



WORKPLACE EQUITY COMMISSION

Interim Update

MARCH 2024

**WHERE
BUSINESS
- BELONGS**

B British
Chambers of
Commerce
PEOPLE
AND WORK

INTRODUCTION

The publication of the Interim Update marks the half-way point in the Workplace Equity Commission's UK-wide Inquiry. It reflects some of the key themes, issues and opportunities raised in our discussions with chambers, member businesses and a wide range of external organisations. It also provides another opportunity for Chambers, businesses and external stakeholders to feed in evidence and give views on the emerging recommendations.

Many thanks to colleagues from across the English regions and devolved nations who have already contributed time, expertise, evidence and ideas to the Commission's work.

The following report outlines the steps the Commission has taken to gather evidence and the key themes that are emerging in the Inquiry.

THE COMMISSION

Ahead of International Women's Day in 2023, the BCC conducted a landmark survey of more than 4,100 respondents that found that two thirds of women feel they have missed out on career progression because of childcare responsibilities. The survey also found that an equal proportion (52%) of male and female respondents felt they had missed out on career progression as a result of their duties to general non-paid caring responsibilities.

The findings from the survey were stark and showed the dial for women's equality and equity in the workplace was not moving fast enough. It also raised questions about the extent to which other groups in the workforce are also being held back from accessing opportunities and from reaching their full potential. To help move the dial, the BCC formed its first Equity Commission to truly explore the setback for businesses and form recommendations to bring about change.

BCC's Workplace Equity Commission was first convened on 26 September 2023 to consider the question '*How do we help SMEs to create more equitable workplaces?*'. The Commission defines workplace equity as creating a level playing field for all individuals, recognising that we do not all start from the same place and that adjustments may be required to provide fair access to opportunity.

The inquiry was set against the background of:

- a tight labour market where employers were struggling to fill job vacancies;
- the need to boost business productivity;
- increasing numbers of working age people who are economically inactive; and
- evidence of barriers for cohorts of people in getting access to jobs, in-work progression and representation in senior roles.

The Commission issued a [Call for Evidence in October 2023](#) which closed in February 2024. The Call for Evidence asked 8 key questions, including how to create a culture where leaders ensure workplace equity is at the heart of business and where they commit to the cultural change required. A full list of the questions is available on the [BCC website](#).

The Commission has focused on SMEs because, typically, these employers do not have the resources of larger firms and are less likely to have taken action on workplace equity. Commissioners are seeking to understand what SMEs are doing to develop equitable workplaces, what support they need and how Chambers, other organisations and Government may be able to help.

Our influential [commissioners](#) comprise UK and international Chamber CEOs together with experts from across civil society.

WHAT THE CALL FOR EVIDENCE REVEALED

Access to Skills

Many of the responses highlighted the issue of skills shortages and the need for employers to modernise their staff recruitment and development practices to help fill job vacancies. BCC research shows that 76% of businesses are struggling to attract and retain the skilled people they need, while across the economy there are just under 1 million job vacancies.

Employers acknowledge that, while firms face difficulty in finding skilled people, there are many individuals who struggle to access jobs, remain in work, or progress in their career because of barriers and challenges. For example, there is a growing number of the working age population

who are economically inactive, often through ill health or caring responsibilities - many of whom would like to work but may need adjustments to working hours, location or job design. Many employers told us they recognise the business sense of investing in recruitment and development of people from a more diverse talent pool. They also told us they understand the benefits of identifying and eliminating barriers to job access and career advancement.

Recruitment

There was widespread agreement that equitable and fair recruitment practices are critical to changing the demographics of workplaces. There were many good examples of firms who had introduced 'blind' recruitment which removes personal details during the sifting stage and the benefits of moving away from academic requirements for candidates.

We heard how some firms were supporting neurodiverse candidates to overcome difficulties at interview by either making the questions available to them in advance, or introducing other measures to ensure people could perform at their best at the recruitment stage. Others had introduced 'interview and hiring communities' rather than relying on a single hiring manager. SMEs told us these were quick wins that most employers could introduce.

In accessing skills, some members felt that the education and careers system could do more to encourage women, ethnic minorities and people from disadvantaged backgrounds to aspire to work in a broader range of industries and professions. There was recognition that the employer has a role to play in engaging with schools and colleges to raise awareness of careers and offer work experience to those who may not have thought such opportunities would be open to them.

In work progression and equity at senior level roles

SMEs regarded training and upskilling as the main route to in-work progression for their workforce as a whole. There was some evidence from the medium sized firms of actions being taken to enable in-work progression for under-represented groups and/or steps to ensure gender and ethnicity balance at senior levels. These firms had taken steps to gather and monitor data.

Creating Opportunities in The Local Economy

Employers told us they want to provide good jobs and opportunities for people in their local communities. They are motivated to reflect the communities in which they are based and the customers they serve. We heard from employers who have invested in apprenticeships as a route to providing opportunities for young people, and other firms using apprenticeships to help older workers and returners to reskill.

Productivity

There was recognition that people who feel valued as individuals, included, and given fair access to opportunity are likely to be more engaged, productive, supportive and loyal to their employer. Employers said they had experienced reduced absenteeism and staff turnover.

Retention

Businesses are aware that skilled people are being forced to leave the workforce because of the cost and availability of care/childcare. The Northern Ireland Chamber had introduced a scheme to help groups of employers to offer childcare solutions in order to retain skilled people.

SMEs Are Agile and Open To Change

SMEs have the agility to respond to the needs of individuals in the workplace and introduce new practices more quickly than larger firms. Place-based employers can more easily develop relationships with local education providers, charities and other groups to develop talent pipelines and reach out to diverse talent pools in the local community.

The main barriers for employers were knowing where to go for information and a lack of time and resource. SMEs felt they generally know their employees well and have developed good working relationships. They are willing to provide flexibility and support when an individual's health needs or circumstances change, to help them stay in work.

The importance of data

Some witnesses mentioned the importance of businesses having data about their existing workforce, sector benchmarking, and local economic

demographics in order to better understand and manage workplace equity. Firms told us this data has led them to introduce relevant and targeted programmes. BCC research revealed that less than half of SMEs have introduced any specific policies or programmes for under-represented groups in the workplace. For many SMEs, while data collection would be useful, they feel prohibited because of a lack of time and resources. Managers also felt they needed more help in changing business culture, rather than focusing on solely on diversity statistics.

Language Matters

Fear of saying or doing the wrong thing can lead to paralysis which does not benefit the employer or the workforce. Many SMEs lack internal HR resources and, in many cases, when looking to develop fairer, more equitable workplaces said they lacked the confidence to engage in open and constructive conversations with individuals and groups. Some employers said they feared the risk of being challenged for not using the latest terminology, or for providing more support to one group or individual over another. Some highlighted the risk of cost and reputational damage if a well-intentioned initiative were to create offense and lead to a claim at an Employment Tribunal.

While firms felt they understood the terms equality, diversity and inclusion, the term 'equity' created confusion for some employers who perceived it to be relating to financial matters. There was a general sense in the discussions that more simplification of language was needed.

The BCC worked with the polling agency Find Out Now to survey more than 2000 employed workers across Great Britain, between the ages of 18 and 64, at the end of February 2024. The term 'equity' was not fully understood by half of individuals surveyed. As part of the Call for Evidence, the British Chambers of Commerce also conducted a major research project which sought to test attitudes among the general population towards some of the terminology being used and their experiences with workplace equity.

When asked the extent to which respondents felt they understood the term 'Equality, Diversity, and Inclusion (EDI)', 73% overall said they fully understood the term and 20% said they partially understood the term. The term 'Workplace Equity' was less understood in general. Half (50%)

of respondents said they fully understood the term, 23% partially understood and a much higher proportion (11% and 17% respectively) were either aware of the term but didn't understand what it meant or were not aware of the term.

The Importance of Leadership and Culture

We heard evidence from SMEs of the need for leaders to ensure there is buy-in across the workforce for initiatives that address workplace equity. Some employers told us that good initiatives had failed owing to a lack of ongoing and visible leadership from senior managers – or that motivation had waned when initiatives had been subject to internal criticism. In some smaller businesses, managers were disappointed that their positive and well-intended initiatives had been abused by some staff, which had led to additional resources being needed for ongoing monitoring and management.

SMEs want practical support

SMEs value opportunities for peer-to-peer learning with organisations of similar size or within their sector. Firms also seek advice from professional bodies. Many witnesses identified chambers as safe spaces where firms could discuss sensitive issues and learn from others.

Some firms had sought help from the Job Centre Plus Access To Work team at the recruitment stage and when employees had developed an illness or disability. They had valued the input but felt that support available was slow and limited and that the service should be better resourced to help employers and individuals.

SMEs say they do not have time to go through long and complicated guidance and are looking for shorter, more targeted guidance, ideally from a central trusted source.

Physical Spaces

Some firms felt constrained as tenants in making their buildings fully accessible to all employees. They suggested landlords could have access to financial support to make the necessary improvements.

Opportunities of Supply Chains

There was an understanding that SMEs involved in larger supply chains are now being required to evidence equitable workplace practices. At the same time, as part of their ESG priorities, larger firms said they were willing to share information and support smaller firms to make the necessary improvements.

Individuals' Experience and Access to Opportunities

A quarter of individuals believe that not everyone in the workplace has the same access to opportunities. In BCC's Great Britain-wide poll of the general population, respondents were asked the extent to which they agreed or disagreed with statements relating to their workplace. For the statement 'all colleagues at my organisation have access to the same opportunities resources and treatment', 75% agreed while 25% disagreed. For the statement: 'in the past two years I feel I have unfairly missed out on a workplace opportunity within my organisation that I believe I was suitably qualified' for, 28% agreed while 71% disagreed. Younger males and younger females below the age of 44 were slightly more likely to agree compared with their older counterparts.

The role of Government

The Commission heard that the Government is developing a toolkit to assist businesses in implementing measures to achieve workplace equity. Whilst welcoming practical support, some witnesses pointed out that there are already a number of good quality toolkits and resources available to employers and that government should do more to signpost to guidance on what works.

Some witnesses wanted government to acknowledge the need to do more on workplace equity and demonstrate leadership and political will in tackling the problem. Many witnesses spoke of the positive impact that Gender Pay Gap reporting had made and how it had started a national conversation on workplace equity.

We heard evidence that some employers had gone further in already reporting voluntarily on ethnicity and disability pay gaps. Some witnesses felt that the government should introduce mandatory reporting in these areas as there were resources available to support employers

that the government could approve and amplify. Others spoke of the need for measures to address barriers arising from socio-economic background factors.

We also heard of the important role that government procurement can play in encouraging SMEs to demonstrate action on workplace equity. The need to strengthen and underpin the important role of the Equalities and Human Rights Commission was also mentioned.

Responses

We received 37 formal responses to the Call for Evidence, comprising 11 Chambers and 26 external organisations. Responses covered 9 UK regions and a wide variety of industry sectors.

Chamber activity included:

- Convening specific roundtable discussions.
- Discussing the Call for Evidence at scheduled chamber events and forums.
- Distributing the Call for Evidence to individual members and collating feedback.
- Undertaking research/online surveys.
- Providing existing chamber research data.
- Providing links to the data of local partner organisations.

Next Steps

The Commission will:

- Publish a Progress Report for further consultation and engagement in March 2024.
- Publish a final report in September 2024.