National Equality Standard Final Report

Sample for illustration only

In this report

Assessing organisation

Ernst & Young LLP
1 More London Place
London
United Kingdom
SE1 2AF

NES is a registered trademark of Ernst & Young LLP.

01 Foreword

Arun Batra
CEO and Founder of the National
Equality Standard

We are delighted to be assisting the organisation with its National Equality Standard Assessment. It was evident that the Organisation has put significant resource and input into their Diversity & Inclusion strategy and activities, and that these significant efforts are starting to change the organisation and impact the culture. These include the Leadership engagement programme and the diversity agents.

The organisation should be very proud of the successes to date. However there is some room for improvement and we are sure that the recommendations outlined in this report will help the Organisation progress to the next stage in its D,E&I journey

Our methodology incorporated a robust review of documentation and a broad set of interviews and consultations. Thank you to all of you that took time to engage and support this immensely important piece of work.

The scope of our work

Our review took place between January and May 20XX. It consisted of three key stages.

Stage 1: Evidence review

- Technical interviews with key stakeholders for your D,E&I team. These included the HR Director, the head of organisational Development, Head of HR Operations, the procurement lead, Head of D,E&I, Head of Engagement, Head of Corporate Social Responsibility (CSR) and communications. We also spoke to leads from a range of the staff support networks.
- A detailed review of the documentation that was discussed within these technical interviews.

Stage 2: Interviews and focus groups

- X number of on-site/telephone interviews and five focus groups with staff based at your headquarters in London and in the other three key locations.
- The purpose of these interviews and focus groups was to validate the evidence reviewed during stage 1.

Stage 3: Final results and report

- Preliminary results were shared and discussed with in June 20XX.
- This report lays out the final results and recommendations.

Our methodology in numbers

X number
Pieces of supporting documentation reviewed

Y number
In depth conversations with staff

Z number
Staff surveyed

This document is a sample report, its purpose is to provide a snapshot and does not include the level of detail which would be provided in a client report.

03 Summary of results

Overview

The organisation has engaged EY to conduct a National Equality Standard (NES) assessment. The NES is a best practice framework designed to assess an organisation's proficiency against all areas of diversity as defined by the Equality Act 2010. The organisation's policies and practices relating to diversity and inclusion (D,E&I) have been assessed against the 35 competencies contained within the NES framework. The organisation has been evaluated as fully compliant against 26 of these.

This report details the process undertaken to complete the NES assessment, observations of current good practice which meet or exceed NES requirements and recommendations for improvement, where applicable, to reach the required level of proficiency for NES certification.

The assessment was undertaken in two key stages. The first stage was a series of technical interviews and documentary review of the evidence provided. This enabled the assessor to gain an understanding of The Organisation's intended approach to D,E&I and whether The organisation had met the requirements of the standard within its documentary evidence. The second stage comprised of on-site interviews. Interviews took place with employees and leadership to supplement and validate any evidence already reviewed.

Following a comprehensive review via a documentary analysis and a series of interviews, The organisation has been assessed as currently meeting the level required for NES certification

Headline results

NES certification requires:

- 25 competencies to be Met
- 0 competencies to be Not met
- A minimum of 3/5 competencies graded Met within each of the NES' seven pillars

The organisation's NES results are as follows:

15 — 15 of the NES's 35 competencies have been Met

17 — 17 of the NES's 35 competencies have been graded Partially met

3 — 3 of the NES's 35 competencies have been graded Not met

3/7 — A minimum of 3/5 competencies have been graded 'Met' in three of the NES's seven pillars

Summary of results
Scoring against 35 competencies
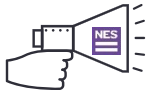
The organisation's results against each of the 35 competencies within the NES framework

1 Core components EDI		2 Your talent		3 Your business		4 Your people		5 Your leadership		6 Your relationships		7 Review and measurement	
🟢 1.1	Culture	🟡 2.1	Talent attraction	🟢 3.1	Strategy	🟢 4.1	Feedback mechanism	🟢 5.1	Commitment & accountability	🟡 6.1	External relationships & CSR	🟢 7.1	Pay gap
🟡 1.2	Policies & practices	🟢 2.2	Recruitment & onboarding	🟡 3.2	Bias	🟡 4.2	Mental health & wellbeing	🟢 5.2	Visibility & messaging	🟢 6.2	Supplier relationships	🟡 7.2	Data analysis
🟡 1.3	Engagement survey	🟢 2.3	Appraisal & performance monitoring	🟡 3.3	Business case	🔴 4.3	Flexible working	🟡 5.3	Inclusive leadership	🟡 6.3	Customer insight	🔴 7.3	Action planning & implementation
🟡 1.4	Targeted training	🟡 2.4	Career progression	🟢 3.4	Governance	🔴 4.4	Adjustments & accessibility	🟡 5.4	Senior-level scrutiny	🟢 6.4	Industry insight & regulations	🟡 7.4	Review
🟢 1.5	Communications	🟢 2.5	Learning & development	🟢 3.5	Setting priorities	🟡 4.5	Caring responsibilities	🟢 5.5	Middle management	🟡 6.5	Human rights & modern slavery	🟡 7.5	Measuring impact
2/5		**3/5**		**3/5**		**1/5**		**3/5**		**2/5**		**1/5**	
✗		✓		✓		✗		✓		✗		✗	

Key: 🟢 Competency has been graded Met   🟡 Competency has been graded Partially met   🔴 Competency has been graded Not met

This document is a sample report, its purpose is to provide a snapshot and does not include the level of detail which would be provided in a client report.

03 Summary of results

The NES is a holistic assessment which seeks to ensure all legal regulations have been considered and the nine protected characteristics have been supported.

The table on the right details a summary of both legal regulations and the key supporting activities in place which relate to each of the protected characteristics, as well as social mobility (which is not currently protected under UK equality law), and reporting requirements under the Financial Conduct Authority (FCA) Corporate Governance Code and the Companies Miscellaneous Reporting Regulations 2018.
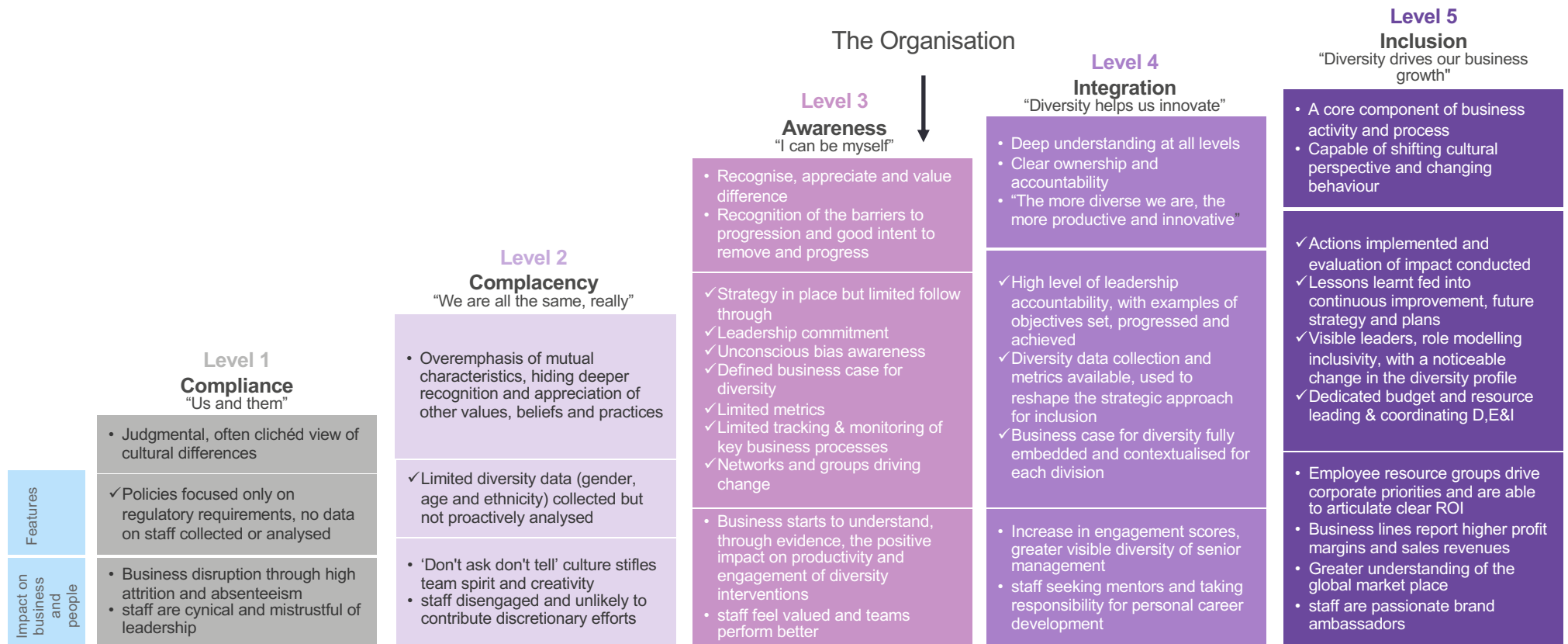The table should be read from left to right.

Protected characteristic

Summary of legal regulations	✓ No default retirement age for staff	✓ Compliant with gender pay reporting	✓ Compliant with flexible working regulations	✓ Compliant with the Modern Slavery Act
Age	Flexible retirement *Competency 3.5*	Youth group *Competency 3.5*		
Disability	Recruitment approach *Competency 4.2*	Building accessibility *Competency 4.4*		
Gender reassignment	Gender reassignment policy *Competency 1.2*	Trans employee blog *Competency 1.2*		
Marriage and civil partnership	Relevant policies include a lens for same sex couples *Competency 1.2*			
Pregnancy and maternity	Relevant policies in place *Competency 1.2*	Family friendly policy *Competency 1.2*		
Race	BLAME network *Competency 2.5*	Senior champion *Competency 2.1*	Data gathering *Competency 6.1*	
Religion and belief	Adapted uniforms *Competency 4.4*	Multi-faith network *Competency 6.3*		
Sex	Women's Network *Competency 3.4*	Gender recruitment targets *Competency 2.4*	Gender panel pledge *Competency 2.4*	
Sexual orientation	LGBT⁺ Network *Competency 3.5*	Data gathering *Competency 3.5*		
Social mobility	Out reach activity plans *Competency 2.1*			
Culture and Corporate Governance*	Not applicable			

* Regulations as defined by the FCA Corporate Governance Code and the Companies (Miscellaneous Reporting) Regulations 2018

This document is a sample report, its purpose is to provide a snapshot and does not include the level of detail which would be provided in a client report.
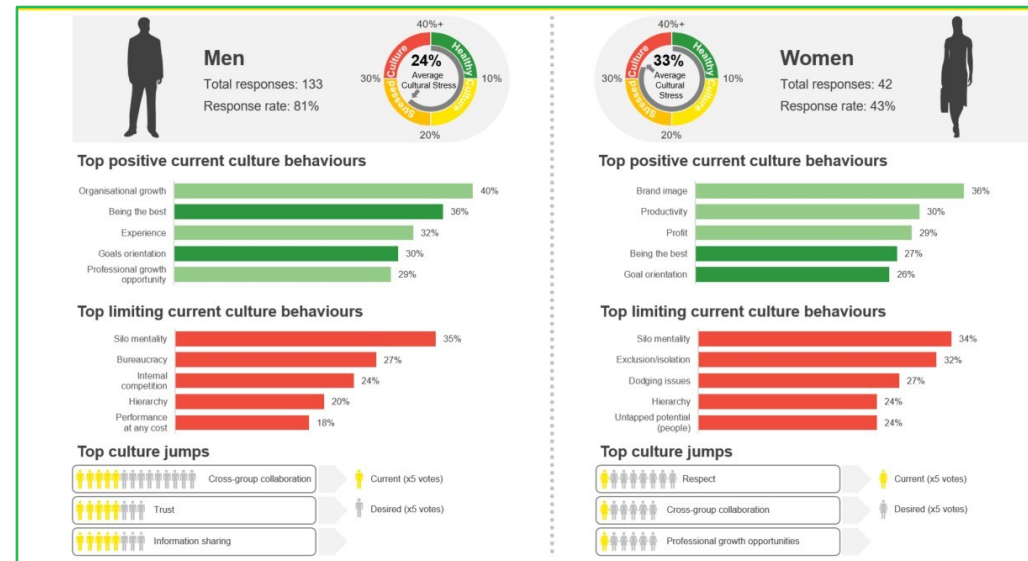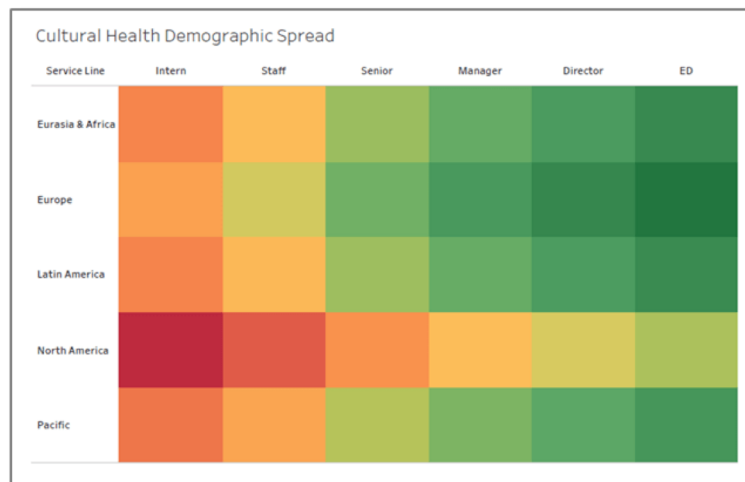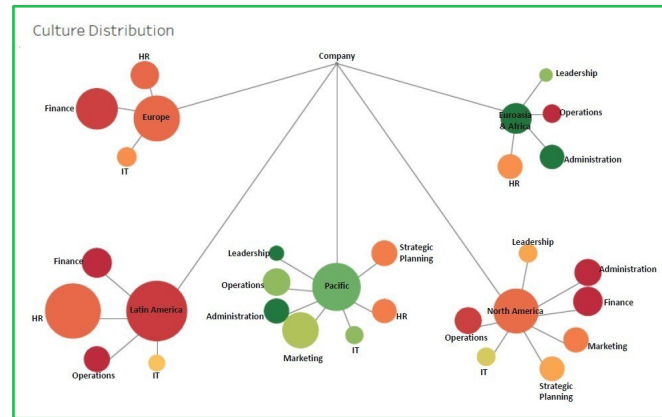
03 Summary of results

The NES D,E&I model below demonstrates the assessor's analysis of the organisation's current maturity level. The model shows increasing levels of proficiency with regard to the extent to which D,E&I culture is embedded within an organisation. It may be used as a tool to identify an organisation's standing within the broader maturity spectrum and the stages that an organisation will need to travel through in order to achieve and sustain a truly inclusive culture.

The Organisation

Level 1
Compliance
"Us and them"

Features

- Judgmental, often clichéd view of cultural differences
- ✓ Policies focused only on regulatory requirements, no data on staff collected or analysed

Impact on business and people

- Business disruption through high attrition and absenteeism
- staff are cynical and mistrustful of leadership

Level 2
Complacency
"We are all the same, really"

- Overemphasis of mutual characteristics, hiding deeper recognition and appreciation of other values, beliefs and practices

- ✓ Limited diversity data (gender, age and ethnicity) collected but not proactively analysed

- 'Don't ask don't tell' culture stifles team spirit and creativity
- staff disengaged and unlikely to contribute discretionary efforts

Level 3
Awareness
"I can be myself"

- Recognise, appreciate and value difference
- Recognition of the barriers to progression and good intent to remove and progress

- ✓ Strategy in place but limited follow through
- ✓ Leadership commitment
- ✓ Unconscious bias awareness
- ✓ Defined business case for diversity
- ✓ Limited metrics
- ✓ Limited tracking & monitoring of key business processes
- ✓ Networks and groups driving change

- Business starts to understand, through evidence, the positive impact on productivity and engagement of diversity interventions
- staff feel valued and teams perform better

Level 4
Integration
"Diversity helps us innovate"

- Deep understanding at all levels
- Clear ownership and accountability
- "The more diverse we are, the more productive and innovative"

- ✓ High level of leadership accountability, with examples of objectives set, progressed and achieved
- ✓ Diversity data collection and metrics available, used to reshape the strategic approach for inclusion
- ✓ Business case for diversity fully embedded and contextualised for each division

- Increase in engagement scores, greater visible diversity of senior management
- staff seeking mentors and taking responsibility for personal career development

Level 5
Inclusion
"Diversity drives our business growth"

- A core component of business activity and process
- Capable of shifting cultural perspective and changing behaviour

- ✓ Actions implemented and evaluation of impact conducted
- ✓ Lessons learnt fed into continuous improvement, future strategy and plans
- ✓ Visible leaders, role modelling inclusivity, with a noticeable change in the diversity profile
- ✓ Dedicated budget and resource leading & coordinating D,E&I

- Employee resource groups drive corporate priorities and are able to articulate clear ROI
- Business lines report higher profit margins and sales revenues
- Greater understanding of the global market place
- staff are passionate brand ambassadors

Summary of Cultural Values Assessment

Summary of the cultural values assessment

	Europe	Euroasia and Africa	Latin America	North America	Pacific
Propensity for risk	**26.35%**	**13.60%**	**31.75%**	**26.60%**	**18.25%**
Cost reduction	32.75%	15.38%	22.67%	22.36%	30.91%
Exploitation	18.03%	12.56%	18.28%	6.57%	6.17%
Hierarchy	25.74%	19.74%	35.96%	19.95%	15.93%
Information hoarding	15.68%	14.92%	28.56%	6.81%	8.40%
Internal competition	28.14%	10.87%	24.29%	18.38%	12.12%
Job insecurity	26.94%	5.76%	20.95%	17.06%	8.75%
Silo mentality	12.13%	16.41%	28.46%	14.41%	12.61%
Long hours	24.86%	23.28%	32.42%	26.98%	22.39%
Manipulation	15.85%	9.74%	11.90%	3.89%	6.52%
Power	16.39%	11.87%	19.67%	3.89%	6.00%
Short-term focus	29.95%	14.03%	35.71%	22.84%	15.47%

Culture Distribution

Cultural Health Demographic Spread

Men
Total responses: 133
Response rate: 81%
24% Average Cultural Stress

Women
Total responses: 42
Response rate: 43%
33% Average Cultural Stress

Top positive current culture behaviours (Men)
- Organisational growth 40%
- Being the best 36%
- Experience 32%
- Goals orientation 30%
- Professional growth opportunity 29%

Top positive current culture behaviours (Women)
- Brand image 36%
- Productivity 30%
- Profit 29%
- Being the best 27%
- Goal orientation 26%

Top limiting current culture behaviours (Men)
- Silo mentality 35%
- Bureaucracy 27%
- Internal competition 24%
- Hierarchy 20%
- Performance at any cost 18%

Top limiting current culture behaviours (Women)
- Silo mentality 34%
- Exclusion/isolation 32%
- Dodging issues 27%
- Hierarchy 24%
- Untapped potential (people) 24%

Top culture jumps (Men)
- Cross-group collaboration — Current (x5 votes)
- Trust — Desired (x5 votes)
- Information sharing

Top culture jumps (Women)
- Respect — Current (x5 votes)
- Cross-group collaboration — Desired (x5 votes)
- Professional growth opportunities

1.1 Recommendation
Strengthening the organisational culture to promote D,E&I

NES

1.1 Culture

What we observed

- Diversity is identified and communicated as one of the core values of the organisation and referenced in the employee culture handbook.

- The annual D,E&I report, published in 2020 references an ambition for a *'culture of inclusion and belonging, where our differences are celebrated'*

- Focus groups highlighted current cultural challenges with references to a hierarchal, 'old fashioned' and inconsistent organisational culture.

- We noted some incidents of bullying and harassment being raised through the focus group conversations.

- Employees further reported at times feeling reluctant to speak up at public forums due to fear of repercussions.

What we recommend (1/2)

The organisation could benefit from actively working towards cultivating an inclusive organisational culture which supports the rapid organisational growth and minimizes the possibilities for biased decisions. This could be achieved by better understanding and measuring the existing organisational culture through identifying the prevalent behaviours currently in the business, defining a set of desired inclusive behaviours and measuring to what extend these are being adopted throughout the organisation.

Defining ➤ **Developing** ➤ **Embedding** ➤ **Measuring**

Defining and promoting organisational values and behaviours required to foster an inclusive culture

- Consider adding a new inclusion related value to the strategy to highlight the organisational commitment to D,E&I and how it should be core to the company.

- Consider how this new inclusion related value will be engaging and keeping in line with the current culture at the organisation, going beyond just 'diversity' to capture the workforces passion around D,E&I.

- Throughout this, it is important to engage with leadership and employees to test and challenge the new value through a 'values project'. This serves as a consultation with the wider organisation to understand what employees and leaders feel should be a core DE&I related company value, allowing employees to select their preference and the reason why.

Developing your "speak up" programme

- As part of the effort of creating an inclusive organisational culture, the organisation should focus on developing a "speak up" programme that will allow employees to be open and transparent when experiencing or witnessing inappropriate behaviours, as this is fundamental to a successful D,E&I programme.

- Outlined are components of a successful speak-up programme which we believe could benefit the organisation if introduced:

  - Creating leadership accountability for creating an inclusive working environment
  - Improve data capture around unacceptable behaviours
  - Emphasise positive messaging around speaking up
  - Build multiple points of feedback into the performance appraisal process
  - Carry out detailed and granular trends analysis
  - Review the diversity of those fielding complaints
  - Acknowledge the contribution made by those who speak up

This document is a sample report, its purpose is to provide a snapshot and does not include the level of detail which would be provided in a client report.

Recommendation 1
Strengthening the organisational culture to promote D,E&I

NES

## What we recommend (2/2)

Embedding the values and behaviours to ensure employee and leadership alignment

- Appraisals: Consider if it is possible to include a weighted behavioural element in development conversations. For example, in line manager and direct report development conversations as part of the performance reviews, employees could be asked to describe which two values they have lived the most in that assessing period and how they have done this. These points can then be discussed to recognise the contribution of those whose performance is aligned to the company purpose and objectives.

- Training: It could be of benefit to consider curating values learning 'playlists' to provide guidance on how to live the required behaviours defined in the strategy. The purpose of this is to raise a common level of awareness and understand on how to live company values and what this means for the ways of working. It is also recommended to include core resources/ materials in the onboarding process for new joiners.

- Reward and recognition: Further to the existing awards programme, the organisation could review the possibility of holding monthly or quarterly 'values awards' whereby employees and leaders nominate those they feel are living the company behaviours, with a small sentence to explain how. Leaders of these organisations will pick the winner against the explanation and a small prize or voucher is awarded.

Measuring and monitoring culture

- Undertake a company-wide review to understand the current and desired cultural attributes and behaviours across each business unit. This should include a deep-dive into the enablers and blockers related to the desired organisational culture, taking into account issues raised by employee groups through structured feedback or other listening mechanisms.

- The review should explore alignment between the ambition of the D,E&I strategy and employee perceptions, highlighting areas of dysfunction and identifying variances in experiences of diverse staff.

- The review should also include a lens on core organisational processes such as promotions and career development and the impact of current cultural attributes on these.

- The cultural assessment could be repeated annually and the results analysed with other available organisational data to explore correlations between culture and business performance.

- Please see an example of a cultural assessment dashboard, which can de used to deep dive on existing and desired behaviours over time, track progress and summarize employee sentiment.

Example Culture Assessment Dashboard — No. responses: 3,258
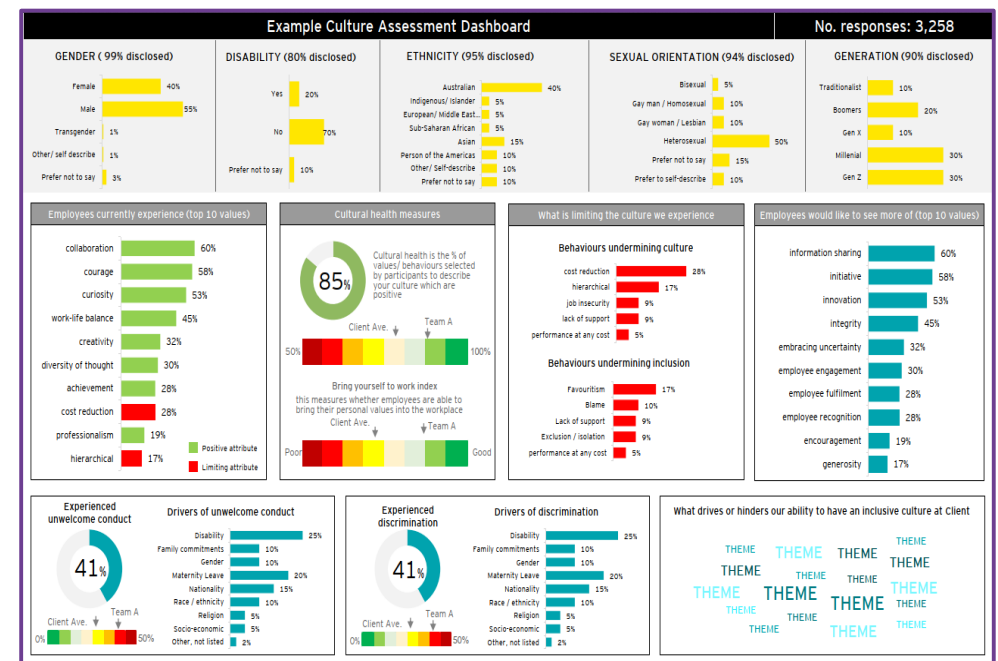
EY | Assurance | Tax | Transactions | Advisory

About EY

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

Ernst & Young LLP

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

ey.com