



BRITISH  
CHAMBER OF  
COMMERCE  
IN CHINA

中国英国商会

# BRITISH BUSINESS IN CHINA: DIVERSITY & INCLUSION SURVEY

2021



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# CHAIR'S FOREWORD

The British Chamber of Commerce in China is delighted to present the second edition of the Diversity & Inclusion Survey 2021.

The annual survey has been established by the Chamber in order to understand the commitment of British businesses in China to Diversity & Inclusion (D&I) and its impact. Companies should use it as a tool to help them both understand their own progress against international benchmarks and build a deeper understanding of D&I in general. We hope that the annual report and the individual, confidential scorecard sent to respondents will help businesses identify areas of success and areas of growth as they plan the next steps in their D&I strategies. The Chamber will also be using key findings from the survey to develop D&I activities, events and training in order to bring value to our member companies.

It has long been shown by international research that D&I activities have a positive effect on company performance. We are excited to see the results of our own survey reinforcing this finding: 72% of British businesses find that D&I initiatives have a positive, tangible impact on their business performance in 2021, especially around employee morale and retention, innovation and efficiency. Furthermore 93% believe that D&I in general has a positive effect on business performance, even though not all of them can identify tangible areas of impact.

Many businesses are already actively designing creative and impacting programmes to create a culture of inclusion. These range from equal lengths of maternity and paternity leave to unconscious bias training, from community groups for employees with disabilities to work-from-home strategies, from partnering with external organisations in order to raise awareness to creating mentor networks for underrepresented groups.

It is the Chamber's strong belief that the implementation of a D&I culture is a vital factor in making British

businesses more competitive and innovative. In a market as complex and important as China, companies need to both establish a strong base rooted in an ability to innovate and attract stable, motivated teams. A focus on D&I will help achieve these objectives.

However, while there seems to be an increasing awareness of the importance of D&I across businesses, it is discouraging that the survey suggests there are also areas where companies are underperforming. Beyond establishing D&I programmes, companies must continue to focus on the tangible impact these programmes have on representation – especially of women, foreign passport holders, members of the LGBTQ community, people from low-income backgrounds, and people with disabilities – across different levels of the organisation, including higher management and board levels. These groups are represented better at entry-level, but their representation and participation become sparser further up company hierarchies.

Nevertheless, half of companies already offer unconscious bias training to employees, which is the strongest predictor for more diverse workforces. We hope that, with continuous uptake of this training and improved monitoring of the impact of D&I programmes on both diversity and business performance, British businesses will continue to thrive in the China market.



**BARBARA SEIDELMANN**

British Chamber of Commerce in China  
Diversity in Business Committee Chair

# KEY FINDINGS

## DIVERSITY & INCLUSION INITIATIVES:



**93%** of companies believe that creating a more diverse and inclusive workforce is has a **beneficial impact** on business performance

**72%** of companies can link their own D&I policies to **tangible improvements** in their own offices



**79%** of these companies say that D&I policies have led to improved **employee morale**

**75%** of these companies see **higher employee retention**

**74%** believe their companies have **become better innovators**



**51%** of companies have an **official D&I policy**

**80%** of companies offer at least one D&I **support programme** to staff from underrepresented groups



Companies offer  
**26 weeks**  
of maternity leave and  
**2 weeks**  
of paternity leave



## REPRESENTATION OF TRADITIONALLY UNDERREPRESENTED GROUPS:

In the workforces of British businesses in China:

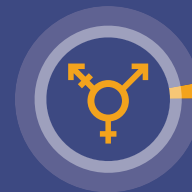


**46%** of employees are **women**

**16%** of employees are **foreign passport holders**

**13%** are **white**

**3%** are **people of colour**



**3%** of employees are members of the **LGBTQ community**

**<1%** of employees are people with **disabilities**



**10%** of employees are from a **low-income background**

**13%** of employees are notably **older or younger** than their peers



# EXECUTIVE SUMMARY

British businesses in China have become more cognizant of the benefits of diversity in the workplace over the past year, but representation of traditionally underrepresented groups in the workforce is in decline.

The vast majority of businesses continue believe that diverse workplaces are generally good for companies, but this year significantly more companies can link diversity to concrete business performance. 72% of businesses believe their D&I policies have led to better business performance in 2021, compared to 59% in our inaugural survey.

## DRIVEN BY GENUINE IMPACT

The diversity dividend for many can be found in internal operations: higher morale, less churn, better innovation and greater efficiency. Reported benefits around brand perception, supplier relations and other external factors are less common. Encouragingly, relatively few companies link D&I with their ability to comply with group-level commitments.

Companies are increasingly dedicating resources to diversity and inclusion (D&I) programmes. Roughly half of companies have official D&I policies, while a quarter have an unofficial D&I policy. These are likely to cover several groups, particularly gender, age and race or ethnicity. A focus on socio-economic background was significantly less common, and this is reflected in a lack of data on employees from low-income background.

## COMPANIES COMBATting BIAS, EQUALISING BENEFITS AND CREATING SUPPORT STRUCTURES

When implementing D&I policies through support programmes, companies report that their strategies have generally remained the same year-on-year. Common

actions include combatting bias in recruitment and promotion processes, providing mentoring opportunities, making equal pay commitments and hosting networking events. One third of companies have programmes that focus on female empowerment or gender equality.

Unconscious bias training remains popular. Two thirds of businesses are taking action to combat bias through providing unconscious bias training to their staff, in order to encourage all employees to recognise and mitigate biases they hold.

Companies have improved both maternity and paternity leave benefits this year. The typical company now provide 26 weeks of maternity leave, up from 24 weeks last year, and 18% of companies provide anywhere between 27 and 52 weeks of maternity leave. While most businesses provide two weeks paternity leave, a significant number are increasing their paternity leave allowances. One in five companies provide more than 10 weeks of paternity leave, letting fathers to spend time with their families and removing pressures on women to leave their jobs after giving birth.

85% of companies provide flexible work options, such as flexi-hours or the ability to work from home. These allow working parents or carers – who are disproportionately female – to balance their professional and personal lives. Disabled employees can use them to adapt their work life to better suit their needs. However, flexible work options have become less common following the lifting of COVID-19 restrictions in China, undermining these benefits.

## BUT COMPANIES STILL FACE CHALLENGES IN FOSTERING DIVERSITY

However, diversity in companies is down year-on-year despite these actions. This is particularly true for female employees, foreign employees, employees from the LGBTQ community or employees from low-income backgrounds.

Women are reported to make up on average 46% of companies' workforces this year, down from 54% last year. While still above the Asia-Pacific (APAC) average of

1 'Diversity & Inclusion Index: World', Universum, December 2019.



37%,<sup>1</sup> female participation in workforces has nevertheless dropped at entry-, mid- and senior-levels. This is likely driven in part by a higher participation rate compared to the inaugural survey, as this year the survey was expanded to include companies across the chamber network. Nevertheless, there seems to be some regional disparity in terms of women's ability to progress through a company. In Beijing, women are reported to comprise between 55% and 60% of British companies' workforces at all levels, with relatively stable progression rates through the company. Women in Shanghai, by contrast, are five times less likely to progress from mid-level (45%) to senior-level (39%).

Foreign passport holders also have a reduced presence this year. 16% of a workplaces' employees are likely to be foreigners, down from 20% last year. This is likely driven by COVID-19 related travel restrictions on international travel, which has led to many foreigners abandoning their China careers. The survey findings reinforce troubling anecdotes of a net outflow of foreign talent, a segment of the population who are crucial to both bring alternate perspectives to their workplace and help strengthen knowledge and

understanding of China in their home countries. The trend is most apparent among for white, entry-level employees; while there hasn't been a comparable change in the proportion of young, foreign people of colour in offices, this may be because they comprise such a small segment that any shifts are less visible.

Many companies also do not know how many of their employees come from low-income backgrounds, making it challenging to understand their share of workplaces. However, those that do know report that they make up 12% of entry-level employees, dropping to 8% of senior-level employees. It is also common for companies to not know how many of their employees are LGBTQ, which creates barriers to developing impactful support structures. Of companies that could provide an estimate, numbers are down compared to last year. LGBTQ employees can rise from entry-level and mid-level roles relatively easily across China, but are much less likely to then advance to senior leadership.

Similarly, employment of people with disabilities remains low, at less than 1% of the workforce. Larger multinationals are slightly more likely to employ people with disabilities at entry- and mid-levels, but this is an area where more could be done. Experience could be drawn from the UK, where 14% of the workforce consists of people with disabilities. Companies do seem to be more diverse in terms of ages this year, especially at entry-levels. Going up through the ranks, however, companies become relatively more homogenous in terms of the age of more senior cohorts.

## UNCONSCIOUS BIAS TRAINING A KEY DIFFERENTIATOR BETWEEN HIGH AND LOW PERFORMERS

Nevertheless, companies' attempts to combat bias in the workplace has resulted in greater diversity. Companies with unconscious bias training are more likely to have greater representation of underrepresented groups at all levels than those without such training. Companies with an official or unofficial D&I policy were more diverse at lower levels of the organisation, but this effect faded at senior levels for all groups except for female employees – highlighting the positive impact of the specific focus on gender. While more needs to be done in terms of gender equality, companies' gender equality programmes could be used to also boost diversity in other areas.





## VALUES STATEMENT

The British chambers of commerce in China builds awareness of, shares knowledge about, provides a community for, and advocates on diversity and inclusion issues through BritCham China's Diversity in Business forum and BritCham Shanghai's Women in Business forum.

Our aim is for member companies to understand the business and economic benefits of a workforce that is inclusive and diverse, and share best practice to achieve

success. We will be bold but sensitive to the topic to achieve the chambers' mission. Member companies are encouraged to use the information provided to guide decision-making and set tangible, realistic goals for making corporate culture more inclusive and welcoming.

We understand that companies, individuals, and societies are on their own journeys to understand inclusion and diversity. To create an environment that is safe and supportive for constructive conversations on diversity and inclusion issues, the Diversity in Business Forum, and the chambers themselves, operate based on a core set of guiding principles and values:

- Inclusivity
- Respect
- Open-mindedness
- Honest discussion

# METHODOLOGY

The *British Business in China: Diversity & Inclusion Survey 2021* is the second annual survey conducted by the British chambers of commerce in China on our member companies' diversity and inclusion (D&I) initiatives. The survey measures the perspectives of British businesses operating on the ground across the Chinese mainland towards D&I, covering such topics as: the scope of their D&I policies, resources provided for staff, the impact of a focus of D&I policies on business performance and representation of minority groups in their workforce.

Invitations to complete the survey were sent to the four chapters' member companies from the 21st July to the 12th August 2021, receiving responses from 106 companies. 38% of respondents are C-Suite level, 16% are heads of Human Resources departments, 13% are members of Human Resources departments, and 32% mark themselves as other, covering managing directors, founders, D&I champions and other senior company representatives.

34% of respondent companies are large multinationals, while 43% are SMEs. Education (20%) is the largest industry represented in the report, followed by financial services (15%), legal and professional services (13%), advanced manufacturing and transportation (11%) and hospitality, travel and tourism (10%). Surveyed companies have a presence across China, but respondents' principal China offices are mostly concentrated in higher tier cities, notably Shanghai (52% of principal offices), Beijing (33% of principal offices) and Chengdu (6% of principal offices).

Complete anonymity of all respondents, both in terms of organisation and individuals, has been maintained throughout the publication of information. It should be noted that the average length of maternity and paternity leave are calculated according to the mode average, while the average percentages of minority groups within workforces are calculated according to the mean.



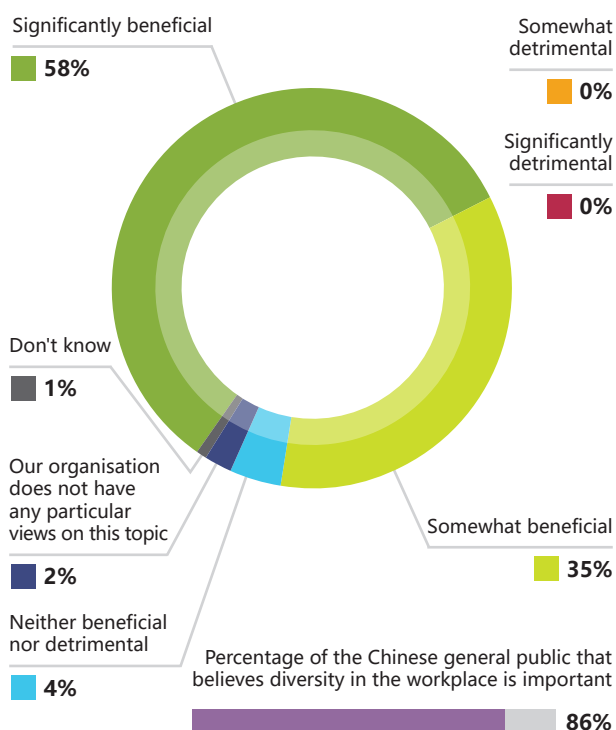
## ACRONYMS

APAC	Asia Pacific
D&I	Diversity & Inclusion
LGBTQ	Lesbian, Gay, Bisexual, Transgender, Queer
SMEs	Small- and Medium-Sized Enterprises



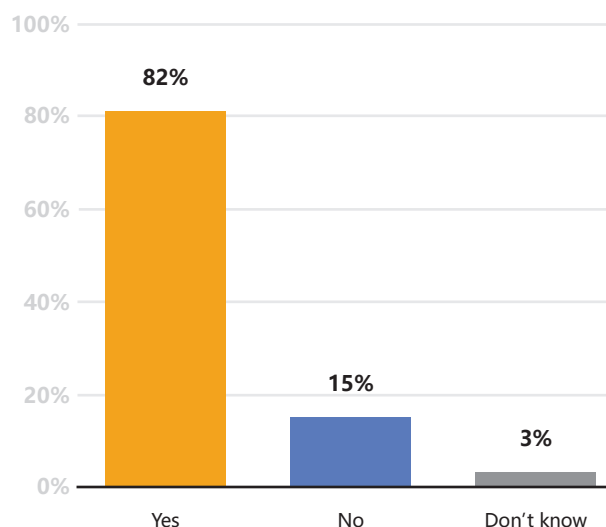
# ATTITUDES TOWARDS DIVERSITY & INCLUSION

## WHAT IMPACT DOES YOUR ORGANISATION BELIEVE A DIVERSE WORKFORCE HAS ON BUSINESS PERFORMANCE?



93% of British companies in China believe that a diverse workforce is beneficial for business performance. This is higher than average sentiment among the Chinese general public, of which 85% believe that diversity in the workplace is important.<sup>2</sup> In particular, large multinationals (71%) are more likely than SMEs (62%) to believe that diversity significantly benefits companies, while businesses headquartered in Beijing are the most likely to believe that diversity is significantly beneficial (69%).

## DOES YOUR ORGANISATION'S LEADERSHIP ACTIVELY WORK TO CREATE A DIVERSE AND INCLUSIVE WORKFORCE AND SUPPORT D&I INITIATIVES?



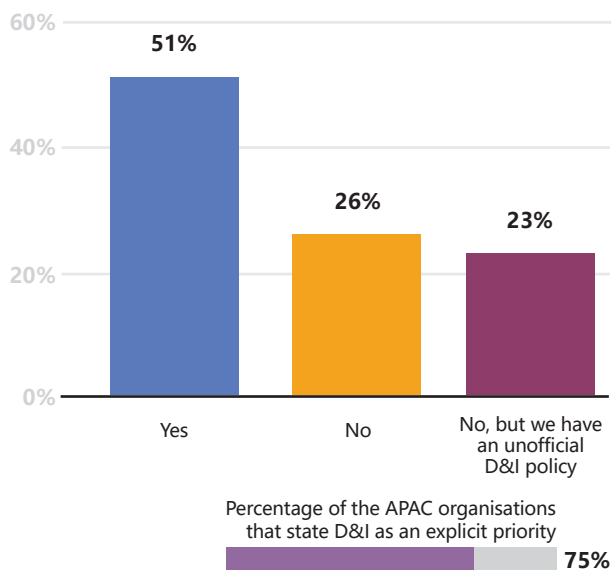
82% of companies report that their leadership has an active focus on diversity and make efforts to create a diverse workforce or support D&I initiatives. There is a strong link between the possession of a D&I policy and an active focus on the issue from the companies' leadership. 100% of companies with official D&I policies and 96% of companies with unofficial D&I policies reported that their leadership had an active focus on D&I, whereas only 32% of companies without any sort of D&I policy had a leadership that supported D&I initiatives.

“Our vision is a truly inclusive culture where everyone feels safe and valued at work by being exactly who they are.”

<sup>2</sup> 'Diversity + Inclusion in the Global Workplace: Topline Findings', Lenovo and Intel, July 2020.

# D&I POLICIES AND PROGRAMMES

## DO YOUR ORGANISATION'S CHINA OFFICES HAVE AN OFFICIAL D&I POLICY?

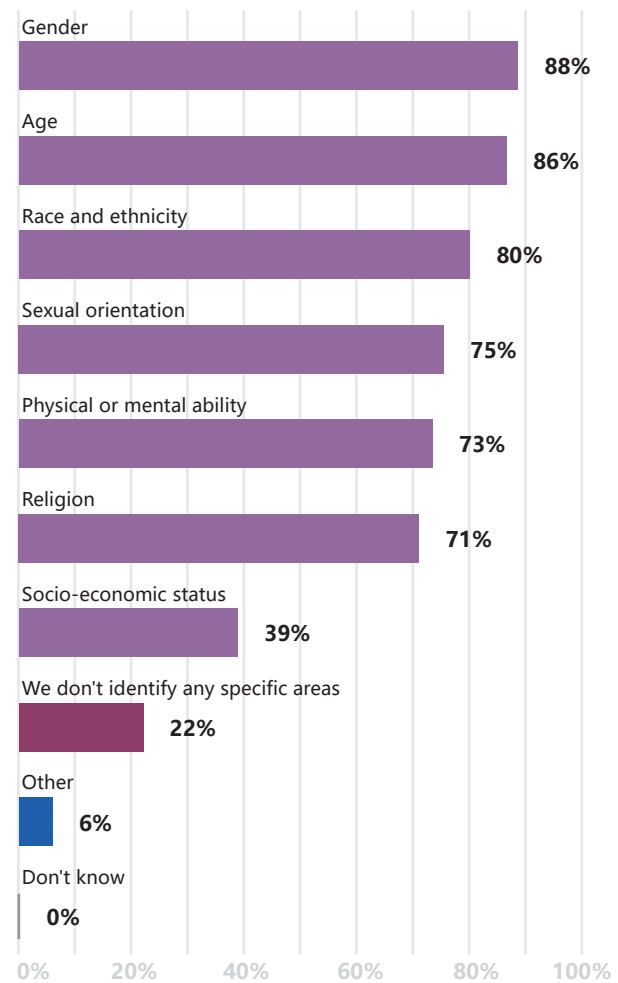


Just over half of companies have an official D&I policy, while 26% have no D&I policy and 23% have an unofficial policy. As such, British companies in China continue to lag behind companies across APAC, 75% of which have explicitly stated that D&I is of value or a priority.<sup>3</sup>

Somewhat unsurprisingly, uptake of explicit commitments to D&I is driven by large multinational companies, 69% of which have an official D&I policy. Of all three options, SMEs are most likely to have an official D&I policy (40%). However, a significant minority have no D&I policy (29%), while 31% have an unofficial policy.

Some common words and themes appearing across D&I policies include people (28%), differences (26%), valued (19%) and creating (19%).

## WHICH OF THE FOLLOWING AREAS ARE COVERED IN YOUR ORGANISATION'S CHINA D&I POLICY?

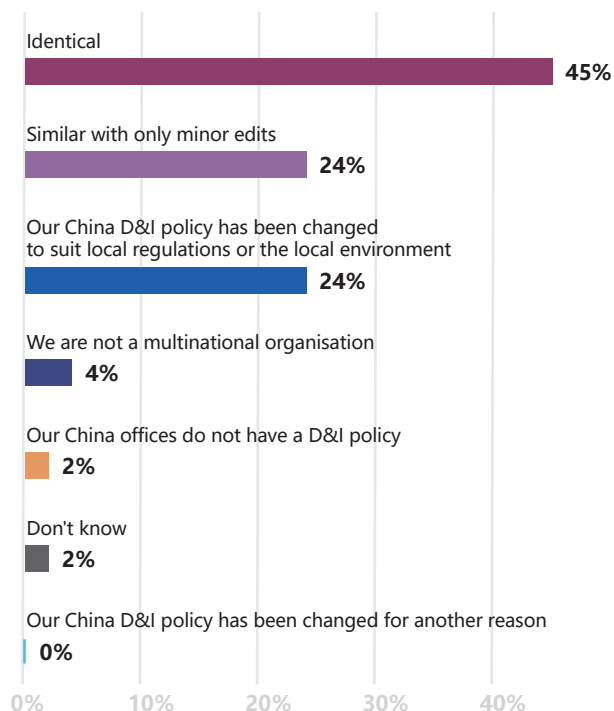


Companies with official D&I policies are more likely to report this year that their policies covered specific areas, with only 22% not covering any specific areas compared to 38% last year. The categories most likely to be covered in D&I policies are gender (88%) age (86%) and race and ethnicity (80%), although race and ethnicity has dropped from second to third year-on-year.

**[D&I helps us] build positive reputation for the company and bring more potential business for the enterprise.**

<sup>3</sup> Diversity & Inclusion Benchmarking Survey, pwc, May 2020.

**IF YOUR GLOBAL HEADQUARTERS IS OUTSIDE THE CHINESE MAINLAND, HOW SIMILAR IS YOUR CHINA OFFICES' D&I POLICY TO THAT OF YOUR HEADQUARTERS?**



Almost seven out of ten companies this year report that their D&I policy is either identical to that of their global headquarters or similar with only minor edits. Just under a quarter adapt their D&I policy to suit the local environment or comply with local regulations. Companies whose main China office is in Shanghai are slightly more likely to have an identical D&I policy compared to British companies whose main China offices are based in other cities.

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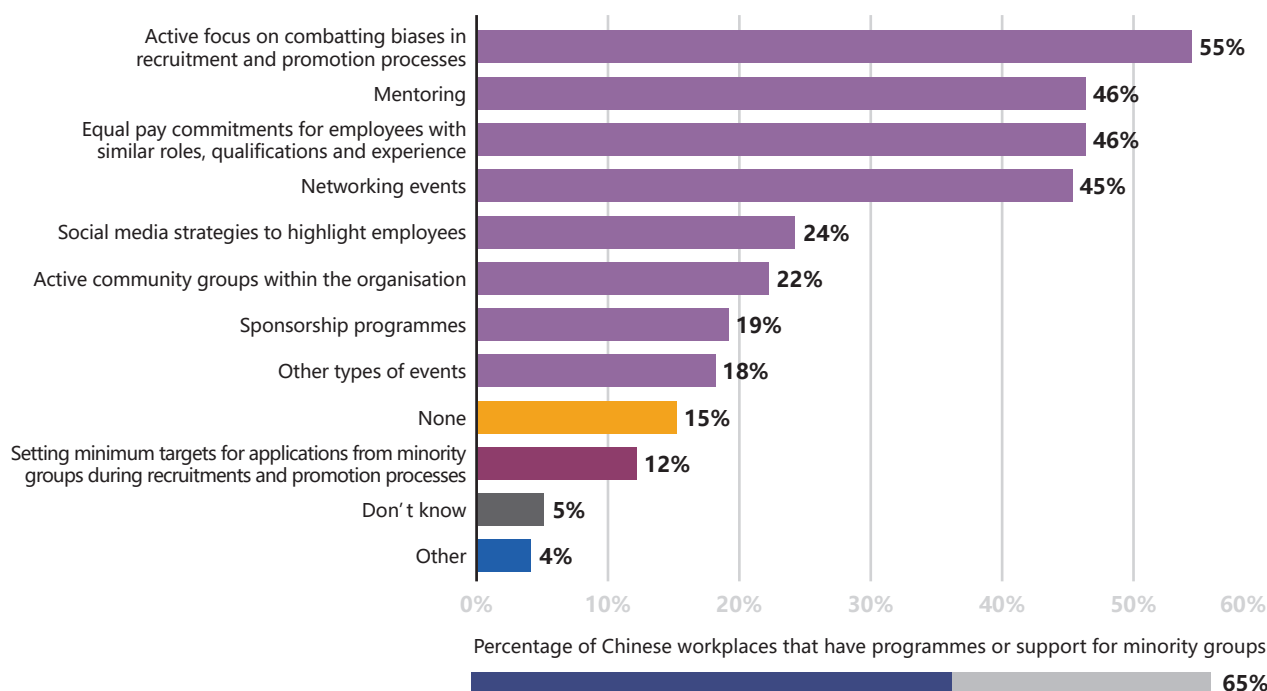
**Equity:**  
Changing the room but not the people in it.

**Diversity:**  
Recognising who is in the room.

**Inclusion:**  
Making sure everyone in the room feels like they belong there.



## WHICH OF THE FOLLOWING PROGRAMMES DO YOUR ORGANISATION'S CHINA OFFICES OFFER TO SUPPORT EMPLOYEES FROM MINORITY GROUPS?



Roughly 80% of companies provide some sort of D&I initiative in their workplace. As such, British businesses remain a leader in this regard in China, where only 65% of companies overall provide D&I support or programmes.<sup>4</sup>

Actively combatting biases when recruiting or promoting employees is the most popular of the D&I initiatives and is implemented by more than half of companies, followed equal pay commitments (46%), mentoring (46%) and networking events (45%). Only 12% of companies set minimum targets for recruiting from minority groups.

Larger companies (88%) are more likely to provide some sort of D&I initiative in their workplaces compared to SMEs (76%). Large multinational companies in particular are more likely to be actively focusing on combatting bias (68%), holding networking events (56%) and have minority community groups within their workplaces (38%).

Whether or not companies had an 'official' or 'unofficial' D&I policy also correlates with the provision of the D&I initiatives. Companies with official D&I policies lead across provision of all of the measured support programmes. By contrast, companies with an 'unofficial' D&I policy are three times more likely to not

provide any support programmes companies than companies with official D&I policies.

For companies that provided specific details about the D&I programmes that they offer in their workplace, gender-focused programmes are the most common. One third have programmes that are specifically focused on empowering women, while another 18% prioritise gender equality in their D&I work. Beyond gender, companies are also creating innovative programmes in other areas, including:

- Specifically looking to hire older candidates who may be overlooked elsewhere.
- A wide range of flexi-work options for working parents.
- Sharing sessions on caring for children with autism.
- Working groups for mental health.
- Developing wellbeing apps for staff.
- Equal consideration of disabled job applicants.



**We've seen improved work efficiency and better cross-team collaboration.**

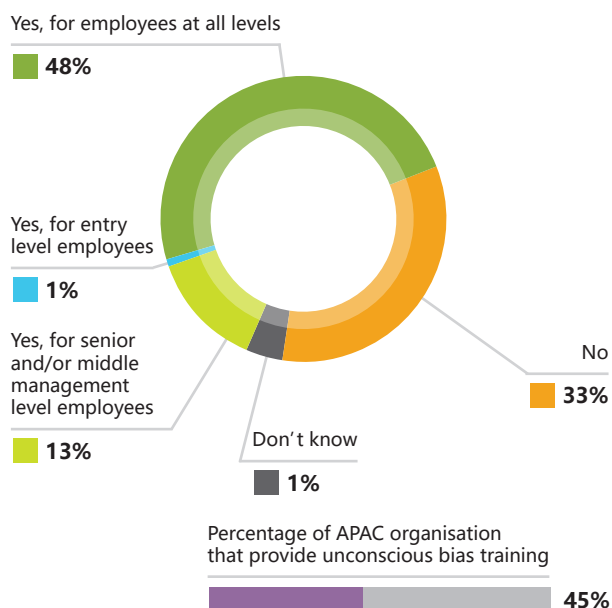
<sup>4</sup> 'Diversity + Inclusion in the Global Workplace: Topline Findings', Lenovo and Intel, July 2020.



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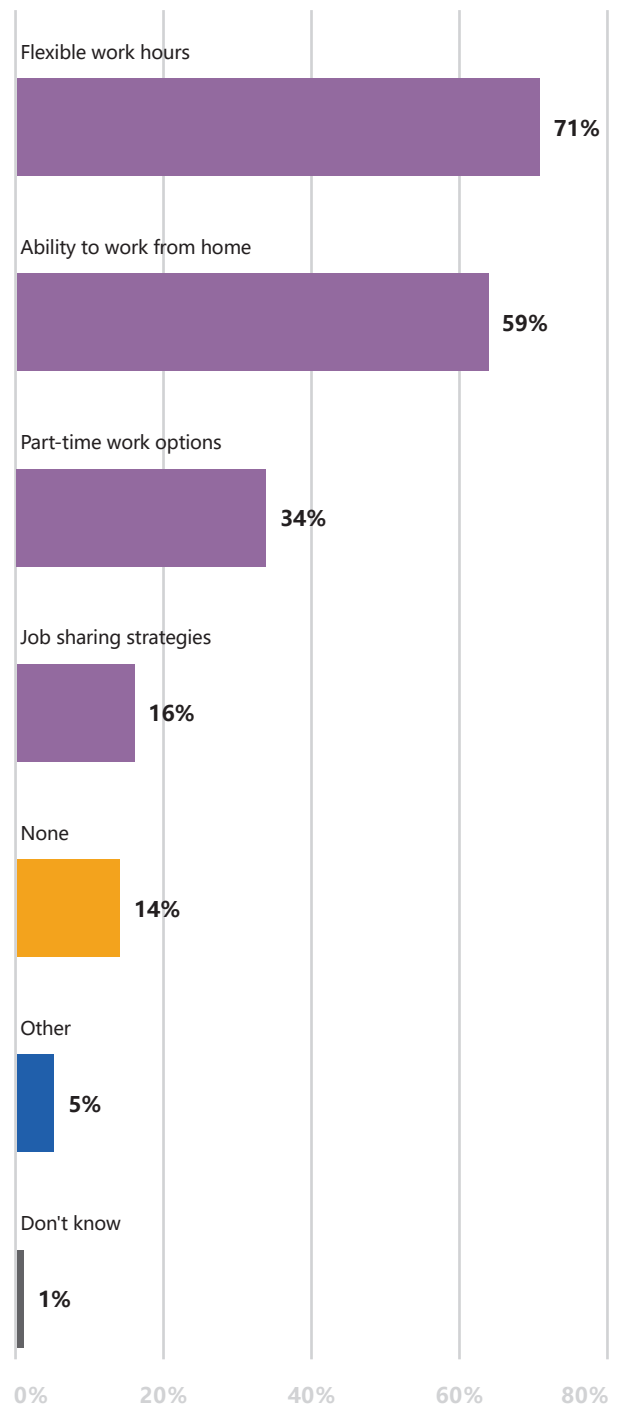
We have regular trainings on topics such as cross-cultural communication, active listening, non-violent communication or psychological safety in the workplace.

#### DO YOUR ORGANISATION'S CHINA OFFICES PROVIDE DIVERSITY AND/OR UNCONSCIOUS BIAS TRAINING FOR YOUR EMPLOYEES?



Unconscious bias or diversity training continues to be a relatively popular option for many British businesses in China. Roughly three fifths of companies provide this type of training to their staff, ahead of the APAC average of 45%.<sup>5</sup>

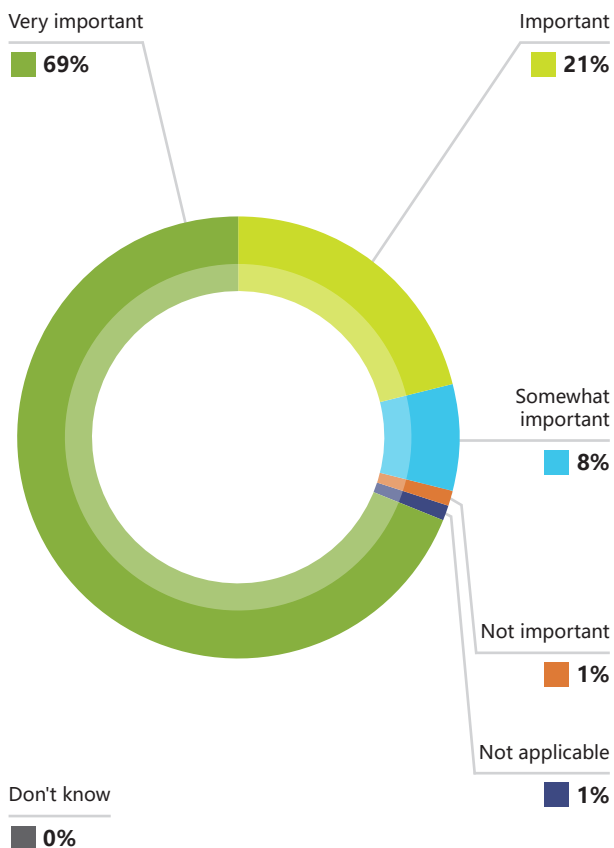
#### DO YOUR ORGANISATION'S CHINA OFFICES CURRENTLY PROVIDE ANY OF THE FOLLOWING FLEXIBLE WORK OPTIONS?



Despite predictions that companies would retain flexible work solutions after COVID-19 lockdowns eased and speculation that it would drive greater diversity in the workforce, fewer companies offer flexible work options in general in 2021. Of companies that do offer flexible work options, flexible work hours (71%) and the ability to work from home (59%) are the most common options, while job sharing strategies (16%), part time work options (34%) and other options (5%) are relatively rare.

<sup>5</sup> Diversity & Inclusion Benchmarking Survey, pwc, May 2020.

## HOW IMPORTANT IS IT TO YOUR ORGANISATION TO ENCOURAGE ALL EMPLOYEES TO SPEAK UP IF THEY HAVE AN ALTERNATIVE OPINION ON WORK-RELATED MATTERS TO THEIR MANAGERS OR PEERS?



Two thirds of British businesses believe it is very important for organisations to encourage all of their employees to voice dissenting opinions to their managers or peers in a work-related context.

Contrary to expectations, large multinationals (79%) are slightly more likely than SMEs (69%) to value open communication. The establishment of a D&I policy, whether official or unofficial, is also a strong predictor for whether or not companies value open communication – 48% of companies with no D&I policy at all believe that a culture of open communication is very important, compared to over 70% of those with official or unofficial D&I policies.

Popular ways to encourage open communication are by holding meetings to encourage employees to share opinions, establishing clear communications lines, developing surveys and fostering an environment of openness to other ideas. The most popular methods are highly visible and encouraged employees to attach their name to their opinion, rather than using anonymised methods.

## MATERNITY AND PATERNITY LEAVE



**26**  
**WEEKS**

AVERAGE LENGTH OF  
MATERNITY LEAVE



**2**  
**WEEKS**

AVERAGE LENGTH OF  
PATERNITY LEAVE

Encouragingly, companies have improved both maternity and paternity leave benefits this year. The typical company now provides 26 weeks of maternity leave, up from 24 weeks last year, and 18% of companies provide anywhere between 27 and 52 weeks of maternity leave. Companies outside of Beijing and Shanghai seem to provide relatively high periods of maternity leave.

Paternity leave is relatively common, and year-on-year a small number of companies seem to have improved their paternity leave options, allowing fathers to spend time with their families and share greater responsibility in raising their new child. The typical company provides 2 weeks of paternity leave, which is in line with the 15 days that most provinces stipulate as a guideline.

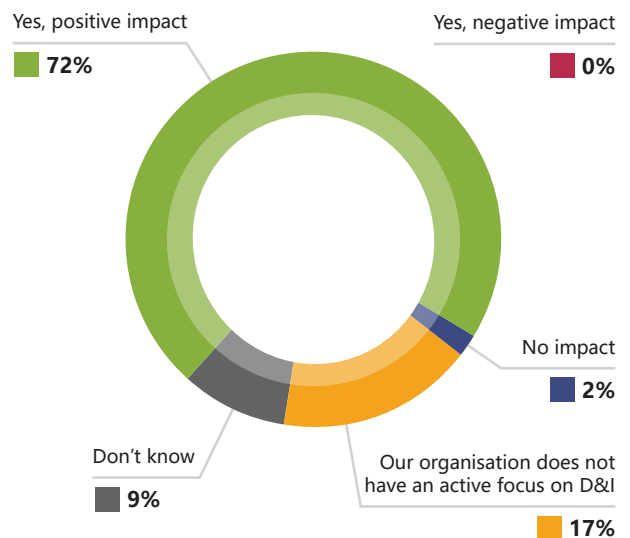
51% of companies offer more than 2 weeks of paternity leave, up from 45% last year. Furthermore, 22% provide more than 10 weeks of paternity leave, up from 20% last year. This is significantly higher than average, as only 5% of fathers across China report that they receive more than 2 weeks paternity leave.<sup>6</sup>

<sup>6</sup> 'International Review of Leave Policies and Research: China Country Note', International Network on Leave Policies & Research, April 2021.



# THE EFFECTS OF D&I ON BUSINESS PERFORMANCE

IF YOUR ORGANISATION'S CHINA OFFICES HAVE ACTIVELY FOCUSED ON D&I POLICIES OR INITIATIVES, HAVE THEY SEEN AN IMPACT ON BUSINESS PERFORMANCE?



Percentage of Chinese employees who believe D&I policies have positively impacted them



The majority of companies see a positive impact from D&I on business performance, while only 2% see no impact one way or the other. For large multinationals specifically, nine out of ten see a positive impact on business performance, as do three quarters of all companies based in Shanghai.

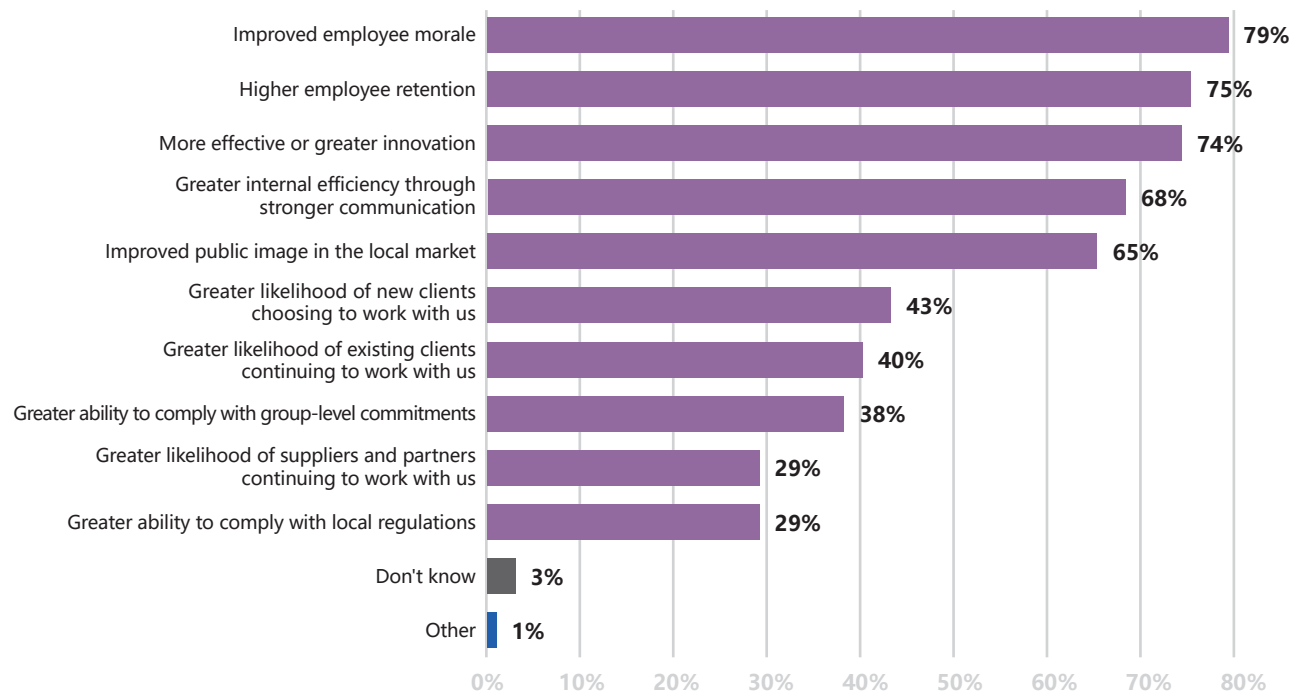
Compared to 2020, there's also more certainty about the tangible impact of diversity – only 9% of companies report that they don't know what benefits a D&I focus brings, compared to 20% last year, while belief in the positive impact of diversity rose from 59% to 72%.

Businesses with an official D&I policy (90%) are more likely than companies with an unofficial D&I policy (76%) to see a positive impact on business performance from D&I initiatives.

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**With diversity we create better design concepts, the team works together better, and our employees are more loyal.**

## HOW HAS A GREATER FOCUS ON D&I POLICIES OR INITIATIVES AFFECTED YOUR BUSINESS PERFORMANCE?



Improved employee morale (79%) is the most common benefit of a greater focus on D&I policies or initiatives, followed by higher employee retention (75%) and more effective or greater innovation (74%). This somewhat tallies with other companies across APAC, where 47% of companies see the primary objective of D&I as attracting and retaining talent, followed by achieving business results (23%).<sup>7</sup>

In general, companies believe that D&I has a greater impact on their operations, rather than external operations. Nevertheless, a significant minority find that a focus on D&I also aids their ability to engage with suppliers, business partners and clients. Viewing the benefits of diversity through the prism of complying with group-level commitments or local regulations was relatively uncommon.

Companies with an unofficial or no D&I policy are less likely to be able to identify a tangible impact on their business from diversity. Companies with an unofficial D&I policy do see high levels of employee morale (88%) and employee retention (76%), but, in addition to these areas, companies with official policies also see greater innovation (80%) and greater efficiency (71%).

When asked to provide more details on the specific impact of a focus on D&I in the workforce, companies report better financial performance, better morale, low staff turnover, better sales and other benefits.



**Improved diversity in our senior leadership results in better financial performance, faster speed of change and innovation, and more balanced views.**

<sup>7</sup> Diversity & Inclusion Benchmarking Survey, pwc, May 2020.



# EMPLOYMENT OF UNDERREPRESENTED GROUPS

Group		Entry-level	Mid-level	Senior-level	Average	General Participation Rates
Women	Most common answer	51-75%	26-50%	26-50%	46%	The female participation rate in China's workforce is <u>44%</u> . <sup>8</sup>
	Average across all businesses	51%	47%	39%		
Foreign passport holder (white)	Most common answer	None	None	1-10%	13%	Non-UK nationals comprise <u>11%</u> of the workforce in the UK <sup>9</sup>
	Average across all businesses	8%	13%	21%		
Foreign passport holder (person of colour)	Most common answer	None	None	None	3%	
	Average across all businesses	3%	3%	4%		
Member of the LGBTQ community	Most common answer	Don't know	None/Don't know	None	3%	LGBTQ employees comprise <u>1-5%</u> of the workforce in the UK <sup>10</sup>
	Average across all businesses	4%	3%	<1%		
People with disabilities	Most common answer	None	None	None	<1%	People with disabilities comprise <u>14%</u> of the workforce in the UK <sup>11</sup>
	Average across all businesses	1%	<1%	<1%		
Born into a low-income family	Most common answer	Don't know	Don't know	Don't know	10%	<u>34%</u> of UK professionals are from a working class background <sup>12</sup>
	Average across all businesses	12%	10%	8%		
Considerably older or younger than their peers	Most common answer	None	None	None	13%	Data not available
	Average across all businesses	15%	12%	11%		

8 'Labor force, female (% of total labor force) - China, United Kingdom', World Bank, June 2021.

9 'UK and non-UK people in the labour market', Office for National Statistics, February 2020.

10 'The Inclusive Top 50 UK Employers 2018 Report', Inclusive Companies, November 2018.

11 'Disabled people in employment', House of Commons Library, May 2021.

12 'Elitist Britain 2019', The Sutton Trust, June 2019. Note that this study was based on the education background of business leaders across the UK, with the assumption that business leaders who attended comprehensive schools were highly likely to have come from low-income backgrounds

Compared to last year, companies are reporting a lower proportion of employees from underrepresented groups across the seven focus areas in 2021. In particular, there has been a notable drop in the number of female employees, openly LGBTQ employees, and employees from low socio-economic backgrounds at all levels, as well as entry-level white employees.

Unconscious bias training seems to have a positive effect on diversity. Companies that report focusing on combatting bias during recruiting or providing unconscious bias training to their staff are more likely to be more diverse than companies that do not. This is true of all underrepresented groups and at all levels. Those with unconscious bias training are also more likely to have a greater balance of foreign employees of different ethnicities.

The holding of an official or unofficial D&I policy predicts for companies having more women in senior levels, as well as a greater diversity in terms of foreign employees. However, while the entry-level staff of companies with official or unofficial D&I policies are relatively more diverse, this fades at senior levels.

This year, female participation in the workplace is down eight to nine percentage points at all levels of the workplace, leading to women making up 46% of the average British business in China. This is slightly above average for female participation in the workforce in China, which stands at 44%, and is on par with female participation in the UK workforce (47%).<sup>13</sup> The year-on-year decline may be driven by the broader geographic scope of this year's survey. In Beijing, women are reported to comprise between 55% and 60% of workforces at all levels, with relatively stable progression rates through the company. In Shanghai, by contrast, women are five times less likely to progress from mid-level to senior-level than in Beijing, making up 50% of the workforce at entry-level, 45% at mid-level and 39% at senior-level.

The employment of foreign passport holders has dropped slightly between 2020 (20%) and 2021 (16%). Nevertheless, British companies in China mirror UK businesses in terms of ethnic diversity. The 2020 census data indicates that foreign passport holders comprise roughly 0.07% of China's total workforce<sup>14</sup> meaning that, not wholly unsurprisingly, foreign passport holders are overrepresented in British companies in the country. One notable shift is a drop in the number of entry-level white passport holders from 11% to 8%, potentially due to continued travel restrictions,

while the proportion of white employees in mid-level and senior-level roles has stayed relatively consistent year-on-year. It should be noted that it is harder to tell if this is or is not also true for young foreign passport holders of colour, due to the fact that their already low presence in British companies in China compared to their white counterparts makes data trends less visible.

Similarly to last year, employees with disabilities comprise 1% of entry-level staff at member companies. This figure drops to less than 1% in mid- and senior-level posts. This tracks with wider research that such employees are significantly underrepresented in companies, despite government incentives to hire employees with disabilities. Some companies are making efforts to specifically hire disabled workers, but this has not yet become a mainstream initiative. Experiences from the UK could provide a good model for companies, as people with disabilities comprise around 14% of the workforce in the UK.

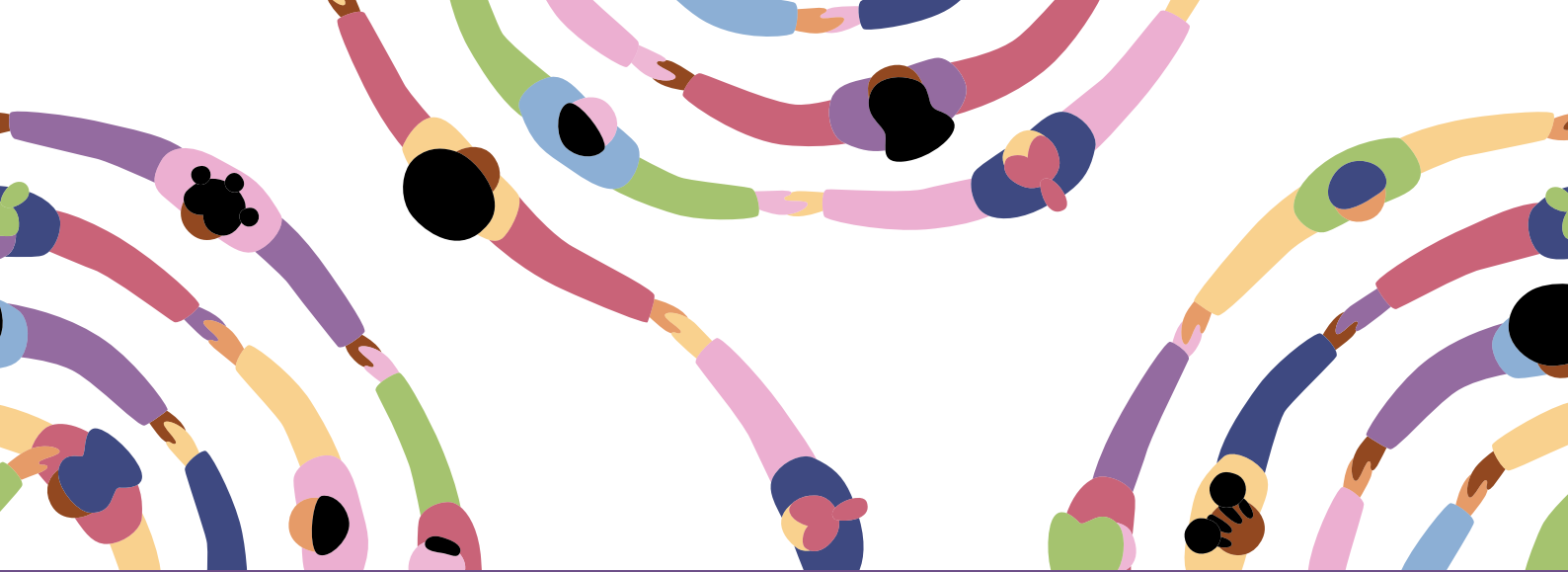
Companies reported that 4% of their employees at entry-level are part of the LGBTQ community. However, this number drops to less than 1% at senior levels. While this is lower than the 6% average reported last year, one of the challenges of measuring the inclusion of LGBTQ employees is that many respondents aren't sure how many people in their workplace are part of this group.

Similarly, a large number of companies do not know how diverse their workforces are in terms of socio-economic background. For workplaces that do, entry-level employees from low income backgrounds seem less likely to rise through the organisation than their colleague – although the promotion rate is steadier than other categories. This has brought businesses here out of step with the UK, where 25% of business leaders are likely to come from low-income backgrounds.

Diversity in terms of age has seen some level of improvement. Companies this year are more likely to have employees from a diverse range of age groups at all levels of the organisation, compared to 2020. This diversity is slightly more pronounced at entry-level (15%), whereas only 11% of companies have significant age diversity in senior positions.

<sup>13</sup> 'Labor force, female (% of total labor force) - China, United Kingdom', World Bank, June 2021

<sup>14</sup> 'Seventh National Population Census Bulletin (No. 8)', National Bureau of Statistics, May 2021.



# ABOUT THE BRITISH CHAMBER OF COMMERCE IN CHINA

The British Chamber of Commerce in China is a membership organisation in the Chinese mainland focused on providing advocacy, business support and networking opportunities for British business in China. We operate as an independent, not-for-profit organisation with a strong and diverse membership. The British Chamber of Commerce in China was established in Beijing in 1981 shortly after reform and opening up was launched, and the British Chamber of Commerce Shanghai extends back to 1915. For more than 100 years, the British Chamber of Commerce in China brought the British business community together to help them thrive in one of the world's fastest growing markets.

Our offices across Beijing, Guangdong, Shanghai and Southwest China build a sense of community for member companies through social and informative events held across the country. Through our British Business Awards and China Social Impact Awards, we recognise individuals and companies who represent

excellence in innovation, enterprise and endeavour in the British and Chinese business communities. A variety of events service the needs of British business, providing insights on government policy and business trends and fostering a vibrant community with shared interests. Our advocacy work seeks to promote a strong, inclusive, and prosperous operating environment for businesses of all backgrounds to succeed in China. Two important annual advocacy initiatives include the publication of the Business Sentiment Survey and the Position Paper.

The former takes the pulse of British businesses in China on a series of issues, including their reflections on the past year's business environment, their most pressing market access issues and their views on current events that affect their business. Our Position Paper lays out the key recommendations of British business operating on the ground in China and aims to improve the business environment for British companies in China.

## ADDITIONAL RESOURCES

'The Business Case for More Diversity', The Wall Street Journal, October 2019.

'Campaign-Kantar DEI survey: Policies in Place, but Genuine Change Yet to be Seen', Campaign Asia, June 2021.

'China Workplace Survey 2021', Gensler Research Institute, March 2021.

'Diversity & Inclusion in the APAC Region', DBP, April 2019.

'Diversity + Inclusion in the Global Workplace: Topline Findings', Lenovo and Intel, July 2020.

