FROM ACADEMIA TO THE MANAGEMENT FLOOR

Gender Gaps in Israeli High-Tech

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Introduction

Women make up about 36% of all high-tech workers in Israel. On the occasion of International Women's Day for 2024, this report presents analysis of women's employment in Israeli high-tech, including the integration of women in different positions by specialization, the proportion of women in senior positions, and the gap between female founders in Israel and the rest of the world.

Additionally, we show that women are underrepresented in academic programs that more frequently lead to high-tech employment, and that this gap has not narrowed in more than a decade. Among graduates of such programs men are only slightly more likely to work in high-tech companies, therefore the employment gap is mostly due to the gender gap in education.

The persistent (if slow) increase in the share of women in high-tech that was recorded over the past decade, had come to a halt in 2023 at 35.9%. However, we attribute this mainly to the lack of general growth in employment in high-tech in the last year.[1]

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[1] The analysis is based on a dataset of all profiles of Israelis on LinkedIn.com.

1. Women's Participation in the Israeli High-Tech Sector

In 2023, the share of women in high-tech was 36% of all employees, the same as in 2022. After about a decade of increase at a slow but consistent rate of about 0.3 percentage points per year, this increase came to a halt in the past year (Chart 1). As we explain below, the difference from the multi-year trend in the share of women is mainly due to the fact that in 2023, for the first time in a decade, the total employment in high-tech has shrunk.

Among new entrants to high-tech in 2023, the share of women was 39.9%, higher than their share among employees. However, the share of women was also high among those leaving the industry - and stood at 38.4%. The share of women among those joining and leaving was also higher than their share in the sector in previous years, but typically, the joiners are a much larger group than those leaving, so overall the share of women increased. Conversely, in 2023 there were more workers leaving than joining, which explains the stagnation in the share of women.

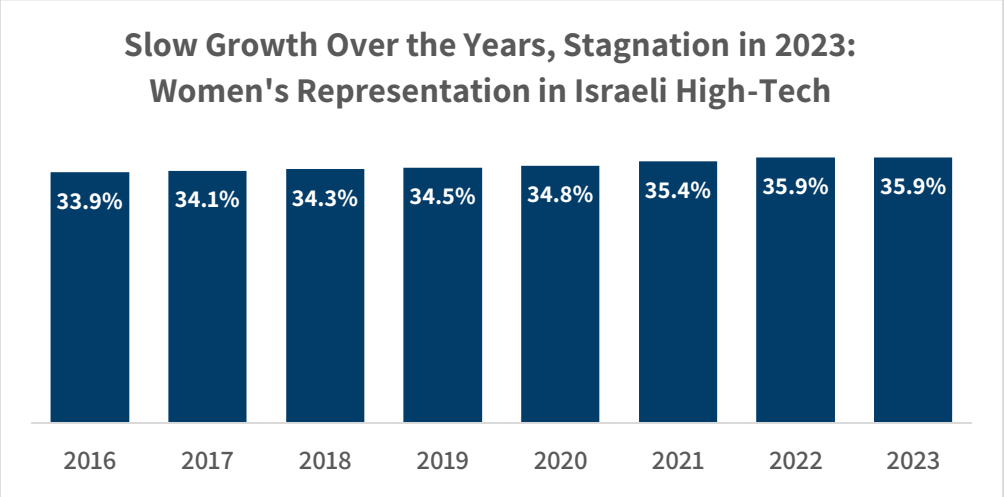

Figure 1

Furthermore, in recent years a significant part of the growth in high-tech has been in non-technological positions, where the share of women is high. The proportion of women in technological positions is 28%, while their proportion in operational positions is 60%[2]. The general slowdown in 2023 had a particular effect on the reduction of employment in non R&D positions, and therefore particularly harmed the employment of women in the industry.

[2] The percentage of women in the division by roles remains similar to 2022, which is described in the Women's Day report we published last year.

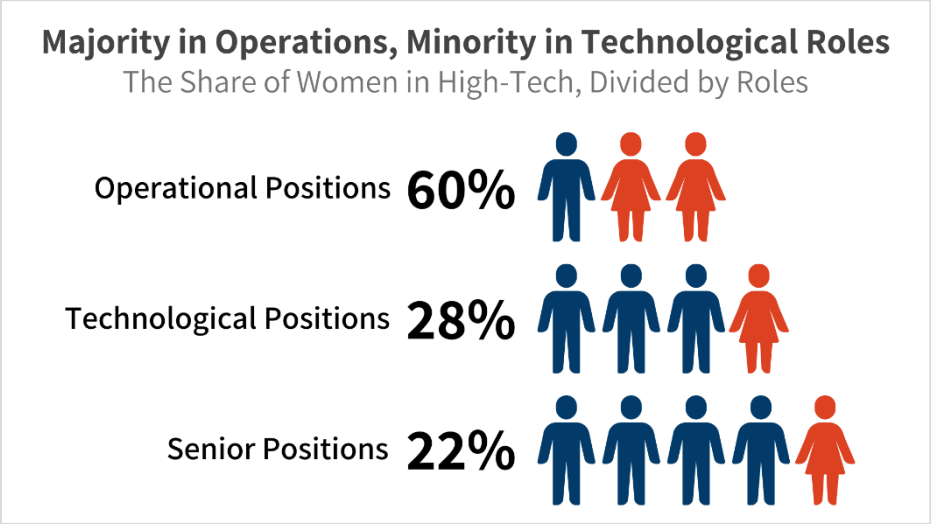

Figure 2

2. Women in Senior Positions and Entrepreneurs

Throughout the last decade, women make up a little more than a third of the total number of employees in high-tech, but their rate among entrepreneurs and in senior management positions is much lower. Women make up 22% of VP and higher positions, 16% in C-level positions, and only 13% of CEOs[3].

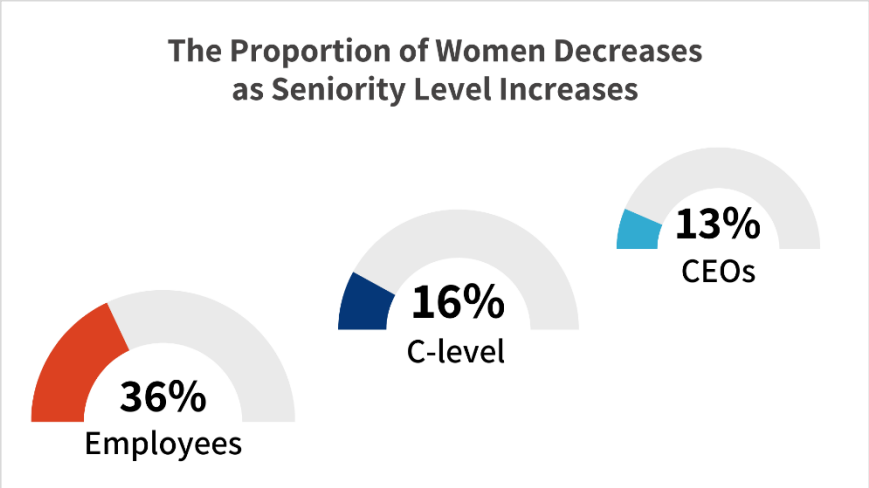

Figure 3

One might expect that the increase in women's participation in high-tech as employees would over time lead to a similar rise in women taking senior position in general and as entrepreneurs. However, this does not seem to be the case: in a separate report we published that focuses on women

[3] The analysis is based on self-reported job titles as they appear on the employees LinkedIn profile. Therefore, it is likely that senior employees in local centers of multinational companies are not included, and this might lead underestimation of the proportion of women in senior positions.

entrepreneurship, we compared Israel, Europe and the USA. The following chart shows the share of companies that have at least one female founder of all companies that raised funds in that year.

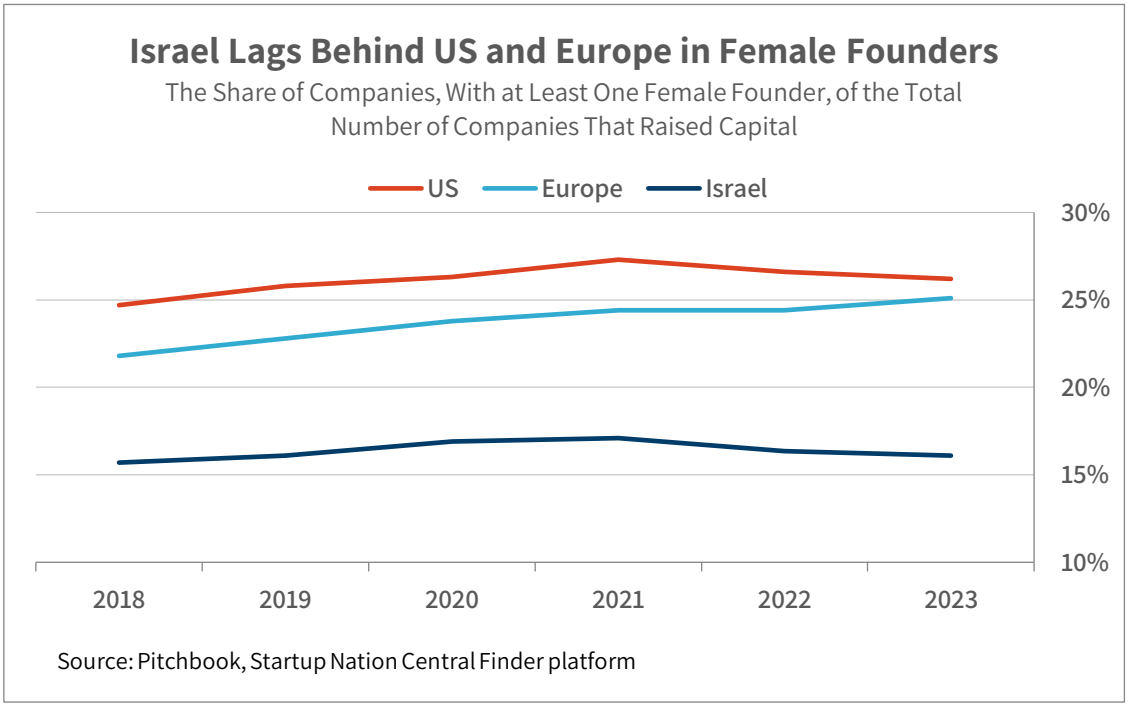

Figure 4

3. The Gender Gap in Entering High-Tech is Driven by the Gender Gap in Academia

The gender gap in entering high-tech is mainly a direct result of gaps in the share of women in the academic programs that lead to employment in the industry. We divide academic majors into three families:

- **High-tech majors**: degrees in mathematics, computer science, and electronic engineering, software, and similar fields. Graduates with these degrees enter the high-tech industry at the highest rates (about 70% in the five years after the degree);
- **Non-high-tech STEM majors:** the rest of the natural sciences and other engineering programs, which lead to high-tech employment at a slightly lower rate (about 50-60%);
- All other majors.

As can be seen in Figure 5, there is a small gender gap in men's favor. In particular, in 2023 the chances of a man who obtained a degree in a high-tech major to start a job in high-tech were 3 percentage points higher than a woman with similar education. We find similar gaps (3-4%) in the other families as well. That is, given the field of study, the gender gap in entrance into employment in high-tech is small.

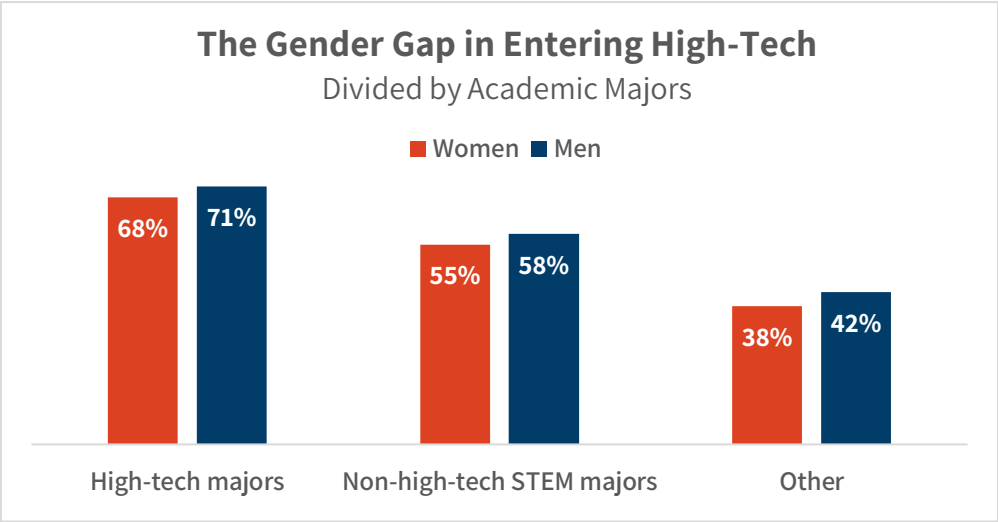

Figure 5

The main gap in employment, therefore, is driven by the low share of women in the STEM majors and especially in the high-tech ones. Chart 6 shows the proportion of women among graduates of these programs from 2010. In 2023, the proportion of women in high-tech majors was only 28%, and in other STEM majors 40%. The fact that over the past decade and a half this gap in education has not narrowed is particularly worrying (the year-to-year changes visible in the graph are statistically insignificant).

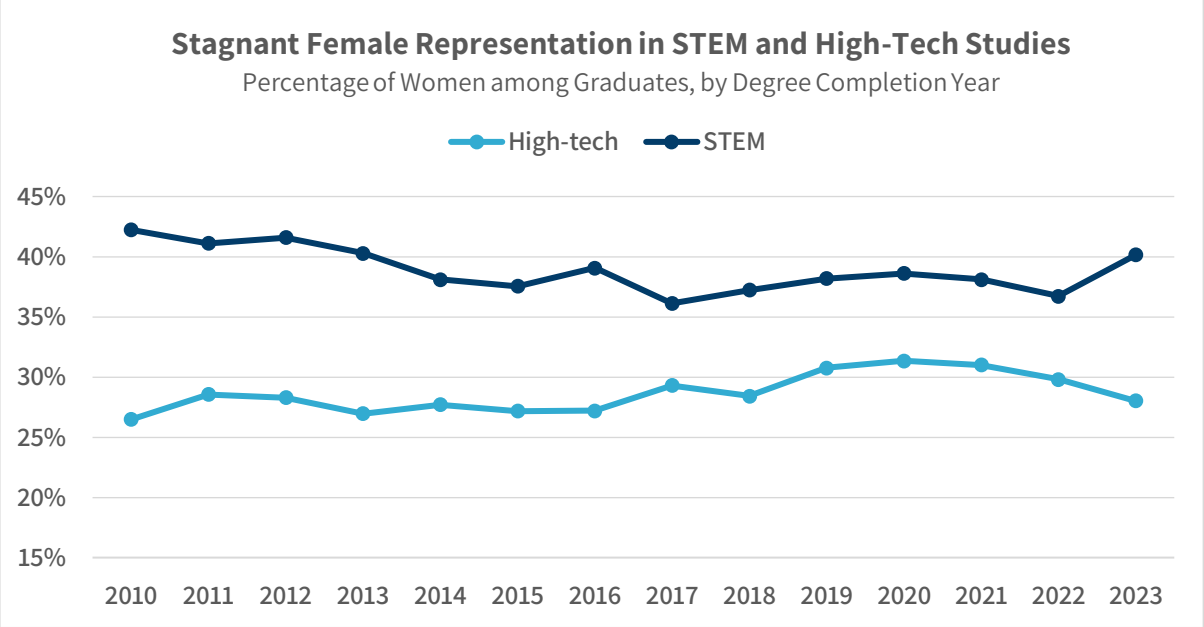

Figure 6