

McKinsey
& Company

Women Matter

The present and future of women at work in Canada

June 2019



Over the past decade, McKinsey & Company has made a sustained commitment to researching and writing about gender diversity and inclusion. Since 2007, McKinsey's *Women Matter* research has explored the role women play in workplaces around the world. In 2015, 2016, 2017, and 2018, McKinsey released research reports on *Women in the Workplace* with LeanIn.Org, as part of a 5-year partnership in a comprehensive study of the state of women in corporate America.

In 2017, McKinsey Global Institute, in collaboration with McKinsey & Company Canada, published *The power of parity: Advancing women's equality in Canada*.

In 2015 and 2018, McKinsey & Company has also published two reports on diversity in the workplace—*Diversity Matters* and *Delivering through Diversity*.

McKinsey & Company is a global management consulting firm, deeply committed to helping institutions in the private, public, and social sectors achieve lasting success. For more than 90 years, our primary objective has been to serve as our clients' most trusted external advisor. With consultants in 132 cities in 66 countries, we bring unparalleled expertise to clients anywhere in the world. We work closely with teams at all levels of an organization to shape winning strategies, mobilize for change, build capabilities, and drive successful execution.

Last year, McKinsey & Company Canada celebrated 50 years of helping Canadian businesses create sustainable value. Since our inception in Toronto, we have expanded across Canada to Montreal, Calgary, and Vancouver.

Women Matter

The present and future of women at work in Canada

June 2019

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Preface

McKinsey has been researching the case for gender equality globally for more than a decade. Through our research, we've established that building a gender-balanced workplace is not only the right thing to do, but also the smart thing to do. Gender diversity leads to better business outcomes for organizations and higher productivity for the overall economy.

When we published our first Canadian-focused research in 2017 titled *The power of parity: Advancing women's equality in Canada*, we highlighted that Canada could stand to gain \$150 billion in GDP by 2026, equivalent to 0.6 percent a year, from narrowing the gender gap. In 2019, gender equality is more relevant to Canada than ever, as the face of the Canadian economy and the nature of employment change with the rapid advances in digital technologies, analytics, artificial intelligence, and automation.

With these forces in mind, our 2019 research analyzes the implications of technological advances on the types of jobs that will be prevalent in the future and how these jobs may be distributed between men and women. Our future-looking view is complemented by a survey of more than 100 Canadian organizations representing more than 500,000 employees on the state of gender diversity in the workplace today.

Our findings suggest that although gender diversity is a priority for more than 80 percent of organizations, progress toward gender equality is slow and women continue to face systematic and structural barriers to participating fully in the workplace. The future of work and the age of automation hold opportunities for women, but only if they successfully reskill, upskill, and transition. Solving the challenges of both today and tomorrow requires intention, commitment, and persistence. Recognizing the hard work it takes to make progress, our contributions to the dialogue come from a place of humility, as McKinsey & Company continues its own journey to increase women's representation and build a gender-balanced workplace.

By highlighting the challenges that confront working women, and by proposing a set of practices that could drive change, we hope this report motivates private, public, and non-profit sector organizations to translate good intentions into concrete actions and work together toward gender equality in the present and the future.

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Acknowledgements

This report represents the collective work of many collaborators.

As part of the research for this study, we conducted a study of 110 organizations that employ more than half a million employees in Canada. We also interviewed and profiled Canadian organizations who lead the way in their efforts to achieve gender parity. We are grateful for the participation and candour of these respondents—their insights provide new transparency into the realities of gender in the Canadian workplace.

To facilitate the connection to these organizations—and others—we relied on a broad team to support outreach, including the teams at the Young Presidents' Organization (YPO), #movethedial, Labour Program, Employment and Social Development Canada, and the 30% Club. We would like to thank the Canadian partnership for leading outreach for this study. Numerous McKinsey colleagues supported us on outreach as well, including, Andrea Boza, Carol-Anne Reid, Kevin D'Entremont, Marie-Laure Malakoff, Gracy Dias, Sandy Alfonso, Louisa Greco, Spence Nichol, Michelle Forrest, Jenny Hu, Angelina Tan, Devin Brown, Ross Caton, and Marilyne Crépeau.

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We are also grateful to LeanIn.Org, Dr. Marianne Cooper, and Dr. Ellen Konar, who co-developed the employee experience survey with McKinsey Partners Alexis Krivkovich and Lareina Yee as part of McKinsey's *Women in the Workplace* initiative. McKinsey & Company has administered the same survey in the United States and Europe and published those results in the *Women in the Workplace* series in partnership with LeanIn.Org, and the *Women Matter* series, respectively. We would like to thank the *Women in the Workplace* leadership and team for their support and advice on content: Lareina Yee, Alexis Krivkovich, Irina Starikova, Jess Huang, Ishanaa Rambachan, Tijana Trkulja, Alex Rohrbach, and Maggie Ferrill.

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This research was led by Andrew Pickersgill, the Managing Partner of McKinsey & Company Canada; Sandrine Devillard, a Senior Partner in Montreal; Geneviève Bonin, a Partner in Toronto; Anu Madgavkar, an MGI Partner in Mumbai; and Mekala Krishnan, an MGI Senior Fellow in Boston. The project team comprised of consultants in Toronto—Han Zhang, Marissa Ng, and Tina Pan.

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Executive summary

Automation and technological advances in the future of work could pose unprecedented opportunities and challenges to workers across Canada's economy. Millions of men and women may need to navigate a wide-scale workforce transition, making a shift from lower-skilled and lower-wage to higher-skilled and higher-wage jobs. For women, who already face inequalities in the workplace, this transition will be pivotal.

Our research suggests that Canada has an opportunity to narrow the gender gap in share of employment. If 8 to 30 percent or 1 million to 3 million women could successfully transition across occupations and skill levels, they could maintain or even modestly increase their share of employment by 1 to 2 percentage points¹ by 2030 (the range reflects different paces of automation).

However, if structural barriers and existing inequalities in the workplace prevent women from making these transitions and acquiring the skills needed to stay in the workforce, they could fall further behind and gender inequality at work would persist. The double burden of unpaid care work, the existing wage gaps in occupations and sectors, and the skills gap in STEM could pose additional hurdles for women in navigating these transitions. Helping women navigate these transitions could ensure progress toward gender equality is not undermined.

Automation will impact men and women differently, depending on the occupations and sectors. In Canada, women could be moderately less at risk than men of their jobs being displaced by automation—24 percent of employed women today, compared to 28 percent of men. More than 50 percent of potential job losses for women could come from clerical support and service workers, whereas 43 percent of potential job losses for men could come from machine operators and craft workers. The expected high growth in women-predominated sectors, like healthcare, could give women an advantage. Similarly, men could benefit from job growth in manufacturing.

Today, commitment to gender equality is strong among Canadian organizations. Four in five report that gender diversity is a top or very important priority. And half of them have articulated a business case for gender diversity, which is a three-fold increase since our 2017 survey. However, although men and women are now equally split at the entry level, progress is slow and women continue to remain underrepresented across the talent pipeline, accounting for less than a third of senior leadership roles at the VP level and above. For every four men that are promoted to manager and for every five men promoted to vice president, only three women are promoted to the respective positions.

In addition to facing challenges in career advancement, women feel less included in the workplace and face everyday discrimination—almost 60 percent of women report having experienced some form of microaggression at work. At the VP level, women report being five times more likely than men to have to prove their competence, three times more likely to be addressed in a less-than-professional manner, and three times more likely to hear demeaning remarks.

To close the gap, and turn intention into action, organizations must continue to do more. McKinsey's decade of research has shown that meaningful progress toward gender equality in the workplace requires a persistent, well-implemented, and organization-wide change program.² This has been the case for many Canadian organizations that have successfully moved the needle on gender parity—in our report, we highlight seven of these journeys.

Our roadmap for gender equality consists of an ecosystem with five dimensions to foster gender diversity and inclusion within an organization, and three priorities that organizations could focus on to prepare the workforce for the future through the lens of gender equality. We have identified more than 20 examples of initiatives across these dimensions and priority areas.

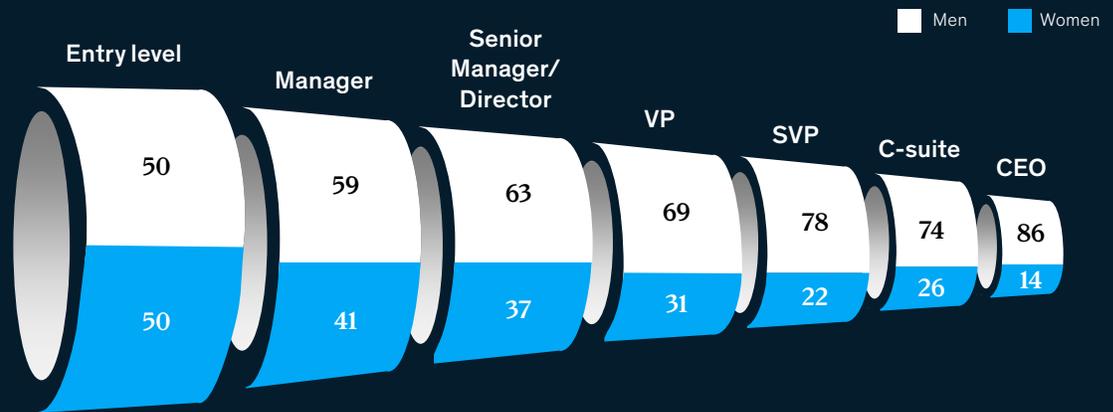


Chapter 1: A closer look at gender inequality in today's workplace

- This year, more Canadian organizations reported that they are committed to gender diversity—82 percent of organizations consider gender diversity a top or very important priority, and almost half of them, compared to 14 percent in our 2017 survey, have articulated a business case for gender diversity.
- Organizational commitment to gender diversity has not resulted in significant progress in women's representation. Modest progress has been made since 2017. At the entry level, our study shows that women account for 50 percent of employees among the organizations surveyed this year. However, women are underrepresented at every other level, and their representation declines significantly as they move up the ranks.
- Neither attrition nor desire for promotion is driving the underrepresentation of women in the talent pipeline. Women and men leave their organizations and want to be promoted at similar rates. For those that plan to leave in the next 5 years, less than 2 percent of women intend to leave the workforce to focus on family.
- Women are 76 percent as likely as men to be promoted to manager and even less likely (64 percent) to be promoted to vice president. At the same time, women only make up 43 percent of external hires at the manager level and 34 percent at the VP level.
- Women at the senior levels have fewer sponsors than men and their sponsors are mostly other women. 15 percentage points fewer women at the VP level have at least one sponsor compared to their male counterparts. The majority of employees have sponsors of the same gender, creating an additional challenge for women's advancement.
- Women face everyday discrimination at work. Almost 60 percent of women report having experienced some form of microaggression. For instance, at the VP level, women are five times more likely than men to need to prove their competency and three times more likely to hear demeaning remarks made about themselves.
- Women at the senior manager/director level and above are 2.5 times more likely than men to be the only person of their gender in a room at work. These women are also more likely than others to feel less included, under more pressure to perform, feel they are being closely watched, and experience microaggressions.

Women are significantly underrepresented at the senior leadership levels¹

Percentage of men and women²



1. Sample size and self-selection biases could contribute to a more positive result. Canadian organizations that already prioritize gender diversity and have a good representation of women in senior leadership might have been more inclined to participate in our study

2. Excluding organizations with fewer than 50 employees as smaller organizations generally do not have as many levels in their hierarchy as defined in our talent pipeline

Attrition and ambition do not explain the underrepresentation of women

Percentage of employees who left their jobs in the past year



Percentage of employees who want to be promoted



Women are more likely to experience microaggressions at work, especially at the senior levels

At the VP level, women reported being

5x More likely than men to have to prove their competence

2x More likely than men to have their judgment questioned in their area of expertise

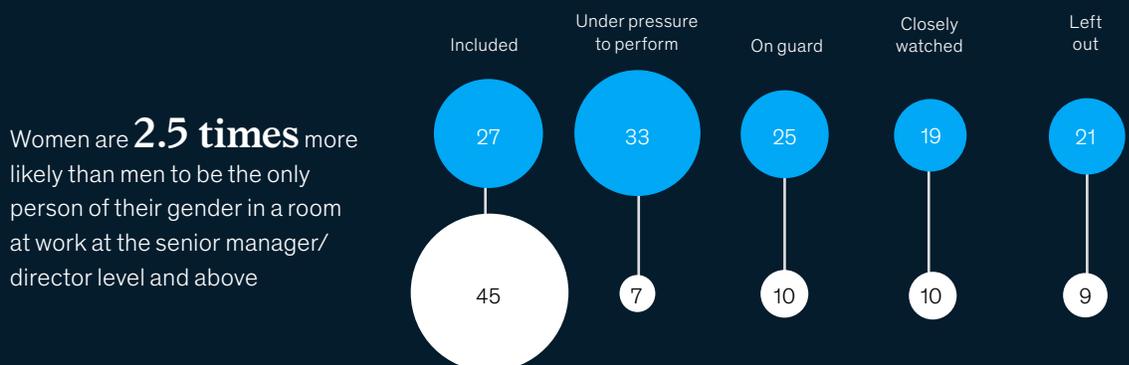
3x More likely to be addressed in a less-than-professional way

3x More likely to hear demeaning remarks

The “only” experience feels worse for women than men

Percentage of respondents who report these feelings when they are the “only”

● Men ● Women



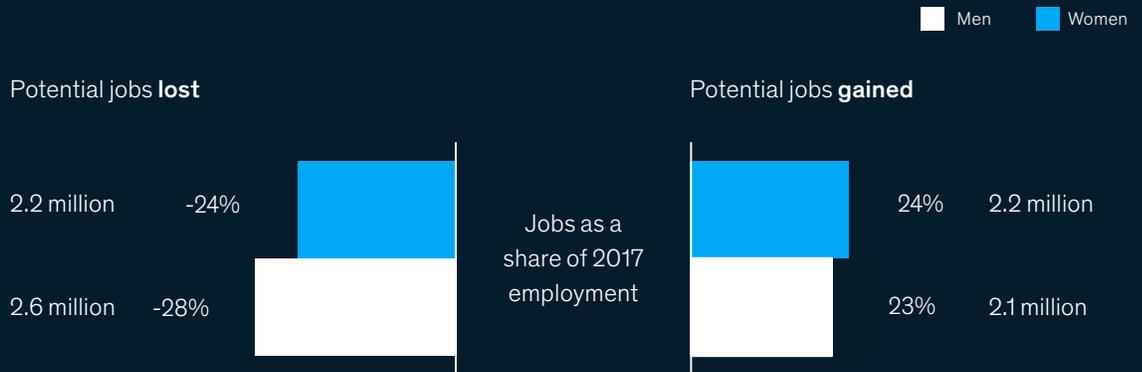
Women are **2.5 times** more likely than men to be the only person of their gender in a room at work at the senior manager/director level and above

Source: McKinsey & Company Canada “Talent pipeline survey 2019”, 94 Canadian organizations employing more than 500,000 employees; McKinsey & Company Canada “Employee Experience Survey 2019”, 6,090 employees from 29 Canadian organizations

Chapter 2: The future of work through the lens of gender equality

- The uneven distribution of men and women across occupations and sectors is a key feature of the Canadian labour force, which is similar to other mature economies. Today, women make up 85 percent of the clerical support workforce, but they hold only 17 percent of plant and machine operator jobs. Although women account for 81 percent of workers in the healthcare and social assistance sector, they make up just 28 percent of workers in manufacturing. This gender imbalance across occupations and sectors could determine how men and women will be affected by jobs lost and gained in the following years.
- Wide-scale occupational transitions could occur. By 2030, 8 to 30 percent of women currently employed (versus 9 to 36 percent of men) may need to transition across occupations and skill levels to stay in the workforce. If women successfully make these transitions, their current share of employment could remain stable or increase by 1 to 2 percentage points in 2030. If they don't, women could fall further behind.
- Women could be moderately less at risk than men of their jobs being displaced by automation—24 percent of employed women today (2.2 million) could be displaced by automation, compared to 28 percent of employed men (2.6 million). More than 50 percent of potential job losses for women could come from clerical support and service workers, whereas 43 percent of potential job losses for men could come from machine operators and craft workers.
- Women may be slightly better positioned to capture new job opportunities than men, gaining 24 percent more jobs (2.2 million) than their present employment level, compared to 23 percent more jobs (2.1 million) for men. Sixty percent of women's job gains could be in healthcare and social assistance, retail and wholesale trade, and manufacturing sectors.
- Both men and women need to transition from lower- and middle-wage occupations to higher-wage occupations. High-wage occupations may grow the most and middle-wage jobs could be most affected by automation. As a result, income inequality could intensify.
- The quality of potential job gains for women could still be less than those for men within the same sector. For example, in high-wage, high-growth healthcare occupations, women make up the vast majority of nursing- and personal care-related roles, which pay less than the medical professions in which men predominate.
- Women could face more barriers when transitioning. Cultural and social norms about “women's work” could shape women's choices of employment. The uneven distribution of unpaid care could undermine women's capacity for reskilling. The gender skill gaps in STEM could hinder women's ability to capture high-growth jobs in manufacturing and technology. Supporting women's transitions into the future workforce will require actions that tangibly address gender inequalities on all fronts.

Women could be moderately less at risk of their jobs being displaced by automation and slightly better positioned to capture new jobs than men by 2030



Top 3 occupations with job losses

Women	Men
Service workers	Craft workers
Clerical support workers	Machine operators
Professionals	Service workers

Top 3 sectors with job gains

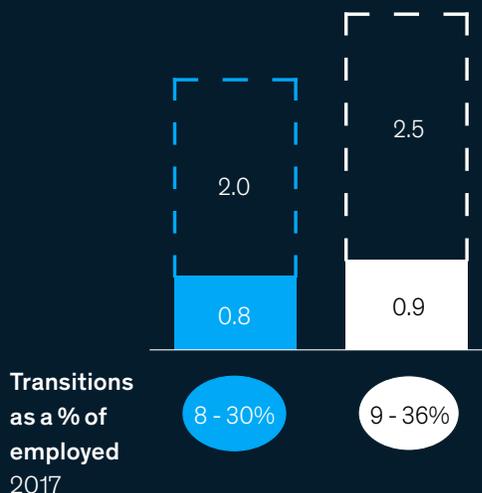
Women	Men
Healthcare and social assistance	Manufacturing
Retail trade	Retail trade
Manufacturing	Professional, scientific, and technical services

Both men and women may need to navigate wide-scale occupational transitions to move to higher-skilled and better-paid work

8 to 30% of women and 9 to 36% of men currently employed may need to transition across occupations and skill levels by 2030¹

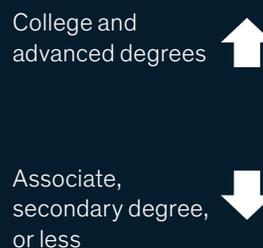
Occupational transitions

Millions



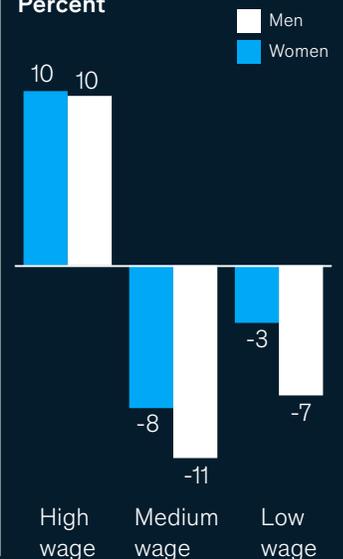
Occupations that require higher education could experience the most growth

Jobs that require



The largest employment decline could occur in middle-wage occupations

Net jobs lost or gained as a share of total employment, Percent



1. The ranges are based on the midpoint automation adoption scenario and the early automation adoption scenario developed by MGI. These scenarios account for factors that could influence the pace of automation adoption, such as technical feasibility, implementation costs, labour costs, economic benefits, and regulatory and social acceptance

Source: McKinsey Global Institute analysis

Chapter 3: A roadmap for fostering gender diversity and inclusion

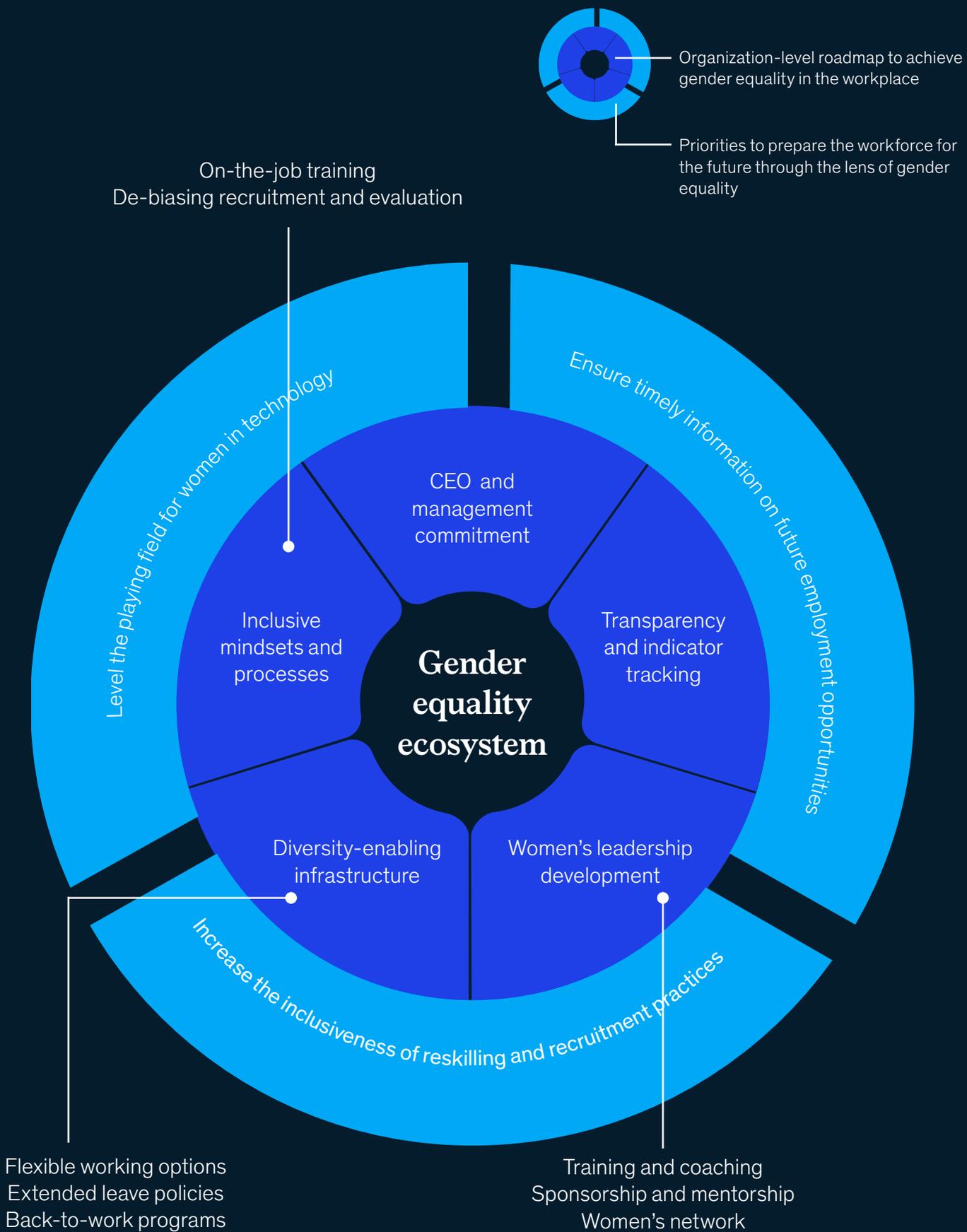
Meaningful progress toward gender equality requires a persistent, well-implemented, and organization-wide change program. Leading organizations act across all five of the organization-level dimensions and view their progress as a journey.

- **CEO and management commitment.** More than 80 percent of organizations report that commitment to gender diversity is a top or very important priority, but less than 60 percent of employees (and only 52 percent of women) think their organization is doing what it takes to improve gender diversity.
- **Transparency and indicator tracking.** Less than half of organizations set numeric targets by gender, and only 38 percent hold their senior leaders accountable. Leading organizations measure a comprehensive set of metrics and share their progress toward gender equality with the public to signal commitment to change.
- **Women's leadership development.** Less than 35 percent of organizations offer interventions to support and develop women. Leading organizations implement formal mentorship and sponsorship programs to develop women leaders.
- **Diversity-enabling infrastructure.** 36 percent of women surveyed have partners; yet they are still responsible for all or most household and childcare work, compared to 8 percent of men. While most organizations offer flexibility programs, few offer childcare support or programs to smooth transitions to and from extended leaves.
- **Inclusive mindsets and processes.** Only 43 percent of employees think promotions are based on fair and objective criteria, and fewer than 40 percent of organizations implement de-biasing processes in hiring and reviews. Leading organizations implement both de-biasing processes and offer unconscious bias training to foster an inclusive culture.

Public and private organizations could join forces, focusing on three priorities to ensure the future of work is one where women could participate equally:

1. **Ensure timely information on future employment opportunities.** Ensure access to information about future employment opportunities, including what skills they require and what training is available.
2. **Increase the inclusiveness of reskilling and recruitment practices.** Design training and reskilling programs for employees with women's unique needs in mind, including their ability to afford, access, and undertake the program.
3. **Level the playing field for women in technology.** Increase women's presence in the technology sector, for example, through early intervention in school STEM programs for girls and through capital support to women entrepreneurs.

Ecosystem approach to fostering gender diversity and inclusion





01

**A closer look at
gender inequality
in today's workplace**

A closer look at gender inequality in today's workplace

Although many organizations considered gender diversity a priority, the results don't stack up. Women continue to be significantly underrepresented at almost all levels, with many women perceiving that their chances for career advancement are limited. Women also find themselves vulnerable to workplace microaggressions.

In this chapter, we take a closer look at gender inequality in today's workplace. Our findings are based on McKinsey's 2019 survey of 110 organizations employing more than 500,000 people across a diverse mix of industries in Canada. Compared to our 2017 survey, this year's survey sample was more wide-ranging, including more small- and- medium-sized businesses and public sector organizations.

What ultimately drives organizational health and performance is a combination of equal gender representation and an inclusive culture. Without the latter, gender parity may not lead to the desired business outcome. That is why we examine gender equality through both dimensions: women's representation across the talent pipeline and the inclusiveness of workplace culture as reflected through employee experience and attitude.

The talent pipeline

In this section, we examine the practices and factors that often lead to the underrepresentation of women in the talent pipeline—hiring, promotion, sponsorship, and the types of roles women and men have at different levels.

Women remain significantly underrepresented across the talent pipeline, especially at senior leadership levels

There has been modest progress toward gender equality across the talent pipeline since 2017, especially at the entry level. Our study shows that within the Canadian organizations surveyed this year, women accounted for 50 percent of employees at the entry level. This is consistent with the *Women in the Workplace* study in the United States, where women accounted for 48 percent of all employees at the entry level in the 279 companies surveyed in 2018. However, women's representation at the entry level varies by industry. For example, in manufacturing and construction sectors, women make up 41 percent of employees at the entry level.³

Comparing the data on the 16 Canadian companies that participated in McKinsey's 2017 and 2019 surveys, women's representation at the entry level increased by 3 percentage points, reaching 49 percent in 2019. Women's representation across the talent pipeline increased by 2 percentage points.

However, a significant gap still exists between the representation of men and women beyond the entry level. The gap becomes especially stark at the senior leadership levels, where women account for less than a third of the VP roles and above (Exhibit 1).

It is important to note that a smaller sample size and a self-selection bias could contribute to a more positive result. Canadian organizations that already prioritize gender diversity and have a good representation of women in senior leadership might have been more inclined to participate in our study.

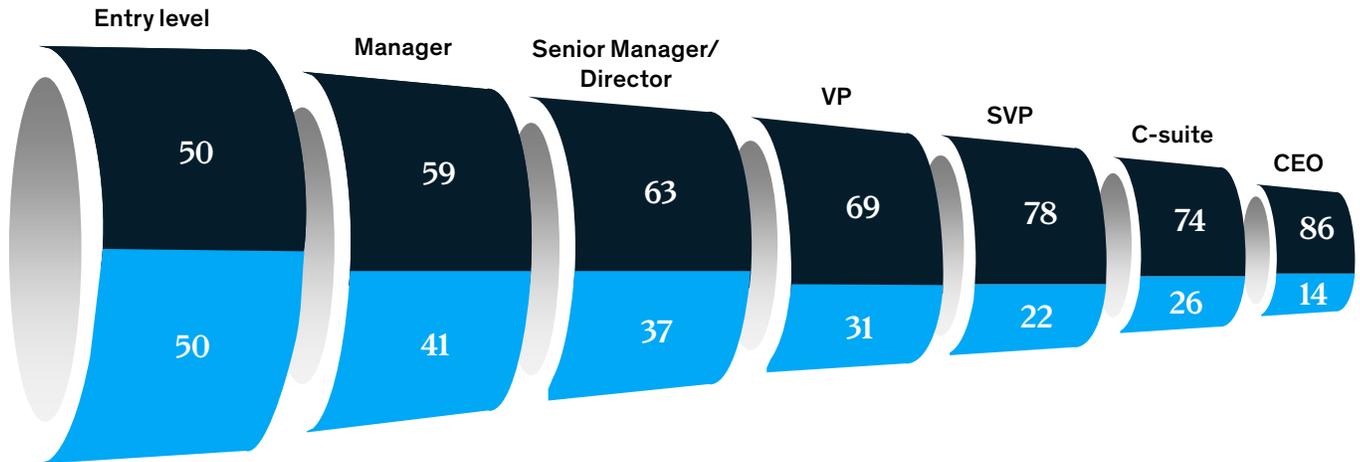
To put it into perspective, only 3 percent of companies listed on the Toronto Stock Exchange have a woman CEO and, in 2017, an average of 15 percent of executive officer positions were held by women.⁴ None of the companies on the TSX 60 index—a cross-section of the largest and most heavily traded Canadian stocks—listed a woman as its CEO.⁵ This supports our study's findings that women are significantly underrepresented at the upper end of the pipeline.

Women are significantly underrepresented at the senior leadership levels¹

Gender representation in the talent pipeline²

Percent of men and women

■ Men ■ Women



Entry level: Employees who carry out discrete tasks and participate on teams, typically in an office or corporate setting

Manager: Employees who have management responsibility for a store or team

Senior Manager/Director: Seasoned managers with responsibility for multiple teams and discrete functions or operating units

Vice President (VP): Leaders of the organization who report directly to senior vice president

Senior Vice President (SVP): Senior leaders of the organization with significant business unit or functional oversight

C-suite: Direct reports to the CEO, or those responsible for company operations and profitability

1. Sample size and self-selection biases could contribute to a more positive result. Canadian organizations that already prioritize gender diversity and have a good representation of women in senior leadership might have been more inclined to participate in our study

2. These numbers are based on a sample of 88 organizations. Organizations with fewer than 50 employees are excluded as smaller organizations generally do not have as many levels in their hierarchy as defined in our talent pipeline

Source: McKinsey & Company Canada "Talent pipeline survey 2019", 94 Canadian organizations employing 500,000 people

Small and medium-sized enterprises (SMEs) have a higher representation of women throughout the talent pipeline than large organizations

Our data show a marked difference in women's representation across the talent pipeline of SMEs with fewer than 500 employees, and large organizations with more than 500 employees. SMEs have a noticeably higher representation of women at the entry, manager, and senior manager levels relative to the large organizations in our study. From entry level to senior manager/director level, women have a 12 percentage points higher representation, on average, in SMEs than in large organizations.⁶ On average, women's representation at each level of SMEs' talent pipeline is 6 percentage points higher than that of large organizations. This could be attributed to the likelihood that SMEs' less hierarchical structure poses fewer barriers to women's advancement. Given the limited sample size of SMEs in our study, further research is required to understand the impact of organizational size and hierarchy on gender equality.

Neither attrition nor desire for promotion drives the underrepresentation of women

Attrition does not explain the underrepresentation of women across the talent pipeline. In fact, women and men leave their organizations at similar rates, and they have similar intentions to remain in the workforce. Men and women also report wanting to be promoted at similar rates (Exhibit 2).

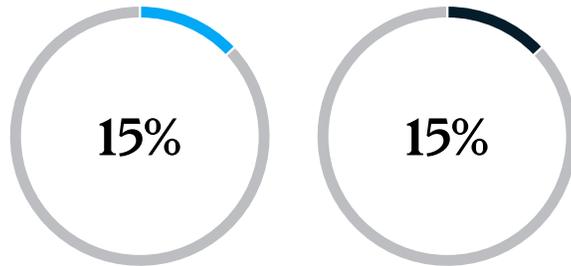
Of more than 6,000 Canadian employees surveyed, the majority plan to stay with their current employer for 5 or more years. Of the men and women who plan to leave, approximately three-quarters plan to remain in the workforce, with very few reporting leaving to focus on family (Exhibit 3).

Exhibit 2

Attrition and ambition do not explain the underrepresentation of women

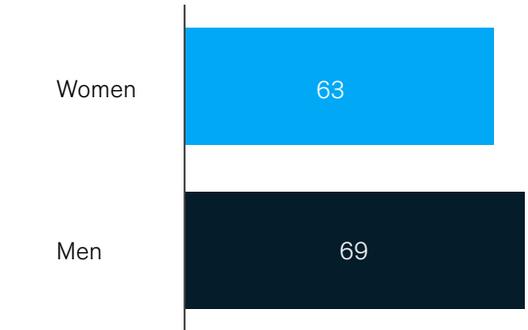
Women and men leave their companies in similar numbers

Percentage of employees who left their jobs in the past year



Women want to be promoted as much as men

Percentage of employees who want to be promoted



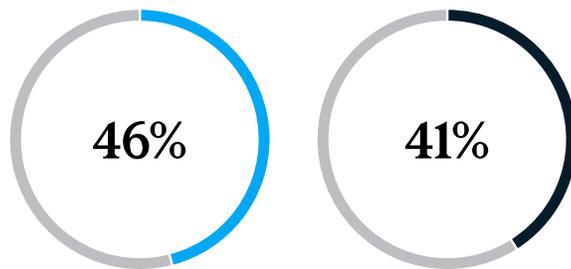
Source: McKinsey & Company Canada "Employee Experience Survey 2019", 6,090 employees from 29 Canadian organizations

Exhibit 3

Most employees plan to stay at their organization or remain in the workforce; few leave to focus on family

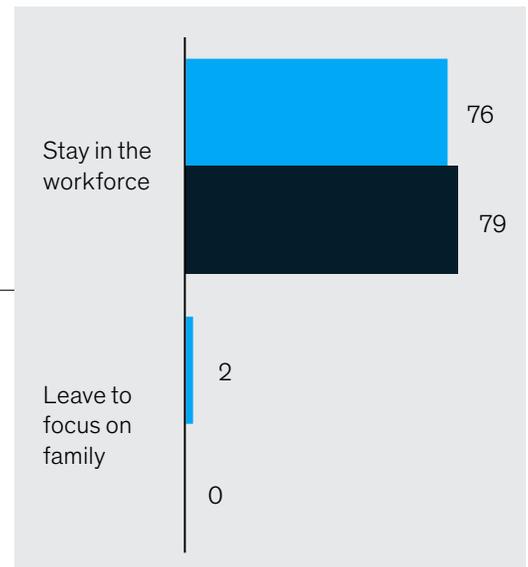
Fewer than half of employees plan to leave

Percentage of employees who plan to leave their organization within the next 5 years



Few leave the workforce to focus on family

Percentage of employees



Source: McKinsey & Company Canada "Employee Experience Survey 2019", 6,090 employees from 29 Canadian organizations

Women's and men's different roles may affect their potential for promotion

Our findings show that women are more likely than men to work in staff positions (45 percent versus 33 percent respectively), such as human resources and legal services, while the majority of men work in line positions, such as general management, and marketing and sales. In general, line positions are more likely to have profit and loss responsibility and potentially a clearer path for career advancement.

These results are similar to those in McKinsey's 2017 survey of Canadian companies where 53 percent of women were in staff roles compared to men at 37 percent.

This discrepancy increases at more senior levels in the talent pipeline. For example, the percentage of women working in line roles decreases from about 50 percent at the entry level to about 43 percent at the VP level. In contrast, men in line functions are in the majority across all levels of the talent pipeline (Exhibit 4).

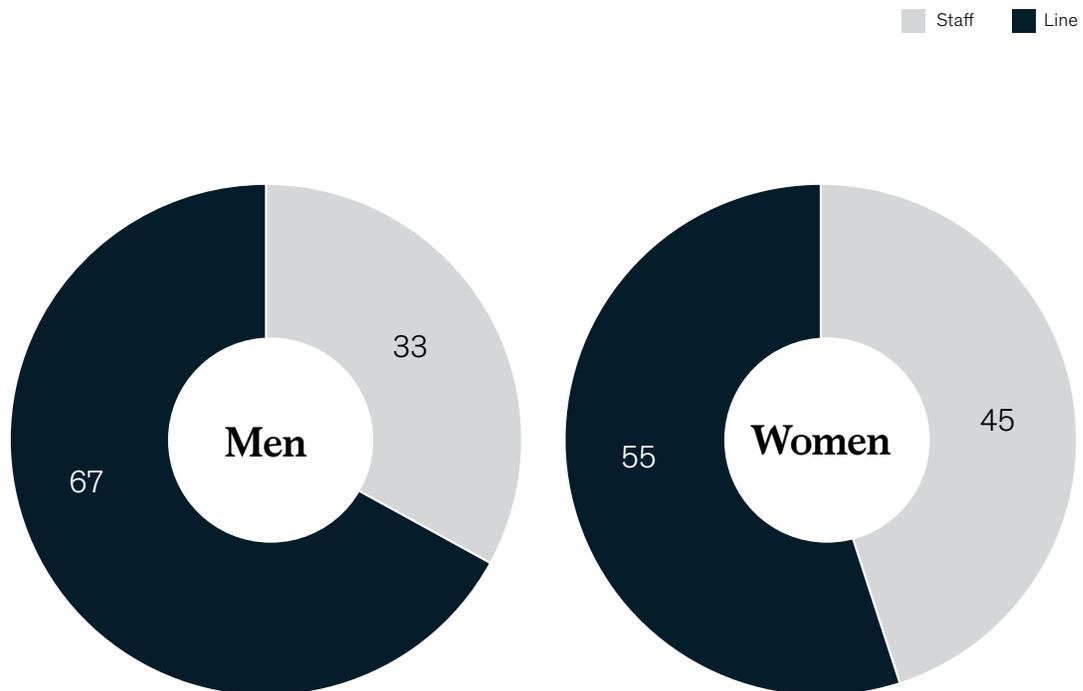
To increase the number of women in top leadership roles, we need to support more women to move into line management positions with profit and loss responsibility, and to help them get the training and gain organizational credibility to be considered for the highest positions.

Exhibit 4

Men are more likely than women to be in a line role

Line versus staff role

Percentage of men and women



Source: McKinsey & Company Canada "Talent pipeline survey 2019", 94 Canadian organizations employing 500,000 people

At the VP level, women have fewer sponsors than men and their sponsors are mostly women

Sponsors play an important role in an employee's career development and are critical to their advancement. Because they proactively help their protégés advance, sponsors differ from mentors who advise their mentees on goals and plans. For example, sponsors will introduce their protégés to influential connections, highlight their work to senior leaders, and recommend them for jobs and promotions.

Having a sponsor is especially important for women seeking senior level positions. Our study shows that the more senior the employee, the more likely they are to have at least one sponsor. Since women at the VP level generally have fewer sponsors than male VPs, they are often at a disadvantage when they seek advancement.

According to a *Harvard Business Review* article, high-potential women are over-mentored and under-sponsored relative to their male peers. Without sponsorship, women are not only less likely than men to be appointed to top positions, but they may also be more reluctant to seek them.⁷

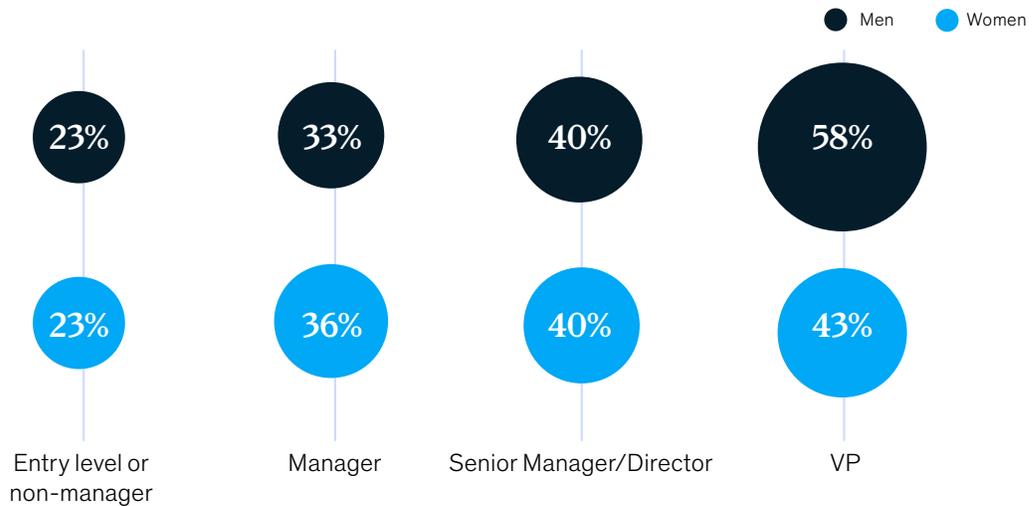
Men and women are likely to have a same-gender sponsor: 56 percent of women's sponsors are women, and 67 percent of men's sponsors are men. The scarcity of women in senior roles makes it difficult for women to find a sponsor to help them move up the ranks (Exhibit 5).

Exhibit 5

A sponsorship gap exists between men and women at the senior level

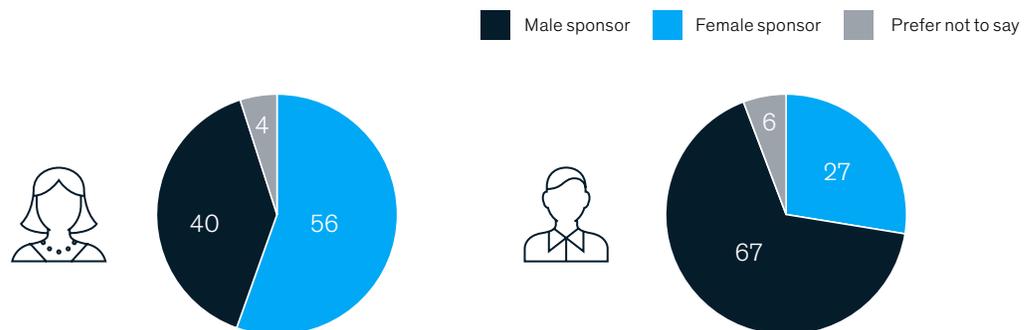
Women have fewer sponsors than men at senior levels

Percentage of employees who have at least one sponsor



Majority of employees have same-gender sponsors

Percentage of employees who have male and female sponsors



Source: McKinsey & Company Canada "Employee Experience Survey 2019", 6,090 employees from 29 Canadian organizations

Two particularly challenging stages of advancement for women are at the manager and VP levels

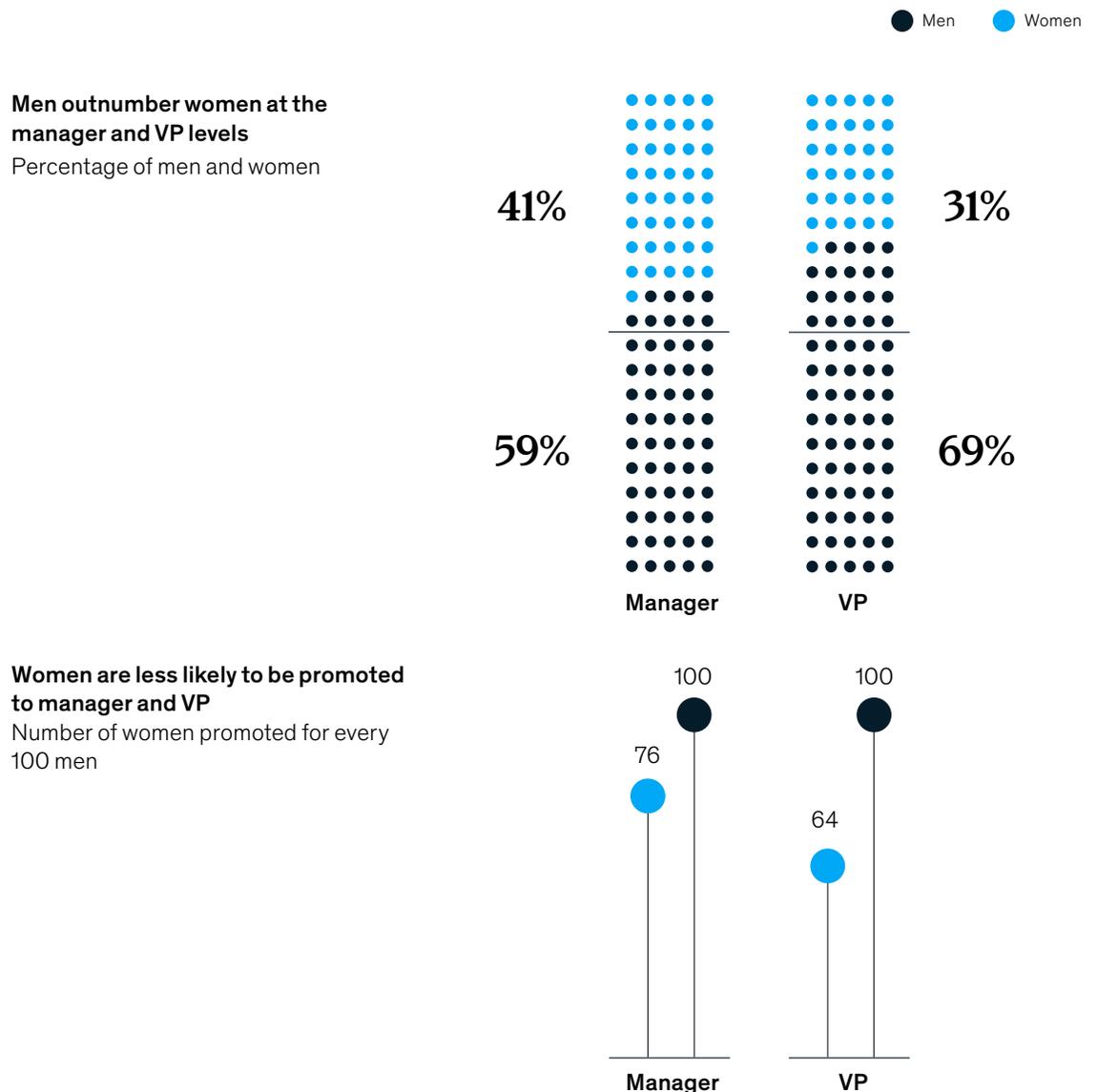
Almost every organization has a leaky talent pipeline that bypasses women who qualify for promotion to manager and vice president. Even though women account for half the entry-level positions, their representation drops to 41 percent at the manager level, 37 percent at the senior manager/director level, and 31 percent at the VP level (Exhibit 6).

The opportunity for promotion is the main reason that drives the leakage in the talent pipeline, rather than attrition. Women and men leave their organizations at equal rates during these transitions. Twelve percent of women and 11 percent of men leave at the transition from entry level to manager; 9 percent of women and 10 percent of men leave at the transition from senior manager/director to vice president.

At the same time, women are 76 percent as likely as men to be promoted to the manager level, and only 64 percent as likely to be promoted to the VP level. Many studies have shown that to be promoted, women must meet higher standards and more stringent criteria than men.^{8,9} Moreover, when considering external candidates, companies are more likely to hire a man than a woman. Women make up 43 percent of external hires at the manager level and 34 percent at the VP level.

Exhibit 6

Women are less likely to be promoted to the manager and VP levels



Source: McKinsey & Company Canada "Talent pipeline survey 2019", 94 Canadian organizations employing 500,000 people

Women's experiences in the workplace

Women continue to face biases and barriers to advancement in the workplace because of their gender. In this section, we examine some of the challenges women encounter and how women and men experience the workplace differently.

Women experience everyday microaggressions, which become even more prevalent as they move up the ranks

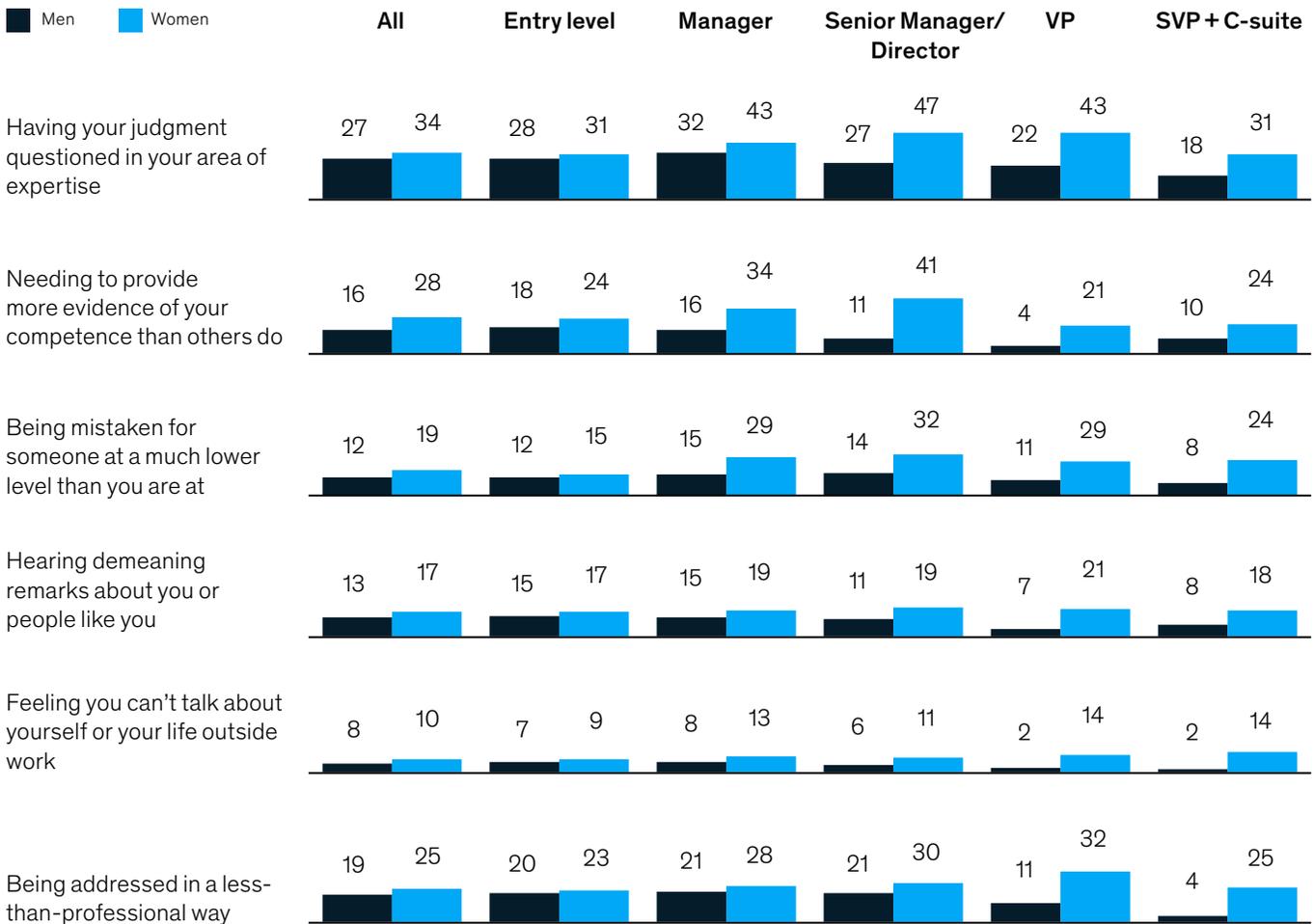
A manifestation of prejudice, gender microaggressions can range from subtle to overt workplace discrimination. They are brief and commonplace daily verbal, behavioural, and environmental indignities that communicate hostile, derogatory, or negative sexist slights and insults toward women.¹⁰ They can appear in facial expressions, body language, terminology, representation, or remarks.

Microaggressions differ from other forms of sexism in that the offenders' intentions may be good, or their biases unconscious, or they view their actions as harmless. However, this poses an additional challenge because the offender and the recipient may interpret the microaggression differently. Whether intentional or unintentional, these incidents or interactions that seem harmless on the surface have a negative cumulative impact on recipients, significantly affecting their everyday experience and reflecting the gender inequalities in the workplace.

Exhibit 7

As women become more senior, they are more likely to experience microaggressions at work

Percentage of respondents



Source: McKinsey & Company Canada "Employee Experience Survey 2019", 6,090 employees from 29 Canadian organizations

Our survey found that women at all levels are more likely to experience microaggressions than men, and the relative difference between men and women increases as women become more senior (Exhibit 7). For example, women at the senior manager/director and VP levels are four to five times more likely than men to need to provide more evidence of their competence. Nearly half of the women surveyed at these levels have had their judgment questioned in their area of expertise—twice as often as men. Women at the VP level are three times more likely than men to hear demeaning remarks made about them, and nearly a third have experienced being addressed less than professionally.

The slight decrease in the percentage of women experiencing microaggressions at the SVP and C-suite levels compared to the two levels below could be because these women are already in the top leadership positions of their organizations, and this seniority helps protect them from microaggressions.

Women experience being the “only” more often than men

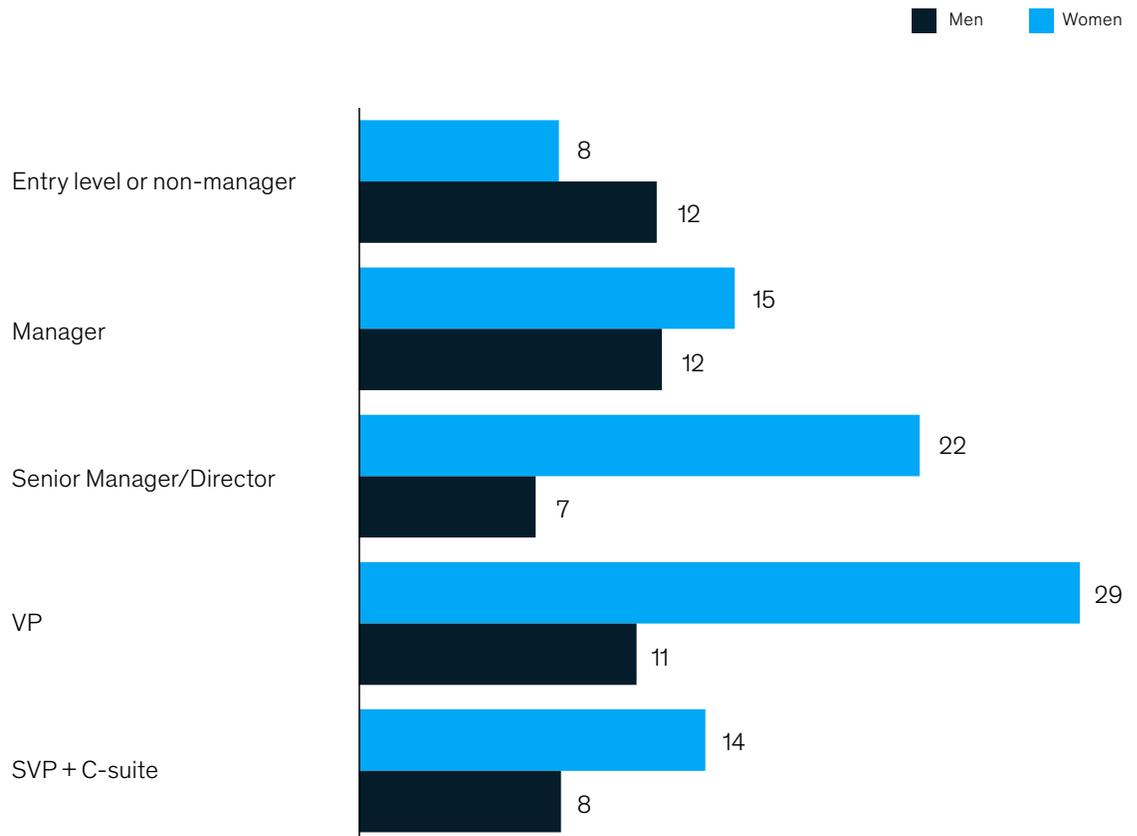
Being the “only” woman in a meeting can be an isolating experience. Women are much more likely to find themselves in this position at work than men. Because of the gender gap in leadership roles, this is especially true for women in senior positions—nearly one in three at the VP level and one in five at the senior manager/director level experience being “the only” (Exhibit 8).

These findings are similar to those of the *Women in the Workplace*,¹¹ the 2018 study of 279 North American companies.

Exhibit 8

Women are more likely to be the only one, especially in senior positions

Percentage of employees who often or almost always find themselves to be the only, or one of the only people, of their gender in the room at work



Source: McKinsey & Company Canada “Employee Experience Survey 2019”, 6,090 employees from 29 Canadian organizations

The challenges of being an only are particularly true for women. Compared to being the only man, women “onlys” feel less included, under more pressure to perform, more on guard, and closely watched. Not surprisingly, women often feel on the defensive and the need to prove their worth (Exhibit 9).

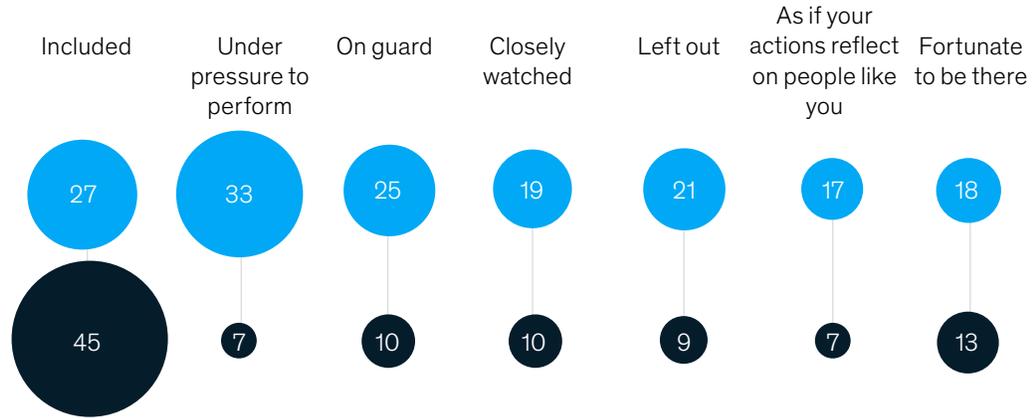
Exhibit 9

The “only” experience feels worse for women than men

Being an only women often leads to feeling of less included than being an only man

Percentage of respondents who report these feelings when they are the only

● Men ● Women



Source: McKinsey & Company Canada “Employee Experience Survey 2019”, 6,090 employees from 29 Canadian organizations

In fact, women onlys’ experience is worse than any other group, including women who work with other women (“non-only” women) and men onlys.

Compared to women working in a more gender-balanced environment, women onlys also experience substantially more microaggressions at work and feel less included. They are far more likely to have their abilities challenged, to be subjected to unprofessional and demeaning remarks, and to feel they cannot talk about their personal lives at work (Exhibit 10).

As they are often the sole representative of their gender in a room, they also feel under more scrutiny to perform and that their actions reflect not only on themselves but also on women generally.

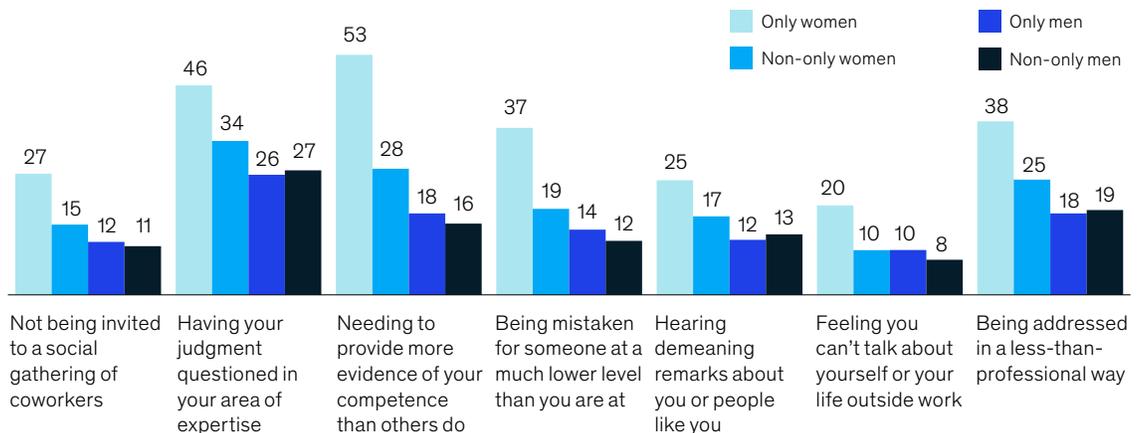
It is important to recognize that one is not enough. There is strength in numbers. And narrowing the gender gap would help create more inclusive workplace experiences.

Exhibit 10

“Only” women experience more microaggressions at work

Experience of microaggressions during the normal course of business

Percentage of respondents who report



Source: McKinsey & Company Canada “Employee Experience Survey 2019”, 6,090 employees from 29 Canadian organizations

More than **80%** of organizations say they prioritize gender diversity, but **32%** of women at the manager level and almost **40%** at the senior manager/director and VP levels still think their gender limits their career advancement

Given the challenges they experience, women are more likely to view their gender as a limiting factor in their career advancement

Although gender should never be a consideration in career advancement in a fair workplace, it does affect the way women perceive their opportunities to get ahead. One in five women surveyed think their gender has played a role in their missing out on a raise, promotion, or chance to get ahead (Exhibit 11). By the manager level, this increases to 32 percent; and by the senior manager/director and VP levels to almost 40 percent—a sharp difference when compared to the views of the men surveyed. Only about 10 percent of them view their gender as a limiting factor.

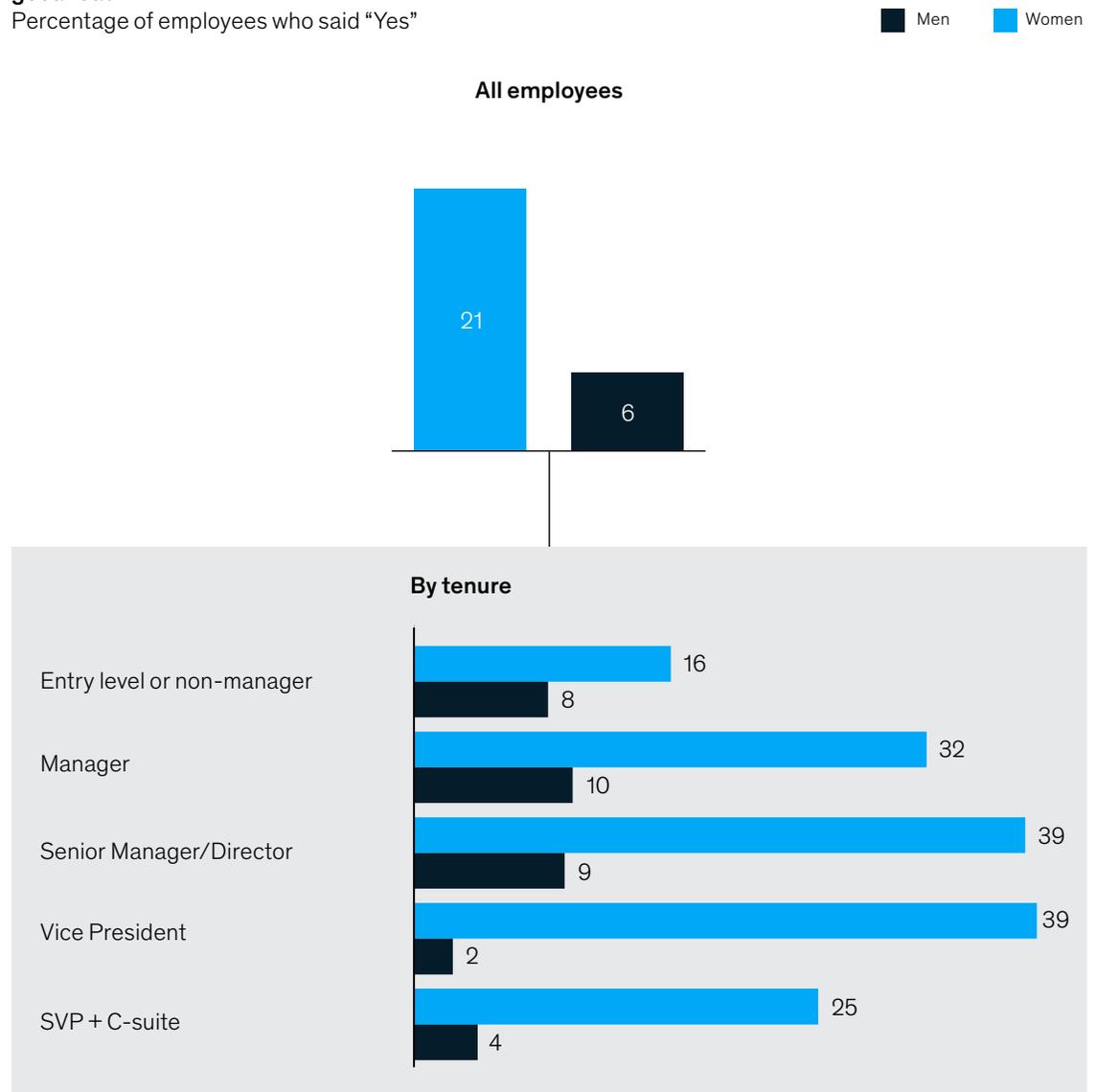
These findings indicate that more could be done to improve promotion processes to prevent unconscious biases, provide equal opportunities to women and men, and support all genders in their career progression development.

Exhibit 11

Women are more likely to think their gender limits their career advancement, especially at the senior levels

Have you ever felt that your gender has played a role in missing out on a raise, promotion, or chance to get ahead?

Percentage of employees who said “Yes”



Source: McKinsey & Company Canada “Employee Experience Survey 2019”, 6,090 employees from 29 Canadian organizations

Women are less likely than men to think women are well represented in senior leadership

Women and men also have different views on gender equality in their workplace. More women disagree that women are well represented at senior levels at their organization, indicating that men may not view this as much of an issue (Exhibit 12).

Yet both women and men need to be involved in finding solutions to close the gender gap in the workplace, as a more gender-balanced environment would benefit everyone.

Exhibit 12

Women and men view gender equality at the senior levels differently

More women disagree that women are well represented at their organization's senior levels

Percentage of respondents, "Strongly disagree" and "Disagree"



Source: McKinsey & Company Canada "Employee Experience Survey 2019", 6,090 employees from 29 Canadian organizations

Women and men differ in their motivations to become a top executive

Even though women aspire to be promoted at nearly equal rates as men, women are slightly less interested in becoming a top executive—33 percent of women want that role compared to 43 percent of men. However, their reasons for wanting to achieve that position differ (Exhibit 13). Although the majority of both women and men consider the opportunity to have an impact on their organization's success as their predominant motivation, more women than men are motivated by their own sense of accomplishment and the opportunity to be a role model.

Exhibit 13

Women and men want to be a top executive for different reasons

Motivations for wanting to be a top executive

Percentage of respondents



Source: McKinsey & Company Canada "Employee Experience Survey 2019", 6,090 employees from 29 Canadian organizations

Ultimately, more needs to be done to close the gap on gender representation and improve the workplace experience for women

Although we have made moderate progress toward gender parity across the talent pipeline, we need to do more to achieve equal gender representation and create a respectful and satisfying work experience for women. We need to realize that even though women are close to parity at the entry level, their representation decreases significantly as they move up the ladder. We need to admit that the playing field for women in Canada is still uneven, that barriers to advancement still exist, and that women still face subtle and, sometimes, overt discrimination. Taken together, these factors demand more action if we are to move the needle closer to gender equality for women in Canada's workforce.





02

The future of work through the lens of gender equality

The future of work through the lens of gender equality

The inequalities women continue to experience in the workplace and the entrenched gender divide in occupations and sectors could shape their prospects in the workplace of the future. In this chapter, we examine what the future may hold for both women and men through the lens of gender equality.

Rapid advances in digital technologies, analytics, artificial intelligence, and automation are reshaping our employment and transforming our daily activities. Such technologies could displace jobs, add new ones, and change the way many are performed today.

MGI's global research on the future of work shows that the implications of automation will be far-reaching.¹² In the following sections, we explore jobs likely to be lost and gained in Canada by 2030, the occupational transitions millions of women—and men—may need to make, the barriers women could face, and we suggest a path forward.

A mixed story for Canada's women in the age of automation

Our scenario of how the future of work could unfold for women in Canada shows a mixed story. On one hand, current trends of job displacement and creation could present a promising opportunity for Canada to narrow the gender gap in share of employment. If millions of women successfully transition across occupations—often after acquiring higher skills—and position themselves where the demand for labour is likely to be in the future, they could maintain or even increase their share of employment by 1 to 2 percentage points by 2030. On the other hand, automation is not likely to bring gender equality to the workforce in itself. On the contrary, existing gender gaps in leadership positions, skill gaps in STEM, pay gaps across and within occupations, the uneven distribution of unpaid care work, and persistent social and cultural norms about “women's work” could present additional barriers for women when transitioning to future work.

Methodology

According to MGI's research, US \$16 trillion in wages in the global economy has the potential to be automated by adapting currently demonstrated technology. With an analysis of more than 2,000 work activities across 800 occupations, the study suggests that even though less than 5 percent of all occupations can be automated entirely, nearly 60 percent of occupations could have at least 30 percent of their tasks automated. Such change could be accompanied by jobs lost, jobs gained, and jobs changed. Lessons from history suggest that we simply cannot foresee many jobs and types of work in the future.

We have drawn on MGI's research, in which a scenario is developed to test how well women are positioned for the jobs of the future. The analysis is by no means a prediction of the future, but rather an exercise to examine how the scenario could unfold for women if we assume they could maintain their current representation in sectors and occupations in the period to 2030. We use MGI's scenario of jobs lost (due to displacement by automation), jobs gained (due to economic growth, investment, and demographic aging), and net jobs (combining jobs lost and jobs gained) per each combination of sector and occupation (“cell”). MGI's model evaluates the number of job displacements in three different automation scenarios: early, midpoint, and late adoption, which represent varying rates of automation adoption in the economy. The work in this report reflects results in a midpoint automation adoption scenario, which is on par with the scale of the great employment shifts of the past. Selecting an early or late automation adoption scenario would have yielded slightly a different picture. MGI's job gained model looks at job additions driven by factors such as increased consumption and investment and the growing healthcare needs of an aging global population. A full methodology on the jobs lost and jobs gained scenario is detailed in the technical appendix of the MGI report, *Jobs lost, jobs gained: Workforce transitions in a time of automation*.

Our approach to analyzing the potential impact of the future of work is through a focus on individual activities rather than entire occupations, since almost every occupation has partial automation potential. MGI's analysis on the future of work disaggregates occupations into constituent activities that people are paid to do in the global workplace. Therefore, the scenario of jobs lost and jobs gained in this chapter is calculated on the basis of full-time equivalent (FTE).

If they don't transition successfully, women could fall further behind. Thus, it's important that we strive to close the gender gaps on all these fronts so that we can transform the age of automation into a real opportunity for moving closer to gender equality in the workforce.

In suggesting a path forward, we urge public and private organizations, governments, and educational institutions to work together on three priorities—ensuring the transparency of future employment opportunities; increasing inclusive reskilling and recruitment; and levelling the playing field for women in technology.

Possible jobs lost and gained through automation

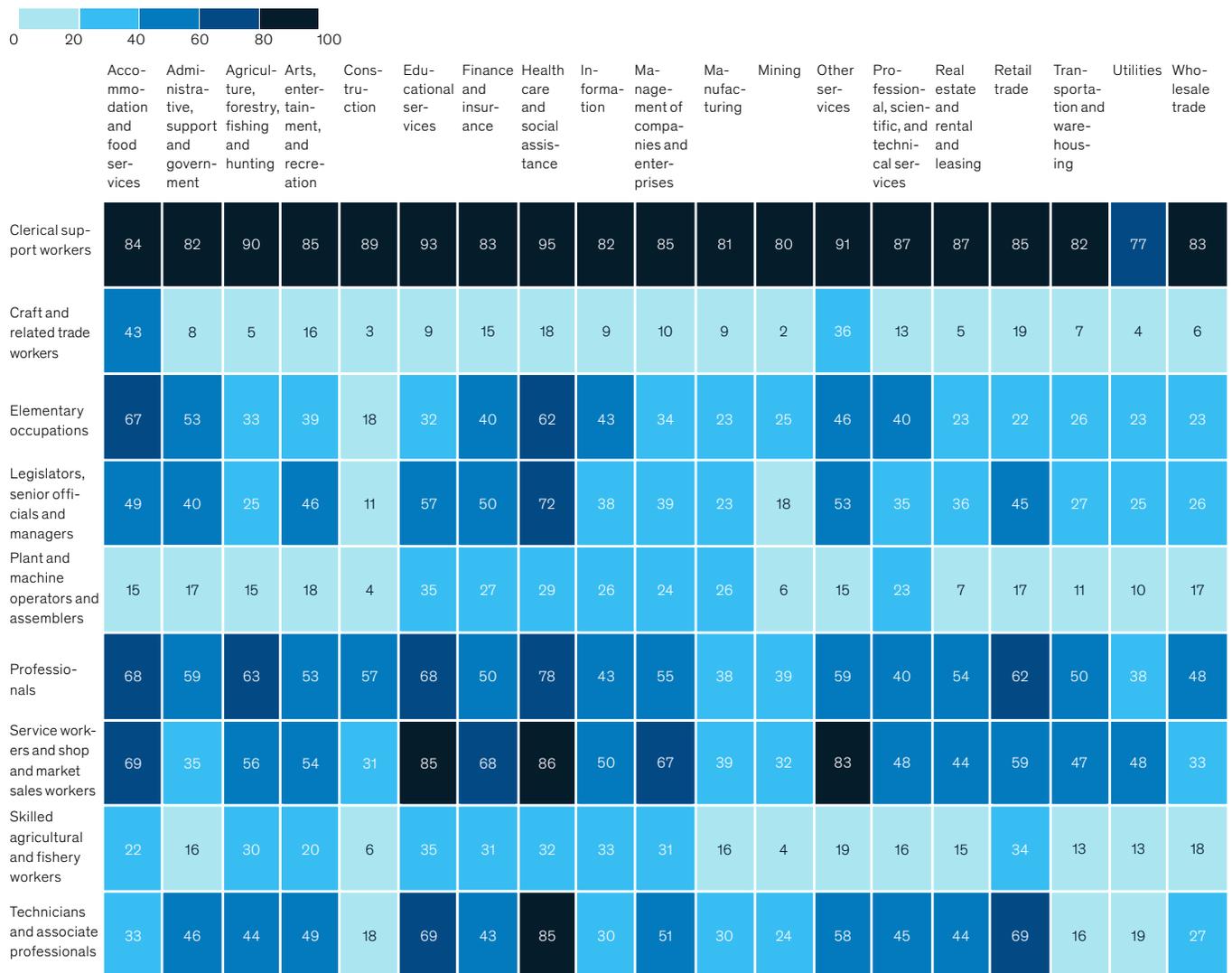
The uneven distribution of men and women in occupations and sectors is a key feature of the Canadian labour market (Exhibit 14). And this occupational gender concentration has hardly changed in the past 10 years, suggesting the strong influence of ingrained social and cultural norms about “women’s and men’s work” (Exhibit 15).

Exhibit 14

The Canadian workforce is gendered

Occupation and sector gender mix

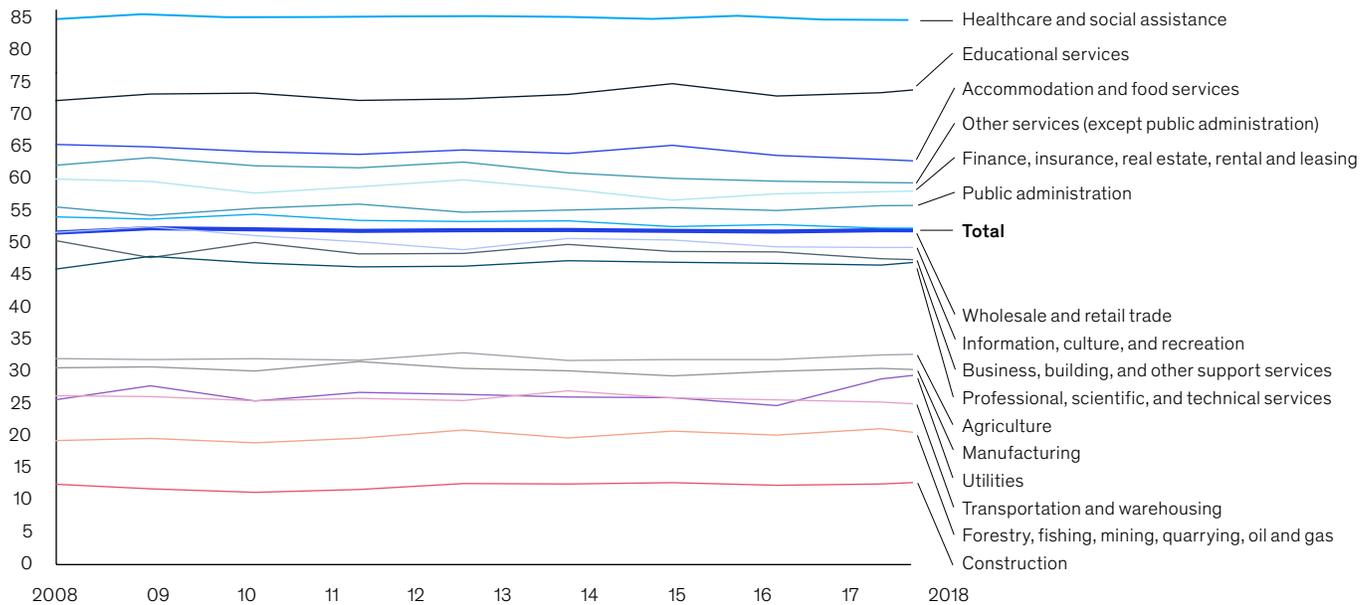
Percentage of women, 2017



Source: McKinsey Global Institute (MGI) analysis; Canada National Occupation Classification (NOC) 2016; International Labour Standards (ILO) 2017

Over the past 10 years, women’s representation by sector has not evolved in Canada

Percentage of women by sector, 2008-2018



Source: Statistics Canada

Today, women account for 85 percent of clerical support workers across all sectors—but they hold only 17 percent of plant and machine operator jobs and just 12 percent of craft and related trade jobs. Women also account for 81 percent of healthcare and social assistance workers.

At the current rate of progress, the uneven distribution of men and women will likely remain stable until 2030—which means that automation could continue to offer different opportunities and challenges for men and women.

Canadian employment could remain stable—but a wide-scale workforce transition could occur

Even though automation could lead to large changes in employment, overall employment could remain stable, with 1.2 million net jobs added by 2030. To determine this figure, we examined the possible impact of automation on jobs within existing occupations and those created in new occupations.¹³

Within existing occupations, our scenario shows that 4.8 million jobs could be displaced by automation, while 4.4 million could be gained.¹⁴ At the same time, 1.6 million new jobs in entirely new occupations could be added to the workforce. This is based on MGI’s historical analysis that suggests 8 to 9 percent of 2030’s labour supply could be employed in entirely new occupations in the United States (Exhibit 16), which has a comparable economy to Canada’s.

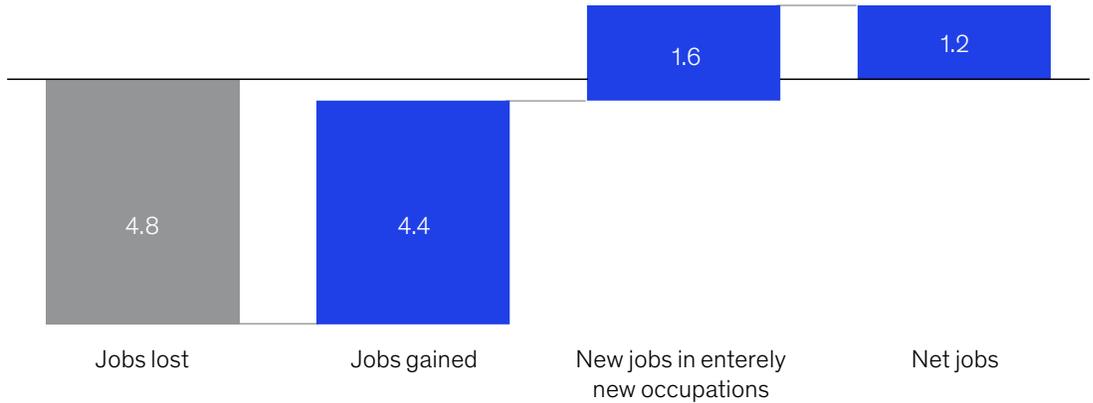
Both men and women will likely be affected by these widespread changes in the workforce. By 2030, to remain working, 8 to 30 percent of the women and 9 to 36 percent of the men now in the workforce may need to transition across occupations and acquire new skills to meet future labour demands (Exhibit 17).

Exhibit 16

Canadian employment could remain stable

Net change in jobs by 2030

Millions of jobs



Source: MGI analysis; Canada NOC 2016; ILO 2017

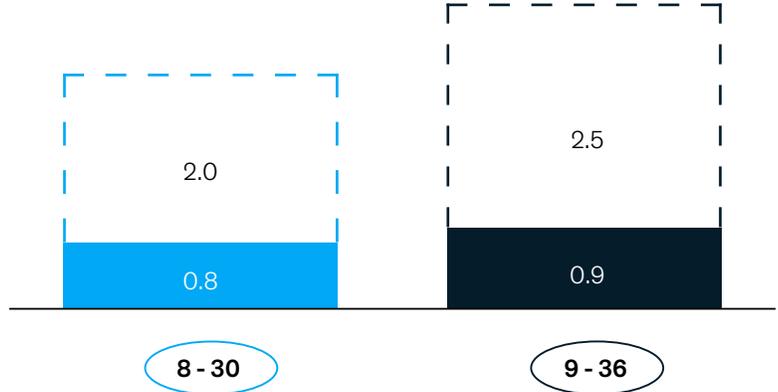
Exhibit 17

Both men and women may need to transition to new occupations and acquire new skills to remain working in 2030

Occupational transitions

Millions

- Early automation adoption scenario (Women)
- Early automation adoption scenario (Men)
- Midpoint automation adoption scenario (Women)
- Midpoint automation adoption scenario (Men)



Transitions as a % of employed

2017

Source: Statistics Canada; Canada NOC 2016; ILO 2017; MGI analysis

Automation adoption scenarios

The analysis calculates the number of employees at risk of job loss who would likely not be able to find jobs within the same occupation, or at the same skill level. Our ranges are based on the midpoint automation adoption scenario and the early automation adoption scenario developed by MGI. These scenarios account for factors that could influence the pace of automation adoption, such as technical feasibility, implementation costs, labour costs, economic benefits, and regulatory and social acceptance.¹⁵ For instance, the early automation adoption scenario suggests higher job losses, which could lead to a larger number of people needing to transition across occupations. We have chosen the midpoint adoption scenario because the rate is on par with the scale of the great employment shifts of the past, such as that from an agriculture-based to a manufacturing-based society.

Women could maintain or even increase their share of employment

Women in Canada could increase their share of employment in 2030 by

1 to 2 pp

In addition to triggering significant changes in the workforce, automation could offer a promising opportunity to narrow the gender gap in terms of share of employment. For example, if women can navigate the workforce transitions smoothly, their share of employment could possibly increase by 1 to 2 percentage points in 2030 (Exhibit 18).¹⁶ However, if they don't, the share of women in the workforce could decline.

This scenario assumes the representation of men and women across sectors and occupations remains constant into 2030, and that women would develop the skills needed to transition into future occupations without any friction.

Exhibit 18

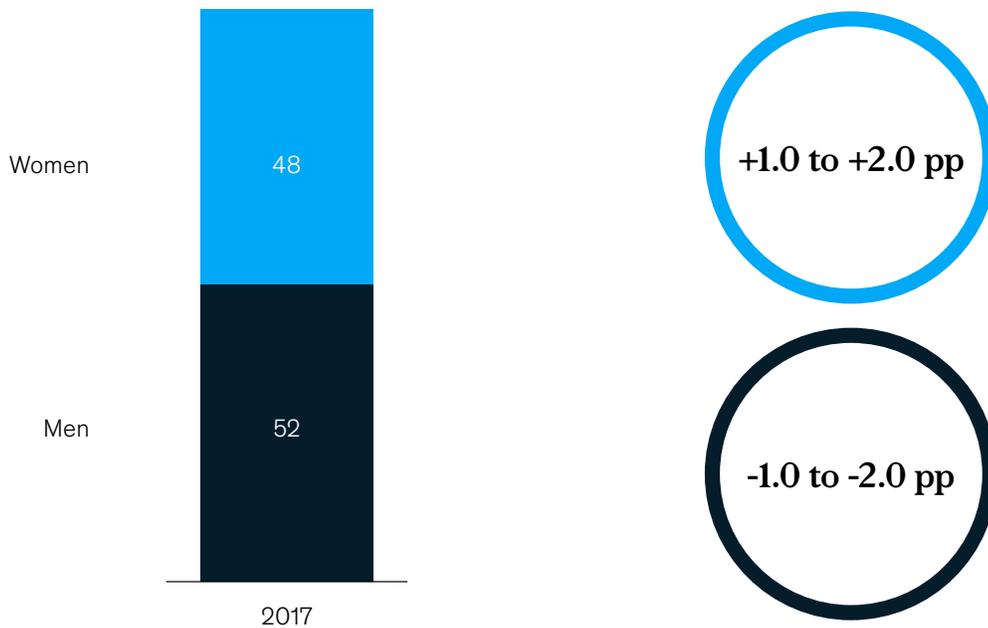
Women's share of employment could remain stable if they successfully transition across occupations and skill levels by 2030

Share of employment by gender, 2017

Percentage of men and women

Change in job share, 2017-2030¹

Percentage point



1. The ranges are based on MGI's trend-line and step-up scenarios.
Source: Statistics Canada; Canada NOC 2016; ILO 2017; MGI analysis

Women could be slightly less at risk than men of their jobs being displaced by automation

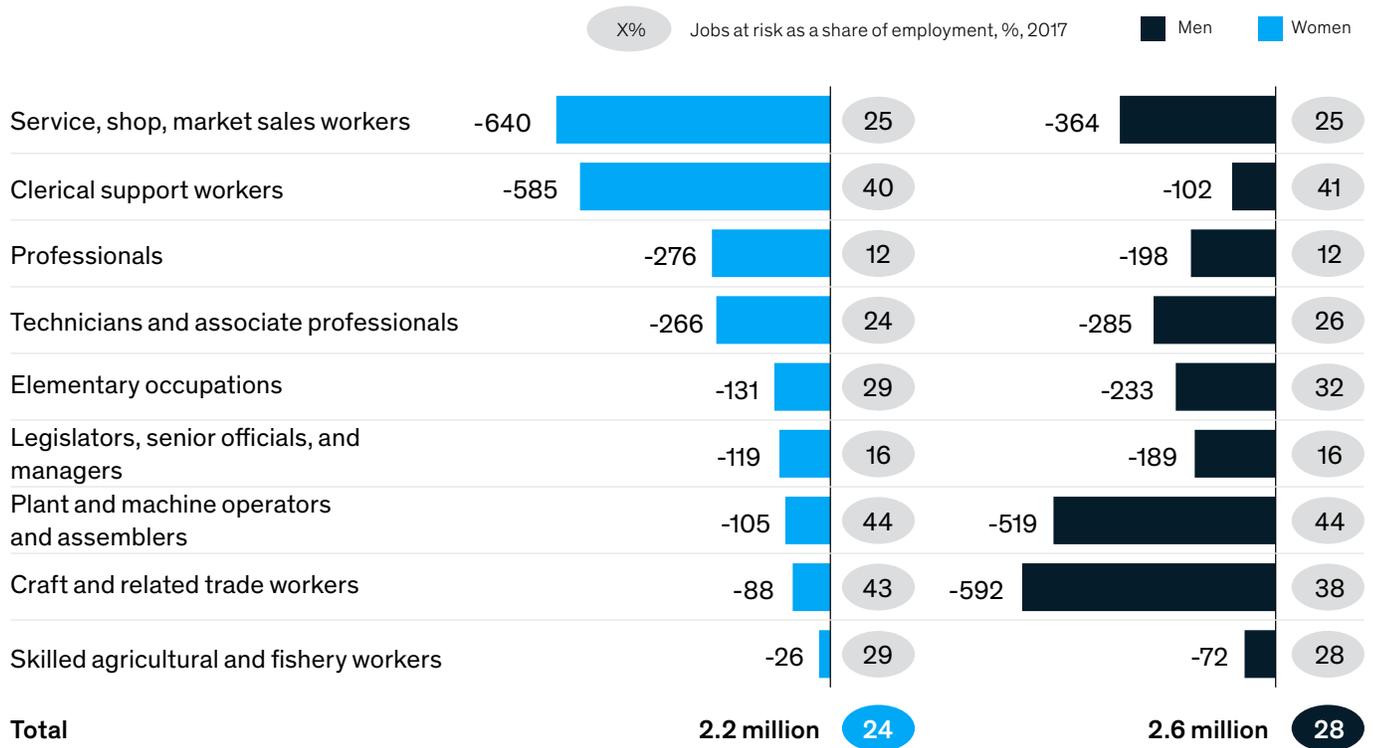
Both men and women could experience job losses in automation-prone occupations. But women could be moderately less at risk of being displaced than men—24 percent (2.2 million) of employed women in today's workforce, compared to 28 percent (2.6 million) of employed men (Exhibit 19).

More than 50 percent of potential job losses for women could be concentrated in two categories—clerical support and service workers—whereas 43 percent of potential job losses for men could be concentrated in machine operators and craft workers. While the mix of routine cognitive skills, and physical and manual skills varies for these occupations, all of these skills are susceptible to automation, placing both men and women at risk.

Women could be moderately less at risk than men of their jobs being displaced by automation

Jobs at risk of automation by 2030

Thousands



Source: MGI analysis; Canada NOC 2016; ILO 2017; Statistics Canada

Women may be slightly better positioned than men to capture new jobs in high-growth sectors

MGI’s scenario considers several trends that may serve as catalysts for future labour demand, ranging from caring for others in the aging society, producing goods and services for the expanding consumer class, investing in technology, infrastructure, and buildings, and raising energy efficiency to meet climate changes.¹⁷

Given the gendered occupational and sectoral representation, both men and women could be well positioned to capture jobs in sectors where they are currently strongly represented. For instance, 60 percent of job gains by women could come from healthcare and social assistance, retail and wholesale trade, and manufacturing, whereas 60 percent of job gains by men could come from manufacturing, retail and wholesale trade, and professional, scientific, and technical services (Exhibit 20).

However, a higher proportion of the female workforce could benefit from future job gains than men. By 2030, women could gain 24 percent more jobs (2.2 million) than their present levels, compared to 23 percent (2.1 million) for men.

It is not surprising that women could be best positioned to capture job growth opportunities in healthcare, given that they already account for 81 percent of healthcare workers. Canada’s population is also aging rapidly, while its working age population is shrinking. Today, one in six Canadians is aged 65 or above, and this could increase to one in four by 2031. As our population ages, spending patterns could shift, with a pronounced increase in spending on healthcare and other personal services. This could create a significant

demand for a range of healthcare occupations, not only for doctors, nurses, and health technicians, but also for home health aides, personal care aides, social workers, nursing assistants, and massage therapists.

Retail trade is the second largest growth sector where women could be well placed to capture gains. Today, women make up 57 percent of occupations in retail trade, and 59 percent of the sector's top 10 occupations that could gain the most jobs, such as first-line supervisors of retail sales workers and retail salespeople. However, women are still underrepresented in managerial and leadership positions in the retail sector. Currently, women account for 46 percent of managerial roles and just 20 percent of senior leadership roles (senior vice presidents and above).

Manufacturing is the third largest growth sector but women are less well placed to capture job gains here, given that they represent only 28 percent of employment in this sector—a figure that has not changed in the past 10 years. As automation boosts productivity, the manufacturing sector could expand in Canada, creating new opportunities for men and women.

In manufacturing, occupations that could experience the most job gains tend to be in professional roles, such as industrial production managers, first-line supervisors of production and operating workers, and inspectors. As women account for just 38 percent of professional roles in manufacturing today, they could be at a disadvantage in capturing job growth in this sector.

(Please see Appendix for more details.)

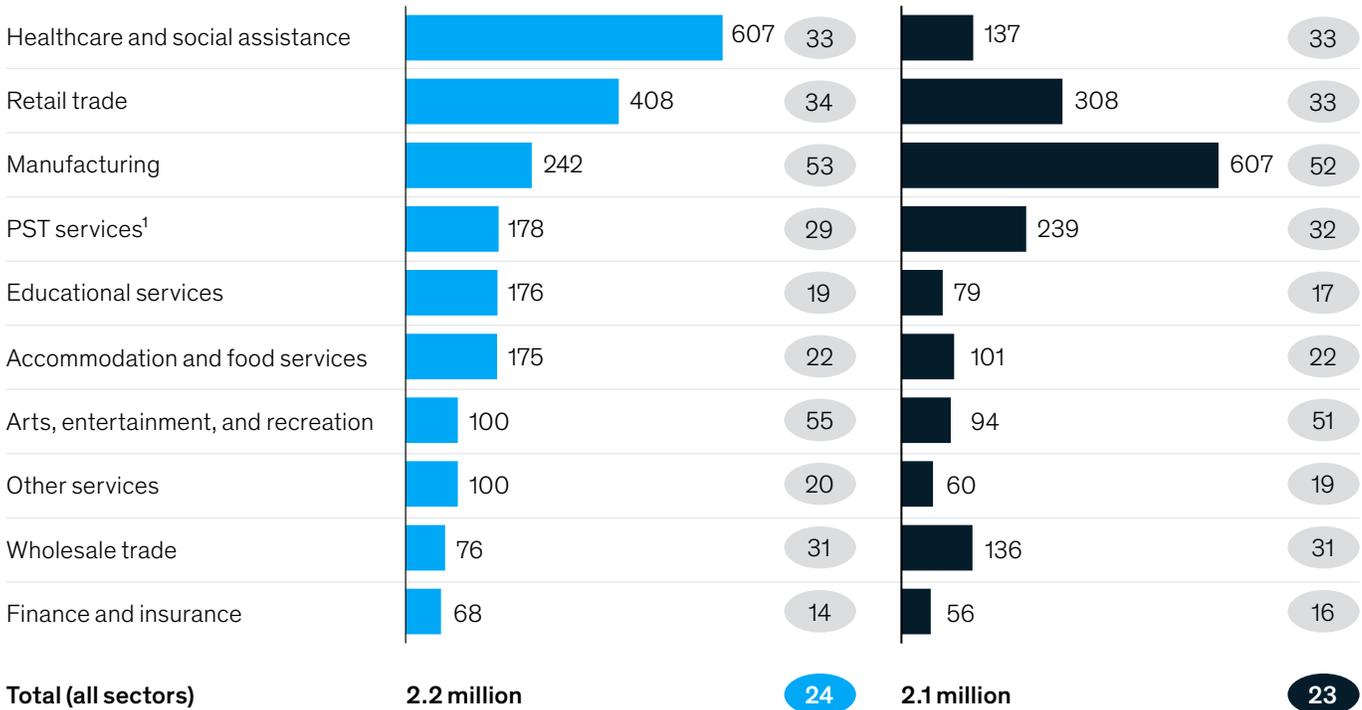
Exhibit 20

Women may be moderately better positioned to capture new job opportunities than men

Incremental jobs gained in selected sectors in 2030

Thousands

X% Jobs gained as a share of employment, %, 2017 ■ Men ■ Women



1. Professional, scientific, and technical services

Source: MGI analysis; Canada NOC 2016; ILO 2017; Statistics Canada

Transitioning into future work

To remain in the workforce, millions of men and women may need to transition into new occupations and acquire skills that future jobs will demand. These job opportunities will likely require higher education and be at the higher end of the income spectrum. And lower-skilled and middle-wage workers will probably need assistance as they transition to higher-skilled and higher-wage occupations with higher educational requirements.

Women could also face additional barriers to transitioning successfully—existing gender gaps, skill gaps, pay gaps, and other societal inequalities, such as unequal distribution of unpaid care and factors of intersectionality. If these gaps can't be closed—if they persist and hinder women's transitioning, women could fall further behind in the workforce.

Occupations requiring higher education may grow the most

Most women transitioning between occupations and sectors may need to acquire higher education to meet future demands. Our scenario shows that net demand grows only for jobs with a college or advanced degree. Automation could have less disruption on occupations that involve managing people, applying expertise, and interacting socially, all of which often require higher education and skill levels.

Conversely, occupations requiring only a high school diploma could experience the largest number of job losses. Men could be disproportionately affected given their strong representation in machine operator and craft worker roles (Exhibit 21).

According to Statistics Canada, women are more likely than men to have higher education.¹⁸ Forty-one percent of women have a bachelor's degree or higher, compared to 29 percent of men.

To capture these opportunities, it is important to ensure that women match their education and skills with the types of degrees and skill levels that are being demanded as closely as possible.

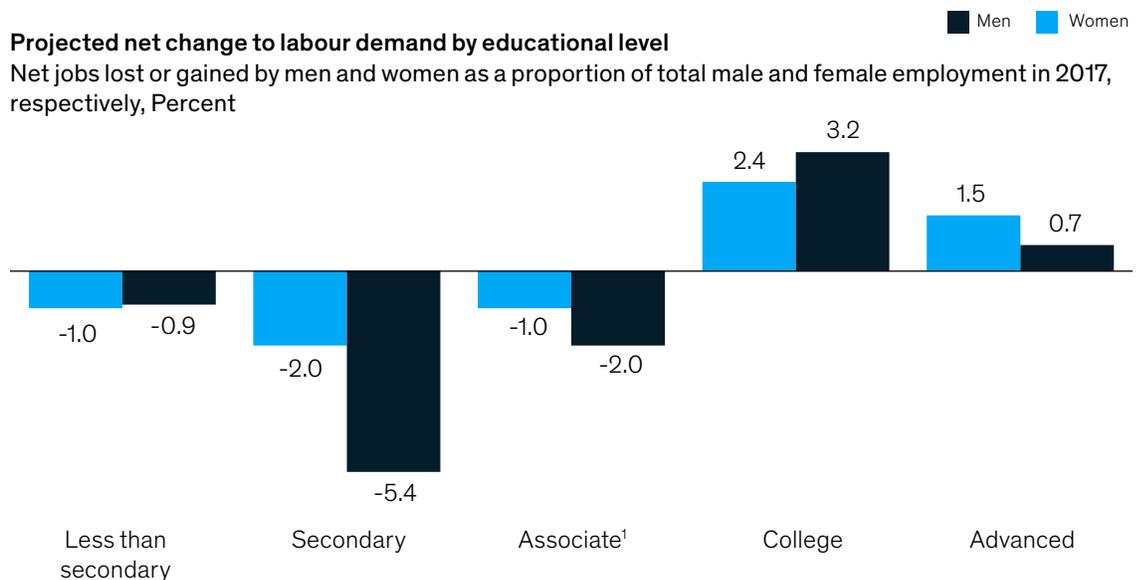
For men and women who are currently in the workforce, they will likely need to reskill or upskill to develop the required knowledge and skill sets for future jobs. Women could face more challenges in skills development given existing gender inequality such as unequal distribution of unpaid care work.

Exhibit 21

Occupations that require higher education could experience the most growth

Projected net change to labour demand by educational level

Net jobs lost or gained by men and women as a proportion of total male and female employment in 2017, respectively, Percent



1. An associate degree is an undergraduate academic degree awarded by colleges and universities upon completion of a course of study intended to usually last 2 years or more. It is considered to be a higher level of education than a high school diploma

Source: MGI analysis; Canada NOC 2016; ILO 2017

12
pp
more

women than men have a bachelor's degree or higher

High-income occupations could also grow the most, intensifying income inequality

According to our scenario, high-income occupations (top one-third of all occupations) could see the most job growth, and middle-income occupations the largest decline in employment. If this scenario were to materialize, it would lead to greater income inequality across Canadian society.

Women could outpace men slightly in capturing opportunities in the high-wage occupations, because most of the healthcare occupations—that women could be well positioned to gain—fall into the top one-third wage range.

Women could lose proportionally fewer jobs than men in both low-wage and middle-wage occupations, whereas men in middle-wage occupations could be the most affected, given their high representation in machine operation and craft worker occupations (Exhibit 22). However, the disruption for men could have indirect effects on women. An increase in the number of displaced men could create more competition for jobs with women. Furthermore, changes in the economic status of dual-earner households may place more pressure on women as the family balances the tradeoff between employment and childcare costs.

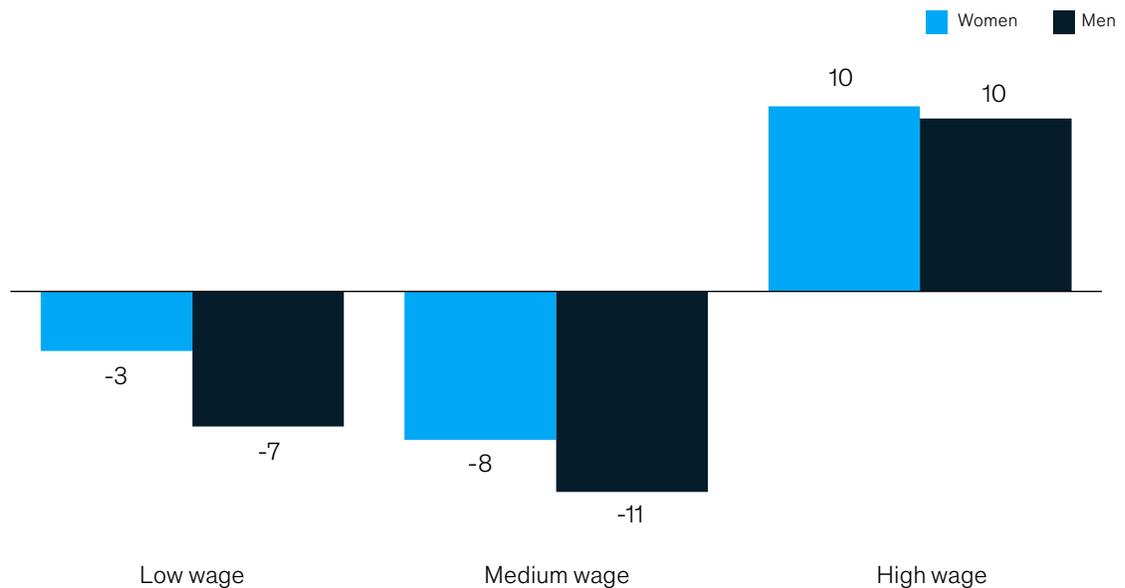
Low-wage occupations could also experience job declines, but to a lesser degree than middle-wage jobs. Our model takes into account the cost of automation. When wages are low enough, we assume that these occupations could make automation a less attractive investment proposition for businesses. For example, it would be financially questionable to automate many low-wage occupations, such as gardeners, plumbers, childcare and elder-care providers as they operate in unpredictable environments.

Exhibit 22

The largest employment decline could occur in middle-wage occupations, intensifying income inequality

Projected net change to existing labour demand by wage level¹

Net jobs lost or gained by men and women as a proportion of total male and female employment,² respectively, Percent



1. Low wage is the zero to 30th percentile; medium wage is the 31st to 70th percentile; and high wage is the 71st to 99th percentile

2. Applied occupation category gender splits to calculate percent of job growth in each wage bracket for women and men; assumption based on the fact that occupation categories (rather than sectors) are the strongest drivers of gender mix across jobs

Source: Canada NOC 2016, ILO 2017, MGI analysis, Statistics Canada, World Bank

Women face a disadvantage in technological skills

MGI research¹⁹ shows both growth and decline in five skill categories and suggests that demand for three of the categories—technological, social and emotional, and higher cognitive skills—could increase most over the next decade (Exhibit 23).

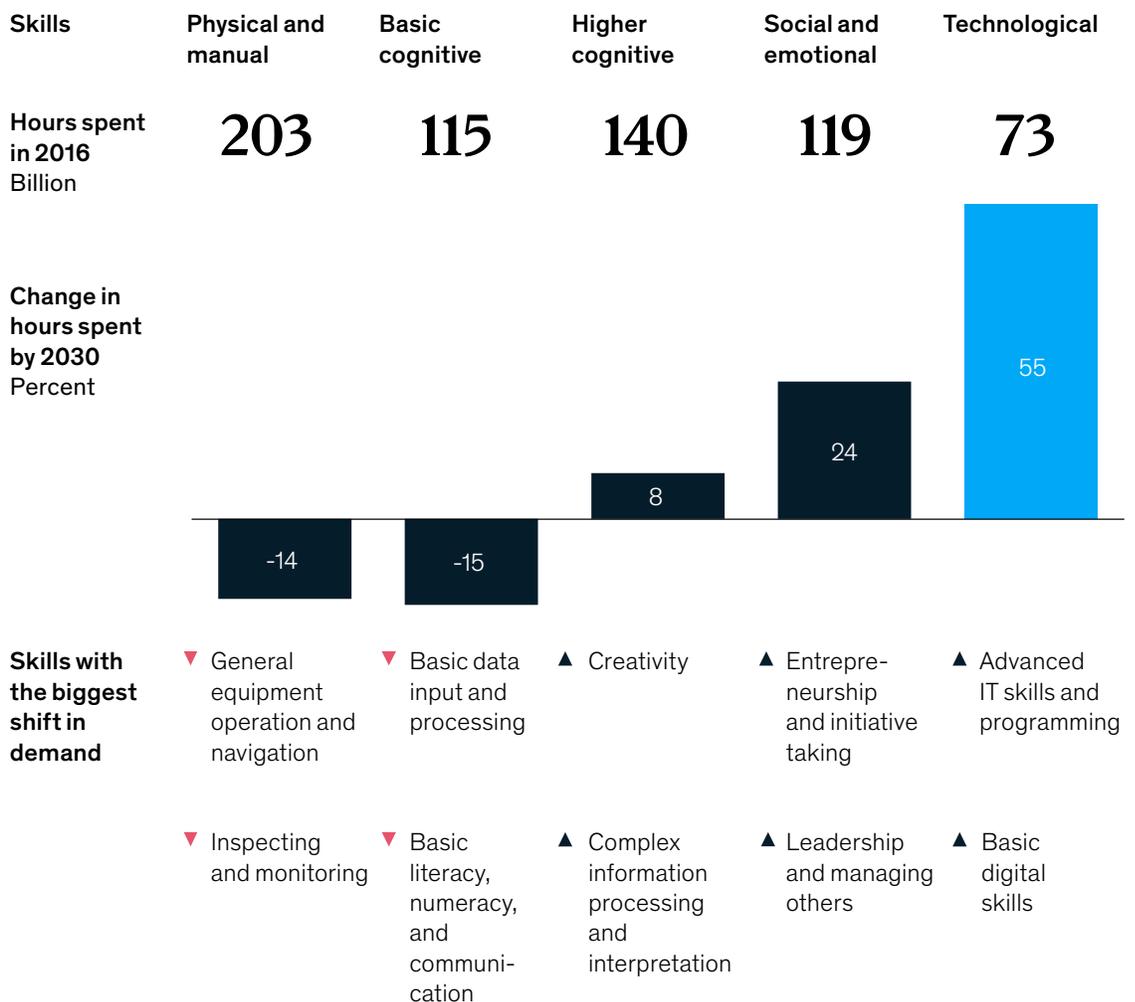
Technological skills could be in the greatest demand across sectors by 2030, rising by 55 percent and representing 17 percent of hours worked, up from 11 percent in 2016. This means there could be an increase in demand for basic digital skills, as well as advanced technological skills such as programming and artificial intelligence.

However, women still face a gender gap in technological skills. This gap begins at school and is influenced by a range of cultural and societal factors. Our research in 2017 shows that not only are women significantly underrepresented in STEM occupations in Canada, but also that the pipeline of women interested in or pursuing STEM narrows by more than half as they move from high school to the workforce.²⁰ Many studies suggest that ingrained gender biases, stereotypes, and a shortage of women role models discourage girls and women from pursuing STEM degrees and entering or remaining in STEM occupations.

A recent study by the World Economic Forum, in collaboration with LinkedIn, also found that only 24 percent of AI professionals in Canada are women.²¹

Exhibit 23

Technological skills could experience the biggest shift in demand by 2030



Source: MGI analysis

Women’s strengths in social and emotional skills have yet to translate into a fair share of leadership positions

Demand for social and emotional skills, which are valuable in teaching and training, and leading and managing others, could rise by 24 percent, to 22 percent of hours worked. Although research shows that women overall have great strengths in social and emotional skills and charismatic leadership,²² these strengths are often overlooked.

Chapter 1 shows that 21 percent of women believe their gender played a role in their missing out on a raise, a promotion, or an opportunity to move ahead, compared to 6 percent of men. This suggests that widely shared conscious and unconscious biases about women still permeate today’s society and workplace, and that women often suffer from the “double bind” of gender stereotypes. The expectation for women to be nurturing and empathetic often prevents them from assuming the “powerful” leadership positions that are dominated by men and that are associated with stereotypical masculine traits. At the same time, if women are assertive and direct, they are often criticized for being too aggressive.

Recognizing the value women’s inherent social and emotional skills bring to leadership positions requires combating gender biases and stereotypes. And closing the gender gap across the talent pipeline is urgently needed not only in today’s workplace, but also to ensure that women have equal opportunities to meet the labour-market demands of the future and to pave the way for gender equality.

Attaining better paying jobs could remain a challenge for women

For every dollar earned by men, women earn

\$0.87

In the context of gender equality, the quality of job gains for women is equally if not more important than the quantity of jobs. A closer look at the occupations within some of the high-growth and high-income sectors offers a somewhat disheartening story.

For example, women may be better positioned to capture job growth in the healthcare sector, but since women make up a large proportion of nursing- and personal care-related roles, such as nursing assistants, nurse anesthetists and childcare workers, they earn much less than medical professionals, such as anesthesiologists, internists, emergency paramedics, and family doctors, which men predominate.

The same holds true for the growing occupations in professional, scientific, and technical services. This sector could contribute to more than 400,000 jobs by 2030. However, among the top five occupations that could have the most net growth in this sector, women on average only account for approximately 30 percent of the employment today. This is largely driven by their high representation in non-technology occupations, such as accounting and market research. In the high-growth and high-paying occupations, such as software engineers and computer programmers, women only make up 14 percent and 13 percent, respectively, of these occupations.

Persistent gender stereotypes and role expectations about women’s work have long-lasting implications for gender equality. Often associated with women’s nurturing qualities, nursing and teaching occupations are valued less—and paid less—than male occupations in manufacturing and technology. These stereotypes can manifest in unconscious biases in the recruiting process, the choices women make when deciding on their education, discrimination and harassment in the workplace, and unfairness in career advancement.

According to Statistics Canada, women earn \$0.87 dollar for every dollar earned by men. If women cannot transition into better paying jobs in the future, the gender wage gap could worsen.

Cultural bias premised on gender stereotypes and traditional gender roles still influence women physicians’ decisions on which medical or surgical specialties to pursue. Women physicians are often advised to pursue certain specialties because they offer a “better work-life balance”, and regardless of their family status, women can be dissuaded from some fields, such as surgery.

—Dr. Gigi Osler, President, Canadian Medical Association

Inequalities in society could pose further barriers for women’s occupational transition

Existing gender inequalities in society—such as women’s disproportionate share of unpaid care work, age-related bias in the high-growth technology sector, socioeconomic status, and economic well-being—could make it more difficult for women to navigate an occupational transition.

For example, the disproportionate burden and time spent on unpaid work could restrict women’s ability and capacity for the reskilling that is essential for occupational transition. Canadian women still spend an average of nearly 3 more hours per day on unpaid housework than men.²³ And women whose youngest child is under 16 spend 1 hour more per day on routine childcare tasks than their male counterparts.²⁴ Such burdens could increase during economic downturns or changes in overall household income as households reduce their consumption of services, like childcare, and rely on women to provide additional hours of unpaid labour.²⁵ As a result, companies and institutions may need to take a gendered approach when designing reskilling programs, ensuring flexibility and inclusive access for women.

Intersectionality between gender and age could create additional challenges for women, especially older women, seeking to transition into the technology sector, currently dominated by men and young professionals. In 2016, 53 percent of technology workers in Canada were between the ages of 25 and 44,²⁶ while the number of men between the ages of 45 and 64 has increased, while the number of women between the ages of 25 and 44 has declined from 2006 to 2016. This could suggest that age plays a larger role in hindering women’s ability to enter this sector.

The socioeconomic status and economic well-being of women could increase or limit their opportunities for work in the future. For example, research shows that both men and women who were not part of a couple were more likely to live in low-income situations. And that single mothers were more than twice as likely as single fathers to live in low-income situations (35 percent versus 14 percent, respectively).²⁷ Moreover, women with lower economic well-being were more vulnerable to future labour-market disruptions and could face more challenges when reskilling.

The path forward

Our scenario of how the future of work could unfold for women shows a somewhat contradictory story. On one hand, the expected high growth in women-predominated sectors, such as healthcare, education, and retail trade, could give women an advantage. On the other hand, entrenched gender differences in occupations and sectors, such as manufacturing and technology, and a range of gender inequalities could hinder women’s ability to capture jobs in many high-growth and high-paying occupations.

If we want the age of automation to be a real opportunity for better gender equality in the workforce, we need to close the gaps on all these fronts. Public and private organizations, governments, and educational institutions could join forces on three priorities to:

1. Ensure timely information on future employment opportunities
2. Increase the inclusiveness of reskilling and recruitment practices
3. Level the playing field for women in technology.

(Please see Chapter 3 for more details.)

1. Ensure timely information on future employment opportunities

The labour market of the future will remain dynamic given the rapid changes in technology. To prepare women for ongoing change, the market could offer timely information on which of today’s occupations are at risk of obsolescence and where future employment opportunities lie. Our scenario suggests that many future occupations are likely to emerge in sectors in which women are currently underrepresented. Access to information about these new occupations—the skills they require and the availability of training and support—could encourage more women to consider entering these sectors.

This priority requires public and private companies, governments, employment agencies, educational institutions, and industry stakeholders to identify future employment opportunities and the skills required, as well as guidance on reskilling. For example, Canada's federal government funded the Future Skills Centre, an arm's length institution dedicated to helping Canadians develop the skills they need for the future. The Centre works with a network of partners to spot emerging in-demand skills and enhance access to training.

2. Increase the inclusiveness of reskilling and recruitment practices

Wide-scale reskilling programs are critical pathways for both men and women. When the private and public sectors invest in training and reskilling programs for their employees and the broader society, it is important that they consider women's unique needs and barriers, both in terms of matching skills and their ability to afford, access, and undertake the program. For example, the heaviest burden of parenting and elder care continues to fall largely on women's shoulders, leaving less time to engage in the reskilling programs that may be necessary to level the playing field. Organizations can offer flexible programs, extended maternity and paternity leaves, and childcare support to improve women's flexibility and mobility for reskilling.

Inclusive recruitment practices go hand in hand with reskilling. Many reskilling programs will likely be short term and offered in-house via boot camps or as continuous learning, rather than traditional college and university diploma programs. It is important for organizations to adopt inclusive recruitment practices and broaden their hiring criteria to accommodate alternative education attainments, as well as candidates from different occupational backgrounds. For example, Nova Scotia's International Educated Engineer (IEE) Bridging Program partners with employers to provide opportunities for internationally educated engineers to work in a Canadian company while having their engineering competencies assessed on the job. The program encourages employers to innovate their hiring criteria and tap into a broader talent pool of internationally trained engineers.

3. Level the playing field for women in technology

Increasing women's presence in the technology sector will not only help women, but also make technologies more inclusive. Research shows that, due to their underlying methodology and data, many of today's algorithms are encoded with gender and cultural biases.²⁸

Interventions to level the playing field for women in technology need to start early by making STEM programs more attractive to schoolgirls and by retaining women after they graduate from STEM studies. While Statistics Canada reports that more women than ever before earned STEM degrees in 2016, it is critical to maintain the momentum and help women with STEM degrees transition into the workforce.

Closing the leadership and founder gap in technology is also critical. A study by #movethedial surveyed more than 900 Canadian technology firms and found that women account for just 5 percent of CEO roles and 13 percent of executive positions.²⁹ More than half of these companies have no female executives. The gender gap starts early in the innovation cycle—70 percent of Canadian venture capital firms that fund emerging tech firms have no female partners.

Dedicated investment funds for women-led or gender-inclusive businesses could accelerate women's position in technology. StandUp Ventures, a Toronto-based VC fund, recognizes the unique challenges women entrepreneurs face in securing early-stage funding. It fully supports the business case for women-led ventures and invests in companies with at least one woman in a C-level leadership position and an equitable amount of ownership.

(Please see the Appendix for details on approaches that may need to differ by type of sector and occupation. We use a matrix between net job growth and the current representation of women by sector and occupation to illustrate women's prospects in future work.)





03

**A roadmap for
fostering gender
diversity and
inclusion**

A roadmap for fostering gender diversity and inclusion

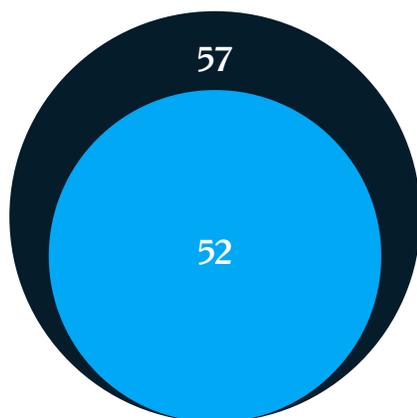
The case for change is well endorsed by Canadian organizations — more than 80 percent report that commitment to gender diversity is a top or very important priority for them. However, this commitment does not always translate into visible action. Less than 60 percent of employees think their organization is often or always doing what it takes to improve gender diversity, and women are less likely to think so than men (Exhibit 24).

Exhibit 24

Fewer women think their organizations and male counterparts are doing what it takes to improve gender diversity

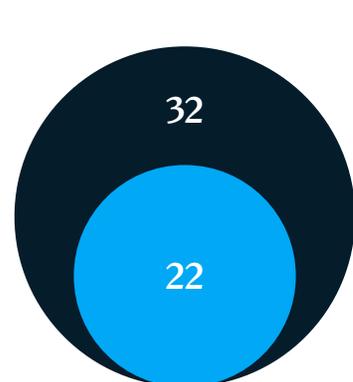
This organization is doing what it takes to improve gender diversity

Percentage of respondents, “Almost always” and “Often”



Men in this organization participate in gender diversity initiatives

Percentage of respondents, “Almost always” and “Often”



Source: McKinsey & Company Canada “Employee Experience Survey 2019”, 6,090 employees from 29 Canadian organizations

Clearly, organizations could do more to turn their good intentions into tangible results. Unfortunately, there is no silver bullet to drive change as McKinsey’s *Women Matter* research in the past 10 years has shown. Instead, meaningful progress toward gender equality requires a persistent, multi-year, well-implemented, and organization-wide change program. Indeed, many leading Canadian organizations use “journey” to describe their story of progress, rather than a set of initiatives and programs.

Gender equality is also shaped by a range of contextual elements. Economic development, socio-economic factors, attitudes and beliefs about women, tax and legislation, government actions, infrastructure, and other catalytic forces such as automation and activism are all factors that could influence gender equality. These elements are often complex and mutually reinforcing—improvement on any of them is likely to have some positive impact on the others, creating a virtuous cycle for change.

To help organizations turn good intentions into meaningful outcomes, we have built on our 2017 recommendations, providing practical guides and concrete examples of how companies can improve inclusiveness and gender diversity in the workplace. And we describe the journeys of seven organizations whose holistic change efforts are making substantial progress.

In addition, we have expanded our roadmap to account for the catalytic force of automation that is likely to transform the workforce in the next 10 years. It now consists of an ecosystem with five organization-level dimensions for action, and three priorities to help prepare the workforce for the future through the lens of gender equality.

Organization-level dimensions for action

1. **CEO and management commitment.** Go beyond a verbal commitment to diversity by cascading a compelling change story with a clear business case.
2. **Transparency and indicator tracking.** Set diversity and inclusion targets, track them consistently, share results, and hold leaders accountable for them.
3. **Women's leadership development.** Create formal, tailored programs to develop women leaders, as well as establishing formal networks, mentorship groups, and sponsorship programs.
4. **Diversity-enabling infrastructure.** Put in place ways of working that offer all employees flexibility and a work-life balance, and ensure these programs are compatible with career advancement.
5. **Inclusive mindsets and processes.** Implement systems to de-bias recruitment, evaluation, and promotion decisions, and provide formal training programs to raise awareness of unconscious bias.

Three priorities to prepare the workforce for the future through the lens of gender equality

1. **Ensure timely information on future employment opportunities.** Ensure access to information about future employment opportunities, including what skills they require and what training is available.
2. **Increase the inclusiveness of reskilling and recruitment practices.** Design training and reskilling programs for employees with women's unique needs in mind, including their ability to afford, access, and undertake the program.
3. **Level the playing field for women in technology.** Increase women's presence in the technology sector, for example, through early intervention in school STEM programs for girls and through capital support to women entrepreneurs.

Best practices for implementation

Persistence and effectiveness of execution are key drivers for success. Among the 32 policies and programs related to diversity and inclusion surveyed, more than half of the organizations offer 10 or more.

Yet the performance of their talent pipeline varies.

Increasing the number of gender-diversity initiatives is not enough, even though having a critical mass of programs is important. Advancing gender diversity requires persistence—it is a journey rather than a set of initiatives and programs.

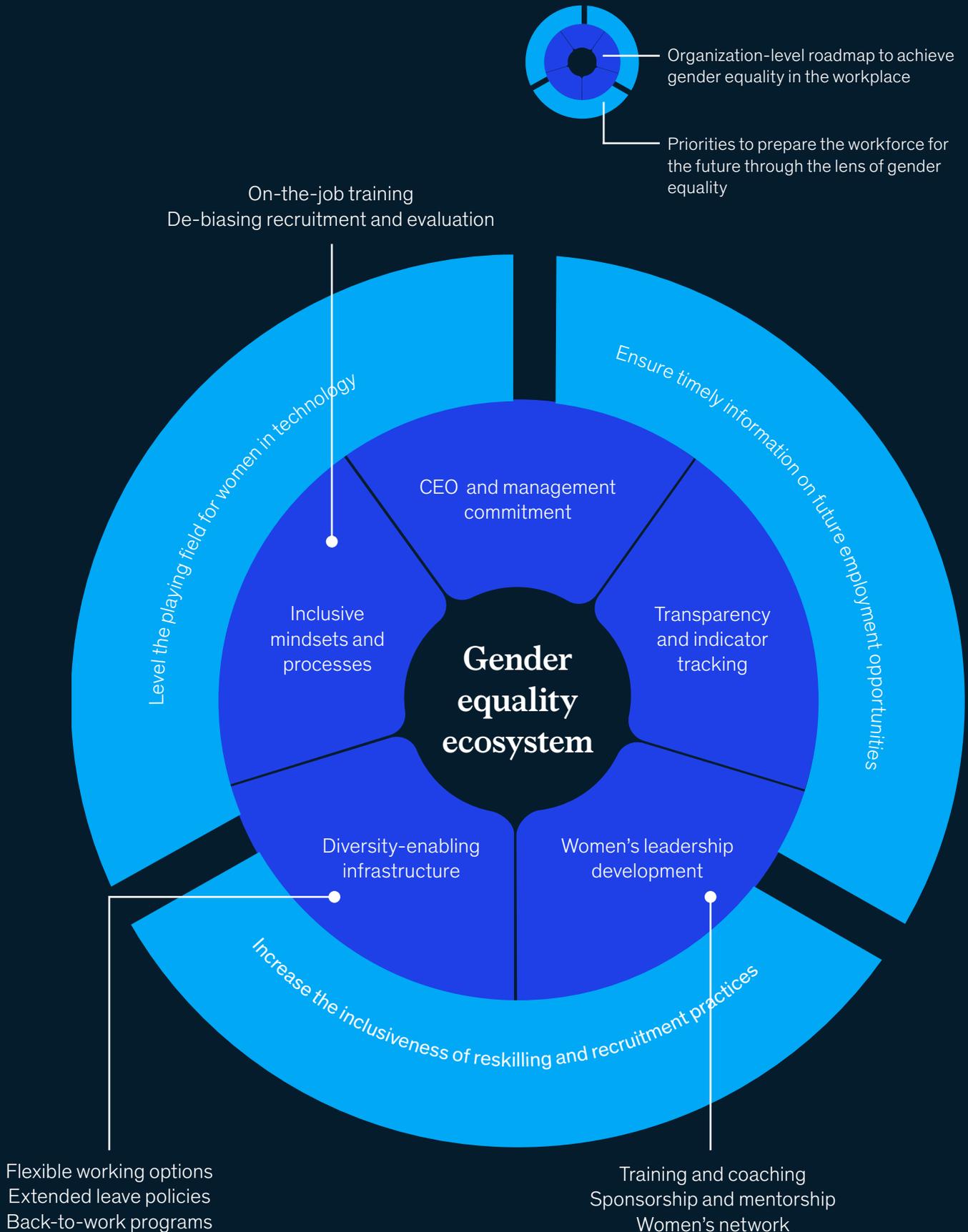
McKinsey's 2016 *Women Matter* research on more than 200 European companies found that best-in-class organizations (those with a woman CEO and/or more than 30 percent of women at the executive level) on average had worked on gender diversity for 3 to 5 years and had sustained their programs over the long term.

Methodology

We identified more than 20 examples of initiatives that support gender diversity and inclusion from Canadian and international organizations—these are showcased in the “Snapshot” sections. The majority of Canadian examples were selected because their organization performed in the top quartile in their respective industry based on our talent pipeline analysis of 94 organizations. In the “Journey of transformation” section, we feature the stories of seven organizations to demonstrate how different elements in the gender equality ecosystem reinforce one another to drive change.

Our analysis in this chapter also draws on both the HR Policy and Program Survey, which was conducted with 93 Canadian organizations, and the Employee Experience Survey, which was administered to 6,090 employees from 29 Canadian organizations.

Ecosystem approach to fostering gender diversity and inclusion



Organization-level roadmap to foster inclusiveness and gender diversity

1. CEO and management commitment

Strong commitment from the CEO and leaders of the organization is crucial for improving gender diversity and inclusion. Equally important is a clear, consistent, and compelling change story that not only emphasizes this commitment to catalyzing change throughout the organization, but also champions a clear business case for making this change.

As our research shows, transformation programs with powerful change stories—those that engage, motivate, and inform employees at all levels of the organization—are 3.7 times more likely to succeed in the long term than those without one.³⁰

Make leadership commitment more visible to the broader organization

Although many organizations report they are committed to gender diversity, this commitment is not always apparent to all employees.

For example, more than 80 percent of organizations we surveyed this year considered gender diversity a top or very important priority. Yet fewer than half of their employees think gender diversity is a priority for their organizations. And even fewer think that this is the case for their direct managers (Exhibit 25).

This suggests more needs to be done to translate leaders', managers', and supervisors' commitments into concrete actions across the organization.

More than
80%
of organizations
say they prioritize
gender diversity,
but only
45%
of employees think
this is the case

Exhibit 25

Even though gender diversity is considered a priority for many Canadian leaders, employees may view their organization's commitment differently

Percentage of respondents, "Top priority" and "Very important"

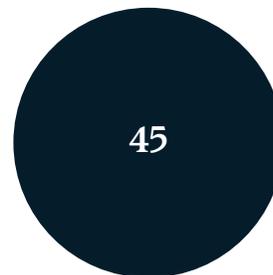
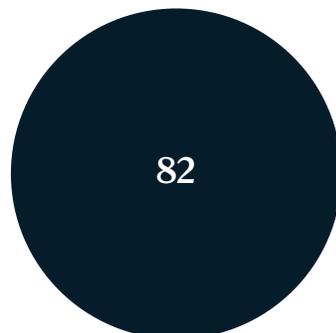
What HR says

How important is gender diversity for **your organization**?

What employees say

How much of a priority is gender diversity for **your organization**?

How much of a priority is gender diversity for your **direct managers**?



Source: McKinsey & Company Canada "HR Policy and Program Survey 2019," 93 Canadian organizations; "Employee Experience Survey 2019," 6,090 employees from 29 Canadian organizations

Go beyond a verbal commitment by championing a clear business case for change

A compelling change story—one that communicates a clear business case for change, as well as other sources of meaning, i.e., what matters most to employees—is important for an organization to demonstrate its commitment to gender diversity.

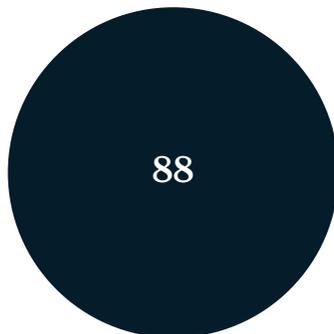
Almost 90 percent of the organizations we surveyed report that they prioritize gender diversity because it leads to better business results. However, only half have articulated a compelling change story that is built on the critical foundation of business performance and competitiveness. And even fewer have quantified the expected business impact of gender diversity and inclusion for their organizations (Exhibit 26). As a result, our 2017 survey shows that the closer employees are to the front line, the fewer people believe that prioritizing gender diversity is a business imperative.

Exhibit 26

Few organizations have articulated or quantified the business case for gender diversity

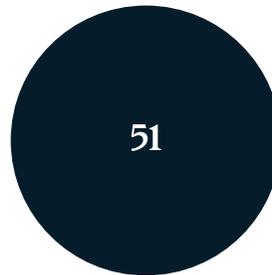
Organizations that prioritize gender diversity because it leads to better business results

Percentage of organizations, “Strongly agree” and “Somewhat agree”



Organizations that have articulated the logical business case for gender diversity

Percentage of organizations



Organizations that have quantified the expected business impact of gender diversity

Percentage of organizations



Source: McKinsey & Company Canada “HR Policy and Program Survey 2019,” 93 organizations

Craft the change story with the business case and other sources of meaning

Research shows that change communications are more compelling when the messages are personal and meaningful. Articulating a clear business case is an essential part of the change story—but so is engaging people’s hearts as well as their minds. This requires addressing the sources of meaning that people find most important.

The following examples from different Canadian organizations illustrate a combination of gender diversity as a business imperative and the valuable benefits diversity and inclusion provide for the organization, its people, its customers and suppliers, and the community it serves.

Examples of messages from Canadian organizations

Gender diversity...

...helps broaden the talent pool

We believe that to deliver exceptional long-term performance we require an exceptional team of world-class talent which reflects the diverse population of the markets in which we operate. Tapping into the broadest possible talent pool gives us access to the best minds, ensures our relevance in markets worldwide and expands our ability to solve problems and innovate.³¹

— *Canada Pension Plan Investment Board*

...is a moral and social imperative that has implications beyond the workplace

Inclusion is at the heart of how we think. We can't resolve Canadians' housing needs without including them. Our workforce must therefore reflect everyone in our country, starting with the half of us who are women. It builds easily from there to a broader definition of inclusion. We also believe that the kind of innovation we seek in resolving housing affordability in Canada best emerges from a secure sense of safety and belonging.

— *Evan Siddall, President and CEO, Canada Mortgage and Housing Corporation*

...attracts and retains talent

Gender diversity is a business imperative as it leads to stronger business results and financial performance. As such, I am committed to hold our leaders accountable for building gender diverse leadership teams that will not only give us a competitive edge, but also be a key driver to attract and retain talent.

— *François Olivier, President and CEO, TC Transcontinental*

...leads to better products and new ideas

Diverse teams build better products and generate better ideas. You can only build great products for your clients if your team understands all the myriad needs and wants of the myriad types of people who need you. Diversity isn't about hitting a number for show, or being accommodating for the sake of being nice. We demand openness, curiosity, and a culture where everyone can be their true-self and know their voices will be heard.³²

— *Wealthsimple Culture Manual*

...contributes to a dynamic work environment

We firmly believe that our workplace should reflect the communities in which we live and work. We are committed to providing a flexible environment where everyone respects, supports and learns from our collective skills, talents and differences. By attracting, supporting, promoting and retaining individuals from all backgrounds, inclusive of race, ethnicity, faith, religion or spiritual beliefs, gender, gender identity, age, sexual orientation, abilities, social perspective and other characteristics, the firm creates a dynamic and inclusive work environment that is critical to our success.³³

— *Dentons*

...benefits all

Increasingly, more women have entered the workforce, not just medicine. If we want to have a physician workforce that is sustainable and healthy for everyone, we simply cannot ignore the need to increase gender equity. In medicine, there is emerging evidence that a diverse physician workforce can lead to better patient outcomes. As a rising tide lifts all boats, gender equity will benefit all of us.

— *Dr. Gigi Osler, President, Canadian Medical Association*

2. Transparency and indicator tracking

Setting targets, tracking and sharing progress, and holding people accountable are vital to driving organizational change. When it comes to gender diversity, more organizations could consider putting these foundational business practices in place to ensure long-term success.

44%

of organizations set numeric targets by gender, and only

43%

hold their senior leaders accountable

Turn commitment into accountability through target setting and indicator tracking

Comprehensive diversity indicators are important as they could help organizations pinpoint gaps in their talent pipeline and surface biases in existing practices and processes that could disadvantage a segment of employees. More than 80 percent of organizations track gender representation of all employees, and 73 percent track it at each level of management. Yet fewer than half of organizations track other forms of diversity indicators, such as representation by business functions, differences in performance ratings, and gender pay gaps in comparable positions.

In addition to tracking indicators, setting diversity targets is crucial to ensure accountability. Only 44 percent of organizations set some types of numeric targets by gender—26 percent of organizations set targets for gender representation of all employees and 32 percent set targets for senior levels of management. Even fewer—5 percent—set targets for recruiting metrics, such as gender representation of applicants and offers.

The lack of target tracking results in a lack of accountability by leadership. In fact, only 43 percent of organizations hold senior leaders accountable for making progress toward gender diversity, and even fewer hold managers and senior managers/directors accountable. If commitment were followed through with accountability, then significant progress could be made.

Sharing the indicators and progress is also helpful in signalling commitment to change. Transparency requires the organization to openly acknowledge existing gaps and provide concrete actions to address them.

Currently, most of the diversity metrics are visible only to senior leaders. Just 13 percent of organizations share a majority of the gender diversity metrics with their employees, and very few organizations share them with the public at large.

Focus on continuous improvement through systematic program evaluation

While diversity indicators provide a view of the outcome of the gender diversity strategy and initiatives, rigorously assessing a program's impact is also important. In our survey, we found 45 percent of organizations do not assess the effectiveness of their programs and policies in fostering gender diversity. And only 18 percent systematically evaluate their program's impact.

To increase the value of these programs, more organizations could consider putting in place systematic assessments, such as defining criteria for success before the program starts, identifying leadership sponsors, collecting feedback regularly from both employees and leadership, and continuously evaluating and improving the program to link its value to diversity and inclusion targets.

Checklist—basic practices for tracking gender diversity and setting targets

Gender diversity metrics	Percentage of organizations that track this	Percentage of organizations that set numeric targets for this
Gender representation of		
<input type="checkbox"/> All employees	84	26
<input type="checkbox"/> Each level of management	73	26
<input type="checkbox"/> Selected functions/departments	51	14
<input type="checkbox"/> Those being promoted	45	5
<input type="checkbox"/> External hire candidates	43	9
Gender differences in		
<input type="checkbox"/> Employee satisfaction by gender	48	10
<input type="checkbox"/> Attrition	46	-
<input type="checkbox"/> Salary for comparable position	42	-
<input type="checkbox"/> Termination	40	-
<input type="checkbox"/> Performance ratings	24	-
<input type="checkbox"/> Recruiting metrics for applicants, interviewees, offers, and/or acceptances	23	8

Note: The percentage of organizations that track and set targets for these metrics is based on the sample of 93 Canadian organizations that participated in our HR Policy and Program Survey. While this checklist is meant to serve as a helpful guideline of practices to follow, gender diversity metrics should be tailored to individual organizations.

Diversity does not guarantee inclusion

What ultimately drives organizational health and performance is an inclusive culture, not just equal gender representation. An inclusive culture encompasses the way in which everyone is equally accepted, respected, and engaged, regardless of gender or other characteristics. In the workplace context, gender diversity refers to gender differences and representation, and inclusion accounts for how employees truly feel and are treated.

Although tracking metrics on gender diversity may seem more straightforward than tracking metrics on inclusion, organizations need to prioritize both. Extensive research has shown that diversity alone does not drive inclusion and, without inclusion, initiatives on gender diversity may not lead to the desired impact.³⁴ An inclusive workplace provides the right conditions for attracting and retaining talent, increasing employee engagement, and fostering innovation.

Measuring inclusion requires a rigorous and systematic approach. Organizations could consider conducting organization-wide, anonymous, qualitative surveys to gather the statistical foundation of employee experiences. These surveys and more frequent pulse checks could be analyzed by segments of the employee base, such as by level, tenure, and business division. The analysis could help uncover insights into differences in employee experience and attitudes.

Organizations could then follow up with in-depth focus groups and one-on-one interviews to probe deeper into the survey findings. Collecting examples, stories, anecdotes, and suggestions from these sessions could enrich the statistical findings and help organizations design a way forward that is truly reflective of employee needs.

Diversity does not guarantee pay equality

Diversity in terms of representation does not guarantee pay equality. The gender pay gap is a crucial indicator of gender equality in the workplace that less than half of organizations track. Not only are women underrepresented across the talent pipeline, they also earn much less than their male counterparts.

According to Statistics Canada, women earned 87 cents for every dollar earned by men in 2017, which is equivalent of women doing unpaid work for 47 days.³⁵ Women who are C-suite executives earn 24 percent less than men. Even with the same qualifications, job, and experience, women still make 4 cents less for every dollar earned by men.

Closing the gender pay gap requires first and foremost tracking and analyzing the existing pay gap. Organizations can perform a pay gap analysis for men versus women employees in the overall organization, as well as analysis that controls measurable factors, such as the level of positions and the value of work.

Making pay data available to managers and people involved in the hiring and promotion process could also help them make more informed decisions. Other initiatives, such as making salary ranges and compensation processes transparent, not asking for a candidate's salary history, and providing a pay equity budget are all viable approaches to closing the pay gap.

How organizations set targets, track progress, and hold leadership accountable

Canada Mortgage and Housing Corporation—Diversity Index

To track workforce diversity, CMHC developed a Diversity Index to track a range of demographic metrics in the workforce, including gender, race and ethnicity, language, and other social and cultural affiliations. Each dimension in the index is compared to the Canadian demographics to ensure CMHC's workforce is representative of the Canadians they serve.

Gap Inc.—Leading the way to close the gender pay gap

In 2014, Gap Inc. became the first Fortune 500 company to announce it pays employees equally for equal work.³⁶ It has adopted several practices to close the gender pay gap:³⁷

- **Tracking and analyzing the gap.** The organization conducts annual internal pay equality reviews with a methodology that is validated by a leading gender and diversity firm. The like-for-like analysis determines whether there are significant differences in the average pay of men and women at similar levels and job functions, controlling for any variables such as tenure and FTE status.³⁸
- **Providing transparency to managers to help inform their decisions in hiring and promotion.** Every year, Gap Inc. provides its managers with pay data, the salary distribution of employees, and information on where their employees are positioned relative to pay ranges that reflect the external market.
- **Providing managers with a promotion budget to address any equity issues.** This budget is part of the overall pay increase budget.

You can't just throw spaghetti on the wall and hope that it sticks. Interventions need to be targeted and serve a specific purpose.

—Laura McGee, CEO & Founder, Diversio

3. Women's leadership development

As we explored in Chapter 1, women still face significant challenges in their career advancement even though they are leaving their organizations at similar rates and their desire for promotion equals that of men. Organizations across all industries face the same issue of having fewer women in senior leadership roles. This could be addressed by creating the conditions to attract, hire, develop, and retain women at each stage of the talent pipeline—the burden should not be placed on women to fit the organizational mould; rather organizations should do what is needed to support and develop women so they can attain leadership positions.

Go beyond advocacy

Women are demanding more actions to drive meaningful change. Our survey shows that fewer women think their organizations are always or often doing what it takes to improve gender diversity, and even fewer think their male counterparts are participating in gender diversity initiatives.

Yet few organizations provide dedicated programs to support women's career advancement and leadership development beyond sponsoring external conferences and non-profits/foundations. Advocacy for gender diversity is crucial and helps signal the organization's commitment. However, this solution alone does not directly address the challenges women face in the workplace today

Grow women leaders through sponsorship

Many studies have shown that sponsorship is an important element to retain women and increase their representation across the talent pipeline.³⁹ Sponsorship differs from mentorship. While sponsors could play a mentor's role by providing valuable career support and advice for the mentee's personal and professional development, they also have a voice at the decision-making tables and can fiercely advocate for, protect, fight for, and proactively create opportunities to advance their protégés' careers.

Our survey shows that women have fewer sponsors than men as they become more senior. At the same time, both men and women are more likely to have a sponsor of the same gender. With the decreasing representation of women across the talent pipeline, women face more challenges to find a sponsor. Effective sponsorship will require that both men and women serve as sponsors to women.

Catalyst's research identified four critical features of a sponsorship relationship: trust, honesty, communication, and commitment. Even though strong sponsorship cannot be forced, organizations could still play an important role in levelling the playing field and intentionally creating the conditions and providing guidance for organic sponsorship relationships. Our survey shows that only 15 percent of organizations offer any type of formal sponsorship programs for women. As a key enabler for advancing women's careers, especially as women become more senior, more organizations could offer sponsorship programs to help women become leaders.



Checklist—basic practices to develop and support women at all levels

Many organizations are falling short on delivering programs geared toward growing women leaders. In addition to sponsorship programs, organizations could offer a range of interventions to support women's leadership development and career advancement, such as a formal mentorship program, a high-potential talent development program, and executive training.

Interventions related to career development	Percentage of organizations that do this
<input type="checkbox"/> Sponsorship of external conferences and non-profits/foundations supporting diversity	66
<input type="checkbox"/> Gender employee resource groups/affinity groups	35
<input type="checkbox"/> Formal mentorship program, which offers women a sounding board for advice, providing support and guidance	33
<input type="checkbox"/> On-ramps for those returning to the workforce after time away	26
<input type="checkbox"/> High-potential talent development program geared toward women	22
<input type="checkbox"/> Individual career planning services geared toward women	18
<input type="checkbox"/> Formal sponsorship program, which commits individual leaders to advocating, creating connections, and creating opportunities	15
<input type="checkbox"/> Executive training geared toward women	12

Note: The percentage of organizations that offer these programs is based on the sample of 93 Canadian organizations that participated in our HR Policy and Program Survey. While this checklist is meant to serve as a helpful guideline of practices to follow, individual organizations should tailor the program design to their needs.

Examples of women's leadership development programs

Sodexo—Sponsorship and mentorship programs

A global food services and facilities management company, Sodexo has more than 400,000 employees in 80 countries. SoTogether (previously SWIFT—Sodexo Women's International Forum for talent)—was launched in 2009 and is the cornerstone of the company's gender strategy. A global advisory board, SoTogether's mission is to increase women's representation in leadership positions through tangible initiatives and specific targets. For example, by 2025 Sodexo's objective is to have 40 percent of its top senior leaders be women. In the 9 years following SWIFT's inception, the percentage of women in Sodexo's Group Senior Leaders increased from 17 to 33 percent in 2018. Today, women make up over 50 percent of its Board of Directors.

Sodexo provides sponsoring and mentoring opportunities. Its sponsorship programs for women are both formal and informal. The formal program asks all senior executives in the United States to sponsor at least two women. One of the sponsorship relationships is formally identified during the talent review process for high potentials, the other forms organically. Sodexo also offers senior executives guidance on cultivating sponsorship relationships and being effective sponsors.

As well, the company offers dedicated programs designed to grow global women leaders. Female mid-level managers take part in a 6-month leadership development program, followed by global mentoring circles, with each circle being assigned two mentors. This program helps give women a voice, connects them with women in different business lines and countries, and provides opportunities for them to interact with senior leaders.

In addition, Sodexo offers one-on-one formal mentoring through its IMPACT program in North America, that connects 150 pairs of high-potential managers with senior leaders each year, and that encourages an over-representation of women and minority mentees to participate. This program has reported higher promotional rates for women than for the overall cohort population.

Visionary organizations that are to thrive in the future recognize how important it is to effectively build diversity in the pipeline. To reap the greatest return, companies must reinforce development through mentoring at all levels, and reward sponsorship practices that offer exposure and advocacy on behalf of emerging leaders. When done well, these efforts pay dividends both for protégés whose careers are fast-tracked and executives who build their own reputations for driving performance and the business forward.

—*Rohini Anand, Global Chief Diversity Officer, Sodexo*

American Express—Providing the conditions to foster sponsorship development

In 2010, American Express launched its Women in the Pipeline and at the Top (WIPAT) initiative to create opportunities for women with a three-pronged approach: corporate gender intelligence training; pathways to sponsorship; and a focus on building a global American Express women's community.

Rather than matching women to sponsors, the pathways to sponsorship program identifies high-potential senior women leaders and provides them with customized development programs to advance their careers and structured support to building key relationships in the organization.⁴⁰

WIPAT has now evolved into *Women Rising at American Express*, which continues to support the organization's goals, expanding its core pillars—strengthening its female talent pipeline, advancing women, and continuing to build a strong global network.

PayPal—Employee-led mentorship program to help women thrive

The Unity Mentorship Program is a women-focused, employee-led initiative with the goal of creating more opportunities for women at PayPal.⁴¹ Based on a short survey of participants, the program matches 100 pairs of mentors and mentees from the same or different departments. After their first session, participants can decide whether they have found a good fit.

Because of the increasing demand for the Unity program, PayPal is expanding it to include group and peer mentoring. The group mentoring will pair one senior leader with 20 mentees, and they will meet monthly to discuss specific topics.

Similar to American Express's pathway to sponsorship program, PayPal's mentorship program provides the conditions for women to connect with potential mentors and seek support in ways that best meet their individual needs and development goals.

Public Sector Pension Investment Board—Gender Dynamics affinity group and intervention incubation

PSP Investments formed an Inclusion & Diversity Council in 2017. This Council is a cross-sectional group of self-selected employees across the organization who are passionate about creating an inclusive and diverse One PSP culture. It established eight affinity groups, and Gender Dynamics is one of the groups that engages both men and women in discussing workplace challenges related to gender and possible ways to overcome them.

PSP Investments' approach focuses on listening to its employees and affinity groups and assessing their challenges and then piloting their ideas. For example, when an affinity group surfaces a challenge, like the

difficulty working mothers may have with planning travel at short notice, the organization will introduce an intervention and test it in one of the business units or with employees before applying it to the entire organization. Focus groups and co-creation sessions provide an opportunity for employees to challenge one another's thinking and expand the scope of the solution. New programs and policies are also accomplished by a change management strategy to ensure they are consistently and uniformly implemented throughout the organization.

In March 2015, PSP Investments had few women in senior leadership positions. Today, women make up 33 percent of senior leadership and 46 percent of the Board of Directors. PSP Investments' corporate culture has evolved as well, with more employees speaking up and openly discussing the challenges they face and senior management's increasing support in holding and participating in various diversity-related events.

4. Diversity-enabling infrastructure

Diversity-enabling infrastructure, such as flexible working options, extended leave policies, and back-to-work programs, is critical to facilitating diverse ways of working and helping all employees balance work-life responsibilities. These programs are particularly important for women because they are more likely to experience the "double burden" syndrome—the need to balance work and domestic responsibilities. In fact, although 36 percent of women surveyed have partners, they are responsible for most or all of the housework and childcare, compared to 8 percent of men. Coupled with an "anytime, anywhere" performance model, this makes it more difficult for women to advance to leadership positions.

Offer flexibility programs and child care support to help employees balance work and life

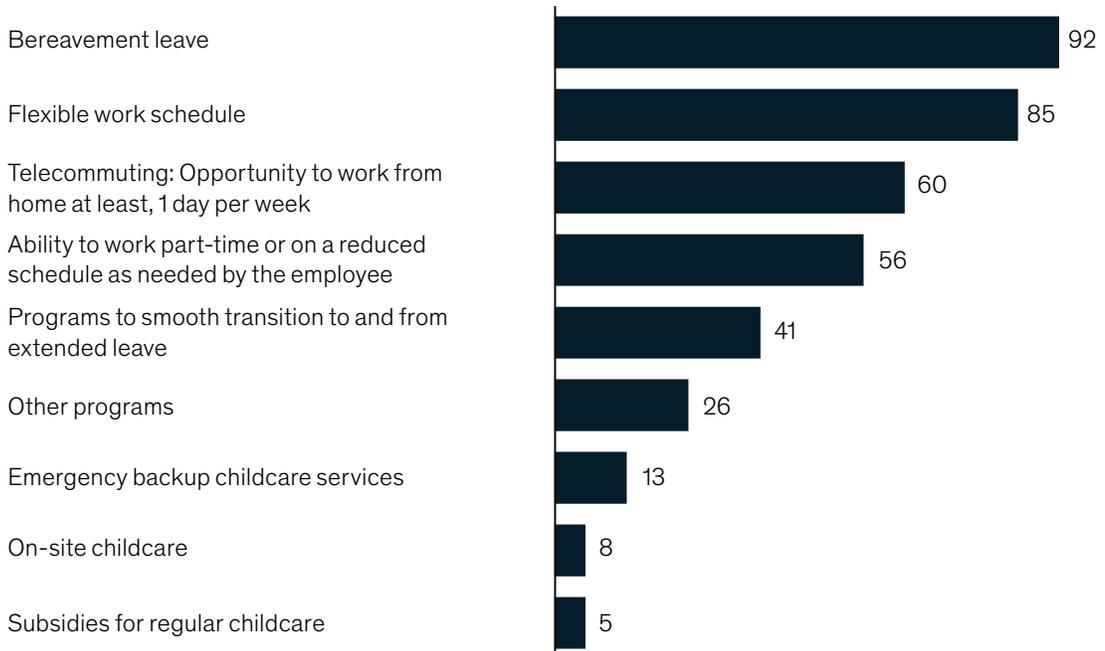
There is a clear need for organizations to offer more support to help men and women juggle family and work commitments. Fewer than half of employees surveyed say their managers help them balance work and personal demands. A majority of organizations surveyed offer some form of flexibility programs, such as the ability to work flexible hours or telecommute.

Exhibit 27

Most organizations offer flexibility options but few offer programs to support childcare

Policies and programs that support work/life balance

Percentage of organizations that report they offer...



Source: McKinsey & Company Canada "HR Policy and Program Survey Canada 2019", 93 Canadian organizations

36%

of women have partners yet they are responsible for all or most household and childcare work, compared to

8%

of men

47%

of employees say that their managers help them balance work and personal demands

Implementing flexibility programs successfully requires a cultural change for the new way of working to take hold. For instance, our 2017 research finds employees perceive these programs as hindering career progression. Women take advantage of them more and are more negatively affected.⁴² A shift from focusing on employees' presence to their performance is crucial to encourage individuals to use these programs and ensure that such usage will not hinder their career progression. Ideally, exercising flexible options during one's career should eventually be considered the norm, rather than an exception.

Even though 38 percent of employees surveyed have children under 18 years old, few organizations offer programs to address the unique needs of parents, such as subsidized or on-site childcare services (Exhibit 27). Studies show that on-site childcare could increase employee performance and reduce absenteeism and help retain and attract employees.⁴³

Smooth transitions to and from extended leaves of absence

Besides flexibility programs, far fewer organizations offer programs designed to support employee transitions to and from an extended leave (Exhibit 28). The lack of such programs, especially those to ease parents' transitions back to work, could affect women more than men.

For example, only one in four men outside Quebec takes any parental leave in the first 3 years of their children's lives, and those who do take less than 2.5 weeks away from work.⁴⁴ Often referred to as the "maternal wall", stereotypes and biases about pregnancy and maternity leave could undermine working mothers' ability to advance in the workplace.⁴⁵

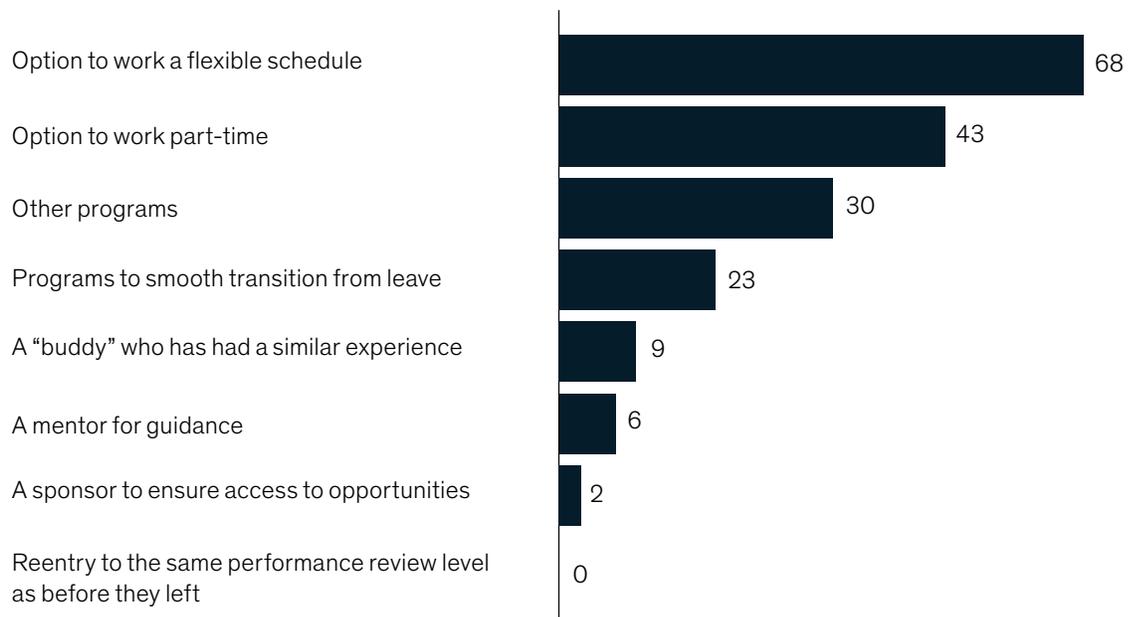
Programs to support working parents and individuals with extended leave as they return to work could make a difference for everyone and help level the playing field for women.

Exhibit 28

Besides flexibility options, few organizations have programs to ease employees' transitions to and from extended leave

Policies and programs to support new parents as they return work from maternity or paternity leave or a leave of absence

Percentage of organizations that report they offer...



Source: McKinsey & Company Canada "HR Policy and Program Survey Canada 2019", 93 Canadian organizations

Examples of diversity-enabling infrastructure

ALDO Group—Work/Life Integration initiatives

The ALDO Group's Work/Life Integration initiatives are inspired by the conviction that there is a strong connection between innovation and work-life balance. The initiatives aim to better integrate the worlds of work and life, providing tailored approaches by function to account for the different roles in the organization that have different needs.

In addition to introducing guidelines in 2018 to promote flextime, with clearly defined core-working and flexible hours, and encouraging all associates to work from home at least 1 day a week, the ALDO Group offers its associates a range of services that have been available for several years. These include subsidized daycare with facilities close to the head office; subsidized fresh take-out meals employees can order for the family; and summer Fridays where employees can pursue personal interests outside work.

The ALDO Group's VITALITÉ program also offers a variety of perks—fitness and mindfulness classes, a 24/7 on-site fitness centre and yoga studio, group sports, hairdressing services, etc.

Canada Mortgage and Housing Corporation—Results-Only Work Environment philosophy

CMHC has transitioned to a Results-Only Work Environment (ROWE™), which is a workforce strategy that provides employees with complete accountability and autonomy over their work, ultimately allowing them to choose when and where to work in order to deliver results. ROWE is not a flexible work, job-sharing, telecommuting, or a work-from-home program. ROWE focuses on empowering employees to achieve results through accountability and autonomy. In a ROWE, employees no longer think about work as a place they go to; rather, they think about it as something they do. And leaders no longer think about managing people and time; rather, they think about coaching for performance. At CMHC, it's no longer about the "where" and "when" – it's about the "what".

Patagonia—Pioneering on-site childcare

In 1985, Patagonia established the Great Pacific Child Development Center to provide on-site childcare that ensures children—and parents—are valued by the company.⁴⁶ Today, the Center serves 80 children, from birth to age 9, at Patagonia's headquarters in Ventura, California. It also offers an after-school program, a summer surfing camp, and a company bus to pick up the children.

In 2016, Patagonia's distribution warehouse in Reno, Nevada, opened an infant room and began enrolling toddlers from 9 to 18 months in age in 2017.

Additional Patagonia offerings include funding for a childcare professional to travel with nursing mothers when their work takes them on the road. An estimated 85 percent of Patagonia employees with children use these services, paying a sliding-scale fee from US \$500 to US \$1,300 (with assistance available to qualifying families) that is largely offset by the company's US \$1 million annual childcare budget—costs that are recouped at up to 91 percent through federal tax credits, employee retention, and productivity.

Aurizon—Shared Care initiative

Aurizon's Shared Care program radically overhauled its parental leave programs, offering its employees a choice when considering which parent will assume primary care responsibilities for their child in the first year.⁴⁷ The goal was twofold: 1) to offer men a financial incentive if they chose to take a leave of absence to care for their child; and 2) to help women lessen the career and financial impacts of unpaid parental leave and part-time work.⁴⁸

Shared Care addresses different scenarios depending on the parents' employment status with Aurizon. For example, an Aurizon employee plans to return to work full-time after caring for her newborn for up to 6 months. Her partner, however, works for another company and the only way he could assume full-time childcare responsibilities would be to take unpaid leave. In this case, Aurizon will pay its employee 150 percent of her wages for the period (between 13 and 26 weeks) her partner looks after the child.

5. Inclusive mindsets and processes

Having an inclusive culture in an organization is fundamental to moving the needle on gender diversity. Without this element, much of the other work described could be undermined. If organizations do not focus on inclusion and changing the mindsets, culture, and processes to address the effects of bias and prejudice, they could increase the number of women without creating a truly inclusive workplace in which all genders feel welcomed and valued.

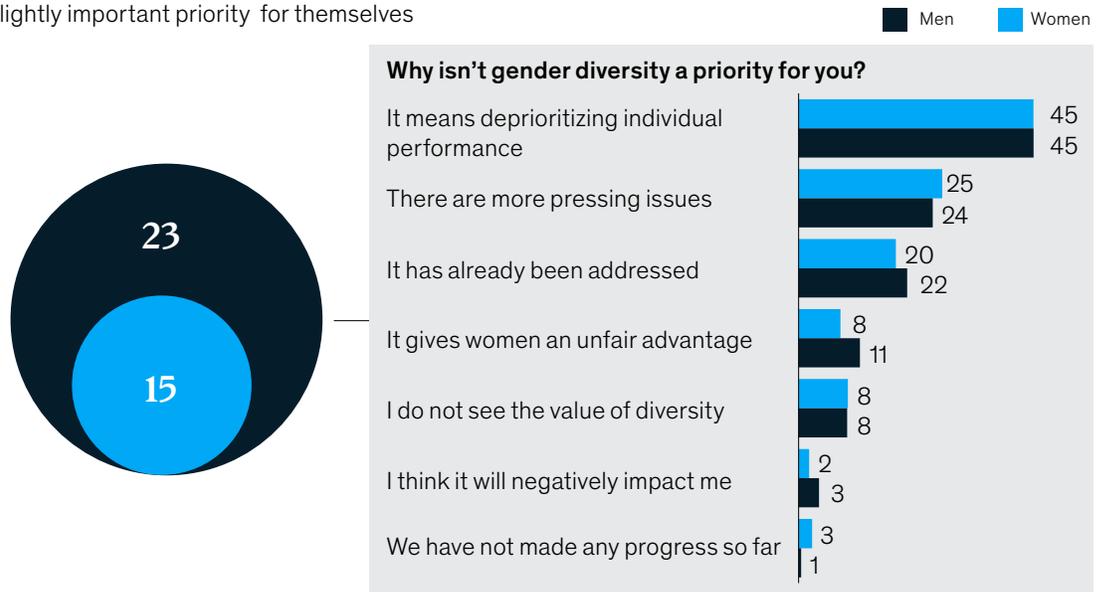
Our survey shows that men are less likely to consider gender diversity a priority. When asked why, almost half of them believe that gender diversity means deprioritizing individual performance (Exhibit 29). To foster inclusive culture, organizations can put in place systematic processes to de-bias recruitment and performance evaluation, and help employees learn how to recognize their own biases in everyday decision making. These measures will help lessen any concerns about the fairness and equity of gender diversity initiatives.

Exhibit 29

Men and women consider gender diversity less of a priority for similar reasons

More men consider gender diversity less of a priority for themselves

Percentage of respondents who view gender diversity as not a priority or a slightly important priority for themselves



Source: McKinsey & Company Canada "Employee Experience Survey 2019", 6,090 employees from 29 Canadian organizations

43% of employees think promotions are based on fair and objective criteria, and only **23%** of organizations require unconscious bias training for employees involved in performance reviews

De-bias recruitment and performance evaluation processes

Unconscious biases can have unintended impacts on who gets hired and promoted, and minority groups can be disproportionately affected. Moreover, hiring and promotions are the most important levers for changing the representation of women across the talent pipeline. Ensuring that these processes are fair, therefore, is crucial to advancing gender parity, increasing diversity, and fostering inclusivity.

Our survey shows that less than half of employees think that promotions at their organization are based on fair and objective criteria. Women are twice more likely to think their gender limits their opportunity for a raise or promotion.

Yet organizations are falling short on minimizing bias in their hiring and promotion processes. Only 23 percent require unconscious bias training for employees involved in performance reviews. And only 31 percent require diverse slates of candidates to be considered for open positions or promotions.

Implementing processes, such as mandated unconscious bias training for hiring managers, for example, and tracking performance ratings by group to check for bias, could not only minimize biases but also build employees' trust in the organization.

Step-by-step guide for de-biasing in hiring and promotions

De-biasing practices	Hiring	Reviews and promotions
Percentage of organizations that		
<input type="checkbox"/> Set diversity targets	8	5
<input type="checkbox"/> Use automated résumé screening protocols or tools to reduce bias	18	-
<input type="checkbox"/> Require diverse slates of candidates to be considered	31	26
<input type="checkbox"/> Use clear and consistently applied criteria for evaluation	75	68
<input type="checkbox"/> Mandate unconscious bias training for employees involved	37	26
<input type="checkbox"/> Provide reminders about how to avoid unconscious bias before the hiring process begins	39	22
<input type="checkbox"/> Include someone who is not directly part of the decision-making process to sit in on interviews or discussions	35	32
<input type="checkbox"/> Require a diverse interviewer panel (e.g., at least one interview by a female employee)	38	-
<input type="checkbox"/> Track outcomes to check for bias	40	32
<input type="checkbox"/> Develop dedicated strategies for underrepresented groups	27	22

Examples of de-biasing in action

Independent Electricity System Operator—Calibration meeting for performance evaluation

The IESO implemented a rigorous multi-level calibration process to remove biases in its annual performance evaluation process. This process ensures that each employee is assessed not only by their direct supervisor, but that their results are also calibrated across a broader set of people and teams to remove individual biases.

Before the calibration process, managers have one-on-one conversations with their direct reports and complete an assessment form. The calibration process starts by gathering the entire management team from a line of business in a meeting planned and facilitated by the HR business partner. The group begins by assessing all individuals who report to the first-line manager level to ensure that everyone at the table thinks the managers' assessments of their direct reports are fair and consistent. This also increases the visibility of lower-level individuals to the executive leadership.

After this round, the lower-level managers leave the meeting and the remaining group calibrates those managers' performance. After that, the senior managers leave, and the remaining team members calibrate the senior managers' performance. VPs from each line of business then take the calibrated results to the CEO to discuss overall management performance and to identify high-potential candidates for succession planning.

The calibration discussions focus on outlier ratings to make sure the process is fair, comparable, and equitable. All participants need to prepare and provide concrete examples demonstrating the assessed employees' performance.

Canada Pension Plan Investment Board—Bias reminders and live tracker of gender metrics

The CPPIB provides reminders and a live tracker to help teams calibrate performance evaluations. Its calibration document includes such cautions as “Watch out for bias” and “Be ready to be called out”. It also provides specific examples of biased language—e.g., “He or she has never expressed a desire to be promoted”—to help people recognize their biases and call each other on them.

To track and measure gender diversity metrics, the CPPIB provides real-time feedback through a graph that is updated live to show an evaluation's impact for each gender by team, department, and other organizational categories. This real-time tracking increases the evaluators' awareness of gender equity and enables them to calibrate there and then as opposed to measuring the impact after the fact.

Checklist—basic training for an inclusive culture

Training for inclusive culture	Percentage of organizations that offer this
<input type="checkbox"/> Unconscious bias training	52
<input type="checkbox"/> Non-discrimination training	58
<input type="checkbox"/> Fostering an inclusive work environment training	49
<input type="checkbox"/> Managing or working with diverse team training	40

Examples of approaches to fostering inclusive culture

MaRS Discovery District—Leveraging professional actors for respectful workplace training

Leveraging the theatrical elements of live actors can be a creative and highly effective way to engage participants in a mandatory workshop and to build empathy for people who could be negatively affected by inappropriate behaviours.

MaRS Discovery District took this approach when designing its respectful workplace training, using actors to perform a variety of scenes in realistic workplace scenarios, interspersed with participant discussion. These scenes showcased different approaches to responding to inappropriate behaviour, such as sexual harassment and verbal abuse, as well as providing positive examples of the peer-to-peer support and inclusion that MaRS encourages. This training was so successful that MaRS turned these scenes into videos for ongoing use.

Ontario Securities Commission—Top-down and bottom-up approaches to foster inclusivity

The Ontario Securities Commission has gender parity at its executive, management, and professional levels. Although the organization does not have specific gender parity programs and policies, it has successfully adopted two pillars to drive diversity and inclusion: 1) strong leadership accountability and support for diversity and inclusion; and 2) employee-led initiatives that define and shape the organization's culture.

The OSC Executive Team, led by the Chair and CEO, invests in management practices, workplace policies, and professional development programs that reflect a mindset of inclusion. Workplace policies are

developed to reduce barriers for all employees and provide maximum support. The leadership competency model incorporates values-based behaviours into the performance planning and review process. Managers are trained on policies and management practices, including a module on inclusive recruitment, to help eliminate unconscious biases in the hiring process.

Recognizing the vital role employees play in shaping culture, the OSC asked its employees, through surveys, focus groups, and electronic voting at a townhall, to describe organizational values that resonated with them. As a result, “People” became one of OSC’s three core values, defined as: “To get respect, we give it; diversity and inclusion bring out our best; teamwork makes us strong”. This bottom-up approach contributes to an inclusive culture where employees feel safe to communicate what they think, what they need, and what they value.

Our employees share a commitment to the public good that connects them in a special way. We are focusing on building an inclusive and vibrant culture at the OSC, by valuing both people’s individual strengths and the collective achievements of our team.

—Maureen Jensen, Chair and CEO, Ontario Securities Commission

Priorities to prepare the workforce for the future through the lens of gender equality

Our analysis in Chapter 2 shows that gender inequality today could determine women’s prospects in future work. Automation technologies are transforming the world of work across many occupations and sectors. Changes in the labour market could affect both men and women in the near future—8 to 36 percent of men and women employed today may need to transition to new occupational categories and learn new skills to stay in the workforce by 2030.

Women could face more barriers in the transition, given existing gender inequalities. The uneven distribution of unpaid care work, gaps in STEM skills, wage inequity, and cultural and social norms about women’s work could all hinder women’s ability to capture future high-growth opportunities. Determining priorities through the lens of gender equality is crucial to ensure our progress toward parity does not regress.

Preparing women for the future workforce makes good business sense for companies. Robust and strategic workforce training programs could make companies more competitive with a diverse pool of skilled employees geared for future opportunities. Women present a vast and untapped source of talent for many sectors that could face labour and/or skills shortage in the future, such as manufacturing and mining.

Our research recommends three priorities to support women’s transitions to the future workforce.

1. Ensure timely information on future employment opportunities

Access to information about future employment opportunities—including the skills they require and the training and support available—could encourage more women to consider entering high-growth occupations. Canada currently lacks timely and reliable labour market information since data collection is often managed by provincial and territorial governments with a lack of standardized methodology.

The labour market of the future will remain dynamic and jobs in entirely new occupations will be created with the rapid changes in technology. Companies could consider collaborating with governments, employment agencies, educational institutions, and non-profit organizations to identify future employment opportunities and the skills required, as well as guidance on reskilling.

Examples of programs for providing transparency

RBC Upskill™—Discovering unexpected career possibilities

To future-proof Canadian youth and the broader community for the jobs of tomorrow, RBC developed and launched RBC Upskill™, a digital tool to help Canadians explore how their skills can enhance career opportunities in the age of automation while also helping them discover new and unexpected future career possibilities. This free online resource made available by RBC Future Launch, builds upon RBC's 2018 *Humans Wanted* research report that examines how Canadian youth can thrive in the age of digital disruption. The report assessed 20,000 skills rankings across 300 occupations to determine the extent to which jobs will be impacted by automation. While the impact will be significant, RBC anticipates that 2.4 million jobs will be created over the next 4 years.

Individuals can visit the RBC Upskill website and complete a simple 4-step process to help them with career exploration. The process includes an assessment of their core skills, interests, and experience. Once complete, the tool will recommend careers that best match an individual's skills profile. RBC Upskill uses a proprietary algorithm to calibrate the latest Canadian labour market data on job demand, growth, automation, and earning potential, and guides users to job boards to help them identify those jobs. RBC Upskill also provides direct links to additional resources to assist with activities like skills-based résumé writing and effective networking.

Since RBC Upskill was launched in 2018, 134,000 Canadians have visited the site and 29,000 of them have completed the profile from beginning to end. Eighty percent of users that completed a profile are between 15 to 29 years old, which demonstrates a significant interest in understanding the critical skills required by Canadian youth for the jobs of the future.

The report and online tool demonstrate forward-looking actions that leading companies are taking to heighten the general public's awareness about the challenges and opportunities in the age of automation. Such transparency could help individuals assess how vulnerable they are to automation and help them discover future employment opportunities.

RBC Upskill offers a freely accessible tool that provides easy-to-understand, personalized, unbiased information on career possibilities that will help young people build confidence as they navigate their future career prospects. RBC Upskill helps thousands of Canadian youth make informed decisions about their career prospects in an ever-changing world through a new skills-based lens.

—Valerie Chort, VP, RBC Corporate Citizenship

The Brookfield Institute for Innovation + Entrepreneurship—Open data for future labour demand

The Brookfield Institute for Innovation + Entrepreneurship (BII+E) is an independent and non-partisan policy institute dedicated to building a prosperous Canada where everyone has the opportunity to thrive. Launched in 2018, its *Employment in 2030* project explores how broad technological, economic, environmental, and social trends could impact Canada's labour market, as a framework for examining what types of skills and jobs would likely be in demand by 2030. This initiative aims to provide an open database with an occupational and skills-demand forecast that is responsive to changing labour market conditions across Canada. By harnessing new data sources and applying a combination of futures research, expert forecasts, and machine learning algorithms, *Employment in 2030* could help fill critical gaps in Canada's labour market information.

Creating transparency about labour market demand requires a concerted effort from public and private stakeholders. By working with a diverse group of stakeholders, including private corporations, academics, union representatives, and non-profit organizations, the *Employment in 2030* project aims to provide a holistic, detailed, and actionable forecast of skills that will be in demand across Canada in the next 10 to 15 years.

Key levers for building the workforce of the future and consideration for gender equality

Lever	Approaches and examples	Gender considerations
Reskilling existing employees	<ul style="list-style-type: none"> • Create transparency for new skill sets via internal job market • Fund nanodegrees as well as degrees with university partners 	<ul style="list-style-type: none"> • Determine potential barriers women may face in accessing internal job markets and training programs (e.g., organizational culture, access, time constraints, sponsorship)
Upskilling existing employees	<ul style="list-style-type: none"> • Employ short, gamified trainings and “nudge” reminders for just-in-time trainings to encourage employees to own their upskilling journey 	<ul style="list-style-type: none"> • Ensure gamified trainings are user-tested with both male and female employees to ensure rewards and challenges do not include unconscious biases
Retaining employees with scarce skills	<ul style="list-style-type: none"> • Dedicate a digital talent management team responsible for ensuring digital talent’s needs are met 	<ul style="list-style-type: none"> • Hire a diverse digital talent management team to bring an inclusive perspective on talent needs
Centralizing capacity management to allocate scarce skills	<ul style="list-style-type: none"> • Dynamically allocate work using a talent platform tool that cuts across organizational silos 	<ul style="list-style-type: none"> • Analyze work allocation platforms to ensure inclusive distribution of work opportunities across all genders
Reshaping jobs and projects to focus scarce skill sets on key work	<ul style="list-style-type: none"> • Focus senior or key talent on the most difficult tasks (e.g., senior surgeons do critical activities; junior surgeons prepare the patient and close the chest after cardiac surgery) 	<ul style="list-style-type: none"> • Rethink key roles to ensure women are not overwhelmingly represented in support roles and provide step-up training to transition women to more skilled work
Renting-to-acquire individuals	<ul style="list-style-type: none"> • Use hackathons, both to solve a needed product challenge and to identify young digital talent 	<ul style="list-style-type: none"> • Ensure hackathon leadership and participants are gender diverse to encourage a broader perspective for products
Creating and recruiting from new pools of potential hires	<ul style="list-style-type: none"> • Co-fund/create an entire educational institution 	<ul style="list-style-type: none"> • Recruit diverse students to ensure women are well represented
Recruiting for intrinsics and building skills needed	<ul style="list-style-type: none"> • Source talent from community partners in a registered apprenticeship program that provides extensive training to entry-level employees 	<ul style="list-style-type: none"> • Set gender parity goals for apprenticeship programs and ensure female mentors and sponsors are available to support new hires

2. Increase the inclusiveness of reskilling and recruitment practices

Both men and women will need support to develop the skills required in the future. However, structural inequalities embedded in society pose more barriers for women to access training and reskilling programs. For example, the heaviest burden of parenting and elder care continues to fall largely on women, leaving them with limited time for reskilling programs. Flexible and family support programs, designed with women’s unique needs and challenges in mind, could help women balance paid and unpaid work and be able to access reskilling programs.

Skills development and inclusive recruitment practices are both needed to support women’s transitions. Entrenched gender concentration within occupations and sectors could make it difficult for women to transition into roles that are currently dominated by men. Organizations will need to continue to combat unconscious bias in hiring, and broaden the talent pool to consider candidates from alternative training backgrounds. Organizations could also consider co-funding educational programs to cultivate the talent pool.

Examples of programs for reskilling and inclusive recruitment

Palette Inc.—Transitioning mid-career workers into the innovation economy through rapid skilling and job placement

Launched in 2017, Palette Inc. is a national non-profit that was incubated at the Brookfield Institute for Innovation + Entrepreneurship. It serves as an intermediary between the talent demands of fast-growing companies and the supply of mid-career workers whose jobs are at risk of being displaced by automation. Through a combination of rapid and intensive skilling programs and job placements with partnering employers, Palette equips individuals with the skills and work experiences required to enter a new field and derisks the hiring process for the employers.

Palette recently launched its first pilot program in Toronto, focused on upskilling retail sales workers for B2B tech sales roles. It is currently working with 10 fast-growing technology companies in need of sales talent, with the goal of training 60 mid-career workers in the next 12 months. Palette's vision is to eventually scale across Canada, running upskilling programs that support more than 10,000 workers a year.

In the age of automation, cross-occupational transition could be particularly challenging for individuals who have been in the workforce for a long time. Networks, comparable experience, and referrals become increasingly important the longer an employee stays in the workforce, making it more difficult for mid-career workers to navigate the cross-sectoral transition. Palette's demand-driven approach helps pinpoint the exact skills required by the hiring employers. Coupled with targeted training and job placement, the solution could remove additional barriers for individuals seeking to transition into a new occupation or sector.

For many fast growing, innovation-focused companies, the challenge of finding skilled talent is so dire that it is forcing them to rethink their traditional assumptions about what kind of education, background or experience someone needs to be the right fit for the job. Many employers are forward thinking enough to recognize the value of diversity inherently, but even the laggards are now being forced by the business need to think differently about talent.

—AJ Tibando, Executive Director, Palette Inc.

Internationally Educated Engineer Bridging Program—Broadening the talent scope through on-the-job training and assessment

The Immigrant Services Association of Nova Scotia launched the IEE Bridging Program as a collaboration between private employers and government. This work-based competency assessment program offers employers the chance to hire engineers educated outside Canada for a 12-week work placement program at no cost to the employer. The program provides engineers with valuable Canadian work experience, local references, and the possibility of a full-time position following the work placement. Employers benefit from a low-risk opportunity to assess employee competencies.

Immigrants contribute a significant supply of university graduates educated in STEM. In 2011, 23 percent of university-educated immigrant women aged 25 to 34 had STEM degrees, compared to 13 percent of their Canadian-born counterparts. Many immigrants have exceptional experience and education—yet finding work in Canada remains challenging.⁴⁹ The devaluation of foreign credentials, the lack of Canadian experience and social support, and cultural barriers are all factors that could hinder their ability to enter the workforce.

The IEE program highlights how companies could work with government organizations to provide on-the-job opportunities for a broader group of candidates looking to reskill and enter the workforce. This type of program could encourage employers to take on employees who could otherwise face additional barriers to finding employment that matches their skills.

IBM “New Collar” jobs—Reimagining qualifications by prioritizing skills over degrees

IBM’s New Collar jobs is an innovative way of thinking about the skills required to do the jobs of the future. New collar jobs are a combination of “white collar” jobs requiring formal education and “blue collar” jobs that focus on vocational and on-the-job training. Although new collar jobs require technical skills—such as data science, cloud computing, and artificial intelligence—as well as education, they do not necessarily require a 4-year degree.

The New Collar initiative includes apprenticeship programs and training to help candidates develop the skills necessary to do the job. Digital credentials received through online courses and hackathons give individuals the flexibility to gain new skills through a variety of learning platforms. IBM’s job postings also reflect its New Collar philosophy with a variety of development-focused internships and training-supported full-time positions.

While reskilling is critical for preparing employees for future jobs, it is equally important that companies adopt inclusive recruitment practices to redefine qualifications and broaden the talent pool by attracting and training candidates with non-traditional career and education backgrounds. Without inclusive recruitment practices, reskilling alone could not move the needle on workforce transition.

3. Level the playing field for women in technology

Increasing women’s participation and visibility in technology is crucial, as is providing capital support to women entrepreneurs. Not only would this help them become technology creators, it would also serve to make technologies more inclusive.

Research shows that nearly 90 percent of investment deals by Canadian venture capital funds went to companies founded exclusively by men in the past 5 years. Without female partners, VC firms are also less likely to invest in female-led companies.⁵⁰ However, startup teams with at least one female founder have been shown to outperform all-male founder teams, and they are more likely to have higher financial returns and be among the fastest growing companies.⁵¹

To level the playing field for women entrepreneurs, public and private organizations must address the funding gap women face. StandUp Ventures is an example of leading investors working toward levelling the playing field for women entrepreneurs in technology. StandUp Ventures supports the capital needs of Canadian, women-led businesses during the pre-seed and seed stages. The organization’s purpose is to invest in seed-stage companies with at least one woman in a C-level leadership position and an equitable amount of ownership.

The fund invests across sectors and was launched in May 2017 with BDC Capital as its anchor investor. In May 2019, the fund received a total of \$18 million in commitments from new investors including CIBC, EDC, Northleaf, RBC, and Vancity. Providing capital support tailored to women not only is a good move for advancing gender equality in society but also makes business sense. Women entrepreneurs could also ensure that women’s perspectives are being considered in the innovation process to safeguard against unconscious bias in emerging technologies.

Journey of transformation

Many leading organizations used “journey” to describe their story of making strides on gender diversity and inclusion. The journey often begins with a strong commitment from the CEO and leadership, and involves a lot of trial and error and continuous improvement. One thing that all best-in-class organizations demonstrate is that their transformation touches every dimension in our gender parity roadmap.

In the following pages, we share a few journeys to illustrate how all five dimensions are at play in these organizations and what it takes to embark on a journey of transforming women’s representation and lived experiences in the workplace.

All of the Canadian examples were selected because their organization performed in the top quartile in their respective industry based on our talent pipeline analysis of 94 organizations.

IKEA

IKEA offers well-designed, functional, and affordable high-quality home furnishing, produced with care for people and the environment. There are several companies with different owners working under the IKEA brand, all sharing the same vision: “To create a better everyday life for the many people”.

Ingka Group (formerly IKEA Group) is one of 11 groups of companies that own and operate IKEA sales channels.¹ It is a strategic partner in the IKEA franchise system, owning and operating 370 IKEA stores and digital touchpoints in 30 markets; it employs 160,000 workers. In 2018, 830 million people visited IKEA stores and 2.35 billion visited its website www.IKEA.com. Gender diversity and equality are strongly connected to IKEA’s humanistic culture and values, and its vision. In 2000, when Ingka Group began exploring how to improve its gender balance, the company’s infrastructure was not fully inclusive for women and men. Since then, Ingka Group has made good progress, creating a gender-balanced workplace that has a 49 percent representation of women at the executive level. Similarly, IKEA Retail Canada has achieved gender balance, with women representing 52 percent of overall employees and 51 percent of leadership. Going forward, its focus will be to ensure that gender balance also gets translated across functions.

Setting a clear goal while empowering the organization

In 2012, Ingka Group set a goal to achieve 50/50 gender representation at all levels of the organization. Its only top-down mandate was that organizations in all countries in which it operates achieve an equal representation of men and women across their workforces, and equal pay for both. Recognizing that countries differ, the Group empowered its organizations to develop and implement programs that best suited their country’s culture and mores. This decentralized process is supported by IKEA’s Women Open Network, which is a forum for all global leaders to connect. Eighty leaders from around the world meet every 6 weeks, either virtually or in-person, and for 3-day workshops once a year to share their experiences and successes.

Decentralization to adapt the global strategy to local realities

Throughout its journey, Ingka Group has encouraged countries to develop initiatives that support the unique challenges in their respective geographies and functions. For example, when IKEA Retail India realized that after women had children, many did not return to work for lack of childcare, it introduced on-site childcare and part-time work arrangements. It also provided transportation for women when they worked at night. (The law prohibits companies from having women work at night unless they ensure their safety.) Believing that gender equality starts in the home, IKEA Retail India also introduced a 6-month paternity leave. Such actions were designed to support all employees irrespective of their gender. In some European countries, where domestic violence is prevalent, IKEA offers programs and partnerships to safeguard employees. In IKEA Retail China, where women make up the majority of IKEA’s workforce, the company is now trying to attract more men by changing their perception of retail as a women’s field. IKEA Retail Canada is currently part of the Canadian Private Sector Gender Equality Leadership Project to create a certification methodology and a blueprint for gender equality that can be applied by all Canadian companies. To a large extent, IKEA’s progress toward gender parity is attributable to its effort to understand the root causes of gender inequality in different countries.

Inclusion is everyone’s responsibility—a common effort for all

While IKEA is committed to gender diversity and ranks it a priority, it believes diversity and inclusion are everyone’s responsibility. It expects employees to speak up for themselves and their co-workers and not always wait for the leadership to fix a gender diversity problem. To supplement employees’ actions, Ingka Group has set up an Equality, Diversity & Inclusion (ED&I) network of ambassadors to boost inclusivity and make it a reality.

We will not fix women to fit the existing system. We will look at the individuals and see what we need to do to support them. To drive gender diversity and inclusion globally, we leverage 4 change drivers: 1) connecting gender equality to our humanistic culture and values and the why behind our efforts; 2) decentralizing our actions so that countries can adapt the global strategy to their local reality; 3) building an Equality, Diversity & Inclusion (ED&I) network of ambassadors that are helping make our strategy inclusive and close to reality; 4) advocating the belief that inclusion is everyone’s responsibility—a common effort for all.

—Sari Brody, Global Equality, Diversity and Inclusion Manager, Ingka Group

1. Ingka Group—Ingka Holding B.V., which includes its controlled entities, is one of 11 different groups of companies that own and operate IKEA sales channels under franchise agreements with Inter IKEA Systems B.V. Ingka Group has three business areas: IKEA Retail, Ingka Investments, and Ingka Centres.

The ALDO Group

Founded in Montreal in 1972, the ALDO Group is a global retailer employing a workforce of more than 20,000 associates worldwide. It has made diversity and inclusion (D&I) a pillar of its culture-purpose strategy. The company's customer base is largely female, and women make up 69 percent of its global workforce. The company is currently focusing on improving gender parity across its senior leadership positions.

Looking ahead, the ALDO Group's path includes consciously de-biasing all recruiting and talent processes through training, workshops, networking groups, work-life integration initiatives, as well as regular, transparent reports on results. In 2016, women held 44 percent of ALDO Group's leadership positions from director up; today, women hold 51 percent of these positions.

Public gender diversity dashboard

In 2017, when two external studies revealed that some women associates had the perception that their opportunities for advancement were limited, the company launched gender diversity initiatives to communicate the representation of women in leadership positions and create an inclusive culture for all its associates. These initiatives included annually tracking gender representation at all levels and publishing the data on the company's CSR website. In making the data public, the company wanted all its stakeholders to understand that improving gender diversity was a company-wide commitment that the ALDO Group was prepared to pursue indefinitely. In the 2 years since it launched gender diversity programs, 20 percent more women believe the company is sincerely committed to gender diversity, and more women report that gender has less impact on their career advancement.

Women leadership development initiatives

In 2017, the ALDO Group launched Connection—a female leadership seminar series—for women at and above the senior manager level. The program brings women leaders together twice a year to network and share success stories, experiences, and tips on career advancement. The company also invites external guest speakers to share their views on the challenges of various career paths. The ALDO Group is the title sponsor of the Two Ten Women in Footwear Industry (WIFI) program. In 2019, jointly with WIFI, the company will launch a female mentorship program that will connect women across ALDO Group with women working in North America's footwear industry.

Structural initiatives to support work-life integration

Over the years, the ALDO Group has developed a variety of work-life integration initiatives and practices to support inclusion and diversity across the company. Initiatives include:

- Summer Fridays that allow associates to spend time with their children or pursue personal interests
- Flex hours with clearly defined core working hours, and the option to work from home one day per week if job function permits
- Subsidized daycare close to the head office
- On-site gym and wellness experts
- Mindfulness and stress-management classes
- Nutritionist-approved homemade meals prepared daily and fresh take-out meals
- Massage, reflexology and osteopathy services
- Access to on-site eye exams and vaccinations throughout the year
- Haircut and beard grooming services
- Other perks and services such as: dry cleaning, carwash and seasonal tire change.

Our commitment to gender diversity and female leadership is directly linked to our purpose—it makes our workplace thrive.

—David Bensadoun, CEO, The ALDO Group

Canada Mortgage and Housing Corporation

Canada Mortgage and Housing Corporation (CMHC) is Canada's national housing agency. Its mission is to ensure that, by 2030, everyone in Canada has a home that they can afford and that meets their needs. As the employer of more than 1,900 people, CMHC strives to build a vibrant and inclusive workplace that reflects the broad population they serve. As a result, CMHC has been regularly recognized as one of "Canada's Best Diversity Employers" by *Canada's Top 100 Employers* project, an annual, national competition that The Globe and Mail publicizes in a special magazine feature.

CEO commitment as a driving force of change

The arrival of new CEO Evan Siddall in 2014 marked a turning point for diversity and inclusion (D&I) at CMHC. During his tenure, D&I has become a strategic imperative critical to business performance, not simply a compliance issue, as traditionally viewed. This new way of thinking has cascaded throughout the organization and is now entrenched in the company's mission.

Impact of people analytics

All of CMHC's initiatives and interventions are data driven. To achieve this, the company has strengthened its people analytics capabilities and developed a Diversity Index based on surveys of its workforce that poll dimensions such as gender, language, belief systems, education, and other factors. The index measures how much each dimension of two randomly-selected individuals differ. Eighty-five percent of CMHC's employees participated in the 2017 survey. CMHC scored 71 percent in the Diversity Index, which means it is at 71 percent of achieving equal representation in each diversity dimension measured. In 2018, CMHC created an Inclusion Index to better understand the dynamics of inclusion and group-based marginality.

Targeted interventions

CMHC uses all of the data it collects to inform its D&I strategy and create targeted interventions to address pain points. CMHC's transition to a Results-Only Work Environment™ (ROWE) is a holistic example of this. ROWE is a work methodology that gives employees autonomy over their work and makes them accountable for results. It allows employees to choose when and where they work and encourages them to think about work in terms of results. In turn, ROWE asks leaders to think less about managing people and time and more about coaching for higher performance. Essentially, ROWE shifts work from "where" and "when" to "what". This shift helps employees achieve better work-life integration.

Tracking to achieve the intended impact

CMHC tracks the progress of D&I initiatives to ensure its efforts are having their intended impact. It uses surveys, such as its Pulse Check, Innovation, and Mental Health surveys, to monitor behavioural processes. It also applies specific metrics for gender and feeder groups to monitor workforce flow, including the percentage of promotions and the percentage of employees fast-tracked for promotions. In addition, CMHC uses an HR dashboard to ensure its workforce diversity always reflects Canada's population.

CMHC is pleased that its focus on diversity and inclusion has improved the well-being of its workforce, and at the same time, delivered better business results. In 2018, CMHC received the Women in Governance's Parity Certification in recognition of its high representation of women both in senior management positions, and in positions where women have historically been underrepresented.

This certification attests to our company's parity in leadership roles and recognizes our commitment to enabling women at all levels of the organization to achieve career advancement and to creating a pipeline of future female leaders.

—Christina Haddad, VP of Public Affairs, Canada Mortgage and Housing Corporation

Canada Pension Plan Investment Board

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan to pay current benefits in the best interests of 20 million contributors and beneficiaries.

Employing more than 1,600 people, CPPIB is also a leader in gender parity and inclusiveness. CPPIB established a target that by 2020, it would achieve gender parity for all new hires to the organization, an objective it achieved in the fall of 2018, one year ahead of schedule. Additionally, the representation of women investment professionals grew from 26 percent to 35 percent between 2016 and 2019. Its senior management team comprises 36 percent women, and the overall representation of women throughout the organization is 45 percent. As an investor, CPPIB believes board effectiveness is essential to long-term value creation and companies with diverse boards are more likely to achieve superior financial performance. As such, CPPIB regularly evaluates opportunities to work with its portfolio companies on issues about board diversity and composition.

Accountability and goal setting

Having achieved gender parity in hiring across its workforce, CPPIB is now focusing on the representation of women in leadership roles, improving the effectiveness of its apprenticeship model, and building a diverse and inclusive culture. Its gender parity goals are premised on a business case that shows diversified teams generate better risk-adjusted returns. Alongside performance, it ties its diverse representation goals to compensation.

Since it's equally important to de-bias processes as it is to de-bias people, in fiscal 2020 CPPIB will audit the end-to-end talent life cycle to uncover potential biases in the system. Currently, teams track the distribution of promotions and year-end performance ratings in real time, flag imbalances, and examine the processes for biases.

CEO and leadership team commitment and business case integration

The CEO's commitment to gender parity and inclusion are evident in many areas. Externally, as part of its 2019 Proxy Voting Principles and Guidelines, CPPIB votes against the board nominating committee chairs of all global companies it invests in if the committees nominate no female directors. In addition, through proactive engagement, CPPIB works with its portfolio companies to develop robust processes for selecting directors and ensuring these companies maintain an appropriate board composition over time.

With women comprising 22 percent of the board directors of major, listed company boards, CPPIB's actions are making a difference. For example, in 2017, CPPIB voted against the chair of the nominating committee at 45 Canadian company shareholder meetings that had no female directors. A year later, almost half of these companies had at least one woman on the board.

Structural interventions to create cultural change

CPPIB is shaping the mindsets and behaviours of its organizational culture by calling out unconscious language biases and using real-time feedback on the gender distribution of hiring and promotions. In doing so, CPPIB minimizes the need to analyze hiring and promotion results for bias after the fact. Other structural changes include using uniform questions during the hiring process, using panels and multiple interviews for more in-depth perspectives on candidates, and avoiding issues on shared experiences that may exclude certain genders or minority groups.

Internally, CPPIB places a strong emphasis on de-biasing the hiring and promotions process and creating an inclusive culture and a workplace that is fair, equitable, and welcoming for women and all employees at all levels of the organization.

Externally, CPPIB promotes its belief that companies with gender-diverse boards are more likely to achieve superior financial performance over the long-term, and it has taken substantial and meaningful steps to increase the representation of women on boards across their portfolio companies.

Becoming an inclusive leader requires the adoption of a growth mindset coupled with humility: the acceptance that we don't have all the answers, that we're not perfect, that we all need help. Such adoption will allow everyone—men and women—to learn from the unique experiences and capabilities that diversity fosters. I believe that this is what we need to move forward and drive innovative results.

—Frank Ieraci, Managing Director, Head of Research and Portfolio Strategy, Active Equities, Canada Pension Plan Investment Board

Dentons

Dentons is a leading global law firm with 175 offices across 78 countries. In Canada, Dentons employs more than 500 lawyers and professionals across Canada's six economic centres—Calgary, Edmonton, Montreal, Ottawa, Toronto, and Vancouver. Gender diversity has been a priority at Dentons for more than a decade, during which Chris Pinnington, its CEO from 2009 to 2017, laid the groundwork that current CEO Beth Wilson is building on.

Baselining, target setting, and accountability as the foundation for change

The firm has embraced diversity and inclusion as core values since 2005. Recognizing that accountability sits with senior leadership, in 2009, Chris Pinnington made diversity and inclusion a formal part of his mandate as CEO. To set a baseline for gender diversity initiatives, Dentons has collected diversity metrics and conducted diversity engagement surveys since 2011. It is one of the first law firms to do so. Two years later, it followed with a formal Statement of Commitment to diversity and inclusion. Dentons signed on to the Catalyst Accord in 2013, a call to action for Canadian businesses to commit to increasing the representation of women on boards and in executive positions by 2017.

Exceeding targets to increase gender parity on boards

Upon signing the Catalyst Accord, Dentons instituted a new nominating process designed to identify women candidates for its Board and other elected leadership positions. This initiative aimed to ensure a diverse slate of candidates for election, recognizing that women may be less likely to self-select than their male counterparts. The effort had a significant impact: women made up 20 percent of Board positions by 2015, including two of three Canadian positions on the Dentons Global Board. By 2016, female representation had reached 50 percent. Following achievement of the initial Catalyst target, Dentons re-committed to the Catalyst 2022 target of women holding 30 percent of board seats and has already exceeded this target, with women now accounting for 45 percent of Dentons' Canada Board. The firm will continue to drive gender parity internally until 40 percent of its partners, as well as those in key leadership positions, are women.

Structural interventions to support women's career progression

To increase the number of women partners, Dentons addressed the unique barriers to partnership that women face. This included introducing "Dentons' Career Playbook," a framework to help its lawyers tailor their career paths, identify paths to partnership and other internal roles, as well as opportunities outside Dentons. It also launched WomenLEAD and the "Preparing for Rain" program, aimed at helping women cultivate client relationships. These initiatives help the firm's lawyers build satisfying and rewarding careers, while they serve their clients' needs and pursue their personal and professional goals. As of April 2019, women represented 30 percent of Dentons' partners in Canada.

While Dentons has seen significant progress in developing an inclusive culture across its offices in Canada, it knows that to sustain its achievements, it must ensure that gender diversity and gender inclusivity remain top priorities. Its push for ever higher accountability targets sets Dentons apart as a leader in gender diversity and sparks innovative ideas that could make a real difference in women's careers.

Diversity and inclusion are driving principles underlying our business and talent strategy at Dentons Canada. Our focus on inclusion has led to changes in our decisions, initiatives and processes throughout the organization in order to move the dial. We're proud of what we have achieved so far, but there is still plenty of work to do. We are excited as an organization to set increasingly higher goals that will ultimately make our business stronger through inclusion.

—Beth Wilson, Canada Chief Executive Officer, Dentons

TC Transcontinental

TC Transcontinental is a leader in the North American flexible packaging industry, Canada's largest printer, and a leader in its specialty media segments. Transcontinental Inc., known as TC Transcontinental, has more than 9,000 employees, the majority of which are based in Canada, the United States, and Latin America. It outperforms many industry peers in gender diversity, with a higher proportion of women in its overall workforce, including senior leadership positions. TC Transcontinental began to address diversity and inclusion 6 years ago and views them as executive priorities to this day. To reinforce their top priority status, Chair of the Board Isabelle Marcoux and President and CEO François Olivier frequently report on the company's progress on these issues. And, to underscore their importance, the CEO is the company's role model for diversity and inclusion and responsible for making the leadership accountable for making them a reality. Targets for 2019 to 2021 include:

- Ensuring at least 30 percent female representation on the Board of Directors
- Having at least three women on the Executive Management Committee
- Reaching 30 percent representation of women in executive and management positions.

The leadership's commitment to diversity and inclusion

TC Transcontinental's Chair of the Board, Isabelle Marcoux, and its President and CEO François Olivier, regularly remind employees of the company's commitment to diversity and inclusion as a top priority. To keep all stakeholders well informed, their updates are posted on the company's intranet and website and reinforced in the employee newsletter and public reports. The Chair's and CEO's diversity and inclusion messages emphasize the following beliefs: 1) Gender diversity is a business imperative that leads to stronger business results, improved financial performance, and better talent retention; and 2) Diversity and inclusion are integral to TC Transcontinental's culture and values, and essential to its continued growth and global expansion.

Over the past 6 years, TC Transcontinental has completed four major phases of its gender diversity journey.

1. In 2013, it launched several programs in one of its divisions that ignited a company-wide interest in diversity and inclusion.
2. It developed a corporate-wide gender diversity policy and scaled the different gender diversity initiatives across the organization.
3. It formalized a gender diversity strategy and integrated it into the company's processes for talent onboarding, performance reviews, and exit interviews.
4. It created a long-term strategy based on priorities identified in a survey of its top 120 female leaders that recommended offering women tailored, leadership development programs, embedding gender diversity and inclusiveness in recruitment and talent management, and fostering an inclusive environment by creating the conditions to support gender balance.

Data-driven approach to intervention design

Since 2013, TC Transcontinental has taken a data-driven approach to experimenting, measuring, and integrating the myriad efforts aimed at increasing gender diversity and fostering inclusion across all levels. With a 77 percent response rate to the survey of its top 120 women leaders, TC Transcontinental gained reliable insights into productive practices and a better understanding of the impact barriers have on women in the workforce. The findings helped shape the company's gender diversity strategy and design customized interventions. They also provided valuable data on biases and inclusion training, and women's views on professional development and networking, as well as on emergency childcare services, coaching, and mentoring.

By examining its talent pipeline, TC Transcontinental was able to pinpoint choke points in its current process for promoting women to management and senior leadership positions. This led to the development of a transparent process that encompassed setting targets, measuring results, and holding leaders accountable for advancing the company's gender diversity and inclusion efforts.

In the past 5 years, TC Transcontinental has increased women's representation on the Board of Directors from four to five, equalling approximately 40 percent as of 2019. Both the Human Resources Compensation and the Audit Committees have reached gender parity. The Human Resources Compensation Committee has been led by a woman for the past 3 years and, since February 2019, TC Transcontinental's Lead Director has been a woman. Looking forward, TC Transcontinental's gender diversity and inclusion initiatives have expanded from implementing goal-specific programs to creating a company-wide inclusive environment marked by holistic human resources processes.

For me, the pursuit of gender diversity is both a personal belief and aspiration, as well as a business imperative for success in our future. Inclusion is part of TC Transcontinental's values and DNA. Women's unique strengths and differences, which shape their perspectives and leadership, can lead us to better business performance. I am committed to ensuring the development and advancement of women into leadership roles. By leveraging the power of our talented women, we will become a stronger company.

—Isabelle Marcoux, Chair of the Board, TC Transcontinental

Vancity

Vancouver City Savings Credit Union, commonly referred to as Vancity, is a member-owned financial co-operative headquartered in Vancouver, British Columbia, employing more than 2,800 people. Vancity has a long history of advancing gender equality in both the communities it serves and its workplace.

Its first loan after its founding in 1946 was to a woman and, in the 1960s, it was one of few financial institutions that would provide mortgages to women without a male co-signer. Diversity and inclusion are considered part of the cultural DNA at the organization.

Structural flexibility as an enabler for various working needs

Vancity encourages employees to work with their managers to develop flexible work schedules. Flexible work options include a compressed 35-hour work week, reduced work week, flex time, part-time, job sharing, or on-call arrangements. Employees also have the flexibility to allocate “flex credits” to different benefits based on their unique needs. In addition, Vancity offers top-up payments for maternity and parental leave equaling up to 85 percent of pay regardless if an employee chooses a 12-month or 18-month leave. These structural changes allow employees, both men and women, to participate effectively in the workforce while achieving their personal needs.

Combating bias in society and at work

Vancity believes in the social and moral imperative of advancing gender equality and has a long history of supporting issues that affect women. For example, to combat systematic bias that made it difficult for women to borrow money, in the 1990s, Vancity founded an advisory council for women that focused on single mothers who wanted to borrow money but could not meet the standard lending ratios. Using a new process to review women’s rejected loan applications, Vancity approved 10 percent of the rejected loans. Vancity also advocates for the co-operative movement by investing in co-operative housing and working with partners to bridge gaps in data about co-ops. This helps break bias about the co-operative model to address systemic challenges like housing affordability and food security.

Ninety-three percent of Vancity’s employees have completed its training program to combat unconscious bias in the workplace. The training program provides a framework to help employees recognize and call out bias. The framework also covers onboarding new hires, management and operational training, as well as business decision-making processes. For the hiring process, the recruitment team recommends forming diverse panels made up of employees of different genders and cultural backgrounds, varied abilities, and from multiple business units. It also trains retail lenders and credit adjudicators to deepen their understanding of members’ needs through scenarios on empathy and bias, along with training in risk-mitigation tactics.

Being inclusive and transparent is part of Vancity’s cultural DNA, and it has demonstrated this commitment through clear actions and initiatives both within and beyond the organization over the past few decades. The commitment and persistent action have led to substantial progress. In 1986, male branch managers outnumbered women branch managers by four to one. By 1992, Vancity achieved gender parity in this group. Today, women make up 78 percent of elected board of directors, 71 percent of the executive leadership team, 50 percent of directors, 64 percent of managers, and 65 percent of all other employees. Targets and transparency matter.

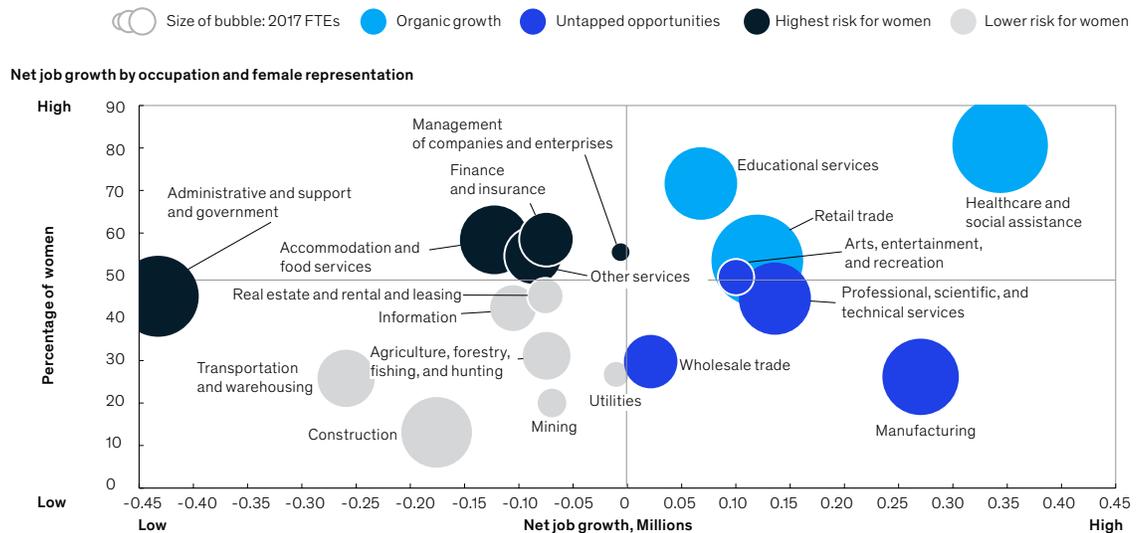
We look beyond our walls to create a multiplier effect in supporting other organizations to create full economic participation of women in our communities. It is about creating a societal DNA of diversity and inclusion.

—Petra Kuret, Senior Vice President, Vancity

Appendix

Four archetypes of sectoral interventions

Exhibit 30



Source: MGI analysis; Canada NOC 2016; ILO 2017

1. Sectors that could provide organic employment opportunities for women.

Women currently hold more than half the jobs in the sectors named in Exhibit 30—healthcare and social assistance, retail trade, and education services—that could see net job growth by 2030. Assuming women maintain their current share, they could be well positioned to capture opportunities in these sectors. However, even though women predominate in these sectors, gender inequality persists across these occupations.

To alleviate this, companies could focus on closing the gender wage gap, increasing women’s representation in leadership positions, and reducing gender norms in occupations, such as nurses and social workers.

2. Sectors that could offer women numerous untapped opportunities.

Manufacturing; professional, scientific, and technical services; wholesale trade; arts, entertainment, and recreation are among the sectors women could consider. Unfortunately, women are underrepresented in these high-growth sectors. This could be remedied by removing barriers to girls and women entering STEM fields, reducing discrimination in hiring, and changing the cultural and social norms of male-dominated occupations.

3. Sectors where women could be most at risk for automation.

These include finance and insurance; accommodation and food services; administrative, support, and government; and other services.

As women are historically well represented in sectors that are vulnerable to future net jobs losses, interventions should focus on transitioning these women to growth sectors and providing them with the information they need to choose employment opportunities and reskilling programs that best suit their interests and circumstances.

4. Sectors where women could be less at risk for automation given their lower representation.

These include real estate, rental, and leasing; agriculture, forestry, fishing, and hunting; transportation and warehousing; construction; mining; and utilities. As women are historically underrepresented in these sectors, they could experience fewer job losses in these sectors.

Healthcare and social assistance

Demand for healthcare is expected to grow significantly as Canada's population ages. Digital trends—big data that enable real-time analysis of care methods; automation that improves patient experience, clinical outcomes, and provider efficiency—could increase demand for technological skills and occupations like software developers. In fact, demand for care providers, customer interaction personnel, and professionals will continue to grow as their work is less susceptible to automation. Healthcare is one of the few sectors that will likely continue to need physical and manual skills, such as gross motor skills and strength for elder care and physical therapy, fine motor skills for registered nurses who insert IVs, as well as from surgeons and other doctors.

Even though women are well represented in healthcare, gender inequities persist, ranging from gender stereotypes associated with nursing roles, wage gaps across and within specialities and occupations, sexual assault and harassment, challenges to career advancement, and unconscious bias in the workplace. Despite the promise of future labour demand and job growth for women in healthcare, it is imperative to advance gender equality across and within healthcare occupations today. Our scenario shows that despite being overrepresented in most healthcare occupations that could see net job growth, women are still underrepresented in the two healthcare occupations that pay the highest average wage.

Healthcare and social assistance

X% <50%

Top occupations ranked by total net job change	Share of women 2017, Percent	Net job change 2017-2030 FTEs	Average wage 2015 ¹	Educational level
Nursing assistants	87	93,637	\$29,839	Secondary
Nurse anesthetists	92	69,400	\$60,458	Advanced
Childcare workers	97	33,257	\$20,284	Secondary
Licensed practical and licensed vocational nurses	91	32,417	\$41,003	Associate
Preschool teachers, except special education	97	17,826	\$24,079	Associate
Massage therapists	81	16,345	\$18,993	Associate
Personal care aides	91	15,949	\$28,892	Secondary
Anesthesiologists	39	10,638	\$113,628	Advanced
Internists, general	47	9,344	\$84,131	Advanced
Personal care and service workers, all other	89	8,524	\$25,160	Secondary

1. Real average wage in 2015 at 2010 base, CAD

Source: Canada NOC 2016; ILO 2017; McKinsey Global Institute; Statistics Canada; World Bank

Manufacturing

At the beginning of the 20th century, equal proportions of women and men, 32 percent and 31 percent respectively, were employed in manual blue-collar sectors, such as manufacturing, construction, labour, and transportation.⁵² However, a large proportion of women left manufacturing in the next few decades and transitioned to clerical work, which offered higher wages than manufacturing work at that time. The gender divide between men and women in manufacturing has remained evident ever since.

Today, manufacturing continues to be the cornerstone of Canada's economy, contributing more than 10 percent of Canada's total GDP and representing 68 percent of all of Canada's merchandise exports.⁵³ However, the sector now faces a skills shortage that could grow as the population ages. A survey by Canadian Manufacturers & Exporters (CME) in 2016⁵⁴ found that nearly 40 percent of businesses currently face labour and/or skills shortages, and 60 percent anticipated such shortages within the next 5 years. Women make up 48 percent of total employment today, yet they represent only 28 percent of the manufacturing workforce. Automation and AI technologies, such as advanced analytics, predictive maintenance, and increased collaboration between humans and machines, will continue to disrupt the sector. As a result, labour and skills shortages could widen in future, making a compelling case for increasing gender parity in the sector.

Occupations that require physical and manual skills are most prone to automation that would disproportionately impact men. At the same time, manufacturing office support functions, like administration, could see declines for women as they occupy most of these roles. Our scenario shows women are relatively better positioned to capture opportunities in professional occupations, like business operations specialist (e.g., sales representatives and accountants), leaving women underrepresented in managerial and supervisory roles. Mechanical engineers could see the highest net growth.

Manufacturing

X% <50%

Top occupations ranked by total net job change	Share of women 2017, Percent	Net job change 2017-2030 FTEs	Average wage 2015 ¹	Educational level
Industrial production managers	19	28,124	\$93,972	College
First-line supervisors of production and operating workers	19	26,045	\$69,564	Secondary
Inspectors, testers, sorters, samplers, and weighers	24	11,610	\$43,505	Secondary
Refuse and recyclable material collectors	38	10,690	\$26,867	Secondary
Business operations specialists, all other	38	8,034	\$58,825	Associate
Purchasing agents, except wholesale, retail, and farm products	46	7,562	\$52,118	College
Mechanical engineers	10	7,495	\$84,904	College
Accountants and auditors	57	7,256	\$69,298	College
Riggers	2	6,609	\$67,402	Secondary
Chief executives	15	6,483	\$173,876	Advanced

1. Real average wage in 2015 at 2010 base, CAD

Source: Canada NOC 2016; ILO 2017; McKinsey Global Institute; Statistics Canada; World Bank

Professional, scientific, and technical services

The professional, scientific, and technical (PST) services sector covers occupations that range from legal, accounting, architecture, advertising, to computer systems design. Almost half of Canada's employment in this sector is concentrated in Ontario, with 62 percent of the province's employees located in Toronto.⁵⁵ This geographical concentration could make it more difficult for women in other provinces to enter the sector.

Computer systems design is the dominant subsector within the PST, accounting for 27 percent of the subsector's total employment.⁵⁶ Our scenario shows that occupations in this subsector could see higher growth than others. However, the history of women in computer science occupations is troubling, with women noticeably underrepresented across the subsector. According to Statistics Canada, from 1991 to 2011, university-related science occupations increased 60 percent, but women captured less than a quarter of this increase.⁵⁷ On the bright side, during the same period, immigrant women accounted for more than 55 percent of the growth in female workers in computer science.⁵⁸ Increasing the number of women in STEM programs and providing better employment pathways for immigrant women could further accelerate women's representation in computer-related occupations.

Professional, scientific, and technical services

X% <50%

Top occupations ranked by total net job change	Share of women 2017, Percent	Net job change 2017-2030 FTEs	Average wage 2015 ¹	Educational level
Software developers, applications	14	52,959	\$75,731	College
Software developers, systems software	14	12,537	\$75,731	College
Accountants and auditors	48	10,446	\$69,298	College
Computer programmers	13	9,005	\$65,006	College
Computer occupations, all other	25	8,366	\$68,323	College
Market research analysts and marketing specialists	53	7,768	\$55,879	College
Computer systems analysts	23	7,333	\$71,786	College
Computer and information systems managers	22	6,985	\$101,601	College
Sales representatives, wholesale and manufacturing and technical	27	6,713	\$82,245	College
Management analysts	35	5,873	\$77,495	Advanced

1. Real average wage in 2015 at 2010 base, CAD

Source: Canada NOC 2016; ILO 2017; McKinsey Global Institute; Statistics Canada; World Bank

Retail trade

Retail trade is a key sector in Canada with significant direct and indirect impact on the economy. Women make up 57 percent of this sector's employees. Digital technologies are transforming how retailers interact with their customers by disrupting retailers' operating models and forcing retailers to develop both best-in-class and low-cost practices.

The demand for occupations that require social, emotional, and technological skills could increase. Occupations, such as general and operations managers, sales representatives, and technology professionals, could see the highest growth. Our scenario shows that even though much of cashiers' work can be automated easily, the low wage of this occupation could make automation a less attractive investment proposition for businesses. It could also be among the highest growth retail occupations if the retail sector grows significantly.

Women are well represented in 7 of the top 10 occupations that could see high net job growth. However, they still hold slightly fewer than half the managerial and executive positions; this is reflected in our talent pipeline survey that shows women make up approximately 20 percent of senior leadership positions in retail.

Retail trade

X% <50%

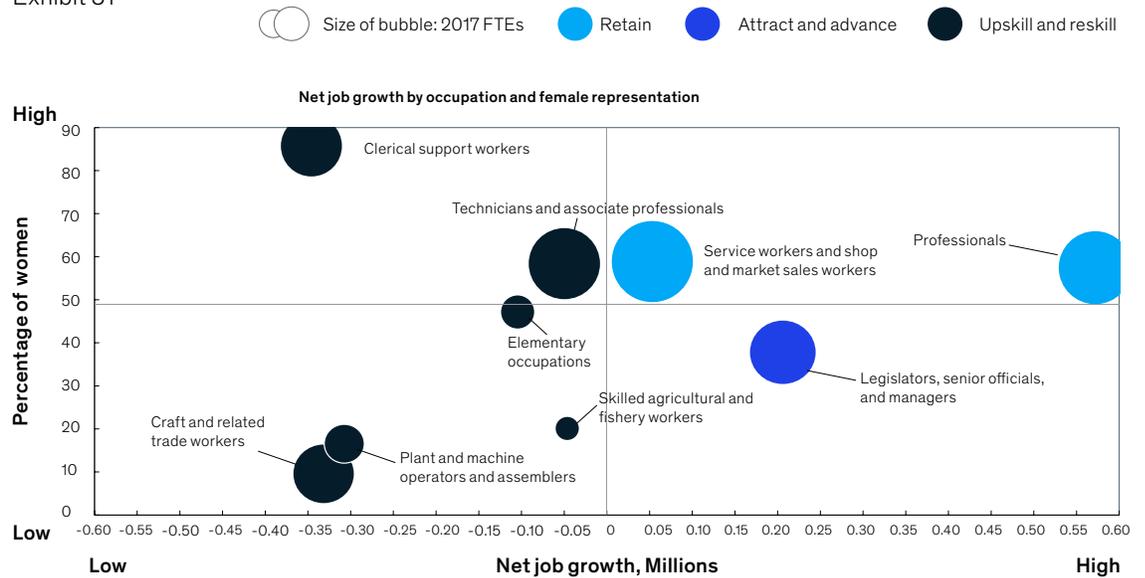
Top occupations ranked by total net job change	Share of women 2017, Percent	Net job change 2017-2030 FTEs	Average wage 2015 ¹	Educational level
General and operations managers	45	45,240	\$90,474	College
Cashiers	83	40,613	\$11,849	Less than secondary
Door-to-door sales workers, news and street vendors	59	31,059	\$22,314	Secondary
Managers, all other	46	18,504	\$68,655	College
Pharmacists	59	14,619	\$79,668	Advanced
Retail salespersons	59	12,719	\$22,119	Secondary
First-line supervisors of retail sales workers	65	10,865	\$32,435	Secondary
Sales and related workers, all other	46	9,006	\$57,196	Secondary
Counter and rental clerks	59	8,439	\$22,220	Less than secondary
Purchasing agents, except wholesale, retail, and farm products	56	6,443	\$52,118	College

1. Real average wage in 2015 at 2010 base, CAD

Source: Canada NOC 2016; ILO 2017; McKinsey Global Institute; Statistics Canada; World Bank

Three approaches to helping women transition to new occupations

Exhibit 31



Source: MGI analysis; Canada NOC 2016; ILO 2017

- 1. Retain women.**
 Given the moderately high representation of women in the occupations noted in Exhibit 31, organizations could focus on retaining female talent and balancing the ratio of men and women within specific occupations (e.g., technology-related occupations). At the same time, through cross-sector mentoring, women could help reskill talent by transferring knowledge and capabilities.
- 2. Attract and advance women.**
 Women are currently underrepresented in management and leadership positions across sectors. Companies could double down on efforts to improve gender diversity across the talent pipeline and remove barriers that hinder women's advancement.
- 3. Upskill and reskill women for new occupations.**
 Targeted upskilling and reskilling approaches are needed to transition women whose jobs could be threatened by automation to other occupations. Companies, governments, and other institutions could work together to identify jobs and skills that are likely to become obsolete and direct women to resources that offer quality upskilling and reskilling programs.

Professionals

Professional occupations are an integral part of Canada's labour force, making up 21 percent of people employed today. The work of professionals, such as engineers, doctors, and teachers, generally requires a university or more advanced education. A higher proportion of women are employed in these occupations than men (21 percent versus 17 percent). Even though women are well represented in the professional services occupation category and account for 59 percent of all professional occupations, more than half of them work in healthcare and education. Only 13 percent of female professionals work in the science and technical sectors, whereas 27 percent of male professionals do so.

This category could see high net job growth by 2030 and women could be well positioned to capture jobs in healthcare and education-related positions, such as nurse anesthetists, preschool teachers, and pharmacists. The fast-growing computer-related occupations could also offer untapped potential to women with the right background. Not only will increasing gender parity in STEM-related occupations enhance women's prospects in the future of work, it will also help address a potential labour shortage. Employment and Social Development Canada identified STEM-related occupations that could face a labour shortage by 2026, all of which employed a high percentage of men in 2016.⁵⁹

Professionals

X% <50%

Top occupations ranked by total net job change	Share of women 2017, Percent	Net job change 2017-2030 FTEs	Average wage 2015 ¹	Educational level
Nurse anesthetists	92	71,845	\$60,458	Advanced
Software developers, applications	16	62,195	\$75,731	College
Accountants and auditors	56	24,690	\$69,298	College
Preschool teachers, except special education	96	20,301	\$24,079	Associate
Special education teachers, kindergarten and elementary school	78	18,900	\$54,461	College
Business operations specialists, all other	55	18,669	\$58,825	Associate
Pharmacists	62	16,084	\$79,668	Advanced
Computer occupations, all other	29	14,470	\$68,323	College
Software developers, systems software	16	13,988	\$75,731	College
Market research analysts and marketing specialists	58	13,533	\$55,879	College

1. Real average wage in 2015 at 2010 base, CAD

Source: Canada NOC 2016; ILO 2017; McKinsey Global Institute; Statistics Canada; World Bank

Legislators, senior officials, and managers

Management occupations, including legislators, senior management, and middle management occupations across sectors, comprise 10 percent of all people employed today. Women make up 38 percent of employees in this occupation category.

As demonstrated in our survey results, women face a range of workplace challenges that often impede their advancement. The management-level gender gap varies by sector. For example, sectors that employ fewer women, such as manufacturing, construction, and utilities, generally have fewer women at the management level as well. In the top 10 occupations that could experience the highest future net job growth, women hold more than half of the jobs in only two occupations—education administrators in elementary and secondary schools, and education administrators in postsecondary schools—both in the education sector.

Improving gender parity in management and leadership roles would unlock more opportunities for women.

Legislators, senior officials, and managers

X% <50%

Top occupations ranked by total net job change	Share of women 2017, Percent	Net job change 2017-2030 FTEs	Average wage 2015 ¹	Educational level
General and operations managers	42	66,489	\$90,474	College
Industrial production managers	19	27,649	\$93,972	College
Managers, all other	43	23,596	\$68,655	College
Construction managers	9	16,050	\$69,268	College
Food service managers	49	14,375	\$36,318	Associate
Sales managers	39	13,784	\$92,320	College
Education administrators, elementary and secondary	60	13,402	\$86,408	Advanced
Marketing managers	39	9,158	\$92,320	College
Computer and information systems managers	25	8,556	\$101,601	College
Education administrators, postsecondary	60	7,900	\$86,408	Advanced

1. Real average wage in 2015 at 2010 base, CAD

Source: Canada NOC 2016; ILO 2017; McKinsey Global Institute; Statistics Canada; World Bank

Clerical support workers

Clerical support work is ubiquitous across all sectors, and women make up 85 percent of this occupation category today. Given the repetitive and routine nature of many clerical tasks, such as data collection and processing, these occupations are highly susceptible to automation. Women predominate in most of the top 10 clerical occupations that could see the highest net job losses. Since occupations that require higher education could see the most growth, clerical workers threatened by automation may need to acquire new skills to transition to other occupations.

Clerical support workers across sectors may be considered low-wage occupations by today's standards but, up to 1951, clerical work was the second highest paid occupational group for women in Canada, only slightly below professional occupations.⁶⁰ The transition from blue-collar sectors, like manufacturing, to clerical occupations was considered an occupational upgrading for women at that time. However, in the following decades, wages for clerical work grew more slowly in comparison to managerial and professional occupations, leading to the sector's lower-wage status today. Helping women clerical workers transition to higher-skilled and higher-wage occupations could improve their economic well-being in the future.

Clerical support workers

X% <50%

Top occupations ranked by total net job change	Share of women 2017, Percent	Net job change 2017-2030 FTEs	Average wage 2015 ¹	Educational level
Bookkeeping, accounting, and auditing clerks	86	-65,407	\$37,900	Associate
Stock clerks and order fillers	35	-40,049	\$16,883	Less than secondary
Brokerage clerks	80	-30,793	\$39,201	Associate
Correspondence clerks	64	-26,479	\$30,820	Secondary
Postal service clerks	75	-21,860	\$30,843	Secondary
Word processors and typists	85	-21,613	\$31,934	Secondary
File clerks	83	-19,039	\$33,578	Secondary
Weighers, measurers, checkers, and samplers, recordkeeping	28	-18,776	\$36,193	Secondary
Billing and posting clerks	84	-16,777	\$38,760	Secondary
Payroll and timekeeping clerks	89	-15,872	\$46,294	Secondary

1. Real average wage in 2015 at 2010 base, CAD

Source: Canada NOC 2016; ILO 2017; McKinsey Global Institute; Statistics Canada; World Bank

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Related MGI and McKinsey research



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