DIVERSITY & INCLUSION: PUTTING THEORY INTO PRACTICE
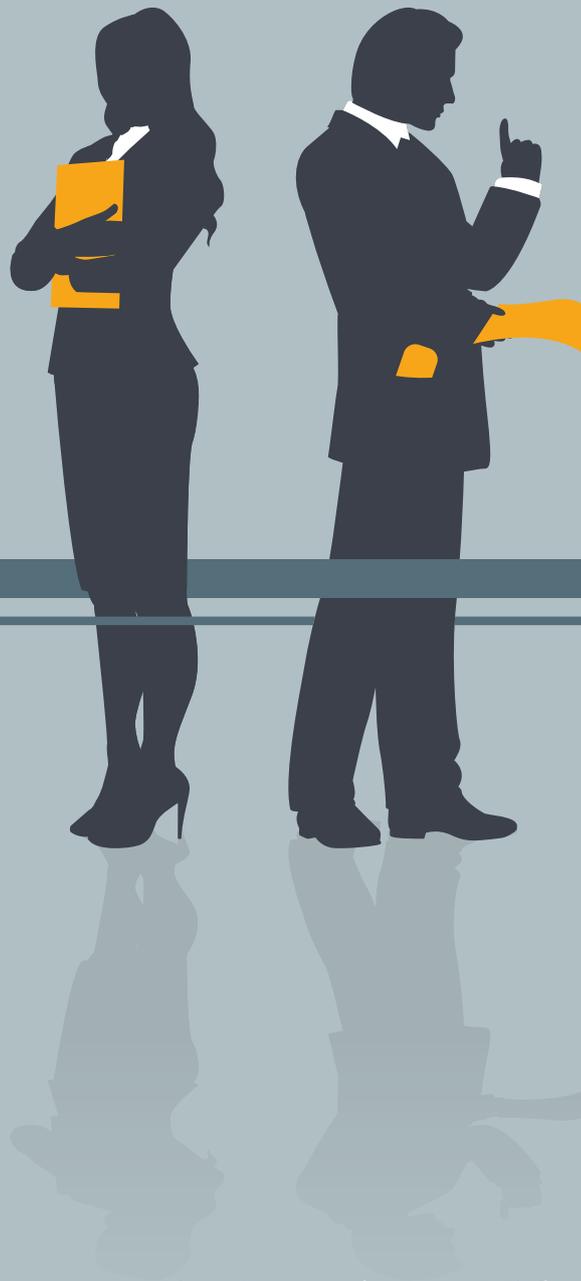
How UK SMEs can turn the D&I challenge into opportunity

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[EXECUTIVE SUMMARY]

Diversity and Inclusion (D&I) in the workplace was a hot topic in 2016. From the ongoing gender pay gap debate to research projects such as Deloitte's *High-Impact Talent Management* reaching a wider audience: the topic remains firmly in the public eye. Having good intentions when it comes to equality within your organisation is one thing, but dedicating time and resources to implementing a D&I programme and understanding how best to measure it, is another.

Looking to 2017 and beyond, businesses need to get to grips with it: whether that's creating a D&I strategy or hiring an equality and diversity officer in their organisation – and diversity recruitment is not without its challenges. It is these challenges that inspired PageGroup to take a closer look at diversity in the workplace, specifically in small- and medium-sized businesses (SMEs), and produce this research report.

The most surprising insight these research results revealed, was that despite a need and demand, over half of companies (60%) do not set D&I objectives and/or KPIs. Furthermore, almost four in ten (38%) survey respondents admitted they do not fully understand the issue. It is no longer a question of *if* SMEs will put a D&I programme in place, but *when*.

[METHODOLOGY]

PageGroup surveyed HR and recruitment professionals operating in the UK, in sectors from travel to construction, healthcare to financial services in November 2016. This report is based on analysis of that data.

[INTRODUCTION]

HR industry and business reports alike show that the majority of UK organisations strive for a workforce that reflects the vast diversity of their customer base and the world around them, but need guidance on how to achieve it. In order to encourage employees to feel comfortable being their true selves at work, SMEs must create strategies that address D&I focus areas such as mentoring, leadership buy-in, measurement and celebration.

[1] GETTING TO GRIPS WITH THE D&I CHALLENGE

While D&I in the workplace has improved in various ways (enhanced employee engagement, increased revenue generation), it was still one of the most prominent concerns for recruitment professionals in the UK throughout 2016. In fact, exactly 100% of respondents think that their organisation has D&I challenges.

Organisations are seeing the business case for and benefits of diversity, including access to new markets, increased brand value and, ultimately, protecting their bottom line. However, only 38% of survey respondents feel they truly understand the D&I challenges their company faces.

The starting point for an SME's D&I activity is to audit existing levels of diversity and commit to tackling this by setting the tone within the workplace and ensuring all levels of management from senior leaders to individual employees understand the company's mission. SMEs should embrace diversity and see it as an opportunity to retain the best staff and foster innovation, not as an intimidating, unknown entity.

[2] BUSINESS-CHANGING NOT BOX-TICKING

Before businesses can truly understand how to develop their D&I programme and interrogate their specific challenges, it is vital to start at the beginning: what is D&I and why is it so important to organisations? Firstly, it fosters employee engagement, development and learning, but it can also have a positive impact on talent retention and enhance a company's reputation.

Part of the problem is defining diversity and inclusion, and then translating it into a tangible business plan. How do you go about ensuring diversity – from gender to education – is a business transformation exercise, and not a box-ticking one? The answer is treating it just like other business initiatives: making it measurable.

So while companies should be more than ever focused on attracting and retaining a diverse and inclusive workforce in order to remain successful, almost two thirds (60%) of companies surveyed do not set D&I objectives and KPIs. If they do, almost half of workplaces do not promote them to employees internally. With more than half of the respondents (52%) revealing they do not have a senior manager responsible for a D&I programme in their workplace, how can these companies implement and monitor sustainable D&I core values effectively? In short, not without change.

[3] DEVELOPING A FLEXIBLE APPROACH

While many businesses have good intentions when it comes to D&I (more than one in three (36%) intend to track socio-economic background for example), there is a need to ensure a level of 'diversity' in the approach to diversity itself.

This is partly because the way we classify it constantly evolves, making it tricky for businesses to pin-down their programme. This means regular maintenance and updates are essential. The D&I factors that companies feel they are not performing in, and therefore need to pay attention to, are: carer status (20%), sexual orientation (15%), religion (15%), and socio-economic background (10%).

There is little doubt that D&I is now a necessity and no longer optional for HR professionals. The ability to track, measure and optimise diversity can prove invaluable to a business that approaches it in a rational yet flexible way.

[SUMMARY]

Companies that embrace the D&I challenge and turn it into an opportunity will see improvements to their business performance, but only if they commit to a dedicated programme. This ensures ongoing commitment to both staff and the wider industry. The end goal? Simple: to offer a truly inclusive workforce where everyone matters and – more importantly – thrives.

For help solving your diversity and inclusion gaps in your business, create your bespoke D&I checklist using our D&I Checklist generator - _www.michaelpage.co.uk/diversitychecklist._