



# FROM WORDS TO CHANGE

Four years on: Ethnicity Pay Gap reporting in the communication sector

A dark blue silhouette of a city skyline with various skyscrapers of different heights and shapes, set against a lighter blue background.

# STARTING OUT? START HERE FIRST

This guide maps the challenges and issues faced by organisations tackling the Ethnicity Pay Gap. It also looks at what has happened since 2020 and what is coming next.

If your organisation is new to the Ethnicity Pay Gap, you should start with our first guide, [\*Closing the Ethnicity Pay Gap\*](#). It covers the foundational building blocks to meaningful Ethnicity Pay Gap reporting, including recruitment, promotion and retention policies, how to build trust, pay transparency, accountability and setting yourself up for success.

# FOREWORD

BY BARBARA PHILLIPS FPRCA

CHAIR OF THE PRCA RACE AND ETHNICITY EQUITY BOARD (REEB)  
FOUNDER AT BROWNSTONE COMMUNICATIONS



When REEB was created in 2020 one of our first actions as a newly formed board was to address the urgent issue of the Ethnicity Pay Gap.

At that time, it wasn't openly discussed by communications professionals outside of the impacted, minoritised communities. We were hopeful that once it had been brought to the attention of the broader PR and comms community, the natural and immediate response would be to bring about the end of this economic injustice through their commitment and engagement with our guide. After all, industry leaders were not denying a pay disparity existed based on one's race or ethnicity. REEB presented clear tips, guidelines and tools for a practical and even digital intervention, believing it would be full steam ahead.

I will never forget the feelings all of the REEB members expressed when we put out the call for case studies and progress reports for organisations to share their activity in this space. The deathly silence left us confused and slightly shocked that not one organisation from PRCA's extensive network came forward to disclose their activity (even anonymously). We could only conclude this was because there wasn't any!

Four years on and there are now greater opportunities for organisations both to act and share their progress around identifying and eliminating the Ethnicity Pay Gap. There is now a fully-fledged Ethnicity Pay Gap movement led by Diane Greyson. People Like Us led by Sheeraz Gulsher run an annual survey along with industry media support, and I and others from the Global Majority take every opportunity to bring attention to this ongoing injustice. This means that EPG reporting now has a fairly high profile with still relatively low engagement.

Our second guide is in perfect sync with the recent change in government and the subsequent King's Speech. The latest guide sets out a number of challenges and as before, offers practical solutions. This time we have managed to persuade a couple of organisations (anonymously) to share examples of their activity. Progress!

However, the EPG for the PR and communications industry currently stands at £8,084.5 or 16% of the average salary. 46% of White professionals earn an average salary of more than £50,000.

By contrast, only 32% of non-White professionals earn an average salary of more than £50,000.

Over a five-year period of one's career that equates to a £41,000 deficit as a minimum. In the current economic climate (and even before then this is a life altering amount).

For all the good the industry claims to do, paying communications professionals less, because they have more melanin, or a different ethnicity is still unforgivable and REEB believes it is time that this practice stops – for good. REEB is here (sometimes discreetly) to support, but the real action lies with those organisations that knowingly practice and perpetuate this awful environment within their culture while unironically claiming to be ethical and inclusive.

Finally, our advice is to get ready for mandatory reporting sooner rather than later. That is the real purpose of the new guide. Acting now means minimal operational disruption when the EPG reporting mandate finally lands.

We thank those who continue to support us with this and with REEB's wider work.

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Source data: PRCA Census 2021

# TABLE OF CONTENTS

FOREWORD	3
SECTION 1   Understanding the Ethnicity Pay Gap	5
SECTION 2   Employee and societal expectation and The King's Speech	8
SECTION 3   Financial wellbeing and mental health	11
SECTION 4   Sector challenges and opportunities	15
SUCCESS STORIES AND CASE STUDIES   Inspiring change and advocating for equity	19
Sustained and targeted efforts	20
Mitigating bias in talent moderation processes	21
Creating the right environment for equity	22

# SECTION 1

## UNDERSTANDING THE ETHNICITY PAY GAP

### WHAT IS THE ETHNICITY PAY GAP?

The Ethnicity Pay Gap refers to the difference in average earnings between individuals from various ethnic backgrounds within an organisation, sector, or geographical area. It is a key indicator that highlights the disparities in income and career progression opportunities between ethnic groups, often due to broader systemic inequalities in employment opportunities, career progression, and access to higher-paying roles.



### UNDERSTANDING THE ETHNICITY PAY GAP

#### Measurement

The Ethnicity Pay Gap is typically calculated as the difference in median or mean pay between employees of different ethnic groups.

This is usually expressed as a percentage of the earnings or sometimes as the monetary value.

E.g. The Ethnicity Pay Gap at Company X is 15% or Global Majority employees earn on average 85p for every £1 that their White counterpart colleagues earn.

#### GLOBAL MAJORITY

“The term Global Majority seeks to include a range of ethnic and cultural groups who are deemed to be minorities not only within British society but are in other ways considered subordinate to the imagined, but never defined, ‘majority.’ Continuing to use acronyms such as BAME limits the capacity to have honest authentic non-coded conversations about global issues of race and racism.

“Black and Asian professionals, some with already anglicised names, cannot even introduce themselves in culturally mixed professional company without ambivalence, hesitation and interpretation, due to the use of confusing terminology, not created by them, about them. These are more than micro-aggressions on identity and self-determination, they create a limiting mindset in those minoritised by these labels.”

Source: Global Majority: Decolonising the language and Reframing the Conversation about Race

Rosemary Campbell-Stephens MBE  
Leadership Consultant at Leeds Beckett University

## Causes

The gap can be influenced by a range of factors, including:



\* **Educational opportunities and attainment:** Differences in access to education and training can affect the types of jobs that individuals from different ethnic backgrounds can secure.



\* **Occupational Segregation:** Certain ethnic groups may be overrepresented in lower-paying jobs or underrepresented in higher-paying, leadership roles.



\* **Discrimination:** Biases and direct discrimination in hiring, promotions, and pay practices contribute to unequal pay outcomes.



\* **Cultural and Structural Barriers:** Challenges such as language barriers, cultural differences, social mobility issues and lack of access to professional networks can hinder career progression for some ethnic groups.

## Impact

The Ethnicity Pay Gap has significant and far-reaching implications for both individuals and organisations.

For organisations it often leads to low morale and disengagement among employees, who feel undervalued and discriminated against. This has the potential to decrease productivity and increase turnover rates. The Ethnicity Pay Gap also hinders organisations' ability to attract and retain diverse talent, which is critical for fostering innovation and competitive advantage. For organisations, failing to address these disparities can result in reputational damage and a loss of trust among employees, stakeholders, and the broader community.

For individuals it impacts their views and feelings of belonging within the accepted culture of the organisation. Impacted employees who find out about an Ethnicity Pay Gap may feel distrust, fear and isolation. For other employees who are aware they earn more than their Global Majority colleagues it can produce feelings of distrust, guilt and uncertainty about the organisation's ability to make fair pay and career decisions.

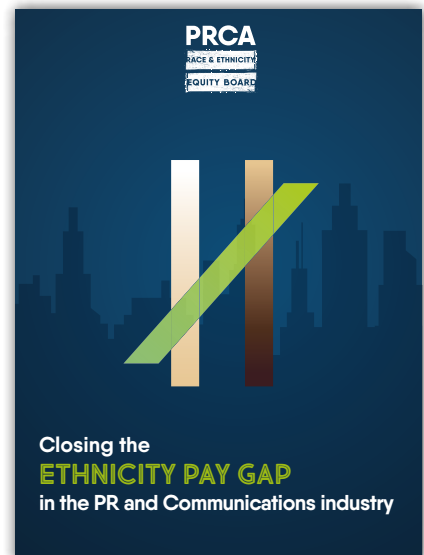
## Addressing the Gap: start where you are

Ethnicity pay gap reporting is currently voluntary but that is all set to change with the manifesto promise from the new Labour government.

The numbers of organisations that had previously reported voluntarily were low, with many organisations citing lack of data as the reason for this. Given that this is all set to change, organisations need to start preparing themselves for public Ethnicity Pay Gap reporting.

In our previous guide [Closing the Ethnicity Pay Gap in the PR and Communications industry](#) we highlighted how you can get started, no matter where you are on the Ethnicity Pay Gap journey.

In addition to this, the previous Conservative government also issued guidelines in their report [Ethnicity pay gap reporting: guidance for employers](#) which focuses on the practicalities of data collection and analysis.



# WHY THE ETHNICITY PAY GAP MATTERS

The Ethnicity Pay Gap is not just a workplace issue, but is a pervasive problem that has a much wider reach and far reaching consequences.

- \* Over the past seven years, ethnicity pay penalties have remained stubbornly high, with the COVID-19 pandemic worsening disparities for UK-born Global Majority workers.
- \* The Global Majority population has been almost three times more likely to contract COVID-19 than the White population, and five times more likely to experience severe outcomes.
- \* The Global Majority are overrepresented in the sectors most impacted by COVID-19 lockdowns, such as retail and hospitality, making them more vulnerable to job losses and weaker pay growth.
- \* Global Majority employment fell by a staggering 5.3% during 2019-2020, compared to a fall of only 0.2% in White employment<sup>1</sup>.
- \* The cost of living crisis and the Ethnicity Pay Gap: pre-existing pay disparities make Global Majority workers more vulnerable to economic shocks, and the current crisis amplifies these inequalities.

## Real time impact of the Ethnicity Pay Gap

- \* People from Global Majority communities put their chances of not being able to pay their bills over the three months from June 2020 at 27% to 34% on average, compared to 14% across the population<sup>2</sup>.
- \* Nearly one in six (15.7%) Global Majority men and 12.4% of Global Majority women are likely to be in insecure work, meaning the burden of insecurity falls disproportionately on these groups.
- \* 33% of Bangladeshi workers and 29% of Pakistani workers are earning below the real Living Wage, compared to 20% of White British workers<sup>3</sup>.
- \* 52% of workers from Global Majority backgrounds said government support would not see them through the next six months, a rate 7% higher than their White counterparts.
- \* Global Majority professionals are more likely to borrow money, move in with family members, and skip meals due to the cost of living crisis<sup>4</sup>.

## The two key lessons are:

- \* The importance of Intersectionality: research shows that the gender pay gap is significantly wider for Global Majority women compared to White women<sup>5,6</sup>.
- \* Taking a 'compliance only' approach with no action plan is not effective and risks negative brand reputation, increased recruitment costs and low retention rates<sup>7,8</sup>.

## INTERSECTIONALITY

**noun:**

the complex, cumulative way in which the effects of multiple forms of discrimination (such as racism, sexism, and classism) combine, overlap, or intersect especially in the experiences of marginalised individuals or groups.

Source: Merriam-Webster.com



- 1 [UK: Ethnic minorities disproportionately laid off in pandemic | Inequality News | Al Jazeera](#)
- 2 [Ethnic minorities most at risk from debt as economic crisis creates Covid-19 'double whammy', finds IPPR | IPPR](#)
- 3 [Gender pay gap reporting: prepare your pay data to report](#)
- 4 [Cost of living crisis disproportionately impacting ethnic minority workers, claims new study | The Independent](#)
- 5 [Ethnicity pay gap report 2021 | Strategy&](#)
- 6 [Understanding Ethnicity Pay Gaps in the UK Public Sector](#)
- 7 [Ethnicity Pay Gap Reporting: An Investor Briefing and Toolkit | ShareAction, June 2013](#)
- 8 [Gender pay gap rises: full impact of Covid-19 yet to be seen](#)

# SECTION 2

## EMPLOYEE AND SOCIETAL EXPECTATION AND THE KING'S SPEECH



In 2019, a consultation on ethnicity pay reporting was conducted, leading to a petition with over 130,000 signatures calling for mandatory reporting<sup>9</sup>.

The Conservative government at the time decided against making this mandatory and instead focused on providing guidance in April 2023 as part of the wider progress on the Inclusive Britain strategy<sup>10</sup>.

However the political landscape has now changed. The Labour government confirmed in the 2024 King's Speech their commitment to broadening pay gap reporting to include ethnicity and disability for organisations with 250 employees or more. This initiative is part of broader efforts to enhance pay equality and address systemic biases in the workplace.

The key points from the speech relating to ethnicity legislation include:

- \* **Mandatory reporting:** Companies will be required to report on pay disparities related to ethnicity and disability, similar to existing gender pay gap reporting which has been in place since 2017.
- \* **Draft legislation:** A draft Equality (Race and Disability) Bill was announced, aiming to enshrine the right to equal pay for Global Majority and disabled individuals.

Overall, the speech indicates a significant step towards improving workplace equity, although its success will depend on the commitment of organisations to act on the data collected.

Today, stakeholders, including employees, advocacy groups, and policymakers, want detailed data on ethnic pay disparities so as to address systemic inequalities within the workforce. This demand is driven by a recognition that existing disparities contribute to broader social and economic disadvantages for Global Majority groups, as well as impacting the GDP of the nation.

9 [Ethnicity Pay Reporting: government response to consultation \(publishing.service.gov.uk\)](#)

10 [Ethnicity pay reporting: guidance for employers – GOV.UK \(www.gov.uk\)](#)



Enhanced reporting is seen as a critical tool to identify and rectify discriminatory practices, promote fairness, and ensure that all employees receive equitable compensation for their contributions.

Heightened awareness of social justice issues and the economic impacts of inequality, the call for comprehensive Ethnicity Pay Gap reporting is more pressing than ever, underscoring the necessity for proactive measures to foster an inclusive and equitable work environment. This is irrespective of the size of organisations.

Currently only organisations with more than 250 employees have to publicly report their gender pay gap and this will be the same for Ethnicity Pay Gap reporting. However it is important to stress that this doesn't mean that if your organisation is smaller that you should see this as an opportunity not to report or address your pay gap issues. The fact remains, that smaller organisations are likely to have the same pay gap issues as bigger organisations, so it still makes sense that these should be addressed. Smaller organisations can utilise this as a way to gain a competitive advantage over organisations that choose not to prioritise this – providing they remain committed to taking the action required within their organisations.

As organisations start to prepare for incoming Ethnicity Pay Gap reporting, it's important to see what lessons we can learn from the experience of gender pay gap reporting.

## Positive lessons learned

- \* **Transparency and accountability:** Transparency in pay practices builds trust among employees and stakeholders. Public reporting has increased the expectation of accountability, prompting organisations to communicate better, take concrete actions and set measurable goals to close gender pay gaps.
- \* **Data-driven decision making:** Comprehensive data collection and analysis have become essential. Organisations have learned the importance of leveraging data to identify pay gaps, understand their root causes, and implement targeted actions.
- \* **Cultural and leadership commitment:** Gender pay gap reporting has underscored the need for broader cultural, systemic and policy changes. Leadership commitment is critical to ensuring that gender equality is a strategic priority. Inclusive policies, such as equitable flexible working arrangements and parental leave, have been introduced much more to support gender diversity and equity.

Gender pay gap reporting hasn't been easy for many organisations.

## Difficult lessons learned

- \* **Superficial compliance and limited impact:** Some organisations initially approached reporting as a box-ticking exercise, leading to superficial compliance rather than genuine efforts to address underlying issues. Data disclosure without accompanying action plans or follow-through has resulted in little actual progress and visible frustration from employees.
- \* **Resistance and misinterpretation:** Reporting has faced resistance from stakeholders, perceived as a threat to meritocracy. Accurate reporting requires significant resources. Without proper contextual analysis, pay gap data can be misinterpreted, leading to incorrect conclusions about an organisation's commitment to equality.
- \* **Impact on employee morale:** The publication of pay gaps has sometimes negatively impacted employee morale and trust, particularly if employees felt the organisation was not taking adequate steps to address the pay gap. This can have an impact on productivity and even retention rates.

These lessons, both positive and negative, have given UK organisations lots to consider in relation to how they ensure that they are equipped to manage the ever changing workforce. Ethnicity pay gap reporting is no different. It presents organisations with challenges, but also lots of opportunities to create an impact that many employees want to see.

Given the growing desire from organisations and individuals to have more accountability around pay gaps, this will be seen as a strategic approach for organisations to future-proof themselves and build a lasting legacy of equity and inclusion. By implementing robust reporting practices, businesses will be able to demonstrate that they understand and acknowledge evolving societal expectations and regulatory trends. Taking action to close pay gaps fosters a more inclusive workplace, enhancing employee engagement, retention, and talent acquisition as well as strengthening reputational resilience in a competitive market. This forward-thinking approach not only mitigates risks associated with inequality but also contributes to a more equitable society, ensuring that the organisation's legacy is one of progressive leadership and lasting positive impact.

## **LEGACY BUILDING AND FUTURE PROOFING**

Legacy building and future-proofing are critical reasons for organisations to prepare for Ethnicity Pay Gap reporting and embrace the necessary work to create a more equitable workplace. As HR directors know, the actions taken today set the foundation for their longevity and relevance. By proactively addressing the Ethnicity Pay Gap now, organisations are not just complying with impending regulations but also establishing a culture of fairness and inclusion that will attract and retain top talent.

Early preparation allows companies to identify and rectify pay and career progression disparities, build robust data collection systems, and create transparent communication strategies. This foresight positions organisations as leaders in DEI, enhancing their reputation and trust with employees, stakeholders, and customers. In addition they embed these equitable practices into core operations so that organisations ensure they remain resilient and adaptable in a constantly evolving business landscape. Embracing this work now means not only meeting future requirements but also investing in a legacy of inclusivity and excellence that will drive long-term success.

# SECTION 3

## FINANCIAL WELLBEING AND MENTAL HEALTH



### THE MONEY AND WELLBEING CONNECTION

The ethnicity gap isn't just about pay – it affects every aspect of financial wellbeing and mental health. The Global Majority generally fare worse than their White peers across almost all financial measures. The racial wealth gap, as this socio-economic phenomenon is more commonly known, has become more pronounced over the last few years.

The disproportionate impact of COVID-19 on Black Britons and the global Black Lives Matter movement have both brought this issue into sharper focus. Black African and Bangladeshi households in Britain have approximately 10p in savings and assets for every £1 held by White British households<sup>11</sup>. This also has a knock on effect as Global Majority families also have less available money to invest in private pensions, savings and other investments.

Research conducted by People Like Us and Censuswide revealed that individuals from ethnic minoritised individuals earn, on average, 84% of what their White counterparts earn. This disparity in earnings can result in a loss of up to £255,000 over the course of a working lifetime due to the Ethnicity Pay Gap<sup>12</sup>.

As a result, naturally the Ethnicity Pay Gap will have a significant impact on societal choices based on income.

#### Impact on home ownership

- \* There is a large and persistent racial gap in home ownership rates between White and Global Majority households in the UK. While 63% of families across England own homes, the figure is only 20% among Black Africans<sup>13</sup>.
- \* This homeownership gap is driven by factors like lower incomes, less access to intergenerational wealth transfers, and historical discrimination in mortgage lending and housing policies.
- \* Lack of home ownership limits the ability of the Global Majority to build wealth and pass it on to future generations, perpetuating economic disparities.

#### Impact on education and financial security

- \* The Ethnicity Pay Gap can sometimes be influenced by lower educational attainment and incomes among Global Majority groups, which may contribute to a cycle of disadvantage. However, it is important to note that this link does not apply in all cases.
- \* Global Majority employees are more likely to come from lower-income backgrounds, limiting access to resources and support for educational and career advancement.
- \* Lower incomes and wealth also translate to reduced financial security, with the Global Majority more vulnerable to financial stress, debt, and poverty.

11 [Runnymede Trust: The colour of money](#)

12 [People Like Us are working campaign – People Like Us \(plu.org.uk\)](#)

13 [Financial inequality: the ethnicity gap in pay, wealth and property](#)

## Compounding impacts on life choices

- \* The combination of pay gaps, housing disparities, and financial insecurity restricts the life choices and opportunities available to Global Majority individuals and families.
- \* This can include limited access to quality neighbourhoods, healthcare, and other amenities that contribute to overall wellbeing and social mobility.
- \* Unofficially sanctioned behaviours in the workplace often result in lower pay decisions for women and the Global Majority due to inherent biases and systemic inequalities that influence pay structures and compensation practices. For example there is anecdotal evidence that NHS nurses that have overseas qualifications are placed and held on the lowest banding despite the fact that they often should be moved immediately into higher bandings<sup>14</sup>.

In summary, the Ethnicity Pay Gap appears to be a key driver of broader socioeconomic inequities, with cascading impacts on home ownership, education, financial security, and other critical determinants of individual and community well-being. Addressing these pay disparities is essential for promoting more equitable life outcomes.

## THE MENTAL HEALTH TOLL

Studies show the impact that racism has on people within their workplaces. In the health sector, these principles are particularly pertinent, but it's important to acknowledge that they resonate across all industries, including PR and communications. For instance, the [Behind the Mask](#) report by Mind highlights significant mental health challenges faced by Global Majority employees in emergency services. Their findings can inform our approach to addressing pay gaps and reiterate why this is important to do.

The “Behind the Mask” report reveals several key insights:

### Impact on Mental Health

An interview participant from the ambulance service noted,

“Even if two people are being poorly treated, and one was White and one was Black, the Black guy would have that additional pressure or feeling that it's because he's Black”.

This highlights the added burden of racial discrimination, which can influence job satisfaction, performance, and overall well being.

While not a statistic, the report notes that many participants from Global Majority backgrounds described how the fear of experiencing racism or being treated differently because of their race is something that is always at the back of their mind, especially when working in an environment dominated by White people.

“I don't go around presuming everyone is racist but it's that little, sort of, niggle in the back of my mind like, 'oh, what if they are a bit'?”  
– Interview Participant, Ambulance Service<sup>15</sup>.

Since the global pandemic, organisations have become proactive in providing various forms of mental wellbeing support to their employees. However, it is now time to recognise that addressing the Ethnicity Pay Gap would also significantly benefit the mental wellbeing of Global Majority staff and colleagues. Pay and career progression disparities contribute to stress, anxiety, and feelings of injustice among Global Majority employees, exacerbating mental health challenges. By proactively closing the Ethnicity Pay Gap, organisations can alleviate these stressors, fostering a more supportive and equitable work environment. This not only enhances the overall wellbeing of staff but also promotes a culture of inclusivity and respect, driving long-term organisational success and resilience.

<sup>14</sup> [Nursing Salary, Pay Scale and Bands 2024 - Nurses.co.uk](#)

<sup>15</sup> [Behind the Mask report by Mind](#)

<sup>16</sup> [Stress, anxiety and hopelessness over personal finances widespread across UK – new mental health survey | Mental Health Foundation](#)

By preparing for Ethnicity Pay Gap reporting now (rather than waiting for new legislation to be enacted), organisations can not only meet future regulatory requirements but also build a culture of fairness and inclusion. Early action allows for the identification and rectification of pay disparities, the establishment of robust data collection systems, and the creation of transparent communication strategies. This proactive approach positions organisations as leaders in diversity, equity, and inclusion (DEI), enhancing their reputation and trust with employees, stakeholders, and customers.

Moreover, embedding these equitable practices into core operations ensures that organisations remain resilient and adaptable in a constantly evolving business landscape. Embracing this work now means investing in a legacy of inclusivity and excellence that will drive long-term success and sustainability. Preparing early for Ethnicity Pay Gap reporting not only helps mitigate risks but also demonstrates a genuine commitment to creating a more just and equitable workplace for all employees.

Research shows that lower incomes and income inequality can also contribute to existing negative mental health and overall well-being. For many people on lower incomes, financial stress is a constant companion and those living with the Ethnicity Pay Gap are no exception. Worrying every day about whether you can pay the bills or afford basic necessities is a common reality for many. The Mental Health Foundation found that 34% of UK adults felt anxious and 29% felt stressed in the past month due to money worries<sup>16</sup>. This kind of financial stress doesn't just make life harder; it can lead to feelings of isolation, too. People often feel embarrassed about their financial struggles and hesitate to reach out for help, which only makes the problem worse and deepens their anxiety.

Lower incomes are also linked to higher rates of depression and a general decline in mental health and life satisfaction. When people are struggling with debt, they are over four times more likely to still feel depressed 18 months later compared to those who aren't in financial trouble<sup>17</sup>.

Given that the Ethnicity Pay Gap exists, this means that Global Majority staff are at an additional risk of experiencing more mental health decline that is related to experiencing the pay gap.

There is a phenomenon named "pet to threat" which refers to a dynamic where Black women, initially perceived as non-threatening and likeable, are later seen as aggressive or intimidating as they advance professionally or assert themselves. This shift often leads to negative stereotypes and discrimination, affecting their career progression and workplace experiences. The constant struggle against these obstacles can lead to heightened feelings of anxiety and depression. Global Majority might also experience a sense of marginalisation or lack of representation, which can further impact their mental health.

A recent report by the Runnymede trust highlighted the mental health toll that discriminatory treatment has on Global Majority women in particular:

"The number of women who suffer because of their mental health because of this exact issue is much higher than is known because Black women are strong. You just stay strong. You can't show weakness. We crack inside."<sup>18</sup>

The intersection of financial stress and the challenges of being Global Majority creates a complex and often overwhelming burden that can seriously undermine mental well-being. This makes it all the more crucial to address Ethnicity Pay Gaps and create a more inclusive and supportive environment for everyone.

### **"PET TO THREAT"**

The phenomenon "pet to threat" refers to a dynamic where Black women, initially perceived as non-threatening and likeable, are later seen as aggressive or intimidating as they advance professionally or assert themselves.

17 [Money and mental health facts and statistics](#)

18 [Broken Ladders – the myth of meritocracy for women of colour in the workplace](#)

For Global Majority employees, these challenges are often compounded by additional layers of stress and inequality. Many face not only financial difficulties but also the added pressure of dealing with discrimination and systemic barriers that can make it even harder to secure good jobs or fair pay for the roles they are already in.

Currently there is no direct evidence on the physical health toll of Ethnicity Pay Gaps, but there are strong connections between racism, income inequality, mental health, and physical well-being. Addressing these pay disparities could have important implications for supporting the overall health and resilience of affected individuals and communities. Research indicates that stress-related diseases disproportionately affect the Global Majority, primarily due to racism and social determinants of health. Key findings illustrate this relationship:

- \* **Mental Health and stress:** Race-related stressors significantly impact mental health, with discrimination linked to increased risks of mood, anxiety, and substance use disorders. Chronic stress from discrimination compromises the immune system, leading to conditions such as heart disease, obesity, and diabetes.
- \* **Biological impact of racism:** Exposure to racism activates stress hormones causing chronic inflammation, a precursor to various chronic diseases. Black adults show higher inflammation-related gene activity and allostatic load, correlating with premature ageing and chronic health conditions.

In summary, the interplay between stress, racism, and health outcomes reveals that people of the Global Majority are more likely to experience stress-related diseases due to psychological, biological, and socioeconomic factors. This tells us that:

“UK adults belonging to ethnic minoritised groups who perceive racial discrimination experience poorer mental and physical health than those who do not.”<sup>19</sup>

<sup>19</sup> [Racial discrimination and health: a prospective study of ethnic minorities in the United Kingdom](#)

# SECTION 4

## SECTOR CHALLENGES AND OPPORTUNITIES



There is no doubt that Ethnicity Pay Gap reporting has its challenges for organisations, but it is important to remember that difficult doesn't mean impossible. It simply means that you need to be more intentional in what you decide to do and how you decide to do it.

### THE MAIN CHALLENGES ARE:

#### Challenge 1: Data collection and accuracy

Gathering accurate and comprehensive data on employees' ethnicity can be challenging due to issues with data quality, employee reluctance to disclose personal information and inconsistencies in data reporting. Given that there are different ways to categorise ethnic groups, it can be difficult to decide how to do this on a practical level. In addition many organisations have faced challenges in their existing HR software's capability to capture and store ethnicity data. This is important as organisations need accuracy in collecting data and efficiency so that it is easy for employees to share their data.

#### Solution 1:

- \* Invest in upgrading existing systems or buying new user-friendly systems for collecting and managing ethnicity data. Ensure that data collection processes are clear and confidential to encourage accurate disclosures.
- \* Communicate the importance and benefits of accurate data collection to employees. Provide assurances of confidentiality and explain how the data will be stored and used to drive positive change. This communication should be done over a consistent period of time and not be just a one off event.

#### Challenge 2: Interpreting and analysing data

Understanding the root causes of Ethnicity Pay Gaps requires detailed analysis beyond simple reporting. Organisations must navigate complex factors such as occupational segregation, pay structures, and systemic biases as well as reviewing employee life cycle processes and the impact the outcomes are having on Global Majority career outcomes. Developing the capability to interpret this data meaningfully and identify actionable insights can be a significant hurdle when organisations don't have the resources or capabilities to do this in-house.

#### Solution 2:

- \* Engage data analysts or consultants with experience in pay gaps data analysis and strategic development to help interpret complex data and identify root causes of pay gaps.
- \* Research and utilise sophisticated analytical tools and techniques to gain deeper insights into pay disparities and develop actionable recommendations. There are solutions out there, so take advantage of them.



### **Challenge 3: Cultural and organisational resistance**

It's not uncommon to face resistance from within the organisation to addressing Ethnicity Pay Gaps, though this will be less likely once it becomes legislation. This resistance may stem from concerns about perceived fairness, fear of reputational damage, or reluctance to confront uncomfortable truths. Overcoming these cultural barriers and fostering a supportive environment for change is crucial.

#### **Solution 3**

- \* Ensure that senior leaders are visibly committed to addressing Ethnicity Pay Gaps. Their support is critical for driving organisational change and influencing behaviour change to gain better outcomes.
- \* Create forums for open discussions about the Ethnicity Pay Gap and its impact in your organisation. Address concerns and misconceptions from all employees openly, and provide training to increase understanding and buy-in from all levels of the organisation.

### **Challenge 4: Developing and implementing effective action plans**

Creating and implementing effective strategies to address identified pay gaps is complex. Organisations must design comprehensive action plans that address not only immediate disparities but also underlying systemic issues. This includes setting measurable and realistic goals, allocating the right level of resources, sharing accountability, preparing regular communication and education points and integrating any pay gap initiatives into broader organisational practices.

#### **Solution 4:**

- \* Develop specific, measurable, achievable, relevant, and time-bound (SMART) goals for addressing Ethnicity Pay Gaps. Regularly monitor progress against these goals and adjust strategies as needed. Share your learnings along this journey to engage both audiences both internally and externally.
- \* Incorporate your pay gap action plan into broader organisational strategies. This will ensure that there is more visibility and accountability related to this which will enhance the likelihood of action and success.

### **Challenge 5: Compliance and regulatory challenges**

Keeping up with evolving regulations and standards related to Ethnicity Pay Gap reporting can be difficult. Organisations need to ensure compliance with legal requirements and industry best practices while adapting to new guidelines or legislative changes. This is particularly true for organisations with global offices that have different regional legislations to take into consideration and abide by.

#### **Solution 5:**

- \* Keep up to date with current and upcoming regulations related to Ethnicity Pay Gap reporting. Regularly review and update policies to ensure compliance with legal requirements.
- \* Consult with legal and regulatory experts to ensure that your reporting practices meet all standards and to address any compliance issues effectively.

Addressing the challenges of Ethnicity Pay Gap reporting and action requires a multifaceted approach that combines robust data practices, expert analysis, and a commitment to cultural change.



By investing in effective data collection, fostering transparency, and overcoming internal resistance, organisations can develop actionable strategies to close Ethnicity Pay Gaps. Integrating your Ethnicity Pay Gap plan into your broader organisational practices is key to driving meaningful progress. Through these efforts, organisations not only address disparities but also build a more inclusive and equitable workplace, which will enable you to remain competitive and relevant in an ever changing workforce.

## ETHNICITY PAY GAP RESOURCES

Ethnicity Pay Reporting Guide: [The Chartered Institute of Personnel and Development \(CIPD\)](#) provides a comprehensive guide for employers on navigating voluntary ethnicity pay reporting. This guide emphasises the importance of aligning ethnicity pay reporting with gender pay reporting and offers practical steps for organisations to follow.

Annual Ethnicity Pay Gap Report: [CIPD publishes an annual report](#) detailing its own Ethnicity Pay Gap, which serves as a benchmark for other organisations. The report includes insights on the organisation's commitment to closing the pay gap and fostering an inclusive workplace culture

Ethnicity Pay Gap Guidance: [The Law Society](#) offers resources that explain the importance of Ethnicity Pay Gap reporting, its benefits, and how to implement it within organisations. This includes a framework for diversity and inclusion (D&I) that organisations can adopt to ensure accountability and transparency.

Best Practices for Reporting: PwC has been [voluntarily publishing its Ethnicity Pay Gap data](#) since 2016. Their insights emphasise the importance of transparency in driving accountability and suggest meaningful steps organisations can take to address inequality. They also provide guidance on the legal and GDPR implications of collecting ethnicity data.

HR Data Hub provides several resources and insights regarding the Ethnicity Pay Gap, aimed at helping organisations understand and address this issue effectively.

- \* [A data led approach to addressing the Ethnicity Pay Gap](#)
- \* [Ethnicity Pay Gap Research Report](#)
- \* [Ethnicity Pay Gap Action & Insights A survey of 300 UK companies](#)

PRCA REEB: Closing the Ethnicity Pay Gap in the PR and Communications industry

- \* [Press release](#)
- \* [Full guide](#)



A dark blue silhouette of a city skyline with various skyscrapers of different heights and shapes, set against a lighter blue background.

# SUCCESS STORIES AND CASE STUDIES INSPIRING CHANGE AND ADVOCATING FOR EQUITY

To provide practical examples of how organisations can tackle the Ethnicity Pay Gap, we've included detailed case studies that showcase successful initiatives within the communications sector.

These stories not only highlight the actions taken but also offer insights and recommendations for broader application.



# SUSTAINED AND TARGETED EFFORTS

### FINDINGS

This mid-sized agency has successfully achieved a positive ethnic pay gap at the senior level, where Global Majority employees earn more than their White counterparts.

This success is attributed to a robust DEI strategy that includes blind recruitment processes, unconscious bias training, and a clear, objective approach to promotions and pay rises.

### KEY QUOTE

“ We are proud to report that our ethnic pay gap is currently in positive territory at around -4%. However, there is still work to be done to close the pay gap for our more junior roles, and we are committed to addressing this disparity moving forward.

### ANALYSIS

While achieving a negative pay gap at the senior level may seem like progress, the PRCA maintains that any form of pay gap is problematic. Pay parity should be the ultimate goal, ensuring that all employees, regardless of ethnicity, are compensated fairly and equitably.

This case also highlights that whilst this organisation has made significant strides at the senior level, the challenges at the junior level indicate that sustained and targeted efforts are necessary across all ranks. Their approach offers a valuable lesson in the importance of continuous monitoring and tailored interventions.

### RECOMMENDATIONS



**FOCUS ON JUNIOR LEVELS BY IMPLEMENTING TARGETED DEVELOPMENT PROGRAMMES THAT ENSURE FAIR PAY AND OPPORTUNITIES FOR PROGRESSION.**



**FOCUS ON EQUITABLE CAREER AND PAY PROGRESSION: ENSURE THAT DEI EFFORTS ARE AIMED AT EMBEDDING EQUITABLE CAREER PROGRESSION, NOT JUST REDUCING THE PAY GAP FIGURE.**



**MAINTAIN REGULAR PAY GAP ANALYSIS TO IDENTIFY AND ADDRESS ANY EMERGING DISPARITIES PROMPTLY.**



# MITIGATING BIAS IN TALENT MODERATION PROCESSES

## FINDINGS

This mid-sized agency focused on reducing bias in talent identification and moderation processes by involving DEI leaders as ‘critical friends’ in talent discussions and providing bias training to HR teams. These steps were designed to create greater fairness, transparency, and accountability in decision-making.

## KEY QUOTE

“

We refreshed the talent identification and moderation process, including steps to minimise bias before, during, and after talent meetings.

## ANALYSIS

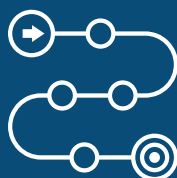
Mitigating bias in career progression is a critical step towards closing the Ethnicity Pay Gap.

This organisation’s methodical approach provides a blueprint for others looking to ensure fairness in their talent management processes

## RECOMMENDATIONS



**EMBED BIAS TRAINING AND DEI OVERSIGHT INTO ALL TALENT MANAGEMENT PROCESSES TO ENSURE FAIR AND EQUITABLE OUTCOMES.**



**MONITOR THE EFFECTIVENESS OF THESE MEASURES BY TRACKING THE PROGRESSION RATES OF MINORITY EMPLOYEES.**



# CREATING THE RIGHT ENVIRONMENT FOR EQUITY

While not directly tied to Ethnicity Pay Gap (EPG) practices, the following examples highlight the importance of creating an inclusive and supportive environment, which can be foundational to addressing broader DEI challenges, including pay disparities.

### **EXAMPLE 1: MID-SIZED AGENCY – BUILDING A GENDER-EQUITABLE WORKPLACE**

This organisation's success in eliminating the gender pay gap within their organisation illustrates the impact of comprehensive support systems and inclusive policies. Their initiatives, such as enhanced maternity leave and flexible working arrangements, create a culture that values and supports all employees.

### **EXAMPLE 2: INDUSTRY SOCIAL ENTERPRISE – ENHANCING LEADERSHIP DIVERSITY THROUGH EDUCATION**

This organisation focuses on diversifying leadership within the public relations industry through their 'Socially Mobile' programme. While not directly addressing EPG, their efforts contribute to a more inclusive industry by providing opportunities for career advancement to individuals from underserved communities.

### **CONCLUSION**

These case studies demonstrate that while progress has been made in addressing the Ethnicity Pay Gap, there is still so much work to be done. The ultimate goal is to achieve pay parity across all levels of an organisation, ensuring that no form of pay gap exists. By learning from these examples and focusing on continuous improvement, organisations can make meaningful strides towards creating a more equitable and inclusive workplace.

# ABOUT PRCA

The Public Relations and Communications Association (PRCA) is the trade association for the public relations, public affairs and communications industry. We provide the space in which our members, from all corners of the world, come together to forge a dynamic, forward-thinking, and influential community. We are committed to advancing the field of PR and championing the vital role it plays in our rapidly evolving world.

We are the heartbeat of an industry that shapes perceptions, drives narratives, and fuels communication on a global scale.

## Our commitment:

- \* **Building the industry:** we lay the foundation for a robust, innovative, and resilient PR industry through collaboration and collective wisdom.
- \* **Speaking up on issues of concern:** we provide a platform for our members to address and champion pressing issues, advocating for ethical and responsible practices.
- \* **Understanding industry trends and sharing knowledge:** PRCA offers an environment where industry leaders share knowledge, insights, and expertise to navigate the ever-evolving currents of public relations.
- \* **Training PR professionals:** we nurture talent through comprehensive training, equipping both current and future PR professionals with essential skills.
- \* **Raising standards:** through its Codes of Conduct, PRCA empowers members to uphold the highest levels of professionalism, integrity, and accountability.
- \* **Explaining the power of PR:** we shout about the industry's true potential and showcase its influence in shaping public perception and decisions.
- \* **Sharing ideas and collaborating:** in our shared space, creativity flourishes, and collective success is celebrated.
- \* **Facilitating discussions:** through discussion, we foster shared solutions to common problems, where diverse perspectives generate innovative solutions.
- \* **Providing a platform:** PRCA offers a dedicated platform for members to connect, engage, and network with peers and industry experts.
- \* **Showcasing expertise:** we shine a spotlight on outstanding work through events, publications, and thought leadership.
- \* **Challenging the industry:** PRCA challenges the industry to grow and evolve, empowering members to succeed in a dynamic PR landscape.

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## Our commitment to the PRCA Race and Ethnicity Equity Board (REEB):

- \* Meaningful, equitable PRCA board representation.
- \* PRCA D&I transformation (driven by REEB and Diversity Network).
- \* Race and ethnic equity to be included in PRCA ethics codes of practice and the communications management standard in addition to any existing diversity policies.
- \* Impose sanctions when members breach race, ethnic and equity standards.
- \* Full support for REEB as a Standing Committee.



Compiled by

**Michelle Gyimah**  
Pay Gap Strategist, Equality Pays

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