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ORGANIZATION PRACTICE

How women can contribute more to the US economy

The ability to retain and promote more women middle managers is a key point of leverage.



Women are crucial to US economic growth. Indeed, since women’s participation in the workforce took off, in the 1970s, their productivity has accounted for about a quarter of current GDP. But women still aren’t reaching their full economic potential. One important reason is that far too many highly skilled women simply don’t progress up the ladder in corporate America.

A new McKinsey report, *Unlocking the full potential of women in the US economy*, delves into the details of this well-known phenomenon. The problem isn’t simply a lack of flexible working conditions or support for working mothers. Nor is it an inability to get women into the workforce or women’s desire to opt out; most can’t afford to. Instead, entrenched mind-sets and behaviors—at companies and among women themselves—are two of the biggest culprits in preventing women from advancing. The issue is particularly acute at the transition from middle manager to senior manager, a point when women have proven themselves professionally yet a disproportionate share leave corporate careers. For many, invisible biases become impassable.

Our research included a survey of some 2,500 college-educated men and women. One striking discovery is that women who have progressed from entry-level jobs to middle management, and then from middle management to senior management, have, at each stage, an increasing interest in being leaders and an increasing belief that opportunities exist (exhibit).

Exhibit

Women’s interest in being leaders increases as they progress from entry-level jobs to middle management.



Source: Feb 2011 McKinsey survey of 2,500 college-educated men and women currently working in large corporations or professional-services firms

Related thinking

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How can companies help more women retain that enthusiasm? Most companies are already working hard to reduce structural problems (such as a lack of role models or access to informal networks) and are trying to shift work practices to meet their employees’ desire for a work–life balance. However, our survey and interviews uncovered some more insidious, difficult-to-address problems. These include senior executives’ perceptions that certain jobs just shouldn’t be available to women and a tendency to reward men for their potential but women only for their performance. Many women react to these barriers and biases by reducing their corporate ambitions in favor of achieving greater satisfaction across their lives—and companies lose out entirely.

If women are to reach their full potential in the economy, companies must do at least as much to address those issues as they are doing to address the ones they can more easily see. Helping middle-management women to develop and advance will make the biggest difference because it will begin to reshape the corporate talent pipeline and help companies reach their goal of advancing more women to the top.

Read the full report on the McKinsey & Company Web site. [o](#)