

Micro Focus Gender Pay Gap Report 2017

Micro Focus is committed to creating a diverse and inclusive workplace where our colleagues can be themselves, have equal opportunities, and can perform at their best.

We recognise that diversity is good for business

Diversity helps to drive new business if the workforce reflects the needs of our customers and communities we serve. Diversity also fuels innovation by bringing together different perspectives and experiences.

We are making progress on improving our diversity, for example, 40% of the Board of Directors of Micro Focus International plc are now female. However, as this report shows, there is still more work to be done.



What is the Gender Pay Gap Report?

UK legislation introduced in 2017 requires all employers with 250 or more employees in the UK to publish annually their gender pay gap data as of 5 April 2017.

At this date, Micro Focus only had one employing entity in the UK that employs 250 or more people. This was Micro Focus Limited, which employed 324 people. Micro Focus did not own the heritage HPE business in the UK at this date and they are not included in this analysis. We must now report the following six calculations:

1. Mean hourly pay gap
2. Median hourly pay gap
3. Mean bonus gap
4. Median bonus gap
5. The proportion of males and females receiving a bonus payment
6. The proportion of males and females in each pay quartile ordered from lowest to highest pay

The gender pay gap shows the differences in the pay between men and women. There can be a number of reasons that may cause a company to have a high gender pay gap. The six calculations help to identify what those issues are.

The gender pay gap differs from equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. Male and female employees are paid equally for doing equivalent jobs across Micro Focus Limited.



Gender mix

For Micro Focus Limited, approximately 63% of employees are male and 37% are female. The majority of employees are performing work at an administrative or professional level. About 29% of employees have management responsibilities. In general, our colleagues employed by Micro Focus Limited work in one of two areas:

Functional roles

Roles such as human resources, finance, legal and facilities.

Go to market roles

Roles such as field sales and sales operations.



Gender pay gap key factors

There are two key factors related to our current gender mix that cause our gender pay gap to be higher than we want.

1. We have a lower proportion of female employees in Go To Market roles, notably in field sales roles. Sales roles attract higher bonuses and commissions than non-sales roles.
2. We have a lower proportion of female employees in management roles. Management salaries and bonus opportunities are typically higher than professional/administrative roles.



Gender role ratio by area

	Male	Female	All
Functional	53%	47%	47%
Go to market	72%	28%	53%
All	63%	37%	100%

Gender ratio by managerial and professional roles

	Male	Female	All
Management	74%	26%	29%
Professional/Administrative	58%	42%	71%
All	63%	37%	100%

Gender pay and bonus gap figures

The figures below show the difference between the average hourly pay levels and bonuses paid to all women compared to all men, irrespective of their role or level in the organisation, expressed as a percentage of men's average pay. These gaps reflect that we have more men than women in higher paid management and Go To Market sales roles.



Hourly pay and bonus ratio for women compared to men

	Mean	Median
Hourly pay gap	28.93%	32.73%
Bonus	54.83%	48.70%
	The mean is the average of the data	The median is the mid-point of the data, meaning half the population are above and half are below this point

Proportion of females and males receiving bonus payment

Nearly all of our employees are eligible for a performance-based bonus. The small difference is mainly due to the impact of some new hires and fixed term contractors who did not receive any bonus payment in the 12 months prior to April 2017.

91.67%

of females received a bonus

93.63%

of males received a bonus



Proportion of females and males in each pay quartile

The table below shows the proportion of females and males in each pay quartile. The upper quartile represents the top 25% highest paid employees. The lower quartile represents the bottom 25% lowest paid employees.

The data shows that we have more, higher paid males, which is consistent with the fact that we have more males in higher paid management roles.

Gender ratio by pay quartile

Quartile	Male	Female
Upper	75%	25%
Upper middle	76%	24%
Lower middle	62%	38%
Lower	49%	51%
All	63%	37%



How are we addressing the gap?

The causes of gender pay gaps are broader than just pay. Micro Focus is taking action to improve our diversity, which in turn should help eliminate the gender pay gap.

Our commitment

We believe in the power of a diverse workforce that reflects the communities we serve. A focus on Inclusion and Diversity helps us hone in on the needs of current customers, drive new business, fuel innovation, and attract and attain the best employees. It makes a difference in the workplace, marketplace, and community -- advancing the way we live and work.

The following initiatives will help us attract more women into Micro Focus and help to develop them into future managers:

Initiatives

The following initiatives will help us attract more women into Micro Focus and help to develop them into future managers:

Resource groups

Micro Focus runs nine employee resource groups which are communities sponsored by an executive. Members participate in activities including professional development, networking, mentoring, community and educational outreach. Two of the nine groups are focused on women:

1. SHINE: A professional women's network, sponsored by the Head of Sales & Marketing.
2. Data Gals: A women in tech network, sponsored by the Head of Big Data.

Partner support

Micro Focus supports a number of external organisations that provide Micro Focus women with additional professional development and networking opportunities. Our partnerships include:

- The National Diversity Council
- Information Technology Senior Management Forum
- The London Girls in Tech Catalyst Conference

Development

1. We are committed to eliminating bias at all levels throughout the organization and are beginning a program of providing our employees with access to Unconscious Bias training and supporting materials to help managers in their annual salary increase and bonus decisions.
2. We will be launching a new women's leadership development program in 2018.
3. We recognise that meaningful change will take time, however, we are committed to eliminating the gender pay gap, which, in turn, will ensure that we continue to attract, develop and retain the best talent for our future success.

Learn more about Micro Focus

To learn more about Micro Focus please go to: <https://www.microfocus.com/about/>



A handwritten signature in black ink, appearing to read "Jane Smith".

Group General Counsel and
Company Secretary
Director, Micro Focus Ltd

