

At Google, Employee-Led Effort Finds Men Are Paid More Than Women

By Daisuke Wakabayashi

Sept. 8, 2017

<https://www.nytimes.com/2017/09/08/technology/google-salaries-gender-disparity.html>

SAN FRANCISCO — Female employees are paid less than male staff members at most job levels within Google, and the pay disparity extends as women climb the corporate ladder, according to data compiled by employees that provide a snapshot of salary information at the internet giant.

A spreadsheet, obtained by The New York Times, contains salary and bonus information for 2017 that was shared by about 1,200 United States Google employees, or about 2 percent of the company's global work force.

While Google said the data painted an incomplete picture of how people are paid, the salary details shared by employees are likely to heighten concerns over gender disparities in Silicon Valley.

Even as America's technology giants continue to grow in wealth and influence, most have shown little progress in leveling the playing field for women, who are underrepresented in key engineering and leadership roles and are paid less than men. These gender imbalances are reflected in long-term studies of large companies around the world by the McKinsey Global Institute.

The scrutiny has been especially intense at Google. Long regarded as one of the world's best workplaces because of its perks and generous compensation, the company is under examination by the Labor Department and has faced criticism from investors and some of its own employees over differences in how women and men are paid.

"Silicon Valley has established itself as the boys' club of the West, just like how Wall Street has established itself as the boys' club of the East," said Natasha Lamb, director of equity research and shareholder engagement at Arjuna Capital, a wealth management firm that takes activist positions on issues such as gender pay.

At a shareholder meeting for Alphabet, Google's parent company, earlier this year, Arjuna Capital put forward a proposal for the company to disclose what women make compared with their male peers. Arjuna had successfully persuaded seven of nine technology companies, including Apple, Amazon.com and Microsoft, to disclose that data. Alphabet's directors urged shareholders to vote against the measure, and it failed.

The self-reported Google salary spreadsheet was started in 2015 by a former employee who wanted to help co-workers negotiate better salaries. That employees were keeping track of this information became public knowledge soon after, but the spreadsheet's details remained private.

The salary information in the spreadsheet cannot be viewed as an exact portrait of what people make at the company, because some employees may have erred when they put in their information. At some job levels, only a handful of employees volunteered to share their salary information, so a few salaries can

skew the data. Even though it's not a random sample of staff members, the information is tracked closely throughout the company.

The spreadsheet covers levels one through six of Google's job hierarchy, from entry-level data center workers at level one to managers and experienced engineers at level six. It does not include company executives and top-level engineers, who receive a wider range of salaries.

At five of the six job levels, women are paid less than men. At level three, the entry level for technical positions, women make 4 percent less than men at \$124,000 in salary and bonus. But it widens to 6 percent by the time employees reach midcareer status, around level five, with women earning, on average, \$11,000 less than men.

Google said the spreadsheet's information does not take into account a number of factors, like where employees are based, whether they are in higher-paying technical positions, and job performance.

Based upon its own analysis from January, Google said female employees make 99.7 cents for every dollar a man makes, accounting for factors like location, tenure, job role, level and performance.

Google said its analysis includes salary, bonus and equity compensation for 95 percent of employees between levels one and nine — three levels beyond what was reflected in the data shared with The Times — while excluding vice presidents and above. Google did not provide a breakdown of how it arrived at that calculation.

Eileen Naughton, Google's vice president of people operations, said the gender pay disparity reflected in the internal spreadsheet is "not a representative sample" for other, more complex reasons. For example, a person in a nontechnical role may be at the same job level as an engineer, but will be paid significantly less because "there is a premium paid in all markets for highly technical talent."

In its [annual diversity report](#), Google said only 20 percent of its higher-paid technical positions are filled by women, and women make up 31 percent of the company's overall work force.

The percentage of women in technical positions is lower than the overall percentage of female employees, with more women in sales, marketing, human resources or legal. Those roles, according to Ms. Naughton, do not have the same entry-level or midcareer salaries as technical positions.

Other factors include geography and job performance. A position at Google's main office in Mountain View, Calif. — where the cost of living is high — may pay a lot more than a Google employee of a similar rank hired in a cheaper market. In addition, job performance significantly governs a person's pay over time — another factor not reflected in the spreadsheet.

Google said it tries to exclude gender when determining salaries. Human resources analysts who determine what salary a person is offered when he or she joins Google do not know the candidate's gender. Similarly, when an employee's salary is up for annual review, the company takes into account the person's job performance, location and competitive salaries — but the analysts are not informed of the person's gender.

"There's a meme around tech companies and Silicon Valley, around issues having to do with gender equity in tech," Ms. Naughton said. "I do believe Google, because of its size and perhaps our size or our prominence in people's everyday lives, I think we're in the spotlight. It feels a little unfair."

What Google pays men versus women is at the heart of a dispute with the Department of Labor. The company is fighting over how much data it needs to hand over as part of a routine audit of its pay practices. Google is a federal contractor because it sells advertising to the government.

In April, a Labor Department official [said in a hearing](#) that it needed more data because “we found systemic compensation disparities against women pretty much across the entire work force.” The Labor Department hasn’t charged Google with any wrongdoing.

Google said it has already shared a lot of data and documents and that the Labor Department is overreaching by asking for employees’ private information. An administrative law judge ruled in July that Google had to disclose some data but not as much as the Labor Department had wanted.

Google is also confronting broader questions about how women at the company are regarded after [a software engineer published a memo](#) arguing that Google’s efforts to reach equal representation of women in technology and leadership roles were unfair and not good for business.

James Damore, 28, the engineer who wrote [the memo](#), said the shortage of women in engineering and leadership positions stemmed from what he called “personality differences” between men and women — like a woman having lower stress tolerance. Google [fired Mr. Damore last month](#) for “advancing harmful gender stereotypes.”

James Finberg, a civil rights lawyer and partner at Altshuler Berzon L.L.P., said he expected to bring a class-action lawsuit against Google for “substantial gender disparities” later this month. Mr. Finberg said more than 90 current and former female employees have come forward to be plaintiffs.

He said that these women spoke about experiencing discrimination by being slotted into positions at a level below a man with similar qualifications and that women are not promoted with the same frequency as men. He said that some of the gender stereotypes cited in the memo are widespread and that they kept women out of higher-paying engineering jobs.

“It is an atmosphere filled with stereotypes, that the comments espoused in the memo were not isolated incidents,” Mr. Finberg said. “They are more of the norm than the anomaly.”

A version of this article appears in print on Sept. 9, 2017, Section B, Page 3 of the New York edition with the headline: Google’s Female Workers Receive Lower Wages, Data Suggests.