Innovation Caucus

SUPPORTING DIVERSITY AND INCLUSION IN INNOVATION



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Funded by







SUPPORTING DIVERSITY AND INCLUSION IN INNOVATION

A study identifying the opportunities, challenges and support needs of disabled and ethnic minority innovators.

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The interpretations and opinions in this report are those of the authors and may not reflect the policy positions of Innovate UK and the ESRC.

About the Innovation Caucus

The Innovation Caucus supports sustainable innovation-led growth by promoting engagement between the social sciences and the innovation ecosystem. Our members are leading academics from across the social science community, who are engaged in different aspects of innovation research. We connect the social sciences, Innovate UK and the ESRC, by providing research insights to inform innovation policy and practice. We champion the role of social science in innovation and enhance its impact. Professor Tim Vorley is the Academic Lead. The initiative is funded and co-developed by Innovate UK and the ESRC.

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This is not just about creating new targeted interventions. In order to tackle under representation in business innovation we need to look closely at our own structures, processes and the way we operate – and take action where necessary.

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FOREWORD

As the UK's Innovation agency, Innovate UK supports innovators across the UK that have the ambition and potential to contribute to economic growth and improve our society through their ideas. Innovate UK works with businesses of all sizes and in all sectors, helping them access the knowledge, partners, investment and markets they need to innovate and grow.

Innovation can come from anyone; diversity within businesses is proven to contribute to enhanced performance and commercial success; this drives our commitment to addressing under representation and promoting equality, diversity and inclusion (EDI). People with different backgrounds and experiences look at problems differently and this can lead to better, more innovative, solutions.

Innovate UK commissioned this report to shed light on the barriers and opportunities for Black, Asian and minority ethnic communities and disabled people to participate in business-led innovation. In the UK these communities are underrepresented in innovation however, there is a lack of relevant evidence and data to explain why. Research has shown the significance of intersectionality and how different individuals' life experiences can have a big impact on the opportunities and barriers to business-led innovation.

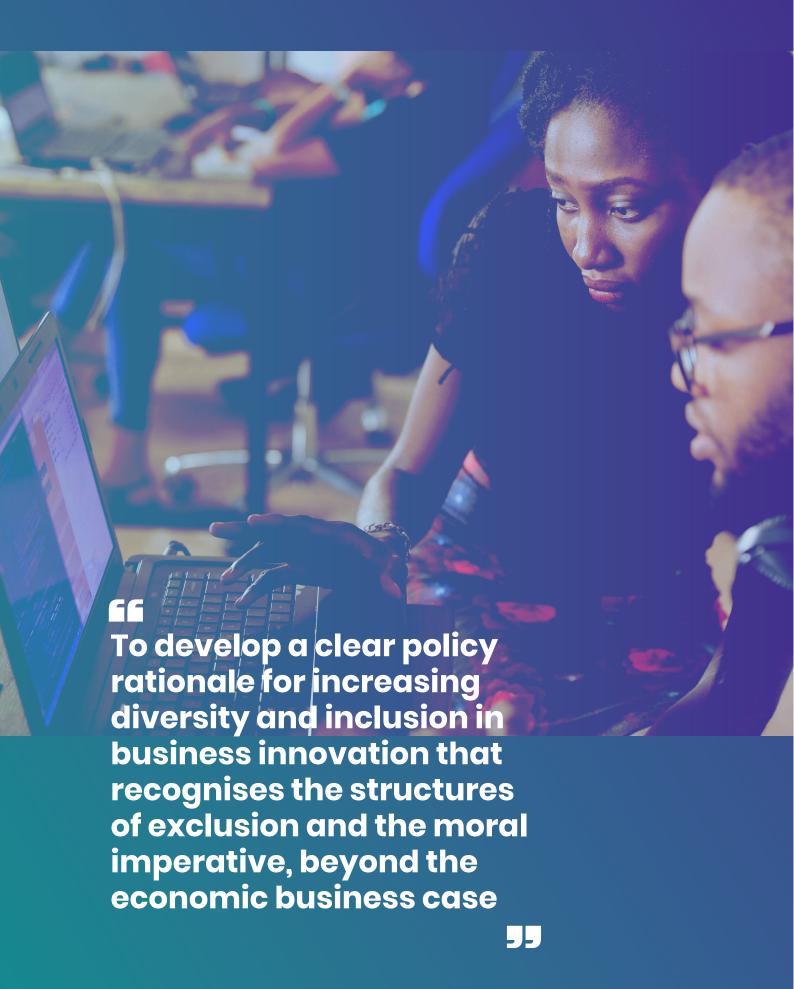
The COVID-19 pandemic and the Black Lives Matter movement have drawn major attention to inequalities in our society and have raised questions for Innovate UK and many other organisations about the effectiveness of plans and approaches to promote EDI. While this report was commissioned prior to the pandemic and the worldwide reaction to the latest injustices on the Black community, its findings – and recommendation for Innovate UK to take strong action – have never been more timely. The report highlights the need for Innovate UK to purposefully recognise and engage with structures of exclusion both within our own organisation and the wider innovation landscape when shaping and implementing future activities aimed at addressing under representation.

The report also highlights how mainstream support for business-led innovation is currently underutilised by minority groups and that UK initiatives targeting either disabled or Black, Asian and minority ethnic groups are piecemeal and disproportionately focused on London. The recommendations will help to inform how Innovate UK can make its support more visible, accessible, and attractive for the widest pool of innovation talent across the country.

Innovate UK will put its energy into building stronger relationships with, and continuing to learn from, the organisations represented on the research Advisory Group and other partners as it evolves its strategy and develops new activities for the future.



Dr Ian CampbellInterim Executive Chair
Innovate UK



EXECUTIVE SUMMARY

The Innovation Caucus aims to promote knowledge exchange with the social science research base, to inform innovation policy and practice and support innovation-led growth and social wellbeing. The purpose of this study was to help inform Innovate UK's future work on promoting diversity and inclusion in business innovation. The main focus was to identify opportunities, challenges, barriers and support needs for Black, Asian and minority ethnic (BAME) communities and for disabled people to participate in business innovation.

Research questions

Building on the existing knowledge base, the overarching research questions guiding the study were as follows:

- 1. What are the barriers, challenges, opportunities and support needs for ethnic minorities and disabled people to participate in business innovation?
- How can programme initiatives effectively promote diversity and inclusion in business innovation?

Research design

The study took place during 2019 and comprised three phases: 1) a review of the literature on the involvement of people with disabilities and from Black, Asian and minority ethnic communities in business innovation; 2) a survey gathering primary data to strengthen the evidence base and fill gaps in current understanding; and 3) in-depth focus groups to gather qualitative data to supplement the survey data.

Summary of key findings

- Participation in business innovation is influenced not only by minority status, but also by intersections with other social categories, such as gender, age and class/socioeconomic status.
- Commonalities between different minority / under-represented groups are
 often more striking than the differences, but some significant differences
 nevertheless emerged, in terms of perceptions, attitudes, motivations,
 barriers and support needs.
- More ambitious, cross-governmental policy initiatives, aimed at transforming the system, are necessary to tackle structural discrimination and the root causes of inequality and exclusion.

Recommendations

- To develop a clear policy rationale for increasing diversity and inclusion in business innovation that recognises the structures of exclusion and the moral imperative, beyond the economic business case;
- A hybrid/blended approach evidence-based targeting of underrepresented groups alongside increased efforts to embed diversity and inclusion into mainstream programmes, to address multiple disadvantage;
- Greater collaboration joined-up policy and partnership approaches, across initiatives / government agencies, combined with bottom-up initiatives, co-designed with minority communities themselves.

Innovate UK's Delivery Plan 2019



1. SETTING THE SCENE

This research project aimed to build the evidence base and rationale for Innovate UK's future diversity and inclusion work. In particular, it sought to identify the challenges and opportunities for increasing the participation of people with disabilities and people from Black, Asian and minority ethnic (BAME) communities in business innovation.

Innovate UK is the UK's innovation agency. Its role is to drive productivity and economic growth by supporting businesses to develop and realise the potential of new ideas. It achieves this by connecting businesses to partners, customers and investors, providing support to businesses across all economic sectors, value chains and UK regions. Innovate UK's focus is therefore on promoting innovative entrepreneurship, rather than on promoting employment or self-employment more generally.

Innovate UK has a strategy to promote equality, diversity and inclusion across its programmes as a means of realising the untapped potential of innovators from diverse backgrounds, recognising that good ideas can come from anyone. Innovate UK's Delivery Plan 2019 highlights the commitment to "promote participation in innovation by people with disabilities and from all ethnic communities and backgrounds" and the ambition to "foster diversity and inclusion across all our activities, leading to stronger innovation and economic growth". The overarching ambition of Innovate UK's diversity and inclusion work is to deliver positive economic and societal impacts in the UK by encouraging greater diversity in business innovation. To achieve this goal, Innovate UK's key priorities are:

- 1. Build understanding of challenges and opportunities to identify how to drive positive change
- 2. Positive action to realise opportunities, make programmes more inclusive and increase participation
- Campaign approach create role models and raise awareness of Innovate UK's support to new and diverse audiences
- 4. Work in partnership find the right partners (UK and global) to collaborate, learn from one another and take joint action
- 5. Demonstrate impact work out how to evidence / evaluate the positive difference brought about by programmes and practices aimed at promoting diversity and inclusion.

Innovate UK has a strategy to promote equality, diversity and inclusion across its programmes as a means of realising the untapped potential of innovators from diverse backgrounds, recognising that good ideas can come from anyone





Innovate UK aims to shine a spotlight on areas where there is currently under-representation in business innovation. By taking positive action to redress this problem, they also hope to identify opportunities to deliver significant economic and societal benefit. However, there is currently a lack of relevant and comprehensive data to underpin this strategy - and this deficiency in the evidence base provided the impetus for this study.

2. DIVERSITY AND INCLUSION IN FOCUS

The term 'innovation' refers to the development of new products, services, processes or ways of working, either by employees, or by people who run their own businesses. Adopting a diversity and inclusion perspective on innovation is essential to understanding how the talents and needs of everyone can be realised and addressed in a diverse, multicultural society. The traditional concept of innovation tends to privilege technological over social innovation; cutting-edge, innovative products over innovations in service delivery; and economic value over social value (Andersson et al., 2012). However, these taken-for-granted assumptions can be problematised and the concept of innovation reconceptualised to include innovation with and by diverse actors and for the benefit of all (Welter et al., 2017).

This approach also acknowledges the importance of intersectionality, i.e. the multiple and overlapping nature of social identities and social categories, such as gender, ethnicity, disability, sexuality and class. It follows that approaches to promoting diversity and inclusion that rely on single analytical categories and do not recognise the diversity within and between target groups, may fail to address the complexity of multiple systems of disadvantage and/or discrimination in a rapidly changing social, political and economic climate (Marlow & Martinez Dy, 2018). There is a need to understand the mixed embeddedness of ethnic minority businesses in social and economic contexts (Ram et al., 2017) and the influence of factors such as gender and class on opportunity recognition and business creation (Carter et al., 2015; Spiegler & Halberstadt, 2018).

The missed opportunity

Previous studies have highlighted the positive impact of diversity on creativity (Bouncken, 2004; Page, 2008), radical innovation (Diaz-Garcia et al., 2013; Nathan, 2014) and firm performance (McKinsey Group, 2018) and have also linked entrepreneurial outcomes to diversity (Audretsch et al., 2010). This suggests that knowledge-based, high-tech, innovative work environments requiring creativity and flexibility may benefit disproportionately from increased diversity. However, mainstream support is under-utilised by minority groups and a mapping exercise undertaken by the research team indicated that initiatives targeting either disabled or Black, Asian and minority ethnic innovators / entrepreneurs are piecemeal and disproportionally focused on London.

Disabled innovators: the opportunity

- 'Purple pound' spending by households with disabled people has been estimated at £212 billion a year in the UK (Papworth Trust 2018): this is a rapidly growing market requiring innovators who understand disabled people's needs
- Spillover benefits innovations designed for the disabled market may spill over into mainstream markets, e.g. ageing populations and universal design/accessibility (Berven & Blanck, 1999).
- People's experiences of disability may act as a stimulus for innovation (Harper and Momm 1998, cited in Cooney, 2008).

This suggests that knowledge-based, high-tech, innovative work environments requiring creativity and flexibility may benefit disproportionately from increased diversity.

People's experiences of disability may act as a stimulus for innovation

Disabled innovators: additional barriers

Disabled people represent a very heterogeneous group. However, it is possible to make some overarching observations on the under-representation of disabled people in business innovation and how disability can aggravate or create additional barriers. For example, financial and educational disadvantages may limit the ability of disabled people to innovate, even when employed or acting as entrepreneurs.

- Working age disabled people are more than twice as likely to be unemployed as non-disabled people (Labour Force Survey January to March 2018).
- Disabled people are more likely to be living in poverty, earn less if they
 are in work, have higher living costs, are twice as likely to have unsecured
 debt of more than half their income, and on average have much less in
 the way of savings and assets (i.e. lack of start-up capital) than nondisabled people (Papworth Trust, 2018).
- Disabled people aged 16-18 are at least twice as likely not to be in education, employment or training (NEET) as their peers. At degreelevel, disabled students are most under-represented in business and administrative courses, at 8.2% compared to 14.9% of non-disabled students, and disabled people are less likely to have a degree (Papworth Trust, 2018).
- Disability may create barriers to accessing appropriate training / support.
- Public perceptions (1 in 3) that disabled people are less productive may affect not only job opportunities, but promotion and development opportunities that could be pathways to innovation (Scope 2018).
- Disabled innovators may not identify as 'disabled' or disclose their status owing to social stigma around disability, therefore becoming 'invisible' and limiting options for promoting diversity (e.g. via role-models and mentors).
- Disabling attitudes of business advisers may also act as a barrier.
- Fear of losing disability benefits can create an additional barrier.



Financial and educational disadvantages may limit the ability of disabled people to innovate

Ethnic minority innovators: the opportunity

- Ethnic minority inventors have been found to have a positive effect on patenting activity in the UK, suggesting that policymakers should aim to increase the diversity of research communities (Nathan, 2014).
- Top-quartile companies for ethnic / cultural diversity have been found to be 33% more likely to outperform on profitability (McKinsey Group, 2018).
- Under certain conditions, networks based on the geographical dispersion of communities enable higher levels of business competitiveness through facilitating access to resources and markets by minority businesses (Kitching et al., 2009).
- Ethnic minority businesses play an important role in the social adaptation and integration of new migrants in their local economies and communities (Carter et al., 2015).

Top-quartile companies for ethnic / cultural diversity have been found to be 33% more likely to outperform on profitability



Ethnic minority innovators: additional barriers

Recent migration patterns have given rise to a 'super-diversity' of Black, Asian and minority ethnic communities in the UK (Vertovec, 2007), hence a highly complex mix of social and cultural identities. Barriers to business innovation facing newly arrived immigrants will differ, for example, from those for second or third generations. However, a few overarching observations can be made concerning additional barriers that ethnic minority innovators in the UK may face.

A significant employment gap (11.8%) still exists between white British and ethnic minority groups living in the UK. Full representation of ethnic minorities across the labour market through improved participation and progression has been estimated to be worth £24 billion per annum (1.3% of GDP) (Source: BEIS, 2017; Ram et al., 2012).

- Employment gaps widen when gender is also considered. The employment rate for men is markedly higher than for women across all ethnic groups. However, in 2016, the rate of economic inactivity for Pakistani/Bangladeshi women was 59%, which is 33 percentage points higher than the rate for white British women; within the Indian heritage group, 14% of men were economically inactive, compared to 32% of women (ERSA, 2018).
- In self-employment, disparities exist between different ethnic groups, e.g. in 2017, self-employment was most common in the Pakistani/ Bangladeshi ethnic group (24% self-employed) and least common in Black ethnic groups (12% self-employed). However, Pakistani/ Bangladeshi women are poorly represented.
- Many ethnic minority businesses (EMBs) are also in low value, noninnovative market sectors.
- The competitiveness of minority businesses depends on their ability to move beyond their niche markets and to engage with wider market and institutional contexts (Kitching et al., 2009).
- EMBs face persistent challenges in accessing finance in the appropriate forms and volumes (Carter et al., 2015; Davidson et al., 2010).
- Mainstream public sector business support is under-utilised by EMBs (Kitching et al., 2009).
- Ethnic minorities face a host of additional obstacles, from the institutional context, unfamiliarity and language barriers, through to discrimination, including stereotypical images of specific ethnic cultures, religions and practices (Davidson et al., 2010).

Ethnic minority businesses face persistent challenges in accessing finance in the appropriate forms and volumes

3. RESEARCH DESIGN

The project took place over three phases:

- Phase 1 a review of the literature to gather currently available evidence on the involvement of people with disabilities and from Black, Asian and minority ethnic communities in business innovation.
- **Phase 2** survey work to gather primary data to strengthen the evidence base and fill gaps in current understanding.
- **Phase 3** in-depth focus groups to gather qualitative data to supplement the survey data.

The aim of the initial phase was to better understand existing information and establish a business case. Phases two and three involved primary research to generate new data and insights to inform Innovate UK's future programmes on diversity and inclusion, with a view to meeting the needs of innovators (and potential innovators) with disabilities and from Black, Asian and minority ethnic communities and realising economic and social impacts for the UK.

Phase 1

The first stage of the project was a literature review, exploring existing evidence on the participation of people with disabilities and people from Black, Asian and minority ethnic communities in business innovation. This identified the barriers and challenges faced and the potential opportunities as a result of taking positive action to increase participation. It also involved a mapping exercise to identify initiatives targeting either disabled or Black, Asian and minority ethnic innovators / entrepreneurs. This work established the business case for Innovate UK to undertake programmes targeting innovators / entrepreneurs from these under-represented groups.

Phase 2

A quantitative survey was undertaken, utilising YouGov's research panel to gather primary data to strengthen the evidence base and fill gaps in current understanding. An Advisory Group, with expertise in the participation of people with disabilities and from Black, Asian and minority ethnic communities participated in a workshop to help shape the draft questionnaire, so as to ensure the appropriateness of the language and questions used and that the approach taken was holistic and recognised the importance of intersectionality. Some survey questions were relevant to both of the target under-represented groups, while others were specific either to people with disabilities or to people from Black, Asian and minority ethnic communities. YouGov was appointed to distribute and collate the surveys so as to ensure the widest possible sample size and to perform statistical analyses and produce an interim report on findings from this phase of the work.

Sample

The survey gathered the views of 2,457 people, using a self-completion, online methodology between the dates of 4 April and 5 May 2019. Respondents were either a) people who were self-employed/ran their own business or b) people who worked as employees. Within each of these groups, the sample was controlled to ensure that reporting could be conducted on each of the following sub-groups:



Research questions

Building on the existing knowledge base, the overarching research questions guiding this study were as follows:

- What are the barriers, challenges, opportunities and support needs for ethnic minorities and disabled people to participate in business innovation?
- 2. How can programme initiatives effectively promote diversity and inclusion in business innovation?

YouGov was appointed to distribute and collate the surveys so as to ensure the widest possible sample size

- People from a Black, Asian or other minority ethnic background.
- People with a disability which affected their day to day activities either a lot or a little
- A control group who were neither from a Black, Asian and minority ethnic background nor disabled.

Via routing within the questionnaire, the self-employed/ business owners were asked one set of questions and employees were asked a different set of questions. Both groups also received a profiling set of questions which allowed construction of the groups outlined above, as well as providing additional demographic information for all those who undertook the survey.

The table below gives a breakdown of the sample:

	Employees	Self-employed / business owners	TOTAL
BAME	548	318	866
Disabled	558	583	1141
Non-BAME, non-disabled (i.e. control group)	348	102	450
TOTAL	1454	1003	2457

Phase 3

The third stage of the project involved qualitative focus groups, with a view to developing a more in-depth understanding of the support needs of innovators with disabilities and from Black, Asian and minority ethnic communities. Members of the Advisory Group were enlisted for their help in reaching the target communities. The focus groups comprised innovators (and potential innovators) with disabilities and/or from Black, Asian and minority ethnic communities, as well as partner organisations with experience of working with people with disabilities and with Black, Asian and minority ethnic communities. The questions explored in the focus groups built on the results from the Phase 2 survey. These included: asking participants for feedback on any existing support that was helping them or their businesses to innovate; what had been most helpful to date; and what other kinds of support would be most helpful in the future. This final phase of the project aimed to develop concrete recommendations for Innovate UK's future work on diversity and inclusion, drawing on insights from focus group participants and Advisory Group members.

Sample

Purposive and snowball sampling techniques were used to identify focus group participants. Emails were sent to potential participants, identified via Advisory Group members, other stakeholders and networks. A total of 15 participants (5 females; 10 males) participated in the focus groups for people

with disabilities that were held in London, Nottingham and Surrey during the period May to July 2019. A total of 16 participants (5 males; 11 females) participated in the focus groups for ethnic minorities that were held in London, Birmingham and Sheffield during the period June to August 2019. The focus groups comprised individuals who were either involved in business innovation, or who were interested in participating in business innovation in the future, whether as employees or as self-employed people. The focus groups were conducted principally via face-to-face discussions but, where this was not feasible, participation was facilitated by means of conference calls.

Data analysis

In order to facilitate the data analysis, the focus groups were audio-recorded and transcribed verbatim. Focus group participants were assured of confidentiality and anonymity to encourage candid responses. An abductive coding process was used to analyse the data, which involved moving back and forth between codes identified inductively from the data and from prior theoretical knowledge. The data analysis was conducted using NVivo coding software and involved the development of a coding framework. The coding process was carried out by at least two members of the research team, with discussions being held at different stages to further refine the coding framework. In the first stage of the coding process, codes were inductively identified from the data. Based on the initial coding framework and the focus group guides, these codes were grouped into three main themes: 1) issues relating to challenges and barriers; 2) those relating to opportunities and/or strategies to overcome challenges; and 3) those dealing with support needs. The next step involved carrying out second cycle coding in order to identify broader categories, themes and aggregate dimensions.



4. KEY FINDINGS

4.1 Opportunities

The survey findings confirmed that there is very significant potential for widening participation in business innovation. Overall, 35% of employees said they had identified an idea for a new product, process, service or way of working that could be used to start a business. This was higher amongst the Black, Asian and minority ethnic (BAME) group (40%) compared to those with a disability (34%), which was in turn higher than the non-disabled, non-BAME control group (27%). Ambition to start a business was also higher amongst those born outside the UK (48%), compared with those born in the UK (31%). Just under half (46%) of BAME respondents said they found the idea of starting their own business attractive - this figure was 36% in the disability group and 33% in the control group (33%). This aspiration was also higher amongst young people (45% for people aged 18-24, compared with 22% for people aged 55+).

The motivation to tackle challenging societal problems requiring innovative solutions was also high. Sixty-three percent of BAME employees were interested in finding innovative solutions to global poverty and 59% in finding solutions to disadvantage faced by minority ethnic groups in the UK. Fifty-six percent of disabled employees were interested in finding solutions to climate change; 55% in tackling disadvantage faced by disabled people in the UK; and 50% in addressing disadvantage / inequality in the UK.

The most mentioned potential benefits of starting a business included the ability to work more flexibly, to make more money, greater job satisfaction and to achieve a better work-life balance. Amongst existing self-employed / business owners, across all groups, the top four reasons cited for starting their own business, chosen by over 75%, were:

- To be able to work more flexibly.
- To be my own boss.
- To achieve a better work-life balance.
- To get more job satisfaction.

However, significantly more BAME and disabled business owners cited 'Making a difference to their community / society' as a reason for starting their own business, compared with the control group. Also, significantly more disabled people said that working from home and turning a hobby into a business had been reasons for starting their own business.

4.2 Challenges and barriers

Notwithstanding the high level of interest and aspiration, the findings highlighted numerous barriers, challenges and support needs. Overall, only 32% of the employees surveyed stated that they had the confidence to start their own business and 58% found the idea too daunting. Employees also felt that they needed a lot of support to start their own business (66%).

For BAME employees, the top 3 challenges / barriers to setting up their own business were:

- 1) Lack of a steady income (79%)
- 2) Lack of money (75%)
- =3) Fear of getting into debt (73%)
- =3) Fear of leaving a steady job (73%)

The survey findings confirmed that there is very significant potential for widening participation in business innovation

Significantly
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However, additional barriers to setting up a business for BAME respondents included concerns about prejudice or hostility in the community. Discrimination was also perceived as a barrier by 31% of BAME business owners, compared with 17% of disabled business owners, and only 10% of the non-BAME, non-disabled control group.

For disabled employees, the top 3 challenges / barriers to setting up their own business were very similar:

- 1. Lack of a steady income (77%)
- 2. Fear of getting into debt (74%)
- 3. Fear of leaving a steady job (70%)

Additional barriers to starting a business arising from disability were concerns about health problems or losing disability or out of work benefits, as well as concerns about discrimination and perceptions of their disability.

Amongst existing self-employed / business owners, overall, the biggest barriers to innovation were unfavourable economic conditions, followed by lack of time. Fifty-six percent of BAME business owners cited lack of finance / capital as a barrier to innovating, compared with 50% of disabled business owners and only 35% of the control group. Awareness and use of different types of business support was found to be very low: 78% of business owners said they were not aware of any of the listed sources of support and over half said they had not received any type of support. Fifty-six percent percent of BAME business owners cited lack of finance / capital as a barrier to innovating, compared with 50% of disabled business owners and only 35% of the control group.

Disabled employees were significantly more likely to describe themselves as "creative thinkers" and "inventive"

Identification as "innovators" / "entrepreneurs"

A lack of identification with terms such as "innovative" and "entrepreneurial" emerged from the survey responses. This finding was corroborated in the focus groups, where it was explored in greater depth. For example, in the survey a majority of employees self-identified as "knowledgeable" (58%) and as "problem-solvers" (57%), but they identified far less with the term "innovative" (19%) and even less with "entrepreneurial" (only 8%).

However, it was noteworthy that BAME employees were significantly more likely to identify with a range of descriptors relevant to innovation, compared with the control group: 23% of BAME respondents identified as "innovative", compared with 14% of the control group; while 10% of BAME employees identified as "entrepreneurial", compared with only 6% of the control group.

Disabled employees were significantly more likely to describe themselves as "creative thinkers" and "inventive" compared with the control group, with 37% of disabled respondents identifying as "creative thinkers", compared with 29% of the control group; and 21% of disabled respondents identifying as "inventive", compared with 12% of the control group.

These findings were explored further in the focus groups, which included self-employed business owners / entrepreneurs. Both BAME and disabled focus group participants indicated that limited exposure and lack of awareness and identification with innovation was a significant barrier to engagement. Looking across the survey and focus group data, this particularly appeared to be the case when one considered the intersectional categories of socioeconomic factors and age. The roles of class and age in influencing an individual's social circles and their exposure to knowledge and the language of "innovation" was discussed in the focus groups. Participants described their own journeys towards an altered mindset and of overcoming the barrier of identifying as innovators / entrepreneurs.

BAME employees were significantly more likely to identify with a range of descriptors relevant to innovation, compared with the control group

So a lot of the language that I know now and I feel really confident using, I only learnt that language in the last six months, whereas when I was younger, I wouldn't feel confident using words like - I wouldn't have described myself as an 'innovative' person, because I wouldn't have even known language like that.

(BAME focus group participant.)

Lots of young people that are from BME backgrounds are incredibly entrepreneurial and incredibly innovative, but it's just like they would never think necessarily to describe themselves as that...language is so powerful and your access to the words that you need to describe yourself and your product and your idea - some people just do not have access to that language yet.

(BAME focus group participant)

Somebody once said to me, they asked me about my business and I said, 'Well, I had this idea and I've decided that -' and they went, 'Stop, stop!'. They said, 'You are a founder and an entrepreneur of a fashion e-commerce business. You speak it and you feel it!' and I was like (laughter), because it just sounded so 'woah!' - but then she was right, she was right. So now I have no problem saying it, and it just feels like -yes it doesn't feel like I'm in impostor syndrome anymore.

(BAME focus group participant)

We were expecting to go out and find all these [disabled] entrepreneurs that had got these businesses to start, but there were very few. We had a couple of people that were already sort of part-way along the journey of becoming an independent graphic designer, or there was one guy that was wanting to set up a kitchen facility. But for me, the gap was around getting into disabled people's heads that they could become entrepreneurs.



Access to relatable networks / mentors / role models

Based on the survey findings, individuals functioning as figures of inspiration, or role models, appeared to play a relatively small part in developing a business. This was a surprising finding as, given the perceived importance of role models in influencing career choices, it was anticipated that they would play an influential role. It was unclear from the survey responses whether relatable role models were lacking, or whether role models were viewed as relatively unimportant. It was therefore identified as a priority to explore the interpretation and function of role models in the focus groups.

When asked about role models, focus group participants sometimes interpreted this differently, at times conflating the idea of role models with mentors from whom actual support was received, and with the value of bringing together inspiring entrepreneurs in networks. There were also different views as to what constituted a relatable role model and the relative importance of characteristics such as gender, ethnicity, class and specific sector knowledge. The survey finding that family members and friends, rather than icons, were the most common role models was corroborated by the focus groups.

Homogeneous business networks that are not representative of wider society were viewed as limiting ethnic minority and disabled innovators' access to social capital. This peer support was perceived as a valuable means of learning from one another, through sharing experiences, knowledge and contacts, as well as providing a voice to disabled and BAME innovators. The lack of access to networks was also seen as limiting access to relatable role models, mentors and sponsors who could provide advice and guidance. This situation was aggravated when categories such as ethnicity, class and age intersect, thereby exacerbating exclusion. In order to counter these disadvantages, some business owners / entrepreneurs had been involved in setting up networks themselves, aimed at their respective communities, as a means of increasing access to these scarce social resources.

... I mean that happens a lot and when you go to networks and you see, it's, like, clones, you know, middle class men, white who are talking the same and there's no diversity in business networks

(BAME focus group participant)

If I think about going into a networking event or doing a pitch to some buyers, it is always a scary experience, because I walk into a room and nobody looks like me. So, it is scary, but then as an entrepreneur, it's whether I am prepared to face that or am I just going to give up and say, I'm not going to do it

(BAME focus group participant)

And then there's not enough role models that are BME and also from a low-income family. So, a lot of the role models I do meet that are BME are like me, in that they've also gone to a top university, so they have actually then had quite a lot of privileges. But I don't often come across people who are just, like, haven't had some element of privilege to allow them to get where they are, which means that for a lot of young people... there really are not any role models

(BAME focus group participant)

The lack of access to networks was also seen as limiting access to relatable role models, mentors and sponsors who could provide advice and guidance



I think one thing that I found quite difficult being a disabled person is the lack of role models. I found that both with traditional employment and also entrepreneurship...I've worked across many sectors and I've found the same kind of issue across many sectors.

(Disabled focus group participant.)

I think one of the biggest challenges for disabled people of all kinds is there really is no one community. So, like, in the genders area, there's a MeToo movement to create community amongst women, and for Black people, there's Black Lives Matter to create community between Black and minority ethnic [people], with their experience particularly of the police. For disabled people, there's no community, and because there's no community, the things that you get from community, like skill-sharing, information, contacts, you don't get. So, disabled people are actually in a kind of community deficit, information deficit environment.

(Disabled focus group participant.)

Perceptions and experiences of discrimination

Focus group participants' experiences and perceptions of discrimination and the impact of this on the opportunities available to them were very diverse, ranging from indirect and subtle to blatant forms of prejudice, operating the individual, institutional and societal levels. The disadvantage of having a 'foreign' sounding name was an issue raised in the BAME focus groups, with participants discussing the psychological implications for one's sense of self-esteem and identity of changing one's name to make it sound "English".

I've worked in recruitment for many years. I've worked with lots of different consultants, and if they couldn't read a name...they wouldn't ring the person, because they didn't know how to pronounce the name.

(BAME focus group participant.)

I have so many recommendations from English people, 'You should change your name and surname. It will be easier for applications and everything. Change it'. I'm glad I never changed, because really... It's who I am. My parents, grandparents, you know.

(BAME focus group participant.)

Well, if you're starting at that point, and you're feeling as though you can't be proud of your own name, where do you go from there? Because that is you. That's what you've been called since you were born.

(BAME focus group participant.)

I refuse to do that because that's compromising your sense of identity and integrity. You say people would rather appreciate who you were than having to - I'm African. Why should I change my name to an English person to be recruited?

(BAME focus group participant.)

Focus group participants associated feelings of exclusion or not 'fitting in' with lack of confidence, low self-esteem, and increased levels of self-doubt. These were recognised as important psychological barriers that could lead to people disqualifying themselves, hence narrowing the talent pool applying for such opportunities. Socialization processes aimed at preparing ethnic minorities for the 'real' world, where they would need to be more resilient than their non-BAME peers, could inadvertently result in the perpetuation of the same hierarchical structures.

Growing up, we even used to be told by parents, 'You know, you're Black. You're going to have to work. Life's not fair', and for a lot of children and households and businesses, you know that from the outset, so you always second-guess yourself when you're applying for stuff.

(BAME focus group participant.)

Everybody's got to work for it, but you sometimes have to work that little bit harder and it's the same in the employment world...I don't think people are intentionally trying not to give you a job, however, it happens. I was having a conversation with somebody this morning about the same thing and I said, 'You know, when I used to apply for jobs, you'd see a job and you'd say, 'Shall I? Do I really think that that company would want to employ me? Would I fit in there? That kind of thing. Whereas, certain other people don't have that barrier.

(BAME focus group participant.)

Disabled innovators talked about the additional psychological burden of trying to assess other people's perceptions and prejudices concerning their disabilities.

When I interview [potential employees] they might...try to portray that they can work with me but then once they're employed they might try to patronise me because of my physicality, height, etc...so I need to be extra careful of that.

(Disabled focus group participant.)

I have met with quite a few companies and... they come across very positive and then at the end of that session I feel like they're not taking me seriously.

(Disabled focus group participant.)

If I go to a bank, they might look at my business plan on paper and I look OK – great! But then when they see me they might...measure me or think that I don't have that extra commitment because of my disabilities.

I regularly contemplate about disclosure to organisations, really kind of feel what's the energy in the organisation? I've had some really weird experiences and I've worked for some of the largest multinationals from both sides of the Atlantic just throughout my career, so I'm very conscious of who am I working with, what are their perceptions on disability, race?

(Disabled focus group participant.)

Disability and race intersect in the above example to impact the individual's social interactions and shape the types of career opportunities that are accessible to them. The stigmatisation and social exclusion that are experienced in the workplace also provided a motivation for engaging in entrepreneurial activity, as a means of circumventing discrimination.

My own experiences tell me that the type of disabilities that are more stigmatised and are therefore harder to get into the labour market, might be the kind of people who would be more likely to start a business.

(Disabled focus group participant.)

I think definitely there is an increase in the number of people of choosing to be an entrepreneur, because they cannot access the workplace in the traditional way. Or, sadly, they did have, like myself, a position in the workplace, but fell into the statistical numbers that lose their job within twelve months of having the diagnosis.

(Disabled focus group participant.)

It's also a fear factor of, 'If I employ a disabled person, what does that mean to our business? What does it mean to our colleagues, our staff? What health and safety?'- all of that kind of thing.



4.3 Support needs

The top three support needs from the survey for BAME employees to set up a business were:

- =1. Having easier access to finance (75%)
- =1. Need for information on how to do it (75%)
- 2. Having a mentor (73%)
- 3. Knowing more about business law (72%)

The top three support needs for disabled employees to set up a business were very similar:

- =1. Having easier access to finance (68%)
- =1. Need for information on how to do it (68%)
- 2. Knowing more about business law (61%)
- =3. Having a mentor (60%)
- =3. Hearing about others like me who have done it themselves (60%)

Help with managing a disability or a health problem, or access to specialist equipment, were additional support needs specific to people with disabilities. The diverse information and support needs of disabled innovators were explored further in the focus groups, with participants emphasising the need for initiatives specifically targeted towards this community. This was necessary partly to overcome the general stigmatization that disabled people face from wider society, but also to ensure that support was sensitive, holistic and appropriate to disabled people's needs.

The truth is many disabled people are not going to talk about these things with anyone because they're very personal issues. They're very sensitive issues, so, until you've developed that rapport, until that person knows you're another disabled person and you're facing similar issues and similar challenges, a disabled person isn't going to open up to that because, you know, generally, we're vulnerable, generally, we're already being stigmatised by society. So, unless we really know that you have the right intention, that you want to help and support, why are we going to open up more for people to attack us even more?

(Disabled focus group participant.)

So, first of all, there's very little business support out there that, actually, is directed at disabled people. The programme that I developed was probably the first that I've seen that looked at the real issue, which is actually promoting health and wellbeing...and how to be productive, and develop, and be successful.

The lack of sustainable, end to end, or long-term support from business advisors, that was provided at the right time and with the right focus, was also indicated as another barrier by both disabled and BAME focus group participants.

[Organisation] only wanted to support people that already had an idea that was very easy to develop. You know, we know they wanted to say, 'We'll show you how to set up a bank account, to write a constitution and job description,' but to take it from, 'I've got this idea in my head, and how do I develop that idea? How do I find somebody who will mentor me and share their experience?

(Disabled focus group participant.)

So, we've gone through all this process of transformation, but then it comes to an end. There's no next step. There's no next stage. So, I'm now left to go out there, and you know, go back to where I was three months ago, still trying to find buyers, still trying to find - so, that last bit of the support is what is lacking, and nobody provides you - not [organization]...nobody, so I'm still, like, yes, I have made a huge transformation, but I still need that support. So, I'm still emailing, contacting people - I mean, you can't expect someone to run your business for you, but having that little support to say, 'OK, we've got a list of buyers we work with. Let's bring you together. You know, let's give you an opportunity to come and pitch your product.' There's nothing like that.

(BAME focus group participant.)

However, whilst targeted programmes were viewed as important in assisting disabled and BAME entrepreneurs and innovators to navigate and make progress in the current system, participants also emphasised the need to tackle the institutional and structural discrimination that perpetuates hierarchical systems, based not only on ethnicity and disability, but also on gender, class, age and other characteristics. Participants highlighted the need for changed mindsets and perspectives that enable the creation of a more inclusive space.

I think we had a scenario that said that investors, when they look towards investing in a company, sometimes it's not even about the company. They can have a guy pitching to them and you hear things like, 'You know, it wasn't that great, but I see myself in that'. But what will it take for a white, British-raised man from a high-income, high-class household, what does it take for him to look at a young Black girl, who's perhaps starting a business in natural hair, to think, 'You know, I see myself in her.' It's a very different dynamic and the question is, what can be done to change that space and to help those people who know that they're not necessarily - can't relate to the person that they're going to pitch to, but still feel confident enough to know that this is a table that I can actually have a seat at.

(BAME focus group participant.)

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As much as we can all say that there's a lot of change that needs to be done in order to create that space and encourage people, I think within communities, there's also a lot of change that needs to be had in order to understand how do we blend the two different kinds of environments without one having to become very community-based, when it's not a very community based country, but also, how do you go from being very community-based to understand that sometimes you do have to venture outside of your community in order to access the resources that you need.

(BAME focus group participant.)

In order to work towards the goal of inclusion, participants also pointed to the need for increased collaboration, not only across different government departments and agencies, but also, importantly, with community-led initiatives. Such partnerships could potentially allow policy initiatives to widen their reach amongst minority groups, whilst also building an atmosphere of trust. Moreover, in order for such initiatives to have an impact and transform the system, there needs to be accountability and genuine, sustained commitment to achieving this goal.

We recommended that the traditional business support organisations should actually partner with associations of disabled entrepreneurs and disability-led organisations so that they could provide the support, but...through the existing experts. So, we felt that was the right combination, because we wanted impairment-specific advice or information, but they also wanted the general advice about writing business plans or market research. So, they wanted that mix of the specialist advice and the non-specialist advice.

(Disabled focus group participant.)

So, like, really partnering with organisations that do have opportunities and routes in and helping them really kind of turn the volume up on that voice, so that young people in BME communities do find out about them, because they might have less networks to recommend these opportunities.

(BAME focus group participant.)

And, sometimes, those people, they think we are not scrutinising them, although you might be quiet, but of course you observe their behaviour, their communication, and it's like, 'OK, we can tell with this person, does he actually believe in all he is talking about, or is he just... So, they talk a lot, 'We're doing this and this and this and this.' OK, tell me the thought behind it. And then they become silent. So, having the people who do these programmes who understand, actually, the objective and who believe in it. It's quite a powerful thing.

(BAME focus group participant.)

5. CONCLUSIONS AND RECOMMENDATIONS

The results of this study confirm that participation in business innovation is influenced not only by minority status, but also by intersections with other social categories, such as gender, age and class, within which that minority status is embedded. The findings from the survey indicated that commonalities between different minority / under-represented groups are often more striking than the differences. However, some significant differences were evident between BAME and non-BAME respondents, and between disabled and non-disabled respondents, in terms of perceptions, attitudes, motivations, barriers and support needs.

A higher proportion of BAME than non-BAME respondents viewed themselves as ambitious, motivated, confident, optimistic and interested in making a positive difference to society. BAME business owners were also more optimistic about the future of their businesses and their ability to adapt. However, support needs were also higher amongst respondents from BAME communities than amongst non-BAME respondents. There were additional barriers to participating in innovation amongst disabled respondents, including concerns about health problems and losing disability or out of work benefits, as well as concerns about prejudice and hostility in the community, which were also shared by BAME participants. The findings also pointed towards the importance of socioeconomic factors, gender and age. The focus groups enabled a more nuanced understanding of the barriers, challenges and support needs of the two focal under-represented groups.

In policy terms, we conclude that the inter-group differences are not large enough to warrant completely divergent approaches. Whilst initiatives targeting under-represented groups are necessary to provide resources and enable individuals to navigate the system, they are not deemed to be sufficient. More ambitious, cross-governmental policy initiatives, aimed at transforming existing hierarchical structures, principles of social organisation and cultural values would be necessary to tackle structural discrimination and the root causes of inequality and exclusion.

This study therefore broadly endorses Innovate UK's hybrid/blended approach of combining targeted initiatives with mainstream programmes, aimed at embedding equality, diversity and inclusion in business innovation. However, as recognised by Innovate UK and its partners, more needs to be done on both these fronts. It is recommended that programmes adopt holistic, person-centred approaches that are capable of recognising the heterogeneity within and between minority groups, by offering tailored support that respects the individual agency of participants. At the same time, community-based organisations that grow organically from within minority communities have a key role to play in co-designing programmes and as validating stakeholders and delivery partners, working alongside public and private sector agencies.

"In order to successfully support diverse entrepreneurs from disabled communities and communities of colour, we need to actively name and engage with the structures of exclusion such as white supremacy, structural and institutional racism, and ableism"

(Angela Martinez Dy - Loughborough University London - Advisory Group member.)

recommended that programmes adopt holistic, person-centred approaches that are capable of recognising the heterogeneity within and between minority groups, by offering tailored support that respects the individual agency of participants.

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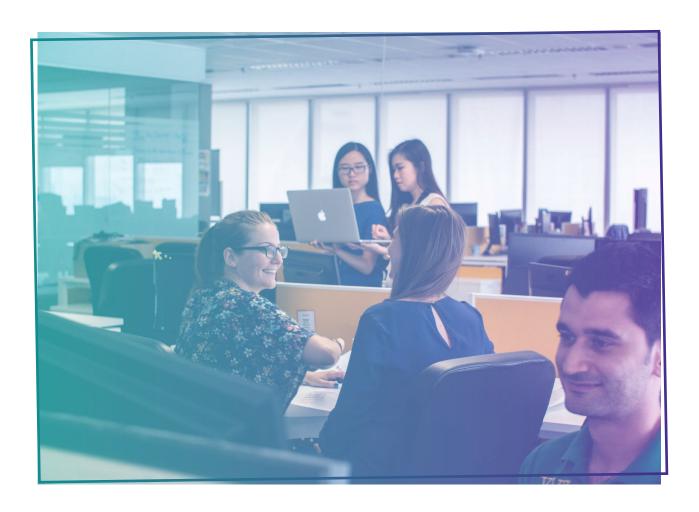


"Disabled people are innovative: they frequently adapt goods and services to customise them for their needs, but they seldom access innovation grants and support. That story now has to change and Innovate UK, I am sure, will respond with the necessary support, to create a new and liberating narrative for disabled people."

(Philip Connolly, Policy Advisor for Leonard Cheshire Disability)

In conclusion, our key recommendations for Innovate UK and for policymakers are:

- To develop a clear policy rationale for taking action to increase equality, diversity and inclusion in business innovation, that recognises the structures of exclusion and the moral imperative, beyond the economic business case;
- A hybrid/blended approach evidence-based targeting of underrepresented groups alongside increased efforts to embed diversity and inclusion into mainstream programmes, to address multiple disadvantage;
- Greater collaboration
 - Joined-up policy and partnership approaches, across initiatives / government agencies;
 - Bottom-up initiatives, co-designed with minority communities - "Nothing about us without us".



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