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Women And The Pandemic Workplace: Corporate Leadership's Important New Challenges



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Leadership Strategy





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Now is no time for boards to send mixed signals on their commitment to gender equity. GETTY

The pandemic may be winding down, but the gender equity issues which it helped to heighten show no signs of receding. And that's a hugely important message for corporate boards, and their commitment to oversight of workforce culture.

The seventh annual Women in the Workplace study by McKinsey and LeanIn.org, ("the Study") featured in a recent special edition of <u>The Wall</u> <u>Street Journal</u>, concludes that the pandemic notwithstanding, the representation of women in corporate leadership improved notably in 2020.

A positive development? Absolutely. Time to move on to other initiatives? Absolutely not. For as the Study suggests, there remain many other, lingering issues regarding women's role in the workplace. There's much more work for the board to do. For example:

There is the key challenge of hierarchical validation. The Study notes that the critical employee well-being and diversity, equity and inclusion ("DEI") work that women are performing, and their evolution as stronger leaders, are in many instances going unrewarded and unrecognized by senior leadership. This can be harmful to women who are investing a disproportionate time and energy in pursuing these priorities. It can also be harmful to companies and their employees if efforts towards employee well-being goals are being undervalued.

Women of color continue to have a worse experience at work.

You would think that after the increased focus on racial equity issues over the past year, the workplace experiences of women of color should have improved. But think again. Women of color are still confronting significant bias and discrimination in the workplace. They continue to experience various types of microaggressions, and at a greater level of frequency and significance than white women. And they lack active allies. All of this can have incredibly negative implications for employee well-being, and the credibility of corporate efforts to prioritize gender and race in DEI efforts.

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The path of women to leadership position remains uneven. As the Study makes clear, women's representation in corporate leadership improved in 2020, the pandemic notwithstanding. That's notable given all of the challenges corporations faced over the last year. But many gaps remain in the progress of women up the hierarchical ladder.

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The Study concludes that promotions at the first step up to manager are not equitable (that persistent "broken rung" challenge) and women of color lose ground in representation at every level. Between the entry level and the executive suite, the representation of women of color declines at a rate exceeding 75 percent. The Study attributes this as a reason why the percentage of women of color serving as corporate executives remains stagnant-at about only 4 percent over the past three years.

Women employees continue to experience greater rates of

burnout. This is a reprise from one of the major conclusions of the 2020 Study. The pandemic continues to have a disproportionate impact on women employees-and at increasing rates. This "burnout" is contributing to substantial numbers of women employees considering a downshift in their careers, switching jobs or even leaving the company-all disturbing talent development trends. That type of turnover should be a board eye-opener.

But the Study is not all problem-identification. It also includes some problem resolution, with several specific recommendations for companies to pursue in order to address these gender equality concerns, including:

- Address the "broken rung" in promotions at the first step up to manager, and the significant decline in representation of women of color at every level of advancement.
- More fully track representation, as well as hiring and promotion outcomes, for women (and especially for women of color)-including whether they are being hired and promoted at similar rates to other employees.
- Truly hold senior leaders accountable for progress on diversity goals, treating diversity on a par with any other business priority; with related incentives for achieving those goals.
- Direct senior leadership to fully and publicly support DEI efforts both with active participation in programs and events to advance DEI, and also through ensuring that DEI initiatives are appropriately resourced.
- Increase the percentage of the workforce engaging in anti-racism, unconscious bias, and DEI training.
- Embrace experimentation in connection with efforts to combat employee burnout, through listening closely to employees, exploring creative solutions and trying different approaches if a new norm or program is unsuccessful.

And with all that, let's keep in mind the good news. The Study confirms that women are setting new standards for leadership; they're doing more to support their teams; they're active supporters of DEI initiatives; and the work they are performing is leading to improved outcomes

So the bottom line message is not all gloomy. Significant progress has been made with respect to gender equity in the workforce. It's an example of where the board and management can successfully collaborate to achieve

key goals (as oversight of the role, and support, of women in the workforce is absolutely a board-level responsibility). Indeed, many well-intentioned corporate leadership teams have made meaningful commitments in this regard. And it seems to be paying off.

But it's no time for boards and their executives to take their foot off the gas pedal. As the McKinsey/LeanIn Study concludes, many material women's workforce culture issues remain. And they present a significant threat to the economic and cultural health of an organization. Ideally, boards can use the 2020 progress as evidence that their leadership on gender equity can—and does—make a difference. And then get back to work on the remaining issues.

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