

INVEST EAST YORKSHIRE

Creating an Inclusive Workplace

Introduction

Creating an inclusive workplace isn't about ticking boxes, it's about building an environment where every employee feels safe, valued, respected, and empowered to do their best work. For SMEs, fostering inclusion can have significant benefits, from attracting top talent to boosting employee satisfaction and improving business performance. When you can't compete against larger companies on pay or benefits an inclusive culture can be your point of difference in attracting and retaining talent.

This guide is designed to give you some practical steps to create and maintain an inclusive workplace. It covers key areas such as company culture, recruitment, policies, and everyday practices. You don't need to overhaul everything overnight, make small incremental steps. The more inclusive your workplace becomes, the more your business will thrive, benefiting from diverse perspectives, increased innovation, and stronger employee engagement.

What Does an Inclusive Workplace Look Like?

An inclusive workplace is one where all employees, regardless of their background, identity, or abilities, feel welcome, respected, and supported. It means that people from different walks of life, whether they belong to different ethnicities, genders, age groups, religions or belief systems, sexual orientation or have disabilities, are not only present in the workplace but are also given equal opportunities to succeed. Inclusion is about creating a sense of belonging, where employees feel safe to express their ideas, be themselves, and contribute fully to the success of the business.

Why It Matters

Inclusion is not just a moral issue; it's a business advantage. Companies that prioritise inclusivity attract a wider talent pool, as job seekers are increasingly looking for employers who demonstrate a commitment to diversity and fairness. A workplace that fosters inclusivity can expect lower staff turnover, as employees feel more valued and engaged. Furthermore, teams made up of people from diverse backgrounds tend to be more innovative, bringing fresh perspectives and creative problem-solving skills to the table.

Businesses that embrace inclusion also build stronger relationships with customers. As the UK's population becomes more diverse, companies that reflect and understand their customer base are better positioned to meet their needs and expectations.

The Facts and Figures

Fostering an inclusive workplace is about business success. Diverse teams bring different perspectives, leading to better problem-solving and innovation. Inclusive workplaces improve employee engagement and retention, reducing costly turnover.

Research shows that inclusive businesses are:

- 35% more likely to outperform their competitors (McKinsey & Company).
- Up to 22% more productive due to increased employee engagement (Harvard Business Review).
- Enjoy 50% lower turnover rates, reducing recruitment and training costs (Deloitte).
- Have 41% lower absenteeism rates, leading to better operational efficiency (Forbes).

According to Deloitte, organisations with inclusive cultures are 2.3 times more likely to outperform their competitors in profitability and 3.8 times more likely to be highly innovative. The Harvard Business Review reported that inclusive teams make better business decisions 87% of the time, improving team performance and problem-solving abilities. Furthermore, companies with gender-diverse executive teams are 25% more likely to have above-average profitability, according to McKinsey's 2020 report on diversity and inclusion.

These statistics make it clear that inclusivity isn't just a social responsibility or the latest HR fad but a key driver of success.

Now, we've established that being an inclusive workplace makes good business sense here are seven ways you can make your business a more inclusive place to work.

1. How Leadership Behaviour Shapes Inclusivity

The behaviour of leaders within an SME sets the tone for inclusivity. Employees look to managers and business owners for guidance on workplace culture. Leaders who actively demonstrate inclusive behaviour create an environment where employees feel safe, valued, and empowered.

Inclusive leadership is about creating an environment where every employee feels heard, valued, respected and empowered to contribute. As a leader, it's important that you challenge biases, ensure fairness in decision-making, and act as role models in your commitment to inclusion. Employees are more likely to feel engaged and motivated when they see that inclusion is genuinely embedded into your company's values and operations.

How Leaders Can Promote Inclusivity

- Encourage open conversations: Create a safe space for employees to share their experiences and perspectives.
- Lead by example: Demonstrate inclusive behaviour by listening to different viewpoints and treating all employees fairly.
- Provide flexibility: Offer remote work, flexible schedules, and try to support diverse needs.
- Address bias: Challenge discriminatory behaviour when it occurs. Create a culture of enquiry to enable employees to learn more about individual differences e.g. racial, ethnic, religious belief systems etc.
- Celebrate diversity: Recognise cultural events and employee contributions from different backgrounds.
- Provide constructive feedback: Offer clear, actionable guidance that supports the development of all employees, regardless of background. Also, by asking for feedback yourself, you demonstrate a culture of open dialogue.

2. Create an Inclusive Company Culture

When reviewing your company culture, consider how you communicate with your team. Open and inclusive communication is essential to creating a workplace culture where all employees feel heard and valued. Different employees have different communication needs, so using a variety of channels will help to reach and engage your workforce.

Ways to Improve Communication for Inclusivity:

- Multiple channels: Use emails, meetings, digital platforms, and employee forums to ensure information reaches everyone.
- Accessible formats: Provide documents in large print, audio, or braille where needed, and ensure video content includes subtitles.
- Anonymous feedback mechanisms: Offer suggestion boxes or online surveys to give employees a voice without fear of judgment.
- Inclusive meetings: Encourage participation by ensuring meetings accommodate different communication styles, such as allowing written input beforehand.
- Regular check-ins: Schedule one-on-one conversations to understand employee concerns and needs.
- Use inclusive language: Avoid jargon, technical terms, or slang that may be unfamiliar or alienating to certain employees. Instead, use clear, simple language that is accessible to everyone.

Addressing Workplace Banter

While informal workplace banter can help build team relationships, it can also be a source of exclusion or discomfort if it reinforces stereotypes, uses offensive humour, or marginalises certain employees. Promote a culture where jokes and conversations are respectful and considerate. Ensure you:

- Encourage awareness: Educate your employees on how certain jokes or comments may be offensive or exclusionary. You will have to do this as part of sexual harassment training anyway.
- Set clear boundaries: Establish guidelines or a code of conduct that outlines what is considered inappropriate workplace humour and behaviour.
- Create a reporting mechanism: Ensure employees feel safe to report concerns if they experience or witness harmful banter. Again, this overlaps with your obligations under sexual harassment.
- Lead by example: You and your managers should model respectful communication and address problematic language when it arises.

3. Embed Inclusion in Organisational Policies

To make inclusion an integrated part of workplace culture, it must be part of your company policies and practices and seen by employees as part of your day-to-day operations. Understanding why employees leave can provide insights into inclusion gaps.

Consider the following points:

- Ensure company values reflect inclusivity: Clearly define company values that demonstrate diversity and inclusion. These values should be consistently communicated and embedded in all business practices.
- Offer flexible working options: Support employees with different needs, such as parents, carers, and those with disabilities, through remote work or flexible hours.
- Develop clear procedures for addressing issues: Ensure that employees feel safe

reporting discrimination or bias without fear of retaliation. Encourage informal resolution first, through mediation or conflict resolution, before heading to more formal grievance procedures.

- Implement inclusive benefits: Consider flexible benefit offerings. For example buy/sell holidays may suit parents of all genders, employee discounts and wellbeing packages suit all employees, cycle to work / electric vehicles may be of interest to employees with specific needs or wants.
- Celebrate diversity: Acknowledge cultural events and awareness days to promote inclusivity and educate employees about different backgrounds.
- Ensure leaders champion company values: Leadership should regularly reinforce inclusive values through their actions and decision-making.
- Align performance reviews with company values: Inclusion and respect for diversity should be considered in employee appraisals and feedback processes.
- Carry out exit conversations: Understanding why your employees are leaving can help you make changes and improvements.

4. Recruitment and Selection

A fair and inclusive hiring process helps attract a diverse talent pool and ensures that all candidates have equal opportunities to succeed, regardless of their background. Inclusive recruitment not only broadens the range of skills and experiences within an organisation but also strengthens its reputation as an employer of choice.

Best Practices for Inclusive Recruitment

- Writing inclusive job descriptions: Avoid gendered language and jargon that may discourage certain groups from applying.
- Expanding recruitment channels: Advertise in diverse spaces, including platforms that cater to underrepresented groups.
- Improve shortlisting criteria: Define clear, objective, and inclusive criteria to assess candidates fairly. Avoid requiring unnecessary qualifications or experience that may disproportionately exclude diverse applicants. After all, having ten years experience doesn't necessarily mean someone is best for the job.
- Unbiased screening: Implement blind CV screening, and train managers on unconscious bias.
- Ensure inclusive interview questions and assessment methods: Structure interviews to focus on skills and competencies. Train interviewers on inclusive questioning techniques. Consider using a mix of assessment tools, such as work samples or competency-based tasks, rather than relying solely on interviews, which can be subject to bias.
- Creating an accessible hiring process: Make reasonable adjustments for disabilities and offer alternative formats.
- Ensuring diverse hiring panels: Having a varied panel reduces bias and improves hiring decisions. This can be difficult in small businesses so include more than one person in the decision to hire to get different perspectives.
- Onboarding: First impressions matter. An inclusive onboarding process helps new hires feel welcome and supported.

5. Training and Development

Having the right support systems in place can significantly impact career progression, particularly for underrepresented employees. By creating development plans for all

employees will help you tap into skills and experience you might not be aware of.

Things to Consider:

- Develop mentor / buddy schemes: Pair employees with senior colleagues who can guide their career growth as a mentor. Make sure that new employees get a buddy who can show them the ropes and help with settling in.
- Succession planning: Develop a succession plan to recognise talent across your whole business. Plan for key roles across your business which might include specialist roles as well as senior roles.
- Facilitate networking opportunities: Seek out local, external networking opportunities (there's plenty of free ones in our area including the one run by Invest East Yorkshire), or host internal networking events yourself to help employees build valuable professional relationships. It also helps increase your employer profile.
- Development and career conversations: Tap into the potential of your employees by understanding their career aspirations. Employees who feel that they are being invested in are more likely to stay with the business. Offer training opportunities to all your employees so they can continually improve. This might mean learning on the job as well as internal or external training courses. Plus, it's only to your businesses advantage to develop skills and competencies to improve performance.

6. Recognise and Mitigate Bias

Unconscious bias affects decision-making at every stage of employment, from hiring to promotions. Without addressing these biases, candidates may struggle to access opportunities despite their qualifications and skills. Biases can be because of someone's accent, social standing, the school they went to as well as those protected by law (race, gender, age, disability, sexual orientation, religion, pregnancy, marital status, or gender reassignment). Being aware of our own biases (as we all have them) will help keep us in check and if they are affecting our decision making.

Key parts of the employee lifecycle can be affected by bias:

- Recruitment and hiring: Bias can significantly influence who gets hired.
- Promotion and career progression: Without clear, objective criteria, promotion decisions can be skewed by bias.
- Performance evaluations: You must ensure that all employees receive fair assessments and development opportunities.

Things to Consider:

- Use inclusive job descriptions: Ensure job descriptions and adverts use gender-neutral language and highlight commitments to diversity to attract a broader talent pool.
- Standardise recruitment processes: Implement structured interviews and broader assessment methods, with diverse hiring panels to reduce bias in recruitment decisions.
- Provide unconscious bias training: Educate your managers and employees on recognising and mitigating biases in hiring, promotions, and daily interactions.
- Provide feedback: Be prepared to give (and receive) feedback if you see biased behaviour in your business.

7. Measures and Metrics

There is a saying 'what gets measured, gets done'. Accountability ensures that inclusion is more than a buzzword, it becomes a measurable business priority for all the reasons we've already discussed. Tracking diversity metrics helps ensure progress. Measures can be at a high level to cover the whole business or driven down into manager KPIs.

Things to consider:

- Set measurable diversity and inclusion goals: Track recruitment, retention, and progression rates for diverse employees.
- Tie leadership performance to inclusion: Consider linking inclusive leadership behaviours to performance evaluations and incentives.
- Regularly review and adapt strategies: Conduct employee surveys to identify areas for improvement and use feedback to refine initiatives.
- Measure and track inclusion efforts: Collect and review data on employee engagement, recruitment, and retention to assess the effectiveness of your inclusion initiatives and make improvements.

A truly inclusive workplace is one where every employee feels valued, respected, and empowered to thrive. By taking deliberate and consistent action, you can create an environment that benefits employees, customers, and your business. Inclusivity isn't just about doing what's right—it's about building a stronger, more successful business for the future.

This document is intended as a helpful guide and does not replace legal or HR expertise.

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