

Written Evidence Submitted by techUK (DIV0089)

About techUK

1. [techUK](#) is the trade association which brings together people, companies and organisations to realise the positive outcomes of what digital technology can achieve. More than 850 companies are members of techUK. These companies across the UK range from leading FTSE 100 companies to new innovative start-ups. The majority of our members (around 60%) are small and medium-sized digital businesses. techUK creates a network for innovation and collaboration across business, Government and stakeholders to provide a better future for people, society, the economy and the planet.

Executive Summary

2. techUK has over 850 member companies which are themselves diverse, operating across numerous sectors and all with their own individual hiring, training, and retraining practices. The journey these companies are on to ensure those from disadvantaged backgrounds are represented within the tech industry are very different. However, the direction of travel is the same. By redoubling our efforts to increase diversity in tech we can not only work towards the normative and societal good of equal representation in the sector, but at the same time take important steps towards ensuring an ethical and sustainable approach to the development and use of technology.
3. techUK has found that effective and sustainable solutions to ensure everyone feels confident and safe at work must cover all aspects of a company - the people, its processes, and its culture.
4. techUK recommends the Government progress the gender pay reporting from a monitoring tool to an action tool. techUK recommends industry to collect and measure broad diversity data (not just gender) to use a baseline to set targets and design interventions built on evidence, and then measure interventions for effectiveness.
5. techUK recommends that Government should work with the tech industry to run an inspiring campaign telling the story of how people from all walks of life have successfully reskilled in digital technology and benefited from life-changing career opportunities through diverse pathways, from T-Levels and apprenticeships and onto degree level qualifications. It should highlight the diversity and effectiveness of pathways and jobs available to all, regardless of background. This campaign should reach out to those people who have traditionally been less confident or aware of their ability to access the opportunities available.

Key statistics and background

6. [Inclusive Boards](#) estimates that in the UK tech sector, 19% of workers are from a working-class background compared to 33.3% of the nationwide population. In contrast, those with parents from a professional-managerial background make up 45% of workers in the sector compared to 31.2% of the nationwide population. The extent of the socioeconomic diversity challenge in the tech sector is symbolised by the average class pay gap of £4,736. This means

that when individuals from working-class origins enter the sector, they can expect to earn £4,736 less than their peers from more privileged backgrounds with the same education, experience and training. Broadening access to opportunities available is crucial if we are to break down barriers in the workplace and improve social mobility.

7. While the UK tech sector may employ more Black, Asian and minority ethnicity (BAME) people than other STEM industries, IT professionals of colour are less likely to hold management positions than their white counterparts despite being on average, better qualified. [A BCS, The Chartered Institute for IT study](#) has revealed that only 9% of BAME IT specialists were directors and 32% of BAME workers described themselves as a manager or supervisor compared with 43% of white workers. BAME workers also have, on average, better qualifications, with almost nine in ten IT specialists holding a degree or HE level qualification (85%), compared with less than seven in ten (66%) of those from white ethnic groups. This suggests that there are factors influencing the career development of different ethnicity groups in different ways and understanding these influences through further research is needed if we are to better support not just entry but progression within tech.
8. In a nationwide poll of 1,000 16 – 18 year olds [by the Institute of Coding](#), more than half believe the digital workforce lacks diversity with 70% of youth surveyed thinking the sector is run entirely by those of white, British ethnicity, and over a third (34%) think there are unequal opportunities for women. One in ten admit they are actively discouraged from pursuing digital education and jobs due to the lack of people that represent them. While some of these opinions echo what many people in the industry may already feel, what's shocking is that these are the perceptions of young people who have yet to set foot in the industry.
9. From the very start, girls are less likely to study STEM subjects at school – and this gap continues through to university; [PwC has found in a study](#) that 83% of males are studying STEM subjects at school, compared to 64% of females, with the number of girls studying Computing GCSE [decreasing in 2021](#). Despite increasing opportunities in the UK tech sector, girls are not considering technology as a career, partly because nobody is putting it forward as a possible option. [More than 60%](#) of teen girls regret not studying STEM for longer. A [Centrica survey](#) on teacher and pupil STEM perception found nearly a third of male and 16% of female teachers thought STEM careers are more suited to boys than girls.
10. The [Diversity in Tech report](#), by global emerging talent and reskill provider [mthree](#), found that more than half of businesses (60%) do not currently have diversity targets in place. A further 1 in 10 admitted to not having a diversity and inclusion strategy. Although the remaining businesses have been actively trying to ensure all employees feel comfortable and welcome, a fifth (20%) have received complaints from current or former employees in this regard. mthree's research showed that 63% of businesses are aware of a continuing lack of diversity on their tech teams. Reassuringly, of those, 40% are working to address the issue, but 23% said that they do not know how to change things. More worryingly, 9% said that they have never even considered whether they have a diversity problem.
11. The Tech Talent Charter's [Diversity in Tech 2020 report](#), which annually tracks diversity in technology across the UK, found that 35% of TTC Signatories have been focusing on initiatives aimed at those in pre-18 education. Of the organisations that are running initiatives designed to improve inclusion and diversity in tech, 95% are running initiatives that target the working age population. Signatories clearly understand this is a systemic

problem and that they need to act to produce change that does not immediately and directly feed into their own talent metrics but enables a diverse future talent pipeline.

12. The [Decrypting Diversity report](#) released by NCSC and KPMG in 2020 was a ground-breaking piece of work which highlighted the fact that cyber is improving as a sector in terms of representation but shed light on the discrimination still faced by marginalised groups and high number of people looking to move roles. The second annual report in 2021 broaden its scope to look at wider forms of intersectional diversity. It found that one in five cyber security professionals still feel like they cannot be themselves at work, with the figure rising for disabled and neurodivergent colleagues. 25% of surveyed say they've experienced a career barrier related to diversity and inclusion within the cyber sector. The report shows what we have long understood—that a continuous focus on creating sustainable pipeline of cyber talent that promotes inclusion will build a stronger digital future.
13. 19% of the UK working population has a disability yet only [9% of IT specialists in the UK have a disability](#).
14. An update to the [Parker Review](#), an independent review by Sir John Parker into the ethnic diversity of UK boards, showed that only 53 of Britain's largest listed firms on the London Stock Exchange have at least one director from an ethnic minority. That is a small increase from the 49 companies that had met the target since the review was launched in 2017.

Implications

15. The need to ensure the sufficient representation of people is now more important than ever as the [development and deployment of digital technologies](#) has been accelerated by the COVID-19 pandemic.
16. As tech becomes increasingly pervasive, we need to take steps to ensure it works for everyone. If we don't do this, tech will simply perpetuate the same biases and discriminatory attitudes that are present today.
17. By taking a proactive approach to developing diverse talent, organisations can take a step towards future-proofing their businesses against skills shortages that could hold back their growth and productivity. According to findings from [STEM Learning](#), the largest provider of STEM education and careers support in the UK, the shortage is costing businesses £1.5 billion a year in recruitment, temporary staffing, inflated salaries and additional training costs. This has also resulted in a shortage of 173,000 workers.

Recommendations to support diversity in tech talent from classroom to boardroom

techUK recommends that both Government and industry should look to:

18. **Provide Gender Pay Gap data.** From April 2018, all UK companies with 250 or more employees are required to publish their gender pay gap. A company's gender pay gap report is more than the quantitative data. It is a statement of a company's commitment to its workforce and diversity. techUK firmly believes that what gets measured gets done. Gender pay reporting is so necessary to see the disadvantages women face. Whilst the numbers stated in company reports are obviously important, to have a truly effective report organisations should take the opportunity to create a narrative. It's important to explain what has contributed to pay disparities in the report and what is being done to remedy this.

In January 2020 the Government Equalities Office suspended enforcement action in relation to gender pay gap reporting. This effectively means that there would be no consequences for employers who failed to publish their gender pay gaps by 6 April 2020 and since. As a result, very few organisations actually published their gender pay statistics for the 2019/2020 reporting year. Analysis of those that did produce data last year suggests it will take almost [200 years to close the gender pay gap](#). King's College London found that [UK gender pay gap reporting 'has no teeth'](#) and that the legislation is more focused on monitoring the problem but not actually fixing it. Collecting qualitative and quantitative diversity inclusion data on the workforce enables organisations to understand more specifically the issues and areas for improvement. [A report from McKinsey & Co](#) showed that eliminating work-related gender pay gaps could add £150 billion to annual UK GDP by 2025 through enhanced productivity and business reputation.

19. **techUK recommends the Government progress the gender pay reporting from a monitoring tool to an action tool. techUK recommends industry to collect and measure broad diversity data (not just gender) to use a baseline to set targets and design interventions built on evidence, and then measure interventions for effectiveness.**
20. Example: [Cisco's Gender Pay Report](#) is evaluative and has a clear action plan and with focused objectives.
21. **Highlight diverse representation.** Role models and diverse representation are integral to ensuring that diverse talent is able to see itself reflected in the organisations that are seeking to recruit them. Role models matter when it comes to providing mentorship and discussing shared experiences to promote STEM in underrepresented groups. Diverse role models create a dialogue allowing other colleagues to understand others experiences in the workplace and the challenges they face.
22. Example: A stark sign of the lack of gender diversity in the cybersecurity industry is shown at technology conferences where women are in such a minority that they rarely have to queue for the loo. In 2018, techUK helped launch the Queue for the Loo initiative; a series of events and online resources aimed at women in the cyber security sector. The initiative, spearheaded by Sian John of Microsoft, includes quarterly networking events for female cyber professionals to network, exchange ideas and find mentors. This initiative looks to not only create a stronger network between women in cyber but also to encourage them to do more to get others to consider their options in this space. The aim is to increase the breadth of talent in our industry by encouraging more women to join it so that we are more included, and a sign of success will be when women have to start queueing to use the facilities at cybersecurity conferences.
23. **Change the narrative and framing around digital skills in STEM Education.** techUK wants to work with key stakeholders to show how digital skills are a facilitator for people to do jobs rather than for jobs themselves. Digital runs throughout every part of an organisation and therefore every employee. By demystifying what digital skills are and focus on their analytical nature, we can further encourage its uptake with a strong narrative. As tech becomes an integral part of work in sectors such as health, climate & sustainability, and financial services, there is an imperative to foster cross-pollination between tech and other areas in our approach to digital skills to ensure people have the knowledge to drive forward progress and help realise the full potential of technology.

24. **Showcase the opportunities of STEM jobs.** techUK is looking to highlight the diversity and effectiveness of pathways and jobs available to all, regardless of background. In particular those people who have traditionally been less confident or aware of their ability to access the opportunities available. Ensuring that the pathways into STEM skills and reskilling are open, accessible, and sustainable will allow more people to be aware of the opportunities digital brings.
25. Example: Cisco launched their [2020 Social Impact Report](#) for Cisco Pathways, a programme that introduces young people to careers in technology. Through interactive school workshops for Year 7-9 students and engaging work experience for Years 10-13, Pathways specifically targets students from underserved communities and introduces them to technology and digital skills.
26. **Fuller guidance on pathways into a STEM job.** Both Government and businesses across the UK are working together to improve careers advice in schools so that young people are aware of the high-quality options available for both technical and academic routes into digital careers, and that they have access to information about the variety of careers that digital technology pathways have to offer. But there is more we can do to highlight the number and breath of opportunities available for people of all ages and all skill levels.
27. Example: techUK is a part of the consortium developing the [UK Cyber Security Council](#) which will look to develop clearer career pathways and support the profession. Instigated by Government but delivered by a coalition of industry partners, this is a good example of progress that can be made together. techUK has created a site that [highlights the variety of routes into a tech career](#). The website has resources on jobs in digital infrastructure and UK Data Infrastructure employers, information on career pathways, and case studies of those in digital careers. The website also looks to myth-bust some of the damaging stereotypes that still exist about the sector. These mainstream misconceptions are barriers to entry for and need to be addressed head on.
28. **techUK recommends that Government should work with the tech industry to run an inspiring campaign telling the story of how people from all walks of life have successfully reskilled in digital technology and benefited from life-changing career opportunities through diverse pathways, from T-Levels and apprenticeships and onto degree level qualifications. It should highlight the diversity and effectiveness of pathways and jobs available to all, regardless of background. This campaign should reach out to those people who have traditionally been less confident or aware of their ability to access the opportunities available.**
29. **Concentrate efforts on inclusive recruitment techniques.** D&I and talent development are linked so to get new talent, businesses need to adopt more inclusive hiring practices including open recruitment – making sure recruitment practices are open and fair for all candidates, including those from different backgrounds – helping companies reach the widest possible pool of talent. It also means exploring the design of the advert and the looking at the process. Companies need to build partnerships with other channels who can bring diverse talent and candidates to the table and being mindful of the language and biases on job adverts. Hiring practices which emphasise competence rather than qualifications are important. By demanding educational credentials that are not necessary for performing a job, recruiters and hiring managers may exacerbate social class disadvantage.

(January 2022)