



Gender Pay Gap Report

2021-2022

Foreword from Pat

Since our last report 18 months ago we have become publicly owned and opened a new office in Newcastle broadening our footprint across the North, both of which were exciting milestones for us. However, one thing that remains unwavering is our commitment to diversity, equity and inclusion.

In our last report, I shared that we needed to make more concrete plans to address our gender pay gap. It's encouraging to see that much of what we've implemented has helped move us in the right direction. I'm pleased to see that our pay gap has narrowed significantly.

We have a lot to be proud of. Within Thoughtworks UK, women and underrepresented gender minorities (W&UGM) make up 41% of our technology roles and 35% of our senior+ grades. We were also recognized as a Best Workplace for Women™ by Great Place to Work UK® in 2022 for the second consecutive year and we continue to receive valuable feedback from our W&UGM community on our employee engagement surveys and through our gender equality group. This helps underpin our future priorities to drive meaningful change in this space.






Although our gender pay gap has narrowed, we still have work to do to bring more women into senior roles within our UK business. This continues to be our biggest opportunity for tackling our gender pay gap and will remain a key area of focus for 2023 and beyond.

Patrick Sarnacke, Thoughtworks UK MD



Introduction

Under legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap. We are required to publish the following data for our UK business:

	Mean gender pay gap		Median gender pay gap
	Headcount: Percentage of males and females in each quartile of the data		
	Mean gender bonus pay gap		Median gender bonus pay gap

Please note, the regulations do not define the terms ‘male’ and ‘female’. In cases where an employee does not self-identify as either gender, the regulations state that an employer may omit the individual from the calculations. For the purposes of publishing our gender pay gap externally, the HR records (which provide a non-binary option) have been used and anyone identifying as neither male or female is categorized as an underrepresented gender minority (UGM) and included alongside our female statistics.

What is the gender pay gap?

The gender pay gap shows the difference in the average pay between men and women in the workforce. It is different from equal pay, which deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful for employers to discriminate between men and women in their pay and conditions where they are doing the same or similar work. The gender pay gap is reported as a mean and a median number. The mean (average) number is the sum of the salaries by gender divided by the number of employees. The median is the middle value in the list of salaries. While the mean is traditionally used to measure a midpoint in a data set, it has the disadvantage of being affected by any single value being very high or very low compared to the rest of the sample.

Our gender pay gap – 2021/2022

In analyzing the reportable data, note that salary data includes basic pay, allowances, pay for piecework, pay for leave and shift premium pay. It only includes monetary payments, so, anything that is not money (such as benefits in kind or securities) is excluded. It does not include pay related to overtime, redundancy or termination of employment, pay in lieu of annual leave or pay which is not money. We are required to report salary data after salary sacrifice, which at Thoughtworks means after personal pension contributions. We continue to be aware that this directly impacts our data depending on the amount an individual chooses to personally contribute to their pension. The data also accounts for part time hours and salary.

Mean Pay Gap	Median Pay Gap
11.31% (was 21.29% in 2021)	8.48% (was 18.37% in 2021)

Percentage of men & women in each pay quartile				
	Lower quartile	Lower middle quartile	Upper middle quartile	Upper quartile
Women	54.4% (↓5.4%)	32.9% (↓10%)	43% (↑7.3%)	26.6% (↑1.1%)
Men	45.6%	67.1%	57%	73.4%

In addition, we are also required to provide data on elements such as variable pay, bonuses and commission.

Mean Bonus Pay Gap	Median Bonus Pay Gap
6.35% (was -4.96% in 2021)	0.00% (was 29.91% in 2022)

Things to consider:

- This data includes all Thoughtworkers on the UK payroll, including UK based global colleagues.
- The snapshot data was taken after we made changes to our compensation approach in 2021 to improve fairness, equity and alignment with the market.
- We have a commission structure for our demand team (sales) and a bonus structure for a small number of senior leaders who are split between UK and global teams.
- Employees received stocks and share options during this reporting period when Thoughtworks became publicly owned which are included in the bonus pay gap figures.
- We have five grades in our organization - consultant, senior, lead, principal and director (as well as a graduate grade which is a fixed salary).
- When broken down by grade, we have a greater representation of women and under-represented gender minorities (W&UGM) at graduate and consultant grades.
- At senior and lead grade, the representation of W&UGM broadly reflects the gender diversity within our UK business.
- We see greater gender imbalances at principal and director grade, which is in line with the technology industry as a whole.



What does this data tell us?

- We have seen a significant increase in W&UGM in the upper pay quartiles this year due to intentional efforts in hiring, retention, career progression and improving pay equity and fairness.
- Both our median and mean gender pay gaps have decreased significantly because of intentional action across our business and due to having strong gender diversity in senior leadership.
- Our continued efforts to support W&UGM entering the tech industry means that we continue to have a higher proportion of W&UGM in the lowest pay quartile.
- Although the representation of W&UGM at senior grade and above has improved, we still have less W&UGM in the higher pay quartiles and will continue to prioritize this.
- The mean bonus pay gap has increased because we had a higher proportion of men that received larger bonuses. However, the release of restricted stock units as a result of going public during 2021 (and our approach to allocating these) means that we have a 0% median bonus pay gap.



What are we currently doing to address the gap?

- We will continue to support W&UGMs entering the tech industry because although this means that we can expect a high number of W&UGM in the lower pay quartile, we believe it is important to bring high potential W&UGM into our industry and support, grow and retain the next generation of diverse leaders.
- We have completed two dedicated leadership development programmes, reaching 10% of those who identify as W&UGM, and we remain committed to ensuring balanced gender representation on all development programmes.
- We made improvements to our enhanced parental leave, offering primary carers 26 weeks fully paid leave with a reduced qualifying period to remove barriers that may disproportionately impact women in the workplace.
- We have employee resource groups spanning gender equality, race and ethnicity, LGBTQ+, disability and neurodiversity, religion and belief, social inclusion, parents and carers plus mental health and wellbeing who operate intersectionality to look at how we proactively attract, support, empower, accelerate and retain W&UGM.
- Our diversity, equity and inclusion council helps to inform and steer our efforts and is made up of leaders and colleagues from across the business. Seventy percent of the members are women spanning different roles, tenures and seniority, with representation across different ages, races and ethnicities, religions, disabilities, sexual orientations and caring responsibilities to ensure the work we do is valuable and high impact for all women.

How we plan to positively influence this through 2023 and beyond



Champion equity and inclusion internally

We have always cared deeply about diversity and inclusion and will continue to uphold this culture internally. As we scale, it is important that we continue to upskill colleagues and leaders in recognizing and tackling bias in themselves and others, as well as enabling inclusive leadership and active allyship through targeted training and tailored support. In doing this at all levels of tenure and experience, we believe we will maintain an inclusive culture where W&UGMs are able to thrive.



Evolve our policies and support

In addition to the recent introduction of our fertility policy and improvements to our enhanced parental leave, we remain committed to identifying challenges and removing potential barriers that disproportionately impact W&UGM. We're actively looking at how to improve current support for working parents by offering better childcare funding schemes and buddies for those returning to work after long leave. We also want to support people experiencing menopause and improve flexible working, all of which we believe will help with retention and progression of experienced and tenured W&UGM colleagues.



Continue to provide meaningful learning and growth opportunities

Our intention is to continue running our annual leadership development programme to invest in our W&UGM leaders but we also want to see balanced representation across all programmes, such as our technical and global leadership development programmes. In addition to this, we want to provide opportunities to put these skills into practice through shadowing and job sharing opportunities, providing real learning and growth opportunities, removing barriers and enabling W&UGMs to progress and further their careers.



