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Reinventing the workplace for greater gender diversity

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Three efforts could kick-start progress to get more women in leadership positions.

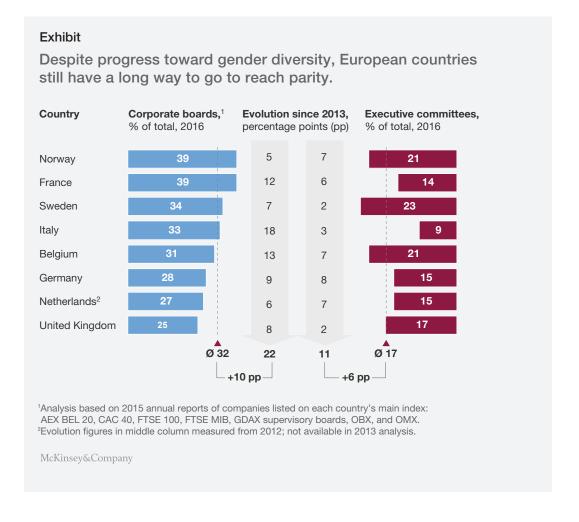
The case for gender diversity is compelling, but McKinsey research—including a new report, Women Matter 2016: Reinventing the workplace to unlock the potential of gender diversity—shows many companies are struggling to ensure women are represented fairly in top management. Progress toward parity remains slow. In Western Europe, only 17 percent of executive-committee members are women, and women comprise just 32 percent of members of corporate boards for companies listed in Western Europe's major market indexes (exhibit). In the United States, the figures are 17 percent for executive committees and just under 19 percent for boards.

European women work more part-time and more unpaid hours than men. Our new study found a correlation between the representation of women in leadership positions and women's employment rate, as well as their hours of unpaid work. Increasing the number of women in top management requires tackling these two inequalities. Governments have a strong role to play in addressing this issue and creating the conditions for equal opportunities. But companies also have to do their part.

To better understand what companies do, and what they could do further, in 2016, we surveyed 233 companies and 2,200 employees in nine European countries. Analysis showed that while the vast majority of companies have introduced measures to increase gender diversity at the top, many have yet to see significant results. Among our findings:

- Increasing the number of gender-diversity initiatives is not enough. Although having a critical mass of measures is important, volume alone does not explain women's representation in top management: 52 percent of the companies in our sample implemented more than 50 percent of the measures, but only 24 percent of them reported having more than 20 percent of women in top management positions.
- A mere 7 percent of the companies in our sample ranked diversity among the top three priorities on their strategic agenda.

¹ Includes eight countries in Western Europe, as well as Turkey.



- Of the 2,200 employees we surveyed, more than 88 percent said they do not believe their company is doing what it takes to improve gender diversity, and 62 percent of them do not know how to contribute to gender diversity.
- Regarding the effectiveness of gender-diversity programs, only 40 percent of respondents reported that these were well implemented in their companies—that is, programs had clear follow-up processes in place, they were assessed on a regular basis, and their effectiveness was evaluated at various levels of the organization.

Previously, we outlined a comprehensive gender-diversity ecosystem that companies can put in place to increase women's representation at each level of the organization. Building on this, our 2016 research shows that three game-changers distinguish best-in-class companies:

- Persistence. Best-in-class companies initiated diversity programs earlier, indicating that it takes time to effect tangible, sustainable results.
- CEO commitment, cascading down to all management levels. Companies that have built gender diversity successfully at the leadership level are twice as likely to place gender diversity among the top three priorities on their strategic agenda, to have strong support from the CEO and management, and to integrate gender diversity at all levels of the organization.

Comprehensive transformation programs. Best-in-class companies have initiated change programs that ingrain gender diversity in all aspects of the business. Specifically, those companies are more likely to have change agents and role models at all levels of the organization; they also have developed and communicated a compelling change story to support the programs, policies, and processes they have put in place.

We believe it will take government and business-led interventions to create an environment that offers women better opportunities; enables them to train for and work in skilled, better-paying roles; reshapes social norms and attitudes; and supports work–life balance. To achieve this, companies will need to transform themselves by reevaluating their traditional performance models and by challenging the long-term viability of their prevailing leadership styles.

Download the full report on which this article is based, *Women Matter 2016: Reinventing the workplace to unlock the potential of gender diversity*, on McKinsey.com.

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