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Gender Pay Gap Report 2020

November 2020

Foreword CBI

Women today earn more, have achieved more, and are more widely represented in public life than at any time in history. But this progress is not inevitable. Nor can it be taken for granted.

Alongside generations of campaigners, this momentum has been the result of passionate, responsible businesses across the UK, working with their employees and wider communities to create workplaces that are fairer, more diverse and – ultimately – more successful.

At the CBI, we celebrate that commitment to inclusivity, and the power of business to help tackle inequality and drive positive change. But we also recognise that in our own organisation and others, there is still a huge amount of work to do.

In 2017, the CBI began publishing its annual gender pay gap report. And, in my final year as Director-General, I am pleased to present our 2020 update – building on our fundamental belief at the CBI that what you can measure, you can change.

Of course, 2020 has brought new challenges. The global health crisis of Covid-19 has also generated an unprecedented economic shock – with women and working families among the hardest-hit.

In response, businesses have stepped up, doing whatever they can to help their employees – whether they are parents, carers or others dealing with financial uncertainty – to meet extra demands at home and protect their livelihoods.

The CBI is no exception – championing access to flexible work for all employees, conducting regular surveys on the mental health and wellbeing of our staff, and working with our employee networks to extend support to all those who need it.

Above all, we want all women – whether they are working mothers, BAME, LGBT+ or have a disability – to feel that there is a place for them at the CBI, and we stand ready to help UK businesses build a world of work that we can all be proud of.



Dame Carolyn Fairbairn
Director-General, CBI



Foreword Women Network Co-Chairs

The Women's Network has made it its mission to ensure diversity and representation across the CBI, being a voice for every gender. As chairs, we are incredibly proud of what we have achieved with the support of our network members and we are excited for the new programme of activities for next year.

In the past 12 months, the Women's Network has been critical to drive change across the organisation, engaging with Exco and HR during and in between meetings on topics such as the gender pay gap, panel diversity and recruitment policy and domestic abuse. We have also collaborated with the other networks, organising charity work and raising awareness on intersectional gender issues for colleagues. We also hosted regular meetings with the network during the Covid-19 crisis that served as a 'safe space' to discuss common concerns and mental health issues.

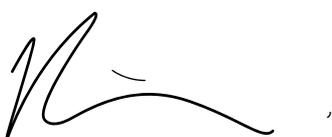
We look forward to engaging with CBI colleagues on the actions described in this report and hope that with your help, we can continue making the CBI a diverse organisation where everyone can bring their whole self to work.



Ana Isabel Gallego
Senior Policy Adviser, Financial Services




Tanisha Beebee
Senior Policy Adviser, Energy and Climate Change

Katy Recina
Senior Policy Adviser, London



Executive summary

The CBI is committed to being a diverse and inclusive organisation where everyone can thrive, bring their whole self to work and reach their full potential.

Since the inception of our Diversity and Inclusion (D&I) strategy in 2018, we have taken great strides to improving gender parity, increasing the number of women in management roles and building a stronger and more inclusive culture that enables all to feel like they belong.

We have focused our efforts on building our pipelines and highlighting more female role models through our progression work and we are actively identifying and removing barriers to progression. We have also increased representation across the business through our recruitment practices, policies, and targets, such as 50:50 balanced shortlists to maintain female representation in management roles.

We know that a key contributor to pay gaps can be a lack representation of women in senior management roles. Within the CBI, even though we have reached a 50:50 split in senior management, we still have a gender pay gap. Our analysis showed that by having more women currently employed in junior roles, our pay gap has increased. We now need to look at how to create gender parity where possible; attracting and hiring men into junior roles and continuing to progress females throughout the organisation.



We also believe that parents returning to work, those with caring responsibilities and those working part-time should have their development supported to ensure that they are part of our diverse pipeline.

In the last year, we have created a culture that normalises and champions men also taking part in childcare support and we have seen a rise in men partaking in shared parental leave and an increased uptake and support of flexible working. These are important steps in building an inclusive culture but also in creating more role models across the business.

Our 2020 report shows that we have made strides in increasing female representation in management and across the business. We know that more needs to be done to close the pay gap and to ensure any inequality that inhibits women from progressing is removed. While also creating gender balance across our pay bands. We believe the action plan outlined below will help support this and create a culture for women to succeed.



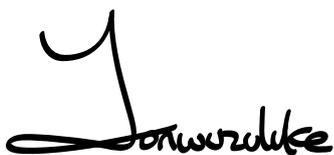
Rain Newton-Smith

Chief Economist & Executive Sponsor for
Diversity & Inclusion



Lauren Adams

HR Director



Ife Onwuzulike

Inclusion and Culture Change Manager



How is the gender pay gap calculated?

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.

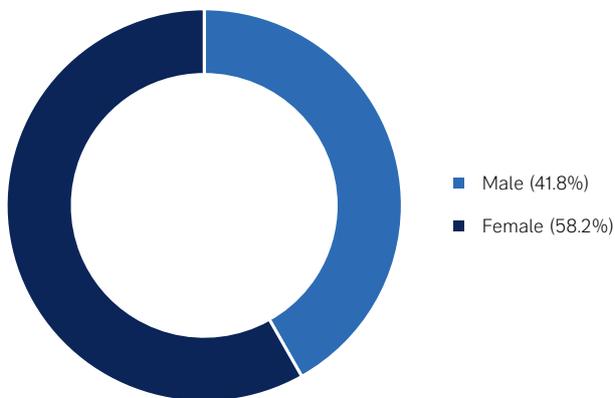
A **mean gap** is a calculation of the average pay or bonus of male versus female employees in our organisation.

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 232 employees and breaks down to show the equal proportion and percentage of earnings within that quartile of male and female employees.

Our results

Gender Representation (out of 232 employees)



The Gender split in April 2020 was **58.2%** female and **41.8%** male. This is an increase of **2.2%** in female representation since 2019.

Our mean (average) Gender Pay Gap is **10.3%** which is a **1.6%** increase since April 2019.

Our median pay gap is **17.4%** which is a **1.5%** increase since April 2019.

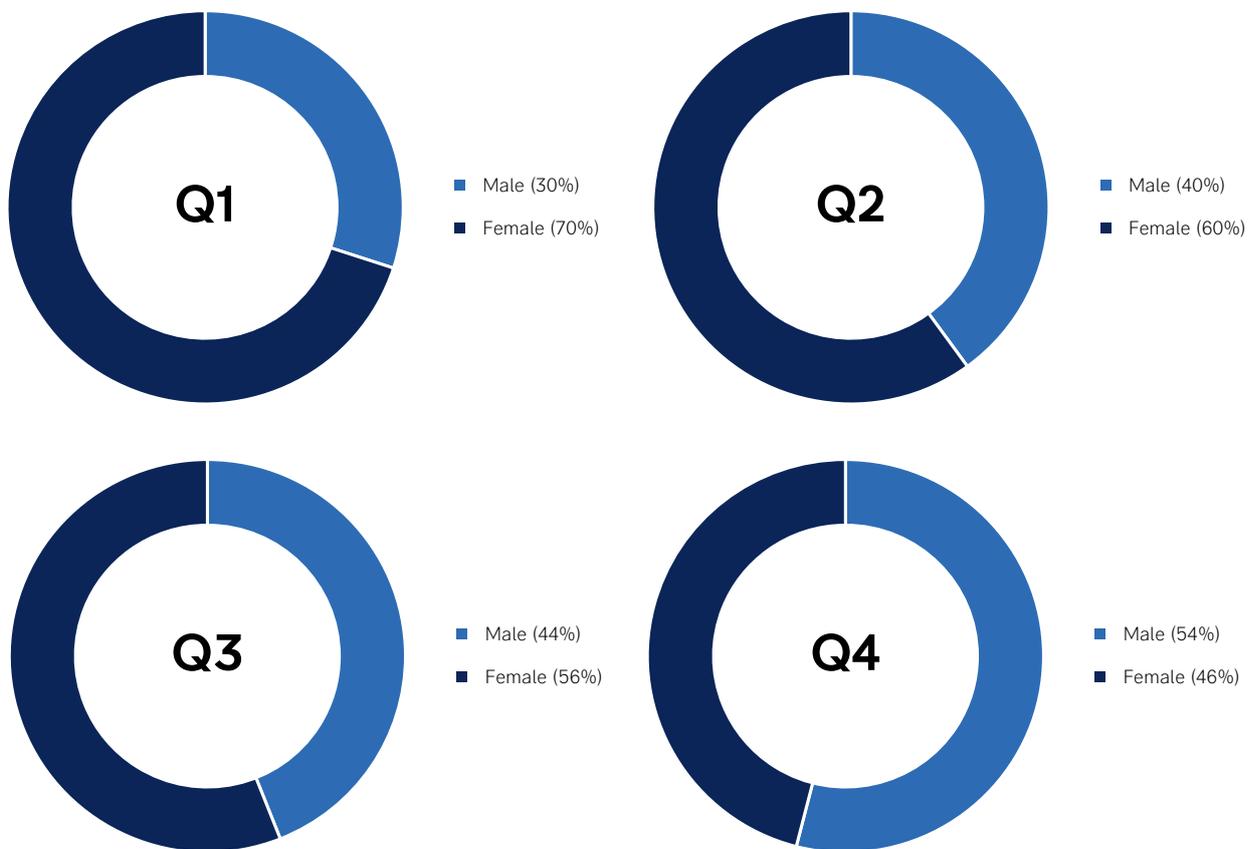
NB: The UK National Gender Pay Gap average is at 17.3% for all employees and though we are slightly lower at the CBI, we strive to close our gap.





Pay Quartiles

Our quartiles show increases in female representation in all four quartiles. There were significant increases in Q3 (7%) and in Q4 (8%).



* 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.

Changes since 2019

	Quartile 1		Quartile 2		Quartile 3		Quartile 4	
Female		+3%		+3%		+7%		+8%
Male		-3%		-3%		-7%		-8%



Bonus

In this year's salary review we did not make any performance-based bonus payments but made paid bonuses for commission-based eligible employees and our employee long services awards.

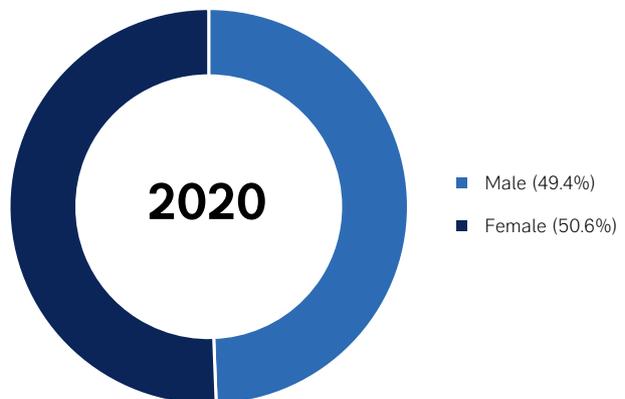
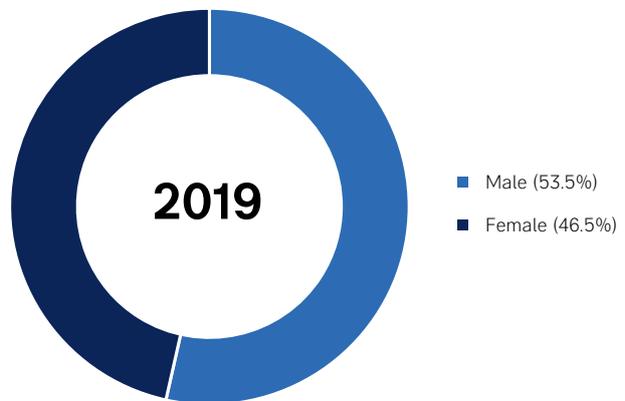
Our bonus payments are not substantial and are in line with our business structure as a Not for Profit organisation.

The bonus pay gap, as a mean average was **-258.1%**, with female employees receiving on average £4,202 compared to male employees, who on average received £1,173. However, only 3.7% of women received a bonus and 8.3% of total males.

The bonus pay gap as a mean average is so high, in favour of females, due to a higher number of male employees receiving a long-term service award which has a lower sum, thus reducing the male average bonus.

Female representation in management positions

Our data shows we have continued to increase the proportion of females in management roles. We have reached almost equal representation in our top three pay bands, where most management roles sit. The data also shows the proportion of females in management increased by 4.1% since April 2019.





Our journey

Challenges and lessons learnt from April 2019 – April 2020

There were major improvements in our female representation in management and this was driven by our 2018 action plan, but we still saw an increase in the pay gap by 1.6%. This led to further analysis of our data to understand how and why we increased our pay gap when our overall female representation and of those in management had increased. We did this analysis to ensure we take the most effective actions.

Our 2020 data showed that we:

- Increased the total number of females within the organisation
- Achieved 50:50 gender parity for female representation in management
- Have substantially higher representation of women than men in quartile 1 (70:30) and quartile 2 (60:40)

This affirms that our actions to build the pipeline are progressing well and it is important that women continue to be promoted within the management-grade pay bands. However, we still need to achieve more equal gender balance within the lower quartiles in order to reduce the gap, with currently a much larger proportion of women than men receiving a lower salary as a result of being employed in lower paid, junior or support roles.

This has meant refocusing our actions to tackle representation in the lower quartile, whilst still maintaining representation within the higher quartiles.

Recruitment

We realise that more needs to be done to recruit men into junior level roles to allow for a 50/50 split within each quartile. This is dependent on how we recruit and design roles, write our job descriptions and what roles we recruit into. We should also consider that some roles in these bands have historically had very low turnover making this more challenging.

We also need to maintain our 50:50 representation in management by still applying our approach to a balanced short list when recruiting in management roles. Both approaches are equally significant because we know retaining and progressing women into management is key to the pay gap, but we also know too high a proportion of women in junior roles also impacts the gap.

In 2020 we have committed to:

- Creating a dashboard that will be monitored quarterly by the Executive committee allowing their business area to monitor gender representation
- Attracting more males into junior roles by reviewing how we advertise our junior roles/support functions and engaging with our diverse recruitment partners where necessary
- Reviewing our job descriptions to ensure we have gender neutral language and revising our inclusion statement so that it encourages men to apply for junior roles
- Reviewing applications to our graduate entry roles to understand the makeup and create actions to ensure the programme attracts both men and women
- Apply the Rooney rule for all junior and entry roles to ensure there is at least one male candidate on the shortlist
- Continue to ensure we apply 50:50 gender balance for all advertised management roles.

Progression

Progressing, developing, and retaining our female employees into senior management roles and into higher salary bands is important. In the last year, we have increased representation in the higher bandings, but we know we have a greater proportion of women in our junior roles who still need to be supported to develop.

In 2020 we have committed to:

- Encouraging the take up of mentoring, especially for those in junior roles, by sharing success stories of the impact of mentoring
- Championing our Parental Partnering Programme, for parents returning to work or who are about to go on large periods of leave. Participants are partnered with other working parents in the business to support them in their return to work or leave from work
- Ensuring gender balance when promoting staff outside of the PDR process.

Culture

We need to continue to champion an inclusive culture for all, that highlights the benefits of flexible working for all employees, including families (both parents).

In 2020 we have committed to:

- Continue to create a culture that champions flexible working but supports progression through our policies (i.e. pay and progression) and in our practices (recruitment)
- Continue to champion greater uptake of shared parental leave.

Further wider diversity and inclusion actions are outlined within our action plan



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



Commitment

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

Ongoing progress 2019-2020

- Continue to ensure our employee benefits offering is aligned with best practice, promoting employee wellbeing and an inclusive approach to employment and work life balance in areas like flexible working
- Continue to deliver assertiveness and inclusion training to all employees at CBI to increase confidence and awareness around inclusion, especially for those starting in their careers
- Continue to roll out privilege and allyship awareness training every month

2020/21 Actions

- We will review our people policies with focus on inclusive recruitment, pay and progression, to ensure they are fair and inclusive and support employee progression
- Provide inclusive leadership training for all senior management
- Ensure all staff undertake our compulsory anti-bullying and harassment training and champion uptake for the refresher courses in 2021
- Champion uptake of our parental programme to support parents returning or about to go on, maternity or shared parental leave.



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



Commitment

- 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

Ongoing progress 2019-2020

- Continue to promote the benefits of our 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
- Continue to use pay bands and benchmarking data for all roles to ensure we are paying market rate as well as continuing to benchmark against peers in the same or similar roles

2020/21 Actions

- Track diversity of candidates at interview and appointment for management roles
- Review our job description to ensure we have gender neutral language and revising our inclusion statement so that it encourages men to apply for more junior roles
- Start to review applications to our graduate entry roles to understand the gender makeup and create actions to ensure the programme attracts both men and women
- Ensure all CBI roles are advertised inclusively and state our commitment inclusion and flexible working
- Apply balanced short lists to all management positions
- Apply the Rooney rule for all junior and entry roles and ensure there is at least one male candidate on the shortlist



Supporting female development and progression



Commitment

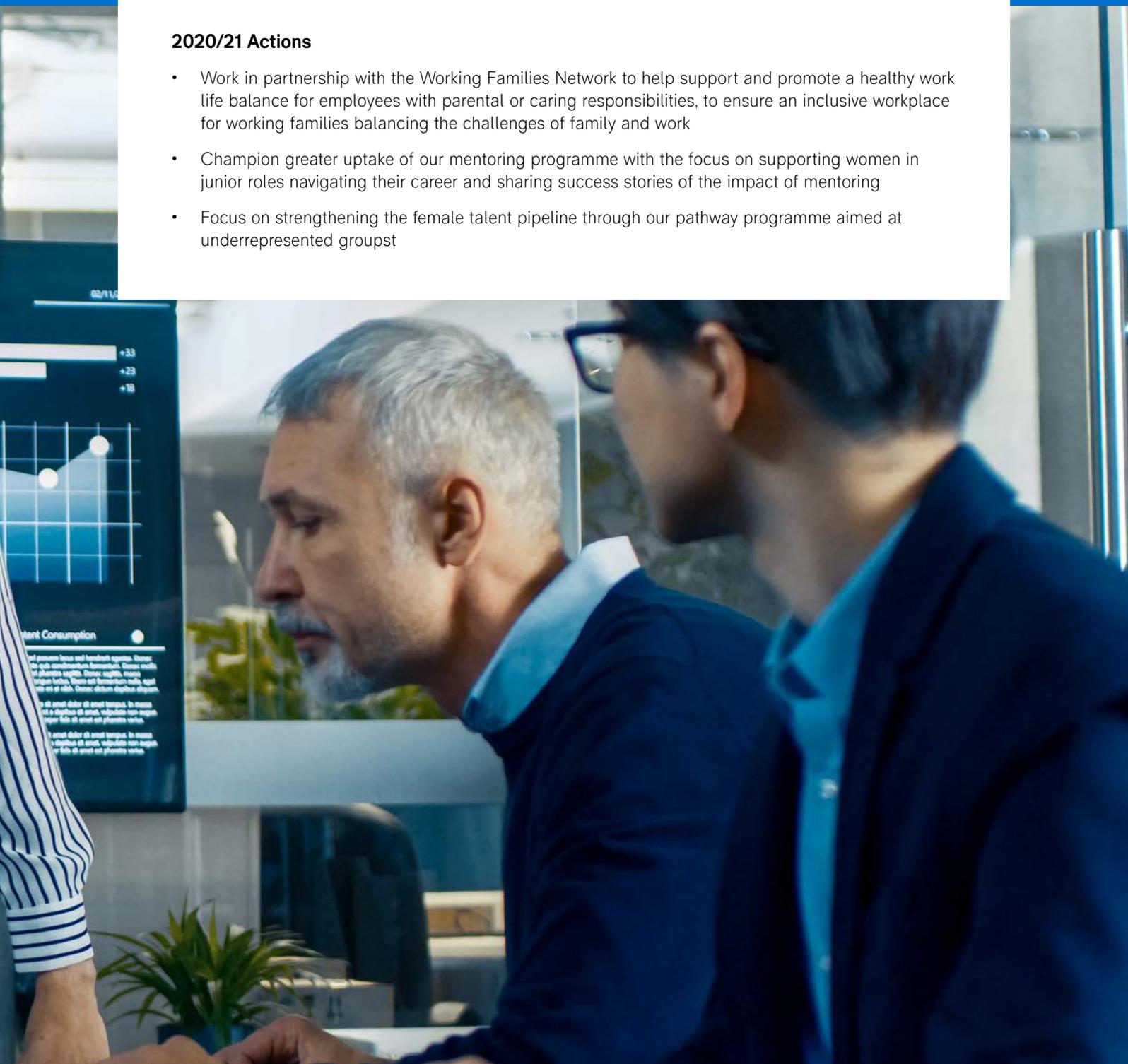
- We are committed to increasing our female talent pipeline within management positions, which will help foster positive female role models. We will also raise awareness of the challenges women face in the workplace around career progression and work life balance

Ongoing progress 2019-2020

- Continue to create and showcase female senior role models across the business by building our female talent pipeline to ensure representation of female staff in middle and senior management roles
- Continue to raise awareness of cultural and gender differences to managers with a focus on how performance is monitored
- Continue to monitor how women are progressing within our performance development review

2020/21 Actions

- Work in partnership with the 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
- Champion greater uptake of our mentoring programme with the focus on supporting women in junior roles navigating their career and sharing success stories of the impact of mentoring
- Focus on strengthening the female talent pipeline through our pathway programme aimed at underrepresented groups



Executive commitment to supporting gender in the workplace



Commitment

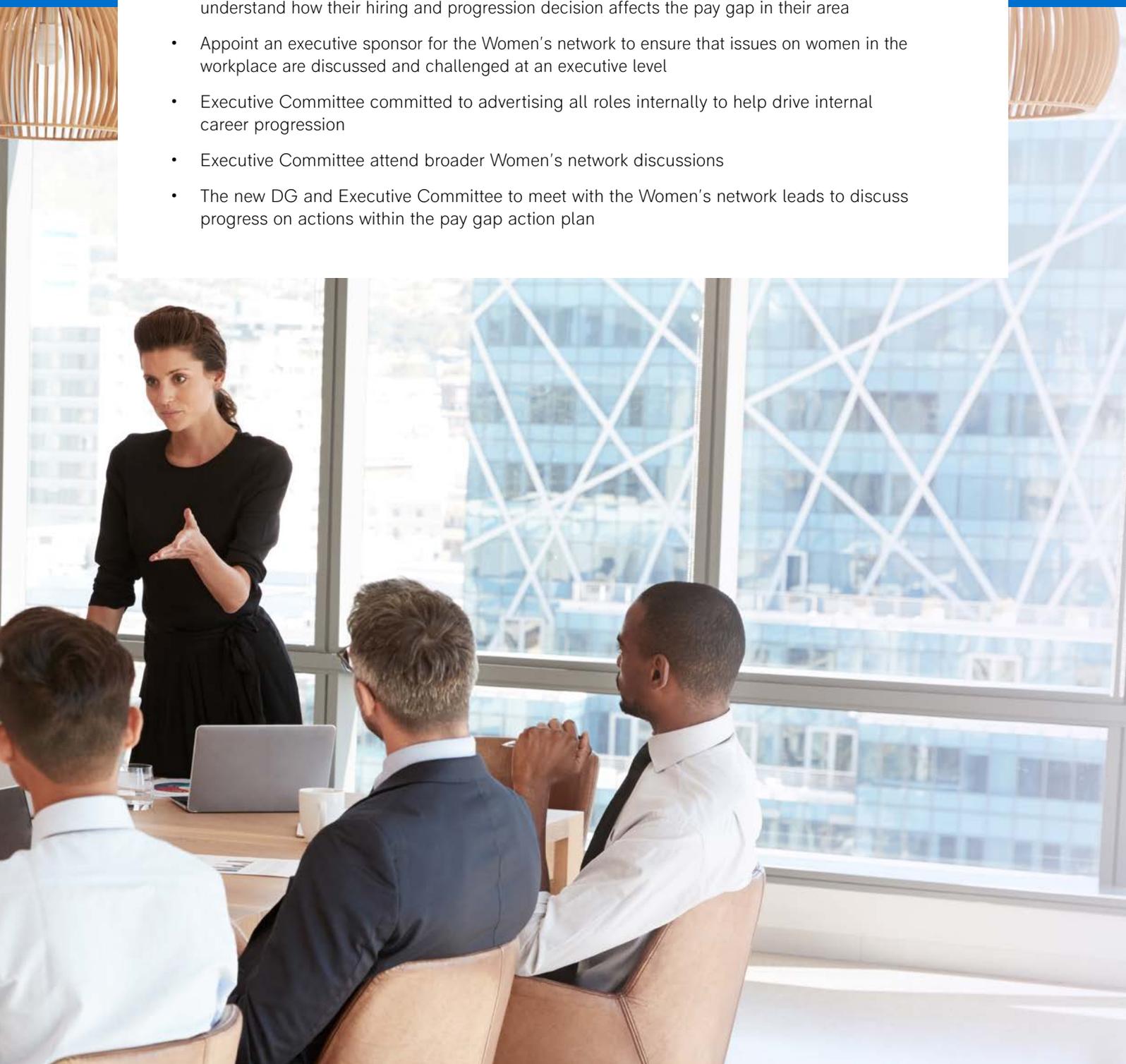
- We are committed to having more gender balanced teams and reducing our pay gap. We will collaborate closely with our employee networks and wider business to better understand and influence key challenges

Ongoing progress 2019-2020

- The CBI now has D&I objective as part of its annual objective setting process and will continue to embed it into the organisational strategy

2020/21 Actions

- Create a dashboard for the executive team to monitor the gender pay gap within their respective business areas. This will be reviewed on a quarterly basis and allow the executive team to understand how their hiring and progression decision affects the pay gap in their area
- Appoint an executive sponsor for the Women's network to ensure that issues on women in the workplace are discussed and challenged at an executive level
- Executive Committee committed to advertising all roles internally to help drive internal career progression
- Executive Committee attend broader Women's network discussions
- The new DG and Executive Committee to meet with the Women's network leads to discuss progress on actions within the pay gap action plan



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



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