Gender Equality in the Workplace

December 2016





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I. Executive Summary

The Fairygodboss mission is to improve the workplace for women. Since 2015, we've provided a free and safe platform for women to share their workplace experiences authentically. On the Fairygodboss platform, women anonymously provide advice to each other about what their jobs are like and whether their employers are supportive of women.

Approximately 100,000 women visit Fairygodboss every month and share information about their employers and jobs. As a consequence, we've amassed unique, proprietary data which we plan on summarizing each year in an annual report.

Our 2016 inaugural report features data and content from women in our community, as well as third-party research that has been published during the year from other reputable research organizations. We present our findings on the wide range of issues affecting women in the workplace, ranging from how employers can attract and recruit women, to what areas of focus will help them retain women, and what corporate practices and employer benefits correlate with women's job satisfaction.

While there may not be a one-sized fits all solution to how to improve the workplace for women, data in this report suggests there are at least **9 areas of focus for employers** to improve their recruitment and retention of women throughout their organization.

• Broadcast your benefits, culture and policies.

Female job-seekers report that they have a hard time understanding what employers' culture, practices and benefits are. Yet these potential recruits care a great deal about women's opinions about working at a given company, and make job application decisions based on them.

• Examine your pay practices.

Women in the workplace are very aware of and concerned about compensation inequality, and how their pay stacks up against their male peers'. Even if you cannot commit to a full-fledged pay audit, you should set practices into place that encourage consistent pay across job titles. As a result you will improve your ability to attract top talent, increase job satisfaction and drive retention of female employees.

• Prioritize gender diversity, particularly within management.

Fairygodboss data proves - perhaps unsurprisingly - that there is a clear correlation between women's job satisfaction and gender equality at their company. We've also found a correlation between women's job satisfaction and diverse management teams. In other words, diverse management ranks are essential to driving gender equality throughout the organization. So take some time to consider whether your management team composition reflects your culture and priorities. Bottom line: investments in diversity initiatives and programs are truly worthwhile because they result in higher

job satisfaction and therefore attraction and retention of women.

• Ensure your company is promoting women equally to men.

According to Fairygodboss members, unequal promotion is the top area in which they observe gender inequity in their organizations. Unequal access to sponsors, unfair evaluation, and boys' club mentality are some of the reasons women provide for this concern. To improve your company's practices, take a look at your promotion and succession planning processes, and pursue mechanisms to remedy this persistent cycle.

• Improve your maternity and parental leave policies.

Women with young children have the lowest labor force participation rates. To increase the likelihood that mid-level women return and stay with your company after maternity leave, consider improving your benefits. Make sure you understand how your company's leave policies compare to competitors. A top-tier leave program serves as a strong stake in the ground about your company's commitment to women and families.

• Formalize work-life balance and flexibility practices.

Women report that many employers are family-friendly in terms of the hours they work, yet many remain disappointed about official policies. The degree to which work-life balance exists for a given employee most often comes down to the individual manager. Flexibility, which is a prized feature of any job, is rarely consistently or formally supported. A well-articulated flexibility policy can be a real asset to employers looking to recruit the best talent.

• Encourage mentorship and sponsorship for women.

Women consistently report less access to senior leadership. Consider formal programs or other options to build an infrastructure to support, mentor and sponsor women at your company.

• Lead the way with bold steps to support women.

Companies are making real change by demanding greater diversity from their vendors, performing compensation audits and proving out the business case for on-site daycare. Your leadership stance on gender diversity issues can make a difference -- not just to your own employees, but to women everywhere.

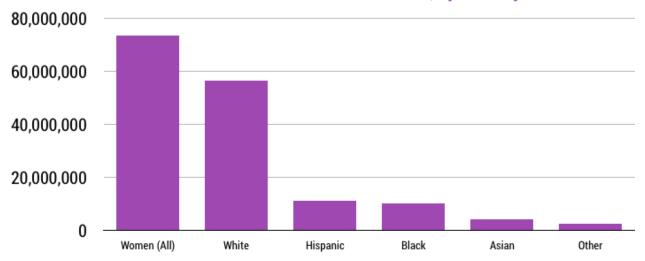
• Engage men in the conversation.

Although most men support gender diversity in the workplace, they are often unaware of bias or discrimination when it takes place. More direct and honest conversations between men and their female peers and direct reports can lead to greater sensitivity and more effective partnership.

II. Women in the Workplace Statistics

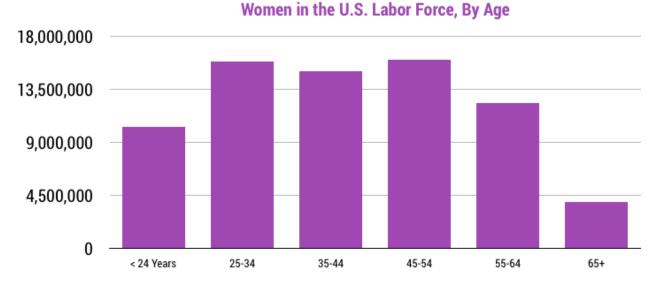
In the U.S. there are over <u>73 million working women</u>, representing approximately 47% of the labor force as defined by the latest annual U.S. Department of Labor statistics. The percentage of the labor force that is female has <u>plateaued since the year 2000</u>.

A majority of the women in the U.S. labor force work full-time (approximately 52 million), are Caucasian (76%) and are under the age of 44 (56%).



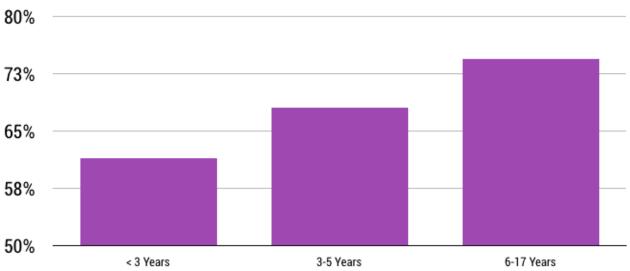
Women in the U.S. Labor Force, By Ethnicity

Source: U.S. Department of Labor



Source: U.S. Department of Labor

Most mothers work. 70% of women in the U.S. with children under the age of 18 are employed at least part-time outside of the household or actively looking for work. The labor force participation rates vary for mothers depending on the age(s) of their children, with the lowest labor force participation rate among mothers of children under the age of 3.



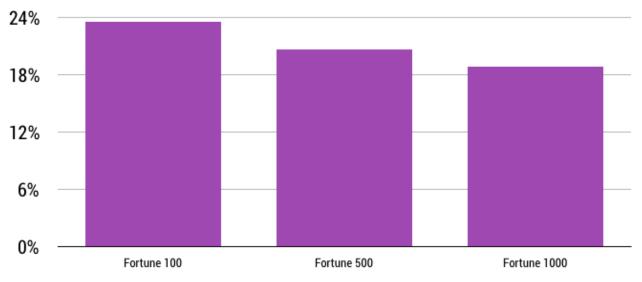
Labor Force Participation Rates of Mothers (Based on Children's Age)

Source: U.S. Department of Labor



III. Women in Management and Leadership

Despite the widespread participation of women in the workforce, very few women manage to achieve management or directorship status at their employers. According to <u>20/20 Women on Boards</u>, 24% of Fortune 100 companies had a female director on their board, while the percentages fell further among the Fortune 500 and Fortune 1,000 companies in the U.S. to 21% and 19%, respectively.



Percentage of Fortune 100, 500 and 1,000 Companies With Female Directors

Source: 20/20 Women on Boards

Moreover, while women comprise 44% of the employees of the S&P500 companies, according to <u>Catalyst data</u>, they represent less than 5% of their CEOs, and only approximately 25% of managerial or senior, executive-level positions.

50% 38% 25% 13% 0% CEOs Top Earners Board Seats Executive / Senior-Level First/Mid-Level Officials and Managers Total Employees

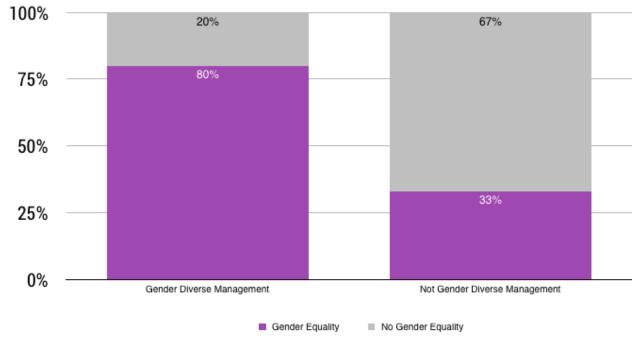
Percentage of Women Occupying Roles in S&P 500 Companies

Source: Catalyst (2016)

Within the Fairygodboss community, the dearth of women in senior management is acutely felt. In fact, many women in our community frequently volunteer observations about the lack of gender diversity in their management as evidence of a unfriendly work environment. For example, here is a Fairygodboss member review from a woman at an industrial company:

"They claim that there are many women in leadership, but most are in middle-management and I've heard a lot of talk about them behind their back from their direct reports, other women leaders, other men leaders, etc. It's quite discouraging. You have to be a little crass and be "one of the boys" to fit in, especially in some departments. It's very obvious that you are treated differently."

We have correlated these observations about gender diverse management teams with women's opinions about gender equality in their workplaces and found a strong relationship between the two.



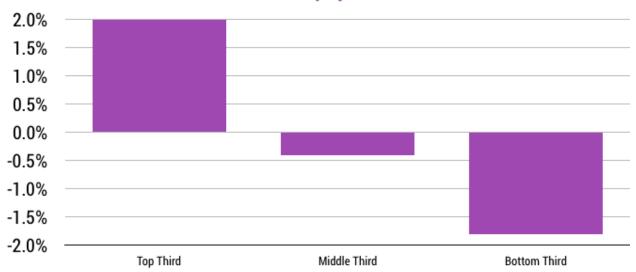
Relationship Between Gender Diversity in Management and Perceptions of Gender Equality in Company Culture

Source: Fairygodboss

To improve the numbers of women in senior management, some employers have implemented policies and incentives that explicitly tie manager compensation (usually bonuses) to diversity goals. For example, after seeing declines in the number of female employees, in 2016 <u>Microsoft</u> tied executive bonuses to achieving company diversity goals. Other employers, such as Citigroup and <u>Blackrock</u> tie talent strategy to business goals.

IV. Gender Diversity and Company Performance

Beyond being a human rights issue, gender diversity is shown to improve corporate performance. According to a quantitative <u>analysis by Morgan Stanley</u> this year, companies who had more female employees performed better than a cohort of firms with less gender diversity.



Positive Relationship Between Equity Returns and Gender Composition of Employee Base

Source: Morgan Stanley

Similarly, a <u>global survey</u> earlier in 2016 found that the presence of women in corporate leadership may be related to improved firm performance. Using a global dataset of 22,000 firms, researchers found positive correlations between company financial performance and companies with the highest proportion of female executives. To a lesser extent they also found positive correlations between company financial performance and female board members. However, they found zero correlation between female CEOs and positive firm performance, "underscoring the importance of building a pipeline of female managers and not simply getting lone women to the top."

V. Women in the Corporate Pipeline

When it comes to the pipeline for talent, women are represented proportionately to their labor force participation rate during the entry-level years, but women do not appear to be advancing equitably beyond that level of seniority. There appears to have been no progress since 2015 with respect to the percentage of women managers according to a <u>McKinsey & Co. study</u>.

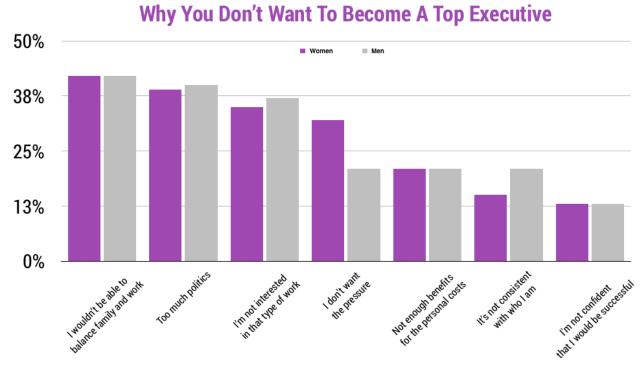


Gender Representation in Corporate Pipeline (2016)

Source: McKinsey & Co.

While there's no simple answer for why the representation of women falls so drastically relative to men as their careers advance, there is some data that suggests personal preference, social and cultural pressures, as well as workplace bias all play a role.

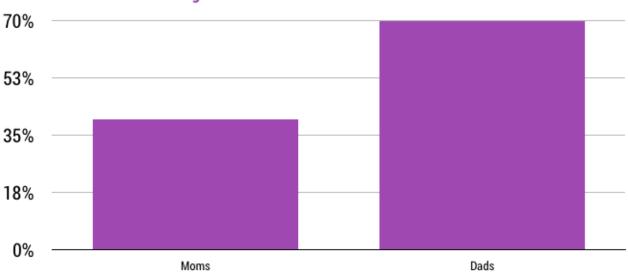
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On the whole, fewer women report interest in promotions and becoming a top executive.

Source: McKinsey & Company

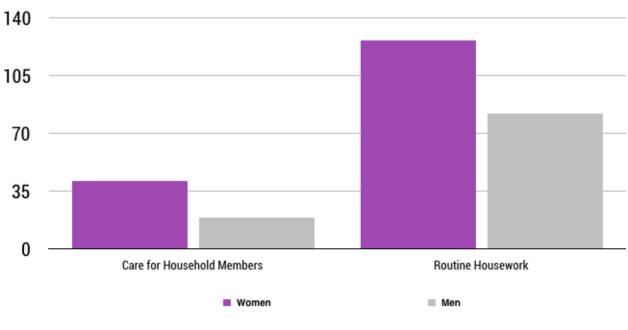
However, other reasons may also be at play. According to a 2016 <u>Gallup survey</u> of over 300,000 Americans, the majority (60%) of *mothers* would prefer to stay home rather than work outside the home whereas only a minority (30%) of fathers would prefer to stay at home rather than work outside the home.



Percentage of Parents Who Prefer To Work Outside The Home

Source: Gallup Survey of Women in the Workplace (2016)

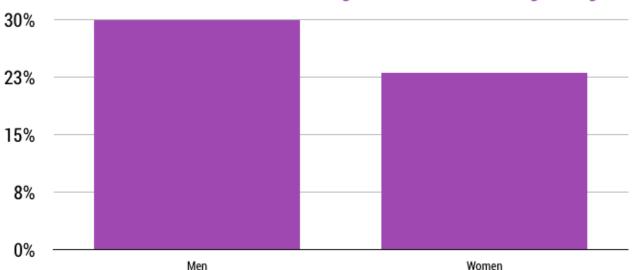
The overall context of this preference by women and working moms, respectively, is important to understand. Since caretaking and unpaid household work outside the workplace still disproportionately falls on women and mothers (relative to men and fathers), pressure in the workplace may add to an already higher level of responsibility and pressure on women overall. The high cost of childcare in the U.S. also makes for stark tradeoffs for many families.



Minutes Per Day Spent By Men and Women

Source: U.S. data from the OECD (2014)

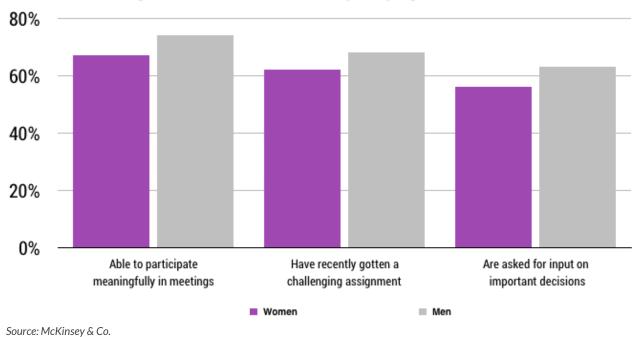
Further, there is reason to believe that in general, women experience more stressful working conditions on the job compared to their male counterparts. For example, <u>academic research</u> published this fall found that women in a sample of over 4,000 Australian women asked for raises as often as men, but were 25% less likely to receive them. This data echoes McKinsey & Co. surveys showing that women negotiate as often as men but face negative feedback when they do, and are unsuccessful relative to men.



% Men & Women Who Received Negative Feedback After Negotiating

Source: McKinsey & Co.

Moreover, men and women seem to have different daily experiences in the workplace with fewer women citing less meaningful participate in meetings, challenging work assignments and ability to provide input into important decisions relative to their male counterparts.



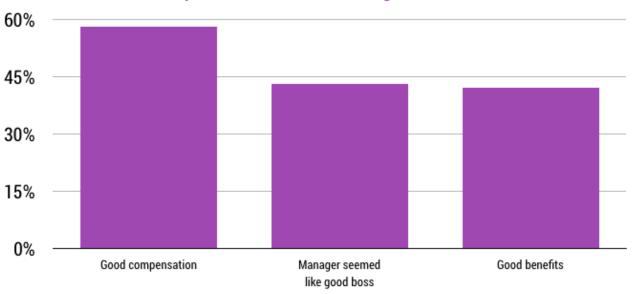
Percentage of Men & Women Who Say They Agree With These Statements

For example, a Fairygodboss member in the consulting industry reports:

"The glass ceiling hangs very low [here]. You will get pats on the head for good work, but in leadership meetings, the men openly dismiss women team members."

VI. Compensation & Equal Pay

For women in the workforce, financial compensation is unsurprisingly the number one most factor for female job applicants when having selected their most recent job.

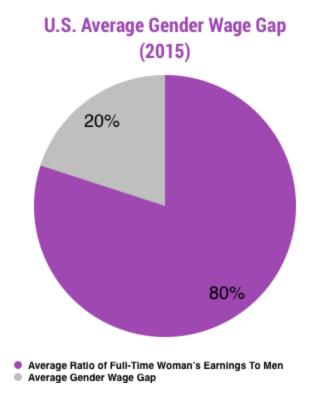


Most Important Factors For Choosing Your Most Recent Job

Source: Fairygodboss

However, women face challenges overall when it comes to achieving equal pay.

The latest <u>government statistics from 2015</u> show that women working full-time in the U.S., on average earn \$0.80 for every \$1 a man earns on average. According to the U.S. Census Bureau, this difference in wages (also known as the "gender wage gap") hasn't materially changed since 2007. Experts note that the gender wage gap has narrowed since the 1970's due to women's higher workforce participation rates and educational progress, but that at the rate of progress we saw between 1960-2015, we will reach gender wage parity sometime between 2059 and 2152.



Source: U.S. Census Bureau

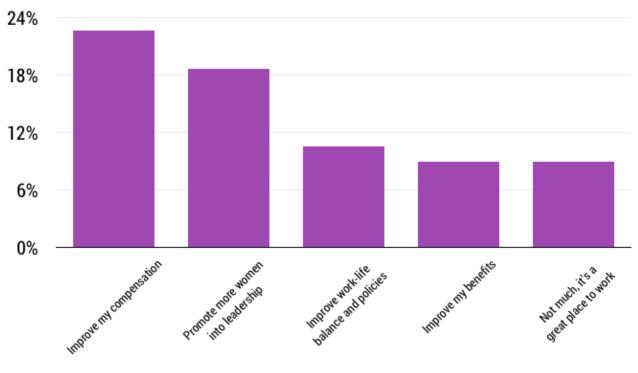
Further, recent research from the American Sociological Review shows that the so-called "motherhood penalty" - in other words, the reduction in pay that women who have children face - is <u>as high as 10%</u> among highly-paid, highly-skilled workers.

Even after women are recruited and hired, compensation remains a top issue of concern.

In a review from a Fairygodboss member about her tech employer:

"My pay is lower than nearly everyone else I have been working with (all guys at the time) including new people to the team who were hired four years after me. I now make what the new people being hired to the team make five years later, while people hired one year after me are making literally tens of thousands more than me. Going to HR would result in intimidation from the higher bosses of this area and I need my job."

Not surprisingly, when women in the Fairygodboss community were asked, "What is one thing your employer could do to make it more likely you will stay?" the top answer was "Improve my compensation."

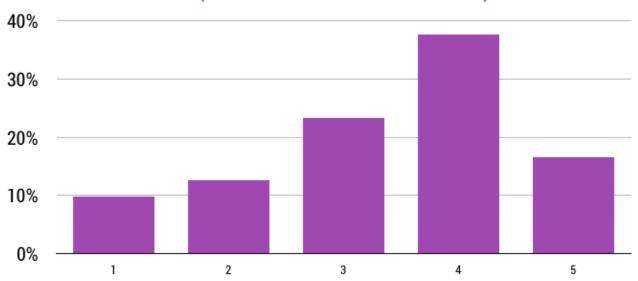


"What's One Thing Your Employer Could Do To Make It More Likely You'll Stay?"

Source: Fairygodboss

VII. Women's Job Satisfaction

Across the entirety of the Fairygodboss community, women generally report balanced views on job satisfaction. For example, a plurality of women report job satisfaction levels of 4 on a scale of 1-5 where 5 represents the highest level of job satisfaction. Less than a quarter of reviews on Fairygodboss are negative.

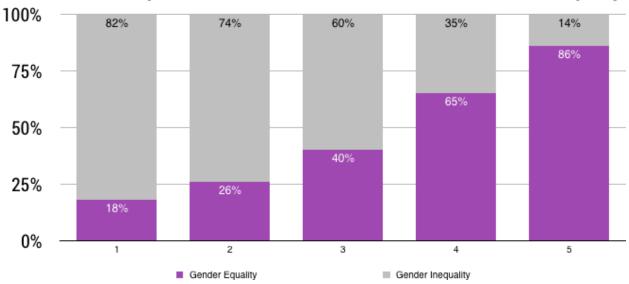


Women's Job Satisfacation Levels (scale of 1-5 where 5 is most satisfied)

Source: Fairygodboss

The more difficult question is what factors drive job satisfaction for women. Job satisfaction is a complex and multifaceted issue. We have analyzed women's job satisfaction levels at their companies in correlation with other opinions and experiences they report. In sum, we have found that women experience more job satisfaction when they make certain remarks about their employers and workplaces. In particular, we found significant correlations between job satisfaction and reports of workplaces that (a) have a culture of gender equality; (b) are family-friendly and (c) where there is good work-life balance.

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Relationship Between Women's Job Satisfaction Levels and Gender Equality

Source: Fairygodboss

We interpret this data to mean that when a management and/or culture is highly engaged around improving gender diversity, women are more satisfied overall. In other words, gender diversity efforts yield results.

For example, at Salesforce, which is one of the top-rated companies on Fairygodboss, CEO Marc Benioff has been known to be a strong advocate. Benioff put his intentions into action when he <u>engaged a compensation</u> <u>audit</u> to ensure pay was equal between men and women throughout the organization. Manpower CEO Jonas Prising wrote an article called "How <u>to be a Male Feminist at Work</u>" for the World Economic Forum - taking a strong public leadership stance in the gender equality conversation.

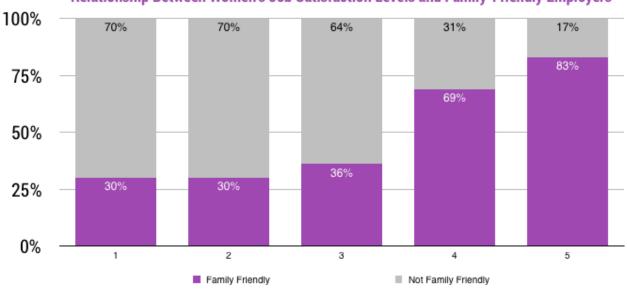
Moreover, this year three companies - General Mills, HP and Verizon - put their money where their mouth is by announcing they would <u>require their advertising agencies to improve gender diversity</u> or risk losing their business.

One Fairygodboss reviewer said of her experience at PIMCO:

"Senior leadership is committed to diversity. Firm has a women's group that raises awareness of unconscious gender bias, runs a mixed gender mentoring program and hosts some great leadership speakers. The maternity leave is now 16 weeks fully paid. There is a parents network with a new-mom mentoring program that helps you navigate working while pregnant and both going out and returning from leave. Mother's rooms have hospital grade pumps."

Companies that take a strong, progressive stance toward increased gender diversity reap the rewards in terms of increased retention and attraction of female employees.



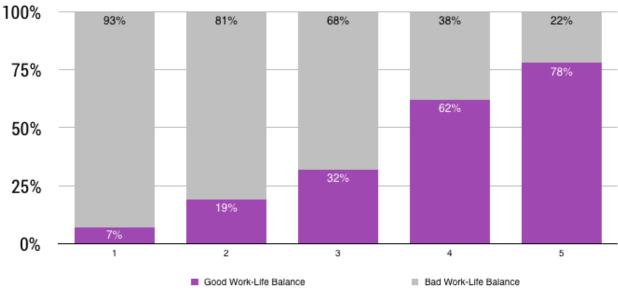


Relationship Between Women's Job Satisfaction Levels and Family-Friendly Employers

Source: Fairygodboss

Many savvy employers have determined that being a family-friendly employer is a great way to attract top talent - both female and male. Patagonia's CEO Rose Marcario made waves this year by publishing a <u>strong</u> <u>financial case for on-site daycare</u> in Fast Company. Many others such as GlaxoSmithKline allow employees to work from home regularly - generally at manager discretion. As one employee said on Fairygodboss:

"[GSK} did afford me flexibility with raising children. I could be flexible with my working hours and I was lucky enough to work for many managers who were open to working from home when there were sick kids or doctors appt etc."



Relationship Between Women's Job Satisfaction and Work-Life Balance

Source: Fairygodboss

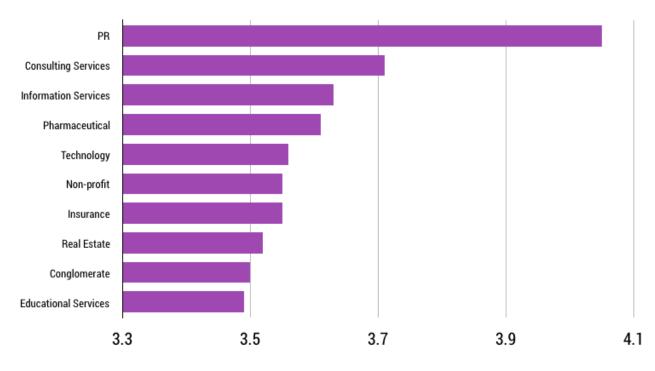
Generally speaking, certain companies are better known for their support of working parents - which drives solid retention. As this woman who works at Google said in her Fairygodboss review,

"I haven't had a child of my own yet, but am thinking about having my first in the next 2 years. The reason I'm staying at this company is I see many women here with 1-4 kids who are doing a great job of balancing work and family."

Job Satisfaction Along Macro Dimensions

Moreover, job satisfaction levels for women vary by department and industry.

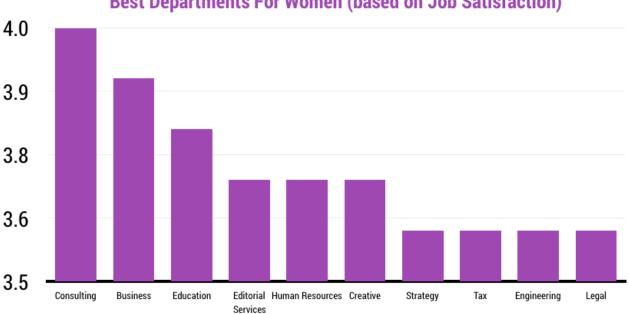
The best industries for women based on job satisfaction include many traditionally female-dominated industries such as PR, education, and non-profit organizations. However, women also ranked traditional industries such as consulting, technology and pharmaceutical industries quite highly. The worst performing industries by job satisfaction were pharmacies and drug stores, transportation and aerospace.



Top 10 Industries Ranked By Women (by Job Satisfaction)

Source: Fairygodboss

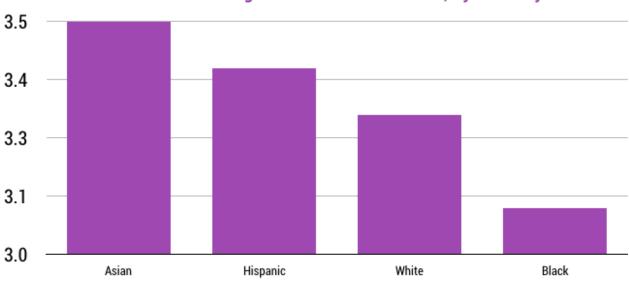
In terms of departments, women reported the highest levels of job satisfaction when working in the consulting, business and education departments. The top 10 departments as ranked by women also include Human Resources, Strategy and Tax.



Best Departments For Women (based on Job Satisfaction)

Source: Fairygodboss

When it comes to job satisfaction, certain differences between women of color and their Caucasian counterparts appear, with Asian women reporting the highest levels of job satisfaction and black women reporting the lowest levels of job satisfaction.



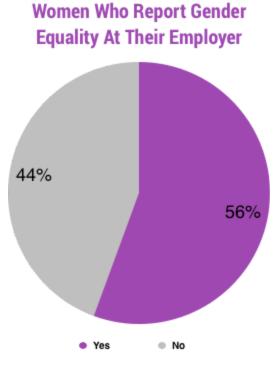
Women's Average Job Satisfaction Levels, By Ethnicity

Source: Fairygodboss

These findings raise some unanswered questions about the overlapping roles that gender and race bias play in workplace experiences and we explored some of those issues in this <u>piece about intersectionality</u>.

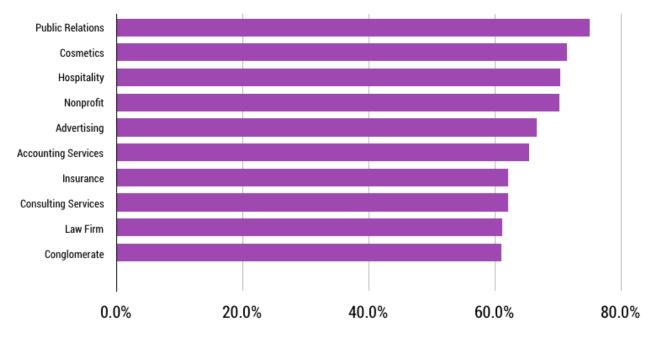
VIII. Gender Equality in the Workplace

Among the Fairygodboss community, a majority (56%) of women report their employers treat men and women equally and fairly in their workplaces.



Source: Fairygodboss

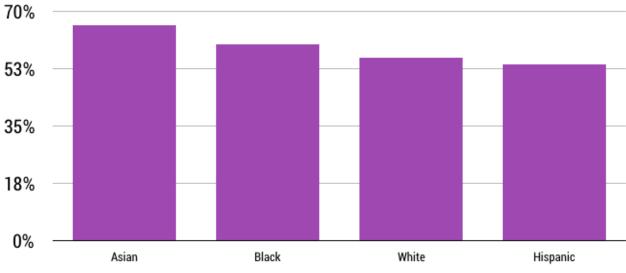
Gender equality reports varied across ethnicity, employers and industry, however.



Top 10 Industries Ranked By Women (for Gender Equality)

Source: Fairygodboss

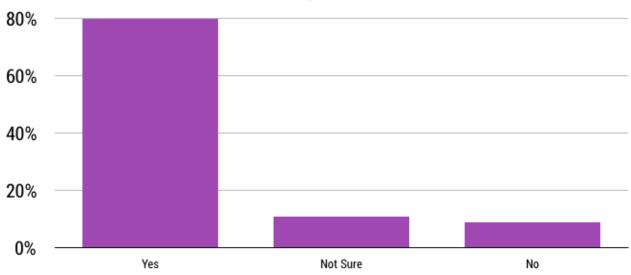
Percentage of Women By Ethnicity Who Report Employers Treat Men & Women The Same At Work



Source: Fairygodboss

IX. How to Attract & Recruit Women

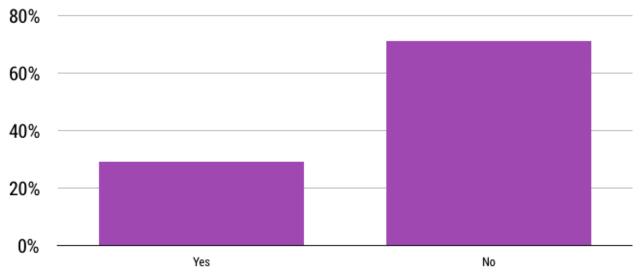
While there may not be any one-sized fits all solution in terms of how to attract and recruit more women, one thing is clear: if companies have benefits, policies and a culture that female employees feel positively about, potential hires are interested in that information.



Are You Interested in Information About Companies' Pay, Policies and Culture Specifically With Respect To Women?

Source: Fairygodboss

Moreover, the majority of women we polled (over 70%) don't feel that companies communicate enough about their culture and policies and benefits during the recruitment and interview process.

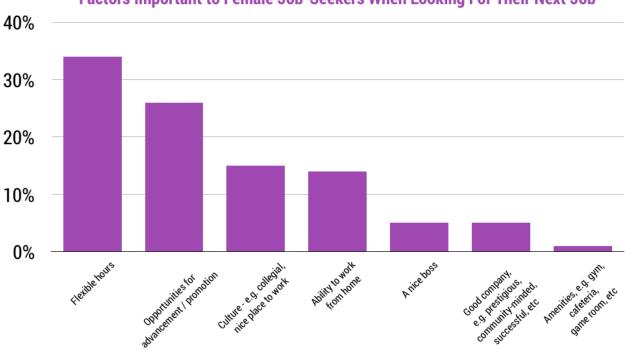


Do You Think Companies Tell You Enough About Their Benefits And Culture During The Recruitment / Interview Process?

Source: Fairygodboss

This represents a large opportunity for employers who have already made investments in gender diversity or committed to benefits and policies in support of women to tell their story and potential candidates about why their culture, benefits and policies are supportive of women.

More generally, employers should showcase benefits and programs that they are proud of. The following factors other than compensation were ranked by women in response to a survey question about the factors important to them in taking a new job.



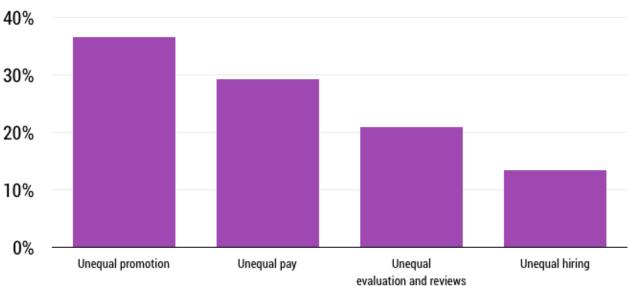
Factors Important to Female Job-Seekers When Looking For Their Next Job

Source: Fairygodboss

We should note that another way employers have tried to increase the number of women at their firms is to create employee referral programs that incentivize the referral of women and minority candidates. <u>Intel</u>, for example, has implemented such as program in 2015 and <u>Accenture</u> - a company which has publicly set ambitious gender diversity targets - launched a similar program in 2016.

X. How To Retain Women

Often, companies cite a <u>lack of qualified women in the pipeline</u> as a key cause of the gender imbalance in their senior management ranks. Since promoting women is part and parcel of retaining them, it's troubling that many women report that they see gender inequality when it comes to who gets promoted.



Women On Sources Of Gender Inequality In Their Workplaces

Source: Fairygodboss

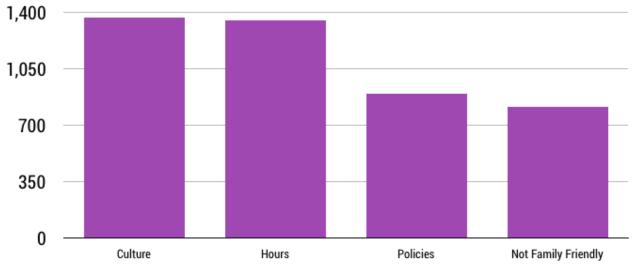
Several companies have stepped up to the challenge of reducing gender bias to allow more women to advance successfully. <u>Deloitte</u> has built an Emerging Leaders Development Program which officially connects high-potential manager to formal sponsors. <u>IBM</u> completely <u>overhauled its performance review process</u> to reduce human interaction -- and therefore biases.

Succession planning is also a key tool that can be used to improve female retention and thereby, the presence of women in leadership. For example, OnDeck, the fast-growing Fintech startup is so focused on their team members' development that they created a dedicated Career Development role in their People Operations department. This person focuses on helping managers and team members have the tools, resources and experiences to grow and feel confident in their careers, which drives engagement and allegiance to the company.

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XI. Work-Life Balance, Family-Friendliness and Flexibility

Unfortunately, many women still report that they work for employers that are not family-friendly. However, we are encouraged to see that a high percentage (almost 40%) of women Fairygodboss surveyed reported their employers were family-friendly in at least one way. The leading avenue through which employers demonstrated their family-friendliness appears to be through culture, followed by working hours and then policies.

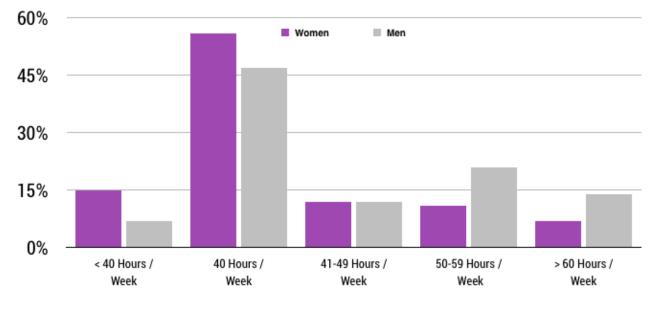


Women's Answers To The Question, Does Your Employer Offer Family-Friendly...

Source: Fairygodboss

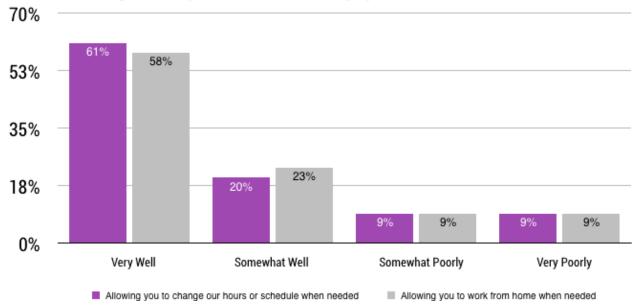
Our findings are directionally consistent with Gallup survey data of working mothers which found that 61% of working moms believed their employers met their needs for changed or adjusted scheduling and hours where they needed it. The fact that many women in the Fairygodboss community find their employers offer family-friendly hours is also consistent with the fact that the majority of American women who are employed full-time appear to work 40 hours per week or less.

Hours Worked Per Week



Source: Gallup Survey of Women in the Workplace (2016)

In addition to total hours worked per week, it appears most working moms perceive their employers offer flexibility in terms of when those hours are worked.



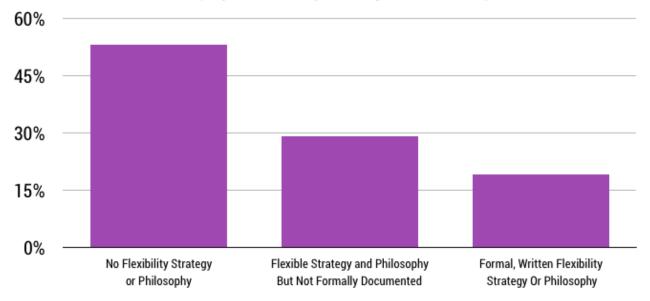
Working Moms' Opinions of How Well Employers Meet Their Needs In These Areas

Source: Gallup Survey of Women in the Workplace (2016)

As we have already observed in Section VII of this report, there is a significant correlation between women's job satisfaction and their overall job ratings. For employers focused on keeping female employees happy and engaged, work flexibility programs and policies should be on your radar..

Flexibility of work schedules may be one way employers can create family-friendly workplaces. Flexibility practices such as telework on an ad-hoc basis (e.g. meet a repair person, sick child, etc.), flex time (flexible start/stop times), part-time schedules (with or without benefits), phased return from leave, shift-working and and remote working are all programs that help support working parents with family caretaking responsibilities.

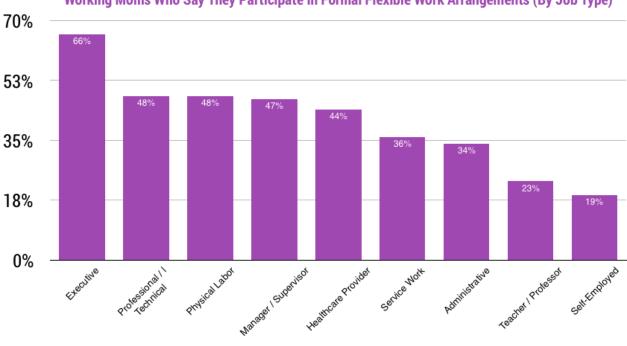
While employers are roughly divided into whether they offer flexibility at work, the ones that do offer flexibility generally do not formally document or administer their programs.



Employer Flexibility Strategies or Philosophies

Source: WorldatWork and Flexjobs (2015)

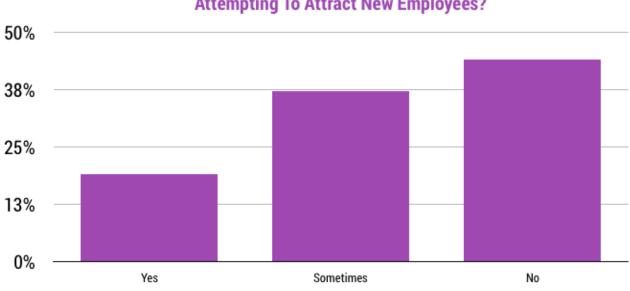
This leads to intra-company differences at the department or manager level in terms of which women (and men) receive flexible working benefits. A common refrain among the women who review their employers on Fairygodboss is that flexibility "depends on the department and your manager." According to a report by Working Mother, executives, professional and technical employees are most likely to engage in formal flexibility in their work arrangements:



Working Moms Who Say They Participate In Formal Flexible Work Arrangements (By Job Type)

Source: Working Mother (2013)

Due to the fact that a minority of companies have formal approaches to flexibility, it may not be surprising that employers generally do not market their flexibility as a key employment benefit when trying to attract new employees.

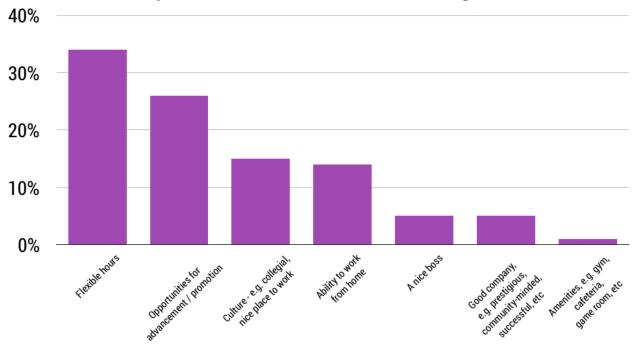


Does Your Organization Market Flexibility As A Key Employee Benefit When Attempting To Attract New Employees?

Source: WorldatWork and Flexjobs (2015)



However, we believe this is a missed opportunity. When we surveyed women on what factors are most important to them in evaluating a new job opportunity, flexibility was a top consideration:



Factors Important to Female Job-Seekers When Looking For Their Next Job

Source: Fairygodboss

Hence, companies with clearly articulated approaches to flexibility hold a key advantage in the war for talent. For example, <u>Dow Jones</u> touts a "work anywhere" program. <u>Dell</u> aims to have half its staff on flexible schedules by 2020. <u>Square</u> has unlimited PTO.

One important note about flexibility: It seems many women would like to take advantage of flexible work arrangements without having to sacrifice the impact of their work or their career trajectory. Said a reviewer of an accounting firm:

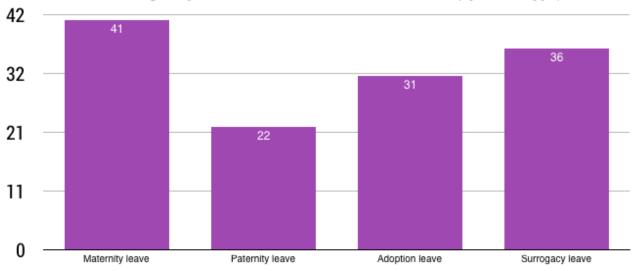
"Flexible work arrangements are possible while still doing interesting and challenging work in finance/asset management/regulations .Flexibility and time off is a plus, however salaries are below financial industry average. I feel like I am sacrificing my career a bit, but I like the flexibility."

The more universal and specific the flexibility policy, the more likely that female (and male) employees will take advantage of it and still continue to deliver and fulfill their potential.

XII. Maternity and Parental Leave Policies

In recent years, public awareness and support for paid family leave has happily increased. That said, U.S. companies that offer paid leave policies are still in the minority. Only 12% of civilian, private sector employees had access to paid family leave, according to 2015 data from the <u>U.S. Department of Labor</u>.

When employers do offer paid parental leave, the amount offered by companies varies depending on the whether the employee is a mother, father, or adopting children.



Average Days of Parental Leave Awarded Per Year (by Leave Type)

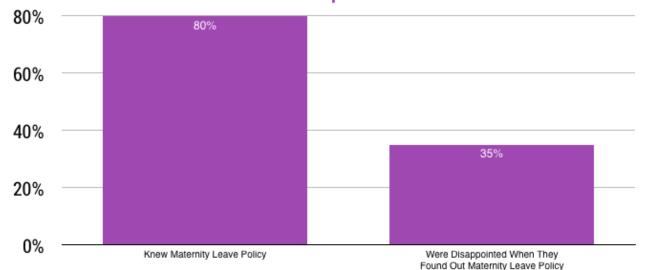
That said, many employers now offer parental leave and maternity leave policies that are more generous than required under applicable federal and state law. For example, we have tracked the <u>public announcements of</u> <u>improved parental policies</u> made in 2016 by employers as diverse as Sallie Mae, Chobani, Deloitte, Barclays, Nike, Campbell Soup, Anheuser-Busch, EY, Twitter, Coca-Cola, Bank of America, Bank of America, Fidelity, Western Union, J.P. Morgan Chase, Vanguard, Dow Chemical and Hilton.

With all these, improved leave policies, there is most definitely a movement toward gender-neutral "baby-bonding" or paternal leave policies - most notably <u>Netflix's 52-week policy</u> which is available to men or women. The growing focus on gender-neutral leave policies is important because it affects gender and parenting roles at their very foundation, and reduces the expectation that the woman will be the primary caregiver down the road. It also pays respect to the changing composition of American families.

Source: Society of Human Resources (2016)

And yet, even some employers with generous leave policies do not publicly disclose the details of their benefits. When Fairygodboss attempted to research the Fortune 100 companies' websites listing a variety of career information and employee benefits, maternity and paternity leave benefits were conspicuously absent from over 90% of their websites. In order to provide more transparency, Fairygodboss crowdsourced the data by collecting it from our users. With over 1,500 employers' policies in Fairygodboss' <u>parental leave database</u>, companies can now compare their policies to those of their industry and specific competitors.

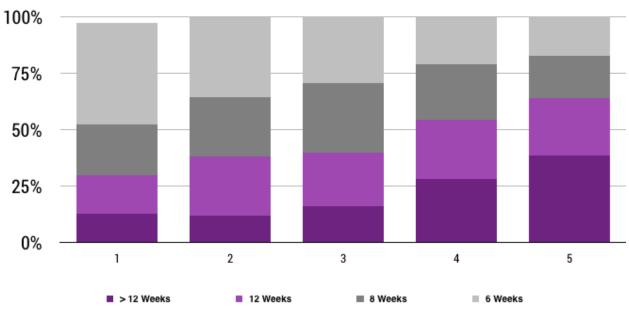
The opacity of this benefit is an issue for women in the workplace, many of whom have told us they take positions without knowing the maternity leave policies of their future employers and who are subsequently disappointed in what they find.



Women Who Knew Employer's Maternity Leave Policy Before Taking The Job and Subsequent Reactions

Source: Fairygodboss

Employers who are considering improving their parental leave policies should be aware that Fairygodboss data shows that women who experienced longer maternity leaves reported higher job satisfaction levels.

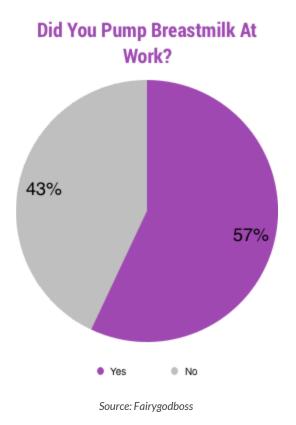


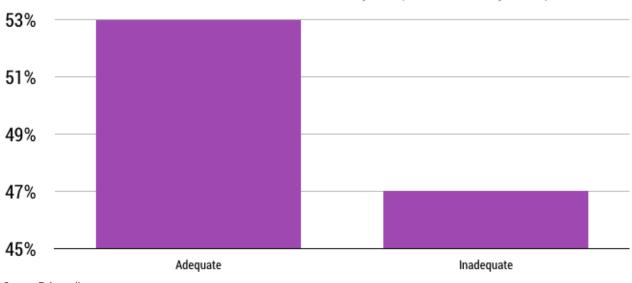
Relationship Between Paid Maternity Leave Taken and Job Satisfaction

Furthermore, companies who have expanded parental leave see reduced turnover among new mothers. For instance, this year Google reported a <u>50% decline</u> in the rate of new mothers quitting the firm after they expanded their paid maternity leave benefit.

After returning from maternity leave, women often still struggle to integrate their new responsibilities and physical changes in the workplace. For example, a majority of women we surveyed had pumped breastmilk at work. However, 25% of those who reported pumping breastmilk at work said their managers accommodated their schedules to allow them to pump, and 47% said their facilities were inadequate.

Source: Fairygodboss

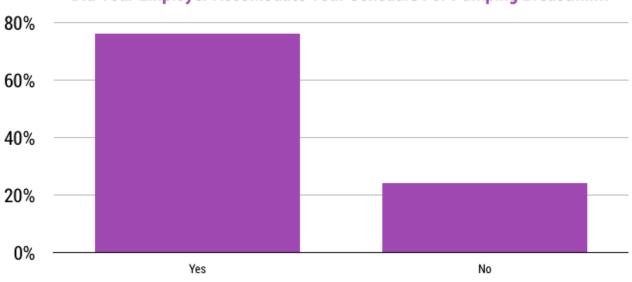




Were Your Lactation Facilities Adequate (i.e. clean and private)?

Source: Fairygodboss





Did Your Employer Accomodate Your Schedule For Pumping Breastmilk?

Source: Fairygodboss

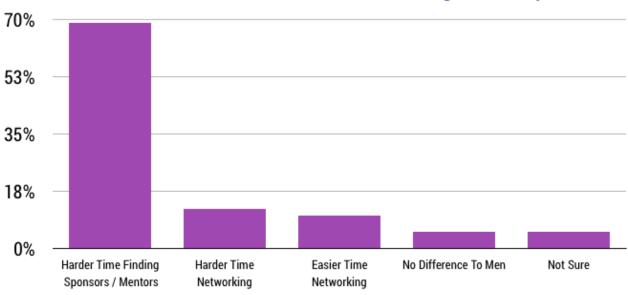
Employers looking to improve employee retention after maternity leave should ensure breastfeeding mothers have both the time to pump breast milk as well as access to clean, private lactation facilities.

XIII. Mentorship and Sponsorship

Mentorship is unquestionably important to women - and yet hard to come by. According to one Fairygodboss reviewer working at a technology company:

"If you work here, find a mentor and stick with it. Someone who will champion you, guide you and even protect you sometimes as change is the new norm."

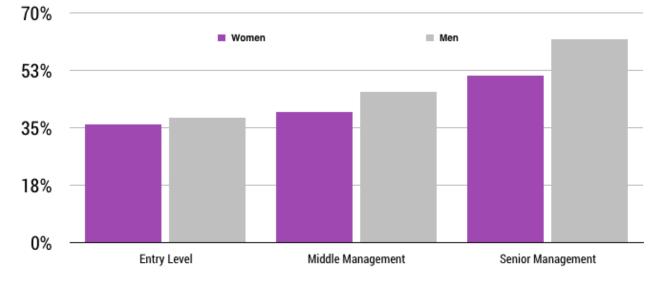
Among women we polled, approximately 70% reported that they believe women have a harder time building mentorship and sponsorship relationships at work relative to men.



Poll: Do You Think Women Have A Harder Time Building Relationships At Work?

Source: Fairygodboss

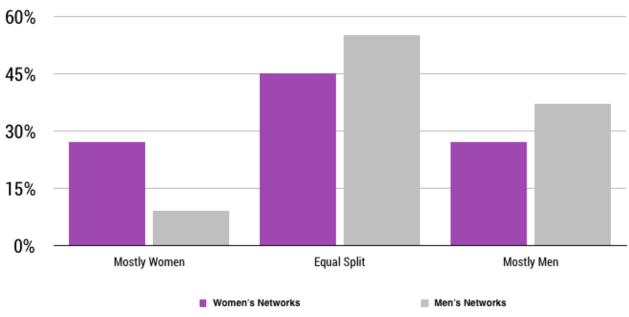
The reasons for this perception (and/or reality) may be multiple. For example, McKinsey data suggests that women have fewer substantive interactions with senior leaders at work.



Percentage of Employees Who Had A Substantive Interaction With A Senior Leader At Least Once Per Week (by level)

Source: McKinsey & Co.

They also found that women's networks tend to be more female-dominated.



Gender Breakdown of Women and Men's Professional Networks

Source: McKinsey & Co.

Since we have established in Section III that women hold fewer leadership roles at companies, this by definition means that women's networks are comprised of fewer leaders that might make meaningful mentors or sponsors in the workplace.



To combat the challenges women have in developing mentorship and sponsorship relationships in the workplace, some companies have formalized programs designed to assign or encourage them. For example, we have found <u>over 70 employers who offer sponsorship or mentorship programs</u>. Sponsorship programs are offered by employers including American Express, AT&T, Citi, Credit Suisse, Crowell & Mooring, Deloitte, Deutsche Bank, EY, Genentech, Intel, and Morgan Stanley. Mentorship programs are more common and offered by over 60 employers (according to our research).

Though we were not able to find a comprehensive list (and ours is a work-in-progress), we discovered that the following 60+ companies are among those that offer some type of mentorship program:

AbvieGeneral MillsAccentureGoogleADPHartford InsuranceAetnaIBMAllstate Insurance CompanyIntelAppleJCPenneyAT&TJohnson & JohnsonBASFKaiser PermanenteBoeingKeyCorpCitigroupKPMGColgate-PalmoliveKraft Foods GroupComcastMarriott InternationalCox CommunicationsMastercardCumminsMedtronicDaimlerMerck & CoDellNonsantoDeloitteNew York LifeDow JonesNielsenEF Education FirstNorthrop GrummanEIi Lilly and CompanyNovartisEYOnDeck	Prudential Financial PwC Salesforce Sodexo Square Target TD Bank The Coca-Cola Company TIAA-CREF Time Warner Time Warner Time Warner Cable Toyota Motor North America Verizon Communications Walgreens Wells Fargo Wyndham Worldwide Zynga
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Companies with Formal Mentorship Programs

Source: Fairygodboss

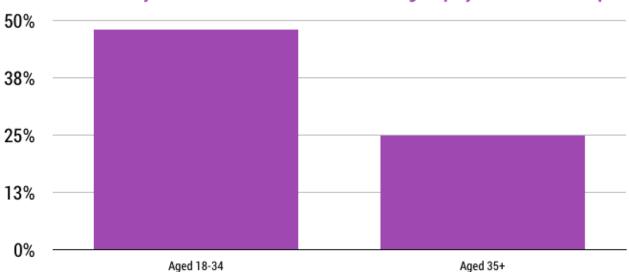
Women's employee resource groups can be a positive way for companies to galvanize support for their female employees. Employers such as General Electric, General Motors, Goldman Sachs and KPMG, have implemented <u>successful women's network groups</u> that encourage ongoing participation and drive real progress.

Data shows that employee resource groups help to attract, retain and engage employees. For example, one Fairygodboss reviewer at a large energy company said:



"There is a fantastic group of women here and a strong women's network. You can get the camaraderie and support if you look for it."

In particular, employee resource groups tend to resonate with younger, Millennial employees (i.e. those under the age of 35).

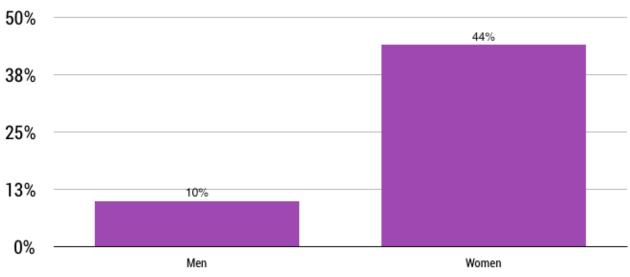


Adults "Very" or "Somewhat Interested" in Joining Employee Resource Groups

Source: Software Advice and New Talent Times

XIV. Men's Views And Actions With Respect to Supporting Gender Equality, Diversity & Inclusion

A majority (60%) of men we surveyed (both managers and non-managers) appear to believe that gender bias is not an issue in the workplace in general. When it came to their own workplaces, only 10% believed that women faced any issues of fairness. This compares to 44% of women who believe they are not treated equally and fairly to men.



Percentage of Men and Women Who Think Women Are Treated Unfairly At Their Workplaces

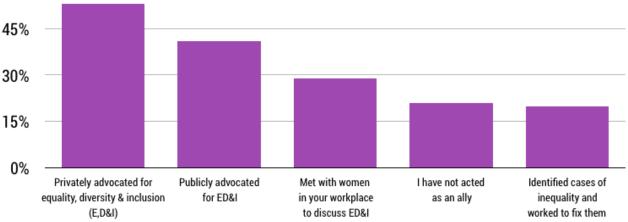
Source: Artemis Connection & Fairygodboss

This divergence in male views from female views may make it difficult for the workplace issues that women face to improve, since men comprise the majority of line managers as well as executives in workplaces where women are impacted.

That said, there are encouraging signs. Over 40% of men have publicly or privately acted as an ally to female colleagues or direct-reports in their workplaces. This number is higher among male managers.

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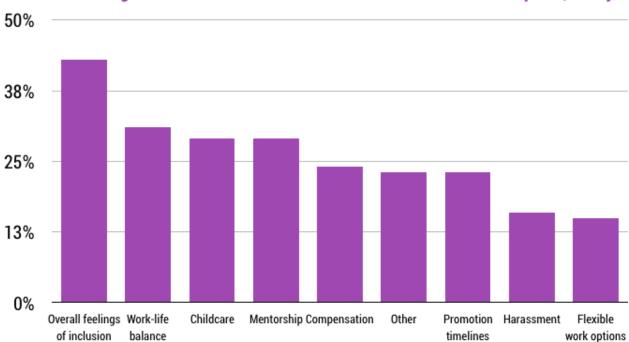
In What Ways Have You Acted As An Ally To Women in The Workplace?



Source: Artemis Connection & Fairygodboss

60%

Furthermore, we found men believe women do face the challenge of "feeling included" in the workplace.

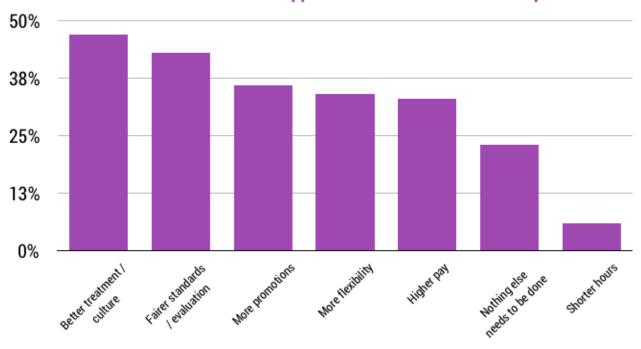


Challenges Men Perceive Are Greater For Women In Their Workplace, If Any

Source: Artemis Connection & Fairygodboss

FAIRYGODBOSS

These male views contrast starkly with what women have reported regarding how unequal pay and promotion are the issues most concerning to women. And it dovetails with the fact that many people still maintain that the gender wage gap does not exist.



What Can Be Done To Support Women More In Your Workplace?

In sum, men may be more likely to support cultural changes and initiatives that support women if they appear to framed in this terms. It also suggests that a more direct dialogue and exchange of experiences between men and women would help men have a better understanding of conditions that cause women to feel that they're being treated unfairly.

Source: Artemis Connection & Fairygodboss

XV. Conclusions

While there may not be a one-sized fits all solution to how to improve the workplace for women, data in this report suggests there are at least **9 areas of focus for employers** to improve their recruitment and retention of women throughout their organization.

• Broadcast your benefits, culture and policies.

Female jobseekers report that they have a hard time understanding what employers' culture, practices and benefits are. Yet these potential recruits care a great deal about women's opinions about working at a given company, and make job application decisions based on them.

• Examine your pay practices.

Women in the workplace are very aware of and concerned about compensation inequality, and how their pay stacks up against their male peers'. Even if you cannot commit to a full-fledged pay audit, you should set practices into place that encourage consistent pay across job titles. As a result you will improve your ability to attract top talent, increase job satisfaction and drive retention of female employees.

• Prioritize gender diversity, particularly within management.

Fairygodboss data proves - perhaps unsurprisingly - that there is a clear correlation between women's job satisfaction and gender equality at their company. We've also found a correlation between women's job satisfaction and diverse management teams. In other words, diverse management ranks are essential to driving gender equality throughout the organization. So take some time to consider whether your management team composition reflects your culture and priorities. Bottom line: investments in diversity initiatives and programs are truly worthwhile because they result in higher job satisfaction and therefore attraction and retention of women.

• Ensure your company is promoting women equally to men.

According to Fairygodboss members, unequal promotion is the top area in which they observe gender inequity in their organizations. Unequal access to sponsors, unfair evaluation, and boys' club mentality are some of the reasons women provide for this concern. To improve your company's practices, take a look at your promotion and succession planning processes, and pursue mechanisms to remedy this persistent cycle.

• Improve your maternity and parental leave policies.

Women with young children have the lowest labor force participation rates. To increase the likelihood that mid-level women return and stay with your company after maternity leave, consider improving your benefits. Make sure you understand how your company's leave policies compare to competitors. A top-tier leave program serves as a strong stake in the ground about your company's commitment to women and families.

• Formalize work-life balance and flexibility practices.

Women report that many employers are family-friendly in terms of the hours they work, yet many remain disappointed about official policies. The degree to which work-life balance exists for a given employee most often comes down to the individual manager. Flexibility, which is a prized feature of any job, is rarely consistently or formally supported. A well-articulated flexibility policy can be a real asset to employers looking to recruit the best talent.

• Encourage mentorship and sponsorship for women.

Women consistently report less access to senior leadership. Consider formal programs or other options to build an infrastructure to support, mentor and sponsor women at your company.

• Lead the way with bold steps to support women.

Companies are making real change by demanding greater diversity from their vendors, performing compensation audits and proving out the business case for on-site daycare. Your leadership stance on gender diversity issues can make a difference -- not just to your own employees, but to women everywhere.

• Engage men in the conversation.

Although most men support gender diversity in the workplace, they are often unaware of bias or discrimination when it takes place. More direct and honest conversations between men and their female peers and direct reports can lead to greater sensitivity and more effective partnership.

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Chart: Working Moms Who Say They Participate in Flexible Work Arrangements (By Job Type). Data from Working Mother's 2016 "<u>How We Flex</u>" report.

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