Workforce Partnership Council: diversity monitoring arrangements within 3 public sector bodies

This report reviews the diversity monitoring arrangements within devolved public sector organisations in Wales.

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Introduction

1. This report reviews the diversity monitoring arrangements within 3 devolved public sector organisations in Wales (a local authority, a health board and a Welsh Government Sponsored Body). It also highlights elements of best practice on stakeholder management and communication in relation to diversity monitoring. The findings underline the importance of robust diversity monitoring mechanisms and support the delivery of the Workforce Partnership Council's (WPC) equalities workstream.

Background

2. Under the Public Sector Equality Duty (Equality Act 2010), public sector bodies are required to monitor and report employment information against the nine protected characteristics on an annual basis. This includes information on pay differences, recruitment activities, staff training and disciplinary/grievance cases. Public bodies must provide further detail on the number of female and male employees by job, grade, pay, contract type and working pattern.

3. There are multiple benefits to monitoring workforce equality, diversity and inclusion data; it allows organisations to develop evidence-based equality objectives and to understand the impact of existing policies and initiatives on the workforce. Diversity monitoring also identifies risk areas of discrimination and

allows the organisation to respond appropriately.

4. In its 2014 report (**Review of the Public Sector Equality Duty (PSED) in Wales**), the Equality and Human Rights Commission Wales reported that public bodies had experienced significant challenges when conducting diversity monitoring in relation to managing the sensitivities of the data and tackling low levels of staff sharing this information. It also raised the lack of public awareness in relation to the reasons for collecting this information.

5. In 2020, the WPC produced a **report on gender pay gaps and senior pay ratios** which highlighted a lack of consistency in the reporting and accessibility of data across public bodies. Diversity monitoring arrangements are also an important consideration for an organisation's ability to produce accurate information on pay gaps.

6. Since work on this report began, the Welsh Government's Data Disparity Unit has initiated a project to gather data across the public sector on diversity monitoring arrangements. The WPC Support Team met the Data Disparity Unit to discuss the focus of this report and have offered to share the findings to inform their wider research.

Diversity monitoring

7. There are several frameworks and toolkits that offer best practise guidance on collecting relevant Equality, Diversity and Inclusion (EDI) data (Civil Service, 2012 - **Best Practise Guidance on Monitoring Equality and Diversity in Employment**; Employees Network for Equality and Inclusion (ENEI), 2022 - **Employer Guide: Encouraging Employees to Share Diversity Data**; Social Mobility Commission, 2021 - **Socio-economic diversity and inclusion - Employers' toolkit**). Many of the best practice principles within these sources overlap and the following 4 themes emerge.

7.1 Understanding staff concerns

The barriers associated with sharing information on protected characteristics for staff are commonly reported and wide-ranging. Barriers include fear of potential discrimination, lack of available options within diversity monitoring forms with which staff can identify and a lack of understanding around the relevance of the data to the organisation. In addition, there are barriers which can be specific to the organisation and to the protected characteristic in question. Organisations should therefore take steps to understand this in context so that specific action can be taken.

7.2 Providing clear rationale

Public organisations should clearly set out the rationale for completing diversity monitoring. This can include the organisation's statutory duties to collect and report workforce EDI data under the PSED. It is also beneficial to explain how the data will be used within the organisation to provide equal opportunities and to improve the working environment (Stonewall, 2016).

7.3 Involving relevant stakeholders

Best practice guidance recommends that visible support from senior leadership can greatly improve the rates of diversity monitoring completion amongst staff. Senior leaders have been shown to have an important role in fostering an inclusive culture through their own visible behaviours and ensuring that this responsibility is spread across the organisation rather than being limited to a specific function such as HR. Other relevant stakeholders to involve are trade unions, staff networks and line managers.

7.4 Considering communication mediums and timing

Best practice guidance encourages organisations to use a range of communication mediums to encourage staff to share diversity information. Published guidance also recommends that optimum timing should be considered.

Methodology

8. This pilot review involved 3 devolved public sector bodies identified as organisations which have taken active steps to improve their diversity monitoring arrangements. The Wales TUC were also approached for their recommendations on public bodies they have considered to have prioritised this work.

9. The 3 organisations include a health board, a local authority and a Welsh Government Sponsored Body. Before data collection for the project commenced, it was agreed that the organisations would be kept anonymous within this report. They shall be referred to as organisations A, B and C within the Key Findings section and Annex A below.

10. Data for this project was collected through relevant HR/Equality leads who are involved in diversity monitoring arrangements within their organisations. A survey was sent with a list of 11 qualitative questions which were then discussed in further detail during follow-up interviews. The questions were developed by Welsh Government officials, including public sector employer and trade union secondees within the Social Partnership Division. The questions can be found below in Annex A.

Key findings

11. The findings within this report are based on information provided by public bodies and are therefore subject to the accuracy of the information they have provided for this exercise.

12. An analysis of the responses can be found in Annex A. This lists the responses to each question in the same order in which they appeared on the survey.

13. This review reveals the following key findings.

Understanding staff concerns

14. Organisation A was the only organisation to commission a specific research exercise in relation to staff concerns on sharing diversity information. It found a wide-ranging array of barriers that prevented staff from sharing their information including disagreement on the information's relevance to the organisation, lack of applicable answers to questions and fear of potential negative repercussions. Although organisations B and C have not undertaken this level of analysis, anecdotal feedback mirrors several of these barriers within these organisations.

15. Through its research, organisation A was able to identify areas where improvements could be made. The organisation plans to introduce new recruitment and HR systems which will include more up-to-date, inclusive terminology and categories within diversity monitoring questions which is expected to enable more staff to complete their information.

Providing clear rationale

16. All organisations provide a clear rationale for diversity monitoring setting out the legal duty and information on how the data will be used. Organisation A has not observed a significant increase in completion of diversity monitoring information after sending out these communications. However, organisation B experienced success when combining this communication with relatable language (see response to question 6 below).

17. The organisations in this project do not currently communicate the specific outcomes of diversity monitoring to staff. Organisations B and C were able to share examples of how diversity monitoring has been used to direct equality initiatives, but they have not been communicated to staff as part of communication campaigns on capturing staff diversity information.

Involving relevant stakeholders

18. All organisations have involved staff equality networks to some extent in relation to diversity monitoring. Organisation A has requested its networks to encourage staff to complete their information and has consulted them on the rewording of diversity monitoring questions, Organisation B has held informal conversations with network members to discuss barriers to completion. This feedback has directly informed changes to the wording and response options within diversity monitoring forms. Organisation C has consulted staff equality networks about the drafting of diversity monitoring questions for surveys and has worked in partnership with trade unions to encourage staff to update their personal diversity records. Organisation A also involved key stakeholders including trade unions and staff networks in the research undertaken to understand staff barriers in relation to diversity monitoring.

19. Within organisation A, diversity data is monitored on a quarterly basis by an internal diversity steering group which includes senior leaders, trade union representatives and equality champions within the organisation. However, the outcomes of this monitoring are not clear, and it has not had a role in communicating the importance of completing diversity information to staff. Organisation C has requested that individual departments communicate with staff to update their equality information.

Considering communication mediums and timing

20. All the organisations surveyed ask staff to complete their diversity information at standard points during recruitment and as part of annual staff surveys. They also allow staff to update their own information at any point.

21. When requesting staff to update their information at other points, the organisations surveyed use intranet articles and emails to communicate this. Organisation C has also timed these communications to coincide with relevant events, e.g. following the publication of the Welsh Government's written statement on the disproportionate impact of Covid-19 on Black, Asian and Minority Ethnic communities. An increase in completion of diversity monitoring information by staff from ethnic minorities working within organisation C was observed following this communication.

Reporting arrangements

22. All 3 organisations have published diversity monitoring data in an area of their websites that is dedicated to EDI and the reports sit alongside other relevant documents and equality strategies. Organisation A also provides a comparison of data from previous years in its report which allows the reader to

easily identify changes over time and provides a greater degree of transparency in its reporting.

Conclusion

23. The organisations involved in this project have all taken steps to address issues related to diversity monitoring. However, the observed success in relation to the increased proportion of staff who have shared their information has varied. All organisations monitor their diversity data at regular intervals, allowing them to identify potential issues experienced by specific groups and to track progress of diversity initiatives. Whilst all three organisations regularly communicate the purpose of diversity monitoring to staff, the outcomes and benefits for staff are not currently communicated to the same extent.

24. Although the size of this project has limited its ability to provide more definitive conclusions, it has demonstrated that initiatives to improve data collection methods have been partially successful. However, more evidence is needed to provide other social partners with certainty on which methods are most effective.

Annex A: Summary of responses

1. At what standard point(s), are staff members asked to provide their diversity data (e.g. upon application, upon appointment, during staff surveys, etc)?

All 3 organisations request applicants to provide diversity monitoring information upon application and during annual staff surveys via online forms.

Organisation A asks successful recruitment candidates to share their diversity monitoring information upon appointment.

Organisation B asks staff to share their diversity monitoring information during further pulse surveys as well as during training sessions and events hosted by staff equality networks. The organisation has noted a small decrease in completion of diversity monitoring exercises after training sessions since moving to a digital form from a paper form.

All 3 organisations provide an online system which allows staff to update their own diversity data.

2. Does the organisation use a standardised form for collecting diversity data? If not, please provide details.

All 3 organisations use a form with a standardised list of questions for collecting diversity data.

Organisation A is in the process of implementing a new system which will include more inclusive terminology and categories within diversity monitoring questions and is expected to enable more staff to complete their information. This includes adjustments to the question on disability which recognises neurodivergence,and also references the organisation's recognition of the social model of disability.

Organisation B has developed a toolkit which can also be used across the organisation to gather diversity data from service users. This includes a standardised list of questions which ensures that a consistent approach is being taken to data collection.

3. Who is responsible for diversity data collection within

the organisation?

Organisation A: The Human Resources Department is responsible for data collection during recruitment whilst the Knowledge and Analytical Service department collects diversity data during the people survey.

Organisation B: The Human Resources Department is responsible for data collected in relation to recruitment and staff surveys. Diversity data from training sessions is collected by the training provider.

Organisation C: The organisation's diversity monitoring data is coagulated by a service which also collects data for other similar organisations.

4. Is diversity data monitored and reviewed at regular intervals? If so, how often is this done?

Organisation A: Diversity data is monitored on a quarterly basis by the internal Diversity and Inclusion Steering Group which includes senior leaders and equality champions within the organisation. This includes data in relation to other employee statistics such as recruitment, promotion schemes and numbers of staff who have left the organisation to examine progress against targets and monitor potential issues experienced by certain groups. All data is monitored on an annual basis before the publication of the organisation's equality report.

Organisation B: Diversity data is monitored approximately every 2-3 years during the staff profile audit. However, the Covid-19 pandemic disrupted this practise. Data from the annual staff survey is also reviewed each year alongside data collected from training events. All data is monitored on an annual basis before the publication of the organisation's equality report.

Organisation C: Diversity data is monitored on a monthly basis. It is also

monitored and reviewed before the publication of the organisation's annual workforce equality report.

5. Has the organisation conducted any research into diversity monitoring and the reasons why employees decline to share their data?

Organisation A: The organisation conducted research on this subject in 2017 and 2021. The findings mirror many of the barriers that have been found in other reports which include disagreement on the information's relevance to the organisation, lack of applicable answers to questions and fear of potential negative consequences.

Organisation B: No formal research has been completed by the organisation but informal conversations with staff on the subject have been conducted, specifically with regard to disability due to the relatively low number of staff who have shared this data. During these conversations, staff have reported concerns that they will be penalised for sharing data on a disability.

Organisation C: The organisation has not conducted research into this subject.

6. Has the organisation conducted any campaigns to encourage employees to share their data? If so, did the organisation observe any change in staff choosing to share diversity monitoring information as a result of the campaign?

Organisation A: The organisation has undertaken several campaigns to encourage colleagues to share their data. Messaging has included explaining the rationale for collecting this data and highlighting that it can be used to have a

positive impact for staff. However, it was noted that these campaigns have not led to significant increases in diversity monitoring information held.

Organisation B: The organisation ran a small communication campaign encouraging staff to update their personal information following a change in their online system which captures this data. An emphasis was placed on including relatable language which provided a clear explanation of the reasons for data collection. A significant increase in numbers of staff who shared their diversity monitoring information was observed (from approximately 60% to 80% over a period of 4-6 weeks).

Organisation C: In May 2020, the organisation conducted a campaign to encourage staff to update their personal data. There was a significant improvement in the overall completion rates of ethnicity data over the year. An increase from 66% to 79% was observed in 2021. This followed the Written Statement from the Welsh Government on the emerging evidence of the disproportionate impact that Covid-19 had on Black, Asian and Minority Ethnic communities. Departments were also contacted to speak to staff about updating their information on ethnicity.

7. Does the organisation communicate the purpose and outcomes of diversity monitoring to staff? If so, please provide details of communications.

Organisation A: The organisation reported that it takes care to explain the reasons for diversity monitoring, including how it can be used to uncover trends in the organisation as well as the legal duty to collect and publish this information under the PSED. It also provides reassurance that the data cannot be viewed by line managers and that published data is rounded to ensure there is no possibility of individuals being identified. Tangible outcomes of diversity monitoring are not currently included in these communications.

Organisation B: As referenced in Question 6, care is taken to ensure staff understand the purpose of diversity monitoring and why they are being asked to provide their data. These details are also reiterated in the privacy notice that accompanies diversity monitoring exercises. Tangible outcomes of diversity monitoring are not currently included in these communications. However, the organisation acknowledged this an action that it could focus on in future and include this in its future Strategic Equality Plan. See response to Question 9, for detail on communicating outcomes to staff.

Organisation C: The organisation reported that it takes care to explain the reasons for diversity monitoring such as its ability to uncover trends in the organisation which can be used to direct future activity as well the organisation's legal duty to collect and publish this information under the PSED. Tangible outcomes of diversity monitoring are not currently included in these communications.

8. Has the organisation observed any changes or trends in diversity monitoring information in recent years?

Organisation A: Reported that rates of diversity monitoring sharing in the organisation have been relatively high and mostly stable over the previous 10 years. Data on most protected characteristics had increased between 1-2% during this time whilst sexual orientation data increased by 4% over the last 10 years.

Organisation B: The organisation has observed increases in terms of staff who have shared information specifically in relation to ethnicity and religion/faith. Although the data held on sexual orientation is still low, it has observed an increase of 7% between 2021 and 2022 which can partially be attributed to the organisation's work on the Stonewall Diversity Champion's Programme.

Increases in staff completing data on ethnicity has also been observed in the last

2-3 years. It was reported that this may be linked to prominent news items such as the Black Lives Matter movement and the murder of George Floyd. Conversations with the organisation's staff network for ethnic minorities were held during these points which prompted changes to the diversity monitoring question on ethnicity. A small increase was observed in completion rates following this.

Organisation C: The organisation has reported significant improvement in completion of diversity monitoring data in recent years. Increases of approximately 7% were observed for both religious belief and sexual orientation between 2020 and 2022. For ethnicity, an increase of 16% was observed between 2020 and 2022.

9. Are there any examples/case studies demonstrating how diversity monitoring data has been used to direct initiatives that have had a positive effect for staff?

Organisation A: The organisation does not currently hold any examples/case studies in this regard.

Organisation B: The organisation has produced a case study demonstrating the value of diversity monitoring in relation to the area's library services. Customer diversity data was examined to better focus the library's services to the needs of certain groups. Although this is not a case study relating to the organisation's staff, it demonstrates how diversity monitoring can be used to have a positive impact.

Organisation C: The organisation does not currently hold any examples/case studies in this regard.

10. Has your organisation developed any best practice

approaches to encouraging staff to share their diversity data?

Organisation A: The organisation has not produced specific best practice approaches for diversity monitoring. However, as referenced in previous questions, it continues to provide rationale for diversity monitoring when completing these exercises. It also engages directly with staff to gain a better understanding of the barriers facing completion of this data.

Organisation B: The organisation has produced a toolkit on diversity monitoring for use across all teams which sets out best practice, a standardised list of questions and addresses challenges associated with the exercise. In addition, the organisation has identified the importance of using relatable language in communications on diversity monitoring following the success of a recent campaign (see response to question 6). The organisation recognises the usefulness of diversity monitoring, but it is limited in the insights it can provide on its own. More in-depth, qualitative insights are needed to properly understand the needs of staff as well as service users.

Organisation C: The organisation has not produced specific best practice approaches in this respect.

11. What plans does your organisation have in place to improve the recording of employee diversity data?

Organisation A: The organisation has introduced a new recruitment system this year to include more up-to-date, inclusive terminology and categories within diversity monitoring questions. The organisation also plans to introduce a new HR system which allows staff to provide their own personal information and will include these updates. This is expected to enable more staff to complete their

information and will also provide an opportunity to remind colleagues to complete/update their diversity data.

Organisation B: The organisation acknowledges the value of diversity monitoring within its Strategic Equality Plan. It emphasises the need for further consideration of how this data can be used to have a positive impact for staff and service users and to go beyond its statutory duties as set out in the PSED. It also will consider how diversity data is communicated across the organisation and consider the language that is used when requesting this information. It also aims to embed the organisation's toolkit on diversity monitoring across the organisation.

Organisation C: The organisation intends to develop plans as part of the preparatory work for the introduction of the Welsh Government Workforce Race Equality Standard.