

# Analysing Ethnic Disparities in the Workforce

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# What We Know from Academic Research

- Ethnicity pay gaps are complex: they differ by
  - Ethnic group
  - Country of birth (UK-born vs. born abroad)
  - Gender (importance of intersectionality)
- Main drivers:
  - Different types of jobs: segregation in low pay occupations
  - Lack of career progression
  - Unconscious/organisational bias?

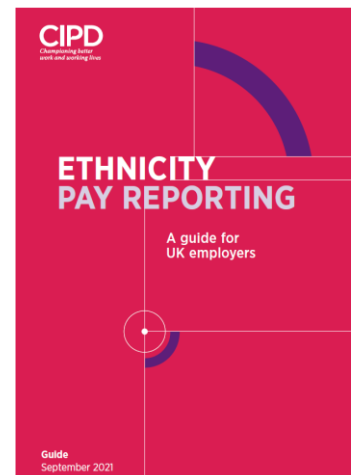
# How To Report Data?

- Increasing number of good examples in terms of ethnicity pay gap reporting
- CIPD (Chartered Institute of Personnel and Development) guidelines are an excellent starting point

# Chartered Institute of Personnel and Development (CIPD) Guide: Six Principles

1. Start from gender reporting (although ethnicity is more complex: whites vs. BAME? UK-born? Intersectionality? ...)
2. Representation across job roles is important (and linked to pay gaps)
3. Simplicity and clarity
4. Focus on action
5. Start and improve
6. Combine comparability with tailoring (one size **does not** fit all)

[https://www.cipd.co.uk/Images/cipd-ethnicity-pay-reporting-guide\\_tcm18-100551.pdf](https://www.cipd.co.uk/Images/cipd-ethnicity-pay-reporting-guide_tcm18-100551.pdf)



# CIPD Guide: Eight Statistics

- 1&2. Median and mean ethnicity pay gap
- 3&4. Median and mean bonus gap  
(this should be conditional on what the findings on 5 are)
- 5. Bonus proportions by ethnicity
- 6. Quartile pay bands
- 7&8. Proportions of workforces by ethnic group and  
proportion of employees sharing information on ethnicity

Combine with narrative discussion and action plan

# Something Missing?

- Report on proportions of minorities by pay grades (more useful than quartiles)
- Report on progression across pay grades to check equal chances for career advancement
  - Proportions applying for promotion (e.g. men apply earlier than women)
  - Success rate by groups
- Even if not included in the report (focus groups, qualitative analysis)
  - Consider intersectionality between gender and ethnicity
  - Proportions of employees leaving (what reasons?)
  - Compare starting pay (at the point of hiring)

# Source: CMA Report

- Competition & Market Authority reports on 852 staff
- Reports an ethnicity pay gap of 29.3% at the mean and 34.8% at the median
- Reports the proportion of ethnic minorities for quartiles and by pay grades  
(shows that the pay gap is mostly the result of lack of minority staff in the most senior positions)

Quartile	BAME	Non-BAME
Lower quartile	40.9%	59.1%
Lower middle quartile	28.8%	71.2%
Upper middle quartile	16.3%	83.7%
Upper quartile	8.5%	91.5%

Civil Service grade	Total Staff	Percentage BAME	Percentage non-BAME	Percentage not reportable
AO	28	28.6%	60.7%	10.7%
EO	80	45.0%	48.8%	6.3%
HEO	157	35.7%	60.5%	3.8%
SEO	60	40.0%	51.7%	8.3%
Grade 7	225	16.0%	77.8%	6.2%
Grade 6	192	14.1%	71.9%	14.1%
SCS PB1	86	0.0%	87.2%	12.8%
SCS PB2 and PB3	24	0.0%	75.0%	25.0%
All staff	852	22.0%	69.0%	9.0%

# Source: CMA Report

- Reporting proportions of staff pay grade is probably enough
- Mean and median pay gaps within pay grades are small or no existent (it is about pay gaps, not equal pay)
- CMA also reports on ethnicity bonus gaps (among those who receive a bonus)
- Problem: only a small proportion receives a bonus, running into issues of small numbers, enough to report on the proportion of those receiving a bonus by ethnicity

Measure	Gap
Mean pay gap	29.3%
Median pay gap	34.8%

Civil Service grade	Total staff	Mean pay gap*	Median pay gap*
AO	28	-2.5%	0.0%
EO	80	1.6%	0.0%
HEO	157	0.6%	0.0%
SEO	60	2.8%	3.7%
Grade 7	225	-0.1%	-0.2%
Grade 6	192	-0.1%	-1.0%
SCS PB1	86	N / A	N / A

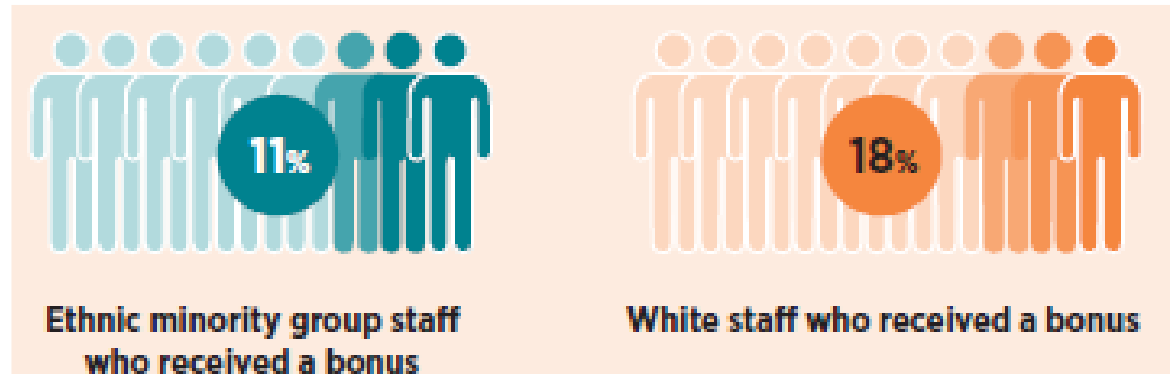


# Source: CIPD Report

- Chartered Institute of Personnel and Development reports on less than 350 staff
- Figures are likely to bounce around over time, caution needed in interpreting trends
- Reporting on bonus gaps needs caution too as this reduces numbers of staff even more
- Reporting on proportions of those receiving the bonus may be enough

Our median and mean ethnicity pay gaps since voluntary reporting began

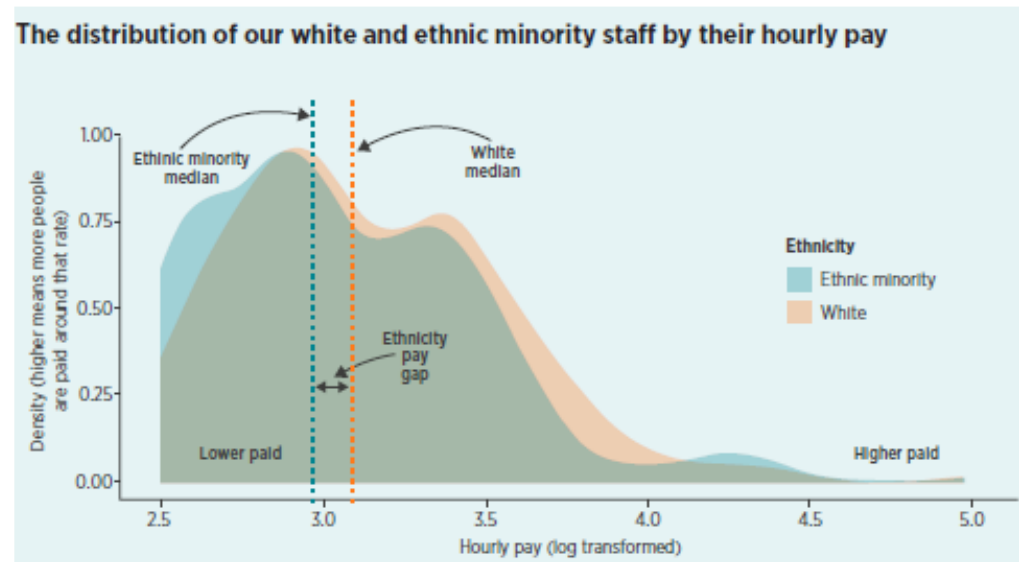
	2019	2020	2021	Percentage point change 2020-21
Median ethnicity pay gap by hourly rate	19.8	20.0	11.2	-8.8
Mean ethnicity pay gap by hourly rate	25.2	19.9	8.7	-11.2



# Source: CIPD Report

- Even if not included in a formal report, important to know how the different ethnic groups compare: larger gaps for Blacks, smaller gaps for Asians, pay advantage for Mixed
- Studying the distributions (bar charts ok) can also give useful insights (i.e. few highly paid minorities)

Ethnicity group	Numbers of employees who disclosed ethnicity	Median pay gap (%)	Mean pay gap (%)
White	234		
Total black, Asian, mixed race and other	105	11.2	8.7
Black, African, Caribbean, black British	30	14.4	16.1
Asian, Asian British	57	5.0	7.7
Mixed ethnic groups	16	16.7	-5.1
Other	2		



# Source: John Lewis

- John Lewis is a large employer but no reporting by ethnic group
- Reports mean and median pay gaps, proportions of minorities by levels, but not on bonuses (bonuses reported only by gender)
- Importance to understand promotion across groups
- Instead of proportion of minorities among those promoted to the next level, consider reporting proportions of minorities who have been promoted (different denominator)

PARTNERSHIP LEVEL	ROLE LEVEL
1	Chairman and Exec Director
2 and 3	Director
4	Head of Department/Head of Branch
5 and 6	Leadership, Specialist and Senior Specialist
7, 8 and 9	Specialist Partner and Junior Management
10	Partner entry roles

PERCENTAGE OF PARTNERS PROMOTED INTO NEW LEVEL BY ETHNICITY

LEVEL*	ETHNIC MINORITIES %	WHITE %
1-4	0.0%	100.0%
5	6.2%	93.7%
6	8.7%	91.3%
7	6.6%	93.4%
8	8.2%	91.8%
9	15.1%	84.9%
TOTAL	11.6%	88.4%

\* Level 10 is not represented as this data shows the percentage of Partners getting promoted into a level and not from that level. We do not have anyone promoted into a level 10 role as that is our lowest level.

# Something Missing?

- Report on proportions of minorities by pay grades (most likely no relevant pay gaps within pay grades)
- Report on progression across pay grades to check equal chances for career advancement
  - Proportions applying for promotion (e.g. men apply earlier than women)
  - Success rate by groups
- **Even if not included in the report (focus groups, qualitative analysis)**
  - Consider intersectionality between gender and ethnicity
  - Proportions of employees leaving (what reasons?)
  - Compare starting pay (at the point of hiring)

# Sources

- CIPD guidelines  
[https://www.cipd.co.uk/Images/cipd-ethnicity-pay-reporting-guide\\_tcm18-100551.pdf](https://www.cipd.co.uk/Images/cipd-ethnicity-pay-reporting-guide_tcm18-100551.pdf)
- Reports
  - CMA (Competition & Market Authority)  
<https://www.gov.uk/government/publications/ethnicity-pay-gap-report-april-2019-to-march-2020/ethnicity-pay-gap-report-1-april-2019-to-31-march-2020>
  - CIPD (Chartered Institute of Personnel and Development)  
[https://www.cipd.co.uk/Images/8188-Ethnicity-Pay-Gap-Report-WEB\\_tcm18-86627.pdf](https://www.cipd.co.uk/Images/8188-Ethnicity-Pay-Gap-Report-WEB_tcm18-86627.pdf)
  - John Lewis  
<https://www.johnlewispartnership.co.uk/content/dam/cws/pdfs/Juniper/BYA-REPORT-2020-21.pdf>

# Thank You for Listening!

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