Microsoft

Microsoft in Ireland
Gender Pay Report
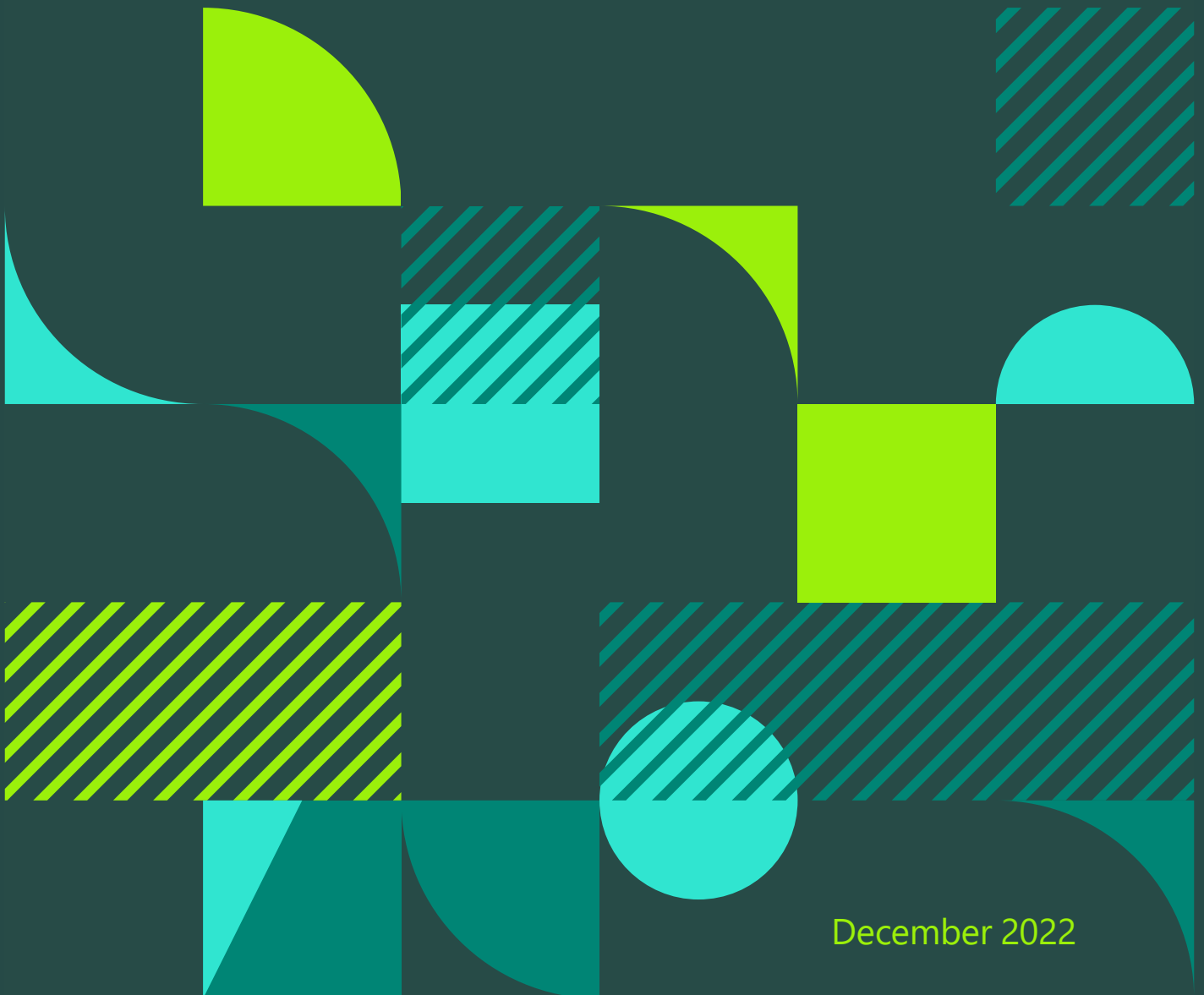
December 2022

Executive summary

0.2%	Mean gender hourly pay gap.
9.8%	Mean gender bonus gap.

Microsoft has had a presence in Ireland since 1985, growing from a manufacturing site 37 years ago to an Europe, Middle East, and Africa Hub with a diversified portfolio of businesses and functions. Our employees represent 87 nationalities across a variety of roles including operations, sales, engineering, and product development.

Diversity and inclusion has been – and continues to be – at the heart of our culture in Ireland. It informs how we hire, retain, and develop our employees, as well as how we invest in our communities.

According to data published by the Central Statistics Office (CSO), less than one-third of Ireland's Information and Communications Technology workers are women.[1] Microsoft has made significant investments to encourage students across Ireland – particularly girls and women – to consider a career in Science, Technology, Engineering & Maths (STEM).

In 2018, following a €5million investment, we launched Dream Space, an educational programme to inspire primary and secondary school students to explore the possibilities of STEM and influence their perceptions of technology as a potential career choice. Since it's launch, over 130,000 students, as well as their teachers, have engaged with Dream Space. We recently announced our intention to invest an additional

€3 million in Dream Space over the next 4 years. Our ambition is to inspire the next generation of digital leaders by providing the almost 1 million students on the island of Ireland with the opportunity to learn and develop their digital skills.

Furthermore, as a founding member of CWIT – Connecting Women in Technology - since 2009 we have worked in partnership with other multinationals to create a set of programmes to attract, promote and encourage women in STEM careers in Ireland.

Later in the report we provide an overview of some additional programmes that we have invested in to increase representation in STEM.

This report not only includes the analysis and data mandated by The Gender Pay Gap Information Act 2021 ("the Act"), but also highlights Microsoft's commitment to increasing representation of women across the entire organisation and industry.

Across Ireland,[2] we are reporting a mean gender hourly pay gap of **0.2%** between men and women. The mean gender bonus gap is **9.8%** between men and women, primarily the result of fewer women in senior technical roles. There is a 1.6pt difference in the proportion of men and women who received Benefit in Kind (BIK), **86.9%** of men receiving BIK and **85.3%** of women.

To provide a more complete picture of compensation at Microsoft, in addition to what is required by the Act, we are also sharing the result of our annual pay equity analysis for Ireland. Pay equity – or equitable pay for substantially similar work – measures the difference in pay between two groups considering factors that legitimately influence pay, such as job title, level, and tenure. In Ireland, as of September 2022 when our analysis was completed, women who are rewards eligible[3] in Ireland earn €1 total pay for every €1 earned by rewards eligible men with the same job title and level and considering tenure. We believe that pay equity, combined with the gender pay gap figures required by the Act, provides a more comprehensive view of pay at Microsoft.

We will continue our focus on increasing representation of women across all professions and levels, but especially in the technical disciplines and will continue to monitor and measure progress regularly.

In many ways, inclusion is innovation: it is about envisioning, designing, and realising an organisation and industry that are more inclusive tomorrow than today; and that is what we are striving for.

Joanne Morrissey

Joanne Morrissey
Senior HR Director,
Microsoft Ireland.

Our results

The Act requires organisations with more than 250 employees to report gender pay gap information within six months of a date in June chosen by the organisation. Pursuant to the requirements of the Act, we are sharing gender pay gap information based on the government's methodology for 'Microsoft Ireland Operations Ltd' and 'Microsoft Ireland Research'.

'Microsoft Ireland Operations Limited's principal activity is the marketing, selling and distribution of Microsoft hardware and software products and services for the EMEA and APAC regions.

'Microsoft Ireland Research' is engaged in product localisation, research and development, and software engineering activities for Microsoft hardware and software products and services.

We have selected June 30, 2022, the last day of Microsoft's fiscal year, as the 'snapshot' date for this report. The analyses below are based on the employee population (i.e. employees employed on June 30, 2022) and the components of remuneration [as required under the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 (the "Regulations")] for the period of 12 months ending on June 30, 2022.

Results for Microsoft in Ireland

In addition to analysing the data for these two legal entities, we have created a more holistic view of Microsoft's employee footprint in Ireland by providing the results for 'Microsoft in Ireland' – 'Microsoft Ireland Operations Ltd' and 'Microsoft Ireland Research' combined – following the government's methodology required for each separate entity.
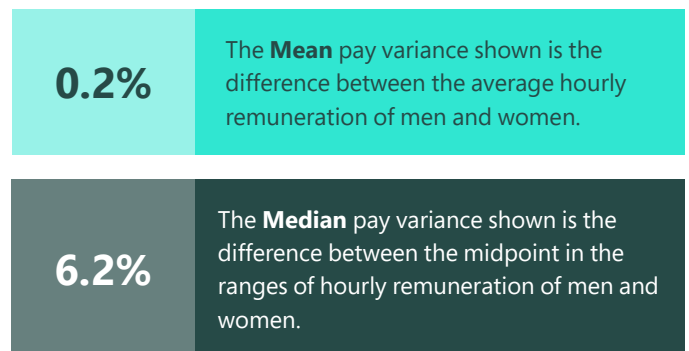
Proportion of employees per each pay quartile[4]

	Male	Female
Upper	70.1%	29.9%
Upper middle	68.4%	31.4%
Lower middle	67.0%	33.0%
Lower	60.8%	39.2%

Bonus recipients

82.7%	(Female)
78.4%	(Male)

Hourly remuneration

0.2%	The **Mean** pay variance shown is the difference between the average hourly remuneration of men and women.
6.2%	The **Median** pay variance shown is the difference between the midpoint in the ranges of hourly remuneration of men and women.

Bonus remuneration

9.8%	The **Mean** bonus variance shown is the difference between the average bonus pay of men and women.
9.9%	The **Median** bonus variance shown is the difference between the midpoint in the ranges of bonus remuneration of men and women.

Benefit in kind recipients

85.3%	(Female)
86.9%	(Male)

Male Female

4   Consistent with the statutory requirements for 'Microsoft Ireland Operations Ltd' and 'Microsoft Ireland Research,' we sorted our 'Microsoft in Ireland' employee population in order of hourly remuneration from lowest to highest, and then divided this into four equal population sizes, to show how the distribution of men and women varies according to each pay quartile.

Pay equity

The gender pay variance analyses above measure the difference in average pay of two employee groups regardless of factors that legitimately influence pay such as job title, level and tenure. These analyses are different to pay equity, which measures the difference in average pay of two employee groups accounting for factors that legitimately influence pay.

Microsoft is committed to the principle of pay equity and we have voluntarily included our pay equity analysis results for Ireland. Consistent with the approach in the Microsoft 2022 Global Diversity & Inclusion Report the pay equity figure for Ireland is based on "total pay," which includes base salary, annual bonus, and stock awards at the time of annual rewards for rewards eligible employees as of September 2022.

As of September 2022, women who are rewards eligible in Ireland earn €1 total pay for every €1 earned by rewards eligible men with the same job title and level and considering tenure.

We have analysed the part time remuneration and bonus gaps. However, given the small number of part time employees across "Microsoft Ireland Operations Ltd" and "Microsoft Ireland Research" we are not publicly reporting those results to avoid disclosure of personal remuneration data and to protect privacy of individuals who may be identifiable because of the numbers involved. Our workforce primarily consists of full-time employees directly employed by Microsoft; we do not have any contractors directly employed by the company.

Results by legal entity in Ireland

The following table and graphs show the Gender Pay Gap Results as per Irish legislation "Microsoft Ireland Operations Ltd" and "Microsoft Ireland Research."
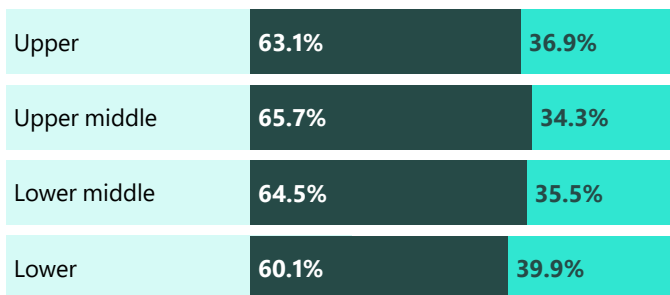
Microsoft Ireland Operations Limited

Hourly Remuneration	Mean	Full time	-6.1%
	Median	Full time	1.9%
Bonus Remuneration	Mean	Full time	0.4%
	Median	Full time	0.9%

Proportion of employees per each pay quartile

Upper	63.1%	36.9%
Upper middle	65.7%	34.3%
Lower middle	64.5%	35.5%
Lower	60.1%	39.9%

Bonus recipients

87.1%
82.1%

Benefit in kind recipients

85.5%
86.1%

Microsoft Ireland Research

Hourly Remuneration	Mean	Full time	13.9%
	Median	Full time	11.3%
Bonus Remuneration	Mean	Full time	34.7%
	Median	Full time	29.8%

Proportion of employees per each pay quartile

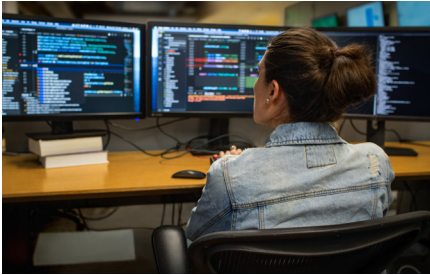| Upper	81.8%	18.2%
Upper middle	80.5%	19.5%
Lower middle	73.8%	26.2%
Lower	66.6%	33.4%

Bonus recipients

64.3%
69.8%

Benefit in kind recipients

84.3%
88.7%
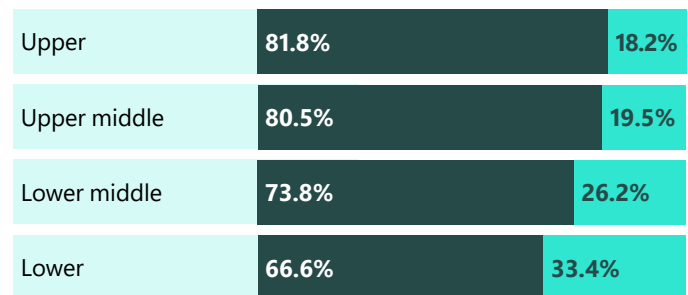
 Male Female

What is influencing our results?

The overall composition of our workforce has shaped both the aggregated results for Microsoft in Ireland and the results for each entity separately.

As 'Microsoft Ireland Operations Ltd' primarily supports the day-to-day marketing, selling & distribution of our products and services, employees within this organisation work in the areas of sales, commercial engineering, data centre operations and corporate functions. Within this legal entity, there is strong representation of women across the organisation and more specifically, in senior positions, which contributes to lower pay gap figures. The mean hourly pay gap is 6.1% in favour of women, mean bonus stands at 0.4%.

In contrast, employees working for 'Microsoft Ireland Research' are primarily engaged in product localisation, software engineering and research and development activities. Representation of women within these technical roles is lower, resulting in a mean hourly pay gap of 13.9% and a mean bonus gap of 34.7%. As a result, we will continue to focus on both increasing representation of women across Microsoft in Ireland broadly, but also increasing representation in more senior technical roles. While we recognise the need to increase representation of women in Microsoft, we also know there is an under representation of women within the STEM industry more broadly. This fuels our focus to create and nurture long term strategies to attract girls and women into careers in STEM.

Looking ahead – our sustained commitment to driving the representation of women

The results that we have published in this report reflect our intentional focus on building opportunities for women in STEM and developing women both internally at Microsoft and externally within society. Playing our role in contributing to building access and pathways into technology is critical to evolve the representation of women in our industry, but equally important is cultivating an inclusive environment where individuals can be themselves and feel valued when they join our organisation.

Microsoft is deeply committed to building a work environment where all employees feel welcomed and empowered to do their best work. We believe that every employee across all levels and professions play a role in creating our culture, so four years ago we embedded a Diversity & Inclusion Core Priority as a performance expectation for all employees.

We have seen the representation of women increasing in our senior leader roles across 'Microsoft in Ireland' in the recent past. For example, as part of our commitment to progress women, Ireland is actively participating in a mid-level development programme, 'Strategies for Success', launched last year across our EMEA region; this programme focuses on the personal development and coaching of women.

Creating a sense of community for women is another key pillar of our commitment to developing our employees. Our active Women@ Microsoft Employee Resource Group provides mentorship, sponsorship and thought leadership both internally across our workforce and externally through our STEM partnerships. This community also provides career development and networking opportunities, creates spaces for connection, learning and allyship across our communities.

With the acceleration in digital transformation over the last decade changing how we live, work, and do business, it is vital that people from different communities have an opportunity to engage in STEM education and digital lifelong learning. However, 30% still do not have basic digital skills.[5] To help bridge this gap, Microsoft in Ireland set about working with our partners to expand our 'Pathways for Life' education and training programme to provide necessary training supports.

It starts with our primary and post-primary students to help them to engage in STEM learning and shift their perceptions about the role technology can play in their future career choices. Since the launch of Dream Space, over 130,000 students and their teachers, have engaged in our immersive, research-based STEM experience. Research undertaken at Maynooth University found that there was a 42% increase in the likelihood of girls wanting to pursue STEM after their Dream Space experience.[6]

The same article highlighted that, girls from disadvantaged backgrounds who participated in the STEM programme not only said their confidence had increased by 80% as a result of participating in the programme but 30% said they were more likely to have STEM career aspirations. Our intention to invest a further €3million will extend the possibilities and impact of Dream Space, and support our ambition to reach every student across Ireland.

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5   https://digital-strategy.ec.europa.eu/en/policies/desi-ireland

6   How to Influence Teachers and Students Motivation for STEM: Lessons Learned from Microsofts DreamSpace STEM 21CLD Educational Activity. researchgate.net

It is this same vision that fuels our collaboration with Maynooth University on the STEM Passport for Inclusion, encouraging students to explore technology and the possibilities it can provide. We realise that our children are our future leaders, so exposing them to digital skills and developing their awareness is a foundational step to a longer term goal to increase representation across the technology industry. We are aware that early school leavers and many adults are also looking for ways to explore careers in the tech sector. Working with Fastrack to IT in response to the Covid-19 pandemic, we developed and launched StepIn2Tech approximately 18 months ago, which aims to equip 10,000 people with the digital skills required for today's most in-demand jobs.

In 2016, we embraced a concept known as 'screening in' to help us find the best talent to work at Microsoft. This concept encourages hiring managers to think about a wider range of views, skills, and experiences. Embracing this mindset has given us the platform to create opportunities such as those in our Leap programme, which offers roles and development opportunities as Software Engineers and Programme Managers and is solely aimed at talent that might not have had a traditional path into technology. We launched our first cohort in Ireland earlier this year.

We recognise that people continue to look for a diversity of career opportunities to meet the demands of their lifestyles. We are committed to considering and learning how to adapt to the needs of our organisation, reviewing work patterns, part-time opportunities and increased flexibility through hybrid working.

Conclusion

At Microsoft, the work of diversity and inclusion is about having intention in all we do. At a global and national level, we are committed to improving and increasing our representation across all dimensions of diversity, including representation of women. We believe that our programmes like Dream Space and our focus on internal development are critical steps in achieving this.

This work will remain anchored by our Diversity & Inclusion strategy and guided by our mission to empower every person and organisation on the planet to achieve more.

Microsoft in Ireland will continue to work to increase representation of women across the organisation. Our ambition, and our responsibility is to create pathways to careers in technology and play our part in the skills development for the generations of today and tomorrow.

Appendix

Glossary

In this section we outline the key terms used to understand and interpret our results.

- **Snapshot date June 30 2022:** The point in time is the snapshot date for the gender pay gap figures.

- **Microsoft Ireland Operations Ltd:** This entity's principal activity is the marketing, selling & distribution of Microsoft hardware and software products and services for the EMEA and APAC regions.

- **Microsoft Ireland Research:** This entity is engaged in product localisation, software engineering, research & development activities for Microsoft hardware and software products and services.

- **Microsoft in Ireland:** For the purpose of this report, we will refer to Microsoft in Ireland as the combination of 'Microsoft Ireland Operations Ltd' & 'Microsoft Ireland Research'.

- **Hourly remuneration:** Ordinary and bonus pay amounts on hourly basis.

- **Ordinary pay:** Includes basic pay, allowances, pay for piece-work, shift premium pay, or overtime pay prior to statutory deductions – excl. remuneration referable to redundancy or termination of employment, or remuneration other than money.

- **Bonus:** Remuneration in the form of money, vouchers or shares, share options or interests in shares provided to a relevant employee, and relates to profit sharing, productivity, performance, incentive or commission before statutory deductions excl. ordinary pay, overtime pay, remuneration referable to redundancy or termination of employment, or benefits in kind.

- **Mean hourly remuneration gap:** The mean gap is the variance shown between the average hourly pay of men and women.

- **Median hourly remuneration gap:** The median gap is the variance shown between the midpoint in the ranges of average pay of men and women.

- **Mean bonus gap:** The mean is the variance shown between the average hourly bonus of men and women.

- **Median bonus gap:** The median is the variance shown between the midpoint in the ranges of hourly bonus pay of men and women.

- **Benefit in kind (BIK):** Includes any non-cash benefit of an estimated monetary value.

- **Quartiles:** The quartile is a statistical term that divides the total data points into 4 sections of equal size. They are divided into Upper Quartile, Upper Middle Quartile, Lower Middle Quartile, Lower Quartile.

Microsoft