

Ethnicity Pay Gap Report

2019

Introduction



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Editor-in-chief
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GNM is a diverse and inclusive employer - we value and respect all of our people, and strive to create a workplace where people can flourish.

Diversity is a core part of the Guardian's purpose and wider organisational mission, and is embedded into our three-year strategy. One important step in making ourselves more diverse and inclusive is to examine pay within the organisation, and we are therefore pleased to publish our first ethnicity pay report. We believe that transparency and openness are key to driving change and plan to make this an annual exercise.

The figures we report today are based on 79% of UK employees who shared their ethnicity details voluntarily. We expect to see some fluctuation in results, particularly during the next year, while we continue to build a complete picture of our ethnicity pay gap and implement our action plan. Nevertheless, we are resolutely committed to reducing the ethnicity pay gap year on year over the long term.

17% percent of our current workforce identified as being from Black, Asian and minority ethnic (BAME) groups - slightly higher than the UK population, but lower than London. The pay gap between BAME and white employees is 14.9% at a median level and 14.1% for the mean.

There are some encouraging signs that we are becoming a more diverse organisation - 29% of employees joining GNM in the past two years identified as BAME. However, they are disproportionately likely to be joining roles in the lower pay quartile. BAME employees make up 12% of the top pay quartile and are therefore insufficiently represented. We believe these factors are key drivers of GNM's ethnicity pay gap.

While these figures are consistent with a lack of BAME representation in the UK media industry generally, we believe they are unsatisfactory. We have set goals to improve representation and to reduce our pay gap over the long term. It is essential that our employees, just like our journalism, reflect the audiences and communities we serve.

Our goal is to achieve 20% ethnic minority representation throughout the organisation and across the top two pay quartiles within the next five years, reducing our ethnicity pay gap every year as we work towards this longer term target. We will achieve this by supporting progression of our existing employees, while also taking every opportunity to attract diverse talent into all levels of the organisation.

We have signed up to Business in the Community's Race at Work charter, committing to their five calls to action.

In this report we also outline specific actions we are taking to close the ethnicity pay gap. For example shortlists for externally advertised roles will include a BAME candidate, and we will maintain good levels of BAME participation in development programmes designed to support progression.

We believe that reporting on pay gaps by gender or ethnicity is a big step towards making the UK a fairer society. We will do everything we can to close GNM's ethnicity pay gap, and to make this a more diverse and inclusive organisation.

GNM 2019 results

At a company-wide level 17% of the workforce identifies as being from Black, Asian and ethnic minority (BAME) groups and 83% as white. Employees from BAME backgrounds earn less than their white counterparts on an hourly basis on both mean and median measures.

Full details of the methodology and definitions are laid out in the appendix.

The drivers of the pay gap

BAME employees are disproportionately likely to be in the lowest pay quartile. BAME representation decreases successively in higher pay quartiles, standing at 12% in the top quarter of the organisation. This is the key driver of the pay gap.

Overall GNM

2019

Median



Mean



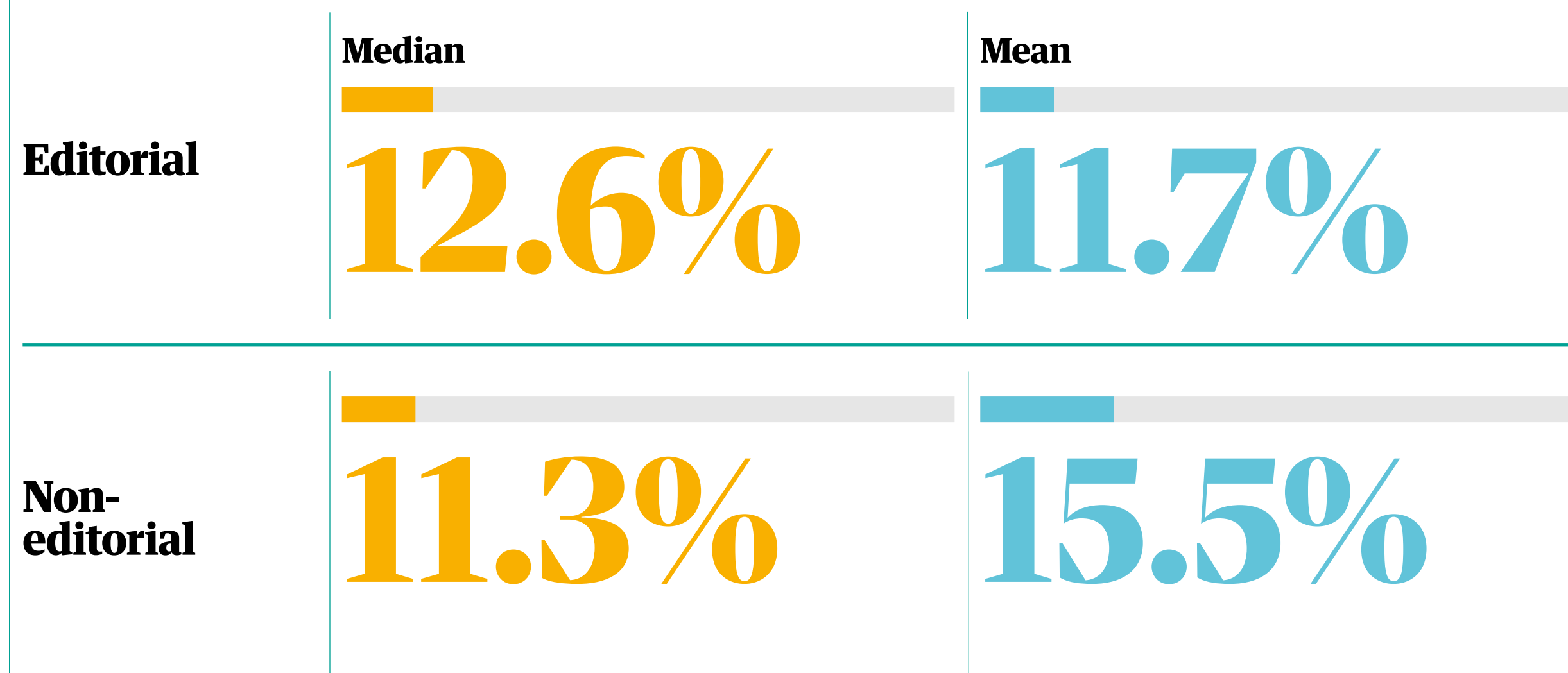
The ethnicity pay gap within GNM

There is a wide range of roles and specialisms within the organisation, split between editorial and non-editorial functions. 12% of employees within our editorial department identify as BAME, compared to 22% in our non-editorial employee population.

There is a low rate of staff attrition in GNM editorial roles, and a high proportion of vacancies which arise are filled by internal candidates. It is therefore likely that it will take sustained effort over the long term to increase the proportion of BAME employees significantly. We run a number of work experience and positive action schemes to help young people pursue a career in journalism, particularly encouraging applications from graduates with diverse social and/or ethnic backgrounds.

Non-editorial departments have slightly higher staff turnover, with more vacancies typically open to external candidates. We will use this as an opportunity to improve the representation and distribution of BAME employees.

2019



Pay quartiles

The proportion of BAME employees in the lower quartile is 26%, compared to just 12% in the upper quartile. Lack of representation through the quartiles, and particularly the top half of the organisation is a key driver of the pay gap.

It is encouraging that we are attracting diverse candidates into the organisation - 29% of employees recruited in the last two years are BAME. However, a disproportionate number are in roles in the lower quartile. It is key that we attract more diverse candidates into roles at all levels, including the most senior leadership and management positions.

We also need to ensure we are effective in supporting progression of our existing BAME employee population. In the past twelve months an equal percentage of white and BAME employees achieved internal promotions. BAME women make up 28% of the participants in our Leading Edge development programme designed to help employees progress in their career. Our annual staff survey indicates that BAME employees are more likely to access learning and development than white employees.

	2019 Number of employees	
	BAME	White
Upper quartile	33 12%	237 88%
Upper middle quartile	41 15%	229 85%
Lower middle quartile	44 16%	226 84%
Lower quartile	69 26%	201 74%

To calculate 2019 pay quartile data, the 1,080 employees who provided their ethnicity were divided into four pay groups, each containing 270 employees.

Our action plan

Our goals

We are committed to addressing the gap by developing, promoting and recruiting more talented Black, Asian and minority ethnic (BAME) employees at every level and in every part of the organisation.

1. reduce the ethnicity pay gap every year
2. achieve 20% BAME representation across the company in the next five years
3. achieve 20% BAME representation across the top two pay quartiles of the organisation in the next five years

Our actions

1. **Strengthen recruitment practices:** position the Guardian as an inclusive employer and reach as many potential BAME candidates as possible. All interview shortlists for roles open to external applicants will include a BAME candidate. We will improve our careers site and continue to reach out to BAME candidates through targeted job boards and attendance at networking events. All job adverts will continue to include our diversity statement.
2. **Accelerate progression:** support talented BAME employees to progress to the next level in their career, with a particular focus on those moving into leadership and management roles.
3. **Ensure representation:** consider the impact of pay related decisions on the ethnicity pay gap. Review our leader and manager population to ensure they are representative of the workforce.
4. **Monitor pay and progression:** ensure all pay and promotion processes make a positive contribution to reducing the ethnicity pay gap and the progression of BAME employees.
5. **Comprehensive learning and development:** provide a curriculum that supports our values and an inclusive culture, introducing mandatory Building and Leading inclusive teams training. We will review mandatory unconscious bias training to ensure it remains fit for purpose.
6. **Set objectives:** every member of the GNM executive committee will continue to have a personal objective relating to diversity and inclusion.
7. **Implementing Race at Work charter:** committing to and implementing the five calls to action to improve diversity and promote inclusion across the organisation.
8. **Widen access:** offering young people from BAME or lower socio-economic backgrounds work experience and internships, as well as supporting the Guardian Foundation outreach and Scott Trust bursary scheme.

As with gender pay we will engage with employee forums and stakeholders to help close GNM's ethnicity pay gap. These include the NUJ and Unite unions, the Diversity and Inclusion forum, the Remuneration Committee Information and Consultation Forum (RCICF). Progress will be monitored by RCICF, GNM's pay consultation body made up of a representative group of staff and chaired by a non-executive board member.

Diversity and inclusion



Suzy Black
HR director
 Guardian Media Group

Alongside the drive to become a more diverse organisation it is also important to us that our people feel included, accepted and a sense of belonging. We have signed up to the Business in the Community Race at Work Charter and I have been appointed the executive sponsor to provide clear leadership across all areas of diversity.

In 2017, we established an employee Diversity and Inclusion forum to secure a consistent and strategic approach to drive real change across the business. Through the forum employees can suggest policy, process, systems, development, activity and engagement to support and bring to life diversity and inclusion at the Guardian across all areas of the business.

The group runs a varied program of events - from taking part in Pride events to a series of talks to mark Mental Health awareness week - all aimed at cultivating a working environment that celebrates and supports difference in all its forms.

We believe there should be a better representation of our diverse society in the media and recognise that certain groups are under-represented within journalism. We know from studies by the Sutton Trust and others that socio-economic diversity in the media industry is an issue that needs addressing. We have long offered a positive action scheme giving aspiring young journalists from BAME backgrounds work experience at The Guardian and run a similar scheme open to young journalists with

disabilities. In 2019 we ran our first summer internship program offering young people from BAME or lower socio-economic backgrounds work experience across our commercial departments, in partnership with Creative Access.

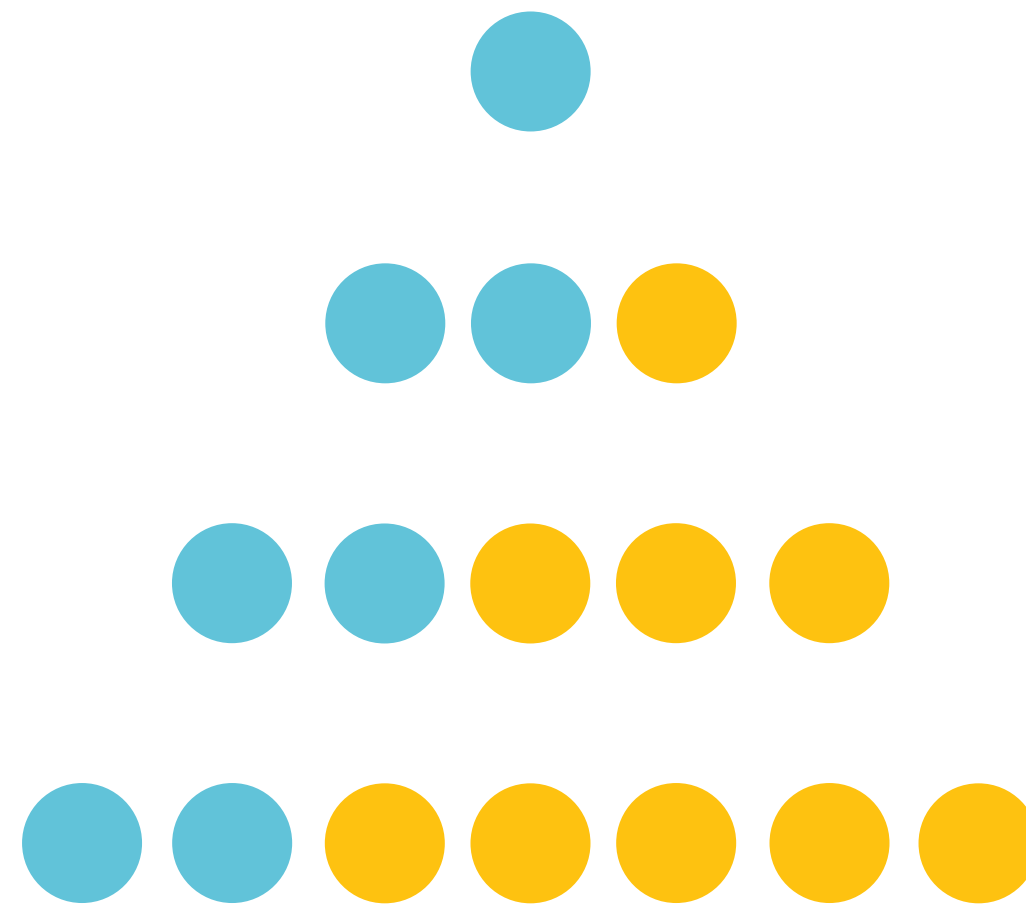
The Guardian Foundation hosts a number of events throughout the year introducing young people to a broad range of media careers and offers a number of Scott Trust bursaries to assist journalism students who face financial difficulty in attaining the qualifications needed to pursue a career in media.

We are committed to the actions we set out in our plan and will do everything possible to close GNM's ethnicity pay gap.

Appendix: Methodology

Ethnicity pay and equal pay

The ethnicity pay gap is the difference between the average hourly earnings of all BAME and non-BAME staff in an organisation irrespective of role.



It is not to be confused with equal pay - paying individuals performing the same or a similar role differently because of their gender has been illegal since 1970.



Appendix: Methodology

(continued)

GNM's ethnicity pay gap has been calculated using the same methodology as required by the UK government's gender pay reporting regulations. The key difference is that the comparison is between BAME and white employees rather than female and male employees.

We asked our 1,405 UK employees to add diversity details to their confidential HR record. We achieved a 79% completion rate. Employees who preferred not to disclose their ethnic group have been excluded from the analysis.

The pay data of 1,080 UK employees was analysed as of 5 October 2019, including all UK permanent and fixed term contract employees. The data does not include freelancers and casual workers. Anyone not receiving full pay on 5 October 2019 (for example those on maternity leave or other extended leave) has been excluded from the hourly pay calculations.

The following ethnicity groups have been included in the BAME and white populations.

How median and mean gaps are calculated

Black, Asian and Minority Ethnic (BAME)

Arab

Asian or Asian British: Bangladeshi

Asian or Asian British: Chinese

Asian or Asian British: Indian

Asian or Asian British: Pakistani

Asian or Asian British: Other

Black or Black British: African

Black or Black British: Caribbean

Black or Black British: Other

Mixed: White and Asian

Mixed: White and Black African

Mixed: White and Black Caribbean

Mixed: Other/multiple ethnic background

Other ethnic group

White

White: English/Welsh/Scottish/Northern Irish/British

White: Gypsy or Irish Traveller

White: Irish

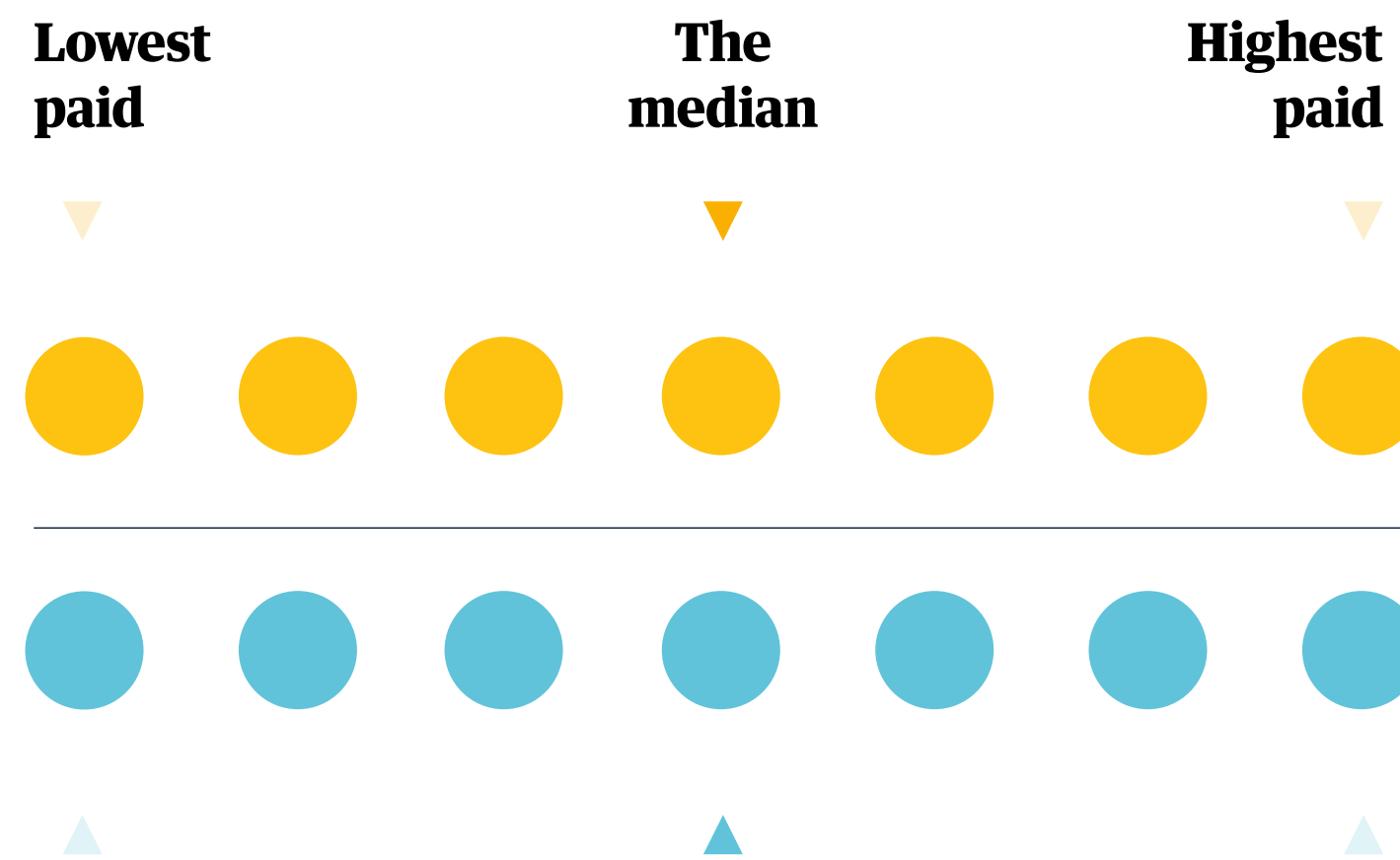
White: Other

Appendix: Methodology

(continued)

How median and mean gaps are calculated

The median is the figure that falls in the middle of a range when everyone's wages are lined up from smallest to largest. The median gap is the difference between the employee in the middle of the range of BAME employee's wages and the middle employee in the range of white employee's wages.



The mean commonly known as the average, is calculated when you add up the wages of all employees and divide the figure by the number of employees. The mean pay gap is the difference between mean BAME employee's pay and mean white employee's pay.

