

The Gender Gap Widens: Three Critical Actions Required to Support Women in the Workplace

Emily Killham M.A. & Brett Wells Ph.D.

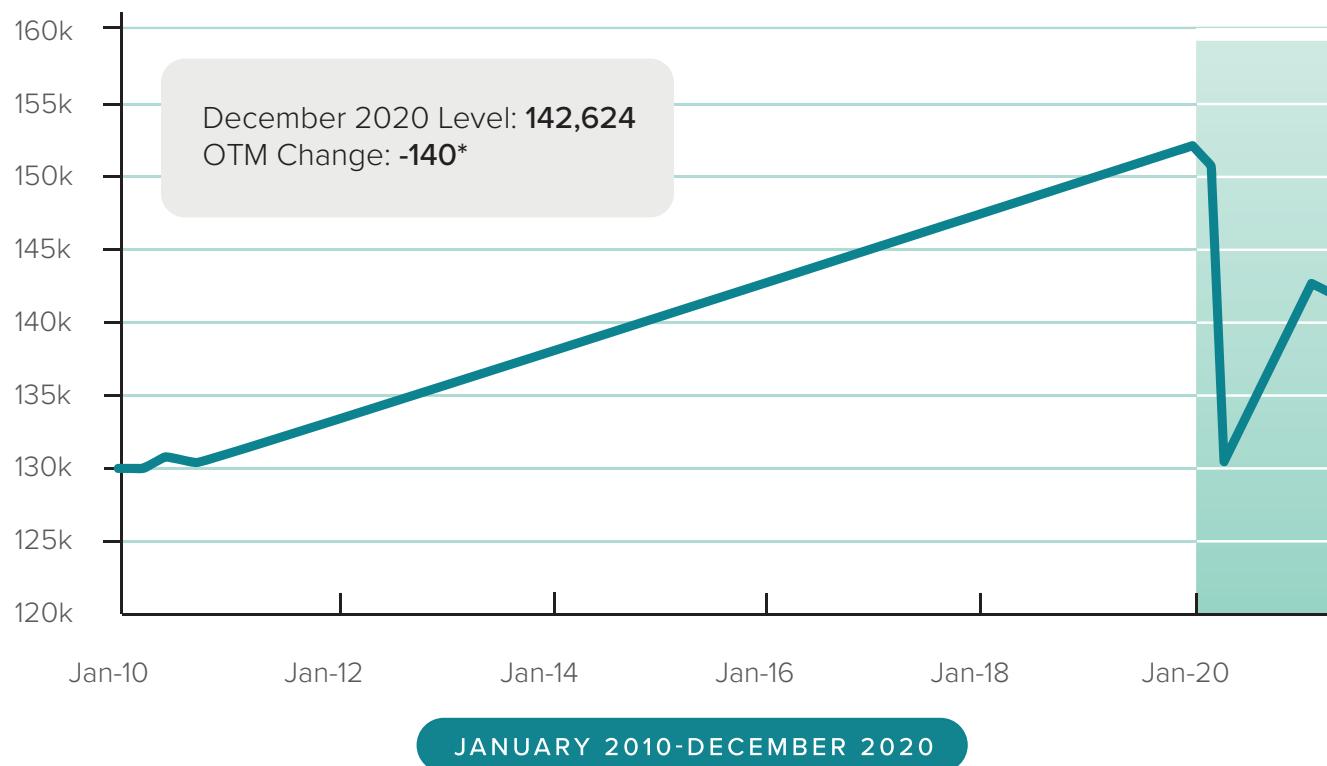




For women, the hits keep coming during this pandemic. Each month brings new headlines about how women's careers and mental health are impacted by caregiving responsibilities and other unpaid, informal labor most often performed by them. Inside the workforce, women have been disproportionately impacted by job security concerns due to closures and cutbacks.

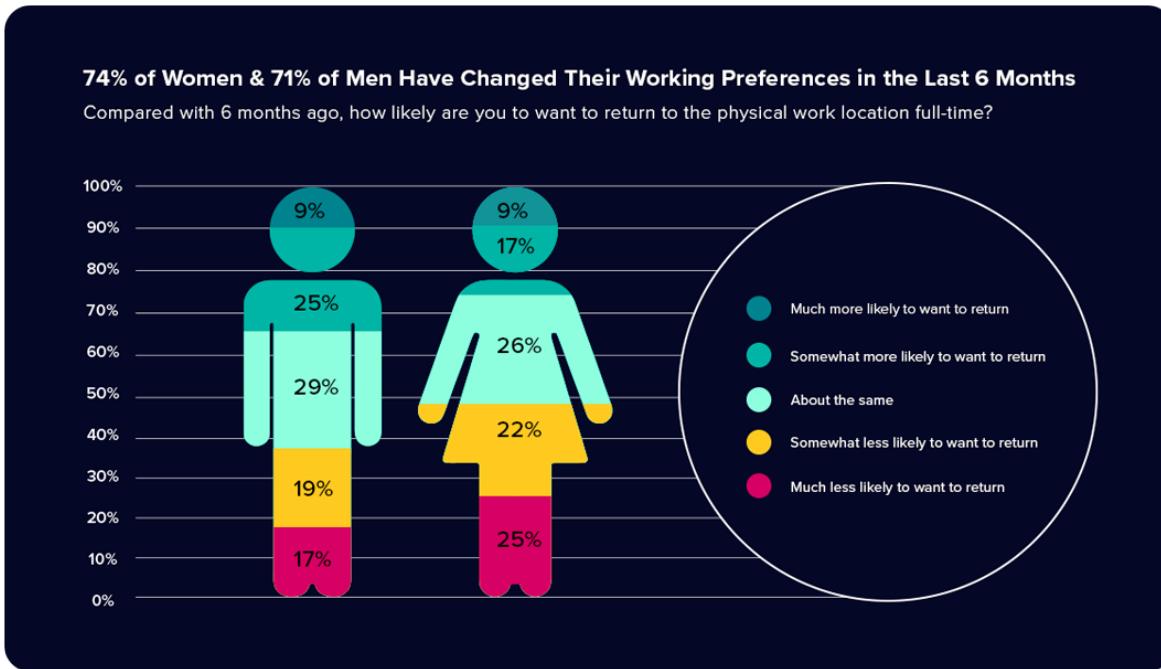
Employment: Total Non-Farm Payroll

JOBS LOST BY WOMEN VS. MEN



They also face on-the-job danger from the COVID-19 virus as many of the essential job functions are in female-dominated fields, such as education and nursing. The December 2020 U.S. jobs report from the Bureau of Labor Statistics showed a loss of 140,000 jobs. The National Women's Law Center dug deeper and uncovered a devastating gender gap. It turned out that men actually gained 16,000 jobs, whereas women lost 156,000 jobs - meaning that jobs lost by women essentially accounted for all reported jobs lost. In fact, in 2020, women lost more than 5 million jobs. While progress is being made on vaccinations in the U.S. and worldwide, and signs of recovery are on the horizon, the return to the physical workplace may widen the gender gap. New research by Perceptyx suggests that as organizations begin to formalize their "return to work" plans, the troubles for women in the workforce may be just beginning.

Perceptyx surveyed more than 1,000 U.S. employees about their workplaces and their preferences about returning to the physical work environment. Compared to six months ago, nearly three quarters of women (74%) have changed their return to work preferences: 48% of women have become either much less or somewhat less likely to want to return to the physical workplace full-time, compared with only 26% of women who are more likely to want to return to the physical workplace full-time. This is in contrast to the men surveyed, only 36% of whom are less likely to want to return to the workplace full-time.



Roughly 24% of both women and men would prefer to adopt a hybrid working arrangement after COVID-19, splitting time between the physical workplace and working remotely. Whereas the largest percentage of men intend to spend 3-4 days per week in the physical workplace, the largest percentage of women intend to spend 2-3 days per week in the physical workplace.

The total number of women who have left the labor force since the start of the pandemic has reached more than 2.3 million. This brings the number of women participating in the labor force - the percent of adult women who are either working or looking for work - down to 57%, the lowest since 1988. With fewer women in the workforce overall and more women indicating a preference for spending less time in the physical workplace, organizations concerned about gender parity should carefully consider the following factors as they finalize plans for the future of their work environment:



1. Prepare to Accept Fewer Women in the Workplace

Desire to work remotely will potentially have a more pronounced effect among women as compared to men in the workforce. Pre-pandemic, 62% of women were in a physical workplace full-time, compared with 57% of men. Post-pandemic, 35% of both men and women want to be in the physical workplace full-time. This is a disproportionate loss of women in the physical work environment.

As a result, open positions that are posted as physical-workspace-only will likely receive fewer female applicants. Professionals who have worked on diversity initiatives know that sourcing is one of the key areas to increase parity among groups. If the posted positions are less desirable for the women organizations are targeting, the natural result will be fewer women in the workplace.

Even among those who want to return at least part-time to the office, there is a gender gap. More than one-quarter (26%) of men would ideally like to be in the office four or more days per week, while only 16% of their female counterparts feel the same.

About two-thirds of those surveyed said their manager supports their “return to work” plans. If employees get their ideal work arrangements, previously equitable work environments suddenly become tilted toward the male perspective.

2. Take Steps to Minimize Promotion and Compensation Bias

For organizations, it is going to become increasingly necessary to ensure that out of sight does not mean out of mind.

In the same study, Perceptyx examined evaluations, compensation, and promotions for employees based upon where they are located during their work days. Four in 10 employees who are home at least part of the time reported impacts due to their perceived absence compared to those in the workplace full-time, including:

- Their performance was evaluated less frequently than before the pandemic,
- They received less recognition,
- They were less likely to have been promoted, and
- They were 20% less likely to have received a raise at least equal to what they have received in the past.

For managers with team members in multiple locations, intentionally recognizing employees who may not be in the office is a new challenge.

The consequences for staying remote seem to be even more serious for women, as women at home fare the worst in each of these categories. Women who are remote at least part-time are 27% less likely to have received a promotion in the last year than their male counterparts in any working situation. Each time women miss a chance for promotion, the funnel narrows. The full magnitude of this promotion bias will not be realized for years, as the gains in the C-suite earned by women over the past three decades slowly erode.





3. Make Plans to Retain Talented Women

Many predicted that voluntary turnover would not be something organizations would need to worry about during the pandemic. While that may have been true in the beginning, it is no longer the case. The war for talent is still real and the U.S. Bureau of Labor Statistics reports that although some industries have had fluctuations in voluntary separations, “quits” remain largely unchanged from December 2019 to December 2020. In the midst of all the other workplace changes, it is unwelcome news that organizations must also consider how their retention strategies need to evolve in this new work environment.

When it comes to employee retention, Perceptyx research indicates that different factors motivate women and men to stay or leave their current employers. These factors are exacerbated by the desire or need to have a flexible, hybrid work schedule. This is especially true for women. In an earlier study of more than 750,000 employees across more than 100 global enterprises, Perceptyx found that women are most driven to leave an organization when they aren’t empowered to make their own decisions about how to best accomplish their work. Conversely, men did not rate this as highly as other factors, such as company culture and performance management, which are clearly driven by a desire to be in the physical workspace.

Taken together, these factors:

- 1) Fewer women in the workforce,**
- 2) The effect of working remotely on recognition and promotions, and**
- 3) Challenges in retaining talented women,**

could spell a reversal of all the inroads women have made into the executive suite and boardrooms over the past few decades. Organizations must listen to their employees - both individually and collectively - to ensure that the needs of the employees align with the requirements of the organization. Managers may need additional development and training to adjust their long-term management strategy to take into account hybrid or fully-remote positions. Doing so can help ensure that these employees are not passed over for rewards and recognition. Many organizations spent 2020 more worried about retaining jobs than employees, but as things return to normal, using people analytics to understand the drivers of voluntary turnover - and making adjustments accordingly - will be an ever-increasing priority.

With another year of remote working scenarios looming and most organizations postponing their return to work plans, now is the time to make sure these plans include goals for maintaining gender balance in the workplace.



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