

# McKinsey's Women in the Workplace 2023

## WTS INTERNATIONAL SUMMARY & ANALYSIS

### DECEMBER 2023

On October 5th, McKinsey & Company, in partnership with LeanIn.org, published the [2023 issue of their "Women in the Workplace" Report](#). It is the largest study of women in corporate America and Canada. This year, McKinsey collected information from 276 participating organizations employing more than ten million people. At these organizations, more than 27,000 employees, and 270 senior HR leaders were surveyed, who shared insights on their policies and practices.

Women are more ambitious than ever, and workplace flexibility is fueling them. Yet, despite some hard-fought gains, women's representation is not keeping pace. The report culminates research and anecdotal evidence, providing an intersectional look at the specific biases and barriers faced by Asian, Black, Latina, and LGBTQ+ women and women with disabilities. The main takeaways from the McKinsey research include:

- **STATE OF THE PIPELINE:** Women's representation saw modest gains throughout the corporate pipeline, but women of color remain underrepresented.
- **BROKEN RUNG REMAINS:** All women lost ground at the first step up to manager, but the broken rung holds back Black and Latina women the most.
- **DEBUNKING MYTHS:** On women's ambition, women's career progression, women's everyday experiences, and flexibility and the future of work.
- **McKINSEY'S RECOMMENDATIONS FOR CORPORATIONS:** five core areas organizations need to consider.

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

WTS International attracts, sustains, connects, and advances women in transportation by building transportation expertise, highlighting thought leadership, professional development, legislative and advocacy for good transportation policy, gender equity, and building the next generation of transportation workers through our WTS Foundation.

We hope you find this summary information valuable as we work together to fulfill this mission, using data-informed methodology and resources. For the full report, please [visit McKinsey’s website](#) to download a PDF version (52 pages).



## WOMEN AND THE WORKFORCE: STATE OF THE PIPELINE

- **Despite gains at the top, women remain underrepresented at all levels**  
Since 2015, the number of women in the C-suite has increased from 17 to 28 percent, and the representation of women at the VP and SVP levels has also improved significantly. These hard-earned gains are encouraging but fragile.
- **Progress is Slower for Women of Color**  
Women represent roughly 1 in 4 C-suite leaders, and women of color just 1 in 16. Women of color face the steepest drop-off in representation from entry-level to C-suite positions: As they move up the pipeline, women of color's representation drops by two-thirds.
- **Representation is Still Low and Pipeline Drop-off**  
Progress is slower for women at the manager and director levels, creating a weak middle in the pipeline and impacting the most women in corporate America. And the "Great Breakup" continues for director level women: they are leaving at a higher rate than in past years—and at a notably higher rate than men at the same level.

### THE REALITY FOR TRANSPORTATION AND WTS

**The transportation workforce remains understaffed and underprepared for a technologically driven future and has once-in-a-generation funding still to be fully deployed.** Taking advantage of current funding opportunities needs to happen quickly. In an endemic world, women who have left the paying workforce must be encouraged to return, and the transportation sector must market themselves as an industry of choice.

**Professional associations like WTS International are more vital than ever.** Our members' voices must be amplified to the highest decision-makers, as WTS continues to be a pipeline to and for leadership, an advocate for change, and a broker of educated future transportation professionals.

- As noted in McKinsey's 2022 report, less women in the workforce overall means less women to promote into leadership roles. As our country and communities become more diverse, intentionally reaching women of color to fill frontline positions and advancing through entry-level roles to mid-management and upper management will be crucial to develop a future of strong, effective, and trained leadership at all levels. **Providing good jobs with good benefits equals good retention.**
- This year's report notes that progress for early-career Black women remains the furthest behind. After rising in 2020 and 2021, likely because of heightened focus on DEI initiatives, Black women's promotion rates have fallen, with only 54 Black women promoted for every 100 men this year. **The transportation sector must view diversity, equity, inclusion, and belonging as long-term and sincere cultural changes, not "initiatives."** Women of color are powerful allies in their communities and allies in developing a next-generation transportation system. Anecdotal and measurable evidence suggests that people who "look like me" serving in organizational leadership is a major factor in encouraging minority candidates to apply for and stay in jobs. **WTS will continue to prioritize building an intentional space for women of color and under-represented communities and will remain intentional in our representation at all levels, including leadership.**
- **Early introduction leads to life-long passions and commitments.** WTS will remain focused on **pipeline building from early youth** – through our WTS Foundation, chapters, Transportation YOU

programming, scholarships, and encouraging our members to act as both mentors *and* sponsors to those entering or re-entering the industry.

- Long-term investments and favorable policy decisions will position transportation to weather occurrences like pandemics, economic downturns, natural disasters, and other societal catastrophes. **WTS is committed to elevating our collective voice and representation in federal policymaking that influences the greater transportation sector and gender equity - including equal pay and family-friendly work policies.**
- As a part of our strategic programming in 2024, **WTS will provide extended professional development for mid-career and middle managers**, the largest and most vital group in solving the issues of the broken rung.
- Embracing innovation is crucial. **WTS International will continue to educate our members on new technologies, viewing advancements through a critical lens to ensure these innovations are equitable and accessible for both the users and workers of our systems.**

## DEBUNKING THE MYTHS OF WOMEN LEADERS

In the 2023 report, McKinsey focuses less on new research and utilizes previous research to analyze gendered myths and show their inaccuracy.

- **Myth: Women Are Becoming Less Ambitious.**  
**Reality: Women Are More Ambitious than Before the Pandemic – and Flexibility is Fueling that Ambition**  
At every stage of the pipeline, women are as committed to their careers and as interested in being promoted as men. Nine in ten women under age 30 want to be promoted to the next level, and three in four aspire to become senior leaders. However, women still only represent roughly one in four C-suite leaders, and women of color just one in 16.

McKinsey's research also shows that the pandemic and increased flexibility did not dampen women's ambitions. Roughly 80 percent of women want to be promoted to the next level, compared with 70 percent in 2019. Women of color are even more ambitious than White women: 88 percent want to be promoted to the next level.

Flexibility is key: one in five women say flexibility has helped them stay in their job or avoid reducing their hours. Many women who work hybrid or remotely point to feeling less fatigued and burned out as a primary benefit, and a majority of women report having more focused time to accomplish their goals.

## THE REALITY FOR TRANSPORTATION AND WTS

The pandemic was a pilot for a new model of work-life balance. Many women note they do not want to return to the way things were. Satisfying work and personal life balance is achievable, and one does not have to come at the expense of the other. **WTS advocates for flexibility that allows all employees, not just women, the option to work in a manner that allows for personal and professional life balance, which leads to higher quality and productivity.** The transportation sector can take a leadership role in flexible work, especially for office-based roles. Defining what "flexibility" truly means and harnessing the power of new technologies can support employees who are increasingly looking for and finding value in hybrid and occasionally fully remote opportunities.

Men are also prioritizing both life and career, with roughly 60 percent of men taking more steps to prioritize their personal lives. And just like women, these men are just as ambitious as the men who are not prioritizing both life and career. Flexibility needs to be embraced by all levels, including leadership, and by all genders for it to change culture.

Women's ambitions must be supported and encouraged. **WTS asks our members and stakeholders to consider not only mentoring women, but also sponsoring them** – advocating for specific candidates for specific jobs.

- **Myth: The Biggest Barrier to Women's Advancement is the "Glass Ceiling."**  
**Reality: The "Broken Rung" is the Greatest Obstacle Women Face on the Path to Senior Leadership**

The glass ceiling is often cited as the primary reason more women don't reach senior leadership. The report's data shows a different problem. For the ninth consecutive year, women's biggest hurdle to advancement is at the first critical step up to manager: for every 100 men promoted from entry-level to manager, 87 women are promoted. This gap is trending the wrong way for women of color: this year, 73 women of color were promoted to manager for every 100 men, down from 82 women last year. Because of the broken rung, in a typical company, men end up holding 60 percent of manager-level positions, while women hold just 40 percent. As a result, there are fewer women to promote to director, and the number of women decreases at every subsequent level.

## **THE REALITY FOR TRANSPORTATION AND WTS**

The broken rung is a problem that has been documented by McKinsey for almost a decade, and data shows it is getting worse. Transportation is already at a breaking point, struggling to find enough people to simply fill roles. Fulfilling the necessary expectations of diverse and inclusive hiring practices has been deprioritized. **WTS advocates for employers in the sector to consider the following actions:**

- Measure progress, and report transparently to leadership, employees, and the public
- Build strong, creative, and fully supported pathways for advancement into your organization's "top to bottom" culture
- "Succession-proof" initiatives; building EDI programs into the fiber of an organization or agency – that way, with new or changing leadership, programs and priorities don't become altered or diluted
- Implement active, not passive hiring – ensure your company is bringing jobs to people through ease and speed of the application process, accommodating application requirements onsite, and finding new avenues of promotion that meet a new generation "where they are"
- Engage with community and new pools of candidates to build long-term trust; marketing your organization as a service provider and a valuable place to work for a lifetime career

- **Myth: Microaggressions Have a Micro Impact**  
**Reality: Microaggressions Have a Large and Lasting Impact on Women**

Women experience microaggressions at a significantly higher rate than men: they are twice as likely to be mistaken for someone junior and hear comments on their "emotional state." Asian and Black women are seven times more likely than White women to be confused with someone of the same race and ethnicity.

## **THE REALITY FOR TRANSPORTATION AND WTS**

Remote work and flexibility have significantly cut down on microaggressions, but change must be implemented beyond the 9-to-5 relationships built in work communities, extending to inclusion efforts at offsite training, conferences, social and networking programs, and other in-person events. We must encourage allyship through identifying allies, making training mandatory and consistent, and creating a

culture where microaggressions are addressed and not tolerated.

- **Myth: It's Mostly Women Who Want- and Benefit – From Flexible Work**  
**Reality: Men and Women See Flexibility as a “Top 3” Employee Benefit and Critical to Their Company's Success**

Workplace flexibility is no longer just an added bonus for some employees; it's important to nearly everyone. A significant number of women and men also point to the same primary benefits of remote work: increased efficiency and productivity, better work/life balance, and less fatigue and burnout. On-site work also delivers important benefits—such as an easier time collaborating and a stronger personal connection to coworkers—but there are two notable trouble spots. On-site work disproportionately benefits men, who are more likely than women to be “in the know” and get the support they need to be successful. And while 77 percent of companies point to a strong organizational culture as a key benefit, only 39 percent of men and 34 percent of women who work on-site say a key benefit is feeling more connected to their organization's culture.

For women, working hybrid or remote is about a lot more than flexibility. When women work remotely, they face fewer microaggressions and have higher levels of psychological safety. 29 percent of women and 25 percent of men who work remotely say one of the biggest benefits is having fewer unpleasant interactions with coworkers. Even more—53 percent of women and 36 percent of men—point to reduced pressure around managing their personal style or appearance. Half of women and a third of men point to “offering significant flexibility in when and where employees work” as a top-three factor in their company's future success.

## **THE REALITY FOR TRANSPORTATION AND WTS**

Family-friendly policies, including flexible work options, benefit all employees and increase satisfaction when implemented correctly. Key factors in successful flexible work policies include clearly defined expectations, a culture of acceptance and use of the policy – even at leadership, hiring, and promotional policies that provide those at home and those in person an equal opportunity for professional development and career advancement.

**The WTS mission of sustaining and advancing women helps benefit everyone.** Workplace policies that allow employees to manage their unpaid work (household and caregiving responsibilities) through flexibility in hours or location can increase employee retention and can be a key benefit in recruitment.

## **McKINSEY'S RECOMMENDATIONS FOR CORPORATIONS & ORGANIZATION**

As companies work to support and advance women, McKinsey researchers recommend focusing on five core areas:

- **Tracking outcomes for women's representation**
  - *Measure employees' outcomes and experiences*—and use the data to fix trouble spots. Making data-informed decisions is a part of the WTS International Strategic Plan; and WTS encourages our corporate partners, members, and industry stakeholders to measure that for their own employees.
  - *Take an intersectional approach to outcome tracking* – Gender cannot be seen through the lens of “man” and “woman.” Taking all people into equal account, including their lived experiences, will help to establish and maintain a culture of happy and dedicated workers.

- *Share internal goals and metrics with employees.* Transparency is key and builds trust. Data is only as good as the change that results from it.
- **Empowering managers to be effective “people leaders”**
  - *Support and reward managers as key drivers of the organization.* This is especially important for mid-level managers and emerging leaders, not just executives.
  - *Clarify managers’ priorities and reward results.* Clarity, transparency, and measurable outcomes.
  - *Equip managers with the skills they need to be successful.* This includes “soft skills” like presentation, communications, negotiations, and personality management.
  - *Make sure managers have the time and support to get it right.* This includes continual on-the-job training and the ability to pursue and develop personal areas of interest.
- **Addressing microaggressions head-on**
  - *Make clear that microaggressions are not acceptable.* This includes top-level policy building and enforcement, clear consequences, and public transparency.
  - *Teach employees to avoid and challenge microaggressions.* Bias and allyship training are critical components of employee training and onboarding. Some employees may not be aware their actions and/or comments are considered microaggressions. *Create a culture where it’s normal to surface microaggressions.* Helping employees identify and call out microaggressions when they occur establishes a zero-tolerance culture. It’s important to see leadership modeling that it is safe to surface and discuss these behaviors.
- **Unlocking the full potential of flexible work**
  - *Establish clear expectations and norms around working flexibly.* Workplace flexibility doesn’t have to be scary, nor does it mean fully remote work environments.
- **Fixing the broken rung, once and for all**
  - *Establish clear evaluation criteria to stop bias from entering hiring and reviews.* Track your inputs and outputs, meaning track who is put up for and who receives promotions through an intersectional lens. Put safeguards in place to ensure that evaluation criteria are applied fairly and educate reviewers on how to identify and remove bias.
  - *Invest in career advancement for women of color.* Tailor your career program content for women of color and ensure mentorship and sponsorship programs.

**McKinsey & Company is a worldwide management consulting firm founded in 1926 by James O. McKinsey. McKinsey offers professional services to corporations, governments, and other organizations. Sign up to participate in the 2024 “Women in the Workplace” study at [womenintheworkplace.com](https://www.womenintheworkplace.com)**