당 THE BROKEN RUNG

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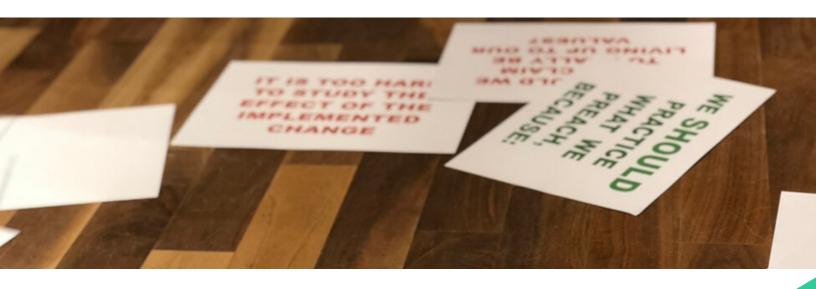
When it comes time to promote into a senior-level position, managers in many companies that have committed to pursuing diverse slates are asked, "Do we have any women ready to promote now?" If the answer is no, how often is the matter left there, with a regretful shake of the head? If the answer is no, senior leaders should be asking "Why not?" and "What can we do to have several diverse candidates ready next time?" And then put accountability measures in place to ensure pipeline goals are being met.



The 2019 McKinsey & Company Women in the Workplace <u>study</u> found that for every 100 men promoted or hired into their first management position, only 72 women are given the opportunity to take the same step. They estimate that closing that gap -- a phenomenon called **"the broken rung"** on the career ladder -- would add 1 million women to management over the next five years.

Unfortunately, this is an issue that most companies are not even aware exists. According to the study, only 19 percent of HR leaders said that getting promoted to first-level manager roles is one of the biggest challenges for women at work. If human resources, the people who are charged with developing talent and succession planning, are not aware of this as an issue, then surely the rest of the company is virtually unaware as well.

Fortune's Emma Hinchliffe <u>points out</u>, "Companies have focused their gender diversity efforts on the C-suite, which is the segment that's seen the most progress in the past four years; 44 percent of companies now have three or more women in their C-suite, up from 29 percent in 2015." But there is less focus on the lower visibility roles that provide a pathway to the corner office, which includes any role with management responsibility for others.



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Young employees are not only looking to companies for further development and the chance to spread their wings, but they are also paying close attention to the culture of a company. Diversity at all levels is a deciding factor for both millennials and Gen Z employees. When looking at a company as a potential employer, 77 percent of Gen Z employees and 69 percent of millennials say that a lack of diversity in both the company and its leadership will cause them to think twice before joining. Next Generation employees care deeply about opportunity and fairness, not only for themselves but for everyone. They want the system to be fair and reflective of the world around them.

Diversity in leadership is not something that companies can look at as a passing trend.

By 2025, 75 percent of the U.S. workforce will be made up of millennial and Gen Z employees.

However, they are looking to advance in their careers now. Addressing these issues of diversity at all levels is something that must be done now or else companies will continue to have an insufficient pipeline of women and diverse leaders who are prepared to move into leadership roles.

According to the McKinsey study, there are 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

2. Require diverse slates for hiring and promotions





3. Put evaluators through unconscious bias training

4. Establish clear evaluation criteria





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

If corporate cultures are to evolve to the point where leadership at all levels is more reflective of the society around us, companies must articulate the business case for gender diversity at all levels AND hold people accountable for tangible results. Hard metrics aren't quotas. In order to be fiscally responsible, businesses track and measure everything from inventory to pending orders and turnaround times. At all levels of a company, we track. We measure. We ask questions. We hold people accountable. We make adjustments to a strategy based on the numbers. It's all about the bottom line. It's time to measure and track gender balance and pay equity at all levels of the organization and hold managers accountable.



In addition to a strategy incorporating metrics and accountability, sustainable change requires shifts in the overall corporate culture and policies, which can be harder to implement and don't happen overnight. These shifts include flexible work policies for all employees, paid family leave, affordable healthcare, and work/life balance programs. To effectively change culture, leaders must allow for issues to be raised and discussed without fear of retribution. The long-term financial viability of our companies is dependent upon us solving these issues for our employees and for ourselves.

This whitepaper builds on the Women in the Workplace 2019 study conducted by McKinsey and LeanIn.org.

To read the 2019 study in its entirety, as well as each previous years' study, please

visit womenintheworkplace.com.

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At Core Elevation, Inc. our guiding principles are based on the continuous development of each person as a leader because we believe that our power is our people. There is no one who exemplifies that principle more than our founder and CEO, Amanda Hammett. Amanda was lovingly nicknamed the Millennial Translator after one of her 800+speaking engagements across north America to the very generation corporate America is desperately trying to connect with and understand, the millennials. Amanda's ability to grasp and articulate the millennial's state of mind not only to millennials themselves, but to corporate executives from other generations, continues to drive demand for consulting, workshops and speeches throughout the world.

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