Women in the Workplace: Improving diversity and inclusion

December 1, 2020
Today’s discussion

- The talent pipeline overall and across industries
- Key workplace experience differences by gender and race
- COVID-19 impact
- Actions companies and we can take
Our sixth year

Women in the Workplace is a multi-year joint research effort by McKinsey & Company and LeanIn.org. It is the largest comprehensive study of the state of women in corporate America.

This year…

- **317** Participating companies
- **12 million+** Employees in participating companies
- **40,000+** Employees surveyed on their workplace experiences
- **45+** In-depth 1-on-1 interviews
The pre-COVID-19 talent pipeline shows continued progress at the top, but the broken rung remains

% of employees by level

Pre-COVID-19

<table>
<thead>
<tr>
<th>Level</th>
<th>Entry level</th>
<th>Manager</th>
<th>Sr. Manager</th>
<th>VP</th>
<th>SVP</th>
<th>C-suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>White men</td>
<td>35</td>
<td>44</td>
<td>51</td>
<td>57</td>
<td>59</td>
<td>66</td>
</tr>
<tr>
<td>Men of color</td>
<td>18</td>
<td>18</td>
<td>15</td>
<td>13</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>White women</td>
<td>18</td>
<td>12</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Women of color</td>
<td>29</td>
<td>26</td>
<td>25</td>
<td>24</td>
<td>23</td>
<td>19</td>
</tr>
</tbody>
</table>

% of women¹

<table>
<thead>
<tr>
<th>Year</th>
<th>Entry level</th>
<th>Manager</th>
<th>Sr. Manager</th>
<th>VP</th>
<th>SVP</th>
<th>C-suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>47</td>
<td>38</td>
<td>33</td>
<td>29</td>
<td>28</td>
<td>21</td>
</tr>
<tr>
<td>2015</td>
<td>45</td>
<td>37</td>
<td>32</td>
<td>27</td>
<td>23</td>
<td>17</td>
</tr>
</tbody>
</table>

'15 to '20 change, %

<table>
<thead>
<tr>
<th>Level</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry level</td>
<td>5%</td>
</tr>
<tr>
<td>Manager</td>
<td>3%</td>
</tr>
<tr>
<td>Sr. Manager</td>
<td>5%</td>
</tr>
<tr>
<td>VP</td>
<td>4%</td>
</tr>
<tr>
<td>SVP</td>
<td>18%</td>
</tr>
<tr>
<td>C-suite</td>
<td>22%</td>
</tr>
</tbody>
</table>

¹. Sum of % White women and % women of color may not sum to overall % women because overall figure includes employees with race not reported

Source: 2020 Women in the Workplace research
Talent pipelines vary by industry with some struggling to attract entry-level talent: IT, Banking, Professional Services, and Healthcare

<table>
<thead>
<tr>
<th>Industry</th>
<th>Entry level</th>
<th>Manager</th>
<th>Senior Manager</th>
<th>VP</th>
<th>SVP</th>
<th>C-Suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>47%</td>
<td>38%</td>
<td>33%</td>
<td>29%</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>IT Services and Telecom</td>
<td>35%</td>
<td>28%</td>
<td>24%</td>
<td>20%</td>
<td>17%</td>
<td>16%</td>
</tr>
<tr>
<td>Banking and consumer finance</td>
<td>51%</td>
<td>43%</td>
<td>38%</td>
<td>33%</td>
<td>30%</td>
<td>26%</td>
</tr>
<tr>
<td>Professional and information services</td>
<td>53%</td>
<td>44%</td>
<td>34%</td>
<td>29%</td>
<td>25%</td>
<td>30%</td>
</tr>
<tr>
<td>Healthcare systems and services</td>
<td>75%</td>
<td>67%</td>
<td>57%</td>
<td>51%</td>
<td>42%</td>
<td>29%</td>
</tr>
</tbody>
</table>
A key driver of the gender gap at work is the broken “first rung” of promotions to manager

Women held 38% of all manager positions (men held 62%)

If women and women were promoted to manager at the same rates, we would add 1 million more women to management in the next 5 years

For every

100 men

Promoted or hired into the manager level

...85 women

Are promoted or hired

58 Black women

Are promoted or hired
Women see the workplace as fundamentally less fair, and black women face even greater challenges

### How women view opportunity

<table>
<thead>
<tr>
<th>% of women who think …</th>
<th>Black</th>
<th>Asian</th>
<th>Latina</th>
<th>White</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>They have equal opportunity for growth as their peers</td>
<td>56%</td>
<td>62%</td>
<td>63%</td>
<td>69%</td>
<td>69%</td>
</tr>
<tr>
<td>Promotions are based on fair and objective criteria</td>
<td>35%</td>
<td>42%</td>
<td>44%</td>
<td>48%</td>
<td>48%</td>
</tr>
<tr>
<td>The best opportunities go to the most deserving employees</td>
<td>28%</td>
<td>39%</td>
<td>40%</td>
<td>41%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Employees who view their workplace as fair are 3x more likely to be engaged in their work, 3x more likely want to stay there, and 3x more likely to recommend their company to friends and family
Microaggressions can have a significant impact

<table>
<thead>
<tr>
<th>Having competence questioned</th>
<th>All men</th>
<th>White women</th>
<th>Asian women</th>
<th>Latinas</th>
<th>Black women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Needing to provide more evidence of your judgment</td>
<td>14%</td>
<td>28%</td>
<td>30%</td>
<td>28%</td>
<td>40%</td>
</tr>
<tr>
<td>Having your judgment questioned in your area of expertise</td>
<td>39%</td>
<td>39%</td>
<td>30%</td>
<td>31%</td>
<td>41%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Being overlooked</th>
<th>All men</th>
<th>White women</th>
<th>Asian women</th>
<th>Latinas</th>
<th>Black women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being interrupted or spoken over</td>
<td>34%</td>
<td>53%</td>
<td>43%</td>
<td>42%</td>
<td>43%</td>
</tr>
<tr>
<td>Having others take or get credit for your ideas</td>
<td>27%</td>
<td>40%</td>
<td>64%</td>
<td>33%</td>
<td>35%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Being disrespected</th>
<th>All men</th>
<th>White women</th>
<th>Asian women</th>
<th>Latinas</th>
<th>Black women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being mistaken for someone as a much lower level</td>
<td>9%</td>
<td>17%</td>
<td>18%</td>
<td>16%</td>
<td>20%</td>
</tr>
<tr>
<td>Hearing demanding remarks about you or people like you</td>
<td>11%</td>
<td>15%</td>
<td>12%</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Hearing other’s surprise at your language skills or other abilities</td>
<td>8%</td>
<td>11%</td>
<td>16%</td>
<td>18%</td>
<td>26%</td>
</tr>
<tr>
<td>Feeling like you can’t talk about yourself or your life outside work</td>
<td>7%</td>
<td>10%</td>
<td>8%</td>
<td>9%</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: 2019 McKinsey and LeanIn.Org Women in the Workplace study
Women onlys are more ambitious, yet they are more likely to think of leaving their companies

Ambition level
% of women onlys vs. Non-onlys who . . .

- Want to be promoted to the next level: 78% onlys, 68% non-onlys
- Want to be a top executive: 45% onlys, 28% non-onlys

Thinking of leaving
% of women onlys vs. Non-onlys who . . .

- Often think about leaving your job: 26% onlys, 17% non-onlys
- Thinking of leaving in the next two years: 34% onlys, 25% non-onlys

Source: 2019 McKinsey and LeanIn.Org Women in the Workplace study
Because men typically hold more senior-level positions, this means women are less likely to get access to people who can open doors for them.

**Women’s professional networks skew more female**

- **Women’s networks**
  - Mostly women: 27%
  - Mostly men: 45%
  - Equal split: 27%

- **Men’s networks**
  - Mostly women: 9%
  - Mostly men: 55%
  - Equal split: 37%
Fewer women aspire to be top executives, and people of color aspire to be top executives more than their white peers.

Source: 2019 McKinsey and LeanIn.Org Women in the Workplace study
Dual career couples are increasing, with 4 out of 5 women in a dual career

% of employees in dual career couples

- **2015**: 60%
  - All: 47%
  - Men: 13%
  - Women: 53%
- **2019**: 75%
  - All: 68%
  - Men: 56%
  - Women: 81%

Source: 2019 McKinsey and LeanIn.Org Women in the Workplace study
Women, even women who are the primary bread winners, are much more likely to do all or most of the housework than their male peers.

**Women do most housework...**

- 54% of men and women that do all or most of the housework
- 22% of men

...this holds even for primary bread winners

- On average, 12% of men report doing all or most of the household work
- Compared to 43% of women

Source: 2019 McKinsey and LeanIn.Org Women in the Workplace study
COVID-19 placed us at a crossroads

Optimism that remote work can improve flexibility and diversity…

- **70%** Companies agree that remote work will help hire and retain more diverse employees
- **69%** Employees say remote work can provide the flexibility they need to have work/life balance
- **#1** In 2019 flexibility was the top challenge raised by employees

… but big challenges that put at risk the progress earned

- **1 in 4** Women who are considering leaving the workforce or downshifting their careers
- **2M+** Potential number of women who could exit the workforce
- **Progress over last 6 years** could be erased in one year

Source: 2020 Women in the Workplace research
COVID-19 surfaced new challenges for employees

Since the start of the COVID-19 crisis, the biggest challenges for employees have been:

% Employees rating in top 3 challenges

- Anxiety over layoffs or furloughs: 31%
- Burnout: 28%
- Mental health: 23%
- Childcare and/or home-schooling: 21%
- Physical/mental health of loved ones: 20%

1. Based on data from 3,417 responses across 5 companies categorized under "Asset Management and Institutional Investors", "Banking and Consumer Finance", and "Payments"

Source: 2020 Women in the Workplace research
Three groups face distinct challenges: Mothers, senior women, and Black women

<table>
<thead>
<tr>
<th>% Employees agreeing they feel</th>
<th>All employees</th>
<th>Men</th>
<th>Women</th>
<th>Mothers of young children</th>
<th>Senior women</th>
<th>Black women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncomfortable sharing¹</td>
<td>40</td>
<td>36</td>
<td>45</td>
<td>50</td>
<td>50</td>
<td>58</td>
</tr>
<tr>
<td>Exhausted</td>
<td>34</td>
<td>31</td>
<td>37</td>
<td>42</td>
<td>54</td>
<td>40</td>
</tr>
<tr>
<td>Burned out</td>
<td>30</td>
<td>28</td>
<td>32</td>
<td>34</td>
<td>39</td>
<td>33</td>
</tr>
<tr>
<td>Excluded</td>
<td>11</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>11</td>
<td>17</td>
</tr>
</tbody>
</table>

1. Picked at least one response to "While interacting with co-workers during the last few months, there have been times when I felt uncomfortable sharing:"
   Options included "My work/life challenges", "My status as a parent", and "My thoughts about racial inequity"
2. Women in senior leadership roles (VP, SVP, and C-suite)

Source: 2020 Women in the Workplace research
COVID amplified challenges for mothers, Black women, and senior women

**Mothers**

**3+ hours per day**

The double shift has gotten worse

**1 in 4**

Mothers worry that their performance is judged negatively due to their parental duties

**Black women**

52% of Black women report being the “only” of their gender and race in the room

1.6x more likely to hear demeaning remarks

2.5x more likely to report the death of a loved one was a big challenge

1.5x more likely to feel uncomfortable sharing their experience of grief

**Senior-level women**

Since the start of COVID-19 women are experiencing greater pressures than their male colleagues...

47% Feel they need to be “always on”

54% Have felt consistently exhausted

Source: 2020 Women in the Workplace research
Opportunity to step up allyship to support Black women

Black women who have allies are more likely to have positive workplace experiences, % of employees who agree

- **I feel I can bring my whole self to work**
  - All non-Black women: 80%
  - Black women with allies: 81%
  - Black women without allies: 41%

- **Compared to my peers in this company, I have an equal opportunity for advancement.**
  - All non-Black women: 58%
  - Black women with allies: 54%
  - Black women without allies: 23%

- **I would recommend this company as a great place to work**
  - All non-Black women: 86%
  - Black women with allies: 87%
  - Black women without allies: 65%

... and less likely to experience micro-aggressions, % of employees who experienced

- **Feeling like I can’t talk about the impact current events are having on me or people in my community**
  - All non-Black women: 8%
  - Black women with allies: 18%
  - Black women without allies: 29%

- **Discomfort sharing the challenges I am facing with my teammates or manager**
  - All non-Black women: 13%
  - Black women with allies: 10%
  - Black women without allies: 25%

Source: 2020 Women in the Workplace research

1. Includes women who identified as Asian, Latina, White, Native Hawaiian or Pacific Islander, Native American, Other, or identified with more than one race/ethnicity. Does not include those who chose not to disclose their race.
Employees want to step up, but often don’t know how

Many employees self-identify as allies to women of color …

… but not as many take consistent and concrete actions to support them

<table>
<thead>
<tr>
<th>Action</th>
<th>All men</th>
<th>All women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mentor or sponsor one or more women of color</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Take a public stand to support racial equality</td>
<td>26</td>
<td>32</td>
</tr>
<tr>
<td>Actively listen to personal stories of women of color about bias</td>
<td>32</td>
<td>52</td>
</tr>
</tbody>
</table>

63% of employees surveyed self-identify as allies to women of color

Source: 2020 Women in the Workplace research
COVID-19 challenges us to reimagine work

Disruptions in how we work

- 93% Of companies think more jobs can be performed remotely
- 91% Of companies say they will cut business travel
- 77% Of employees say they would work from home more than before

Opportunities to work differently (and better)

- Lack of geographic constraints can help companies diversify their hiring pools
- Potential for greater flexibility in working hours can help women balance work/life demands
- Holistic support for employee well-being can provide a more inclusive workplace

2. Employee experience data based on 3,417 responses across 5 companies

Source: 2020 Women in the Workplace research
### Actions we can take

<table>
<thead>
<tr>
<th>Actions companies can take:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make work more sustainable and flexible</td>
</tr>
<tr>
<td>Take a close look at performance reviews</td>
</tr>
<tr>
<td>Minimize unconscious bias</td>
</tr>
<tr>
<td>Strengthen employee communication</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Actions you personally can take:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proactively broaden your sponsorship network</td>
</tr>
<tr>
<td>Ask for and give tough and direct feedback—early and often</td>
</tr>
</tbody>
</table>
Thank you

Read the full report: www.womenintheworkplace.com