



Ethnicity Pay Gap Report 2018

April 2019

Executive Summary

The CBI is committed to attracting, developing and retaining diverse talent. Being an inclusive organisation is part of our business strategy and we actively champion diversity and inclusion in all we do and empower all our staff to do the same.

We understand and value the importance of diverse thought, experience, perspectives and backgrounds. We have taken active steps over the past year to cultivate an inclusive environment as we know that is how our talent can truly thrive.

We are voluntarily reporting on our Ethnicity Pay Gap, as we already do for our Gender Pay Gap. This is to honour our commitment to diversity and inclusion, ensuring we, as an organisation, can be held accountable against our targets. As this is the first time we are reporting our Ethnicity Pay Gap, this report will focus on April 2018 as a snap shot in time. Beyond 2018, we will report the data annually, showing April data of the relevant year.

This report will look at the difference in average (mean and median) pay for our BAME (Black and Asian Minority Ethnic) staff in comparison to our White staff in the UK. However, we have also chosen to report on other areas such as BAME in Management roles and BAME and White employees within each pay quartile. Publishing this data enables us to ask the important questions on what we could be doing better and challenges us to make further progress in this area.

Although we have monitored our data and progress against our action plan throughout 2018, we still have more to do, particularly around BAME representation in senior management level roles. We are confident that our BAME progression strategy and broader inclusion strategy which focuses on areas such as recruitment, progression and development of BAME staff – will enable us to meet this objective over time.

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.

We are focused on improving opportunities for those from diverse backgrounds within the organisation. We have formed a D&I steering group to focus on the implementation of the strategy, and our work is reviewed and reinforced by our employee-led networks, our sponsor on our executive committee, the HR team and our D&I Adviser.

We are committed to making progress and being open and honest about our position and have now signed the Race at Work Charter. We have begun to fulfil the requirements of the charter by appointing an Executive sponsor, ensuring equality in the workplace is owned by leaders and managers, having a bully and harassment policy, reporting on our Ethnicity pay data and importantly as outlined in our action plan below supporting BAME career progression.

We are committed to closing our BAME and Gender pay gaps and we know that more needs to be done to become a truly inclusive workforce. 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, appearing to read 'Rain Newton-Smith'.

Rain Newton-Smith

Chief Economist & Executive
Sponsor for Diversity



A handwritten signature in black ink, appearing to read 'Lauren Kane'.

Lauren Kane

HR Director



A handwritten signature in black ink, appearing to read 'Jehosheba Onwuzulike'.

Jehosheba Onwuzulike

Diversity and Inclusion Adviser

"Our people are at the heart of the CBI's success. We are committed to attracting and retaining great people from all backgrounds, because we recognise the valuable skills, experiences and perspectives they bring. The CBI backs mandatory ethnic pay gap reporting and for the first time, we have voluntarily published our own data. This data shows that we have much to do to close our gap - but we believe what you can measure, you can change.

Over the last twelve months, the CBI has implemented an action plan focused on increasing BAME representation across all levels of our business and signed the Race at Work Charter. We are committed to publishing our data and updates to our action plan in future years, so that we can understand our progress and achieve workplace equality."

Carolyn Fairbairn, Director-General, CBI



How is the Ethnicity Pay Gap calculated?

Because different jobs pay differently and the number of BAME and White employees performing these jobs varies, an ethnicity pay gap exists.

The **ethnicity pay gap** looks at the difference in average hourly rate of pay (median and mean) between White and BAME staff and has been calculated using the same methodology as our Gender Pay Gap. The data presented is based on our UK staff.

A **mean pay gap** is a calculation of the average pay or bonus of BAME versus White staff in our organisation.

A **median pay gap** is a calculation of the exact mid-point between the lowest and highest-paid BAME versus White staff in the organisation.

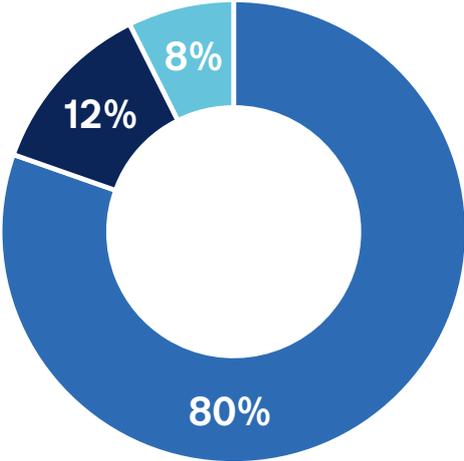
Quartiles are calculated by ranking the pay for each employee from lowest to highest. It takes an equal sample size of 45 earners in April 2018 within each bracket and breaks these down to show the proportion and percentage of earnings within that quartile of BAME vs White employees.

The data presented is based on those who have declared their ethnicity to us at the time of reporting and is based on our UK staff.



Our Results

Ethnicity Representation



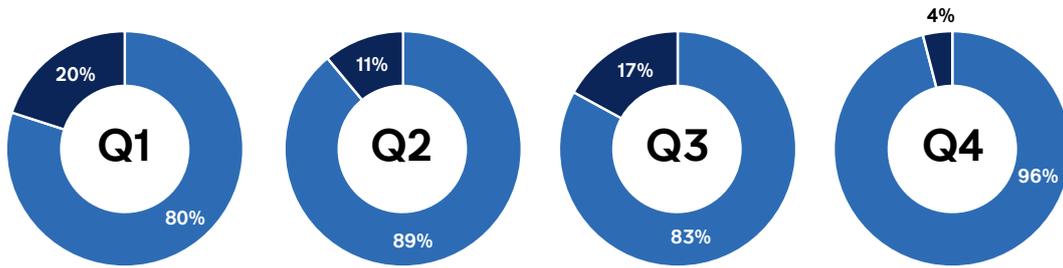
■ White (80%) ■ BAME (12%) ■ Undisclosed (8%)

Based on a total population of 204 employees

Median pay gap 11.0%

Mean pay gap 25.7%

Pay Quartiles



■ White ■ BAME

* 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.

Bonus

% of White Staff who received a bonus: 40%

% of BAME Staff who received a bonus: 24%

The average bonus value in 2018 for BAME employees was £545 and £851 for White employees.



BAME representation in Management roles

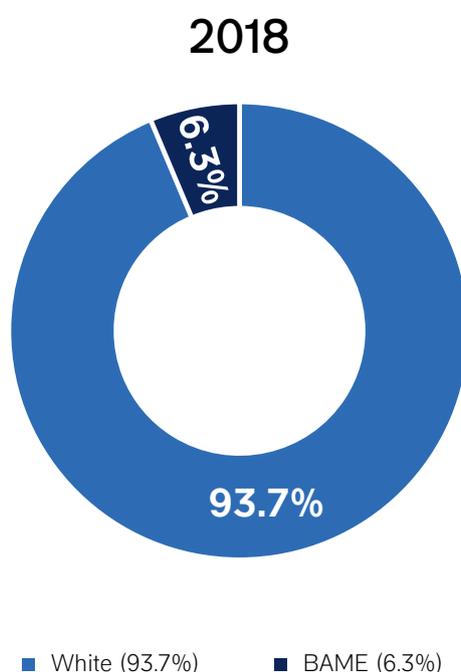
Representation of BAME employees in senior roles is a major contributor to our pay gap.

In April 2018 our data showed that of our total BAME population 12.5% were in management roles compared to 28.7% of White employees. Overall this equated to 6.3% of our management positions in the UK being held by BAME employees.

Our 2018 pay gap highlights that further progress needs to be made to improve the lack of BAME representation at senior management level. We have taken several steps to address the gap and they are outlined in our action plan.

Overall, we know that our ethnicity pay gap will continue if there is disproportionate representation at every level and role in the organisation. We understand that we need to do more to ensure representation at senior management level and our actions outlined below will hold us to this commitment.

The percentage of BAME representation in Management roles



Our Journey

In 2018, following the appointment of a Diversity and Inclusion Adviser we have introduced several initiatives to improve representation and opportunities for our BAME staff within our organisation.

Following further discussions between our BAME network, HR, Executive committee and our Diversity and Inclusion Adviser we were able to further understand the perceived barriers our BAME staff face.

Some area of focus within our **BAME Progression Action Plan** include:

- A target to have BAME representation on our Management Board by end of 2019
- Applying the Rooney rule to all externally hired management roles which means ensuring there is at least one BAME candidate shortlisted and interviewed during recruitment
- Prioritising the attendance of BAME staff on our internal and external management development programmes
- Putting performance appraisal score moderation sessions in place to monitor how our BAME staff are assessed and scored compared to White employees within our annual performance review. We also use the same approach for gender.

The BAME 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 to take into consideration culture and religion and to ensure they are aligned with best practice

Why

- Cultural differences were highlighted as an area of focus by our BAME network and we want to ensure our culture does not inhibit our BAME staff from progressing, feeling included or staying within our organisation.

Progress made so far

- We continually work on fostering a culture that is open, inclusive, and not afraid of constructive challenge. This has and will be 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 BAME network) on our people agenda, influencing internal policies and processes such as Flexible Working and Bullying and Harassment
- We have increased communication, awareness and celebration of cultural events and holidays, for example Ramadan, Hanukkah, Eid al-Adha. We also support employees to work flexibly during these and other periods
- We implemented an organisational wide D&I objective to increase accountability across the CBI

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 e.g. our new Pay progression policy and enhanced Parental Leave pay
- Ongoing inclusive leadership training for all senior management, building on our existing unconscious bias training
- Our anti-bullying and harassment policy now includes third parties and training will be rolled out for all employees
- We will raise awareness and understanding of cultural events and religions through internal communications and events

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

Why

- We understand the impact of a diverse workforce on productivity through innovative thinking and diversity of thought. We engage diverse and inclusive recruitment agencies to support our efforts in building an inclusive workplace.

Progress made so far

- We are continually monitoring and reporting our D&I data, creating dashboards to drive accountability and insight
- HR collaborate closely with hiring managers with every aspect of the recruitment process and ensure diverse interview panels, and sit on the panel for all senior management positions
- We are continually working to ensure we are attracting diverse talent and aim for 20% of roles to be filled by BAME employees who meet the relevant skills and experience
- 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 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, 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
- 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 BAME development and progression

Action

- We are committed to increasing our BAME talent pipeline within senior management positions which will help foster positive BAME role models, raising awareness of the challenges BAME employees experience in the workplace around career progression and work life balance

Why

- We want to support our BAME talent to thrive within our organisation. Our internal research highlighted we need more BAME representation at senior levels to foster more role models for BAME staff, build a greater of understanding of cultural differences and increase diversity in decision making.

Progress made so far

- 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
- Prioritisation of BAME employees attending our management development programmes
- 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 create BAME senior role models across the business by building our BAME talent pipeline to ensure representation of BAME staff 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 BAME talent pipeline and understanding other diverse groups
- Continue to raise awareness of cultural differences to managers with a focus on how performance is monitored for BAME staff
- Look at our internal CBI Behaviours framework guidance within our Performance review training to support BAME employees

Executive commitment to supporting BAME staff in the workplace

Action

- We are committed to reducing our Ethnicity pay gap and will collaborate closely with our BAME Network and wider business to better understand and influence key challenges

Why

- We believe that transparency and effective collaboration is important to close the gap. We want our BAME staff to know that we are committed to effecting the necessary change to make our organisation inclusive for all.

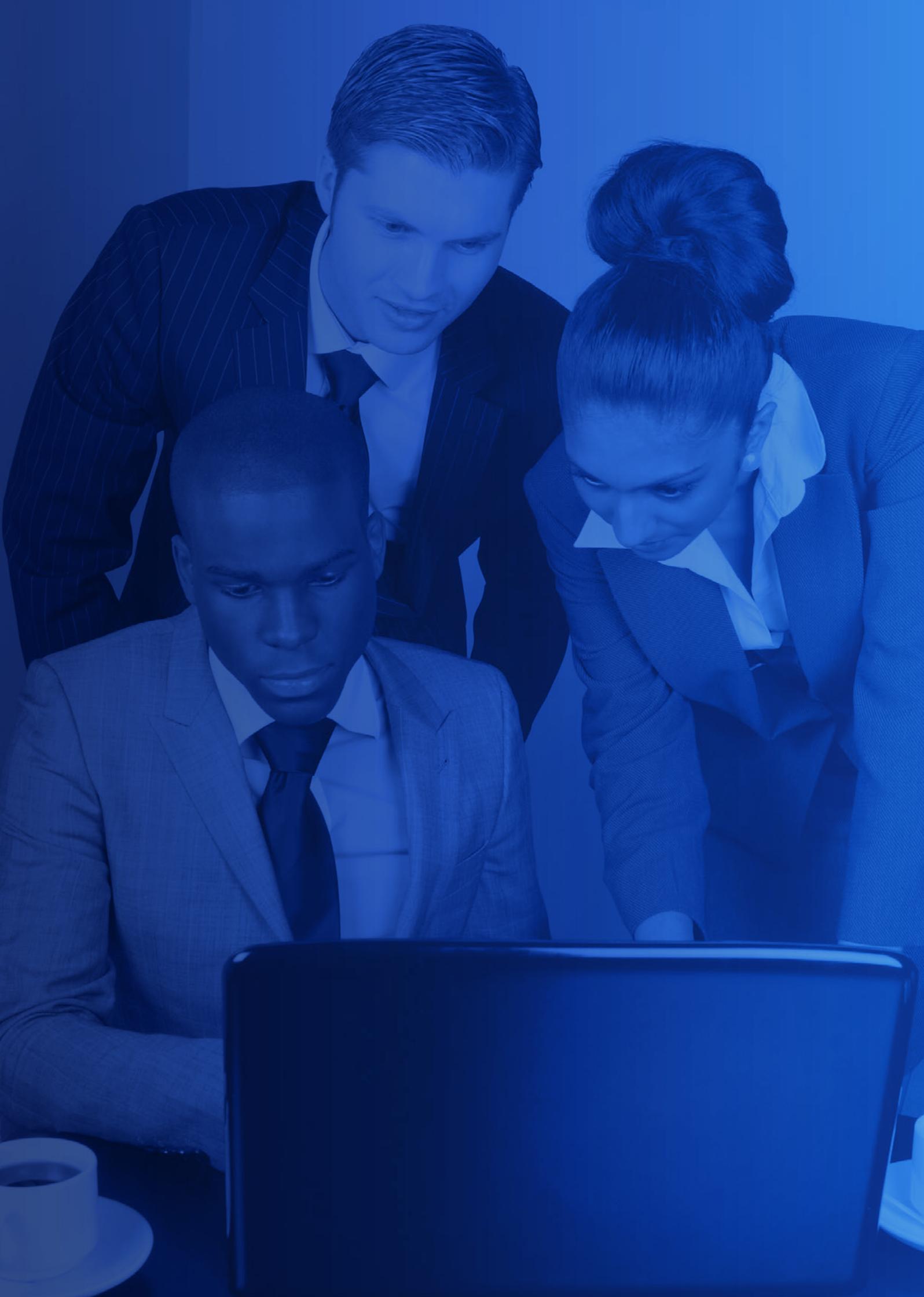
Progress made so far

- We have signed up to the Race at Work Charter to show our commitment to driving change and to keep us on track in delivering against the Charter
- We have an executive sponsor focused on driving forward our diversity strategy and BAME progression
- Inclusion is part of our strategy as an organisation and all our staff have diversity and inclusion targets in their objectives
- The executive committee will meet the BAME network leads on a quarterly basis to discuss BAME progression

In progress

- Executive committee will continue to meet with the BAME network on an ongoing basis to discuss BAME progression
- Executive committee to attend broader BAME network discussions
- Executive Committee has committed to advertising all roles internally to help drive internal career progression
- This strategy is a live document, updated and amended as progress is made, in collaboration with the BAME network and wider stakeholders

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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