



ETHNICITY PAY GAP ANALYSIS

What it means, how its calculated, interpreted and misunderstood...

Topics

1. Pay gaps vs Equal Pay vs Reality
2. Ethnicity ≠ Gender
3. Focus
4. Communication
5. Summary
6. Question Time

Pay Gaps vs Equal Pay

#Equalpayday

1

**European Commission**
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...

HER salary is 13% less than HIS.

From today until 31 December, it is as if women in the EU effectively work for free.

On **#EqualPayDay**, we symbolically mark the date when women stop earning compared to their male colleagues. The EU gender pay gap stands at 13%—for every €1 a man earns, a woman earns only €0.87.

Our message is clear: **Equal work deserves equal pay.** This is a founding principle of the European Union.

We are committed to tackling pay inequality with legislation on:

- ◆ pay transparency
- ◆ gender balance on corporate boards
- ◆ minimum wages
- ◆ work-life balance

Next year, we will present a Roadmap for Women's Rights, setting out a long-term vision for the full realisation of gender equality principles in the EU
→ <https://europa.eu/!TBqJj8>

#EqualPay #PayTransparency



EQUAL PAY definition

1

Pay an employee **less**, or give term and conditions that put them at a disadvantage, because of **sex, race, disability** or another 'protected characteristic'.

PAY GAP definition

1

pay gap

noun [C, usually singular] • HR, WORKPLACE

UK  US 

(also **wage gap**); (wage differential)

Add to word list 

the difference between the average pay of two different groups of people, for example men and women:

• the **gender pay gap**

AGGREGATED VIEW

~~PAY GAP definition~~

Representational Analysis

1



Fundamentally EQUAL PAY...



Fundamentally PAY GAPS...

1



Fundamentally PAY GAPS...

1



Choice (if you're lucky enough)

Ethnicity \neq Gender

Differences from gender

- Not binary
- Geography, Sector & Nationality
- Rigid vs outcome-driven methodology

DISABILITY CONFIDENT SCHEME

3

Focus

High impact action 3

3

- Analyse data to understand pay gaps by protected characteristic and put in place an improvement plan
- Tracked and monitored by NHS boards
- 2024 – Sex & Race
- 2025 – Disability
- 2026 – Other protected characteristics
- Success = year-on-year reductions in gender, RACE and disability pay gaps

High impact action 3

3

- Analyse data – statistical key driver analysis or pay gap percentages
- Tracked and monitored – org over time or forced benchmarking
- 2024 – Sex & Race
- 2025 – Disability
- 2026 – Other protected characteristics
- Success = year-on-year reductions in gender, RACE and disability pay gaps

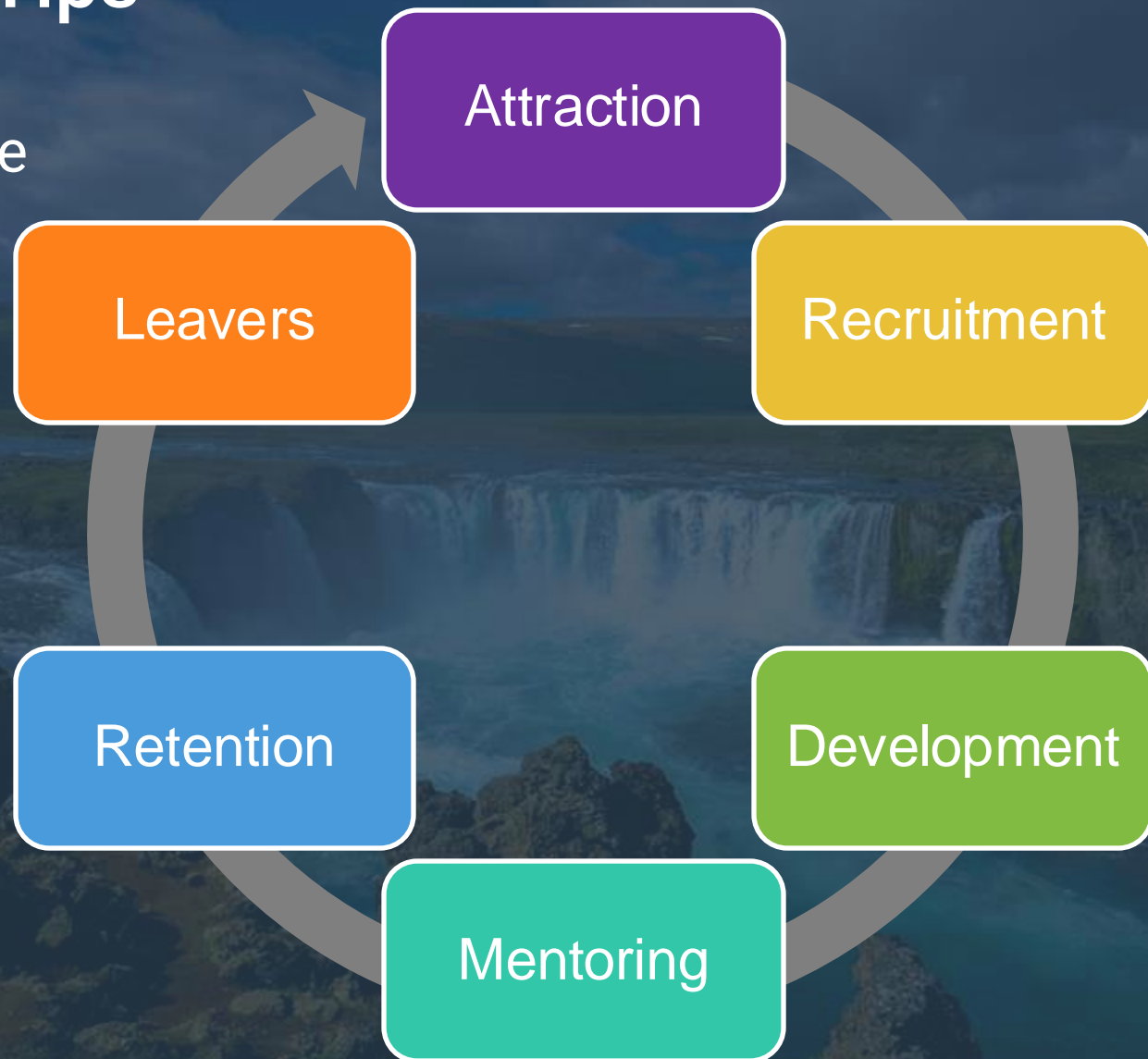
Level 3 Disability Confident

3

- PART B
 - GDPR-compliant ethnic representation over time
 - Definitions
 - Methodology
- PART A
 - Context behind Part B
 - Policies for lifecycle
 - Support
 - Progression
 - Engagement

Focus – Top Tips

- Talent Lifecycle



Focus – Top Tips

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- Talent Lifecycle
- Repeat Part B using Pay Quarter Analysis

	Talent Funnel				Pay Quarter Distribution [#]				Pay Quarter Distribution [%]				Pay Gaps [%]	
	RE		Ethnic Balance		Upper	Upper Middle	Lower Middle	Lower	Upper	Upper Middle	Lower Middle	Lower	Mean	Median
	#	%	#	%	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Quarter	Pay Gap	Pay Gap
White	10,055	84.4%	9,912	84.4%	2,494	2,404	2,516	2,418	85.0%	84.6%	85.7%	82.4%		
EM	946	7.8%	926	7.8%	188	213	225	300	6.4%	7.3%	7.7%	10.2%	6.4%	7.4%
Asian	458	3.8%	447	3.8%	96	113	113	125	3.3%	3.8%	3.8%	4.3%	7.7%	3.8%
Black	244	2.0%	238	2.0%	34	38	53	113	1.2%	1.3%	1.8%	3.8%	22.0%	24.6%
Mixed	168	1.4%	165	1.4%	38	39	41	47	1.3%	1.3%	1.4%	1.8%	-1.7%	4.7%
Other	76	0.6%	76	0.6%	20	23	18	15	0.7%	0.8%	0.6%	0.5%	-6.7%	-7.2%
PNTS	806	6.8%	796	6.8%	225	217	160	194	7.7%	7.4%	5.4%	6.8%	-10.8%	-3.8%
No Data	118	0.9%	109	0.9%	28	22	35	24	1.0%	0.7%	1.2%	0.8%	-2.5%	4.3%
All Data	11,917	100%	11,743	100%	2,935	2,936	2,936	2,936	100%	100%	100%	100%		

Key:

HIGH CORRELATION

SOME CORRELATION

NO CORRELATION

CANNOT HEADLINE

Focus – Top Tips

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2024 OUT	LEAVERS						DIPPERS					
		ALL	White	EM	PNTS	No Data		ALL	White	EM	PNTS	No Data
	Median #(E)	58 (£33.34)	51 (£33.34)	6 (£26.40)	1 (£20.70)		Median #(E)	4 (£29.18)	3 (£32.33)		1 (£23.93)	
	Mean %(E)	12.5% (£37.43)	12.9% (£37.85)	14.0% (£36.64)	5.0% (£20.70)		Mean %(E)	0.9% (£31.60)	0.8% (£34.16)		5.0% (£23.93)	
	Upper	19 (4.1%)	18 (4.5%)	1 (2.3%)			Upper	1 (0.2%)	1 (0.3%)			
	Upper Middle	16 (3.5%)	15 (3.8%)	1 (2.3%)			Upper Middle	1 (0.2%)	1 (0.3%)			
	Lower Middle	9 (1.9%)	7 (1.8%)	2 (4.7%)			Lower Middle	2 (0.4%)	1 (0.3%)		1 (5.0%)	
	Lower	14 (3.0%)	11 (2.8%)	2 (4.7%)	1 (5.0%)		Lower					
ALL REMOVED	TX OUT OF ENTITY						CHANGED CHARACTERISTIC FROM...					
		ALL	White	EM	PNTS	No Data		ALL	White	EM	PNTS	No Data
	Median #(E)	7 (£31.26)	7 (£31.26)				Median #(E)	3 (£29.67)		1 (£29.67)	2 (£37.44)	
	Mean %(E)	1.5% (£29.08)	1.8% (£29.08)				Mean %(E)	0.6% (£34.85)		2.3% (£29.67)	10.0% (£37.44)	
	Upper	1 (0.2%)	1 (0.2%)				Upper	1 (0.2%)			1 (5.0%)	
	Upper Middle	3 (0.6%)	3 (0.8%)				Upper Middle					
	Lower Middle						Lower Middle	1 (0.2%)		1 (2.3%)		
	Lower	3 (0.6%)	3 (0.8%)				Lower	1 (0.2%)			1 (5.0%)	

Focus – Top Tips

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2024 IN	NEW EMPLOYEES						PREVIOUSLY NOT FULL PAY					
		ALL	White	EM	PNTS	No Data		ALL	White	EM	PNTS	No Data
	Median #(E)	141 (£29.21)	114 (£29.50)	22 (£29.57)	5 (£20.83)		Median #(E)	9 (£41.72)	5 (£37.37)	4 (£43.59)		
	Mean #(E)	25.0% (£31.71)	24.2% (£30.99)	24.4% (£34.62)	20.8% (£35.40)		Mean #(E)	1.6% (£40.47)	1.1% (£39.34)	6.3% (£41.87)		
	Upper	18 (3.2%)	14 (3.0%)	3 (4.7%)	1 (4.2%)		Upper	5 (5.9%)	2 (5.4%)	3 (4.7%)		
	Upper Middle	38 (6.7%)	32 (6.8%)	6 (9.4%)			Upper Middle	1 (5.2%)	1 (5.2%)			
	Lower Middle	27 (6.5%)	27 (5.7%)	9 (14.1%)	1 (4.2%)		Lower Middle	2 (5.4%)	1 (5.2%)	1 (1.6%)		
	Lower	48 (8.5%)	41 (8.7%)	4 (6.2%)	3 (12.5%)		Lower	1 (5.2%)	1 (5.2%)			
ALL ADDED	TX INTO ENTITY						CHANGED CHARACTERISTIC TO...					
		ALL	White	EM	PNTS	No Data		ALL	White	EM	PNTS	No Data
	174 (£30.50) 30.8% (£33.37)	Median # (E)	21 (£36.60)	16 (£31.90)	2 (£44.63)	3 (£64.42)	Median # (E)	3 (£32.14)	2 (£45.79)			1 (£25.90)
		Mean #(E)	3.7% (£40.71)	3.4% (£36.18)	3.1% (£44.63)	12.5% (£62.20)	Mean #(E)	0.5% (£39.18)	0.4% (£45.79)			20.0% (£25.90)
	32 (5.7%)	Upper	8 (1.4%)	5 (1.1%)	1 (1.6%)	2 (8.3%)	Upper	1 (5.2%)	1 (5.2%)			
	43 (7.6%)	Upper Middle	4 (0.7%)	2 (5.4%)	1 (1.6%)	1 (4.2%)	Upper Middle					
	49 (8.7%)	Lower Middle	8 (1.4%)	8 (1.7%)			Lower Middle	2 (5.4%)	1 (5.2%)			1 (20.0%)
	50 (8.8%)	Lower	1 (5.2%)	1 (5.2%)			Lower					

FEMALE REPRESENTATION - YoY		2017	2018	2019	2020	2021	2022	2023	2024
Gender Balance		72.8	72.8	71.2	71.3	71.3	70.8	69.8	
Upper Quarter		58.2	58.2	57.1	58.0	57.8	55.6	56.4	
Upper Middle Quarter		80.2	80.2	78.0	77.8	77.5	78.0	78.5	
Lower Middle Quarter		79.2	79.2	78.0	78.9	78.5	77.8	75.8	
Lower Quarter		73.8	73.8	71.6	70.7	71.4	71.9	68.6	

FEMALE REPRESENTATION - >>>			par	fall	rise	fall	fall	fall	
Gender Balance		72.8	72.8	71.2	71.3	71.3	70.8	69.8	
Upper Quarter Δ		-22.4%	-22.4%	-22.0%	-20.6%	-20.9%	-24.1%	-21.3%	
Upper Middle Quarter Δ		9.6%	9.6%	9.1%	8.6%	8.3%	9.6%	11.7%	
Lower Middle Quarter Δ		8.4%	8.4%	9.1%	10.0%	9.6%	9.4%	8.2%	
Lower Quarter Δ		1.3%	1.3%	0.6%	-0.9%	0.1%	1.5%	-1.8%	

COMPLIANCE METRICS	2017	2018	2019	2020	2021	2022	2023	2024
SRO Correct?	Public	Public	Public	Public	Public	Public	Public	No Data
Data last submitted on:	28 Mar 18 11:05	29 Mar 19 09:23	17 Apr 20 13:36	30 Mar 21 15:44	28 Mar 22 10:57	30 Mar 23 08:22	18 Mar 24 10:56	

SRO Title/Name	NIL	NIL	NIL	NIL	NIL	NIL	NIL	

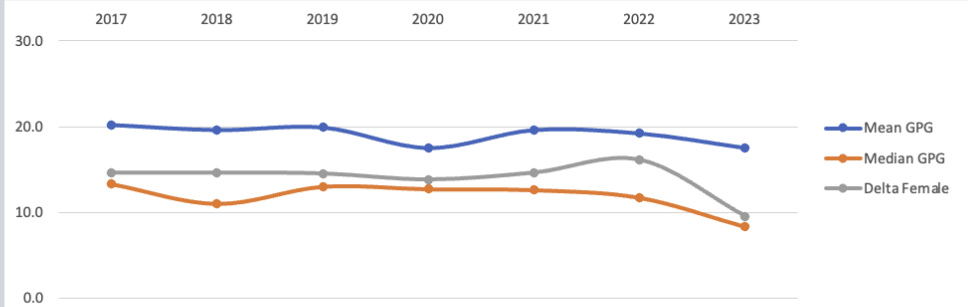
Mean GPG	20.20	19.60	19.90	17.50	19.60	19.20	17.50
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Median GPG	13.30	11.00	13.00	12.70	12.60	11.70	8.30
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GENDER REPRESENTATION IN 2023



CHANGE from 2017 > 2023



REPORT LINKS

[illegible][illegible]

Dodgy?	<<< DUPE >>> <<< DUPE >>>	ok	ok	ok	ok	ok	N/A
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Maths?	ok	ok	ok	ok	ok	ok	ok	N/A
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Focus

- Year-on-Year Talent

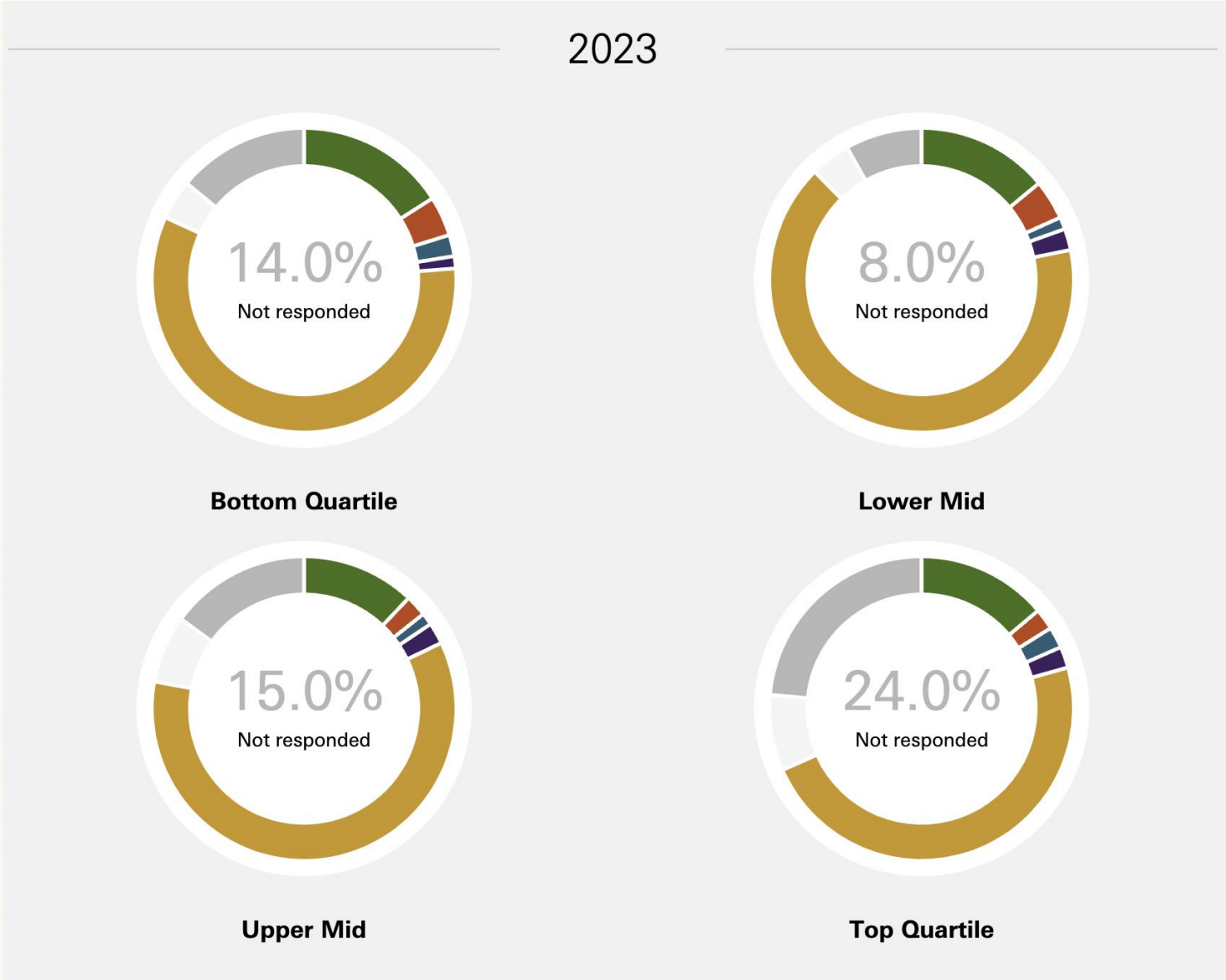


Communication

Increase in Median Black % is due to either higher declaration rates in low part of pay range or influx of Black talent in low part of pay range

Unseen insight is % of talent with no ethnicity data increases inline with increasing pay/seniority

HSBC's Black pay gap grows



The UK lender's median pay gap for Black employees rose from 13.3% in 2022 to 24.2% in 2023,

Summary

Summary

4

- Fundamental reset required
- Consider the whole talent flow
- What can I control
- How do I measure that
- Use an appropriate framework
- Change over time rules
- Benchmarking is for ...
- Communicate effectively

QUESTIONS

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