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The University of Manchester

THE UNIVERSITY OF MANCHESTER

ETHNICITY PAY GAP REPORT 2018

MIND THE GAP

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THE UNIVERSITY OF MANCHESTER

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1. Introduction

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017[1] came into force on 6 April 2017.

As part of the University's commitment to increase the equality and diversity of its staff profile in order to ensure that, over time, it becomes representative of the national and local populations, an initial ethnicity pay gap (EPG) analysis has been undertaken and the outcomes are presented within this report.

Unlike gender pay gap (GPG) reporting, it is not currently a mandatory requirement for organisations to report on and publish their EPG. However, the University is keen to understand its position in order to consider whether any additional actions are required to close any pay gap that is identified. In our aim to be an exemplar of best practice, we also wish to monitor and respond to our position and performance ahead of any statutory requirement to do so. This work is carried out in addition to the University's biennial equal pay audits which analyse pay gaps for ethnicity at each grade, providing a direct comparison of jobs which have been determined to be of equal value.

This report provides the outcomes of the University EPG reporting and provides some context and explanations to consider what the outcomes mean.

[1] *www.legislation.gov.uk/uksi/2017/353/schedule/1/made*

2. Calculations and scope of reporting

As noted above, there is currently no legal requirement to undertake EPG reporting, so there are no guidelines relating specifically to ethnicity. Therefore, for the purpose of this analysis, all data presented in this report has been gathered and analysed in accordance with the Equality Act 2010 (Specific Duties and Public Authorities) 2017[1] but with reference to ethnicity as opposed to gender. The EPG will therefore show the difference between the average (mean and median) earnings of White and Black, Asian and Minority Ethnic (BAME) staff. This will be expressed as a percentage of the earnings of White staff. In line with GPG reporting requirements for all public sector organisations, the data contained here is based on hourly pay rates as at 31 March 2018 and for bonuses paid between 1 April 2017 and 31 March 2018.

The following analysis is contained within the report:

i. mean ethnicity pay gap
ii. median ethnicity pay gap
iii. mean bonus pay gap
iv. median bonus pay gap
v. proportion of White and BAME staff receiving a bonus payment
vi. proportion of White and BAME staff on each pay quartile

In line with the GPG analysis undertaken by the University, the data includes information relating to all relevant employees which is defined as anyone employed by the University on 31 March 2018. This includes casuals, apprentices, overseas workers, clinicians and those personally contracted to do work.

In order to provide meaningful outcomes, for the purposes of this report staff have been categorised as 'White', 'BAME' or 'Unknown' (please note that 'Unknown' also includes staff who have refused to provide information in relation to their ethnicity).

As a reference point, the table below provides a complete breakdown of the University's workforce by ethnicity code. The highlighted categories show which codes have been classified as 'BAME' for the purposes of this analysis:

Ethnicity code	Ethnicity description	Total	Percentage
10	White	10,095	78.0%
21	Black or Black British – Caribbean	107	0.8%
22	Black or Black British – African	209	1.6%
29	Other Black Background	38	0.3%
31	Asian or Asian British – Indian	323	2.5%
32	Asian or Asian British – Pakistani	239	1.8%
33	Asian or Asian British – Bangladeshi	62	0.5%
34	Chinese	507	3.9%
39	Other Asian Background	268	2.1%
41	Mixed – White and Black Caribbean	51	0.4%
42	Mixed – White and Black African	29	0.2%
43	Mixed – White and Asian	83	0.6%
49	Other Mixed Background	181	1.4%
50	Arab	95	0.7%
80	Other Ethnic Background	209	1.6%
90	Not known	215	1.7%
98	Information refused	227	1.8%
	Total	**12,938**	

3. Context

Equality, diversity and inclusion are key priorities for the University, and it seeks to promote opportunities for all and values difference. We are committed to fairness and equality and this commitment, in relation to ethnicity, is embedded within Goal 3 of the 2020 Strategic Plan[2]: to 'support staff equality and diversity through disabled, lesbian, gay, bisexual and trans, black and minority ethnic, international and religion-and belief based staff networks;' and to 'implement a new Race Equality Charter Mark to improve the representation, progression and success of ethnic minority staff and students in higher education'. We have held a Race Equality Charter Mark bronze award since 2015. This award recognises that we are working to eliminate racial inequalities and to develop an inclusive culture where all staff and students are valued.

KPI 9 in the University's Strategic Plan sets out our commitment to 'a weighted portfolio of measures to monitor progress against the social responsibility agenda, including equality and diversity profile.' This commitment is further embedded in the University's published guiding principles and values, which form part of the 2020 Strategic Plan, to 'be an accessible organisation, committed to advancing equality and diversity.'

[2] Extracts taken from Manchester 2020 The University of Manchester's Strategic Plan documents.manchester.ac.uk/display.aspx?DocID=25548

4. The University of Manchester Ethnicity Pay Gap: outcomes and analysis 2018

The tables below contain the outcomes of The University of Manchester's EPG reporting for 2018.

Table 1: Pay gap information, 2018

Pay gap information	Mean (average)	Median (middle)
Ethnicity Pay Gap	10.5%	8.4%
Ethnicity Bonus Gap	-39.3%	-203.5%

Table 2: Staff numbers split by ethnicity in each quartile pay band, count and proportions, 2018

Quartile pay bands	Population	White	BAME	Unknown	Total	% White	% BAME	% Unknown
Highest paid	Quartile 1	2,692	444	98	3,234	83.2%	13.7%	3.0%
	Quartile 2	2,590	558	86	3,234	80.1%	17.3%	2.7%
	Quartile 3	2,473	639	123	3,235	76.4%	19.8%	3.8%
Lowest paid	Quartile 4	2,340	760	135	3,235	72.3%	23.5%	4.2%
Total		**10,095**	**2,401**	**442**	**12,938**	**78.0%**	**18.6%**	**3.4%**

Table 3: Hourly rates of relevant full-pay employees, 2018

Ethnicity	Mean (average)	Median (middle)
White	£22.67	£18.89
BAME	£20.28	£17.31
Unknown	£23.08	£17.31

Table 4: Bonus rates of relevant employees, 2018

Ethnicity	Mean (average)	Median (middle)
White	£10,771.17	£1,256.65
BAME	£15,003.61	£3,813.46
Unknown	£750.00	£750.00

Table 5: Proportion of staff who received a bonus, split by ethnicity, 2018

Ethnicity	Proportion
White	2.2%
BAME	1.1%

Distribution of staff within the organisation

As Table 2 illustrates, BAME staff comprise 18.6% of the University's overall workforce. Of these staff, the highest proportion, 23.5%, are paid within the lowest paid quartile (Quartile 4). This figure reduces to 13.7% of staff that are paid within the highest paid quartile (Quartile 1). The proportions of BAME staff in Quartiles 2 and 3 are more balanced at 17.3% and 19.8% respectively. These figures highlight the issue of under-representation of BAME staff, particularly at a senior level, and its inevitable impact on the EPG outcomes.

Occupational groups

On the census date the University employed 1,168 casual staff, of which 388 were classified as BAME. This figure translates to 33.2% of the total casual staff population. Further analysis shows that of these 388 members of BAME staff, 355 were paid within the lowest paid quartile.

In order to understand the impact that casual staff have on the overall outcomes, the pay gaps were re-calculated to exclude casual staff from the data set. Interestingly, this resulted in a much narrower mean pay gap of 4.9% (compared to 10.5%), while the median pay gap increased marginally from 8.4% to 9.3%. There was no impact on either bonus pay gap figure.

Inevitably, when casuals were excluded from the data set there was an increase in both the mean and median hourly rates of full-pay employees. Hourly rates for White staff increased to £23.54 (mean) and £19.66 (median), and to £22.38 (mean) and £17.84 (median) for BAME staff. The increased hourly rates for BAME staff explains why the removal of casual staff from the data set has such an impact on the overall mean pay gap.

In line with actions arising from the GPG analysis, further work now needs to be undertaken with colleagues across the University to review the recruitment and selection processes that are currently in place for casual staff.

Clinical staff

As the University's GPG analysis has shown to date, the pay and bonuses awarded to clinical staff have a significant impact on the outcomes. In line with guidance produced by Universities and Colleges Employers Association (UCEA)[3] the University has classified Clinical Excellence Awards (CEA) as bonus pay for the purpose of this EPG analysis. Further background and a definition of the CEA scheme can be accessed via the British Medical Association website[4].

In order to determine the impact that clinical staff have on the outcomes the data has been further examined with clinical staff excluded from the data set.

[3] *UCEA 17:102 Gender Pay – treatment of Clinical Excellence Awards www.ucea.ac.uk/en/empres/epl/gender-pay-gap/gpg-briefings.cfm*
[4] *www.bma.org.uk/advice/employment/pay/clinical-excellence-awards-for-nhs-consultants*

5. The University of Manchester Ethnicity Pay Gap: outcomes and analysis (clinical staff excluded)

The tables below contain the outcomes of The University of Manchester's EPG reporting for 2018 excluding clinical staff.

Table 6: Pay Gap Information, 2018 (clinical staff excluded)

Pay gap information	Mean (average)	Median (middle)
Ethnicity Pay Gap	10.8%	5.7%
Ethnicity Bonus Gap	46.8%	11.2%

Table 7: Staff numbers split by ethnicity in each quartile pay band, count and proportions, 2018 (clinical staff excluded)

Quartile pay bands	Population	White	BAME	Unknown	Total	% White	% BAME	% Unknown
Highest paid	Quartile 1	2,619	396	93	3,108	84.3%	12.7%	3.0%
	Quartile 2	2,446	577	86	3,109	78.7%	18.6%	2.8%
	Quartile 3	2,400	592	117	3,109	77.2%	19.0%	3.8%
Lowest paid	Quartile 4	2,242	733	135	3,110	72.1%	23.6%	4.3%
Total		**9,707**	**2,298**	**431**	**12,436**	**78.1%**	**18.5%**	**3.5%**

Table 8: Hourly rates of relevant full-pay employees, 2018 (clinical staff excluded)

Ethnicity	Mean (average)	Median (middle)
White	£21.85	£18.35
BAME	£19.49	£17.30
Unknown	£22.79	£17.31

Table 9: Bonus rates of relevant employees, 2018 (clinical staff excluded)

Ethnicity	Mean (average)	Median (middle)
White	£1,442.29	£901.00
BAME	£767.00	£800.00
Unknown	£750.00	£750.00

Table 10: Proportion of staff who received a bonus, split by ethnicity, 2018 (clinical staff excluded)

Ethnicity	Proportion
White	1.4%
BAME	0.5%

The University of Manchester employed 502 clinical staff at the census date. As noted in the University's GPG reports, because of their links to the NHS, clinical academic terms and conditions of employment are different to those of other Higher Education academics and support staff, and are determined by the conditions of the nationally agreed pay scale within the NHS (Agenda for Change).

Of the 502 clinical staff employed by the University on the census date in 2018, 388 were White (77.3%), 103 were BAME (20.5%) and the ethnicity for 11 clinicians was not known (2.2%).

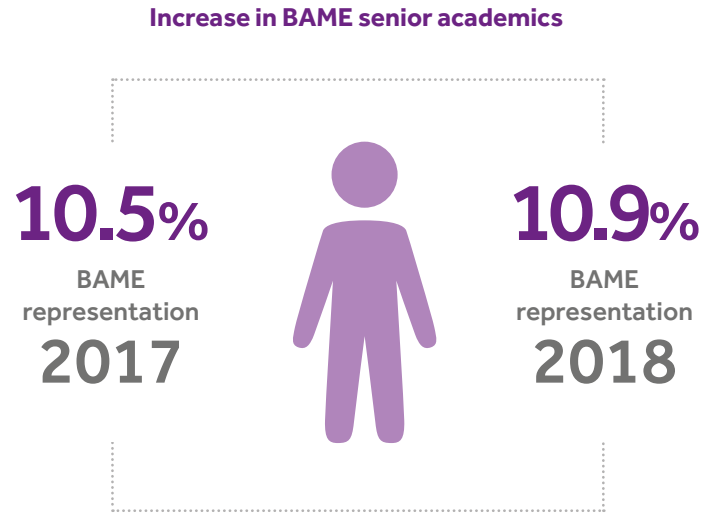
As shown in Table 6 above, when data for the clinical staff is excluded, the mean pay gap increases slightly from 10.5% to 10.8% while the median pay gap decreases more notably from 8.4% to 5.7%.

The shift in the bonus pay gaps is where the most significant impact is seen. The mean bonus gap shifts from -39.3% (in favour of BAME staff) to 46.8% (in favour of White staff). The impact on the median bonus figures is even greater with the gap shifting from -203.5% (in favour of BAME staff) to 11.2% (in favour of White staff). This demonstrates the significant impact that bonus payments received by clinical staff have on the overall results.

A total of 98 clinical staff received bonus payments under the CEA scheme. Of these 15 were BAME staff and 83 were White. Although only 15.3% of the clinical staff that received bonus payments were BAME staff, the impact on the overall outcomes in relation to the bonus pay gaps is highly significant.

Of the 151 non-clinical staff awarded bonus payments in 2018 12 were BAME staff.

6. Progress to date



Recent analysis provided as part of the University's Annual Performance Review (APR) has shown a further increase in the proportion of BAME senior academics (professors, readers and senior lecturers) with an overall proportion of 10.9% BAME representation in 2018 (compared to 10.5% in 2017). While there has only been a modest increase from 2017, the trend of steady increases each year has continued. Additionally, the proportion of BAME professors has increased from 8.8% in 2017 to 9.3% in 2018.

Within Professional Services (PS), the proportion of BAME staff undertaking senior roles (grade 6 and above) has also increased marginally from 8.1% in 2017 to 8.2% in 2018.

The outcomes reported in the APR show that the University is making progress in terms of increasing the representation of BAME staff at senior levels of employment (for both academic and PS staff), though progress is very slow.

It should be noted that, due to the timing of the academic promotions, any impact in terms of reducing the EPG will not be seen until the 2019 figures are reported.

Further analysis of recruitment data in the APR showed that 36.7% of applications for core academic posts (professorships, senior lectureships and lectureships) were submitted by BAME candidates but there was only a 25.5% success rate at the shortlisting stage and 27.8% success rate at interview (compared to 68.3% and 67.4% respectively for White applicants).

Of the applications for research and other academic positions, 50.9% of applications were submitted by BAME candidates with a 36.1% success rate at the shortlisting stage and 29.4% success rate at interview (compared with 56.5% and 64.2% respectively for White applicants).

BAME candidates submitted 27.7% of applications for PS positions across the University and had a 20.0% success rate at the point of shortlisting and 14.5% at interview. This compares with 74.4% and 77.1% for white applicants.

These recruitment figures show that BAME candidates are significantly less likely to be shortlisted when applying for a post at the University. This is obviously concerning and is being monitored at a senior level.

7. Summary

While both the mean and median EPGs are smaller than the University's GPGs, the analysis highlights an issue of under-representation of BAME staff generally within the University. In terms of the distribution of BAME staff across the organisation, the data shows there are fewer BAME staff occupying senior level roles within the University, and more BAME staff occupying roles in the lowest paid quartile. This has an impact on both the mean and median pay gaps that have been identified. It is important to underline that the pay gaps highlighted above are not as a result of White and BAME staff being paid differently for work of equal value.

The University's HR Sub-Committee regularly reviews progress towards greater BAME representation amongst the workforce through the University's APR and as part of the University's formal planning and accountability cycle. It also reviews representation at different levels and in different occupational groups. This ensures that we regularly review measures taken in efforts to hasten progress towards achieving an ethnically diverse workforce that is representative of the Greater Manchester population and of the markets in which we recruit both nationally and internationally, and thereby reducing and removing the current EPGs.

The University of Manchester
Oxford Road
Manchester
M13 9PL
www.manchester.ac.uk

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