

Diversity, Equity & Inclusion Review

Executive Summary

December 2023

About this report



JLR continues at pace on its DE&I journey with expansion of activity and demonstrable progress across the employee lifecycle

The DE&I team has expanded in capacity and expertise and continues to show a clear commitment to diversity and inclusion, supported by a business embracing meaningful change. Conversations with stakeholders and employees demonstrate that there has been progress in awareness and understanding of the importance of DE&I priorities, and there is evidence of individual accountability for the change.

The last review highlighted addressing barriers to diversity and inclusion, across the recruitment and onboarding lifecycle, as a priority. As a result, this has been the area of focus this year, and this review includes a deep-dive exploration of progress with further suggestions for improvement.

Finally, continuing to expand the scope of the DE&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.

Ellie Shaw and Rhiannon Alexander

Context

- Ipsos Karian and Box has been commissioned by JLR to conduct this third annual independent review of diversity and inclusion within the business.
- The 2022 review highlighted recruitment as a priority area and, as such, a key objective of the 2023 review has been to deep-dive into the end-to-end recruitment and onboarding lifecycle.

Methodology



Review of policies and processes

Central documentation for policies and procedures in the UK were reviewed for inclusive best practice with particular focus on those where amendments had been made since the 2022 review.

Ipsos Karian and Box reviewed over 200 documents from across JLR's employee lifecycle with particular focus on recruitment and onboarding documents.



Data analysis

Ipsos Karian and Box analysed anonymised JLR UK employee data and aggregated employee survey data to understand the profile of the organisation and the impact of recruitment on representation. Data sources included surveys, employee data on protected characteristics and recruitment lifecycle and attrition data.



Interviews

13 interviews were conducted with recruitment practitioners within JLR and Manpower to assess progress in the integration of DE&I in recruitment at JLR.

15 colleague interviews were conducted – 8 with hiring managers and 7 with candidates – to fully explore the hiring experience and identify opportunities to further implement DE&I best practice.

Representation at JLR

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Asian / Asian British representation within JLR has grown from last year, while the workforce has got slightly younger.

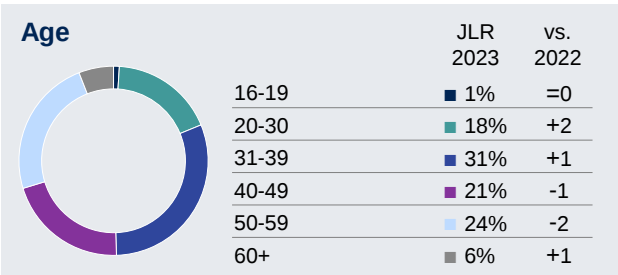
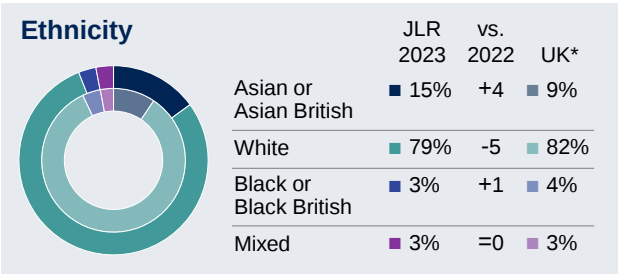
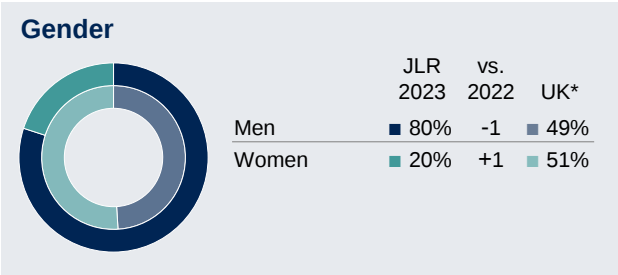
There remains an under-representation of diverse communities when compared to national averages, notably for gender and disability.

JLR has a slightly lower disclosure rate on demographic survey questions compared with the national census, which may be skewing representation data.

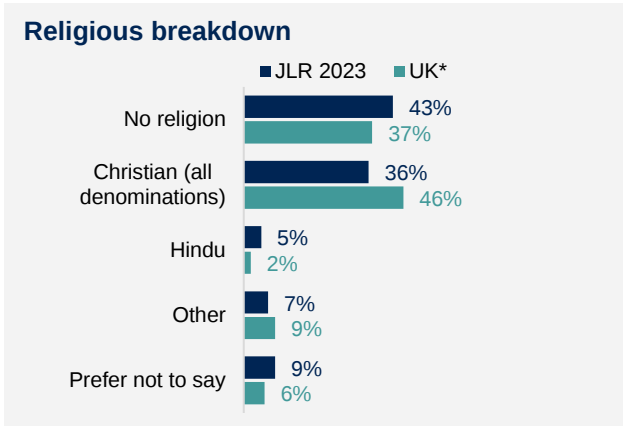
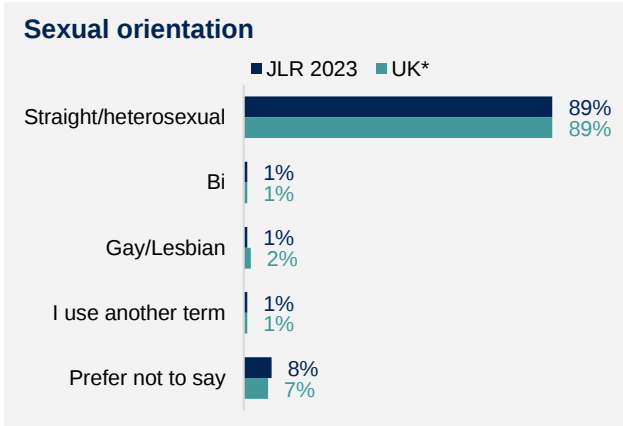
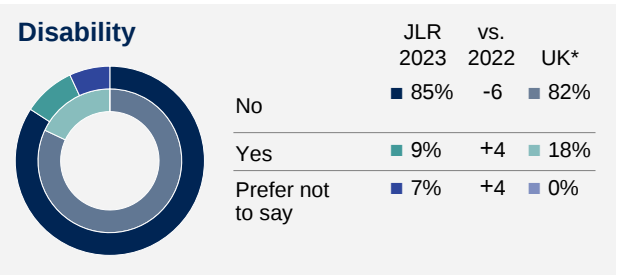
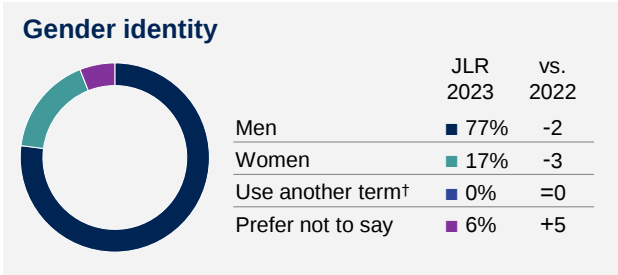
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The statistical majorities in JLR are white, male, straight, non-disabled, non-religious and in their 30s.

Based on HRIS data

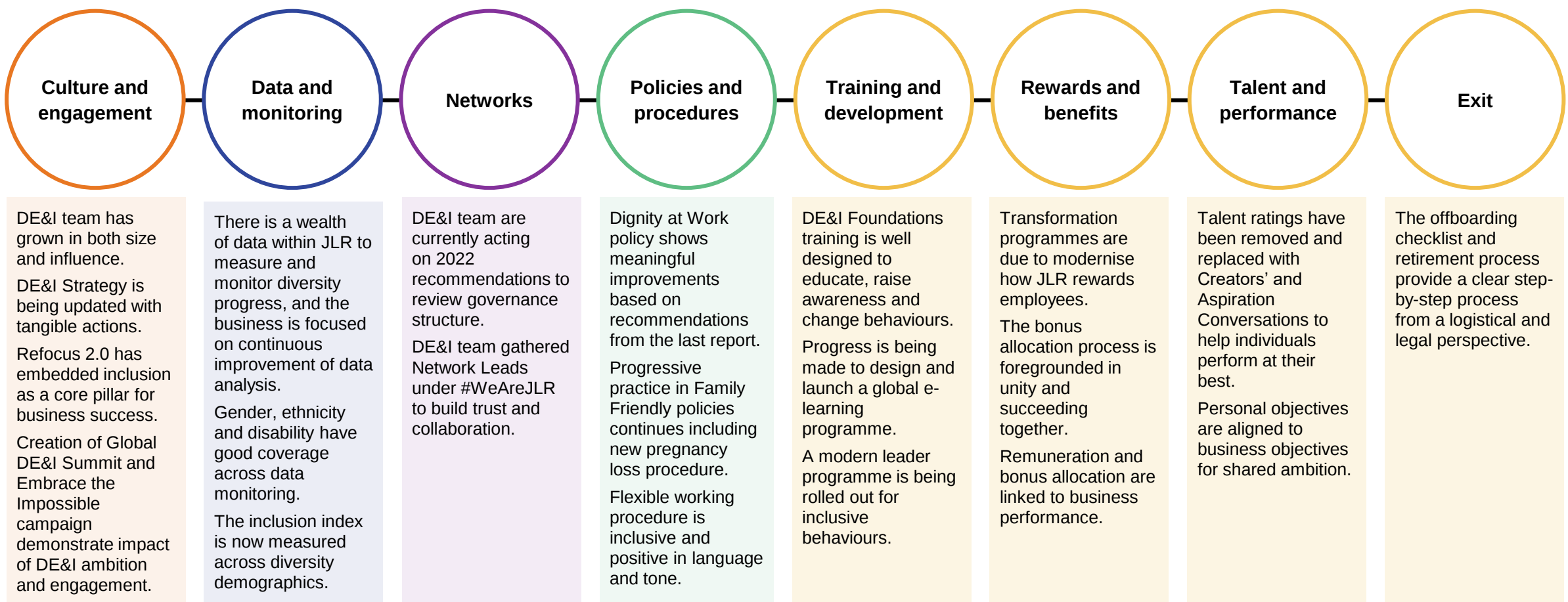


Based on self-select survey questions

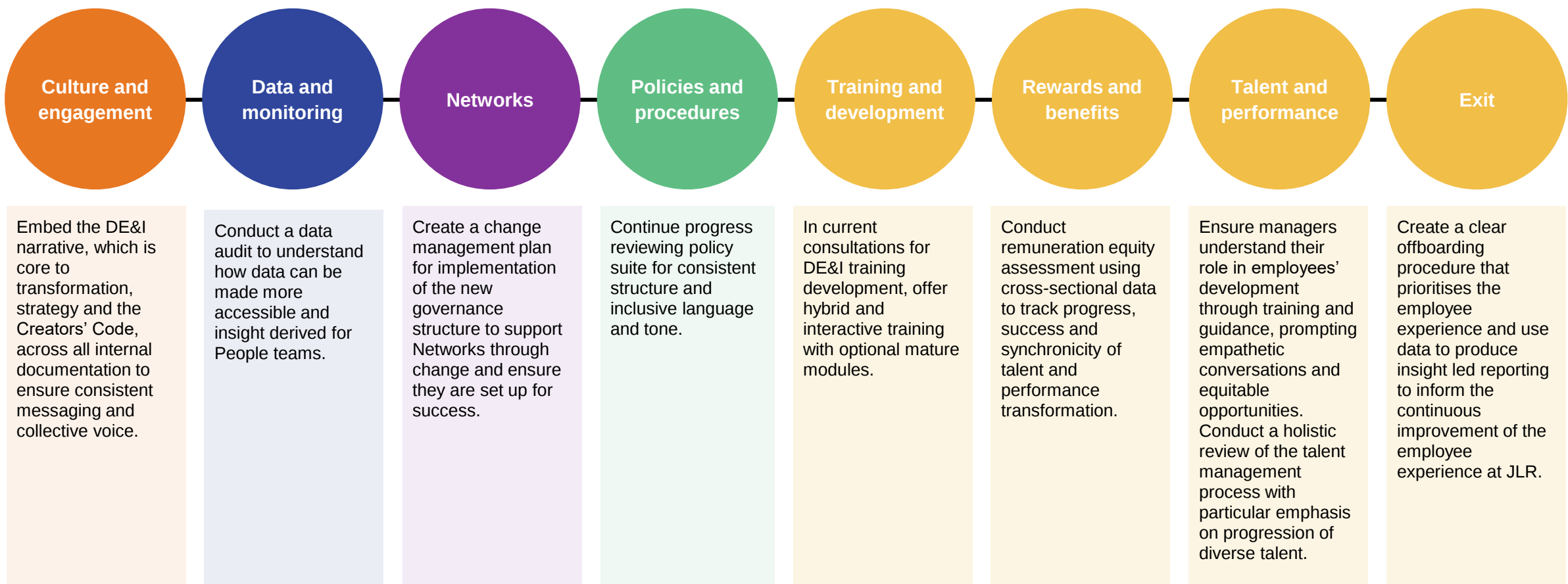


* Census data from 2021
† e.g. Non-binary

JLR has made significant improvements across the employee lifecycle in the last 12 months



For the next phase in DE&I maturity, recommendations are made for each stage of the lifecycle



Deep-dive of recruitment process shows meaningful progress across touchpoints in last 12 months

Recruitment and onboarding

Strengths

- Meaningful progress this year with the addition of inclusion guidance and behavioural interview framework, as per the 2022 recommendations.
- Clear guidance around equity and inclusion with a section dedicated to unbiased recruitment and interviewing neurodivergent candidates in some documentation.
- Clear progress integrating the Creators' Code and best practice guidance in interview packs. Behavioural interview framework maps onto business behaviours with an associated question bank.
- Inclusive hiring and unconscious bias training is available to hiring managers.
- Step-by-step recruitment process is clear and consistent with documentation/People Portal supporting hiring managers to navigate Success Factors and own the process.
- External communications are strong, particularly with the inclusion of the Creators' Code, Re-focus 2.0 and #WeAreJLR.
- Business transformation poses an opportunity to attract diverse talent with a commitment to technology and sustainability. However, 'modern luxury' may be

unattractive to diverse audiences from a socio-economic perspective unless accompanied by an aligned DE&I narrative.

Development areas

- Process documentation is split across People Portal, Knowledge Base and Success Factors, making process flow difficult to navigate and potentially limiting usability for hiring managers.
- Consider updating all documentation to reflect the new DE&I Strategy, Creators' Code and business strategy in language, tone and narrative around DE&I.
- Aside from the application itself, consideration for reasonable adjustments is limited throughout the process, creating a barrier for disabled applicants.
- Job ad and job description guidance lacks specificity and consideration for all inclusion criteria, e.g. in requiring degrees, industry experience and culture fit.
- Motivational interview questions lack objectivity and may introduce bias.
- Onboarding process consistently cited as a less positive experience by candidates and there could be better consideration for reasonable adjustments.



Recommendations

- Create an updated recruitment process map that can be accessed in one place. Integrate DE&I best practice guidance at each stage reflecting the inclusion narrative of the DE&I strategy, Creators' Code and business strategy.
- Create guidance with clear parameters for job adverts and descriptions. Build in inclusive best practice guidance and template structure to ensure consistency when used by hiring managers and recruitment partners.
- Consider introducing a 'license to hire' so hiring managers are truly mandated to complete inclusion training prior to recruiting. Ensure the training is hybrid, including interactive workshops to embed learning and allow for practice with experts.
- Reimagine the application process to limit opportunity for bias through application forms and removal of cover letters.
- Update interview packs using an a-e scoring system with positive and negative indicators and re-consider the use of motivational questions. This will further ensure objectivity and evidence-based hiring decisions.
- Conduct research into JLR's employer brand vs. competitor employers to better understand how to attract diverse talent.

Gender balance in JLR is rising, driven by more gender balanced recruitment

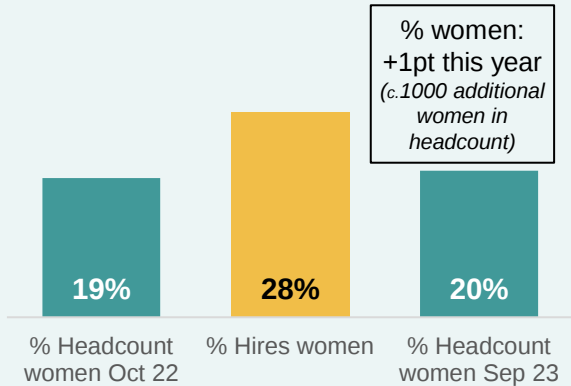
What you should know

Women are joining JLR in the past year at a faster rate than the Oct 22 headcount, resulting in a 1pt year-on-year increase in the population since then, which is in line with previous years' change. One in five employees are now women.

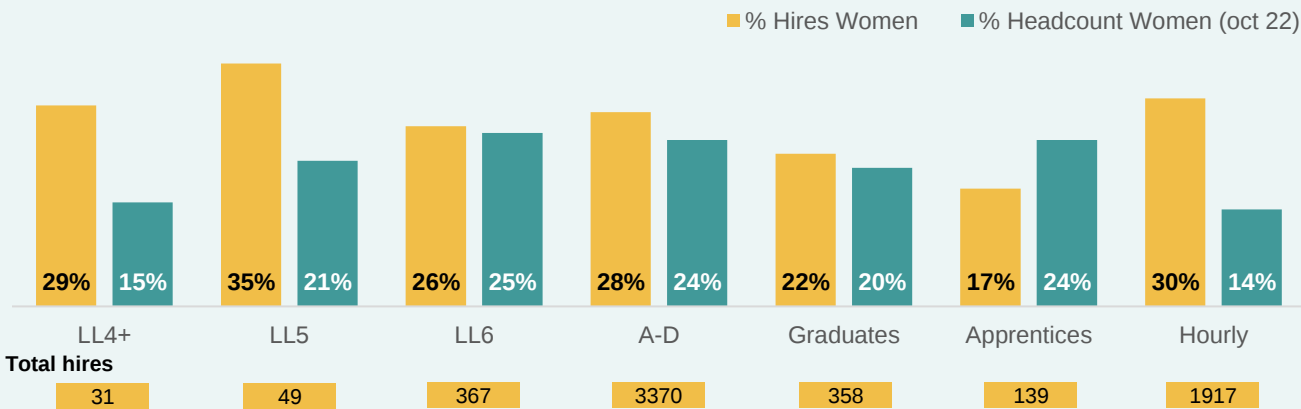
This change driven by recruitment is consistent across every grade and within early careers, with the largest differences seen in LL4+ and LL5.

Across functions this change is also consistent, with the lowest female % functions, Product Engineering and Industrial Operations, seeing a 5pt and 8pt higher hiring rate respectively.

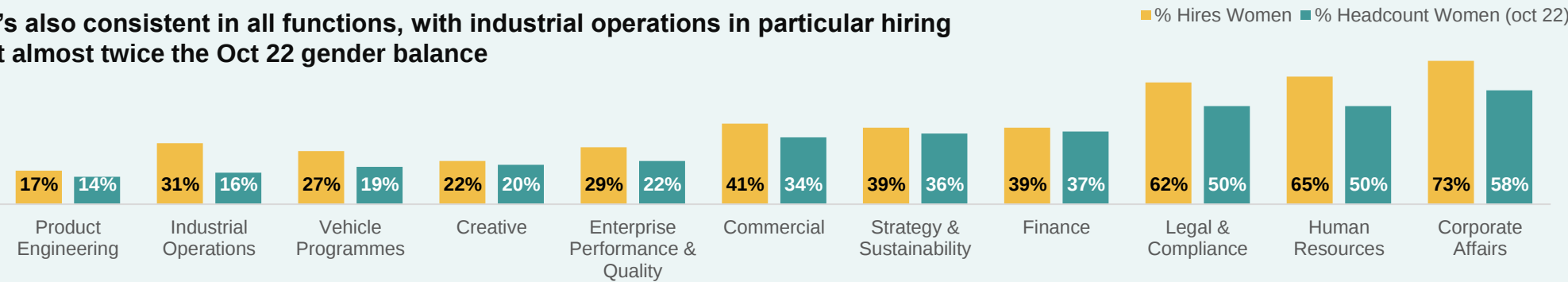
Women's attrition is above current representation, but women joining is higher still, leading to a 1pt increase in the female workforce



This higher rate of hiring women is consistent across all grades, except for apprentices, and highest at senior leadership



It's also consistent in all functions, with industrial operations in particular hiring at almost twice the Oct 22 gender balance



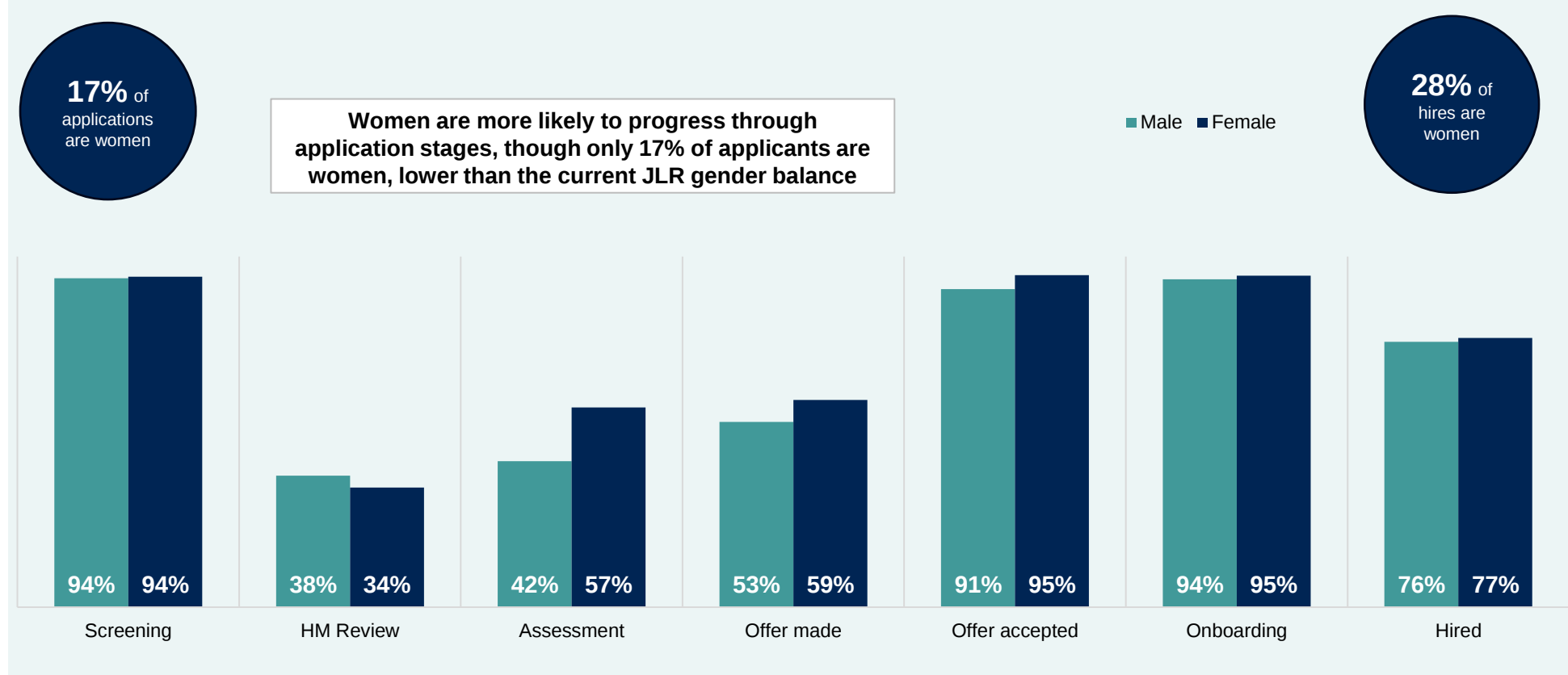
Recruitment process favours women, counterbalancing the male-dominated application pool

What you should know

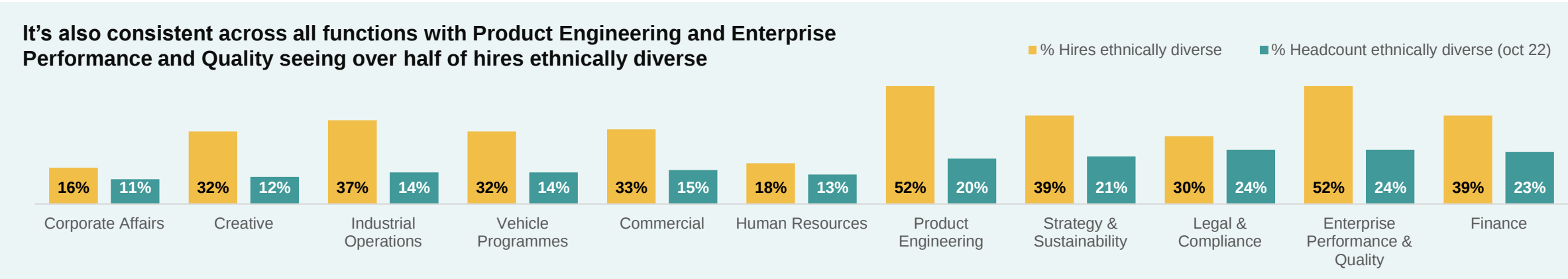
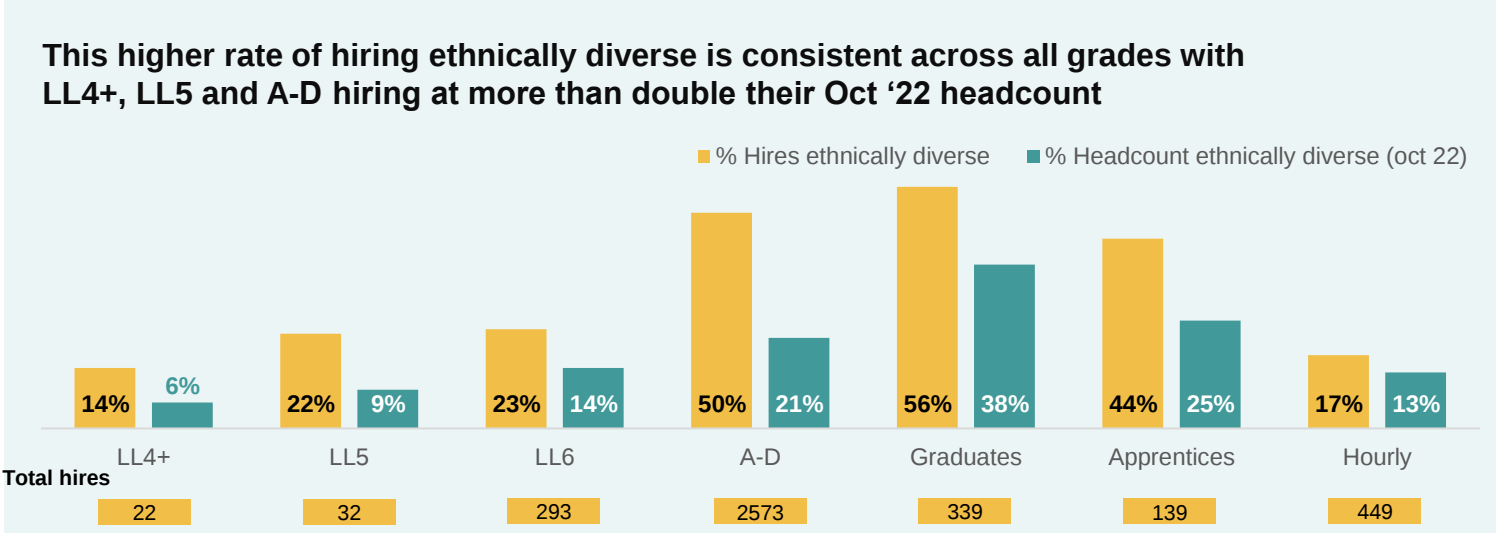
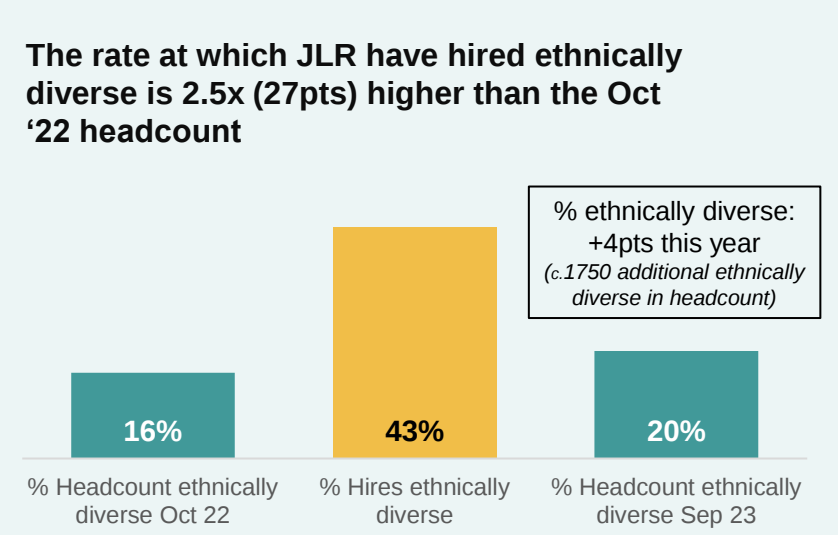
Women are slightly less likely than men (34% vs. 38%) to pass hiring manager (HM) reviews, indicating some amount of bias in the screening process.

The assessment and offer stages of the recruitment process are driving the increase in female employees. Women are 15pts more likely than men to pass the assessment and, once passed, 6pts more likely to receive an offer.

Proportion of applicants passing each recruitment stage by gender



Over four in ten hires in the last 12 months are ethnically diverse, leading to 4%pt rise overall



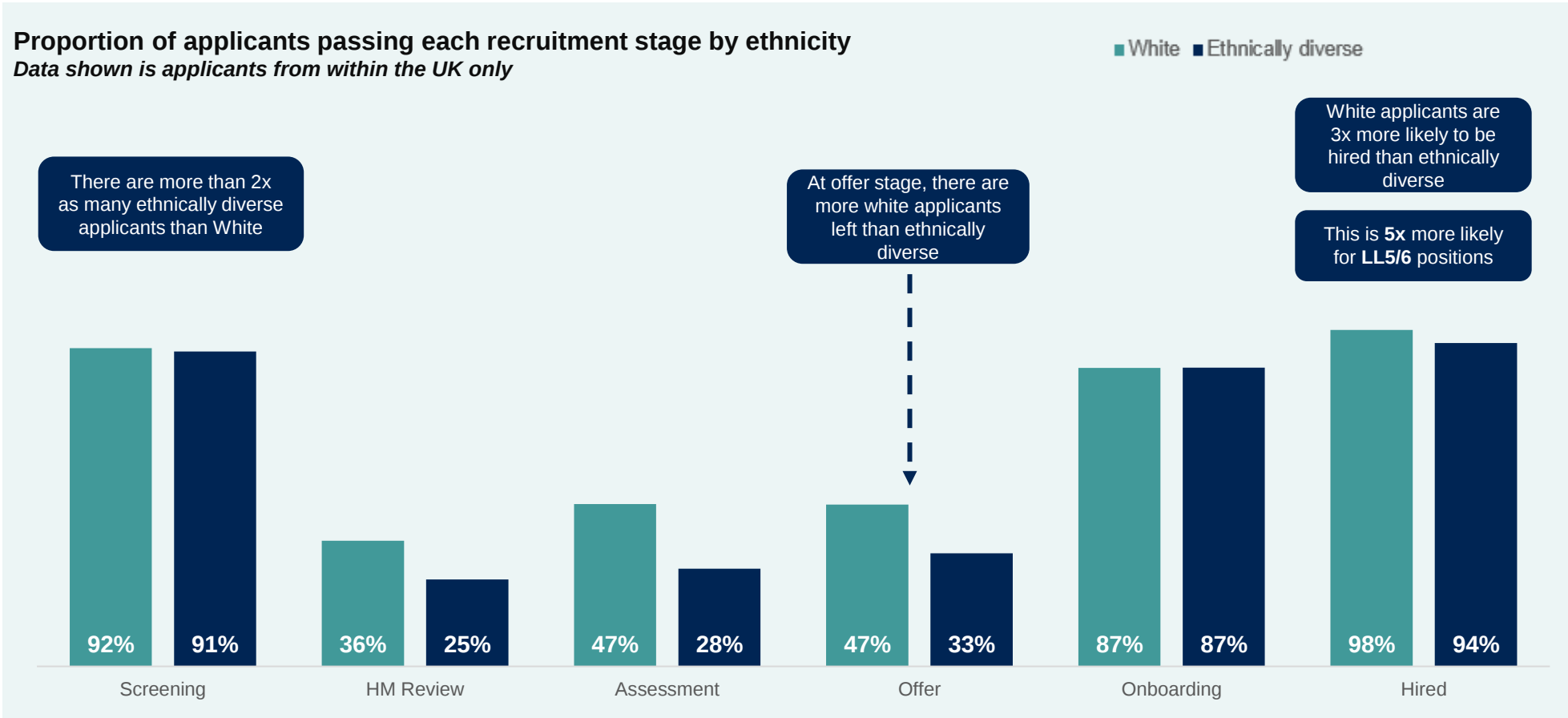
Focus on inclusive hiring process particularly the assessment and interview

What you should know

At the start of the recruitment pipeline, there are more than twice as many ethnically diverse applicants as White applicants.

These applicants are less likely to progress through hiring manager review, assessment and offer. By the time offers are made, White applicants outnumber ethnically diverse applicants.

Overall, White applicants are 3x more likely to be hired than ethnically diverse.



Thank you

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