



Diversity in Hiring: The Business Case and How Corriculo Helps You Secure the Right Talent



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Introduction: Why Diversity in Hiring Matters for UK Businesses

In today's rapidly evolving business landscape, the importance of diversity and inclusion in hiring has never been more pronounced. For UK employers, the drive to build diverse teams is not just an ethical imperative — it is a strategic business decision that directly impacts innovation, productivity, and long-term growth. As the UK workforce becomes increasingly varied in terms of gender, ethnicity, disability, age, sexual orientation, and socio-economic background, organisations that embrace diversity are better positioned to understand their customers, attract top talent, and outperform competitors.

Yet, despite widespread recognition of these benefits, many hiring managers and business leaders still grapple with practical questions: What does the UK evidence say about the business value of diversity? How can organisations move beyond the 'typical' candidate profile to access broader talent pools? And what role do recruitment partners like Corriculo play in supporting inclusive hiring?

This report explores the UK-specific business case for diversity in hiring, drawing on the latest government statistics and industry research. We'll also share practical steps for expanding your talent pool and highlight how Corriculo works collaboratively with clients to secure the right person for every role — by thinking beyond the obvious and championing inclusive recruitment practices.

The UK Business Case for Diversity: Evidence and Outcomes

Diversity Drives Innovation, Productivity, and Financial Performance

UK research consistently demonstrates that diverse teams are more innovative, productive, and financially successful. According to a 2025 EY report, diversity, equity, and inclusion (DE&I) are "critical drivers of innovation, productivity, and economic growth" for UK businesses. The report, developed in partnership with leading UK diversity campaigns, found that organisations with robust DE&I strategies see measurable improvements in workplace culture, employee engagement, and business outcomes.

A study cited by the Shaw Trust found that companies with above-average diversity generate 45% of their revenue from innovation, compared to just 26% for those with below-average diversity. Furthermore, UK businesses in the top quartile for gender diversity are 15% more likely to outperform their industry median financially, and those in the top quartile for ethnic diversity are 35% more likely to do so.

These findings are echoed by the British Business Bank, which highlights that diverse and inclusive hiring strategies help attract better-qualified staff, boost brand reputation, increase staff retention, and open up new markets. In short, diversity is not just a "nice to have"—it is a proven lever for business success.

UK Labour Market Diversity: The Latest Data

The UK's workforce is increasingly diverse, but significant gaps remain in employment outcomes across different groups. The Office for National Statistics (ONS) 2021 Census data reveals:

- Gender: 61.4% of males were employed, compared to 53.2% of females.
- Disability: Non-disabled adults were more than twice as likely to be in employment (64.7%) as disabled adults (27.3%).
- Ethnicity: Employment rates ranged from 74.4% for 'White: Other White' groups to 37.4% for 'White: Gypsy or Irish Traveller' groups.
- Religion: Just under half (48.6%) of adults identifying as Muslim were in employment, compared to 66% of those with 'No religion'.
- Sexual Orientation: LGB+ adults had a higher employment rate (63.8%) than straight or heterosexual adults (57.8%), largely driven by gay or lesbian people (70.3% employed).

These statistics highlight both the richness of the UK talent pool and the persistent barriers faced by certain groups. For employers, this means that expanding recruitment efforts to reach underrepresented candidates is not only a matter of fairness but also a practical response to skills shortages and business needs.

The Cost of Bad Hires and the Value of Inclusive Recruitment

Recruitment mistakes are costly. In the UK, a bad hire at mid-manager level can cost a business over £132,000, factoring in wasted salary, training, lost productivity, and the expense of replacing the employee. The Recruitment & Employment Confederation (REC) and Oxford Economics estimate that the average cost of replacing an employee earning £25,000 or more is £30,614, with the figure rising significantly for more senior roles.

Crucially, research shows that one in three bad hires occur because the pool of talent accessed was too small or not diverse enough. By widening the lens through which potential is assessed and adopting inclusive recruitment practices, organisations can reduce the risk of costly hiring mistakes and secure candidates who truly add value to the business.

UK Policy and Legal Context: The Equality Act 2010 and Inclusive Hiring

The Equality Act 2010: Legal Obligations for Employers

The Equality Act 2010 is the cornerstone of anti-discrimination law in the UK, protecting individuals from unfair treatment based on nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation. Employers must ensure that their recruitment policies and practices do not disadvantage any candidate because of these characteristics.

Key legal requirements include:

- Non-discriminatory job adverts: Employers must not state or imply in job adverts that they will discriminate against any group.
- Fair selection processes: All candidates must be assessed based on their ability to perform the role, not on protected characteristics.
- Reasonable adjustments: Employers are required to make reasonable adjustments for disabled candidates to ensure a fair recruitment process.
- Positive action: In cases where candidates are equally qualified, employers can choose to hire someone from an underrepresented group to address disadvantage or underrepresentation, provided this is done on a case-by-case basis.

Failure to comply with the Equality Act can result in costly tribunal claims, unlimited compensation payouts, and reputational damage.

Regulatory and Reporting Trends

UK regulators are increasingly focused on diversity and inclusion. For example, the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) have proposed new requirements for large firms to collect and report diversity data, set targets, and embed DE&I into risk and governance frameworks. There is also growing momentum for mandatory ethnicity and disability pay gap reporting, and the Parker Review calls for targets on ethnic minority representation in senior management.

Even for smaller organisations, best practice now includes collecting diversity data, analysing workforce composition, and using this information to inform recruitment and progression strategies.

Practical Steps for Expanding Your Talent Pool and Inclusive Hiring

1. Redesign Recruitment Processes to Reduce Bias

CIPD research shows that only 28% of UK employers train all interviewers on legal obligations and objective interview practice, and less than a fifth test job adverts for bias. To attract a more diverse talent pool, employers should:

- Remove biased language from job adverts: Use inclusive, gender-neutral, and accessible language. Tools and templates are available from CIPD and ACAS.
- Widen advertising channels: Go beyond mainstream job boards to include platforms focused on underrepresented groups, community networks, and specialist organisations.
- Standardise and structure interviews: Use competency-based or structured interviews with predefined questions and scoring criteria to ensure fairness and consistency.
- Offer reasonable adjustments proactively: Ask all candidates if they require adjustments, rather than waiting for requests.

2. Diversify Sourcing Channels

Relying solely on traditional recruitment methods limits access to diverse candidates. Effective strategies include:

- Professional networking sites: Use LinkedIn and industry-specific forums to reach passive and active candidates.
- Alumni networks and educational partnerships: Collaborate with universities, colleges, and apprenticeship providers to access early-career talent.
- Employee referral programmes: Incentivise staff to recommend candidates from their networks, which can improve retention and cultural fit.
- Community outreach: Partner with charities, local organisations, and diversity-focused groups to tap into underrepresented talent pools.

3. Adopt Skills-Based and Competency-Based Hiring

Skills-based hiring focuses on what candidates can do, not just where they have worked or what qualifications they hold. This approach:

- Broadens the talent pool: By removing unnecessary degree or experience requirements, employers can access candidates from non-traditional backgrounds.
- Improves fairness: Competency mapping and structured assessments ensure candidates are evaluated on relevant skills and behaviours.
- Supports internal mobility: Skills-based frameworks help identify and develop talent within the organisation, supporting retention and progression.

4. Build and Maintain High-Quality Talent Pools

A well-maintained talent pool enables organisations to respond quickly to hiring needs without sacrificing quality. Best practices include:

- **Data-driven talent mapping:** Analyse workforce needs, identify skills gaps, and forecast future requirements.
- **Segment and engage candidates:** Use CRM systems to keep candidates informed and interested, even when not actively recruiting.
- **Leverage technology:** Applicant tracking systems (ATS) and AI-powered tools can streamline candidate management and reduce bias.
- **Promote internal mobility:** Encourage staff to explore opportunities across departments, supported by clear career paths and upskilling programmes.

5. Measure and Report Diversity Outcomes

Collecting and analysing diversity data is essential for tracking progress and identifying barriers. Key steps include:

- **Gather demographic data:** Collect information on age, gender, ethnicity, disability, sexual orientation, and other relevant characteristics, ensuring confidentiality and compliance with GDPR.
- **Monitor recruitment and progression:** Analyse diversity at each stage of the recruitment process and across different levels of seniority.
- **Set targets and benchmarks:** Use data to set realistic goals for representation and inclusion, informed by industry standards and local demographics.
- **Report transparently:** Share progress with employees and stakeholders to build trust and accountability.

How Corriculo Helps You Expand Your Talent Pool and Secure the Right Person

At Corriculo, we understand that finding the right person for your business means thinking beyond the 'typical' candidate profile. Our approach is rooted in collaboration, evidence-based practice, and a commitment to inclusive hiring.

1. Collaborative Partnership

We work closely with clients to understand your unique needs, culture, and business objectives. By defining the skills, behaviours, and values that matter most, we help you move beyond narrow definitions of 'fit' and identify candidates who will truly add value to your team.

2. Expanding the Talent Pool

Corriculo leverages a wide range of sourcing channels, including:

- Diverse job boards and networks: We advertise roles on platforms that reach underrepresented groups and tap into specialist communities.
- Proactive outreach: Our consultants engage with passive candidates, alumni networks, and educational partners to access talent that may not be actively job-seeking.
- Skills-based assessment: We focus on candidates' abilities and potential, not just their CVs, ensuring that non-traditional backgrounds are valued and considered.

3. Inclusive Selection Processes

Our recruitment processes are designed to reduce bias and support fair outcomes:

- Structured interviews: We use competency-based and structured interview techniques, with clear scoring criteria and diverse panels where possible.
- Reasonable adjustments: We proactively ask candidates about any adjustments needed and support clients in making the recruitment process accessible to all.
- Data-driven insights: We collect and analyse diversity data (with consent) to monitor outcomes and continuously improve our practices.

4. Supporting Retention and Progression

Our commitment doesn't end with placement. We advise clients on onboarding, mentoring, and development strategies to ensure that diverse hires are supported to thrive and progress within your organisation.

5. Continuous Improvement and Accountability

Corriculo stays abreast of the latest UK research, policy developments, and best practice in inclusive hiring. We regularly review our processes, seek feedback from clients and candidates, and invest in training to ensure we deliver the highest standards of service.



Actionable Takeaways for UK Hiring Managers and Business Leaders

- Recognise the business value of diversity: Diverse teams drive innovation, productivity, and financial performance. The evidence is clear—diversity is a strategic advantage, not just a compliance issue.
- Review and redesign your recruitment processes: Remove bias, widen your sourcing channels, and adopt structured, skills-based assessments to access a broader talent pool.
- Collect and use diversity data: Monitor recruitment and progression outcomes, set targets, and report transparently to drive accountability and improvement.
- Invest in retention and progression: Support diverse hires with mentoring, clear development pathways, and an inclusive culture that values difference.
- Partner with experts: Work collaboratively with recruitment partners like Corriculo to expand your reach, challenge assumptions, and secure the right person for every role.

Conclusion: Building a Stronger, More Inclusive Future

The UK business case for diversity in hiring is compelling and well-supported by data, policy, and real-world success stories. By embracing inclusive recruitment practices, expanding your talent pool, and supporting the progression of diverse hires, your organisation can unlock the full potential of its people and secure a sustainable competitive edge.

At Corriculo, we are committed to helping you achieve these goals—by thinking beyond the obvious, working collaboratively, and championing inclusive hiring at every stage. If you're ready to build a stronger, more innovative, and more representative team, get in touch with us today.

Let's shape the future of your workforce—together.

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An unbeatable recruitment service and experience to clients & candidates alike.

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