System C Gender Pay Gap Report

The Gender Pay Gap Report 2022 provides us with a valuable opportunity reflect on the progress we continue to make on the important topic of gender equality.

This is the fourth year we have published our Gender Pay Gap information. We take equality, diversity, and inclusion seriously at System C. Aligned to our people strategy, we continue to work to create an environment that provides equal opportunities to all colleagues and to provide fair pay and a competitive and creative benefits package. As the business continues to grow and evolve, we strive to recruit and retain the very best people, regardless of ethnicity, gender, disability, and age. Equality in the hiring process and equal treatment in terms of pay and progression are central to this.

In 2017, the Government introduced legislation that made it statutory for organisations with 250 or more employees to report annually on their gender pay gap. This report fulfils the department’s reporting requirements, analyses the figures in more detail and sets out our progress to date and what we are doing to close the gender pay gap in our business.

Performance

We are pleased to report that our performance on pay is considerably stronger than the national and sector averages. Our gender pay gap is significantly less than the 2022 national average of 14.9% and 18.3% for our industry.

Our median gender pay gap across the company is -5.2%, in favour of women, which means that women are paid on average 5.2% more than men. This is a 3.9% increase on 2021.

Our mean gender pay gap is 7.6%, which is lower than the 18.3% average for our industry sector. The blue box at the bottom of the page provides an explanation of the difference between these two calculations and the underlying significance.
**Bonus Pay**

We are also committed to recognising the contribution made by everyone to our business, irrespective of role and seniority. For that reason, a percentage of our profits are distributed as a bonus to everyone in the company, when the company reaches its annual performance threshold.

The median bonus gender pay gap for 2022 has been recorded at 5.2% and the mean bonus gender pay gap was 38.6%. Proportions of males and females that received a bonus are the same. The mean percentage is much higher than the 1.2% figure in 2021 – and has been skewed by the two co-founders receiving a one-off bonus. Without that payment, the mean bonus gender pay gap would be 7.2%.

[* Source: Annual Survey of Hours and Earnings (ASHE), Office for National Statistics*]
Pay Bands
One of the biggest challenges we face as a technology company is the national shortage of women who have qualifications in STEM subjects (science, technology, engineering, and mathematics), and the imbalance in the numbers of women working in tech. This national problem contributes to the under representation of females at all levels in our organisation, from the lower quartile through to the upper quartile, but is at its most pronounced in the upper pay band. In 2022 the seven-strong executive team consists of five males and two females. It should also be noted that in recent weeks, this particular gap has closed slightly with a new female addition to the senior team (this will be included in the 2023 report), and we plan to further bolster this whenever we are able to.

We have made steady progress with the initiatives we have in place and will continue to strive towards parity of pay. While the number of female employees in the upper quartile pay band has remained the same this year, there has been an increase in the Mid-Upper band as a result of some key promotions and mid-senior appointments. There has also been a slight decrease in the number of women in the lower quartile pay bands. We will continue to instil equality throughout all of our recruitment and retention strategies in a bid to reduce these gaps further. We expect the percentages in the Upper band to be more evenly balanced next year, with some recent female appointments to the Senior Management Team.
What are we doing to improve our performance?

Our gender pay performance reflects the fact that we treat people equally, irrespective of gender. We will continue to focus on gender equality across all our policies, looking at the recruitment, development, progression, and retention of employees, to ensure that we maintain our progress in this area.

One of our primary aims is to improve the proportion of women at all levels in the organisation, and in particular to increase the numbers of women coming forward as software developers. This is inevitably a long-term strategy which we are trying to address through a variety of different means. These include a focus on career progression and promoting from within as well as on agile working. We are setting up an entry level recruitment programme which we hope will reflect the gradual increase in the numbers of females studying STEM subjects nationally and which, over time, will help us increase the proportion of females at all levels and in all roles within the organisation.

We also continue to work strategically through partner agencies – through our relationships with techUK, for example – to highlight and address the bigger issue of the structural gender imbalance in our industry.

Definitions at a glance

**Median**
The difference between the ‘middle’ rate of pay (or bonus) for all men and the ‘middle’ rate of pay (or bonus) for all women, when hourly pay is ranked in numerical order.

**Mean**
The difference between the mean (average) hourly rate of pay (or bonus) for all men and all women.

**Pay quartiles**
Calculated by ranking all employees’ hourly pay in numerical order and dividing them into four equal size groups.

**Median**
Median averages are useful to indicate what the ‘typical’ situation is i.e. in the middle of an organisation and are not distorted by very large or small pay rates or bonuses.

**Mean**
Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap, but very large or small pay rates or bonuses can ‘dominate’ and distort the answer.

Source: Acas/Government Equalities Office guidance – Managing Gender Pay Reporting.