

C|B|I



# Gender Pay Gap Report 2018

April 2019

# Executive Summary

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The CBI is committed to being a diverse and inclusive organisation where everyone can thrive and reach their full potential by being their best selves at work.

We strive to become a gender balanced workplace which reflects the members and communities we serve, addressing gender representation and supporting women at the CBI.

We implemented our Diversity and Inclusion (D&I) strategy in early 2018, enabling us to review our approach to increasing diversity and building a more inclusive culture. This was recognised in our recent employee engagement survey, with a 12.6% increase (to 88.6%) of employees believing the CBI is committed to being a diverse and inclusive workplace for everyone.

At the CBI, we are continually working on new ideas and opportunities to engage and support the employee experience. Everyone is responsible for ensuring we are a diverse and inclusive organisation; helping to support, influence and drive our D&I strategy through our D&I Steering Group, Employee Networks, Executive Sponsor, D&I Advisor and all our teams.

We choose to report our gender pay gap and this will be our second year of voluntarily reporting this for the April to April period (2017 – 2018). Publishing this data allows us to demonstrate our commitment to achieving gender parity, enabling us to understand our challenges around the gender pay gap and measure our progress against our inclusion action plan.

Our Executive Committee has already achieved gender balance with a 50:50 gender split at this level, with our management board following closely behind at 55:45 male to female ratio. However, we need to ensure better gender balance across all roles at the CBI to help reduce the gender pay gap.

This will be the first year that the CBI will publish its BAME Pay Gap, further demonstrating our commitment to driving progression and representation for diverse groups and reducing our pay gaps. We are committed to making progress and being open and honest about our position and have now signed the **Race at Work Charter**. We will continue to partner with diverse and inclusive organisations to further embed our strategy and make us an employer of choice for all.



A handwritten signature in black ink, reading "Rain Newton-Smith".

**Rain Newton-Smith**

Chief Economist & Executive  
Sponsor for Diversity & Inclusion



A handwritten signature in black ink, reading "Lauren Kane".

**Lauren Kane**

HR Director



A handwritten signature in black ink, reading "Anneka Baddeley".

**Anneka Baddeley**

Diversity and Inclusion Adviser

*“Achieving gender equality in the workplace is one of the greatest opportunities available to businesses today. The case for change is watertight: diverse companies are better companies. That’s why – for the second year running – the CBI has voluntarily published its gender pay gap data.*

*Our data shows that we have some way to go, but what you measure, you can manage – and change. Last year, the CBI introduced new ways to attract, develop and retain female employees and our 2019 data shows that these are having a positive impact. The CBI will continue to take action until the job is done.”*

**Carolyn Fairbairn, Director-General, CBI**





# How is the Gender Pay gap calculated?

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Because different jobs pay differently and the number of men and women performing these jobs varies, a gender pay gap exists.

The **gender pay** gap looks at the difference in the average hourly rate of pay (median and mean) between male and female employees. The data presented is based on our UK based employees.

This is different to **equal pay** which is the difference in pay between men and women who carry out the same jobs, similar jobs or work of equal value.

A **mean gap** is a calculation of the average pay or bonus of male versus female employees in our organisation.

A **median gap** is a calculation of the exact mid-point between the lowest and highest-paid male versus female employees in the organisation.

**Quartiles** are calculated by ranking the pay for each employee from lowest to highest. It has a total sample size of 204 employees and breaks it down to show the equal proportion and percentage of earnings within that quartile of male and female employees.



# Our Results

## Gender Representation

Gender split was 46.4% male and 53.6% female.

**Median pay gap 19.7%**

**Mean pay gap 12.6%**

Our mean (average) Gender Pay Gap is lower than the UK national average (at 17.9% for all employees) but at the CBI we want to be better than average.

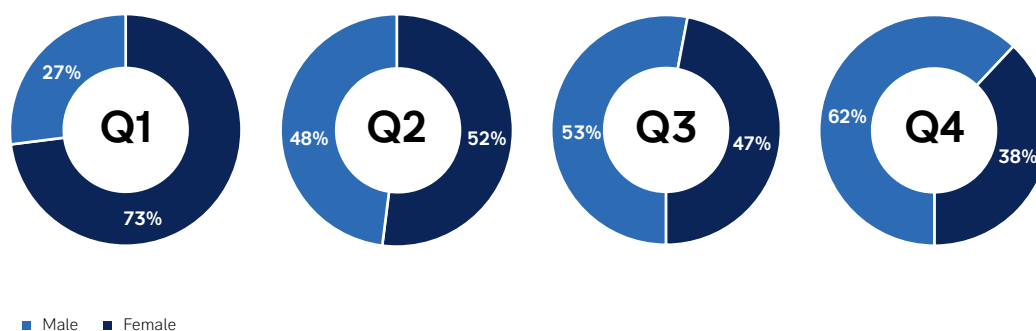
Although, our gender pay gap has slightly increased by 1.5%, our median gender pay gap has reduced by 2.4% since 2017.

We reviewed our 2017 gender pay gap data and noted we had incorrectly reported our mean gender pay gap at 9.7% when it was 11.1% and reported our median gender pay gap at 15.1%, when it was 22.1%. This was because of data inconsistencies used to calculate the pay gap; such as not including car allowances and the inclusion of new joiners who were not yet in the business as of 05 April 2017. We have since put in a set of processes around data validation to ensure we report accurately.

## Pay Quartiles

In 2018, our Q2 data (lower middle) shows an 11% decrease of females in professional roles since 2017. We also have a higher proportion of female employees in Q1, which increases the overall pay gap.

In addition, more female representation is needed at the middle management level to impact the pay gap. This is evidenced in Q3 (Upper middle) and Q4 (Upper quartile) data which has remained relatively similar to 2017, highlighting challenges around female representation and career progression into middle management positions.

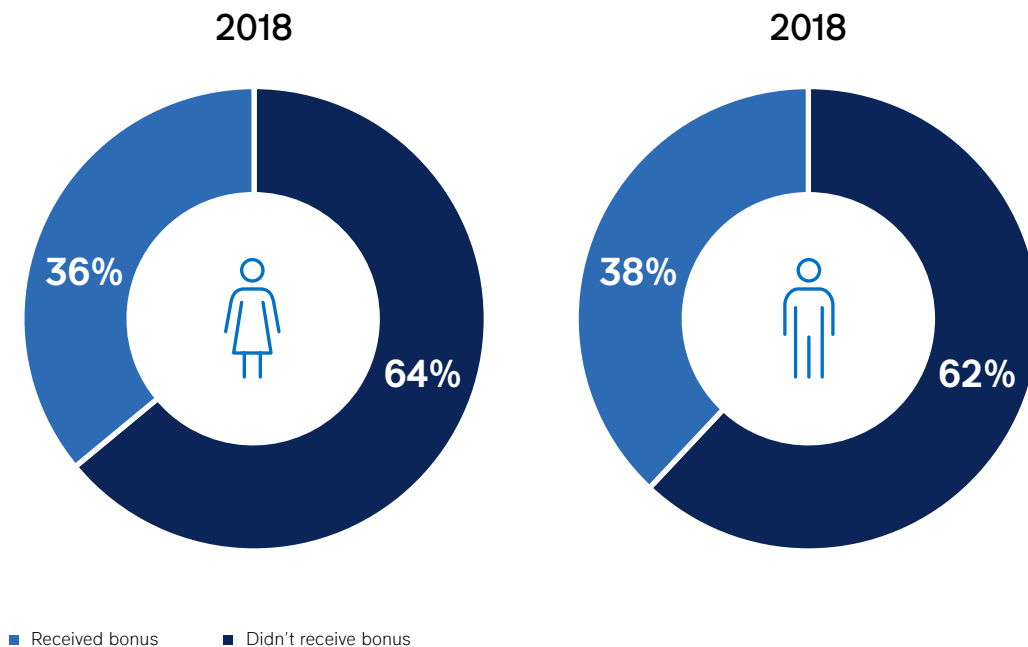


\* The data is split into 4 equal quartiles showing the pay equality in each quartile. Q1 being the lowest paid and Q4 being the highest paid.

Change since 2017							
Quartile 1		Quartile 2		Quartile 3		Quartile 4	
Male	- 8%	Male	+ 11%	Male	No change	Male	+ 2%
Female	+ 8%	Female	- 11%	Female	No change	Female	- 2%

## Bonus

Our data shows that of the 38% of total male employees received a bonus whilst 36% of total female employees received a bonus. Our median bonus gap is at 21%. We have since implemented a consistent bonus scheme based on organisational performance.



Difference between men and women		
	Mean (Average)	Median (Middle)
Gender Bonus Gap	5%	21%
Male	£859	£750
Female	£815	£592



## Female Representation in Management Positions

We understand that the gender pay gap is affected by the number of females in senior management positions.

In April 2018 data showed that of our total female population, 25% of them were in management roles compared to 40% of male employees. Overall this equated to 45% of our management positions in the UK being held by female employees. Our gender split across the CBI was 46.4% males and 53.6% females for this period.

Overall, we saw a 2% increase in our total female population in management roles compared to 2017. As a result, the proportion of management roles held by women increased by 4% to 45% of all our management positions in the UK.

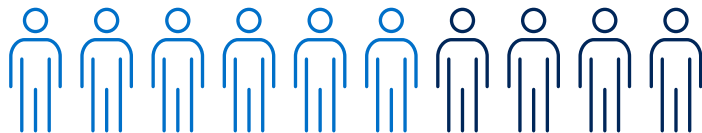
### The percentage of Female Representation in Management Positions (%)

2017

41%

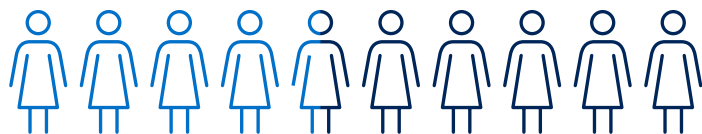


59%

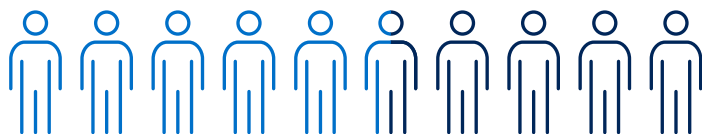


2018

45%



55%



# Our journey

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In 2018, following the appointments of our Diversity and Inclusion Adviser and Executive Sponsor for Diversity and Inclusion, we have introduced several initiatives to help improve representation and career progression for all our employees at the CBI.

Following collaboration between our Women employee network, HR, Executive Committee, Diversity and Inclusion Adviser and Diversity and Inclusion Executive Sponsor, we were better able to understand the perceived challenges our female employees experience.

We are creating a more gender balanced organisation by identifying and introducing smarter ways to attract, develop and retain female employees. We will challenge the gender pay gap through insight, analysis and a robust inclusion action plan that will be continually developed and implemented across the CBI.

This gender action plan is structured around four key pillars reflecting our current Diversity and Inclusion strategy:



## Building a diverse and inclusive culture, enabling everyone to reach their full potential

### Action

- We are committed to reviewing our internal practices and policies aligned with best practice so that everyone has the same opportunities at the CBI

### 2017 - 2018 Progress

- We continually work on fostering a culture that is open and inclusive, and not afraid of constructive challenge. This has been a strong focus with our leadership and management development programmes
- Enhanced our flexible working policy for all employees, increasing communication and awareness. All formal flexible working requests are reviewed by our D&I Exec sponsor to ensure each application is considered and accommodated reasonably
- We work closely with our employee-led networks (including our Women's network) on our people agenda, influencing internal policies and processes such as Flexible Working and Bullying and Harassment
- We implemented an organisational wide D&I objective to increase accountability across the CBI
- We have increased communication, awareness and celebration of cultural and awareness events, for example International Women's Day.

### In progress

- Continue to strengthen our people policies and employee benefits offering aligned with best practice; promoting employee wellbeing and an inclusive approach to employment and work life balance for example, our revised pay progression policy and enhanced parental leave pay offer
- Ongoing inclusive leadership training for all senior management, building on our existing unconscious bias training
- We continue to roll out assertiveness and inclusion training to all employees at CBI to increase confidence and awareness around inclusion
- Our anti-bullying and harassment policy now includes third parties, and we aim to introduce formal training across the business for this

## Attracting more diverse talent to help us to become an employer of choice

### Action

- We are committed to transparency and fairness within our recruitment practices, engaging more diverse and inclusive recruitment agencies and supporting hiring managers with inclusive training to support our efforts in building a diverse talent pool

### 2017 - 2018 Progress

- HR collaborates closely with hiring managers in every aspect of the recruitment process and ensure diverse interview panels for all senior management positions
- We have applied the "Rooney rule" for all external vacancies and encourage this for internal roles where possible, which means before a role is confirmed there must have been at least one BAME candidate interviewed
- We are continually monitoring and reporting our D&I data, creating dashboards to drive accountability and insight
- We have introduced Diversity and Inclusion questions into our interview framework for all management positions
- We have identified key talent markets and channels to attract the widest diverse talent pool, engaging with our recruitment partners and inclusive agencies to support our recruitment focus, working with diverse shortlists only
- Ensuring our approach to selection promotes diversity at every step, for example the tasks and activities that we use to assess candidates

### In progress

- Continuing our practice that, whenever we make appointments, we 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
- Tracking diversity of candidates at application, interview and appointment stage for all roles
- We have signed up with a perinatal support agency which offers parental support services such as lactation consultants, sleep coaches and post-natal therapy to help attract parents and carers to the CBI and support them on an ongoing basis
- Evaluating job descriptions and job design to ensure they attract and support diverse applicants

## Supporting female development and progression

### Action

- We are committed to increasing our female talent pipeline within management positions which will help foster positive female role models, raising awareness of the challenge's women face in the workplace around career progression and work life balance

### 2017 - 2018 Progress

- We have achieved gender balance at our Executive Board level with a 50/50 split, and our management board is nearly there at 55/45
- We have built in unconscious bias training for all managers through our internal management development programme
- We are tracking and reporting performance management data to ensure consistency and fairness for everyone, identifying any trends amongst our diverse groups
- Implemented a Pay Progression policy which creates a transparent and objective process for roles to be assessed against for promotion and salary increase

### In progress

- We will look to further support and create senior female role models across the business by building our female talent pipeline to ensure representation of women in middle and senior management roles
- Launching an internal CBI Working Families Network to help support and promote a healthy work life balance for employees with parental or caring responsibilities to ensure an inclusive workplace for working families balancing the challenges of family and work
- We will create a mentoring programme, one focus of which is to strengthen the female talent pipeline and understanding other diverse groups
- Continue to raise awareness of cultural differences and challenges women experience in the workplace
- Look at our internal CBI Behaviours framework guidance within our Performance review training to support female employees



## Executive commitment to supporting gender in the workplace

### Action

- We are committed to having more gender balanced teams and reducing our pay gap, we will collaborate closely with our employee networks and wider business to better understand and influence key challenges

### Progress made so far

- We have an executive sponsor focused on driving forward our diversity and inclusion strategy
- We have signed up to the Race at Work Charter to show our commitment to driving change and supporting BAME females
- We have embedded diversity and inclusion into the organisation's strategy and objectives
- All employees have diversity and inclusion targets in their objectives
- All members of the Executive Committee have a personal objective around diversity and inclusion and are assessed against it as part of their performance review

### In progress

- Executive Committee to attend broader Women's network discussions
- Executive Committee has committed to advertising all roles internally to help drive internal career progression
- Executive Committee will meet with the Women's network within Q2 to discuss progress made in 2018 and next steps for 2019

**We will continue to influence and share insight around the importance of diversity and inclusion for our members and wider business community to ensure we role model our approach to fostering inclusive workplaces and organisations externally.**



To share your views on this topic or ask us a question, contact:



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