



A Guide to
Equality and
Diversity
in the Third Sector

olmec

***The case for
Equality and
Diversity***



EQUALITY STRAND

This chapter on the Case for Equality and Diversity has been taken from the publication by Olmec *A Guide to Equality and Diversity in the Third Sector (2008)*. The update has been commissioned by the National Equality Partnership. A full copy of the Guide can be downloaded from Olmec's website: <http://www.olmec-ec.org.uk/documents/website%5CPublications%2FGuide%20to%20Equality%20and%20Diversity%20in%20the%20Third%20Sector.pdf>

The case for equality and diversity

Olmec's research (Lloyd & Ahmed 2008) found that whilst many organisations operated with an equal opportunities policy and made explicit their commitment to diversity in their mission statement and aims, there was still some work to do to ensure that diversity was embedded in all aspects of the organisations' work. Key to this was for diversity to be driven by the most senior people in the organisation. The case for diversity is compelling and can be broken down into the three areas: moral, business and legal.

The moral case

There is a strong moral case for organisations to excel in their equality and diversity practices. An inclusive society where everyone is treated with dignity and respect would be a society with less conflict and insecurity. A society where diversity is celebrated would encourage active participation from all, where everyone would demonstrate their social and moral responsibility from a basis of shared values.

The third sector is made up of many different types of organisations that have different missions and aims. However, one thing that unites all organisations is that they take pride and publicise themselves on the basis that they want to make society a better place for everyone to live. Society cannot improve while people are treated unfairly because of their race, gender, sexual orientation, age, religion or belief, or because they are disabled.

A specific diversity focus that sets out to achieve equality of outcomes can help all organisations to engage with communities that they have had little or no impact on before. Excellence in diversity gives organisations the means to meet and exceed social obligations. Meeting these demands will not only benefit organisations but will also help develop greater social cohesion, tolerance, stability and prosperity in the wider society.

The business case

There is also an excellent business case for any organisation to seek to excel in its equality policies and practice. The following are examples why:

- An organisation is more likely to attract people from a wider pool of talent if it is explicit in its commitment to diversity and is demonstrating this through how it operates.
- Staff and volunteers are more likely to perform well, feel motivated and committed and therefore be retained if they feel valued and respected in their working environment.

There is now strong evidence that a more equal society benefits us all. A more equal society does not constrain growth and prosperity. On the contrary, by focusing on those groups who experience persistent disadvantage because of factors beyond their control, a more equal society uses scarce resources more efficiently, increases the level and quality of human capital, and creates more stability, all necessary for growth and prosperity.¹

1. The Equalities Review (2007) *Fairness and Freedom: The Final Report of the Equalities Review* (Cabinet Office: London) p.19

- Similarly, people are more likely to use the services provided by a third sector organisation if they believe that they will be treated with dignity and respect.
- Good equality and diversity practice avoids wasting resources by providing services that people do not want or need or are inappropriate.
- Public bodies are increasingly awarding contracts to private companies and third sector organisations to deliver public services. Their procurement teams should require good diversity and equality practice in the organisation they commission. By excelling in their diversity and equality practices and policies third sector providers may stand a better chance of securing contracts.
- An organisation demonstrating good equality and diversity practice is also attractive to other funders driven by social values of inclusiveness.
- The Women in Work Commission estimates that removing barriers to women working in occupations traditionally done by men, and increasing women's participation in the labour market, could be worth between £15 billion and £23 billion or 1.3 to 2.0 per cent of GDP.²

The legal case

It is unlawful for organisations to discriminate on the grounds of gender, gender identity, race, religion and belief, sexual orientation and disability in employment and training and in the provision of goods, facilities and services, except in very limited circumstances. Protection from discrimination on the grounds of age currently covers employment only and does not yet cover the provision of goods, facilities or services but will change under the current proposals in the new Equality Bill. Some third sector organisations may also have a positive duty to promote gender, disability and race equality.

It makes sense therefore for organisations to implement best practice to ensure that they are compliant with existing legislation.

The costs associated with bad practice on equality far outweigh the costs of implementing good practice. Research by the Chartered Institute of Personnel and Development (CIPD) shows that the average cost to an employer associated with an employee successfully bringing a case to an employment tribunal is £7,484, not including managers' time, and an Employment Tribunal case takes an average of 16.4 days to prepare.³

There is no limit on the amount of compensation that an Employment Tribunal can award to claimants in cases of race, disability and sex discrimination. However, the figures below give a good indication of how much a case could cost an organisation. In 2006-2007, the maximum compensation awarded by an Employment Tribunal for disability discrimination was £138,648 and the average award was £15,059; in race discrimination cases, the maximum compensation award was £123,898 and the average award was £14,049; and in sex discrimination cases, the maximum compensation awarded was £64,862 and the average award was £10,052.⁴

2. p.vii Women and Work Commission (2006) *Shaping a Fairer Future* http://www.womenandequalityunit.gov.uk/publications/wwc_shaping_fairer_future06.pdf
3. ACAS (2006) *Employment Tribunal: You'll Wish You Weren't Here* www.gnn.gov.uk/content/detail.asp?ReleaseID=18601&NewsAreaID2
4. Employment Tribunal and EAT Statistics (GB) 1 April 2006 to 31 March 2007, <http://www.employmenttribunals.gov.uk/Documents/Publications/AnnualStatistics0607.pdf>

There is a further reason to implement good practice particularly in this sector. An article in *Third Sector* in 2006 reported that there was anecdotal evidence that third sector employees are more likely than employees of other sectors to take their former employers to court where they feel they have been unfairly or constructively dismissed.⁵

The case for your organisation

The moral, business and legal case that are presented above are just a few of the many reasons there are to excel in equality practices. You can adapt the work we have done here to create your own compelling case for equality and diversity good practice in your organisation.

Further reading

The Equalities Review Team (2007) Fairness and Freedom: The Final Report of the Equalities Review (Cabinet Office: London)

The Equalities Review was commissioned by the Government to carry out an investigation into the causes of persistent discrimination and inequality in society. The Review was chaired by Sir Trevor Phillips and the report was published in February 2007. A number of reports were produced to inform the review and they can be downloaded from the site below.

<http://archive.cabinetoffice.gov.uk/equalitiesreview/>

European Commission (2005) The Business Case for Diversity: Good Practices in the Work Place (European Commission: Brussels)

This report analyses the responses to a questionnaire sent to leading businesses across the European Union. It uses the responses to demonstrate that by investing in diversity organisations are likely to improve and have greater profit returns. It gives a series of case studies on how businesses have improved due to better diversity and equality policies.

http://ec.europa.eu/employment_social/fundamental_rights/pdf/events/busicase_en.pdf

5. Kerr Davies (2006) "Tribunal Tribulations" in *Third Sector* 17th May 2006

Organisations

Equalities and Human Rights Commission (EHRC)

The Equality and Human Rights Commission is working to eliminate discrimination, reduce inequality, protect human rights and to build good relations, ensuring that everyone has a fair chance to participate in society.

The Commission is building on the legacy of the Commission for Racial Equality, the Disability Rights Commission and the Equal Opportunities Commission to achieve change to benefit some of the most disadvantaged and voiceless people in our society.

The Commission acts not only for the disadvantaged, but for everyone in society, and can use its new enforcement powers where necessary to guarantee people's equality. It also has a mandate to promote understanding of the Human Rights Act.

www.equalityhumanrights.com

Equality and Diversity Forum (EDF)

A national network of organisations promoting co-operation across the equality and human rights strands. Their website contains reports and information on legislation in addition to an extensive database of not-for-profit, second tier and statutory organisations.

Equality & Diversity Forum

207-221 Pentonville Road

London, N1 9UZ

Tel: 0207 843 1597

Fax: 0207 843 1599

Email: info@edf.org.uk

www.edf.org.uk

A Guide to Equality and Diversity in the Third Sector



www.improvingsupport.org.uk/equalityanddiversity

Your gateway to third sector support, information and resources.

