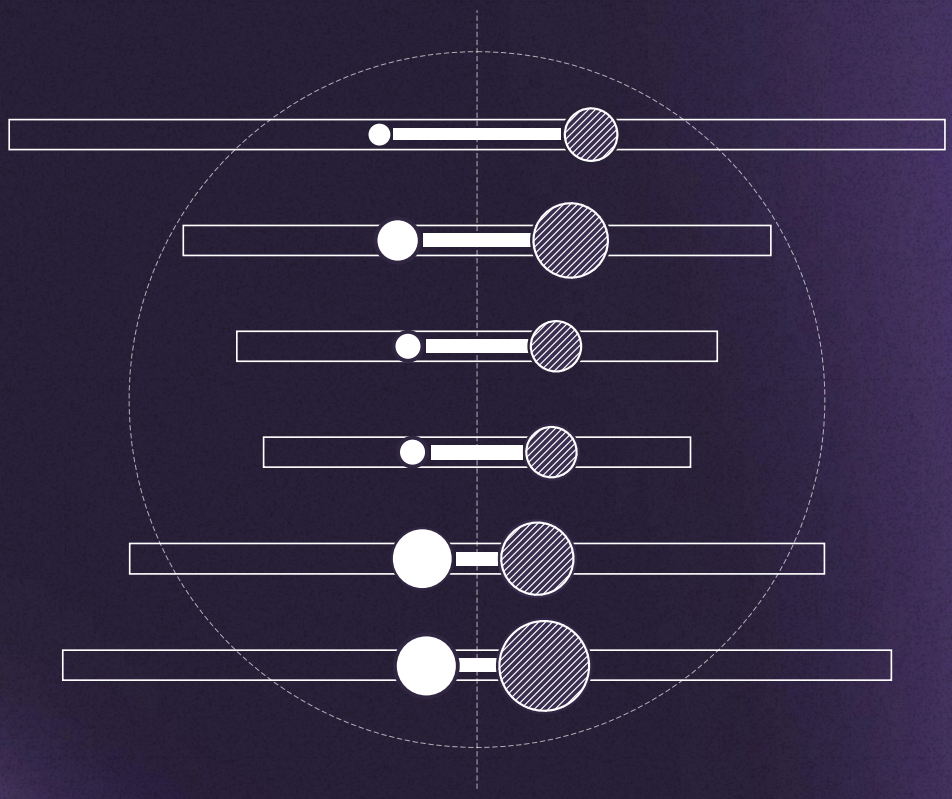
Pay equity in European tech



ravio

Contents

About Ravio

Ravio helps fast-moving, global companies confidently navigate the complex world of compensation.

Companies like Skyscanner, Delivery Hero, Personio, and WeTransfer rely on Ravio to attract, retain, and motivate world class talent across the globe.

By connecting directly to their HRIS, busy HR and Total Reward leaders easily stay on the pulse of a source of truth for real-time total reward benchmarking, market trends, and compensation management – all powered by Europe's most comprehensive data set with +1,000 companies and +300,000 datapoints.

Executive summary

There's more to the pay equity story than just the gender pay gap...

'Equal pay for equal work' is the core principle behind pay equity: employees who perform work of equal value should receive similar compensation for it.

This isn't the case today when it comes to pay across genders*.

The data in this report tells a different story to the one often told in major headlines. While it's true that there is a gender pay gap between men and women in the European tech workforce, the reality is more nuanced. When we control this percentage for workers performing the same job, at the same level, in the same country, the data reveals a dramatic reduction in the gender pay gap between men and women (page 6).

While this may seem like a positive trend initially, it underscores two significant issues that contribute to today's pay equity problem.

Firstly, European tech companies have a huge gender representation problem – there are less than 50% of women across the majority of all job levels. Secondly, there is an unbalanced distribution of women across ranks, meaning that the number of women significantly drops as they gain seniority.

This is the crux of the pay equity issue in 2024: the lower proportion of women in senior positions is the main driver of the discrepancy between the unadjusted gender pay gap and the adjusted gender pay gap.

While there are positive trends to be found, like women getting promoted at lower levels (page 14) and receiving pay increases (page 14) at a similar rate as men, our analysis reveals that where there is a gender pay gap present, it starts at the point of hire – creating a challenge to close as women climb the ranks.

We should expect to see improvements in pay equity as it becomes a key business focus, driven by tightened regulations like the EU Pay Transparency Directive. However, we also know that the difficult economic environment has led to reduced spending on DEI initiatives, which may dampen progress. We can see this pattern in recent data, where some of the best-funded UK tech companies like Revolut and Checkout.com have reported wider gender pay gaps this year than last year – although these figures are unadjusted and do not highlight female under-representation as a key driver.

But it's not all bad news. Survey responses tell us that 86% of People Leaders are making pay equity a priority this year (page 25). There has undoubtedly been progress when it comes to closing the gender pay between men and women in the European tech workforce. However, there is still a gender pay gap – so we're not there yet. Tech companies throughout Europe – and the world – must ensure their focus is on pay equity and improving the number of women in their organisations across all levels – but particularly the more senior, executive positions where there is still a huge gender representation gap.

*Current gender pay gap calculations and reporting focus on binary gender, not accounting for other gender identities like non-binary or trans employees. There is increasing scrutiny on other areas of pay equity like this, as well as pay disparities based on other factors such as ethnicity or age, and we'd love to explore these themes in a future report. However, for this report, our focus is the pay disparities between employees that identify as men and women.

Key takeaways from the report:

- Women are paid 25% less than men across the entire European tech industry when we don't consider any external factors. When we adjust this data to control for workers in the same job function, job level, and country, women are still paid 2.5% less than men.
- Men dominate the most senior positions in European tech companies, representing 79% compared to women.
- Overall, men also represent the majority in European tech, with women only representing 41% of the workforce.
- But this representation varies: Engineering remains the most male-dominated job function, and senior roles have significantly less representation of women compared to men.
- 76% of women feel they do not have equal opportunities for career and pay progression and their male colleagues.
- Where the gender pay gap appears, it's largely introduced at the point of hire.
- Women experience similar rates of promotion and promotion-based pay increases to men.

> "Every time we take a fresh look at gender-based pay equity trends within our dataset, we know that they will not show the level playing field we should be able to expect in this day and age. There shouldn't even be a reason for reports like this, and yet here we are. But the picture is improving. And the good news is that fixing these imbalances is not rocket science. Most issues can easily be addressed at the source, as long as there is a willingness to tackle them. We hope that our insights can contribute to strengthening that resolve."

Merten Wulfert, CEO & co-founder, Ravio

Ravio's definition guide

This report includes data and terms related to pay equity and the gender pay gap. It's important to understand the definitions of these terms in order to properly interpret and take value from the report.

To help you, we've put together this quick-reference definition guide that houses all of our key definitions and calculations when it comes to pay equity between men and women.

- **Pay equity –**: Pay equity is a concept that ensures all individuals are fairly compensated for their work, irrespective of gender, age, race, disability, or any other characteristic. Pay equity aims to eliminate any type of discrimination in compensation practices. It guarantees that everyone receives equal pay for similar work or work of equal value. When we discuss pay equity in this report, we are specifically focusing on gender only.

- **Tech company**: We define a tech company as a fast growing, often VC-backed business which has technology at its core or is tech-enabled. We specifically focus on European tech companies in this report.

- **Career tracks and job levels**: Throughout this report, we refer to different levels and career tracks to showcase pay equity. See page 5 for a full breakdown of what these mean and how we reference them.

- **Unadjusted pay gap**: The unadjusted pay gap refers to the raw difference in median earnings between men and women, without accounting for any factors such as job level, job function, or the country they perform their work in. It provides a straightforward comparison but does not reflect differences in job roles or other relevant factors.

- **Adjusted pay gap**: The adjusted pay gap takes into account factors that contribute to pay differences between men and women, including job function, job level, and country. 'Adjusting' the raw data to account for these helps us paint a like-for-like comparison, which helps to answer the question of whether men and women are receiving equal pay for equal work. Because there are so many factors which impact pay discrimination towards women, the adjusted gender pay gap can be a more valuable metric to help companies identify where pay discrepancies are coming from.

Let's look at an example:

In the UK, the unadjusted pay gap for professional-level (P) Engineering employees is 20%. This means that the median salary of all women in professional-level Engineering roles (P1-P6) in the UK is 20% lower than the median salary of men.

However, this doesn't mean that women are getting paid 20% less than men for performing the same work (or work of similar value). In order to answer this question, we need to "control" the data to compare salaries of women and men holding similar levels of seniority. We do this by using job level as a proxy and calculating the gender pay gap for each specific level before aggregating the data. With this approach, the adjusted pay gap for all P-level Engineering employees in the UK drops to 2.5%.

To illustrate the calculation of the adjusted pay gap, consider the following example.

P-level	% of women in the market (female employee count)	Unadjusted GPG % (in favour of men)	Adjusted GPG % (in favour of men)
P - 1	37%		3%
P - 2	31%		2%
P - 3	20%		5%
P - 4	12%		5%
P - 5	8%		3%
P - All	19%	20%	2.5%

In other words, the adjusted pay gap provides a more accurate reflection of gender disparities by considering factors such as job role and female employee count, while the unadjusted pay gap offers a straightforward comparison across all jobs, which can be useful for general analysis.

Ravio's career track and levels

The job levels used in this report are as per the Ravio level framework.

Our level framework is designed to:

- Be universal, synthesising the most common approaches into an effective structure
- Be easy to understand and as objective as possible
- Work for small and large companies alike, with enough levels to grow with your company

Every company we work with has their employees mapped against this framework by our expert team, enabling us to offer accurate and comparable compensation benchmarking, and many of the companies we work with choose to adopt the framework for their own internal use too.

To help you understand the levels and career tracks referenced in this report, here is a breakdown.

Career tracks

- **Executive**: Accountable for managing people, results are primarily achieve through managing the work of others.
- **Manager**: Accountable for managing people, results are primarily achieve through managing the work of others.
- **Professional**: Primary contribution is through own individual work, however may still lead or supervise small teams.
- **Support**: Mainly performs clerical, admin, manual labour or procedural technical tasks to support operations.

Job levels

Within each career track, there are levels. Here's a snapshot of Ravio's levelling framework, including what we class as senior positions.

Executive
- E3: C-Level
- E2: Senior Vice President
- E1: Vice President

Manager
- M5: Senior Director
- M4: Director
- M3: Senior Manager

Professional
- P6: Expert
- P5: Specialist
- P4: Advanced

★ = Classified as senior position

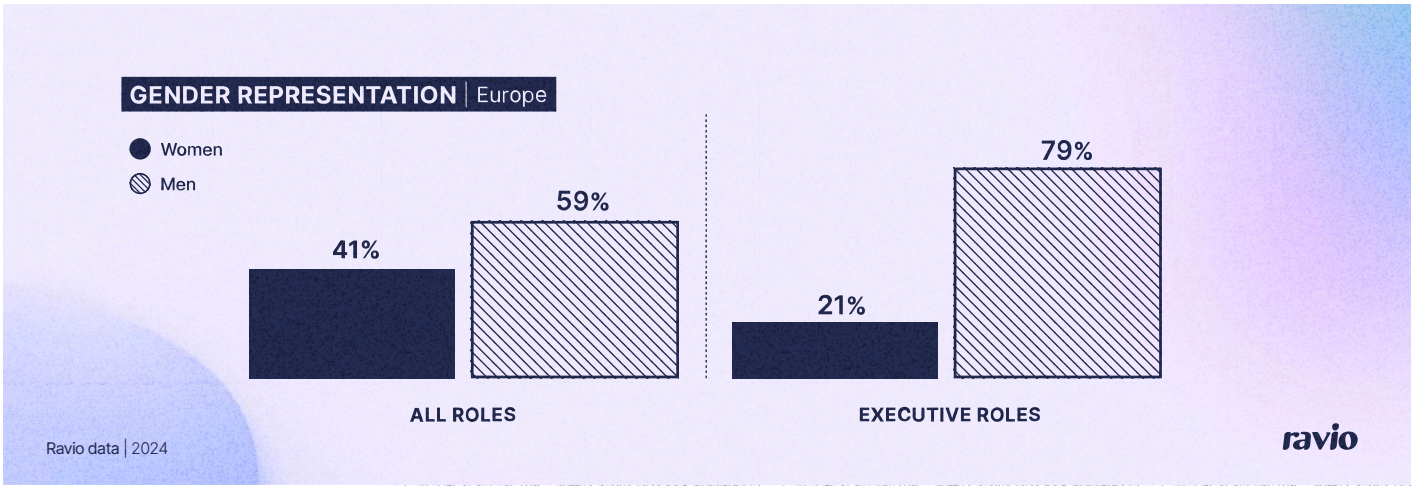
Executive/Management	Professional	Support
E3 C-Level★		
E2 SVP★		
E1 VP★		
M5 Snr Director★		
M4 Director★	P6 Expert★	
M3 Snr Manager★	P5 Specialist★	
M2 Manager	P4 Advanced★	
M1 Supervisor	P3 Established	
	P2 Developing	S4 Lead
	P1 Entry	S3 Senior
		S2 Intermediate
		S1 Entry

The data on pay equity in European tech today

The overall picture: the representation of women in European tech

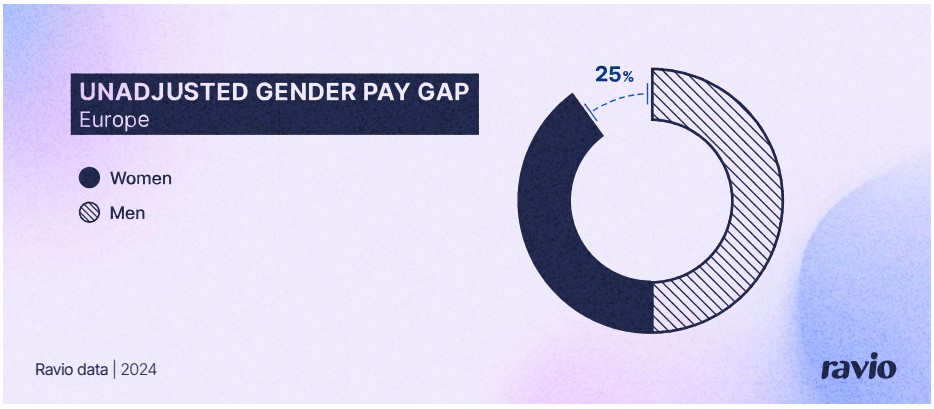
Men outnumber women in the tech industry, with only 41% of employees in Europe's tech companies being women.

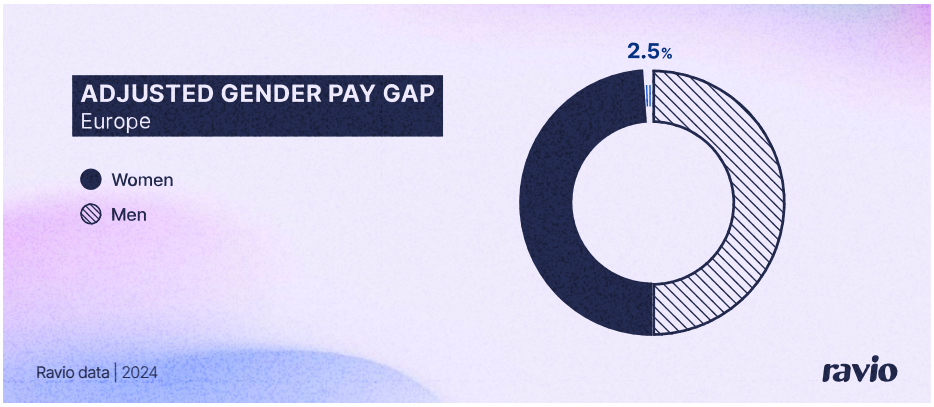
This gap widens as seniority increases, with men dominating the executive level at 79% compared to only 21% of women.



The overall picture: the gender pay gap in European tech

There is a **25% gender pay gap** (median, unadjusted) across the whole tech industry in Europe.





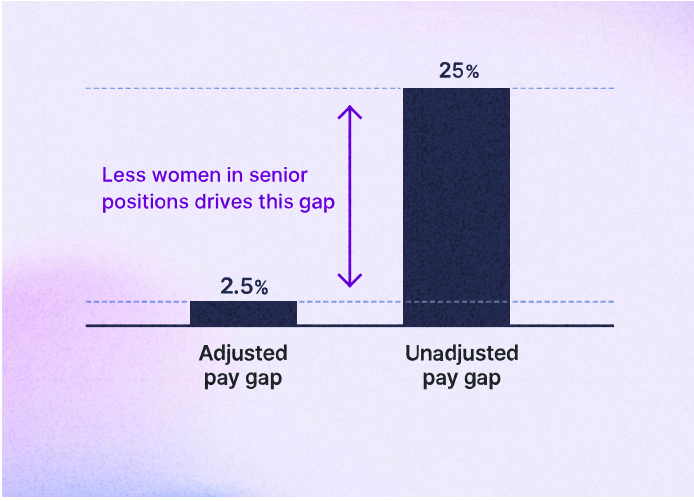
However, when we adjust the gender pay gap to account for country, job function, and job level, the gender **pay gap reduces to 2.5%** (median, adjusted) across the whole tech industry in Europe.

1. Unadjusted pay gap and does not take into account any external, relevant factors.
2. Adjusted pay gap compares the median salary of women and men in the same country, position, and job level.

What does this actually mean?

On the face of it, Europe has a very large gender pay gap in the tech industry. Most headlines will report the 25% unadjusted pay gap, which implies that any two employees are equal. But that's not the case.

The adjusted pay gap is 2.5%, indicating that women performing the same job, in the same function, and in the same country, still earn 2.5% less than men. While this difference might seem minor, it highlights deeper, systemic disparities within the industry. The pay equity discrepancy is less about men and women being paid differently for the same roles, and more about the critical lack of women in senior, higher-paying positions. Identifying this helps us understand the critical areas where efforts are needed, including improving representation and distribution of women across all levels, especially in leadership and senior roles.



Let's look at an example.

Unadjusted pay gap:

If the median salary of a male employee in a tech company is £65,000, then the median salary of a female employee will be 25% less, at £48,750 per year.

However, the above doesn't specify any details. It could be that the male employee is based in London and is a Sr. Software Engineering Manager (M-level). Meanwhile, the female employee is based in Italy, and is a Jr. Marketing Associate (P-level). If this is the case, the above pay gap might make more sense.

To understand the gender pay gap between men and women who perform work of equal value, we must adjust the data to take a weighted average of the country, job function, and job level. This results in a 2.5% gender pay gap between men and women, changing the example to:

Adjusted pay gap:

If a male employee in a tech company has a salary of £65,000 then the median salary of a female employee performing work of equal value is paid 2.5% less, at £63,375 per year.

The female employee is effectively not receiving pay for around 2 weeks of the year compared to their male counterpart.

What about equity and variable pay: is there a total compensation gender pay gap?

Base salary isn't the full picture of compensation: in tech companies it's common for employees to receive equity and/or variable compensation too.

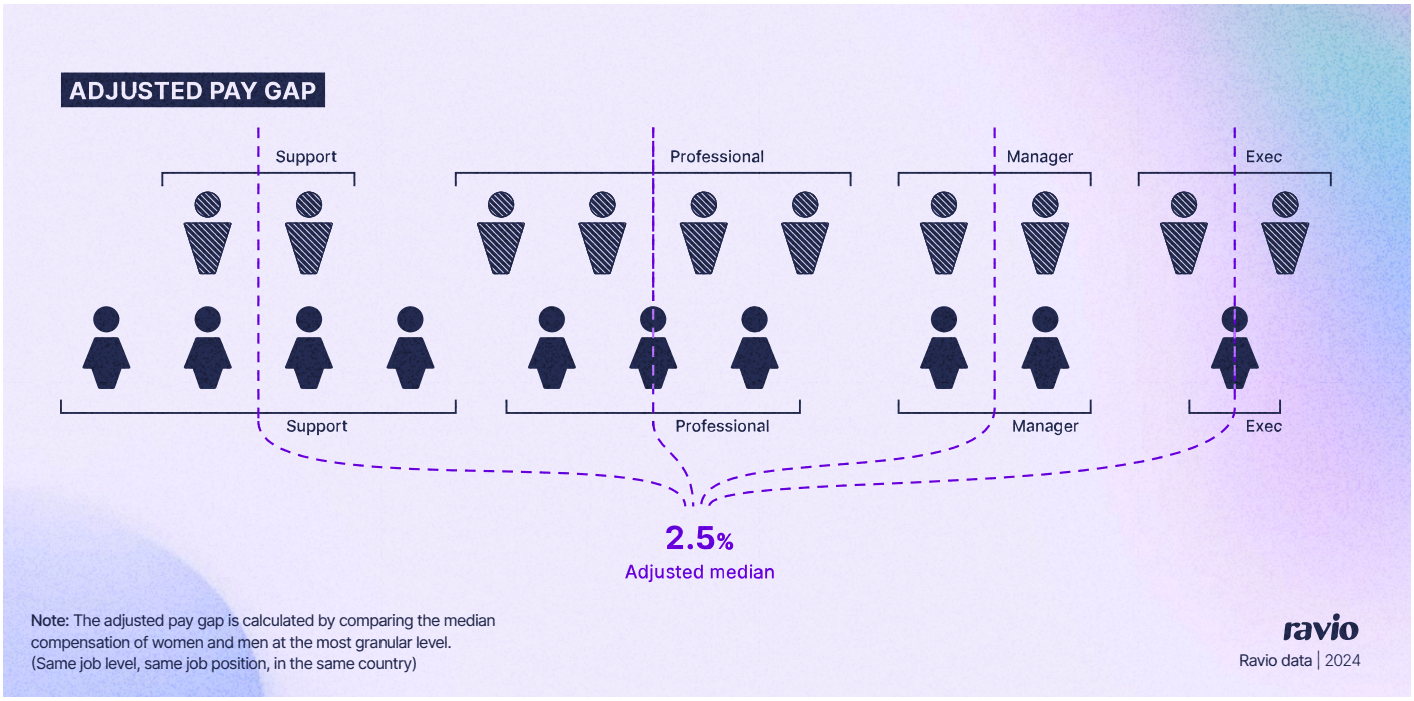
Research by Carta shows that in 2023, of the new hires that received equity, only 35% were women, and those women received only 24% of the total equity granted to employees. There has been slight progress in this over recent years, with the proportion of women granted equity rising steadily from 23% in 2013 – but it's clear there is still a substantial 'gender equity gap'.

The lack of women in leadership positions is a major contributing factor. Leaders and executives are much more likely to receive equity and bonuses than other positions, and with women facing barriers to those roles they are unable to access these additional forms of compensation in many cases.

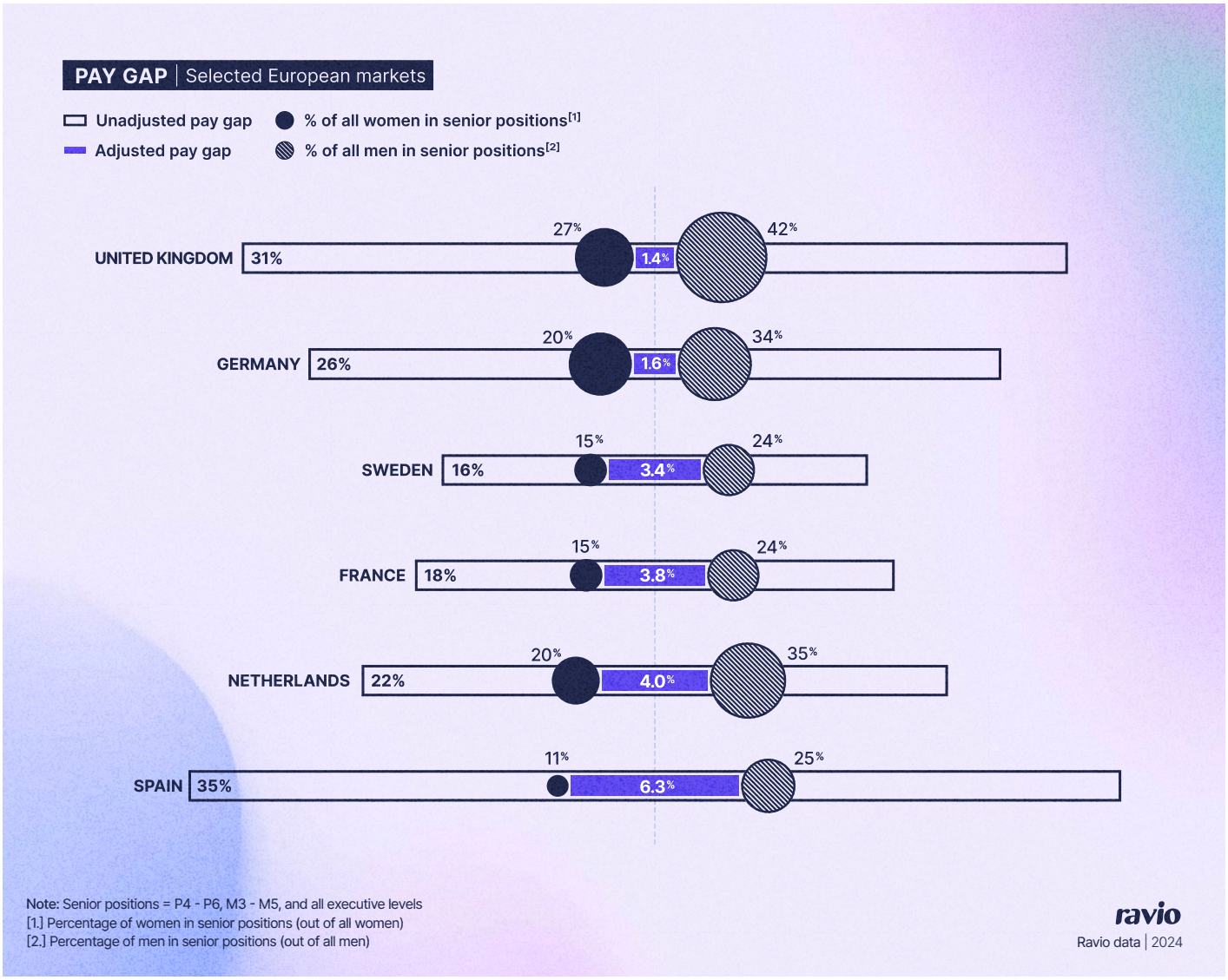
In future reports we'll examine these trends more closely using our comprehensive total compensation benchmarking dataset.

Example of how to calculate the unadjusted pay gap

Example of how to calculate the adjusted pay gap



How does pay equity vary across countries?



What is the pay equity problem on a country-by-country basis?

There is a consistent pay gap across all European countries listed above.

When we consider the unadjusted pay gap, we see that Spain and the UK are by far the worst (35% and 31% respectively).

When we adjust the data to account for women and men in the same job function and level, Spain continues to have the largest adjusted pay gap between men and women, followed by The Netherlands. Interestingly, the UK performs the best when it comes to the adjusted pay gap between men and women at 1.4%.

Why is this? In the case of Spain, the percentage of women who are in senior positions is the lowest among all European markets we analysed. Only 11% of women hold senior positions, compared to 25% of men. This discrepancy is a big factor in driving up the unadjusted gap because there is a higher proportion of women than men in lower-earning positions. The fact that Spain also has a relatively high adjusted pay gap also plays a role in its high unadjusted pay gap.

In comparison, the UK has the highest percentage of women in senior positions at 27% and one of the highest unadjusted pay gaps at 31%. Usually, a higher proportion of women in senior roles

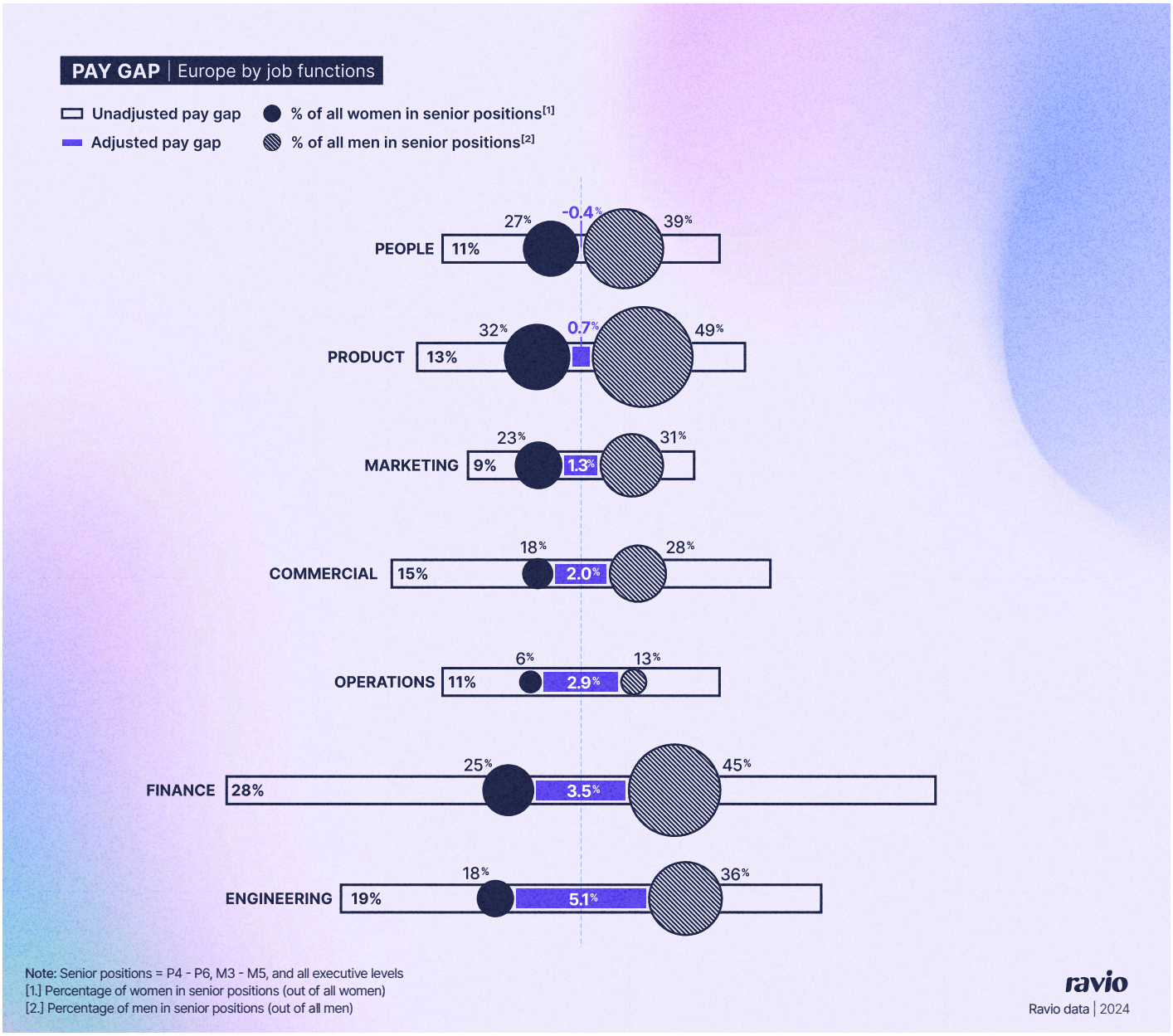
would contribute towards a lower unadjusted pay gap, because there are more women earning higher salaries. However, that's not the case for the UK. This is because the UK also has the highest proportion of men in senior positions (42%), which partly offsets the higher ratio of senior women. And looking more closely at the distribution of women among senior levels, the proportion of women in each level decreases as seniority increases. Both of these effects combined explain large parts of the UK's high unadjusted pay gap.

Legislation can also be an influential factor when it comes to assessing pay equity. As we can see from the above table, Germany has one of the lowest adjusted gender pay gaps. This is in part driven by the number of women in senior positions earning higher salaries, but could also be due to the Transparency in Wage Structures Act that was enforced in 2017. This piece of legislation requires companies with 500+ employees to report on gender equality and equal pay annually, and outline initiatives to improve pay equity. In companies with 200+ employees, individuals can disclose salary information to one another and request salary information on employees who perform equal value to them.

> "The actions around pay transparency is a symptom of a deeper structural problem: the lack of representation of women in higher paid jobs. While the low adjusted pay gap in Germany shows we're making progress, the high unadjusted pay gap is a direct consequence of the number of women decreasing as they climb the ranks. Women are still not considered equally for internal career progression in German tech companies compared to men, perhaps because they are less pushy and more humble – a mindset instilled from how women are being socialized from a young age. While legislation like the Pay Transparency Act helps to cure the symptoms of pay equity, it doesn't address the root cause. Companies must also adopt fair and strategic pay policies, driven by compensation systems and reliable data."

Maria Kamischke, VP People & Culture, Lingoda GmbH

How does pay equity vary across job functions?



When we look at job functions specifically, Engineering sits at the worst across the board. It has one of the lowest figures for the representation of women in senior positions. While this isn't particularly surprising, it does mean that the majority of women in Engineering are levelled lower and are therefore paid lower salaries. This could be a result of several factors, including societal pressures and education biases making engineering the least accessible function for women to enter and climb the ranks.

Interestingly, Operations has a much lower percentage of women and men in senior positions compared to other functions. This is likely because Operations has typically larger headcounts than other functions, with large numbers of men and women employed at lower levels. This is likely why it's one of the few job functions that has more women than men (52%), but also why only 6% of women are classed as senior compared to more than double (13%) of men. This difference in representation as seniority increases is what drives up the discrepancy between the unadjusted and adjusted pay gap, and indicates a problem within the function: when women want to climb the ranks and enter more senior roles, they find it harder than their male counterparts.

On the other hand, non-tech functions like Marketing and People have a much lower adjusted pay gap because they have a much higher representation in senior positions. If we look at Marketing for example, the unadjusted pay gap sits at 9%, the lowest of all job functions. When we adjust this data to understand a like-for-like comparison between men and women in the function performing equal work of equal value, the percentage drops to 1.3%. With 61% of the function being women, it's clear that Marketing is one of the most accessibly functions for women to enter and climb the ranks.

Engineering deep dive: How does pay equity vary in Engineering management in the UK?

As we've seen in the above sections, a lot of the gender pay gap as we see it is driven by the lack of women in more senior positions. However, that's not always the case. To illustrate a function that has a real pay equity problem, let's look at M-level Engineering in the UK. When we look at the unadjusted pay gap for Engineering M-levels roles in the UK, it is 7%. In comparison, the adjusted pay gap is 7.68%.

This is a relatively small gap between the unadjusted and adjusted, indicating that Engineering management in the UK has a real pay equity problem as well as a representation problem. To figure out what's going on, we need to dive a bit deeper into the data.

To do that, we've looked at each level specifically for management.

Job level in Engineering Management	Adjusted gender pay gap	% of women in job function
M4	13%	7%
M3	2%	14%
M2	6%	15%

Looking at the unadjusted pay gap across management levels, we can see that the main problem lies at the M4, Director level, with a larger unadjusted pay gap at 13%. This might suggest a problem that women face when climbing to this specific level in their career.

Whatever the reason, this example shows why it's so important to adjust the data to understand truly whether it is a pay equity problem or whether the gender pay gap we see is driven by a lack of representation.

How does pay equity vary across job levels?

Job levels	Adjusted gender pay gap	% of women in job function
M4 Director★	7.7%	31%
M3 Snr Manager★	4.6%	35%
M2 Manager	5.6%	36%
M1 Supervisor	6.6%	52%
P5 Specialist★	2.7%	23%
P4 Advanced★	1.1%	31%
P3 Established	3.7%	39%
P2 Developing	2.7%	48%

★ = Classified as senior position

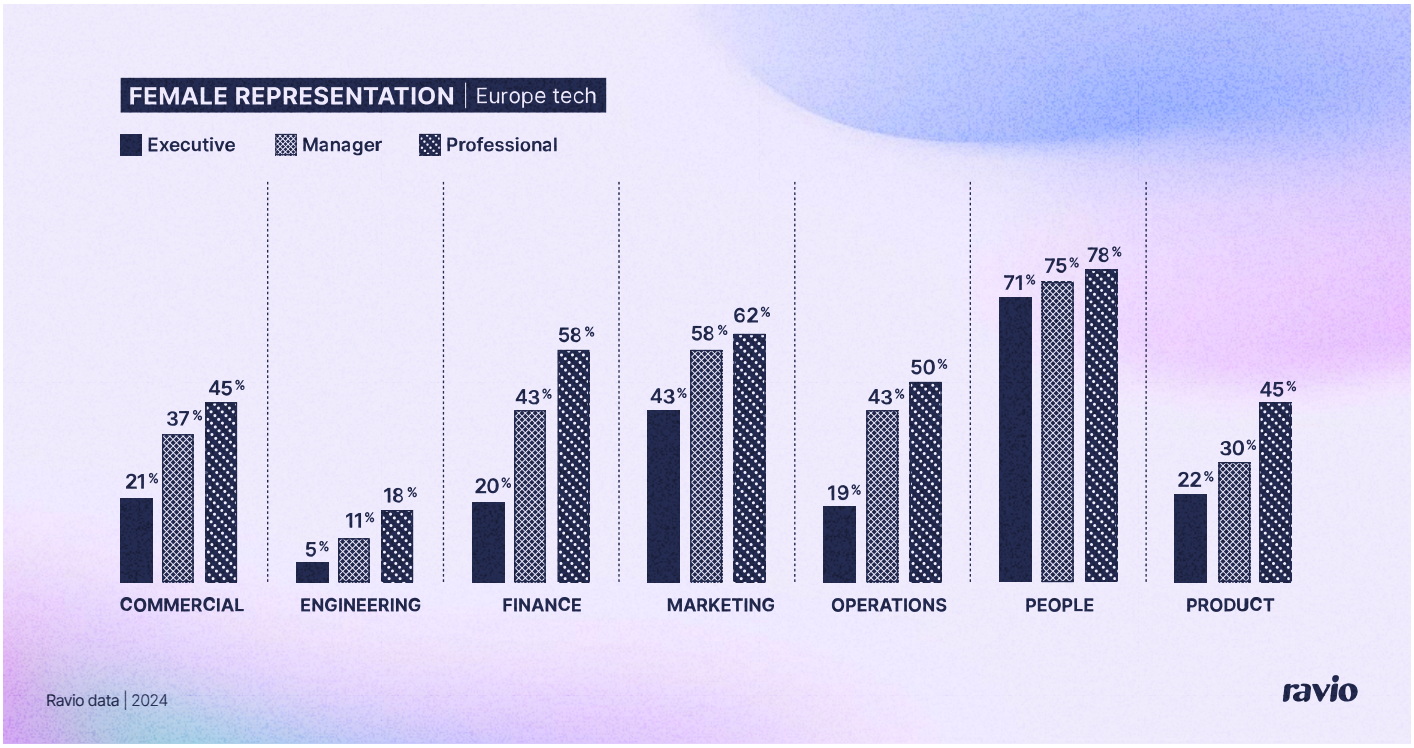
Ravio data | All data in this table is aggregated at the European level. 2023-2024

Overall, the adjusted **pay gap fluctuates as women climb the ranks**. What's interesting to see is that the adjusted pay gap is larger at the management levels, especially at the Director (M4) level. This could be driven by certain functions, like Engineering as we showed above, having a worse pay equity problem at certain levels than other functions. But our data indicates a more systemic problem across the industry.

So, does pay equity across levels relate to representation? From the data, we can see there is a similar percentage of men and women in lower level roles both in the professional (P) and management (M) career tracks, but the proportion of women decreases as seniority levels increase, with **only 21% of executive positions held by women. As we've covered, this is a key driver of the unadjusted pay gap**.

How does female representation differ across job functions and career track?

We've already seen that pay equity varies across job functions and job levels – but what about representation of women overall? Since this is the root cause of the large unadjusted pay gap in European tech companies, we decided to take a closer look.



Across every single job function, the percentage of women decreases as the seniority increases. The highest proportion of women is always found in the professional track (i.e. non-management positions). For example, 58% of people in P-level positions within Finance are women compared to 42% men. However, when we look at the executive track, women only represent 20% while the percentage of men has sky-rocketed – representing 80% of all executive level positions in Finance. This drop-off is even more pronounced when looking at individual job levels, with only 17% of Finance E3s (i.e. CFOs) being women.

The above data also highlights the best- and worst-performing functions. It's clear that Engineering is by far the worst job function, with women only making up 5% of senior executive positions (meaning that 95% of executive positions in Engineering are held by men) and 11% at management levels. All other functions, with the exception of People, have a similar story to tell: that there are far more men than women in the higher-paid, management and executive-level roles. This represents a huge imbalance in the European tech industry today, heavily influencing the unadjusted pay gap as we know it.

> "If it's a very male dominated company, it's difficult to visualise yourself being at that senior level as a woman. Often, the cultural setup of some start-ups and scale-ups doesn't fit with women at the more senior level because of a lack of flexibility, which may conflict with family or caregiving responsibilities, often falling disproportionately on women."

Elena Pantazi, Partner, Talent & Portfolio, Northzone

Does the gender pay gap arise at hiring, or due to differences in pay progression?

The data throughout this report highlights a definite gender pay gap, even when we control for country, job function, and job level. But when does this gender pay gap actually occur? Based on our data, it's very much present at the time of hiring.

> "Because of the speed of the [tech] industry, Founders are tempted to go with the funnel they have, often through their network, which can be very male-dominated. Where we've seen companies be really thoughtful about this is by proactively planning to hire for a certain percentage of diversity and taking the time to broaden the funnel because great female talent does exist, but it sometimes takes longer to unearth it."
>
> Elena Pantazi, Partner, Talent & Portfolio, Northzone

The gender pay gap is already there in new hire salaries

There is a gender pay gap for new hire salaries, telling us that women are systematically hired with lower salaries than men.

For the P4 Software Engineering professional in the UK, the gender pay gap is more pronounced at the point of hire - suggesting that much of the gender pay gap issue for this level, function, and country stems from bias in hiring and new hire salary offers, rather than performance raises and promotions.

P4 Software Engineer in the UK

Median new hire salary – men	Median new hire salary – women	Adjusted GPG
£85,000	£82,288	3.3%

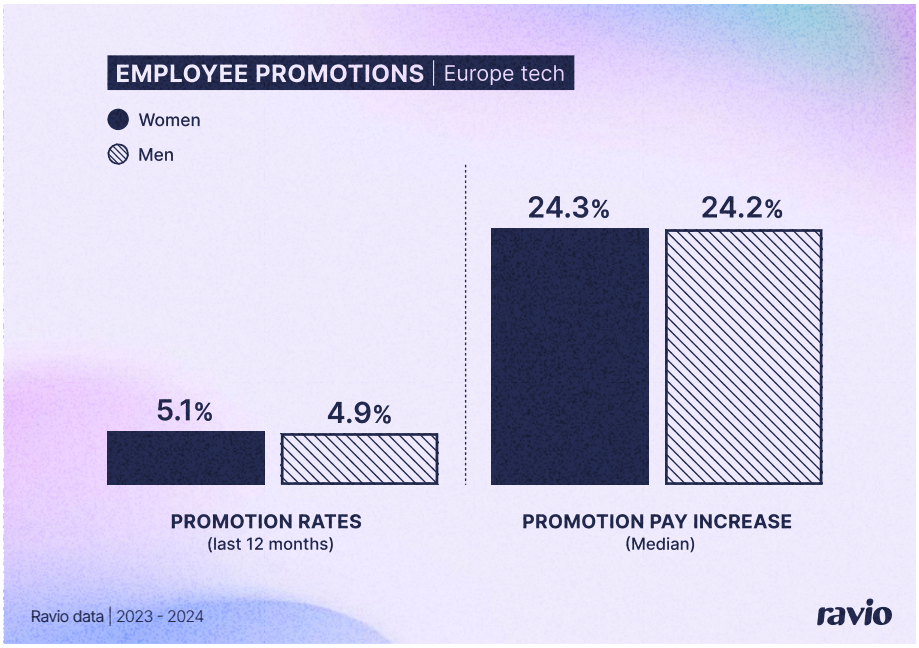
One potential factor is that when we surveyed tech employees about their new hire salary for their current role, we found that women are slightly less likely to have negotiated their starting salary.

This emphasises the importance of best practice hiring processes, including asking candidates their salary expectations without pressuring them to disclose any previous salary history.

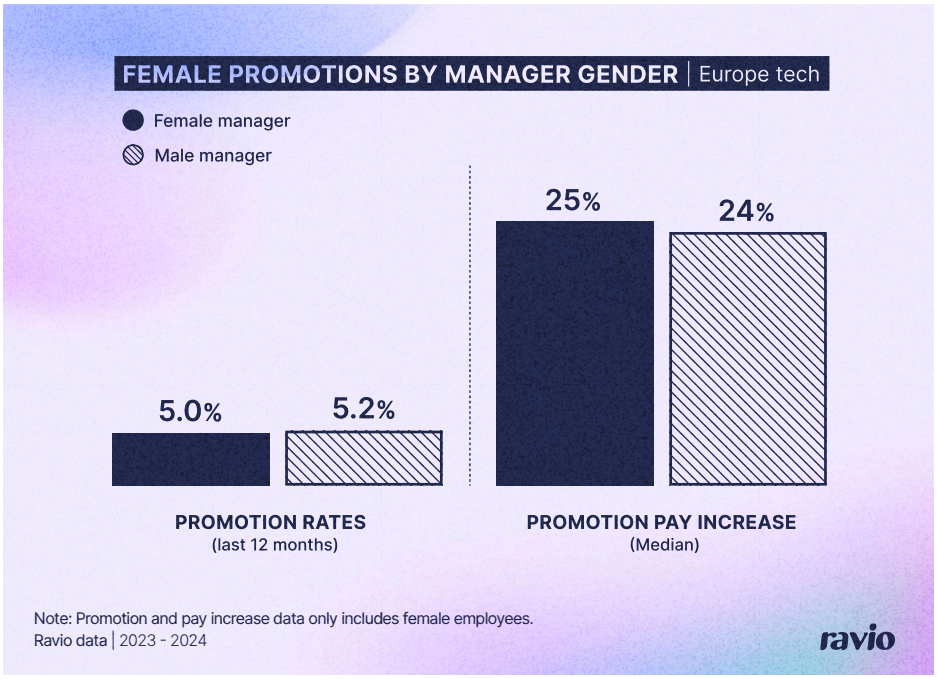
The gender pay gap is already there in new hire salaries

To further add to our hypothesis about the role of hiring in the gender pay gap, there's no statistically significant difference across genders on promotions and promotion pay increases. Again, this suggests that hiring is the most important factor, not progression.

Similarly, we've seen that there is a dearth of women in senior positions in the tech industry (see page 13). We know from the above data that this difference doesn't come from the typical career trajectory and promotion rate for men and women. We must then consider different factors, such as the problem stemming from much earlier at the higher educational level and career development training (page 21).



Having a female line manager has no material impact for women in tech

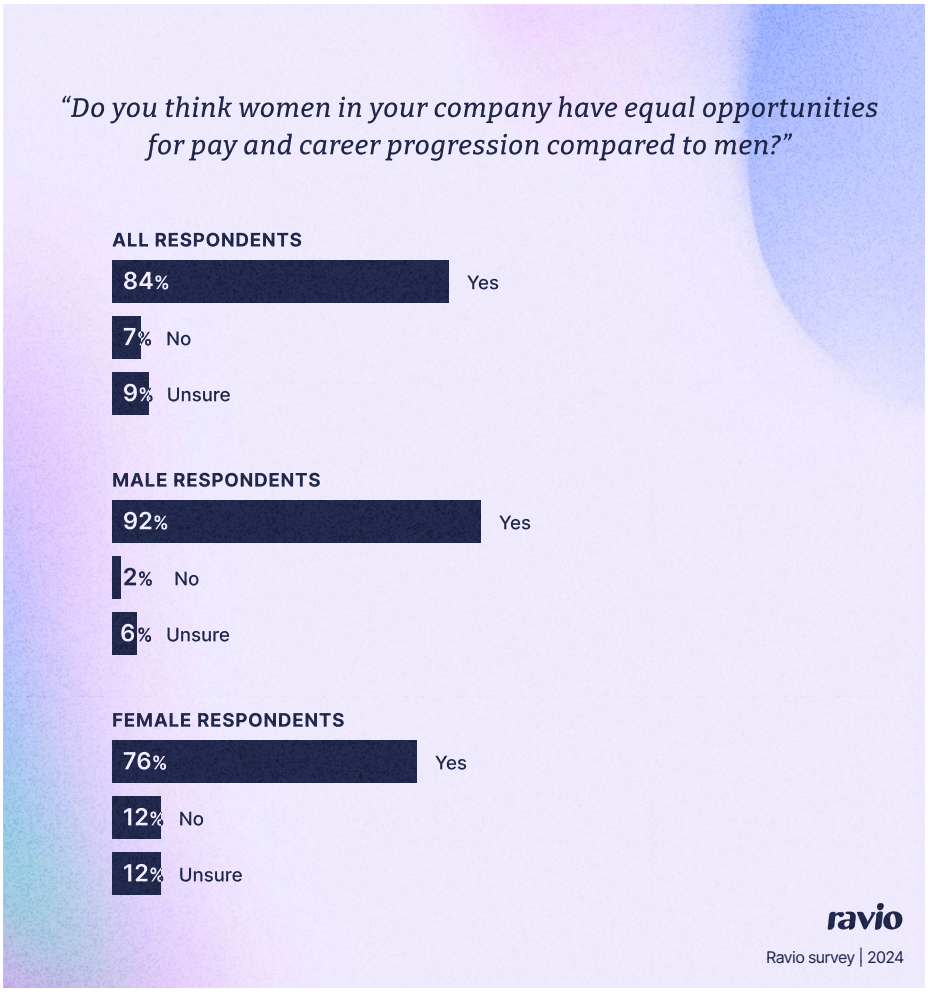


It's commonly suggested that women who have a female line manager are able to progress their career more compared to women with a male line manager.

However, when we interrogated this within our compensation dataset, we didn't find this to be true. Although female employees are much more likely to have a female manager (46%) compared to men (25%), this didn't result in a significant difference to the career progression of women in tech.

Male employees are more likely to believe that there are equal opportunities for progression between men and women

The majority of tech employees we surveyed do think that there are equal opportunities for progression between men and women in their company. However, male respondents were more likely to see it this way (92%) compared to women (76%).



However, when this question is made personal (i.e. asking about their own progression opportunities rather than women as a whole) the difference becomes much more stark for women – only 24% of our female survey respondents said that they feel they have equal opportunities for progression compared to their male colleagues.

Why does the opinion shift so dramatically when respondents reflect on their own opportunities rather than the broader company context?

It's clear that women in tech do have a different experience when it comes to career progression opportunities than their male colleagues – even though we didn't see this appear statistically within our data.

However, perception plays an important role. It might be that women perceive that they have less ability and opportunity to progress their career compared to their male colleagues. Regardless of whether this is the reality or not, it could have a significant impact on women's chosen career goals.

"It takes a really long time for women to be promoted compared to men at my company."

"Men get the director level positions here."

"When managers fail to openly discuss career progression or to uniformly present opportunities, it fuels a belief among women that their professional growth isn't valued. This can undermine womens' confidence and prevent them from exploring opportunities further up the career ladder."

Leah Sutton, Chief Portfolio Talent Officer, Balderton Capital

What factors contribute to the lack of female leaders?

We've seen that there are fewer women at the higher levels in Europe's tech companies. But exactly why is this?

Let's take a look at some additional factors that could be contributing to this, including the impact of having a family, difficult work environments, and the average tenure for women.

Female executive leaders have shorter tenures at tech companies

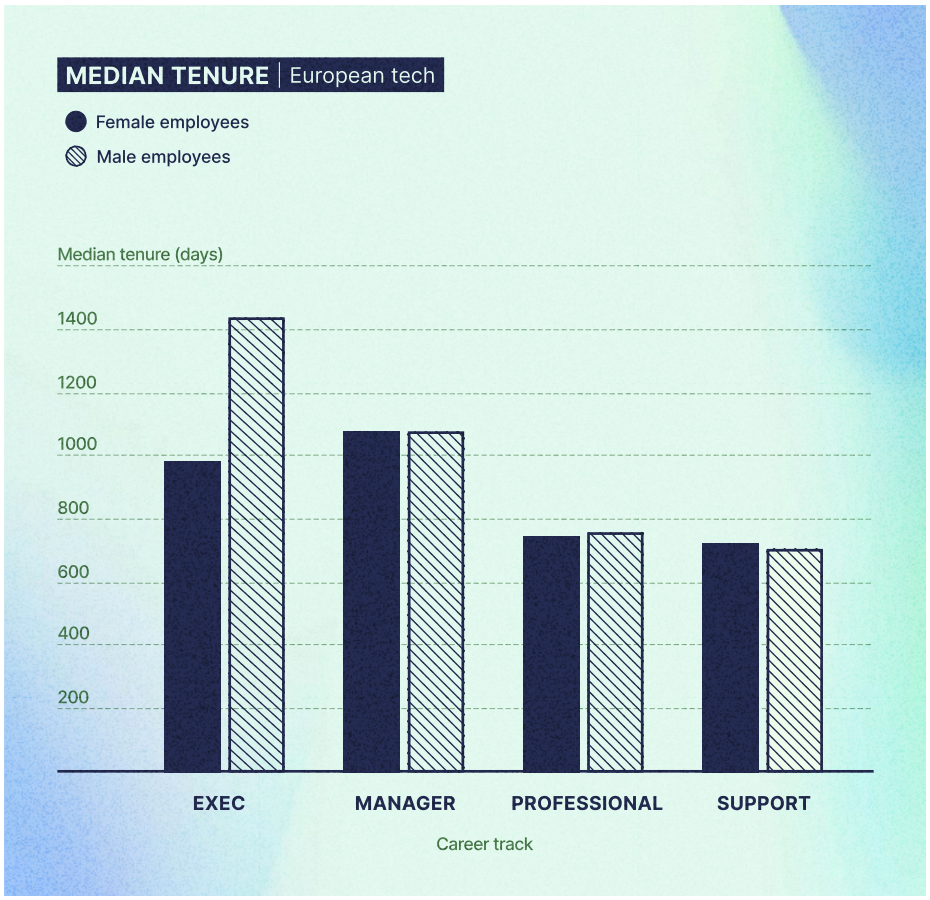
Male and females typically have the same, or very similar, tenures across different career tracks in tech companies in Europe. However, when we look at the executive level, the narrative changes drastically. At this level, **male executives stay in their roles for 46% longer than women**.

To add to this, McKinsey's 2023 'Women in the Workplace' report analysed the 'pipeline' for female leadership, and found that "director-level women are leaving their roles at a much higher rate than previous years, and at a notably higher rate than men at the same level."

And the 2023 Global CEO Turnover Index by Russell Reynolds found that in public companies female CEOs have a significantly shorter average tenure than men – lasting 5.2 years in a CEO role compared to 8.1 years for men.

So, what's causing female leaders to leave their executive roles at tech companies? There could be a plethora of reasons, but we'll look more closely at three of the most important factors on the following pages:

1. Difficult work environments - page 18
2. The impact of raising a family - page 19
3. A lack of training, growth, and development - page 21



Female leaders face difficult working environments

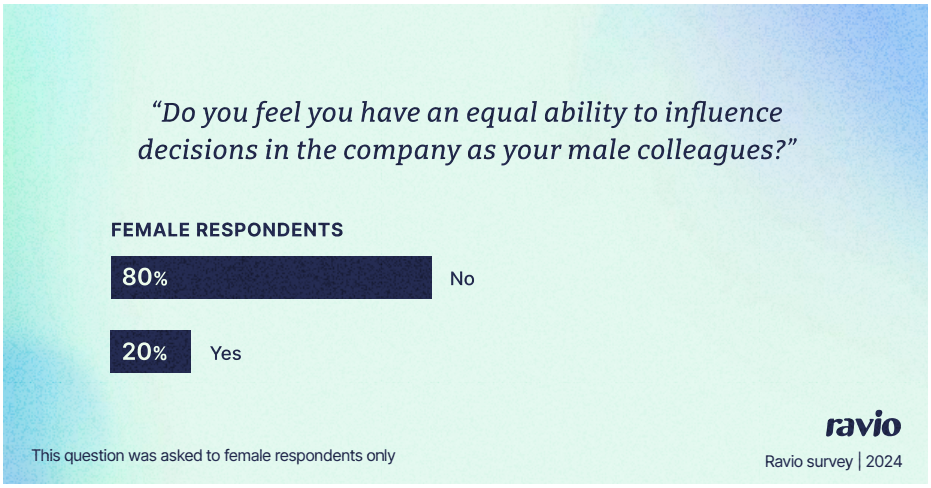
- **1.5x** more likely than men that others get credit for their ideas
- **1.5x** more likely than men to have their judgement questioned
- **2x** more likely than men to be mistaken for a junior team member
- **2x** more likely than men to have colleagues comment on their emotional state
- **2.5x** more likely than men to have colleagues comment on their appearance

McKinsey & Company
Women in the Workplace 2023

McKinsey's 'Women in the Workplace' research found that female leaders are much more likely to experience 'microaggressions' in the workplace than men, including:

These numbers are for 'all' women. It's important to also note that those multiples are drastically increased for women of colour, LGBTQ+ women, and women with disabilities.

When we asked female tech employees about their experiences this theme was reflected – women have a difficult time getting their voice heard in the workplace, particularly when it comes to decision-making.



The overwhelming majority of women report feeling less influential than their male colleagues, perhaps pointing to a trend whereby they feel less heard or valued in their role.

Raising a family stunts career progress for women

Women still shoulder the burden of caring for children and raising families. In fact, a 2022 study by the Centre for Progressive Policy found that almost 50% of working women are performing an average of 45 hours extra work per week via unpaid care – whilst this only impacts 25% of men, who perform an average of 17 hours of unpaid care work per week.

A UK Government study found that mothers are much more likely than fathers to withdraw from full-time employment after having a child. Just 28% of women were in full-time or self-employed work three years after childbirth, compared to 90% of new fathers.

This naturally has a negative impact on career progression. The UK government study found that for women who do return to work after having children, career progression becomes stunted – often known as the 'motherhood penalty' or 'child penalty':

- **1 year post-childbirth: 1**3% of fathers move up their career ladder, but only 6% of mothers.
- **3 years post-childbirth:** 21% of fathers move up their career ladder, but only 13% of mothers.
- **5 years post-childbirth:** 26% of fathers move up their career ladder, but only 13% of mothers.

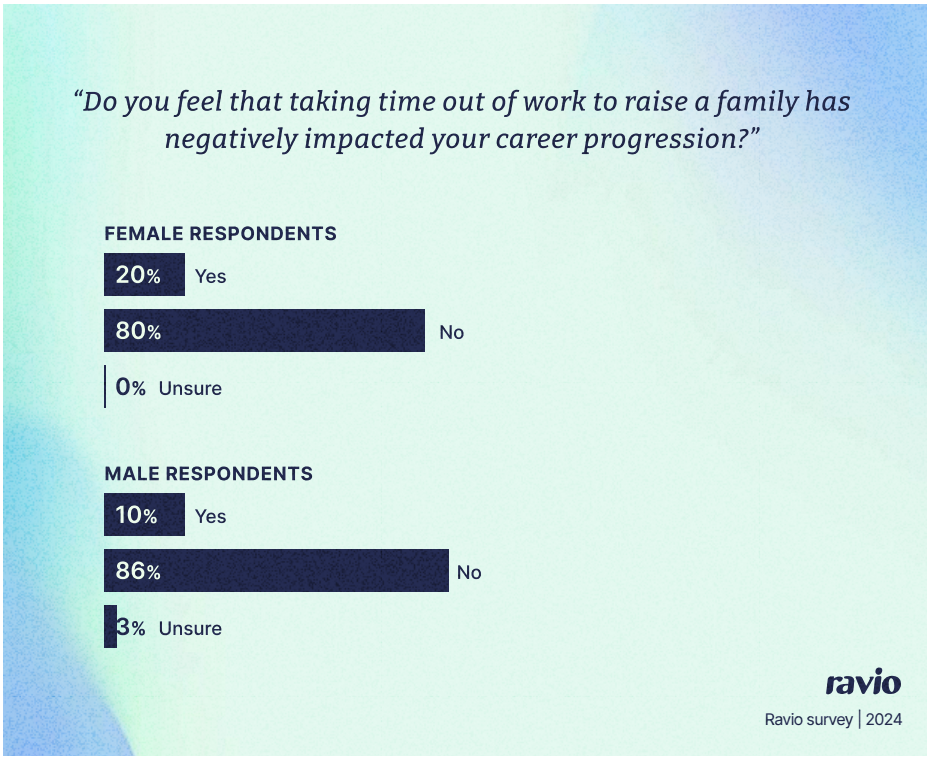
GOV.UK
Research and analysis Summary report

The likelihood of returning to work at a lower job level than their pre-child role is considerably increased for mothers that take an extended break off work.

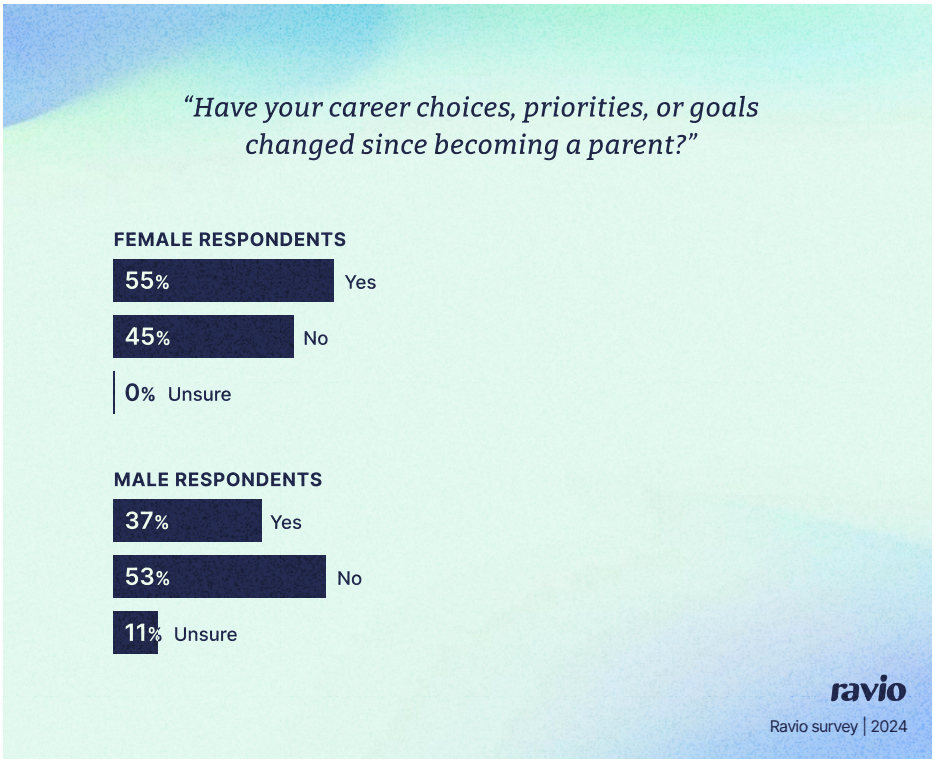
However, in a surprising twist of events, when asking parents whether they felt taking time out of work to have and raise children has negatively impacted their career progression, the overwhelming majority of men and women answered no. Yet, in contrast, over half of women (55%) reported changing their career choices and goals since becoming a parent compared to 37% of men.

This suggests two interesting hypotheses when considering a stunt in womens' career progression. One, women lower their expectations, goals, and ambitions after having children, which is why they feel less impacted by any changes to their role on their return. A second hypothesis could be that tech companies offer more support to new parents than traditional companies, which could explain why women feel their career progression hasn't been vastly impacted.

"I want to prioritise looking after my children so I don't have time to focus on progression."



While there are differences in the above responses, the major theme that shines through is that children become the number one priority for mothers and that this, alongside full-time work, is very difficult to manage.



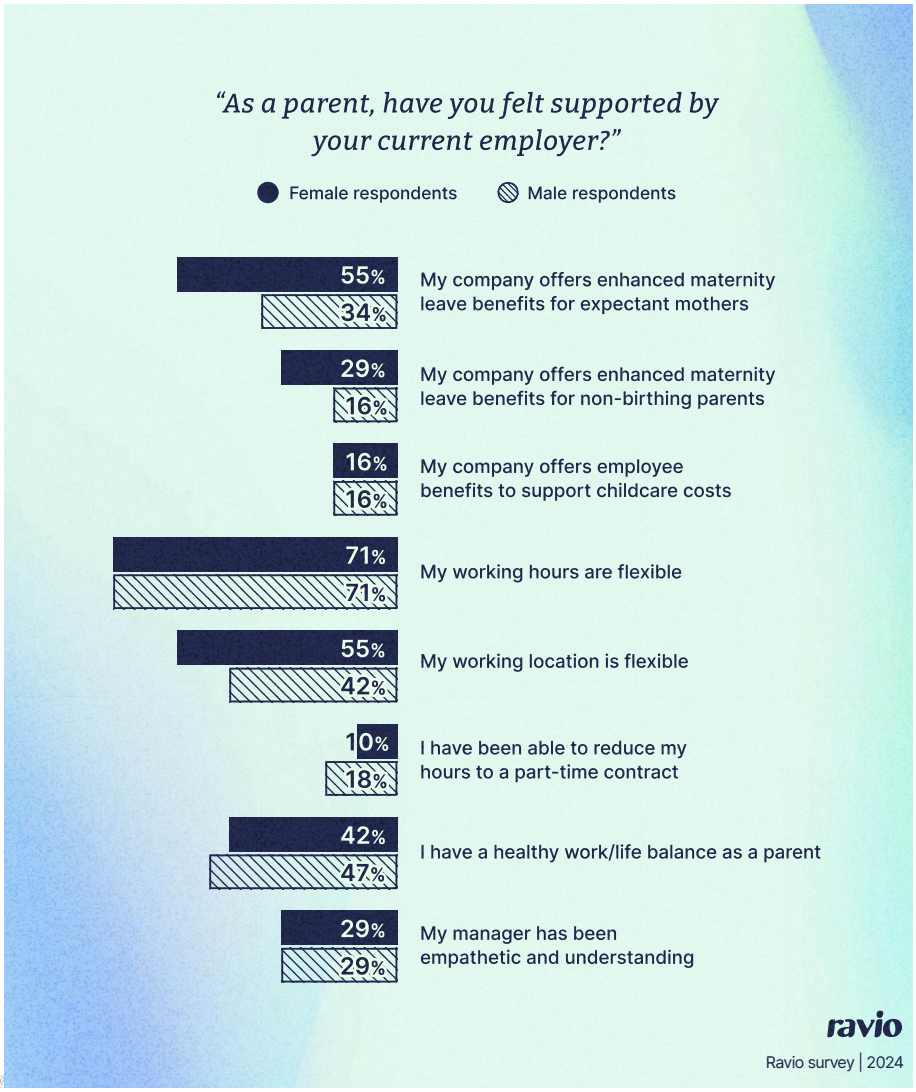
"I miss work when I have to pick up my kids from childcare – they are my priority now."

"I haven't got time to study or do more hours in my company alongside being a parent to get the merit I'd need to progress my career."

"It's hard to be a parent and work full time."

"I want to be there for my children so work has to be flexible now."

To increase the representation of women in senior positions in the tech sector, then, companies must make it a priority to support the transition into parenthood – as well as ensuring no bias exists amongst managers when it comes to progression opportunities for mothers. Given the responses when we asked parents whether they felt supported by their current employer, this doesn't seem to be the case as it stands.



Women experience a lack of training, growth, and development in tech roles

The tech industry seems to have a particular problem with hiring and keeping female leaders. Research by Tech Talent Charter found that 25% of women that left a role in a tech company in recent years left to move to a role in a non-tech company.

Plus, research by Accenture found that 50% of women who take a tech role leave it before the age of 35, compared to only 20% in other sectors.

So what makes tech a particularly unattractive industry for women?

One factor could be that women experience better training, support, and growth in roles outside of tech.

According to McKinsey's 2023 report, only around 50% of companies implement career development training content for women. This could be because the tech sector overall is still male-dominated, and women perceive their career development to be better supported in other industries.

To further reinforce this point, Tech Talent Charter shows that four out of five women said their dissatisfaction with their career development impacted their decision to leave their tech role.

> "There's naturally a lot invested at senior levels in tech companies when it comes to training and development, but not as much for first time managers or mid-level managers. It's important for start-ups to invest in some form of learning and professional development for that first step of becoming a mid-level manager – especially for women."

Elena Pantazi, Partner, Talent & Portfolio, Northzone

Women experience a lack of training, growth, and development in tech roles

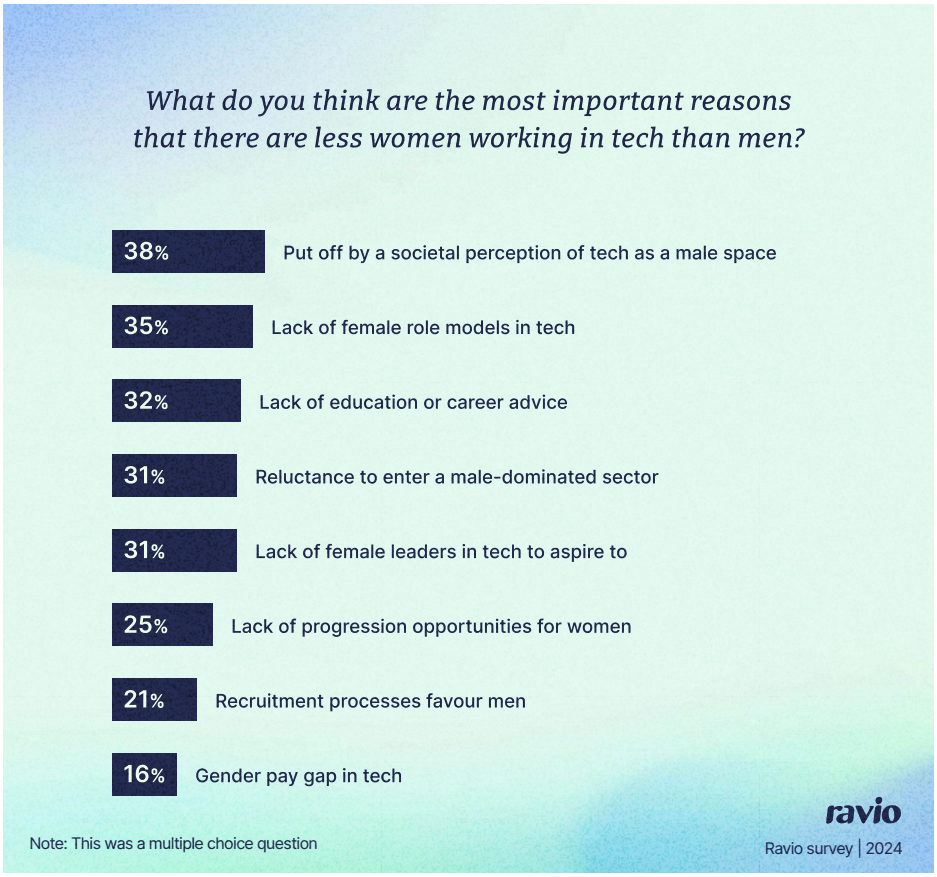
There have been positive strides in the tech industry when it comes to strong women profiles in leadership positions. Think Whitney Wolfe, CEO and Founder of Bumble, or Melanie Perkins, CEO and Co-Founder of Canva. However, this positive momentum is still fragile. The growing lack of women in leadership positions in tech could become a self-perpetuating cycle that might continue far into the future, as the lack of female role models is one of the key reasons stopping new generations of girls from aspiring to those roles.

When we asked female tech employees about their experiences, they saw societal perceptions, lack of female role models, and a lack of career advice as the most important barriers for entering the tech industry.

"We need more role models to encourage women into tech."

"We need more women in leadership roles."

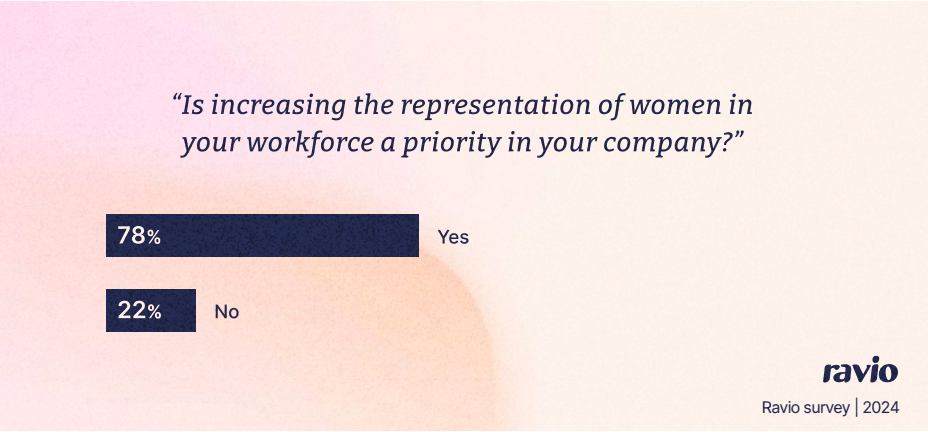
"Companies have to deliberately hire women into management and leadership positions, pay them equitably, and prioritise their retention and progression – women need to see other women in leadership roles to feel like they can have a great career and reach their goals in the tech space."



A glance into the future: What are companies doing to improve pay equity in 2024?

After everything we've presented in this report, there is still one question that remains: what are companies actually doing to improve pay equity? We know from the data that there are compelling reasons to increase transparency around compensation, but are business leaders truly making this a priority ahead of incoming EU Pay Transparency Directive legislation?

Are tech companies making it a priority to increase the representation of women?



Ravio data shows that the pay equity issue today is driven by a lack of women in European tech.

When we asked People Leaders if increasing the proportion of women across the team was a priority for their company the majority say that it is – 78% of companies.

Many of the responses focused on the moral value and importance of equality across genders in the workforce:

> *"We believe men and women are equal, every opportunity opened for men is given to women as well and that includes our job roles. Gender discrimination is a taboo in my establishment."*

> *"Equality means doing the right thing and that's what we must achieve in our team."*

But alongside this, many responses also see diversity as important for the success of the business.

> *"We know that diversity makes us stronger as a business. It's imperative to have every voice in the room."*

> *"Having a diverse workforce is hugely beneficial. High performance relies on a diverse team and everyone feeling belonging and inclusivity, and being given the opportunity to thrive."*

For those companies where increasing the representation of women is not a priority, most of the responses focused on the company not understanding why it should be a priority or there being other, more important, business priorities currently – suggesting that senior leadership buy-in could be a barrier to pay equity.

"Equality means doing the right thing and that's what we must achieve in our team."

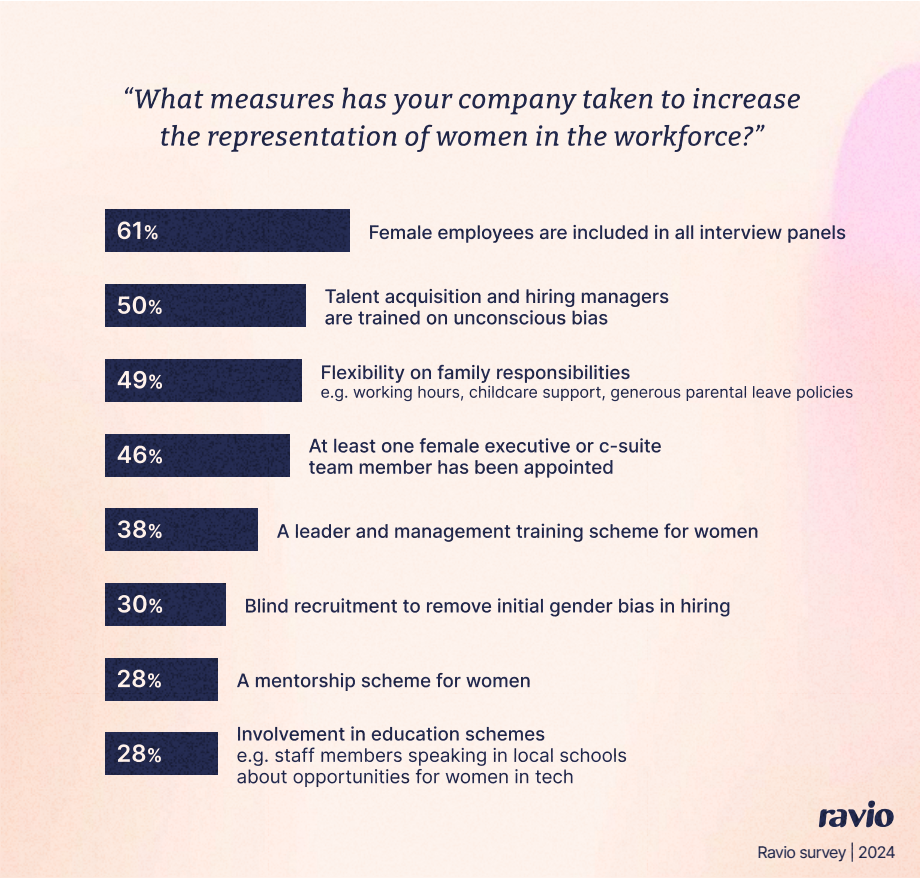
"We know that diversity makes us stronger as a business. It's imperative to have every voice in the room."

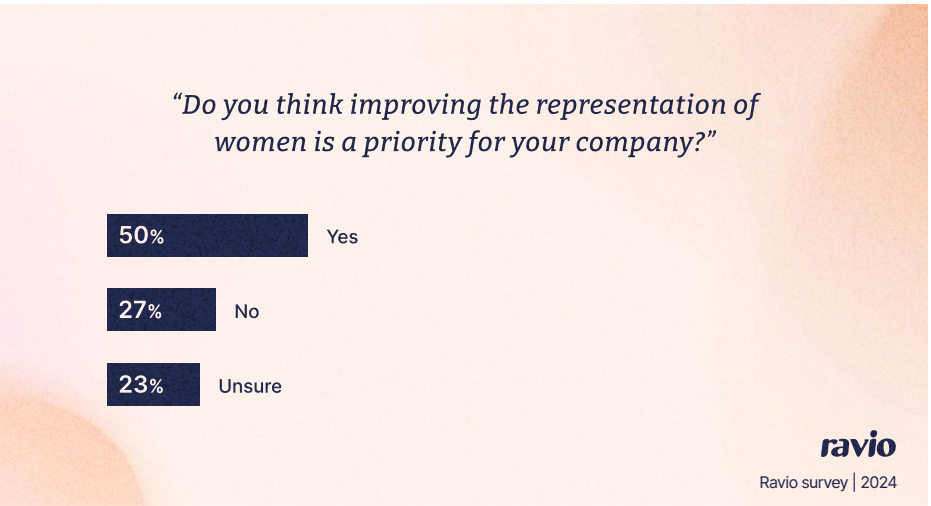
"Equality means doing the right thing and that's what we must achieve in our team."

Are tech companies making it a priority to increase the representation of women?

It's most common for changes to have been made in the hiring process – 61% of companies are ensuring all interview panels include at least one female employee, and 50% train hiring managers on unconscious bias. Allowing parents flexibility for family responsibilities is also a popular measure.

It's less likely for companies to have introduced a mentorship scheme for women or to be involved in education schemes around opportunities for women in tech.

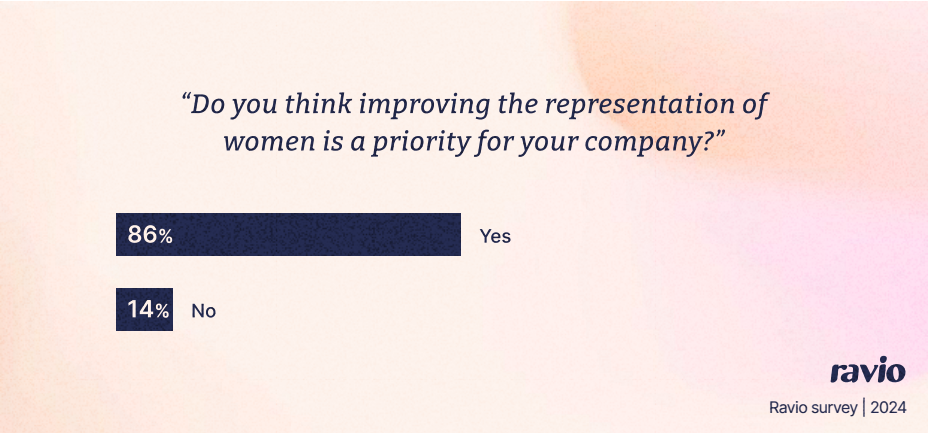




Interestingly, these responses from People Leaders differ significantly to how tech employees perceive their company's actions. Only 50% of employees think that improving the representation of women is a priority for their company, compared to the 78% of companies that say it is a priority.

Are tech companies making it a priority to ensure pay equity across genders?

When we asked People Leaders whether pay equity is a priority in their company, the majority said yes – 86% of People Leaders.



This is higher than those who say that increasing the representation of women is a priority (78%) so it's clear that this compensation element is important for companies.

In terms of open-ended comments, most common was for respondents to focus on it being 'right' or 'fair' to prioritise pay equity for their employees.

Many responses also highlighted the business benefits of pay equity:

"It will bring more employees to the company."

"Our employees expect this from us today."

"Governmental decree."

"To ensure that we are meeting obligations and approaching comp fairly and consistently."

For those companies that aren't prioritising pay equity, it comes down to senior leadership buy-in – this is similar to the findings in terms of comments on improving the representation of women from People Leaders, again suggesting that senior leader buy-in is a big barrier.

"Equality means doing the right thing and that's what we must achieve in our team."

"Equality means doing the right thing and that's what we must achieve in our team."

"Equality means doing the right thing and that's what we must achieve in our team."

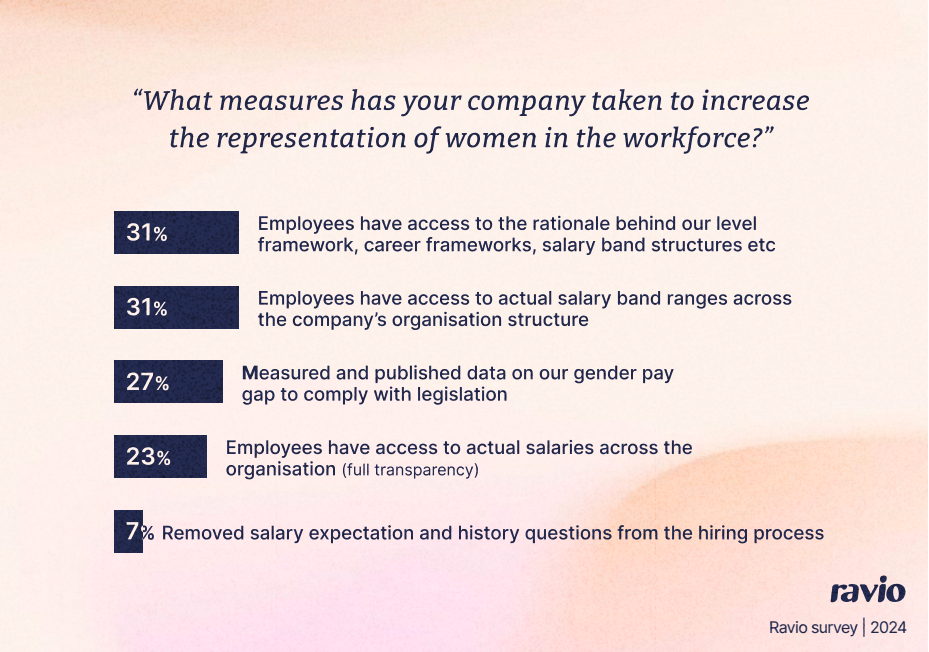
Like with increasing the representation of women, when we asked tech employees if they think that pay equity is a priority for their company there was a different story – only 54% said they think it is a priority, compared to the 86% of companies that say they are prioritising pay equity. Again, this suggests there's a long way to go when it comes to employee communication and understanding.

What progress have tech companies made on pay transparency so far?

In terms of progress so far, it's clear that tech companies have a long way to go in all pay transparency measures.

The least adopted measure by far is that only 7% of companies have stopped asking job candidates about their salary history or expectations. Given we've seen that hiring is a vital inflection point for pay equity, this is concerning – especially as it indicates that companies are not prepared for the new rules under the EU Pay Transparency Directive.

The most introduced measures are to clearly communicate the compensation approach (job levels, salary bands, career progression pathways) to employees, but this is only in place at a third of the companies we surveyed.



Methodology

Ravio data

All data included in this report is drawn from the Ravio dataset – the most comprehensive real-time talent dataset in Europe, with over 300,000 compensation datapoints.

Ravio connects directly to the HR systems of its customers and refreshes its data on an ongoing basis.

The dataset used to perform the analyses contained in this report is current as of the end of Q1 2024. All data has been anonymised. All data has been standardised (i.e. made comparable) by using the Ravio job levelling framework.

Salary data and analyses have been performed on base salaries only, i.e. excluding variable compensation and equity. Insights on variable compensation and equity can be found in the Ravio platform.

Ravio uses GBP as the standard currency so all salary data is shown in GBP, with other currencies converted to GBP using the exchange rate as of the end of Q1 2024. Salary trend analyses are performed on a constant-currency basis. Other currencies can be found in the Ravio platform.

Ravio survey

The survey was distributed to People Leaders and employees within the tech industry in March 2024, receiving over 200 responses.

Version 1.04 published 28 May 2024