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Ethnicity pay reporting

Submission to the Department of Business, Energy, and Industrial Strategy

Chartered Institute of Personnel and Development (CIPD)

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Background

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has over 150,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

Our membership base is wide, with 60% of our members working in private sector, services and manufacturing, 33% working in the public sector and 7% in the not-for-profit sector. In addition, 76% of the FTSE 100 companies have CIPD members at director level.

Public policy at the CIPD draws on our extensive research and thought leadership, practical advice and guidance, along with the experience and expertise of our diverse membership, to inform and shape debate, government policy and legislation for the benefit of employees and employers, to improve best practice in the workplace, to promote high standards of work and to represent the interests of our members at the highest level.

Evidence gathering

Survey to HR practitioners and consultants

We conducted a survey of 243 HR practitioners and consultants. The results of the survey will form the backbone of our response to the consultation questions.

Respondents were 17% consultants and 83% in-house practitioners. Of the in-house practitioners, around 80% work in large businesses, 14% work in medium-sized businesses, 5% work in small businesses, and 2% work in micro-businesses.

The full survey results are available to BEIS officials only on request.

Roundtable discussions

The CIPD policy team have held several roundtable discussions in order to gather qualitative data for our response. Overall, more than 60 CIPD members and HR professionals have had the opportunity to contribute to our response via the roundtable discussions.

Regional discussions were held with CIPD members in Cardiff, Edinburgh, Leicester, and Manchester via our branch network. We also held two roundtable discussions with the CIPD Policy Forum – a group of senior HR professionals – in London with BEIS officials in attendance. All discussions took place under Chatham House rule.

Key recommendations

- The CIPD welcomes the Government's initiatives to reduce disparities between ethnic groups in the world of work. We fully support the objective behind ethnicity pay reporting and the need for meaningful action in this area that will drive genuine change.

- In the first instance, we believe that mandatory reporting should only be considered for large businesses with 250 or more employees.

- Ethnicity pay reporting should be based on the same pay quartiles as used for gender pay gap reporting and one pay gap figure comparing average hourly earnings of ethnic minority employees as a percentage of white employees. We also recommend that classifications for ethnicity data reporting should be from the most recent Census (or preferably the upcoming 2021 Census).

- Organisations should be required to produce a narrative and an action plan, and must report on the results of the action plan in subsequent reports. The government should produce guidance for employers on how to construct a narrative.

- After a number of years, the government should review the impact of ethnicity pay gap reporting and consult with employers on the appropriateness of providing more detailed data using standardised ethnicity classifications.

- The government must stress in its communication that pay gaps are not the same as unequal pay.

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<u>Our response</u>

Ethnicity pay reporting

> **1. What are the main benefits for employers in reporting their ethnicity pay information?**

Our Member survey showed that the top 5 benefits associated with reporting ethnicity pay information are:
- To develop a reputation for being a fair and progressive employer (66%)
- To address overall workplace inequalities (61%)
- To develop greater transparency and accountability (58%)
- To ensure that ethnic minority employees have equal access to development and progression opportunities (55%)
- To create more inclusive workplaces (55%).

Additionally, several themes came through from our focus group discussions:

Bringing the conversation into the Boardroom
Respondents discussed the significant benefit of reporting on ethnicity pay "*bringing the conversation into the Boardroom"* and "*raising serious attention to the issue."*

Greater transparency, accountability and insight
Focus group respondents also highlighted the benefits of transparency, through; *"shining a light on the data and giving ethnic minorities a sense that they are being listened to"* and *"allowing organisations to be reflective of the communities they serve."*

Respondents felt that reporting requirements will lead to *"organisations investing more in robust HR systems that will improve the quality of the data they collect and ultimately give them a better insight into the business."* Others spoke about the benefit of reporting in general for the HR department in particular, leading to a big push on '*people data analytics and understanding.*' Collecting and analysing this data also inspires internal conversations about how you can improve the overall culture in organisations.

Better overall management of pay systems
Respondents also noted that a benefit of gender pay reporting and ethnicity pay reporting is that it is leading to better management of pay systems in general – simplifying approaches, particularly in relation to allowances. This is to everyone's benefit and leads to a fairer system overall.

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> **2. What type of ethnicity pay information should be reported that would not place undue burdens on business but allow for meaningful action to be taken?**

When asked which type of data would be respectful, not place undue burdens on employers and allow for meaningful action, the most popular approach among those who completed our survey was ethnicity pay information by the same quartiles as used for gender pay gap reporting (34%), followed by one pay gap figure comparing average hourly earnings of ethnic minority employees as a percentage of white workers (30%). Almost one quarter (23%) opted for several pay gap figures for different ethnic groups, using standard ethnicity classifications, while one fifth also believed that a mixture or all the options could be used. Just 6% thought that ethnicity pay information by £20,000 would be respectful, not place undue burdens on employers and allow for meaningful action. Some regional participants thought that £20,000 bands were too narrow, while others thought they would be too wide. One fifth (20%) thought that using some or all of the suggested options would be meaningful.

Given that most of our respondents (80%) work for large employers, there is not much difference between the overall findings and those relating just to organisations with more than 250 staff. For instance, respondents are slightly more likely to believe that ethnicity pay information should use the same quartiles as those used for gender pay gap reporting (37%), and a bit less likely to support using one pay gap figure comparing average hourly earnings of ethnic minority employees as a percentage of white workers (31%).

By contrast, employers with less than 250 workers are far more likely to opt for one pay gap figure comparing average hourly earnings of ethnic minority employees as a percentage of white employees (41%), than choose to provide ethnicity pay information by the same pay quartiles used for gender pay gap reporting (22%), possibly reflecting the fact that most have not reported their gender pay gaps before. These figures are based on a small proportion of employers, so should be treated with caution, but do indicate the different challenges facing small and medium sized employers (SMEs).

By contrast, from the perspective of their clients, those self-employed consultants that answered our survey were most likely to support the options of reporting ethnicity pay information by the same pay quartiles used for gender pay gap reporting (36%) and disclosing several pay gap figures for different ethnic groups, using standardised ethnicity classifications (36%).

While our roundtable participants were supportive of the idea of providing data by quartiles, there was some unease about providing one overall figure. On the one hand, it would be easy to calculate and, by being less granular, it would be harder to identify individuals in certain instances. However, on the other hand, in some large employers it might obscure differences within the BAME workforce, though it was acknowledged that this issue could be tackled through an accompanying narrative.

As one survey respondent said:

The government has a large number of ethnicity classifications. Comparing each individual group means that you might be looking at very small populations versus a very large population, and that makes the output much less meaningful, as one or two people could make a large change in that

group's gap. While it won't provide a detailed insight into the gap, a single comparison of non-white British employees to others would allow comparison of the gap in earnings between the majority ethnicity group and everyone else.

While another said:

We don't currently hold any information on ethnicity so this requirement would be a huge burden. We also use a managed payroll service and they are not very responsive helping provide our gender pay gap reporting information currently. Additional requirements from them would make this even harder as their systems will need to change to include gathering this previously unrequested information. So getting started on one pay gap figure would be a start and then looking to build up to one that is reflective of the pay quartiles used for gender pay gap reporting would be more helpful.

The other concern with providing one figure was that it could create tensions by producing a figure that compared BAME to white employees. It was also pointed out that there may be differences within the white workforce that could impact on the data. Some participants wondered whether employers should just be required to provide people data by quartile (essentially an audit of all individuals by protected characteristics), though others pointed out that staff within the same quartile could be on significantly different amounts of pay. It was agreed that the Government has to stress that any gaps identified through the publications of any ethnicity pay figures is not necessarily due to unequal pay, which is illegal, but can be due to a range of causes.

Attendees agreed that producing several pay gap figures for different ethnic groups would probably only be meaningful in big organisations and for those in certain localities. It was recommended that larger employers should be encouraged to disclose several pay gap figures for different ethnic groups through their narrative.

Overall, our poll findings reflected the feedback from our regional roundtables. All were supportive of providing data by interquartile range

They made the following general points:

- Data that has to be provided should be done on a consistent basis.

- The Government should consider piloting ethnicity pay reporting with a group of employers to become more aware of how to overcome any barriers that a mandatory approach to reporting might present.

Based on feedback, we recommend that:

- Reporting should be based on the same pay quartiles as used for gender pay gap reporting and one pay gap figure comparing average hourly earnings of ethnic minority employees as a percentage of white employees.

- The government should encourage employers to report voluntarily more detailed pay gaps in their accompanying narrative and action plans. This would provide employers with the opportunity to put the single pay gap figure in context. We believe that what is important is not just the data, but the narrative around that data. If the organisation considers it is not

appropriate and meaningful to give more detailed information, then they don't have to, but they should be required to give an explanation as to why they have taken this decision.

- The government produces guidance for employers on how to construct a narrative, which organisations will be free to follow.

- After a number of years the government should review the impact of ethnicity pay gap reporting and consult with employers on the appropriateness of providing more detailed data using standardised ethnicity classifications.

> ### 3. What supporting or contextual data (if any) should be disclosed to help ensure ethnicity reporting provides a true and fair picture?

The majority of respondents to our survey (65%) think that geographical variations are important to help ensure that reporting is true and fair. SMEs within our sample are more likely to believe this (71%) than bigger organisations (64%).

Some participants at our roundtables thought that it would be important to compare their data with official statistics for their region so that they could put their report in some context. However, some of them were unsure as to where they could hold of this data to put in their narrative. Because of this, we recommend that Government in its guidance for employers alert them as to where they can get official data on a regional basis and suggest how it could be used. For instance, at one of our London roundtables, there was a discussion about whether an employer should use typical commute times. Employers at our roundtables in Wales and Scotland are expecting support and guidance from their national Governments.

Over half (58%) also backed producing data by gender (among larger employers it is 55% and 58% among SMEs). Under half (48%) called for age variations.

Self-employed consultants are more likely to support geographical variations (60%); gender variations (66%); and age variation (57%).

We recommend that:

- Employers should be encouraged to disclose regional and gender data in their narratives if relevant (but they should not be legally required to). Again, we recommend that after the requirement to disclose ethnicity pay data has been introduced, the subsequent publication of this information is explored by a Government review.

> ### 4. Should an employer that identifies disparities in their ethnicity pay in their workforce be required to publish an action plan for addressing these disparities?

The majority of respondents to our survey believe that organisations should produce both a narrative and action plan alongside their ethnicity pay information (58%). While a fifth (20%)

believe that a narrative without an action plan would suffice, and fewer still (3%) point to an action plan without an accompanying narrative.

Consensus on mandating narratives

Focus group respondents believe that organisations should keep employees involved in this process, and that narratives and each organisation's specific context is key and must be included in the reporting.

Opposing views on mandating action plans

However, there is less consensus when it comes to mandating action plans. Some respondents feel that ethnicity pay data collection would be 'pointless' without the addition of a narrative and action plan:

"It won't be beneficial until we are prepared to do something about the gap" and "*There should be mandatory action plans and government should be supporting these but this is a huge project and how much time/scope does government have to give to this*."

However, others argue that that there is too little research evidence on what works in relation to closing ethnic minority pay inequalities to make action plans mandatory: *"We are currently in a state of ignorance and don't know enough about the drivers and the research evidence on what makes a difference. We need to consider aspects like the impact of faith and migration patterns in addition to things like attitudes towards women."*

We recommend that:
- Businesses must be required to produce a narrative and an action plan, and must report on the results of the action plan in subsequent reports.

Ethnicity data and classifications

> **5. Do you currently collect data on ethnicity at your workplace? If yes, do you use standard ethnicity classifications for reporting? If so, which ones?**

Of the 190 respondents to this survey question, 12% are consultants, 53% collect some form of ethnicity data at their organisation, 29% do not collect any ethnicity data, and 6% aren't sure. We also enquired as to whether their organisations collected ethnicity data for individuals employed on non-standard employment contracts, and 12% said that they did.

We asked whether respondents used Office for National Statistics (ONS) standard ethnicity classifications for reporting. Of the 100 respondents who answered, fewer than half (47%) said that they did. Around one fifth (19%) said that they do not use ONS standard classifications whereas 34% don't know.

At a London roundtable, one large insurance company reported that they have had mixed results from self-selection systems, namely with inconsistency and people not taking the data entry seriously. They noted that a closed system challenges the concept of self-identification, and that 'tick boxes' are at odds with the message businesses are trying to promote.

Of the 47% of respondents who use ONS classifications for collecting data, 30% use 18 standardised classifications from the 2011 Census, 15% use 5 standardised classifications from 2011 census, and 13% respondents say they use the 16 standardised classifications from the 2001 Census.

Of the comments we received on this survey question, there was a consensus that using up-to-date Census figures was preferable to reflect the current demographics in society.

At some of our roundtables, especially in Edinburgh, there was a view that the classifications employers may be required to use should mirror those that are going to be used for the 2021 Census, otherwise the danger is that employers will not be able to compare their figures with the official data for their locality.

> **6. What do you think are the most effective approaches for employers to improve employee self-reporting or declaration rates?**

Respondents to our survey indicate that there are a number of effective ways of improving employee self-reporting/declaration rates, these include:

- Building the collection of information into the recruitment process, so that new joiners are asked to provide the information as part of their 'on-boarding process' (78% believe this would be effective - 34% extremely effective, 44% fairly effective)

- Making the data easy to collect (78% believe this would be effective - 35% extremely effective, 43% fairly effective)
- Awareness through internal communications (75% believe this would be effective - 23% extremely effective, 52% fairly effective)
- Role modelling by senior leadership (74% believe this would be effective - 44% extremely effective, 30% fairly effective)
- Explaining to employees clearly how the data will be used (73% believe this would be effective - 20% extremely effective, 53% fairly effective)

Additional ideas and thoughts coming through from our focus group discussions, include:

Clarity on what the data is being used for
Respondents felt organisations needed to provide very clear information on what the data is being used for. Employees are likely to have lots of questions and potential fears around this that need to be addressed, such as: *"Can my line manager see that information? Where is it being held and who can have access to it?"*

Place the focus on the employee
A number of participants felt the focus should be firmly on employees. Employees haven't seen ethnicity data being used to their benefit, which is why they haven't bought in to its collection. Educating staff and setting out what you are doing will be important in getting the quality of data you need to have meaning.

Multi-media campaigns
Some organisations had set up campaigns using multi-media such as blogs and videos to help improve declaration rates: *"We set up a soft approach – campaign, videos to get people to declare and tried to communicate the benefits."* A central part of the messaging for this is around why and how the data will be used: *"We developed a 'what's it got to do with you' campaign – when people see why and how the data is used then it counts."* One respondent talked about using the opportunity of gender pay reporting to conduct an audit and ensure that they had true and viable data. They used videos about the importance of reporting and saw a real increase in declaration rates. Others talked about making use of different resources in their campaigns such as the Stonewall Guide – *Why report it anyway.*

Using staff networks to act as champions and information points
Other respondents talked about the value of using staff networks to act as champions, information points and answer any questions employees had, particularly those they may not feel comfortable asking of their line manager or HR.

Building trust
Unless organisations ask in the right way there is the potential to do more harm than good. An innocuous question about ethnicity could provoke a defensive response. The Government and employers need to be aware that different employees will have perceptions and experiences that are deeply rooted and there is a *"danger of a psychological impact for people in trusting, particularly if their trust has been broken previously."*

One respondent also spoke about the increase in older white males misreporting or choosing not to report through fear that they will be disadvantaged by initiatives like ethnicity pay reporting.

Mixed experiences of self-reporting systems and surveys vs equality monitoring forms

Respondents had mixed experiences of self-service HR systems – some felt that more people reported when they had control over it but others experienced an increase in people removing their selections.

There were also different experiences with disclosure in surveys vs equality monitoring forms - with several saying there was a mismatch and they felt a more accurate picture being provided through the surveys.

Challenges of asking at the recruitment stage

Some respondents spoke of the challenges of collecting this data at the recruitment stage*: "People choose to provide this at recruitment but might then want to remove it."* One organisation involved in the focus groups asks at 2 stages: – *"firstly at recruitment and then when people have been in post for a little while – because they are more comfortable declaring."*

> ### 7. How should self-reporting or non-disclosure rates be reflected in the information reported by employers?

Based on feedback from our roundtables, we recommend that the Government requires employers to publish the proportion of the workforce that has self-declared as a percentage of the whole workforce when making their disclosure. This will help put the figures in context when people review the results.

There was a concern raised at some of our roundtables that if ethnicity pay reporting was introduced, employers would be trying to collect data about peoples' ethnicity against the backdrop of Brexit and the possible apprehension among some migrants that the information being collected could be used for other purposes.

> ### 8. For a consistent approach to ethnicity pay reporting across companies, should a standardised approach to classifications of ethnicity be used? What would be the costs to your organisation?

Yes. When asked *how important is it to use standard classifications of ethnicity to enable consistency in pay reporting*, 68% of respondents think that it is very important (79% of self-employed consultants, 70% of practitioners working in large organisations and 52% of those employed by SMEs).

Our roundtables identified that public sector employers are more likely to be collecting and analysing employment outcomes by ethnicity than the private and voluntary sectors. Within the private and voluntary sectors, large employers are more likely to have the software to allow them to capture data by ethnicity, but not all of them are using this facility. Some are not collecting this information, while others are only gathering material for specific purposes, such as during

recruitment and selection. Some said that they used to collect this information but were advised not to due to new GDPR regulations.

The SMEs at our roundtables are more likely to have said that their existing people systems will need to be updated to collect this information, but they do not think that this update will be significant compared to the potential cost associated with collection and analysis of these data. The consensus among them is that once the systems have been updated and people had disclosed their ethnicity, then the ongoing costs would be relatively minimal.

Our roundtables also identified that it is not just the payroll system that may need to adapt in order to collect and analyse the data by ethnicity, but also supporting HR systems, such as databases concerning learning and development or flexible working. These supporting systems are needed to help employers identify what the possible causes are of the ethnicity pay differences and what actions may be required.

Our Scottish roundtable highlighted the issue of employers spending time responding to multiple requests for pay and employee information from various government department and agencies, such as those required from financial service companies. It was hoped that the governments could standardise their own requirements so employers do not have to spend too much time having to reanalyse the data for different purposes. As one employer pointed out, "*the less time we spend on saying, the more that we can spend on doing*".

Among our survey respondents, when we asked them *to what extent would cost be a barrier to reporting*, half (51%) answered *to some extent*, followed by *to a small extent* (24%). Consultants were more likely to see that cost would be a barrier for their clients to some extent (62%). Practitioners working for both large (49%) and SMEs (45%) were more likely to see cost being a barrier for their organisation *to some extent* (49%).

Fewer than one-in-ten (9%) respondents see cost being a barrier to reporting *to a great extent* (16% among SMEs). This suggests that cost is not seen as a major inhibitor for collecting, analysing and presenting this data, possibly reflecting the fact that most of those who responded to our survey were already collecting information on ethnicity.

> ### 9. Please outline steps that should be taken to preserve confidentiality of individuals.

Our roundtables suggested that pay data should be aggregated if it could impact on someone's privacy. The approach adopted by the civil service that was reported in the consultation document was seen as appropriate by our roundtable participants.

Next steps and government support for employers

> **10. What size of employer (or employee threshold) should be within scope for mandatory ethnicity pay reporting?**

There was a strong consensus across our survey (47%) and focus group respondents that the scope for mandatory ethnicity pay reporting should start at employers with 250+ employees. There were a number of reasons for this. Firstly, it would be aligned with the current gender pay reporting regulations and would therefore be beneficial for comparability purposes: "*Keeping the 250 threshold would make it consistent and these organisations will already have experience. You need to phase new legislation in so that people can get to grips with it.*" It was also felt that cost would be a "*big barrier to smaller organisations*" and that "*SMEs would potentially struggle without sophisticated HR functions/systems.*"

Despite this, (18%) of survey respondents felt that the employee threshold should be 50+ employees, with a further 15% believing that all employers should be within the scope of mandatory ethnicity pay reporting.

Some further themes from our focus group discussions, covered:

Dependent on what the reporting requirements will be
Some felt the employee threshold would be dependent on the specifics and level of detail of what the reporting requirements would be: "*It depends on what organisations are being asked to report on – if it is white vs non-white it is easier – if it is more granular then it should be 250+ employees.*"

Different levels of reporting obligations for different sized organisations
Some respondents felt that different levels of reporting obligations for different sized organisations could be a good idea. There could be options, for instance, to just report on representation in smaller organisations and representation and pay in larger organisations: "*SMEs can be influential – if you have a company in a diverse area – you should look at your representation.*"

Other respondents suggested that smaller employers could perhaps be encouraged to provide a narrative on their ethnicity pay without publishing the specific data – this would avoid the challenge of identifying individuals but would still encourage action to take place.

The future aspiration should be to shrink the threshold
There was a sense from a number of our focus group respondents that the future aspiration should be to shrink the threshold but that 250+ was a good starting point: "*50 is too far. Let's get there first and then shrink it. Discussing raising the threshold prepares SMEs to start to think about it.*" Others felt that if you lower the threshold then data collection should start to improve: "*If you lower the threshold for employers obliged to report then they will start collecting data earlier which will mean they reach meaningful and good quality data sooner.*"

Regional challenges in areas of low ethnic diversity
From a regional perspective, participants who worked in both West Wales and Fife, offering employment in areas of low ethnic diversity, felt that even those organisations on the cusp of 250 employees were at risk of individual employees being identified.

11. What support measures do you think would be useful for employers?

Our survey shows that employers would value a number of different support measures, these include:

- Guidance on identifying ethnicity pay issues and improving them (87%)
- The sharing of best practice and guidance to improve ethnic minority representation and remove barriers to progression in the workplace (86%)
- Tools and support for communication with employees on ethnicity pay issues (76%)
- Training courses and events on calculating organisations' ethnicity pay gap (65%)
- Regional employer events and support at trade fairs (40%).

Overall, focus group respondents felt that ethnicity reporting is much more complicated than gender pay reporting, for example, so there will need to be more conversation with employers and support available. Specific themes in our discussions, included:

Clarity of purpose and a clear timetable for activity
Respondents felt that the Government should provide 'clarity early on' regarding its communications and a clear timetable or schedule for activity. The timeline for this should be "*pragmatic and allow companies to collect and analyse data properly*" and *"allow people to start talking in the right way in the lead up."*

Participants felt there should be a number of stages to this and a phased approach would be useful – for instance *'we require this data by X because Y is coming.'* The data collection for many will be much harder than the reporting, so the Government will also need to provide clarity on good practice relating to this and how to be consistent across organisations. Others felt there should be a period of piloting and testing within a sample of organisations before the mandatory reporting goes live.

Other participants wanted more overall clarity on the future and whether they should be preparing for more reporting to come: *"Government clarity on WHY and where this will stop? Are we preparing for other reporting in the future?"*

Free practical guidance on reporting and examples of good practice on narratives
Focus group discussions centered on the need for free practical guidance on how to report on ethnicity pay. This should include guidance on which ethnicity classifications to use and how to report on the necessary pay divisions.

Respondents were also keen on seeing examples of good practice around narratives and potentially template documents. Others talked about the need for guidance on helping organisations to develop an internal narrative. This might include support on *"how to have those conversations"* and also the potential to develop a common 'safe' lexicon in discussions. It needs to be positioned as the importance for society not about the Government or business doing this to you.

It was felt that this information should be provided by the Government and free of charge to stop inexperienced organisations being vulnerable to consultants charging high fees for services.

Respondents would also like the guidance and tools to be engaging – through the use of mixed media including short videos, roadshows, webinars, and training. Participants felt the Government should help organisations to adopt a learning style to "*encourage open discussions in relation to ethnicity.*" On a regional level, participants suggested there would be value in getting local bodies to help and contribute.

Aligning different requirements
Respondents also felt the Government should provide consistency and alignment with other reporting requirements such as gender pay reporting, CEO ratio pay reporting and other requirements of different regulatory bodies.

Support on collecting and using data effectively and liaising with HR software providers
Overall support to employers on using data effectively would also be valued - on recruitment, retention, progression, as would be the key lessons learned from gender pay reporting. The role of IT providers was also highlighted, in particular ensuring that the Government is liaising with HR software providers to ensure that categories are included to support the reporting of ethnicity. The CIPD would be happy to work with government on this issue through their contacts in this sector.

Some respondents felt there was a potential argument for mandating the collection of data but not disclosure to improve all forms of reporting in the future.

Sensitivity in communicating the reporting
Participants also felt that the Government should be careful in how they communicate and position the reporting. They felt it should be reported as ethnicity pay reporting rather than ethnicity pay 'gap' reporting – it isn't binary and they did not want a 'BAME vs White' discussion which could be counter-productive. It was important to get the message across that the process would be beneficial for everyone – *'it's part of a journey towards inclusion which includes race but won't stop there.'* Others felt it was necessary for the Government to emphasise that this should be an anonymous process and individuals should not be identified. Other respondents suggested the Government needed to consider *"the societal/cultural experiences to avoid trying to do the right thing but ending up causing significant damage by misplaced insensitivity."*

Overlaying gender and ethnicity data in the future
Some participants felt that it would be important for organisations to overlay their gender and ethnicity data in the future. Even if they are not required to publish it at this stage, it was felt that it would be helpful for their organisation internally to begin thinking about steps it can take to make improvements. They would need to ensure that they avoid identifying individuals, although this information could be particularly helpful to identify people who are overpaid for their bracket – such as people held down by the 'glass ceiling'. This, participants felt, would be the difference between a mandatory approach and a 'gold standard.'

Provide data and information about diversity in local labour markets
Respondents felt it would be helpful for the Government to provide access to local labour market demographics so that organisations can include them as part of their narratives. Some respondents also felt that the Government could also collect comparable data by sector so that organisations could potentially benchmark themselves. Others also suggested that organisations need to be encouraged to work *"not just inside an organisation but also with the outside community to understand the region you are working in."*

Others felt consideration of global considerations should be taken into account – *"learning lessons from other countries that have undertaken this."* There is also a need for guidance on how companies would need to report - as a country or as regional offices which would impact the data segmentation.

Local and regional events
Respondents, especially those based outside of London, would value regional events to discuss any challenges at a local level and share good practice particularly around areas like increasing disclosure. Others spoke about guidance and best practice examples being desirable from the CIPD, particularly with examples in specific sectors and regions.

Greater research evidence on what works in relation to closing ethnicity pay gaps and inequalities
Finally, many felt that greater research is required by the government into what interventions may be suitable or have a positive impact in relation to closing ethnicity pay inequalities: *"Otherwise an organisation could be doing a lot of harm in an area which is generally not well researched."*

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