



PATHWAYS TO POTENTIAL



The Inclusive Employers Handbook

A step-by-step work pathways toolkit
for SMEs to recruit, support, and
retain diverse young talent

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Introduction

Small and medium-sized enterprises (SMEs) are the backbone of the economy, driving innovation, growth, and opportunity. Yet many SMEs face real and perceived barriers when it comes to recruiting new talent—particularly young people from diverse and underrepresented backgrounds. Concerns around cost, risk, time, compliance, and cultural fit can make hiring feel daunting.

Pathways to Potential – The Inclusive Employers Handbook is designed as a practical, A–Z guide to make inclusive recruitment and retention less painful and more purposeful.

It supports SMEs to better understand:

- The true costs and benefits of hiring
- The business case for youth employment and social mobility
- How to attract talent beyond traditional recruitment channels
- How to onboard, support, and retain young employees effectively

This handbook has been developed as a pilot programme resource and is intended to be used flexibly, dip in and out, or follow step by step. Each module includes guidance, checklists, fact sheets, and handouts that can be used directly within your business.

How to use this Handbook

Audience: SME owners, Directors, Managers, HR leads, and Supervisors

Format: Four structured modules, each building confidence and capability

Approach: Practical, evidence-based, and inclusive by design

Outcome: A clearer, more confident pathway to recruiting and retaining diverse young talent



Module 1:

The Employment Launchpad



Purpose: To help SMEs understand their business needs, identify growth opportunities, and confidently prepare for taking on a new employee or apprentice.

1.1 Identifying Your Growth Gaps & Opportunities

Before recruiting, it is essential to understand **why** you are hiring.

Key Questions to Ask

- Where is work currently bottlenecked?
- What tasks are pulling senior staff away from strategic work?
- What skills do we need now vs. in 12–24 months?
- Could an entry-level role or apprentice help us grow sustainably?

Growth Gap Mapping Exercise

[Template 1 Growth Gap Mapping Worksheet.docx](#)

- List current business activities
- Identify tasks that could be delegated
- Match tasks to skills rather than job titles

Outcome: A clearer role definition aligned to real business need, not an idealised CV

1.2 Understanding the True Cost of Hiring

Hiring is an investment—not just a wage.

Costs to Consider Beyond Hourly Pay

- Employer National Insurance contributions
- Pension auto-enrolment
- Company benefits you might offer?
- Holiday and sick pay
- Training and development time
- Supervision and management time
- Equipment, software, or PPE
- Recruitment and onboarding costs

Fact Sheet:

Cost Comparison – Employee vs Apprentice

[Fact Sheet 2 Employee vs Apprentice – Cost & Value Comparison.docx](#)

- Apprenticeship wages
- Government training contributions
- Long-term return on investment



1.3 Funding and Financial Support Available

Many SMEs are unaware of the financial support available.

Common Support Options

- Apprenticeship funding and incentives
- Local authority or combined authority grants
- Wage subsidies for young people

- Sector-based funding or pilot programmes

Action Checklist

- Identify local skills or employment partnerships
- Speak to a training provider or employer engagement lead
- Build funding timelines into hiring plans

1.4 Employment Law – What You Need to Know

You do not need to be an HR expert, but you do need the basics.

Key Areas of Compliance

- Employment contracts
- National Minimum Wage
- Working hours and breaks
- Right to work checks
- Statutory employment rights
- Data protection
- Health and safety
- Equality and discrimination
- The legal duty to prevent sexual harassment

HR Guidance and Specialist Support

- When to get HR support
- Using HR services including retained options.
- Free advisory services and helplines

Handout:

Employment Law Starter Checklist for SMEs

[Tool 2 Employment Law Starter Checklist.docx](#)



Module 2: Understanding Social Mobility and the Business Case for Youth Employment



Purpose: To build understanding of social mobility and why inclusive youth employment is both a social good and a business advantage.

2.1 What Is Social Mobility?

Social mobility refers to a person's ability to move into a different socio-economic position from where they started.

Barriers Young People Face

- Limited professional networks
- Lack of work experience
- Financial pressures
- Unfamiliarity with workplace norms
- Recruitment systems not designed for them

2.2 Why It Matters to Business

The Business Case

- Access to untapped talent pools
- Increased innovation and problem-solving
- Better reflection of customers and communities
- Improved staff loyalty and retention
- Stronger employer brand

Myth Busting

“It takes too much time to support them”

“Inclusive hiring lowers standards”

“Young people lack work ethic”

Fact Sheets:

The Strategic Advantage of Young Talent

[Benefits SMEs gain from employing young people.docx](#)

The True Value of Your Intervention

[The True Value of Your Intervention.docx](#)



2.3 Youth Employment as a Growth Strategy

Hiring young people is not charity—it is work-force planning.

Benefits to SMEs

- Skills developed to your business needs
- Cultural renewal and digital confidence
- Long-term talent pipelines

Fact Sheet:

Youth Employment – Risks vs Rewards

[Fact Sheet 5 Youth Employment Risks vs Rewards.docx](#)



Module 3: Inclusive Attraction – Reaching the Unreachable



Purpose: To help SMEs redesign recruitment approaches so talent from lower socio-economic backgrounds can access and succeed.

3.1 Why Traditional Recruitment Falls Short

Many standard practices unintentionally exclude:

- Over-reliance on CVs
- Academic requirements unrelated to the role
- Informal networks and referrals
- Unpaid work experience

3.2 Inclusive Hiring Routes

Alternative Talent Pipelines

- Further education colleges
- Training providers and bootcamps
- Community organisations
- Social mobility charities
- Local employment hubs

Working with Specialist recruitment Agencies

- What to look for in a values-led partner
- Setting inclusive role briefs
- Ongoing communication and support

3.3 Writing Inclusive Job Descriptions

Practical Tips

- Focus on skills and behaviours
- Avoid jargon and inflated requirements
- Be clear about training and progression
- Highlight flexibility and support

Handout

Inclusive Job Description Template

[Template 2 Inclusive Job Description Template.docx](#)



3.4 Bias-Free Selection

Reducing Bias in Recruitment

- Name-blind shortlisting
- Skills-based tasks
- Structured interviews
- Diverse interview panels (where possible)

Assessing Potential, Not Polish

- Motivation
- Curiosity

- Reliability
- Behaviour and mindset
- Willingness to learn – skills can be taught!

Handout

[Template 3 Bias-Free Interview Question Bank.docx](#)

Module 4: Recruiting, Onboarding & Retaining Staff in Your Small Business



Purpose: To ensure young employees are supported to succeed, grow, and stay.

4.1 Shared Responsibility – Involving the Whole Team

Retention is a team effort.

Practical Actions

- Clarity of role responsibilities and expectations
- Buddy systems/support
- Regular check-ins and feedback
- Mutually agreed priorities or objectives
- Visible leadership support



4.2 Effective Onboarding and Induction

What Good Onboarding Looks Like

- Structured first week
- Clear expectations
- Introduction to workplace norms
- Safe space to ask questions

Checklist

30-60-90 Day Onboarding Plan

[Template 4 Template 4 – 30-60-90 Day Onboarding Plan.docx](#)

4.3 The Mentor's Guide

Why Mentoring Matters

Young people transitioning from education to work may need:

- Confidence-building
- Feedback literacy
- Understanding workplace culture

Practical Mentoring Techniques

- Active listening
- Setting short-term goals
- Normalising and learning from mistakes
- Coaching rather than correcting

4.4 Retention and Progression

Keeping Talent Engaged

- Clear progression pathways
- Skills development opportunities
- Recognition and feedback
- Flexibility where possible

Measuring Success

- Attendance and punctuality
- Skills development
- Engagement and confidence
- Business impact

Conclusion: Building Sustainable Pathways to Potential

Inclusive employment is not a one-off initiative—it is a mindset and a method. By understanding your business needs, broadening your recruitment routes, and supporting young people effectively, SMEs can unlock new growth, resilience, and social impact.

Pathways to Potential provides the tools. The next step is action.



Appendices

- Useful Links and Support Organisations:

[London organisations & charities supporting NEETs unemployed into work](#)

[Toolkit links to wider support](#)

Companion Materials Pack

[Fact sheets, checklists, templates, and handouts referenced throughout the handbook.](#)



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