



Women in the Workplace

2020

CORPORATE AMERICA IS AT A CRITICAL CROSSROADS



McKinsey & Company

LEAN IN



About the study

Women in the Workplace is the largest comprehensive study of the state of women in corporate America. In 2015, McKinsey & Company and LeanIn.Org launched the study to help companies advance diversity in the workplace. Between 2015 and 2019, close to 600 companies took part in the study, and more than a quarter of a million people were surveyed on their workplace experiences. Now, in 2020, women in corporate America are facing a new challenge: the Covid-19 pandemic. This year's report focuses on how the pandemic has affected women at work, including the unique impact on women of different races and ethnicities, working mothers, women in senior leadership, and women with disabilities. It also looks at the emotional impact of incidents of racial violence in this country on employees. Finally, it tracks the changes we've seen in women's representation over the past six years, and assesses how Covid-19 could disrupt those trends going forward.

Sign up to participate in the 2021 study at womenintheworkplace.com.

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PART 1: THE SITUATION

Covid-19 has
disrupted the
workplace in ways
we've never seen
before

This is the sixth year of the Women in the Workplace study—a year unlike any other.

The events of 2020 have turned workplaces upside down. Under the highly challenging circumstances of the Covid-19 crisis, many employees are struggling to do their jobs. Many feel like they're "always on" now that the boundaries between work and home have blurred. They're worried about their family's health and finances. Burnout is a real issue.

Women in particular have been negatively impacted. Women—especially women of color—are more likely to have been laid off or furloughed during the Covid-19 crisis¹, stalling their careers and jeopardizing their financial security.

The pandemic has also intensified challenges that women already face in the workplace. Working mothers have always worked a "double shift"—a full day of work, followed by hours spent caring for children and doing household labor. Now the supports that made this even possible for women—including school and childcare—have been upended.

Meanwhile, Black women already face more barriers to advancement than most other employees. Today they're also coping with the disproportionate impact of Covid-19 on the Black community.² And the emotional toll of repeated instances of racial violence falls heavily on their shoulders.

As a result of these dynamics, 1 in 4 women are contemplating what many would have considered unthinkable less than a year ago: downshifting their careers or leaving the workforce.³

This is a critical moment for corporate America. Companies risk losing women in leadership—and future women leaders—and unwinding years of painstaking progress toward gender diversity.

This crisis also represents an opportunity. If companies make significant investments in building a more flexible and empathetic workplace—and there are signs that this is starting to happen—they can retain the employees most impacted by today's crises and create more opportunities for women to succeed in the long term.

Corporate America is at a crossroads. The choices that companies make today will have consequences both for their organizations and society for decades to come.

SECTION 1

The State of the Pipeline

Between 2015 and 2020, we made slow but steady progress in women's representation. But a "broken rung" at the first step up to manager continues to hold women back—and now the Covid-19 crisis is threatening to erase the gains of the past six years.

We have made slow but steady progress over the past six years

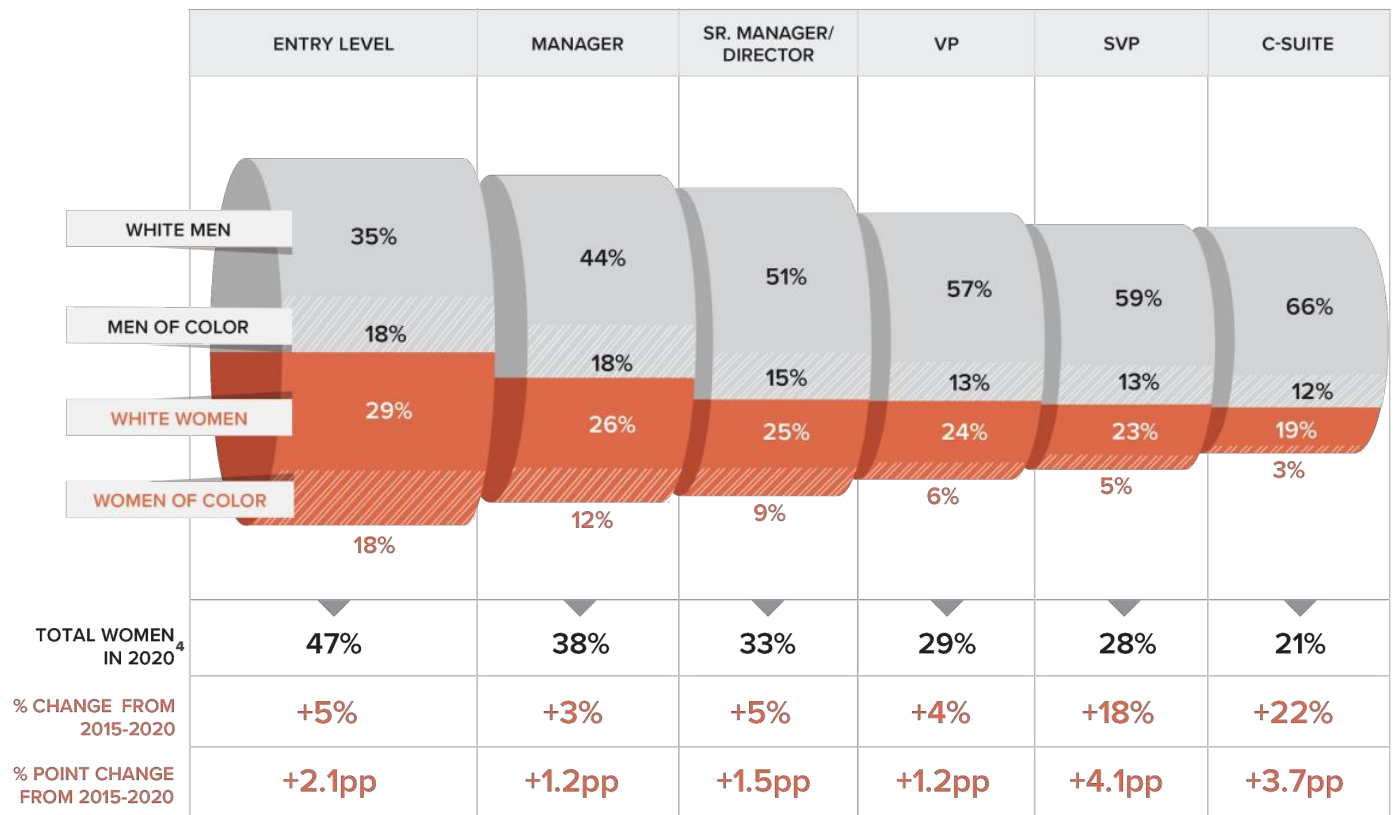
At the beginning of 2020, before the Covid-19 pandemic began in the United States, the representation of women in corporate America was slowly trending in the right direction. This was most pronounced in senior management: Between 2015 and 2020, the share of women grew from 23 to 28 percent in SVP roles—and from 17 to 21 percent in the C-suite. Women remained dramatically underrepresented, particularly women of color, but the numbers were slowly improving.



REPRESENTATION OF CORPORATE PIPELINE BY GENDER AND RACE

■ MEN ■ WOMEN

% of employees by level at the start of 2020



However, the “broken rung” is still holding women back . . .

Despite gains for women in leadership, a “broken rung” in promotions at the first step up to manager was still a major barrier in the past year. For every 100 men promoted to manager, only 85 women were promoted—and this gap was even larger for some women: Only 58 Black women and 71 Latinas were promoted. As a result, women remained significantly outnumbered at the manager level at the beginning of 2020—they held just 38 percent of manager positions, while men held 62 percent.

. . . and now the Covid-19 crisis could erase all the gains we’ve made

Due to challenges created by the Covid-19 crisis, as many as two million women are considering taking a leave of absence or leaving the workforce altogether. This is the first time we’ve seen signs of women leaving the workforce at higher rates than men; in the previous six years of this study, women and men left their companies at similar rates. If these women feel forced to leave the workforce, we’ll end up with far fewer women in leadership—and far fewer women on track to be future leaders. All the progress we’ve seen over the past six years would be erased.



The broken rung has a long-term impact on the talent pipeline. Since men significantly outnumber women at the manager level, there are far fewer women to hire or promote to senior managers. And 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.

SECTION 2

Impact of Covid-19

The pandemic is a health and financial crisis that has turned people's lives and workplaces upside down. Many employees are exhausted and burned out. Women in particular have been negatively impacted, and three groups are facing distinct challenges: mothers, senior-level women, and Black women.



The Covid-19 crisis has been grueling for employees

As the Covid-19 crisis wears on, many employees are struggling

The Covid-19 crisis has been extremely difficult for employees. Several challenges loom large, including childcare and homeschooling responsibilities, mental health, and burnout. Many employees feel like they need to be “always on”—available for work at all hours of the day. And a significant number of employees are worried about layoffs, furloughs, and financial insecurity.

Taken together, these challenges paint a picture of a workforce that is dealing with unsustainable pressure and anxiety. Almost half of employees say they have consistently felt stressed at work over the past few months, and about a third report feeling exhausted or burned out. For working parents—and working mothers in particular—those burdens are even heavier.



EMPLOYEES SAY THEIR BIGGEST CHALLENGES DURING COVID-19 ARE . . .⁶

1. Anxiety over layoffs or furloughs
2. Burnout
3. Mental health
4. Childcare and/or homeschooling responsibilities
5. Physical and mental health of loved ones
6. Financial insecurity

Some challenges loom larger for certain groups of women. Compared with women overall, Latinas are more likely to worry about layoffs and furloughs.⁵ And LGBTQ+ women are almost twice as likely as employees overall to cite mental health as one of their biggest challenges during Covid-19.

* This report contains stock photographs for illustrative purposes only. Images do not reflect the identities of the women quoted. Within the quotes, some identifying details may have been altered and/or withheld to protect the speaker's anonymity.



A CLOSER LOOK

Certain challenges are more likely to push women out of the workforce

The pressures of the pandemic are driving some employees—especially women—to consider downshifting their careers or leaving the workforce. The following factors are predictive of whether an employee considers downshifting or leaving:

- >> Lack of flexibility at work
- >> Feeling like they need to be available to work at all hours, i.e., “always on”
- >> Housework and caregiving burdens due to Covid-19
- >> Worry that their performance is being negatively judged because of caregiving responsibilities during the pandemic
- >> Discomfort sharing the challenges they are facing with teammates or managers
- >> Feeling blindsided by decisions that affect their day-to-day work
- >> Feeling unable to bring their whole self to work

Although these factors hurt all employees, some groups of women experience certain challenges at higher rates. For example, mothers are more likely than fathers to worry that their performance is being negatively judged due to their caregiving responsibilities. Women in senior leadership are more likely than men at the same level to feel as though they are “always on.” And Black women are more likely than women and men overall to feel like they can’t bring their whole selves to work.

Companies are stepping up—but many aren't addressing the underlying causes of burnout

Many companies have taken important steps to support employees during the Covid-19 crisis. They are sharing valuable information with employees, including updates on the business's financial situation and details about paid leave policies. They have expanded services related to mental health, such as counseling and enrichment programs, and offered trainings to help managers support employees' mental health and well-being. And they are providing tools and resources to help employees work remotely.

However, fewer companies have taken steps to adjust the norms and expectations that are contributing to employee burnout. Less than a third of companies have adjusted their performance review criteria to account for the challenges created by the pandemic, and only about half have updated employees on their plans for performance reviews or their productivity expectations during Covid-19. That means many employees—especially those who are parents and caregivers—are facing the choice between falling short of pre-pandemic expectations that may now be unrealistic, or pushing themselves to keep up an unsustainable pace.

There is also the issue of financial anxiety. Companies are putting policies and programs in place to ease employees' financial stress. More than half have increased paid leave⁷—which is an important option for employees who need time off but can't afford to miss a paycheck—and about a third have added or expanded stipends to offset the costs of working from home. However, these supports don't address the issue employees are most worried about: the possibility of being laid off or furloughed. Sadly, for companies struggling financially or rethinking their business, it may not be possible to reassure their employees on this front.

“

We are still expected to meet, if not exceed, all of our targets. The Covid-19 pandemic hasn't affected anything as far as what we're required to get done. So far, we've been able to make our goals, but there is a lot of extra stress. They tell us, 'You just need to figure it out.' Delay is not an option.”

LATINA, ONE CHILD (AGE 1), FIELD/FRONTLINE⁸



A CLOSER LOOK

How companies are supporting employees

Most companies have taken steps to help employees during Covid-19, including sharing valuable information and expanding support services. However, fewer companies have taken action to address the root causes of feeling burned out and “always on.”

COMPANIES HAVE STEPPED UP, BUT CAN DO MORE TO ADDRESS BURNOUT AND FINANCIAL ANXIETY

% of companies who have communicated to employees vs. % of companies that have provided to support employees during Covid-19

What companies have communicated . . .

What companies have provided to employees. . .⁹

Childcare/homeschooling challenges

Information about your company's paid leave policies **88%**

Maintained Started or expanded

Parenting and homeschooling resources **18%** **46%**

Burnout

Productivity expectations during the crisis **51%**

Changed performance review process¹⁰ **37%**

Plans for performance reviews during the crisis **51%**

Mental health & well-being

Commitment to the mental health and well-being of employees **90%**

Mental health counseling **56%** **44%**

Information about your company's mental health services **97%**

Health checks and healthcare services **51%** **41%**

Personal well-being and enrichment programs **28%** **63%**

Bereavement counseling **82%** **8%**

Financial anxiety

Information about your company's financial situation **86%**

Emergency loans/grants **21%** **28%**

Information about how employees will be paid during the crisis (e.g., pay cuts or raises) **69%**

Stipends to offset the costs of working from home **11%** **33%**

Announcement that there will be no layoffs for a period of time **37%**

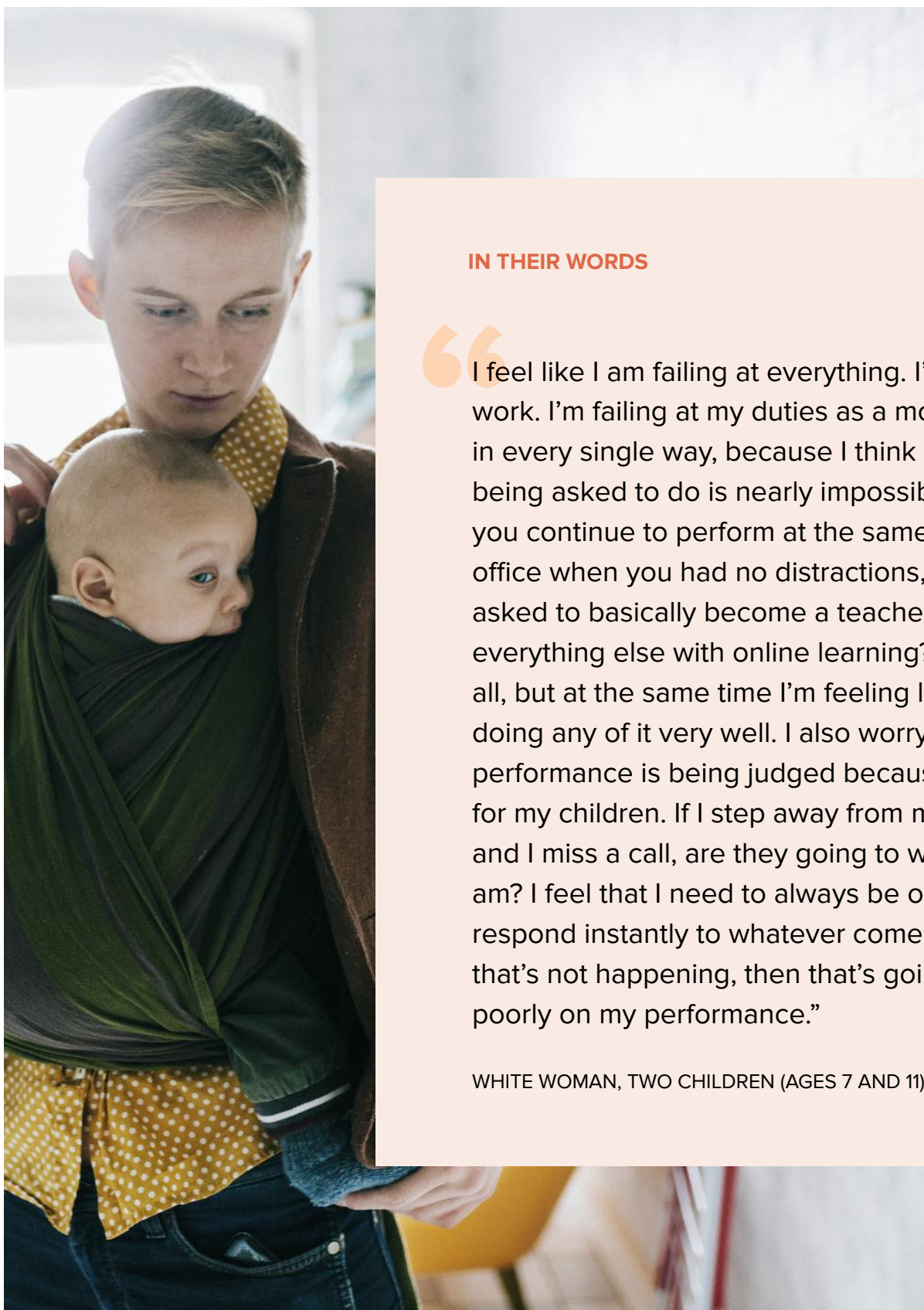
Job training and re-skilling **58%** **21%**

100%

100%



Covid-19 could push many mothers out of the workforce



IN THEIR WORDS

“I feel like I am failing at everything. I’m failing at work. I’m failing at my duties as a mom. I’m failing in every single way, because I think what we’re being asked to do is nearly impossible. How can you continue to perform at the same level as in the office when you had no distractions, plus being asked to basically become a teacher for kids and everything else with online learning? I’m doing it all, but at the same time I’m feeling like I’m not doing any of it very well. I also worry that my performance is being judged because I’m caring for my children. If I step away from my virtual desk and I miss a call, are they going to wonder where I am? I feel that I need to always be on and ready to respond instantly to whatever comes in. And if that’s not happening, then that’s going to reflect poorly on my performance.”

WHITE WOMAN, TWO CHILDREN (AGES 7 AND 11), VP

During Covid-19, childcare and housework have mostly fallen to mothers

Decades of research shows that women do significantly more housework and childcare than men—so much so that women who are employed full-time are often said to be working a “double shift.”¹¹ During Covid-19, women—and mothers in particular—are taking on an even heavier load. Mothers are more than three times as likely as fathers to be responsible for most of the housework and caregiving.¹² In fact, they’re 1.5 times more likely than fathers to be spending an extra three or more hours a day on housework and childcare—equivalent to 20 hours a week, or half a full-time job.

Meanwhile, for the 1 in 5 mothers who don’t live with a spouse or partner, the challenges are even greater. Single mothers are much more likely than other parents to do all the housework and childcare in their household, and they are also more likely than mothers overall to say that financial insecurity is one of their top concerns during the pandemic.

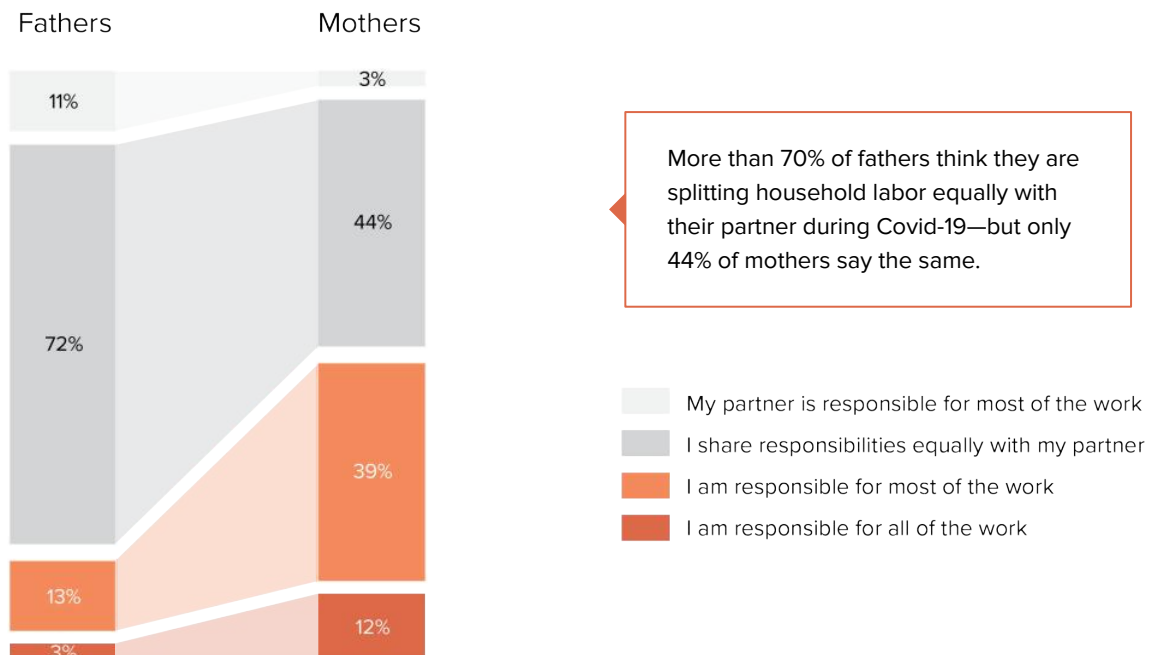
“There’s an assumption in a lot of families that the woman is the primary caregiver. Kids literally walk past their dads to go to their moms to ask for stuff. The pandemic has highlighted how disproportionately things fall on women.”

ASIAN AMERICAN WOMAN, THREE CHILDREN (UNDER AGE 5), MANAGER

76% of mothers with children under age 10 say childcare is one of their top three challenges during Covid-19, compared to 54% of fathers with young children.

MOTHERS ARE THREE TIMES MORE LIKELY TO BE RESPONSIBLE FOR MOST OF THE HOUSEHOLD LABOR

Distribution of household labor for heterosexual parents in dual-career couples¹³





A CLOSER LOOK

Covid-19 has been especially challenging for Latina and Black mothers

Latina and Black mothers are shouldering heavier burdens than white mothers. They are more likely to be their family's sole breadwinner or to have partners working outside the home during Covid-19. They are doing more at home, too: Latina mothers are 1.6 times more likely than white mothers to be responsible for all childcare and housework, and Black mothers are twice as likely to be handling all of this for their families.

“I have weeks when I feel burned out. Before the pandemic, my parents helped with childcare, but now everything falls on me. I feel overwhelmed at least two or three days a week. It's really hard to put toddlers and babies on a schedule and have them entertain themselves. The biggest challenge is meetings. I need to be available for meetings at core business hours, and it's very hard to focus when my kids are in the room.”

LATINA, TWO CHILDREN (UNDER AGE 4),
MANAGER

On top of increased demands at home, mothers worry they'll be judged more harshly at work

Because of the heavier demands that mothers are shouldering at home, it's especially difficult for them to balance work and life during Covid-19. Mothers are more likely than fathers to feel exhausted and to say that childcare and homeschooling are among their biggest challenges during the pandemic.

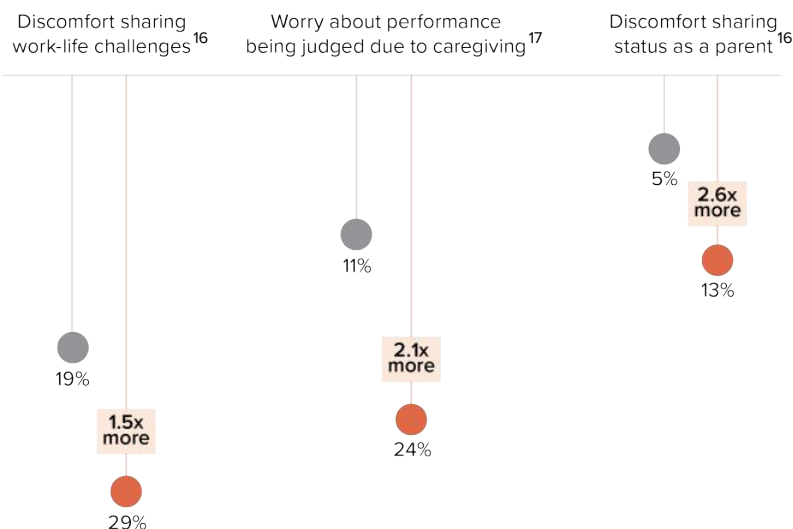
Mothers also face persistent bias in the workplace. There's a false perception that mothers can't be truly invested in both family and work, and are therefore less committed than fathers and women without children.¹⁴ And when mothers take advantage of flexible work options, that perception is strengthened, even if they are just as productive as other employees.¹⁵ Now that family demands are front and center—and sometimes literally visible to co-workers over videoconferencing—this bias may be intensified.

Mothers are clearly concerned about how this bias could impact their careers during Covid-19. They are more than twice as likely as fathers to worry that their performance is being judged negatively because of caregiving responsibilities. They are also far more likely to feel uncomfortable sharing work-life challenges—or that they're a parent at all—with colleagues.

MOTHERS ARE MORE LIKELY THAN FATHERS TO FEEL JUDGED FOR CAREGIVING DURING COVID-19

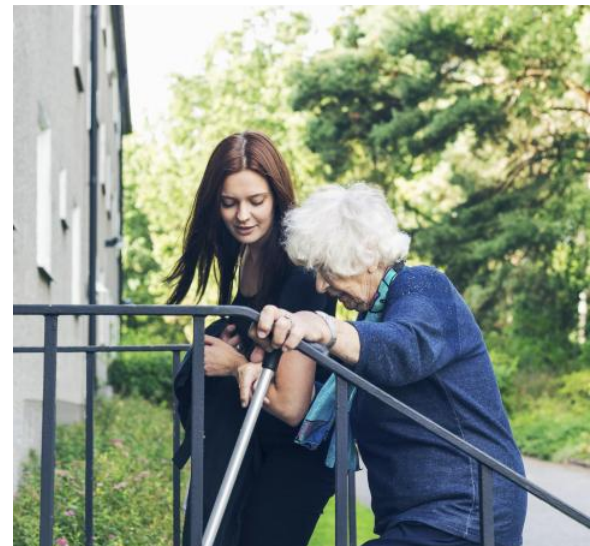
■ FATHERS ■ MOTHERS

Since the start of the Covid-19 crisis, % of parents who have experienced. . .



I don't talk about my caregiving responsibilities with my boss. Women with children always have some stigma attached to them in the workplace. People might think I don't work as hard because I have children. I never want that stigma to be attached to me and my work."

ASIAN AMERICAN WOMAN, TWO CHILDREN (AGES 5 AND 7), DIRECTOR



Non-parent caregivers face stigma, too. Employees caring for sick or elderly relatives also worry their performance will be judged negatively because of these responsibilities.

One in three mothers may be forced to scale back or opt out

Given the enormous challenges mothers are facing at work and at home, two things should come as no surprise: Many mothers are considering downshifting their career or leaving the workforce, and mothers are significantly more likely to be thinking about taking these steps than fathers.

Among mothers who are thinking about downshifting or leaving, a majority cite childcare responsibilities as a primary reason.

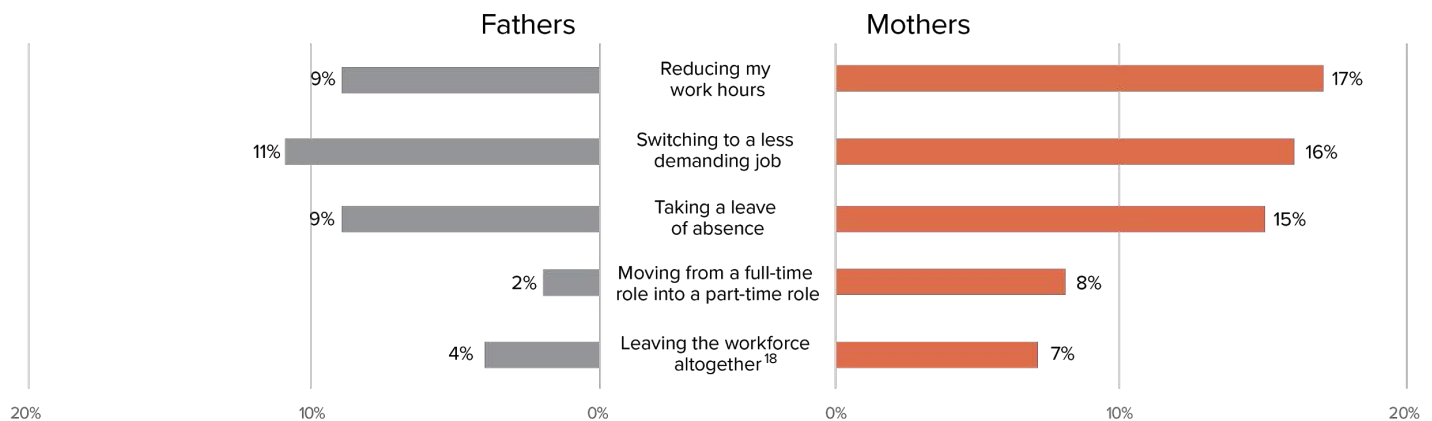


“There were times when I said to my husband, ‘One of us is going to have to quit our job.’ And I remember thinking, ‘How come I’m the only one thinking about this, and my husband isn’t?’ I don’t think him leaving was ever in question.”

ASIAN AMERICAN WOMAN, TWO CHILDREN (AGES 1 AND 5), SENIOR MANAGER

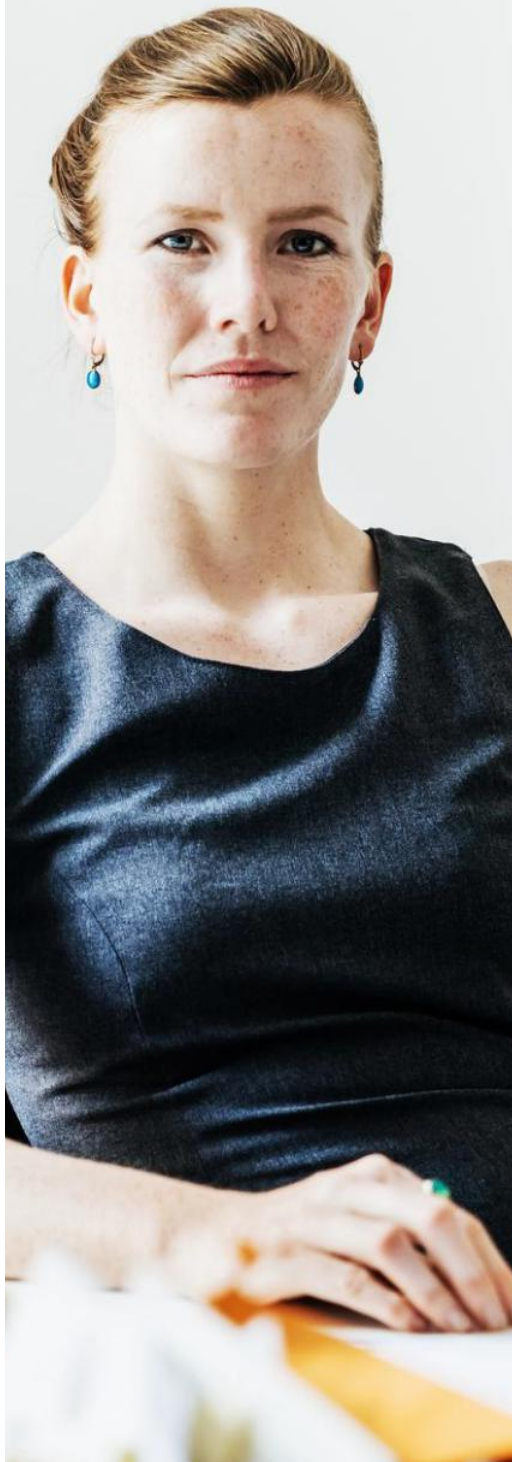
MOTHERS ARE MORE LIKELY THAN FATHERS TO CONSIDER SCALING BACK OR LEAVING BECAUSE OF COVID-19

% of employees who have considered changing their work situation during the Covid-19 crisis





Companies are at risk of losing women in leadership



IN THEIR WORDS

“At the start of the crisis, the markets were tanking and so much was unknown—not just about personal life, but also about the future of our business. There was a pressure I personally felt leading a 200-person team. For all of them, I had to solve basic questions like, ‘Does everyone have laptops?’ and make major safety calls like, ‘Everybody, get home.’ I felt a personal responsibility to take care of my team and make sure that they weren’t scared, that they had marching orders, and that they had guidance on the state of our business. . . I’m also providing advice to my own boss and management team. We had to figure out what we were going to do differently to protect the business, given all of the unknowns.

Not only that, but I don’t have a sliver of time without a meeting from 8 AM until 6 PM every single day. There’s no buffer to get a glass of water, go to the bathroom, check on my child. I had a couple of days in the past two weeks where I barely saw my son for 15 minutes. Since Covid-19, I’ve really thought about whether I can have a long-term career at this company.”

WHITE WOMAN, ONE CHILD (AGE 3), VP

Senior-level women are facing heightened pressure both at work and at home¹⁹

Senior-level women are under the same pressure to perform as senior-level men—and then some. Women are often held to higher performance standards than men, and they may be more likely to take the blame for failure—so when the stakes are high, as they are now, senior-level women could face higher criticism and harsher judgement.²⁰ Senior-level women are also nearly twice as likely as women overall to be “Onlys”—the only or one of the only women in the room at work. That comes with its own challenges: Women who are Onlys are more likely than women who work with other women to feel pressure to work more and to experience microaggressions, including needing to provide additional evidence of their competence.

Not surprisingly, senior-level women are significantly more likely than men at the same level to feel under pressure to work more and as though they have to be “always on.” And they are 1.5 times more likely than senior-level men to think about downshifting their careers or leaving the workforce because of Covid-19. Almost 3 in 4 cite burnout as a main reason.

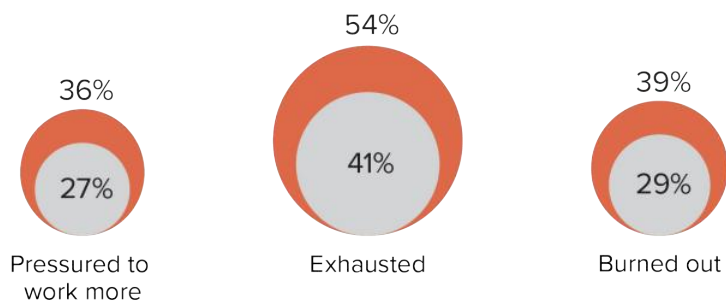
“The greatest challenge has been the ability to disconnect from work. I get out of bed and go straight to my office, which is 20 steps away. And it’s very easy to get in early and stay late because there’s more than enough work to be done.”

BLACK WOMAN, C-SUITE EXECUTIVE

SENIOR-LEVEL WOMEN ARE BURNING OUT AT A HIGHER RATE THAN SENIOR-LEVEL MEN

■ SENIOR MEN ■ SENIOR WOMEN

In the past few months, % of employees who have consistently felt. . .



Companies can't afford to lose women leaders

The possibility of losing so many senior-level women is alarming.

The financial consequences could be significant. Research shows that when women are well-represented at the top, companies are 50% more likely to outperform their peers.²¹

Beyond that, senior-level women have a vast and meaningful impact on a company's culture. They are more likely than senior-level men to embrace employee-friendly policies and programs²² and to champion racial and gender diversity: Over 50 percent of senior-level women say they consistently take a public stand for gender and racial equity at work, compared to roughly 40 percent of senior-level men. And they're more likely to mentor and sponsor other women: 38 percent of senior-level women currently mentor or sponsor one or more women of color, compared to only 23 percent of senior-level men.

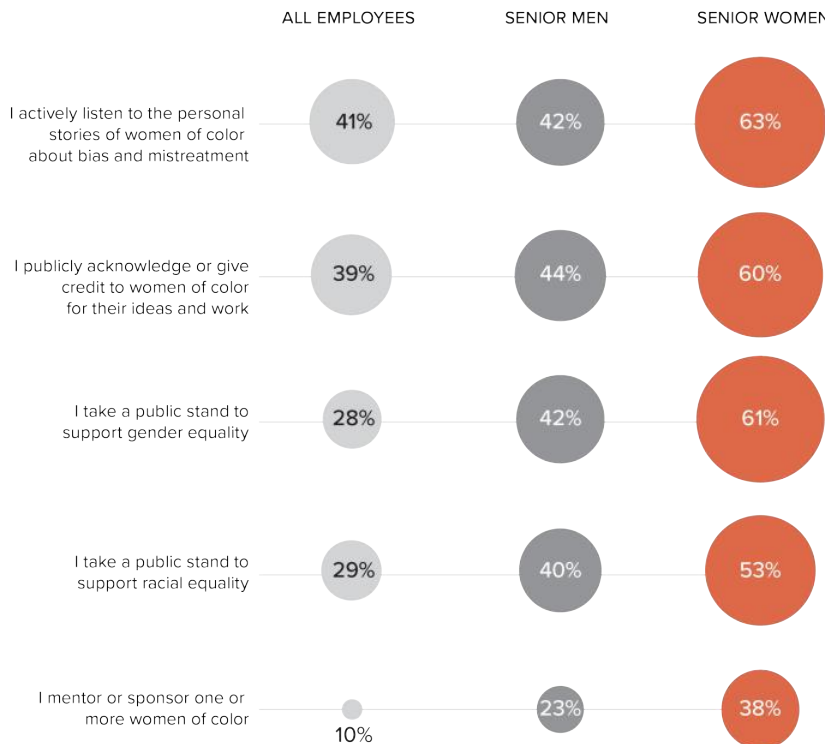
If women leaders leave the workforce, women at all levels could lose their most powerful allies and champions.

“This has been the most challenging professional and personal year of my life. I have days where it all feels hopeless. I’ve been thinking about stepping back, which I never did before Covid-19. I’m looking for roles at other companies with a smaller team and shorter hours.”

WHITE WOMAN, ONE CHILD (AGE 3), VP

SENIOR-LEVEL WOMEN ARE MUCH MORE LIKELY THAN SENIOR-LEVEL MEN TO PRACTICE ALLYSHIP

% of men in senior leadership vs. women in senior leadership who consistently take allyship actions





Black women are less likely to feel supported at work during Covid-19



IN THEIR WORDS

“There was a real silence after George Floyd happened. And I felt like that silence ripped open a wound that I didn’t realize had been so deep. What was disappointing, and what I heard from multiple Black colleagues was, ‘I have all these people who I work with every single day who I think care about me. But that week we were mourning as a community, and no one reached out. No one said a word.’ I kept thinking that one day somebody was going to say something, but no one did. It’s like, if you’re on a tight-knit team and somebody has a family member pass away, you reach out. You send them a note. You do something, some gesture, because they’re your co-worker, and they’re also a human being. But no one I work with did that after George Floyd.”

BLACK AND LATINA WOMAN, MANAGER

The workplace has always been worse for Black women²³

Compared with their colleagues of other races and ethnicities, Black women have always had distinct, and by and large worse, experiences at work. They are promoted more slowly than other groups of employees and are significantly underrepresented in senior leadership. They are less likely than women of other races and ethnicities to say their manager advocates for new opportunities for them. And they have fewer interactions with senior leaders, which means they often don't get the sponsorship and advocacy they need to advance. Given these challenges, it's not surprising that Black women are less likely than employees of other races to report they have equal opportunity to advance at work.

Black women also deal with more day-to-day bias in their workplaces. They face a wider range of microaggressions, from having their judgment questioned to hearing demeaning remarks about themselves or people like them. Additionally, half of Black women are often Onlys for their race. Black women who are Onlys are especially likely to feel scrutinized, under increased pressure to perform, and as if their actions reflect positively or negatively on people like them.

Black women experience a wider range of microaggressions at work. For example, they are twice as likely as white women to hear colleagues express surprise at their language skills or other abilities.



“It took too long for me to get to my current role, given the contributions I've made. Others got to the same position with fewer achievements and in less time. I think there was a lack of willingness by others to sponsor me, to advocate for me, to acknowledge my skill set. While I've had great opportunities, they were not equal to the opportunities offered to other employees.”

BLACK WOMAN, C-SUITE EXECUTIVE

Now Black women are facing even greater challenges

Black women are being disproportionately impacted by the difficult events of 2020. They are more than twice as likely as women overall to say that the death of a loved one has been one of their biggest challenges during the Covid-19 pandemic. And incidents of racial violence across the U.S. are exacting a heavy emotional toll.

Work should be a supportive place for Black women amid these national and global crises. Unfortunately, for many, that's not the case. Black women are less likely than women overall to report that their manager has inquired about their workload or taken steps to ensure that their work-life needs are being met, and only about a third say their manager has fostered an inclusive culture on their team.²⁴

Additionally, fewer than 1 in 3 Black women report that their manager has checked in on them in light of recent racial violence. And Black women are far less likely than white colleagues to say they have strong allies at work.

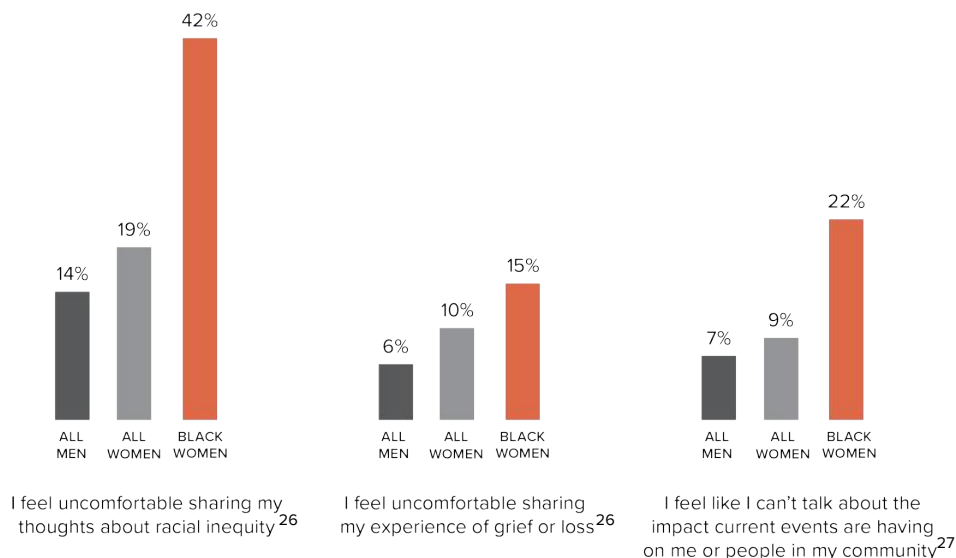
All of this is having an impact on Black women. They are more likely than employees of other races and ethnicities to feel uncomfortable talking with colleagues about the impact current events have had on their community and their own grief and loss. They also feel more reluctant to share their thoughts on racial inequity. And compared with other employees, Black women feel more excluded at work and are less likely to say they can bring their whole selves to work.

Since the start of Covid-19, Black women are more likely than other employees to think about leaving the workforce because of concerns over their health and safety.

Black women are almost twice as likely as women overall to say that they can't bring their whole selves to work and more than 1.5 times as likely to say they don't have strong allies.²⁵

BLACK WOMEN OFTEN DON'T FEEL COMFORTABLE BRINGING THEIR WHOLE SELVES TO WORK

% of employees who agree with the following statements. . .



A CLOSER LOOK

Many employees see themselves as allies to women of color—but they aren’t taking enough action

When an “ally” is defined as someone who uses their power to support or advocate for others with less power, more than 60 percent of employees consider themselves to be allies to women of color at work. But relatively few employees are consistently taking common allyship actions, such as publicly advocating for racial equality, publicly confronting discrimination, and mentoring and sponsoring women of color.

Allyship matters. Black women who have strong allies are more likely to be happy with their jobs, believe they have equal opportunity to advance, and feel like they can bring their whole selves to work.

“I’ve had co-workers who think they’re being great allies, but there’s so much more they can do. They support their Black colleagues in theory, but they don’t call anyone out for saying or doing things that hurt their Black colleagues.”

BLACK WOMAN, ONE CHILD (AGE 3), DIRECTOR

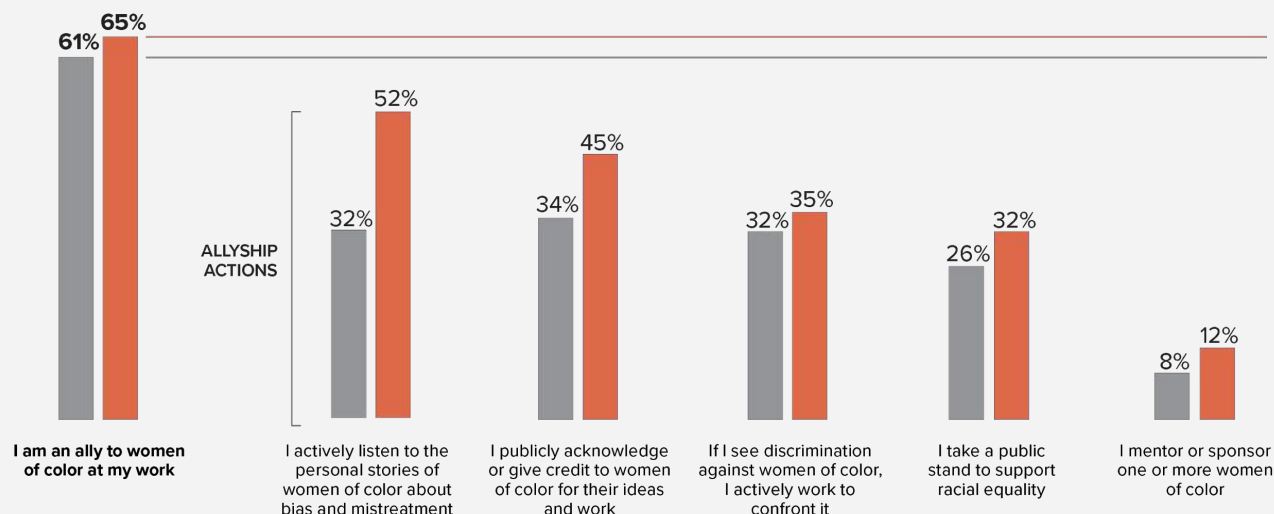
Employees in traditionally marginalized groups are often more likely to take key allyship actions.

Black women are almost three times as likely as men overall to mentor and sponsor women of color, and women overall are much more likely than men to publicly recognize women of color for their ideas and contributions.

EMPLOYEES WHO SAY THEY ARE ALLIES DON’T ALWAYS TAKE ACTION

■ MEN ■ WOMEN

% of employees who say they are allies to women of color vs. % who consistently take allyship actions






It's important to understand that intersectionality impacts women's experiences

There is no one experience of women during Covid-19

Across all the data about how employees are faring during the Covid-19 crisis, two trends stand out. First, women are having a worse experience than men. Second, women aren't all having identical experiences. Black women, Latinas, Asian women, LGBTQ+ women, and women with disabilities are facing distinct challenges. It's important for companies to understand this so they can address those challenges directly.

HOW DIFFERENT GROUPS OF WOMEN ARE FEELING DURING COVID-19

BETTER EXPERIENCE  WORSE EXPERIENCE

% of employees who have felt. . .

Comparison of LGBTQ+ women and women with disabilities to men and women overall

ALL MEN	ALL WOMEN	LGBTQ+ WOMEN	WOMEN WITH DISABILITIES
46%	53%	58%	61%
31%	37%	43%	46%
28%	32%	37%	40%
10%	11%	12%	22%
20%	22%	25%	36%
7%	9%	16%	15%
9%	13%	20%	24%

Comparison of women by race and ethnicity

WHITE WOMEN	ASIAN WOMEN	LATINAS	BLACK WOMEN
55%	47%	49%	47%
37%	37%	34%	40%
33%	30%	27%	33%
11%	10%	10%	17%
22%	18%	19%	23%
7%	7%	8%	22%
13%	12%	14%	16%

Stressed

Exhausted

Burned out

Excluded

In the dark

Can't talk about impact of current events

Discomfort sharing challenges



A CLOSER LOOK

Covid-19 has been especially difficult for women with disabilities²⁸

For women with disabilities, doing their jobs amid the pandemic is particularly hard. They are less likely to report getting the flexibility they need at work during the pandemic, and they are more likely to feel excluded, in the dark, and uninformed.

These challenges have a clear negative impact. Women with disabilities are more likely than other groups of women to feel stressed, burned out, and exhausted. They are almost twice as likely as women overall to be uncomfortable sharing the challenges they're facing with their teammates or managers, and more than twice as likely to be uncomfortable talking about their health at work.

“I’m barely hanging on. I recently let my direct manager know [about my disability], and I am glad that he is aware so he knows I may not be as accessible on some weeks. But it was also very difficult for me to tell him because this is a job where people will stop giving you work on a dime if they perceive that you’re weak.”

WHITE WOMAN WITH A DISABILITY,
MANAGER

PART 2: THE PATH FORWARD

Companies are at a critical crossroads

The choices companies make could shape the workplace for women for decades to come—for better or for worse.

The challenges facing companies right now are serious. Millions of women are considering downshifting their careers or leaving the workforce. The broken rung, which has held millions of women back from being promoted to manager, is still broken. Black women are dealing with additional challenges—including long-standing issues of racial bias—and getting less support from managers and co-workers.

There are two paths ahead. If companies recognize the scale of these problems and do all they can to address them, they can help their employees get through this difficult time and even reinvent the way they work so it's more flexible and sustainable for everyone. If not, the consequences could badly hurt women, business, and the economy as a whole. This moment requires long-term thinking, creativity, strong leadership, and a laser focus on the value of women to their organizations.

SOLUTIONS

A Framework for Action

Success will look different for different organizations, but two things are clear: Companies need to address the heightened challenges women are facing, and they need to better support Black women.



How companies can address the core challenges women are facing

To retain the women most impacted by the challenges of Covid-19, companies need to take steps to reduce the additional pressures they're experiencing.

Here are six key areas where companies should focus or expand their efforts.

1. Make work more sustainable

A sustainable pace at work is essential to helping mothers, senior-level women, and all employees facing burnout get through this crisis. To make this happen, leaders and managers need to look at productivity and performance expectations set before Covid-19 and ask if they're still realistic. They may also need to reset goals, narrow project scopes, or keep the same goals and extend deadlines. Currently, only a small number of managers are doing this.

Additionally, finding creative ways to give employees extra time off make a difference. For example, we've heard from companies that have offered "Covid-19 days" to give parents a chance to prepare for the new school year and from companies that close for a few Fridays each quarter to give everyone an opportunity to recharge.



“At every level of management, the communications have been very clear that you need to have downtime to balance your work life and your home life. They gave tips like, when you send an email, say something like, ‘Hey, I don’t need this until Thursday morning,’ so that employees are not always on. And to help people take a break, they told us, ‘There’s no commute anymore to help you break up the day, so you should schedule a walk at 5:30.’ Those are really nice things to hear.”

ASIAN AMERICAN WOMAN, ONE CHILD (AGE 10),
SENIOR MANAGER

2. Reset norms around flexibility

Covid-19 has made it much harder for employees to draw clear lines between work and home, and many employees feel like they are “always on.” Companies should look for ways to re-establish work-life boundaries. For many, this may require setting new work norms—for example, establishing set hours for meetings, putting policies in place for responding to emails outside typical business hours, and improving communication about work hours and availability within teams.

Companies can also encourage employees to set their own boundaries and take full advantage of flexible work options. Even when these options are available, some employees worry there may be a stigma attached to using them. To mitigate this, leaders can assure employees that their performance will not be measured based on when, where, or how many hours they work. Leaders can also communicate their support for workplace flexibility—57 percent of employees say senior leaders at their company have done this during Covid-19. In addition, leaders can model flexibility in their own lives, which sends a message to employees that it’s okay to take advantage of flexible work options. When employees believe senior leaders are supportive of their flexibility needs, they are less likely to consider downshifting their careers or leaving the workforce.

3. Take a close look at performance reviews

Performance reviews are an important part of running an effective organization and rewarding employees for their contributions. But given the shift to remote work and the heightened challenges employees are coping with in their personal lives, performance criteria set before Covid-19 may no longer be appropriate. Managers can relieve employees’ stress—and refocus on key priorities—by reassessing performance criteria set before the pandemic to make sure those criteria are still attainable. Bringing criteria into line with what employees can reasonably achieve may help to prevent burnout and anxiety—and this may ultimately lead to better performance and higher productivity.²⁹

“We’re looking at whether to make some bigger structural changes to scheduling norms, like company-wide flexibility, no-meeting Wednesdays, or no-meeting lunches.”

CHRO, RETAIL INDUSTRY





CASE STUDY

Adobe is helping managers to support employees' work-life needs



Throughout the pandemic, flexibility has been a critical need for employees, especially working parents. Adobe is trying to address this by giving managers the tools to make flexible schedules the norm. All managers have been asked to meet with each team member about their schedule constraints and accommodate flexibility needs as much as possible. Managers went into these meetings armed with information to make the conversation more productive, including FAQs, tip sheets, and insights from a virtual Q&A session on flexibility during the pandemic.

Adobe's employee pulse survey of August 2020 suggests these efforts are genuinely helping. Questions about whether managers care about employee well-being and whether employees have the flexibility they need received favorability rates³⁰ of 85 percent and higher.

4. Take steps to minimize gender bias

The pandemic may be amplifying biases women have faced for years: higher performance standards, harsher judgment for mistakes, and penalties for being mothers and for taking advantage of flexible work options.³¹ These biases could show up in new ways during Covid-19: For example, when judgmental comments are made about young children playing in the background on video calls; when co-workers assume, consciously or unconsciously, that women are less committed to their jobs; or when managers are evaluating women in performance reviews. Given managers and team members have less visibility into their colleagues' day-to-day work, they may be more likely to make assumptions about their performance, and this increases the chance of bias creeping in.

To mitigate the biases that women are up against, companies need to make sure that employees are aware of them. Leaders and employees should publicly speak to the potentially outsized impact of bias during Covid-19. Bias training can also help. In the past year, just 1 in 4 employees have participated in unconscious bias training, and even employees who have participated in the past would benefit from a refresher. And finally, it's important to track outcomes for promotions and raises by gender—as well as the breakdown of layoffs and furloughs by gender—to make sure women and men are being treated fairly.

“We really need to change the definition of what performing strongly means this year. A woman on my team asked me, 'How is this all going to impact my ability to get promoted? Is the fact that I have children at home and I have to divide my time, will that hurt my chances of getting promoted?' I want to say, 'No, it's not going to hurt you.' But how do I put that into action? In reality, it may hurt her chances when she is up against a man who didn't have to deal with any of that.”

VP, FINANCIAL SERVICES INDUSTRY



5. Adjust policies and programs to better support employees

Many companies have extended policies and programs to support employees during Covid-19, from offering more paid time off to providing resources for homeschooling. Companies should make sure employees are aware of the full range of benefits available to them. Right now, there's a significant gap between what companies offer and what employees are aware of. For example, almost all companies offer mental health counseling, but only about half of employees know this benefit is available. The same trend holds for other valuable programs such as parenting resources, health checks, and bereavement counseling.

As organizations settle into this new normal, they should determine how effectively they are addressing employees' biggest challenges and reallocate resources to the programs that are most valuable. Given how unprecedented this crisis is, they should also consider whether their benefits go far enough to support employees.

“We made it very clear to our associates from the beginning of the pandemic that our first priority was their health and safety. And we offered extended sick leave and family leave. We heard from associates that it really made a difference. It alleviated a lot of anxieties they were feeling. What seems like a simple policy change really has far more far-reaching power to support our employees.”

CHIEF TRANSFORMATION OFFICER,
TECHNOLOGY COMPANY



6. Strengthen employee communication

Open and frequent communication with employees is critical, especially in a crisis; when employees are surprised by decisions that impact their work, they are three times more likely to be unhappy in their job. Yet, 1 in 5 employees have consistently felt uninformed or in the dark during Covid-19. This suggests that companies should share more regular updates on the state of the business and key decisions that affect employees' work and lives—and they should directly address what difficult news means for employees. It's also critical that leaders and HR teams communicate with empathy, so employees feel valued and understood. Research shows that this kind of openness and understanding reduces anxiety and builds trust among employees.³²

“Since Covid-19, our senior leadership has increased the number of touchpoints, whether it's through town halls, webinars, or Zoom calls. We've used them to learn from managers and associates and to communicate what we're doing to support employees, including resources for their emotional and physical well-being.”

HR MANAGER, FOOD MANUFACTURING INDUSTRY



Leaders must foster a culture of empathy.

Not all employees are facing the same challenges during Covid-19. For example, employees who do not have young children—or who have a partner who is a full-time caregiver—are likely having an easier time juggling work and home. And those who are financially secure may not be worried about layoffs and furloughs. To get everyone through this crisis, employees who are under less strain need to invest in understanding the experiences of their colleagues who are struggling more. This is especially true for senior leaders, who can set a powerful example by practicing empathy and reaching out to offer support.



How companies can better support Black women

Black women were already having a worse experience in the workplace than most other employees. Now they're facing all the same challenges other women are—plus heightened challenges rooted in racism.

To better support Black women, companies need to take action in two critical areas.

1. Address the distinct challenges Black women face head-on

Black women are significantly underrepresented at all levels of management. That's an injustice—and it's also a business problem. Diverse companies are more innovative and productive, so when Black women are held back by bias, it hurts everyone.³³

The first step to solving this is making an explicit commitment to advancing and supporting Black women and communicating it to employees, along with a clear explanation of why it's important. Many employees don't realize that Black women are having a markedly worse experience at work. But for six years, this study has shown this to be true: Compared with women of other races and ethnicities, Black women face more systemic barriers, receive less support from managers, and experience more acute discrimination. If employees understand this, they will be more likely to champion the Black women in their organization.

Then, to address the distinct experiences of Black women, companies should adopt an intersectional approach to their diversity efforts. Many corporate diversity efforts focus on either race or gender, which means women of color may end up being overlooked. In contrast, when companies set goals and track outcomes by gender and race combined, they can gain data-driven insights into the barriers Black women are facing and target specific interventions with recruiting, mentorship, and sponsorship.



“We've made commitments as a company to racial diversity. We laid out how we would increase the representation of Black managers to 25 percent, and we'd add at least 100 Black employees to leadership. We're also going to partner with historically black colleges and universities and set up scholarships for Black students at community colleges.”

HR MANAGER, FOOD MANUFACTURING

2. Foster a culture that supports and values Black women

Companies need to foster a culture in which Black women are fully valued and included. There are two equally important parts of this: making it clear that discriminatory behavior and microaggressions won't be tolerated, and taking real steps to make sure Black women get the formal and informal support that other employees do.

Many companies have specific guidelines for conduct that is not acceptable, which is a good first step. But it's also important to explain what positive, inclusive behavior looks like and celebrate examples of it in practice. Employees will be better equipped to do their part if they receive diversity and allyship training; this will give them a more complete understanding of how to combat racial discrimination and how to show up for Black women as allies.

Finally, it's important to reflect on organizational customs, rituals, and norms to make sure they're inclusive. For example, are Black women being included in informal gatherings? Are team events held in spaces where everyone is welcome and safe? Gathering input from Black women on what is and isn't working for them is critical to this process—as is giving Black women a voice in shaping new company norms. The more that companies take into account the unique perspectives and experiences of different groups of employees, the more effectively they can create an inclusive culture.

“We had Black employees speak to leadership and they told us that there is systemic racism in our company. That was really hard to hear. But we decided we had to own it. We put out a statement saying, 'We know this is not okay. We thought we were doing a good job with racism, but we're not.' We had a huge blind spot with issues of race in the U.S. And we have to fix it.”

CHRO, RETAIL INDUSTRY





A CLOSER LOOK

When racial violence in the news goes unaddressed at work, it can leave Black employees feeling like they don't belong

Non-Black co-workers may think it's insensitive to call attention to incidents of racial violence—but for Black employees who are grieving, acting like nothing happened is often worse. Colleagues should find ways to thoughtfully speak up and reach out as allies. Managers should check on Black team members and ask them what they need. And senior leaders need to publicly acknowledge these events.

“I talked to company leaders and told them, ‘Black people at this company are not okay.’ They responded better than I expected. They put out a statement, and they’ve started having difficult conversations that they probably should have had a long time ago. I’m happy with the response, but ask me a year from now if I’m still happy. Because while the action is happening, and while everyone is on this journey, yes, it’s great. But if a year from now we’re no longer talking about this, then it was all for nothing.”

BLACK WOMAN, ONE CHILD (AGE 5),
DIRECTOR



CASE STUDY

Levi Strauss & Co. is providing tactical training in allyship

LEVI STRAUSS & CO.

To help employees become effective allies, Levi Strauss & Co. has been conducting quarterly allyship workshops since early 2020. For example, in June, the topic was “Standing with the Black community.” Participants were asked to reflect on the inequities and injustices that Black Americans experience. They then discussed what meaningful allyship is in practice and planned some actions they would take to be better allies and to help combat systemic racism.

Feedback about the allyship sessions has been positive, with over 90 percent of participants rating the workshops a 10 out of 10. Participants shared that they had learned the first steps to becoming allies: Work on their own bias, be okay with feeling uncomfortable, and be open to difficult conversations. Others said that they felt encouraged by the passion they saw in their co-workers to understand and support communities of color.

A CLOSER LOOK

Managers play a critical role—and they need more direction and support

Companies should empower managers to do more to alleviate stress and exhaustion on their teams. For example, two-thirds of companies have instructed managers to check in with employees about their workload and well-being during the Covid-19 crisis. But only about a third have asked managers to take specific steps to ensure that parents’ work-life balance needs are being met. And very few companies have directed managers to take bolder action: eight percent have asked managers to reduce their team’s scope of work. Although this is not always possible, alleviating work that is not critical would lessen the pressure on employees.

Managers would benefit from more guidance on how to best support Black women. Compared with women of other races and ethnicities, Black women are less likely to report that their manager has taken steps to ensure their work-life needs are being met. And less than a third of Black women report that their manager has checked in with them in light of recent racial violence—or think that their manager fosters an inclusive environment. More manager training could help. In the past year, 1 in 3 managers have received unconscious bias training, and just 1 in 5 have received training on fostering diversity and inclusion. Companies should also create opportunities for managers to share challenges and brainstorm solutions together.

It’s worth remembering that managers will be better equipped to show up for their teams if they feel more supported themselves. Company leadership should encourage managers to take full advantage of flexible work options, and their own managers should check in regularly to see how they’re doing and what they need.

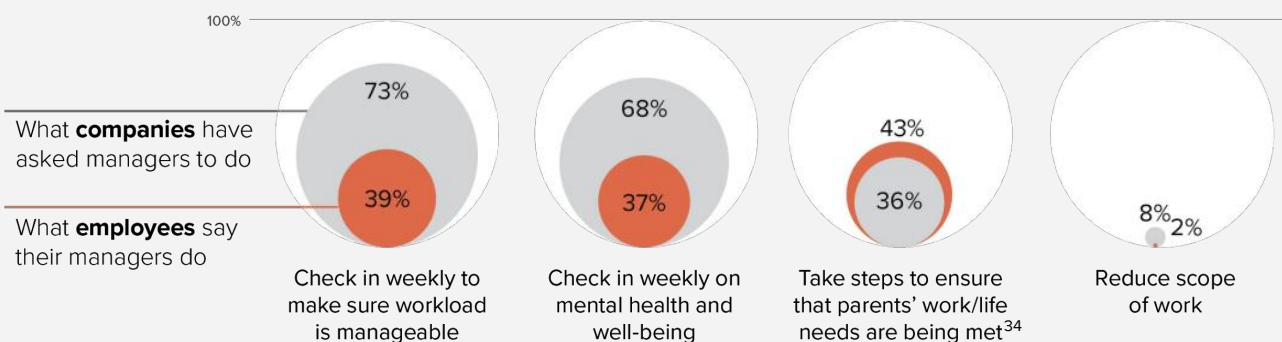
“I wish my manager had held some check-ins and had been a little bit less business as usual during the early days of the crisis. It would have given people more peace of mind. I would’ve liked to have been asked, ‘Hey, how are you? Do you feel like you’re being supported during this time?’ Especially for team members who have families at home or who have never worked from home before, I didn’t see those conversations being had.”

BLACK/LATINA MANAGER

COMPANIES HAVE ASKED MANAGERS TO CHECK IN— BUT MANAGERS MAY NEED MORE GUIDANCE

COMPANIES EMPLOYEES

% of companies saying they have instructed managers to take actions vs. % of employees saying manager has taken actions during Covid-19



CONCLUSION

The Road to Progress

If companies can rise to the challenges the Covid-19 crisis has put in high relief, we may be laying the foundation for a better workplace.

There are early signs that remote work can help level the playing field

The Covid-19 crisis has prompted companies to rethink fundamental beliefs about remote work. Ninety-three percent of companies now say more jobs can be performed remotely, and 67 percent predict a significant share of their employees will regularly work remotely in the future.³⁵ Employees see the benefits of remote work, too—almost 8 in 10 say they want to continue to work from home more often than they did before Covid-19.

This could be the beginning of a seismic shift in the way we work, with enormous implications. Companies will be able to hire anyone, from anywhere, as opposed to limiting their recruiting to specific regions. And they already anticipate these benefits: 70 percent think remote work will allow them to increase diversity in their hiring. Moreover, remote work will open up opportunities for existing employees—particularly mothers, caregivers, and people with disabilities. These employees will be able to take on jobs that previously would have required them to relocate, travel extensively, or manage a long commute.

“We’re now looking at remote work as an opportunity to expand our talent pool. We’ll no longer require that you have to have a desk on-site in a major city. It will help us from a D&I perspective.”

VP OF D&I, TECHNOLOGY COMPANY



The shift to remote work means less business travel: Many companies are reconsidering the need to have employees travel for face-to-face meetings and events. More than 9 in 10 companies say they will cut business travel moderately or significantly as a result of the Covid-19 pandemic, and only about 1 in 100 companies expect business travel to increase.

The building blocks of a more empathetic workplace may also be falling into place

Many companies have made employee mental health and well-being a much higher priority in the face of this crisis. Employees have more visibility than ever before into what's going on in one another's personal lives. And companies say that the crisis has created a feeling of solidarity and fostered empathy and understanding among employees.

Taken together, these dynamics point to an increased focus on supporting employees as “whole people.” And when employees feel like they can bring their whole selves to work, good things happen: They are happier with their job, more optimistic about their company's commitment to gender and racial equality, and less likely to consider downshifting their career or leaving the workforce. They're also more comfortable sharing challenges with managers and co-workers, which gives companies visibility to make changes that improve employees' experiences. It's a positive cycle: The more employees can bring their whole selves to work, the more the workplace will work for them and everyone.



This is a pivotal moment

Companies have shown a growing commitment to gender diversity since the first year of this study in 2015. That commitment is more important than ever right now. If companies rise to the moment with bold action, they can protect hard-won gains in gender diversity and lay the foundation for a better workplace long after Covid-19 is behind us.



Acknowledgments

McKinsey & Company and LeanIn.Org would like to thank the 317 companies and more than 40,000 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.

We also appreciate the continued help of Defined Contribution Institutional Investment Association (DCIIA), Equity Collaborative, Healthcare Businesswomen's Association, International Dairy Foods Association, Massachusetts High Technology Council, Press Forward, SEMI Foundation, Women's Network in Electronic Transactions (WNET), and Women's Foodservice Forum in convening participants in their respective industries.

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



ADDITIONAL RESOURCES FOR COMPANIES

To read more McKinsey insights on gender, diversity, and equity, visit mckinsey.com/featured-insights/diversity-and-inclusion.

Lean In's 50 Ways to Fight Bias is a virtual activity and video series that highlights more than 50 specific examples of bias against women at work and offers research-backed recommendations for what to do. Ninety percent of participants say they know what specific actions to take when they see bias against women at work. To access the free digital version of the program, which has been optimized for virtual gatherings, visit leanin.org/50Ways.

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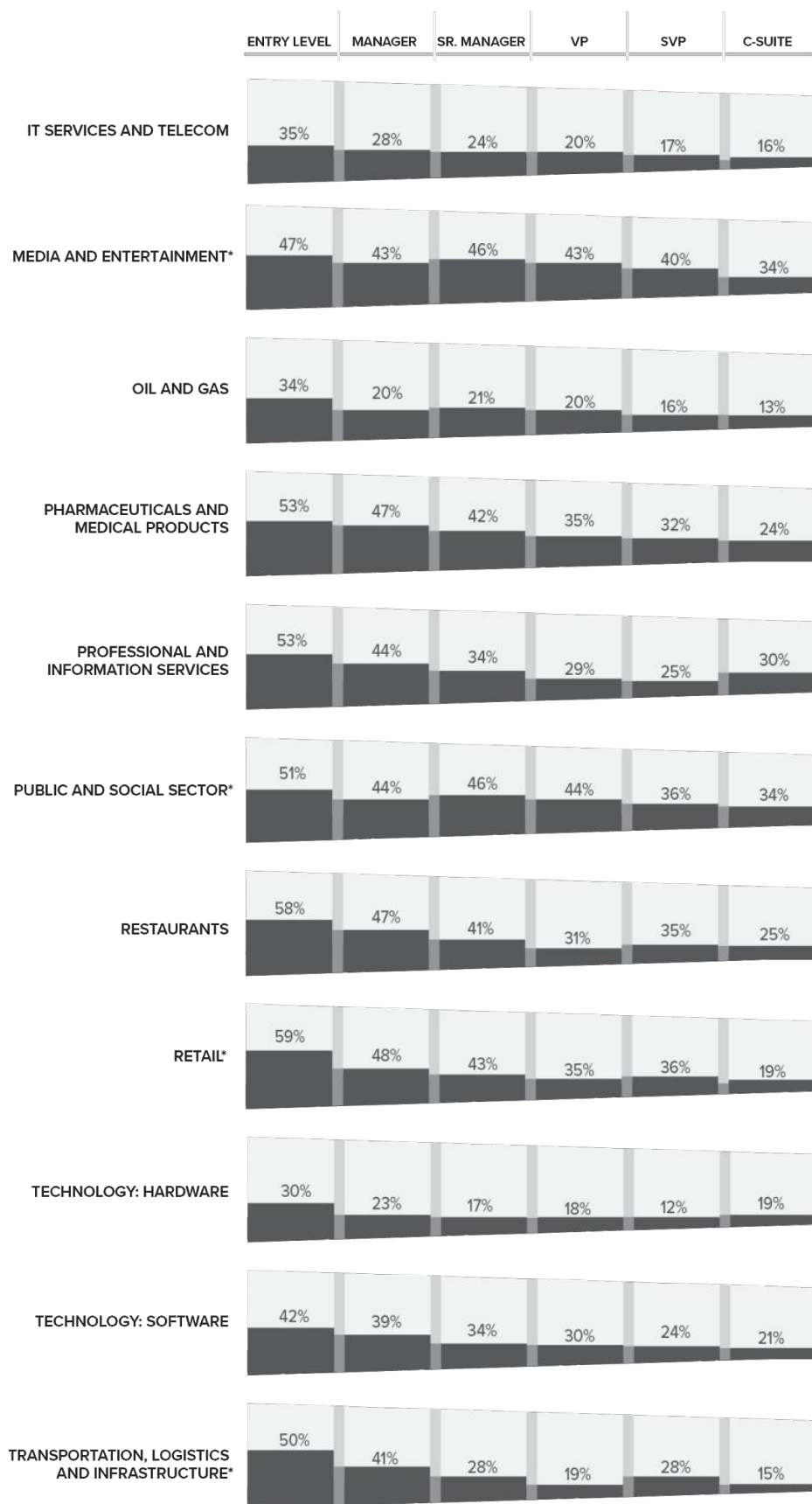
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CORPORATE PIPELINE BY INDUSTRY

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 (hardware, IT and telecom), while others fail to advance women into middle management (food manufacturing) or senior leadership (healthcare).





* This year, select industries, especially those disproportionately affected by Covid-19, saw significant change in participation rates from years past. As a result, participant composition in 2020 in these select industries is not directly comparable to years past: Consumer Packaged Goods; Engineering and Industrial Manufacturing; Food and Beverage Distribution; Healthcare Systems & Services; Media and Entertainment; Public and Social Sector; Retail; and Transportation, Logistics, and Infrastructure.

Methodology

This report is based on research from 317 companies across the United States and Canada, building on similar research conducted annually by McKinsey & Company and LeanIn.Org since 2015, as well as research from McKinsey & Company in 2012.

Participating companies from the private, public, and social sectors submitted talent pipeline and/or policies and programs data. In addition, more than 40,000 employees from 47 companies were surveyed on their workplace experiences, and we interviewed 49 women and men of different races and ethnicities, LGBTQ+³⁶ women, and women with disabilities at all levels in their organizations. We conducted an additional seven interviews with HR leaders. We highlight case studies from two companies that have taken innovative action in the past year to further diversity, equity, and inclusion.

We grouped companies by industry to create benchmarks that provide peer comparisons. The number of companies from each industry is as follows:^{37,38}

- Asset Management and Institutional Investors – 29
- Banking and Consumer Finance – 29
- Consumer Packaged Goods – 5
- Energy, Utilities, and Basic Materials – 15
- Engineering and Industrial Manufacturing – 10
- Food and Beverage Distribution – 8
- Food and Beverage Manufacturing – 13
- Healthcare Systems and Services – 20
- Insurance – 9
- IT Services and Telecom – 10
- Media and Entertainment – 7
- Oil and Gas – 15
- Pharmaceutical and Medical Products – 23
- Professional and Information Services – 9
- Public and Social Sector – 15
- Restaurants – 12
- Retail – 9
- Tech - Hardware – 21
- Tech - Software – 33
- Transportation, Logistics, and Infrastructure – 5

Companies opted in to the study in response to invitations from McKinsey & Company and LeanIn.Org or by indicating interest through our public website. Participation in the Employee Experience Survey was encouraged but optional.

All data collection occurred between May and August 2020. Talent pipeline data reflects representation of men and women **as of December 31, 2019**, as well as personnel changes (e.g., due to promotion, hiring, attrition) during 2019. Therefore, **all talent pipeline data predates the COVID-19 crisis' impact on the US and Canada workforce**, and these effects are not reflected in this year's talent pipeline section.

Human resource professionals provided information on policies, programs, and priorities on behalf of their company between June and August 2020. Additionally, employees were surveyed on their workplace experiences between June and August 2020. These datasets represent point-in-time snapshots and **reflect companies' responses and employees' experiences at the time that the survey was taken**.

Where appropriate, some statements describing women's experiences in the workplace were taken from past survey data that has been published in prior Women in the Workplace reports and/or the State of Black Women in Corporate America.

PIPELINE DATA AND ANALYTICS

Overall Metrics

All pipeline metrics (e.g., representation, promotion rates, hiring shares, attrition rates) were initially calculated for each participating company. Company results were then averaged for each industry, and each industry's data was weighted by the composition of the Fortune 500 in 2019. This enabled us to avoid overemphasizing or underemphasizing particular industries and better estimate trends over time based on each year's sample of companies.

The industry breakdown of the Fortune 500 used for our weighting was:³⁹

- Retail – 17%
- Energy and Basic Materials – 16%
- Finance – 17%
- Tech – 12%
- Healthcare – 8%
- Engineering, Automotive, and Industrial Manufacturing – 11%
- Food and Restaurants – 7%
- Media and Entertainment – 4%
- Transportation, Logistics, and Infrastructure – 5%
- Professional and Information Services – 2%

Definition of Job Levels

Companies categorized their employees into six levels based on the following standard definitions, taking into account reporting structure and salaries. The levels and definitions provided were:

- L1 – Executives: CEO and direct reports to CEO, responsible for company operations and profitability (board members are not included in our primary analyses unless they are also employees)
- L2 – Senior vice presidents and other similar roles: Senior leaders of the organization with significant business unit or functional oversight
- L3 – Vice presidents and other similar roles: Leaders within the organization, responsible for activities/initiatives within a sub-unit of a business unit or function, or who report directly to senior vice presidents

Methodology

- L4 – Senior managers: Seasoned managers and contributors, with responsibility for multiple teams and discrete functions or operating units
- L5 – Managers: Junior managers and contributors, responsible for small teams and/or functional units or operations
- L6 – Entry level: Employees responsible for carrying out discrete tasks and participating on teams, typically in an office or corporate setting (field employees like cashiers or customer service representatives are not included in our primary talent pipeline analyses)

Metrics and Analytics

Talent pipeline data included the representation of men and women (overall and, optionally, by race/ethnicity). Additionally, companies reported the number of men and women who were hired, promoted, and who left the company (overall and, optionally, by race/ethnicity).

Promotion and attrition rates were calculated for women and men, overall and by race, at each level. Promotion rates were calculated by dividing the number of promotions of that gender into a level by the number of employees of that gender in the level below at the start of the year. 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.

EMPLOYEE EXPERIENCE SURVEY AND ANALYTICS

Survey Participation

Forty thousand employees from 47 companies elected to participate in the Employee Experience Survey. The survey questions covered multiple themes (e.g., employee well-being, work flexibility, remote work, the state of diversity, equity, manager actions, allyship) as well as demographic questions (e.g., age, sexual orientation, family status).

Bivariate and Multivariate Statistical Reporting

Survey results were reported as an unweighted pooled average of responses across companies. Many of the questions offered a five-point, labeled response scale (e.g., “strongly disagree” to “strongly agree”). Unless otherwise specified, analyses aggregated the top-two and bottom-two boxes of the response scale (e.g., “somewhat agree” and “strongly agree”).

Where we highlight differences between genders or other groups, we highlight only those differences that are substantial and reliable. To that end, all differences noted in this report are statistically significant at a 95 percent confidence level using a two-tailed test and reflect a difference of at least five percentage points between two groups.

Regression Analysis

We used regression analyses and factor analysis to identify the conditions and practices most predictive of employees’ likelihood to consider leaving (defined as taking a leave of absence or leaving the workforce entirely, excluding retiring, also referred to as “stepping out”) or downshifting their careers (defined as reducing hours, switching to a less demanding job, or moving from full-time to part-time). For this, we selected the top questions shown to have a strong pairwise correlation with the outcomes of interest, then

conducted factor analysis to identify features in the model that were truly independent. The factors were generated via a principal axis factoring method and varimax rotation on a heterogenous correlation matrix. Multilevel logistic regression models with a random industry intercept were used to quantify the relationship between variables and the outcomes of interest. Likelihood ratio tests were used to validate the use of multilevel logistic models against a simpler multivariate regression via a 50-50 chi-squared mixture test ($\alpha=0.05$)⁴⁰ and intra-class correlation calculations. Variable selection procedures were implemented to further refine the model via additional likelihood ratio testing and comparative multilevel LASSO regression. Model fit was assessed via two Information Criteria (AIC and BIC). Findings reported highlight the conditions and practices that significantly predicted the outcome of interest (p-value <0.5) and had a sufficiently large effect size (OR<.75 or OR>1.3).

Impact of Women Leaving the Workforce or Downshifting Their Careers

To consider the implications of women leaving the workforce disproportionately in a hypothetical “worst-case scenario,” we first estimated the number of men and women employed at each level across North America⁴¹ by applying our pipeline representation data to total employees in North America^{42,43}. We then calculated the number of men and women who would consider leaving the workforce or downshifting their careers based on their responses to the 2020 Employee Experience Survey^{44,45}. These results were used to show loss in representation of women in the worst-case scenario.

Note: This methodology assumes that in the true worst-case scenario, all employees who consider leaving the workforce will actually leave the workforce, and all manager- and senior-level employees who consider switching to a less demanding job move to non-management positions.

HR PROGRAMS AND POLICIES

Human resource professionals from 313 companies provided information on gender diversity policies and programs on behalf of their company. We report the percentage of companies that have a program, policy, priority, or position out of the total number of companies that submitted this type of data.

QUALITATIVE INTERVIEWS

We conducted individual interviews with 49 women and men from 13 companies from a range of industries, including Banking and Consumer Finance, Engineering and Industrial Manufacturing, Food & Beverage Distribution, Oil & Gas, Pharmaceutical and Medical Products, and Technology. Interviewees were volunteers selected to reflect a range of levels, functions, and demographic groups. Our interviews focused on women’s workplace experiences in order 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 individuals are anonymized in this report. Additionally, we interviewed seven HR leaders from different sectors. Within the quotes, some identifying details may have been altered and/or withheld to protect the speaker’s anonymity.

Endnotes

1 McKinsey Global Institute, “COVID-19 and gender equality: Countering the regressive effects” (July 15, 2020), <https://www.mckinsey.com/featured-insights/future-of-work/covid-19-and-gender-equality-countering-the-regressive-effects>; McKinsey & Company, “COVID-19: Investing in Black lives and livelihoods” (April 14, 2020), <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19-investing-in-black-lives-and-livelihoods>.

Note: Throughout the Women in the Workplace study, “women of color” includes Black, Latina, Asian, American Indian or Alaskan Native, Native Hawaiian, Pacific Islander, and mixed-race women. However, due to small sample sizes, reported findings on individual racial/ethnic groups are restricted to Black, Latina, and Asian women.

2 McKinsey & Company, “COVID-19: Investing in Black lives and livelihoods.”

3 “Leaving” or “stepping out” is defined in this report as taking a leave of absence or leaving the workforce altogether. “Downshifting” or “slowing down” is defined as reducing work hours, moving to a part-time role, or switching to a less demanding job. There was also a “retire” option, which is not included here and is distinct from leaving the workforce altogether.

4 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 does not include employees with unreported race data.

5 Full question: Since the start of the Covid-19 crisis, what have been the biggest challenges for you as an employee? [Select up to 3] | Anxiety over layoffs and furloughs.

6 Full question: Since the start of the Covid-19 crisis, what have been the biggest challenges for you as an employee? [Select up to 3] | Responses were selected from a list of 12 possible responses and “None of the above,” and are presented in order of frequency.

7 Full question: Which of the following has your company done in response to the Covid-19 crisis? [Select all that apply] | One or more of the following: Increasing paid family leave, increasing paid sick time, increasing paid time off.

8 This report contains stock photographs for illustrative purposes only. Images do not reflect the identities of the women quoted. Within the quotes, some identifying details may have been altered and/or withheld to protect the speaker’s anonymity.

9 Unless otherwise noted, Full question: Which of the following are you providing to support employees during the Covid-19 crisis? | Started providing; Expanded existing offering; Maintained existing offering.

10 Full question: How is your company managing performance reviews during the Covid-19 crisis? | Performance reviews are still taking place with adjusted evaluation criteria to account for challenges created by the Covid-19 crisis (30%); Employees will receive the same rating as they did in the previous review cycle (2%); Performance reviews have been put on hold or canceled (5%).

11 Bureau of Labor Statistics, “Average hours per day parents spent caring for and helping household children as their main activity,” *American Time Use Survey* (2019), <https://www.bls.gov/charts/american-time-use/activity-by-parent.html>; Arlie Russell Hochschild, *The Second Shift: Working Parents and the Revolution at Home* (New York: Viking, 1989).

12 Restricted to heterosexual parents who live with spouses or partners that work full-time or are self-employed .

13 Restricted to heterosexual parents who live with spouses or partners that work full-time. Chart does not include respondents [fathers: 1%, mothers: 2%] who answered, “Another person (e.g., friend, roommate, family member) was responsible for at least half of the work.”

14 Shelley J. Correll, Stephen Bernard, and In Paik, “Getting a Job: Is There a Motherhood Penalty?” *American Journal of Sociology* Vol. 112, no. 5 (2007): 1297–1339.

15 Heejung Chung and Tanja van der Lippe, “Flexible Working, Work-Life Balance, and Gender Equality: Introduction,” *Social Indicators Research* (November 2018), <https://doi.org/10.1007/s11205-018-2025-x>.

16 Full question: While interacting with co-workers during the past few months, there have been times when I felt uncomfortable sharing: [Select all that apply] | My work-life challenges; My status as a parent.

Endnotes

- 17** Since the start of the Covid-19 crisis, which of the following have you experienced at work? [Select all that apply] | Worry that my performance is being judged negatively because of my caregiving responsibilities.
- 18** This does not include employees who only said they were considering retiring.
- 19** “Senior-level women” refers to women Vice Presidents, Senior Vice Presidents, and C-suite Executives.
- 20** Ashleigh Shelby Rosette and Robert W. Livingston, “Failure is not an option for Black women: Effects of organizational performance on leaders with single versus dual-subordinate identities,” *Journal of Experimental Social Psychology* 48, no. 5 (2012): 1162–1167; Victoria L. Brescoll, Erica Dawson, and Eric Luis Uhlmann, “Hard won and easily lost: The fragile status of leaders in gender-stereotype-incongruent occupations,” *Psychological Science* 21, no. 11 (2010): 1640–1642.
- 21** McKinsey & Company, “Diversity wins: How inclusion matters” (May 19, 2020), <https://www.mckinsey.com/~/media/McKinsey/Featured%20Insights/Diversity%20and%20Inclusion/Diversity%20wins%20How%20inclusion%20matters/Diversity-wins-How-inclusion-matters-vF.pdf>.
- 22** Paul Ingram and Tal Simons, “Institutional and Resource Dependence Determinants of Responsiveness to Work-Family Issues,” *The Academy of Management Journal* 38, no. 5 (1995): 1466–82, http://www.jstor.org/stable/256866?seq=1#page_scan_tab_contents.
- 23** Findings in this section on the historical experiences of Black women in corporate workplaces are primarily derived from previous *Women in the Workplace* reports, and can be found in the 2020 *State of Black Women in Corporate America* report.
- 24** “Recent racial violence” refers to incidents of violence against Black Americans committed by law enforcement officers in early 2020, prior to the survey’s distribution in June–August 2020.
- 25** Full question: How much do you agree with the following statements? I feel I can bring my whole self to work. | I have strong allies on my team (i.e., people who use their power to advocate for people with less power). | Somewhat/strongly disagree.
- 26** Full question: While interacting with co-workers during the past few months, there have been times when I felt uncomfortable sharing | My thoughts about racial inequity; My experience of grief or loss.
- 27** Full question: Since the start of the Covid-19 crisis, which of the following have you experienced at work? | Feeling like I can’t talk about the impact current events are having on me or people in my community.
- 28** Disabilities include both visible disabilities (e.g., mobility impairments) and invisible disabilities (e.g., chronic health conditions).
- 29** Roy BL Sijbom, Jonas WB Lang, and Frederik Anseel, “Leaders’ achievement goals predict employee burnout above and beyond employees’ own achievement goals,” *Journal of Personality* 87, no. 3 (2019): 702–714, <https://onlinelibrary.wiley.com/doi/full/10.1111/jopy.12427>.
- 30** The favorability rate is calculated by the number of people who selected “Strongly Agree” or “Agree” divided by the total number of employees who responded to the survey.
- 31** Joan C. Williams and Rachel Dempsey, *What Works for Women at Work*; Shelley J. Correll et al., “Getting a Job: Is There a Motherhood Penalty?”; Heejung Chung and Tanja van der Lippe, “Flexible Working, Work-Life Balance, and Gender Equality: Introduction.”
- 32** Linjuan Rita Men et al., “‘Vision, passion, and care.’ The impact of charismatic executive leadership communication on employee trust and support for organizational change,” *Public Relations Review* 46, No. 3 (September 2020), <https://www.sciencedirect.com/science/article/abs/pii/S036381120300540>.
- 33** Sangeeta Badal, “The Business Benefits of Gender Diversity,” Gallup (January 20, 2014), <https://www.gallup.com/workplace/236543/business-benefits-gender-diversity.aspx>; Katherine W. Phillips, “How Diversity Makes Us Smarter,” *Scientific American* (October 1, 2014), <https://www.scientificamerican.com/article/how-diversity-makes-us-smarter>.
- 34** Full question for companies: In response to the Covid-19 crisis, which of the following has your company instructed managers to do? | Take steps to ensure that mothers’ work-life needs are being met, Take steps to ensure that fathers’ work/life needs are being met. In this instance, percentage of employees is restricted to responses from parents.

Endnotes

- 35** Full question: What percentage of employees do you expect to be regularly working remotely (i.e., a majority or all of the time) a year from now? | 21%–50% of employees; 51%–90% of employees; Almost all employees.
- 36** Due to small sample sizes, all women identifying as lesbian, bisexual, pansexual, otherwise non-heterosexual, and/or transgender were analyzed and reported in a single category as LGBTQ+ women.
- 37** 297 organizations submitted pipeline data. Overall weighted pipeline is based on 284 private sector firms and does not include public and social sector organizations or law firms.
- 38** Select industries, especially those disproportionately affected by Covid-19, saw a significant change in participation rates from years past. As a result, participant composition in 2020 in these select industries is not directly comparable to years past: Consumer Packaged Goods; Engineering and Industrial Manufacturing; Food and Beverage Distribution; Healthcare Systems & Services; Media and Entertainment; Public and Social Sector; Retail; and Transportation, Logistics, and Infrastructure.
- 39** Percentages sum to 99 percent due to rounding.
- 40** Daniel O. Stram, and Jae Won Lee. “Variance components testing in the longitudinal mixed effects model,” *Biometrics* (1994): 1171–1177.
- 41** In this report, “North America” refers to the U.S. and Canada.
- 42** Source: United States - Bureau of Labor Statistics: Employed persons by occupation, sex, and age; Canada - Statistics Canada. [Table 14-10-0202-01 Employment by industry, annual.](#)
- 43** Note: All field/frontline workers were excluded from the analysis.
- 44** Responses to Q35 are “Taking a leave of absence” OR “Leaving the workforce altogether” OR “Switching to a less demanding job” OR “Reducing work hours” OR “Moving from a full-time role into a part-time role.”
- 45** Loss in number of women overall was calculated based on those who considered “Taking a leave of absence” OR “Leaving the workforce altogether.” For loss in representation of senior women and managers, we also included those who had considered “Switching to a less demanding job.”

