ReGenerate is a charity that is making purpose-driven businesses the most successful and the new normal. We aim to unlock the win-win opportunity whereby businesses are intentionally helping to tackle the great social and environmental issues of our age through their unrivalled ability to innovate and scale solutions, from the cost of living crisis to climate change. We believe that businesses that operate in a purpose-driven way tend to be more successful and are key to driving economic growth.

We help to tackle some of society’s biggest challenges through encouraging the purpose-driven approach to business on specific issues by fostering high-trust, multi-stakeholder, collaborative relationships. From doing so we can provide proof points on the impact of purpose-driven business and build momentum on how business can be a tool for creating social good.

When businesses see the recruitment of marginalised groups as a solution to their problems it is more likely to become an integral part of their business model, creating a sustainable contribution to a social issue.
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1. Introduction

In this spotlight report we present a summary of key findings and statistics from The Good Jobs Project report called "The Purpose-Driven Business Solution to the UK’s Labour Shortage", including a focus on the West Midlands region.

We present key statistics from our Good Jobs Project survey at a national level, as well as providing the views of employers that were surveyed in the region.

All findings in this summary are referenced in the full report and any key data point from the survey are highlighted in green boxes. For more information and to read the full report, visit www.re-generate.org/the-good-jobs-project.

WHAT IS THE GOOD JOBS PROJECT?

The Good Jobs Project is a collaborative initiative that brings together leaders in business, recruitment, government, investment, business networks, researchers and those who strive to support marginalised individuals into sustainable, good quality jobs. The marginalised groups include:

- Young people facing disadvantage
- Young people in or leaving the care system
- People aged over 50
- Single parents
- People with caring responsibilities
- People with limited access to transport
- Ex-offenders
- People with disabilities
- Neurodiverse people
- People with mental health conditions
- Ethnic minority groups
- Refugees
- People who are currently or have recently been homeless

The current labour market challenge has created an amazing catalyst to encourage employers towards a more purpose-driven approach to recruitment. Specifically, there is an opportunity to fill the UK’s 1.1 million labour vacancies with people facing marginalisation, to the benefit of both businesses and the people they are recruiting.

THE PURPOSE-DRIVEN SOLUTION TO THE UK’S LABOUR SHORTAGE

This spotlight report is part of first output of the project and lays the foundations necessary to enable a transformation in the way UK businesses recruit. It provides a unique view of the business landscape as it is today as well as insights from the perspectives of employers, describing the challenges that they and marginalised groups currently face. It details how the issue can be brought together into an opportunity and why now is the opportune time to act.

The report sets out an action plan for those with the power to change the environment in which businesses operate that would motivate and support employers to hire from marginalised groups more easily and more profitably. It focuses on three influential groups: the government (who can enact policy and initiatives to influence business behaviour), investors (who can direct the flow of capital) and business networks (who can educate and support businesses in their work).

The Good Jobs Project’s scope intentionally focuses on the demand side, i.e. how to encourage and support employers to solve their recruitment issues through employing marginalised groups. While it touches supply-side issues, such as training and skills, this is not the primary focus. We feel that by making this approach to recruitment a reality, the Good Jobs Project can contribute to a sustainable and profitable solution to the UK’s labour shortage problem.
Our findings are based on a year-long study and were collected through: The Good Jobs Project Survey of 500 hiring managers, HR and recruitment professionals and senior business managers, conducted by Opinium Research in December 2022; semi-structured interviews with over 31 HR professionals and recruiters, conducted by ReGenerate between October 2022 and January 2023; two focus groups and a series of one-to-one consultations.

2. Employers struggle to recruit, while marginalised people are frozen out of work

A TIGHT LABOUR MARKET

Employers face a tight labour market and shrinking talent pool. This is a result of repeated shocks to the system in recent years such as the Covid-19 Pandemic, the UK’s exit from the European Union, the cost of living crisis, more people taking early retirement and the pressure to adapt to hybrid working to stay competitive. The compound impact of these shocks over a relatively short period of time has made operating conditions for businesses particularly tough.

The UK is experiencing one of its worst labour shortages in history. In the first few months of 2022, for the first time since records began, job vacancies outnumbered the people available to fill them. In March to May 2022, the UK reached a record high of 1.3 million job vacancies, which equated to roughly twice the average number of the last decade. Since then, although job vacancies have fallen to 1.1 million in January to March 2023, they are still over 1.3 times above December 2019 to February 2020 pre-pandemic levels, and the numbers remain exceptionally high. In 2022, the UK also experienced a six-year high in the rate of economic inactivity among the workforce, reaching 21.7%.

VACANCIES TEMPORARILY OVERTOOK PEOPLE SEEKING WORK IN 2022

Official unemployment levels and vacancies from Jan 2004 to Feb 2023

Source: ONS Unemployment levels and vacancies. Jan 2004 to Feb 2023

1 Office for National Statistics: Labour market overview, UK (March 2020, May 2022); Vacancies and jobs in the UK (June 2022, April 2023)
2 Centre for cities, 15/02/2023, Has economic inactivity gone up everywhere in the country since the pandemic hit?
Although vacancies are decreasing, recruitment confidence is still high and employers still face a tough labour market. 86% of employers from our survey were still recruiting in the last twelve months despite market conditions, however a fifth of those said that they could not fill their roles.

**86% of respondents said they were still recruiting and a fifth of those could not fill roles**

**Within the last 12 months, has your company / organisation tried to recruit new employees?**

- Recruiting (86%)
- Not recruiting
- Don’t know

<table>
<thead>
<tr>
<th>Recruiting</th>
<th>Not recruiting</th>
<th>Don’t know</th>
</tr>
</thead>
<tbody>
<tr>
<td>69%</td>
<td>17%</td>
<td>11%</td>
</tr>
</tbody>
</table>

Nearly half (44%) of employers from our survey said that recruitment was more difficult now than it was in the past, compared to just over a quarter (27%) who said it was easier.

**44% of respondents find recruitment harder now than in the past**

Do you feel that it has been easier or more difficult to find employees in the current labour market than it has been in the past

<table>
<thead>
<tr>
<th>Easier</th>
<th>About the same</th>
<th>More difficult</th>
</tr>
</thead>
<tbody>
<tr>
<td>7%</td>
<td>29%</td>
<td>31%</td>
</tr>
<tr>
<td>20%</td>
<td>29%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Nearly half (44%) of employers from our survey said that recruitment was more difficult now than it was in the past, compared to just over a quarter (27%) who said it was easier.

**TRAINING AND DIVERSITY ARE KEY OPPORTUNITIES**

Employers want to hire from marginalised groups rather than look abroad. There is an opportunity for employers and the government to focus on training its workforce and diversify recruitment by recruiting marginalised groups rather than looking abroad for workers. The majority of respondents to our survey (79%) believed that such diversity in the workplace is beneficial to any organisation. When asked about what would help solve the labour shortage, 76% felt that employers should hire workers from more diverse backgrounds and 71% said they would prefer to hire from diverse groups in the UK than look abroad for workers.

**PREFERRED SOLUTIONS TO THE LABOUR SHORTAGE CHALLENGE**

Thinking in general about the UK labour market, to what extent do you agree or disagree about the following statements?

- The UK should be training more of its workers to fill skills shortages
- Diversity in the workplace is beneficial to any organisation
- Employers should be encouraged to hire workers from more diverse backgrounds
- We would prefer to hire diverse groups in the UK than look abroad for workers
- Increased remote / hybrid working has been a good thing for the UK workforce

<table>
<thead>
<tr>
<th>Statement</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The UK should be training more of its workers to fill skills shortages</td>
<td>4%</td>
<td>87%</td>
</tr>
<tr>
<td>Diversity in the workplace is beneficial to any organisation</td>
<td>5%</td>
<td>79%</td>
</tr>
<tr>
<td>Employers should be encouraged to hire workers from more diverse backgrounds</td>
<td>6%</td>
<td>76%</td>
</tr>
<tr>
<td>We would prefer to hire diverse groups in the UK than look abroad for workers</td>
<td>6%</td>
<td>71%</td>
</tr>
<tr>
<td>Increased remote / hybrid working has been a good thing for the UK workforce</td>
<td>10%</td>
<td>69%</td>
</tr>
</tbody>
</table>
71% of employers said they would prefer to hire from diverse groups in the UK than look abroad for workers

THERE ARE MANY PEOPLE THAT FACE BARRIERS TO WORK

People from marginalised groups commonly face barriers to employment and are commonly frozen out of the labour market through exclusion from regular recruitment practices. If given a fair opportunity to access jobs, these individuals could help to narrow the vacancy gap and help foster business success.

The following are examples that some of the marginalised groups face.

- **Young people facing disadvantage**: Young people that have lived in workless households are more likely to be economically inactive and their employment rate is 20 percentage points lower than the average young person. Two out of three young people who are economically inactive have a mental health disorder, which affects their labour market prospects.

- **Young people in or leaving the care system**: School leavers in care are over four times more likely not to be in education, employment or training nine months after leaving school and are ten times more likely to go to prison by the time they are aged 24 than those growing up outside the care system.

- **Single parents**: Single parents are twice as likely to be unemployed, economically inactive or underemployed as couple parents; since 2019, the proportion of single parents who have faced redundancy has almost doubled, compared to an increase of one third for couple parents.

- **Ex-offenders**: Only 17% of ex-offenders each year are in work within 12 months of leaving prison and half of employers would not consider recruiting an applicant with a criminal record.

- **People with disabilities**: Disabled people are over twice as likely to be unemployed as non-disabled people (7.2% vs. 3.2%) and are nearly three times as likely to be economically inactive. Prejudice can be a common barrier to employment, with one in three experiencing assumptions or judgements about their capability.

- **Neurodiverse people**: Neurodiverse people are at least eight times more likely to be unemployed than non-disabled people (around 30% to 40% compared to a national average of 3.7%). They commonly face stigma, with over half of people with dyslexia reporting experiencing discrimination in interview processes and 60% of those with ADHD reporting having lost jobs due to their neurodiversity.

- **Refugees**: Refugee unemployment rates are estimated at three times the national average. They earn on average 55% less per week and can be prone to labour exploitation.

- **People who are currently or have recently been homeless**: 77% of homeless families in temporary accommodation are unemployed. For those who do work, they are often in low skilled, temporary employment. 40% of those in paid work are in ‘low order’ occupations such as in skilled trades or in elementary positions.

Many of the social issues outlined in this report are longstanding and will take time to resolve. There are

3. Office for National Statistics, 30/05/2022, *Young people in the labour market by socio-economic background, UK: 2014 to 2021*
4. Youth Employment UK, 24/01/2023, *Tackling Mental Ill Health Is Vital For Tackling Youth Economic Inactivity: New APPG For Youth Employment Report*
5. Home for Good, *Care Leavers and care-experienced young people*
6. Office for National Statistics, 05/12/2022, *The education background of looked-after children who interact with the criminal justice system: December 2022*
7. Gingerbread, 01/2023, *The single parent employment challenge*
8. Ministry of Justice, 08/03/2023, *Employing prisoners and ex-offenders*
9. YouGov/DWP, 2016 survey results
11. Scope, *Attitudes towards disabled people*
12. Ibid.
13. Refugee Employment Network, Homepage
15. Ibid.
no quick fixes. However, if businesses take notice of this opportunity, and increasingly employ people from marginalised groups, then together we can start to break down social barriers faced by these groups and normalise their participation in the UK workforce, and beyond.

3. A purpose-driven solution solves recruitment challenges in a way that benefits society

The Good Jobs Project seeks to promote a purpose-driven business approach to the labour shortage problem. By this, we mean that the solution benefits business as well as society, and therefore makes it more likely to be implemented and sustainable at scale. The power of the purpose-driven solution is that it helps to solve a business problem and a social one, in a way that is profitable, beneficial and sustainable for businesses. We believe this will help to unlock the full power of businesses to do good and create a triple win:

1. Businesses can successfully fill their vacancies and maximise value creation
2. Individuals facing marginalisation are able to find good jobs, which helps improve their life chances
3. The economy benefits from increased productivity and growth and a reduction in the cost to the state borne out of prolonged worklessness

This presents a remarkable opportunity to tackle the UK’s acute labour shortage through the recruitment of people who are often frozen out of employment due to social barriers to work. When employers view the recruitment of individuals from marginalised groups as a solution to their challenges, it is more likely to become an integral part of their business model, creating a sustainable contribution to a social issue. There are so many amazing organisations that already support disadvantaged groups into work, such as charities and specialist recruiters. The Good Jobs Project aims to support and amplify their good work by increasing the number of businesses seeking their expertise.

THERE ARE MANY REASONS WHY AN EMPLOYER MIGHT CHOOSE TO RECRUIT FROM MARGINALISED GROUPS

The motives for businesses to recruit from marginalised groups are varied but can be grouped into financial, strategic and personal reasons. We found that action was taken when employers saw the additional value that the marginalised groups could bring. Having a clear understanding of this value is core to institutionalising this behaviour into an organisation.

Top reasons why people broadened their targeting:
- 25% wanted to benefit local community
- 24% wanted to improve talent retention
- 24% wanted to bring innovation and new ways of thinking
- 24% wanted to change societal mindset and prejudice
**MOTIVES FOR TAKING ACTION TO RECRUIT FROM MARGINALISED GROUPS**

You mentioned your company / organisation has undertaken steps to encourage a more diverse range of applicants. Which of the following describes why this was?

<table>
<thead>
<tr>
<th>Financial</th>
<th>Strategic</th>
<th>Personal</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve our talent retention</td>
<td>To bring new ways of thinking and innovation to the company / organisation</td>
<td>To give the applications a chance they might not otherwise have had</td>
<td>3%</td>
</tr>
<tr>
<td>To help address our skills gap</td>
<td>To invest / broaden in the future workforce (pool)</td>
<td>To change societal mindset and prejudice</td>
<td></td>
</tr>
<tr>
<td>To gain a competitive advantage over competitors</td>
<td>To improve our company / organisation's reputation</td>
<td>To give the applications a chance they might not otherwise have had</td>
<td></td>
</tr>
<tr>
<td>To increase employee satisfaction</td>
<td>To improve our environmental, social and governance (ESG) performance metrics</td>
<td>To change societal mindset and prejudice</td>
<td></td>
</tr>
<tr>
<td>Investors asking for this</td>
<td>To give the applications a chance they might not otherwise have had</td>
<td>To give the applications a chance they might not otherwise have had</td>
<td></td>
</tr>
<tr>
<td>To help the company access new markets</td>
<td>To benefit our local community</td>
<td>To change societal mindset and prejudice</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To benefit our local community</td>
<td>To give the applications a chance they might not otherwise have had</td>
<td></td>
</tr>
</tbody>
</table>

1. **To improve our talent retention**: 24%
2. **To help address our skills gap**: 22%
3. **To gain a competitive advantage over competitors**: 16%
4. **To increase employee satisfaction**: 16%
5. **Investors asking for this**: 11%
6. **To help the company access new markets**: 11%
7. **To benefit our local community**: 25%
8. **To bring new ways of thinking and innovation to the company / organisation**: 24%
9. **To invest / broaden in the future workforce (pool)**: 22%
10. **To improve our company / organisation’s reputation**: 17%
11. **To improve our environmental, social and governance (ESG) performance metrics**: 17%
12. **To give the applications a chance they might not otherwise have had**: 15%
13. **To change societal mindset and prejudice**: 24%
14. **To give the applications a chance they might not otherwise have had**: 23%
15. **Other**: 3%

**KEY BENEFITS OF A PURPOSE-DRIVEN APPROACH TO RECRUITMENT**

**EMPLOYERS**

Many employers are finding it hard to fill their vacancies and are unaware that some of the marginalised groups could fill their roles. Employers benefit from filling their immediate recruitment needs, they see the recruitment of marginalised groups as a solution to their problems and it becomes an integral part of their business model.

**MARGINALISED PEOPLE**

There are a large number of people from marginalised groups who want to work but find it difficult to access jobs and for whom work can be a route out of social and economic deprivation. Individuals benefit from a good job, providing security, dignity and improved life and health prospects.

**SOCIETY**

Growth in the economy is slow and the cost of living for its citizens is high. The government lacks creative ways to boost productivity, to get more people into work and to do so without increasing the overall tax burden. Targeting recruitment to lower-income groups can help society by reducing their reliance on the social safety net. Opening up a wider labour pool could slow down wage growth and inflation. Filling unfilled roles could prevent GDP and productivity from falling.
4. THE WEST MIDLANDS CONTEXT

In this spotlight we look at the West Midlands as a region through the lens of the Good Jobs Project. This includes a region profile summarising labour force statistics, highlighting the views of local employers and proposing recommendations aimed at helping employers to use recruitment as a tool to improve regional prosperity, for businesses and communities.

ECONOMIC OUTPUT

The region makes up about 9% of the UK population and accounts for approximately 7% of the UK GDP. Although the average GDP per person is about £1,400 less than the UK average (not including London) it is still more or less in line with the rest of the UK (see Figure A).

FIGURE A: THE WEST MIDLANDS HAS A LOWER ECONOMIC OUTPUT THAN THE UK AVERAGE ON A PER PERSON BASIS

A comparison of economic output in the West Midlands with the UK average

<table>
<thead>
<tr>
<th>POPULATION</th>
<th>ECONOMIC OUTPUT</th>
<th>AVERAGE GDP PER PERSON</th>
</tr>
</thead>
<tbody>
<tr>
<td>9% of the UK</td>
<td>7% of the UK</td>
<td>Midlands: 26,330, UK (inc. London): 31,549, UK (w/o London): 27,725</td>
</tr>
</tbody>
</table>

Source: UK Census 2021 (Nomisweb/ONS), UK GDP by region 2020 (Statista)

INCOME

There is an opportunity for employers to address in-work poverty and to boost the spending power of households across the region.

Based on provisional ONS data on earnings and hours worked for 2022, the median gross weekly earnings were £517.50 per week, or £26,708 per annum. The median hourly pay was £14.01 per hour which is £3.11 more than the recommended Real Living Wage for outside of London. However, about 25% of the region are earning under the Real Living Wage, 20% earn less than the National Living Wage and the lowest 10% earn just £9.65 per hour (see Figure B). The region has an average gross disposable household income (after direct and indirect taxes and direct benefits) of £18.4k, which is £3k lower than the national average. As the cost of living increases this can put a particular strain on households with lower disposable income.
FIGURE B: ABOUT 25% OF THE WEST MIDLANDS POPULATION ARE EARNING LESS THAN THE REAL LIVING WAGE

A comparison of incomes in the West Midlands

Source: Earnings and hours worked 2022 provisional (ONS), Regional gross disposable household income (ONS)

EMPLOYMENT AND ECONOMIC ACTIVITY

Despite a growing skills gap and challenges filling vacancies, we believe that there is a sufficient supply of labour, although not all of it is necessarily obvious to employers. If this were tapped into, it could increase the size of the active workforce.

Based on official employment data, 62% of the West Midlands population are of working age, of which 74.2% are in employment, which is 1.7 percentage points less than the UK average. 5.1% are unemployed, which is 1.2 percentage points more than the UK average (see Figure C).

The regional inactivity rate is 21.9% (which is 0.9 percentage points more than the UK average). Some of the inactive population are likely to be involuntarily inactive, i.e. those who could work or look for a job if they had adequate support or better employment prospects. Nearly one in five (17%) in the West Midlands said they actively want a job in the 2021 Census. This could mean a further 3.7% of the region’s population (about 220k people) are not included in unemployment numbers. The remainder of the economically inactive may not be able to work due to disabilities, long term health conditions or other reasons.

FIGURE C: ESTIMATES OF THE WORKING AGE POTENTIAL WORKFORCE IN THE WEST MIDLANDS

A comparison of employment, unemployment and inactivity rates in the region

Source: Labour Force survey Jan-Mar 2023 (ONS)

16 ONS via Nomis, UK Census 2021
17 This data is from the 2021 Census and is therefore indicative only
WHO ARE THE UNEMPLOYED AND ECONOMICALLY INACTIVE

There could be as many as 300k people in the West Midlands that are out of work who would like to work (see Figure D). There are many ways to segment these people. Segmenting the working age population into age groups is one way to help to identify groups that could be prioritised for different interventions. In the region, the mixture of the younger, mid-career age and the older workforce is well distributed, meaning a variety of options for employers are available.

FIGURE D: NEARLY 300K ARE OUT OF WORK THAT WOULD LIKE TO WORK IN THE WEST MIDLANDS

Estimates based on total unemployment and 17% of economically inactive by age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Total Unemployed</th>
<th>Total Economically Inactive</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged 16-24</td>
<td>114.8k</td>
<td>41.4k</td>
<td>156.2k</td>
</tr>
<tr>
<td>Aged 25-34</td>
<td>26.3k</td>
<td>15.4k</td>
<td>41.7k</td>
</tr>
<tr>
<td>Aged 35-49</td>
<td>23.3k</td>
<td>25.6k</td>
<td>48.9k</td>
</tr>
<tr>
<td>Aged 50-64</td>
<td>53.1k</td>
<td></td>
<td>88.7k</td>
</tr>
</tbody>
</table>

TOTAL = 294K

Source: Employment, unemployment and economic inactivity by age group (ONS), LFS: Unemployment rate: UK: All: Aged 16-24 (ONS), West Midlands Region (Nomis)

This exercise should be repeated to estimate the opportunities of all marginalised groups such as those with experience of the criminal justice system, care leavers, disabilities and ethnic minorities, as many of these will face the significant barriers to employment highlighted throughout this report.

BIRMINGHAM

At a city level, Birmingham, the largest city in the West Midlands, has an employment rate of 69%, which is 5.4 percentage points lower than the national average (see Figure E). It is the 7th most deprived local authority in England and the most deprived authority in the West Midlands Metropolitan area. It has the highest concentration of overcrowded properties in the West Midlands. Birmingham Hodge Hill, a densely populated constituency in the east of the city, has the second highest unemployment rate, the highest child poverty rate and fuel poverty rate and ranks second lowest on the index of deprivation of any constituency in England.

Note: Although the numbers presented are not likely to accurately reflect each age group, they present an indicative number in lieu of the granular information.

To estimate the number of unemployed people, we took the national unemployment figures and applied them to the corresponding age demographics for the West Midlands. To estimate the number of economically inactive people that would like to work, we took the national inactivity rates and applied them to the corresponding age demographics for the West Midlands to return the estimated number of people, and then calculated 17% of those. Both of these figures are indicative as they are using the national age group rates which are likely to underestimate the number of people in the West Midlands. Moreover the percentage of the economically inactive that want to work is likely to differ by group.

18 Birmingham City Council, 12/2019, Index of Deprivation 2019
19 The Birmingham Child Poverty Commission, 06/2016, A fairer start for all children and young people: an independent report
20 Murray, J., The Guardian, 05/01/2023, ‘We’re being hammered’: cost of living crisis in one of England’s most deprived areas
### FIGURE E: EMPLOYMENT RATES IN BIRMINGHAM COMPARED WITH OTHER REGIONAL CITIES

<table>
<thead>
<tr>
<th>CITY</th>
<th>EMPLOYMENT RATE (2022)</th>
<th>POPULATION (2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stoke</td>
<td>78.3%</td>
<td>258,400</td>
</tr>
<tr>
<td>Telford</td>
<td>75.6%</td>
<td>185,500</td>
</tr>
<tr>
<td>National Average</td>
<td>75.4%</td>
<td>-</td>
</tr>
<tr>
<td>Coventry</td>
<td>70.8%</td>
<td>345,300</td>
</tr>
<tr>
<td>Birmingham</td>
<td>69.0%</td>
<td>1,144,900</td>
</tr>
</tbody>
</table>

Source: Annual Survey of Hours and Earnings 2022 (ONS), Census 2021 (ONS) and Annual Population Survey 2022 (ONS)

### THE BUSINESS LANDSCAPE

Over 99% of the businesses in the region are SMEs who provide 44% of the jobs, while 0.4% of businesses provide 39% of jobs (see Figure F). This means that while the large employers are particularly important, they should not be the sole focus of any interventions. The composition of the business population in the region is similar to the rest of the UK, with nearly 85% being micro, 12% small, 2.5% medium and just 0.4% large businesses.22

82% of current jobs are within the services sector, 11% are in production, 6% in construction and 1% in agriculture, forestry and fishing. The main services jobs are in Wholesale & retail (14%), Human health and social work (14%), Administrative and support (9%), Education (8%), Accommodation and food services (8%), and Professional, Scientific And Technical Activities (7%).

### FIGURE F: SMES PROVIDE 44% OF JOBS, WHILE LARGE COMPANIES PROVIDE 40%

Overview of the business population in the West Midlands

Source: UK business counts 2022 (Nomis), Business population estimates 2022 (ONS), Labour market profile 2023 - West Midlands (Nomis)

22 Note: Since the data was not available at a regional level, assuming the employment profile is also similar to the rest of the UK. 16% of businesses are listed with zero employees.
In terms of qualifications levels, there is a fair distribution of jobs provided to people of all levels. Nearly half of all jobs (48%) require a degree or equivalent qualification, with some occupations requiring postgraduate qualifications or a formal period of experience-related training (see Figure G).

**FIGURE G: THE WEST MIDLANDS WORKFORCE HAS A MIXTURE OF SKILLS AND QUALIFICATIONS**

Overview of the skills and qualifications in the West Midlands workforce

- **Managers, Directors And Senior Officials**
  - Requirements for occupations in this group range from high-level vocational training to degrees, post graduate qualifications, through to significant levels of knowledge and experience.

- **Professional Occupations**
  - Requirements for occupations in this group range from work-based training programmes through to a good level of general education with some additional vocational training or professional experience.

- **Associate Professional Occupations**

- **Administrative & Secretarial**

- **Skilled Trades Occupations**

- **Caring, Leisure And Other Service Occupations**

- **Sales And Customer Service Occupations**

- **Process Plant & Machine Operatives**

- **Elementary Occupations**

Most occupations in this major group do not specify that a particular standard of education should have been achieved but will usually have a period of formal experience-related training. Some occupations require licences issued by statutory or professional bodies.

Source: Labour market profile 2023 - West Midlands (Nomis)

There are many large employers in the region, the following are some examples:

- **Jaguar Land Rover’s manufacturing site at Solihull, West Midlands, employs around 10,000 staff.** Overall, they employ 11,000 across the UK.

- **Mondelēz International employs over 2,000 staff across five sites in the West Midlands and over 4,000 staff in the UK**

- **National Health Service staff totals over 83,000 across the West Midlands and 1.5 million employees across England**

- **Rolls-Royce employs around 9,000 people at its Derby headquarters in the East Midlands and 20,000 staff in Britain**

- **Severn Trent employs nearly 8,000 staff.**

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23 Corser, J., Express & Star, 15/02/2021, *Jaguar Land Rover jobs ‘safe’ in West Midlands despite new all-electric plans*

24 Jaguar, *Careers page*

25 Mondelēz, 02/11/2022, *Mondelēz International contributed £933 million to UK economy in 2021*

26 Mondelēz, *Home page*

27 Madeley, P., 07/06/2021, *NHS staff numbers rise by thousands in West Midlands in a year*

28 Nuffield Trust, 12/10/2022, *The NHS workforce in numbers*

29 BBC News, 09/07/2020, *Rolls-Royce: 3,000 staff explore voluntary redundancy*

30 Kleinman, M., Sky News, 20/06/2022, *Rolls-Royce hands workers £2,000 to ease cost of living squeeze*

31 Severn Trent, *Creating an awesome place to work*
5. What employers think

The Good Jobs Project takes a different approach than most. While many organisations see work as a solution to the problems disadvantaged people face, they often put the needs of the disadvantaged at their centre and work tirelessly to support them into work. This is much needed. The Good Jobs Project, however, puts the needs of the business at the centre and sees the inclusion of the disadvantaged as a solution for business. It represents a paradigm shift that ultimately aims to achieve the same outcome. By taking this approach we hope that employers see recruiting people from marginalised groups as a profitable and sustainable solution and that this practice becomes mainstream.

In this section we present findings from our interviews and survey. We asked employers what is currently holding them back, what is inspiring them to recruit from marginalised groups and what can make a difference to their behaviour.

THE EQUALITY, DIVERSITY & INCLUSION (ED&I) AGENDA IS PIVOTAL

There is an opportunity to broaden the focus of ED&I to include marginalised groups. The ED&I agenda has been a powerful movement and a tool used to increase diversity in businesses. To date, in practice, it has been narrow in focus, commonly relating to gender and race. Most of the people we interviewed associated our ambition with an expanded scope of ED&I and welcomed the approach. Our research shows that diverse workforces can benefit businesses financially and strategically, through enhancing staff loyalty, creativity and resilience, and well as improving community cohesion.

“It is important to have a workforce that represents our population. Diversity enhances decision-making and is a very important component for us.”

Rachel Gidman, Executive Director of People and Culture, Cardiff & Vale University Health Board

79% of employers felt that diversity in the workplace, in relation to the groups in our survey, is beneficial to any organisation.

76% believed hiring people from such diverse backgrounds can help address labour shortages.

INVESTORS AND ESG FRAMEWORKS NEED BETTER QUALITY DATA

More empirical research on an expanded scope of ED&I is needed and there could be further development around the standards and tools used to facilitate the collection of consistent and comparable data that inform investor decision-making. ESG frameworks enable investors to make informed decisions based on the risks and opportunities relating to the environmental, social and governance issues of companies. For investors to be active influencers of business behaviour, they need greater evidence on the material impacts of these issues in their portfolios. While some research exists to date, there is not enough for the evidence to be widespread.

“Any good HR director will realise [targeting recruitment of marginalised groups] is the next thing that’s coming. It’s not a requirement yet, but we wanted to be ahead of the curve because we’re passionate about the agenda.”

Niamh Macaskill, People Director, Camelot
MARGINALISED AND YOUNGER VOICES ARE LEADING THE WAY

A greater representation of younger and marginalised voices on boards could help businesses to benefit from more strategic decision-making around inclusion. The views and influence of younger generations are of increasing importance to business leaders given that the workforce is increasingly populated with people from younger generations. Younger respondents surveyed (aged 18 to 44) tended to be more open-minded about recruiting from marginalised groups and its benefits than older employers. This points to an attitudinal difference in how different generations might think about recruitment which is not currently being represented at the board level for decision-making.

“It’s not enough that just one team or person understands an individual’s issues and challenges. If people at the top don't, that business still has no overall inclusivity.”

Graham Drew, Founding Director, Bamboo Recruitment

Respondents under age 44 were 14% more likely than older respondents to think employers should be encouraged to hire workers from more diverse backgrounds (80% compared to 70%).

Respondents under age 44 were 29% more likely than older respondents to prefer to hire from diverse groups in the UK than look abroad for workers (76% compared to 59%).

RELATIVELY HIGH AWARENESS OF THE OPPORTUNITY IS NOT TURNING INTO ACTION

It should be made easier to find the information needed to develop business cases or to find advice, support, playbooks and guides to make it easier for businesses to employ from marginalised groups. 70% of respondents felt that more than half of the marginalised groups we asked about could fit well in their organisation, yet only about 20% were taking steps to recruit from most of the groups. This points to a large drop-off in the numbers taking action to recruit them. There are many reasons why this awareness is not translating into action, from the prevalence of social norms and preconceptions about marginalised groups, to the availability of evidence and best practice guides.

“Recruitment has been a lot tougher in recent years. I've been struggling to recruit a project manager all year and it's definitely changed the way I recruit. I've had to use a recruitment agency for the first time, which I never would have done before. I simply was not getting a wide enough net, so needed help finding people with the right skills.”

Anonymous interviewee

70% of respondents felt that more than half of the marginalised groups we asked about could fit well in their organisation, yet only about 20% were taking steps to recruit from most of the groups.

A quarter of respondents reported they had not taken any active steps to recruit from any of the groups.

SOME GROUPS ARE EVEN MORE DISTANT FROM GOOD JOBS THAN OTHERS

More can be done to level the playing field, even between the marginalised groups. Several people we spoke to talked about groups that were easier and harder to recruit than others. This observation was reflected in the data that clearly shows some groups being at even more of a disadvantage. This could be a result of real differences between the groups, i.e. they are heterogeneous, meaning they have different characteristics and requirements, or it could be a result of perceived differences, where employers’ knowledge and experience of each group can vary.
About 87% of employers said that groups such as single parents and ethnic minorities could fit well in their organisation, compared with 64% and 49% of employers reporting that people with mental health conditions and criminal records could fit well in their organisation, respectively.

28% of respondents said their organisation has taken active steps to encourage job applications to recruit young people, compared with 10% to recruit people who are or have been homeless or have a criminal record.

INCLUSION NEEDS TO BE A CONSCIOUS AND INTENTIONAL EFFORT

More could be done to break down negative preconceptions about marginalised groups, and to share best practices about how to target them effectively. Many factors can affect the decisions and behaviours of hiring managers when it comes to inclusivity. This can include prejudice, misconceptions, conscious or unconscious biases, or the fact that different groups may need varying types of requirements (e.g. workplace adaptations, pastoral support or flexible working arrangements). When considering targeting a specific marginalised group the decision will either be to intentionally target them, or not. Intending to target a group is only the start; how well that intent translates into action is critical and all too often it falls short due to poor knowledge or implementation of best practice, resulting in continued exclusion. This could be as simple as poor wording of job adverts, poor placement of adverts, lack of engagement with communities, lack of diversity on marketing materials and many more.

“We face not a shortage of labour, but a shortage of accessibility.”

Anonymous interviewee

About a quarter of respondents said they recruited from diverse groups specifically to combat misconceptions and change societal mindset, demonstrating that working along marginalised colleagues can help to break down negative preconceptions.

FINANCIAL INCENTIVES ARE CRUCIAL TO DE-RISKING THE RECRUITMENT OF MARGINALISED GROUPS

Financial incentives can help to address the cost barrier that can hold businesses back from hiring a more diverse workforce. Although some government incentives exist, more can be done to reform opportunities for financial support so that they are made more accessible to a wider variety of employers. For example, some of the marginalised groups might have additional needs that require some form of upfront cost for adaptations. In addition, current restrictions on some incentives may prevent employers from spending on things such as administration and other overheads that they may otherwise struggle to cover. This can result in them not taking up the incentives, particularly SMEs.

“Clients say they want more inclusive candidates but not at the cost of changing everything. That’s when the conversation disappears.”

Graham Drew, Founding Director, Bamboo Recruitment

BUSINESSES WANT TO LEARN FROM OTHER BUSINESSES

While some employer-led forums exist, more can be done to scale existing forums and to identify the gaps so that new forums can be encouraged to grow. This would enable more collaboration, coordination and sharing of resources and information between businesses. We found that businesses want to hear from and be inspired by others around them who are facing similar challenges, circumstances and intentions. Connecting with other business leaders facing similar challenges is key to moving from theory to action.
Forums can be tailored to the recruitment of specific marginalised groups or to the needs of different industries or regions.

“It’s a good moment. There’s a push from the government and there’s a pull from the employment market. Lots of people want to appoint prison leavers but they don’t know what to do. We got together and designed a workshop to just dish out everything we know and share the learnings we’ve made over the years.”

Annie Gale, Head of RAW Talent and Apprenticeships, COOK

ENSURING CANDIDATES ARE WORK READY CAN INCREASE DIVERSE RECRUITMENT

Improving the quality of work readiness training and expanding the marginalised groups targeted by government schemes is vital to maximise business success. The government has a major role to play in ensuring that there is sufficient supply of work-ready labour to meet business demand and fill vacancies. Government schemes that support candidates’ work readiness can incentivise employers to recruit from specific marginalised groups. We found that businesses felt that recruiting candidates that were not sufficiently work ready put a strain on time and cost.

“If new recruits were not work ready, they would likely fail quickly and the system would not work as a whole.”

Paolo Orezzi, Service Director, NSL

PARTNERSHIPS WITH INTERMEDIARY ORGANISATIONS CAN MAKE A HUGE DIFFERENCE IN SUPPORTING BUSINESSES TO RECRUIT FROM MARGINALISED GROUPS

More work should be done to make intermediary organisations that already exist easier to find and easier for employers to assess the quality of service they provide. To support employers and those from marginalised groups, there is a need for a joined-up support and guidance and support to both sides. Organisations of all sizes hugely benefit from external specialist support, particularly if they are not set up or trained to do so. Partnerships help give employers the confidence to recruit from talent pools they have not previously targeted. They can considerably reduce the risk to employers and candidates to ensure both are set up for success. Wrap-around support that includes pre-employment training and coaching, post-employment support, as well as training for the receiving managers and teams was highlighted as being particularly beneficial.

“I just don’t know enough about their special needs to know where I could get myself or my company in trouble. It can be easier to avoid the whole thing. Particularly because I don’t want to set anyone up to fail, that’s just not fair on them.”

Anonymous interviewee
ORGANISATIONS HAVE DIFFERENT NEEDS, THERE IS NO ONE SIZE FITS ALL SOLUTION

Different solutions are needed for incentivising and supporting different types of organisation. Many factors such as industry sector, size, ownership models and others can determine what solutions will be more or less successful. For example, employers from smaller organisations felt that financial grants were most important, compared to employers from large organisations who felt that more evidence was needed.

Micro business  
<10 employees  
22% felt that grants would encourage them (10 percentage points more than the average)

Small business  
10-49 employees  
25% felt that partnerships with specialists would encourage them (12 percentage points more than the average)

Large business  
>250 employees  
17% felt that more evidence would encourage them (14 percentage points more than the average)
6. A focus on the Midlands

The following information is drawn from the Good Jobs Project Survey and shows the attitudes and behaviours of employers in the Midlands region (note that this is inclusive of the East and West Midlands).

ATTITUDES AND BEHAVIOURS TOWARDS MARGINALISED GROUPS

The views of employers in the region were aligned with the national averages. With the exception of taking action to recruit homeless people being 7% higher, none of the other differences were statistically significant (see Figure H).

FIGURE H: ESTIMATES OF EMPLOYERS' LEVELS OF AWARENESS, INTENT AND ACTION BY MARGINALISED GROUP

<table>
<thead>
<tr>
<th>Group</th>
<th>Awareness</th>
<th>Intent</th>
<th>Action</th>
<th>Awareness</th>
<th>Intent</th>
<th>Action</th>
<th>PERCENTAGE POINTS DIFFERENCE FROM NATIONAL AVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethnic minority groups</td>
<td>-9%</td>
<td>88%</td>
<td>-4%</td>
<td>66%</td>
<td>28%</td>
<td>0%</td>
<td>1% 1% 8% 3%</td>
</tr>
<tr>
<td>Single parents</td>
<td>-13%</td>
<td>85%</td>
<td>-6%</td>
<td>48%</td>
<td>16%</td>
<td>-3% -2% -1% -4%</td>
<td></td>
</tr>
<tr>
<td>Young people aged 24 or under</td>
<td>-15%</td>
<td>83%</td>
<td>-7%</td>
<td>57%</td>
<td>26%</td>
<td>-1% 0% 0% 4%</td>
<td></td>
</tr>
<tr>
<td>Older people aged over 50</td>
<td>-14%</td>
<td>85%</td>
<td>-6%</td>
<td>48%</td>
<td>23%</td>
<td>1% 2% 1% -2%</td>
<td></td>
</tr>
<tr>
<td>People with caring responsibilities</td>
<td>-15%</td>
<td>82%</td>
<td>-6%</td>
<td>51%</td>
<td>20%</td>
<td>3% 4% -1% -3%</td>
<td></td>
</tr>
<tr>
<td>People with disabilities</td>
<td>-19%</td>
<td>77%</td>
<td>-10%</td>
<td>60%</td>
<td>20%</td>
<td>2% 4% 1% 6%</td>
<td></td>
</tr>
<tr>
<td>Young people in or leaving the care</td>
<td>-20%</td>
<td>69%</td>
<td>-11%</td>
<td>60%</td>
<td>13%</td>
<td>1% -1% -2% 5%</td>
<td></td>
</tr>
<tr>
<td>Refugees</td>
<td>-30%</td>
<td>62%</td>
<td>-19%</td>
<td>54%</td>
<td>14%</td>
<td>-6% -4% -6% 4%</td>
<td></td>
</tr>
<tr>
<td>People with limited access to transport</td>
<td>-28%</td>
<td>70%</td>
<td>-14%</td>
<td>49%</td>
<td>12%</td>
<td>0% -4% -4% -8%</td>
<td></td>
</tr>
<tr>
<td>The homeless (or recently homeless)</td>
<td>-22%</td>
<td>65%</td>
<td>-9%</td>
<td>52%</td>
<td>17%</td>
<td>-1% -1% 1% 0%</td>
<td></td>
</tr>
<tr>
<td>Neurodiverse people</td>
<td>-17%</td>
<td>63%</td>
<td>-15%</td>
<td>48%</td>
<td>13%</td>
<td>-4% -2% -2% -3%</td>
<td></td>
</tr>
<tr>
<td>People with mental health conditions</td>
<td>-28%</td>
<td>67%</td>
<td>-12%</td>
<td>53%</td>
<td>16%</td>
<td>0% 3% -2% 1%</td>
<td></td>
</tr>
<tr>
<td>People with criminal records</td>
<td>-40%</td>
<td>50%</td>
<td>-22%</td>
<td>47%</td>
<td>9%</td>
<td>-1% 1% 1% 2%</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>73%</td>
<td>53%</td>
<td>17%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities. Midlands respondents = 94, All respondents = 500.

VIEWS OF THE LABOUR MARKET

Employers in the region have found recruitment significantly harder than the UK average. Overall roughly the same percentage of employers were looking to recruit during the last 12 months. However, nearly twice as many said they had not been successful in filling their roles (see Figure I). This could indicate a need for employers, as a whole, to try different approaches.
FIGURE I: NEARLY TWICE AS MANY PEOPLE RECRUITING IN THE MIDLANDS COULD NOT FILL THEIR ROLES COMPARED TO THE UK AVERAGE

<table>
<thead>
<tr>
<th>Recruiting</th>
<th>Not Recruiting</th>
<th>Don't know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midlands</td>
<td>57%</td>
<td>31%</td>
</tr>
<tr>
<td>UK average</td>
<td>69%</td>
<td>17%</td>
</tr>
</tbody>
</table>

Recruiting (88%) But over a third of those recruiting could not fill roles

Recruiting (86%) But a fifth of those recruiting could not fill roles

Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities. Midlands respondents = 94, All respondents = 500.

WHY EMPLOYERS TOOK ACTION TO RECRUIT MARGINALISED GROUPS

For those employers that had taken action to recruit marginalised groups, the reasons were in line with respondents from the rest of the UK with minor variations. Improving talent retention, addressing skills gaps, benefiting the community investing in the future workforce and changing societal mindset were the most popular motivating reasons why actions were taken (see Figure J).

FIGURE J: MOTIVES FOR TAKING ACTION TO RECRUIT FROM MARGINALISED GROUPS

<table>
<thead>
<tr>
<th>GROUP</th>
<th>REASON</th>
<th>MIDLANDS</th>
<th>NATIONAL AVERAGE</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To improve our talent retention</td>
<td>23%</td>
<td>24%</td>
<td>-1%</td>
</tr>
<tr>
<td></td>
<td>To help address our skills gap</td>
<td>25%</td>
<td>22%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>To gain a competitive advantage over competitors</td>
<td>12%</td>
<td>16%</td>
<td>-4%</td>
</tr>
<tr>
<td></td>
<td>To increase employee satisfaction</td>
<td>14%</td>
<td>16%</td>
<td>-2%</td>
</tr>
<tr>
<td></td>
<td>Investors asking for this</td>
<td>13%</td>
<td>11%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>To help the company access new markets</td>
<td>9%</td>
<td>11%</td>
<td>-1%</td>
</tr>
<tr>
<td></td>
<td>To benefit our local community</td>
<td>26%</td>
<td>25%</td>
<td>1%</td>
</tr>
<tr>
<td></td>
<td>To bring new ways of thinking and innovation to the company / organisation</td>
<td>19%</td>
<td>24%</td>
<td>-5%</td>
</tr>
<tr>
<td></td>
<td>To invest / broaden in the future workforce (pool)</td>
<td>26%</td>
<td>22%</td>
<td>3%</td>
</tr>
<tr>
<td></td>
<td>To improve our company / organisation's reputation</td>
<td>19%</td>
<td>17%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>To improve our environmental, social and governance (ESG) performance metrics</td>
<td>13%</td>
<td>17%</td>
<td>-4%</td>
</tr>
<tr>
<td></td>
<td>Leadership asking for this</td>
<td>10%</td>
<td>15%</td>
<td>-5%</td>
</tr>
<tr>
<td></td>
<td>To change societal mindset and prejudice</td>
<td>26%</td>
<td>24%</td>
<td>2%</td>
</tr>
<tr>
<td></td>
<td>To give the applicants a chance they might not otherwise have had</td>
<td>19%</td>
<td>23%</td>
<td>-3%</td>
</tr>
<tr>
<td>Other</td>
<td>Other</td>
<td>3%</td>
<td>3%</td>
<td>-1%</td>
</tr>
</tbody>
</table>

Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities that had taken steps to recruit. Midlands respondents = 77, All respondents = 378.
WHAT WOULD HELP TAKE ACTION

Again, there were no significant differences to the rest of the UK respondents in what might encourage or incentivise more employers to recruit marginalised groups. The most popular motivators include better evidence and advice on the effectiveness of filling skills gaps and long-term financial benefits, financial support through grants and tax exemptions, and accessibility support through partnerships (see Figure K).

### FIGURE K: FACTORS LIKELY TO INCREASE WORKFORCE DIVERSITY IN THE FUTURE

<table>
<thead>
<tr>
<th>MOTIVATOR</th>
<th>MIDLANDS</th>
<th>NATIONAL AVERAGE</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Better advice and evidence</td>
<td>12%</td>
<td>13%</td>
<td>-1%</td>
</tr>
<tr>
<td>More evidence on the effectiveness in filling skills gaps</td>
<td>11%</td>
<td>9%</td>
<td>2%</td>
</tr>
<tr>
<td>More evidence on the long term financial benefits</td>
<td>6%</td>
<td>7%</td>
<td>-1%</td>
</tr>
<tr>
<td>Access to data on the cost-benefits</td>
<td>10%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Dedicated expert platforms</td>
<td>10%</td>
<td>7%</td>
<td>3%</td>
</tr>
<tr>
<td>Financial support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial grants</td>
<td>12%</td>
<td>13%</td>
<td>-1%</td>
</tr>
<tr>
<td>Tax exemptions</td>
<td>12%</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Other financial rewards or benefits</td>
<td>7%</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Practical support</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnerships</td>
<td>12%</td>
<td>13%</td>
<td>-1%</td>
</tr>
<tr>
<td>Collaboration with other organisations</td>
<td>5%</td>
<td>8%</td>
<td>-3%</td>
</tr>
<tr>
<td>Internal / externam pressure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pressure from leadership</td>
<td>4%</td>
<td>4%</td>
<td>-1%</td>
</tr>
<tr>
<td>Pressure from investors / creditors</td>
<td>5%</td>
<td>3%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: ReGenerate Good Jobs Project Survey. Data collection conducted by Opinium Research from the 1st to 13th December 2022, targeting managers and above with hiring responsibilities. Midlands respondents = 94, All respondents = 500.
7. Why the time to act is now

While vacancy rates have passed their 2022 peak and have since been falling, they remain extraordinarily high. Concurrently, demand for jobs is high. This labour dynamic is the catalyst that we need to prompt action on a purpose-driven approach to recruitment. Now is an opportune time on several different fronts:

1. **Business engagement is high**

   High levels of vacancies are causing employers to engage on this agenda more than they ever have. While recruitment confidence remains high, capitalising on business interest in the topic is an opportunity to be seized.

2. **The (likely) Autumn 2024 General Election**

   The UK will have another General Election before January 2025. It is, therefore, a key time when priorities are being set across political parties, and an important window of opportunity to educate them on the opportunity set out in this Project.

3. **Investors**

   Across the world, international standard setters like the ISSB and regulators, from the EU to the US SEC, are struggling to address social impact in their corporate reports. The need for a fair and just transition to a lower-carbon global economy means that investors cannot tackle time-critical issues like climate change without moving the dial on certain social issues. This agenda is a high priority for them and there is an opportunity to influence now.

4. **Momentum**

   Creating change benefits many different types of organisations all calling for the same reforms. There is momentum with the stakeholders we have gathered over the course of the research, which we can mobilise to increase the chances of success.
8. How to create a supportive environment

Current labour shortages provide a window of opportunity to act as a stimulant for change. In order to be successful, things need to be in place so that businesses can clearly see the value of recruiting marginalised groups and it needs to be easier for them to take action.

From our survey we determined that there is an opportunity to change recruitment behaviour across a number of stages of the decision-making process, from awareness to action. The following diagram shows the views held by employers in our survey.

- **Awareness**
  - 70% of respondents felt that more than half of the marginalised groups could be a good fit in their organisation. But this view is not held evenly across all marginalised groups. About 87% of employers said that groups such as single parents and ethnic minorities could fit well in their organisation, compared with 64% and 49% of employers reporting that people with mental health conditions and criminal records could fit well in their organisation.

- **Intent**
  - About half of respondents said that their organisation could take more steps to encourage recruitment of people from marginalised groups.

- **Action**
  - Fewer than a quarter of respondents said that their organisation was taking action to target the majority of the marginalised groups for recruitment. 28% of respondents said their organisation has taken active steps to encourage job applications to recruit young people, compared with 10% taking steps to recruit people who are or have been homeless or have a criminal record.

- **Inaction**
  - A quarter of respondents reported they had not taken any active steps to recruit from any of the groups.

The recommendations we make are therefore designed to focus on the different stages of the decision-making process, which can ultimately influence employers’ behaviour towards more purpose-driven recruitment.

- Raising awareness that marginalised groups could fit well in their organisations
- Driving intent to recruit from those groups by demonstrating the value they can bring
- Supporting action by putting things in place that will make it easier for businesses
9. Summary of recommendations

During the course of the research we consulted with employers, investors, campaign groups, professional business networks and politicians to develop a list of recommendations. We believe they will help to set an environment in which businesses and other employers are educated, encouraged, incentivised and supported to recruit marginalised people.

We first present a summary of the recommendations made in the full report and then provide a roadmap that show how purpose-driven recruitment could help with social mobility and prosperity in the West Midlands.

BROADER RECOMMENDATIONS FROM THE GOOD JOBS PROJECT

Reform 1: Government should incentivise and support businesses to recruit from marginalised groups so that risks are lowered and opportunities are grasped.

The government is the best-placed actor to create incentives at a scale that can tip the balance in favour of a large number of employers wanting to recruit more people from marginalised groups. Although a variety of government-run, business-targeted initiatives are, or have been, available, there are ways they can be improved. These recommendations aim to activate demand from businesses and are complementary to any other schemes and initiatives that focus on the supply side.

1. Provide temporary National Insurance contributions to lower the financial risk for employers. The Government should not require employers to pay employer National Insurance for 12 months for any new employees taken on who were in receipt of Universal Support.

2. Reform the Apprenticeship Levy to make it more accessible to marginalised groups. A three-part action plan to maximise the use of apprenticeships for marginalised groups, including: a campaign to encourage large organisations to increase levy transfers to SMEs, awareness-raising on how to target marginalised groups effectively, and an upfront grant for those that do.

3. Develop a centralised knowledge bank to make it easier for businesses to recruit from marginalised groups. Under the coordination of the Department for Work and Pensions a centralised knowledge bank is created, distributed and maintained so that employers have a single place to go for support, advice and partnerships. This should be created with What Works Centres, industry bodies and others.

Reform 2: Investor-related organisations should set the foundations so that investors can incentivise businesses to recruit from marginalised groups.

Investors are a point of leverage and in a prime position to influence businesses behaviour. The prominence of ED&I within ESG ratings frameworks has led to their engagement with employers resulting in an increase of gender and race representation on boards. The aims of the Good Jobs Project are closely aligned with ED&I, albeit with a broader scope of diversity and inclusion than is normally included in ESG frameworks. Therefore we can look to see how the existing ED&I instruments can be expanded. Activities are needed from a range of different stakeholders in order to be successful, which are summarised in the recommendations below.

1. Research the impact of expanding the ED&I agenda to strengthen evidence of financial materiality. Influential publications and organisations such as Deloitte, KPMG, McKinsey, BCG and others should strengthen the empirical evidence of the financial materiality of recruiting from marginalised groups so that investors and business leaders can have a stronger basis on which to take action.

2. Encourage investors & ESG aggregators to prioritise employment of marginalised groups. Investor-focused campaign organisations, such as Share Action, Impact Investing Institute and others, should encourage investors and ESG aggregators to include the employment of marginalised groups as part of their ED&I assessment of companies.
3. **Create a platform to provide consistent and comparable investor data.** The Workforce Disclosure Initiative's (WDI) annual survey is an existing platform that could be expanded to incorporate metrics relating to the recruitment, retention and quality of jobs provided to marginalised individuals so that investors, policy-makers and civil society can better assess companies.

4. **Build the case to increase younger and marginalised voices on boards.** Increase the representation of people under the age of 40 and those from marginalised groups on boards so that businesses benefit from diverse perspectives informing their decision-making, strategy, performance and purpose.

**Reform 3: Business networks should collaborate to share knowledge and best practice so that managers, leaders and HR professionals are fully equipped with the skills they need.**

Influential business networks and support bodies are among the best-placed actors to foster collaboration and coordination amongst employers, and to help make the recruitment of people from marginalised groups common practice. There is a desire from employers for trustworthy, easy access guides, advice and research from reputable bodies. This will also help support a concerted effort to tackle the issue of existing misconceptions in order to unleash demand and translate that demand into effective action.

1. **Improve business network coordination to make best practice common knowledge.** Existing large business networks could collaborate more and coordinate in order to share advice, best practice and training through continued professional development. Collaboration and coordination is required so that best practice is reinforced, the business case becomes common knowledge and recruitment of marginalised groups becomes normal practice.

2. **Start and expand issue-based employer forums to maximise peer-to-peer learning.** Business networks could develop a programme of employer forums so that there are opportunities for collaboration and peer-to-peer problem solving about how to recruit from and retain people from specific marginalised groups.

**Other: Initiatives to further influence employer opinion and behaviour.**

In order to achieve this we suggest that two actions are required:

1. **Create a documentary series and an anthology of case studies to influence public opinion.** A documentary series and companion case study book is created as a public awareness campaign so that this public interest mission is brought to the public's attention.

2. **Conduct an annual employer pulse survey to track progress of the Good Jobs Project mission.** An organisation with a large business network creates an annual pulse survey of employers so that it is possible to track the progress of the good jobs project mission over time.
RECOMMENDATIONS FOR THE WEST MIDLANDS

From the regional profile we can determine there are many people who could benefit from accessing good work that are not visible in national unemployment statistics. Employers have the opportunity to intentionally target this hidden talent for jobs, as well as ensuring that work pays fairly. If both are enacted and more people enter the workforce then overall household wealth could increase as a consequence. It is not just down to employers to reach out and seek those individuals by themselves. Many of these people are further from the jobs market and as such employers will benefit from partnerships that support them, improved access to better information and best practice, and incentives to employ them. There is an opportunity for employers to collaborate and pool resources in order to achieve better employment outcomes for individuals and prosperity for the community.

The following recommendations provide a starting point for employers in the region to come together and to collaborate to recruit commonly marginalised groups into work and help solve the regional skills shortage. In order to maximise the chances of success, they focus on utilising existing structures as well as tying in with other recommendations in the report.

Recommendation 1: Form a business-led recruitment-focused working group focusing on initiatives aiming specifically to increase regional prosperity.

A recruitment-specific working group is formed as a descendant of the West Midlands Regional Business Council (RBC). The RBC provides senior-level sponsorship, governance and accountability mechanisms. Members of the recruitment working group should be practitioners, such as Heads of HR / Recruitment / Talent Acquisition or relevant Senior Business Leaders. The working group can provide a coordination structure for targeted action, where businesses are able to collaborate on common goals and share best practice. The group could act as a single entity from which to communicate to external organisations (e.g. to schools, universities, training providers) and also be a single face for external organisations to speak to (e.g. charities being able to interact with the forum instead of individual business). In addition, the group would act as an innovation test bed to be replicated elsewhere in the UK. The WMCA could provide facilitation and links with other service providers when necessary.

Recommendation 2: The recruitment-focused working group convenes a programme of business forums to tackle the challenges of recruiting marginalised groups.

The recruitment-focused working group develops a programme of business forums to collaborate and share best practice on recruiting from specific marginalised groups. The marginalised groups can be prioritised based on the region's most pressing business and social needs. The group invites existing forums such as EFFRR, TENT or BITC to help recruit more organisations for these forums. The group engages with the region's large business networks (e.g. BCC, IoD, FSB, CIPD etc) to facilitate recruitment of more organisations to attend events and potentially provide sponsorship. Through this initiative, businesses can collaborate on common goals and share best practice between them. The emphasis is on collaboration not competition.

Recommendation 3: The recruitment-focused working group plans and executes a controlled trial to assess the impact of high-quality support and focused business engagement for the recruitment of marginalised groups.

Our research revealed that businesses are concerned that lack of support and basic training can discourage recruiting from marginalised groups. We were also told that there is a lack of evidence at a national level relating to more focused, non-centralised planned training programmes. Therefore, the working group could develop a trial to evaluate the effectiveness of bringing two things together:

1. Alternative wrap-around support for marginalised people moving from out-of-work to in-work, including pre-employment training and coaching, post-employment monitoring and training provided to receiving teams.
2. Commitments from an engaged set of businesses who are specifically looking to recruit from marginalised groups, who focus on following best practice standards for the targeted recruitment and retention of those people.

The trial could be co-designed by WMCA, JCP, academic institutions, training providers and representatives from selected marginalised groups. Such a controlled trial could help to inform future policy development by evaluating evidence on the following outcomes:

1. Marginalised people: successful recruitment, retention over time, in-work progression, other qualitative outcomes.
2. Businesses: Retention, cost of recruitment, employee satisfaction and other qualitative outcomes.
3. Regional: Cost effectiveness, skills development planning (e.g. central vs. local training providers)

Recommendation 4: The recruitment-focused working group could conduct or commission in depth research into how marginalised groups can be matched with work opportunities in the region

There is the opportunity for further, more detailed work that aims to map the distribution of marginalised groups across the region with the availability of suitable jobs. This could include but is not limited to the following:

- Mapping the ecosystem of region employers, intermediaries and other support services.
- Cross-referencing sectors, vacancies and skills data with the availability of local marginalised groups.
- Matching people with appropriate jobs through job fairs etc.
10. Conclusion

We believe that this spotlight and the full report titled “The Purpose-Driven Business Solution to the UK’s Labour Shortage” present a fresh approach to the issue of labour shortage in the UK and West Midlands. By promoting a purpose-driven business model, we hope to provide a sustainable solution that benefits both businesses and society.

Our research has shown that many employers are struggling to fill vacancies, while many individuals from marginalised groups are held back from accessing employment opportunities. Our shared goal is that employers intentionally target people that are commonly marginalised from accessing good jobs to fill their vacancies. To make this happen, two key conditions should exist.

1. Businesses must see the value in the targeted recruitment of marginalised groups
2. It becomes easier for them to do so

We believe that the purpose-driven business approach is the way forward. We hope that our research and proposals will help to unlock the full power of businesses to do good, significantly narrow the vacancy gap and normalise the inclusion of different groups into the workforce. We encourage those with the power to influence the market, such as the government, investors, business networks and support bodies, and researchers, to create an environment that will motivate and support employers to hire certain people more easily and profitably.

This is a summary document for decision-makers, so we encourage reading the full report for much more detailed information about all of the points highlighted here. We believe it is a thought-provoking report and encourage readers to think about other ways that we might be able to mainstream the intentional and targeted recruitment of marginalised groups in the minds of key decision-makers across influential businesses, government and investors.

The Good Jobs Project is a collaborative initiative, so please do get in touch to share your ideas and reflections. We also encourage you to add your voice to the organisations that support the vision of the project by demonstrating your support here.

For further inquiries or collaboration opportunities, please contact us at info@re-generate.org.
BUILDING A MOVEMENT

At the time of writing the following organisations have offered their support for the goals of the Good Jobs Project.

ADVISORY GROUP

We thank our project advisory group for their kind support and guidance throughout. The advisory group consists of Anna Darnell (Youth Futures Foundation), Baroness Philippa Stroud (ARC Forum), Charlotte Gibb (Business in the Community), Claire Hamlin (Q5), Diane Lightfoot (Business Disability Forum), Hugh Lenon, James Timpson (Timpson), Joseph Williams (Clu), Matt Ilic (Greenworkx), Neil Barnfather MBE (GoodMaps), Neil Morrison (Severn Trent), Roisin Currie (Greggs), Sam Maguire (Clarasys), Dr. Scarlett Brown (Board Intelligence), Yasmina Koné (Beam).

FUNDERS

This report was kindly supported by the kind donations from Lady Edwina Grosvenor, Hugh Lenon, Timpson, Aesop, Severn Trent and Youth Futures Foundation.

Youth Futures Foundation is an independent, not-for-profit organisation established in 2019 and in receipt of £110m from the Dormant Assets Scheme to improve employment outcomes for young people facing marginalisation. Youth Futures Foundation is the What Works Centre for youth employment. Its aim is to reduce employment gaps so that young people facing the greatest challenges can find and keep good quality jobs. Youth Futures has supported this project as part of its programme of research, which it hopes will be of value to policymakers, employers and practitioners. The facts presented and views expressed in this report are, however, those of the authors and not necessarily those of Youth Futures.

ADDITIONAL SUPPORT

This report was kindly supported by:

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