

1 Build an evidence-based long-term plan or strategy with impact measures to track progress

A significant number of organisations have an ad hoc approach to I&D, responding when a problem or a need arises. Around half (47%) said their organisations don't have a formal strategy or action plan on inclusion and diversity, either stand-alone or as part of the wider people strategy. Furthermore, a quarter say their approach to I&D is entirely or mostly reactive.

A strategy or action plan is a necessity to set direction and foster commitment to I&D from across the organisation. It can also help focus attention on key issues to make lasting change, as opposed to a largely ad hoc and reactive short-term response.

The issues need to be the right ones for your organisation, so it's essential that your strategy or plan is built on evidence. Worryingly, just a quarter of organisations (25%) say they consult I&D data before new inclusion and diversity activity is planned. Furthermore, when we asked senior decision-makers why they chose to focus on certain areas of I&D, the option of 'data showing there are inequalities in this area within the organisation' did not appear on the top five list of reasons for focusing on any area.

Look at whether and how your I&D strategy is aligned to the overall business strategy, as well as to the people strategy. This includes how I&D activity will help achieve your organisation's priorities (see Figure 1).

Data is essential to be able to regularly track the impact of your strategy and know if you're making progress, or if your direction or activity needs reassessing. Over three-quarters (76%) of employers evaluate the effectiveness of their I&D strategy or action plan in some way, but 18% do not. The most common methods of evaluation are with internal stakeholders (through staff surveys and gathering qualitative feedback from staff networks). Just 28% of organisations said they have metrics to measure the impact of their I&D strategy or action plan throughout the recruitment stages. A combination of qualitative and quantitative data is needed to help you track progress and examine the reasons behind successes or a need to re-evaluate and refocus your strategy.

> **Questions to consider**
> - Do you have an I&D strategy or an action plan that has been communicated and is accessible across your organisation?
> - What evidence is your strategy or plan based on?
> - How have you linked/aligned the I&D strategy with the wider business strategy and priorities?
> - How will you track progress and communicate that across the organisation?

2 Take a data-driven approach to gain buy-in, investment and maximum impact

Collecting, utilising and interpreting I&D data is an area for improvement. As we saw in recommendation 1, data is needed to plan and target activity, and a combination of qualitative and quantitative data will help you not only identify issues and trends, but also go some way to explaining them.

However, just 38% of employers collect some kind of equal opportunities monitoring data from employees and/or job applicants. A minority of organisations use this data to see who is applying for jobs, being recruited and progressing, or to identify where action is needed and to plan activity.

People professionals need to think carefully about the types and sources of data that will enable them to get a good picture of what is happening in their organisation. They also need to ensure they have the capabilities needed to collect, analyse and draw insight from workforce data. Around three in ten (29%) of the senior decision-makers who responded said HR is not confident collecting I&D data.

It's important that employers can examine the experience of different employee groups (including related to treatment at work and outcomes) to be able to pinpoint potential I&D issues. For example, how representative is your workforce (both horizontally and vertically in the organisation)? What are the characteristics of those applying for jobs, versus being called for interview, versus joining the organisation? How are different employee groups progressing in relation to each other? Whose performance is being managed or is facing disciplinary action? And, who is leaving the organisation, at what tenure, and at what point in their career?

Questions to consider

- What do you know about the make-up of your workforce?
- How are you measuring the impact of every piece of I&D activity?
- How are you connecting I&D data and insight to wider business priorities and metrics?
- Do you communicate I&D insights across the organisation in a way that helps colleagues from different functions address the challenges they're facing?

3 Critically assess your people management approach with an I&D lens

Only 20% of employers say they critically review their people management policies to ensure they are fair and inclusive. But 87% of those who do this rated it an effective method of creating a more inclusive and diverse workplace. The tone and emphasis of policies sets the scene for the people management style the organisation expects of line managers and sends a signal to employees of whether the organisation values its people.

Articulating a commitment to an inclusive and diverse workplace and what that looks like in practice provides a reference point for everyone in the organisation to use when reviewing policy, practice and behavioural expectations. Just 30% of senior decision-makers told us that a commitment to an inclusive and diverse workplace is articulated in their organisation.

Following on from the first two points related to data, workforce data can be used to helpfully inform a review of your people management policies and practices. Another is staff feedback, including from employee resource groups who are likely to be able to feed in suggestions based on the lived experience of your workforce with different identities, backgrounds and circumstances.

Reviewing your practices at each stage of the employee lifecycle to see the extent to which they are helping your organisation achieve its I&D goals is an important step.

For example, your current hiring approach will continue to give the same level of diversity of candidates unless it's reviewed. However, just 37% of organisations use I&D data to change their people management approach.

Questions to consider

- When did you last review your people management policies with an inclusion lens?
- Are your current people management practices supportive of an inclusive and diverse workforce? How do you know?
- Do you seek out staff feedback, for example via the employee resource groups, when writing new policies?
- How do you keep abreast of new developments in good practice?

4 Enable managers, including through job design and training on core people management skills, to fulfil their key role in creating inclusive workplaces

We know managers are a key influence on the employee experience at work. They enact the people management practices, design jobs, allocate work, and have a significant influence over hiring and promotion decisions. They are employees' main, formal point of contact with the organisation, and their behaviour and management style shape the climate of the team. Recognising their pivotal role in creating an inclusive and diverse workplace is fundamental to progress in this area.

The survey suggests some employers are already taking steps to equip managers with the skills to manage inclusively; however, there is still room for improvement here (Table 12). At the moment, just 23% of employers say they train managers in fair and inclusive people management, yet 87% who do this and were asked about it say it's effective in creating a more inclusive and diverse workplace. In fact, all of the manager-related practices aiming to improve I&D had low uptake but were rated highly in terms of effectiveness.

In terms of what managers are doing to improve I&D, 72% of the senior decision-makers we surveyed about I&D practices in their organisation agreed or strongly agreed that managers deal with any discrimination, bullying or harassment issues promptly, seriously and discreetly. Only 6% disagreed. However, a lower 60% told us that managers have the softer skills to manage people with empathy, fairness, and compassion. And approximately half (51%) said managers are confident to improve I&D in their team, signalling areas for investment.

A significant barrier holding managers back in this area of people management is the design of their roles, which are not structured in a way that supports this aspect of their job. Just over a quarter of survey respondents (28%) said that managers are not given the time and resources needed to demonstrate a tangible commitment to I&D, and only 29% of managers have I&D as part of their performance objectives. Could a lack of effective job design explain the finding that just under half (47%) of employers say that inclusion and diversity considerations take a back seat to operational imperatives, for example, when managers are urgently hiring?

Questions to consider

- How are line manager roles designed to balance operational demands with a focus on good people management, including inclusion and diversity?
- Do line managers understand both the business and employee benefits of having a fair and inclusive workplace, including equality of opportunity?
- To what extent is line manager performance judged on operational deliverables, and to what extent is it judged on people management capability and role-modelling fair, supportive and inclusive behaviours?
- How do you train and support managers on core people management skills to manage their team in a fair, compassionate and inclusive way, giving them the confidence, flexibility and trust to respond to individual needs and circumstances?

5 Support leaders to champion I&D as role models and hold others accountable

Like most employees and managers, leaders will also need training and support on inclusion and diversity to understand what it means for them and their role. The I&D agenda needs to be owned by the whole business, starting with leaders. Just under a quarter of survey respondents said that senior leaders feel uncomfortable talking about inclusion and diversity. And around two-fifths said senior leaders completely understand what equality (41%), diversity (39%) and inclusion (37%) mean.

A vital step is engaging with them on the I&D strategy and the organisation's needs in this area. A concerning 32% of the senior decision-makers who completed the survey from large organisations said they didn't know or couldn't recall what areas of I&D the organisation would be focusing on over the next five years.

Ensuring they have capability and confidence in this area is especially important as employees will look to them as role models. They need to exemplify inclusive behaviour as well as ensure inclusion is a key consideration in strategy and high-level business decisions. They won't have lived experience of all aspects of diversity, yet they need to be internal and external champions of inclusion and diversity, including promoting equality of opportunity.

However, akin to line managers, commitment to I&D is not called out in the performance objectives of many leaders. In just 29% of organisations, tangible action on I&D is part of how senior leaders' performance is judged. Senior leaders also need to ensure everyone, right through the organisation, takes their role in creating an inclusive workplace seriously and hold people accountable for progress in this area.

For some, this education piece will need to start with the basics, as 22% of survey respondents said leaders are not very committed, or not at all committed, to I&D. However, for the vast majority, it appears from our findings that the door is open for people professionals to demonstrate what a focus on creating a fair, inclusive and diverse workplace looks like, the business benefits and how to get there.

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Questions to consider

- How do you engage with senior leaders on the I&D agenda? And to what effect?
- To what extent do leaders understand and embrace the need for an inclusive and diverse workplace? How do you know?
- Is I&D a regular feature in board-level and leadership conversations? If not, why is that?
- What training and development opportunities related to I&D would most benefit the leadership team in your organisation?

6 Tailor your I&D approach to your organisation context

The survey data tells us that SMEs (micro businesses in particular, followed by small businesses of 10–49 people and medium businesses of 50–249 employees) are less likely than larger organisations to have an I&D strategy or action plan, be proactive in their I&D approach, and less likely to be focused on most areas of I&D, as well as most likely to say they're not focusing on any areas in the next five years.

We recognise that each organisation's context, needs and resources will be different. However, we believe the basic principles of inclusive and fair people management apply whatever the type of organisation, sector and whether it employs 10 people or 1,000. The ability of SMEs to attract and retain talent is crucial for their business, especially when they're growing. They need to have a dual focus on (a) reaching out to a broad talent pool and (b) focusing on retaining staff, due to a need for cost management and the competition for talent facing all UK businesses.

Micro (1–9 people) and small businesses (10–49 people) are less likely than medium-sized (50–249 people) and large organisations to use most of the recruitment practices that can help support I&D listed in Table 10, on page 36. Some of the practices that were rated highly in terms of their effectiveness in improving I&D would be simple to implement, being mindful of the SME context. For example, using structured or standardised interview questions was rated highly in terms of effectiveness, as was ensuring that all involved in recruiting follow objective assessment and scoring criteria, explaining expectations about inclusive behaviour when onboarding employees, and reviewing job descriptions to accurately reflect the requirements of the job.

It is often the case that people get promoted into a management role as they are technically good and it is assumed they will manage people well, despite not having training in this respect. However, leader and manager behaviour significantly influences employees' experience of an organisation, and it's often said that people leave a manager, not a job. However, only a minority of micro and small businesses said they train managers to manage people in a fair and inclusive way. And similarly, low numbers said leaders are educated on inclusive leadership.

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> **Questions to consider**
> - Is your current recruitment approach attracting and finding you people with the skills and capabilities you need?
> - Could you benefit from engaging with an HR professional to help develop your recruitment approach, or even your wider people management approach?
> - Do the leaders and managers in your organisation know how to manage people in a fair and inclusive way? What training and support do they have?
> - Are any other local businesses (large or small) looking at improving I&D that you could buddy with or learn from?

7 Take a long-term view; don't take your foot off the pedal

A small percentage (5%) of senior decision-makers said their organisation has not focused on any I&D areas in the last five years, yet a much larger 36% said their organisation is not planning to focus on any I&D areas in the next five years. This is a concerning trend, as unless there is focused attention on I&D, progress will slip. Organisations that fail to keep their foot on the pedal will see employees perceive the organisation as not serious about I&D, and leaders and managers are likely to see it as something to look at when time and resources allow, rather than it being an integral part of how the organisation operates.

Private sector organisations are most likely to say they're not planning on looking at any areas of I&D in the next five years. This is partly because most of the private sector is made up of SMEs (64%) and they are more likely than large organisations to say this. The percentage of organisations saying they're not planning on looking at any areas of I&D in the next five years increases as size of organisation decreases (Table 9). Therefore, it's micro businesses (1–9 people) that are most likely to say they're not planning on looking at any areas of I&D over the next five years (56% vs 14% saying they haven't focused on any areas in the past five years). This compares with 39% of small businesses (up from 3% saying they had no focus during the past five years), 25% of medium-sized businesses (up from 2% saying they had no focus during the past five years), and 16% of large organisations (up from 0% saying they had no focus during the past five years).

We can but speculate the reasons for the large shift in focus of micro and small businesses in particular. Two possible reasons are that they haven't planned that far ahead – as we know that they're less likely to have a formal strategy or plan than larger organisations and less likely to be proactive in their approach to I&D – or they may no longer have the resources to dedicate to I&D with other priorities taking over. Of course, given the many and growing challenges SMEs are facing, it's possible to see why some are placing less emphasis on I&D as they look ahead. However, this may well come at the expense of their ability to recruit and retain the people they need to flourish and grow in a competitive labour market.

However, overall, we need to bear in mind that for all organisation sizes there is a prominent shift in the percentage of employers saying they're not planning on

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looking at any areas of I&D between 2022 and 2027 (compared to the number that focused on it in the previous five years). The question had a separate 'don't know' response option.

Could it be that these organisations are not planning to do anything related to I&D, or that they're not planning on being proactive about it? An optimistic interpretation would be that these organisations will continue existing I&D work but aren't planning on introducing anything new.

Another notable finding when looking to the future is that, although the ranking of I&D areas that organisations say they'll be focusing on remains largely the same (mental health, race/ethnicity, gender) over the next five years, as it was in the past five years, the percentage of employers saying they will be focusing on each area is notably smaller going forward.

Whatever the explanation for the findings, the lack of priority given to I&D is disappointing given that the need for progress across UK workplaces is undeniable. At the CIPD we will continue to encourage employers to be proactive and prioritise the need for focused attention on creating an inclusive, diverse and fair workplace. We will continue to develop resources that will help employers to do this.

Questions to consider

- If the focus on I&D in your organisation is diminishing, can you pinpoint why that is?
- Which of the recommendations for practice are most applicable/useful to you in re-energising your approach?
- To what extent is I&D reflected in the organisation strategy, plans, and values? Or is it seen as an add-on when there is time and resources?
- What are the risks for your organisation of not taking action to create a fair, inclusive and diverse workplace?

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6 Strategy and approach to inclusion and diversity

Key findings

- Respect, inclusion, fairness, equality and diversity are the top five terms respondents' organisations use when referring to this topic.
- Under half (48%) of employers surveyed have either a stand-alone I&D strategy or action plan, in support of their wider organisation strategy, or have I&D integrated into their wider people strategy.
- Around three-quarters (76%) of employers who have an I&D strategy or action plan evaluate its effectiveness in some way; however, 18% do not.
- The most common methods of evaluation are with internal stakeholders (through staff surveys and gathering qualitative feedback from staff networks).
- The public and third/voluntary sectors are most likely to say their approach to I&D is proactive.

Where does I&D sit in terms of workforce priorities?

Survey respondents were asked to tell us their top three workforce priorities from the list in Figure 1. I&D is fairly low down the list, with just 11% of organisations reporting it to be in their top three workforce priorities. Given the importance of I&D in helping address key organisational challenges, such as skills shortages, retention and productivity, this overall figure is disappointing.

However, there are significant sector differences, with just under a third (32%) of third/voluntary sector organisations saying I&D is a workforce priority, making it their second most reported priority area. This is compared with 19% of the public sector and 7% of the private sector. Micro organisations (2–9 people) are least likely to say I&D is a priority, which could contribute to an explanation of the low private sector figure, given micro businesses are more likely to be in the private than public sector. Just 6% of micro businesses said I&D was a priority area for them, compared with 11% of SMEs overall and 15% of large organisations.

Figure 1: Which, if any, of the following are your organisation's workforce priorities? (Please select up to three options) (%)

Priority	All	Private sector	Public sector	Third/voluntary sector
Productivity and financial performance	41	47	19	23
Cost management	28	31	17	15
Organisational culture (eg employee engagement and satisfaction)	23	21	29	38
Health and safety	18	19	17	14
Employees' mental wellbeing	18	15	26	29
Recruitment, mobility, and turnover	18	17	21	18
Upskilling, reskilling, and capabilities (eg learning and development)	15	14	16	22
Leadership (eg measures on fairness, integrity, and trust)	15	13	21	21
Workforce planning and management (eg number of full-time and temporary employees)	14	14	12	16
Succession planning (eg effectiveness and readiness measures)	12	11	17	14
Compliance and ethics (eg sustainability)	11	12	7	12
Innovation	11	12	6	5
Inclusion and diversity	**11**	**7**	**19**	**32**
Absence management (eg impact of COVID-19)	4	4	6	2
Other	3	2	4	2
Don't know	6	6	8	4

Legend: ■ All ■ Private sector ■ Public sector ■ Third/voluntary sector

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

What we don't know from the survey data is the extent to which inclusion and diversity are components of, or at least considerations in, the higher-rated priorities. For example, within the public sector's focus on culture or on recruitment, mobility and turnover, and within the private sector's focus on productivity and culture.

On a positive note, it is encouraging to see employees' mental wellbeing featuring high up, largely due to the focus on it from public and third/voluntary sector organisations.

There are other significant differences in workforce priorities by sector and here we pick out a few highlights. Cost management, and productivity and financial performance are significantly more likely to be reported as priorities in private sector organisations than in public and third/voluntary sector ones, but also innovation. Organisational culture (for example, employee engagement and satisfaction) was reported as the top priority for public and voluntary sector employers. Recruitment, mobility, and turnover is most likely to be a priority area in the public sector.

What terms do you use?

We asked employers which terms they use in their organisation to refer to a workforce being made up of people with different backgrounds, circumstances, identities, experiences and a workforce where difference is valued and people feel they belong without having to change who they are at work (Figure 2).

The top five terms used are: respect, inclusion, fairness, equality, and diversity. Large organisations with 250 or more employees are significantly more likely than SMEs to use the terms respect, inclusion, equality, diversity, equity and justice.

As Figure 2 shows, there is significant variation between the sectors in the terms used. Unsurprisingly, the public sector is most likely to use the term equality, given the public sector equality duty. The private sector is less likely than the public and third/voluntary sectors to use most of the terms, but this is mainly due to the number of SMEs within the private sector sample (911 of 1,475 organisations). The terms diversity, equity and inclusion are significantly more likely to be used in the third/voluntary sector than in the private and public sectors.

Figure 2: Which, if any, of the following terms does your organisation most commonly use? (%)
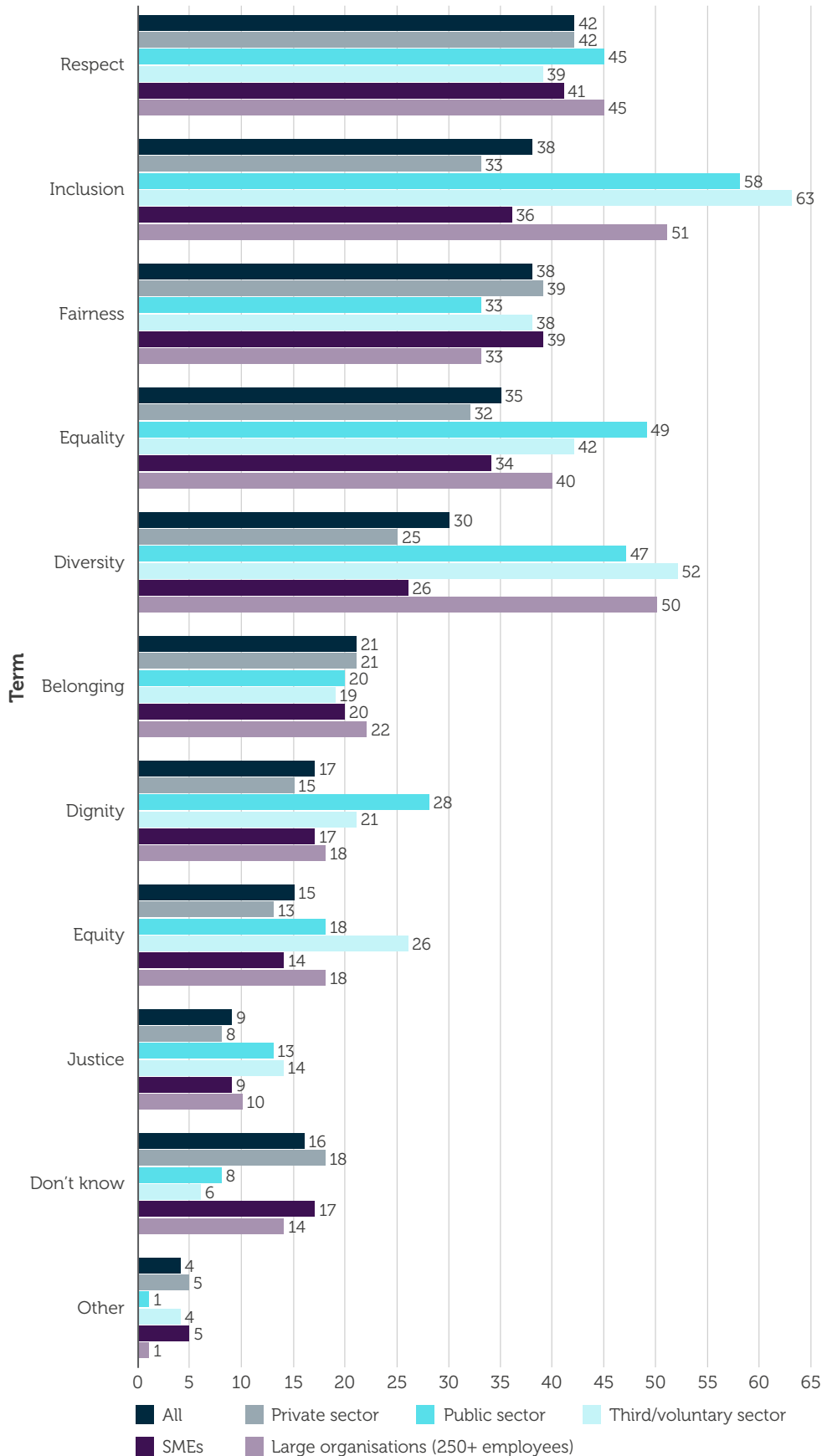
Base: all: n=2,009; private sector: n=1,475; public sector: n=366: third/voluntary sector: n=168;

SMEs: n=1,142; large organisations: n=867.

Strategy and approach to inclusion and diversity

Do you have an I&D strategy or action plan?

Under half (48%) of employers surveyed have either a stand-alone I&D strategy or action plan, in support of their wider organisation strategy, or have I&D integrated into their wider people strategy (Table 2). Such strategy or action plans are significantly more common in the public and voluntary sectors than in the private sector, and in large organisations (those with more than 250 employees).

However, a similar percentage of organisations (47%) said they don't have a formal strategy on inclusion and diversity. Private sector organisations were significantly more likely to say this (53%). It's most likely to be SMEs (fewer than 250 employees) who don't have a formal strategy (53% vs 19% of large organisations). It is worth noting that 911 of the 1,475 private sector businesses surveyed were SMEs.

Table 2: Do you have an I&D strategy or action plan? (%)

	All	Private sector	Public sector	Third/ voluntary sector	SMEs	Large organisations (250+ employees)
We have a stand-alone I&D strategy/action plan in support of our wider organisation strategy	14	12	24	24	12	28
I&D is integrated in our wider HR/people strategy	33	30	48	41	31	45
Neither – we don't have a formal strategy	47	53	20	30	53	19
Don't know	5	5	8	6	5	9

Base: all: n=2,009; private sector: n=1,475; public sector: n=366: third/voluntary sector: n=168; SMEs: n=1,142; large organisations: n=867.

Do you evaluate the effectiveness of your I&D strategy/action plan?

All organisations who said they have an I&D strategy or plan in place were asked whether they evaluate its effectiveness (Table 3). Around three-quarters (76%) evaluate the effectiveness of their I&D strategy or action plan in some way; however, 18% do not. The public and voluntary sectors are more likely than the private sector to do such evaluation (82% and 81% vs 74% respectively). This is due in part to the high numbers of SMEs who say they don't evaluate the effectiveness of their I&D strategy or action plan (22% vs 5% of large organisations).

The most common methods of evaluation are with internal stakeholders (through staff surveys and gathering qualitative feedback from staff networks). Just 28% of organisations said they have metrics to measure the impact of their I&D strategy or action plan throughout the recruitment stages.

Table 3: Which, if any, of the following does your organisation use to evaluate the effectiveness of your I&D strategy/action plan? (%)

	All	Private sector	Public sector	Third/ voluntary sector
Staff surveys	52	49	62	54
Qualitative feedback from staff networks or employee resource groups	41	40	41	49
Metrics to measure the impact throughout the recruitment stages	28	28	24	35
Customer surveys	20	20	18	29
Other	3	2	3	4
Not applicable – my organisation does not evaluate the effectiveness of the strategy	18	20	11	14
Don't know	6	6	7	4

Base: all: n=1,159; private sector: n=760; public sector: n=289: third/voluntary sector: n=110.

Are your organisation's I&D activities proactive or reactive?

By 'reactive', we mean things like fulfilling mandatory reporting requirements and responding when an issue emerges. By 'proactive', we mean things like analysing your workforce data to identify and take action on inequalities or using specific candidate attraction methods to recruit from underrepresented groups.

Figure 3 shows that private sector employers' I&D activities are more likely to be reactive than proactive (27% vs 23%), whereas activities in both the public and third/ voluntary sectors are more likely to be proactive than reactive (31% vs 18%).

Figure 3: Are your organisation's I&D activities proactive or reactive? (by sector) (%)
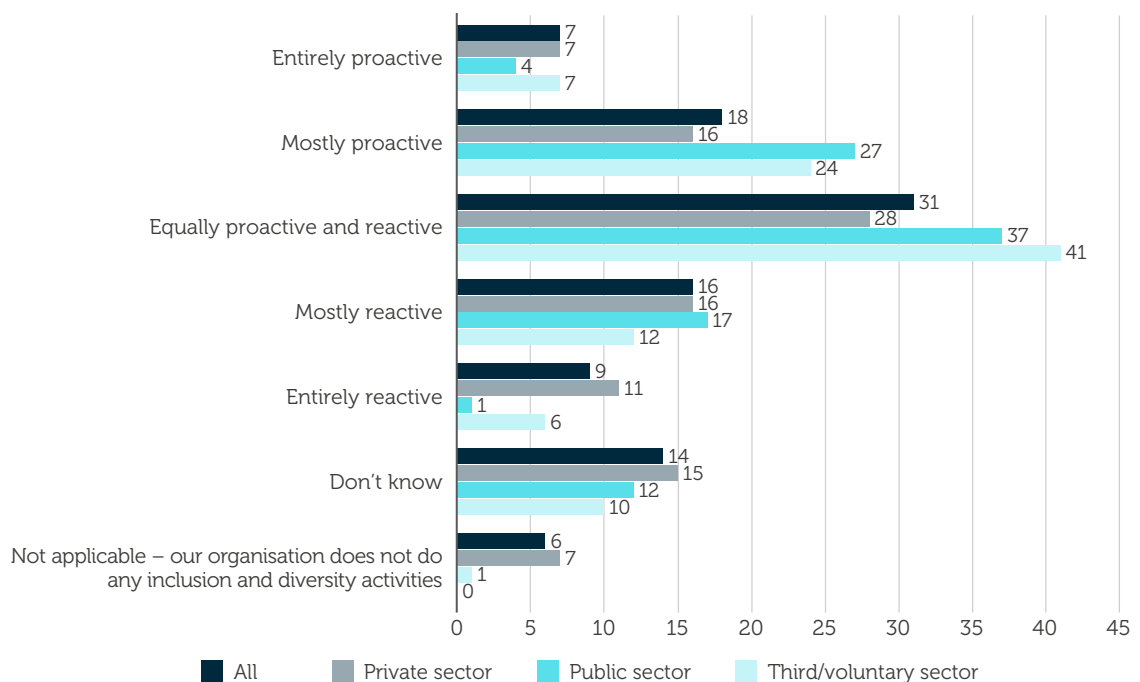
Base: all: n=2,009; private sector: n=1,475; public sector: n=366: third/voluntary sector: n=168.

Figure 4 shows that SMEs are less likely than large organisations to say they are proactive in this area (22% vs 38% of large organisations), which ties in with the greater number of SMEs who said they don't have a formal I&D strategy or action plan. Micro businesses (2–9 people) are least likely to be proactive (14%) and most likely to say they don't know, or that the question is not applicable, as they don't do any I&D activities.

Figure 4: Are your organisation's I&D activities proactive or reactive? (by organisation size) (%)
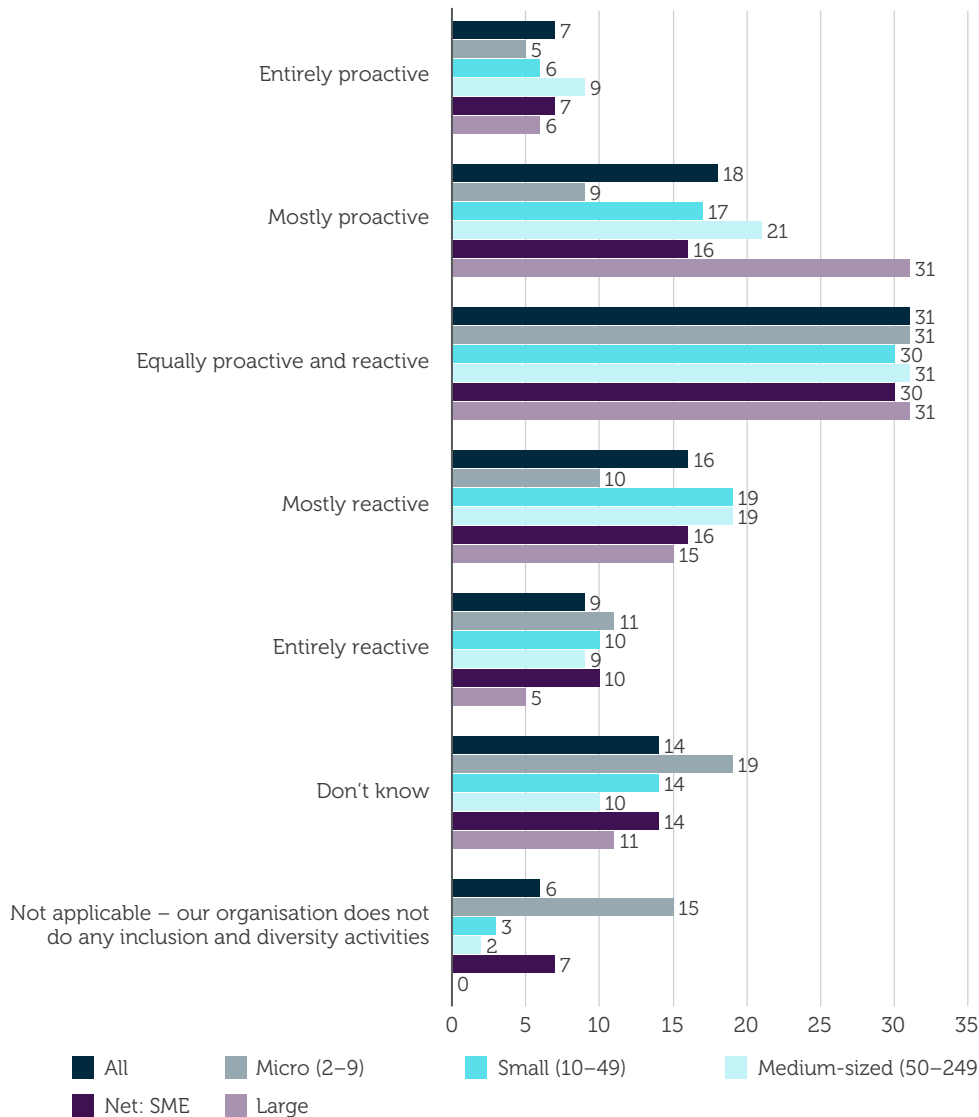
Base: all: n=2,009; micro: n=417; small: n=385; medium-sized: n=340; net: SME: n=1,142; large: n=867.

Strategy and approach to inclusion and diversity

7 Current areas of focus

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Key findings

- The most common areas of I&D employers focus on are mental health (29%), race/ethnicity (23%) and gender (21%).
- Two key motivations for organisations' choice of focus are to do with improving people's working lives and the benefits that focus will bring to the organisation.
- 'Data showing there are inequalities in this area within the organisation' did not appear on employers' top five lists of reasons for focusing on the I&D of any of the personal characteristics.
- Just 5% said their organisation has not focused on any I&D areas in the past five years.

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We asked the senior decision-makers we surveyed to tell us which areas of I&D their organisation has focused on over the past five years (Table 4).

Table 4: Over the past five years, which areas of inclusion and diversity has your organisation focused on? (by sector) (%)

	All	Private sector	Public sector	Third/ voluntary sector
Mental health	29	27	37	42
Race/ethnicity	23	18	38	39
Gender	21	19	26	27
Age	18	18	14	24
Working parents	17	16	19	26
Working carers (ie someone who looks after a family member or friend who needs care and support because of old age, physical illness, disability, mental health problems or addiction. Does not include care of children unless they have a long-term illness or disability)	15	13	20	18
Disability	14	11	23	27
Sexuality	12	11	18	17
Social mobility/socio-economic status	9	8	12	19
Religion/belief	8	6	14	12
Neurodiversity	7	6	11	13
Gender reassignment (ie transgender and non-binary people)	5	4	6	11
Other	5	6	0	7
Don't know/can't recall	33	35	25	19
Not applicable – my organisation has not focused on any inclusion and diversity areas in the past five years	5	7	1	0

Base: all: n=2,009; private sector: n=1,475; public sector: n=366: third/voluntary sector: n=168.

The most common areas of focus overall are mental health (29%), race/ethnicity (23%) and gender (21%). In contrast, just 5% of employers have focused on making their organisation more inclusive and diverse with respect to gender reassignment, and only 7% have focused on neurodiversity. Religion and belief were a focus for 8% of employers, and just 9% looked at supporting employees in terms of social mobility/socio-economic status.

Just 5% said their organisation has not focused on any I&D areas in the past five years.

The public and third/voluntary sector are significantly more likely than the private sector to focus on all personal characteristics apart from age. The third/voluntary sector is more likely than the private and public sectors to focus on age, disability, gender reassignment, mental health, neurodiversity, social mobility/socio-economic status and working parents.

Looking at size of organisation (Table 5), large organisations are significantly more likely to be focusing on all the listed areas of I&D except age, where there is almost equal focus. As expected, micro organisations (2–9 employees) are the most likely of all sizes of organisations to say they haven't focused on any I&D areas in the past five years.

Table 5: Over the past five years, which areas of inclusion and diversity has your organisation focused on? (by organisation size) (%)

	All	Net: SME	Net: Large organisations (250+ employees)
Mental health	29	27	41
Race/ethnicity	23	20	37
Gender	21	18	35
Age	18	18	19
Working parents	17	16	22
Working carers (ie someone who looks after a family member or friend who needs care and support because of old age, physical illness, disability, mental health problems or addiction. Does not include care of children unless they have a long-term illness or disability)	15	14	18
Disability	14	13	20
Sexuality	12	10	25
Social mobility/socio-economic status	9	8	17
Religion/belief	8	7	11
Neurodiversity	7	6	12
Gender reassignment (ie transgender and non-binary people)	5	4	11
Other	5	6	1
Don't know/can't recall	33	34	26
Not applicable – my organisation has not focused on any inclusion and diversity areas in the past five years	5	6	0

Base: all: n=2,009; SMEs: n=1,142; large organisations: n=867.

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What are the reasons for focusing on specific areas of inclusion and diversity?
We asked employers to tell us why they chose particular personal characteristics to focus on over the past five years. In the survey, respondents could select up to five reasons for each personal characteristic they had focused on. We summarise those findings here.

Two key motivations for organisations' focus on the majority of the personal characteristics are to do with improving people's working lives and the benefits such a focus will bring to their organisation. This is encouraging, as it suggests employers have a moral motivation, as well as seeing that a focus on I&D is good for business.

Leadership viewing the area as important to address is in the top five reasons for organisations' focus on age, gender, mental health, neurodiversity, race/ethnicity, religion/belief, social mobility/socio-economic status, and working carers. Interestingly, significantly more SMEs than large organisations said 'leadership viewing the area as important to address' was a reason for the organisation's focus on neurodiversity.

Improving employee relations/reducing conflict at work was reported in the top five motivations for organisations focusing on age, mental health, working carers and working parents.

To appeal to a wider pool of candidates for new vacancies was reported in the top five reasons for organisations focusing on age, disability, sexuality, neurodiversity, race/ethnicity, religion/belief, social mobility/socio-economic status, working carers, working parents. The findings suggest these are the areas employers may see as 'untapped talent'.

Employees calling for action was a key reason for focusing on I&D in relation to sexuality, gender reassignment, mental health and working parents.

Interestingly, the response of 'data showing there are inequalities in this area within the organisation' did not appear on the top five list of reasons for focusing on the inclusion and diversity of any of the personal characteristics. This is disappointing and could reflect a lack of data-driven and evidence-based practice, where data drives the focus of I&D activity and helps identify areas that need addressing.

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8 Future areas of focus

Key findings

- The most common areas for future focus are mental health (21%), race/ethnicity (15%) and gender (14%).
- Just over a third (36%) of employers said their organisation is not planning to focus on any I&D areas in the next five years.
- Comparing current and future areas of focus, the ranking of the areas of focus remains largely the same, but the percentage of employers saying they will be focusing on each area in the future is notably smaller.

We asked employers which personal characteristics their organisation is planning to focus on from an I&D perspective over the next five years (up to 2027) (Table 6).

The most common areas for future focus are mental health (21%), race/ethnicity (15%) and gender (14%). However, just 6% of employers have focused on making their organisation more inclusive and diverse with respect to gender reassignment, and only 7% have focused on neurodiversity.

Table 6: Thinking about the next five years (up to 2027)… which, if any, of the following areas of inclusion and diversity is your organisation planning to focus on? (by sector) (%)

	All	Private sector	Public sector	Third/voluntary sector
Mental health	21	19	24	30
Race/ethnicity	15	12	20	31
Gender	14	13	16	18
Age	13	14	9	15
Working parents	13	13	11	13
Disability	12	10	18	27
Working carers (ie someone who looks after a family member or friend who needs care and support because of old age, physical illness, disability, mental health problems or addiction. Does not include care of children unless they have a long-term illness or disability)	11	10	17	9
Sexuality	9	8	13	14
Social mobility/socio-economic status	9	8	10	18
Neurodiversity	7	6	8	11
Gender reassignment (ie transgender and non-binary people)	6	5	11	10
Religion/belief	5	5	10	6
Other	2	2	0	4
Don't know/can't recall	20	18	33	22
Not applicable – my organisation is not planning to focus on any inclusion and diversity areas in the next five years	36	41	14	16

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

Religion and belief were a focus for 5% of employers, and just 9% looked at supporting employees in terms of social mobility/socio-economic status. Just over a third (36%) of employers said their organisation is not planning to focus on any I&D areas in the next five years.

The public and third/voluntary sectors are significantly more likely than the private sector to say they plan to focus on each area of I&D apart from age, religion/belief, working carers and working parents.

Table 7 looks at differences of focus by size of organisation. Large organisations are significantly more likely than SMEs to focus on all personal characteristics apart from age, on which a similar number of each size focus. And SMEs are more likely than large organisations to say their organisation is not planning to focus on any inclusion and diversity areas in the next five years (40% vs 16%).

Large organisations are also more likely than SMEs to say they don't know/can't recall (32% vs 18%).

Table 7: Thinking about the next five years (up to 2027)... which, if any, of the following areas of inclusion and diversity is your organisation planning to focus on? (by organisation size) (%)

	All	Net: SME	Large organisations (250+ employees)
Mental health	21	19	31
Race/ethnicity	15	13	25
Gender	14	12	23
Age	13	13	14
Working parents	13	12	16
Disability	12	11	17
Working carers (ie someone who looks after a family member or friend who needs care and support because of old age, physical illness, disability, mental health problems or addiction. Does not include care of children unless they have a long-term illness or disability)	11	10	15
Sexuality	9	8	17
Social mobility/socio-economic status	9	8	13
Neurodiversity	7	6	10
Gender reassignment (ie transgender and non-binary people)	6	5	13
Religion/belief	5	5	8
Other	2	2	1
Don't know/can't recall	20	18	32
Not applicable – my organisation is not planning to focus on any inclusion and diversity areas in the next five years	36	40	16

Base: all: n=2,009; SMEs: n=1,142; large organisations: n=867.

For each personal characteristic that senior decision-makers told us their organisation was focusing on, we asked them to tell us why. They were invited to pick up to five reasons from a list. We summarise the findings here.

As with current areas of focus, 'Our organisation will benefit (for example, in terms of reputation, attracting talented people, productivity, revenue)', and 'We believe action in this area will make a positive difference in people's working lives' were highly cited as reasons for their choice of focus, but for the future areas of focus, 'Leadership view this area as important to address' also featured highly.

We compared the reasons SMEs say they focus on different areas of I&D with the reasons large organisations say they do. Overall, there are three reasons reported more commonly by SMEs than by large organisations:

- 'Leadership view this area as important to address' is rated by significantly more SMEs than large organisations as a reason for focusing on sexuality, gender reassignment, mental health, neurodiversity, religion/belief and social mobility/socio-economic status.

- 'We believe action in this area will make a positive difference in people's working lives' is reported by significantly more SMEs than larger organisations as a reason for focusing on age, disability, gender, sexuality, mental health and race/ethnicity.

- 'Our organisation will benefit (for example, in terms of reputation, attracting talented people, productivity, revenue)' is reported by significantly more SMEs than larger organisations as a reason for focusing on age, disability, gender, gender reassignment, religion/belief, working carers and working parents.

It's encouraging to see SMEs are seeing the benefit of focusing on creating an inclusive and diverse workplace for both organisation and individual benefit.

Comparing past and future areas of focus
Just 5% said their organisation has not focused on improving inclusion and diversity in relation to any personal characteristics in the last five years; however, a much larger 36% said this will be the case for their organisation over the next five years. This is a concerning trend.

Table 8 and Table 9 examine if there are any sector or size differences with respect to the responses to this question. The biggest increase in organisations saying they're not planning on looking at any areas of I&D, compared with those saying they haven't looked at any areas in the past five years, is in the private sector.

Table 8: Organisations not focusing on any inclusion and diversity areas, in the past five years versus over the next five years, by sector (%)

	All	Private sector	Public sector	Third/ voluntary sector
Have not focused on any I&D areas in the past five years	5	7	1	0
Not planning to focus on any I&D areas in the next five years	36	41	14	16

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

Table 9: Organisations not focusing on any inclusion and diversity areas, in the past five years versus over the next five years, by organisation size (%)

	All	Micro (2–9)	Small (10–49)	Medium (50–249)	NET: SME	Large (250+)
Have not focused on any I&D areas in the past five years	5	14	3	2	6	0
Not planning to focus on any I&D areas in the next five years	36	56	39	25	40	16

Base: all: n=2,009; micro: n=417; small: n=385; medium-sized: n=340; net: SME: n=1,142: large: n=867.

Table 9 shows that organisations of all sizes are more likely to say they're not looking at any areas of I&D in the next five years compared with the past five years (with the numbers saying so decreasing as size of organisation increases). However, the biggest increase is in the SME population, in particular micro businesses (2–9 people). Note: the majority of SMEs we surveyed are within the private sector.

Two possible reasons for the findings are that SMEs haven't planned that far ahead, as we know that they're less likely to have a formal strategy or plan than larger organisations and are less likely to be proactive in their approach to I&D, or they may no longer have the resources to dedicate to I&D with other priorities having taken over.

Figure 5 compares organisations' focus for the previous five years with the focus for the next five years. Worryingly, although the ranking of the areas of focus remains largely the same over the next five years, the percentage of employers saying they will be focusing on most of the personal characteristics is notably smaller. For example, despite mental health and race/ethnicity remaining the top two areas of focus, 21% of employers say they will focus on mental health in the next five years, compared with 29% focusing on it over the past five years. Similarly, 15% of employers say race/ethnicity will be a focus for their organisation over the next five years, compared with 23% in the past five years.

Figure 5: Comparing organisations' focus for the previous five years with the focus for the next five
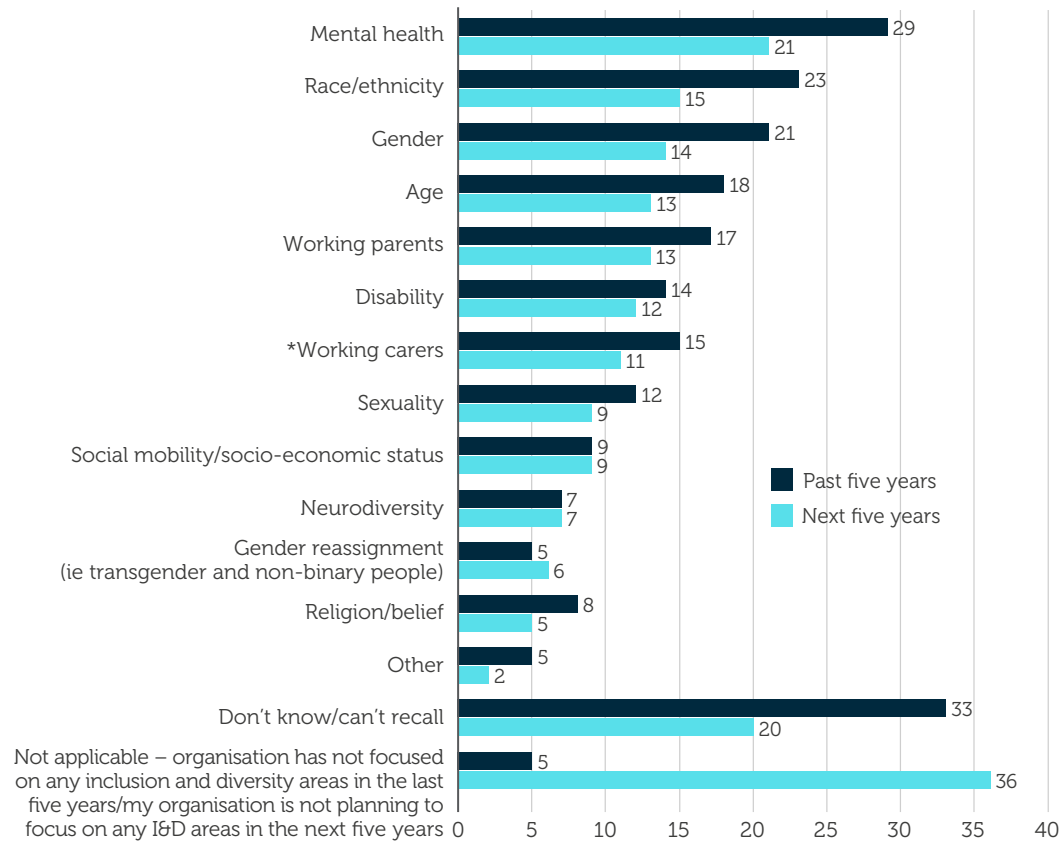
Category	Past five years	Next five years
Mental health	29	21
Race/ethnicity	23	15
Gender	21	14
Age	18	13
Working parents	17	13
Disability	14	12
*Working carers	15	11
Sexuality	12	9
Social mobility/socio-economic status	9	9
Neurodiversity	7	7
Gender reassignment (ie transgender and non-binary people)	5	6
Religion/belief	8	5
Other	5	2
Don't know/can't recall	33	20
Not applicable – organisation has not focused on any inclusion and diversity areas in the last five years/my organisation is not planning to focus on any I&D areas in the next five years	5	36

*ie someone who looks after a family member or friend who needs care and support because of old age, physical illness, disability, mental health problems or addiction. Does not include care of children unless they have a long-term illness or disability

Base: n=2,009.

9 Inclusion and diversity practices

Key findings

- The top three most common practices used to make their recruitment approach more inclusive and diverse are: reviewing job descriptions to accurately reflect the requirements of the job, making reasonable adjustments where possible throughout the recruitment process, and using structured interviews (for example, standardised questions).

- Giving underrepresented groups guidance on the recruitment process was the least used recruitment-related practice (used by just 6% of employers,) but it was rated highly in terms of effectiveness.

- The top three most common practices used to ensure people management approaches are fair and inclusive are: managers are trained in how to address conflict in their teams and deal with any concerns or complaints, training managers in fair and inclusive people management, and training or awareness sessions for all employees on inclusion and diversity topics.

- All practices relating to management capability were rated highly in terms of effectiveness.
- Around half of employers say they have flexible working policies (52%) and a similar number have anti-discrimination, bullying and harassment policies (49%) and hybrid working policies (for example, ability to work from home/remotely and in physical workspace) (48%).

We asked employers which practices they have adopted to improve I&D in their organisation. We ask about I&D practices related to recruitment, HR policies, people management, employee development, and communication. In this section of the survey report we'll look at each of these areas in turn.

Recruitment

Overall, nearly three-quarters (72%) of employers have at least one practice in place to make their recruitment approach more inclusive and diverse. Table 10 shows that the most common practice, used by 43% of employers, is reviewing job descriptions to accurately reflect the requirements of the job. However, this is still only done by less than half of employers. Interestingly, this was the only recruitment-related practice that SMEs are as likely to do as large employers (42% vs 44%).

Having a job description that doesn't accurately reflect the requirements of the job, or it becoming unwieldy over time as more and more is added to it during subsequent rounds of hiring, not only means an employer may not be attracting the people with the key skills needed for the job, but also that good candidates may screen themselves out, using the job description as a checklist.

The other practices in the top three most common are making reasonable adjustments where possible throughout the recruitment process (34%) and using structured interviews (for example, standardised questions) (33%). At the CIPD and Reed we would advocate both of these approaches to help ensure recruitment approaches are fair.

Reasonable adjustments

There is a legal requirement to seriously consider reasonable adjustments to remove or reduce a disadvantage related to an employee's disability when doing their job and a job applicant's disability when applying for a job. Although it's against the law for employers to ask applicants if they have a disability, all job applicants can be asked if they need reasonable adjustments for any part of the recruitment process. After an offer has been made the employer can then ask if reasonable adjustments are needed for the role.

We would advocate considering reasonable adjustments for all job applicants and for all employees, not just disabled people, with line managers asking people in their one-to-one catch-ups what could help them perform at their best at work. Most reasonable adjustments are low-cost and easy to implement.

The third/voluntary sector is most likely to be doing the majority of the recruitment practices to support an inclusive and diverse workplace (Table 10).

The least-used practices were those aimed at encouraging applicants from underrepresented groups, including targeting job adverts, outreach and giving underrepresented groups guidance on the recruitment process. The third/voluntary sector is significantly more likely than the private and public sectors to have done/be doing these practices (Table 10).

Some of the least used activities are examples of positive action that we know many employers are nervous about taking. We believe positive action programmes should form a central part of any I&D strategy. Our report Diversity Management that Works provides suggestions of how to stay on the right side of legislation and avoid misconceptions.

Positive action: A wide range of activity taken by employers to actively promote diversity and minimise disadvantage for particular groups, permitted under the Equality Act 2010. Positive action includes forms of support for underrepresented or disadvantaged groups (for example, ethnic minority or women's networks), but it also includes approaches to making decisions on recruitment and promotion. For example, employers may use targeted job adverts or apply the 'tie breaker' principle in selection decisions, by which they select from 'equal' candidates (or candidates who equally meet the essential job criteria) based on which is from an underrepresented group. Positive action is a term used largely in the UK, but also applies to other contexts.

Source: _Diversity Management that Works_ (CIPD 2019).

Positive action is allowed where an employer reasonably thinks that a protected group is underrepresented or disadvantaged. Employers must show some evidence of this such as examining staff profiles, complex statistical data is not necessary although that can provide justification too.

Positive action is different from positive discrimination (illegal in the UK). Positive discrimination is preferential treatment in order to address inequality, to benefit members of a disadvantaged or under-represented group who have a protected characteristic.

Around a fifth (21%) of employers said they don't have/do any of the recruitment-related practices to improve I&D in their organisation. If we look at sector differences, 26% of the private sector respondents said they don't have/do any of the listed recruitment-related practices, compared with just 5% of public and 5% of third/voluntary sector respondents. There is a high proportion of SMEs in the private sector sample (911 of the 1,475 organisations), so it's interesting to also look at what different-sized organisations say they do. A high 45% of micro businesses are, as expected, saying they don't have/do any of the recruitment practices, compared with 18% of small, 11% of medium-sized, and 5% of large organisations.

This size effect is likely to reflect the much more limited capacity and knowledge that those running micro and small businesses will have to spend on developing recruitment and wider HR and people management practices, compared with larger firms with dedicated HR functions. However, this isn't to say that having inclusive recruitment and people management approaches is not important, especially given SMEs account for around 99.9% of UK businesses and account for three-fifths of private sector employment (source: FSB).

Table 10: Thinking about your organisation's recruitment practices... which, if any, of the following does your organisation have/do? (please select all that apply) (by sector) (%)

	All	Private sector	Public sector	Third/ voluntary sector
Review job descriptions to accurately reflect the requirements of the job	43	39	45	70
Making reasonable adjustments where possible throughout the recruitment process	34	28	53	63
Using structured interviews (ie standardised questions)	33	27	50	64
Review job descriptions or adverts to remove biased wording/ensure neutral wording	28	24	40	51
Ensuring all involved in recruiting follow objective assessment and scoring criteria	28	22	48	53
Expressing commitment to inclusion and diversity on recruitment materials and career webpages	21	15	39	46
Include inclusive hiring statements on all job postings	20	16	30	42
Alternative selection methods to enable candidates to demonstrate job-related skills (eg role play, written exercises, problem-solving tasks)	18	16	24	32
Explaining expectations about inclusive behaviour when onboarding employees	17	15	19	30
Removing certain biographical details (eg name, gender, age, university) from initial selection processes	15	10	36	29
Diverse interview panels	14	11	23	31
Ensuring careers information is accessible (eg easily sourced, compatible with screen readers)	13	12	20	16
Diversity targets (eg aiming for a proportion of interviews to be offered to women)	9	8	9	12
Targeting job adverts for underrepresented groups	8	6	10	19
Outreach to underrepresented groups	7	5	8	17
Giving underrepresented groups guidance on the recruitment process	6	5	8	11
None of these	21	26	5	5
Don't know	7	8	5	4

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

Further reading and practical guidance

To find out more about our inclusive recruitment practices, take a look at the CIPD's new *Inclusive recruitment guides for employers and managers.*

- CIPD | A guide to inclusive recruitment for employers
- CIPD | A guide to inclusive recruitment for managers

How effective do you find the practices you use?

We asked employers to rate the effectiveness of some of the recruitment practices they use to create a more inclusive and diverse workplace. We didn't ask everyone to rate the effectiveness of every practice they say they used, due to the extensiveness of the list. Instead, we showed them a random selection of those they use and asked them to rate those. As Figure 6 shows, a high 86% of employers who said they use the practice of 'explaining expectations about inclusive behaviour when onboarding employees', and were asked to rate its effectiveness, said it was very or fairly effective. However, this practice is only used by 17% of employers.

Figure 6: Thinking about your organisation's recruitment practices… which, if any, of the following does your organisation have/do? And how effective is the practice? (%)

Practice	% have/do	% effective (base)
Review job descriptions to accurately reflect the requirements of the job	43	80 (n=186)
Making reasonable adjustments where possible throughout the recruitment process	34	74 (n=179)
Using structured interviews (ie standardised questions)	33	82 (n=182)
Review job descriptions or adverts to remove biased wording/ensure neutral wording	28	71 (n=181)
Ensuring all involved in recruiting follow objective assessment and scoring criteria	28	83 (n=177)
Expressing commitment to inclusion and diversity on recruitment materials and career webpages	21	63 (n=180)
Include inclusive hiring statements on all job postings	20	56 (n=178)
Alternative selection methods to enable candidates to demonstrate job-related skills (eg role play, written exercises, problem-solving tasks)	18	79 (n=179)
Explaining expectations about inclusive behaviour when onboarding employees	17	86 (n=180)
Removing certain biographical details (eg name, gender, age, university) from initial selection processes	15	73 (n=180)
Diverse interview panels	14	81 (n=181)
Ensuring careers information is accessible (eg easily sourced, compatible with screen readers)	13	76 (n=176)
Diversity targets (eg aiming for a proportion of interviews to be offered to women)	9	79 (n=175)
Targeting job adverts for underrepresented groups	8	72 (n=171)
Outreach to underrepresented groups	7	69 (n=174)
Giving underrepresented groups guidance on the recruitment process	6	83 (n=172)
None of these	21	
Don't know	7	

■ % have/do ■ % asked about this activity and rate it very or fairly effective (base number in italics)

Base: n=2,009.

Similarly, two other highly rated practices in terms of their effectiveness in improving I&D were:

- giving underrepresented groups guidance on the recruitment process (used by just 6% of employers, but rated as very or fairly effective by 83% of those who use it and were asked about it)

- ensuring all involved in recruiting follow objective assessment and scoring criteria (used by 28% of employers, but rated as very or fairly effective by 83% of those who use it and were asked about it).

Organisation policies

Only approximately four in ten employers (38%) have an overall I&D policy, which can help ensure that there is clarity over an organisation's approach, and consistency over how I&D issues should be managed.

Around half of employers say they have flexible working policies (52%) and a similar number have anti-discrimination, bullying and harassment policies (49%) and hybrid working policies (for example, ability to work from home/remotely and in physical workspace) (48%). The voluntary sector is significantly more likely than the private and public sectors to have all three of these policies (Table 11).

Table 11: Thinking about your organisation's policies… which, if any, of the following does your organisation have/do? (please select all that apply) (by sector) (%)

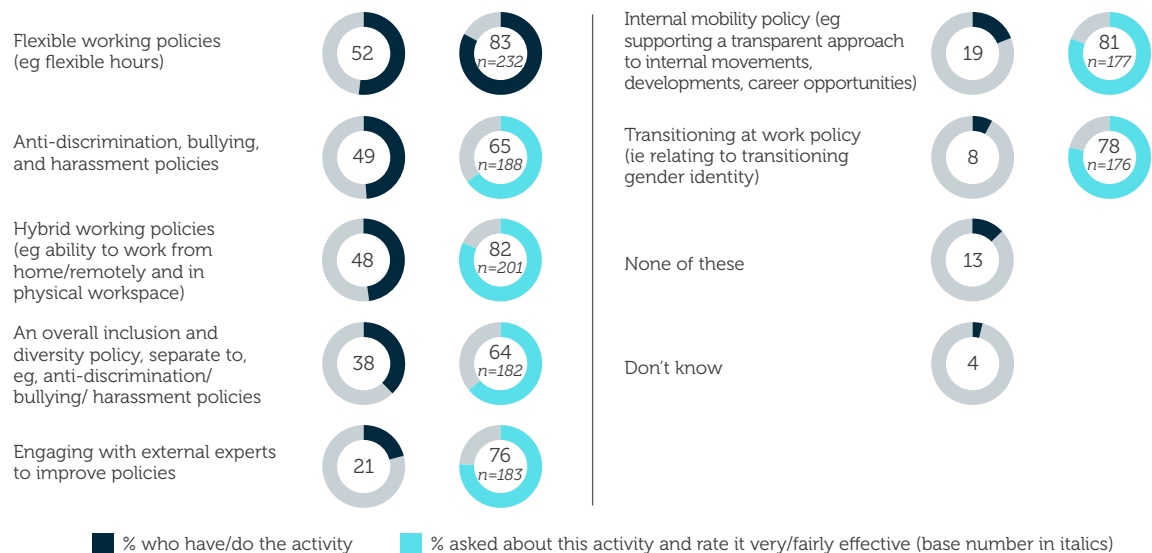|	% who have/do the activity	Private sector	Public sector	Third/ voluntary sector
Flexible working policies (eg flexible hours)	52	50	45	76
Anti-discrimination, bullying, and harassment policies	49	45	61	74
Hybrid working policies (eg ability to work from home/remotely and in physical workspace)	48	47	38	72
An overall inclusion and diversity policy, separate to, eg, anti-discrimination/bullying/harassment policies	38	33	60	54
Engaging with external experts to improve policies	21	19	26	39
Internal mobility policy (eg supporting a transparent approach to internal movements, developments, career opportunities)	19	19	25	18
Transitioning at work policy (ie relating to transitioning gender identity)	8	8	8	7
None of these	13	16	5	3
Don't know	4	4	5	1

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

However, just 8% said they have a transitioning at work policy (related to transitioning gender identity), which is disappointing. It is likely that many organisations will introduce one when an employee asks about any support available as they transition. However, we would recommend being proactive, as having one in place could make people feel more comfortable at work, more able to be themselves, and send a signal that the organisation will support them during a major life change. Of those who have a transitioning policy in place and were asked to rate its effectiveness, a high 79% rated it as very or fairly effective at creating a more inclusive and diverse workplace (Figure 7).

As well as being the most commonly used practice, flexible working policies were also rated as the most effective in creating a more inclusive and diverse workplace by those who use it and were asked about it. In terms of size of organisation, 58% of large organisations have a flexible working policy compared with 50% of SMEs.

Figure 7: Thinking about your organisation's policies... which, if any, of the following does your organisation have/do? (please select all that apply) And how effective have you found them? (percentage who have/do the activity and rate it as very or fairly effective) (%)

Flexible working policies (eg flexible hours) — 52 — 83 n=232

Anti-discrimination, bullying, and harassment policies — 49 — 65 n=188

Hybrid working policies (eg ability to work from home/remotely and in physical workspace) — 48 — 82 n=201

An overall inclusion and diversity policy, separate to, eg, anti-discrimination/ bullying/ harassment policies — 38 — 64 n=182

Engaging with external experts to improve policies — 21 — 76 n=183

Internal mobility policy (eg supporting a transparent approach to internal movements, developments, career opportunities) — 19 — 81 n=177

Transitioning at work policy (ie relating to transitioning gender identity) — 8 — 78 n=176

None of these — 13

Don't know — 4

■ % who have/do the activity   ■ % asked about this activity and rate it very/fairly effective (base number in italics)

Base: n=2,009.

People management

We included a section in the survey about the people management practices organisations have or do to support an inclusive workplace (Table 12). We know that the behaviour of line managers will, to a significant degree, decide the extent an organisation lives and breathes its stated values or HR policies and contribute to how effective they are in practice. Consequently, a number of survey questions explored how much focus employers put on equipping managers with the skills to manage people fairly and inclusively.

The top three most common people management practices used are:

- managers are trained in how to address conflict in their teams and deal with any concerns or complaints (25%)

- training managers in fair and inclusive people management (23%)

- training or awareness sessions for all employees on inclusion and diversity topics (23%).

However, only around a quarter of employers say they have these practices in place, despite them being integral aspects of an inclusive organisation, with the line manager as a key influence over employee experience and the culture of the team.

The least used practices are:

- facilitating discussion of current world events related to I&D (for example, racism, the unequal impact of COVID-19) (12%)

- promoting the importance of allyship and how to be an ally (10%)

- supporting employee resource groups (ERGs) (7%).

SMEs were less likely than large organisations to use all of the people management-related practices. They were also more likely to have none of the listed practices in place (29% vs 9% of large organisations). This is explained mostly by micro and small organisations not having these practices in place.

Table 12: Thinking about your organisation's people management… which, if any, of the following does your organisation have/do? (please select all that apply) (%)

	% who have/do the activity	Private sector	Public sector	Third/ voluntary sector
Managers are trained in how to address conflict in their teams and deal with any concerns or complaints	25	24	30	30
Training managers in fair and inclusive people management	23	22	25	31
Training or awareness sessions for all employees on I&D topics	23	19	35	42
Managers are specifically trained in dealing with harassment and bullying	21	18	32	29
Critically review people management policies to ensure they are fair and inclusive	20	17	26	36
Ensuring all who are involved in promotions/ progressions follow objective assessment and scoring criteria	20	16	34	34
Managers are specifically trained in dealing with discrimination	19	17	29	23
Conducting/reviewing exit interviews for I&D issues	19	17	25	31
Explicitly mentioning I&D in the organisation's values	18	14	30	41
Educating leaders on inclusive leadership	17	14	32	27
Confidential reporting channels, such as telephone helplines run by third parties, to provide support for employees wishing to report bullying or harassment	17	15	26	23
Facilitating discussion of current world events related to I&D (eg racism, the unequal impact of COVID-19)	12	10	16	21
Promoting the importance of allyship and how to be an ally	10	10	9	13
Supporting employee resource groups (ERGs)	7	7	12	5
None of these	31	36	10	10
Don't know	6	7	7	5

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

Like with recruitment practices, we asked employers to rate the effectiveness of some of the people management practices they use to help improve I&D in their organisation. We didn't ask everyone to rate the effectiveness of every practice they say they used. Instead, we showed them a random selection of those they use and asked them to rate those.

As Figure 8 shows, the top three most highly rated practices in terms of their effectiveness in improving I&D were:

- Critically review people management policies to ensure they are fair and inclusive (used by only 20% of employers, but rated as very or fairly effective by 87% of those who use it and were asked about it).

- Ensuring all who are involved in promotions/progressions follow objective assessment and scoring criteria (used by only 20% of employers, but rated as very or fairly effective by 86% of those who use it and were asked about it).

- Managers are trained in how to address conflict in their teams and deal with any concerns or complaints (used by only 25% of employers, despite being the most commonly used practice related to people management, but rated as very or fairly effective by 84% of those who use it and were asked about it).

Figure 8: Thinking about your organisation's people management... which, if any, of the following does your organisation have/do? (please select all that apply) And how effective have you found them? (percentage who have/do the activity and rate it as very or fairly effective) (%)

% who have/do the activity   % asked about this activity and rate it very or fairly effective (base number in italics)

Base: n=2,009.

All practices relating to management capability were rated highly in terms of effectiveness, including managers being trained in how to address conflict in their teams and deal with any concerns or complaints, managers being specifically trained in dealing with discrimination, training managers in fair and inclusive people management, and managers being specifically trained in dealing with harassment and bullying.

Employee development programmes

Just 52% of employers have at least one of the practices listed in Table 13 in place to help make employee development fair and inclusive. Ensuring equal access to existing development routes is the most used employee development practice to try to create a more inclusive workplace (Table 13). Half of third/voluntary sector organisations do this, which is significantly more than the public (45%) and private (34%) sectors. Around two-fifths (41%) have none of these practices in place.

Table 13: Thinking about your organisation's employee development programmes... which, if any, of the following does your organisation have/do? (please select all that apply) (by sector) (%)

	% who have/do the activity	Private sector	Public sector	Third/ voluntary sector
Ensuring equal access to existing development routes	36	34	45	50
Mentoring/coaching for underrepresented groups (eg a mentor or professional coach shares their experience and knowledge with a less experienced 'mentee' to help their professional development)	24	22	33	27
Sponsorship for underrepresented groups (eg more senior people support and act as an advocate for more junior staff members to help them develop and progress at work)	12	11	16	13
Reverse mentoring (eg where a more junior person/ someone from an underrepresented group shares their experience and knowledge with a more senior person)	11	11	13	15
None of these	41	44	28	30
Don't know	7	7	7	6

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

Note: We didn't have the figures to report on ratings of effectiveness.

Organisation communication

Half of employers (50%) have at least one of the practices in Table 14 in place to help make their communication as inclusive as possible to support their I&D efforts. Just 30% articulate their commitment to inclusion and diversity internally. A much higher 59% of the third/voluntary sector employers said they do this, compared with 45% of public sector employers and 25% of the private sector. We see this as an important step as it sets expectations, not just of how the organisation will operate, but also of employee behaviour.
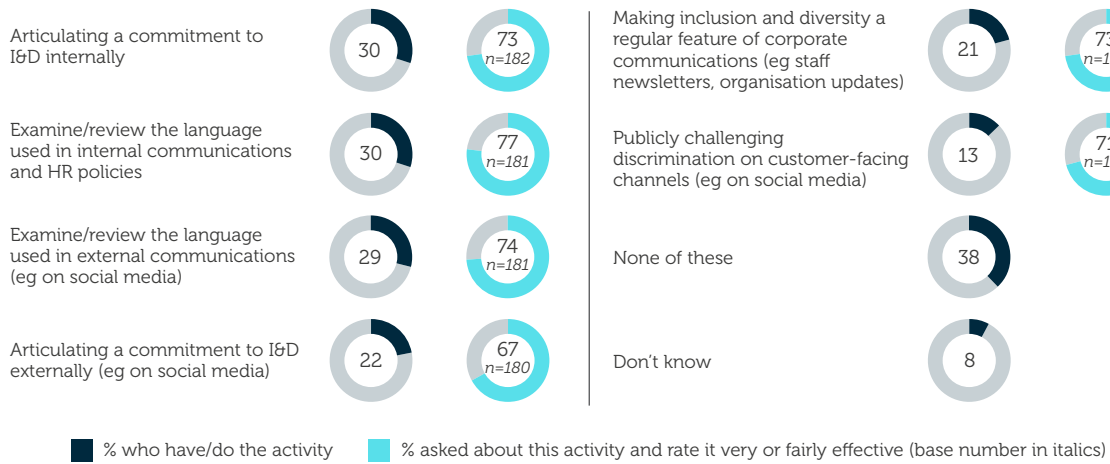
Examining/reviewing the language used in internal communications and HR policies was also done by 30% of employers we surveyed, and that was the practice rated as most effective in creating an inclusive workplace (Figure 9). Again, substantially more third/voluntary sector employers do this than those in the other sectors.

Articulating such a commitment externally (22%) can let external stakeholders, including customers and future employees, know what you stand for as an organisation. But such statements need to be backed up by the reality of working for the organisation. Once again, the third/voluntary sector is much more active in this respect.

Large organisations are significantly more likely than SMEs to have/do each one of the practices listed in Table 14. Furthermore, SMEs are significantly more likely to have none of them in place (43% vs 14% of large organisations).

Figure 9: Thinking about your organisation's communication… which, if any, of the following does your organisation have/do? (please select all that apply) And how effective have you found them? (percentage who have/do the activity and rate it as very or fairly effective) (%)

Articulating a commitment to I&D internally — 30 — 73 n=182

Examine/review the language used in internal communications and HR policies — 30 — 77 n=181

Examine/review the language used in external communications (eg on social media) — 29 — 74 n=181

Articulating a commitment to I&D externally (eg on social media) — 22 — 67 n=180

Making inclusion and diversity a regular feature of corporate communications (eg staff newsletters, organisation updates) — 21 — 73 n=182

Publicly challenging discrimination on customer-facing channels (eg on social media) — 13 — 71 n=178

None of these — 38

Don't know — 8

■ % who have/do the activity   ■ % asked about this activity and rate it very or fairly effective (base number in italics)

Base: n=2,009.

Table 14: Thinking about your organisation's communication… which, if any, of the following does your organisation have/do? (please select all that apply) (by sector) (%)

	% who have/do the activity	Private sector	Public sector	Third/ voluntary sector
Articulating a commitment to I&D internally	30	25	45	59
Examine/review the language used in internal communications and HR policies	30	27	37	47
Examine/review the language used in external communications (eg on social media)	29	24	36	57
Articulating a commitment to I&D externally (eg on social media)	22	17	37	48
Making I&D a regular feature of corporate communications (eg staff newsletters, organisation updates)	21	16	36	36
Publicly challenging discrimination on customer-facing channels (eg on social media)	13	10	20	29
None of these	38	44	16	16
Don't know	8	9	9	4

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

Why some organisations are not doing any of the listed activities
We then asked all those who said they don't have/do any of the listed activities (related to recruitment, people management, policies, development programmes, and communication) to improve inclusion and diversity in their organisation, why that was (Table 15). Just under half (47%) said they are not issues in their organisation, and around a fifth said there are more pressing operational demands (23%), we don't have the time/resources (21%) and leadership in our organisation doesn't consider them a priority (19%).

Reassuringly, very small percentages of employers said they don't do any of the listed activities because either line managers or employees wouldn't buy into action or because they don't know where to start.

Table 15: You said your organisation does not have/do any of the previously listed activities… which, if any, of the following are reasons your organisation does not do these activities? (please select all that apply) (%)

They are not issues in our organisation	47
There are more pressing operational demands	23
We don't have the time/resources	21
Leadership in our organisation doesn't consider them a priority	19
Our employees wouldn't buy into action	5
Our line managers wouldn't buy into action	4
We don't know where to start	3
Other	18
Don't know	17

Base: n=173.

10 Inclusion and diversity budget

Key findings

- Just 7% of organisations have a specific I&D budget.
- 20% of employers said activities are funded via the wider training/learning and development budget.
- The majority of organisations (62%) have no specific budget for inclusion and diversity activities.
- Around half of employers (51%) said the budget was about the same as last year, 25% said it had increased, and just 5% said the budget had decreased compared with last year.

A very small number of organisations (7%) have a specific I&D budget (Table 16). The majority of organisations (62%) have no specific budget for I&D activities. Twenty per cent said activities are funded via the wider training/learning and development budget (Table 17).

Table 16: Which of the following best describes how inclusion and diversity activities are funded in your organisation? (by organisation size) (%)

	All	SMEs	Large organisations
There is no specific budget for I&D activities	62	68	30
It is part of the wider training/learning and development budget	20	18	32
There is a specific inclusion and diversity budget	7	5	16
It is part of another budget (not including training/ learning and development)	3	2	5
Don't know	8	7	16

Base: all: n=2,009; SMEs: n=1,142; large organisations: n=867.

Table 17: Which of the following best describes how inclusion and diversity activities are funded in your organisation? (by sector) (%)

	All	Private sector	Public sector	Third/ voluntary sector
There is no specific budget for I&D activities	62	66	42	53
It is part of the wider training/learning and development budget	20	17	33	30
There is a specific I&D budget	7	6	8	10
It is part of another budget (not including training/learning and development)	3	2	7	2
Don't know	8	9	9	5

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

All those who have a budget (768 employers), whether it's a stand-alone budget or part of something else, told us approximately how much that budget is (Table 18). The median budget is £2,000 (we report the median here, as the mean is affected by outliers (very low or very high figures). The median budget for SMEs is £2,000, and £10,000 for large employers).

Around half of employers (51%) said the budget was about the same as last year, while 25% said it had increased. Just 5% said the budget had decreased on last year and 19% said they didn't know (Figure 10).

Table 18: Approximately how much is the budget for inclusion and diversity activities for this financial year? (%)

£	
0	1
1–500	6
501–1000	4
1,001–5,000	8
5,001–10,000	4
10,001–50,000	5
50,001–100,000	2
100,001–500,000	1
500,001+	0
Don't know/prefer not to say	68

Base: n=768.

Figure 10: Compared with your previous financial year, has the budget for inclusion and diversity activities increased, decreased, or stayed about the same? (%)
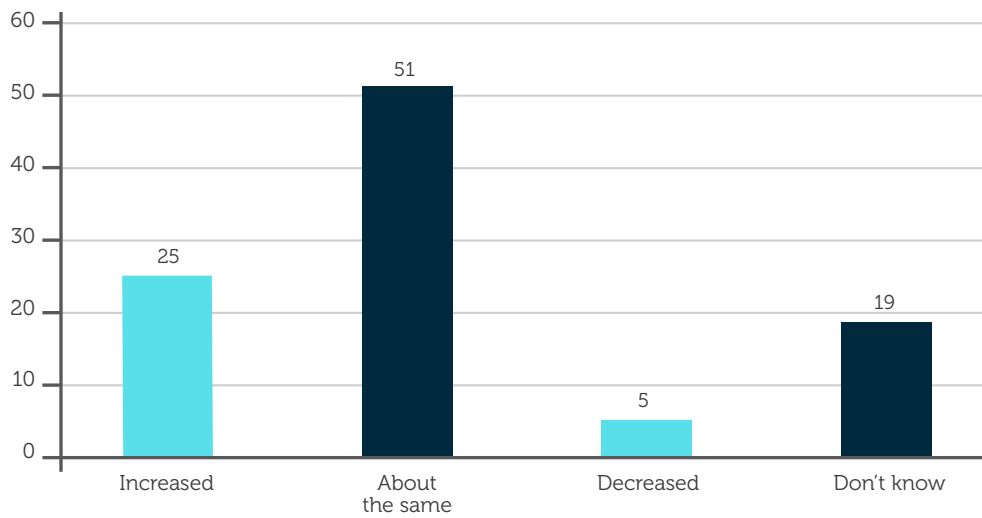
Base: n=768.

11 Leadership

Key findings

- Just over three-quarters (78%) of leaders understand how an inclusive workplace and diverse workforce can benefit the organisation.
- Just over two in ten employers (21%) said leaders are not very committed or not at all committed to having a diverse workforce and 17% are not committed to having an inclusive workplace.
- 21% of employers agreed that senior leaders just pay lip service to I&D in their organisation, with 46% saying they don't.
- Around a quarter (23%) of the senior decision makers we surveyed agreed with the statement that senior leaders wrongly believe we already have an inclusive and diverse organisation.
- Around a quarter (23%) agreed that senior leaders feel uncomfortable talking about inclusion and diversity.
- Tangible action on inclusion and diversity is part of how senior leaders' performance is judged in 29% of organisations.

Leaders have a central role in creating a fair, inclusive, and diverse organisation with equal opportunities for everyone, regardless of their background, identity, or circumstance. We were therefore interested to find out the extent to which leaders are seen to understand the concepts of equality, diversity and inclusion, to be able to meaningfully help to create a more inclusive and diverse workplace.

There is a reasonable degree of understanding. Around two-fifths of employers say senior leaders completely understand what equality (41%), diversity (39%) and inclusion (37%) mean. Just around three in ten (31%) say leaders completely understand how an inclusive workplace and diverse workforce can benefit the organisation. However, slightly larger numbers say leaders understand a fair amount about these concepts (Figure 11).

In contrast, in 15% of organisations, leaders don't understand how an inclusive workplace and diverse workforce can benefit the organisation.
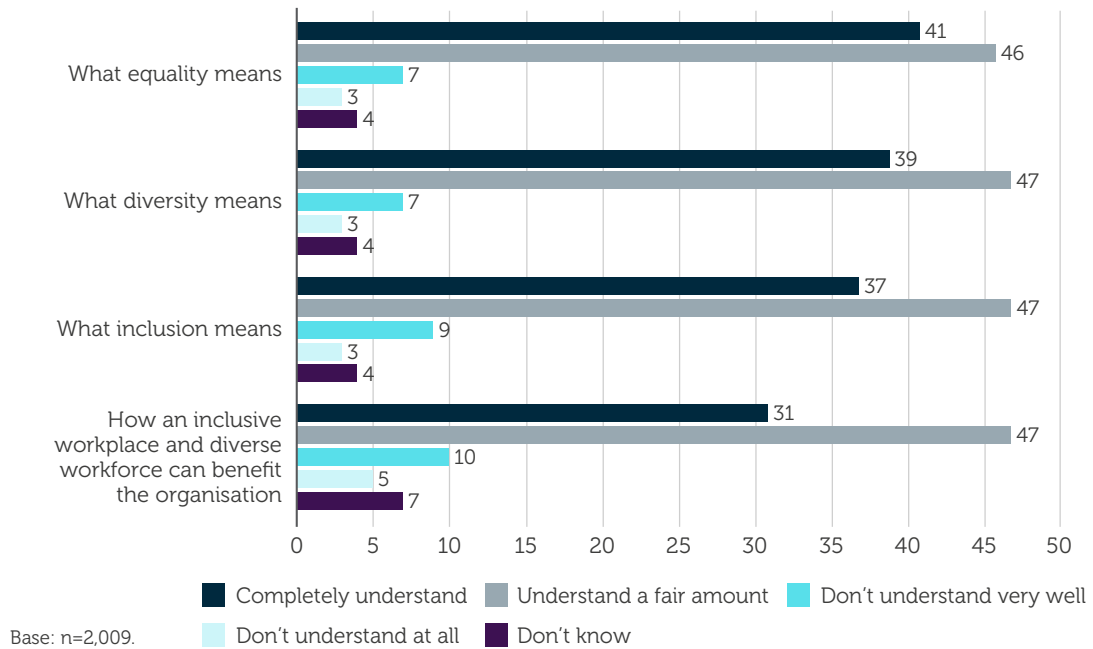
**Figure 11: To what extent, if at all, would you say senior leaders in your organisation understand the following? (%)**

Base: n=2,009.

Legend: Completely understand | Understand a fair amount | Don't understand very well | Don't understand at all | Don't know

However, the findings about leader commitment to having an inclusive workplace and diverse workforce aren't as encouraging (Figure 12). Just 30% of employers say leaders are completely committed to having a diverse workforce, with a further 41% saying leaders are fairly committed. Just over two in ten employers (21%) said leaders are not very committed or not at all committed.

Similarly, just 36% of employers said senior leaders are completely committed to having an inclusive workplace, with a further 39% saying leaders are fairly committed. A notable 17% said senior leaders are not very or not at all committed.

Figure 12: To what extent, if at all, would you say senior leaders in your organisation are committed to each of the following? (%)

Base: n=2,009.

Legend: Completely committed | Fairly committed | Not very committed | Not committed at all | Don't know
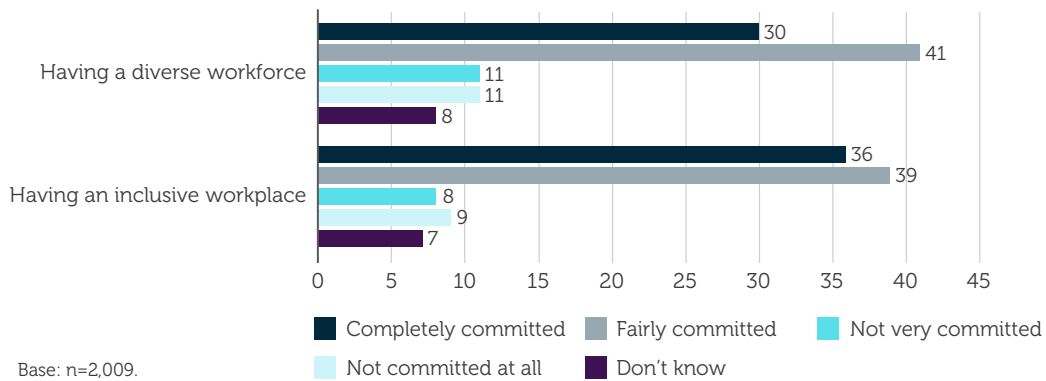
And there's a similar picture regarding what senior leaders do, or not, to promote I&D in their organisation. A notable number of employers say they neither agree nor disagree with the statements in Figure 13.

Just under half of employers agree that senior leaders actively promote it, and 30% tend to agree, while 16% disagree.

In reaction to a statement that leaders act as positive role models through demonstrating inclusive leadership, 31% neither agreed nor disagreed and 12% disagreed.

Twenty-one per cent of employers agreed that senior leaders just pay lip service to I&D in their organisation, with 46% saying they don't.

Furthermore, 23% of employers agreed with the statement that senior leaders wrongly believe we already have an inclusive and diverse organisation. And 23% agreed that senior leaders feel uncomfortable talking about I&D.

In line with the adage that 'what gets measured gets managed', we asked employers if they agreed or disagreed with the statement, 'Tangible action on I&D is part of how senior leaders' performance is judged'. Just 29% agreed that it is.

There is still work to do with many senior leaders to help them to understand the importance of their role in creating a truly fair and inclusive organisation where a diverse range of people want to work and are able to achieve their potential.

Figure 13: To what extent, if at all, do you agree or disagree with the following statements about senior leaders in your organisation? (%)

Base: n=2,009.
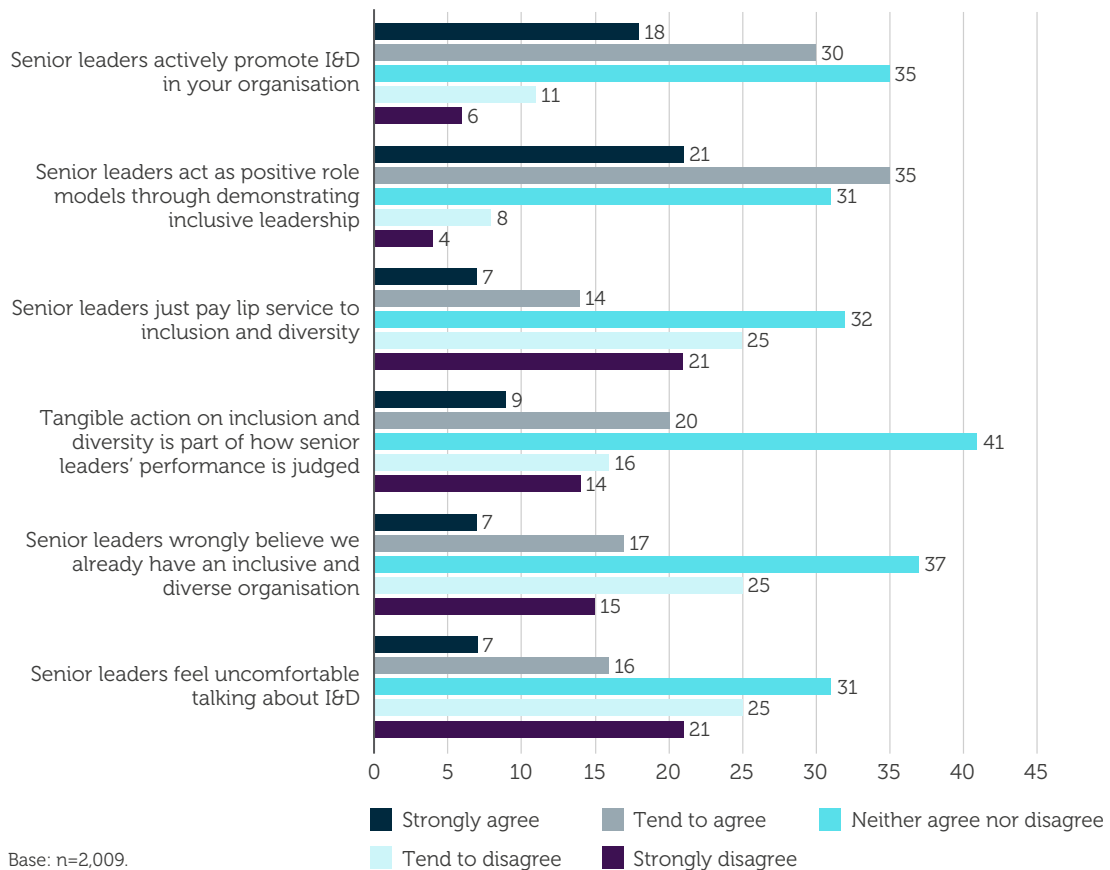
12 Managers

Key findings

- Around half of employers (51%) believe managers, in general, feel confident to improve I&D in their team.
- Three-fifths of employers say managers have the 'softer' people management skills to manage people as individuals with empathy, fairness, and compassion.
- However, managers are not given the time and resources to foster an inclusive and diverse team in 28% of organisations.
- In just under half (46%) of organisations, inclusion and diversity considerations take a back seat to operational imperatives (for example, when managers are urgently hiring).
- I&D objectives are part of a manager's performance objectives in just 30% of organisations.

We know managers are a key influence on the employee experience at work. They implement people management practices, design jobs, allocate work, and have a significant influence over hiring and promotion decisions. They are employees' main, formal point of contact with the organisation, and their behaviour and management style shape the climate of the team. We are therefore very interested in the extent to which managers promote a fair and inclusive workplace (Figure 14).

The high percentages of 'neither agree nor disagree' responses are concerning, and this degree of ambivalence suggests there is much more work to do with managers to ensure I&D considerations are embedded in all aspects of their role. It's the manager's day-to-day management style that will determine whether there's equality of opportunity within the team.

The way managers' roles are structured does not support solid commitment to equality, diversity and inclusion. Managers are not given the time and resources to foster an inclusive and diverse team in 28% of organisations. Also, just 21% of employers disagree with the statement that I&D considerations take a back seat to operational imperatives (for example, when managers are urgently hiring). Just under half (46%) agree with the statement. And furthermore, the same as what we saw in the section on leaders' role in creating a fair and inclusive workplace, I&D objectives are part of a manager's performance objectives in just 30% of organisations.

In many organisations it's clear that training and support on core people management skills are needed to manage their team fairly, inclusively, and with compassion. Around half of employers (51%) said managers, in general, feel confident to improve I&D in their team. And 60% strongly agree, or agree, that managers have the 'softer' people management skills to manage people as individuals with empathy, fairness, and compassion.
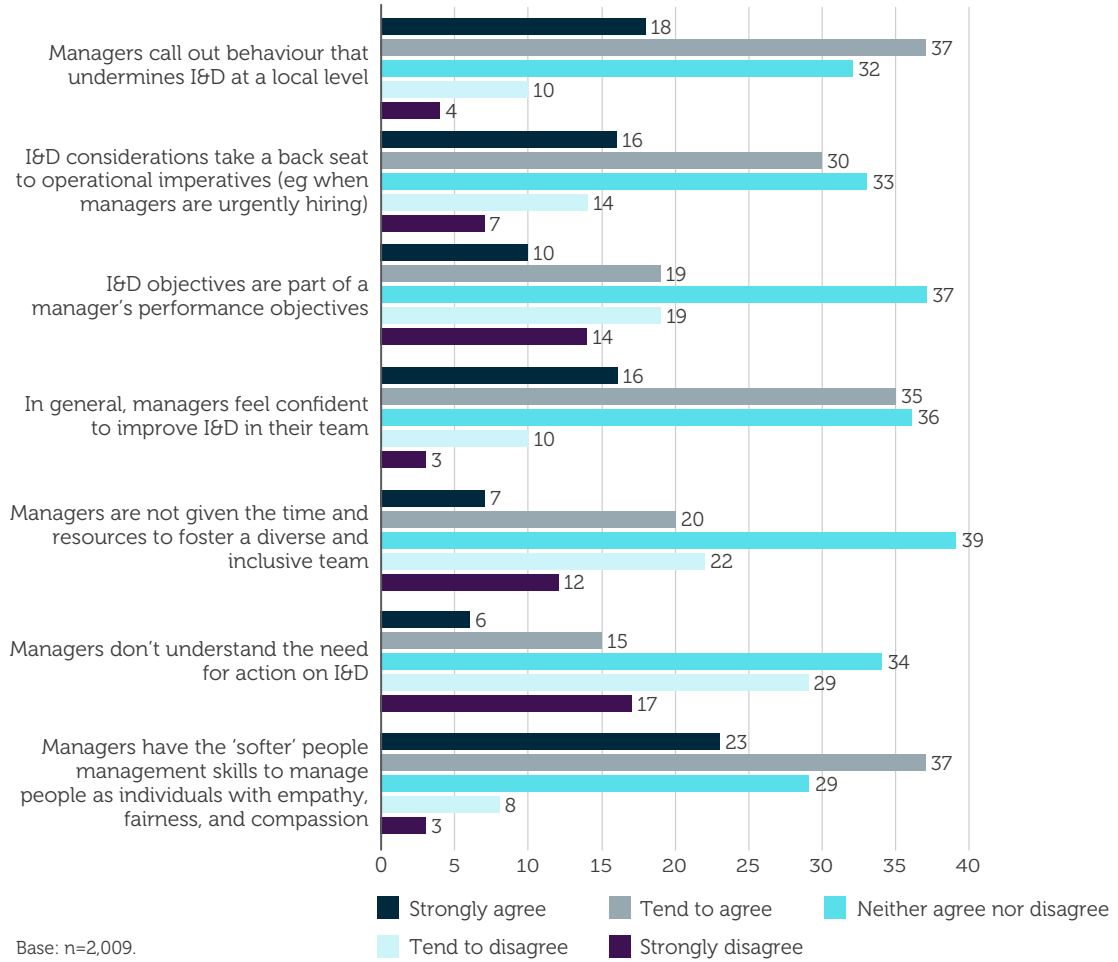
Figure 14: To what extent, if at all, do you agree or disagree with the following statements about managers in your organisation? (%)

Base: n=2,009.

Legend: Strongly agree · Tend to agree · Neither agree nor disagree · Tend to disagree · Strongly disagree

13 Inclusion and diversity data

Key findings

- Just 38% of employers say they collect some kind of equal opportunities monitoring data.
- The most common personal characteristics they collect data about are sex, age, race/ethnicity, and disability.
- Inclusion and diversity data is included in an organisation's dashboard and shared with other business functions in a minority of organisations who collect data (28%). A further 12% didn't know.

- In a fifth (21%) of organisations who collect equal opportunities monitoring data, I&D data is connected to other organisation and business data (for example, to examine links between diverse and inclusive teams and customer service and productivity).
- Just over three in five (61%) of employers responding to our survey said that senior leaders are interested in the I&D data collected in their organisation.
- Around half of employers who collect data (49%) said there is demand for more I&D data.
- In just 37% of organisations who collect data, I&D data is used to change the people management approach.
- Just under a third (31%) say data helps identify where I&D activities should be focused.

Just 38% of employers say they collect some kind of equal opportunities monitoring data. The most common personal characteristics they collect data about are sex, age, race/ethnicity, and disability. However, under a quarter collect data on any of these characteristics (Table 19).

Table 19: Which, if any, of the following areas does your organisation collect equal opportunities monitoring data from employees and/or job applicants about themselves? (please select all that apply) (%)

	All	Private sector	Public sector	Third/ voluntary sector
Sex	24	18	42	44
Age	23	19	37	40
Race/ethnicity	23	17	44	46
Disability	21	15	43	47
Sexual orientation	15	11	28	36
Religion/belief	15	10	34	28
Mental health conditions	12	11	14	17
Working carer status (ie someone who looks after a family member or friend who needs care and support because of old age, physical illness, disability, mental health problems or addiction. Does not include care of children unless they have a long-term illness or disability)	10	9	14	14
Gender reassignment (ie transgender/non-binary people)	9	7	12	23
Working parent status	9	9	7	12
Neurodiversity	5	4	4	11
Social mobility/socio-economic status	5	4	7	8
Other	1	1	0	2
Don't know	15	14	25	14
Not applicable – my organisation does not collect any equal opportunities monitoring data	47	54	12	27

Base: all: n=2,009; private sector: n=1,475; public sector: n=366; third/voluntary sector: n=168.

Inclusion and diversity data

How do you use the equal opportunities monitoring data you collect?

We asked those who collect equal opportunities monitoring data, what they use it for (Table 20). The top three responses were to examine the characteristics of people applying for any job, to examine the characteristics of applicants being called for interview, and to identify where I&D activities should be focused. The data is used less for looking at who is undertaking training or the rate at which different employee groups are progressing in the organisation.

Table 20: You said your organisation collects some area of equal opportunities monitoring data from employees and/or job applicants... which, if any, of the following purposes do you use that data for? (please select all that apply) (%)

To examine the characteristics of people applying for any job	32
To examine the characteristics of applicants being called for interview	32
To identify where inclusion and diversity activities should be focused	31
To examine workforce make-up at each level of seniority	29
To examine the characteristics of people applying for different roles/types	27
To examine the characteristics of applicants receiving job offers	24
Equal pay audits	22
To examine the characteristics of employees undertaking training and development	20
The rate at which people with different characteristics are progressing internally	19
To examine the characteristics of leavers	17
To examine employee engagement data by characteristics	17
Other	3
Don't know	14

Base: n=885.

We also asked all those who said they collect some form of equal opportunities monitoring data if they use that data to monitor or measure the application of disciplinary processes across different personal characteristics. Only around a quarter do this (26%). A similar number (25%) examine the effect of intersectionality on workforce representation and progression, so look at the effect of people's multiple identities on work outcomes. This figure is higher than expected, and it is encouraging that a quarter of organisations are not looking at personal characteristics in isolation of each other.

Is inclusion and diversity data seen as a key business metric?

I&D data is included in an organisation's dashboard and shared with other business functions in a minority of organisations (28%). A further 12% didn't know if it was or not (Figure 15).] In addition, in just 21% of organisations, I&D data is connected to other organisation and business data (for example, to examine links between diverse and inclusive teams and customer service and productivity) (Figure 16).

Despite these low figures, a high 61% of employers responding to our survey said that senior leaders are interested in the inclusion and diversity data collected in their organisation. And around half of employers (49%) said there is demand for more I&D data.

These findings suggest that in many organisations, the demand is there for this data, but HR is not tying the data to other business metrics or demonstrating the link between different aspects of inclusion, and diversity and key business priorities, challenges, and outcomes. For example, addressing skills shortages and being a socially responsible and sustainable business.

Demonstrating the outcomes to various stakeholders of investment in inclusion and diversity will help to get buy-in at a senior level for I&D activity, help secure budget, and move it up the business priority list. Ultimately, making a strong case for I&D data to be included on the organisation dashboard is important to secure ongoing focus on this area at a senior level and ensure all parts of the business view I&D as a necessary part of how they operate. We have already seen in Section 7, on line managers, that operational imperatives such as an urgency to hire can supersede focus on I&D.

Figure 15: Does your organisation have a dashboard (or similar) which includes inclusion and diversity data, and which is regularly updated and shared with other business functions? (%)

- 28 Yes, we do
- 60 No, we do not
- 12 Don't know
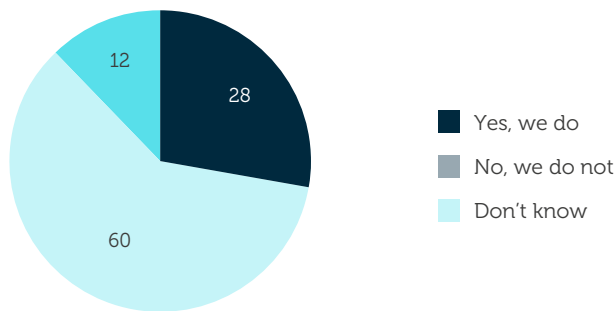
Base: n=885.

Figure 16: Inclusion and diversity data is connected to other organisation and business data (for example, to examine links between diverse and inclusive teams and customer service and productivity) (%)
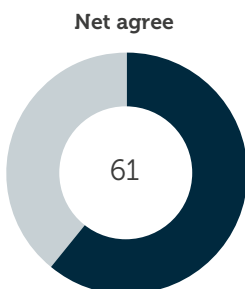
21
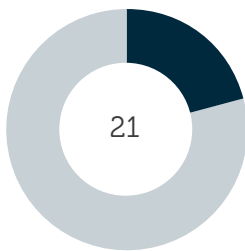
Base: n=885.

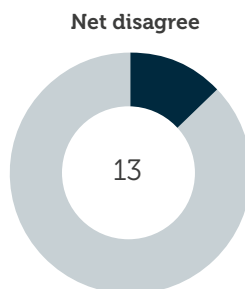**Figure 17: Inclusion and diversity data we provide helps to focus leader and manager attention on issues (%)**

37
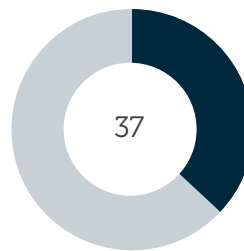
Base: n=885.

Figure 18: Senior leaders are interested in the inclusion and diversity data collected in our organisation (%)
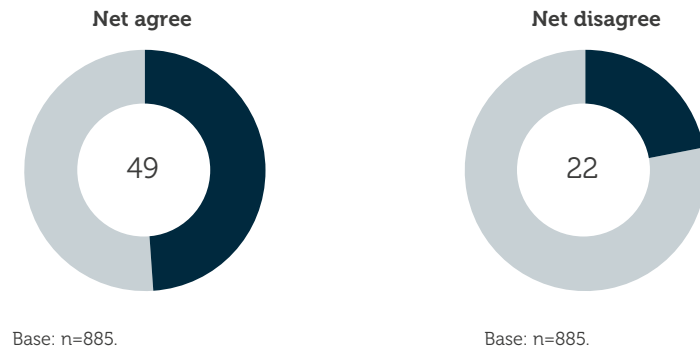
Net agree

61

Base: n=885.

Net disagree

13

Base: n=885.

Figure 19: There is demand for more inclusion and diversity data in our organisation (%)

Net agree	Net disagree

49

22

Base: n=885.

Base: n=885.

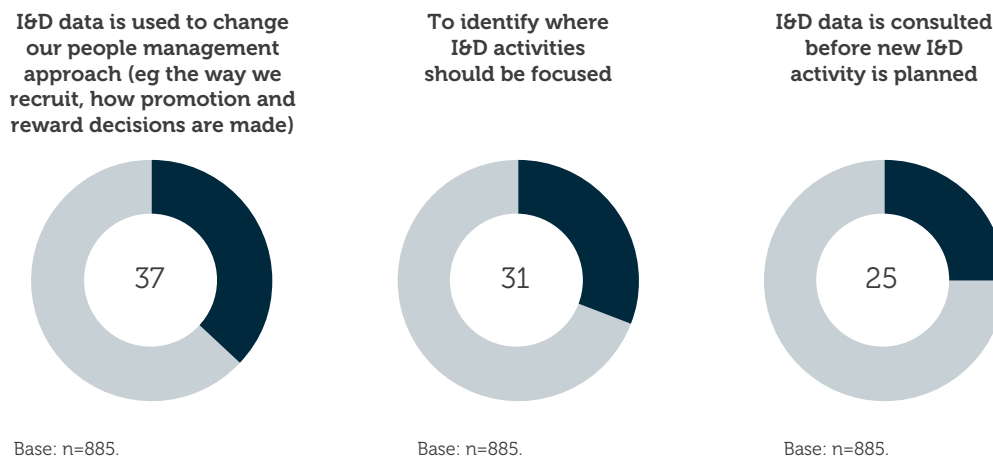## How I&D data is used within the people function

As well as looking at how I&D data is used to inform wider business activity, we were also interested to see whether and how the people function itself uses I&D data (Figure 20).

In just 37% of organisations, I&D data is used to change the people management approach. Looking specifically at I&D activity, just 31% say data helps identify where I&D activities should be focused, and just a quarter of organisations (25%) say they consult I&D data before new inclusion and diversity activity is planned.

These low percentages of HR/people functions using an evidence-based method to make changes to their people management approaches and deciding on I&D activity are concerning given that each organisation will have different needs and contexts. The findings raise some important questions: what insight/information is the HR/people team using to determine how their people management approach needs to change? What problem are they trying to solve with new approaches/activity that's introduced? And, following on from that, what value do they anticipate I&D activity will add to the organisation?

At the CIPD we believe a data-driven approach is essential to know where to focus attention and to secure senior buy-in and resources or investment.

Figure 20: How inclusion and diversity data is used in the people

I&D data is used to change our people management approach (eg the way we recruit, how promotion and reward decisions are made)	To identify where I&D activities should be focused	I&D data is consulted before new I&D activity is planned

37

31

25

Base: n=885.

Base: n=885.

Base: n=885.

Improving data collection and use

Figure 21 shows that two-fifths (40%) of survey respondents disagree with the statement 'HR is not confident about collecting I&D data', while around three in ten (29%) agree. There is still work to do on confidence and capability in this area in some organisations and we hope some of our CIPD resources listed at the back of this survey report will help.

We explored what may help organisations (and HR in particular) to improve its collection and use of I&D data (Table 21). The most popular response options were 'better communication with employees about how their data will be used' and 'greater employee trust of how the data is used to encourage disclosure'; however, each was only reported by 12% of survey respondents.

Surprisingly, one in five survey respondents (20%) said they didn't know what would help their organisation improve its collection and use of I&D data, suggesting they weren't sure where their weak points are. About two-fifths (39%) said they didn't need to improve in this area, suggesting that either they have the data they need, or they don't see a need for it.

Figure 21: HR is not confident about collecting I&D data (for example, asking particular questions, data regulations, reporting

Net agree
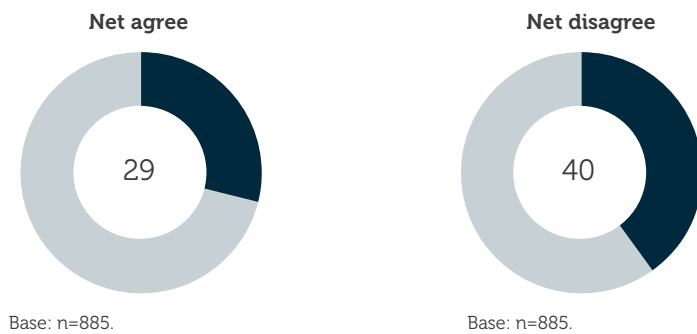
29

Base: n=885.

Net disagree

40

Base: n=885.

Table 21: Which, if any, of the following would help your organisation to improve its collection/use of inclusion and diversity data? (please select all that apply) (%)

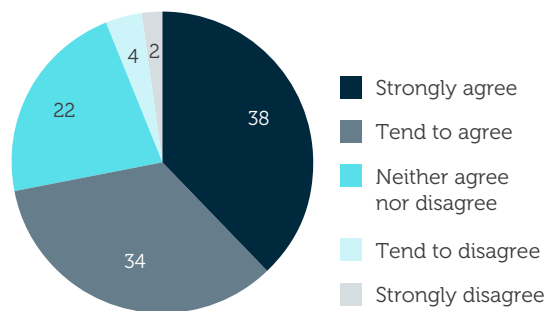|	
Better communication with employees about how their data will be used	12
Greater employee trust of how the data is used to encourage disclosure	12
Better analytical skills within the HR function	11
Greater demand from the business for the data	11
Better analytical skills in the organisation as a whole	11
Leader demand for and interest in the data	11
Improved employee disclosure of their personal characteristics	11
Guidance related to collecting data within different areas of I&D	10
HR data and analytics being called out as a formal part of relevant job roles	10
Greater ability to draw insight from data to inform reporting	9
Investment in data collection and analysis software	8
Other	1
Don't know	20
Not applicable – my organisation doesn't need to improve its collection/use of I&D data	39

Base: n=2,009.

14 Dealing with conflict

Key findings

- 72% of employers agree or strongly agree that managers deal with any discrimination, bullying or harassment issues promptly, seriously, and discreetly.
- The majority (81%) of employers say employees know how to raise a complaint, and to whom.
- We asked those employers who said reports of discrimination had been raised by employees in their organisation in the past three years (since 2019), which protected characteristics they related to. Around a third (31%) said race/ethnicity, 28% said sex, and 20% said disability.
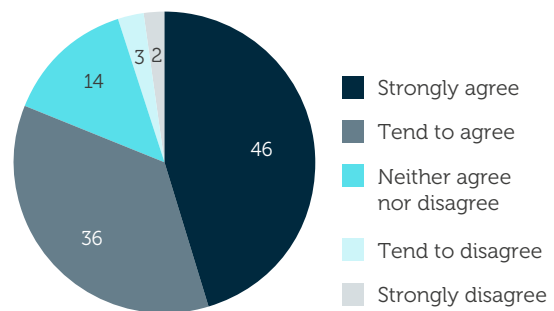
As we saw in section 7, only a quarter of employers train managers in how to address conflict in their teams and deal with any concerns or complaints. However, 72% of employers agree or strongly agree that managers deal with any discrimination, bullying or harassment issues promptly, seriously, and discreetly (Figure 22). Just 6% disagree. A high 82% of employers say employees know how to raise a complaint, and to whom (Figure 23).

Figure 22: Overall, managers deal with any discrimination, bullying, or harassment issues promptly, seriously, and discreetly (%)

	Strongly agree
	Tend to agree
	Neither agree nor disagree
	Tend to disagree
	Strongly disagree

Base: n=2,009.

Figure 23: Employees are aware of how to raise a complaint – and to whom (%)

	Strongly agree
	Tend to agree
	Neither agree nor disagree
	Tend to disagree
	Strongly disagree

Base: n=2,009.

We asked employers how many separate reports of discrimination had been raised by employees in their organisation in the past three years (since 2019). Table 22 shows that around half (49%) said none, 5% said there had been one report, 3% said two reports, and a further 3% said three or more reports. However, we need to treat the findings here with caution, as a notable 41% of survey respondents said they don't know or prefer not to say.

Subsequently, 184 employers told us which protected characteristic(s) the reports of discrimination related to. Around a third (31%) said race/ethnicity, 28% said sex, and 20% said disability (Table 23).

Table 22: In the last three years (ie since 2019), how many separate reports of discrimination have been raised by employees in your organisation? (%)

Number of reports	%
None	49
1	5
2	3
3+	3
Don't know/prefer not to say	41

Base: n=2,009.

Table 23: Which protected characteristic(s) did the reports of discrimination relate to? (please select all that apply) (%)

	%
Race/ethnicity	31
Sex	28
Disability	20
Age	17
Sexual orientation	12
Pregnancy	9
Gender reassignment (ie transgender/ non-binary people)	8
Religion/belief	7
Marriage/civil partnership	2
Other	11
Don't know	8

Base: n=184.

15 How representative and inclusive are UK workplaces?
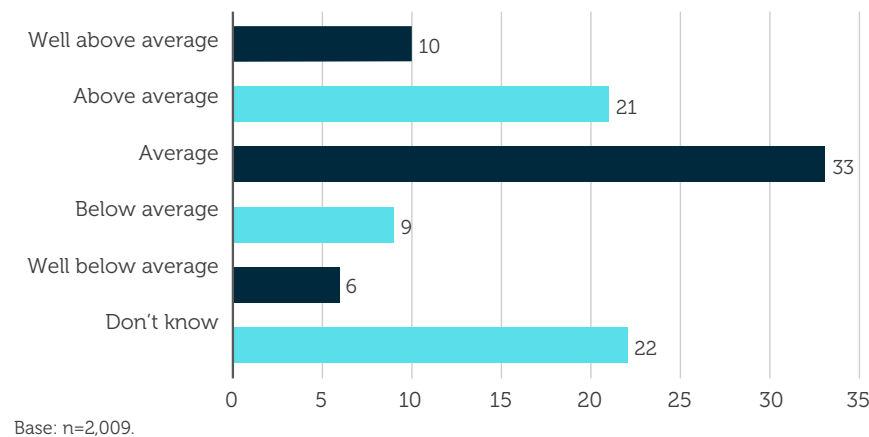
Key findings

- 31% said they thought their organisation was above or well above average in terms of how inclusive it is in comparison with competitors and industry peers, and just 14% said below average. A third (33%) said average.

- Organisations believe they are most representative of the UK working population in terms of age and gender, and least representative in terms of disability and transgender and non-binary people.

- Organisations say they are slightly more representative of the local working-age community than of the UK as a whole, in relation to many of the personal characteristics.

In this section we look at how representative and inclusive employers think they are. These are self-report measures, and we don't know the extent to which they are based on data and evidence.

In the appendix, we have included data from the *Annual Population Survey* on the diversity of employed people in the UK workforce, by ethnicity, gender, age and disability. We have split that data by size of organisation and public/private sector, in case it's a useful source of comparison with your own workforce data in ascertaining how representative your workforce is of employed people in the UK. You may also want to compare your own workforce data with data on the make-up of the community in which your organisation operates, from large-scale surveys like the Annual Population Survey, but we haven't included that level of detail here, as every organisation context is different.

In this survey, we asked employers to think about their organisation in comparison with their main competitors/industry peers in the UK and tell us, to the best of their knowledge: is their organisation above average, below average, or about average in terms of how inclusive it is? Thirty-one per cent said they thought their organisation was above or well above average in terms of how inclusive it is and just 14% said below average. A third (33%) said average (Figure 24).

Figure 24: In comparison to your main competitors/industry peers in the UK… to the best of your knowledge, is your organisation above average, below average, or about average in terms of how inclusive it is? (%)

Category	Value
Well above average	10
Above average	21
Average	33
Below average	9
Well below average	6
Don't know	22

Base: n=2,009.

Is your workforce representative?
First, we asked employers if their workforce was representative of the UK working-age population in relation to a selection of personal characteristics. We grouped together those who said their workforce was a great deal, or a fair amount, representative in this respect to create a net representative score. And we did the same with the 'not very much' and 'not at all' scores, to create a net unrepresentative score (Table 24).

Caution: This data is based on the personal estimations of respondents, and we cannot be sure to what extent they understood the demographic breakdown of the UK in these areas, or the characteristics of their own workforce.

Employers told us their organisations are most representative in terms of age and gender, but under half said they were representative of other personal characteristics. Organisations are least representative of the UK working population in terms of disability and transgender and non-binary people.

Table 24: To what extent, if at all, is your organisation's workforce representative of the UK working-age population, in terms of each of the following? (%)

	Net: Representative	Net: Unrepresentative
Age	66	19
Gender	64	21
Race/ethnicity	46	38
Sexuality	46	25
Religion/belief	41	25
Disability	29	51
Gender reassignment (ie transgender and non-binary people)	18	46

Base: n=2,009.

Second, we asked employers if their workforce was representative of the organisation's local working-age community in relation to a selection of personal characteristics (Table 25). Organisations say they are slightly more representative of the local working-age community than of the UK as a whole in relation to many of the personal characteristics. However, although around two-thirds say their organisations are representative of the community in terms of age (66%) and gender (64%), there is room for improvement. There is much less representation in terms of race/ethnicity, sexuality, religion/belief, disability, and transgender and non-binary people. Organisations said they were most unrepresentative in terms of disability (42%) and transgender and non-binary people (38%).

Table 25: To what extent, if at all, is your organisation's workforce representative of your local working-age community, in terms of each of the following? (%)

	Net: Representative	Net: Unrepresentative
Age	66	18
Gender	64	19
Race/ethnicity	56	26
Sexuality	48	21
Religion/belief	45	21
Disability	35	42
Gender reassignment (ie transgender and non-binary people)	22	38

Base: n=2,009.

How representative and inclusive are UK workplaces?

Given the large body of research that shows a lack of representation of most minority groups at senior levels of organisations, we were interested to know employers' views on whether they thought progression and career advancement decisions were fair in their organisation (Figure 25). The majority, 83%, said such decisions were fair, based on merit and potential. However, 12% said they weren't.

An optimistic interpretation would be that the people completing this survey did so because their organisation is doing well in this area. Other interpretations, given the responses to the questions on representation, are that progression decisions may be fair for the existing workforce, although that workforce may not be representative of the community in which it operates. We may need to understand what evidence they are basing their response on, as we know few organisations are collecting or utilising equal opportunities monitoring data.

Figure 25: To what extent do you think that progression and career advancement decisions at your organisation are fair and based on merit and potential? (%)

Base: n=2,009.
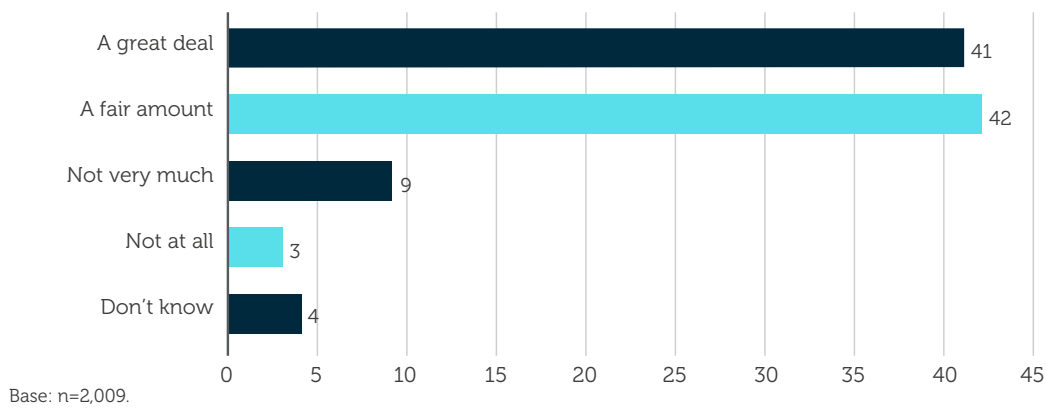
16 Conclusion

A large body of research shows there is a substantial amount of work to do before we can claim equality of opportunity in UK workplaces. We know that there are significant barriers to entry (partly evidenced through employment gaps), and to progression for many minority groups. It's also clear that those barriers differ both between and within groups.

When there is an overrepresentation of people with particular personal characteristics at the lower levels of organisations and a significant lack of diversity in the most senior roles, it's clear there is inequality of opportunity that needs addressing, as well as an underutilisation of skills.

Progress has been made, but it's slow and the pace needs to increase. Change needs to happen across all aspects of society, with employers playing a key part in that to ensure fair treatment and equality of opportunity at work. It's worrying that notably fewer organisations say they plan to focus on each personal characteristic, or area of I&D, over the next five years (compared to the number that said they'd focused on them in the past five years), and that there has been a shift in the number of organisations saying they're not planning to focus on any of these areas (36% not planning to focus on any of the areas of I&D in the next five years compared to 5% not having had a focus in the past five years). Lasting change requires constant employer attention on improving I&D and removing the barriers to equality at work faced by different employee groups.

There are also core aspects of an inclusive workplace that employers need to ensure are in place and regularly updated that can benefit employees from many different backgrounds and identities. These include ensuring I&D is a core principle on which people management policies are built, and that line managers are trained in inclusive people management and what are often termed the softer management skills, to manage people as individuals with empathy, fairness and compassion.

It's clear from the findings of this survey that there is huge opportunity for UK organisations, across sectors and sizes. We hope that the benchmarking data in this survey report and the seven recommendations for practice presented on page 12 will help you as people professionals (and I&D specialists in particular) improve or re-energise your approach, and really make a difference in your workplace.

We firmly believe that a commitment and focus on creating an inclusive workplace with equality of opportunity for all is the right thing to do and responsible business practice. In addition, the benefits for the organisation of having a genuinely inclusive workplace are vast, particularly as reputation is everything and competition for talent intense. Attracting a diverse range of people to the organisation and enabling them to realise their potential at work can help achieve organisation-level strategic priorities, including tackling the current skills challenges.

17 Appendix

Diversity of employed people in the UK workforce

Table A1: Diversity of employed people in the UK workforce, in terms of ethnicity, gender, age, and disability, by sector (%)

	% representation of employed people in the UK overall	Private sector	Public sector
Ethnicity			
Any other Asian background	1.29	1.29	1.29
Bangladeshi	0.69	0.70	0.69
Black/African/Caribbean/black British	3.12	2.80	4.00
Chinese	0.61	0.66	0.46
Indian	3.11	3.13	3.04
Mixed/multiple ethnic groups	1.44	1.47	1.37
Other ethnic group	1.57	1.55	1.61
Pakistani	1.26	1.22	1.36
White	86.91	87.18	86.18
Gender			
Female	49.33	43.56	64.93
Male	50.67	56.44	35.07
Age			
16–17	0.94	1.24	0.14
18–19	1.92	2.44	0.52
20–24	8.60	9.83	5.26
25–29	11.97	12.35	10.95
30–34	12.50	12.70	11.95
35–39	11.89	11.83	12.03
40–44	11.14	10.72	12.27
45–49	10.83	10.38	12.05
50–54	11.48	10.69	13.62
55–59	10.09	9.36	12.06
60–64	6.21	5.95	6.90
65–99	2.43	2.50	2.24
Disability			
Not disabled (as per Equality Act definition)	84.76	85.42%	82.97%
Disabled (as per Equality Act definition)	15.24	14.58%	17.03%

Note: We have not included data relating to sexual orientation in the UK workforce. Both the ONS and the Labour Force Survey statistics have only fairly recently recorded sexual orientation. The ONS data is based on the general population and we are unable to isolate the data relating to people within the UK workforce or employed people.

Table A2: Diversity of employed people in the UK workforce, in terms of ethnicity, gender, age, and disability, by size of organisation (%)

	% representation of employed people in the UK overall	1–10 people	11–19	20–24	25–49	50–249	250–499	500 or more
Ethnicity								
Any other Asian background	1.29	1.41	1.22	0.98	0.98	1.06	1.25	1.56
Bangladeshi	0.69	0.88	0.97	0.73	0.28	0.67	0.61	0.63
Black/African/Caribbean/black British	3.12	2.44	3.06	2.41	2.87	2.76	3.06	3.96
Chinese	0.61	0.76	0.54	0.37	0.40	0.52	0.36	0.80
Indian	3.11	2.70	2.16	2.54	2.29	2.58	3.37	4.81
Mixed/multiple ethnic groups	1.44	1.34	1.25	1.33	1.46	1.33	1.25	1.68
Other ethnic group	1.57	1.78	1.53	1.16	1.37	1.32	1.13	1.86
Pakistani	1.26	1.45	0.78	0.90	1.11	1.06	0.95	1.57
White	86.91	87.24	88.49	89.59	89.24	88.69	88.02	83.14
Gender								
Female	49.33	48.52	52.98	50.57	53.65	49.41	44.14	48.33
Male	50.67	51.48	47.02	49.43	46.35	50.59	55.86	51.67
Age								
16–17	0.94	1.50	1.74	1.60	1.21	0.59	0.21	0.18
18–19	1.92	2.37	2.92	3.66	2.51	1.56	0.84	0.74
20–24	8.60	8.67	9.99	10.20	10.25	8.20	6.62	5.82
25–29	11.97	9.70	11.53	13.38	12.34	12.84	12.60	12.22
30–34	12.50	10.38	11.95	11.95	12.58	12.62	13.18	14.27
35–39	11.89	10.86	10.37	11.03	11.01	11.74	13.4	13.89
40–44	11.14	10.44	10.56	9.45	10.21	11.50	12.16	12.75
45–49	10.83	10.96	9.62	9.62	10.32	11.08	10.81	12.12
50–54	11.48	11.80	10.85	10.90	11.32	11.89	11.51	11.77
55–59	10.09	11.15	10.70	10.03	9.88	9.92	11.38	9.58
60–64	6.21	7.81	6.86	6.35	6.03	6.08	5.56	5.14
65–99	2.43	4.36	2.89	1.84	2.34	1.99	1.64	1.52
Disability								
Disabled (as per Equality Act definition)	15.24	16.11	15.02	16.24	15.16	15.23	14.48	14.84
Not disabled (as per Equality Act definition)	84.76	83.89	84.98	83.76	84.84	84.77	85.52	85.16

Data obtained from CIPD analysis of: Office for National Statistics, Social Survey Division, 2022, *Annual Population Survey, January – December, 2021*, [data collection], UK Data Service, Accessed 1 August 2022. SN: 8928, <u>DOI: 10.5255/UKDA-SN-8928–1</u>

18 Further resources

Equality, diversity and inclusion hub page
Resources to help employers, and HR in particular, promote equal opportunities and manage inclusion and diversity in the workplace. Including CIPD viewpoints on key I&D issues, research reports on different aspects of I&D, practical guides and podcasts.

Inclusion and diversity in the workplace factsheet
What inclusion and diversity mean in the workplace and how an effective I&D strategy can support business.

Building inclusive workplaces
This research report assesses the evidence on inclusion – what inclusion looks like in practice, and how people professionals and the wider business can be more inclusive.

Diversity and inclusion at work: facing up to the business case
This report assesses the evidence on both the outcomes of diversity at work and how organisations can tackle these to make work an equal business.

People data hub page
Resources to help HR and people managers make decisions and solve business problems using people data and analytics.

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