Financial Services
Skills Commission

Financial Services Skills Commission Access, Diversity & Inclusion Commitment

The Financial Services Skills Commission is committed to improving the sector's ability to secure the skills and talent needed for the future by widening access to opportunities and actively promoting diversity and inclusion.

There is an opportunity to increase skills through increasing structured pathways into the business not only for experienced hires but also for school leavers and graduates. Improving the diversity of candidates recruited and removing bias from recruitment processes naturally increases the size of the talent pool and skillsets available to you. This approach also develops and builds your organisational brand as an inclusive employer, improving brand equity in the talent market.

Great strides have been made across the sector in recent years to ensure greater diversity, inclusion, and equality, both within firms and through government and sector initiatives. These include the Hampton-Alexander Review, Women in Finance Charter, Race at Work Charter, Valuable 500 and many more, and our commitment encompasses the principles set in all of them. Improved diversity leads to better diversity of thought and better business outcomes. A workforce culture which encourages inclusion attracts and retains the most talented individuals, reduces costs from hiring and redundancies, and allows businesses to fully benefit from investing in employee development. Firms with a more diverse workforce and inclusive culture are more likely to expand into new markets, have increased innovation, employee retention and a stronger employer brand.

We therefore ask all FSSC member CEOs to commit to the following actions:

- **Increase access** to roles for individuals in talent pools which are not currently targeted but have been identified as filling key skills gaps.

- **Analyse talent search, application, recruitment, and attrition data** to monitor the diversity of new hires linked to targets set from the principle above to ensure fair access to work and inform decision making on recruitment supporting continued and broad access to skills and talent.

- **Improve recruitment practices** by removing bias from the system and utilise different sources and technologies for recruitment to gain access to broader skills and talent, based on your organisations talent needs and diversity commitments. Where 3rd party agencies are employed, alignment needs to be obtained to ensure access to diverse talent pools.

- **Collect data** from staff on gender, ethnicity, disability, gender identity, sexual orientation, socio-economic background, age, and workforce inclusion by actively encouraging colleague self-identification and inclusion measurement. Where possible, data on seniority, promotion and retention should be collected against these characteristics to ensure diversity and inclusion across employees' lifecycle.

- **Publish data** on workforce breakdown for gender and ethnicity with a view to include disability, gender identity, sexual orientation, socio-economic background, age, and workforce inclusion based on organisation's priority when sufficient data is available.

- **Set and publish targets** for increasing representation of women and ethnic minority representation at the Board of Directors and two layers of leadership below including the Executive committee and direct reports, with a view to setting and publishing targets for disability, gender identity, sexual orientation, socio-economic background, age, and workforce inclusion based on organisation's priority when sufficient data is available.

And would offer the following examples of some of the best practice approaches in the market today to help achieve these actions.

Opportunities for firms to increase their access to talent

Return to work programmes are an excellent source of highly skilled talent. Very few organisations have a specific programme to target this group which hosts a wealth of experienced professionals from an array of industries as well as the skills gained whilst out of the workforce. A returnship programme utilises this talent pipeline, offering support to the employees who may be apprehensive about returning to work whilst upskilling them on recent developments or process / policy changes. The demographic of the returner cohort is predominately women, which also boosts the senior female talent pipeline that is still a concern for many organisations.

Apprenticeships also provide an incredible source of skilled talent as the skills required can be tailored to suit the business requirements. Training apprentices in this way is also more cost effective than hiring skilled staff and makes use of the apprenticeship levy.

Removing bias from recruitment

To expand the talent pool to access the largest number of employees, recruitment processes must improve to eliminate biased recruitment towards the type of employee the organisation traditionally hires. This applies not just to the actual recruitment but also where the talent pool is drawn from. Data must be utilised to monitor the diversity of the applicants, the talent pools and subsequently recruited employees to identify where there may be bias.

AI and algorithms are increasingly involved in the recruitment process. Whilst they represent an opportunity to reduce human bias, they often reflect the bias of the designers of the algorithms who may not be a diverse team. Algorithms should be rigorously tested to ensure they are not biased before being used. For smaller scale organisations, other approaches to consider may include utilising different sources of recruitment and aligning values with 3rd party vendors involved, to ensure access to a variety of skillsets and talent.

Collecting workforce data

Collecting and reporting on workforce demographics and inclusion covering multiple facets of employee identity allows more targeted and effective decision making. Diversity and inclusion data enables forecasting on how decisions will affect workforce breakdown and how employees are feeling before problems occur. It can also help with creating targeted inclusion programmes to encourage more inclusive culture and behaviours.

Setting and publishing targets for representation

Setting targets for employee representation across the workforce, particularly at senior levels, is a clear commitment to working towards equality for all employees in FS regardless of their gender, ethnicity, sexual orientation, gender identity, disability, socio-economic background, or age. Targets should be sufficiently stretching, talent management aligned and based on the current position of the company, its priorities and desire to achieve positive change.

Improving representation so your workforce is more reflective of your customer base gives you better insight into your customers' needs. Publicly reporting targets for diversity and progress against those targets increases accountability as well as influencing other companies within the sector to make similar commitments. This approach in time will help improve the reputation of the sector as a more inclusive place to work.

The FCA have proposed an additional supervision question which would ask "is your management team diverse enough to provide adequate challenge and do you create the right environment in which people of all backgrounds can speak up?" By measuring diversity and inclusion and setting targets to improve, it will be possible to provide an evidenced based answer to this question.