



Ethnicity Pay Gap Report 2020

Together we will beat cancer



CANCER
RESEARCH
UK

Addressing diversity at Cancer Research UK

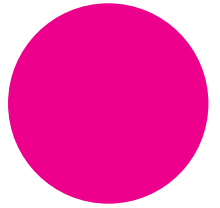
At Cancer Research UK, we all share a common mission of beating cancer. We have bold ambitions, and to achieve them we must optimise every element of how we conduct research, how we drive change, and how we operate as an employer.

We recently published our first organisational Equality, Diversity and Inclusion strategy, which included commitments to increase diversity across our people and our leaders. These commitments reflect our responsibilities as a large employer, and they will benefit our mission too.

It is well proven that more diverse organisations perform better. A more diverse workforce will help ensure we draw on a breadth of skills and perspectives, that we represent the communities we serve, and that we can make the best decisions possible. We are particularly focused on improving diversity across our governance, advisory and leadership structures and we've specific targets for these areas, as this is where we feel we can have the greatest impact.

Our mean (average) ethnicity pay gap is currently -9.5%, meaning ethnic minorities are paid on average 9.5% more than white employees. This calculation is not the same as 'equal pay', which would compare the pay of white and ethnic minority employees doing the same or similar work.

While these results seem positive, we've a relatively small percentage of ethnic minority staff, and particularly at senior levels. So these are small numbers, and they do not tell the full story. We know, for example, that this gap is partly a reflection that we've more people from ethnic minorities in some areas which tend to be higher paid (technology, corporate resources) and fewer people from ethnic minorities in retail roles, which tend to be lower paid.



We still have more to do to improve diversity at Cancer Research UK, and particularly with regards to the proportion and experience of ethnic minority staff. These results do not at all reduce those responsibilities. It is even more important that we keep a close eye on our performance throughout this year, as we've had to make a significant number of redundancies as a result of the financial losses we faced in the COVID-19 pandemic. These changes are not yet reflected in the data supporting this year's report.

A critical part of our approach to Equality, Diversity and Inclusion is accountability. We must be open about where we're now and how much more progress we must make, about where we've succeeded and where we've failed. Publishing our ethnicity pay gap report – for the first time this year – is part of that approach. I hope that by being open about where we are today, we'll set ourselves up for taking greater steps forward in the future.

Michelle Mitchell OBE
Chief Executive, Cancer Research UK

Ethnicity pay gap vs equal pay

The ethnicity pay gap is calculated by comparing the average pay of white employees and ethnic minority employees in an organisation, regardless of the roles they do. This is not the same as equal pay which is a measure of the pay of white and ethnic minority employees who do the same or similar work.

Ethnicity pay gap

The difference in average pay between white staff and ethnic minority staff regardless of the work they perform

Equal pay

Being paid for the same like/similar work



What is the ethnicity pay gap at Cancer Research UK?

The figures published in this report are from the snapshot date of 5 April 2020.

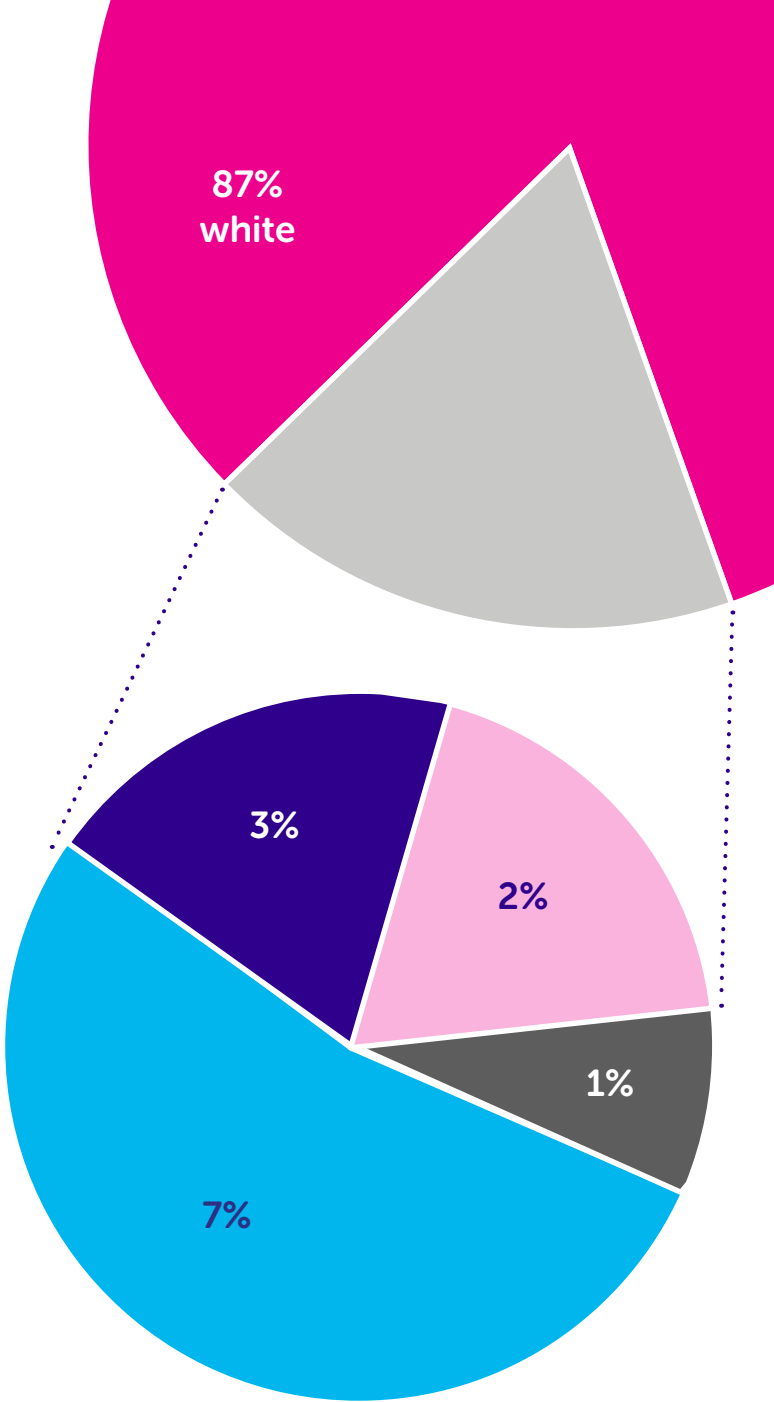
We show the difference in two ways: the mean (average) and the median (middle).

- The mean figure is the percentage difference between the average hourly rates of white and ethnic minority staff's pay.
- The median figure is the percentage difference between the midpoints in the ranges of white and ethnic minority staff's pay.

Overall, 13.3% of Cancer Research UK's staff are from an ethnic minority background. For context, the ethnic minority population, according to the last Office of National Statistics (ONS) 2011 Census is 14% in the UK and 40.2% in London.

Our ethnicity analysis was conducted on 3,376 employees out of total of 3,860, which is 87% of our workforce. The remaining 13% of staff chose not to share their ethnicity so their data isn't included in these figures. We are reporting all the employees that have shared their ethnicity with us. This includes staff employed by Cancer Research UK and the National Cancer Research Institute. This does not include Cancer Research Technology as it is a separate legal entity.

Ethnicity	Percentage
Asian	7%
Black	2%
Mixed	3%
Other	1%
White	87%
Total	100%

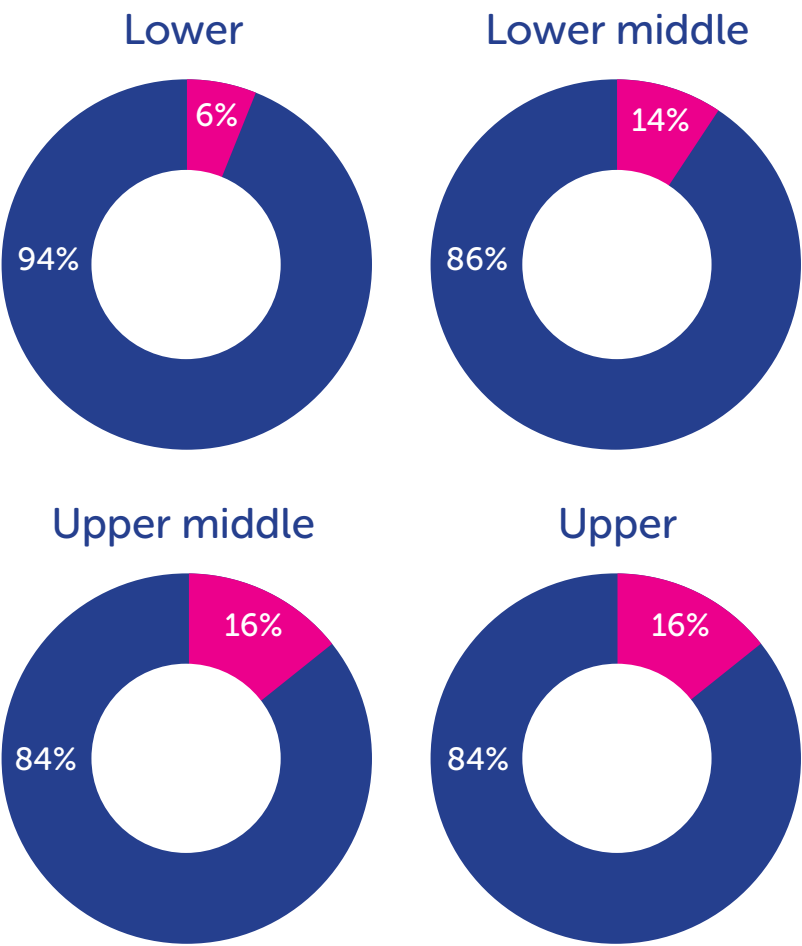


Pay quartiles

Pay quartiles sort employees into four equal sized groups (a 'quartile') from the lowest paid to the highest paid. The pay quartiles then show the proportion of white and ethnic minority employees in each, ranging from the lowest paid 25% to the highest paid 25%.

The quartiles show that overall we've a predominately white workforce. The number of ethnic minority employees is lowest in the lower pay quartile and increases as you go up the pay quartiles. We have slightly increased the number of ethnic minority staff in both the upper and middle upper quartile from 15% to 16% since 2019.

- Ethnic minority 13%
- White 87%



Percentage overall headcount

	Lower quartile	Lower mid quartile	Upper mid quartile	Upper quartile
Ethnic minority	6%	14%	16%	16%
White	94%	86%	84%	84%

Intersectional data

This year we looked further at our pay gaps and examined intersectional data. Gender is the biggest driver for our pay gaps, and by looking at both gender and ethnicity data we found that women of all races are paid less on average than men of the same race.

The racial groups we looked at were White, Black, Asian, Mixed Race, and Other (all ethnicities which don't fit into one of these four categories). These are the five racial groups recommended by the ONS when comparing ethnicity and rates of pay.

However, the population within the subcategories of these five racial groups is too small for us to make meaningful comparisons and analysis, but as we further diversify our workforce, we hope to explore this further and share the analysis.



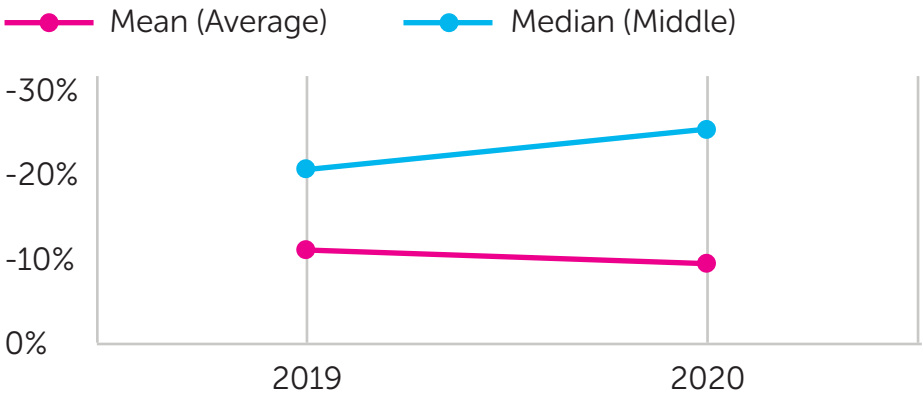
What has changed with our ethnicity pay gap since 2019?

Our mean (average) ethnicity pay gap is -9.5%, which means that we pay ethnic minority employees on average 9.5% more than white employees. The gap has closed by 2.5% compared to 2019 (-12%). The gap has reduced because there has been a reduction in the number of ethnic minority staff at both leadership level and in lower paid roles such as our drivers and shop managers within our retail operation.

The median (middle) ethnicity pay gap has increased from -22.3% in 2019 to -26.4% (more in favour of ethnic minority employees) in 2020. This is explained in part because we've increased the number of our shops across the UK and we've recruited a higher proportion of white staff into those retail roles.



The mean and median Ethnicity Pay Gap by year



Ethnicity Pay Gap	Mean (Average)	Median (Middle)
2019	-12.0%	-22.3%
2020	-9.5%	-26.4%

What is causing our ethnicity pay gap?

There are a number of reasons for our ethnicity pay gap. It's very important to explore and examine these so that we don't jump to conclusions and assume there is no further action needed by our organisation around the experience and representation of ethnic minority staff. In this report we explore not only the causes behind our ethnicity pay gap, we explore what we're already doing to improve diversity as well as activity planned for the coming year.

We have 3,860 employees across Cancer Research UK. 1,931 work in our retail business - roughly half of all our staff.

There is a lower proportion of ethnic minority employees in our retail operation (10%) - these roles are typically lower paid compared to our non-retail operations where we've 16% ethnic minority employees. The ethnicity pay gap is significantly reduced when excluding our retail operation to +3.9% (mean) and +2.3% (median).

To put it in context, we've about 600 retail stores across the UK, and we're working towards increasing ethnic diversity throughout the charity including in our shops.. However, we know that racial diversity in different areas of the UK is vastly different. For example, London is the most ethnically diverse region in England and Wales with 40.2% of residents from an ethnic minority background (source at end of page). In comparison, only 8.2% of residents in the South West of England are from an ethnic minority background. We have 41 stores in London and 44 stores in the South West of England. As a result, we've lower numbers of ethnic minority staff in areas of lower racial diversity and higher numbers of ethnic minority staff where the population is more racially diverse.

Source

<https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/regional-ethnic-diversity/1.6>



Additionally, more of our ethnic minority staff are in roles that are traditionally higher paid. For example, there are a higher proportion of ethnic minority employees in higher paid professions such as technology, which has 36% employees from an ethnic minority background (+2% from last year), and our corporate resources department (finance, legal, facilities and procurement), which has 29% employees from an ethnic minority background (+6% from last year).

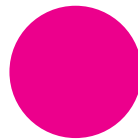
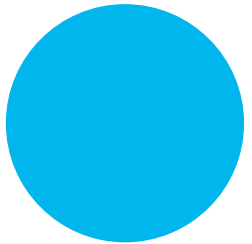
As a result of these factors, and the fact that ethnic minority staff at Cancer Research UK are a small percentage of the total workforce, the ethnicity pay gap calculation is skewed and doesn't tell the story of the considerable progress we need to make.

We know that as we fulfil our ambitions to diversify our workforce and have more ethnic minority staff at all levels of the charity, we'll see the ethnicity pay gap change. Delivering our new Equality, Diversity and Inclusion (EDI) strategy from 2021-2023 is likely to reduce our ethnicity pay gap.

Key point to note

As described above, it's important to note that although our ethnicity pay gap shows that the average pay of our ethnic minority staff is higher than our white employees, we recognise that the data doesn't show the full picture.

We recognise the lack of leaders from an ethnic minority is important and an area we need to improve for both us, and for the charity sector as a whole. Inclusive Boards (2018) found that in the 500 largest charities by income, only 5.3% of senior leadership teams were from an ethnic minority background and almost 80% of senior leadership teams lack any ethnic minority professionals. (Racasan A, Kasumu S, Steel S, Adeniran E, Sekibo J, Sen S and Clarke-Binns O (2018) Charities: inclusive governance. Report, Inclusive Boards, UK, April. Available at: <https://www.inclusiveboards.co.uk/charity-governance-2018>)



What are we doing to address our ethnicity pay gap?

Launching in January 2021, we've set ourselves an ambitious action plan with the launch of our new EDI strategy. Within this there are two key people-facing priorities. We're going to build an inclusive and diverse culture for all our people – staff and volunteers – so they can succeed and feel like they belong. We're also aiming to achieve diversity across our governance, advisory and leadership structures, making sure decisions are made in an inclusive way. We have a series of principles underpinning the strategy, one of which is a commitment to be an anti-racist organisation.

We have seven staff networks, including our Race Equality & Equity Network, who work closely with our EDI team; these are important and will be supported to strengthen and grow.

Targets for increasing proportions of staff from an ethnic minority background

We have a three-year target to increase the ethnic diversity of employees to 16% by 2023 from 13.6% in 2020.

Within our leadership team we've made great strides in recent years to address the gender balance in our top two grades (executive director and director) and have seen our mean gender pay gap reduce to 15%. However, we've not seen as much progress with ethnicity in the top three levels (executive director, director and head), with the proportion of staff from ethnic minority backgrounds at this level reducing from 5.7% in 2018 to 4.3%. We want to identify and address barriers in recruitment, progression and development of our leaders that have prevented us from making more progress.



An inclusive recruitment and selection process

Although recruitment activity has significantly reduced this year due to the impact of COVID-19, we remain committed to developing our recruitment and selection process to attract and recruit talent from a wide range of communities. In late 2019, we launched new employer brand content, working in partnership with our EDI networks, which better reflected the diversity we'd like in our workforce and our desire to become a more inclusive employer.

Our focus this year has been on influencing the individual decision making of managers at Cancer Research UK during the selection process. We have designed and delivered inclusive recruitment training sessions for hiring managers across the charity, along with additional assessment guidance documents and tools. We're actively in the process of rolling out anonymous CVs on our recruitment platform, to mitigate bias at shortlisting stage, with a launch planned for early 2021.

For all senior leadership hires (director and executive board level), we've been setting targets and working to achieve balanced shortlists of candidates with specific focus on gender and ethnicity.

Bringing external expertise to help us shape interventions

We recognise that opportunities for development and progression are key to equality in the workplace and should be accessible to all.

70% of ethnic minority employees say that career progression is important to them, compared to only 42% of white British employees. However, over half of ethnic minority employees (52%), believe that they will have to leave their current organisation to progress in their career, in contrast with 38% of white British employees who believe this. (Source at end of page)

We're committed to making sure everyone has opportunities to progress within the organisation. We continue to work with sector-experts 'Business in the Community' to identify and design suitable progression interventions for ethnic minority employees. This year we launched our ethnic minority progression project, in which we aim to better understand the barriers facing ethnic minority staff.



Source

<https://www.bitc.org.uk/report/race-at-work-2018-the-scorecard-report/>

Making sure our talent development programmes are free of bias

In 2020 we've been conducting an equality impact assessment on our talent review process to identify and remove bias from our decision-making systems and tools. We're also in the process of conducting a series of focus groups with employees from across the charity in which we'll explore bias within our leadership transition programmes and how to address it.

Race fluency programme

This year we launched our virtual race fluency programme, run in collaboration with our Race Equality & Equity Network. This series of workshops have been created to help teams start honest, constructive and respectful discussions about race and hidden tensions within workplace cultures.

With support from our network we trained 13 ethnic minority staff to support facilitation of these workshops. Since September we've successfully started training eight teams with another seven signed up for workshops in 2021.

Reverse mentoring for our senior leaders

In 2020 we piloted a reverse mentoring scheme for 10 senior leaders who were mentored by junior employees from underrepresented groups including ethnic minority staff. Reverse mentoring gives an opportunity for senior leaders to understand how different employee groups experience the organisation and find ways to use their position to make positive changes. After a successful pilot programme, we'll be rolling this out to our wider leadership group next year.

Race Equality & Equity Network

In December 2019 our Race Equality & Equity Network hosted a panel event on 'How to succeed in the workplace'. It was part of the network's focus on addressing barriers of internal progression for ethnic minority staff.

The network was joined by four panellists including the managing director of Sage Blue and the chief executive of the Tottenham Hotspur Foundation, and was hosted by our executive sponsor, Tiffany Hall, Chief Information Officer. Discussion included overcoming barriers, asking for support, professional development and building self-confidence.

The event generated a great deal of interest, with almost 200 people attending, both in person and virtually. It provided ethnic minority staff with some tangible ways to excel in their careers.

Statement

I confirm that the information and data provided are accurate.



Michelle Mitchell
Chief Executive Officer

