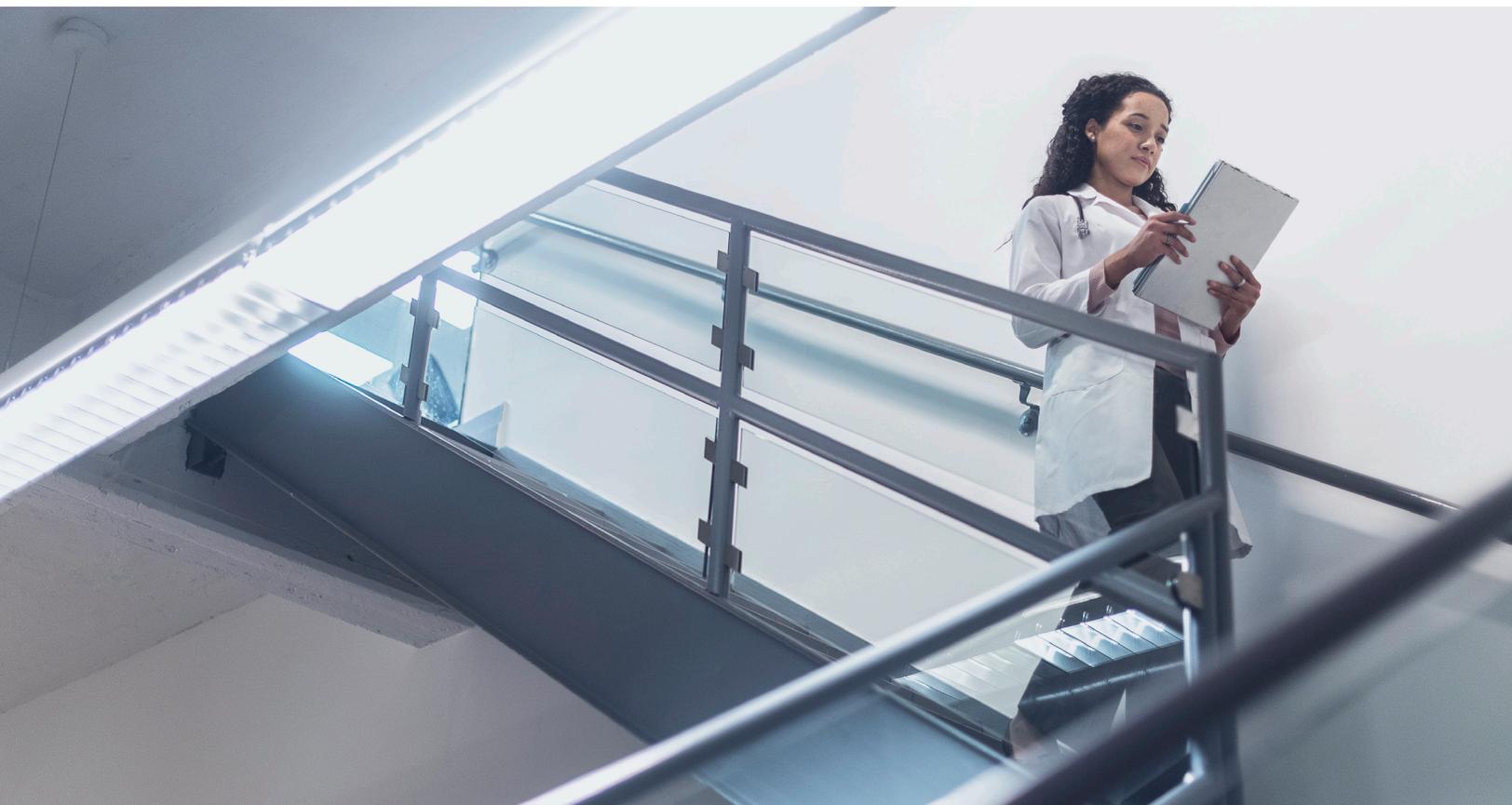


Healthcare Systems & Services and Pharmaceuticals & Medical Products Practices

Women in the healthcare industry

To see how the healthcare sector stacks up on gender equality, we look at employee experiences, policies, and the effectiveness of industry programs intended to promote diversity and inclusion.

by Gretchen Berlin, Lucia Darino, Megan Greenfield, and Irina Starikova



How does the healthcare sector stack up on gender equality? To answer that question, we look at pipeline practices, employee experiences, and policies and programs the industry has implemented to promote diversity and inclusion. We also hear from industry leaders on what it takes to accelerate change across the sector.

Our research for Women in the Workplace, a collaborative initiative between Lean In and McKinsey, attempts to create a definitive fact base on women's advancement in leadership. In addition to the 33 healthcare companies for which we have pipeline data, we surveyed more than 10,848 employees at 11 healthcare companies and interviewed ten senior executives in North America. Although the data are based on North American research, we believe the insights and implications are relevant globally.

From this research, healthcare appears to be one of the best industries for working women on several dimensions. A broad industry that includes drug and medical-device manufacturers, as well as service providers and payers, healthcare surpasses other industries in female representation. Women hold executive management positions at the highest levels, including Emma Walmsley (CEO of GlaxoSmithKline and the first woman to lead a global pharma company), Gail K. Boudreaux (president and CEO of Anthem), and Laura N. Dietch (president and CEO of BioTrace). There are also many examples of women in healthcare gaining worldwide recognition for their achievements, such as Frances H. Arnold, who in 2018 became the fifth woman to win the Nobel Prize in Chemistry. Women are the primary consumers and decision makers in the healthcare market, and they make up almost 50 percent of the workforce: much of their advancement and leadership in the field rests on those facts.

That said, women, especially women of color, remain underrepresented in leadership positions, and not

only at the highest levels. There remain challenges to address in hiring, advancement, and day-to-day experiences that could promote a more flexible and inclusive working culture.

Many reasons to celebrate

There are good reasons to believe the healthcare industry is one of the best for women. For example, women are better represented at all levels than in other sectors, are promoted at similar rates to men, and report similar career satisfaction. We highlight several reasons to celebrate the sector's progress on diversity below.

Better representation at all levels

Over 60 percent of employees entering the healthcare industry are women, while across sectors in the United States, women represent an average of just under 50 percent of entry-level employees (Exhibit 1).

Healthcare's many subsegments are a natural draw for the 50 percent of STEM graduates¹ that are women, affording them the opportunity of a career in an industry with a variety of technical disciplines such as medicine, science, engineering, technology, business, operations, and even design. Also, nurses are more than 80 percent women² and they comprise a large part of the workforce in healthcare provider and payer organizations in the United States.

In the provider subsector (including hospitals, health systems, and physician practices), gender diversity is especially important because women represent a significant patient population. For example, approximately 57 percent of patients who visit emergency departments are women—and a majority of those are women of color. Clinical outcomes correlate to a diverse workforce; in cardiac care, for example, women treated by female doctors are more likely to survive a heart attack than women treated by male doctors; and male doctors are more effective at treating heart

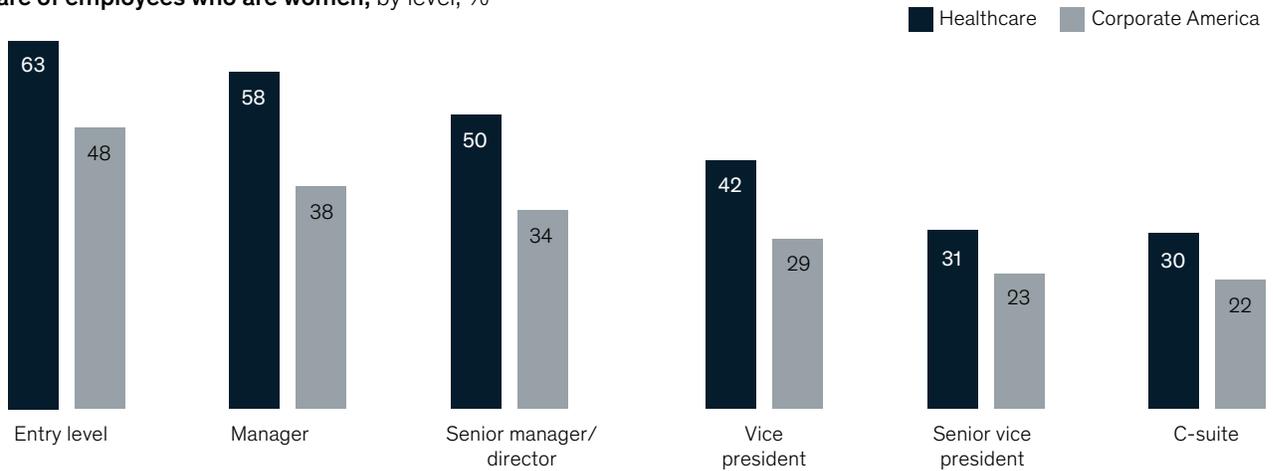
¹ *Women, minorities, and persons with disabilities in science and engineering*, National Center for Science and Engineering Statistics, March 2019, nces.nsf.gov.

² Gender ratio of nurses across 50 states, Becker's Hospital Review, May 29, 2015, beckershospitalreview.com.

Exhibit 1

Women are better represented in healthcare at all levels than in corporate America overall.

Share of employees who are women, by level, %



Source: *Women in the workplace 2018*, a joint report from LeanIn.org and McKinsey, womenintheworkplace.com

attacks when they work in hospitals with more female doctors.^{3,4}

In the pharma, biotech, and device subsectors, gender diversity is especially important in composing the development and marketing teams for therapies and solutions to treat conditions that disproportionately affect women—enabling companies to more authentically and responsibly market to female patients.

Getting promoted and advancing in senior roles

When comparing the rate of promotions between men and women across industries, the healthcare industry performs better than average, with relatively low gaps across the board (Exhibit 2). For example, in the critical first promotion to manager, healthcare outperforms almost all other sectors.

Negotiating and achieving more when asking for raises

Both women and men report asking for raises at the same rates, but women in healthcare say they

are slightly more successful in achieving positive outcomes (Exhibit 3). Women can do (and are doing) more actionable things to change the status quo, including negotiating with their employers for higher salaries. As one executive leading a global business unit (BU) in an international top ten pharma company said, “[With] every woman I talk to who is in the midpoint of her range, [I tell her] you need to go and say, ‘I need to be on the other side of that midpoint.’ It is simple math.... I see a lot of women uncomfortable with this, but as one steps up and has success, the next does it.”

Greater career satisfaction

On average, women in healthcare report high satisfaction with their careers (75 percent versus 71 percent of men) (Exhibit 4). They find opportunities aligned with their passions and can adapt their careers over time.

As the strategy lead at a large biotech firm we interviewed said, “People come [into the healthcare industry] because they really care—and these

³ Ed Young, “Women more likely to survive heart attacks if treated by female doctors,” *Atlantic*, August 6, 2016, theatlantic.com.

⁴ Seth Carnahan, Brad N. Greenwood, and Laura Huang, “Patient–physician gender concordance and increased mortality among female heart attack patients,” *Proceedings of the National Academy of Sciences*, August 2018, Volume 115, Number 34, pp. 8569–8574, pnas.org.

Exhibit 2

There is no gender gap in promotion rates in healthcare, unlike in many other industries.

Number of women promoted for every 100 promotions of men¹

Media and entertainment	120	
Healthcare	102	
Technology	95	
Retail	94	
Financial services	76	
Professional and information services	76	
Automotive and industrial manufacturing	71	
Food services and restaurants	63	
Energy and basic materials	60	
Transportation, logistics, and infrastructure	58	100 promotions of men
Engineering services	54	

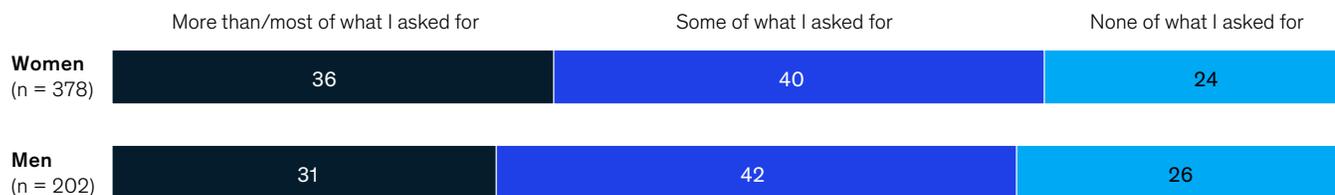
¹100 equals parity.

Source: *Women in the workplace 2018*, a joint report from LeanIn.org and McKinsey, womenintheworkplace.com

Exhibit 3

Women in healthcare reported receiving more of what they requested in compensation negotiations more often than men did.

Compensation received upon request, % of respondents¹



¹Figures may not sum to 100%, because of rounding.

Source: *Women in the workplace 2018*, a joint report from LeanIn.org and McKinsey, womenintheworkplace.com

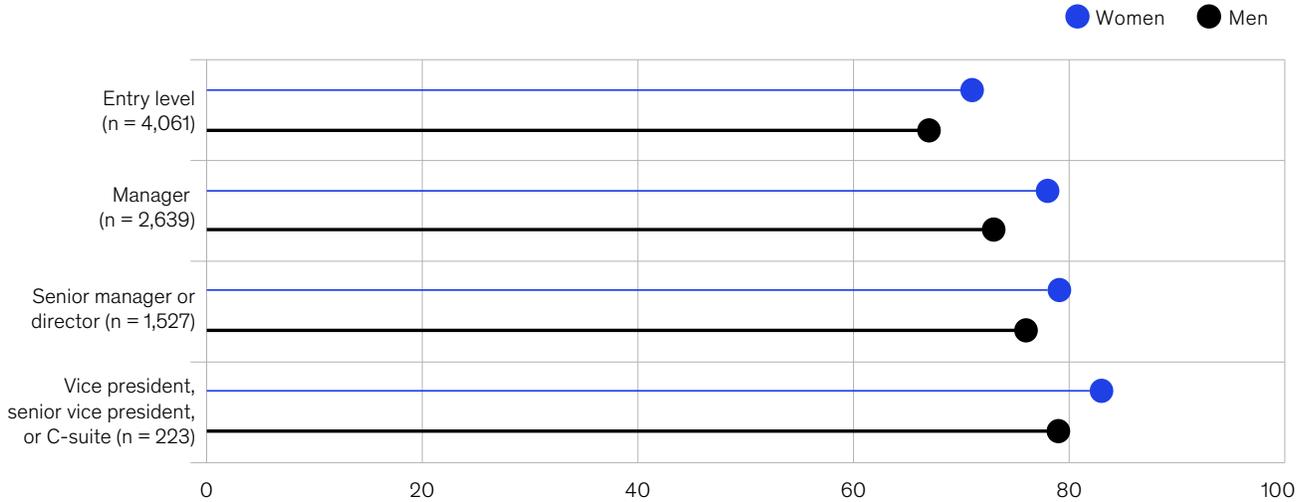
people are disproportionately female.” As a global executive most recently working in healthcare information solutions observed, “Women can get into healthcare, stay there for many years, and have a variety of experiences. I took a lot

of different twists and turns—most where I had enough technical and leadership expertise to move to a different role. I moved from analytics into an operational role leveraging leadership where I didn’t have technical skills. Another time, I took a

Exhibit 4

Women in healthcare tend to be happier about their careers compared with men in the same field.

Career satisfaction, % of respondents reporting as “satisfied”



Source: *Women in the workplace 2018*, a joint report from LeanIn.org and McKinsey, womenintheworkplace.com

combined technical and leadership skill to create a portfolio-management role that didn't exist. Sometimes people asked me [to take on roles], others I went after. And I have been in the industry very satisfied for a long time.”

Critical challenges to address

While there is a lot to celebrate and most employees see diversity as a priority, examining the representation of women across different levels indicate that healthcare still faces challenges in sustaining a diverse workforce.

As in other sectors, the proportion of women in the healthcare industry decreases as the responsibility level of the job rises (Exhibit 5). The share of white women in entry-level positions is 41 percent compared to 26 percent at the C-suite level. This decline is particularly steep for white women at more senior levels (such as VP, SVP, and C-suite) due to the glass ceiling that seems to exist between senior manager/director and VP levels.

The share of women of color drops off even more, with 22 percent holding entry-level jobs and just 4 percent working at the C-suite level. Declines in representation for women of color span all levels of employment. The glass ceiling for women of color starts at the first promotion to manager.

While our research indicates that lack of ambition cannot explain the leakiness of the talent pipeline for women, there are three emerging problems that lead to representation decline in healthcare: structural challenges (such as hiring and advancement practices), institutional barriers allowing underlying biases to persist, and impact of the daily work environment not promoting an inclusive and supportive experience for all employees. Companies need to better understand and address these key challenges in order to promote diversity.

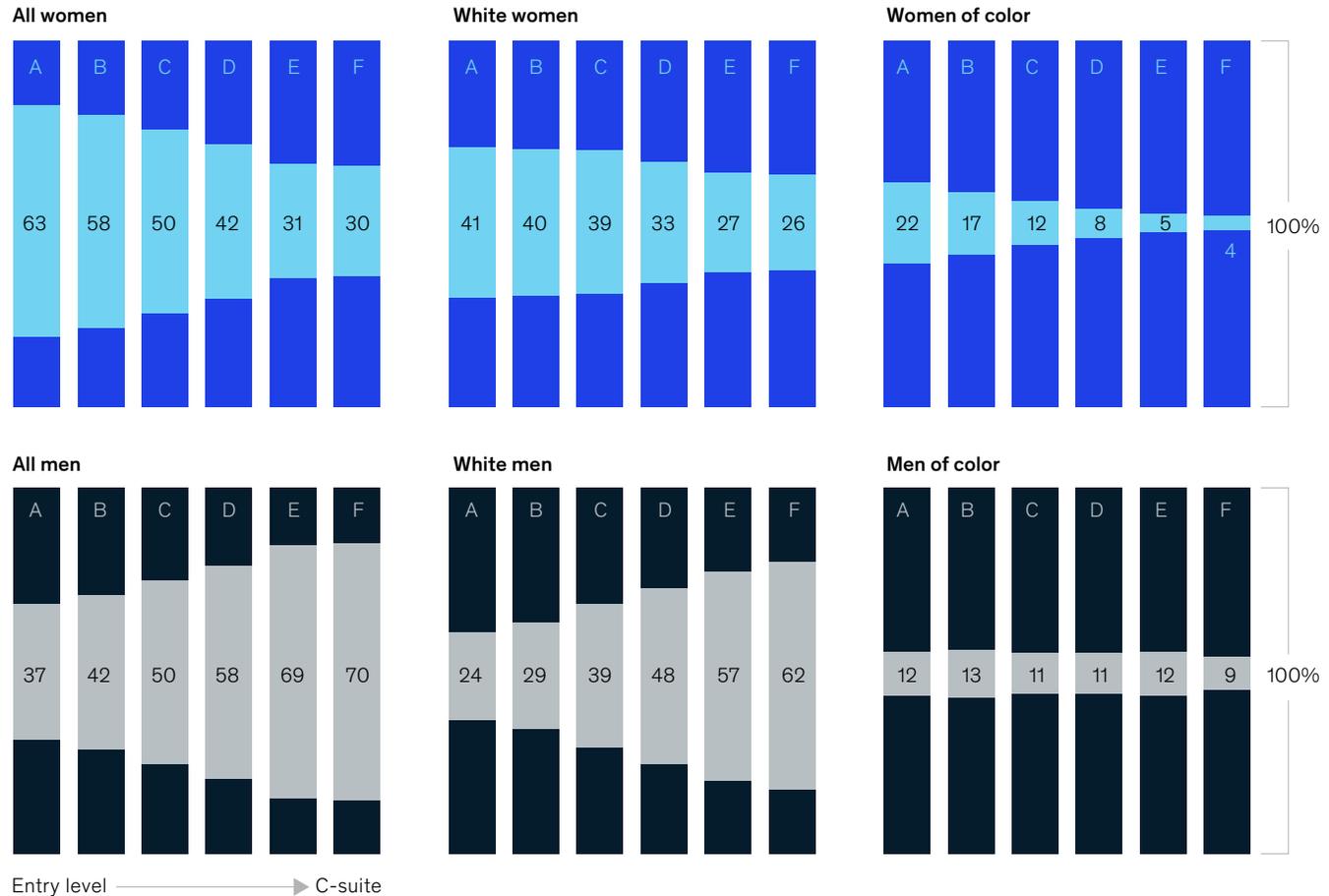
While the study did not find specific reasons to explain why women of color lag further behind, our research suggests all the factors that apply to

Exhibit 5

Representation of women in healthcare declines at senior-leadership positions, particularly for women of color.

Representation pipelines in healthcare in 2017, by gender and ethnicity, % of total¹

A Entry level, B Manager, C Senior manager/director, D Vice president, E Senior vice president, F C-suite



¹ Figures may not sum to listed totals, because not all companies split by race.

Source: *Women in the workplace 2018*, a joint report from LeanIn.org and McKinsey, womenintheworkplace.com

women generally—such as unequal promotions and microaggressions—are amplified for women of color, and are likely contributing factors in the healthcare industry as well.

Structural challenges hold women back

There are a few structural challenges companies need to address to promote diversity: constrained

advancement opportunities and lack of sponsorship, and limited pool for external hiring.

While women occupy a large share of entry-level line roles, that declines rapidly at more senior levels due to advancement opportunities. At entry level, women make up 63 percent of line roles; at the C-suite level, women comprise 29 percent of

line roles (Exhibit 6). This imbalance is worrisome because line roles carry material financial and profits-and-losses responsibilities and lead to more CEO roles, whereas nonline roles tend to be more support-function related, consultative, and project-management oriented. While this trend holds for virtually all sectors, healthcare has some additional career structures and advancement practices that can box women into nonline roles. For providers, a large proportion of entry-level hires are female nurses, and nursing is a career path that often ends at the nursing-director level with few additional senior roles. For biotech, the decline sometimes comes down to women leaving senior-manager roles for senior positions at larger pharmaceutical companies where there are a broader set of opportunities given these companies' global remit and scale.

When looking at relative rates of promotion and attrition for women and men in healthcare, our research shows that women lose the most ground to men through external hiring. Women have

slightly lower attrition than men at all levels (1 to 2 percent less), however women have 1 to 2 percent lower likelihood of being promoted to the next level (on average across all levels) and also maintain their underrepresentation in proportion of external hires.

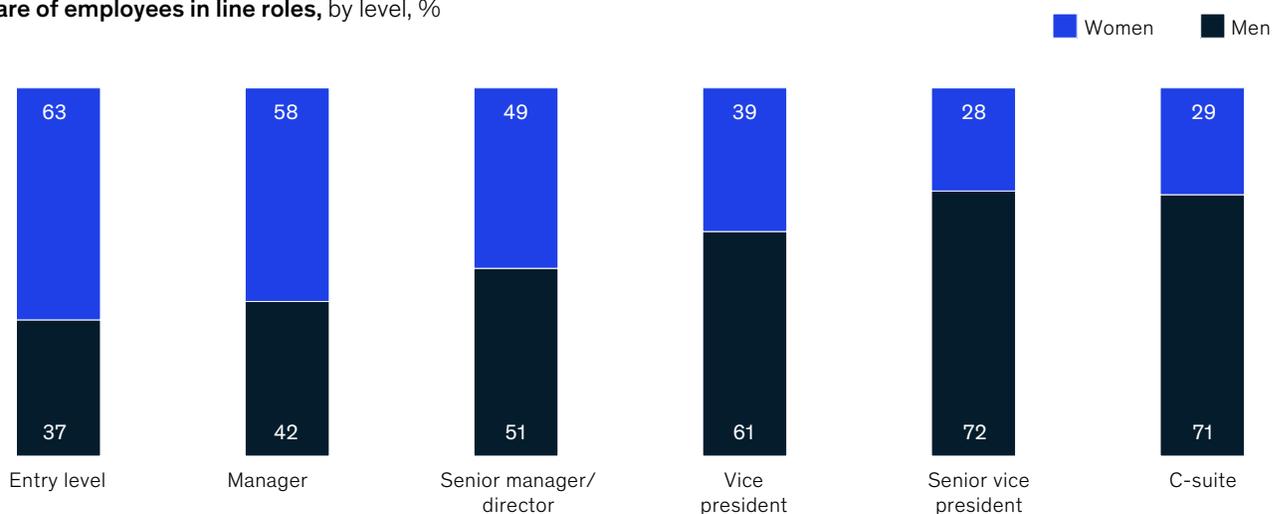
Overall, while women represent 61 percent of external hires at the entry level, that number drops to 33 percent at the senior level and is lower at many levels than the existing level of women's representation, further decreasing the representation of women leaders (Exhibit 7).

Through our work with leading organizations, we have uncovered a set of drivers associated with external hiring. For example, in sourcing, women may represent a smaller proportion of the candidate hiring pool than men (for example, there are fewer women out there in senior-level roles). In applicant screening and interviews, women might be less likely to pass if a job requires continuous work experience or if an interviewer panel has no women on it. These are addressable issues, but it takes

Exhibit 6

Women in senior levels of healthcare are less likely than their male colleagues to be in line roles.

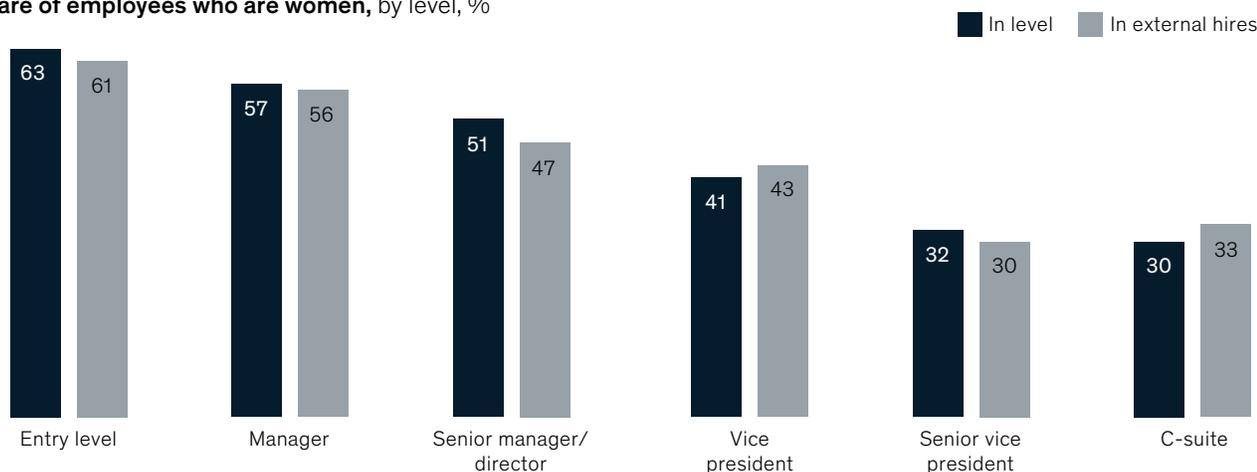
Share of employees in line roles, by level, %



Source: *Women in the workplace 2018*, a joint report from LeanIn.org and McKinsey, womenintheworkplace.com

External hiring does not significantly affect women’s representation, across all levels.

Share of employees who are women, by level, %



Source: *Women in the workplace 2018*, a joint report from LeanIn.org and McKinsey, womenintheworkplace.com

dedicated resources to remove both actual and perceived structural barriers.

Institutional barriers perpetuate biases in the system

As institutional barriers have persisted, they have embedded mind-sets and biases that may be creating additional challenges.

Despite being promoted at similar rates, women are more than twice as likely as men to report that their gender may have played a role in missing a raise, promotion, or chance to get ahead (18 percent of women, 7 percent of men).

This follows findings of a recent Rock Health survey, where 86 percent of African American women reported race as a high barrier to career advancement, followed by 52 percent of Asian women, and 49 percent of Hispanic/Latino women.⁵ A health-system-strategy executive said, “We tend to hire what’s similar [to ourselves], and when there is not a lot of diversity at the top, it’s hard to break through.”

We found that women and men cite different reasons for pursuing top leadership roles and perceive different expectations. For example, women are more motivated by an opportunity to become role models for other women (38 percent of women and 27 percent of men reported they are motivated to be “a role model for others like me”), whereas men tend to be slightly more financially driven (22 percent of women, 29 percent of men) and aspire to create impact for the company (59 percent of women, 66 percent of men).

At a top five global biopharma company trying to foster diversity, the global head of HR noticed a difference in how women want to lead, “[We are] moving from command-and-control leadership to more collaborative and servant leadership...this is what women are really good at and may feel like they are better able to lead in their own style...to lead with purpose.” When asked, the global BU lead shared, “I think there are [four] things [that hold women back from seeking promotions]—imposter syndrome; the feeling that if I work hard enough, I’ll

⁵ Nicole Fisher, “600+ women open up about working in health care in 2018,” *Forbes*, July 27, 2018, forbes.com.

get there; a lack of sponsors and mentors; and not being able to bring one's full self to work."

In our survey, the reasons women gave for *not pursuing* top leadership roles (broadly, VP and higher) also differ from those cited by men. Women tend to be less interested in senior executive roles than men (29 percent of women, 38 percent of men) and mention concerns about the pressure to deliver results 50 percent more often than men.

As the global executive from information solutions we interviewed put it, "Advancement is not always equated with success.... Some of the traditional senior-level roles just aren't that attractive for women in terms of the expectations, the responsibilities." On the other hand, nearly a third of both women and men balk at the prospect of office politics, and well over a quarter of both men and women consider the personal cost of advancement not worth the professional benefit.

Biases remain around belittling the importance of diversity. While 80 percent of employees believe gender diversity is a high priority for their company, 40 percent of people who do not believe it's a high priority think that diversity deprioritizes individual performance. While this outlook is disappointing, it can be addressed by communicating the business case around diversity.

Impact of the daily work environment

Our research also revealed several critical themes about how the daily work environment impacts how it feels to be a woman in the healthcare industry.

Women are more likely to face microaggressions and incivility in the workplace. In healthcare, 61 percent of women we surveyed reported they experience microaggressions at work versus 49 percent of men. This difference between women's and men's experience was even bigger when we asked about incivilities: over 43 percent of women have experienced two or more instances of incivility in the workplace versus 30 percent of men.

Senior women and those in technical roles are more likely to be the only person of their gender in the room. On average, approximately 10 percent of both women and men across all roles often find themselves to be the only person of their gender in the room; however, the experience for women in senior roles (VP, SVP, and C-suite) and technical roles is drastically different. Senior women are nine times more likely than men to be the only person of their gender in the room (28 percent of women, 3 percent of men) and women in technical roles are roughly eight times more likely than men to be an "only" (39 percent of women, 5 percent of men). This is important because women "onlys" can face higher levels of scrutiny and pressure to perform. As a result, they often are more likely to think about leaving their jobs.

Actions to take

The key to accelerating and having a greater impact at scale is two-fold. First, focus on the shifts that matter to your organization (for this you need real data as a starting point). Second, reframe your efforts against core actions (see six types of action highlighted in our Women in the Workplace research)⁶ that we know have an impact.

Of these six core actions, we want to focus on three in particular to address challenges faced by women in the healthcare industry: promotions and external hiring, inclusiveness training, and flexibility in the workplace.

Ensure promotions, evaluations, and external hiring processes are fair

To address promotion bottlenecks, identify and groom women within the organization to compete for senior positions; this form of sponsorship can be fostered through training. But this, in and of itself, is not sufficient. Unconscious bias can have a significant impact on who's hired and promoted—and who's not. It's critical that companies put safeguards in place to reduce bias such as using automated résumé-screening tools, requiring diverse slates of candidates, and setting

⁶ Alexis Krivkovich, Marie-Claude Nadeau, Kelsey Robinson, Nicole Robinson, Irina Starikova, and Lareina Yee, "Women in the Workplace 2018," October 2018, McKinsey.com.

clear, consistent evaluation criteria before the process begins.

Furthermore, it's important to track outcomes. Otherwise, it's impossible for a company to know if it's treating candidates fairly. Many companies track outcomes in hiring to check for gender bias, which is a good start. But far fewer track the compounding effect of gender and racial bias, which disadvantages women of color. And companies are far less likely to track bias in performance reviews—for example, to see if women's communication styles are criticized more often than men's—yet performance reviews play a major role in who gets promoted and who doesn't.

One health system addressed this through “sustained intentionality” by proactively identifying women throughout their career and recommending them for high-profile committees to raise their visibility and leadership. Over the past ten years, this along with sending them to leadership development programs and supporting them with coaching and mentoring have doubled the percentage of women in leadership positions across the organization.

An alternative is to recruit women directly into leadership positions (or line roles), although this requires persistence and persuasion with external candidates. One way to close the gap is to consider hiring outside the industry—looking for exceptional talent with transferable skills. In the healthcare industry, examples include Jody Bilney, chief consumer officer for Humana, who previously had marketing-leadership roles in hospitality, software, financial services, and telecom; Karen L. Parkhill, CFO for Medtronic, who previously had a long career in the financial-services industry; and Bridgette Heller, who started her career in the food business before coming to healthcare and is now in consumer nutritionals at Danone.

Invest in training to create a more diverse and inclusive employee culture

Diversity and inclusion (D&I) training can help improve hiring, sponsorship, employee

development, and raise awareness of the business case for D&I.⁷ Healthcare employees understand and support the value of D&I and feel that they know how to improve the workplace. However, managers don't regularly address learning moments or role model key behaviors and mind-sets. By leveraging both formal and informal training opportunities, managers can help employees feel more confident in what to do and when. Training needs to do the following:

- provide targeted unconscious-bias training and reminders for hiring managers as they select interview slates and make offer decisions
- foster sponsorship and mentoring
- recognize senior leaders who are spearheading D&I initiatives in their organizations and educate line managers on how to promote D&I within their teams
- provide intensive professional development training to accelerate the career trajectories of high-potential women and underrepresented minorities
- make managers aware of the signs and impact of microaggressions

Give employees the flexibility to fit work into their lives

Healthcare employers can support women throughout their organization—from those in entry-level jobs to those in top leadership positions—by offering flexible work arrangements. Flexible work benefits all employees but especially women.

As a clinical operations lead we interviewed said, “Some in the field believe we need to make flex programs the norm, as it is not part of the culture in clinical. They believe it's holding women back from continuing on the clinical paths, and in many cases delaying their starting a family.” As the health-systems lead remarked, “Many of our physician groups are still 80-plus percent male,

⁷ Sundiatu Dixon-Fyle, Vivian Hunt, Sara Prince, and Lareina Yee, “Delivering through diversity,” January 2018, McKinsey.com.

and work–life balance is a big reason for women not going into surgery... Our physician community is changing; they want more work–life balance.”

For office-based roles, this may mean creating or enabling more options to combine work and family; any interventions here must derive from data that would put employers in a position to know what is happening and make provision for women’s needs before the situation becomes acute.

As the biotech strategy lead shared, “Women disproportionately bear the challenge of balancing family versus travel and long hours. Women often choose not to ask for flexibility even when it might be on offer. They often choose to invest in family over careers, when it’s not a zero-sum game... Companies can be more progressive in offering benefits that resonate with women, such as extended maternity leave, childcare credits, [and] teleworking.”

The global executive we interviewed thought that employers should “support [the] concept of more flexible workers with internships and rotations.”

One global pharma company is experimenting with being more agnostic to the location of leadership roles to allow more flexibility and enable sustainability with family and other personal commitments.

We can and should be proud of the momentum of women in the healthcare industry. We must continue to highlight the success stories and spread best practices to accelerate recent gains. For areas that still lag, we must continue to remove barriers and address issues that matter with all employees in the industry.

The healthcare industry has an opportunity to lead in the next phase of establishing gender and racial equity. In taking the lead, it stands to benefit economically and socially. A more equitable workplace drives better innovation, performance, employee experiences, and patient outcomes.

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