

# Women in the Workplace 2019

Five years in to our research, we see bright spots at senior levels. But companies need to focus their efforts earlier in the pipeline to make real progress.

*By Jess Huang, Alexis Krivkovich, Irina Starikova, Lareina Yee, and Delia Zanoschi*



**This year marks the fifth year** of our research on women in the workplace, conducted in partnership with LeanIn.Org. We look back on data and insights since 2015 from close to 600 companies that participated in the study, more than a quarter of a million people that were surveyed on their workplace experiences, and more than 100 in-depth one-on-one interviews that were conducted. (See our infographic below for top-level findings from the past five years.)

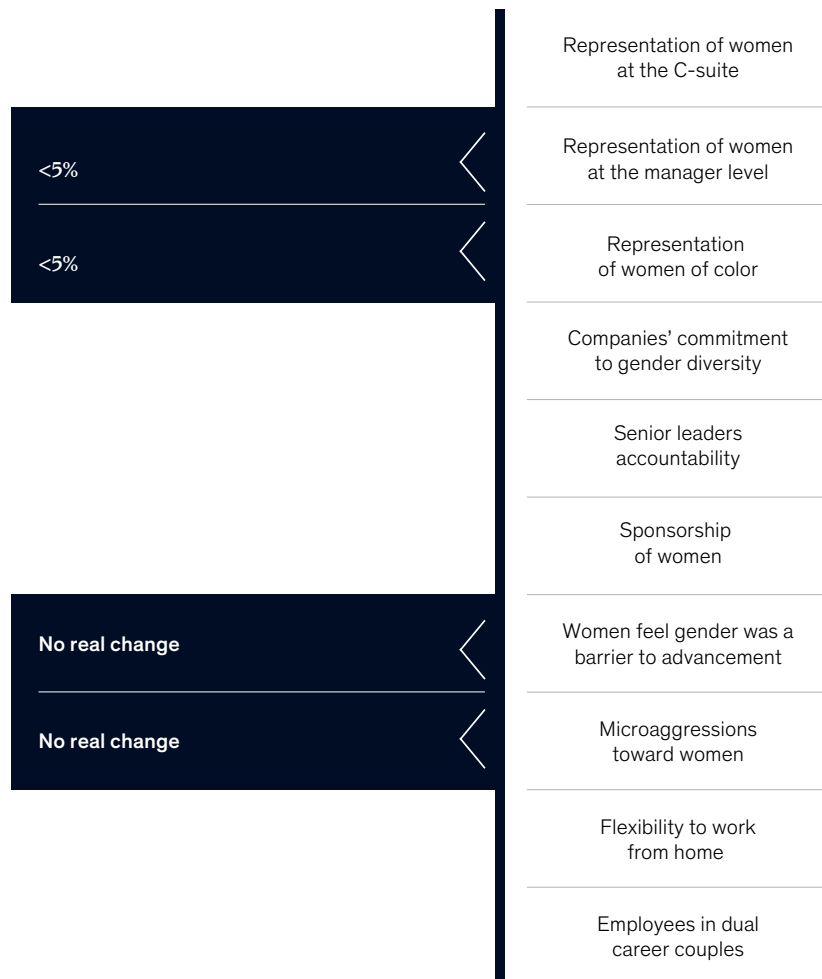
In the last five years, we've seen more women rise to the top levels of companies. An increasing number of companies are seeing the value of having more women in leadership, and they're proving that they can make progress on gender diversity. This is an important step in the right direction.

Still, women continue to be underrepresented at every level. To change the numbers, companies need to focus where the real problem is. We often talk

## A look back shows where companies have made progress—and where more needs to be done.

### Progress over the years for women<sup>1</sup>

**Status quo** (little or no improvement<sup>2</sup>)



**Bright spot** (notable improvement<sup>2</sup>)



<sup>1</sup>Where 2015 data was not available, best historical data was used instead for comparison.

<sup>2</sup>Changes reflected in either percent change for representation or percentage points (pp).

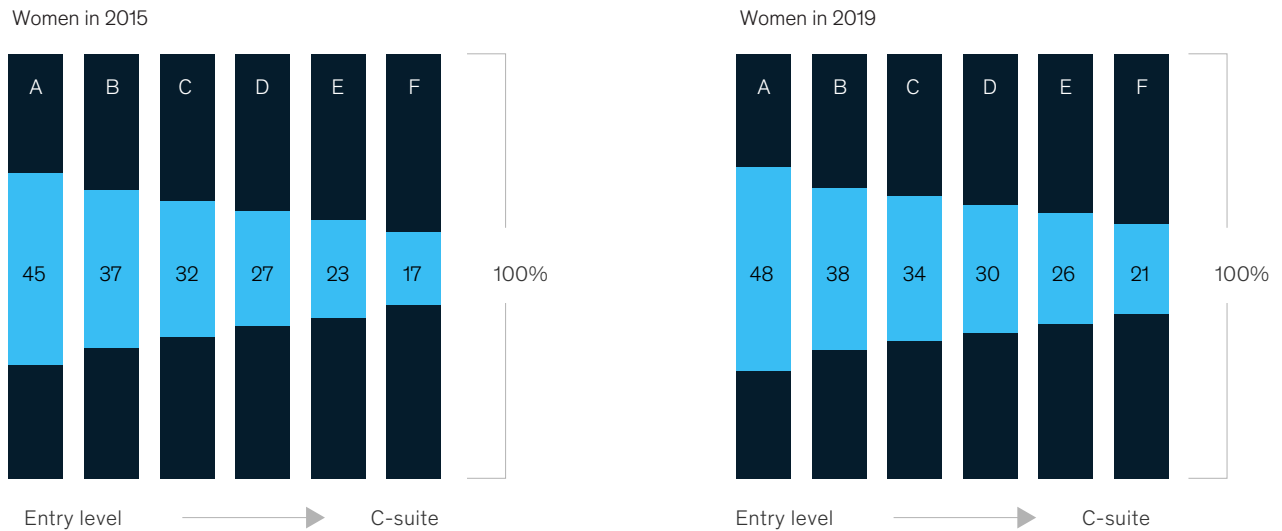
Source: 2019 McKinsey & Company and LeanIn.Org Women in the Workplace study

Exhibit 1

**Representation of women in senior leadership has increased, but women continue to be underrepresented at every level.**

**Representation of women by level, % of employees**

A = Entry-level B = Manager C = Senior Manager/Director D = Vice President E = Senior Vice President F = C-suite



Source: 2019 McKinsey & Company and LeanIn.Org Women in the Workplace study

about the “glass ceiling” that prevents women from reaching senior leadership positions. In reality, the biggest obstacle that women face is much earlier in the pipeline, at the first step up to manager. Fixing this “broken rung” is the key to achieving parity.

The culture of work is equally important. All employees should feel respected and that they have an equal opportunity to grow and advance. Employees care deeply about opportunity and fairness, not only for themselves but for everyone. They want the system to be fair.

Done right, efforts to hire and promote more diverse candidates and create a strong culture reinforce each other. A more diverse workforce will

naturally lead to a more inclusive culture. And when a company’s culture feels fair and inclusive, women and underrepresented groups are happier and more likely to thrive.

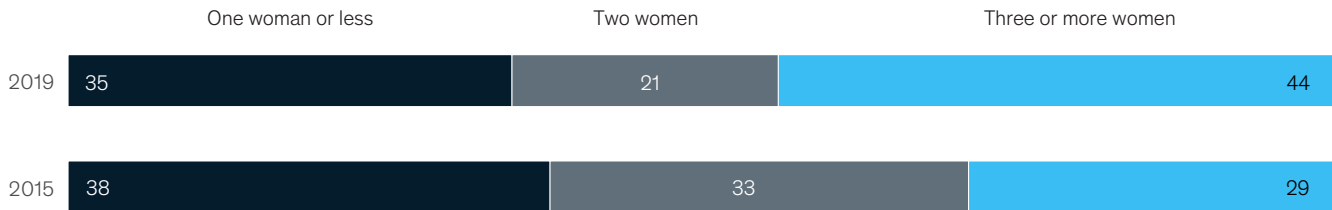
By fostering diversity, building a culture of opportunity and fairness, and focusing their attention on the broken rung, companies can close their gender gaps—and make progress on the road to equality.

In this article, we share highlights from the full *Women in the Workplace 2019* report, diving deep on the parts across pipeline and employee experience that will be most critical for companies to drive change in the next five years.

Exhibit 2

## Companies are adding more women to the C-suite.

Companies by number of women in C-suite, % of companies



Source: 2019 McKinsey & Company and LeanIn.Org Women in the Workplace study

### Despite progress at senior levels, gender parity remains out of reach

Over the past five years, we have seen signs of progress in the representation of women in corporate America. Since 2015, the number of women in senior leadership has grown. This is particularly true in the C-suite, where the representation of women has increased from 17 percent to 21 percent (Exhibit 1).

Although this is a step in the right direction, parity remains out of reach. Women—and particularly women of color—are underrepresented at every level.<sup>1</sup> And without fundamental changes early in the pipeline, gains in women’s representation will ultimately stall.

### Companies are adding more women to the C-suite

Today, 44 percent of companies have three or more women in their C-suite, up from 29 percent of companies in 2015 (Exhibit 2). Adding even one woman can make a material difference given the critical role top executives play in shaping the business and culture of their company. Still, the overall representation of women in the C-suite is

far from parity. About 1 in 5 C-suite executives is a woman—and only 1 in 25 C-suite executives is a woman of color.

### There are signs the glass ceiling is cracking . . .

More women are becoming senior leaders. This is driven by two trends. First, more women are being hired at the director level and higher than in the past years. Second, senior-level women are being promoted on average at a higher rate than men.

Additionally, men at the SVP and C-levels are slightly more likely to leave their companies, creating more open positions for women to fill.

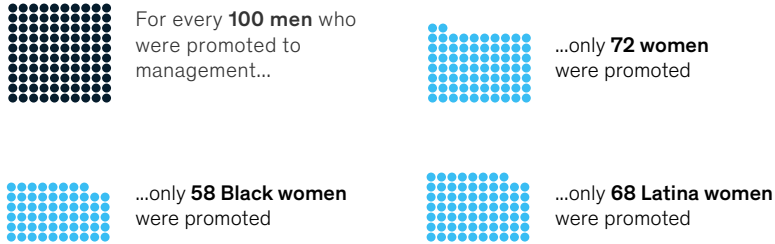
### . . . But a “broken rung” prevents women from reaching the top

Progress at the top is constrained by a “broken rung.” The biggest obstacle women face on the path to senior leadership is at the first step up to manager (Exhibit 3). For every 100 men promoted and hired to manager, only 72 women are promoted and hired. This broken rung results in more women getting stuck at the entry level, and fewer women becoming

<sup>1</sup> In this study, women of color include Black, Latina, Asian, American Indian or Alaskan Native, Native Hawaiian, Pacific Islander, or mixed-race women. However, due to small sample sizes, reported findings on individual racial/ethnic groups are restricted to Black women, Latinas, and Asian women.

## The biggest obstacle women face is the first step up to management.

### Ratio of promotions to first-level manager by gender and race



If women are promoted and hired to first-level manager at the same rates as men, we will add

# 1 million more women

to management in corporate America over the next five years.

Source: 2019 McKinsey & Company and LeanIn.Org Women in the Workplace study

managers. Not surprisingly, men end up holding 62 percent of manager-level positions, while women hold just 38 percent.

This early inequality has a long-term impact on the talent pipeline. Since men significantly outnumber women at the manager level, there are significantly fewer women to hire or promote to senior managers. The number of women decreases at every subsequent level. So even as hiring and promotion rates improve for women at senior levels, women as a whole can never catch up. There are simply too few women to advance.

The case for fixing the broken rung is powerful. If women are promoted and hired to first-level manager at the same rates as men, we will add one million more women to management in corporate America over the next five years.

### To get to gender parity, companies must fix the broken rung

For many companies, diversity efforts in hiring and promotions are focused at senior levels, and we're encouraged by the gains that we are seeing in senior leadership. Now companies need to apply the same rigor to addressing the broken rung. Fixing it will set off a positive chain reaction across the entire pipeline. As more women become managers, there

will be more women to promote and hire at each subsequent level. Put another way, more entry-level women will rise to management, and more women in management will rise to senior leadership.

### Five steps companies can take to fix their broken rung—and ultimately their pipeline

#### 1. Set a goal for getting more women into first-level management

About a third of companies set targets for the representation of women at first-level management, compared to 41 percent for senior levels of management. Companies should use targets more aggressively. Given how important it is to fix the broken rung, companies would be well served by setting and publicizing a bold goal to grow the number of women at the manager level. Moreover, companies should put targets in place for hiring and promotions, the processes that most directly shape employee representation.

#### 2. Require diverse slates for hiring and promotions

Companies are more likely to require diverse candidate slates for promotions at senior levels

than at the manager level. But outside research shows that diverse slates can be a powerful driver of change at every level. When two or more women are included on a slate, the likelihood that a woman will get the position rises dramatically.<sup>2</sup>

### **3. Put evaluators through unconscious bias training**

Unconscious bias can play a large role in determining who is hired, promoted, or left behind. Companies are less likely to provide unconscious bias training for employees who participate in entry-level performance reviews than senior-level reviews, but mitigating bias at this stage is particularly important. Candidates tend to have shorter track records early in their careers, and evaluators may make unfair, gendered assumptions about their future potential. There is also compelling evidence that this training works: In companies with smaller gender disparities in representation,<sup>3</sup> half of employees received unconscious bias training in the past year, compared to only a quarter of employees in companies that aren't making progress closing these gaps.

### **4. Establish clear evaluation criteria**

Companies need to make sure they have the right processes in place to prevent bias from creeping into hiring and reviews. This means establishing clear evaluation criteria before the review process begins. Evaluation tools should also be easy to use and designed to gather objective, measurable input. For example, a rating scale is generally more effective than an open-ended assessment.

Even with the right systems in place, processes can break down in practice. Employees are less likely than HR leaders to say that evaluation criteria are defined before candidate reviews begin, and they report that participating employees do not typically

flag bias when they see it. This points to the need for companies to put additional safeguards in place to encourage fair, unbiased evaluations. Without exception, candidates for the same role should be evaluated using the same criteria. Employees should feel empowered to surface bias in the moment and have the training and resources to act when they observe it. In addition, outside research shows that it can help to have a third party in the room when evaluators discuss candidates to highlight potential bias and encourage objectivity.<sup>4</sup>

### **5. Put more women in line for the step up to manager**

It is critical that women get the experience they need to be ready for management roles, as well as opportunities to raise their profile so they get tapped for them. The building blocks to make this happen are not new—leadership training, sponsorship, high-profile assignments—but many companies need to provide them with a renewed sense of urgency.

## **Together, opportunity and fairness are the biggest predictors of employee satisfaction**

Employees universally value opportunity and fairness. Across demographic groups, when employees feel they have equal opportunity for advancement and think the system is fair, they are happier with their career, plan to stay at their company longer, and are more likely to recommend it as a great place to work. In fact, we looked at a number of factors that prior outside research has shown influence employee satisfaction and retention—including leadership accountability and manager support—and together opportunity and fairness stand out as the strongest predictors by far.

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<sup>2</sup> Cynthia DuBois, "The Impact of "Soft" Affirmative Action Policies on Minority Hiring in Executive Leadership: The Case of the NFL's Rooney Rule," *American Law and Economics Review* 18.1 (1 April 2016): 208–233, <https://doi.org/10.1093/aler/ahv019>; Stefanie K. Johnson, David R. Hekman, and Elsa T. Chan, "If There's Only One Woman in Your Candidate Pool, There's Statistically No Chance She'll Be Hired," *Harvard Business Review*, April 26, 2016, <https://hbr.org/2016/04/if-theres-only-one-woman-in-your-candidate-pool-theres-statistically-no-chance-shell-be-hired>; Jean Martin, "A Fairer Way to Make Hiring and Promotion Decisions," *Harvard Business Review*, August 13, 2013, <https://hbr.org/2013/08/a-fairer-way-to-make-hiring-an>.

<sup>3</sup> Defined as companies with the highest ratio of manager-level to entry-level women's representation.

<sup>4</sup> Shelley Correll, "Reducing gender biases in modern workplaces: A small wins approach to organizational change," *Gender & Society* 31, no. 6 (December 1, 2017): 725–50, [stanford.edu](http://stanford.edu).

## **Many employees think they have equal opportunity to advance—but they are less convinced all employees do**

A majority of employees believe they personally have equal opportunity to grow and advance, but they are less convinced the system is fair for everyone. Fewer than half of women and men think the best opportunities go to the most deserving employees, and fewer than a quarter say that only the most qualified candidates are promoted to manager. On both fronts, women are less optimistic than men.

## **A few key practices shape how employees view opportunity and fairness**

Manager support, sponsorship, and impartial hiring and promotion practices are key elements in creating a workplace that delivers opportunity and fairness to everyone. Managers and sponsors open doors that help employees advance. And when hiring and promotions are unbiased, the most deserving employees can rise to the top—and employees feel more confident that the process for advancement is fair.

### **1. Manager support**

Managers have a big impact on how employees view their day-to-day opportunities. Employees are more likely to think they have equal opportunities for growth and advancement when their manager helps them manage their career, showcases their work, and advocates for new opportunities for them on a regular basis.

Most managers provide this type of career support, and women and men report receiving similar amounts of help from their manager. However, managers don't do these things with enough consistency: only about one in four employees say managers help them manage their career and about one in three say managers advocate for new opportunities for them a great deal.

Companies can help by making sure managers have the tools and training they need to more fully support their team members—and by rewarding them when they do.

### **2. Sponsorship**

Sponsorship can open doors, and more employees need it. Fewer than half of the employees at the manager level or higher serve as sponsors, and only one in three employees say they have a sponsor—and this is equally true for women and men. Moreover, less than a third of employees say they get the sponsorship needed to advance their career. Fortunately, sponsorship is trending in the right direction—just a year ago, a quarter of employees reported having a sponsor.

Companies would be wise to double down on sponsorship. Outside research shows that sponsorship accelerates career advancement,<sup>5</sup> and employees with sponsors are far more likely to say they have opportunities to grow and advance.

### **3. Inclusive and unbiased hiring and promotions**

When companies have strong hiring and performance review processes in place, employees are more likely to think the system is fair and the most deserving employees are able to rise to the top. Over the past five years, more companies have adopted these best practices, but progress toward full adoption is slow. This year only 6 of 323<sup>6</sup> companies report they do all of the following: set diversity targets, require diverse slates for hiring and promotions, establish clear and consistent evaluation criteria before review processes begin, and require unconscious bias training for employees involved in hiring and performance reviews.

In combination, these are the building blocks needed to foster diversity and minimize bias in decision-making. Given that hiring and promotions are powerful levers in driving pipeline diversity and

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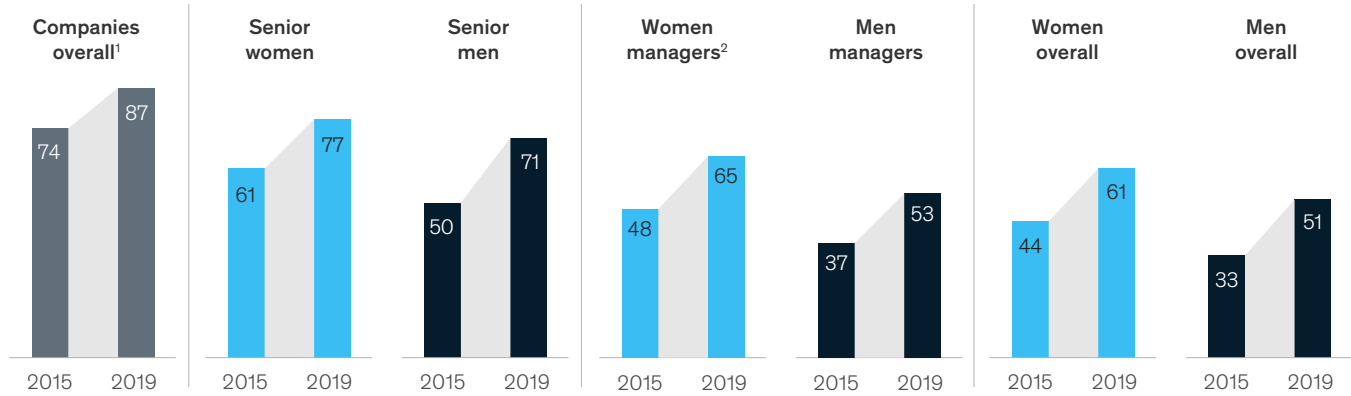
<sup>5</sup> Center for Talent Innovation, "The sponsor dividend," 2019, [talentinnovation.org](http://talentinnovation.org).

<sup>6</sup> This year, 323 companies completed the HR portion of the survey.

Exhibit 4

**Commitment to gender diversity has increased significantly.**

Companies and employees who say gender diversity is a top priority, %



<sup>1</sup>In 2019, % of HR leaders who answered: How much of a priority is gender diversity for your company | A very important priority; In 2015, % of HR leaders who answered: Where does gender diversity rank on the CEO's strategic agenda? | Top 3 Priority or Top 10 Priority.

<sup>2</sup>Due to changes in data collection, in 2015 managers was defined as Senior Manager/Director and Manager, whereas in 2019 managers was defined as just Manager. Source: 2019 McKinsey & Company and LeanIn.Org Women in the Workplace study

employee satisfaction, there's a strong business case for adopting more of these best practices.

**Some groups of women receive less support and see less opportunity to advance**

There is no one story of women in the workplace. Gender is one of many aspects of women's identity that shapes their experiences. Women of color, lesbian and bisexual women, and women with disabilities are having distinct—and by and large worse—experiences than women overall.<sup>7</sup> Most notably, Black women and women with disabilities face more barriers to advancement, get less support from managers, and receive less sponsorship than other groups of women. Not surprisingly, Black women and women with disabilities are far less likely to feel they have an equal opportunity to grow and advance and are far less likely to think the best opportunities go to the most deserving employees. They are also less happy at work and more likely to leave their company than other women are. It's

important for companies to understand that all women are not having the same experience and to directly address the unique challenges that different groups of women face.

**Commitment to gender diversity has increased significantly**

Today, 87 percent of companies are highly committed to gender diversity, compared to 56 percent in 2012, when McKinsey & Company first conducted a similar study on the state of women at work. Since 2015, senior leader and manager commitment to gender diversity has also increased, and employee commitment—especially among men—has risen significantly (Exhibit 4).

It is encouraging that so many companies prioritize gender diversity. However, it's worth noting that employees are less convinced: only half of employees think gender diversity is a high priority to their company, and that number hasn't changed over the last five years.

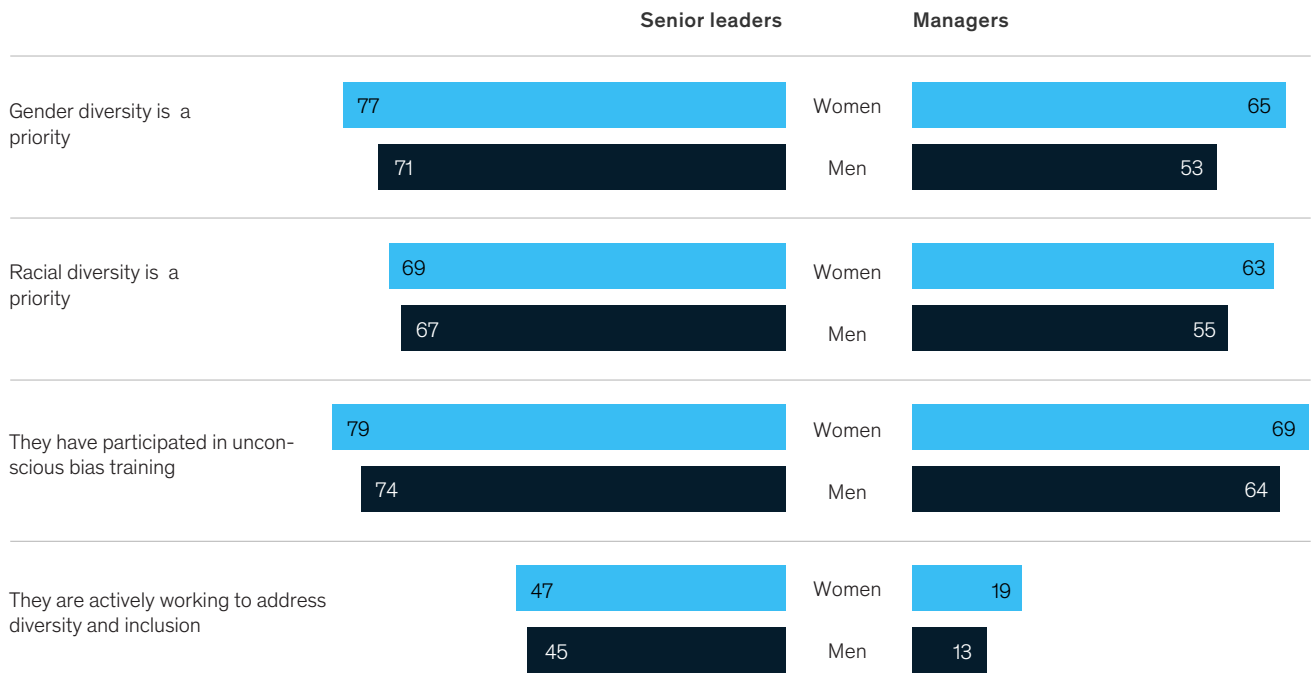
<sup>7</sup> "Lesbian women" includes all women who identified themselves as gay, lesbian, or homosexual in the survey.



Exhibit 5

**Companies need to empower managers to drive diversity and inclusion efforts alongside senior leaders.**

Senior leaders and managers who say, %



Source: 2019 McKinsey & Company and LeanIn.Org Women in the Workplace study

What employees think matters. When employees say their company is highly committed to gender diversity, they are happier and plan to stay at their company longer. This is equally true for women and men.<sup>8</sup> There are also signs that commitment will continue to trend in a positive direction. Younger generations are more likely to see bias in the workplace—for example, managers under 30 are more likely to say they see bias than older employees at the same level.

**Turning commitment into action**

Many companies need to do more to put their commitment into practice and treat gender diversity

like the business priority it is. This starts with taking concrete actions like setting diversity targets and sharing diversity metrics—not just at senior levels, but with all employees.

It also means holding leaders accountable and rewarding them when they make progress. In most organizations, what gets measured and rewarded is what gets done.

Over time, more companies are putting the right mechanisms in place, and employees are noticing this progress. Compared to last year, employees are almost twice as likely to say their companies have gender diversity targets in place for hiring. However,

<sup>8</sup> Seventy-six percent of employees are satisfied with their job when they feel that their company prioritizes gender diversity, compared to 57 percent of employees who do not feel like their company prioritizes gender diversity.

there is more to be done. When companies have the right foundation for change—clear goals, obvious accountability, a reward system—they are in a better position to drive systemic change. Gender diversity efforts shift from a nice-to-have to a must-have, and that leads to broad-based action across the organization.

### **The right policies can have a big impact: Engaging senior leaders is driving change**

More than half of companies hold senior leaders accountable for progress on gender diversity metrics, up from a little over a third in 2015. And it's making a difference. Seventy-three percent of senior leaders are highly committed to gender diversity, and close to half say they're working to improve gender diversity. Senior leaders set the priorities in organizations, so when they're engaged, it has a

positive trickle-down effect: Managers are more likely to support diversity efforts, and employees are more likely to think the workplace is fair.

As a next step, companies should push deeper into their organization and engage managers to play a more active role. Compared to senior leaders, fewer managers say gender diversity is a high priority, and far fewer managers say they are actively working to improve diversity and inclusion (Exhibit 5).

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*This is an edited extract from Women in the Workplace 2019, a study undertaken by McKinsey and LeanIn.Org. It builds on the Women in the Workplace reports from 2015, 2016, 2017, and 2018, as well as similar research conducted by McKinsey in 2012. For more information, visit [womenintheworkplace.com](http://womenintheworkplace.com).*

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