

# PRCA Gender Pay Gap Report 2016





## Executive summary

- The PRCA has employed 30 women and 12 men since the start of the 2013/14 financial year. At the start of the 2016/17 financial year, the PRCA employed 15 women and 8 men.
- Half of employees since the start of the 2013/14 financial year would be classified as the Office for National Statistics (ONS) Major Group 4 (Administrative and Secretarial Occupations) subcomponents 41 (Administrative Occupations). Notably, the Communications department contains employees in the same occupation group as a majority of our members: Major Group 2 (Professional Occupations) sub-group 2472 (Public Relations Professionals).
- The PRCA's median single figure gender pay gap is 9.1%. It is significantly lower than the 19.2% figure accepted by the Government Equalities Office (established by the ONS) for all employees<sup>1</sup>. It is also marginally lower than the ONS figure for solely full-time employees<sup>2</sup>.
- The PRCA's gender pay gap for junior-level staff is -8.5% (meaning it is in favour of women). The PRCA's gender pay gap for managerial-level staff is -4% (meaning it is in favour of women). The PRCA's gender pay gap for director-level staff is 38.2%.
- The PRCA's gender pay gap in quartile one (highest) is 43.7%. The PRCA's gender pay gap in quartile two (mid-high) is 1.5%. The PRCA's gender pay gap in quartile three (mid-low) is 6.3%. The PRCA's gender pay gap in quartile four (lowest) is 4.8%.
- This reports follows our joint work with PRWeek and Women in PR in the summer and our joint response to the Government's gender pay gap consultation in August and September 2015<sup>3</sup>.
- This report makes a number of commitments: we do not currently conduct an employee survey; we have not previously recorded promotion rank by gender; we have not recorded or defined flexible working across the organisation; and we have not previously recorded the difference between starting salaries. The PRCA will now ensure these needs are met. The PRCA will also track

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<sup>1</sup> Published 18<sup>th</sup> November 2015 during Nicky Morgan MP's time in the role. Accessed here: <https://www.gov.uk/government/news/nicky-morgan-urges-employers-to-tackle-the-gender-pay-gap>

<sup>2</sup> Published 12<sup>th</sup> February by ONS Digital. Accessed here: <http://visual.ons.gov.uk/what-is-the-gender-pay-gap/>

<sup>3</sup> <http://www.prweek.com/article/1359310/prca-women-pr-prweek-launch-gender-pay-gap-survey>

the percentage change in its gender pay gap over time by reproducing the required figures annually.

## Methodology

- The PRCA uses the ONS definition of the gender pay gap: the difference between the hourly earnings of men and women as a percentage of men's earnings<sup>4</sup>. Comparing hourly pay, the following ONS formula is used throughout this document:  $100 - [(median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100]$ .
- Consider the following worked example: the median hourly pay for women could be £12 and the median hourly pay for men could be £16. Applying the ONS formula to this would result in a figure of 25%. This evidently does not mean that women on £12 earning 25% more would be earning £16, but rather that women are earning only 75% of what men are earning in the job level or quartile being studied.
- Like the ONS, the PRCA has opted to use the median single figure pay gap rather than the mean single figure pay gap. The median figure tends to better capture the inequalities experienced by the majority of women within an organisation. In contrast the mean single figure pay gap is usually skewed by very high earners which obscures the reality of the inequalities experienced by women. Similarly, this report does not include mean figures for the pay gap breakdown by job level or pay quartiles. The bias of high earners is particularly evident in the mean figures when the pay gap is broken down by job level of pay quartiles therefore it does not provide a holistic picture of the pay gap within the PRCA.
- PRCA figures here take into account all of the data PRCA has on staff salaries since the beginning of the 2013/14 financial year: this ensures we are able to show differences by job-level and by quartiles that we would otherwise be unable to show. Where appropriate, we also present figures from the start of the 2016/17 financial year.
- The structure of this report is based on *Think, Act, Report* framework produced in 2016 by the Government Equalities Office, and the Prince's Responsible Business Network *Business in Community Toolkit 1*, also produced in 2016. This report also references ONS figures where appropriate and their work on the topic.

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<sup>4</sup>Published 18 November by ONS. Accessed here:  
[http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171778\\_424052.pdf](http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171778_424052.pdf)

## 1. Policy and narrative measure (useful contextual information)

### Description of overall objectives and key policies

- In disclosing the gender pay gap, members should consider why exactly they are doing it and in what framework this figure exists. Various cases (moral, business and legal) can be made in favour of closing the gender pay gap but for the activity to be successful members should identify the precise reasons they are doing it: these can range from employee attraction and retention through to ensuring senior level employees are properly remunerated and reflect the gender diversity of their organisation. In terms of the framework that exists, members should consider things as wide-ranging as their maternity leave policy through to their availability expectations of staff-out-of-hours. It is important also to consider what programmes or schemes the organisation is currently involved with.
- This research takes into account both the *Think, Act, Report* framework produced in 2016 by the Government Equalities Office, and the Prince's Responsible Business Network *Business in Community Toolkit 1*, also produced in 2016. The gender pay gap is defined as the difference between the hourly earnings of men and women as a percentage of men's earnings<sup>5</sup>. The PRCA believes that the PR and Communications industry should lead when it comes to disclosure, whether or not legislation requires them to do so.
- A majority of our industry believe that organisations far smaller than those required to disclose their gender pay gap by legislation should have been covered by this legislation. Nearly 80% of professionals surveyed believed the industry should voluntarily adopt a lower limit than that proposed by the Government last summer. More than 50% said that all consultancies should publish differences in gender pay, regardless of how many people they employ. A further 21% said that consultancies that employ more than 50 people should publish results. Asked about the expected result of this disclosure, more than 80% of those surveyed agreed or strongly agreed that publication of gender pay information will encourage organisations to take positive action on the issue. This provides a strong basis for proactive disclosure.<sup>6</sup>
- To that extent, the PRCA believes in disclosing its own gender pay gap. These figures take into account all of the data the PRCA has on staff salaries since the beginning of the 2013/14 financial year. The objective of this exercise is to establish whether the industry's professional body harbours a gender pay gap and to show how other organisations can investigate and disclose their own. This follows our joint work with PRWeek and Women in PR in the summer and our joint response to the Government's gender pay gap consultation in August and September 2015.
- Our policies include an annual appraisal, with clear bands with pay rises, and promotions based on performance. Alongside this, there are lower and upper limits for the pay junior, managerial, and director-level staff receive.

<sup>5</sup> This document makes use of the Office for National Statistics (ONS) definition. Accessed here: [http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171778\\_424052.pdf](http://webarchive.nationalarchives.gov.uk/20160105160709/http://www.ons.gov.uk/ons/dcp171778_424052.pdf)

<sup>6</sup> PRCA, PRWeek and Women in PR survey conducted in August 2015. Accessed here: <http://www.prweek.com/article/1363965/prca-pledges-action-gender-pay-gap-survey-calls-voluntary-reporting>

## *Results of employee surveys*

- Members should disclose relevant results from employee surveys here. They can be used to substantiate any claims or references made in the overall objectives and key policies. For example, an employee exit interview might have raised issues with known discrepancies in pay between genders or a supervision performance evaluation could have noted a lack of female representation post-maternity leave.
- The PRCA does not currently conduct any form of employee survey. Following this publication, however, an employee survey will be conducted.

## 2. Representative measures (composition and structure of workforce)

### *Representative at different levels by role*

- Members' jobs levels might be divided in a number of a different ways. Consultancies might consider directors or partners as their most senior level, associate directors down to senior account managers as a second level, and everyone below account manager as the junior level. For in-house professionals, the divide might be less obvious.
- The job levels at the PRCA can be defined as junior, managerial, and director.
- There are 21 employees or recent employees included at junior level: 17 women and 4 men. Examples include a Business Services Officer and a Communications Assistant.
- There are 14 employees or recent employees included at managerial level: 10 women and 4 men. Examples include an Events Manager and a Groups Manager.
- There are 7 employees or recent employees included at director level: 3 women and 4 men. Examples include a Director of Communications, Marketing and Events and a Director General.
- Since the start of the 2013/14 financial year, PRCA has employed 42 people in total: 30 women and 12 men. On 1<sup>st</sup> April 2016, the PRCA employed 23 people in total: 15 women and 8 men.

### *Measures relating to representation at different bands*

- Salary bands offer a rough indication of a member's workforce. Without taking experience, years of service or actual job role into account, they provide a limited breakdown of salaries at an organisation and will often represent a normal distribution (or "bell") curve.

- All employees since the start of the 2013/14 financial year:

Band	Men	Women
More than £75,000	1	0
Between £50,000 and £74,999	2	0
Between £25,000 and £49,999	5	21
Between £15,000 and £24,999	4	9

- Employees at the start of the 2016/17 financial year:

Band	Men	Women
More than £75,000	1	0
Between £50,000 and £74,999	2	0
Between £25,000 and £49,999	3	10
Between £15,000 and £24,999	2	5

## *Composition of workforce as a whole*

- Members' workforces will vary significantly depending on the organisation but industry research indicates that 62,000 people work in PR. 37% are men and 63% are women.
- Since the beginning of the 2013/14 financial year, the PRCA has employed 30 women and 12 men. The PRCA PR Census 2013 showed that the industry is 63% women and 37% men; women are better represented at the PRCA with the figures instead standing at 71% and 29% respectively. Looking at just employees at the start of the 2016/17 financial year, the figures are 65% and 35% respectively.

## *Promotion rank by gender*

- Members with a viable enough number of staff at each level – larger consultancies or sizable in-house organisations – should factor the promotion rank by gender into their analysis. Whilst the figures on their own can seem abstract and difficult to remedy immediately, they can be used to begin exploring how promotions are offered at the organisation and whether this inherently disadvantages one area of the workforce. These figures ought to be considered alongside a range of factors: the idea of two employees doing the “same job”, for instance, is made more complex by how many years of experience they have, special skills, circumstances in which they joined the organisation, or involvement in certain projects. Members should have a figure for each promotion rank split by gender.
- The PRCA does not currently record this information. Following this publication, however, we will ensure this is factored into our own internal system for appraisals and department management. Prima facie, the organisation is too small to provide figures which are properly reflective, and many of our smaller members will encounter this difficulty too.

## *Uptake of flexible working across the company*

- Members might have a range of flexible working options, and they often feature when hiring new employees. In practice, this might take the form of compressed hours (a set number of hours over fewer than five days), flexible working (core hours with flexible start/end or contracted number of hours per week) or reduced hours (which can be over a set period, such as the summer holidays or around personal commitments like education).
- The PRCA does not currently record this information, as there is no standard practice in place for flexible working, nor are there any employees currently working flexibly. A form of ad-hoc flexible working is offered on a case-by-case basis, such as a proportion of time off in-lieu (TOIL) from an early or late event the day before. Outside of this, the ability to work from home or work remotely is also offered on an ad hoc basis. Those who require permanent flexible arrangements are likely to be contractors or part-time staff employed at the PRCA.

## *Maternity/paternity leave returners*

- Members will offer different options for those on maternity/paternity leave. The PRCA Consultancy Benchmarking 2015 showed that 3% of career moves were down to those staff members not returning from maternity/paternity leave. Members should also be able to produce a percentage figure for A) those who went on maternity/paternity and did not return and B) this figure as part of the wider workforce. Larger members should also consider recording the average service of those who do return from maternity/paternity leave and could break the previous figures down by gender and job level.
- The PRCA has only had one employee go on maternity/paternity leave since the 2013/14 financial year began. That employee returned to work on a part-time basis after maternity leave that was longer than the statutory period.

## *Representation in different occupational groups*

- Some members will have a detailed understanding of the occupational groups in their organisations: others should consult the ONS Standard Occupational Classification (SOC) Hierarchy. Almost all organisations will contain staff from Major Group 1 (Managers, Directors and Senior Officials) and public relations professionals are by Major Group 2 (Professional Occupations) sub-group 2472 (Public Relations Professionals). By breaking down gender pay gap figures like this, members should be able to see whether one aspect of the organisation is more or less equal than the other. For example, the gender pay gap might not be as pronounced at administrative level – if they were to pursue that line of inquiry – or they might find that employees in these roles are overwhelmingly female and that employees in positions higher up the hierarchy are overwhelmingly male. Doing this will allow members to properly look at their processes and systems and address just why the gender pay gap might be expressed differently across various groups.
- Employees at the PRCA fall under a number of different groups from the SOC Hierarchy: these include Major Group 4 (Administrative and Secretarial Occupations) subcomponents 41 (Administrative Occupations) and Major Group 3 (Associate Professional and Technical Occupations) subcomponent 342 (Design Occupations) – the business services officer and graphic designer respectively.
- The Communications department at the PRCA – housing the PR, events, marketing, public affairs, policy, and research employees – contains the same type of professional that most PR and Communications professionals are, Major Group 2 (Professional Occupations) sub-group 2472 (Public Relations Professionals).
- The Talent and Professional Development Department and the Member and Business Services Department are both made up almost entirely of Major Group 4 (Administrative and Secretarial Occupations) subcomponents 41 (Administrative Occupations).
- These groups are too small at the PRCA to provide any viable pay data. To provide an example, Major Group 4 (Administrative and Secretarial Occupations) subcomponents 41 (Administrative





Occupations) is by far the largest group at PRCA. Since the start of the 2013/14 financial year, this group accounts for 16 employees: 14 women and 2 men.

#### *Representation by business region/unit*

- Members with more than one office should consider looking at their gender pay gap for each region/unit separately. There is the potential that different offices, structures, and management can lead to a difference in gender pay gap.
- The PRCA operates out of one central London office.

### 3. Past measures (directly capture pay differences between men and women, and also reflect wider pay and benefits)

#### *Difference between starting salaries*

- Whilst it is often overlooked – and has not traditionally featured prominently in the gender pay gap discussion – the starting salaries at an organisation can often negate various measures to tackle the gap. That is: all other things being equal – pay rises, bonuses, benefits offered, &c. – a lower starting salary for women can still result in a gender pay gap. Whilst the salary initially offered to all employees might be the same, research from Carnegie Mellon University and Harvard Kennedy School found that “when women do ask for higher compensation they make smaller requests than equally qualified men. Women tend to think that asking for what they perceive as a ‘realistic’ target is a good idea”<sup>7</sup>.
- The PRCA has not previously recorded this information. Following this publication, however, we will ensure this is monitored properly.

#### *Reward components at different levels*

- The term “reward” – as broadly defined by the Chartered Institute of Professional Development (CIPD) – refers to “all financial provisions made to employees, including cash pay and the wider benefits package (pensions, paid leave and so on)”.
- In terms of reward components, the PRCA does not offer employees at the three levels (junior, managerial, and director) – with one exception for the director general – bonuses. All employees are entitled to a 10% commission of the first year’s fees of a member they brought into the PRCA. All employees are entitled to a number of “lifestyle related benefits” as defined by the PRCA Consultancy Benchmarking 2016 including ride-to-work scheme for interested employees, office fruit and a contributory pension. After based (or fixed) pay, every single employee can access the same additional variable earnings (in this case, commission) and at the same rate.

#### *Full-time gender pay gap, providing a single figure median (%) and part-time gender pay gap by comparing hourly pay*

- These figures should be used in conjunction in order to provide an accurate story about the gender pay gap within an organisation. This figures should and can be calculated for full-time and part-time employees.
- This publication does not feature the part-time gender pay gap as there are too few part-time employees, in too diverse positions, to provide accurate data. All but one of our part-time or contracted employees are regional or national co-ordinators who come from a range of backgrounds and work on a day-rate (usually working four to six days a month). However, the part-time employees have been included in the full-time gender pay gap as we have taken into consideration everyone’s hourly rate. This is a helpful solution for organisations that do not

<sup>7</sup> Contti, Giuseppe. "How Women Can Demand A Higher Salary". *FT* 2016: accessed online 19<sup>th</sup> May 2016: <https://next.ft.com/content/03108ea4-eab0-11e5-bb79-2303682345c8>.

employ many part-time employees and would like to include their rates in the single pay gap figure.

- The median figure pay gap tends to give a better indication of female pay inequalities as the figure is not skewed by comparatively high earners.
- The following formula can be used to calculate the median single figure pay gap:
  - Median single figure pay gap (%):  $100 - [(Median \text{ hourly female pay} / median \text{ hourly male pay}) * 100]$ .
  - The hourly pay is calculated by dividing the yearly contracted salary by 52 to get the weekly pay, then dividing the weekly pay by the number of contracted weekly hours.
  - The median hourly pay is calculated by arranging all the hourly rates of pay in numerical order, the central number is the median.
- PRCA's median single figure pay gap:
  - Male median hourly figure: £15.87
  - Female median hourly figure: £14.42
  - Overall gender pay gap by median:  $100 - [(14.42/15.87) * 100] = 9.1\%$
  - Conclusion: The PRCA does have a gender pay gap in favour of men. It is significantly lower than the 19.2% figure accepted by the Government Equalities Office (established by the ONS) for all employees<sup>8</sup>. It is also marginally lower than the ONS figure for solely full-time employees<sup>9</sup>.

## *Pay gap breakdown by job level/grade – median hourly (%)*

- The overall gender pay gap figures by median tends to obscure the gender pay gap present at different job levels especially in the PR industry. The PR industry tends to be dominated by female employees, however they tend to be concentrated in junior and managerial positions, whereas male employees tend to occupy more senior positions. Therefore, calculating the median pay figures for different job levels gives a more accurate picture of the pay inequalities within an organisation.
- As noted, the gender pay gap is defined as the difference between the hourly earnings of men and women as a percentage of men's earnings. This figure (%) is calculated using the following formula:  $100 - [(median \text{ female hourly pay} / median \text{ male hourly pay}) * 100]$ . The gender pay gap is not simply a case of comparing the hourly earnings of men to the hourly earnings of men and expressing the difference as a percentage. By using the ONS formula quoted, the resulting figures indicate relative earning power. Consider the following worked example: the median hourly pay for women could be £12 and the median hourly pay for men could be £16. Applying the ONS formula to this would result in a figure of 25%. This evidently does not mean that women on £12

<sup>8</sup> Published 18<sup>th</sup> November 2015 during Nicky Morgan MP's time in the role. Accessed here: <https://www.gov.uk/government/news/nicky-morgan-urges-employers-to-tackle-the-gender-pay-gap>

<sup>9</sup> Published 12<sup>th</sup> February by ONS Digital. Accessed here: <http://visual.ons.gov.uk/what-is-the-gender-pay-gap/>

earning 25% more would be earning £16, but rather that women are earning only 75% of what men are earning in the job level or quartile being studied.

- For junior-level staff:
  - Median male hourly: £10.60
  - Median female hourly: £11.50
  - Median gender pay gap at junior-level:  $100 - [(Median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100] = -8.5\%$
- For managerial-level staff:
  - Median male hourly: £15
  - Median female hourly: £15.60
  - Median gender pay gap at managerial-level:  $100 - [(Median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100] = -4\%$
- For director-level staff:
  - Median male hourly: £35.01
  - Median female hourly: £21.63
  - Median gender pay gap at director-level:  $100 - [(Median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100] = 38.2\%$
- The median hourly salaries broken down by job-level give us an incredibly accurate picture of the pay disparity within the PRCA. It shows, for instance, that women earn more than men in junior and managerial positions (indicated by the negative figures produced). This is most present at junior-level where women earn 8.5% more than men. If we removed the figures for the Director General and treated that salary as incomparable to director-level salaries, we would instead have a median male hourly pay of £26.44, a sharp drop from the current figures. The median gender pay gap at director-level would instead stand at 18.2%. Effectively, the PRCA has a significant gender pay gap among its post senior employees, but figures are significantly less skewed when you removed the Director General salary from the median.

## *Representation of men and women at different salary bands or pay quartiles*

- Quartiles can be useful for smaller employers or those who “do not have official pay scales or a grading system”<sup>10</sup>. Members should place their employees’ salaries from lowest to highest and then divide into four equal groups. An organisation of 100 employees would have 25 employees in each quartile and an organisation of 60 employees would have 15 employees in each quartile, for example. It is then possible to calculate the gender pay gap for each quartile to give you a clear breakdown.
- Median hourly pay in quartile one (highest): £20.91

<sup>10</sup> The Prince’s Responsible Business Network – Business in the Community, “Toolkit 1: Measuring your gender pay gap”, February 2016. p12.

- Median male hourly pay in this quartile: £35.01
- Median female hourly pay in this quartile: £19.71
- Median gender pay gap at this quartile:  $100 - [(Median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100] = 43.7\%$
- Median hourly pay in quartile two (mid-high): £15.63
- Median male hourly pay in this quartile: £15.87
- Median female hourly pay in this quartile: £15.63
- Median gender pay gap at this quartile:  $100 - [(Median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100] = 1.5\%$
- Median hourly pay in quartile three (mid-low): £13.10
- Median male hourly pay in this quartile: £14.66
- Median female hourly pay in this quartile: £13.74
- Median gender pay gap at this quartile:  $100 - [(Median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100] = 6.3\%$
- Median hourly pay in quartile four (lowest): £9.86
- Median male hourly pay in this quartile: £10.10
- Median female hourly pay in this quartile: £9.62
- Median gender pay gap at this quartile:  $100 - [(Median\ female\ hourly\ pay / median\ male\ hourly\ pay) * 100] = 4.8\%$

## *Percentage change in gender pay gap over time*

- Members should express this figure as a percentage increase or decrease. Many organisations will be unable to provide this information as it is reliant on previous gender pay gap work. We recommend checking this information as part of an annual review going forward.
- This is the first time the PRCA has measured its gender pay gap. This was prompted by a joint consultation response on the subject with PR Week and Women in PR. In the future, the PRCA will track the figure so that comparisons can be made over time.

## *Difference between average bonus payments (median) paid to men and women and the proportion of men and women who receive a bonus*

- Whilst most discussions around gender pay gaps concerns salaries or hourly rates, members should also make efforts to consider the bonuses they pay staff. Their exclusion from any work around an organisation's gender pay gap can skew the situation significantly and mask a pay gap which may have manifested itself as equal pay but unequal bonuses. They are a justified part of the flexible labour market that exists in PR and a key part of remuneration for many senior figures.
- No one at the PRCA at junior, managerial, or director-level receives any form of bonus except for the director general. The board of management has the ability to award the director general of the organisation a bonus based on agreed targets, outcomes and end of financial year results.