



2019 Gender pay gap report

IRIS. Look forward

1.0 Introduction



At IRIS Software Group, our mission is to help our customers get it right first time, every time.



Elona Mortimer-Zhika
Group Chief
Executive Officer

We provide mission-critical software and services for accountants, schools, SMEs, corporates and non-profit organisations.

As the largest privately held software company in the UK, we're constantly making strides. Since our last report we have moved by 55 places in the Sunday Times Grant Thornton Top Track 250.

IRIS also made several acquisitions during the year as part of its growth strategy. This is an important fact to note here as context for the results.

Before taking into account the transferred employees, our mean pay gap reduced from 25.7% to 24.80%, while the median pay gap went down from 16.9% to 16.4%.

However, once acquisitions are factored in, the mean gap has risen from 25.7% to 26.2%.

We acknowledge there is room for improvement. In this report, we examine this and explain the actions we're taking to make progress in the months to come. Our goal is to create a better gender balance across the business.



Stephanie Kelly
Group Chief
People Officer

Making progress and improving as a business means more than purely achieving industry accolades. We are continuing focus on making IRIS a great place to work, making sure our people flourish, and improving gender pay equality.

In the 2018/19 financial year, we are pleased to report a number of improvements. This includes the median bonus gap reducing from 38.3% to 30.9%.

In September 2019, we announced a new female Chief Executive Officer, Elona Mortimer-Zhika who is heading a leadership team which includes three women.

"I, Stephanie Kelly, Chief People Officer, confirm that the information in this report is accurate."

2.0 What do the figures show us for 2018/19?



To understand the gender pay gap at IRIS Software Group in its entirety, it is important to understand the context for the latest financial year.

In this period, we incorporated several acquired businesses. These were: Taxfiler, Contact Group, PS Financials, ParentMail, and Results Squared.

Our figures reveal the gender pay gap improved slightly compared to 2017/18 for staff across the Group, before taking into account employees who have transferred across following the aforementioned acquisitions.

By this measurement, the mean pay gap was reduced from 25.7% to 24.80%, while the median pay gap went down from 16.9% to 16.4%.

The median bonus gap decreased, reducing from 38.3% in 2018 to 28.7% in 2019, although the mean gap increased from 44.6% to 50.1%.

The results show that for the core IRIS Group, comprising 759 employees, we made progress to close the gender pay gap during the financial year.

For clarity, these figures above do not include 301 staff who have since transferred over from Contact Group, PS Financials, ParentMail, and Results Squared.

When the acquired staff are considered, the overall figures, comprising 1,060 employees, show a slight increase in the gender pay

gap for 2019. The median pay gap has risen from 16.9% to 20.8% and the mean gap has risen from 25.7% to 26.2%.

Although it is disappointing to see this slight increase, the difference in the demographic profile within the acquired companies is key to understanding why this has occurred.

In the companies we acquired, there were a higher number of women in junior and low paid positions and a greater number of men in the most senior management roles, which are the highest paid.

We are determined to see this increase reversed in the coming year and are confident we have the power to do so.

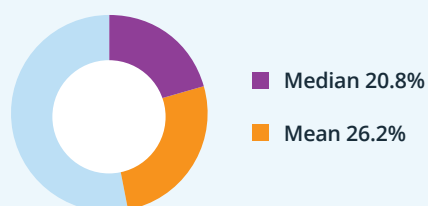
These businesses have recently become fully integrated into IRIS Software Group, so we have the ability to include them in our initiatives designed to reduce the gender pay gap. Therefore, we fully anticipate this will decrease in future.

2019 figures:

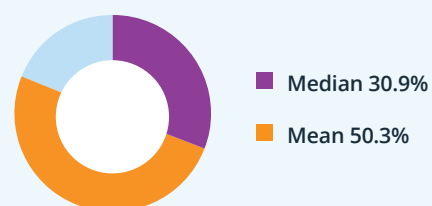


View 1 – IRIS total after acquisitions

Gender pay gap



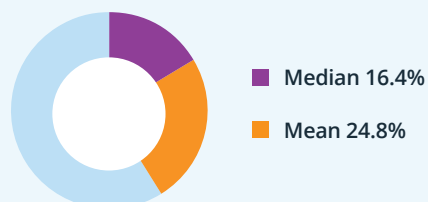
Gender bonus pay gap



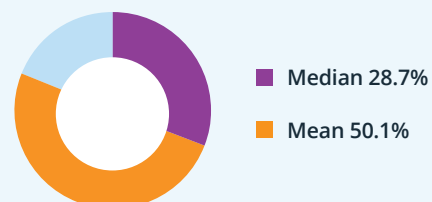
Total employees 1060

View 2 – IRIS core before acquisitions

Gender pay gap



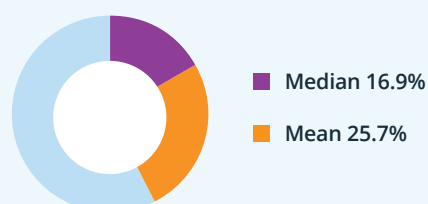
Gender bonus pay gap



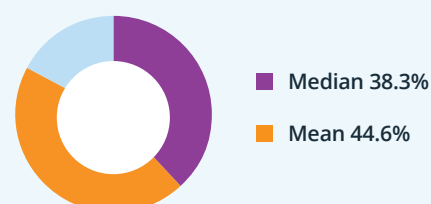
Total employees 759

2018 figures:

Gender pay gap



Gender bonus pay gap



Total employees 748

3.0 Our plan of action for 2019/20



Since April 2019, we implemented a number of important measures to further strengthen our commitment to equality and closing the gender pay gap. We have created an action plan to improve our gender pay gap performance, which includes the following significant steps:

Celebrating success

- > Promoting and showcasing our female senior leaders as role models across the business – including organising an online event and Q&A sessions with female members of the executive team
- > Shining a light on inspirational female managers in the business through special features in our bi-monthly group-wide newsletter to share practical advice and suggestions when climbing the career ladder
- > Running a learning and development event for women focused on perceived or actual barriers to success, and launching a Women into Leadership mentoring programme

Reviewing company practices

- > Undertaking a diversity and inclusivity audit of all our policies and practices and working to remove any artificial barriers to women being successful in IRIS
- > Adapting our promotion policy to ensure women feel confident to apply and are equally considered
- > Applying for a 'Great Place to Work Award' to make sure we have a great work experience for all staff, regardless of their gender
- > Supporting networking across the organisation through regular business leadership events

Focusing on recruitment and selection

- > Using innovative recruitment avenues to source diverse talent e.g. Women in Tech
- > Reviewing all shortlists for management positions and senior roles to make sure we have equally qualified female applicants represented in our shortlists
- > Supporting parents looking to return to work after a career break

Promoting work life balance

- > Promoting our flexible working options across the organisation
- > Encouraging a healthy work-life balance
- > Supporting our employees with a range of flexible benefits options including private healthcare with discounted family coverage, free life insurance and group income protection for all our employees
- > Offering an Employee Assistance Programme
- > Offering three Giving Back Days per year for all employees to have the opportunity to volunteer in their local communities

How many women are in key senior roles at IRIS?

On 1st September 2019, we appointed a new Chief Executive Officer – Elona Mortimer-Zhika – an inspirational female leader and role model who is heavily involved in mentoring programmes to nurture and promote young women leaders in business. Elona was promoted from within, having served as CFO and subsequently COO.

The leadership team also includes Chief Sales Officer, Janette Martin; Chief People Officer, Stephanie Kelly; and Karen Williams, Commercial Director. We're pleased to report the composition of the senior executive committee is now more balanced.

Elona is a regular speaker at leadership events and recently featured in a video from the second Hg Women in Leadership Forum 2019. She belongs to various Women in Business networks, is a mentor and has returned to her old college, UWC Atlantic to talk to the next generation about self-empowerment and inspire changemakers.

Chief People Officer Stephanie Kelly said: *"Elona is a brilliant role model, bringing her unique talents, skills, and approach to the organisation in its most senior position. Elona skilfully balances her working and family life to be a highly successful professional. We are absolutely delighted that our new Chief Executive Officer is such a strong and inspirational woman."*

Elona has clear beliefs on empowering women in business to prosper, while balancing their family commitments.

She says: "Like many working women, I have a constant emotional dilemma: how to be a good parent, good colleague and good leader. To ensure the right focus is given to every aspect of my life, I ask myself, "am I setting the right example?" This is the mantra I put into practice every day."

Elona also truly understands what's needed to support the next generation of leaders.

"Firstly, be strong and confident. Working hard and putting yourself forward will get you noticed. Focus on what you are good at, play to those strengths and learn from others."

Secondly, build amazing teams who are passionate to succeed. Hire individuals for their potential rather than just experience and place them in roles where they can add value but equally learn and develop."

Lastly, know that you will make mistakes but it's always better to make a decision than make no decision at all. Have resilience when you feel out of depth as that's what gives you the courage to go further and grab new opportunities."



4.0 What do women at IRIS say about working here?



Deni Williams, HR Associate, joined IRIS as part of our acquisition of FMP Global in 2019. She explains how impressed she was by the number of women in senior roles at IRIS.

She says: "Exact equality and diversity in the workplace has always seemed a futuristic promise to me and never something I would truly benefit from. This may be an unduly cynical view, but over the years I have witnessed employers of women around me fail to adapt to their changing needs, and so became acutely aware that I might also face the same crossroads between my work and personal life someday."

"Upon joining IRIS, the first thing I noticed was the number of women that held senior positions within the company. This included the CEO, Elona Mortimer-Zhika, who seemed passionate about encouraging others to achieve their goals without making sacrifices

in their personal lives, as she had done herself. This is something I have since been privileged enough witness on several occasions.

"It is evident that IRIS not only believes in diversity and inclusivity but practices it. As a result, I can envisage myself growing with the company to make the greatest impact I can."

What are IRIS' values?

As part of our ongoing efforts to make IRIS the best workplace it can be, in 2019 we created new company values in collaboration with all employees. Every single one was asked for their views and to suggest which values we should officially adopt and embrace.



Deni alluded above to these values, which form the acronym **IMPACT**. These are displayed throughout our headquarters. It stands for:



Innovation

We are creative and fearless in our work and curious and hungry to discover smarter solutions. We always focus on improvement and embrace change.



Making it Happen

We focus on the task at hand and produce high-quality results within ambitious timescales. We set stretch goals for ourselves and our teams and deliver at pace, on time, every time.



Passion

We take pride in our business. We are energetic, enthusiastic and highly self-motivated. We bring passion to our roles and encourage and inspire those around us.



Accountability

We take ownership of our work and lead from the front. We seek out solutions, we are trustworthy and act with integrity and honesty. We deliver on our promises and always do the right thing.



Customer Focus

The customer's needs are our priority. We exceed their expectations and delight them with outstanding service and great outcomes.



Team Work

We collaborate widely and build supportive, open, inclusive environments where people feel valued and are able to speak up and give their best. We recognise, appreciate, respect and care for others.

5.0 What else is IRIS doing?



Our overall aim is to ensure our people want to come to work, do a good job and enjoy doing it. We encourage and support a good work life balance. We also appreciate everyone has different requirements within their role and strive to help each person find their strengths. Below we explain how we put these objectives into practice.

Performance reviews

IRIS works to make sure every employee has a clear purpose and career path regardless of gender. We foster a culture of trust and openness with regular performance conversations.

Coaching and mentoring

Throughout the business, we aim to unlock a person's potential and maximise their performance. We encourage all employees to drive their own career development and support them with internal and external coaching and training opportunities.

Pay, reward and promotions

IRIS continually monitors market pay and reward structures to ensure fair and equal pay for all employees. We have annual equal pay audits to check for gender bias and consider restricting discretion where this occurs. Our promotions recognise the performance of individuals. IRIS managers offer roles and development opportunities to all staff with similar performance.

Flexible and family friendly

IRIS understands the challenges parents face and offers flexible working arrangements to make life easier. Our commitment includes additional leave for those with children under five years old and other flexible working arrangements, such as term time only options for staff in our education division. We want every employee to be happy and focused, whether working part time or returning to the business after maternity leave.



Culture and working environment

We recognise none of our actions will succeed without the right culture and working environment. We work to ensure there is a positive atmosphere, that employees feel energised and believe in the direction of the business. This effort pays off in many ways, not least in creating a fantastic, engaging workplace.

Diversity in recruitment

Most roles are initially offered internally, which provides employees broader opportunities to progress within the business. Our job adverts have gender-neutral language and, to ensure there is gender balance across all roles, we recruit through a variety of channels and actively encourage people from all groups to apply.

To add to our talented workforce, IRIS has launched an apprenticeship programme which provides a two-year, high-quality training scheme structured to the needs of the business and the ability of employees. We offer term time contracts where possible, in order to enable parents to balance work and home life.

Welfare and wellbeing

We recognise our people work hard and in return we want to support their emotional and physical wellbeing. Our external employee assistance programme helps anyone needing impartial advice on any matter affecting them, including personal and legal support. IRIS also organises health days offering checks, flu jabs and wellbeing clinics, and offers company funded private healthcare to employees.

Learning and development

IRIS is committed to providing a supportive atmosphere for growth and offers generous learning and development opportunities to enable our employee to progress and meet their career goals. These include access to a variety of practical, technical and soft skill training courses held regularly across the UK and remotely, and we also offer full funding for individual qualifications and apprenticeships. In addition, we provide five paid study days each year to support employees' work-life balance when preparing for exams. We are also very proud of our Leading and Managing with IMPACT programmes, which are designed to enhance the skills, confidence and expertise of our leaders and managers within IRIS. These investments provide the foundation of success for our employees and help them achieve great things at IRIS.



6.0 How were the statistics compiled?



Our summary below explains how we have come to produce the statistics in this report.

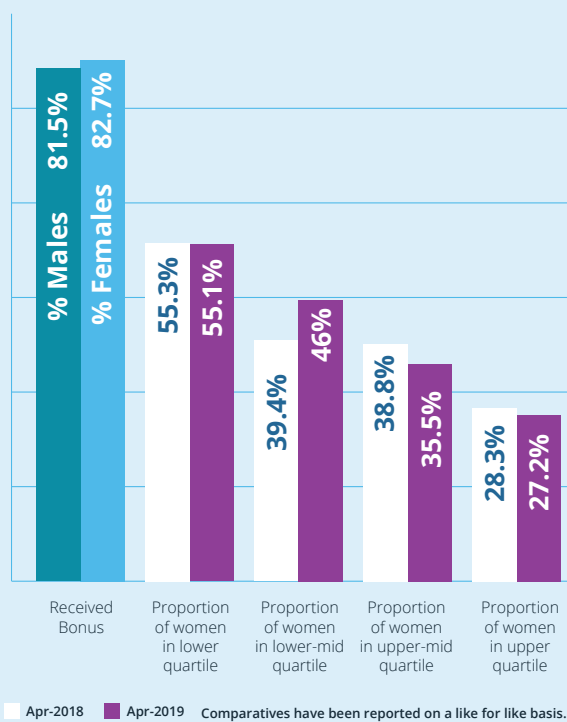
Calculating the Median pay gap

To calculate the Median gender pay gap, we arrange the hourly pay rates of all male full-pay relevant employees from highest to lowest. The Median hourly rate of pay is in the middle of the range. The same calculation is run for females. The Median gender pay gap is the difference in pay between the women in the middle and the men in the middle.

Calculating the Mean pay gap

To calculate the Mean gender pay gap, we add together the hourly pay rates of all the male full-pay relevant employees. This figure is then divided by the number of male employees, which gives us an average of the hourly pay rate. We run the equivalent calculation for females and the difference gives us the Mean pay gap between men and women.

Pay quartiles



IRIS Software Group Ltd is also required to publish the proportion of males and females in each quartile band. The bands are created by dividing hourly pay into equal pay quartiles. Each quartile contains approximately 265 employees. Overall, women currently represent 40.95% of staff at IRIS. Women are less well represented in the higher pay quartiles due to proportionally more men being in senior roles.

Increasing the number of women in our business and moving towards an equal distribution of men and women across all levels is important to us.



About IRIS Software Group

IRIS Software Group is one of the UK's largest privately held software companies. It exists to simplify the lives of professionals working in businesses and schools, by providing software solutions and services that substantially enhance operational compliance, productivity and engagement, so customers can look forward with certainty and confidence.

Over 18% of UK employees are paid by IRIS payroll solutions and 80,000 UK SMEs pay employees using IRIS, totalling £15 million of payment transactions a month. More than four million parents and guardians use IRIS apps to connect with their child's school and one third of UK education organisations use IRIS software infrastructure. Over 21,000 accountancy firms use IRIS software, including 84 of the top 100 UK practices. More than 850,000 UK employees are managed by an IRIS HR solution and 650,000 SMEs use IRIS cloud applications.

IRIS Software Group is placed 172nd in the Grant Thornton Sunday Times Top Track 250, 23rd in the Megabyte50 and is sixth on the Southern Tech 100 list. To see how we help organisations get things right today and look forward with confidence, visit **www.iris.co.uk** or following IRIS Software Group on **LinkedIn**, **Twitter** and **Instagram**.

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