



UK pay gap report 2020

Introduction

Inclusion is one of our core values, informing how we deliver our purpose and our strategy to 2025. Last year, we took a further step, making commitments to nine of the United Nations Sustainable Development Goals which we plan to deliver by 2030. Goals 5 and 10 particularly speak to aspects of equality, diversity and inclusion and for each of these, we've identified commitments that relate to our own employees – achieving gender equality across our employee population and ensuring ACCA is a fair and inclusive place to work.

While we are still at the early stages of this journey, in the past year we've made some significant progress to ensure we become a truly inclusive organisation.

In 2020 we implemented a new requirement for all employees to carry out inclusion training; we also asked people to share their ethnicity data so that we could broaden our pay transparency reporting to include pay by ethnicity. We fully recognise that a key step to understanding if we are creating meaningful and positive change around inclusion and diversity is to monitor the movement in our employee demographic.

I'm pleased to report that 57% of our employees volunteered to share their ethnicity data. While this is a very positive start, providing a meaningful level of employee data, we are hopeful that in the coming year more employees share their ethnicity data so that we can improve the accuracy of our reporting and use this to inform the actions we should take.

We are now closely reviewing the gender and ethnicity pay gaps findings to identify the issues we need to address with action plans. This year these plans will also be informed by ACCA's inclusion groups, representing our LGBTQI+, ethnicity and wellbeing communities which we formed last year following extensive employee consultation. We'll also be drawing on the findings of our inclusion index, introduced to our employee survey, which monitors perceptions and experiences of inclusion, and our data collection on diversity and representation at different levels in the organisation.

Looking ahead, while there's still much to take forward, we've established a strong foundation to continue building towards a truly inclusive organisation for all ACCA people.



Helen Brand OBE
Chief executive



Julie Hotchkiss
Executive director – people and transformation

The data at a glance

THE PAY GAP

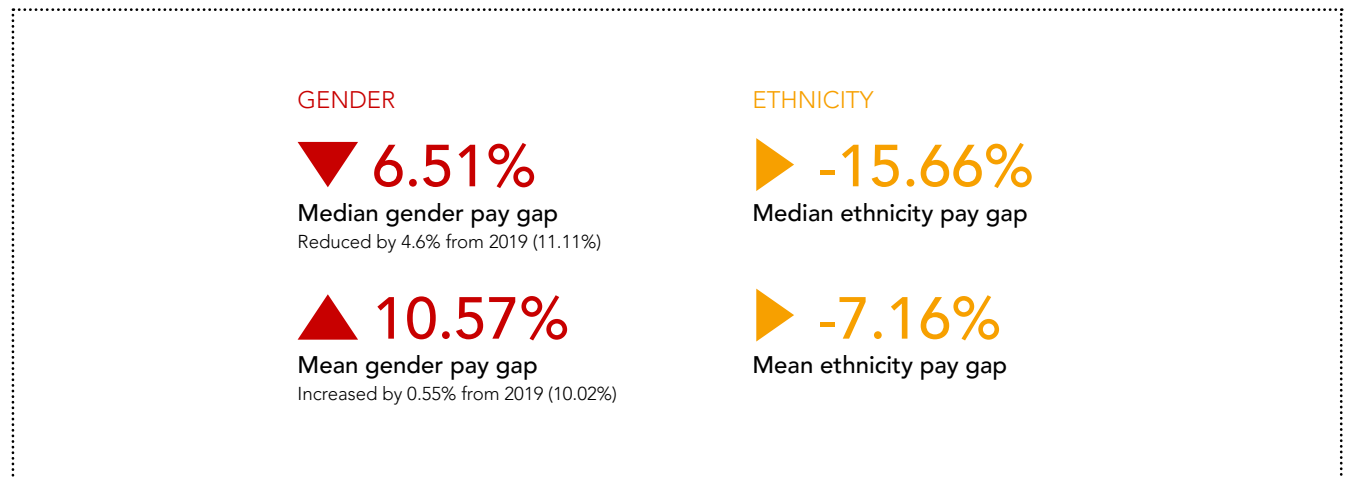
The gender pay gap measures the difference in average pay between men and women across ACCA, regardless of role, grade and any other differentiating factors.

The ethnicity pay gap measures the difference in average pay between White and Black, Asian and individuals of other ethnic groups, regardless of role, grade and any other differentiating factors.

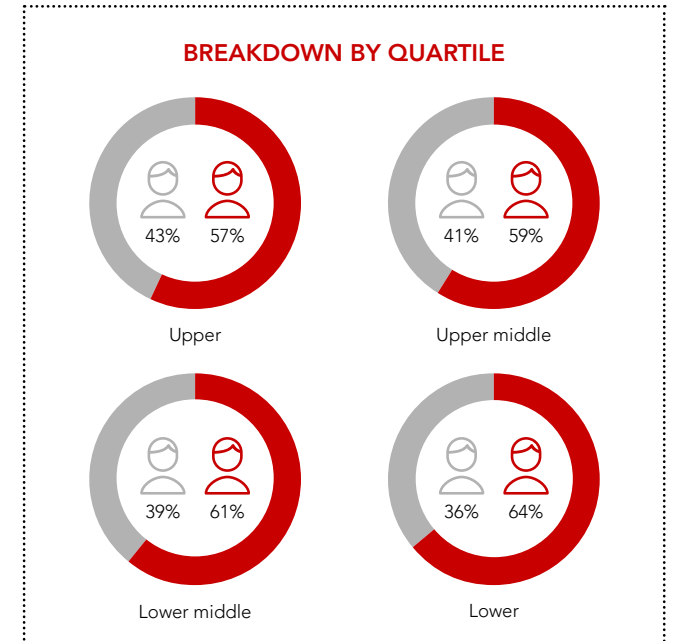
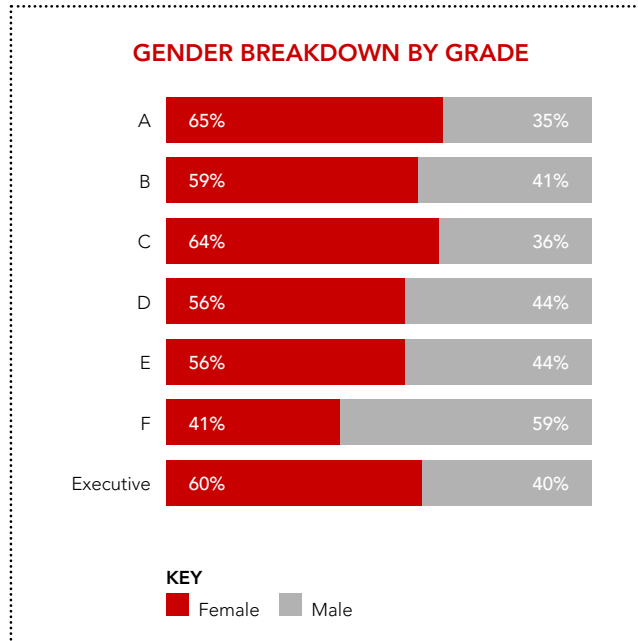
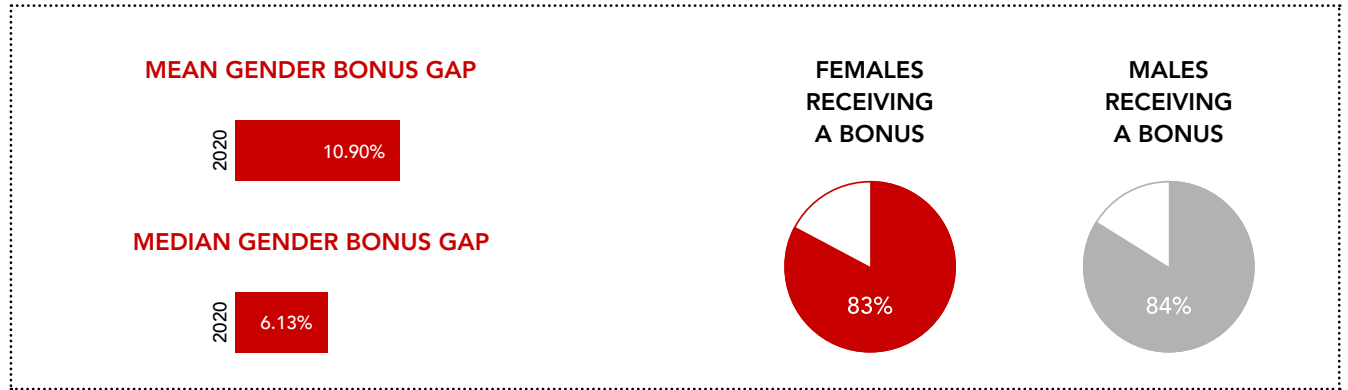
THE PAY GAP IS DIFFERENT TO EQUAL PAY

By contrast, equal pay considers the earnings of those of different genders or ethnic groups doing the same jobs, similar jobs or work of equal value.

We report our gender and ethnicity pay gap on a voluntary basis and, as there is currently no official guidance in place regarding the calculation of ethnicity pay gaps, both are calculated using the gender pay gap statutory methodology. Pay gaps are calculated based on hourly pay taken at April 2020 and bonus pay is calculated based on all bonuses paid in the 12 months prior to April 2020.



Our gender pay gap in more detail



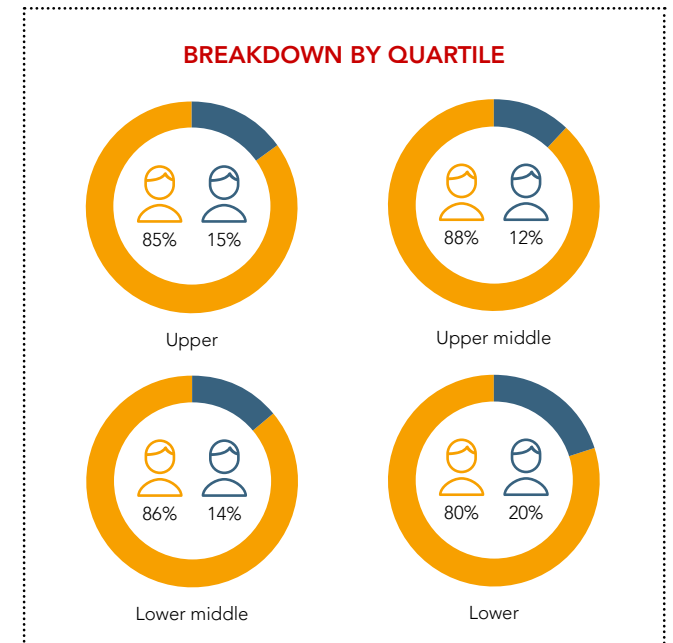
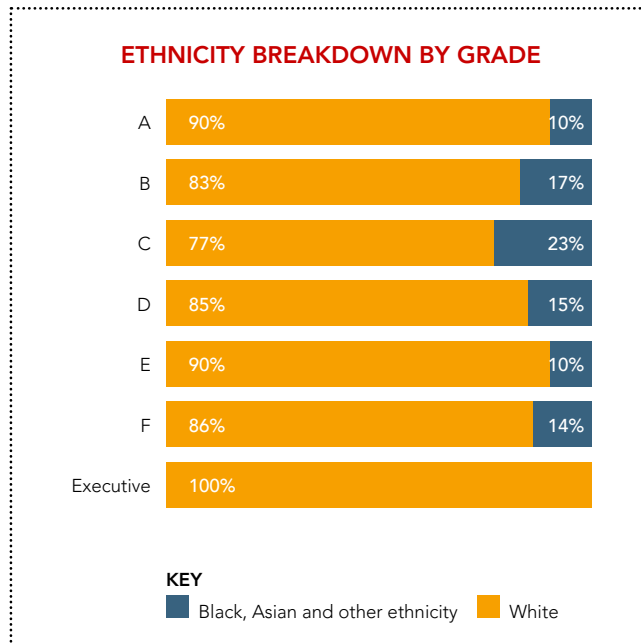
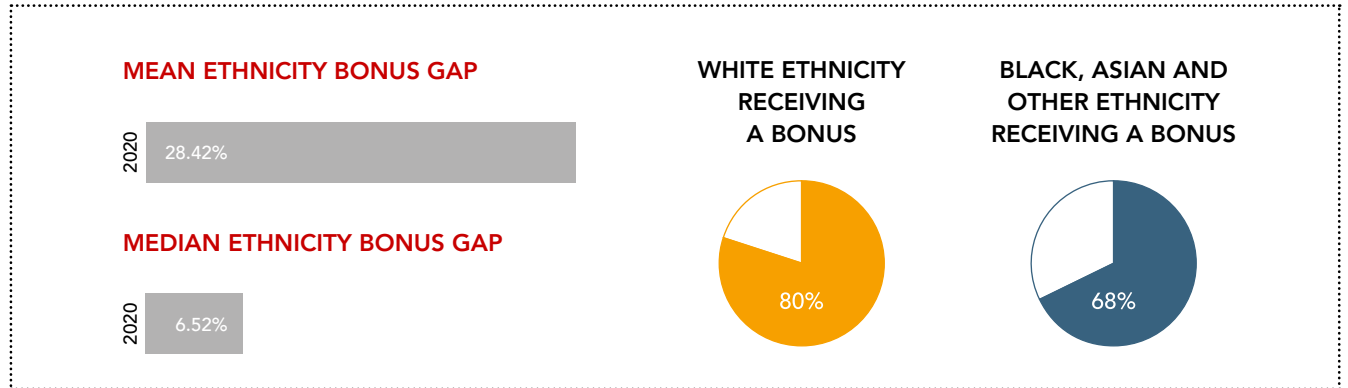
It is encouraging to see that our median gender pay gap has improved by 4.6% in comparison to last year. This is partly attributed to the internal development opportunities available at ACCA and the career moves women have made over the last 12 months.

In comparison to males:

- **23%** more females made an internal career move
- **20%** more females were promoted to a role at a higher grade
- women have taken up more secondment opportunities.

In line with statutory reporting requirements we have published our pay quartile data by gender and also voluntarily disclosed the gender composition of our people by grade. As a relatively small organisation, slight changes in the representation of males and females within each grade will impact the pay gap figure reported. In the period since our 2019 publication, the number of male directors (grade F) has increased by two; whilst the number of female directors remains unchanged. This has resulted in the slight increase of 0.55% in our mean gender pay gap, which otherwise would have reduced to 9.75%.

Our ethnicity pay gap in more detail



THE DISCLOSURE OF DATA

The disclosure of diversity data, including ethnicity, is optional and our ethnicity pay gap is based on those individuals who have chosen to disclose their ethnicity as at 5 April 2020 (57% of our population). Whilst this is a meaningful subset of our people it does limit our capacity to fully understand our ethnicity pay gap.

It is important to us that our people feel comfortable to share their data and we are hopeful that an increase in disclosure next year can improve the accuracy of our reporting and help inform the actions we should take. It is worth noting that increased disclosure in future years (remaining 43%) will make year on year comparisons difficult and is likely to result in fluctuations in future ethnicity pay gaps.

To calculate our ethnicity pay gap we have grouped together black, Asian and other ethnic colleagues. Our aim is to report our pay gaps at a more granular level in future as we do recognise that levels of representation vary, experiences differ, and the specific needs of different ethnic groups are more complex. This can only be achieved by encouraging more people to disclose their ethnicity data which will enable larger data sets.



OUR ETHNICITY PAY GAP IN MORE DETAIL

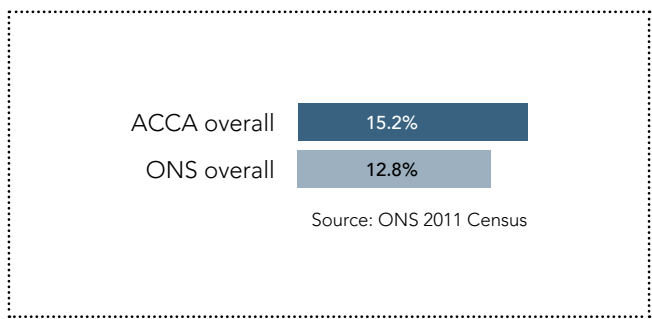
We have a negative ethnicity pay gap as the average hourly earnings of black, Asian and other ethnic colleagues is higher than that of white colleagues. To understand the context of our ethnicity pay gap, it's important to recognise that this reflects the organisational make up of those who have disclosed their data and it is helpful to analyse ethnic representation with reference to our global grades. Black, Asian and other ethnic colleagues are consistently represented within professional and senior professional roles, with over half of those who disclosed their ethnicity as black, Asian and other ethnicity being in roles aligned to grade C and D of our global grading structure.

Of those who have disclosed their ethnicity, we have more white colleagues represented in lower level roles at grade A (90%) with the remaining 10% being black, Asian and other ethnic colleagues. The negative ethnicity pay gap is largely attributed to this representation in higher grades. This reinforces the need for us to work hard to ensure that our people feel they can disclose their data which in turn will enable us to continue to review and assess our pay gap and identify any changes we can make for all our people to thrive.

We are proud that our global merit award is truly inclusive in nature and that everyone is eligible to participate in the bonus scheme regardless of their role or seniority. The percentage of black, Asian and other ethnic colleagues receiving a bonus (68%) is lower than white colleagues purely as a result of the number of new joiners in the 12-month period leading up to April 2020. During this period, 35% of all new joiners have disclosed their ethnicity as black, Asian and other ethnic groups and will be eligible for our merit award in future years. As a relatively small organisation, the composition of our executive population has a significant impact on our bonus gap and, at present, we do not have black, Asian and other ethnicity representation at this level based in the UK.

HOW OUR ETHNIC REPRESENTATION COMPARES TO THE UK LABOUR MARKET

Understanding where disparity in representation lies is key to creating a truly inclusive workplace. Encouragingly, ACCA is broadly representative when compared to the wider UK labour market and this remains true when we factor in regional variances for our largest UK sites. We do recognise that we still have work to do and will continue to monitor how we compare to the UK labour market specifically with reference to the 2021 UK census.



Key headlines for 2020

Our progress on diversity and inclusion is a priority for our senior leadership teams and imperative for ACCA to continue to support our diverse global community of 233,000 members and 536,000 future members who support businesses and economies in 178 countries. We know that creating true cultural and meaningful change takes time and the measure of our inclusivity goes beyond the metrics measured in this report.

We are incredibly proud of the progress we have made in the last 12 months and will continue to accelerate our efforts to ensure our people can bring their whole selves to work.



INCLUSION AND DIVERSITY COMMUNITIES

We acted on our commitment to make ACCA a fair and inclusive place to work by listening, learning and consulting with our people about our approach to inclusion at ACCA. Through our listening sessions and all employee survey, we were able to draw some key themes; the importance for people to have the opportunity to share their experiences and knowledge and the significance of creating an environment where people feel comfortable being their authentic self.

In response we created our diverse communities where our people can represent the experiences and ideas emerging from these communities and develop solutions that will drive inclusion from the grass roots. We also developed an inclusion and diversity steering group to ensure our activity is integrated and coherent. Each community is represented by a chair and vice chair who sit on the steering group and contribute to the development of our inclusion and diversity headline plan.

Currently, our diverse communities include our Impact (ethnicity), Embrace (LGBTQIA+) and Thrive (wellbeing) communities who have raised awareness on several topics by sharing articles, experiences and facilitating insightful lunch and learns sessions drawing in external speakers.



RESPONSE TO COVID-19 AND FOCUS ON WELLBEING

The economic fallout of Covid-19 is anticipated to have a regressive impact on gender equality, with data suggesting that women's jobs have been more vulnerable during the pandemic and that the challenges presented by Covid-19 have increased reliance on unpaid care which is primarily carried out by females*.

At ACCA, we acted swiftly in response to Covid-19 to ensure that our people could continue to support our global community and, given the uncertain and challenging environment presented by the pandemic, we were acutely aware of the heightened importance of supporting our people. This year has demonstrated more than ever that our people really are at the heart of what we do.

We further invested in collaborative technologies to enable a smooth transition to remote working and expanded our existing approach to flexible working. This enabled our people to create work patterns with true flexibility where they could determine their working week to help alleviate other responsibilities created by the pandemic. We developed a Covid-19 Hub as a single reference point for all colleagues globally and through this channel we were able to share vital updates and support one another through this unprecedented time.

Employee wellbeing is integral to our culture at ACCA and from the outset we increased wellbeing support available to all colleagues through targeted webinars, drop in coffee breaks and offered an additional five days of paid wellbeing leave that can be utilised for caring responsibilities or more generally to support mental health and wellness.

* Source: Mckinsey Covid 19 and Gender Equality, 2020.



LEADING INCLUSION RESEARCH REPORT

Since 1904 being a force for public good has been embedded in our purpose and we use our respected research to lead the profession by answering today's key questions and developing the profession for future generations. Through our [Leading Inclusion research](#), we gauged opinions from 10,000 ACCA members and future members across 11 regions on a wide range of issues relating to diversity and inclusion, starting with the question 'Are we truly a profession that is open to all?'

The report includes recommended actions to promote diversity and inclusion in organisations, from establishing a diversity and inclusion policy to leadership principles that set the tone from the top and holding leaders accountable. The report recognised that organisations can provide the frameworks but individuals make the difference and suggestions were also made for actions that accountants can take to develop the inclusion and diversity agenda.

We are committed to leading by example by bringing our external and internal intent together. We're internally mirroring many of the recommendations highlighted in our report, with one of those recommended actions being the monitoring and reporting of data including gender and ethnicity pay gaps.

UN SUSTAINABILITY DEVELOPMENT GOALS

ACCA's purpose, values and strategy to 2025 already closely align to the UN Sustainable Development Goals (SDGs) which set the blueprint for a sustainable future. We have however taken a significant step forward by setting out our commitments to nine of the UN SDGs, which we will deliver by 2030 in line with the UN's decade of action. Goals 5 and 10 particularly speak to aspects of diversity and inclusion and how we need to work together to address some of the fundamental issues we face.

Through goal 5, Gender Equality, we have committed to promote gender equality across our global community and achieve gender equality across our employee population. Through our commitment to goal 10, Reduced Inequalities, we will advocate for inclusion, diversity and social mobility within, and on behalf of, our community, and ensure ACCA is a fair and inclusive place to work.

These, and our other UN SDG commitments, will guide our decision making and action as we work together to deliver ACCA's strategy to 2025.

INCLUSION TRAINING AT ACCA

Earlier this year, we introduced a learning course for all ACCA people focusing on inclusion at ACCA, our completion rate has been high at 89% across the globe, and we have now embedded this in our induction curriculum for all new joiners. The training covers why inclusion is important, what inclusion means at ACCA and how our people can advance our inclusion agenda. We recognise that for our people to comfortably bring their whole selves to work, it's important to raise awareness of inclusion and mitigate bias to the greatest possible extent. The interactive e-module highlights the three ways we are striving to become more inclusive; through our policies, through our inclusive actions and through our culture and behaviours and is intended to be a foundation course which encourages our people to explore the topic further.



Our future areas of focus

More on how we are accelerating our agenda to ensure that ACCA is truly an inclusive place to work; where we identify and address any barriers that prevent our people from thriving.



DATA AND INSIGHTS

In 2020 we invited our people to disclose their diversity data which enabled us to track and disclose the ethnicity pay gap. It is extremely important that our people feel comfortable to share their data and we will continue to work hard to increase this disclosure rate to allow for more meaningful, actionable insights. We will also commence diversity data collection from our other markets across the globe with a view to publishing pay gap data in future years.

We recently introduced an inclusion and diversity index within our employee engagement survey and will track insights via the six-monthly report, ensuring that future action plans have a laser focus on this area. Two new questions focus on authenticity and equal opportunities to understand and measure the felt experience around inclusion and diversity at work.

Later this year we are launching a new recruitment feature to our HR system which will facilitate richer data insights around our candidate and talent pools. Through this platform we can understand the make-up of job applicants from the point of application to the point of hire and track their journey through internal opportunities.

REPRESENTATION

We will actively increase our efforts to achieve more diverse representation and this is a constant thread woven into everything we do throughout the employee lifecycle. This year, the reduction in our median gender pay gap is largely attributed to the internal opportunities' women have secured in the last 12 months and demonstrates that by measuring our progress we can really drive change that is impactful.

We're being intentional in our efforts to remove any barriers which prevent our people from thriving and this is very much at the forefront of our thinking as we transition to our Future Ways of Working. We recognise that diverse individuals have different personal preferences and roles have different needs dependent on their deliverables. It's therefore important that we capture this within our blended approach to flexible working which we will operationalise later in the year.

We recognise that to be a truly inclusive place to work, it's important to look at our wider employee initiatives with an inclusion and diversity lens. We are reviewing our existing benefits, such as our employee assistance programme, medical related benefits and life assurance, to ensure our providers are inclusive in the service they provide, and this is a key consideration in procuring these services. We will continue to work with our pension provider to increase awareness of the 'Gender Pension Gap' offering targeted sessions for our employees around this.

INCLUSIVE LEADERSHIP

To become a leading inclusive organisation, it's imperative to have inclusive leaders who value diversity of people, as well as the diversity of thought and innovation this brings. We will roll out targeted initiatives to our leadership teams, focusing on embracing difference and ensuring psychology safety is a core feature of all leadership development work.





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Think Ahead