

OFFICIAL

Pay Gap 2023

Gender and Ethnicity



GCHQ

Introduction

I'm pleased to present our first joint gender and ethnicity pay gap report, and our first publication of ethnicity pay gap figures outside our organisation.

There has been a slight increase in both our gender and ethnicity pay gaps this year, which isn't a surprise to us. Our drive to recruit from the widest mix of minds means that we expected to see a widening of this gap in the short term. This has been caused by an increased representation of women and people from ethnic minorities in our entry level roles - those that we recruit into in the largest numbers - compared to last year. Longer term this should make us a more diverse department as we see those individuals progress.

Increases in our pay gaps reinforce the case to make further changes to address barriers, and we continue to see change being brought about through our Gender and Ethnicity Action Plans. The breadth of activity to address the imbalance in our organisation is inspiring, with our primary focus being progression for women and ethnic minority staff, through and up the organisation.

Our pay gap data is not the only indicator of how we're doing as an inclusive employer. Whilst there is still lots to do, we are increasing the diversity of our intake of staff; supporting them to flourish in their roles; and working to bring the entire workforce on this inclusion journey with us. We need everyone to be able to give their best to continue to deliver our mission to keep the UK and its people safe.

As GCHQ's Director I remain absolutely committed to transparency as we continue to work on reducing and ultimately eradicating our pay gaps.

Anne Keast-Butler, Director GCHQ

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Background

In 2017 the Government announced legislation making it a statutory requirement for most organisations with 250 or more employees to report annually on their gender pay gap, and in April 2023 shared guidance on voluntary [Ethnicity Pay Reporting](#).

While GCHQ is not compelled to publish our data, we do so because it is important to be open about our progress and to demonstrate the importance of equality to us as an organisation.

Pay gap versus equal pay

The **Gender Pay Gap** (GPG) shows the difference in the average pay between all men and women in a workforce. The **Ethnicity Pay Gap** (EPG) shows the difference in the average pay between all staff who have declared their ethnicity as white and all staff who have declared their ethnicity as any other ethnic group combined.

If a workforce has a high pay gap, this can indicate there may be issues to deal with, and the individual calculations may help to identify what those issues are.

Equal pay deals with the pay differences between people who carry out the same jobs, similar jobs, or work of equal value. It is unlawful to pay people differently because of their gender, ethnicity, or other protected characteristic.

GCHQ promotes the fair treatment of all employees in its pay and reward.

Data

Pay data is based on a snapshot of all GCHQ employees on 31 March 2023. All other non-trend data covers the financial year from 1st April 2022 – 31st March 2023. Numbers have all been rounded to 1 decimal place. This may mean that cumulative figures add up to slightly more or less than 100.

For the purposes of this report, we are obliged to report on the binary categories of women and men; we know, however, that we have an increasing number of staff who identify outside of these categories, and we are working hard to ensure that all employees are, and feel, included and reflected within our organisation.

In line with UK government best practice, as part of producing this report we attempted to break down our data about ethnic minority staff into aggregated ethnicity groupings of:

- Asian (including Indian, Pakistani, Bangladeshi, Chinese, and any other Asian categories),
- Black (including Black Caribbean, Black African and any other Black background)
- Mixed (including White and Black Caribbean, White and Black African, White and Asian, any other mixed or multiple ethnic background),
- Other – (this is where staff have disclosed that their ethnicity does not fall into the above categories).

As we have small numbers of staff in several of these groupings, it has been necessary to provide fully aggregated statistics throughout this report to protect identities and provide information of higher statistical relevance. We look forward to being able to publish a more detailed breakdown as we increase representation across all ethnicities.

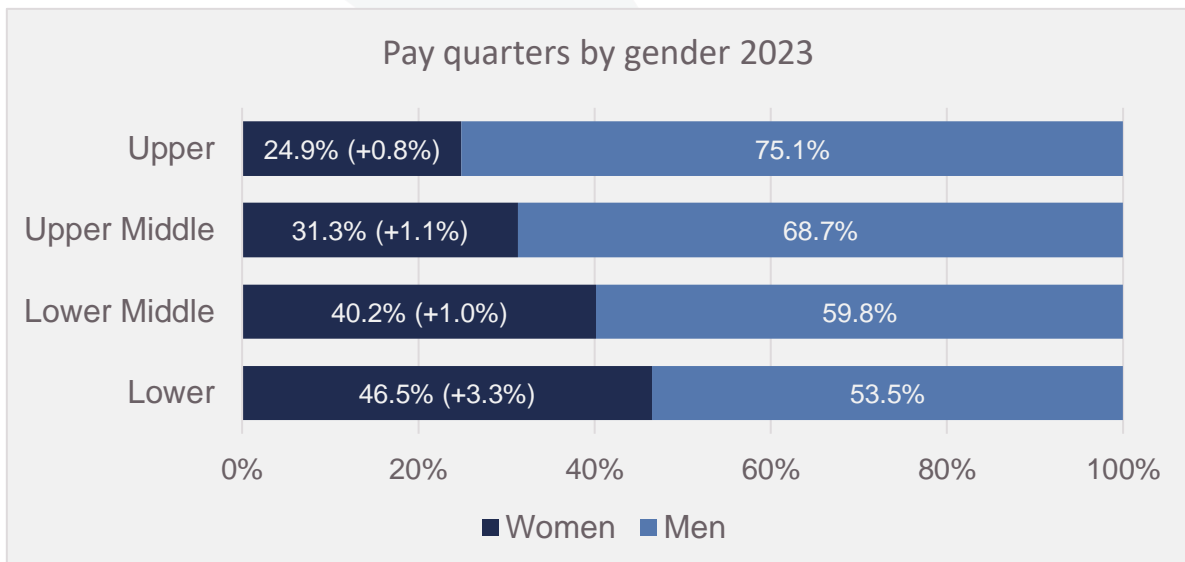
Our pay calculations: Gender

Representation of women and men in the organisation

On 31st March 2023, GCHQ’s permanent workforce was made up of **36.1%** women and **63.9%** men. The percentage of women in the department has increased by 1.5 percentage points (from 34.6%) since 2022.

Representation of men and women at different levels of pay

This calculation groups employees into quartiles depending on how much pay they receive – with the upper quartile being the ¼ of staff who are the highest paid in the organisation, followed by the upper middle, lower middle, then the lower quartile, or the ¼ of the organisation that receives the lowest pay.



As shown in the chart above, proportions of women have increased across the pay quartiles since our last report. There has been a larger rise in the lower quartile, which is due to an increase of women coming into the business at entry-level grades.

Median and mean pay gaps

Median is the middle-ranked pay when you line up all hourly payments in ascending order. Mean is the sum of all pay divided by the number of people being paid. Changes at the top and bottom of the pay scale can have bigger impacts on the mean, particularly when you have a small group of people. This is why we provide median figures first throughout this report.

The median GPG is the difference between median for men and women in the organisation.

At GCHQ, the median pay for men is **12.6% higher** than for women. The median pay gap has **increased** since last year (10.9% in 2022, 11.7% in 2021).

The mean GPG is the difference between mean pay for men and women in the organisation.

At GCHQ, the mean pay for men is **11.5% higher** than for women. The mean pay gap has **increased** since last year (11.0% in 2022, 10.4% in 2021).

Both measures of our GPG have increased slightly in 2022-23. GCHQ's efforts to support women's progression and promotion within the department are necessarily underpinned by greater recruitment at lower levels, which affects salary distribution. The slight increase in the mean and median pay gap is not therefore necessarily indicative of a lack of progress.

Median and mean bonus gaps

The median bonus gap for gender is the difference between median bonuses paid to men and women in the organisation.

In 2023, GCHQ's median gender bonus gap is **-2.8%**, which means that women are in receipt of more bonus payments than men. This is a **decrease** from last year, where there was no median bonus gap for gender (0% in 2022, -13.6% in 2021).

The mean bonus gap for gender is the difference between mean bonuses paid to men and women in the organisation.

In 2023, GCHQ's mean gender bonus gap is **-3.7%**. The mean gap has **increased** since 2022, however women continue to be in receipt of more bonus payments than men (-4.9% in 2022, -5.6% in 2021).

During 2023, GCHQ staff were paid bonuses at 2 different rates: one flat and one banded. This mid-year change reflects the slight decrease in the median bonus gap.

Proportion of employees who have not disclosed their gender

There are no staff who have not declared their gender.

Case Studies: what is working?

We have employed a number of interventions to address our GPG. The following case studies illustrate these.

Targeted interventions:

Lisa joined as a DB3 Technical Analyst in 2018, having been a conveyancer for 11 years after graduating from university. The technical aspect of the job was completely new to her and a steep learning curve. After promotion to GC10 she was accepted onto Catalyst, which is a dedicated development programme to enable women to develop the skills for being a technical leader in GCHQ. "Catalyst was an amazing opportunity, connecting me with like-minded technical women across the organization and gave me the tools and support to be an effective leader both as a technical person and a woman." Lisa was subsequently promoted into a GC09 Senior Analyst role and is currently using the toolkits from Catalyst to mentor and encourage a new generation of analysts across the extended enterprise.

Active allies:

John is Lisa's LM and is an excellent example of an ally to women in our technical community. He actively encouraged and supported Lisa's application for the Catalyst programme and is a vocal supporter of women in technology. "John's ongoing support and commitment to my development has helped me achieve so much. He understands and supports my career aspirations, whilst being a true ally, excellent line manager, and friend."

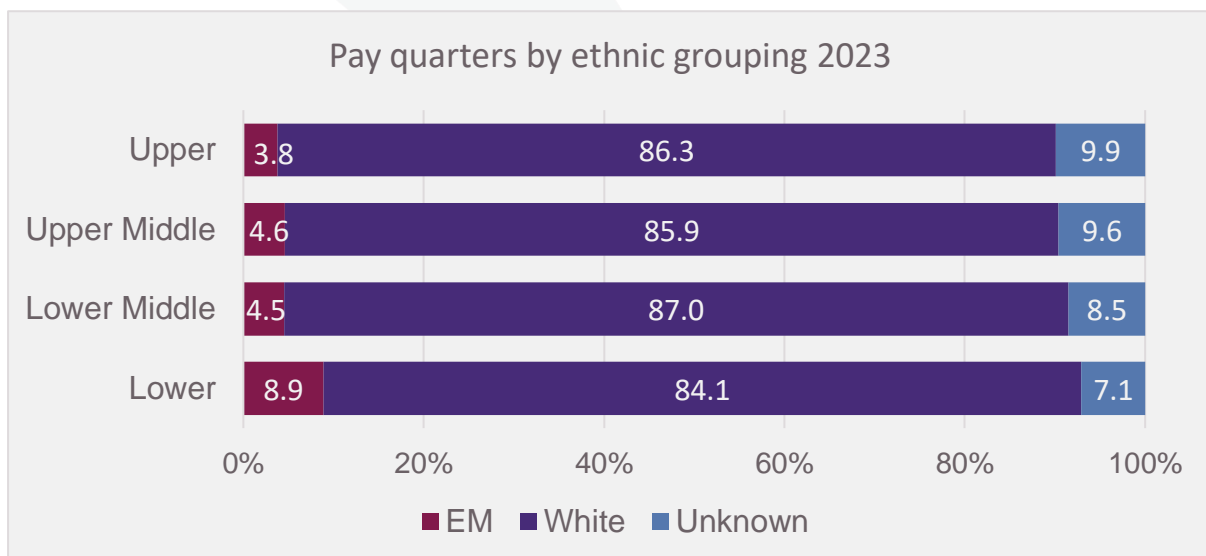
Our pay calculations: Ethnicity

Representation of ethnic groups across the organisation

As of end March 2023, 5.9% of staff who had declared their ethnicity in GCHQ were from a minority ethnic group. This is a 64% increase (from 3.6%) since end March 2020, when we started recording our Ethnicity Pay Gap.

Representation of employees in different ethnic groups at different levels of pay

This calculation groups employees into quartiles depending on how much pay they receive – with the upper quartile being the ¼ of staff who are the highest paid in the organisation, followed by the upper middle, lower middle, then the lower quartile, or the ¼ of the organisation that receives the lowest pay.



We have almost double the percentage of EM staff in the lowest-paid quartile of the organisation than we have in the lower middle and upper middle quartiles.

We have slightly increased representation in every pay quarter except for the lower middle since last year, with the greatest increase being in the lower pay quarter, which has risen by 2.2 percentage points.

This reflects increased effort to recruit from a wider pool of people, including bringing in more staff from ethnic minorities who have the attitude and aptitude to help us succeed. Our entry level roles are those that we recruit most heavily into. This means newer staff into the organisation are regularly in the lowest quartile. As staff develop their skills in the specialisms we rely on, their pay also increases – moving them through our pay quartiles.

Median and mean pay gaps

Median is the middle-ranked pay when you line up all hourly payments in ascending order. Mean is the sum of all pay divided by the number of people being paid. Changes at the top and bottom of the pay scale can have bigger impacts on the mean, particularly when you have a small group of people. This is why we provide median figures first throughout this report

The median pay gap is the difference between the middle number in the ranges of hourly earnings for ethnic minority staff and white staff.

In GCHQ, the median pay for white employees is **11.5% higher** than for ethnic minority employees. The median gap has **increased** since last year. (9.2% in 2022, 9.9% in 2021).

The mean ethnicity pay gap is the difference between average pay for ethnic minority employees and white employees.

In GCHQ, the mean pay for white employees is **10.7% higher** than for ethnic minority employees. The mean gap has **increased** since last year (9.9% in 2022, 10.3% in 2021).

Salary is the biggest contributor to our pay gap. This is largely brought about by increased recruitment into entry level roles. We support all our staff to grow their careers in a way that's meaningful to them, and have introduced a sponsorship and mentoring scheme for EM staff (as well as staff with other protected characteristics), to ensure staff are able to reach their own goals as they move through the organisation.

Median and mean bonus gaps

The median ethnicity pay gap for bonuses is the difference between median bonuses paid to ethnic minority and white employees.

In GCHQ, the median bonus pay for white employees is **the same as** for ethnic minority colleagues. This has been static since 2021 (31.5% in 2020).

The mean ethnicity pay gap for bonuses is the difference between mean bonuses paid to white staff and staff from ethnic minorities in the organisation.

In GCHQ, the mean bonus pay for white employees is **9.7% higher** than for ethnic minority colleagues. The mean gap has **decreased** since 2022 (13.4% in 2022, -2.9% in 2021, 9.3% in 2020).

During 2023, GCHQ staff were paid bonuses at 2 different rates: one flat and one banded. We would have expected therefore to see a slight increase in our bonus gap on 2022 figures and are pleased that this has not been the case.

Proportion of employees who have not disclosed their ethnicity.

As of April 2023, 8.7% of staff had not disclosed their ethnicity.

This includes 1.9% who have selected “prefer not to say” when asked about their ethnicity, and 6.8% of staff who have not engaged with the self-declaration system to declare their ethnicity. We actively encourage staff to share their characteristics.

Strategy – how are we looking to close our pay gaps?

Closing our pay gaps is an important indicator of how we're doing as an employer, but ensuring that we have a diverse, equitable and inclusive culture, with a mix of minds, backgrounds, cultures and experiences is a priority for GCHQ, as this will help us approach the hard problems we tackle on a day-to-day basis from a range of perspectives.

In 2020 we set out our [2030 Vision for Racial Equality](#), realising this through a central Ethnic Minority Action Plan, and actions supporting this across the department. We have a similar Gender Action Plan, taking directive action on areas that will make the biggest difference.

Where possible we take actions that will have the broadest benefits across inclusion. These include:

- Outreach efforts aimed at attracting staff from diverse backgrounds
- New recruitment approaches including positive action initiatives; promotion using a wider range of personas in our imagery and quotes; assessing for aptitude for the role, rather than requiring specific qualifications or experience
- Developing leadership programmes across a range of protected characteristics
- Cultural change and awareness raising across our workforce
- Role-modelling and promoting active allyship by staff at senior levels of the organisation
- Supporting internal recruitment by encouraging areas to rethink roles and advertise for the job that they need done, rather than to replace the person that was previously in post
- Launching an enhanced internal talent management programme which will equip colleagues with the tools to take their career forward, through mentoring, sponsorship, network-building, and skills sessions – this will benefit women and EM colleagues.

We also take specific actions where these are needed. This year, on gender we:

- Led the way across government by introducing additional parental leave allowances
- Provided more opportunities and a wider range of roles for those who work reduced hours and job share

- Launched a Women's Wellbeing and Health Initiative to increase workplace understanding of gender-specific issues, provide clear educational and support resources
- Continued our ongoing commitment to tackling sexism and sexual harassment in the workplace by shining a light on inappropriate behaviours towards women and minority genders, ensuring workplace inclusion
- Updated and introduced new organisation-wide policies and guidelines to ensure minority gender and non-binary inclusion.

On ethnicity we:

- Removed the requirement for staff to have at least one parent who is British or from an approved list of other countries
- Enabled staff to learn more about Colonial Legacy and consider the impact of this on their intelligence analysis
- Invited new members of staff to conversations about race, racism, and organisational expectations of inclusion
- Set up reverse mentoring partnerships with our Board.

In last year's gender pay gap report we said that we needed a sustainable plan to tackle the aspects of our career and reward system and our culture, that drive the gender pay gap. This radical redesign of our Career and Reward framework is now underway, with changes planned over the coming years. This will also have positive implications for our ethnicity pay gap through clear career pathways and a reward framework.

We continue to work closely with GCHQ's affinity networks for gender and ethnicity, to understand the impacts of our actions on the communities they most affect, to continue to adapt based on lived experiences, and to ensure that we have the right mix of minds behind our plans.

We are committed to closing our Gender and Ethnicity pay gaps and will continue to be transparent about our progress towards achieving equality in our organisation.