About the study

Women in the Workplace 2017 is a comprehensive study of the state of women in corporate America. This research is part of a long-term partnership between McKinsey & Company and LeanIn.Org to give organizations the information they need to promote women’s leadership and foster gender equality.

This year 222 companies employing more than 12 million people shared their pipeline data and completed a survey of HR practices. In addition, more than 70,000 employees completed a survey designed to explore their experiences regarding gender, opportunity, career, and work-life issues. We also interviewed women from different races and ethnicities at all levels in their organization.

Our 2017 findings build on our reports from 2016 and 2015, as well as similar research conducted by McKinsey & Company in 2012. Since 2012, more than 350 companies have participated—many for multiple years—and close to 200,000 employees have been surveyed. To our knowledge, this makes Women in the Workplace the largest study of its kind.
Getting to gender equality starts with realizing how far we have to go

Women remain underrepresented at every level in corporate America, despite earning more college degrees than men for thirty years and counting. There is a pressing need to do more, and most organizations realize this: company commitment to gender diversity is at an all-time high for the third year in a row.

Despite this commitment, progress continues to be too slow—and may even be stalling. One of the most powerful reasons for this is a simple one: we have blind spots when it comes to diversity, and we can’t solve problems that we don’t see or understand clearly.

Many employees think women are well represented in leadership when they see only a few. And because they’ve gotten comfortable with the status quo, they don’t feel any urgency for change. Further, many men don’t fully grasp the state of women in the workplace, and some worry that gender diversity efforts disadvantage them.

As a result, men are less committed to the issue, and we can’t get to equality without them.

Many companies also overlook the realities of women of color, who face the greatest obstacles and receive the least support.1 When companies take a one-size-fits-all approach to advancing women, women of color end up underserved and left behind. This year we take a deeper look at women of color to better understand the distinct challenges they face, shaped by the intersection of gender and race.2

Efforts to make the workplace fair benefit us all. An equitable workplace allows the best talent to rise to the top, regardless of gender, race and ethnicity, background, or beliefs. Diversity leads to stronger business results, as numerous studies have shown.3

But we can’t unlock the full potential of our workplace until we see how far from equality we really are.

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A closer look at the corporate pipeline

Based on employee pipeline data from 222 companies employing more than 12 million people, two themes emerge this year: (1) On average, women continue to be hired and promoted at lower rates than men, and at senior levels, the gap in promotions is more pronounced for women of color. (2) The lower representation of women does not appear to be driven by differences in company-level attrition: on average, women and men are leaving their organizations at about the same rate, and very few plan to leave the workforce to focus on family.
Women fall behind early and continue to lose ground with every step

Women are underrepresented in line roles at every level of the corporate pipeline. By the time women reach the SVP level, they hold only 21% of these positions. Since the vast majority of CEOs come from line roles, this dramatically hurts women’s odds of reaching the very top.

Women of color are the most underrepresented group in the corporate pipeline—behind white men, men of color, and white women.

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4 National Center for Education Statistics, Table 2916, http://nces.ed.gov/programs/digest/d16/tables/dt16_2916.10.asp?current=yes.  5 Line roles are positions with profit-and-loss responsibility and/or a focus on core operations. Staff roles are positions in functions that support organizations like legal, human resources, and IT.  6 Women age 18 and older comprise 52 percent of the adult population, U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2017, https://www.census.gov/cps/data/cpstablecreator.html.  7 Women of color age 18 and older comprise 19 percent of the adult population, U.S. Census Bureau, Current Population Survey, Annual Social and Economic Supplement, 2017, https://www.census.gov/cps/data/cpstablecreator.html.  8 Total percent of women and men per level in race and gender pipeline may not sum to overall corporate pipeline totals, as the race pipeline only includes companies that were able to supply race data. Due to rounding, representation by race may vary by 0.5 within some levels.  9 Represents percentage point change from 2016 to 2017.
A CLOSER LOOK

Different industries have different talent pipelines

Although women are broadly underrepresented in corporate America, the talent pipeline varies by industry. Some industries struggle to attract entry-level women (technology), while others fail to advance women into middle management (food, beverage, and restaurants) or senior leadership (insurance).

REPRESENTATION OF WOMEN ACROSS INDUSTRIES

% OF WOMEN BY LEVEL

<table>
<thead>
<tr>
<th>Industry</th>
<th>Entry Level</th>
<th>Manager</th>
<th>Sr. Manager/Director</th>
<th>VP</th>
<th>EVP</th>
<th>C-Suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset Management &amp; Institutional Investors</td>
<td>47%</td>
<td>35%</td>
<td>32%</td>
<td>23%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Automotive &amp; Industrial Manufacturing</td>
<td>26%</td>
<td>20%</td>
<td>18%</td>
<td>16%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Banking &amp; Consumer Finance</td>
<td>5%</td>
<td>42%</td>
<td>36%</td>
<td>28%</td>
<td>25%</td>
<td>18%</td>
</tr>
<tr>
<td>Consumer Packaged Goods</td>
<td>59%</td>
<td>54%</td>
<td>47%</td>
<td>38%</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>Energy &amp; Basic Materials</td>
<td>40%</td>
<td>22%</td>
<td>22%</td>
<td>22%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td>Food, Beverage &amp; Restaurants</td>
<td>49%</td>
<td>39%</td>
<td>33%</td>
<td>26%</td>
<td>20%</td>
<td>22%</td>
</tr>
<tr>
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<td>54%</td>
<td>47%</td>
<td>38%</td>
<td>27%</td>
<td>23%</td>
</tr>
<tr>
<td>Professional &amp; Information Services (Including Legal)</td>
<td>48%</td>
<td>43%</td>
<td>42%</td>
<td>34%</td>
<td>22%</td>
<td>26%</td>
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<tr>
<td>Retail</td>
<td>60%</td>
<td>54%</td>
<td>48%</td>
<td>45%</td>
<td>33%</td>
<td>31%</td>
</tr>
<tr>
<td>Technology (Hardware &amp; Software)</td>
<td>36%</td>
<td>30%</td>
<td>27%</td>
<td>25%</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>Telecom &amp; IT Services</td>
<td>33%</td>
<td>24%</td>
<td>23%</td>
<td>21%</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Transport, Travel, Logistics &amp; Infrastructure</td>
<td>53%</td>
<td>33%</td>
<td>32%</td>
<td>24%</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>73%</td>
<td>69%</td>
<td>51%</td>
<td>44%</td>
<td>40%</td>
<td>35%</td>
</tr>
<tr>
<td>Insurance</td>
<td>57%</td>
<td>49%</td>
<td>38%</td>
<td>29%</td>
<td>20%</td>
<td>17%</td>
</tr>
<tr>
<td>Media &amp; Entertainment</td>
<td>50%</td>
<td>48%</td>
<td>43%</td>
<td>41%</td>
<td>34%</td>
<td>27%</td>
</tr>
<tr>
<td>Pharmaceuticals &amp; Medical Products</td>
<td>52%</td>
<td>46%</td>
<td>40%</td>
<td>36%</td>
<td>26%</td>
<td>22%</td>
</tr>
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<td>26%</td>
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</tbody>
</table>
Women are not leaving their companies at higher rates than men, and very few plan to leave the workforce to focus on family.

Compared to men of the same race and ethnicity, women are leaving their companies at similar rates: while women are leaving as frequently as white men, and we see the same pattern among women and men of color. However, there is a large racial gap: people of color are significantly more likely to leave their organizations than white people.

Women and men also have similar intentions to stay in the workforce. Roughly 60 percent of all employees plan to remain at their companies for five or more years. Moreover, among those who are planning to leave, about 80 percent intend to find a job elsewhere and remain in the workforce. Notably, just as many men as women say they’ll leave to focus on family, and the number that does is remarkably low: 2 percent or less.

80% of women who plan to leave their company in the next two years intend to stay in the workforce.

Based on the results of a survey of more than 70,000 employees from eighty-two of this year’s participating companies, three trends that disadvantage women are clear: (1) Women experience a workplace skewed in favor of men. (2) Women of color, particularly Black women, face even greater challenges. (3) Women and men see the state of women—and the success of gender diversity efforts—differently; men have a more positive assessment that often clashes with reality.
Women are progressing more slowly than men, and it’s not for lack of asking . . .

On average, women are promoted at a lower rate than men. This year, like last year, the biggest gender gap is at the first step up to manager: entry-level women are 18 percent less likely to be promoted than their male peers. This gender disparity has a dramatic effect on the pipeline as a whole: if entry-level women were promoted at the same rate as their male peers, the number of women at the SVP and C-suite levels would more than double.

The disparity in promotions is not for lack of desire to advance. Women are just as interested in being promoted as men, and they ask for promotions at comparable rates. In fact, senior-level women ask for promotions more often than senior-level men. Despite this, women are still not advancing at the same pace as men. And external hiring is not making up the disparity in promotion rates.

One factor in women’s lower rate of promotion is that they are less likely to receive advice from managers and senior leaders on how to advance. This kind of support is important: employees who receive it are more likely to say they’ve been promoted in the last two years.

There is cause for some optimism. Top-performing companies are promoting women and men to manager at almost the same rate. This suggests that these companies are on a path to improving their representation of senior-level women.

Both gender and race shape people’s ambitions to be company leaders. Compared to men of the same race and ethnicity, women are less likely to aspire to be a top executive. Moreover, there are important racial and ethnic differences. Men and women of color are far more interested in becoming a top executive than their white counterparts.

Although their aspirations sometimes differ, women and men across racial and ethnic groups see the upsides and downsides of becoming a leader similarly. Both women and men see higher compensation and more opportunities to mentor as two of the top benefits. However, men also see greater opportunity to impact both the company’s business and the world outside their organization. Women and men also see similar drawbacks: by far the top deterrent for both is concern over balancing work and family, followed by concern about “too much politics.”

Significant gender differences emerge in women’s and men’s experiences. Women receive less advice on how to advance, and they have less frequent interactions with managers and senior leaders, yet both are linked to greater ambition. Further, women and men have markedly different professional networks, and the right network can accelerate a career. Women are more than five times more likely to rely on a network that is mostly female. 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 of all races and ethnicities are also less optimistic about their odds of making it to a top job: women who aspire to be a top executive are less likely to think they’ll become one than men with the same aspiration.

Women are less likely to receive advice from managers and senior leaders on career advancement, yet employees who do are more likely to be promoted.

Women are less likely to interact regularly with senior leaders, yet employees who do are more likely to aspire to be top executives.

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The intersection of race and gender shapes women’s experiences in meaningful ways. Women of color face more obstacles and a steeper path to leadership, from receiving less support from managers to getting promoted more slowly. And this affects how they view the workplace and their opportunities for advancement. Overall, two patterns are clear: compared to white women, things are worse for women of color, and they are particularly difficult for Black women.

Although women in general are more likely than men to report they never interact with senior leaders, Black women are the most likely of all to report they never have senior-level contact.

BY THE NUMBERS

What women of color experience

<table>
<thead>
<tr>
<th>SUPPORT WOMEN RECEIVE</th>
<th>BLACK</th>
<th>LATINA</th>
<th>ASIAN</th>
<th>WHITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerrated for them for an opportunity</td>
<td>31%</td>
<td>34%</td>
<td>40%</td>
<td>41%</td>
</tr>
<tr>
<td>Managers give them stretch assignments</td>
<td>35%</td>
<td>40%</td>
<td>40%</td>
<td>44%</td>
</tr>
<tr>
<td>Managers provide advice to help them advance</td>
<td>36%</td>
<td>39%</td>
<td>42%</td>
<td>47%</td>
</tr>
<tr>
<td>Managers help them navigate organizational politics</td>
<td>23%</td>
<td>29%</td>
<td>30%</td>
<td>36%</td>
</tr>
<tr>
<td>Managers defend them or their work</td>
<td>28%</td>
<td>34%</td>
<td>36%</td>
<td>40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>HOW WOMEN VIEW OPPORTUNITY</th>
<th>% OF WOMEN WHO THINK</th>
</tr>
</thead>
<tbody>
<tr>
<td>They have equal opportunity for growth as their peers</td>
<td>48%</td>
</tr>
<tr>
<td>Promotions are based on fair and objective criteria</td>
<td>34%</td>
</tr>
<tr>
<td>The best opportunities go to the most deserving employees</td>
<td>29%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STATE OF WOMEN IN THE PIPELINE</th>
<th>Rate of women’s promotions</th>
<th>Rate of women’s attrition</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4.9%</td>
<td>18.2%</td>
</tr>
<tr>
<td></td>
<td>5.8%</td>
<td>16.5%</td>
</tr>
<tr>
<td></td>
<td>6.0%</td>
<td>16.4%</td>
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<tr>
<td></td>
<td>7.4%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

As a Latina woman, I feel that it is my obligation to go as far as I can. I need to do that because I am the role model to so many behind me. They need to know that they can do it—that it doesn’t matter where you come from, that your past doesn’t dictate how far you will go in this world.”

“We can have the same degree, the same years of work, the same output. We just don’t get all those opportunities. We are not tapped on our shoulders as often as other folks are tapped on their shoulders for progression. And not getting feedback on why.”

“My organization is comfortable with a square box. If you are a different shape, just shave off those edges so you can fit in. Every single one of my managers has noted that I am more candid than many other people here. And every single one has, at some point, sat me down and said, ‘You know, this makes people feel uncomfortable.’”

Despite facing more pitfalls to advancement, women of color have higher ambitions to be a top executive than white women.

12 Quotations have been minimally edited to reduce length and enhance clarity.
Men think women are doing better than they really are

When it comes to how women and men see the state of women and gender diversity efforts, there are striking differences. Men are more likely to think the workplace is equitable; women see a workplace that is less fair and offers less support. Men think their companies are doing a pretty good job supporting diversity; women see more room for improvement. Given the persistent lag in women’s advancement, women have the more accurate view.

Many men think women are well represented in leadership. Nearly 50 percent of men think women are well represented in leadership in companies where only one in ten senior leaders is a woman. A much smaller but still significant number of women agree: a third think women are well represented when they see one in ten in leadership at their company. It is hard to imagine a groundswell of change when many employees don’t see anything wrong with the status quo.

Men are more likely to think the playing field is already level. Fifty percent of men say managers consider a diverse lineup of candidates to fill open positions, compared to 35 percent of women. More than 60 percent of men say that their company is doing what it takes to improve gender diversity, while only 49 percent of women agree. And one of the biggest gender divides is over how disrespectful behavior toward women is handled at work: men are 60 percent more likely than women to think such behavior is quickly addressed in their company.

Men are less committed to gender diversity efforts. Men are less likely to say gender diversity is a top personal priority and point to concern over de-emphasizing individual performance as the primary reason. Some men even feel that gender diversity efforts disadvantage them: 15 percent of men think their gender will make it harder for them to advance, and white men are almost 50 percent more likely than men of color to think this. And regardless of their level of commitment, men are more likely than women to believe they know what to do to improve gender diversity.

**BY THE NUMBERS**

**Women’s and men’s very different views**

| WOMEN ARE LESS LIKELY TO THINK THEY HAVE AN OPPORTUNITY TO ADVANCE . . . |
| % OF WOMEN AND MEN WHO THINK . . . |
| My gender has played a role in missing out on a raise, promotion, or chance to get ahead | 37% | 8% |
| My gender will make it harder to get a raise, promotion, or chance to get ahead | 39% | 15% |
| I have equal opportunity for growth as my peers | 57% | 62% |

. . . AND THAT THEIR COMPANIES TREAT PEOPLE FAIRLY

| % OF WOMEN AND MEN WHO THINK . . . |
| The best opportunities go to the most deserving employees | 39% | 47% |
| Promotions at this company are based on fair and objective criteria | 40% | 48% |
| A broad range of leadership styles is successful at this company | 43% | 51% |

. . . AND ARE LESS PERSONALLY COMMITTED

| % OF WOMEN AND MEN WHO SAY . . . |
| Gender diversity is a very important or top priority to me | 59% | 47% |
| My company is doing what it takes to improve gender diversity | 49% | 45% |
| Managers make sure a diversity of voices is represented in decision-making | 32% | 45% |
| In this company, disrespectful behavior toward women is often or always addressed quickly | 34% | 55% |

**MEN THINK THEIR COMPANY IS DOING A BETTER JOB ON GENDER DIVERSITY . . .**

| % OF WOMEN AND MEN WHO SAY . . . |
| Gender diversity is a very important or top priority to . . . |
| My company | 59% | 35% |
| My direct manager | 42% | 37% |
| Managers at my company . . . |
| Consider a diverse lineup of candidates to fill open positions | 49% | 36% |
| Address gender-biased language and behavior when it happens | 63% | 37% |
| Managers make sure a diversity of voices is represented in decision-making | 49% | 45% |
| In this company, disrespectful behavior toward women is often or always addressed quickly | 55% | 55% |

**Men**

- 58% of men agree that gender diversity is a very important or top priority to them.
- 60% of men say managers consider a diverse lineup of candidates to fill open positions.
- 49% of men think their company is doing what it takes to improve gender diversity.
- 60% of men think such disrespectful behavior is quickly addressed in their company.

**Women**

- 47% of women agree that gender diversity is a very important or top priority to them.
- 35% of women say managers consider a diverse lineup of candidates to fill open positions.
- 45% of women think their company is doing what it takes to improve gender diversity.
- 37% of women think such disrespectful behavior is quickly addressed in their company.
When it comes to raises and promotions, men are more likely to say they get what they want without having to ask

Women of all races and ethnicities negotiate for raises and promotions at rates comparable to their male counterparts. However, it’s interesting to note that men may not have to negotiate as often as women do to get what they want. Men are more likely to say they have not asked for a raise because they are already well compensated or a promotion because they are already in the right role.

Similar to last year’s findings, negotiating is linked to better results. Women who lobby for a promotion are more than twice as likely to get one. However, it can come at a cost: women who negotiate can pay a social penalty. They are more likely than men who negotiate—and women who don’t—to receive feedback that they are “intimidating,” “too aggressive,” or “bossy.”

Senior-level women negotiate more often than men at the same level and are far more likely to receive feedback that they are “intimidating,” “too aggressive,” or “bossy” when they do.

<table>
<thead>
<tr>
<th>WOMEN OF ALL RACES/ETHNICITIES NEGOTIATE AT RATES COMPARABLE TO THEIR MALE COUNTERPARTS**</th>
<th>WOMEN</th>
<th>MEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>% OF EMPLOYEES WHO NEGOTIATED IN THE LAST TWO YEARS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negotiated for a promotion</td>
<td>Negotiated for a raise</td>
<td></td>
</tr>
<tr>
<td>WHITE</td>
<td>33%</td>
<td>22%</td>
</tr>
<tr>
<td>ASIAN</td>
<td>39%</td>
<td>23%</td>
</tr>
<tr>
<td>LATINX</td>
<td>34%</td>
<td>23%</td>
</tr>
<tr>
<td>BLACK</td>
<td>33%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Women and men who say they lobbied for a promotion or an increase in their compensation in the last two years. Based on employees’ self-reported experiences. ** In the last two years.

A NEGOTIATION PRIMER

Five steps women can take to achieve better outcomes

1. Ask for a raise
Let’s start with the basics. Both women and men who ask for a raise are more likely to report getting one than those who don’t speak up. And women have more reason to ask: men are more likely to say they haven’t asked for a raise because they got what they wanted without asking and are already well compensated.

2. Specify an amount
Women are significantly less likely to ask for a particular amount, but people who are specific receive a greater increase in compensation on average than those who aren’t. And interestingly, the actual amount of money you ask for doesn’t appear to be as important as just proposing a number.

3. Prepare
Many people take the time to research before a negotiation. A much smaller percentage talk to others about how to approach the issue and rehearse the actual conversation. Make sure you do. There’s evidence that people who take those additional steps are more likely to get a raise.

4. Make your best pitch
Women and men who successfully negotiate for a raise (or a promotion, for that matter) are more likely to make the case that they have:
- Demonstrated that they are a high performer
- Taken on a greater workload
- Taken on the responsibilities of the next level

5. Solicit manager support
People who get advice from managers on how to advance and who land stretch assignments are more likely to receive raises. So speak up and ask your manager for help. It’s particularly important that women push for this type of support because they are less likely to receive it from managers.

A mentor told me, “Look, no one is going to give you a raise, no one is going to give you a promotion unless you ask for it . . . You have to be firm and say, ‘This is what I want. This is what I think I’m worth.’”

Women are 25% more likely than men to say they didn’t ask for a specific amount the last time they negotiated.
Many women still work a double shift

Household work still falls squarely on women. On average, 54 percent of women do all or most of the household work, compared to 22 percent of men. This gap grows when couples have children. Women with a partner and children are 5.5 times more likely than their male counterparts to do all or most of the household work. And even when women are primary breadwinners, they do more work at home. Women who bring in more than 50 percent of their family income are 3.5 times more likely to do all or most of the household work than men in the same situation.

Doing a disproportionate share of household work may dampen women’s career aspirations: women with partners and children have significantly lower aspirations to be top executives than men with the same family structure. In addition, women who do a majority of household work are less likely to aspire to be a top executive than women who share responsibilities equally with a partner.

Women at senior levels are significantly more likely to be in dual-career relationships than men at the same levels—57% of women versus 38% of men. This means senior-level women are less likely to benefit from the support of a stay-at-home partner.

GOOD NEWS…
- Young women and men are more likely to aspire to be top executives than their older counterparts—and young women are far more likely than older women to say they want a top job.

BUT…
- Young women are still less interested in becoming top executives than young men and significantly less confident they can reach the top of their organization.
- Young women who live with partners are almost twice as likely to do all or most of the housework as older men in the same situation.

When one compares young people (ages 22 to 29) to older coworkers (ages 30 and up), there are signs of meaningful progress. Still, it’s a complex picture with no clear path to gender equality.

GOOD NEWS…
- Young women and men view their company’s efforts to support women more similarly than older women and men do. For example, 29 percent of young men and 22 percent of young women think managers challenge biased language when it happens. In comparison, this gap is considerably larger among older employees: 38 percent of older men and 23 percent of older women share the same view.

BUT…
- Young men who live with partners are almost twice as likely to do all or most of the housework as older men in the same situation.

However, the overall pattern of women doing more housework remains. Like their older counterparts, young women who live with partners still do the lion’s share of household work.
A road map to gender equality

Companies need a comprehensive top-to-bottom plan for supporting and advancing women. Building on findings from previous years and incorporating new insights into what top-performing companies are doing, we recommend that organizations start with these core actions:

- Make a compelling case for gender diversity
- Invest in more employee training
- Give managers the means to drive change
- Ensure that hiring, promotions, and reviews are fair
- Give employees the flexibility to fit work into their lives
- Focus on accountability and results

Additionally, it is critical that companies understand their particular pain points and tackle them directly. For most if not all companies this includes addressing the distinct barriers women of color face and getting sufficient buy-in from men. Until they do, companies’ gender diversity efforts are likely to continue to fall short.

1. Make a compelling case for gender diversity

Ninety percent of companies report that gender diversity is a high priority, but employees don’t see it the same way. Only about half think their organizations are highly committed and doing what it takes to improve gender diversity.

A majority of employees don’t see senior leaders and managers taking steps to advance gender diversity. Only about a third of employees say senior leaders regularly communicate its importance and encourage an open, honest dialogue on the topic. Similarly, only 39 percent of employees say managers at their company make sure a diversity of voices is represented in decision-making—and think that their direct manager prioritizes gender diversity. Perhaps as a result, only half of all employees place a high personal priority on the issue themselves, and men are less committed than women.

Companies and employees also don’t see eye to eye on why gender diversity is important. While 90 percent of organizations say they prioritize gender diversity because it leads to better business results, only 42 percent of employees think this is the case for their company.

These numbers point to actions companies can take. First, show your commitment; when employees see higher-ups prioritizing gender diversity, they are more likely to be committed themselves. Second, make a strong business case. When employees think gender diversity leads to business results, they are more likely to be personally committed. However, while 78 percent of organizations say they articulate a business case, only 16 percent back up the case with numbers. Illustrating the positive impact of gender diversity on your company’s long-term success can help bring more employees on board.

"A diversity task force is being formed. Our CHRO really believes in it, but I don’t think we have that buy-in from the rest of the executive team. We’re still going to go ahead, building a business case to get funding from executive leadership. But I feel like we’re not there yet.”

A company and employee views on commitment to gender diversity

<table>
<thead>
<tr>
<th>LEVEL OF COMMITMENT</th>
<th>COMPANIES</th>
<th>EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>My company prioritizes gender diversity</td>
<td>90%</td>
<td>52%</td>
</tr>
<tr>
<td>My CEO prioritizes gender diversity</td>
<td>50%</td>
<td>85%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REASONS WHY</th>
<th>COMPANIES</th>
<th>EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Because it contributes to a positive image of the company</td>
<td>23%</td>
<td>52%</td>
</tr>
<tr>
<td>Because it is fair to all people (i.e., the right thing to do)</td>
<td>60%</td>
<td>75%</td>
</tr>
<tr>
<td>Because it leads to better business results</td>
<td>42%</td>
<td>90%</td>
</tr>
</tbody>
</table>
2. Invest in more employee training

Only two in three companies offer unconscious bias training, yet this type of instruction is central to leveling the playing field for women and other underrepresented groups. Bias training raises awareness of the stereotypes that disadvantage women, people of color, and other minorities and gives employees steps they can take to counteract these biases.

Employees would benefit from this guidance. Only 47 percent of employees know what to do to improve gender diversity in their organization. Only 30 percent say their managers regularly address gender-biased language and behavior when it happens.15 And less than 20 percent of companies report that employees involved in hiring decisions or performance reviews receive unconscious bias training. When employees understand how bias impacts decision-making, they are empowered to make fairer, more objective decisions.

Moreover, although a vast majority of companies offer anti-harassment and anti-discrimination training, there is also evidence that organizations need to do more to ensure that women are treated respectfully at work. Only 34 percent of women say that disrespectful behavior toward women is quickly addressed in their company.

Unconscious bias training works best when it doesn’t only raise awareness of bias, but also directly encourages people to avoid thinking of others in a stereotypical way. Just raising awareness that most people are biased can reinforce stereotypes if it’s not backed up by a call to action.16

A CLOSER LOOK

Addressing the challenges women of color face head-on

Women of color are the most underrepresented group in the corporate pipeline. They experience the greatest challenges. Yet they receive the least support—and efforts to increase diversity are not adequately addressing the magnitude of the issues they face.

One reason for this is that companies more often prioritize gender diversity than racial diversity—when in fact, gender and race are inseparable and need to be prioritized equally. When companies treat them as different issues, their policies and programs can fall short. They do not account for the complex and varied experiences of women, and women of color in particular are often left out.

Women of color experience overlapping challenges because gender and race intersect in ways large and small. They face biases for being women and for being people of color, and this double discrimination creates a unique set of constraints and barriers. It’s a mistake to assume that all women are having the same experience. There is no single story of women, yet too often gender diversity efforts are designed as if there is only one.

Companies should look for opportunities to correct for this double discrimination. Unconscious bias training should cover many types of bias so participants gain a broad understanding of the issue and how it affects different groups of people. Beyond that, companies can take steps to create a more inclusive workplace. Companies with a greater representation of women of color are more likely to offer training on how to foster inclusivity, and employees in these organizations are more likely to say a broad range of leadership styles is successful.

Companies also need to double down on diversity in hiring. Organizations where women of color are better represented are more likely to have strategies in place for hiring underrepresented groups and to require diverse candidate slates. Tracking representation, hiring, promotions, and other key metrics by both gender and race are also helpful practices.

They say, ‘We want to have more women at the top.’ They clearly state women. They don’t say African American women, Asian women . . . they say women. And what you see, and what you hear, is that a majority of [women’s] promotions are white women.”

When companies say that gender diversity and racial diversity are both top priorities, the representation of women across races and ethnicities is higher.

Managers play a critical role in companies’ gender diversity efforts. They often determine whether policies and programs are used and how widely they’re adopted, and they make many of the day-to-day decisions that impact women’s career progression. Organizations need to give managers visibility into the scope of the problem and the tools they need to be part of the solution. If managers are not fully on board, it’s hard to imagine efforts to support women gaining traction.

Give managers the means to drive change

Managers are central to women’s success

THE GOOD NEWS . . .
Managers’ actions have a big impact—on both a woman’s career progression and her level of ambition. Women are more likely to be promoted when managers advocate for them, give them stretch assignments, and advise them on how to advance. And women who receive that advice and interact regularly with senior leaders are more likely to aspire to be a top executive.

THE BAD NEWS . . .
Women are less likely than men to get these forms of mentorship and sponsorship.

WHAT COMPANIES CAN DO . . .
Organizations need to make sure managers have the know-how to support women’s career development. They can also invest in formal mentorship and sponsorship programs to provide additional guidance. Currently, about half of companies run mentorship programs, and less than a third run sponsorship programs that commit individual leaders to advocate for and create opportunities for women. These formal programs help women establish senior-level connections that can accelerate careers.

Managers drive employee commitment

THE GOOD NEWS . . .
When managers show a high commitment to gender diversity, employees are more committed themselves—and women are less likely to think that their gender will play a role in missing out on an opportunity.

THE BAD NEWS . . .
This is an area where managers are falling short. Employees think gender diversity is less of a priority for their manager than it is for their company and CEO. Employees are significantly less likely to cite their manager as a source of guidance on what to do to improve gender diversity than company leadership and HR. And few employees report that managers are taking steps to actively support gender diversity, such as using diverse candidate slates in hiring and encouraging a diversity of voices in decision-making. In all cases, women are less likely than men to say that their managers are taking these types of actions.

WHAT COMPANIES CAN DO . . .
Organizations should double down on managers. They need to make sure managers understand why gender diversity matters, give them the insights and tools to make a difference, and reward them when they do.

In top-performing companies, managers more frequently help both women and men navigate difficult situations and recommend them for new opportunities. And although these manager actions should be commonplace, less than 50% of employees report they get this type of support on a regular basis.

“[My direct manager] put me in a mentorship program with a general manager to help me go to the next level, and he has been super supportive. I get even more than I do from my manager because she is younger, almost my age. Thanks to both of them, I’ve had a lot of mentorship . . . I have been very fortunate.”

Women can benefit from peer mentorship

Almost a third of this year’s participating companies have women in Lean In Circles, small peer groups that meet once a month to support each other and learn new skills together. Members talk openly about their ambitions and help each other take on new challenges. Circles are making a difference in their members’ careers: women in Circles are more aware of the role that gender plays in the workplace, and they are more likely to ask for—and receive—raises and promotions.17

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Based on a comparison of the experiences of women in Circles with women not in Circles.
4. Ensure that hiring, promotions, and reviews are fair

Most companies are taking steps to reduce bias in recruiting and performance reviews, but very few have end-to-end processes in place to ensure that hiring and promotions are fair. For example, a majority of organizations focus on hiring underrepresented groups, but less than a third mandate a diverse slate of candidates.

Companies need to review their hiring and review processes to make sure there aren’t gaps or inconsistencies. Additionally, they should track outcomes and set gender targets so they have clear goals and can gauge their progress. It only follows that a more comprehensive approach will lead to better outcomes.

Top-performing companies are more likely to have dedicated programs to improve promotion rates for women.

### A CLOSER LOOK AT HIRING AND PERFORMANCE REVIEWS

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### A CLOSER LOOK

Getting more men invested in gender diversity

One obstacle companies face in their efforts to advance gender diversity is that more than half of all men do not prioritize the issue. But there’s good news: there are things organizations can do that can significantly impact the way men think about gender in the workplace. When direct managers place a high priority on gender diversity, employees are more likely to be committed themselves—and this is especially true for men. And when managers and senior leaders offer guidance on how to improve gender diversity, so that it goes from a general policy to something more concrete and actionable, men are more likely to get on board.

The specific case companies put forth for gender diversity also makes a difference. If men believe their organizations prioritize gender diversity because it leads to better business results, they are significantly more likely to think it matters. In the same vein, when men think companies prioritize gender diversity because it is “fair to all people,” they are more likely to be personally committed. This suggests that companies need to better communicate that gender diversity efforts are not a zero sum game but rather benefit all employees.

The other day we had an unconscious bias training. And I looked around, and there were literally no men in the training. This is bananas to me. There’s a subset of people that really buy into it, and usually it’s people that have felt unconscious bias so they’re very aware of it. But the group that needs it the most is the one that’s not aware of it.”

Organizations also should find ways to raise awareness of the scale of the problem, such as tracking and broadly sharing key gender diversity metrics with employees.

It also helps when men have a realistic understanding of gender dynamics in the workplace. In most companies, men are far more likely than women to think their company and managers are taking steps to advance gender diversity. In top-performing companies, that gap exists but is smaller. Put another way, women and men in these companies are more aligned. This points to another advantage of employee training.

Raising awareness about unconscious bias—and the actions that counteract it—can help men see the state of women more clearly and better understand what they can do to play their part.

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Raising awareness about unconscious bias—and the actions that counteract it—can help men see the state of women more clearly and better understand what they can do to play their part.
5. Give employees the flexibility to fit work into their lives

Companies need to look for more ways to help employees balance work and family. Less than two-thirds of companies offer maternity leave beyond what’s required by law, and only about half offer fathers the same benefit. Even fewer organizations run programs that ease employees’ transitions to and from extended leave. And support for parents on an ongoing basis is relatively scarce: only 40 percent of companies provide emergency child care and less than 20 percent offer subsidized or on-site child care.

These programs provide valuable support to parents and are particularly beneficial to employees who have a partner who works, which is most often the case for women. In more senior roles, 57 percent of women have partners who work full-time, compared to 38 percent of men. Not surprisingly, companies that offer these types of programs have a higher representation of women.

**HR POLICIES AND PROGRAMS TO SUPPORT WORK/LIFE BALANCE**

<table>
<thead>
<tr>
<th>Program</th>
<th>% of Companies Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to work part-time or on a reduced schedule</td>
<td>77%</td>
</tr>
<tr>
<td>Telecommuting at least one day per week</td>
<td>75%</td>
</tr>
<tr>
<td>Personal leave of absence with guaranteed position and pay upon return</td>
<td>64%</td>
</tr>
<tr>
<td>Extended maternity leave**</td>
<td>63%</td>
</tr>
<tr>
<td>Extended paternity leave**</td>
<td>56%</td>
</tr>
<tr>
<td>Emergency backup child care services</td>
<td>40%</td>
</tr>
<tr>
<td>Programs to smooth transition to and from extended leave</td>
<td>38%</td>
</tr>
<tr>
<td>Subsidies for regular child care</td>
<td>18%</td>
</tr>
<tr>
<td>On-site child care</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Top-performing companies are more likely to offer extended parental leave and on-site child care.**

6. Focus on accountability and results

Companies need to place more emphasis on tracking, targets, and transparency—the building blocks of accountability.

Eighty-five percent of companies track gender representation by level. This is a good first step, but organizations need a more complete snapshot of gender disparities in the workplace to see and correct trouble spots. Fewer companies track external hiring and promotions by gender, although both predict greater women’s representation. Likewise, access to growth opportunities can impact women’s careers, yet only 17 percent track the assignment of high-visibility projects by gender.

Even though setting targets is a valuable tool for improving gender diversity, less than a third of companies set gender targets for representation, and even fewer set targets for external hiring and promotions.

Transparency is also rare. While 81 percent of companies say they share a majority of gender diversity metrics with senior leaders, only 23 percent share them with managers, and a mere 8 percent share them with all employees. Moreover, 43 percent of companies don’t share any metrics at all with employees. When companies share gender metrics, employees better understand the state of women in their organization and can hold their leaders accountable for progress.

This is important because accountability is key to positive change. Only 40 percent of companies say they hold their senior leaders accountable for performance against gender diversity metrics, and fewer use financial incentives. Employees also observe a low emphasis on results: less than 20 percent say leaders are regularly held accountable for progress on gender diversity.

**Top-performing companies are more likely to share some diversity metrics with all their employees.**

---

*We have a huge focus on gender diversity. We track statistics, we set stretch goals, and we have attained them in almost every function. It’s something I’m very proud of.*

---

18 In this analysis, “extended” means “beyond legal requirements” for both maternity and paternity leave. 19 Ibid.

20 The quantitative metrics companies track could include recruiting pipeline by gender, gender representation at promotion rounds, and salary differences at comparable job positions by gender.

21 There, question was not included in survey.
Looking ahead

There are more solutions than ever for companies, and evidence shows that these efforts pay off. But too many people still believe that gender diversity is a nice-to-have instead of a must-have. Until we treat gender diversity, and diversity more broadly, like the business imperative it is, true progress will be hard to achieve.

Looking ahead, creating inclusive workplaces will only become more important. Millennials are now the largest and most diverse generation, and the workforce is growing more diverse each year. Companies that keep up with the pace of this change will have a competitive edge, and those that don’t will be left behind.

Leveraging the full talents of the population leads to better results. Yet true meritocracies are rare. More than half of all employees, regardless of their gender or race and ethnicity, say that the workplace needs to be more fair.

Lifting up all women is a critical part of the way forward. Programs and policies designed to reduce bias and ensure fairness don’t just benefit women. They benefit everyone. When the most talented people can rise to the top, regardless of what they look like and where they’re from, we all end up winning.

24 For detailed statistics see Millennials Outnumber Baby Boomers and Are Far More Diverse, Census Bureau.

23 In this analysis, extended leave is defined as 9+ weeks of paid leave.

"To me, inclusivity means that no matter who I am—religion, color, gender, ethnicity—that I will feel as though my voice is heard, and I will feel well received in any room."
Acknowledgments

McKinsey & Company and LeanIn.Org would like to thank the 222 companies and more than 70,000 employees who participated in this year’s study. By sharing their information and insights, they’ve given us new visibility into the state of women in the workplace and the steps companies can take to achieve gender equality. In particular, we appreciate Thomson Reuters and Women’s Foodservice Forum’s help convening the legal and food industries.

We would also like to thank Getty Images for providing the photography used in this report from the Lean In Collection.

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**Methodology**

**COMPANY PIPELINE DATA AND PROGRAMS SURVEY**

The study is based on research from 222 companies across North America, building on last year’s study of 52 companies and prior research conducted by LeanIn.Org and McKinsey & Company in 2015 and McKinsey & Company in 2012. Each participating company submitted gender diversity talent pipeline, policies, and programs data to McKinsey. Raw data included the current representation of men and women (overall and by race/ethnicity) and distribution of the six talent levels, and number of hires, promotions, and employees who left the company by gender and role over the previous year. Summarized data reflects diversity metrics and programs and policy prevalence as of December 31, 2016. Promotion and attrition rates were determined independently for women and men at each level. Promotion rates were calculated by dividing the number of promotions into a level by the rank of the number of employees of that gender in the level below. Attrition rates were calculated by dividing the number of each gender who left the company at a given level by the number of employees of that gender in that level at start of year.

We calculated aggregate metrics using the following heuristics:

- Averages across companies: Each company received equal weighting by taking an average of averages to avoid overemphasizing the results of companies with the largest employee base.
- Industry-weighted data: Based on Fortune 500. Representation of women was calculated using industry weights to approximate the composition of the North America Fortune 500 during the year of the data collected. This enabled us to avoid overemphasizing particular industries overrepresented in our sample. Other pipeline statistics were not adjusted. Sensitivity checks indicated that findings were comparable with and without weights.

**DEFINITION OF LEVELS**

Companies categorized employees into six levels and the board of directors based on standardized definitions. In selecting participants, we sought to include six levels, companies were asked to consider reporting structure, salary, and advancement. The levels and definitions are as follows:

- **L0—Board**: Board members and directors, responsible for the organization and management.
- **L1—C-suite level executives and presidents**: CEO and his or her direct reports, or those responsible for company operations and profitability.
- **L2—Senior vice presidents**: Senior leaders of the organization with significant business unit or functional oversight.
- **L3—Vice presidents**: Leaders of the organization who report directly to senior vice presidents.
- **L4—Senior managers/direction**: Senior managers with responsibility for multiple teams and functions or operating units.
- **L5—Managers**: Employees who have management responsibility over one or two teams.
- **L6—Entry level**: Employees who carry out discrete tasks and participate in teams typically in an office or corporate setting.

Field employees like cashiers or customer service representatives are excluded in our primary analysis.

For some analyses, we consolidated the six organizational levels into three larger groupings: senior management, middle management, and entry level. These larger groupings were based on a common variance analysis to maximize reliability and reduce the likelihood of chance findings at all groups. The mapping of levels to these groupings is:

- Senior management—L1, L2, and L3
- Middle management—L4 and L5
- Entry level—L6

**METHODOLOGY FOR TOP-PERFORMING COMPANIES**

Participating companies were grouped into four performance tiers based on the following measures, where (1) and (2) represented 50 percent of the weight of the composite and (3) represented the other 50 percent of the composite.

- Top-performing companies have the highest performance in a composite of these three measures, where (1) and (2) represent 50 percent of the weight of the composite and (3) represented the other 50 percent of the composite. These quarters allowed us to identify those companies that were more common among top-performing companies in women’s representation and advancement.

**EMPLOYEE EXPERIENCE SURVEY**

Employee experience findings are based on survey results from more than 70,000 employees from eighty-two companies. No single company accounted for more than 7.5 percent of the respondents. The average response rate to our survey of eighty-two questions was 45 percent. This research builds on our 2016 employee survey, which included thirty-nine companies and more than 34,000 employee respondents.

**Group differences**

To ensure that differences highlighted between genders or groups are both reliable and substantively we used a 95 percent confidence level for all calculations. At the 95 percent level, differences in the data were statistically significant at a 5 percent confidence level using a two-tailed test and reflects difference of about five percentage points between two groups.

**GROUPING OF RESPONSES**

Analysis of employee experiences and company practices uses aggregated findings from the top two boxes of the scale. For example, the percentage of respondents who “somewhat agree” or “strongly agree,” who report experiencing something “often” or “almost always,” and who report that something is “very important” to them.

**REGRESSION ANALYSES**

We used a multiple regression approach to identify company and manager practices that best predicted the following outcomes for employers: ambition, desire to stay, sense of inequity, presence and company commitment to diversity, and receiving promotions and raises. Interaction terms were entered to identify any differences in predictive value of practices for men and women, and all models were adjusted for company-specific edition. Findings reported are those in which (1) practices significantly and (2) the relationship was meaningfully larger (p < 0.05).

**QUALITATIVE INTERVIEWS**

We conducted qualitative interviews with twenty-nine women from eight companies in our sample that represent a range of industries, including utilities, software, insurance, banking, and food and beverage. Women volunteered to be interviewed and were selected to reflect a range of levels, functions, and demographic groups. We interviewed these women about their experiences to gain a deeper understanding of the quantitative findings from the employee survey. Individual names, company names, and any other identifying information were kept strictly confidential and have been redacted for reporting purposes.

**COMPANIES INCLUDED**

Participating companies opted in to the study in response to invitations from LeanIn.Org and McKinsey & Company or by indicating interest through a public website. Their participation in the Employee Experience Survey was encouraged but optional. The study broadened the participating companies as follows:

- Asset Management and Institutional Investors—41
- Automotive and Industrial Manufacturing—12
- Banking and Consumer Finance—24
- Consumer Packaged Goods—37
- Consumer Products (hardware and software)—5
- Energy and Basic Materials—14
- Financial Services—91
- Health Care—9
- Insurance—7
- Media and Entertainment—8
- Pharmaceuticals and Medical Products—7
- Professional and Information Services (includes Legal)—27
- Retail—9
- Tech Hardware and Software—32
- Telecom and IT Services—9
- Transport, Travel, Logistics, and Infrastructure—9

**OVERSEAS SURVEYS**

This report covers only findings from North America (United States and Canada). We collected additional data for four other geographic regions: Europe, Asia Pacific, Latin America, and Middle East/Africa to be useful for company-specific benchmarking.