

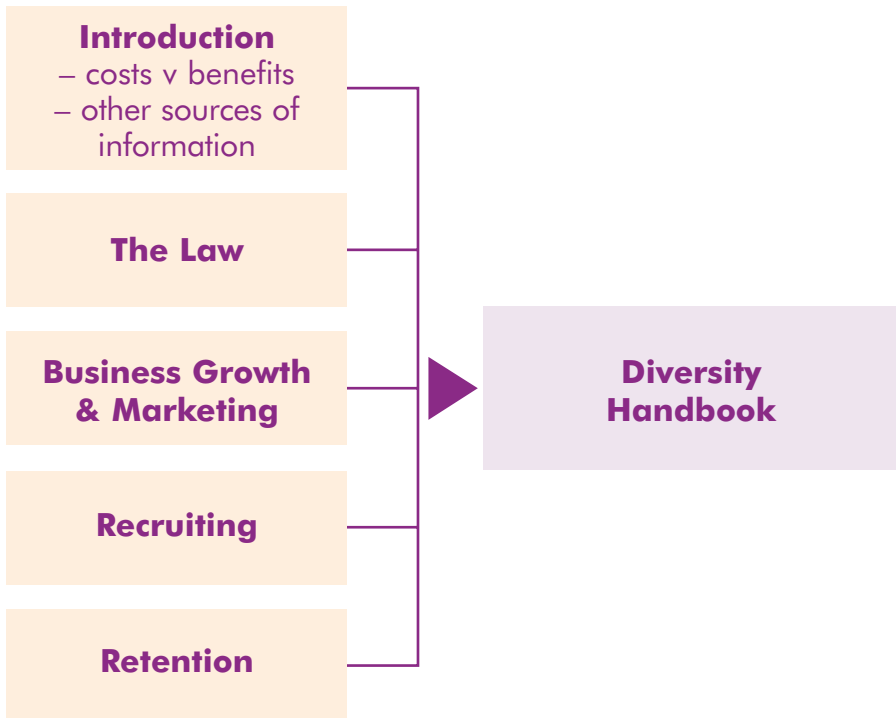
# Introduction



The Diversity Means Business project is co-financed by the South East England Development Agency and the European Social Fund.

## How to Use this Handbook

This handbook is made up of a number of leaflets focused on different areas of business practice. Each guide contains references to good diversity practices and how to implement them to the benefit of your business. A checklist is provided at the end of each leaflet to help you.



Further help and advice is available **FREE** to eligible businesses from the Diversity Means Business project team.

Tel **023 9284 1610**

email **[info@diversitymeansbusiness.org.uk](mailto:info@diversitymeansbusiness.org.uk)**

or visit **[www.diversitymeansbusiness.org.uk](http://www.diversitymeansbusiness.org.uk)**

for more information.

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## Introduction

### Equal Opportunities = Legal Compliance

We have seen many laws over the years that provide protection to different groups of people. These laws place duties and responsibilities upon businesses for both employment and customer services in relation to many groups:

- men and women including those of various sexual orientation and those undergoing gender reassignment;
- those of different nationality, race, colour, ethnic origin;
- those of different religion or faith;
- those with disabilities;
- from 2006, older people.

Companies need to take steps to ensure legal compliance in relation to all these categories of people in order to reduce the risk of litigation.

### Diversity = Legal Compliance + Business Benefits

Diversity goes further than equal opportunities – it means that businesses value different types of people as both employees and customers. Within the workforce, diversity can help increase innovation and creativity, reduce skills shortages and improve customer service. With regard to customers, businesses that are able to meet the needs of different types of customers can increase their market amongst the general public, public sector organisations and other businesses.

The aim of this handbook is to help businesses progress onwards from legal compliance so that they can increase business growth and security through diversity at little or no cost.

### Diversity = Equal Opportunities + Business Benefits

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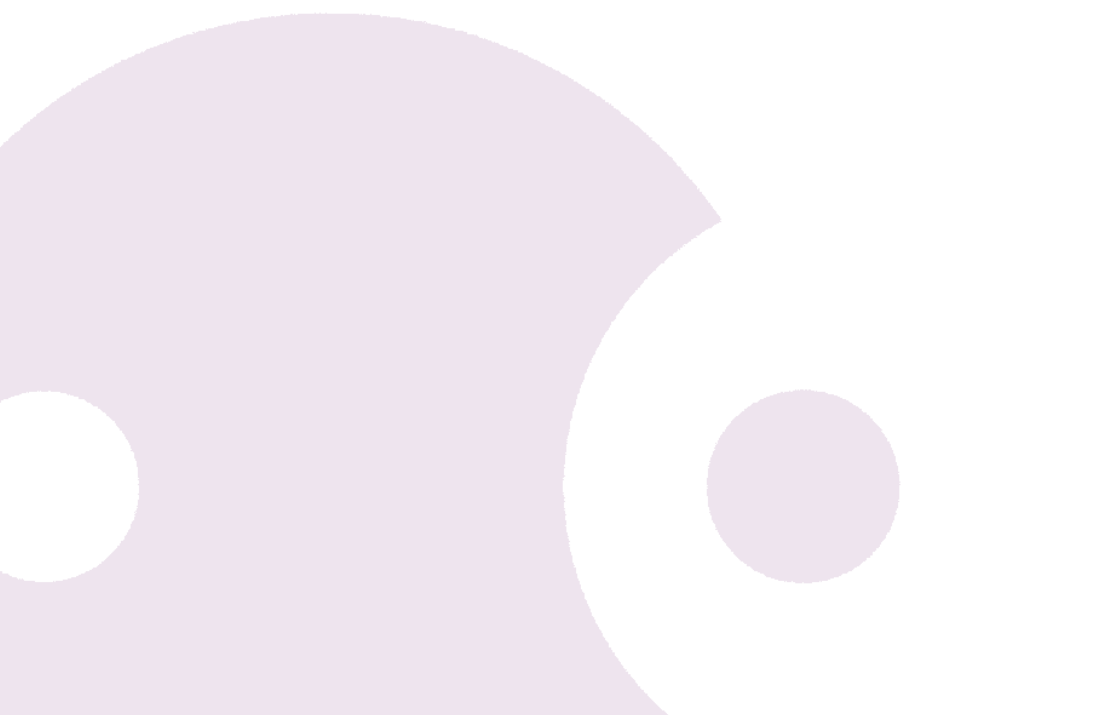
## **What is diversity?**

*Diversity is a source of opportunity, whether in employment or customer markets. Appreciation of the rich mosaic of difference within the workforce fuels group dynamics and helps create an environment where teams can perform to their full potential. A generalised market approach will not reach the many pockets of value to be found in diverse groups of customers. Competitive edge can be gained from the variety present in our workforce and customer base, and specific attention to market variation.*

(HSBC)

*Diversity is the spirit of freedom expressed through individuality. At Pitney Bowes, we embrace that spirit. We value the unique contributions brought to our company by a diverse workforce. We respect ingenuity, innovation and ideas that are the genius of humankind no matter what age, gender, religious belief, race, ethnicity, family circumstance, sexual orientation, physical or mental ability, or education.*

(Pitney Bowes Worldwide)



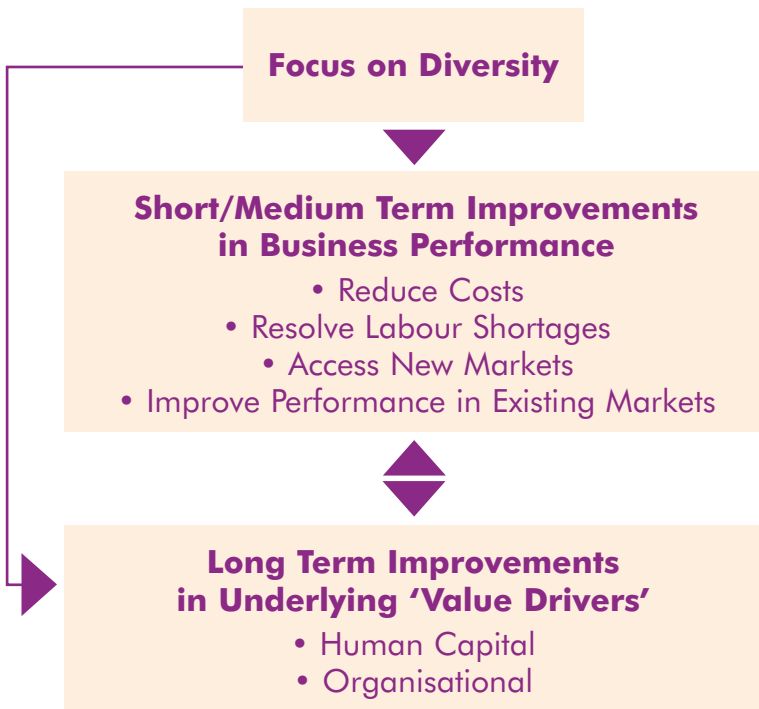
# Costs v Benefits Analysis of Diversity

## Gains and savings

A recent survey by the Centre for Strategy & Evaluation Services (CSES: Oct 2003) found a number of short to long term benefits of introducing diversity practices.

Some of these potential benefits are explained in more detail below.

## Business Benefits of Diversity



Source: CSES

These benefits and more can be accessed by using this guide.

## **Reduce Risk of Litigation**

Litigation can bankrupt a company. Ensuring your company meets legislative requirements is good business sense. Refer to our leaflet on 'The Law' to see just how much it could cost you and how you can protect your business.

## **Increase Market Share**

Do you really know your customers? Our 'Business Growth and Marketing' leaflet suggests how you can improve your business.

## **Increase Responsiveness to Change**

Business, technology and work are all changing as rapidly as society itself. A business that is unable to respond to change runs the risk of stagnation and failure. Employees who bring a wide range of knowledge and experience can contribute fresh ideas and up-to-date skills to help a business evolve.

Additionally, employees with a range of different, rather than similar, skills and personalities can create more innovative and productive work teams.

Responding to or, better still, anticipating change produces competitive edge. For tips on creating a positive and open workplace that respects and harnesses the benefits of diversity, see our leaflet on 'Retention'.

## **Reduce Skills Shortages**

Many employers across the South East are encountering difficulties in recruiting employees with the skills they need. Some are importing employees from elsewhere and others are contemplating relocation – both solutions involving significant cost. A more cost effective solution is to actively recruit from the hidden pools of talent available locally – employees with different backgrounds can bring fresh experience and skills – guidance is available in our 'Recruiting' leaflet.

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## **Reduce Staff Turnover**

Research shows that disabled employees are more likely to stay in a job longer. Avoiding frequent staff turnover increases the level of knowledge and experience amongst employees. Additionally, low turnover reduces the cost of advertising, recruitment, training and loss of productivity while finding a replacement.

## **Reduce Sickness Absence**

Employers have found that disabled employees have low absentee levels. Reducing sickness absence levels can increase productivity and reduce staff costs. A Barclay's Bank survey found that disabled employees took 20% less sick leave than their non-disabled colleagues.

## **Reduce Accidents at Work**

Disabled employees have been found to have fewer accidents in the workplace. Reducing Health and Safety incidents can avoid loss of productivity, administration and, in extreme circumstances, medical retirement and litigation costs.

## **Other Workplace Benefits**

Additional benefits such as increased staff motivation, product innovation and customer satisfaction have also been linked to diversity (CSES survey of companies: Oct 2003).

## Main benefits experienced by companies with Active Diversity Policies

Strengthen Cultural Values with Firm	73%
Enhanced Corporate Reputation	69%
Helped to Attract and Retain Talented People	62%
Improved Staff Motivation and Efficiency	59%
Increased Innovation and Creativity	58%
Enhance Customer Satisfaction	58%
Helped to Overcome Labour Shortages	58%
Reduced Labour Turnover	45%

Source: CSES, October 2003

### Example:

*Centrica, a major supplier of energy and services to homes and businesses in the UK, recruited 50 disabled people as part of a 'Welfare to Work' project in Manchester. Centrica plans to continue to employ people with disabilities because they have seen the following benefits:*

- motivated and high performing staff;*
- reduced staff turnover;*
- a more diverse workforce which better reflects their customer base;*
- raised awareness of issues affecting disabled people, carers and the long term unemployed;*
- managers are more skilled in recruiting and managing a diverse workforce;*
- an enhanced corporate reputation.*

## The potential workforce

- There are thousands of older, disabled, black and ethnic minority people in the South East who want to work but have difficulty finding jobs. 6.7% of the ethnic minority population are not in work.
- Black and ethnic minority groups will account for half the workforce growth over the next ten years according to the Commission for Racial Equality (CRE) and Trade Union Congress (TUC).
- The working population in the South East is already changing. Over 45% are likely to be aged 45 or over by 2005 and in some areas, such as Hampshire, this proportion increases to 50%. The incidence of disability increases with age.
- Women will soon make up to 67% of the existing workforce.
- Across the UK as a whole, there are 2.8m people aged 50–65 not in work and a further 3m aged over 65 actively seeking work (Prudential Survey).
- Across the UK, there are at least 1 million disabled people actively seeking work.

## So what?

Unemployment rates amongst the white population have already fallen to 3.8%. This means that you will need to recruit increasing numbers of older, ethnic minority, and people with disabilities.

There will not be enough young and white employees to go around, especially in light of recruiting competition from major employers. Forward thinking businesses should anticipate these changes now.

## The skills available

- Ethnic minority young people are likely to have higher qualifications than their contemporaries: 81% continue into further education in comparison with 67% of white students.
- Although ethnic minorities represent 9% of the UK population, a higher proportion (17.2%) go on to university. Overall, ethnic minority people will often have good qualifications and, in particular, those of Chinese and Indian origin outperform white people.
- Migrants from the Middle East and South Asia have excellent entrepreneurial skills and are twice as likely to start their own businesses as the indigenous population. Over two thirds of independently owned local shops belong to people from ethnic minorities.
- Ethnic minority employees can have a strong culture of customer service. For example, 24% of restaurant employees were born overseas.

### *Example:*

*Wheatshaf Trust in Southampton assists refugees with training and employment. The following are examples of qualifications held by people registered with the trust:*

- *AC from Cameroon: High level English language, and degree equivalent in engineering.*
  - *FE from Iran: Over 20 years experience in accountancy and financial management, and 10 years as an HE lecturer.*
  - *AA from Sudan: ran his own farm for many years.*
  - *ME from Egypt: A research doctor in medicine.*
  - *MM from Sudan: qualified GP, additional degree in surgery and medicine.*
  - *AH from Norway: has an MA.*
-

- A substantial number (70%) of economically active disabled people acquired their disability during their working lives. They therefore have a background of skills and work experience to offer you.
- Many disabled people develop excellent skills in order to manage life with a disability: problem solving, time management, communication and interpersonal skills. These abilities are equally valuable in the workplace.
- Older people have often acquired substantial experience at work and in dealing with other people – they offer a huge reservoir of tried and tested ability.

## **General adjustments in the workplace**

It makes sense for you to be flexible with employees – understanding their individual needs and making adjustments to meet them. Most of these will be at no or low cost and could be as simple as allowing an employee to flex time to cover a family commitment or medical appointment. Some employees may want to take different religious holidays which can be a bonus when sorting out holiday rosters. Others may want to work part time or job share which again can offer benefits of two or more workers each bringing fresh energy to a job. Many employers are moving to flexible work patterns as they recognise that avoiding traffic rush hours and enabling employees to plan their lives makes for a happier and less stressed workforce.

## **Adjustments for disabled employees**

Most are at no cost. Many employers envisage that disabled employees will need costly lifts and ramps. In fact, less than 5% of people with disabilities use wheelchairs. The vast majority have moderate disabilities and therefore need only simple adjustments to do their work. Typically, this can mean as little change as making sure that tasks are allocated effectively between workers, restructuring parts of a task or having flexible Personnel policies. Other adjustments could include transferring a disabled person to a more appropriate vacancy

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or different place or work, altering working hours, allowing absence for rehabilitation or medical treatment, providing or modifying equipment or offering specialist advice. The Disability Discrimination Act (DDA) requires you to consider reasonable adjustments for disabled employees and recruits. Although 'reasonable' is not defined, you should consider all the following:

- The extent to which taking the adjustment would prevent the effect in question;
- The practicality of taking the step;
- The financial and other cost in making the adjustment and the extent to which taking it would disrupt any of your activities;
- The extent of your resources;
- The availability of financial or other assistance for making the adjustment.

The Disability Rights Commission publishes guidance to assist you to understand what would be reasonable. Access [www.drc-gb.org](http://www.drc-gb.org) for more information. Specialised training focused on the DDA will help your company to identify any changes you need to make.

### **Where there is cost**

Only 4% of people with disabilities require additional aids that impact on their work. These aids may incur cost but there is Government help to assist you. The Access to Work (ATW) scheme provided by Jobcentre Plus can offer 100% funding for new disabled employees and up to 80% funding for existing disabled employees. Commonly, funding can be provided for specialist equipment, hardware and software, the employment of a support worker to assist the disabled employee and other types of adjustments. Access to Work can also fund sign language interpreters for interviews. According to the Disability Rights Commission (DRC), 9 out of 10 employers said that the benefits of making adjustments for disabled employees outweighed the cost.

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## Financial Benefits

Results	Gains/Savings £
Reduce Risk of Litigation	£££
Increase Market Share	£
Increase Productivity and Response to Change	£
Reduce Skills Gap	££
Reduce Staff Turnover	£
Reduce Sickness Absence	£
Reduce Accidents at Work	£
Increase Reputation	££

### Investment Needed

The checklist on the following page provides a list of the key actions that you should undertake to achieve the benefits we have outlined. There will be associated costs but many will be one off, others may be incorporated into routine business.

The Diversity Means Business Project can help reduce costs. We offer free support with:

- Training
- Business consultancy
- Diversity Advisors

Contact:

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## How to achieve benefits of Diversity – Action Checklist

Establish and promote your top level commitment to diversity

Establish and promote your goal of a more diverse workforce

Create and promote your strategy, policy and plans on diversity

Review and update the following to ensure that they are fair, effective and non-discriminatory:

- Grievance (complaints) procedures
- Disciplinary procedures

Provide diversity training for employees

Consider reasonable adjustments in the workplace

Collect and analyse data about your diversity goal, strategy, policy and plans

## ANNEX A – Sources of information

Contact Details	Useful Information Topics
<p>Advisory, Conciliation and Arbitration Service (ACAS) <a href="http://www.acas.org.uk">www.acas.org.uk</a> Tel: 08457 474747</p>	<p>Mediating in employment, advice on good industrial relations practice including equal pay.</p>
<p>Age Concern <a href="http://www.ace.org.uk">www.ace.org.uk</a> Tel: 0800 009966</p>	
<p>Age Positive <a href="http://www.agepositive.gov.uk">www.agepositive.gov.uk</a></p>	
<p>Business Link <a href="http://www.businesslink.gov.uk">www.businesslink.gov.uk</a> Tel: 08456 009 006</p>	
<p>Centre for Accessible Environments <a href="http://www.cae.org.uk">www.cae.org.uk</a></p>	
<p>Chambers of Commerce <a href="http://www.chamberonline.co.uk">www.chamberonline.co.uk</a></p>	<p>Chambers of Commerce – national contact point.</p>
<p>Commission for Racial Equality <a href="http://www.cre.gov.uk">www.cre.gov.uk</a> Tel: 0207 939 0000</p>	<p>Enforcing and promoting racial equality. Code of practice: for the elimination of racial discrimination and the promotion of equality of opportunity in employment.</p>
<p>Department for Trade and Industry <a href="http://www.dti.gov.uk/er/nmw">www.dti.gov.uk/er/nmw</a> <a href="http://www.dti.gov.uk/er/nmw/fp">www.dti.gov.uk/er/nmw/fp</a> <a href="http://www.dti.gov.uk/er/nmw/fp/rates.htm">rates.htm</a></p>	<p>National minimum wage information. Fair piece rates.</p>

<p>Disability – government site  <a href="http://www.disability.gov.uk">www.disability.gov.uk</a></p>	
<p>Disability Job Site  <a href="http://www.disabilityjobsite.co.uk">www.disabilityjobsite.co.uk</a></p>	<p>Advertising job vacancies to disabled people.</p>
<p>Disability Now magazine  <a href="http://www.disabilitynow.org.uk">www.disabilitynow.org.uk</a></p>	
<p>Disability Rights Commission  <a href="http://www.drc-gb.org">www.drc-gb.org</a>  Tel: 08457 622633  Textphone: 08457 622644</p>	<p>Enforcing and promoting disability equality.  Code of practice for the elimination of discrimination in the field of employment against disabled persons or person who have had a disability.</p>
<p>Employers' Forum on Age  <a href="http://www.efa.org.uk">www.efa.org.uk</a>  Tel: 0207 981 0341</p>	
<p>Employers' Forum on Disability  <a href="http://www.efd.org.uk.co.uk">www.efd.org.uk.co.uk</a>  <a href="mailto:website.enquiries@employers-forum.co.uk">website.enquiries@employers-forum.co.uk</a>  Tel: 0207 403 3020</p>	<p>Provides a wealth of information and advice concerning the employment of disabled people.</p>
<p>Employment Tribunals Enquiryline  Tel: 08457 959775</p>	
<p>Equal Opportunities Commission  <a href="http://www.eoc.org.uk">www.eoc.org.uk</a>  Tel: 08456 015 901</p>	

**Equality Direct**  
[www.equalitydirect.org.uk](http://www.equalitydirect.org.uk)  
Tel: 08456 003 444

This service is designed to give business managers easy access to authoritative and joined-up advice on a wide range of equality issues.

**Ethnic Media Group**  
Unit 2  
65 Whitechapel Road  
London E1 1DU  
Tel: 020 7650 2000  
Fax: 020 7650 2002  
[www.ethnicmedia.co.uk](http://www.ethnicmedia.co.uk)

Publishers of: African Times, Asian Times, Caribbean Times, Eastern Eye, India Weekly, New Nation.  
Advertising job vacancies to people from ethnic backgrounds.

**Ethnic Minorities Jobsite**  
Tel: 0800 2380965  
Fax: 020 7631 5173  
[www.emjobsite.co.uk](http://www.emjobsite.co.uk)

Advertising job vacancies to people from ethnic backgrounds.

**Federation of Small Businesses**  
[www.fsb.org.uk](http://www.fsb.org.uk)  
Tel: 01253 336000

Federation of Small Businesses national contact point.

**Gender Trust**  
[www.gendertrust.org.uk](http://www.gendertrust.org.uk)

Offers information and support to transsexuals, as well as management guidelines for the employment of transsexuals.

**Jobcentre Plus**  
[www.jobcentreplus.gov.uk](http://www.jobcentreplus.gov.uk)

**Language line:**  
[www.languageline.co.uk](http://www.languageline.co.uk)

General enquiries, feedback and materials requests.

The National Recognition  
Information Centre for the  
UK (NARIC)

[www.naric.org.uk](http://www.naric.org.uk)  
[customer.services@  
naric.org.uk](mailto:customer.services@naric.org.uk)  
Tel: 01242 258605

National agency under contract to the DfES which provides information and advice on the comparability of international qualifications with those in the UK.

National Minimum Wage  
Helpline

[www.lowpay.gov.uk](http://www.lowpay.gov.uk) or  
[www.dti.gov.uk/er/nmw/in  
dex.htm](http://www.dti.gov.uk/er/nmw/index.htm)  
Tel: 08456 000 678

Race Relations Employment  
Advisory Service (RREAS)

Tel: 0121 452 5447

Part of ACAS. Provides free and confidential strategic advice to employers and others so that they can develop and implement policies and practices for racial equality among the workforce. It is a national service with a team of advisers based throughout the country to ensure local expertise is available to all their clients.

Royal National Institute  
for the Blind (RNIB)

[www.rnib.org.uk](http://www.rnib.org.uk)

Royal National Institute  
for the Deaf (RNID)

[www.rnid.org.uk](http://www.rnid.org.uk)



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Special thanks go out to our project partners across the South East Region for their contributions, comments and support.

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## Please contact us if you require alternative versions of this leaflet.

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Please note: The information provided in this handbook is not legal advice but is for general information only. If you require advice upon the law we strongly recommend that you speak to a legal professional to obtain legal advice.

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