

## THE GOOD JOBS PROJECT

# The Purpose-Driven Business Solution to the UK's Labour Shortage

REPORT SUMMARY

JUNE 2023



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*When businesses see the recruitment of marginalised groups as a solution to their problems it is more likely to become an integral part of their business model, creating a sustainable contribution to a social issue.*

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## ABOUT REGENERATE

ReGenerate is a charity that is making purpose-driven businesses the most successful and the new normal. We aim to unlock the win-win opportunity whereby businesses are intentionally helping to tackle the great social and environmental issues of our age through their unrivalled ability to innovate and scale solutions, from the cost of living crisis to climate change. We believe that businesses that operate in a purpose-driven way tend to be more successful and are key to driving economic growth.

We help to tackle some of society's biggest challenges through encouraging the purpose-driven approach to business on specific issues by fostering high-trust, multi-stakeholder, collaborative relationships. From doing so we can provide proof points on the impact of purpose-driven business and build momentum on how business can be a tool for creating social good.

When businesses see the recruitment of marginalised groups as a solution to their problems it is more likely to become an integral part of their business model, creating a sustainable contribution to a social issue.

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# Foreword

Over the last year the UK has experienced record-breaking vacancies, which currently stand at 1.1m, which many businesses are struggling to fill. As ever, UK businesses are innovating to remain successful, but are operating in a very complex environment.

Simultaneously, there are millions of individuals from communities that have been historically excluded, including people with disabilities, prison leavers, and single parents who face difficulties in finding flexible employment opportunities. This situation presents an exceptional chance for UK businesses, such as Greggs, to create opportunities for previously socially excluded groups and fill their labour vacancies, whilst seeing tangible business benefits.

Greggs is proud to have been recruiting this way for a number of years. Through dedicated employability programmes, such as Fresh Start, which works with people leaving prison, Greggs has supported over 4,500 people to gain sustainable employment.

Greggs believes in giving people a fresh start, a second chance when many other employers' doors are closed to them (a point that this report highlights). Greggs also works with many high street peers who want access to this talent pool. This is not just because it is our desire to be a good corporate citizen, but also because it makes business sense.

Through the Fresh Start programme and many others, Greggs has been able to recruit loyal, passionate, hardworking and kind team members. It is a crucial part of what it means to be an inclusive employer. By opening-up employment opportunities to all, it supports job creation, creates significant business benefits and enables businesses like Greggs to better represent the communities they serve.

The aim of the Good Jobs Project is simple: to fill the UK's 1.1m labour vacancies with people facing marginalisation. It is something that benefits both society and businesses. A no brainer. Yet, while it is a deeply worthwhile aim, this does not mean it is easy to make happen.

The social issues highlighted in this report are deeply rooted and will require collective efforts spanning several years to resolve. History has taught us that there are no quick fixes. Nevertheless, if businesses actively embrace the cause and increase their efforts to employ individuals from marginalised communities, together we can break down the social barriers they face and normalise their participation in the workforce.

This report shows the importance of two things. First, that employers need to better understand the value of recruiting from marginalised groups. Second, that it needs to be as easy as possible for them to do so. This is not the case at the moment. Changing this requires networks and collaboration from Government, investors, business support organisations, charities and more. Together, we can help all businesses to foster a supportive environment for each and every jobseeker.

Although we have passed the peak vacancy rates observed in 2022, they are still exceptionally high, and employers maintain high confidence in their recruitment and job creation prospects. We should therefore grasp this opportunity of high demand and use it as a catalyst for urgent action.

There are already numerous many remarkable organisations supporting people in their path to employment. The project hopes to amplify their impactful work by increasing the number of businesses working together and sharing their expertise.

We have been proud to develop this project, because it has undertaken the detailed work needed to work out what reforms will really make a difference on an issue we are extremely passionate about.

Although making this vision a reality is not without its challenges, it is both possible and of the utmost importance. We have a unique opportunity to unleash the potential of UK businesses and give opportunities to individuals who have long been overlooked by society. It is time to make this happen.

**Ed Boyd, Co-Founder and Exec Director,  
ReGenerate Trust**

**Roisin Currie, CEO,  
Greggs**

# Introduction

In this summary we present the key findings and recommendations from the full report. Key statistics from the survey are highlighted in green boxes. All findings are referenced in the full report. For more information read the full report and visit [The Good Jobs Project](#).

## WHAT IS THE GOOD JOBS PROJECT?

The Good Jobs Project is a collaborative initiative that brings together leaders in business, recruitment, government, investment, business networks, researchers and those who strive to support marginalised individuals into sustainable, good quality jobs. The marginalised groups include:

- Young people facing disadvantage
- Young people in or leaving the care system
- People aged over 50
- Single parents
- People with caring responsibilities
- People with limited access to transport
- Ex-offenders
- People with disabilities
- Neurodiverse people
- People with mental health conditions
- Ethnic minority groups
- Refugees
- People who are currently or have recently been homeless

The current labour market challenge has created an amazing catalyst to encourage employers towards a more purpose-driven approach to recruitment. Specifically, there is an opportunity to fill the UK's 1.1 million labour vacancies with people facing marginalisation, to the benefit of both businesses and the people they are recruiting.

## THE PURPOSE-DRIVEN SOLUTION TO THE UK'S LABOUR SHORTAGE

This is a summary of our report that marks the first output of the project and lays the foundations necessary to enable a transformation in the way UK businesses recruit. It provides a unique view of the business landscape as it is today as well as insights from the perspectives of employers, describing the challenges that they and marginalised groups currently face. It details how the issue can be brought together into an opportunity and why now is the opportune time to act.

The report sets out an action plan for those with the power to change the environment in which businesses operate that would motivate and support employers to hire from marginalised groups more easily and more profitably. It focuses on three influential groups: the government (who can enact policy and initiatives to influence business behaviour), investors (who can direct the flow of capital) and business networks (who can educate and support businesses in their work).

The Good Jobs Project's scope intentionally focuses on the demand side, i.e. how to encourage and support employers to solve their recruitment issues through employing marginalised groups. While it touches supply-side issues, such as training and skills, this is not the primary focus. We feel that by making this approach to recruitment a reality, the Good Jobs Project can contribute to a sustainable and profitable solution to the UK's labour shortage problem.

Our findings are based on a year-long study and were collected through:

The Good Jobs Project Survey of 500 hiring managers, HR and recruitment professionals and senior business managers, conducted by Opinium Research in December 2022; semi-structured interviews with over 31 HR professionals and recruiters, conducted by ReGenerate between October 2022 and January 2023; two focus groups and a series of one-to-one consultations.

# Employers struggle to recruit, while marginalised people are frozen out of work



In Section One of the full report, we explore the dual challenges facing businesses and marginalised groups in more detail.

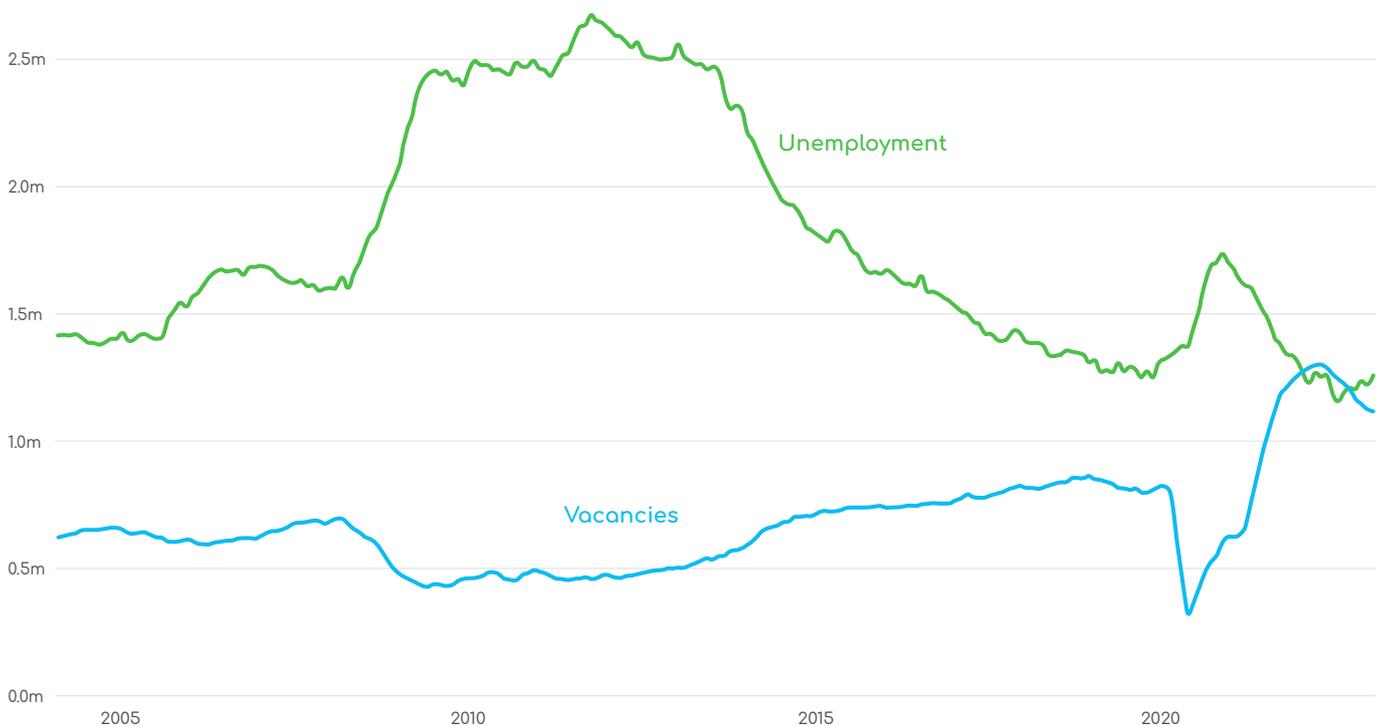
## A TIGHT LABOUR MARKET

Employers face a tight labour market and shrinking talent pool. This is a result of repeated shocks to the system in recent years such as the Covid-19 Pandemic, the UK's exit from the European Union, the cost of living crisis, more people taking early retirement and the pressure to adapt to hybrid working to stay competitive. The compound impact of these shocks over a relatively short period of time has made operating conditions for businesses particularly tough.

The UK is experiencing one of its worst labour shortages in history. In the first few months of 2022, for the first time since records began, job vacancies outnumbered the people available to fill them. In March to May 2022, the UK reached a record high of 1.3 million job vacancies, which equated to roughly twice the average number of the last decade. Since then, although job vacancies have fallen to 1.1 million in January to March 2023, they are still over 1.3 times above December 2019 to February 2020 pre-pandemic levels, and the numbers remain exceptionally high.<sup>1</sup> In 2022, the UK also experienced a six-year high in the rate of economic inactivity among the workforce, reaching 21.7%.<sup>2</sup>

### VACANCIES TEMPORARILY OVERTOOK PEOPLE SEEKING WORK IN 2022

Official unemployment levels and vacancies from Jan 2004 to Feb 2023



Source: ONS Unemployment levels and vacancies. Jan 2004 to Feb 2023

Although vacancies are decreasing, recruitment confidence is still high and employers still face a tough labour market. 86% of employers from our survey were still recruiting in the last twelve months despite market conditions, however a fifth of those said that they could not fill their roles.

1 Office for National Statistics: Labour market overview, UK ([March 2020](#), [May 2022](#)); Vacancies and jobs in the UK ([June 2022](#), [April 2023](#))

2 Centre for cities, 15/02/2023, [Has economic inactivity gone up everywhere in the country since the pandemic hit?](#)

## 86% OF RESPONDENTS SAID THEY WERE STILL RECRUITING AND A FIFTH OF THOSE COULD NOT FILL ROLES

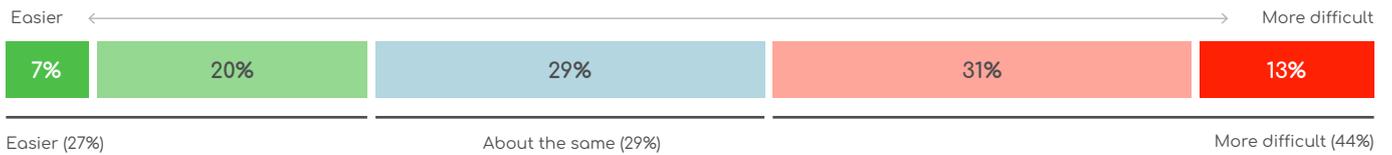
Within the last 12 months, has your company / organisation tried to recruit new employees?



Nearly half (44%) of employers from our survey said that recruitment was more difficult now than it was in the past, compared to just over a quarter (27%) who said it was easier.

## 44% OF RESPONDENTS FIND RECRUITMENT HARDER NOW THAN IN THE PAST

Do you feel that it has been easier or more difficult to find employees in the current labour market than it has been in the past

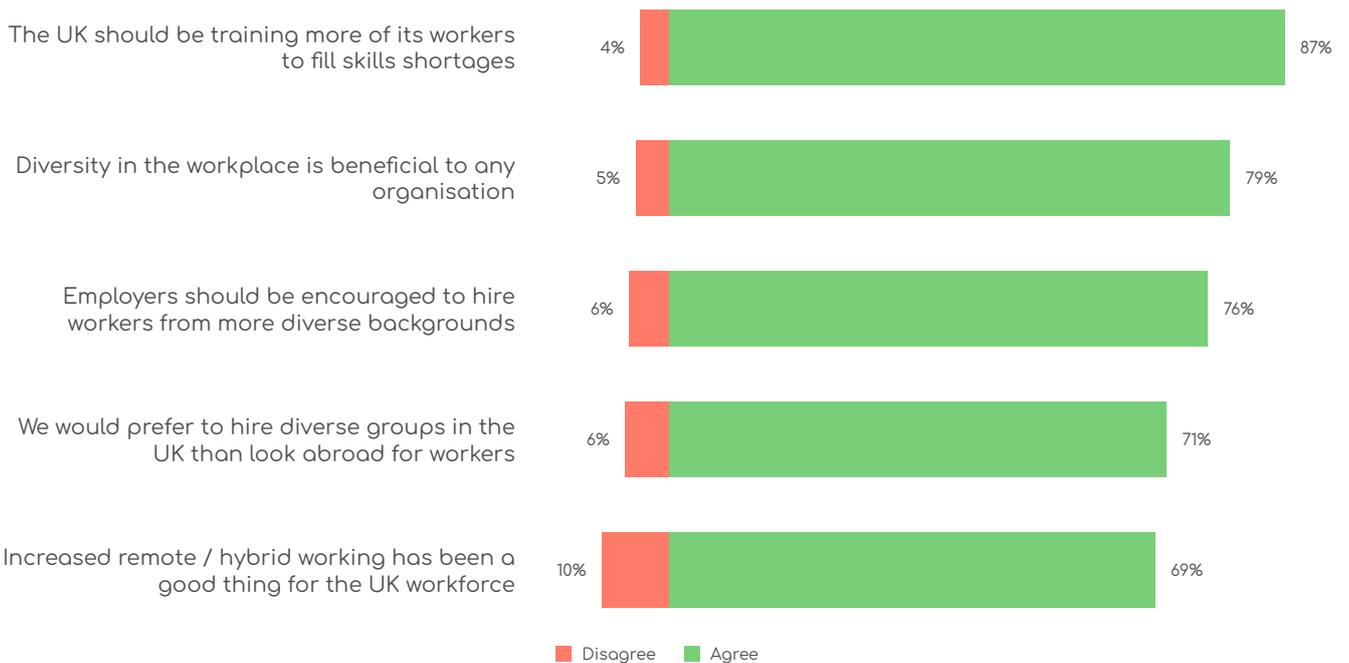


## TRAINING AND DIVERSITY ARE KEY OPPORTUNITIES

Employers want to hire from marginalised groups rather than look abroad. There is an opportunity for employers and the government to focus on training its workforce and diversify recruitment by recruiting marginalised groups rather than looking abroad for workers. The majority of respondents to our survey (79%) believed that such diversity in the workplace is beneficial to any organisation. When asked about what would help solve the labour shortage, 76% felt that employers should hire workers from more diverse backgrounds and 71% said they would prefer to hire from diverse groups in the UK than look abroad for workers.

## PREFERRED SOLUTIONS TO THE LABOUR SHORTAGE CHALLENGE

Thinking in general about the UK labour market, to what extent do you agree or disagree about the following statements?



▶ 71% of employers said they would prefer to hire from diverse groups in the UK than look abroad for workers

## THERE ARE MANY PEOPLE THAT FACE BARRIERS TO WORK

People from marginalised groups commonly face barriers to employment and are commonly frozen out of the labour market through exclusion from regular recruitment practices. If given a fair opportunity to access jobs, these individuals could help to narrow the vacancy gap and help foster business success.

For example:

- **Young people facing disadvantage**

Young people that have lived in workless households are more likely to be economically inactive and their employment rate is 20 percentage points lower than the average young person.<sup>3</sup> Two out of three young people who are economically inactive have a mental health disorder, which affects their labour market prospects.<sup>4</sup>

- **Young people in or leaving the care system**

School leavers in care are over four times more likely not to be in education, employment or training nine months after leaving school and are ten times more likely to go to prison by the time they are aged 24 than those growing up outside the care system.<sup>5,6</sup>

- **Single parents**

Single parents are twice as likely to be unemployed, economically inactive or underemployed as couple parents; since 2019, the proportion of single parents who have faced redundancy has almost doubled, compared to an increase of one third for couple parents.<sup>7</sup>

- **Ex-offenders**

Only 17% of ex-offenders each year are in work within 12 months of leaving prison and half of employers would not consider recruiting an applicant with a criminal record.<sup>8,9</sup>

- **People with disabilities**

Disabled people are over twice as likely to be unemployed as non-disabled people (7.2% vs. 3.2%) and are nearly three times as likely to be economically inactive.<sup>10</sup> Prejudice can be a common barrier to employment, with one in three experiencing assumptions or judgements about their capability.<sup>11</sup>

- **Neurodiverse people**

Neurodiverse people are at least eight times more likely to be unemployed than non-disabled people (around 30% to 40% compared to a national average of 3.7%). They commonly face stigma, with over half of people with dyslexia reporting experiencing discrimination in interview processes and 60% of those with ADHD reporting having lost jobs due to their neurodiversity.<sup>12</sup>

- **Refugees**

Refugee unemployment rates are estimated at three times the national average. They earn on average 55% less per week and can be prone to labour exploitation.<sup>13,14</sup>

3 Office for National Statistics, 30/05/2022, [Young people in the labour market by socio-economic background, UK: 2014 to 2021](#)

4 Youth Employment UK, 24/01/2023, Tackling Mental Ill Health Is Vital For [Tackling Youth Economic Inactivity: New APPG For Youth Employment Report](#)

5 Home for Good, [Care Leavers and care-experienced young people](#)

6 Office for National Statistics, 05/12/2022, [The education background of looked-after children who interact with the criminal justice system: December 2022](#)

7 Gingerbread, 01/2023, [The single parent employment challenge](#)

8 Ministry of Justice, 08/03/2023, [Employing prisoners and ex-offenders](#)

9 YouGov/DWP, [2016 survey results](#)

10 Department for Work and Pensions, 26/01/2023, [Official Statistics: Employment of disabled people 2022](#)

11 Scope, [Attitudes towards disabled people](#)

12 Ibid.

13 Refugee Employment Network, Homepage

14 Kone, Z., Ruiz, I., Vargas-Silva, C., University of Oxford, Compas, 2019, Refugees and the UK Labour Market

- People who are currently or have recently been homeless

77% of homeless families in temporary accommodation are unemployed. For those who do work, they are often in low skilled, temporary employment. 40% of those in paid work are in 'low order' occupations such as in skilled trades or in elementary positions.<sup>15</sup>

Many of the social issues outlined in this report are longstanding and will take time to resolve. There are no quick fixes. However, if businesses take notice of this opportunity, and increasingly employ people from marginalised groups, then together we can start to break down social barriers faced by these groups and normalise their participation in the UK workforce.

<sup>15</sup> Ibid.

# A purpose-driven solution solves recruitment challenges in a way that benefits society



In Chapter 1.3 in the full report, we describe in more detail how a purpose-driven approach can create a win-win situation.

The Good Jobs Project seeks to promote a purpose-driven business approach to the labour shortage problem. By this, we mean that the solution benefits business as well as society, and therefore makes it more likely to be implemented and sustainable at scale. The power of the purpose-driven solution is that it helps to solve a business problem and a social one, in a way that is profitable, beneficial and sustainable for businesses. We believe this will help to unlock the full power of businesses to do good and create a triple win:

1. Businesses can successfully fill their vacancies and maximise value creation
2. Individuals facing marginalisation are able to find good jobs, which helps improve their life chances
3. The economy benefits from increased productivity and growth and a reduction in the cost to the state borne out of prolonged worklessness

This presents a remarkable opportunity to tackle the UK's acute labour shortage through the recruitment of people who are often frozen out of employment due to social barriers to work. When employers view the recruitment of individuals from marginalised groups as a solution to their challenges, it is more likely to become an integral part of their business model, creating a sustainable contribution to a social issue. There are so many amazing organisations that already support disadvantaged groups into work. The Good Jobs Project aims to support and amplify their good work by increasing the number of businesses seeking their expertise.

## THERE ARE MANY REASONS WHY AN EMPLOYER MIGHT CHOOSE TO RECRUIT FROM MARGINALISED GROUPS

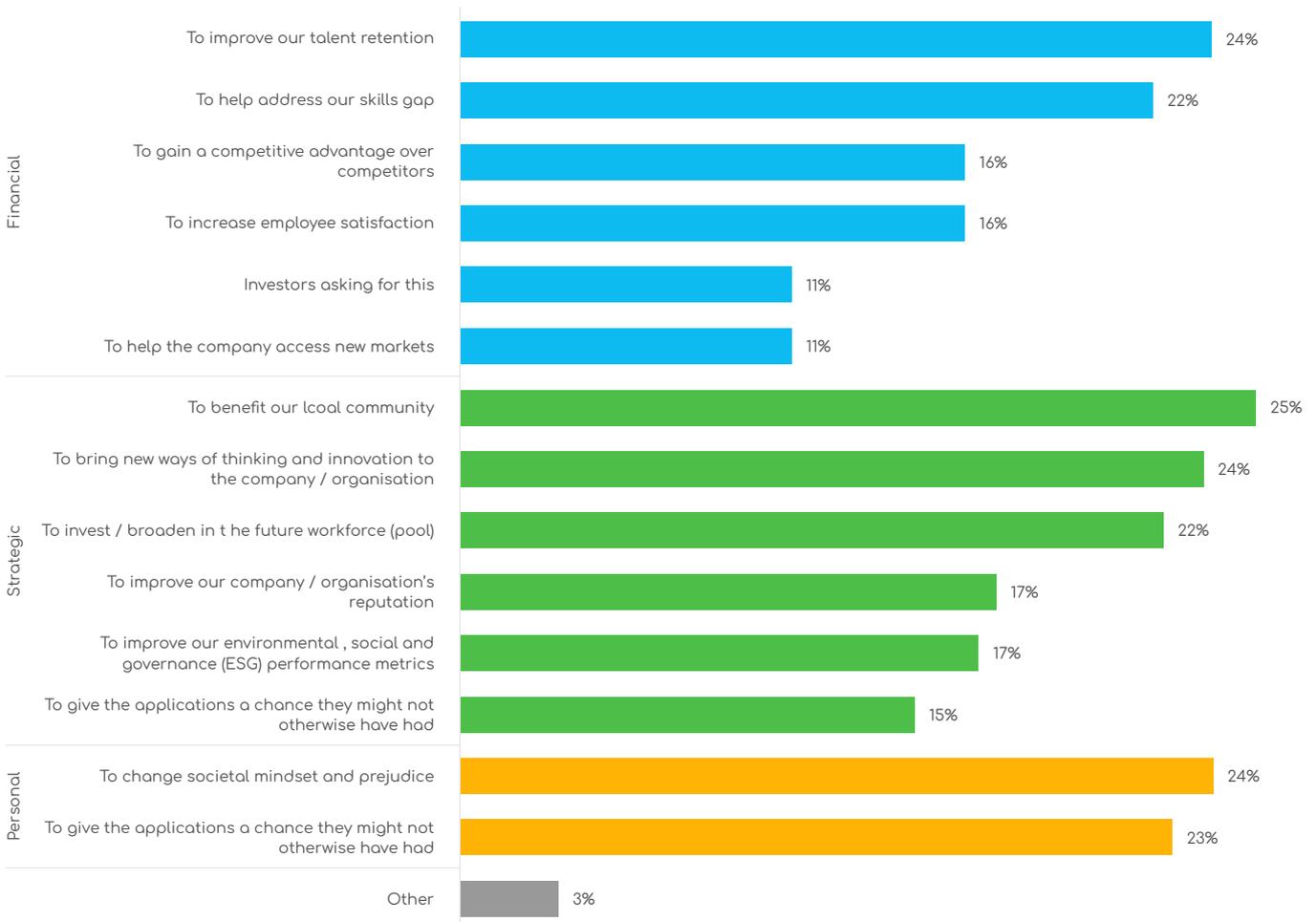
The motives for businesses to recruit from marginalised groups are varied but can be grouped into financial, strategic and personal reasons. We found that action was taken when employers saw the additional value that the marginalised groups could bring. Having a clear understanding of this value is core to institutionalising this behaviour into an organisation.

Top reasons why people broadened their targeting:

- 25% wanted to benefit local community
- 24% wanted to improve talent retention
- 24% wanted to bring innovation and new ways of thinking
- 24% wanted to change societal mindset and prejudice

## MOTIVES FOR TAKING ACTION TO RECRUIT FROM MARGINALISED GROUPS

You mentioned your company / organisation has undertaken steps to encourage a more diverse range of applicants. Which of the following describes why this was?



## KEY BENEFITS OF A PURPOSE-DRIVEN APPROACH TO RECRUITMENT



# The time to act is now

While vacancy rates have passed their 2022 peak and have since been falling, they remain extraordinarily high. Concurrently, demand for jobs is high. This labour dynamic is the catalyst that we need to prompt action on a purpose-driven approach to recruitment. Now is an opportune time on several different fronts:

## 1. Business engagement is high

High levels of vacancies are causing employers to engage on this agenda more than they ever have. While recruitment confidence remains high, capitalising on business interest in the topic is an opportunity to be seized.

## 2. The (likely) Autumn 2024 General Election

The UK will have another General Election before January 2025. It is, therefore, a key time when priorities are being set across political parties, and an important window of opportunity to educate them on the opportunity set out in this Project.

## 3. Investors

Across the world, international standard setters like the ISSB and regulators, from the EU to the US SEC, are struggling to address social impact in their corporate reports. The need for a fair and just transition to a lower-carbon global economy means that investors cannot tackle time-critical issues like climate change without moving the dial on certain social issues. This agenda is a high priority for them and there is an opportunity to influence now.

## 4. Momentum

Creating change benefits many different types of organisations all calling for the same reforms. There is momentum with the stakeholders we have gathered over the course of the research, which we can mobilise to increase the chances of success.

# What employers think



In Section Two of the full report, we explore findings from the survey and interviews in more detail.

The Good Jobs Project takes a different approach than most. Many organisations see work as a solution to the problems disadvantaged people face. They put the needs of the disadvantaged at their centre and work tirelessly to support them into work. This is much needed. The Good Jobs Project, however, puts the needs of the business at the centre and sees the inclusion of the disadvantaged as a solution for business. It represents a paradigm shift that ultimately aims to achieve the same outcome. By taking this approach we hope that employers see recruiting people from marginalised groups as a profitable and sustainable solution and that this practice becomes mainstream.

We asked employers what is currently holding them back, what is inspiring them to recruit from marginalised groups and what can make a difference to their behaviour. From our research, we found:

## 1. The Equality, Diversity & Inclusion (ED&I) agenda is pivotal

There is an opportunity to broaden the focus of ED&I to include marginalised groups. The ED&I agenda has been a powerful movement and a tool used to increase diversity in businesses. To date, in practice, it has been narrow in focus, commonly relating to gender and race. Most of the people we interviewed associated our ambition with an expanded scope of ED&I and welcomed the approach. Our research shows that diverse workforces can benefit businesses financially and strategically, through enhancing staff loyalty, creativity and resilience, and well as improving community cohesion.

“It is important to have a workforce that represents our population. Diversity enhances decision-making and is a very important component for us.”

Rachel Gidman, Executive Director of People and Culture, Cardiff & Vale University Health Board

79% of employers felt that diversity in the workplace, in relation to the groups in our survey, is beneficial to any organisation.

76% believed hiring people from such diverse backgrounds can help address labour shortages.

## 2. Investors and ESG frameworks need better quality data

More empirical research on an expanded scope of ED&I is needed and there could be further development around the standards and tools used to facilitate the collection of consistent and comparable data that inform investor decision-making. ESG frameworks enable investors to make informed decisions based on the risks and opportunities relating to the environmental, social and governance issues of companies. For investors to be active influencers of business behaviour, they need greater evidence on the material impacts of these issues in their portfolios. While some research exists to date, there is not enough for the evidence to be widespread.

“Any good HR director will realise [targeting recruitment of marginalised groups] is the next thing that’s coming. It’s not a requirement yet, but we wanted to be ahead of the curve because we’re passionate about the agenda.”

Niamh Macaskill, People Director, Camelot

### 3. Marginalised and younger voices are leading the way

A greater representation of younger and marginalised voices on boards could help businesses to benefit from more strategic decision-making around inclusion. The views and influence of younger generations are of increasing importance to business leaders given that the workforce is increasingly populated with people from younger generations. Younger respondents surveyed (aged 18 to 44) tended to be more open-minded about recruiting from marginalised groups and its benefits than older employers. This points to an attitudinal difference in how different generations might think about recruitment which is not currently being represented at the board level for decision-making.

“It’s not enough that just one team or person understands an individual’s issues and challenges. If people at the top don’t, that business still has no overall inclusivity.”

Graham Drew, Founding Director, Bamboo Recruitment

▶ Respondents under age 44 were 14% more likely than older respondents to think employers should be encouraged to hire workers from more diverse backgrounds (80% compared to 70%).

▶ Respondents under age 44 were 29% more likely than older respondents to prefer to hire from diverse groups in the UK than look abroad for workers (76% compared to 59%)

### 4. Relatively high awareness of the opportunity is not turning into action

It should be made easier to find the information needed to develop business cases or to find advice, support, playbooks and guides to make it easier for businesses to employ from marginalised groups. 70% of respondents felt that more than half of the marginalised groups we asked about could fit well in their organisation, yet only about 20% were taking steps to recruit from most of the groups. This points to a large drop-off in the numbers taking action to recruit them. There are many reasons why this awareness is not translating into action, from the prevalence of social norms and preconceptions about marginalised groups, to the availability of evidence and best practice guides.

“Recruitment has been a lot tougher in recent years. I’ve been struggling to recruit a project manager all year and it’s definitely changed the way I recruit. I’ve had to use a recruitment agency for the first time, which I never would have done before. I simply was not getting a wide enough net, so needed help finding people with the right skills.”

Anonymous interviewee

▶ 70% of respondents felt that more than half of the marginalised groups we asked about could fit well in their organisation, yet only about 20% were taking steps to recruit from most of the groups.

▶ A quarter of respondents reported they had not taken any active steps to recruit from any of the groups.

### 5. Some groups are even more distant from good jobs than others

More can be done to level the playing field, even between the marginalised groups. Several people we spoke to talked about groups that were easier and harder to recruit than others. This observation was reflected in the data that clearly shows some groups being at even more of a disadvantage. This could be a result of real differences between the groups, i.e. they are heterogeneous, meaning they have different characteristics and requirements, or it could be a result of perceived differences, where employers’ knowledge and experience of each group can vary.

About 87% of employers said that groups such as single parents and ethnic minorities could fit well in their organisation, compared with 64% and 49% of employers reporting that people with mental health conditions and criminal records could fit well in their organisation, respectively.

28% of respondents said their organisation has taken active steps to encourage job applications to recruit young people, compared with 10% to recruit people who are or have been homeless or have a criminal record.

## 6. Inclusion needs to be a conscious and intentional effort

More could be done to break down negative preconceptions about marginalised groups, and to share best practices about how to target them effectively. Many factors can affect the decisions and behaviours of hiring managers when it comes to inclusivity. This can include prejudice, misconceptions, conscious or unconscious biases, or the fact that different groups may need varying types of requirements (e.g. workplace adaptations, pastoral support or flexible working arrangements). When considering targeting a specific marginalised group the decision will either be to intentionally target them, or not. Intending to target a group is only the start; how well that intent translates into action is critical and all too often it falls short due to poor knowledge or implementation of best practice, resulting in continued exclusion. This could be as simple as poor wording of job adverts, poor placement of adverts, lack of engagement with communities, lack of diversity on marketing materials and many more.

“We face not a shortage of labour, but a shortage of accessibility.”

Anonymous interviewee

About a quarter of respondents said they recruited from diverse groups specifically to combat misconceptions and change societal mindset, demonstrating that working along marginalised colleagues can help to break down negative preconceptions.

## 7. Financial incentives are crucial to de-risking the recruitment of marginalised groups

Financial incentives can help to address the cost barrier that can hold businesses back from hiring a more diverse workforce. Although some government incentives exist, more can be done to reform opportunities for financial support so that they are made more accessible to a wider variety of employers. For example, some of the marginalised groups might have additional needs that require some form of upfront cost for adaptations. In addition, current restrictions on some incentives may prevent employers from spending on things such as administration and other overheads that they may otherwise struggle to cover. This can result in them not taking up the incentives, particularly SMEs.

“Clients say they want more inclusive candidates but not at the cost of changing everything. That’s when the conversation disappears.”

Graham Drew, Founding Director, Bamboo Recruitment

## 8. Businesses want to learn from other businesses

While some employer-led forums exist, more can be done to scale existing forums and to identify the gaps so that new forums can be encouraged to grow. This would enable more collaboration, coordination and sharing of resources and information between businesses. We found that businesses want to hear from and be inspired by others around them who are facing similar challenges, circumstances and intentions. Connecting with other business leaders facing similar challenges is key to moving from theory to action. Forums can be tailored to the recruitment of specific marginalised groups or to the needs of different industries or regions.

“It’s a good moment. There’s a push from the government and there’s a pull from the employment market. Lots of people want to appoint prison leavers but they don’t know what to do. We got together and designed a workshop to just dish out everything we know and share the learnings we’ve made over the years.”

Annie Gale, Head of RAW Talent and Apprenticeships, COOK

## 9. Ensuring candidates are work ready can increase diverse recruitment

Improving the quality of work readiness training and expanding the marginalised groups targeted by government schemes is vital to maximise business success. The government has a major role to play in ensuring that there is sufficient supply of work-ready labour to meet business demand and fill vacancies. Government schemes that support candidates’ work readiness can incentivise employers to recruit from specific marginalised groups. We found that businesses felt that recruiting candidates that were not sufficiently work ready put a strain on time and cost.

“If new recruits were not work ready, they would likely fail quickly and the system would not work as a whole.”

Paolo Orezzi, Service Director, NSL

## 10. Partnerships with intermediary organisations can make a huge difference in supporting businesses to recruit from marginalised groups

More work should be done to make intermediary organisations that already exist easier to find and easier for employers to assess the quality of service they provide. To support employers and those from marginalised groups, there is a need for a joined-up support and guidance and support to both sides. Organisations of all sizes hugely benefit from external specialist support, particularly if they are not set up or trained to do so. Partnerships help give employers the confidence to recruit from talent pools they have not previously targeted. They can considerably reduce the risk to employers and candidates to ensure both are set up for success. Wrap-around support that includes pre-employment training and coaching, post-employment support, as well as training for the receiving managers and teams was highlighted as being particularly beneficial.

“I just don’t know enough about their special needs to know where I could get myself or my company in trouble. It can be easier to avoid the whole thing. Particularly because I don’t want to set anyone up to fail, that’s just not fair on them.”

Anonymous interviewee

11. Organisations have different needs, there is no one size fits all solution

Different solutions are needed for incentivising and supporting different types of organisation. Many factors such as industry sector, size, ownership models and others can determine what solutions will be more or less successful. For example, employers from smaller organisations felt that financial grants were most important, compared to employers from large organisations who felt that more evidence was needed.



Micro business  
<10 employees

22% felt that grants would encourage them (10 percentage points more than the average)



Small business  
10-49 employees

25% felt that partnerships with specialists would encourage them (12 percentage points more than the average)



Large business  
>250 employees

17% felt that more evidence would encourage them (14 percentage points more than the average)

# Creating a supportive environment

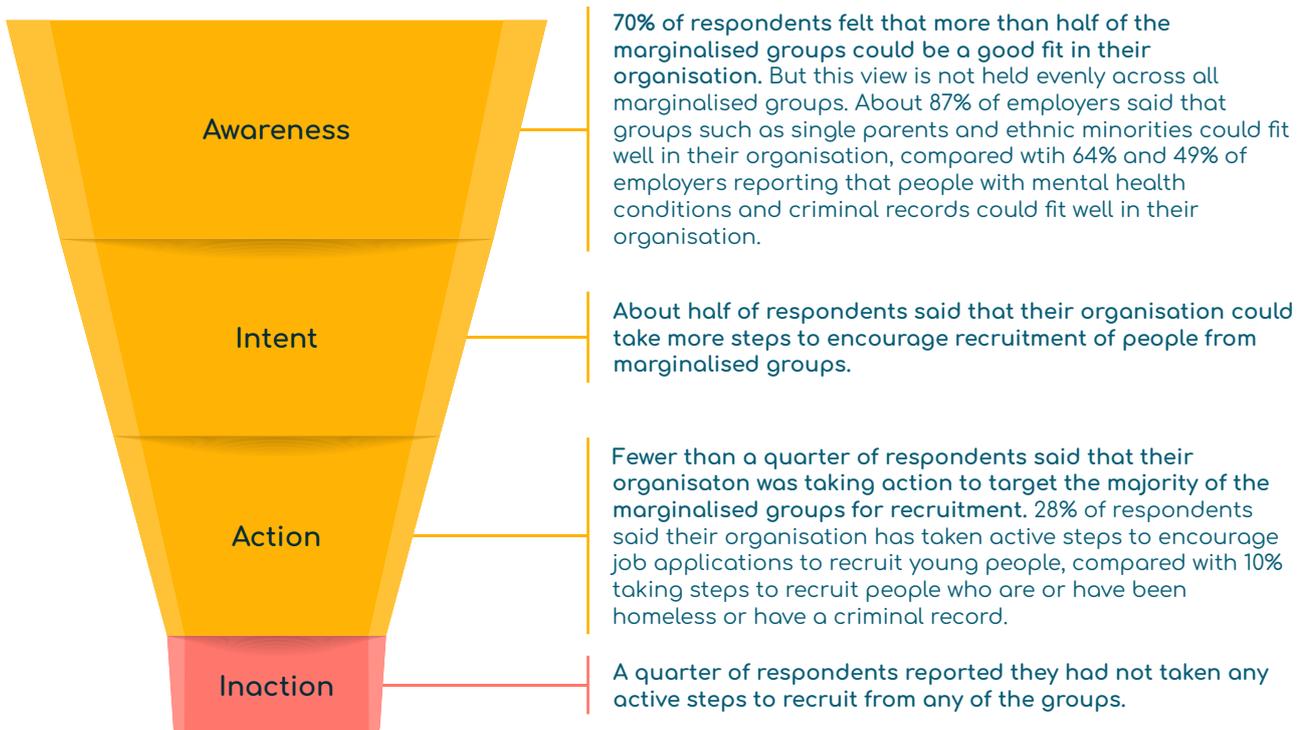


In Section Three of the full report, we provide further detail on the series of reforms and market interventions designed to encourage and support more businesses to successfully employ people from marginalised groups.

Current labour shortages provide a window of opportunity to act as a stimulant for change. In order to be successful, things need to be in place so that businesses can clearly see the value of recruiting marginalised groups and it needs to be easier for them to take action.

We highlight a series of reforms for three core stakeholder groups that can influence business behaviour. These are the government, investors, and business networks & support bodies. Under each reform, we detail a series of specific recommendations that we feel are required to make the reform successful. They are the result of consultation with people from all of the stakeholder groups.

From our survey we determined that there is an opportunity to change recruitment behaviour across a number of stages of the decision-making process, from awareness to action. The following diagram shows the views held by employers in our survey.



The recommendations we make are therefore designed to focus on the different stages of the decision-making process, which can ultimately influence employers' behaviour towards more purpose-driven recruitment.

- Raising awareness that marginalised groups could fit well in their organisations
- Driving intent to recruit from those groups by demonstrating the value they can bring
- Supporting action by putting things in place that will make it easier for businesses

# Call to action: Government

## REFORM 1: GOVERNMENT SHOULD INCENTIVISE AND SUPPORT BUSINESSES TO RECRUIT FROM MARGINALISED GROUPS SO THAT RISKS ARE LOWERED AND OPPORTUNITIES ARE GRASPED.

The government is the best-placed actor to create incentives at a scale that can tip the balance in favour of a large number of employers wanting to recruit more people from marginalised groups. Although a variety of government-run, business-targeted initiatives are, or have been, available, there are ways they can be improved. These recommendations aim to activate the demand from businesses and are complementary to any other schemes and initiatives that focus on the supply side.

### 1. Provide temporary National Insurance contributions to lower the financial risk for employers

**The Government should not require employers to pay employer National Insurance for 12 months for any new employees taken on who were in receipt of Universal Support.** Universal Support is an important and necessary intervention that can provide additional support to get people facing marginalisation work ready. Businesses can often be held back by a fear of the financial risk of investing in a person that doesn't work out, or the additional capital that may be required to make any necessary adaptations. Offsetting the additional financial risk that companies undertake would help to address this, and both stoke demand from businesses and build momentum towards a new way of recruiting, thereby giving the desired outcomes of the Universal Support scheme an additional boost.

### 2. Reform the Apprenticeship Levy to make it more accessible to marginalised groups

**A three-part action plan to maximise the use of apprenticeships for marginalised groups, including: a) a campaign to encourage large organisations to increase levy transfers to SMEs, b) awareness-raising on how to target marginalised groups effectively, and c) an upfront grant for those that do.** Over £1 billion of unused levies are returned each year to the government.<sup>16</sup> Although large organisations can transfer up to 25% of their unspent levy funds to other businesses, many are not doing so, either due to lack of awareness or a belief that it requires considerable resources. Many SMEs are held back from running more apprenticeships due to administration and overhead costs and lack of funding. Research has shown a general need to increase the accessibility of apprenticeships for marginalised groups. To date, the levy has supported people from advantaged backgrounds more than those from disadvantaged backgrounds. However, those from disadvantaged backgrounds who accessed apprenticeships tended to benefit more. An upfront financial grant for employers that recruit the most marginalised groups (such as care leavers, the homeless and those with criminal records) would help to cover additional upfront costs required for additional admin or HR support.

### 3. Develop a centralised knowledge bank to make it easier for business to recruit from marginalised groups

**Under the coordination of the Department for Work and Pensions a centralised knowledge bank is created, distributed and maintained so that employers have a single place to go for support, advice and partnerships. This should be created in partnership with What Works Centres, industry bodies and others.** Employer intent to recruit from marginalised groups is often hindered due to not knowing where to start, or information proving complex, contradictory or difficult to find. Many employers recognise the benefits of partnerships with intermediaries to facilitate the recruitment from marginalised groups, particularly as most businesses lack in-house expertise to carry this out successfully, but find prospective partners hard to find.

<sup>16</sup> Institute for Public Policy Research, 27/07/2022, [Over £3 billion in unspent apprenticeship levy lost to Treasury 'black hole' new data reveal](#)

# Call to action: Investors and investor-focused organisations

## REFORM 2: INVESTOR-RELATED ORGANISATIONS SHOULD SET THE FOUNDATIONS SO THAT INVESTORS CAN INCENTIVISE BUSINESSES TO RECRUIT FROM MARGINALISED GROUPS.

Investors are a point of leverage and in a prime position to influence businesses behaviour. The prominence of ED&I within ESG ratings frameworks has led to their engagement with employers resulting in an increase of gender and race representation on boards. The aims of the Good Jobs Project are closely aligned with ED&I, albeit with a broader scope of diversity and inclusion than is normally included in ESG frameworks. Therefore we can look to see how the existing ED&I instruments can be expanded. Activities are needed from a range of different stakeholders in order to be successful, which are summarised in the recommendations below.

### 1. Research the impact of expanding the ED&I agenda to strengthen evidence of financial materiality

**Influential publications and organisations such as Deloitte, KPMG, McKinsey, BCG and others should strengthen the empirical evidence of the financial materiality of recruiting from marginalised groups so that investors and business leaders can have a stronger basis to take action.** While there is already strong evidence that recruiting people from marginalised groups can be an effective way of filling labour gaps and driving business success, it likely needs to be strengthened for this movement to take off. With greater evidence of financial materiality, capital markets will be far more likely to get behind businesses pursuing this approach, in the way they have done for climate change.

### 2. Encourage investors & ESG aggregators to prioritise employment of marginalised groups

**Investor-focused campaign organisations, such as ShareAction, Impact Investing Institute and others, should encourage investors and ESG aggregators to include the employment of marginalised groups as part of their ED&I assessment of companies.** Influence from external parties like campaign organisations can raise investors' awareness of the opportunity and prompt them to take action. This can be done through building a constructive dialogue with investors and ESG aggregators to help develop an understanding of the value created by a focus on marginalised groups as part of their ED&I agenda. This would result in improving the disclosure requirements of businesses, which could ultimately lead to better investments.

### 3. Create a platform to provide consistent and comparable investor data

**The Workforce Disclosure Initiative's (WDI) annual survey is an existing platform that could be expanded to incorporate metrics relating to the recruitment, retention and quality of jobs provided to marginalised individuals so that investors, policy-makers and civil society can better assess companies.** In order for data and information about ED&I to be useful for investors (and other external parties), it should be consistent and comparable. This enables comparisons to be made across organisations, and within single organisations over time. The WDI investor coalition is made up of 68 institutions with \$10 trillion in assets under management and so is well positioned to receive and share the information and act as a single data repository.

### 4. Increase younger and marginalised voices on boards

**Increase the representation of people under the age of 40 and those from marginalised groups on boards so that businesses benefit from diverse perspectives informing their decision-making, strategy, performance and purpose.** People from different backgrounds and age groups bring different perspectives. Younger generations, for example, tend to believe more in the benefits of diversity in recruitment and yet the average age of board members is often over 60, with very few under 40s on boards. There has been a growing body of evidence linked to the diversity of teams and boards and the success of companies. Increasing participation of younger and marginalised people on boards could have a strong influence on the strategic direction and guidance provided to a company's management team, as well as directly impacting and shaping the overall company strategy, goals, performance and financial decisions.

# Call to action: Business networks & support bodies

## REFORM 3: BUSINESS NETWORKS SHOULD COLLABORATE TO SHARE KNOWLEDGE AND BEST PRACTICE SO THAT MANAGERS, LEADERS AND HR PROFESSIONALS ARE FULLY EQUIPPED WITH THE SKILLS THEY NEED.

Influential business networks and support bodies are among the best-placed actors to foster collaboration and coordination amongst employers, and to help make the recruitment of people from marginalised groups common practice. There is a desire from employers for trustworthy, easy access guides, advice and research from reputable bodies. This will also help support a concerted effort to tackle the issue of existing misconceptions in order to unleash demand and translate that demand into effective action.

### 1. Improve business network coordination to make best practice common knowledge

Existing large business networks could collaborate more and coordinate in order to share advice, best practice and training through continued professional development. Collaboration and coordination is required so that best practice is reinforced, the business case becomes common knowledge and recruitment of marginalised groups becomes normal practice. Efforts are needed to address common misconceptions and prejudices in order to increase demand. By upskilling business leaders, HR and managers of all levels through regular communications, events, training and thought-leadership, expertise can be developed to effectively capture any additional requirements and turn them into successful recruitment.

### 2. Start and expand issue-based employer forums to maximise peer-to-peer learning

Business networks could develop a programme of employer forums so that there are opportunities for collaboration and peer-to-peer problem solving about how to recruit and retain people from specific marginalised groups. Employer-led forums are excellent platforms to hear from peers with similar goals, perspectives and intentions about the kinds of challenges they have faced and what solutions have or have not worked for them in the past. They are an effective way of solving problems quickly and shortcut the discovery of potential solutions to try. A few existing business-led forums, such as Employers' Forum For Reducing Re-offending, have proven an effective way of supporting successful action.

# Conclusion

We believe that the full report and this Report Summary present a fresh approach to the issue of labour shortage in the UK. By promoting a purpose-driven business model, we hope to provide a sustainable solution that benefits both businesses and society.

Our research has shown that many employers are struggling to fill vacancies, while many individuals from marginalised groups are held back from accessing employment opportunities. Our shared goal is that employers intentionally target people that are commonly marginalised from accessing good jobs to fill their vacancies. To make this happen, two key conditions should exist.

1. Businesses must see the value in the targeted recruitment of marginalised groups
2. It becomes easier for them to do so

We believe that the purpose-driven business approach is the way forward. We hope that our research and proposals will help to unlock the full power of businesses to do good, significantly narrow the vacancy gap and normalise the inclusion of different groups into the workforce. We encourage those with the power to influence the market, such as the government, investors, business networks and support bodies, and researchers, to create an environment that will motivate and support employers to hire certain people more easily and profitably.

This is a summary document for decision-makers, so we encourage reading the full report for much more detailed information about all of the points highlighted here. We believe it is a thought-provoking report and encourage readers to think about other ways that we might be able to mainstream the intentional and targeted recruitment of marginalised groups in the minds of key decision-makers across influential businesses, government and investors.

The Good Jobs Project is a collaborative initiative, so please do get in touch to share your ideas and reflections. We also encourage you to add your voice to the organisations that support the vision of the project by demonstrating your support [here](#).

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## ADVISORY GROUP

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## BUILDING A MOVEMENT

At the time of writing the following organisations have offered their support for the goals of the Good Jobs Project.

