

# **Appendix 1: Employer Insights into Diversity and Inclusion**

How do employers create more inclusive workforces?

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## Introduction

As part of the research Work Advance and Institute of Employment Studies interviewed employers across the five growth sectors- digital, green, health, hospitality and creative, to uncover the following:

- Strategies which support the recruitment, retention and progression of underrepresented groups
- Interventions and inclusive practices already addressing underrepresentation, what they perceive is working well and where there are gaps and hence areas for future improvement
- Perceived challenges in implementing inclusive business practices

The research identified priorities for action where businesses across all five sectors need to do more. These covers activities around:

- **Data collection and measurement** to improve the management of diversity, setting of goals and tracking of progress, including more effective tracking of retention and progression.
- **Establishing standards and conditions** to enhance the effective design and implementation of inclusive working practices (including around recruitment and progression)
- **Investing in the training and education of managers** and workers to support more inclusive practices and working environments
- **Encouraging partnerships and networking across business communities** and with key diversity experts to enhance know-how and to encourage progress.

This briefing provides more detail on the reflections shared by employers throughout the interviews.

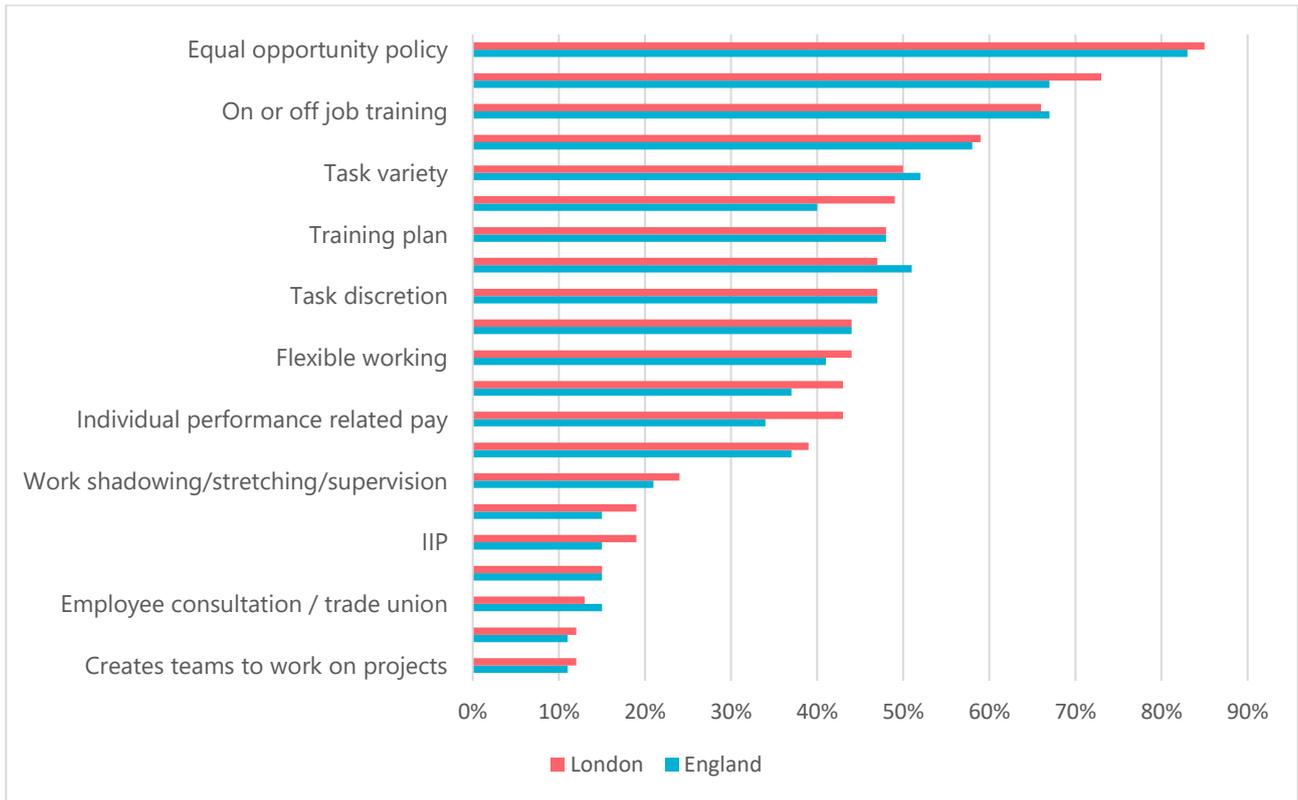
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### Ways to improve business practices

There have been several key policy developments which impact on good work in the modern UK labour market. *The Taylor Review of Modern Working Practices (2017)*<sup>1</sup> and the *Good Work Plan (2018)*<sup>2</sup> both adopted the principles of **High-Performance Working Practices (HPW)**.

HPW is associated with a “bundle” of management practices concerned with leadership, people management, employment relations, work organisation and organisational development. There is, however, **generally a low adoption of HPW amongst London businesses which are even less common in the growing number of smaller businesses**<sup>3</sup>.

**Figure 1: The take up of HPW practices by businesses across London compared to rest of UK**



Source: DfE, UK Employer Skills Survey, 2017

<sup>1</sup> *The Taylor Review of Modern Working Practices (2017)*

<sup>2</sup> *Good Work Plan (2018)*

<sup>3</sup> GLA (2020) *Evidence base for London’s Industrial Strategy*.

There is significant variation in management practices by type of employer – especially by sector and size. There is a higher adoption of HPW in the public sector

- **25% of employers in public administration**
- **18% of employers in education**
- **15% in health and social work**

In contrast within the private sector, and several of the growth sectors, this falls to the following

- **11% in hospitality**
- **5% amongst employers in the digital sector**
- **3% of employers in areas such as construction and energy and utilities.**

In a London context the GLA seeks to encourage London employers to provide more high-quality employment by working towards the delivery of the **Mayor's Academies Programme**, which will support Londoners hardest hit by the pandemic into good work in sectors key to London's recovery and long-term economic growth. It will do this by providing financial support for the coordination and quality marking of training in London (including adult education) and the provision of bespoke support to help newly skilled people into work in our priority sectors.

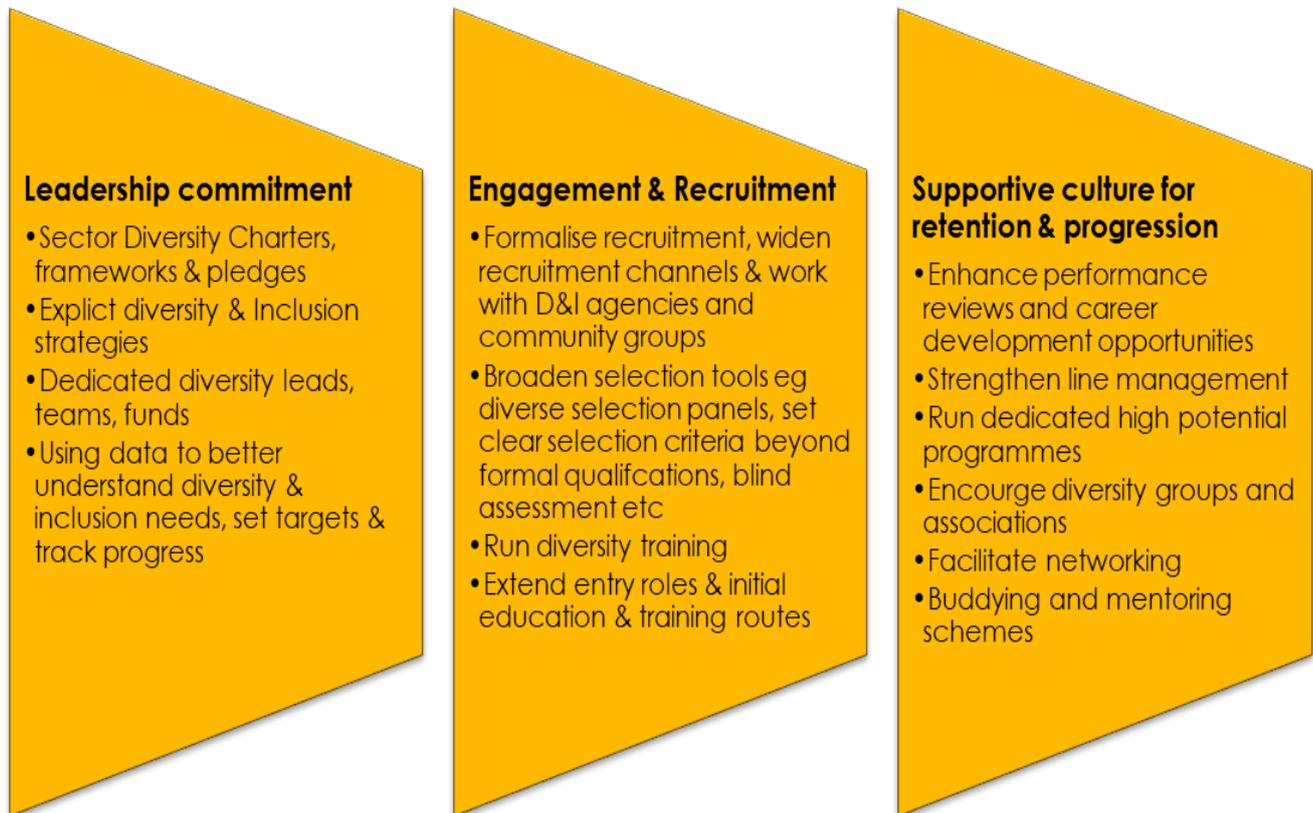
In addition, we encourage employers to work towards a **Good Work Standard**<sup>5</sup> where work is fair, decent, and secure in terms of pay, benefits and working conditions, and provides opportunities for skills development, career progression and effective skills utilisation.

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<sup>4</sup> For the purposes of the Academies Programme, a 'good work' outcome is defined as a **job, apprenticeship or paid work placement for a learner who is not in employment upon enrolment to an adult skills AEB learning** aim which: • relates to a priority sector, is a minimum of 16 hours/week and is expected to last at least four consecutive weeks; • pays a basic salary of the London Living Wage or above and does not involve the use of zero hours contracts. • supports the learner to achieve self-employed status for sectors where self-employment is a pre-requisite to employment. Evidence of a consultancy role meeting the above requirements would need to be met.

<sup>5</sup> GLA, [Good Work Standard](#)

**Figure 3: the nature of good practices currently at firm or sector level to support greater diversity**



Source: Workforce Integration Network [Inclusive Employer's Toolkit](#)

There are various HPW practices which can specifically help to widen access to good employment opportunities and tackle issues of underrepresentation. These are already being implemented in some sectors and at an individual firm level (**see figure 3 and employer insights section below**)

The research highlighted that people centred **High Performance Working (HPW) practices** provide a basis to improve both firm performance and job quality, including through more inclusive recruitment, effective employee involvement practices and support for continuous development and progression, including embedding positive flexible working practices.

## What are the challenges employers face in implementing EDI best practice?<sup>6</sup>

The research uncovered several challenges which employers face in implementing EDI best practice. These challenges varied depending on size of organisation and working nature of the sector and occupations within each sector. However, on a broad level, these included the following:

- **Customisation of D&I strategy:** Big multinationals need to contextualise to national and sub- regional, and local labour markets to ensure they can deliver on local inclusivity needs and targets. There are often problems in maintaining consistency across the business
- **Resources:** Small and medium sized organisations often lacked the same resources, capacity, and capability as larger organisations to implement changes. As a result, D&I often delivered through informal processes and not embedded across the organisation as effectively.
- **Securing good quality and comprehensive data:** Lack of data on protected characteristics such as socioeconomic status and/or sexuality; A need to secure buy in from staff to collect data on protected characteristics; Absence of data tracking on retention and progression; Challenges with streamlining systems in order to do overall comparison and aggregation. **(see below 1.6)**
- **Apprenticeship system:** Apprenticeships are well regarded as a way to support underrepresented groups to gain access to industries. However, rigidities in the system which often worked to standardised rules and entitlements, with little room for flexibility, and hence customisation to different sectors and careers. Larger employers questioned in particular the role of the levy and whether improvements could be made about how the funds for sectors were deployed. **(see below 1.1 &1.2)**
- **Expense of training and development:** In some sectors costs of training and development courses were too high for individuals to fund without assistance from employers. This is particularly relevant in the creative and digital sectors. In sectors where there is freelancing and other forms of precarious employment -particularly in the early career stages – courses are not always subsidised by employers, which makes them out of reach for those in irregular employment, including early-career workers.

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<sup>6</sup> See chapter 3 pages (87-113) of WA report for full case studies and more detail.

## What can employers do to improve EDI?<sup>7</sup>

The Workforce Integration Network (WIN) has been supporting London employers to build more inclusive workforces since 2018. It has published two key documents to support organisations of all sizes and stages in the journey to build truly diverse and inclusive workforces (**see info below**).

WIN will be publishing new sector toolkits and resources in early 2023 that will provide customised solutions and support employers in each growth sector to take the action needed to improve equality, diversity and inclusion (EDI).

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<sup>7</sup> See upcoming WIN sector specific employer toolkits for further advice and guidance: Publication due March 2023

### **The Inclusive Employers Toolkit (IET)**

The [Inclusive Employers Toolkit](#) was launched in September 2020. The Toolkit provides a step-by-step resource to support employers to take action on workforce diversity and inclusion. It aims to help employers improve the recruitment, retention and progression of young Black men within the workplace and more broadly improve employment outcomes for young Black men across London. It also provides support for employers who want to improve diversity within their supply chain.

\*The Greater London Authority is producing five new sector specific toolkits for the Mayor's Academies Programme. These toolkits will be coproduced with employers in the respective industries and the key priority groups of underrepresented Londoners. These will be published in early 2023.

### **The Workforce Data Equality Guide**

Data collection is a key pillar to measuring the impact of the work you undertake to become more inclusive employers.

[The Mayor's Workforce Data Equality Guide](#) provides practical, step-by-step guidance on how to collect, analyse and act on equalities data in your organisation. A data-led approach is key to understanding underrepresentation, disengagement and incidences of racism, discrimination, bullying and harassment. Through identifying disparities, organisations are empowered to take more effective action.

We need to measure progress by capturing data such as this to truly understand how successful initiatives and programmes are; in turn identifying specific challenges and experiences that individuals may face. However, all this relies on companies reviewing their organisational culture and fostering spaces where employees and applicants can feel comfortable sharing information about themselves. This report says that 'you can't act on what you don't know' - but knowing is only the first step. If companies are serious about breaking down inequalities, they must follow up with action.

The guide is useful for organisations at all stages of their data journey – from enabling a greater understanding of the basic elements of data collection through to adopting an intersectional approach that analyses multiple aspects of a person's identity. It's a critical guide for those wanting to uncover previously hidden data, which once acted upon, can shift the dial towards creating truly inclusive workplaces.

## What did employers say?<sup>8</sup>

**Vital role of senior leaders and organisational leadership:** The basis of the case for action, and in turn more inclusive good practice, usually emanated from the senior ranks of the business, including the chief executive, the managing director, the senior leadership team and/or wider senior staff. Some employers emphasised the vital role of senior leaders, especially acting as essential champions and role models, not only in communicating and incentivising the practices and behaviours they wanted to see, but “living and breathing them” (see case study 1.)

**Role of line managers and wider management community:** Line managers were identified as crucial to the effective management of inclusion and extending the reach of Diversity and Inclusion (D&I) policies. Line managers play a crucial role in supporting individuals to secure fair access to opportunities. Internal performance reviews and appraisal processes support with accessing training and development through options such as on the job training and formal learning and development opportunities.

*“I think they [line managers] are hugely influential and I think because of the variety of line management development programmes that encourage line managers to actually think about the potential of their team...that's really, really helpful. And so just making sure that those line managers are accessing that network of support around them. The other thing that we tend to have within health and social care are roles such as practice educators. They can also be really helpful alongside managers to actually nurture and develop skills where individuals identify a particular area of interest. Actually supporting them in actually pursuing those pathways as well.”*

**Employer Health Sector**

**Importance of workforce data collection and monitoring:** Irrespective of whether or not employers had developed a bespoke D&I strategy, there was an appreciation amongst employers interviewed of the importance of collecting workforce data and information to better understand how the diversity picture varied in different types of roles by different characteristics – including, for example, **age, gender, ethnicity, disability and sexuality**. Some employers in the sectors – usually larger employers – had established data collection and monitoring processes to track the success of their various inclusive practices. This data was cited as invaluable in setting tangible targets and reviewing

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<sup>8</sup> Further case studies are available on pages (87-113) of WA report

progress over time, and ensuring any steps taken to enhance inclusivity had a “hard edge” and hence a line of accountability to senior managers.

**Diversity and Inclusion training:** D&I training was key to ensuring that managers understood the importance of their role in identifying and valuing talent and challenging any unconscious bias and discrimination.

*“We have diversity training everywhere. And much of this is micro-training – small snippets of training through story telling rather than a two-hour course about how to be diverse. Different types of training are required to improve education.”*

**Employer Green Construction Sector**

**Mentoring, buddying or work shadowing initiatives:** These were cited as making a vital contribution to an inclusive and progressive organisational culture. Some businesses, especially larger ones, said that they offered numerous mentoring schemes, centred around peer-to-peer support and that it was “*just part of the way we do things around here*”. More widely, these schemes ranged from informal processes, locally operated to offer advice and guidance in real time within departments and teams, to more formal programmes, often developed on an organisation-wide basis to publicly signal and promote opportunities for specific target groups – such as those characterised by **gender, age, and ethnic background**.

**Industry careers groups and outreach:** Industry careers groups for women in their respective industry facilitated networking, skill-sharing, and access to professional opportunities. These industry groups provided role models and success stories, which female participants considered very important to maintaining their career aspirations. Many supported the idea of developing this social support system from an early age. They believed that industry career groups should reach out to women and other minority groups, particularly around the time of choosing GCSE and A Levels. They believed that many barriers to industry access can be attributed to educational inequities, and as such, outreach should begin at the level of formal schooling.

*Maria was working for an environmental consultancy firm in Canada when an opportunity in the London office arose. She applied for and was selected for the role, prompting her relocation. Since moving to London, Maria has taken on some more senior positions within the company. As she progressed in her career, Maria reported feeling increasingly uneasy, remarking how, the higher she climbs the corporate ladder, the less she sees people that 'look like her'. A female, minority ethnic, migrant worker, Maria does not see anyone she can go to for support or share experiences within her organisation and therefore seeks recourse from an international women's industry group.*

*The lack of role models in her organisation has dissuaded Maria from applying for some opportunities for development and progression. She suggested having minority success stories promoted across the industry, be it through industry boards, magazines, or networking events would help her feel more confident about her prospects. Furthermore, she strongly advocated for events at exhibition centres, such as the Excel Centre, which provides minorities in different industries with opportunities to meet and have career conversations with others who have succeeded in the same industry.*

**Maria, environmental consultant - individual**

## Insights into employer challenges and best practice for improving EDI

### 1.1 Apprenticeships

*"We also, as an industry, really want to grow the numbers on our entry level apprenticeships, on our level four apprenticeships. We are trying our best to make apprenticeship policy work in our industry...but we are never going to get beyond cohorts of 10, 12 apprentices at a time, unless some things change...there's got to be some funding for salaries. Every single person who works for the business gets costed back to our clients somehow. No one is just an overhead. So, if I was to say to "Let's have 50 apprentices," they'd be like, "Great, but who's going to pay for them? Because we are not going to, our client's not going to, don't know." Because, honestly, where we're at recruitment wise at the moment, we would all happily put 100 apprentices through every year, no problem, no questions asked, and all those 100 people would get jobs off the back of it. We just can't afford to."*

**Employer Screen Industries**

### 1.2 Apprenticeships

*"So, the thing that would unlock it for us is if apprenticeships were part funded. So, if you could use your apprenticeship levy or if somebody else gave you some money to take an apprentice to pay for 25% of someone's salary... that would help you employ someone. Because at the moment, it costs you more money to take an apprentice on than it does to take Joe Bloggs on who's not an apprentice. So, if you said to me, "You can have one of these people and..." Us, as an industry, we all want to pay everyone £21,000 a year. So, if I can have someone who's of my choice, then someone who's got no skills, is going to be an apprentice and is going to cost me £21,000 a year, but I'm only going to have them four days a week, or I can have someone five days a week for the same cost who's already got social skills, then commercially, I'm going to go for the latter. So, to make the person more attractive we share the cost of that person 50/50, and they have had some soft skill training." This is why the people that come through [programme], for example, are work ready. They're often ready because they've already been taught how to use a camera, how to do all the basic stuff. They've got some basic office skills and they cost me the same price as someone with nothing. So, I'm always going to take one of those people. "*

**Employer Screen Industries**

### 1.3 Initiatives versus structural reforms

*Donna, a Black mental health support professional, has been working in the health sector for a number of years and has held senior posts in the NHS and multiple third-sector organisations. Throughout her career in healthcare, Donna has been asked by multiple employers to be the campaign spokesperson for initiatives such as Black History Month and Mental Health Awareness Week.*

*Being someone of a Black ethnic background and who is also very open about her mental health struggles throughout her adulthood, Donna believes that some employers have used her as a success story and a token of organisational diversity, despite those employers providing very little support to her career progression.*

*For instance, Donna recounted instances when she had only heard about promotion opportunities from peers, despite being qualified for the position. Donna would only learn about some of these roles after the deadline had passed or on the same day the application was due, hence forcing her to rush through her application file. In many cases, senior colleagues claimed that the information not being given to Donna was merely due to oversight. She noticed that, for many of these promotions, the successful person was almost always 'of the same complexion' as the hiring managers and felt that the positions were already previously 'reserved' for another member of staff.*

**Donna, mental health team leader - individual**

### 1.4 Champions and Role models

*"Role modelling is critical. With the younger women, where we run training programmes, unless we show the women, they say that they didn't realise you could do that. So, we actually bring women forward to do that. We have an up-and-coming work experience programme for female and non-binary students. It will be opened by our head of EMEA, who is a woman. Just as a starter to get them thinking that all of this is possible"*

**Employer Digital Sector**

### 1.5 Champions and Role models

*“One of the women who entered recently said that one of the things she liked most about the company was seeing people like her. She has so often walked into all white environments that it throws her every time. Stops people thinking if I have been recruited, am I being recruited as the only black token person”*

**Employer Digital Sector**

### 1.6 Data collection

*“There’s a massive need across the sector and across all the sectors I guess to give people the confidence to say what their protected characteristic is. Because unless people say that and then it is hard for organisations to understand their workforce and to be able to proactively put some steps in place to ensure that there is more diversity.”*

**Stakeholder Health Sector**

### 1.7 Inclusive recruitment

*“When we set up to be on site the apprenticeship scheme was very low. In London we couldn’t work on that level. We created entry roles on construction sites, paid people in those roles to get people into the routine of work. Turning up on time. People come from chaotic backgrounds with challenging lives. Need support mechanisms to help with outside factors and manage work too. Big support element”*

**Employer Green Sector**

## 1.8 Employer networks

*“In terms of community groups one of the things to think about is not just the community group but the allyship that surrounds it. I am patently not a black employee neither am I gay; I am a part of both our pride as a company and our connection to black professionals and it’s a way of, of you bringing in allyship; and it’s got to be active, you have to go and find people. It’s such a great way of learning about different cultures and different experiences. Black history month was celebrated; we had a virtual carnival, Nottingham carnival and the carnival experience; we celebrated Barbados independence day. It’s been eye opening, honestly; we encourage men to be women at the company; women to be men; we encourage white people to connect to black professionals. So, I think that creates a wider community of people who are aware, conscious, and supportive, whilst not necessarily being, naturally part of that network. It that has worked really well in our company is community groups. We encourage and support staff to form networks such as a Black staff network and encourage any new young Black male starters to join the network. Networks are supported by our leadership board and funded by them.”*

**Employer Digital Sector**

## 1.9 Employer networks

*“All members that fall under an inclusive and diverse bracket... have a (online) forum to have conversations around some of the challenges that they're facing, whether it's at [the organisation] or on a personal level, you know which is a great platform, and that's one of the positives I think of working for a larger organisation.”*

**Employer Hospitality Sector**

### **Further information**

This briefing was produced utilising information from the research conducted by Work advance and Institute of Employment Studies. The briefing highlights areas where you can seek further information. For further information please see the following:

- Workforce Integration and Inclusion in London's growth sectors; analysis project for the Workforce Integration Network and Skills academy's team; *Lesley Giles, Paul Sissons, Heather Carey, Miguel Subosa and Becci Newton*

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