



# CBI Gender and Ethnicity Pay Gap Report 2022

Leading by example





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# Foreword



As businesses come out of the pandemic, they're resetting their relationship with their people – think of it as a new social contract between employers and employees. That's true for both the CBI and the businesses we represent. As new ways of working emerge, so do opportunities to remove inequalities, and CBI research shows that diversity and inclusion are central to making the UK a dynamic, competitive and future-focused economy.

To get there, the CBI wants to lead by example. We are a small organisation, but one which counts on the leadership team's full commitment to having a positive difference on our people. We set targets and hold ourselves to account. And we know that inclusive workplaces, where people can be their true selves, are ones that thrive.

Businesses like ours can only act on what they measure. And for the first time this year, we are presenting data on our gender and ethnicity pay gaps in a combined report.

We're proud to say that we are making progress. Across the required measurements of mean, median, and pay quarters, we have reduced our gender and ethnicity pay gaps. We are also proud of our diverse leadership: 44% of the CBI's Board and 50% of our Executive Committee are women. In terms of ethnic minority representation, the proportions are 22% and 17% respectively. Diverse leaders are important role models for the rest of the organisation.

We still have a lot to do though. As an SME, changes in job roles and personnel at the CBI can make a big difference to our pay gap data overall. The gender balance we see in our leadership teams isn't reflected across all pay grades and functions. In addition, we need to continue to increase ethnic minority representation at all levels of our business. We must, and will, do better.

As a result, we have prioritised action in four areas: collecting and using diversity data, fair recruitment and selection, inclusive learning and development, and fair reward and progression.

And we will continue to do everything we can to ensure that these actions have a material impact on our pay gaps and the CBI as a place where all our people thrive.



**Tony Danker**  
Director General



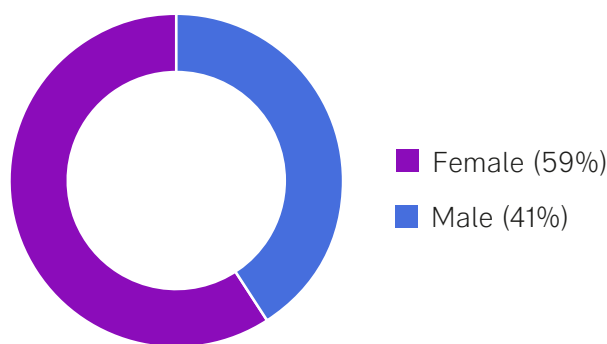
**Brian McBride**  
President



# Our gender pay gap 2022

We have voluntarily reported on our gender pay gap data since the regulations were introduced in 2017 and this is therefore our sixth gender pay gap report.<sup>1</sup> Our reporting follows the Government's requirements.

On 5 April 2022 (the 'snapshot' date for reporting), the CBI had 232 UK-based staff of whom **59%** were female and **41%** were male. This is a small change since April 2021, when the split was **58%** female and **42%** male.



## Average gender pay gap

Year	Mean	Median
2021	18.2%	20.0%
2022	17.9%	19.6%

Our mean gender pay gap is **17.9%**, an improvement of **0.3%** since April 2021. Our median pay gap is **19.6%**, which is an improvement of **0.4%** since April 2021.

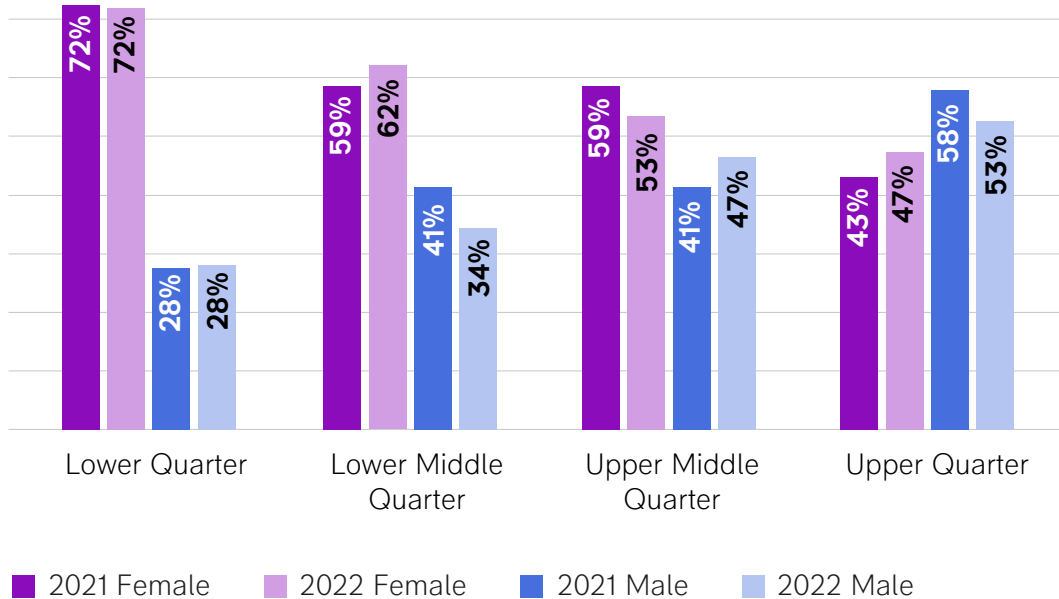
## Pay quarters

We have made progress in increasing the proportion of women in our upper pay quarter.<sup>2</sup> However, we know that there continues to be an over-representation of women in lower banded roles compared to men. To significantly narrow the gender pay gap we need to achieve a better gender balance at all grades and functions within the CBI.

1. Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, where the requirement was to publish by April 2018.

2. The legislation previously referred to quartiles.

## Gender per pay quarters



## Percentage of men and women receiving bonus pay

All staff were paid the same amount as a 'thank you' payment in early 2022. These payments were not in relation to individual performance but were in recognition of the work our staff did as part of the wider CBI team throughout 2021. Eligibility for this payment was based on those staff working at the CBI during the relevant period.

There are a small number of sales-related roles that can earn commission. Figures are not provided here due to the small numbers of people who are eligible.

## Gender pay gap reporting and equal pay

We know that gender pay gap reporting is different from equal pay and so in 2022, we commissioned an equal pay audit to check that there were no unjustifiable pay disparities between women and men doing the same work or work of equal value.

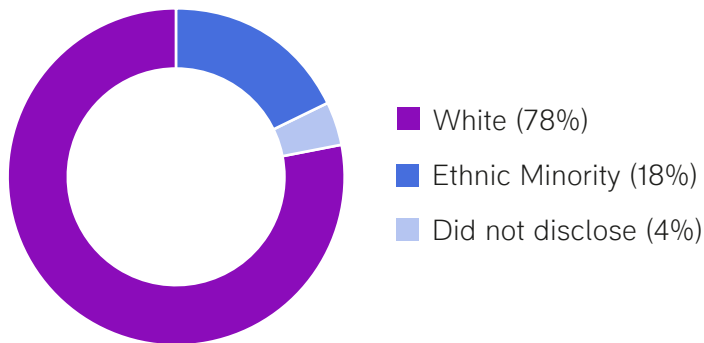
We will continue to undertake annual equal pay checks to ensure that our reward policies are fair and non-discriminatory.

# Our ethnicity pay gap 2022

We have reported our ethnicity pay gap data since 2018 and, like many of our members, we are a vocal supporter of introducing mandatory reporting. We believe that, by reporting our ethnicity pay gap, we are ensuring that our practice aligns with what we are asking of our members.

For benchmarking purposes, we calculate our ethnicity pay gap using the Government measures specified in the gender pay gap regulations. We group ethnicity data into two broad classifications, white staff (including 'white other') and ethnic minority staff. We recognise that grouping in this way may somewhat limit the ability to identify and understand how disparities play out across different ethnic groups. We use this grouping system because although we collect ethnicity data against the ONS categories used in the UK Census, the small numbers in some categories mean that disaggregating the data for this report could risk compromising staff members' anonymity.

In April 2022, **96%** of staff disclosed their ethnicity and of this, **18%** were from ethnic minority groups and **78%** were white.



## Average ethnicity pay gap

Year	Mean	Median
2021	25.0%	16.8%
2022	14.7%	15.1%

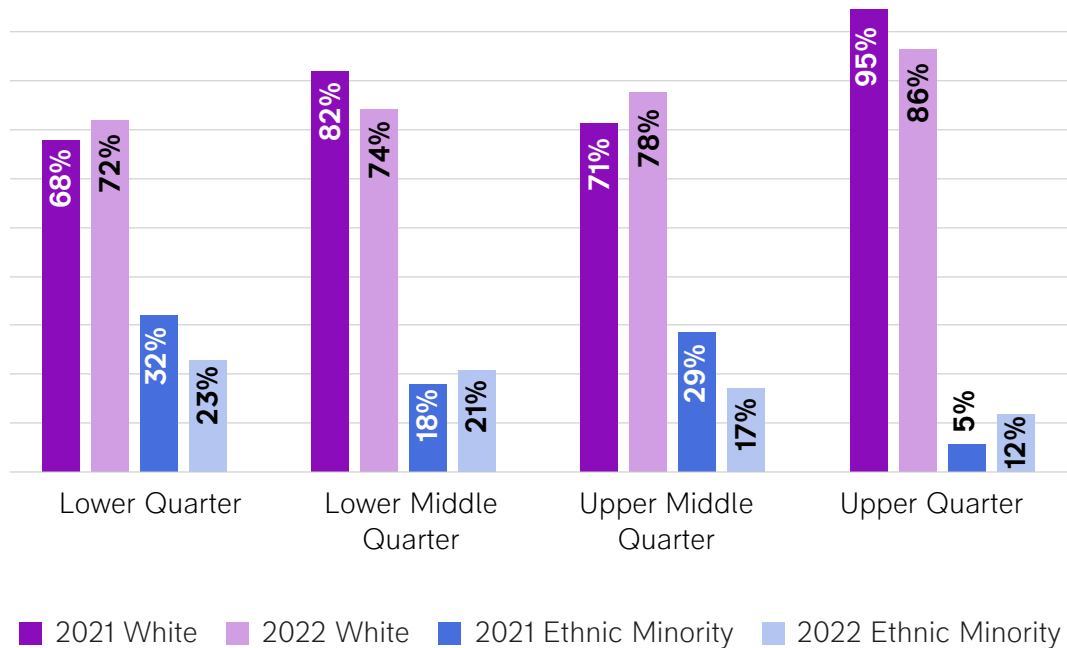
In April 2022, the mean ethnicity pay gap was **14.7%** and the median was **15.1%**. This is a significant improvement to April 2021 when the mean was **25.0%** and the median was **16.8%**.



## Pay quarters

We have improved ethnic minority representation in the upper quarter and this has contributed significantly to the reduction of the mean pay gap. However, while ethnic minority representation across the lower three pay quarters is representative of the UK workforce as a whole<sup>3</sup> this is not the case for the upper quarter.

## Ethnicity per pay quarters



We are aware that while our workforce as a whole reflects the UK ethnicity profile, it does not reflect that of London, where the majority of our staff are recruited from and are based.<sup>4</sup> In April 2022, 21% of CBI staff based in London were from an ethnic minority group.

## Percentage of white and ethnic minority staff receiving bonus pay

All staff were paid the same amount as a 'thank you' payment in early 2022. These payments were not related to individual performance but were in recognition of the work of the entire CBI team throughout 2021. Eligibility for this payment was based on those staff working at the CBI during the relevant period.

There are a small number of sales-related roles that can earn commission. Figures are not provided here due to the small numbers of people who are eligible.

3. 87% of people in the UK are White and 13% are from an Asian, Black, Mixed or Other Ethnic group (2011 ONS Census data).

4. In London 40.2% of residents are from Asian, Black, Mixed or Other Ethnic groups (2011 ONS census data).

# Progress on closing our gender and ethnicity pay gaps



Our Executive Committee have continued to track gender and ethnicity pay gap data on a monthly basis.

We are mindful that as an SME, one change in headcount can have a significant impact on the gender and ethnicity pay gap data. This is especially true in relation to our senior management salary bands, where one exit or entry may change the gender or ethnicity profile. It is therefore important to focus on the longer-term trends. These show that, since 2018, there has been continued improvement in the representation of women and ethnic minority staff in our senior leadership cohort. Men also continue to be underrepresented in the lower salary bands.

The progress made on closing our gender and ethnicity pay gaps since we last reported in June 2021 can be credited to our commitment to long-term change and to taking targeted action where necessary. For example:

- As a founder member of the Change the Race Ratio campaign, the CBI is not only helping signatories to improve the ethnic diversity of their boards and talent pipelines, but is also applying the commitments to itself as an employer.
- We have improved the robustness of the ethnicity information held on our HR system and, in April 2022, 96% of staff had reported their ethnicity. We have also continued to make progress on the ethnicity targets agreed in 2020 with the aim that by 2023, 15% of senior managers and 25% of middle managers will be from ethnic minority groups. In April 2022, our performance against these targets was 11% and 20% respectively.
- Our strategic review, 'Seize the Moment', resulted in a number of new senior roles that provided an opportunity to improve the diversity of our senior management. We ensured that the recruitment campaign was designed to attract talent from a diverse pool and that there was an open and competitive process, which was reviewed from a diversity perspective at each stage. The resulting appointments have contributed to our improved representation in the upper pay quarter and in helping to reduce our gender and ethnicity pay gaps.
- Between March 2021 and March 2022, we piloted a sponsorship programme for ethnic minority staff. This comprised externally facilitated development workshops and training, with each delegate being sponsored by a CBI Executive Committee member. All participants on the programme achieved a promotion or an enhancement to their existing role.

- We believe that being a carer or working flexibly should not have a negative impact on someone's career or their current and future pay and so have continued to champion flexible working arrangements and to offer a range of family-friendly policies and support.
- In 2022, we commissioned a review of our approach to hybrid working to understand what was and was not working and why, and whether there was any evidence of disproportionate impact on different groups of staff. The review found overwhelming support for hybrid working and usefully flagged issues to be mindful of going forward for example, whether the gender pay gap will widen if more women than men work predominantly from home.
- We continued to ensure that we had robust policies in place covering all aspects of the employee life cycle and that these policies were easily accessible, fairly and consistently applied, regularly reviewed, and publicised widely to remain in line with the law and best practise.
- We recognise and value the contribution that staff networks make to developing an inclusive culture. We have five staff-led networks, each with an Executive Committee sponsor and a budget to support their work. Over the last twelve months, our networks have continued to provide a place where staff can not only highlight disparities of access, progression and experience to senior leaders, but also work with them to shape appropriate actions in response.

All our networks are 'critical friends' that help us progress in our commitment to be fair and inclusive. For this report, however, we asked the three networks most closely connected to our work on gender and ethnicity pay gaps to provide information on their purpose and activities over the last twelve months.

### **The CBI Women's Network**

The CBI Women's Network inspires and supports everyone who works at the CBI, raises awareness and campaigns on gender-related issues and helps a new generation of women into business. Over the past year, the network has played a vital role in supporting colleagues across the organisation with regards to women's safety – updating and introducing new policies. The network also ran sessions on financial literacy, which can have a significant impact on gender equality. This year (2022), the network's priority areas are to: develop a series of training sessions and events that respond to the needs of the network; support HR to review gendered policies to ensure the CBI is an inclusive and accessible place to work; and to highlight gender issues and solutions through the Network and CBI internal communications channels. We are also looking to create relationships with other businesses' Women's Networks to share insights and best practise.

### **The Race and Ethnicity Equality Network**

The Race and Ethnicity Equality Network works to support those from ethnically diverse backgrounds, in varying capacities, while working with the rest of the organisation on issues around race and ethnicity. In the last 12 months, we have helped our members to take more control of their career and development through external training, and the network to reconnect as we embark on a new way of working. Going forward, we have several actions we would like to undertake. We want to work more closely with the other networks to continue to form a true culture of inclusion at the CBI, and with the rest of the organisation to address challenges that are barriers to an inclusive workplace. In regard to our network members, we want to further help them with their career development and continue to foster a space for our members to share their experiences and raise any concerns that they have.

### **The CBI's Working Families Network**

The CBI's Working Families Network exists to represent every kind of working family. Those who live alone and are worried about family members overseas. Parents to toddlers and teenagers. Live-in carers. Those living in multi-generational households. Those with adopted children. Every working family is different, and every working family is beautiful; each has its own triumphs and challenges.

Over the last few years, we have successfully campaigned for extended paternity leave. We have hosted coffee mornings to connect working parents and carers on issues like flexible working and caring for loved ones. We have helped shape CBI policies that impact those with families. And we have rolled out a support service to help staff caring for loved ones with the unique challenges they face.

As a network, we have set the objective to make the CBI the best employer for working families – and we will strive towards that goal in 2022 across three priority areas: developing a better understanding of our community's strengths, needs and challenges; an internal campaign to promote and normalise flexible working; and challenging the CBI to use its voice and influence to inspire other employers to embrace flexibility.

# Our priorities for July 2022 to July 2023

We know that making an organisation fair, diverse and truly inclusive requires strategic and consistent action. Closing the gender and ethnicity pay gaps will take time and a willingness to embrace systemic change. That is why this year our focus is less on isolated initiatives and more on applying an equality, diversity and inclusion lens to all aspects of the employee life cycle.

**We have identified four priority areas for action:**

1. Collecting and using diversity data
2. Fair recruitment and selection
3. Inclusive learning and development
4. Fair reward and progression

## Priority 1 - collecting and using diversity data

Our goal is to improve the quality of our diversity data and ensure that it is used to identify areas of under-representation, to inform evidence-based interventions, and to measure progress.

We will continue to encourage staff to share their personal data with us, with the aim of having a 100% return by April 2023. To support this aim, we have launched a communication campaign to explain to staff why we are asking for this data, what we will do with it and, importantly, how we will protect it.

As almost 100% of our staff have now provided data on their gender and ethnicity, our focus will largely be on improving the information we have in respect of disability, sexual orientation, religion or belief, as well as other factors – such as caring responsibilities and socio-economic background – that, while not protected in law, can have an impact on individual experiences and outcomes.

As important as asking new staff to share their personal data with us, and addressing known data gaps, is the need to encourage staff to update their data on the HR self-service system when their circumstances change.

We know that sharing personal information must remain voluntary and that some staff will indicate that they prefer not to say. We hope that by being clear about why we request diversity information, providing reassurances about anonymity and, importantly, showing how the information is used, staff will feel confident in sharing their personal information with us.

Where appropriate, we will also disaggregate the feedback from staff opinion surveys by diversity characteristics to get a deeper insight into the experiences of different staff.

Better quality data will enable us to develop meaningful diversity metrics to measure the impact of organisational changes, such as the continued adoption of hybrid working and our approach to performance reviews and reward.

Our Executive Committee will continue to track the gender and ethnicity pay gap data each month, with an extended analysis every six months.

## **Priority 2 - fair recruitment and selection**

We are partnering with a specialist recruitment consultancy provider to support us in our commitment to inclusive recruitment and selection.

To widen our reach and attract talent from as wide a pool as possible, we are taking a range of actions. These include:

- Stating salary details in all job vacancies
- Not asking about salary history
- Trialling the use of anonymous CVs
- Having diverse interview panels with members trained to understand how stereotypes and unconscious bias can affect decision-making.

We will also continue to ensure that all CBI job descriptions and adverts are run through a gender-bias decoder tool and that the interview process is structured against objective criteria. In addition, we will continue to track the diversity of applicants at each stage of the recruitment process and monitor starter salaries to ensure consistency and fairness.

Where we have evidence of underrepresentation for a particular role, we will explore using positive action to enable us to source a greater diversity of candidates. This may take the form of using recruitment agencies who specialise in targeting particular groups of people or through participating in external campaigns, for example, those aimed at women returners or ethnic minority undergraduates.

We are also embarking on a series of open events designed to broaden our talent pool and engage with a wider range of potential candidates. Through these events, we hope to be able to engage with under-represented groups and communicate what working life at the CBI is like across different areas of the business. These events will be designed to be inclusive, using different formats and methods to raise awareness and ensure as wide an audience can attend as possible.

*Equality, diversity and inclusion is at the heart of what we do and how we work, underpinning all our people practices. We don't see this commitment as an 'initiative' but instead as principles which inform everything we do. It's down to all colleagues to deliver these commitments – and for our leaders to show the way and be accountable for change. We believe through delivery against our four priority areas we can continue to make meaningful and long lasting change to ensure the CBI is an inclusive, diverse and equality driven employer.*

**Lauren Adams, HR Director, CBI**

### **Priority 3 - inclusive learning and development**

We know that our learning and development offer must be inclusive in its design and delivery if it is to enable our staff to flourish and progress regardless of identity or background. To this end, we have developed an Inclusive Learning and Development Framework. The Framework sets out our offer and how staff can develop through the organisation. It consists of four categories that staff will be able to engage with at any point of their CBI career.

A major focus of our learning and development offer will be developing a model of inclusive leadership, not just for our senior leadership cohort but also throughout the organisation.

In future, understanding who is accessing development opportunities and who is not will be critical to determining how inclusive we are. This is where our efforts to improve the quality of our diversity data will help.

Analysis of the data will enable us to decide if there is a case for development opportunities to be targeted at specific groups of staff who may be clustered in particular roles or grades. If we see that take-up does not reflect the diversity of the CBI then we need to take action to find out why and to develop solutions to address the problem. The feedback from the Minority Ethnic Sponsorship pilot programme will inform our inclusive approach to learning and development and the role of sponsorship and mentoring within this.

We continue to ensure there is equality, diversity and inclusion awareness and competency across the organisation and are embedding a suite of eLearning modules to support this. We will also continue to require all new starters to attend harassment and bullying training to ensure that we foster a culture where difference is welcomed and respected. This training now includes a dedicated module on micro-aggressive behaviour.

Over the next twelve months, we will continue to run informative sessions that all staff can access. Some of these will explore equality, diversity and inclusion topics, for example, allyship.

In rolling out our inclusive approach to learning and development, we know that we need assurances that any external provider we commission shares our commitment to equality, diversity and inclusion and that our supplier base is diverse. Over the coming months, we will, therefore, look to embed appropriate diversity measures into our procurement framework of CBI suppliers.

#### **Priority 4 - fair reward and progression**

We are committed to taking an equitable, transparent and consistent approach to reward and progression. With the support of an independent reward consultancy, we have reviewed our procedures and as a result have adopted a new approach.

Our new approach is designed to be fair and non-discriminatory. It is founded on some key principles that include objective job evaluation, annual equal pay checks and both external and internal benchmarking. Critical to the success of this new approach will be embedding processes that ensure decisions are based on objective evidence, and that there is transparency.

Performance and salary reviews will continue to be monitored by ethnicity and gender to identify disproportionate impact, particularly for staff undertaking the same or similar roles. By improving the quality of the diversity data, we hope to extend this approach to other characteristics.

As we continue to embed hybrid working, we will be alert to the risk of 'presenteeism' and the impact that being in the office (or not) might have on career progression and a feeling of belonging, and how this plays out across different diversity characteristics. Over the last year, we have enhanced managers' capacity to manage hybrid working teams in all their diversity and, in future, we will look at other ways we can ensure managers are equipped to fairly support staff on different working arrangements.

This year we are committed to articulating our employee value proposition more clearly so that staff feel valued and understand what they can expect from the CBI. The 'CBI Deal' highlights our approach to equality, diversity and inclusion and flags several significant benefits to staff that are relevant to this. For example, the extension of paid paternity leave from two weeks to three months, menopause leave, a neonatal, still birth and miscarriage policy, and a more individualised approach to flexible working. In support of the CBI Deal, we will also continue to promote the Parental Partnering Programme and review the experiences of those staff returning from parental leave to see what changes might need to be made to enhance support.

We believe that the CBI Deal places us as a leader in our sector in respect of staff benefits and supports our commitment to advancing equality, diversity, and inclusion.



# About the CBI

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Founded by Royal Charter in 1965, the CBI is a non-profit business organisation that speaks on behalf of 190,000 UK businesses of all sizes and from across all sectors, employing nearly 7 million people between them. That's about one third of the private workforce. This number is made up of both direct members and our trade association members. We do this because we are a confederation and both classes of membership are equally important to us.

The CBI's mission is to promote the conditions in which businesses of all sizes and sectors in the UK can compete and prosper for the benefit of all. With offices around the UK (including in Scotland, Wales and Northern Ireland) and representation in Brussels, Washington, Beijing and Delhi, the CBI communicates the British business voice around the world.

## **Our mandate comes from our members who have a direct say in what we do and how we do it**

The CBI receives its formal mandate from 9 Regional Councils, 3 National Councils from Scotland, Wales and Northern Ireland plus 16 sector based Standing Committees. These bodies are made up of members in that region, nation or sector who serve a term of office. The chair of each Standing Committee and Regional and National Council sit on the CBI's Chairs' Committee which is ultimately responsible for setting and steering CBI policy positions.

Each quarter this formal engagement process across the CBI Council reaches over 1,000 senior business leaders across 700 of our members who have a direct say in what the CBI do and how they do it, from refreshing their workplan to discussing the key business issues of the day and re-calibrating its influence. Over 80% of the businesses represented on the CBI Council are outside of the FTSE350 as the CBI represents a wide range of sizes and sectors from the UK business community. This formal governance process is supported by a wide range of working groups, roundtables, member meeting and events that makes the CBI unparalleled at listening to and representing British business.

## CBI Council in numbers

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**1000+**

Committee and Council representatives



**28+**

Regional and National Council and sector based  
Standing Committees



**50%**

Representatives of the CBI Council at C-Suite level



**80%**

Of the CBI Council from non-FTSE 350 businesses

