

# Diversity & Inclusion

The missing step on  
the career ladder

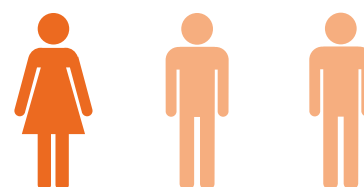


## A burning issue

The issue of Diversity & Inclusion has been high on the business agenda for some time. Particularly in relation to efforts to increasing gender equality in the workforce, heightened by the introduction of new Gender Pay Gap reporting legislation in April 2017 making it compulsory for companies with more than 250 employees to publicly declare their numbers. Meanwhile racial diversity was the subject of the recent Baroness McGregor-Smith Review commissioned by the Government, which found that people from black and minority ethnic (BME) backgrounds are still being held back in the workplace, costing the UK the equivalent of 1.3% in GDP each year.

However, much of the noise centres on ensuring diversity at the recruitment entry point and then, at the other end of the scale, in the boardroom. Two notable campaigns with these missions are the 30% Club with the goal of increasing the percentage of women on FTSE-100 Boards and the launch earlier this year of a dedicated initiative by MI6 to attract more women and ethnic minorities into the secret service.

Holding back black and minority ethnic employees costs the UK 1.3% in GDP each year.



The 30% Club is one of the initiatives to increase the percentage of women on FTSE-100 Boards.



## The fractured middle ground

Given the volume of existing intelligence around building diversity goals into the recruitment and senior leadership selection processes, Lee Hecht Harrison | Penna decided to commission research into what happens in between these stages in the employment lifecycle. Our survey<sup>1</sup> specifically explores how embedded diversity and inclusion matters are in the promotion process to ensure the central pool of talent, which has been through the appropriate equality filters upon joining an organisation, is offered the same career advancement opportunities regardless of age, race, religion, gender and so forth.

Worryingly we unearthed a common perception amongst workers of prevailing inequality during their attempts



What happens in between the stages of the employment lifecycle?

<sup>1</sup>The research was conducted by Opinium on 10th – 16th March among 2,005 UK employees (18 and over) 102 HR managers.

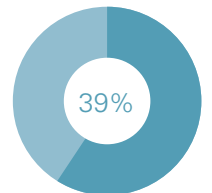
to rise up the professional ranks, with one in five employees reporting such challenges. It seems that suspected discrimination on the grounds of age was the most commonly felt (39%) followed by gender (26%) and employment status<sup>2</sup> (22%).

These perceptions contrast with those of HR Managers who are channeling most of their energies into eradicating sexism when it comes to tackling organisational diversity issues. Although strangely, they agree with the workforce that ageism is most rife at their company. This dichotomy is perhaps a result of the industry news agenda being determined by legislative milestones, like this year's Gender Pay Gap go live, rather than company-specific data driving diversity programme priority setting.



One in five employees feel they have suffered prevailing inequality during their attempts to rise up the professional ranks.

39% felt they were discriminated against due to age.



## Break glass in case of emergency

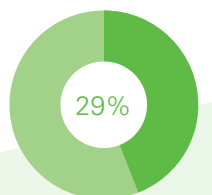
That said, the “glass ceiling” prevails and gender equality of opportunity is still missing and warrants its place towards the top of the pecking order of issues. Our research reveals that women are much more likely to feel they have not been given sufficient career guidance as part of the promotion game, with four in 10 (40%) reporting this to be an issue in comparison to just a quarter of men (26%).



## Addressing the anomalies

In a general sense, our research highlighted flaws with promotion processes and procedures that are not being adequately addressed by employers due to lack of awareness of the problem. Over a quarter (29%) of employees believe the way promotions are handled at their company are unfair, while HR professionals disagree with almost all (94%) respondents believing everything is hunky dory on that front.

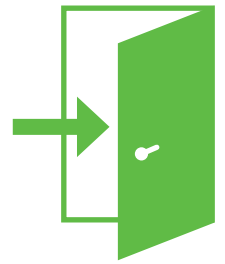
29% of employees believe promotions are handled unfairly at their company.



<sup>2</sup>Includes part time, job shares, flexible working hours.

Most attuned to the perceived lack of fairness in the promotion process are 25-34 year olds, which is concerning as this age group essentially comprises an organisation's emerging talent and future leadership pipeline. They are the age group which feels most hard done by when it comes to promotion decisions, with 28% reporting this compared to the average for all age groups of 20%. In addition to feeling wronged, they are also more likely to take proactive action; a quarter (24%) have left a job because they have been passed over for promotion, while a further 24% have left a job because they have felt the company has lacked diversity.

Those who feel most hard done by are the emerging talent group, 25-34 year olds. 24% of whom have left a job because they felt the company lacked diversity.



## Levelling the playing field

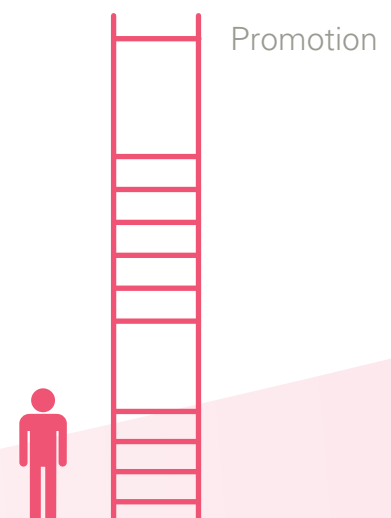
For companies looking to bridge this gap, there is no one-size-fits-all policy. To create a promotion process seen as fairer and more inclusive by its employees, HR professionals and senior management need to develop a unique solution tailored to the nature of both the organisation and employees.

There is no one-size-fits-all policy.

Although one common problematic area was identified to be how assessment criteria is defined and communicated within an organisation, an area in which the views of employers and employees find harmony is in the understood rationale for promotion being most often 'working hard' and 'doing a good job.' However, this points to an issue with intangible metrics being most valued in promotion decisions – a sense that gut feeling is reigning supreme in what needs to be a structured system, where grey areas are reduced, to be observed as fairer.

In almost all cases, helping employees understand their career options helps define parameters to operate within to achieve promotion.

In some cases this could be fixed through the redesigning of assessment processes, while in others it requires upskilling people managers to have effective career conversations. However, in almost all cases helping employees to understand their career options, clarify pathways and enabling them to understand what they need to do to achieve their ambitions is essential in creating clearly defined parameters in which to operate in order to achieve a promotion.



In this sense, record keeping is also crucial to create an evidence base of continuous high performance. As our research confirms, a promotion is accompanied by a pay rise in most cases, so should be treated with the seriousness and rationality of any other financial investment decision.

Record keeping is crucial to create an evidence base of continuous high performance.

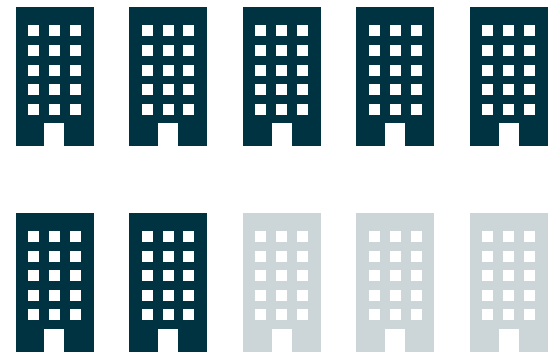


## Fair game

We did uncover examples of a move towards a more systematic approach to the handling of promotions by employers. For example, 7 in 10 (70%) organisations integrate quotas into the promotion process.

But according to 40% of employees more still needs to be done to tackle the lack of diversity. Interestingly, over a quarter (26%) of employees support instilling positive discrimination, often considered controversial, as part of the answer.

Demonstrating commitment to tackling the diversity conundrum plays right into an organisation's talent attraction and retention strategies. The majority of employees (74%) stated plainly that they would consider leaving a company if it appeared to lack diversity and that sizable cohort is bound to include some of the high potential/performers that would impact the bottom line if lost.



Seven in ten organisations now integrate quotas into their promotional process.



## The end goal

When it comes to motivations for promoting diversity, 65% of HR Managers agreed that a varied workforce with a range of outlooks and skills enhances organisational performance, while other more reputational reasons are at play with other HR Managers saying that they thought promoting diversity was important because it's expected within today's society (51%) and it prevents claims of discrimination (50%).

Amongst all of this musing and chatter about diversity and inclusion, it is easy to lose sight of the business benefits of achieving, or at least moving further towards at pace, these admirable goals. It is so much more than the right thing to do, as there are clear competitive advantages to be unlocked by a diversified workforce. An employee population that represents all demographics, cultural backgrounds and physical/mental capabilities means diversity of thought. Given that today's general population is diverse, you need people that come to problem-solving from many different angles to create solutions for a broad range of needs.

# About us

Your business goals in mind. Your people's best interests at heart.

When your business is changing, you need to support your people through it. Whether you're restructuring, changing your culture or developing your leaders, we'll help.

We work with companies to simplify the challenges of workforce transformation. We do that by helping their people navigate change, become better leaders, develop their careers or find a new path in life. The results: a stronger employer brand, less risk and better business performance.

Everyone's different. So are we.

As the world's leading integrated talent development and career transition company, we've got both global scale and local knowledge; pioneering technology and experienced consultants.

But that's not the whole story. It's how we work that's different. We never think of companies or people as numbers on a spreadsheet. We treat everyone as unique, with their own aspirations, challenges and potential.

That's the belief we live and work by. It's why 70% of our clients have worked with us for more than five years. And why 97% of our clients would recommend us.

To find out more about how Lee Hecht Harrison | Penna can help your organisation with talent management please call us on 0845 456 2276, email [contact@lhhpenna.com](mailto:contact@lhhpenna.com) or visit [lhhpenna.com](http://lhhpenna.com)

LEE HECHT  
HARRISON



Penna