

**PROMOTING INCLUSION: EXAMINING THE
NEED FOR DIVERSITY PRACTICES FOR
AMERICA'S CHANGING WORKFORCE**

HEARING
BEFORE THE
SUBCOMMITTEE ON DIVERSITY
AND INCLUSION
OF THE
COMMITTEE ON FINANCIAL SERVICES
U.S. HOUSE OF REPRESENTATIVES
ONE HUNDRED SIXTEENTH CONGRESS
FIRST SESSION

OCTOBER 17, 2019

Printed for the use of the Committee on Financial Services

Serial No. 116-59



U.S. GOVERNMENT PUBLISHING OFFICE

42-362 PDF

WASHINGTON : 2020

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CONTENTS

	Page
Hearing held on:	
October 17, 2019	1
Appendix:	
October 17, 2019	27

WITNESSES

THURSDAY, OCTOBER 17, 2019

Graves, Rod, Executive Director, Fritz Pollard Alliance Foundation	9
Guinyard, Bernard, Director, Diversity and Inclusion, Goodwin	4
Mota, Patricia, President and CEO, Hispanic Alliance for Career Enhancement	7
Sherbin, Laura, Vice President, Culture@Work	10
Tulshyan, Ruchika, Diversity and Inclusion Strategist and Author	5

APPENDIX

Prepared statements:	
Graves, Rod	28
Guinyard, Bernard	33
Mota, Patricia	39
Sherbin, Laura	42
Tulshyan, Ruchika	45

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

Wagner, Hon. Ann:	
Written statement of Diverse & Engaged	48
Written report of McKinsey & Company and LeanIn.Org entitled, "Women in the Workplace, 2019"	51

PROMOTING INCLUSION: EXAMINING THE NEED FOR DIVERSITY PRACTICES FOR AMERICA'S CHANGING WORKFORCE

Thursday, October 17, 2019

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON DIVERSITY
AND INCLUSION,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 3:20 p.m., in room 2128, Rayburn House Office Building, Hon. Joyce Beatty [chairwoman of the subcommittee] presiding.

Members present: Representatives Beatty, Green, Gottheimer, Pressley, Adams, Dean, Garcia of Texas; Wagner, Lucas, Mooney, Kustoff, Hollingsworth, Gonzalez of Ohio, and Gooden.

Ex officio present: Representatives Waters and McHenry.

Chairwoman BEATTY. The Subcommittee on Diversity and Inclusion will come to order. Without objection, the Chair is authorized to declare a recess of the subcommittee at any time. Also, without objection, members of the full Financial Services Committee who are not members of this subcommittee are authorized to participate in today's hearing.

Today's hearing is entitled, "Promoting Inclusion: Examining the Need for Diversity Practices for America's Changing Workforce."

I now recognize myself for 4 minutes to give an opening statement. Today's hearing seeks to focus solely on retention and promotion of diverse talent. We cannot just focus on recruitment, which we already know is subpar sometimes. Too often, organizations place such a heavy emphasis on pipeline development that retention aspects to diversity and inclusion practices are often neglected. Research shows that many business leaders, primarily white heterosexual males, underestimate the challenges that diverse employees face in moving up the ladder in the workforce.

In 2019, we have ongoing evidence from the data of diversity request that this subcommittee made to the top megabanks of the country on the financial services industry demonstrating that women and people of color are woefully underrepresented and unrepresented in leadership positions. Even more so in 2018, the women in the workplace survey conducted by McKinsey & Company showed that for every 100 men promoted to manager, only—I want you to hear this—only 60 Black women were promoted.

We know from our previous hearings on the business case for diversity, that the lack of women and people of color in leadership

positions will reduce a company's ability to: one, provide depth of consumer insight; two, capture new markets; and three, yield greater financial returns, which will eventually take a significant financial and competitive toll on organizations. Strategy such as fair pathways to promotion along with unconscious bias training and sponsorship programs are tried-and-true resources for women to navigate advancement barriers to their own career development.

According to the 2019 Boston Consulting Group report, when companies were asked about diversity obstacles in the workplace, nearly half of the companies responded that they lacked the appropriate mechanism to track promotions and to ensure that major project assignments are bias-free. As we examine the diversity practices of America's workforce, it is clear from our hearings and data collections that we can do better. We need to identify, to discuss, and to implement accountability metrics and strategic intervention so that companies and government agencies deliver real results.

It is our hope that our expert witnesses today will share best practices that, if implemented, could help organizations retain diverse employees and promote them to the highest organizational levels.

Due to the foreseeable changes in American society, according to the United States Census Bureau, the population of the United States will be majority/minority, meaning women and minorities will comprise 47 percent and 27 percent of the workforce respectively. Therefore, it will be incumbent on all of our leaders to embrace the changing demographics by establishing a culture that yields the best economic outcome and the most competitive advantage.

With that, I would like to ask unanimous consent to add the following report from PricewaterhouseCoopers entitled, "Mending the Gender Gap: Advancing Tomorrow's Women Leaders in Financial Services," into the record. Without objection, it is so ordered.

I reserve the balance of my time for the Chair of the full Financial Services Committee, Chairwoman Maxine Waters. The Chair now recognizes the ranking member of the subcommittee, the gentlewoman from Missouri, Mrs. Wagner, for 4 minutes for an opening statement.

Mrs. WAGNER. Thank you, Madam Chairwoman. First of all, I thank our witnesses for testifying before this subcommittee today. And I look forward to hearing from all of you and learning more about the most successful strategies for changing workplace cultures within the financial services industry.

Over the past 9 months, this subcommittee has spent our time seeking to ensure that the financial industry, along with frankly many other sectors of the U.S. economy, is reaping the benefits of our country's diversity. Research shows that companies with more diverse workforces outperform their less diverse competitors. Diversity builds collective intelligence by helping teams remain more objective, process information more carefully, and even price stocks more accurately.

In mid-August, Morgan Stanley issued a report demonstrating that gender-diverse firms tend to outperform their less diverse peers globally. Morgan Stanley's new study identified that firms

that prioritize equal representation receive a boost of up to 2.8 percent in average returns annually, which translates into a sizable sum if you are a firm as large as say, Walmart or Apple. Diversity and inclusion are separate issues that must be addressed.

In an article published in the Harvard Business Review entitled, “Diversity Doesn’t Stick Without Inclusion,” by one of our witnesses today, Dr. Sherbin—and I look forward to your testimony in a bit—she states that part of the problem is that diversity and inclusion are so often lumped together that they are assumed to be the same thing, but that is just not the case. In the context of the workplace, diversity equals representation, and without inclusion, the crucial connections that attract diverse talent, foster innovation, and lead to the kind of business growth that I was outlining won’t happen.

Dr. Sherbin, I could not agree more with your sentiment. It is one thing to hire diverse talent, but in order to reap the benefits of a diverse workforce, there must be inclusion. We have heard from previous witnesses in the subcommittee about best practices that foster inclusion such as sponsorship and mentorship, employees’ resource groups, and diversity councils. I look forward to discovering more today.

Although a company may be able to increase recruitment, it is equally as important to focus efforts on making sure the environment is inclusive for retention. More can be done in both areas, but it is encouraging to see corporations throughout the industry proactively taking on the mission to improve diversity and inclusion for their workforces. The progress has been slow, and more can always be done, but good work is being accomplished.

The best practices that we are going to hear about today can be held up as examples throughout the sector and used as starting blocks for others in the industry to increase diversity and inclusion.

I thank you, Madam Chairwoman, for this hearing today, and I would like to reserve the balance of my time for the ranking member of the Full Committee, Mr. McHenry, when he arrives. Thank you. I yield back.

Chairwoman BEATTY. Today, we welcome the testimony of a very diverse and distinguished panel of five witnesses. Thank you all for being here.

First, we welcome the testimony of Bernard Guinyard, the director of diversity and inclusion at Goodwin. He implements programs that embed diversity and inclusion practices into the fabric of the firm’s culture, systems, and processes, which positively impacts the employees’ experiences. He is also a board member of the Association of Law Firm Diversity Professionals.

Second, Ruchika Tulshyan is a leading diversity and inclusion strategist, and founder of Candour. She writes regularly for publications including the Harvard Business Review, Forbes, and the Seattle Times. Her articles have appeared in The Wall Street Journal, Time, and Bloomberg. She is also the inaugural distinguished professional-in-residence for the Communication Department at Seattle University.

Third, Patricia Mota is the president and CEO of the Hispanic Alliance for Career Enhancement. She has a strong history of serving the Latino community, as reflected by her service on various not-for-profit boards and committees, most recently serving as a

board member on the Illinois Treasurer Latino Advisory Council and the Indiana University Latino Alumni Association Board.

Fourth, Rod Graves is the executive director of the Fritz Pollard Alliance Foundation. His experience spans over 37 years, including as senior vice president of football administration for the New York Jets of the National Football League, and as general manager of the Arizona Cardinals.

And finally, Dr. Laura Sherbin is the vice president of Culture@Work. She is an economist who specializes in the creation of advantage through inclusion and diversity. Most recently, she was co-president at the Center for Talent Innovation in New York City, a premier think tank and content provider that studies global workplace diversity.

The witnesses are reminded that their oral testimony will be limited to 5 minutes. And without objection, your written statements will be made a part of the record.

The witnesses are also reminded to turn their microphones on and to abide by the three lights in front of you: green means go; yellow means wrap it up; and red means stop.

Mr. Guinyard, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF BERNARD GUINYARD, DIRECTOR, DIVERSITY
AND INCLUSION, GOODWIN**

Mr. GUINYARD. Thank you, Chairwoman Beatty. At Goodwin, we are committed to promoting diversity within our firm and in the legal profession, and also fostering an inclusive environment in which each attorney and professional can excel and thrive. Diversity and inclusion are our core values at Goodwin and we believe that makes us stronger as a firm, as a provider of legal services, and as an employer. It is also a matter of justice for us. We believe that equity demands a diverse workforce in the legal profession, and we have a lengthy track record of enabling equal access to legal systems through our pro bono efforts and our broad non-discrimination policies.

Inclusion@Goodwin, which was established in 2014 and is led by our firm's Chairman Emeritus David Hashmall, drives the firm's diversity and inclusion strategic initiatives. Some of our core efforts include bias disruption campaigns, inclusive leadership training and upward feedback for our leaders, sponsorship initiatives, and also practice group action plans. These strategies are complemented by the robust engagement of our affinity groups, which include our Committee on Racial and Ethnic Diversity, our Pride Initiative, and our Women's Initiative, all of which promote connectivity, networking, and advancement within our firm.

At Goodwin, we recognize that despite significant commitment and our hard work, we need to work even smarter and faster on our diversity goals, focusing on development, retention, advancement, and leadership. To demonstrate our leadership in this area and our willingness to disrupt the status quo, we have elected to sign onto bold initiatives led by Diversity Lab. The first, the Mansfield Rule, is a law firm slate diversity initiative launched in 2017.

The second, the Move The Needle Fund, is a collaborative effort designed and funded with \$5 million to test innovative initiatives

to create a more diverse and inclusive legal profession. Under the Mansfield Rule, law firms who are participating are expected to consider a diverse slate of candidates for influential and leadership roles within our organizations. We are also encouraged to create and post descriptions of these leadership roles to ensure that the processes and election and or appointment to these roles are transparent and accessible to all lawyers.

As an example of the Mansfield Rule in action, if a firm's management committee has identified a short list of five candidates for an opening on its executive committee, under the Rule, at least two candidates must be a woman, an attorney of color, or LGBTQ+. Firms that consider diverse attorneys for 70 percent or more of their leadership committees qualify for Mansfield certification.

After successfully achieving Mansfield certification last year, the firm recently achieved Mansfield certification for a second time, and Diversity Lab also named us as Mansfield Certified Plus, being recognized for achievement of at least 30 percent in our leadership ranks. Currently, Goodwin's most senior leadership committees are 35 percent diverse, which is a significant achievement for the firm and signals the progress we have been making ever since implementing the Rule.

The second initiative, which has recently been launched, is a trailblazing effort which brings five law firms together to partner with Diversity Lab in a joint venture, which allows us to actually collaborate with each other but at the same time partner with 25 general counsels at influential companies to pursue bold, public, metric-based goals to be achieved within 5 years.

For us, we have chosen the following goals based on specific challenges we at Goodwin are trying to address. By January 2025, the diversity of the Goodwin senior associate population and its population of partners and equity partners elevated in the preceding 5 years will match or exceed its entry level associate diversity, which will be consistent with or greater than the diversity of graduating law student classes by gender, race, ethnicity, and LGBTQ+ identity.

Additionally, the collective composition of all firm leadership committees will be at least 40 percent diverse. To achieve our goals, we are not only investing \$1.25 million, but we will be testing out various initiatives. The benefits of signing up for such bold initiatives allows us to set bold goals, create transparency and accountability, garner significant investments, fuel innovation, and perhaps most importantly, enable opportunities for collaboration. Thank you.

[The prepared statement of Mr. Guinyard can be found on page 33 of the appendix.]

Chairwoman BEATTY. Thank you. Next, Ms. Tulshyan, you are now recognized for 5 minutes to give an oral presentation of your testimony.

STATEMENT OF RUCHIKA TULSHYAN, DIVERSITY AND INCLUSION STRATEGIST AND AUTHOR

Ms. TULSHYAN. Good afternoon. A special thank you to Chairwoman Beatty and the members of the subcommittee for inviting me to talk about this important issue of promoting inclusion in the

workplace. I come here representing my views and mine alone as an immigrant woman of color and a working mother. I would like to focus on four key areas today where women—and I am centering on women of color in my testimony—face barriers to retention and advancement at work with data backed to propose solutions.

Multiple studies show women are graduating college at higher rates than men but remain severely underrepresented in leadership roles in America. We are forced to navigate workplaces designed without us in mind, despite ample evidence highlighting why harnessing diversity and inclusion in the workplace is key to American competitiveness, prosperity, and innovation.

For women of color, the situation is dire. White women hold 19 percent of C-suite positions, but women of color hold only 4 percent. Research finds women of color face harmful stereotypes about our professional competence, leadership ability, and behavior. This data is extremely significant because by 2060, the majority of all women in the United States will be women of color.

A Washington Post headline last month stated that for the first time, most new working-age hires in the United States are people of color. We simply cannot turn away from designing an equitable workforce. The demographics are changing in front of our very eyes. The first barrier is the challenge of working motherhood. It is a travesty that one in four American women go back to work within 10 days of giving birth. We are the only developed country in the world that does not guarantee paid maternity leave, so too many women have to make the heartbreaking choice between a paycheck and giving birth at work.

At work, we face the motherhood penalty, where we are penalized by lower-paying job opportunities and even perceived competence for having children. And guess what, when men become dads, they receive a fatherhood bonus. No wonder 43 percent of working mothers leave the workforce in America. One research-backed solution is to federally mandate paid family leave, not only for when a woman gives birth, but also for time off when a family member is sick, and offer it to mothers and fathers, so not only women are responsible for childcare.

By the way, a study found that businesses save \$19 billion annually by retaining female employees when they offer 16 weeks of fully-paid maternity leave. It is literally a win-win for businesses, families, and our society.

Second, women need sponsors, we do not need more mentors. In fact, research shows we have more casual mentors at work than men. Sponsorship means having more leaders personally invested in our success who offer us the top jobs, the high-visibility projects, and the insider knowledge that men often get informal access to on the golf course or at dinners that women are not invited to. Early pilots of sponsorship programs in some innovative companies have yielded positive results in the advancement of women.

Third, we need office housework to be distributed equitably. “Office housework” refers to the unglamorous work—the meeting notes; ordering of lunches; mentoring of interns, etc.—that does not get recognized or lead to promotion. Office housework is disproportionately assigned to women and people of color. One study found that women do 30 percent more of it than white men. We must en-

sure women don't get saddled with these tasks because they have a real and recognizable impact on their career advancement. In short, equitably distribute office housework.

Fourth and most importantly, leaders must address their own personal biases and also actively champion equity. In writing my book, I found that across industries, organization size, and geography, companies that exhibited more gender equality than their peers all had only one trait in common: leadership buy-in for diversity. We must ensure our leaders of corporations and governments alike understand the unique barriers faced by professional women and people of color, and work actively to dismantle them.

Advocacy efforts must be backed by well-resourced chief diversity offices, prioritizing inclusion so women can safely report harassment or bias without retaliation. Members of Congress, there is no issue we are facing today that doesn't impact underrepresented communities more acutely—climate change, immigration, violence, poverty, access to healthcare; the list is long, and you are well familiar with it.

What type of innovative solutions could be designed if more women, especially women of color, were in leadership roles to tackle them? It is absolutely crucial for the future of the American democracy to prioritize championing women. Thank you.

[The prepared statement of Ms. Tulshyan can be found on page 45 of the appendix.]

Chairwoman BEATTY. Thank you. Next, we have Ms. Patricia Mota. Ms. Mota, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF PATRICIA MOTA, PRESIDENT AND CEO,
HISPANIC ALLIANCE FOR CAREER ENHANCEMENT**

Ms. MOTA. Chairwoman Beatty, Ranking Member Wagner, and members of the subcommittee, thank you for the opportunity to share my testimony, and thank you to you and your staffs for your dedication to building a more inclusive workforce and society. I serve as an advocate for access and equity, personally fulfilling my mission to close the education and career gaps that I have personally faced and that many in our Black and Brown communities face.

I serve as president and CEO for the Hispanic Alliance for Career Enhancement or HACE, a national nonprofit dedicated to the employment, development, and advancement of current and aspiring Latino professionals. Our mission is to positively impact the American workplace by cultivating the pipeline of talent and providing professionals the insight, access, and support to be successful in their careers.

Since 1982, and with a network of over 64,000 members and 90 corporate partners across the country, HACE works with employers to remain competitive in an increasingly dynamic economy by helping them attract, retain, and develop Latino talent. We carry out our mission through three core areas: one, talent acquisition programs, services, and opportunities where we actively connect talent with employers; two, pipeline and leadership development programs that cultivate, build, and develop the pipeline of Latino talent from high school level to the C-suite; and three, through leader-

ship and branding events, roundtable discussions on diversity and inclusion best practices, and professional and employer's success stories and impact.

HACE's vision to see a world where Latinos reach their full potential for themselves and for our communities that we serve feels a bit closer to reality when I witness our year-round programs and events. Yet, we are disproportionately underrepresented in highly-compensated professional and leadership roles across corporate America and other sectors. We are part of the youngest and the fastest-growing population group in the United States, and with an older and more diverse workforce, Latino's access to education, meaningful jobs, and advancement is critical for the economic progress of our country.

Statistics show that impact of Latinos on the economy today and in the future. U.S. Latinos are the current and future workforce. In 2018, Latinos made up 29 million workers in the U.S., and by 2020, U.S. Latinos will make up 74 percent of the growth in new workers. U.S. Latinos are creating jobs. Within the last decade, 86 percent of all new businesses in the U.S. were launched by Latinos, with Latinas, women, creating businesses 6 times faster than any other group.

U.S. Latinos are educated. More students are completing high school and college than ever before. High school dropout rates decreased from 34 percent in 1996 to 10 percent in 2016, and college enrollment increased from 35 percent to 47 percent in the same timeframe. Employers must focus on the promotion and retention of diverse talents in order to build a more inclusive workforce.

At a former employer, I was told that I was not promoted to the next position, not because of my qualifications, but because the selection committee felt more comfortable with the other candidate. The other candidate was an older white male. The selection committee was all white. While this case was blatant, this is not uncommon where biases against race, gender, or age hinder someone's opportunity for career progression.

My top three recommendations of many are first, to require bias-inclusive diversity training. Formal training can help identify some of the conscious and unconscious biases that reduce the negative effects in the workplace. Also, provide access to these trainings.

Second, require a diverse slate of candidates for all positions, including top-level positions. Diverse leadership teams boost innovation and profits. According to the Boston Consulting Group, diverse leadership teams account for 45 percent innovation growth versus 26 percent with below average diversity scores and 45 percent market share growth. Engaging and essentially partnering with organizations like HACE grants employers access to diverse talent.

And third, supporting employee participation in affinity groups and leadership programs. Programs like HACE's women's leadership program, *Mujeres de HACE*, which empowers Latina professionals to succeed professionally and thrive personally, are key to moving the needle.

The program is a cohort model, a safe space of 24 hours of culturally relevant training, coaching, leadership assessments, engagement of successful Latina role models and mentors, and sponsors who have effectively catapulted the careers of our alumnae: 40

percent have seen a promotion within less than 6 months, and an additional 30 percent within less than 12 months.

In order to build a more inclusive and diverse workforce, today's employers must consistently, intentionally invest in these and several other practices over the long term. Thank you.

[The prepared statement of Ms. Mota can be found on page 39 of the appendix.]

Chairwoman BEATTY. Thank you very much. Next, we have Mr. Rod Graves. Mr. Graves, you are now recognized for 5 minutes to give an oral presentation on your testimony.

STATEMENT OF ROD GRAVES, EXECUTIVE DIRECTOR, FRITZ POLLARD ALLIANCE FOUNDATION

Mr. GRAVES. Chairwoman Beatty, thank you, and to the members, thank you for your work, and I certainly appreciate the opportunity to address you today. My name is Rod Graves, and I am the executive director of the Fritz Pollard Alliance (FPA). I joined the FPA in June of 2019 after serving 35 years in the National Football League. I also worked for 2 years in the United States Football League before joining the NFL. I have served in a number of executive and leadership roles.

My career has been influenced by great personnel men like John Wooten, Tank Younger, Milt Davis, Charles Garcia, Bill Nunn, Dick Daniels, and Bill Tobin. Fritz Pollard is an advocacy group. We were co-founded in 2003 by the late Johnnie L. Cochran, Jr., and civil rights attorney Cyrus Mehri of Mehri & Skalet in Washington D.C. For the past 15 years, the group has been led by John Wooten, a former NFL player and team executive.

Mr. Wooten's dedication to diversity and equal opportunity set the foundation for our organization. He retired in the spring of this year. Our members include coaches, scouts, front office personnel, and gameday officials. Our primary focus is on the men and women of color within the National Football League. Our mission is to champion diversity in the NFL through education, and to provide our members with resources that will help them to succeed at every level of the game.

Our vision is to see diversity of leadership in the business plan of every sports team. We believe that diversity is good for the game. The Rooney Rule originated with the Fritz Pollard Alliance. The Rule, named after the late Dan Rooney, owner of the Pittsburgh Steelers, requires NFL teams in search of a head coach and general manager to interview multiple diverse candidates. Enforcement rests with the NFL Commissioner.

The efforts behind the Rooney Rule have been extremely successful. The Rule has produced a record number of minority head coaches and general managers, and that has built up pipelines of talent around the league. We have also seen the Rule adopted by corporations such as Xerox, Intel, Facebook, Microsoft, Goldman Sachs, and others. The Rooney Rule has impacted both my personal and professional success. In 2004, Bill Bidwill, owner of the Arizona Cardinals, hired Dennis Green as the organization's first African-American head coach, and made me general manager. We were the first Black GM/head coach combination in NFL history.

As a team executive, I participated in the hiring of several head coaches, coordinators, and other football executives. The exposure that my organization and I gained to diverse candidates as a result of the Rooney Rule was invaluable. The Rooney Rule benefits diverse candidates as well. The exposure gained by the diverse candidates during an interview process helps them to be better-prepared, and to be more informed about the industry and the organizations that they are seeking to join.

What we have learned over the years about the Rooney Rule and the other equal opportunity initiatives developed in the NFL is that alone, they do not guarantee positive outcomes for diversity. Sustained success requires a commitment by those making the decisions. We have seen that commitment by a number of NFL teams. It is most apparent which teams have shown a commitment to diversity of leadership and have created a D&I strategy for their entire organization. Our goal is to work with the NFL to expand this approach and to embrace diversity as good and right for the game. Thank you.

[The prepared statement of Mr. Graves can be found on page 28 of the appendix.]

Chairwoman BEATTY. Thank you very much. Dr. Sherbin, you are now recognized for 5 minutes to give an oral presentation of your testimony.

**STATEMENT OF LAURA SHERBIN, VICE PRESIDENT,
CULTURE@WORK**

Ms. SHERBIN. Thank you, Chairwoman Beatty, Ranking Member Wagner, and members of the subcommittee, not just for the invitation to come today, but also for your time and attention to this very important agenda. Time is our scarcest resource, and it is reflective of the importance of the mission that we all come here today to solve, that we are all taking the time.

As you may know, I have done a great deal of research on this topic, and have had the opportunity to partner with many companies to help them achieve the goal that we are talking about today. I believe it is a core responsibility of leading companies and also of government to ensure that one of the nation's greatest assets, our talent pool, is fully engaged to its greatest potential for the benefit of individuals, the benefit of companies, and the benefit of our collective Union.

Even as women are achieving degrees in record numbers, as we all know, there are no women running major financial services companies. Fewer than one in five have these roles, according to the recent McKinsey & Company report. The concrete ceiling remains firmly in place. And I know it is not for lack of effort. I have been on the front lines with many of these companies. Financial services companies were among the first to embrace the cultivation of greater gender diversity, and 90 percent of them today say they are committed to it.

Despite decades of effort, the financial services sector's gender equality movement has not made the necessary gains. Why? Diversity focus tactics, as we have discussed, don't work without an effort to create a truly inclusive culture that not only attracts women but makes them feel valued and welcomed. Diversity is being asked

to attend the party. Inclusion is being asked to dance. To truly change the ratios of women and other marginalized groups in power, it is important to first look at the factors that cause the gap and then devise solutions to overcome them.

The first very critical factor is the value proposition of the industry. Financial services careers are known for offering lucrative salaries and benefits packages in exchange for high-demand careers, but long hours, extensive travel, and personal sacrifices make these roles often unsustainable not just for women with children, but also to anyone with caregiving responsibilities.

Relationship capital is the second area. This goes beyond just mentors and sponsors. Relationships make or break a career. It takes a village to raise a family, we all know that, but it takes a village to advance your career in any industry and to advance your personal agenda. According to Working Mother Media research, women are considerably less likely than men to receive advice on how to advance and to be invited to the very critical tables. We also find that there are hidden off-ramps within, especially, the financial services sectors. Because the networks are notoriously closed, many women don't get the critical opportunities to position themselves for success. This includes P&L experience, but it stretches all the way to development opportunities that ultimately lead to promotions and pay raises.

And we all know that bias still undercuts opportunity in this industry. What it will take is a secure commitment and modeling from leaders. Any culture shift needs to start with the support and participation of leadership. Leaders need to be visible in their participation to make sure it happens, and to articulate its importance. Diversity, I believe, is a business problem, and needs to be treated as such. We also need to ensure that we are measuring what matters and focusing on accountability, conducting regular pay equity audits, and ensuring that employees are being paid fairly for equal work.

Track not just the lagging indicators of diversity, the representation, the level, and turnover, but also the leading indicators of inclusion leader behaviors, candidate access to stretch and development opportunities, and perception of bias within the system, because when it comes to bias, perception is reality. By treating diversity and inclusion like the business problem it is, companies in the financial services industry can make impressive strides towards a better future for the industry overall. Thank you.

[The prepared statement of Ms. Sherbin can be found on page 42 of the appendix.]

Chairwoman BEATTY. Thank you so very much. I thank all of the witnesses for their powerful testimony and also for the information that you provided for us. And now, I will recognize myself for 5 minutes for a series of questions. Let me start by saying that I like to be invited to the dance, and I certainly like to dance, so I thank you for that. I am so glad, Mr. Graves, that you talked about Dan Rooney, so I won't have to go through what I have here.

His son visited me a couple of weeks ago, and he was so intrigued with my Beatty Rule, which was patterned after the Rooney Rule with the Federal Reserve, because what we found is that in a hundred-year history, there had not been a person of color, an

African American, as one of the Presidents. And along with a lot of other things, the very qualified Raphael Bostic, in 2017, was made the President of the Federal Reserve out of Atlanta.

But my question is based on what you talked about with the NFL and all of your successes. What would you say to your colleagues sitting here that we should do to make sure that we get more minorities and women and people from Appalachia and Veterans? How do we make this happen? If we don't have a Dan Rooney and a Joyce Beatty, let's say, how do we make that happen?

Mr. GRAVES. Thank you. I believe at his core that all of the work and commitment, the great work that all of us do is only a part of what is required for sustainable success behind D&I. I believe that without an actual commitment by those who are making the decisions, that foundation is at least wobbly if not insecure. And what I found through my work with great owners like Ed McCaskey of the Chicago Bears and Bill Bidwill of the Arizona Cardinals is that diversity has to be intentional, and it has to be an effort and a commitment by those from the very top to make it happen.

And so, with all of the preparation programs that are created, if you don't have a commitment by those who are making the decisions, then our chances for success are just that, chance.

Chairwoman BEATTY. Thank you. My time is running out, so I am going to ask a series of questions and ask everyone to respond to the same question. We are here with the ranking member and colleagues on both sides of the aisle, because at the end of our time here, we want to be able to say we made a difference. So, tell me, what would be the number one thing you would advise us to do as we are on this diversity and inclusion journey? We will start with you, Ms. Sherbin.

Ms. SHERBIN. The number one thing is measuring the leading indicators of inclusion and diversity, creating transparency around them, and holding ourselves and each other accountable for reaching them.

Chairwoman BEATTY. Thank you. Ms. Mota?

Ms. MOTA. What I would say to add to that is just being aware of our own individual biases and our own capabilities because I think the more that we are aware of ourselves and our organizations, the more familiar and aware we become of others, and helping that bridge of understanding.

Chairwoman BEATTY. Ms. Tulshyan?

Ms. TULSHYAN. I would really focus on the most underrepresented voices. Whose voice is really not being heard and go there and find out what are the institutional, and what are the barriers that are holding that person and those communities back and start from there.

Chairwoman BEATTY. Mr. Guinyard?

Mr. GUINYARD. I would say communication, being able to ensure that we are sharing our goals and what our destinations will be so that we are engaging everyone to participate in initiatives. The other piece is pushing it down into the organization so that everyone feels that they are accountable, and it is not just stratified at the top.

Chairwoman BEATTY. Mr. Graves?

Mr. GRAVES. I would encourage you to focus on a grassroots program that grows diversity from the very bottom up through organizations.

Chairwoman BEATTY. Thank you. Let me just wrap up quickly, because I only have 5 seconds. What I also heard from all of you was pay equity access, adjusting the interview process, culture change, childcare, and equity in education. This was very helpful to us, and I want to again thank you for being here.

Now, I recognize my friend, the ranking member of the subcommittee, Mrs. Wagner, for 5 minutes for questions.

Mrs. WAGNER. I thank the chairwoman, always. Let me start by asking unanimous consent that Ranking Member McHenry's remarks be entered into the record.

Chairwoman BEATTY. Without objection, it is so ordered.

Mrs. WAGNER. Thank you. According to Mercer's When Women Thrive report, women hold 26 percent of senior management positions and only 15 percent of executive positions in the finance industry. These figures have stayed relatively flat over the past decade, sadly. Dr. Sherbin, why are we not seeing more gains with respect to women and women of color in senior management positions in the financial services industry?

Ms. SHERBIN. The critical piece to understand is that while the industry has done a lot of initiatives and programming on this front, they have not changed core concentrations of where access to power is in these industries.

They have not changed the work norms in the way work is done in the same way honestly that some other sectors have. Asking the very critical questions, do I need to travel? Do I need to spend long hours in the office? Must I truly be available 24/7? And should I come back 10 days after having a child? These are all very critical questions to ask in terms of how work is done, and then access to power in terms of relationships and how you can advance in your career.

Mrs. WAGNER. And you have been advising companies in this regard, is that correct?

Ms. SHERBIN. Absolutely.

Mrs. WAGNER. Great. I would like to submit for the record, Madam Chairwoman, the fifth annual women in the workplace study conducted by Lean In and McKinsey & Company.

Chairwoman BEATTY. Without objection, it is so ordered.

Mrs. WAGNER. This study comprises data from 329 companies. We have been talking about data, and Ms. Tulshyan, I appreciated your comments about data being delivered and driven by that—389 companies with a collective 13 million people on their payrolls and shows that while real progress has been made at the C-suite level, there is still much more progress to be made for women trying to grasp that first rung of the management ladder.

The study found that three main areas where companies should focus their efforts to create a more inclusive office that reaps the economic benefits we know come with a diverse workforce, companies should focus on better understanding the corporate pipeline, focusing on the culture of work and we have talked a little bit about that, and turning commitment to diversity into real action. And some of you are on the front lines of doing that.

Dr. Sherbin, your research has concluded that mandates do not work when trying to maintain a diverse workplace. Diversifying the workforce is only one piece of that puzzle. And the more crucial component to me is maintaining that diversity. Can you talk us through how companies can do that?

Ms. SHERBIN. Absolutely. Mandates, in the same way as recruitment, they get people in a chair. They get them in the seat. They don't ensure that their voice is heard, that they are valued, that they are able to contribute. In fact, you will find that most of the gains that we talked about in terms of financial gains and innovation gains from having diversity, a necessary condition is inclusion to ensure that people are able to contribute to their full potential. It also ensures that they will stay, and they will advance. Without inclusion, diversity becomes a revolving door.

Mrs. WAGNER. That is absolutely correct. And we have talked a lot on this committee about the differences between diversity and inclusion, about unconscious biases, about how we make a workforce culture that doesn't have that revolving door, and I am very concerned about those at the bottom rung and then being able to maintain as they try and move up the ladder. Ms. Tulshyan, do you have any comments in this regard, especially when it comes to the inclusion side of things?

Ms. TULSHYAN. Absolutely, and I actually want to take this wonderful definition of diversity being invited to the party, and inclusion being asked to dance. Verna Myers from Netflix coined that, and added that equity is very central to this, and equity is being part of the planning committee.

Understanding what are some of the institutional historical barriers that have kept women and women of color out of these very highly coveted roles and really seeking to eliminate those barriers. And without that, we are not going to.

Mrs. WAGNER. You are absolutely correct. And I wish I had more time, but I do not. I will have to yield back, but I can say that we also had discussions about the Rooney Rule not just applying to the candidates but to those interviewing, and that is absolutely key, I think, to what we are trying to sustain here. I thank you all, and I yield back.

Chairwoman BEATTY. Thank you. The Chair now recognizes the gentlewoman from North Carolina, Ms. Adams for 5 minutes.

Ms. ADAMS. Thank you, Madam Chairwoman, and let me thank all of you who are witnesses for being here today. We certainly appreciate you taking the time and sharing your testimony. As many of you have outlined, making an investment in diversity, inclusion, and equity is not only the right thing to do, the data show us that it makes good business sense. Companies and organizations function more effectively, and experience increased productivity and greater profitability.

In order to effectively create a culture of inclusion it requires, as you said, intentionality and leadership. For far too long, leaders of corporations that pay lip service to the importance of diversity, and I am grateful that in this subcommittee, led by our most capable chairwoman, we are focused on identifying solutions and efforts that can will disrupt the status quo.

When I first came to Congress, I was concerned about the lack of focus on Historically Black Colleges and Universities (HBCUs), so I launched the Congressional bipartisan HBCU Caucus. I am a two-time graduate. I spent 40 years on the campus of Bennett College at an HBCU in Greensboro. So, the Caucus is focused on raising national awareness, educating Members of Congress, and increasing Federal investments in HBCUs. And every year, these schools produce more than 40 percent of Black engineers, healthcare professionals, and lawyers, just to name a few.

When I meet with companies and financial institutions, I always tell them that if HBCUs are not a part of the industry's diversity and inclusion strategies, you are not doing it right. HBCUs are a critical pipeline of talent, and cultivating strong partnerships and relationships with the schools can provide industries with an opportunity to diversify their workplaces.

I look forward to hearing more about the research and the work that can be done, but let me ask this question. To increase the diversity in law firms, and of course the legal profession, some firms have implemented the Mansfield Rule, where the firm considers in a new study at least 30 percent of women, racial ethnic minorities, and members of the LGBTQ+ community.

Mr. Guinyard, your firm, Goodwin, is considered a leader when it comes to diversity. So, can you share whether the Mansfield Rule is working at Goodwin and other firms in increasing the diversity and leadership?

Mr. GUINYARD. Yes. At Goodwin, it has definitely had an impact. As I stated earlier, we have increased our representation on our most senior leadership committees to 35 percent diversity. In addition to that, it has also elevated the visibility of focusing on ensuring that there are diverse slates. There is research that states that the more you increase the final slate of panelists for positions, you increase the likelihood of offering an opportunity or elevating someone to a position who has a certain kind of diversity, whether it is race, gender, ethnicity, or LGBTQ+.

I wanted to go back to your earlier question around HBCUs. One initiative that we are partnering with as we talked about earlier is the Move the Needle Initiative. One of the things that we will be doing with these other firms and also these general counsels is exploring additional schools, law schools that often tend to get overlooked to find that top talent. We tend to kind of fish in the same ponds, the same talent, and so our approach is to really find diverse talent and to add in, create, or expand the pool in really exploring different universities where we can find racial and ethnic diversity.

Ms. ADAMS. How does public disclosure help law firms and other organizations be accountable more for improving diversity and inclusion?

Mr. GUINYARD. First, the Mansfield Rule, in the first iteration of it, we had roughly 40 firms sign on, and it has increased to roughly 60 or 70 firms as a result of the recognition, of being certified. But public disclosure creates a level of accountability. And if you are familiar with law firms, we don't want to put numbers out there because we don't want to really have targets or quotas, or the assumption thereof.

Ms. ADAMS. Okay. Let me move on if I can. I hate to disrupt you. I wanted to ask Ms. Tulshyan a question. What steps can we take to help industry shed their implicit and explicit biases?

Ms. TULSHYAN. Thank you.

Ms. ADAMS. We have 24 seconds.

Ms. TULSHYAN. That's a loaded question for 24 seconds. Really quickly, it has to come from the education and personal awareness building around personal biases. And what we find is a lot of leaders, they operate from good intentions, they want to do the right thing, they want to engage more with women and people of color, they just don't sit down and think about how their actions are contributing to systemic bias. And fishing from the same pond, hiring people who look like them.

Ms. ADAMS. Thank you very much, and I will probably send you some questions in writing for the record. Thank you very much. Thank you, Madam Chairwoman. I yield back.

Chairwoman BEATTY. Thank you. The Chair now recognizes the gentleman from Tennessee, Mr. Kustoff, for 5 minutes.

Mr. KUSTOFF. Thank you, Madam Chairwoman, for convening today's hearing, and thanks to the witnesses for appearing this afternoon. Mr. Graves, if I could, you have had a long and distinguished career in the NFL, and you have talked about the importance of the Rooney Rule. Out of curiosity, does the NFL have a Rooney-type rule as it relates to ownership of the teams?

Mr. GRAVES. Not that I am aware of, but I can check into it.

Mr. KUSTOFF. It does seem like if the ownership were more reflective of the executives or vice versa, that in theory—I don't want to put you on the spot because you worked with the NFL—that could put some pressure on the NFL to further increase diversity among its coaching and executive ranks. Is that a fair statement?

Mr. GRAVES. I would assume that it is fair.

Mr. KUSTOFF. Dr. Sherbin, in the opening statements that were made by the witnesses, at least two of you talked about mentoring, and maybe also, a couple of you talked about networking. Can you talk about, as it relates to your study, the importance of networking and mentoring as it relates to growing diversity—which you have talked about in the financial services world, so I thought I would ask you whether it relates to financial services or other industries, if you could?

Ms. SHERBIN. Absolutely. Mentoring and networking, and in particular sponsorship, extends far beyond the financial services industry. It is very simply the way power is transferred in our society. You see these relationships everywhere. It is about seeing someone junior than you, believing in them, investing in their success, and putting them up for a promotion. As we all know, promotions happen in rooms that we are not privy to, so what we need is someone in that room to say our name, and that is a member of our network, ideally our sponsor.

Mr. KUSTOFF. Is there a way to increase the mentoring and the networking? Are there ways?

Ms. SHERBIN. There are very key ways in which companies have made great strides. One is exposure and opportunity, and truly ensuring that leaders see talent not just that they would naturally

see. Also, training and proactive education. To teach and coach not just leaders as potential sponsors, but also potential proteges.

The right way to cultivate these relationships across differences. The fact of the matter is we live in a very segregated society and this means that we are often asking employees and companies to create relationships across differences when they have not done it in their personal lives. And we need to provide education so that they are successful.

Mr. KUSTOFF. Thank you. If I could, Dr. Sherbin, there was a 2017 GAO study that found that overall representation and management in financial firms has slowly increased over the last decade. And if I could, as it relates specifically to financial firms, can you address the cultural changes to increase inclusion for both women and minorities?

Ms. SHERBIN. In order to really address inclusion for women and minorities, it is around reading of the bias, teaching individuals to work across differences, and holding individuals accountable for not just diversity but also inclusion, which I will tell you, while it is harder to measure than diversity, it is absolutely possible. Financial services industries can measure anything. I assure you that they can measure inclusion.

Mr. KUSTOFF. And if I could, along those lines, can you compare how financial services firms are doing compared with other industries?

Ms. SHERBIN. In many other industries, they are ahead of financial services firms in terms of representation, and we have seen it in many, many reports and through many data sources.

Mr. KUSTOFF. Thank you. I yield back the balance of my time.

Chairwoman BEATTY. Thank you. The Chair now recognizes the gentlewoman from Pennsylvania, Ms. Dean, for 5 minutes.

Ms. GARCIA OF TEXAS. Madam Chairwoman, she stepped away.

Chairwoman BEATTY. Then, the Chair would like to recognize you, the gentlewoman from Texas, Ms. Garcia of Texas.

Ms. GARCIA OF TEXAS. Thank you so much, and I am sure if she were here, she would have yielded to me anyway.

Chairwoman BEATTY. Yes.

Ms. GARCIA OF TEXAS. Thank you. And thank you again, Madam Chairwoman, for putting this hearing together. I think you are absolutely right, you can have a seat at the table, but if you are not given a voice or are not part of the conversation, you may not really be there. And certainly, when I go to a dance, I sure do want to dance, but I would rather dance rock-and-roll than the waltz.

So, what the dance is all about is important, too. And it takes commitment, doesn't it? Mr. Graves, I really liked what you said. No matter what we do, it comes from actual commitment to whatever program, or whatever initiative, or whatever plan we want to put in place. And it is something quite frankly that we cannot legislate, or can we? Do you have any ideas of what we should do to kind of ensure that some of these companies demonstrate actual commitment, whether it is through an incentive or a penalty or a bonus of some sort? Do you have any thoughts on that? What can we do to get a commitment from people?

Mr. GRAVES. I think you are referring to a matter of the heart. I think with all the data that we have about the positive effects of

diversity, I think it still comes down to individuals making a decision about what they believe is not only good for society but right. And I think you have to have more of those type of people at the table in the room where the decisions are made, and I think that is the first step to really changing our culture.

Ms. GARCIA OF TEXAS. Okay. Dr. Sherbin, do you have any thoughts on that?

Ms. SHERBIN. I am going to offer something that might be a little counterintuitive. We spend a lot of time in these studies asking individuals who are not able to rise up in organizations why they believe they are not achieving the success that they need. We should also ask the majority individuals within companies what is not working for them in terms of including those who are different than themselves. Many industries will talk about the frozen middle or middle managers.

These managers, traditionally for large companies, are the hardest portion of the organization to budge. They are the ones who have serious day-to-day pressures and don't always have the time to do something differently. And intervening with that group at that level to hear from them why they are not able to champion and support and do something different, as you have said, every day, and then addressing their challenges could be a very powerful step in truly changing behavior.

Ms. GARCIA OF TEXAS. Ms. Mota, you mentioned engagement with affinity groups and groups other than themselves. Have you seen that work anywhere? Is there a lesson learned in something that you have seen, or wherever you have been exposed to companies with certain organizations, certain networks that then they can see the value of inclusion and diversity and has it changed behavior?

Ms. MOTA. Absolutely. I think it is also known as a best practice, and in terms of whether it is employee resource groups or business resource groups that are there. There is Latino, African American, Women, LGBTQ+, but one of the values with our partnership and working with those affinity groups is that it is bringing in an executive level, whether it is Latino, Latina, or executive-level women, executive-level African Americans, it is bringing visibility to those folks through those affinity networks that they may not see on a day-to-day basis at their own companies.

And there is a study done by the Center for Talent Innovation specifically on Latinos at work, and the study says that 76 percent of Latinos in corporate America repress some portion of their identity, they cover, and those who do repress are the ones who are being promoted because when they look at the executive presence, they do not see themselves reflected, and in part of the study and the research, it says that they feel they have to be someone else in order to get to those higher-level ranks within their organizations.

And so, affinity groups provide that outlet not only to share the challenges but also to be able to connect with executive-level folks who represent the same affinity that they can aspire to and get advice from through those networks.

Ms. GARCIA OF TEXAS. Okay. Thank you. And since I am sure Representative Dean yielded her time to me, can I have another 5 minutes for myself?

[laughter]

Chairwoman BEATTY. The Chair will give you another minute to ask another question.

Ms. GARCIA OF TEXAS. I just want to quickly ask Mr. Graves, it is a simple yes or no, unless you feel like you have to elaborate, is your Mansfield Rule also possible to apply to making partner, because that is a tougher nut to crack?

Mr. GRAVES. Yes.

Ms. GARCIA OF TEXAS. It is? Very good. Thank you. I yield back.

Chairwoman BEATTY. Thank you. The Chair now recognizes the gentleman from Ohio, Mr. Gonzalez, for 5 minutes.

Mr. GONZALEZ OF OHIO. Thank you, Madam Chairwoman, and thank you everybody for being here and for all the work that you do on this important issue, and for all the attention that you have taken with us here today. As I say most times I am in this subcommittee, I have been so proud of the work that we have done thus far shining a light on a very important area that is very difficult to solve. And I think we have made great strides in gathering information and best practices across different industries, not just the financial services sector, but I'm really excited to have you all here. Mr. Graves, I want to start with you.

Like you, I come from the NFL. I was a player at one point, and I want to thank you for being here and sharing how the Rooney Rule has positively impacted your experience working in the NFL. The effect of the Rooney Rule discussed in your testimony is astounding, and I think it shows how effective the Rule has been in the NFL. I, for one, certainly have benefited from it.

I played for Tony Dungy and Jim Caldwell, two African-American coaches, and two people I consider to be incredible leaders, and whom I am just blessed to call friends, frankly. And as you may know, Chairwoman Beatty has a great bill similar to the Rooney Rule, H.R. 281, the Beatty Rule, which would require that in making the appointment of a bank president, the Federal Reserve Bank must interview at least one diverse candidate. I was glad to support this bill as a co-sponsor and vote in favor of the bill's final passage. I know that the NFL continues to tweak the Rooney Rule and kind of look for ways to make it more effective and better, and I was hoping you could maybe give us an update so we might be able to think through what—we just voted on it, but what might be next for us? Where is the NFL going in this regard?

Mr. GRAVES. Thank you, Congressman. One thing I think it is imperative to point out is that our work in this area is evolutionary; it is not stagnant. And since the Rule was conceived and implemented back in 2003, I think it was, we have done things to enhance the Rule. Initially, it was a requirement to the teams to interview one minority or diverse candidate.

Now, the Rule requires that you interview multiple candidates. We also asked owners or decision-makers to keep notes that can be requested by the commissioner. We also ask that the final decision-maker be involved throughout the process and not at intermittent points. These are the types of things that we are doing to ensure

that the Rule becomes stronger and that we move toward the results that we are looking for.

Mr. GONZALEZ OF OHIO. Some more documentation and then more candidates, generally.

Mr. GRAVES. That is correct.

Mr. GONZALEZ OF OHIO. Thank you. Ms. Mota, turning to you, connecting diverse talent pools to companies that would greatly benefit from more diversity can often be a challenge from what we hear. In your work at the Hispanic Alliance for Career Enhancement, you focus on talent acquisition and ensuring diverse individuals have access to programs that help to develop leadership skills, specifically. I think that makes a ton of sense, and I commend you for that. Can you discuss how these programs have helped to positively impact the young professionals you have worked with and the companies they have gone on to work for?

Ms. MOTA. Sir, absolutely. Many of the folks that we are working with are, like me, the first generation to obtain a college education in their families, and the first generation going into a professional workforce, and so with the various programs that we offer, we have been able to develop a strong multi-generational support network where folks more senior in their careers are able to mentor and really give advice to those who are starting off in their careers.

Because many of us are the first ones going into this professional landscape and understanding what are the nuances, what are the things that you do, how do you build strategic networks, those strategic relationships. And so, having those through our programs' candid conversations have really catapulted the careers of individuals where they are going back a lot more confident, but also know that they have a place with our organization to ask those questions where perhaps may not feel as comfortable in their place of work.

Mr. GONZALEZ OF OHIO. Awesome. Thank you for your answers, and for all that you have all been doing on this topic. And with that, I will yield back.

Chairwoman BEATTY. Thank you. The Chair now recognizes the gentleman from New Jersey, Mr. Gottheimer, for 5 minutes.

Mr. GOTTHEIMER. Thank you, Madam Chairwoman, and thank you to all the witnesses for being here today. According to a study conducted by the Institute for Women's Policy Research, moms, especially those with young children, are being left behind in the labor force in America. That is why I have co-sponsored several bills including the Healthy Families Act and the promoting Affordable Childcare for Everyone Act that would give greater flexibility to working families and help drive up the inclusion of all parents in the workforce.

We want to make sure that all moms who want to work can work. Dr. Sherbin, what are some examples of flexible work arrangements that can help increase the retention and promotion of working mothers, in your opinion?

Ms. SHERBIN. Overall, in terms of flexible working programs, one thing that we always counsel is that they should be one-size-fits-one, not one-size-fits-all. The way that one working mother will choose to work is incredibly different from someone else and it is simply what works in their family. They might be the sole breadwinner. They might be the primary breadwinner. They may just be

working to advance their personal mission. So, it would be one-size-fits-all.

Another very critical success factor that we found working with a lot of companies across industries on this is that flexible work arrangements not be positioned as accommodations for working moms. This immediately reinforces the stereotypes that moms can't work as hard as their colleagues or their counterparts. I have four children, and I can assure you that I work very hard.

But when flexible work arrangements are positioned as ways that we can all do our work more efficiently and effectively, it benefits not just moms, who arguably need them the most, but everyone at our companies to recognize our lives outside of work and the sustainability of the 35-year careers that we want our employees to have.

Mr. GOTTHEIMER. Thank you. I agree, and that is incredible. My wife is also a superhero and I don't know how she does it. She also works full time. It is just incredible. In my remaining time, I would like to talk about how we can create a larger slate of diverse candidates in top positions. As many of you know, the National Football League adopted the Rooney Rule, which requires League teams to interview minority candidates for head coaching and senior football operations positions, in order to address a lack of diversity among head coaches and executives.

Mr. Graves, I noticed that you used to work as a general manager for the Arizona Cardinals, as we were just talking about, and as a lifelong New York Giants fans, I am sorry. I am proud to support a team that utilized the Rooney Rule when Jerry Reese was brought on as general manager, and led the Giants to two titles, as you probably remember. What data is there, Mr. Graves, available about the increase in the number of diverse executives and coaches at the NFL since the implementation of the Rooney Rule? Do you believe the Rooney Rule has been effective?

Mr. GRAVES. Yes, I do. Since the implementation of the Rule—let me just say that prior to the implementation of the Rule, there were six ethnically diverse candidates who had served in the role of head coach, and since the implementation of the Rule, we have seen, I believe, 19, and a good number of those have had successful runs with Super Bowl representation, people like Tony Dungy and others who have been there.

We have seen the Rule extend to successful general managers, just like you mentioned Jerry Reese, and I had the privilege of working with the Arizona Cardinals during the 2008 Super Bowl during that time. So, it has been very successful in the terms of getting candidates to the table and being exposed. But obviously, we have work to do to sustain those numbers.

We are not at those levels that we used to be and obviously we are working to get back to those levels and beyond. But I think the Rule is imperative to the sustained success that we would like to achieve.

Mr. GOTTHEIMER. Did you learn things you think other industries can follow?

Mr. GRAVES. I am sure I have quite a bit to share with respect to the benefits of the Rule, and I would certainly extend conversations on that some other time.

Mr. GOTTHEIMER. I would love to spend time with you on that. Thank you so much. I only have a little time left, so I will yield back. I know Mr. Green has some questions.

Chairwoman BEATTY. Thank you. The Chair now recognizes the gentleman from Texas, Mr. Green, who is also the Chair of our Subcommittee on Oversight and Investigations, for 5 minutes.

Mr. GREEN. Thank you, Madam Chairwoman. And I thank the witnesses for appearing, and I thank my colleague for the offer of time. How much of the lack of inclusivity is due to unconscious bias versus conscious bias?

Ms. TULSHYAN. I guess I will try to address that. Statistically, it is very hard to measure that because this is one of those things where I believe it will just be very hard to pull the data. I have been looking at academic research around affinity bias where essentially, it is not that you are trying to discriminate against a certain group, but you have a more favorable opinion of a group that you belong to so it could be by race, by gender, by education, by background, by favorite football team, etc.

And so, a lot of the work I do with my clients is to identify how those affinity biases show up, especially because largely I think it is very hard to deny the research on why diversity and inclusion makes business sense. I meet a lot of people who really want to do the right thing, they just don't know how, and so I do think that there is a lot of this that is unconscious and people wanting to do the right thing just not knowing how to. I wish I could have a statistic for you.

Mr. GREEN. Candidly speaking, I did not expect you to have statistical information. Dear friends, I have great appreciation for the Rooney Rule, and the Mansfield Rule, but I would like to visit with you very tersely about the money rule. Is there anything better than indexing the CEOs salary, bonuses, golden parachute, indexing it to money? You produce for me. I am not a Board Chair, I am speaking to the CEO. You produce for me a diverse workforce and I will double your salary.

Is there anything that tops the love of money? The money rule? On prior occasions—thank you, your silence speaks volumes. I appreciate it. On prior occasions, we have visited this issue. This is not the first time, Madam Chairwoman, and I must compliment you on the subject matter, but on at least one other occasion, we had someone who explained that fixing bonuses and indexing pay raises engender success. I don't know how we can get to the point where we can require this, but it just seems that the will to do this is what is required at the top.

In my office, we have diversity. The calls, I will it. I desired it. It must be and it happens. And by the way, everybody is capable, competent, and qualified. There is no shortage of women who are qualified, no shortage of people of color who are qualified, or LGBTQ+, just a shortage of people with the will to make it happen. I yield back the balance of my time.

Chairwoman BEATTY. Thank you very much. The Chair now recognizes the gentlewoman from Pennsylvania, Ms. Dean, for 5 minutes.

Ms. DEAN. Forgive me, Chairwoman Beatty and subcommittee members, I did have to step out to a Financial Services Committee

hearing, so I apologize for doing that zigzag. But I am pleased to be here with you, Madam Chairwoman. And thank you to all the witnesses for raising your voices on this important issue. I was so delighted to be appointed to this new standing subcommittee, and I took the chairwoman's command to heart. During the district work weeks in the summer time, we held roundtables on diversity and inclusion.

We held three different ones, one on color, one on LGBTQ, and one on disability, and they were very enlightening from folks whether it is industry or government who thought that they were doing things in a diverse way. Sometimes, they look around, and to Mr. Green's point, just look around and say, "We are not being intentional at all."

We thought we were, but as I look around here, it is not happening. Some of the things, some of the takeaways that we found, whether it was business leaders, government leaders, advocacy groups, one of the most precious stories came from the superintendent of a local school district. He mentioned that when analyzing their hiring data, the district had a highly diverse initial slate of candidates that would dramatically dip after the first rounds of interviews.

They are attracting a diverse base, and when they reviewed the data, what they realized was the reviewing panel itself was the problem, and some of you have spoken to this. The majority white panels tended to pick people who look like them. So, all of these diverse candidates, but many of them fell by the wayside through unintentional bias, I would suggest. Ms. Mota, you describe similar outcomes in your own personal work history in your testimony. Can you describe successful hiring practices that can limit unintentional biases?

Ms. MOTA. Yes. One would be with the selection committee. It is ensuring that there is a diverse representation on the hiring committee. There is research by McKinsey that talks about how leadership teams that are able to build more of an innovative organization and boost profits represent diversity from four core areas: country of origin; in terms of their industry background, as a point of diversity; as we discussed, gender; and being from a career pathway.

They labeled these four in the McKinsey report as being the top key factors when having not only a diverse candidate pool, but also diverse in terms of a selection committee to be able to help eliminate some of the barriers or the biases that may occur. And then, of course, in addition to that is ensuring that there are several tools out there, and there are; there are implicit bias tools free online, various trainings and resources to be able to ensure that perhaps before the hiring takes place, each of the individuals have to be required to take that assessment.

Ms. DEAN. Anybody else want to add to that? And then, I wanted to shift to diversity by way of disability. And I am wondering if any of you can speak to that? We had a terrific roundtable about disability, and I guess the shocking thing is the high percentage of folks with various disabilities who are underemployed or unemployed. And I am struggling just trying to help constituents match up to employment and employers who are actively intentionally

seeking to be inclusive in that way. Do you have any best practices in any of your organizations or you have come across in your own research?

Ms. SHERBIN. I was grateful enough to have the opportunity to partner with organizations that work on this front and conduct a piece of research. We found that there is not only significant under-employment of individuals with disabilities, but also a significant portion of the workforce who does currently have a disability. It may be an invisible disability. They do not feel comfortable disclosing it, and as a result they do not have the accommodations they need to truly be successful.

We often talk about women and people of color working 2 or 4 times harder than their peers. These are individuals working 30 times harder than their peers. They are not disclosing that they cannot hear in meetings or see properly to read slides or to read that, and they are not able to ask for accommodations.

And companies by proactively soliciting information, signaling inclusion around this front, and addressing accommodations in a very respectful way, have made a lot of strides.

Ms. DEAN. That is really terrific, and maybe you would share that research product with our committee?

Ms. SHERBIN. I would be delighted to.

Ms. DEAN. That's very valuable. Thank you very much. Thank you, Madam Chairwoman. I yield back.

Chairwoman BEATTY. Thank you. I was going to give you another 30 seconds since your colleague probably did not tell you that she asked for some of your time.

[laughter]

But the Chair now recognizes the gentlewoman from Massachusetts, Ms. Pressley, for 5 minutes.

Ms. PRESSLEY. I am an only child. I do not share anything. I am kidding.

Thank you, Chairwoman Beatty, and I want to thank Chairwoman Waters for her good wisdom and leadership in creating this standing subcommittee in the first place, which provides us the forum to address these critical issues.

I am wearing two hats here. One is as a proud member appointed to this pioneering subcommittee, but I am also the Vice Chair of the newly re-launched Task Force on Aging and Families. I know we were speaking about those efforts critical to retaining a younger workforce like providing childcare, and that is important.

Ageism certainly exists on both sides, but there is a growing trend of discrimination and barriers to employment for our aging workforce. You know, thank God, due to medical advances, we are living longer, but people are also working longer, and not just doing that for enrichment; they are doing it because they have to. Many older Americans are living below the poverty line.

And in fact, since 2011, 10,000 people in the United States have turned 65-years-old every day, a trend that will continue through 2030. In 2012, only 12.5 percent of those over 65 were working. In 2016, this share jumped to nearly 20 percent. And these projections are expected to continue to grow.

So, I wonder if you could offer when it comes to our aging population both living and working longer than ever before, when we talk about diversity and inclusion in the workforce, what can we do to make sure that we are not forgetting our seniors?

Dr. Sherbin, companies often provide incentives and competitive benefits packages to recruit and retain younger employees. What are some of the incentives you think could attract and retain members of our aging community who have life experience and great wisdom and skills to offer?

Ms. SHERBIN. Indeed, it is the ability to capitalize on that wisdom and skill. In research that I have done, when you ask individuals who are relatively young in their career, at just the age of 50, a considerable number of them will say that they don't believe they have any more trajectory to advance in their career. And it is an incredibly disengaging moment to think there is nowhere more senior that I can rise because I am seen as too old in my position. So, it truly is halfway to the top at all ages. That is incredibly critical to keeping this talent cohort.

This talent cohort also intersects with the last conversation that we had. They are living much, much longer, but they are also more likely to be working with a disability. And figuring out the right accommodations to ensure that they can do their jobs in the extraordinary ways that they can deliver is a very critical piece of ensuring that they can deliver.

Ms. PRESSLEY. Would anyone else like to contribute to that before I move on?

Ms. TULSHYAN. Really quickly, I just want to say that there is incredible research to show that intersection between, accommodations and policies that would work really well for working moms like flexible work arrangements, paid family, and family leave, not just as soon as you give birth, etc. and there is a really good now, I think, intersection that show that it works for anybody. Millennials want a workforce where they can avail themselves of parental leave, for example. The aging population would certainly benefit from having paid time off to ensure that they are able to take care of their health.

So, we really see a win-win across various sectors, and I think that is very key in trying to address this.

Ms. PRESSLEY. Thank you. You actually read my mind. You answered my next question, which had been around examples of flexible work arrangements that could support our aging workforce. I thank you for getting ahead of me on that one. The Age Discrimination in Employment Act of 1967 protects applicants and employees ages 40 and older from discrimination on the basis of age in hiring, promotion, discharge, and compensation.

What are some additional protections we should be considering to better protect our aging population from discrimination in the workforce? Any thoughts? I know this is not the subject matter, but there is an intersectionality in these issues.

Ms. SHERBIN. I can add something, if you would like. Not just the protection but also increased avenues for reporting, and reporting in very safe ways. I have done a lot of work around sexual harassment and areas of explicit bias, and these are incredibly under-

reported. All issues of discrimination are incredibly underreported and as a result are not addressed.

Ms. PRESSLEY. And I love the accountability point, that what gets measured, gets done. So, thank you. Thank you, Madam Chairwoman.

Chairwoman BEATTY. Thank you. I would like to ask unanimous consent to add the following articles and reports to the record: Women in the Workplace 2019 by McKinsey & Company, Wall Street Journal, Where Women Fall Behind At Work, the First Step Into Management, and the Women of Color Invisible, Excluded, and Constantly On guard. I would also like to submit an article by Sheryl Sandberg and Rachel Thomas entitled, "The Gender Gap Just Isn't Fair, It Is Bad for Business." And lastly, I would like to enter into the record, "Women in the Workplace, the First Step is the Steepest." Without objection, it is so ordered.

I would like to thank all of our witnesses for their testimony today and for giving us so much of your time.

The Chair notes that some Members may have additional questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 5 legislative days for Members to submit written questions to these witnesses and to place their responses in the record. Also, without objection, Members will have 5 legislative days to submit extraneous materials to the Chair for inclusion in the record.

This hearing is adjourned.

[Whereupon, at 4:50 p.m., the hearing was adjourned.]

A P P E N D I X

October 17, 2019

**Written Testimony before the
U.S. House of Representatives, Committee on Financial Services
Subcommittee on Diversity and Inclusion**

**Hearing Entitled:
Promoting Inclusion: Examining the Need for Diversity Practices for America's Changing
Workforce**

**Rod Graves,
Executive Director, Fritz Pollard Alliance Foundation**

October 17, 2019

My name is Rod Graves. I am the Executive Director of the Fritz Pollard Alliance. I joined the FPA in June of 2019 after serving 35 years in the National Football League. I also worked two years in the United States Football League before joining the NFL. My duties in the NFL ranged from working as Senior Vice President of Football Administration and Club Services at the NFL to Senior Director of Football Administration for the New York Jets to General Manager and Vice President of Football Operations for the Arizona Cardinals to Director of Player Personnel for the Chicago Bears. I've been a member of two NFC Championship teams and one Super Bowl winner.

The Fritz Pollard Alliance is an advocacy group. We were co-founded in 2003 by the late Johnnie L. Cochran, Jr. and civil rights attorney Cyrus Mehri of Mehri & Skalet in Washington D.C. For the past 15 years, John Wooten, a former NFL player and team executive. Mr. Wooten's dedication to diversity and equal opportunity set the foundation for our organization. He retired in the spring of this year.

Our members include coaches, scouts, front office personnel and game day officials. Our primary focus is on the men and women of color within the National Football League. We are most known for our support of diverse candidates at the Head Coach and General Manager positions, but our work goes beyond those positions. Our mission is to champion diversity in the NFL through education and to provide our members with resources that will help them succeed at every level of the game. Our vision is to see the diversity of leadership in the business plan of every sports team.

The Fritz Pollard Alliance developed the Rooney Rule. The rule, named after the late Dan Rooney, owner of the Pittsburgh Steelers, requires NFL teams in search of a Head Coach or General Manager to interview multiple diverse candidates. The Rule also requires that the final decision-maker be involved throughout the hiring process. Enforcement power rests with the NFL Commissioner.

The efforts behind the Rooney Rule have been extremely successful. The rule has produced a record number of minority head coaches and general managers and has built up pipelines of talent around the League. In the 15 years prior to the adoption of the Rooney Rule only 4 minorities were selected as head coach of an NFL club. In contrast, approximately 20 minorities have been selected as head coaches in the 15 years following the rule's adoption. Similarly, only one minority served as General Manager or in a General Manager equivalent position prior to the adoption of the Rooney Rule compared with least 8 since the rule's adoption.

Most importantly, our members have seized their opportunities and have achieved enormous success. Indeed, after the Rooney Rule's adoption, 10 NFL Super Bowl teams have been led by a minority head coach or general manager including head coaches Lovie Smith (Bears), Tony Dungy (Colts), Mike Tomlin (Steelers (twice)), Jim Caldwell (Colts), Ron Rivera (Panthers) and General Managers Jerry Reese (Giants (twice)), Ozzie Newsome (Ravens), and myself when I served as GM of the Arizona Cardinals.

Many companies, such as Xerox, Intel, Microsoft, Facebook, Pinterest, and Goldman Sachs have followed our lead and implemented a version of the Rooney Rule.

The Rooney Rule has impacted both my personal and professional success. In 2004, Bill Bidwill, owner of the Arizona Cardinals, hired Dennis Green as the organization's first African American Head Coach and made me General Manager. We were the first Black GM/HC combination in NFL history.

Before the Rooney Rule was enacted, minorities in the NFL relied almost exclusively on mentors and networking opportunities for a chance to develop skills and to further their careers. My career was largely influenced by my father, Jackie Graves who worked in the NFL as a scout and personnel executive. I was influenced by great men like John Wooten, Tank Younger, Milt Davis, Charles Garcia, Bill Nunn, Dick Daniels, and Bill Tobin.

As an executive and General Manager, I participated in the hiring of several head coaches, coordinators, and other football executives. The exposure that my organization and I gained to diverse candidates as a result of the Rooney Rule was invaluable. We not only learned about the individuals and their skill sets, but we learned a great deal about the teams that they came from. It was an enriching experience for me because it enabled me to learn about the processes used by successful organizations and it helped me to form a strong Ready List of future candidates.

The Rooney Rule benefits organizations and diverse candidates. The exposure gained by diverse candidates during an interview process helps them to be better prepared and to become more informed about the organizations they are seeking to join.

What we have learned, however, about the Rooney Rule and the other equal opportunity initiatives taken by teams and the NFL is that these measures do not ensure positive outcomes for diversity. There cannot be sustained success in the area of diversity and inclusion without a commitment by those making the decisions. A number of teams have demonstrated their

commitment to equal opportunity by ensuring diversity of leadership and by creating a D&I strategy that focuses on selecting diverse candidates and grooming the top performers for leadership roles in the future. Our goal is to ensure that many more teams follow suit.

Formal Statement

Committee on Financial Services

Subcommittee: Diversity and Inclusion

Title: Promoting Inclusion: Examining the Need for Diversity Practices for America's Changing Workforce

Goodwin is committed to promoting diversity within our firm and in the legal profession, and also to fostering an inclusive environment in which each attorney and professional can excel and thrive. Diversity and inclusion are core values at Goodwin, and we believe that they make us stronger as a firm, as a provider of legal services and as an employer. It's also a matter of justice. We believe that equity demands a diverse workforce and legal profession, and we have a lengthy track record of enabling equal access to the legal system through our extraordinary pro bono efforts and our broad non-discrimination policies.

Inclusion@Goodwin, established in 2014 and led by the firm's Chairman Emeritus, David Hashmall, drives the firm's diversity and inclusion strategic initiatives. Core firm strategies include a bias disruption campaign, inclusive leadership training and upward feedback for leaders, sponsorship initiatives, and practice group action plans. These strategies are complemented by our robust CRED@Goodwin (Committee on Racial and Ethnic Diversity), Pride@Goodwin and Women@Goodwin initiatives, which promote connectivity and networking and advancement opportunities within the firm.

At Goodwin, we recognize that despite significant commitment and hard work, we need to work even smarter and faster on our diversity goals around development, retention, advancement and leadership. To demonstrate our leadership in this area, and our willingness to disrupt the status quo, we have elected to sign on to two bold initiatives led by Diversity Lab:

- The Mansfield Rule, a law firm slate diversity initiative launched in 2017; and
- The Move the Needle Fund, a collaborative effort designed and funded with \$5M to test innovative initiatives to create a more diverse and inclusive legal profession.

Mansfield Rule

The Mansfield Rule was one of the winning ideas from the 2016 Women in Law Hackathon hosted by Diversity Lab in collaboration with Bloomberg Law and Stanford Law School. Law firms participating in the Mansfield Rule are expected to consider a diverse slate of candidates for the following roles, committees, and leadership activities. They are also encouraged to create and post job descriptions for these leadership roles and ensure that the processes for election and/or appointment to these roles are transparent and accessible to all lawyers.

- Equity Partner Promotions
- Lateral Partner and Mid/Senior Level Associate Searches

- Practice Group + Office Head Leadership
- Executive Committee and/or Board of Directors
- Partner Promotions/Nominations Committee
- Compensation Committee
- Chairperson and/or Managing Partner
- Formal Pitch Opportunities

As an example of the Mansfield Rule in action, if firm management has identified a short list of five candidates for an opening on its executive committee, under the Mansfield Rule guidelines, two of the candidates would need to be women, attorneys of color or LGBTQ+. Firms that consider diverse lawyers for 70% or more of their leadership committees / roles that exist at the firm and are open during the review period qualify to become Mansfield Certified.

After successfully completing the inaugural one-year Mansfield Rule pilot and achieving Mansfield Certification last year, Goodwin signed on to Mansfield 2.0, which broadened the obligations of participating firms and expanded the initiative to include LGBTQ+ metrics. The firm recently achieved Mansfield Certification for a second time. Diversity Lab also named Goodwin a “Mansfield Certified Plus” firm in recognition of its achievement of at least 30% diversity in at least 50% of the Mansfield 2.0 leadership categories. Currently, Goodwin’s senior-most leadership committees are 35% diverse, which is a significant achievement for the firm and signals the progress that the firm has made since implementing the Mansfield Rule.

Move the Needle

Goodwin is one of five trailblazing law firms partnering with the innovators at Diversity Lab on a brand-new Move the Needle (“MTN”) initiative. This joint venture will allow Goodwin to collaborate with four other law firms and the general counsel at 25+ influential companies to pursue bold, public, metrics-based goals to be achieved within the next five years.

We have chosen the following goals, based on the specific challenge we are seeking to address.

Challenge to Solve: NALP data shows that the diversity of AmLaw 200 entry-level lawyers roughly matches that of graduating law students. But, in most firms, diversity diminishes significantly as lawyers move into the senior associate, income partner and equity partner ranks.

To eliminate this disparity and find ways to achieve more consistent advancement for all of its people, Goodwin has set a goal to retain and advance its diverse lawyers at equal rates — from entry-level through the upper ranks of the firm — by ensuring everyone has equal access to career-enhancing work, sponsorship, and leadership opportunities.

Metrics-Based Goals: By January 2025, (1) The diversity of (i) Goodwin’s senior associate population and (ii) its population of partners and equity partners elevated in the preceding five years will match or exceed its entry-level associate diversity, which will be consistent with or greater than the diversity of graduating law student classes by gender, race/ethnicity, and LGBTQ+ identity; and (2) The collective composition of all firm leadership committees will be at least 40% diverse.

In all of Goodwin's efforts to enhance diversity, inclusion, and equity, the firm remains committed to equal opportunity for all of its people.

To achieve our goals, we will invest \$1.25 million over five years and develop new research-based initiatives in collaboration with Diversity Lab, the participating general counsel, and the other MTN law firms. We will measure the outcomes of each of these initiatives and share results — both successes and failures — internally and with the legal community.

In addition to the other MTN law firms and the participating general counsel, we also have the support of 10+ MTN community leaders from various organizations who will provide valuable insights and data, challenge norms, and support the firms and legal departments in achieving their goals. This effort is the first-of-its-kind experimental “laboratory” in which bold new approaches will be incubated over five years in the law firms to serve as a model for learning and transformative change in the legal profession and beyond. The five firms will set bold, measurable diversity goals, experiment with research-based and data-driven ways to achieve them, and publicly report their progress.

To achieve the goals and serve as a model from which others can learn, MTN will leverage the \$5M investment made by the five firms to (1) explore and experiment with new approaches to hiring, work/life integration, work allocation, promotions, feedback, performance reviews, and compensation systems; (2) implement the winning Diversity in Law Hackathon ideas; (3) test evidence-based research such as the bias interrupters from the ABA and Minority Corporate Counsel Association study as well as other inclusion research from top academic institutions; and (4) crowdsource innovative ideas from other industries. The general counsel will work together with the MTN firms to achieve their goals and also pilot some of the innovative initiatives with their legal departments and current outside counsel.

The benefits of signing on to MTN include:

- *Setting bold, measurable goals.* We will do everything we can to achieve our goals. But at the end of the day, we think it is better to fail at a bold goal than not to set such a goal at all. We believe in the adage, what gets measured gets done.
- *Creating transparency and public accountability.* The public nature of the MTN initiative, including the publicly announced law firm goals and the knowledge-sharing in which the law firms will engage, creates a unique level of transparency and accountability that will help the firms stay on course over the next five years. Transparency will also allow us to engage the internal Goodwin community in our efforts and invite everyone to be part of the conversation and solution.
- *Garnering significant investment in our initiatives.* Many diversity and inclusion initiatives fail because of limited investment of funds and resources. Given the funds invested by the five MTN law firms, and the time and energy invested by Diversity Lab, the participating general counsel and the participating community leaders, MTN will have the investment necessary to succeed.
- *Fueling innovation in a laboratory-type environment.* MTN has created an ecosystem where failure is part of the process, which will allow the MTN law firms to test interventions, learn from mistakes and find solutions that are deeply impactful.

- *Enabling opportunities for collaboration.* As a profession, we have been working on diversity and inclusion in silos for many years and we have barely moved the needle. We have the opportunity to break down the barriers and share learnings and best practices, which can be a model for other sectors.

Goodwin Sets Bold Diversity and Inclusion Goals as Part of Diversity Lab's *Move the Needle* Fund

Firm Also Achieves Mansfield Rule 2.0 Plus Certification

September 18, 2019 — New York, NY — Global law firm [Goodwin](#) announced today its goals as part of Diversity Lab's just-launched [Move the Needle Fund](#). The initiative is a large-scale effort designed to create a first-of-its-kind joint venture in which bold new approaches to diversity and inclusion will be incubated over five years to serve as a model for the legal industry. Goodwin's Move the Needle goals are as follows:

By January 2025:

1. The diversity of (i) Goodwin's senior associate population and (ii) its population of partners and equity partners elevated in the preceding five years will match or exceed its entry-level associate diversity, which will be consistent with or greater than the diversity of graduating law student classes, as measured on January 1, 2020, by gender, race/ethnicity, and LGBTQ identity.
2. The collective composition of all firm leadership committees will be at least 40% diverse.

In all our efforts to enhance diversity, inclusion, and equity, we remain committed to equal opportunity for all our people.

"We are proud to partner with Diversity Lab, more than two dozen general counsel, a cohort of community leaders and fellow participating law firms on this trailblazing initiative to move the needle on diversity and inclusion," said [David Hashmall](#), Goodwin's Chairman who, together with [Rob Insolia](#), Chairman-Elect, will lead the firm's work with the initiative. "As part of this joint venture, we articulated bold and ambitious goals around development, retention, advancement and leadership that we know will help us make significant strides in fostering diversity and inclusion within our firm. We look forward to working with Diversity Lab and the Move the Needle community on achieving our collective goals."

In order to achieve its goals, Goodwin will deepen and strengthen its existing initiatives, including [CRED@Goodwin](#), [Pride@Goodwin](#), [Women@Goodwin](#), and [Inclusion@Goodwin](#), among others. The firm will also develop new research-based initiatives in collaboration with Diversity Lab and the Move the Needle members. Goodwin will measure the outcomes of each of these initiatives and will share results publicly.

For additional information about the Move the Needle initiative and its goals, please [listen to the latest episode of Goodwin's Perspectives podcast](#), in which David Hashmall interviews Diversity Lab's founder Caren Ulrich Stacy.

Goodwin has partnered with Diversity Lab on a number of programs, including the [adoption](#) of and subsequent [certification](#) for the [Mansfield Rule](#), designed to boost the representation of diverse lawyers in law firm leadership by broadening the pool of candidates considered for these opportunities.

After successfully completing the inaugural one-year Mansfield Rule pilot and achieving Mansfield Certification last year, Goodwin signed on to Mansfield 2.0, which broadened the obligations of participating firms and expanded the initiative to include LGBTQ+ metrics. The firm recently achieved [Mansfield Certification for a second time](#). Diversity Lab also named Goodwin a "Mansfield Certified Plus" firm in recognition of its achievement of at least 30% diversity in at least 50% of the Mansfield 2.0 leadership categories.

About Goodwin

At Goodwin, we partner with our clients to practice law with integrity, ingenuity, agility and ambition. Our 1,000-plus lawyers across the United States, Europe and Asia excel at complex transactions, high-stakes

litigation and world-class advisory services in the technology, life sciences, real estate, private equity, and financial industries. Our unique combination of deep experience serving both the innovators and investors in a rapidly-changing, technology-driven economy sets us apart. To learn more, visit us at www.goodwinlaw.com and follow us on [Twitter](#), [LinkedIn](#) and [Instagram](#).



Testimony of
Patricia Mota
President & CEO of the
Hispanic Alliance for Career Enhancement

Before the Committee on Financial Services
Subcommittee on Diversity and Inclusion
U.S. House of Representatives

"Promoting Inclusion: Examining the Diversity Practices of America's Workforce"

October 17, 2019

Dear Chairwoman Waters, Ranking Member McHenry, and Members of the Subcommittee:

Thank you for the opportunity to share my testimony. And thank you and your staff for your dedication to building a more inclusive workforce and society. I serve as an advocate for access & equity, personally fulfilling my mission to close the education and career gaps that I have faced, and that many of our black and brown communities face. I serve as the President & CEO of the Hispanic Alliance for Career Enhancement (HACE), a national nonprofit dedicated to the employment, development and advancement of current and aspiring Latino professionals. Our mission is to positively impact the American workplace by cultivating the pipeline of Latino talent and providing professionals the insight, access, and support to be successful in their careers.

Since 1982 and with a network of over 64,000 members across the country, HACE works with employers to remain competitive in an increasingly dynamic economy by helping them attract, develop and retain Latino and other diverse professionals. We carry out our mission via three core areas:

- 1) Talent Acquisition – Programs, services, and events that lead the connection between Latino talent and employers.



- 2) Pipeline & Leadership Development – Programs that cultivate, build and develop the pipeline of Latino talent from the high school level to the C-Suite.
- 3) Thought Leadership & Branding – Events and roundtable discussions on diversity & inclusion best practices, and professional and employer success stories and impact.

The Hispanic Alliance for Career Enhancement (HACE)'s vision is to see a world where Latinos reach their full potential for themselves and our communities feels a bit closer to reality when I witness our year-round programs and events, yet we are disproportionately underrepresented in highly compensated professional and leadership roles across corporate America and other sectors. We are part of the youngest and the fastest growing population group in the United States, and with an older and more diverse workforce, Latinos access to education, meaningful jobs, and advancement is critical for the economic progress of our country.

STATISTICS SHOW THE IMPACT OF LATINOS ON THE ECONOMY TODAY AND IN THE FUTURE

According to the Pew Research Center:

- *U.S. Latinos are the current and future workforce* - In 2018, Latinos made up 29 million workers in the U.S. By 2020, U.S. Latinos will make up 74% of the growth in new workers.
- *U.S. Latinos are creating jobs* - Within the last decade, 86% of all new businesses in the U.S have been launched by U.S. Latinos, with Latinas creating business six times faster than any other group.
- *U.S. Latinos are educated* - More students are completing high school and college than ever before. High school drop-out rates decreased from 34% in 1996 to 10% in 2016, and college enrollment increased from 35% to 47% in this same timeframe.



EMPLOYERS MUST FOCUS ON THE PROMOTION AND RETENTION OF DIVERSE TALENT

Employers must focus on the promotion and retention of diverse talent in order to build a more inclusive workforce. At a former employer, I was told that I was not promoted to a position because of my qualifications, but because the selection committee felt “more comfortable” with the other candidate. That other candidate was an older white male. The selection committee was also all white. While this case was blatant, this is not uncommon where biases against race, gender, or age hinder someone’s opportunity for career progression. My top three of many recommendations of many are:

1. **Require Bias & Diversity Training** – Formal training can help identify conscious and unconscious biases and reduce the negative effects in the workplace. HACE provides access to these trainings.
2. **Require a Diverse Slate of Candidate for Top Level Positions** – Diverse leadership teams boost innovation and profits. According to the Boston Consulting Group, diverse leadership teams account for 45% innovation revenue versus 26% with below-average diversity scores, and 45% market share growth. Engaging and intentionally partnering with organizations like HACE grants employers with access to diverse talent.
3. **Support Employee Participation in Affinity Groups & Leadership Programming** – Programs like HACE’s women’s leadership program, *Mujeres de HACE*, which empowers Latina professionals to succeed professionally and thrive personally, are key to moving the needle. The program is a cohort model, a safe-space, of 24 hours of culturally-relevant training, coaching, leadership assessments; engagement of successful Latina role models, mentors, and trainers; that have effectively catapulted the careers of our alumnae: 40% promotion within less than 6 months of completing the program, an additional 30% within less than 12 months, and a 40% increase of salary within less than 6 months.

In order to build a more inclusive and diverse workforce, today’s employers must fully support and intentionally invest in these and several key practices over the long-term.

Testimony of Laura Sherbin Ph.D.
Managing Director, Culture@Work

I appreciate the opportunity to discuss how to further the advancement of women in the Financial Services Industry. As you may know, I have done a great deal of research on this topic and have had the opportunity to partner with many companies to help them achieve this goal. I believe it is a core responsibility of leading companies and our government to ensure that one of the nations greatest assets--our talent pool--is fully engaged to its greatest potential.

Even as headlines tout the number of women CEOs at Fortune 500 companies at an "all-time high," there are still just 33 women at the helms of the nation's largest businesses in 2019. And, while women represent half of all financial services and insurance employees overall, there are no women running major financial services companies. Fewer than one in five have C-suite roles, according to a recent report by McKinsey & Company.¹ The concrete ceiling remains firmly in place in this sector.

It's not for lack of effort. Financial services companies were among the first to embrace the cultivation of greater gender diversity, and 90 percent say they're committed to it.² Despite decades of effort, the financial services sector's gender equality movement has not made necessary gains. Why?

Diversity-focused tactics don't work without an effort to create an inclusive culture that not only attracts women but makes them feel welcome and valued.³ To truly change the ratios of women and other marginalized groups who are in power, it's important to first look at the factors that cause the gap, and then devise solutions to overcome them.

The Value Proposition of the Industry. Financial services careers are known for offering lucrative salaries and benefit packages in exchange for often unrelenting career demands. Long hours, extensive travel, and personal sacrifices make senior roles unsustainable for and unappealing to many women, who still take on the majority of home responsibilities and the now well understood mental load of household management. While many financial services players have implemented policies and programs to tweak the value proposition at the edges, they have not examined or addressed the core reality that the way work gets done in the industry does not attract or capitalize on the potential of the changing face of the U.S. talent pool.

Relationship capital. The right relationships make or break a career. They provide access to the power and information needed to achieve career success. According to Working Mother Media's

¹ McKinsey & Company, "Closing the Gap: Leadership Perspectives on Promoting Women in Financial Services," 2018.
<https://www.mckinsey.com/~/media/McKinsey/Industries/Financial%20Services/Our%20Insights/Closing%20the%20gap%20Leadership%20perspectives%20on%20promoting%20women%20in%20financial%20services/Leadership-perspectives-on-promoting-women-in-financial-services.ashx>

² McKinsey report.

³ <https://hbr.org/2017/02/diversity-doesnt-stick-without-inclusion>

research, men are more likely than women to receive advice on how to advance (54 percent vs. 31 percent) or be invited to a roundtable with senior executives (63 percent vs. 39 percent).⁴ Women's networks tend to be focused on content and emotional support rather than power.

Hidden off-ramps. The financial services sector's notoriously closed networks as well as the gender bias that permeates many organizations are costly for women. They may not be chosen for—or may not know about—growth opportunities. Working Mother Media's research found that men (46 percent) are more likely than women (14 percent) to be encouraged to take on more profit and loss (P&L) responsibility, as managing budgets and spending is an important stepping stone for growth.⁵ Before they realize it, they're shut out of important stretch assignments and growth opportunities because of the micro-opportunities they haven't been privy to along the way.

Bias still undercuts opportunity. There is a large body of research that reminds us of the unchanging fact that women are likely to be perceived negatively if they negotiate their salaries or other compensation.⁶ This robust finding appears unchanged even in the face of considerable investment in unconscious bias training.

Breaking through

Strategic leadership and cultural support is the critical step to address the financial services sector's gender diversity gap. There are proven solutions that can lead to real and lasting change.

Secure commitment and modeling from leaders. Any culture shift needs to start with the support and participation of leadership. C-level management should be vocal about not just the company's commitment to advancing women but also why it is critical to business success and future sustainability of the company. Leaders then need to be visible in their participation in making sure it happens. This includes measuring the things that matter—the leading indicators of a diverse and inclusive culture—and holding other leaders accountable for their results. Diversity is a business problem and it needs to be treated as such.

Establish new work norms. Forward-thinking companies in the technology, pharmaceutical, and professional services industries have made impressive strides in improving the way work gets done in their industries. They have asked the critical questions that have led to new, more sustainable, demands around travel, 24/7 availability, unpredictability of assignments, team composition and allocation of work, location of work, time off around the addition of a child to one's family, and, critically, how to manage stress and mental health in the workplace.

⁴ Working Mother Research Institute, "The Gender Gap at the Top: What's Keeping Women from Leading Corporate America," June 2019.
https://www.workingmother.com/sites/workingmother.com/files/attachments/2019/06/women_at_the_top_correct_size.pdf

⁵ Working Mother Research Institute report.

⁶ National Bureau of Economic Research, "Knowing When to Ask: The Cost of Leaning In," December 2016.
<https://www.nber.org/papers/w22961>

Build relationship capital opportunities. While nearly two-thirds (62 percent) of men have a strategic network of coaches, sponsors, and mentors, just 41 percent of women can say the same, according to Working Mother Research Institute's findings.⁷ Companies should teach leaders how to sponsor high potential talent across lines of difference and hold them accountable for developing talent across the spectrum of diversity. It should be considered a core competency of leadership to develop the talent pipeline. Managers and individual contributors should know and understand how to effectively build relationships across difference--the proven strategies to interrupt bias and the subtle ways their behavior may inadvertently cut off their networks from people who are not part of the majority group.

Measure what matters. Conduct regular pay equity audits and ensure that employees are being paid fairly for equal work. Track not just the lagging indicators of diversity (e.g. representation at level and turnover) but also the leading indicators of inclusion (e.g. leader behavior, candidate access to stretch and development opportunities, perception of bias within the system). Communicate to all employees where gains need to be made and why they should work toward this shared goal.

Ensure progress is being made for all women, not just white women. Most of the gains made by women in corporate America have been made by white women. The falloff between entry level job and c-suite job is steep for white women but it is far more dramatic for women of color.⁸ Without proactive efforts to ensure that women aren't addressed as a monolithic group the financial services industry is at risk of repeating the same mistake.

By treating diversity and inclusion like the business problem it is, companies in the financial services industry can make impressive strides to ensure their competitiveness for the future of work.

⁷ Working Mother Research Institute report.

⁸ 2018 LeanIn.org and McKinsey Women in the Workplace Study



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**THE UNDERREPRESENTATION OF WOMEN AND WOMEN OF COLOR
IN LEADERSHIP POSITIONS IN AMERICAN WORKPLACES:
EXAMINATION AND SOLUTIONS**

Statement of
Ruchika Tulshyan, M.S.
Founder, Candour, Diversity and Inclusion Strategist & Author

before the

**Subcommittee on Diversity and Inclusion
Financial Services Committee,
United States House of Representatives**

**Promoting Inclusion: Examining the Need for Diversity Practices for
America's Changing Workforce**

October 17, 2019



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Good afternoon. A heartfelt thank you to Chair Beatty and members of the committee for inviting me to talk about this important issue of promoting inclusion in the workplace.

I come here representing my views, and mine alone, as an immigrant woman of color and a mother.

I'd like to focus on four key areas today where women, and I'm centering on women of color in my testimony, face barriers to retention and advancement at work, with data-backed proposed solutions.

Multiple studies show women are having significantly more negative experiences in American workforces today compared with their male peers. We are forced to navigate workplaces designed without us in mind, despite ample evidence highlighting why harnessing diversity in the workplace is key to American competitiveness, prosperity and innovation.

The experience of women of color in American workplaces

For women of color, the situation is dire. White women hold 19% of C-Suite positions but women of color only hold 4%. Research finds women of color face harmful stereotypes about our professional competence, leadership ability and behavior.

In addition, by 2060 the majority of all women in the United States will be women of color. A *Washington Post* headline last month stated: "For the first time, most new working-age hires in the U.S. are people of color." We simply cannot turn away from designing equitable workforces; the demographics are changing in front of our very eyes.

Diversity practices to support working mothers in America

The first barrier is the challenge of working motherhood. It is a travesty that 1 in 4 American women go back to work within 10 days of giving birth. We are the only developed country in the world that doesn't guarantee paid maternity leave – so too many women have to make the heartbreaking choice between a paycheck and giving birth or taking care of a sick child. At work, we face the "motherhood penalty," where we are penalized by lower pay, job opportunities and even perceived competence for having children. Guess what men receive when they become dads? A fatherhood bonus. No wonder 43% of working mothers leave corporate America!

One research-backed solution is to federally mandate paid *family* leave. Not only for when a woman gives birth, but also, to avail of when a family member is sick. Offer it to mothers and fathers, so not only women are responsible for childcare. By the way, a study found businesses save \$19 billion annually by retaining female employees when



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they offer fully-paid 16-weeks maternity leave. *It's literally a win-win for businesses, families and our society.*

Diversity practices to sponsor women at work in America

Second, women need sponsors. We do not need more mentors; in fact research shows we have many more casual mentors at work than men. Sponsorship means having more leaders personally invested in our success, who offer us the top jobs, the high-visibility projects and the insider knowledge that men often get informal access to on the golf course or dinners women aren't invited to. Early pilots of sponsorship programs in some innovative companies have yielded positive results in the advancement of high-potential women.

Diversity practices to distribute office housework equitably to advance women

Third, we need office housework to be distributed equitably. Office housework refers to the unglamorous work – the meeting notes, ordering lunches, mentoring interns etc. that does not get recognized or lead to promotion. Office housework is disproportionately assigned to women and people of color. One study found women do 30% more of it than white men. We must ensure women don't get saddled with these tasks, because they have a real and recognizable impact on their career advancement. So in short: Equitably distribute office housework.

Diversity practices to champion women's advancement at work

Fourth, and most importantly, leaders must address their own personal biases and also actively champion equity. In writing my book, I found that across industry, organization size and geography, companies that exhibited more gender equality than their peers, all had only one trait in common – leadership buy-in for diversity. We must ensure leaders – of corporations and governments alike – understand the unique barriers faced by professional women and people of color, and work actively to dismantle them. We need advocacy efforts backed by well-resourced chief diversity offices. Those in positions of power must actively prioritize inclusion, so women can safely report harassment or bias without retaliation.

Members of Congress, there's no issue we are facing today that doesn't impact underrepresented communities, especially more acutely – climate change, immigration, violence, poverty, access to health care...the list goes on and you are all well-familiar with them. What type of innovative solutions could we design if more women, especially women of color, were in leadership roles to tackle them?

It is absolutely crucial for the future of the American democracy to prioritize championing women, especially of color, in the workplace. Thank you.



October 23, 2019

The Honorable Joyce Beatty
U.S. House of Representatives
2303 Rayburn House Office Building
Washington, DC 20515

Dear Representative Joyce Beatty:

As a D&I expert and active practitioner in the private and public sector, I would like to submit a statement for the record to address some of the concerns and questions brought forward on October 17, 2019, at the D&I subcommittee hearing, Promoting Inclusion: Examining the Diversity of America's Changing Workforce. In my attached statement, I will be addressing: What steps we can take to help companies shed bias, successful hiring practices that could eliminate bias, strategies for increasing mentoring and networking, and lastly, best practices to prevent age discrimination in hiring, promotion, compensation, separation.

Please feel free to reach out if you have any further questions. My team and I value the important work being done by this subcommittee, and we are an accessible resource highly engaged in this work.

Regards,

Dee C. Marshall

Dee C. Marshall
CEO, Diverse & Engaged

Statement for the Record

Subcommittee on Diversity and Inclusion

Chair: Representative Joyce Beatty**Ranking Member:** Ann Wagner**Hearing:** Promoting Inclusion, Examining the Diversity Practices of America's Changing Workforce on October 17, 2019**Strategies for shedding bias in the workplace (Question from Congresswoman Adams)**

To help companies shed bias, there should be national D&I standards and guidelines that require companies to **train** their employees on the subject, and a toolkit for companies looking to **increase awareness, and implementation** within the workplace. Currently, companies are left at their own devices because they aren't obligated to provide this training. While there are some companies that offer diversity training that addresses unconscious bias, the training or workshops offered are usually limited, lack additional engagement, follow up, and practical application. Unfortunately, there are companies that have no training at all. To shed bias within organizations, we suggest the following guidelines to companies:

1. All new hires, as part of their onboarding process, should be trained on unconscious bias, micro-aggressions, cultural competence, and privilege.
2. Existing hires should have access to ongoing professional development programs that allow for additional engagement, learning, and application. E-learning platforms like [lynda.com](https://www.lynda.com), coupled with ongoing coaching from D&I experts and practitioners, offer unlimited resources for individuals looking to shed biases and create a more inclusive and diverse work environment.
3. Implement internal accountability measures like self-reporting, peer-reporting bias, and anonymous reporting. Our clients have found tools like [pluto.life](https://www.pluto.life) and the Gallup Q12 index helpful for evaluating the organization's culture and measuring the state of diversity and inclusion within their workplace.
4. Create hands-on learning opportunities during company culture builders and development events to bring awareness to diversity & inclusion issues. Experiential learning like "brown eyes and blue eyes" experiment of 1969, VR (virtual reality) "Death by 1000 Cuts" explore topics like "privilege" and improve learning transfer with non-diverse populations. Tools like (VR) virtual reality create greater empathy and understanding of the unique experiences of diverse people. For instance, there is a VR experience we are exploring that simulates the experience of a black man from childhood to adult demonstrating bias, profiling, etc.
5. Curate opportunities for employees to learn about the diverse populations represented within the workplace. We've seen this strategy serve as a great awareness tool. For example, one of our clients created an employee spotlight month-long exhibit in a highly trafficked common space on the company's campus. The exhibition showcased a variety of the employee's dimensions, from her being a working mom, to a person of color, down to her interest in gardening. The exhibit created a dialogue around historical context, and unique nuances impacting her day-to-day life and even had hands-on activities for her colleagues to engage and learn more. The exhibit enabled employees to learn about an "unfamiliar" culture and observe similarities and commonalities that could have been clouded by their unconscious biases.

Hiring practices that could eliminate bias

Overall, hiring practices should be examined for **consistency, transparency, and fairness**. Hiring managers and recruiters should be required to go through a thorough diversity and inclusion training, and stay up to date with the best practices. Similar to how specialists such as doctors and childcare providers are required to complete a set number of training hours yearly, so should the gatekeeper individuals assigned to hiring employees. To ensure consistency, there should be a standard protocol for sourcing talent, accessing talent, and interviewing talent. This process should be transparent and reportable. To ensure even more transparency, it should be standard practice for the interviewee to have the option to provide feedback on their overall interview experience. To ensure fairness during the talent assessment process through the interview process, we've found that blind resumes (removing identifying information), standard questions for all candidates, diverse partner (2

persons of difference) interviews, diverse interview panels, coupled together help eliminate bias throughout the hiring process. Additionally, interviews with set criteria, note-takers, and scoring metrics created a very transparent process and eliminated the vagueness around the candidate not being "a good fit."

Internal hiring and promotion should follow the same guidelines of consistency, transparency, and fairness to ensure that opportunities for advancement are equitable. Outside of the performance review process, strategies such as skip level check-ins, and job level inquiries and audits help companies evaluate each role and ensure employees are compensated fairly for the work they are doing.

Strategies for increasing mentoring and networking (Question From Congressman Kustoff)

The best practice for increasing mentoring is **formalized and structured** one-on-one and group programs to encourage senior and junior leaders to mentor and include in networking, those with "least" likeness. The current state of mentoring and networking as informal and authentic as it is very exclusive, mostly benefiting white males creating a barrier for those racially and ethnically different, socio-economically different, women, and all dimensions outside of "white male." Attaching existing bonuses to the mentoring program is one way to engage and encourage more participation.

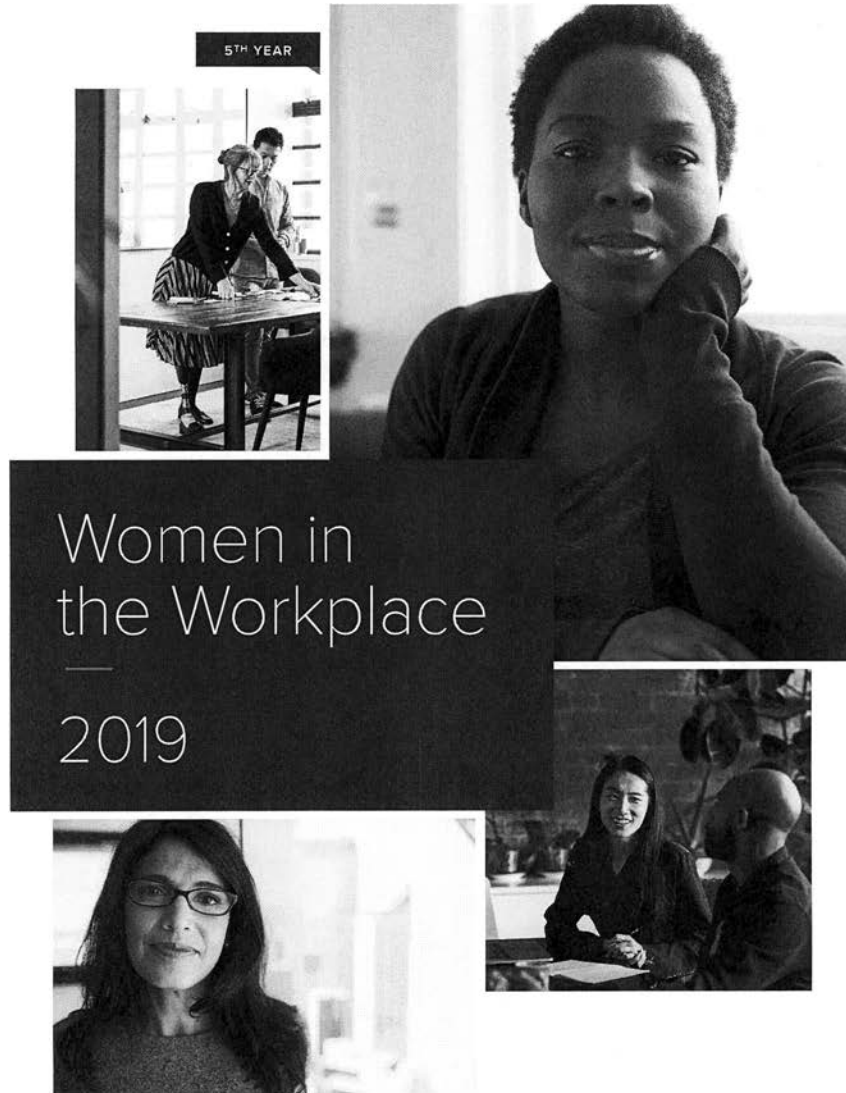
Preventing age discrimination in hiring, promotion, compensation, separation (Question from Congresswoman Pressley)

Combating age discrimination needs several proactive approaches. The first is ensuring that the ADEA Act and Workforce Investment Act has sufficient protections for individuals over the age of 45. The later is hands-on, steps companies could implement today, by merely **adjusting their employee policies**. Individuals over the age of 45 are usually in the last phase of their working years, and at the peak of their success. Unfortunately, the state of ageism in the workplace often turns those successes, wins, accumulated knowledge, and expertise into decayed accomplishments. Over time, older workers are viewed as obsolete and are often overlooked. Their sense of job security is diminished, and sooner or later, they are faced with being forced to retire or are fired without cause. To protect and create a transparent working environment for adults 45 and over, we recommend the following guidelines to companies:

1. Incorporate age diversity in the existing diversity and inclusion program.
2. Waive the "at-will" right for an employee over 45. Eliminate at-will employment statuses for individuals over the age of 45 (whether they're looking for new employment or looking to stay within the organization). Employees over the age of 45 should be able to transition into transparent contracts, with a negotiated length of service term.
3. Provide support for job seekers or existing employees over 45 by providing resources to build on existing skills or opportunities to reinvent and stretch themselves.
4. Utilize progressive discipline policies limiting termination to very serious misconducts, and probationary periods for employees 45 and older.
5. Provide clear promotion protocols, ensure promotions are considered based on seniority and performance; senior employees should have the first right of acceptance or refusal of the role, and should never be "passed over" for a promotion.
6. Implement succession planning programs to help employees transition and offer reverse mentoring opportunities.
7. Create transparency around term limits for each role; For example, a company may want to indicate that y role is a term limit role because they are looking to bring fresh ideas to the position every x amount of years

Get to the Root

The real way to combat biases is by getting to the root through early intervention and education. Biases, racism, are all learned behaviors. As a longterm solution, educating our upcoming generation on biases and other diversity ad inclusion issues through curriculum integration is a sure way to prevent and mitigate biases in our future global workforce.



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. Since then, close to 600 companies have participated in the study, more than a quarter of a million people were surveyed on their workplace experiences. Every year, the number of companies participating in this study has increased.

This year, 329 companies employing more than 13 million people shared their pipeline data or completed a survey of their HR practices. In addition, more than 68,500 employees were surveyed on their workplace experiences, and we interviewed women and men of different races and ethnicities, LGBTQ women and men, and women with disabilities at all levels in their organizations for additional insights.

Our 2019 findings build on our data from the last four years, as well as similar research conducted by McKinsey & Company in 2012.

Sign up for the 2020 study at womenintheworkplace.com.



LEAN IN

McKinsey
& Company

THE REPORT AT A GLANCE

Women in the Workplace 2019

03	INTRODUCTION
	Five years in, we see bright spots at senior levels. But companies need to focus their efforts earlier in the pipeline to make real progress.
04	SECTION 1: THE CORPORATE PIPELINE
	Understanding the corporate pipeline
	06 Progress at the top
	08 The glass ceiling and the broken rung
	14 Five steps to fix the broken rung
17	SECTION 2: THE CULTURE OF WORK
	Fostering a diverse and inclusive culture
	19 On equal opportunity and fairness
	29 The importance of work-life flexibility
	36 Creating safe and respectful workplaces
50	SECTION 3: COMMITMENT TO DIVERSITY
	Turning commitment into action
	52 Commitment to gender diversity has risen
	53 Best practices for companies
56	LOOKING AHEAD
	The path to equality is clear.
57	Acknowledgments
58	Report authors
59	Corporate pipeline by industry
61	Methodology





INTRODUCTION

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

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

Still, women continue to be underrepresented at every level. To change the numbers, companies need to focus where the real problem is. We often talk about the "glass ceiling" that prevents women from reaching senior leadership positions. In reality, the biggest obstacle that women face is much earlier in the pipeline, at the first step up to manager. Fixing this "broken rung" is the key to achieving parity.

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

Done right, efforts to hire and promote more diverse candidates and create a strong culture reinforce each other. A more diverse workforce will naturally lead to a more inclusive culture. And when a company's culture feels fair and inclusive, women and underrepresented groups are happier and more likely to thrive.

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

SECTION 1

The State of the Pipeline

Based on five years of data from 590 companies employing more than 22 million people, two things are clear:

1. Despite progress at senior levels, women remain significantly underrepresented.
2. A “broken rung” at the step up to manager is the biggest obstacle that women face on the path to leadership.



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

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

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

Women are staying in the workforce and doing their part. Again this year, women are not leaving their companies at higher rates than men. Moreover, the vast majority of women and men who plan to leave their company intend to stay in the workforce—and less than 2 percent of employees are planning to leave to focus on family. Women are also asking for promotions and negotiating salaries at the same rates as men, and this has been true since 2015.



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

7 WOMEN IN THE WORKPLACE: THE STATE OF THE PIPELINE

Companies are adding more women to the C-suite.
Today, 44 percent of companies have three or more women in their C-suite, up from 29 percent of companies in 2015. Adding even one woman can make a material difference, given the critical role top executives play in shaping the business and culture of their company.

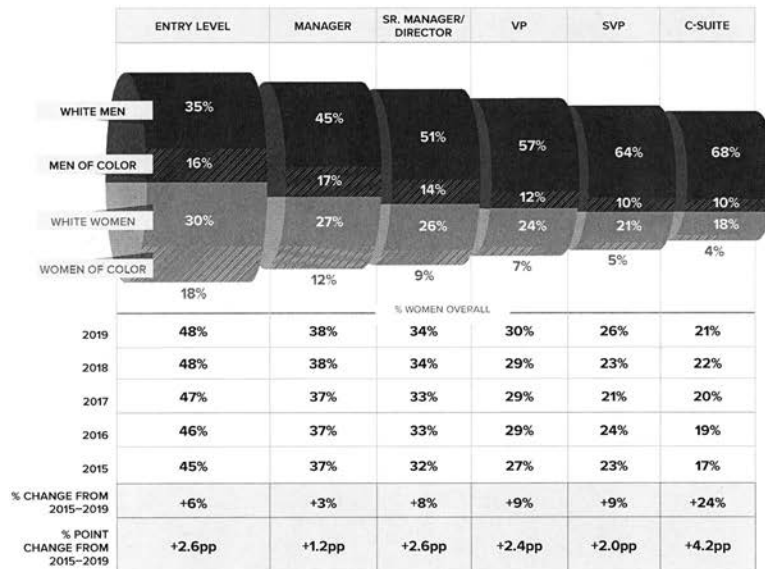
Still, the overall representation of women in the C-suite is far from parity. About 1 in 5 C-suite executives is a woman—and only 1 in 25 C-suite executives is a woman of color.



REPRESENTATION IN THE CORPORATE PIPELINE BY GENDER AND RACE

% OF EMPLOYEES BY LEVEL IN 2019²

MEN ■ WOMEN ■



² Due to rounding, representation by race and gender may sum to 101 percent or 99 percent within some levels.

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There are signs the glass ceiling is cracking . . .

More women are becoming senior leaders. This is driven by two trends. First, more women are being hired at the director level and above than in past years. Second, senior-level women are being promoted on average at a higher rate than men. Additionally, men at the SVP and C-suite levels are slightly more likely to leave their companies, creating more open positions for women to fill.

THE GLASS CEILING AND THE BROKEN RUNG

The “glass ceiling”—a term introduced more than 40 years ago—refers to an invisible, systemic barrier that prevents women from rising to senior leadership. But contrary to popular belief, the glass ceiling is not the biggest obstacle to women’s progression. It is actually at the first step up to manager—or the “broken rung.”



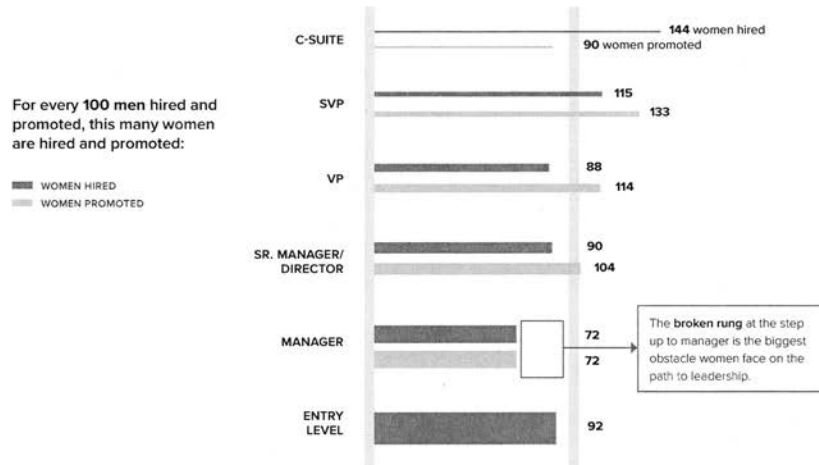
Black women and Latinas are more likely to be held back by the broken rung. For every 100 entry-level men who are promoted to manager, just 68 Latinas and 58 Black women are promoted. Likewise, for every 100 men hired to manager, 57 Latinas and 64 Black women are hired.

. . . But a broken rung prevents women from reaching the top

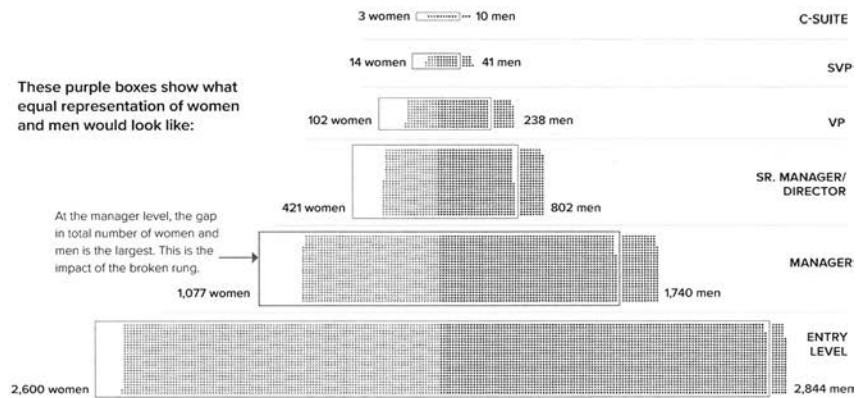
Progress at the top is constrained by a broken rung. The biggest obstacle women face on the path to senior leadership is at the first step up to manager. For every 100 men promoted and hired to manager, only 72 women are promoted and hired. This broken rung results in more women getting stuck at the entry level and fewer women becoming managers. Not surprisingly, men end up holding 62 percent of manager-level positions, while women hold just 38 percent.

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

9 WOMEN IN THE WORKPLACE: THE STATE OF THE PIPELINE

THE CORPORATE LADDER:
THE FIRST STEP UP TO MANAGER STANDS OUT AS THE BIGGEST OBSTACLE FOR WOMENTHE CORPORATE LADDER IN PERSPECTIVE:
IN A TYPICAL COMPANY, THE ABOVE HIRING AND PROMOTION RATIO LEADS TO THIS MANY WOMEN AND MEN AT EACH LEVEL . . .

Each dot represents the number of women and men at each level in a typical company



A CLOSER LOOK

The broken rung is an unseen problem

Despite the profound impact of the broken rung on the trajectory of women, both HR leaders and employees underestimate the scope of the problem and its effect on the representation of women at senior levels in their organization. More than half of HR leaders and employees think their company will reach gender parity in leadership over the next 10 years. In reality, we are many decades away from reaching gender parity at the highest ranks—and may never reach it at all.

In addition, most people don't fully understand the problem. When asked what the biggest challenges are to getting to equal numbers of women and men in leadership, awareness of the promotion gap at the first step up to manager is low. HR leaders more often point to less access to sponsorship or a lack of qualified women in the pipeline. On the bright side, almost everyone says that women are doing their part: very few HR leaders and employees think women are less willing to do what it takes or are less likely to aspire to positions in management.

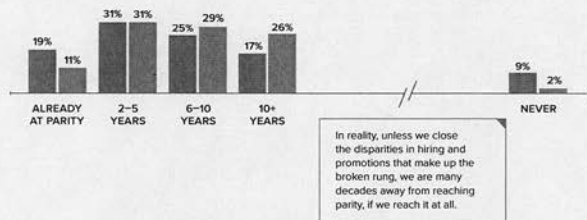


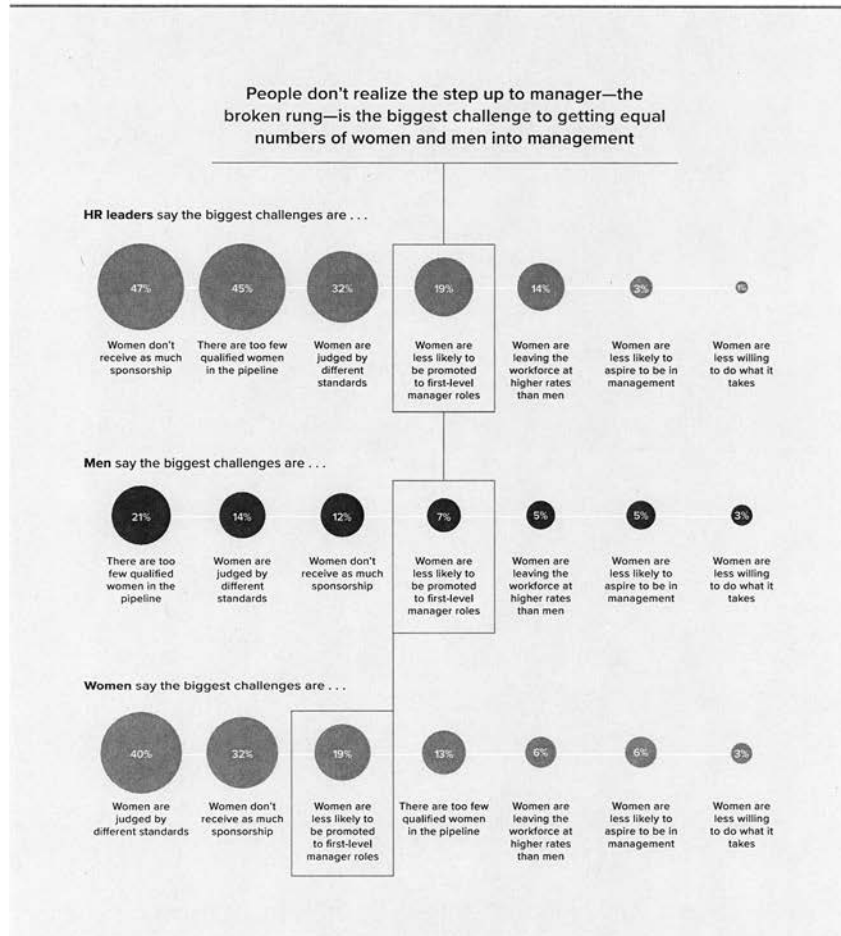
Employees are overly optimistic about the state of women. When 1 in 3 managers in their company is a woman, 62% of men and 54% of women think women are well represented at first-level management. Likewise, when 1 in 10 senior leaders in their company is a woman, 44% of men and 22% of women think women are well represented in senior leadership.

PEOPLE ARE OVERLY OPTIMISTIC ABOUT WHEN THEIR COMPANY WILL REACH PARITY IN LEADERSHIP

When HR leaders and employees think their company will see 50/50 gender representation at senior levels

EMPLOYEES ■ HR LEADERS ■





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

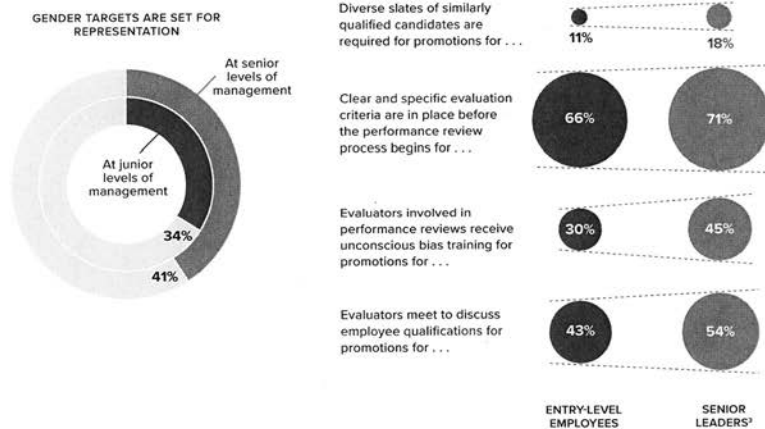
For many companies, diversity efforts in hiring and promotions are focused at senior levels, and we're encouraged by the gains that we're seeing in senior leadership. Now companies need to apply the same rigor to addressing the broken rung. Fixing it will set off a positive chain reaction across the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



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

COMPANIES HAVE MORE OF THE RIGHT POLICIES AND PRACTICES IN PLACE AT SENIOR LEVELS THAN JUNIOR LEVELS

% of HR leaders who say their company implements these practices



³ Senior leaders includes VP level and above.



A CLOSER LOOK

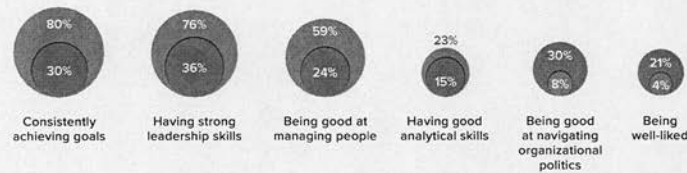
Employees and HR leaders differ in what matters for choosing managers

When it comes to evaluating potential managers, HR leaders and employees have different ideas about what matters in their organization. HR leaders are far more likely to say achieving goals, strong leadership, and being good at managing people are the highest priorities. Employees, however, are far more likely to think their organization most values navigating internal politics and being well-liked. As a result, employees who are up for manager positions may be evaluated based on both official and unofficial requirements. To eliminate this disconnect, leaders should clearly communicate what really matters in their organization: meeting goals and being an effective leader.

HR LEADERS THINK MERIT-BASED SKILLS ARE FAR MORE IMPORTANT THAN EMPLOYEES DO

Skills HR leaders and employees say their company most values when choosing new managers

HR LEADERS ■■■ EMPLOYEES ■■■



SOLUTIONS

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

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

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

2. Require diverse slates for hiring and promotions

Companies are more likely to require diverse candidate slates for promotions at senior levels than at the manager level. But outside research shows that diverse slates can be a powerful driver of change at every level. When two or more women are included on a slate, the likelihood that a woman will get the position rises dramatically.⁴

3. Put evaluators through unconscious bias training

Unconscious bias can play a large role in determining who is hired, promoted, or left behind. Companies are less likely to provide unconscious bias training for employees who participate in entry-level performance reviews than senior-level reviews, but mitigating bias at this stage is particularly important. Candidates tend to have shorter track records early in their careers, and evaluators may make unfair, gendered assumptions about their future potential.

There is also compelling evidence that this training works: In companies with smaller gender disparities in representation,⁵ half of employees received unconscious bias training in the past year, compared to only a quarter of employees in companies that aren't making progress closing these gaps.



⁴ Cynthia D'Elia, "The Impact of 'Soft' Affirmative Action Policies on Minority Hiring in Executive Leadership: The Case of the NFL's Rooney Rule," *American Law and Economics Review* 12, no. 1 (April 2010): 208–33, <https://doi.org/10.1093/alel/aw019>; Stefanie K. Johnson, David R. Hakman, and Elsa T. Chan, "If There's Only One Woman in Your Candidate Pool, There's Statistically No Chance She'll Be Hired," *Harvard Business Review*, April 26, 2018, <https://hbr.org/2018/04/there-is-only-one-woman-in-your-candidate-pool-theres-statistically-no-chance-shell-be-hired>; Jean Martin, "A Fairer Way to Make Hiring and Promotion Decisions," *Harvard Business Review*, August 13, 2013, <https://hbr.org/2013/08/a-fairer-way-to-make-hiring-an>. ⁵ Defined as companies with the highest ratio of manager-level to entry-level women's representation.

Bias may contribute to the broken rung. Social science research shows that we tend to overestimate men's performance and underestimate women's. As a result, women are often hired and promoted based on past accomplishments, while men may be hired and promoted based on future potential.⁶ Because employees early in their careers have short track records and similar work experience relative to one another, performance bias may especially disadvantage women at the first step up to manager.



4. Establish clear evaluation criteria

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

Even with the right systems in place, processes can break down in practice. Employees are less likely than HR leaders to say that evaluation criteria are defined before candidate reviews begin, and they report that participating employees do not typically flag bias when they see it. This points to the need for companies to put additional safeguards in place to encourage fair, unbiased evaluations. Without exception, candidates for the same role should be evaluated using the same criteria. Employees should feel empowered to surface bias in the moment and have the training and resources to act when they observe it. In addition, outside research shows that it can help to have a third party in the room when evaluators discuss candidates to highlight potential bias and encourage objectivity.⁷

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

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

6. Corinne A. Moss-Racusin et al., "Science Faculty's Subtle Gender Biases Favor Male Students," *Proceedings of the National Academy of Sciences of the United States of America* 109, no. 41 (2012): 16474–79; Rhea E. Stangorin, Kate A. Andert, and Dawn Rouse, "The Impact of Gender on the Review of Curriculum Vitae of Job Applicants and Tenure Candidates: A National Empirical Study," *Sex Roles* 41, nos. 7–8 (1999): 509–28; Madeline E. Heilman and Michelle C. Hayes, "No Credit Where Credit Is Due: Attributional Redirection of Women's Success in Male-Female Teams," *Journal of Applied Psychology* 90, no. 5 (2005): 305–20; Joan C. Williams and Rachel Dempsey, *What Works for Women at Work: Four Patterns Working Women Need to Know* (New York: NYU Press, 2010).

7. Stanley Correll, "Reducing Gender Biases in Modern Workplaces: A Small Wins Approach to Organizational Change," *Gender & Society* 31, no. 6 (December 1, 2017): 723–50, <https://www.gsb.stanford.edu/faculty-research/publications/reducing-gender-biases-modern-workplaces-small-wins-approach>.



CASE STUDY

Supporting women at the critical step up to manager at MetLife

**The challenge**

MetLife realized that in order to see more women in leadership they needed to fuel their own pipeline. This meant developing talented women from the entry level up and promoting more of them to management roles.

What they did

MetLife launched a 14-month career development program for high-potential women called Developing Women's Career Experience. The program not only trains women in key leadership skills like business acumen and strategy, but also increases the sense of urgency to promote women. This effort has paid off, with many participants taking on expanded roles and responsibilities within six months of completing the program. In addition, through its Women's Business Networks, MetLife runs Lean In Circles—a program that brings small groups of employees together for monthly peer support and mentorship.

MetLife has also focused on increasing diversity in hiring and promotions. The company uses diverse candidate slates and makes sure that managers consider diversity when they make succession plans. MetLife also uses external recruiters to identify diverse talent, ensures that job requirements are gender-neutral, and trains recruiters on issues in the selection process that could impede diverse hiring. To foster diverse talent in the company's own ranks, MetLife has trained leaders to be mindful of potential bias in the review and career development process.

Results

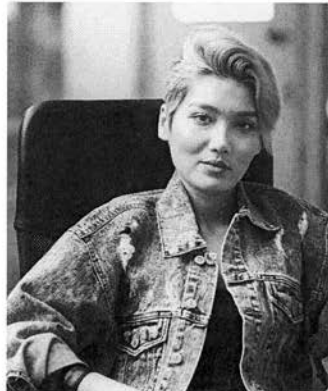
Since 2015, MetLife has strengthened the representation of women in its workforce. More than half of its managers and entry-level workers are now women.

SECTION 2

The Culture of Work

To reach true equality, changing the numbers is not enough. Companies also need to invest in creating a strong culture. This means putting three important foundational elements in place:

1. Equal opportunity and fairness
2. Work-life flexibility
3. A safe, respectful workplace



1. The importance of equal opportunity and fairness

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

Employees universally value opportunity and fairness. Across demographic groups, when employees feel they have equal opportunity for advancement and think the system is fair, they are happier with their career, plan to stay at their company longer, and are more likely to recommend it as a great place to work.

In fact, we looked at a number of factors that outside research has shown influence employee satisfaction and retention—including leadership accountability and manager support—and together opportunity and fairness stand out as the strongest predictors by far.



Diversity efforts are the key to fairness for everyone. Companies may benefit from reframing the importance of diversity and inclusion. Diversity efforts are often viewed as only benefiting women and underrepresented groups. In reality, they are about ensuring that employees of all genders, races, and backgrounds have access to the same opportunities. These efforts start with understanding what's really getting in the way of fairness and addressing the barriers disadvantaged groups face head-on—this is in fact the path to fairness.

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

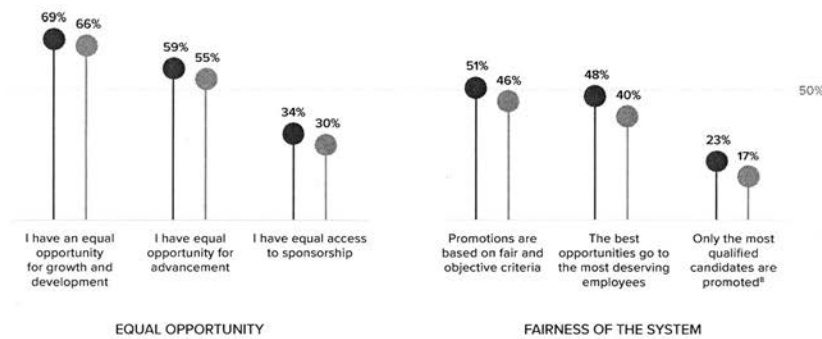
A majority of employees believe they personally have equal opportunity to grow and advance, but they are less convinced the system is fair for everyone. Fewer than half of women and men think the best opportunities go to the most deserving employees, and fewer than a quarter say that only the most qualified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

Women are less optimistic about their opportunity to advance: 1 in 4 women thinks that their gender has played a role in missing out on a raise, promotion, or chance to get ahead—and slightly more women think their gender will make it harder going forward.

EMPLOYEES ARE MORE LIKELY TO THINK THEY HAVE EQUAL OPPORTUNITY TO ADVANCE THAN THEY ARE TO THINK THAT THE SYSTEM IS FAIR FOR EVERYONE

% of employees who agree with the following statements

MEN WOMEN



⁸ Full question: Thinking about the most recent promotions to manager in your organization, would you say: Only the most qualified candidates were promoted.

A few key practices shape how employees view opportunity and fairness

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

1. Manager support

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

Most managers provide this type of career support, and women and men report receiving similar amounts of help from their manager. However, managers don't do these things with enough consistency: About a third of employees say managers advocate for new opportunities for them a great deal, and less than a quarter of employees say managers regularly help them manage their career.

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

"My last manager was an important sponsor for me. She helped me get the role I'm in now. She'd known me for six years and knew the role would stretch me in a good direction. She was very deliberate in how she helped me navigate my career."

—Senior manager, Black straight woman



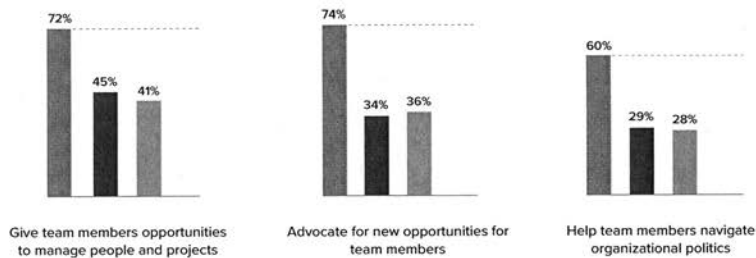
WHEN MANAGERS ARE SUPPORTIVE, EMPLOYEES THINK THEY HAVE GREATER OPPORTUNITY

When managers advocate for new opportunities for employees, employees are ...	2.3x more likely	3.0x more likely
When managers provide opportunities for employees to showcase their work, employees are ...	2.6x more likely	3.3x more likely
When managers help employees manage their career path, employees are ...	2.2x more likely	2.9x more likely
When managers help employees navigate organizational politics, employees are ...	2.0x more likely	2.3x more likely
	... to think they have equal opportunity for growth and development ⁹	... to think they have equal opportunity for advancement ¹⁰

MANAGERS CAN DO MORE TO SUPPORT THEIR TEAM MEMBERS

% of managers who say they provide support on a consistent basis versus % of employees who say they receive manager support a great deal

MANAGERS ■ MEN ■ WOMEN ■



⁹ Comparison between employees who say their manager does this a great deal and employees who say their managers don't do this at all. ¹⁰ Ibid.

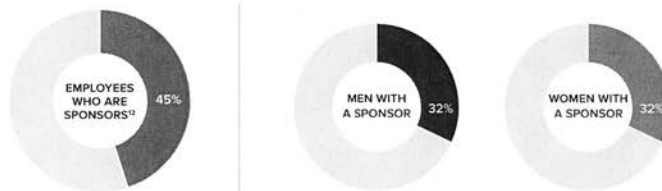
2. Sponsorship

Sponsorship can open doors, and more employees need it. Fewer than half of employees at the manager level or higher serve as sponsors, and only 1 in 3 employees says they have a sponsor—and this is equally true for women and men. Moreover, less than a third of employees say they get the sponsorship needed to advance their career. Fortunately, sponsorship is trending in the right direction—just a year ago, a quarter of employees reported having a sponsor.

Companies would be wise to double down on sponsorship. Other research shows that it accelerates career advancement,¹¹ and employees with sponsors are far more likely to say they have opportunities to grow and advance.

EMPLOYEES NEED MORE SPONSORSHIP

% of managers who give and employees who receive sponsorship



¹¹ Center for Talent Innovation, "The Sponsorship Dividend" (2019), https://www.talentinnovation.org/_private/assets/TheSponsorDividend_KeyFindingsCombined-CTI.pdf ¹² Employees at manager level or above who are sponsors.

3. Inclusive and unbiased hiring and promotions

When companies have strong hiring and performance review processes in place, employees are more likely to think the system is fair and the most deserving employees are able to rise to the top. Over the past five years, more companies have adopted best practices, but progress toward full adoption is slow. This year, only 6 of 323¹³ companies report they do all of the following: set diversity targets, require diverse slates for hiring and promotions, establish clear and consistent evaluation criteria before review processes begin, and require unconscious bias training for employees involved in hiring and performance reviews.

In combination, these are the building blocks needed to foster diversity and minimize bias in decision-making. Given that hiring and promotions are powerful levers in driving pipeline diversity and employee satisfaction, there's a strong business case for adopting more of these best practices.

WHEN THE RIGHT REVIEW PRACTICES ARE IN PLACE, EMPLOYEES THINK PROMOTIONS ARE MORE FAIR

When a diverse slate of similarly qualified candidates is considered for positions, employees are . . .	1.6x more likely	1.7x more likely	2.3x more likely
When clear and specific evaluation criteria are put in place before the review process begins, employees are . . .	1.6x more likely	1.6x more likely	2.3x more likely
When evaluators have received unconscious bias training, employees are . . .	1.4x more likely	1.5x more likely	2.0x more likely
When people involved in the review process call out bias, employees are . . .	1.6x more likely	1.7x more likely	2.5x more likely
	. . . to think promotions are based on fair and objective criteria ¹⁴	. . . to think the best opportunities go to the most deserving employees ¹⁵	. . . to think only the most qualified candidates have been promoted ¹⁶

¹³ A total of 323 companies completed the HR portion of this year's survey. ¹⁴ Comparison between employees who say their company has this review practice in place compared to employees who say their company does not have this in place. ¹⁵ Ibid. ¹⁶ Ibid.

A CLOSER LOOK

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

There is no one story of women in the workplace. Gender is one of many aspects of women's identity that shapes their experiences. Women of color, lesbian and bisexual women, and women with disabilities are having distinct—and by and large worse—experiences than women overall¹⁷. Most notably, Black women and women with disabilities face more barriers to advancement, get less support from managers, and receive less sponsorship than other groups of women.

Not surprisingly, Black women and women with disabilities are

far less likely to feel they have an equal opportunity to grow and advance, and are far less likely to think the best opportunities go to the most deserving employees. They are also less happy at work and more likely to leave their company than other women are.

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

BLACK WOMEN AND WOMEN WITH DISABILITIES ARE HAVING A NOTABLY WORSE EXPERIENCE AT WORK

% of employees who say ...

	ALL MEN	ALL WOMEN	LESBIAN WOMEN	BISEXUAL WOMEN	WOMEN WITH DISABILITIES	WHITE WOMEN	ASIAN WOMEN	LATINAS	BLACK WOMEN
EQUAL OPPORTUNITY ON FAIRNESS									
I have equal opportunity for growth and development	69%	66%	70%	66%	54%	69%	63%	62%	56%
I have equal opportunity for advancement	59%	55%	57%	54%	41%	57%	54%	54%	42%
I have equal access to sponsorship	34%	30%	33%	26%	21%	32%	28%	30%	26%
Promotions are fair and objective	51%	46%	48%	44%	36%	48%	42%	44%	35%
The best opportunities go to the most deserving employees	48%	40%	40%	38%	31%	42%	41%	39%	28%
Only the most qualified candidates are promoted ¹⁸	23%	17%	16%	15%	13%	18%	17%	15%	11%

¹⁷ "LGBTQ+ women" includes all women who identified themselves as gay, lesbian, or bisexual in the survey. ¹⁸ Full question: Thinking about the most recent promotions to manager in your organization, would you say: Only the most qualified candidates were promoted.



BLACK WOMEN AND WOMEN WITH DISABILITIES ARE HAVING A NOTABLY WORSE EXPERIENCE AT WORK

% of employees who say ...

	ALL MEN	ALL WOMEN	LESBIAN WOMEN	BISEXUAL WOMEN	WOMEN WITH DISABILITIES	WHITE WOMEN	ASIAN WOMEN	LATINAS	BLACK WOMEN
MANAGER SUPPORT AND SPONSORSHIP ¹⁹									
My manager helps me navigate organizational politics	29%	28%	31%	26%	22%	30%	24%	28%	24%
My manager advocates for new opportunities for me	34%	36%	35%	37%	28%	37%	35%	35%	29%
My manager gives me opportunities to manage people and projects	45%	41%	45%	38%	32%	43%	40%	39%	36%
My manager provides opportunities for me to showcase my work	42%	39%	40%	38%	31%	41%	39%	38%	36%
My manager helps me manage my career path	24%	25%	26%	26%	19%	26%	24%	26%	22%
I have the sponsorship needed to advance my career ²⁰	33%	30%	29%	30%	20%	31%	27%	31%	24%

¹⁹ Unless otherwise specified, employees indicated that managers do each manager support and sponsorship action "a great deal". The full scale was: a great deal, somewhat, not at all.

²⁰ Full question: At this company, I have the sponsorship needed to advance my career. I agree.

IN THEIR OWN WORDS²¹

On how identity shapes experience at work

“I don’t feel I have the same opportunities as others. If you look like the people making the decisions, it’s easier to advance. And I don’t look like any of the people making decisions here.”

—VP, Black lesbian woman

“I have to out myself in many ways so my colleagues understand they have people who are different in their midst. Diversity isn’t always something you can see.”

—Entry level, Latina lesbian woman

“A lot of Black women think that many gender initiatives are really tailored toward white women. Are they targeting women of color too? It often doesn’t feel like it.”

—Senior manager, Black straight woman



²¹ 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.



CASE STUDY

How AB InBev changed their culture

ABInBev

The challenge

In 2015, AB InBev, which owns Anheuser-Busch, participated in the first *Women in the Workplace* report. As a result, they realized that employing more women was a business opportunity: They could both diversify their talent and reach more women consumers.

What they did

AB InBev's leaders designed a comprehensive strategy and took many actions to drive change, but these are the three steps that they believe moved the needle most:

1. Got employees to buy into diversity:

It's crucial to make the business case for diversity—and make it stick. AB InBev's leadership shared research showing that more diverse teams make better business decisions and helped employees see that diversity would help the company reach more consumers.

2. Built managers' skills:

AB InBev used the recommendations in the 2017 *Women in the Workplace* report as a playbook to create a toolkit for D&I leaders in regions around the world. A key focus of the toolkit was to develop managers' skills in D&I. It included training to help them reduce bias in hiring and promotions and foster inclusive teams. All managers receive feedback on how they are championing D&I as part of their annual 360 review. They also get feedback from their team members, who are surveyed on the manager's D&I performance.

3. Created a supportive culture:

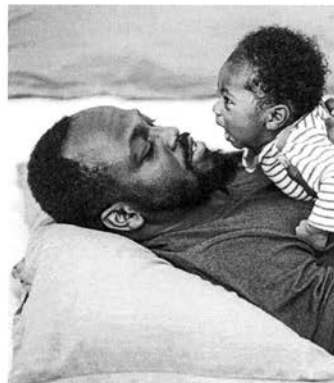
AB InBev has created a network of trained D&I allies so employees feel safe raising issues. The company has also created a Global Parental Standard that increased parental leave to be competitive in local markets. For instance, in Mexico, when primary caregivers return after four months of leave, they work four hours per day—the number of months old their babies are—and add an hour per day each month until they're working full-time.

Results

In the past three years, AB InBev has made major changes that set the stage for increasing its representation of women. They have already achieved an important milestone: They've equalized promotion rates at the first step up to manager.

2. The importance of work-life flexibility

Opportunity and fairness matter deeply to employees. So does fitting work into life. All employees benefit from the flexibility to shape their work schedule and time off for big life moments, like recovering from surgery or caring for a newborn. When workplace policies support balancing work and life, employees are happier at work.



Employees want more flexibility, and companies are delivering

Balancing work and life is a juggling act for most employees, and flexibility is key to making it possible. Companies have responded to this need over the past five years. Almost all companies offer employees time off for family or personal reasons, and a vast majority of companies give employees some freedom to set their own schedules or work from home. Employees recognize the benefits of these policies, but they still think companies can go further: Work-life flexibility was the number one issue raised by employees in 2019, followed by the need for more mentorship and sponsorship.

Work-life flexibility is on the rise: in 2019, more than 70% of employees said their companies offered some flexibility to work from home, compared to about 40% of employees in 2015.²²

"I work remotely, and it's the best thing that ever happened to me. I gain at least two hours of my life back daily when I would have been commuting. Now that I work from home, I can give all of those two hours to the company, or I can use those two hours to get my kids to soccer or volleyball practice. That is huge for me."

—Senior manager, white straight woman



MOST COMPANIES GIVE EMPLOYEES WORK-LIFE FLEXIBILITY

% of companies that offer flexibility versus the % of employees who say they have at least a little bit of flexibility



22. In 2015, the full question was: Which of the following work support/flexibility programs have you participated in at your organization in the last 3 years? 1 Telecommuting/ Work from home.

Many employees take leave, but some worry about negative consequences

Over the last five years, a majority of employees have become new parents or dealt with a significant personal or family health issue. About half of these employees took leave. Many who did not take leave were able to handle the situation without a break in work, but others point to concerns about work responsibilities, fear that it might negatively impact their career trajectory, or financial concerns. Moreover, more than 1 in 4 employees who took leave say it hurt their career or finances—and this is particularly true for women.

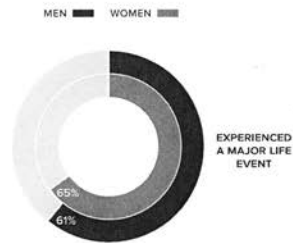
“I feel that I need to do more to prove my worth now, after taking maternity leave.”

—Senior manager, white straight woman



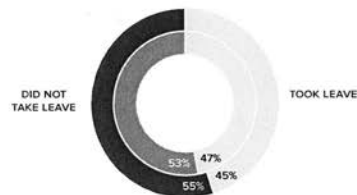
Women feel more negative consequences when they take leave: 20% of women who've taken a leave say it negatively impacted their career, compared to 10% of men. Women are also twice as likely to say it had a negative effect on their financial well being.

Over the last five years, a majority of employees experienced a significant life event²³ . . .

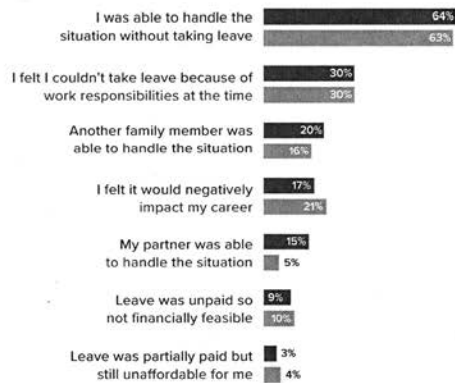


The ability to take leave affects everyone: over 2x as many women and men take leave for personal or family health issues rather than after becoming a new parent.

. . . About half of these employees took leave . . .



. . . Of those employees who didn't take leave, they point to these reasons:



²³ Full question: Which if any of the following happened in your family during the past five years: Someone in your family had significant life issues, you had significant health issues, you became a new parent.

A CLOSER LOOK

Most women who work also have partners who work, which can make balancing work and life tricky

Eighty-one percent of women have a partner who works full-time, compared to 56 percent of men. And as employees become more senior, this disparity between women and men grows: 72 percent of senior-level women have a partner who works, compared to only 37 percent of men at the same level. In other words, men who rise in the workplace are significantly more likely to have a stay-at-home partner than women at the same level. When it comes to household responsibilities, there is also a big gender disparity: 39 percent of women in dual-career relationships report doing most or all of the housework, compared to just 11 percent of men in dual-career relationships.



Dual-career relationships are becoming more common: Today, 56% of men have a partner who works full-time, compared to 47% in 2015. And 81% of women have a partner who works full-time, compared to 75% in 2015.

The good news is that there may be a generational shift when it comes to housework: younger women in dual-career couples do less of the housework compared to older women in dual-career couples.

FAR MORE WOMEN ARE IN DUAL-CAREER RELATIONSHIPS

% of employees with partners who work full-time by level



Paternity leave has increased, but maternity leave is stagnant

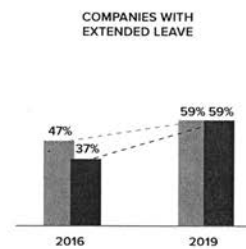
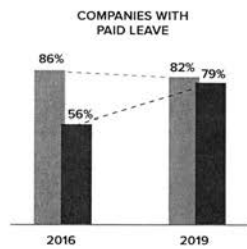
Significantly more U.S. companies offer paid paternity leave compared to three years ago, and the average paid leave available to new fathers has increased from four to seven weeks. Similarly, the number of companies offering extended paternity leave has increased by 59 percent. New fathers appear to be taking advantage of these expanded policies: In 2019, men were roughly as likely as women to take leave when they became new parents.

Taken as a whole, however, there is still significant room for improvement. About 40 percent of companies do not offer extended parental leave, and there is very little progress being made on maternity leave. Most notably, the average length of paid maternity leave has remained stuck at 10 weeks—compared to the 20 weeks women, on average, receive in Europe.²⁴ Since parental leave is critically important to many employees, companies would be well served to provide it more generously.

COMPANIES HAVE MADE PROGRESS ON PARENTAL LEAVE, BUT IT'S NOT ENOUGH

% of companies that offer the following types of leave²⁵

MATERNITY ■ PATERNITY ■



THE AVERAGE LENGTH OF PAID PARENTAL LEAVE HAS INCREASED FOR FATHERS BUT NOT FOR MOTHERS

	2016	2019
Paternity leave	4 weeks	7 weeks
Maternity leave	10 weeks	10 weeks

²⁴ Based on countries in the European Union. European Commission (Employment, Social Affairs and Inclusion), "your rights country by country," <https://ec.europa.eu/social/main.jsp?navid=858&lang=en>. ²⁵ Paid parental leave is defined as companies providing any amount of leave paid. Extended parental leave is defined as leave that exceeds the legal U.S. requirements.



CASE STUDY

Supporting women's advancement at JPMorgan Chase

JPMORGAN CHASE & CO.

The CEO and operating committee at JPMorgan Chase (JPMC) wanted to increase women's representation at senior levels more quickly in order to have diverse perspectives at the top. In 2013, several women on the operating committee launched the Women on the Move program to connect women executives across JPMC locations around the world.

This effort was accompanied by other new initiatives, including increased paid parental leave and a ReEntry Program for employees returning to the industry. JPMC also launched a "30-5-1" campaign to foster employees to support women colleagues. The program encourages employees to set aside 30 minutes a week to have coffee with a talented woman colleague, five minutes a week to recognize a woman colleague's success, and one minute a week to share that success with others at the firm. JPMC's leaders believe that these programs, along with the firm's other diversity and inclusion initiatives, have helped them develop and retain more talented women. JPMC has increased its representation of women in the C-suite at more than double the industry average.

3. The importance of safe and respectful workplaces

The foundation of a good culture is a safe and respectful workplace. To put this in practice, companies need to make it clear that disrespectful behavior will not be tolerated and hold everyone accountable. They also need to equip employees to call out bias and everyday discrimination when they see it so they become part of the solution.



"The way leaders at my company conduct themselves really sets the tone for how people should be treated. I can only think of one person at work who was disrespectful to people with disabilities. He didn't remain in his job very long. There is no tolerance for disrespectful leaders and for those who are not inclusive."

—Senior manager, white straight disabled woman

A safe and respectful culture requires accountability

Companies need to hold leaders and employees accountable for good behavior and have systems in place to surface and address bad behavior. This is worth getting right: When employees think their company is serious about accountability, they are happier and more likely to stay at their company. Yet only 32 percent of women and 50 percent of men believe disrespectful behavior toward women is often quickly addressed by their company.

EMPLOYEES ARE HAPPIER WHEN THEIR COMPANY EMPHASIZES ACCOUNTABILITY

When senior leaders are held accountable for performance on gender diversity, employees are . . .	1.4x more likely	2.0x more likely	1.6x more likely
When disrespectful behavior toward women is quickly addressed, employees are . . .	1.5x more likely	1.8x more likely	1.8x more likely
When the company provides a clear and safe way for employees to voice concerns, employees are . . .	1.8x more likely	1.9x more likely	2.1x more likely
When senior leaders clearly communicate that there will be no tolerance for sexual harassment, employees are ²⁶ . . .	1.2x more likely	1.3x more likely	1.4x more likely
When employees expect that reporting sexual harassment to management would be effective or helpful, employees are ²⁷ . . .	1.6x more likely	1.6x more likely	1.8x more likely
	. . . to be happy with their career ²⁸	. . . to say they plan to stay at the company ²⁹	. . . to recommend the company ³⁰

²⁶ This comparison is between employees who answered "Strongly agree" or "Somewhat agree" compared to employees who answered "Strongly disagree" or "Somewhat disagree." ²⁷ This comparison is between employees who say if they saw or experienced sexual harassment at work, reporting it to management would be "effective, it would be fairly investigated and addressed" or "helpful, it's a good first step" compared to employees who say it would be "pointless, it wouldn't be taken seriously" or "lucky, you might be penalized." ²⁸ Unless otherwise noted, the comparison is between employees who say this happens "almost always" or "often" compared to employees who say this happens "seldom" or "almost never." ²⁹ Employees who answer that they plan to stay at their current company for 5+ years. ³⁰ Ibid.

Companies should empower employees to speak up

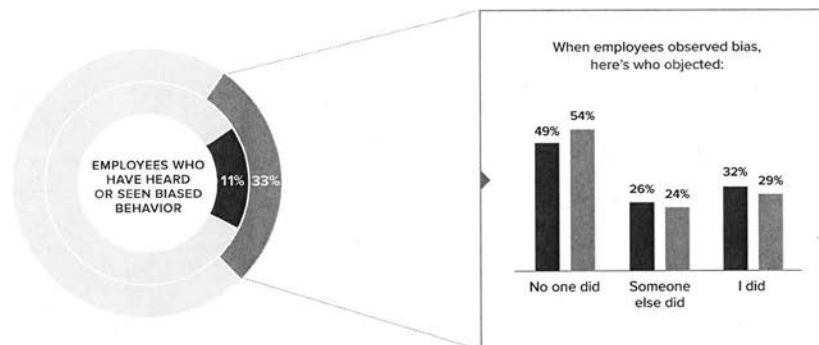
In the past year, 33 percent of women and 11 percent of men say they have seen or heard biased behavior toward women. Yet 73 percent of women experience microaggressions, or everyday slights rooted in bias. This points to a disconnect: Many employees aren't recognizing biased behavior, and even when they do see it, they don't speak up. Only about a third of employees who've seen bias over the past year spoke up personally to challenge it—and a quarter say someone else did. Employees may be apprehensive about speaking up because it feels like a high-risk endeavor: 37 percent say it could hurt their career. Or they might not think it will make a difference: Half of employees who've spoken up say nothing happened as a result.

Unconscious bias training can help employees learn to recognize bias³¹ and should be reinforced on a regular basis. This training needs to be coupled with a culture that encourages people to speak up and engage in difficult conversations.

ABOUT ONE IN FOUR EMPLOYEES SAYS THEY'VE OBSERVED BIASED BEHAVIOR TOWARD WOMEN

% of employees who sometimes or very often saw biased behavior toward women in the past year

MEN WOMEN



31 Correll, "Reducing Gender Biases in Modern Workplaces", Joelle Emerson, "Don't Give Up on Unconscious Bias Training—Make It Better," *Harvard Business Review*, April 25, 2017, <https://hbr.org/2017/04/dont-give-up-on-unconscious-bias-training-make-it-better>.

Managers need to challenge bias

Managers play a central role in shaping employees' day-to-day work experiences. When managers regularly³² challenge gender-biased language or behavior, employees are several times more likely to say their company values people's differences and quickly addresses disrespectful behavior toward women.³³ But only a third of employees say managers do this often—and women are significantly less likely than men to think this is true.

My manager is a white man. He always pushes for greater inclusion. He pushes for women. He pushes for the African-American community, the Hispanic community, the Asian community. We just recently rolled out an LGBTQ employee resource group. He was the biggest advocate of that. Because he believes—I believe."

—Individual contributor, white straight woman



WHEN MANAGERS CHALLENGE BIAS, EMPLOYEES SEE THEIR CULTURE AS SAFER AND MORE RESPECTFUL

When managers often challenge gender-biased language or behavior, employees are . . .

4.6x
more likely
to say disrespectful behavior toward women is quickly addressed³⁴

2.0x
more likely
to say their organization values the differences that people bring to the workplace

³² Full question: Managers challenge gender-biased language or behavior when it happens: Often. ³³ Full question: At this company, disrespectful behavior toward women is quickly addressed: Often.
³⁴ The comparison is between employees who say this happens "almost always" or "often" compared to employees who say this happens "seldom" or "almost never."

It's important for senior leaders to model the right behavior

Compared to employees at other levels, senior leaders are more likely to challenge biased behavior when they see it. About a quarter of entry-level employees say they do this, compared to 53 percent of senior-level men and 46 percent of senior-level women.

But senior-level men, in particular, say that they don't observe a lot of gender bias. Only 12 percent say they've seen biased behavior toward women in the last year.³⁵ On the other hand, 43 percent of senior-level women say they have. The challenge is educating senior-level men so they can better spot bias. When senior leaders speak up more often, employees may feel empowered to speak up, too.

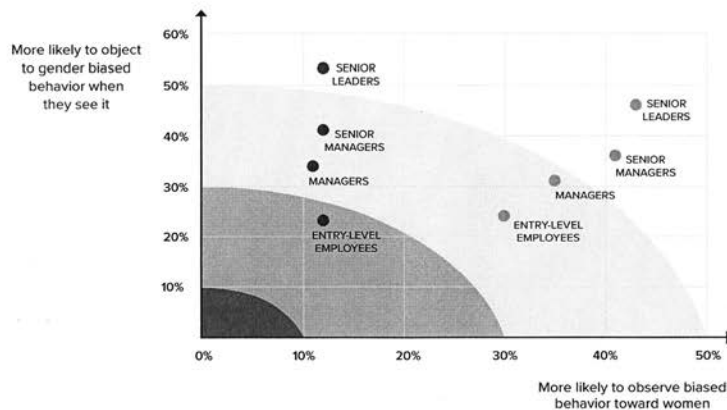
"I'm involved in a program that mentors women. My last manager wasn't supportive of my involvement. But I felt empowered to do it anyway because of senior-level support. I think support from top management is key."

—Senior manager, Latina straight woman

SENIOR LEADERS ARE MORE LIKELY TO CHALLENGE GENDER-BIASED BEHAVIOR THAN OTHER LEVELS

% of employees who sometimes or very often see biased behavior toward women

MEN WOMEN



35 Full question: Have you heard or seen biased behavior toward women in the past year? : Very often, often, or sometimes.



CASE STUDY

Candid conversations
are important

SunTrust executives have focused for several years on promoting a more open, inclusive dialogue at the company. In 2018, the company participated in the CEO Action for Diversity and Inclusion's "Day of Understanding." The event helped employees to embrace differences, build awareness of unconscious bias, and nurture inclusivity inside and outside the bank. It included workshops to foster candid conversations around race, gender, disability, LGBTQ identity, religion, and military service.

In response to high demand from employees, SunTrust has since held more than 30 similar workshops across the U.S. In addition, thousands of employees participate in one of the company's eight Teammate Networks (TMNs), which build awareness and appreciation for different cultures, backgrounds, and perspectives, each led by an executive council member. These efforts seem to be making a difference: 80 percent of employees report that the company's environment is inclusive, up 11 percentage points in three years.

Microaggressions can have a macro impact

Microaggressions are a common occurrence in the workplace. From having their judgment challenged to being overlooked or being mistaken for someone at a more junior level, women are far more likely to experience this everyday discrimination. While 73 percent of women and 59 percent of men have experienced at least one type of microaggression, these everyday slights are more common for women. They are almost twice as likely as men to experience four or more types of microaggressions.

Some groups of women face more types of microaggressions. Compared to other races and ethnicities, Black women are the most likely to have their judgment questioned in their area of expertise and be asked to prove their competence. Lesbian women, bisexual women, and women with disabilities are far more likely than other women to hear demeaning remarks about themselves or others like them and to feel like they cannot talk about their personal lives at work.

Although they can seem small in the moment, these negative experiences add up. Over time microaggressions can have a major impact, and it's important to challenge them when you see them. Women who experience microaggressions are three times more likely to regularly think about leaving their job than women who have not experienced this form of discrimination.

MICROAGGRESSIONS

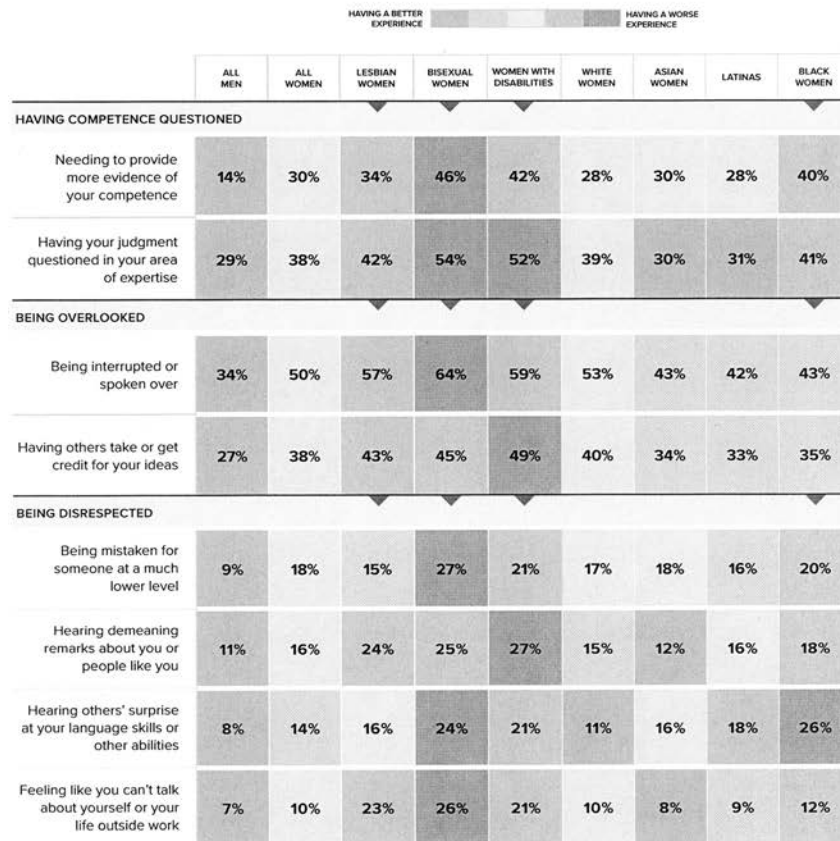
Microaggressions are forms of everyday discrimination that are often rooted in bias. Whether intentional or unintentional, they signal disrespect and are more often directed at those with less power.



43 WOMEN IN THE WORKPLACE: THE CULTURE OF WORK

WOMEN EXPERIENCE MORE MICROAGGRESSIONS, ESPECIALLY LESBIAN AND BISEXUAL WOMEN, WOMEN WITH DISABILITIES, AND BLACK WOMEN

% of different groups of employees who say they experience microaggressions



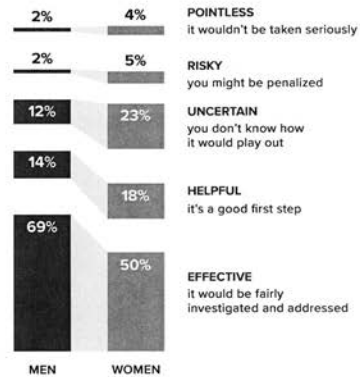
Sexual harassment is far too common . . .

Sexual harassment³⁶ continues to be a widespread issue at work. Two in five women surveyed have experienced some form of sexual harassment over the course of their career, such as hearing sexist jokes, being touched in an inappropriately sexual way, and receiving unwanted attempts to have an intimate relationship.

For some women, sexual harassment is more common. Lesbian women, bisexual women, women in technical roles, and women in leadership roles are more likely to be sexually harassed. Social science research shows that women who defy conventional expectations of how women should act—for example, because of their sexual orientation or field of work—are targeted more often.³⁷ Women with disabilities also experience higher rates of sexual harassment, and outside research shows this may be because of their more vulnerable status at work.³⁸

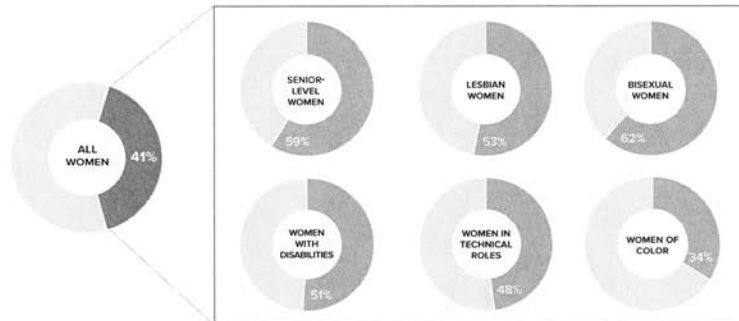
WOMEN ARE LESS CONFIDENT THAN MEN THAT REPORTING SEXUAL HARASSMENT WOULD BE EFFECTIVE

% of employees who think reporting harassment would be . . .



SOME GROUPS ARE MORE LIKELY TO EXPERIENCE HARASSMENT THAN OTHERS

% of employees who report experiencing sexual harassment over the course of their career



³⁶ It's worth noting that the definition of unlawful harassment varies by jurisdiction. In this survey, sexual harassment is defined as experiencing any of the following over the course your career: Hearing sexist comments or jokes about people of your gender; being touched in a sexual way without your consent; having obscene or sexually explicit comments directed at you; suggestions that you would be penalized for not engaging (or rewarded for engaging) in sexual behavior; pressure to "play along" or participate in sexual discussions, humor, or actions; repeated attempts to have a romantic or sexual relationship; despite your efforts to discourage it; seeing or receiving unwanted sexual materials (e.g., explicit photos); someone exposed themselves to you; someone sexually assaulted you (i.e., forced themselves on you sexually). ³⁷ Hegner McGuinn, Christopher Lippin, and Amy Brackstone, "Sexual Harassment, Workplace Authority and the Paradox of Power," *American Sociological Review* 77, no. 4 (2012): 625–47; Jennifer L. Berdahl, "The Sexual Harassment of Upstart Women," *Journal of Applied Psychology* 92, no. 2 (2007): 425–37 that exceeds the legal U.S. requirements. ³⁸ Jenny Dick-Moshier, "Bodies in Context: Gender, Class and Disability Intersections in Workplace Discrimination Claims," *Disability Studies Quarterly* 35, no. 3 (2015): 1–14.

... And it is critical that companies communicate that it won't be tolerated

Companies need to communicate that all forms of sexual harassment will not be tolerated. Many are doing this effectively. Ninety-one percent of companies say they've communicated their sexual harassment policy to employees in the past year. Eighty percent of employees report that senior leaders at their company have clearly communicated that sexual harassment will not be tolerated. And for the most part, the message is reaching employees: 66 percent of employees say they could describe their company's policy to a new employee.

Some companies would also benefit from making the claim process more transparent and putting an audit process in place to ensure that investigations are intensive and outcomes are appropriate. While 59 percent of employees think a claim of sexual harassment would be fairly investigated and addressed, about 20 percent are uncertain or think it would be risky or pointless to file a claim. Women, in particular, are less likely to trust the reporting process than men—and women who have experienced any form of sexual harassment are particularly pessimistic.

Some employees also fear a backlash for raising the issue: 38 percent of women and 24 percent of men who have been sexually harassed and kept it to themselves say they were worried that reporting could have negative consequences on their career. In addition, companies are wrestling with how to create transparency: Half of employees say that they don't know if top performers are held accountable for violating their company's sexual harassment policy.

WHEN COMPANIES TAKE A STRONG STAND AGAINST SEXUAL HARASSMENT, EMPLOYEES ARE MORE LIKELY TO FEEL THEIR WORKPLACE IS SAFE AND RESPECTFUL

	SAFE WORKPLACE	RESPECTFUL WORKPLACE
When employees think senior leaders clearly communicate that there will be no tolerance for sexual harassment, employees are ³⁹ ...	2.0x more likely	1.6x more likely
When employees think that reporting sexual harassment to management would be effective and helpful, they are also ⁴⁰ ...	4.8x more likely	2.5x more likely
When employees think that top performers are held accountable if they violate the harassment policy, employees are ⁴¹ ...	4.2x more likely	2.3x more likely
	... to say disrespectful behavior toward women is often quickly addressed at their company	... to say their company values the differences that people bring to the workplace

³⁹ This comparison is between employees who answered "Strongly agree" or "Somewhat agree" compared to employees who answered "Strongly disagree" or "Somewhat disagree" ⁴⁰ Ibid. ⁴¹ Ibid.



A CLOSER LOOK

“Only” women are having a worse experience than other women

Given that women are underrepresented across the corporate pipeline, many end up being the only or one of the only women in the room at work. About 1 in 5 women says they are often an “Only,” and this experience is about twice as likely for senior-level women and women in technical roles.⁴² By comparison, only 5 percent of men are often the only or one of the only men in the room, and regardless of their race, ethnicity, or sexual orientation, they face less scrutiny than women Onlys.

Women who are Onlys are having a notably difficult experience at work. They’re far more likely to experience microaggressions than women who work with other women. They are more than twice as likely to be asked to prove their competence, over three times more likely to be mistaken for someone more junior, and about twice as likely to be subjected to demeaning or disrespectful remarks. Moreover, they are twice as likely to have been sexually harassed at some point in their career.

BEING AN ONLY IS FAR MORE COMMON FOR SENIOR LEVEL AND WOMEN IN TECHNICAL ROLES

% of different groups of women who are often the only or one of the only women in the room



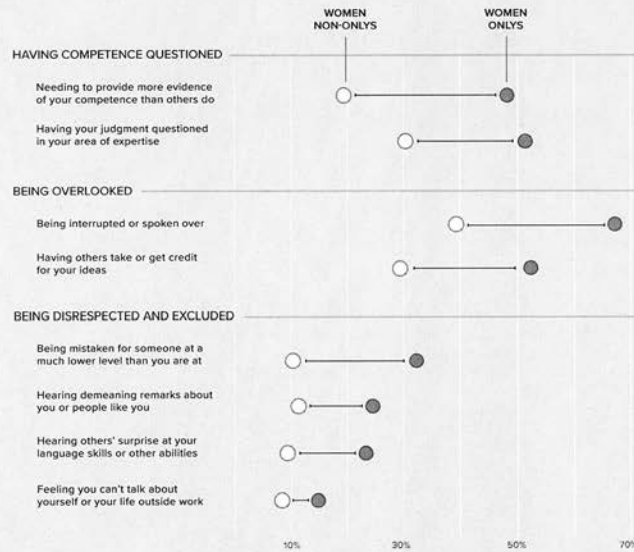
⁴² Historically, social scientists have used terms such as “tokenism” and “tokens” to describe similar dynamics. For the first study on this dynamic, see Research Moss Kanter, *Men and Women of the Corporation* (New York: Basic Books, 1977).



Women Onlys stand out in the spaces they occupy, and this added visibility can make the biases they face more pronounced. As a result, women Onlys tend to be heavily scrutinized and held to particularly high standards. In addition, they are often seen as the standard-bearer for all women. Thirty-seven percent of women Onlys report feeling under pressure to perform and 35 percent feel on guard or closely watched. Black women, who are often the only woman and the only person of their race in the room, can feel especially on guard and closely watched—50 percent report feeling this way as an Only.

WOMEN ONLYS EXPERIENCE MORE MICROAGGRESSIONS

% of women Onlys and non-Onlys who have these experiences during the normal course of business



IN THEIR OWN WORDS

“How you’re treated in the room, that makes the biggest difference. Those microaggressions of not being asked a question, or having people talk over you, or when no one solicits your opinion. They add up.”

— Director, white straight woman

“At work I’m under a microscope. I feel an immense pressure to perform.”

— VP, Black lesbian woman

“I am often the only woman in the room with a bunch of guys. It takes a while to make it known that I’m not the note taker, I’m not the party planner, and I’m not their mother. I’m just a worker just like they are.”

— Individual contributor, Alaskan Native straight woman



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SOLUTIONS

Strategies to counteract the Only experience

Companies can't change the representation of women overnight, but there are strategies they can use to counteract the Only experience. Companies can hire and promote women in cohorts so that there are multiple women at similar levels. In addition, companies should pay close attention to teams or functions where there are Onlys and be deliberate about staffing: rather than staffing one woman on a team, they might put groups of two or three women on teams together. As well as making the Only experience less common, companies can make the experience better by helping women build connections with each other through mentorship programs or by staffing them on cross-functional projects.

The Only experience isn't limited to gender. Being an Only is common for people of color and gay people. Thirty-eight percent of people of color are often the only or one of the only people of their race and ethnicity in the room. Likewise, 68 percent of gay men and 70 percent of lesbian women are often Onlys for their sexual orientation.

For people who are Onlys because of their race, the stakes can feel especially high. They are more likely to feel like everyone is watching their every move or as if their actions reflect positively or negatively on other people of the same race. Similar to other Onlys, gay people who are Onlys tend to feel under pressure to perform, closely watched, and left out.

SECTION 3

Commitment to Diversity

Companies are far more committed to gender diversity than ever before. Now they need to double down on their efforts to turn that commitment into action.



Commitment to gender diversity has increased significantly

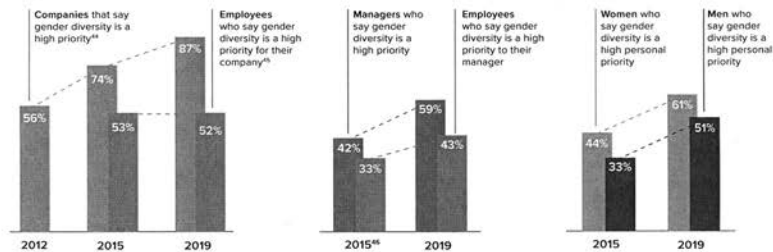
Today, 87 percent of companies are highly committed to gender diversity, compared to 56 percent in 2012, when McKinsey & Company first conducted a similar study on the state of women at work. Since 2015, manager commitment to gender diversity has also increased, and employee commitment—especially among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

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

What employees think matters. When employees say their company is highly committed to gender diversity, they are happier and plan to stay at their company longer. This is equally true for women and men.⁴³

Companies, managers, and employees are similarly committed to racial diversity as they are to gender diversity: 77% of companies, 59% of managers, and 56% of employees say it is a high priority.

COMMITMENT TO GENDER DIVERSITY HAS RISEN OVER THE LAST FIVE YEARS



There are also signs that commitment will continue to trend in a positive direction. Younger generations are more likely to see bias in the workplace—for example, managers under 30 are more likely to say they see bias than older employees at the same level.

⁴³ Seventy-six percent of employees are satisfied with their jobs when they feel that their company prioritizes gender diversity, compared to 57% of employees who do not feel like their company prioritizes gender diversity. ⁴⁴ In 2019, % of HR leaders who answered: How much of a priority is gender diversity for your company? (A very important priority. In 2015, % of HR leaders who answered: Where does gender diversity rank on the CEO's strategic agenda? Top 3 priority or top 10 priority. ⁴⁵ In 2019, % of employees who answered: How much of a priority is gender diversity for your (company/organization)? In 2015, % of employees who answered: How well does the following statement describe your organization? Workforce diversity is a top priority for my company. ⁴⁶ Due to changes in data collection, in 2015 managers was defined as L3 (senior manager/director) and L5 (managers), whereas in 2019 managers was defined as L5 (managers).

Turning commitment into action

Many companies need to do more to put their commitment into practice and treat gender diversity like the business priority it is. This starts with taking concrete actions like setting diversity targets and sharing diversity metrics—not just at senior levels, but with all employees. It also means holding leaders accountable and rewarding them when they make progress. In most organizations, what gets measured and rewarded is what gets done.

Over time, more companies are putting the right mechanisms in place, and employees are noticing this progress. Compared to last year, employees are twice as likely to say their companies have gender diversity targets in place for hiring. However, there is more to be done. When companies have the right foundation for change—clear goals, obvious accountability, a reward system—they are in a better position to drive systemic change. Gender diversity efforts shift from a nice-to-have to a must-have, and that leads to broad-based action across the organization.



Engaging senior leaders is driving change.

More than half of companies hold senior leaders accountable for progress on gender diversity metrics, up from a little over a third in 2015. And it's making a difference. Seventy-three percent of senior leaders are highly committed to gender diversity, and close to half say they're working to improve gender diversity. Senior leaders set the priorities in organizations, so when they're engaged, it has a positive trickle-down effect: Managers are more likely to support diversity efforts, and employees are more likely to think the workplace is fair.

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

COMPANIES WOULD BENEFIT FROM HAVING MORE BEST PRACTICES IN PLACE

% of companies that do the following...

	2016	2017	2018	2019
Set gender diversity targets for employee representation	N/A	N/A	38%	35%
Share at least some diversity metrics with all employees ⁴⁷	N/A	56%	55%	46%
Hold senior leaders accountable for progress on gender diversity metrics	37%	40%	42%	55%
Have financial incentives in place for senior leaders who meet diversity metrics	N/A	30%	31%	19%

⁴⁷ In 2018, the full question was: How often do each of these stakeholder groups review your company's gender diversity metrics? (All employees, all time frames except "never". In 2015, the full question was: To what degree does each group of stakeholders see your company's gender diversity metrics? All employees. % of companies who answered many or some. In 2012, the full question was: To what degree does each group of stakeholders see your company's diversity metrics? (All employees, companies who answered all but "none".

CASE STUDIES

Companies are putting commitment into action

Accountability pays off at NextRoll



What they did

Each year, NextRoll shares its results from Women in the Workplace and internal employee surveys at a company-wide meeting, as well as concrete diversity targets for the year ahead. Then, at subsequent all-hands meetings, the company updates employees on progress and encourages them to ask questions and share input. Members of the executive team also have a diversity and/or inclusion goal every quarter, and the goals are publicly displayed at the company. Because leaders are open about their goals—and talk about D&I as if it's every employee's responsibility—employees are more invested in reaching those goals.

Results

This strategy is paying off: from 2016 to 2019, women's representation rose from 27 percent to 40 percent in senior management roles.

Committed leaders drive big gains at Nordstrom



What they did

In 2016, Nordstrom set a bold goal of increasing representation in their leadership to better reflect their consumer base, which is 70 percent women. At the time, a majority of their employees were women, but their leadership was mostly men. To kick-start the initiative and get senior buy-in, Nordstrom's leadership took part in a "conscious inclusion" program to better understand how bias plays out in the workplace. They then identified four key "pillars" that drive diversity and inclusion: talent, culture, marketplace, and leadership. Each pillar was sponsored by a small team of executives who established programs to drive progress—from diverse hiring slates to unconscious bias trainings—and managed them like a critical part of the business.

Results

From 2016 to 2019, Nordstrom has seen remarkable gains: their efforts increased the share of women in the C-suite from 7 percent to 40 percent, in SVP roles from 49 percent to 63 percent, and on the board from 17 percent to 46 percent.

CASE STUDY

Companies are putting commitment into action



Manager scorecards change the game at Sodexo



The challenge

Sodexo's internal data showed that the share of women dropped sharply after entry level—which reduced the number of women in the leadership pipeline.

What they did

In response, senior leaders implemented a two-step plan as part of their comprehensive D&I strategy. They launched a "mentoring circles" program—in which a small group of women from entry-level to mid-level managers meet monthly—to identify high-potential women in operational roles and help them advance through the ranks. These women then took part in a year-long one-on-one mentorship program.

Sodexo also created a scorecard to hold managers accountable for their efforts on diversity and inclusion. Sodexo leaders believe this has transformed the culture of the company.

If you're a manager or senior leader at Sodexo, 10 percent of your bonus is tied to your scorecard. You can score up to 600 points for hiring, promoting, and retaining more women and underrepresented groups. But the scorecard doesn't just measure numeric progress. You can score an extra 400 points if you take other steps that improve Sodexo's culture by demonstrating inclusive leadership. For instance, you might set up a bias and inclusion training for your team, mentor or sponsor women or people of color, or sponsor SoTogether, their internal women's employee resource group.

Sodexo monitors outcomes closely and refines the scorecards over time. For instance, the initial scorecard awarded points for meeting quantitative representation targets only, but feedback suggested that Sodexo would see more widespread buy-in and less resistance if managers were also rewarded for changing their behavior, changing their processes, and being more inclusive. So Sodexo added points for inclusive actions to the scorecard, and coaches were assigned to work with managers on their action plans to improve outcomes. Leadership believes this expanded focus has helped the company meet its numeric goals faster, as well as made the culture more inclusive.

Results

Over the past five years, women's representation has increased by 10 percent on average at entry and manager levels, more than 20 percent at the SVP level, and has doubled in the C-suite.



CONCLUSION

The path to equality is clear

After five years of the Women in the Workplace study—and a growing body of research from others in the field on how to effectively support diversity and inclusion—companies have what they need to succeed.

They know what the best practices are. They realize where the trouble spot is in the talent pipeline.

And they understand how vital equal opportunity and fairness are to employees.

This is a critical moment. We can treat diversity like the business imperative it is, or we can treat it as an optional initiative. We can build on the progress we've made, or we can lose momentum. We are optimistic. This year we've seen more bright spots than ever before. We know companies are committed.

And the organizations that are doubling down on their diversity efforts are making real progress.

We hope companies take this year's report as a roadmap for change—and a call to action.

Acknowledgments

McKinsey & Company and LeanIn.Org would like to thank the 329 companies and more than 68,500 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 Women's Foodservice Forum, the Healthcare Businesswomen's Association, Health Evolution, the Equity Collaborative—a program of the Carol Emmott Foundation, and Press Forward 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 perspectives on gender, diversity, and company practices, visit mckinsey.com/featured-insights/gender-equality.

Lean In's 50 Ways to Fight Bias program is a card-based activity that highlights 50 specific examples of gender bias in the workplace and offers research-backed recommendations for what to do. 95% of employees who've participated in the program say they are more committed to taking action. For more information or to access the free digital version of the program, visit leanin.org/50Ways.

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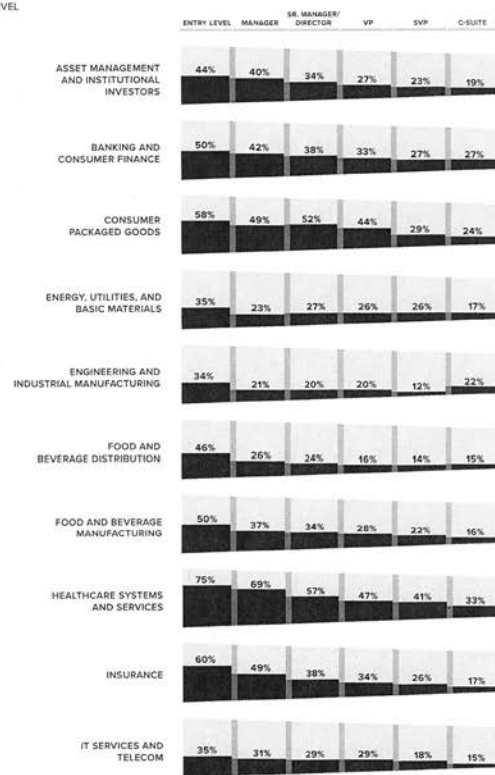
CORPORATE PIPELINE BY INDUSTRY

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 (engineering and industrial manufacturing), while others fail to advance women into middle management (transportation, logistics, food distribution) or senior leadership (retail, healthcare).

REPRESENTATION OF WOMEN ACROSS INDUSTRIES

% OF WOMEN BY LEVEL

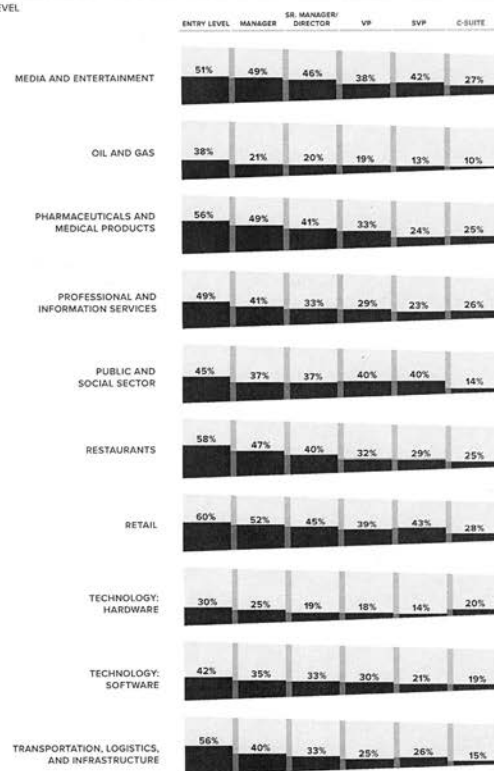


CORPORATE PIPELINE BY INDUSTRY

Industries have different talent pipelines

REPRESENTATION OF WOMEN ACROSS INDUSTRIES (CONT.)

% OF WOMEN BY LEVEL



Methodology

RESEARCH PARTICIPATION

This report is based on research from 329 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 68,500 employees from 77 companies were surveyed on their workplace experiences and we interviewed 39 women and men of different races and ethnicities, LGBTQ women, and women with disabilities at all levels in their organizations for additional insights. We highlight case studies from seven companies that have shown significant progress in increasing diversity over the last five years.

We grouped companies by industry to create benchmarks that provide peer comparisons. The number of companies from each industry is as follows:⁴⁸

- Asset Management and Institutional Investors—28
- Banking and Consumer Finance—28
- Consumer Packaged Goods—5
- Energy, Utilities, and Basic Materials—12
- Engineering and Industrial Manufacturing—18
- Food and Beverage Distribution—14
- Food and Beverage Manufacturing—20
- Healthcare Systems and Services—22
- Insurance—11
- IT Services and Telecom—9
- Media and Entertainment—15
- Oil and Gas—13
- Pharmaceutical and Medical Products—21
- Professional and Information Services—13
- Public and Social Sector—14
- Restaurants—17
- Retail—11
- Tech - Hardware—13
- Tech - Software—26
- Transportation, Logistics, and Infrastructure—8

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 2019. Talent pipeline data reflects representation of men and women as of December 31, 2018, as well as personnel changes (e.g., due to promotion, hiring, attrition) during 2018. Human resource professionals provided information on gender diversity policies and programs on behalf of their company as of December 31, 2018.

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 2018. 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 weighting⁴⁹ was:

- Retail—17%
- Energy and Basic Materials—16%
- Finance—17%
- Tech—12%
- Healthcare—8%
- Automotive and Industrial Manufacturing—9%
- Food and Restaurants—7%
- Media and Entertainment—4%
- Transportation, Logistics and Infrastructure—5%
- Professional and Information Services—2%
- Engineering—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—C-suite level executives and presidents: CEO and his or her direct reports, responsible for company operations and profitability (board members are not included in our primary analyses)
- 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/directors: Seasoned managers with responsibility for multiple teams and discrete functions or operating units
- L5—Managers: Employees who have management responsibility over a store, team, or project
- L6—Entry level: Employees who carry out discrete tasks and participate on teams, typically in an office or corporate setting (field employees like cashiers or customer service representatives are not included in our primary analyses)

⁴⁸ 320 organizations submitted pipeline data. Overall weighted pipeline is based on 304 private sector firms and does not include Public and Social Sector organizations or Law Firms. ⁴⁹ Percentages sum to 99% due to rounding.

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 estimated for women and men at each level. Promotion rates were calculated by dividing the number of promotions of that gender into a level by the start of the year 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. Hiring shares were calculated at each level by dividing the number of hires of that gender by the total number of hires at that level.

We analyzed two scenarios to examine the potential effect of equitable hiring and promotion on gender representation at the first manager level. Both scenarios assume that the overall average rate of promotions and hiring for men and women remains constant going forward.

Current hiring and promotion trends: To consider the implications of continuing progress at current rates, we assumed that the trends in promotion and hiring from the last four years would continue going forward until women reach equal hiring and promotion rates as men.

Equitable hiring and promotions⁵⁰: To consider the implications of equitable hiring and promotions to first-level manager, we assumed women are promoted and hired at the same rates as men, reflecting the respective gender's representation in the candidate pool.

EMPLOYEE EXPERIENCE SURVEY AND ANALYTICS**Survey Participation**

68,500 employees from 77 companies elected to participate in the Employee Experience Survey. The survey questions covered multiple themes (e.g., the state of diversity, equity, manager actions) as well as demographic questions (e.g., age, tenure, 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.

Factor Analysis

We used prior research, regression analyses, and a factor analysis approach to identify the conditions and practices most predictive of the following outcomes: employees' likelihood to recommend the company, desire to stay, and happiness with career. To create the factors, we selected the top questions shown by prior research to influence employee satisfaction and retention that also showed a strong pairwise correlation with one or more of the outcome variables. Factor scores were created by applying a principal axis factoring method and direct oblimin rotation. Multiple linear regression was used to quantify the relationship between the factor scores and the outcomes of interest. Findings reported highlight the factors that significantly predicted the three outcomes of interest ($p < 0.05$) where the relationship was also meaningfully large ($\beta > 0.05$).

DIVERSITY PROGRAMS AND POLICIES

Human resource professionals from 323 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, or priority out of the total number of companies that submitted this type of data.

QUALITATIVE INTERVIEWS

We conducted individual interviews with 39 women and men from 14 companies from a range of industries, including Automotive & Industrial Manufacturing, Food & Beverage, Oil & Gas, Media & Entertainment, Technology, and Transportation, Logistics & Infrastructure. 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.

⁵⁰ This scenario represents a very modest change to address current inequities at the first step up to Manager level. It does not assume that there are equal numbers of qualified women and men for any position beyond entry level.