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through workforce
engagement

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DIVERSE VOICES

engaging employees in an
increasingly diverse workforce

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About the IPA

The IPA exists to promote the involvement and participation of employees in their places of work, and through doing so improve the quality of working lives. The IPA is Britain's leading organisation delivering partnership, consultation and employee engagement in the workplace. Through our research and practice we develop new ways of working, based on trust and collaboration that deliver better workplaces and better outcomes – employee wellbeing, increased productivity and improved services. The IPA is a not-for-profit organisation, funded by membership subscriptions and fee income from consultancy, training and research services. We are one of the few 'open spaces' in the UK where employers, trade unionists and other workplace representatives, academics, legal experts, human resource and employment specialists can come together with politicians and policy makers to discuss and debate employment issues and policy.

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About astar-fanshawe

astar-fanshawe is a thought leader in diversity. We work with organisations in the private, public and third sectors to understand and deploy the power of difference to enhance their performance and the achievement of their core purpose. Our clients range from Edinburgh, Sheffield and Cambridge Universities to Channel Four, HSBC and British Gas and the NSPCC. We are Simon Fanshawe OBE, one of the co-founders of Stonewall, former Chairman of Sussex University and a well know broadcaster and writer, and Roy Hutchins, the founder of astar training and development and long-time consultant in the field and also an award winning performer.

Our work, while helping organisations to tackle the basic issues of persistent bias that still exist, develops the idea of diversity into a key organisational tool for transformation to achieve greater development of talent and potential.

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INTRODUCTION

This report began as a conversation between us about the intersection of our work - the IPA's lead on the importance of engagement and astar-fanshawe's significantly new approach to diversity. We wanted to interrogate the idea that understanding the greater diversity of the workforce in a new way could extend the quality of engagement that organisations had with their staff.

Employers are increasingly aware of the importance of engagement for organisational success. Employers also recognise the benefits of having a diverse and inclusive workforce, not just for reasons of equity but also in driving business performance. However, worldwide Gallup estimates that a shocking 24 per cent of staff are actively dis-engaged, 63 per cent not engaged and only 13 per cent are engaged.

If we combined what we knew about each of our areas of work, could we improve that number? If we were able to understand more about the response of different groups of staff and individual staff members to how employers asked questions, what questions they asked and how they analysed them, could we enhance employee engagement? Could employers understand as much about their staff as, for instance, retailers understand about their customers?

So we asked NHS Employers, FirstGroup, DHL, Lloyds Bank and Ernst and Young to help us explore this further and identify some of the factors that might deepen the power of engagement by enabling employers to look at engagement and diversity and inclusion as *'two sides of the same coin.'*

We are very grateful that they came with us on this journey. We'd like to thank Ramya Yarlagadda at the IPA for producing the report, Joe Dromey at the IPA for making the project sing. We have put some finishing touches on the final draft, in the way that people who write introductions do, but we can only say that our original idea and approach has been fashioned into a piece of work that we think will have a profound influence on the way employers engage with their staff in the future.



Nita Clarke (IPA)



Simon Fanshawe (astar-fanshawe)

EXECUTIVE SUMMARY

Employers have increasingly come to recognise that employee engagement is fundamental for organisational success. There is growing evidence that organisations with engaged staff are more productive, more innovative and successful.

There is also growing recognition of the importance of equality, diversity and inclusion at work. Firstly, it enables organisations to recruit and promote from the widest possible pool of talent. Secondly, employers are increasingly realising that diversity, which embraces the range of both inherent and acquired characteristics, when well managed and applied to complex challenges, leads to higher performance.

In this report, we set out to investigate the relationship between diversity and inclusion and effective employee engagement. We wanted to answer the following questions:

- Which groups in the workforce are engaged, and which are not?
- What accounts for these differences?
- How do you most effectively engage with a diverse workforce to achieve better results?
- Does engagement need to vary across our diverse workforce and, if so, how?
- How do you ensure your engagement strategy supports all employees to achieve their potential?
- How do you balance the need both to recognise diversity and support inclusion?

In the broadest terms, we found that there were significant differences in engagement between different employee groups:

- Despite facing a labour market disadvantage and barriers to workplace equality, women were more engaged than men, although they feel less able to express their voice at work.
- The youngest workers tended to score higher on employee engagement and this decreased progressively with age until the former default retirement age of 65 from where it rose sharply.
- There was a significant and worrying gap in terms of disability – with disabled employees far less engaged than their non-disabled colleagues.
- There were no significant differences in terms of sexual orientation, ethnicity or religion.

There are a number of factors that might explain these gaps:

- The drivers of engagement vary for different groups and individuals in the workforce. Employers therefore need flexible approaches that can engage all employees, and line managers who have sufficiently effective interpersonal relationships with their employees to understand what drives their engagement at work and build on it.
- Employers may not be using a sufficiently wide variety of listening mechanisms beyond conventional staff surveys - like formal and informal social interactions or focus groups - to ensure that all employees feel they are being heard.
- Flexible working seems to be linked to employee engagement. The greater take-up of flexible working among women may help explain their higher levels of employee engagement.
- Higher levels of engagement among younger workers may be due to a 'honeymoon period' when they are excited and positive about being part an organisation. Employee engagement then declines progressively with age, and only increases again for the over 65s, perhaps reflecting the fact that only the most engaged choose to stay in the labour market rather than opting to retire.
- Lower levels of engagement amongst disabled workers may be linked to the higher levels of workplace discrimination and unfair treatment experienced by this group. It could also be related to a lack of reasonable adjustments, disability friendly policies, and managerial awareness in some workplaces.

There are some clear conclusions arising from our study that employers may want to consider:

- Employers need to look at employee engagement and diversity and inclusion as *'two sides of the same coin'*, linking the agendas together rather than looking at them in isolation.
- Employers should ensure that they have effective mechanisms in place to measure employee engagement within their organisation. Results should be examined and analysed to identify any gaps in engagement amongst different groups of the workforce, but those gaps should be rigorously examined – with the employees themselves – to understand in detail why they exist, and how they could be addressed.
- Given the evidence that many employees feel they have to 'cover' and to be something at work that they are not at home, employers should consider how they can support their people to be themselves and 'express their personal identity as fully as they wish at work.'
- For all employees to feel engaged, leaders need to build and mainstream a culture where the complexity of diversity is recognised, valued and deployed, and where inclusion is promoted alongside a common sense of purpose uniting employees.
- Leaders should be prepared to make changes in their organisation's processes and structures to enhance the prospects of those who are experiencing persistent bias in promotion and retention. This can radically enhance engagement. While it is useful to have training programmes to raise awareness of issues that affect diverse groups of employees, without the organisation making a substantial transformation in the way that it works, change will remain limited to an individual, rather than organisation-wide systemic change.
- Employee resource groups (ERGs) or employee networks are important socially but they can play an even more crucial role when they are engaged with the development of the company's strategy as a whole. They should also be inspired to work across identity boundaries – with each other and the workforce as a whole – in the common interest of the organisation.

We hope that this research will help organisations understand the links between employee engagement and diversity inclusion. By doing so, they will be better able to create an environment in which all staff are engaged, and can give of their best, thereby driving organisational performance.

METHODOLOGY

The study consisted of the following research methods:

- An extensive literature review
- Data analysis of large scale employee surveys including the Workplace Employment Relations Survey 2011, the NHS Staff Survey 2014 and Civil Service People Survey 2013¹
- Interviews with experts in the field of diversity and inclusion and employee engagement
- Six case studies with organisations in the public and private sector
- An online employer survey with 80 responses from public, private and third sector organisations.

We would like to thank all the interviewees for giving up their personal and professional time to speak to us and help shape this report. These included:

- | | |
|--|---|
| • Alexandra Beauregard, LSE | • Karen Jochelson, Equality and Human Rights Commission |
| • David MacLeod OBE | • Kathryn Nawrockyi, BITC |
| • Dianah Worman OBE, CIPD | • Paul Deemer, NHS Employers |
| • Doug Crawford, Cerus Consulting and Engage for Success | • Sarah Veale CBE, TUC |
| • Fiona Anderson, Kate Nash Associates | • Sandra Kerr OBE, BITC |
| • George Selvanara, Business Disability Forum | • Snéha Khilay, Blue Tulip Training |
| • Heather Downey, Workage | • Stephen Frost, KPMG UK |
| • Ian Dodds, Engage for Success | • Stephen Williams, ACAS |
| | • Steven Weeks, NHS Employers |

The case studies examined the approach to engagement and diversity and inclusion and the outcomes associated with them. They were based on in-depth interviews with individuals who worked in the field of Equality, Diversity and Inclusion and Employee Engagement. We have included excerpts from the interviews and case studies throughout the report. The case studies will also be available in full on both our websites www.ipa-involve.com & www.astar-fanshawe.co.uk.

The case studies included:

- | | |
|-------------------------------|---------------------------|
| • First Great Western | • TSB |
| • Northern Gas Networks | • University of Greenwich |
| • Oxleas NHS Foundation Trust | • University of Lincoln. |

We would like to thank the case study organisations for taking part in the research.

Most of all, we would like to thank the sponsors **NHS Employers, FirstGroup, DHL, Ernst and Young and Lloyds Bank** for supporting the project.

¹ The employee engagement index based on Clarke Macleod's four enablers of engagement was constructed by Joe Dromey, Amanda Shantz and Kerstin Alfes. To compute the index, an average of the individual employee's responses to certain questions which related to the four enablers was taken. For example, for strategic narrative, the researchers looked at the following question from the WERS survey: "To what extent do you agree with the statement: 'I share the values of my organisations'?" The averages for all the eight questions covering the four enablers took a value between one and five, with scores between 1-1.99 deemed 'very poor', 2-2.99 'poor', 3-3.99 'good' and 4-5 'very good'

EMPLOYEE ENGAGEMENT

Defining employee engagement

There is no universally accepted definition of 'employee engagement'. Some see employee engagement as an approach to managing staff - something that is 'done to' employees.¹ The MacLeod Report defined it as "a workplace approach designed to ensure that employees are committed to their organisation's goals and values, motivated to contribute to organisational success, and are able at the same time to enhance their own sense of well-being."² Others see engagement as an employee perception that is objectively measurable, through staff surveys.^{3,4,5}

In this report, we used the Institute of Employment Studies' definition of engagement; 'a positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of the business context, and works with colleagues to improve performance within the job for the benefit of the organisation. The organisation must work to develop and nurture engagement which requires a two-way relationship between employee and employer.'⁶ This is a broader definition of engagement that includes both the approaches mentioned above.

Enablers of employee engagement

MacLeod and Clarke identified four factors, or enablers, that lie behind effective engagement.

1. **Strategic Narrative**, "a strong, transparent and explicit organisational culture, which gives employees a clear line of sight between their job and the vision and aims of the organisation." Senior leaders play an important role in setting out this strategic narrative, and ensuring it is reflected in the organisation's culture and ways of working.²
2. **Engaging Managers**, "who offer clarity, appreciation of employees' effort and contribution, who treat their people as individuals and who ensure that work is organised efficiently and effectively so that employees feel they are valued, and equipped and supported to do their job".
3. **Employee Voice**, where "employees' views are sought out; they are listened to and see that their opinions count and make a difference. They speak out and challenge when appropriate. A strong sense of listening and responsiveness permeates the organisation, enabled by effective communication".² Voice can take many forms – individual or collective, direct or indirect through representative structures. Organisations need to ensure that these different channels are effective in releasing employee voice.⁷
4. **Integrity**, defined as "a belief among employees that the organisation lives its values, and that espoused behavioural norms are adhered to, resulting in trust and a sense of integrity". Employees need to see stated values and organisational behaviour align in order to promote trust and engagement.

Why employee engagement matters

Research is increasingly showing that employee engagement is associated with a wide range of positive outcomes, both for employees and for organisations. A number of reports have shown that organisations in the private sector with high levels of engagement tend to have higher levels of **productivity and financial performance**.⁸ Research by KANEXA (2008) showed that organisations with high employee engagement levels performed better than their low engagement counterparts in total shareholder income returns and annual net income.⁹

A study by Gallup of the US workforce in 2007 showed that employee engagement was strongly related to higher levels of **innovation**.¹⁰ Evidence suggests that engaged employees seek to continuously improve processes, look for new ways of adding value to their work and are more likely to come up with new ideas and follow them through.¹¹ Engaged employees are also more likely to **advocate** for their organisation as a good place to work, and recommend their products and services.¹⁶ Employee engagement is positively linked to **customer service and satisfaction**. Organisations with higher levels of engagement tend to have lower levels of **absence** and higher levels of **retention**.

There is strong evidence of the benefits of employee engagement in the public sector, and particularly in the NHS, where it is closely correlated to both **patient satisfaction** and **clinical outcomes**.¹⁷

Our online employer survey showed that almost 73 per cent of respondents had a strategy in place to drive employee engagement, indicating a high level of recognition of how important it is to organisational success.¹⁸

Costs of disengagement

Gallup's 'State of Global Workplace' report showed that only 13 per cent of employees across the world were engaged. In the UK, 17 per cent of employees were identified as being engaged with 57 per cent disengaged.¹⁹

A survey of 5000 employees by BUPA in 2013 revealed that disengaged and unwell personnel cost the UK economy £6bn in 2012, which was equivalent to 0.4 per cent of national Gross Domestic Product (GDP).²⁰ Additionally, almost half of people surveyed admitted to not going 'above and beyond', and less than one in ten (7 per cent) employees said they were working to their full potential, and more than a quarter of (27 per cent) workers rate their current level of productivity as five or below on a scale of 1-10. Research from KANEXA showed that increasing engagement in the UK to the middle of the top quartile would lead to £25.8bn in productivity gains.²¹

The CBI Harvey Nash employment trends survey of 2012 saw that securing high levels of employee engagement was the top workforce priority for UK businesses.²² The Head of the Civil Service also identified increasing engagement among public sector employees as a matter of great importance.²³

Given the increasing diversity of the UK workplace it is clear that a "*one size fits all*" approach to engagement cannot cater to the needs of all employees or deliver the full business benefits. As we shall explain, employee engagement approaches need to account for and address differences within and between groups in order to engage all employees and have a real impact.

Key Learnings: Employee Engagement

- Employee engagement is a positive attitude held by the employee towards the organisation and its values. An engaged employee is aware of the business context, and works with colleagues to improve performance within the job for the benefit of the organisation.
- The MacLeod Report identified four enablers of engagement: Strategic Narrative, Engaging Managers, Voice and Integrity
- Various studies have shown that employee engagement is linked to organisational success through increased productivity, performance, innovation and enhanced customer loyalty and satisfaction
- There is extensive evidence that disengagement represents a major cost to UK employers.

DIVERSITY & INCLUSION

What is diversity and why is it important?

Much of the impulse for work on diversity originally came from the civil rights struggles in the United States, and so traditionally the emphasis has been on questions of identity and representation. This had led to something of a Noah's Ark approach, just reflecting the arithmetic of a population without developing any underlying rationale as to why diversity might benefit organisations.

However of late, while all the evidence tells us that there are still blocks to the talent of certain groups of individuals, the pursuit of diversity has also started to embrace a wider agenda. Increasingly research and practice is showing that well-managed diversity in teams drives higher performance. It is increasingly understood that workforces need to be more than just representative of gender, ethnicity etc. but also have a diversity of backgrounds, disciplines, approaches and identities. This diversity, both inherent and acquired, helps to reduce group-think and avoid the kind of uniformity that lacks challenge and innovation. Employers increasingly recognise the need to create teams of difference and, while appointing and promoting staff on their personal abilities; they also want people who can bring complimentary and diverse approaches and skills to participating in, and managing teams.

Understanding how to engage staff of a wide variety therefore becomes crucial. In 'You Can't Put Me in A Box', Fanshawe and Sriskandarajah argued that the challenge of diversity now is to understand that, while there are times when group identities matter in terms of analysing and understanding staff, employers also need to recognise more about them as individuals, their needs, aspirations and what motivates them.²⁴ The definition of diversity that underlies this project is a more complex notion than the basic arithmetic of identity.

A more sophisticated view of diversity that takes into account both the need to overcome potential or actual bias against groups of people and also to deploy the mixture of backgrounds, disciplines, approaches and identities that combine to produce great performance, will enhance the engagement of staff and therefore their effectiveness within the organisation.

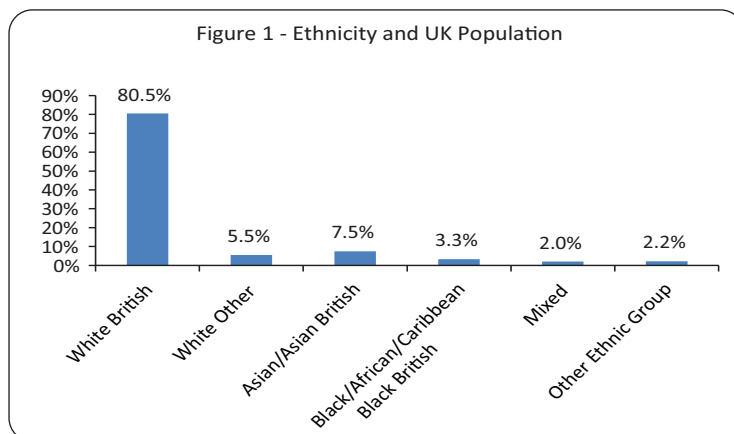
How diverse is the UK workforce?

Half a century ago, the UK workforce was overwhelmingly made up of white men. But with significant social and demographic changes over the last few decades, the workforce has become increasingly diverse and heterogeneous.

At the beginning of the 20th century, only five million women worked, making up 29 per cent of the total UK workforce.²⁵ By 2000, the figure had risen to 13 million, 46 per cent of the total UK workforce. As of January 2015, 78.1 per cent of **men** and 68.5 per cent **women** aged from 16 – 64 were in employment.²⁶

The second half of the 20th century saw an increase in immigration to fill labour shortages in UK industries and so the workplace has become far more **ethnically diverse**. The number of foreign-born people of working age in the UK more than doubled from 2.9 million in 1993 to just over 6 million in 2013, driven in part by a large increase in migration from the EU as it expanded.²⁷ The white British ethnic group accounted for 80.5 per cent of the usual resident population in the 2011 census with 7.5 per cent of population from the Asian and Asian British background, 3.3 per cent from Black/African/Caribbean/Black British ethnicity and 2.2 per cent from Mixed/Multiple ethnic groups.²⁸ (fig 1)

Non-white ethnic minority individuals make up 6 per cent of the work force. According to figures from DWP, Black and Asian workers are over-represented in "human health and social work" – a category that covers the NHS while Black workers are heavily represented in white collar administrative jobs in the private and public sectors.²⁴



Source: ONS

There are over 1.7m **gay** people in the UK workforce. However, statistics on their employment patterns are few and far between²⁹. Although a report by Office for National Statistics in 2012 found that LGBT people were much more likely to be in managerial or professional occupations – 49 per cent compared with 30 per cent for heterosexual workers.³⁰

There are approximately 10 million **disabled** people in the UK - about 18 per cent of the population, with 6.9 million disabled people of working age.³¹

Under half (46.3 per cent) of disabled individuals of working age are employed compared to 76.4 per cent of non-disabled people of working age. 33 percent of disabled people work full-time, compared to 60 per cent of non-disabled employees. Disabled workers are also over-represented in low-skilled and low-status jobs.³²

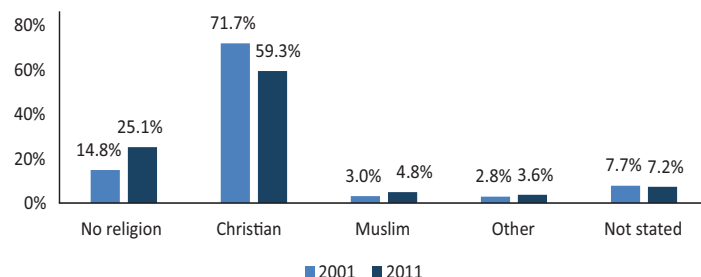
There is growing diversity in terms of **age** in the workforce, as people increasingly work longer. A DWP report in 2013 showed that 67 percent of 50-64 year-olds are in employment compared to 81 percent of 25-49 year-olds. Only around 10 percent of people aged 65 and over are in employment. By 2020, this number is expected to be a third.³³ However, reports show that the UK economy will have to fill an estimated 13.5 million job vacancies in the next ten years while only 7 million young people will leave school and college. Under these circumstances keeping older people engaged in the labour market will become increasingly important.³⁴

The growth of immigration to the UK in recent years has resulted in increased diversity in terms of **religious beliefs**. Figure 2 shows the changes over the last decade in the religious make-up of the British population. Although Christianity was the largest religion in the 2011 census, there is a significant increase in proportion (5.5 per cent to 8.2 per cent) of people saying they follow non-Christian religions and those who do not follow any religion (from 14.8 per cent to 25.1 per cent).³⁵

Super Diversity and the 'tick-box' approach

Although Britain has made major progress in promoting equality and diversity in the last few decades, there has been criticism of the traditional 'tick box' approach – which is seen by some as a simplistic way of recognising diversity and promoting equality. In their influential report - *'You Can't Put Me In A Box' – Super-diversity and the end of identity politics in Britain*, Fanshawe and Sriskandarajah argue that we need a more sophisticated approach to 'promote diversity, achieve equality and counter discrimination'. Although identity-based or strand-based thinking played a major role in tackling inequalities, they argue that this approach alone may not be able to capture the aims and aspirations of people in 21st century Britain. A balance needs to be struck between the needs of the individual and the group – and policy makers need to ensure that they are adequately answering the needs of each.

Figure 2 - Changes in Religious Affiliation: 2001 - 2011



Source: ONS

Key Learnings: Understanding the diversity of the UK workforce?

- Employment rates for women have progressively increased and they now make up 46 per cent of the total UK workforce
- There were 6 million foreign born workers in the UK in 2013
- The white ethnic group accounted for 86 per cent of the usual resident population in the 2011 census, with 7.5 per cent of population from the Asian and Asian British background, 3.3 per cent from Black/African/Caribbean/Black British ethnicity and 2.2 per cent from Mixed/Multiple ethnic groups
- There are over 1.7 million gay people in the UK workforce
- 67 per cent of 50 -64 year-olds are in employment compared to 81 per cent of 25-49 year-olds. Only around 10 percent of people aged 65 and over are in employment.
- There is a significant increase in the proportion (5.5 per cent to 8.2 per cent) of people saying they follow non-Christian religions and those who do not follow any religion (from 14.8 per cent to 25.1 per cent)
- Employers need to understand the diversity of their staff both in terms of their group identity, when what is the appropriate tool, and also the diversity of them as individuals.

The legal case for diversity and inclusion – The development of equality rights law in the UK

The contemporary framework for equal rights protection in Britain can be traced back to the 1960's with the first Race Relations Act, which outlawed discrimination on the "grounds of colour, race, or ethnic or national origins" in public places. The Equal Pay Act passed in 1970 sought to eliminate discrimination in an employment contract in the financial terms offered to each gender

The Sex Discrimination Act passed in 1975 and an amendment to the Race Relations Act passed in 1976 prohibited discrimination in the terms of that contract, i.e. in decisions on who to employ, what terms to offer them, who to train and promote.

The Disability Discrimination Act 1995 states that the *"employer has a duty to make reasonable adjustments where any 'physical feature' of the workplace or any 'arrangements' made by or on behalf of the employee substantially disadvantages a disabled person compared to a non-disabled person..."*

The Employment Equality (Sexual Orientation) Regulations 2003 prohibited employers from unreasonably discriminating against employees on grounds of sexual orientation or perceived sexual orientation and The Employment Equality (Religion or Belief) Regulations 2003 was designed to combat discrimination in relation to people's religion or belief, or absence of religion or belief. The Employment Equality (Age) Regulations 2006 is a piece of secondary legislation in the United Kingdom, which prohibits employers unreasonably discriminating against employees on the grounds of their age.

The Equality Act came into force on 1 October 2010, and brought together over 116 separate pieces of legislation into one single Act. Combined, they make up a new Act that provides a legal framework to protect the rights of individuals and advance equality of opportunity for all. The Act simplifies and strengthens the current legislation to provide Britain with a new discrimination law, which protects individuals from unfair treatment and promotes a fair and more equal society.

The Moral Case for diversity and inclusion

Although the legal case for Equality and Diversity is robust in the UK, there is also a strong moral case for organisations to excel in their practices. A society which celebrates its diversity, encourages active participation from all, is a society with an increased ability to reduce conflict and insecurity and increase cohesion.³⁶

Increasingly customers and consumers expect the behaviour of organisations to be consistent with their own values of fairness and integrity. They set the bar high and pursue companies vigorously when they fail to reach it. Therefore, organisations are progressively linking their diversity and inclusion policies to company values and strategies. It is simply seen as *'the right thing to do.'*

In one organisation recently where astar-fanshawe was working, a fierce argument broke out about the case for diversity. One staff member objected fiercely to the idea that we needed some performance-based reason to do it, some business case. "We should do it," she said, "because it is the right thing to do." After a vibrant debate another member of the group brought the discussion to a quietly optimistic close by saying that the point of justifying diversity as a driver of the organisation's performance was that it was a way of making those big and important social values actually happen at work and be put into practice in the world. We couldn't agree more.

The business case for diversity and inclusion

Apart from the legal and moral case, there is also a strong business case for organisations to push for equality, diversity and inclusion at the workplace. Almost 92 per cent of organisations that participated in the IPA & astar-fanshawe employer survey said that having a diverse workforce was important to them while 85 per cent said having a diverse and inclusive workforce could lead to higher employee engagement and improved business performance.

What gives diversity its power is not an individual's difference from the norm, but the *combination* of the differences between individuals. These differences produce a creative friction which, when well-managed, and faced with complex challenges, gives a diverse team or organisation the ability to out-perform a homogenous one.

Just as that understanding challenges the ways organisations recruit, promote and retain staff, this newer definition of diversity challenges the orthodox ways companies engage with groups of staff. It challenges employers to gather more meaningful intelligence on their staff's attitudes and feeling about their work.

The Department for Business Innovation and Skills undertook a comprehensive review of the economic evidence on the business benefits of equality, diversity and inclusion.³⁷ The study pointed to **external and internal business benefits** from helping businesses enter and sustain in new markets to improving internal operations through creative thinking and problem-solving.

A wide ranging literature review by Cox & Blake showed that an organisations' ability to attract, retain, and motivate people from diverse cultural backgrounds, could lead to "*competitive advantages ...through maintaining highest quality human resources.*"³⁸ As James Kellock, non-executive Director at Oxleas NHS Trust put it: "*if we don't have a diverse workforce, we can't recruit the best people... we would be fishing in a narrow pond, and that would handicap us.*" Cox and Blake proposed six main business benefits of a diverse workforce:

1. **Cost Argument:** As diversity in organisations increases, the cost of poorly integrating the workforce is high. Conversely those who manage this well will create cost advantages over those who don't³⁸
2. **Resource-Acquisition Argument:** Companies have the potential to create a positive brand image by favouring and promoting diversity. Those with the best reputation for managing diversity attract the best personnel and as the labour pool shrinks and changes composition, this edge will become increasingly important.
3. **Marketing Argument:** By having members from different cultures, multinational companies obtain insight and cultural sensitivity to different countries and cultures, which strengthens their market penetration.
4. **Creativity Argument:** Diversity of perspectives and a move away from conformity to the norms of the past improves the level of creativity.
5. **Problem-solving Argument:** Heterogeneity (diversity) in decision and problem-solving groups produces better decisions through a wider range of perspectives and more thorough critical analysis of issues.
6. **System Flexibility Argument:** Diversity leads to systems and processes that are more flexible which makes it easier for organisations to react to environmental and organisational changes.

“ Having a diverse workforce is important to an organisation. Research has shown that a diverse workforce increases creativity with different ideas, different ways of working, and as a result, it generates better productivity and staff morale. The world has become very small, and having a diverse workforce gives organisations the leverage, that they have the competence and ability to recognise/understand the global concepts, initiatives and behaviours and to bring back the understanding within the organisation as its underpinning ethos ”

Snéha Khilay - Blue Tulip Training

The legal and moral case for a diverse workforce is strong and the business case is growing. And for diversity and inclusion to drive business benefits, employees need to be engaged with their work. Various studies have shown that employee engagement levels vary across the workforce. The following chapter will further explore these variations.

The case for diversity and inclusion is growing, and employers are increasingly seeing it as a priority. Our employer survey found that almost 81 per cent of organisations have a policy or programme in place to promote diversity and inclusion.

Key Learnings: The Business Case for Diversity and Inclusion:

- Having a diverse and inclusive workforce drives a variety of external and internal business benefits
- Researchers have also highlighted that an increase in workforce diversity can lead to a better understanding of local markets and customers, increased ability to attract and retain the best people, greater creativity, better problem-solving and greater flexibility for organisations
- By being open to a diverse workforce, organisations are better able to attract and retain talented employees

VARIATIONS IN EMPLOYEE ENGAGEMENT

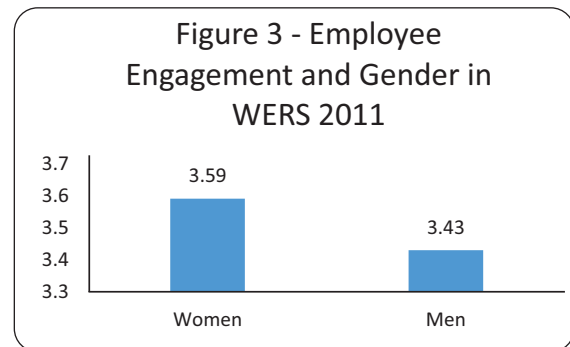
How does employee engagement vary across diverse groups?

There is evidence of significant variations in employee engagement across the workforce. Below, we examined data from the 2011 Workplace Employment Relations Study (WERS).¹ WERS is a large national survey of 21,981 employees at 2,680 workplaces in Britain. We looked at each of the four enablers and the overall level of engagement across various groups of the workforce. Additionally, we also looked at data from the NHS Staff Survey, Civil Survey People Survey and Gallup.

Gender

There were some significant differences in terms of gender with women appearing more engaged than men. WERS data analysis shows that on the engagement index, women averaged 3.59 out of 5 compared to the average for men of 3.43, a difference that was statistically significant (fig 3).

Women scored highly on three of the four MacLeod & Clarke enablers: *strategic narrative* where 68.9 per cent of female employees shared organisational values when compared to 61.9 per cent of male employees; with a similar trend seen in the other two enablers: *engaging managers* and *integrity*. The only aspect in which women scored lower than men was for *employee voice* where 52.2 per cent of men said they felt their managers were good at seeking their views compared to 46.8 per cent of women.



Source: 2011 WERS

A number of studies have found a similar pattern. Alfes *et al.*, also found that women scored higher than men across each of the elements of engagement: intellectual, affective and social.³⁹ A CIPD report published in 2006 found women were more engaged with their work than men and were both more satisfied and positive about their senior management team and were more loyal to the organisation.⁴⁰ Additionally, research undertaken by the Institute of Employment Studies too found that women were more engaged than men.⁴¹

The Civil Service People survey also shows that women are more engaged than men (57 and 53 per cent respectively). There was also a small but statistically significant gap in employee engagement in the NHS Staff Survey, where women scored 3.77 on the engagement scale, compared to men who scored 3.74.⁴²

Gallup found an even larger engagement gap by gender. Their recent poll found a large gender gap with 41 per cent of women feeling actively engaged, versus 28 percent of men. The study also found that, on average, 35 per cent of employees working under a female boss said they were engaged, compared to 27 per cent for those with male leaders.⁴³

However, the Quantum Workplace study carried out in the US found that men appeared to be more engaged than women. The survey also found that women felt more engaged if they felt confident about how they fit into the organisation's future plans (strategic narrative) whereas for men, it was more important to believe that leaders were setting the right course and the organisation would be successful in the future.⁴⁴

Age

The 2011 WERS Survey showed some significant differences in terms of age, as shown in figure 4. Younger employees scored higher on the engagement index with engagement progressively decreasing with age until the former UK default retirement age of 65 from where it rose sharply. The high employee engagement levels amongst new recruits may be due to a 'honeymoon period' during which levels of engagement are usually high as new recruits are still finding their way around the organisation, seeing whether their expectations are being met and having a more positive and optimistic attitude towards the organisation and its members.⁴⁵

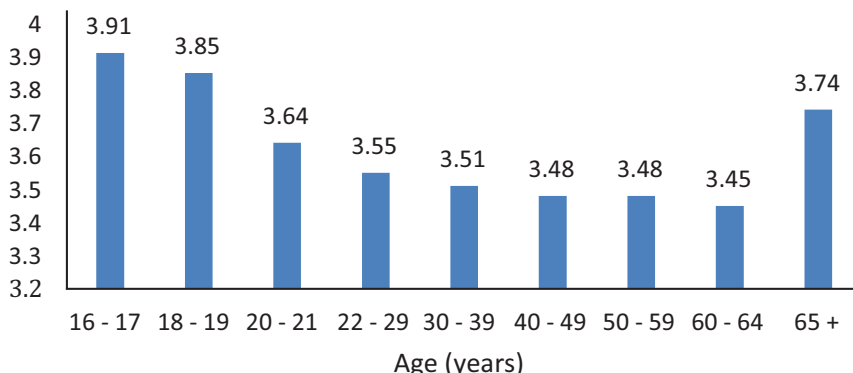
The Civil Service People Survey also shows a similar pattern, with employee engagement progressively declining with age.

However, this contrasts with the findings of Alfes *et al.*, who argued that under-25s were less engaged across the three dimensions they looked at.⁵²

The sharp increase in employee engagement amongst over-65s could be accounted for by the least engaged employees leaving the

workforce. With older employees reaching pension age, many would have the option of giving up work, with those who are less engaged and less loyal being more likely to do so.

Figure 4 - Engagement and Age in WERS 2011



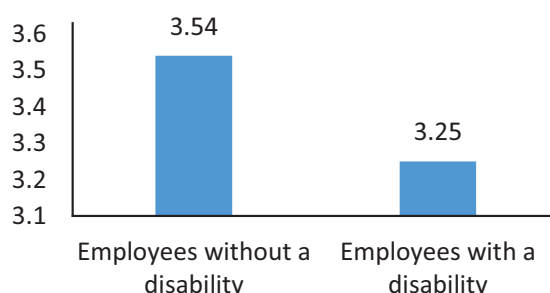
Source: 2011 WERS

Disability

The WERS Survey showed a sizable and concerning gap in engagement between those with disabilities and those without (fig 5). Those who self-identified as having a disability averaged 3.25 on the engagement index compared to 3.54 for those without a disability. Disabled employees also scored lower than employees with no disability on all four of the enablers of engagement

Similarly, in the NHS Staff Survey results, disabled staff were far less engaged (3.59) than non-disabled staff (3.77). The Civil Service People Survey of 2013 also showed that disabled employees were much less engaged (34 per cent) than non-disabled employees (43 per cent).

Figure 5 - Employee Engagement and Disability in WERS 2011



Source: 2011 WERS

Ethnicity

Looking at ethnicity, there were no significant differences in terms of engagement between different groups in the WERS Survey of 2011. There were some small but significant differences when it came to organisational commitment with white employees (3.90) scoring lower than Asian/Asian British (4.08) and Black/Black British (4.06).

However the NHS Staff Survey showed that non-white staff were significantly more engaged (3.87) than white workers (3.72). If we analyse the results further, Asian and Asian British workers were most engaged (3.95) followed by Black or Black British workers (3.88). Employees belonging to other ethnic groups, Chinese staff and workers from mixed backgrounds scored 3.77, 3.70 and 3.69 respectively. The Civil Service People Survey also showed similar results – with white employees being least engaged. While employees from BME backgrounds tend to be more engaged in the NHS and the Civil Service, it is interesting to see that this pattern is not evident in the wider labour market as shown in WERS.

Religion

There were no statistically significant differences in the WERS survey between employees from different religions. However, there was a small but significant difference between those with no religion who scored lower in employee engagement (3.46) than those identifying themselves as Christians (3.55).

The NHS Staff Survey shows that Jewish employees reported the lowest levels of employee engagement (3.64) followed by individuals who did not have a religion (3.67). Hindus and Muslims scored the highest levels of employee engagement (3.97 and 3.90 respectively) followed by Sikhs and Christians (3.85 and 3.78 respectively).

The Civil Service People Survey of 2013 showed that employees who subscribed to no religion are the least engaged (40 per cent) followed by people belonging to the Jewish faith (43 per cent). Individuals who identified themselves as Muslims reported the highest level of employee engagement at 62 per cent followed by Hindus at 58 per cent.

Sexual Orientation

Employees who identified as gay or lesbian in the WERS survey scored 3.60 in terms of engagement, whereas those who identified as heterosexual or straight scored 3.52, and bisexual 3.10, but the differences were not statistically significant.

The NHS Staff Survey results of 2013 showed heterosexual employees to be most engaged (3.75) followed by gay male and female staff (both at 3.68). Bisexual employees were least engaged at 3.66. However, the differences in employee engagement levels are not very significant.

The Civil Service People Survey of 2013 also did not show significant differences in employee engagement levels between different sexual orientations.

Key Learnings: Variations in Employee Engagement:

- Women appear to be more engaged than men. They score higher on three of the four enablers of engagement (strategic narrative, engaging managers and integrity), but they score lower on employee voice.
- Younger employees seem to be the most engaged. Levels of engagement progressively decline with age until 65 when engagement suddenly increases, probably due to the least engaged employees opting for retirement.
- Disabled employees are far less engaged than those without a disability.
- The WERS data analysis did not show statistically significant gaps in engagement in terms of ethnicity, religion and sexual orientation.

WHY DO THESE GAPS EXIST?

As we have shown above, there are some significant differences in terms of engagement between different groups of employees. These gaps warrant further investigation and explanation. Below, we consider some factors that could account for these differences.

Different drivers

There is considerable evidence that the **drivers of engagement** vary for different individuals and for diverse groups. As Doug Crawford at Cerus Consulting said: *“Engagement is not a one size fits all thing, and actually the drivers of engagement are going to be very different to different groups of people.”*

Much of the research suggests that different groups of people are engaged by different drivers. For instance, the Trends in Global Employee Engagement report published by Aon Hewitt in 2014 covered almost 3 million workers across the globe and showed that:

- For employees in Europe, the top three drivers of employee engagement were career opportunities, organisational reputation and pay followed by innovation and managing performance.
- For millennials globally (birth years ranging from the early 1980s to the early 2000s), the top drivers of engagement were career opportunities, managing performance and organisational reputation followed by pay.
- For Generation X (birth years ranging from the early 1960s to the early 1980s), and Baby Boomers (birth years between the years 1946 and 1964), innovation came in as a top driver of engagement along with career opportunities and managing performance.⁴⁶

Similarly, the 2014 Employee Engagement Trends report by Quantum Workplace shed some light on what drives engagement amongst female and ethnic minority workforce in the US. Their study showed that women were most driven by items focused on the organisation’s future and how they fit into the organisation’s future plans. The results also revealed that women liked their organisations to invest in their success i.e., training and development as this was one of the key drivers to their engagement.⁴⁷

We also found that flexible working, discrimination in the workplace, unconscious bias and the formation of ‘in-groups’ and ‘out-groups’ have an impact employee engagement levels across various groups of the workforce.

Northern Gas Networks – An Innovative Approach to Employee Engagement



Northern Gas Networks (NGN) innovative approach to employee engagement gives its employees the freedom to develop and implement their own solutions to problems faced within the business as well as creating opportunities to discuss their ideas. As Susan Wareham, HR Director at NGN described: "We try to do things far more informally and organically. We don't dictate from the top and we are pleased to let our people take the lead." Susan believes that a diverse workforce is very important to the success of the organisation, and that it is crucial for Northern Gas to have a holistic approach to engagement and treat all colleagues with respect and dignity.

A Young Persons Network exists for the under 35's to network and create their own development and learning opportunities. This together with the embryonic development of a Women's network provides discreet opportunities for two diverse groups within the business. Following a recent Women's event, it was reported that women feel that they are treated in exactly the same manner as their male colleagues and that opportunities were available equally for all.

The company believes in having a direct approach to engaging with their diverse workforce. As Susan Wareham explained: "We are not keen on undertaking big surveys, we find that they are accurate only at one point in time. We prefer to work with smaller groups where we can engage and involve colleagues on localised issues which are important to them. We engage with our colleagues in a range of different ways and are always seeking feedback." The company encourages informal discussions between its colleagues and the leadership teams. The senior leadership team operates an open door policy and welcomes everyone who wants to discuss any issues. This has created an environment where colleagues feel empowered to make a difference.

NGN also has various forums in place to encourage dialogue between the management team and its colleagues. For example, the Colleague Involvement Group (CIG) was established recently to provide a voice for people-related issues on the things that matter to the colleagues of NGN. As Susan Wareham explained: "We have an existing forum in place with Trade Union representatives, and the CIG is in addition to that. We had a lot of colleagues who weren't represented by a structured forum. Now, through the CIG, they have a voice." Danny Godward, who is the CIG representative for Bradford and Pennines believes that the forum has played a crucial role in enhancing employee engagement and improving work-life balance for members. As Danny explained: "A lot of our members were upset about their working patterns. They were too onerous. We brought the issue into the CIG and talked to our leadership team. We understood the company's point of view, and the senior management understood the colleagues' point of view. We managed to land on a balance of what's acceptable for both of us, which was a very positive outcome."

NGN supports its employees in gaining important skills to help them grow within the organisation. It invests £2.4million each year for the growth, development and career aspirations of its employees. NGN's Inspire Academy takes a leading role in training and developing its employees. Through the academy and the 'inspire approach', they offer employees a structured way to make their thoughts, feelings and observations about the business known. As Susan Wareham explained: "We would like to see ourselves as a coaching and mentoring organisation. We want to give our people the opportunity to grow within the company." Paul Sadler, Customer Operations Area Manager said: "There have never been as many opportunities as there are now at NGN for people who want it."

Flexible Working

Various studies have demonstrated that the availability of flexible working (defined by the CIPD as a type of arrangement which gives some degree of flexibility on how long, where, when and at what times employees work) has a positive impact on employee engagement.^{48 49} 73 per cent of organisations surveyed by the CIPD in 2012 said that flexible working improved employee engagement with 4 per cent saying there was a negative effect – resulting in a net positive impact of 68 per cent.⁵⁰ The report also found that there was a strong association between employees who said that they achieved the right balance between their work and home lives and respondents who said they were engaged at work.

A study by Cranfield School of Management found that flexible working had an impact on employee engagement through a positive relationship with organisational commitment, job satisfaction and employee discretionary behaviour.⁵¹ The Gallup report, which found women to be more engaged than men found a positive association between those who had taken up the provision of flexible working and their employee engagement levels.²² However, correlation analyses of 2011 WERS conducted as part of this report did not show an association between flexi-time and measures of engagement like organisational commitment ($r = 0.06$, $N = 21981$), discretionary effort ($r = 0.05$, $N = 21981$) and sense of achievement at work ($r = 0.05$, $N = 21981$). Similarly, a study carried out by Dex and Smith on the 1998 WERS data showed that family-friendly work practices had a relatively small effect on organisational commitment amongst public sector workers, but was a strong predictor of commitment in the private sector.⁵²

Traditionally, the uptake of flexible working is highest amongst women. A report by the CIPD showed that women were more likely than men to use flexible working, with 77 per cent of female respondents saying they worked flexibly in some way, compared to 70 per cent of men.⁷⁷ Women were also more likely to work part-time, use flexi-time and work from home on a regular basis. Given the link between employee engagement and flexible working, the higher levels of employee engagement among women that we have identified could, in part, be due to their higher uptake of flexible working.

Although some employers acknowledge that men, especially fathers and carers, should be able to work more flexibly, there are growing concerns that it is seen as a “women’s issue”. Figures released in 2014 showed that men were twice as likely as mothers to have such requests turned down.⁵² However, given the link between employee engagement and flexible working, it is crucial that organisations consider its benefits and make flexible working more accessible for both women and men.

Flexible working is also important for older employees. Research conducted by Age UK showed that demand for flexible working growing amongst those employees aged 50 and over and that it will continue to rise as pension age is raised to 66 by 2020.⁵³ Work time flexibility plays a crucial role in engaging with those under the retirement age as it provides them with an opportunity to accommodate other things in life such as caring or family responsibilities, health issues, or travel plans.⁵³

“ We need to understand the expectations women are informed by – is it about an opportunity to work in an environment where they have flexible working, where they get more opportunity to get child care? It very much depends on what you are looking at. Understanding what their engagement really means is very important. So you need to be really asking questions to find out what people expect from their jobs and how excited and interested they are in them. ”

Dianah Worman OBE, CIPD

Discrimination in the workplace

Although legal protections against discrimination have improved, many employees continue to report that they have faced discrimination at work. Fisher Jones Greenwood found that 1 in 5 employees in the UK experienced discrimination of some kind during their career.⁵⁴ More women (21 per cent) than men (13 per cent) said they felt discriminated against. The most common grounds for discrimination that were identified were gender and age with 27 per cent and 23 per cent respectively claiming they had been the victim of discrimination on these grounds.

Despite this, women continue to be more engaged than men. One possible explanation could be that women tend to find 'enrichment' (a process by which one role strengthens or enriches the quality of the other role) from family to work, whereas men experienced enrichment from work to family.⁵⁵ This could potentially have a positive impact on employee engagement levels for women in spite of discriminatory experiences at work. By striking a good family-work balance, it helps women to carry over positive feelings from home to work. However, for men who tend to find enrichment from work to family, favourable outcomes at the workplace might help them be more engaged at work with its spill over positive effects shared in their home life.

In terms of disability and age, further analysis of the NHS Staff Survey showed that having a disability significantly predicted experiences of being discriminated against in the workplace by managers, team leaders and colleagues.⁵⁶ Similarly, the outcome for age discrimination data also revealed interesting findings with 37 per cent of people aged 65 and over claiming to have experienced age-related discrimination.⁵⁷ Age discrimination at work remains a problem for those at the opposite ends of the spectrum. In a survey done by CIPD, 59 per cent of respondents felt they were discriminated against as a result of being perceived as either too young or too old.⁵⁸

First Great Western – 'Together We Can Stamp It Out' Campaign



In 2011, First Great Western (FGW) embarked on a journey to improve customer service and identified that its people were the key to success. A review of people-related processes and policies revealed a rise in incidents of bullying, harassment and discrimination in the workplace.

Rhys Owen, Head of Employee Relations at FGW explains: "When we looked at our own internal discrimination and harassment claims, we realised that there was much more we could do to help our own staff reduce incidents, improving not only our own written policies, but how these policies are communicated to staff."

This led to a work stream to tackle discrimination and harassment in the workplace. Sharon Johnston, Human Resources Director, who spear-headed the campaign, asked all HR Business Partners at FGW to be innovative about how they could incorporate the revitalised policies into staff's everyday work – ensuring they were understood and acted on.

As part of the campaign, the team produced a hard-hitting DVD about bullying and harassment at work illustrating unacceptable behaviours. Laura Cole, HR Business Partner, Employee Engagement and Reward at FGW explains: "The film is really extreme and the reasons we went for extremes is because sometimes it is difficult to pick up on the subtleties of harassment."

The new policy, 'Respect and Dignity at Work' and a corresponding campaign "Together We Can Stamp It Out" was gradually rolled out within the organisation. Line managers were trained on the new framework, attending a one-day training course covering all aspects of harassment and bullying, dealing with claims and linking them with the respect and dignity procedure and policy. Rhys continues: "The managers went through a full day's training course which they never had before, and it was very interactive, very live."

A total of 650 managers attended the training workshops. Colleagues were recruited from across the company and trained to facilitate two-hour workshops to the non-management workforce. Laura adds: "The film would spark discussion, the facilitator would pick up issues from the film and ask them to consider what was ok and wasn't ok to say at work, the aim being to make colleagues consider their audience rather than expecting no banter to occur at all." At the briefing sessions, employees were encouraged to discuss issues they didn't like or found offensive.

About 90 per cent of the colleagues have now been through the workshops. Feedback from employees across the company has been very encouraging with almost 78 per cent of employees responding positively to the statement- "the company believes it is important that employees are treated with dignity and respect, regardless of their position or background" in their most recent employee engagement survey (October 2014). The number of serious grievances and employee tribunal claims per annum has also reduced.

Unconscious bias

There is a growing awareness amongst researchers and employers that **unconscious bias** has serious implications on the engagement levels of various employee groups.⁵⁹ These biases occur automatically, triggered by the brain making quick judgements and assessments of people and situations based on their background, cultural environment and personal experiences.

Research by enei found that unconscious bias concentrated predominantly around three areas of work – **work allocation** - where managers are more likely to allocate projects to people like them, **feedback** - where managers are more likely to provide critical feedback to people like them and less likely to do so to those in their ‘out-groups’ (see below), and **informal mentoring and sponsorship** - where managers are more likely to offer informal advice and support to those people who belong to their existing social networks.⁶⁰

Further research conducted by enei showed that individuals had an unconscious bias in favour of seeing people with disability as less valuable at work. They found that 34.1 per cent were found to have an unconscious bias against people with disabilities compared to 27.1 per cent on the basis of gender.⁶¹ This was far higher than the proportion that had an unconscious bias against people from different ethnic backgrounds (which was less than 15 per cent). The prevalence of unconscious bias may help explain the significantly lower levels of engagement among disabled employees.

This desire to choose people who reflect oneself, often expressed as the “best person for the job” or “they’ll fit in well” will often produce teams that have higher levels of homogeneity. However, the evidence increasingly suggests that such teams do not perform as well as diverse teams.

The psychological elements described in this chapter highlight that individuals are predisposed to favour those similar to themselves at the expense of others. The reasons for this might not be singular or even conscious. The challenge for organisations is to develop a climate where diversity and inclusion are valued and cooperation encouraged, whilst having a common sense of purpose that unites all employees.

“ I think there has to be a huge dimension of unconscious bias because we know that [at times] we recruit people who are ‘like me’, people that ‘I’m used to’, and people that ‘I’m comfortable with’. If there are no diverse people involved in that selection process, or the people doing it [selecting] don’t know anybody who is slightly different, all these are potential barriers to selection and progression, so I think for me, monitoring, target [setting] and tracking [are important]. That’s when you can easily identify where your problem is. It might not be a case of attraction for those people coming in, but actually it’s at the interview [stage] where it goes all funny. ”

Sandra Kerr OBE, BITC

The formation of in-groups and out-groups

There are various psychological theories that explain discrimination and how it manifests in the work-place. One underlying phenomenon is that people compare themselves to their ‘social unit’ to see if they are similar or dissimilar. Some amount of (dis)similarity influences people’s work-related attitudes and behaviours and at times, being dissimilar can have a negative impact. For example, **social identity theory** proposes that as individuals, we are driven to feel positively about ourselves and therefore form ‘**in-groups**’ with those who share our positive sense of self – while looking at the rest as being from an ‘**out-group**’. This separation of ‘in-groups’ and ‘out-groups’ helps indulge individual’s desires for identity and self-worth⁶². But this has consequences for diversity as ‘in-groups’ may score higher on satisfaction but this will result in a perverse pressure towards homogeneity (uniformity). Diverse groups of staff will tend to score less positively unless the interactions between differences are consciously and positively managed.

Where differences are suppressed, organisations demand what Professor Kenji Yoshino has defined as “covering”, which in his paper “Uncovering Talent” he breaks down into four types:

- *Appearance-based covering* – where individuals alter their self-presentation
- *Affiliation-based covering* – where individuals avoid behaviours widely associated with their identity
- *Advocacy-based covering* – how much individuals stick up for their group
- *Association-based covering* – how much individuals avoid contact with other group members

He argues that dissatisfaction at work will rise where covering is common. As he says “50 per cent of respondents said this expectation by leaders to “cover” has “somewhat” to “extremely” affected their sense of commitment to the organization”.^{63 64}

On the flip side of covering, we can see what is known as the **similarity-attraction effect**, which makes individuals surround themselves with similar people in order to avoid challenges to their beliefs and values – even when at times such views could be narrow and stereotypical. Under these circumstances, the ‘in-group’ helps individuals to reinforce their idea of self-worth by seeing themselves as better than members of the ‘out-group’.

An extension to the above mentioned forms of discrimination is the **ultimate attribution error** – where individuals tend to attribute positive behaviour by members of their ‘in-group’ to their innate ability, and negative behaviours to the situation in which they find themselves. However, this is reversed for ‘out-group’ members, where positive behaviour is attributed to external causes and negative behaviour blamed on the individual. This could potentially have serious consequences on organisational decision-making – for example when a member of a minority (out-group) is promoted, it may be put down as positive discrimination and not credited to their capability to do the job. Whereas when an employee from a majority (in-group) work group is promoted, it may be attributed to their ability to get the job done.

Members of ‘in-groups’ and ‘out-groups’ may also have differential access to social networks and friendships at work, excluding them from forming informal relationships in turn affecting their level of access to natural sources of information and other resources needed to function at an optimal level in the organisation. This is especially difficult for those employees who form less than 15 per cent of the total work force.⁶⁵ As a consequence, they are not only excluded from making informal bonds at work but also sometimes faced with negative experiences such as increased visibility and social segregation.⁶⁶

This could also help explain the low employee engagement levels amongst disabled employees found in the WERS analysis, which revealed that they were less positive about the employee-management relationship, dissatisfied with their involvement in the decision-making process and were less likely to say that managers sought their views. Being excluded from forming formal and informal social relationships, and inability to express voice could have serious implications on how engaged disabled employees are at work.

Key Learnings: Why do these differences exist?

- Drivers of engagement vary for different groups of employees
- Flexible working seems to have a positive impact on employee engagement, and the greater access to flexible working amongst women may help account for their higher levels of engagement
- Workplace discrimination may have an impact on engagement, although the groups that seem to face the most discrimination are not necessarily the least engaged
- The formation of ‘in-groups’ and ‘out-groups’ could have a negative impact on employee engagement, with individuals belonging to these groups having differential access to social networks and friendships at work, excluding some from forming informal relationships, which in turn could affect their level of access to natural sources of information and other resources needed to function at an optimal level in the organisation
- There are a number of studies which show that unconscious bias has serious implication on engagement levels of various employee groups.

WHAT CAN BE DONE TO ADDRESS THESE GAPS?

Having examined the gaps in engagement between different groups and the possible explanation for these gaps, in this section we look at what can be done to ensure that organisations can institutionalise diversity and inclusion, making sure that all employees are engaged at work.

Employee surveys and measuring engagement

An effective and robust employee survey is a vital tool in helping employers understand how engaged people are within their organisation.

In addition to providing a channel for employees to express their views and opinions, engagement surveys can provide valuable intelligence on how engaged employees are, how this has changed over time, how it compares to similar organisations and the key drivers of engagement across the workforce.

Crucially, employee surveys can also help employers identify how engagement and other important perceptions and experiences vary across their workforce – whether that be by protected characteristic, or by team, department, or level. Where gaps are identified, employers can then conduct further investigation through statistical analysis, further surveys, focus groups or other discussion forums to understand why these gaps exist. Measures should then be developed along with employees themselves, to address these gaps and ensure all employees are engaged at work.

“ I think often people need to be convinced that action is necessary before you can get the shift in culture and I think employee surveys, staff surveys [are important] in setting the tone. The results [of surveys] can show what the engagement levels are and where there are differences. As a good employer you want there to be parity, you want engagement levels to be high across all diverse groups.... ”

Sandra Kerr OBE, BITC

Employee engagement surveys are valuable tools for organisations particularly in providing the insight, intelligence and understanding to inform measures that can enhance engagement. And they offer the opportunity for employers to measure the impact of interventions over time.

The 2011 WERS revealed that only 38 per cent of organisations carried out staff surveys within their organisations.⁶⁸

However, the IPA & astar-fanshawe employer survey showed that while 84 per cent of organisations had a staff survey in place, only half amongst these conducted in-depth analysis to check for variations in engagement. One in two amongst these organisations identified significant gaps in employee engagement across various groups in the workforce.¹⁷ We should also note that almost 60 per cent of organisations that participated in our survey were large employers, who are more likely to have staff surveys in place.

The public sector is particularly strong in this regard, with both the NHS and the Civil Service conducting large-scale annual employee surveys which provide leaders with a wealth of information on patterns of engagement, allowing them to identify challenges and target interventions.

For engagement surveys to be truly effective, they need to be designed to ask critical questions that can help employers identify areas of improvement and consider appropriate interventions. As Dianah Worman OBE, Public Policy Advisor Diversity at the CIPD put it: “you need to look at the structure of your engagement surveys, what questions are being asked and are they sufficient - do a temperature check on how ok the workplace is.” However, a clear distinction needs to be drawn between employee engagement surveys and subsequent employee engagement strategies as surveys act as a means to measure engagement, which then need to lead on to the creation of action plans or strategies to improve the engagement of the workforce.⁶⁸

It is vital that in designing the surveys that the various different levers of engagement experienced by different groups, as outlined above, are taken into consideration. In other words, it is important to measure what your staff know engages them, not what you assume does. It is important to understand the complexity of the diversity of your staff in order to get real insight in to how they are experiencing your organisation.

Organisational culture and leadership

Building an organisational culture that embraces diversity and supports inclusion is critical in enhancing employee engagement for all. A workplace environment that does not allow individuals to be themselves significantly impacts their engagement at work. For example, we know that when an employee feels that their sexual orientation or an unseen disability cannot be revealed for fear of reprisals, this kind of 'closed' work environment significantly influences their engagement at work.

Senior leaders play a vital role in this, in setting the tone for the shift towards creating a culture that values diversity and supports inclusion. It is not good enough to tick the box or think you look good by mentioning minorities in your workforce strategies. Leaders need to communicate the business and organisational benefits of diversity eloquently and gain the support and commitment of the various stakeholders involved.

For this, leaders need to be **'business savvy'** (with an intimate knowledge of the organisation's business), **'organisational savvy'** (understand the way of doing business) and **'contextual savvy'** (how it is organised and structured to carry out its business).⁶⁹ Diversity need not be something you do but a way you do something. As Kathryn Nawrockyi, Director at Opportunity Now says: *"we talk a lot about business leaders needing to move their focus on women's progression from being a diversity and inclusion initiative, to being a core business priority. It absolutely needs to be at the centre of all your business."*

Leaders need to raise awareness, address any concerns, replace myths with facts and foster positive mind-sets about diversity and inclusion.⁷⁰ For this, diversity and inclusion needs to be a fundamental issue assimilated into the value stream of the organisation and not just as an add-on. As Alexandra Beauregard, Assistant Professor at LSE explained: *"by mainstreaming diversity throughout the organisation and making sure that it is a part of everything, you don't side-line it."* However, leaders might also have to face certain amount of resistance while implementing diversity and inclusion policies. Friedman & Davidson describe two types of resistance: first-order diversity conflict where there is resistance to diversity itself, and second-order diversity conflict – where there is resistance to diversity initiatives.⁷¹ Whilst resistance to diversity itself may be due to the willingness of some employees to maintain the status-quo, resistance to initiatives could be owing to the lack of information, disagreements with details of the initiative, lack of involvement in decision-making, fatigue of continuous organisational change and resistance to the change leader.⁷²

Seven core factors are required to reduce resistance, garner support, and successfully implement a diversity initiative as part of significant organisational change:⁷³

“ Leadership is absolutely critical. Without good leadership, diversity and inclusion doesn't happen, whether it is a large firm, a public sector organisation, or a small engineering employer with 25 employees. If the CEO and members of the senior management team aren't committed, diversity and inclusion cannot be institutionalised. If they are not seen to demonstrate through their actions that commitment, then you know people will only think of it as lip service. So absolutely, diversity and inclusion has to be implemented from the top. ”

Heather Downey, Workage

“ In a recent keynote speech to University Vice-Chancellors, Simon Fanshawe suggested that there were five main elements of mainstreaming diversity into the core of an organisation's way of working:

- Leaders need to make a direct and conscious choice that increased diversity will enhance their organisation's performance;
- Leaders should start a conversation throughout the organisation to develop your story about what diversity means and how it will enhance the organisation's performance;
- Leaders need to recognise that to increase diversity they need to drive change in structures and processes and allocate resources to that change;
- Audit initiatives. Get rid of the ones that don't work and foster the survival of the effective;
- And create the pipeline. Grab the chance now to recruit and promote for potential and create teams of difference.

Simon Fanshawe, astar-fanshawe

- **Clarity:** Being clear and unambiguous about the purpose of the change, its direction, and the approach
- **Engagement:** Building a sense of ownership, belonging, and commitment; consulting with and involving the people who will be affected by the change
- **Resources:** Putting the needed resources in place (e.g., financial, human, technical and training) to enable the change
- **Alignment:** Ensuring that systems and processes (e.g., rewards, information, accounting, and training) support the change
- **Leadership:** Guiding, training, and equipping leaders at every level so that they display a consistent commitment to the change
- **Communication:** Facilitating an effective two-way flow of information; being aware of issues and questions; providing timely responses, recognising and celebrating short-term gains and
- **Tracking:** Establishing clear goals, assessing progress against these, adjusting and fine-tuning as necessary.

Supportive leaders who effectively communicate and motivate their workforce while involving them in the decision-making process create readiness for change. For a company to embrace and imbibe diversity and inclusion into its culture – it cannot be an initiative that is ‘pushed down’ from the leadership team. It requires two-way lateral and vertical communication amongst the participants. The aim should be to understand both the personal issues and the organisational ones: why negative perceptions towards diversity and inclusion persist amongst some employees and how they can be dispelled, and secondly what are the processes that need to be changed to create and embrace greater diversity and difference. This conversation throughout the organisation builds trust in the management, gains ‘buy-in’ from all involved and addresses any barriers to successfully engaging with all employees. If they feel that the pursuit of diversity is delivering genuine benefits to their quality at work they will feel more engaged and they will be able to perform better.

As Paul Deemer, Head of Equality, Diversity and Human Rights at NHS Employers explained: “it is important that leaders are emotionally intelligent, so it is not good enough for a chief executive just to stand up and say ‘I support inclusion and diversity’”. Leadership ‘buy-in’ is vital when driving diversity and inclusion. Leaders validate diversity and inclusion and give it credibility as a business driver. They need to lead by example. Results from our employer survey show that while 82 per cent of respondents agree that the role of leadership is important to institutionalising diversity and inclusion within the workplace, only 40 per cent of organisations had a diverse mix of leaders.

“ I think they [diversity and inclusion] are both essential because diversity without inclusion doesn’t really work. So that for me is a question of leadership, and if you don’t have inclusive leadership then you don’t really benefit from diversity. So how can we do it? You need to have top down leadership programmes for management, and senior people in the organisation. It’s about dealing with unconscious bias, behaviours, and role modelling. You also need to think bottom up in an organisation. So looking at network groups for example, or different ways of empowering minority groups. That is how you can make the link between diversity and inclusion. ”

Stephen Frost, KPMG

Leadership behaviour has a powerful influence on the engagement and performance of employees and the experiences of diverse groups in an organisation. ‘Inclusive leadership’ emerges as a dominant theme in the ability to engage effectively with a diverse workforce. BITC describes inclusive leaders as “those that get the best out of all their people, helping their organisations to succeed in today’s complex, diverse national and global environment. Through their skills in adaptability, building relationships and developing talent, inclusive leaders are able to increase performance and innovation.”⁷⁴ BITC found that over 81 per cent of employees that have worked with an inclusive leader were engaged and loyal to the organisation. Inclusive leaders were also effective in breaking down barriers to progression experienced by many women and minority groups in organisations.⁹² Over 80 per cent of employees from all backgrounds reported that an inclusive leader helped to increase their self-confidence and made them feel more valued.⁹²

Oxleas NHS Foundation Trust

Enhancing Employee Engagement and Promoting Diversity and Inclusion – The Role of Leadership



The senior leadership team at Oxleas plays a significant role in driving employee engagement and diversity and inclusion. As Juliana Frederick-James, Chair of the BME network said: “The reality is that I don’t think you will meet any person at a senior level at Oxleas who would disagree that diversity and equality are important to the trust.”

In order to build a strong relationship with staff from the very start, Stephen Firn, Chief Executive of the Trust is the first person new recruits meet at their induction. Stephen welcomes staff to the organisation and is very keen to find out what the new recruits think about the Trust and how their first week in their new posts has gone. He feels this is important in getting a fresh perspective on the organisation and making all newcomers feel valued right from the start.

Although Oxleas has consistently been achieving high employee engagement levels, the Trust does not like to rest on its laurels. As Simon Hart explained: “staff compare themselves with other Trusts and how they compare from last year”, and so the leadership team is always trying to improve conditions to make their employees feel more engaged.

Christine Rivers, Head of Equality and Human Rights at the Trust believes that a “targeted approach” has helped to improve employee engagement levels across various groups of the workforce. For example, the NHS Staff Survey of 2013 had shown significant gaps nationally in employee engagement between disabled employees and their colleagues and a similar but smaller gap at Oxleas. However, the results of the most recent staff survey indicate that disabled staff in Oxleas now have higher levels of engagement compared to non-disabled staff. As Christine Rivers explained: “I have been focussing on disability as a particular area that we need to do some work on”. This resulted in a staff survey being carried out to see if reasonable adjustments for disabled employees were in place, and by launching the Disability Action Group (DAG) to look at how the Trust can make improvements in supporting staff with disabilities. As Jacki Lo, member of DAG and a Health and Safety Coordinator described: “it [DAG] gives us that extra voice, because leadership has always been supportive in terms of reasonable adjustments.”

Another major achievement for Oxleas in recent years is being listed amongst the top 100 employers in Stonewall’s Index of Workplace Equality and fourth amid NHS organisations in the 2014 list of gay friendly places to work. Christine Rivers, Head of Equality and Human Rights, who spear-headed the campaign believes this was achieved by having a vision and working towards it. Maeve Malley and Martin Smythe, of the LGBT network firmly believe that Christine’s role was pivotal in making Oxleas one of the top employers for members of the LGBT community. As Martyn explained: “the major factor was Christine really driving things forward and pulling it all together”. James Kellock adds that Christine’s passion for her role and the way “she balances her enthusiasm with a sense of pragmatism” has helped to address issues various other groups of the workforce faced at Oxleas.

For Christine, the supportive leadership style of Simon Hart, Director of HR & OD has been extremely important. This has allowed her to implement innovative practices at organisational level. As Christine described: “Simon is a very good HR leader. In terms of my role, he is very flexible and supportive of thinking outside the box and developing new initiatives. This means we can test something out and see how it works and then develop it further.”

Line Managers

Senior leaders need to inspire those who lead lower down the organisation. Engaging managers who ‘*focus on their people and give them scope, treat their people as individuals and coach and stretch their people*’ was identified as being one of the four enablers of engagement in the MacLeod report.⁷⁵ They are usually the main route through which an employee interacts with the organisation, and are important actors in making diversity and inclusion an integral part of the organisation. It is crucial that managers understand diversity in a way that allows them to recognise both the possible (or actual) group disadvantage their staff might face but also to support them as individuals to engage and fulfil their potential. Four in five respondents to our employer survey said that line managers were very important in embedding diversity and inclusion within the workplace.

The ability of the senior leaders to communicate the benefits of diversity and inclusion effectively to line managers is crucial to motivating them to take a positive lead on diversity and engagement. However, a report by BITC showed that only 46 per cent of managers believed that their organisation made the case for them to embrace the importance of equality and diversity as a vital component of organisational success. Yet, many managers reported that, on a personal level, they were convinced that the business case for diversity existed.⁷⁶ The report also revealed that managers were not entirely confident about communicating equality and diversity values and policies further down the management chain because of the inconsistencies shown by the leadership team.

Over the last ten years managerial training has become an important aspect of engaging with a diverse workforce successfully, with many organisations taking progressive steps to ensure that their managers are supported well with bespoke training programmes around tackling discrimination at work and unconscious bias – factors which were identified as influencing employee engagement levels very considerably. As George Selvanara, Director of Policy, Services & Communication at Business Disability Forum said: “*It [managerial training] is fundamental. Almost 50 per cent of disabled employees [expressing] dissatisfaction at work cite their line manager as the reason and it is [often] to do with a lack of awareness and skills and confidence on part of the line manager.*” Although 80 per cent of employers who participated in our survey said line managers were very important in embedding diversity and inclusion within the workplace, just under half (48 per cent) had training programs in place to support line managers to embrace a diverse and inclusive culture.

However, training is not enough on its own. Managers who get trained but who then come back into organisations that are still doing the same things and behaving in the same ways become demoralised and their enthusiasm is in danger of evaporating. Organisations have to be prepared to look at the ways they do business, the processes they use and the results they get from them and be ready to make significant changes in order to increase diversity, make inclusion real and improve engagement.

FirstGroup - Training Line Managers on the SCARF Model of Engagement



The SCARF model, developed by David Rock, provides a valuable framework for understanding and influencing our interactions and collaborations with

others. It enables individuals to understand how the five domains of human social experience activate either the ‘primary reward’ or ‘primary threat’ responses from the brain: **Status** (understanding our place in our life, our story, self-awareness); **Certainty** (being able to predict the future); **Autonomy** (a sense of control over our lives); **Relatedness** (being part of a team and family and relationships); and **Fairness** (being treated fairly, no discrimination) potentially affect human behaviour. The SCARF model can also be linked to the four enablers of engagement identified in the MacLeod Report: **strategic narrative, engaging managers, integrity and voice**. As James Dalton, Group Head of Employee Engagement & Health at FirstGroup explained: “We use the four enablers as our model for engagement, but what the SCARF model does is, it explains *why* the four enablers work. So by helping somebody understand the strategic narrative, it fulfils several of the elements of the SCARF model.” The model can also play a critical role in supporting Diversity and Inclusion at the workplace. It can help managers and leaders understand the origins of unconscious bias and why people might feel alienated or excluded. For example, if an employee perceives they are not being treated fairly by their manager and is being discriminated against, it might activate a threat response from the individual. As James Dalton described “*It (the SCARF model) links seamlessly to the diversity agenda because it makes people understand why they shouldn’t use certain language, and why they shouldn’t treat certain groups differently, because of the way that will make those individuals feel.*”

Managers at UK Bus, part of FirstGroup, are trained on the SCARF Model of engagement, as it provides a robust scientific framework for building self-awareness and awareness of others. It has helped a section of management teams to understand what engagement means, and what triggers certain reactions amongst employees. The positive feedback received from managers who have undergone training on the SCARF model has encouraged FirstGroup to roll it out to their other divisions as well. As James Dalton explained: “*By using neuroscience in our training, it has really helped a lot of people understand why engagement is important and how their behaviour affects people’s engagement.*” For James, the SCARF model is the missing piece in engagement and an essential tool for supporting diversity and inclusion within organisations.

Employee Networks and Voice

Employee networks or employee resource groups (ERGs) can play a major role in supporting diversity and inclusion and thus engagement within many organisations. More than half (53 per cent) of organisations that responded to our employer survey said that they have employee networks in place.

The 2011 WERS data shows that some groups – most notably women and disabled employees – are less likely to feel they have a voice at work.²⁸ Having employee networks or resource groups can help to release employee voice for such groups, allowing members to raise issues that concern them and share ideas and discuss possible interventions with the management team. It can connect them not just to each other and their managers, but to an involvement in the strategy of the company as a whole. In some cases, like at Oxleas NHS Trust, chairs of network groups sit on the central equality and diversity team and contribute directly to building diversity and inclusion policies. Employee networks can serve as focus groups for diversity leaders and executives. Through these forums, they can communicate diversity strategies and action plans to members and involve them in the decision-making process.

A study carried out by Mercer in 2011 found that organisations were committing significant resources to employee networks. The average annual budget for employee networks reported by participants was approximately £45 per member. They also found that enthusiasm and commitment to start and support an employee network was growing amongst organisations that took part in the survey - with 93 per cent having a women's network, 90 per cent having a forum for BME staff, 84 per cent having one for LGBT staff, and 52 per cent for disabled staff.⁷⁸ However, most of the organisations that took part in the service were large multi-national companies, headquartered in the US and EU. What is interesting to note is that all the organisations that had their headquarters in the EU had a women's network in place.⁷⁷

Our survey found that the most common employee networks were for LGBT staff (79 per cent of respondents had such an organisation), followed by a women's network (61 per cent) and a staff disability forum (54 per cent). The Mercer study also found that within some organisations, younger employees were staying away from race, and gender-focused networks and moving more towards ones that connected them to other people in their generation and job level.⁷⁷

For networks to be most effective, organisations need to ensure that they work with each other, and that their aims are aligned to organisational objectives, especially on the promotion of diversity within the workplace.⁷⁸ As Kathryn Nawrockyi, Director at Opportunity Now described: *"I think [women's] networks over the years have been a bit of a distraction and they often don't necessarily achieve anything for a business. They create a space for women to connect which I think is important, especially in male dominated environments, but (having a network) does not mean that you as an employer have solved your problem with gender."*

Organisations are increasingly encouraging networks to promote each other's work and collaborate with one another and share plans, best practice, and resources to make them more effective.⁷⁹ As Fanshawe and Sriskandarajah described, individuals increasingly do not see themselves as belonging to one group or one strand of diversity.⁴¹ Therefore, networks should be open, inclusive and networked.

“ Staff networks are a really strong and key element of our diversity strategy and we have always promoted and encouraged trusts to establish staff networks whether as individual networks or for disabled staff, LGBT members, men or women, religious groups, faith groups etc. It can be any of those, but some organisations have actually got inclusive networks. So there are organisations which have 'Rainbow Networks' which cover all of the strands of diversity. We know that they [networks] are valued, they are important and they are effective as long as they have got good governance arrangements because one of the criticisms of some networks is that they just sit in isolation within an organisation. The most successful networks are those which are actually aligned with some sort of governance arrangement which allows them to feed into decision-making processes within an organisation. ”

Paul Deemer, NHS Employers

“ The evidence is important as to why we should bother [about diversity and inclusion]. I think employee networks, and opening them up, so not just saying you have to be an ethnic minority to be part of the network, opening it out to anybody who is an ally, or has an affinity or an interest is also another way to build better engagement. ”

Sandra Kerr OBE

There are now a number of refinements to the way that resource groups work. PwC for instance have started a Gender Balance Network and members are asked to bring a member of the opposite sex with them to events. Their LGBT network is called GLEE – Gay, Lesbian and Everyone Else. These networks are increasingly focused not just on diversity, but on advocating ways in which diversity can contribute to the performance and direction of the company's whole strategy.

TSB - The Inclusion Network



Since TSB's inception in 2013, the bank has had a clear vision to create an inclusive work environment where Partners from all backgrounds can collaborate, feel valued and take ownership. There is a desire to ensure that 'the diversity of their Partners reflects the diversity of the communities the bank serves.'

The bank's Inclusion network was established in 2014 to 'focus on helping every TSB employee, regardless of gender, ethnicity, disability or sexual orientation, to fulfil their potential by creating an environment where they can access the help and tools they need'. A decision was made early on by the members who helped set up the network to move away from traditional groups based on protected characteristics, and instead create a forum where all employees, irrespective of their backgrounds could join and share ideas. As Catherine Diamond, Senior HR Business Partner at the bank explained: "I think just by having different networks for different protected characteristics by its very nature becomes exclusive. I think just by doing that you are calling out the difference rather than bringing people together."

The Inclusion network is open to all employees and has three key themes, which the bank believes are relevant to every TSB Partner - career development, work-life balance and inclusive culture. The Inclusion team work very hard to gather information and feedback from people who attend its events. As Maria Fletcher, Diversity & Inclusion Lead at the bank explained: "We have built a sophisticated tool that captures attendees' demographics the first time they register for an event, and we are pleased to find that they were reflective of our workforce demographics. It has given us the confidence that we are reaching the diverse audiences as well as engaging those who may not personally identify with a specific group."

Additionally, the network consists of five affinity groups (gender, disability ethnicity, LGBT, and new to TSB), and each of the affinity groups has an executive sponsor who gives voice to the group and champions their cause, while making sure that their work is always on the business agenda. The Inclusion Network also works closely with the bank's human resources team by reaching out to role models within the five affinity groups to help Partners' develop their career within the bank and also address any workplace issues.

The senior leadership team at TSB have been extremely supportive of institutionalising the diversity and inclusion agenda. As Claire-Carrington Windo, Area Director for the West Midlands TSB and Co-Chair of the Inclusion network explained: "The leadership have been extremely supportive of the work we do around diversity and the Inclusion network. We couldn't have asked for any more support." Maria Fletcher added that at the time of setting up the Inclusion Network, all of the executive committee, especially Paul Pester, their CEO was very encouraging and championed the cause. "You hear about knocking on executive doors, and having to give them the business case for diversity and inclusion. In our case, every door has been opened. So that has been a huge help, and it is forward thinking. I think we are very lucky to have a group of people in our leadership team who are so enthusiastic about doing something around diversity and inclusion".

University of Greenwich – Promoting Diversity and Inclusion through Social Media



The University of Greenwich has an equality, diversity and inclusion (EDI) Strategy and Action Plan in place, which is linked to the University's overall strategy. The University believes that having a policy on EDI for staff and students reinforces their expectations of the values and behaviours that all members of the University community should exhibit.

The University actively and consistently promotes equality and diversity through various channels. As Claire W. Clark, Equality, Diversity and Inclusion Manager described: "The message in terms of equality and diversity itself is important in that it just isn't words. It needs to be real and live, delivered at the heart of the University and should be engrained and embedded in everybody's work."

The University has two staff forums to support LGBT and disabled employees respectively. Cinthya, who is also the Co-Chair of the LGBT staff network believes that the main aim of the network is to provide support and information to staff in the workplace and act as an advisory group on LGBT issues within the University by contributing to policy development and implementation. As she explained: "We wanted to be a bit of a social space for LGBT staff to come and meet other LGBT staff members, but we also wanted to be seen as a serious group contributing to the University, so we have voice in decision-making when a new policy and changes are going to happen." The University is also a member of the Stonewall Diversity Champions Programme and is featured in Stonewall's Gay by Degree, a guide for Lesbian, Gay and Bisexual students on higher education institutions.

The LGBT network extensively uses social media to share messages, promote events and raise awareness. The network has gained a good number of followers in a short space of time and use the medium to effectively convey their messages and reach out to staff, students and the wider public. As Cinthya explained: "It [LGBT twitter account] is not only to engage with our current staff but also with the wider community to create awareness around LGBT issues. That is why I think social media is a great tool. It reaches so far and beyond our four walls." Cinthya also believes that it is essential for organisations to communicate through various channels with staff, and that social media provides that essential second line of communication to share messages and raise awareness. However, she recognises that there may be trust issues amongst staff when using social media to communicate with colleagues, and that organisations need to do more to address the 'big brother effect' to make it more effective. The network also has LGBT staff role models, a senior LGBT champion, and a senior straight sponsor who actively support the network and raise awareness and visibility amongst staff and students.

Trade Unions

Although employers often implement and strengthen their policies in relation to equality and diversity and practices through the 'top-down' commitment of senior management, 'bottom-up' pressure for equality and diversity exerted through trades unions has also proved important.⁸⁰ There are various studies which show that organisations are more likely to undertake a review of discriminatory employment practices if they worked with the unions rather than unilaterally being determined by the employers.⁹⁸ More recently, a study by Noon and Haque found that workplaces with recognised trade unions were more likely to have developed formal equality policies than non-unionised firms.⁸¹ Our survey also showed that over 88 per cent of employers felt that trade unions had a very important role to play in institutionalising diversity, and inclusion within the workplace. As Sarah Veale, Head of Equality and Employment Rights at the TUC said: "when trade unions are working well, unions can actually be a better partner or instigator [for diversity and inclusion]".

However, with the advent of new theories and practice in diversity and a shift away from the traditional equal opportunities approach, there is a concern amongst trade unions that their influence on policies might be lessened. Kirton, Green and Dean identified three key features of the new approaches to diversity that are likely to cause concern for unions:⁹⁸

- The underpinning economic rationale for diversity
- The focus on the individual and
- The positioning of diversity as a top-down managerial activity

They argue that these key features could potentially divert policy efforts away from the trades union aim of social justice, remove the union focus on group-based forms of discrimination and disadvantage and marginalise the role of trades unions in negotiating for equality.

Nevertheless, trade unions can play a very important role in institutionalising diversity and inclusion within organisations. Alongside the increasingly persuasive arguments that diversity will be increased when embraced by organisations as a business strategy, and not marooned out on the edges as a nice-to-have, trade unions can also ensure that organisational practices are fair for all employees. It is important that part of the understanding of diversity and effective engagement is that there remain persistent biases and they need to be tackled while also recognising the aspirations of individuals at work.

Key Learnings: What can be done?

- Employers should ensure there are robust staff surveys in place to measure employee engagement, and identify any gaps between groups
- The benefits of having a diverse and inclusive workforce should be clearly and consistently communicated to all stakeholders
- Leadership plays an extremely important role in driving change, making the diversity and inclusion agenda central to the way that the organisation works and creating a culture where all employees feel valued and are treated fairly
- Training programmes on unconscious bias and cultural and disability awareness for line managers is crucial in taking the diversity and inclusion agenda. But they must be accompanied by organisational change to be fully effective
- Employee networks that promote each other's work play a significant role in supporting diversity and inclusion within organisations.

University of Lincoln – Releasing Employee Voice

The University of Lincoln has an open and transparent culture, where employees are encouraged to communicate their views and opinions to the senior management team. As Claire Bell, Employee Engagement Manager at the University explained: “We believe in a direct approach when communicating with our staff. There are tools we use to enable the employee voice, like surveys and focus groups, but there is nothing stopping any member of staff from emailing or picking up the phone and getting in touch with a member of the senior management team, including the Vice-Chancellor.” Although the University in the past had employee networks such as LGBT and Disability forums in place, staff uptake was low. As Claire explained: “We have tried to establish specific equality networks in the past, but this approach hasn’t really worked for us as staff participation was low. What we have found to be far more effective is holding inclusive forums and discussions with staff.”



Claire believes that organisations should be careful about ‘mimicking’ others because what might be effective and successful in one organisation may not always be replicated with the same results elsewhere. She recommends that for meaningful engagement organisations should have courage and listen to what their employees actually want before introducing new initiatives. This will help to ensure time and energy are invested in the initiatives that will actually matter to staff and bring about the positive impact desired. She believes that embedding inclusion within the organisation is vital in creating a culture where all employees feel valued, as individuals increasingly identify themselves as belonging to more than one strand of diversity. As she explained: “During our staff induction, I often take the analogy of ticking boxes and I put it to the new inductees that if I was to give them a form with the nine protected characteristics listed, all of us in the room would be able to tick the majority of the boxes.”

Dave Prichard, who is the Staff and Student Communications Manager at the University is responsible for strategic and operational communications. Before the University begins the launch of any new initiative that would impact the workforce, Dave briefs line managers, who then engage and communicate the details with their teams. Dave also supports internal operations of the National Student Survey at the University, where he uses a variety of channels to effectively communicate details of the survey with staff and students. Dave’s team produces a key brief for staff covering the main themes of the survey, whereas with students, he prefers face-to-face communication. As he explained: “We talk to students, see how they are doing, listen to them, and help our students understand how important their voice is through the completion of the survey. This is why we have very high National Student Survey participation levels from our students. Our efforts to meet face-to-face and engage with our student community is essential.”

Dave believes that internal communications play a crucial role in enhancing employee engagement and promoting diversity and inclusion at the institution. The internal communications team, along with the University’s Students’ Union, raise awareness and promote equality and diversity by observing religious festivals, and promoting the work of Women in Science and Engineering campaign and Athena SWAN. As Dave explained: “For us, programmes of work such as Athena SWAN are absolutely vital to how we view ourselves as an organisation, and importantly they also contribute positively to the institution’s role in influencing and shaping the way future society progresses.”

CONCLUSION AND IMPLICATIONS FOR EMPLOYERS

What the research in the report tells us, amongst other things, is that employee engagement and diversity and inclusion need to be looked at congruently – as *two sides of the same coin* - and not as distinct entities. However, our employer survey shows that there is some way to go here as only one in three organisations (34 per cent) currently link their employee engagement and diversity and inclusion strategies.

We found evidence of significant gaps in employee engagement between diverse groups. Women seem to be more engaged than men, although they have less confidence that their employer seeks and responds to their views. There is a stark and worrying gap in terms of disability, with disabled staff being far less engaged than those without a disability. We also found that the youngest employees tended to score higher in terms of engagement and this decreased as age increased with levels progressively falling until the former default retirement age of 65 from where it rose sharply, most probably because the least engaged choose to retire.

We identified several factors that might explain these variations. The drivers of engagement vary between groups and between individuals. People are motivated by different things, and look for different outcomes from work. Organisations need to enable their line managers to build good inter-personal relationships with their teams to understand what drives them at work.

We also found that giving employees the option of flexible working could enhance their employee engagement levels. Several surveys have found a positive association between employees who took up the provision of flexible working and their employee engagement levels. Research has also shown that women who were able to achieve good work-life balance carried over some of the positive feelings from home to work. This may be one of the possible factors behind high employee engagement levels amongst women despite workplace discrimination and inequality.

Traditionally, flexible working has been seen to be a women's issue, but requests for flexi-time from men, especially fathers are rising. However, studies have shown that men were twice as likely as mothers to have such requests rejected. Flexible working also plays an important role in helping employees aged over 50 to engage with their work. It provides them with an opportunity to accommodate other things in life such as caring or family responsibilities. Given the link between employee engagement and flexible working, employers need to make sure that its provision is equally accessible to all employees.

Workplace discrimination and unconscious bias were also identified as factors that affect employee engagement levels amongst diverse groups. Despite improved legal protection, a number of workers continue to report that they have faced discrimination in one form or the other. While managerial training for tackling discrimination at work is vital, unconscious bias and championing inclusive behaviours is important, unless significant change is implemented in ways of recruiting, promoting and retaining staff, the dial on diversity will move at the same glacially low rate of recent years. Our employer survey showed that not enough organisations are using evidence-based approaches to guide workforce policies on recruitment, retention and advancement, and understand how perceptions differ between groups and individuals. There have certainly been changes, but there remain significant factors of disadvantage and persistent bias for certain groups and individuals which lessen their satisfaction and engagement at work.

We believe that organisations need to have a robust approach to measuring employee engagement and should aim to identify, understand and then address any significant variations between employee groups. In addition to employee surveys, managers should use a variety of listening mechanisms, such as formal and informal meetings and focus groups that are effective in releasing employee voice. Whilst the measurement of staff engagement can tell organisations something about the basic 'health' of staff, results often need to be interpreted with a more refined understanding of the particular wants, needs and aspirations of the diversity of the workforce. This needs to be followed up with changes at an organisational level, where the senior management team needs to take a leading role.

Leadership plays an extremely important role in driving change, making the diversity and inclusion agenda central to the way that the organisation works and creating a culture where all employees feel valued and are treated fairly. The benefits of having a diverse and inclusive workforce should be clearly and consistently communicated. We also highlighted the importance of inclusive leaders who get the best of all their people as being crucial to create a culture where diverse groups feel engaged.

Leaders need to proactively and consistently engage with their line managers in driving the diversity and inclusion agenda forward. Online communication was seen as being ineffective in getting this message across. There clearly is a need for the leadership team to connect much more effectively with their line managers. Training programmes on unconscious bias and cultural and disability awareness for line managers are crucial in taking the diversity and inclusion agenda forward.

Employee networks or employee resource groups can also play a significant role in supporting diversity and inclusion within organisations. If effective, they can help to release employee voice, which was identified as being one of the four enablers of engagement in the MacLeod report. Employee networks can also act as forums where the senior management team can share diversity action plans and strategies and seek views of employees by making them part of the decision-making process. However, to be truly effective, networks should promote each other's work and collaborate with one another and share plans, best practices, and resources. Successful employee forums or networks are those whose aims are aligned with organisational objectives and help to strengthen the business case for diversity.

Diversity needs to be understood by employers and those designing staff engagement tools in its most complex form. Its definition needs to encompass both inherent and acquired diversity, and employers need to understand both the issues that affect people in their identity groups and also as individuals, their needs, aspirations and skills.

This report, based on wide research, and the work of the organisations that have taken part, urges employers to interrogate the complexity of the diversity of their staff and understand how different groups of staff and different individuals respond to different levers of engagement. It encourages organisations to see employee engagement and diversity and inclusion as *'two sides of the same coin'* – agendas that should be linked and mutually reinforcing. With that kind of effective engagement, they will boost the satisfaction of their staff and the performance of their organisation.

Questions for Employers:

Based on our findings, we have developed a series of questions for employers to ask of themselves. These are designed to encourage people to think about their approach to employee engagement and diversity and inclusion.

- Do you understand the full diversity of your workforce, both in their groups and as individuals?
- Do you have a robust policy in place for managing diversity and promoting inclusion?
- Does your organisation link its employee engagement and diversity and inclusion strategies?
- Is your approach flexible enough to take account of the different drivers of employee engagement among different individuals and groups?
- Are there any significant gaps in terms of engagement between different groups of your workforce?
- How can you account for these gaps and how can they be addressed?
- What changes to processes or structures are required to achieve greater diversity, inclusion and engagement within your organisation?
- Has your senior leadership team clearly and consistently communicated the business benefits of having a diverse and inclusive workforce?
- Are your line managers adequately supported and trained to engage all their employees, and promote an inclusive work environment?
- Would your organisation benefit from having employee networks to bring together employees with shared characteristics?
- If you have existing networks in place, do you encourage them to work together and share ideas?
- In addition to networks, what other mechanisms do you have in place to promote employee voice?

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