

**Actions for
Employers**

Structurally unsound

**Exploring Inequalities:
Igniting research to
better inform UK policy**



The benefits for employers and the financial case for tackling inequalities is clear, and businesses have been playing their part – implementing diversity and inclusion initiatives and strategies, and stepping into classrooms to provide career advice and guidance. As Confederation of Business Industry (CBI) Director-General Carolyn Fairbairn has stated, “the case for change is watertight: diverse companies are better companies”.¹ Whilst the current business environment with a backdrop of political uncertainty can make it tempting for firms to ignore such issues or push them to the back-burner, tackling inequalities cannot be regarded as ancillary to business strategies.

Discussions throughout the project recognised the steps employers and the business community have taken, whilst also highlighting key areas for further work. These are summarised in the actions that follow.

We don't set out specific interventions or policies that will 'fix' inequality. Instead, we suggest actions and considerations that businesses could adopt to better *approach* the study, analysis and tackling of structural inequalities. These follow the five approaches outlined on page 52 in our main report.

- Employers should be wary of efforts to tackle inequalities being focused on diversity and inclusion (D&I) or corporate social responsibility (CSR) teams alone. Consideration should be given to who owns the messages on equality and to ensuring there is a joined-up, holistic approach to equality across an organisation. Employers should also recognise the danger of using the term 'diversity' interchangeably, or to stand in for, inequality.
- Business, the third sector, researchers and policymakers alike should ensure that terms used in D&I and inequalities initiatives illicit the idea of individual agency as well as how groups are held back through structural disadvantages.
- More broadly, the businesses collective should give consideration to what the fundamental aims in reducing inequality should be, and what levers the business community have to tackle structural social inequalities? Where do firms feel the line between state responsibility and business responsibility lies, and how much can be achieved by regulation or legislation alone?
- Employers could work with partners outside the business community to ask where firms seeking to tackle the structural inequalities prevalent in the UK labour market go next – and how might such measures be evaluated?

Reporting and evidencing:

- Businesses could consider race reporting to ensure resources are ready and proactively remain ahead of potential future reporting measures. Reporting should go beyond compliance. Benchmarking data may show that employers have some way to go on many indicators of inequality, but there should be recognition that what is measured can be evidenced, managed and consequently improved.

¹ CBI, *Gender Pay Gap Report 2018*, 2019, p. 4.

- Employers could consider reporting and capturing data on class/socioeconomic background of employees. Employers should be proactively exploring methods to do so. Such data would enable evidence-informed discussion in the business community around class and social disadvantages, improve metrics for tracking change, and ensure diversity and inclusion initiatives are effectively targeted and nuanced for different population groups. Greater cross-sector evidencing and sharing of effective initiatives should also be undertaken.
- Businesses should urgently consider how to future-proof data collection to ensure access to continuous, comparable data that can be used to track and measure change over time. Surveys and data questions should fit changing lives, shifting definitions, for example of mental health, and keep pace with advances in technology and medicine.
- The changing nature of work makes capturing true rates of employment for different groups difficult. Alternative, innovative methods for capturing statistics on complex employment arrangements and patterns (e.g. multiple jobs or work in the gig economy) should be considered.

Workplace provisions:

- Employers should become aware of provision provided by the UK Government's Access to Work scheme and put systems in place to reduce delays in support and equipment being provided to employees.
- Employers need to prioritise health within future business plans, shifting focus away from raw productivity towards wellbeing, and recognising that while the introduction of flexible working can be beneficial to many, it can also have a negative impact upon health through overwork.
- Employers should recognise the role parenthood plays in perpetuating gender inequality in the labour market. Women's employment rates drop substantially upon the birth of the first child and do not return to those of men even 20 years after the first child is born.
- Steps should be taken to rethink parental leave – ensuring adequate leave for fathers as well as mothers. Supporting fathers through initiatives that allow them to take an active role in caring for children is a key way of closing the gender pay gap.

Areas for business-researcher collaborations:

- There is a growing need for employers to understand 'choice constraint'. Given the disproportionate and increasing number of BAME individuals in self-employment and the gig economy, assessing why they made this move is important to better understand the changing shape of the labour market and structural inequalities within it. Undertaking qualitative research is crucial.

- Related to this, recruitment agencies are currently under-researched ‘middlemen’ in the UK employment landscape. There is a need for more research into their role in perpetuating and/or tackling social inequalities.
- There is a severe lack of data on the Further Education sector, and the links between Further Education, apprenticeships and future employment opportunities. Employers and researchers need to work in partnership to establish greater understanding of school-to-work routes and barriers to progression.
- Business could work with healthcare researchers to undertake research and analysis of poor quality housing and its effect on the health of individuals when working from home.

Policy considerations for business:

- Devolution and localisation agendas offers businesses opportunity for closer communication with local policymakers. This offers scope for developing a place-based approach to tackling labour market inequalities (e.g. Local Industrial Strategies in England). Local recommendations and campaigns should ensure inequalities are at the centre of the agenda.
- Business should recognise that policies aimed at ensuring workforce readiness cut across multiple government departments. Equipping the workforce with the skills businesses need also requires engagement beyond policymakers. Tackling inequality should be central in this.
- Businesses should comply with gender pay gap reporting and ensure high levels of data transparency. The business community should call for the UK Government to recognise employers that have high levels of data transparency and are doing well in eradicating gaps. There is a reputational risk to not getting it right and an opportunity to highlight good practice.

Published October 2019

