

#### **Closing the Gender Pay Gap**

### Responding to this Government consultation

Before completing this form, please refer to the Government consultation on closing the gender pay gap that provides background detail to all of the questions:

https://www.gov.uk/government/consultations/closing-the-gender-pay-gap

Depending on your views and experiences, it is estimated that this survey will take approximately 10-15 minutes to complete.

The closing date for responses is **6 September 2015**. Responses received after this date will not be considered.

#### Disclosure of responses

Information provided in response to this consultation, including personal information, may be subject to publication or disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 [FOIA], the Data Protection Act 1998 [DPA] and the Environmental Information Regulations 2004.

The Government may publish responses received from organisations. If you want other information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory code of practice with which public authorities must comply and which deals, among other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the department. The Department will process your personal data in accordance with the DPA and in the majority of circumstances this will mean that your personal data will not be disclosed to third parties.

## YOUR DETAILS

# Please complete the following:

Name	Nicholas Henry Dunn-McAfee MPRCA
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City	London
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Contact number	020 3763 1990

## Are you completing this consultation as an (tick one):

Individual	
Organisation	✓

## If you are responding on behalf of an organisation, please complete the following:

Company name	Joint submission by Public Relations Consultants Association (PRCA), Women in PR and PR Week.
Company address	PRCA
Address 2	82 Great Suffolk Street
City	London
Postcode	SE1 0BE
Country	United Kingdom
Email	nicholas.dunn-mcafee@prca.org.uk
Contact number	020 3763 1990
Number of staff in company	30

### Please select what type of company it is (tick one):

Business representative organisation/ trade body	
Charity or Social Enterprise	
Business	
Legal representative	
Local Government	
Professional body	
Public Sector	
Trade Union or Staff Association	
Other, please specify	Professional body, networking organisation and trade magazine respectively.

#### YOUR RESPONSES

Q1: Publication of gender pay information will encourage employers to take actions that will help close the pay gap. Do you:

$\mathbf{O}$	Strongly agree
0	Agree
$\mathbf{O}$	Neither agree nor disagree
$\mathbf{C}$	Disagree
$\mathbf{O}$	Strongly disagree

Do you want to provide any further comment in relation to your answer above (Q1)?

From our industry survey, 34% strongly agreed and 49% agreed that the publication of gender pay information will encourage employers to take actions that will help close the pay gap.

As background, the PRCA, Women in PR and PR Week survey was conducted between Thursday 6<sup>th</sup> and Wednesday 26<sup>th</sup> August 2015 by 562 professionals. 81% of respondents were female and 19% were male. Given that men hold the majority of senior roles in the industry – and are therefore setting salaries – we recommend that engagement must be targeted towards this group which, in the presence instance, is not widely participating.

To provide the figures, the PRCA PR Census 2013 shows that 29% of men working in the industry were board directors or partners, compared to 13% of women. Account Managers – a mid-level role in agencies – were more likely to be women. Looking at in-house roles, there is a balance among press officers (12% of men and 14% of women) but communications directors are overwhelmingly likely to be male, with 12% of men holding that role compared to 5% of women.

The survey has predominantly been completed by Millennials (70%) which shows that they have a significant interest in this topic. They are the group aged 18 - 34 years old. They are the ones who will be the future leaders of our industry and have the potential to close the gender pay gap. Comparing this to our wider industry, the PRCA PR Census 2013 shows that 54% are Millennials. Only 16% of Millennials declared themselves agency owners, CEOs, MDs or board members.

In relation to this category, this joint response later makes reference to figures specifically for agency owners, CEOs, MDs and board members. 77 respondents declared themselves in this category. Whilst only 14% of the overall figure, these are the individuals who will be responsible – whether individually or as part of a leadership team – for implementing this policy or any industry-specific voluntary actions. Their views ought to be weighted accordingly.

# Q2: Transparency on gender pay will have an impact on (tick as appropriate):

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree	Don't know
Encouraging girls and women to consider working in a wider variety of occupations and sectors	•	•	0	•	•	•
Encouraging employers to develop their female talent	•	•	•	<u>O</u>	•	<b>O</b>
Encouraging employees to take up flexible working or shared parental leave	0	O	O	•	O	<b>O</b>
Encouraging employers to support flexible working or shared parental leave	0	0	0	•	0	O
Encouraging employers to adopt good practice on how to manage/support a multigenerational workforce	0	O	0	•	O	•
Helping those who have a stake in the organisation such as investors, shareholders and clients	0	O	0	•	O	•
Helping employers to address equal pay in their organisation	0	0	O	0	<b>O</b>	0

Q3: Employees or other interested parties (e.g. shareholders) may want to gauge how an employer's gender pay gap compares with similar organisations. How important do you think comparability is (tick one)?

O	Not at all important
O	Very unimportant
O	Somewhat unimportant
O	Somewhat important
O	Very important
O	Extremely important

O Don't know

Do you want to provide any further comment in relation to your answer above (Q3)?

Our industry overwhelmingly supports comparability with 44% rating it as very important and 36% rating it as somewhat important. Considering just the views of agency owners, CEOs, MDs and board members, 32% rated it as very important and 38% said that it was somewhat important.

There is a divergence of views on whether or not regulations should specify where the employer publishes their gender pay gap information. Whilst this consultation specifically sites a "prominent place" on their website, we believe that organisations should be permitted to adopt approaches which bests works for them and their industry.

Specifying the exact manner by which an organization publishes their gender pay gap information also risks blurring the distinction between those who are committed to transparency and those who are not. The introduction of statutory instructions on the matter has the potential to undermine established and successful methods which – ultimately – allow the end users to make an informed decision about the ethical standing of the organisation.

Alternatively, many organisations responding to this consultation will raise the necessity of this information being easily accessible and that such publicity could help further encourage organisations to work towards closing the gender pay gap.

Our research shows that 60% of respondents believe it should be specified in the regulations. Looking only at agency owners, CEOs, MDs and board members, 47% said that it should be specified compared to 44% who said it should not. Given this, PRCA, Women in PR and PR Week would – with the caveat that a "prominent place" on their public website be one of the options many organisations in our industry pursue – suggest that such divergence will feature in many consultation responses.

	Tick all that apply			
An overall gender pay gap figure	<b>O</b>			
Gender pay gap figures broken down by full-time and part-time employees	•			
Gender pay gap broken down by grade or job type	•			
None of the above	<b>O</b>			
nould be:	Tick one			
Voluntary and not set out within the regulations or non-statutory guidance	O			
Voluntary, not set out within the regulations, but set out in the non-statutory guidance	•			
Set out within the regulations	0			
Other, please specify	•			
7. Have aften de veu think amplevere abou	ıld report gender pay gap information?			
7: How often do you think employers shou	Tick one			
Every year	Tick one			
Every year	<b>O</b>			

Q4: Do you think the regulations should specify where the employer publishes their gender pay gap information - for example, a prominent place on their public website?

Q5: Which of the following measures showing the difference in the pay of male and

female employees are you currently able to calculate from existing data and

O Yes
O No

O Don't know

systems?

Q10: Private and voluntary sector employers in Great Britain with at least 250 employees may fall within the scope of the proposed regulations. Do you think this threshold is appropriate?

$\mathbf{O}$	Yes
<b>O</b>	No
0	Don't know

#### If you said 'no' to Q10, do you wish to provide any further comment below?

The PR industry employs 62,000 people (working in agencies, for in-house PR functions or as freelancers) and was forecast to be worth £9.62 billion according to PRCA PR Census 2013.

This same research showed that – whilst there was a marked shift towards industry domination by medium to large agencies – 90% of our industry would fall entirely outside of this 250 employees and above scope. 25%, for instance, work in an agency with 11 – 25 employees.

Only 2% of employees worked in agencies with 501+ employees and only 8% worked in agencies with 251 – 500 employees. To illustrate this point, there are as many people working in agencies of up to 5 employees.

Looking at PR Week's Top 150 2015 ranking of agencies in the UK by fee income, only six entries would fall within the scope: all London-based, Edelman had the most UK staff at 390 whereas Weber Shandwick, Hill+Knowlton Strategies, Instinctif Partners, Ogilvy PR and MSL Group were reposted as having 350, 275, 256, 250, 250 employees respectively.

Most organisations sit outside of this. The agency ranked second, for instance, employs 232 people but had an estimated UK revenue of £48 million with their London office being one of 24 globally.

Returning to the joint PRCA, Women in PR and PR Week survey conducted for this consultation response, we asked if this 250 threshold would have a beneficial effect on the gender pay gap for PR agencies: 44% of all respondents said it would not compared to 36% who believed it would. Looking only at agency owners, CEOs, MDs and board members, the figure for those who believe it will not have a beneficial effect rises to 53%.

Moving forward, we also asked whether the PR industry should voluntarily adopt a lower employee threshold than 250 when it comes to publishing differences in gender pay: 79% of all respondent said we should. Looking only at agency owners, CEOs, MDs and board members, this figure stands at 68%

To conclude, figures from the PRCA PR Census 2013, findings from PR Week's Top 150, examples that can be taken from that research and the strong support from the industry practitioners we surveyed mean that we do not support the threshold proposed.

Q11: The cut off period for a	ny calculation of the gender pay gap will need to be
specified in the regulations.	Which of the following do you consider preferable (tick
one)?	

O	1 January
$\mathbf{O}$	6 April
$\mathbf{O}$	1 October
$\mathbf{O}$	The year-end date for each organisation
0	No preference
$\mathbf{O}$	Other

Q12: The Government is considering a number of actions to help support employers implement the proposed regulations. How helpful do you think the following measures would be?

	Very unhelpful	Not very helpful	Neither helpful or unhelpful	Somewhat helpful	Very helpful	Don't know
Helping employers to understand the new regulations e.g. through workshops and seminars	•	•	•	<b>O</b>	•	O
Helping employers to calculate their organisation's gender pay gap e.g. through access to software	<b>O</b>	•	•	•	•	•
Helping employers with other types of supporting analysis e.g. analysis of representation of women at different levels within the workforce	•	•	•	<b>O</b>	•	•
Helping employers to address the issues identified by a pay gap analysis	O	O	0	0	O	0
Other, please specify	•	<b>O</b>	O	•	0	O

<ul><li>Yes</li><li>No</li><li>Don't know</li></ul>
Q15: What, if any, do you consider to be the risks or unintended consequences of implementing section 78?
Q16: Do you consider there are any risks or unintended consequences that warrant dropping or modifying the implementation of section 78?
We anticipate that there will be a divergence of views on this matter and would expect employers – particularly large employers – to provide working examples in their consultation responses. The industry has shown its support on this matter and we hope that a number of organisations involved with the PRCA, Women in PR and PR Week have shared their views. Real, working examples – especially on the areas that our joint survey and this joint response cannot cover – would contribute towards a full view of our industry.
If the agreed aim of this implementation is to help the end users – the public and employees – to make a full and informed decisions about the conduct of businesses they work for, might wish to work for, are engaged with commercially or are stakeholders of, then the real and present unintended consequence of only including organisations with over 250 employees is the exclusion of a vast number of businesses in a great many industries.
Regardless of the outcome of this consultation, the PRCA, Women in PR and PR Week have a strong grounding to pursue voluntary industry regulation.

Q14: Do you think that introducing civil enforcement procedures would help ensure

compliance with the proposed regulations?

Thank you for your time in completing this consultation.

You may email or post your completed response as follows:

By email: GenderPayGapConsultation@geo.gov.uk

By post:

Gender Pay Gap Consultation Government Equalities Office 4<sup>th</sup> Floor 100 Parliament Street London SW1A 2BQ