

News

Workforce diversity risks 'going backwards', says CBI director-general

25 Apr 2017

By **Annie Makoff**

Business group leader warns little progress has been made despite significant investment

Workplace diversity could go backwards if urgent action is not taken, CBI director-general Carolyn Fairbairn has warned, adding that businesses should not allow the issue to slip down the agenda in the face of competing priorities.

Speaking at a recent event sponsored by the Boston Consulting Group (BCG), Fairbairn said the UK was heading towards a "perfect storm" of changes in demographics and technology and noted that diversity was one of the most "defining issues" of our age, with talent being the "number one worry" for UK firms.

Fairbairn pointed to the Davies review, which increased the proportion of women at board level from one in seven to one in three – but in the last year this has fallen back to one in four.

Meanwhile, in 2015, there were 18 women chief executives in the FTSE 350 compared with just 16 today.

"I worry that progress in other areas may reverse if economic headwinds grow," Fairbairn said. "In tougher times, a search for experience might well end up being a search in a traditional pool, closing the door on greater inclusion.

"Only committed leadership can win against this and that is why it matters so much."

Her comments follow research from the BCG revealing that, despite "significant investment" in gender diversity measures, the UK remained at a "tipping point" as many organisations were unaware which diversity interventions were the most effective.

Based on interviews with chief executives and chief HR officers at 15 FTSE 100 UK companies, in addition to 1,350 UK employees, the report found that flexible working drives, involving more men in gender diversity efforts and improving the visibility of role models had greater impact on workplace diversity.

In particular, ***the Financial Times*** said the study revealed that developing and supporting women in the workplace was found to be "more effective" for gender diversity than women-focused recruitment drives, especially in male-dominated sectors such as engineering.

The report found a "serious mismatch" in addressing diversity obstacles and ultimate success, with 25 per cent

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Andrew Bazeley, policy and research officer at the Fawcett Society, told People Management that, while there were more women in the workforce than ever before, too many companies were still dominated by men in executive and management roles. “By embracing flexibility, setting clear targets and changing the preconception that the career ladder means ‘a man’, employers can realise their female employees’ productive potential,” he said.

However, in her speech, Fairbairn insisted that workplace diversity should not just be about gender and made the case for businesses to “pick up the pace” of inclusion towards ethnicity, social background, sexual orientation and age.

In March, the government **urged blue chip companies to take up the key recommendations of the McGregor-Smith review into race in the workplace**, which found evidence of BAME discrimination in recruitment and workplace promotion.

At the time, Baroness McGregor-Smith said BAME workplace progression could give the UK economy a £24bn boost and recommended that large employers publish a breakdown of their workforce by race and pay band while implementing five-year aspirational diversity targets.

McGregor-Smith said: “If business and the government act on my recommendations, it will show everyone from a minority background that Britain’s workplace is for everyone, not just the privileged few.”





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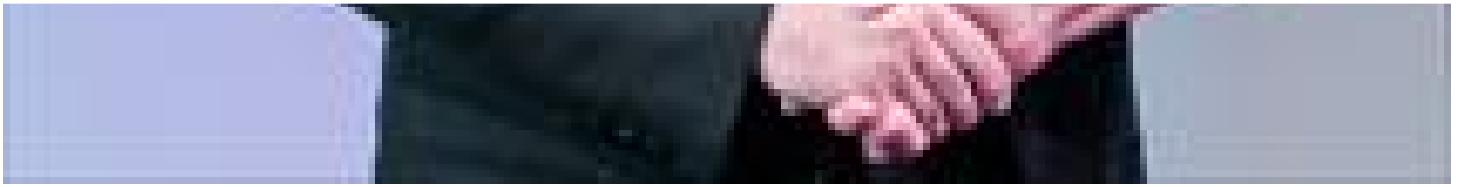
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