

Advancing Equity, Diversity and Inclusion at Nesta

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Introduction

Our vision to significantly improve the lives of millions cannot be achieved unless we also improve equity and tackle exclusion. That is why we developed a [nine-goal strategy](#), launched in March 2021, that sets ambitious goals and concrete targets for advancing equity, diversity and inclusion (EDI) within our organisation, and all that we do.

Developing and delivering this strategy has been a process of learning and reflection. We have made meaningful changes over the past year and are proud of the work we are doing. But we still have much more work ahead. This report does not draw a line under our EDI work, nor is it a celebration of milestones reached. We simply believe that holding ourselves publicly accountable for our commitments is paramount to driving progress.

Our focus on driving equity within our organisation, supporting our diverse community of staff and ensuring the work we do helps tackle exclusion and equalise outcomes remains steadfast.



Our People

Our EDI strategy includes specific goals for expanding staff diversity with regards to ethnicity, gender, sexual orientation, disability and socioeconomic background, such that Nesta better reflects the diversity of London and of the UK overall.

To get there, we have focused on making our recruitment process fairer and supporting diverse talent to stay and progress their careers at Nesta.

Over the last year, we made many changes to reduce bias in our recruitment process – for example, we now anonymise applicants, use skill-based assessments instead of CVs, offer accommodations, and expand the number of shortlisted candidates we interview if the shortlist is overly homogenous. In instances where the candidate pool was overly homogeneous in specific demographics, we have readvertised job descriptions and restarted the recruitment process. After implementing these and other changes to our recruitment process, we have seen an increase in the racial and ethnic diversity of new hires at Nesta, with 20% of our new

hires now coming from a minoritised ethnic background.

These steps are important interventions for reducing systemic and institutional barriers to employment and for mitigating bias in our recruitment process. However there is still much more to do to become the representative organisation we hope to be – particularly amongst our senior leadership group.

Looking ahead, we will continue to evaluate and improve our recruitment processes, improve the diversity of senior hires, and support staff of minoritised backgrounds to progress professionally at Nesta.

1 in 5 people at Nesta identify with a minoritised racial background.

Black	Asian	Mixed	White	Other	Prefer not to say
6%	8%	6%	75%	1%	4%

3 in 10 people at Nesta experience a disability or long-term health condition.

Disability or impairment	Long-term health condition	Neuro-diversity	Mental health condition	Mobility condition	Multiple conditions
2%	8%	7%	8%	2%	4%

62% of people at Nesta are women.

Women	Men	Trans, non-binary or prefer to self-describe	Prefer not to say
62%	35%	<1%	2%

More than 1 in 10 people at Nesta identify as gay, lesbian, bisexual, transgender or queer.

LGBTQ+	Heterosexual	Prefer to self-describe	Prefer not to say
14%	76%	<1%	9%

17% of people at Nesta grew up in an socioeconomically disadvantaged family¹.

Received free school meals ²	Parents had a low-income occupation
9%	14%

Equitable pay

Our goal is to eliminate gender and ethnicity pay gaps at Nesta.

Pay gaps are the difference between the mean or median hourly rates of pay for men and women, and between white staff and staff from minoritised ethnic backgrounds. That means they take account of the fact that some people at Nesta work part-time and others work full-time. Pay gaps are heavily influenced by representation, or the distribution of people from different backgrounds, across different levels of the organisation.

It is for this reason that we analyse mean and median pay gaps between similar pay bands (interquartile analysis) and overall: an interquartile analysis sheds light on the extent to which people in relatively similar roles are paid differently; an overall analysis sheds light on the extent to which people across the organisation, spanning all roles and pay bands, are paid differently.

Last year, we made several changes to understand and reduce our pay gaps. These include reviewing promotion and reward recommendations to check for bias, involving an impartial EDI reviewer in all pay and progression moderation meetings, implementing career frameworks to enable consistency, transparency and fairness in the ways we develop people and make promotion decisions, and improving our policies.

In our most recent pay review, in April 2022, there was no evidence of gender or ethnicity bias in who received pay increases for excellent performance over the previous year.

However, the pay gaps that Nesta currently has are not acceptable, and we must do more. Our data suggests that the gaps are driven by having smaller numbers of Black and mixed race colleagues in the upper-middle and upper pay bands – particularly in comparison to our lowest paid bands. It is also true within quartile groupings of multiple pay bands. Though to a lesser extent, these are the same drivers underpinning our gender pay gaps.

We are therefore focusing on supporting women, non-binary folks and people from minoritised ethnic backgrounds to advance their careers at Nesta. For example, we are looking at building a programme to invest in the professional growth of minoritised staff, in addition to ensuring programmes that Nesta offers - from learning and development courses to sabbaticals - are equitable. And we are engaging in an organisation-wide learning programme, in part focused on supporting managers and leaders to tackle bias in themselves and in our systems and processes. At the same time, we are now actively targeting diverse talent for senior staff roles. While none of these interventions will have an immediate effect, as improving representation and pay gaps requires attention and intervention over many years, we are committed to making the investments needed for long-term change.

Mean hourly pay for men is 13.3% higher than that of women.

Mean gender pay gap (overall)	Median gender pay gap (overall)	Median gender pay gap (overall, excluding CEO)
-13.3%	-13.4%	-12.8%

Women in our lowest pay quartile are paid 4.4% more on average than men. This reverses in the highest pay quartile, where men are paid 5.9% more on average.

Lowest quartile	Lower-middle quartile	Upper-middle quartile	Highest quartile
4.4%	-1.9%	-2.2%	-5.9%

Nesta's gender pay gap is largely driven by differences in representation: women make up 73% of people in the lowest pay quartile, and only 54% of people in the highest pay quartile.

	Lowest quartile	Lower-middle quartile	Upper-middle quartile	Highest quartile
Men	27%	25%	43%	46%
Women	73%	75%	57%	54%

Our mean ethnicity pay gap (overall, for all minoritised ethnic groups combined) is 28.7%.

Mean ethnicity pay gap	Median ethnicity pay gap	Mean ethnicity pay gap (excluding CEO)	Median ethnicity pay gap (excluding CEO)
-28.7%	-26.0%	-28.4%	-26.0%

Our mean ethnicity pay gap is greatest for Black colleagues, followed by other minoritised ethnic colleagues and mixed-ethnicity colleagues. The average hourly pay for Asian staff is 8% more than that of white staff³.

Asian	Black	Mixed	Other	Prefer not to say
8%	-28%	-7%	-12%	0%

Nesta's ethnicity pay gap is largely driven by differences in representation: Black staff make up 14% of people in the lowest pay quartile and only 2% of people in any other pay quartile⁴.

	Lowest quartile	Lower-middle quartile	Upper-middle quartile	Highest quartile
Asian	9%	7%	3%	10%
Black	14%	2%	2%	2%
Mixed race	7%	9%	7%	3%
White	66%	79%	80%	81%
Other	2%	0%	3%	0%
Prefer not to say	3%	3%	5%	3%



Progressive policies

Last year we completed a comprehensive review of all people policies at Nesta, to ensure they aligned with our values and commitments as an organisation.

Through this policy review, we improved our HR policies so they better reflect Nesta's values: We expanded eligibility for paid parental leave and occupational sick pay. We modified the language we use in our parental leave policy to refer to birthing and non-birthing parents. We expanded our anti-harassment and anti-discrimination policy to include zero tolerance for repeated microaggressions. We adopted a new policy to destigmatise menopause and ensure those experiencing menopause have access to accommodations they may require.

And we established a new domestic violence and abuse policy to help support those who may have been victims of abuse. We improved our compassionate leave policy, to reflect the realities of grieving and the diversity of families.

Enshrining our values in policy is critical to walking the talk on our EDI commitments, and we are proud to be an organisation that takes this seriously.





Inclusive community

Our people are the heart of our organisation. Our goal is to ensure that is reflected in Nesta being a welcoming, vibrant and inclusive community to all. But we know this requires dedicated effort to address barriers to inclusion and foster an environment for belonging.

As a first step, we have sought to build consciousness across our organisation, particularly to better support Black colleagues and collaborators. We teamed up with the organisation [Flair](#) to better understand attitudes towards race across different levels, genders and teams, and issues affecting racial inclusion at Nesta. Based on the insights from Flair's survey of Nesta staff, every member of staff at Nesta is now engaged in a learning programme with [Be the Riot](#), focused on building fluency around issues of race, understanding of anti-racism and creating a stronger culture of allyship.

At the same time, several new employee resource groups have formed to create communities for staff with disabilities and/or long-term health conditions, neurodiverse staff and LGBTQ staff. Resource groups at Nesta are self-organised and have dedicated budgets to gather, host speakers and workshops or organise group activities. We have also made changes to our building in London to ensure the physical spaces – from bathrooms to meeting rooms – are accessible for all.

Fostering a sense of inclusion is about creating an environment where our people can be their authentic selves, connect with others they relate to and pursue the path that's right for them. It's the small interactions and moments that matter. This work will be forever ongoing.

What's next?

In sharing this report, we are also publicly recommitting to the goals we have set. Our journey to tackle inequalities within our organisation and through the work that we do is ongoing, and while we are proud of the progress Nesta has made over the past year, we are far from satisfied.

There is more we must do – in particular to eliminate gender and ethnicity pay gaps, improve representation of people from minoritised backgrounds in senior leadership roles and foster a culture of inclusion for all staff at Nesta. With the support of dedicated staff and financial resources, the backing of our senior leaders and trustees and the guidance of colleagues who have been generous in sharing their lived experiences and ideas, our work continues.

Footnotes

1. Socioeconomically disadvantaged includes those who received free school meals growing up, and those whose highest-earning parent held a job in a low-paying occupation. Those who qualify for both are not double counted.
2. Applicable only for those who grew up in the UK.
3. Including CEO.
4. Notes on the data: This analysis is based on self-reported gender identity. Trans and gender non-confirming individuals have been excluded from the analysis, given limited group size. Gender pay gap data published by the UK Government in September 2022 is based on data from April 2021. The figures will therefore differ from what is detailed.

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