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## HCPC Ethnicity pay gap report 2021

### 1. Introduction

- 1.1 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.
- 1.2 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.
- 1.3 We are committed to improving our 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 KPI's and measure the impact against our new People Strategy.

1.4 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 2020, based on a total number of 217 employees.

## 2. Definition of ethnicity

2.1 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.

2.2 For the purposes of this report we have used the ONS's 5 high level categories:<sup>1</sup>

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.

## 3. What is the ethnicity pay gap?

3.1 The ethnicity pay gap is the difference between average hourly pay rates for Black, Asian and minority ethnic employees compared to White employees.

3.2 Based on the [Government's consultation report](#) surrounding 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

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<sup>1</sup> 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

3.3 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.

3.3 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.

#### **4. 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

#### **5. How were the ethnicity pay gap figures calculated?**

5.1 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).

5.2 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".

## 6. What is HCPC's ethnicity pay gap?

6.1 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 2020. We do not have a national figure as there is currently not a legal obligation to report the ethnicity pay gap, we have therefore 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.

	HCPC	CMA	NMC
Mean	17.31%	29.3%	28.7%
Median	15.82%	34.8%	27.1%

1. The mean bonus ethnicity pay gap for HCPC is 15%.
2. The median bonus ethnicity pay gap for HCPC is 3%.
3. The proportion of White employees in the HCPC receiving a bonus is 6%.
4. The proportion of ethnic minority employees in the HCPC receiving a bonus is 3%.
5. Pay quartiles by ethnicity – see table 6.2

6.2 Distribution of white and ethnic minority employees by quartile

Pay Quartile	White	Ethnic Minority
Lower quartile	51%	49%
Lower middle quartile	39%	61%
Upper middle quartile	63%	37%
Upper quartile	63%	37%

## 7. What do the pay gap figures tell us?

- 7.1 Of the 90% of employees that disclosed their ethnicity, 41% told us that they are from an ethnic minority background. The largest proportion of the HCPC workforce is of white ethnicity (49%). 41% are from ethnic minority backgrounds and 10% have not disclosed their ethnicity.
- 7.2 HCPC's mean ethnicity pay gap is 17.31%. 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.

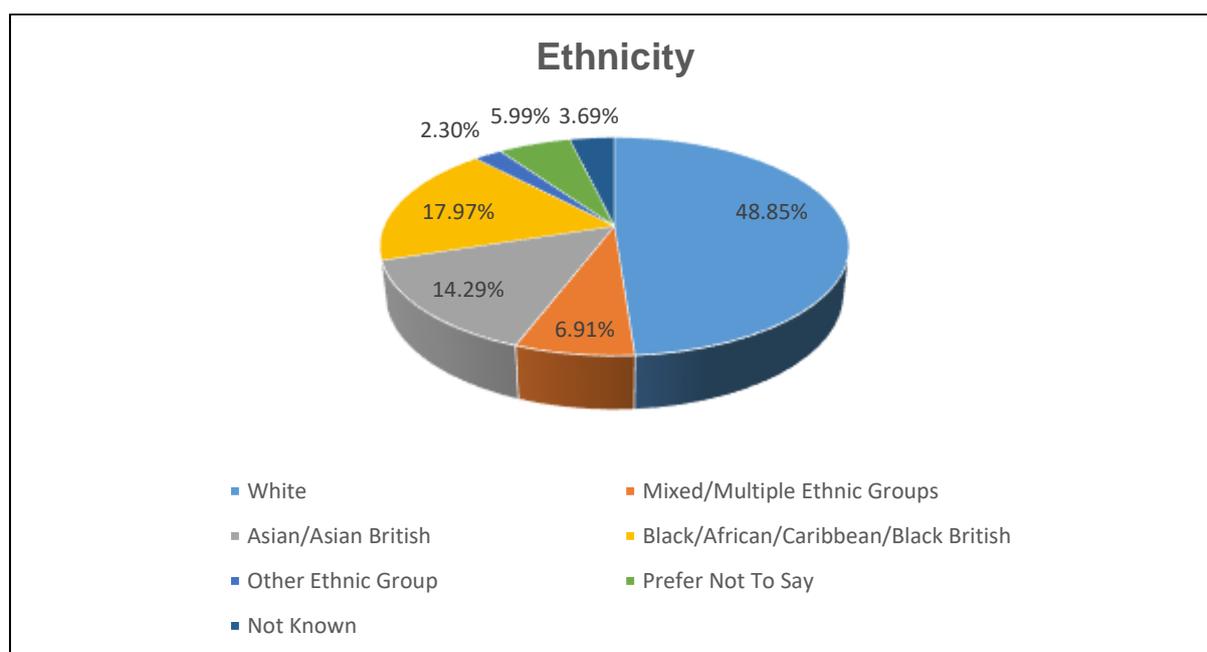
- 7.3 The gap can be explained by where ethnic minority employees can be found in our pay band structure. More white employees can be found within the higher pay bands compared to ethnic minority employees.
- 7.4 HCPC's median ethnicity pay gap is 15.82%. Median averages are useful to indicate what the 'typical' situation is in the middle of an organisation and are not distorted by very large or small pay rates.
- 7.5 HCPC does not pay bonuses to employees, however, as part of government guidelines, a bonus includes non-consolidated (one-off, non-pensionable) payments which relate to productivity, performance and incentive, etc. Therefore, under this definition we have included data relating to bonus payments (Employee of the Year Award and Retention Awards) received during the 12-month period ending with the snapshot date i.e. April 2019 – April 2020. During the year, 17 retention payments and 3 Employee of the year award payments were made which would be considered as bonus payments as they fall outside the normal pay.
- 7.6 HCPC's mean bonus ethnicity pay gap is 15%. Whilst this would suggest that white employees are more likely to receive a higher bonus than ethnic minority employees. Given that the awards were a combination of a same pay award and/or based on a percentage of their salary, those occupying roles within higher pay bands would have had a larger bonus. Therefore, the variation in salaries likely explains the bonus pay gap.
- 7.7 HCPC's median bonus ethnicity pay gap is 3%. This would suggest that that the midpoint ranges of the bonus paid is higher for white employees compared to ethnic minority employees.
- 7.8 The proportion of white employees receiving a bonus is 6% compared to 3% of ethnic minority employees which means white employees are twice as likely to receive a bonus compared to their ethnic minority colleagues but are also more likely to receive a higher paid bonus given the higher salaries as the bonuses paid were based on a percentage of an employees' salary.
- 7.9 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.

## **8. Pay gaps by Ethnicity**

- 8.1 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).

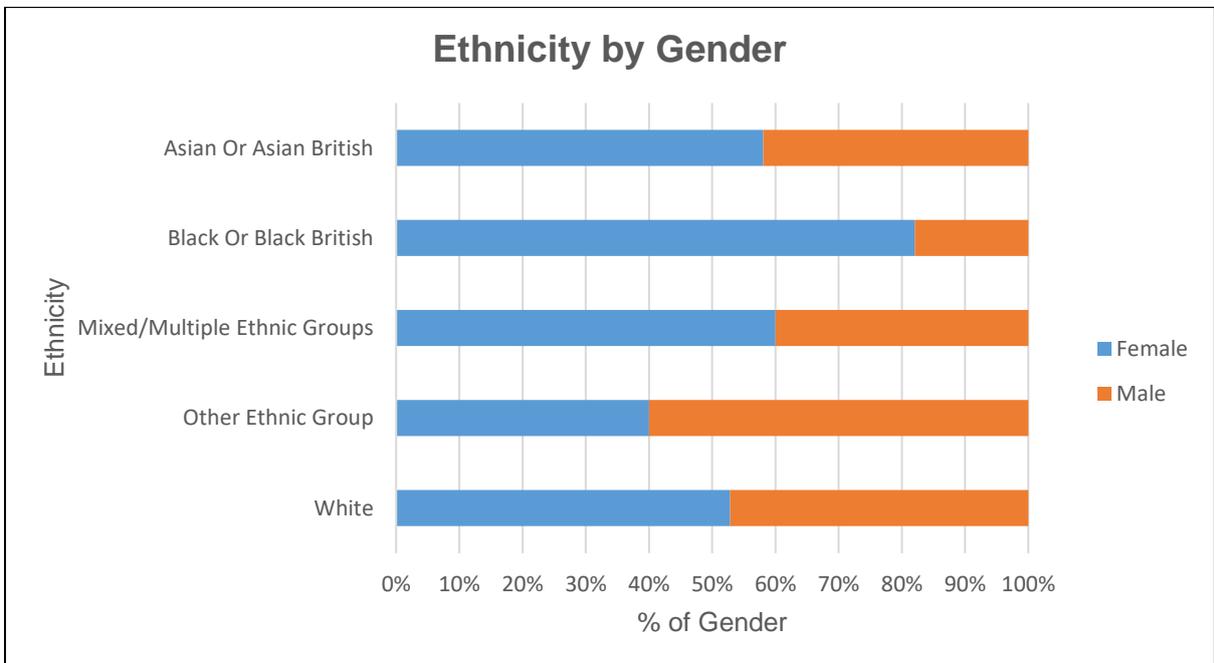
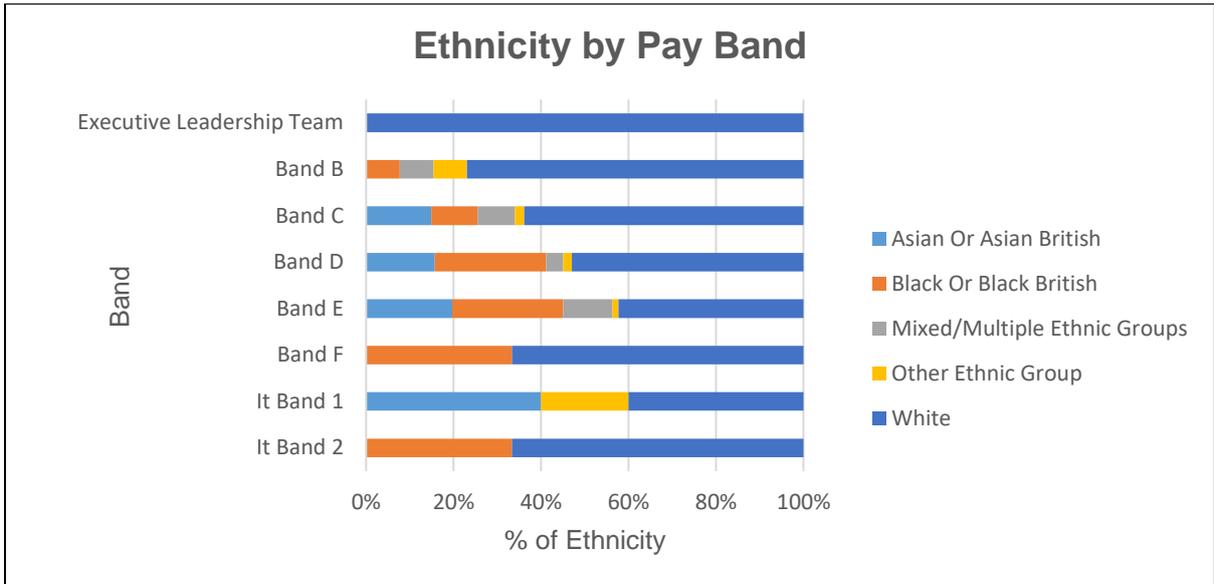
8.2 Below is a visual representation of the breakdown of ethnicities. Nearly half of the employees are from a White background, followed by Black, Asian, Mixed and Other ethnicities.



8.3 Average hourly pay across the five categories

Ethnicity	Average Hourly Pay	Mean Pay Gap	Median Pay Gap
Other Ethnic Group	£24.29	-5.64%	-37.49%
White	£23.27	-	-
Mixed/Multiple Ethnic Groups	£19.99	14.12%	13.50%
Asian/Asian British	£19.27	17.21%	15.66%
Black/African/Caribbean/Black British	£18.25	21.57%	17.74%

8.4 Ethnicity, Gender and Pay Bands



8.5 HCPC has a largely female workforce, therefore across each category there are a greater number of females than males except for the Other Ethnic Group.

8.6 Though the average hourly pay is not the highest for white employees, a higher proportion of white females and males occupy the higher pay bands at senior and managerial levels. Despite a higher number of females, white males are more likely to occupy higher pay bands except the Executive Leadership Team.

8.5 The average hourly pay for an employee of a black background is lower than that of any other ethnicity, despite being larger in number within the ethnic

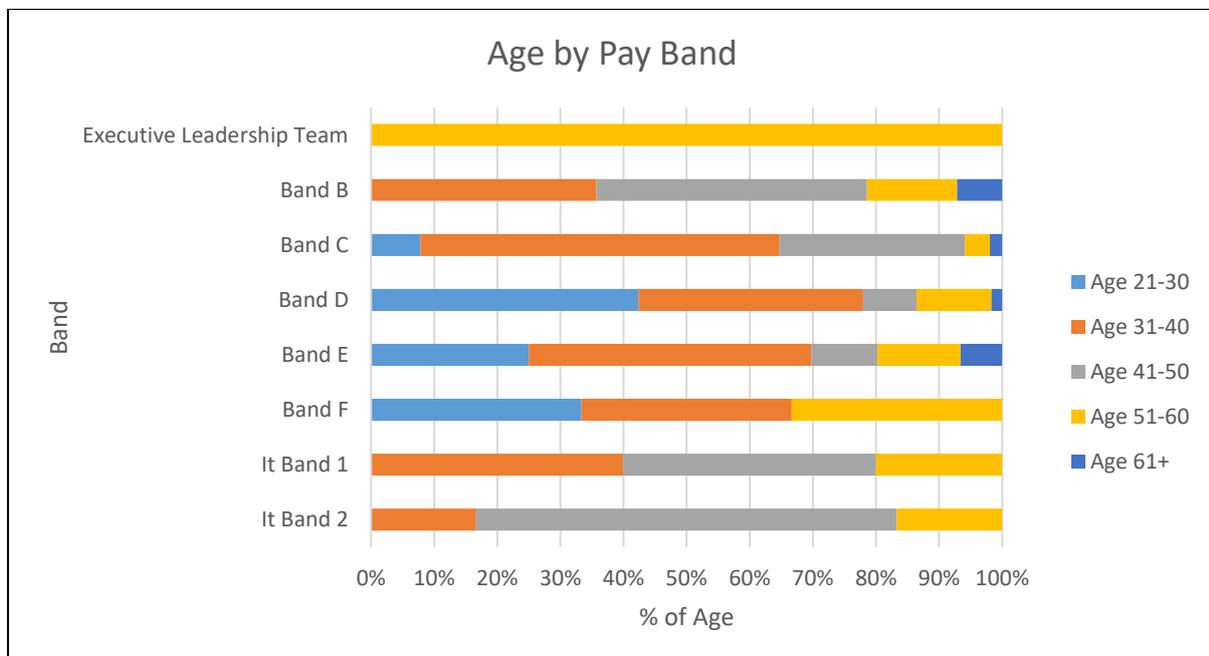
minority categories. This is because the vast majority of black female employees occupy roles within lower pay bands. For every pound (GBP) a White employee earns, a black employee earns 0.78 pence.

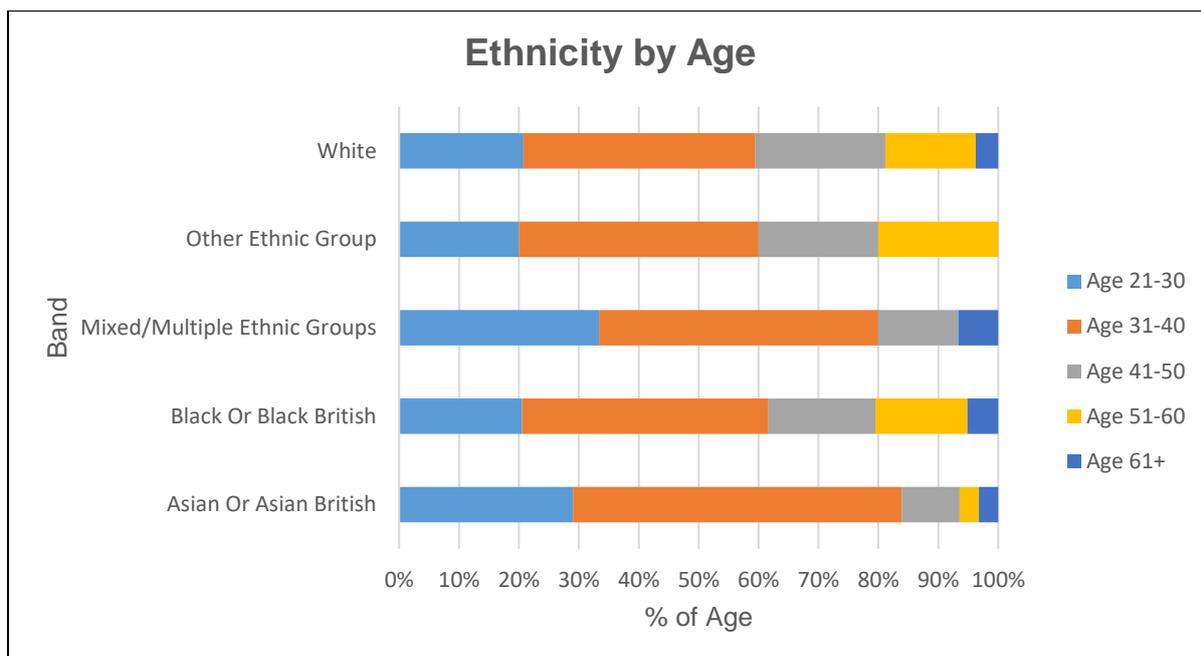
8.6 The second lowest paid ethnic group is the Asian category where a similar number of females and males occupy mid-level/niche pay bands (such as Information Technology pay bands) but are not present within senior and management roles. For every pound (GBP) a white employee earns, an Asian employee earns 0.83 pence.

8.7 This is closely followed by employees from a mixed/multiple ethnic background who occupy roles within higher pay bands. A greater number of females can be found within the higher pay bands, compared to males who are distributed across the pay bands. For every pound (GBP) a white employee earns, a mixed/multiple ethnic employees earns 0.86 pence.

8.8 Interestingly, HCPC employees from another ethnic background are the highest average earners with a negative mean and median pay gap, as they tend to occupy roles in the higher pay bands usually at senior and management levels. In terms of gender, both females and males occupy roles across each pay band.

#### 8.10 Ethnicity, Age and Pay Bands





8.11 The majority of employees are within the 31 – 40 age range. They tend to occupy mid-to-low level pay bands and are mainly of a White background followed by Asian and/or Black employees.

8.12 Employees within the 41 – 50 age range occupy the higher or niche pay bands and are usually from a White background. Between 51 – 60, employees tend to occupy the mid-to-low level pay bands and are also of the same background.

8.12 Employees within the 21 – 30 range mainly occupy the mid-to-low level pay bands and are mainly of a White background, followed by Asian and Black employees.

## 9. What are the underlying causes of HCPC’s ethnicity pay gap?

9.1 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.

## 10. What is HCPC doing to address its ethnicity pay gap?

10.1 HCPC is committed to doing everything that it can to reduce the 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.

10.2 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 online live 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.

10.3 During the financial year 2021/2022 we plan to:

- Enhance our employer brand through a number of different initiatives in order to attract more diversity.
- Look at how we increase recruitment or progression into our higher salary roles.
- Launch 'Beyond Barriers', HCPC's first inclusive mentoring programme. This means there will be pool of mentors within HCPC who will provide mentoring provision to support personal and professional development and career progression at HCPC. It is a development opportunity for mentors who will offer one-to-one impartial guidance and support, encouraging mentees an opportunity to succeed, to grow, develop and fulfil their potential, regardless of their background. We aim for the mentee pool to represent 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 will also be 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.
- 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, 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 listen to people's concerns and lived experiences.

10.4 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.

September 2021