

Gender

Achieving Gender Balance at All Levels of Your Company

by Siri Chilazi, Iris Bohnet, and Oliver Hauser

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Summary. It's common for organizations to have gender parity or close to it in entry-level roles, only to see the percentage of women employees decrease as you get closer to the top. A deeper dive into the data reveals that the drop-off of women is primarily driven by gender disparities in promotion rates, not gender differences in hiring or retention. To address this challenge, the authors have identified a simple and straightforward concept: the gender proportionality principle (GPP), which stipulates that a given level in an organization should aim to reflect the gender composition of the level immediately below it. They have worked with several organizations that report that the GPP has helped achieve sustainable and predictable improvement in gender equity across ranks. [close](#)



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Consider the following scenario: A company's entry-level workforce is approximately half women and half men, but the proportion of women drops slightly at every level. Only about 38% of managers are women, then 33% of directors, 28% of senior vice presidents, and 21% of C-suite executives. A deeper dive into the data reveals that the drop-off of women is primarily driven by gender disparities in promotion rates, not gender differences in hiring or retention.

If this scenario sounds familiar, it's because it is. We borrowed the specific numbers from the latest McKinsey/[Lean In Women in the Workplace](#) study, which reflects average demographic realities at 317 North American companies. The report underscores the fact that career advancement, rather than recruitment, is where many companies need to target their efforts to further gender equity in their organization. While efforts to diversify the "pipeline" remain important, especially in industries like tech and finance, if companies are not able to develop and promote the women they hire, it will be very difficult for them to reach gender parity, or anything close to it, at senior levels.

To address this challenge, we've identified a concept that's as simple and straightforward as it sounds: the gender proportionality principle (GPP). Importantly, it is also achievable and, in our experience, often

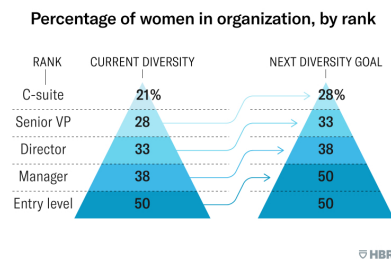
widely supported across organizational ranks.

The gender proportionality principle stipulates that a given level in an organization should aim to reflect the gender composition of the level immediately below it. Usually, women are represented in greater numbers at lower levels, so applying the gender proportionality principle would see women's representation rise over time.

Take the example in the figure below. If women make up 38% of managers in an organization, but 50% of entry-level employees, the organization should set a goal to reach 50% women managers in a reasonable yet challenging timeframe. Similarly, the goal for the director level should be set at 38% women, as that's where the feeder level (managers) is currently at. In this way, over time, the gender proportionality principle helps organizations grow their gender diversity throughout the entire hierarchy.

The Gender Proportionality Principle in Action

Too many organizations today achieve gender parity in entry-level roles only to see the number of women in senior roles fall at higher levels of the corporate ladder. A simple and actionable way for a company to ensure gender diversity throughout the organization is to apply the gender proportionality principle, illustrated below. The idea is that a given level in an organization should reflect the gender composition of the level below it.



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What the GPP Looks Like in Practice

We worked with a financial services firm that put the GPP into action a few years ago — with great results. The company began by analyzing five years' worth of promotion decisions, covering approximately 19,000 employees and 1,900 promotions. It then instituted a simple process change: Business and function heads were presented with the gender breakdown of all candidates for promotion before decisions were finalized. They were also given an explicit expectation that the gender mix of those promoted would mirror that of the level below (i.e., the pool from which the promotion candidates were drawn). Moreover, to introduce a layer of accountability, these leaders were asked to “comply or explain” — i.e. they had to provide a justification if they deviated from gender proportionality. In just one year, the firm saw an improvement in gender proportionate promotions in 70% of its business functions.

The GPP can be applied at the organizational, functional, departmental, or even individual manager level. Companies should introduce scorecards that document each manager's historical hiring, promotion, and retention track record compared to the available pool over a suitable timeframe, depending on the number of promotions the manager has overseen. (A longer timeframe will make the data more meaningful; in our experience, we recommend three to five years.)

Can the “proportionality principle” be applied to other underrepresented groups?



Application to Other Underrepresented Groups

The GPP provides an intentional and goal-driven mechanism to foster in-house talent in contexts where the main issue is no longer the availability of talent, or the pipeline, but rather how organizations develop and support the talent they have.

Beyond gender, the proportionality principle can be applied to advance equity for other groups of employees, such as different racial/ethnic groups or nationalities. In theory, it can also be deployed intersectionally to track and promote the advancement of different groups of women and men (such as women of color and/or Black men specifically), although in practice, sample sizes become small.

The proportionality principle has limitations when applied to groups that are severely numerically underrepresented in the workplace, such as, for example, Blacks and Hispanics in the U.S. tech industry. In many cases, their current representation, even at the entry level, is so low that applying proportionality across levels and over time would yield scant progress.

In such cases, a more holistic approach is required. The [Action to Catalyze Tech report](#) that two of us helped create provides a detailed roadmap for the tech sector to make diversity, equity, and inclusion a reality. It includes transparent goal-setting but also provides evidence-based tools for how to reach those goals.

When we introduced the GPP at Unilever, we worked with the company to present this information to managers via emails and in one-on-one meetings with their superiors. Unilever employees report that they've since seen an increased awareness of DEI at critical moments and more thoughtful decision-making around hiring, promotion, and retention, contributing to Unilever [reaching its goal of gender parity in managerial roles](#) ahead of schedule in early 2020.

In most companies, implementation of the GPP is straightforward because gender representation follows the same pyramid shape described in our sample scenario illustrated above. Yet the GPP can also be adapted to organizations with different demographic compositions:

- The GPP can be applied to diversify the entry level of an organization: In this case, the "level below" is the available talent pool, which may be drastically different for a job in engineering compared to a job in marketing.
- Companies with higher gender representation at the manager level than at the entry level can focus on both pulling through that existing gender diversity to senior levels and separately diversifying the entry level.
- Companies that have an hourglass-type gender representation structure with few women at the middle levels but more in the junior and senior ranks can base their proportionality targets on the entry-level numbers.
- Companies whose current data reveal that they are already close to proportionality in, say, promotions, can instead focus their proportionality efforts on other areas where they are struggling, such as retention or senior external hires.

Importantly, the GPP itself is gender-neutral and can be applied to diversify representation with respect to any gender. It helps to frame gender equality as a collective effort for everyone to partake in and benefit from: After all, the work of diversity, equity, and inclusion should belong to all employees and not exempt those currently in the majority.

Why Tackle Gender Parity This Way?

Ultimately, gender proportionality comes down to an argument of fairness and equal opportunity. If we believe that men are not systematically better suited to the workplace than women, it stands to reason that women and men *should* advance proportionally and therefore hold an equal share of mid-level compared to entry-level positions, and likewise for senior positions.

When this isn't the case, either the playing field is uneven or women "choose" not to play. We don't believe the latter reason is meaningful: When the playing field is uneven, women don't have much of a "choice." If one soccer team has to play uphill while the other plays downhill, the former may well leave the sport altogether. Gender proportionality presents one practical approach to level that playing field.

We've now worked with several organizations that report that the GPP has helped achieve sustainable and predictable improvement in gender equity across ranks. It can be operationalized quickly and is easy to track because it relies on a count of the women and men at each level — data that are already available in organizations.

Admittedly, the GPP will not solve companies' gender problems overnight, and progress based on the proportionality principle may be slower than under sweeping 50-50 goals. But for many organizations, this is precisely its appeal. In firms where men currently make up the majority at most if not all levels, we've observed mid-level and senior managers becoming disheartened in the face of extremely ambitious gender equality goals that have been imposed from the top down. Often, these goals feel so abstract that managers find themselves at a loss as to what they should actually *do* year after year to achieve them. The GPP remedies this issue by presenting a simple and attainable minimum standard to look toward in diversifying an organization.

Read more on **Gender** or related topics **Diversity and inclusion**, **Human resource management**, **Hiring and recruitment** and **Employee retention**



Siri Chilazi is a research fellow at the Women and Public Policy Program at the Harvard Kennedy School studying gender equality in the workplace. Her work focuses on de-biasing organizational processes and structures through behavioral design.



Iris Bohnet is the Albert Pratt Professor of Business and Government, co-director of the Women and Public Policy Program and the Academic Dean at Harvard Kennedy School. She is the author of the award-winning book *What Works: Gender Equality by Design*.



Oliver Hauser is an associate professor of economics at the University of Exeter, UKRI Future Leaders Fellow, and Turing Fellow at the Alan Turing Institute. He received his PhD from Harvard University, followed by research fellowships at the Harvard Business School and Harvard Kennedy School.



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