

Acas ethnicity pay gap report 2023

13 July 2023

Ethnicity pay reporting

As part of our strategic ambition to promote diversity and inclusion in Britain's workplaces and ensure our own reflect the values and diversity of modern Britain, we have voluntarily published our ethnicity pay gap.

We believe this transparency demonstrates our commitment and provides an opportunity to identify any existing pay disparities among different ethnic groups within Acas. With this data we can carry out meaningful analysis to provide insights into the factors contributing to the pay gap and develop strategies to address them effectively.

The ethnicity pay gap is the percentage difference in the average hourly rate of pay of white and black, Asian and minority ethnic employees. We calculate our ethnicity pay gap using the same methodology set out in the government regulations for calculating our gender pay gap.

Ethnicity representation in Acas

At the time of reporting on 31 March 2023, we had a total number of 1,011 employees. 827 of our employees have openly disclosed their ethnicity and this represents 81.8% of the workforce. Of those who have disclosed, 720 (71.2%) are white and 107 (10.6%) are from an ethnic minority background.

Throughout 2022 to 2023, we have continued our efforts to create an inclusive and diverse organisation. Black, Asian and minority ethnic employees made up 10.6% of our organisation. However, it remains less than the UK black, Asian and minority ethnic working population of 19.3%.

The figures show below that we still do not have 100% disclosure on ethnicity data, and we are working hard to improve this.

Overall representation:

- 10.6% of our workforce identify as black, Asian or minority ethnic
- 71.2% of our workforce identify as white
- 4.8% of our workforce have preferred not to state their ethnicity
- 13.4% of our workforce have yet to disclose their ethnicity

Acas ethnicity pay gap

We look at both the mean (average) and median (middle) for pay gap reporting.

The mean pay gap is the difference in average hourly pay, adding all pay rates together and dividing by the total number of employees.

The median pay gap is the difference in hourly pay between the middle paid (the person at the middle point if you were to line all employees up from low to high pay) white employee and middle paid black, Asian or minority ethnic employee.

Looking at staff who are eligible to be included in the calculation (staff who are not receiving full pay are excluded), the table below shows the proportion of staff according to ethnicity declaration in Acas.

Proportion of staff according to ethnicity declaration in Acas

	Number of staff	Proportion
All staff	993	100%
Black, Asian and minority ethnic	102	10.1%
Prefer not to say (PNTS)	49	4.8%
Unknown or Not declared	132	13.1%
White	710	70.2%

This gives us a mean and median ethnicity pay gap between colleagues who identify as white and those who identify as Black, Asian and minority ethnic as follows:

- our mean (average) hourly pay gap for ethnic minority staff is -1.63% (Black, Asian and minority ethnic colleagues earn a mean of 1.63% more than white colleagues)
- our median hourly pay gap is 0% (Black, Asian and minority ethnic and white staff earn the same median pay)

These show an improved mean pay gap of -1.63%, down from -1.67% in 2022, and a large decrease in our median pay gap to 0%, down from -3.03% in 2022.

Pay by quartile

The table below shows which quartiles staff in each ethnicity group fall into. It shows that black, Asian and minority ethnic staff are proportionally more in the highest earning quartile (Q4). There are proportionally more staff who identify as white in the lowest paid quartile (Q1) than those in the Black, Asian and minority ethnic groups.

The data also shows we have many staff in the higher quartile who prefer not to disclose their ethnicity and a large proportion of colleagues in the lower quartile who have not yet disclosed. This lack of information makes it difficult for us to understand the disparities and inequalities that may exist within our workforce and therefore we are focusing on fostering inclusion and transparency to cultivate more disclosure from staff.

Proportion of different ethnicity groups in each quartile

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
Black, Asian and minority ethnic	6.02%	12.90%	10.08%	12.10%

	Quartile 1	Quartile 2	Quartile 3	Quartile 4
Prefer not to say (PNTS)	2.01%	2.82%	8.47%	6.45%
Unknown or Not declared	29.32%	14.52%	4.03%	5.24%
White	62.65%	69.76%	77.42%	76.21%

Acas ethnicity bonus gap

In the 2022 to 2023 financial year Acas paid an equal rate reward payment to all eligible staff. This approach explains the annual change in the proportion of people receiving bonuses and the 0% median bonus pay gap is likely because staff received one equal payment.

The figures show:

- the mean bonus pay gap is 12.4% (white colleagues earn a mean of 12.4% more than black, Asian and minority ethnic colleagues in bonuses) – this is largely driven by senior civil servant colleagues being on a different reward and recognition platform
- the median bonus pay gap is 0% (this is due to all eligible staff receiving an equal share of the bonus pot in the financial year 2022 to 2023)

Pay gap without senior civil servants

Note that if we remove senior civil servants from the dataset, the mean pay gap changes increasingly more in favour of ethnic minority staff at -3.31% and the median pay gap remains at 0%.

With senior civil servants removed we can see that Black, Asian and minority ethnic colleagues earn a mean of just over 3.3% higher than white colleagues, almost double that with the senior civil servants included, suggesting that senior civil servants are bringing the white mean pay up quite a bit. The median pay difference is the same as the median value is little affected by outliers.

Steps we are taking to address our ethnicity pay gap

The Acas Senior Leadership team are committed to fair pay irrespective of ethnicity.

We will continue to build on actions and initiatives aimed at eradicating the ethnicity pay gap, including:

- continuing to foster an inclusive and open environment that encourages employees to disclose their ethnicity – at present we have 81% disclosure rate, and we will continue to run campaigns to raise awareness of the benefits of disclosing and ensuring employees feel comfortable and confident to do so
- creating new learning programmes specifically aimed for ethnic minority colleagues, including a dual mentoring programme that will provide ethnic minority colleagues the opportunity to be mentored by the Senior Leadership team
- progressing with our deep dives into recruitment practices, where we examine processes and policies to identify and address any biases that may contribute to the pay gap
- working in conjunction with our diversity and inclusion forum to develop strategic actions in support of gender and ethnic minority staff and to integrate equality, diversity and inclusion into all management processes

- reviewing promotion practices to ensure fairness and equal opportunities for all employees, which include providing training and leadership programs to support career progression to senior roles for employees from underrepresented ethnic groups
- continuing to monitor pay to identify pay differences and take targeted action where appropriate, within Civil Service pay controls
- taking a more proactive approach towards monitoring our reward and recognition system allowing us to focus on the opportunities all staff will have to demonstrate their contributions ensuring fairness across all grades and ethnicity
- continuing our approach to anonymise the job application process to reduce the potential for bias and making sure that all panel members have undergone recruitment training which includes ensuring diversity and success profiles
- continuing to use recruitment panels which are diverse in terms of gender and ethnicity
- focus on different recruitment processes, in line with Civil Service Principles, that allows those with limited employment history to actively demonstrate their skills at interview
- helping ethnic minority employees progress in their careers through a clear conversation approach towards performance management, which encourages line managers to have an open ongoing dialogue with staff on career development and progression