

McKinsey's Women in the Workplace 2022 WTS INTERNATIONAL SUMMARY & ANALYSIS | NOVEMBER 2022

On October 18th, McKinsey & Company published the 2022 issue of their "Women in the Workplace" Report. The study, released annually since 2015, drew upon employment data from 330 companies and surveyed more than 40,000 employees. The report culminates extensive research on what the McKinsey research team terms "The Great Breakup." Main takeaways from the research include:

- Women are demanding more from work, and they're leaving their companies and switching jobs in unprecedented numbers to get it
- Companies are struggling to hold on to the relatively few women leaders they have
- Women leaders want to work for companies that prioritize flexibility, employee well-being, and diversity, equity, and inclusion
- Young women place a high premium on working in an equitable, supportive, and inclusive workplace, and are looking for advancement opportunities
- The "broken rung" remains broken
- Women are far less likely than men to work in engineering and technical fields- fields that are fastest growing and highest paid
- All of these dynamics are even more pronounced for women of color and other marginalized identities; the compounded discrimination can be much greater than the sum of its parts.

The summary and analysis below is provided for WTS members and stakeholders. While the "Women in the Workplace" report's information is not specific to the transportation sector, the document highlights issues common to private companies, public sector agencies, and academic and research organizations in the industry; and does break out statistics on the talent pipeline in transportation and logistics. There are key takeaways and lessons learned that we can apply, and that will help guide future activities, initiatives, and advocacy at WTS to achieve an equitable and accessible transportation industry.

WTS International attracts, connects, sustains, and advances women in transportation. We hope you find this summary information valuable as we work together to fulfill this mission, using data-informed methodology and resources. For the full report, please visit McKinsey's website to download a PDF version (62 pages).

WOMEN AND THE WORKFORCE PIPELINE

Women are still dramatically underrepresented in leadership

Women leaders are just as ambitious as men, but at many companies they face headwinds that make it harder to advance. They're more likely to experience belittling microaggressions, such as having their judgment questioned or being mistaken for someone more junior. They're doing more to support employee well-being and foster inclusion, but this critical work is spreading them thin and going mostly unrewarded. They're watching senior women leave for better opportunities, and they're prepared to do the same.

• The "broken rung" is still holding women back

For every 100 men who are promoted from entry-level roles to manager positions, only 87 women are promoted, and only 82 women of color are promoted. It is difficult for women to "catch up" to men. There are simply too few women to promote to senior leadership positions.

Women leaders are leaving their companies at higher rates

For every woman at the director level who gets promoted, two women directors are choosing to leave their company.

Women remain deeply underrepresented in technical roles

32% of women in the engineering and technical fields are the only woman at their work. In the transportation, logistics, and infrastructure industry, women only represent 17% of c-suite positions, while comprising 43% of entry level positions. The greatest drops in representation occur during promotion to the Manager and the Vice President levels.

What does this mean for transportation?

Workforce is in crisis, and women leaving or considering other opportunities in different industries will only heighten transportation workforce issues. Many transportation trade organizations, professional associations, and other nonprofits have workforce as a key priority for their membership and leadership. Some roles in transportation do not have the ability to have remote work or flex hours, like transit frontline operations. Technology is developing and deploying rapidly but can also be seen as unstable. Additionally, there is an aging workforce in specific skilled trades, like mechanics and operations. Simply put: less women in the workforce overall means less women to promote into leadership roles.

How can WTS affect change, and what does this mean for our members?

Leadership should look like the groups they manage and serve. WTS has the most diverse board of directors in its history, and we continue to challenge ourselves on how to better elevate and support qualified candidates and their workloads as they elevate their careers. We continue to advocate for and educate companies about "sponsorship over mentorship" to challenge the "broken rung", help provide a safe space and confidence to cultivate professional ambition; including our own leadership training programs and are exploring and evaluating strategic partnerships with organizations specializing in apprenticeship placements, technical training or certification.

WOMEN LEADERS AND JOB SWITCHING

Women leaders want to advance, but they face stronger headwinds then men
 Two-thirds of women under 30-years-old are looking for advancement and senior level positions.

• Women leaders are overworked and under-recognized

Women leaders are burnt-out as they are more likely than their male counterparts to support employee well-being and support diversity, equity, and inclusion work; work that is not traditionally recognized and not included in most performance evaluations.

Women leaders are seeking a different culture of work

In addition to flexible work options to accommodate for home and family care responsibilities, women are looking to remote work to help reduce microaggressions experienced in the workplace.

• Black and Latina women leaders face even greater barriers to advancement

Women with traditionally marginalized identities often have a worse experience at work, including challenges to competence, less sponsorship and allyship, and are more likely to experience comments based on their appearance or culture.

Women leaders are also overworked at home

Women leaders also take on more at home. Differing from their male counterparts, as woman advance in their careers, they take on more at home, not less.

What does this mean for transportation?

Training, hiring, and promoting women is just good business. Women leaders require support from the C-Suite and recognition for their specific skill sets and dedication. Establishing a culture of acceptance and flexibility is key. The transportation sector will start to fall even more behind with lack of a trained workforce and technical experts as transportation technologies advance.

How can WTS affect change, and what does this mean for our members?

WTS provides ample opportunities for career networking, truly believing your next supervisor or co-worker could be in the room with you at an event or program. WTS is prioritizing equity, diversity, and inclusion initiatives and training, advocating for wage gap reconciliation, and dedicating resources to a "workforce pipeline development" with younger generations, continuing to recognize performance and rethinking how we track manager performance.

WTS International is also in support of new and expanded benefits by employers that support women shouldering the burden at home as well as in the office: for example child-care stipends, flexible hours for caretakers, etc. WTS will advocate on issues like educating and attracting younger workers, equal pay and increased benefits, consideration of gender-equal working conditions, reforming regulations and policies that hinder efficient hiring in the public sector, and promoting a workplace culture that supports and highlights diversity, equity, and inclusion.

INTERSECTIONALITY

- Latinas and Black women are less likely than women of other races and ethnicities to report their manager supports their career development.
 - They also experience less psychological safety —for example, less than half of Latinas and Black women say people on their team aren't penalized for mistakes.
- Asian women and Black women are less likely to have strong allies on their teams.
 - They are also less likely than White women to say senior colleagues have taken important sponsorship actions on their behalf, such as praising their skills or advocating for a compensation increase for them.
- Latinas and Asian women are more likely than women of other races and ethnicities to have colleagues comment on their culture or nationality.
 - Due to microaggressions, they also feel less comfortable disagreeing with coworkers.
- LGBTQ+ women and women with disabilities report experiencing more demeaning and "othering" microaggressions.
 - Compared with women overall, they're more likely to have colleagues comment on their appearance or tell them that they "look mad" or "should smile more."
- Women with disabilities often have their competence challenged and undermined.
 - They are significantly more likely than other groups of women to have their judgment questioned in their area of expertise and to have colleagues get credit for their ideas.

What does this mean for transportation?

A system built for some and not all will fail. Having diverse experiences and insight leads to more effective and safe communities. Diversity in age, gender, race, ethnicity, belief systems and lived experiences makes good business sense and encourages innovative thought. Planning, designing, building, and maintaining transportation systems requires involvement from all perspectives, need, and abilities.

How can WTS affect change, and what does this mean for our members?

WTS International and our chapters are committed to providing a safe space for all at our events and in our programming. We are evaluating and being intentional with our event marketing and communications, leadership development offerings, volunteer opportunities and volunteer training, scholarship applications and award processes, and mentorship programs.

WTS International lends the power of our voice and brand to partner advocates working in the gender equity space for safe transportation for under-represented populations. We continue to challenge our way of thinking and training to ensure training for allyship, or opportunities for equity moments of learning. We continue to evaluate the language and outreach strategies of our scholarship and award applications to ensure that a diverse population is invited to and feel encouraged to apply.

Our WTS International Equity, Diversity, & Inclusion Committee has prioritized the following initiatives:

• Updating our membership demographics profile to accurate reflect the diversity and equity metrics we are measuring ourselves against

- Providing best practices and guidance for our chapters to ensure a #OneWTS approach to our diversity, equity, and inclusion initiatives
- Ensuring a culture of belonging and inclusion
- Solidifying an organizational policy that is reflective of the organization's updated strategic plan including new core values and strategic priorities that prioritize belongingness

FLEXIBLE AND REMOTE WORK

A majority of women prefer remote and hybrid work

Women do not want to sit in an office to do work they could do at home. They want their time together to be focused on collaboration. Remote and hybrid work, with flexibility, provides women an opportunity to balance work and home responsibilities. However, they want to see their leadership taking advantage of the flexibility in order to feel comfortable using the benefits.

Women experience fewer microaggressions when they work remotely

The decrease in microaggressions is especially pronounced for women of color, LGBTA+ women, and women with disabilities. Women who work remotely or in a hybrid environment, also report higher levels of psychological safety.

Navigating a cultural shift to remote and hybrid work can be challenging

HR leaders say that offering flexible work options has helped diversify their talent pipelines and retain more employees from underrepresented groups. However, there is concern around feelings of connectivity, and demands on managers to manage in a remote environment. Additionally, there is concern for proximity bias where those in the office may be recognized more and have more opportunities for advancement- even furthering the gap between men and women in leadership positions.

• Remote work options are especially critical for women with disabilities

Working at home can help women with disabilities be healthier and more productive, since it's easier to manage mobility issues, chronic pain, and mental health conditions.

What does this mean for transportation?

Flexible and remote work policies effect the entire workforce but have big implications for women in transportation. While the influence and development of new technologies and virtual work won't replace "site/frontline" jobs, technology does allow for flexibility and options over the status quo. It also allows us to rethink how we utilize transportation, focusing on use around household errands, daycare, and entertainment instead of around "peak hours" related to the traditional workday.

Climate: On the good side, transportation is the largest source of greenhouse gas emissions, and the adoption of remote work policies can potentially help the environment. Greenhouse gas emissions disproportionately effect women and children in economically challenged communities, with raised rates of asthma and other health issues.

Money: Commuting comes at a financial expense. According to the American Public Transportation Association, the average household spends 16 cents of every dollar on transportation, and 93% of this goes to buying, maintaining, and operating cars.¹

This can be a cost savings for the worker. However, this also means significant decline in transit use, which effects service, funding, and workforce.

Safety: Less cars on the road has meant less congestion, but has also increased speeds, leading to safety issues. According to Stan Caldwell, Executive Director of Carnegie Mellon University's Mobility21," a 5 percent reduction in traffic on a congested highway may cause a 10 percent—30 percent increase in average vehicle speeds (aka, more deadly crashes.)²

How can WTS affect change, and what does this mean for our members?

WTS is proud of its diverse and robust thought leadership in our Board of Directors and membership. A newly formed Legislative Committee will define WTS' legislative agenda and opportunities to advocate for appropriate and attainable family-friendly policies and worker benefits; being the voice for the female transportation worker at all levels. An employee is more satisfied with their work environment when they can bring their full selves to work. This is why WTS advocates for policies that are more inclusive and programming that are more accessible. WTS is working to provide hybrid options where appropriate. Additionally, WTS International stands behind the policies it advocates for, with a results-only work environment at International offices, that prioritizes employee autonomy and flexibility as long as work is getting done.

THE IMPORTANCE OF MANAGERS

- Company expectations are rising, but most managers aren't prepared to meet them
 Through the pandemic, managers were asked to do more, but were not properly trained to manage remote employees. There is a growing gap between what's expected of managers and how they're being trained and rewarded.
- Most companies are not doing enough to train and recognize managers
 Managers need more training on how to ensure workloads are manageable. Companies can take steps to more clearly signal their expectations and reward results.
- When managers show up consistently, women and companies benefit
 When managers invest in people management and DEI, women are happier and less burned out, and less likely to leave.

What does this mean for transportation?

The industry has an opportunity to immediately recognize and encourage diverse leadership. Good managers provide purpose, direction, and trust. Transportation leaders should think creatively around job benefits, requirements, and compensation; as well as developing a culture of ownership and community

¹ America Public Transportation Association *Public Transportation Facts*: https://www.apta.com/news-publications/public-transportation-facts/

² Furchtgott-Roth, (March 1, 2021) *Covid's Transportation Tsunami*. City Journal: https://www.city-journal.org/remote-work-changing-transportation-habits-infrastructure-spending

service.

How can WTS affect change, and what does this mean for our members?

WTS advocates for management and leadership that "looks like their workforce", adding targeted personnel and team management skills training to leadership/education offerings. We encourage our members to think about creating, not waiting, for advancement opportunities.

THE TALENT PIPELINE IN TRANSPORTATION

Although women are broadly underrepresented in corporate America, the talent pipeline varies by industry. Some industries struggle to attract entry-level women (e.g., Technology: Hardware; IT and Telecom; Engineering and Industrial Manufacturing), while others fail to advance women into middle management (Energy, Utilities, and Basic Materials) or senior leadership (Oil and Gas). Transportation and logistics include a wide and diverse range of roles, with a variety of job requirements and focus areas, including onsite and frontline operations and construction positions, certified positions in engineering and planning, specialty degrees, office and administrative, creatives services, communications and marketing, community engagement, legal services, and more.

Entry Level	Manager	Sr. Manager	VP	Senior VP	C-Suite
43%	33%	29%	19%	21%	17%

MCKINSEY'S RECOMMENDATIONS

- Policies and programs that drive progress
- How companies can avoid "checking the box"
- McKinsey Case Studies
 - o How Blue Shield of California Successfully Shifted to Hybrid Work
 - How Intuit Increased the Number of Women in Tech Roles
 - How Citi Exceeded its Representation Goals

Sign up to participate in the 2023 McKinsey study at womenintheworkplace.com.