Proven Ways to Drive Inclusion – Numbers Behind the Methods

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McKinsey & Company
Drawing from our research
Diversity in the boardroom can happen

Average female board representation among the top 60 companies has increased 24 p.p. since 2005, and is just shy of 40%
Indeed, the top 25 companies have made major progress over the last 10 years to steadily converge toward parity.

Top 25 US companies by share of women board members, %

1 As of August 2016

SOURCE: BoardEx database of S&P 500 companies
To improve gender diversity on boards, we have identified 3 major best practices:

**Change your mind-set**
- Make a visible commitment to diversity with sustained action throughout the organization
- Set new principles for decision making
- (e.g., include women on every candidate slate)

**Expand your criteria**
- Look beyond current CEOs and other members of the C-suite
- Consider candidates with the right expertise, not just those with prior board experience

**Maintain an active pipeline**
- Expand your network to include more women and explicitly ask search firms for female candidates
- Cultivate long-term relationships with prospective candidates
Corporate America is not on a path to gender equality.

Survey trends suggest it will take more than 100 years to reach gender equality in the C suite.
Women remain underrepresented, dropping considerably by the time they reach the C-suite.

<table>
<thead>
<tr>
<th>Level</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry level</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Manager</td>
<td>63%</td>
<td>37%</td>
</tr>
<tr>
<td>Director/Sr manager</td>
<td>67%</td>
<td>33%</td>
</tr>
<tr>
<td>VP</td>
<td>71%</td>
<td>29%</td>
</tr>
<tr>
<td>SVP</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>C-suite</td>
<td>81%</td>
<td>19%</td>
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What do women and men’s experiences tell us?
Women perceive that their gender has created a disadvantage in the workplace

% of women and men who report that their gender has played a role in their missing out on getting ahead

<table>
<thead>
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<th>Level</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry level</td>
<td>19%</td>
<td>5%</td>
</tr>
<tr>
<td>Middle management</td>
<td>30%</td>
<td>6%</td>
</tr>
<tr>
<td>Senior management</td>
<td>36%</td>
<td>5%</td>
</tr>
</tbody>
</table>

SOURCE: 2016 McKinsey and LeanIn.Org Women in the Workplace study
Women say they’re negotiating as often as men and disproportionately receive pushback

% of women and men who ... % of women and men who negotiated that received feedback they were ...

- 39% Women 36% Men ("Lobbied" for a promotion or new assignment)
- 29% Women 27% Men (Asked for an increase in compensation)
- 23% Women 30% Men ("Bossy"
- 30% Women 30% Men ("Aggressive"
- 23% Women 27% Men ("Intimidating"

SOURCE: 2016 McKinsey and LeanIn.Org Women in the Workplace study
Women receive less constructive, developmental feedback

- **Receive difficult feedback regularly**
  - Women: 36%
  - Men: 46%

- **Perceived as mean or hurtful**
  - Women: 43%
  - Men: 35%

- **Cause an emotional breakdown**
  - Women: 15%
  - Men: 6%

**Reasons men & women hesitate to give difficult feedback**

SOURCE: 2016 McKinsey and LeanIn.Org Women in the Workplace study
Recommendations for improving diversity

1. Make a compelling case for gender diversity
2. Ensure that hiring, promotions, & reviews are fair
3. Focus on accountability and results
4. Empower your employees to lead the charge
Employees see a gap between performance evaluation policies and practices

Companies that report clear, consistent criteria: 93%

Employees who say managers do this in practice: 57%

**How to close that gap…**

**Hiring**
- Blind resume screening
- Analytics to reduce bias

**Reviews**
- Evaluation criteria screens
- Personalized performance reviews

**Promotions**
- Diverse slates
- High-potential talent pools

SOURCE: 2016 McKinsey and LeanIn.Org Women in the Workplace study
Employees feel unsure on how to support and promote gender diversity

<table>
<thead>
<tr>
<th>% of employees who report they know what to do to improve gender diversity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entry level</td>
</tr>
<tr>
<td>28%</td>
</tr>
<tr>
<td>Middle Management</td>
</tr>
<tr>
<td>51%</td>
</tr>
<tr>
<td>Senior Management</td>
</tr>
<tr>
<td>61%</td>
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</table>

**Levers for education...**

- **Train**: Teach employees what they need to know
- **Celebrate**: Give credit where credit is due
- **Model**: Talk the talk and walk the walk

SOURCE: 2016 McKinsey and LeanIn.Org Women in the Workplace study
Getting diversity right matters for everyone

To learn more, go to www.mckinsey.com/womenmatter