

Creating an INCLUSIVE workforce

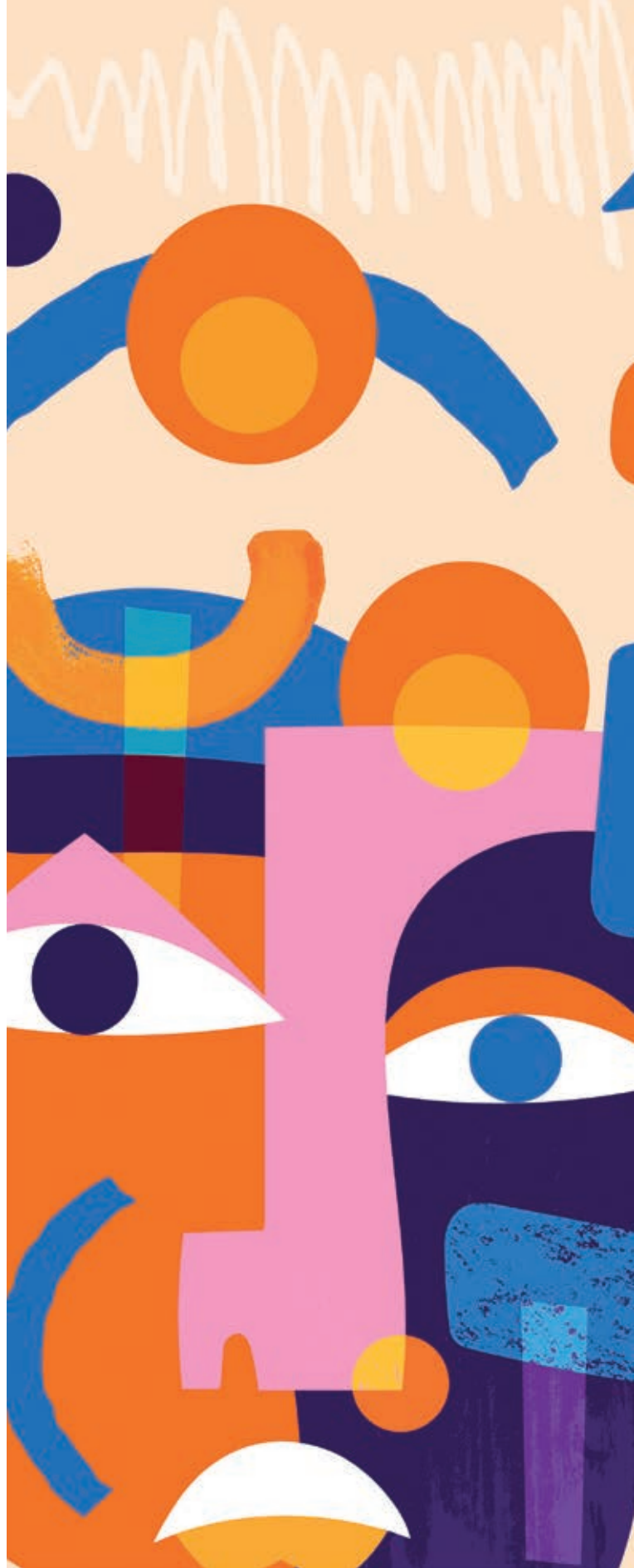
Equality, diversity and inclusion are part of achieving sustainability for any organisation. It's essential to create an effective and sustainable workforce, and reflect your customers and communities.

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The discussion on sustainability deterring negative impacts; predominantly on the climate, the environment and nature, has broadened to include people, as well as places and the planet. This holistic approach recognises that subjects like social justice and equality, diversity and inclusion (EDI), all form part of the sustainability agenda. If we apply the fundamental principle of making decisions and taking actions that benefit present generations with no harm to future generations, then social injustice and issues around EDI are addressed automatically. ➤

Governance

The G in ESG helps us manage risk, become more resilient, maintain reputation, and be equitable and inclusive. It ensures all bases are covered and every aspect of an organisation and its operations adhere to sustainability principles: without disadvantaging sections of the community that are already disadvantaged, vulnerable, treated inconsiderately or unfairly, or are in the minority. This is where equal opportunities and social justice can be accounted for. Transparency and engagement are essential. Without the trust of employees, customers, the public, and government, organisations will not gain or sustain credibility in adopting ESG.





Importantly, sustainability includes the aim to create positive outcomes. That's not just positive outcomes now and in the future to meet the challenges of a warming world, and degrading environment and nature (the 'E' in ESG) but also crucially for people. That's the 'social' (the 'S' in ESG) in the widest sense. This is where pledges, policies, planning, and programmes of work support society, communities and groups of people, (like workforces) to access and benefit from the protections and opportunities sustainability brings.

The 'G' in ESG, governance, shouldn't be forgotten. It enables attitudes and actions to be transparent and remain relevant and effective. Good governance in meeting sustainable aims and holding organisations to account for their actions is essential to achieve goals, meet international and statutory targets, and follow the social zeitgeist of public opinion and expectations. Importantly it proves organisations are doing the right thing for all stakeholders.

It is a difficult balancing act, as our research for the Zurich Municipal whitepaper *The Sustainability Shift: People*² has shown us. The many positive attributes of public service organisations go a long way to meet the demands of the delicate sustainability balance naturally. Public sector bodies, charities and education institutions have at their core values that follow sustainability principles and practices. Many organisations exist purely to do good and to help people. But it can become difficult to ensure wider audiences are addressed, included, and given opportunities, alongside those who are targeted by an organisation.

Inclusion in all its definitions is vital. Taking everyone with you for a successful sustainability shift means including everyone at every stage in a variety of ways. Not only does everyone have to be included, but everyone has to be served well too, with inclusive opportunities. That means without one section of society paying for the gains (or the levelling up) of others.

Equality, diversity and inclusion (EDI) are embedded in different ways in organisations but often lack a sustainability overview. Human resources may have defined policies and protocols for recruitment for instance, but these can operate in isolation. Although most organisations would espouse and support recruiting a workforce that reflects the people an organisation serves or supports (diversity), the equality and inclusion parts of the equation can go untested.

Job searchers can be put off prospective employers if they don't see anyone that looks like them or it's not evident EDI is important to an organisation.





57%

According to NHF data: a housing association workforce is more female than the population by stock locations, so 57% of positions are filled by females, compared to 51% of the general female population. But at executive and board levels this falls to 45% of executives and 42% board members, which are female.

EDI is a term long spoken about in organisations, and in recent years has become an exigency. It has become both a threat and an opportunity to be managed through organisations' risk management frameworks. In Zurich Municipal's 2021³ research into future risks for public service and charity customers, it came near the top of concerns for many sectors, with a particular focus on the workforce.

Workforce

Recruitment and retention are a red flag risk for many businesses in the UK, not just those providing public services. Organisations keen to compete, can use sustainability credentials (which should include EDI) as a point of difference. Equality, diversity and inclusion in the workforce, reflected with EDI practices in the workplace can be a decider for employees and new recruits. Job searchers can be put off prospective employers if they don't see anyone that looks like them or it's not evident EDI is important to an organisation. It is also important for customer satisfaction and to meet regulatory and financial challenges. It is a common sense move to reflect the customer base within the workforce, but it's not common practice yet in public service organisations.

Recruitment processes have been under review for some time across all public service sectors. EDI is a major consideration in talent management. Appealing to the widest possible potential workforce has become a business driver as vacancies remain unfilled. For

example, our research showed that charities are changing application processes and interview techniques. Digital campaigns like NonGraduates Welcome, Show The Salary and Charity So White have been challenging recruitment practices. Not addressing these ➤

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National Housing Federation (NHF) EDI data collection case study

One of the reasons we're doing this is we think that having a more diverse workforce will lead to a better customer service. If you have a more representative workforce, you're more understanding of the different needs of your clients. And housing associations should focus on this because they are social purpose organisations. They should be a beacon for equality, diversity and inclusion.

The National Housing Federation (NHF) saw obtaining accurate data as the best way to start to measure EDI in the workforce. Once you measure you know where to act. We are currently taking a data led approach because it's a way forward on transparency and accountability. Housing associations wanted to do work on this; they prompted the project. Organisations representing almost three quarters of the social housing stock in England responded when we began in 2021.

We are repeating the exercise in 2023 but we're only at the start. It's not a project with a beginning and an end. It's always going to be something people need to continually think about because society and culture change. You need to keep track of what is important for customers and your workforce and reflect that in the culture of your organisation.

We have framed our questions in the same way as the Office of National Statistics (ONS) so we can make direct comparisons with their data on the general population. It also breaks it down, giving us more information: and it is more inclusive. For example, we separately ask about both sex and gender identity.

The reason we've made that distinction is because sex is what you are at birth or what is on your gender recognition certificate, and gender identity is if you identify as a different gender to your sex at birth. Also, we know the ONS adheres to best practice and rigorously tests suitability and wording of questions.

We hope there's enough flexibility in ONS questions that you can either tick a box or say 'prefer not to say' if it doesn't fit with how you describe yourself. For some questions there is an opportunity to provide more detail through open text boxes. But

it's not just about box ticking, it's about talking to staff to understand their experiences around identity and inclusion.

The NHF recommends housing associations engage, measure, and act. Engage with your staff, measuring what your workforce and representation looks like. Set yourself targets and regularly review and report on them. You need to do it at least annually to track progress. Make sure your data is accurate, then act on the data. Use your data to inform your EDI strategies and action plans so you can target action. The NHF has lots of examples of good practice on the website¹.

NHF top takeaways

The EDI data exercise has shown the value of:

- Closing data gaps to get relevant information across the sector.
- Asking questions in a consistent way for accurate comparison (with ONS data).
- Improving ethnicity and ethnic diversity, particular at board and executive level.
- Looking at different levels of leadership and areas senior managers work in within your organisation to test equality, diversity and inclusion. Work out whether people are getting siloed into certain departments.
- Finding out more about the socio-economic background of your staff. According to the UN, information on socio-economic background should be collected in the same way as ethnicity and disability. It's relevant to track

"Sharing data and setting yourself targets shows you're being open and transparent, and you're serious about the issues around EDI."

NHF

socio-economic background because social housing is for people who are in housing need and can't access housing on the open market. As a result, many tenants are from lower socio-economic backgrounds. (The NHF focus' on the measures recommended by the Social Mobility Commission.)

- Tracking data regularly and consistently. Don't just gather data on staff at induction.
- Talking to people about their experience of EDI. You need to find out if you've got an issue of inclusion.
- Talking to staff and making them feel comfortable



“The NHF recommends housing associations engage, measure, and act”.

NHF

about being frank in the data collection. Stage internal campaigns around collecting data.

- Sharing with staff what the results say and why it's important.
- Challenging the organisation, acting on the results and reporting on your actions.
- Sharing the data – and the issues – with tenants, so you can tell them what you are doing and how you are making your workforce more relevant to your customers. It relates to tenant satisfaction.

Top findings from the National Housing Federation EDI data collection 2022

The data collection shows that in housing associations in England there needs to be:

- A much greater representation of disabled people – representation is only eight per cent of the workforce.
- Greater female and ethnically diverse representation at executive level.
- More young people in the workforce.

issues has resulted in candidates whose values align with the work of charities being put off joining the third sector.

Local government, alongside charities, as part of the not-for-profit sector, is attractive to those who want to work for an employer with sustainability principles at its core. However, the recruitment process for government organisations has seemed impenetrable, onerous, old fashioned and all but inclusive. The Solace, Local Government Association, University of Birmingham (INLOGOV) and Zurich Municipal research and report *Understanding and Improving Equality, Diversity and Inclusion in the Local Government Workforce*⁴, stated that: ‘workforce diversity is fundamental in an organisation that is fair and which delivers services that meet the needs of the population.’

Those needs are increasing and all public service sectors need a future proofed workforce to ensure equal and fair distribution of services. This year we enter a new global recession and a time in history when many more people than ever will be seeking help, and many more people are needed within organisations to provide it. Employing sustainability principles across all aspects of organisations and ensuring everyone is heard and represented, is an effective way to manage enterprise risk and support society. ●

References

¹Equality, diversity and inclusion, National Housing Federation

²*The Sustainability Shift: People*, Zurich Municipal

³Rising to the Challenge: The future of the public and voluntary sectors, Zurich Municipal

⁴*Understanding and Improving Equality, Diversity and Inclusion in the Local Government Workforce: A spotlight on data collection and good practice*

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