Best Practice

DIVERSITY AND INCLUSION

FLA

FLA Toolkit: Diversity and Inclusion

This document provides an overview of key considerations for your business with respect to diversity and inclusion. It has been developed with the help of FLA members who have kindly shared their own internal good practice documents on the issue, and it also includes examples of approaches used at FLA members shared at a workshop of the FLA's HR Group. It covers the following topics:

1. **Introduction to diversity and inclusion**
2. **Diversity and Inclusion in Financial Services**
3. **Key considerations for FLA members**
4. **Approaches used by FLA members**
5. **Sources of advice**
6. **FLA Resources**

If you would like any further information on this topic, please contact George Anastasi (george.anastasi@fla.org.uk)

This is not a substitute for legal or professional advice.

1. Introduction to diversity and inclusion

Businesses benefit from having a diverse, motivated workforce where all staff feel included in the decision-making process and culture of the firm. The finance services sector is no exception, and there are several ways to help ensure that your business can recognise and value people's differences.

This guide will outline the key strategies you can adopt to recognise, encourage and promote diversity at all levels within your business. It also outlines some of the resources available to you for help.

Why is diversity and inclusion important?
Diversity and inclusion (D&I) are not "box-ticking" exercises – and the terms go beyond the minimum legal obligations expected of employers. Indeed, D&I are an essential part of ensuring that an organisation's culture values all its members as individuals. If everyone in your place of work feels valued and able to contribute, it means greater employee well-being and productivity. D&I is often an integral part of an organisation's long-term planning.

Diversity and Inclusion means recognising the potential of staff with protected characteristics and helping them to reach it. The protected characteristics under the Equality Act 2010 are:

- age
- disability

- gender reassignment
- marriage and civil partnership
- pregnancy and maternity
- race
- religion or belief
- sex
- sexual orientation

It is against the law to discriminate against any individual based on the above characteristics. An organisation's policies should ensure that differences are considered in an appropriate way.

Attributes not listed above, such as an individual's strongly held beliefs (e.g. about diet for ethical reasons) or family situation (such as parent or carer responsibilities) should also be respected, even if not necessarily the subject of legal protection.

2. Diversity and Inclusion in Financial Services: Key Statistics

Businesses in the financial services sector identify a number of benefits from increasing their focus on diversity and inclusion. These include , but are not limited to:

3. Key Considerations for FLA members

Having an effective diversity and inclusion policy means being aware of potential biases and taking appropriate action to overcome them.

- **Recruitment:** A diverse talent pool is a bigger talent pool. Evaluating the way you recruit according to diversity and inclusion principles will mean you are recruiting from the widest possible talent pool, and one which is reflective of society and your customer base.
    - o Carefully consider the language used in job advertisements and role profiles to ensure that you are not excluding or alienating any protected characteristic.
    - o Ensure that recruitment processes are "blind" by removing personal information including name, gender and age from CVs.
    - o Consider anti-bias training for staff involved in recruitment decisions.
    - o Consider, especially for senior roles, whether it is worth engaging a third-party observer to the recruitment process.

- **Monitoring:** It is important to monitor the effectiveness of your attempts to encourage diversity and inclusion.
    - o Large firms already have an obligation to report on their gender pay gap. You may also wish to consider gender pay gap reporting or ethnicity pay gap reporting.
    - o Team-based analysis: You may wish to monitor how diverse your teams are and whether protected characteristics are represented.

- o Inclusion and employee well-being: Do all your staff feel included? Are all employees comfortable expressing their needs? Are there any groups which could feel excluded from certain activities?

- **Management:** The way your senior Management team approaches diversity and inclusion is important:
  - o Is it seen as a "box ticking" exercise? If so, why? How can this be changed?
  - o How diverse are the most senior people in your business? Is diversity apparent at all levels of the business?
  - o Are there any teams which seem to be better at promoting diversity and inclusion than others? What strategies and approaches have those teams used as compared to others?

- **Policies and processes:** Consider how your policies and processes affect diversity and inclusion. For example:
  - o Do remuneration policies such as bonuses exclude certain groups. E.g. groups that are unable to work regularly beyond normal business hours? Do they create a competitive atmosphere?
  - o Do you have regularly updated policies on flexible working, maternity and paternity leave, shared parental leave, adoption leave, etc?
  - o Are employee rewards, business outings or social events sensitive to those with protected characteristics? Are there any groups who might feel excluded? How are you monitoring this?
  - o Are training and development opportunities inclusive and available to all staff at all levels of the business?
  - o Are there policies in place regarding mental health awareness and support? Staff should know where to get help, that they will be supported, and that colleagues will be sensitive to their needs.
  - o Are policies responsive to the needs of staff at all stages of their working lives and careers?
  - o Do you offer a mentoring scheme? Are there other opportunities for staff across different teams to interact and understand each other's needs and motivations?

4. Sources of Advice
There is a breadth of resources available to you to find out more about diversity and inclusion. These include:

- **ACAS – Delivering Diversity and Inclusion**: ACAS's comprehensive guide explains your legal obligations and outlines what you can do to improve diversity and inclusion in your business.

- **CIPD Factsheet – Diversity and Inclusion:** If you are a member of the Chartered Institute for Personnel and Development (CIPD) this factsheet contains a useful outline on Diversity and Inclusion in the UK.

- **Equality and Human Rights Commission (EHRC):** The EHRC website includes a detailed online library of guidance for employers.

5. FLA Resources

FLA HR Group

- The FLA's HR Group is open to full members of the FLA to discuss HR issues including recruitment, training, and diversity and inclusion. It meets three times a year. If you would like to join the group, please contact george.anastasi@fla.org.uk