

# Business Benefits of Work Inclusion

## Why working with people from disadvantaged groups works well for business

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### In a nutshell

Find out about the business benefits of delivering Work Inclusion initiatives that support people from disadvantaged groups to build successful working lives.

### Background

There are currently just under 2 million unemployed people in the UK (*ONS Statistical Bulletin, November 2014*), a third of who have been unemployed for more than one year. Within these numbers there are **a significant number of people who experience multiple barriers to work and who will not find their way into employment without targeted support.**

Experiences such as homelessness, time spent in statutory care, long-term unemployment and having unspent convictions often lead to individuals experiencing chronically low self-confidence. Coupled with a lack of recent work experience and more practical blockers such as being caught in a benefits trap, this means that **they can require companies to actively reach out to them** to enable them to gain and sustain employment.

### Benefits for all

We know that businesses and high streets prosper when back streets are healthy.

From over 16 years of experience, we also know **the incredible difference businesses can make** when they get directly involved in supporting people facing disadvantage.

Here, we set out how getting involved in Work Inclusion initiatives not only plays a critical role in addressing the social issues around disadvantage – offering clear benefits for the groups supported – but also brings significant benefits to businesses at the same time.

The **most common benefits** that the businesses we work with tell us about come under these four main categories:

- ⚙ **Employees and future workforce**
- ⚙ **Brand value and reputation**
- ⚙ **Direct financial impact**
- ⚙ **Organisational growth and effectiveness**

## No matter the starting point...

We know that the **motives for engaging in Work Inclusion initiatives vary** from company to company.

Engagement can spring from a desire to address the needs of a specific group; meeting a business need to develop a new talent pipeline; fulfilling a company's employee volunteering objectives, or a combination of all of these. In some instances, it can be a base requirement as part of license to operate.

The key factor that ties this together for many businesses is a recognition that Work Inclusion programmes provide companies with a way to **meet both CR and business objectives whilst engaging employees** on an issue of importance for both business and society.

The research we've done (find out more on p9) clearly shows that, regardless of the motivation for engaging in initiatives, there are considerable business benefits to be achieved from running Work Inclusion programmes and partnerships.

## ...the benefits are clear

- ⚙️ **Employees and future workforce:** benefits relating to developing current employees' professional and personal skills and accessing an increased recruitment pool such as diversity, employee retention and quality of talent.

*90% of companies said they have seen benefits relating to current employees and future workforce as a result of engagement in programmes.*

- ⚙️ **Brand value and reputation:** positive public recognition, raising profile with key stakeholders, media coverage, improved relationships with customers and suppliers.

*92% of companies running employability programmes for disadvantaged groups mentioned benefits related to increasing brand value and reputation.*

- ⚙️ **Direct financial impact:** cost savings primarily relating to recruitment and training, but also access to new sources of income

*Almost half of the companies we spoke to said they'd seen a direct positive financial impact from being involved in employability initiatives.*

- ⚙️ **Organisational growth and effectiveness:** new business and markets, or improvements to business processes, as a result Work Inclusion programmes

*63% of companies reported benefits relating to organisational growth such as winning tenders and developing new partnerships or improvements in operational effectiveness.*



# Employees and future workforce

Companies engage employees in Work Inclusion initiatives in all sorts of ways, including mentoring and coaching, delivering training and supporting candidates on work experience placements.

The advantages that come from these types of engagement are **some of the most frequently reported and highly regarded benefits of Work Inclusion practices**. They include benefits for existing employees:

- ⚙ Improved professional and personal skills (communication, leadership, problem solving);
- ⚙ Improved awareness of community issues;
- ⚙ Enhanced employee engagement (increased morale / motivation, commitment and loyalty).

Plus benefits relating to the future workforce of the company:

- ⚙ Increased recruitment pool (access to talent, increased diversity, quality of talent);
- ⚙ Improved retention rates/reduced turnover and reduced absenteeism.

## Improved employee engagement and skills

**65%** of the companies involved in our research mentioned **‘improved professional/personal skills of employees’** as being a key benefit of running a Work Inclusion programme.

This largely relates to **existing employees** who are given the opportunity to be involved in the programme.

**Just over a quarter** of companies said that engagement in Work Inclusion programmes helps their **employees develop an awareness of the issues affecting their communities**.

*“Before managing the apprentices, I had little management experience. It has been challenging at times, but I’ve learnt a lot and hope I have become a better manager as a result.”*

**Post room Administrator, ISG**

*“The attitude to diversity amongst our employees has changed as a result of the programme. 71% of survey respondents said that their perception of young talent in Tower Hamlets had changed in a positive way as a result of the programme.”*

**ISG**

Almost **60%** of companies reported **increased employee engagement** (including improvements in motivation / morale / satisfaction) as a key benefit of getting involved with programmes.

*“I’ve really enjoyed training and supervising people on placement. Working closely with clients has given me an unexpected addition to what I do as well as renewed job satisfaction.”*

**Receptionist, Sage**

## Finding quality talent

In addition to the benefits that employees experience directly from having the opportunity to engage with programmes, companies also report broader benefits relating to HR issues.

When it comes to recruiting, **60%** of companies referred to an **increased recruitment pool** or taking on participants from their programmes, with **30%** making particular mention of the **quality of the talent** to which their schemes gave them access.

**Over a quarter** of companies also mentioned the positive effect of **increasing diversity in their workforce**.

*“Retention rates on our Apprenticeship programme have increased from 75% to 98% as a result of recruitment through Kickstart. It helps us to achieve a workforce of 27% females (compared to the industry norm of 9%) and 34% ethnic minorities (compared to 2.8% within the industry).”*

**Keepmoat**

*“We have been able to become more successful in our recruitment activity, the retention rate for employees recruited through this route are much higher than more traditional recruitment processes.”*

**Capita**

*“Internal statistics demonstrate that Marks & Start recruits add to our diversity in age, ethnicity and in particular disability with 25% having a disability. Anecdotal feedback and comments show the benefit to store employees in breaking down misconceptions about employing from excluded groups, particularly around people with previous criminal convictions.”*

**Marks & Spencer**



## Brand value and reputation

Advantages relating to the **improved public perception of the company** were cited by **78%** of companies running employability programmes for disadvantaged groups.

Being seen as an employer that is not only helping address some of society’s most critical social issues but who is also enabling employees to play a role is of real importance to many businesses.

## Raising your profile

Achieving public recognition for these activities can enable companies to **develop a point of difference** over sector peers. It can also enable businesses to engage with the public sector and policy makers on an issue of great importance for UK society.

**Key indicators of improved brand value and reputation** include:

- ⚙ positive media coverage
- ⚙ winning awards
- ⚙ raised awareness amongst potential employees
- ⚙ achieving public recognition.

*“The programme undoubtedly improved our visibility locally and our employer branding. Having seen the publicity around the programme local organisations, academic institutions and government agencies all made contact to understand what we had done and how we had done it.”*

*PD Ports*

### Potential to boost competitive advantage

Looking at more direct impacts on businesses, **improved customer relations** were mentioned by **almost half** of the companies as a direct benefit from their involvement in employability programmes, and **improved commercial / client / partner relations** were reported by **65%**.



## Direct financial impact

Our research shows that businesses that measure the impacts of their Work Inclusion programmes are able to demonstrate benefits to the bottom line from engagement in these activities.

**45%** of the companies said they'd seen a **direct positive financial impact** from being involved in employability initiatives.

### Benefits to the bottom line

Of the companies that reported financial benefits, **well over three quarters** mentioned **reduced recruitment or training costs** and **half** mentioned **increased returns or funding**.

*“Our programme delivers a 36% cost saving per hire; an equivalent saving of £160 per hire in labour costs and 10.24 hours of store manager time. If we scale this up across the 810 people we have hired through the programme since we began our work, this represents a cost saving of £129,600 or 8,294 man hours.”*

*The Co-operative Group*

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## Organisational growth and effectiveness

Organisational growth in the form of **access to new markets, partnerships and new business**, was mentioned by **a third** of the companies engaged in employability programmes.

### Evidence of commitment

In most cases, being involved in such programmes represented an opportunity for new business, as clients are becoming **increasingly interested** in working with companies that demonstrate a socially responsible approach to business. This led to companies winning bids where CR, and specifically Work Inclusion, was an important criterion in the selection process.

*“Carillion’s commitment to sustainable communities and close work with clients continues to be part of both the work winning process and subsequent operational delivery, as demonstrated through hugely successful projects like the £189M Library of Birmingham, which has created lasting social value and an Award-winning, iconic facility”*

**Carillion**

### Improving the way you do business

Another benefit relating to the way organisations are run, which was mentioned by **almost half** of all the companies, is **improved operational effectiveness**.

This included benefits around **improvements to core business processes and efficiency**, as well as those related to HR practices as a result of learning gathered through Work Inclusion initiatives.

*“Teams report benefits from process improvements through breaking down tasks into smaller components for teaching and finding ‘smarter ways’ of working as a result.”*

**Project Search, GlaxoSmithKline**

## CASE STUDY: Ready for Work

Ready for Work, Business in the Community's national programme, supports some of the most disadvantaged people to enter employment, with businesses involved every step of the way. We work with **150** businesses in **20** locations providing training, work placements and post-placement support to equip people with the skills and confidence they need to gain and sustain employment.

Ready for Work has supported over **3,200** people into work since 2001 with **58%** of those who have gained work going on to **sustain employment for at least 6 months**.

Analysis of the Social Return on Investment of Ready for Work indicates that for every **£1** invested in the programme, **£3.12** of value is generated for society. There are significant benefits to the businesses and their employees that are involved in the programme too.

Employees can be involved in Ready for Work as job coaches, work placement buddies, training volunteers, programme or site coordinators and steering group members.

An online survey to all employees engaged with the programme in these voluntary roles (>26 companies with 76 responses) showed the following benefits:

### Ready for Work improved my job-related skills...

- Relationship building skills – **88%**
- Coaching skills – **85%**
- Communication skills – **82%**
- Influencing / negotiation skills – **75%**

### Ready for Work increased my...

- Job satisfaction – **74%**
- Motivation – **73%**
- Awareness of diversity – **88%**
- Commitment to the company – **57%**
- Sense of well-being / happiness – **82%**

**52% of respondents stated that the skills and experience gained from engagement with Ready for Work have helped them perform better in their job.**

### Ready for Work employee volunteer testimonials:

*"I have found the volunteering experience extremely enjoyable, rewarding and self-motivating and would highly encourage others to get involved."*

*"I really welcomed the opportunity to get involved in something as worthwhile as this programme."*

*"My involvement with BITC has given me the opportunity to contribute to society while in a job which ordinarily wouldn't allow me to do so - I feel like I get the best of both worlds!"*

*"It gives staff a sense of the real world and awareness of others."*

*"It has been fantastic to be able to use my skills and my team's skills to support people in the local community"*

*"I've seriously considered a part-time job as an employability tutor."*

*"It's been a great experience and really fulfilling. All the people I have met have been great; they've just been victims of circumstances, which could happen to any of us."*

# The business case for Ready for Work at Freshfields

Freshfields Bruckhaus Deringer LLP has run Ready for Work since 2001 in partnership with Business in the Community. The law firm offers work experience, job coaching and other support as well as recruiting programme graduates.

Existing staff are involved as buddies or supervisors for work placement participants, and they offer support after the placement as job coaches or through other volunteering opportunities.

Since the programme began, Freshfields has successfully improved participants' job prospects and employability, with 43% entering employment within a year of their placement and 83% sustaining employment for at least six months.

More recently, the firm increased the impact of the programme by focusing particularly on supporting ex-offenders.

*"When our employees see the firm making a commitment to support people facing disadvantage into work, it gives them a sense of pride."*

**Kevin Hogarth**  
**Global HR Director, Freshfields**

## **Kevin Hogarth, Global HR Director, Freshfields described the business case for the firm:**

*"I see the business case for our work inclusion activity falling into three strands.*

### **1. Reputation**

*We have a clear view that we want to be a responsible business that puts back into the community in which we operate. The legal profession can be seen as an elite, privileged environment, which people from different backgrounds find hard to access. It's a principle plank of our corporate responsibility strategy to make sure that we're countering this – giving opportunities to people who might otherwise find it difficult to enter work in our sector.*

### **2. Employee engagement**

*We see a tremendous benefit to the firm from increased employee engagement. When our employees see the firm making a commitment to support people facing disadvantage into work, it gives them a sense of pride and allows them to see their values reflected in the business. As a result, employees become great advocates of the firm. We want to recruit and retain people who are talented and motivated. Our involvement in Ready for Work helps us to do that.*

### **3. Access to a new talent pool**

*Through Ready for Work we have been able to tap into a new pool of talent – people who may have made a wrong turn in their life but have the skills, expertise and commitment to succeed. We are actively recruiting incredibly diverse talent, showing that we really are an organisation that's open to everyone. When we recruit a Ready for Work candidate, their placement can act as a long interview which also brings a financial benefit as we reduce our recruitment costs.*

*For me, of these three employee engagement provides the strongest business case for the firm."*

## How we did our research

We collated and analysed data from 40 companies' awards applications in the Work Inclusion and Employability categories of BITC's Awards for Excellence in 2013 and 2014.

The research focused on companies involved with or delivering the following types of activity:

1. Engaging with pre-employment support – involving employees with pre-employment training, workshops, coaching and mentoring
2. Providing work placements - offering quality placements for people from excluded groups to help them to develop their CVs, raise their aspirations and build their self confidence
3. Actively recruiting individuals facing barriers to work and supporting them to sustain employment (in-house or elsewhere, such as through the supply chain).

These have been identified through previous Business in the Community (BITC) research as being the most effective types of intervention to support disadvantaged people to build successful working lives.

The four main categories of business benefits we identified from our analysis of the awards applications correspond with those cited in an additional piece of research which BITC has been involved in – *Case study on the role of employers in promoting the employability and employment of people from disadvantaged backgrounds, July 2014* – as part of the pan-European DRIVERS project ([www.health-gradient.eu/employment](http://www.health-gradient.eu/employment))

## Next steps

If you'd like to find out more or get involved, please contact the Work Inclusion team:

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