

Solutions for equality and growth



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Executive summary

We know that equality is good for the economy. We also know that many people experience barriers to finding work and being able to progress and do their best at work. Women, disabled, Black Asian minority ethnic (BAME) and lesbian, gay, bisexual or trans (LGBT) people face additional barriers to realising their talent and potential. This is expensive for all of us, limiting growth and productivity, and leading to wider problems such as poor physical and mental health. This report describes our recommended solutions to help achieve equality and growth.

Every week in our local Citizens Advice offices our advisers help many clients who are experiencing problems at work. Often harmful damage has already been done when clients come to us. Their dignity and confidence has been undermined because of who they are. They come for help because they face losing their job, or being passed over for promotion or training. Last year Citizens Advice helped clients with nearly 400,000 employment enquiries.

We know that many workers are keen to do their best for the businesses they work for, but they have to overcome tough barriers to fulfil their potential at work. We see this happening to hard-working disabled people, LGBT people, BAME people, and women who are pregnant or returning from maternity leave.

Small and medium enterprises (SMEs) have great strengths in flexibility, informality and an entrepreneurial spirit. Those same qualities can provide fantastic opportunities for work and advancement, to the hard working employees who want to fulfil their full potential. SMEs employ over 15 million people, and make a crucially valuable contribution to the economy, with a turnover of £1.6 trillion. When good equality practices help those workers to achieve and be successful, it is good for SMEs and the economy.

Much work has already been done on making the business case for equality, and that has created a powerful base of evidence. We now need to start thinking about what will help us to make the most difference, to effect the change we seek. In the Solutions project, the evidence from our local Citizens Advice offices has helped us to see how those changes could be made, to help SMEs and their workers achieve better equality and growth.

In this project we looked at the existing evidence on discrimination and in particular at the barriers to employment and advancement in the workplace faced by four groups of workers. We listened carefully to the experiences shared with us in the focus groups organised by our local Citizens Advice offices. The real life stories we heard helped us to develop solutions that we think will help to overcome poor practice and remove barriers that stop hard working SMEs and workers to fulfil their potential. We recognise that there is already in place a strong legal framework and much related guidance and information to support it. We focussed on how we could simplify processes and improve good practice in practical cost effective ways.

We have developed recommendations with three broad themes:

- give the right equality information to SMEs in the right place at the right time, to help SMEs seamlessly achieve good equality practice for their employees. We suggest doing this by using existing business and employment processes and procedures, such as PAYE, fit-notes and MATB1
- encourage and reinforce behaviour changes and improvements in good equality practice. We suggest this can be done through guidance and information cascaded by trusted messengers such as mentors, banks, accountants and SME networks, and through the tax regime for SMEs
- reinforce the guidance given to SMEs by helping workers to develop their potential. We suggest this can be done by providing to employees 'mirror' accessible, practical and simple guidance.

Those recommended solutions will:

- help SMEs use good equality practices to achieve growth, including how to unlock the potential in employees, and make the best decisions about recruitment and retention
- support workers to be successful and do their best for their businesses
- create a positive environment for all workers.

A summary of our recommendations

In Chapter four we explore how support on equality can help SMEs to achieve growth. We make the following recommendations.

Recommendation one: first year support for SMEs

We recommend intensive support to build equality into SME good practice, focussed on SMEs in their first year of business. This would help SME businesses to overcome risk factors, and explicitly tackles the perception of 'employment risk' related to women and minority groups. This could include: templates and top tips to simplify and demystify processes; mentoring and support on equality which comes from trusted messengers, such as business advisers and larger businesses; the right information given at the right time, in easy to access places eg information about recruitment through PAYE; guidance and information in relatable language. This recommendation would enable workers to fully demonstrate their skills, and help SMEs to build a focus on investment in the business through investing in employee skills.

Recommendation two: ongoing support for SMEs through their mentors and advisers

We recommend the development of tools for SME mentors, such as business advisers and mentors, banks and accountants, on key equality and growth issues. This would enable them to promote the flexibility and development opportunities that SMEs can offer, and to provide ongoing added-value support to SMEs. Mentors and external business advisers such as banks and

accountants are trusted messengers who can support behaviour change, and cascade learning and good practice. The tools could include: equality e-learning and training packages; tools that make the link for SME mentors to show how equality practice can support SMEs; simple how-to tools for mentors and advisers; promoting specific added-value mentoring opportunities to new SMEs, through PAYE and BIS Small Business Growth Voucher Scheme and other initiatives.

Recommendation three: exploring fiscal incentives to support disabled people and women

We recommend that HM Treasury explore fiscal incentives, for example to support the recruitment and advancement of disabled people and women at work.

Recommendation four: further research

We recommend further research to explore how best to use the business case for equality to effect change.

In Chapter five we explore how support on equality can help employees to be successful and confident. We make the following recommendations:

Recommendation five: support SMEs to promote flexibility, security and good absence management

We recommend using the existing processes and paperwork that SMEs have to navigate in order to provide tailored, focussed information and guidance on equality issues. This approach could be used to help SMEs to manage absence and support employees. The aim is to give practical and relevant equality information to SMEs, when they need it. In other words, the right information, at the right time, and in the right easy places. This could include: guidance for SMEs on the most common impairments and their impact and how to find further information and including examples of some workplace adjustments; guidance and tips on how to create an environment where employees feel they can safely tell an employer about their disability: adding information about Access to Work to fit note forms, and adding information about SMEs' entitlements to reclaim SMP to the MATB1.

Recommendation six: accessible training for SME workers to develop skills

We recommend that processes for accessing workplace training are simplified so that training is more available and accessible. This could help employees across all the groups studied by this project, who want to do their best for their businesses. This could be achieved by:

- providing free or low cost accessible local or online training to SME employees across the range of skills that SMEs need
- creating a database of training providers accessible through SME support and mentoring schemes
- exploring the possibility of providing tax relief, deductions or allowance to SMEs to enable them to pay for low cost training for their employees, to encourage positive action to support under-represented people or groups to overcome barriers to progression
- ensuring that training is accessible for all employees.

Recommendation seven: support for SMEs to help their employees fulfil their potential

Our recommendation is that support is provided to SMEs to enable employees to be themselves and do their best for the business.

This could be done by providing SMEs with a practical format guide on conversations with employees, including top tips and scenario examples of what to do or say. This would cover creating a positive working environment, awareness of workplace issues; how to enable employees to be comfortable being themselves and disclose sexual orientation, gender identity, disability or mental health conditions; how to recognise 'low level' harassment and nip it in the bud.

Recommendation eight: support to SMEs in recruitment and diversity management

We recommend that support is provided to SMEs to improve their ability to recruit the best people and support their progression, and to understand and manage unconscious bias. This could be done by providing access to e-learning for SMEs, available via a range of trusted sources and tailored to SME audiences. This would enable not just disabled people but also women, LGBT and BAME people to be treated with dignity and respect at work, and to fulfil their potential.

In Chapter six, we look at the potential role of independent advice agencies to support SMEs and their workers.

Recommendation nine: the role of independent advice agencies in cascading good equality and diversity practice

We recommend cascading the adviser training developed and piloted through this project more widely across the Citizens Advice service, and to other independent advice providers. The training supports advisers in NGOs to help employees understand how and when to provide information to their employers and how to have a conversation with their employer, for example about disability or absence issues and supports advisers to play a non adversarial advocacy role where needed.

Recommendation ten: building support and networks between SMEs and NGOs

This project has identified that a wealth of resources, guidance and information on equality already exists. Much of this is with national bodies such as the EHRC or ACAS, but there are also valuable and insightful resources and expertise within advice agencies. We recommend that further work is done to identify, test and promote a range of models to support sharing of resources, suitable for different geographies and contexts, for advice agencies to increase their support to SMEs, and also to build complementary links and networks.

The report

The report describes the contribution made by SMEs to our economy. It sets out the context for disabled people, LGBT people, BAME people, and women who are pregnant or returning from maternity leave, and the kinds of discrimination they experience. We then consider the different stages of the employment relationship and the changes that could improve equality and growth for workers and SMEs. Our recommendations include short and quick solutions, medium term solutions that build on and complement existing provisions, and proposals for longer term solutions for improving equality and growth in the future.