GUIDANCE FOR SME'S

This is a supporting document for the Workforce Data Equality Guide which can be accessed here.

> Companies' Act SME definition requires that two out of three characteristics be met – turnover (less than £25m), employees (less than 250), and gross assets (less than £12.5m).[1]

If you are one of the 5.8 million small and medium businesses registered at the start of 2019 it is likely that you have are committed to making your workforce more diverse but face unique challenges. Feedback from SMEs suggests that challenges around costs associated with data systems can be a barrier, as well as a lack of anonymity in staff surveys due to smaller sample sizes.

Whilst advice doesn't vary dramatically from our main guide, the following points have been put together by our internal experts, mindful of the fact that there is unlikely to be a full time Diversity and Inclusion Lead and a limited budget to invest in systems. Though conversely, SMEs can have a slight advantage, in that they can often be more flexible and move quicker than larger businesses when change is needed.

This document is intended to provide an answer to unique challenges and opportunities faced by SMEs when it comes to their workforce data journey.

Challenge: You are new to working on inclusion you have no collected workforce equalities data before and do not know where to start

If you have not collected workforce equalities data before, communication is key. Before launching a long survey, test the idea with your employees and get feedback on how this approach would be welcomed, alongside what activities, actions and potential changes employees can expect to see.

Look at your existing people processes and whether you can make small adaptations as a start. How do you onboard new recruits, could you ask them to fill out an employee monitoring form on arrival? Do you collect employee engagement and wellbeing data? Think about putting some questions in the survey on how inclusive they think your organisation is, whether they would welcome more action in this area and an open text box on what this could look like. Being employee-led will give an organisation ability and permission to go further.

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[1] Department for Business, Innovation & Skills (2012)

Challenge: There is not an internal inclusion expert

Whilst there may not be an employee with a formal role, it is likely that there are people in the organisation who are passionate about inclusion. Consider championing the creation of an employee-led network. Offer the opportunity to lead or co-lead the network to all employees and discover who is passionate and wishes to move this agenda forward. Support the network to thrive by ensuring the individual/s in a lead role have the capacity to dedicate real time to this work by building it into their job. This should give them the opportunity to upskill, attend events and webinars and advise the people team on key actions. Never assume an individual is interested because they are from a minority group.

Alongside this group, ensure that there is a named senior sponsor championing inclusion at the highest level and supporting the network to get things done.

Challenge: Whilst keen to act the organisation has a limited budget to spend on workforce data collection

Firstly, make the most of freely available resources. There are lots of them. Share free events, videos, and articles internally. Freely available information such as this guide [LINK] should support you in determining a methodology. Free data sources such as Census data and the London Datastore can help you understand what your local area looks like and give an idea of what an organisation such as yours would look like if it were truly representative.

For data collection, analysis and visualisation tools there are free options but please note: if using free tools, read the terms and conditions carefully and communicate implications to employees from a GDPR perspective.

If not investing in survey software still ask your employees questions, have a physical or virtual anonymous suggestion box where people can share concerns, run face-to-face sessions and make sure you run a whole organisation focus group. Ensure that face-to-face sessions have anonymous feedback forms that can be filled in and collected discreetly.

Challenge: A lack of diversity means that we are not able to offer anonymity in employee engagement exercises and sample sizes are small.

Only promise anonymity if it can be achieved. In small businesses be aware that it may be possible to identify individuals from surveys where names are not taken due to them being the only individual with that characteristic or set of characteristics. Organisations in this position should consult employees first. Being, transparent with employees will help the individuals managing the data to decide whether the whole survey should be anonymous. If deciding to ask for employee data, BITC reiterate the importance of a 'prefer not to say' button so that employees do not have to disclose anything they do not feel comfortable sharing.

There may still be appetite to run surveys that are not anonymous though quality answers will vary depending on the culture of the business. If the business has a culture of trust and the senior team has a history of acting on concerns, individuals may still be comfortable sharing.

If sample sizes are small, it means that individual experiences do have an ability to skew data and you have to be cautious of what you can infer about the wider workforce from analysis. Be mindful of this. If you have a small data-pool look to see what the majority (over 50%) are experiencing and start with areas of consensus, you should be careful of viewing one or two people's views as representative of a whole group. However, do not ignore the individual concerns that still need addressing but start discussing these as individual HR conversations.

Be careful not to present breakdowns of responses if it is possible to identify individuals. You could use this data to inform actions and use bigger groupings instead (as seen in the getting started section of the guide) to communicate trends, being transparent about why it is not possible to communicate more granular / intersectional data.

There are several calculators available online, which allow you to determine ideal sample sizes such as this one from Qualtrics.

Opportunity: You are a dynamic and flexible workplace that can act quick when needed

SMEs tend to have less "red tape" to navigate when implementing change and therefore can act quicker once an issue has been identified. It is also often possible to engage more personally with employees, both in terms of hearing concerns and sharing plans and actions. Senior leaders should dedicate time to listening to a substantial number of employees and act accordingly.

Opportunity: Be ahead of the game with your Gender Pay gap reporting

Companies are required by law to publish their gender pay gap if they have 250 or more employees. If you are yet to be covered by the legislation but have growth targets or want to show your commitment to gender equality it may be worth committing to publishing this information on a voluntary basis. Organisations are also encouraged to go beyond the regulatory requirements with the inclusion of 'non-binary' as a category in reporting too.

Benefits
- Get a head start on legislation that may affect you in future
- Get to grips with the process and resourcing needed in your own time
- Show employees that you are tackling the gender pay gap because you want to even though it is not expected.
- Publish to show future employees and wider stakeholders the organisational commitment to fair pay.

You can get further help from resources like this **Gender Pay Gap Toolkit.**

Templates

Template for application forms

Here at [company name] we are committed to creating diverse and inclusive workforces. To help us achieve this as part of this application we will ask you some questions about your background and identity.

The hiring manager will not see this information. This is for us to monitor whether we are getting a diverse group of applicants seeing, applying, and being recruited for our vacancies. This helps us realise whether the efforts and actions we take to encourage diversity are working. If you do not feel comfortable sharing, there is a 'prefer not to say' box for each question. Even selecting this is helpful for our team.

Please be aware that we treat all personal information in line with our data privacy policy [link to data safety] as well as all legislation.

If you want to feedback on how we can make our application process more inclusive, please get in touch at [email address]. We welcome all feedback.

Template for Signatures

Your team and those supporting the data collection methods can also include a nudge in your signature using the wording below.

Did you know that [insert figure]% of your colleagues share their diversity data with us? We ask you to share your diversity data to support us in becoming a truly inclusive workplace.

Confidentially share your information at [Include link]