

# ETHNICITY PAY GAP 2021

UNITED KINGDOM

unicef 

for every child

**As a human rights organization, Diversity and Inclusion (D&I) is fundamental to achieving the vision of the UK Committee for UNICEF (UNICEF UK): a better world for every child. In line with the UN Convention on the Rights of the Child (UNCRC), we are here for every child without discrimination – whatever their ethnicity, sex, religion, language, abilities, or any other status; whatever they think or say, whatever their family background.**

At UNICEF UK, we believe in representing this vision in our own organization, to help accomplish our mission for every child. We want to create a diverse and inclusive working culture that empowers and enables all our people to deliver their best work for children. For that reason, we have been reflecting on and reviewing our approach on what we can meaningfully do as an organization, and taking actions to actively and genuinely be inclusive of all.

In 2020 we launched our first **Diversity and Inclusion Strategy**. As part of this we committed to review and report our ethnicity pay gap. While it is not currently a statutory requirement to report our ethnicity pay data, we believe this is an important step for transparency and accountability in our work towards becoming a more diverse and inclusive organization. We have completed this report with reference to the CIPD 2021 Ethnicity Pay Reporting Guide.

Our ethnicity pay gap compares the difference between the average hourly earnings of colleagues based on their ethnicity to understand whether and where there might be potential inequities and if so, how we can address them. It is not a measure of equal pay, which is the difference in pay for doing the same or equivalent jobs. In this report, we compare the average hourly earnings of colleagues who have identified themselves as from minoritized ethnic communities (who identify as black, Asian, mixed or 'other') compared to colleagues who have identified themselves as white.

It is important to note that there are limitations to the language and individuals may choose to identify themselves in different ways. In this report we will use the term 'minoritized ethnic communities' which acknowledges that people are actively minoritized by others rather than naturally existing as a minority, and that being a minority does not determine whether one

is minoritized or lacks power/privilege. Otherwise, we will refer to the specific community we are referring to, in this case black, Asian, mixed or 'other' ethnicities.

This ethnicity pay gap report is based on diversity data voluntarily provided by our colleagues. We want to thank everyone who provided this hugely valuable information, which is the first step in highlighting our discrepancies and enabling us to progress our work to achieving equality for all.

As of the reporting date of 5 April 2021 we employed 298 relevant people, of which 272 (91%) had disclosed their ethnic identity. Of these 272, 212 (77.9%) identified as white and 60 (22.1%) identified as being from a minoritized ethnic community. Any employees who were furloughed under the government's Coronavirus Job Retention Scheme are included in the analysis as UNICEF UK topped up their salaries to their usual full pay.

Although the proportion of our colleagues from minoritized ethnic communities is above the total UK population, they are heavily under-represented at higher job levels in our organization, including in our senior leadership roles. This largely explains why we have an ethnicity pay gap and we are working hard to address this challenge of improving the senior representation. It also helps to explain why our ethnicity pay gap is higher than our gender pay gap.

In this, our first year of reporting, we have focused our statistics mainly on identifying pay gaps of those colleagues from all minoritized ethnic communities compared to all colleagues identified as white. In order to better understand the pay gaps we have also broken down these figures and provided mean and median figures for the three sub-categories of colleagues who identify as black, Asian or other minoritized ethnic community (which includes mixed), each compared with the pay of colleagues who identify as white. This means we can better interrogate and understand the initial ethnicity pay gap and more effectively target our actions to address it. We plan to overlay more analysis and intelligence on this in future years, including better appreciation of the intersectionality and interaction of pay variations and gaps for different ethnic groups with gender pay differences, to support more comprehensive and effective policies on removing these gaps.

## Ethnicity Pay Gap Measures

Our 2021 overall ethnicity pay gap is as follows:

**20.2%**  
**Median**

The median is the middle value when all the values are arranged from highest to lowest and so this is a better measure of any gap for the typical employee.

**23.7%**  
**Mean**

The mean pay gap shows the percentage gap in average hourly pay. It considers the full range of pay in the organization. The mean is influenced more by the highest and lowest salaries in the organization.

The scale of these gaps is largely explained by the low representation of people from minoritized ethnic communities in our leadership and highest paid roles, which is shown in the quartile analysis later in this report. Our median ethnicity pay gap is very similar to the median London ethnicity pay gap in the wider economy of 23.8% (as reported by the Office for National Statistics (ONS) Ethnicity Pay Gap 2019). This data set is not currently broken down by sector, so we cannot compare directly with other voluntary organizations.

## Our Commitment And Actions

As part of our Diversity and Inclusion Strategy we are implementing many changes to support our diversity and inclusion goals and many of these are expected to help address some of the potential causes of our ethnicity representation and pay gap.

**Our two key strategic goals** are to create a safe and open working culture and to achieve significantly more diverse representation across each job level in our workforce.

**Our vision** is to achieve our diversity and inclusion goals through an effective and sustainable diversity and inclusion infrastructure that addresses: leadership and decision-making, systems and processes, learning and development, and culture and community. This is supported by our governance and structure which includes:

- Diversity and inclusion sponsors at Executive Team and Trustee level;
- A Diversity Action Group which provides strategic direction and oversight of the Diversity and Inclusion Strategic Plan and holds areas of the business accountable for delivering on objectives;
- Inclusive UNICEF Committee and colleague networks who build and sustain inclusive

communities, advocate for the rights and improvement of marginalized groups, provide feedback and consultation on business priorities and major decisions, bring to life a visibly diverse culture, and act as a critical and strategic friend to UNICEF UK;

- The Diversity and Inclusion Lead and the People Team who drive the strategy and embed the action plan, socializing inclusion and diversity throughout the organization by providing the systems, knowledge and tools to empower everyone to embed inclusion within their work and practices.

Over the last few years, we have laid the foundations for this work. We have invested in a wide range of actions and initiatives including monitoring and reporting systems, newly articulated organizational values, learning and training initiatives, colleague networks, policy development, awareness raising, and inclusive and accessible office spaces.

## OUR AREAS OF FOCUS

The areas we have been and will continue to focus on to improve representation and thereby reduce and remove any pay gaps evident for all ethnicities include:

### Monitoring data

- Since 2020 we have developed a robust monitoring and reporting system to capture, track and report on the diversity of our workforce. Last year we initiated a new inclusive recruitment platform that allows us to track applicants through their recruitment cycle and identify where there are potential barriers and bias within their journey.
- We will continue to develop our data accuracy by encouraging colleagues to share their demographic data with us. We will also review the demographics and language that we use, to ensure that these identifiers are appropriate.
- We also aim to develop smarter data sets to enable more detailed analysis in the future. As well as breaking down our data to show wider minority groups we will also start to analyse by job level (quartile/grade) and consider intersectionality.
- We will use the data we have to track progression across the organization in order to more accurately identify and respond to biases and/or barriers to internal progression.
- We will continue to track qualitative data about the experiences of inclusion that colleagues have at UNICEF UK. This data provides a good understanding about whether colleagues feel they have the same opportunities for progression, and whether they can, or feel safe enough to, contribute and participate and therefore thrive.
- We have recently commissioned an anti-racism review to understand the lived experiences of colleagues from minoritized ethnic communities and identify recommendations to strengthen our work on anti-racism at UNICEF UK.
- We will further analyse pay differences by grade of current employees, as well as those newly appointed, to ensure that they are equitable.

### Inclusive recruitment

- With the launch of our new inclusive recruitment platform, we can mitigate against bias during the recruitment process, with anonymized applications and evaluative assessments.

- We have also rolled out mandatory inclusive recruitment training to recruiting managers across the organization.
- To ensure that we are reaching a diverse audience, we advertise our vacancies widely, we only include essential criteria on our job specifications, and we do not ask for degrees or other qualifications except where it is not possible to carry out a role without it.
- We advertise salaries for all roles, and we make offers in line with what was advertised so that we can avoid inheriting previous salary bias.

More information is available in [our approach to inclusive recruitment](#)

### Talent development

- We recognise this is a crucial area to invest in and so we will focus on inclusion as we develop and implement our talent management strategy over the next year. This will include specific initiatives to support development and progression and ultimately increase the number of people from minoritized ethnic communities, and other minoritized groups, especially at senior levels of our organization.

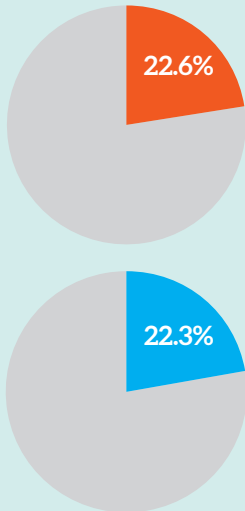
### Embedding inclusion

- Recruitment and progression initiatives alone are not enough to retain colleagues. Our strategy and approach are not driven by diversity and diversity targets, but rather inclusion. We know that if we are an inclusive organization, with inclusive systems and processes, practices and culture, colleagues from minoritized communities will want to stay and will thrive. To embed inclusion into our organization will take the effort and responsibility of everyone. To support this, we have developed a framework against which each department is developing action plans to lead inclusion within their department. These action plans will feed into the overall strategy of UNICEF UK and their progression will be monitored and supported.
- Our colleague networks are pillars for this work. We will continue to work alongside, listen to and promote the voices of these networks including discussions to consider further ideas to close the pay gap.

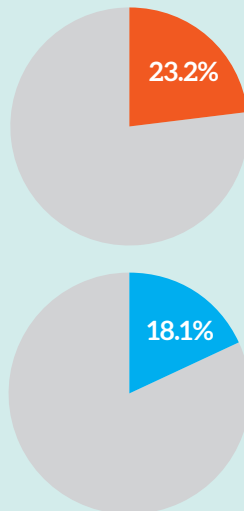
## Ethnicity Pay Gap Breakdown

Pay gaps across the economy do vary significantly according to specific ethnic groups with some groups paid higher on average than identified white employees. At UNICEF UK our Median and Mean pay gaps are evident across different minoritized groups and are broken down into black, Asian and other minoritized ethnic communities as follows:

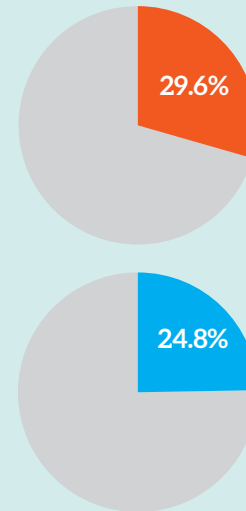
Ethnicity Pay Gap for black colleagues



Ethnicity Pay Gap for Asian colleagues



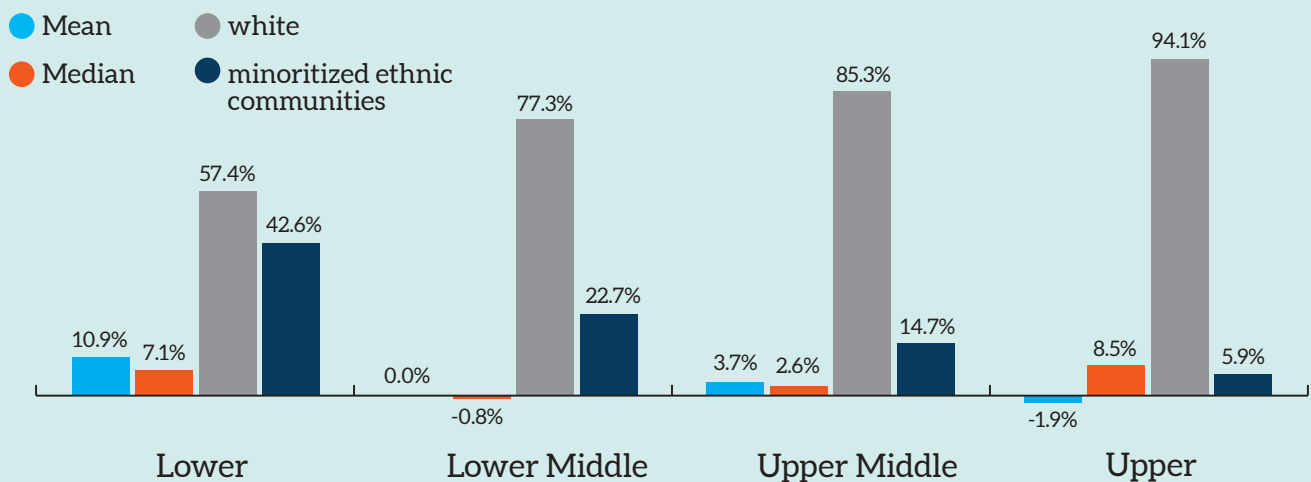
Ethnicity Pay Gap for colleagues from other minoritized ethnic communities (including mixed)



● Mean ● Median

## Ethnicity Pay Quartiles

A pay quartile represents a quarter of the workforce, ranked from highest to lowest by their hourly pay rate. The pay quartiles are then broken down by ethnicity. The proportion of white and people from minoritized ethnic communities in each quartile at UNICEF UK is as follows:



Overall ethnicity split at UNICEF UK: 77.9% white and 22.1% people from minoritized ethnic communities.

This analysis shows that while we have been successful in employing people from minoritized ethnic communities, representing over 20% of our workforce, we still reflect the national pattern in which people from minoritized ethnic communities are over-represented in the lower pay quartile roles and heavily under-represented in our top quartile and leadership roles.

Reviewing information on the actual pay gap within each quartile within the organization shows colleagues are paid at very similar levels irrespective of their ethnicity in the middle pay quartiles, but white employees are paid significantly more on average in the lowest paid quartile and highest paid quartile of roles. Analysis shows that these differentials among the lower pay quartile and higher pay quartile are as a result

of fewer people from minoritized ethnic communities in roles that are in our higher pay grades.

At UNICEF UK, we have a much higher representation of people from minoritized ethnic communities across the lower quartile than in all other pay quartiles. This appears to be the largest contributing factor to our ethnicity pay gap. A more granular analysis by job level shows this heavy skew in the distribution of people from minoritized ethnic communities, with the proportion declining progressively up the organization.

This is the first year in which we have analysed and reported on our ethnicity pay gaps and we have further work to do to understand their causes. As we build our understanding, we will be better able to target more effective actions to help to close these gaps.

**Jon Sparkes**

**Chief Executive**