

THE GOOD JOBS PROJECT

# The Purpose-Driven Business Solution to the UK's Labour Shortage

JUNE 2023

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## ABOUT REGENERATE

ReGenerate is a charity that is making purpose-driven businesses the most successful and the new normal. We aim to unlock the win-win opportunity whereby businesses, through their unrivalled ability to innovate and scale solutions, are intentionally helping to tackle the great social and environmental issues of our age, from the cost of living crisis to climate change. We believe that businesses that operate in a purpose-driven way tend to be more successful and are key to driving economic growth.

## ADVISORY GROUP

We thank our project advisory group for their kind support and guidance throughout. The advisory group consists of Anna Darnell (Youth Futures Foundation), Baroness Philippa Stroud (ARC Forum), Charlotte Gibb (Business in the Community), Claire Hamlin (Q5), Diane Lightfoot (Business Disability Forum), Hugh Lenon, James Timpson (Timpson), Joseph Williams (Clu), Mat Ilic (Greenworkx), Neil Barnfather MBE (GoodMaps), Neil Morrison (Severn Trent), Roisin Currie (Greggs), Sam Maguire (Clarasys), Dr. Scarlett Brown (Board Intelligence), Yasmina Koné (Beam).

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# FOREWORD

Over the last year the UK has experienced record-breaking vacancies, which currently stand at 1.1m, which many businesses are struggling to fill. As ever, UK businesses are innovating to remain successful, but are operating in a very complex environment.

Simultaneously, there are millions of individuals from communities that have been historically excluded, including people with disabilities, prison leavers, and single parents who face difficulties in finding flexible employment opportunities. This situation presents an exceptional chance for UK businesses, such as Greggs, to create opportunities for previously socially excluded groups and fill their labour vacancies, whilst seeing tangible business benefits.

Greggs is proud to have been recruiting this way for a number of years. Through dedicated employability programmes, such as Fresh Start, which works with people leaving prison, Greggs has supported over 4,500 people to gain sustainable employment.

Greggs believes in giving people a fresh start, a second chance when many other employers' doors are closed to them (a point that this report highlights). Greggs also works with many high street peers who want access to this talent pool. This is not just because it is our desire to be a good corporate citizen, but also because it makes business sense.

Through the Fresh Start programme and many others, Greggs has been able to recruit loyal, passionate, hardworking and kind team members. It is a crucial part of what it means to be an inclusive employer. By opening-up employment opportunities to all, it supports job creation, creates significant business benefits and enables businesses like Greggs to better represent the communities they serve.

The aim of the Good Jobs Project is simple: to fill the UK's 1.1m labour vacancies with people facing marginalisation. It is something that benefits both society and businesses. A no brainer. Yet, while it is a deeply worthwhile aim, this does not mean it is easy to make happen.

The social issues highlighted in this report are deeply rooted and will require collective efforts spanning several years to resolve. History has taught us that there are no quick fixes. Nevertheless, if businesses actively embrace the cause and increase their efforts to employ individuals from marginalised communities, together we can break down the social barriers they face and normalise their participation in the workforce.

This report shows the importance of two things. First, that employers need to better understand the value of recruiting from marginalised groups. Second, that it needs to be as easy as possible for them to do so. This is not the case at the moment. Changing this requires networks and collaboration from Government, investors, business support organisations, charities and more. Together, we can help all businesses to foster a supportive environment for each and every jobseeker.

Although we have passed the peak vacancy rates observed in 2022, they are still exceptionally high, and employers maintain high confidence in their recruitment and job creation prospects. We should therefore grasp this opportunity of high demand and use it as a catalyst for urgent action.

There are already numerous many remarkable organisations supporting people in their path to employment. The project hopes to amplify their impactful work by increasing the number of businesses working together and sharing their expertise.

We have been proud to develop this project, because it has undertaken the detailed work needed to work out what reforms will really make a difference on an issue we are extremely passionate about.

Although making this vision a reality is not without its challenges, it is both possible and of the utmost importance. We have a unique opportunity to unleash the potential of UK businesses and give opportunities to individuals who have long been overlooked by society. It is time to make this happen.

**Ed Boyd, Co-Founder and Exec Director,  
ReGenerate Trust**

**Roisin Currie, CEO,  
Greggs**

# EXECUTIVE SUMMARY

## DEFINING THE OPPORTUNITY

The current labour market challenge has created an amazing opportunity to act as a catalyst to encourage employers towards a more purpose-driven approach to recruitment. Specifically, there is the opportunity to fill the significant number of labour vacancies with people facing marginalisation, to the benefit of both the businesses and the people they are recruiting. These groups include single parents, people with disabilities, people with criminal records, people who are or have been homeless, the over 50s, young people aged 24 or under, people leaving care, care providers and others.

The Good Jobs Project is seeking to make this opportunity a reality.

It brings together leaders in business, recruitment, government, investment, business networks, researchers and those who strive to support marginalised individuals into good jobs. Its purpose is to take advantage of a triple win whereby:

1. Businesses can fill their vacancies and maximise value creation
2. Individuals facing marginalisation are able to find good jobs
3. The economy benefits from increased productivity and growth and a reduction in the cost to the state borne out of prolonged worklessness

The power of this purpose-driven solution is that it not only tackles a social issue, but also benefits the businesses that do it. Through solving the business need of successfully filling labour vacancies, we can also support people who are kept out of the labour market into good jobs.

This approach requires a concerted effort and reforms from government, investment and business networks to move the needle. Each stakeholder has a part to play and it cannot be done alone.

This report is the first publication of the Good Jobs Project and is written for people that can influence the business ecosystem, whether through government policy to incentivise business behaviour, through investments to ease the flow of capital, or through other support provided by professional services, business networks and researchers. It aims to demonstrate some of the things that can be done to encourage more businesses to intentionally target those groups for recruitment.



If you are an employer then there is lots of information in this report that is relevant to you too! We recommend you skip to [Section Two](#) to read the many reasons that have influenced some businesses to already target these groups for recruitment.

## WHAT EMPLOYERS NEED

This report focuses on the demand side of the vacancy and labour equation. Much work has been done to focus on the supply of labour, from looking at the benefits system, skills and training, economic inactivity and more. Supply and demand are both important to address but we believe the demand side has been under-examined. The results from our survey support the view that there is more that can be done to activate demand. Although there is reasonable awareness of the opportunity from employers, it does not translate into action. Therefore by applying the lens of the employer we aim to understand:

1. The extent to which those involved in hiring believe that individuals from marginalised groups would fit well in their organisation
2. The reasons that lead to someone deciding to (or deciding not to) target marginalised groups for recruitment
3. What makes it easier or harder for them to do so.

To inform this we undertook original research including a survey of 500 hiring managers, HR and recruitment professionals and senior managers (conducted in December 2022). We also refer to the perspectives of HR professionals and recruiters that we gathered from 31 interviews (conducted between October 2022 and January 2023). See [Annex: Research Design](#) for more information.

From our research, we find:

### 1. The Equality, Diversity & Inclusion (ED&I) agenda is pivotal

There is an opportunity to broaden the focus of ED&I to include marginalised groups. The ED&I agenda has been a powerful movement and a tool used to increase diversity in businesses. To date, in practice, it has been narrow in focus, commonly relating to gender and race. Most of the people we interviewed associated our ambition with an expanded scope of ED&I and welcomed the approach. Our research shows that diverse workforces can benefit businesses financially and strategically, through enhancing staff loyalty, creativity and resilience, and well as improving community cohesion.

*"It is important to have a workforce that represents our population. Diversity enhances decision-making and is a very important component for us."*

Rachel Gidman, Executive Director of People and Culture, Cardiff & Vale University Health Board

- ▶ 79% of employers felt that diversity in the workplace, in relation to the groups in our survey, is beneficial to any organisation
- ▶ 76% believed hiring people from such diverse backgrounds can help address labour shortages

### 2. Investors and ESG frameworks need better quality data

More empirical research on the expanded scope of ED&I is needed and there could be further development around the standards and tools used to facilitate the collection of consistent and comparable data that inform investor decision-making. ESG frameworks enable investors to make informed decisions based on the risks and opportunities relating to the environmental, social and governance issues of companies. For investors to be active influencers of business behaviour, they need greater evidence on the material impacts of these issues in their portfolios. While some research exists to date, there is not enough for the evidence to be widespread.

*"Any good HR director will realise [targeting recruitment of marginalised groups] is the next thing that's coming. It's not a requirement yet, but we wanted to be ahead of the curve because we're passionate about the agenda."*

Niamh Macaskill, People Director, Camelot



### 3. Marginalised and younger voices are leading the way

A greater representation of younger and marginalised voices on boards could help businesses to benefit from more strategic decision-making around inclusion. The views and influence of younger generations are of increasing importance to business leaders given that the workforce is increasingly populated with people from younger generations. Younger respondents surveyed (aged 18 to 44) tended to be more-open minded about recruiting from marginalised groups and its benefits than older employers. 76% of younger respondents would prefer to hire from the marginalised groups we surveyed about than look abroad for workers, compared to 59% of older respondents. 80% of younger respondents felt that employers should be encouraged to hire workers from more diverse backgrounds, compared to 70% of older respondents. This points to an attitudinal difference in how different generations might think about recruitment which is not currently being represented at the board level for decision-making.

*"It's not enough that just one team or person understands an individual's issues and challenges. If people at the top don't, that business still has no overall inclusivity."*

Graham Drew, Founding Director, Bamboo Recruitment

- ▶ Respondents under age 44 were 14% more likely than older respondents to think employers should be encouraged to hire workers from more diverse backgrounds (80% compared to 70%)
- ▶ Respondents under age 44 were 29% more likely than older respondents to prefer to hire from diverse groups in the UK than look abroad for workers (76% compared to 59%)

### 4. Relatively high awareness of the opportunity is not turning into action

It should be made easier to find the information needed to develop business cases or to find advice, support, playbooks and guides to make it easier for businesses to employ from marginalised groups. 70% of respondents felt that more than half of the marginalised groups we asked about could fit well in their organisation, yet only about 20% were taking steps to recruit from most of the groups. This points to a large drop-off in the numbers taking action to recruit them. There are many reasons why this awareness is not translating into action, from the prevalence of social norms and preconceptions about marginalised groups, to the availability of evidence and best practice guides. In addition, we found that some marginalised groups are further from the labour market than others, revealing that these can face greater barriers to work. About 87% of employers felt that single parents and ethnic minorities would fit well in their organisations, compared to 64% for people with mental health conditions and 49% for ex-offenders.

*"Recruitment has been a lot tougher in recent years. I've been struggling to recruit a project manager all year and it's definitely changed the way I recruit. I've had to use a recruitment agency for the first time, which I never would have done before. I simply was not getting a wide enough net, so needed help finding people with the right skills."*

Anonymous interviewee

- ▶ 70% of respondents felt that more than half of the marginalised groups we asked about could fit well in their organisation, yet only about 20% were taking steps to recruit from most of the groups.
- ▶ A quarter of respondents reported they had not taken any active steps to recruit from any of the groups.



## 5. Some groups are even more distant from good jobs than others

More can be done to level the playing field, even between the marginalised groups. Several people we spoke to talked about groups that were easier and harder to recruit than others. This observation was reflected in the data that clearly shows some groups being at even more of a disadvantage. Differences can be a result of real differences between the groups, i.e. they are heterogeneous, meaning they have different characteristics and requirements, or can also be a result of perceived differences, where employers' knowledge and experience of each group can vary.

- ▶ About 87% of employers said that groups such as single parents and ethnic minorities could fit well in their organisation, compared with 64% and 49% of employers reporting that people with mental health conditions and criminal records could fit well in their organisation, respectively.
- ▶ 28% of respondents said their organisation has taken active steps to encourage job applications to recruit young people, compared with 10% to recruit people who are or have been homeless or have a criminal record.

## 6. Inclusion needs to be a conscious and intentional effort

More could be done to break down negative preconceptions about marginalised groups, and to share best practices about how to target them effectively. Many factors can affect the decisions and behaviours of hiring managers when it comes to inclusivity. This can include prejudice, misconceptions, conscious or unconscious biases, or the fact that different groups may need varying types of requirements (e.g. workplace adaptations, pastoral support or flexible working arrangements). When considering targeting a specific marginalised group the decision will either be to intentionally target them, or not. Intending to target a group is only the start; how well that intent translates into action is critical and all too often it falls short due to poor knowledge of best practice, resulting in continued exclusion. This could be as simple as poor wording of job adverts, poor placement of adverts, lack of engagement with communities, lack of diversity on marketing materials and many more.

*"We face not a shortage of labour, but a shortage of accessibility."*

Anonymous interviewee

- ▶ About a quarter of respondents said they recruited from diverse groups specifically to combat misconceptions and change societal mindset, demonstrating that working along marginalised colleagues can help to break down negative preconceptions.

## 7. Financial incentives are crucial to de-risking the recruitment of marginalised groups

Financial incentives can help to address the cost barrier that can hold businesses back from hiring a more diverse workforce. Although some government incentives exist, more can be done to reform opportunities for financial support so that they are made more accessible to a wider variety of employers. For example, some of the marginalised groups might have additional needs that require some form of upfront cost for adaptations. In addition, current restrictions on some incentives may prevent employers from spending on things such as administration and other overheads that they may otherwise struggle to cover. This can result in them not taking up the incentives, particularly SMEs.

*"Clients say they want more inclusive candidates but not at the cost of changing everything. That's when the conversation disappears."*

Graham Drew, Founding Director, Bamboo Recruitment

## 8. Businesses want to learn from other businesses

While some employer-led forums exist, more can be done to scale existing forums and to identify the gaps so that new forums can be encouraged to grow. This would enable more collaboration, coordination and sharing of resources and information between businesses. We found that businesses want to hear and be inspired by others around them who are facing similar challenges, circumstances and intentions. Connecting with other business leaders facing similar challenges is key to moving from theory to action. Forums can be tailored to the recruitment of specific marginalised groups or to the needs of different industries or regions.

*"It's a good moment. There's a push from the government and there's a pull from the employment market. Lots of people want to appoint prison leavers but they don't know what to do. We got together and designed a workshop to just dish out everything we know and share the learnings we've made over the years."*

Annie Gale, Head of RAW Talent and Apprenticeships, COOK

## 9. Ensuring candidates are work ready can increase diverse recruitment

Improving the quality of work readiness training and expanding the marginalised groups targeted by government schemes is vital to maximise business success. The government has a major role to play in ensuring that there is sufficient supply of work-ready labour to meet business demand and fill vacancies. Government schemes that support candidates' work readiness can incentivise employers to recruit from specific marginalised groups. We found that businesses felt that recruiting candidates who were not sufficiently work ready put a strain on time and cost.

*"If new recruits were not work ready, they would likely fail quickly and the system would not work as a whole."*

Paolo Orezzi, Service Director, NSL

## 10. Partnerships with intermediary organisations can make a huge difference in supporting businesses to recruit from marginalised groups

More work should be done to make intermediary organisations that already exist easier to find and easier for employers to assess the quality of service they provide. To support employers and those from marginalised groups, there is a need for joined-up support and guidance for both sides. Organisations of all sizes hugely benefit from external specialist support, particularly if they are not set up or trained to do so. Partnerships help give employers the confidence to recruit from talent pools they have not previously targeted. They can considerably reduce the risk to employers and candidates to ensure both are set up for success. Wrap-around support that includes pre-employment training and coaching, post-employment support, as well as training for the receiving managers and teams was highlighted as being particularly beneficial.

*"I just don't know enough about their special needs to know where I could get myself or my company in trouble. It can be easier to avoid the whole thing. Particularly because I don't want to set anyone up to fail, that's just not fair on them."*

Anonymous interviewee

## 11. Organisations have different needs, there is no one size fits all solution

Different solutions are needed for incentivising and supporting different types of organisation. Many factors such as industry sector, size, ownership models and others can determine what solutions will be more or less successful. For example, employers from smaller organisations felt that financial grants were most important, compared to employers from large organisations who felt that more evidence was needed.



Micro business  
<10 employees

22% felt that grants would encourage them (10 percentage points more than the average)



Small business  
10-49 employees

25% felt that partnerships with specialists would encourage them (12 percentage points more than the average)



Large business  
>250 employees

17% felt that more evidence would encourage them (14 percentage points more than the average)

## HOW TO DRIVE POSITIVE CHANGE

During the course of the research we consulted employers, investors, campaign groups, professional business networks and politicians to develop a list of recommendations that we believe help to set an environment whereby businesses and other employers are educated, encouraged, incentivised and supported to recruit marginalised people. In order to do this we want to mainstream this goal in the minds of key decision-makers across government, investors and influential business networks.

We focus our reforms on three core stakeholder groups, investors, business networks and support bodies and the government. Under each reform area we detail a series of specific recommendations which we feel are required to make the reform successful.

### Reform 1: Government should incentivise and support businesses to recruit from marginalised groups so that risks are lowered and opportunities are grasped.

The government is the best-placed actor to create incentives at a scale that can tip the balance in favour of a large number of employers wanting to recruit more people from marginalised groups. Although a variety of government-run, business-targeted initiatives are, or have been, available, there are ways they can be improved. These recommendations aim to activate the demand from businesses and are complementary to any other schemes and initiatives that focus on the supply side.

1. **Provide temporary National Insurance contributions to lower the financial risk for employers.** The Government should not require employers to pay employer National Insurance for 12 months for any new employees taken on who were in receipt of Universal Support.
2. **Reform the Apprenticeship Levy to make it more accessible to marginalised groups.** A three-part action plan to maximise the use of apprenticeships for marginalised groups, including: a campaign to encourage large organisations to increase levy transfers to SMEs, awareness-raising on how to target marginalised groups effectively, and an upfront grant for those that do.
3. **Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups.** Under the coordination of the Department for Work and Pensions, a centralised knowledge bank is created, distributed and maintained so that employers have a single place to go for support, advice and partnerships. This should be created with What Works Centres, industry bodies and others.

## **Reform 2: Investor-related organisations should set the foundations so that investors can incentivise businesses to recruit from marginalised groups.**

Investors are a point of leverage and in a prime position to influence businesses behaviour. The prominence of ED&I within ESG ratings frameworks has led to their engagement with employers resulting in an increase of gender and race representation on boards. The aims of the Good Jobs Project are closely aligned with ED&I, albeit with a broader scope of diversity and inclusion than is normally included in ESG frameworks. Therefore we can look to see how the existing ED&I instruments can be expanded. Activities are needed from a range of different stakeholders in order to be successful, which are summarised in the recommendations below.

- 1. Research the impact of expanding the ED&I agenda to strengthen evidence of financial materiality.** Influential publications and organisations such as Deloitte, KPMG, McKinsey, BCG and others should strengthen the empirical evidence of the financial materiality of recruiting from marginalised groups so that investors and business leaders can have a stronger basis to take action.
- 2. Encourage investors & ESG aggregators to prioritise employment of marginalised groups.** Investor-focused campaign organisations, such as Share Action, Impact Investing Institute and others, should encourage investors and ESG aggregators to include the employment of marginalised groups as part of their ED&I assessment of companies.
- 3. Create a platform to provide consistent and comparable investor data.** The Workforce Disclosure Initiative's (WDI) annual survey is an existing platform that could be expanded to incorporate metrics relating to the recruitment, retention and quality of jobs provided to marginalised individuals so that investors, policy-makers and civil society can better assess companies.
- 4. Build the case to increase younger and marginalised voices on boards.** Increase the representation of people under the age of 40 and those from marginalised groups on boards so that businesses benefit from diverse perspectives informing their decision-making, strategy, performance and purpose.

## **Reform 3: Business networks should collaborate to share knowledge and best practice so that managers, leaders and HR professionals are fully equipped with the skills they need.**

Influential business networks and support bodies are among the best-placed actors to foster collaboration and coordination amongst employers, and to help make the recruitment of people from marginalised groups common practice. There is a desire from employers for trustworthy, easy access guides, advice and research from reputable bodies. This will also help support a concerted effort to tackle the issue of existing misconceptions in order to unleash demand and translate that demand into effective action.

- 1. Improve business network coordination to make best practice common knowledge.** Existing large business networks could collaborate more and coordinate in order to share advice, best practice and training through continued professional development. Collaboration and coordination is required so that best practice is reinforced, the business case becomes common knowledge and recruitment of marginalised groups becomes normal practice.
- 2. Start and expand issue-based employer forums to maximise peer-to-peer learning.** Business networks could develop a programme of employer forums so that there are opportunities for collaboration and peer-to-peer problem solving about how to recruit from and retain people from specific marginalised groups.

## IN CONCLUSION

This report presents a new approach to the issue of labour shortage in the UK, by promoting a purpose-driven business model that aims to benefit both businesses and society. The report highlights that many employers struggle to fill vacancies, while many individuals from marginalised groups are simultaneously held back from accessing employment opportunities. By intentionally targeting these groups for recruitment, businesses can fill their vacancies while also boosting the life chances of people from marginalised groups.

The report calls on the government, investors, business networks, support bodies, and researchers to create an environment that will motivate and support employers to hire certain people more easily and profitably. Additionally, the report suggests future work for the Good Jobs Project, including defining what it means for a job to be 'good,' and undertaking deep-dive research on specific sectors or marginalised groups to highlight the specific challenges and opportunities that exist.

Overall, the report encourages readers to consider ways to mainstream the intentional and targeted recruitment of marginalised groups in the minds of key decision-makers across influential businesses, government, and investors. The Good Jobs Project is a collaborative initiative, and the authors invite readers to share their ideas and reflections and to add their voice to the organisations that support the vision of the project.

The messages in this report are universal to all employers. Although we frame the opportunity through the lens of purpose-driven business, the employment challenges facing the UK apply equally to all employers, including the public and private sectors.

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*When businesses see the recruitment of marginalised groups as a solution to their problems, it is more likely to become an integral part of their business model, creating a sustainable contribution to a social issue.*

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## THE STRUCTURE OF THE REPORT

In [Section One](#) we describe the opportunity before us. It details the challenges facing businesses and marginalised groups and then describes how a purpose-driven approach can create a win-win situation.

In [Section Two](#) we offer a unique view of the business landscape as it is today. We draw insights from our own original research including 31 interviews and a survey of 500 employers. We explore what is holding businesses back and what currently inspires businesses to take action.

In [Section Three](#) we put forward a series of reforms and market interventions that are designed to incentivise and support businesses to target marginalised groups, thereby significantly narrowing the vacancy gap while benefiting society.

Since the Good Jobs Project operates at a high level and through the lens of an employer, the majority of the focus of this report is very broad. It is also possible to address the opportunities and issues at a more granular level such as focusing on a single marginalised group, specific industry or geographical area. In this report we provide spotlights on two such areas, including one about [unlocking greater youth employment](#) and one about the [West Midlands](#).

# GLOSSARY

## Marginalisation

There is no absolute definition of marginalisation. Its meaning is context-specific and relative.<sup>1</sup> Marginalisation can be qualified as something that happens to people, without agency or choice on their part, as a result of which they are placed at a social, financial or structural disadvantage within society. Marginalisation in the context of the labour market can relate to, or be the result of, a single or combination of the following factors:<sup>2</sup>

- Individual factors: personal characteristics (gender, education, health), family background (ethnicity, household income, parents' education) or life experiences (homelessness, substance dependence, involvement with the criminal justice system)
- Contextual factors: local labour market characteristics, the economic cycle, economic shocks or policy and institutional frameworks
- Social and cultural attitudes: behaviours, beliefs or stereotypes associated with gender, age, ethnicity, disability or other personal characteristics

## Marginalised groups

Groups and communities that share characteristics, who experience discrimination and exclusion. For the purpose of the Good Jobs Project we are interested in those that are held back from accessing good work opportunities based on common behaviours exhibited by employers, whether intentionally or unintentionally. Our survey focused on the following groups:

- Young people aged 24 or under (particularly those also facing any other forms of marginalisation set out below)
- Young people in or leaving the care system
- People aged over 50
- Single parents
- People with caring responsibilities
- People with limited access to transport
- People with experience of the criminal justice system (ex-offenders)
- People with disabilities
- Neurodiverse people (such as ADHD, autism, dyslexia, dyspraxia)
- People with mental health conditions (such as depression or anxiety)
- Ethnic minority groups (such as Indian, Pakistani, Bangladeshi, Black or mixed backgrounds)
- Refugees
- People who are currently or have recently been homeless

## Intersectionality

The interconnections between different social categorisations such as race, gender, disability, nationality, sexuality etc. An individual can identify as belonging to one or more of the categories and can face multiple forms of discrimination and disadvantage.

<sup>1</sup> Hammer, T., 2003, Youth unemployment and social exclusion in Europe: A comparative study, Bristol University Press; Mowat, J. G., 2015, Towards a new conceptualisation of marginalisation, European Educational Research Journal 14 (5)

<sup>2</sup> Ongoing research into overlaps and theories of defining marginalisation at Youth Futures Foundation

<b>Employers</b>	Any organisation that recruits and employs people. This can include private sector, social enterprise, community interest companies, public sector and third sector organisations. For the purpose of the Good Jobs Project, it includes any organisation that is bigger than one employee and as such does not include the self-employed and sole traders. In this report we use this term interchangeably with the word 'organisation' and is more specifically used when referring to an employment action.
<b>Business</b>	For the purpose of the Good Jobs Project, this refers to any for-profit organisation, including social enterprise and community interest companies.
<b>Purpose-driven business</b>	A purpose-driven business produces profitable solutions to the problems of people and the planet, and does not profit from producing problems for people or the planet.
<b>Intermediary</b>	For the purpose of the Good Jobs Project we define this as a third-party organisation that acts as a link between an employer and marginalised groups. This could be a charity, a social enterprise, a for-profit business or a government-run service.
<b>Unemployment</b>	People without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is the proportion of the economically active population (people in work plus people seeking and available to work) that are unemployed.
<b>Economic inactivity</b>	People who are not in the labour force, who are not in employment and who do not meet the internationally accepted definition of unemployment. They have not been seeking work within the last four weeks or are unable to start work in the next two weeks.
<b>Vacancies</b>	An unoccupied job, full or part-time.
<b>Poverty</b>	A household is considered to be below the UK poverty line if their income is 60% below the median household income after housing costs for that year.
<b>In-work poverty</b>	A household living in relative poverty with one or more people in the household in paid work.
<b>Financial Materiality</b>	Something is said to be financially material to a business or investor if it could have a significant impact, both positive and negative, on a company's business model and value drivers. This can include revenue growth, margins, risk etc. With regards to ESG investing, this relates to information about a company against various environmental, social and governance issues that allow investors to assess a company's opportunities and risk.



# ABOUT THE GOOD JOBS PROJECT

*"We need to open people's eyes up to not always fish from the same pool of talent. If employers need labour and skills, then they have no choice but to be open to other possibilities."*

Tracy Evans, Group HR and Quality Director, Pertemps Network Group

This report marks the first publication of the Good Jobs Project. It lays the foundations necessary to enable a transformation in the way UK businesses recruit. We propose a set of reforms that could significantly boost the number of businesses successfully employing people who are facing marginalisation.

The Good Jobs Project is a collaborative initiative that brings together leaders in business, recruitment, government, investment, business networks, researchers and those who strive to support marginalised individuals into good jobs. Its purpose is to take advantage of a triple win whereby:

1. Businesses can fill their vacancies and maximise value creation.
2. Marginalised individuals are able to find good jobs, which helps improve their life chances.
3. The economy benefits from increased productivity and growth and a reduction in the cost to the state borne out of prolonged worklessness.



## WHAT MAKES THE PURPOSE-DRIVEN BUSINESS APPROACH DIFFERENT

A business leader that is driven by purpose can witness a social issue like high unemployment among marginalised groups and see an opportunity. They will recognise the value to their business from intentionally targeting marginalised groups for roles, such as strengthening the recruitment pipeline, increasing diversity, accessing hidden talent and being able to fill their vacancies. For comparison, a non-purpose-driven business leader might continue to try and recruit the same talent that they always have from an ever-shrinking labour pool.

From a business perspective, it is the difference between feeling compelled to recruit from marginalised groups as part of a Corporate Social Responsibility initiative, and seeing the value that these recruits bring to the organisation. The recognition that recruiting marginalised groups can be a benefit instead of a burden is important and underpins this report.

The Good Jobs Project seeks to complement existing outstanding work of intermediaries who support marginalised individuals into work, or work with employers to help them employ them. We take the perspective of the employer and design solutions based on their needs. We believe this will help to unlock the full power of businesses to more good.

We have found businesses to be receptive to the opportunity as a shift towards purpose-driven business is already happening, albeit too slowly. Business leaders and employees increasingly think that businesses should seek to drive their profitability through making the world a better place, and there is evidence that those that do can outperform their peers.<sup>3,4</sup> We think change can happen faster and for this reason we want to activate the ecosystem around business to support and encourage purpose-driven businesses and help make this approach the new normal as it benefits everyone.



This report aims to convince people who have the power to influence the market, like the government, investors, business networks and support bodies and researchers, to create an environment that will motivate and support employers to hire certain people more easily and profitably.

<sup>3</sup> Deloitte, 2022, [The Deloitte Global 2022 Gen Z and Millennial Survey](#)

<sup>4</sup> ReGenerate Trust, 17/07/2020, [The case for purpose-driven business](#)



SECTION ONE

# INTRODUCTION

## UNDERSTANDING THE OPPORTUNITY

This section outlines the challenges we want to address and describes the purpose-driven business approach to recruitment. In summary these are:

- **EMPLOYERS ARE STRUGGLING TO RECRUIT.** Employers face a tight labour market and shrinking talent pool. This is a result of repeated shocks to the system in recent years such as the Covid-19 Pandemic, the UK's exit from the European Union, the cost of living crisis, more people taking early retirement and an increase in remote and hybrid working. The compound impact of these shocks in a relatively short period of time has made operating conditions for businesses particularly tough.
- **PEOPLE FROM MARGINALISED GROUPS COMMONLY FACE BARRIERS TO EMPLOYMENT.** They are often frozen out of job opportunities, which contributes to their likelihood of being in poverty and facing other forms of social disadvantage.
- **BUSINESSES FILLING THEIR VACANCIES WITH PEOPLE FROM MARGINALISED GROUPS CAN BENEFIT EVERYONE.** Employers can address their labour shortage through increasing their recruitment of individuals from marginalised groups. This helps to solve a business problem and a social one in a way that is profitable, sustainable and delivers social good.

# 1.1. THE UK'S LABOUR SHORTAGE

*"Recruitment has been a lot tougher in recent years. I've been struggling to recruit a project manager all year and it's definitely changed the way I recruit. I've had to use a recruitment agency for the first time, which I never would have done before. I simply was not getting a wide enough net, so needed help finding people with the right skills."*

Anonymous interviewee

The year 2020 can be seen as an inflection point for business. It was a year in which normal business operating conditions were severely disrupted owing to two key events: Covid-19 and the UK leaving the European Union. The compound effect has led to a six-year high in the rate of economic inactivity between 2019 and 2022 (21.7%).<sup>5</sup> Since then, subsequent shocks including dramatic increases in energy prices, rising inflation and the cost of living crisis, have made operating conditions for some businesses very challenging.

During this time and despite the shocks to the economy, there have been interesting statistics in relation to the UK labour market with several new records being set.

- In Summer 2022, the UK unemployment rate was at its lowest since 1974 at 3.5%, and has since risen to 3.8%.<sup>6,7</sup> As expected, this has gone hand in hand with a high employment rate, currently standing at 75.8%.<sup>8</sup> Across the UK, unemployment is at its highest in London at 4.7% and the East of England has seen the largest rise in unemployment in the past year.<sup>9</sup> Hard-to-fill vacancies are most prevalent in primary (agriculture, forestry, fishing, mining etc) and utilities, healthcare and education, where nearly 80% or above of employers in these sectors are reporting at hard-to-fill vacancies.<sup>10</sup> These are similar to the sectors for which hard-to-fill vacancies have been forecast for the first half of 2023.
- More surprisingly, in contrast to low unemployment figures, in March to May 2022 the UK reached a record high of 1.3 million job vacancies, which equated to roughly twice the average number of the last decade.<sup>11</sup> Since then, although job vacancies have fallen to 1.1 million in January to March 2023, they are still over 1.3 times above December 2019 to February 2020 pre-pandemic levels, and the numbers remain exceptionally high.<sup>12,13</sup>

This created a situation where, in the first few months of 2022, for the first time since records began job vacancies outnumbered the people available to fill them.<sup>14</sup> In Summer, the number of unemployed people per vacancy fell to a record-breaking low ratio of 0.9 people per vacancy (see Figure 1).<sup>15</sup> This means that for the first time there were fewer people available to work than vacancies. For comparison, on average over the last 10 years, this ratio was nearly three people per vacancy, a ratio of 2.9:1.<sup>16</sup>

This is causing significant challenges for businesses looking to employ people. The latest British Chambers of Commerce (BCC) survey found that 80% of businesses are still facing record high recruitment challenges, with almost six in ten (59%) actively attempting to recruit staff.<sup>17</sup>

5 Centre for cities, 15/02/2023, [Has economic inactivity gone up everywhere in the country since the pandemic hit?](#)

6 Office for National Statistics, 11/10/2022, [Labour market overview, UK: October 2022](#)

7 Office for National Statistics, 18/04/2023, [Labour market overview, UK: April 2023](#)

8 Office for National Statistics, 18/04/2023, [Employment in the UK: April 2023](#)

9 Office for National Statistics, 18/04/2023, [Labour market in the regions of the UK: April 2023](#)

10 Chartered Institute of Personnel and Development, 13/02/2023, [Labour Market Outlook - Winter 2022/23](#)

11 Office for National Statistics, 14/06/2022, [Vacancies and jobs in the UK: June 2022](#)

12 Office for National Statistics, 18/04/2023, [Vacancies and jobs in the UK: April 2023](#)

13 Office for National Statistics, 17/03/2020, [Labour market overview, UK: March 2020](#)

14 Office for National Statistics, 17/05/2022, [Labour market overview, UK: May 2022](#)

15 Office for National Statistics, 11/10/2022, [Labour market overview, UK: October 2022](#)

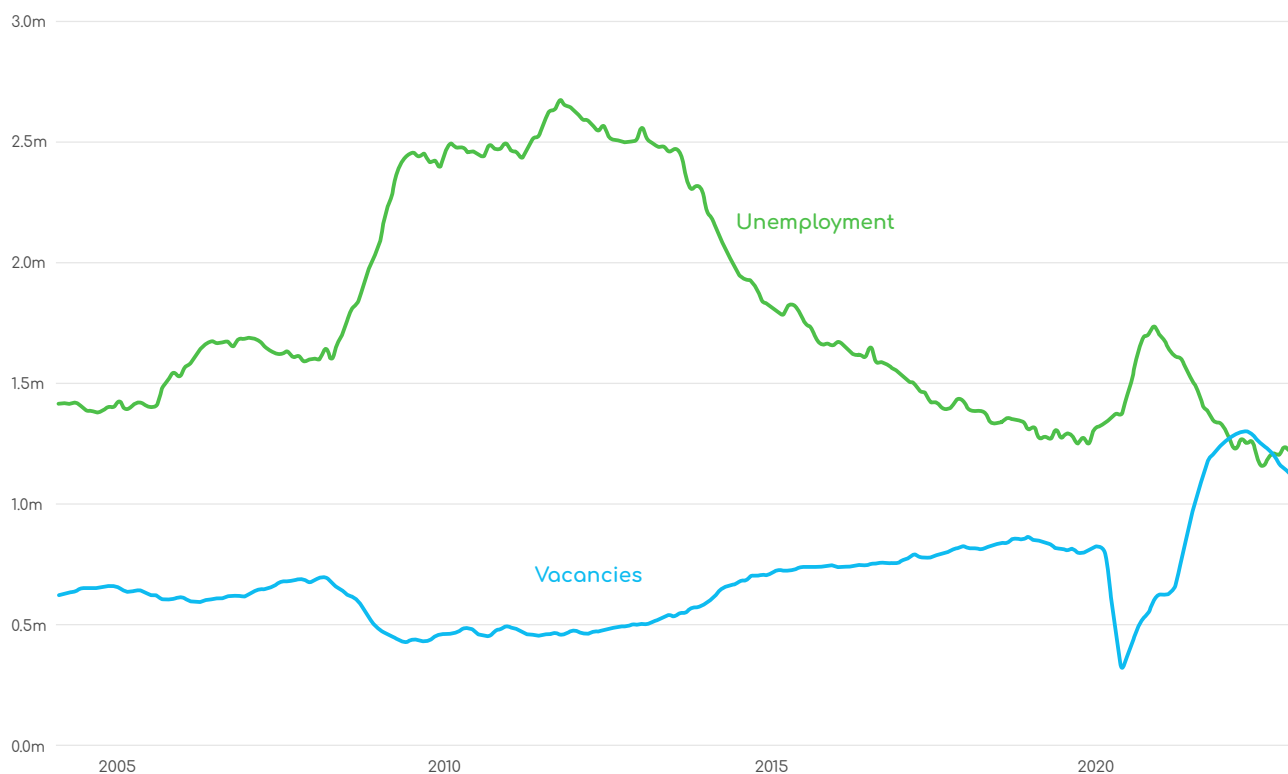
16 Office for National Statistics, 14/02/2023, [Number of unemployed people per vacancy \(UK exc. Agriculture, Forestry & Fishing\)](#)

17 Office for National Statistics, 25/04/2023, [Quarterly Recruitment Outlook: No sign of hiring difficulties easing](#)



## FIGURE 1: VACANCIES TEMPORARILY OVERTOOK PEOPLE SEEKING WORK IN 2022

Official unemployment levels and vacancies from Jan 2004 to Feb 2023



Source: ONS Unemployment levels and vacancies. Jan 2004 to Feb 2023



### What is the difference between unemployment and economic inactivity?

Unemployment and economic inactivity are two related but separate concepts. Both are useful to the Good Jobs Project but neither are perfect measures. The Good Jobs Project is not solely interested in actively targeting people from marginalised groups who are unemployed. Research shows that there are many people within the economically inactive population who are both willing and ready to work, but are constrained by existing processes and/or discouraged or disincenitised from entering, or re-entering, the labour force. More work is needed to accurately develop an appropriate measure.

**Unemployment:** Official unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is not the proportion of the total population that is unemployed. It is the proportion of the economically active population (people in work plus people seeking and available to work) that are unemployed. This is useful for the Good Jobs Project but incomplete. According to the Office for National Statistics, there are 1.2m unemployed.

**Economic inactivity:** Economic inactivity measures people not in the labour force who are not in employment and who do not meet the internationally accepted definition of unemployment. This is because they have not been seeking work within the last four weeks or are unable to start work in the next two weeks. This is useful for the Good Jobs Project but we cannot use this figure since it includes many people that simply cannot work, as well as many that could work and would want to work if the opportunities existed. According to the Office for National Statistics, there are 8.8m economically inactive. It is estimated that as many as 20% to 50% of claimants in the Employment and Support Allowance 'Support Group' would like to work and one in three people on sickness benefits are keen to receive work-related support.

Source: [ONS Labour Force survey](#), [Centre for Social Justice](#)

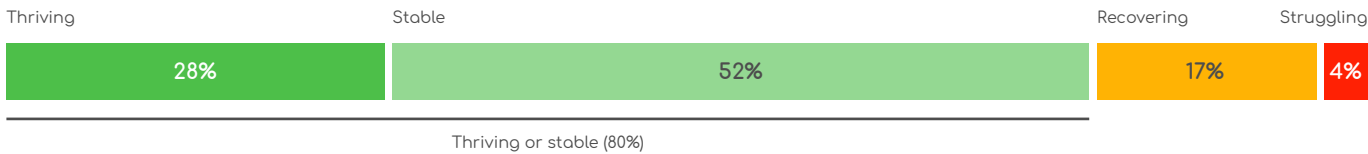
Despite these difficult conditions, many organisations feel that they are in a good position and are still recruiting, albeit with challenges that are being keenly felt by employers (see Figure 2).<sup>18</sup> From our survey we found that:

- 86% of employers were still recruiting in the last twelve months despite market conditions.
- A fifth (19%) of employers who were recruiting said that they could not fill their roles.
- Nearly half (44%) of employers said that recruitment was more difficult now than it was in the past, compared to just over a quarter (27%) who said it was easier.

**FIGURE 2: DESPITE CHALLENGING CONDITIONS, MANY FIRMS ARE STABLE OR THRIVING AND ACTIVELY RECRUITING**

**BUSINESS POSITION: 80% of respondents said that their business was stable or thriving**

Which of the following best describes the current position of your company / organisation?



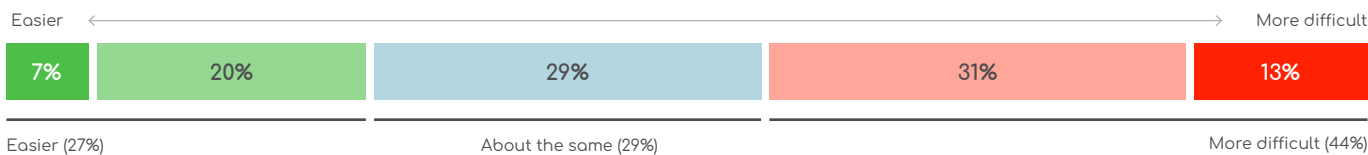
**RECRUITMENT POSITION: 86% of respondents said they were still recruiting, but 19% of those could not fill roles**

Within the last 12 months, has your company / organisation tried to recruit new employees?



**DIFFICULTY OF RECRUITMENT: 44% have found recruitment harder now than in the past**

Do you feel that it has been easier or more difficult to find employees in the current labour market than it has been in the past?



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities.

<sup>18</sup> British Chambers of Commerce, 03/02/2023, [Quarterly Recruitment Outlook: Highest level of recruitment difficulties on record](#)

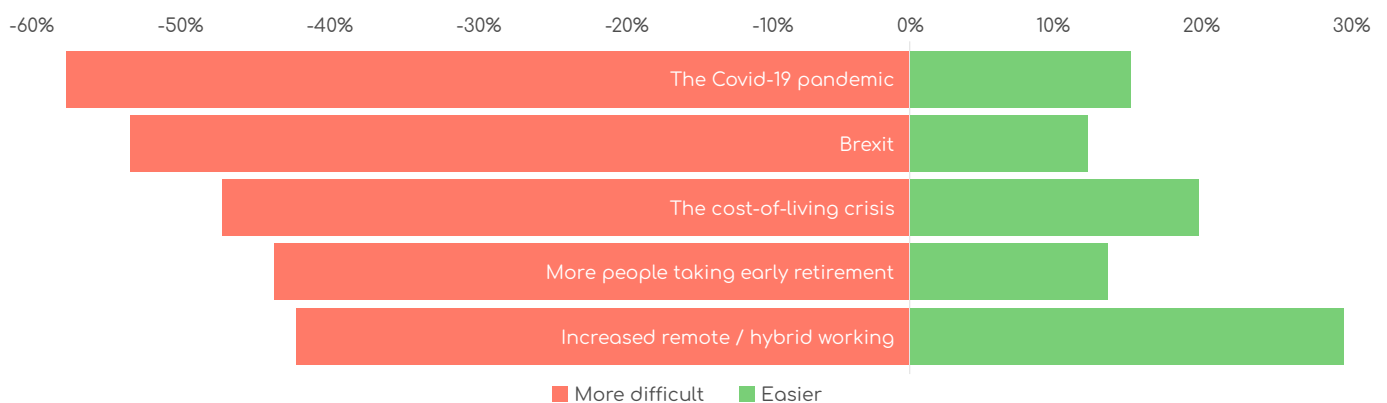
# What is behind the labour shortage?

Various disruptions have affected the recruitment landscape. Employers we surveyed felt that the Covid-19 pandemic and the UK exiting the European Union had the biggest impact, followed by the cost of living crisis and people taking early retirement (see Figure 3).

This has created greater flux in the labour market, with businesses struggling to keep pace with competition as more and more people leave or change jobs in search of better pay, benefits or job satisfaction.<sup>19</sup> This can make it harder to attract and retain employees and has created a vicious cycle of more vacancies to fill and an increased likelihood of reduced productivity during this disruption. Below we expand briefly on why these would have affected recruitment.

## FIGURE 3: RECRUITMENT WAS MORE CHALLENGING AS A RESULT OF SHOCKS TO THE BUSINESS LANDSCAPE

Thinking about your business / organisation, to what extent do you feel that the following have made recruitment easier or more difficult over the last 12 months?



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities.

## THE COVID-19 PANDEMIC

The Covid-19 pandemic led to a large number of people leaving the labour force over a relatively short period of time. Between the start and end of 2020, the number of people in work fell by 825,000.<sup>20</sup> There are now 516,000 more inactive people of working age than was the case pre-pandemic, increasing it to just under nine million people and over a fifth (21.4%) of the potential workforce.<sup>21</sup>

The pandemic led many working age adults to reevaluate their lifestyle, in turn driving many employees to either move between jobs or leave the workforce altogether, a phenomenon known as the Great Resignation or the Great Reshuffle. In Q1 of 2022, total job-to-job moves increased to a record high of 994,000.<sup>22</sup> This equates to just under 3.2% of employees in the UK, which is considerably higher than the proportion of employees moving jobs in the first year of the pandemic (1.7% in Q3 of 2020).<sup>23</sup>

*"The plethora of opportunities available on the market has been driving the resignations we've seen. Some of our candidates will immediately be approached by four or five other employers, who start bidding against each other for them. That dynamic is undoubtedly very attractive for those candidates."*

Anonymous interviewee

19 Bloomberg UK, 24/05/2022, 'Great Resignation' in UK Shows 20% Planning to Quit Soon, Survey Shows

20 Clark, H., Francis-Devine, B., Powell, A., House of Commons Library, 09/08/2022, Coronavirus: Impact on the labour market

21 Centre for Policy Studies, 08/05/2023, [Where are the workers? A new diagnosis of economic inactivity in Britain](#)

22 Office for National Statistics, 17/05/2022, [Employment in the UK: May 2022](#)

23 Statista, 14/02/2023, [Proportion of employees making job-to-job moves in the United Kingdom from 4th quarter 2001 to 4th quarter 2022](#)



The pandemic also led to vast numbers of people exiting the workforce owing to long-term sickness. In Summer 2022, half a million more people since 2019 reported disengaging from the labour market owing to long-term sickness.<sup>24</sup> Long-term sickness is now the most common reason for economic inactivity, accounting for 28% of total inactivity at the beginning of 2023.<sup>25</sup> Despite older people representing the majority of those inactive owing to long-term sickness, younger people aged 25 to 34 have seen the largest relative increase in recent years, making up 14% of those inactive owing to long-term sickness in April to June 2022.<sup>26</sup>

## THE UK LEAVING THE EUROPEAN UNION

It is estimated that the UK's exit from the European Union resulted in a shortfall of 330,000 workers in the UK labour force.<sup>27</sup> Sectors such as accommodation and food services, construction and human health and social works were among the hardest-hit businesses in terms of worker shortages at the end of 2022.<sup>28</sup> This introduced another problem: it reduced the ease of immediate access to skilled talent from EU countries. Although the UK can still recruit from overseas, visa processing times can cause added friction in the labour market. It is worth noting that this has been offset somewhat with higher overall immigration figures in recent years, driven in part by specific events leading to high immigration from Hong Kong, Ukraine and Afghanistan. Despite the loss of free-movement for EU workers, the majority of employers in our survey (87%) thought the UK should be training more of its existing workers to fill skills shortages.

*"We're in a situation where it's a real struggle to find people with the right skillset, so there needs to be greater emphasis on on-the-job training and bolstering skillsets to match business needs."*

Kate Bewick, Head of People, Abel & Cole

## COST OF LIVING CRISIS

2022 saw an inflation rate increase to up to 11.1% in the UK according to the Consumer Price Index, marking a record high in over 40 years.<sup>29</sup> Falls in inflation-adjusted total pay growth have also set records, falling by 3% in December 2022 to February 2023.<sup>30</sup> The majority of the UK workforce aged between 30 and 69 report feeling worried about the cost of living emergency.<sup>31</sup> Evidence also suggests the crisis may be drawing people back into employment, with the proportion of economically inactive people reporting they want a job rising to its highest level in nearly two years.<sup>32</sup>

The crisis is also placing employers most impacted by rising inflation in a challenging position. On the one hand, they are feeling the brunt of price rises for energy and raw materials, which can put pressure on margins and lead to eventual price increases. On the other hand, employees have also been demanding pay increases as a result of the cost of living crisis and if employers are not able to meet expectations, they can be more likely to lose staff who seek better pay elsewhere. This can create a self-perpetuating vicious cycle and unpredictable churn within the labour market. The only employers that can benefit are those that can offer the most competitive remuneration offers with only one in five employers (22%) planning to change their pay and benefits to recruit and retain staff.<sup>33</sup> There can also be a divide between public and private sector employers. Private sector pay award expectations are over twice as high as those in the public sector.<sup>34</sup>

24 Office for National Statistics, 10/11/2022, [Half a million more people are out of the labour force because of long-term sickness](#)

25 Harker, R., Kirk-Wade, E., House of Commons Library, 14/03/2023, [How is health affecting economic inactivity?](#)

26 Office for National Statistics, 10/11/2022, [Half a million more people are out of the labour force because of long-term sickness](#)

27 Centre for European Reform, 17/01/2023, [Early impacts of the post-Brexit immigration system on the UK labour market](#)

28 Buchanan, I., Francis-Devine, B., House of Commons Library, 10/01/2023, [Skills and labour shortages](#)

29 Office for National Statistics, 19/04/2023, [Consumer price inflation, UK: March 2023](#)

30 Office for National Statistics, 18/04/2023, [Labour market overview, UK: April 2023](#)

31 Office for National Statistics, 10/06/2022, [Worries about the rising costs of living, Great Britain: April to May 2022](#)

32 White, L., Bloomberg UK, 18/04/2023, [Cost-of-Living Crisis May be Pushing Britons Back Into Work](#)

33 Chartered Institute of Personnel and Development, 13/02/2023, [Labour Market Outlook: Winter 2022-23](#)

34 Ibid.

## MORE PEOPLE TAKING EARLY RETIREMENT

At the end of 2022, 527,000 people over 50 had exited the labour market since the start of the pandemic, enlarging the proportion of people becoming economically inactive.<sup>35</sup> The impact of this cohort leaving the workforce is measurable, with 70% of the rise in economic inactivity since March 2020 being driven by this age group.<sup>36</sup> As such it has been suggested that the increase in early retirement has been the biggest contributor to the shrinking of the workforce in the UK since 2020.<sup>37</sup> The majority of people over 50 who exited the labour force since the pandemic neither want to nor are expected to return to employment.<sup>38</sup> Challenges stemming from increased early retirement were the focus of the 2023 Spring Budget announcements, for example through the removal of the pension lifetime allowance in a bid to entice employees to stay in or return to work.<sup>39</sup>

## INCREASED REMOTE / HYBRID WORK

As a response to the pandemic many organisations shifted to fully remote or hybrid work patterns. For instance, in 2022, nearly a third (29%) of private sector employers introduced more flexible working to support employees.<sup>40</sup> The possibility of remote work has subsequently raised employee demand for more flexible working options.<sup>41,42</sup> While seen as a positive way to keep the workforce active and the economy moving during the pandemic, it has created challenges as well as opportunities.

The challenge is that it has increased pressure on businesses to offer remote work for employees. For certain sectors, and for businesses with fewer resources, this can be a challenge that is met with some resistance. Businesses that are less able to adapt and go remote can face greater difficulty attracting talent in hiring and retaining employees. For some groups, such as young people entering employment for the first time, the shift to remote work may have created additional barriers to their transition from education to the world of work.

The opportunities it has created are that it opens the doors to many individuals that might not have been able to access it before. Examples include those with mobility issues, those that need a quiet place to work, those that don't have access to good transportation and those that might need some flexibility in their working day for caring responsibilities. Reflecting this, 30% of respondents to our survey said that increased remote / hybrid working made recruitment easier.

*"Remote work has opened up the recruitment pool to a much wider range of communities and given us a much broader range of talent to choose from."*

Niamh Macaskill, People Director, Camelot

35 Rutter, J., The Learning and Work Institute, 20/12/2022, [Evidence from the Learning and Work Institute to the House of Lords Economic Affairs Committee's Inquiry into Recent Trends in the UK Labour Market](#)

36 Ibid.

37 Economic Affairs Committee, 20/12/2022, [Where have all the workers gone?](#)

38 Economic Affairs Committee, 20/12/2022, [Early retirement and our ageing population are causing labour shortages, says Lords report](#)

39 Hunt, J., HM Treasury, 15/03/2023, [Spring Budget 2023 speech](#)

40 Chartered Institute of Personnel and Development, 19/12/2022, [How private sector employers have been helping their workers cope with the cost-of-living crisis](#)

41 Chartered Institute of Personnel and Development, 01/02/2021, ['Make flexible working requests a day-one right' says the CIPD, as new research finds nearly half of employees do not have flexible working in their current role](#)

42 Advisory, Conciliation and Arbitration Service, 15/07/2021, [New study reveals half of employers expect more flexible working requests from staff after the pandemic is over](#)



## IS THE LABOUR SHORTAGE HERE TO STAY?

Predictions have indicated that the state of the economy in the UK is set to worsen as the cost of living crisis and inflation intensify. Inflation is expected to begin to fall quite quickly from the middle of 2023 and reach an annual rate of 6.1%, compared to 9.1% in 2022. Despite this, the effects on the labour market are unclear with some predictions forecasting strong hiring intentions while others predict a rise in unemployment.

**Businesses hiring intentions remain strong:** Although vacancies have dropped since their record high, hiring intentions and employment confidence remain strong for businesses in the near future. In Autumn 2022, the net employment balance, which measures the difference between employers expecting to increase staff levels and those expecting to decrease them in the next three months, continues to exceed pre-pandemic levels, remaining positive at +29, down from +34 last quarter.

**Forecasts predict a rise in unemployment:** The Bank of England has forecast a rise in unemployment from its current 3.7% to over 6% by 2025 based on estimates of reduced demand. Consumer and business confidence are at very low levels, which historically have been indicators of rising unemployment. Within the last two decades, consumer confidence has never dropped as low without an accompanying rise in unemployment.



## ...AND DOES IT MATTER TO THE AIMS OF THE GOOD JOBS PROJECT?

While vacancy rates and unemployment levels will always fluctuate, the unmet needs of marginalised people will remain for as long as there are obstacles to finding gainful employment.

The inability to fill roles comes at a cost to the country. Studies estimate that a failure to address the current labour shortage will delay economic recovery post-pandemic, resulting in a fall in Gross Domestic Product (GDP) and potentially costing the UK economy up to £39bn a year. In 2021, the UK output per hour worked had the second slowest growth of the G7 countries (excluding Japan) and the average output per worker for the G7 nations was 16% above the UK's productivity level.

The Good Jobs Projects therefore sees the current situation of high vacancy rates as a necessary catalyst to prompt more businesses to think more creatively about their recruitment processes in order to meet both their own needs and those of marginalised people, as well as contribute to the UK's post-pandemic economic recovery.

**Source:** [CIPD](#), [Bank of England](#) (also [here](#)), [Resolution Foundation](#), [Recruitment & Employment Confederation](#), [ONS](#), [Statista](#)

## 1.2. THE MARGINALISED GROUPS FACING BARRIERS TO EMPLOYMENT

*"From a social mobility perspective, we want people to not only reach their personal potential but to reach their financial potential too."*

Tracy Evans, Group HR and Quality Director, Pertemps Network Group

The aim of the Good Jobs Project is to create the right ecosystem in which individuals facing additional barriers to employment can access pathways to prosperity through good jobs; and to do so in a way that benefits business. The project is interested in all groups of people that face barriers to employment. This can be due to disincentives to work caused by the structure of the benefits system, the inaccessibility of roles in how they are structured or marketed, or exclusion from roles due to misconceptions or bias on behalf of the employer.

In this report, we focus on 13 groups that we consider to face the most significant barriers to employment. These are:

- Young people aged 24 or under (particularly those also facing any other forms of marginalisation set out below)
- Young people in or leaving the care system
- People aged over 50
- Single parents
- People with caring responsibilities
- People with limited access to transport
- Ex-offenders
- People with disabilities
- Neurodiverse people (such as ADHD, autism, dyslexia, dyspraxia)
- People with mental health conditions (such as depression or anxiety)
- Ethnic minority groups (such as Indian, Pakistani, Bangladeshi, Black or mixed backgrounds)
- Refugees
- People who are currently or have recently been homeless

 See [Key challenges faced by marginalised groups](#) for more detail on the challenges faced.

## The benefits of removing barriers to work for marginalised communities

Providing good work opportunities for marginalised groups has several benefits. Good paid work often helps to reduce the risks of poverty, and evidence shows it can also improve health, wellbeing and protect against social exclusion.<sup>43,44</sup>

Some of the marginalised groups can be more exposed to the risks of poverty through lack of work. There is significant poverty in the UK with around one in five in relative low income.<sup>45</sup> Employment is a key factor for determining the likelihood of living in poverty and having at least one member of the household in work can have a positive impact. In 2019-2020, 40% of working-age adults in workless families were in relative poverty, compared to 11% in families where at least one adult was in work. The chance of a household falling into poverty reduces from 31% for those with one full-time earner, to 10% where a second earner works part-time.<sup>46</sup>

43 Public Health England, 31/01/2019, [Health matters: health and work](#)

44 World Health Organization, Burton, J., 2010, [WHO healthy workplace framework and model: background and supporting literature and practices](#)

45 Francis-Devine, B., House of Commons Library, 29/09/2022, [Poverty in the UK: statistics](#)

46 Institute for Public Policy Research, 26/05/2021, [Revealed: Working family poverty hits record high, fuelled by rising housing costs and childcare challenges](#)

Growing inflation and the cost of living crisis disproportionately affect people who are already struggling. People experiencing barriers to employment and also living in poverty can undergo a vicious cycle that keeps them out of work for longer than needed, which in turn makes it even more difficult to reenter the workforce.

Removing barriers to work for marginalised groups can have other benefits aside from reducing the risks of poverty. Good, secure employment that provides adequate support and training and development opportunities can improve employees' physical and mental health and wellbeing, such as reducing the risk of depression and psychological distress.<sup>47</sup> Conversely, evidence shows that unemployment can be associated with an increased risk of mortality and morbidity, including long-term illnesses, poor mental health and health-harming behaviours.

Good quality work can also protect against social exclusion by providing social interaction as well as strengthening identity and purpose. Crucially, the positive impacts of good work can go beyond benefiting one individual and can also extend to their family and community.<sup>48</sup>



### IS A JOB ENOUGH?

Finding a job is one of the most important factors in reducing poverty. For example, families with more work have a lower likelihood of being in poverty. Less than one in ten of those living in full-time work families are in poverty, compared to nearly six in ten people living in poverty who are in families working part-time, rising to nearly seven in ten people for workless families. Children growing up in workless families are almost twice as likely as children in working families to fail at all stages of their education. The absolute poverty rate for children when both parents work full time is 4% compared with 44% when one or more parents are in part-time work.

It is not, however, the whole solution. In-work poverty is prevalent in the UK, which is defined as a household living in relative poverty even though someone in the household is in paid work. Almost 60% of people in poverty are in a household where at least one person is in employment. Employment where there is low pay, instability or where work is only temporary work can be drivers of in-work poverty.

This is a crucial element of the Good Jobs Project, where 'good' relates specifically to this. However, the primary focus of this report relates to the provision of jobs for marginalised groups, with future work planned for the definition of what 'good' looks like. The project may do follow-on work on this topic, but starts with the foundation of ensuring people from marginalised groups enter the employment market in the first instance.

Source: [UK Parliament](#), [DWP](#), [Social Metrics Commission](#), [Cardiff University](#)

<sup>47</sup> Public Health England, 31/01/2019, [Health matters: health and work](#)

<sup>48</sup> Ibid.

# The potential supply of labour from marginalised groups is sufficient to fill current vacancies

*We need to maximise opportunities to engage with people active in the job market who don't work. And that does mean doing more to create inclusive and accessible environments while reaching out to job-seekers in those under-served and under-represented communities with opportunities.*

Jurgen Donaldson, WFS community engagement Disability Inclusion programme manager, Amazon

If the objective is to increase demand from businesses to recruit from these groups, it requires taking into consideration the supply side of the recruitment equation: is there a large enough supply of labour from marginalised groups?

A recent study by the Institute of Employment Studies revealed that at least 1.7 million people (around a fifth of those who are economically inactive) report currently wanting to work.<sup>49</sup> This includes 560,000 people with long-term health conditions and 390,000 people with caring responsibilities. Findings also reveal an additional 3.3 million people who do not currently want a job but think they are likely to work in the future. Together these figures create a total of five million people who are either willing to enter the workforce immediately or intend to do so in the future.

Unemployment rates for each of the marginalised groups are striking. At its best, young people face an unemployment rate that is twice as high as the national average, while people who are or have recently been homeless have an unemployment rate that is 25 times higher than the UK average.

<sup>49</sup> Institute for Employment Studies, 01/2023, [Labour market statistics, January 2023](#)

# Key challenges faced by marginalised groups

Below is a snapshot of the key challenges some of these groups face. It is worth bearing in mind that the groups are not necessarily distinct from each other and as such multiple barriers to employment can co-exist. Intersectionality can exacerbate and amplify existing difficulties for certain individuals.

## SINGLE PARENTS

### Current employment landscape

- Single parents are twice as likely to be unemployed, economically inactive or underemployed as couple parents.<sup>50</sup>
- Single parents are more likely to be long-term unemployed than couple parents, a trend exacerbated by the pandemic when the proportion of single parents out of work for over a year increased from 28% to 32%, compared to an unchanged 23% for couple parents.<sup>51</sup>
- Since 2019, the proportion of single parents who have faced redundancy has almost doubled, compared to an increase of one third for couple parents.<sup>52</sup>

### Barriers to employment

- Single parents face barriers to sustainable work owing to the lack of flexible working opportunities, commuting distances, difficulty in transitioning back into work and the high cost of childcare, which often result in single parents choosing to leave work.<sup>53,54</sup> This was particularly exacerbated by the pandemic, and many single parents felt jobs were no longer being financially viable to cover childcare or travel costs, extra caring responsibilities or deteriorating mental health.<sup>55</sup>
- Single parents are on average younger than most jobseekers and so also face some of the challenges associated with young people.<sup>56</sup>
- There is also a lack of adequate support: many single parents feel Jobcentre Plus (JCP) support lacks a targeted approach that takes into account their individual circumstances.<sup>57</sup>

*"Almost all single parents are in work or want to work but our report shows many are being held back in their careers due to structural barriers which trap them in lower paid jobs [...] With some simple, practical changes, the UK economy could really benefit from valuable skills and the lives of many single parent families could be improved."*

Gingerbread, *Held Back: single parents and in-work progression in London*<sup>58</sup>

### The opportunity

- Almost half of non-working mothers report preferring to work if they could find suitable childcare.<sup>59</sup> The 2023 Spring Budget recognised the barriers to work brought on by the UK's childcare system, highlighting it as one of the most expensive systems in the world. The budget announced a series of reforms to the childcare system, including increasing the availability and accessibility of childcare for parents with children under the age of three. If the UK could match Dutch levels of female participation rates, one million more women could enter or re-enter the workforce.

50 Gingerbread, 01/2023, [The single parent employment challenge](#)

51 Ibid.

52 Ibid.

53 Clery, E., Dewar, L., Edney, C., Gingerbread, 10/03/2022, [The Single Parent Employment Challenge: Job loss and job seeking after the pandemic](#)

54 The HR Director, 02/12/2018, [Are 1.6 million unemployed single parents the UK's untapped resource?](#)

55 Clery, E., Dewar, L., Edney, C., Gingerbread, 10/03/2022, [The Single Parent Employment Challenge: Job loss and job seeking after the pandemic](#)

56 The HR Director, 02/12/2018, [Are 1.6 million unemployed single parents the UK's untapped resource?](#)

57 Clery, E., Dewar, L., Edney, C., Gingerbread, 10/03/2022, [The Single Parent Employment Challenge: Job loss and job seeking after the pandemic](#)

58 Clery, E., Dewar, L., Gingerbread, 04/11/2019, [Single parents and in-work progression in London](#)

59 Save the Children, [870,000 mums in England can't get the childcare they need](#)



## YOUNG PEOPLE, PARTICULARLY THOSE FACING DISADVANTAGE OR DISCRIMINATION

### Current employment landscape

- In early 2023, 11.3% of all young people aged 16 to 24 were not in education, employment or training (NEET).<sup>60</sup> Of this group, over 60% were economically inactive (not actively seeking work) and nearly 40% were unemployed (actively seeking work).<sup>61</sup> The NEET rate however was higher for young people from mixed or multiple ethnic backgrounds (14%), and those from Pakistani (13.3%) or Bangladeshi (25.9%) ethnic backgrounds.<sup>62</sup>
- The pandemic hit young people particularly hard levels of youth unemployment rose significantly after the outbreak of the pandemic, and were 15% higher in July to September 2020 than they were pre-pandemic.<sup>63</sup> The under 25s accounted for almost two thirds of the fall of payroll employees since February 2020.<sup>64</sup> Within this group, we know that young people from specific backgrounds were more likely to fare significantly worse than others.
- Young people in employment are more likely to be on zero-hour contracts compared to other people in employment.<sup>65</sup>

### Barriers to employment

- Young people having lived in workless households are more likely to be economically inactive than young people from other socio-economic backgrounds and their employment rate is 20 percentage points lower than the average young person.<sup>66</sup>
- Two out of three young people who are economically inactive have a mental health disorder, affecting their labour market prospects and access to good jobs.<sup>67</sup> The proportion of young people out of work owing to long-term sickness and mental health issues is rising. Towards the end of 2022, over a quarter of young people who were NEET and inactive cited long-term or temporary sickness as the reason for their inactivity, compared to around 20% citing the same reason before the pandemic.<sup>68</sup>
- 25.6% of young people aged between 16 to 24 who were NEET and inactive in October to December 2022 cited long-term or temporary sickness as the reason for their inactivity. Before the pandemic, 20.5% cited long-term or temporary sickness.
- Young people are currently faced with persistent regional disparities in access to employment, increased precariousness and a tight youth labour market, factors which are likely to increase the likelihood of being inadequately equipped to meet future labour market demands.<sup>69</sup>
- Young people feel increasingly ill-equipped to enter the workforce. Research in 2022 revealed that over 250,000 young people have been put off working for life, and 30% of young people reported they felt unlikely to meet career ambitions, and 43% said their education hadn't sufficiently equipped them with the skills needed to get the job they want.<sup>70</sup>

### The opportunity

- If the UK reduced the NEET rate of 20 to 24 year olds to match levels in Germany, UK GDP could increase by £38bn as a result of improving youth employment prospects.<sup>71</sup>

 See the spotlight on [Unlocking greater youth employment](#).

60 Office for National Statistics, 25/05/2023, [Young people not in education, employment or training \(NEET\), UK: May 2023](#)

61 Youth Futures Foundation, 23/02/2023, [ONS statistics reveal an alarming rise in NEET young people](#)

62 Youth Futures Foundation Analysis – Labour Force Survey 2023, Q1

63 Buchanan, I., House of Commons Library, 18/04/2023, [Youth unemployment statistics](#)

64 Office for National Statistics, 23/03/2021, [Labour market overview, UK: March 2021](#)

65 Chartered Institute of Personnel and Development, 11/08/2022, [Zero-hours contracts: evolution and current status](#)

66 Office for National Statistics, 30/05/2022, [Young people in the labour market by socio-economic background, UK: 2014 to 2021](#)

67 Youth Employment UK, 24/01/2023, [Tackling Mental Ill Health Is Vital For Tackling Youth Economic Inactivity: New APPG For Youth Employment Report](#)

68 Buchanan, I., House of Commons Library, 19/04/2023, [Why are young people leaving the labour market?](#)

69 Youth Futures Foundation, 20/10/2021, [Risk of generational progress grinding to a halt](#)

70 HR Magazine, 07/12/2022, [Young people discouraged from working](#)

71 Youth Futures Foundation and PwC, 04/2022, [Youth Employment Index 2022: Building a resilient workforce for the future](#)

# PEOPLE WITH DISABILITIES

## Current employment landscape

- Disabled people are over twice as likely to be unemployed as non-disabled people (7.2% vs. 3.2%) and are nearly three times as likely to be economically inactive. The employment rate of disabled people is around 53%, compared to about 83% for non-disabled people. Disabled people are moving out of work at nearly twice the rate of non-disabled people (8.9% and 5.1%).<sup>72</sup>

## Barriers to employment

- Disabled people are nearly 1.5 times more likely to be living in poverty than non-disabled people (27% and 19%) and on average disabled households face nearly £1000 per month of extra costs to meet daily needs, which can put a strain on daily life and job seeking.<sup>73</sup>
- Prejudice can be a common barrier to employment, with one in three disabled people experiencing assumptions or judgements about their capability.<sup>74</sup>
- Disabled people with additional challenges such as mental health conditions are less likely to be in employment.<sup>75</sup> Disabled people also face barriers accessing services through Jobcentre Plus, owing to insufficient provision of alternative formats and of British Sign Language interpreters.<sup>76</sup>
- While the increase in remote working following the pandemic has helped many disabled people, it has created new accessibility barriers for others.<sup>77</sup>
- Disabled people in employment are more likely to work in lower-skilled occupations or be self-employed.<sup>78</sup> They are significantly less likely to be appointed as managers, directors or senior officials, often resulting in underemployment.<sup>79</sup>
- Feeling isolated at work without proper workplace adaptations can force employees to leave work or prevent them from reaching their full potential: 60% of people with hearing problems have retired early and, of those, over half say this was related to their disability.<sup>80</sup>
- The UK disability-related benefits system can often prove a barrier to paid employment for disabled claimants. A new job proving unsuitable, for example, could risk claimants being left financially worse off following a loss of benefits. About 20% of those claiming disability benefits report wanting to work, but only under 2% go into employment every month.<sup>81</sup> This is a barrier that announcements made in the 2023 Spring Budget tried to address.<sup>82</sup>

*"We face not a shortage of labour, but a shortage of accessibility."*

Anonymous interviewee

## The opportunity

- Disabled people can thrive in enabling environments as often it is the environments themselves that are disabling. The average cost of reasonable adjustments for a disabled individual is at most £75, which costs far less than recruiting a new employee (upwards of £1,500).<sup>83,84</sup> However, around 70% of reasonable adjustments come at no financial cost to employers, such as allowing flexible hours, providing a ground floor desk or regular check-ins with a line manager.<sup>85</sup>

72 Department for Work and Pensions, 26/01/2023, [Official Statistics: Employment of disabled people 2022](#)

73 Scope, [Disability Price Tag 2023: the extra cost of disability](#)

74 Scope, [Attitudes towards disabled people](#)

75 Department for Work and Pensions, 26/01/2023, [Official Statistics: Employment of disabled people 2022](#)

76 UK Parliament Committees, 20/07/2021, [Unacceptable employment barriers faced by disabled people need radical overhaul](#)

77 Ibid.

78 Department for Work and Pensions, 26/01/2023, [Employment of disabled people 2022](#)

79 Autistica, 18/02/2021, [Autistic people still face highest rates of unemployment of all disabled groups](#)

80 Signature, 20/09/2022, [Sustainable Economic Opportunities For Deaf People](#)

81 Smyth, C., The Times, 11/01/2023, [People could return to work but keep claiming sickness benefits](#)

82 Hunt, J., HM Treasury, 15/03/2023, [Spring Budget 2023 speech](#)

83 Chadwick, A., SIC, 21/10/2022, [The True Cost of Hiring Disabled People](#)

84 BeApplied, 28/02/2020, [How much does it cost to hire an employee?](#)

85 Chadwick, A., SIC, 21/10/2022, [The True Cost of Hiring Disabled People](#)

- 80% of disabled people are of working age, and those who are economically inactive are more likely than non-disabled people to want a job, suggesting there is potentially a large number of people who are willing and able to work who are currently excluded from the labour market.<sup>86,87</sup>
- Raising the disability employment rate by five percentage points would increase GDP by £23 billion by 2030; a ten percentage point rise would increase GDP by £45 billion. A similar rise in employment would reduce the rate of relative and absolute poverty among disabled people by anywhere between two to five points.<sup>88</sup>

## YOUNG PEOPLE IN OR LEAVING THE CARE SYSTEM

### Current employment landscape

- School leavers in care are over four times more likely not to be in education, employment or training nine months after leaving school than other school leavers (29% compared to 7%).<sup>89</sup>
- Only 6% of care leavers aged 19-21 go onto further education.<sup>90</sup> Care leavers are only 1.5 times more likely to be in higher education than in custody.<sup>91</sup>

### Barriers to employment

- Young people leaving care face similar challenges to other young people but these are often exacerbated by unstable accommodation, weak or absent support and networks, financial difficulties, weak preparation for independent living and mental and physical health issues.<sup>92</sup> Ongoing and often long-lasting trauma experienced by many young care leavers as a result of challenging childhood experiences can create additional barriers to employment.
- On leaving care, young people are more likely to focus on fulfilling basic immediate needs such as food and housing over seeking employment or planning career pathways. This can lead to long-term unemployment, and in turn poverty, social exclusion, depreciation of skills and weakened motivation. For some, the idea of getting a job can also be overwhelming and bring further concerns about travel, food or appropriate clothing.<sup>93</sup>
- Young care leavers in work often work in part-time, low-paid and low-skilled jobs, which often makes a long-term career path difficult.<sup>94</sup> On average care leavers earn £6,000 less than peers who have not grown up in care.<sup>95</sup>
- Young people in care are 10 times more likely to go to prison by the time they are 24 than those growing up outside the care system.<sup>96</sup> Homelessness creates another barrier to employment, with one third of care leavers experiencing homelessness in the first two years after leaving care.<sup>97</sup>

*"Young people from the care system have gone through an awful lot and some may lack the confidence or support network to build their CV. We interview them, but we don't guarantee them the role. And that's because they've told us they want to earn it rather than be given it."*

Ceira Thom, Head of Learning, John Lewis & Partners

### The opportunity

Employers are missing out on benefiting from the potential of thousands of young people leaving the care system every year. The lifetime cost of the proportion of 19-year-old care leavers who are NEET has been estimated at around £240 million.<sup>98</sup>

86 Signature, 20/09/2022, [Sustainable Economic Opportunities For Deaf People](#)

87 Department for Work and Pensions, 26/01/2023, [Employment of disabled people 2022](#)

88 Gulliford, J., Scope, 04/2015, [Enabling work: disabled people, employment and the UK economy](#)

89 Home for Good, [Care Leavers and core-experienced young people](#)

90 Department for Education, 14/03/2019, [Universities asked to do more to support care leavers](#)

91 Harrison, N., Celcis, 19/08/2019, [Are care leavers really more likely to go to prison than university?](#)

92 Furey, R., Harris-Evans, J., 09/01/2021, [Work and resilience: Care leavers' experiences of navigating towards employment and independence](#), Child & Family Social Work 26 (3)

93 Sanders, R., Iriss, 03/08/2021, [Care experience and employment](#)

94 Furey, R., Harris-Evans, J., 09/01/2021, [Work and resilience: Care leavers' experiences of navigating towards employment and independence](#), Child & Family Social Work 26 (3)

95 House of Commons Education Committee, 08/07/2022, [Educational poverty: how children in residential care have been let down and what to do about it](#)

96 Office for National Statistics, 05/12/2022, [The education background of looked-after children who interact with the criminal justice system: December 2022](#)

97 Stein, M. and Morris, M., C4EO, 2010, [Increasing the Number of Care Leavers in 'Settled, Safe Accommodation'](#), Knowledge Review 3

98 National Audit Office, 17/07/2015, [Care leavers' transitions to adulthood](#)

# REFUGEES

## Current employment landscape

- Refugee unemployment rates are estimated at three times the national average, and can be up to 80%, depending on the region.<sup>99</sup>
- Only around half of working-age people who came to the UK claiming asylum are in employment.<sup>100</sup> Refugees work fewer hours than the UK-born, earn on average 55% less per week and can be prone to labour exploitation.<sup>101,102</sup> Only about 10% of refugees in employment are in professional or managerial positions.<sup>103</sup> It can take over two decades for refugees to reach the same employment level as UK nationals.<sup>104</sup>

## Barriers to employment

- Refugees face unique barriers to employment. Upon arrival to the UK, refugees can face long periods of time unable to take up employment before being granted a right to work.<sup>105</sup> In 2021, UK asylum applications took on average 20 months to obtain an initial Home Office decision, which inevitably results in long periods of time where individuals are unable to take up work.<sup>106</sup>
- Some may have fled their country before they could complete their studies or obtain a qualification, and others may be highly skilled professionals but their qualifications or past experience may not be recognised in the UK.<sup>107</sup> This, coupled with poorly accessible and coordinated support for refugees arriving in the UK, means they often find themselves excluded from the labour market.<sup>108</sup>
- They are twice as likely to rely on public agencies such as JCP as their main job search method as UK-born job seekers, which research suggests to have limited effectiveness in securing jobs for this group.<sup>109</sup>
- Refugees are also more likely to report having a long-term health condition affecting their employment prospects, and one quarter of asylum migrants with a health condition report having mental health problems.<sup>110</sup>

*"Having a wider spectrum of people in your organisation adds value, creativity and productivity."*

Tracy Evans, Group HR and Quality Director, Pertemps Network Group

## The opportunity

- Many refugees are highly skilled and constitute a high potential talent pool. Addressing access to employment for refugees in the UK is also a significant factor in the successful integration of refugee communities and of overall improved social integration in the UK.<sup>111</sup>

99 Refugee Employment Network, [Homepage](#)

100 Ruiz, I., Vargas-Silva, C., University of Oxford, Compas, 2017, [Differences in labour market outcomes between natives, refugees and other migrants in the UK](#)

101 Kone, Z., Ruiz, I., Vargas-Silva, C., University of Oxford, Compas, 2019, [Refugees and the UK Labour Market](#)

102 Refugee Employment Network, [Homepage](#)

103 Kone, Z., Ruiz, I., Vargas-Silva, C., University of Oxford, Compas, 2019, [Refugees and the UK Labour Market](#)

104 Organisation for Economic Co-operation and Development, European Commission, 09/2016, [How are refugees faring on the labour market in Europe?](#)

105 Gibb, C., Refugee Employment Network and Business in the Community, 2018, [Effective Partnerships: a report on engaging employers to improve refugee employment in the UK](#)

106 University of Oxford, The Migration Observatory, 05/04/2023, [The UK's asylum backlog](#)

107 Refugee Council, [Supporting refugees into employment](#)

108 Refugee Employment Network, [Homepage](#)

109 Kone, Z., Ruiz, I., Vargas-Silva, C., University of Oxford, Compas, 2019, [Refugees and the UK Labour Market](#)

110 Ibid.

111 Refugee Employment Network, [Homepage](#)

## NEURODIVERSE PEOPLE (SUCH AS ADHD, AUTISM, DYSLEXIA, DYSPRAXIA)

### Current employment landscape

- Neurodiverse people are at least eight times more likely to be unemployed than non-disabled people (around 30% to 40% compared to a national average of 3.7%).<sup>112</sup> The proportion of adults with a learning disability in paid employment has decreased from 6% in 2014-2015 to a low of around 5% in 2020-2021.<sup>113</sup>
- Disabled people with learning difficulties or autism are the least likely to be in work of all disabled groups.<sup>114</sup>

### Barriers to employment

- Lack of training, support and awareness of neurodiverse people's distinct qualities are all barriers to employment for neurodiverse people. They also face stigma, with over half of people with dyslexia reporting experiencing discrimination in interview processes and 60% of those with ADHD reporting having lost jobs due to their neurodiversity.<sup>115</sup>
- Autistic people who are in employment are more likely to be underpaid, underemployed and have poor support.<sup>116</sup>

### The opportunity

- Around 15-20% of the UK population are estimated to be neurodivergent.<sup>117</sup> Employing neurodiverse people can help create a workforce that is representative of an organisation's customer base.
- Neurodivergent individuals often have valuable strengths which can contribute to an organisation's innovation, overall productivity and competitive advantage. For example, many autistic people are great analytical thinkers; dyspraxic people are often strong problem-solvers; and dyslexic people can be highly creative.<sup>118</sup>

<sup>112</sup> Dunne, M., People Management, 11/11/2022, [What workplace model best suits neurodiverse employees?](#)

<sup>113</sup> Nuffield Trust, 23/03/2023, [Supporting people in employment](#)

<sup>114</sup> Office for National Statistics, 10/02/2022, [Outcomes for disabled people in the UK: 2021](#)

<sup>115</sup> Dunne, M., People Management, 11/11/2022, [What workplace model best suits neurodiverse employees?](#)

<sup>116</sup> Cusack, J., Autistica, 18/02/2021, [Autistic people still face highest rates of unemployment of all disabled groups](#)

<sup>117</sup> British Dyslexia Association, 21/03/2022, [Neurodiversity in Business](#)

<sup>118</sup> Chartered Institute of Personnel and Development, 15/02/2018, [Neurodiversity at work](#)

# PEOPLE WHO ARE CURRENTLY OR HAVE RECENTLY BEEN HOMELESS

## Current employment landscape

- Homelessness is legally defined in the UK as a household without available and reasonable homes, including those experiencing rooflessness, houselessness or living in insecure or inadequate housing.<sup>119</sup> 77% of homeless families in temporary accommodation are unemployed and only 5-10% of homeless people are in paid employment.<sup>120</sup>
- Less than 2.5% of homeless people with health conditions are in work.<sup>121</sup>
- For homeless people who do work, they are often in low skilled, temporary employment. 40% of those in paid work are in 'low order' occupations such as in skilled trades or in elementary positions.<sup>122</sup>

## Barriers to employment

- A number of structural and personal barriers prevent homeless people from gaining employment, such as: unstable or insecure accommodation, lack of relevant experience, qualifications and skills, low confidence, lack of support networks or lack of childcare and mental or physical health issues.<sup>123</sup>
- Government support does not always account for homeless people's needs, such as providing sufficient housing support or easing access to employment programmes.<sup>124</sup>
- Stigma and lack of awareness is a barrier: 40% of employers were unaware that it is legal to hire someone experiencing homelessness and admit they would likely terminate an employee's contract if they became homeless.<sup>125</sup>
- Homeless people are twice as likely to face benefit sanctions than other benefit claimants, pushing them further away from the labour market, this often makes them unwilling to take up work.<sup>126</sup>

## The opportunity

- Motivation to work amongst the homeless population is high: 77% of homeless people report currently wanting to work, while 97% report wanting to work in the future. A job can provide a route out of homelessness and the opportunity to live an independent life.<sup>127</sup>
- Given that 88% of homeless people have previously had a job, it is possible that people experiencing homelessness have a level of valuable experience that is being marginalised.<sup>128</sup>

119 Public Health England, 06/06/2019, [Homelessness: applying All Our Health](#)

120 Feantsa, 2007, [Multiple barriers, multiple solutions: Inclusion into and through employment for people who are homeless in Europe \(National Report United Kingdom\)](#)

121 Ibid.

122 Ibid.

123 Ibid.

124 Crisis, [Benefits and employment](#)

125 Single Homeless Project, [Why is it hard for someone who is homeless to get a job?](#)

126 Crisis, [Benefits and employment](#)

127 Singh, P., 2005, Off the Streets and into Work, [No Home, No Job: Moving on from transitional spaces](#)

128 Crisis, [Benefits and employment](#)

# PEOPLE WITH EXPERIENCE OF THE CRIMINAL JUSTICE SYSTEM (EX-OFFENDERS)

## Current employment landscape

- Only 25% of men and 20% of women leave prison into some form of employment.<sup>129</sup> And only 17% of ex-offenders each year are in work within 12 months of leaving prison.<sup>130</sup>

## Barriers to employment

- Half of employers would not consider recruiting an applicant with a criminal record.<sup>131</sup> Questions asked at the application stage are often unclear and limited guidance or reassurance is provided for how a prospective employee with a criminal record would be treated by the employer.<sup>132</sup>
- Employers can hold negative preconceptions that ex-offenders are not trustworthy and an unsuitable 'fit' for their workplace.<sup>133</sup> Yet many people hold criminal records following relatively minor, old offences for which they never spent time in custody and still face significant barriers to employment. Less than 10% of people with a criminal record go to prison.<sup>134</sup>
- The proportion of prisoners with mental health problems is significant. Up to 90% of prisoners have a drug or alcohol problem, personality disorder or other mental health issue, all of which can result in routine exclusion from vocational rehabilitation programmes.<sup>135</sup>
- Offenders who have been in care make up between 25% and 50% of the Criminal Justice System population. Care experience can weaken employment prospects through a lack of support networks.<sup>136</sup>
- The high risk of homelessness on release and lack of support in finding accommodation is an additional barrier to securing work. Around a third of people leaving prison report having nowhere to stay.<sup>137</sup>

*"It's a hard sell. People wrongly assume all ex-offenders are too risky, dishonest and problematic and yet many want to work upon release."*

Darren Burns, Director of Diversity & Inclusion, Timpson

## The opportunity

- 90% of businesses that employ ex-offenders found them to be motivated and trustworthy employees, and 81% of people think that employing ex-offenders makes a positive contribution to society. Employing ex-offenders yields a wider economic and societal benefit: reoffending can cost the UK economy £13 billion annually.<sup>138</sup> Evidence shows ex-offenders in secure employment after prison are nine percentage points less likely to reoffend.<sup>139</sup>

<sup>129</sup> Centre for Mental Health, [Employment after prison](#)

<sup>130</sup> Ministry of Justice, 08/03/2023, [Employing prisoners and ex-offenders](#)

<sup>131</sup> YouGov/DWP, [2016 survey results](#)

<sup>132</sup> Unlock, 10/2018, [A question of Fairness: Research into employers asking about criminal records at application stage](#)

<sup>133</sup> YouGov/DWP, [2016 survey results](#)

<sup>134</sup> Unlock, 17/10/2019, [Developing a fair approach to applicants with criminal records: A toolkit for higher education providers](#)

<sup>135</sup> Centre for Mental Health, [Employment after prison](#)

<sup>136</sup> Coyne, D., The Care Leavers' Association, 03/2015, [Effectively Abandoned: Core Leavers in the Criminal Justice System](#)

<sup>137</sup> Cooper, V., 20/12/2013, The Howard League for Penal Reform, [No Fixed Abode](#)

<sup>138</sup> National Audit Office, 10/03/2010, [Managing Offenders on Short Custodial Sentences](#)

<sup>139</sup> Ministry of Justice, 08/03/2023, [Employing prisoners and ex-offenders](#)



## 1.3. THE PURPOSE-DRIVEN APPROACH TO RECRUITMENT

*"A broader talent pool helps solve our business problem. The truth is [recruiting from marginalised groups] wasn't set out as a social piece. It was set out to get enough people into the roles we need, at a time when vacancy levels are higher than we'd want them to be."*

Kevin Barrett, Group Chief Executive, Nestware Holdings

### What is the purpose-driven approach to recruitment?

The term purpose-driven refers to producing profitable solutions to the problems of people and the planet, and not profiting from producing problems for people or the planet.<sup>140</sup> In our paper, *What is a purpose-driven business?*, we outline that this implies purpose must go beyond the attainment of profit and have a positive impact on people and the planet.<sup>141</sup> Purpose, therefore, is shorthand for 'a positive purpose beyond profit'.

There is a rare and remarkable opportunity: to tackle the UK's severe labour shortage via the employment of people often frozen out of employment due to social barriers to work.

It is a remarkable opportunity because it is a purpose-driven approach that has the potential to benefit business, society and the growth of the UK economy. Because the labour market is so tight at the moment, employers are now broadening the pool of people that they are targeting for roles. Employers need to think creatively to identify previously untapped talent and target job adverts to people they may not have considered before.

Ultimately, through solving a business need we can also break existing cycles of poverty and marginalisation. This is the power of a purpose-driven approach. It is sustainable and likely to have a big impact because it is aligned with what businesses need to be successful.

The purpose-driven approach to recruitment will require a concerted effort and reforms from government, investment and business networks to move the needle. Each has a part to play and it cannot be done alone. All parties need to act in partnership to deliver an economic model where growth is driven by productivity improvements.

This report aims to demonstrate to the people who can influence business behaviour about some of the things that can be done to encourage more businesses to intentionally target those groups for recruitment. If we don't, we are holding businesses back.

The 2023 Spring budget recognised the urgency that British businesses are facing in terms of filling their roles and a large proportion of the announcements were focused on initiatives to get people back to work.<sup>142</sup> Indeed, some of the announcements, such as the extension of childcare support, funding for returnerships or a new Universal Support voluntary employment scheme for disabled people, should benefit many of the marginalised groups that the Good Jobs Project is improved about. But the announcements alone are not enough and there are a few points that are important to highlight:

- The initiatives focused on lowering the blockers that hold back the supply side from wanting to enter the labour market, which is only one half of the equation. There also needs to be a complementary effort to generate demand from employers for the potential workers who are actually available, which is the focus of this report.
- Despite some of the announced initiatives recognising a small number of the marginalised groups considered in this report, they are unlikely to have any immediate or substantial impact. Many other marginalised groups not addressed in the announcements still face significant barriers to accessing work.

<sup>140</sup> World Economic Forum, 07/01/2020, [It's time to redefine the purpose of business. Here's a roadmap](#)

<sup>141</sup> ReGenerate Trust, 17/06/2020, [What is a purpose-driven business?](#)

<sup>142</sup> Hunt, J., HM Treasury, 15/03/2023, [Spring Budget 2023 speech](#)



## INCLUSION: SAYING VS. DOING

*"Designing for everyone is designing for anyone."*

Graham Drew, Founding Director, Bamboo Recruitment

Being intentionally and actively inclusive and being non-discriminatory are two very different things. Although many employers say that they are an inclusive employer, this often means that they simply have policies of non-discrimination as covered by the Equality Act 2010. It doesn't mean that they take proactive steps to make their workplaces more accessible in ways that intentionally target and encourage more inclusion and diversity.

Deeper inclusion requires an understanding that to pair vacancies with marginalised groups, employers need to know how to make those opportunities visible, attractive and accessible to them. It is possible to believe to be an inclusive employer and be open to hiring individuals from different backgrounds but to be unintentionally exclusionary in practice.

Sometimes the reasons for exclusion from the workplace are not obvious and the barriers are not deliberate. For example, these subtle barriers can be huge drivers of exclusion. Common barriers include the wording used in job descriptions, where jobs are advertised, lack of diversity in public-facing materials, inflexibility in working hours or location, lack of access to software to improve accessibility, employers not addressing some specific needs, lack or inaccessibility of training and many more.

The Good Jobs Project is not focused on passive inclusivity. We want employers to 1) be aware of the things that might dissuade people from applying to their organisations, and 2) be taking proactive steps to target marginalised individuals. The reforms we suggest are geared towards enabling this.

## Key benefits and outcomes of a purpose-driven approach to recruitment

Below we set out some of the challenges faced by employers, marginalised groups and the economy and mapped them against what we believe the benefits of a purpose-driven approach to recruitment would create.





SECTION TWO

# WHAT EMPLOYERS NEED

INSIGHTS FROM THE RESEARCH

This section presents our findings about what is currently holding employers back and what will make a difference to employer behaviour. Insights are drawn from a survey of 500 UK employers and 31 interviews with senior HR, recruitment and business professionals.

The key questions underpinning this section are:

- What can help make businesses more aware of the opportunity to hire from marginalised groups?
- What can help make more businesses want to recruit from marginalised groups, and what is putting them off?
- What can make it easier for businesses to recruit from marginalised groups, and what is making it harder?

## 2.1. RESEARCH APPROACH

At the heart of the Good Jobs Project is the question ‘What can be done to encourage more employers to recruit from marginalised groups?’ In order to answer that, we must first understand how businesses are currently employing and what is driving those behaviours. As we set out in [Chapter 1.3: The purpose-driven approach to recruitment](#), our approach is built on the belief of the power of purpose-driven business. By this we mean that unless the recruitment of people from marginalised groups benefits businesses and helps them to be successful, then it is unlikely to be a sustainable solution. This, therefore, underpins our research approach.

Our research has primarily consisted of a survey of 500 employers in the UK and 31 interviews with senior HR, recruitment and business professionals and focus groups. Before explaining the findings, we describe our research approach below.

### Research goals

- What can be done to encourage more employers to recruit people from marginalised groups?
- What are the current recruitment behaviours of employers in the UK?
- What drives those behaviours?

### Framework used for analysis

We adopted the ‘conversion funnel’ framework, which allows you to view the flow of employers’ behaviours from being made aware of something through to performing an action, or not (see Figure 4). We break that journey down into three stages:

- Employers’ awareness that people from a marginalised group would fit well in their organisation
- Their intent to recruit or not recruit from those groups
- Whether or not they take actions to recruit them

Using this framework we can make estimates about the number of employers at each stage of the journey, and by the same logic, how many do not move to the next stage. This is what gives the framework the funnel shape. Crucially, we are not just interested in how many employers are at each stage in the funnel, but also what happens between the stages. The funnel allows us to pinpoint where in an employer’s journey the market failures and frictions exist and what form they take. We want to learn what raises awareness, what drives or does not create intent, and what can support or hinder action.

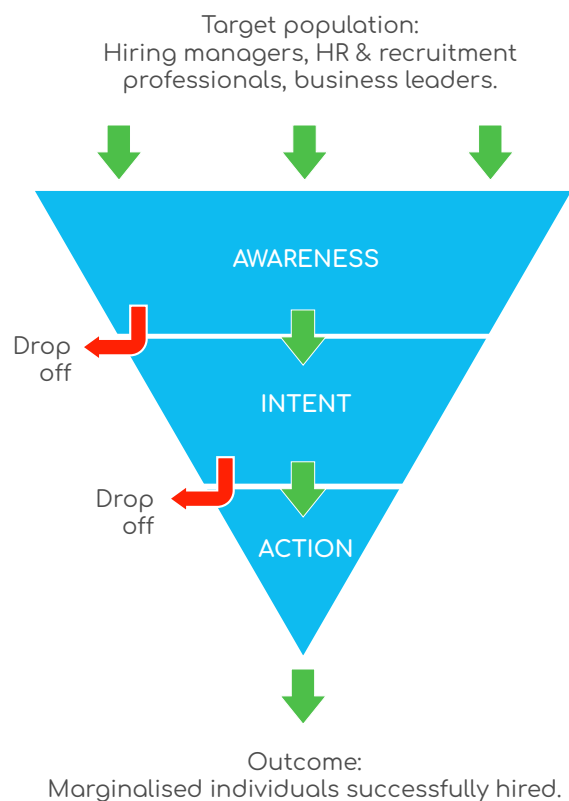
### LIMITATIONS

The following are some of the key limitations of the funnel framework:

- The funnel framework assesses the behaviours of the employer and not the employee, but it is worth acknowledging that both are important. Since the supply of labour is an essential component to the overall solution, we therefore reference the core issues but not in exhaustive detail.
- Some observations don’t necessarily fit neatly into a single stage in the funnel, for instance an observation might relate in part to both awareness and intent where they are closely linked. In such cases we have placed them where we believe they are best fit.



FIGURE 4: THE FUNNEL FRAMEWORK APPLIED TO THE RECRUITMENT OF MARGINALISED GROUPS



**Awareness** is the extent to which those involved in hiring believe that individuals from marginalised groups would fit well in their organisation i.e. have they even thought about filling vacancies with people from these groups? It relates to what can be done, rather than why it should be done or how.

**Intent** is the extent to which a person or organisation wants to recruit an individual from a marginalised group. In practice it is the result of understanding the value and business case of doing so. Intent relates to why is should be done, rather than what needs to be done or how.

**Action** is the extent to which steps are taken to recruit from marginalised groups. This might involve specific pre-recruitment training, changing how roles are designed, updating job descriptions, advertising roles in different places, reviewing how candidates are selected and how interviews are conducted. It relates to how is should be done, rather than what needs to be done or why.

## Research design

We used a mixed method approach to gather both quantitative and qualitative data.

### SURVEY: DATA COLLECTION

We conducted a survey to provide quantitative data for the estimates of the awareness, intent and action stages in the funnel and to provide other contextual data points. We targeted a large sample of 500 people involved in recruitment, including hiring managers, recruiters, HR and senior managers. The survey was open to organisations of all sizes and sectors across the UK, inclusive of the private, public and not-for-profit sectors. Fieldwork was conducted by Opinium Research from the 1st to 13th December 2022. It should be noted that the sample is not representative of the composition of the UK business population but it does provide a large sample from which to draw significant findings.

### INTERVIEWS: KNOWLEDGE DEVELOPMENT

We conducted 31 semi-structured interviews with people involved in recruitment and HR to provide qualitative information on why there could be drop-off between the different stages in the funnel and discussions relating to potential solutions. Respondents to the interviews were from organisations from a range of industries, sizes and geographical locations. They included views from practitioners that had more and less experience of hiring people from marginalised groups to provide rich information on both what works as well as what holds them back. Interviews were recorded, transcribed and summarised with key themes identified and mapped onto the analysis framework.

## FOCUS GROUPS: RECOMMENDATION DEVELOPMENT

To get detailed feedback on the recommendations we present in [Section Three](#), while they were in development, we conducted two focus groups with 23 attendees in total, one in-person and one virtual. Attendees were a mixture of those we had spoken with during interviews, business networks and support bodies, as well as those involved in policy development. Problem scenarios and draft recommendations were posed to the focus groups with breakout discussions on possible solutions and on strengthening proposed recommendations.

## ONE-TO-ONE ENGAGEMENT WITH STAKEHOLDERS: RECOMMENDATION TESTING

We engaged with 34 stakeholders to review and provide inputs on the development of the recommendations. Stakeholders included experts in policy development, politicians, intermediaries, business networks and support bodies, business leaders and other employers.



See [Annex: Research Design](#) for more information on the research design.



## 2.2. INSIGHTS FROM THE SURVEY

In this chapter we present the key insights from the Good Jobs Project survey. They relate to both general findings and the most important insights from each stage of the funnel. In the chapters that follow we explore the funnel stages in more detail.

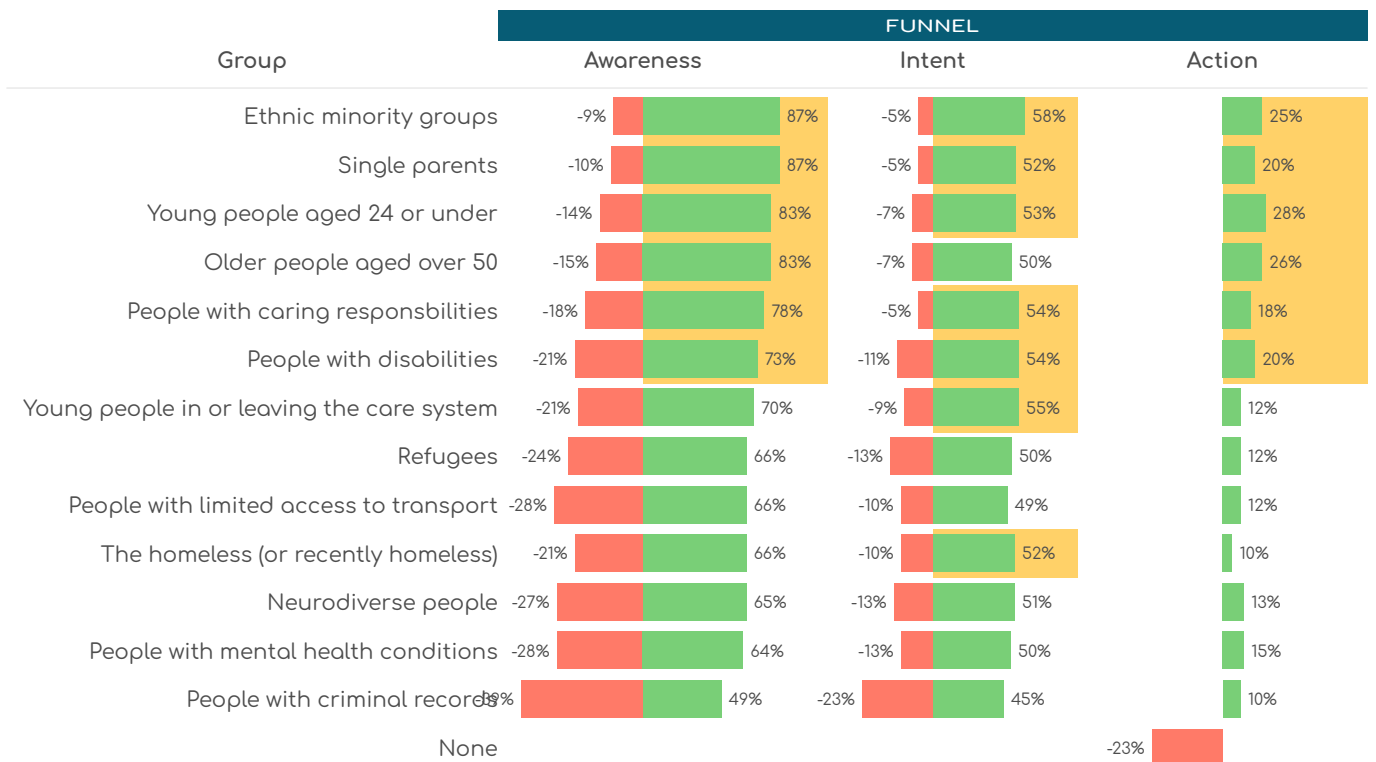
### INSIGHT 1: RELATIVELY HIGH LEVELS OF AWARENESS ARE NOT TRANSLATING INTO ACTION

We asked respondents to the survey about each of the marginalised groups of interest. 70% of respondents felt that more than half of the marginalised groups could be a good fit in their organisation. However, fewer than a quarter of respondents said that their organisation was taking action to target the majority of the marginalised groups for recruitment. This shows that awareness is not always translating into action and the employment prospects for marginalised groups remain a challenge. On average, across the marginalised groups, there was a 21% drop-off from the awareness to intent stages and a 35% drop-off from intent to action.

In Figure 5, we have highlighted respondents' agreement with the following questions in green and respondents' disagreement in red.

- Awareness: How well do you think people from the following backgrounds or groups would fit within your company / organisation?
- Intent: Do you think your company / organisation could take more active steps to encourage recruitment of people from these groups or backgrounds?
- Action: Which of the following groups has your company / organisation taken active steps to encourage job applications?

FIGURE 5: ESTIMATES OF EMPLOYERS' LEVELS OF AWARENESS, INTENT AND ACTION BY MARGINALISED GROUP



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities. Highlighted cells are greater than the median.

Note that because each of the groups have such different characteristics in terms of their respective sizes, geographic distribution, needs, visibility etc, it is not appropriate to draw a single funnel that represents all marginalised groups together.

## INSIGHT 2: SOME GROUPS ARE EVEN MORE DISTANT FROM GOOD JOBS THAN OTHERS

The shape of the funnel differs across all of the marginalised groups we surveyed about, each with differing levels of awareness, intent and action. Some groups are more or less favoured than others.

The observation that some groups are more or less favoured was reinforced by several interviewees who used the terms 'easier' and 'more difficult' to hire. The more favoured groups by employers include: Ethnic minority groups, single parents, young people aged 24 or under, older people aged over 50. The least favoured groups by employers include: people who are currently or have recently been homeless, neurodiverse people, people with mental health conditions and people with criminal records. Several factors can explain the differences:

- **'Real' differences between groups:** Each of the marginalised groups have different characteristics and requirements. For example, one group may require physical workplace adaptations, others may need support from employers to create psychologically safe spaces and others might benefit from changes to workflow processes or corporate policies, while others might not require much change at all.
- **'Perceived' differences between groups:** Exposure to each group, whether in work or personal life, can affect people's attitudes. The likelihood that recruiters and hiring managers have knowingly experienced hiring or working with people from the different groups varies, in part because the populations of those groups differ in size, in part because sometimes it is overtly obvious that a person would fit into a group, whereas in other cases a colleague may not know.



### KEY STATISTICS

**AWARENESS:** About 87% of employers said that groups such as single parents and ethnic minorities could fit well in their organisation, compared with 64% and 49% of employers reporting that people with mental health conditions and criminal records could fit well in their organisation, respectively.

**INTENT:** About 50% of respondents said that their organisation could take more steps to encourage recruitment of people from marginalised groups.

**ACTION:** 28% of respondents said their organisation has taken active steps to encourage job applications to recruit young people, compared with 10% to recruit people who are or have been homeless or have a criminal record. The 'action' stage follows a similar ranking of marginalised groups as the 'awareness' stage.

**INACTION:** A quarter of respondents reported they had not taken any active steps to recruit from any of the groups.



### PEOPLE WITH EXPERIENCE OF THE CRIMINAL JUSTICE SYSTEM

Not only were ex-offenders the least positively viewed among the marginalised groups, they were also most negatively viewed, with 39% of respondents feeling that ex-offenders would not fit well in their organisations. This group in particular can face prejudice from potential employers despite the efforts of campaigns such as Ban the Box, which has argued for the removal of questions relating to criminal records that can result in people being screened out of preliminary selection even if they had minor offences.

We heard from some of the most proactive organisations that actively target ex-offenders for their teams. They reported that the most common misconception among employers is that people frequently jump to the worst conclusion when they hear someone has committed a criminal offence and have a blanket ban approach.

See [Ban the Box](#) for more information.

### INSIGHT 3: DIVERSITY WAS SEEN AS A GOOD THING

79% of respondents believed that diversity in the workplace is beneficial to any organisation (see Figure 6). When asked about what would help solve the labour shortage, the majority of respondents (76%) felt that employers should hire workers from more diverse backgrounds and 71% said they would prefer to hire from diverse groups in the UK than look abroad for workers.

**FIGURE 6: PREFERRED SOLUTIONS TO THE LABOUR SHORTAGE CHALLENGE**

Thinking in general about the UK labour market, to what extent do you agree or disagree about the following statements?



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities.

### INSIGHT 4: EMPLOYERS BELIEVE RECRUITING FROM MARGINALISED GROUPS CAN IMPROVE BUSINESS OUTCOMES

When asked what had motivated respondents that had previously taken actions to recruit from any of the marginalised groups, financial, strategic and personal value were all equally important for driving action (see Figure 7).

Employers’ decisions were influenced by a belief that recruiting from marginalised groups would have a positive impact on their organisations financial or strategic outcomes. Personal belief was also a strong motivator.



#### KEY STATISTICS

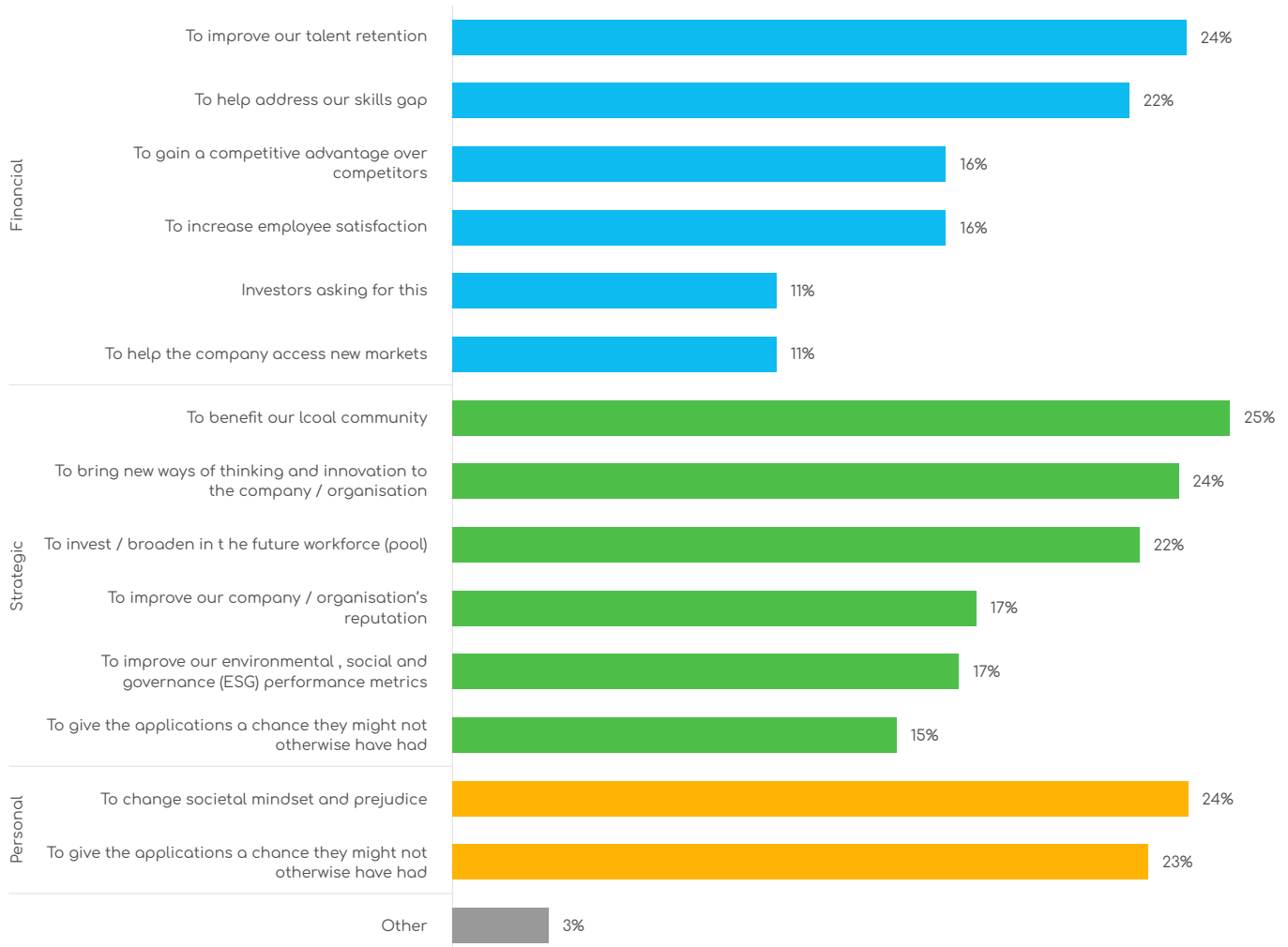
The most powerful drivers of financial value included ‘Improving talent retention,’ and ‘To help address their skills gap’.

The most powerful strategic value drivers were ‘To benefit local communities,’ ‘To bring in new ways of thinking and innovation,’ and ‘To invest in the future workforce’.

The most powerful drivers of personal value were ‘To change societal mindset’ and ‘To give applicants a chance that they might not normally have’.

## FIGURE 7: MOTIVES FOR TAKING ACTION TO RECRUIT FROM MARGINALISED GROUPS

You mentioned your company / organisation has undertaken steps to encourage a more diverse range of applicants. Which of the following describes why this was?



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, 500 Managers and above with hiring responsibilities. Respondents asked to rank the top three reasons, previously selected 'All who have taken active steps to encourage applications from disadvantaged groups'

## INSIGHT 5: EMPLOYERS BELIEVE RECRUITING FROM A MORE DIVERSE RANGE OF APPLICANTS IS A KEY INGREDIENT TO THEIR SUCCESS

We asked what they thought the impact of recruiting from a more diverse range of applicants would have on a range of indicators relating to culture, performance, talent retention, community and staff satisfaction. Across the board the results were positive (see Figure 8). This is important to note because even where there are strong motivators that drive intent, this doesn't necessarily translate into action, meaning other forces could be holding them back. These are explored in more detail in the [Intent](#) and [Action](#) chapters.



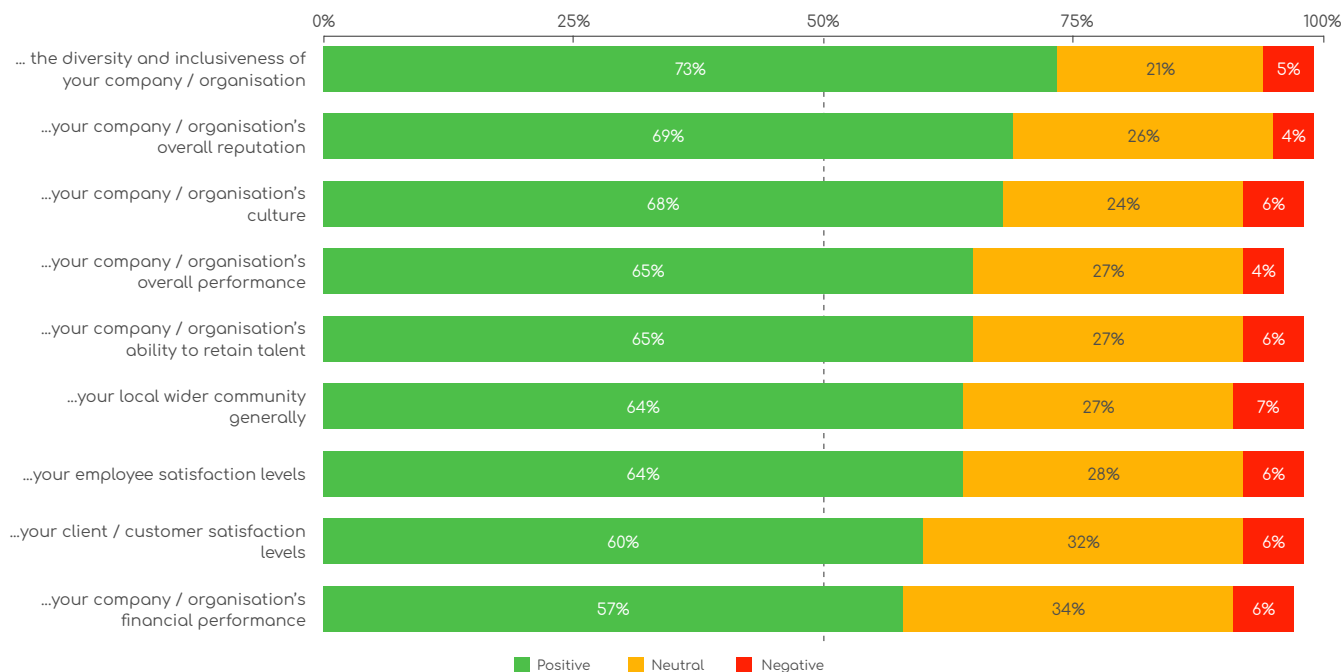
### KEY STATISTICS

The most positive responses were for diversity and inclusion (73%), organisational reputation (69%) and culture (68%), indicating that recruiting from marginalised groups will have the most positive impact for strategic reasons.

The least positive response was for financial performance, but still over half of respondents (57%) felt that it would have a positive impact.

## FIGURE 8: PERCEIVED IMPACT OF HIRING FROM MARGINALISED GROUPS

If you were to hire a more diverse range of employees, do you think this would have a positive or negative effect on...?



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities

## INSIGHT 6: EMPLOYERS WANT MORE UK WORKERS TRAINED

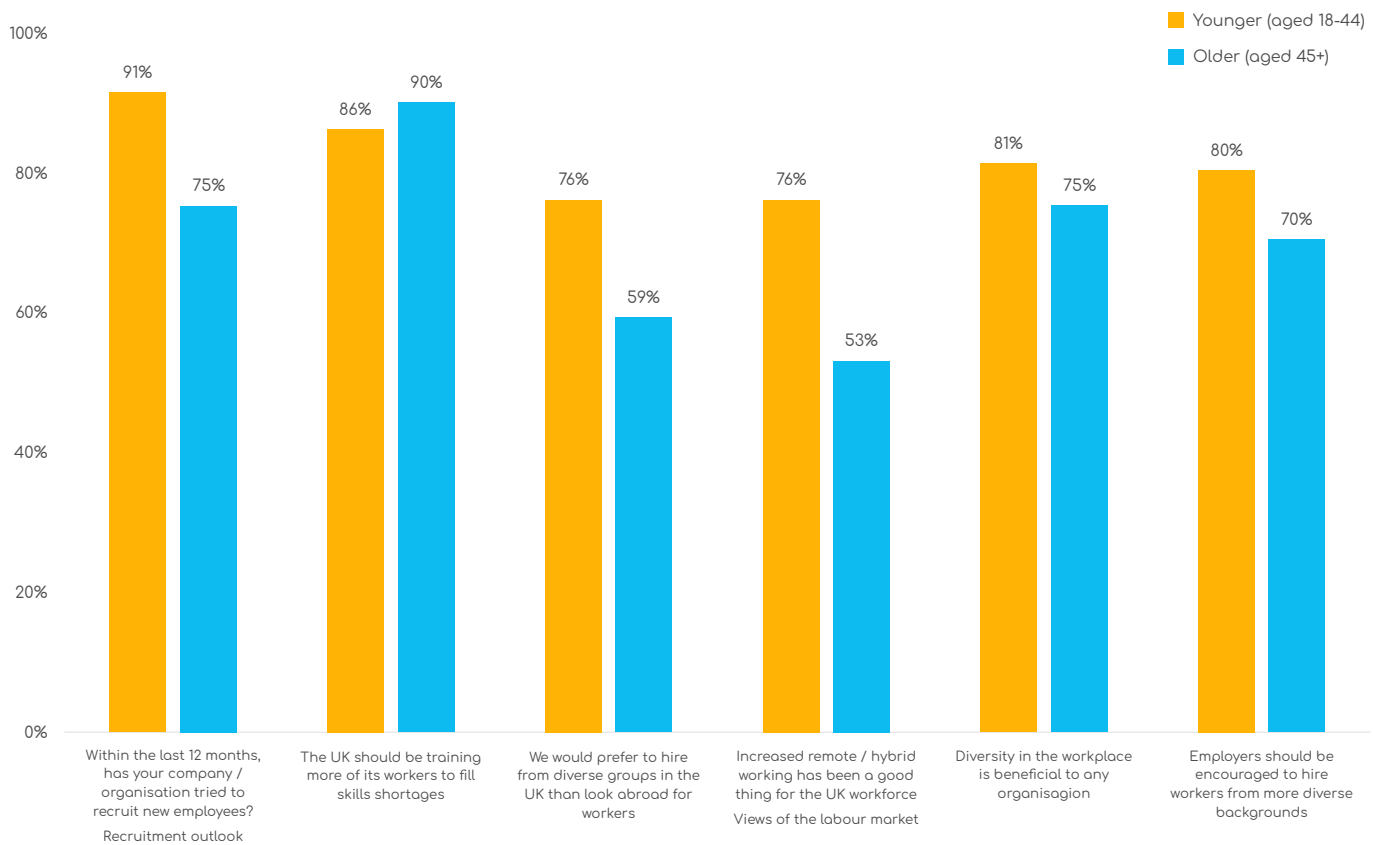
The majority of respondents to our survey (87%) thought the UK should be training more of its existing workers to fill skills shortages. This points to strong feelings amongst employers that, although it was painful to have lost the EU labour force, we should now be finding ways to target from our own labour pool. Conversely, the UK's investment into training by employers is low by international standards: employers spend half the EU average per worker, which some say is putting the ambition to be a high skill, high wage economy at risk.<sup>143</sup>

## INSIGHT 7: YOUNGER GENERATIONS TEND TO BELIEVE MORE IN THE BENEFITS OF DIVERSITY IN RECRUITMENT

Younger respondents (aged from 18 to 44) tended to respond to questions about the labour market in a more open-minded way than older respondents. While they both agreed that the UK should be training more of its workforce to fill skills shortages, perspectives differed in relation to their views on recruiting people from diverse backgrounds, attitudes to remote work and seeing diversity as beneficial (see Figure 9). The views of younger generations may be of increasing importance to business leaders as the younger workforce gradually replaces those at the end of their careers. The importance of shifting attitudes is explored more in [Generational mindsets of leaders and employees](#).

<sup>143</sup> Evans, S., Learning and Work Institute, 02/05/2022, Raising the bar: [Increasing employer investment in skills](#)

**FIGURE 9: YOUNGER RESPONDENTS TENDED TO HAVE MORE PROGRESSIVE VIEWS ON EMPLOYMENT**



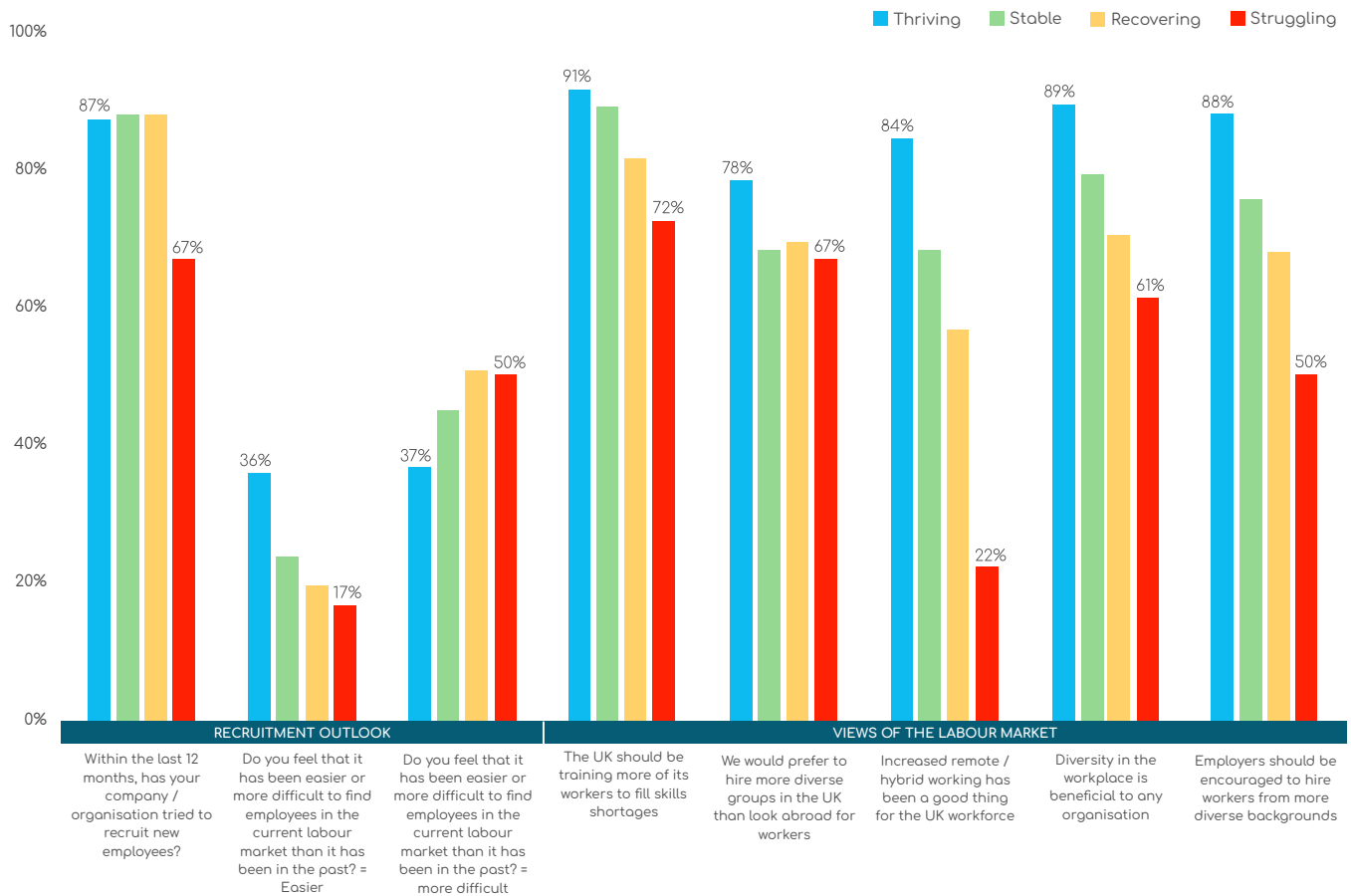
Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities.

## INSIGHT 8: MORE STABLE ORGANISATIONS TEND TO BE MORE OPEN TO RECRUITING FROM MARGINALISED GROUPS

Organisations that were in a more stable operating position were more likely to respond to our survey questions about the labour market in a more open-minded way. They were more likely to be recruiting than struggling organisations and more likely to have found recruitment less difficult. They preferred training workers and hiring diverse groups rather than recruiting from abroad, and saw diversity as beneficial than those organisations that were struggling or recovering (see Figure 10). While this is an interesting observation it is hard to draw conclusions of causality. For example, we cannot say that acting upon their views makes them more successful, nor can we say that their success and stability allows them the freedom to hold more open-minded views, but the results are striking nonetheless.



**FIGURE 10: ORGANISATIONS THAT ARE THRIVING TEND TO BE MORE OPEN TO RECRUITING FROM MARGINALISED GROUPS**



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities.

## INSIGHT 9: EMPLOYERS IN LONDON AND THE SOUTH-EAST ARE MOST OPEN TO RECRUITING FROM MARGINALISED GROUPS

Employers in the East of England were 19 percentage points above the average market to think the people with criminal records would fit well in their organisation.

Across the UK, employers in London and the South East were those that wanted to recruit most diversely (see Figure 11). Employers in that region were on average eight percentage points more likely to intend to recruit from all of the marginalised groups than the survey average. Employers from the North of England were about 10 percentage points less likely than the average to want to recruit people with mental health conditions or ethnic minority groups.

Relating to action, employers in London and the South East were more likely to be taking steps to recruit refugees, while those in the East of England were more likely to be recruiting people with criminal records. In London and the South East, employers were four percentage points less likely than the average to be taking no action.

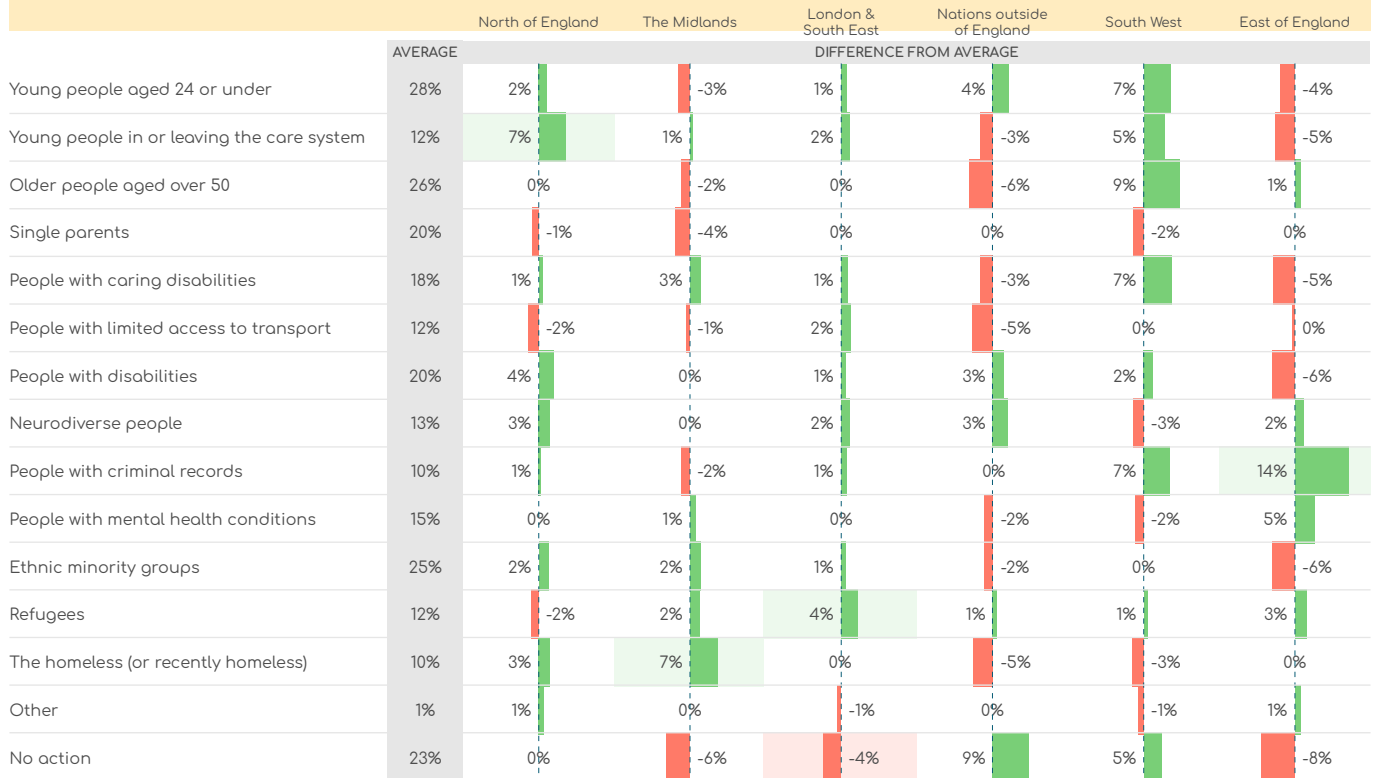
### FIGURE 11: REGIONAL VARIATIONS IN INTENT AND ACTION TOWARDS MARGINALISED GROUPS

The chart shows the difference in percentage points from the average for each region in response to the following questions. Statistically significant results are highlighted.

**INTENT: Do you think your organisation could take more active steps to encourage recruitment of people from these groups or backgrounds?**



**ACTION: Which of the following groups has your organisation taken active steps to encourage job applications?**



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, n=500 Managers and above with hiring responsibilities.

## INSIGHT 10: WHEN IT COMES TO INCENTIVISING BUSINESSES, IT IS NOT ONE SIZE FITS ALL

We asked what would likely help employers' organisation to take action to increase the diversity of their workforce in the future (see Figure 12). While overall the provision of practical support, financial support and better advice and evidence were all deemed as being equally most important, there was some variation based on the size of the employer.



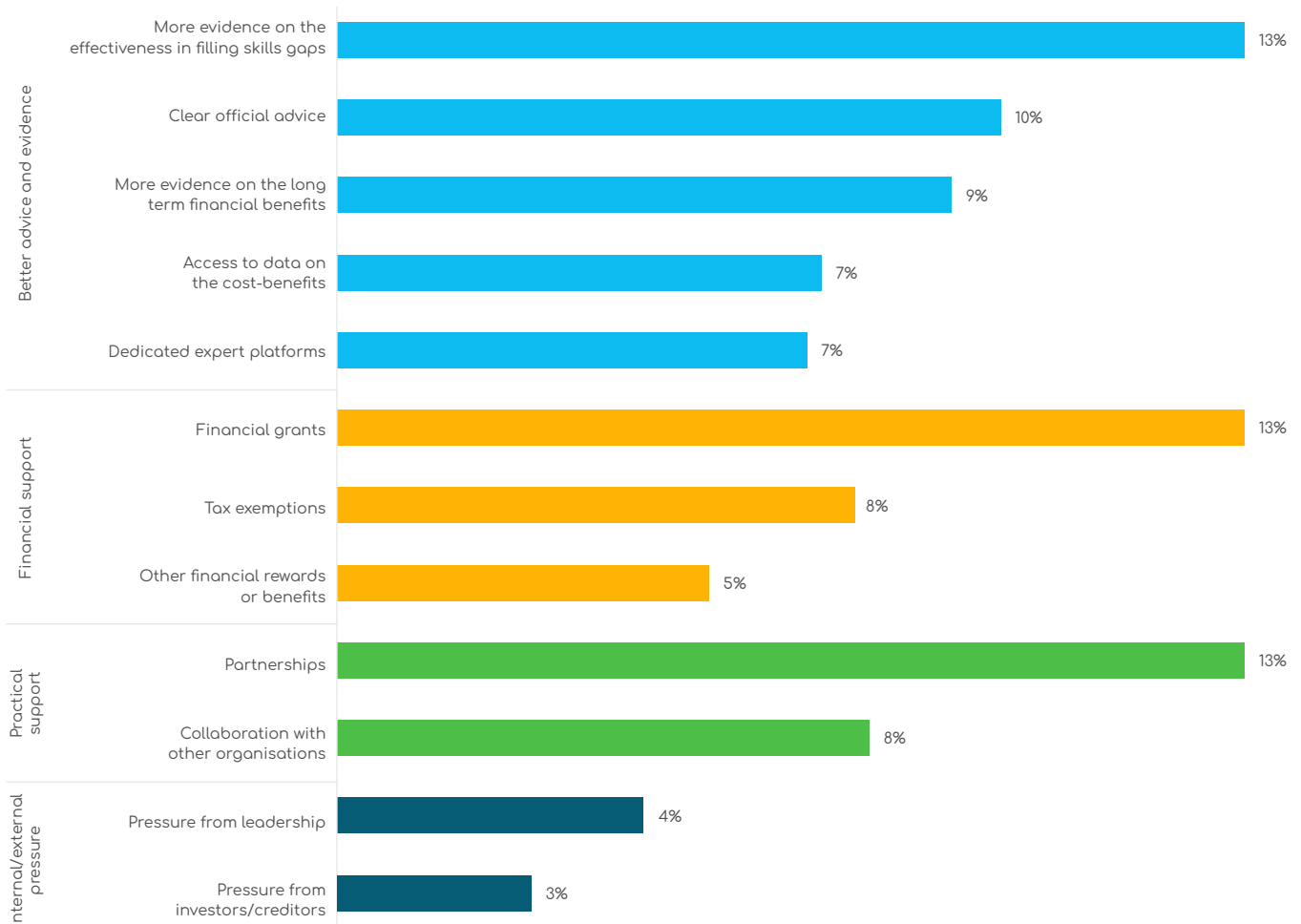
### KEY STATISTICS

22% of micro businesses (9 percentage points more than the average) felt that financial grants would encourage them to take action. 25% of small businesses (12 percentage points more than the average) felt that partnerships with specialists would encourage them to take action. 17% of large businesses (4 percentage points more than the average) felt that more evidence would encourage them to take action.

The least important incentives were pressure from investors, pressure from leadership and other financial incentives.

FIGURE 12: FACTORS LIKELY TO INCREASE WORKFORCE DIVERSITY IN THE FUTURE

Which of the following would make your company / organisation most likely to take steps to increase the diversity of your workforce?



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, N=425 Managers and above with hiring responsibilities, previously selected 'Which, if any, of the following would make your company / organisation more likely to take steps to increase this number?'

## 2.3. AWARENESS

*"It is important to have a workforce that represents our population. Diversity enhances decision-making and is a very important component for us."*

Rachel Gidman, Executive Director of People and Culture, Cardiff & Vale University Health Board

### WHAT IS AWARENESS?

Awareness is the extent to which those involved in hiring believe that individuals from marginalised groups would fit well in their organisation i.e. have they even thought about filling vacancies with people from these groups?

Awareness relates to WHAT they focused on in relation to hiring, rather than why it should be done or how.

Awareness is the first stage in the funnel.

## Overview

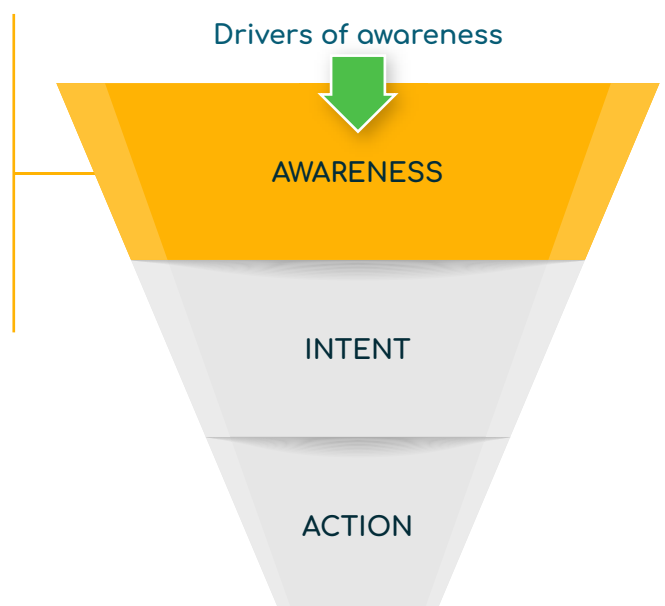
In this chapter we describe some of the biggest drivers of awareness that were apparent in our research. Although awareness can come down to the perceptions and personal beliefs of individuals, we also refer to awareness as the wider organisational culture, which when embedded within an organisation, directly impacts its strategy, policy, decisions and behaviours.

Drivers of awareness can be external prompts that can shine a light on an opportunity that was not obvious before. Examples could include volunteering to help a marginalised community or through an advertising campaign or a change in legislation. Awareness can also be driven through internal culture, policies and practice that help to embed awareness in the longer term.

In this chapter we draw on insights from the whole research process, including the survey and interviews. As we saw in the key findings, 70% of employers felt people from the majority of the marginalised groups would fit well in their organisation, including within their workforce, culture, policies and practices.

### FACTORS AFFECTING AWARENESS

- The equality, diversity and inclusion agenda
- Investors and ESG
- Government policy, legislation and schemes
- Generational mindset of leaders and employees
- Lived / first-hand experience
- Internal culture
- Formal and informal professional development
- Influence of recruiters



# Factors affecting awareness

## THE EQUALITY, DIVERSITY AND INCLUSION AGENDA

*“Changing who you hire is only one small part of an organisation’s overall diversity and inclusion strategy. Unless you change a culture, and how you treat people from under-represented backgrounds you’re not really addressing responsible business strategy.”*

Claire England, Head of Responsible Business for UK, Ireland and Middle East, Dentons

**What is it?** In a business setting, Equality, Diversity and Inclusion (ED&I) in practices has tended to translate to the inclusion and equality associated with gender and race. The progress we see today is the culmination of the work of many different types of stakeholders, for example:

- Campaigns from civil society fighting for social justice and raising awareness of the causes
- Professional services and academics producing research to identify if ED&I is good for business
- Investors understanding its impact on their fiduciary duty and using their leverage to influence business
- Government legislation to support the accountability mechanics such as the 2017 Gender Pay Gap reporting legislation and the Equality Act 2010

**How does it affect awareness?** Awareness can be raised by any one of the stakeholders mentioned above through the messaging that they put out. For example an individual could be moved by the social justice issues raised by Black Lives Matter or through campaigns such as Unequal Pay Day highlighting the salary differentials between men and women. Some individuals might be influenced through studies reported in industry press.<sup>144,145,146,147</sup> Those that work in HR or leadership might also be aware of their legal obligations relating to government legislation, for example to support the accountability mechanics through things like the gender pay gap reporting legislation and the Equality Act 2010.

Our focus group discussions revealed that a door is open to a much broader scope of ED&I. They acknowledged the fact that transparency and disclosure have historically been key accelerators to address specific issues and are especially good at encouraging employers currently not thinking about this. In addition, millennials and Gen Z increasingly want to work for diverse and inclusive organisations.

**Why is it important?** The importance of ED&I is already reflected in popular business reporting standards and the frameworks used by many businesses to demonstrate good governance and responsibility, including various Environmental, Social and Governance (ESG) frameworks, the SDGs, B-Corp status, Investors in People, advisory hubs such as Business in the Community (BITC), and accreditation such as the Best Companies to Work For. The influence of investors prompts the board and executive to address diversity throughout their organisations.

Nearly all of the people we interviewed saw the Good Jobs Project through the lens of ED&I. While the unprompted coupling of the project to the topic is relevant, it is not complete. The goals of the Good Jobs Project go beyond the inclusion related to gender and race, and aim to increase inclusivity of a wider range of marginalised groups. This is not a small undertaking since under the current usual scope of ED&I there is still much progress that needs to be made.

**The opportunity:** For the aims of the Good Jobs Project to succeed, we need to seize two particular opportunities. Firstly, to learn from the successes and failures of other dimensions of diversity, in attracting focus from business. And secondly, to bring more marginalised groups into the heart of the ED&I agenda.



<sup>144</sup> Abouzahr, K., Krentz, M., Lorenzo, R., Tsusaka, M., Voigt, N., Boston Consulting Group, 23/01/2018, [How Diverse Leadership Teams Boost Innovation](#)

<sup>145</sup> McKinsey & Company, 19/05/2020, [Diversity wins: How inclusion matters](#)

<sup>146</sup> Ely, R., Thomas, D., Harvard Business Review, 12/2020, [Getting Serious About Diversity: Enough Already with the Business Case](#)

<sup>147</sup> Rock, D., Grant, H., Harvard Business Review, 04/11/2016, [Why Diverse Teams Are Smarter](#)

#### Links to related recommendations in Section Three:

-  [Research the impact of expanding the ED&I agenda to strengthen evidence of financial materiality](#)
-  [Create a documentary series and an anthology of case studies to influence public opinion](#)

## INVESTORS AND ESG

*"Any good HR director will realise [targeting recruitment of marginalised groups] is the next thing that's coming. It's not a requirement yet, but we wanted to be ahead of the curve because we're passionate about the agenda."*

Niamh Macaskill, People Director, Camelot




**What is it?** ESG frameworks exist to provide investors with information to assess the opportunities and risks associated with business. Underpinned by academic and real-world evidence that diversity is material to optimising business performance, ED&I is now a major part of many investors' ESG frameworks.<sup>148</sup>

**How does it affect awareness?** This enables and leads investors to influence businesses for greater diversity as part of their fiduciary duty.<sup>149</sup> This investor influence can prompt the board and executive to address diversity throughout organisations. In our report *Solve for S*, we suggested that a good starting point for businesses that wanted to address their social impact is to review the impact through its own workforce.<sup>150</sup>

**Why is it important?** As with ED&I, in practice the scope of diversity in ESG can often be limited to gender and race, and sometimes focused on the diversity of boards, not necessarily throughout the organisation. Although diversity can rank highly within ESG frameworks, the evidence base for the inclusion of other marginalised groups is not as advanced as it needs to be, as a lot of fund managers are not challenging hard on these social issues.

**The opportunity:** A stronger evidence base developed by influential publications and academics would enable investors and ESG aggregators to include this in the metrics used when deciding on investment advice and decisions.

#### Links to related recommendations in Section Three:

-  [Research the impact of expanding the ED&I agenda to strengthen evidence of financial materiality](#)
-  [Encourage investors & ESG aggregators to prioritise employment of marginalised groups](#)
-  [Create a platform to provide consistent and comparable investor data](#)

<sup>148</sup> See [MSCI](#) and [Vanguard](#) for examples.

<sup>149</sup> Fiduciary duty relates to the legal duty that those who manage other people's money act in their beneficiaries' interests.

<sup>150</sup> ReGenerate Trust, 09/2022, [Solve for S: How business can approach the S in ESG and how partnerships with civil society can help](#)



## GOVERNMENT POLICY, LEGISLATION AND SCHEMES

**What is it?** Governments can use legislation and policy to address specific issues and raise awareness about them. For example, a government might introduce laws that require companies to disclose their gender pay differences or introduce laws making discrimination based on certain characteristics illegal. Awareness can be raised through public awareness campaigns, education and training and through law.

**How does it affect awareness?** Via government policy, legislation and schemes, all businesses that meet a conditionality criteria are forced to think about the policy's subject, which they may not have done until that time. As a result, it can prompt new, deeper and more serious conversations on a given topic at strategic levels and prompt intent and action.

For example, in the UK, the Equality Act 2010 prohibits the discrimination against someone due to several protected characteristics, including age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.<sup>151</sup> One interviewee explained the impact of the Equality Act on their recruitment practices. Their business was mainly focused on gender and ethnic diversity statistics and their awareness was shaped primarily because of the Act, however they were surprised it had not triggered equal interest across all protected characteristics and felt there was much less focus on disabilities. Without such policies, business engagement on issues could be purely voluntary.



Another example is the Gender Pay Gap reporting legislation that requires businesses of a certain size to publicly report their gender pay gap.<sup>152</sup> This creates a mechanism for transparency so that they can be held to account by investors and the public. While failure to report can result in fines, the intention of the law is that transparency will drive better behaviours through accountability. However for some this may not be a strong enough incentive as the policy has been criticised for not going far enough. While it has improved transparency there are no accountability mechanisms meaning that with careful PR navigation businesses are able to avoid negative media and public opinion backlashes.

Disability Confident is a government scheme that aims to encourage employers to think differently about disability, helping them to attract, recruit and retain disabled staff.<sup>153</sup> It is a voluntary scheme whereby employers can attain different levels of 'disability confidence'. At each level the conditions they should meet and the validation required to attain the level become more rigorous. The intention is that by meeting the criteria for each level they would be more attractive to disabled candidates and employees.

**Why is it important?** Government policies, schemes and legislation can come in many forms. They can be effective levers at raising the low bar for all employers or be more targeted, they can be mandatory or voluntary. For some issues, it can be an effective way to raise awareness, incentivise or support action.

**The opportunity:** The government policy lever is unique in the scale of impact it can influence. Through targeted policies and schemes it can help to raise awareness of issues and to drive action.

### Links to related recommendations in Section Three:

-  [Provide temporary national insurance contributions to lower the financial risk for employers](#)
-  [Reform the Apprenticeship Levy to make it more accessible to marginalised groups](#)

<sup>151</sup> UK Public General Acts, 01/10/2010, [Equality Act 2010](#)

<sup>152</sup> Government Equalities Office, 15/03/2023, [Gender pay gap reporting: guidance for employers](#)

<sup>153</sup> Department for Work and Pensions, 15/06/2021, [Disability Confident employer scheme](#)

## GENERATIONAL MINDSETS OF LEADERS AND EMPLOYEES

**What is it?** 77% of respondents aged 25 to 44 said they would prefer hiring from diverse groups than looking abroad for workers, compared with about half of the older respondents aged 55 and above.



This echoes an established body of evidence on the values and beliefs of Gen Z and Millennials.<sup>154</sup> Nearly two in five of Gen Zs and Millennials say they have rejected a job and/or an assignment based on their personal ethics.<sup>155</sup> The evidence also suggests that the levels of employee satisfaction with organisations' commitment to societal impact, diversity and inclusion, and sustainability go hand-in-hand with retention rates. On average over 50% of Gen Zs and Millennials who feel strongly dissatisfied by their organisation's efforts leave within two years and only 13% stay beyond five years.

**How does it affect awareness?** Companies are increasingly paying attention. By 2030 a third of the worldwide workforce will be Gen Zs.<sup>156</sup>

**Why is it important?** This employee selectiveness has an upward influencing effect, causing leaders to look for ways they can demonstrate their positive impact credentials, with their workforce representing one of the most straightforward places to start.<sup>157</sup>

**The opportunity:** While time will surely bring more of the voices of the younger generations to the fore, there may be opportunities to accelerate this change, or to amplify their voice by giving them more power, sooner.

Links to related insights from the research in Section Three:

-  [Build the case to increase younger and marginalised voices on boards](#)
-  [Create a documentary series and an anthology of case studies to influence public opinion](#)

## LIVED / FIRST-HAND EXPOSURE

*"My team and I witnessed first-hand the growing levels of homelessness across London. Every time we patrolled the streets, we saw the same faces day in and day out sitting out in shop doorways and outside tube stations. We wanted to get involved in helping them into work."*

Paolo Orezzi, Service Director, NSL

**What is it?** Across several of our interviews we observed how business intentions and actions to recruit those from marginalised groups were rooted in the exposure and experiences of an individual to those groups, as was the case at NSL and their exposure to homelessness (see [Case Study: NSL on their rising awareness of London's homelessness crisis](#)). In other examples, awareness can be raised through interactions with family, friends and colleagues, from serendipitous conversations and encounters, and from daily life.

**How does it affect awareness?** If awareness is going from a state of not knowing to a state of knowing, then exposure to individuals, or conversations with peers about marginalised groups can be enough to raise awareness. In relation to the Good Jobs Project, we don't define awareness as knowing that homelessness exists, for example, but rather that a connection is made and that homeless people could be able to perform roles in the organisation in a way that could benefit businesses.

<sup>154</sup> The term 'Millennials' refers to those born between 1981 and 1996. 'Generation Z' refers to those born between 1997 and 2012.

<sup>155</sup> Deloitte, 2022, [The Deloitte Global 2022 Gen Z and Millennial Survey](#)

<sup>156</sup> Hawkins, A., Likemind Recruitment, [The Future Workforce: How to Attract Gen Z Talent](#)

<sup>157</sup> ReGenerate Trust, 09/2022, [Solve for S: How business can approach the S in ESG and how partnerships with civil society can help](#)

**Why is it important?** First-hand exposure could have both positive and negative impacts on someone. It can open their eyes to opportunities that they might not have seen before. Exposure can reinforce or break down existing prejudices or bias. Regardless of whether a person reacts positively or negatively towards a marginalised group, their awareness will have been raised. Depending on the individual, they may have more or less agency within an organisation to create change.

**The opportunity:** It is not easy to artificially create moments of interaction or to increase the changes of serendipitous moments. However, we heard examples of businesses running initiatives to increase awareness of difference within their workforces, often supported by resources from charities and business hubs such as BITC. For example, a good number of the businesses we interviewed had set up space for informal discussions that were intentionally open and non-hierarchical, for individuals to speak up and share their experience and challenges. Corporate volunteering days are another way to develop awareness that also can have significant benefits to staff satisfaction and loyalty.<sup>158</sup>

Links to related recommendations in Section Three:

 [Create a documentary series and an anthology of case studies to influence public opinion](#)



### JOHN LEWIS & PARTNERS

John Lewis & Partners spoke to us about how they raised awareness of their organisation as an inclusive employer and of the challenges faced by people with disabilities.

*"We've run events internally across the John Lewis partnership to raise awareness of disability in our organisation and to promote, from a hiring manager's perspective, how to approach the recruitment process to make it easier for candidates with disabilities."*

Becky Vieites, Talent Acquisition and Policy Manager, John Lewis Partnership

Part of their success has been in seeking to involve every level of the organisation as well as including their competitors, from instigating company-wide targeted conversations around making purpose-driven decisions to running events alongside Marks & Spencer and Tesco, to bringing together all their unit leads and branch managers nation-wide over several days to discuss particular topics.

## INTERNAL CULTURE

**What is it?** An organisation is composed of the individuals that work there as well as the policies and processes that govern them. While awareness can exist at an individual level, it can also be formalised into the organisation's culture through its policies and practices.

**How does it affect awareness?** When an organisation that has a policy to always intentionally advertise vacancies to marginalised groups the action can become institutionalised. This means that if a new HR manager that has no prior experience of recruiting from such groups joins the company, they will be made aware of the requirement and have the tools as processes to support them to enact it.

*"It's not enough that just one team or person understands an individual's issues and challenges. If people at the top don't, that business still has no overall inclusivity."*

Graham Drew, Founding Director, Bamboo Recruitment

<sup>158</sup> Ibid.



**Why is it important?** When an action like recruiting from marginalised groups becomes ingrained in the business model and processes are set up to facilitate it, it becomes ingrained in the corporate memory. This means that it is not dependent on one single person, and if that person were to leave the organisation, their replacement would continue to target marginalised groups. Embedding a strong culture of targeting marginalised groups for recruitment is a stepping stone on the way to embedding the purpose-driven approach to recruitment.

*"We try to challenge our thinking around future workforce models and look at what is the right team to care for our patients within different settings. We ask ourselves how we can do things differently and bring in a workforce that is not necessarily a traditional one."*

Rachel Gidman, Executive Director of People and Culture, Cardiff & Vale University Health Board

**The opportunity:** Organisations that can provide support and advice to employers can help by sharing evidence and best practice in order to accelerate learning curves and achieve results faster with fewer mistakes.

#### Links to related recommendations in Section Three:

-  [Build the case to increase younger and marginalised voices on boards](#)
-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)

## FORMAL AND INFORMAL PROFESSIONAL DEVELOPMENT

*"There is huge competition in our industry. We need more skilled workers available in the UK. We engage with universities to address that, where we explain the profiles we are looking to recruit so they can adapt their curriculum if necessary and help provide a healthy pipeline of talent."*

Anonymous interviewee

**What is it?** Organisations that employers go to for advice and support can help to raise awareness and influence businesses on topics. In this instance we refer to a broad range of organisations from business networks (e.g. BCC, Institute of Directors (IoD), Federation of Small Businesses (FSB), Confederation of British Industry (CBI), Institute for Family Business (IFB)), to professional bodies (such as Chartered Institute of Personnel and Development (CIPD), Chartered Management Institute (CMI), The Advisory, Conciliation and Arbitration Service (ACAS), and sector-specific industry bodies, What Works Centres and others such as BITC.

**How does it affect awareness?** Interactions between businesses and these groups can be through membership or through other arrangements, and the services provided can be broad. Regardless, they all provide informal and formal information sharing, training or development opportunities. The organisations often run events, webinars, host speakers, share resources or run training programmes.

**Why is it important?** These organisations often hold a high-trust status amongst their members. They are viewed as 'go-to' hubs centralising insight and knowledge by employers who face particular challenges and who seek guidance or solutions. The work carried out by these organisations therefore holds huge dissemination power, with significant potential impact on how members are trained and develop their thinking and practices around diverse recruitment. As an example, CIPD, CMI, CBI and others have campaigned for social mobility.<sup>159,160,161</sup>




159 Chartered Institute of Personnel and Development, 23/09/2019, [Building inclusive workplaces](#)

160 Chartered Management Institute, 23/06/2022, [The Everyone Economy](#)

161 Federation of Small Businesses, 04/2022, [Business Without Barriers](#)

**The opportunity:** The number of members of the various organisations we cite above totals over one million employers. One person we spoke to noted that there are clear opportunities for increased collaboration and ways to maximise their influence and reach which would not require a vast amount of additional resources. Tapping further into these bodies as trusted and reputable sources of information can help to scale their impact on diverse recruitment.

#### Links to related recommendations in Section Three:

-  [Improve business network coordination to make best practice common knowledge](#)
-  [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)
-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)

## INFLUENCE OF RECRUITERS

*"We advise our clients that if they continue with the status quo, nothing will change. Instead, we encourage them to work with us to access untapped talent, irrespective of where they are in their employment lifecycle. Companies really do have to unlock their thinking and adopt a growth mindset. Organisational culture and hiring managers are the key to making sustainable change happen."*

Kirsty Adams, Chief People and Culture Officer, Resource Solutions



**What is it?** Businesses often contract external organisations to help them find new candidates to recruit. This puts them in a unique position between businesses, active job seekers and the community.

**How does it affect awareness?** In previous times, hiring managers within businesses could give the recruiter the profile of candidates that they are looking for. Increasingly, the pool of labour that meet the profile has dried up or has become too competitive. Some recruiters told us that they have had to educate their clients on other talent that might not have the exact profile as before and are increasingly raising the profile of marginalised candidates by selling the benefits of more diverse workforces and relaying success stories. Interestingly, awareness can go both ways. Some companies we spoke to said they are finding that they are having to educate recruiters, or that recruiters don't understand the nuance of hiring from marginalised groups.

**Why is it important?** Recruiters are a major conduit that businesses source lists of candidates to interview from. Whether the recruiters are huge national organisations or more local and specialist providers, they provide direct links to candidates and are acutely aware of the available labour market. They see the cross-section of society and the local community and have an understanding of their skills and appropriateness for work.

**The opportunity:** Through their extensive reach and the specific service they provide, recruiters could play a hugely influential role educating and encouraging employers to broaden their recruitment pools.

#### Links to related recommendations in Section Three:

-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)
-  [Create a documentary series and an anthology of case studies to influence public opinion](#)



## RECRUITERS

Kirsty Adams, Chief People and Culture Officer at Resource Solutions, spoke of their wider purpose as a recruitment business: *“If you really distil it down, we’ve got to do more than just place people in roles. We manage billions of pounds of recruitment spend on behalf of our clients. Through this we need to leverage, influence and drive positive change.”* She also spoke about the educational role recruiters can have: *“We had to take our clients on a journey to realise that for a particular skill set, they could get quality candidates but to think differently regarding location, reskilling and experience. When we constructively challenged, we started to unlock opportunities and reshaped the conversation.”*

Tracy Evans, Group HR and Quality Director at Pertemps Network Group expressed that the initial conversations on diversity that they have with their clients as a recruitment agency are crucial. In her words, *“It’s absolutely incumbent on recruiters to encourage employers to have an open mind in their recruitment and part of that is ensuring that the environment into which individuals are placed is appropriate to enable them to thrive and grow.”*



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# CASE STUDY: NSL on their rising awareness of London's homelessness crisis

NSL is the UK's leading provider of parking enforcement services. NSL partnered with various charities to bridge the gap between marginalised job seekers and the business world. NSL currently employs 22 homeless people, making up around 0.5% of their workforce. They have helped 42 homeless people into sustained employment since August 2020.

## WHAT INSTIGATED ACTION

The majority of NSL's activity is to serve local authorities and patrol the UK's streets. First-hand exposure to the homelessness crisis triggered a desire to support the homeless through NSL's social value proposition. Recruitment challenges also provided an opportunity to grow and diversify their recruitment pool.

## NSL'S APPROACH

In 2019, NSL contacted homeless charities to help support homeless people into work. Initially to no success, in August 2020 they received a call from [Radical Recruit](#), who was working with [St. Mungo's](#) and the Greater London Authority to help employ 100 homeless people in 100 days. Working together, they recruited 11 new employees. They have since partnered with [Beam](#), [Social Bite](#) and Westminster Employment Services to support more marginalised people into work.

## OVERCOMING OBSTACLES

- They were initially uncertain whether recruiting homeless individuals would be wasted effort. However, on running an initial recruitment session, attendees showed enthusiasm, confidence, skills and curiosity.
- Adapting interview processes and questions made them more suitable. Recruiting managers and teams were briefed to ensure effective onboarding.
- The cost of intermediaries to get candidates work ready was a challenge.

## IMPACT ON NSL

- The homeless community are well-versed in overcoming conflict from seeing it daily. This is a quality NSL specifically looks for.
- There has been positive buy-in from team members, who recognise the benefit of supporting people from marginalised groups.
- NSL have filled their vacancies quickly with very loyal individuals. Labour turnover is 50% lower than when using traditional recruitment methods.
- Local authority clients are more responsive and have a vested interest in reducing homelessness. This project provided a positive selling point for NSL, creating more business opportunities.

## IMPACT ON INDIVIDUALS

Andrei, one of NSL's recruits, feels strongly that if local businesses supported more homeless people, they would benefit from high loyalty. He is intent on changing people's mindsets. In his words, *"My future looks bright because I have decided to make it bright."*

## FINAL THOUGHT

*"On a personal level, this is one of the most positive things I have done in my career. Hiring homeless people is not scary. They just need more support in gaining confidence. Working with Radical Recruit adds that dimension of putting an arm around their shoulder, showing them their strengths and getting them work ready. Hundreds of people are looking for an opportunity and they won't let you down. It's the most rewarding thing you can do."*

Paolo Orezzi, Service Director, NSL

## 2.4. INTENT

*"One of the reasons that organisations don't want to start recruiting from marginalised groups is that the people with all the power don't understand the issues and the people who do understand the issues don't have any of the power. But when you're set up and firing on all cylinders, you'll be ahead of your competition."*

Graham Drew, Founding Director, Bamboo Recruitment

### WHAT IS INTENT?

Intent is the reason why a person or organisation wants to recruit an individual from a marginalised group. In practice it is the result of understanding the value and the business case of doing so. Intent is the motivation to do something, which could be based on financial value, strategic value, or value that is rooted in a belief system.

Intent relates to the WHY in relation to hiring from marginalised groups, rather than what needs to be done or how.

Intent is the second stage in the funnel.

Note: At times it can seem that awareness and intent are very similar, which can sometimes be true but is not always the case. For example, a decision to want to do something can be made at the same time that awareness is raised. In other cases, people may rely on research and fact-finding to inform their decision.

## Overview

In this chapter we explore the main areas driving decision-making for hiring managers. The reasons provided below have been used to inform and develop business cases to recruit or not recruit people from marginalised groups based on the belief that recruiting people from marginalised groups will have a material impact on businesses performance, positive or negative.

It is important to note that while there is some empirical evidence and more significant anecdotal evidence, there is not enough. With that said, according to some studies, diverse teams make better business decisions in nearly 90% of cases and decisions made by diverse teams deliver 60% better results.<sup>162</sup> When it comes to ethnic diversity in particular, one study revealed that in 2019, companies in the top quartile of ethnic and cultural diversity outperformed those in the fourth quartile by 36% in terms of profitability.<sup>163</sup>

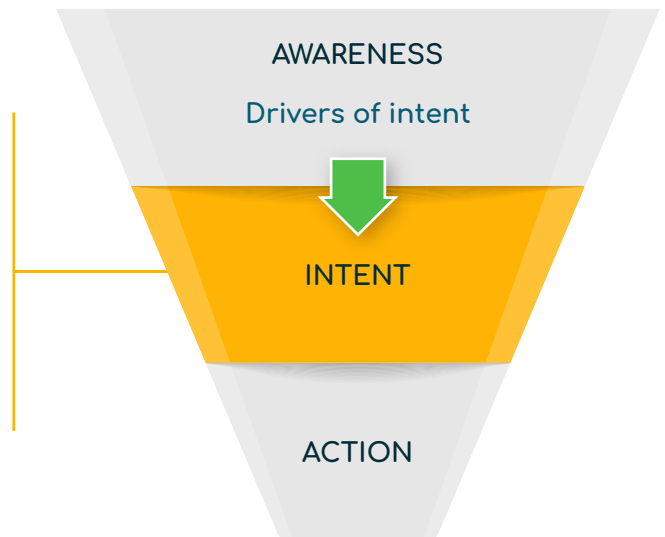
Drawing insights from the whole research process, including the survey and interviews, we saw that about 50% of employers felt that they could be taking more active steps to recruit people from the majority of the marginalised groups. In addition, 57% felt recruiting from marginalised groups would have a positive impact on their company performance. In other words, businesses believed that this agenda was linked to performance, which is vital when it comes to persuading them to recruit people from marginalised groups.

<sup>162</sup> Forbes, 21/09/2021, [New research diversity inclusion better decision making at work](#)

<sup>163</sup> McKinsey & Company, 19/05/2020, [Diversity wins: how inclusion matters](#)

## FACTORS AFFECTING INTENT

- Employee retention and attraction
- Workforce quality and creativity
- The Social Value Act and procurement
- Community relationships
- Prejudice, misconceptions and bias
- Risk and opportunity
- Government schemes



## Factors affecting intent

### EMPLOYEE RETENTION AND ATTRACTION

*"For us, a strong moral compass has always driven staff engagement and retention. We're a purpose-led business, which we've confirmed with our B Corp certification. There is definitely a feeling in the organisation that people are proud to work for a B Corp."*

Kate Bewick, Head of People, Abel & Cole

**What is it?** An inclusive approach to recruitment that includes marginalised groups can play a significant role in attracting new potential candidates to apply for a role, as well as the satisfaction for existing candidates. From our survey, addressing skills gaps and improving retention were the most important financially related reasons motivating a businesses intent to employ from these groups. Nearly a quarter of respondents said that they took action in order to improve their talent retention. Survey respondents from medium and large organisations were over eight percentage points more likely than the average to think that a diverse range of employees would have a positive effect on retention.

**How does it affect intent?** One of our interviewees, Becky Vieites, Talent Acquisition and Policy Manager at John Lewis Partnership, noted that their diverse recruitment efforts had a large impact on their Employee Value Proposition, citing that 80% of candidates feel an organisation's commitment to ED&I is a crucial factor when choosing an organisation to work for. This was echoed by Annie Gale, Head of RAW Talent and Apprenticeships at COOK, who shared that a lot of their candidates come to them because they want to work in a place which onboards diverse talent, in their case with a focus on ex-offenders.




**Why is it important?** Attracting talent to companies is one of the most crucial factors that affects business success and high employee turnover represents a significant cost for a business, from recruitment costs to onboarding and training costs post-recruitment. Studies suggest that the average cost of recruitment is between £1,500 and £5,000 and that costs increase significantly if the hires do not work out.<sup>164,165</sup> There are also benefits of having a more stable workforce. Diversity within an organisation can affect the attraction for new applicants looking for work.

**The opportunity:** Although some evidence exists, to help those involved in recruitment to develop a business case for more diverse recruitment more empirical research is required relating to employer attractiveness and staff retention.

164 Chartered Institute of Personnel and Development, 09/2022, [Resourcing and talent planning report 2022](#)

165 BeApplied, 28/02/2020, [How much does it cost to hire an employee?](#)

### Links to related recommendations in Section Three:

-  [Improve business network coordination to make best practice common knowledge](#)
-  [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)
-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)

## WORKFORCE QUALITY AND CREATIVITY

*"We've been able to prove the value people bring simply by who they are and the skills they have. That's been very impactful."*

Ceira Thom, Head of Learning, John Lewis & Partners

**What is it?** It is the recognition that diverse workforces bring diverse mindsets, often positively affecting the quality and creativity of a workforce. One person we spoke to found that people that face additional challenges in their daily life, such as those with a physical disability, often have an entrepreneurial mindset that should be developed beyond entry-level roles. About a quarter of survey respondents said that they recruited from marginalised groups to bring innovation and new ways of thinking to their organisation, for which there is clear wider evidence.<sup>166,167,168</sup>

**How does it affect intent?** A common preconception held by many employers is that some of the marginalised groups are inferior and less productive than other employees, which can hold employers back from wanting to target them.<sup>169,170</sup> However, when speaking to people with experience of recruiting these individuals, their perception is often the opposite.

**Why is it important?** Many businesses we interviewed spoke very highly of the quality of output, attitude and overall performance of the people they recruited from marginalised groups. One person explained that in her experience, care leavers show higher resilience and adaptability than other employees, often because their past experiences foster these qualities within them.<sup>171,172</sup> Paolo Orezzi, Service Director at NSL, and who works to recruit homeless people, told us the quality of employees went far beyond his expectations and he was particularly struck by the willingness and drive of people who are homeless to make a success of themselves and progress within the organisation. We heard that people who have faced tough experiences show high engagement and commitment and have a desire to give back to those who have invested in them. As Paul Gerrard, Campaigns, Public Affairs and Board Secretariat Director at Co-op, put it, *"They don't want to let down the organisation that stood beside them when they needed support and that relationship is important to businesses looking to secure quality employees in the long term."*

**The opportunity:** To help those involved in recruitment to develop a business case for more diverse recruitment, more empirical research is required relating to the quality and creativity of people from marginalised groups.

166 McKinsey & Company, 19/05/2020, [Diversity wins: How inclusion matters](#)

167 Forbes, 07/2011, [Global Diversity and Inclusion: Fostering Innovation Through a Diverse Workforce](#)

168 Department for Work and Pensions, 12/2006, [Economic and social costs and benefits to employers of retaining, recruiting and employing disabled people and/or people with health conditions or an injury: A review of the evidence](#)




169 Scope, [Attitudes towards disabled people](#)

170 Staniland, S., Office for Disability Issues, 25/01/2011, [Public Perceptions of Disabled People: evidence from the British Social Attitudes Survey 2009](#)

171 Sheffield Hallam University, 17/12/2020, [Work and resilience: Care leavers' experiences of navigating towards employment and independence](#)

172 University of East Anglia, 05/2017, [Risk, resilience and identity construction in the life narratives of young people leaving residential care](#)

#### Links to related recommendations in Section Three:

-  [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)
-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)
-  [Create a documentary series and an anthology of case studies to influence public opinion](#)

## THE SOCIAL VALUE ACT AND PROCUREMENT

**What is it?** Organisations and public bodies that put contracts out for tender can stipulate a desire for the supplier to be able to demonstrate social value, of which recruiting from marginalised groups can be a significant contributor.

**How does it affect intent?** If vendors include requirements on demonstrating social value then bidders for contracts will need to estimate the additional social value that their solution will provide.


For example, as part of the Social Value Act, to win government contracts businesses need to demonstrate that public money will be spent to public benefit and further drive social value. When bidding for work, businesses must calculate the social value they will create and the government procurement team must attribute at least a 10% weighting of the overall proposal to the value created.

Similarly, in the private sector, organisations might stipulate certain criteria that their suppliers or partners must meet. This could include evidence of equality and diversity and policies that relate to handling discrimination or modern slavery. It is common that the necessity to demonstrate to the contractor acts as a trigger to create policies and processes that did not exist before. One interviewee echoed that sentiment, saying that in such instances procurement can drive the need to change.

**Why is it important?** The impact of social value requirements is powerful enough to significantly shape business behaviour, and help nudge businesses to recruit people from marginalised groups. For example, government spending on public sector procurement was valued at £379bn in 2020-21.<sup>173</sup>

**The opportunity:** There are two opportunities from a business perspective. Businesses who are putting out contracts for tender for suppliers or partners could emphasise the importance of social value in the tenders. For those responding to tenders, a knowledge bank of information and policy templates could be useful.

#### Links to related recommendations in Section Three:

-  [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)



#### The Social Value Portal

The Themes Outcomes and Measures (TOMS) framework is a tool that was developed alongside the Social Value Act. It provides proxy estimates of the social value created for a large range of outcomes, including the provision of job opportunities for disadvantaged people such as the long-term unemployed, the disabled, ex-offenders and those not in education, employment or training.

See [The Social Value Portal](#) for more information.

<sup>173</sup> House of Commons Library, 26/07/2022, [Procurement statistics: a short guide](#)

## COMMUNITY RELATIONS

*"We have always believed that building relationships with prospective candidates in the communities across the towns and cities in which we work is essential to the ongoing success of our business."*

Tracy Evans, Group HR and Quality Director, Pertemps Network Group

**What is it?** It is the belief that recruiting marginalised people from local communities can have a positive impact on their community relations and thereby benefit the business.



**How does it affect intent?** Many of our interviewees highlighted the importance and benefit of employers recruiting a workforce that is representative of the customers and communities they serve, which can be a catalyst for targeting groups that are often marginalised by recruitment practices. About a quarter of our survey respondents said they recruited from marginalised groups to benefit their local community, which was the most popular reason selected. In previous polling that we conducted with B-Lab UK in 2020, we found older members of the public especially value a company improving the communities they are based in.<sup>174</sup>

**Why is it important?** Penny Smee, Director of Resourcing and Retention at the NHS Bath, North East Somerset, Swindon and Wiltshire Integrated Care Board, spoke of the importance of having "our staff workforce look like our population" and that including patients in their interview processes, for example, enables their patients to help decide who gives them care, which works particularly well in their specialist mental health services, where a large amount of their workforce comes with a level of lived experience. A similar intent led Rachel Gidman, Executive Director of People and Culture at Cardiff & Vale University Health Board, to take a look at available data around representing the community they serve, whether that was diversity, age or gender, with a view to help widen access and reduce barriers for those in their community who might never have considered working for the NHS.

Lorna Jones, Social Mobility Manager at Co-op, recognised the benefit of strengthening community integration by employing locally to reduce people migrating to larger towns and cities in search of opportunities. In this case, intent behind diverse recruitment was less to do with representation of their customers but more about a strategy: *"To ensure our local communities were not left hollowed out, we provide work so that people can thrive and prosper without having to leave their communities."*

**The opportunity:** If businesses are looking to change the composition of their workforce by intentionally targeting marginalised groups then making sure that they have the appropriate advice available and accessing partners to provide support is as easy as possible would be beneficial.

### Links to related recommendations in Section Three:

-  [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)
-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)

<sup>174</sup> ReGenerate Trust, 17/07/2020, [The case for purpose-driven business](#)





## GROWING LOCAL TALENT ORGANICALLY

Marie Partridge, Head of Early Careers at Parker Meggitt, told us how they created close-knit relationships with local schools that offer limited career support and have pupils from underrepresented groups.

*"We invited a local school onto our site, offering activities and tours to bring to life what an office and manufacturing site looked and felt like. This gave the pupils the opportunity to see the different career opportunities available within engineering and manufacturing organisations. We also did a community outreach activity with the school, where a group of employees helped them to make some practical improvements to the school and painted a mural. We found that because of the relationship we built with the school and the awareness the students had of us, some applied for our apprenticeship programme and were successful through the recruitment process because they had already gained insight into the business and excitement around our work."*

## PREJUDICE, MISCONCEPTIONS AND BIAS

*"There is nothing easy about changing perception. But it can be done through showing the productivity and creativity that people from marginalised groups can bring. And thinking outside the box when it comes to adapting roles. We need to get past that first hurdle of thinking differently."*

Tracy Evans, Group HR and Quality Director, Pertemps Network Group

**What is it?** Prejudice, preconceptions, misconceptions and bias can all affect the decision-making of hiring managers and their desire to recruit marginalised individuals.

**How does it affect intent?** When a recruiter holds generalised views about a group of people it can increase or decrease their desire to target recruitment at them. Many of the marginalised groups that we focus on in this report face prejudice. For example, as one interviewee told us, in the context of disability the absence of understanding or lived experience means fellow colleagues might assume the reasons an individual is not performing well is down to laziness or lack of motivation.

Misconceptions can exist at all levels within an organisation, meaning that, while senior management could be intent on, and include in the organisation's strategy to target a marginalised group, a hiring manager's preconceptions could act as a blocker. Or vice versa, where a hiring manager might want to recruit but is held back and obstructed from doing so by more senior managers. As an example, one senior interviewee questioned why he should pay someone with down's syndrome the same minimum wage as someone without the disorder, who in his mind, would be measurably more productive.




Positively, about a quarter of respondents from our survey said they recruited from diverse groups specifically to change societal mindset and combat misconceptions, demonstrating that working along marginalised colleagues can help to break down negative preconceptions.

**Why is it important?** The effect of organisations championing diverse recruitment can have a profound impact on decision-making both within an organisation and amongst other employers.

Several people we spoke to believed their company's mindset preferred sticking to what had worked in the past. We heard that such organisations can often have 'go-to' candidate profiles that they tend to look for and recruit. One interviewee shared that their organisation had a shortlist of universities they tended to hire from, which effectively ruled out talented candidates that could be a good fit for the roles. In their words, *"It comes down to challenging whether you've assumed a graduate has good leadership skills because they're from a similar background, went to the same university and had the same privileges."* In the context of a tight labour market, employers may have to overcome misconceptions in order to recruit from a more diverse talent pool.

**The opportunity:** Negative preconceptions can often be attributed to misinformation stemming from poor knowledge or a lack of experience. Ultimately, changing mindsets is a challenge, and it relies on employers changing processes so that the right people get through the door, as well as showcasing the merits of diverse talent. As Marie Partridge, Head of Early Careers at Parker Meggitt, put it, *“Sometimes, in order to encourage change, we have to show people why they tend to be drawn to certain candidates and often recruit those similar to themselves.”*

Links to related recommendations in Section Three:

-  [Create a documentary series and an anthology of case studies to influence public opinion](#)
-  [Build the case to increase younger and marginalised voices on boards](#)
-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)



## EXAMPLES OF PREJUDICE

### 10,000 Black Interns

We heard that participation in diversity schemes uncovered prejudice amongst employees. One story involved how interns from the 10,000 Black Interns scheme were initially subject to unfair assumptions and judgement for failing to dress smartly, without considering whether they held sufficient prior knowledge or exposure to meet expectations on dress code.

### People with criminal records

*“One of the hardest things to break down is the perception that everybody who has committed an offence is dangerous or going to reoffend.”*

Tracy Evans, Group HR and Quality Director, Pertemps Network Group

Darren Burns, Director of Diversity & Inclusion at Timpson, gave us an insight into how people's image of ex-offenders is largely driven by what is perpetuated in the media: *“People often overlook the fact that offending lies on a spectrum and can be very nuanced. Most employers never find out the nature of a prospective candidate's past offence, their circumstances or frame of mind at the time or whether their conviction is even spent. They just jump to the most extreme of conclusions.”* And yet the reality is one in six people in the UK has a criminal record, making up a significant part of the potential workforce.

Source: [Working Chance](#)

## RISK AND OPPORTUNITY

*“I don't think that recruiting from marginalised groups poses a fundamental risk to business, irrespective of size. It's a learning curve. People are nervous to do it because of fear of the unknown. It may turn out easier or harder than you thought, but to make it a success, you've just got to deal with the challenges as they arise.”*

Paolo Orezzi, Service Director, NSL

**What is it?** Risk was cited as the greatest overall blocker to intent by many of our interviewees. It is the belief that recruiting from a marginalised group could pose a risk to the brand, to the product/service, to teams or to customers.

**How does it affect intent?** The risks of 'getting it wrong' and investing in individuals that do not 'work out' to meet expectations were perceived to be a significant deterrent to recruitment from marginalised groups. This was particularly the case for small businesses, who often lack specialist teams with sufficient information about what works and what does not. The risks associated with experimentation were high.

*"There's a lot of pressure to get it right the first time and a real fear of hiring someone and it not working out. One mistake can be really costly emotionally and financially. It's high stakes, it's not the kind of thing you can just give a go and then fail at. People have high expectations of their employers and we want to meet those as well as meet the needs of the business without a negative ripple effect on the team. So we can get caught between wanting to do a good thing and protecting what we've built."*

Rebecca Stern, Co-Founder, Mustard Made

When considering hiring individuals from marginalised groups, we found that employers perceived risks in a variety of ways:

- A belief that marginalised groups are less likely to perform, thereby creating a risk of additional burden to other employees if they need to pick up remaining work which would erode employer trust.
- A desire to not expose the individuals hired to more risk. We heard that some employers felt that recruiting people with specific needs or facing challenging circumstances (e.g. trauma, substance abuse) involved additional responsibility that they were not well-enough equipped to take on. As one interviewee explained, *"We are less likely to give those in need a chance, because if we're wrong, the risk of harm to the person is greater if it doesn't work out."*
- A belief that hiring a marginalised individual would pose a risk to staff and customers. This was commonly associated with people with criminal records, although it is not unique to them. This type of risk can be a tougher blocker to overcome in industries that have strict controls in place, such as when working with children, in financial institutions, or in the health and social care sector. Some employers we spoke to make recruitment decisions based on the nature of an ex-offender's offence and assess risk on a case by case basis to avoid immediately screening out people with offences who would pose a low risk to their staff and customers.
- Uncertainty of consequences that would follow letting an individual go (e.g legal procedures, wellbeing of the individual).

*"If I hire someone with extra needs and we put everything in place, I can't foresee what will happen one year from now. If they can no longer perform well and I need to let them go, what happens then? It's very overwhelming not knowing if you'd do anything wrong. I'd be much more likely to give someone a chance if I felt that if it didn't work, no harm would be done."*

Anonymous interviewee


**Why is it important?** When it came to recruiting from marginalised groups, we heard from employers that taking risks often presented new opportunities. For example, when changes were made to adapt to an individual's specific needs, this led to overall improvements in processes, team efficiency, productivity and product lines. One interviewee explained how recent adjustments to operating processes in their packing stations, implemented to make them accessible to people with visual impairments, actually made operations simpler for all employees and maximised wider organisational efficiency and performance. Similarly, Graham Drew, Founding Director at Bamboo Recruitment, reported that removing accessibility barriers by making documents and systems readable in a range of formats also eased processes for the wider team. It uncovered unnecessary complexity present in workstreams and stripped it out, which was noted and praised by their clients, who also appreciated more concise and accessible information.

*"It's been a real demonstration that when the person, not just the business, is the priority, it really pays off. What we have now is honestly some of the most committed members of staff I've ever had on my team."*

Graham Drew, Founding Director, Bamboo Recruitment

**The opportunity:** There are multiple ways to tackle and mitigate risk. This can include providing employers with better quality and more easily available information and resources such as how to guides and risk management toolkits.

Links to related recommendations in Section Three:

-  [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)

## GOVERNMENT INCENTIVES

**What is it?** Government schemes and other types of financial support that target specific groups with the aim of incentivising their employment, commonly through financial incentives.

**How does it affect intent?** By offering a financial incentive to organisations that hire from certain groups it can lower the financial risk. If the costs or the perception of risk were what was holding back recruitment, then these incentives can lower the blocker. Both the Apprenticeship Levy and the Kickstart Scheme were provided as good examples by our interviewees.

- **Apprenticeship Levy:** The Apprenticeship Levy requires organisations with a salary bill of over £3 million to put aside 0.5% of payroll that should be spent on apprenticeships and training.<sup>175</sup> If the money that has been put aside is not spent then it is sent to HM Treasury. For an employer hiring an apprentice can provide an alternative way to acquire talent and develop a loyal, skilled and qualified workforce. For an employee or candidate an apprenticeship can provide alternative pathways into careers with organisations providing paid employment, on and off-the-job training, recognised qualifications.

The scheme is not without its critics. The requirement that unspent funds return to HM Treasury after two years has received considerable criticism and was reiterated in many of our interviews. Over £3 billion has been returned to the UK Treasury as unspent Apprenticeship Levy funds and the 'use it or lose it' restriction means the Levy is often seen as a stealth tax that is resented. In other cases it can mean that some organisations might simply write it off.

Many businesses told us this unspent money would be better used if it was instead distributed back to local communities or passed onto other businesses in its entirety. Levy transfers to other organisations are possible. Paul Gerrard, Campaigns, Public Affairs and Board Secretariat Director at Co-op, told us that they have recently developed a scheme for businesses to donate their own unspent levy into a pot to fund apprenticeships for small and medium employers. However, we heard that not enough large organisations engage with levy transfers due to a perception that it is complicated. Yet those organisations that undertake many levy transfers told us that their experience of working with combined authorities and schemes like Co-op's had been simple and rewarding. Importantly it enabled them to see the levy transfer as investing in their local communities, strengthening relationships and improving the local economy.

*"The Apprenticeship Levy is very underutilised. In most companies, when it is unspent it goes back to the government and I would much rather give it to local businesses, which would also strengthen ties with local communities."*

Niamh Macaskill, People Director, Camelot

<sup>175</sup> HM Revenue & Customs, 12/12/2016, [Pay Apprenticeship Levy](#)

- **Kickstart Scheme:** The government Kickstart Scheme was aimed at providing work placements to people aged 16 to 24 on Universal Credit.<sup>176</sup> It subsidised the payment for the position by paying the minimum wage for the employee. It was cited repeatedly by our interviewees as creating the incentive to recruit from this cohort. Unfortunately the setup of the schemes led to many employers thinking there were unnecessary constraints and the bureaucracy to access the scheme put off small businesses.<sup>177,178</sup>

**Why is it important?** Financial support and government schemes are intended to encourage employers to diversify their workforce, often through financial subsidies. There are few institutions that have the ability to enact change at the scale that the government can.

**The opportunity:** Financial support and government schemes are a good way for employers to take initial steps to diversify their workforce. For several people we spoke to, this provided a positive trigger to pave the way to greater diverse recruitment. They are also a means for employers to access a supply of work-ready labour to address hard-to-fill vacancies. It is vital that opportunities for financial support are reformed to be made more accessible for a greater variety of employers.

#### Links to related recommendations in Section Three:

- 👉 [Launch a campaign to ramp up Apprenticeship Levy transfers for SMEs](#)
- 👉 [Provide temporary National Insurance contributions to lower the financial risk for employers](#)
- 👉 [Run a controlled trial to demonstrate the impacts of high-quality support and business engagement during the recruitment of marginalised groups](#)

<sup>176</sup> Department for Work and Pensions, 01/05/2022, [Kickstart Scheme](#)

<sup>177</sup> Pickard, J., Thomas, D., Financial Times, 02/09/2020, [UK small businesses raise concern over £2bn Kickstart jobs scheme](#)

<sup>178</sup> Camden, B., FE Week, 01/10/2021, [Clumsy, complex and slow: business puts the boot into Kickstart](#)

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# CASE STUDY: Evenbreak on their intent to change the narrative around disability

Evenbreak is a social enterprise helping to connect disabled candidates with inclusive employers and promoting the benefits of employing disabled people. It runs a specialist job board by disabled people for disabled people. Evenbreak currently employs 20 disabled people, making up 100% of their workforce. They have worked with over 700 employers and more than 75,000 disabled candidates have registered over the past 12 years.

## WHAT INSTIGATED ACTION

As a disabled social entrepreneur, the large disability employment gap prompted the founder to start a social enterprise supporting disabled people into work.

## EVENBREAK'S APPROACH

Their approach includes four main activities:

- Changing the narrative around disability to view disabled candidates as premium candidates and not 'pity hires,' via events, storytelling and marketing.
- Providing a specialist job board, enabling inclusive employers to attract disabled candidates, and candidates to see which employers target them.
- Providing support to employers to remove disabling barriers from their recruitment practices, with an online best practice portal, events and bespoke training and consultancy.
- Providing careers support for disabled people looking for new or better work, including online resources, events and one-to-one career coaching.

## OVERCOMING OBSTACLES

The biggest barrier is persuading employers that employing disabled people is good for business, and dispelling some of the myths (e.g. disabled people are less productive or need expensive adaptations). They challenge the prevailing stereotypes by:

- Being a role model as a financially successful organisation which only employs disabled people.
- Publishing a book ("A Dozen Brilliant Reasons to Employ Disabled People", by Jane Hatton) with research and studies to present facts to dispel the myths.
- Sharing stories of successful disabled people and the organisations who employ them and promoting disabled people as premium candidates.

## IMPACT ON EVENBREAK

Employing only disabled people gives them credibility and internal intelligence on the barriers candidates face. They gain all the benefits of having a diverse workforce (e.g. having blind team members test technology for accessibility or neurodivergent team members contribute innovative ideas). They have successfully attracted over 75,000 disabled candidates, and worked with over 700 employers.

## IMPACT ON INDIVIDUAL(S)

Disabled people have reported their lives changing through finding good work. Their team members work in an environment which plays to their strengths and helps develop skills and confidence. One team member, who at the age of 16 was told that he would never get a job and live his life on benefits, has worked at Evenbreak for ten years, working two hours a week in 20-minute chunks. Another person started as a social media officer, and was promoted to COO very quickly.

## FINAL THOUGHTS

Evenbreak has proved the value, social, economic and financial of employing disabled people. Whilst they don't suggest every company should only employ disabled people, it's clear that disabled people are beneficial to business success.



## 2.5. ACTION

*"It's about doing one thing well and impactfully, not about doing it quickly. It's definitely a journey. It's work that breaks your heart and makes you believe in the power of the world at the same time. And that's the magic behind why all of my team connects with this work so passionately."*

Ceira Thom, Head of Learning, John Lewis & Partners

### WHAT IS ACTION?

Action is when steps are actually taken to recruit from marginalised groups. This might involve specific pre-recruitment training, changing how roles are designed, updating job descriptions, advertising roles in different places, reviewing how candidates are selected and how interviews are conducted.

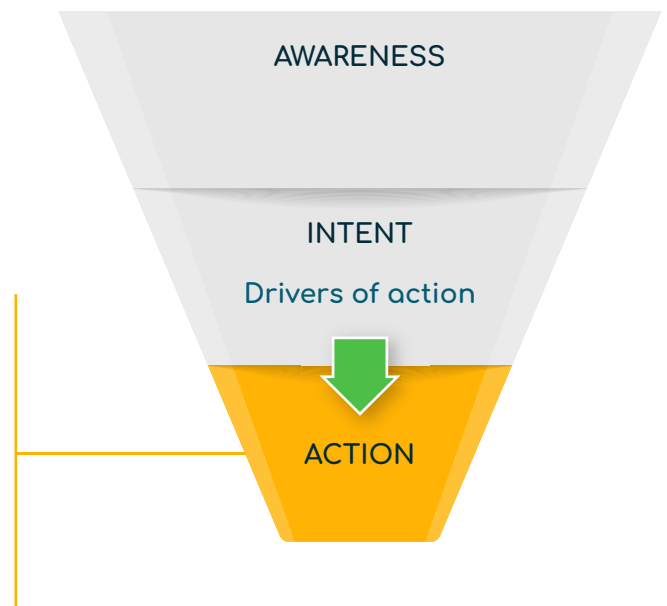
Action relates to the HOW in relation to hiring from marginalised groups, rather than what needs to be done or why.

Action is the last stage in the funnel.

Note: For the purposes of this report, action relates to intentionally targeting specific groups for recruitment, it does not necessarily result in a successful hire.

### FACTORS AFFECTING ACTION

- Partnerships
- Right-sized measurement and targets
- Business forums
- Government schemes supporting work readiness
- Flexibility of business processes
- Sufficient internal resources
- Availability of mainstream playbooks



## Overview

In this chapter we describe some of the biggest factors affecting action. We draw on insights from our whole research process, including the survey and interviews. As we saw in the key findings, fewer than 20% of employers said they were taking action to target the majority of marginalised groups, compared to around half of employers who said they were merely intending to. This is a large drop-off, so we are interested in what drives employers to take action and what holds back employers who intend to recruit from these groups but are not taking active steps to do so.

According to one study, 85% of employers say that increasing diversity in their workforce is a priority and yet nearly half of employers have no programmes in place to attract candidates and 45% of employers believe their recruitment tools are ineffective at helping diverse candidates find them.<sup>179</sup>

<sup>179</sup> Robert Walters, 2017, [Diversity and inclusion in recruitment](#)

# Factors affecting action

## PARTNERSHIPS

**What is it?** Partnerships between employers and third-party providers, charities or specialist recruitment agencies that support recruitment of people from marginalised groups. Organisations small and large can benefit from external specialist support if they are not set up or equipped to deal with some of the nuances needed when employing people from the marginalised groups.

**How does it affect action?** To support employers and those from marginalised groups, there is a need for joined-up support and guidance and support to both sides. Partnerships can facilitate the successful recruitment and retention of people from marginalised groups by providing a range of different support to both candidates and employers. This can be through:

- **End-to-end support:** This can include pre-employment support for candidates, such as needs and skills assessments, CV training and interview coaching, as well as post-employment mentoring and pastoral support. They can also support employers through candidate sourcing, manager training and being a point of contact for any behavioural or performance-based concerns.
- **Specialist recruitment support:** Employers we spoke to valued working with partners who specialised in recruiting specific groups. Marie Partridge, Head of Early Careers at Parker Meggitt, told us that by changing their supplier for sourcing apprentice candidates to one specialising in diversity, they were *“able to spot areas where certain groups weren’t performing as well and then delve into why this was the case to level the playing field.”* They uncovered that applicants from certain backgrounds were more likely to drop out of the recruitment process. In response, recruitment teams adapted to provide more support at the drop-off point to increase the completion rates from those groups.
- **Specific initiatives:** Initiatives like 10,000 Black Interns and Project SEARCH serve a dual purpose of both raising awareness of marginalised groups, as well as providing a platform through which to engage with them to provide paid work experience.<sup>180</sup> Participating in schemes give employers a degree of security knowing that support and advice is available if needed (see [CASE STUDY: Cardiff & Vale UHB on taking action to increase workforce representation](#)).

**Why is it important?** Partnerships can give employers the confidence they need to recruit from pools they have not previously targeted. Specialist third-party intermediary organisations can considerably reduce the risk to employers and candidates and go a long way to ensure that candidates are work ready and set up for success. The people we spoke with stressed that the training they received had opened their eyes to employee needs they were previously unaware of and that they were the key to long-term success, particularly when it came to dealing with mental health challenges.

**The opportunity:** There are many organisations that exist to support employers and marginalised groups, but they are not necessarily easy to find, nor is it easy to tell if the quality of services is good. There could be ways to create a searchable directory of service providers to help recruiters find the support they need in the communities and areas they operate.

### Links to related recommendations in Section Three:

- 👉 [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)
- 👉 [Expand issue-based employer forums to maximise peer-to-peer learning](#)

<sup>180</sup> 10,000 Black Interns focuses on providing paid internships for young students and graduates from a Black heritage background. Project SEARCH focuses on helping young people with learning disabilities or autism or both into work.



## BLUEPRINT FOR ALL

Kate Bewick, Head of People at Abel & Cole, spoke to us about the benefits of partnering with [Blueprint For All](#), a charity that works with young people and communities to create an inclusive society. The charity provides advice on what can be done to improve diversity in the workplace. Over a six-month consultation programme they conduct a complete review of the recruitment process including such things like images used on websites and wording used in job descriptions. The charity also helps to develop recruitment toolkits to help with manager training.

*"They get people to do walkthroughs of the entire recruitment process and give very honest feedback about what they think. They gave us targeted feedback on the pictures and language we used on our website and the accessibility of our job descriptions."*

Kate Bewick, Head of People, Abel & Cole

## RIGHT-SIZED MEASUREMENT AND TARGETS

**What is it?** While targets and measurement can be effective drivers that encourage businesses to recruit from marginalised groups, it is important they are right-sized and do not disincentivise experimentation.

**How does it affect action?** The internal targets that organisations set can influence behaviours. Many interviewees that have successfully recruited marginalised team members attributed their success to purposely shaping their internal targets to promote the right recruitment behaviours. External actors are also important stakeholders to consider. For example, investors might want an understanding of the recruitment profile of an organisation, in which case measurement is necessary.

**Why is it important?** When designed well, targets can drive positive behaviours. When designed poorly, targets can drive unproductive and sometimes even harmful behaviours.

We heard on several occasions from employers who successfully recruit from marginalised groups that they attribute the success to the temporary removal of 'normal' recruitment targets and performance measures. Many had recognised that existing targets (e.g. solely measuring the number of people from marginalised groups have been recruited) were neither appropriate nor constructive and that the pressure of specific quotas and targets would drive undesirable behaviours. The removal of targets allowed employers to take time to test and experiment and learn about what works and what doesn't.

After a period of learning, which in some cases was over multiple years, different measurement plans could be implemented that were more appropriate and right-sized. Recognising that many marginalised groups have specific needs, the focus was on starting small and doing something properly, rather than quickly and at scale.

*"Targets sometimes drive the wrong behaviours in order to achieve targets, particularly if incentivised by remuneration."*

Anonymous interviewee

Instead of standard metrics, many businesses we spoke to found alternative ways to define success and later developed custom methods for monitoring and evaluation. For example, Annie Gale, Head of RAW Talent and Apprenticeships at COOK, told us that success for one recruitment programme that they run was whether an individual they had recruited was still in work after one year, regardless if they had stayed at COOK or had found a role elsewhere. Why? By being in work for a year, this meant COOK had played a role in removing the barriers to work for that individual and increased their future employability. On the one hand, this can be viewed as unsuccessful for the business as clearly they would need to back-fill the position. However, it is the recognition that there is an immense but different value in aligning success with their purpose, which is different than viewing the world through a short-term profit-focused lens.

*"Success is not just measured by whether our trainees take on a permanent role with us. To me, success is also if they gain the skills, experience or confidence to go to college or university or find their area of interest. We keep track of this. It's not just about how we can fill our pipeline and our numbers, it's the social aspect of it."*

Gemma Palmer, Head of Early Careers and Apprenticeships, JD Group

**The opportunity:** The application of measurement and targets can be a double-edged sword but when done correctly it can drive positive behaviours. Measurements and targets are the key to unlocking potential external investment and as such businesses, investors and others should come together to help to define what metrics for recruiting marginalised groups could become standardised.



While the recruitment of marginalised groups is not mainstream, and many organisations are taking a test and learn approach, it is understandable that there are currently non-standardised metrics. It is possible that as these activities become more commonplace overtime that more standardised alternative success metrics become prevalent.

It should be noted that information gathering is not a simple exercise. It can be hard to collect accurate information since several of the marginalised groups are covered by the Equality Act 2010 (such as age, race or disability) and therefore have protected characteristics that employers are not allowed to discriminate against. This can make employers cautious about capturing such information and employees reluctant to disclose it. As a result some employers seek to use proxy measures to create a more trusting environment.

*We want people to feel safe to open up about a disability and, in turn, get the support they need to help them when they start work.*

Jurgen Donaldson, WFS community engagement Disability Inclusion programme manager, Amazon

Links to related recommendations in Section Three:

-  [Improve business network coordination to make best practice common knowledge](#)
-  [Create a platform to provide consistent and comparable investor data](#)

## BUSINESS FORUMS

*"No one business can solve this alone. Pooling assets together creates a far more effective response"*

Paul Gerrard, Campaigns, Public Affairs and Board Secretariat Director, Co-op

**What is it?** Businesses come together to share good practice and real life experiences, thereby embracing collaboration over competition when recruiting from marginalised groups.

**How does it affect action?** Some businesses we spoke to had created their own forums to help solve each other's problems and share solutions. Mutual peer-to-peer support can help to make it easier for employers and help avoid mistakes learned by others.

**Why is it important?** When an employer acts as an exemplar and starts to lead the way, if they are willing to share best practice then others will often follow suit and momentum can be built around an issue. A large number of our focus group participants expressed that connecting with other business leaders facing similar challenges was key to move from theory to action.

Forums also create spaces to share employment opportunities. For example, Co-op's Bright Future programme is a coalition of businesses that offer paid work placements to survivors of modern slavery.<sup>181</sup> This means that if it is not a good fit for an individual to work in one of Co-op's shops, other job opportunities are available via the coalition. A large majority of businesses we spoke with during the course of the research felt that employers are best placed to solve employers problems given their unique perspectives and that it was important that they are driven by a business agenda.

*"Clients say they want more inclusive candidates but not at the cost of changing everything. That's when the conversation disappears."*

Graham Drew, Founding Director, Bamboo Recruitment

**The opportunity:** If business forums focusing on marginalised groups were more common this would create more opportunities for employers to learn from each other and share best practice. There is no perfect model to replicate but inspiration can be drawn from existing forums and adapted to suit the employers needs.

Links to related recommendations in Section Three:

 [Expand issue-based employer forums to maximise peer-to-peer learning](#)



#### THE EMPLOYERS' FORUM FOR REDUCING RE-OFFENDING (EFFRR)

EFFRR was set up in 2011 through BITC, which brought together companies including Greggs and Timpson, after which it was chaired by James Timpson. Greggs, Timpson and COOK have collaborated to co-host a series of events in order to share their learnings and insights with fellow employers, practical tips for how to employ people with convictions and use access to work as a means to reduce reoffending rates. The forum gathers at virtual and in-person events and encourages participants to learn from each other in a peer-to-peer way, by sharing challenges, what works, news and advice. EFFRR is now chaired by Roisin Currie, Greggs CEO.

The corporate support that assisted with the creation of EFFRR is likely a symptom of personal passion of its leaders, such as Jame Timson and Roisin Currie. The senior 'sponsorship' for certain ambitions can significantly increase their chances of success.

Several interviewees praised the EFFRR for creating an environment that encouraged participation and sharing among businesses that would normally compete with each other, but instead created a safe space to share common challenges relating to a common goal.

*"It's a good moment. There's a push from the government and there's a pull from the employment market. Lots of people want to appoint prison leavers but they don't know what to do. We got together and designed a workshop to just dish out everything we know and share the learnings we've made over the years."*

Annie Gale, Head of RAW Talent and Apprenticeships, COOK

Source: [Ingeus](#)

<sup>181</sup> Co-op, [Bright Future programme](#)

## GOVERNMENT SCHEMES SUPPORTING WORK READINESS

*"If new recruits were not work ready, they would likely fail quickly and the system would not work as a whole."*

Paolo Orezzi, Service Director, NSL

**What is it?** Government schemes that support employers to take action on recruiting specific groups by focusing on the candidates' work readiness. This helps to address a supply-side issue, where businesses that make efforts to recruit from marginalised groups can find that the candidates are not in a work ready state, or that the time and money required to get them there is too high.

**How does it affect action?** Put simply, when there is demand in the jobs market, if there is an insufficient supply of work-ready labour then those roles will go unfilled. Some of the marginalised groups in this report might have been out of paid employment for some time or require basic skills training.

The government has a major role to play, and deliver the most of their support through Job Centres. In addition, there are often a number of government schemes. A deep exploration of this area is outside of the scope of this project, but we include a couple of examples below for illustration:

- **The Restart Scheme:** The Restart Scheme aims to help long-term unemployed people return to work.<sup>182</sup> The Department for Work and Pensions (DWP) has worked closely with large recruitment service providers in each region that can provide tailored support for people wanting to return to work that might include bespoke training. They have developed specific portals for people returning to work and can provide some extra government funded support to make sure they are as set up for success as possible.
- **Sector-based Work Academy Programme (SWAP):** DWP's SWAP helps businesses match needs in specific sectors with people on unemployment benefits looking to work in a different sector.<sup>183</sup> Placements include sector-specific pre-employment training, work experience placements and a guaranteed interview or support for the employer's recruitment process. Businesses can work together with similar employers in a consortium approach. SWAP placements do not affect participants' benefits and training and administrative costs are covered by the government.

**Why is it important?** When there is demand in the jobs market, if there is an insufficient supply of work-ready labour then those roles will go unfilled. A supply of quality talent is vital for business success. The livelihoods of businesses and potential employees depend on it. While some of the responsibility of being work ready rests with the individual themselves, many of those from disadvantaged backgrounds have not had the same opportunities as others. The consequences of inadequate work readiness training can lead to repeated rejections or short stints in employment. If this continues it can negatively affect feelings of self-worth and motivation to work, which creates a vicious unemployment cycle that is hard to break.

**The opportunity:** While the Good Jobs Project is not just focused on entry-level roles, for many of the marginalised groups in this report, they are a good place to start. Ensuring that all corners of the potential labour market are being made work ready will widen the currently narrow labour market. There are few institutions that have the ability to enact change at the scale that the government can.

### Links to related recommendations in Section Three:

- 👉 [Launch a campaign to ramp up Apprenticeship Levy transfers for SMEs](#)
- 👉 [Run a controlled trial to demonstrate the impacts of high-quality support and business engagement during the recruitment of marginalised groups](#)

<sup>182</sup> Department for Work and Pensions, 26/04/2022, [Restart Scheme](#)

<sup>183</sup> Department for Work and Pensions, 18/08/2020, [Sector-based work academy programme: employer guide](#)



## WHY JOB CENTRE PLUS IS AN IMPORTANT STAKEHOLDER

Since many of the marginalised groups are also more likely to be on benefits we should look at what can be done by JCP. JCP is part of the DWP. It is a government-funded employment agency that aims to help people of working age into employment. They also administer the claims for benefits such as Universal Credit. This puts them in a unique position of operating at a national level as well as holding vast amounts of data on the individuals on benefits. It means that much of the responsibility for matching unemployed people with vacancies falls on them as an essential component of the supply-side equation.

## FLEXIBILITY OF BUSINESS PROCESSES

**What is it?** By ensuring there is flexibility in internal processes, employers can ensure they do not miss out on potentially excellent candidates from marginalised groups.

**How does it affect action?** The inflexibility of business systems and processes can exclude individuals from certain marginalised groups in several ways. For instance:

- **Screening:** To reduce the number of applications down to a manageable number, employers often apply filtering rules to screen out applicants with certain profiles. Ensuring this process is not unintentionally excluding many people who could be qualified for the advertised role is vital. For example, many roles require disclosing criminal records, and those applicants are often screened out. Being screened out for a past criminal offence leaves no room for distinction between offences. This is the challenge that the Ban the Box campaign seeks to address.<sup>184</sup> People who have been out of work for a while can also lack work references, which can screen further potential candidates out.
- **Templates:** Being able to adapt templates and job descriptions to ensure the wording is appealing to different audiences can unlock applications from candidates that can otherwise feel excluded from poorly worded adverts. This can range from ensuring formatting is readable for those with visual impairments to making sure that language is intentionally inclusionary and not unintentionally exclusionary. Some interviewees said that their systems forced them to use pro forma templates that were not appropriate for accessing marginalised groups, which is often the case.

*"It's important to look at people processes within businesses to reduce bureaucracy by creating unnecessary barriers, for example lengthy and complicated application forms can deter candidates applying for roles within the NHS. Listening to our community and identifying ways to encourage recruitment opportunities should be the way forward."*

Rachel Gidman, Executive Director of People and Culture, Cardiff & Vale University Health Board

- **Processes when advertising roles:** Sometimes it is important to advertise roles in a variety of different places in order to intentionally increase the potential audiences that will see the adverts. Large organisations particularly, can have fixed channels through which to advertise roles and these might not be the best places to target people from marginalised groups. For example, we were told that 98% of the roles advertised by the NHS are advertised on NHS Jobs and there is a very limited budget to post opportunities elsewhere. This essentially puts the onus on job seekers to actively search NHS Jobs, otherwise they will not be aware of opportunities from the UK's biggest employer. The NHS does not just employ people with medical qualifications, their roles span a vast number of sectors including gardening, plumbing, maintenance, security and many more.

<sup>184</sup> Unlock, [What is ban the box?](#)





*"We always strive to reach as many people as we can, but doing so can be a challenge, especially as we have a legal and moral obligation to work in line with relevant policies and procedures. Implementing new ways of working can also be a challenge, but is something the organisation is working to overcome."*

Penny Smee, Director of Resourcing and Retention, NHS Bath, North East Somerset, Swindon and Wiltshire Integrated Care Board

**Why is it important?** In the same way that the design of systems and processes in place can limit inclusivity, it can also unlock full inclusivity. To address underlying issues requires a conscious intent to review and remove potential barriers. One person we spoke to explained that even in their large business that runs programmes to recruit from marginalised groups, she still faced a 'computer says no' mindset. The resistance to change and difficulty in changing can significantly hamper efforts to recruit from marginalised groups.

**The opportunity:** Businesses interested in recruiting from marginalised groups could review the systems and processes they have in place and revise them if necessary.

Links to related recommendations in Section Three:

-  [Expand issue-based employer forums to maximise peer-to-peer learning](#)
-  [Improve business network coordination to make best practice common knowledge](#)

## SUFFICIENT INTERNAL RESOURCES

*"Our will is there and we know recruiting from disadvantaged groups would pay off in the long run, but having the capacity, time and resource to step back and explore which possible avenues, projects or campaigns could reach them is a challenge."*

Anonymous interviewee

**What is it?** Successfully recruiting from marginalised groups is helped by having sufficient internal resources. This can include, for example, both time and cost that relate to reviewing and designing job advert, creating and adapting policies, training existing staff, changing existing processes or adapting accessibility infrastructure. From our survey, 19% of employers we surveyed felt that the cost of adaptations was a blocker to taking action and 15% reported insufficient HR or recruitment resources.

**How does it affect action?** Businesses with larger HR and recruitment teams can dedicate more time to ensuring that inclusive recruitment is carried out well. Without the resource, this can be a challenge, particularly for SMEs. This can hold back organisations that truly have an intent to recruit from marginalised groups.

SMEs lacking a dedicated HR department often have time-poor senior staff that are more likely to be filling or caretaking multiple operational roles. Without specialist support or expertise, many we spoke to felt they were unable to dedicate time to researching alternative recruitment practices and were much less likely to trial targeting a wider talent pool. From our interviews, lack of resources was one of the most prominent blockers to action. One respondent reported having *"barely the time to interview people, let alone think about how to target people from diverse backgrounds."*


**Why is it important?** Many of the people we spoke to were highly conscious that recruiting from individuals from these groups without having effective policies or support in place could have a negative impact on the individual and they did not want to set people up to fail. Insufficient resources means that employers, particularly those without HR departments, are less likely to review recruitment processes to actively target marginalised groups and benefit from a more diverse workforce.

*Running a returners programme for people who have been out of work involves a lot of extra responsibility. There's a financial cost to it but also a cost in terms of internal resources to run it, which inevitably detracts from existing workload."*

Amanda Harvey, Head of Talent, Carpentryright

**The opportunity:** Smaller, less specialist teams would benefit from the availability of easy-access guides and support through partnerships.

Links to related recommendations in Section Three:

 [Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)

## AVAILABILITY OF MAINSTREAM PLAYBOOKS

**What is it?** Being able to access playbooks can make it easier for businesses to know where to start and help set employers up for success.

*"I just don't know enough about their special needs to know where I could get myself or my company in trouble. It can be easier to avoid the whole thing. Particularly because I don't want to set anyone up to fail, that's just not fair on them."*

Anonymous interviewee

**How does it affect action?** Cheat sheets, case studies, how-to guides and studies that show the benefits of recruiting from marginalised groups can make it much easier for businesses to know where to start. Many people that we have spoken with admitted that despite their intentions, they had not taken action because they did not have the experience or knowledge to know where to begin. Graham Drew, Founding Director at Bamboo Recruitment, explained that clients often come to him with clear intentions to recruit from marginalised groups but upon hearing the scale of effort and change required, they frequently back out of taking action. In his words, *"There's nobody to design their guidebook for what they must put in place. They don't come to me for more problems, they want me to provide a solution."*

Employers who felt they had insufficient knowledge or understanding of how to successfully recruit from marginalised groups often feared they would unknowingly set up individuals to fail. We also heard that businesses who lacked legal understanding of what happens if the hire does not work out and needs to be let go were more risk-averse and less inclined to take action. Without experience or clear roadmaps available, following intent with action is curbed.

**Why is it important?** The lack of mainstream playbooks means that it is hard to know what it truly takes to successfully recruit and retain people from marginalised groups. Recruiting from marginalised groups is not currently mainstream practice and so resources such as how-to guides and best practice playbooks are limited and not widely available. It is important to note that while there is an overall lack of mainstream playbooks, some do exist but that does not always help since it can be niche and often contradictory with other sources. Of the respondents that had taken action to recruit, 24% cited too much advice in their top three barriers to recruiting a more diverse range of employees.

**The opportunity:** More can be done to improve the accessibility and availability of existing resources, which are, for the most part, not tailored to business size or sector.



## BUSINESS IN THE COMMUNITY

BITC is a membership organisation leading a movement to create a fair and sustainable world in which to live and work. Their vision is for the UK to be a world-leader in responsible business. Their network of businesses represents more than 20% of the UK workforce and BITC works with them to grow responsible business practices and to have greater social and environmental impact in communities.

Their focus includes developing a skilled and inclusive workforce, ensuring ways of working are good for everyone and building communities that thrive. They have a number of good quality resources available for businesses.

See [Business in the Community](#) for more information.

Links to related recommendations in Section Three:



[Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups](#)

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# CASE STUDY: Cardiff & Vale UHB on taking action to increase workforce representation

Cardiff and Vale University Health Board (UHB) is the local health board of NHS Wales for Cardiff and Vale of Glamorgan. Their participation in the Kickstart Scheme and Project SEARCH have helped young people to create pathways to future employment.

## WHAT INSTIGATED ACTION

The UHB aimed to increase representation of their workforce to reflect the Cardiff and Vale population it serves and to contribute to their corporate responsibility as a large anchor organisation. Rachel Gidman, Executive Director of People and Culture at Cardiff and Vale UHB, explained that reviewing workforce data when setting up their Apprenticeship Academy uncovered a shortfall of young employees. Participating in the Kickstart Scheme and [Project SEARCH](#) was a way to step-change their wider inclusion by increasing a supply pipeline for this age band.

## CARDIFF & VALE UNIVERSITY HEALTH BOARD'S APPROACH

Both initiatives aimed to help young people gain the skills and confidence needed to secure employment. The UHB first ran Project SEARCH in September 2021 in collaboration with the local authority in Cardiff and a learning disability school for young adults. It is an ongoing internship programme aimed at supporting young people with learning disabilities in Years 13 and 14 in the Vale of Glamorgan transition from education to work. Alongside the placement, interns benefit from mentors, tutors providing employability skills lessons and a specialist employment coach. Seven individuals took part in the first cohort and six are now employed by the UHB. The Kickstart Scheme enabled 162 young people to be on placement and around three quarters have either stayed on at the UHB or secured employment elsewhere.

## IMPACT ON CARDIFF & VALE UNIVERSITY HEALTH BOARD

Project SEARCH has helped to increase diversity and inclusion within the UHB. Interns have shown dedication and helped to ease some of the pressure faced by busier hospital departments. Lee Barker, Operational Service Team Manager, expressed that interns have demonstrated their capability across the organisation: "They have certainly proven to be essential to our workforce, and become key members within their teams."

## IMPACT ON INDIVIDUAL(S)

The opportunity to dip their toe in the world of employment has given young people a way into what may otherwise have felt quite an intimidating or inaccessible experience:

*"It has given all of our interns the confidence to dive in knowing that they can swim just like everyone else"* Lee Barker, Cardiff & Vale UHB

One project SEARCH intern reports that the experience offered him new challenges:

*"It made me an adult as I have my own responsibilities"* Dylan Role

## FINAL THOUGHT

Where young participants excelled and became instrumental to their teams, the UHB worked to make funding available to keep them on. One young person initially joined as an admin assistant via the Kickstart Scheme and was subsequently hired into a full-time position as a Data Administrator and Support Officer. Commenting on his new position, he said:

*"I am very thankful for the Kickstart Scheme. This initiative and experience have resulted in me securing a full-time, permanent Band 4 position, doing a role I really enjoy and with a team that I feel a part of."*

Louis Milton

# SPOTLIGHT: UNLOCKING YOUTH EMPLOYMENT OPPORTUNITIES FOR EMPLOYERS AND MARGINALISED GROUPS

## INTRODUCTION

This spotlight chapter was co-created by ReGenerate and Youth Futures Foundation to provide a deep-dive exploration into how employers can close their vacancy gap by recruiting more young people facing disadvantage or discrimination.

As the What Works Centre for youth employment, Youth Futures Foundation's insights, data and perspectives are combined with the Good Jobs Project findings. The goal is to build momentum to support and encourage businesses to view the recruitment of young marginalised individuals as a unique opportunity, so that they recognise the benefits they can bring to their organisation.



Youth Futures Foundation has published a separate report highlighting key insights and recommendations that would help businesses to focus on the employment of marginalised young people. See <https://youthfuturesfoundation.org/research/gjp> for more detail.

*"We're delighted to support ReGenerate on the Good Jobs Project. Their approach puts business needs at the centre of the vacancies and youth unemployment challenge. By understanding this, we hope to support employers to adapt their practice and behaviour, recruit untapped young talent and recognise their role as a key player in the employment system."*

Anna Darnell, Head of Strategy and Partnerships, Youth Futures Foundation and member of the Good Jobs Project Advisory Group

## WHY A FOCUS ON YOUNG PEOPLE IS IMPORTANT

Youth Futures was established to disrupt the cycle of unemployment for, and improve the employment outcomes of, young people who face the greatest challenges in finding or keeping good jobs. Currently nearly 800,000 young people are shut out of learning and earning opportunities.<sup>185</sup> Most of those young people are known to face complex and multiple barriers, including poverty, exclusion from school, homelessness, mental health conditions and experience of the care and criminal justice systems.

The Good Jobs Project found that less than half of employers have young people represented in their workforce and only a quarter of employers took steps to actively recruit young people.

It highlights a healthy challenge for the government, investors and business networks to better understand and support employers to improve their engagement with the youth labour market. Youth Futures Foundation welcomes the knowledge of what it is that employers feel would better incentivise their engagement. For example, there is a clear call for more evidence of which employment interventions really work, amongst other solutions.

<sup>185</sup> Office for National Statistics, 25/05/2023, [Young people not in education, employment or training \(NEET\), UK: May 2023](#)

## WHY MARGINALISED YOUNG PEOPLE IN PARTICULAR

We know that a focus on “all young people” distorts the reality that many groups of young people face multiple barriers in their journey to work. For many, both age and other forms of marginalisation have created predominant barriers to accessing employment. If we are to improve labour market outcomes for all young people, we must focus on those who face the toughest challenges.

The Government’s 2017 Race Disparity Audit revealed stark disparities in employment outcomes for young people from ethnically marginalised backgrounds.<sup>186</sup> Furthermore, Youth Futures Foundation’s 2021 research with the Institute for Employment Studies showed that men, Black and Asian young people, and those living in southern England, Scotland and Wales saw the most significant falls in employment.<sup>187</sup>

Through their extensive research of the employment landscape for young people, Youth Futures Foundation’s evidence clearly depicts that certain groups of young people are more likely than others to be without employment, and also not in education or training (NEET). Recent statistics associated with particular kinds of marginalisation risk include:

- Belonging to particular ethnic groups: In early 2023, 11.3% of all young people aged 16-24 were NEET; however, the rate was higher for young people from mixed or multiple ethnic backgrounds (14%), and those from Pakistani (13.3%) or Bangladeshi (25.9%) ethnic backgrounds.<sup>188,189</sup>
- Having an identified learning difficulty as a primary stated health issue: 27% of young people in this age group are estimated to be NEET.<sup>190</sup>
- Having experience of the children’s social care system: Around 41% of 19-21-year-old care leavers in England were estimated to be NEET in 2021, compared to 9% for the 18-20 age group of non-care leavers.<sup>191</sup> When entering employment, this cohort often finds themselves in insecure jobs with zero-hour or temporary contracts.<sup>192</sup>

Clear themes emerge from the Good Jobs Project’s research that expand on the above statistics from an employer’s perspective and tell a similar story. The survey and interviews revealed that one of the most significant barriers for employers, with regards to their intent to engage with marginalised young candidates, is either the real or perceived risk to their business, in ways not limited to financial, exhaustion of resources or damage to reputation.

The findings of the Good Jobs Project reinforce Youth Futures Foundation’s knowledge relating to employers thinking about or seeking to recruit young people with additional barriers. For example, the barriers facing young people with experiences of the criminal justice or care system were higher than other groups and they correlated with a shift in employers’ perceptions of who would be a good organisational fit.

Despite the challenges that young marginalised people face, there is a clear and positive story to be told about employers’ belief that there is a strong business case for hiring a more diverse group of employees. With this endorsement from employers, Youth Futures Foundation uses this opportunity to call for a coordinated effort across business, government and civil society to improve and future-proof the employment landscape for marginalised young people.

<sup>186</sup> Cabinet Office, 11/10/2018, [Race Disparity Audit](#)

<sup>187</sup> Papoutsaki, D., Wilson, T., 02/2021, Institute for Employment Studies/Youth Futures Foundation, [An Unequal Crisis: The impact of the pandemic on the youth labour market](#)

<sup>188</sup> Office for National Statistics, 25/05/2023, [Young people not in education, employment or training \(NEET\), UK: May 2023](#)

<sup>189</sup> Youth Futures Foundation Analysis – Labour Force Survey 2023, Q1

<sup>190</sup> Youth Futures Foundation analysis – Labour Force Survey 2022 Q4

<sup>191</sup> Association for Young People’s Health, 01/05/2022, [Young people not in education, employment or training](#) Note: The slight variation in age bands reflects different approaches to data collection and reporting.

<sup>192</sup> Asker, P., Dixon, J., Harrison, N., Sanders-Ellis, D., Ward, J., 01/2023, [Care leavers’ transition into the labour market in England](#)

## YOUTH FUTURES FOUNDATION'S RECOMMENDATIONS

In their report, *Unlocking youth employment: opportunities for employers and marginalised groups*, Youth Futures Foundation recommends a series of reforms aimed specifically to increase the positive outcomes for young people who are NEET. We hope to work with the Government and those in the employment ecosystem, and to encourage those with concern for marginalised young people to act on the evidence and to invest in supporting the mission to reduce the employment gap. The recommendations are summarised below:

1. The government should provide more incentives and financial support to employers that employ young apprentices, with clear targets to hold different stakeholders to account, to boost the take up of apprenticeships by marginalised groups, such as care leavers.
2. Policy-makers should prioritise supported employment and internships for young people with learning disabilities as these can lead to significant improvements in employment outcomes.
3. The government should commit to the sustained funding, rollout, and effective evaluation of youth hubs, widening eligibility for young people to seek support, in order to provide marginalised young people with joined-up support and better access to a range of services they need, whilst simultaneously easing the pressure off employers to provide pastoral support.



For more detailed information about the findings and recommendations, please read Youth Futures Foundation's full paper: [Unlocking youth employment: opportunities for employers and marginalised groups](#).



## SECTION THREE

# THE RECOMMENDATIONS

## HOW TO DRIVE POSITIVE CHANGE



In this section ReGenerate presents a series of reform areas and detailed recommendations that are aimed at getting more businesses to recruit from marginalised groups. They aim to create an enabling environment for businesses and as such are targeted towards government, investors and other business networks and support bodies. We have applied the following principles into their design:

- **PURPOSE-DRIVEN:** We believe that in order for solutions to be sustainable in the long term they must make business sense. Businesses need to see this as a solution to their problems to make it attractive and sustainable. They should centre on business value, social value and simplifying action.
- **ACTIONABLE AND STAKEHOLDER-SPECIFIC:** We name the actor(s) who are strategically best placed in the ecosystem to take each action.
- **AMBITIOUS:** This is a significant opportunity to benefit both business and society. However, seizing it requires bold action by a range of stakeholders. We have put together an ambitious reform agenda that reflects the size of the opportunity.

## 3.1. FRAMING THE RECOMMENDATIONS

In this section we provide a series of reform areas and detailed recommendations designed to encourage and support more businesses to successfully employ people from marginalised groups.

Our research found a significant drop-off between those saying they thought people from marginalised groups could fit well in their organisation, and those saying they were taking steps to recruit them. Therefore our recommendations are intended to encourage business action no matter where an organisation is within the funnel framework that we have used. They try to help solve the following three challenges:

- How can we increase awareness? What can be done that would help open up the eyes of employers to recognise that people from marginalised groups could be a great fit for their roles?
- How can we drive intent? What can be done to break down pre-existing misconceptions and demonstrate the value that these people can bring to organisations, showing how it can help drive business success?
- How can we support action? What can be done to make it easier for people to recruit from marginalised groups in a way that increases the chance for success, reduces the risk of setting people up to fail and reduces the risk to businesses?

### Summary of recommendations

During the course of the research we consulted employers, investors, campaign groups, professional business networks and politicians to develop a list of recommendations that we believe help to set an environment in which businesses and other employers are educated, encouraged, incentivised and supported to recruit marginalised people. In order to do this we want to mainstream this goal in the minds of key decision-makers across government, investors and influential business networks.

**Reform 1: Government should incentivise and support businesses to recruit from marginalised groups so that risks are lowered and opportunities are grasped.**

The government is the best-placed actor to create incentives at a scale that can tip the balance in favour of a large number of employers wanting to recruit more people from marginalised groups. Although a variety of government-run, business-targeted initiatives are, or have been, available, there are ways they can be improved. These recommendations aim to activate demand from businesses and are complementary to any other schemes and initiatives that focus on the supply side.

1. Provide temporary National Insurance contributions to lower the financial risk for employers. The Government should not require employers to pay employer National Insurance for 12 months for any new employees taken on who were in receipt of Universal Support.
2. Reform the Apprenticeship Levy to make it more accessible to marginalised groups. A three-part action plan to maximise the use of apprenticeships for marginalised groups, including: a campaign to encourage large organisations to increase levy transfers to SMEs, awareness-raising on how to target marginalised groups effectively, and an upfront grant for those that do.
3. Develop a centralised knowledge bank to make it easier for businesses to recruit from marginalised groups. Under the coordination of the Department for Work and Pensions a centralised knowledge bank is created, distributed and maintained so that employers have a single place to go for support, advice and partnerships. This should be created with What Works Centres, industry bodies and others.

## **Reform 2: Investor-related organisations should set the foundations so that investors can incentivise businesses to recruit from marginalised groups.**

Investors are a point of leverage and in a prime position to influence businesses behaviour. The prominence of ED&I within ESG ratings frameworks has led to their engagement with employers resulting in an increase of gender and race representation on boards. The aims of the Good Jobs Project are closely aligned with ED&I, albeit with a broader scope of diversity and inclusion than is normally included in ESG frameworks. Therefore we can look to see how the existing ED&I instruments can be expanded. Activities are needed from a range of different stakeholders in order to be successful, which are summarised in the recommendations below.

1. Research the impact of expanding the ED&I agenda to strengthen evidence of financial materiality. Influential publications and organisations such as Deloitte, KPMG, McKinsey, BCG and others should strengthen the empirical evidence of the financial materiality of recruiting from marginalised groups so that investors and business leaders can have a stronger basis on which to take action.
2. Encourage investors & ESG aggregators to prioritise employment of marginalised groups. Investor-focused campaign organisations, such as Share Action, Impact Investing Institute and others, should encourage investors and ESG aggregators to include the employment of marginalised groups as part of their ED&I assessment of companies.
3. Create a platform to provide consistent and comparable investor data. The Workforce Disclosure Initiative's (WDI) annual survey is an existing platform that could be expanded to incorporate metrics relating to the recruitment, retention and quality of jobs provided to marginalised individuals so that investors, policy-makers and civil society can better assess companies.
4. Build the case to increase younger and marginalised voices on boards. Increase the representation of people under the age of 40 and those from marginalised groups on boards so that businesses benefit from diverse perspectives informing their decision-making, strategy, performance and purpose.

## **Reform 3: Business networks should collaborate to share knowledge and best practice so that managers, leaders and HR professionals are fully equipped with the skills they need.**

Influential business networks and support bodies are among the best-placed actors to foster collaboration and coordination amongst employers, and to help make the recruitment of people from marginalised groups common practice. There is a desire from employers for trustworthy, easy access guides, advice and research from reputable bodies. This will also help support a concerted effort to tackle the issue of existing misconceptions in order to unleash demand and translate that demand into effective action.

1. Improve business network coordination to make best practice common knowledge. Existing large business networks could collaborate more and coordinate in order to share advice, best practice and training through continued professional development. Collaboration and coordination is required so that best practice is reinforced, the business case becomes common knowledge and recruitment of marginalised groups becomes normal practice.
2. Start and expand issue-based employer forums to maximise peer-to-peer learning. Business networks could develop a programme of employer forums so that there are opportunities for collaboration and peer-to-peer problem solving about how to recruit from and retain people from specific marginalised groups.

## **Other: Initiatives to further influence employer opinion and behaviour.**

In order to achieve this we suggest that two actions are required.

1. Create a documentary series and an anthology of case studies to influence public opinion. A documentary series and companion case study book is created as a public awareness campaign so that this public interest mission is brought to the public's attention.
2. Conduct an annual employer pulse survey to track progress of the Good Jobs Project mission. An organisation with a large business network creates an annual pulse survey of employers so that it is possible to track the progress of the good jobs project mission over time.




## 3.2 GOVERNMENT

### Reform 1: Government incentivises and supports businesses to recruit from marginalised groups

The government is the best-placed actor to create incentives at a scale that can tip the balance in favour of a large number of employers wanting to take action. Although a variety of government-run business-targeted initiatives are, or have been, available there are ways in which they can be improved. These recommendations aim to activate demand from businesses and are complementary to any other schemes and initiatives that focus on the supply side. As we outline in our findings, although 70% of employers are aware that most of the groups would fit well in their organisation, only around 20% are taking action to target them. This translates to a 71% drop-off from awareness to action, which represents a significant missed opportunity.

Links to related insights from the research in Section Two:

-  [Government policy, legislation and schemes](#)
-  [Government incentives](#)
-  [Government schemes supporting work readiness](#)

### 1. PROVIDE TEMPORARY NATIONAL INSURANCE CONTRIBUTIONS TO LOWER THE FINANCIAL RISK FOR EMPLOYERS

WHO	HM Treasury
WHAT	Employers that recruit new employees who have been receiving Universal Support can access a temporary payment of the employer contribution to national insurance by HMT.
WHY	<p>Universal Support is an important and necessary intervention that can provide a helping hand to people with disabilities and health conditions by providing extra support to get them more work ready. The government will be spending up to £4,000 per person for 50,000 people to enable them to access wraparound support and help them to move quickly into suitable work. This goes a long way to help level the playing field by supporting the supply of labour.</p> <p>Our work has shown that while important, supply-side initiatives would benefit from also stoking demand from businesses, to build momentum in a new way of recruiting. Often businesses can be held back by a fear of the financial risk of investing in a person who doesn't work out, or the additional capital that may be required for necessary adaptations.</p> <p>Our survey showed that one of the most influential factors that would incentivise them to increase diversity in their workforce was financial grants. Therefore, we believe that more can be done to create demand from businesses and at the same time to encourage employers to recruit more people from marginalised groups. A reasonable way to activate this is via offsetting any additional financial risk that companies undertake when making adaptations. Offering a temporary payment of the employer's National Insurance contribution is a simple and non-bureaucratic solution. It is also a non-permanent measure that could be enough to kick-start further initiatives.</p>
HOW	A temporary 12-month contribution of the employer national insurance contribution for employers that hire people who have been receiving Universal Support. If successful, in the future the targeting could be broadened to include other marginalised groups.

This initiative is aligned with the ‘wrap-around’ support plan for vulnerable individuals and people distant from the labour market, by also supporting the organisations that hire them, to help them overcome complex and overlapping barriers. The total cost per year could be approximately £73 million. To illustrate, for someone on the National Living Wage of £10.42p/h working 40 hours per week, the employer would save approximately £1,500 in National Insurance contributions.<sup>193</sup>

**OUTCOME** An increase in the number of organisations creating jobs, making adaptations and recruiting from disadvantaged backgrounds.

**FUNNEL** Drive intent, Support action.

## 2. REFORM THE APPRENTICESHIP LEVY TO MAKE IT MORE ACCESSIBLE TO MARGINALISED GROUPS

**WHO** HM Treasury, local and combined authorities, and other initiatives that aid the transfer of the Apprenticeship Levy. We think the government should take the lead but this could also be supported by business networks.

**WHAT** A three-part action plan to maximise the use of apprenticeships for marginalised groups, including:

- A campaign to encourage large organisations to increase levy transfers to SMEs
- Awareness-raising on how to target marginalised groups effectively
- An upfront grant for those that do

**WHY** **Increasing levy transfers**

More can be done to tap into SMEs as providers of apprenticeship positions. Currently, SMEs provide 41% of apprenticeships despite employing 53% of the UK workforce.<sup>194,195</sup> Although many SMEs would run more apprenticeships many are not, some reasons cited were that the administration and overhead costs are prohibitive for small organisations and it is not easy to access funding to run them.

Large organisations have the opportunity to transfer their unspent levies to other businesses but many do not. The rules of the levy stipulate that if money put aside for training and apprenticeships is not spent after 24 months then it is transferred to HM Treasury. Over £1 billion of levies are returned each year.<sup>196</sup> Due to the ‘use it or lose it’ nature, some organisations feel that this acts like a stealth tax, which they can resent. However, organisations do have the opportunity to transfer 25% of unspent levy funds to other employers if they wish, and despite their complaints, currently many are not. Some of the reasons were that they were simply not aware of how to transfer, or that they believe it is complicated and requires considerable resources which acts as a blocker. Both of these reasons come down to an issue of awareness.

<sup>193</sup> This is based on the following distribution of income: 13% on £12,500pa, 27% on £15,000pa, 39% on £20,000 and 22% on £30,000 and an employer National Insurance contribution of 13.8% after the £9,096 deduction.

<sup>194</sup> Department for Education, 28/04/2022, [Apprenticeships in England by industry characteristics](#)

<sup>195</sup> Department for Business, Energy & Industrial Strategy, 06/10/2022, [Business population estimates for the UK and regions 2022: statistical release](#)

<sup>196</sup> Institute for Public Policy Research, 27/07/2022, [Over £3 billion in unspent apprenticeship levy lost to Treasury ‘black hole’ new data reveal](#)

There are incentives for large organisations to transfer it instead of returning it, such as:

- Being able to demonstrably invest in their local communities.
- Changing from a 'levy is a tax' mindset to having influence over where the 'tax' is spent. If it is going to be spent anyway, why not have control over it?
- Complementing investments organisations make relating to brand loyalty and public relations.

From a government perspective, outwardly it could seem that it is not in their interest since they could lose tax income, however we believe that facilitating more business to business transfers is in their interest. The money is still being spent on training, skills and qualifications, and there are additional benefits such as increased local investment and community cohesiveness.

#### **Making apprenticeships more accessible to marginalised groups**

According to recent work by the Social Mobility Commission apprenticeships are failing people from marginalised groups, while those from more privileged backgrounds are reaping greater benefits.<sup>197</sup> This is largely due to how the apprenticeship positions are advertised and marketed, meaning that many people are put off from applying. The recommendations they propose to make apprenticeships more accessible to marginalised groups closely echo many of the findings made in this report.

For marginalised groups the combined recommendations could make many more apprenticeships available and attractive to them.

#### **An upfront grant**

An upfront financial grant for employers that recruit the most marginalised groups (such as care leavers, homeless people and those with criminal records) would help to cover additional upfront costs required for additional admin or HR support.

## **HOW**

### **Increasing levy transfers**

A government-run campaign aiming to get at least 50 of the 100 largest UK organisations, ideally marque brands, to transfer as much of their unspent levy as possible and to publicise it. In short, to encourage them to take the lead and make it visible. The government could showcase the top performing organisations.

The campaign goal is to encourage large employers to transfer their unspent levy instead of returning it and to broadcast their actions via PR to influence others to do the same.

Local and combined authorities should act as intermediaries to help with the levy transfers, and many already do. The authorities are able to de-risk the flow of unspent levy transferring to 'less desirable' organisations via a due diligence process. This should alleviate concerns that organisations might have about 'investing' in companies that they don't have control over.

In addition to the campaign, some of the restrictions on how the levy can be spent by SMEs could be adjusted, allowing them to spend some of it on administration costs, or to pool it with other SMEs to fund shared resources.

### **Making apprenticeships more accessible to marginalised groups**

In order to make apprenticeships more attractive to marginalised groups, part of a government-to-business communications goal could be to amplify the recommendations from the Social Mobility Commission, including:

- Ensuring active inclusion and the removal of potentially invisible forces that can dissuade those from disadvantaged communities from applying.
- Greater community outreach with people from marginalised groups.

<sup>197</sup> Social Mobility Commission, 06/2020, [Apprenticeships and social mobility](#)

- Removal of other barriers that don't match the circumstances of marginalised groups, perhaps through flexible working hours and other adaptations.
- Making it clear that progression is possible and what it looks like.
- Using data through the recruitment process to better understand what potential barriers exist in current recruitment processes.

#### An upfront grant

Funding is made available upfront for employers offering apprenticeships to those furthest from the labour market, such as homeless people, people with criminal records and care leavers. Targets relating to completion rates should be applied.

**OUTCOME** A race to the top is created with more large organisations transferring their levy, thereby increasing the number of SMEs offering apprenticeships.

As a result, more marginalised groups are attracted to apply for apprenticeships.

**FUNNEL** Drive intent.

### 3. DEVELOP A CENTRALISED KNOWLEDGE BANK TO MAKE IT EASIER FOR BUSINESS TO RECRUIT FROM MARGINALISED GROUPS

**WHO** DWP, a consultancy and development team, and a working group formed by the business networks above, issue-specific representative groups, What Works Centres and Industry bodies.

**WHAT** A new entity is created in order to centralise existing knowledge. Content is available through a branded standalone website and via modular white-labelled assets that can be integrated on other websites (e.g. business and professional networks and industry bodies). This could be created and hosted by DWP. The content includes:

- A directory listing organisations that businesses can partner with to help with the recruitment of marginalised groups (e.g. charities, social enterprises and specialist recruiters)
- A library of existing best practice guides
- A library of case studies.

A potential future feature for development could include a jobs posting and matching tool.

**WHY** We heard repeatedly that intent to recruit from these groups is often hindered due to not knowing where to start. In addition, simplicity is crucial in order to make information accessible to businesses.

The vast number of people we interviewed spoke of the benefits of partnerships with intermediaries to facilitate recruitment from marginalised groups, particularly as most businesses did not have in-house expertise to carry this out successfully. They also spoke of being confused by sources of information that all make different recommendations.

**HOW** A requirement gathering phase: an entity will need to be created with specific terms of reference that include details of how it will be funded, how it will be maintained in the future, and what the quality control process could look like. Any such entity or platform needs to be designed based on user-centric design principles with a robust requirement for a gathering and scoping phase, consulting with employers to establish end-user stories and information gaps.



A content collation phase: since a lot of content already exists, the priority should be to collate, curate, and centralise existing knowledge rather than to create anything new. This can include 1) case studies and research across a large number of different business sizes and sectors relating to the recruitment of a range of marginalised groups, 2) building a directory of organisations, and 3) a quality control stage to ensure the content is based on what works.

A development and testing phase: this involves the design and build of the front-end user interface for a standalone website as well as for content modules that can be embedded on partner websites as rebrandable white-labelled assets.

A distribution phase: The portal and its distribution partners launch and market the content. This should be coupled with a robust integration and testing plan.

**OUTCOME** Employers will have a single place to access content, thereby making knowledge and information to inform research is easier to find, more easily accessible and more consistent. Collectively, the content will form a de-risking toolkit.

Information that dispels myths and pre-existing assumptions will be more widespread. Through the library of case studies and other information, business cases will be easier to develop. People will be more easily able to find evidence about recruiting from marginalised groups.

Partnerships with charities, social enterprises and other intermediaries that support marginalised groups will be easier to find which is of mutual benefit to employers and intermediaries.






**FUNNEL** Drive intent, Support action

## 3.3. INVESTORS AND INVESTOR-FOCUSED ORGANISATIONS

Reform 2: Investor-related organisations set the foundations to enable investors to incentivise businesses recruiting from marginalised groups

Investors are a point of leverage and are able to influence businesses behaviour. The prominence of ED&I within ESG ratings frameworks has led to their engagement with employers resulting in an increase of gender and race representation on boards. The aims of the Good Jobs Project are closely aligned with ED&I albeit with a broader scope of diversity and inclusion than is normally included in ESG frameworks. Therefore we can look to see how the existing ED&I instruments can be expanded. Activities are needed from a range of different stakeholders in order to be successful, which are summarised in the recommendations below.

Links to related insights from the research in Section Two:

-  [The equality, diversity and inclusion agenda](#)
-  [Investors and ESG](#)
-  [Generational mindsets of leaders and employees](#)
-  [Internal culture](#)
-  [Prejudice, misconceptions and bias](#)

## 4. RESEARCH THE IMPACT OF EXPANDING THE ED&I AGENDA TO STRENGTHEN EVIDENCE OF FINANCIAL MATERIALITY

- WHO** Organisations with high reach in influence with investors and employers, such as: Consultancies (e.g. Deloitte, EY, KPMG and PwC), strategy consultancies (e.g. Bain & Company, McKinsey & Company and the Boston Consulting Group), influential publications (e.g. Harvard Business Review and The Financial Times), What Works Centres (e.g. The Youth Futures Foundation) and academia.
- WHAT** This is a call to action for more research, evidence and publications on the materiality of an expanded ED&I agenda focused on demonstrating the materiality of its impacts. This could include assessments on:
- Business performance metrics: examples would include exposure to risk, staff satisfaction, staff turnover or profit, as well as assessing the cost benefit of not filling roles vs. employing people from marginalised groups.
- Financial materiality: this would involve assessing whether taking action, and the counterfactual of not taking action, positively or negatively affect an organisation's exposure to risk and opportunity.
- Social impact materiality: this would involve evaluating changes to reoffending rates, employment and unemployment levels, and the numbers of those claiming benefits.
- WHY** While there is already strong evidence that recruiting people from marginalised groups can be an effective way of filling labour gaps and driving business success, it needs to be strengthened for this movement to take off. With greater evidence of financial materiality capital markets will be far more likely to get behind businesses pursuing this approach, in the way they have done for climate change.

HOW	<p>Campaigners need to influence journalists and consultants to include marginalised groups into their research and publication agenda. Where they already have content, this can be expanded.<sup>198,199</sup> This should include increasing the research and evidence base relating to the financial materiality for investors, business success measures and the impacts on society.</p> <p>Since this will take time to develop, a short-term goal could be collating case studies and literature reviews while other longer-term studies are conducted.</p> <p>When they undertake research, they publish their findings and work to share insights with their clients and wider audiences.</p>
OUTCOME	As the evidence and publications base grows so too does the likelihood that investors will encourage businesses to employ people from marginalised groups.
FUNNEL	Raise awareness, Drive intent.

## 5. ENCOURAGE INVESTORS & ESG AGGREGATORS TO PRIORITISE EMPLOYMENT OF MARGINALISED GROUPS

WHO	<p>Existing investor-focused campaign groups and market thought-leaders such as ShareAction, Make My Money Matter, Pensions for Purpose and the Impact Investing Institute.</p> <p>All of these organisations are set up to influence the financial system in different ways, some through demonstrating public demand, some through convening investors together, others through research. This could also include the Investor Forum.</p>
WHAT	They could increase the breadth of their current campaigns to include an expanded scope of ED&I, specifically relating to the recruitment, retention and professional development of people from marginalised groups.
WHY	Influence from external parties like campaign organisations can raise investors' awareness of the opportunity and prompt them to take action.
HOW	<p>Build a constructive dialogue with investors and ESG aggregators to help develop an understanding of the value created by a focus on marginalised groups as part of their ED&amp;I agenda.</p> <p>This could happen through engagement and outreach events, such as a roundtable series. More specifically, ShareAction could increase the scope of the metrics used in their annual WDI survey, and the Impact Investing Institute could begin a project to create more influential publications on the topic.</p> <p>This recommendation should be done in unison with Strengthening the evidence of financial materiality.</p>
OUTCOME	The influence of such campaigns can prompt investors and ESG rating platforms to begin to increase the weighting of recruitment from marginalised groups in their ESG frameworks which could ultimately lead to investors increasing the disclosure requirements from businesses relating to the recruitment of marginalised groups.
FUNNEL	Raise awareness, Drive intent.

<sup>198</sup> Harvard Business Review, [Diversity and inclusion](#)

<sup>199</sup> McKinsey & Company, [Diversity and inclusion](#)

## 6. CREATE A PLATFORM TO PROVIDE CONSISTENT AND COMPARABLE INVESTOR DATA

WHO	<p>The WDI, is the only investor-backed platform for disclosure of company workforce data covering both direct operations and supply chains. It is run and operated by ShareAction.</p> <p>Alternatives could include other impact measurement standard setters, such as GRI and the Value Reporting Foundation.</p>
WHAT	<p>The WDI could expand their annual survey to include more information on the inclusion of marginalised groups in business recruitment.</p> <p>Note, there are other options that could create corporate transparency, such as including the requirement for businesses to reference it in their company reports. However, we believe that organisations reporting into a single data repository is preferable.<sup>200</sup></p>
WHY	<p>In order for data and information about ED&amp;I to be useful for investors (and other external parties) it should be consistent and comparable. This enables comparisons to be made across organisations, and within single organisations over time.</p> <p>The WDI database is well positioned to receive and share the information. The WDI investor coalition is made up of 68 institutions with \$10 trillion in assets under management. 173 organisations reported into the 2021 survey totalling more than 13 million direct employees. It is a centralised thematic database that is built for the purpose of providing transparency of business workforce data.</p>
HOW	<p>The WDI, or other standard setters, form a working group with investors, representatives from core issue groups, business leaders, academics and auditors to formulate suitable metrics and include them in their future data collection tools. Notes:</p> <ol style="list-style-type: none"><li>1. If the transparency of such ED&amp;I data is supported by business and financial regulators, the data would have to be audited. The benefit of this would be to reduce the opportunities for gaming the system with poor quality disclosures.</li><li>2. If multiple standard setters intend to create metrics relating to an expanded ED&amp;I scope then it is essential that they work together to ensure compatibility between their standards from the outset.</li><li>3. Some aspects of disclosure relating to the Good Jobs Project could include sensitive data, some of which could be covered by the Equality Act 2010. This could make accurate data collection a challenge to be solved. For instance, people with experience of the criminal justice system, or with particular disabilities or health risks may not wish to disclose these for fear of discrimination. Therefore, any resulting frameworks need to be thought through carefully and with inclusion of people from the marginalised groups.</li><li>4. Qualitative indicators are as essential as quantitative metrics e.g. job satisfaction, engagement, progression or speed of getting workplace adjustments. It is important that accompanying narratives are effective at communicating the context of the numbers, what they mean, and what the organisation is doing as a result.</li><li>5. A question relates to whether this is a voluntary or mandatory disclosure. The latter would require the engagement of financial services regulators and consideration of how this can relate to large global businesses that operate in different jurisdictions, with different labour and data privacy laws. We believe that initially, this could be a voluntary disclosure since pressure from investors can be enough to encourage businesses to report.</li></ol>

<sup>200</sup> The difference between a centralised database approach vs. inclusion of data in company reports: A centralised database creates a data architecture that vastly simplifies access to information for other parties like investors and ESG aggregators. It means that investors and ESG aggregators can retrieve all information from a single place and all data is reported to the same standard making it consistent and comparable. Reporting via company reports creates a distributed data model where information is made publicly available in company reports (or elsewhere). It creates a significant challenge for those that need to centralise from disparate places, and since different standards might be used, processing it can be complex. It therefore makes sense to design data centralisation from the outset.

**OUTCOME** Within business, when requirements to make disclosures are in place, an end results is often said to be 'that which gets measured gets managed.'

Investors (and other external parties, such as academics) can take advantage of a single data source to add to their ESG models. This can enable comparisons and benchmarking across organisations.

This initiative could support the efforts of DWP's Taskforce on Social Factors which could help investors to address risk and seize opportunities related to the social element of ESG investing for pensions.<sup>201</sup>

**FUNNEL** Supporting action.

## 7. BUILD THE CASE TO INCREASE YOUNGER AND MARGINALISED VOICES ON BOARDS

**WHO** Consultancies (e.g. Deloitte, EY, KPMG and PwC), strategy consultancies (e.g. Bain & Company, McKinsey & Company and the Boston Consulting Group), influential publications (e.g. Harvard Business Review and The Financial Times)

**WHAT** Influential publications encourage the increased participation of the under 40s and marginalised groups on boards.

**WHY** Younger generations tend to believe more in the benefits of diversity in recruitment. In 2020, more than 60% of the world's population was under the age of 40. Meanwhile, the average age of board members is often over 60, in many cases members can be in their 80s and there are very few under 40s on boards.<sup>202</sup> People from different age groups bring different perspectives. From our survey, younger employers were more likely to see increased diversity within business as a good thing. Young people have a longer time horizon and can bring a focus on sustainability and future-oriented strategies. They can also bring their experiences of emerging trends and technologies to the business.

More directly, the increased participation of marginalised groups on boards could have the same effect.

Directors on boards provide strategic direction and guidance to the company's management team, and are responsible for setting the overall direction and goals of the company. They have the pivotal responsibilities of approving major strategic and financial decisions and oversee the company's financial performance. There has been a growing body of evidence linking the diversity of boards and the success of companies.

**HOW** Influential actors such as PwC, Forbes and World Economic Forum have published research into the representation of young people on boards. These, and other influencers, should continue to raise awareness of this agenda, and produce annual pulse checks to monitor change. They could support other public campaigns such as Boardroom 2030, which campaigns for assessing the composition of boards specifically for the purpose of addressing the problems facing society today.

**OUTCOME** The growing concerns of the younger generations are given a voice at the board room.

**FUNNEL** Raise Awareness.

<sup>201</sup> Opperman, G., Department for Work and Pensions, 15/07/2022, [New taskforce to support pension scheme engagement with social factors in ESG investing](#)

<sup>202</sup> Harvard Law School Forum on Corporate Governance, 06/04/2017, [Age Diversity Within Boards of Directors of the S&P 500 Companies](#)

## 3.4. BUSINESS NETWORKS AND SUPPORT BODIES

### Reform 3: Business networks collaborate to share knowledge on recruiting from marginalised groups

The Good Jobs Project needs more employers to want to employ from marginalised groups, so a concerted effort is needed to tackle the issue of existing misconceptions in order to unleash demand and translate that demand into effective action.

There is a desire from employers for trustworthy, easy access guides. Feedback from the interviews and the survey indicated that evidence, research and clear guidance from authoritative sources would be helpful. While some great examples do exist (see [Recruiting young people facing disadvantage](#)), much more is needed. We heard from many people that what they need is hard to find, that it can be inconsistent or contradictory, that it can be hard to understand (i.e. not presented in a useful business-friendly manner) and that it is usually specific to one marginalised group (i.e. it does not cover the concerns of all groups in one place).

Being able to access advice and research from reputable bodies was the favoured solution for time and resource-poor teams who appeared to want quick wins via cheat sheets and simple how-to guides. While BITC already provides some excellent resources, more can be done to expand the breadth of content and the reach of the materials.<sup>203</sup>

Note: For this reform, when we refer to business networks and support bodies we include professional business networks, member organisations, industry bodies and trade associations, advisory service providers and regional growth hubs. Although the scope and purpose of each organisation varies greatly, the common thread is that their touchpoints with businesses are often in an advisory or supportive role and their primary audiences are business leaders, HR professionals and managers. Collectively their networks could reach millions of businesses in the UK.<sup>204</sup> Some, but not all of the business network organisations already have some complementary activities in place that could be expanded upon.

#### Links to related insights from the research in Section Two:

-  [Internal culture](#)
-  [Formal and informal professional development](#)
-  [Influence of recruiters](#)
-  [Employee retention and attraction](#)
-  [Workforce quality and creativity](#)
-  [The social value act and procurement](#)
-  [Community relations](#)
-  [Prejudice, misconceptions and bias](#)
-  [Risk and opportunity](#)
-  [Partnerships](#)
-  [Right-sized measurement and targets](#)
-  [Business forums](#)
-  [Flexibility of business processes](#)
-  [Sufficient internal resources](#)
-  [Availability of mainstream playbooks](#)

<sup>203</sup>BITC provides a lot of advice and guidance to their members through their advisory services and their content. They have many existing resources, toolkits, factsheets and regularly produce insights. They are currently in the process of expanding access to their materials beyond their membership base.

<sup>204</sup>Through the BCC, IoD, FSB, CIPD and CMI there are over half a million businesses (583,000), and this does not include the reach of the major industry bodies. Figures are estimated based on published information by BCC (73,000), IoD (20,000), FSB (150,000), CIPD (160,000 worldwide) and CMI (180,000 worldwide).

## 8. IMPROVE BUSINESS NETWORK COORDINATION TO MAKE BEST PRACTICE COMMON KNOWLEDGE

WHO	A broad range of organisations from business networks (e.g. BCC, IoD, FSB, CBI, IFB), professional bodies (such as CIPD, CMI, ACAS), sector specific industry bodies, What Works Centres and others such as BITC.
WHAT	<p>Coordination across networks to ensure consistency of messaging would help to reinforce best practice, and build greater understanding of what works (and what doesn't) for different groups and to make it common knowledge.</p> <p>Upskilling business leaders, HR and managers of all levels through regular communications, events, training and thought leadership.</p>
WHY	Efforts are needed to address common misconceptions and prejudice in order to increase demand. Expertise is needed to effectively capture any additional demand and turn it into successful recruitment.
HOW	<p>A coordination group is formed between the largest business networks, professional, sector-specific industry bodies and What Works Centres. Membership could be voluntary and the chair/co-chairs roles rotate between organisations to democratise coordination.</p> <p>Evidence-based tools, resources and guidance are devised and created in partnership with authoritative partners by curating and collating what already exists making it easy and usable and findable rather than reinventing the wheel. Activities or campaigns should be informed by what we know works i.e. via What Works Centres.</p> <p>Business networks are able to pool resources and coordinate national communication programmes.</p>
OUTCOME	Many more people within business are made aware of the opportunities and the business case becomes more obvious and well known. Employers are given the knowledge and skills to recruit from marginalised groups, and line management capabilities are improved. There is consistency of key messaging but specifics are tailored to the speciality of each network.
FUNNEL	All

## 9. EXPAND ISSUE-BASED EMPLOYER FORUMS TO MAXIMISE PEER-TO-PEER LEARNING

WHO	Business networks' regional offices (BCC, IoD, FSB, CIPD, CMI, BITC etc), growth hubs, and other sector specific forums.
WHAT	<p>Existing networks develop a programme of 'business solves' forums where they convene groups of businesses that want to learn from each other about how to recruit from and retain people from specific marginalised groups, such as homeless people, care leavers, people with mental health issues or young people with experience of the criminal justice system. The forums could also be tailored to industry sectors.</p> <p>The forums are run by businesses for businesses and build upon existing examples where collaboration, not competition, is a core principle.</p>









WHY	<p>Peer-to-peer learning can be an effective way to solve problems quickly, enabling people to learn from others' experience and shortcut the discovery of potential solutions to try.</p> <p>Our research strongly showed that employer-led forums were excellent places to share problems and for employers to learn from each other. The employers we spoke with wanted to be around those with the same passions, and to hear from those who have experienced the challenges and were able to find solutions that worked for them, specifically while holding the employer perspective.</p>
HOW	<p>Regional business, or sector-specific networks identify their unique needs and have the role of creating and managing scheduling and coordination, and they can facilitate in a sponsorship capacity through providing venues.</p> <p>Any existing forums are invited to lead the sessions. For instance some forums already exist that could be invited to act as facilitators, such as EFFRR for people with criminal records and TENT for refugees. Where existing forums can't be found, calls to business leaders with experience of recruiting from certain groups can be made. BITC already runs forums through task forces on specific subjects such as recruiting and retaining young Black men. These are supported by topic-specific champions such as gender and race champions.</p> <p>While the programme can be coordinated and sponsored in partnerships with business networks, the content and running of the sessions should be led by businesses themselves. Similarly, specialist stakeholders, such as representatives from What Works Centres, could play a listening role in forums, to ensure that solutions are based on evidence, as opposed to hearsay. They can also provide wider learning materials after events are held.</p> <p>Networks that convene forums could meet quarterly to share learnings across the different groups.</p>
OUTCOME	<p>Businesses collaborate on common recruitment goals and share best practices between them. Emphasis is on collaboration over competition. If done carefully, there could be a way that friendly competition over recruiting from marginalised groups could encourage action. In which case collaboration and competition could be complementary if done well.</p>
FUNNEL	<p>Supporting action, Driving intent</p>

## 3.5. OTHER

### Initiatives: Further ways to influence employer opinion and behaviour

We believe that the ethos behind the Good Jobs Project is one that is worth sharing. We think that many more people can be made aware of and encouraged to recruit marginalised people into their teams. Organisations are fundamentally built on and exist within communities, so by reaching a wide audience it is possible to influence how people behave in their day-to-day roles.

#### Links to related insights from the research in Section Two:

-  [The equality, diversity and inclusion agenda](#)
-  [Generational mindsets of leaders and employees](#)
-  [Lived / first-hand exposure](#)
-  [Influence of recruiters](#)
-  [Workforce quality and creativity](#)
-  [Prejudice, misconceptions and bias](#)

## 10. CREATE A DOCUMENTARY SERIES AND AN ANTHOLOGY OF CASE STUDIES TO INFLUENCE PUBLIC OPINION

WHO	An investigative journalist, a media production agency, a cohort of marginalised individuals and a selection of employers.
WHAT	Investigative journalism-based, documentary-style programming across TV, radio and a book focusing on businesses benefiting from successfully recruiting from marginalised groups.
WHY	<p>Campaigns broadcast to a wide audience can be hugely successful at raising awareness and influencing public opinion on issues of public interest. Storytelling through TV and radio can be a powerful medium to raise awareness of issues and inspire people, and there are many stories to be told that relate to the Good Jobs Project. We believe that the journeys that employers and marginalised individuals' go on are inspiring and impactful. Most importantly, the overarching message is of public interest and is also interesting to the public.</p> <p>The use of investigative journalism combined with storytelling can make for highly engaging documentary-style programmes, particularly whilst at the moment there is a compelling narrative of businesses struggling to stay afloat as a result of the high levels of vacancies, the tight labour market, low productivity and the cost of living crisis.</p>
HOW	<p>A media production agency and investigative journalist follow a number of employers and individuals over a period of time, shedding light on the challenges that both face along the way and how they are overcome.</p> <p>Perspectives should be given from the point of view of the candidates and their communities, the recruiters, the employers, HR teams, the managers, the leadership teams and the teams that the employees end up joining. Business in the Community could be an appropriate partner that already has a wealth of materials prepared.</p> <p>The storyline developed should be done in a participatory, inclusive and anti-oppressive way, ensuring that the voices of marginalised people are platformed, whilst business needs are met.</p>

Programming across mediums (TV, radio and social media) could reach a wider audience and engage people in different ways. A companion book could be created that provides large numbers of real-life case studies that can be used as an inspiration driver and a reference guide for employers.

Having a trusted champion or popular advocate to be the face of the campaign or narrator could help as a means of endorsement.

**OUTCOME** Public opinion about marginalised groups is influenced along with dispelling many of the existing myths and destigmatising some of the social barriers or challenges which affect marginalised groups.

Awareness at an individual level informs and influences behaviour in work, leading to more employers wanting to recruit from marginalised groups.

**FUNNEL** Raise awareness, Drive Intent

## 11. CONDUCT AN ANNUAL EMPLOYER PULSE SURVEY TO TRACK PROGRESS OF THE GOOD JOBS PROJECT MISSION

From the conversations we have held to date, we have a strong sense that there is an appetite from employers to do more but there are significant blockers that hold them back. The politicians, civil servants and business networks we spoke with were supportive of the mission. In order to achieve the mission of the Good Jobs Project, it requires the concerted effort from multiple stakeholders, including government, investors and the business support ecosystem. We want to be able to assess if actions lead to the expected results and how business behaviours change over time.

The funnel framework lends itself well as a measurement tool that can assess the overall direction of travel and to see if more employers are aware, want to and are making efforts to recruit from marginalised groups.

**WHO** An organisation that has the ability to sample and research from a representative sample of the UK business population at the country, region, sector and organisation size level. Both the BCC and CIPD could be appropriate partners. Alternatively, studies could be commissioned through market research agencies.

**WHAT** An annual pulse survey that makes periodic assessments of the Good Jobs Project funnel, with results segmented by marginalised group, region, sector and organisation size.

**WHY** It is important to build knowledge of what interventions are successful and which are not, as well as tracking the long-term progress of the mission of the Good Jobs Project.

**HOW** The Good Jobs Project survey tool could be evolved and adapted to be used as an ongoing pulse-check survey. There may be a quick win where a few questions from the survey too could be incorporated into existing surveys.

**OUTCOME** This will provide longitudinal data and track changes over time, enabling the monitoring of the intended and unintended effects of any interventions.  
Regular publishing of employer attitudes and behaviours could help to continue to raise awareness of this important opportunity.

# CONCLUSION

We believe that this report has presented a fresh approach to the issue of labour shortage in the UK. By promoting a purpose-driven business model, we hope to provide a sustainable solution that benefits both businesses and society.

Our research has shown that many employers are struggling to fill vacancies, while many individuals from marginalised groups are held back from accessing employment opportunities. By intentionally targeting these groups for recruitment, businesses can fill their vacancies while also contributing towards improving the life chances of people from marginalised groups.

This report marks the first publication of the Good Jobs Project, and it lays the foundations necessary to enable a transformation in the way UK businesses recruit. We hope that our research and proposals will help to unlock the full power of businesses to do good and normalise the inclusion of different groups into the workforce.

Our shared goal is that employers intentionally target people that are commonly marginalised from accessing good jobs to fill their vacancies. To make this happen, two key conditions should exist.

1. Businesses must see the value in the targeted recruitment of marginalised groups.
2. It becomes easier for them to do so.

We believe that the purpose-driven business approach is the way forward, and have proposed a set of reforms and market interventions to incentivise and support businesses to target marginalised groups. By doing so, we hope to significantly narrow the vacancy gap and benefit society as a whole.

We encourage those with the power to influence the market, such as the government, investors, business networks and support bodies, and researchers, to create an environment that will motivate and support employers to hire certain people more easily and profitably.

In addition to the recommendations made in this report, future work of the Good Jobs Project could include:

- Further defining what it means for a job to be 'good'.
- Co-creating solutions for businesses in specific sectors with stakeholders from marginalised groups.
- More accurately sizing the marginalised groups and estimating the economic cost to the government of businesses not taking actions to recruit from these groups.
- Summarising similar approaches in other countries across the world.
- Undertaking deep-dive research on specific sectors or marginalised groups to highlight the specific challenges and opportunities that exist, and highlighting what can work at scale.

We hope that this has been a thought-provoking report and we encourage readers to think about other ways that we might be able to mainstream the intentional and targeted recruitment of marginalised groups in the minds of key decision-makers across influential businesses, government and investors.

The Good Jobs Project is a collaborative initiative so please do get in touch to share your ideas and reflections. We also encourage you to add your voice to the organisations that support the vision of the project.

Email: [info@re-generate.org](mailto:info@re-generate.org)

Web: [re-generate.org/the-good-jobs-project](https://re-generate.org/the-good-jobs-project)

# REGIONAL SPOTLIGHT: THE WEST MIDLANDS

## Introduction

In this spotlight we look at the West Midlands as a region through the lens of the Good Jobs Project. This includes summarising labour force statistics, highlighting the views of local employers and proposing recommendations aimed at helping employers to use recruitment as a tool to improve regional prosperity, for businesses and communities.

The region is geographically diverse with a mixture of urban and rural settings. It has seven cities: Birmingham, Coventry, Hereford, Lichfield, Stoke-on-Trent, Wolverhampton and Worcester.



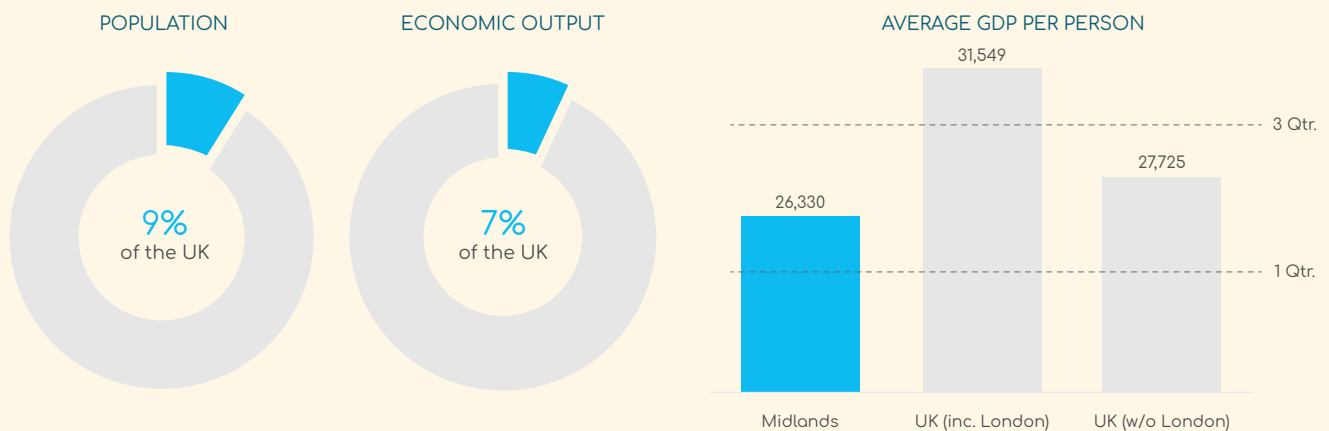
## Region profile

### Economic output

The region makes up about 9% of the UK population and accounts for approximately 7% of the UK GDP. Although the average GDP per person is about £1,400 less than the UK average (not including London) it is still more or less in line with the rest of the UK (see Figure A).

**FIGURE A: THE WEST MIDLANDS HAS A LOWER ECONOMIC OUTPUT THAN THE UK AVERAGE ON A PER PERSON BASIS**

A comparison of economic output in the West Midlands with the UK average



Source: [UK Census 2021 \(Nomisweb/ONS\)](#), [UK GDP by region 2020 \(Statista\)](#)

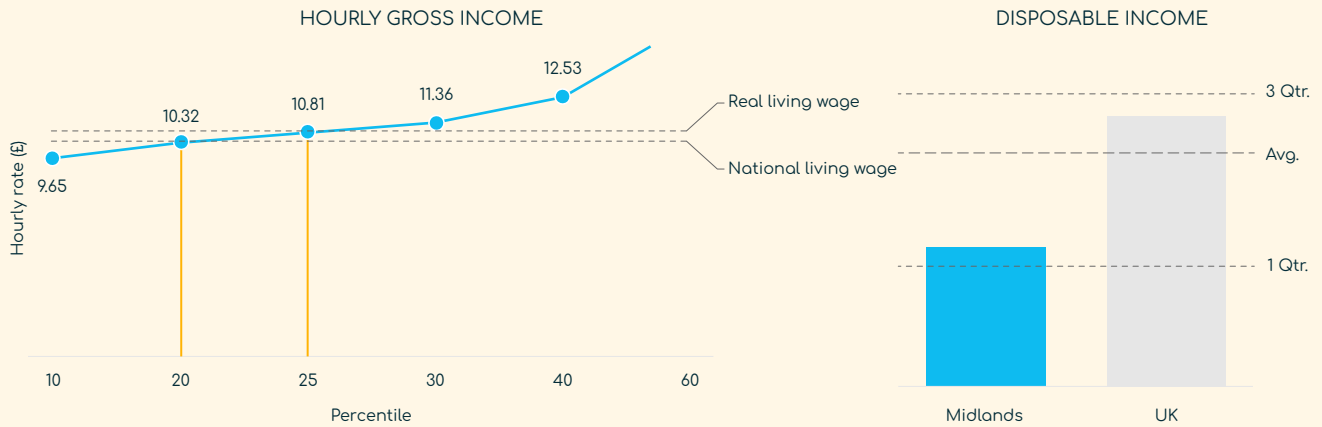
### Income

There is an opportunity for employers to address in-work poverty and to boost the spending power of households across the region.

Based on provisional ONS data on earnings and hours worked for 2022, the median gross weekly earnings were £517.50 per week, or £26,708 per annum. The median hourly pay was £14.01 per hour which is £3.11 more than the recommended Real Living Wage for outside of London. However, about 25% of the region are earning under the Real Living Wage, 20% earn less than the National Living Wage and the lowest 10% earn just £9.65 per hour (see Figure B). The region has an average gross disposable household income (after direct and indirect taxes and direct benefits) of £18.4k, which is £3k lower than the national average. As the cost of living increases this can put a particular strain on households with lower disposable income.

**FIGURE B: ABOUT 25% OF THE WEST MIDLANDS POPULATION ARE EARNING LESS THAN THE REAL LIVING WAGE**

A comparison of incomes in the West Midlands



Source: [Earnings and hours worked 2022 provisional \(ONS\)](#), [Regional gross disposable household income \(ONS\)](#)

**Employment and economic activity**

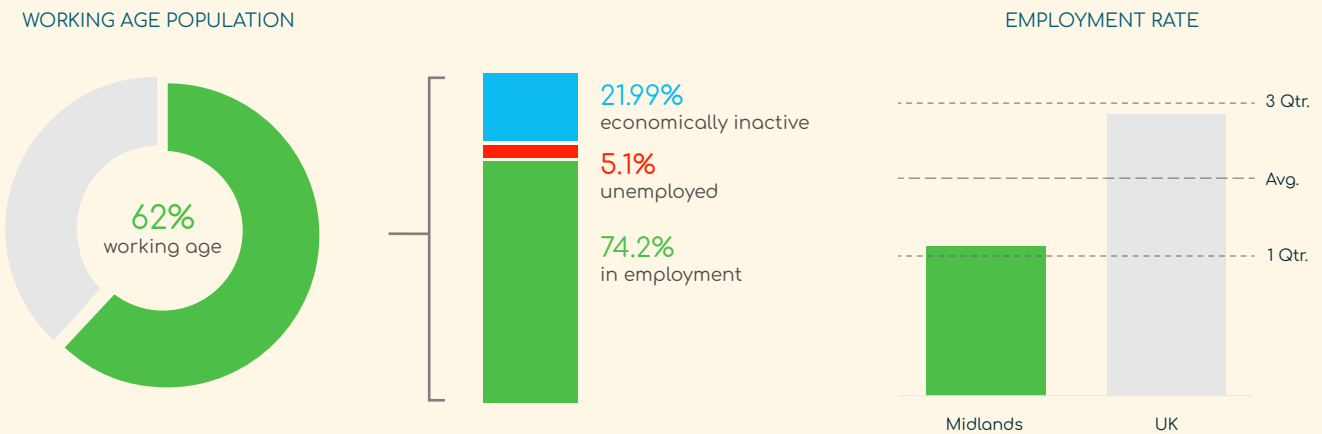
Despite a growing skills gap and challenges filling vacancies, we believe that there is a sufficient supply of labour, although not all of it is necessarily obvious to employers. If this were tapped into, it could increase the size of the active workforce.

Based on official employment data, 62% of the West Midlands population are of working age, of which 74.2% are in employment, which is 1.7 percentage points less than the UK average. 5.1% are unemployed, which is 1.2 percentage points more than the UK average (see Figure C).

The regional inactivity rate is 21.9% (which is 0.9 percentage points more than the UK average). Some of the inactive population are likely to be involuntarily inactive, i.e. those who could work or look for a job if they had adequate support or better employment prospects. Nearly one in five (17%) in the West Midlands said they actively want a job in the 2021 Census.<sup>205</sup> This could mean a further 3.7% of the region's population (about 220k people) are not included in unemployment numbers.<sup>206</sup> The remainder of the economically inactive may not be able to work due to disabilities, long term health conditions or other reasons.

**FIGURE C: ESTIMATES OF THE WORKING AGE POTENTIAL WORKFORCE IN THE WEST MIDLANDS**

A comparison of employment, unemployment and inactivity rates in the region



Source: [Labour Force survey Jan-Mar 2023 \(ONS\)](#)

205 ONS via Nomis, [UK Census 2021](#)

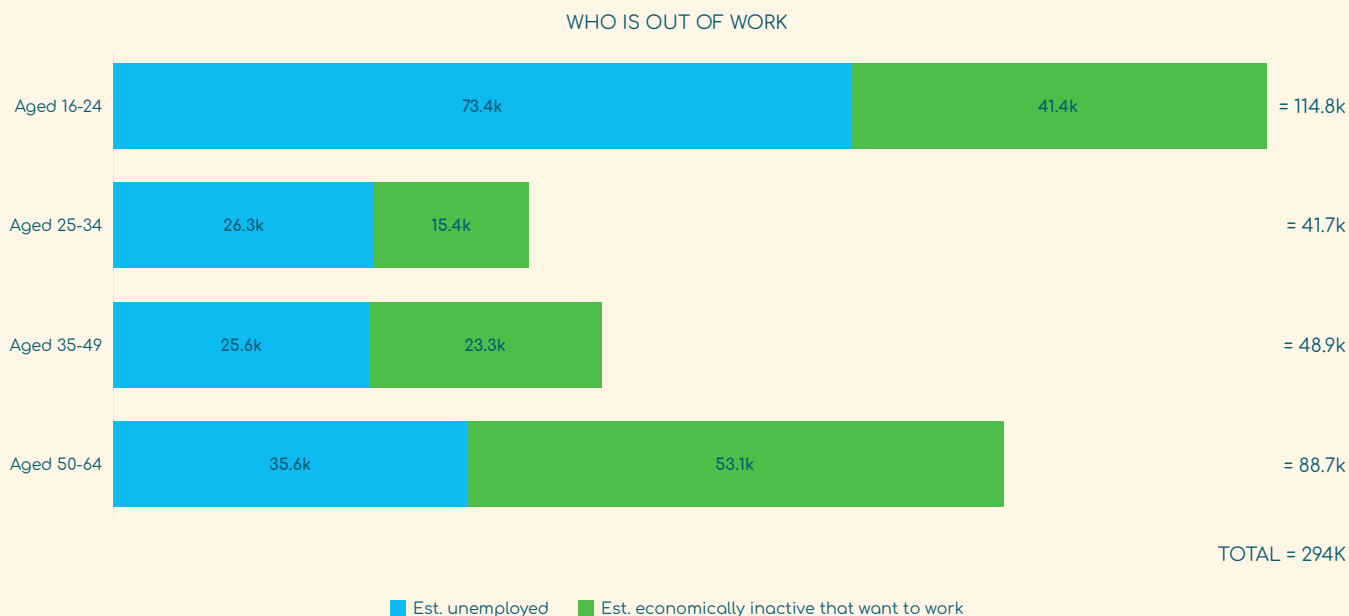
206 This data is from the 2021 Census and is therefore indicative only

## Who are the unemployed and economically inactive

There could be as many as 300k people in the West Midlands that are out of work who would like to work (see Figure D).<sup>207</sup> There are many ways to segment these people. Segmenting the working age population into age groups is one way to help to identify groups that could be prioritised for different interventions. In the region, the mixture of the younger, mid-career age and the older workforce is well distributed, meaning a variety of options for employers are available.

**FIGURE D: NEARLY 300K ARE OUT OF WORK THAT WOULD LIKE TO WORK IN THE WEST MIDLANDS**

Estimates based on total unemployment and 17% of economically inactive by age group



Source: [Employment, unemployment and economic inactivity by age group \(ONS\)](#), [LFS: Unemployment rate: UK: All: Aged 16-24 \(ONS\)](#), [West Midlands Region \(Nomis\)](#)

This exercise should be repeated to estimate the opportunities of all marginalised groups such as those with experience of the criminal justice system, care leavers, disabilities and ethnic minorities, as many of these will face the significant barriers to employment highlighted throughout this report.

## Birmingham

At a city level, Birmingham, the largest city in the West Midlands, has an employment rate of 69%, which is 5.4 percentage points lower than the national average (see Figure E). It is the 7th most deprived local authority in England and the most deprived authority in the West Midlands Metropolitan area.<sup>208</sup> It has the highest concentration of overcrowded properties in the West Midlands.<sup>209</sup> Birmingham Hodge Hill, a densely populated constituency in the east of the city, has the second highest unemployment rate, the highest child poverty rate and fuel poverty rate and ranks second lowest on the index of deprivation of any constituency in England.<sup>210</sup>

<sup>207</sup> Note: Although the numbers presented are not likely to accurately reflect each age group, they present an indicative number in lieu of the granular information. To estimate the number of unemployed people, we took the national unemployment figures and applied them to the corresponding age demographics for the West Midlands. To estimate the number of economically inactive people that would like to work, we took the national inactivity rates and applied them to the corresponding age demographics for the West Midlands to return the estimated number of people, and then calculated 17% of those. Both of these figures are indicative as they are using the national age group rates which are likely to underestimate the number of people in the West Midlands. Moreover the percentage of the economically inactive that want to work is likely to differ by group.

<sup>208</sup> Birmingham City Council, 12/2019, [Index of Deprivation 2019](#)

<sup>209</sup> The Birmingham Child Poverty Commission, 06/2016, [A fairer start for all children and young people: an independent report](#)

<sup>210</sup> Murray, J., The Guardian, 05/01/2023, ['We're being hammered': cost of living crisis in one of England's most deprived areas](#)



**FIGURE E: EMPLOYMENT RATES IN BIRMINGHAM COMPARED WITH OTHER REGIONAL CITIES**

CITY	EMPLOYMENT RATE (2022)	POPULATION (2021)
Stoke	78.3%	258,400
Telford	75.6%	185,500
<b>National Average</b>	<b>75.4%</b>	-
Coventry	70.8%	345,300
<b>Birmingham</b>	<b>69.0%</b>	<b>1,144,900</b>

Source: [Annual Survey of Hours and Earnings 2022 \(ONS\)](#), [Census 2021 \(ONS\)](#) and [Annual Population Survey 2022 \(ONS\)](#)

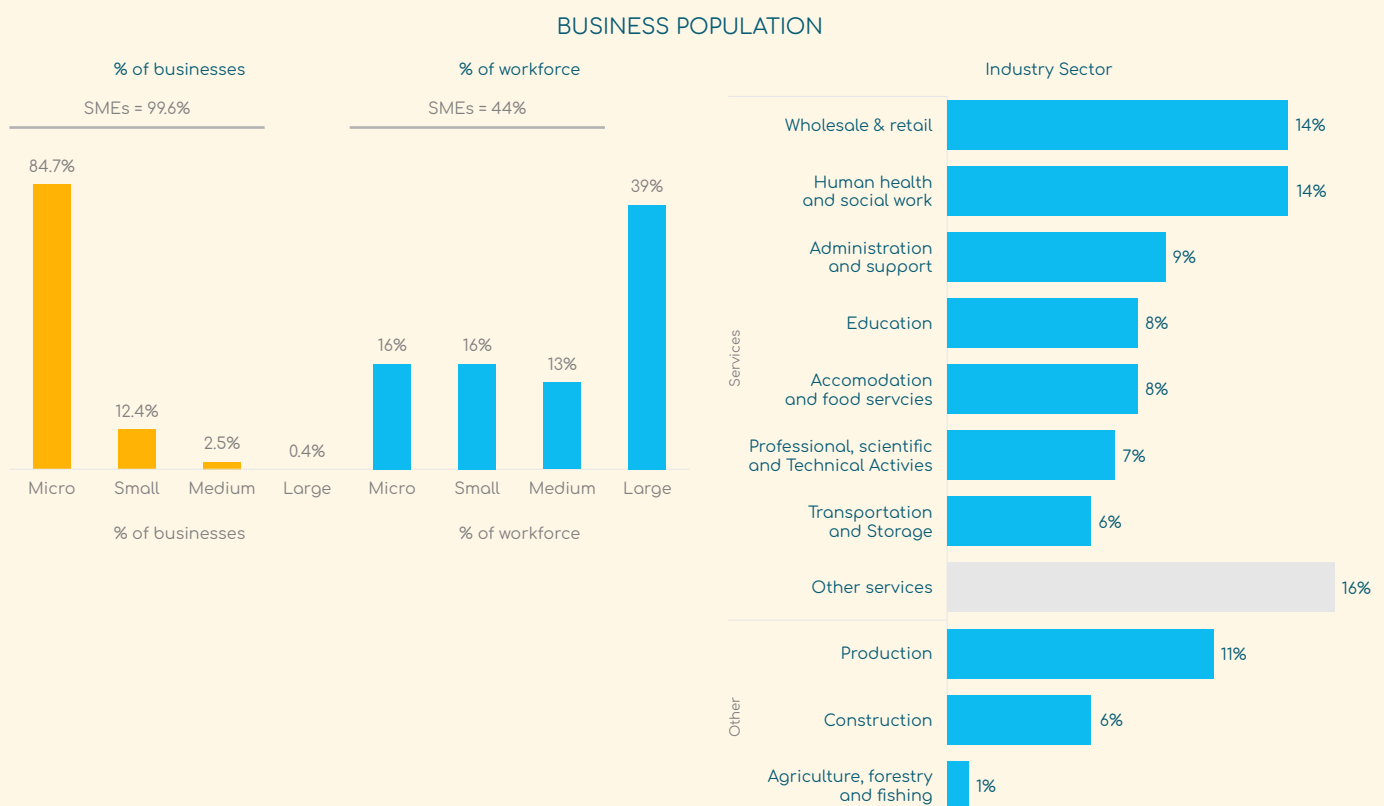
### The business landscape

Over 99% of the businesses in the region are SMEs who provide 44% of the jobs, while 0.4% of businesses provide 39% of jobs (see Figure F). This means that while the large employers are particularly important, they should not be the sole focus of any interventions. The composition of the business population in the region is similar to the rest of the UK, with nearly 85% being micro, 12% small, 2.5% medium and just 0.4% large businesses.<sup>211</sup>

82% of current jobs are within the services sector, 11% are in production, 6% in construction and 1% in agriculture, forestry and fishing. The main services jobs are in Wholesale & retail (14%), Human health and social work (14%), Administrative and support (9%), Education (8%), Accommodation and food services (8%), and Professional, Scientific And Technical Activities (7%).

**FIGURE F: SMES PROVIDE 44% OF JOBS, WHILE LARGE COMPANIES PROVIDE 40%**

Overview of the business population in the West Midlands



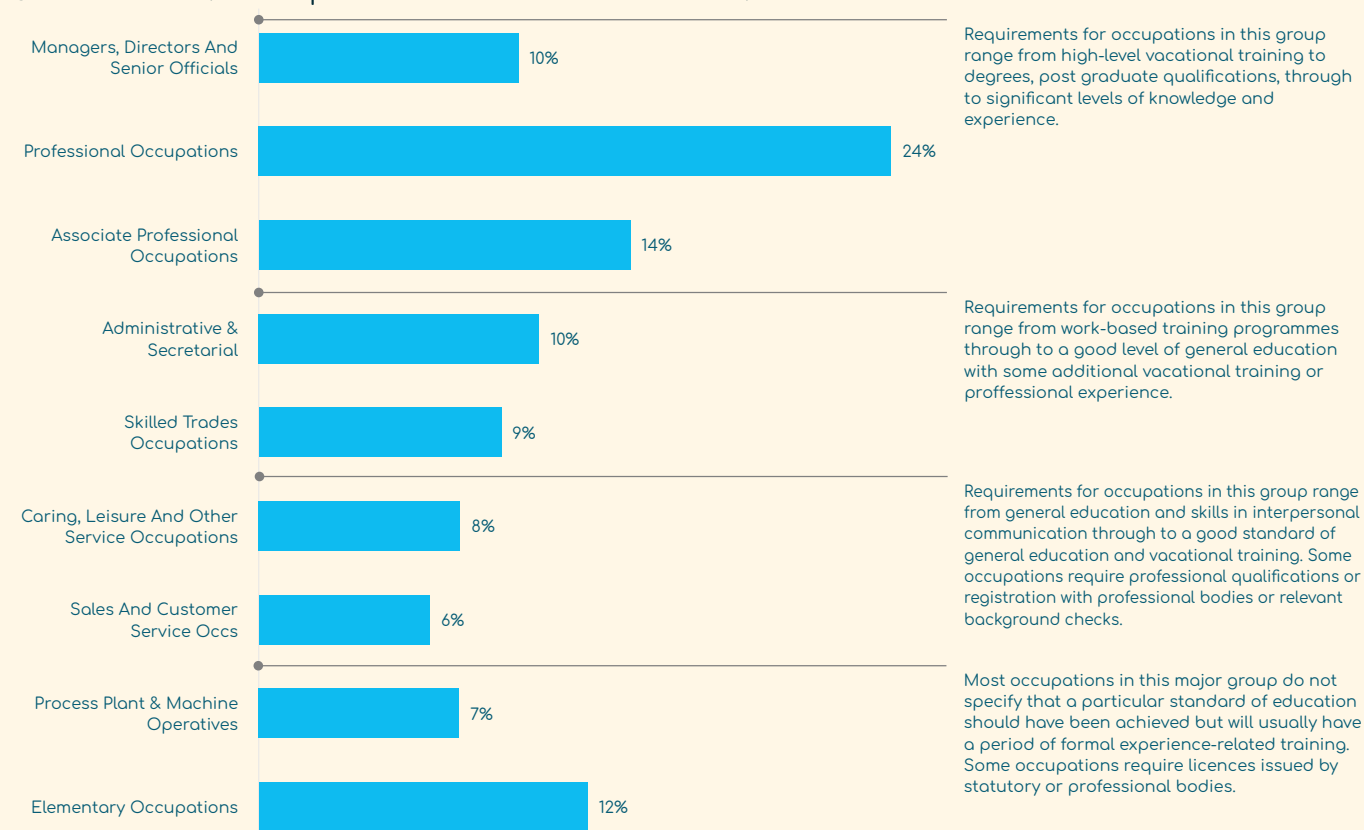
Source: [UK business counts 2022 \(Nomis\)](#), [Business population estimates 2022 \(ONS\)](#), [Labour market profile 2023 - West Midlands \(Nomis\)](#)

211 Note: Since the data was not available at a regional level, assuming the employment profile is also similar to the rest of the UK. 16% of businesses are listed with zero employees.

In terms of qualifications levels, there is a fair distribution of jobs provided to people of all levels. Nearly half of all jobs (48%) require a degree or equivalent qualification, with some occupations requiring postgraduate qualifications or a formal period of experience-related training (see Figure G).

## FIGURE G: THE WEST MIDLANDS WORKFORCE HAS A MIXTURE OF SKILLS AND QUALIFICATIONS

### Overview of the skills and qualifications in the West Midlands workforce



Source: [Labour market profile 2023 - West Midlands \(Nomis\)](#)

There are many large employers in the region, the following are some examples:

- Jaguar Land Rover's manufacturing site at Solihull, West Midlands, employs around 10,000 staff.<sup>212</sup> Overall, they employ 11,000 across the UK.<sup>213</sup>
- Mondelēz International employs over 2,000 staff across five sites in the West Midlands and over 4,000 staff in the UK.<sup>214,215</sup>
- National Health Service staff totals over 83,000 across the West Midlands and 1.5 million employees across England.<sup>216,217</sup>
- Rolls-Royce employs around 9,000 people at its Derby headquarters in the East Midlands and 20,000 staff in Britain.<sup>218,219</sup>
- Severn Trent employs nearly 8,000 staff.<sup>220</sup>

212 Corser, J., Express & Star, 15/02/2021, [Jaguar Land Rover jobs 'safe' in West Midlands despite new all-electric plans](#)

213 Jaguar, [Careers page](#)

214 Mondelēz, 02/11/2022, [Mondelēz International contributed £933 million to UK economy in 2021](#)

215 Mondelēz, [Homepage](#)

216 Madeley, P., 07/06/2021, [NHS staff numbers rise by thousands in West Midlands in a year](#)

217 Nuffield Trust, 12/10/2022, [The NHS workforce in numbers](#)

218 BBC News, 09/07/2020, [Rolls-Royce: 3,000 staff explore voluntary redundancy](#)

219 Kleinman, M., Sky News, 20/06/2022, [Rolls-Royce hands workers £2,000 to ease cost of living squeeze](#)

220 Severn Trent, [Creating an awesome place to work](#)

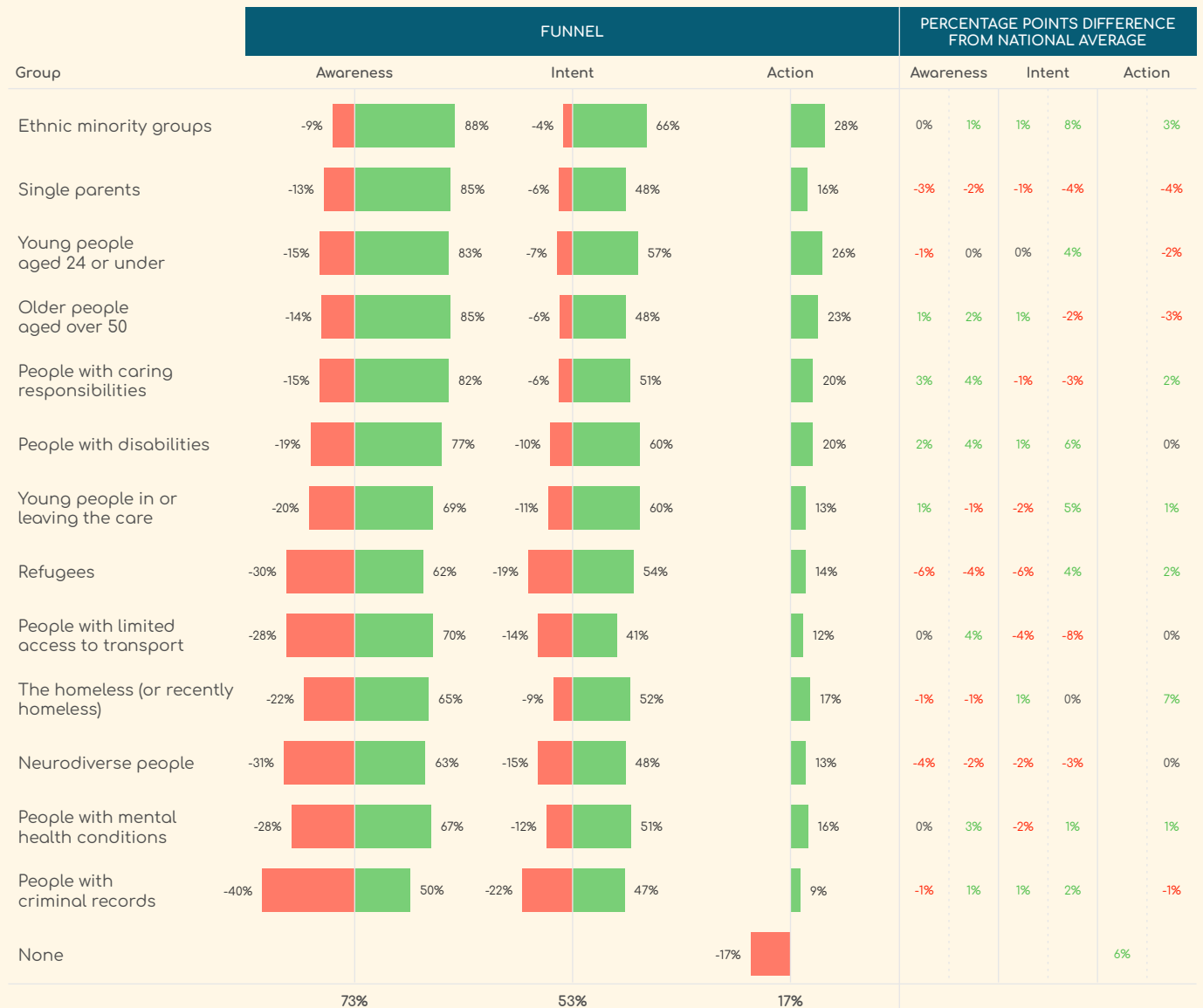
# Views of the employers

The following information is drawn from the Good Jobs Project Survey and shows the attitudes and behaviours of employers in the Midlands region (note that this is inclusive of the East and West Midlands).

## Attitudes and behaviours towards marginalised groups

The views of employers in the region were aligned with the national averages. With the exception of taking action to recruit homeless people being 7% higher, none of the other differences were statistically significant (see Figure H).

**FIGURE H: ESTIMATES OF EMPLOYERS' LEVELS OF AWARENESS, INTENT AND ACTION BY MARGINALISED GROUP**

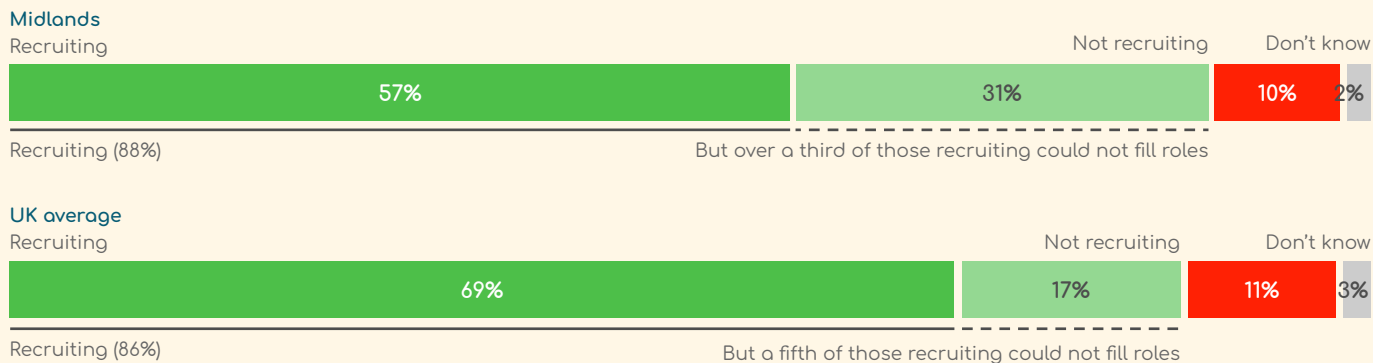


Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities. Midlands respondents = 94, All respondents = 500.

## Views of the labour market

Employers in the region have found recruitment significantly harder than the UK average. Overall roughly the same percentage of employers were looking to recruit during the last 12 months. However, nearly twice as many said they had not been successful in filling their roles (see Figure I). This could indicate a need for employers, as a whole, to try different approaches.

**FIGURE I: NEARLY TWICE AS MANY PEOPLE RECRUITING IN THE WEST MIDLANDS COULD NOT FILL THEIR ROLES COMPARED TO THE UK AVERAGE**



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities. Midlands respondents = 94, All respondents = 500.

### Why employers took action to recruit marginalised groups

For those employers that had taken action to recruit marginalised groups, the reasons were in line with respondents from the rest of the UK with minor variations. Improving talent retention, addressing skills gaps, benefiting the community investing in the future workforce and changing societal mindset were the most popular motivating reasons why actions were taken (see Figure J).

**FIGURE J: MOTIVES FOR TAKING ACTION TO RECRUIT FROM MARGINALISED GROUPS**

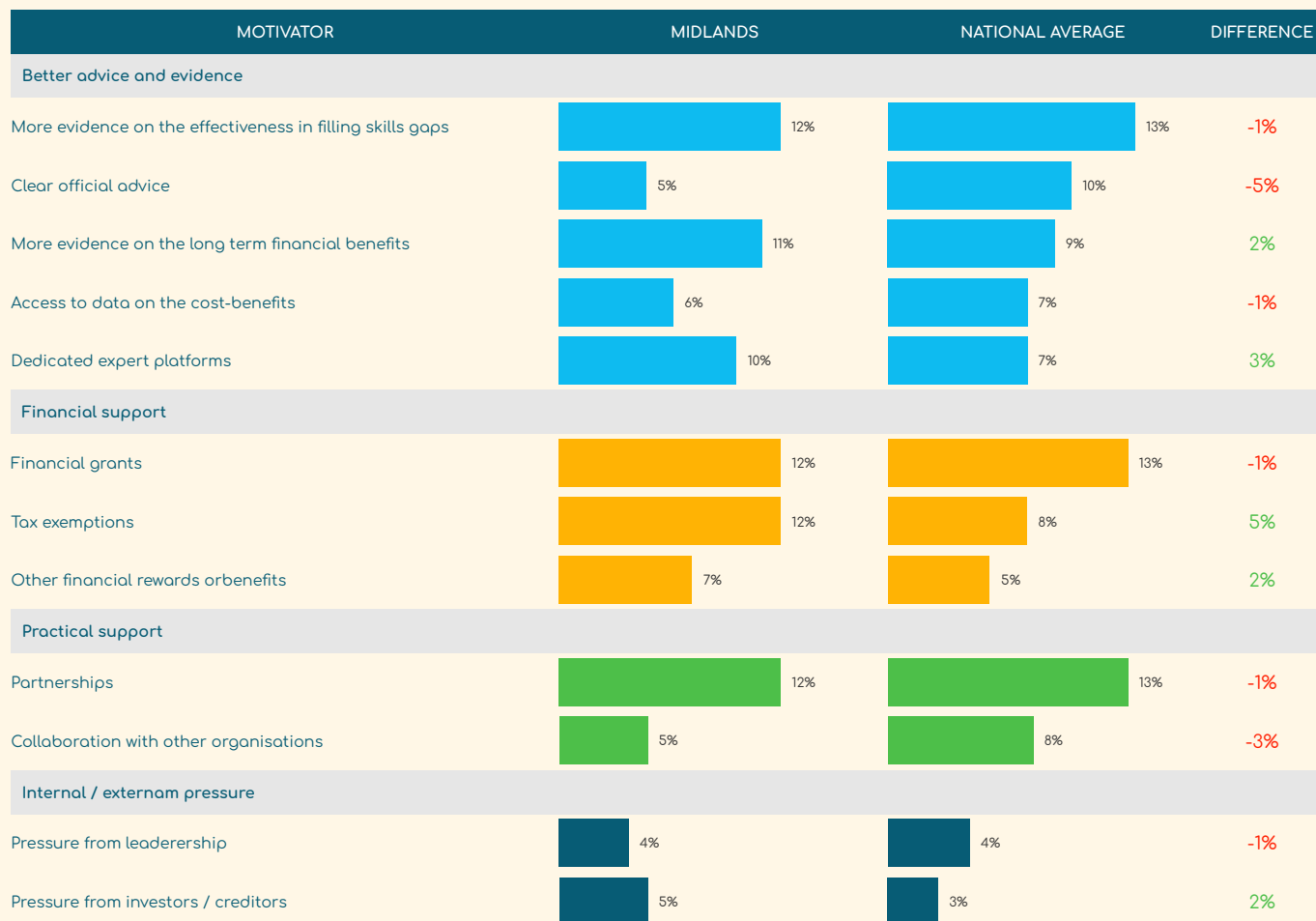
GROUP	REASON	MIDLANDS	NATIONAL AVERAGE	DIFFERENCE
Financial	To improve our talent retention	23%	24%	-1%
	To help address our skills gap	25%	22%	2%
	To gain a competitive advantage over competitors	12%	16%	-4%
	To increase employee satisfaction	14%	16%	-2%
	Investors asking for this	13%	11%	2%
	To help the company access new markets	9%	11%	-1%
Strategic	To benefit our local community	26%	25%	1%
	To bring new ways of thinking and innovation to the company / organisation	19%	24%	-4%
	To invest / broaden in the future workforce (pool)	26%	22%	3%
	To improve our company / organisation's reputation	19%	17%	2%
	To improve our environmental, social and governance (ESG) performance metrics	13%	17%	-4%
	Leadership asking for this	10%	15%	-4%
Personal	To change societal mindset and prejudice	26%	24%	2%
	To give the applicants a chance they might not otherwise have had	19%	23%	-3%
Other	Other	3%	3%	-1%

Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities that had taken steps to recruit. Midlands respondents = 77, All respondents = 378.

## What would help take action

Again, there were no significant differences to the rest of the UK respondents in what might encourage or incentivise more employers to recruit marginalised groups. The most popular motivators include better evidence and advice on the effectiveness of filling skills gaps and long-term financial benefits, financial support through grants and tax exemptions, and accessibility support through partnerships (see Figure K).

FIGURE K: FACTORS LIKELY TO INCREASE WORKFORCE DIVERSITY IN THE FUTURE



Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities. Midlands respondents = 94, All respondents = 500.

# Recommendations

From the regional profile we can determine there are many people who could benefit from accessing good work that are not visible in national unemployment statistics. Employers have the opportunity to intentionally target this hidden talent for jobs, as well as ensuring that work pays fairly. If both are enacted and more people enter the workforce then overall household wealth could increase as a consequence. It is not just down to employers to reach out and seek those individuals by themselves. Many of these people are further from the jobs market and as such employers will benefit from partnerships that support them, improved access to better information and best practice, and incentives to employ them. There is an opportunity for employers to collaborate and pool resources in order to achieve better employment outcomes for individuals and prosperity for the community.

The following recommendations provide a starting point for employers in the region to come together and to collaborate to recruit commonly marginalised groups into work and help solve the regional skills shortage. In order to maximise the chances of success, they focus on utilising existing structures as well as tying in with other recommendations in the report.

## **RECOMMENDATION ONE: FORM A BUSINESS-LED RECRUITMENT-FOCUSED WORKING GROUP FOCUSING ON INITIATIVES AIMING SPECIFICALLY TO INCREASE REGIONAL PROSPERITY**

A recruitment-specific working group is formed as a descendant of the Regional Business Council (RBC). The RBC provides senior-level sponsorship, governance and accountability mechanisms. Members of the recruitment working group should be practitioners, such as Heads of HR / Recruitment / Talent Acquisition or relevant Senior Business Leaders. The WMCA could provide facilitation and links with other service providers when necessary. The working group can provide a coordination structure for targeted action, where businesses are able to collaborate on common goals and share best practice. The group could act as a single entity from which to communicate to external organisations (e.g. to schools, universities, training providers) and also be a single face for external organisations to speak to (e.g. charities being able to interact with the forum instead of individual business). In addition, the group would act as an innovation test bed to be replicated elsewhere in the UK.

## **RECOMMENDATION TWO: THE RECRUITMENT-FOCUSED WORKING GROUP CONVENES A PROGRAMME OF BUSINESS FORUMS TO TACKLE THE CHALLENGES OF RECRUITING MARGINALISED GROUPS**

The recruitment-focused working group develops a programme of business forums to collaborate and share best practice on recruiting from specific marginalised groups. The marginalised groups can be prioritised based on the region's most pressing business and social needs. The group invites existing forums such as EFFRR, TENT or BITC to help recruit more organisations for these forums. The group engages with the region's large business networks (e.g. BCC, IoD, FSB, CIPD etc) to facilitate recruitment of more organisations to attend events and potentially provide sponsorship. Through this initiative, businesses can collaborate on common goals and share best practice between them. The emphasis is on collaboration not competition.

## RECOMMENDATION THREE: THE RECRUITMENT-FOCUSED WORKING GROUP PLANS AND EXECUTES A CONTROLLED TRIAL TO ASSESS THE IMPACT OF HIGH-QUALITY SUPPORT AND FOCUSED BUSINESS ENGAGEMENT FOR THE RECRUITMENT OF MARGINALISED GROUPS

Our research revealed that businesses are concerned that lack of support and basic training can discourage recruiting from marginalised groups. We were also told that there is a lack of evidence at a national level relating to more focused, decentrally planned training programmes. Therefore the working group could develop a trial to evaluate the effectiveness of bringing two things together:

1. Alternative wrap-around support for marginalised people moving from out-of-work to in-work, including pre-employment training and coaching, post-employment monitoring and training provided to receiving teams.
2. Commitments from an engaged set of businesses who are specifically looking to recruit from marginalised groups, who focus on following best practice standards for the targeted recruitment and retention of those people.

The trial could be co-designed by WMCA, JCP, academic institutions, training providers and representatives from selected marginalised groups. Such a controlled trial could help to inform future policy development by evaluating evidence on the following outcomes:

1. Marginalised people: successful recruitment, retention over time, in-work progression, other qualitative outcomes.
2. Businesses: Retention, cost of recruitment, employee satisfaction and other qualitative outcomes.
3. Regional: Cost effectiveness, skills development planning (e.g. central vs. local training providers)

## RECOMMENDATION FOUR: THE RECRUITMENT-FOCUSED WORKING GROUP COULD CONDUCT OR COMMISSION IN DEPTH RESEARCH INTO HOW MARGINALISED GROUPS CAN BE MATCHED WITH WORK OPPORTUNITIES IN THE REGION

There is the opportunity for further, more detailed work that aims to map the distribution of marginalised groups across the region with the availability of suitable jobs. This could include but is not limited to the following:

- Mapping the ecosystem of region employers, intermediaries and other support services
- Cross-referencing sectors, vacancies and skills data with the availability of local marginalised groups
- Matching people with appropriate jobs through job fairs etc



# ANNEX: RESEARCH DESIGN

A mixed method approach was used to gather both quantitative and qualitative data. A survey was conducted to provide quantitative data for the estimates of the awareness, intent and action stages in the funnel as well as some other contextual data. We conducted interviews and focus groups to provide qualitative data to explore in detail the drivers and blockers for each stage as well as to test the recommendations put forward in the paper. A summary of the data collection methods follows:

## SURVEY: DATA COLLECTION

### Target population

500 people involved in recruitment, including hiring managers, recruiters, HR and senior managers. The survey was open to organisations of all sizes and sectors across the UK. The survey focuses on the views and actions of people within organisations, not of the organisations themselves. While steps have been taken to reduce the chance of more than one respondent per organisations from taking part in the survey, it is not possible to rule out the possibility.

### Fieldwork

Data collection conducted by Opinium Research from the 1st to 13th December 2022.

### Segmentation

- **Business size (By the number of employees or turnover):** For our analysis we used the number of employees to break the results into Micro, Small, Medium and large organisations.
- **UK Region:** With the sampling methodology we could not control for the respondent location. We allowed respondents to select from the 12 regions in the UK. For analysis, in order to ensure the sample sizes were large enough we used the following groupings: North of England, The midlands, London & South East, Nations outside of England, South West, and East of England.
- **Sector:** We offered a large selection of business sectors which resulted in some not having a large enough sample to give meaningful results. We therefore grouped responses into the following sectors: Private (Production & Construction), Private (Services), and Public / Third Sector.
- **Organisation type:** We considered both private, public and third sector organisations since all are facing the same challenges in the labour market and the segmentation enables us to compare.
- **Business position:** We asked respondents to say if their business was thriving, stable, recovering or struggling.

### Design

To reduce acquiescence bias we used the following questions as proxies for awareness, intent and action.

- **Awareness:** How well do you think people from the following backgrounds or groups would fit within your company / organisation?
- **Intent:** Do you think your company / organisation could take more active steps to encourage recruitment of people from this group or background?
- **Action:** Has your company / organisation taken active steps to encourage job applications?

Additional questions were asked in the survey to gather their views on the labour market and other contextual information of relevance to the research.

## Marginalised groups

To view from the problem from the perspective of a hiring manager we took the approach that they might be open to hiring someone from any group as long as they are 1) able to perform the role or could be trained to do so within reasonable time, and 2) will be a positive addition to the team. The following marginalised groups were used in the survey:

- Young people aged 24 or under
- Young people in or leaving the care system
- Older people aged over 50
- Single parents
- Those with caring responsibilities, such as for family members
- People with limited access to transport
- Ex-offenders (people with criminal records)
- People with disabilities
- Neurodiverse people (such as ADHD, autism, dyslexia, dyspraxia)
- People with mental health conditions (such as depression or anxiety)
- Ethnic minority groups (such as Indian, Pakistani, Bangladeshi, Black or mixed backgrounds)
- Refugees
- People who are currently or have recently been homeless

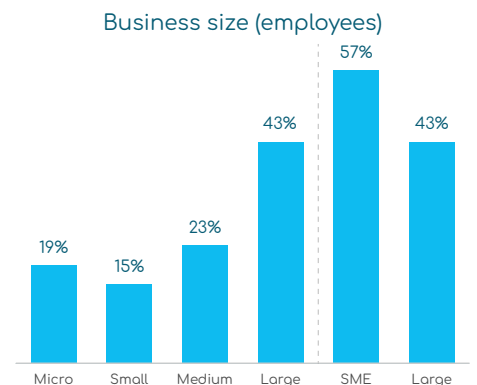
## RESPONDENTS' ORGANISATIONS

The profile of survey respondents is not nationally representative of the UK business population but does provide a large sample from which to extrapolate significant findings.

### Organisation size

43% of the respondents were from large businesses with over 250 employees. This is not representative of the UK business population, which should be taken into account when interpreting the results. However there were sufficient respondents from SMEs (57%) to provide good quality data from which to draw observations with confidence.

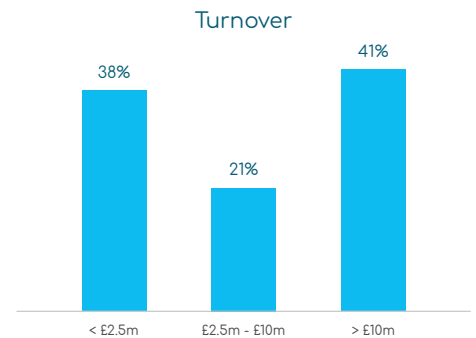
Business Size (employees)	%	COUNT
1 to 9	19%	95
10 to 49	15%	76
50 to 249	23%	114
250+	43%	215



## Turnover

The same trend appears when categorising by reported turnover, with a larger proportion of respondents reporting a turnover of more than £10 million compared to the national average.

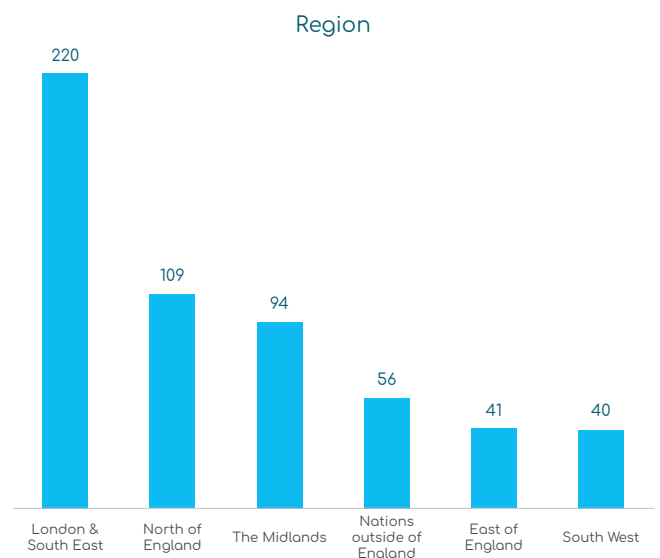
Turnover	%	COUNT
NET: Up to £2.5 Million	38%	169
NET: £2.5 million to £10 million	21%	95
NET: £10 million to £50 million	41%	186



## UK region

To ensure a large enough sample for analysis, the different UK regions were combined into the following groups.

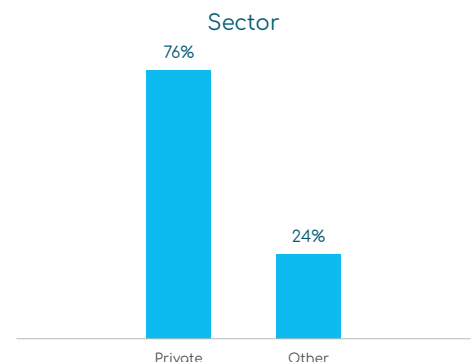
Region	COUNT
London & South East <i>(London and South East)</i>	220
North of England <i>(North East and North West)</i>	109
The Midlands <i>(West Midlands and East Midlands)</i>	94
Nations outside of England <i>(Scotland, Wales and Northern Ireland)</i>	56
East of England <i>(East of England)</i>	41
South West <i>(South West)</i>	40



## Organisation type

76% of respondents were from private companies and 21% from the public sector, local government, or not for profits. Although primarily focusing on what can be done to support businesses with their recruitment challenges, the sampling of the survey was intentionally inclusive of the public sector. Many public sector organisations are large local recruiters and face the same competitive recruitment challenges as private businesses. Being able to compare and contrast across organisation types provides interesting results.

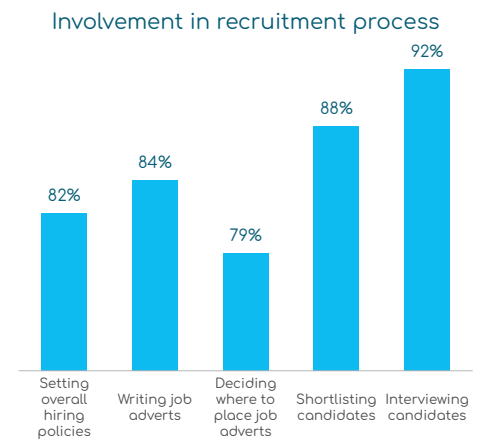
Sector	%	COUNT
Private sector	76%	376
Public Sector, Local Government Authority, Not for Profit	21%	119



## RESPONDENTS' ROLE IN THE RECRUITMENT PROCESS

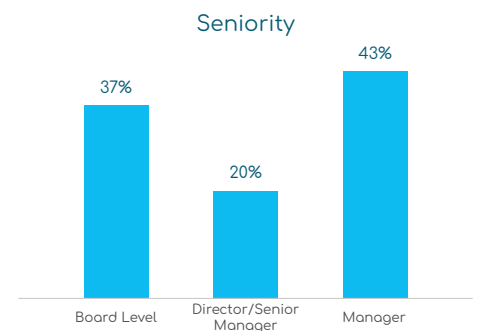
While all respondents were involved in the recruitment process, some were involved at different stages. The majority of respondents (92%) were actively involved in the interview process, while as expected, fewer were responsible for setting overall hiring policies (82%).

Stage of recruitment	Less involved	More involved
Setting overall hiring policies	16%	82%
Writing job adverts and specifications	12%	84%
Deciding where to place job adverts	18%	79%
Shortlisting candidates	9%	88%
Interviewing candidates	6%	92%



57% of respondents were senior manager or board level.

Seniority	%	COUNT
Board Level	37%	183
Director / Senior Manager	20%	102
Manager	43%	215



## BUSINESS POSITION

We asked respondents to state how they felt about the stability of their organisation. About half said that they were stable, 28% said they were thriving and 21% were recovering or struggling.

Business Position	%	COUNT
Thriving with increased probability of growth	28%	138
Stable and expecting to stay so	52%	253
Recovering and striving for stability	17%	81
Struggling to keep the business / organisation going	4%	18



## **INTERVIEWS: KNOWLEDGE DEVELOPMENT**

We conducted 31 semi-structured interviews with people involved in recruitment and HR to provide qualitative information on why there could be drop-off between the different levels in the funnel and idea generation for the recommendations. Respondents to the interviews were from organisations from a range of industries, sizes and geographical locations. They represented views from practitioners that had more or less experience of hiring people from marginalised groups to provide rich information on both what works as well as what holds them back. The inquiry centred around the core activities that participants previously took, or are currently taking, and explored the motivations that led to the actions. Interviews were recorded, transcribed and summarised, identifying key themes and mapping them onto the analysis framework. We identified what could help to prompt action and what could hold it back. Qualitative information from the interviews complemented the data from the survey.

## **FOCUS GROUPS: RECOMMENDATION DEVELOPMENT**

To get detailed feedback on the recommendations while they were in development we conducted two focus groups with 23 attendees in total (one in-person and one virtual). Attendees were a mixture of those we had spoken with during interviews as well as business networks and support bodies and those involved in policy development. Attendees were presented with topics and split into breakouts for in-depth discussions. Participants were given the outlines of recommendations that they could stress test, augment or develop into something new. Plenaries allowed groups to present their thoughts for a final round of feedback.

## **121 ENGAGEMENT WITH STAKEHOLDERS: RECOMMENDATION TESTING**

We engaged with 34 stakeholders to review and provide inputs on the development of the recommendations. Stakeholders included experts in policy development, politicians, intermediaries, business networks and support bodies, business leaders and other employers.

