accenture

Who we are is how we'll grow

Why Covid-19 has accelerated the need for workplace equality, what UK business can do to achieve it and why it will build a stronger economy

Let there be change

Executive Summary

2020 has been an extraordinary year for both people and business. This report looks at how the UK needs to work together and recognise inclusivity and diversity as powerful tools of economic rebirth.

A year of unimaginable statistics

Just under a million people infected and 59,000 deaths from Coronavirus in the UK in just nine months.[1] Over one million dead worldwide. The human cost of Covid-19, an illness that didn't even have a name at the turn of the year, is almost impossible to measure. And its impact has reached into every aspect of our lives: our children's education, our ability to hug a friend or see grandparents or travel, where and even if, we can work. And for business and the economy the figures are alarming.

The UK economy is reeling from the impact of Covid-19: within six weeks of a pandemic being declared over a million employers had furloughed over eight million employees.[2] The UK is on track to record the largest decline in gross domestic product for 300 years, according to the Office for Budget Responsibility.[3] It is currently estimated that the UK economy is likely to be more than six percent smaller than it was a year previously by the end of 2020.[4] We have seen the largest annual increase in redundancies since the financial crisis of 2008, and a falling employment rate.[5]

A more unequal world than ever

No-one has been left untouched by this crisis. But the impact has not been equally felt. Women, people with disabilities, those from ethnic minorities and those from socially disadvantaged backgrounds— all groups that were already under-represented in the UK workplace—have been hit hardest. The inequalities they faced long before the pandemic are being magnified through the actions of the virus and the unintended consequences of our response to it.

Emerging evidence indicates that mothers are more likely to drop out of the labour force, young people are more likely to be furloughed, and people with disabilities more likely to be made redundant.

A plan is needed

The immediate and genuine response by UK businesses at the onset of the pandemic was extraordinary. Many redirected their supply chains towards essential products that were in short supply, such as Brewdog making hand sanitiser, Rolls Royce and Unilever switching to manufacturing ventilators as part of the Ventilator Challenge consortium, and BAE and Burberry making personal protective equipment.

Others supported the key workers who saved lives and kept our society going. John Lewis and Dettol donated care packages to NHS workers, supermarkets set aside in-store shopping hours and online delivery slots for key workers. And firms up and down the UK created flexible working options to employees struggling to home-school and care for children or having to self-isolate. In countless and unprecedented ways, UK businesses demonstrated the power they have, to keep our people safe, fed and supported.

As the pandemic continues, we are facing a second wave of Covid-19 cases and a return to more restricted home and working environments for many. For businesses, innovative, agile thinking will be critical for survival as they navigate through an uncertain winter into an uncertain new year.

Why just a little more inclusivity and innovation increases GDP

Over the past three years Accenture has studied the impact of workplace culture on employees and shown the power of culture in addressing inequality. In more inclusive cultures ALL employees are more likely to thrive and advance; but the boost it gives to women, to those from ethnic minorities, to employees with disabilities or from socially disadvantaged backgrounds is such that it helps everyone to thrive and advance more equally.

But Accenture's survey of UK employees reveals that workplace culture is already being eroded and that again the result is widening inequality. Before Covid-19, **23%** of employees with disabilities said they felt completely included at work, compared with **29%** of their colleagues, but while everyone has felt their sense of belonging at work fall away that gap has widened. Today just **16%** of employees with disabilities say they feel completely included, versus **25%** of their colleagues. We asked employees how well supported they felt by their employers through the crisis. Overall, **74%** said they were well supported, but this falls to **56%** among those from socially disadvantaged backgrounds.

16%

of employees with disabilities said they feel included at work compared with 25% of their colleagues

Asking business to focus on inclusion and diversity when their very existence is under threat may seem like an unrealistic demand. But, if 'just doing the right thing' is not a good enough reason then the ability of more inclusive cultures to unlock innovation surely is.

Our research found that the ability and willingness of an employee to innovate, what we call their 'innovation mindset', is closely linked to how inclusive their workplace culture is. In fact, a ten percent improvement in workplace culture (measured using a scorecard that includes actions such as leadership accountability, family-friendly policies, diverse hiring and a trust-based environment), is associated with a ten percent increase in innovation mindset.

According to our analysis, if all UK companies were able to improve the inclusiveness of their workplace by just ten percent then the resulting uplift in innovation mindset among their employees could increase UK GDP by up to **1.5%** each year (see chapter 2). That would equate to a total boost to the UK economy of £393bn between now and 2030. To put this into context, this is greater than all the emergency coronavirus-related spending that the government has enacted so far in 2020 (£210bn as of September).[6] This is a strong indicator that performance and culture are not separate endeavours, but tightly interdependent goals, equally crucial to success.

As it turns out, focusing on creating inclusive workplaces is exactly what business need to do right now.

Here are four ways we'll get there

1. **Inclusive decision making:** bringing in voices and opinions that can help to pre-empt actions that would inadvertently hurt underrepresented employees.

2. **Inclusive work design:** designing job roles around skills, aptitude and the potential for individuals to retrain, and rejecting out-dated assumptions of what it takes to do the job.

3. **Inclusive workplaces:** focus on culture and the physical environment, with interventions targeted at specific groups of employees, and today, those who are more vulnerable to the impact of the pandemic on their lives.

4. **Inclusive restructuring and talent strategies:** UK business must reassess their long-term talent strategies considering the impact of restructuring on diversity and, as they grow, tapping in to hidden talent pools across industries and across groups that are not even in the labour market. If their workplace culture is right; this diverse new talent pool will thrive.

1.5% boost to UK GDP each year from increased workplace inclusiveness

1

UK workplace inequalities are exposed and exacerbated

Inequality was pervasive before the pandemic

Inequalities in the UK labour market were pervasive long before the breakout of Covid-19. Age, gender, ethnicity and social background, sexual orientation and whether they have a disability directly impact the likelihood of someone finding a job, being paid well and advancing into leadership.
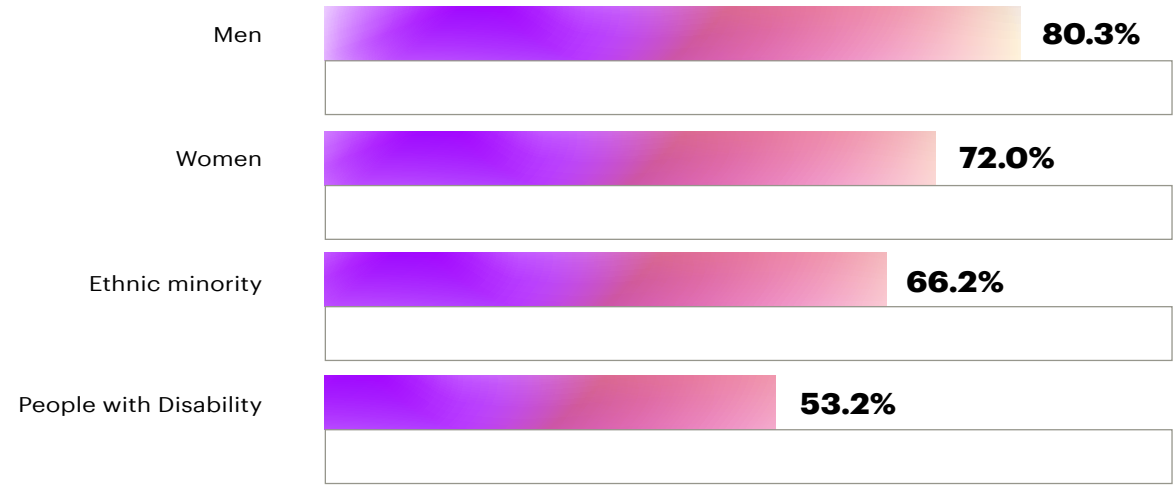
The under-representation of certain groups is evident in employment rates, i.e. the number of people aged 16-64 that are in paid employment (see Fig 1). The employment rate among men is **80.3%** but it drops to **72%** among women. Similarly, among people with disabilities it drops to **53.2%**, compared with the overall average of **81.8%** for non-disabled people—a shocking 28 percentage point difference.[7]

The gender pay gap among full-time employees stands at **8.9%**, little changed from 2018, and a decline of only 0.6 percentage points since 2012.[8] And for every pound that a non-disabled employee earns, on average a disabled employee earns 88 pence.[9] Pakistani and Bangladeshi employees experience some of the largest pay gaps, earning **16.9%** and **20.2%** less than their white British peers respectively.[10]

People from these groups are also more likely to struggle to find a job. Among people with disabilities, for example, the unemployment rate in 2019 was nearly twice that of non-disabled people, **6.7%** and **3.7%** respectively.[11] And worryingly, many individuals face multiple inequalities, as other characteristics compound their disadvantage.

For instance, if we look at age, among 20-24-year olds the unemployment rate for people with disabilities rises to **17.8%** (and **8.3%** for the non-disabled peer group).[12] And among those from ethnic minority background, we see that the unemployment rate for those of Pakistani background rises to **8.4%**, compared with **6.8%** for ethnic minorities as a whole.

Figure 1: Employment rates, by different groups, UK, 2019

Source: ONS. Ethnic minority includes 'all people stating their ethnicity as 'Mixed', 'Indian', 'Pakistani', 'Bangladeshi', 'Chinese', 'Black/African/Caribbean' or 'Other'.

The crisis is worse for those already disadvantaged

In its June report the Institute for Fiscal Studies commented, "The specific nature of the economic shock associated with Covid-19 has interacted with many old and deep inequalities."[13] , and there is growing evidence of the impact that this is having on our workplaces.

Mothers are leaving the workforce

A sub-group that has been particularly hit by the pandemic is women with children. Pre-pandemic, working mothers already suffered from the motherhood penalty, manifesting in a seven percent pay penalty compared to their peers without children by the age of 42.[14]

As a result of the pandemic, our survey finds that mothers are spending an additional 1.9 hours a day on childcare, as school and nursery closures and travel restrictions limit their care options.[15] The impact of this additional, and unpaid, workload on their economic participation is already visible. Many had to withdraw from the workforce to meet the increased childcare burden in the home. A joint study by the Institute for Fiscal Studies (IFS)

and the UCL Institute for Education found that of those who were in paid work prior to the lockdown, mothers are **47%** more likely than fathers to have permanently lost their job or quit, and they are 14% more likely to have been furloughed.[16]

People with a disability more likely to face redundancy

According to Citizen's Advice, one in four disabled people (**27%**) are facing redundancy, rising to **37%** for those people whose disability has a substantial impact on their daily activities.[17] This compares with 17% across the working population.[18]

One factor might be the nature of the sectors that people with disabilities are more likely to be working in. For example, workers with disabilities are around **17%** more likely to work in retail occupations than non-disabled workers, a sector that has been particularly hit by lockdown measures and the recession.[19]

Another reason could be that as employers respond to the pandemic, they have not considered sufficiently the impact on this group of employees. According to an ONS survey on the impact of Covid-19 on people with disabilities, **23%** of

those with disabilities said they found working from home difficult, whereas **15.7%** of the non-disabled people said the same, and they were also twice as likely to say they were worried about their health and safety at work (**16%** v **8.8%**).[20]

Ethnic minorities are overrepresented in vulnerable industries

The unequal composition of the workforce has also led to disparate outcomes for ethnic minorities. For one they are more likely to be frontline workers, therefore more likely to be working in dangerous settings. To illustrate: Black Africans are **50%** more likely to be a key worker than a white British working-age person and nearly three times as likely to be a health and social care worker.[21] This, in part explains why despite a comparably young population among ethnic minorities, per capita Covid-19 related deaths have been higher. Reported Covid-related deaths of the Black Caribbean population was three times those of the British majority.[22]

While ONS does not currently hold data on the breakdown of redundancies by ethnicity,[23] the overrepresentation of ethnic minorities in shut-down sectors makes them particularly vulnerable to redundancies. Given their concentration in the restaurant sector for example, Bangladeshi men are four times as likely as white British men to have jobs in shut-down industries, while Pakistani men are nearly three times as likely due to a higher concentration in driving.[24] Black African and Black Caribbean men are both **50%** more likely than white British men to be in shut-down sectors.[25]

The mental health of parents, carers and young workers has been most affected

A study we conducted for This Can Happen in November 2019 showed that nine in ten employees will be touched by mental health challenges, of their own or of those close to them.[26] Again, Covid-19 has had a devastating human impact. MIND estimates that **60%** of adults have experienced a decline in their mental health and a further study reported by the World Economic Forum (WEF) shows the more serious impact the ongoing situation is having on young people, parents of younger children and women.[27] Missing from this are carers whose additional burden so often goes unseen by their employers and many with disabilities have had to isolate at home or have seen support groups and day centres and activities close.

Ethnic minority employees are dealing both with the pandemic and the trauma of events in the US
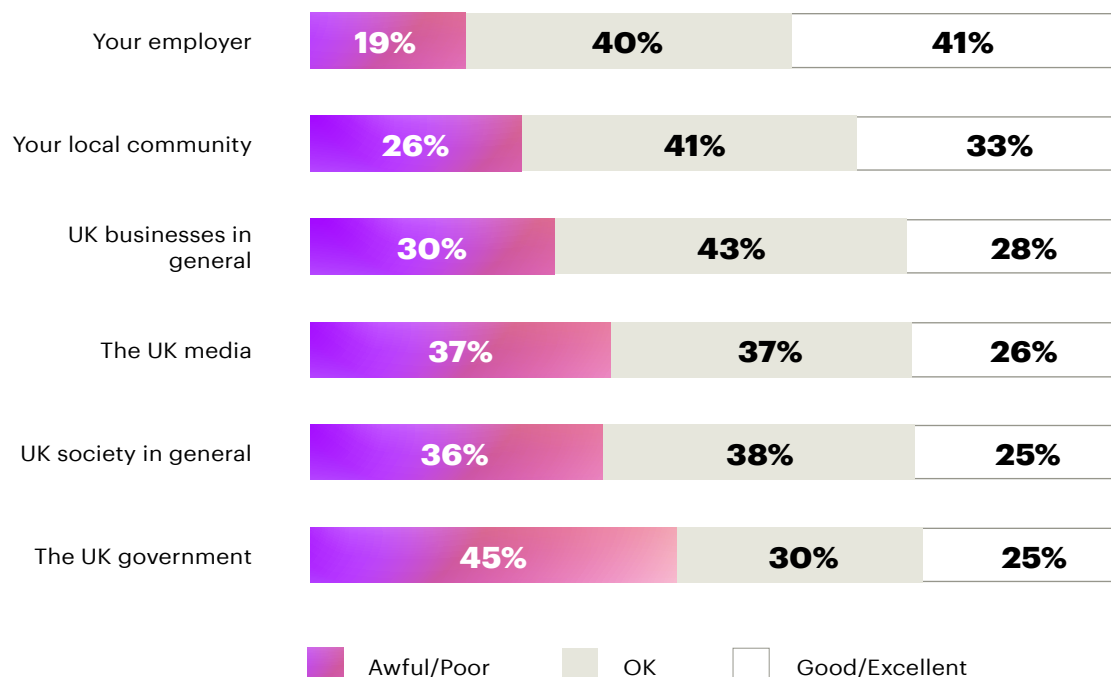
The unequal impact of the pandemic (in terms of infection rates and deaths) may have magnified the intensity of the racial injustice protests which swept the world following the killings of George Floyd and Ahmaud Arbery in the United States, according to Imperial College London professor and WHO envoy, David Nabarro.[28] It has emerged as a seminal moment in employee race relations in which leaders were told that "the fight for equality doesn't exist in some vacuum outside your organisation or outside your area of influence."[29]

Unfortunately, few UK leaders are accustomed to talking publicly about race issues. An Accenture survey of 1,748 senior executives (119 in the UK) conducted in November 2019, found that just **20%** had personally, ever campaigned for, or spoken publicly about, racial equality. The figure globally was **31%**.

This lack of activity flows through into employee assessments of the response to the protests. In the same survey we asked employees to describe the reaction of six groups to the recent racial injustice protests (see Fig 2). Employees were more positive about the response of their employer than any other group: **41%** of employees from an ethnic minority described the response as 'good' or 'excellent'. Their assessment of UK Plc.'s performance as a whole was lower, at just **28%**. The flipside, of course, is that most ethnic minority employees rate their employers' response as 'OK' at best – and one-in-five rate it as 'awful' or 'poor'. This seems like a missed opportunity for employers to engage with their employees on what actions they should have taken to bring about real change.

Figure 2: Response to racial injustice protests, ethnic minority employees, UK, 2020

	Awful/Poor	OK	Good/Excellent
Your employer	19%	40%	41%
Your local community	26%	41%	33%
UK businesses in general	30%	43%	28%
The UK media	37%	37%	26%
UK society in general	36%	38%	25%
The UK government	45%	30%	25%

Legend: ■ Awful/Poor ■ OK □ Good/Excellent

Analysis of how organisations responded to the protests also reveals significant room for improvement. For example, **53%** of ethnic minority employees told us that their employer either took no concrete actions or that they were unaware of any actions taken. Even where employers did act, our survey suggests it was patchy: just **14%** of employees from an ethnic minority say their employer issued a public statement in support of the protests; **13%** that they published ethnic diversity targets; and **10%** that they created a taskforce to address racial injustice in the workplace.
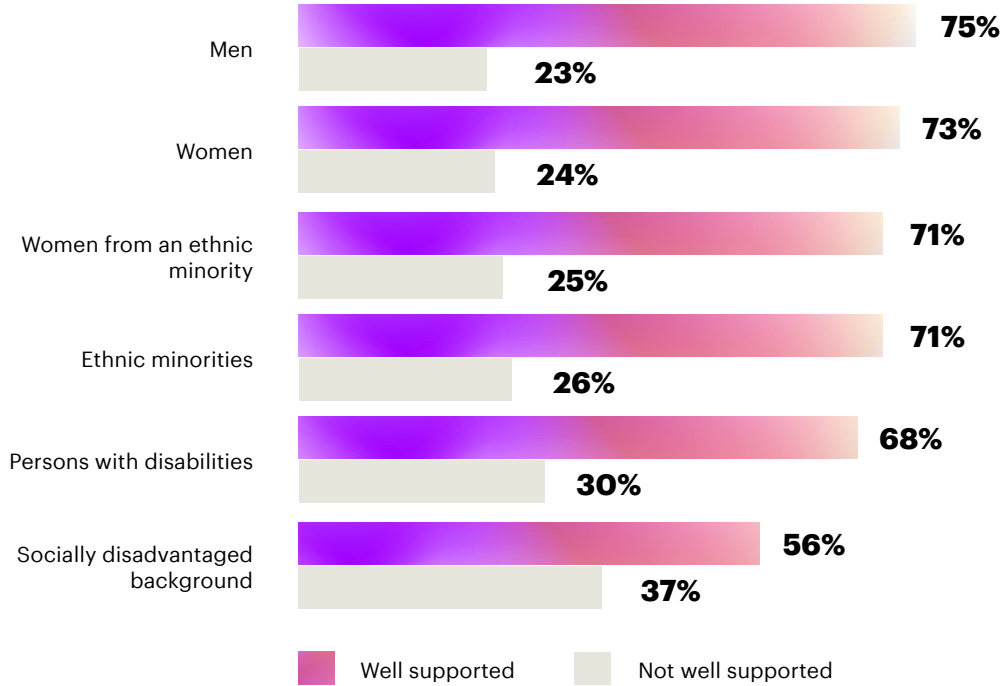
Workplace culture and diversity are under strain

From the need for personal protective equipment and physical distancing, to parents working and teaching their children from home, the crisis has transformed the workplace. Whether these changes persist in the long-term remains to be seen, but in the shorter-term this rapid transformation has inadvertently shaken the pillars of workplace culture that allow people from diverse backgrounds, and the organisations that employ them, to thrive.

The strains on the bonds between employer and employee—what we call 'workplace culture'—are clear from our survey. Overall, **74%** feel well supported and **24%** feel the opposite. However, there is variation among different employee populations: employees with disabilities (**30%**) and those from socially disadvantaged backgrounds (**37%**) are the least positive about the response of their employer (see Fig 3).

Figure 3: Employer support, by different employee groups, UK, 2020

How well supported do you feel by your employer since the start of the Covid-19 pandemic?

Group	Well supported	Not well supported
Men	75%	23%
Women	73%	24%
Women from an ethnic minority	71%	25%
Ethnic minorities	71%	26%
Persons with disabilities	68%	30%
Socially disadvantaged background	56%	37%

■ Well supported   ■ Not well supported

Source: Accenture, Covid-19 Impact Survey; N=3,023 adults in paid employment.
Note: respondents were asked how well supported they feel by their employer since the start of the Covid-19 pandemic on a 4pt scale; remainder answered 'Prefer not to say'.

Moreover, there are signs that differences in employee inclusion, which were already sizeable before the pandemic, have grown. Across the board, we see a drop of 5 percentage points in levels of employee inclusion. However, this widens to 7 percentage points for employees with disabilities.

The increase in homeworking may be behind this decline in workplace inclusion. For example, it could be that homeworking is making some employees more insular, and less able to build their professional networks. Some employees could be finding it harder to have their voices heard. Those who work non-standard hours as they double up as home-school teachers might miss out on opportunities because they were not online.

The proportion of our survey respondents who said they were working from home exclusively increased from just **4%** pre-pandemic to **25%** at the time of the survey (August 2020). But there is a clear division between those who can do their jobs from home, largely safely, and those who cannot. Our data shows a clear correlation between levels of education and likelihood of working from home: **33%** of respondents with degrees were working exclusively from home when surveyed, compared with **18%** of their peers without degrees. A YouGov study in May found that more affluent employees are almost 2.5 times more likely to be working from home full time—while those from less affluent backgrounds are **50%** more likely to have been furloughed.[30]

Physical distancing

At the physical workplace there are also dangers that disadvantaged groups will be marginalised even further. The acceleration of automation to make supply chains more resilient is likely to hit ethnic minorities, the young and the low-skilled the hardest.[31] When leaders draw up redundancy or furlough lists, they often default to indicators such as role or tenure, thus disproportionately affecting women and ethnic minorities.[32] And the need for physical distancing in the workplace might preclude certain employees, for example, those with disabilities, from doing certain tasks.

Innovation

The impact of declining inclusion on innovation is a critical concern. Studies suggest that while individual employee productivity may rise in virtual working environments, the effectiveness of inter-team collaboration vital to innovation may fall[33] as employees' interaction pools shrink.[34] Our research finds that the ability and willingness of employees to innovate is closely tied to the inclusivity of workplace culture.[35] But physical distancing measures dramatically reduce the organic 'collisions' that often spark ideas in the workplace.[36] It may also dampen the engagement levels of the 91% of UK employees who want to innovate.

2

Culture is a catalyst for positive change

Over the past three years, through our Getting to Equal series of research studies, we have explored the impact of workplace culture on employees–specifically their ability to thrive, advance and innovate–and on business performance. We find that workplace culture matters to all employees—but it matters even more to underrepresented groups.

How we define and measure culture

Our research into workplace culture uses a linear regression model to analyse responses to our surveys to identify the culture factors that positively and significantly influence the (likely) retention and advancement of employees. These factors are grouped into three areas:

- **Bold leadership:** a diverse leadership team that sets, shares and measures equality targets openly

- **Comprehensive action:** policies and practices that are family-friendly, supporting both parents and that are bias-free in attracting and retaining people

- **Empowering environment:** one where employees are trusted, and where it respects individuals and offers them the freedom to be creative and to work and train flexibly

We score every respondent on the incidence and strength of these factors in their workplace to produce a respondent-specific culture score. We then segment and analyse the responses of the top **10%** ('more inclusive') and the bottom **10%** ('less inclusive') to compare how each group experiences the workplace. Over the years we have been able to establish which factors have more influence than others on specific groups of workers (women, men, ethnic minority employees and those with disabilities, for example). But in every case, we see a strong correlation between employees thriving and the prevalence of these factors.[37]
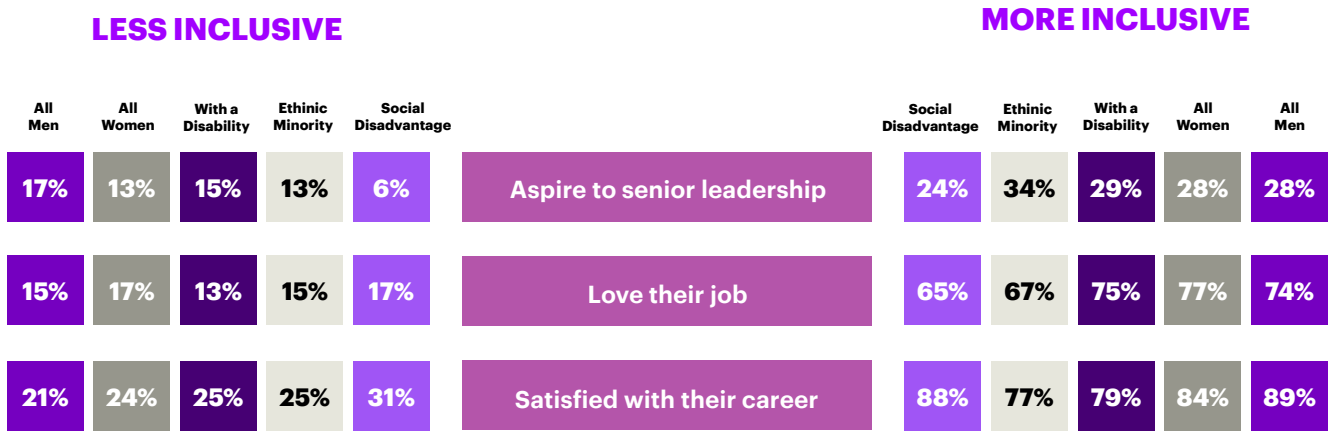
This research reveals the extraordinarily positive links between how inclusive workplace culture is, and how likely employees are to advance and to thrive. Like Covid-19, poor workplace culture exacerbates inequality, but the good news is that workplace culture also has the power to level the playing field.

Consider gender. In the UK there are just 56 women at manager level for 100 men,[38] a difference that contributes significantly to the gender pay gap. But women are three times more likely to advance in more inclusive (vs. less inclusive) cultures—and if all women worked in these more positive environments the ratio of female to male managers could increase to 86:100 (culture alone does not close the gender gap, but it has a significant impact on it).

And it's not just about advancement. In these more inclusive cultures women are over four times more likely (vs. peers in less inclusive cultures) to say they love their jobs (**77%** vs **17%**) and twice as likely to aspire to be in senior leadership positions (**28%** vs **13%**) (see Fig 4).

Over and again, across all groups of employees that are underrepresented in organisations and in leadership, our research shows the power of culture to boost their aspirations and career satisfaction, and to reduce the inequality of their experiences.

Figure 4: Impact of workplace culture on employees' career aspirations and job satisfaction

LESS INCLUSIVE | | | | | | **MORE INCLUSIVE**

All Men	All Women	With a Disability	Ethnic Minority	Social Disadvantage		Social Disadvantage	Ethnic Minority	With a Disability	All Women	All Men
17%	13%	15%	13%	6%	**Aspire to senior leadership**	24%	34%	29%	28%	28%
15%	17%	13%	15%	17%	**Love their job**	65%	67%	75%	77%	74%
21%	24%	25%	25%	31%	**Satisfied with their career**	88%	77%	79%	84%	89%

Source: Accenture, Getting to Equal
Note: Data for men, women based on bottom/top 10%
Data for People with disabilities, Ethnic minorities and socially disadvantaged background based on bottom/top 25%

The importance of workplace culture is strongly recognised by employees. **73%** of UK employees believe that culture is important in helping them thrive. Women (**80%**) feel this more strongly than men (**66%**) and younger employees more than their older peers (**57%** of Baby Boomers versus **79%** of Gen Z). And most UK leaders agree, with **62%** saying that an inclusive workplace environment and culture is vital to the success of their business. You might ask why there's a problem with workplace culture at all: it comes down to a lack of real commitment and a reluctance to act to drive meaningful change. Tellingly, just **one-in-ten** UK executives identify culture as a top priority compared with **85%** who cite financial performance.

Better workplace culture is good for British business

Even before the pandemic **95%** of leaders saw innovation as 'vital to competitiveness and business viability'.[39] And today, in the face of mounting challenges—from the rise in Covid-19 cases pointing to further lockdown measures, to continued uncertainty over trade in a post-EU Britain—it is clear that the ability of organisations to innovate is as critical as ever. One factor that could help is a focus on building an inclusive workplace culture.

Our research found that the ability and willingness of an employee to innovate—what we call their 'innovation mindset'—is closely linked to how inclusive their workplace culture is. In fact, a **10%** improvement in workplace culture is associated with a **10%** increase in innovation mindset.

Innovation mindset

We tested for six elements of an innovation mindset:

Purpose: Alignment around and support for the purpose of organisation

Autonomy: Being shown a clear mandate for change—and being trusted to follow through

Resources: Having the tools, time and incentives necessary to innovate

Inspiration: Tapping into networks beyond the organisation

Collaboration: Working with other departments or in fluid, cross-function teams

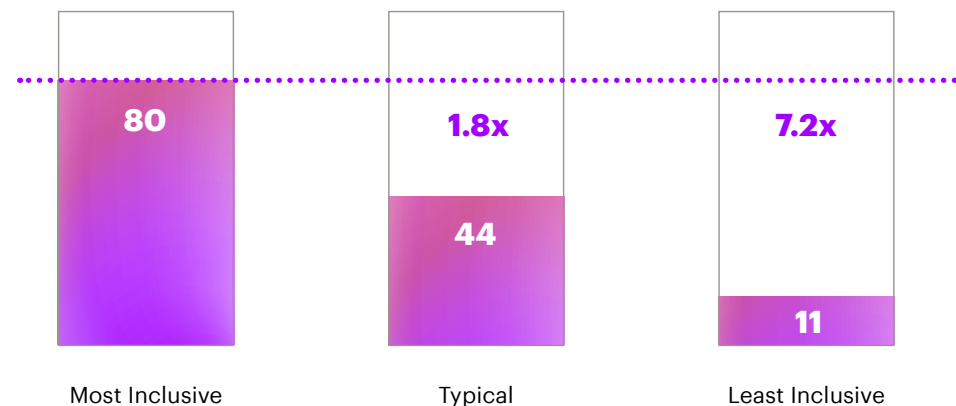**Experimentation:** Experimenting with new ideas quickly without fear of failure

The relationship is even clearer when you look at the innovation mindset score of employees in different workplace cultures.

In more inclusive organisations, the average innovation mindset score of employees is more than seven times higher than in the less inclusive companies
(see Fig 5).

Even average companies could almost double innovation mindset by bringing their workplace cultures in line with today's best in the UK.

Figure 5: Innovation mindset score, by inclusiveness of company culture, UK

80	1.8x	7.2x
	44	
		11
Most Inclusive	Typical	Least Inclusive

Innovation Mindset score; Min=0; Max=100   Source: Accenture, Getting to Equal 2019

When you consider the nature of innovation the link with culture is evident: employers cannot force their employees to be creative; organisations need to give their people space, freedom and trust. Employees in more inclusive cultures are more than twice as likely to feel empowered to innovate (**75%** vs. **34%** on average in the UK). And in these more inclusive cultures, **46%** of employees say nothing stops them from innovating (vs. **22%** on average) and **81%** say they are not afraid to fail in the pursuit of innovation (vs. **55%** on average).

By linking innovation mindset scores to growth (see methodology) we were able to use our model to estimate the impact of improving innovation mindset on GDP.

We found that if all UK companies achieved just a 10% improvement in the inclusiveness of their workplace culture, then the resulting uplift in innovation mindset among their employees could increase UK GDP by up to 1.5% each year.

That would equate to a total boost to the UK economy of £393bn between now and 2030. By comparison, at the time of writing the emergency coronavirus-related spending that the government has enacted so far in 2020 is £210bn.

3

Back to normal isn't an option. We must come back stronger and fairer

The middle of a recession might seem an inopportune moment to advise business leaders to focus on inclusivity in the workplace. However, while culture is important in the good times, its importance is magnified during periods of uncertainty. In a crisis, we witness the extent to which organisations truly care about their employees.

A human-centric approach characterises a group of leaders who we have termed the 'Culture Makers'; a younger, global, more gender-balanced group of executives who lead larger, faster-growing companies. When asked (in November 2019) whether their focus on inclusion and diversity falls or rises during periods of financial stress, **75%** said it rises. Just **25%** of their peers said the same. When the chips are down, the Culture Makers double-down on culture.

But how? COVID-19 is unprecedented in modern times; the speed, scale and depth of the pandemic's impact has forced leaders to make tough decisions, often very quickly. This exacerbates the danger of leaders taking shortcuts, opening the door to unconscious biases creeping back into how these decisions are made, and who makes them. To guard against these biases, leaders must explicitly commit to boosting the inclusivity of decision-making teams, work design and workplaces, and that of their long-term talent strategy.

Step 1: Inclusive decision-making

A key method to counteract unconscious bias in decision-making is to slow down, and to objectively question assumptions or to ask a neutral third party to review the decisions made. However, time is a luxury many leaders may feel they have even less of during a crisis.

The danger is that the 'urgent' wins out over the 'important': the so-called 'tyranny of the urgent'. For example, a leader may need to rapidly cut costs in a crisis to mitigate a decline in demand; the default option is often to make lowest-paid, most recent recruits redundant, often hitting women and ethnic minorities hardest. But this could mean losing high performers, or people with skills vital to the long-term viability of the organisation.

In response to the inequalities that the pandemic exposed, and the racial justice protests, many UK businesses announced their intention to reflect on their own role and response. For example, in an open letter, 28 businesses committed to a set of actions to boost the representation and inclusion of Black employees at the workplace. This includes investigating the specific challenges that employees from an ethnic minority background face and including their voices in decisions. Barclays, E.ON and ITV are among the signatories.[40] Accenture has also committed to more than doubling the number of Black UK-based managing directors by 2025.

Where to start

- Resist the urge to speed up decision-making by including only people with whom you normally agree; bring others into immediate and medium-term planning.

- Assess the costs and benefits of all decisions over multiple time horizons to avoid the short-termism associated with immediacy bias.

- Elevate the role of your most compassionate and caring leaders to ensure that decisions incorporate both the 'human' and commercial dimensions.

2

Step 2: Inclusive work design

Companies should reimagine job roles for a more diverse workforce. This includes rejecting out-dated assumptions of what it takes to perform a specific task or role. Instead the focus should be on identifying and building specific skills to maximise the potential of individuals.

Armed with a granular view of the skills and aptitudes of employees thriving in specific job roles, leaders can identify what is limiting opportunities for individuals from underrepresented groups with similar skillsets. It is next to impossible to create a bespoke role for every employee, but leaders should not let 'perfect' become the enemy of 'good'.

Microsoft has built a successful disability hiring program specific to people on the Autism spectrum. They recognised the knowledge base and technical aptitude of these individuals can be very high – but identified the interview process as a key barrier. Microsoft therefore reimagined the interview process with a focus on teamwork, technical exercises and a lot of training a week-long 'academy'.[41]

Where to start

- Build a granular view of the skills and aptitudes of employees thriving in specific job roles and also the existing diversity within these roles.

- Engage directly with employees, through surveys and more personal research exercises, to understand the pros and cons of job roles, and track changes over time for diverse groups.

- Consider whether the acceleration of automation in the workplace disproportionately disadvantages certain groups and develop corresponding mitigation strategies e.g. retraining.

3

Step 3: Inclusive workplaces

Creating a working environment which is both physically (accessible by all) and emotionally (where people from all backgrounds feel they belong) inclusive is vital in helping diverse groups to thrive and to unlocking people's full potential.

Greater flexibility is one example of a workplace change which has a significant potential upside for underrepresented groups. However, the crisis caused the shift to virtual working to happen quickly. Business leaders need to pause and take stock of the benefits they, and their employees, accrued from the pre-crisis workplace. For employees, this might include the development of professional networks, informal training and mentorship, and friendship and camaraderie; for organisations, they might include productivity, innovation and instilling purpose. Reimagining these benefits for a more physically distant world, and combining them with the positive changes forced upon us, offers organisations a blueprint for the workplace of the future.

Some companies are already considering how they can adapt in this space. Two in five employers are planning to change their benefit programmes as a result of the pandemic, according to a recent survey by Willis Tower Watson. Sixty percent of them are planning to boost their wellbeing programmes and **58%** their mental health and stress management services.[42] Some companies, such as Dell and Bank of America, have responded by bringing in new benefits for parents to support them with home schooling and childcare. Dell offers a **20%** discount on tutoring fees, a change that helps working mothers who tend to do the bulk of the home schooling.[43]

Where to start

- Crowdsource employee opinion on what they miss most from the pre-crisis workplace – and how to reimagine the experience.

- Conduct trials of proposed workplace changes to ensure that the voices of diverse groups are heard.

- Assess levels of digital inclusion within your workforce to understand whether moves to virtual working will disproportionately disadvantage some employees more than others.

4

Step 4: Inclusive restructuring and talent strategies

Many businesses focus their efforts on recruiting a more diverse group of employees. This effort could be wasted unless they have an inclusive culture that enables individuals to thrive once they join. Our research shows that this is a challenge for UK leaders. Fifty seven percent of leaders in our study told us they 'celebrate diversity' and at the same time **71%** said they expect employees to conform to the company culture. Yet if individuals are pressured, consciously or unconsciously, to conform and 'fit in', then they won't feel included, they won't thrive, and they won't stay.

The prize for the organisations that recognise the importance of combining diversity and inclusion is substantial. Among more inclusive companies we see innovation mindset boosted by a factor of seven; an impressive impact. But when you look at organisations that are both more inclusive and more diverse that boost rises to a factor of 11.

Achieving this combination requires a creative rethink of an organisation's talent strategy.[44] For example, Rare Recruitment offers an innovative way to uncover hidden talent pools.[45] Their Contextual Recruitment System helps prospective employers contextualise a candidate's accomplishments. They collect data related to a candidate's educational and socio-economic background, with the aim of flagging the significance of that candidate's accomplishments despite the odds. The system has led to more than a **50%** boost in individuals from underrepresented backgrounds being hired in the organisations that have adopted it.[46] It counts among its clients several leading companies from HSBC to GlaxoSmithKline.

Where to start

- Get your culture right first. Involve new recruits with different backgrounds in making the culture changes you want to see. Set up processes to ensure they feel welcome and supported. Accelerate the appointment of senior leaders.

- Re-think roles. Think in terms of the underlying core skills needed to do the role and look laterally to other industries where demand is weaker and there is a greater pool of individuals looking for new jobs.

- Challenge the criteria you place around job requirements; including those that may be hidden within the systems you use. For example, screening out those with gaps in their CV may close opportunities to those who've taken time out to care for children or an elderly parent.

- Explore how you can reach out into more hidden talent pools. For example, partnering with community organisations who can help people transition into work after leaving the armed forces or having been in prison or made homeless. Consider apprenticeships, returner and training programmes that allow you to train and re-train talent for hard-to-find and new skills.

"There has never been a more critical time to focus on building a workplace culture that allows people from diverse backgrounds to succeed"

Together we've got this

Even before the current crisis, large groups of the UK population were excluded from many employment opportunities and the benefits that those bring, such as better pay, better job satisfaction and improved quality of life. Now, as Covid-19 continues to spread and play havoc with every aspect of our everyday lives and every dimension of the UK economy, we risk those pre-existing faults becoming deeper, and creating an employment crisis that will affect millions of people.

We can avoid this. It may seem less urgent, given tight funding and the countless other problems that the crisis continues to throw up for UK business. Yet, as our research demonstrates, there has never been a more critical time to focus on building a workplace culture that allows people from diverse backgrounds to succeed.

The challenge ahead is so significant that no single enterprise can do this alone. We've seen the potential impact that coalitions of businesses can have on important societal and economic challenges. Movement to Work, a charity coalition that aims to provide work placements for young people from disadvantaged backgrounds, has helped 95,000 young people in the UK to get a work placement with life-changing outcomes.[47] FutureDotNow, a coalition of companies, civil society and government that aims to boost the UK's digital skills, launched 'DevicesDotNow' to digitally connect 10,000 vulnerable people and provide ongoing training support during the lockdown.[48] And at the outbreak of the pandemic businesses, governments, and the non-profit sector worked together at breakneck speed to produce new equipment that health staff needed at the front

line to fight the pandemic. They came together to help key workers and those that were vulnerable or could not leave their homes for necessities.

The time has now come to apply the same collaborative effort to helping people find a job that helps them thrive. It's a win for everyone. For individuals, who will feel more included and satisfied in their jobs. For business, that will see a boost in their innovation capacity. And for the UK economy, that stands to gain a much-needed uplift in GDP.

95,000

young people in the UK got a work placement with life-changing outcomes through 'Movement to Work'
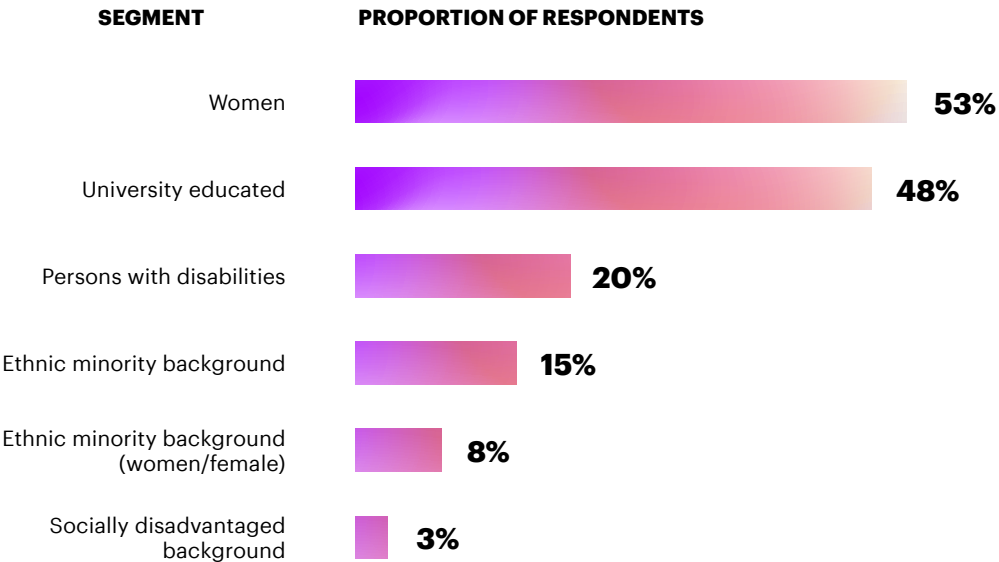
Methodology

This report draws on two major pieces of research.

Covid-19 Impact Survey

We surveyed 3,023 adults in paid employment in the UK in August and September 2020. The survey took ~15mins to complete and was fielded online by Jigsaw Research. We set quotas for age by gender, income, region and ethnicity to ensure the sample was broadly nationally representative.

Segment sizes shown below:

SEGMENT	PROPORTION OF RESPONDENTS
Women	53%
University educated	48%
Persons with disabilities	20%
Ethnic minority background	15%
Ethnic minority background (women/female)	8%
Socially disadvantaged background	3%

Getting to Equal Research programme

This report draws on surveys conducted for Accenture's Getting to Equal research series. The surveys were conducted online in October and November 2018 and 2019, and targeted employees in all types of job roles in organisations with 5 or more employees. For the report published in 2019 – *Equality = Innovation* – we surveyed 700 employees in the UK; and for the 2020 report – *The Hidden Value of Culture Makers* – we surveyed 1,874 UK employees and 119 UK executives.

The questionnaires were constructed after extensive research (academic papers, literature search and drawing on Accenture's experience with clients) into the personal and workplace factors that are believed to influence the likelihood of women advancing at work. Through the questionnaire, we identified and measured more than 200 factors.

We used an econometric modelling methodology developed over the past three years of Accenture's Getting to Equal research series to quantify the relationship between 200+ workplace culture factors and three workplace outcomes: women's advancement; women's ambition and confidence; and employee innovation mindset.

In addition to empirically connecting these outcomes to each of the culture factors, the modelling framework also facilitates the measurement of the links between these outcomes and employee exposure to more (in the top 10 percent of the distribution) and fewer (bottom 10 percent) factors that drive workplace inclusion ('More inclusive' and 'Less inclusive' organisations).

Each model controls for a range of workplace and employee background characteristics such as organisation size, industry, age, gender and education which could also impact the outcomes.

Innovation mindset

In 2019, we developed an assessment of an employee's 'Innovation Mindset' – or their ability and willingness to innovate. To do this, we devised 31 questions across six buckets:

- **Purpose:** Alignment around and support for the purpose of organisation

- **Autonomy:** Being shown a clear mandate for change— and being trusted to follow through

- **Resources:** Having the tools, time and incentives necessary to innovate

- **Inspiration:** Tapping into networks beyond the organisation

- **Collaboration:** Working with other departments or in fluid, cross-function teams

- **Experimentation:** Experimenting with new ideas quickly without fear of failure

We built a cross-country regression model to identify the strength and statistical significance of the relationship between workplace culture and employees' innovation mindset. As workplace culture becomes more equal, innovation mindset gets stronger.

Impact on UK GDP

To identify the potential impact on economic activity, we combined our data with data from the World Bank, the International Labour Organization and Oxford Economics to model the relationship between innovation mindset and GDP (while controlling for other important factors such as labour productivity). This revealed a strong and robust positive link between higher innovation mindset scores and GDP growth. We used these relationships to estimate the impact on UK GDP over 2020-2030 if all employees worked in organisations that were as equal as the top 10 percent.

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