
HCPC Ethnicity pay gap report 2022

Foreword

- 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 of being – Fair, Compassionate, Inclusive and Enterprising. Our Values 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. By publishing this data we hope to play our part 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 Following the same guidelines used in the Gender Pay Gap Report, the data published in this report is based on a snapshot of data from the 5 April 2022 and is based on a total number of 249 employees.
- 1.4 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 the HCPC 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 our approach to recruitment and career progression processes to ensure equality of opportunity. 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 People Strategy.

A handwritten signature in black ink, appearing to read 'AS' or 'ASm', written in a cursive style.

Andrew Smith
Interim Deputy Chief Executive

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.¹

2.2 For the purposes of this report we have used the ONS's five high level categories:²

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

2.3 The quality of our data on ethnicity is reliant on employees' self-classification. 9.2% of our employees selected 'prefer not to say' and 3.2% selected 'Not Known', 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 87.6% of our employees. We hope ongoing transparency will help to support greater disclosure.

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

3. What is the ethnicity pay gap?

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

3.2 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:

¹ [List of ethnic groups - GOV.UK \(ethnicity-facts-figures.service.gov.uk\)](https://www.gov.uk/ethnicity-facts-figures/service.gov.uk)

² Please note that we have used a more granular approach for our [registrant diversity data analysis](#), which is very much a larger group.

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

3.4 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?

4.1 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 proportion of White employees and ethnic minority colleagues in quartile bands;
4. HCPC did not award bonuses in 2022, therefore this report does not report on bonus gender pay gap.

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".

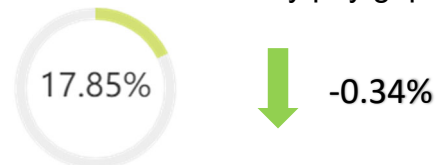
6. What is HCPC's ethnicity pay gap?

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 2022.

The mean ethnicity pay gap



The median ethnicity pay gap



As per the gender pay gap report, we have also chosen to compare ourselves with similar organisations such as Nursing and Midwifery Council (NMC) who have also participated in the reporting.

	2021		2022
	NMC	HCPC	HCPC
Mean	23.7%	22.43%	23.62%
Median	27.1%	18.19%	17.85%

6.2 Distribution of white and ethnic minority employees by quartile

Workforce White Asian/Asian British;Black/African/Caribbean/Black British;Mixed/Multiple Ethnic Groups;Other Ethnic Group

Number of Employees

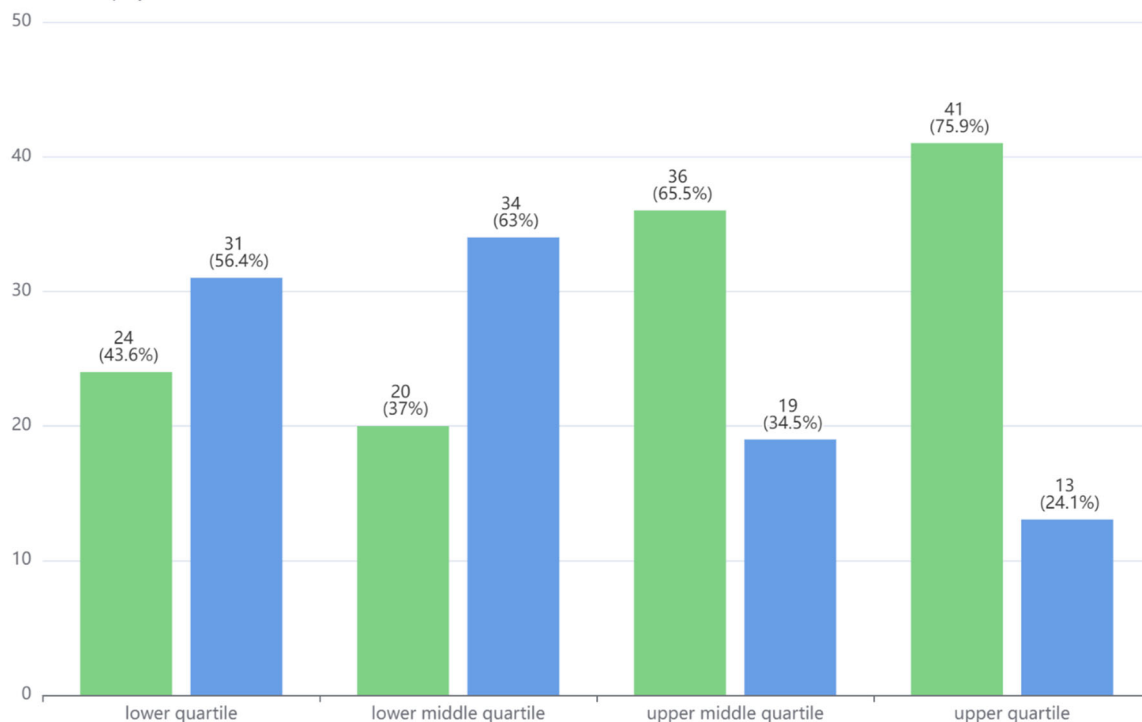


Figure 1 – Workforce broken down by quartiles

Pay Quartile	2020		2021		2022	
	White	Ethnic Minority	White	Ethnic Minority	White	Ethnic Minority
Lower quartile	51%	49%	45%	55%	44%	56%
Lower middle quartile	39%	61%	36%	64%	37%	63%
Upper middle quartile	63%	37%	61%	39%	65%	35%
Upper quartile	63%	37%	72%	28%	76%	24%

7. What do the pay gap figures tell us?

- 7.1 Of the 88% of employees that disclosed their ethnicity, 39% told us that they are from an ethnic minority background. The largest proportion of the HCPC workforce is of white ethnicity (49%) and 12% have not disclosed or have stated unknown as their ethnicity, the latter of which have been excluded from the figures.
- 7.2 HCPC's mean ethnicity pay gap is **23.62%**. 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. As outlined in section 10, HCPC are committed in supporting underrepresented employees in gaining experience and knowledge to progress to higher pay band roles.
- 7.4 HCPC's median ethnicity pay gap is **17.85%**. 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 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. 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 Average hourly pay across the five categories

Ethnicity	Average Hourly Pay	Mean Pay Gap	Median Pay Gap
White	£24.26	-	-
Other Ethnic Group	£23.82	1.81%	7.03%
Mixed/Multiple Ethnic Groups	£18.98	21.76%	15.79%
Black/African/Caribbean/Black British	£18.21	24.94%	18.5%
Asian/Asian British	£18.06	25.62%	12.61

8.5 Employee numbers by pay band

Pay Band	Number of Employees
Apprentice	4
Band B	17

Band C	53
Band D	75
Band E	56
Band F	0
IT Band 1	6
IT Band 2	2
ELT	4
Total	217

8.6 Ethnicity and Gender by pay band

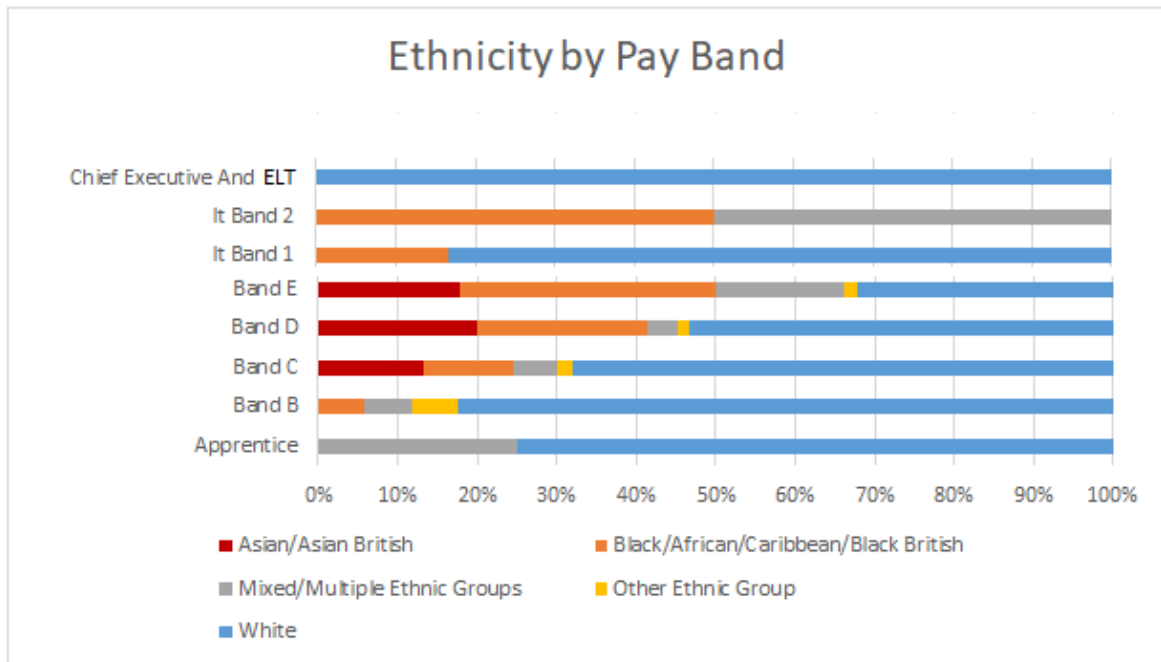


Figure 2 – Ethnicity by Pay Band

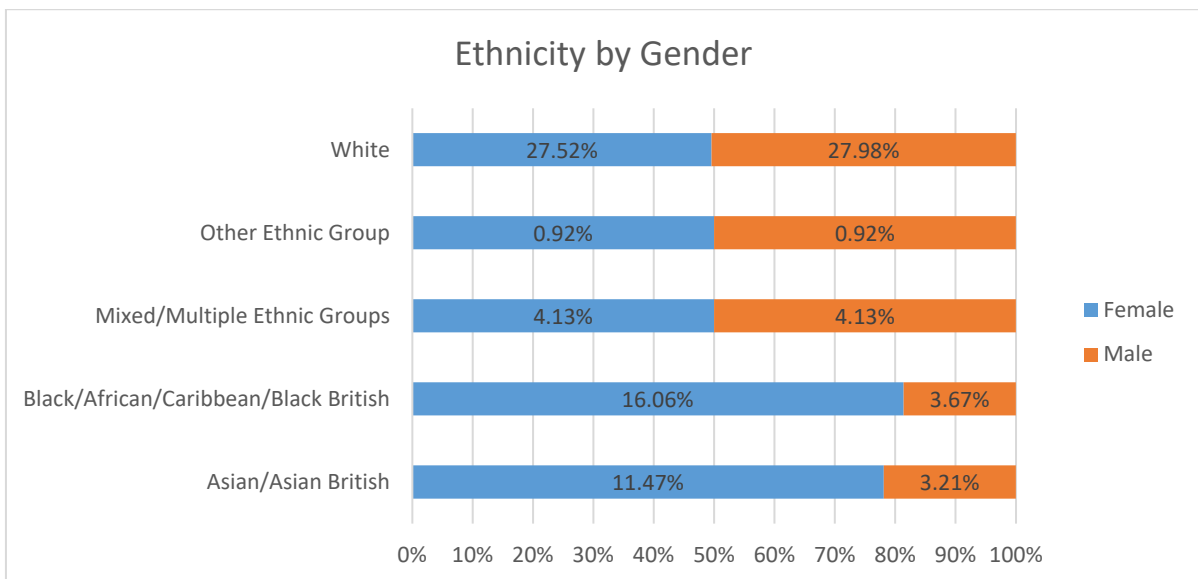


Figure 3 – Ethnicity by Gender

- 8.7 HCPC has a largely female workforce, which is 6:4 in total. Across each category there are either a similar or greater number of females than males.
- 8.8 The average hourly pay for an employee of a Black background is remaining as last year where this was lower than that of any other ethnicity. 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 0.75 pence.
- 8.11 Employees from a Mixed/Multiple Ethnic Groups background have a mid-range average hourly pay as opposed to last year where they were the 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 roles. For every pound (GBP) a white employee earns, on average an Asian employee earns 0.78 pence.
- 8.12 HCPC employees from *other ethnic backgrounds* are the second highest average earners, mostly occupying in Band B and Band C roles. For every pound (GBP) a white employee earns, they earn 0.98 pence. Sections 8.8 to 8.12 can be seen visually in Figure 4.

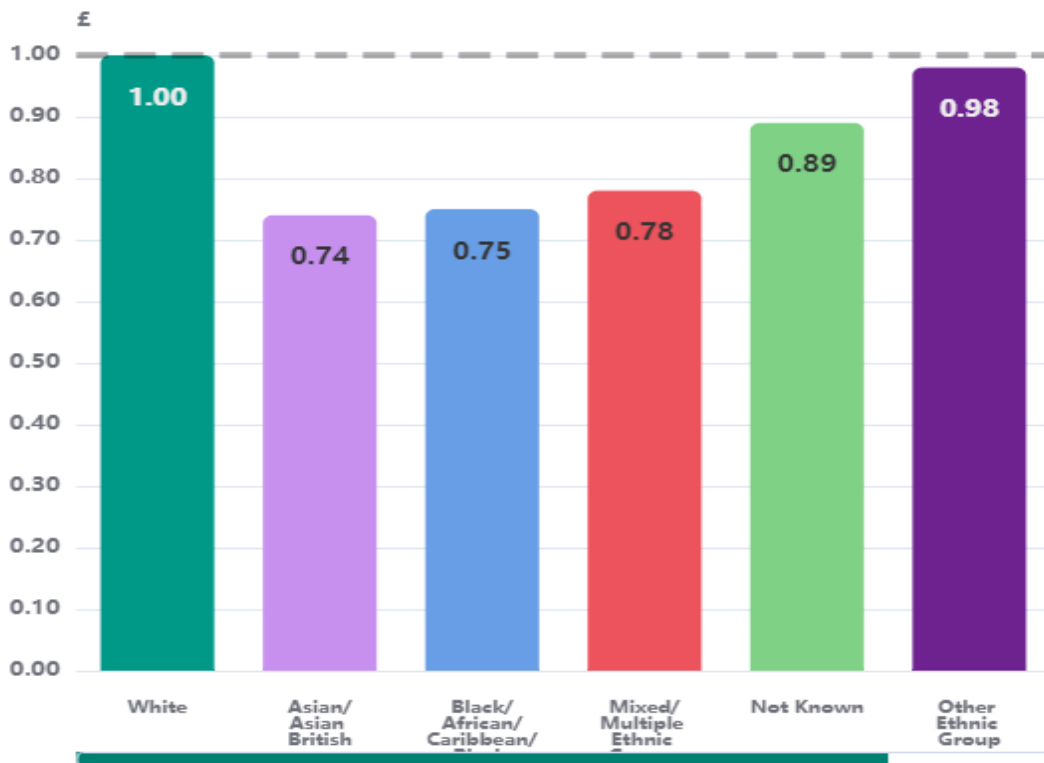


Figure 4 - For every £1.00 earned by a White employee, this is what other groups earn.

8.13 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.

Group	Mean Pay Whites	Mean Pay Asian/Asian British;Black/African/Caribbean/Black	Pay Gap (mean)	Pay Gap (median)	Percentage of Whites	Percentage of Asian/Asian British;Black/African/Caribbean/Black	Contribution to Pay Gap
Lower quartile	12.94	13.29	-2.71%	4.38%	43.64%	56.36%	-6.93%
Lower middle quartile	17.42	16.03	8%	7.73%	37.04%	62.96%	-11.28%
Upper middle quartile	20.80	21.35	-2.66%	-5.56%	65.45%	34.55%	8.27%
Upper quartile	37.27	41.89	-12.39%	-34%	75.93%	24.07%	28.92%

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 ethnic minority employees in roles in lower pay bands than white employees and there are twice as many white employees in the

upper quartiles than there are Black, Asian and ethnic minority employees. This is shown in the quartile information in figure 1 above.

- 9.2 It is important to note that there are other factors that can contribute towards the ethnicity pay gap, such as part-time employees (the majority of whom are ethnic minority), 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 ethnic minority category.
- 9.3 The major factor that impacts fluctuations in our ethnicity pay gap, month by month, is changes in the people who work with us. In a smaller organisation like the HCPC, changes in recruitment and attrition can have a significant impact on our data.

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

- 10.1 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.
- 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 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.
 - We pay above the voluntary 'real' Living Wage and benchmark all salaries externally to ensure our compensation is fair and competitive.
- 10.4 During the financial year 2023/2024 we plan to:
- Review and assess the requirements needed to increase recruitment or progression into our higher salary roles.

- Enhance our employer brand through several different initiatives to attract more diversity.
- We will continue to train our managers to understand and address implicit bias and to recognise and challenge micro-aggressions in the workplace.
- 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 by considering our recruitment platforms and ensure our advertisements are inclusive.
- 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.

10.5 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.

April 2023