

MICRO FOCUS SOFTWARE UK LTD

# UK Gender Pay Gap Report 2021



# Introduction

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

Micro Focus Software UK Ltd is one of two Micro Focus employing entities with more than 250 employees, employing approximately 400 people in the UK, representing about 3.5% of the Micro Focus global employee population.

This report is published in accordance with the UK legislation.



# UK Gender Pay Gap Information

Micro Focus is committed to equal pay and has policies and practices in place to pay men and women equally for the same or similar work. The UK gender pay gap is different from equal pay.

## What is the UK Gender Pay Gap?

The gender pay gap looks at the overall difference between the average pay received by men and the average pay received by women in a workplace. It therefore reflects the total number of men and women at all levels of seniority and doing different roles. The gender pay gap does not measure or compare pay for like-for-like roles and a gender pay gap can exist despite men and women being paid equally for the same or similar roles.

## Gender Pay Gap Reporting for Micro Focus Software UK Ltd

The pay quartiles show that there is a higher proportion of men than women in each of the four pay quartiles and the proportion of men to women is higher in the top two quartiles compared to the lower two quartiles. This is the main reason for the gender pay gap at Micro Focus Software UK Ltd. Many factors contribute to this, including a predominance of men working in technology and sales, which count for the majority of roles at the company. Commission payments to senior sales employees (the majority of whom are men) is one significant factor contributing to the pay gap and bonus pay gap at Micro Focus.



The mean pay gap has remained similar to last year, whilst there has been an increase in the median pay gap caused primarily by an increase in the proportion of men in the upper quartile relative to last year. Given the small overall size of the population being reported on, such movements can be caused by a minimal number of events, such as some pay increases for certain employees and/or one or two employees leaving the company or going on leave.

There has been an overall increase in the percentage of employees receiving bonus pay in the year to 5 April 2021 relative to the previous year. In addition to the very high bonus participation overall, the percentage of women receiving bonus pay is higher than men this year (96.7% of women compared to 94.1% of men). However, the mean and median bonus pay gaps have increased relative to last year. There are many contributing factors to the bonus pay gap including higher levels of sales commission, bonus pay, and share awards for males than females due to having more senior males than females in the workforce.

There is evidently more work to do with respect to reducing the UK gender pay gap and we continue to focus on the two main areas which can make a difference: (1) continuing to ensure that our reward programmes are fair and equitable through improved policies, processes and training, and equal pay audits and (2) continuing to improve our approach to recruitment, development, and promotion of women across the business globally.

Since our last UK Gender Pay Gap Report, we have developed long-term Diversity and Inclusion (D&I) commitments through to 2025 focused on five key areas: setting clear company goals, strengthening accountability, developing a more diverse talent pipeline, driving awareness and education, and building a sense of belonging and engagement. Over time, we are confident that this will increase the number of women in senior roles globally.

More information about our global approach to D&I is set out on pages 8 to 17. We also recognise that we have a role to play in enabling greater diversity in the technology industry, starting with a focus on the classroom right through to the boardroom. Micro Focus INSPIRE, our Environmental, Social & Governance (ESG) framework, has inclusion at its heart. This year we have further engaged our employees to make a difference and signed up to support five of the United Nations Sustainable Development goals— including gender equality, amongst other goals.

With D&I embedded into the organisation and increased accountability at the highest level, coupled with new initiatives around hiring, training, and ongoing development, we believe we are well positioned to make improvements in diversity within our business.

Micro Focus Software UK Ltd

<b>Mean Pay Gap</b>	<b>26.9%</b>
<b>Median Pay Gap</b>	<b>19.8%</b>
<b>Mean Bonus Gap</b>	<b>32.2%</b>
<b>Median Bonus Gap</b>	<b>62.8%</b>

**Susan Ferguson**  
Chief Human Resources  
Officer & Senior Vice President,  
Business Operations

I confirm that the information and data provided in this report are accurate and as required by UK legislation.

Percent Receiving Bonus Pay

	Men	Women
	<b>94.1%</b>	<b>96.7%</b>

Pay Quartiles

	Men	Women
<b>Overall</b>	<b>72.2%</b>	<b>27.8%</b>
<b>Top Quartile</b>	<b>86.5%</b>	<b>13.5%</b>
<b>Upper Middle</b>	<b>75.0%</b>	<b>25.0%</b>
<b>Lower Middle</b>	<b>64.4%</b>	<b>35.6%</b>
<b>Lower Quartile</b>	<b>62.9%</b>	<b>37.1%</b>

Notes

- 1 The pay quartiles show the distribution of men and women across Micro Focus Software UK Ltd. Each pay quartile contains a quarter of the total Micro Focus Software UK Ltd employees, who were ranked from highest pay (upper quartile) to lowest pay (lower quartile).
- 2 The pay gap is based on the hourly rate of pay for each employee, calculated using their ordinary pay and any bonus pay received in April 2021. Ordinary pay includes regular pay (e.g. base salary and allowances). Bonus pay includes all types of incentive pay (e.g. annual bonus, commission, share-based award payouts, and option exercises).
- 3 The proportions of men/women receiving bonus pay and the bonus pay gap statistics are based on bonus pay received in the 12 months to 5 April 2021.
- 4 The mean is found by adding up the values and dividing by the number of values.
- 5 The median is found by listing the values in order and finding the middle number in the list (or, if there are equal numbers, the mean of the two middle numbers).

# Micro Focus INSPIRE

**We believe deeply in the power of a diverse and inclusive workforce that truly reflects the makeup of our society, the communities we live and operate in, and the customers and partners with whom we do business.**

The Micro Focus INSPIRE Environment, Social & Governance (ESG) framework covers every aspect of our organisation, from how we manage relationships with employees, suppliers, customers, and local communities; to how we play our part in shifting to a lower carbon economy and reducing the effects of climate change, as well as how we govern our business. Micro Focus has also committed to support a number of the United Nations Sustainable Development Goals (UNSDGs) including goal number five—gender equality which sets out to achieve gender equality and empower all women and girls. [View goal >](#)

This further reinforces our commitment to continue to drive Diversity and Inclusion (D&I) at Micro Focus, with a strong focus on increasing the representation of women in senior roles. Our business is underpinned by our commitment to treating employees with respect and being a great place to work. Our goal is to continue to make Micro Focus an inclusive and diverse workplace. At Micro Focus, we value the diversity of our people in every regard—in the different ways we think, solve problems, and how we each approach a new challenge.



# Our Commitment

## Our D&I commitments reinforce our dedication to improving gender equality.

### Creating belonging through diversity and inclusion

D&I at Micro Focus means “each of us and all of us” and is fundamental to our business success and our culture. In every regard, our best work for our customers and for each other is grounded in our differences.

We are working to ensure that every employee feels valued and has a sense of belonging, with opportunities to collaborate, contribute unique perspectives, and grow professionally. We are also committed to creating a culture that promotes equal employment opportunities, ethical and professional behaviours, and an environment free of harassment, bullying, and hostility.

### Embedding D&I at Micro Focus

This year, we outlined our D&I commitments through to 2025 focused on five key areas:

1

Setting clear company goals

2

Strengthening accountability

3

Developing a more diverse pipeline

4

Driving awareness and education

5

Building a sense of belonging and engagement.

## Across these five areas, we:

### Supported and continue to support the United Nations Sustainable Development Goal #5.

This goal sets out to achieve gender equality and empower all women and girls.

### Strengthened accountability through our ESG Committee and our senior executives.

Our new ESG Committee provides strategic oversight of and guidance for Micro Focus D&I strategy and goals. In addition, our senior executives are prioritising D&I within their organisations, aligning to our Micro Focus D&I strategy.

### Created and communicated a D&I Policy Statement.

Our D&I Policy Statement clearly underlines our commitment to D&I, sets expectations, and defines responsibilities to foster a diverse, inclusive, and equitable environment. This translates to acting honestly with integrity, fostering collaboration, being free to openly participate and contribute, and recognising and mitigating conscious and unconscious bias. Our Code of Conduct and D&I Policy Statement, together with our values, guide our culture and reflect our commitments to our people, our customers, and our business.

### Increased Employee Resource Groups (ERGs) membership by 34%.

Our ten ERGs are executive-sponsored and employee-led communities, open to anyone and everyone. Executive sponsors serve as influential advocates to support and act as catalysts for change. Each ERG has governance through specific objectives and initiatives, aligns to our business priorities, and fosters belonging, diversity, and inclusion. They raise awareness, provide collaboration and allies, offer leadership development, provide learning and volunteering

opportunities, as well as strengthen our Employer Value Proposition (EVP). Two of our ERGs, SHINE and DataGals, focus on empowering women and engaging men at Micro Focus. This year, the ERGs promoted increased synergies among the ten groups to share knowledge and increase their contributions to positive business outcomes. An example of this collaboration was hosting cross-ERG conversations during our virtual annual Sales Summit to create greater awareness within our sales and marketing organisations. Another example is our SHINE ERG and our enABLE ERG, committed to connecting and supporting Black employees and allies to host events promoting Black women.

### Established new advocacy partnerships.

In addition to our existing relationships with Girls in Tech and Out & Equal, this year we added new partnerships with Disability:IN and the Information Technology Senior Management Forum (ITSMF). Highlights of key accomplishments:

- Supported development of Black professionals in technology by participating in ITSMF webinar series.
- Sponsored the Girls in Tech conference with over 200 Micro Focus employees in attendance.
- Recognised as one of the “Best Places to Work for Disability Inclusion” as part of the Disability Equality Index (DEI) survey.
- Joined the Business Coalition for Equality Act in support of workplace fairness for lesbian, gay, bisexual, transgender, and queer (LGBTQ) employees.

### Recognised and celebrated our employee diversity.

Each year we highlight over 100 awareness events around the world. Some key events included Black History Month, International Women’s Day, Pride Month, Hispanic Heritage Month, Developmental Disabilities Month, and Earth Day. As part of these celebrations, we hear from internal and external speakers, conduct employee-led discussion panels, share resources and learning, and hear from our executives who share their insights.

# As part of our D&I commitments through to 2025, we have set out clearer lines of accountability across the organisation.

The introduction of diverse shortlists and diverse interview panels for senior manager roles and mandatory Unconscious Bias training (UBT) which

will become mandatory new hire and annual training for all employees. We have also set out clear long term global targets, as follows:

## Company-wide

Our goal is to achieve 33% female representation globally in 2025. (Currently female representation is 29%).

**29 → 33%**



## Other D&I Activities

### International Women's Day

As part of our International Women's Day celebrations, UK-based Olympic Gold Medallist Amy Williams joined Micro Focus colleagues in a virtual session to inspire colleagues with her personal journey in overcoming a number of challenges and seizing opportunities to ultimately win Gold in the Skeleton at the 2010 Winter Olympics.

### Micro Focus and Jaguar TCS Racing Celebrate Women in Engineering

To celebrate International Women in Engineering Day in 2021, Micro Focus teamed up with Jaguar TCS Racing, together with several of its official partners, to take part in a panel discussion with women who are driving their careers forward in science, technology, engineering and maths (STEM). The panel was hosted by Amanda Stretton, English racing driver, broadcaster and motoring journalist.

### Sharing D&I Best Practices: INSPIRE 20

INSPIRE 20 is a series of conversations with 20 industry executives from around the world who are creating lasting change, accelerating initiatives or have a unique point of view around D&I in their own industries, organisations, or communities. Micro Focus launched the podcast series as part of the company's ESG programme, Micro Focus INSPIRE, to help share D&I best practices from customers, partners, and industry leaders more broadly. The podcasts are available on Apple, Spotify & SoundCloud. <https://content.microfocus.com//inspire-20-podcast-series-tb>

### Employee Volunteering to Drive Gender Parity

Through Micro Focus INSPIRE, we actively engage our employees in volunteering projects to help equip communities with the right skills to be successful in their digital lives and support five of the United Nations Sustainable Development Goals including gender equality. Each employee can take four days a year to volunteer. In June 2021, Micro Focus introduced Virtual Volunteering for Teams to make volunteering easy and accessible, and to help all colleagues stay connected while many continued to work from home. Curated sessions were aligned to support the company's ten Employee Resource Groups (ERGs) including a number dedicated to closing the gender gap in Science, Technology, Engineering and Maths (STEM) sectors, and empowering women and young girls to reach their full potential.



## Reverse Mentoring Program

In 2021, the UK chapter of SHINE, our global Employee Resource Group ran a reverse mentoring pilot. A number of female new hires, who had joined as part of the company’s annual graduate recruitment programme, were partnered with senior female leaders across the UK business.

The six-month programme was established to provide additional support for our new female recruits as they entered the company and enabled our senior female members to better understand how to connect with, attract, recruit and retain young talent. The Reverse Mentoring programme acts purposefully as a “two-way street”, encouraging both parties to teach, learn, and grow as individuals while developing a stronger, and more equal relationship.

Often the longer employees work for an organisation, the more they know and the less they believe they need to learn. However, younger members of staff who are just entering the workplace often have new skills and expertise, and they can provide fresh perspectives and ways of working that can benefit their more established colleagues. The programme gave junior team members the opportunity to share up-to-date skills and knowledge with more senior colleagues.

### The programme was designed to:

- Help nurture and support our new female graduates joining Micro Focus in January 2021.
- Help senior female leaders better understand how to connect, attract, recruit and retain young diverse talent.
- Help both mentees and mentors think differently and be more inclusive in problem solving.
- Help both mentees and mentors build broader, more diverse networks across the business.

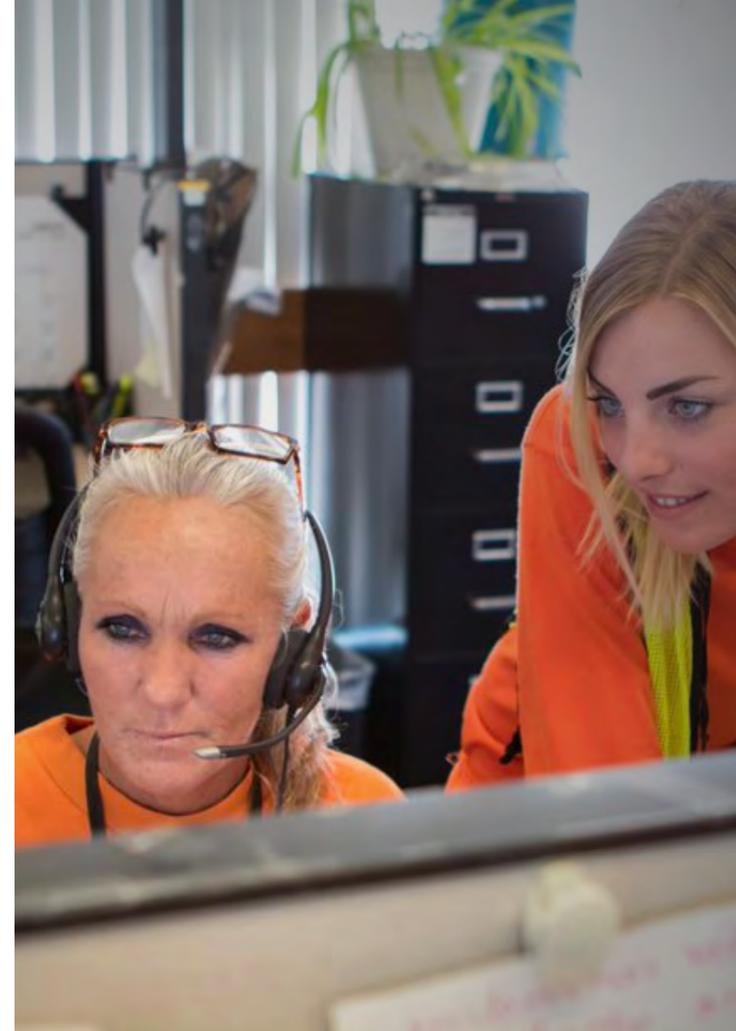
The feedback was overwhelmingly positive and based on the success of the programme, it will be developed further in 2022.

## Diverse Supplier Commitments

Micro Focus remains committed to working with diverse suppliers—namely a business that is at least 51% owned and operated by an individual or group that is part of a traditionally underrepresented or underserved group. Common examples are small-business enterprises (SBEs), minority-owned business enterprises (MBEs), and woman-owned business enterprises (WBEs).

One real life example is our partnership with Televerde, a purpose-built sales and telemarketing company. With engagement centres in the US and UK, which are staffed entirely by women incarcerated within the facilities, Televerde believes in second-chance employment and strives to help disempowered people find their voice and reach their potential. Since Televerde was established 25 years ago, more than 3,500 incarcerated women have completed its program, and of those the recidivism rate—the rate at which they are rearrested and return to prison—has been just 5.4%, compared to the national US average of 65-70%.

In June 2020, Televerde announced its partnership with the UK Ministry of Justice (MOJ) with the expansion of its prison to workforce development program to [Her Majesty's Prison Styal](#) (HMP Styal) in Wilmslow, Cheshire, England. Televerde’s European headquarters are in Glasgow, Scotland, which was opened in 2016. HMP Styal is Televerde’s first European engagement centre that is staffed entirely by female prisoners and its ninth prison-run centre globally.



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Our partnership with Televerde, a purpose-built sales and telemarketing company, provides a real life example of our diverse supplier commitments.

“I think the scheme was such a great idea. It allowed us to connect with more people who we may not have had contact within our surrounding team of people. The concept of reverse mentoring was great because for me it created a no-pressure, two-way environment, where I was comfortable to both learn and share advice.”

Reverse Mentoring Program through our UK chapter of SHINE—global employee resource group



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