### NOVO (R PROCUREMENT SOLUTIONS

# Equality, Diversity & Inclusion

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NOVO-K | EDI FACT FILE 2023

Welcome to Novo-K's Procurement Equality, Diversity & Inclusion (EDI) Fact File 2023.

Last year, we released the EDI Insights Guide 2022 with the aim of supporting procurement leaders when they are considering equal representation in the industry. This year's report extends that ambition drawing on additional sources to show how our profession is changing.

Our annual survey is open to all professionals in our industry to understand the impact of EDI in their professional careers. To gain a wider understanding of employment trends and experiences across the UK, we have crossreferenced this year's data with research from other publications and public archives.

With the 2022-23 Fact File, we identify patterns and changes in EDI in the workplace, where, in an ever-changing world, we believe that EDI is a crucial indicator for the sustainable growth of organisations and the wellbeing of their employees.

### FOREWORD

Novo-K Procurement Solutions was founded in 2015 by Kavita Cooper to offer Procurement Managed Services that help organisations mitigate risk by delivering cost transformation, ensuring supply chain resilience and implementing their sustainability commitments.

The Novo-K Team thrives on its own diversity; empowered by perspectives of individuals from different backgrounds, all with the same purpose. We believe that by prioritising, practising and promoting EDI, organisations can build a space that nurtures sustainability for personal and professional growth.

We encourage you to share the EDI Fact File 2022-23 so that we can promote EDI to the widest possible audience. Thank you for your interest and we hope that together, we can influence a positive change in employee experiences fostering a work culture that practices EDI.



EDI is crucial for the sustainable growth of an organisation. We live in an age where technology has expanded boundaries and created limitless opportunities for industries to widen their network and open their doors for a variety of talent. Adopting EDI in the workplace brings new and fresh perspectives into an organisation, thereby strengthening its workforce and propelling its growth.

Kavita Cooper, Managing Director, Novo-K

Promoting equality, diversity and inclusion in recruitment can lead to a more diverse, productive and innovative workforce as well as a positive workplace culture and enhanced brand reputation. With the current talent shortage within the procurement profession adopting these practices in recruitment and embedding Equality, diversity and inclusion into an organisations culture will help to secure the top talent within procurement.

Paula Page, Head of Procurement Resourcing, Novo-K



## WHAT IS EDI?

EDI refers to the practice and promotion of the values of Equality, Diversity and Inclusion across all operations in a workplace.

#### EQUALITY

Equality refers to the equality of access, treatment, outcomes and impact in both employment and service delivery. The United Kingdom Equality Act 2010 (EA10) highlights that every individual must have an equal opportunity to make the most of their lives and talents.

#### DIVERSITY

Diversity recognises that everyone is different in a variety of visible and non-visible ways, and that those differences are to be recognised, respected, valued, promoted and celebrated. They may include, but are not limited to differences protected by equalities law.

#### INCLUSION

Inclusion is the practice of including people in a way that is fair for all, values everyone's differences, empowers and enables each person to be themselves and achieve their full potential at work. An inclusive workplace is one in which everyone feels that they belong, that their contribution matters, policies and practices are fair, and diversity is supported to work together effectively.

# OUR GOALS AND OBJECTIVES

We surveyed our network to understand the effectiveness of EDI policies in the workplace for insight into the implementation and impact of EDI across key priority areas including gender, age, ethnicity, sexuality, and disability.

We explored whether EDI in the workplace has moved beyond policy into practice and investigated the impact that post-COVID working models have had on the employee experience.



# RESPONDENT PROFILE

### ACCORDING TO SECTOR

The EDI Insights Survey 22-23 was conducted in an anonymous format, requesting users to provide only the information they were comfortable sharing. Our survey collected responses from employees and procurement professionals working in the following industries:

Advertising/Marketing, Banking/Finance, Construction. Consultancy. Defence, Engineering, FMCG, Health Care, Information Systems, Insurance, Manufacturing, Non-Profit Charity, Non-Profit Housing, Non-Profit Other, Pharmaceuticals, Public Sector – Health, Public Sector – Other, Retail, Technology, Telecommunication and Transport.

| How is procu<br>viewed acros |  | Common<br>Procurement<br>Challenges    | Private<br>Sector | Public<br>Sector |
|------------------------------|--|--|-------------------|------------------|
| <b>65</b> /0 is v            | that procurement<br>valued within their<br>vanisations.  | Managing risk in supply chain          | <b>62</b> %       | 44%              |
| COO( per                     | felt that the<br>perception of<br>procurement has<br>improved in the last<br>12 months.<br>felt that procurement<br>is engaged from the<br>start of a project. | Retaining staff                        | 40%               | 50%              |
| imp<br>12 r                  |  | Recovery from the<br>COVID-19 pandemic | 37%               | 41%              |
|                              |  | Attracting staff with the right skills | 36%               | 48%              |

Gross spending on public sector procurement was **£379 billion** in 2021-22 across the UK.

Published budgets for 2022-23 to 2024-25 suggest procurement spending will stay at similar high levels.

# RESPONDENT PROFILE

### **ACCORDING TO LOCATION**





### **EMPLOYMENT**

Employers & employees **across the UK** participated in the survey, representing a wide range of demographics, industries, and sectors.

The UK employment rate was estimated at 75.8% in December 2022 to February 2023

### AMONG PROCUREMENT PROFESSIONALS:

**£65,282** is the average salary for procurement professionals in London across sectors, indicating an 11% rise compared to last year's average salary - £58,758

The largest rises for salaries were reported in:



London was the only region in England to record a double-digit percentage increase. However, London still faces a **20%** private vs. public sector pay disparity, which sharply increased from its previous 12% in 2021.

### ACCORDING TO SALARY



A large number of respondents belonged to the salary bracket 50,000 – 59,000 GBP and came from diverse sectors from Construction to Public Sector.

The average salary for a Londonbased procurement professional working in the public sector is reported to be £58,105. 63% of our respondents belonging to this salary bracket identify as **male** and 37% identify as **female**.

There is still a 26% gender pay gap within the procurement profession.

### Highest salary bracket (125000+) Female Male 58% 42%

Most male respondents belonged to the 50,000 – 59,000 salary bracket while the female respondents are more widely distributed across the salary spectrum. Only 2% of our respondents belong to the Under 20,000 salary bracket, both of whom were female.

2022 saw a **4.9%** increase in the average salary of a procurement professional – according to the CIPS Salary Guide, overall average salary for procurement professionals in 2022 was  $\pm 49,743$  compared to  $\pm 47,435$  in 2021.



According to the Office of National Statistics, the national average pay increase (excluding bonuses) in 2022 was 3.8%.



Average **annual** earnings for total pay in Great Britain were estimated at £32,760 in 2022 – procurement represents a positive choice of profession for our respondents.



Across the UK, women were more likely to be low paid than men (12.7% versus 8.3%) and part-time employees were more likely to be low paid than full-time employees (24.3% versus 5.2%).

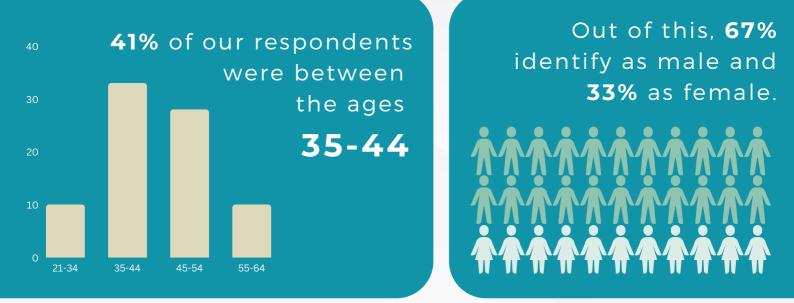


Average **weekly** pay for female full-time employees was £584, compared to £683 for male full-time employees.



38% of women are employed in part-time work and men, just 14%. Additionally, since the pandemic, the gap between the number of women working full time and women working part time has widened.

### AGE



**16%** said **YES** and **11%** said **MAYBE** when asked if they felt their age has impacted their opportunity to secure a job.

41% Were female & 59% Were male!

Both male and female respondents who felt that their age has/may have impacted their opportunity to secure a job were between ages

35-44

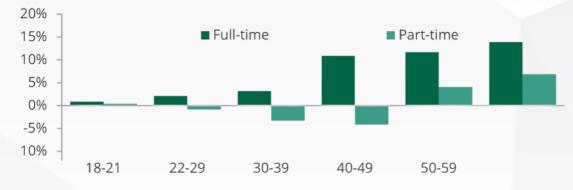
In the oldest age bracket (55-64), **40%** of respondents felt their age impacted their opportunity to secure a job while **60%** faced **no** such experience.

> In total, there is a **2% increase** in the number of respondents who felt that their opportunities to secure jobs have **not** been impacted by their age.

### AGE

Research shows that the gender pay gap is small or negative for employees in their 20s and 30s but widens considerably for older age groups.

#### Gender pay gap by age, April 2022



Most of the gender pay gaps can be traced to **'child penalties'** or parenthood.

Research shows that the average earnings of men are almost completely unaffected by parenthood, while women's earnings experience a significant fall.

**Childcare in the UK** is among the most expensive in the world and its rising cost has been a deterring factor for some parents to go back to work.

**Budget 2023** has proposed that by September 2025, free childcare will be available for working parents in England with children under the age of 5 in an attempt to get more parents back to work. It is estimated that this move could allow almost 60,000 more parents of young children to enter the workforce.

# GENDER

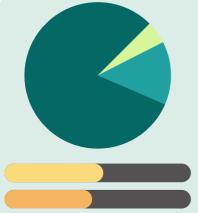
### Gender

is "a social construction relating to behaviours and attributes based on labels of masculinity and femininity" It is "a personal, internal perception of oneself and may not match the sex they were assigned at birth".

### Women in work

Between October to December 2022, there were 15.66 million women in the UK (aged 16+) in employment.

The number of women in work was 108,000 more than the same period last year.



14% said YES and 5% said MAYBE when asked if they felt their gender identity has impacted their opportunity to secure a job.

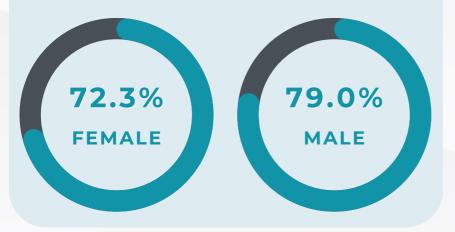
Of this,

53% identified as FEMALE &47% identified as MALE

#### Note:

None of the respondents belonged to **other gender groups** (eg: transgender, non-binary, etc.)

### Employment rate across the UK based on Gender as of Dec 2022:



Compared to last year's survey, there is a

**4%** increase

in the number of respondents whose gender identity has **not** impacted their opportunity to secure a job.

# SEXUAL ORIENTATION



As of 2021, there are approximately **1.5 million people (3.2%)** across **England** and Wales who belong to the LGBTQIA+ community



**4%** of our respondents belong to the **LGBTQIA+** community.

#### Of our **total** EDI respondents,



Have confirmed that their **sexual orientation has impacted** their opportunities to secure jobs.

### Of this **4%** from the **LGBTQIA+** community



Felt that their sexual orientation may have impacted their opportunity to secure a job.

Compared to last year's survey, this is a **4%** increase in the number of people whose **sexual orientation has impacted** their job opportunities.



# DISABILITY

7% of our respondents have a disability as the term is defined by the Disability Discrimination Act 1995 (DDA).

67% has said that their disability **has** impacted their opportunity to secure a job.

# Th

The Disability Discrimination Act 1995 (DDA)

defines a person as disabled "if they have a physical or mental impairment, which has a substantial and long-term effect (i.e, has lasted or is expected to last at least 12 months) on the person's ability to carry out normal day-to-day activities".

### SCOPE FOR IMPROVEMENT:

Between 2020 and 2021, on average, more disabled workers are moving out of work than moving in.

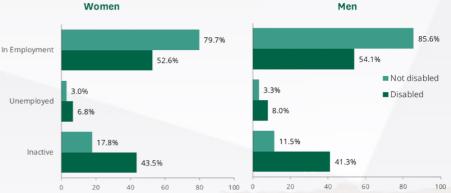
Disabled women have a higher unemployment rate (6.8%), a considerably higher economic inactivity (not in work and not looking for work) rate (43.5%), and a lower employment rate (52.6%) than non-disabled women.

### **NOTABLE ACHIEVEMENTS**

In 2022, the government achieved its 10-year employment goal which aimed to provide employment to 1 million more disabled people!

Currently, there are **4.9 million** disabled people in employment across the UK!







# MENTAL HEALTH & NEURODIVERSITY



Of our total EDI respondents,

- Have a **mental health** condition,
- And are neurodivergent

**25%** of our respondents with a **mental health condition** have felt/may have felt that their mental health condition has **impacted** their opportunity to secure a job, while **75%** have felt otherwise.

Around **1 in 7** of the UK population is neurodiverse.

15% to 20% of the population around the world is thought to be neurodiverse.

In the UK, only **21.7%** of people with **autism** are in employment.

# 50%

**50%** of our respondents who are **neurodivergent** have said that it **has impacted** their opportunity to secure a **job**.



 $\checkmark$ 

A **survey of 500 companie**s showed **low trust** in hiring people with mental health conditions:

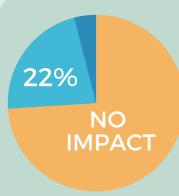
- **79%** of employers believe the amount of training required for workers with learning disabilities is greater than that for those without learning disabilities.
- **One-third** of respondents indicated that they would not knowingly hire an applicant with a learning disability.

#### Important:

Companies who actively hire neurodiverse talent and provide mentorship for them reported a 16% increase in profitability, 18% in productivity, and 12% in customer loyalty.

### ETHNICITY

**72%** of our respondents were white and only **22%** belonged to an ethnic minority group.



Out of our total respondents, **22%** believe that their ethnicity **has/may have** affected their **opportunity to secure jobs.** 

Out of these respondents, 50% were white and 50% belonged to an ethnic minority group

In 2021, **76%** of **white** people were employed, compared to **67%** of people from all other ethnic groups combined. Among all ethnic groups, the **highest employment rate** was seen in the **'white - other' ethnic group (82%)**. The lowest employment rate was in the combined **Pakistani** and **Bangladeshi** ethnic group **(58%)**.

### ETHNICITY

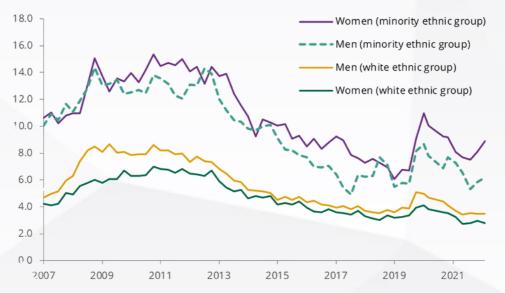
30% of our respondents who belonged to an ethnic minority group were women.

#### Between October to December 2022,

Women from minority ethnic groups had an unemployment rate of **8.9%**, compared to a rate of **6.2%** for **men.** 

#### Unemployment rates by ethnic background and sex

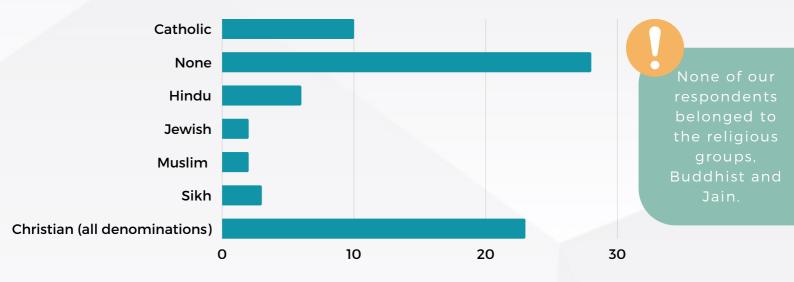
%, October-December 2007 to October-December 2022



Until 2019, **unemployment** for both **men and women** in minority ethnic groups fell more rapidly than for people from White ethnic groups, which meant that the **gap between them was shrinking.** 

However, after the pandemic the gap seems to have widened again, showing a sharp increase in unemployment for men and women from minority ethnic groups.

## RELIGION



It is worth noting that when asked whether their **religion** played a role in **securing their job opportunity**, <u>93%</u> <u>of respondents did not</u> <u>believe it did</u>.

It is interesting to note that as per the ONS Census 2021, for the first time in a census of England and Wales, less than half of the population described themselves as "Christian".

93%

The number of people across the UK reporting **"no religion" has increased** over the years from **25.2%** in 2011 to **37.2%** in 2021. It is predicted to increase further as our fact file suggests.

As of 2021, London remains the most religiously diverse region of England.



# EDI IN UK ORGANISATIONS

Majority of the respondents whose organisations actively support EDI policies belong to the **Not-for-Profit sector.** 

A significant number of people said their organisation **did not have an EDI Agenda**, belonged to the **Construction Sector.**  73% of this year's respondents
reported that their organisations
actively support the EDI agenda,
compared to last year' 84% who
made the same claim.

73%

Among those who said their organisation supported EDI, 98% of them were <u>optimistic</u> about their EDI policies being converted into action.

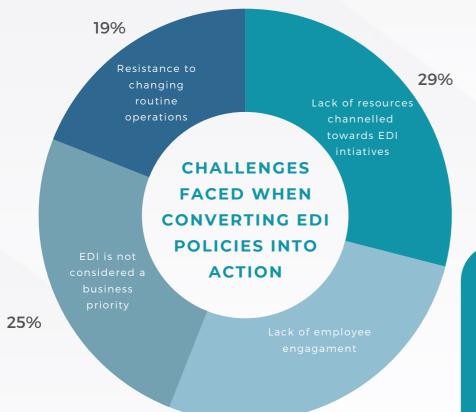
It is also important to note that last year, **3%** of respondents reported **not being aware** of their organisation's EDI agenda. This percentage has increased to **8%** this year.

This raises the question of whether there is still a **lack of awareness regarding EDI in organisations**.

#### **87%** of

professionals believe a <u>commitment to</u> <u>EDI</u> creates a more **open**, **trusting** workplace and improves **staff** retention.

# CHALLENGES FACING EDI



### 89%

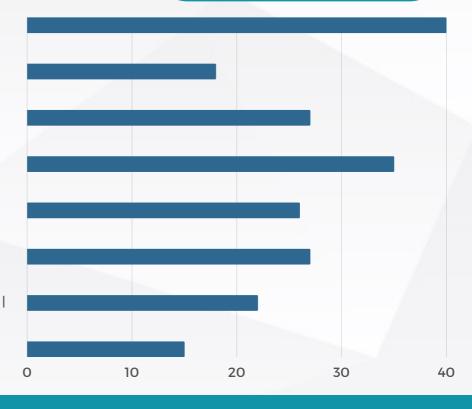
of procurement professionals believe a diverse and inclusive workplace culture ensures a more attractive place to work.

**52%** of organisations in the UK use unbiased language to describe vacancies and culture compared to last year's 61% suggesting a discrepancy between **intent** and **action**.

27%

#### **POSSIBLE SOLUTIONS:**

More training for managers Invest in areas that support EDI Have internal EDI ambassadors More training for employees Sensitivity training Review recruitment processes Recruit from a diverse talent pool Put recruitment targers in place

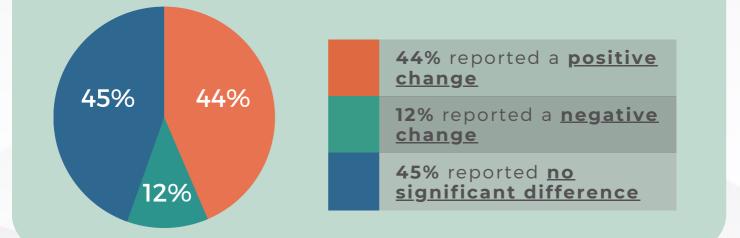


# POST-COVID WORKING MODELS

Post-Covid working models include hybrid work, which combines remote and in-person work, fully remote work, and flexible work arrangements.

89% of procurement professionals have claimed that Working from Home is the most desired workplace benefit.

Post-COVID working models and Employee Mental <u>& Physical Wellbeing:</u>



**46%** of procurement professionals say their work-life balance has improved since the beginning of the COVID-19 pandemic.



# UNSDGs & ORGANISATIONS

The United Nations Sustainable Development Goals (UNSDGs) were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

Organisations and countries around the world are aligning with the SDGs to promote sustainable development by addressing social, economic and environmental challenges.

Aligning with the UNSDGs can help organisations foster a more diverse, equitable, and inclusive workplace culture.

### **26**%

of our respondents reported that their organisations align with the UNSDGs.

> The lack of awareness around UNSDGs in the workplace raises a question about **employee** engagement.

### 30%

reported that their organisations have not aligned with any UNSDGs.

Informed employees can become **ambassadors of change** and can help organisations achieve its **sustainability** and **social responsibility commitments.** 

### 44%

said they were not aware of their organisation's involvement with the UNSDGs.

### How can UNSDGs help organisations?

- Create opportunities for under-represented groups
- Help identify systemic barriers to EDI
- Achieve ESG objectives

# SUPPLIER DIVERSITY

#### WHAT IS SUPPLIER DIVERSITY?

A Supplier Diversity program is a proactive business initiative which encourages the use of historically under-utilised businesses, providing wider opportunities to numerous suppliers.



said **"Yes"** when asked if their company has a supplier diversity initiative. 33%

said their company also has a **supplier diversity lead**.

A majority of these respondents belonged to Advertising/Marketing and Public Sector (Other).

According to a survey, 30% of organisations in the UK are planning to start supplier diversity initiatives in 2023.

### EDI IN PROMOTION

**48%** of our respondents **do not** think their **executive** team consists of a **diverse** workforce.

Out of this, the majority of our respondents (19%) belong to the **Public Sector - Other.** 

45% of our respondents said their promotion and evaluation process is NOT governed by EDI guidelines.

48%

Out of this, **74%** of our respondents said **"No"** when asked if their **executive** team consists of a **diverse workforce.**  This strongly suggests that the **absence of EDI** guidelines in promotion and evaluation processes result in a <u>lack of diversity</u> in executive teams.

### EDI IN PROMOTION

### **Notable Achievements:**

- 87 of the FTSE 100 companies met the Parker Review target of having at least one director from a minority ethnic background on their board. (Spencer Stuart)
- Financial services experience continues to be the most common industry background (31%) among minority ethnic directors.
- The most common functional experience among minority ethnic directors is general manager roles (37%), followed by group CEO roles (24%).
- 77% of FTSE 100 companies have four or more women on their boards.
- FTSE 350 companies have met its target of **women** holding on average **40%** of board positions.

As a result, UK is <u>second</u> globally in terms of percentage of <u>women on company boards</u>; This is positive and more can be done.

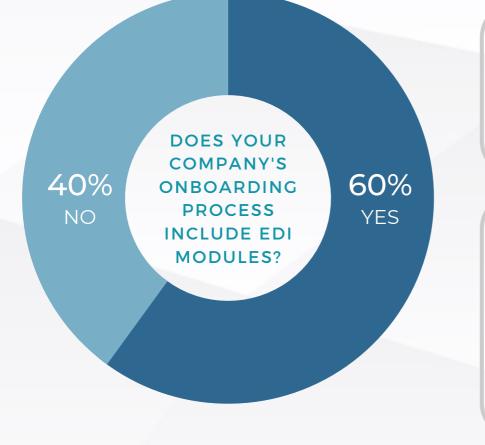
### EDI IN PRACTICE



84% of our respondents said "Yes" when asked if their workplace has been made accessible for employees with physical disabilities.

77% of our respondents have said "Yes" when asked if their organisation conducts workshops/training that promote mental health wellbeing.





72% say their organisation is committed to developing a diverse and inclusive team

Out of the respondents whose organisations have modules on EDI,

97% said they believe their organisation's EDI policies will convert into action.

### CONCLUSION

The encouraging news from this year's findings is that there has been a significant increase in the number of employees benefitting from EDI policies in the workplace, but there is still a long way to go.

Our survey data and market research show that priority groups have not, for the most part, felt negative impacts on their opportunities to secure jobs. Most of our respondents said "No" when asked whether their opportunity to secure a job was impacted by their age, gender identity, sexual orientation, ethnicity, religion, disability or, mental health status.

While individual employee experiences have been impacted by positive change, especially in the recruitment stage of employment and in postcovid working conditions, the effectiveness of EDI as mandatory operational guidelines for employee growth and organisational culture is still in question.

Most of our respondents said "No" when asked whether their executive team consists of a diverse workforce and a majority of them have faced numerous challenges in converting EDI policies into action. People have also emphasised the importance of EDI training for managers and employees for its successful implementation. Observations here suggest that employees are unaware of whether their organisations have aligned with UNSDGs and, although we have observed numerous positive changes, there is still scope for employees and team leaders to actively engage in establishing and executing EDI practices in the workplace.

Wider research across the UK has also shown positive progress for certain minority groups but there are still a number of communities that struggle to receive equal treatment. Whilst employment rates have risen for both men and women, there is severe unemployment and economic inactivity amongst disabled men and women. Similarly, there is still a wide gap in the employment rate between people of white ethnicities and other ethnic minority groups. Additionally, the lack of diversity in terms of gender identity, sexual orientation, disability status and mental health conditions amongst our respondent demographic reflects a significant lack of representation.

It is clear from relatively small progress between surveys that EDI has not yet entered the vernacular or larger social ethos of the UK workforce. But progress, however slow, is still happening and worth highlighting, especially that which is within the realm of the individual employee experience. Individual action is the first step taken towards larger change and it is essential that this is encouraged and adopted by more organisations in turn.

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