

2019/2020 Gender pay gap report

1.0 Introduction



IRIS Software Group is one of the largest privately-owned software companies in the UK, providing businesses with mission-critical software and services that work first time, every time.



Elona Mortimer-Zhika
Group Chief
Executive Officer

With software solutions and services for finance, HR and payroll teams, accountancy firms and educational organisations, our award-winning products are the invisible, but essential, beating heart of our customers' businesses.

Throughout the organisation, we are passionate about gender equality in the workplace and are proud to report that in our latest snapshot in April 2020, we have a lower gender pay gap than the software sector average.

We know there is progress to be made and we continue to report on our gender pay gap annually, despite the government pausing the legislative requirement due

to the impact of COVID-19, as we truly believe it is the right thing to do and so we can continue to set targets and track our progress as an organisation.

We have an extensive programme of initiatives in place to ensure IRIS supports gender equality, equal opportunity and builds an inclusive and supportive culture throughout.

This report will outline our gender pay gap figures from the snapshot date of 5th April 2020, provide context to the figures and discuss the initiatives underway to address the gender pay gap and provide excellent opportunities that enable women across IRIS to succeed and grow.



Stephanie Kelly
Group Chief
People Officer

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

2.0 What do the figures show us for 2019/20?



Across the IRIS portfolio on 5th April 2020, there were 1497 people employed by IRIS: 593 women and 904 men.

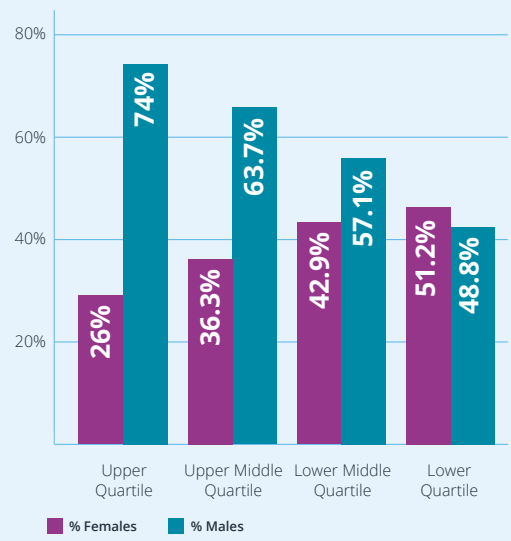
Pay quartiles

IRIS ensures that everyone is paid fairly for undertaking the same or similar role in the company. Supplementary to this, the gender pay gap looks at the distribution of job levels (categorised by pay) between men and women, translating this into an average salary and bonus payment calculation at a snapshot date of 5th April 2020.

At this time, women made up 26% of top quartile jobs and 51.2% of lower quartile jobs, and the average woman was paid less than the average man as a result.

See Figure 1

Figure 1
The pay distribution of employees at IRIS



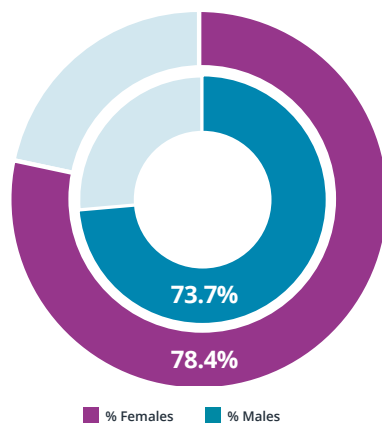
We are pleased to report that the number of females to males receiving bonuses has almost achieved complete equilibrium this year as we worked to address unintended inequalities in our recognition and reward programmes.

This year's pay gap data reflects several acquisitions made by IRIS that employed a higher number of women in junior positions and a greater number of men in the most senior roles, which are the highest paid. As each of these companies employed less than 250 UK employees, they had not previously been required to report their own gender pay gaps and may have had a lower awareness of the situation within their organisation.

When we acquire a new business, we also inherit the pay structures and approaches taken by the previous owners of the businesses who join the IRIS Software Group. This creates the need to balance the pay, motivation, progression, and recognition of both newly acquired and 'core IRIS' employees to meet an equilibrium over time and reduce the gender pay gap. Therefore, we fully anticipate this will decrease in the future and are determined to address legacy gender pay gaps.

From 2019 to 2020, we incorporated the employees we gained from the acquisition of FMP Global and STAR Practice Management Ltd fully onto IRIS contracts, payroll and benefits. The year before, we welcomed Contact Group, PS Financials, ParentMail, and Results Squared. With acquired staff considered, the overall figures, show a slight increase in the median gender pay gap since last year's core employee report of **16.9% to 21.2%**. However, we are delighted to report that the mean gap has decreased from **25.7% to 22.2%**.

Figure 2
Bonus Recipients by Gender

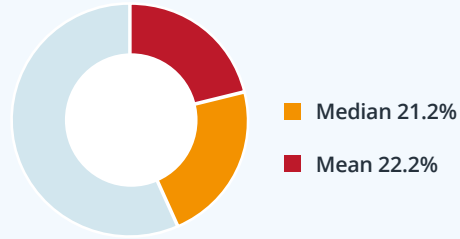


2020 figures:

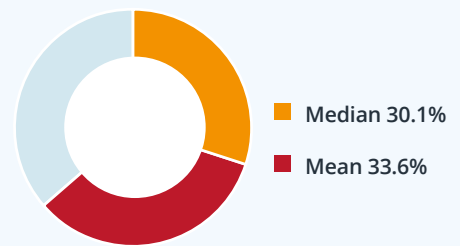


View 1 – IRIS total after acquisitions

Gender pay gap



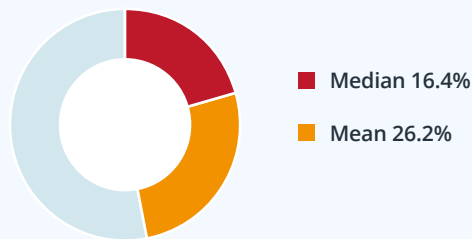
Gender bonus pay gap



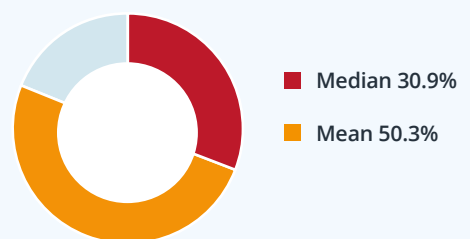
Total employees 1497

2019 figures:

Gender pay gap



Gender bonus pay gap



Total employees 1060

Our plan to reduce our gender pay gap

Our aim is to make significant progress with our gender pay gap in the next five years. Our plan focuses on four key pillars of success that have been detailed within this report under the heading “Our Plan

of Action”. We are committed to continue making further improvements in the next 12 months and achieve a better gender balance across the business.

3.0 What we've achieved so far



Our overall aim is to ensure that IRIS is a great place to work for all its employees, and fair treatment and equal opportunity are central to this.

We also appreciate everyone has different requirements within their role, so we strive to help each person find their strengths. Part of this is to offer women a positive, supportive, and flexible working environment that empowers them to succeed.

Since April 2019, we have:

- Supported managers by providing unconscious bias training
- Adapted our promotion policy to encourage confidence in applying so that women are equally considered, removing artificial barriers to women
- Extended the bonus schemes to new job roles across the organisation
- Continually monitored market pay and reward structures to ensure fair and equal pay for all employees
- Undertaken a Diversity and Inclusion audit of all policies/practices
- Enhanced our maternity, paternity, and shared parental leave policies to support parents
- Provided an employee assistance programme that helps anyone needing impartial advice on any matter affecting them, including personal and legal support
- Achieved a 'Great Place to Work Award' for all our staff, with 94% of employees agreeing that people here are treated fairly regardless of their age, ethnicity and/or gender (scoring higher than other great places to work of similar size)
- Organised annual health days offering checks, flu jabs and wellbeing clinics, and offered company-funded private healthcare to employees
- Provided more job roles with the ability to achieve financial bonus rewards
- Launched our High Potential and Mentoring programmes which aim to unlock a person's potential and maximise their performance
- Used Natural Language Processing software to eliminate bias in recruitment & selection
- Encouraged all employees to drive their own career development and supported them with internal and external coaching and training opportunities

4.0 Our plan of action for 2020/21



We believe that leading by example and enabling the right conversations to take place in a safe environment will drive positive outcomes.

Focusing on our four pillars of success, we also encourage and empower employees to get involved and make suggestions on how we can collectively achieve our diversity goals, with a dedicated internet page, inbox, and focus in our monthly company updates.

A positive, supportive, and flexible working environment, in a company that empowers women to succeed



Celebrating Success



Reviewing Company Practices & Procedures



Focusing on Recruitment & Selection



Promoting Work-Life Balance



Celebrating success

We recognise none of our actions will succeed without the right culture and working environment. We work to ensure there is a positive atmosphere in which employees feel energised and believe in the direction of the business. Continuing our focus on celebrating others is paramount to the success of our Women in Leadership Programme that runs alongside our High Potential Programme. Both programmes seek to foster and cultivate the great talent we have among our female colleagues at IRIS. It is designed to build a strong female talent pipeline and ensure that we reduce the gender pay gap in the long term, meet our inclusion and diversity commitment, and provide great opportunities for women to reach their potential.

To support this pillar, we will also:

- > Continue to promote and showcase our female senior leaders as role models across the business. From 5th April 2019 to 5th April 2020, there were 88 promotions made across the group with a 52-48% male to female gender split
- > Shine a light on inspirational female managers in the business through a special feature on our Intranet page to share practical advice and suggestions about what works when climbing the career ladder
- > Continue our #EachForEqual internal marketing campaign to challenge stereotypes, fight bias, broaden perceptions, improve situations, and celebrate women's achievements for International Women's Day
- > Run a learning and development event for women focusing on perceived or actual barriers to success, and launch a Women into Leadership mentoring programme



Enhancing Company Practices & Procedures

Throughout 2020, we continued our Diversity and Inclusion audit of all policies/practices in our effort to eliminate systemic inequality. As an enhancement to these policies, we will be introducing a new 'Mentoring for Mothers' scheme that aims to connect returning mothers to a colleague who has been through the same situation to chat through issues, ask for practical advice or just to let off some steam.

IRIS recognises how difficult it can be to return to work after welcoming a new addition to a family and taking a prolonged period of leave and will continue to establish family-friendly support mechanisms in our policies and processes.

Other items in this pillar include:

- > Supporting networking across IRIS through regular business leadership events and our annual IRIS World customer conference
- > Maintaining our 'Great Place to Work Award'- with the aim to achieve this for all staff, regardless of gender
- > Working to encourage an open culture where it is acceptable to fairly challenge practices and pay





Fair Representation in Recruitment & Selection

Most roles are initially offered internally, which provides employees broader opportunities to progress within the business. Externally, we recruit through a variety of channels and actively encourage people from all groups to apply.

42% of IRIS employees are women, which is greater than many IT/technology sector organisations. In 2020, we also achieved 30% representation of women on our board which we recognise as a steppingstone to achieving parity in the coming years. A long-term goal is to achieve equal representation for women in leadership roles to the proportion of women at IRIS (and aim for 20% of these to be members of a BAME group to reflect the diversity of the organisation).

To help us achieve fair representation, we will continue to:

- > Review our career path maps to help employees unlock their full potential across the organisation
- > Increase our apprenticeship intake throughout 2021 and utilise the Government's Kickstart Scheme to provide more opportunities to young adults, regardless of their gender
- > Use innovative recruitment avenues to source diverse talent e.g. Women in Tech
- > Use Natural Language Processing software to eliminate bias in recruitment and selection
- > Review all shortlists for management positions and roles above £50k and endeavour to ensure we have equally qualified female applicants represented in our shortlists
- > Adapt our promotion policy to encourage confidence in applying and that women are equally considered





Promoting work-life balance

We recognise our people work hard and in return, we want to support their emotional and physical wellbeing. We believe it is our responsibility to create an environment and culture for our employees that helps them feel more balanced. IRIS also recognises that there is no one-size-fits-all formula to achieving a perfect work-life balance.

We will continue to review and revise our existing policies to ensure they:

- > Strive to reduce anti-social work culture
- > Continue to develop resources, training and other initiatives for our working parents during the COVID-19 lockdown (including republishing our 'Working from Home with Kids – Guidelines for Success' document)
- > Provide opportunities for virtual networking and discussions between working parents to share their experiences and advice in a safe setting
- > Encourage informal discussions between working parents on a variety of channels (e.g. Microsoft Teams, 'team tea break' calls etc) so that they could connect and share tips with other parents at IRIS
- > Offer a generous holiday entitlement (26 days per year with the option to buy 4 additional days) to all full-time employees, encouraging working parents to use their holidays to spend dedicated time with their children, and all employees to take a break
- > Promote our flexible working options across the organisation and encourage a healthy work-life balance, with 13% of women working at IRIS choosing to work atypical working hours (term time/compressed) or part-time
- > Support all employees, including returning mothers by extending beyond leave and pay, offering optional benefits such as Private Medical Insurance (PMI) with family cover and access to a wealth of on-demand health & wellbeing tools on our intranet
- > Enhance our maternity offering to provide financial stability for mothers and paternity pay to encourage fathers to spend time and care for their new-borns
- > Create new and enhanced family-friendly policies that help with early childcare
- > Support employees with a range of flexible benefit options and wellbeing/ CSR initiatives

5.0 Leading by example: Focusing on empathy



Elona is an inspirational female leader, role model and working mum who is heavily involved in mentoring programmes to nurture and promote female leaders in business. She was recently featured in a BBC interview talking about diversity as the cornerstone of our success.



Elona was promoted from within, having served as CFO then COO before taking on the role as CEO in 2019.

We are delighted that our employees see the passion and dedication Elona brings to her role. In one of our recent staff surveys, an employee commented:

"[Elona's] an amazing, ambitious and inspiring CEO - she's a woman, she's young and she's from an ethnic minority background - which is encouraging and makes me feel like I can progress in my career too. The diversity in the leadership team gives me hope that I won't be discriminated against because of my background."

Likewise, another employee commented,
"it's great to have someone who talks honestly and openly about being a CEO and a mum."

Comments like these show how much of a difference promoting inspiring role models makes to our employees and encourages our inclusive and diverse culture to flourish.

6.0 What do women at IRIS say about working here?



Jenny Lavender, Head of Implementation at IRIS, said:

“After having my children, it was crucial for me to identify and join the right organisation that would allow me to develop and grow. As a working mum, I knew this would be a challenge to find and then I was fortunate enough to join Iris.

They have a refreshing culture that embraces equality and ensures women in the workplace are encouraged to fulfil their potential. Having strong women in senior leadership positions not only inspires me to achieve my goals but confirms that IRIS demonstrates equal opportunities. IRIS is always developing initiatives to recognise women and promote inclusion. During this challenging year, this has been more important than ever.

I am confident that IRIS will support me to achieve my career goals whilst ensuring I can maintain a good work-life balance. I feel very proud to be working for an organisation that possesses the values I set out to find and I am excited about my future within IRIS.”



7.0 What are IRIS' values?

In November 2018, we wrote to staff and asked everyone to volunteer words they would like to see in a value statement and what they felt made the company 'IRIS'.

We reviewed all submissions and analysed the most frequently submitted words taking the 15 most popular and used them to create our new mission, vision and values. This way, our values truly reflected the heart and culture of the organisation and our people – the foundation of successful and authentic values.

The values also underpin our overall strategic goals (grow revenue, make employees happy, make customers happy, build #1RIS), putting both our employees and our customers at the heart of everything we do, inspiring new ideas, delivering high-quality results, working hard and uniting together to achieve as one.



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.



Teamwork

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

8.0 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 the 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.

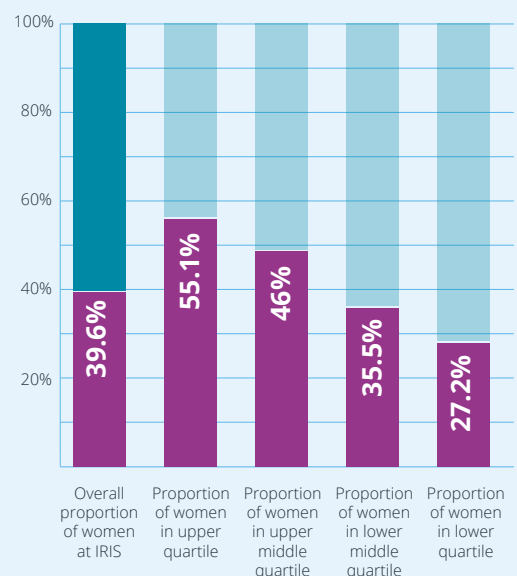
Pay quartiles


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 370 employees. Overall, women currently represent 39.6% 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.

The pay quartiles at IRIS in 2020





IRIS has been providing businesses, schools and organisations with mission-critical software and services for more than four decades now. Over the years, our team has developed considerable expertise in delivering mission-critical software solutions specially designed with the needs of the accountancy, education, HR and payroll sectors in mind.

As a business, this specialist knowledge has helped us thrive in a competitive environment. We've enjoyed 20 years of uninterrupted revenue growth, expanding turnover from £5 million in 2002 to £80 million in 2019. This performance has been achieved through both organic and acquired growth, enabling IRIS to benefit from new technological innovations and expertise. Our group is formed of the leading BioStore, Cascade, Contact Group, Earnie, FMP, Hosted Accountants, IRIS, iSAMS, KashFlow, Keytime, ParentMail, PS Financials, PTP, Results Squared, School Asset Manager, Star and Taxfiler product brands.

IRIS is a company built on hiring the best people. Our people are our greatest asset. They enable us to be the innovative, market-leading, and high-performing company that we are today. We are committed to engaging, rewarding and empowering our employees, and this is central to what we do. This is why we work to create an environment where employees feel like they are part of a team. In 2020 we were delighted to become Great Place to Work certified, which confirms our colleagues have a consistently positive experience at IRIS, with the survey considering employee wellbeing, diversity and inclusion, trust in management and leadership, effective communication, and recognition and reward.



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