COMPARING PROMOTION RATES FOR WOMEN IN GLOBAL TECH FIRMS

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ABSTRACT

Across global tech firms, roughly 87 women are promoted from entry-level roles to manager for every 100 men, though that ratio drops sharply in core technical and engineering positions. [1, 2]

Promotion Rates and the "Broken Rung"

- Entry to Manager: Across the technology sector, general promotion metrics show 87 women advancing to manager for every 100 men. [1]
- Technical Roles: The gap widens significantly in technical and engineering tracks, where data from McKinsey & Company highlights that only 52 to 90 women are promoted for every 100 men depending on the specific sub-specialty and seniority tier. [1]
- Intersectionality: Women of color face an even steeper "broken rung"; studies show roughly 82 Asian women and Latinas, and as few as 60 Black women, are promoted to manager for every 100 men. [1]

Leadership Representation

- C-Suite and Senior Roles: Women hold approximately 25% to 29% of C-suite and senior executive positions across major global tech companies. [1, 2]
- Pipeline Drop-off: Female representation is highest at junior hiring levels but steadily declines at mid-level and senior technical stages. [1, 2]

Contributing Factors and Interventions

- Workplace Culture: About 72% of women in tech report feeling the need to constantly prove their competence compared to male peers. [1]
- Effective Solutions: Structured hiring panels, blind resume reviews, and targeted mentorship programs have been shown to improve female retention and career progression by over 35%. [1]

Keywords- global tech, promotion rates, women, workplace culture, leadership

INTRODUCTION

Women in tech are gaining ground as the technology industry—or at least its largest players—makes slow but steady progress in shrinking its gender gap, and women in tech leadership are making the fastest advances. Deloitte Global predicts that large global technology firms, on average, will reach nearly 33% overall female representation in their workforces in 2022, up slightly more than 2 percentage points from 2019 (see figure).1 Although the shares of women in technical and leadership roles have tended to lag the overall proportion of women by 8–10 percentage points, they are increasing the most rapidly.2

With a growing body of research suggesting that diverse teams perform better and are more innovative, many technology, media, & telecommunications (TMT) industry leaders are recognizing that diverse workforces and executive teams are good for business.3 According to Deloitte's estimates, women's share in the overall global tech workforce has increased 6.9% from 2019 to 2022, while their share in technical roles has grown by 11.7%. Notably, the fastest growth—an estimated gain of nearly 20%—has occurred in the proportion of women in leadership. We predict that roughly one in four leadership roles at large global tech firms will be held by women in 2022, representing a rise of more than 4 percentage points since 2019. And in North America, the TMT industry now has one of the highest percentages of women on boards (second only to the consumer industry): 25% of board seats are held by women, up from 17.4% in 2018—helped by board diversity legislation in states with a high proportion of TMT companies, such as California and Washington.[1,2,3]

Many large tech companies have made public commitments to improving gender diversity, including increasing women in their technical and leadership ranks.5 These companies are also expanding their efforts to ensure greater workforce and leadership diversity by race, age, and other social factors. HP, for example, has pledged to reach 50% gender equality in roles at the director level and above by 2030, and to meet or surpass labor market representation for racial/ethnic minorities.6 Intel aims to double the number of women and underrepresented minorities in senior leadership roles by 2030.7

It makes sense that tech companies are moving the needle on women in leadership faster than women in other roles: It helps send a signal to prospective employees, it helps shift corporate culture, and it may help tech companies increase retention of women in their overall and technical workforces.

Considerations for tech companies

Many tech companies still have much work ahead to diversify their ranks and embrace a greater range of perspectives. Improving gender and other diversity should inspire the same kind of leadership commitment and strategic focus that underlies other critical organizational initiatives.

Commit to a holistic diversity, equity, and inclusion (DEI) strategy. Creating an inclusive culture is essential to recruiting and retaining a diverse workforce. A 2020 study by Lenovo and Intel revealed that a majority of professionals in five countries regard a company's DEI policies and performance as important considerations in their decisions about jobs to pursue and accept.8 Many large tech companies now release annual diversity reports outlining their strategies and performance. Some have formed a coalition to tackle diversity shortcomings in the tech sector, sharing best practices and lessons learned.9 To improve leadership representation, the members plan to develop guidance for board and executive roles that reflect the customers and communities they serve.10

Embrace goal-setting, transparency, and accountability. It's critical for tech companies to identify diversity metrics, report results, and track progress. Then organizations can take stock of what is and isn't working, revise their approach, and improve. Amazon, for example, examines performance ratings and attrition across teams to address any statistically significant demographic differences; the goal is to retain employees at similar rates across demographics.11 A coalition of more than 30 tech company executives, along with academics and DEI experts, has pledged to accelerate DEI progress and collaborated on an Action to Catalyze Tech report; one of the goals is to create industry-wide reporting standards for DEI demographic data.12

DISCUSSION

Partly due to the growing prevalence of AI, the tech sector has undergone a 'great layoff,' equating to over 263,000 global jobs in 2023 alone.[iv] In this environment, tech firms must ensure that job cuts do not disproportionately impact women. To know whether this is the case requires measuring turnover by gender; disappointingly, Grant Thornton's 2024 Women in Business data shows that only 22.3% of technology firms do this.[4,5,6]

Failing to measure staff turnover by gender means that firms are likely to be taking limited action to ensure their female leadership pipeline is secure.

"I don't think there's any intention behind women being disproportionately being laid off, but firms are not compiling or issuing any data," says Andrea Schulz, National managing partner for the Technology industry, at Grant Thornton LLP (US).

If this measure is implemented as part of a standalone, actionable DE&I strategy (as recommended by our 2024 Women in Business report), it can act as a vital Key Performance Indicator to measure the success of other DE&I initiatives. For example, how does introducing a better return-to-work policy after maternity leave, or introducing a more flexible working pattern affect the retention of female staff? Tech firms cannot answer this question without measuring turnover in the first instance.

Yannis Krasonikolakis, Head of applied intelligence and predictive analytics, Technology, Grant Thornton Greece says: "Companies that prioritise workplace diversity can attract, and retain, better qualified talent, boosting overall performance. Female representation in tech companies fosters a positive work environment."

Transparency in the technology industry

The tech sector ranks consistently as having one of the most pronounced gender pay gaps. For instance, European women in tech make, on average, 26% less than men.[v] In an industry with such a wide gap, it is therefore vital that more mid-market tech firms measure gender pay inequality. However, only 40.4% currently do, according to Grant Thornton's 2024 Women in Business data. It is especially concerning that this is below the global average of 46.8%.

It is unsurprising that a large pay gap would disincentivise women from pursuing a career in tech. Therefore, demonstrating progress towards alleviating wage gaps can help attract top talent, ensuring a diversity of voices are involved and, ultimately, leading to better business decisions being made.

Rena Konomi headshot image"Building trust with employees through accountable and transparent actions helps to create an enhanced and inclusive workplace," Rena Konomi, Head of intelligent automation services, Technology, Grant Thornton Greece shares, adding that this will help "attract the best talent in the market."

By lagging behind their competitors in publicising progress on closing the wage gap, tech firms may find they are losing future female leaders before they even apply, weakening the talent pipeline. Publishing their wage gap is a vital first step for technology firms to overcome this.

Why urgent progress towards parity in tech is required[5,6,7]

Amid the development of new technology, it is more vital than ever that tech firms push for parity for women in senior leadership positions, ensuring the equitable development of tech, such as AI. To do so requires a diverse set of voices to be involved in development teams, meaning that more must be done to promote and celebrate women in technology to reach senior management positions.

"AI is rapidly changing, it's about making sure that you're getting more diversity, and that generative AI is reflecting the views of everyone" Andrea Schulz, National managing partner for the Technology industry at Grant Thornton LLP (US) points out, highlighting how biased AI models is not an inevitable outcome, but a by-product of a lack of diverse voices around the table.

RESULTS

Furthermore, our findings might seem to run counter to research specific to the tech industry, which highlights many prevailing challenges faced by women working in the sector.

So, what are the main drivers behind these results? First, some relevant context. This research is broad, providing a cross-industry lens – and in doing so it presents a positive picture of the experience of women working in tech compared with the female workforce generally. Furthermore, the inclusion scores of both men and women tend to increase in line with the seniority of their role, and the men and women working in the tech industry in our survey had higher representation at senior executive and management levels than our respondents overall. However, while this may have influenced the results to a degree, a closer analysis shows that women in non-management, management, and senior executive levels in tech still achieved higher inclusion scores than the women at the same levels across industries.

Alongside these considerations, there are also a number of industry characteristics and workforce trends within the tech sector that we can justifiably deduce are having a positive impact on women's experiences at work. For example, the one constant in technology is change – and this provides for a continuous learning environment that's both natural and required across the industry. Furthermore, tech as an industry provides access to interesting work and highly-paid jobs. And the tech giants have led the way in investing heavily in employee experience. All of these factors have the clear potential to be helping to shape these results.

A further potentially relevant development is that many large companies in the tech sector have invested in extensive and ambitious Inclusion and Diversity programmes. By way of example, take the way in which the tech giants have been in the forefront of setting public goals for gender and broader diversity. They've also been transparent about their performance in this area, reporting annually on their representation of women and progress against diversity goals – and being open about instances when that progress is not as fast as they would like.[3,4,5]

Other staple items in large technology firms' diversity programmes include wide-scale unconscious bias training, which is often combined with women's leadership development programmes both to foster executive-level readiness and prepare women for the next stage at management levels. Some tech companies specifically engage men in their efforts to improve gender diversity, through initiatives such as male-focused allyship programmes and generous parental leave policies open to both mothers and fathers. These are part of tech firms' drive to establish more inclusive policies generally, while also mitigating for many of the gender stereotypes and challenges that women often face associated with caring-giving breaks and responsibilities.

Many tech firms also make active, early and targeted efforts to bring more women into their workforce, in addition to partnering with not-for-profit organisations to attract more girls to take up technology-related academic disciplines and build early skills development in areas such as coding. Further trends in the sector include women-focused events and conferences geared towards community building and supporting the development of key expertise – in addition to

recruitment events specifically targeted at women, and the establishment of Employee Resource Groups focused on women and a far broader range of diversity identities.

CONCLUSION

What's clear overall is that there's a strong and extensive focus on improving Inclusion and Diversity in tech, fuelled by the existing gender (and broader diversity) representation gaps and intensifying talent shortages, particularly around emerging technologies. The effects of these factors are supplemented by the heightened awareness of the impact of unconscious bias in AI and product development, along with an increased understanding of accessibility needs in product design and of the benefits that diversity brings in terms of spurring innovation.

Meanwhile, the sector-wide cost-cutting and headcount reductions that we noted earlier have inevitably had an impact on companies' headcounts and budgets focused on Inclusion and Diversity. So there's still a pressing need for the tech industry to accelerate its efforts to close the gender representation gap – and at the same time make sure that the hard-won gains already made are not lost.[8]

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