

# UNDERSTANDING AND IMPROVING EQUALITY, DIVERSITY AND INCLUSION IN THE MORTGAGE SECTOR



**ACCORD  
MORTGAGES**

[growthseries.accordmortgages.com](https://growthseries.accordmortgages.com)



## INTRODUCTION

**People from all backgrounds can face prejudice, inequality and discrimination, so it's incumbent on all of us to create a more inclusive world where everyone is treated with respect, dignity and equality.**

The mortgage industry has made great strides forward with regard to equality, diversity and inclusion in recent years. But there is always more that can be done, such as making sure a more diverse range of people are occupying senior positions, and that brokerages reflect their local areas and the communities they serve.

And we can all help drive this forward.



### **What we are going to do to support brokers**

We want to help brokers get to grips with equality, diversity and inclusion, so you can fully understand the issue and the benefits it could bring for your company, your clients and society in general.

In this section of the Growth Series, we'll spend the coming months taking a deep dive into this issue, exploring topics such as:

- Why focusing on equality, diversity and inclusion matters to your clients
- How it can be good for business
- What practical steps your brokerage can take, such as providing remote support to people with mobility issues and reflecting people's pronoun or title preferences
- How you can make sure you're making a meaningful difference to people's lives, rather than paying mere lip service to this issue
- Tackling discrimination and harassment



## INTRODUCTION CONTINUED

### **Why should this matter to me?**

As a mortgage broker dealing with the wider public, you want to deliver the best possible customer experience, and make each and every client feel understood and valued.

Building a diverse workplace that reflects society can help you achieve this, as it can help you appeal to a wider client base, build stronger relationships with the local community and understand the challenges they face. This ultimately improves how you engage and communicate with your clients, and helps you improve your reputation locally.

Even if you're a small brokerage with only a handful of employees or a one-man band, adopting a culture of equality, diversity and inclusion can make a huge difference to your business, its culture and its profitability.

But that's just part of the business case for understanding and improving equality, diversity and inclusion. According to research by McKinsey, companies with stronger gender diversity outperform rival firms by 21 per cent, while those with stronger ethnic diversity outperform competitors by an impressive 33 per cent.

Furthermore, it's increasingly becoming a priority to people who want to pursue careers in certain sectors, as they want to work for a company that aligns with their values. That's why, according to PricewaterhouseCoopers, 85 per cent of millennials will look at a company's diversity record before deciding to work there.

But for the mortgage industry in particular, there is a feeling among many that while lots of firms are making great progress in improving equality, diversity and inclusion, this isn't necessarily being seen at senior management and board level.

According to a study by KellyOCG, over half of senior business leaders in the UK believe their EDI strategy only pays lip service to supporting talent from under-represented groups.

The research also showed that just 44 per cent of British firms are monitoring the success of their programmes to remove barriers that stop under-represented groups from getting the right opportunities.

Improving equality, diversity and inclusion can't simply be a matter of ticking a box, and it should be central to how you run your business both in the short and long term - and that means it needs buy-in from the person in charge and across all levels within a business.



## **WHAT DOES EQUALITY, DIVERSITY AND INCLUSION ACTUALLY MEAN?**

### **Equality**

Equality means creating an environment where everyone has an equal chance to make the most of their lives and talents and enjoy the same opportunities and rewards, no matter their age, gender, ethnicity, religion, sexuality or social status. This applies to both people working for a brokerage and prospective clients who want to use your services.

### **Diversity**

Diversity is about recognising differences. It's acknowledging the benefits of both having a range of perspectives in decision-making, and the workplace being representative of the community you serve.

### **Inclusion**

Inclusion is where people's differences are valued and used to enable everyone to thrive at work. An inclusive working environment is somewhere that a person can bring their whole self to work without fear of being marginalised. They can feel that their contribution matters and that they can perform to their full potential, regardless of their background, identity or circumstances.

An inclusive workplace has fair policies and practices in place and enables a diverse range of people to work together effectively.





## **WHY IS EQUALITY, DIVERSITY AND INCLUSION SO IMPORTANT IN THE MORTGAGE SECTOR?**

### **Diverse workforces are more creative**

Groupthink can be the enemy of innovation, as it's easy for a group of people to come to a consensus without challenging what's being said, thinking of the consequences or looking at other options.

So, if you want your firm to get ahead, regardless of whether it's large or small, you must foster a culture where everybody is happy to present alternative ideas, state why they feel a certain idea is wrong or could be improved, and express an opinion that may be unpopular.

People from different backgrounds will all have their own unique perspectives on the issue that's being discussed, and be able to represent their community and their clients as they put forward solutions to problems that might otherwise not be considered.

And if they feel able to express these views without fear of being judged or treated at a disadvantage later on, they'll feel empowered to present genuinely innovative and original ideas and points of view day after day.

That gives each and every employee a sense of psychological safety - a firm belief that they won't be punished or disadvantaged if they raise any ideas, concerns or issues.

According to a study by Deloitte, employees' ability to innovate increases by 83 per cent if they feel their organisation is committed to and supports diversity, and they feel included.

This can only be a positive for a business that wants to steal a march on its competitors and establish itself as a forward-thinking and progressive firm.





## **WHY IS DIVERSITY, EQUALITY AND INCLUSION SO IMPORTANT IN THE MORTGAGE SECTOR? CONTINUED**

### **Building a happy workforce**

Focusing on equality, diversity and inclusion is the key to creating a positive workplace culture, where everybody's talents and contributions are valued and encouraged, and where each person feels there is no barrier to progression and to them taking on more senior roles in the future.

This in turn helps your employees feel **happy, motivated and productive at work**, and willing to put in 100 per cent each day.

However, a recent study by the Association of Mortgage Intermediaries (AMI) shows that just 43 per cent of people working in the mortgage industry believe it attracts a workforce that represents the entire community.

And this may affect how certain members of your team feel about their work and your business, as well as prospective clients.

Sadly, negative perceptions of the diversity of the workforce were found to be most common among women and people from other groups, such as LGBTQIA+ people and ethnically diverse colleagues.

It's therefore clear that taking positive action can help to boost morale among talented people, keep them motivated and productive, and crucially, make them more loyal to you and your business. That's especially important if you're a small brokerage with just a handful of core people who are hard to replace, or you want to promote people familiar with your business to fill senior positions further down the line.

At the same time, you'll be in a much stronger position to attract, retain and nurture talent in the future, and your status as a diverse employer will enhance your reputation and make you an attractive prospect to talent.

A study by PricewaterhouseCoopers found that 45 per cent of men and 54 per cent of women research whether or not a company has diversity and inclusion policies in place when deciding to accept or decline a job offer.

So being proactive on this issue could have significant repercussions as you seek to bolster your team and attract the best people in the mortgage broking industry.



## **WHY IS DIVERSITY, EQUALITY AND INCLUSION SO IMPORTANT IN THE MORTGAGE SECTOR? CONTINUED**

### **Helping talented people flourish**

Most employers would like to think that only the best and most suitable people rise through the ranks and take up senior positions. But unfortunately, that's not always the case, and this is laid bare when we look at representation across the mortgage sector.

According to the AMI research, nearly three-quarters of heterosexual white men don't believe gender has any influence on career progression and rewards.

However, nearly half of women in the mortgage sector don't feel everyone in the sector has the same opportunities to progress and is rewarded fairly.

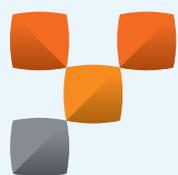
Similarly, almost a third of LGBTQIA+ people don't agree that opportunity is equal across the board, along with nearly three in ten ethnically diverse people.

At the same time, more than half of women, LGBTQIA+ people and ethnically diverse colleagues don't feel their demographics are well represented at different levels of the mortgage industry.

So, while lots of white males in the sector apparently feel the mortgage sector is meritocratic, many people from other groups don't agree, which suggests that many firms aren't fully tapping into the depth of talent they have among their staff.

A focus on equality, diversity and inclusion not only helps to attract this talent to your business, but could also lead to it being identified and harnessed to the full, regardless of demographic group or socio-economic background. This could be crucial if you're drawing up a succession plan for your business and planning for the day when you sell up or retire.





# ACCORD MORTGAGES

Accord Mortgages  
Yorkshire Building Society  
Yorkshire House  
Bradford  
BD5 8LJ