

# Difference

## is 'value added'

Just over a year ago, the Employment Equality (Age) Regulations 2006 banned age discrimination in terms of recruitment, promotion and training; together with unjustified retirement ages of lower than 65; and removed the former age limit for unfair dismissal and redundancy rights. The regulations were followed in April 2007 by the Gender Equality Duty – dubbed 'the biggest change to sex equality legislation since the Sex Discrimination Act' – which placed an obligation on all public bodies to promote gender equality and eliminate discrimination.

Legislative changes such as these have turned the spotlight on the issue of diversity. As this two-part article explains, managing diversity isn't just a moral and legal obligation, it can present tangible business benefits as well. So what is the current situation in relation to diversity, how is this changing, and what improvements in organisational management does the new legislation demand?

Part 1 of the article examines the background to the issue, and Part 2 then looks in detail at the requirements of the Employment Equality (Age)

Regulations, how best to implement an effective diversity policy, and the benefits of doing so.

### What is diversity?

We in the UK are fortunate to live in a country which is rich in the diversity of its population. Nowadays, your work colleagues might be any age, male or female, from any ethnic, religious or cultural background, married, single or living with a partner of the opposite or same sex, able-bodied or not.

This has many advantages, but also presents organisations with the challenge of getting the best out of such a diverse workforce, while at the same time meeting their legal responsibilities. It is therefore important that companies give due consideration as to how to achieve this if they want to

maintain, or ideally improve, their position in the market.

### The moral case for diversity in the UK:

- Women make up half the workforce, but just 9% of management grades and 2% of senior management. (*The Observer*, September 2003)
- Ethnic minorities make up just 1.5% of management, and are almost non-existent at senior levels. (*The Observer*, September 2003)
- By 2011, only a third of the workforce will be male and under 45. (2002-based projections issued by the government.)
- By 2014, the working age population will increase by one million, and ethnic minorities will account for half that increase. (2002-based projections issued by the government.)

Introducing and promoting diversity is morally the right thing to do. Diversity not only assumes that all individuals are unique and different, but that difference is 'value added'. It acknowledges that everyone has the right to express their views and beliefs in a manner that is sensitive to those around them (ie, free from racism, sexism, ageism and other forms of

prejudice). Everyone should have the right to contribute to activities and grow within their workplace. A diverse work environment also demonstrates an organisation that is caring, inclusive and respectful. So how is the UK performing in relation to diversity?

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### Closing the gender gap

In *Facts about Women and Men in Great Britain 2006*, the Equal Opportunity Commission (EOC) highlighted the changes in differences between the two genders since the 1970s:

- Then, only one in four of both boys and girls in England and Wales passed five 'O' levels by the time they left school, whereas now, 49% of boys and 59% of girls in the UK gain five high grade GCSEs or equivalent by age 16.
- In the 1970s, nine out of ten men and six out of ten women of working age were in employment. Now, employment rates are 79% for men and 70% for women of working age.
- Then, around one in ten professionals were women. Now, women hold two-fifths of professional jobs.
- In the '70s, the gap between women's and men's full-time hourly pay was 29%. Now women earn an average of 17% per hour less than men for full-time work.
- Then, half of mothers with dependent children worked, including over a quarter of mothers of under-fives. Now, two-thirds of mothers with dependent children work, and 55% of those with children under five.
- Then, there were only 27 women MPs – 4.3% of the UK Parliament. Now, women's representation in Parliament has reached one in five. This contrasts markedly, however, with the Scottish Parliament (40% women) and the National Assembly for Wales (50% women), where more equal representation has been achieved through positive action by some political parties. There are also only two ethnic minority

women MPs at Westminster, and 13 men. All four Muslim MPs are men.

Other key statistics quoted by the EOC are that:

- In the last 30 years the population of Britain has grown from less than 55 million to 58 million. There are now one million more men and 0.6 million more women aged 65 or over than in the '70s. (Source: *ONS (2005) Population Trends Winter 2005*)
- There are 24 million households in Britain, and 7 million families with dependent children. These include 5.2 million families headed by couples, 1.6 million headed by a lone mother and 180,000 headed by a lone father. (Source: *ONS (2005) Focus on Families*)

The population also includes an estimated:

- 10 million disabled people (reporting a limiting long-term illness or disability that restricts daily activities).
- 4.6 million people from ethnic minorities.
- 3.1 million belonging to a non-Christian religion.
- 2.3–3.2 million gay, lesbian or bisexual adults.

(Sources: *ONS (2004) Census 2001 National report for England and Wales; GROS (2004) Scotland's Census 2001; DTI (2004) Final regulatory impact assessment: Civil Partnership Act 2004.*)

(It is also worth noting that these figures were published before the recent influx of migrant workers into the UK.)

In broad terms, the differences between women's and men's jobs have declined dramatically since the '70s. For example, in professional jobs the

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percentage of women has increased from one in ten to 42%. However, certain occupations are still mainly held by women or men, particularly in skill shortage areas. For example, fewer than 1% of people in plumbing occupations are women and only 2% of childcare workers are men.

White women and ethnic minority women and men are also particularly likely to be concentrated in low-paid jobs: many Chinese and Bangladeshi men work as cooks or waiters; while a care assistant is one of the most common jobs for white, Pakistani, black Caribbean and black African women.

(Sources: *CSO (1974) Social Trends 1974; ONS (2005) Labour Force Survey Spring 2005 dataset; ONS (2004) Additional analysis from the 2001 Census; Blackwell, L & Guinea Martin, D (2005) Occupational segregation by sex and ethnicity in England and Wales, 1991 to 2001, Labour Market Trends December 2005.*)

Finally, in *Sex and power: who runs Britain?* (2006), the EOC published an annual set of indicators showing women's representation in a range of areas. These included:

- Around three in ten secondary school head teachers and FE college principals are women, compared with only one in nine university vice chancellors.
- A quarter of Civil Service top management are women.
- Only 10% of senior police officers and 9% of the senior judiciary are women.
- Less than 1% of senior ranks in the armed forces are women.

What all this research clearly highlights is that while the gender gap may have closed over the last 30 years, it is still unquestionably there – as is the 'glass ceiling', or, as it has

prosaically been called, the 'marzipan layer' (ie, you're very close to the top of the cake, but haven't quite made it to the icing). And, if you come from a black or minority ethnic background, these differences are even more pronounced.

It is hardly surprising, therefore, that Jenny Watson, Chair of the EOC, welcomed the introduction of the Gender Equality Duty, which, she said, "places an obligation on all public bodies to promote gender equality and eliminate discrimination. Public service providers will need to look at who uses their services, and ask, 'What are the different needs of women and men, and how can we meet them? Do our spending priorities reflect these different needs?' Public sector employers will also need to consider their employment practices and the needs of all their staff, including those who identify as transgender or transsexual.

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"As well as marking a huge step towards true gender equality, the duty will lead to better public policy by requiring public bodies to recognise the implications of their policies for women and for men, and encouraging a better user focus in service development. It should also generate employment practices that challenge occupational segregation and remove the barriers to women reaching their potential, such as a lack of flexible working."

### The best person for the job?

By 2010, increased life expectancies – currently growing by two years per decade – mean that nearly

40% of the UK population will be over 45. By discriminating against this ageing workforce, employers risk ignoring the skills and talents of a significant proportion of the UK population.

According to research by the Department for Work and Pensions (2001), one in four 'older' people believe that they have suffered discrimination when applying for a job. Nearly half the organisations surveyed employed no staff aged 60 or over; line managers, while insisting they were 'age-friendly', were often ignorant of relevant guidelines; and ageism was seen as 'more acceptable' than other types of discrimination.

So why does this discrimination continue to take place – especially when (according to Age Concern, 2002) 97% of Britons believe that age should be ranked as the least important criterion when recruiting a new member of staff, with ability (57%) and a good track record (40%) counting for

far more? Skills, knowledge and experience cannot be created overnight, yet many HR managers seem to see age (or lack of it) as a far more important factor in selecting employees to fill their vacancies.

This preference for younger employees becomes even more difficult to understand considering the length of time that employees of different ages expect to stay in their jobs. Research by the International Stress Management Association<sup>UK</sup> (2002) found that 54% of 18–24 year olds expected to stay in their current job for no more than the next two years (and 32% for no more than the next 12 months). This contrasted with 76% of 35–44 year olds and 74% of 45–54 year olds who expected to stay in their current job for at least the next five years.

One way of interpreting these results is that businesses appear to prefer employing individuals who are less experienced, require more training, and are less loyal than others in the labour market, simply on the grounds of age. If they continue with this strategy – given that the ageing population profile will mean that ‘younger’ talent will become an increasingly scarce commodity – they will also, presumably, end up paying more and more

for the privilege. Another interpretation is that as employees become older, they know that realistically their chances of changing their jobs are significantly less – mainly due to ageism.

### **The keys to diversity**

So rather than discriminating against people, what are the benefits of encouraging the development of a diverse workforce?

By definition, a diverse group inevitably draws on a wider range of experience, background and culture; but also benefits because, in the presence of diversity, the mind is encouraged to stretch and dares to move.

The key to making diversity work is self-esteem. People have to like who they are; they have to take pride in themselves and draw on what they know to be true from their real experience. If they are ashamed of the group from which they come, they will try to blend into the dominant group and nothing interesting will happen. But if, on the other hand, they think and speak proudly as themselves, they will communicate with greater range, depth, freshness and insight.

Diversity is inclusive. It is about ensuring that the ideas, opinions and contributions of all are heard regardless of race,

colour, culture, creed, sexual orientation, disability, age, religion or gender. Making diversity pay involves real and difficult choices. For instance, to attract more women, city and consultancy organisations are having to tone down their long-hours-dominated cultures and pay attention to unfamiliar concepts such as mentoring and work-life balance.

Diversity has become a very important and profit-sensitive business issue. As we will see in Part 2 of this article, research shows that well managed diversity potentially has a positive, practical and productive value to almost every business. Every organisation must therefore have a clear understanding of what it intends to achieve in living and working with its own diversity.

Developing a diversity strategy is a central part of this – with commitment from senior managers being absolutely critical to success. This could be expressed, for example, through the inclusion of statements related to diversity within an organisation’s corporate values; or the setting-up of special teams to set targets for diversity, drive the process forward, and monitor and feed back the results – all of which will be discussed in much greater detail in Part 2.



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