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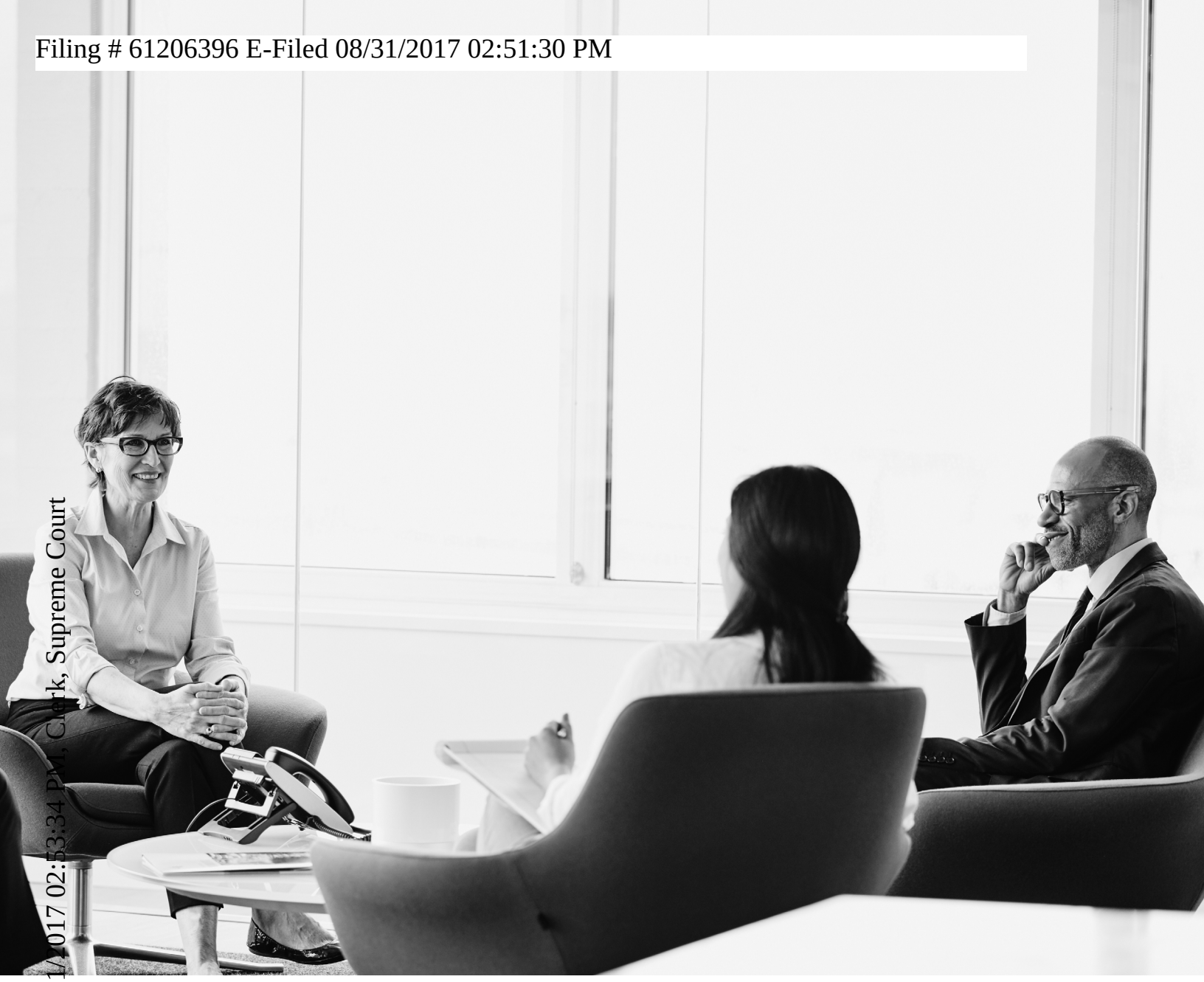

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Visier Insights™ Report: Gender Equity

VISIER

Gender equality in the workforce, in particular the disparity in earnings, is an issue of incredible focus and debate.

The latest US Bureau of Labor Statistics (BLS) report on women in the workforce highlights that full-time salaried women earn on average 82.5% of the wages of their male colleagues.[1] In the last 20 years, despite considerable attention by researchers and commentators, this number has only improved by 8%—a slow pace of improvement that indicates removing the gender wage gap entirely is more than a generation away.

1 US Bureau of Labor Statistics, Women in the Labor Force: A Databook, December 2015

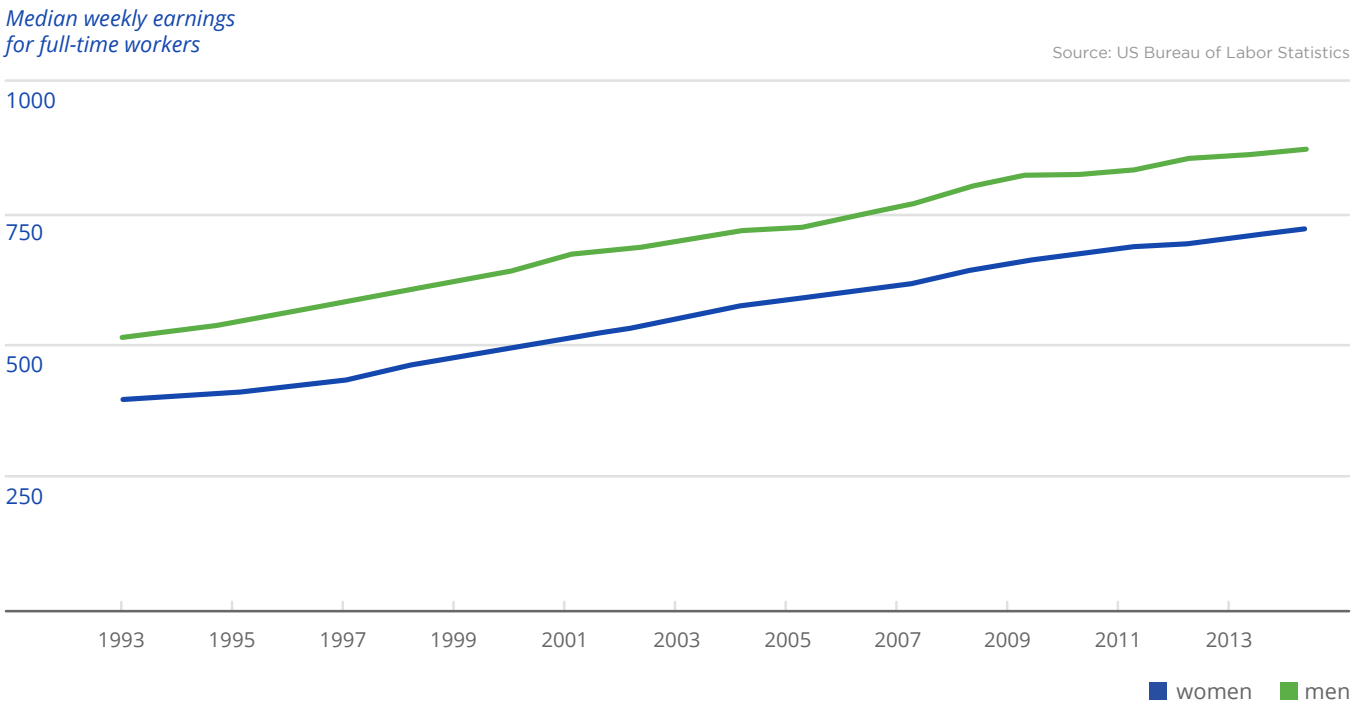


Figure 1: The gender wage gap over time

The slow pace of improvement over the past 20 years indicates removing the gender wage gap entirely is more than a generation away

Numerous studies highlight that the gender wage gap cannot simply be explained as "unequal pay for equal work." Rather, studies have proven gender pay inequity to be a systemic challenge where women as a whole earn less than men on average, and do so across education levels and occupations.

In this inaugural Visier Insights™ report, we explore the large systemic reasons behind why the gender wage gap exists, and what steps need to be taken to close it. Leveraging our unique and in-depth database of anonymized, standardized customer workforce data, we share new insights, examining the dynamics of how men and women's careers in American enterprises evolve over time. We uncover a new finding we call the Manager Divide, which clearly links an underrepresentation of women in manager positions—at key points in their careers—to an enlarged gender wage gap.

The Manager Divide

The Manager Divide—an underrepresentation of women in manager positions—significantly contributes to the gender wage gap.

FINDINGS

- There is a pronounced dip in the percentage of women in the workforce between the ages of 25 and 40, the same age range in which women commonly have children
- The gender wage gap widens at age 32, starting with women earning 90% the wages of men, and decreasing to women earning 82% the wages of men by age 40
- Women are underrepresented in manager positions from age 32 onwards—the same age at which the wage gap between men and women broadens
- Manager wages are, on average, 2 times that of non-manager wages
- Having the same representation of women in manager positions as men would reduce the gender wage gap to 10% across all age groups—an improvement most notable for the age 32 and older population

The Manager Divide : Key Report Findings

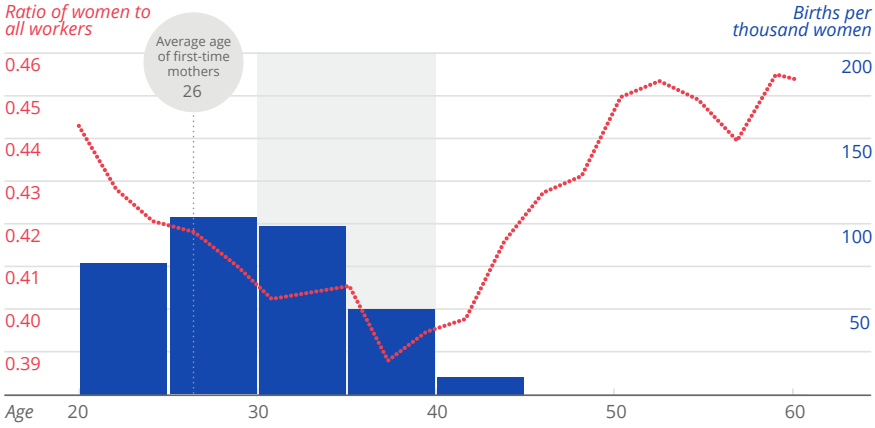


Figure 2: The impact of childcare on female participation in the workforce

There is a pronounced dip in the percentage of women in the workforce between the ages of 25 and 40, the same age range in which women commonly have children. This dip recovers after age 39, around the same time most women who have children would see the last of those children entering primary school.

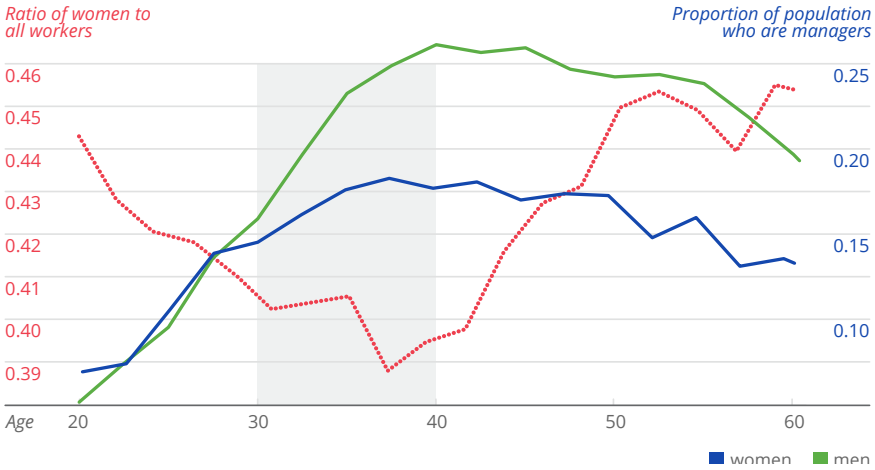


Figure 3: The relationship of female participation in the workforce and the proportion of women and men, respectively, in manager positions

The difference between the proportion of men who are managers and the proportion of women who are managers grows as female representation in the workforce drops, and during the key years for increased childcare demands—after which, the Manager Divide stabilizes.

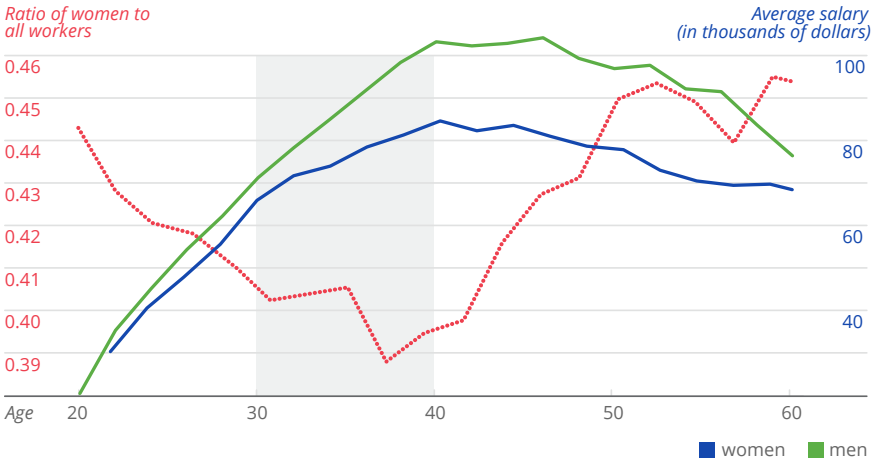


Figure 4: The relationship of female participation in the workforce and the gender wage gap

The gender wage gap widens at age 32, starting with women earning 90% the wages of men, and decreasing to women earning 82% the wages of men by age 40. The timing of this widening gap aligns with a pronounced dip in the ratio of women (to all workers) in the workforce.

Discovering the truth behind the gender wage gap

Today we know that when all full-time salaried women are compared to all full-time salaried men, women earn on average 82.5 cents for every dollar earned by men.[2] Yet there is little insight into why this difference exists.

Despite decades of tracking and research, publicly available benchmark data on gender equity is limited: you can get a picture of workforce composition, see how many women compared to men hold various roles, and compare average weekly salaries by gender and occupation, but the ability to examine the data from multiple dimensions to uncover new findings is highly constrained. As a result, there has been limited insight into why the gap exists and persists, which can guide companies and policy makers on how to close the wage gap.

But that is changing.

With the Visier Insights database—an aggregation of anonymized and standardized workforce databases containing 165,000 employees from 31 companies (a subset of Visier's customers)—we are able to examine gender equity metrics like never before.

Looking at Visier Insights data for companies from November 1, 2014 to October 31, 2015, we started by exploring how the wage gap changes as workers progress in their careers and the impact that generational differences might have. First, we compared how salaries for men and women differ by age. While at all ages women earned less than men, the data showed a clear inflection point, where the gender wage gap widened significantly:

From age 32 onwards the gender wage gap grew: women earned 90 cents on the dollar up until their early 30s, after which the wage gap widened to 82 cents on the dollar by age 40.

2 BLS Reports, Women in the labor force: a databook, December 2015

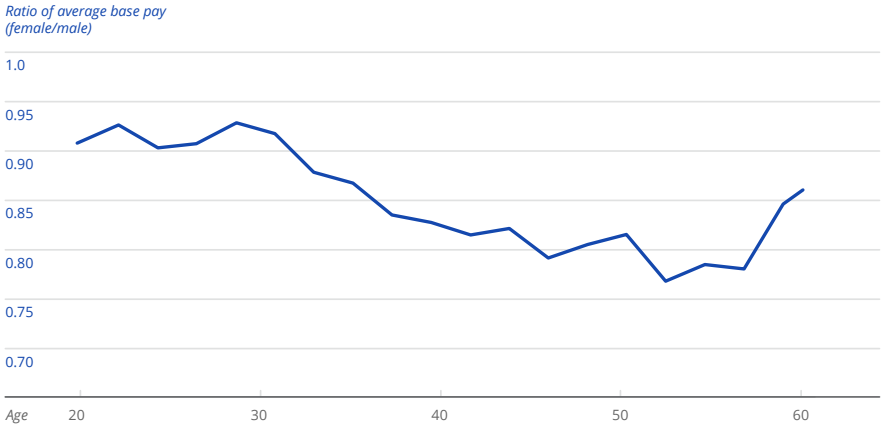


Figure 5: The drop in gender pay equity between the ages of 32 and 48

Between the ages of 32 and 48, the average pay for women was increasingly less than that of men of the same age

Why does the gender wage gap widen for workers in their 30s? Is it a reflection of generational change: is the smaller wage gap for our youngest working generation the payoff of the efforts made by older generations to achieve gender equity? The answer is no—we found no evidence to support this view. Rather, we found evidence that challenges this belief.

If the wage gap was a generational issue, then the wage gap would consistently widen with the aging population. In other words, the older the workforce, the larger the gender wage gap would be. Instead, we found a slight narrowing of the wage gap after age 55.

Further, if generational change was the cause, we would expect promotions to be higher for younger generations of women. Instead, when reviewing promotion events by age, we found no significant difference in the overall rate of promotions in any age range for women or men. Visier Insights showed that the overall average promotion rate in 2015 was 12.6—a rate that had no significant difference for men and women. In fact, in all age groups promotions had no clear gender bias: men and women received promotions mostly equally in 2015.

We also did not see a bias for men in performance evaluations. In fact, women generally received higher performance evaluations than their male counterparts across all age groups.

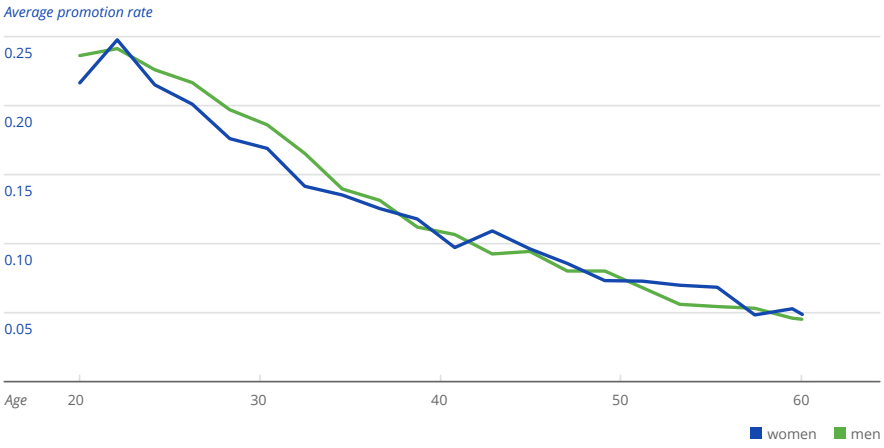


Figure 6: Gender equity in promotion rates by age

Visier Insights showed that in all age groups promotions had no clear gender bias

After identifying that generational change was not causing the gender wage gap to close, we dug deeper into data. Focusing the Visier Insights lens on one type of promotion, we uncovered a new finding:

We discovered the Manager Divide.

When we looked at manager positions and the proportion of women holding those positions, we uncovered a valuable insight: women are underrepresented in manager positions from the age of 32 onwards—the same age point at which the wage gap between men and women widens.[3]

The same proportion of men in their 20s are managers (5-12%), as proportion of women in their 20s are managers (5-12%). However, at age 32—the same age at which the gender wage gap noticeably widens—a larger proportion of men hold manager positions than proportion of women, increasing to as much as a 10-point gap. This occurs despite women showing the same overall rate of promotions, and higher average performance ratings.

In other words, women are promoted at the same rate as men during this age range, but men are more likely to be promoted into manager roles than women.

WHAT IS A MANAGER?

While some definitions of a manager extend to include individuals in charge of a certain set of tasks, but no people, in this report we consider a manager to be someone responsible for overseeing or directing the work of a group (or groups) of individuals.

Uniquely, Visier has the ability to automatically identify managers based on organizational hierarchy: if a worker has one or more direct reports, he or she is classified as a manager. As a result, Visier is able to achieve a more accurate view of a manager population than other methods allow, such as the common "manager by title" guesswork method.

For example, using US Bureau of Labor (BLS) data researchers can guess manager populations by looking at occupation titles that include the term manager. However, in many cases the people holding these titles are not actual people managers. Consider HR Managers, Advertising and Promotions Managers, Financial Managers, or Purchasing Managers. All of these "managers" are grouped by BLS under the category, Management, business, and financial operations occupations, but do not equate to roles that typically have actual people management responsibilities.

3 Visier Insights identifies managers based on the organizational hierarchy: if a worker has a direct report, he or she is counted as a manager. This is further clarified by Visier customers who may override this manager identification for specific individuals as needed. See sidebar for more information.

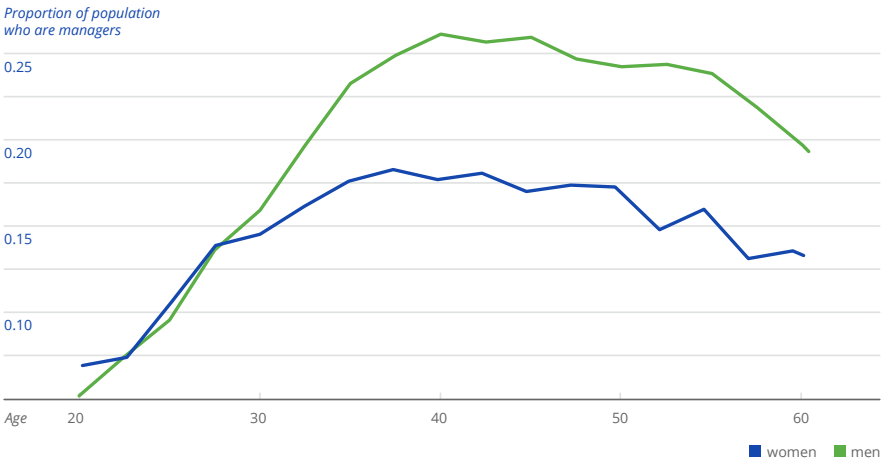


Figure 7: The Manager Divide: Underrepresentation of women in manager positions from the age of 32 onwards

Visier Insights found that when the proportion of women who are managers is compared to proportion of men who are managers, by age, women are underrepresented in manager positions from the age of 32 onwards—the same age point at which the wage gap between men and women widens.

How does the Manager Divide impact the gender wage gap? Visier Insights data shows that managers on average earn nearly double the salary of non-managers. Therefore, a disparity in the proportion of women compared to proportion of men holding manager positions has a direct impact on the overall average earnings of women.

With managers earning on average 2x the wages of non-managers, the Manager Divide—an underrepresentation of women in manager positions—directly drives the gender wage gap.

But how much could the wage gap be closed if this gender disparity in manager positions was removed? We evaluated this by scaling up the fraction of female workers who are managers (of all female workers), to match that of male workers who are managers (of all male workers), and then applied the female manager salaries (the actual average salaries for female managers) to this artificially-generated population of female managers. The finding was conclusive.

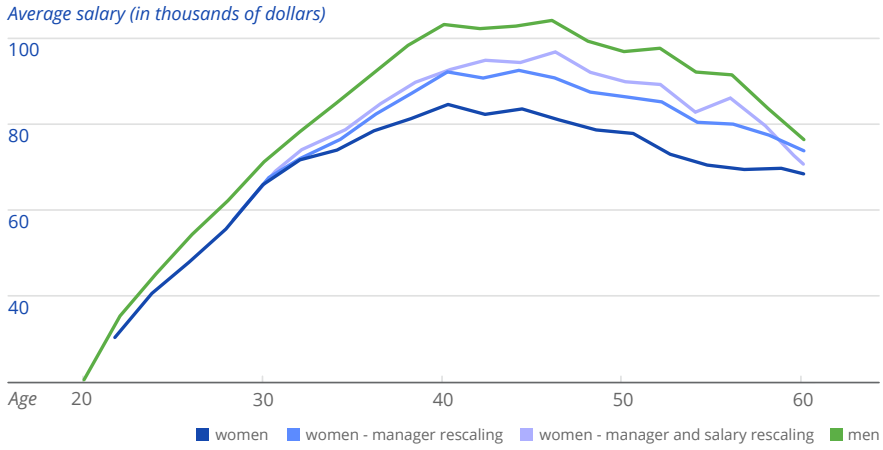


Figure 8: The improvement in gender pay equity that would occur by removing the Manager Divide

If the Manager Divide was removed and, therefore, the same proportion of women held manager positions as proportion of men (light blue), the gender wage gap across all workers would be reduced by just over one third for those over the age of 32. If this "augmented" population of female managers were then given the same average salary as male managers, the gap would be further reduced (light purple).

Removing the Manager Divide—having the same proportion of female workers in manager positions as proportion of male workers—would reduce the gender wage gap by just over one third for workers over age 32.

However, if companies also corrected gender pay disparity for those in manager positions, in addition to ensuring the same proportion of women were managers as men were managers, the pay gap would be further closed.

Together, removing the Manager Divide and removing gender pay disparity in manager positions, would cut the gender wage gap that exists between all male and female workers almost by one half for employees over age 32.

OCCUPATIONAL CHOICES

Occupational choices do have an impact on the average earnings for women compared to men, with women often more likely to be employed in occupations that have a lower earning potential than others. For instance, in 2014 women made up 81% of elementary and middle school teachers, 90% of registered nurses, and 87% paralegals & legal assistants; compared to 20% of software developers, 36.7% of physicians and surgeons, and 33% of lawyers.[4]

However, simply encouraging women or—perhaps more importantly—girls to pursue traditionally male-dominated professions or positions alone is not the answer. Women still earn less than their male counterparts. And women who take up predominantly male occupations are still less likely to be promoted to manager positions, which have a higher wage potential.

A recent report by the Graduate Management Admission Council found that the median salary for female business school graduates is lower compared to median salaries for men across all organizational levels. The report found that, "at entry-level jobs, US women's earnings are the closest in parity to men's earnings, at 85 percent, but that gap spreads as women advance higher up the corporate ladder, where their median salary is only 80 percent of men's."[5] A result strikingly similar to that of Visier Insights.

4 BLS Reports, Women in the labor force: a databook, December 2015
5 Graduate Management Admission Council, Minding the Gap: Tapping the Potential of Women to Transform Business, 2016

In recent years many companies have come a long way in implementing HR policies that increase gender pay equity. However:

If a company pays women and men equally for equal positions, yet has a lack of gender equity in the filling of manager positions, then has the company achieved gender pay equity?

We think not.

It is worth highlighting that while giving women equal access to manager positions significantly narrows the wage gap, it does not remove it. The challenge of finally closing the gender gap remains a complex task with no simple solutions.

EDUCATION DISILLUSIONMENT

According to the Bureau of Labor Statistics report, Women in Labor: A Databook, women hold 1.4x more "Bachelor or higher degrees" than men. At the same time, these educated women earn 82 cents for every dollar earned by their male counterparts: a weekly salary of $1,043, compared to $1,266 for men.

Uncovering a key driver behind the Manager Divide: The Childcare Years

As outlined above, the Manager Divide—an underrepresentation of women in manager positions—directly drives the gender wage gap. In particular, women are underrepresented in manager positions from the age of 32 onwards—the same age point at which the wage gap between men and women widens. With managers earning an average 2x that of non-managers, the Manager Divide has a direct impact on gender pay disparity.

To close the Manager Divide, it is important not only to identify that the divide exists, but also to understand what factors contribute to it: Why does the Manager Divide exist? Why is the proportion of women holding manager positions so much lower than the proportion of men holding manager positions? Visier Insights uncovered one strong correlation: the proportion of women in the workforce by age.

Between the ages of 25 and 40 there is a notable and steady decline in the percent of women in the workforce. At the same time, the percent of women (out of the total workforce) in manager positions declines steeply.

This dip corrects itself by age 50: women appear to be leaving and rejoining the workforce, and, in fact, participate in the workforce at higher rates after age 50 than before age 30.

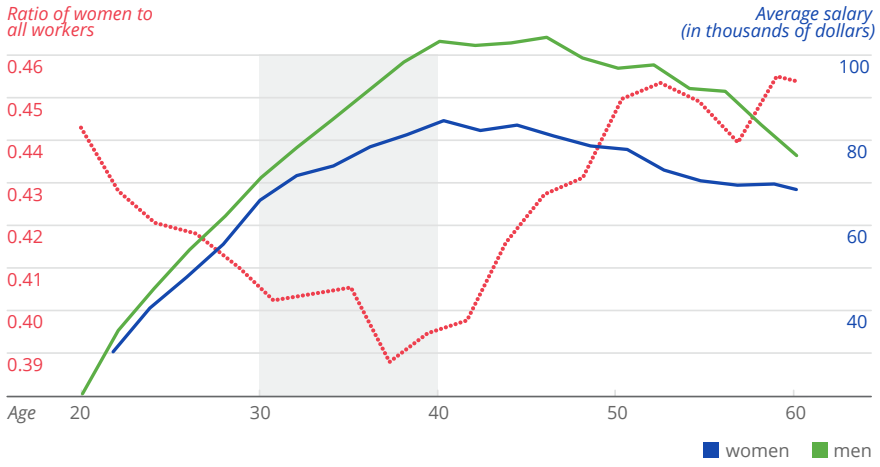


Figure 9: The relationship between female participation in the workforce and the gender wage gap

The gender wage gap widens at age 32, starting with women earning 90% the wages of men, and decreasing to women earning 82% the wages of men by age 40. The timing of this widening gap aligns with a pronounced dip in the percentage of women in the workforce.

Until age 32 (the trigger age for the widening of the gender wage gap), women make up a greater percent of the total manager population (in that age range) than they do of the total non-manager population (in that age range). After age 32 this trend inverts, and women make up a smaller and smaller percent of the total manager population until age 43, after which they experience some improvement, yet never fully recover. (Not shown in figures.)

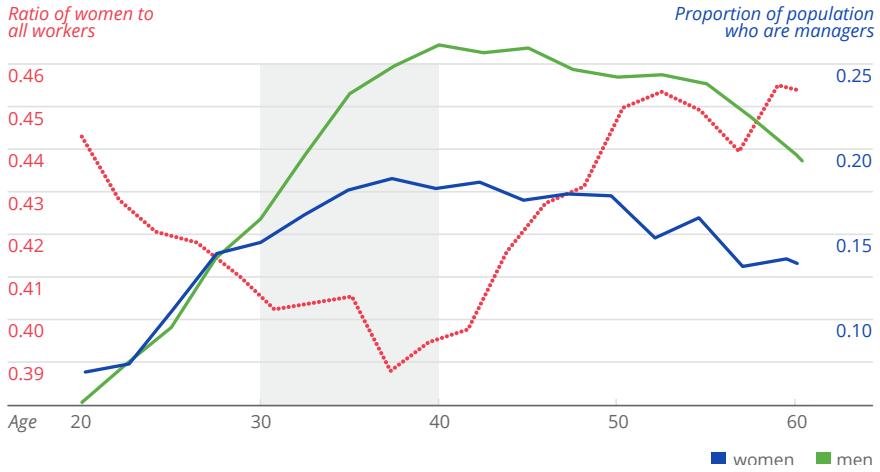


Figure 10: The relationship between female participation in the workforce and the proportion of women and men, respectively, in manager positions

The difference between the proportion of men who are managers and the proportion of women who are managers grows as female representation in the workforce drops, and during the key years for increased childcare demands—after which, the Manager Divide stabilizes.

The Visier Insights data shows that from age 25 and into their 40s women resign at a higher rate than men—meaning women are leaving the workforce at a higher rate than men during these critical career advancement and earnings potential timeframes.

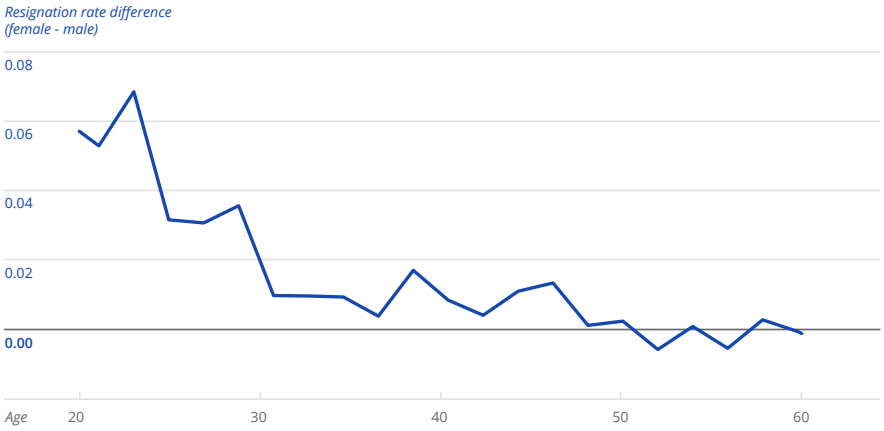


Figure 11: The difference in female to male resignations by age[6]

Women aged 25 to late 40s resigned at higher rates than men of the same age.

Why, from age 25 and into their 40s, are women increasingly leaving the workforce, experiencing greater wage disparity with men, and achieving less representation in manager positions than men?

Childcare demands have a clear correlation. According to the US Department of Health and Human Services, birth rates are highest for women in their late 20s (at 105.5 births per 1000 women) and early 30s (at 98.0 births per 1000 women).[7] In other words, most women who have children, give birth to them between the ages of 25 and 34. With most children entering school—and, therefore, requiring less childcare—at age 5, women who have children are most likely to experience increased childcare demands up until the age of 39. Demands that impact their careers.

THE MOTHERHOOD WAGE PENALTY

Closing the Gender Gap: Act Now, a 2012 Organisation for Economic Co-operation and Development (OECD) report that focused mainly on European countries, found that there is a wage penalty on average of 14% for being a mother. The report identified that, "among women of child-bearing age who work full-time, those with children earn significantly less than men compared with childless women."

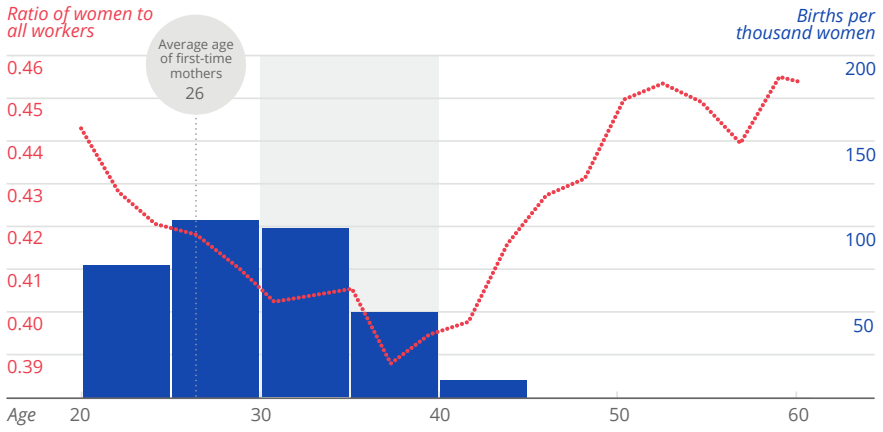


Figure 12: The impact of childcare on female participation in the workforce

There is a pronounced dip in the percentage of women in the workforce between the ages of 25 and 40, the same age range in which women commonly have children. This dip recovers after age 39, around the same time most women who have children would see the last of those children entering primary school.

6 Resignation rate measures the voluntary exits from an organization, not including retirements
7 Births: Final Data for 2013, National Vital Statistics Reports, January 15, 2015

Is it accurate to suggest that having young children at home impacts working mothers more than working fathers? Recent research suggests it does. A 2015 Harris Poll survey performed for Ernst & Young found that 50% of working mothers said they took a career break to raise a child, compared to 22% of working fathers.[8] Similarly, a 2013 survey performed by the Pew Research Center found that:[9]

42%

of working mothers had reduced their work hours to care for a child or other family member at some point in their working life, compared with 28% of working fathers

39%

of working mothers said they had taken a significant amount of time off from work for family-related reasons, compared with 24% of working fathers

27%

of working mothers said they quit their job at some point for family reasons, compared to 10% of working fathers

These challenges are compounded for single mothers. As Sheryl Sandberg, best-selling author of Lean In: Women, Work, and the Will to Lead, called out, "today, almost 30 percent of families with children are headed by a single parent, and 84 percent of those are led by a single mother." As Sheryl explained, "for many single parents, there is no safety net. Thirty-five percent of single mothers experience food insecurity, and many single mothers have more than one job—and that does not count the job of taking care of their children. A missed paycheck or an illness can present impossible choices."

Between the ages of 25 and 40 women experience increased childcare demands. Demands that correlate with increased female resignation rates, reduced female representation in manager positions, and—as a result—a greater gender wage gap.

The impact of childcare demands on widening the gender wage gap is further supported by research that shows the connection between pay and parental leave (the time a parent takes from work to care for a new child).

8 Global generations: A global study on work-life challenges across generations: Detailed findings, Ernst & Young
9 On Pay Gap, Millennial Women Near Parity – For Now Despite Gains, Many See Roadblocks Ahead, Pew Research Center, December 2013

In the 1970s Sweden became the first country to change its maternity leave to parental leave—leave that was available for use by both mothers and fathers. As part of the new policy, the parent on leave was guaranteed almost their full salary for their first year of leave and could choose to work 6-hour days when they returned to work, until their child entered school. As a result of this policy change, both female employment rates and birth rates in Sweden soon became among highest in the developed world. However, the share of fathers, who typically had a higher salary than mothers, taking parental leave stalled at 6%—until 1995, when Sweden introduced "daddy leave."

"Daddy leave" created a monetized incentive for fathers to take parental leave. While fathers were not forced to take parental leave, a family would lose one month of parental leave subsidies if he did not. (This was increased to two months in 2002.) The new policy had an immediate impact, quickly increasing the percent of fathers taking parental leave from 6 to 80%.[10]

Suddenly Sweden had a lot of data on fathers taking parental leave, which fueled new studies: in particular, a 2010 study published by the Swedish Institute of Labor Market Policy Evaluation, which found that "each additional month that the father stays on parental leave increases the mother's earnings by 6.7%."[11]

For each additional month of parental leave a father takes, the mother increases her future earnings by almost 7%. Fathers, on the other hand, did not experience any earnings impact from mothers taking parental leave.

The key finding: taking parental leave impacts earnings. Given that most leave is taken by women in the US, the playing field is uneven for men and women. A clear solution, therefore, is to level the playing field for men and women, and introduce paid parental leave—available equally to mothers and fathers.

The US is the only developed country without mandatory paid parental leave.

The Family and Medical Leave Act (FMLA) mandates 12-weeks of unpaid leave for eligible employees.[12] However, as a 2014 White House report calls out, "due to a number of exemptions, the FMLA only covers about 60% of American workers and less than a fifth of all new mothers." And, of those workers who are eligible to take unpaid leave for the birth of a child, many cannot afford to use the leave, due to the loss of income it requires.[13]

Some employers have voluntarily implemented paid leave policies. According to the National Compensation Survey, 11% of private-sector workers in the US have access to formal paid family leave, including 4% of part-time workers. At the writing of this report, four state governments (California, New Jersey, Rhode Island, and—most recently—New York) have signed into law legislation for paid family leave, all funded by employee payroll deductions, and covering between 55 - 67% of the worker's wages during the leave. For federal employees, in January 2015 President Barack Obama directed federal agencies to advance six weeks of paid sick leave to workers to use as paid family leave, which they would then have to make up over time.[14]

10 In 2007 Germany introduced a similar model, reserving 2 of the 14 paid months of parental leave for fathers. In the first two years of this policy, the percent of fathers taking parental leave increased from 3 to 20%.
11 The effect of own and spousal parental leave on earnings, Elly-Ann Johansson, Institute for Labor Market Policy Evaluation, March 2010
12 The Family and Medical Leave Act (FMLA) "provides certain employees with up to 12 weeks of unpaid, job-protected leave per year." This unpaid leave is available to employees "if they have worked for their employer at least 12 months, at least 1,250 hours over the past 12 months, and work at a location where the company employs 50 or more employees within 75 miles." The unpaid leave applies to the birth of a child, care for a newborn child, and care for a newly placed adopted or foster child.
13 The Economics of Paid and Unpaid Leave, The Council of Economic Advisers, Executive Office of the President of the United States, June 2014
14 Presidential Memorandum—Modernizing Federal Leave Policies for Childbirth, Adoption and Foster Care to Recruit and Retain Talent and Improve Productivity, January 15, 2015

A 2014 White House report, The Economics of Paid and Unpaid Leave, outlines the business case for paid leave, summarizing a body of research from states and other developed countries that have paid leave policies, which found that paid leave can benefit employers by:

- Improving the employers' ability to retain talent, lowering costly worker turnover and minimizing loss of firm-specific skills
- Boosting morale and worker productivity
- Facilitating the recruitment of talented workers who plan to stay with a company after having children
- Increasing the probability that women continue in their job after having a child, rather than quitting permanently, saving employers the expense of recruiting and training additional employees

Supporting this, a survey of 253 employers affected by California's paid family leave initiative found that the vast majority reported that paid family leave "had either 'no noticeable' or a 'positive effect' on productivity (89%), profitability/performance (91%), turnover (96%), and employee morale (99%)."[15]

Similarly, a study of family leave policies and women's retention after childbirth (in the US, Britain, and Japan), found that "women who had family leave coverage were much more likely to return to work for their pre-birth employer." In the US, based on data from 1992-1995, the study found that 64% of mothers covered by leave returned compared to 43% not covered.[16]

THE MOVEMENT FOR PAID PARENTAL LEAVE

Recently companies like Twitter, Facebook, Etsy, Netflix, Bank of America, Patagonia, and Change.org have introduced parental leave, making the same amount of leave available to all new parents, whether they are a mother, father, or non-birth parent.

15 Leave that Pays: Employer and Worker Experiences with Paid Leave in California, Eileen Appelbaum and Ruth Milkman, 2011.
16 Journal of Population Economics, Vol. 12, No. 4 (Nov., 1999), Family Leave Policies and Women's Retention after Childbirth: Evidence from the United States, Britain, and Japan, Jane Waldfogel, Yoshio Higuchi and Masahiro Abe

A Call to Action: Taking Steps to Close the Gender Wage Gap

As discovered by Visier Insights, simply put, the gender wage gap is driven by the Manager Divide —by gender inequity in manager positions—and is closely tied to the childcare years, when women experience increased demands from their home life.

There are a number of important steps employers can take to make meaningful progress towards closing this gender gap.

- Implement the Rooney Rule: for every manager position you have open to fill, consider "at least one woman and one underrepresented minority" in your slate of candidates
- Implement blind screening, removing names (or other gender identifiers) from resumes when selecting candidates for interviews
- Increase measurement and awareness of gender equity in the rollout or implementation of HR policies, including manager promotions and hires, and compensation policies

Additionally, all of us—regardless of our role in our companies or communities—can work to eradicate the gender wage gap:

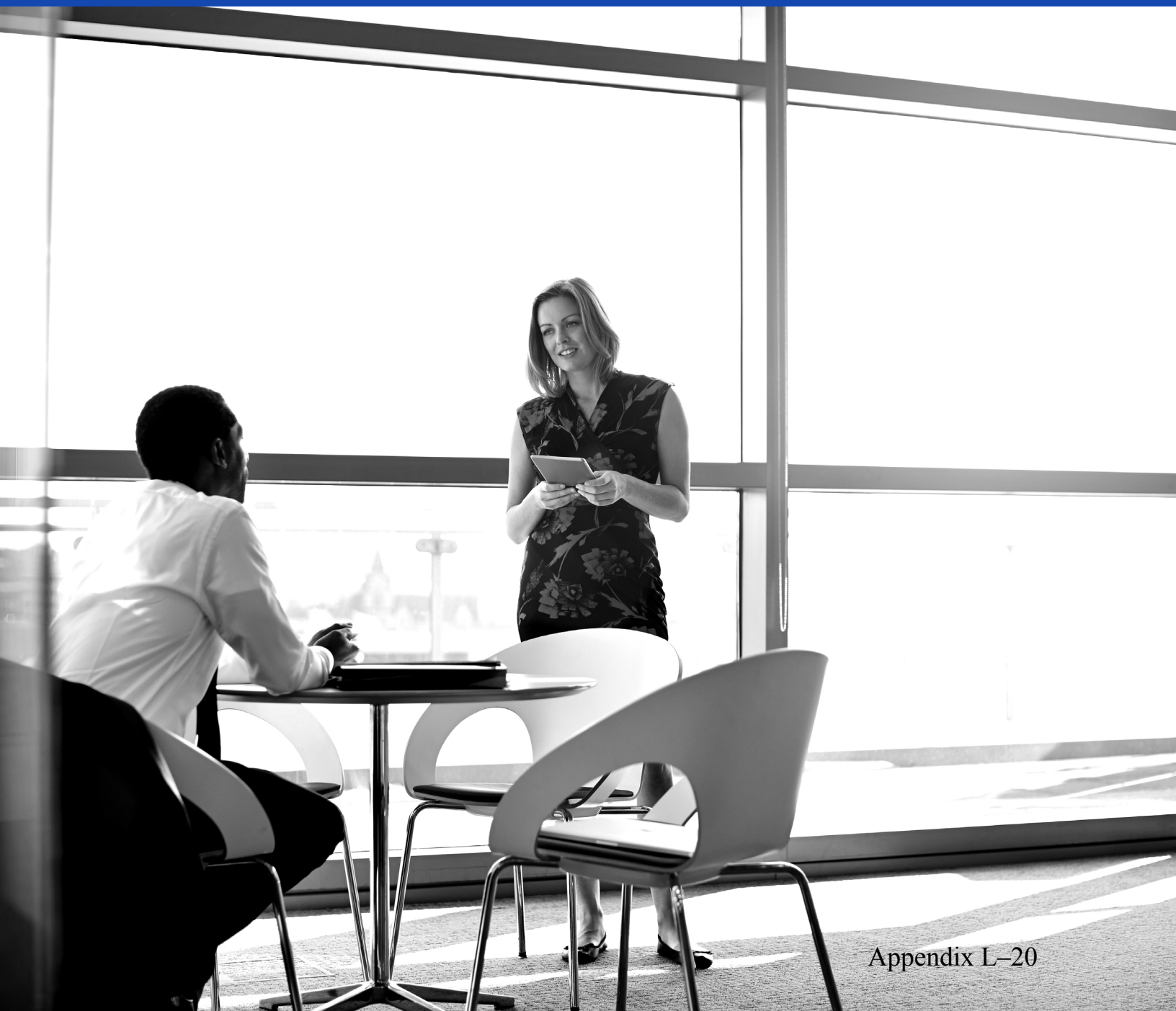
- Support meaningful paid parental leave that is equal for both women and men
- Ensure it is socially acceptable for both men and women to take time off to care for their children
- Support programs that increase the availability of good quality affordable childcare for all parents
- Ensure it is socially acceptable for both mothers and fathers to make use of flexible working time arrangements to care for children
- Develop and support long-term programs—starting in grade school, throughout high school and college, and into the work years—aimed at removing the gender bias and social taboos associated with career choices: while it might take ten or twenty years for these particular efforts to pay off, they are a key part of the solution for eradicating the gender wage gap

Do you have more ideas? Share them with @visieranalytics or use #VisierInsights

This inaugural Visier Insights report is just the beginning. We will continue to dig into our uniquely rich database of anonymized, standardized workforce data to find new insights that help meaningfully drive progress with gender equity. We will also release reports on new and different topics in the coming months and years.

Visier Insights: In the Raw

The following are answers “in the raw” to some key questions we studied in preparing this Visier Insights: Gender Equity report.



GENDER DIVERSITY

How does gender diversity differ by age?

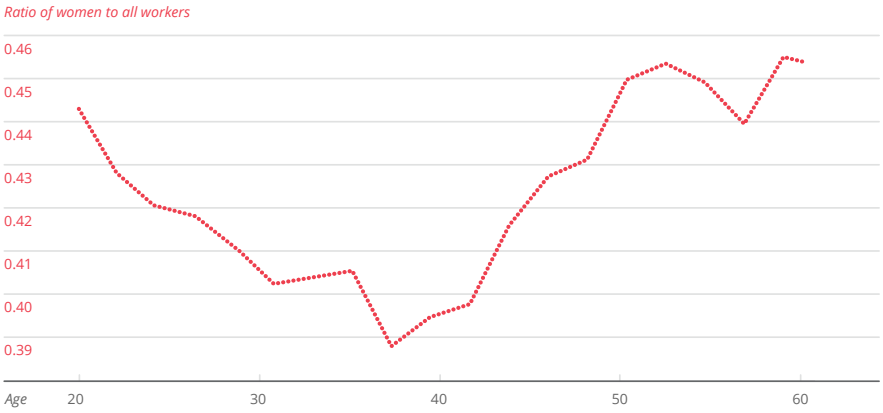


Figure 13: Gender Diversity: Ratio of women to all workers

This chart shows the proportion of the entire (male and female) workforce population that is female, by age

Gender diversity measures the percentage of female workers compared to all male and female workers in a population. The higher the percentage, the greater the proportion of women to men.

To answer our question, How does gender diversity differ by age, we compared gender diversity for different age groups.

KEY FINDINGS

- Women make up 43% of the overall workforce
- There is a notable dip in gender diversity between the ages of 25 and 45

PROMOTIONS

How does gender equity in promotions vary?

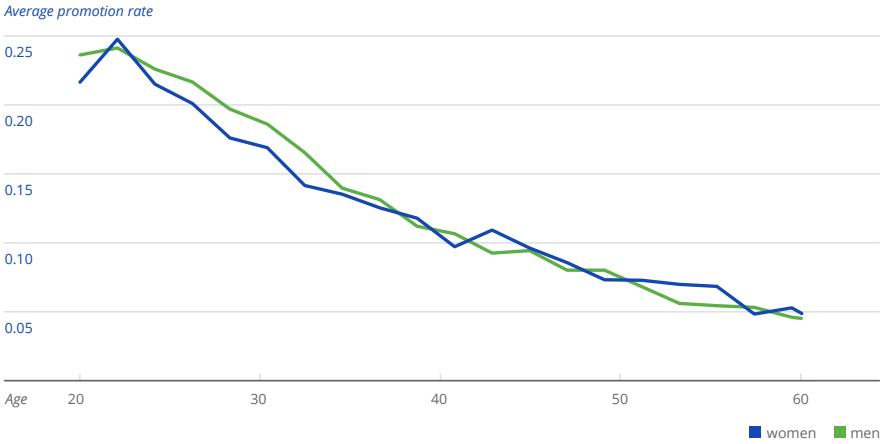


Figure 14: Rate of promotions actioned for women and men, by age

This chart shows the proportion of male and female workers who received a promotion during the 2015 time period, by age.

Promotion actioned rate measures the percentage of employees who have been given a promotion. By comparing this rate by gender you can uncover areas of potential gender bias.

To answer our question, How does gender equity in promotions vary, we compared the Promotion actioned rate for women and men. Specifically, we looked at the percent of women who received a promotion (by age) compared to the percent of men who received a promotion (by age).

KEY FINDINGS

- The promotion rate in 2015 was 12.6, meaning that 1 out of 8 workers received a promotion in the year: for men the promotion rate across all age groups was 12.8, while the promotion rate for women across all age groups was 12.1
- Trends in promotion rate were similar for men and women:
  - Men and women in their 20s were most likely to receive a promotion, with 24-26 year olds having the highest promotion rates in 2015: if you were 25, you had the greatest likelihood of receiving a promotion
  - For both men and women the peak promotion rate dropped by 5% for workers aged 30, was halved for workers aged 40, and was less than one quarter for workers aged 55 or older
  - The longer men and women were at an organization (i.e. the longer their tenure), the less likely they were to receive a promotion, with the largest drop off occurring between the 3- and 7-year tenure marks

MANAGER POSITIONS

How does gender equity in manager positions vary by age?

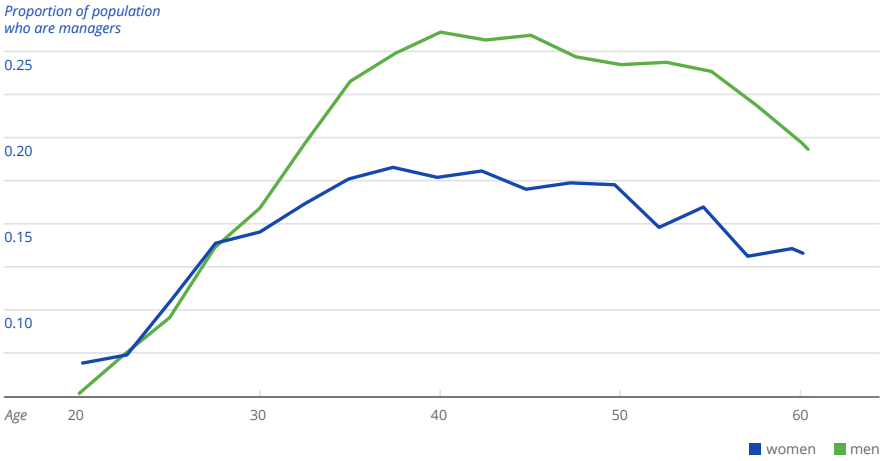


Figure 15: Manager headcount proportion for men and women by age

This chart shows the proportion of women, and the proportion of men, who were managers, by age.

Manager headcount proportion measures the percentage of workers who hold manager positions. (Visier Insights automatically identifies managers based on the organizational hierarchy: if a worker has a direct report, he or she is counted as a manager. This is further clarified by Visier customers who may override this manager identification for specific individuals as needed.)

To answer our question, *How does gender equity in manager positions vary by age*, we compared the *Manager headcount proportion* for women and men.

KEY FINDINGS

- In 2015, across all age groups, 16% of male employees and 12% of female employees held manager positions
- Across all age groups, women managers made up 35% of the total (male and female) manager population
- The same proportion of men in their 20s are managers (5-12%), as proportion of women in their 20s are managers (5-12%)
- At age 32—the same age at which the gender wage gap noticeably widens—a larger proportion of men hold manager positions than proportion of women, increasing to as much as a 10-point gap by age 43.
- More than half of female managers (53%) and male managers (58%) are aged 40 - 55
- From age 55 onwards, the percent of male and female managers declines quickly: 13% of male managers and 14% of female managers are age 55 or older
- As a point of comparison, across managers and non-managers, the distribution of performance shows no significant difference with high performers nearly identical at 33% for male employees and 34% for female workers

COMPENSATION

How do wages compare for men and women?

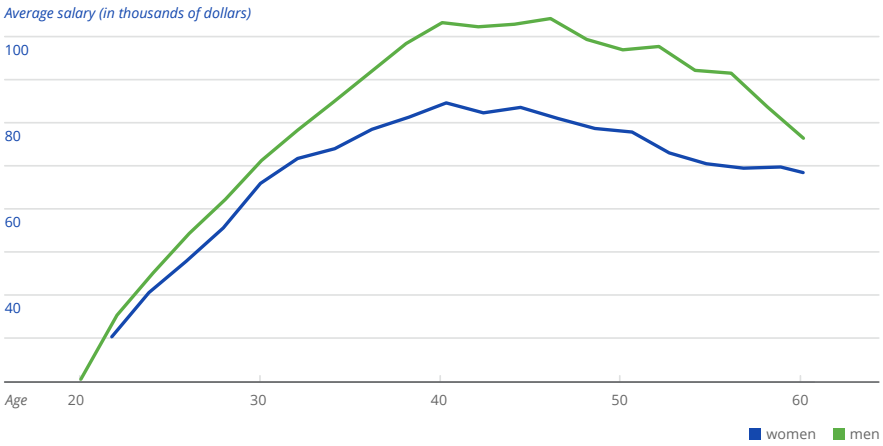


Figure 16: Average Salary by gender

This chart shows the average salary by gender and age.

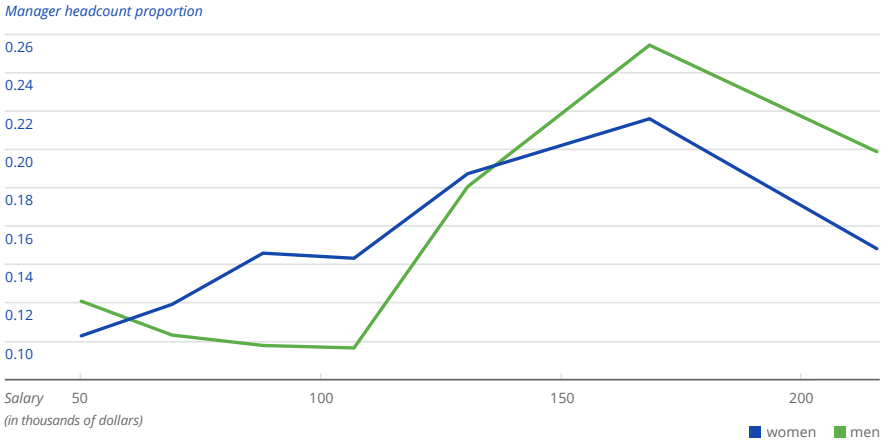


Figure 17: Manager headcount proportion and salary by gender

This chart shows the average salary by gender, compared to the proportion of women, and the proportion of men, holding manager positions.

Annualized base pay measures the salary paid to employees, excluding variable pay, supplemental pay, long term incentives, and benefits.

To answer our question, *How do wages compare for men and women*, we looked at Annualized Base Pay by gender.

KEY FINDINGS

- Regardless of gender, base pay increases sharply for workers between the ages of 20 and 40, stabilizes for workers between the ages of 40 and 50, and then declines gradually thereafter
- At all ages, women earn less than men:
  - Up until their early 30s, women earned around 90% the wages of men the same age, after which the wage gap widened
  - Between the ages of 36 and 56 the wage gap widened to an average of 81%
- Female managers were more likely to earn less than male managers: the average salary of female managers was $135,000, compared to $150,000 for male managers

Methodology

A pre-built cloud solution for workforce intelligence, Visier provides workforce insights to many of America's best brands—and does so by hosting their workforce data (collected from each company's many disparate HR and business systems) in Visier's virtual Big Data warehouse. This allows Visier to analyze this data in aggregate, creating an unmatched opportunity to uncover new insights not possible in the market before, and to establish uniquely relevant and specific benchmarks.

At the core of this and future Visier Insights reports is Visier's unique database of anonymized, standardized workforce data, which represents well over a million active employees. For this Gender Equity report we targeted large US-based employers, leveraging a subset of Visier's customer database, which included:

- **165,000 US-based employees**
- **31 Blue Chip companies**
- **11 of which are Fortune 1000**

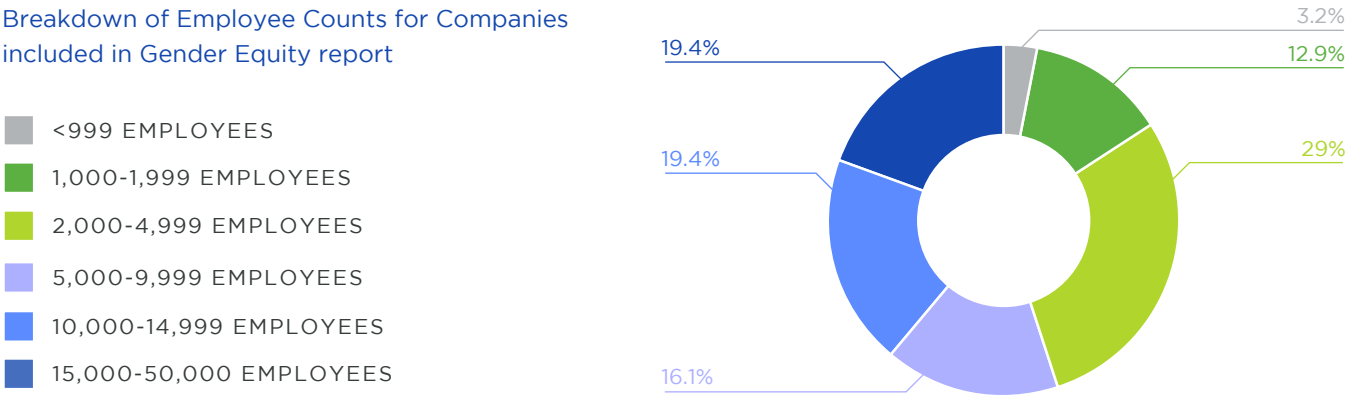
Companies included in this report represent a wide range of industries, including Healthcare, Technology, Financial Services and Insurance, Energy, and Manufacturing. For each of the included companies, Visier ensured a high degree of confidence in both data availability and quality for the topics and time period being covered by the report.

In performing our data analysis, for each question we asked (for example, what is the salary for women at different ages?), the answers came from an anonymized and aggregated view across all customers included in this survey. We then ensured that, for each of the presented data points, no single company was overrepresented and could skew the final value. As well, we validated the confidence in our data results by analyzing results from our dataset compared to publicly available measures, such as those from the US Bureau of Labor Statistics (BLS) and the US Equal Opportunity Commission (EEOC).

DATA SECURITY AND PRIVACY

- Data security and privacy is Visier's top priority—learn more at trust.visier.com.
- Visier customers have agreed to have their data aggregated and used anonymously for this purpose.
- When using customer data, Visier aggregates employee data across customers, restricting the data collected in such as way that the data is anonymous.
- At no time is personal identifying information for employees in the databases included—Visier's security technology prevents this data from being queried.

Breakdown of Employee Counts for Companies included in Gender Equity report



About Visier

Visier provides Workforce Intelligence solutions that are enabling the world's best led organizations to maximize their business outcomes through their people.

Visier's solutions let organizations understand and plan—with precision—how to best and most cost-effectively recruit, retain, and develop their workforce. With Visier, senior leaders, HR, and people managers everywhere can answer key workforce questions, align on goals and strategies, optimize costs, and act on decisions and plans to drive dramatically improved business outcomes.

Founded by respected innovators in business intelligence the company's leadership team has a proven track record of technical, operational, and strategic management success with companies such as Business Objects, IBM, SAP, and Oracle. With millions of customer employee records in the cloud, Visier is taking the guesswork out of people management for everyone.

For more information, visit www.visier.com.

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