

What's stalling progress for women at work?

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Corporate America's gender-diversity programs are falling short. Companies need to think differently to ignite change.

Although gender inequality increasingly concerns many companies, research from McKinsey and LeanIn.org shows few organizations have programs in place that truly address the issue. Unless change picks up, it will take more than 100 years for men and women to be represented equally in the C-suite. In this episode of the *McKinsey Podcast*, McKinsey partner Alexis Krivkovich and senior partner Eric Kutcher speak with McKinsey Publishing's Simon London about where women and men see shortfalls in today's workplace, what can be done to promote meaningful progress, and how companies can start tracking execution and addressing unconscious bias, among other challenges.

Podcast transcript

Simon London: Hello, and welcome to this edition of the *McKinsey Podcast*. I'm Simon London, an editor with McKinsey Publishing. Today, we're going to be talking about women in the workplace. That is, the representation and career progression of women in big companies and upper organizations. Joining me here in our Silicon Valley office are McKinsey partner Alexis Krivkovich and senior partner Eric Kutcher. They've helped lead groundbreaking research on gender diversity in corporate America. Alexis and Eric, thank you very much for being here today.

Eric Kutcher: Thank you for having us.

Alexis Krivkovich: Thank you.

Simon London: Let's start with a 30,000-foot question. McKinsey has done quite a lot of research over a number of years now on this topic. Why does it matter to us? Why does it matter for our clients? What makes it a pressing management issue?

Eric Kutcher: The first thing for most companies that have recognized this as an issue is it's very much a strategic issue. And the reason it's so strategic is that we know, from all the research that we've done and others have done, is diversity, broadly—and I think it largely comes from diversity of thought and diversity of the way we solve problems—actually leads to better outcomes.

And you can show a very high correlation between more diverse organizations (and gender diversity being a very big part of that) and actual company performance. It's not that surprising when you think about it, because if you think about where talent comes from, and the war for talent, or the desire to really ensure that we get the best talent in an organization, how can you possibly get the best talent if you're not pulling from the fullness of the talent pool?

Alexis Krivkovich: I would agree. The point I would add to that is, for many companies, better representing the customers that you want to serve is a critical piece of the equation. Whether it's financial services, healthcare, consumer packaged goods—a lot of the power decision making and, you know, importance that will affect your brand and your success over time comes from reaching a very broad range of consumers and customers. You need to have people inside the company who reflect the people you're trying to serve.

Simon London: Let's segue from there, if you don't mind. Maybe, Alexis, you can take this. Describe for us the research you've been leading with US companies. We should point out here that this is joint research, conducted by McKinsey and LeanIn.org, a nonprofit organization.

Alexis Krivkovich: This is the second year of a research partnership that McKinsey has with LeanIn.org. It is focused on North America, with an intent of understanding the complexion of the workforce today for women and men: What are the experiences that people are having in the workplace, and then what are the actions that companies can and should be taking to affect diversity outcomes over time?

We look at the HR data that companies provide to us. We also have the opportunity to survey employees. So, 132 companies participated in this year's survey, and we had a chance to get input from over 34,000 employees across many of those companies to understand not just what we see statically happening in the pipeline, but what people say they're experiencing, day to day.

Eric Kutcher: The only thing I'd add to this is I think this is the largest study in terms of the number of institutions and the number of employees that participate. And it's also longitudinal, so we now have two years of data, and the intent is this is something that we're going to continue over time.

It's a wealth of information. And I think companies are beginning to use this as a way to measure their own performance over time. It's becoming a tool for many of these institutions.

Simon London: Give us a few highlights for people who may not have seen it, or the big takeaways from last year, the first year that we did this.

Alexis Krivkovich: The primary takeaway from last year was that corporate America has really stalled in progress on gender diversity, and that it would take over 100 years to reach parity in the C-suite for women and men. I think everyone can agree that's a dissatisfying conclusion and begs a lot of questions about what needs to be done differently.

Most companies have been, on some level, trying to work through the question of diversity broadly and gender diversity specifically for quite some time. The real issue here is that we

don't see progress being made, and certainly not quickly enough. There's a real need to think differently about the issue.

Eric Kutcher: A couple of conclusions that I took away from a year ago, by the way, which hold true today as well. I remember being interviewed on CNBC and they asked the same question three times because they just couldn't believe the answer. Everyone assumes the reason women are not moving into the C-suite or moving into the more senior ranks of organizations is really simple: that women have children, and that they leave the workforce. And the answer is that's definitely not what's going on. That is not the cause of this.

In fact, women are more likely to stay in their jobs, and they're more likely to stay with their organizations than men are. The attrition, right, the number of women that are leaving, is actually lower than men.

There were a couple of other things that we identified, again, a year ago, that I think were highly relevant. One was this whole notion of line versus staff, and how important line versus staff is in terms of the opportunity set that comes down the road.

Simon London: Just define that and make sure that everybody listening to this will know.

Eric Kutcher: The way I think about staff roles is typically things like IT or strategy, whereas you typically think of line roles as business-unit presidents, product management, or, obviously, the CEO.

If you look at the pipeline of roles that lead to those, line roles have a much higher propensity to lead to the C-suite than do staff roles. One of the things you see is, at the beginning, when people are hired, the percentage that are in line versus staff across genders is not materially different. It is different, but it is not materially different.

Over time, what you see is women disproportionately end up in those staff roles that don't lead to the C-suite. So we're never going to get there if we don't address that. That was a big aha. Another one was that there is just a complete incongruence between what the head of HR believes are priorities and what the employees believe are priorities.

If you ask the head of HR whether gender diversity, or diversity more broadly, is a top agenda item for the organization and the CEO, you get about three-quarters that would say, "Absolutely a top priority, probably a top three." If you then ask the organization if they think this is a top three or four priority for the CEO, only about half of that number, about 37 percent, believe it is.

And then it gets even worse because if you then ask your direct line manager, the person you report to, if they believe this is a top priority and if they're acting that way, that number—37 percent—drops down into the low to mid-20s, if I recall correctly.

The result of that, or one of the impacts of that, is all these programs that the head of HR puts in place to help suggest that this is a priority get zero adoption or very, very low adoption.

Because people say, “Well, my managers are going to think of me in a very negative manner because they don’t believe in this, and therefore they don’t believe in these programs, and therefore I can’t take advantage of them.” You end up with a very negative reinforcing cycle.

Alexis Krivkovich: Let me add one additional thought to that, regarding last year’s insight. The last piece I would build on is we did also look at this question about what leads women to be less excited about senior roles in companies. We do find, consistent with other research, that there continues to persist an ambition gap for women in wanting the top jobs—not the next promotion, but the most senior roles.

That clearly affects the choices they’re making, and the trade-offs, day to day. What we found that I think is quite important is that while work and family balance was a primary concern for women, it was also a primary concern for men. The area where women really stood out as describing a concern related to top jobs, that was different from what men describe, is when it comes to the stress they see associated with those positions.

It was distinct from balancing family life. It was really a view that the way that these roles are being conceived, the ecosystem in which the expectations are set about how you are operating, and, potentially, even the other ways in which women are describing an unbalanced playing field and what it takes to get there, leads them to feel like the roles are just inherently less attractive.

Eric Kutcher: The question is, “Why is the work unattractive?” Is it because that’s the way it needs to get done? Or is that the way it has been done, and has been done predominantly by one gender? It really raises some questions about how we are going to work differently if we want to make a difference.

I also think one of the reasons—I mean, you can go and say, “Well, gosh, I have put a lot at this, I declared it as a priority. I put a bunch of HR resources at it.” We talk, and this is maybe too much of a personal reflection, but it’s the unconscious bias, right.

I’ve told stories many, many times about my own unconscious bias that became really evident to me in a leadership role. Until you recognize that you have those biases—the way you think about work, the way you think about how people perform in the job, the way you think about who you promote—all of it is prone to a lot of biases.

By the way, both men and women have those biases; it’s not just one gender. But those biases are a huge limiting factor. Until you really hold that mirror up and see what those biases are driving you toward, it’s really hard, and there’s no HR policy in the world that can actually solve the problem.

Simon London: Is that something that we’ve asked companies yet? Do we have data on how many companies are rolling out unconscious-bias-type training and awareness building?

Alexis Krivkovich: We do. And it’s becoming increasingly common. Roughly a third of companies today have a structured or formal process for unconscious-bias training. But, to

Eric's point, what we've observed is most critical is not just the overall training, but figuring out places in our processes where unconscious bias is most likely to insert itself, where we need to structurally create some sort of a mechanism to surface and address that.

The example I would give is things like the performance-review process. Nobody intentionally steps into it trying to drive a process that is unfair or imbalanced. But by definition, we all bring in a set of perceptions and unconscious beliefs that affect it. Finding ways through both data and process to interrupt that is critically important. The companies that are out in front are thinking about that very strategically.

They are doing things like saying, "Can we take a data-driven view on the back end of our performance-review process to make sure we don't see patterns that look inappropriate, all else being equal? Can we use language and semantic information to understand if we're inserting words into our narrative that are very gender loaded? Can we be looking at the actual process we use for interviews, et cetera, for people, as we promote them in roles, to make sure that we're taking implicit beliefs and forcing them to be explicit?"

So, if you don't choose a candidate, write down why you didn't choose that candidate. What skills were they missing? That forces you to put on the table a set of beliefs that might otherwise be unconsciously informing other factors. Those are the ways I think companies will take the attack on unconscious bias to the next level.

Eric Kutcher: Another really important point is feedback. We all live on feedback. Every role in the world, whether it's athletics, whether it's business, whether it's teaching, you can't do better unless you get feedback.

There's real data that show that women are getting less feedback. By the way, they're not asking for less feedback; they're getting less feedback. There's just a lot here that, attitudinally, you have to get your head around and you have to change your behavior if you want to change the outcome.

Alexis Krivkovich: The good news is women and men are asking for feedback to the same degree. They say they want informal and formal feedback and that they welcome it. The bad news is that women state that they're 30 percent less likely to receive it. But managers, when they talk about whether or not they're giving feedback, believe they're giving it to the same degree.

So again, we have this situation where it is not necessarily intent; it's very much an unconscious result of, you know, other factors. And that gets a lot harder to get underneath. But when we dig on when you hesitate to give feedback, what drives the reasons why, both women and men will describe that they have more hesitancy when it comes to giving difficult feedback to women. There is something they know inherently is holding them back. But it's playing through in a way where women, in general, then, are receiving 30 percent less feedback, critical input that helps you perform better over time.

Simon London: One of the other pieces of data from this year's research is on women's exposure to senior leaders: the kinds of assignments they're given and the exposure they get. And I guess, as you say, this is a sort of systemic issue. That's then going to feed into the kind of

feedback they get, who they get feedback on, and everything else.

Eric Kutcher: And the visibility they have and therefore the opportunities that come from it. It's not a small difference—it's a 20 percent difference in terms of men and women's interactions with senior management.

Alexis Krivkovich: Particularly startling from this year's data was the insight that women are less likely to make that first promotion and that very first leap. Men are 30 percent more likely to get the first promotion than women are. The fact that that happens so early was really surprising to us because you're talking about a population that is made up to a large degree of millennials, that in many cases does not yet have the complexity of children in the household, that doesn't have the compounding fact of decades' worth, potentially, of these other factors accumulating and creating headwinds. And yet, take a pool of 100 women to promote, and 130 men will jump forward. Right out of the gate, you're already behind.

Eric Kutcher: One of the things I thought was interesting this year, which we didn't have a year ago, was who asks for promotions, and by the way, who asks for raises? Interestingly, they were not that different in terms of the percentage that asked, between men and women.

What was fascinating was the perception of the men versus the women that asked for a promotion or asked for a raise. The probability that a woman was going to be perceived as bossy, aggressive, intimidating—words that we specifically asked about—versus men who asked for the same thing, right, was almost 30 percent more likely.

That's enormous. Talk about unconscious bias. You go back to that same conversation, same outcome, same desire, and there's a very, very different perception in terms of what that individual is about.

Alexis Krivkovich: I mean, there's clearly a hidden penalty here for women. You're further behind at the outset. So we want you to ask for it. You ask for it and you get hit on the back end with all of this residual negative energy. And then, by the way, we may not even tell you about it, because we don't like to give critical feedback. You may never even hear, but it all accumulates. Frankly, in that context, it's not surprising to see women stalling in the pipeline of production.

I think there are a lot of companies focused on finding a silver bullet, the new innovation that nobody has tried before, and they're missing the degree to which there is a significant gap between the intent of many of the policies and actions they have in place today and the reality of how those are being executed consistently across the workforce.

One example to illustrate that is virtually all of the companies that we looked at state that they have standardized criteria for performance reviews in order to create a level field on which to evaluate candidates. But when you interview 34,000 employees across these companies, only 57 percent of them will say that they actually see standardized criteria for performance reviews being used with any degree of consistency across the organization.

So there's clearly something here: we're setting the aspiration, we're building the awareness,

but are we actually putting in place, with real rigor, the types of policies, programs, and actions that would allow us to get impact? Everything we see in the data suggests we're not there yet.

Simon London: In a way, this is Management 101: if you really care about a problem, you're going to measure (really carefully) the outcomes, you're going to set targets, and then, if you're not hitting your targets, you're going to look hard at why and take action.

So isn't there a sense here that, yes, a lot of companies mean well, and they've taken that first step of putting some policies into place. But until there are targets in place, and until there's measurement and accountability against those targets, progress is not going to be fast or easy?

Alexis Krivkovich: That's absolutely fair. The reality is the majority of companies are now measuring at least a basic set of elements on diversity. But what very few companies, only about a quarter, are doing is putting any sort of target against those measurements. It's not surprising to see that companies that do put a target on where they want to be, how much progress they want to make, and how quickly, are moving faster.

That's what we see in our data; companies that set a hard target are moving faster than those that don't. And if you put that in the context of the day-to-day business operations, this makes sense, right? You tell someone on business performance, "I want you to improve next year." "How much do you want me to improve?" "I don't know; whatever you can do." You wouldn't accept that in the context of revenue or operating margin. And I think we can't accept it in the context of diversity.

Simon London: Something else that was new in this year's research was some initial data on the experiences of women of color. Do you want to say a little bit about what we found and, potentially, what we still need to learn about that?

Alexis Krivkovich: On women of color, what we find is the same story playing out for women generally, but even more acute. It's frankly a very sobering story when you look at it. Similar to women broadly, women of color specifically start out in the beginning of a pipeline fairly representative of the population at large.

But by the time you get to the C-suite, the overall number is 3 percent—so, virtually nonexistent. What we see is, effectively, women of color are even more adversely affected by the dynamics that are taking place. And when we ask women of color about their experiences, it's reinforced by what they say they see around the workplace environment, which is effectively an environment where they receive even less access to challenging and new assignments.

They are more pessimistic about the degree to which opportunities go to the most deserving employees. They feel that their work contributions are not as valued and that they are not reviewed as objectively and fairly. Clearly, the same factors that are playing into the gender diversity debate are playing into this in an even more pronounced way.

Simon London: The data actually show that women of color are every bit as ambitious as, if not more ambitious than, other women, right?

Alexis Krivkovich: Absolutely. Women of color self-report even higher aspirations of the top jobs. I think what's exciting here is you have a population of people who are increasingly represented on the front end of the talent pipeline, who have a very high appetite to stay engaged and involved, all the way through to senior ranks. And what we haven't yet put in place is a pathway to help them get there.

Simon London: Thank you very much, Alexis and Eric. If you want a download of the latest Women in the Workplace research, you can find it at womenintheworkplace.com. To learn more about McKinsey's full research program on gender, equality, and other topics, please visit us at McKinsey.com. [□](#)

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