

7 June 2022

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## HCPC Gender Pay Gap and Ethnicity Pay Gap Reports - 2021

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### Executive Summary

The two enclosed papers outline the HCPC gender and ethnicity pay gap report 2021. All employers with 250 or more employees are required to publish their gender pay gap data every year under new legislation that came into force in April 2017. The data must be provided for the snapshot date of 5 April 2021. While there is currently no legal requirement to publish ethnicity pay gaps, we are doing so in line with our ambition to be an inclusive regulator, placing equality, diversity and inclusion at the heart of what we do.

### Gender Pay Gap

The gender pay gap is defined as the difference between the average hourly pay of female and male colleagues. In 2021 we continued work on reviewing the way we pay our people. Through this work we have reduced our mean pay gaps and continued to have 0% median gap.

The report provides the following:

- Definition of the gender pay gap
- The HCPC gender pay gap
- The underlying causes of the HCPC gender pay gap
- What HCPC is doing to address this gap.

HCPC's mean pay gap is 3.82% including partners (2.98% in 2020). When we exclude our partners, our mean pay gap is 6.14% (0.60% in 2020). HCPC's median pay gap is -0.09% (0% in 2020). HCPC's GPG has increased in 2021, due to the appointment of males in senior roles who tend to have a higher average salary. However, HCPC are still ambitious and committed to reducing the mean pay gaps in the coming years.

Whilst the gender pay gap is relatively low compared to other organisations, the key reason for HCPC's gender pay gap is that there are still more women in roles in lower pay bands than men. Though HCPC has a larger female workforce and are higher in number across each quartile, males have a higher average salary in the top-level pay bands when compared to women. Therefore, despite being fewer in number, overall, their salaries tend to either be higher or similar to that of females.

Please note, that in light of the recent case and guidance encompassing the worker status of partners, though we have included them within our dataset for 2021, we are currently seeking legal advice as to whether they'll need to be included in future reports.

## Ethnicity Pay Gap (EPG)

Although not legally required to publish, HCPC is committed to being an inclusive employer and so we have decided to publish our ethnicity pay gap and ensure that initiatives are in place to achieve positive results and improve our processes in the future. This is the second year HCPC has published our ethnicity pay gap results. The ethnicity pay gap is the difference between average hourly pay rates for black, asian and minority ethnic employees compared to white employees. The data is as of 5 April 2021 and we have matched the methodology we use to report our gender pay gap, however we excluded employees that preferred not to state their ethnicity.

HCPC are publishing both the reports at the same time to identify the challenges holistically and set out what we are doing to address them. We hope that reviewing them together will support us to be the type of employer we want to be as set out in our corporate strategy 2021-2026, to be a high performing regulator which delivers forward-looking regulation underpinned by strong data, collaboration and compassion.

HCPC's **mean ethnicity pay gap** is **22.43%** (17.31% in 2020) and **median ethnicity pay gap** is **18.19%** (15.82% in 2020). 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. The key actions we are taking to address this are set out in 'next steps' below.

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|                        |   |
|------------------------|---|
| Previous consideration | Previous reports have been reviewed by ELT and PRC.   |
| Decision               | PRC are asked to note the report no decision is required.   |
| Next steps             | <p>Further actions on how to reduce the HCPC gender pay gap and ethnicity pay gap have been planned for and these will be reviewed in line with the People Strategy, EDI action plan and departmental workplans.</p> <ul style="list-style-type: none"><li>• Enhance HCPC employer brand through several different initiatives in order to attract more diversity.</li><li>• Review roles in lower pay bands and implement changes which will assist with reducing the gap between higher and lower paid roles.</li><li>• Review recruitment and promotion process to ensure that roles are advertised in a gender-neutral way. HCPC already conduct structured interviews where all candidates are asked the same questions in a predetermined order and format.</li></ul> |

- Introduce leadership coaching and development for senior women.
- Introduction of more values-based questions and skill-based assessments to assess suitability for the role and to reduce unconscious bias.
- 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.

|                                     |  |
|-------------------------------------|--|
| Strategic priority                  | Strategic priority 5; Build a resilient, healthy, capable and sustainable organisation   |
| Financial and resource implications | Actions for this year have been included in 2022/2023 work plan and associated budget.   |
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| Sponsor                             | Alastair Bridges, Executive Director of Resources and Business Performance<br><a href="mailto:Alastair.Bridges@hcpc-uk.org">Alastair.Bridges@hcpc-uk.org</a> |

# HCPC Gender 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 – that 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 gender pay gap. All employers with 250 or more employees are required to publish their gender pay gap data every year under new legislation. The data must be published by 5 April 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 239 employees and a combined total of 367, including partners.

We have also continued to report on our ethnicity pay gap, which is published in a separate report. 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.

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. Our ambition is to reduce the gaps that have been identified. To do this we will monitor our KPIs and measure the impact in line with our new People Strategy. We can confirm that the figures contained in this report have been verified and checked to ensure accuracy.



John Barwick  
Chief Executive and Registrar

## What is a gender pay gap?

A gender pay gap shows the difference in the average pay between all men and women in an organisation. The gender pay gap differs from equal pay, which deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

## What does HCPC have to do?

To comply with the regulations we have to provide:

1. The mean gender pay gap
2. The median gender pay gap
3. The mean bonus gender pay gap
4. The median bonus gender pay gap
5. Proportion of males receiving bonus
6. Proportion of females receiving bonus
7. The proportion of males and females in quartile bands

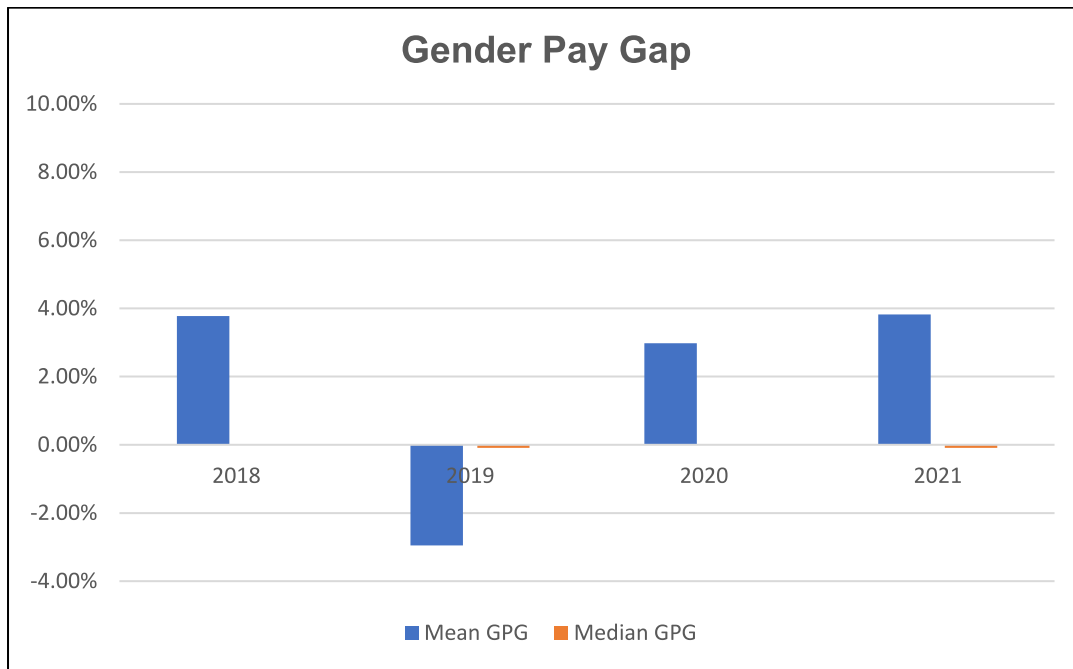
## How were the gender pay gap figures calculated?

The figures set out below have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

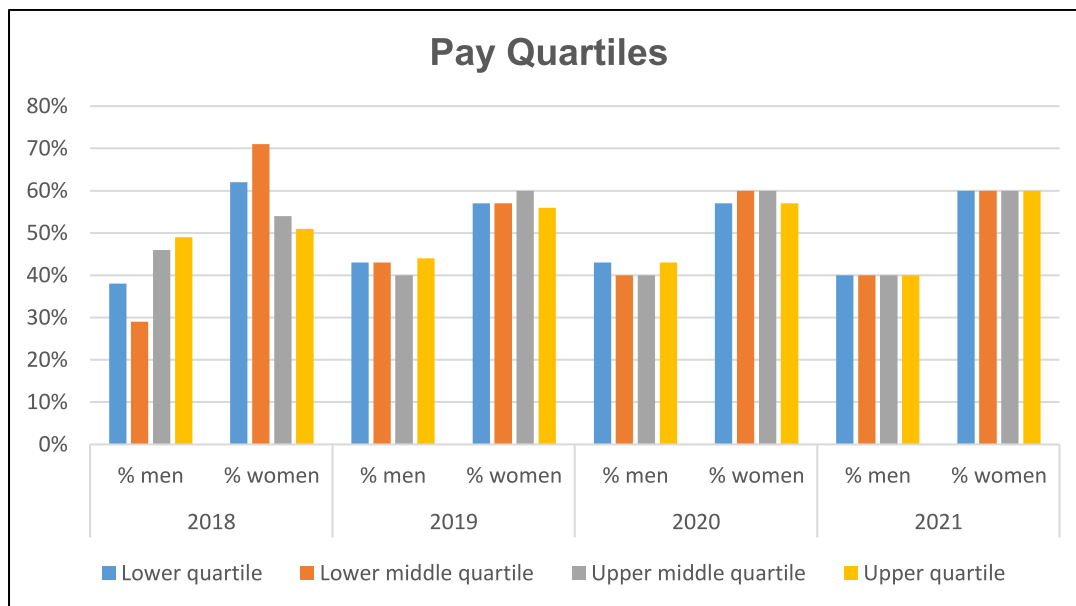
The calculations cover "relevant employees". For the purposes of the Regulations, the definition of an "employee" is very broad and includes anyone who provides services as an independent contractor ('partner'). We are therefore required to include HCPC partners in the calculation, although for the avoidance of doubt they are not considered to be employees or workers for any other purpose.

## What is HCPC's gender 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 a snapshot date of 5 April 2021. Pay quartiles by gender are set out in table below.



**Distribution of men and women by quartile:**



| Pay Quartile          | 2018  |         | 2019  |         | 2020  |         | 2021  |         |
|-----------------------|-------|---------|-------|---------|-------|---------|-------|---------|
|                       | % men | % women | % men | % women | % men | % women | % men | % women |
| Lower quartile        | 36%   | 64%     | 39%   | 61%     | 39%   | 61%     | 40%   | 60%     |
| Lower middle quartile | 42%   | 58%     | 44%   | 56%     | 40%   | 60%     | 40%   | 60%     |
| Upper middle quartile | 43%   | 57%     | 37%   | 63%     | 41%   | 59%     | 40%   | 60%     |
| Upper quartile        | 37%   | 63%     | 42%   | 58%     | 40%   | 60%     | 40%   | 60%     |

Compared to 2020 there have been small changes within the quartiles:

|            |    |                                    |
|------------|----|------------------------------------|
| <b>LQ</b>  | 1% | Decrease in women; increase in men |
| <b>LMQ</b> | 0% | No change                          |
| <b>UMQ</b> | 1% | Decrease in men; increase in women |
| <b>UQ</b>  | 0% | No change                          |

As per 4.2, over the years the distribution of males and females has appeared more balanced, particularly this year where we have noted a 60/40 split across all the quartiles. Given the addition of partners to the data set and the higher number of females this year, each quartile is presenting the same even split. However, there is more variation in the distribution across the quartiles when taking into account employees only, as noted in 9.2.

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

HCPC's **mean gender pay gap is 3.82%**. Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap. However, very large or small pay rates can dominate and distort the answer.

This can be explained by where female and male employees can be found within the pay band structure. Though HCPC's workforce mainly consists of females at 60%, the average hourly pay is slightly lower than that of males which would suggest that males are generally more likely to have higher pay.

It is important to note that the data also includes partners, which as part of guidelines for the purposes of this report, are required to be included as employees. Female partners appear to be higher in number (61%) compared to males partners (39%). HCPC has a higher number of female registrants than males as identified in the [Registrant Snapshot Report](#) and this is reflected in our partner profile. This has reduced the pay gap when compared to employees only (as mentioned in section 9), as a higher proportion of female partners are receiving a higher hourly rate compared to male partners.

HCPC's **median gender pay gap is -0.09%**. The negative value indicates that women have a higher median rate compared to men. This has likely occurred because there is overall a larger number of females, compared to males, who receive a slightly higher median hourly rate.



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

HCPC has been monitoring equal pay, which deals with the pay differences between men and women who carry out similar jobs, for several years. The current pay policy was set up to reduce the risks of any unfair disparity between pay for the same or similar work or work of equal value.

The key reason for HCPC's gender pay gap is that there are comparatively more women in roles in lower pay bands than men. This is shown in the quartile information in section 4.2 above. Though HCPC has a larger female workforce and are higher in numbers across each quartile, on average males have a slightly higher hourly rate. Therefore, despite being fewer in number, overall their salaries tend to be slightly higher.

It is important to note that there are other factors that can contribute towards the pay gap, such as part-time employees, a disproportionate female to male workforce and small percentages of exceptionally high earners, particularly in niche roles which may be male dominated. A small portion of HCPC employees are part-time (less than 35 hours per week), all of whom are female; HCPC's workforce is 60% female and exceptional earners within that workforce tend to be at Executive/IT/Digital Transformation level of which are mostly men. As a result, this can skew the distribution of earnings resulting in a lower average hourly rate for females.

The [ONS](#) estimates the gender pay gap on the basis of median hourly earnings rather than the mean since it is not affected by extreme values (e.g. in situations described above). If we consider the mid-point range, it would indicate the typical pay or average median earnings within the female and male population. HCPC's median pay gap is at -0.09%, therefore a negative value would indicate that women have a higher median earning than men and therefore have a typically higher hourly pay.

Despite this, we understand that the mean gender pay gap is an important measure of women's disadvantage in the labour market and any gap, no matter how small or large is representative of improvements that can be made by HCPC to close the gap.

## How does HCPC's gender pay gap compare with other organisations?

The vast majority of organisations have a gender pay gap, and HCPC's pay gap compares favourably with that of other organisations. By 7 March 2019, around 1750 UK employers had published their gender pay gap report on the government's gender pay gap reporting [website](#). In April 2020, the average mean gender pay gap was 14.1% and the average median gender pay gap was 12.7%.

|                              | 2020       | 2018                       | 2019                       | 2020                       | 2021                       |
|------------------------------|------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                              | UK average | HCPC statutory calculation | HCPC statutory calculation | HCPC statutory calculation | HCPC statutory calculation |
| <b>Mean gender pay gap</b>   | 14.1%      | 3.78%                      | -2.95%                     | 2.98%                      | 3.82%                      |
| <b>Median gender pay gap</b> | 12.7%      | 0%                         | 0%                         | 0%                         | -0.09%                     |

|   | HCPC   | CMA   | NMC  |
|---|--------|-------|------|
| <b>Mean</b>   | 3.82%  | 6.7%  | 4.9% |
| <b>Median</b>   | -0.09% | 5.5%  | 8.3% |
| <b>Mean gender bonus pay gap</b>                        | 0%     | 41.2% | 0%   |
| <b>Median gender bonus pay gap</b>                      | 0%     | 57.3% | 0%   |
| <b>Proportion of male employees receiving a bonus</b>   | 0%     | 68.6% | 0%   |
| <b>Proportion of female employees receiving a bonus</b> | 0%     | 67.7% | 0%   |

We have chosen to compare ourselves with similar organisations such as Completion and Markets Authority (CMA) and Nursing and Midwifery Council (NMC) who have also participated in reporting.

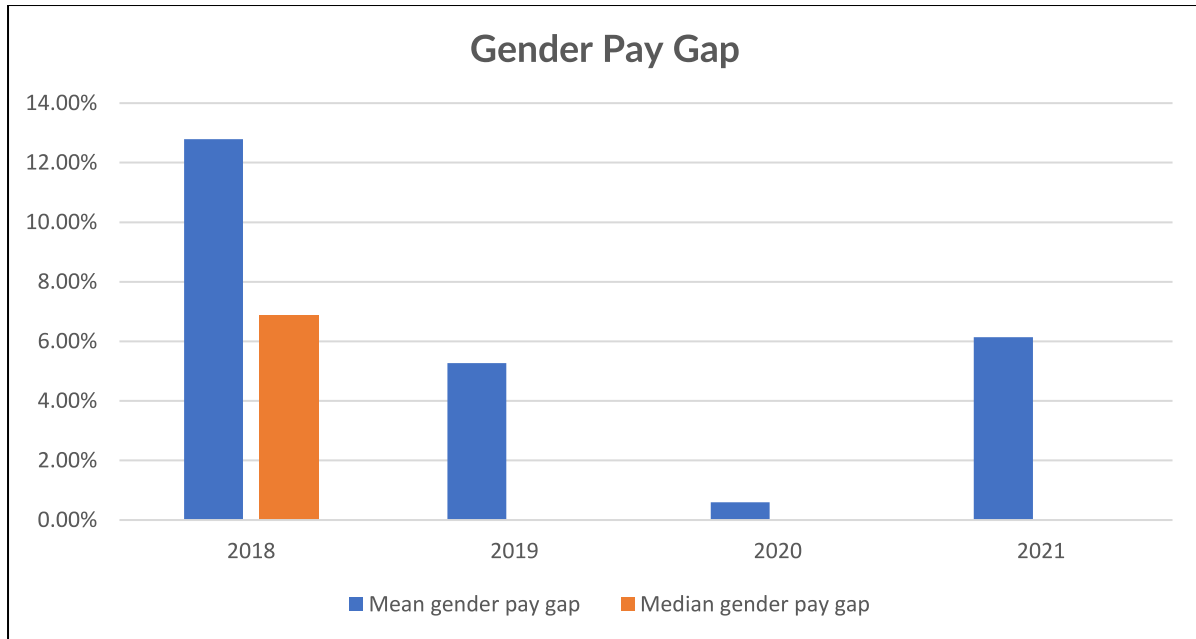
### Partner population and gender pay gap

HCPC contracts 650 partners, in 750 roles, for their services. The daily rate is based on the role the partner provides and does not vary in relation to gender, length of service or similar. Partner roles have no career progression with the exceptions of Panel members to panel Chairs.

### What happens if we exclude partners from the calculations

As explained in section 3, we have a legal obligation to include HCPC partners in our gender pay gap calculations. However, we carried out a separate set of calculations for employees only, because there is much more variation amongst pay rates for employees than for partners. The calculations for employees only are as follows:

|                       | 2018   | 2019  | 2020  | 2021  |
|-----------------------|--------|-------|-------|-------|
| Mean gender pay gap   | 12.79% | 5.27% | 0.60% | 6.14% |
| Median gender pay gap | 6.88%  | 0%    | 0%    | 0%    |



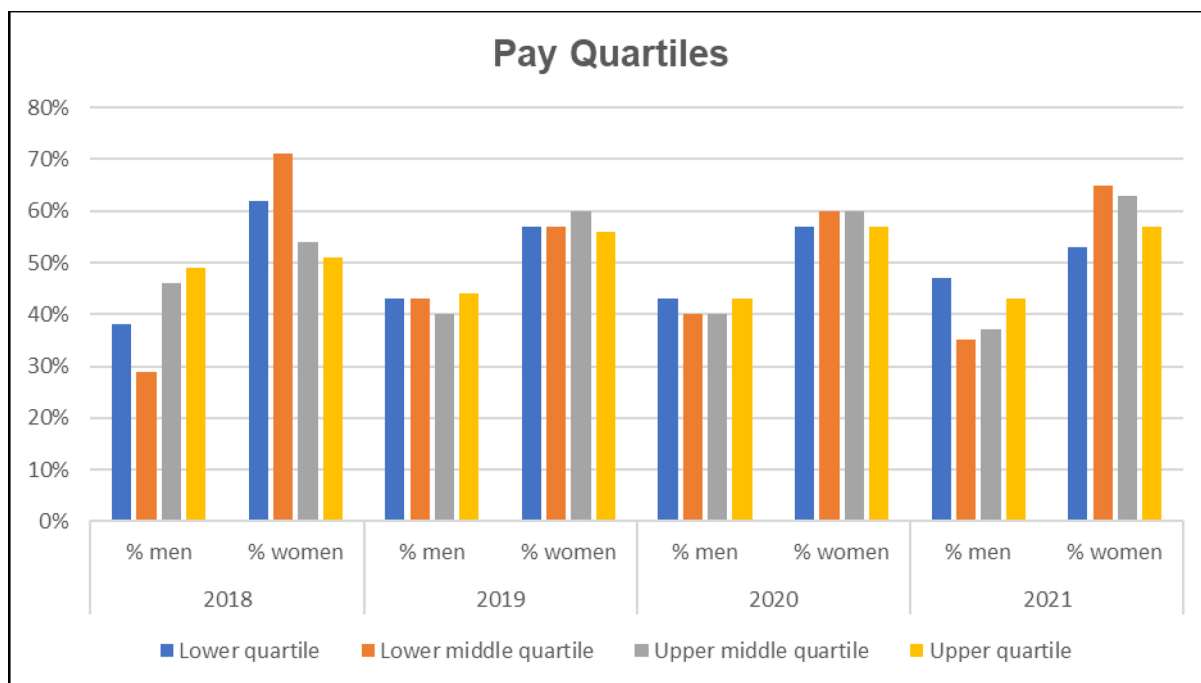
### Distribution of men and women by pay quartile excluding partners

The percentage of males and females within the upper quartile remains the same compared to last year, however the number of females in the upper middle quartile has increased, therefore HCPC is doing well in the appointment of females to mid-level roles. Despite this, females look to dominate the lower middle quartile where we have seen a steady increase since 2019.

### 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          |
| <b>Total</b> | <b>239</b> |



| Pay Quartile          | 2018  |         | 2019  |         | 2020  |         | 2021  |         |
|-----------------------|-------|---------|-------|---------|-------|---------|-------|---------|
|                       | % men | % women | % men | % women | % men | % women | % men | % women |
| Lower quartile        | 38%   | 62%     | 43%   | 57%     | 43%   | 57%     | 47%   | 53%     |
| Lower middle quartile | 29%   | 71%     | 43%   | 57%     | 40%   | 60%     | 35%   | 65%     |
| Upper middle quartile | 46%   | 54%     | 40%   | 60%     | 40%   | 60%     | 37%   | 63%     |
| Upper quartile        | 49%   | 51%     | 44%   | 56%     | 43%   | 57%     | 43%   | 57%     |

### What is HCPC doing to address its gender pay gap?

While our gender pay gap is comparatively small and has decreased consistently over the past 2 years in relation to employees, we recognise that this has reversed in 2021.

HCPC is committed to doing everything that we can to reduce the gender pay gap. The main reason for our gender pay gap is that there are comparatively more women employees than men in roles attracting lower pay rates. Therefore, our main aim over

time is to attract more women into senior and managerial roles. There is evidence of some progress against this objective when comparing this to the previous years' quartile bands.

The 2020/21 year included multiple appointments at senior/Executive level which were previously covered by agency workers, which as part of the definition of "relevant employee" would have been excluded. The appointments were occupied by males and therefore high salaries at this level would have significantly contributed towards the pay gap compared to 2019/20.

We have also noted that whilst there is less variance in pay in the lower pay bands between males and females, there are more females occupying roles in the lower pay bands compared to men. Conversely, when the comparison is made at higher level pay bands, there are generally larger variances as these bands tend to be wider. Females in the higher pay bands have a lower average salary than males occupying the same pay bands, despite being fewer in number.

In 2020/21, HCPC has started to recruit higher paid panel chairs to allow current panel members to advance within their role and use their expertise.

In order to support this aim we have already:

- Continued to promote flexible working in all campaigns so that we are more attractive as an employer and can offer a better work life balance. This is especially the case given the COVID-19 pandemic whereby HCPC continues to promote new ways of working, particularly hybrid working.
- Continue to engage recruitment partners who chair most of our partner interview panels and provide an independent assessment
- Continue to quality assure and ensure fair calibration between interview panels during partner recruitment through the Partner Project Lead
- Made online unconscious bias training mandatory to all recruiting managers to reduce bias in recruitment.
- Continued to provide recruiting managers with anonymised applications to avoid unconscious bias in decision making.
- Newer members of staff who sit on the shortlisting or interview panel for the first time are being trained
- Improved the range of our diversity monitoring data, particularly relating to recruitment and promotions.
- Reviewed and benchmarked HCPC roles which we have recruited into.
- Provided all employees with mandatory EDI training

During the financial year 2022/2023 we plan to:

- Enhance our employer brand to attract more diverse talent.
- Review roles in lower pay bands and identify options which may assist with reducing the gap between higher and lower paid roles.
- Review recruitment and promotion process to ensure that roles are advertised in a gender-neutral way. HCPC already conduct structured interviews where all candidates are asked the same questions in a predetermined order and format.
- Introduce leadership coaching and development for senior women.
- Introduce more values-based questions and skill-based assessments to assess suitability for the role and to reduce unconscious bias.

None of these measures will reduce the gender pay gap immediately and it may take several years before there is a significant further impact. In the meantime, HCPC is committed to developing our action plan further and reviewing our gender pay gap regularly.

March 2022

# 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:<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.

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

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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

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   |
| <b>Mean</b>   | 29.3% | 28.7% | 17.31% | 22.43% |
| <b>Median</b> | 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.

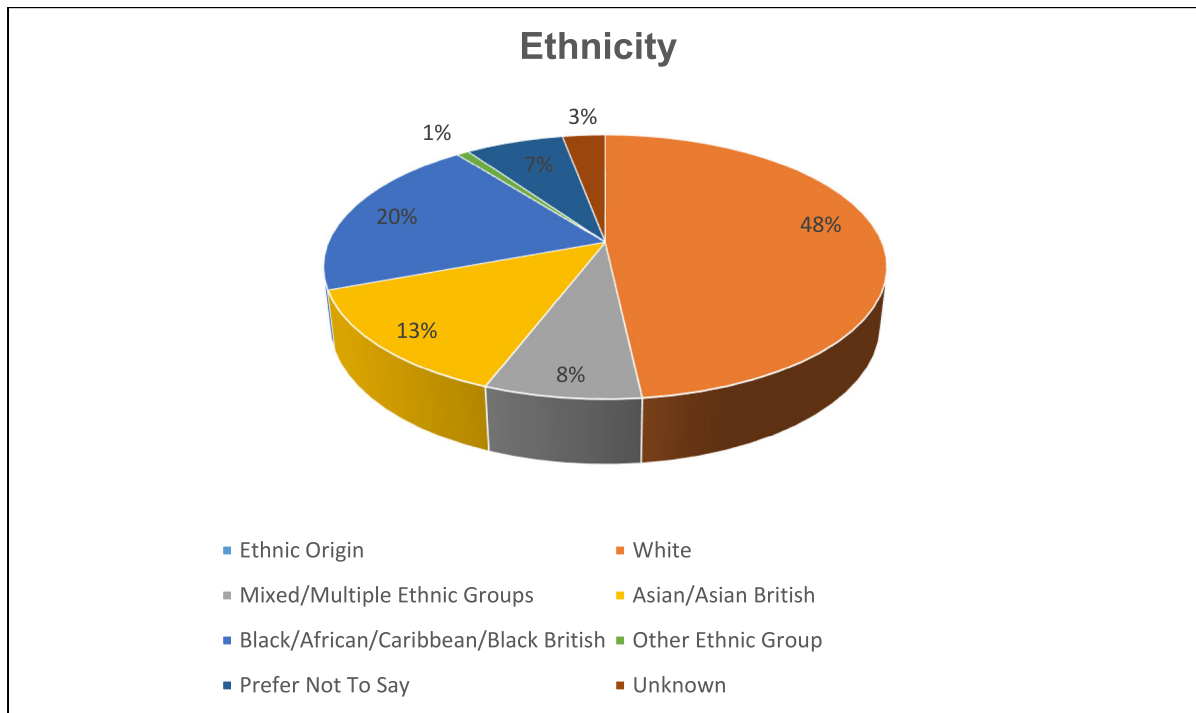
The data for pay quartiles shows that there are relatively higher numbers of ethnic minority employees than white employees in roles on lower pay bands in the organisation. This distribution is the primary reason for HCPC's ethnicity pay gap.

### 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:



Average hourly pay across the five categories:

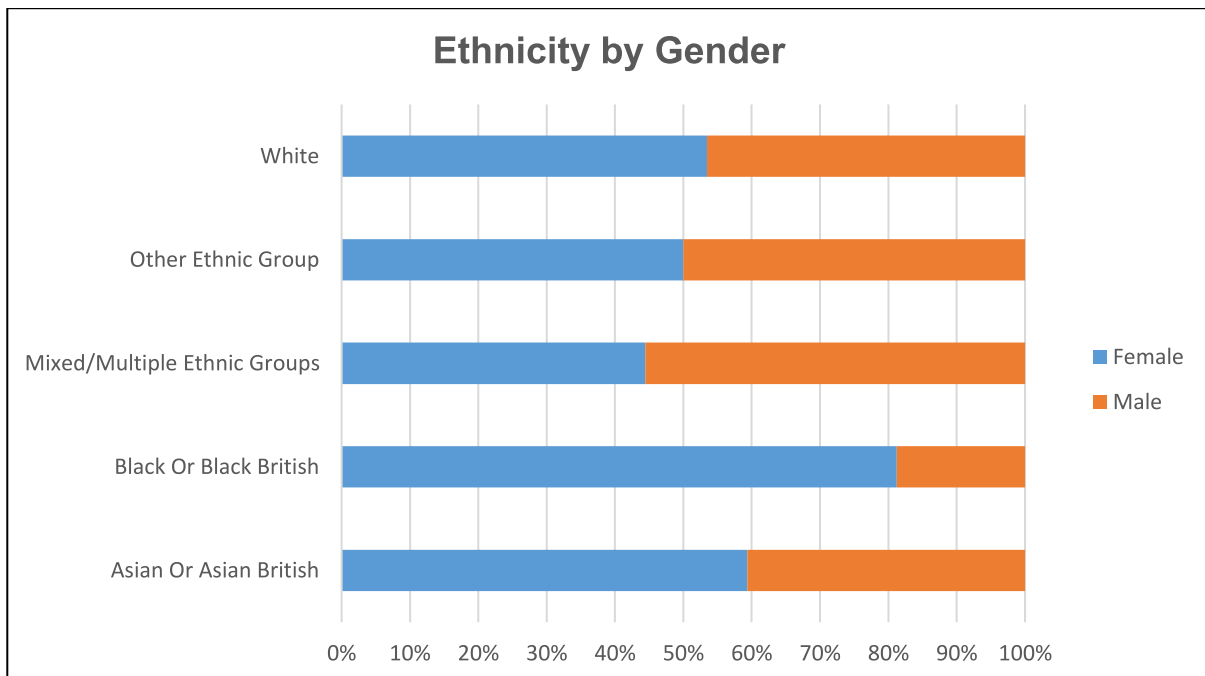
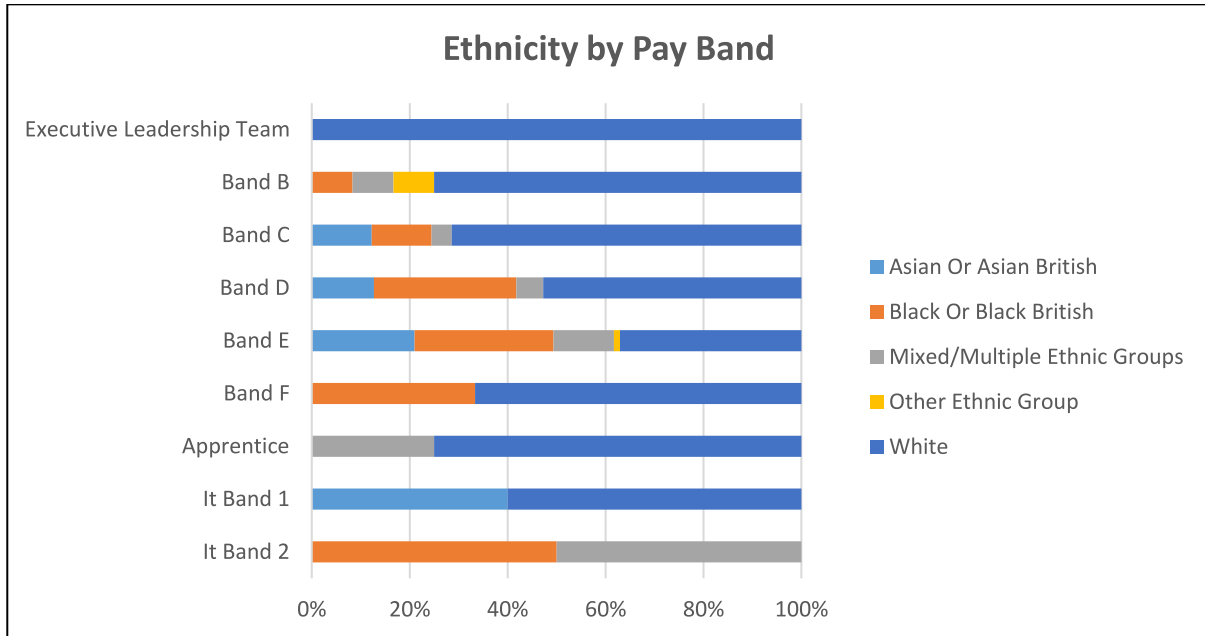
| Ethnicity                             | Average Hourly Pay | Mean Pay Gap | Median Pay Gap |
|---------------------------------------|--------------------|--------------|----------------|
| White                                 | £23.27             | -            | -              |
| Other Ethnic Group                    | £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          |
| <b>Total</b> | <b>239</b> |

**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.

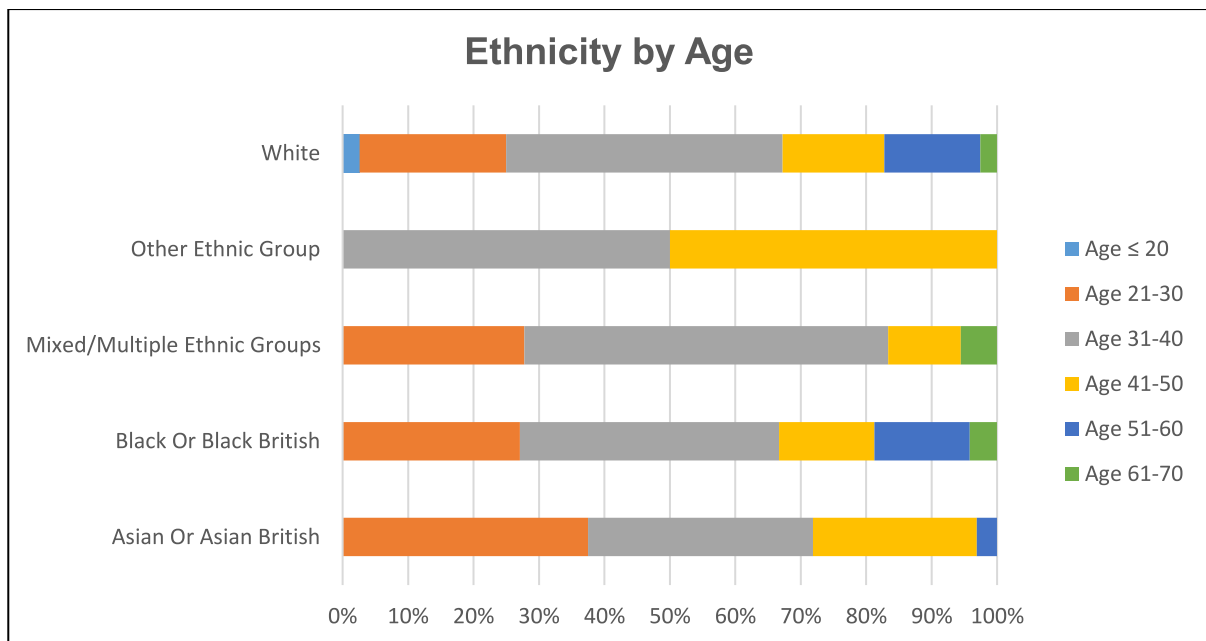
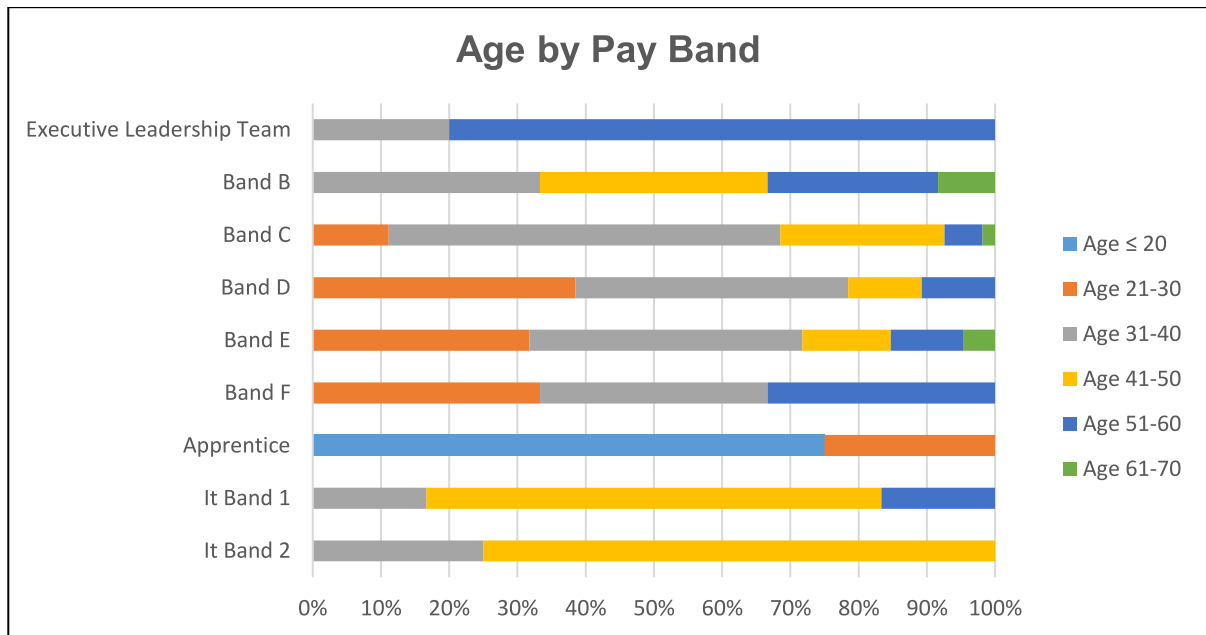
The average hourly pay for an employee of a Black background is slightly higher compared to last year where this was lower than that of any other ethnicity. However, Black employees are still more likely than white employees to occupy roles within lower pay bands. For every pound (GBP) a white employee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