Women in the Workplace

2016

LEAN IN

McKinsey&Company

About the study

Women in the Workplace 2016 is a comprehensive study of the state of women in corporate America. The study is part of a long-term partnership between LeanIn.Org and McKinsey & Company to give companies the information they need to promote female leadership and foster gender equality in the workplace.

One hundred thirty-two companies employing more than 4.6 million people shared their pipeline data and completed a survey of HR practices. In addition, more than 34,000 employees completed a survey designed to explore their experiences regarding gender, opportunity, career, and work-life issues.

This year's findings build on our *Women in the Workplace 2015* report, as well as similar research conducted by McKinsey & Company in 2012.

Contents

In corporate America, women fall behind early and continue to lose ground with every step

Women are less likely to receive the first critical promotion to manager—so far fewer end up on the path to leadership—and they are less likely to be hired into more senior positions. Women also get less access to the people, input, and opportunities that accelerate careers. As a result, the higher you look in companies, the fewer women you see. This disparity is especially pronounced for women of color, who face the most barriers to advancement and experience the steepest drop-offs with seniority.

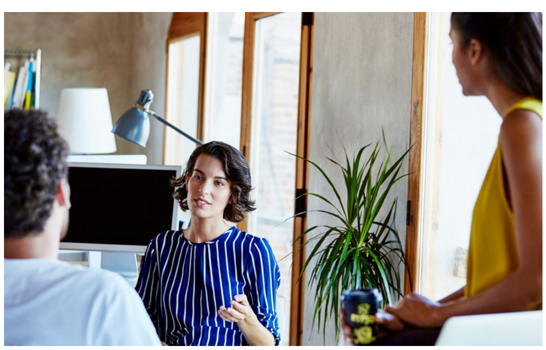
Companies' commitment to gender diversity is at an all-time high, but they are struggling to put their commitment into practice, and many employees are not on board. To level the playing field, companies need to treat gender diversity like the business imperative it is, and that starts with better communication, more training, and a clearer focus on results.

This is hard work but work worth doing. Many studies link diversity to better business results,[1] and all employees benefit from a workplace that is inclusive and fair.

1 For a recent example, see "Why Diversity Matters," McKinsey & Company, February 2015, available at http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters.

A closer look at the corporate pipeline

Based on employee pipeline data from 132 companies, two broad themes emerge this year: (1) On average, women are promoted and hired at lower rates than men, so far fewer women become senior leaders. (2) At more senior levels, we see women shift from line to staff roles, so very few end up on the path to becoming CEO.



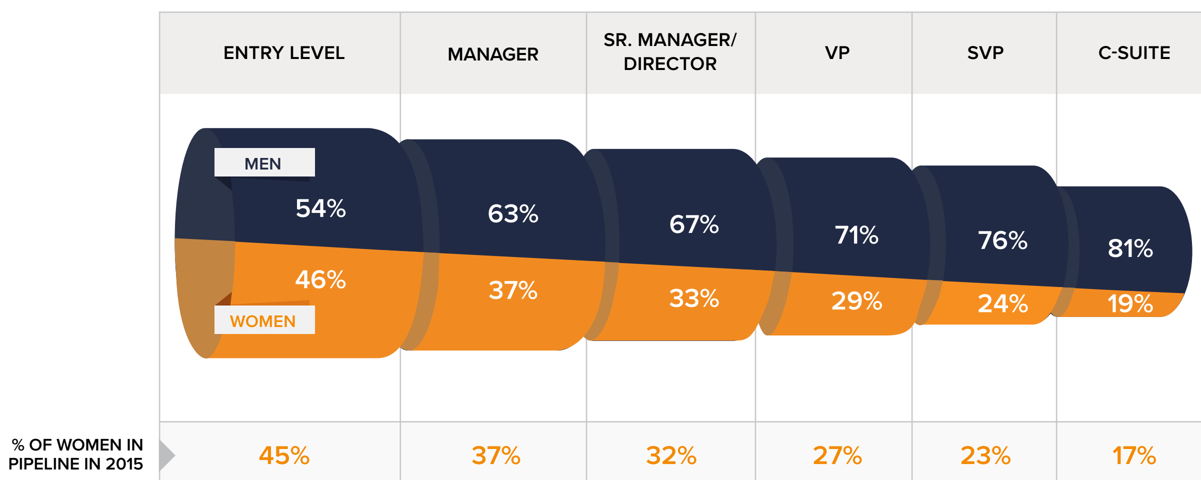
Women are still underrepresented at every level

Despite modest progress since 2015, women remain underrepresented in the corporate pipeline. At every step, the representation of women declines, and this does not appear to be the result of company-level attrition. On average, the women and men in this study are leaving their organizations at about the same rate.

GENDER REPRESENTATION IN THE CORPORATE PIPELINE IN 2016

WOMEN MEN

% OF EMPLOYEES BY LEVEL



Women are less likely to be promoted to manager, so fewer end up on the path to leadership

Promotion rates for women lag behind those of men, and the disparity is largest at the first step up to manager—for every 100 women promoted, 130 men are promoted. In addition, external hiring is not improving the representation of women. At every level, companies hire fewer women from the outside than men, and this is especially pronounced in senior management.

However, there is reason for optimism. The percentage of women being promoted into middle and senior management is higher than the percentage of women currently at those levels. If this pattern holds over time, the representation of mid- and senior-level women will slowly increase.

Compared to women, almost twice as many men are hired from the outside as directors—and more than three times as many are hired as SVPs.

GAP IN RATE OF FIRST PROMOTIONS

WOMEN MEN

FOR EVERY 100 WOMEN PROMOTED TO MANAGER, 130 MEN ARE PROMOTED

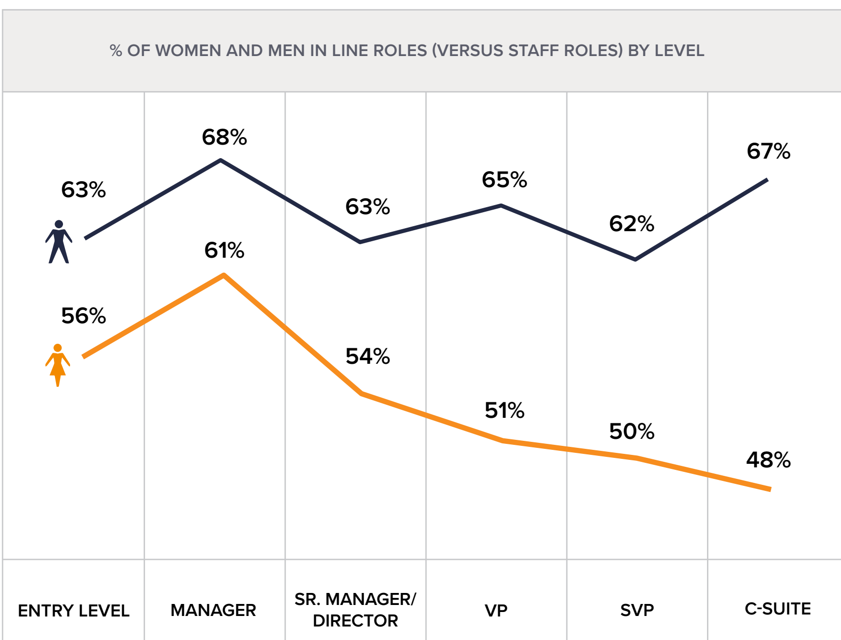
Very few women end up in line to become CEO

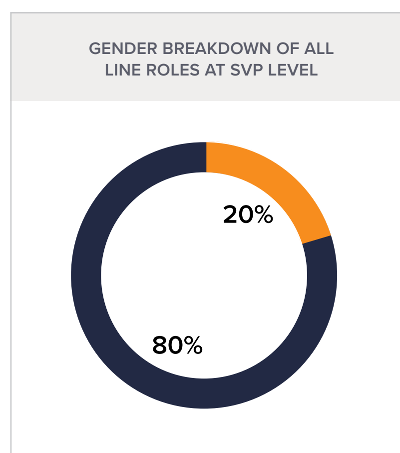
At senior levels, we see women shift from line to staff roles,[2] while the percentage of men in line roles remains about the same. So by the time women reach the SVP level, they hold a mere 20 percent of line roles. This hurts their odds of getting the top job because the vast majority of CEOs come from line positions.

In 2015, 90% of new CEOs were promoted or hired from line roles, and 100% of them were men.[3]

WHAT HAPPENS TO THE DISTRIBUTION OF WOMEN AND MEN IN LINE ROLES

WOMEN MEN





2 Line roles are positions with profit-and-loss responsibility and/or a focus on core operations. Staff roles are positions in functions that support the organization like legal, human resources, and IT. 3 “2015 CEO Transitions,” Spencer Stuart, March 2016, available at https://www.spencerstuart.com/research-and-insight/2015-ceo-transitions.

Women of color face even more barriers

Women of color[4] are the most underrepresented group in the corporate pipeline, lagging behind white men, men of color, and white women. Even though they make up 20 percent of the U.S. population, women of color hold a mere 3 percent of C-suite positions, despite having higher aspirations for becoming a top executive than white women.

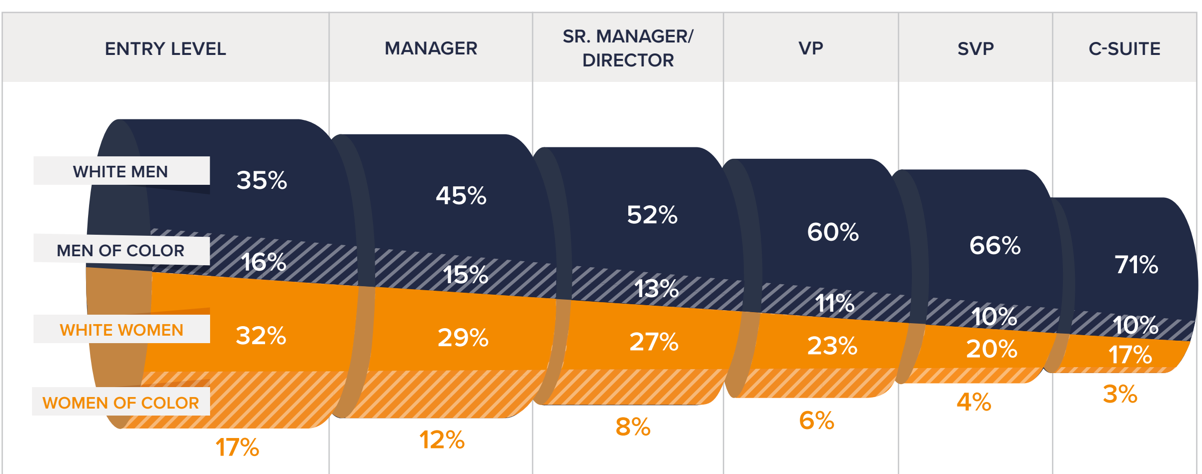
Compared to white women, women of color also report that they get less access to opportunities and see a workplace that is less fair and inclusive. They are 9 percent less likely to say they've received a challenging new assignment, 21 percent less likely to think the best opportunities go to the most deserving employees, and 10 percent less likely to feel comfortable being themselves as work. And in all cases, Black women appear to be the most disadvantaged.

While 78 percent of companies report gender diversity is a top priority, only 55 percent report that racial diversity is.[5] Clearly there's important work to be done, and this starts with a greater awareness of the problem and a steadfast commitment to addressing it.

Only 29% of Black women think the best opportunities at their company go to the most deserving employees, compared to 47% of white women, 43% of Asian women, and 41% of Hispanic women.

RACE AND GENDER REPRESENTATION IN THE CORPORATE PIPELINE IN 2016[6]

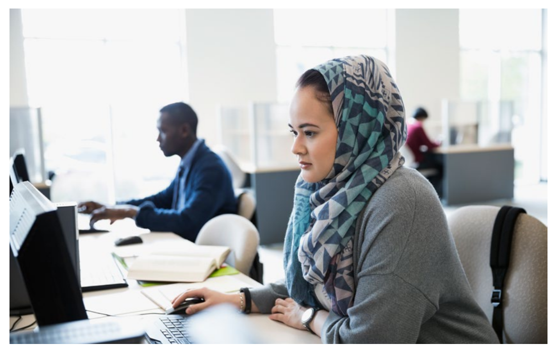
% OF EMPLOYEES BY LEVEL

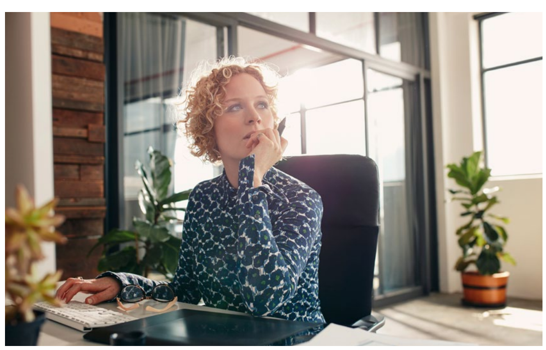


4 In this study, Black, Hispanic, Asian, American Indian or Alaskan Native, Native Hawaiian or Pacific Islander, and mixed-race women. 5 Seventy-eight percent of companies say that gender diversity is a top-ten priority for their CEO. Fifty-five percent of companies report that racial diversity is a top priority for their company.
6 Total percent of women and men per level in race and gender pipeline may not sum to overall corporate pipeline totals, as the race pipeline only includes companies that were able to supply race data.

A closer look at employee experiences

Based on the results of a survey of more than 34,000 employees from thirty-nine companies, women face a workplace skewed in favor of men and a steeper path to leadership.





Women experience an uneven playing field

Women and men are not having the same experiences at work. Women get less access to the people and opportunities that advance careers and are disadvantaged in many of their daily interactions. Women are also less than half as likely as men to say they see a lot of people like them in senior management, and they're right—only one in five senior executives is a woman.

These inequities appear to take a toll on women. Compared to men, they are less likely to think they have equal opportunities for growth and development—and more likely to think their gender will play a role in missing out on a raise, promotion, or chance to get ahead. Moreover, at every level, women are less interested in becoming a top executive, and those who do want a top spot are less confident they'll get there.

Women are less than half as likely as men to say they see a lot of people like them in senior management, and they're right—only one in five senior executives is a woman.

Entry-level women face more barriers to advancement than men at every level and senior-level women. They are the least likely to report they've gotten a challenging assignment and participated in an important development or training opportunity. In addition, women early in their careers are the least likely to believe they have equal opportunities for growth and development.

By the numbers: the uneven playing field

WOMEN ARE SUBTLY DISADVANTAGED IN MANY OF THEIR DAILY INTERACTIONS . . .

WOMEN MEN

67% 74%

Are able to participate meaningfully in meetings[7]

62% 68%

Have recently gotten a challenging assignment[8]

49% 54%

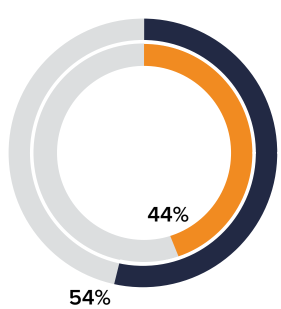
Believe their contributions are appropriately valued[7]

56% 63%

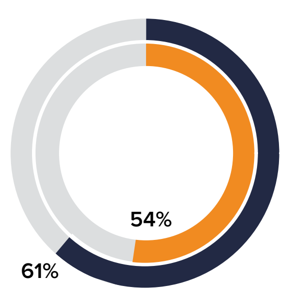
Are turned to for input on important decisions[7]

. . . AND ARE MORE LIKELY TO QUESTION THE FAIRNESS OF THE WORKPLACE

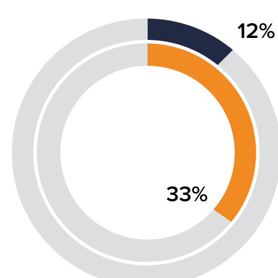
% OF WOMEN AND MEN WHO THINK . . .



The best opportunities go to the most deserving employees[9]



They have the same opportunity for growth as their peers[9]



Their gender will make it harder to get a raise, promotion, or chance to get ahead

7 Includes respondents who feel this "often" or "very often" applies to them. 8 Includes respondents who reported they have received this opportunity in the past two years. 9 Includes respondents who "agree" or "strongly agree" with this statement.

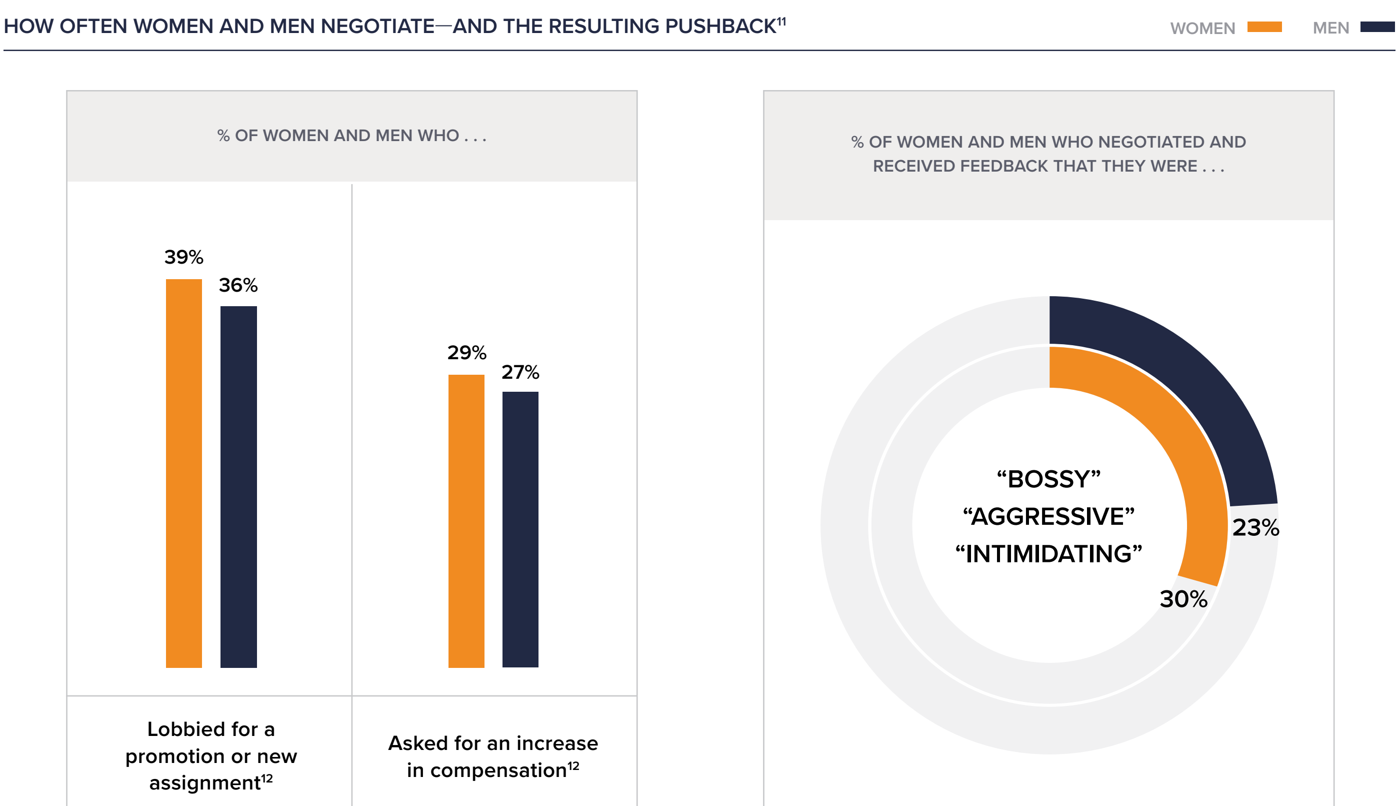
Women are negotiating as often as men—but face pushback when they do

The good news is that women are negotiating for promotions and raises as often as men, and it appears to be paying off. For example, women who lobby for a promotion are 54 percent more likely to report getting one than women who don't.

The bad news is that women who negotiate[10] are disproportionately penalized for it. They are 30 percent more likely than men who negotiate to receive feedback that they are "intimidating," "too aggressive," or "bossy" and 67 percent more likely than women who don't negotiate to receive the same negative feedback. Moreover, despite lobbying for promotions at similar rates, women are on average less likely to be promoted than men.

Despite lobbying for promotions as often as men, women on average are less likely to be promoted.

HOW OFTEN WOMEN AND MEN NEGOTIATE—AND THE RESULTING PUSHBACK[11]



10 Women who say they lobbied for a promotion or an increase in their compensation in the last two years. 11 Based on employees' self-reported experiences.
12 In the past 2 years.

Women get less access to senior leaders

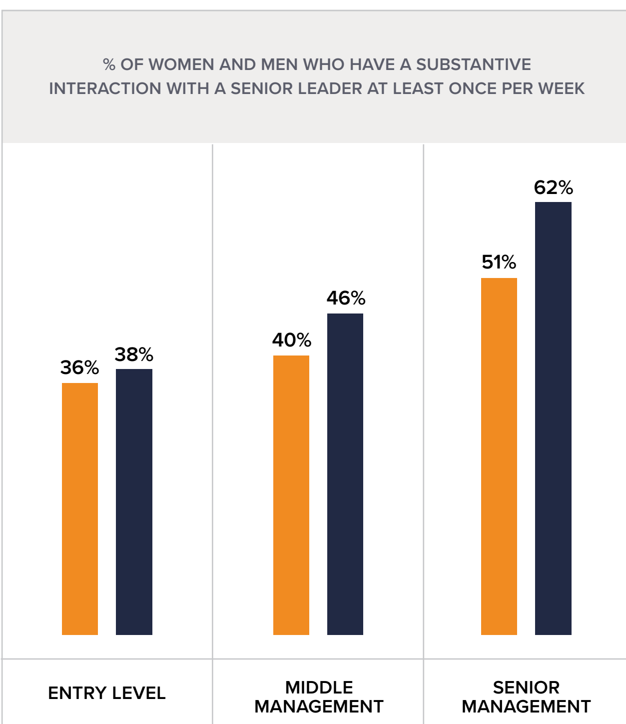
Women and men both view sponsorship by senior leaders as essential for success. Yet women report fewer substantive interactions with senior leaders than their male counterparts do—and this gap widens as women and men advance. In the same vein, women are less likely to say that a senior leader outside their direct management chain has helped them get a promotion or challenging new assignment.

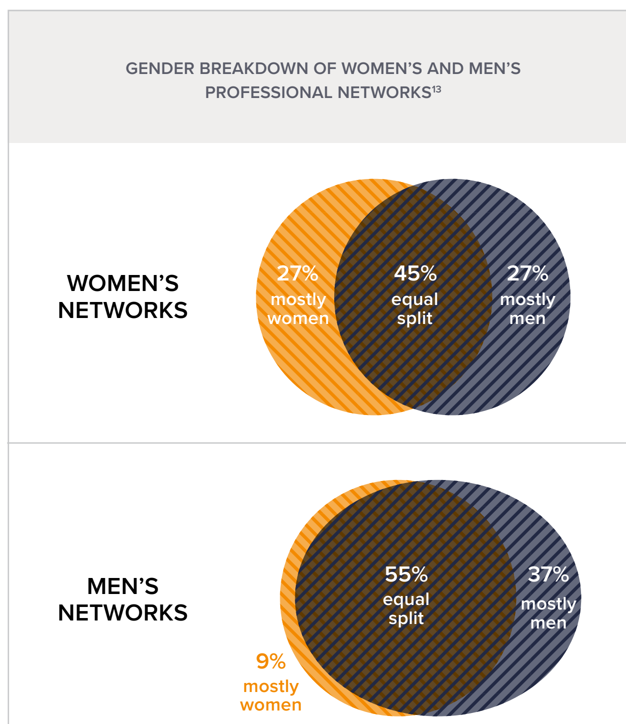
This disparity may be caused—or even compounded—by differences in women's and men's professional networks. Women are three times more likely to rely on a network that is mostly female. Because men typically hold more senior-level positions, this means women are less likely to get access to people with the clout to open doors for them.

51% of women in senior management report they interact with a company leader at least once a week, compared to 62% of men.

DIFFERENT ACCESS TO SENIOR LEADERS AND DIFFERENT NETWORKS

WOMEN MEN





13 Based on responses to the question: Thinking about people you can count on to be helpful in your career, are they mostly men, mostly women, or is it a roughly equal split?

Women ask for feedback as often as men—but are less likely to receive it

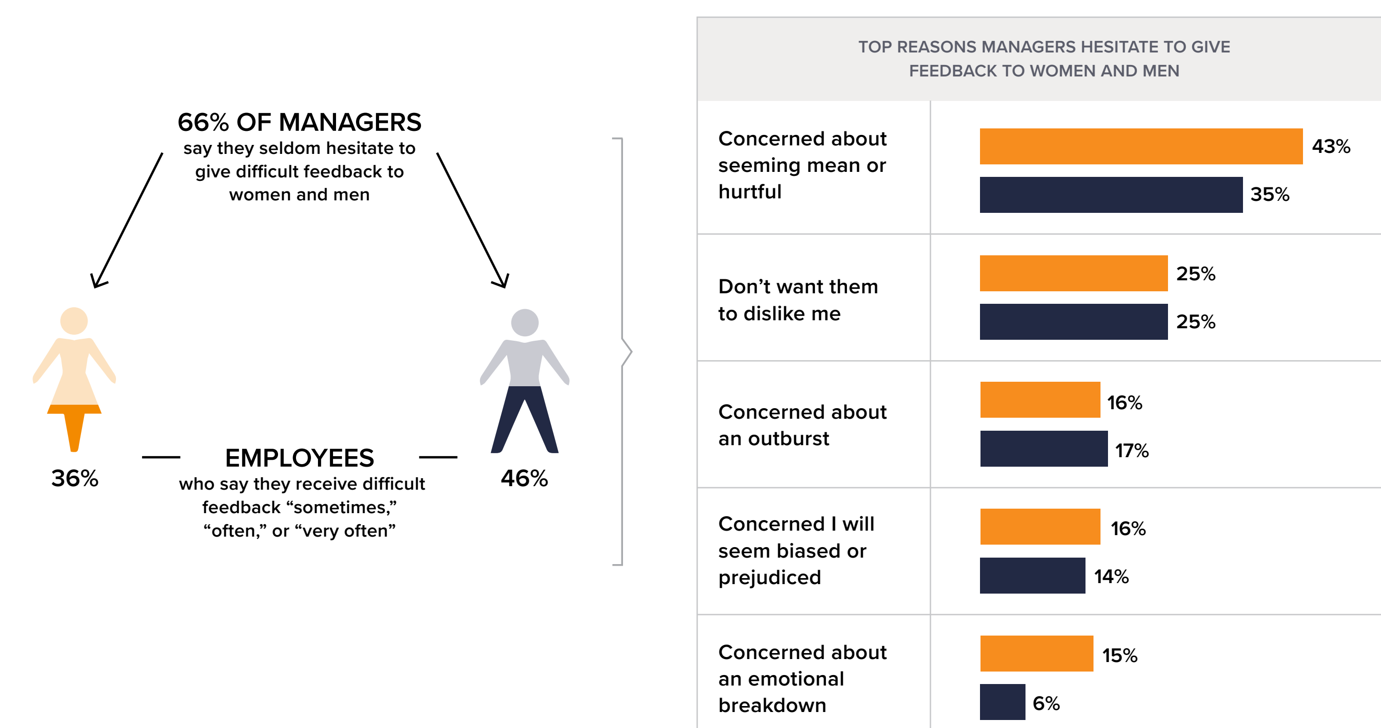
Feedback is critical for improving performance, but despite asking for informal feedback as often as men do, women report they receive it less frequently.

Moreover, there appears to be a disconnect in the way managers convey difficult feedback. Most managers say they rarely hesitate to give difficult feedback to both women and men, but women report they receive it less frequently. This may be driven by differences in how feedback is delivered: managers who hesitate to give difficult feedback are more concerned about triggering an emotional response from women. Direct feedback is critical because it helps employees take the steps they need to improve their performance and advance.

Women are more than 20% less likely than men to say their manager often gives them difficult feedback that improves their performance.

DIFFERENCES IN THE WAY DIFFICULT FEEDBACK IS GIVEN AND RECEIVED

WOMEN MEN



Women are less interested in becoming top executives—and see the pros and cons of senior leadership differently from men

Most employees want to be promoted, but far fewer aspire to very senior leadership. This gap is particularly marked for women. Only 40 percent of women are interested in becoming top executives, compared to 56 percent of men.

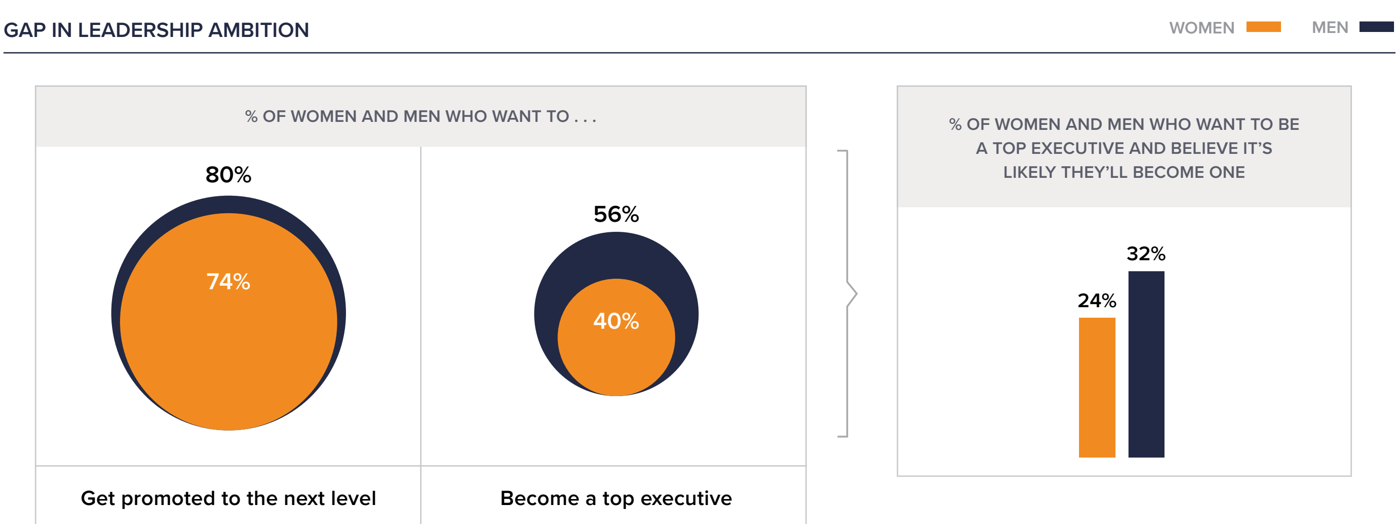
Women and men worry equally about balancing work and family—the issue of concern most cited by both groups—and about company politics. However, women *with and without children* are far more likely to say they don't want the pressure, suggesting they expect to face more challenges or are doing a different cost-benefit analysis.

Women anticipate a steeper path to the top. Women who aspire to become a top executive are less likely to think they'll get there than men with the same aspiration—and more likely to worry they won't be able to manage work and family commitments.

Women and men also see many of the same benefits of becoming a top executive, including higher compensation and more opportunities to mentor, with one important exception: men see greater potential to impact the business. This could be rooted in the different experiences women and men are having in the workplace. Women may not think their ideas and contributions carry the same weight as men's.

Only 43% of women think becoming a top executive will significantly improve their ability to impact the business, compared to 51% of men.

GAP IN LEADERSHIP AMBITION



Men will also benefit from a broader definition of leadership

Creating a more inclusive workplace is important for women and men. Only about half of men say their companies embrace diverse leadership styles, and the reasons men point to as barriers to advancement are telling. Twenty-one percent of men don't want to be a top executive because it's not consistent with who they are as a person, while almost a third of men who aspire to reach the top don't think they'll make it because they lack "the typical style of a top executive."

WHY WOMEN AND MEN DON'T WANT TO BE A TOP EXECUTIVE

	WOMEN	MEN
I wouldn't be able to balance family and work commitments	42%	42%
Too much politics	39%	40%
I am not interested in that type of work	35%	37%
I don't want the pressure	32%	21%
Not enough benefits for the personal costs	21%	21%
It's not consistent with who I am	15%	21%
I'm not confident that I would be successful	13%	13%

People who do more work at home are less interested in becoming top executives

At every stage in their careers, women do more housework and child care than men—and there appears to be a link between the amount of work people do at home and their leadership ambition. While 43 percent of women who share responsibilities evenly with their partner aspire to become top executives, only 34 percent of women who do a majority of housework and child care have the same aspiration. This trend holds true for men: the more work they do at home, the less interested they are in very senior leadership.

Women in senior management are seven times more likely than men at the same level to say they do more than half of the housework.

A road map to gender equality

Although company commitment to gender diversity is at an all-time high, companies don't consistently put their commitment into practice, and many employees are not on board. We see four clear steps companies can take to advance their efforts: (1) Make a compelling case for gender diversity. (2) Ensure that hiring, promotions, and reviews are fair. (3) Invest in more employee training. (4) Focus on accountability and results.

Companies are struggling to put their commitment to gender diversity into practice—and many employees do not view it as a personal priority

Seventy-eight percent of companies report that commitment to gender diversity is a top priority for their CEO, up from 56 percent in 2012. But this commitment does not always translate into visible action. Fewer than half of employees think their company is doing what it takes to improve gender diversity. Moreover, fewer than a third of employees say senior leaders regularly communicate the importance of gender diversity and are held accountable for making progress.

So perhaps not surprisingly, many employees don't rank gender diversity as a top personal priority; this is particularly marked for entry- and manager-level employees, who make many decisions that affect women's early work experiences and career progression.

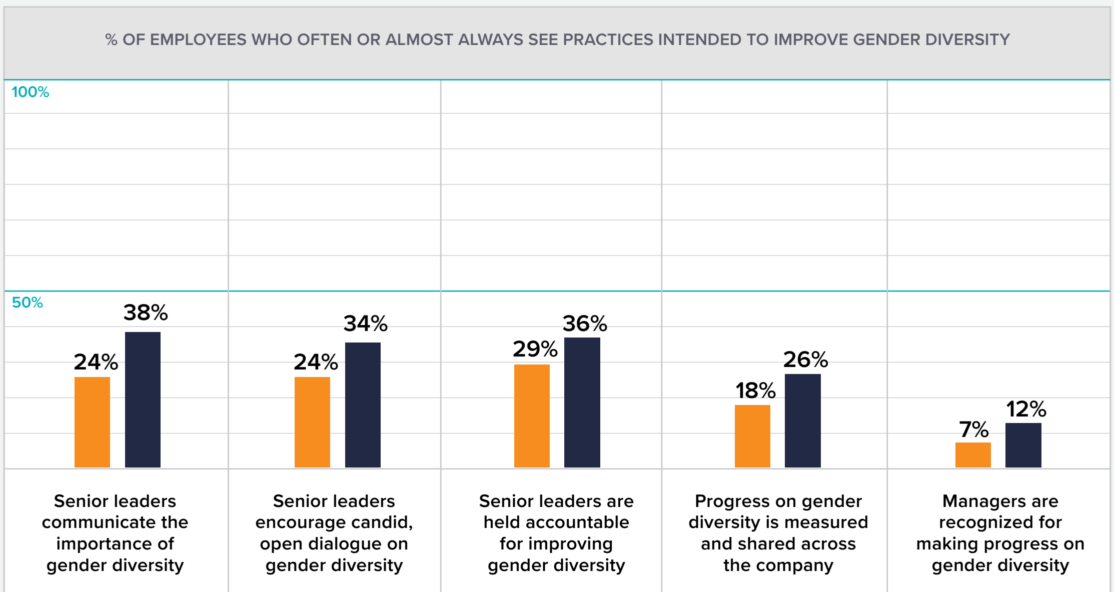
Employees who don't prioritize gender diversity point to concerns about favoritism and de-emphasizing individual performance, and men are more likely to point to both. Perhaps the case for gender diversity is not reaching employees, or they worry they'll be disadvantaged by diversity programs that aren't fair. However, it's worth noting that if the workplace was inclusive and fair now, the corporate pipeline would more closely mirror the general population.

Women are less likely than men to see practices intended to promote gender diversity and less likely to think their company is doing what it takes.

By the numbers:
the challenges companies face

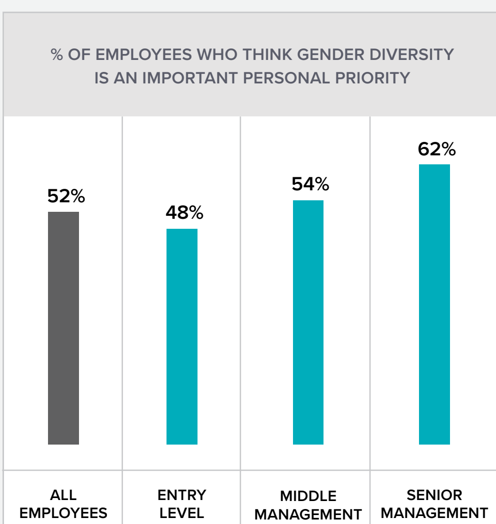
COMPANIES ARE STRUGGLING TO PUT THEIR COMMITMENT INTO PRACTICE . . .

WOMEN MEN



. . . AND MANY EMPLOYEES ARE NOT ON BOARD

WOMEN MEN



Although there's no "one size fits all" solution, companies can take the following steps to advance their gender diversity efforts and create a fairer, more inclusive work environment.

1. Make a compelling case for gender diversity

Companies need to more fully communicate why gender diversity matters and how it benefits everyone. Using a combination of storytelling and data, companies should speak to the positive impact greater gender diversity has on individuals, on the company and its customers, and on society more broadly.

Senior leaders have an important role to play, from talking more often and openly about gender diversity to modeling their commitment in their everyday actions. Although 62 percent of senior leaders say that gender diversity is an important personal priority, only 28 percent of employees say senior leaders regularly encourage a candid, open dialogue on the topic.

Transparency is also critical, yet fewer than a third of companies disclose any gender metrics to employees, and a mere 4 percent share them all.[14] Giving employees more information will help them better understand the state of women in their companies and what's working—and what's not—in their efforts to reach gender equality.

Only 22% of employees say that progress on gender diversity is regularly measured and shared across the company.

Almost two-thirds of women say their company is an inclusive place to work and they feel like they can be themselves there—and this is an important factor in getting to equality. However, there is still room for improvement. Fewer than half of employees report that their company and managers regularly embrace diverse strengths and leadership styles, and women are far less likely than men to see these practices in action.

14 The quantitative metrics companies track could include recruiting pipeline by gender, gender representation at promotion rounds, and salary differences at comparable job positions by gender.

2. Ensure that hiring, promotions, and reviews are fair

Most companies report they have policies in place to support unbiased hiring, promotions, and performance reviews, but those policies are not always comprehensive or implemented effectively.

While 73 percent of companies actively recruit candidates from underrepresented groups, only 46 percent require a diverse slate of candidates for open positions. Even fewer companies require diverse slates for internal promotions. There are also signs of breakdowns in performance reviews: 93 percent of companies report they use clear and consistently applied criteria to evaluate performance, but only 57 percent of employees report managers do this in practice.

Companies should review their policies for hiring, promotions, and performance reviews to make sure there aren't any gaps in these end-to-end processes and look for opportunities to further reduce bias and foster diversity. For example, blind résumé reviews are a relatively simple way to minimize bias, yet only 4 percent of companies say they do this.

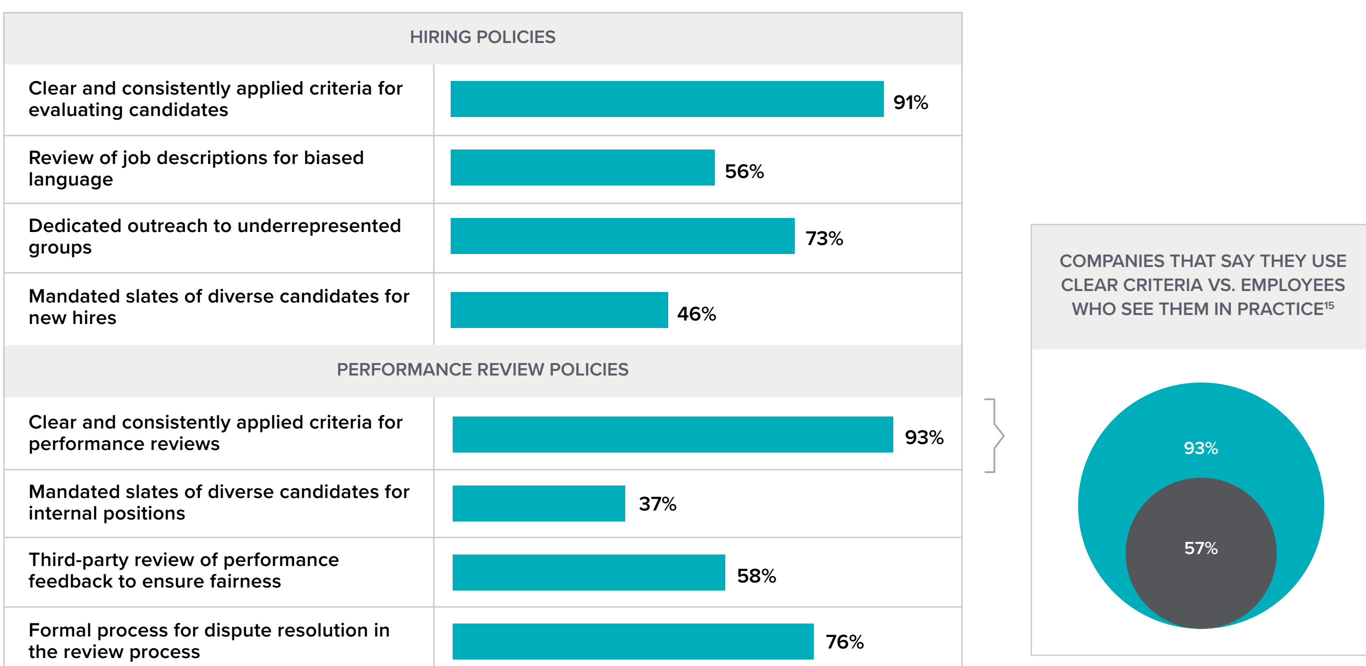
Companies also need better systems to ensure their policies are working. Currently, only 56 percent of companies review job descriptions for biased language, and fewer than 10 percent of employees say that personnel decisions are regularly evaluated for gender bias.

> Sourcing the right people is a critical first step in both hiring and promotions, yet fewer than half of companies require diverse slates of candidates.

POLICIES THAT COMPANIES HAVE IN PLACE

COMPANIES EMPLOYEES

% OF COMPANIES WITH POLICIES IN PLACE



15 Includes companies that report they use clear and consistently applied criteria for performance reviews versus employees who report that managers often or almost always evaluate employee performance using standardized, clear, and objective metrics.

3. Invest in more employee training

Even if companies have all the right policies in place, it's only part of the solution. Employees need to understand what steps they can take to get to equality, yet they clearly need more guidance: only 28 percent of entry-level employees and 51 percent of middle managers to managers say they know what to do to improve gender diversity in their company.

Bias training is particularly important. Although almost 100 percent of companies offer anti-harassment/discrimination training, far fewer offer employees bias training for hiring (67 percent) and performance reviews (56 percent). When employees don't understand how bias works, they are less likely to make fair and accurate decisions and push back on bias when they see it. As evidence of this, only 24 percent of employees report that managers regularly challenge gender-biased language and behavior.

27% of employees say they rely on themselves for information on improving gender diversity.

A LACK OF KNOWLEDGE LEADS TO A LACK OF ACTION

16 Based on employees who report that managers often or almost always challenge gender-biased language or behavior.

4. Focus on accountability and results

Companies need to place more emphasis on accountability. Only 40 percent of companies report that they hold their senior leaders accountable for performance against gender diversity metrics, and employees are even less likely to see this in practice: only 32 percent of employees report that senior leaders are regularly held accountable, and 9 percent report that managers are recognized for progress on gender diversity.

Although most companies track metrics on women's representation, targets are far less common. Only 44 percent of companies set pipeline targets, and even fewer set targets for external hiring and promotions. And targets matter—it is easier to track and make progress when a company has clear goals in place.

Although 91% of companies track gender representation by level, only 58% track salary differences by gender.

COMPANIES THAT TRACK GENDER METRICS

COMPANIES

% OF COMPANIES THAT TRACK . . .

Gender representation by level	91%
Attrition by gender	79%
Gender representation of external candidates for hire	72%
Gender representation at promotion rounds	60%
Salary differences in comparable positions by gender	58%
Bonuses in comparable positions by gender	34%
Assignment of high-visibility projects by gender	15%

Employees need the flexibility to fit work into their lives

More than two-thirds of companies offer programs to help employees balance work and life, including the option to work part-time and take leaves of absence. Fewer offer programs designed specifically for parents like extended leave and child-care subsidies.

The good news is that a majority of employees think these programs are effective. The bad news is that, with the exception of flexible work schedules, fewer than 25 percent of employees take advantage of them. In some cases, this is for fear of being penalized: 61 percent of employees worry that working part-time will hurt their career, and 42 percent believe taking a leave of absence or sabbatical will do the same. In other cases, employees may not be getting the right signals from higher-ups. Fewer than half of employees report that managers often support team members who take advantage of flexible work options, and even fewer say senior leaders frequently model work-life balance by taking time off.

Companies that report they offer programs to smooth transitions to and from extended leave, and guarantee employees a similar or better position upon their return, have a better representation of women in their ranks.

Getting gender diversity right matters

We see emerging evidence that certain diversity practices lead to important benefits: women and men are more likely to think their companies provide equal opportunities to learn and grow when leaders are held accountable for gender diversity, hiring and promotions are impartial, and companies embrace diverse work styles. Moreover, employees are more likely to report higher levels of engagement.

Looking ahead

Companies have an important role to play in reaching gender equality, and we will all benefit when they succeed. A fairer, more inclusive work environment will lead to more engaged employees. A more diverse workforce will lead to stronger organizations. And that's good for employees, good for companies, and good for all of us.

Appendix

Different talent pipelines call for different solutions

Although women are broadly underrepresented in corporate America, the talent pipeline varies by industry.[17] Some industries struggle to attract entry-level women (technology), while others fail to advance women into middle management (healthcare) or senior leadership (professional services).

To effectively improve women's representation, companies need to understand where they have the most significant pipeline challenges and focus their efforts accordingly.

REPRESENTATION OF WOMEN ACROSS INDUSTRIES

% OF WOMEN BY LEVEL

17 For more information, see "Breaking Down the Gender Challenge," McKinsey & Company, March 2016, available at http://www.mckinsey.com/business-functions/organization/our-insights/breaking-down-the-gender-challenge.

Acknowledgments

LeanIn.Org and McKinsey & Company would like to thank the 132 companies and more than 34,000 employees who participated in the *Women in the Workplace 2016* study. Their information and insights offer new visibility into the state of women in the workplace and the steps that companies can take to achieve gender equality.

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

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RACHEL THOMAS is president of LeanIn.Org, the non-profit foundation she co-founded with Facebook COO Sheryl Sandberg to empower all women to achieve their ambitions. Under her leadership, the Lean In community has grown to over 1.2 million women and men—and more than 29,000 peer support groups called Lean In Circles—in 150 countries. Rachel frequently writes and speaks on issues that affect women.

ASHLEY FINCH serves as vice president of partnerships at LeanIn.Org. Ashley oversees the strategic partnerships and programming that power the organization's global public awareness and community-building initiatives, and manages the team that supports its more than 800 corporate and non-profit partners.

MARIANNE COOPER, PH.D., is a contributor to LeanIn.Org and served as lead researcher for the book *Lean In: Women, Work, and the Will to Lead*. An expert on gender, women's leadership, and diversity and inclusion, Marianne is a sociologist at the Clayman Institute for Gender Research at Stanford University and an affiliate at the Stanford Center on Poverty and Inequality.

ELLEN KONAR, PH.D., is an advisor to LeanIn.Org and chairman of the board of Mindset Works. An expert in behavioral science, Ellen has developed data science and marketing programs at Google, IBM, and Intel, where she was the first woman and non-engineering executive to be honored as an Intel Fellow.

Methodology

COMPANY PIPELINE AND PROGRAMS SURVEY

This study is based on research from 132 companies across North America, building on last year's study of 118 companies and a similar study conducted by McKinsey & Company in 2012. Each participating company submitted gender diversity talent pipeline, policies, and programs data to McKinsey. Pipeline data included the current representation of men and women (overall and by race/ethnicity), distribution of line and staff roles, and number of hires, promotions, and employees who left the company by gender. Data was as of December 31, 2015.

Promotion and attrition rates were determined independently for women and for men at each level. Promotion rates were calculated by dividing the number of promotions into a level by the start-of-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. Women's and men's start-of-year headcounts were each calculated by adjusting year-end headcount for attrition, promotions, and hires during the year.

We drew aggregate conclusions from this data using the following heuristics:

- **Averages across companies:** In calculating aggregate pipeline statistics, we took an average of averages. Each company received equal weighting to avoid overemphasizing the results of the largest employers.
- **Industries weighted to match Fortune 500:** Representation of women was calculated using industry weights to approximate the composition of the Fortune 500 as of May 20, 2016. This enabled us to avoid overemphasizing particular industries overrepresented in our sample. Other pipeline statistics were not adjusted. All reported trends hold with and without this weighting.

DEFINITION OF LEVELS

Companies categorized their employees into six levels based on standard definitions. Companies with more or fewer than six levels were encouraged to consider three elements when assigning employees: reporting structure, salary, and advancement. The levels and definitions are as follows:

- L1—C-level executives and presidents: CEO and his or her direct reports, or those responsible for company operations and profitability
- 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 or team
- L6—Individual contributors: 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.

For many analyses we consolidated the six organizational levels into three larger groupings: senior management, middle management, and entry level. These larger groupings assured larger samples to maximize reliability and reduce the likelihood of chance findings in all groups. The mapping of levels to these groupings is:

- Senior management—L1, L2, and L3
- Middle management—L4 and L5
- Entry level—L6

EMPLOYEE EXPERIENCE SURVEY

Reporting on the employee experience is based on a survey from thirty-nine companies. More than 34,000 employees in North America completed the survey, representing an average response rate of 42 percent. The survey comprised eighty-three questions. No single company contributed more than 8 percent of the total responses. This research builds on our 2015 employee survey, which included thirty-four companies and nearly 30,000 employee respondents.

Group differences: Differences between groups are reported only when they are at least five percentage points and are statistically significant at a 95 percent confidence level using a two-tailed test, unless otherwise indicated. This maximizes the likelihood that differences are both reliable and of a meaningful magnitude.

REGRESSION ANALYSES

We used a multiple regression approach to identify company practices that best predicted employees' sense that the best opportunities go to the most deserving employees and/or that employee engagement is high at their company. Interaction terms were tested to identify any differences in predictive value of practices for men and women, and all models were adjusted for company-specific variation.

We also used multiple regression analysis to assess whether the degree of representation of women in each level of the organization could be predicted by the presence or absence of any HR/flexible work programs.

Findings reported are those in which practices significantly ($p < .05$) predicted representation, perceptions of equal opportunity, or employee engagement and the relationship was meaningfully large ($B > 0.05$).

COMPANIES INCLUDED

Participating companies opted in to the study in response to invitations from LeanIn.Org and McKinsey & Company or by indicating interest through a public website. Their participation in the Employee Experience Survey was encouraged but optional. The industry breakdown of participating companies is as follows:

- Technology (Electronics, Hardware, Software, and Information Technology Services)—21
- Banking, Insurance, and Financial Services—19
- Logistics, Travel, Infrastructure, and Industrial Manufacturing—17
- Asset Management and Institutional Investors—14
- Professional and Information Services—14
- Healthcare and Pharmaceuticals—13
- Consumer Packaged Goods—10
- Energy and Basic Materials—9
- Media, Entertainment, and Telecom—8
- Retailers and Restaurants—7

GEOGRAPHIC COVERAGE

This report covers only findings from North America (United States and Canada). We collected additional data for four other geographic regions: Europe, Asia Pacific, Latin America, and Middle East/Africa. We may publish further analysis on these regions at a later date.