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THE CBI'S GENDER PAY GAP REPORT

MARCH 2018

Message from Chief of Staff

The CBI aims to attract, retain and develop great people to fulfil our purpose of helping businesses create a more prosperous society.

We are committed to attracting a diversity of talented people into our organisation from all communities and walks of life. Our aim is to foster a collaborative and welcoming environment where employees can be themselves, give their best and be recognised for their unique skills, experiences and perspectives.

Diversity comes in many forms. This report focuses on reporting our gender pay gap using the approach set out by the regulations, which compares the average pay of women and men. We do recognise that gender doesn't simply mean female or male and that diversity is a much broader topic than gender.

The CBI has already taken many steps to encourage greater inclusion in our workplace and we are committed to doing more. We set out the range of policies and measures that we are pursuing to ensure that women remain in and progress through the workplace in this report.

The current data on our gender pay gap shows that, like many organisations, we have more work to do to ensure all roles in our business are diverse. This includes increasing the diversity of people in senior roles in the organisation, particularly in the tier below our senior leadership.

The data we are reporting is more comprehensive than in previous years. Last year we only reported the mean figure for our gender pay gap. On a like-for-like measure we have closed this gap from over 11% to 9.7%

The CBI falls below the company size threshold that legally requires us to report on our gender pay gap. We are committed to reporting and being held to account on our performance in the same way that larger organisations and public bodies are. We do this because we believe that the data prompts important questions and challenges us on whether our actions are sufficient and targeted in the areas where we need to make further progress.

The CBI is committing to identifying what more we need to do and acting on it to further close the pay gap in the coming year, as part of our broader efforts to address diversity in all forms.



Matthew Fell
Chief of Staff, CBI

Definitions

The gender pay gap and equal pay are two different, and important, issues. Understanding this difference helps us to focus on deeper factors which may drive the gender pay gap.

The **gender pay gap** shows the difference in the average pay between all men and women in a workforce at a point in time, regardless of their position or the nature of their work.

Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is against the law to pay people unequally because they are a man or a woman.

The CBI's gender pay gap results, as at April 2017

Gender pay gap, expressed as a mean average	
Pay gap	9.7%

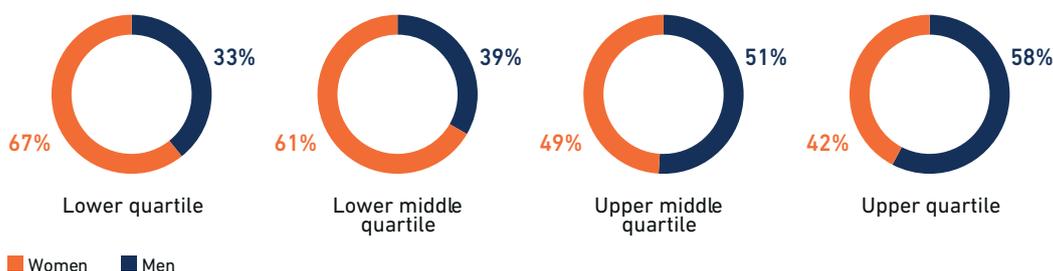
Gender pay gap, expressed as a median average	
Pay gap	15.1%

Average bonus pay gap, expressed as a mean average	
Pay gap	-14.5%

Average bonus pay gap, expressed a median average	
Pay gap	0%

Proportion receiving bonuses	
Men	73%
Women	80%

Pay quartiles: proportion of men & women in each quartile



Understanding the gender pay gap calculations

The time period that we are reporting on is defined as the 'snapshot date' in the regulations. This date is 5th April for employers, so our pay period is April 2017 as that is the month in which the snapshot date falls. The bonus period is the preceding 12 month period that ends on the snapshot date. Any bonuses received during this time are included in the calculations.

The **mean average** involves adding up the total pay for all women and dividing it by the number of women we employ, and similarly adding up the total pay for all men and dividing it by the number of men we employ.

The **median average** involves listing the salaries of all the women we employ in ascending order and then identifying the middle number on the list, and then doing the same for men.

The **pay quartiles** are calculated by listing the salaries for each employee across the business from lowest to highest, and then splitting the list into four equal-sized groups. We then calculate the percentage of women and men in each of the four groups.

We have a number of measures and policies already in place to address gender pay and diversity more broadly...

We have a range of policies and measures already in place that contribute to attracting, retaining, developing and helping women progress in the workplace. These measures include:

- Reviewing and publishing a new flexible working policy within the past 12 months, to promote awareness of the policy and its consistent application across the organisation
- Ensuring our maternity pay is well above the statutory minimum
- Having a policy to advertise all roles internally, with any exceptions to this requiring a strong rationale and approval by the Executive Committee
- Having an active Women's Network, and offering formal and informal mentoring for many women who work at the CBI
- Having unconscious bias training for all new managers as part of our 'ASPIRE' training programme
- Making high profile, public commitments around the importance of diversity in business, including around International Women's Day, which reflect the culture we aspire to at the CBI

And we are committed to doing more to address gender pay and promote diversity more generally in the coming months...

There are a number of actions and activities underway to further promote diversity and address our gender pay gap over the next 12 months. These include:

- An organisation-wide objective to increase diversity at the CBI and success criteria to close our pay gap. All members of the Executive Committee have a personal objective around diversity and are assessed against it as part of their performance review.
- Continuing to refresh our recruitment strategy, including
 - Ensuring our approach to selection promotes diversity at every step, for example the tasks and activities that we use to assess candidates
 - Reviewing who we partner with to support our recruitment, with a requirement to have a strong focus on diversity
 - Ensuring that whenever we use agencies or executive search firms, we stipulate a requirement for diverse candidates and reject any shortlists that are not diverse
- Continuing our practice that, whenever we make appointments, to use our pay bands and pay benchmarking data as a reference point for all roles to ensure we are paying market rate as well as continuing to look across the organisation to ensure that we benchmark against peers in the same or similar roles
- Reviewing all our employment policies to ensure they are consistent with promoting diversity, including a further look at our maternity leave pay as well as parental leave and shared parental leave, to ensure we are market leading in our approach

