

DIVERSITY IN CORPORATE AFFAIRS

POWERFUL WAYS LEADERS
CAN FOSTER DIVERSITY,
EQUITY AND INCLUSION

CONTENTS

INTRODUCTION	3
AT-A-GLANCE FINDINGS	5
WHAT IS HAPPENING?	6
WHAT CAN WE DO?	10
FINAL THOUGHTS	15
APPENDIX	16
ABOUT US	18

METHODOLOGY

Our research partner, Ipsos Karian and Box, provided the data in this report. Unless specified otherwise, the data is from aggregated online colleague survey response data from 2,718 communications and corporate affairs professionals from a range of FTSE 100 organisations and international companies of a similar scale, located globally. Surveys were conducted between July 2021 and September 2022.

HOW DIVERSE IS YOUR CORPORATE AFFAIRS TEAM?

What's the best way to foster a culture of diversity, equity and inclusion (DEI)? Why does getting diversity and inclusion right positively impact the performance of an organisation?

Birchwood Knight has partnered with Ipsos Karian and Box to give corporate affairs leaders the answers to these questions, so you can assess your teams and improve diversity and inclusion. We spent a year collecting benchmark and demographic data from over **2,500** corporate affairs professionals working for some of the world's largest companies.

Three priority areas of focus emerged from this research: investing in early career talent; inclusive hiring practices; and retaining diverse talent.

We found that attrition risk is strongly linked to negative perceptions of culture and inclusion. Measuring this provided insight into how diverse people feel, further underlining the business case for getting diversity and inclusion right.

Most of the FTSE 100 and FTSE 250 understand that something needs to be done to promote diversity. Most now have at least one board member from a diverse background. However, too often, these roles are non-executive. The next mark of progress will be greater diversity among executive directors and the senior leadership population one level below.

In this report, you'll learn about the inequalities we found in corporate affairs and how factors such as inclusion and speaking up contribute to people leaving work. We'll also suggest best practice approaches and a framework to help you achieve successful DEI in corporate affairs.



“ We are delighted to be able to collaborate on this report with Birchwood Knight. Against a backdrop of extreme pressure on talent, it is increasingly important for organisations to ensure they can attract, retain and help diverse colleagues to succeed and progress in their roles. The findings in this report lay bare the current situation in corporate affairs, as well as providing a simple, practical set of actions for leaders to redress the balance.”

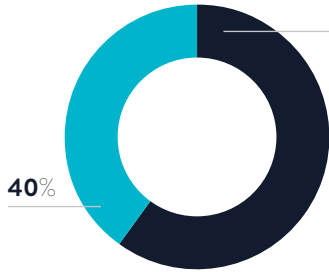
GHASSAN KARIAN, CEO, IPSOS KARIAN AND BOX

INTRODUCTION

HOW DOES DIVERSITY BREAK DOWN ACROSS CORPORATE AFFAIRS?

GENDER*

- Male
- Female



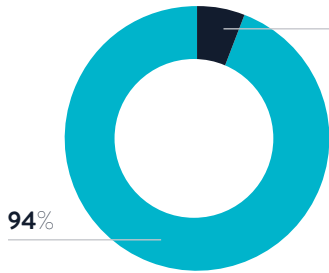
60%
across all levels

*Transgender and other gender data too small to report.

LEVEL	PERCENTAGE
Leadership pipeline	55% female
ExCo	51% female

LGBTQ+

- Straight
- LGBTQ+

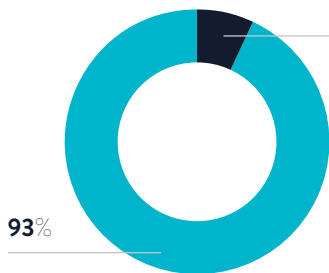


6%
across all levels

LEVEL	PERCENTAGE
Leadership pipeline	7% LGBTQ+
ExCo	6% LGBTQ+

DISABILITY

- No
- Yes

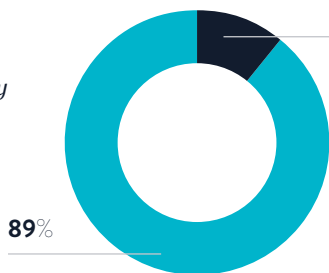


7%
across all levels

LEVEL	PERCENTAGE
Leadership pipeline	6% disabled
ExCo	6% disabled

ETHNICITY

- Majority
- Minority



11%
across all levels

LEVEL	PERCENTAGE
Leadership pipeline	14% minority
ExCo	12% minority

*Ethnicity data based on UK/European Comms (708 responses)

Asian	4%
Black	3%
Mixed	3%
Other	1%

AT-A-GLANCE FINDINGS

11_{pt}

gap in positive perceptions of inclusion between minority ethnic and white employees.

43%

of female senior leaders intend to leave within two years.

1 in 3

communications professionals intend to leave within two years.

As well as demographic analysis, we also investigated factors that contribute to people leaving work, including perceptions of inclusion, career progression and feeling able to speak up and share opinions (psychological safety).

DIVERSE POPULATIONS FEEL LESS SAFE SPEAKING UP AND VIEW INCLUSION AND CAREER PROGRESSION NEGATIVELY

- Positivity towards these aspects of employee experience is lower across all diverse categories, particularly at management level.
- Communications professionals from a racially diverse background feel 11 points less positively than their colleagues about inclusion.

RETAINING DIVERSE LEADERSHIP TALENT IS A MAJOR CHALLENGE

- Intent to leave is considerably higher among women, ethnic minorities and LGBTQ+ employees.
- 43% of women in communications leadership roles say they'll leave their organisation in two years, compared to 32% of male leaders.

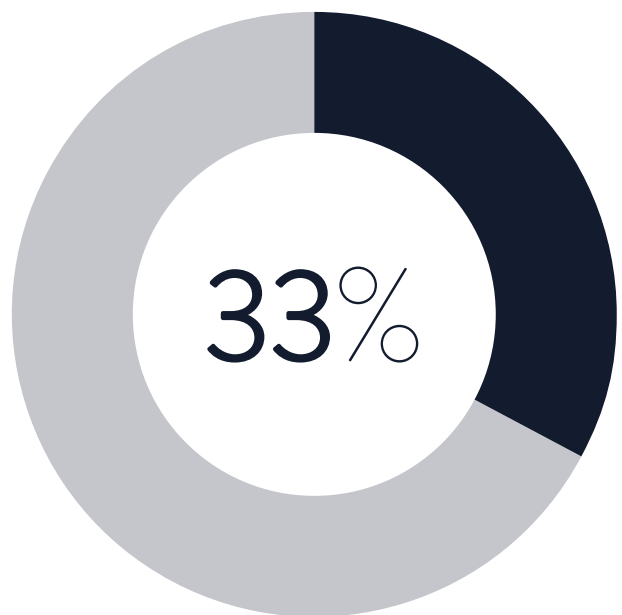
HIGH FLIGHT RISK IN COMMUNICATIONS

- Predictive attrition (the proportion of employees who intend leaving their organisation within two years) sits at 22% across the general population – not noticeably higher than pre-pandemic levels.
- A much higher proportion of communications professionals say they intend to leave within the next two years, particular in senior roles.

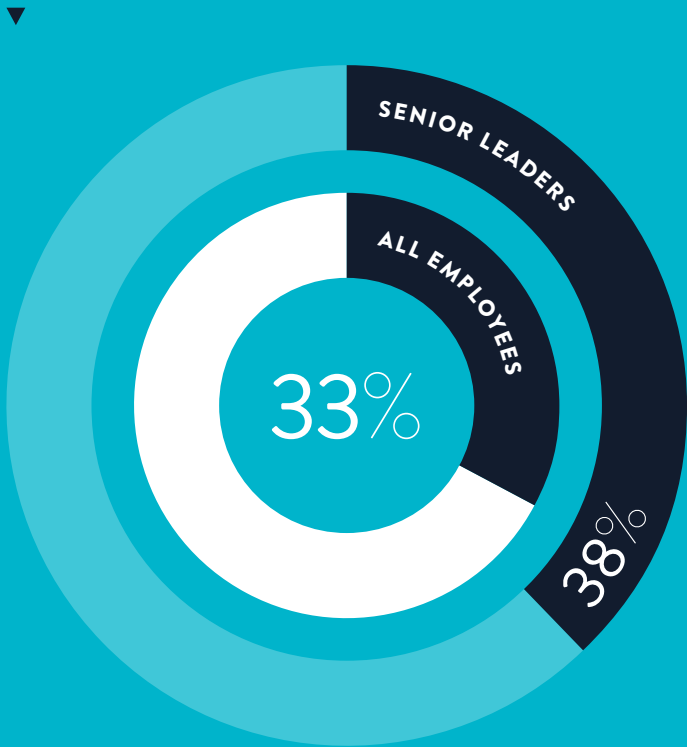
WHAT IS HAPPENING?

MORE COMMS PROFESSIONALS WANT TO LEAVE THEIR COMPANY THAN OTHER EMPLOYEES

One-third of communications professionals expect to leave their organisation within two years, more than 10pts higher than the average across other business areas.



ATTRITION RISK IS EVEN HIGHER AMONG COMMUNICATIONS LEADERS



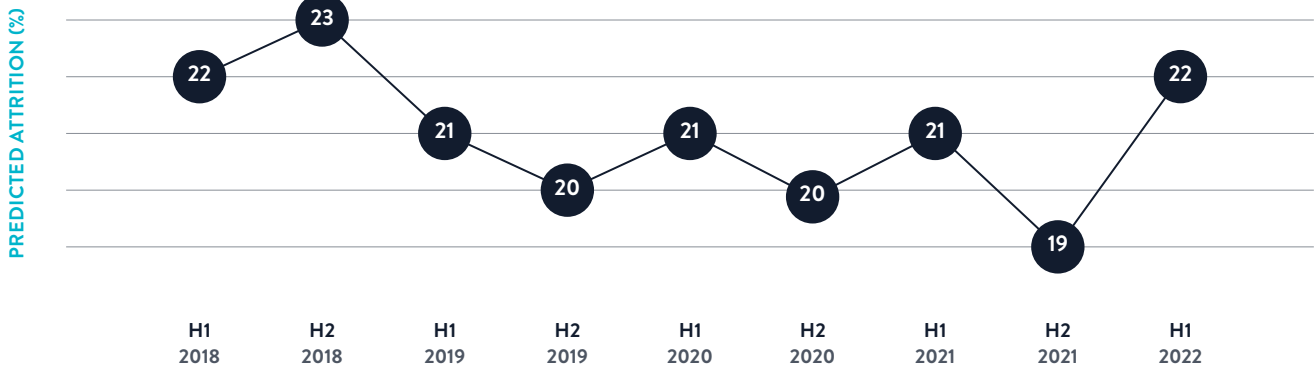
Predicted attrition* across all employees was not much higher than pre-pandemic levels and has remained broadly steady since 2018. In H1 2022, only 22% of employees said they intended to leave their organisation within the next two years, up only 1pt in the same period in 2021.**

So, why is the risk higher in communications? Theories include remote working leading to a large global market for comms talent, high burn-out rates, particularly in HR and communications teams carrying the 'mental load' of the pandemic, and remote working eroding the sense of loyalty that people feel towards their employers.

* Predicted attrition is calculated as the proportion of employees who state an intent to stay with their organisation of less than two years

**Source: 2.5 million online survey responses collected by Ipsos Karian and Box from employees of global FMCG, financial services, retail, oil and gas, aviation and telecomms organisations, between January 2021 and June 2022.

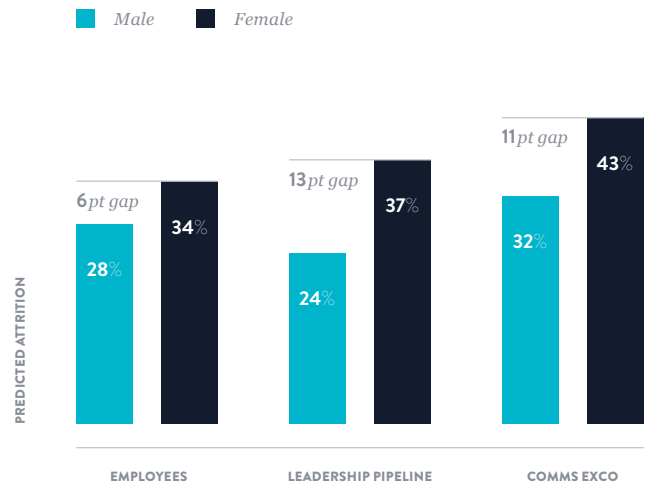
The number of employees who intend to leave their organisation has stayed largely flat over the past four years.



ATTRITION IS HIGHER STILL AMONG DIVERSE COMMUNICATIONS POPULATIONS

43% FEMALE COMMS LEADERS SAY THEY WILL LEAVE THEIR EMPLOYER WITHIN TWO YEARS

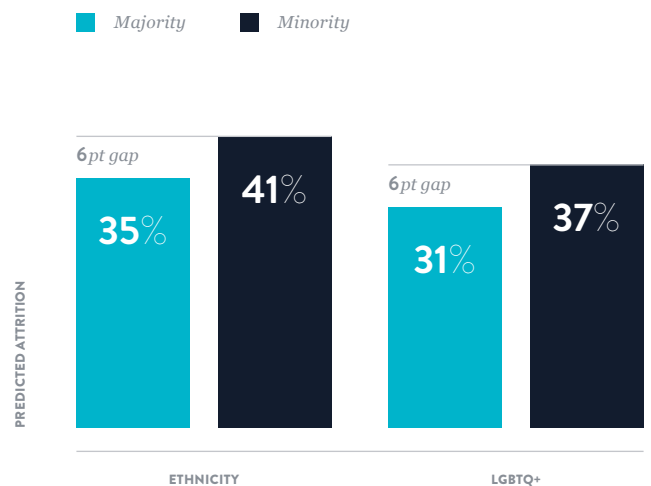
At all levels, women’s intention to leave is higher than men’s, and 43% of women in communication leadership roles intend to leave their organisations within two years.



ETHNIC MINORITY AND LGBTQ+ EMPLOYEES ALSO REPORT HIGHER INTENT TO LEAVE

More ethnic minority and LGBTQ+ communications colleagues want to leave within the next two years than their non-diverse counterparts.

In particular, two in five comms professionals from an ethnic minority background state an intent to leave within two years.



NEGATIVE VIEWS OF CAREER, INCLUSION AND SPEAKING UP ARE DRIVING ATTRITION RISK

Comparing diverse and non-diverse populations uncovers significant gaps in perception.

Diverse employees at all levels of seniority feel less positive about inclusion and less able to speak up than their non-diverse peers.

Ethnic minorities and women also perceive career progression less positively, especially if they're in middle management. Female communications managers are 15pts less optimistic than their male counterparts.

Diverse populations report lower psychological safety and are less positive about inclusion or career progression.

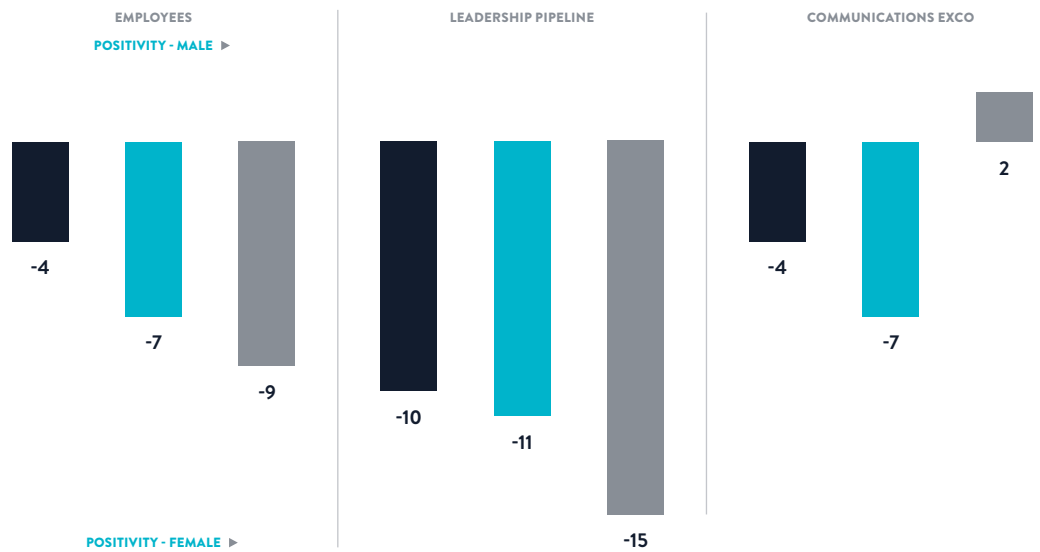
- Inclusion
- Speak up
- Career progression



The negativity of women in the communications leadership pipeline is considerable.

- Inclusion
- Speak up
- Career progression

Chart shows numeric gaps in positivity between majority and minority populations to speaking up, inclusion and career progression across a range of diversity characteristics



WHAT CAN WE DO?

BEST PRACTICE APPROACHES TO BUILDING GREATER DIVERSITY



It's helpful to see this data, and there are valuable prompts and resources in the report too – small changes we can all make so that corporate affairs becomes inclusive and diverse at all levels.”

**CHARLOTTE COOL, GROUP DIRECTOR OF COMMUNICATIONS
AND CORPORATE AFFAIRS, COMPASS GROUP**

GET ROBUST DIVERSITY AND INCLUSION DATA

Capturing and monitoring DEI data is the cornerstone of any good DEI strategy. It will provide you and your leadership teams with the insight you need to create an inclusive and diverse culture.

FIVE STEPS TO MOVE DEI DATA COLLECTION TOWARDS BEST PRACTICE

1

COLLECT DATA USING THE MOST APPROPRIATE MECHANISM IN YOUR ORGANISATION

Collecting diversity data through your HRIS (HR Information System) is ideal as it becomes part of core management information fields that HR can analyse against other data. However, having the information on their formal HR record may make colleagues uncomfortable or question why it's needed. To tackle this, run communications activity encouraging disclosure or collect any sensitive demographic data through colleague surveys.

Either way, you should word demographic questions and multiple choice responses inclusively and ensure they meet legislative requirements in your operating regions.

2

COLLECT INCLUSION DATA, NOT JUST DIVERSITY DATA

Build comprehensive inclusion and equity indicators into your annual engagement survey to objectively measure inclusive culture and understand different populations' experiences. Ensure indicators are valid and worded inclusively, then measure inclusion across the employee lifecycle to allow for external benchmarking and tracking progress over time.

3

MEASURE GAPS IN DIVERSITY AND INCLUSION, NOT AVERAGES

Organisations often report data as an overall score, such as the proportion of colleagues who answered a question positively. While useful for most metrics, it is unhelpful for diversity and inclusion as the perceptions of the majority impact the average. Instead, focus on the gap between majority and minority populations in a particular diversity characteristic. That will move past the average, getting to the fundamental differences in experience for different people.

4

MONITOR DIVERSITY AND INCLUSION ACROSS THE EMPLOYEE LIFECYCLE

Ensure you collect data at each stage of the employee lifecycle and track representation alongside it. For example, monitoring representation at each step of the recruitment process can identify any negative impact on diverse populations.

5

TAKE THE TIME TO GET IT RIGHT

Creating a culture of safety around diversity data and reporting takes time. Following these steps and getting DEI data right will set you up for success and make building a genuinely inclusive culture more effortless.

INVEST IN DIVERSE TALENT

FIVE KEY PROGRAMMES



Does your corporate affairs team hire at manager grade and above, leaving the company graduate scheme or communications agencies to develop diverse early career talent pools?

In-house teams must take responsibility for tackling inequality in communications. By hiring diverse, paid interns and graduates, you build a diverse talent pipeline proactively. Even better, several schemes make this easy for you to do. Below are some of our favourites.

As well as formal work programmes, communications professionals can drive internal culture change and create formal and informal support networks. You can also ensure that the board understands inclusion's influence and diversity's impact on your employer brand. In a competitive talent market, this is vital.

1

10,000 BLACK INTERNS

The programme creates opportunities for under-represented talent in partnership with businesses to transform young, black talent's horizons. We participated in the scheme this year.

10000BLACKINTERNS.COM

2

SOCIALLY MOBILE

The organisation trains people from lower socio-economic backgrounds and under-represented and under-served groups, such as black, Asian and ethnic minority practitioners, the LGBTQ+ community, women returners and those with disabilities.

SOCIALLYMOBILE.ORG.UK

3

TAYLOR BENNETT FOUNDATION

The charity encourages black, Asian and minority ethnic graduates to pursue a career in communications. It does this through a PR training programme and internship and mentoring programmes.

TAYLORBENNETTFOUNDATION.ORG

4

DISABILITY CONFIDENT EMPLOYER

Sign up and agree to five commitments: inclusive and accessible recruitment, communicating vacancies, offering an interview to disabled people, providing reasonable adjustments, and supporting existing employees.

DISABILITYCONFIDENT.CAMPAIGN.GOV.UK

5

WOMEN IN PR

Women in PR's mission is to improve equity and diversity across the industry by increasing the number and variety of women in leadership roles within communications.

WOMENINPR.ORG.UK

MOVE TO INCLUSIVE HIRING PRACTICES

For a genuinely equitable hiring process, you must focus relentlessly on capability and skills, not characteristics, experience, or academic background. It also helps to encourage your search partner or in-house recruitment team to reach out to under-represented groups, including actively seeking referrals from internal and external diversity networks.

Evidence suggests that a lack of transparency around pay perpetuates pay gaps among diverse populations. To avoid this, publish a fixed salary for open vacancies. This means you do not need to ask candidates how much they are paid and avoids pay being linked to what they were earning in their last role or organisation. This then focuses pay and reward on the role and the value it adds to your organisation.

Alternatively, you could take a radical approach and eliminate CVs. Instead, assess potential candidates on their answers to relevant competency-based questions, score against agreed criteria and frameworks and interview everyone that exceeds the pre-agreed pass mark.

“The craft of corporate affairs is all about storytelling to different audiences. For the people in the function to be homogeneous is completely contrary to the day job; diversity across the function is critically important to its success.”

YASMIN DIAMOND, CB, EVP, GLOBAL CORPORATE AFFAIRS,
IHG @ HOTELS & RESORTS

FIVE KEY ACTIONS

1

Audit the language you use in all your job descriptions and external materials to ensure it is inclusive. Clarify your organisational commitments to diversity.

2

Run a fair, open process that applies equally to internal and external candidates. Ask every person if they require adaptations to interview techniques.

3

Create a diverse and representative interview panel.

4

Track and monitor the data at every stage to gain valuable insight into what is (and isn't) working.

5

Ask your search or HR partners to report diversity data at the end of each process. Then, formally review what you could have done differently and aim to measure candidate experience.

HOW TO RETAIN DIVERSE TALENT

Our data shows that retaining talent presents a critical challenge to corporate affairs leaders, especially when we look at diverse employees. Recruiting can be expensive and time-consuming, particularly in a highly competitive labour market where brilliant people could have multiple offers on the table.

If people from diverse backgrounds feel unable to speak up and have lower perceptions of inclusion, this can turn them off your business; they'll move to a culture that reflects their values.

Leaders must take steps to understand and address these potential issues, ensuring that the onus isn't on the individuals to solve the problem.

“Organisations are trying to reach an audience of increasingly complex stakeholders. The best Corporate affairs leaders know that meaningful impact is achieved through diversity of thought, ideas, and experience. This can't be done through diverse hiring targets alone. It requires building truly inclusive teams in which diverse talent is recognised for its contribution, not its effect on the diversity scorecard.”

RIZWANA ISSA, ASSISTANT DIRECTOR OF COMMUNICATIONS, WELLCOME

FIVE KEY ACTIONS

1

Get your structure right and plan for progression and succession to show your team opportunities for growth. Map out a career path and timelines, then communicate them.

2

Find and create coaching, peer-networking, sponsoring and mentoring opportunities.

3

Seek honest feedback and listen to your people to create an inclusive culture where people feel they can speak up.

4

Support flexible working and implement generous parental leave policies.

5

Ensure visible role models are at the top of your business; almost two-thirds of diverse candidates check board diversity before applying for a role.

WHAT NOW?

DEI is a complex and fast-moving area. There are lots of ideas about what can be done to bring about change within organisations. Investigate the multiple schemes you could sign up for, advisers you could employ and initiatives you could set up. Take the first step and do something.

Be assured that many passionate people doing great work will share best practices with you. They may already be in your organisation or network. We would be happy to introduce you to some who aren't.

As corporate affairs professionals, you have the power to improve DEI. You can amplify voices and drive impact, lending your professional skills to this internally and externally.

We wish you every success as you champion change across the sector and beyond.



“ *We are proud to have produced this report with the help of Ipsos Karian and Box. It's the first of its kind for the corporate affairs discipline. It shows where there's room for progress and provides practical advice. We're committed to constantly reviewing and improving our approach so that clients have confidence that they're seeing the best and most diverse corporate affairs leaders when hiring through us.”*

**WAYNE REYNOLDS, FOUNDER AND MANAGING DIRECTOR,
BIRCHWOOD KNIGHT**

FINAL THOUGHTS

APPENDIX

BIRCHWOOD KNIGHT CANDIDATE POOL OVER-INDEXES ON MOST KEY DEMOGRAPHICS

Compared to the wider corporate affairs leadership population, the Birchwood Knight talent pool shows high levels of diversity.

Birchwood Knight's talent pool includes a higher proportion of female and minority ethnic candidates and a larger LGBTQ+ population.

However, Birchwood Knight has a relatively low number of candidates identifying as having a disability compared to the internal leadership average. Could this be down to a reluctance to report honestly when applying for a new role? Despite the data being captured anonymously, perceptions and stigma around physical and mental health issues could be a factor.

The overall data suggests communications functions are proactive in their desire to build diverse candidate pools and shows the success of search firms in meeting this need. Corporate affairs functions that aren't hiring diverse talent are not doing so because of a lack of available talent.

When taken together with census data, intent to stay and perception data, it reinforces the need for communications functions to focus on building genuinely inclusive environments where diverse candidates can develop their careers. Otherwise, diverse talent will look elsewhere.

HIGHER NUMBER OF FEMALE AND LGBTQ+ CANDIDATES IN OUR POOL

■ Birchwood Knight candidate pool ■ ExCo level



BIRCHWOOD KNIGHT

Birchwood Knight specialises in corporate affairs executive search.

We help CEOs to hire their corporate affairs leaders, and we help corporate affairs directors to hire their direct reports. Our knowledge and experience help us to identify the strongest leaders of today, and the high potential leaders of tomorrow, with equity, diversity and inclusion at the core of our search process.

www.birchwoodknight.com

IPSOS KARIAN AND BOX

Ipsos Karian and Box is an employee research and experience agency.

Organisations partner with us to improve every aspect of their employee experience – using our insight, advisory and campaigns to understand employees and drive sustainable change. Our mission? To help our clients create positive work environments where people and business thrive.

www.ipsoskarianandbox.com