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SAN FRANCISCO

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Four for Women:
A Framework for Evaluating Companies' Impact on the Women They Employ

Professor & Vice Dean Katherine Klein

- **We set out to build a framework that was:**

  - **Evidence-based**

  - **Outcome-focused**

  - **Lean**

  - **Measurable**

  - **Not zero sum**

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What makes a company a good employer for women?

FOUR FOR WOMEN

1. Representation
2. Pay
3. Health
4. Satisfaction

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1.
REPRESENTATION

A good employer for women employs a large percentage of women throughout the company such that women are well-represented at every level and in every unit of the company.

2.
PAY

A good employer for women pays its employees at least enough to avoid poverty, pays equally for equal work, and has no gender pay gap.

3.
HEALTH

A good employer for women supports and protects the health of the women it employs (and the men, too).

4.
SATISFACTION

A good employer for women provides satisfying working conditions for women (and for men, too).

Why Representation?

REPRESENTATION

- In the US…

  - Women make up nearly half of the labor force: **46.8%**

  - Most adult women work: **54%** (vs. 66% of men)

  - Many women work part-time: **25%** (vs. 12% of men)

  - Women make up approximately <u>**43%** of full-time workers</u>

REPRESENTATION ACROSS LEVELS

- In S&P 500 companies, women make up:
  - 45% of all employees
  - 37% of first and middle-level managers
  - 27% of executives and senior-level managers
  - 5% of CEOs

REPRESENTATION ACROSS OCCUPATIONS

- Women hold 52% of management and professional jobs, but women are:

  - **21%** of computer programmers; **19%** of software developers; and **9%** of mechanical engineers

  - **85%** of meeting and event planners; **72%** of HR managers; **70%** of social and community service managers

Why pay?

PAY: AVOIDING POVERTY

- At least enough pay to keep a family of four out of poverty:

  - Poverty threshold: $25,100 annual income for a family of 4 (or, $12.50 an hour, full-time)

- In 2017, the lowest earning 20% of US households had incomes less than this

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PAY: EQUAL PAY FOR EQUAL WORK

- **The law, but tricky to measure!**

- **At Microsoft, the difference between men's and women's pay for technical work is approximately:**

  - **9%** considering gender alone

  - **6%** controlling for employees' age, pay grade, tenure, location, department, and performance

  - **3%** after controlling for the factors above, plus job titles

  - <1% (**.2%) according to Microsoft**

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PAY: GENDER PAY GAP

- Gender pay gap in US: 20%

- Varies by company

  - In UK, in 2018:

    - 78% of companies had a pay gap favoring men

    - 8% had no gender pay gap

    - 14% had a pay gap favoring women

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Why Health?

HEALTH: HEALTH INSURANCE AND MATERNITY LEAVE

- 36% of Americans are covered by government insurance (vs. 99% in OECD)

- 69% of employees in private industry in US get health insurance from their employer; 41% don't

- The US does not mandate paid maternity leave (vs. 18 weeks in OECD)

HEALTH: SEXUAL HARASSMENT

- 40% of women report having <u>experienced sexual coercion</u> and <u>unwanted sexual attention</u>

- 60% report having experienced <u>gender harassment</u>

- **How you ask the question matters**

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HEALTH: SEXUAL HARASSMENT

- Not random. Not outside management influence.

- The two strongest predictors are:

  - **Organizational climate: Perceived tolerance for sexual harassment**

  - **Gender composition of workplace and job**

Why Satisfaction?

SATISFACTION

- Thousands of studies of job satisfaction

- Measurement is easy, reliable, valid, and diagnostic

- Job satisfaction is significantly related to:

  - Job autonomy and variety

  - Quality of relationship with leaders and coworkers

  - Organizational climate

  - Stress and health

SATISFACTION

- On average, women are more satisfied with their work than men are.

- But, too many people are dissatisfied with their work and stressed to the point of illness

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MEASURING FOUR FOR WOMEN

- Gender diversity by pay quartile and decile

- Mean and median hourly pay by gender

- Employer-sponsored health insurance

- Days of paid maternity leave

- Employee experience of sexual harassment

- Organizational climate

- Job satisfaction

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So, what now?

What now?

- Representation. Pay. Health. Satisfaction.

- Pressure-testing the framework.

- Fine-tuning the metrics.

- Asking:

  - How do we measure up?

  - How will be move the needles?

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Thank you!