sage

Gender pay report
2017

Introduction

Sage is passionate about building a culture where our people feel like they can bring their whole selves to work. Where people know that they will be judged solely on their performance – not their identity.

That's why we have decided to publish our first gender pay report. Here, we have set out both our gender pay data, and some of our key initiatives for improving diversity and inclusion at Sage.

It's important to recognise here that gender is just one element of identity, and that we are equally focussed on race, class, sexuality, ability and the intersections between these identities -- to make sure that Sage is a fair and equal environment for everyone.

I wholeheartedly welcome the UK government's new legislation requiring businesses with more than 250 employees to publish their gender pay gap year on year, and the transparent culture that this reporting will help create. The more open we are with our numbers -- and the reasons behind them -- the better equipped we are to drive change.

Amanda Cusdin
Chief People Officer

Improving gender equality at Sage is not something we view as a side project, or as a 'nice' thing to do – it's fundamental to the way that we do business. That's why, as CEO, improving our gender diversity starts with me. And looking at gender pay is an important part of this.

The lack of diversity in the technology sector is well-documented, and a real blight on our industry.

I'm very pleased to say that -- as you will see -- Sage fares better than the industry average in terms of both our gender pay data and the gender split of our people.

However, it is not enough for Sage to be the best of a bad bunch, and we want to continue to drive up the number of colleagues from diverse backgrounds at every level of the organisation.

We don't see this as a soft measure. We all know that diverse businesses are more commercially successful. But we also know that the best ideas come from diverse groups – and given that our vision is to keep inventing the future for small & medium businesses, it is not just preferable, but essential that we welcome people of all identities and backgrounds.

We will keep working hard at this, and will not be satisfied until the make-up of our colleagues reflects the brilliant diversity of both our customers and our communities around the world.

Stephen Kelly
CEO

The figures at a glance

The table opposite shows our overall median and mean gender pay data based on hourly rates of pay as at the snapshot date of 5th April 2017. It also shows median and mean bonus pay data for bonuses paid in the year up to 5th April. Below, you will find some commentary on understanding Sage's pay data, and how we are addressing it.

	Mean	Median
Gender pay gap	5.89%	-2.61%
Gender bonus pay gap	24.31%	-36.81%

What proportion of colleagues received bonus pay?

84.75%
of female colleagues

86.04%
of male colleagues
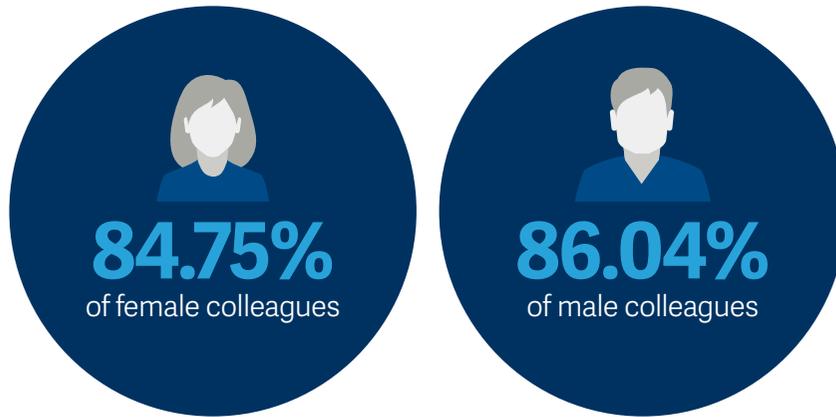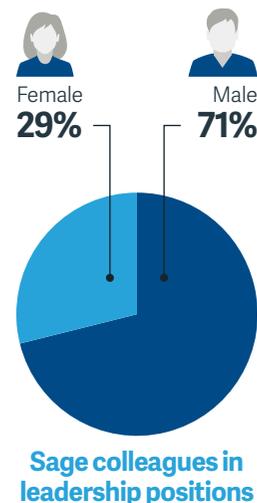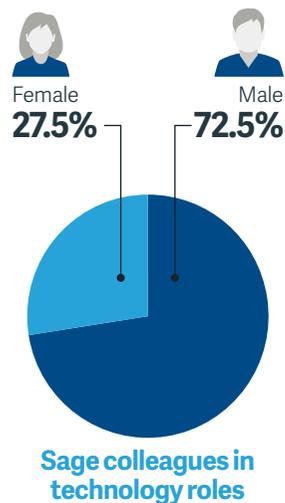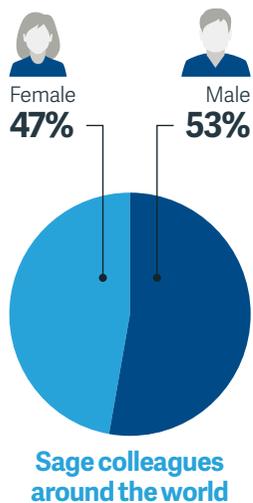
A note on gender identity
Whilst the gender pay gap reporting regulations require us to categorise employees as male or female, at Sage we recognise that gender is not a binary, and that some of our colleagues may not identify as either category. We are working to do more to support our non-binary colleagues as part of our LGBT discussion and action group, Pride@Sage, which we launched in October this year.

What proportion of colleagues received bonus pay?

	Female	Male
Upper	36%	64%
Upper Middle	40%	60%
Lower Middle	38%	62%
Lower	36%	64%
Grand Total	37%	63%
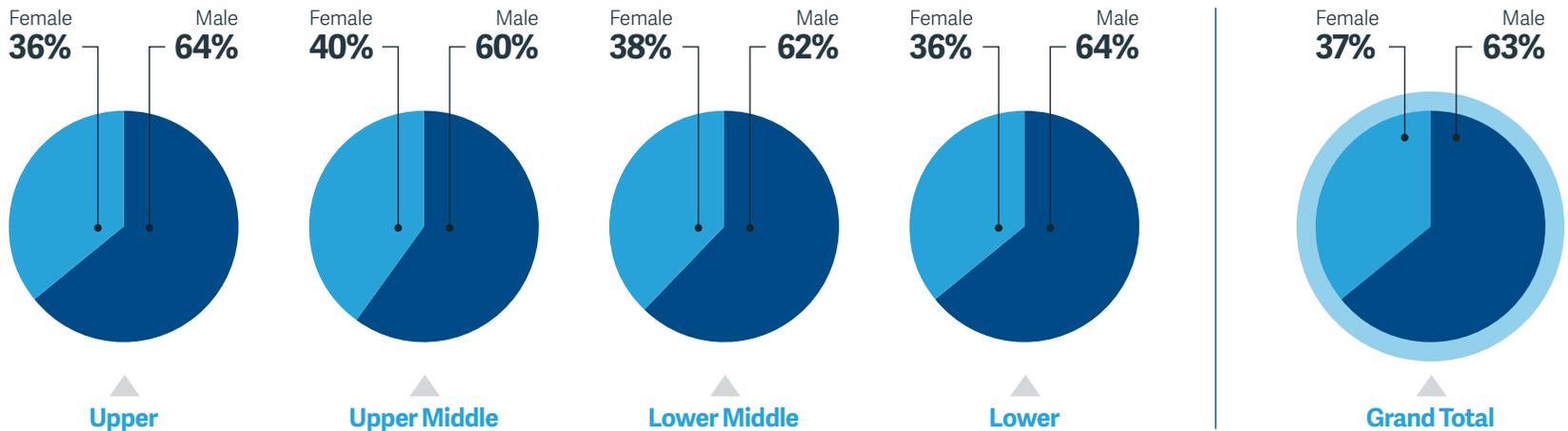
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Understanding Sage's gender pay data

Female **47%**   Male **53%**

Sage colleagues around the world

Female **27.5%**   Male **72.5%**

Sage colleagues in technology roles

Female **29%**   Male **71%**

Sage colleagues in leadership positions

Sage's equal pay gap – the pay difference where men and women perform similar roles – is negligible. If we judged the pay gap on this like-for-like basis, the mean pay gap would stand at 1.1%, and the median at 1.8%.

Instead, where there is a gap, this is caused by the fact that women hold fewer senior positions at Sage than men, so tend to have lower salaries.

The bonus pay data tells the same story. Men have a higher mean bonus pay because they occupy more senior roles, but women have a higher median as their performance distribution is both narrower and generally better than men. Once again, the disparity is down to the low number of women in leadership roles.

Overall, 53% of Sage colleagues around the world are male, and 47% female – a much more equal gender split than many of our peers in the technology world. However, two areas where the split is less equal are in technology roles and amongst our senior leaders. 27.5% of Sage's technology workforce is female, and 29% of leadership positions are held by women – but we're seeing fast progress with the latter figure, up by 3% in the past year.

We are pleased that Sage is a more equal environment than many in our sector. However, in an industry that notoriously struggles with gender equality, it is not enough for us to be the best of a bad bunch. We won't be satisfied until our playing field is as equal as possible – in terms of gender, ethnicity, sexuality, disability and more.

That's why we are continuing to step up our diversity & inclusion efforts to drive change.

Taking action: steps to improve gender diversity at Sage

Our progress so far

Women@Sage mentoring

Our Women@Sage mentoring programme – designed to foster female talent and drive up internal promotions – has now launched in all of Sage's 23 countries, and 200 high-performing female colleagues have received mentoring so far. 95% of mentees said they would recommend the experience.

Tackling bias

This year, Sage launched an e-learning module around unconscious bias, which was mandatory for all colleagues across the business. Our top 50 leaders also had more in-depth face-to-face training on this, which we will continue to roll out to more managers. We aim to educate all colleagues in how their own identity and experience colours who they perceive to be 'the best person for the job' when hiring.

Women in leadership

We aim to increase the proportion of female colleagues in both technology and leadership roles to 35% by the end of 2018. Over the past year, we have upped the proportion of women in leadership from 26% to 29%.

Diversity and Inclusion Action Groups

We've established action groups focussed on specific areas, covering the 23 countries we operate in. Their role is to actively support our diversity agenda, identify country priorities, and engage with Sage colleagues to make a difference.

sage Diversity

Accounting for our differences.

Over the next year, Sage will be stepping up our commitment to gender diversity through the following measures.

Driving accountability

From our next financial year (FY19) onwards, improving the diversity of their teams will become a formal objective for all senior leaders.

Performance reviews and bonus pay will be directly tied to managers' success in meeting this goal. We are also inaugurating a Diversity Council, chaired by the CEO, which will meet quarterly to discuss progress.

Helping women return to work

We are focussing on making sure that colleagues who go on maternity leave are set up for success and supported in their return to work without impact on their career progression. We are also working on a program that will upskill female returners in digital skills such as coding.

Bringing in diverse talent

We are introducing hard hiring quotas for every department, to ensure that we have a diverse mix of minds and ideas. We are also launching a new global grad program, where we will ensure that 50% of all grads are female or non-binary. This is alongside a new series of internships, open only to female and BAME applicants. We are strengthening our links with schools and universities to build up our pipeline of diverse talent.

Recognising female talent

As well as working on our talent pipeline, we want to make sure we recognise the brilliant female talent we already have at Sage, and help encourage internal promotions. This year we will inaugurate an annual award dedicated to female or non-binary talent at Sage, where colleagues will be able to nominate their peers for outstanding achievement.

Flexible working

We embrace flexible working at all levels of the organisation, and to embed this further, we will start advertising our roles with flexible or home-working as an option. Our managers will also be trained in the importance of enabling their teams to work flexibly.

Appendix
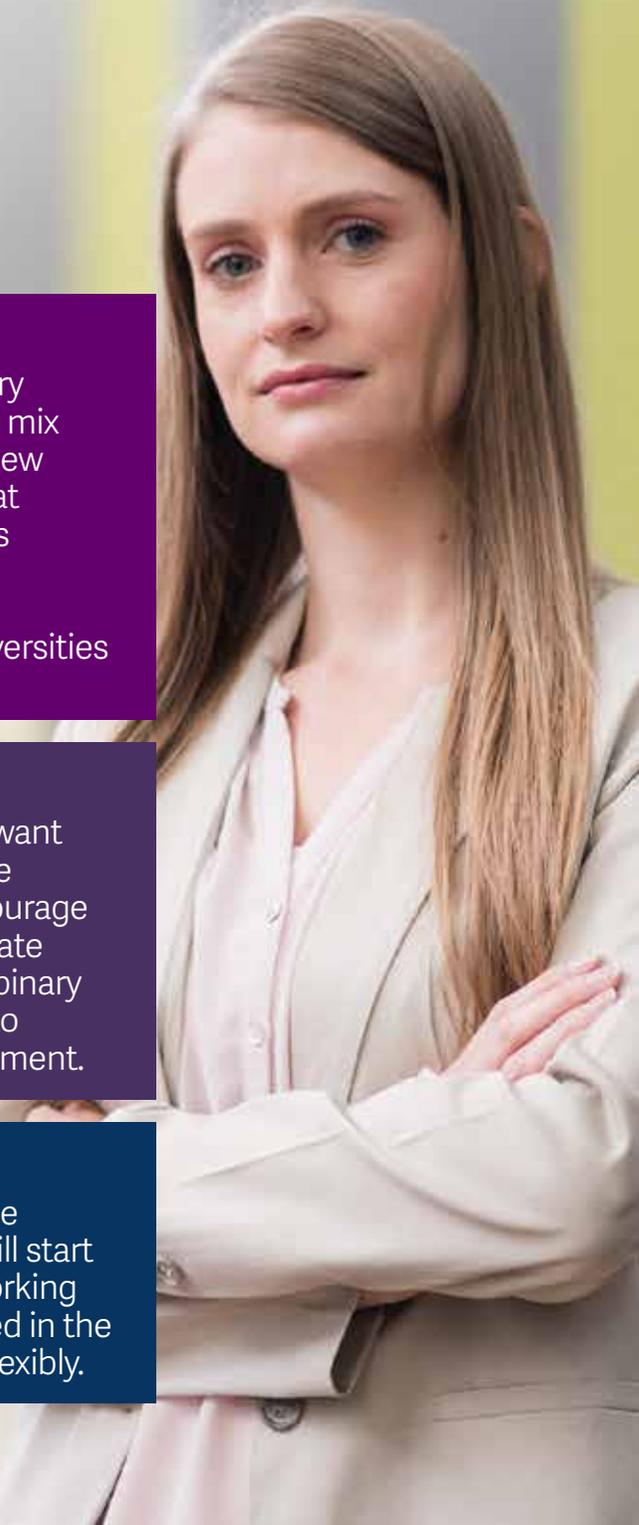
Entity split: Sage UK and Sage Group plc

Sage has two employing entities operating in the UK– Sage UK and Sage Group plc. Sage Group plc is our ultimate parent company, listed on the London Stock Exchange. The 394 employees in this entity occupy 'global' roles within the business. Sage UK is our main operating entity in the UK, headquartered in Newcastle and employing 2,404 colleagues who work on the UK business only.

There is a minor pay gap in the Sage UK business. Sage Group plc shows a mean pay gap of 27.8% and median of 20.5%. This is because there are a higher proportion of more senior colleagues employed by Sage Group plc than Sage UK, and overall, women hold fewer senior positions at Sage than men.

Universally, the percentage of women receiving bonus pay is level or higher than the same figure for men.

Sage Group plc
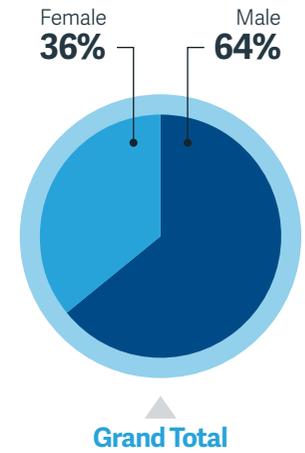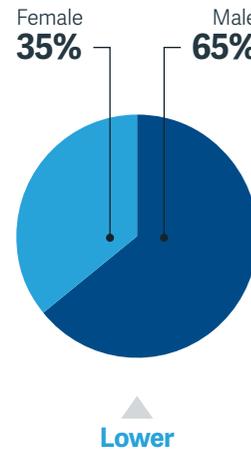
Mean pay gap
27.8%

Median pay gap
20.5%

Appendix: Sage UK

	Mean	Median
Gender pay gap	4.31%	0.08%
Gender bonus pay gap	3.11%	-16.75%

What proportion of colleagues received bonus pay?
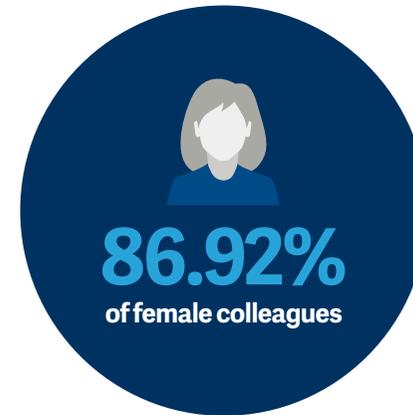
86.92%
of female colleagues

88.15%
of male colleagues

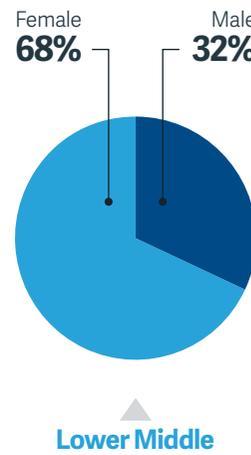**Proportion of female colleagues and male colleagues in each quartile band.**

Female **34%** Male **66%**

Female **37%** Male **63%**

Female **36%** Male **64%**

Female **35%** Male **65%**

Female **36%** Male **64%**

Upper

Upper Middle

Lower Middle

Lower

Grand Total
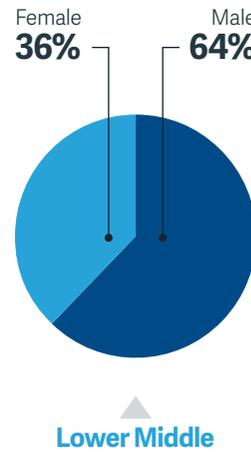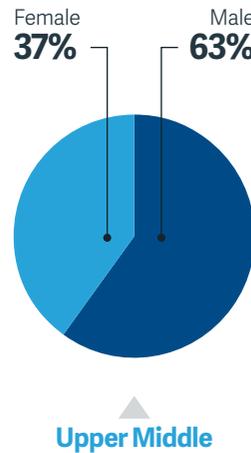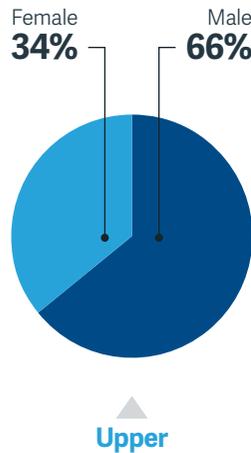
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Appendix: Sage Group plc

	Mean	Median
Gender pay gap	27.78%	20.47%
Gender bonus pay gap	68.5%	49.02%

What proportion of colleagues received bonus pay?
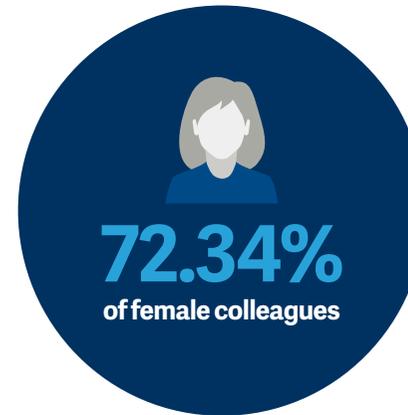
72.34%
of female colleagues

65.19%
of male colleagues

Proportion of female colleagues and male colleagues in each quartile band.

Female **46%** | Male **54%**
Upper

Female **55%** | Male **45%**
Upper Middle

Female **68%** | Male **32%**
Lower Middle

Female **75%** | Male **25%**
Lower

Female **51%** | Male **49%**
Grand Total
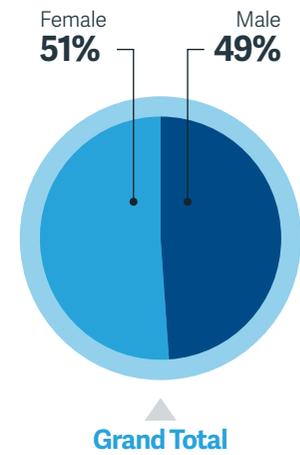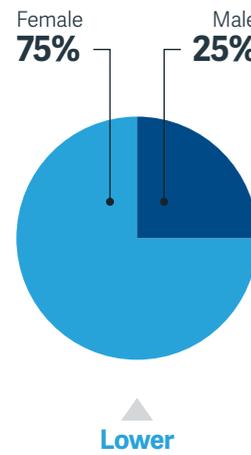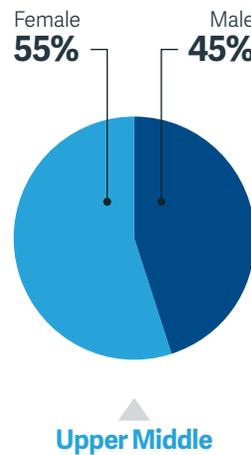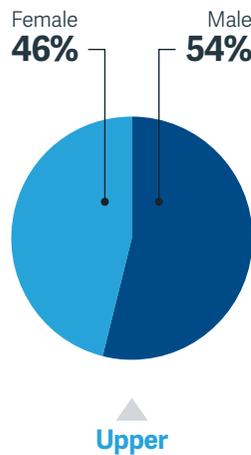
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