15.660
Strategic Human Resource Management

MIT Sloan School of Management
Gender Differences

The Evidence
## PERCENT FEMALE IN OCCUPATIONS

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1970s</th>
<th>1990s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>7%</td>
<td>37%</td>
</tr>
<tr>
<td>Financial Managers</td>
<td>19</td>
<td>50</td>
</tr>
<tr>
<td>Lawyers</td>
<td>5</td>
<td>26</td>
</tr>
<tr>
<td>Engineers</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Nurses</td>
<td>97</td>
<td>93</td>
</tr>
<tr>
<td>Elementary Teachers</td>
<td>83</td>
<td>84</td>
</tr>
</tbody>
</table>
PERCENTAGE WOMEN
(500 TOP FIRMS BY SALES)

- CORPORATE OFFICERS = 12%
- CORPORATE OFFICERS WITH LINE RESPONSIBILITY = 7%

- HR 15%
- FINANCE/ACCOUNTING 2%
- LEGAL/REGULATORY 11%
- SALES 2%
- MARKETING 7%

SOURCE: BETRAND AND HALLACK, ILRR, 10/01
# HOURS OF WORK

<table>
<thead>
<tr>
<th></th>
<th>MEN</th>
<th>WOMEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;35</td>
<td>10.5%</td>
<td>28.9%</td>
</tr>
<tr>
<td>&gt;40</td>
<td>40.4%</td>
<td>19.3%</td>
</tr>
</tbody>
</table>
PAY, TOP FIVE OFFICERS
(S & P 500, MIDCAP 400, SMALLCAP 600)

▲ MEN $1,333,000
▲ WOMEN $894,000
(ALL SOURCES)

SIZE OF FIRM = 33% OF GAP

SIZE + PERSON’S AGE = 53% OF GAP

SOURCE: BETRAND AND HALLOCK, ILRR, 10/01
THE PRICE TO BE PAID
AMONG CORPORATE OFFICERS, 1986

<table>
<thead>
<tr>
<th></th>
<th>MEN</th>
<th>WOMEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGE</td>
<td>51</td>
<td>44</td>
</tr>
<tr>
<td>EVER MARRIED</td>
<td>99%</td>
<td>80%</td>
</tr>
<tr>
<td>DIVORCED</td>
<td>4%</td>
<td>20%</td>
</tr>
<tr>
<td>HAVE KIDS</td>
<td>95%</td>
<td>50%</td>
</tr>
</tbody>
</table>

SOURCE: FUCHS
Two Paths

- Legal
- Organizational
Title VII of the Civil Rights Act of 1964

- Unlawful to discriminate on the basis of race, sex, religion, or national origin.
- Applies to all firms and organizations with at least 15 workers who have been employed for a period of 20 weeks in a calendar year.
- Administered and enforced by the Equal Employment Opportunity Commission (EEOC).
Discrimination

- Disparate Treatment
- Disparate Impact
- Reasonable Accommodation
From Affirmative Action to Affirming Diversity

**AA/EEO**
- Special Program
- Benefits Disadvantaged
- Focus on Hiring, Retention, Promotion
- Legally Mandated

**Diversity**
- Cultural Shift
- Benefits the Organization
- Focus on Performance
- Strategically Important
Diversity Paradigms

Examples

- The legal profession
- Boston Symphony Orchestra
- Deloitte & Touche
- MIT
PART TIME LAWYERS

Women are 28% of lawyers at 100 largest firms in Massachusetts, but 40% of lawyers who leave annually are women.

90% of firms offer part-time work

Part-time women leave firms at a rate 70% higher than full-time men.

THERE ARE MORE SUBTLE PROBLEMS

“Once a women decides to work less than 60 hours a week she gets fewer challenging cases...people will see you in the elevator and say ‘Oh, you’ve been with the kids,’ but in fact you’ve been in court.”

Blind Auditions at the Boston Symphony Orchestra

- **BEFORE:** 10% of new hires were women
- **AFTER:** 35% of new hires were women

NO LEAVE OF ABSENCE or TURNOVER DIFFERENCE BETWEEN MEN AND WOMEN

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of Partners Who Are Women</th>
<th>Female Turnover</th>
<th>Male Turnover</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>5%</td>
<td>Much higher</td>
<td>Equivalent</td>
<td>4/50 Partner candidates were women.</td>
</tr>
<tr>
<td>2000</td>
<td>14%</td>
<td>Equivalent</td>
<td>Equivalent</td>
<td>Overall turnover falls from 25% to 18% saving $250,000,000 in hiring and training costs.</td>
</tr>
</tbody>
</table>

SOURCE: HBS Case and HBR article
## Deloitte & Touche Process

<table>
<thead>
<tr>
<th>COMMIT</th>
<th>INVESTIGATE &amp; EDUCATE</th>
<th>CHANGE POLICIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEFINE THE PROBLEM</td>
<td>TASK FORCE GATHERED DATA ON TURNOVER,</td>
<td>“FLEXIBLE ACCOUNTABILITY” MANAGERS</td>
</tr>
<tr>
<td>ESTABLISH TASK FORCE</td>
<td>PROMOTION RATES, QUALITY OF ASSIGNMENTS</td>
<td>HELD RESPONSIBLE FOR PROGRESS</td>
</tr>
<tr>
<td>PERSONALLY CHECK ATTENDANCE</td>
<td>WORKSHOPS 100% ATTENDANCE OF 5000</td>
<td>(DIFFERENT THAN AFFIRMATIVE ACTION?)</td>
</tr>
<tr>
<td>PERSONALLY CALL OFFICES FOR DATA</td>
<td>PROFESSIONALS TEACH CULTURE CHALLENGE</td>
<td>FORMAL CAREER PLANNING PROCESS</td>
</tr>
<tr>
<td></td>
<td>ASSUMPTIONS SURFACE PRACTICES</td>
<td>NETWORKING EVENTS</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WORK/FAMILY POLICIES AND CULTURE</td>
</tr>
</tbody>
</table>
Does MIT Discriminate?

- Women in Science
- Gender issues in the entire university

MIT’S STAGES

HUH?
INDIVIDUAL FIXES
SYSTEMIC FIXES
MIT PROCESS

- SENIOR LEADERSHIP
- REPORT/PUBLICITY
- HIRING PRACTICES MONITORED
- FINANCIAL HIRING INCENTIVES
- WORK FAMILY POLICIES AND CLOCK STOPPING
DIVERSITY STRATEGIES

- STAFFING
  - recruitment
  - goals and timetables
  - succession planning
- TRAINING/CULTURAL CHANGE, SENIOR LEADERSHIP
- COMPLAINT MECHANISMS, EEO STAFF
- POLICIES, E.G. FLEX TIME, WORK/FAMILY
- AFFINITY GROUPS
ORGANIZATIONAL CHANGE

- SENIOR LEADERSHIP
- MEASURE AND REWARD MANAGERS
- STAFFING PROCEDURES
  - RECRUITMENT/GOALS
  - POSTING, BIDDING
  - MENTORING
- WORK-FAMILY
DOES A FIRM HAVE ANY RESPONSIBILITY FOR WORK-FAMILY ISSUES OR AN EMPLOYEE'S PERSONAL LIFE?
MOVTIVATION FOR WORK-FAMILY

- IT’S THE RIGHT THING TO DO
- SOLVE ISSUES SUCH AS ABSENTEEISM
- BUILD LOYALITY AND COMMITMENT
- ATTRACT A PARTICULAR WORKFORCE PROFILE
- GARNER GOOD PUBLICITY
MOTIVATION FOR WORK-FAMILY PROGRAMS

SOLVE ABSENTEEISM ETC.  41%
HELP RECRUIT KEY EMPLOYEES  41%
CHEAPER THAN WAGE INCREASE  19%
DEMONSTRATE THAN WE CARE  73%

Source: Osterman 1992
WORK-FAMILY PROGRAMS

- DAY CARE ON SITE
- DAY CARE SUBSIDIES
- PAID PARENTAL LEAVE
- FLEXIBLE HOURS
- UNPAID PARENTAL LEAVE
- REFERRAL SERVICES
- SEMINARS
SOME WORK-FAMILY COMPLICATIONS

- BACKLASH: WHAT TO DO FOR EMPLOYEES WITH NO WORK-FAMILY ISSUES (I WANT TWO WEEKS OFF TO GO MOUNTAIN CLIMBING)

- WHETHER WORKERS FEEL COMFORTABLE UTILIZING THE BENEFITS (ORGANIZATIONAL CULTURE)
IS IT FAIR?

- IS IT WIN/WIN OR ARE THERE LOSERS?

- SHOULD POLICIES BE SHAPED TO INDIVIDUAL CIRCUMSTANCE OR SHOULD THE SAME RULES APPLY TO EVERYONE?
MEANING OF MERIT

- Same skills, background, experience = same outcome?
- What counts and what weights are placed on different attributes?
- Where do skill, background, and experience differences come from?
  - Processes internal to firm?
  - “Pre-employment”
  - Family circumstances?
- Does the firm have any responsibility?