

A photograph of two people silhouetted against a sunset over the ocean. They are standing on a pebbly beach, with one person having their leg raised in a celebratory gesture. The sun is low on the horizon, creating a warm glow over the water and sky.

ACCA gender and ethnicity pay report 2022

Think Ahead

Introduction

ACCA was founded as a force for public good and we lead the global accountancy profession by creating opportunity.

We are guided on this by our three core values of inclusion, integrity and innovation.

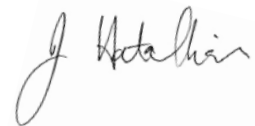
These values help drive our ability to offer our people the opportunity to be part of a purpose driven, dynamic organisation that makes a difference to societies around the world. We nurture forward thinkers who live our values and embrace the diverse perspectives of our global community, working together to create exciting solutions. We invest in our people, helping them grow and reward them for their role in delivering our vision. We continue to strive to ensure ACCA is a fair and inclusive place to work – where we pay our employees fairly regardless of gender or ethnicity.

This report covers our UK gender and ethnicity pay position for 2021 and 2022. This broader period helps highlight the volatile nature of pay over the last few years but also our record of being ahead of UK national averages for gender and ethnicity pay. While we are proud of our pay reporting record we do not take this position for granted and recognise there is more to be done while any gap exists. As a relatively small organisation, we are aware that even minor changes in headcount and pay progression can impact on our data. Therefore, we continue to closely monitor our position and apply our core values to drive our strategies and policies covering diversity representation, training, performance, reward, leadership, talent attraction and retention.

It is pleasing that 79% of our employees volunteered to share their ethnicity data, increased from 66% in 2021 and 57% in 2020. We continue to strive to improve on this figure which will increase the accuracy of our reporting and use this data to inform the actions we should take.



Helen Brand OBE
Chief executive



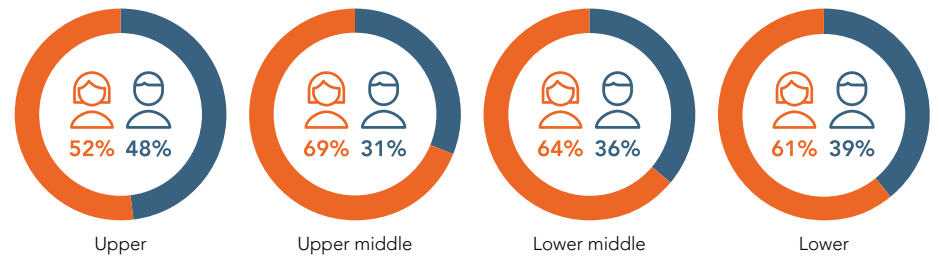
Julie Hotchkiss
Executive director – people and transformation

Our gender population by pay quartile

To better understand the spread of pay through the organisation, we split our employees into four equal quarters (quartiles) based on their level of pay. Looking at the proportion of men and women in each quartile gives an indication of the gender representation at different pay levels within ACCA.

GENDER BREAKDOWN BY QUARTILE

To determine our pay quartiles, we calculated employees' hourly rate of pay and positioned them from lowest to highest, allocating employees into four equal pay bands on the basis of these hourly rates.



There is a regulatory requirement for any organisation with more than 250 employees to report their gender pay gap on an annual basis. This data must include a snapshot of:

- Mean and median gender pay gaps
- Mean and median gender bonus gaps
- Proportion of male and female employees receiving bonuses
- Proportion of male and female employees in each quartile pay band.

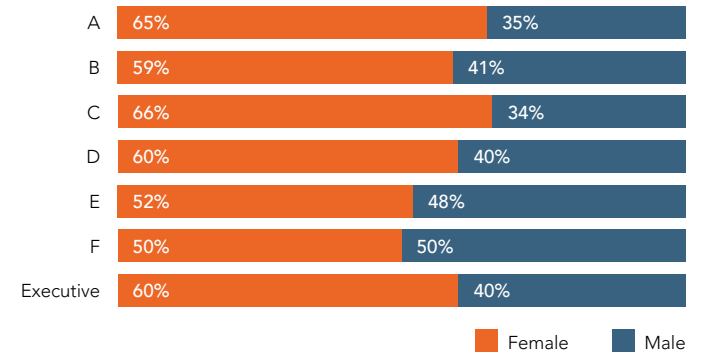
The data gathered in this report solely covers the ACCA workforce in the UK, although we have similar obligations in some of the other countries we operate in.

Gender pay reporting is not the same as reporting on equal pay. Equal pay looks at the differences in the actual earnings of both men and women who undertake equal work.

See the appendices for the 2021 and 2020 details for quartiles and grades.

GENDER BREAKDOWN BY GRADE WITHIN ACCA

Our analysis by grade emphasises a balanced representation of males and females across our global grades. Gender balance at leadership and executive levels is particularly important and helps improve the diversity and breadth of our strategic thinking and decision making.



Our gender pay gap

The gender pay gap measures the difference in average pay between all men and all women, regardless of role, grade, length of service and any other differentiating factors. The pay gaps are based on hourly pay taken on 5 April 2022 and bonuses paid up to the period 5 April 2022.

 **2.05%**

**Median gender pay gap
as of April 2022**

Increased by 2.02% from 2021 (0.03%)
but decreased by 4.46% from 2020 (6.51%)

 **4.64%**

**Mean gender pay gap
as of April 2022**

Increased by 2.01% from 2021 (2.63%) but
decreased by 5.93% from 2020 (10.57%)

KEY POINTS

- While the gap has widened since last year, rates are still lower than they were in 2020 (median 6.5% and mean 10.57% respectively) and ACCA remains ahead of national averages. However, this illustrates that more work must be done to help eliminate the gap.
- As a relatively small organisation, even modest changes in the representation of males and females within each Grade can impact the pay gap.
- We continue to employ a higher proportion of females to males at almost all levels within the organisation, and while that split is more evenly distributed at the higher grades within ACCA, the higher proportion of females to males at the lower grades tends to have a negative impact on our gender pay gap.
- Our reward framework is underpinned by robust job evaluation methodology and market benchmarked salary ranges to help drive consistency and fairness.

Our bonus gaps

As additional discretionary payments (referred to as 'bonuses' in the pay gap legislation) were limited in the previous reporting year with the decision not to make any discretionary payments, comparison between 2021 and 2022 is somewhat flawed. Comparison with the preceding year (2020) is therefore more realistic. In 2020 the median gender bonus gap was 6.13% while the mean gender bonus gap was 10.9%, which are more closely aligned to the latest results.

▲ 10.21%

**Median gender bonus gap
as of April 2022**

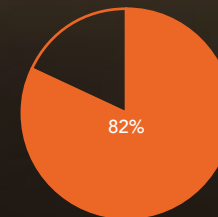
Increased by 10.21% from 2021 (0%) and
2020 (6.13%)

▼ 11.50%

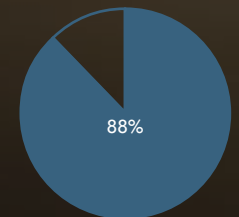
**Mean gender bonus gap
as of April 2022**

Decreased by 42.13% from 2021 (53.63%)
and 2020 (10.9%)

BONUS BREAKDOWN



Females receiving bonus



Males receiving bonus

We are proud that our global discretionary pay scheme is truly inclusive in nature and that every employee can participate in the scheme regardless of their role or seniority. This is evident in the large percentage of both males and females receiving a bonus payment.

The ethnicity pay gap

The ethnicity pay gap measures the difference in average pay between White and Black, Asian and individuals of other ethnic groups, regardless of their role, grade, length of service and any other differentiating factors. We report our ethnicity pay gap on a voluntary basis.

▲ 3.46%

**Median ethnicity pay gap
as of April 2022**

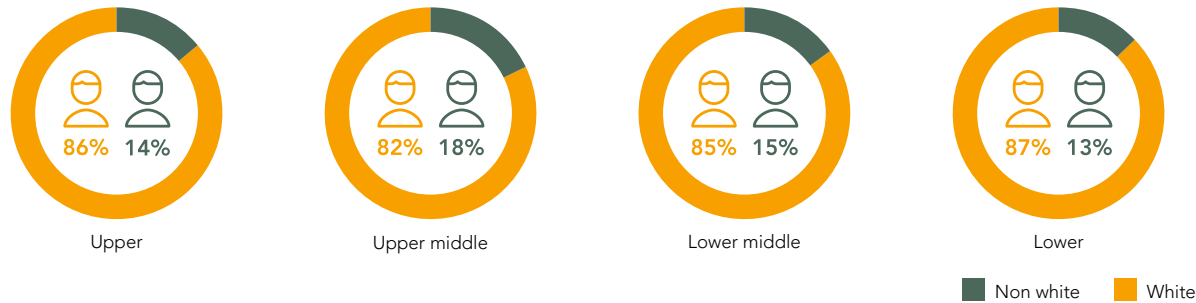
Increased by 11.63% from 2021 (-8.17%)
and decreased by 3.06% from 2020 (6.52%)

▲ 3.68%

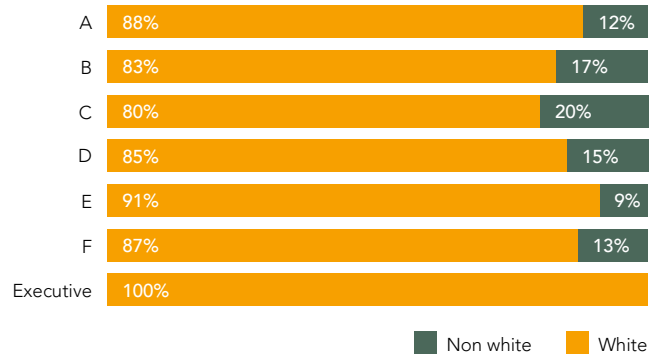
**Mean ethnicity pay gap
as of April 2022**

Increased by 2.54% from 2021 (1.14%) and
decreased by 24.74% from 2020 (28.42%)

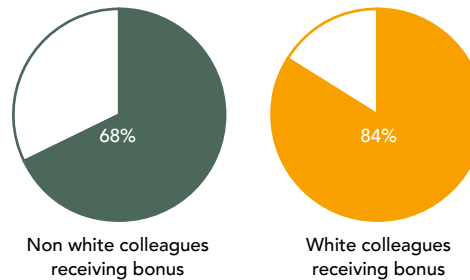
ETHNICITY BREAKDOWN BY QUARTILE



ETHNICITY BREAKDOWN BY GRADE



BONUS BREAKDOWN



ETHNICITY PAY GAP FURTHER EXPLANATIONS

Key highlights

- While our ethnicity pay gap has widened we have seen an increase in disclosure of ethnicity data from 66% in April 2021 to 79% in April 2022, improving our data accuracy and capacity to fully understand our ethnicity pay gap.
- Black, Asian and colleagues of other ethnicities are distributed proportionately 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.
- Colleagues who are Black, Asian and of another ethnicity receiving a bonus (68%) against the 84% for their White colleagues. We believe this is based at least in part, on the more limited historic disclosure of ethnicity and the results remain consistent with the previous year. We will continue to monitor this closely but expect to see gap narrow as our employee disclosure rate continues to improve.
- During the last 12 months 95.5% of new hires have disclosed their ethnicity with 25.6% of all new hires disclosing their ethnicity as Black, Asian or another ethnic group and will be eligible for our discretionary awards in future years.

HOW OUR ETHNIC REPRESENTATION COMPARES TO THE UK LABOUR MARKET

Understanding where disparity in representation lies is key to creating a truly inclusive workplace. ACCA is broadly representative and diverse when compared to the wider UK labour market and this remains true when we factor in regional variances for our largest UK sites. However, we believe in the benefits of a truly diverse and inclusive workforce and we will continue to focus our efforts in this area.

Key headlines for 2022

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 **241,000** members and **542,000** future members who support economic growth in **178** countries.

Creating a fair and inclusive workplace continues to be a key part of our desired culture and people approach. We are striving to create a work environment that encourages our people to authentically express themselves. This has been demonstrated by our continued efforts in our communities, by raising awareness and sharing experiences to our wider population.

Our inclusion and diversity steering group, which is chaired by Julie Hotchkiss, executive director of people and transformation, oversees all these activities and monitors progress towards becoming a more inclusive organisation against a mix of quantitative and qualitative indicators.

In 2020, we developed a set of commitments to the UN's Sustainable Development Goals, which articulate how ACCA and its community are contributing to the transformation needed to create a fairer and better world. These commitments help guide the delivery of our strategy. In particular, Goals 5 (Gender Equality) and 10 (Reduced Inequalities) speak to aspects of diversity and inclusion and how we need to work together to address some of the fundamental issues we face.



Areas to focus on our pay gaps in 2022–23 include:

- A new Diverse Leadership Development Programme for a cohort of emerging talent from 11 different countries aimed at creating greater opportunities for progression.
- Launch of an improved recruitment module within our people system providing richer data insights on our candidate and talent pools. This will allow us to identify any areas where we can improve to ensure we attract and select more diverse talent.

We have introduced compensation visibility for all people managers through our global people management system providing access to key salary and performance information on their team members helping support better informed decisions around hiring, promotions and career development.

These activities support the specific action we are taking to address gender and ethnicity pay gaps but they are part of a larger framework supporting all areas of inclusion and diversity across the organisation.

2023 AND BEYOND

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 embrace new ways of working and our aim to close the gender and ethnicity gaps. We recognise that diverse individuals have different personal preferences and roles have different needs dependent on their deliverables. We capture this within our blended approach to flexible working.

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 regularly review our policies and employee benefit arrangements, such as our employee assistance programme, medical related benefits and risk and retirement benefits, to ensure they are inclusive in their approach and act as a key attraction and retention mechanism.

INCLUSIVE LEADERSHIP

To become a leading inclusive organisation, it's imperative to have inclusive leaders who value the diversity of our people, as well as the diversity of thought and innovation this brings. We continue to support and educate our leaders to ensure our approach to hiring, promotion and talent is as inclusive as possible.



Performance management and reward processes

PROMOTION, SECONDMENT, ATTRACTION AND HIRING PRACTICES.

It is important that we continue to build on the progress we've seen in terms of reducing pay differentials through our hiring processes and we remain focused on creating a truly inclusive workplace. To present opportunities to the widest population of people, we are reviewing the language used within job descriptions and advertisements and will make adjustments, where necessary, to use gender-neutral, wholly inclusive language. This analysis will flag any instances where language may unintentionally discourage individuals from entering the application process.

We continue to embed our values and behaviours throughout our resourcing processes. By providing managers with guidance around structured interview questions, which relate to both our behaviours and the role itself, the impact of any unconscious bias should be reduced. We have evolved our hiring approach to ensure that we understand salary expectations throughout the process ensuring that we can understand and address any disparity in our internal benchmarks against the market.

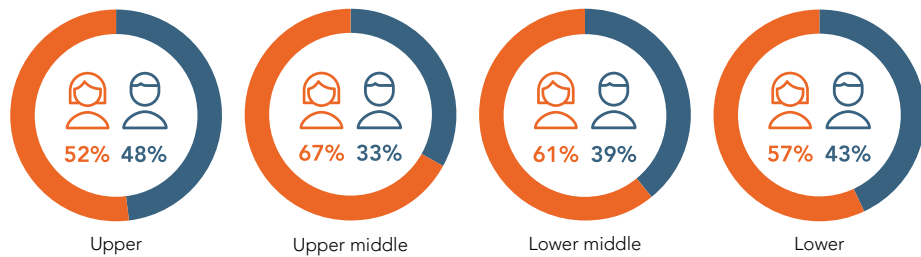
Our global grading structure provides a framework to help identify the scale and responsibilities of each role within ACCA and encourages consistency and internal equity. Our global grades also enable us to compare against similar roles in the external market to develop and maintain competitive salary ranges across every market we operate in.

Our Contribution Based Pay (CBP) process helps to support our journey to develop a high performing people culture and ensures that everyone across our global network is rewarded fairly for the contribution they make.

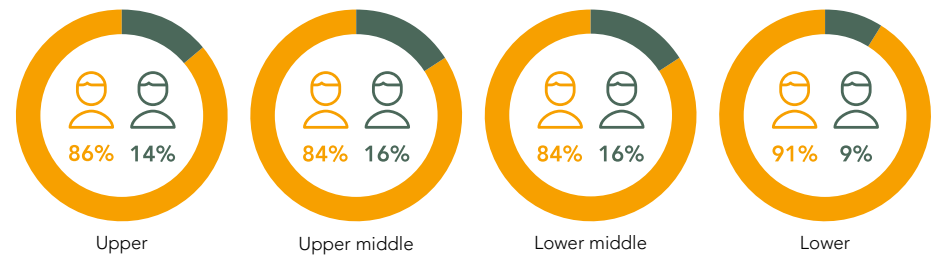
We will continue to build on the good work done over the last two years to ensure that our gender and ethnicity pay gap remains at the forefront of our inclusion and diversity plans and reporting.

Appendix: 2021 figures

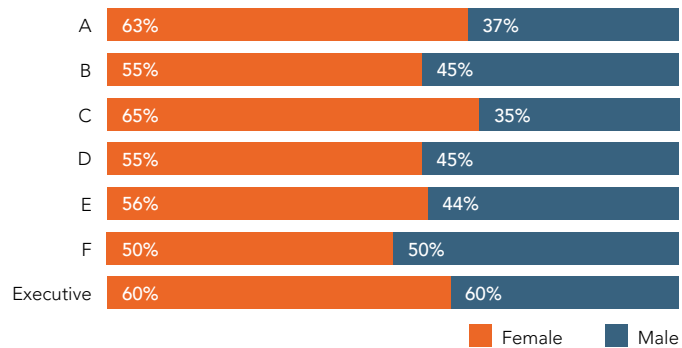
GENDER BREAKDOWN BY QUARTILE



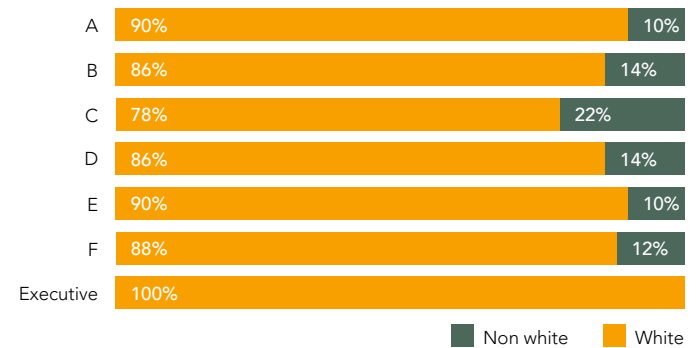
ETHNICITY BREAKDOWN BY QUARTILE



GENDER BREAKDOWN BY GRADE

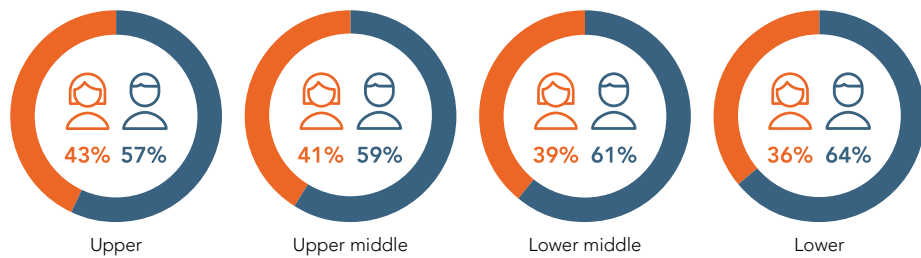


ETHNICITY BREAKDOWN BY GRADE

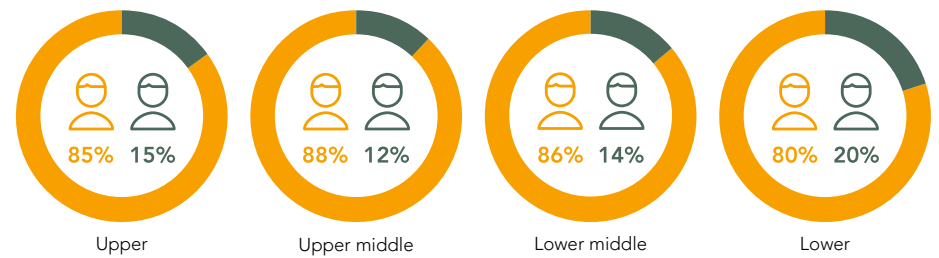


Appendix: 2020 figures

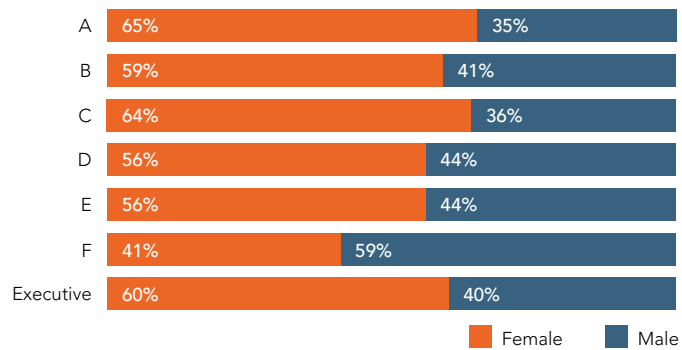
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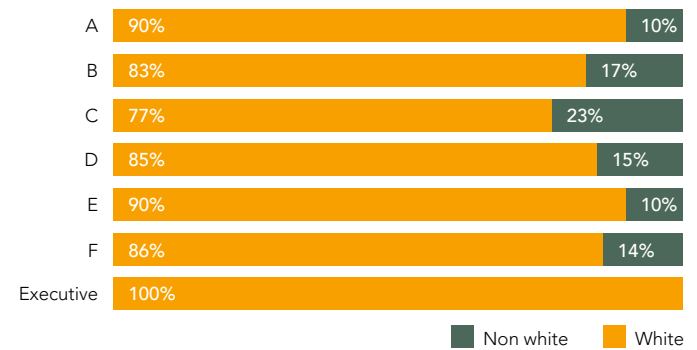
ETHNICITY BREAKDOWN BY QUARTILE



GENDER BREAKDOWN BY GRADE



ETHNICITY BREAKDOWN BY GRADE





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