

TACKLING THE GENDER EQUALITY CHALLENGE

Trending Topics represents an executive summary compilation of news, information and perspective on matters affecting businesses and business leaders today. This insight is being provided to keep you up to date on the latest developments and trends influencing these topics. These views do not necessarily represent the views and opinions of PNC. For additional research on these topics, please consult the sources cited in this article.

Gender bias in the workplace remains prevalent, despite numerous efforts by corporations to help women advance in their careers. Many companies have created high-profile programs focused on gender equality and diversity, yet patterns of unequal pay and limited access to advancement opportunities remain the norm.

Although both women and men struggle to balance work and family commitments, the majority of childcare, caregiving and household responsibilities fall to women. Pulled in two directions, many women are at a disadvantage in the workplace compared to their male peers.

Despite the fact that U.S. women today surpass their male peers in educational achievement,¹ the gender wage gap hasn't improved much in recent years. In 2014 (the last full year for which data is available), women on average earned 79% of what men made. Although the pay gap has narrowed since the 1970s due to advances in women's education, their workforce participation and a slowing of men's wages, progress in pay equity stalled between 2007 and 2014.² A study by McKinsey & Company and LeanIn.org found that if the rate of change continues at a slow pace, women will not reach pay equity for another 25 to 100 years.³

The negative effect of gender inequality on the U.S. economy is significant. Women comprise 46% of the U.S. workforce, but only contribute 20% of the nation's gross domestic product (GDP) due to lower wages, uncompensated work and societal barriers that limit their workforce participation.⁴ The McKinsey Global Institute found that addressing gender equity in the workplace could add between \$2.1 trillion to \$4.3 trillion to U.S. GDP by 2025.⁵

TAKING ON OBSTACLES TO WORKPLACE EQUALITY

The McKinsey and LeanIn.org study found that women tend to experience these obstacles at critical points in their careers:⁶

- Barriers to entering the pipeline for recruiting and hiring
- Plateauing at mid-career due to fewer opportunities for growth and development
- An inability to advance to senior management positions

Studies show even if women enter a company at the same rates as their male peers, their numbers decline as they advance up the career ladder.⁷ The barriers at each level are caused by cultural factors, stubborn stereotypes, outdated policies and corporate cultures that limit opportunities or discourage women from advancing.

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Researchers recommend companies focus on the following steps to address these critical areas for attaining gender equality:⁸

- **Dig into the numbers** — Undertake sound research to obtain hard statistical data, conduct personal interviews with employees, and study the findings to really understand the cultural reasons why women leave the company and at what points in their career path. Strive to understand the factors creating barriers to women's leadership advancement in the company.
- **Track metrics** — Performance metrics provide hard data and attitudinal metrics assess the cultural influences, behavior and perceptions of employees in the workplace. Both sets of metrics can give management a clearer picture of the company culture and norms, as well as help them spot trends and assess the effectiveness of gender equality programs.
- **Make gender equality a top priority** — Like other business initiatives, vigorous gender diversity programs should have well-defined goals and deadlines. Senior leaders need to “talk the talk and walk the walk” on their commitment to gender equity. This commitment can be reinforced through ongoing communication, the visibility of women advancing to key management positions, and leadership support of pay equity, flexibility programs and parental leave policies.
- **Spot and stop gender bias** — Women are aware of the barriers to advancement that women face, but most men are not. Both men and women need to understand how gender bias plays out in the workplace, particularly in hiring, performance reviews and opportunities for advancement. Gender bias training is a tangible way to show employees the gender inequities present in a company and engage them in finding solutions.

To discuss these topics in more detail, please contact your PNC Relationship Manager.

¹ “Gender Inequality and Women in the Workplace,” Q&A with Harvard University sociology professor Mary Brinton, Harvard University Summer Program blog post, 2016. Available at: <https://www.summer.harvard.edu/inside-summer/gender-inequality-women-workplace>

² “New Census Data Shows The Gender Wage Gap Hasn't Improved In 7 Years,” ThinkProgress blog, Sept. 16, 2015.

Available at: <https://thinkprogress.org/new-census-data-shows-the-gender-wage-gap-hasnt-improved-in-7-years-61758982c0d1#.3q01g7326>

³ “Breaking down the gender challenge,” a study by McKinsey & Company and LeanIn.org, reported in *McKinsey Quarterly*, March 2016.

Available at: <http://www.mckinsey.com/business-functions/organization/our-insights/breaking-down-the-gender-challenge>

⁴ “Gender equality in workplace could add trillions to US economy,” BBC News, April 7, 2016. Available at: <http://www.bbc.com/news/business-35991852>

⁵ “The Power of Parity: Advancing Women's Equality in the United States,” executive briefing, April 2016.

Available at: <http://www.mckinsey.com/global-themes/employment-and-growth/the-power-of-parity-advancing-womens-equality-in-the-united-states>

⁶ “Breaking down the gender challenge,” a study by McKinsey & Company and LeanIn.org, reported in *McKinsey Quarterly*, March 2016.

Available at: <http://www.mckinsey.com/business-functions/organization/our-insights/breaking-down-the-gender-challenge>

⁷ “Women in the Workplace 2015,” a joint study by LeanIn.org and McKinsey & Company, 2015. Available at: http://womenintheworkplace.com/ui/pdfs/Women_in_the_Workplace_2015.pdf?v=5

⁸ “Women in the Workplace 2015,” a joint study by LeanIn.org and McKinsey & Company, 2015. Available at: http://womenintheworkplace.com/ui/pdfs/Women_in_the_Workplace_2015.pdf?v=5

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