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**Public Sector Practice** 

## Making government an even better place for women to work

Women are better represented in the US public and social sectors than in corporations. But the sectors lag behind in areas that could make it hard to recruit and retain tomorrow's women leaders.

by Nora Gardner, Dani Lucas, Tatenda Mabikacheche, and Megan McConnell



When it comes to women's representation in the US workplace, the public sector continues to have a clear edge over corporations. However, new McKinsey research finds that governmental organizations may struggle to keep leading the way toward gender parity. The latest edition of our annual Women in the Workplace report reveals that the public sector lags private-sector organizations in critical areas that could help curb burnout and attrition among women managers. But there are steps leaders can take to shore up support for women in management roles to ensure the civil services continue to attract and retain the talented women the nation needs.

A joint effort by McKinsey and LeanIn.Org, our 2022 report surveyed more than 40,000 people across more than 300 organizations to find out how women across the identity spectrum are faring in all levels of the workplace.<sup>3</sup> In line with previous years, our latest survey found that women are better represented in public- and social-sector talent pipelines than their private-sector counterparts. But there is still work to be done. While women of color (WOC) are better represented at every level of the public sector compared with private organizations, they still occupy a smaller share of civil-service roles than White women, especially at the midmanager level. And although women are close to or above parity from the entry level to the senior vice president

(SVP) level in the public sector, they remain underrepresented at the top of the talent pipeline, such as in the secretary's or governor's office and in legislature or oversight roles.

Our latest survey showed another troubling trend: the unprecedented burnout rate among women leaders seen in 2021 has continued to worsen, with our latest survey recording the highest rates of attrition for women leaders since the report launched in 2015.4

Even though the public sector has better representation for women compared with the private sector, it underperforms in crucial areas, including setting manager expectations, training managers, and offering career development programs such as mentoring and sponsorship. Failure to deliver on these table stakes policies could be fueling greater burnout and attrition of managers and women at all levels.<sup>5</sup>

In this article, we take a deeper dive into *Women in the Workplace 2022* to examine where the public-sector talent pipeline diverges from that of the private sector. We also explore the opportunities to continue to grow the public and social sectors' position as a front-runner in women's representation in the workforce, with a focus on better supporting managers.

Women in the Workplace 2022, McKinsey and LeanIn.Org, October 18, 2022.

<sup>&</sup>lt;sup>2</sup> Richard Choi, Sameer Chowdhary, Drew Erdmann, and Tim Ward, Bridging the talent gap in state government postpandemic, McKinsey, March 17, 2023.

The survey questions covered multiple themes (such as overall satisfaction, flexibility and remote or hybrid workplaces, advancement, employee well-being, equity and allyship, and household characteristics and responsibilities) as well as demographic questions (such as gender, gender of primary manager, race and ethnicity, age, sexual orientation, role, and family status).

<sup>&</sup>lt;sup>4</sup> Across all organizations, the gap between voluntary attrition rates for men and women leaders is also the largest it's been since 2015.

At least 75 percent of 333 companies adopted table stakes policies, according to an HR survey conducted to gather data from human resource professionals for the Women in the Workplace 2022 report. While important, table stakes policies on their own are not driving enough progress.

### The state of women in the public sector

A deeper dive into the latest *Women in the Workplace* research reveals several noteworthy trends (Exhibit 1).

### Progress in mending the 'broken rung'

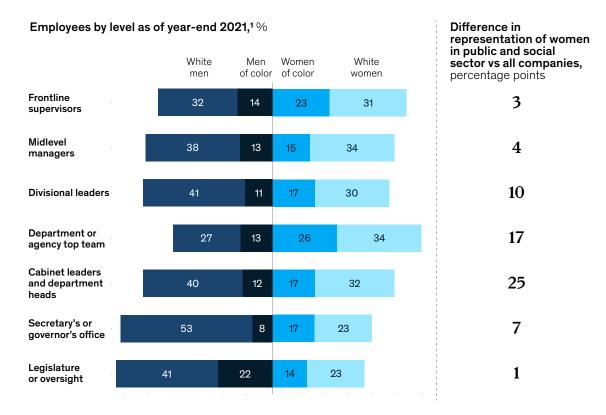
Since launching in 2015, the *Women in the Workplace* report has tracked progress toward eliminating the so-called "broken rung"—the lower rates of promotion for women from entry-level to managerial positions. Lower promotion rates cascade down the pipeline, making it difficult for organizations to lay a foundation for sustained progress at more senior levels.

In the overall workforce, the broken rung has persisted every year since we launched *Women in the Workplace*. Across all sectors in 2022, for every 100 men who were promoted, 87 women and just 82 women of color were promoted. A more granular breakdown reveals that for every 100 men who were promoted, only 75 Latinas were promoted. Rates were lower still for Native Hawaiian, Pacific Islander, and Indigenous women.

However, our 2022 report also found that women in the public and social sectors saw higher promotion rates than men: 107 women for every 100 men promoted. By contrast, only 87 women in the overall workforce were promoted for every 100 men. WOC in government saw a promotion rate from entry

Exhibit 1

### Women's representation is slightly higher across the public- and social-sector pipeline than in other industries.



Note: Figures may not sum to 100%, because of rounding. Total percent of women and men per level in the race and gender pipeline may not sum to overall corporate pipeline totals because the race pipeline does not include employees with unreported race data. Pipeline data in this report are based on data from the end of 2021 and do not reflect changes through 2022.

Source: Women in the Workplace 2022 pipeline data for the US and Canada

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<sup>&#</sup>x27;Aggregate results from participating organizations in public and social sector (16 organizations submitted pipeline data; sample size of 317,157 employees with C-suite sample size of 679).

level to manager of 4.2 percent compared with 1.6 percent for all women. These findings indicate that while the public and social sectors make up a small proportion of all industries, they are setting a higher standard on the promotion to manager relative to other sectors. While this is an encouraging trend, it is important to note that WOC are starting from a point of lower representation in entry-level roles.

### Recent shifts in hiring and attrition for women in the public and social sectors

Other key shifts emerged in our 2022 survey compared with the previous year.

First, the share of women being hired in the public and social sectors is now higher than for all sectors at all tenure levels. However, a larger share of women than men in the public and social sectors were internal hires across all levels except in SVP and C-suite roles. This is important to highlight because such internal hiring may spread around representation without increasing the aggregate.

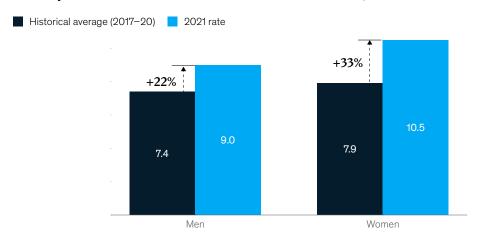
Second, our latest survey saw a significant increase in women's representation in the public and social sectors in cabinet and department leader roles, from 41 percent in 2021 to 53 percent in 2022 (compared with 28 percent of women in equivalent roles across all sectors in 2022). This shift likely reflects the Biden administration's focus on diversity, equity, inclusion, and accessibility (DEIA),6 which has encouraged increased representation and more appointments of women leaders, particularly WOC.

Third, our 2022 survey found that while attrition of senior leaders has increased significantly across all sectors for both women and men, the gap between men and women is at its largest since we began the survey. For every woman promoted to the next level, two women directors chose to leave their organization—the highest rate of attrition relative to the average from 2017 to 2021 (Exhibit 2). Although attrition rates were lower at most levels in the public and social sectors compared with all sectors, they were still higher than the historical average (see sidebar "Why women leaders are leaving").

#### Exhibit 2

### Women leaders are leaving their organizations at the highest rate in years.

#### Voluntary attrition for women vs men leaders from 2017 to 2021, %



Note: Voluntary attrition rates for men and women leaders (L4 to L1) were calculated by weighting each employee level's voluntary attrition rate by the end-of-year composition. "Voluntary attrition" refers to employees who voluntarily left their organization. "Women and men leaders" refers to employees at the senior manager or director, vice president, senior vice president, or C-suite levels; 4-year historical average voluntary attrition from 2017 to 2020. Source: 2018–22 Women in the Workplace research

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<sup>&</sup>lt;sup>6</sup> "Fact sheet: President Biden signs executive order advancing diversity, equity, inclusion, and accessibility in the federal government," The White House, June 25, 2021.

### Why women leaders are leaving

**Women leaders across** all sectors are deciding to leave their organizations because of three primary factors.

### Lack of commitment to diversity, equity, and inclusion

Women leaders want a better work culture and are more than 1.5 times as likely as men at their level to have left a previous job for an organization with greater commitment to diversity, equity, and inclusion (DEI). This is not a new phenomenon. A 2021 McKinsey article showed that many people, especially parents, are no longer willing to stick it out at a job that doesn't offer flexibility and benefits.

Working in a remote or hybrid environment may offer a reprieve from bias. But this is not a substitute for systemic change. Organizations need to invest in creating a truly inclusive culture and cannot rely on remote and hybrid work as a solution. Hence, it is important to create spaces where women, whether working remotely or in person, can grow and feel empowered.

#### Being overworked and underrecognized

Forty percent of women leaders say their DEI work isn't acknowledged at all in performance reviews, yet they are two times more likely to be driving the activities than men. While role modeling, championing, and advocating for healthy boundaries can help normalize workplace flexibility

and foster a more inclusive environment, women who do so risk being penalized—that is, being overlooked for promotions.

Women leaders are also still overworked at home, which may be contributing to higher burnout rates. The Women in the Workplace 2022 report found that women in senior management are four times more likely than men at their level to be responsible for their family's housework and caregiving, while women in entry-level roles are twice as likely as men at that level to carry this responsibility.

Meanwhile, two-thirds of women under 30 say they would be more interested in advancing if they saw a senior leader with the work-life balance they wanted.

#### Microaggressions

Women leaders face stronger headwinds in their day-to-day experiences than men. Women leaders are two times more likely to be mistaken for someone at a more junior level than men leaders (26 percent versus 13 percent). Women leaders are ten percentage points more likely to have had a coworker get credit for their idea than men leaders (37 percent versus 27 percent). Finally, women leaders are more likely to report that personal characteristics, such as their gender or parenthood status, have played a role in being denied or passed over for a raise or promotion.

Naina Dhingra, Andrew Samo, Bill Schaninger, and Matt Schrimper, "Help your employees find purpose—or watch them leave," McKinsey, April 5, 2021.

<sup>&</sup>lt;sup>2</sup> People & Organization Blog, "Why women of color are leaving, and how to rethink your DE&I strategy," blog entry by Diana Ellsworth, Ruth Imose, Holly Price, and Nicolette Rainone, McKinsey, January 24, 2022.

### The role managers play in attracting and retaining women workers

Although the public and social sectors have led the way in women's representation in entry- to midlevel roles since we began our annual survey, these sectors continue to face challenges when it comes to supporting managers.

Supporting and retaining women managers sets up the next generation of women leaders for success, and can therefore help compensate for the increased attrition rates in senior women observed in our latest survey. By contrast, a lack of support for women in management roles can diminish the impact of mending the broken rung and hinder the recruitment and retention of younger, entry-level women (see sidebar "Current public-sector hiring challenges"). Indeed, manager support was one of the top five factors younger women across all sectors cited when considering whether to leave their jobs. Other primary factors included opportunity to advance; flexibility; company commitment to diversity, equity, and inclusion (DEI); and company commitment to employee wellbeing—attributes that managers play a critical role in encouraging.7

When managers are supported in their efforts to recruit and retain top talent, women in particular benefit across several dimensions that influence their experience in their jobs, including advancement opportunities, psychological safety, and work culture (Exhibit 3). But our survey revealed there is a growing gap between what's expected of managers and how they're being trained and rewarded to deliver on those expectations (Exhibit 4).

Based on the overall findings of our latest report, we've identified three steps leaders can take to support manager development and close this gap across all sectors (including government) and, in doing so, encourage the retention of women, and others, at all levels.

### Current public-sector hiring challenges

The public sector has long faced greater hiring challenges than the private sector. The inability to easily change compensation levels introduces yet another hurdle in an area of high inflation.

For every three government jobs available in February 2023, only one was filled. And as of March 2023, nearly 62 percent of public-sector job vacancies remained unfilled, relative to roughly 33 percent in the private sector.¹ The government has relatively high overall job vacancies: nearly 1.0 million in March 2023,² compared with about 8.5 million for the entire private sector. If these trends continue, workloads for public- and social-sector employees could increase if women's attrition rates keep growing.

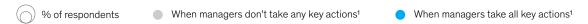
<sup>1 &</sup>quot;Table A. Job openings, hires, and total separations by industry, seasonally adjusted," US Bureau of Labor Statistics, updated May 2, 2023.

<sup>&</sup>lt;sup>2</sup> Ibid.

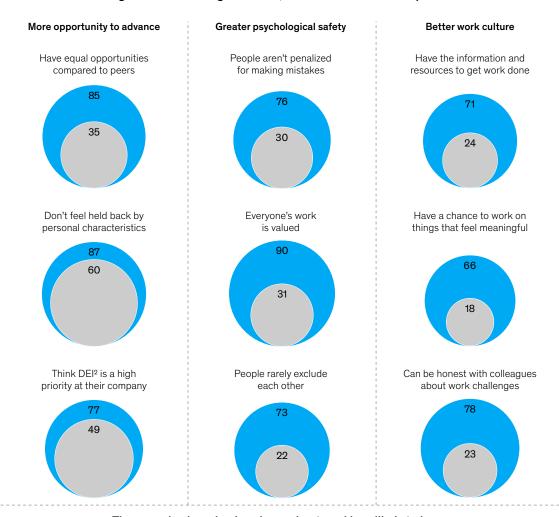
<sup>&</sup>lt;sup>7</sup> The McKinsey Great Attrition 2.0 Survey had similar findings: career development and leadership were the top two reasons why public-sector employees (nearly 50 percent) were considering leaving their current role over the next three to six months. For more, see "What workers want is changing. That could be good for government," McKinsey, October 26, 2022.

#### Exhibit 3

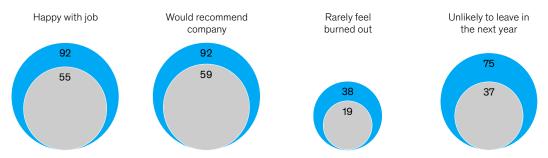
### When managers show up consistently, women and organizations benefit.



#### When managers take all the right actions, women have a better experience at work.



### They are also happier, less burned out, and less likely to leave.



Outcomes when managers consistently take all or none of the following actions: give helpful feedback, help manage workload, show interest in career, check in on well-being, ensure credit for work, and encourage inclusivity and respect on team.

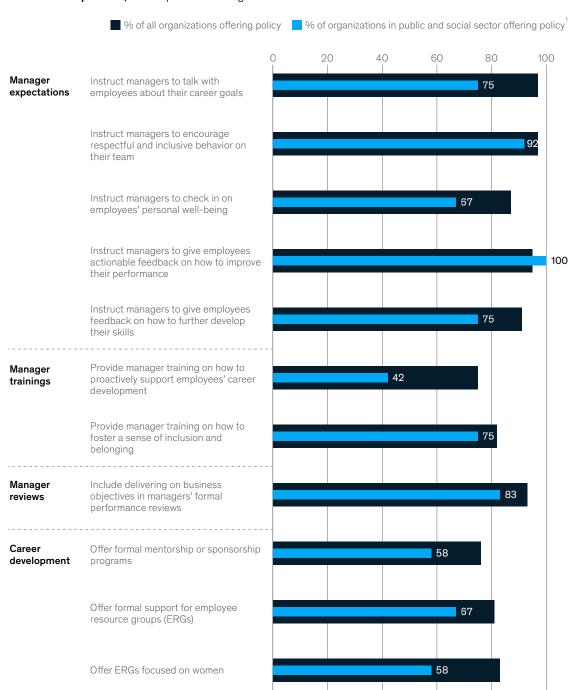
<sup>2</sup>Diversity, equity, and inclusion. Source: *Women in the Workplace 2022*, McKinsey and Leanln.org, October 2022

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#### Exhibit 4

### The public and social sectors fall behind on setting high manager expectations and fostering career development.

Table stakes policies, % companies offering in 2022



Note: Not exhaustive. Table stakes are practices offered by  $\geq$  75% of 2022 participants. 'Sector % is aggregate results from participating organizations in public and social sector (12 organizations submitted HR data). Source: Women in the Workplace 2022 research

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### Train managers to foster diverse, inclusive, and hybrid teams

Expectations for managers have been increasing over the past two years. In addition to their traditional responsibilities, they are now often running DEI for their organizations and managing hybrid teams (see sidebar "Young women and diversity, equity, and inclusion"). Managers are also increasingly expected to support employee well-being, including helping employees maintain a sustainable workload.

But training for this new scope of work has not kept up. Sixty-two percent of organizations say they train managers to manage remote employees, but only 46 percent of managers say they receive such training. And while 62 percent of employees felt that managers checked on their personal well-being, far fewer (38 percent) felt their managers went a step further by working to ensure their workloads were manageable. Indeed, 78 percent of organizations expect managers to promote well-being, while only 48 percent train managers on minimizing burnout. This is particularly important for women, half of whom say that having a manageable workload is a signal that a company is committed to employee well-being.

Targeted training could help public-sector managers better support their teams, including women. Topics to consider include proactively supporting employee career development, fostering a sense of inclusion and belonging, managing remote or hybrid employees (setting effective boundaries), facilitating team conversations about diversity issues, combating bias in promotions or everyday interactions, and effectively checking in on employee well-being. The US Office of Personnel Management recently announced that it would provide free, government-wide training to help federal workers improve performance and efficiency when serving in hybrid work environments. Such actions are positive examples of how the government is beginning to prioritize these topics more.8

### Young women and diversity, equity, and inclusion

Supporting and retaining young women can help organizations build diverse and inclusive teams. Younger women are more likely than their older counterparts to be women of color and to identify as LGBTQ+. Young women are also more likely to actively practice allyship at work than more mature employees and young men. Retaining young women and advancing them to senior roles could help organizations reverse trends in burnout, unmanageable workloads, and employee well-being. At more senior levels, Black women, LGBTQ+ women, and women with disabilities spend up to two times more effort than women overall on diversity, equity, and inclusion work outside their formal responsibilities. In addition, Black women in senior roles are more motivated to create a positive workplace and be role models for other Black women.2

#### Implement targeted sponsorship programs

Women employees could benefit if organizations expanded the scope of sponsorship programs. Unlike mentorship, which focuses on giving advice, answering questions, and strategizing about an employee's career and professional development, sponsorship connects an employee to people, opportunities, and networks that directly help advance their careers.

Targeted sponsorship programs could make a significant impact on women's careers, especially those of WOC. For example, Black and Asian women often don't have strong allies on their team advocating on their behalf for increased pay or highlighting their accomplishments. Because of biases in performance evaluations, women and WOC often receive lower performance ratings and

<sup>1 &</sup>quot;Stepping up, but risking burnout: Women leaders in the public and social sectors," McKinsey, November 12, 2021.

<sup>&</sup>lt;sup>2</sup> The state of Black women in corporate America, LeanIn.Org,

<sup>&</sup>lt;sup>8</sup> "Release: U.S. Office of Personnel Management announces government-wide training for federal employees to succeed in hybrid work environments," US Office of Personnel Management, March 30, 2023.



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are given vague, unspecific feedback that hinders their ability to advance. Having a sponsor who vouches for their performance, challenges biases, and connects them to a larger network could help women advance in their careers and feel more supported in the workplace.

For public-sector managers, this means finding time to connect with more-junior colleagues and being more intentional, specifically about the type of support provided to women within the organization. Public-sector leaders could also consider incorporating building sponsorship relationships into managers' evaluations and training.

Update performance evaluations

Virtually all organizations build business goals into managers' performance reviews, but very few do the same for metrics related to people management and DEI. This is an incomplete, but easily fixable, view of performance. Women managers could especially benefit from refined performance evaluations because they tend to invest more in people management and DEI than men in the same roles. Including this type of work in performance reviews would make it more likely that women managers would be recognized for their efforts. 10 This in turn could lead to higher performance ratings, faster advancement, and higher pay. Organizations could also implement reviews of manager performance from employees, adding prompts to evaluation forms to gather more nuanced input.

Indeed, one federal agency has already incorporated a DEIA goal into its Senior Executive

Service (SES) performance targets, part of a broader implementation strategy to make every SES accountable for driving these initiatives.

In addition, many organizations track attrition rates, promotion rates, and other career outcomes, as well as conduct surveys to measure employee satisfaction and well-being. Insights from these processes could be built into public-sector managers' performance evaluations. Leaders could also consider more clearly sharing their expectations and rewarding results. Sharing well-being and diversity metrics or publicly acknowledging managers who go above and beyond for their employees could be useful in boosting manager morale and motivation. Publicsector entities could also consider evaluating managers on managing employee career development and managing team morale and retention.

At all levels, women's representation in the public and social sectors is higher than in corporate America. However, women leaders across all sectors are leaving at unprecedented rates, largely because they feel unsupported and overlooked in the workplace. By doubling down on improving managers' experiences and their ability to support their coworkers, the public sector could build on its success with women's representation. Because when managers show up, everyone benefits—especially women.

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<sup>9</sup> Rosalind Chow, "Don't just mentor women and people of color. Sponsor them.," Harvard Business Review, June 30, 2021.

<sup>&</sup>lt;sup>10</sup> "Why women of color are leaving," January 24, 2022.