

# 2022 Gender and Ethnicity Pay Gap Report

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**Declaration**

The gender and ethnicity pay gap data contained in this report is accurate.

## Foreword

“ I am delighted to introduce our 2022 gender and ethnicity pay gap report.

Publishing our progress annually provides visibility of our activities and enshrines our genuine commitment to building an inclusive organisation, one which celebrates and embraces diversity in all its forms.

The report evidences how far we have come in our journey of change, but also how far we still need to travel. Despite the establishment of strong foundations and progress in some key areas, we know further endeavours are needed. Although be assured our commitment is unwavering. Over the next year we will continue to work closely with the UK Music Diversity Taskforce to ensure we build a music industry which embraces diversity and inclusion and treats everyone fairly and equitably. ”



A handwritten signature in blue ink, which appears to read 'A. Czpany Martin'. The signature is fluid and cursive.

**Andrea Czpany Martin**  
**Chief Executive Officer**

“ Our actions towards our gender and ethnicity pay gap reporting have been a significant piece of work within PRS for Music and we are on a continual journey to deliver better. This year’s report shows that the year-on-year comparison are complicated by the impact of the pandemic, not least because the regular company bonus scheme did not run. However, we are delighted to have increased the proportion of women in senior roles over the last year. There is also clear evidence that we are reducing the ethnic pay mean and median gap which is positive. I am also happy to report that 92% of our employees disclosed their ethnicity data, compared to 77% last year.

We know that representation remains a challenge within the music industry, with that said, PRS for Music have been working proactively to reframe what talent looks like on paper and in person. We’re removing traditional barriers to entry to ensure we have a people and skills first approach. We are committed to taking positive actions so that we can reflect diversity in all its guises from our candidate shortlists to where we publish vacancies and how we develop talent to better support progression internally. ”



**Suzanne Hughes**  
**Chief People and Transformation Officer**

“ PRS for Music is committed to instilling an inclusive mindset across the company. By building an equitable experience for the PRS Team we ensure fairness and opportunities for all are engrained in everything we do.

Improving representation of women and Ethnic communities at every level is an ongoing endeavour, and one which relies upon having the right tools and support in place. Our focus is to continually improve our processes so that we attract, hire and retain diverse talent. We aim to make meaningful change around talent attraction and internal progression as we recognise that talent is not limited to the number of years of experience or degrees, and there can be bias in selection criteria based on preference for certain schools and universities or socio-economic background.

We believe that it is time to evolve the traditional benchmarks for talent which no longer serve us in the modern world. This, partnered with training and internal development programs, will allow our employees to thrive and achieve success. ”



**Janeace Thompson,**  
**Head of Inclusion and Employee Experience**

# How to navigate this report

## Gender

When it comes to gender, this report took into consideration the gender binary - male and female. Subsequent reports will evolve to include survey results which acknowledge wider gender spectrum including non-binary, transgender and intersex identities.

## Ethnicity

Ethnic communities refers to a data set within this report that includes individuals from Black and Asian backgrounds and or anyone who does not identify as White.

## Mean vs Median

The mean of a data set is also known as the average and is found by adding all numbers in a data set and then dividing by the number of values in the set. The median is the middle value when a data set is ordered from least to greatest.

It is important to report both mean and median, as we have done in our report, not least as it allows for proper scrutiny of the data and can indicated any inconsistencies in the data. The median generally gives the most appropriate idea of the data distribution. .



## Quartiles

In statistics, a quartile is a type of measurement which divides the number of data points into four parts, or quarters, of more-or-less equal size. The data must be ordered from smallest to largest to compute quartiles; as such, quartiles are a form of order statistic.

# 2022 Gender and Ethnicity Pay Gap Report

## Pay gap – by gender

Year	Mean	Median
2022	14.5%	20.3%
2021	10.6%	25.3%

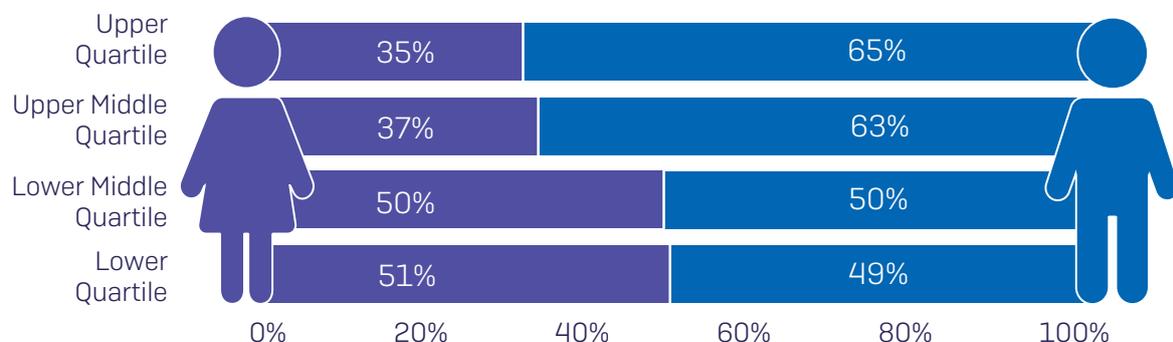
This year the mean pay gap has increased from 10.6% in 2021 to 14.5% in favour of men. The key drivers influencing this calculation are as follows:

- Although the number of women in senior roles had increased to 37%, during the reporting period, the pay gap calculation criteria mean we can only report 34%.
- The median pay gap has improved from 25.3% last year to 20.3% this year which was primarily driven by a more equal distribution of women and men in junior roles. Previously, these roles tended to have a higher female representation than male.
- The pay gap calculation contains a pro-rata element of any bonus that was paid in April 2022, however, the 2021 pay gap calculation did not include a typical bonus pay element, because the annual bonus scheme did not run. This component of the mean pay calculation has had an adverse impact on the gap because there are more men receiving a higher payment than women for a small number of long service, value recognition and contractual awards.

For the purposes of calculating the gender pay gap, any employee not receiving full pay during the relevant pay period is excluded from the calculations.

The result of this is that the impact of increased maternity leave has more than offset the improvement in overall representation of women in more senior roles.

## Pay quartiles - by gender



# 2022 Gender and Ethnicity Pay Gap Report

## Bonus gap - by gender

Year	Mean	Median
2022	70.4%	49.8%
2021	29.8%	45.8%

This is the first reporting year where the gender bonus gap was affected by Covid-19 as it covers the reporting period from 6 April 2021 to 5 April 2022. There was no company bonus scheme for 2020 and as such there was no standard bonus data included in the April 2021 pay period. Most colleagues did not receive a bonus in the period. The bonus gap calculation is therefore driven by a small number of colleagues who did receive a bonus or additional payment during the period. This included a small number of contractual bonuses, long service awards and some small recognition payments through a scheme for those who display the PRS for Music values. This atypical year has resulted in a gender bonus gap that is not a meaningful comparison with previous years and shows a movement from 29.5% to 70.4%. The median bonus gap shows a smaller increase from 45.8% to 49.8%, although similarly this is not a like-for like comparison with the previous year.

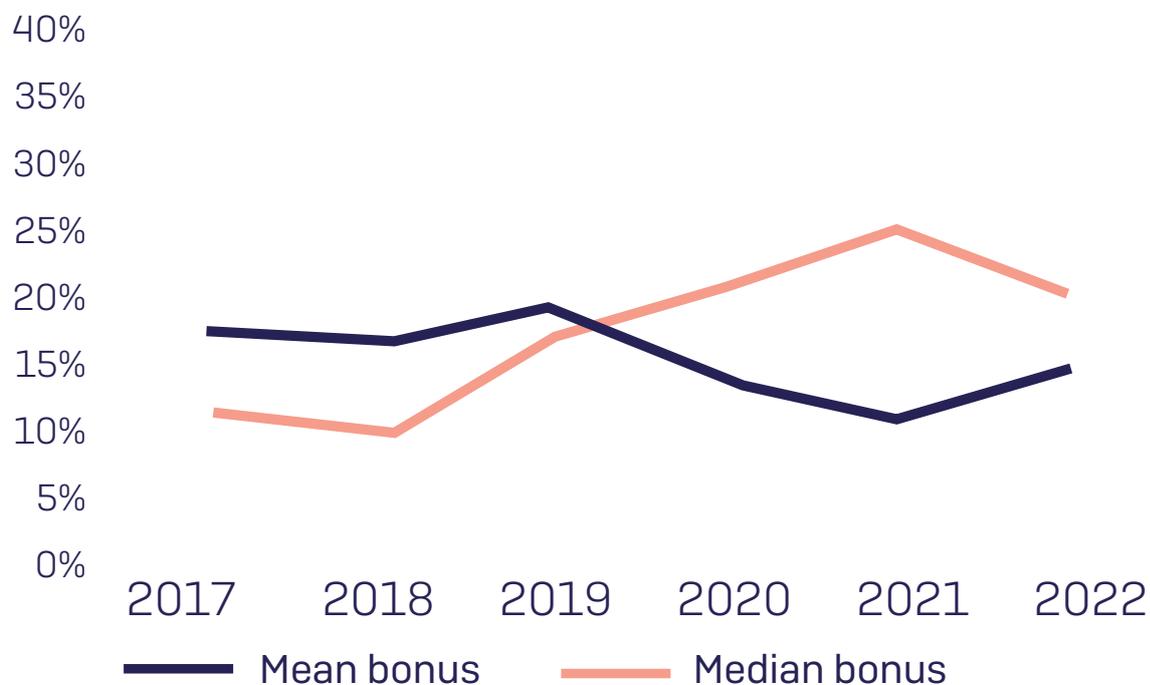
## Proportion of employees who received bonus pay



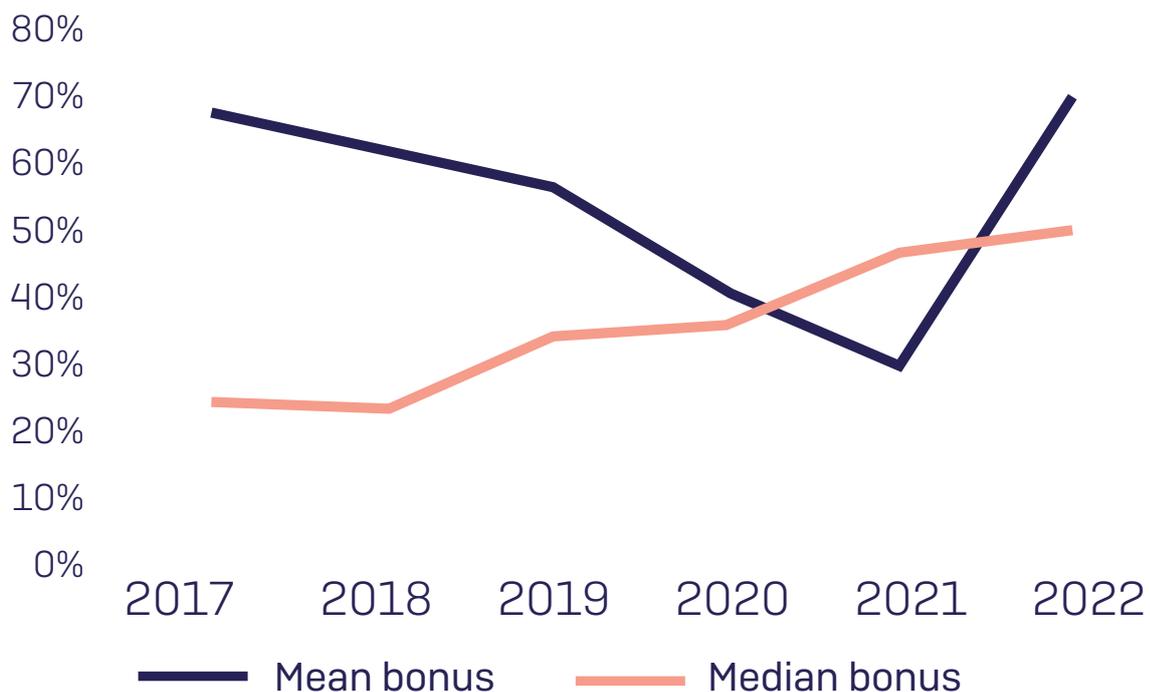
Whilst the annual bonus scheme did not run in 2021, bonus payments relating to Long Service Awards and smaller Value Awards, as mentioned above, resulted in a similar percentage of men and women receiving a bonus in the reference period.

# 2022 Gender and Ethnicity Pay Gap Report

## Pay gap evolution - by gender



## Bonus gap evolution - by gender



# 2022 Gender and Ethnicity Pay Gap Report

## Pay gap - by ethnicity

Year	Mean	Median
2022	17.6%	14.6%
2021	20.0%	26.3%

Gap in favour of those identifying as white.

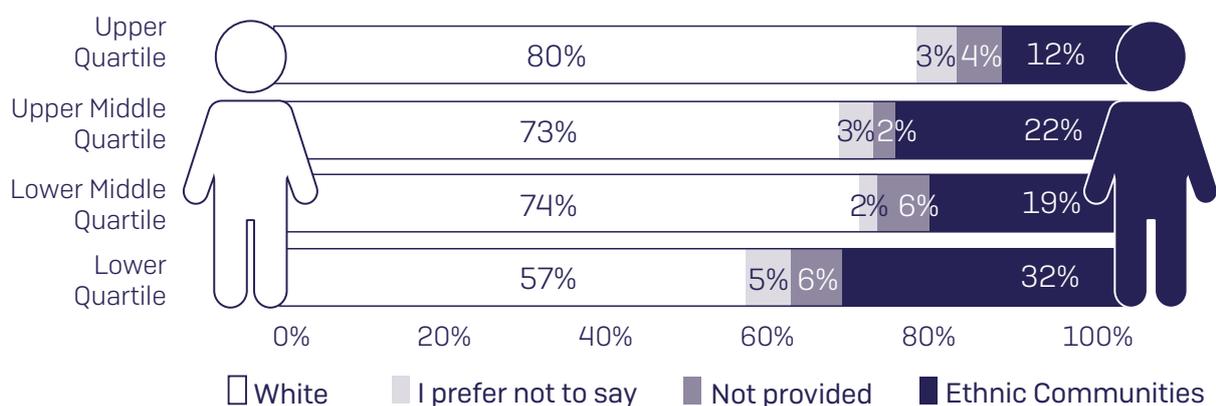
Improved collection of diversity data last year, from 77% to 92.3%, has provided a more complete set of data than ever before, and therefore, more accurate reporting.

In 2022, both the mean and median ethnicity pay gap have reduced to 17.6% and 14.6% respectively.

The changes and improvements to our recruitment processes are resulting in a greater number of new starters from Ethnic communities. In the last 12 months, 30% of new starters were from Ethnic communities which compares favourably with the 20% of new starters in 2020/2021. This has resulted in a small improvement in the overall proportion of Ethnic communities in this year's report, although some of the gain is offset by the improved data disclosure increasing the number of White employees too.

As with the gender pay gap report, the key driver of the above pay gap is the proportion of Ethnic communities populating the lower banded roles and subsequently the lower paid roles in the business. Overall, the Ethnic communities group represents 23% of PRS for Music's disclosed population. This means fluctuations in the headcount of this relatively small number of people can have quite an impact on the pay gap figures, so it's likely that the mean pay gap figures may continue to be rather more volatile year-on-year in comparison to the gender pay gap which is based on 56:44 male to female ratio.

## Pay quartiles - by ethnicity



# 2022 Gender and Ethnicity Pay Gap Report

## Bonus gap - by ethnicity

Year	Mean	Median
2022	72.2%	45.5%
2021	58.4%	42.7%

As with the gender bonus gap, the ethnicity bonus gap has been affected by the difference in the regular bonus scheme payments in this reporting period. More White employees received a higher payment than those from Ethnic communities for a small number of long service, value recognition and contractual payments.

Similarly, the pay gap calculation contains a pro-rata element of any bonus that was paid in April 2022. The 2021 pay gap calculation was impacted by the fact that the regular annual bonus scheme did not run. This component of the mean pay calculation has had an adverse impact on the gap because there are more White employees in the higher bands subsequently who received a higher payment of long service award, contractual payment or a value recognition award.

## Proportion of employees who received bonus pay



White



Other Ethnicities

## Our action plan

Our ongoing commitment to change is reflected in the actions taken over the last 12 months and our future priorities.



### Data collection

From 2023 we are improving and refining the way we collect data about gender and ethnicity.



### Recruitment and development

Inclusive recruitment practices and career development are the fundamental route to increasing the number of colleagues from under-represented groups in senior roles. We will continue to train all hiring managers to recruit in fair and inclusive ways, including the use of consistent competency-based interview questions and assessment criteria to qualify each candidate against pre-determined criteria.

We are actively using diverse hiring and interview methods to ensure a positive candidate experience for our applicants. We are training our hiring managers and issuing a 'licence to hire' to ensure our hiring managers are sufficiently educated in inclusive interview and selection techniques that are free of bias and have included screening questions that allow candidates the option to request representation at interview. It is our aim to increase the use of our affinity group members to supplement this further as necessary.

We have increased our use of recruitment agencies and job boards who specialise in sourcing diverse candidates, providing balanced shortlists. Internally, we will continue to focus on identifying diverse talent through regular departmental talent reviews and creating development plans including coaching, mentoring and management development training which will be a key focus in 2023.

Work is underway to improve data gathering from recruitment activity-to assess how posts are currently advertised, who is applying for them, who is being selected for interview and who is being appointed. This will enable us to better understand if there are barriers for women and underrepresented groups with our current practices.

A review of job advertisements, job design and interview processes will be undertaken to assess whether they are inclusive. Recruitment training and setting performance metrics will be implemented to measure effectiveness.

## Our action plan

A review of exit interview data is being completed to understand changes in the workforce profile and identify trends affecting career progression that are linked to equality to understand if there is a commonality in reasons for leaving around gender or ethnic backgrounds.

We are currently scoping a project to reframe talent at PRS for Music to challenge our traditional or default perceptions in how we identify talent. This will enable us to look more broadly at what talent looks like to us at PRS for Music, as a positive action to remove traditional barriers to entry.



### Apprenticeships and internships

We currently utilise the apprenticeship levy to upskill and hire under-represented groups, providing more opportunities for continuous professional development (CPD), for our existing employees and the opportunity to earn and learn for those at the start of their career. Further apprenticeships and work placements in 2022/23 will be targeted at under-represented groups starting their careers.



### Salary benchmarking

Since 2019, we have engaged Willis Towers Watson to provide benchmarking data to inform our salary ranges and will continue to do so. Our annual salary review process is intended to help the progression for those in the lower quartiles and we continue to review effectiveness.



### Investing in technology

The new Applicant Tracking System (ATS) will support our efforts to achieve greater fairness in the recruitment process. This will provide improved metrics and reporting to record and demonstrate inclusive recruitment practices that will be reflected in our candidate shortlisting and selection. This tool will allow us to measure recruitment activity, providing data on the effectiveness of our talent attraction campaigns permit for greater insight into who is applying to our roles and who is being appointed.



### Targets and reporting

We are working towards greater representation of women and people from Ethnic communities in senior management positions. In support of this ambition, we will be setting and communicating diversity targets that our management teams will be measured against. In addition, we are committed to UK Music's 10-point plan to work towards having 50% gender and 30% ethnic diversity representation at every level, by 2026, with a tolerance of plus or minus 5 – 3% respectively.

## Our action plan



### New appointments

The new *Head of Inclusion and Employee Experience*, **Janeace Thompson**, started her role in May 2022 and takes a holistic approach to diversity and inclusion to ensure an equitable experience for all. Her top priorities include reviewing recruitment, assessment and selection criteria and the associated processes and creating a new development programme for employees to support increased internal promotion from under-represented groups. This will include coaching, mentoring and opportunities to broaden and deepen skillsets to accelerate progression.



### Improving the lived experience of our colleagues

We recognise the importance of providing a culture which places employees at the heart of everything we do. That is why we place so much emphasis on providing a working environment that is truly inclusive. We understand fully that all our employees play a part in promoting inclusion and we are working hard to shift our focus from unconscious bias to conscious inclusion. This is intended to go beyond awareness to take positive action to challenge ourselves to look beyond what we do naturally to consciously include those who may otherwise be overlooked.



### EDI affinity groups

We have an established community of affinity groups including ethnicity and gender to give a voice to our employees and ensure their voices and lived experiences are heard, and in turn improve their experience at PRS for Music.



### Reverse mentoring

Last year we piloted our first reverse mentoring programme – we called it the Knowledge Exchange. The name was determined in recognition that there is learning to be gained for both the mentee and the mentor allowing for cross pollination of ideas. We still believe in the learning opportunities that exist through reverse mentoring, sharing lived experiences and perspectives and hope this will further impact our culture and the individuals involved in positive ways.



### Building an anti-racist organisation

In early 2023 we will start a new series of foundational training to further address the importance of diversity and inclusion in our organisation. And to mark Black History Month we are looking more specifically at anti-racist ideas and the associated behaviours. We will address microaggressions, privilege and building greater trust through psychological safety as part of wider training but there will be some emphasis on race as part of the anti-racist agenda.



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