Diverse, Equitable, Inclusive?

## The state of UK workplace PEI 2023



## Introduction

Introduced to protect people from a growing sense of discrimination and disadvantage, the UK's 2010 Equality Act enshrines the legal protection of <a href="mailto:nine-characteristics">nine-characteristics</a> across the population, including for the nation's workforce. Protected aspects range from race and religion to age, gender and sexual orientation. The act is intended to ensure equality of access, treatment, outcomes and impact in both employment and service delivery, and holds organisations accountable for preventing bullying, unlawful discrimination, harassment and more.

It has been over a decade since the law was passed. How has the state of DEI changed in the intervening years, and what progress still needs to be made?

To answer these questions, <u>Culture Amp</u> sought the views of human resources (HR) leaders and employees in the US, Canada, Germany, Netherlands and the UK to gauge how organisations are currently faring with DEI.

#### CULTURE AMP DEFINES DEI AS:

**Diversity** - the range of human differences that make each person unique, including but not limited to race, gender and socioeconomic background. Diversity refers not to individuals ("a diverse person"), but to the composition of teams and organisations ("a diverse company").

**Equity** - the process of recognising advantages and barriers exist that create unequal starting places; and addressing and mitigating that imbalance. The concept acknowledges everyone has different needs, experiences and opportunities - and gives people what they need as individuals.

**Inclusion** - the act of making a person part of a group or collective, so each member feels valued and is afforded the same rights and opportunities. In a diverse workplace, differences exist. Inclusion asks how everyone - from team members to end users - can feel valued and included in policies, processes, physical spaces, products and more.

#### **Our methology**

We polled 252 HR decision-makers and 1,000 full-time employees in the UK for their thoughts on DEI.

# 5 insights into the state of DEI in the UK

## The UK has a long way to go to achieve meaningful workplace DEI

Across all markets surveyed, UK respondents were far more likely to report experiencing discriminatory incidents or decisions that reveal firms are not doing enough to protect marginalised employees. Our survey revealed:

38% of UK HR respondents agree there have been cases of discrimination complaints in their company that are related to the gender of the affected person (vs. 28% globally)

of UK HR respondents agree there have been cases of discrimination complaints in their company that are related to the race of the affected person (vs. 27% globally)

33% of UK HR respondents agree there have been cases of discrimination complaints in their company that are related to the disability or accessibility needs of the affected person (vs. 26% globally)

31% of UK HR respondents have witnessed a decision in their company to not hire or promote a person because they are a woman (vs. 25% globally)

of UK HR respondents have witnessed a decision in their company to not hire or promote a person because they were within a specific age range (vs. 28% globally)

Even a single case of discrimination is one too many, and these figures emphasise how much work UK organisations still have to do if they want to improve their DEI record.

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## However, UK companies strongly value and invest in DEI

As concerning as the stats above are, there's brighter news when it comes to UK organisations' general attitudes to DEI.

A large majority (71%) of UK-based HR decision-makers believe their company understands the value of DEI. This makes them more confident than their counterparts in other markets we've polled, putting them ahead of the 65% global average.

Furthermore, UK organisations are considerably more likely to have already implemented tools to measure the impact of their DEI initiatives. Almost six in 10 UK-based HR decision-makers (57%) agree this is the case, compared to 43% globally.

By leveraging these tools and continuing to value DEI, UK companies may be able to reduce the rate of discriminatory cases and biased decision-making.

### 03

#### Employees agree there's more companies can do when it comes to DEI

Only 62% of UK employees agree their organisation values DEI, compared to 74% of employees in Canada.

In addition, just over half (55%) of UK employees agree that the leadership team at their firm understands that diversity is critical to the future success of the business.

The UK ranks joint lowest alongside Germany (54% apiece) with regard to employees agreeing their company invests time and resource in building diverse teams.

And UK firms come rock bottom, according to employees, in terms of demonstrating equitable treatment of people from all background: just 59% of employees say this is true, well behind 69% in Canada. Moreover, fewer than half (49%) of UK-based employees feel their unique differences (background and identity) are valued by their employer.

In fact, more than a quarter (26%) of employees have experienced a form of discrimination at work, and more than one in 10 (11%) have been a victim of such behaviour multiple times.

It's apparent from the issues identified that the UK's employees think more must be done to level up DEI across the nation's workforce.

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#### DEI works wonders for advocacy and morale

With 71% of employees claiming they don't know what their employer does well in terms of building a diverse, equitable and inclusive place to work, communication and measurement are two key aspects of DEI that HR leaders and C-suites must consider.

This matters, because four in five (80%) employees who agree that their company values diversity would recommend the organisation to other people as a great place to work. The same is true for 70% of UK-based employees who believe their leadership team understands how critical DEI is to future success.

Better training of team members is one way for organisations to raise internal awareness of DEI, and shine a light on existing and planned initiatives. But according to 60% of workers, they have received no DEI training to date.

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#### **Overcoming perceived barriers to better DEI**

HR decision-makers aren't ignorant of the broad benefits to hiring from diverse groups, including employees from marginalised backgrounds. Some 71% state this is a key way to attract new talent; 68% say it improves customer service; and 67% believe it increases innovation at their organisations.

Even so, a majority (51%) of HR respondents feel their firm doesn't do enough to understand the power of hiring people from marginalised groups.

That's not the only thing they'd change so DEI initiatives bear more fruit.

For example:

Marginalised employees should more actively set DEI policy	60%
Non-marginalised workers should be given a greater role in DEI	57%
Leadership must be more supportive of DEI policy	49%
Managers need to get better at implementing DEI	49%

Meanwhile, budget to support DEI is a constant frustration for many: 48% of HR leaders in the UK say the current economic challenges have seen DEI drop down their business agenda.



Collectively, HR decision-makers and employees seem to agree it's time for UK firms to roll up their sleeves and push for better DEI in the workplace.

Right now UK organisations face criticism from workers about how seriously they're taking DEI - but demonstrating commitment to the cause can reap the rewards of better reputation and staff morale.

One step in the right direction would be for individual organisations to develop an understanding of the current state of DEI in their workplace, for example using anonymous employee engagement surveys. This will help leaders identify areas for improvement, define DEI gaps, and devise strategies and targets for the whole team to strive towards.

That means having the right technology in place to ensure everyone is pulling in the same direction.

After all, people and platforms will be key to delivering on the promise of better DEI at organisations throughout the UK.

To learn more about understanding and designing equitable employee experiences and responding to emerging challenges, check out Culture Amp – the market-leading employee experience platform.

Contact us