

C|B|I|



# Ethnicity Pay Gap Report 2021

June 2021



# Contents

|   |  |    |
|---|--|----|
| <b>Forewords</b>                            |  |    |
| – CBI                                       |  | 4  |
| – REEN Co-Chairs                            |  | 5  |
| <b>Executive Summary</b>                    |  | 8  |
| <b>Chapters</b>                             |  |    |
| 1. How is the ethnicity pay gap calculated? |  | 10 |
| 2. Our results                              |  | 12 |
| 3. Our journey                              |  | 16 |
| 4. 2021 Pay Gap Action Plan                 |  | 20 |
| <b>About the CBI</b>                        |  | 24 |

# Foreword CBI

---

## From Reflection to Action

2020 was a turning point for many businesses. The murder of George Floyd in the US triggered a long-overdue call to tackle deep-rooted issues of social and racial injustice. Business heard this call and responded – even if it meant addressing some very difficult questions about racism in the workplace and years of slow progress.

At the CBI, these reflections led us to create our Race at Work Action plan. It's helping us address the barriers to creating a truly inclusive organisation. Since our last report, we've seen a 2.6% fall in our mean ethnicity pay gap and a 5.9% fall in our median gap - a small step in the right direction - with a 5% increase in BAME employees in management.

Our action plan has four themes:

- Culture
- Representation
- Voice
- Engagement

This year we also launched our BAME sponsorship programme, targeted at those in management looking to progress into senior leadership and I am personally involved in this programme as a sponsor. These actions, along with internal workshops and training, are all helping us think about equality in the workplace differently – you can read more about our efforts in this report.

Externally, many of our members are grappling with the same issues as us. In 2020, we launched our 'Change the Race Ratio' campaign – alongside other industry leaders – focused on building a business community that is committed to accelerating racial and ethnic representation, and tackling ethnicity pay gaps.

We still have a long way to go to eliminate institutional and systemic barriers in our workplace. It is in this spirit that we are committed to reporting on our ethnicity pay on a voluntary basis. Like our members, we want to do all we can to create a fair and inclusive workplace where everyone can thrive.



**Tony Danker**  
Director General



# Foreword REEN Co-Chairs

---

The Race and Ethnicity Equality Network (REEN) remains committed to empowering the CBI in maintaining momentum to bring lasting and effective change that makes the organisation a workplace where anyone regardless of their race or ethnicity can belong and thrive.

The last year has put a spotlight on the lived experiences of ethnic minorities in the UK, stimulated by the disproportionate impact of COVID-19 on ethnic minorities, the killing of George Floyd, the subsequent Black Lives Matters protests and the reckoning with racial inequality happening within the business community. As we transition from a year of crisis it is imperative that the business community continues to make strides on racial equality, having the necessary and often difficult conversations about race in the workplace.

Employee networks also need to evolve to support their members adequately and hold organisations to account. Since our last report the Network, in consultation with its members, decided that our previous name 'CBI BAME Network' did not reflect the purpose and the diversity of the members within our network. Our individual ethnicities and lived experiences should be recognised and celebrated. The Race and Ethnicity Equality Network (REEN) reflects our renewed purpose, and we look forward to welcoming new leadership over this year to accelerate progress.

From launching a series of public webinars on race and equality to gathering the organisation to hear the first-hand experiences of colleagues and supporting the progression of underrepresented groups; we are committed to assisting the organisation to move from a position of raising awareness to advocacy to sustain progress.

For the first time, members are hopeful that meaningful change is possible and desired by the majority. So, in 2021, the Network will seek to empower its members, other colleagues, the CBI, and communities to ensure the movement continues and delivers authentic and lasting change.



**Anish Tailor**  
Associate Director



**Katie Dash**  
Head of Everyone's Business, Campaigns



**Tania Kumar**  
Principal Policy Adviser, Infrastructure & Energy



**Tarela Kentebe**  
Business Analyst





# Executive Summary

---

At the CBI, our commitment to diversity and inclusion is driven by our belief that all employees should feel valued, that they belong and can succeed, and to ensure a level playing field for all. This is critical to our diversity and inclusion strategy, because we want to be an organisation that is inclusive, embraces diverse thought, experience, perspectives, and background and is reflective of the society that we operate in. We know that the success of this lies in understanding the lived experiences and barriers faced by our diverse workforce and impact of the global pandemic, the killing of George Floyd followed by the Black Lives Matter (BLM) Movement reaffirmed that more still needs to be done to tackle racial inequality.

In the last year we launched our Race at Work Action Plan and embedded it within our business strategy to ensure it was owned by everyone. We also reviewed and updated our recruitment targets, focused on increasing Black, Asian and Minority Ethnic (BAME) representation in senior leadership roles and recommitted to ensuring that the Rooney Rule is applied to all management recruitment.

Fundamentally, data is key to this and that is why we continue to voluntarily report on our Ethnicity Pay Gap. This is our fourth consecutive year reporting on our pay gap because we want to be held accountable to all our employees and we believe reporting on our pay gap, monitoring our journey, creating and implementing the right actions will help us make a real difference.

This report will focus on our progress as of April 2021 and look at the journey we have taken thus far but also the challenges that lie ahead. The emphasis is still on BAME progression, building our BAME talent pipeline and we are also still committed to the recruitment targets put in place in our 2020 report that will take us through to 2023.

Since our last report have seen the pay gap reduce to 25%, a 5% increase of BAME employees in management and an increase in BAME representation in Q2 & Q3. We have also launched our CBI BAME Sponsorship programme targeted at those in management or at Head of Group roles looking to progress into senior leadership. The programme sponsors include all our Executive team including our Director General and members of our Management Board. We continue to run our monthly Allyship and Privilege session with employees, track diversity of candidates for management roles from interview to appointment stage and we have also run our "how to talk about race" session for all our commercial colleagues to support the delivery of our BAME Commercial strategy.

We plan to deliver more Diversity and Inclusion sessions to the wider organisation which includes but is not limited to our inclusive recruitment and inclusive leadership training.



We know that more needs to be done and we are committed to taking the necessary steps to create a culture for all and stand as allies to support our Black, Asian, and Minority Ethnic colleagues.



**Ife Onwuzulike**  
Head of Diversity and Inclusion



**Neil Tomkins**  
Director of Finance and Corporate Services & Joint EXCO Sponsor for Diversity and Inclusion



**Henrietta Jowitt**  
Deputy Director General – Commercial & Joint EXCO Sponsor for Diversity and Inclusion



**Caroline Roberts**  
Interim HR Director



# 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.

## What does the term BAME mean?

The term BAME stands for Black, Asian, and Minority Ethnic. According to the Office of National Statistics (ONS) and the census categories used in 2011, this also includes 'mixed ethnicity' and 'other ethnicity'. BAME is a term used in the UK. It is important to note that disadvantaged ethnic groups vary by region and there is no universally adopted classification system. The term has been criticised as being too general, trying to combine very different groups of ethnic minorities in one category, masking that some groups are more disadvantaged than others. But it has also been widely used – for example in pay gap reporting, government documents and communications.

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

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

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

**Quartiles** are calculated by ranking the pay for each employee from lowest to highest. It takes an equal sample size of 55/56 earners in April 2021 within each bracket and breaks these down to show the proportion and percentage of earnings within that quartile of BAME vs White employees.

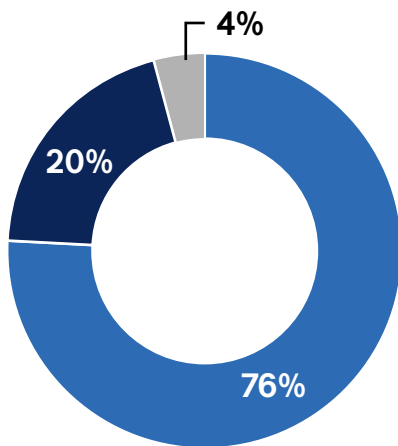
*The data presented is based on those who have declared their ethnicity to us at the time of reporting and is based on our UK employees.*



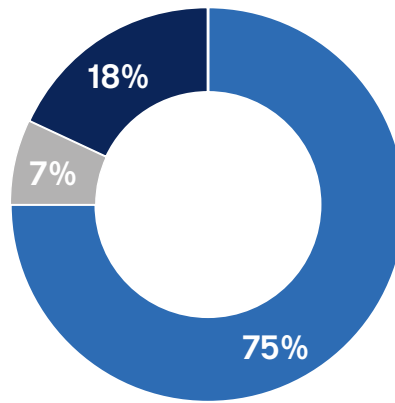
# Our Results

## Ethnicity Representation (out of 232 employees)

CBI Employees Ethnicity 2021



CBI Employee Ethnicity 2020



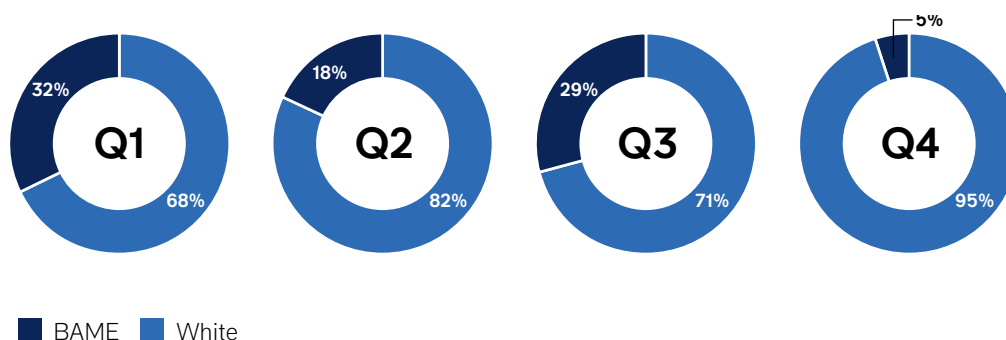
■ BAME   ■ Undisclosed   ■ White

### As of April 2021

- Our Ethnicity split was **20%** BAME and 76% White with 4% undisclosed.
- Our mean (average) Ethnicity Pay Gap was **25%** which decreased by **2.6%** since 2020.
- Our median (middle) Ethnicity Pay Gap was **16.8%** which decreased by **5.9%** since 2020.

### Pay Quartiles

Our data shows that the proportion of BAME employees increased by **7%** in **Q2** and by **8%** in **Q3** between April 2020 and April 2021 which is the biggest annual growth we have seen since we started reporting four years ago. We still need to see more growth in representation in Q4 as that fell by 1%.



\* The data is split into 4 equal quartiles ranked by pay. Q1 being the lowest paid and Q4 being the highest paid.

### Changes since 2020

| Change since 2020 |      |            |      |            |      |            |      |
|-------------------|------|------------|------|------------|------|------------|------|
| Quartile 1        |      | Quartile 2 |      | Quartile 3 |      | Quartile 4 |      |
| BAME              | - 2% | BAME       | + 7% | BAME       | + 8% | BAME       | - 1% |
| White             | + 2% | White      | - 7% | White      | - 8% | White      | + 1% |



## Bonus

All employees were paid the same amount as a 'thank you' payment in early 2021. These payments were not in relation to individual performance but rather in recognition of the work our employees did as part of the wider CBI team throughout 2020. Eligibility for this payment was based purely on people working at the CBI during the relevant period.

There are also a small number of sales-related roles that can earn commission.

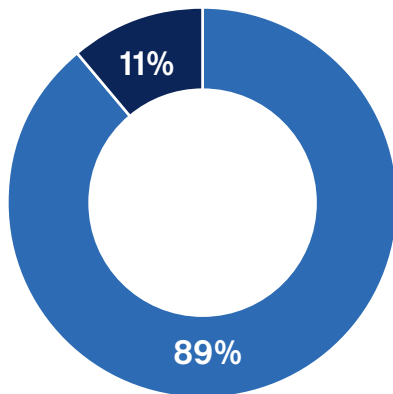
91% of both White and BAME employees received a 'bonus' payment.

**N.B:** Our 'bonus' payments are modest and are in line with our business structure as an SME and a Not for Profit

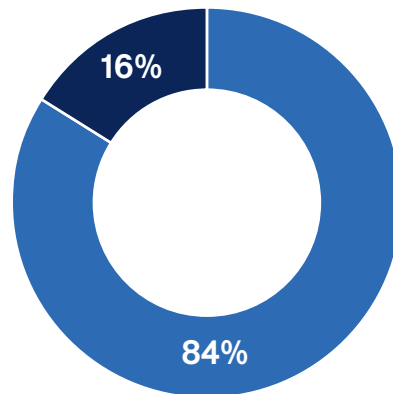
## BAME representation in management

In April 2021, our data showed **16%** of our management positions in the UK being held by BAME employees. This is a **5%** increase since 2020 and highlights that progress is being made but there is still more to do to increase representation in senior leadership roles. Continuing to increase BAME representation in management through recruitment and progression is a key factor to reducing the pay gap.

BAME in management 2020



BAME in management 2021



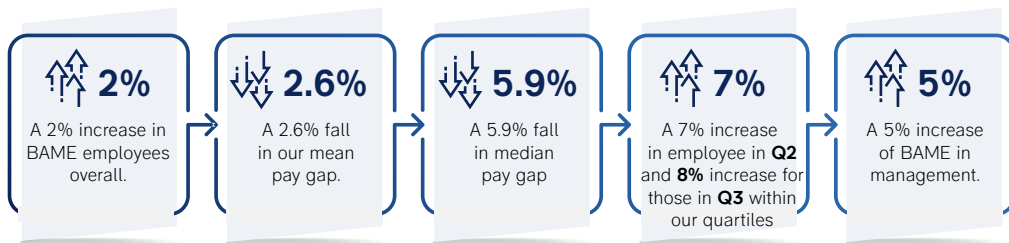
■ BAME   ■ White



# Our Journey

In the last year, there has been an increased focus on progressing and retaining our BAME talent as well as recruiting more BAME talent into senior leadership roles through the application of the Rooney rule.

Our data showed:



The above highlight the progress that has been made since our 2020 report and reaffirms that we are focusing on the right issues, but we still have a lot to do to reduce our gap.

In 2020, we focused our actions on 2 specific areas: **Recruitment & Representation** and **Salary, Progression and Pipeline** and this was supported by the wider action plan.





## Recruitment

We learnt that recruiting talent from a BAME background into junior roles was achievable, but we knew our challenge was recruiting into management roles and that achieving the 2020-2023 targets would depend on the application of the Rooney rule for all management roles. We have not yet achieved the targets, but we are making progress towards them.

### Since our 2020 pay gap report, we have:

- Ensured the application of the Rooney rule for all management roles.
- Launched our inclusive recruitment policy and FAQs.
- Launched our inclusive recruitment training.
- Ensured all interview panels are diverse – as per our inclusive recruitment policy. and ensuring diverse panels for all interviews.
- Tracked the diversity of candidates at management level from interview and appointment stage.

### Therefore, in 2021 we will:

- Continue to apply the Rooney rule for all management roles.
- Work towards our target of 25% BAME representation by 2023 for management roles in our salary band 3-5.
- Work towards our target of 15% BAME representation for senior management roles in our salary band 1-2 by 2023.
- Continue to partner with recruitment agencies that specialise in diversity to help attract more BAME senior representation into management roles.



## Progression and retention

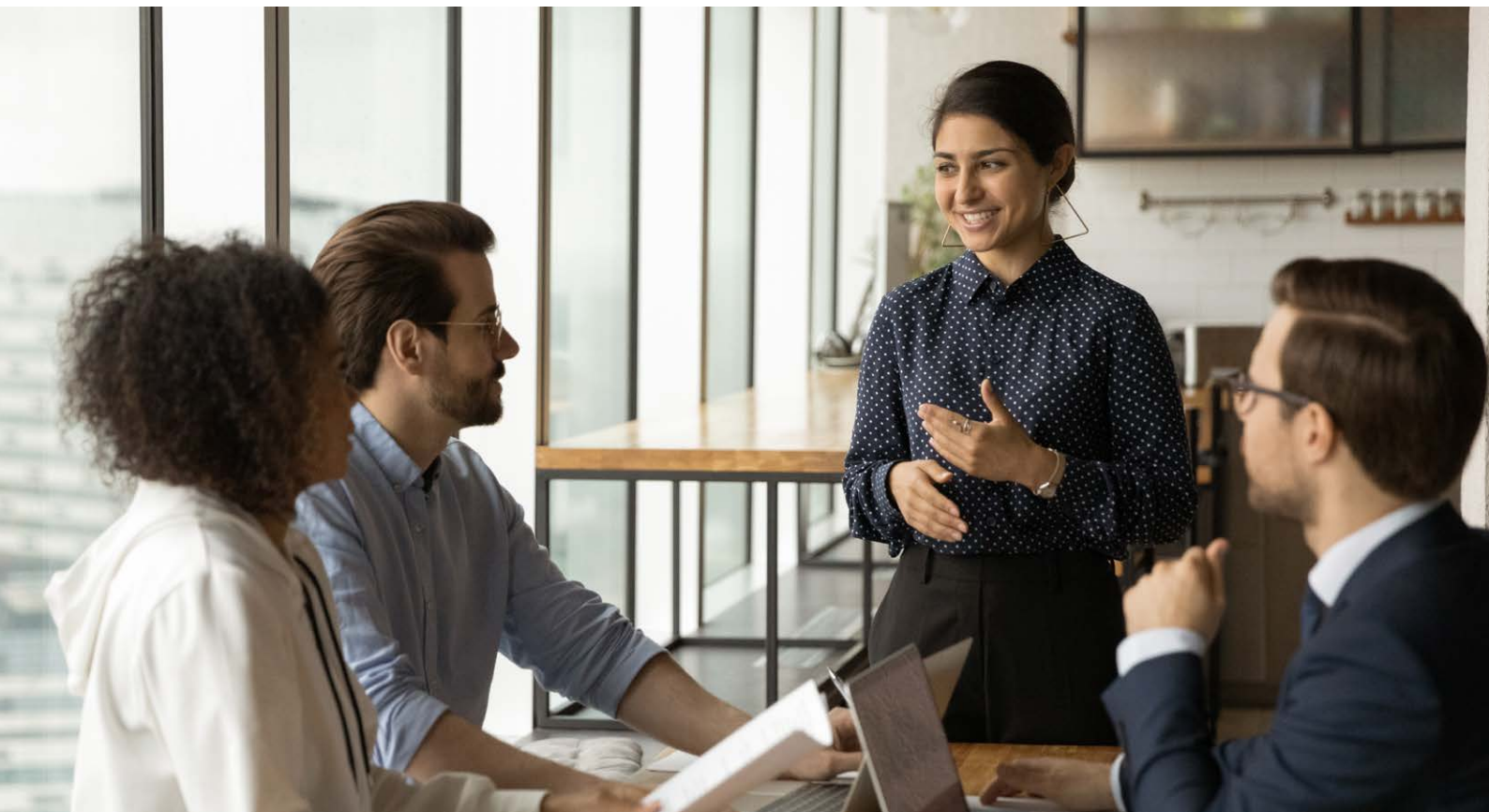
In 2020, we learnt that developing and progressing our BAME employees is crucial in building and retaining our pipeline of talent and more needed to be done.

### Since the launch of the 2020 action plan, we have:

- Launched our CBI BAME Sponsorship programme seeking to progress our BAME employees in management roles into leadership roles.
- Continued to closely monitor our performance review process to monitor the distribution of grades for BAME vs White employees. We will also monitor if the rate of salary increases for BAME and White employees is on par.
- Reviewed our CBI Behaviours Framework guidance within our performance review training to ensure it is inclusive and mindful of cultural differences.

### However, in 2021 we will:

- Start to track BAME employees' progression outside of the PDR progress.
- Focus on strengthening the BAME talent pipeline through various training and development programmes.
- Promote the CBI mentoring programme to support junior BAME talent to ensure we strengthen the BAME talent pipeline.
- Create and showcase BAME senior role models across the business by building our BAME talent pipeline to ensure representation of BAME employees in middle and senior management roles.



## Culture

We have learnt that the culture we cultivate is pivotal to the themes above. Creating a culture where our BAME employees feel like they belong and progress is important, but we also want to build a culture of allyship at the CBI. We believe it is central in the learning journey that we are all on and in ensuring that we build our understanding of different cultures. This is also reflected in our Race at Work action plan.

### Since the launch of our 2020 pay gap report, we have:

- Created safe spaces for our BAME employees to share their stories.
- Delivered monthly Allyship and Privilege sessions which are mandatory for all staff.
- Launched our first inclusive leadership training for senior management.
- Started to train our staff on “how to talk about race”.
- Launched our inclusive recruitment policy, FAQs.
- Started educating the workplace of the lived experience of our BAME employees through our “learn about race” intranet page.
- Launched our inclusive recruitment training which is focused on understanding bias and how recruiting managers create an inclusive recruitment and onboarding process.

### Therefore in 2021, we will

- Review our pay and progression policy to ensure they are fair and inclusive and support employee progression.
- Relaunch our bullying and harassment training with refresher courses for all staff.

In addition to the above the CBI BAME network has now been changed to Race and Ethnicity Equality Network and has an assigned executive sponsor to support them in the delivery of their strategic plans.

In the next year we will increase our efforts to build our pipeline and progressing and developing our BAME talent because we know there is still a lot to do.

**Our action plan below outlines the other steps we will be taking to reduce our gap and create a more inclusive and diverse workplace.**

# 2021 Pay Gap Action Plan

---

**Building a diverse and inclusive culture, where all feel they belong and can reach their full potential.**

## **Commitment**

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.

## **Ongoing progress 2020-2021**

- 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.
- Continue to deliver assertiveness and inclusion training to all employees at CBI to increase confidence and awareness around inclusion.
- Continue to raise awareness and understanding of cultural events and religions through internal communications and events.
- Continue to talk more about race through lunch and learns and team meetings to help build further understanding of how our BAME employees can be supported and their lived experiences.
- Continue to deliver allyship and privilege training.
- Continue to provide inclusive leadership training for all senior management.

## **2021/22 Actions**

---

- Review our **pay and progression** policy, to ensure they are fair and inclusive and support BAME employee progression.
- Relaunch our bullying and harassment training with refresher courses for all staff.

## 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 2020-2021

- 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.
- Continue to apply the Rooney rule for all management roles.
- Continue to work towards our target of 15% BAME representation for senior management roles in our salary band 1-2 by 2023.
- Continue to work towards our target of 25% BAME representation by 2023 for management roles in our salary band 3-5.
- Continue to ensure all interview panels are diverse. For appointments into salary bands 1-2, an HR representative must be present.
- Continue to partner with recruitment agencies that specialise in diversity to help attract more BAME senior representation into management roles.
- Continue to track diversity of candidates at interview and appointment stage for all roles to report to ExCo on a quarterly basis.
- Continue to deliver inclusive recruitment training for recruiting managers.
- Continue to ensure all interviews will include questions on diversity and inclusion and mental health and wellbeing.

### 2021/22 Actions

- Evaluate job descriptions and job design to state our commitment to diversity and help attract and support diverse applicants.

## Supporting BAME colleagues' development and progression.

### Commitment

We are committed to increasing our BAME talent pipeline internally for senior management positions which will help foster BAME role models and raise awareness of the challenges BAME employees face around career progression.

### Ongoing progress 2020-2021

- Continue to raise awareness of cultural differences to managers with a focus on how performance is monitored.
- Continue to use the CBI BAME sponsorship programme to support BAME talent in seeking leadership roles.
- Continue to encourage BAME parents to join our Working Families Network to help support and promote a healthy work life balance and ensure an inclusive workplace for those with parental and caring responsibilities.

### 2021/22 Actions

- Support will be offered to underrepresented groups ahead of management interviews e.g., mock interviews, mentorships, or coaching.
- Focus on strengthening the BAME talent pipeline through various trainings and development programmes.
- Create a succession planning functionality in our HR system to be able to support our talent pipeline development.
- Create and showcase BAME senior role models across the business by building our BAME talent pipeline to ensure representation of BAME employees in middle and senior management roles.
- Promote the CBI mentoring programme to support junior BAME talent to ensure we strengthen the BAME talent pipeline.

## Executive commitment to supporting BAME employees in the workplace.

### Commitment

We are committed to reducing our Ethnicity Pay Gap and will collaborate closely with our BAME Network and the wider business to better understand their lived experiences and influence key challenges BAME employees face in the workplace.

### Ongoing progress 2020-2021

- Continue to deliver against the CBI D&I objective which is as part of our annual objective setting process and embedded into the organisational strategy.
- The D&I Executive Sponsor met with the REE Network to discuss career progression of BAME talent.
- Continue to ensure all employees will have a diversity and inclusion target in their annual objectives.
- Continue to monitor our Pay gap monthly and share it with all employees to ensure we are on track to closing the gap.

### 2021/22 Actions

- The DG and Executive Committee will meet with the REE Network to discuss career progression and progress against this action plan.



# About the CBI

---

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

---



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

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



**Ife Onwuzulike**  
Head of Diversity and Inclusion  
[ife.onwuzulike@cbi.org.uk](mailto:ife.onwuzulike@cbi.org.uk)