

# **Advanced**Gender Pay Gap 2019 Report

We are passionate about inclusion and equality. We are committed to reducing our gender pay gap.



"We have built our organisation on a series of strong principles that guide our decision-making and support our aim of creating a talented, and diverse organisation. We are passionate about inclusion, equality and are committed to reducing our gender pay gap.

In our third year of reporting, we are delighted to share the journey we have been on, and the steps we have taken to ensure we are positively working towards narrowing our gender pay gap."

Alex Arundale, Chief People Officer.



As of April 2017, all organisations in the UK with more than 250 employees are required to annually publish their gender pay gap. Gender pay gap reporting aims to show how large the pay gap is between an organisation's male and female employees.

## What is the Gender Pay Gap?

Equal pay and the gender pay gap often get confused, but they are not the same thing.

We are an equal opportunities employer and take gender equality very seriously. We already pay men and women with equal skills, the same rate of pay for doing the same job. That is what equal pay is.

Gender pay looks at the difference in average pay of all men and the average pay of all women across the business, regardless of job types or how senior they may be.

As with many other large UK organisations, we have more men than women in senior and higher paid technology and development roles, which results in us having a gender pay gap.

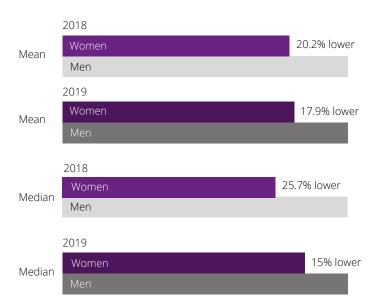


Watch a video of our team explaining more about our gender pay gap and what we are doing about it

# Gender Pay Gap

The Gender Pay Gap refers to the difference between the average pay of all men and the average pay of all women. We look at both the mean average and the median average to analyse this. We can report a reduction in our mean gender pay gap, from 20.2% in 2018 to 17.9% in 2019, while our median gender pay gap has increased from 25.7% in 2018 to 15% in 2019.

#### **Gender Pay Gap**



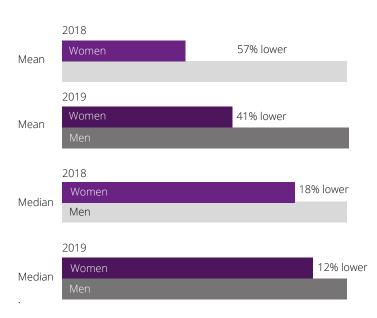
The reduction in our mean gender pay gap shows that the work we are doing is continuing to have an impact. The decrease in our median can be attributed to our programme of organisational transformation, mentioned in last year's report. This supports our belief that our actions on the back of yearly reports continues to narrow the gap and produce positive results.

## Gender Bonus Gap

The Gender Bonus Gap refers to the difference between the average bonus value paid to men and women throughout the year.

We can report that in 2019 our mean bonus gap decreased from 57% to 41%, while our median Gender Pay Gap decreased from 18% to 12%.

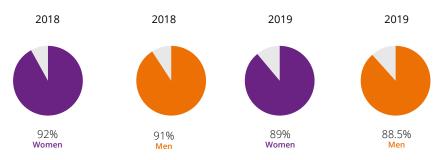
#### **Bonus pay**



This result is very positive and we believe that having implemented a variable pay element to an employee's total reward, this enables a more reflective view of our overall pay gap. This also minimises the impact of our bonus gap being driven by sales commissions.

This means that we are committed to understanding the impact of sales commissions on our bonus gap.

#### **Who Received Bonus Pay?**

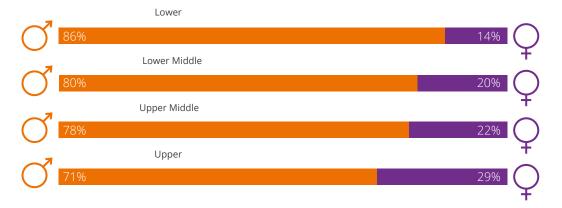


In 2017, we introduced a company-wide bonus scheme open to all, with the bonus based on a percentage of an individual's salary. This new structure clearly shows a positive move as the gender gap between recipients continues to narrow.

Improvements in the communication of this change mean that our forward-looking projections suggest that our Bonus Gap should narrow moving forwards.

## Pay Quartiles

In the 2019 reporting period, Advanced had 1,541 UK employees, with an overall gender split of 76% (male)/24% (female). There has been a small percentage change in the number of women in the business from 2018 to 2019.



# What are Pay Quartiles?

If you were to line up everyone, required in the report, from highest paid to lowest paid and divide into four equal sized groups then those groups are our four pay quartiles.

We are required to report on the percentage of men and women in each of the quartiles.

When we look at these numbers this could be viewed as a disappointing result, however, it reflects the upward movement of females at Advanced due to our culture of internal mobility. A key area of improvement includes attracting women into the business at entry level.

## Statement

We declare that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Gordon Wilson > CEO > Advanced

Alex Arundale > Chief People Officer > Advanced

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## **OUR ACTION PLAN**



# **Hiring Process**

**ACTION:** Advanced recognised the difficulty in attracting female applicants within the software industry. We improved the applicant experience to prevent disengagement in the early stages.

**RESULT:** The decrease in total female employees within Advanced by 1% is disappointing. We continue to appreciate the challenge that is diversity within our industry and are passionate about addressing this.



# **Internal Mobility**

**ACTION:** We identified the disproportionate number of men in senior and technical roles as a key driver of our gender pay gap. Committing to a long-term goal of filling our non-entry-level roles through internal promotions and doing so using a clean, bias-free and open selection process.

**RESULT:** 56% of our non-entry level roles were filled through internal promotions, of these, 30% were female.



# Maternity

**ACTION**: Advanced committed to understanding and improving our maternity provisions across the business. This included coaching sessions on discrimination, focus groups and analysis of our data.

**RESULT:** This initiative has provided education, awareness and support for those going on maternity and for the wider business.

## WHAT'S NEXT?

We analysed data throughout 2019 to better understand and directly impact our gender pay gap for 2020. Our commitments revolve around four key areas:

**Maternity** - Continuing to understand and improve on our approach

**Hiring Process** - Reviewing how we are attracting women into Advanced

**Internal Mobility** - Increasing access to learning and development

**Celebration** - Appreciating what our business does well in regards to diversity

We look forward to understanding and demonstrating these results in our 2020 report.





**ACTION:** We committed to introducing a new benefits platform to increase accessibility to savings for working families. This includes more personal benefits including food shopping and days out.

**RESULT:** Our new platform, during it's first year of implementation, saved our employees over £170k across a variety of offers.

## **Appendices**

Advanced has two separate entities which are required to report their figures. These are the figures you will find if you search the Government Gateway. In the interest of transparency, the rest of this report talks about the position of our entire business.

## **Hourly Rate**

| Women's hourly<br>rate is | Advanced Business Software & | 17% lower (mean)   |  |  |
|---------------------------|------------------------------|--------------------|--|--|
|                           | Solutions Ltd                | 9% lower (median)  |  |  |
|                           | Advanced 365 Ltd             | 13% lower (mean)   |  |  |
|                           |                              | 20% lower (median) |  |  |

## **Bonus Pay**

| Who Received<br>Bonus Pay? | Advanced Business Software & | 81% of males   |  |
|----------------------------|------------------------------|----------------|--|
|                            | Solutions Ltd                | 84% of females |  |
|                            | Advanced 365 Ltd             | 97% of males   |  |
|                            |                              | 96% of females |  |

#### **Bonus Pay**

| Women's bonus | Advanced Business Software & | 53% lower (mean)    |  |  |
|---------------|------------------------------|---------------------|--|--|
| pay is        | Solutions Ltd                | 7.7% lower (median) |  |  |
|               | Advanced 365 Ltd             | 49% lower (mean)    |  |  |
|               |                              | 28% lower (median)  |  |  |

## **Pay Quartiles**

How many men and women are in each quarter of our payroll?

|   | Lower Quartile |        | Lower Middle Quartile |        | Upper Middle Quartile |        | Upper |        |
|---|----------------|--------|-----------------------|--------|-----------------------|--------|-------|--------|
| Business Unit                                 | Male           | Female | Male                  | Female | Male                  | Female | Male  | Female |
| Advanced Business<br>Software & Solutions Ltd | 80%            | 20%    | 68%                   | 32%    | 76%                   | 24%    | 84%   | 16%    |
| Advanced 365 Ltd                              | 81%            | 19%    | 85%                   | 15%    | 90%                   | 10%    | 89%   | 11%    |

Legislation requires Advanced to publish details annually of our gender pay gap. This report is based on data from 5 April 2019. Data has been calculated in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

