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| Committee(s): Establishment Committee | Date(s): Thursday 22 July 2010 | Item no. |
| | | |
| Subject: Workforce Survey & Recruitment Monitoring | Public | |
| Report of: Director of Corporate Human Resources | For Information | |
| Ward (if appropriate): | | |
| <p style="text-align: center;"><u>Summary</u></p> <p style="text-align: center;"><u>Executive Summary</u></p> <ol style="list-style-type: none"> 1. This report provides the Establishment Committee with a corporate overview of the results of the Workforce Survey carried out on 31st March 2010 and Recruitment Monitoring for the period April 2009-March 2010. 2. The report highlights an area of concern: - <ul style="list-style-type: none"> • the substantial growth in the number of employees who have failed to supply information on certain areas. It also outlines actions that CHRU took to address this issue and considers possible reasons for this development. 3. The report examines the representation of women, ethnic minorities and disabled employees (both across the wider organisation and in senior management) and also examines the contribution of recruitment to progress in these areas. It highlights that : - <ul style="list-style-type: none"> • the reporting period has seen continued improvement in the overall representation of ethnic minorities and women in the workforce, but a decline in the representation of disabled employees; • recruitment continues to be the major driver of gender and ethnic diversification - however the decline in the representation of disabled employees is also influenced by the recruitment process; • changes in the representation of these groups in senior management is in fact frequently due to: <ul style="list-style-type: none"> ○ changes in the posts covered by the definition of "senior management" due to grade and salary issues. 4. It is recommended that: - <ol style="list-style-type: none"> i. Members note and accept this report. | | |

Main Report

Purpose of the Report

1. This report seeks to provide Members with a corporate overview of the results of the Workforce Survey carried out on 31st March 2010 and compares this to figures for 31st March 2008. It also provides an overview of Recruitment Monitoring for the period April 2009 - March 2010. Information is presented concerning the gender, ethnic origin and disability status of existing employees and also those involved in the recruitment process.

The Workforce Survey

Range of Workforce Survey Data

2. The Workforce Survey data in this report covers all City of London Corporation employees (including teachers) in post at 31/03/10 **except** for civilian and uniformed Police. The total number of civilian employees of the Corporation at that date was 3539.

Areas of Exclusion

3. Certain data is provided by employees on a voluntary basis and thus is not available for every employee. For the purposes of this Report, the key areas affected by this are figures relating to: -
 - (i) Ethnic/Cultural Origin
 - (ii) Disability Status

Data concerning gender is collected via the Trent HR/Payroll system and therefore covers all employees.

Response Rates

4. The number of incomplete returns (**'no data'**) declined rapidly between 2008 and 2010 from 245 to 34 (from 7.1% of the workforce to less than 1%). This is primarily because of action taken by the Corporate Human Resources Unit (and in particular the Recruitment and Performance Management Teams) to ensure that all new employees provide information within a reasonable time after joining the City. However the number of employees who refused to provide their ethnic status (**'not stated'**) increased substantially over the period in review from 330 to 436 (9.6% to 12.3% of employees). This increase did not however outweigh the decline in incomplete returns and the Corporation wide response rate to the Workforce Survey questions on ethnic/cultural origin therefore improved over the period in review from 83.5% to 86.7%.
5. The Corporation wide response rate to the question concerning disability status declined from 90.3% to 84.0% - again these figures were influenced by

the number of new and existing employees who refused to provide information.

Commentary on Response Rates

6. There continues to be two distinct groups for which we have no relevant monitoring information: -
 - the '**not stated**' category have returned other information and have clearly chosen not to respond to specific questions;
 - the '**no data**' category for which no Equal Opportunities Monitoring Form has been received.
7. The '**not stated**' category had been in continuous decline for a number of years (largely due to staff turnover), however from 2007 / 08 onwards this category experienced a sudden and unexpected increase. It is now clear that numbers of both new and existing employees are making a conscious decision not to provide areas of monitoring information. As indicated in the Monitoring Report for the 2007 / 08 period, there is anecdotal evidence that some other authorities have also seen an increase in the number of new employees refusing to provide monitoring information over the last 2 -3 years and speculation that this may relate to a growing public wariness about providing sensitive personal data (especially given the extensive publicity given to incidents involving the "loss" of personal data by various public bodies and large businesses during this period).
8. Conversely the '**no data**' category has declined quite dramatically following action by CHRU to ensure that departments which recruit locally understand both the importance of obtaining this information and the actual procedure for doing so. In addition, a major exercise in 2009 / 10 meant that all existing staff who had not previously supplied information were contacted and asked to provide personal details as part of the full implementation of the Trent system.

Workforce Composition

9. The following table indicates the current position with regard to the composition of the City's workforce. It shows the proportion of the workforce on which we hold data that belong to the relevant groups and indicates the general progress trend over the years from 2006: -

| | Proportion of workforce at 31 March 2006 | Proportion of workforce at 31 March 2008 | Proportion of workforce at 31 March 2010 | Progress Indicator |
|---|--|--|--|--------------------|
| Ethnic Minority+ | 12.8% | 14.7% | 15.6% | Green |
| Ethnic Minorities in Senior Management* | 2.2% | 2.9% | 3.6% | Green |
| Women | 41.4% | 42.4% | 42.7% | Green |
| Women in Senior Management* | 19.8% | 20.7% | 20.7% | Amber |
| People with a Disability | 4.4% | 4.3% | 3.8% | Red |
| People with a Disability in Senior Management* | 4.3% | 1.7% | 0.7% | Red |

NOTES + Asian / Black / Chinese / Mixed / Other classification
 * Now defined as top 5% of earners

Recruitment Monitoring indicates that new recruitment has had the following impact on the attainment of our targets.

Black, Asian, Chinese, Mixed & Other – the percentage increase of ethnic minorities in the general workforce continues to be due to new recruitment. Recruitment monitoring indicates that 21.9% of new employees in the period under review were from ethnic minority communities (a substantial increase from 18.4% in the previous reporting period). The improvement in the representation of ethnic minorities in senior management however presents a more complex picture. While recruitment has played a part, changes in the actual posts covered by the definition of “senior management” have had a detrimental effect (see paragraph 14).

Women – this reporting period has seen a slight increase in both the percentage and numbers of female employees, with new recruitment making a very clear and positive contribution to this process (57.3% of all new appointees were female). The contribution of recruitment to the increase of women in senior posts over the last few years has been particularly marked (since 2005 50.0% of new appointees to these posts were female). Information from the Public Appointments Commissioner indicates that in the preceding year women accounted for 35.7% of senior appointments in the Civil Service and NHS*, a figure exceeded by the City. The apparent stabilisation of both the percentage and numbers of women

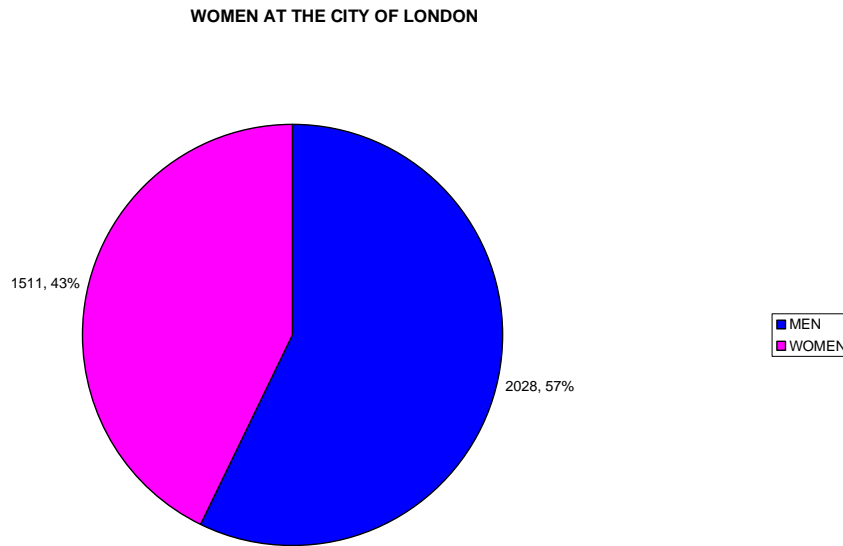
reflects both changes in the posts covered by this category and the fact that new female recruits have been balanced by leavers.

**The Office of the Commissioner for Public Appointments; Annual Report 2008-09*

Disability – 2% of new employees considered themselves to have a disability, which is lower than the existing profile for the Corporation. This represents a decline from the previous reporting period (3.5%), and it is clear that the decline in the representation of disabled people is largely due to the recruitment of fewer people self-classifying as having a disability. This issue has been discussed in previous Reports and it is noticeable that it appears to be one affecting organisations across the public sector (for example the Public Appointments Commissioner noted that the recruitment of disabled people to key Civil Service and NHS posts declined by 0.7% during their last reporting period).

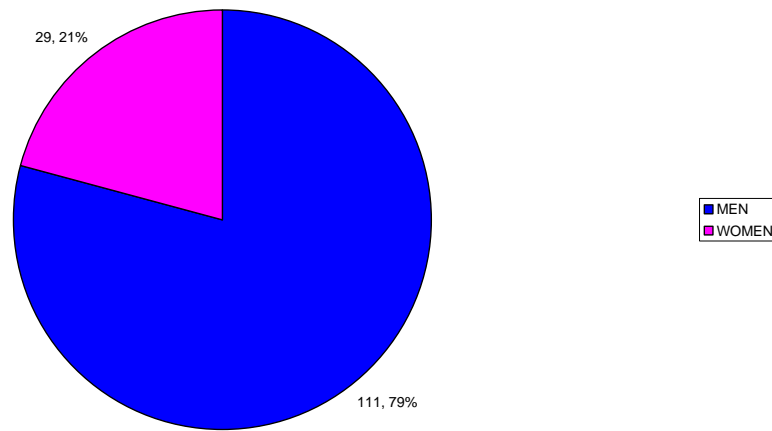
Gender Profile of the City's Employees

10. At 31/03/10 the Corporation had 3539 employees of whom 1511 (42.7%) were female.



11. At first sight it appears as if the growth of women in Senior Management has stalled during this reporting period; however this change is largely due to a change in the posts covered by the definition of "Senior Management" (see paragraph 15).
It should be noted that, even with this setback, from 2003 to 2010 women's representation within this group almost doubled (11.9% to 20.7%).

WOMEN IN SENIOR MANAGEMENT



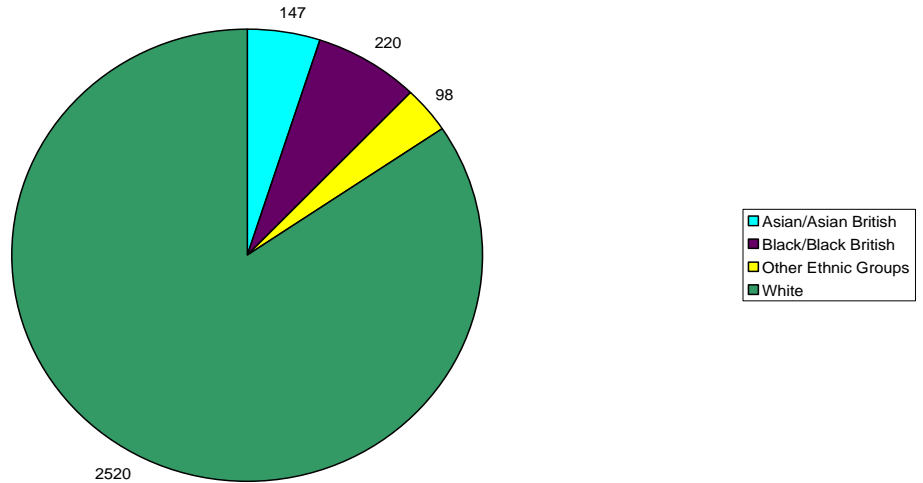
Ethnic / Cultural Origins of the City's Employees

12. As at 31/03/10 **393** of the **2971** employees who had classified themselves for Workforce Survey purposes were in non-white categories (15.6%). The chart below illustrates the ethnic and cultural origin profile of those members of the workforce that participated in the Workforce Survey as at 31/03/08 -

| Origins | N° | % |
|---|-------------|----------|
| Asian/Asian British | 147 | 4.9% |
| Black/Black British | 220 | 7.4% |
| Other Ethnic Groups: (includes Chinese, Mixed & Other) | 98 | 3.3% |
| White | 2520 | 84.4% |
| TOTAL | 2971 | |

It should be noted that the general improvement in response rates noted at paragraph 4 means that both the recorded number and overall percentage of employees from ethnic minorities increased during 2009/10.

Ethnic Composition of City Workforce



13. The following table represents the City’s progress to date in developing a more diverse workforce: -

| ETHNIC / CULTURAL ORIGINS | 1995 | 2010 |
|---------------------------|-------|-------|
| ‘Asian’ classifications | 1.70% | 4.9% |
| ‘Black’ classifications | 4.90% | 7.4% |
| ‘White’ classifications | 91.8% | 84.4% |
| ‘Other’ classifications | 1.6% | 3.3% |
| Total | 100% | 100% |

Ethnic Minorities and Women in Senior Management

14. While the percentage of ethnic minorities in senior management increased during the reporting period (from 2.9% to 3.6%) the number of employees remained the same (5). The percentage change is because we now have data on only 130 of the 140 employees in this group rather than the 142 employees of the 171 that were previously included under older definitions of “Senior Management”. This change is therefore primarily because the **posts** covered by the “top 5%” criteria have both changed and reduced in number over the reporting period. This is because if a particular salary point falls within the “top 5%” criteria, all employees receiving that level of remuneration must be included in the relevant statistics. However a number of factors, such as the pay and grading review, reduction in market force supplements at particular

grades, etc.* have combined to provide a more clear delineation of employee remuneration. [*The “top 5” of earners is determined by evaluation of annual salary, market forces supplements, honoraria and protected payments payable during the relevant financial year]

15. At the 31st March 2008 there were a total of 140 employees within the top 5% of earners (111 men and 29 women) compared to 172 employees (136 men and 36 women) in 2008. It should however be noted that this change is a result of the **posts** covered by the “top 5%” criteria changing (see paragraph 14 above).

Disability Status of the City’s Employees

16. The trend for the number of employees identifying as having a disability to decline in both *percentage* and *numerical* terms resumed during this reporting period having stabilised between 2007 / 08. It should be noted however that this apparent stabilisation was largely due to efforts by CHRU to encourage existing employees to provide this information – once this “one off” event was completed the downward trend continued, primarily because new recruits were less likely than existing employees to acknowledge having a disability (only 2% of new recruits say that they have a disability). In this case it should be noted that the percentage of employees who have refused to state their disability status is increasing (see paragraph 9 above).

| | Proportion of workforce at 31 March 2006 | Proportion of workforce at 31 March 2008 | Proportion of workforce at 31 March 2010 |
|---|--|--|--|
| People with a Disability | 4.4% | 4.3% | 3.8% |
| People with a Disability in Senior Management* | 4.3% | 1.7% | 0.7% |

17. Both the number (2 in 2008 and 1 in 2010) and the percentage of disabled people represented in senior management declined during this reporting. This was partly due to employee turnover and also partly the result of a change in the **posts** covered by the definition of senior management.

Recruitment Monitoring

Recruitment Survey Data - Exclusions

18. The Recruitment Monitoring data in this report covers all those applicants who completed the appropriate recruitment monitoring information for the year ending 31 March 2010. Data was collected from all departments within the Corporation, including applications for civilian posts within the police.

19. In total there were 12,143 applications for substantive positions during the reporting period, leading to 270 appointments (this compares to 4904 applications and 217 appointments in the preceding year). Of the total number of appointments made 40 – or 18% - were filled by internal applicants (compared to 25 (13%) in the preceding year).

Gender Profile of Applicants

20. The number of applicants who answered the question concerning their gender during the reporting period was 11,608 (95.6%) of all applicants. Of these applicants, 5879 were female, representing 50.6% of applicants for whom we have information.

21. The graph below shows the percentage of males to females in all four stages of the recruitment process. During 2009 / 10, women were marginally more likely than men to submit an application, but significantly more likely than men to be appointed. It should be noted that this is the first period since the City began monitoring recruitment that the number of female applicants has exceeded males.

*Although applicants may fail to provide gender information for recruitment monitoring purposes, this information is always obtained by CHRU as part of the “on-boarding” process.

| ALL DEPARTMENTS | TOTAL APPLICANTS | AS % OF APPLICANTS | FEMALES | | MALES | | NON RETURNS |
|-----------------|------------------|--------------------|---------|-------|-------|-------|-------------|
| | No. | % | No. | % | No. | % | No. |
| APPLIED | 12143 | 100% | 5879 | 50.6% | 5729 | 49.4% | 535 |
| SHORTLISTED | 1299 | 11% | 627 | 52.2% | 575 | 47.8% | 97 |
| INTERVIEWED | 1163 | 10% | 556 | 51.9% | 515 | 48.1% | 92 |
| APPOINTED | 271 | 2% | 145 | 57.3% | 108 | 42.7% | 18 |

Ethnic Origin of Applicants

22. The number of applicants reporting their racial or ethnic origins during the 2000/10 reporting period was 11,354 (or 93.5% of all applicants). The table below illustrate the progress of ethnic minorities through the recruitment procedure based on applications where ethnicity is known.

| | TOTAL | ETHNIC MINORITY APPLICANTS | % | WHITE APPLICANTS | % |
|--------------|-------|----------------------------|-------|------------------|-------|
| APPLIED | 11354 | 3947 | 34.8% | 7407 | 65.2% |
| SHORT LISTED | 1177 | 307 | 26.1% | 870 | 73.9% |
| INTERVIEWED | 1043 | 252 | 24.2% | 791 | 75.8% |
| APPOINTED | 252 | 55 | 21.9% | 197 | 78.1% |

23. The City continues to remain successful at attracting applications from ethnic minority candidates, with this reporting period seeing an increase in such applications from 34.3% in 2008 to 34.8% in 2010. There is anecdotal evidence that the positive actions taken by CHRU in this area (e.g. the outreach programmes undertaken by CHRU in conjunction with the Brokerage and similar employment organisations based in the City Fringe, targeted advertising campaign which aim to raise our profile amongst appropriately qualified job seekers in the relevant communities) have helped to secure this trend. However representation of ethnic minorities tends to decline during the recruitment process. This pattern is not only well established historically, but is also common to all departments.

[As reported to Establishment Committee in September 2005, an extensive investigation into the reasons for this pattern has clearly indicated that outcomes were based on objective selection criteria. The comparatively poor performance of ethnic minorities tends to be attributable to candidates identifying less relevant experience and fewer formal qualifications during the recruitment process than other groups.]

Disability

24. The number of applicants answering questions about their disability status during the reporting period was 11,120 (or 91.5% of all applicants – a substantial increase from 79.8% in 2008). The table below indicates the comparative percentage of disabled applicants through each stage of the recruitment procedure.

| | APPLICANTS WITH A DISABILITY | | APPLICANTS WITHOUT A DISABILITY | |
|--------------------|------------------------------|------|---------------------------------|-------|
| | No. | % | No. | % |
| APPLIED | 384 | 3.6% | 10736 | 96.4% |
| SHORTLISTED | 58 | 5.4% | 1077 | 94.6% |
| INTERVIEWED | 51 | 5.2% | 975 | 94.8% |
| APPOINTED | 5 | 2.1% | 239 | 97.9% |

25. Although the number of disabled applicants increased in line with the general increase in applications (3.6% of applicants were disabled during this reporting

period compared to 3.5% in 2008) the number of appointees *declined* from 3.5% to 2.1% This is a disappointing result given the improvements made in the previous reporting year. This figure also impacts adversely on the overall percentage of disabled employees as it means that the City is currently not even recruiting enough disabled employees to counteract the loss of existing disabled employees due to resignation, retirement etc.

26. It is noticeable that the representation of disabled applicants “peaks” during the short-listing and interviewing stage of the application process. This clearly demonstrates that the actions taken by CHRU to remind departments of our commitments under the “two ticks” symbol (to short list and interview all disabled applicants who meet the minimum essential requirements for the job), and efforts to ensure that these commitments were more rigorously acted upon, continue to be successful.

Sexual Orientation

27. In response to requirements of the Equality Framework and provisions in the Equality Act 2010, the City introduced the monitoring of recruitment by sexual orientation during the period under review. Although we do not yet have a full year of statistics for this category, two key points can be made: -

- the percentage of applicants identifying as gay, lesbian or bisexual (6%) remains constant throughout the recruitment process;
- the percentage of applicants who have not completed this section is substantially higher than for other areas (approximately 50% of appointees who had the opportunity to provide this information have done so).

Interestingly, the figure of 6% identifying as gay, lesbian or bisexual is the same figure that government departments have adopted in the absence of any Census data etc. in this area.

Conclusion

28. During 2009 CHRU undertook a major exercise to reduce the number of employees for whom we held no relevant monitoring information, and to also ensure that information was obtained from new recruits as soon as possible. While both of these initiatives were successful (reducing the number for whom we held ‘**no data**’ rapidly between 2008 and 2010 from 245 to 34 (or from 7.1% of the workforce to less than 1%), this coincided with a sharp increase in the number of employees and applicants who consciously refused to provide certain information (the ‘**not stated**’ category). Whatever the reason for this increase (and there is anecdotal evidence and speculation that it may reflect a wider societal unease about the safety of personal data), unfortunately it will over time lead to distortions in data that make direct and on-going comparisons difficult.

29. This reporting period has seen continued improvement in the overall representation of ethnic minorities and women in the workforce. Recruitment clearly continues to be the major driver of gender and ethnic diversification. Conversely, the decline in the representation of disabled employees has been

impacted by the fact that in this reporting period disabled people have been less well represented amongst new recruits than amongst our existing workforce.

30. A superficial examination of the information concerning the representation of women, ethnic minorities and disabled people in senior management could be taken as an indication that progress in this area has: -
- continued with regard to ethnic minorities;
 - stalled with regard to women
 - reversed with regard to disabled people.

However, closer examination reveals that percentage changes in this area have been largely caused by changes in the posts covered by the definition of "senior management" due to grade or salary issues. It is becoming increasingly clear that the current central government guidelines for determining "Senior Management" are flawed. For the City this means not only a fluctuation of the actual posts falling into this category during each survey period but also fluctuations in the total number of such posts. This makes ongoing comparisons extremely difficult.

31. In the short to medium term CHRU intend to address the issues that have arisen during this reporting period by: -
- continuing to emphasise to employees both the importance of providing monitoring information and the confidentiality of the process (this will be done via articles in internal media, letters to employees during data cleanse exercises etc.)
 - using pro-active measures (such as targeted advertising) to increase the number of potential viable disabled candidates;
 - working with other organisations to understand the wider issues affecting the decline in self registration around disability.

Recommendations

31. It is recommended that: -

- i. Members of the Establishment Committee note and accept this report.

For further information contact: -

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