

Diversity & Inclusion Review

Jaguar Land Rover

December 2022



About this report



Jaguar Land Rover is in the early stages of its D&I journey, with some great progress made in the past 12 months.

The D&I team shows a clear commitment to diversity and inclusion, and the business as a whole, including senior leadership, appears to have bought into this journey with an authentic ambition for change.

While this review highlights the need for change across a number of areas, prioritisation and focus will be key to continued impact.

Continuing to address barriers to diversity and inclusion across the employee lifecycle is key, with recruitment and talent management a priority, but this must be balanced with a relentless focus on psychologically safe, inclusive leadership to ensure JLR continues to make sustainable progress in the coming 12 months.

Extending the scope of the D&I strategy globally and increasing the focus on manufacturing environments will drive improvements across the business and ultimately lead to a more diverse, inclusive and psychologically safe working environment for JLR employees across the world.

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Context

- Ipsos Karian and Box has been commissioned by Jaguar Land Rover to conduct their second annual independent review of diversity and inclusion within Jaguar Land Rover.
- The purpose of the review has been to understand what progress has been made in the last year and identify strengths, areas of opportunity and practical recommendations.

Methodology



Review of policies and processes

Central documentation for policies and procedures were reviewed for inclusive best practice.

Ipsos Karian and Box reviewed 320 documents across Jaguar Land Rover's employee lifecycle, including culture, attraction, recruitment, onboarding, training, reward and benefit, talent and performance, and exit.



Data analysis

Ipsos Karian and Box analysed anonymised Jaguar Land Rover employee data and aggregated employee survey data to understand the profile of the organisation and colleagues' experiences. Data sources included surveys, pay gap reports, employee data on protected characteristics and performance management.



Interviews

13 interviews and group discussions were conducted to understand motivations, challenges and barriers to diversity and inclusion at Jaguar Land Rover.

Interviews were held with members of the HR team and with representatives from the Board.

Representation at Jaguar Land Rover



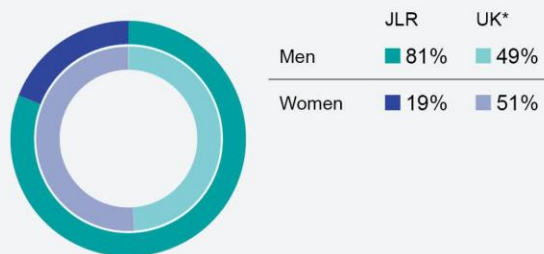
There is an under-representation of diverse communities within JLR when compared to national averages, notably for gender and disability.

JLR has low response and disclosure rates on demographic survey questions, which may be skewing representation data. 25–70% of employee demographic data is missing across characteristics.

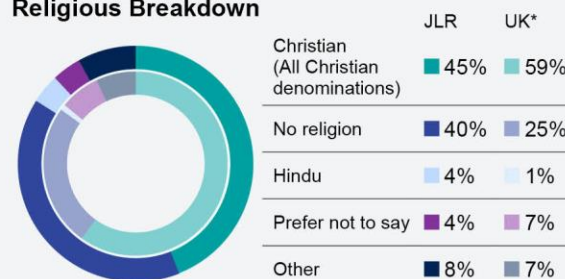


The statistical majorities within JLR are White, male, straight, non-disabled, Christian and have caring responsibilities (usually as parents).

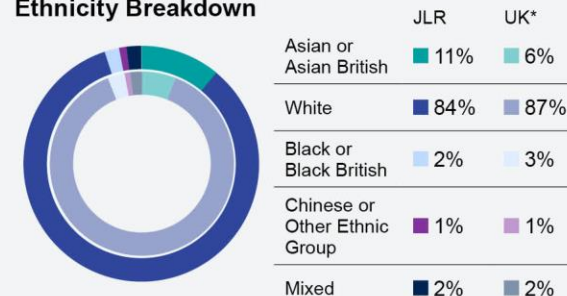
Gender



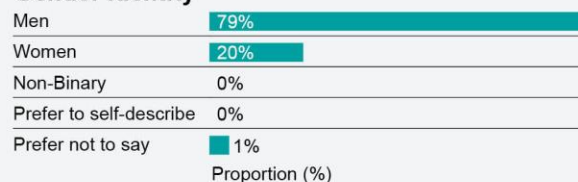
Religious Breakdown



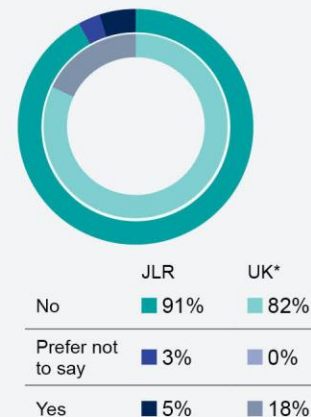
Ethnicity Breakdown



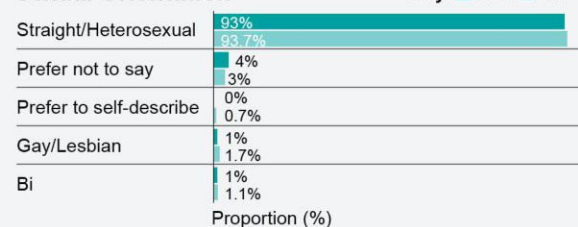
Gender Identity



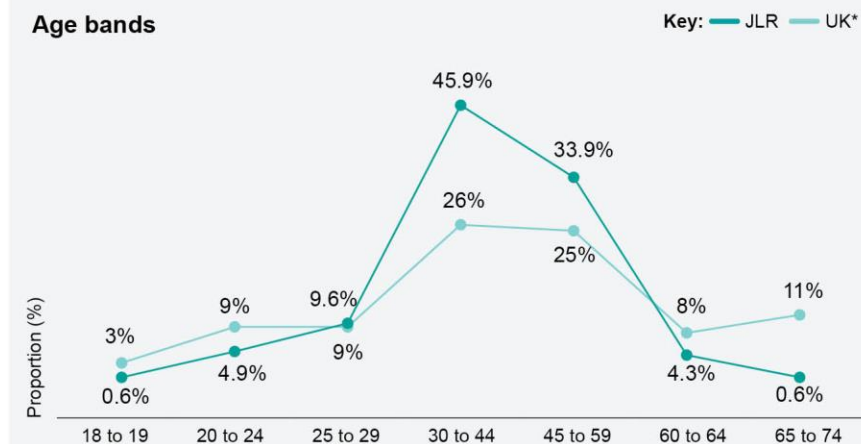
Disability



Sexual Orientation



Age bands



*Census data from 2015

Executive summary

Culture and engagement

Strengths

- The last 12 months have seen clear progress and an ambition for change. Employees describe an 'evolving' culture where leadership, D&I commitment and competency have changed for the better. JLR shows recognition of the importance of leadership in driving change.
- External comms demonstrate a transparent commitment to D&I and a desire for change through a dedicated D&I page, the 5-year strategy and diverse imagery on JLR's website.
- Governance structure documentation sets direction for D&I accountability, including frequent milestone meetings.

Development areas

- D&I strategy doesn't yet connect to JLR priorities and tangible actions. It does not appear to be well understood by the business nor considered a business priority.
- The Creators' Code lays the foundations for inclusivity. However, detailed competencies and behaviours are yet to be developed and woven into policies and processes.
- Governance for D&I does not centre around the D&I team as experts who consult with the rest of the business. All considerations for D&I should be run by the D&I team.
- A results-driven culture inhibits HR's ability to fully engage with D&I in their roles.
- Those with majority demographic profiles tend to have a more positive experience than those with diverse characteristics.
- Colleagues report a culture of favouritism towards colleagues who fit the majority profile. This may result from loose processes that lack objective criteria and, combined with manager behaviours, creates a culture of distrust and low psychological safety.



Recommendations

- Integrate the recommendations of this review into a revised D&I strategy that outlines clear actions to achieve strategic but reasonable targets and milestones.
- Position D&I strategy as part of the wider business strategy. Create a comms campaign that familiarises employees and, critically, leaders with the business case and ambition. Communicate the strategy externally to further promote an employer brand that prioritises D&I.
- Prioritise the development of the competency framework that relates directly to the Creators' Code. Engage with the D&I team and D&I professionals to ensure that D&I is woven into the core JLR competencies and behaviours.
- Ensure senior leaders are aligned to JLR's inclusive behaviours and visible advocates for the strategy, driving change from the top.
- Deep dive culture research is needed to understand employees' perceptions of results-driven culture and psychological safety and identify targeted actions to create a psychologically safe and inclusive culture.

Executive summary

Data and monitoring

Strengths

- HR MI data and employee listening strategy pose a key opportunity to identify priorities for driving a more diverse and inclusive organisation. HR practitioners are keen to access and use data more effectively across JLR.
- JLR shows a commitment to employee listening, with multiple surveys running throughout the year, including an annual D&I survey with breakdowns and analysis by demographic group.
- Gender and ethnicity targets for senior leadership are well understood and proactively referred to in the business.
- The introduction of an inclusion index within the Level 1 scorecard allows JLR to track progress and encourage senior leader accountability.

Development areas

- Diversity monitoring across processes is limited due to resource and capability within HR, as well as quality and availability of data. As a result, JLR is losing valuable insight into representation and adverse impact.
- JLR collects data across a number of sources. There is room for a more strategic approach to employee listening that explores diversity characteristics more thoroughly and consistently and enables deeper analysis.
- JLR appears to capture a range of demographic information at different points, making it difficult to draw clear conclusions.
- The D&I survey has a low response rate compared to the Pulse survey, reducing the reliability of the results.



Recommendations

- Define diversity characteristics and standardise diversity monitoring consistently across the employee lifecycle (core metrics and measures) – and run a campaign to capture these within the HR system to enable improved reporting.
- Create a centralised D&I dashboard built around a core set of KPIs to raise the profile of progress being made across the employee lifecycle.
- Develop a comprehensive employee listening strategy to deliver deeper insights.
- Integrate D&I research into the core Pulse survey to enable deeper insights into the unique experiences of diverse communities.
- Consider revising the approach to the inclusion index. JLR's inclusion index could use a scale measuring inclusive culture experiences and benchmarked externally. Analysis should focus on the experiences of diverse communities and closing the gap to the 'majority' group.

Executive summary

Networks

Strengths

- Networks have been driving positive change in the business, such as contributing to inclusive policy reviews, and seen as area of greatest progress in last 12 months.
- Manufacturing councils provide the opportunity for manufacturing colleagues to feed into #WeAreJLR.

Development areas

- Governance structure documentation is vague and offers recommendations as opposed to directing purpose, roles and responsibilities. The lines of governance have hence been blurred and networks are not fully aligned to JLR's overarching D&I strategy.



Recommendations

- Revisit the network governance structure and how this is communicated with the business. Launching a new JLR-led D&I strategy (as recommended under Culture and engagement) and bolstering D&I is an opportunity to reset network governance, positioning the D&I team as the center of expertise and driving force behind D&I decisions and direction.
- Bringing the networks and D&I team together with an aligned purpose and strategy will amplify their impact and progress for D&I at JLR.

Policies and procedures

Strengths

- Family friendly policies have been reviewed through an inclusion lens in the last 12 months and offer a progressive and competitive package which is supportive, empathetic and parent-positive.

Development areas

- Policies and processes in general at JLR comprise multiple documents, making them difficult to navigate, confusing and in places contradictory.
- Policies and processes lack uniformity and inclusive language and have an overreliance on employee compliance as opposed to an employee-centred approach.
- Employees will find it difficult to access the policies they need and may not feel well-supported when seeking help from the organisation.



Recommendations

- Collaborate with HR teams to create a standard policy structure with D&I best practice guidance and apply across the policy suite.
- Ensure all policies across the employee lifecycle have robust and objective criteria to make evidence-based and fair decisions.
- Review the policy suite through an inclusion lens, removing restrictive criteria wherever possible and adapting language and tone to show a commitment to equity and enablement.
- Create a printed employee hub that includes the updated policy suite, with an engaging, inclusive and employee-centric focus. Consider a comms campaign to launch the new handbook and reset policies and procedures at JLR.

Executive summary

Recruitment and onboarding

Strengths

- JLR shows an ambition to diversify the talent pool with diverse external comms and inclusive partnerships.
- There is a clear focus on early career opportunities.
- Guidance promotes best practice, providing rationale for clear, consistent and objective job descriptions, advising against jargon and unconscious bias training.

Development areas

- The recruitment process currently lacks reasonable adjustments, inclusive language and criteria, competency frameworks and evidence-based decision-making.
- Data shows adverse impact in the interview and assessment process.
- Documentation is biased towards internal candidates.



Recommendations

- Recruitment is a key opportunity to drive D&I and increase representation at JLR. Capitalise on progress made with external comms and early careers.
- JLR's recruitment process needs to be reviewed and redesigned through an inclusion lens, considering diverse panels, inclusive shortlisting, objective criteria and evidence-based decision-making to leave a thorough audit trail and avoid legislative action.
- The upcoming competency framework should be built into the recruitment process from job design and description to hiring decision.
- Train hiring managers in inclusive hiring to help mitigate bias and ensure the process is followed consistently for all candidates.

Training and development

Strengths

- Mandatory D&I training was introduced, with multiple modules in a range of formats to accommodate different learning styles and role demands.
- JLR offers a range of professional development routes, such as paid qualifications, the Employee Learning Scheme and diversity-targeted training.

Development areas

- Approval processes for funded training and development lack objective criteria, making selection open to bias.
- There is little consideration for the impact of development opportunities on colleagues from disadvantaged socioeconomic backgrounds.
- Learning places an emphasis on employee proactivity – an approach that favours confident and extroverted colleagues.



Recommendations

- Increase the sophistication of D&I training over time to refresh and develop employees' learning. Use interactive workshops to support e-learning.
- Review the training and development process, creating clear and objective criteria for requests to ensure approval process is free from bias.
- Review language and tone in documentation to create and adhere to an ethos that proactively supports the continuous development of colleagues at every stage of their careers.
- Reinstate academic sponsorship, if possible, to ensure JLR's door is still open to people who do not have the privilege of higher education.

Executive summary

Rewards and benefits

Strengths

- JLR offers progressive and competitive working parent benefits.
- JLR has a recognition scheme in place for all employees on the central system.
- Guidance gives managers the tools and confidence to have meaningful pay review conversations.

Development areas

- Remuneration process documents are numerous and difficult to navigate.
- Non-transparent pay brackets and unnecessary criteria may create adverse impact for diverse talent and long-tenured employees.
- Diverse ethnic groups are more likely to be in the lower pay quartiles.
- Women's bonuses are notably smaller, as men tend to hold more senior positions.



Recommendations

- Implement fair and objective criteria for pay reviews and bonus allocation.
- Publish transparent pay brackets associated with pay bands and/or roles.
- Pull together central documentation that collates JLR benefits. Publish benefits as part of a comms campaign to increase engagement and accessibility.
- Build the Creators' Code into the recognition scheme to encourage employees to engage with and live JLR's values.
- Review reward and benefit processes through an inclusion lens to ensure they are concise, accessible and free from restrictive criteria and bias.

Talent and performance

Strengths

- The performance management process applies to all salaried employees, focuses on smart targets and is guided by the Creators' Code.
- It includes guidance on giving feedback, writing a manager review and self-assessment, as well as a useful overview of the whole process.

Development areas

- The process relies on self-promotion and manager discretion. Decisions do not appear to be evidence-based or supported by robust criteria, calibration conversations or standardised templates.
- There is a focus on blockers and limitations rather than encouraging employees to progress.
- Diverse communities receive lower performance ratings.



Recommendations

- Simplify and centralise documentation to ensure consistent application and ease of reference.
- Create objective criteria for performance ratings that map onto the Creators' Code and JLR's competency framework.
- Deep dive research is needed to understand the performance management process in practice and employees' perceptions of equity and fairness.
- Remove blockers to employee progress, such as allowing managers to block internal moves and employees being unable to move before they have spent 18 months in the business.
- Create a JLR-led succession plan with consideration for creating a diverse pipeline.

Thank you

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