

HCPC Ethnicity Pay Gap Report

2022

Introduction

HCPC's [Equality, Diversity and Inclusion \(EDI\) Strategy](#) sets out our vision to be recognised as an actively anti-discriminatory organisation that upholds and promotes best practice in equality, diversity and inclusion. This is underpinned by our [Corporate Strategy 2021-26](#) which places EDI at its heart, and our four values – Fair, Compassionate, Inclusive and Enterprising – guide us in our work and how we do it. EDI is a fundamental part of ensuring that we are a high performing, adaptable and caring regulator that ensures public protection through strong, evidence-based regulation.

This report provides analysis of our ethnicity pay gap. While there is, as yet, no legal requirement for employers to report on the ethnicity pay gap, we are reporting on this as part of our commitment to go beyond compliance, in line with our strategic ambitions. Analysing and publishing data on both the gender and ethnicity pay gap will help us to pinpoint areas for improvement and continually improve. Publishing this data is also important so that we play our role in promoting transparency, supporting important discussions on the challenges faced by ethnic minority communities within the workforce and in turn, continue to be an inclusive employer.

Following the same guidelines as the gender pay gap report, the data considered here is for the snapshot date of 5 April in the preceding year. This is HCPC's report for the snapshot date of 5 April 2021, based on a total number of 239 employees.

HCPC are committed to improving the ethnicity pay gap by continuing to look at how we increase recruitment or progression into our higher salary roles. We want our people to thrive and have the best experience working with us. We are committed to being an inclusive employer and we encourage learning and development that supports everyone to build a career.

We understand how important it is for HCPC to address core concerns about career opportunities and progression in order for our organisation to be a place where colleagues feel a true sense of belonging and are satisfied that they can reach their full potential at work. We are reviewing recruitment and career progression processes to ensure equality of opportunity and continue our work on removing unconscious bias from the recruitment process. Our ambition is to reduce the gaps that have been identified. To do this we will monitor our KPIs and measure the impact against our new People Strategy. We can confirm that the figures contained in this report have been verified and checked thoroughly to ensure complete accuracy.



John Barwick
Chief Executive and Registrar

Definition of ethnicity

Ethnicity can have many different meanings and interpretations to different people. We recognise and respect the different ways people would like to describe themselves, their background, culture or race. For the purposes of the statistical analysis we are publishing in this document, we have aligned our approach to categories set out in the government's [national approach](#) by the Office for National Statistics (ONS). We hope taking this approach will help support transparency and consistency.

For the purposes of this report we have used the ONS's 5 high level categories:¹

1. White
2. Mixed/Multiple Ethnic Groups
3. Asian/Asian British
4. Black/African/Caribbean/Black British
5. Other Ethnic Group

The quality of our data on ethnicity is reliant on employees' self-classification. 10% of our employees selected 'prefer not to say', so this means that analysis in this report should be treated with caution and may not be conclusive. Nonetheless, on balance we believe it is appropriate to publish as we have ethnicity data for 90% of our employees. We hope ongoing transparency will help to support greater disclosure.

Please note, where employees have preferred not to disclose or have stated unknown as their ethnicity have not been included in the final figures.

What is the ethnicity pay gap?

The ethnicity pay gap is the difference between average hourly pay rates for ethnic minority employees compared to white employees.

Based on the [Government's consultation report](#) on the Ethnicity Pay Gap, they suggest reporting on the following, all of which have been included within this report:

- One pay gap figure comparing average hourly earnings of ethnic minority employees as a percentage of white employees

¹ Please note that we have used a more granular approach for our [registrant diversity data analysis](#), which is very much a larger group.

- Several pay gap figures comparing average hourly earnings of different groups of ethnic minority employees as a percentage of white employees
- Ethnicity pay information by pay band or quartile

It is important to note that the ethnicity pay gap is not the same as equal pay. Whilst equal pay refers to paying employees for conducting the same or similar work of equal value, ethnicity pay gap analysis compares what ethnic minority employees earn compared to white employees and does not look at like-for-like roles. Therefore, an organisation may have equal pay but still have an ethnicity pay gap.

However, an ethnicity pay gap figure can provide some insight into disparities. Further investigation into the data can indicate the causes of ethnicity pay gap, the level of career progression and other equality issues.

What is HCPC reporting?

To align with our approach to the gender pay gap we will report on the following:

1. The mean ethnicity pay gap
2. The median ethnicity pay gap
3. The mean bonus ethnicity pay gap
4. The median bonus ethnicity pay gap
5. Proportion of white employees receiving bonus
6. Proportion of ethnic minority employees receiving bonus
7. The proportion of White employees and ethnic minority colleagues in quartile bands

How were the ethnicity pay gap figures calculated?

The figures set out above have been calculated using the standard methodologies as per the gender pay gap analysis, following best practice based on CIPD's own ethnicity pay gap reporting, as well as suggestions from the Government's consultation report (referenced above).

For the purpose of this report, we have excluded HCPC partners in the calculation as they are not considered to be employees or workers for any purpose except for the gender reporting pay gap where they are legally required to be categorised as a "relevant employee".

What is HCPC's ethnicity pay gap?

This section sets out the key figures making comparisons with other organisations. Sections below explain these in more detail and actions we are taking to promote equality and reduce our pay gap. These figures are based on the snapshot date, 5 April 2021. In October 2020, the [ONS](#) reported an ethnicity pay gap of 23.8%. As per the gender pay gap report, we have also chosen to compare ourselves with similar organisations such as Competition and Markets Authority (CMA) and Nursing and Midwifery Council (NMC) who have also participated in the reporting.

	2020			2021
	CMA	NMC	HCPC	HCPC
Mean	29.3%	28.7%	17.31%	22.43%
Median	34.8%	27.1%	15.82%	18.19%

1. The mean bonus ethnicity pay gap for HCPC is 0%.
2. The median bonus ethnicity pay gap for HCPC is 0%.
3. The proportion of white employees in the HCPC receiving a bonus is 0%.
4. The proportion of ethnic minority employees in the HCPC receiving a bonus is 0%.
5. Pay quartiles by ethnicity – see table 6.2

Distribution of white and ethnic minority employees by quartile:

Pay Quartile	2020		2021	
	White	Ethnic Minority	White	Ethnic Minority
Lower quartile	51%	49%	45%	55%
Lower middle quartile	39%	61%	36%	64%
Upper middle quartile	63%	37%	61%	39%
Upper quartile	63%	37%	72%	28%

What do the pay gap figures tell us?

Of the 90% of employees that disclosed their ethnicity, 42% told us that they are from an ethnic minority background. The largest proportion of the HCPC workforce is of white ethnicity (48%) and 10% have not disclosed or have stated unknown as their ethnicity, the latter of which have been excluded from the figures.

HCPC's mean ethnicity pay gap is **22.43%**. Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the ethnicity pay gap. However, very large or small pay rates can dominate and

distort the answer as can the proportion of white and ethnic minority colleagues within the workforce.

The gap can be explained by where ethnic minority employees can be found in our pay band structure. More white employees can be found within the higher pay bands compared to ethnic minority employees.

HCPC's median ethnicity pay gap is **18.19%**. Median averages are useful to indicate what the 'typical' situation is in the middle of an organisation and are not distorted by very large or small pay rates.

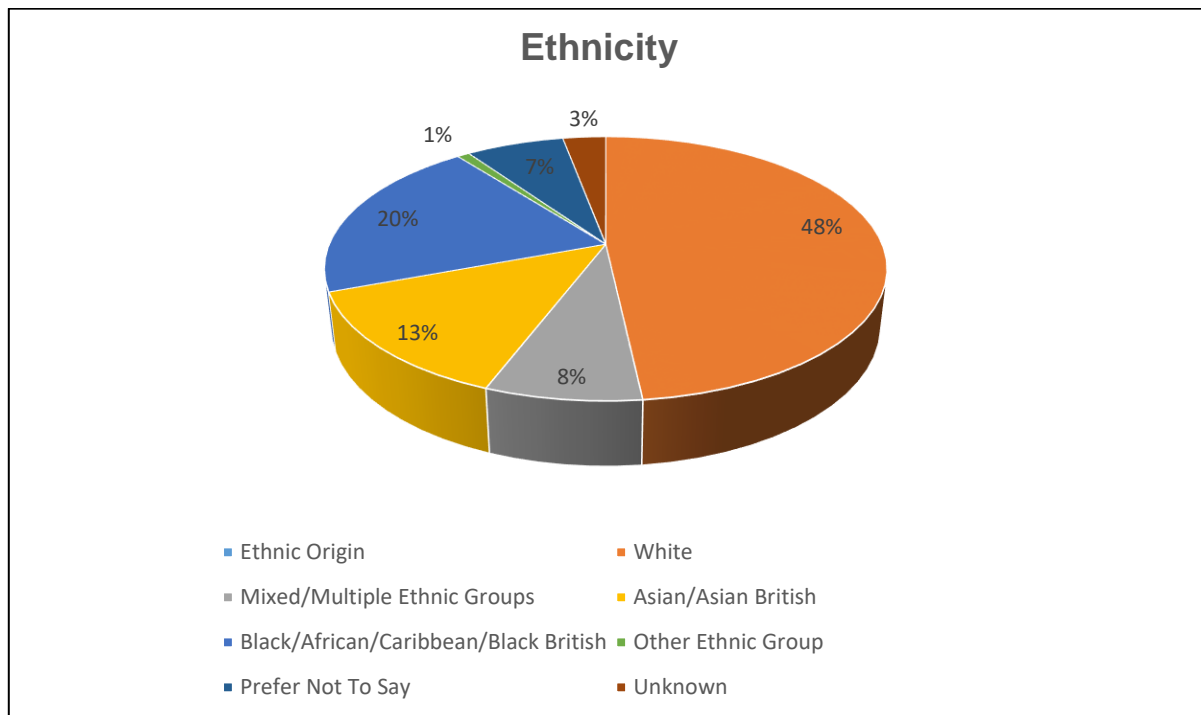
The data for pay quartiles shows that there are relatively higher numbers of ethnic minority employees than white employees in roles on lower pay bands in the organisation. This distribution is the primary reason for HCPC's ethnicity pay gap.

Pay gaps by ethnicity

Given the different ethnicities within HCPC's workforce, we have carried out further breakdowns across the five categories as mentioned in 2.2. This allows us to understand any variation amongst pay rates within different groups. We have also provided figures taking intersectionality into account (race and gender).

Below is a visual representation of the breakdown of ethnicities. Nearly half of the employees are from a white background, followed by Black, Asian, mixed and other ethnicities.

Average hourly pay across the five categories:



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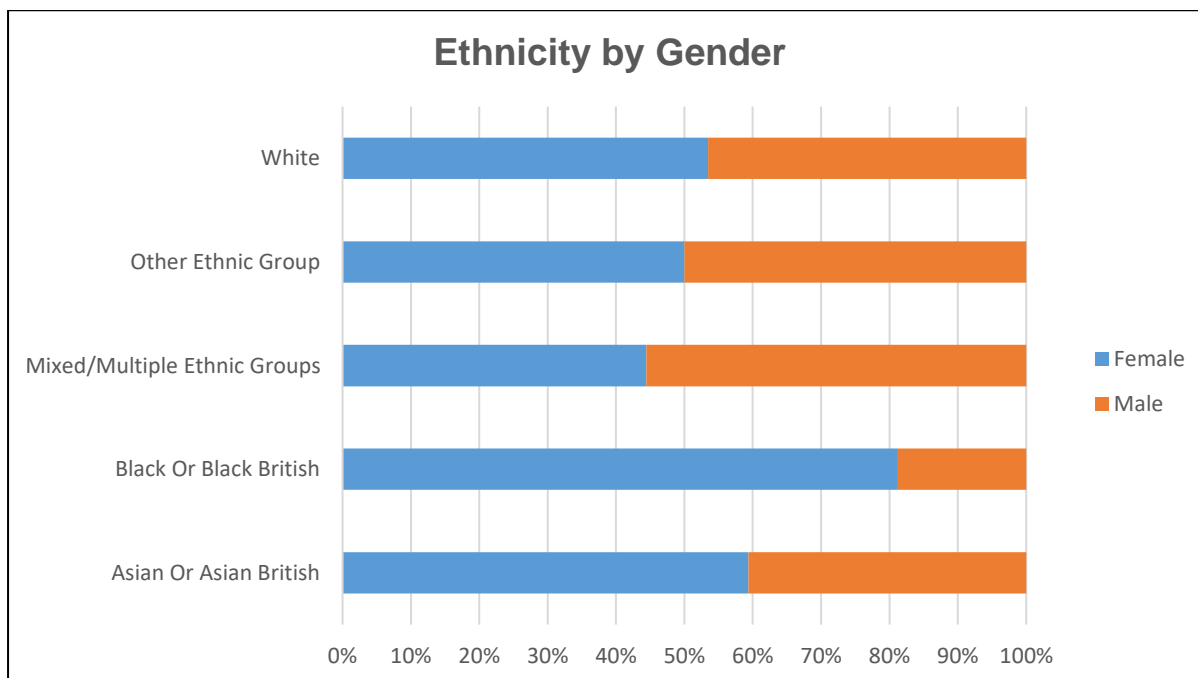
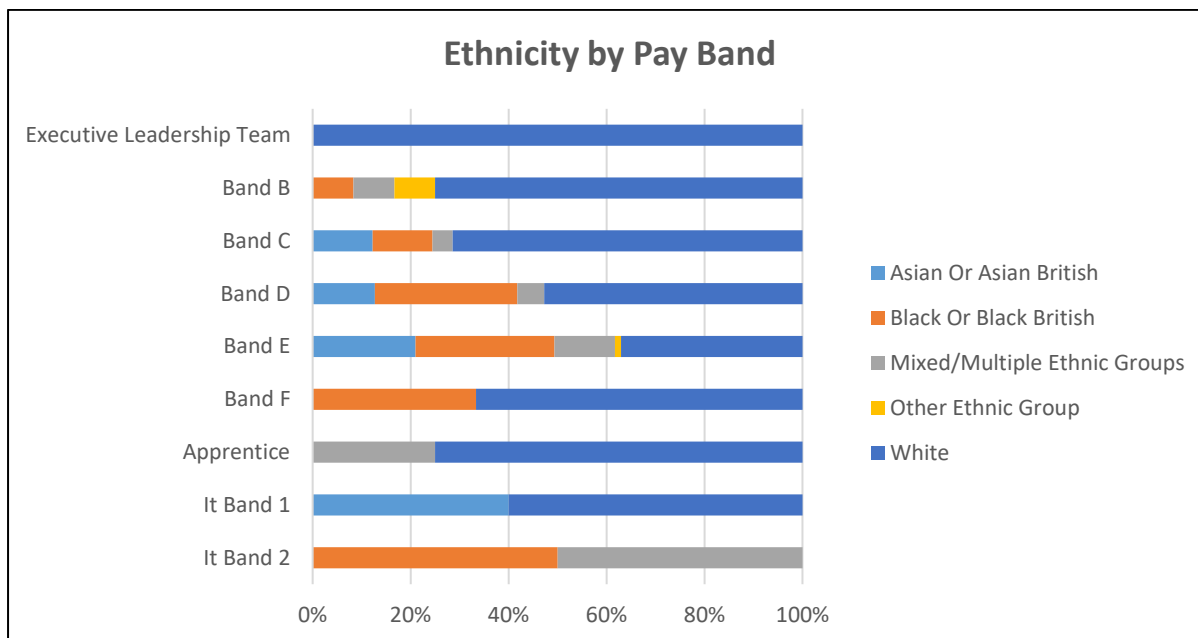
Ethnicity	Average Hourly Pay	Mean Pay Gap	Median Pay Gap
White	£23.27	-	-
Other Ethnic Group	£22.91	1.56%	-16.65%
Asian/Asian British	£18.44	20.74%	18.48%
Black/African/Caribbean/Black British	£17.84	23.34%	17.57%
Mixed/Multiple Ethnic Groups	£17.37	25.34%	29.74%

Employee numbers by pay band:

Pay Band	Number of Employees
Apprentice	4
Band B	12
Band C	54
Band D	65
Band E	85
Band F	3
IT Band 1	6
IT Band 2	4

SMT/CEO	6
Total	239

Ethnicity and Gender by pay band:



HCPC has a largely female workforce. Across each category there are either a similar or greater number of females than males except for the Mixed/Multiple Ethnic Group.

The average hourly pay is the highest for white employees; a higher proportion of white females and males occupy the higher pay bands at senior and managerial levels. Overall, there are a higher number of white females to white males occupying higher pay bands including at Executive Leadership level.

Employees from a mixed/multiple ethnic background have the lowest average hourly pay compared to last year where they occupied the mid-rate. This is likely due to a greater number of mixed/multiple ethnic employees occupying lower pay bands, including the Apprentice pay band. For every pound (GBP) a white employee earns, on average a mixed/multiple ethnic employee earns 0.75 pence.

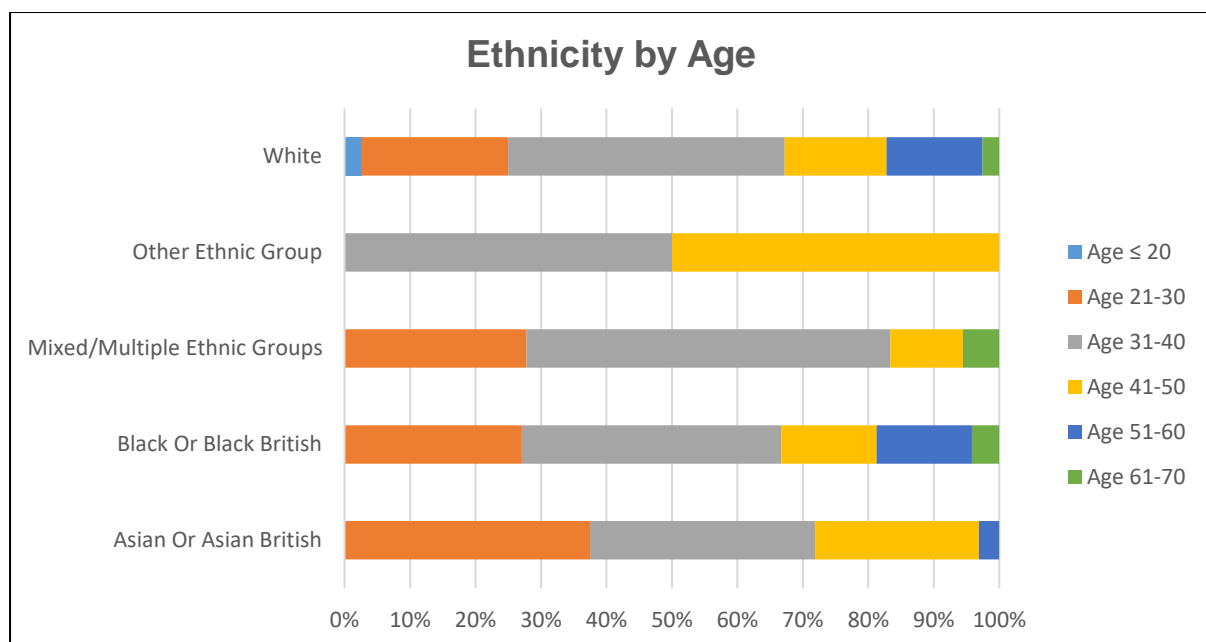
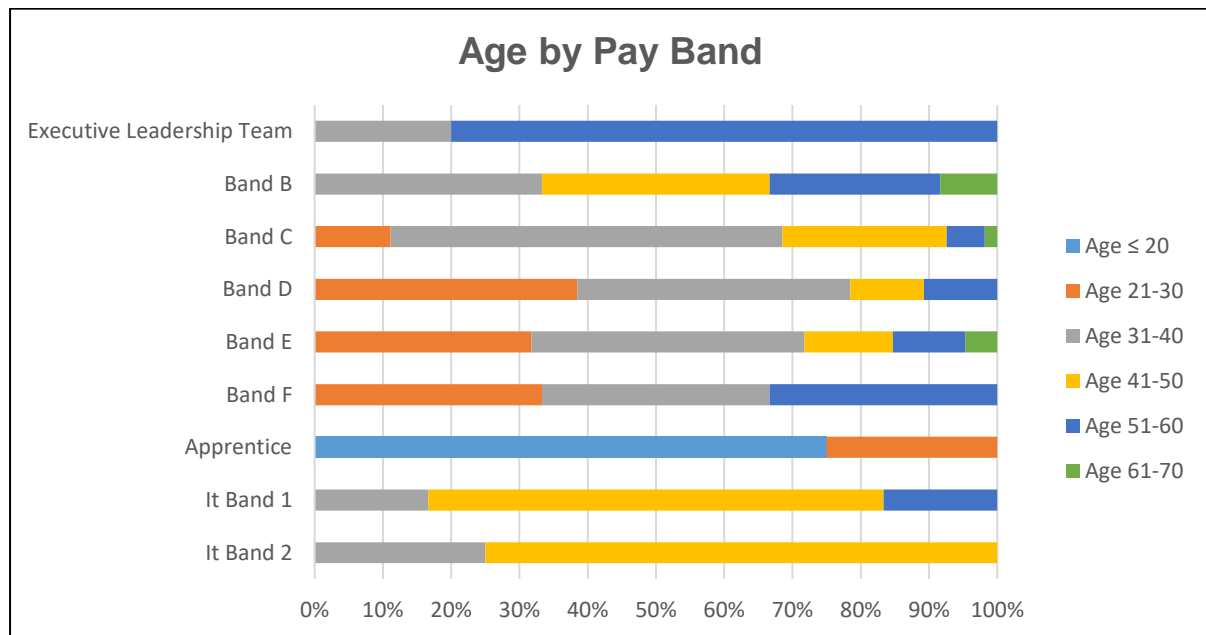
The average hourly pay for an employee of a Black background is slightly higher compared to last year where this was lower than that of any other ethnicity. However, Black employees are still more likely than white employees to occupy roles within lower pay bands. For every pound (GBP) a white employee earns, on average a Black employee earns 0.77 pence.

Employees from an Asian background have a mid-range average hourly pay as opposed to last year where they were the second lowest paid ethnic group. The distribution of employees is still similar to that of last year with slight differences in that there are fewer at lower pay bands. A larger number of females and males occupy mid-level/niche pay bands (such as Information Technology pay bands) but are not present within senior management or Band B roles. For every pound (GBP) a white employee earns, on average an Asian employee earns 0.79 pence.

HCPC employees from other ethnic backgrounds are the second highest average earners, occupying either senior management positions or Band E roles. For every pound (GBP) a white employee earns, they earn 0.98 pence.

It is important to note that where comparisons are being drawn against pay data, if there is a greater or smaller distribution of both numbers and salaries of employees in any one category, the distribution of earnings can be skewed, therefore, any conclusions drawn should be treated with caution.

Ethnicity, age and pay bands:



The majority of employees are within the 31 – 40 age range. Employees at this age range tend to occupy mid-to-low level pay bands and are mainly of a white background followed by Black and/or Asian employees. The majority of employees occupying a higher pay band are white and within this age category.

Employees within the 41 – 50 age range are generally distributed across the pay bands, however as above majority of white employees within this age range tend to

occupy the higher pay bands. Between 51 – 60, employees from a white background either occupy the mid-to-low level pay bands or at Executive level.

Employees within the 21 – 30 range mainly occupy the mid-to-low level pay bands and are mainly of white backgrounds, followed by Black and Asian backgrounds.

What are the underlying causes of HCPC's ethnicity pay gap?

The key reason for HCPC's ethnicity pay gap is that there are comparatively more Black, Asian and minority ethnic employees in roles in lower pay bands than white employees and there are nearly twice as many white employees in the upper quartiles than there are Black, Asian and minority ethnic employees. This is shown in the quartile information in section 6.2 above.

It is important to note that there are other factors that can contribute towards the ethnicity pay gap, as briefly mentioned in 8.9, such as part-time employees (the majority of whom are minority ethnic), distribution of employees in any one category and small percentages of exceptionally high earners in senior level or niche area. As a result, this can skew the distribution of earnings in terms of the pay gaps, but also within each minority ethnic category.

What is HCPC doing to address its ethnicity pay gap?

HCPC is committed to doing everything that we can to reduce our ethnicity pay gap. The main reason for our ethnicity pay gap is that there are comparatively more ethnic minority employees in roles in lower pay bands and comparatively fewer in higher pay bands. Therefore, our main aim over time is to attract more ethnic minority employees into senior and managerial roles.

In order to support this aim we have already:

- Continued to provide recruiting managers with anonymised applications to avoid unconscious bias in decision making.
- Made bias training mandatory to all recruiting managers to reduce bias in recruitment.
- Established an internal EDI employee representative group.
- Recruited for roles focused on EDI, Culture and Change to develop our commitments to EDI across the organisation.
- Launched 'Beyond Barriers', HCPC's first inclusive mentoring programme.

As part of the mentoring scheme, a pool of mentors within HCPC are providing mentoring provision to support personal and professional development and career progression at HCPC. The mentee pool represents all sections of the workforce i.e. from traditionally under-represented groups and ethnic minority employees particularly at mid/senior manager level. The mentor pool is also a diverse pool representing all sections of our workforce. Mentees will benefit from personal and professional development, improving their confidence and career prospects at HCPC and outside. We hope this programme will contribute to HCPC being an employer of choice, improve our employer brand, improve retention and develop high potential people from ethnic minorities and other under-represented groups to move up the career ladder.

During the financial year 2022/2023 we plan to:

- Enhance our employer brand through several different initiatives in order to attract more diversity.
- Review roles in lower pay bands and identify options which may assist with reducing the gap between higher and lower paid roles.
- Review and assess the requirements needed to increase recruitment or progression into our higher salary roles.
- We will be launching the 'Aspiring Leaders' Programme. This will focus on developing employees who are not currently managers with the relevant skills to becoming managers. We will aim to attract staff from diverse backgrounds.
- We will continue to train our managers to understand and address implicit bias and to recognise and challenge micro-aggressions in the workplace.
- As part of our leadership programme, we will reflect the importance of being an ally and actively listening to people's concerns and lived experiences.

None of these measures will reduce the ethnicity pay gap immediately and it may take several years before there is a significant impact. In the meantime, HCPC is committed to continuing ethnicity pay gap reporting and reviewing this regularly, as well as continually reviewing and improving our action plan to address ethnic minority pay disparities.

March 2022