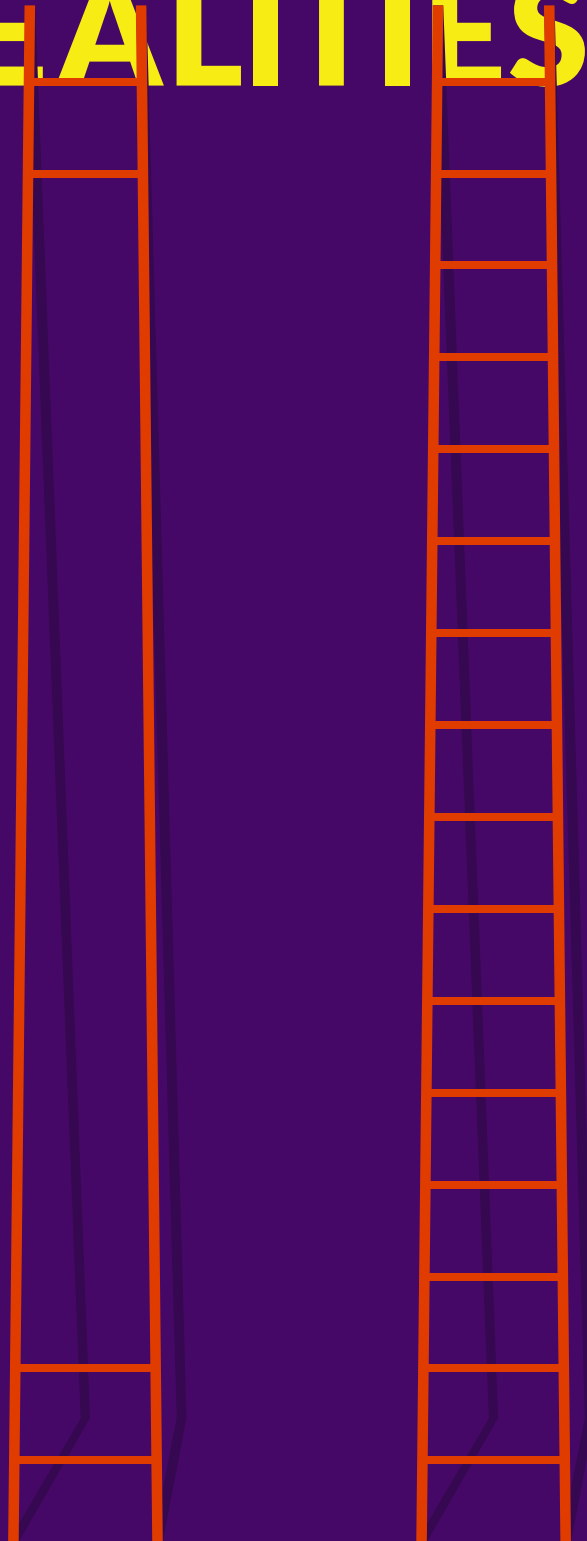


ONE ASPIRATION **TWO REALITIES**

MX WOMEN MATTER



November 2018

ONE ASPIRATION **TWO REALITIES**

Promoting gender equality in Mexico

MX WOMEN MATTER

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About McKinsey & Company

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McKinsey Mexico opened its doors in 1970 with a team of professionals with deep functional and industry expertise. Today, the Mexico office consists of two locations—in Mexico City and Monterrey—that employ consultants with global experience and a profound knowledge of the country. These consultants serve private and public organizations as well as multinational corporations that are building a presence in the country.

McKinsey advises companies and institutions across all relevant industries and functions on how to build capabilities, introduce improvements that optimize their performance continuously, and achieve their most important objectives.



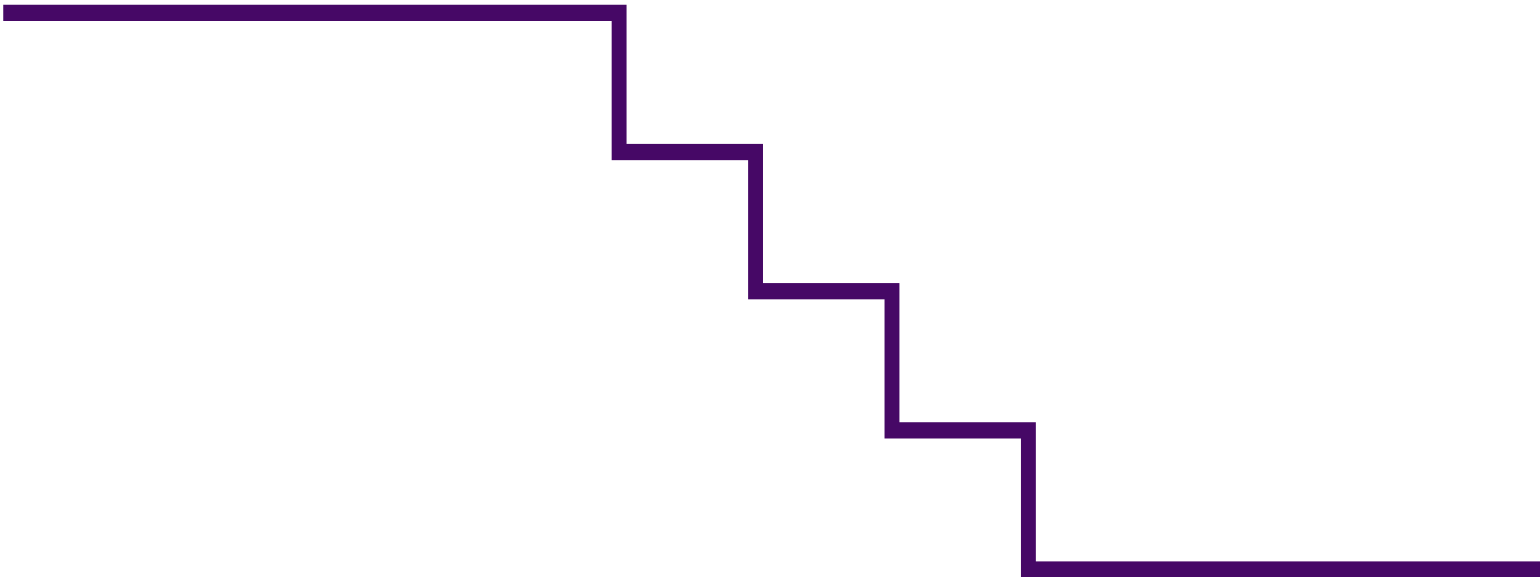


About Women Matter

For over a decade, McKinsey has explored the importance and impact of increasing gender diversity and inclusion in organizations and having more women in leadership positions. We have also explored different ways to increase the representation of women at all levels.

Multiple series of reports entitled *Women Matter*, *Women in the Workplace*, and McKinsey Global Institute reports, have focused on demonstrating the economic benefits that come from increasing female participation in the workforce. In all, we have published nine global reports; five regional reports, which include Africa, Asia Pacific, Europe, and Latin America; and eight reports on individual countries including Canada, Turkey, and the United States. The results show that inclusion is a key element in the economic and organizational performance of our clients. By analyzing the specific challenges for each region, we work to explore different strategies that help achieve greater gender diversity in leadership posts in every geographic area.

To contact the team or to inquire about having your organization participate in our next edition, please visit: [womenmattermx.com](https://www.womenmattermx.com)



Preface

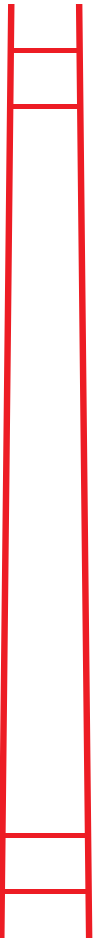
For the first time we are proud to present Women Matter in Mexico, a report that has been stimulated by the concerns of our clients across many sectors as well as the many organizations involved in issues of gender. **One Aspiration, Two Realities** embraces the reality that all of us aspire to reach our highest potential at home and in the workplace. Men and women alike want to become high-level executives and occupy leadership positions. Unfortunately, even though those ambitions are shared, the reality is that the possibilities of reaching this goal are notably less for a woman.

Drawing on data from the participation of 50 iconic Mexican companies employing more than one million people and with revenues equivalent to 40% of Mexico's GDP, we analyze the actual conditions of professional women in Mexico. A total of 8,600 employees replied to a survey designed specifically to explore their perceptions about professional opportunities and their experience of gender and work-life balance.

We are deeply grateful to all the participating companies for their openness and willingness to take part in this effort. We are also thankful for the access we were granted to information relevant to this study and for the time that each and every participant dedicated to responding to the individual questionnaire. Without their participation, this report would not have been possible. Finally, we wish to thank our colleagues Sergio Waisser, Alberto Chaia and Eduardo Malpica for their sponsorship and guidance during the planning and execution of this undertaking.

Our intention is to make the facts available in order to help the private and public sectors capture the benefits of promoting gender diversity in leadership positions. Indeed, we hope that our work will also result in more programs that support the professional growth of female employees and thus contribute to a society where aspiration and reality come closer together.

Kevin Sneader
Global Managing Partner
McKinsey & Company



In Mexico, **WOMEN ARE UNDERREPRESENTED AT EVERY LEVEL**

they are paid less, and have smaller chances than men at being promoted to the next level.

Entry level:

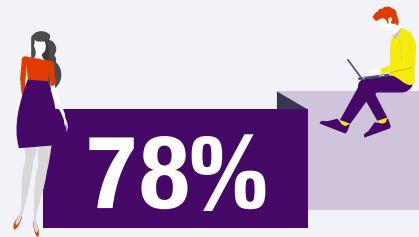
Percentage of women:



C-Suite:



Women's pay as a percentage of men's:



Likelihood of being promoted:



THIS IS NOT DUE TO A LACK OF AMBITION

9 out of 10 women and men want to become a top executive...

only 3 out of 10 women think they will make it to a top executive position

THE ECONOMIC OPPORTUNITY FROM CLOSING THE GENDER GAP:

70% can be added to Mexico's GDP

55% greater profit margins

in companies with the highest number of women in their Executive Committees

THERE IS LITTLE AWARENESS OF THIS ISSUE:



LESS THAN 1/3

of employees know about the correlation
between diversity and business
performance



ONLY 1 IN 4

men think women
are underrepresented



1 IN 3

companies haven't set any diversity
targets or launched initiatives to increase
women's representation

5 GAME CHANGERS

to achieve gender equity in business



Commitment



Leadership development



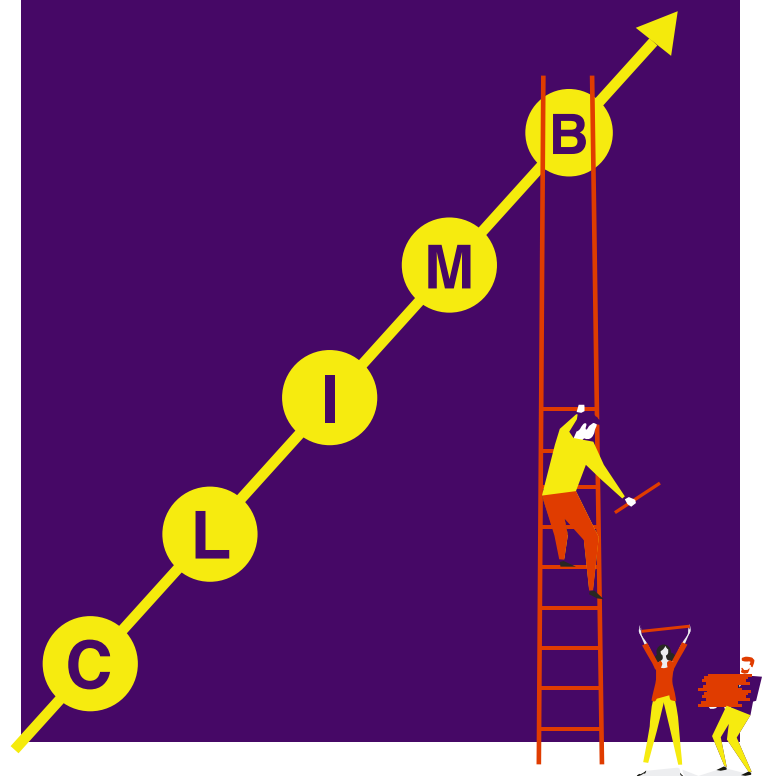
Infrastructure



Metrics & KPIs



Behaviors & Mindsets



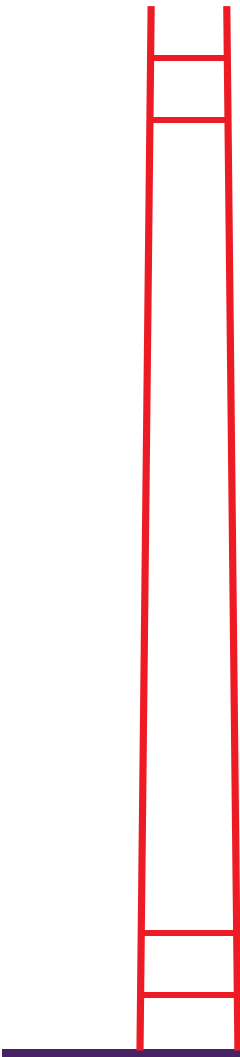




Table of Contents

10 Executive summary

16 Improving gender equality as an opportunity for social and economic development

- 1.1 Economic growth at risk
- 1.2 Advantages of companies with greater gender diversity

24 The gender gap in the Mexican workplace contrasts with women's aspirations

- 2.1 Mexico: A country with a profound lag in labor force gender equity
- 2.2 Inequality in gender participation within Mexican companies

38 Women face structural barriers to achieving full professional development

- 3.1 The effects of unpaid work on professional development
- 3.2 The evolution of the Mexican family
- 3.3 Obstacles to female empowerment in the workplace

52 Unlocking the potential of gender diversity in Mexican companies

- 4.1 Efforts to aid women's professional development in Mexican companies
- 4.2 Challenges to effective implementation of gender-equity initiatives in Mexican companies
- 4.3 Analysis of programs for the retention and promotion of female talent in Mexico
- 4.4 CLIMB, a comprehensive transformation program to maximize women's potential

75 A call to action

75 Methodology

76 Bibliography

Executive Summary

In Mexico, women work toward professional success as do their male counterparts, but it is clear that women face powerful obstacles to reaching their professional goals. In producing **One aspiration, Two realities**, we found evidence that confirms the difficulties women face to advance to the highest levels of organizations and the enormous barriers standing in their way.

We also found compelling evidence that investing in the training and development of women is essential for the prosperity of nations including Mexico and, more specifically, that the economic performance of companies in the private sector also depends on their ability to nurture and develop women.

1 **Improving gender equality represents an opportunity for social and economic development**

Besides being an imperative for social justice, closing the gender gap in the labor force offers an opportunity to increase the total global GDP by \$12 trillion and to add \$0.8 trillion, or an additional 70 percent, to Mexico's GDP.

Greater gender diversity has a quantitative impact on corporate performance. It has been shown that companies with more women in senior-leadership and executive-committee roles have better financial performance and organizational health, more and better communication and staff development, lower turnover, and better management of expectations and incentives. Employees in these organizations also see leadership as being more inspirational. Companies with greater representation of women in management positions have an economic value added (EVA) that is 28 percent higher, a profit margin (EBIT) that is 55 percent greater, and a return on equity (ROE) that is 47 percent larger than companies with less female representation.

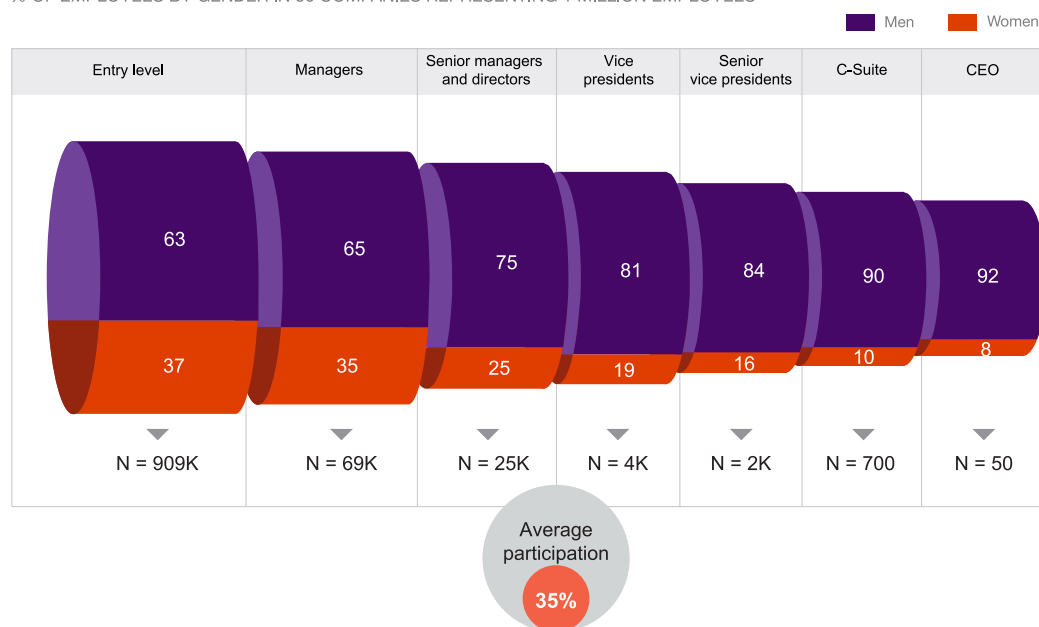
2 The gender gap in the Mexican workplace contrasts with women's aspirations

Women's rate of participation in the workforce in Mexico has been rising in recent decades; however, Mexico still lags behind other Latin American countries. Only four out of ten women participate in the labor market, and the high number of young women who are neither studying nor working (31 percent of women under the age of 24 versus 9 percent of men in that age range) indicates that women begin to fall behind from a young age. Women are underrepresented in all levels of the workforce and are at a disadvantage from the outset: although they make up 46 percent of university graduates, they occupy only 37 percent of entry-level posts and a mere 10 percent of executive committee positions (Exhibit A).

Exhibit A

REPRESENTATION BY GENDER IN CORPORATE POSITIONS

% OF EMPLOYEES BY GENDER IN 50 COMPANIES REPRESENTING 1 MILLION EMPLOYEES



SOURCE: McKinsey & Company, Women Matter Mexico 2018

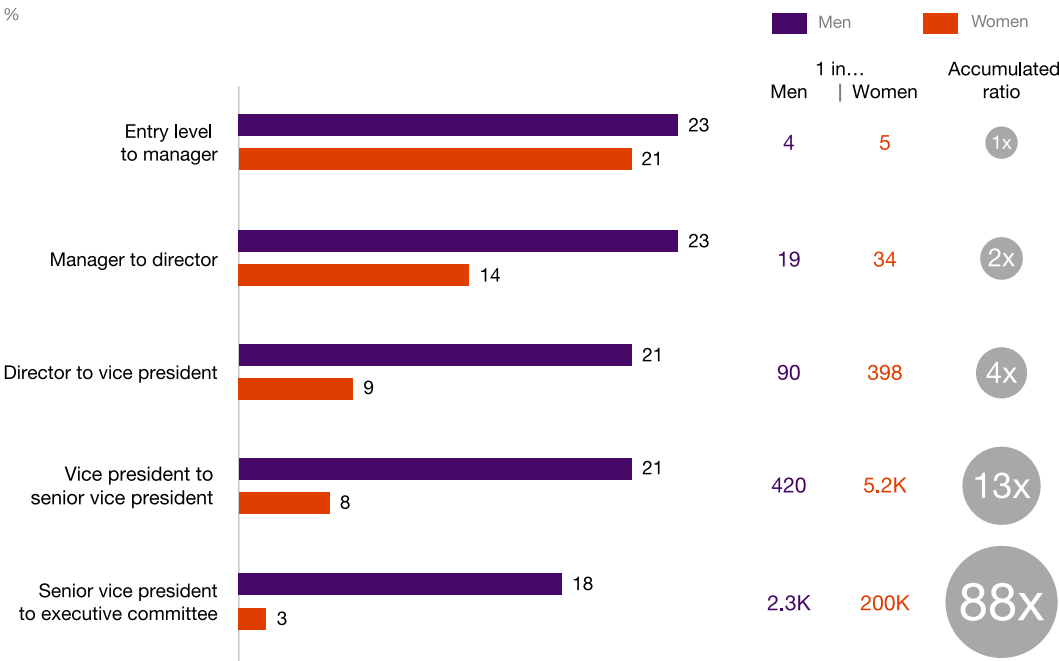
The problem is even more evident in domestic companies. The number of women working in these companies, on average, is 10 percentage points lower than those working in foreign companies operating in Mexico.

Every sector confronts its own challenges in terms of gender diversity. The financial sector and professional services, as well as the retail and consumer goods sectors, have mostly reached the desired levels of equity in entry-level positions and are well ahead of the energy and heavy industry sectors in this metric. However, across all sectors, women scarcely hold senior positions.

Opportunities for women to advance in the corporate hierarchy are limited since they are promoted far less often than men. While men and women both aspire to reach levels of senior management, men are 88 times more likely to achieve that goal (Exhibit B).

Exhibit B

PROMOTION RATE BY GENDER AND LEVEL

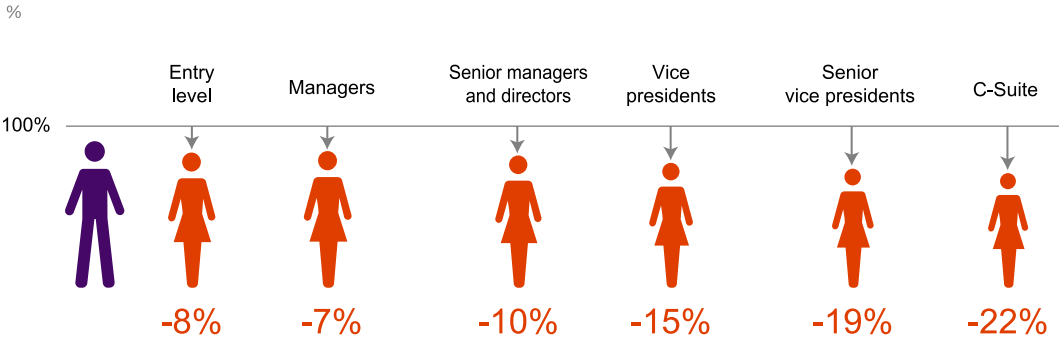


SOURCE: McKinsey & Company, Women Matter Mexico 2018

The wage gap between men and women is yet another of the manifestations of gender inequality within an organization. Among the companies analyzed, senior-level women earn 22 percent less than their male counterparts (Exhibit C).

Exhibit C

SALARY DIFFERENCES BETWEEN MEN AND WOMEN BY LEVEL



SOURCE: McKinsey & Company, Women Matter Mexico 2018

3 **Women face structural barriers to achieving full professional development**

Around the globe, female labor force participation rises as the gap closes between the number of hours men and women spend on housework and caring for dependents. However, among Latin American countries, Mexico has one of the largest discrepancies between the time women and men invest in unpaid household tasks.

In addition, the current performance model in Mexican companies is largely based on permanent availability; the current maternity leave policies thus discourage organizations from hiring and promoting women.

Women express interest in reaching professional leadership positions on par with men. However, women believe it is less likely that they will reach such leadership positions, citing barriers embedded in organizational culture and the current policies of their employers.

Women have a very different experience from that of men in their workplace. They report receiving less feedback and coaching, and situations in which they are discriminated cause them to have a weaker sense of belonging than their male colleagues, as well as a lower level of satisfaction overall.

Employees don't fully recognize the lack of diversity in companies in Mexico: only 25 percent of men and 41 percent of women believe that women are underrepresented in senior levels of the organization despite de fact that, on average, only one out of ten people in the C-Suite is a woman.

4 **Unlocking the potential of gender diversity in Mexican companies**

Companies in Mexico have begun to take measures to improve diversity and gender equity, but, in general, very few organizations have achieved major progress. It is essential to take into account not only the number of initiatives launched, but also the quality of their execution and the commitment of the leadership behind them.

An effective way to gauge the organization's diversity strategy is to understand the company's approach to recruiting, and how it monitors women's retention and promotion rates. Most companies' human resources information systems, however, are not able to identify or monitor gender gaps. In addition, most of the organizations have not implemented specific processes for improving the recruitment and retention of women.

Some companies in Mexico have implemented mentorship and sponsorship programs or formed women's networks with promising results. Companies with women's networks have 40 percent more women in management or senior levels, and companies with mentorship programs have nearly 38 percent more women at the level of senior vice president and 16 percent more women in executive committees.

Flexible work arrangements—such as telecommuting, flexible start and end times, and compressed work weeks—are an important tool for organizations to help women overcome structural barriers and achieve greater parity, but it is crucial to adapt the performance model so these alternatives are implemented properly. Nearly half of the companies we surveyed offer flexibility programs, but 60 percent of these companies have not implemented or successfully adapted their evaluation processes to the alternatives afforded through these programs. Increasing the number of women across all levels of the organization requires a comprehensive organizational transformation that takes into account the specific challenges faced by companies in Mexico.

Best-in-class companies have already initiated the change with programs that connect gender diversity with all aspects of their business. These companies have change agents and role models to follow within all levels of the organization and have effectively developed and communicated a convincing change story to support the programs, policies, and processes they have put in place.

A comprehensive transformation plan for maximizing female potential includes five key elements that must be diagnosed, developed, and adapted within each organization. We call this framework CLIMB (Exhibit D).

Mexico can and must work to achieve the levels of gender diversity that exist in more advanced countries. However, to achieve this aspiration, it is essential for the country to move forward with increased dedication and transparency, secure the conviction and sustained commitment of business leaders, and coordinate all relevant agents in the public and private sectors so that newly implemented measures truly take hold and bring progress about.

Exhibit D

KEY DIMENSIONS FOR A COMPREHENSIVE TRANSFORMATION

C Commitment – commitment of CEO and executive committee

L Leadership development – programs for the development of female leadership

- Training and coaching
- Sponsorship and mentorship
- Women's networks

I Infrastructure – programs and policies that foster conditions of equity

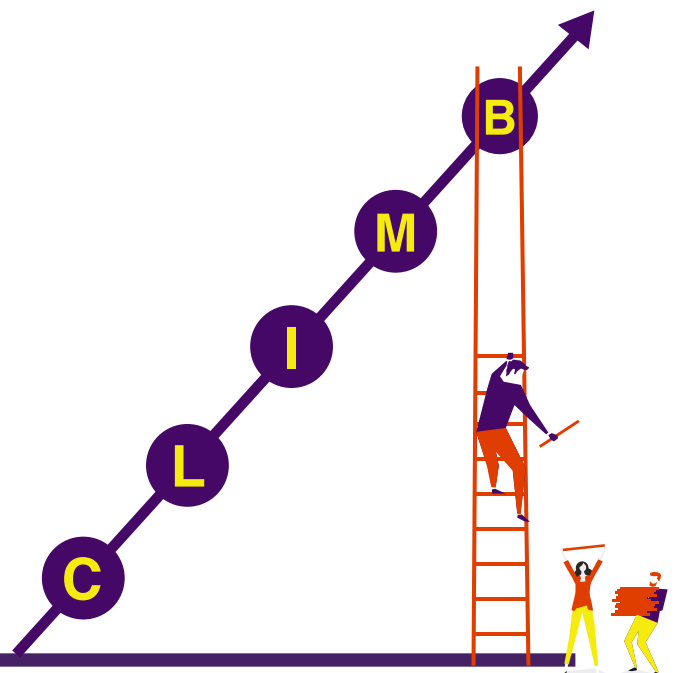
- Flexible work schedules
- Extended leave policies
- Back-to-work programs

M Metrics and KPIs – transparency and indicators tracking

B Behaviors and mindsets – inclusive mentalities, attitudes, and processes

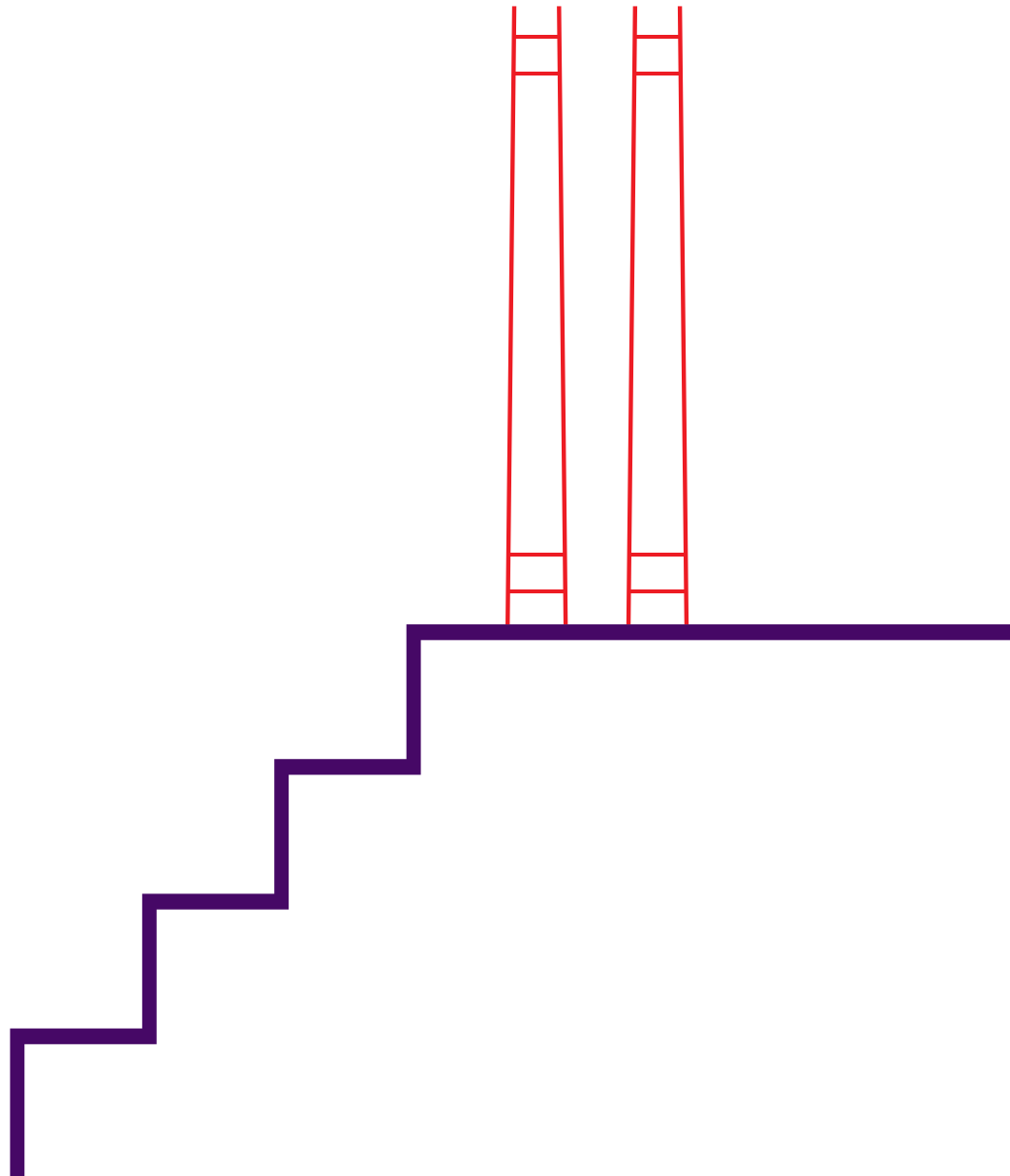
- On-the-job training
- Evaluation and recruiting debiasing

SOURCE: McKinsey & Company, Women Matter Mexico 2018





Improving gender equality as an opportunity for social and economic development



Gender parity is essential for economies and societies to prosper. Creating incentives for female labor force participation would spur countries' social and economic development and help businesses reach their maximum talent potential while improving their economic performance. In this chapter, we dig deeper into the reasons gender equality is so critical.

1.1 Economic growth at risk

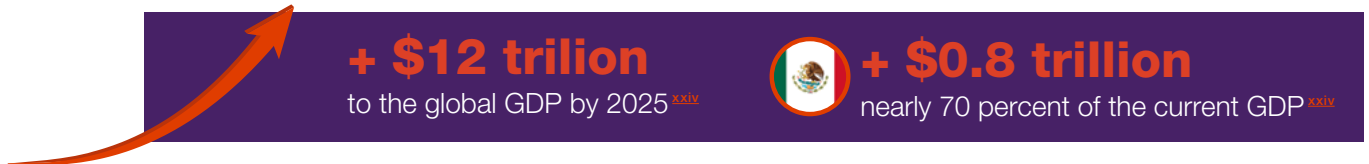
In the context of today's world of low economic growth rates, a globalized war for talent, and a rapidly aging population in developed economies, increasing gender inclusion represents a powerful weapon for spurring nations' growth and development.

Women make up 50 percent of the population, but they contribute only 37 percent of global GDP and make up only 39 percent of the labor force worldwide. Closing or even reducing this gap would not only be a step in the right direction of greater equity but would also have a significant economic impact. If all countries closed their gender gap to match the country with the greatest equity in their region, total global GDP would increase by \$12 trillion or 11 percent, reaching \$28 trillion by 2025^[1]. The highest potential boost to 2025 GDP comes from India and Latin America.

Three main drivers are behind the economic growth calculated in this analysis: First, countries must increase the rate at which women participate in the labor force. Second, countries should work to increase the number of hours women work, as more women than men are employed in part-time jobs. And third, countries should increase women's presence in high-productivity sectors; currently women are overrepresented in low-productivity sectors, such as agriculture, and underrepresented in high-productivity sectors, such as services. It is estimated that 54 percent of the opportunity for global economic growth would come from increasing the rates of female labor force participation, 23 percent from closing the gap in hours worked, and 23 percent from raising the concentration of women in higher-productivity sectors.

According to the Organisation for Economic Cooperation and Development (OECD), the rate of female labor force participation in Mexico is 43 percent, the second lowest after Turkey among OECD member countries. Although it has risen slightly in the past 15 years, the rate of female labor force participation in Mexico is even lower than that of many emerging economies. The economic impact of closing its gender gap, then, is significant; it would add \$0.8 trillion to the national GDP—the equivalent of nearly 70 percent of the current GDP.

The challenge is not limited to increasing the number of women who enter the labor market but it also involves improving the prevailing work conditions. Companies should aspire to equitable professional development opportunities and a culture free of discrimination regardless of the economic imperative for doing so. Nevertheless, achieving true equity is key for companies to reach their maximum economic potential.



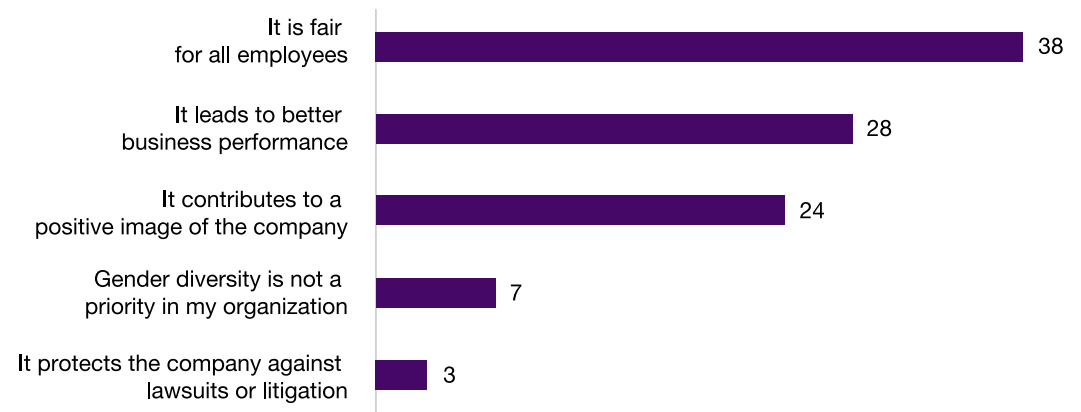
1.2 Advantages of companies with greater gender diversity

Although the importance of gender equity for economic and social prosperity is somewhat recognized in public policy, perceptions are very different at the business level. In Mexico, fewer than one-third of the employees we surveyed recognized the correlation between diversity and successful business performance (Exhibit 1).

Exhibit 1

REASONS COMPANIES CHOOSE TO PRIORITIZE GENDER DIVERSITY

% OF RESPONSES



SOURCE: McKinsey & Company, Women Matter México 2018

Investing in improving gender diversity in business is economically advantageous. Gender diversity within companies is not only a social concern but also a business imperative that brings about a number of important benefits.

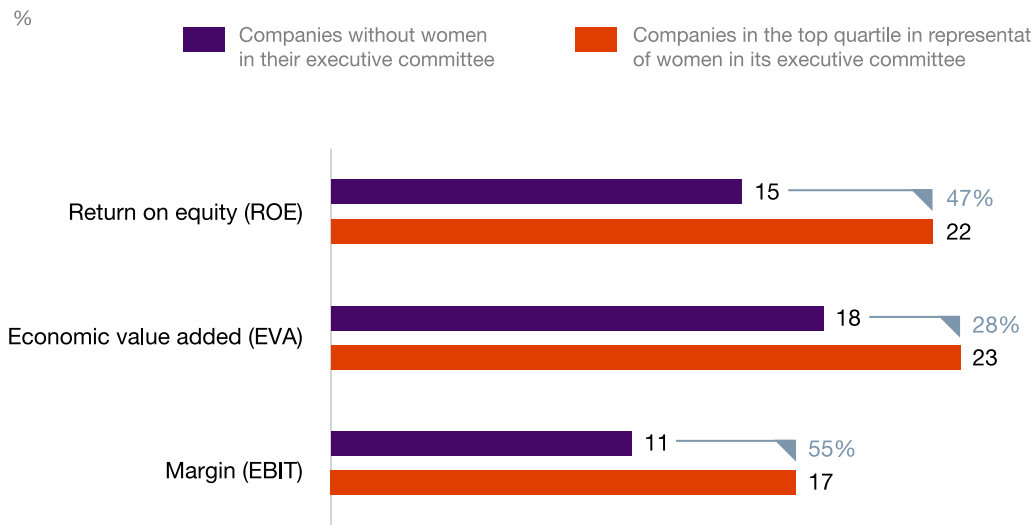
- **Better performance**

Those businesses with a greater number of women on their executive committees perform better. Companies with greater representation of women in management positions have an economic value added (EVA) that is 28 percent higher, a profit

margin (EBIT) that is 55 percent greater, and a return on equity (ROE) that is 47 percent larger than that of companies with a lower female representation (Exhibit 2)⁽ⁱⁱ⁾.

Exhibit 2

IMPACT ON CORPORATE PERFORMANCE



Source: McKinsey & Company, *Women Matter, Time to accelerate: Ten years of insights into gender diversity*, October 2017

■ Better organizational health

By the same token, companies with a greater degree of diversity also tend to have better organizational health. They experience better organizational development dynamics and process information in a way that doesn't occur in homogeneous groups⁽ⁱⁱⁱ⁾.

“

Gender diversity is important not only because it is morally correct but also because of the phenomenon of talent underutilization. Talent has no gender. – Chief human resources officer of a Mexican company in the industrial sector

Companies with more women in senior levels of the organization have

55 percent greater EBIT on average ^{xxiv}

McKinsey's Organizational Health Index (OHI) measures the factors of organizational effectiveness directly related to financial and operational performance. The OHI looks at nine metrics to understand a business' positioning and quality in execution to reach its performance objectives in a sustainable way. The nine metrics include the quality of

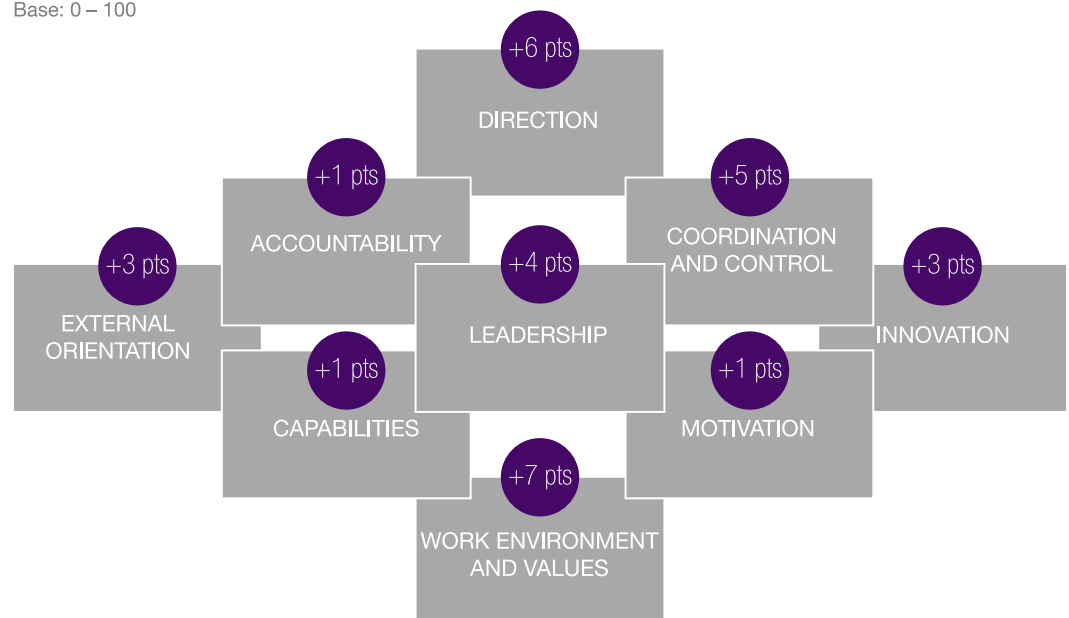
leadership, the organization’s capacity to clearly communicate a vision and direction, its values and workplace environment, its level of innovation and ability to execute, among others.

By applying this tool in more than 1,700 companies in over 100 countries, we discovered a clear correlation between the scores of companies in these nine dimensions and their financial performance. We also discovered that companies with more than three women on their executive committee obtain better results in all the dimensions of the OHI, particularly in the values and workplace environment and leadership and direction categories, where they earned seven and six additional points, respectively (Exhibit 3).

Exhibit 3

IMPACT ON THE ORGANIZATIONAL HEALTH INDEX (OHI)

Base: 0 – 100



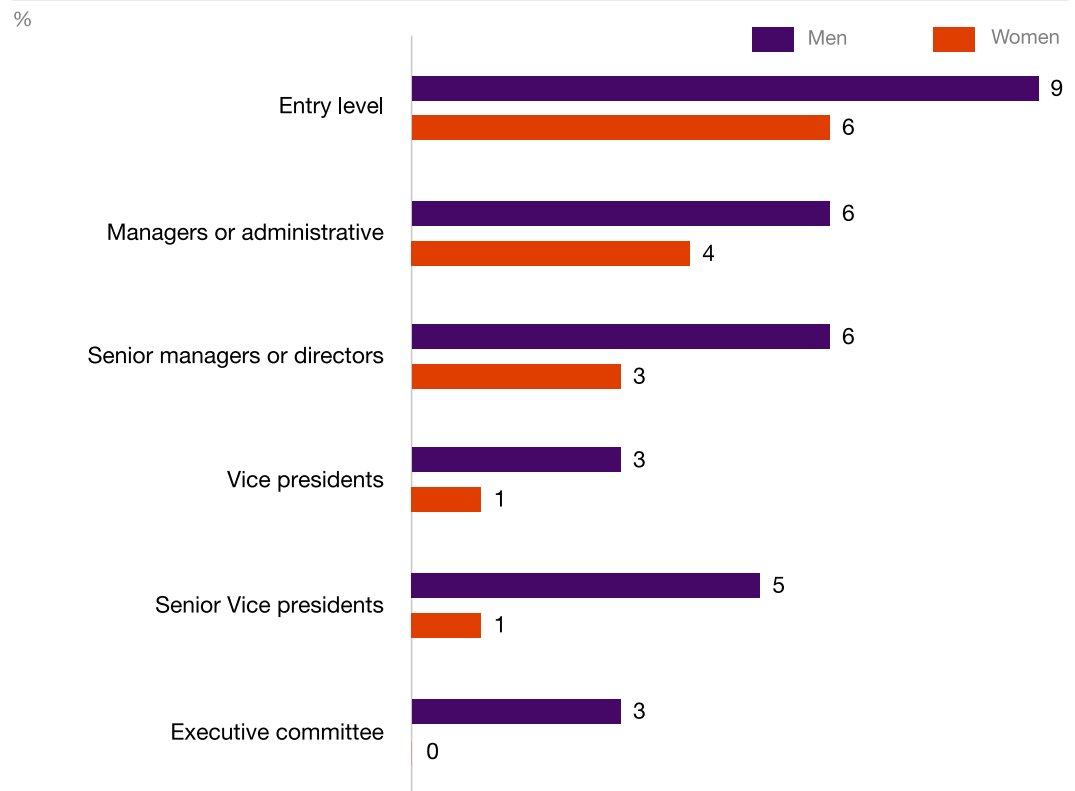
SOURCE: McKinsey & Company, OHI 2007, 60,000 answers in 100 organizations

■ Less attrition and better communication

Our survey of 50 companies revealed that the turnover rate is lower for women than for men in all levels of the corporate hierarchy (Exhibit 4). Increasing the number of women, then, ultimately reduces recruitment costs, training hours, and operational disruptions and increases continuity of work. Continuity contributes to a better work climate with greater stability and a more consistent professional development dynamic.

Exhibit 4

TURNOVER RATE AT ALL LEVELS



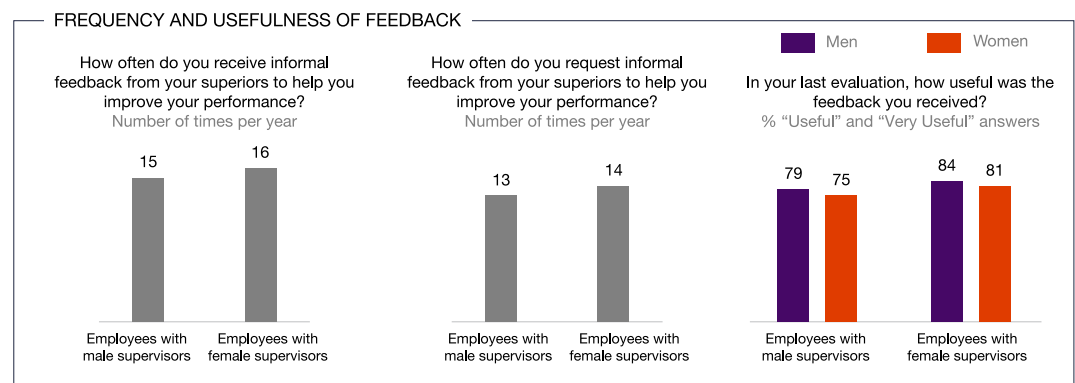
SOURCE: McKinsey & Company, Women Matter México 2018



Women have a greater sense of loyalty to the company and their turnover rate tends to be lower than that of men. – Chief human resources officer of a Mexican company in the consumer goods sector

The study also identified that female supervisors offer more useful and frequent feedback; likewise, employees request feedback from female supervisors more often (Exhibit 5).

Exhibit 5



SOURCE: McKinsey & Company, Women Matter Mexico 2018

More and better communication and lower turnover rates in companies with more female leadership support the correlation between the level of gender inclusion and better economic performance.

■ More collaborative leadership

Women contribute behaviours and diversity in leadership styles that drive corporate performance. Behavioral science research has identified various positive leadership behaviors that male and female leaders tend to exhibit with different intensity and frequency. By analyzing the impact of each of these behaviors on corporate performance and how frequently each gender demonstrates them, it is possible to identify the different contributions each gender makes to the organization's performance.

Research shows that female leadership is more effective than male leadership at developing staff, managing expectations, role modeling, inspiring employees, and encouraging collaborative decision-making. In this way, female leadership improves organizational performance by reinforcing motivation, responsibility, leadership and bettering the workplace environment [\[iv\]](#).

Thus, businesses that promote gender equity tend to have leadership that is more open, modern, and intelligent and that practices a broader range of behaviors that help reinforce all the dimensions of organizational performance and health.



Throughout this chapter, we reviewed the impact of improving gender equity for social and economic development. The companies that provide the conditions for more women to reach executive posts enjoy better organizational health, lower turnover, and better communication, which ultimately result in better performance for the business.

In the next chapter, we will describe the state of female workforce participation in Mexico to understand the gender gap and the opportunity that exists for capturing these benefits for the companies in our country.

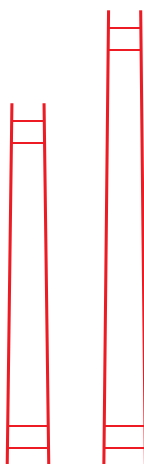
“

When more women lead, performance improves. Start-ups led by women are more likely to succeed; innovative firms with more women in top management are more profitable; and companies with more gender diversity have more revenue, customers, market share, and profits. A comprehensive analysis of 95 studies on gender differences showed that when it comes to leadership skills, although men are more confident, women are more competent.

- Adam Grant and Sheryl Sandberg, “When Talking About Bias Backfires,” New York Times, December 6, 2014.

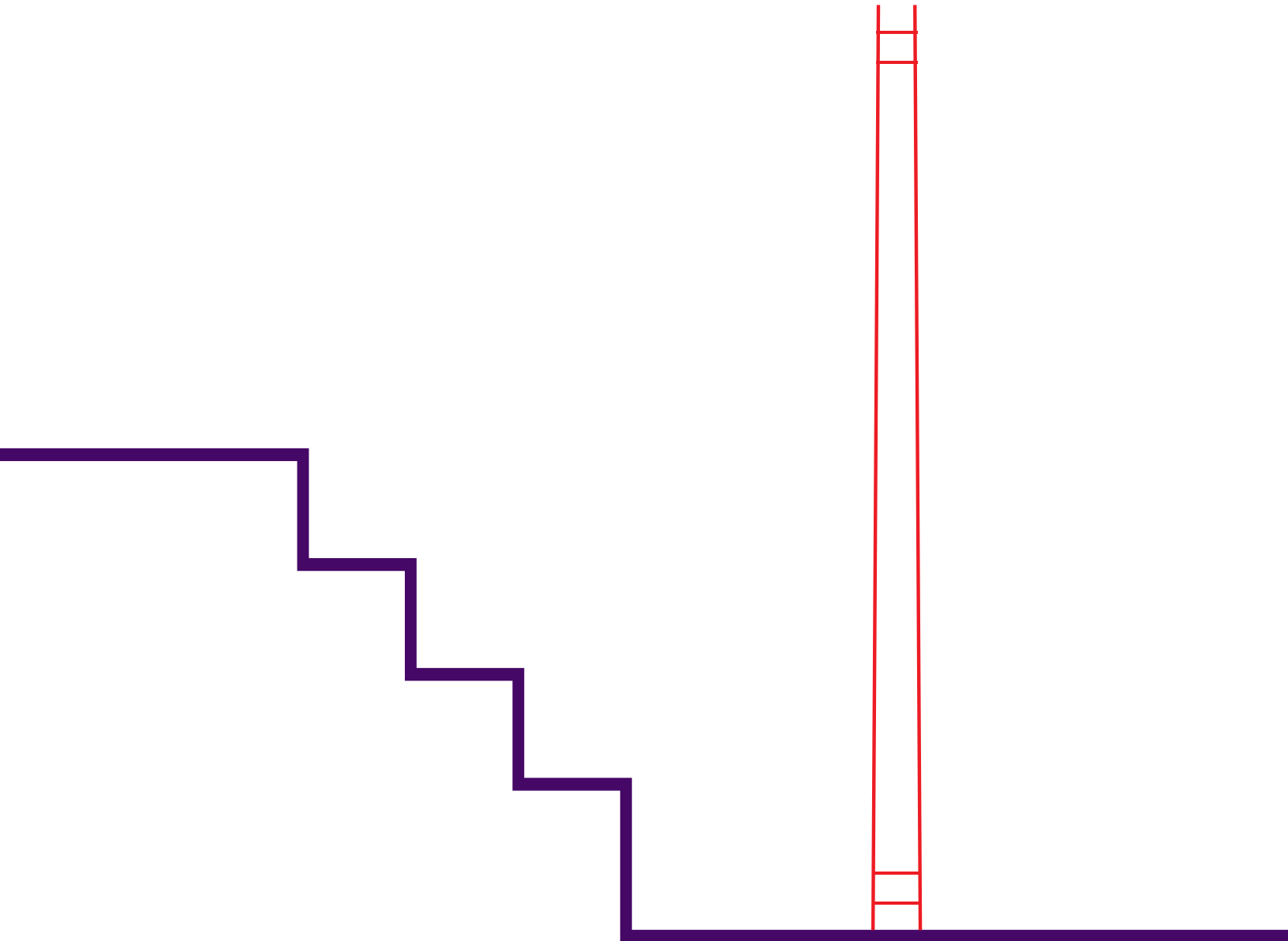
In addition to talent, women contribute to business abilities that complement those of men: better interpersonal cooperation, horizontal thinking, and the capacity to truly listen. They also have greater empathy and ability to prioritize. Already in 2008, studies had shown that, in work groups with a healthy mix of men and women, there was better communication, the groups were more open to new ideas, and trust between the group members was greater. And the result was more efficiency and better yield. We all win. Part of the increase of female representation, especially in leadership positions, will come through women who are self-sufficient (“Lean-in”) and who value themselves. But if we truly place a value on the ability to listen and collaborate in our teams, the option is not always to encourage women to “elbow their way in.” The right answer is rather to ensure that people who are better at both speaking clearly, genuinely, and know how to listen, be they men or women, are able to contribute their full potential.

- Ana Botín ^[xxiv], Newspaper *El País*, “Por qué me considero feminista y tú también deberías,” *El País*, August 20th, 2018.



2

The gender gap in the Mexican workplace contrasts with women's aspirations



In the previous chapter, we underscored the enormous economic benefits for countries and companies with greater diversity. Capturing those benefits requires an understanding of the starting point as well as an objective measurement of the gender gap in the country, specifically within corporate organizations in different economic sectors. In this chapter, we explore the gender baseline for the country and the 50 companies that participated in this study.

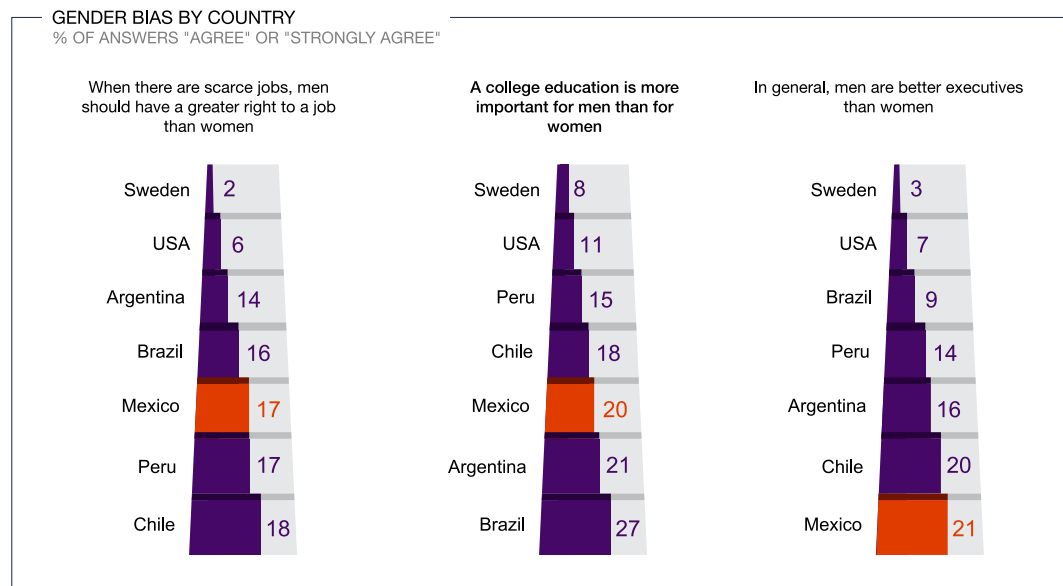
2.1 Mexico: A country with a profound lag in labor force gender equity

The World Values Survey, which has been dedicated to studying the changes in the scale of values and their political and social impact in different countries since 1981, presents interesting realities about the perception of women in the labor force and in academia in Mexico¹⁴.

In Mexico, one out of five people believe that it is more important for a man to have a university degree than a woman. This statistic is seven times higher than the result in Sweden and double that in Brazil. In addition, 17 percent of Mexicans believe that when jobs are scarce, men have a greater right to work; this is nearly three times the number of people who express this belief in the United States and eight times the number reported in Sweden (Exhibit 6).

A negative bias also exists toward female executives in Mexico, where 20 percent of the population believe that men are better executives solely because of their gender.

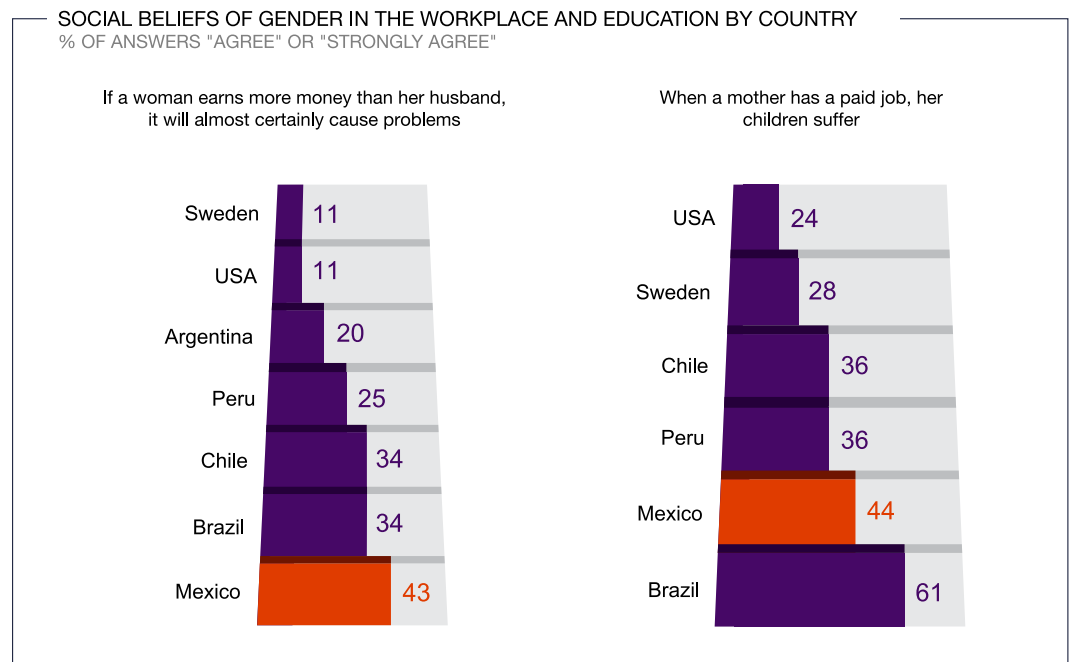
Exhibit 6



SOURCE: Inglehart, R., C. Haerpfer, A. Moreno, C. Welzel, K. Kizilova, J. Diez-Medrano, M. Lagos, P. Norris, E. Ponarin & B. Puranen et al., World Values Survey: Round Six - Country-Pooled Datafile, 2014, worldvaluessurvey.org

With regard to social beliefs, conservative thinking persists: many express that women do not belong in a corporate environment because they cannot be leaders without penalizing their families. As many as 43 percent of Mexicans believe that it causes problems in the home if women earn more than their husbands. This point of view is four times more widespread in Mexico than in Sweden and the United States and 30 percent more prevalent than in Chile and Brazil, the two countries where this belief is most pervasive after Mexico. Nearly half of all Mexicans believe that when a mother has a paid job, her children suffer (Exhibit 7).

Exhibit 7



SOURCE: Inglehart, R., C. Haerperfer, A. Moreno, C. Welzel, K. Kizilova, J. Diez-Medrano, M. Lagos, P. Norris, E. Ponarin & B. Puranen et al., World Values Survey: Round Six - Country-Pooled Datafile, 2014, worldvaluessurvey.org.

These prejudices toward women are deep-rooted in Mexican society and create obstacles through patriarchal behaviors and dogmas that limit the development of female talent. Asked whether they have at some time felt their gender worked against them in getting a promotion or advancing in their career, only 6 percent of men replied “yes” compared with 30 percent of women (Exhibit 8).

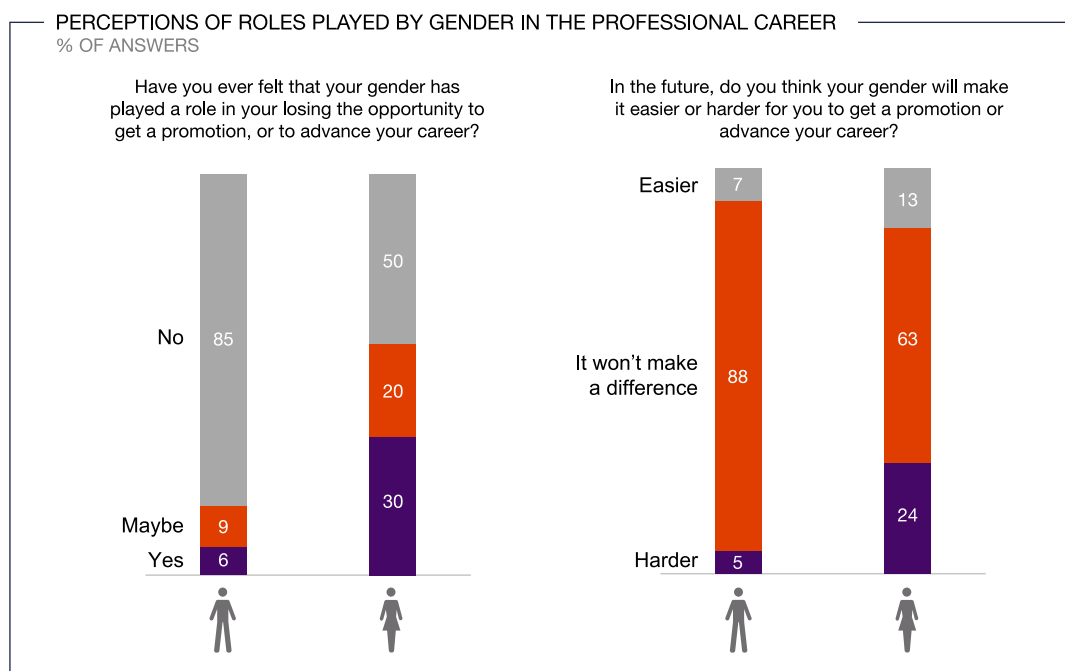
A majority of men (54 percent) believe that in their company promotions are given based on fair and objective criteria, compared with 45 percent of women. Forty-nine percent of men believe that better opportunities are always given to the employees who most deserve them, while just 39 percent of women hold this same belief.



30% of women (compared with 6% of men)

believe that their gender has played a role in missing out a promotion or an opportunity for professional advancement ^{xxiv}

Exhibit 8



SOURCE: McKinsey & Company, Women Matter Mexico 2018

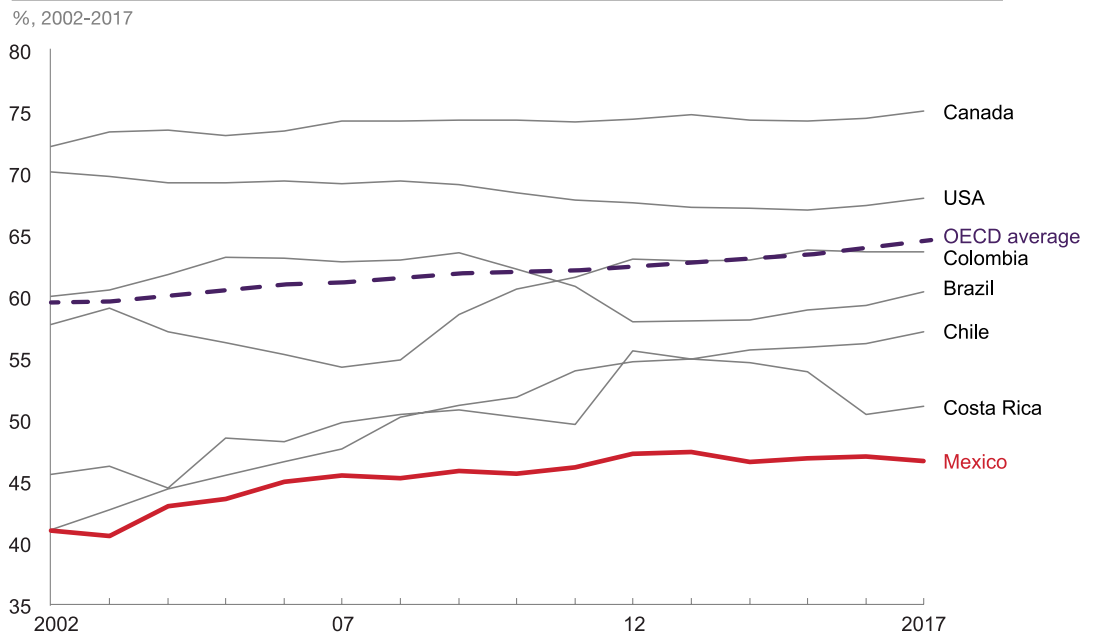
Among women surveyed, 24 percent believe their gender hinders them from advancing in their career compared with 5 percent of men. Additionally, 70 percent of women who could work refrain from doing so—more than twice the percentage among men—because they believe there are no opportunities for them or they are lacking in qualifications^[vi].

This trend persists despite the known fact that the increase in female workforce participation has the potential to bring about substantial changes not only in the living conditions of working women and their families but also in the social and economic conditions of society as a whole^[viii].

In Latin America female labor force participation increased steadily in the past two decades. Nevertheless, in Mexico the rate of female labor force participation is one of the lowest in Latin America, at 43 percent in 2017. This number is well below the average of 67 percent for OECD member countries and below other countries in the region such as Peru (66 percent), Colombia (56 percent), Brazil (50 percent), and Chile (48 percent), which have demonstrated a positive trend for the inclusion of women in the labor force since 2002 (Exhibit 9).

Exhibit 9

FEMALE LABOR PARTICIPATION RATE¹



¹ Labor participation rate for women, ages 15 to 64 (%). Measures the proportion of the working-age population that actively participates in the labor market, either working or looking for work. Workforce data does not take into account employees working outside the country.

SOURCE: Labor participation rate, OECD, October 2018

In addition, the OECD points out that women are more likely to do informal work. In fact, 56 percent of Mexican women held informal jobs (nonagricultural) in the third quarter of 2017, compared with 59 percent of men.



4 out of 10 women in Mexico

are employed or are looking for a job, which results in one of the lowest rates of female labor force participation in Latin America ^{xxiv}

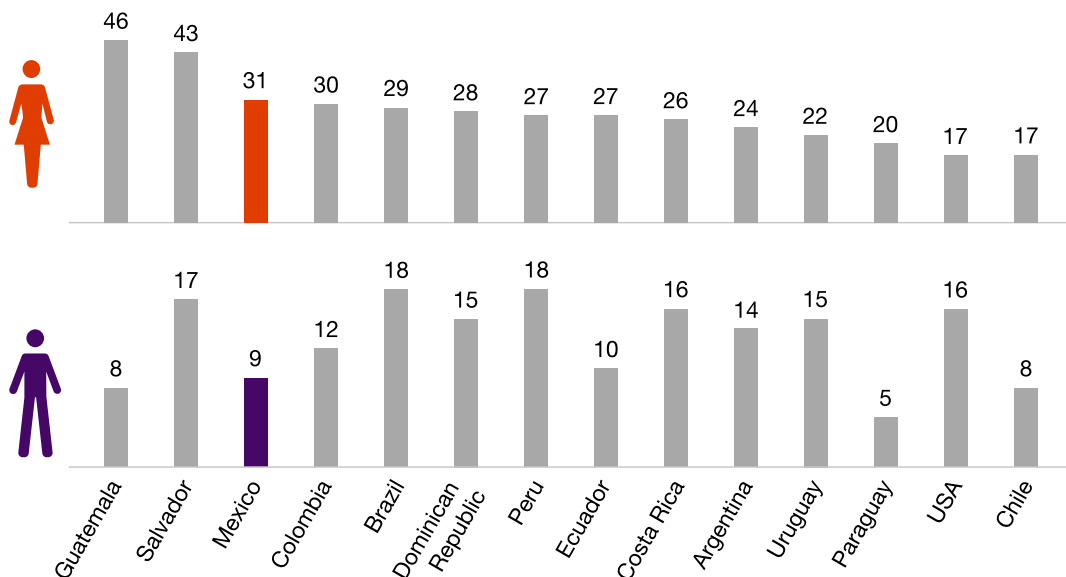
It is worth pointing out that multiple factors must be taken into account to understand the low levels of female labor force participation, and it should not be assumed that they are merely a question of women choosing not to work. Literature in the field shows that expanding access to quality child-care services increases female labor force participation. In Mexico, evidence indicates that biases based on women’s civil status and number of economic dependents, be they children or the elderly, still cause businesses to overlook women for recruitment or promotion.

One of the challenges in the region that most affects women is youth unemployment. According to the World Bank’s World Development Indicators, Latin America has the highest level in the world of youth who neither study nor work nor seek work (NINIs). It is estimated that 15 million youth in the country are NINIs, of which 75 percent are women (Exhibit 10).

Exhibit 10

YOUNG PEOPLE WHO DO NOT WORK AND DO NOT STUDY

% BY GENDER



SOURCE: International Labor Organization, ILOSTAT, Annual Indicators, Percentage of youth who are not employed or studying, 2016 or the most recent information as of September 2017

In Mexico, almost one-third of young women neither study nor work—more than triple the rate among men (9 percent). In this regard, idleness, predominantly female, is a problem in and of itself since it depreciates basic abilities and restricts even further any possibility of entering labor markets. It is worth noting that access to higher education does not guarantee a job. In Mexico, 75 percent of women who earn a university degree do not have a formal, paid job^[viii].



In Mexico, 75% of women
with a university degree do not have a paid job^{xxiv}



The obstacles for women exist on three levels: structural challenges, behaviors, and the social milieu. There is a lot of talk about goodwill, but there has not been a real transformation. – Chief human resources officer of a Mexican company in the industrial sector

2.2 Inequality in gender participation within Mexican companies

Over the past 20 years, a steadily growing number of women entered schools and completed their education across Latin America and Mexico. The participation of women in the labor market has expanded notably, and women’s contribution to

household income is rising. Even so, we find that working women in Mexico are underrepresented at all levels, and their presence decreases at each step up the corporate ladder (Exhibit 11).

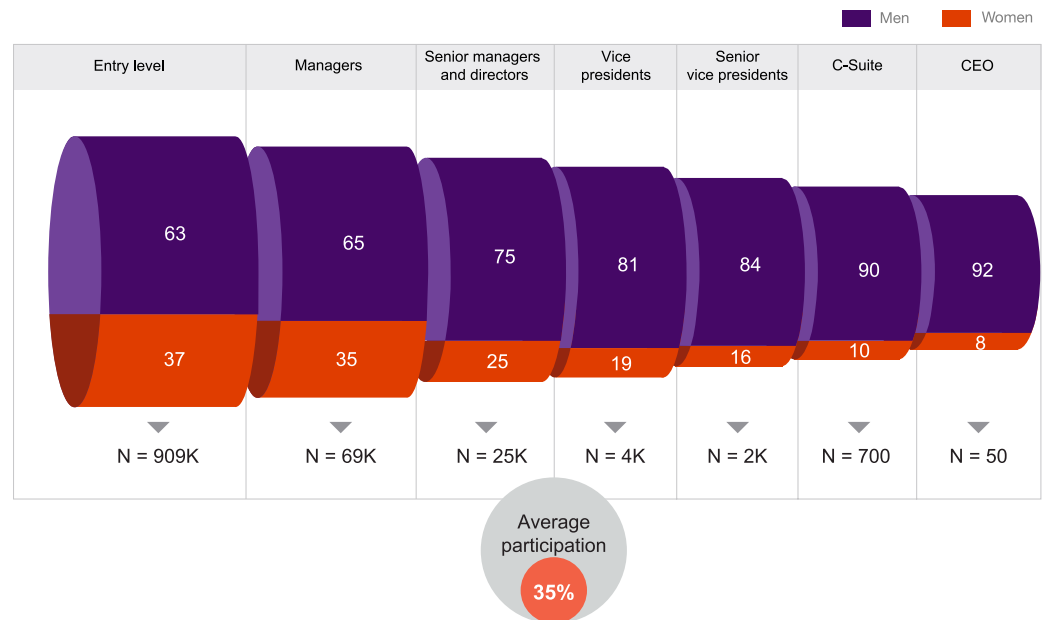
Although 45 percent of Mexican university graduates with a bachelor’s degree are women, the gender gap prevails in terms of female labor market participation. In the entry levels, the percentage of men is nearly double that of women; 63 percent of entry-level workers are male versus 37 percent who are female. The presence of women decreases to 25 percent in management and director levels, and just 15 percent ^{ix} of companies have more than one woman in senior levels of management.

In Mexico, just 10 percent of executive committee members or the C-Suite are women. Mexican companies continue to lag behind the most advanced countries. In Norway, Sweden, and the United Kingdom, women make up more than 20 percent of executive committees, and in the European Union they account for 15 percent.

Exhibit 11

REPRESENTATION BY GENDER IN CORPORATE POSITIONS

% OF EMPLOYEES BY GENDER IN 50 COMPANIES REPRESENTING 1 MILLION EMPLOYEES



SOURCE: McKinsey & Company, Women Matter Mexico 2018

Women represent...

- 45%** of university graduates ^{xxiv}
- 37%** of entry-level employees ^{xxiv}
- 10%** of executive committees ^{xxiv}

Among the companies surveyed, we found that 35 percent of these companies’ workforce is made up by women. The Mexican corporate world is still far from achieving gender equity, with a marked gap between men and women when it

comes to positions of influence, leadership, and decision-making. At the CEO level, the contrast between men and women is the most pronounced with 92 percent and 8 percent holding these positions, respectively.



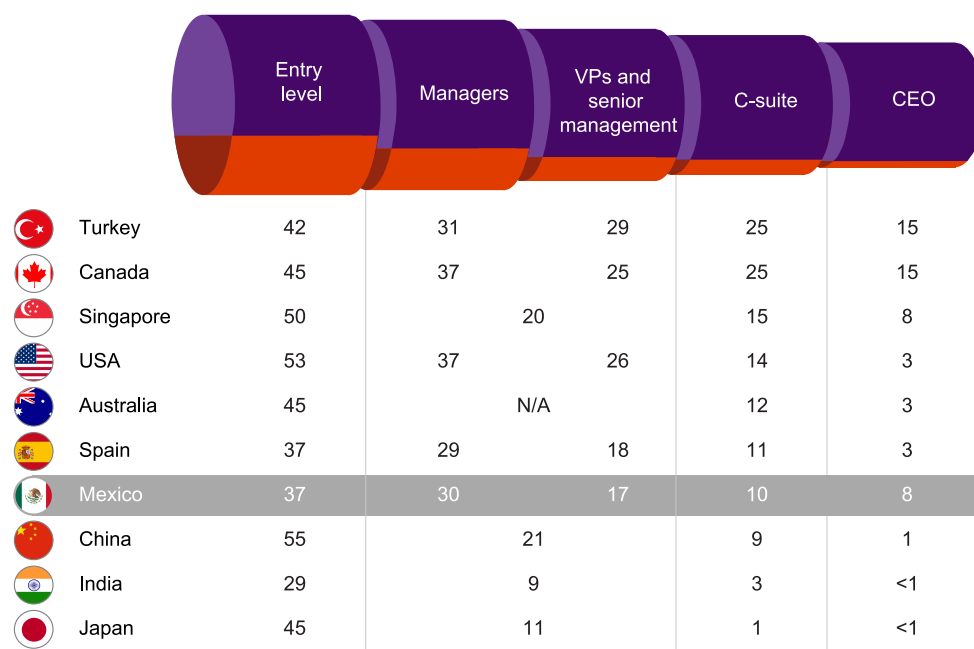
We have a high representation of women in entry-level posts; in fact, there are more women than men. But in the most senior positions, men dominate. –
Chief human resources officer of a Mexican company in the finance sector

Our studies show that even in countries that have succeeded in reaching gender equity in entry-level positions, such as Australia, Canada, China, Japan, Singapore, and the United States, the gap persists in professional development. The difference in representation between men and women increases as you go up the hierarchy in all these countries. Even in countries with a greater representation of women in entry-level jobs, the proportion of women on executive committees is never higher than 25 percent, and at the global level, no more than 15 percent of companies are led by a female CEO (Exhibit 12).

Exhibit 12

REPRESENTATION BY GENDER IN CORPORATE POSITIONS

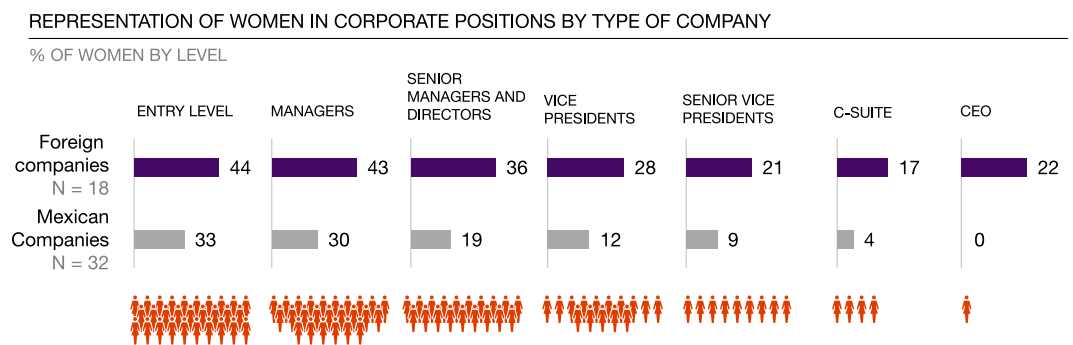
% OF WOMEN BY LEVEL



SOURCE: McKinsey & Company, Women Matter 2016-2018

It's worth noting that Mexican companies have a lower representation of women than foreign companies operating in Mexico at all levels of the organization (Exhibit 13). One-third of international companies included in the study have their headquarters in North America or Europe; both regions are pioneers in gender inclusion and in promoting greater female workforce participation. Many foreign companies are more diverse than Mexican firms because they launched diversity and inclusion efforts in their head offices years ago, and have an increased awareness of the importance and positive impact of having women represented within their organizations.

Exhibit 13



SOURCE: McKinsey & Company, Women Matter Mexico 2018



International companies in Mexico have **30% more women than Mexican companies**

In entry-level posts, women in international companies in Mexico outnumber those in Mexican companies by 11 percentage points. Just 19 percent of managers and directors in Mexican companies are female—nearly half that in foreign firms (36 percent). The gap is even more pronounced among vice presidents and senior executives, where double and triple the number of women, respectively, hold the positions in foreign firms. Not a single woman occupies the post of CEO in the Mexican companies in our sample.



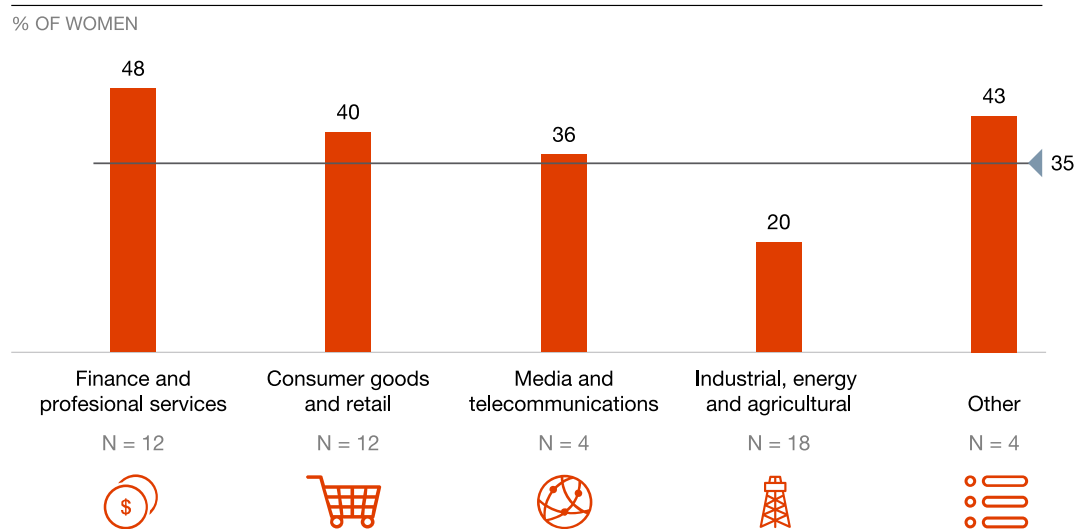
In general, Mexican companies are distinct from the rest of the world when it comes to diversity. In companies outside Mexico, promoting diversity tends to be part of the culture, and that is apparent at all levels of the organization. – Chief human resources officer of a Mexican company in the consumer goods sector

■ Female labor force participation by industrial sector

Each sector has distinct challenges with achieving gender equity. To understand these challenges and differences, we analyzed companies belonging to the following sectors: industrial, energy, and agriculture; consumer goods and retail; finance and professional services; and media and telecommunications (Exhibit 14).

Exhibit 14

WOMEN'S REPRESENTATION BY SECTOR



SOURCE: McKinsey & Company, Women Matter Mexico 2018

We found that the disparity between men and women is the most pronounced in the industrial, energy, and agriculture sector, where just 20 percent of the labor force are women—15 percentage points below the average of all sectors. Women are especially underrepresented in entry-level positions in this sector, likely in part because only 12 percent of female graduates study engineering, compared with 35 percent of men^[x]. This disparity demonstrates how gender stereotypes still influence the academic and professional decisions that young Mexican women make.

The finance and professional services sector boasts the highest percentage of female employees at 48 percent, followed by the consumer goods and retail sector at 40 percent, and media and telecommunications at 36 percent. More than half of the employees hired for entry-level jobs in finance and professional services are women, but the percentage falls to 25 percent at the levels of vice president and higher. For this industry, challenges in equity materialize further up the corporate ladder.

■ Barriers for women's professional advancement in Mexican companies

A World Economic Forum survey of more than 14,000 executives^[xi] reveals that more business leaders in Mexico believe women don't have the same opportunities as

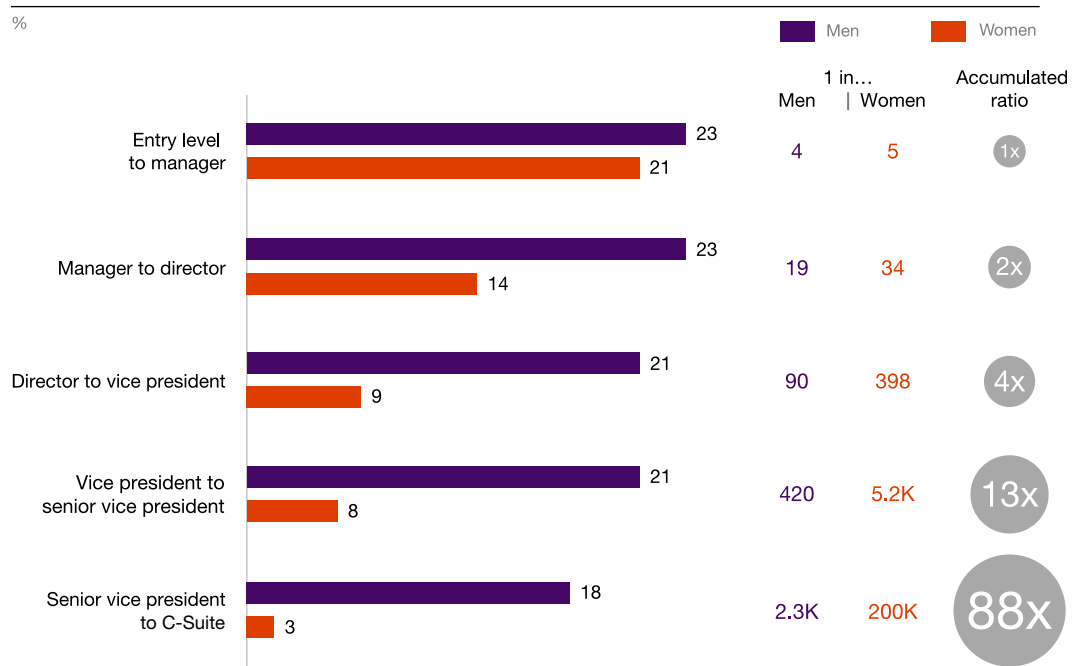
men than in any other Latin American country. The Women Matter studies reveal that it is commonplace for men to receive more promotions than women, and men consistently have more professional prospects than women.

Our survey confirmed that men are promoted more often than women in all roles across the professional hierarchy. While 23 percent of men and 21 percent of women were promoted from an entry-level position to manager, only 14 percent of women were promoted to director and only 9 percent to vice president, compared with 23 percent and 21 percent among men, respectively. Further up the hierarchy, the gap widens even more, with only 8 percent of women being promoted to senior vice president and 3 percent to the executive committee, compared with 21 percent and 18 percent of men, respectively.

For men, the probability of ascending from one level to another are only reduced from 23 percent at the entry level to 18 percent at the level of senior vice president, while for women the probability falls dramatically from 21 percent to 3 percent at the same levels (Exhibit 15).

Exhibit 15

PROMOTION RATE BY GENDER AND LEVEL



SOURCE: McKinsey & Company, Women Matter Mexico 2018

It is important to point out that, as we are dealing with probabilities, these numbers are independent of the number of women in each level. Even when they reach the senior levels of the organization, women are not promoted at the same rate as men, which exacerbates the problem of gender inequality within companies. Men are 88

times more likely to reach a position in the executive committee than women, and only one out of 200,000 women who enter an organization in an entry-level position will reach that rank.

Mexico has the largest gap between men and women in rates of promotion to higher levels among countries surveyed. While generally men have double the possibility of ascension of women, the gap between Mexican men and women in promotion rates to the executive committee is two times that of Spaniards and more than fourteen times that of Canadians (Exhibit 16).






Companies must recruit

200,000 women to entry-level positions
for just one to reach the executive committee. Among men, this number is less than 3,000 ^{xxiv}

Exhibit 16

PROMOTION RATE RATIOS: MEN VS. WOMEN

NUMBER OF TIMES THAT THE RATE OF PROMOTION FOR MEN IS GREATER THAN THAT FOR WOMEN

	 MEXICO	 SPAIN	 CANADA
Entry level to Manager	1X	1X	2X
Manager to Director	2X	3X	2X
Director to Vice President	4X	5X	5X
Vice President to Senior Vice President	13X	10X	6X
Senior Vice President to C-Suite	88X	38X	6X

SOURCE: McKinsey & Company, Women Matter 2016-2018



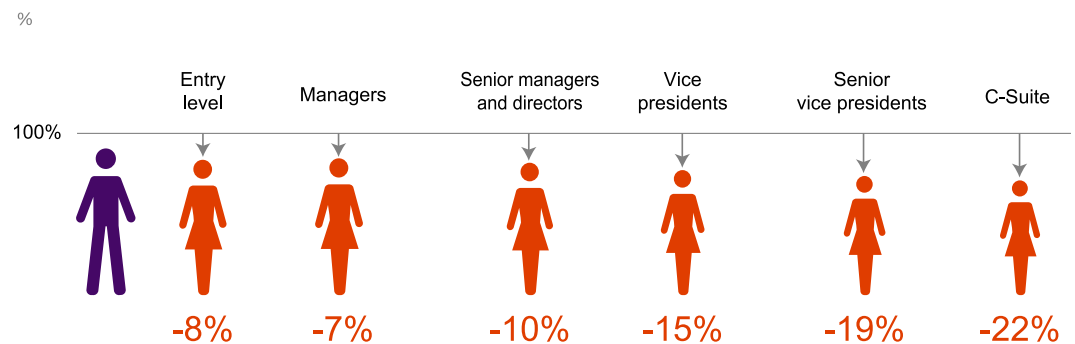
At times, women discriminate against other women for promotions. For example, several contract managers prefer not to give a chance to women because they are married or have children. Similarly, they may prefer to not offer some vacancies to women because they feel they demand a lot of time or the post will not be of interest to them. As a result, they end up offering openings or promotions to men. – Chief human resources officer of a Mexican company in the finance sector

■ **The salary gap in Mexican companies**

Men also tend to be paid better than women starting at the entry levels, and the difference grows for higher professional levels. According to the *World Economic Forum*^[xii], Mexico is classified as one of the Latin American countries with the greatest salary inequality. Among the 50 Mexican companies participating in this study, women earn 8 percent less than men in entry-level positions and 22 percent less at the executive-committee level (Exhibit 17).

Exhibit 17

SALARY DIFFERENCES BETWEEN MEN AND WOMEN BY LEVEL



SOURCE: McKinsey & Company, Women Matter Mexico 2018



Women earn 8% less than men in entry-level positions ^{xxiv} **and 22% less** at the executive-committee level ^{xxiv}

The differences in salary between men and women become more dramatic starting at the senior-manager level where women earn 90 percent of what is earned by men. At the vice-president level this number falls to 85 percent, and it shrinks steadily until the senior-executive level where women are paid 78 percent of men’s salaries. Most companies lack compensation policies that guarantee the same salary for men and women who carry out the same work and have the same experience.

This salary discrimination is largely tied to sociocultural concepts rooted in traditional gender roles, but other factors also play an important role in defining this gap. For example, women have a greater possibility of ending up in part-time jobs which tend to pay less on average. Other studies show that, generally speaking, women are less aggressive in negotiating salary increases and frequently accept positions anchored to the salary they held in their previous role, perpetuating a lower income level throughout their career.

“

Two leading factors contribute to the salary discrepancy between men and women. The first is that women tend to stay in the same role for a longer time, while men are more proactive about changing their role—laterally, vertically, or diagonally. The combined effect of this is that when a man and a woman reach the same position, the man already had several promotions, which over time make for a noticeable difference in his salary. The second is that women tend to be less aggressive when they negotiate. – **Chief human resources officer of a Mexican company in the industrial sector**

Measuring and comparing the salary gap between countries is complicated since no single, international study exists that follows a standardized methodology for investigating the pay gap between men and women for equivalent work. National-level research into salaries generally does not consider factors related to productivity, such as the number of hours worked, work experience, educational levels, or the sector of the industry where each population is concentrated, making it impossible to compare these findings with other indices of salary gap in different countries.

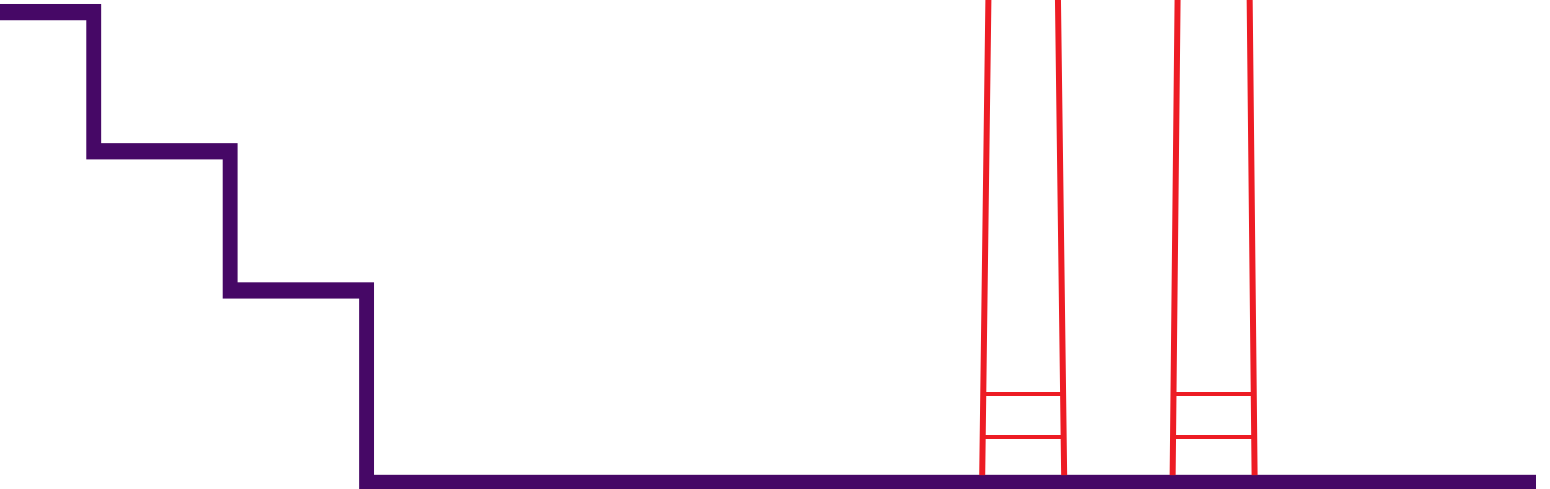


Although Mexican women have the same ambition as Mexican men, the reality is that they are underrepresented in all levels of the corporate hierarchy, earn less, and are less likely to be promoted, positioning Mexico as one of the countries in Latin America with the greatest labor force inequality. In the next chapter, we explore the barriers women face in reaching full professional development.



3

The effects of unpaid work on professional development



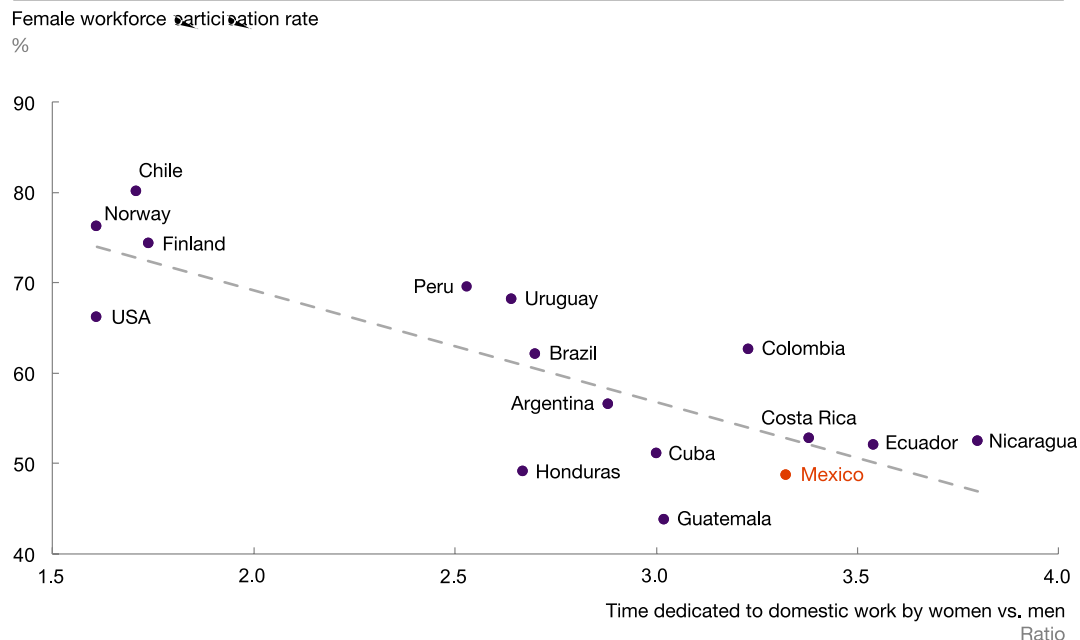
For decades, the majority of women have faced an array of obstacles that make it difficult for them to advance their careers. In this chapter, we analyze the personal and workplace barriers that hinder Mexican women from reaching their full potential.

3.1 The effects of unpaid work on professional development

In Mexico, women are responsible for the majority of unpaid household chores and caretaking. The time consumed by tasks in the home or caring for dependents limits women’s opportunities to have their own income. In cases when women do have an income, these in-home responsibilities often keep them from advancing to the same level as men. As seen in other countries, more women hold jobs as the gap closes between the hours men and women spend on unpaid household chores (Exhibit 18).

Exhibit 18

FEMALE LABOR PARTICIPATION AND GAP IN UNPAID DOMESTIC WORK BY COUNTRY



SOURCE: OCDE, Gender Equality Database, 2016

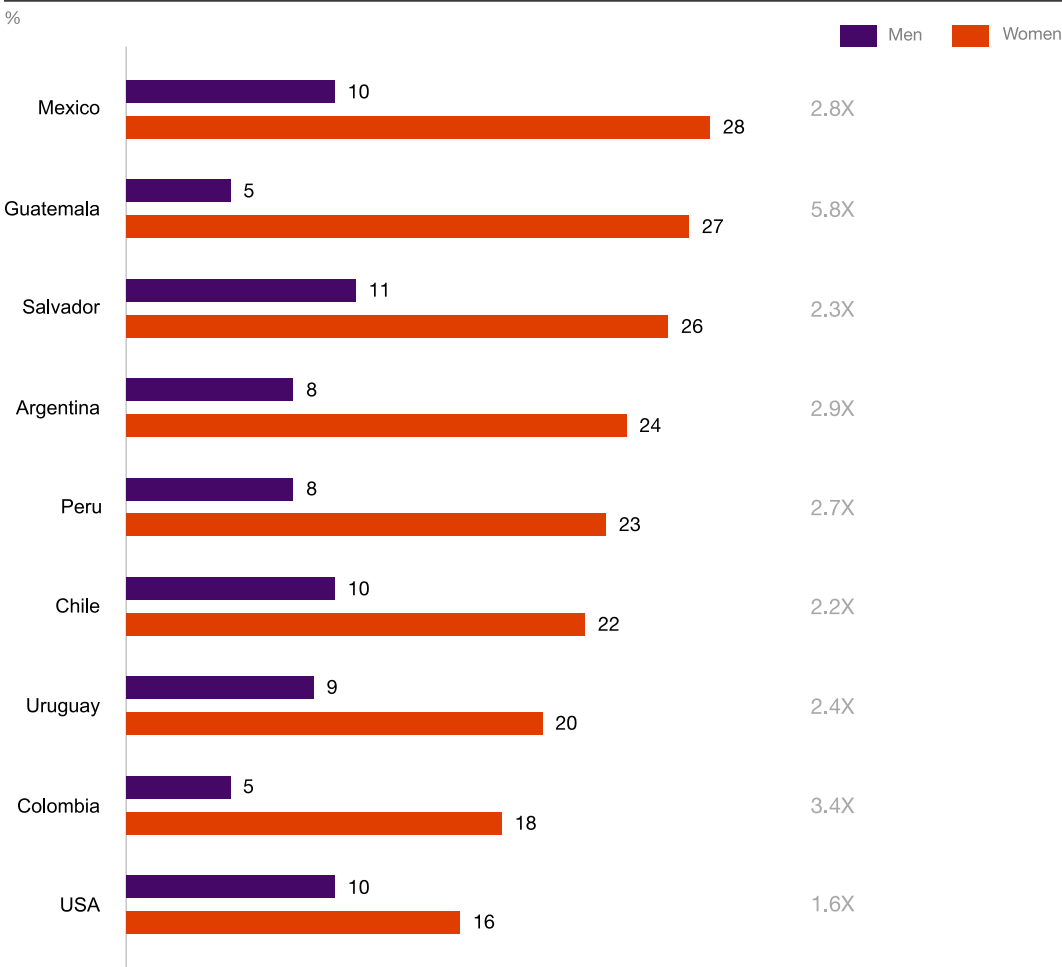
Mexico has one of the largest gender divides regarding time invested in unpaid household chores in Latin America (Exhibit 19). Mexican women do three times more unpaid work than men. On average, women dedicate almost seven hours a day to unpaid work while men dedicate just 2.5 hours to these tasks.



Women dedicate about three times
more time to unpaid work than men ^{xxix}

Exhibit 19

PERCENTAGE OF THE DAY DEDICATED TO UNPAID WORK BY GENDER

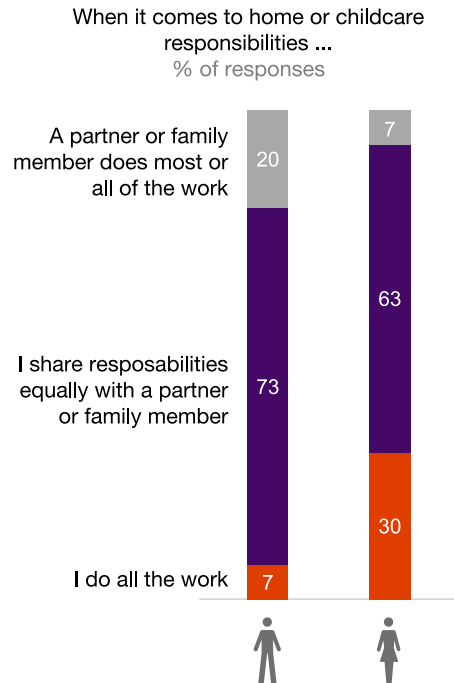


SOURCE: Proportion of time devoted to unpaid housework and care (% of a day of 24 hours) World Bank, 2015: Databases and publications compiled by the United Nations Statistics Division

Among survey respondents, 30 percent of women are responsible for all or the majority of household chores, compared with just 7 percent of men (Exhibit 20). 63 percent of women surveyed say they share this responsibility with someone else, and only 7 percent report that another person is responsible for all household work.

Exhibit 20

ROLE OF THE WOMAN IN HOUSEHOLD RESPONSIBILITIES



SOURCE: McKinsey & Company, Women Matter Mexico 2018

Another notable, and related, trend is that as household income levels increase, so does women's participation in the workforce. Families with higher household incomes are more likely to have access to hired domestic help—to do chores and care for dependents—which allow women to remain professionally active. Gender inequity, then, has a much greater impact on lower-income families that lack access to domestic help. Women in these families must decide whether to try to balance work and household and familial responsibilities. According to INEGI^[vii], average female workforce participation in the top socioeconomic level is 15 percentage points above that of the lowest socioeconomic group.

Unpaid work has an important impact not only on the gap in labor force participation but also on the prevailing salary gap. As we saw previously, the salary gap becomes increasingly more pronounced in the positions that women occupy during their most fertile years. An imbalanced sharing of domestic work, then, creates a salary gap, since women who are married or have children tend to forego new professional opportunities and facilitate the professional advancement of their partner.

Between the ages of 25 and 44, men's salaries tend to increase by 77 percent^[kiii] while women's increase by just 31 percent. This difference accumulates and creates the salary gap that exists in all levels of the professional hierarchy. This discrepancy

occurs because when men leave a job, generally they do so to start a new position in a different organization, and in making this change they typically receive a considerable salary increase. Women, however, are more likely to leave their position to accommodate their partner's career path or to take time to be with their children without an increase in salary upon their return to work.

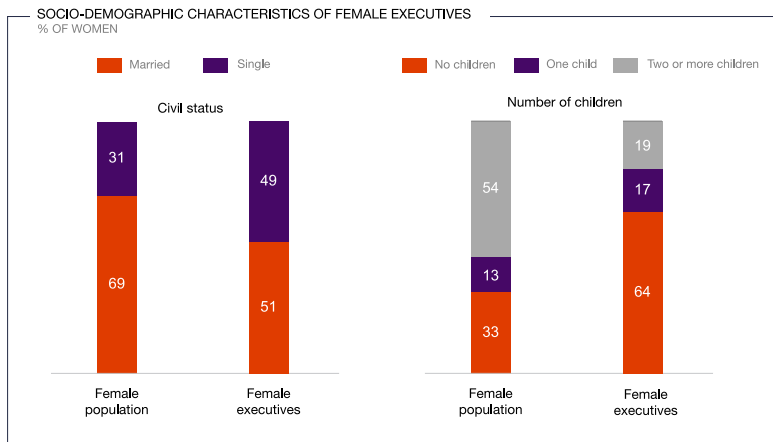
3.2 The evolution of the Mexican family

In recent decades, women's participation in the workforce and subsequent contribution to the household income has increased substantially in Latin American societies, growing from 28 percent in 1996 to 35 percent in 2014. The role of women in the family economy in this region is steadily gaining importance^[xiv]. Even in Mexico, where the relative proportion of women in the labor force is low, the absolute number of Mexican women who have entered the labor market has doubled in the past 30 years^[xv], and the number of double-income households continues to rise.

However, considerable challenges to achieving gender equity remain, particularly in terms of reinforcing or expanding public policies that support women and adjusting societal mentalities and perceptions about working women. Today, Mexican women cannot simultaneously build a successful professional career and a family; they must choose between these options, which is a genuine dilemma.

A study of executive women and diversity programs in Mexico^[xiii] reveals that, for the majority of women, building a home is incompatible with developing a professional career. According to this study, while 33 percent of all Mexican women 18 years and older don't have children, the number of executive women without children is nearly double that, at 64 percent (Exhibit 21). This sample also revealed that 49 percent of executive women were single, compared with 31 percent of the population overall—a striking difference even before adjusting for the age of both groups.

Exhibit 21



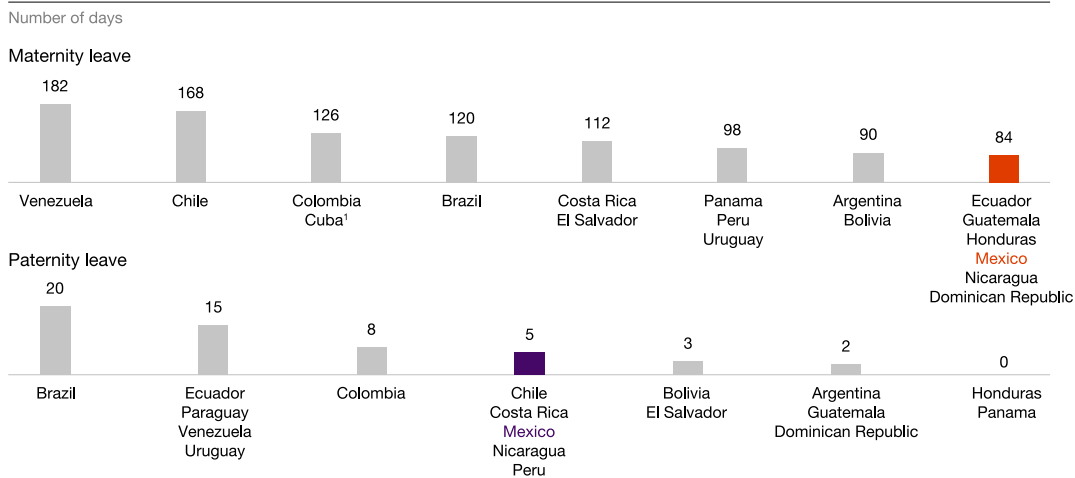
NOTE: Interviews conducted in the last two months of 2014 and the first two months of 2015 in some of the largest companies in Mexico. The sample is of 117 women and included CEOs, CHROs and other senior executive

SOURCE: Gina Zabludovsky, (2001) "Women executives and diversity programs in Mexico", Journal of Management Development, Vol, 20, Number: 4, pp,354-370
INEGI Population and Housing Census, 2015

It is also worth noting that Mexico, along with five other countries, offers the shortest legal period of maternity leave in Latin America—only 84 days—and just five days of paternity leave (Exhibit 22). This mismatch of leave time for new mothers and fathers not only discourages companies from hiring women but also perpetuates the biases and gender roles that create the disadvantages that women face.

Exhibit 22

DAYS OF LEAVE FOR MATERNITY AND PATERNITY IN LATIN AMERICA



1 Parental leave in Cuba is a total of 126 days and can be divided between the father and the mother.

SOURCE: Economic Commission for Latin America and the Caribbean (ECLAC), Observatory on Gender Equality in Latin America and the Caribbean

By contrast, Cuba offers 126 days of leave to be shared between the father and the mother; Brazil grants 20 days of paternity leave; and Ecuador, Paraguay, Uruguay, and Venezuela provide fathers with 15 days.

Unleashing the potential of women in Mexican companies will be possible when conditions exist for men and women to have a balanced life and shared household responsibilities. It is imperative that businesses and organizations adjust their policies and processes to this end. They must recognize changes in the Mexican family dynamics and promote a more egalitarian culture within and without the companies—one that consolidates the process of women’s empowerment.

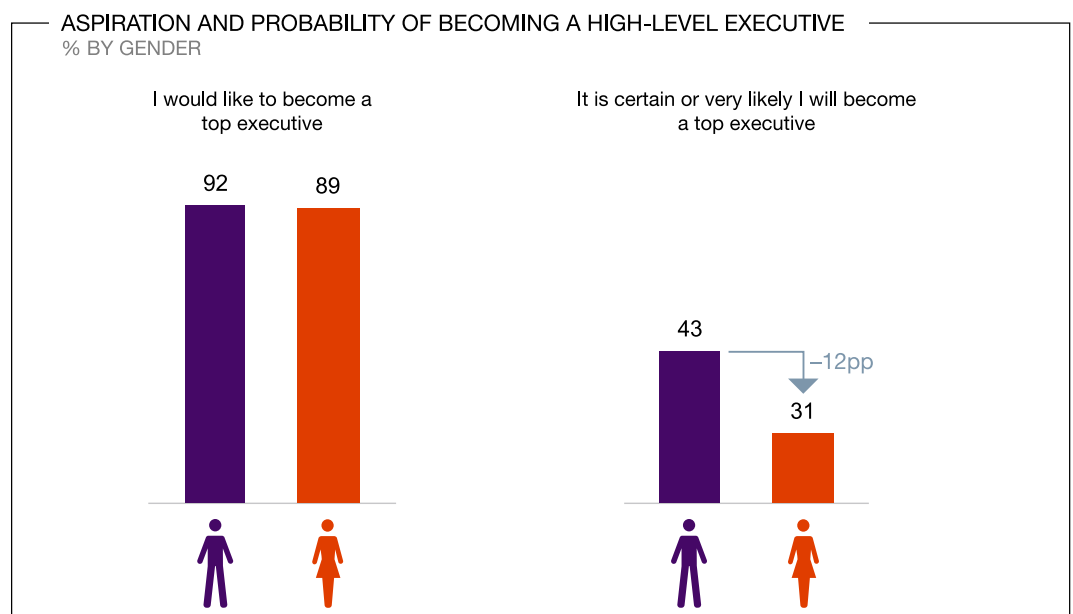


Our company has similar numbers of male and female applicants for entry-level positions, and women’s and men’s careers advance at comparable rates in the beginning. The bottleneck comes in the senior-executive levels, when women begin to have children—not when they marry—which is when many decide to leave the labor force. – Chief human resources officer of a Mexican company in the industrial sector

3.3 Obstacles to female empowerment in Mexican companies

Despite having nearly the same level of ambition, women perceive that they have fewer opportunities than men. Eighty-nine percent of women would like to become senior-level executives, compared with 92 percent of men. However, while 43 percent of men believe it is probable they will reach this goal, only 31 percent of women think the same (Exhibit 23).

Exhibit 23



SOURCE: McKinsey & Company, Women Matter Mexico 2018

■ Lack of awareness of gender inequality issues in the labor force

Even though female representation is low in all sectors, most women and men don't recognize the disparity. Only 32 percent of the population—25 percent of men and 41 percent of women—don't believe that women are sufficiently represented in the senior levels of their organizations (Exhibit 24). Although only 10 percent of senior-level positions within companies are occupied by women, the majority of the organization at all levels believes that they have fulfilled their diversity commitment.



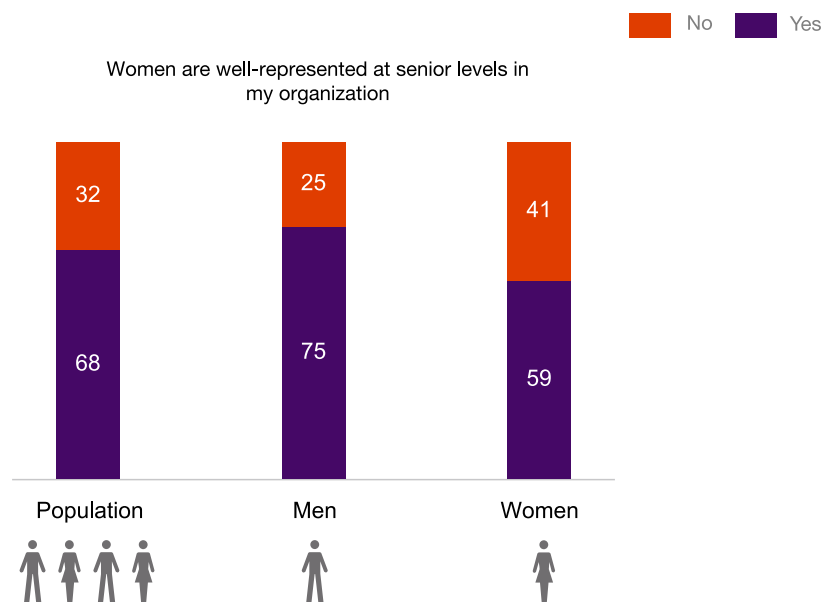
75% of men and 59% of women

believe that women are well represented in the senior levels of their organization, while only one in every ten people in the C-Suite is a woman.^{xxiv}

Exhibit 24

PERCEPTION OF GENDER REPRESENTATION

% OF ANSWERS



Source: McKinsey & Company, Women Matter Mexico 2018

In addition to the fact that the lack of female representation is not perceived as a problem by the majority of those surveyed, most people are unaware of the competitive disadvantages women face to reach leadership positions. These disadvantages include having to carry out their work in an environment unreceptive to female leadership, work days that ignore the demands of family life, and an established culture that has not managed to yield to the new reality of the Mexican family dynamics and the need to create more inclusive spaces. Only 19 percent of men are in total agreement that reaching senior-management positions is more difficult for women^[xv].

■ Lack of inclusion in the corporate culture



14% of women

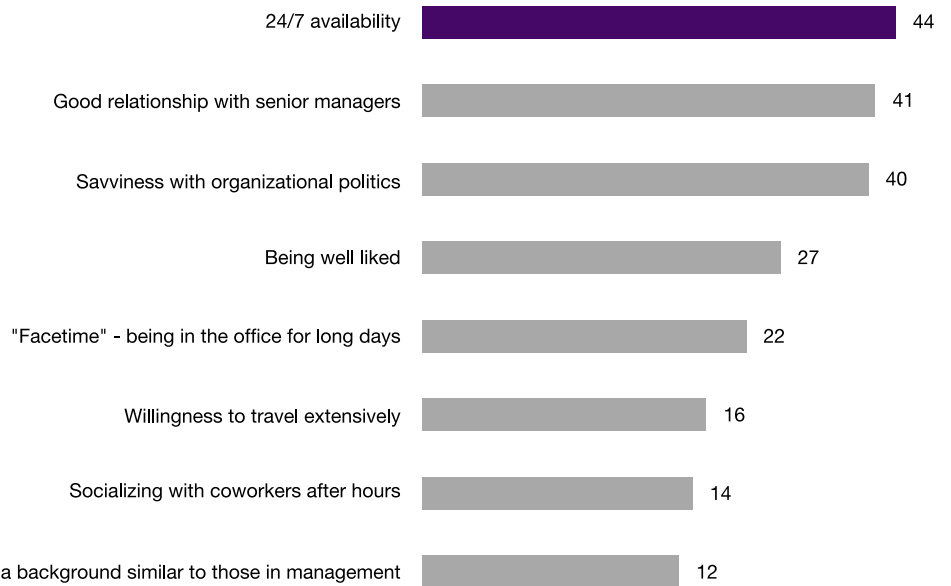
say their company is not an inclusive workplace ^{xxiv}

A common denominator among those surveyed is the association of hours of availability and facetime with the level of commitment to the company and the possibility of career success. In fact, the survey revealed that people believe “24/7 availability” is the most important factor for being successful in an organization (Exhibit 25). A high-level career, then, implies a willingness to work anytime, anywhere. This standard imposes an especially heavy burden on professional women.

Exhibit 25

RANKING OF PERSONAL FACTORS FOR PROFESSIONAL SUCCESS

% OF ANSWERS¹



¹ The question allows respondents to mark all the answers that apply, so the percentages do not add up to 100%.

SOURCE: McKinsey & Company, Women Matter Mexico 2018

Women’s responsibility for unpaid household chores and caretaking, a failure to increase the days of paternity and maternity leave to reflect the changes in Mexican family dynamics, and companies’ demands that high-level employees be available at all times constitute complex structural barriers that must be broken down to unleash women’s potential as economic actors inside and outside the workplace.

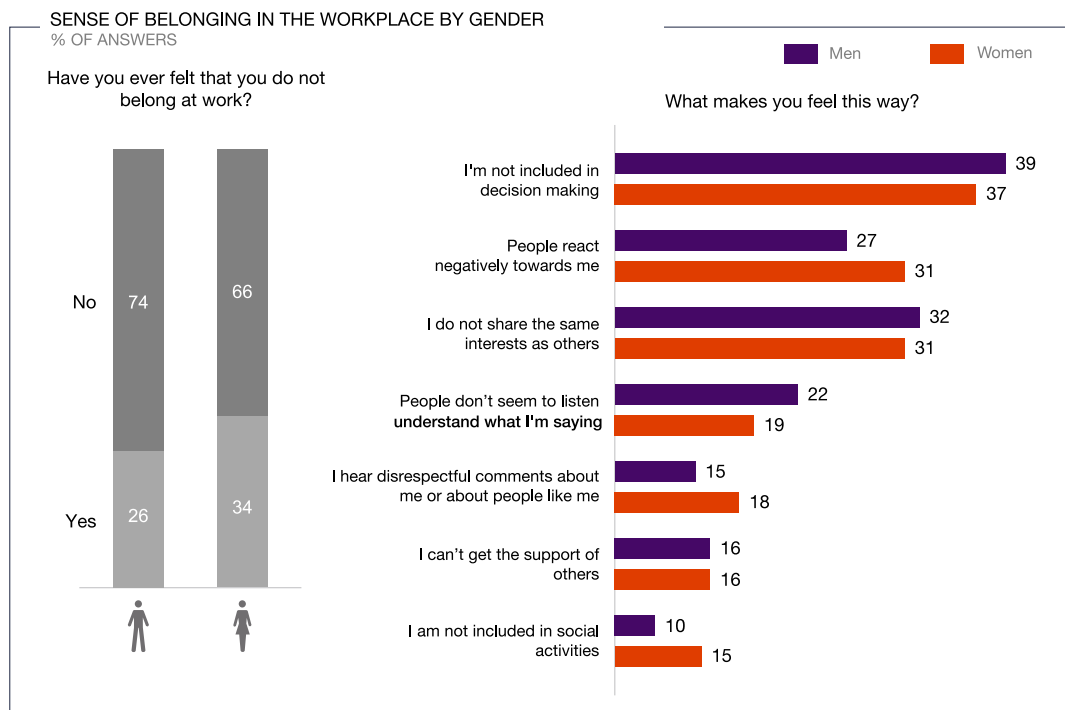


Is it possible to have everything?

19 percent of men and 27 percent of women do not believe they can have a successful career at the same time they have a complete and fulfilling personal life ^{xxiv}

Another critical element is that women report a lower sense of belonging to their organizations than men, mainly because of social reasons (Exhibit 26).

Exhibit 26

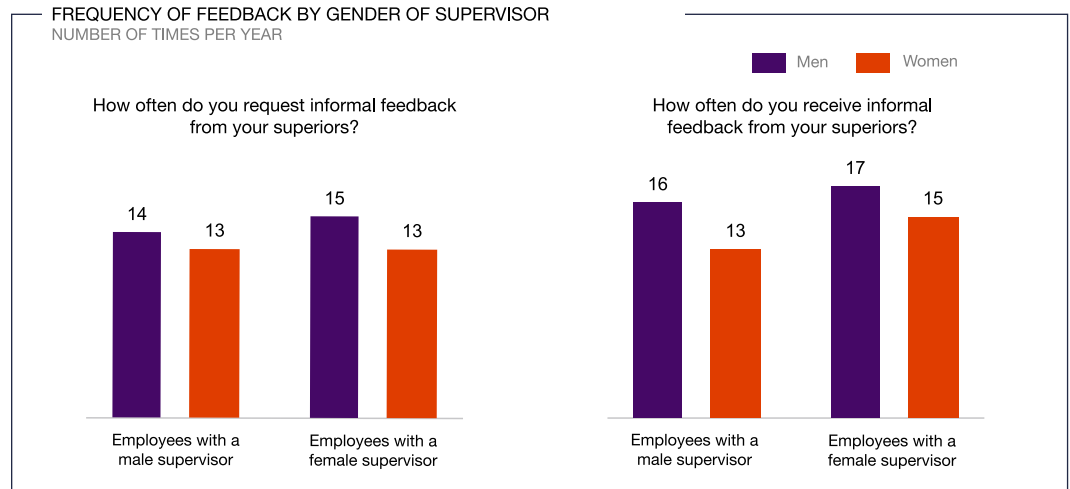


SOURCE: McKinsey & Company, Women Matter Mexico 2018

When women feel detached from their company and coworkers, they often lack the self-confidence and initiative to discuss their professional path with their supervisors.

Additional evidence that reveals the culture of companies in Mexico is that, generally, women tend to request and receive less feedback from their superiors than men—especially if they have a male supervisor (Exhibit 27). The quality of feedback they receive also tends to be more subjective and of less value for performance, focusing on critiques of their attitude. For example, 57 percent more women than men report having been told they are “bossy,” and 20 percent more women report receiving feedback in which they are told they are “intimidating” or “too aggressive.”

Exhibit 27



SOURCE: McKinsey & Company, Women Matter Mexico 2018

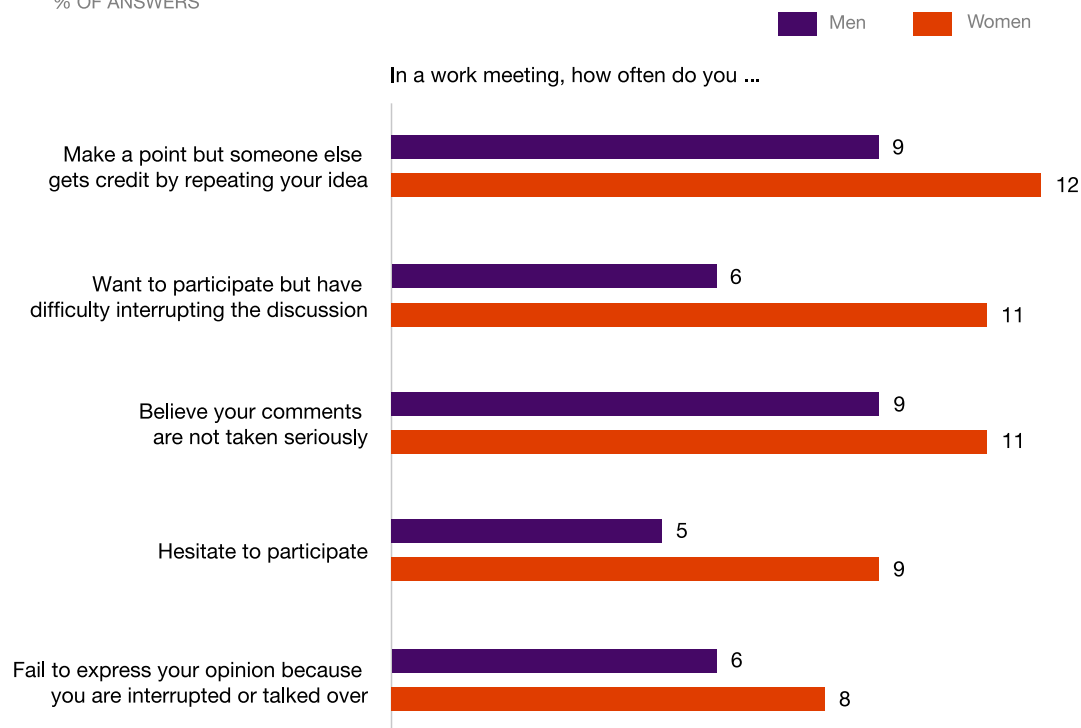
Many studies reveal a cultural bias by which women are criticized for seeming to seek power^[xvii], talking too much in public settings^[xviii], expressing anger^[xix], or being assertive when negotiating for a higher salary^[xx]. Female leaders who display these qualities are perceived as unfriendly and inattentive and often receive evaluations that inaccurately reflect their performance^[xxi].

Among those surveyed, a greater percentage of women than men reported difficulties interacting with their colleagues and expressing ideas (Exhibit 28). Specifically, when it comes to meetings, more women than men said they have felt that they want to participate but find it difficult to interrupt a discussion, they can't express their opinion because they are interrupted, or their contributions aren't taken seriously.

Exhibit 28

BEHAVIOR IN WORK MEETINGS BY GENDER

% OF ANSWERS



SOURCE: McKinsey & Company, Women Matter Mexico 2018

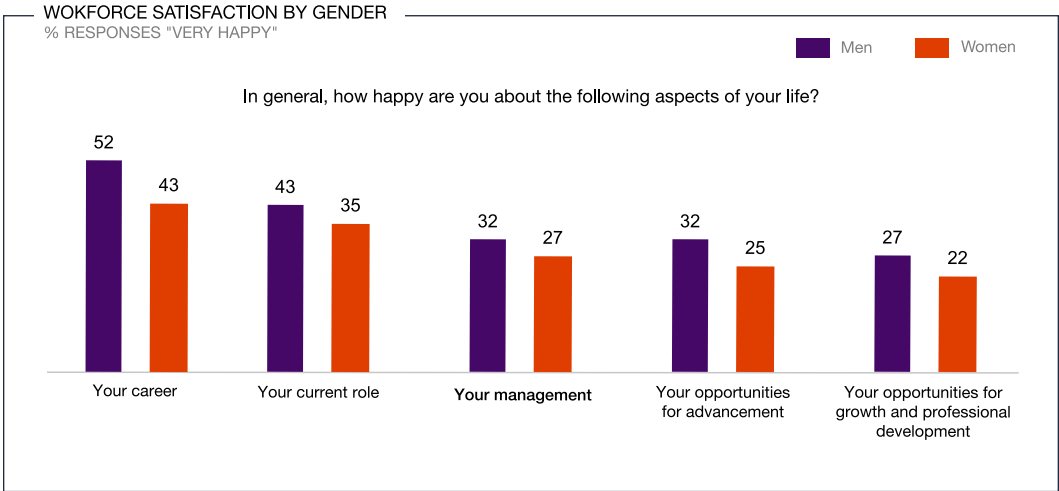
Feedback, mentoring, effective communication, and an organizational dynamic that is collaborative and open to ideas from a diverse staff are necessary factors for men and women alike to perform well and develop in their career. Fostering an atmosphere of dialogue, transparency, and collegial decision making has a positive impact on the corporate culture.

Creating a culture that maintains a pursuit of gender equity takes time, and the effort must be backed by a two-lane approach. First, it is imperative that senior management and team leaders make a clear commitment to the effort. These people must set an example, express and spread this ideal among the teams they lead. Male leaders within organizations play an especially important role in creating this cultural change. Their commitment and the behavior they display to their teams is the starting point to building a culture that corrects biases and does not tolerate discrimination. Second, simultaneously, women must cultivate the same changes in their actions while also expressing themselves and asserting their rights.

Women overall report a lower level of professional satisfaction than men do (Exhibit 29). This lack of satisfaction reflects the many pending issues, including the salary gap, inequitable promotions, unequal participation of men and women in household

chores, and, without a doubt, lack of awareness about the prevailing need to unleash female potential.

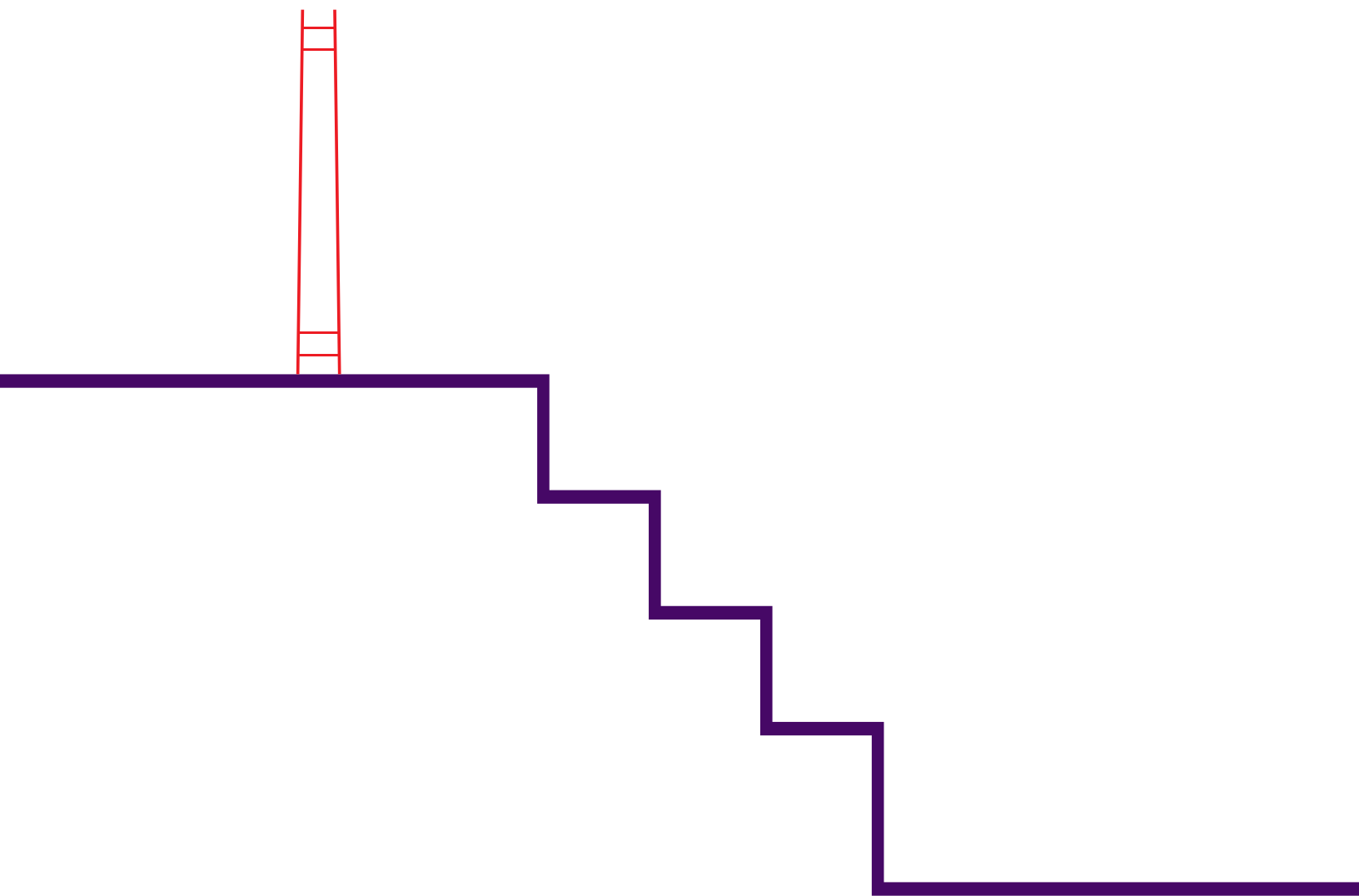
Exhibit 29



SOURCE: McKinsey & Company, Women Matter Mexico 2018

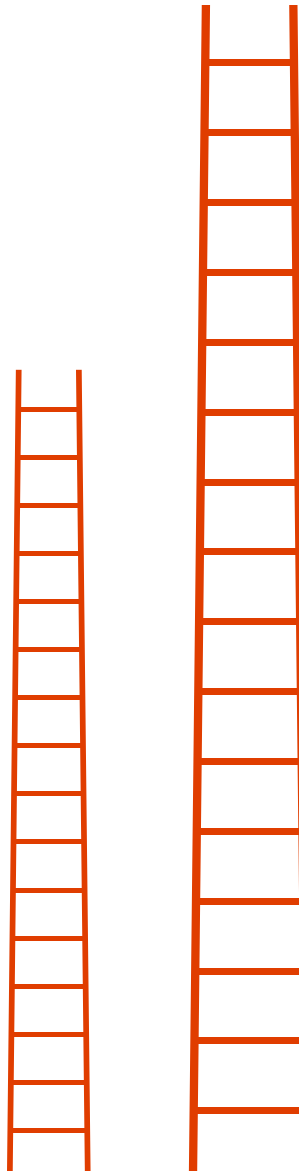


In conclusion, complex structural barriers limit the professional development available to Mexican women. These barriers can and must be addressed to achieve significant economic benefits for companies and for the country. In the following chapter, we present a framework for a comprehensive transformation and for overcoming these barriers.



4

Unlocking the potential of gender diversity in Mexican companies



In our study, we identified many companies with professional development programs for Mexican women—but no company has succeeded in completely bridging the gender gap. In this chapter, we discuss the initiatives we have identified and their results, and we offer a comprehensive framework for addressing the challenge.

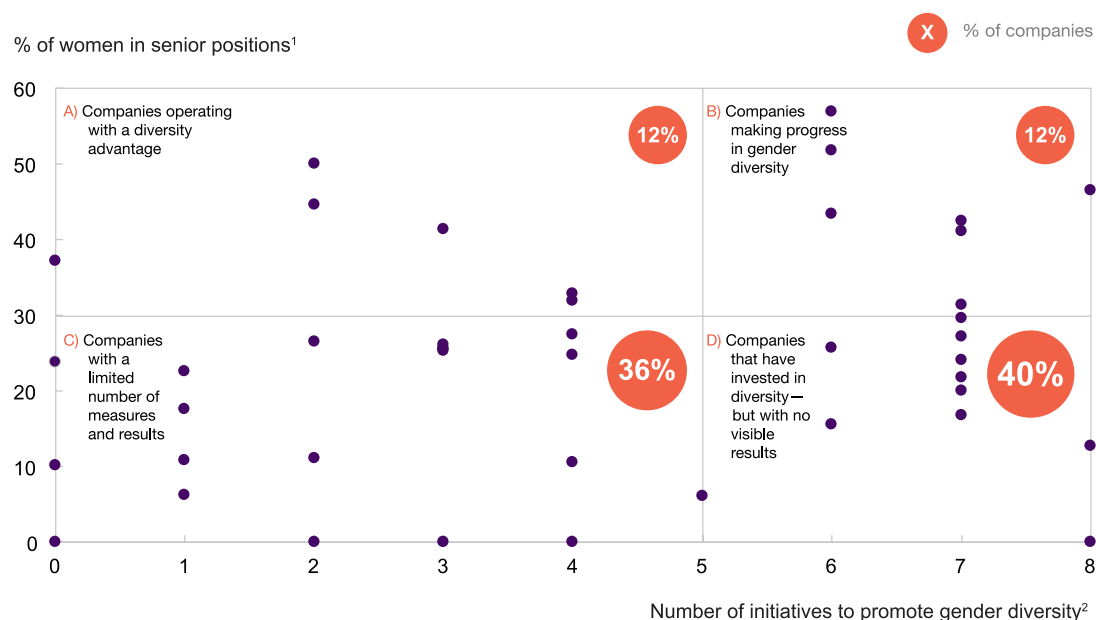
4.1 Efforts to aid women’s professional development in Mexican companies

The incorporation of women into the Mexican labor market occurred with such rapidity that it has been practically impossible for companies to not implement measures that promote a more inclusive agenda. However, those measures have not been executed at the same pace, nor the requisite depth, at every company. The 50 companies that participated in this study all enacted some form of programs or initiatives for improving diversity and gender equity, but only in a few did we find significant advancement (Exhibit 30).

The importance of high-quality, dedicated execution cannot be understated. Indeed, there is no clear correlation between the number of initiatives promoting gender diversity and the actual number of women in leadership positions. In Mexico, we have classified businesses in four groups according to the number of gender diversity initiatives in proportion to the representation of women in the senior levels of their organization.

Exhibit 30

CLASIFICACION OF COMPANIES BY GENDER DIVERSITY



¹ Managing directors, vice presidents, and executive committee members.
² Initiatives implemented among the 9 most common to promote gender diversity: no meetings outside working hours, work from home, part time, personal time, extended maternity programs, extended paternity programs, post-leave transition programs, post-leave post retention guarantee, post-leave equivalent salary program.

SOURCE: McKinsey & Company, Women Matter Mexico 2018

A. Companies operating with a diversity advantage

Just 12 percent of companies have filled at least 30 percent of senior positions with women thanks to five or fewer initiatives. These businesses tend to be part of the sectors that naturally attract greater female participation; in some companies in the financial services and consumer goods industries, for example, women occupy up to 60 percent of the entry-level jobs.

B. Companies making progress in gender diversity

This group represents 12 percent of companies and is characterized by strong commitment to gender diversity initiatives among senior leadership, as well as rigorous monitoring of results. It is no surprise, therefore, that these companies' initiatives are better implemented than those in companies with less commitment among leadership.

C. Companies with a limited number of measures and results

In this group, we find 36 percent of the companies that have carried out relatively few initiatives and subsequently have few women in senior positions. This situation is due mainly to the fact that the organization has focussed on other priorities and has not made the changes needed to create an environment in which women can advance at the same rate as men.

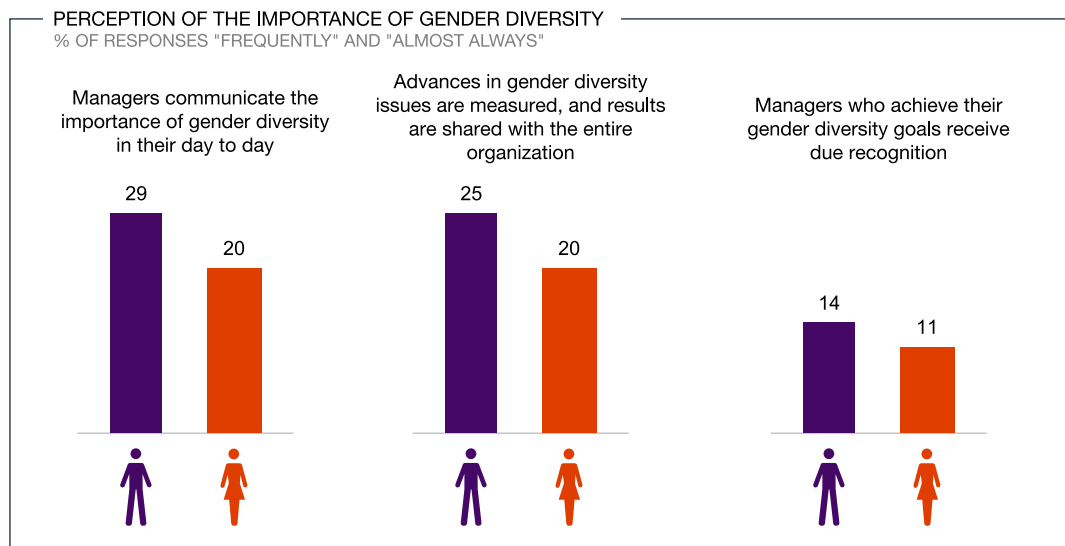
D. Companies that have invested in diversity but with no visible results

40 percent of the companies surveyed demonstrate a commitment to increasing the representation of women and have implemented gender diversity initiatives but are yet to see significant results. It is possible that, with time, these companies will reap the benefits of their initiatives and see results. The majority of companies in this group are in sectors with a long history of male dominance—for example, industrials, energy, and agriculture.

4.2 Challenges to effective implementation of gender-equity initiatives in Mexican companies

According to the survey, the challenges faced by Mexican companies in fulfilling their commitment to gender equity can be summarized as follows: 1) lack of recognition of the importance of gender equity for the company's performance, 2) lack of clear objectives in the programs and initiatives implemented, 3) lack of continuity in programs for increasing female representation (many were recently launched), 4) lack of resources, and 5) lack of specific performance indicators that enable the evaluation and measurement of initiative and program progress.

Exhibit 31



SOURCE: McKinsey & Company, Women Matter Mexico 2018

Indeed, the challenges faced by Mexican companies are evident. Despite efforts within the majority of organizations surveyed, fewer than 30 percent of employees think that the importance of gender diversity is communicated on a day-to-day basis in these organizations. In addition, less than 15 percent of employees feel there is due recognition of managers who fulfill their gender diversity objectives (Exhibit 31).



59% men vs. 47% women

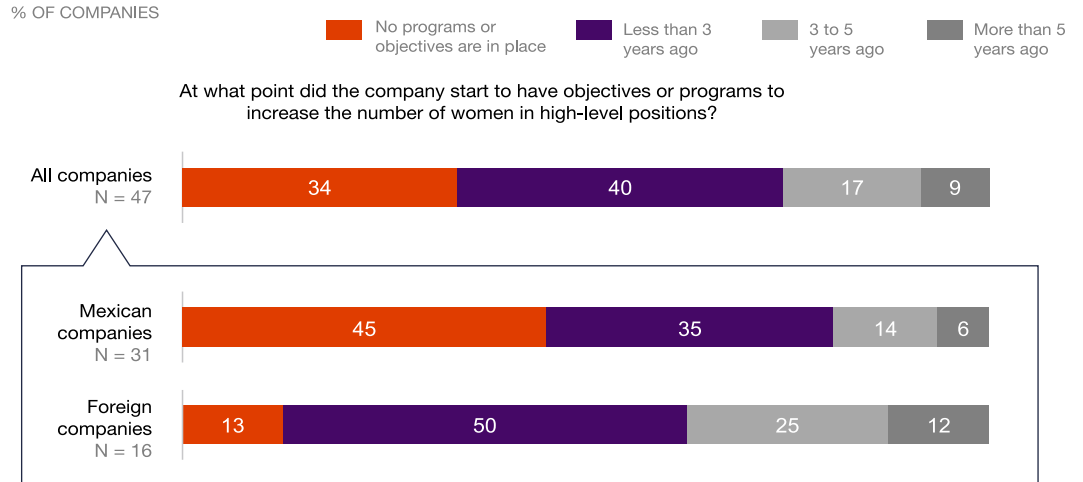
believe the organization is doing everything necessary to improve gender diversity ^{xxiv}

The study found that one-third of companies lack concrete objectives and programs for increasing the number of women in their workforce. Furthermore, although about two-thirds of companies surveyed have gender-diversity programs, in the majority of cases they have limited resources or they are very new (Exhibit 32).

In our sample, foreign firms operating in Mexico have made more progress: 37 percent of these companies have had programs for increasing the number of women in senior-level positions for more than three years, compared with 20 percent of Mexican companies. Even today, almost half of Mexican companies have no program or defined objectives.

Exhibit 32

TIMELINE FOR INTRODUCING GENDER DIVERSITY GOALS AND PROGRAMS



SOURCE: McKinsey & Company, Women Matter 2016-2018

Even in cases in which initiatives are already in place, resources are often insufficient for generating an observable impact across the organization. Companies with gender-diversity programs dedicate an average of 1.4 FTEs to the program per 1,000 employees, and 54 percent of companies dedicate less than 1 FTE per 1,000 employees. Companies allocate, on average, 20 pesos (about US\$1) to these programs out of every 1 million pesos in revenues, or 60 pesos (around US\$3) per employee.

1/2 of Mexican companies have not set

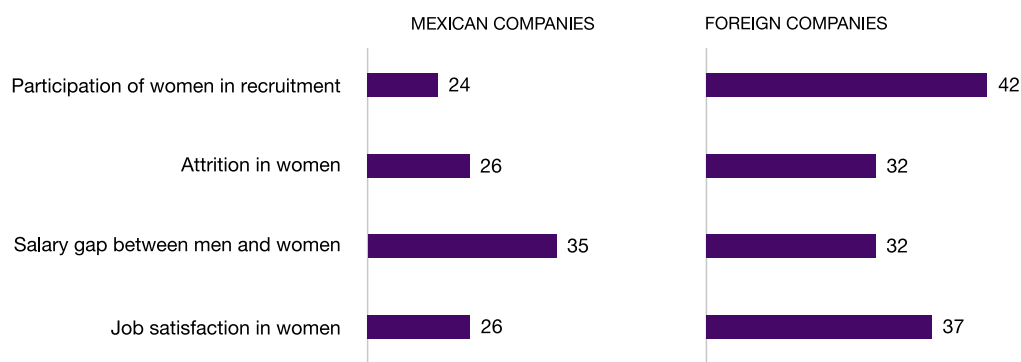
a gender-diversity objective and do not have any program for increasing the representation of women. Of every 10 companies with programs, six launched their efforts less than three years ago.^{xxiv}

Another important survey finding is that most companies have no human resources records with information about gender (Exhibit 33). Only 24 percent of Mexican companies and 42 percent of foreign businesses in Mexico track the participation of women in the recruitment processes, and in general, most companies do not measure the turnover, job satisfaction, or salary differentials between men and women.

Exhibit 33

TRACKING OF HR GENDER DATA

% OF COMPANIES THAT TRACK EACH METRIC



SOURCE: McKinsey & Company, Women Matter Mexico 2018

This lack of measurement and transparency explains, to a certain extent, the scarcity of initiatives to improve participation, retention, and development of female talent at all levels of the organization as well as the lack of recognition of the low representation of women as a problem for Mexican companies. As long as these companies lack reliable information and quantitative data about these dimensions of gender equity, women's underrepresentation will remain a question without a diagnosis or a clear strategy to address it.

2/3 of companies don't have records

of participation in recruitment, attrition, and job satisfaction by gender. [xxiv](#)

4.3 Analysis of programs for the retention and promotion of female talent in Mexico

Few companies have specific development programs to support the professional advancement of women. Still, the companies with the best results share a common denominator—that is, a commitment to gender equity that stems from the CEO and C-suite. These companies have specific gender-diversity plans, skill-development programs, flexible working hours, and rigorous tracking of progress and results at the highest levels.

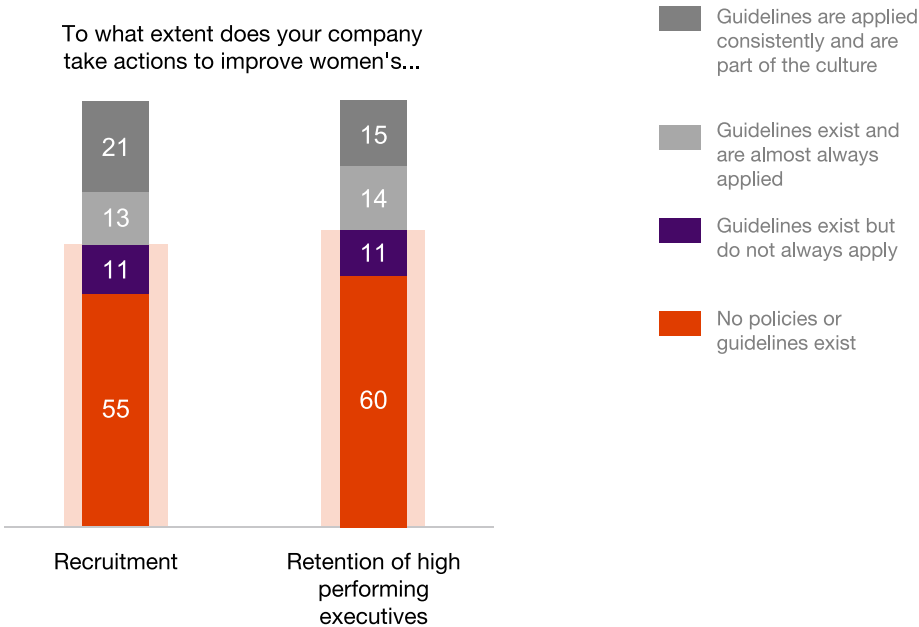
■ Initiatives to attract and retain female talent

Approximately one-third of the companies surveyed have implemented specific policies or guidelines focused on the recruiting and retaining women (Exhibit 34).

Exhibit 34

MEASURES FOR THE RETENTION AND RECRUITMENT OF WOMEN

% OF ANSWERS



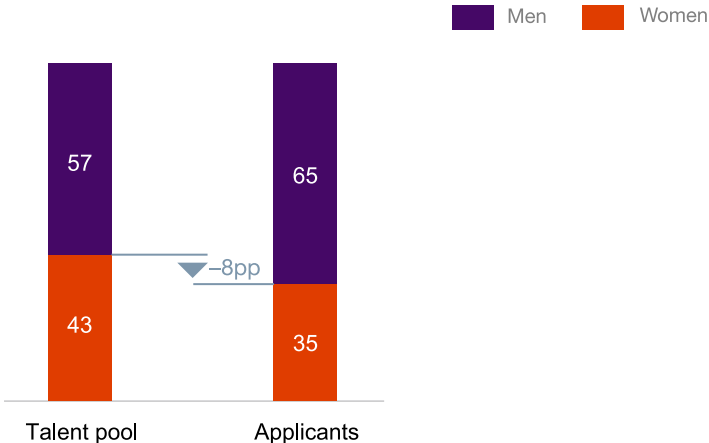
SOURCE: McKinsey & Company, Women Matter Mexico 2018

Our research found that while women comprise 43 percent of the talent pool, they make up just 35 percent of job applicants (Exhibit 35). This imbalance translates into overrepresentation of men and a lost opportunity to welcome qualified female talent into Mexican businesses.

Exhibit 35

GENDER REPRESENTATION IN RECRUITMENT

% BY GENDER



SOURCE: McKinsey & Company, Women Matter Mexico 2018

It should also be noted that among candidates who receive a job offer, only 3 percent of women reject the offer, compared with 5 percent of men.



1 in 5 women identified

in the talent pool do not apply for a job ^{xxiv}

Creating and cultivating a database or a network of female talent is possibly the most effective feature of a gender-inclusion effort. The search for and acquisition of female talent requires discipline and systematization.



Some of the best candidates take up two or three years to cultivate. When we take the time to get to know and develop these candidates, even if they are not available immediately, we are building a talent pool for the long term

– John Thompson, chairman of the board, Microsoft

When a new position opens in the company, many men who apply meet only 50–60 percent of the requirements of the post. Women, however, demonstrate 100 or even 120 percent of the qualifications in the majority of cases. That is to say, even when they are very qualified, women tend to be more insecure and are less insistent than men. When looking for talent, therefore, it is important to identify these women, offer training to improve their assertiveness, and understand these differences between men and women. – Ana Botín ^{xxv}, **President of Banco Santander**

It is always easier to recruit a candidate without personal or family situations that will interfere with their professional performance—and men are always found disproportionately in this group. Now in any application for a vacancy, we create a short list that includes at least one female candidate to help guard against this bias. – **Chief human resources officer of a Mexican company in the finance sector**

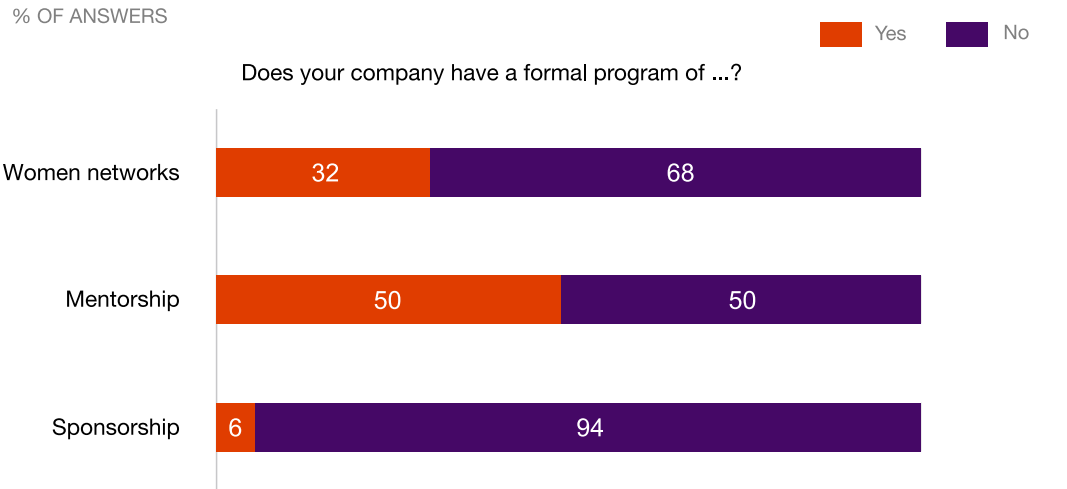
■ Initiatives for promoting women within Mexican companies

Women’s networks, mentorship, and sponsorship programs are powerful, proven initiatives to help retain and promote women. Currently, companies with mentorship programs along with comprehensive professional development, are in the best position to attract and retain quality talent.

However, only one-third of companies have women’s networks; of those that exist, only half include male participants, who constitute at most just 18 percent of the network’s participants (Exhibit 36).

Exhibit 36

NETWORK, MENTORSHIP, AND SPONSORSHIP PROGRAMS

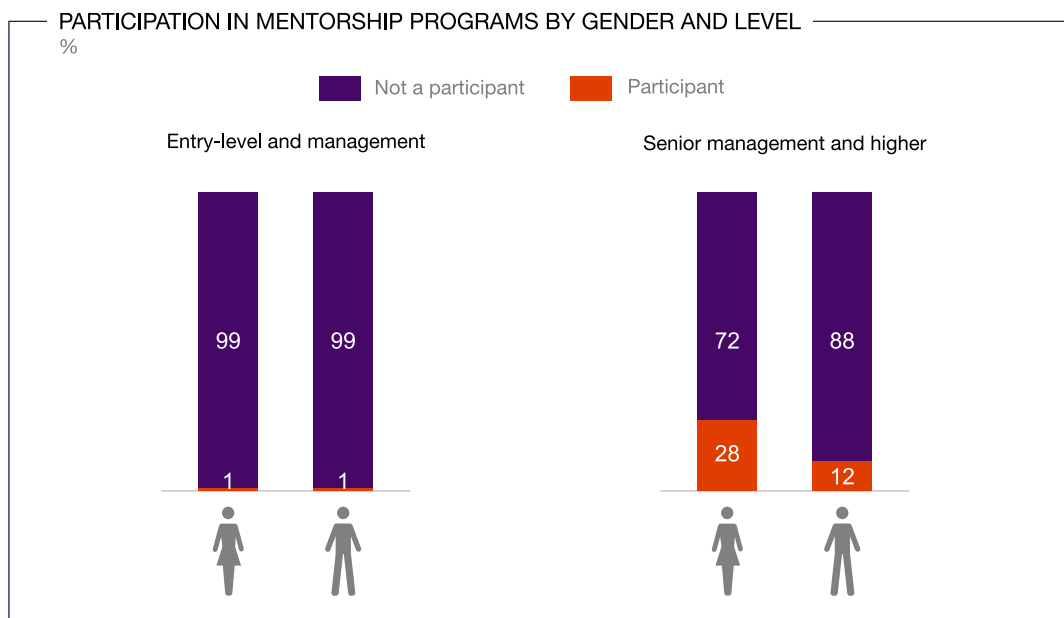


SOURCE: McKinsey & Company, Women Matter Mexico 2018

Mentorship occurs when formal mentors support others in their pursuit of professional advancement by sharing their experience. The mentoring experience is a structured dynamic, through which the mentor works with his or her apprentice to identify the competencies that should be exploited as well as those that must be strengthened and offers what is needed to plot and accelerate the mentee’s development within the organization.

Through mentoring, women are able to develop abilities that put them on a path toward leadership and achieving their career goals, while also cultivating strategic networks. Entry-level employees or managers rarely take advantage of these programs; only 1 percent report participating in these types of programs (Exhibit 37). However, according to our survey, among senior or higher management levels, 28 percent of women participate in mentorship programs compared with 12 percent of men. It is also observed that companies with mentorship programs have 38 percent more women in the senior vice president roles and 16 percent greater representation of women in the C-Suite.

Exhibit 37



SOURCE: McKinsey & Company, Women Matter Mexico 2018

Sponsorship programs are a key tool for the advancement of women, but they have not been explored in depth by companies in Mexico. Sponsorship programs take the relationship of mentor and mentee to another level, one in which the sponsor effectively takes on the role of investing in and advocating for the sponsored employee. The sponsor not only advises the sponsored employee but also actively helps her advance her career. In countries where these programs are more widely practiced, women are 54 percent less likely than men to have a sponsor. However, women who have a sponsor have a 27 percent greater probability of achieving a promotion and building their reputation as leaders of a division or a team^[xxiii].

Companies with mentorship programs have nearly

38% more women at the senior vice president level and 16 percent more women in the C-Suite.^[xxiv]

Finally, women's networks create awareness and expose gender issues within an organization, improving the work environment and increasing women's confidence in themselves and in the company, especially in industry sectors that are dominated by men and have very low female representation. Our survey revealed that companies with women's networks programs have on average 40 percent more women in director levels or higher.

Flexible work options help to accommodate women’s personal and household responsibilities. Since women in Mexico dedicate nearly three times more time to unpaid work than men, achieving an adequate work-life balance requires that organizations offer flexible work schedules and a set of practical strategies that allow for the expansion of a workforce that is agile, mobile, happy, and high performing.

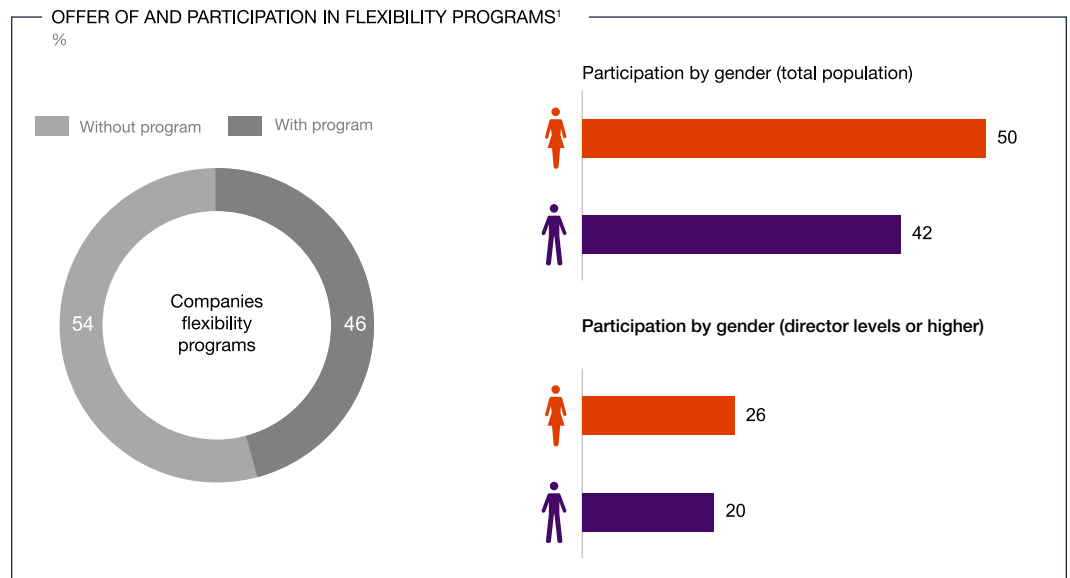


Companies with women’s networks have about **40 percent more women in director levels or higher** ^{xxiv}

The digital transformation of our society is creating opportunities for companies in this regard. Technology allows employees the flexibility to choose where, when, and how to work, which can greatly benefit employees and positively impact the rates of workforce participation and employability.

However, only 46 percent of companies offer flexible work schedules and telecommuting (Exhibit 38). These benefits are used predominantly by women, and 26 percent of men and 28 percent of women believe their participation in a flexibility program is at the expense of their advancement of their professional careers.

Exhibit 38



¹ Flexibility programs include part-time or reduced hours, sabbaticals or leave, family or parental leave, and flexible work schedules.

SOURCE: McKinsey & Company, Women Matter Mexico 2018

Human resources functions are becoming more aware of the need for diversity, but evaluation processes still do not completely reflect that awareness. Nearly 60 percent of surveyed companies have not implemented or successfully adapted their evaluation

processes to the flexibility programs they offer; thus employees are justified in feeling that taking advantage of a flexible work schedule limits their possibilities of reaching senior-level positions (Exhibit 39).

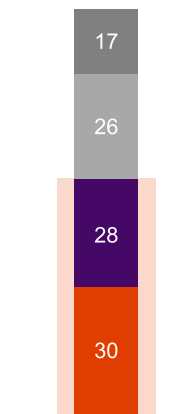
Exhibit 39

ADAPTING OF EVALUATION PROCESSES TO SUPPORT DIVERSITY INITIATIVES

% OF RESPONSES

Have the evaluation processes been adapted to the flexibility alternatives in your organization (eg, part-time work, short-term work, work from home, etc)?

- There are guidelines that apply consistently and are part of the culture
- There are guidelines and they almost always are applied
- There are guidelines but they are not always applied
- There are no policies or guidelines



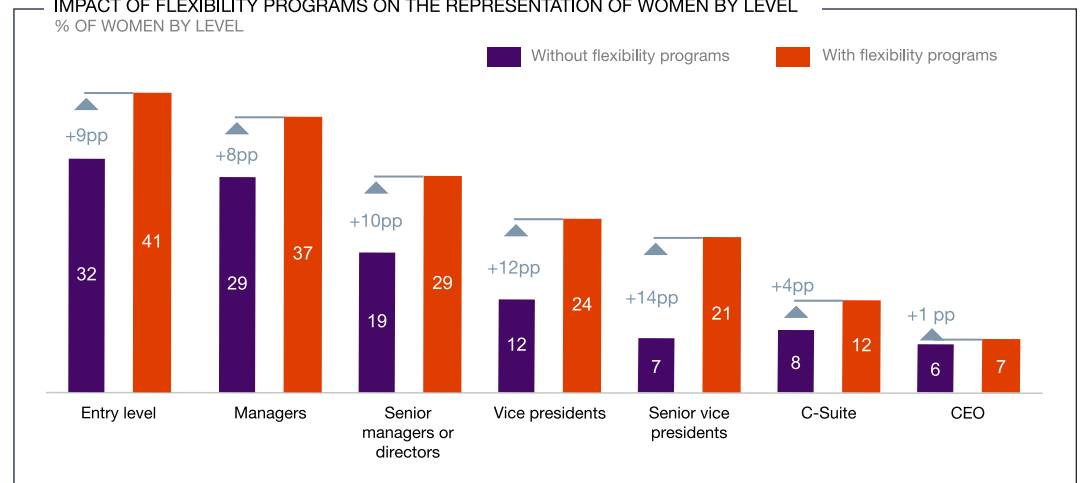
SOURCE: McKinsey & Company, Women Matter Mexico 2018

Men and women who participate in flexible schedule programs report greater satisfaction in their personal life and with the direction of the organization, as well as better opportunities for professional development (Exhibit 40). Businesses with flexibility programs also have more women at all levels. The companies with flexible work arrangements can use these programs to support the development of men as well as women, ensuring their ongoing growth and commitment to their careers.

Exhibit 40


IMPACT OF FLEXIBILITY PROGRAMS ON THE REPRESENTATION OF WOMEN BY LEVEL

% OF WOMEN BY LEVEL



SOURCE: McKinsey & Company, Women Matter Mexico 2018

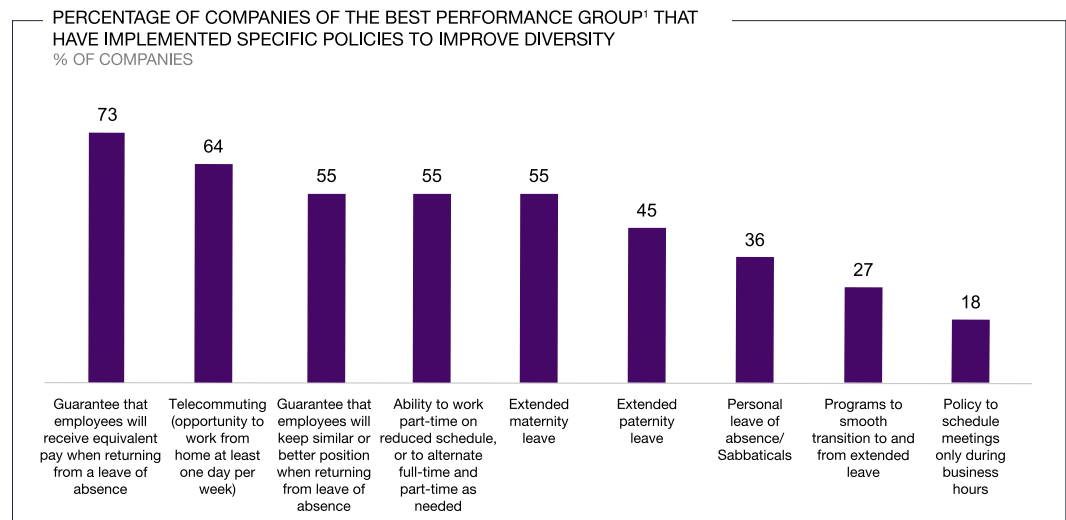
The objective in the medium and long term is to achieve a change in mentality throughout organizations, establishing a culture that understands and embraces flexibility and guarantees that someone with a flexible schedule can achieve a successful managerial career—whether they’re a man or a woman. Successfully implementing flexible schedules would ensure that productivity does not suffer and, in fact, even improves as employees are more motivated and committed.



Half of companies offer flexible work programs
 but nearly 60 percent of these companies have not successfully adapted their evaluation processes to reflect the alternatives offered ^{xxiv}

According to the survey, guaranteed job continuity after leave, salary security after leave, and the option of working from home are the initiatives most commonly found in the companies with more gender diversity in their leadership (Exhibit 41).

Exhibit 41



¹ Companies in the first quartile in terms of representation of women in senior positions (senior or senior managers).
 SOURCE: McKinsey & Company, Women Matter Mexico 2018

“Today, all human resources policies, even those having to do with gender diversity, are written by men. Many policies are several years old and were written in an era when only men decided these matters. Men really do not understand the particular situations that affect women in terms of health, family, lifestyle, etc., and this generates a disconnect between the policies and reality. It is not a problem of the past, it is a problem of the present because we have not finished adapting to new realities, to the new situation and equality of circumstances that should exist between men and women. – Chief human resources officer of a Mexican company in the finance sector

GENDER DIVERSITY IN THE PUBLIC AGENDA

The first steps Latin American countries have taken to address gender inequality have focused on creating an institutional framework and public policies that promote equal opportunities. A number of countries in the region—Bolivia, Brazil, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Panama, and Uruguay—have established plans for gender equality through executive order.

These policies, focused principally on the notion of equal access in areas such as education, employment, health, and politics, had introducing women into the workforce as their initial objective. In October 2016, in the context of the XIII Regional Conference on Women of Latin America and the Caribbean in Montevideo, the region's governments ratified their commitment to promoting gender equality as a central pillar for consolidating sustainable development.

In 2002, the Mexican Supreme Court issued a law establishing gender quotas for elections, ordering that 30 percent of all candidates be women; it also declared that women must appear in at least one-third of the top nine lines in ballots.

In 2012, the administration of Enrique Peña Nieto established the National Program for Equal Opportunities and no Discrimination against Women 2013–2018 (PROIGUALDAD) as part of the National Democratic Planning System which guides ministries and agencies of the Federal Public Administration toward fulfilling the national development goals. This program propels gender equality as a public policy in the labor market and works to mainstream it within the Labor Ministry and Pensions programs, projects, norms, actions, and public policy. The focus on gender in Mexico's National Development Plan is based on recognition of the importance of closing gaps as a fundamental ingredient for achieving full development.

In recent years, actions taken by the Mexican government to close gender gaps have brought about significant results. The National Institute of Women (INMUJERES) has played an important role in expanding the policies and legal frameworks for reducing gender inequality and by promoting measures such as the introduction of gender quotas. These quotas have been extremely effective, launching Mexico into second place among OECD countries (only after Sweden) in the share of women in congress with 48 percent, far above the OECD average of 28 percent.

INMUJERES also created a program called Gender Equity Model (known by its Spanish acronym, MEG) to recognize those companies with the best practices that facilitate increasing equal access and opportunities for the advancement of women. However, the majority of companies in Mexico have no concrete objectives or plans for improving gender diversity, so it is necessary they establish inclusion objectives, engage in follow-up consistently, share results, and make their leaders responsible for outcomes. Mexican women also have organized to create their own networks. Some of the most important groups include the Association of Business Women (known by its Spanish acronym, AMMJE) and the Mexican Association of Executive Women (AME). The latter promotes professional development to help women gain leadership positions.

Beginning on June 20, 2018, the presidency, through the Ministry of Labor and Pensions, announced the launch of a new Unit of Equality and Gender to consolidate all gender equity processes underway in companies and their collaborators and to oversee the allocation of economic resources to preserve this gender perspective. The intention is to foster a process of real change that begins in government institutions, which would indicate that Mexico is better positioned to continue reducing gender inequality and receiving the social and economic benefits that stem from greater diversity in business.

4.4 CLIMB, a comprehensive transformation program to maximize women’s potential

It is possible to achieve gender equity in all levels of the organization, but doing so requires a profound, comprehensive transformation.

The best companies in their class have already initiated the change with programs that connect gender diversity to all aspects of the business. The companies that are most advanced in diversity matters tend to have change agents and role models across all levels of the organization. They also have reformed aspects of communication to promote behavioral changes and created a convincing change story for supporting the programs, policies, and processes that have been implemented.

Five key elements must be part of a comprehensive transformation to maximize female potential (Exhibit 42).

Exhibit 42

KEY DIMENSIONS FOR A COMPREHENSIVE TRANSFORMATION

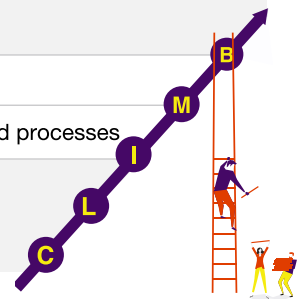
- C Commitment** – commitment of CEO and executive committee

- L Leadership development** – programs for the development of female leadership
 - Training and coaching
 - Sponsorship and mentorship
 - Women’s networks

- I Infrastructure** – programs and policies that foster conditions of equity
 - Flexible work schedules
 - Extended leave policies
 - Back-to-work programs

- M Metrics and KPIs** – transparency and indicators tracking

- B Behaviors and mindsets** – inclusive mentalities, attitudes, and processes
 - On-the-job training
 - Evaluation and recruiting debiasing



SOURCE: McKinsey & Company, Women Matter Mexico 2018



COMMITMENT

Gender diversity as a strategic commitment at the senior level

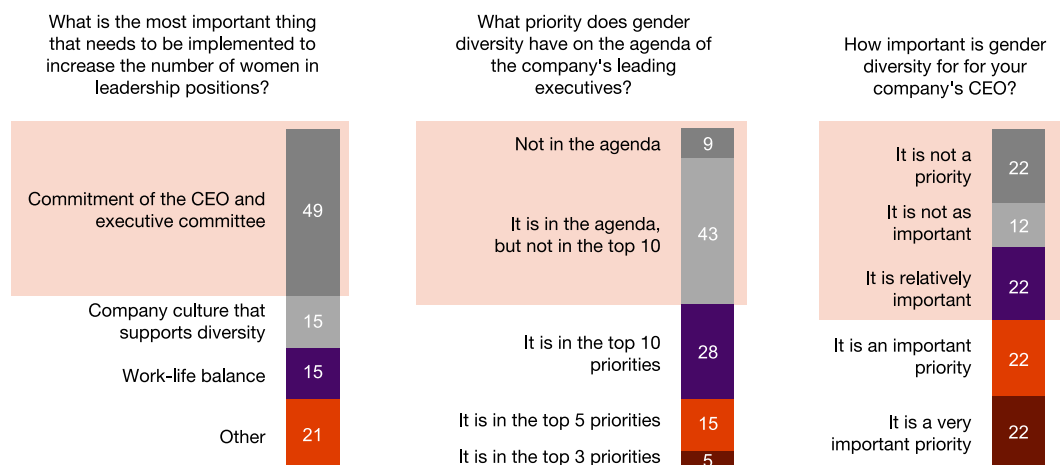
Managerial commitment is a fundamental pillar in any organizational transformation as leaders define and set the example of the culture and expected behaviors (Exhibit 43). The CEO’s commitment to any initiative acts as a catalyst for its fulfillment. In fact,

49 percent of companies believe that the commitment of the CEO and the executive committee is the most important action for increasing the number of women in leadership positions. However, in 52 percent of companies, gender diversity is not part of the top ten priorities of the strategic agenda, and in 56 percent of companies it is not considered an important priority for the CEO.

Exhibit 43

IMPORTANCE OF THE COMMITMENT OF THE CEO AND EXECUTIVE COMMITTEE FOR GENDER DIVERSITY

% OF ANSWERS



SOURCE: McKinsey & Company, Women Matter Mexico 2018

It is important that managers move the entire organization along the path of gender diversity not only through their example but also with a good communication plan which emphasizes why it is important to improve diversity and how it is proposed to achieve it. In addition, managers must establish incentives and specific objectives to promote change. For example, progress toward gender parity can be included in the evaluation of senior executives, and they can be granted recognition and financial compensation for making progress.

Only half of companies

recognize that the most important action for increasing the number of women in leadership positions is the commitment of the CEO.^{xxiv}

“

The goals and objectives of gender diversity must be held not only by senior executives. There is a systemic problem in which mid-level managers do not see the value or do not push to obtain greater gender diversity. The change must permeate through all levels to mobilize the organization which also requires a communication effort throughout the organization. – Chief human resources officer of a Mexican company in the industrial sector



The true obstacle is the lack of urgency. - **Fabrizio Freda, president and CEO of Estée Lauder Companies**

The commitment of our general manager has been the key factor in mobilizing the organization to understand and look for the rules that must be rewritten.

This is a cause that is also very close to him personally. – **Chief human resources officer of a Mexican company in the finance sector**



LEADERSHIP DEVELOPMENT

Programs to develop female leaders

Women's aspirations to reach leadership positions, and their confidence in their ability to do so, tend to diminish as their careers advance. Therefore, it is important that female talent be actively developed through capability building, attitudinal coaching, and increased visibility.

Training and coaching

It is important to equip talented women with the abilities and mindsets needed to become leaders. Thus, women should be trained and coached on not only professional skills but also social and interpersonal skills such as personal presence, negotiation, communication, and leadership. Development of leadership competencies becomes a determining factor of women's success as they move up the corporate hierarchy.

Mentors and sponsors

It has been observed that working with women one-on-one through mentorship and sponsorship programs works to retain them in senior levels of the organization—likely because these programs orient women in their professional development while also encouraging them to set higher aspirations as their careers advance.



After carrying out a range initiatives for improving gender diversity in the company, we have arrived to the conclusion that a key ingredient is to work with women using a personalized focus, since each one has distinct motivations and needs. – **Chief human resources officer of a Mexican company in the industrial sector**

Women's networks

Women's networks offer a unique space for women to share experiences and engage with female role models within the organization. In addition, networks can be used to arrange external events that allow employees to meet other executive

women. These experiences serve to maintain women's motivation and aspiration for becoming leaders. In addition, networks can inspire women to use innovative approaches to develop a flexible and independent attitude toward work.



To create a space of gender inclusivity requires formalizing affinity groups; many of the women who work in the company don't know each other. It is also very important to have a mentorship program to support women through for life-changing events, such as starting a family. – Chief human resources officer of a Mexican company in the industrial sector

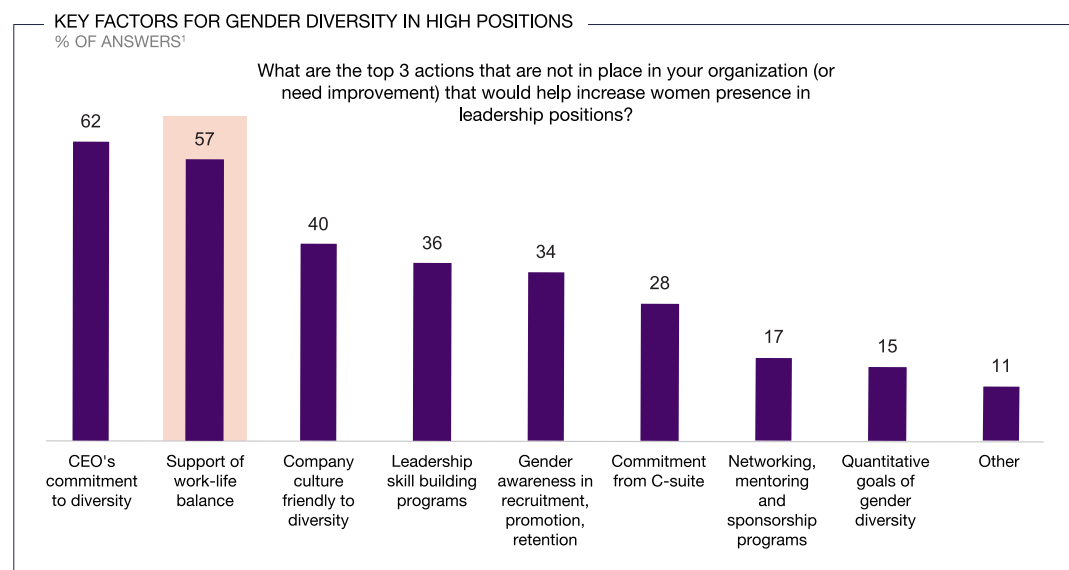


INFRASTRUCTURE

Programs and policies that foster conditions of equity

It is not possible for a company to capture all the benefits of gender diversity without having the necessary organizational infrastructure in place. In fact, support for achieving work-life balance is considered the second most important action for increasing the number of women in leadership positions (Exhibit 44).

Exhibit 44



¹ The question allows three answers, so the percentages do not add up to 100%.

SOURCE: McKinsey & Company, Women Matter Mexico 2018



The solution to gender inequality involves three phases. The first has to do with adapting organizational infrastructure to create the proper conditions in the environment—including policies, equal pay, and the elimination of discrimination or biases in the different processes. – Chief human resources officer of a Mexican company in the industrial sector

“

A lot of emphasis is placed on what the CEO says, but structural changes must occur for the CEO to defend what he or she is saying in terms of inclusion and gender equity. Policies favorable to women must be put in place, such as flexible work schedules and day care services; without these types of programs, a lot of female talent is lost. – Chief human resources officer of a Mexican company in the industrial sector

There is no single solution for improving lifestyle. Therefore, it is a factor that must be considered for promoting diversity and should be approached from different angles.

Companies can help by designing initiatives aimed at improving the lifestyle of men and women. Flexible work schedules, extended leaves, transition periods before and after leave, and established periods when employees can disconnect are some of the key programs that provide support for arranging a work-life balance. However, these programs must be accompanied by the adaptation of evaluation and promotion processes so that they don't work against people who participate in them.

Flexible work schedules

Flexible or staggered work schedules, part-time options, work by project, and working from home are some of the models that companies can implement.

Extended leave policies

Having a child is a life-changing event for a woman, and in many cases, it triggers the decision to leave the workplace. Extended maternity leaves allow women to adapt to this change according to their needs and return to work later.

Back-to-work programs

Returning to work after a maternity leave can be complex and challenging. Transition or reinsertion programs help women to return to the workplace in a way that is not disruptive to their personal needs.

Disconnection periods

Restricting meetings and e-mails outside working hours and incorporating periods of personal time out allow men and women alike to have a more sustainable lifestyle and take a long-term view of their career.



Recently, we had the case of a very talented woman who was going to become a mother. Her boss worried that she would not return to work, and therefore she was assigned a coach during her pregnancy and when she returned to the company. The objective of the sessions was to develop a strategy for making a transition for leaving and returning to the company once the baby was born. With this tool, the woman was able to successfully return to her job and seamlessly reincorporate at work. – Chief human resources officer of a Mexican company in the finance sector



METRICS AND KPIS

Transparency and indicators tracking

It is essential for companies to continuously measure gender diversity indicators and assess progress. If a company doesn't have a process for measuring diversity, then it is very possible that the company will be unaware that there is a problem. Similarly, measuring the effectiveness of initiatives and making decisions about their implementation can be complex without the input of systematic indicators. In addition, developing internal lessons about the stages or processes where diversity problems are encountered also requires established metrics and their follow up.

Therefore, dashboards must be established with key performance indicators (KPIs) of gender diversity that make it possible to evaluate the status quo and progress toward established objectives. Some of metrics and objectives that must be measured include:

- (i) The proportion of women in all levels of the corporate hierarchy
- (ii) The proportion of women per business unit and function
- (iii) The percentage of women who are promoted as a percentage of women who can be eligible for a promotion
- (iv) The rates of attrition of men and women by level
- (v) The complete compensation packages for men and women by level

In addition, surveys can be used to monitor how employee attitudes evolve. Feedback from employees can be very useful for understanding why some indicators evolve as they do and establishing the necessary measures to correct a course of action.



A very important tool for us is the human resources information at each stage, segregated by gender. Two years ago we established an analytical team dedicated to maintaining comprehensive databases that allow us to understand what is happening with men and women, monitoring their personal, family, and professional situations. – Chief human resources officer of a Mexican company in the finance sector



BEHAVIORS AND MINDSETS

Inclusive mentalities, attitudes, and processes

Inequality of women in the workplace and education are reflections of Mexican cultural beliefs, which are far behind those of other societies with better levels of equality.

Mexican women face intangible obstacles, deeply rooted in society. This reality translates into a lower level of satisfaction than that of their male counterparts. The solution is to foster a more inclusive atmosphere and implement processes that eliminate biases against women.

Mindsets and behaviors

To achieve a more inclusive atmosphere, companies must work to change mentalities and sensitizing people to existing biases using a comprehensive communication strategy that reaches all levels of the organization and focusing on promoting behavioral changes. This should be done taking care that all communication in the company is free of bias. It is also important to put a stop to stereotypes since they generally produce lower self-esteem among women and can affect their performance.

An effort must be made to eliminate unconscious bias against women. Experts in human resources and diversity can train leaders and teach techniques for eliminating these behaviors. These techniques can later be disseminated effectively throughout the organization.



The most important thing to do is to change the mindset. We need to be conscious of the equality of men and women, as we all have the same ability to make decisions and carry out our responsibilities. Prejudices must be eliminated in all stages and processes of the corporation by, for example, incorporating anonymous recruiting and continuing to rewrite the rules with the input of women and understanding their needs. – Chief human resources officer of a Mexican company in the finance sector

The role of men

It is necessary to actively involve men in promoting this change since, in many organizations, men dominate leadership roles. Given their position, men have a unique role to play in this transformation.

Challenging gender stereotypes benefits both men and women, as well as the health and profitability of the business. Unless a greater number of men support gender equality initiatives, the probability of changing the current situation is very low.

In addition to taking part in the cultural change of eliminating biases and traditional mentalities, men can also play a role in diversity programs through sponsorship. Professional women almost never have effective sponsors who advocate for them and help them have access to work opportunities, which makes many women unable to reach the senior executive levels of an organization. Including men to a greater degree not only as mentors but also as genuine sponsors is an effective way to engage men and increase support for women.

Inclusive processes

It is imperative to implement fair processes based on circumstances and facts. The first thing that must be done is to identify the processes that are more susceptible to bias (recruitment, promotion, and evaluation) and to assess them to identify whether they discriminate against women—for example, with specific questions that affect them negatively. Subsequently, guidelines must be set and communicated to all areas involved in order to propitiate transparent and prejudice-free decision-making. Finally, it is necessary to make sure that the databases that will enable inclusive decision-making are up-to-date and accessible for the relevant functions when the processes are activated. Creating an entity to challenge the outcomes of processes, such as an Evaluation and Promotion Committee, can prove to be an useful mechanism for for assuring compliance.



Unleashing the potential of women is a complex and difficult goal. It is thus imperative to pursue a comprehensive approach that begins with the commitment of senior management.

A call to action

Women have already gained access to opportunities that until several years ago were unavailable to them. More women are finishing their university studies, and the incorporation of women into the job market is becoming a prevalent reality.

With their contribution to household income increasing, women are a driving force for change. There is a steady increase of women occupying paid jobs, but this is only the beginning; much remains to be done to unleash the true potential of women.

Evidence demonstrates that investing in the training and development of women is essential for prosperity. In the private sector, nurturing the participation and development of female talent is essential for business performance.

In Mexico, women and men aspire equally to professional fulfillment, but being a woman remains a powerful obstacle to reaching those aspirations. In producing One aspiration, two realities, we found evidence that confirms the difficulties women face in advancing to the highest levels of organizations.

This is the ideal moment for companies to adopt a genuine commitment to gender equity because it is the right thing to do, because it is efficient, and because everyone stands to benefit.



Methodology

This study is based on information from 50 companies located in Mexico and the research tools previously applied in the Women Matter studies carried out in other countries since 2012. The sample of companies that participated in the study represents a diverse set of sectors of the economy, and employs more than one million workers in Mexico. Together, these companies' billed revenues are the equivalent of 40 percent of the GDP in 2017. The breakdown of companies in different sectors for the purpose of the analyses is as follows:

Sector	Numero de empresas
Industrial, energy, and agriculture	18
Consumer goods and retail	12
Finance and professional services	12
Media and telecommunications	4
Others (Education, transportation, pharmaceuticals)	4

Each participating company provided McKinsey & Company Mexico information about human resources, including staff headcounts, data on recruitment, promotions, and turnover; and salary differences by gender as well as information about their human resources policies and programs. The information received corresponds to 2017 or to the 12 months that ended on June 31, 2018.

Promotion and attrition rates were determined independently for women and men at each level. Promotion rates were calculated by dividing the number of promotions into a level by the number of employees of that gender in the level below at the beginning of the period. Attrition rates were calculated by dividing the number of people in each gender who left the company for any reason at a given level by the number of employees of that gender in that level at the beginning of the period.

The aggregate metrics were calculated in such a way that each company received the same weight; therefore, the averages were calculated making an average of averages, thus avoiding giving greater weight to businesses with a greater number of employees.

The participating companies categorized their employees in six levels that were standardized for all participating organizations. In the process of categorizing their employees, the companies considered organizational structure, reporting levels, salary, and trajectory of each position. The definitions are as follows:

Entry level: Employees who carry out discrete tasks and participate on one or several teams. Field employees such as cashiers, tradesmen, and operators are included in this level

Managers and administrators: Employees who have management responsibility over a team.

Senior managers and directors: Seasoned managers with responsibility for multiple teams and discrete functions or operating units.

Vice presidents: Leaders of the organization who report directly to senior vice presidents.

Senior vice presidents: Senior leaders of the organization with significant responsibility for a business unit or functional oversight.

Executive committee: Direct reports of the CEO or those responsible at the highest level for company operations and profitability.

It is possible that some companies did not have employees in all of these levels; in those cases, they were considered as empty sets so as to not affect the analyses.

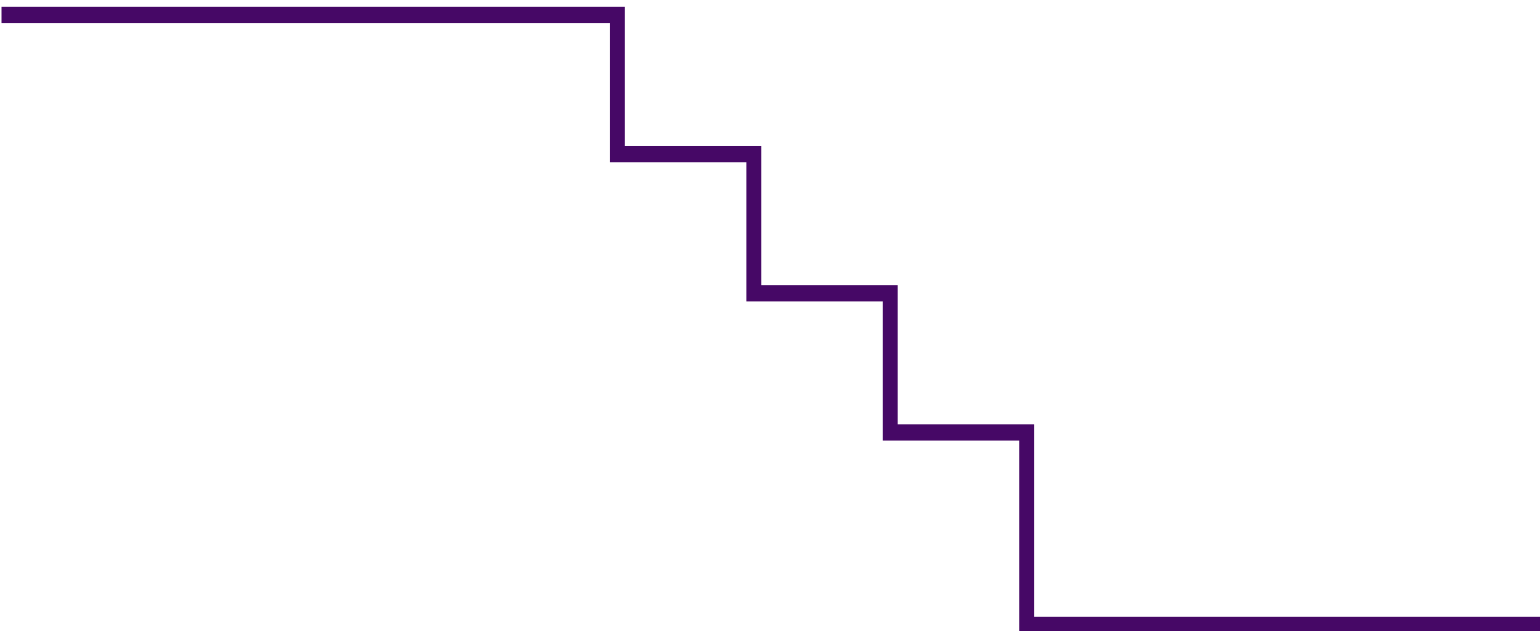
In addition, an employee survey was conducted in 18 of the 50 participating companies, with a total sample of 8,648 responses, of which 4,355 identified as men (50.3 percent), 4,277 identified as women (49.5 percent), and 16 as non-binary (0.2 percent). When, in the report, responses were grouped by gender, the responses of non-binary persons were excluded.

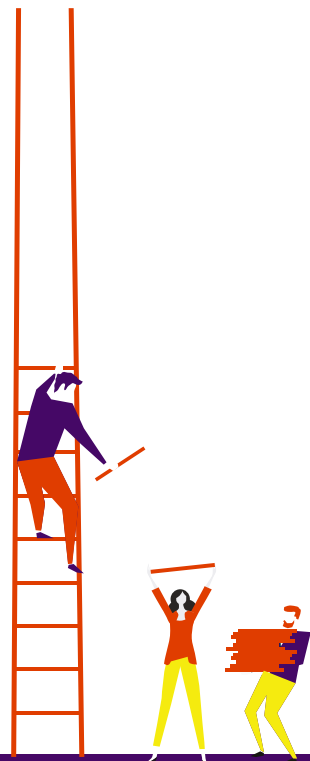
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Women Matter around the world



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