McKinsey Global Survey results

Why top management eludes women in Latin America

Executives in the region say gender diversity has moved up on their companies' agendas, but they still report few women at the top. Women and men disagree on the reasons why.

Gender diversity is gaining ground in Latin America, yet women in the region are still greatly underrepresented in top management—even though they are more likely than men to say they want to advance their careers. These are among the key findings from our latest McKinsey survey on workplace diversity, which asked executives across Latin America what their companies are doing to attract and retain female employees, why there are few women at their companies' highest levels, and which barriers keep women from reaching the top.[1]

[1] The online survey was in the field from February 19 to March 1, 2013, and received responses from 547 executives (354 men and 193 women) in Argentina, Brazil, Chile, Colombia, Mexico, and Peru. These executives represent the full range of industries, company sizes, tenures, and functional specialties. To adjust for differences in response rates, the data are weighted by the contribution of each respondent's nation to global GDP.

Since our global survey three years ago, a larger share of executives in Latin America now says that gender diversity is a top agenda item at their companies. Where it's now a priority, four out of five respondents believe their company leaders are fully or very committed to acting on the issue. Nonetheless, respondents report few women on their companies' executive teams, and male and female executives disagree as to why women are underrepresented.

Committing to diversity

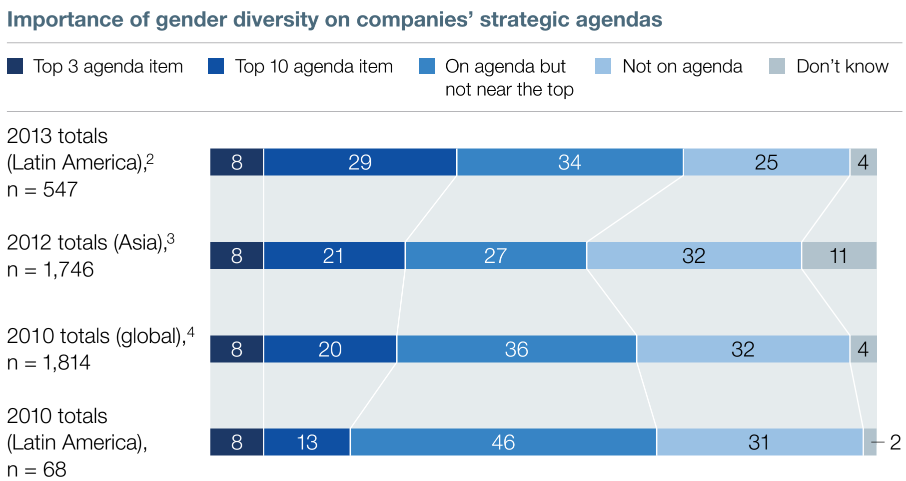
In 2010, 21 percent of respondents in Latin America said gender diversity was a top priority; this year, 37 percent say the same, and of those executives, 80 percent say their CEOs and top-


Jean-François Martin

Exhibit 1

In Latin America, gender diversity is ascending as a strategic priority.

% of respondents[1]



[1] Figures may not sum to 100%, because of rounding.
[2] Includes respondents in Argentina, Brazil, Chile, Colombia, Mexico, and Peru.
[3] Includes respondents in China, India, Indonesia, Japan, Malaysia, Singapore, and South Korea.
[4] Includes respondents representing the full range of regions.

management teams are either fully or very committed to taking action on this issue. That puts Latin America on par with results from our latest global and regional surveys (Exhibit 1). Still, one-quarter of executives say the issue is not on their agendas at all.

As in the two previous surveys,[2] Latin American executives are most likely to cite flexible working conditions, programs to encourage female networking and role modeling, and support services to reconcile work and family life as the measures their companies have taken to recruit, retain, promote, and develop women. There are some notable differences by country, though: just 10 percent of executives in Chile say their CEOs and executive teams visibly monitor the progress of gender-diversity programs, while 20 percent of all respondents say the same. In Brazil, 41 percent say their companies have not taken any measures to recruit and retain women, compared with 29 percent of the total average.

The survey asked about 13 gender-diversity measures, yet 42 percent of respondents report that their companies are implementing just one to three of them. The results suggest,

[2] See "Moving women to the top: McKinsey Global Survey results," October 2010, mckinsey.com, and Josephine Chen, Claudia Süssmuth-Dyckerhoff, and Jin Wang, *Women Matter: An Asian Perspective*, June 2012, mckinseychina.com.

though, that the higher gender diversity is on the strategic agenda, the more actions companies are likely to take. Executives agree that the hardest measures for their companies to implement are flexible working conditions, gender quotas, and gender-specific hiring goals and programs. Female respondents most often cite flexible conditions as the hardest to execute and, perhaps not surprisingly, they are more likely than male respondents to say their companies struggle in implementing each of the 13 measures.

Why representation remains low

Fully 60 percent of executives say they believe that companies with diverse leadership teams that include significant numbers of women generate higher financial returns. Across countries, this belief is held most strongly in Mexico, where the largest share of respondents say gender diversity is a top corporate priority. This finding is particularly interesting given that companies in Mexico have the smallest shares of women on their executive committees, compared with companies in other countries.[3] Regardless, survey respondents in Mexico are as likely as everyone else to report few women in their companies' top ranks.

In this survey, we asked which of three key reasons best explains the lack of gender diversity among their companies' leaders and the underlying causes for the reason they selected.[4] The results vary greatly by gender, with female respondents most likely to attribute this imbalance to lower promotion rates for women. The other two reasons considered were low female representation in their companies overall (chosen most frequently by men, at 43 percent) and female attrition in mid- to senior-level positions.

Of the executives citing low overall numbers of female employees, the largest share (35 percent) attribute this to the notion that their industries are traditionally less attractive to women than to men. Most executives in the region continue to believe that when women leave voluntarily, it's to spend more time with family: 52 percent say so, unchanged from 2010. In contrast, respondents to the global 2010 survey were, on average, much less likely to cite family reasons as the explanation (37 percent), as were the respondents to the 2012 survey in Asia (39 percent).

Male and female respondents view the root causes of low promotion rates very differently. Men most often cite a concentration of female employees in departments with comparatively lower promotion rates and less upward mobility, while women most often cite a lack of sponsorship. Female executives are also twice as likely as males to attribute lower rates to leaders' perceptions that women have less ambition than men. But responses from female executives suggest they are as ambitious as their male counterparts—or even more so: 79 percent of women say they would choose to advance to C-level management, compared with 73 percent of men.

[3] This analysis was conducted on 348 publicly listed companies in Latin America, based on data from a proprietary McKinsey database, information from company Web sites and annual reports, and other external research from Thomson. Of the public companies included in the research, 30 were located in Argentina, 141 in Brazil, 62 in Chile, 30 in Colombia, 55 in Mexico, and 30 in Peru. According to the analysis, women make up only 5 percent of executive-committee members at companies in Mexico (compared with a regional average of 8 percent), and only 27 percent of these companies have at least one woman on their executive committees, which is the smallest share across the six countries.

[4] When asked which of three reasons best explains low female representation in their companies' top-management positions, 20 percent say they don't know. We removed the "don't know" responses from our subsequent calculations and analysis.

Barriers to advancement

Overall, executives in Latin America and their global counterparts identify the same barriers to increasing top-management diversity in corporations: the "double burden syndrome" and an "anytime, anywhere" performance model that requires constant availability (Exhibit 2).

Exhibit 2

Women face persistent barriers to reaching top management.

% of respondents[1]

Biggest high-level barriers to increasing gender diversity in corporations' top management

	2013 totals (Latin America),[2] n = 547	**2012 totals (Asia),[3]** n = 1,746	**2010 totals (global),[4]** n = 1,814	**2010 totals (Latin America),** n = 68
"Double burden" syndrome (women balancing work and domestic responsibilities)	44	38	51	57
"Anytime, anywhere" performance model (requiring unfailing availability and geographical mobility)	39	27	42	43
Lack of pro-family public policies or support services	24	24	26	11
Absence of female role models	23	22	27	26
Tendency of women not to promote themselves	19	20	30	30
Decisions by women to opt out and leave workforce voluntarily	17	19	20	21
Tendency of many women to network less effectively than men	17	13	16	13
Tendency of many women to have lower ambitions than men	15	20	12	15
There are no barriers	11	4	5	9

[1] Respondents who answered "other" or "don't know" are not shown.
[2] Includes respondents in Argentina, Brazil, Chile, Colombia, Mexico, and Peru.
[3] Includes respondents in China, India, Indonesia, Japan, Malaysia, Singapore, and South Korea.
[4] Includes respondents representing the full range of regions.

It's not surprising, then, that most respondents say the notion that women must take care of the family is strong enough in their countries to influence career decisions: 70 percent say this influences at least some women to leave their jobs.[5] Seventy-eight percent report that the cultures in their home countries make it easier for men than for women to move forward in their careers—and respondents in Brazil and Mexico are even likelier to say so. More than half also say this cultural bias influences their own companies' approaches to gender diversity.

To overcome these issues, both male and female respondents agree that the biggest effect on increasing gender diversity in top management would come from flexible working conditions, visible monitoring by the CEO, and support services to help with work-life balance.

[5] Only 57 percent of respondents in Asia said the same in our survey of executives across that region, which was conducted in January 2012.

The contributors to the development and analysis of this survey include **Manuela Artigas**, a principal in McKinsey's São Paulo office; **Heloisa Callegaro**, an associate principal in the São Paulo office; and **Maria Novales-Flamarique**, a principal in the Mexico City office.