

2022/2023 HEADLINES & HIGHLIGHTS REPORT







www.inclusivecompanies.co.uk



WELCOME ·

Welcome to our IT50 2022/2023 Headlines & Highlights Report – a compact version of our full 50-page Inclusive Top 50 UK Employers 2022/2023 report (www.inclusivecompanies.co.uk/it5022report) which provides full statistics, analysis and detailed comment on the current state of ED&I in the UK workplace.

This summary report recognises and applauds best practice and the big steps taken on the road to an all-embracing equality, whilst showing how much still needs to be done. Consider it a 'Call to Arms'.

The IT50, now in its 7th year, attracted its largest number of submissions to date, with the data considered to **reflect over 750,000 members of the UK workforce**. It represents people from those who join at the most junior level all the way to those on the Executive Boards of a wide variety of organisations in public, private, educational, housing and charity sectors. The full report was compiled from data we received from all submissions, not just from those organisations who were placed in our Inclusive Companies Top 50 (IT50) by the independent expert panel.

Organisations enter our annual IT50 to understand better how they are doing, where they are on its journeys and what they still need to do. It's important to not just recognise the success of these top 50 organisations, but also to learn from their advancement. The **West Midlands Fire Service** (WMFS) first entered the IT50 in 2016 and this year was placed first. A tremendous achievement which rightly recognises some extraordinary work within its courageous and forward-thinking culture. **Diversity, equality and inclusion are business imperatives in today's ever-changing society**. WMFS has embraced this, maintained their focus on initiating change and will continue so to do.

Inclusive Companies is focusing upon equity in 2023; diversity is the foundation upon which we build. But if it is no more than trying to achieve a 'certain percentage' it is meaningless, simply a tick box exercise. Equity requires inclusion and participation: the short section below on 'belonging' (internal networks) reveals a great deal about this.

The sections which now follow are a distillation from the main report, kept in the same order for ease of cross-reference. They draw attention to what we believe are key issues thereby offering guidance as to where organisations should be focusing their attention.



DIVERSITY, EQUALITY AND INCLUSION IS A BUSINESS IMPERATIVE IN TODAY'S EVER-CHANGING SOCIETY









www.inclusivecompanies.co.uk



1 ED&I CULTURE

This gave very positive findings.

- 96.5% of submissions revealed they employ a specialist in ED&I
- Findings stated that all SLTs are championing ED&I
- 96.55% are measuring inclusion within their workplace



Setting meaningful ED&I metrics is essential for any employer to understand the value a diverse and inclusive workforce culture brings to their organisation. It means risk areas are identified, actions are taken and initiatives can be measured accurately.

But compulsory training and a link to the top still need addressing

- Whilst all participants' submissions showed they provide some form of D & I training, 87.93% said it was mandatory a decrease of 4.23% in 2021
- 89.29% reported a direct line to the Executive Board for their ED&I specialist, a slight fall on the 2021 figure

(2) ETHNICITY PAY GAP —

This is not a legal requirement as the Commission for Race and Ethnic Disparities recommended and remains voluntary due to the lack of diversity in some parts of the country. Government has produced guidance to help employers tackle ethnicity pay gaps voluntarily.

Pleasingly, our findings witnessed an increase of 13.93% in participants reporting their ethnicity pay gap, up to 41.38% from 2021 – the first time
we asked for this data

This is still below half of all submissions. Inclusive Companies encourages ALL organisations to collect this data to better address pay disparities. The legal requirement should not be the defining factor for action.

Pay Gaps for all Protected Groups need to be addressed. The Office for National Statistics reports a 13.18% gap between median pay for disabled and non-disabled employees in 2021.

We found that only 10.34% of submissions revealed they are reporting on other pay gaps (disability, LGBT+, for example). Clearly this is an area which needs great attention.



THERE WAS CERTAINLY MORE EVIDENCE THIS YEAR ON HOW SEVERAL EMPLOYERS ARE DEVELOPING AN INCLUSIVE EMPLOYER BRAND







www.inclusivecompanies.co.uk



(3) BELONGING -

"The volume and impact of employee network groups was more impressive this year," is taken directly from the judges' panel in the full report. In 2021, there had been a significant increase across the board. Given our strive for equality and equity, this is massively important and a positive step. Belonging means people feel accepted for who they are and what they can bring to the workplace.

Statistics for employee networks across the protected groups are impressive and very encouraging.

- The LGBT+ and Ethnicity networks within organisations both tabled figures of a very high 93.1%
- For a designated protected group, Faith saw the largest rise from 2021 of 11.03%

Not all good news

Whilst this sounds very good, one group recorded a decrease of 3.72% to a low of just 41.38%. **The group is Age.** It is one which is going to affect the vast majority of a workforce and yet it is the one which has the fewest networks. Why is this? It is the 'stealth exclusion' in our workplaces. It surrounds us without our necessarily being aware or considering it to be an issue as it is something with which we will all contend. Put like that, surely it is something that is vital to address? Inclusive Companies draws the attention of organisations to this statistic and urges that they seek to include everyone.

Specific Findings by Levels of Employment

2021 saw the first year that data was gathered from four levels of employment: Executive Board (EB); Senior Leadership Team (SLT); Middle Management (MM) and Overall Workforce (OW). The same approach was taken this year which affords the opportunity to make direct comparisons.

Certain demographics are clearly underrepresented in the workforce, that comes as no surprise, yet advancement has been made across areas.



4 UNDERREPRESENTED COMMUNITIES REPRESENTATION

- There was an average of almost 8% of all submissions which did not offer data across the four levels (slightly higher than in 2021).
- At Executive Board level, 25.85% of organisations had more than 16% of underrepresented communities, decreasing by 3.56% on 2021
- The higher percentiles at SLT have decreased in numbers of underrepresented communities represented, decreasing by 6.89% in 2022. But the 11-20% percentile saw a notable 8.68% rise
- There was a fall of almost 10% to 38% at MM level for representation in the 11%+ percentile, something replicated in the 16-20% percentile. A very similar increase was recorded at the 6-10% percentile
- 44.84% had fewer than 10% of their employees from underrepresented communities, a rise of 7.5% on 2021

These are headline figures. The inference to be drawn from all the data is that there is a notable decline in the representation of unrepresented communities in the overall workforce of companies.

By definition, this is a large and specified body of people who need integration into the workforce and their experience to be valued. The figures suggest that this is not happening: it is a trend which must be addressed.





www.inclusivecompanies.co.uk



5 GENDER REPRESENTATION

- This is the first time in three years that some organisations had no female representation at EB level, recording the highest statistic yet of 6.9%
- It was only in three of the four lower percentiles that female representation recorded rises at EB level
- SMT level recorded more rises at the higher percentiles but as the percentiles widened, the figures dramatically fell away
- At MM the figures held up well across almost every percentile
- The higher percentiles also showed strongly for OW

Overall figures make far less palatable reading:

- 60.34% of companies reported fewer than 50% female employees in their workplace.
- There is also a trend of female representation falling away after MM level.

Inclusive Companies draws very clear attention to this point. Might it also be allied to the situation we have highlighted with AGE? Workforces are losing/not valuing female employees. They are allowing experience gained to MM level to disappear or, arguably worse, are ignoring it.



6 DISABILITY REPRESENTATION

- All four levels reported an increase in the number of organisations which had 0% disability representation
- 22.41% of all organisations did not have data for disability representation across their workforce. This was close to a 5% rise on the 2021 figure. This made disability the least reported protected characteristic across overall workforce data

As fewer organisations are capturing the data on disability representation, it does mean the statistics become less reliable as being a true reflection of participants' workforce diversity.

What IS clear is that a large number of organisations have chosen not to collect this information which, in itself, is disturbing. Add to this, the likelihood that those organisations choosing to participate in the survey have a stronger chance of seeing ED&I as being important to the current and/or future working cultures of their organisations - and the UK picture may be far bleaker!

Inclusive Companies can state with absolute clarity the need for greater data gathering around their disability representation. It is almost a certainty that awareness of and support for those within the workforce who are disabled is not as strong as it needs to be. This has to be addressed.



THE VOLUME AND IMPACT OF EMPLOYEE NETWORK GROUPS WAS ALSO MORE IMPRESSIVE THIS YEAR OVERALL







www.inclusivecompanies.co.uk



(7) LGBT+ REPRESENTATION -

- LGBT+ representation is the least reported data at EB level with 41.38% of organisations not collecting this data. This is a significant unwelcome rise from 27.45% in 2021
- A similar trend is seen at SLT level with the figure for not reporting data being 32.76%, an increase of 11.19% from 2021
- LGBT+ also saw the highest % for not reported data at OW level

Whilst the increases were amongst certain percentiles, the data did reveal that companies are employing more LGBT+ people than ever before. Once again, we do need to be careful with statistics. It is entirely possible that more people are identifying within this group which could account for a rise in the surface number, but not necessarily an actual increase in overall numbers.

Society is very aware of this protected group, and many current issues involving people from this group, as it makes the news daily. That many organisations do not gather employment level data for the LGBT+ group and yet 93.1% of participants had internal LGBT+ networks is a dichotomy which needs to be addressed.



WHAT DOES THE REPORT TELL US? —

More organisations than ever before chose to participate in the survey. This is a very positive position. Employers are seeking to test the water with regard to how they are performing and it is abundantly clear that many are doing so with a desire to learn and change their existing practices.

Whilst the full report highlights all the data that has come from submissions regarding workforce diversity, it doesn't focus upon the breadth of initiatives being delivered by participants to create inclusive working cultures.

It is also evident that 'no one size fits all'; the work being carried out is a reminder of the importance in innovation and diversity of thinking for all employers. We are not under any illusion that one organisation is fully inclusive; there is a long way to go and the goal posts are constantly moving. We are proud of the organisations that have highlighted their failings and are making tangible change through action, to ensure they continue to progress and evolve in the ED&I space.

As I said at the start, where diversity is all about a varied representation of employees, inclusion is about ensuring each individual is accepted, valued and integrated into the workplace. Employing people from diverse backgrounds is just the first step: without inclusion, such actions are nothing more than paying lip service to diversity.

The evidence shows that a thriving ED&I strategy is key to equipping a workplace in the constantly evolving corporate environment.

"TO MOVE THINGS FORWARD, I WOULD LIKE TO ASK PARTICIPANTS TO LOOK ACROSS THEIR WORKFORCE AND TELL ME CAN THEY HAND-ON-HEART SAY DIFFERENT GROUPS OF PEOPLE ARE REPRESENTED? IF NOT, WHY NOT? WHAT ARE THE BARRIERS TO YOU, AS AN EMPLOYER, IN INVITING PEOPLE WITH THESE CHARACTERISTICS TO JOIN YOUR ORGANISATION? AND WHAT ARE THE BARRIERS TO CREATING AN ENVIRONMENT WITHIN WHICH THESE EMPLOYEES WISH TO STAY?"





www.nationaldiversityawards.co.uk | @ndawards



 $www.inclusivetop 50.co.uk \mid @Inclusive Top 50\\$



www.inclusiveawards.com | @InclusiveAwards



diversitypowerlist.com



www.inclusivejobs.co.uk

For further information about any of our initiatives, please contact a member of the Inclusive Companies Team: info@inclusivecompanies.co.uk or telephone 0345 404 1800

www.inclusivecompanies.co.uk

Inclusive Companies Registered in England No 113 97949. VAT Reg No 305 8157 12.





@inclusivetop50



rowered by

INCLUSIVE COMPANIES

CHAMPIONING DIVERSITY IMPLEMENTING INCLUSION