



Publishing the *Ethnicity Pay Gap* report at Hachette UK – 2019

Hachette UK voluntarily published its first *Ethnicity Pay Gap* report in April 2019. This article puts the pay gap into the context of Hachette UK's wider diversity and inclusion agenda and is a key action towards its stated aim to be the publisher of choice for all people regardless of background. It examines the ethnicity pay gap data, the response to the disclosure by Hachette UK employees and the formation of an action plan to address the low representation of black, Asian, and minority ethnic (BAME) employees at Hachette UK. It then addresses the challenges of approaching topics of race and ethnicity in the workplace and imperatives for doing so, as well noting the successes. Finally, the article, looks to the future and how such reporting will inform meaningful diversity and inclusion interventions and cultural change across the business.

Keywords

Diversity; inclusion; ethnicity; publishing; Hachette

Introduction

Following the gender pay gap reporting legislation in the UK,¹ an increase in reporting regulations has been expected by employers, with future reporting anticipated in relation to ethnic diversity following publication of The McGregor-Smith review into race in the workplace² in February 2017. This independent review conducted by Baroness McGregor-Smith considered issues affecting black and minority ethnic (BME) groups in the workplace. The report estimated that the potential benefit to the UK economy from full representation of BME individuals across the labour market, through improved participation and progression, to be £24 billion a year. One of the top recommendations made in the report was that listed companies and all businesses and public bodies with more than 50 employees should publish a breakdown of employees by race and pay band. A UK government consultation³ ran from 11 October 2018 to 11 January 2019 to seek views on ethnicity pay reporting by employers.

On 16 April 2019, ahead of a legal mandate, Hachette UK published its first *Ethnicity Pay Gap* report. This article is a case study examining the processes, successes and challenges involved in publishing this data, within the context of one of the UK's leading publishing groups,⁴ and its wider diversity and inclusion work.

Changing the Story at Hachette UK

'Changing the Story' is Hachette UK's approach to diversity and inclusion, and it encompasses the programme of policies and initiatives through which we aim to achieve our goal of being the publisher and employer of choice for all people.⁵

Changing the Story was conceived in 2016 by now CEO David Shelley, and in three years it has seen incredible engagement and organic growth, particularly at a grassroots organizational level. The very first Changing the Story diversity and inclusion meeting was attended by 13 employees, and in 2019 we have over 170 core colleagues involved and a combined membership of over 800 colleagues across eight Employee Networks – our voluntary employee-led, company-sponsored groups focused around common interests, issues, background or characteristics.



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- 2 The three-strand Changing the Story approach looks at colleagues, content and community, with diversity and inclusion factoring as fundamental to the ways in which we attract, develop and retain talented employees, and in our relationships with authors, content, readers and the wider community.

This Changing the Story work has included, for example, our 'Diverse Future Leaders Scheme' which matches mentees from under-represented backgrounds with Board members as mentors. 'The Future Bookshelf'⁶ is our open-submissions platform and resource hub for unpublished writers from such under-represented backgrounds, and we have also developed several key partnerships with charitable organizations bolstered by the company benefit of two paid volunteer days per year to facilitate ongoing schools and community outreach.

'The three-strand Changing the Story approach looks at colleagues, content and community'

Diversity and inclusion work is central to our business strategy.

As our work matures to become more embedded in all our people and publishing processes, we have taken the decision to be more data driven and evidence based in our interventions, as well as increasingly open and transparent in acknowledging where we are today as a business in order to monitor our progress and make meaningful change.

The call to publish our *Ethnicity Pay Gap* report came from our THRIVE employee network which is open to everyone but focused around ethnicity in the workplace and the issues affecting black, Asian and minority ethnic (BAME) colleagues. From the onset and throughout, the *Ethnicity Pay Gap* as a piece of work had full support from the very top of the organization and was pursued in consultation with our THRIVE Network.

The CEO and the Board agreed its publication as an aim that firmly aligns with our ambitions to be the employer and publisher of choice for all people, and representative of the base of readers we want to reach.

The ethnicity pay gap data at Hachette UK

Our *Ethnicity Pay Gap* report sits on our public-facing Hachette UK website, alongside our *Gender Pay Gap* reports.⁷ It shows the difference between the average hourly earnings of all BAME employees and the average earning of all white employees, expressed as a percentage of white employees' earnings.

It is to be published every year and, for ease of understanding, is calculated in line with the same rules that applied to the *Gender Pay Gap* report. As with our *Gender Pay Gap*, we have reported two sets of figures, one set for Hachette UK, which employs over 250 people and is the legal entity for which we report our gender pay gap, largely consisting of publishing employees based in London, and another set of figures for the Hachette Group, which is the whole company including Hachette UK Distribution. As with our gender pay gap, we have published our mean and median figures.

'Diversity and inclusion work is central to our business strategy'

Data for our first report was collected in April 2018 at the time the gender pay gap snapshot was taken, and it revealed what initially looked to many of us to be surprising and counter-intuitive results. The median ethnicity pay gap for Hachette Group was -6.9% and the median ethnicity pay gap for Hachette UK was -2.0%. The negatives denote pay gaps in favour of our BAME employees, as this is expressed as a percentage of white employees' earnings.

The figures are based on small numbers, with 7.7% of a total 1,650 Hachette Group employees from BAME backgrounds, and 10.4% of a total 831 Hachette UK employees from BAME backgrounds. In these small sample sizes, a few roles can influence the figures disproportionately. The key takeaway from the pay gap data was therefore the very low representation of BAME employees across the company, with further analysis revealing particularly low representation in our publishing and editorial roles.

3 In consideration of this information, we also included in our 2019 *Ethnicity Pay Gap* report our target for BAME representation to be 15% of the total group workforce within five years. This was chosen as it is in line with The Publishers Association 10-point inclusivity action plan industry-wide target, published in 2017.⁸ We will review and adjust our target as appropriate following the results of the next census in 2021.

The ethnicity pay gap workshops at Hachette UK

When Hachette UK first shared its *Ethnicity Pay Gap* report with all employees across the company, the announcement came directly from our CEO via an all-staff e-mail. It contained a call to action that employees could sign up to attend an ethnicity pay gap workshop which the CEO would be chairing and which would be additionally attended by our HR Director, representatives from the Changing the Story Diversity and Inclusion leadership and representatives from the THRIVE Network, including the Network's Executive Sponsor.

'our target for BAME representation to be 15% of the total group workforce within five years'

Approximately 150 colleagues attended these series of workshops across April and May 2019 to share their feedback on the report and to discuss actions that could address the low BAME representation across the company. These forums were open and collaborative, and people shared honestly and candidly about what the ethnicity pay gap meant to them.

There were many productive and insightful conversations on questions of heritage and identity, as well as around the culture of the business more broadly and the ways in which we recruit, develop and retain our talent. The workshops were also invaluable in surfacing feedback around how we can improve the communication of our pay gap, as well as address it, and provide better support to our colleagues.

We received consistent feedback that, in the initial weeks leading up to the first workshop, the response to the pay gap was largely muted, with many employees unsure of how to respond. Colleagues found that the data itself was not immediately accessible, and the difficulty of reconciling the significance of a positive pay gap with the highly visible reality of the lack of BAME representation across the business was a further barrier to engagement.

Unlike the *Gender Pay Gap*, the publication of our 2019 *Ethnicity Pay Gap* report did not benefit from being part of a national conversation and was not carried by any media clamour or expectation. This lack of anticipation contributed to a sense of decontextualization from its wider cultural significance. The workshops therefore became important spaces for providing background and meaning to the data.

We also heard from many of our BAME employees in the workshops, who talked about the ways in which the report was directly and personally impactful. These discussions were powerful and poignant and made clear the importance of collective responsibility in addressing issues and disparities, that the burden might not always fall to those from a BAME background. For some, the publication of the report had contributed to an uncomfortable sense of hyper-visibility among colleagues.

'workshops ... became important spaces for providing background and meaning to the data'

In dealing with such emotive topics as race, ethnicity and pay, we must be increasingly in tune with, considerate of, and equipped to support our colleagues through the personal and collective implications of approaching these issues in the workplace. We must also ensure that all our people, not just those from a BAME background, feel able and willing to participate in these conversations.

The publication of the data also brought into focus the question of how intersectionality applies in practice to the work of diversity and inclusion. Employee feedback revealed an appetite for seeing further breakdown of the data, for example by ethnicity and cross-referenced with gender. In respect of such a small sample size, we were unable to provide this data in our first report without compromising the anonymity of our colleagues. In the future, as our numbers change, we will be mindful to review how our data can be cut to provide more meaningful insights and intersectional analytics.

- 4 In the immediate term, via our workshop discussions and in our approach to our action plan, we can account for more individualized stories and experiences, and we hope this depth of understanding contributes to more nuanced and impactful actions. The drilling down into the BAME acronym, and across multiple lenses such as gender and race, will be supported by qualitative data collection in the eventuality that it is unfeasible to go into greater granularity in the pay data.

The ethnicity pay gap action plan

Following the workshops, we analysed the key themes and recommendations that came from the discussions. This data was then used to build upon the drafted actions listed on our *Ethnicity Pay Gap* report, to inform a more robust plan.

Our 2019 action plan focuses on four key areas: recruitment, progression, retention and representation across our publishing, and is focused on high-priority, high-impact actions across an initial six-month period. It is a living document intended for ongoing review and evaluation as we assess the impact of our interventions, track our year-on-year progress and continue to listen and learn from our people.

As examples of such interventions in the area of recruitment this includes an action to review and build upon the success of our one-year publishing traineeship, which offers individuals from a BAME background the opportunity to gain a year's worth of publishing training. This positive action scheme is split into two six-month placements, one in an editorial department and one in marketing and publicity.

In the area of progression, we are establishing a 'Mirror Board' career development programme for high potential BAME colleagues to work alongside the main Hachette UK Board on key business challenges.

Another key action is a commitment to undertake an audit of our publishing in order to ensure that it is representative of the requirements of our readers. We are aware that two of the greatest tools of attraction for us as a company are the authors we work with and the books we publish. The opportunity to work with authors of all identities and backgrounds, across a diverse range of stories and narratives, as well as being core diversity and inclusion aims independent of the ethnicity pay gap, are items that we hope will additionally contribute to broadening our talent pool in an organic and sustainable way for the long term.

'confront the hard reality of where we are today, so that we may begin to change the story moving forward'

Conclusion

The publication of our *Ethnicity Pay Gap* report has been a positive step forward in terms of openness, transparency and accountability to our diversity and inclusion aims. It has brought the difficult and sensitive topic of race and ethnicity to the forefront of people's minds and made it a company-wide point of conversation. This has not been without discomfort, but it has meant that issues or voices that may not have surfaced in the day-to-day have been platformed. We have forced ourselves to confront the hard reality of where we are today, so that we may begin to change the story moving forward.

In many senses, our ethnicity pay gap data, in its provision of such counter-intuitive results, brought us face to face with the limitations of the pay gap as a metric for addressing representation, particularly when comparing a minority group with a majority group. However, the further interrogation of the data, the publishing and communication of this data, the subsequent response and discussion it provoked, and the lens it has helped provide, have been invaluable. The process has itself been transformational.

As a result of our *Ethnicity Pay Gap* report, we have a launch pad for productive conversations around race in the workplace and a road map to support targeted intervention. We intend to hold further internal workshops, open to all, so that we can discuss our progress, continue the conversation and ensure that we always account for the individual lived experiences of our people.

- 5 We look forward to the results of the government consultation, and what this might mean for our future data disclosures. We hope to build on this body of work as we look to see how data can inform our diversity and inclusion work, and we hope to drive forward meaningful cultural change as part of Changing the Story at Hachette UK.

Abbreviations and Acronyms

A list of the abbreviations and acronyms used in this and other *Insights* articles can be accessed here – click on the URL below and then select the 'full list of industry A&As' link: <http://www.uksg.org/publications#aa>

Competing interests

Saskia Bewley works for Hachette UK, and this case study focuses on work undertaken at Hachette UK.

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