

<b>Committee:</b> Chief Officers' Group	<b>Date:</b> Friday 25 <sup>th</sup> November 2011	<b>Item no.</b>
<b>Subject:</b> Workforce Survey & Recruitment Monitoring	<b>Public</b>	
<b>Report of:</b> Director of Corporate Human Resources	<b>For Information</b>	
<b>Ward (if appropriate):</b>		
<p><b><u>Summary</u></b></p> <p><b><u>Executive Summary</u></b></p>		
<p>1. This report provides Chief Officers with a corporate overview of the results of the Workforce Survey carried out on 31<sup>st</sup> March 2011 and Recruitment Monitoring for the period April 2010 - March 2011.</p> <p>2. 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 : -</p> <ul style="list-style-type: none"> <li>• there has been a 3.8% reduction in the number of employees since the last reporting period and that the influence of exits on the diversity of the organisation may have been as great as new recruitment;</li> <li>• while the continued improvement in the overall representation of ethnic minorities and women in the workforce may appear to have “stalled” during this reporting period, the longer term trends remain positive;</li> <li>• the decline in the representation of disabled employees has continued;</li> <li>• while recruitment remains the major contributing driver of gender and ethnic diversification, conversely it currently has a negative impact on the representation of disabled employees;</li> <li>• changes in the representation of these groups in senior management is in fact frequently due to: <ul style="list-style-type: none"> <li>○ changes in the posts covered by the definition of “senior management” due to grade and salary issues.</li> </ul> </li> </ul> <p>3. The report also examines the representation of both age and religious belief amongst City employees and the considerable changes that have occurred in this area since 2006; in particular the “ageing” of our workforce and the decline in staff identifying as Christian (with a concurrent rise in those identifying as having no religion).</p> <p>4. The Report outlines actions that the Corporate HR Unit intends to take to address the issues raised.</p> <p>5. It is recommended that: -</p> <ul style="list-style-type: none"> <li>i. Chief Officers note and accept this report.</li> </ul>		

**Main Report**

## Purpose of the Report

1. This report seeks to provide Chief Officers with a corporate overview of the results of the Workforce Survey carried out on 31<sup>st</sup> March 2011 and compares this to figures for 31<sup>st</sup> March 2010. It also provides an overview of Recruitment Monitoring for the period April 2010 - March 2011. Information is presented concerning the gender, ethnic origin and disability status of existing employees and also those involved in the recruitment process. In addition, information is also presented on age, religious belief and non-belief, sexual orientation and gender and pay. While these areas have periodically been covered in previous Reports, our statutory obligations under the Equality Act 2010 and commitment to attaining Excellent status under the Equality Framework for Local Government necessitate their inclusion on an annual basis from January 2012.

## 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 Police staff and officers. The total number of individual employees of the Corporation at that date was 3407, a decline of 132 from the 3539 recorded at the same date in 2010.

### 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
  - (iii) Religious belief or non-belief
  - (iv) Sexual Orientation

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

### Response Rates

4. The number of incomplete returns ('**no data**') for ethnicity declined rapidly between 2008 and 2010 from 245 to 34 (from 7.1% of the workforce to less than 1%) and this improvement has been sustained in the current year (32 employees, or less than 1%) . The number of employees who refused to provide their ethnic status ('**not stated**') also declined over the period in review from 436 to 375 (from 12.3% to 11% of employees). The Corporate wide response rate to the Workforce

Survey questions on ethnic/cultural origin therefore improved over the period in review from 86.7% to 88.1%.

5. The Corporate wide response rate to the question concerning disability status also showed a slight improvement from 84.0% to 85.5%.
6. The response rate for questions concerning religious belief or non-belief was 75.7% (though interestingly the response rate for recruitment monitoring in this area is 90.2% which matches or exceeds other areas). We currently hold information on sexual orientation for 10.2% of employees, all of which comes from the recruitment monitoring process (the question on sexual orientation was introduced during the 2009/10 recruitment monitoring period). However existing employees will have the opportunity to complete this as part of the major Trent data check exercise commencing in December.

### **Commentary on Response Rates**

7. 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 information has been received.
8. The decline in the '**not stated**' category is most welcome as it follows a number of years when this category saw comparatively large increases. It should be noted however that most of this improvement comes from capturing information from new recruits.

### **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 2010	Proportion of workforce at 31 March 2011	Progress Indicator since 2010	Progress Indicator since 2006
<b>Ethnic Minority+</b>	12.8%	15.6%	15.6%	Amber	Green
<b>Ethnic Minorities in Senior Management*</b>	2.2%	3.6%	2.7%	Red	Green
<b>Women</b>	41.4%	42.7%	42.7%	Amber	Green
<b>Women in Senior Management*</b>	19.8%	20.7%	23.2%	Green	Green
<b>People with a Disability</b>	4.4%	3.8%	3.6%	Red	Red
<b>People with a Disability in Senior Management*</b>	4.3%	0.7%	1.1%	Green	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** – in previous years new recruitment has tended to increase the representation of ethnic minorities in the general workforce. This year, while the percentage of new ethnic minority appointees continued to exceed the representation of ethnic minorities in the general workforce (19.5% of new recruits identified as coming from an ethnic minority background compared to 15.6% of the existing workforce) these numbers were effectively offset by ethnic minority leavers.

It should perhaps be borne in mind that the surveyed workforce declined by 3.8% during this reporting period and that such a reduction may have as great an impact as new recruitment.

**Women** – this reporting period has seen a pause in the continued growth in the percentage of female employees, though it should be noted that in terms of recruitment women made up 54% of new employees. The contribution of recruitment to the increase of women in senior posts continues to be particularly marked (since 2005 50% of new appointees to these posts were female). Information from the Public Appointments Commissioner indicates that between 2000 and 2010 the annual percentage of women appointed to senior appointments in the Civil Service and NHS\* averaged 36%, a figure exceeded by the City.

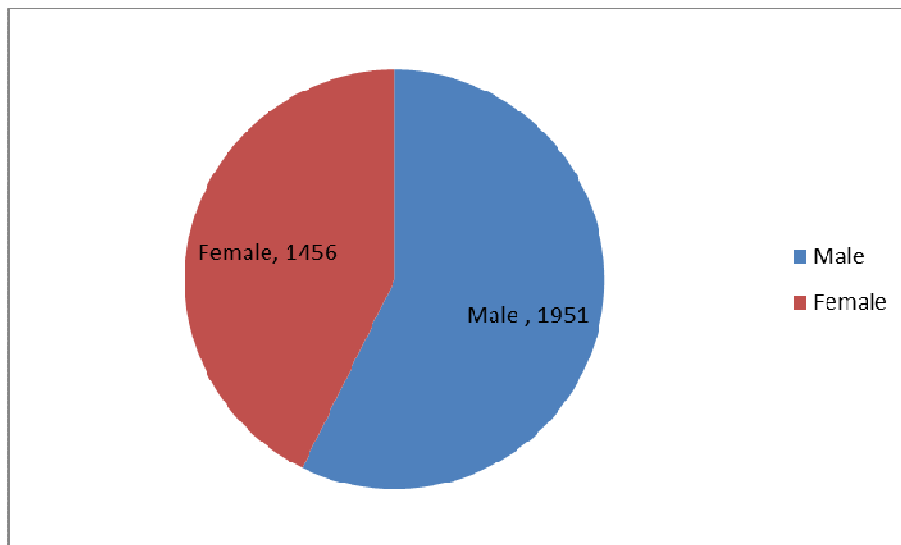
The increase in the percentage and numbers of women in this category reflects the fact that new female recruits have substantially exceeded leavers.

*\*The Commissioner for Public Appointments for England & Wales; Annual Report 2009-10*

**Disability** – 3.1% 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 identifying themselves 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 2008-09 Report the Public Appointments Commissioner noted that the recruitment of disabled people to key Civil Service and NHS posts declined by 0.7% from their last reporting period; while evidence from the London Equalities Network suggests a disabled recruitment rate of 2% - 4% across most London Boroughs).

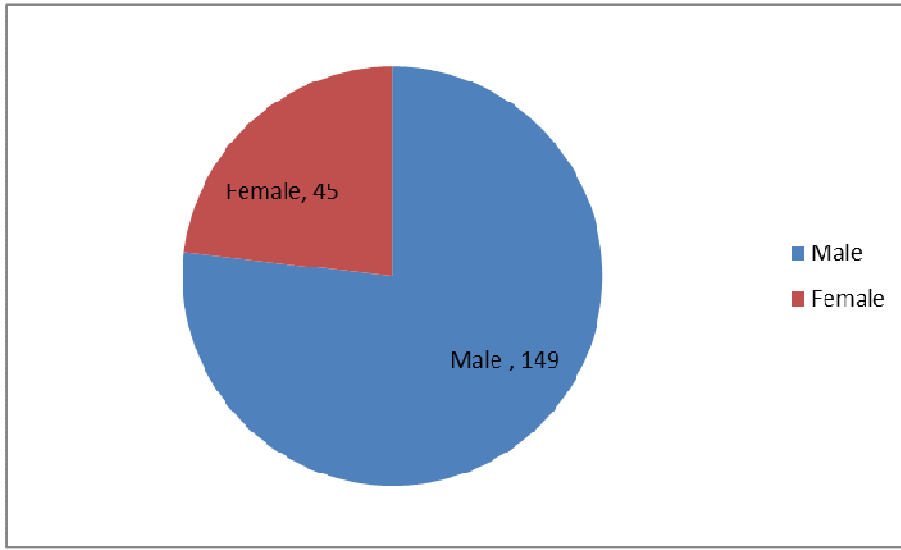
### **Gender Profile of the City's Employees**

10. At 31/03/10 the Corporation had 3407 employees of whom 1456 (42.7%) were female. While the percentage of women employees remains unchanged, the numbers have declined reflecting the decline in the workforce.

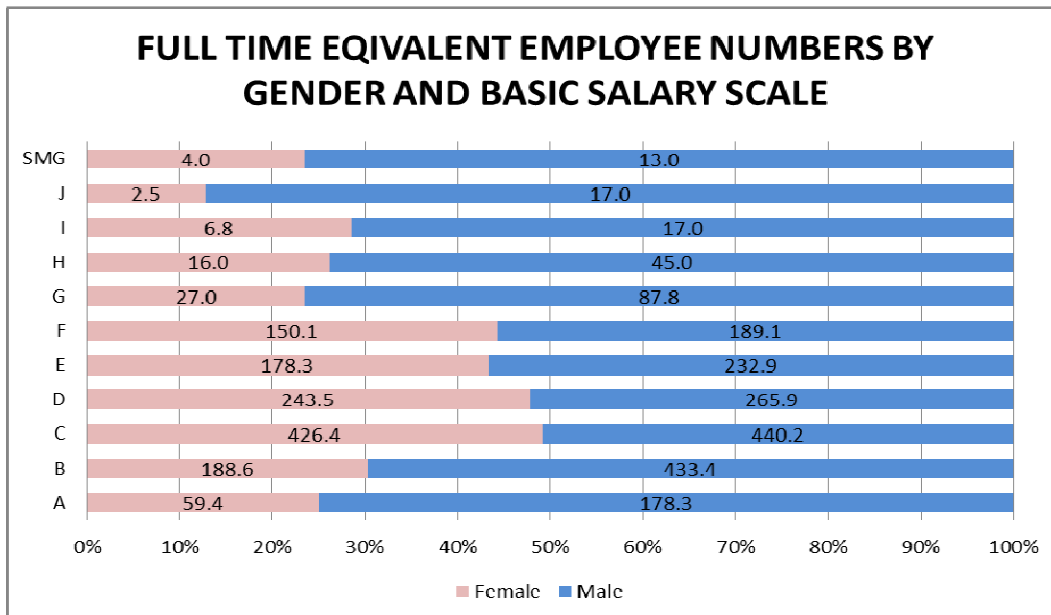


11. The growth of women in Senior Management positions appears to have resumed in this reporting period having; however approximately 50% of this change is due to a change in the posts covered by the definition of "Senior Management" (see paragraph 15).

### Senior Management – Gender Profile



12. The chart below shows the representation of women throughout the City's basic pay scales. It clearly shows the tendency for women to be clustered around grades most common for administrative, supervisory, lower / middle management or professional roles.



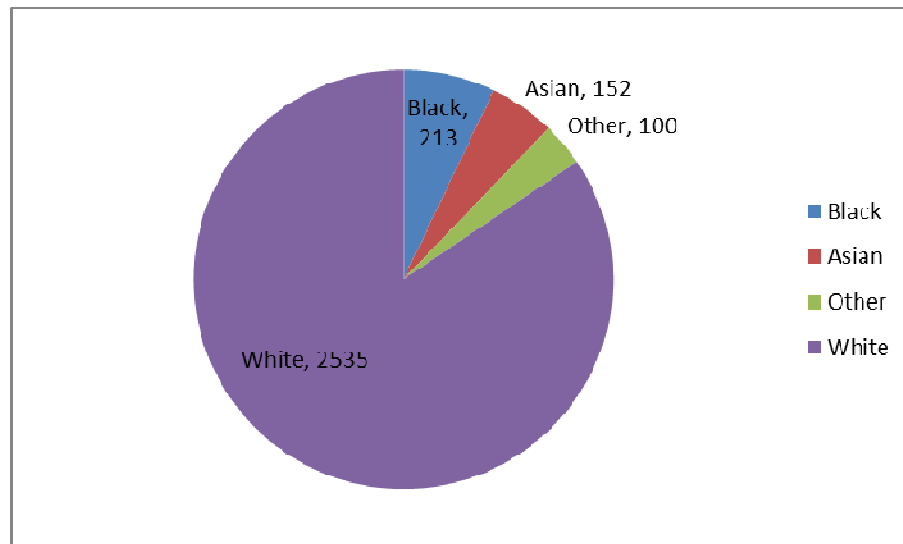
## Ethnic / Cultural Origins of the City's Employees

13. As at 31/03/11 **465** of the **3000** employees who had classified themselves for Workforce Survey purposes were in non-white categories (15.6%). This compares to 393 of the 2971 classified employees in the last reporting period. The chart below illustrates the ethnic and cultural origin profile of those members of the workforce that participated in the Workforce Survey as at 31/03/11 -

Origins	N°	%
Asian/Asian British	152	5.1%
Black/Black British	213	7.1%
Other Ethnic Groups: (includes Chinese, Mixed & Other)	100	3.4%
White	2535	84.4%
<b>TOTAL</b>	<b>3000</b>	

It should be noted that the general improvement in response rates noted at paragraph 4 affected both white and the total for ethnic minority categories equally; thus while the numbers identifying their ethnicity increased (despite the overall decline in the workforce) the percentages remained the same. It should also be noted that there were differences in the representation of different ethnic minorities; thus while both Asian and Other groups showed both numerical and percentage increases, this was offset by a decline in both the number and percentage identifying as black (220 and 7.3% in 2010).

**Ethnic Profile of City Employees**



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

ETHNIC / CULTURAL ORIGINS	1995	2011
'Asian' classifications	1.70%	5.1%
'Black' classifications	4.90%	7.1%
'Other' classifications	1.6%	3.4%
'White' classifications	91.8%	84.4%
Total	100%	100%

### **Ethnic Minorities and Women in Senior Management**

15. While the percentage of ethnic minorities in senior management declined during the reporting period (from 3.6% to 2.7%) the actual number of employees remained the same (5). The percentage change is primarily because of an increase in the number of posts defined as "Senior Management" which is now defined as the "top 5% or earners". While it may seem counterintuitive that the numbers in this group could increase while the overall workforce declined, this is actually a function of the grading system. It is possible for a number of people at the lower end of the "top 5%" salary band to earn exactly the same salary – as we are unable to differentiate between them this means that the numbers within this cohort may actually **exceed** 5% of the workforce. In this period for example, 194 employees (5.7% of employees) were in the "top 5%" of earners. Of these, we held information on 184 compared to 130 of the 140 employees in this group last year. The percentage change is therefore primarily because the **posts** covered by the "top 5%" criteria have both changed and increased in number over the reporting period, partly as employees progress through the salary scales.

[\*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]

16. At the 31<sup>st</sup> March 2011 there were a total of 194 employees within the top 5% of earners (145 men and 49 women) compared to 111 men and 29 women (140 employees) in 2010. This is a clear increase both in percentage and numerical terms.

### **Disability Status of the City's Employees**

17. The trend for the number of employees identifying as having a disability to decline in both *percentage* and *numerical* terms continued during this reporting period. New recruits were less likely than existing employees to acknowledge having a disability (only 3.1% of new recruits say that they have a disability). In this case it should be noted that the percentage of employees

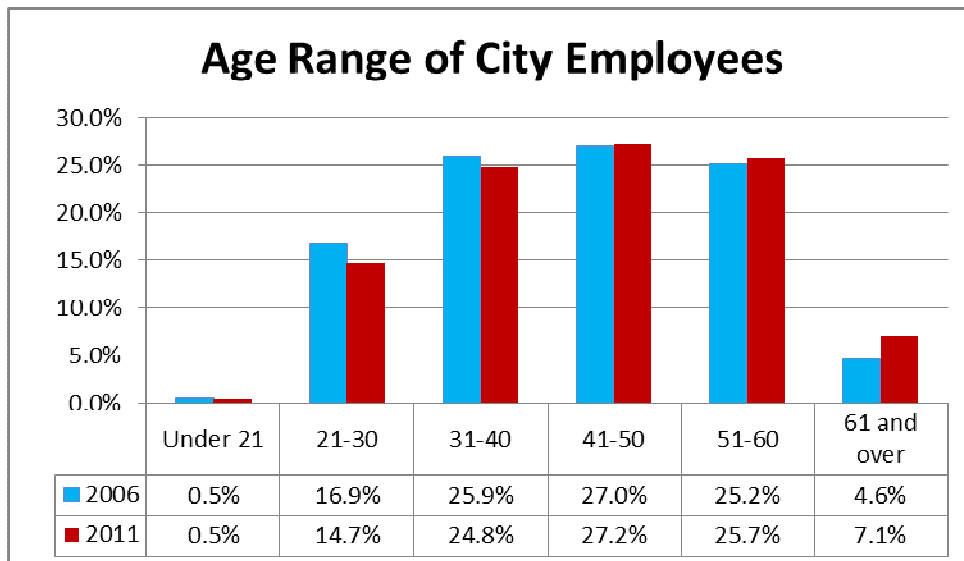
who have refused to state their disability status is increasing (see paragraph 9 above).

	Proportion of workforce at 31 March 2006	Proportion of workforce at 31 March 2010	Proportion of workforce at 31 March 2011
<b>People with a Disability</b>	<b>4.4%</b>	<b>3.8%</b>	<b>3.6%</b>
<b>People with a Disability in Senior Management*</b>	<b>4.3%</b>	<b>0.7%</b>	<b>1.1%</b>

18. Both the number (1 in 2010 and 2 in 2011) and the percentage of disabled people represented in senior management increased during this reporting period. This was however entirely the result of a change in the **posts** covered by the definition of senior management rather than new recruitment.

### Age

19. The City has previously published information on the age profile of its employees on an intermittent basis. The chart below provides a comparison of the age profile in 2006 and 2011: -



Perhaps the most noticeable feature of the age profile during this period is that the City's workforce has "aged" slightly – the largest movements being a 2.2 % decrease in employees aged 21-30 and a 2.5% increase in employees aged 61 and over.

20. This result seems counter-intuitive given certain changes during the period between 2006 and 2011, such as the expansion of the apprenticeship programme and the re-introduction of a compulsory retirement age in 2006. However, as in other areas, during a period of declining overall numbers the profile of those who have left the organisation is of greater significance than those recruited to it. For example, 187 new recruits were under 40 in the annual period up to 31/03/2011 (65% of recruits), but these were more than matched by the 214 leavers in this age group (74% of leavers).

### **Religious Belief & Non-Belief**

21. The City has collected information on religious belief and non-belief since 2003. The table below indicates the cumulative change in this area since 2006 (which was the first year when we held substantial information on existing staff) and details the beliefs of new recruits. The key changes during this period can easily be identified as a function of recruitment.
22. Previous reports (2007), have discussed the fact that religious identity does not exist in a vacuum, but is often a function of complex factors including age, ethnicity, level of educational attainment and social class. In particular, surveys increasingly show that those under 35 are much less likely to profess any religious identity; in this context it should be noted that the religious identification of our new recruits closely matches the profile for the under 35 age group in a survey of over 68,000 adults in Britain carried out by YouGov and Cambridge University (38% Christian, 55% No Religion), and that this group formed the largest single cohort of new recruitment.

	<b>2006</b>	<b>2011</b>	<b>New Recruits 2010/11</b>
<b>Buddhist</b>	<b>0.59%</b>	<b>0.39%</b>	<b>0.5%</b>
<b>Christian</b>	<b>62.3%</b>	<b>50.77%</b>	<b>37.0%</b>
<b>Hindu</b>	<b>1.13%</b>	<b>1.47%</b>	<b>2.0%</b>
<b>Jewish</b>	<b>1.33%</b>	<b>2.36%</b>	<b>1.5%</b>
<b>Muslim</b>	<b>2.19%</b>	<b>2.48%</b>	<b>3.0%</b>
<b>Sikh</b>	<b>0.31%</b>	<b>0.85%</b>	<b>2.0%</b>
<b>Other</b>	<b>3.63%</b>	<b>3.10%</b>	<b>1.0%</b>
<b>None/No Religion</b>	<b>28.53%</b>	<b>35.27%</b>	<b>53.0%</b>

The changes over the five year period indicate an increase in those professing no religion and modest increases in most minority faiths (Buddhists and “Other Religion” being the exceptions to this).

## **Recruitment Monitoring**

### **Recruitment Survey Data - Exclusions**

23. The Recruitment Monitoring data in this report covers all those applicants who completed the appropriate recruitment monitoring information for the year ending 31 March 2011. Data was collected from all departments within the Corporation, including applications for support staff within the police.

In total there were 12,630 applications for substantive positions during the reporting period, leading to 290 appointments (this compares to 12,143 applications and 270 appointments in the preceding year). Of the total number of appointments made 58 – or 20% - were filled by internal applicants.

### **Gender Profile of Applicants**

24. The number of applicants who answered the question concerning their gender during the reporting period was 12,064 (95.5%) of all applicants. Of these applicants, 5880 were female, representing 48.7% of applicants for whom we have information.
25. The graph below shows the percentage of males to females in all four stages of the recruitment process. During 2010 / 11, women were marginally less likely than men to submit an application, but significantly more likely than men to be appointed.

\*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 for successful candidates.

ALL DEPARTMENTS	TOTAL APPLICANTS	AS A % OF APPLICANTS	FEMALES		MALES		NON RETURNS
	No.	%	No.	%	No.	%	No.
APPLIED	12630	100%	5880	48.7%	6184	51.3%	566
SHORTLISTED	1417	11%	675	50.1%	673	49.9%	69
INTERVIEWED	1286	10%	630	51.5%	593	48.5%	63
APPOINTED	290	2%	150	54.0%	128	46.0%	12

### **Ethnic Origin of Applicants**

26. The number of applicants reporting their racial or ethnic origins during the 2010/11 reporting period was 10,348 (or 81.9% 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	10348	3654	35.3%	6694	64.7%
SHORT LISTED	1137	248	21.8%	889	78.2%
INTERVIEWED	1039	228	21.9%	811	78.1%
APPOINTED	226	44	19.5%	182	80.5%

27. The City continues to remain successful at attracting applications from ethnic minority candidates, with this reporting period seeing an increase in such applications from 34.8% in 2010 to 35.3% in 2011. 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 campaigns which aim to raise our profile amongst appropriately qualified job seekers in the relevant communities) appear to have helped to secure this trend.

However, as noted in previous reports the representation of ethnic minorities continues 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**

28. The number of applicants answering questions about their disability status during the reporting period was 11,118 (or 88.6% of all applicants – a decline from the 91.5% recorded in 2010 but still appreciably better than 79.8% in 2008). The table below indicates the comparative percentage of disabled applicants through each stage of the recruitment procedure.

ALL DEPARTMENTS	TOTAL APPLICANTS	AS A % OF APPLICANTS	APPLICANTS WITHOUT A DISABILITY		APPLICANTS WITH A DISABILITY	
	No.	%	No.	%	No.	%
APPLIED	12630	100%	11188	96.6%	398	3.4%
SHORTLISTED	1417	11%	1173	93.5%	82	6.5%
INTERVIEWED	1286	10%	1061	93.2%	77	6.8%
APPOINTED	290	2%	250	96.9%	8	3.1%

29. The percentage of both disabled applicants and disabled appointees was lower than the existing percentage of disabled employees. These figures impact 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. It should however be noted that the percentage of disabled appointees increased from the previous reporting period (from 2.1% in 2009/10 to 3.1% in 2010/11).
30. It is noticeable that the representation of disabled applicants continues to “peak” 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 are acted upon, continue to be successful.

### **Sexual Orientation**

31. 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 previous review period and 2010/11 marks the first time that we have had a full year of statistics for this category. It is noticeable that only 67.3% of applicants choose to provide information in this area, considerably lower than in other areas. This is perhaps not too surprising as this is a new area of monitoring, though it is also noticeable that the response rate from departments recruiting largely to lower graded and manual posts was particularly low, often less than 50%. Approximately 7% of applicants identified as gay, lesbian or bisexual, while 8% of appointees did so; both of these figures were higher than that adopted by government departments (6%) in the absence of any Census data etc. in this area.

### **Conclusion**

32. This reporting period has seen a continued improvement in response rates and 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.
33. The reporting information in this period has been complicated by the fact that there has been a much larger fluctuation in employee numbers than is usually the case between reporting periods, and that the most prominent feature of this fluctuation has been that exits of permanent staff have exceeded new recruits. Superficially, it would appear that the diversification of our wider workforce in terms of gender and ethnicity has stalled in this reporting period; however this must be seen in the wider context of our continued progress over the last few years where the trends remain positive. Conversely, the decline in the general representation of employees identifying as disabled has continued as has the fact that people identifying as disabled continue to be less well represented amongst new recruits than amongst our

existing workforce. It is however clear that a number of individuals who clearly meet the criteria for classification as a disabled employee have not identified as disabled for monitoring purposes. This issue appears to be common across the public sector, as has been discussed in previous reports.

Perhaps the most surprising finding in this reporting period has been the change in employee's religious identification. For some groups this has shown a much greater variation over the last five years than any other factor and it is clear that recruitment has had a significant impact in this area. It would also seem that this trend is part of wider changes in society.

34. 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 on-going comparisons extremely difficult. For example, while the increase in both numbers and percentage of female senior managers is unambiguous, variations in these figures for disabled and ethnic minority senior managers have been determined by changes in the posts covered by the definition.

### **Conclusion & Recommendations**

35. 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 support a major data check exercise in the next few months aimed at improving self-reporting – commencing in mid-December all employees will be asked to update relevant monitoring information either via Trent self-service or by a confidential manual process);
  - continuing to use pro-active measures (such as targeted advertising, the apprenticeship programme and working with City fringe organisations) to diversify our recruitment pool;
  - working with other organisations to establish clearer and more sustainable criteria for defining "Senior Management";
  - working with other organisations to understand the wider issues affecting the decline in self- registration and disability and by providing employees with clear information on disability criteria;
  - working with departments and the recognised trade unions to ensure that the issue of monitoring and its importance is raised and understood at the local level.
36. It is recommended that: -
- i. Chief Officers note and accept this report.

For further information contact: -

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