



Women in America:
Work and Life Well-Lived

GALLUP®

“As leaders, it is our responsibility to be courageous and create change in the workplace. We have to examine, and even overhaul, our organizational policies, strategies, cultures and values to ensure that employees can maximize their potential in and out of the workplace.”

About This Report

WOMEN IN AMERICA: WORK AND LIFE WELL-LIVED presents valuable analytics and advice into what attracts, engages and retains a gender-diverse workforce in corporate America. More than 323,500 U.S. adults were surveyed for the report through the Gallup Panel and Gallup Daily tracking. Using discovery from this research, Gallup delivers an in-depth perspective on what an ideal work culture for women looks like and what organizations can do to achieve that culture.

In this report, created for business leaders and managers, we focus on U.S. women. In 2017, Gallup and the International Labour Organization will release a groundbreaking report on women worldwide.

ABOUT GALLUP

Gallup delivers analytics and advice to help leaders and organizations solve their most pressing problems. Combining more than 80 years of experience with our global reach, Gallup knows more about the attitudes and behaviors of employees, customers, students and citizens than any other organization in the world.

For more information about Gallup solutions for optimizing business performance, please visit www.gallup.com/contact.

Letter From the COO



DEAR BUSINESS LEADERS AND MANAGERS,

The workplace is changing at a faster pace than I have seen in three decades of working outside the home. The standard for how work gets done is vastly different than it was even 10 or 15 years ago. Several factors have influenced the changes in today's workplace, including a new generation of workers and an increasingly global, virtual and contingent labor force. It takes an exceptional workplace to create a culture that consistently gives employees the flexibility to integrate their jobs and their home lives.

Gallup has studied women in the workplace for over 50 years. Though this is a report about women, it is also about men, families, friends, businesses, the economy and our society — but it all starts with the discussion about women in the workplace.

We have consistently found that the majority of working mothers would prefer to stay at home and take care of their house and family. Our latest data find that among mothers who are currently employed either full or part time, 54% would prefer to stay home, and 40% say they would prefer to work outside the home. We are learning why women leave the workforce. In most cases, the love and responsibility they feel for their children and families trumps even their best days at the office. When organizations lack flexibility and use outdated standards to reward and recognize performance, they make staying at home an even more attractive option for women.

But most women need to work. Whether it is financial, social or emotional, work provides a positive outlet for women in some capacity. In the U.S., there are 73.5 million women in the workforce. These women have their own stories about why, how, when and where they work. Among them, there is considerable variance in what work is and can be.

One of the goals of this report is to encourage businesses to embrace all segments of women in the workplace and move past common stereotypes

about working women. All women should have opportunities to learn, grow and develop.

The topic of women in the workplace is sensitive and controversial. Yet, in every business, leaders must deconstruct and discuss — transparently — how to create cultures that make sense for women.

In the U.S., more than 5 million jobs are available. But women and men continue to drop out of the workforce in troubling numbers. We have to figure out how to get people back to work and how to keep them at work. However, many women don't want what businesses are offering them.

As leaders, it is our responsibility to be courageous and create change in the workplace. We have to examine, and even overhaul, our organizational policies, strategies, cultures and values to ensure that employees can maximize their full potential in and out of the workplace. Communicating new ideas is not enough to create change. We must take action on our ideas to change the fabric of our culture. When we make workplaces “work” for women, we make life better for them as well as for their families. We create a stronger economy and a better society.

A handwritten signature in black ink that reads "Jane Miller". The signature is written in a cursive, flowing style.

Jane Miller, Chief Operating Officer

TABLE OF CONTENTS

**01 WOMEN AND WORK: A LOOK AT THE PAST AND A LOOK
TOWARD THE FUTURE**

5

02 KIDS ARE A COMPANY'S GREATEST COMPETITION

11

03 ARE WOMEN BUYING YOUR WORKPLACE?

21

**04 THE REALITY AND THE PERCEPTION: WHY MEN ARE
PAID MORE**

29

05 WOMEN LEAD MEN ON ENGAGEMENT

47

06 WHAT STRENGTHS TELL US ABOUT MEN AND WOMEN

55

07 RELATIONSHIPS AT WORK MATTER

61

08 DO WOMEN WANT THE C-SUITE?

67

73.5 MILLION WOMEN AND A LIFE WELL-LIVED

73

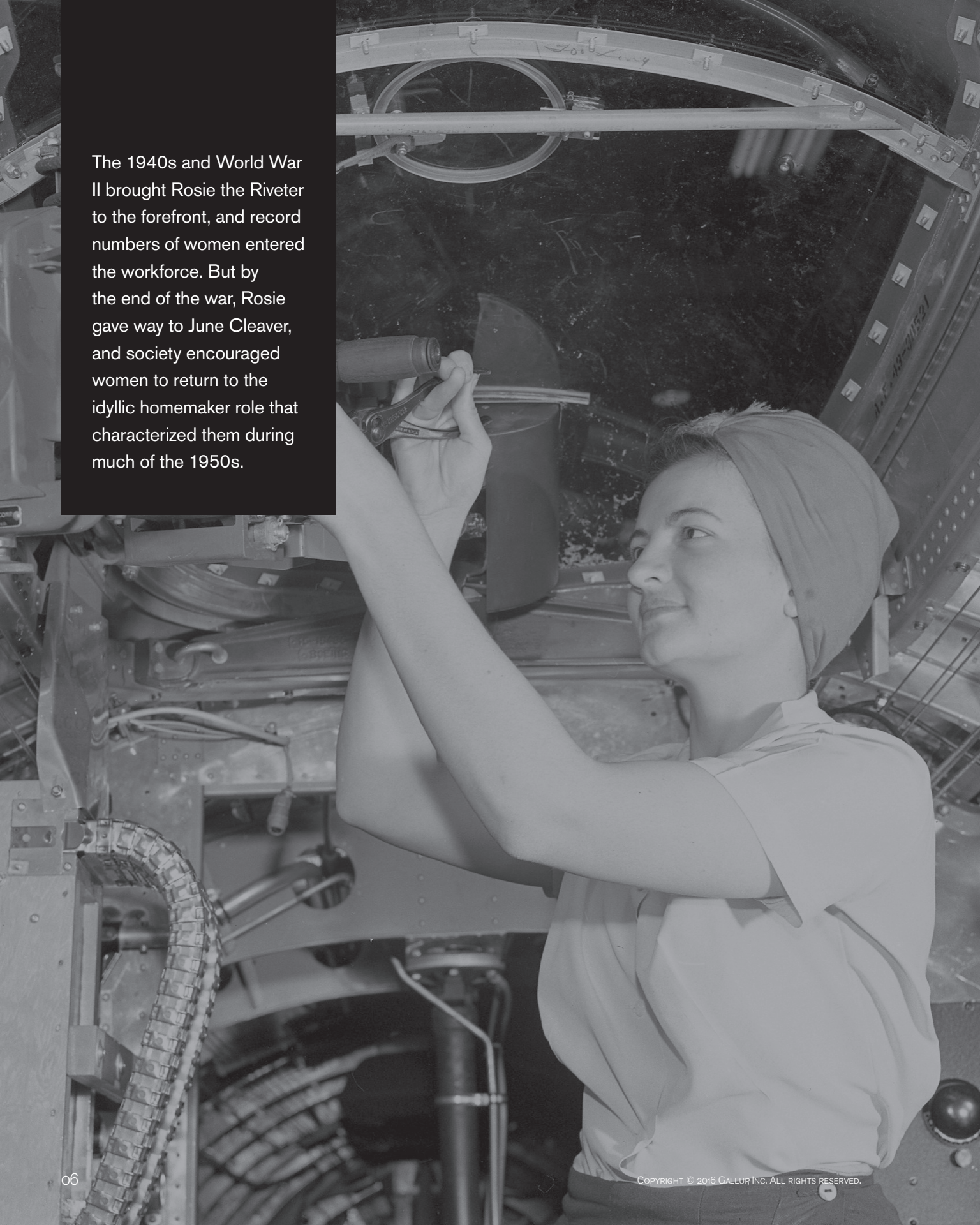
APPENDIX: METHODOLOGY NOTES AND REFERENCES

85

01 Women and Work: A Look at the Past and a Look Toward the Future

Over the course of nearly a century, women have undoubtedly made progress in the workplace. But many women continue to be held back from achieving all they want in their careers by organizational policies that were created in the 1990s, if not the 1950s. Now is the time for leaders to create modern workplaces that women want to join and stay with.

The 1940s and World War II brought Rosie the Riveter to the forefront, and record numbers of women entered the workforce. But by the end of the war, Rosie gave way to June Cleaver, and society encouraged women to return to the idyllic homemaker role that characterized them during much of the 1950s.



EXECUTIVE SUMMARY

IN 2020, THE U.S. WILL celebrate the 100th anniversary of the 19th Amendment, which allowed women the right to vote. Over the course of nearly a century, women have traveled a winding path, pushing to define and redefine their roles inside and outside the home.

The Roaring '20s were characterized by the “new woman,” with her flapper skirt and bobbed hair, who was an active participant in consumer culture and the workplace. The Great Depression gripped the 1930s, however, and set the country and women on a different course. Devastating poverty and joblessness created a rallying cry to “put people to work.”

Changing direction again, the 1940s and World War II brought Rosie the Riveter to the forefront, and record numbers of women entered the workforce. But by the end of the war, Rosie gave way to June Cleaver, and society encouraged women to return to the idyllic homemaker role that characterized them during much of the 1950s.

The next two decades ushered in the Equal Pay Act, Gloria Steinem, *Roe v. Wade*, Title IX and the “second wave” of the feminist movement. Efforts to diversify the workforce pushed more women to enroll in college and to join the labor force in reinvigorated numbers. Between 1970 and 1980, the percentage of women participating in the U.S. labor force — those who were working full or part time or who were unemployed and actively seeking work — made its most dramatic gains.

The idea of breaking through the “glass ceiling” became prevalent in the 1980s as more women found employment in professional and management roles. By 1990, the U.S. labor force was composed of 47% women and 53% men. Following a recession in the early 1990s, the country experienced an economic boom that lasted through the end of the decade, leading to impressive job growth and even more women entering the workforce. The “Take Our Daughters to Work” program made its debut, and the Family and Medical Leave Act became law.

Enter the new millennium and the dual notion that women “can’t have it all” and that they should “lean in.” Millennials started going to work, and baby boomers set their sights on retirement. The economy sputtered, and women began to leave the workforce — by choice and by force.

Today, women continue to make headway in education and politics. Among millennials, more women than men hold college degrees, including

advanced degrees. In the summer of 2016, Hillary Clinton became the first woman to be nominated for the U.S. presidency by a major party.

Economically, the U.S. is still regaining its momentum, but the job market is faring better. More positions are becoming available, and companies in male-dominated fields such as technology and science are focusing on hiring more women.

These renewed job opportunities and calls for greater diversity, however, have not brought women back to work. In fact, women are continuing to leave the labor force.

THE DWINDLING FEMALE LABOR FORCE

According to the U.S. Bureau of Labor Statistics (BLS), women's participation in the labor force rose quickly from the 1960s through the 1980s before slowing in the 1990s. After reaching its peak in 1999, the women's labor force participation rate began to decline and has been falling ever since. BLS data show that 59.9% of women aged 15/16 and older were in the labor force in 2000. By 2010, that figure fell to 58.6%, and at the end of 2015, it was even lower at 56.7%.

Retiring female baby boomers account for a percentage of the shrinking labor force, as does the increasing number of young women enrolling in college. But these demographics don't tell the whole story. A study conducted by Maximiliano Dvorkin and Hannah Shell for the Federal Reserve Bank of St. Louis found a decrease in labor force participation among women in their "prime age" — between 25 and 54. The U.S. used to have one of the highest labor force participation rates among women in this age group, but now it has one of the lowest rates compared with eight developed countries in the study.

It is impossible to define one single underlying reason why women are opting out of work. But this slow, steady exodus certainly calls into question the appeal of U.S. workplaces and what they provide for women.

THE NEXT 100 YEARS

Over the course of nearly a century, women have undoubtedly made progress, but it is not enough. Women continue to drop out of the labor force, and far less than half of women are engaged in their jobs. Given this

reality, it is not surprising that 48% of women say they are actively looking for a different job or watching for new opportunities, according to Gallup data.

The state of women in the workplace has important implications for organizations. Is hiring more women and helping them succeed personally and professionally the right thing to do? Of course. But gender diversity also leads to better business outcomes. Gallup is just one of many research and academic institutions to link gender diversity to improved profits and revenue.

Women in America: Work and Life Well-Lived represents Gallup's latest analytics and advice on U.S. women in the workplace. We have studied what businesses are doing right — and otherwise — when it comes to attracting, engaging and retaining their female employees. These analytics and insights are directed at medium to large businesses and women in professional roles.

Here's what we learned unequivocally: When women want to succeed in their jobs, when they can use their talents and strengths to do what they do best every day, and when they can find a synergy between career and life that suits them, they will propel their organizations to new heights of success. And businesses will realize — and benefit from — all that women can do as employees, managers and leaders.

Too many U.S. organizations continue to follow policies created in the 1990s, if not the 1950s. Or they change their policies but forget to bring their culture along. Now is the time for leaders to create modern workplaces that women want to join. This report is a guide for how to do just that.

Gallup surveyed more than 323,500 U.S. adults for this report through the Gallup Panel and Gallup Daily tracking. From our research, we discovered some crucial findings about women in the American workplace:

Pay is less of a factor than other workplace attributes in women's employment decisions.

The economy is not the biggest reason women leave the workforce.

Men report working more hours per week than women.

Outdated company cultures and policies affect women personally and professionally.

Women rank higher in certain relationship-building strengths compared with men.

Women who aspire to leadership positions are unlikely to be deterred by the demands of the job.

02 Kids Are a Company's Greatest Competition

A woman's decision to work or not to work depends on numerous influences in her life — career aspirations; life goals; economic realities; societal pressures; and expectations of parents, partners and even in-laws. For mothers, however, Gallup has found that there is one factor that has the greatest influence on their decision to stay in the workforce or leave — *children*.

Among women who are employed and do not have a child under the age of 18, 70% would prefer to work outside the home. That number falls to 40% among women who are employed and do have a child under the age of 18.



THERE ARE 73.5 MILLION WOMEN, aged 16 and older, who are either employed or unemployed and actively looking for work in the U.S. For each of these 73.5 million women, “work” has a different definition and meaning. Work can be a financial necessity, a choice, a juggling act or a social outlet. Work can drive a woman’s sense of purpose and responsibility — or come in direct conflict with it. Work and personal life are rarely separate entities, but the degree of their overlap is not universal for all women.

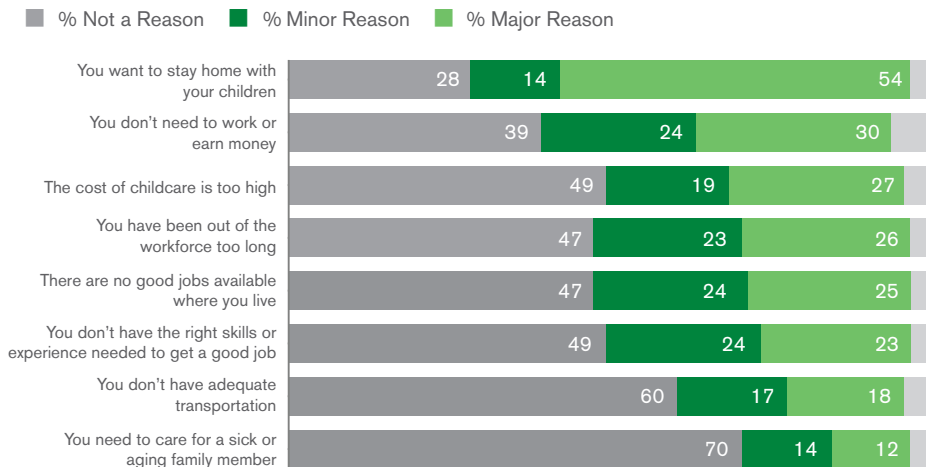
Work is an emotionally charged topic for many women. Regardless of their decisions, women face judgment. People criticize women for staying home with their children, for continuing to work or going back to work while raising their children, for not having children or delaying motherhood to pursue a career, and for choosing not to work.

Work is personal for all women. A woman’s decision to work or not to work depends on numerous influences in her life — career aspirations; life goals; economic realities; societal pressures; and expectations of parents, partners and even in-laws. For mothers, however, Gallup has found that there is one factor that has the greatest influence on their decision to stay in the workforce or leave — *children*.

IN THIS REPORT, WE DID not research maternity (or paternity) leave specifically. Maternity leave is a fundamental expectation of exceptional workplaces, as is some amount of time and flexibility for paternity leave. We believe that each company must first and foremost address flexibility for maternity and paternity leave relative to its values and ability to afford it. For example, large profitable companies in the pharmaceutical or technology industries may find it easier to give employees four to six months of leave, whereas small businesses with fewer than 50 employees may find it more difficult to grant six to eight weeks. Every business is different. We recommend setting maternity and paternity leave on a scale that is based on an employee’s tenure, and ideally, a minimum of six to 12 weeks of maternity leave for mothers and flexibility for fathers to come and go in the first few weeks as needed or to work from home. Maternity (and paternity) leave is a critical aspect for women and work, but it is only one component of what creates an exceptional workplace for families.

KIDS ARE THE MOST INFLUENTIAL FACTOR KEEPING MOTHERS OUT OF THE WORKFORCE

Is each of the following a major reason why you are not working right now, a minor reason or not a reason? (Among women who are not employed and who have children at home)



CHILDREN ARE THE KEY FACTOR IN EMPLOYMENT DECISIONS

Gallup asked women who are not in the workforce (and not retired) about why they are not employed. Among women without children, the responses are equally distributed across economic and experience factors. For example, 22% of these women say they don't work because they don't need to earn money, and 21% say they don't work because they have been without a job for too long.

For women with children, however, the real motivator is their kids. More than half of women (54%) who do not work and who have a child younger than 18 say their desire to stay home with their children is a "major reason" why they are not working. Other factors are considerably less relevant, including the need to earn money, the cost of childcare and the ability to find a good job.

Children are a tough act to follow, and some women won't return to the workforce when they become mothers. They simply want to stay home with their children. But some stay-at-home mothers might consider returning to work if the workplace was more accommodating.

When asked, 53% of stay-at-home mothers say flexible hours or work schedules are a "major factor" in their ability to take a job. Four in 10

stay-at-home mothers say the same about being able to work from home when necessary. Pay is somewhat less of an issue for this group. Thirty-four percent of stay-at-home mothers say earning enough money to pay for childcare is a “major factor” in their employment decisions. These stay-at-home mothers seem to be less concerned about a paycheck than they are about having the flexibility to be able to do things like pick up their kids from school.

CHILDREN CHANGE WOMEN'S EMPLOYMENT PREFERENCES

Of course, many mothers do work. However, the majority of working mothers would prefer to stay at home and take care of their house and family. Among mothers who are currently employed either full or part time, 40% say they would prefer to work outside the home, and 54% would prefer to stay home. The figures are almost identical among mothers who aren't currently employed: 37% would prefer to work outside the home, while 57% would rather stay home.

MAJORITY OF WORKING MOTHERS WOULD PREFER TO STAY AT HOME

If you were free to do either, would you prefer to have a job outside the home, or would you prefer to stay at home and take care of the house and family?

	PREFER TO WORK OUTSIDE THE HOME	PREFER HOMEMAKER ROLE
HAVE CHILD UNDER 18		
Not employed women	37%	57%
Employed women	40%	54%
NO CHILD UNDER 18		
Not employed women	51%	46%
Employed women	70%	29%

Among fathers, there is almost no difference in lifestyle preference by employment status. At least 70% of fathers who are employed — as well as fathers who are not employed — would rather work outside the home than stay home. However, we do see a shift in preferences between fathers

and men who are not fathers. Eighty percent of employed men without children say they would rather work outside the home. That figure drops 10 percentage points for men with children. The decline suggests that being a stay-at-home father has less of a stigma than it once did.

Nevertheless, having a child has considerably more effect on women's employment preferences than it does on men's employment preferences. Among women who are employed and do not have children, 70% would rather work outside the home — 30 points higher than employed women with children. Women want to work, but having a child changes their perspective.

WORKING FROM HOME IS A MISSED BENEFIT

Working mothers — regardless of their employment preferences — ultimately want the same things from their companies. They want to be able to care for their children and themselves and to take their careers as far as their talent and ambition will lead them.

But some businesses struggle with meeting these women's needs. Gallup asked working mothers in the U.S. to rate their employers on six workplace attributes related to pay and benefits, work arrangements, and career progression. Their ratings reveal distinct areas of strength and opportunity for organizations.

33%

of working mothers say their employer is doing "very well" at allowing them to work from home when needed. An **equal percentage** say their employer is doing "very poorly."

Working mothers are most satisfied with their employers allowing them to change their hours or schedules when needed and with their employers' ability to provide adequate sick and vacation time. These are two common points of contention related to family-friendly policies and the plight of working mothers in the U.S. Fortunately, it appears that many employers are heeding the call to provide workers with vacation and sick time and flexible work policies.

While we asked women to rate what their employers provide, we did not ask women to account for how much paid time off and flexibility they actually use. The latter can often paint a different picture of flexibility in the workplace. Companies may offer employees sufficient opportunities to take time off and to adjust hours and schedules as needed, but

some employees may not feel comfortable or encouraged to take advantage of these policies. They may worry that working fewer hours could lead to reduced pay or repercussions from their manager or coworkers. Or they may feel guilty about being away from the workplace.

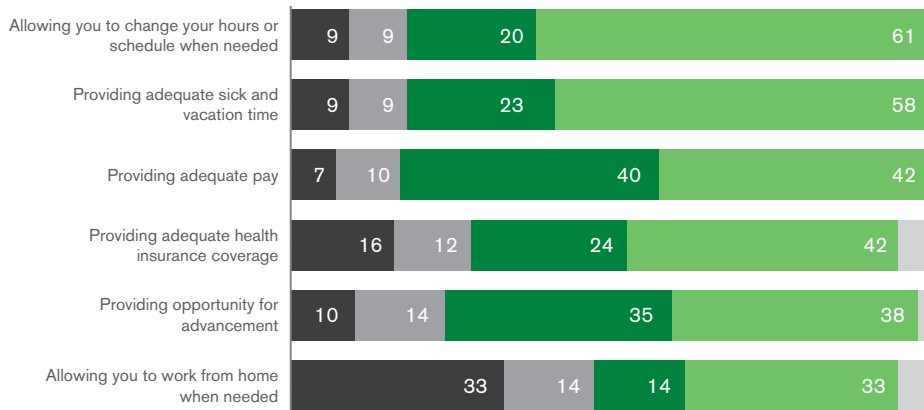
Gallup has found that the greatest pain point for working mothers is their ability to work from home as needed. Companies' approaches to flexible working arrangements might be too limiting and not encompass all they could. Thirty-three percent of working mothers say their employer is doing "very well" at allowing them to work from home when needed. An equal percentage say their employer is doing "very poorly."

Not all jobs allow employees to work from home, such as the female-dominated professions of nursing and teaching. Certain jobs require employees to be physically present. However, all organizations should examine their policies to determine if they can better incorporate this element of flexibility.

ORGANIZATIONS ARE HIT AND MISS ON FLEXIBLE WORK ARRANGEMENTS

How well is your employer meeting your needs in each of the following areas:
(Among employed women with children)

■ % Very Poorly ■ % Somewhat Poorly ■ % Somewhat Well ■ % Very Well



Working mothers also believe that their companies aren't very successful at providing them with adequate health insurance coverage and pay. Roughly four in 10 working mothers say their employers are doing "very well" in these

areas. Healthcare costs continue to rise across the U.S., and the insurance rates for families can be overwhelming, even for limited coverage. It is not surprising that women see health insurance coverage as a sticking point. The same can be said for pay. The gender pay gap still exists in the American workplace, and wage growth has been stagnant since the Great Recession.

Rounding out the list, 38% of working mothers say their employers are doing “very well” at providing opportunity for advancement. This finding could suggest that working mothers do not believe they can achieve all they want to in their current company or that their organization does not value their performance and contributions.

Gallup also asked employed women without children to rate their employers on these same attributes. We discovered little difference between these two groups. Working women with and without children believe that their employers are succeeding and failing in the same areas.

INCOME, PURPOSE AND FRIENDSHIP DRAW WOMEN TO WORK

While Gallup researched the reasons why women do not work, we also focused on the reasons why women *do* work. Many women want to work, and they find gratification and reward in the work they do.

More than eight in 10 of all women surveyed (84%) say the enjoyment they get from earning their own money is a “major reason” why they work. Similarly, 81% of women cite the need to earn an income as a “major reason” for why they work.

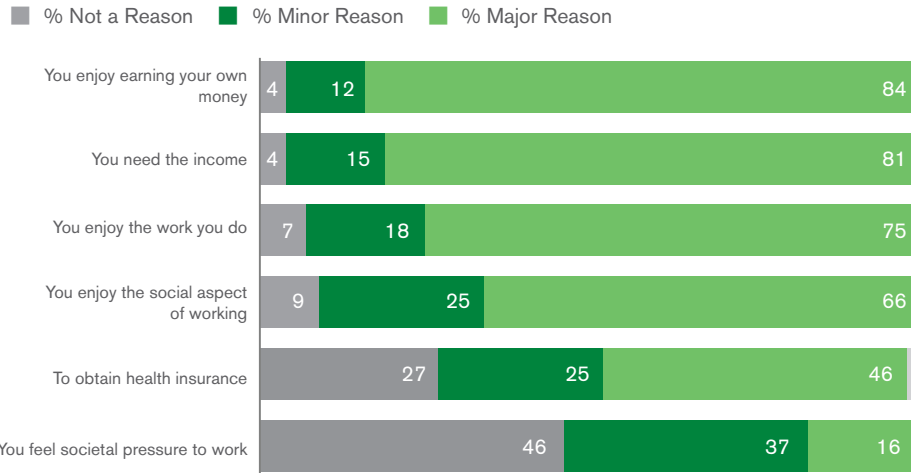
Although money matters, it is not the only motivation for working among women we surveyed. A job provides not only a steady paycheck but also a sense of purpose and an important social outlet for women.

A majority of women consider other nonfinancial factors to be “major reasons” for working. Three-fourths of women say they enjoy the work they do, and two-thirds say they enjoy the social aspect of working.

Slightly less than half of women say obtaining health insurance is a “major reason” why they work. Women are much more likely to say societal pressure to work is “not a reason” (46%) than a “major reason” (16%) for why they work.

WORKING WOMEN FIND ENJOYMENT IN EARNING THEIR OWN MONEY, THE WORK THEY DO AND THE SOCIAL ASPECT OF A JOB

Is each of the following a major reason, a minor reason or not a reason why you work?
(Among all working women)



Again, Gallup data show little difference in the responses between working mothers and working women without children. Women without children are somewhat more likely than women with children to say they work because they enjoy earning their own money and because they need health insurance.

GENDER DIVERSITY REQUIRES ACTION

A job can provide women many things, and companies need women in the workforce if they want to compete in today's marketplace. Gender diversity creates better organizations and business outcomes.

In 2014, Gallup published a study in the *Journal of Leadership & Organizational Studies* outlining the relationship between gender diversity and financial performance. Researchers examined data from more than 800 business units from two companies representing two different industries — retail and hospitality. They discovered that gender-diverse business units had better financial outcomes than those dominated by one gender:

- Gender-diverse business units in the retail company had 14% higher average comparable revenue than less-diverse business units.
- Gender-diverse business units in the hospitality company showed 19% higher average quarterly net profit than less-diverse business units.

Gender-diverse teams perform better than single-gender teams for several reasons. Men and women have different viewpoints, ideas and insights, which improves problem-solving and ultimately leads to superior business performance. A gender-diverse workforce gives companies access to comprehensive knowledge and allows them to serve an increasingly diverse customer base.

The challenge for leaders and managers is to understand what it takes to *create and sustain* gender diversity. The answer comes down to attraction, engagement and performance management strategies, and within each of these strategies is the vital element of culture. It's one thing for businesses to tout a modern or "family-friendly" work culture. It's another thing to actually live it.

A year is made up of 8,760 hours. Working women — especially those with children — account for every one of those hours. They protect those hours. Organizations must create environments for these women that welcome them into — and perhaps back into — the workplace. A company's greatest competition in attracting and retaining female employees isn't always its industry rivals or perk-heavy companies and startups. A company's greatest competitors can be 4 feet tall with missing teeth and a soccer ball in their hands, crying in diapers, or asking to borrow the car on a Friday night.

03 Are Women Buying Your Workplace?

More than ever, employers need to know and act on the factors that make their companies appealing to women. They have to make it easy for prospects to *choose* them over the competition. Women are consumers of the workplace, and they have to want what organizations are selling.

Women are willing to pursue other job possibilities, but instead of casting a wide net, they can zero in on the companies that meet their needs and expectations. Women know what's important to them in a role and company, and they actively seek out organizations that offer those attributes.



FOR MANY WOMEN, THE IDEA of staying with a company for a long time simply because it provides a paycheck and benefits is unrealistic and unappealing. While income is important, women want more out of a job. They are consumers of the workplace and will look for the role that best fits them and their lives. Women have to want what organizations are selling.

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Women are willing to pursue other job possibilities, but instead of casting a wide net, they can zero in on the companies that meet their needs and expectations. Women know what's important to them in a role and company, and they actively seek out organizations that offer those attributes. They have the upper hand, and organizations have to compete to win them.

FIT, FLEXIBILITY AND STABILITY ARE MOST IMPORTANT IN A JOB SEARCH

Gallup asked U.S. workers who were considering a job change or who had recently switched employers to indicate how important particular factors are in deciding to take a job with a different company. Female and male employees largely value the same attributes in a new employer, but women are more likely than men to rate these attributes as “very important.”

When considering a new job, women place the highest importance on:

1. the ability to do what they do best
2. greater work-life balance and better personal well-being
3. greater stability and job security

Ability to Do What They Do Best

Two-thirds of female employees believe it is “very important” to find a job that allows them to do what they do best. In comparison, 55% of male employees believe this factor is “very important” in a job.

Employees do their best in roles that enable them to use and integrate their talents (their natural capacity for excellence), skills (what they can do) and knowledge (what they know). Essentially,

66%

of female employees believe it is “very important” to find a job that allows them to do what they do best.

organizations can empower employees to do their best by matching the right person with the right role.

When employees are a mismatch for their role, they can become bored and restless or struggle to succeed. They might feel like their days — even their careers — are wasted, along with their sense of purpose. For women, having a job that enables them to make the most of their natural selves along with their knowledge and skills is most important.

60%

of women rate greater work-life balance and better personal well-being as a “very important” attribute in a new job.

Work-Life Balance and Personal Well-Being

Women value finding a job that enables them to have greater work-life balance and better personal well-being. It’s in this area that Gallup discovered the biggest gap between what male and female employees look for in a role. Sixty percent of women rate greater work-life balance and better personal well-being as a “very important” attribute in a new job, compared with 48% of men who say the same.

Work-life balance and personal well-being have different meanings for different women, but they often pertain to family-friendly policies and flexible scheduling. For working mothers or women who plan to become mothers, a job with a strict 8 a.m. to 5 p.m. schedule is rarely attractive or practical. Companies with rigid work environments or that fail to treat their employees as people are a poor fit for most working women or for women who want to re-enter the workforce.

But work-life balance and personal well-being are about more than flexibility. They encompass all of the components that go into a life well-lived. Many women have a holistic view of life and work and look for employers that do too. They are drawn to companies that encourage, support and empower them as people — not companies that see them as just workers.

Stability and Job Security

Roughly half of women (52%) and men (50%) view greater job stability and security as “very important” in a new job.

Women are the primary or equal breadwinners in many American households. The U.S. Census Bureau reports that 9% of working women earn at least \$30,000 more than their husbands and that 25% of couples

have earnings within \$4,999 of each other. A large contingent of working women are also the sole breadwinners for their families. Of the 12 million single-parent families in the U.S., single mothers are the heads of 80% of these households.

Although the economy and job market have improved since the Great Recession, women who were affected by the downturn may still feel as though they are on shaky ground. And for women who shoulder some — or all — of the financial burden for their families, it may not be the nation's troubled economic past, but rather the reality of getting by in the present, that is their biggest concern. Women want to know that their company and job are stable because their livelihoods and their families depend on it.

52%

of women view greater job stability and security as “very important” in a new job.

PURPOSE AND PURSE

Naturally, pay also plays a part in an employee's decision-making process. Thirty-nine percent of women consider an increase in income to be “very important” when switching jobs. Though pay does matter to women, it is less important to them than fit to the role, the ability to integrate work and home, and having a job they can depend on. Across all the factors that go into deciding to take a new job, increased income is the only one that is more important to male employees than to female employees: 43% “very important” for men versus 39% “very important” for women.

The company itself also plays a part in a woman's decision to take a new role. When considering a job move, 39% of women say the reputation or brand of the company is “very important” to them. A somewhat smaller percentage of women (32%) say the same about the company's cause. For 33% of men, the company's brand is “very important,” but only 22% feel the same about the company's cause.

Women want their work to matter and to have meaning. This mentality pushes them to choose jobs that focus on their talents and what they do best, but it also motivates them to choose companies that stand for something or have a great reputation.

ARE MILLENNIAL WOMEN DIFFERENT?

In today's workplace, there is one question that leaders and managers deliberate and debate time and again: Are millennials different? This demographic now makes up a greater percentage of the U.S. workforce than any other generation. Millennial women represent the most educated generation of women in history, and they are entering the workforce in large numbers. Clearly, organizations need to understand what this group wants — and be able to deliver on it.

Gallup has found that millennials *are* different in some regards, but female workers of this generation largely align with their Generation X and baby boomer counterparts. Across generations, female workers place the same high importance on finding a job that harnesses their talents, enables them to integrate work and life, and provides solid financial footing.

Millennial women do diverge from their predecessors on one important point: They place higher importance on a company's cause than do women in other generations, and they value it above brand or reputation. The opposite is true for female Gen Xers and baby boomers. These women give considerably more weight to a company's brand or reputation than to its cause. For younger women, a nonprofit organization may be a more attractive career option than a bank with a great reputation. For older women, a prominent bank is likely the more appealing choice.

MILLENNIAL WOMEN VALUE CAUSE OVER BRAND

Please indicate how important each of the following is to you when considering whether or not to take a job with a different organization:

(% “Very important”)

It allows me to work for a greater cause.

MILLENNIALS 1980-1996	GEN XERS 1965-1979	BABY BOOMERS 1946-1964
38%	29%	29%

The company/organization has a great reputation or brand.

MILLENNIALS 1980-1996	GEN XERS 1965-1979	BABY BOOMERS 1946-1964
34%	39%	41%

Millennials — many of whom have student loan debt but do not yet have the responsibility of children and a mortgage — can afford to be more aspirational in their career choices. They can pursue a job that pays less but has more meaning for them. Most Gen Xers and baby boomers have to consider the costs of daycare, retirement funds and home improvement loans and are therefore more likely to be drawn to stable employment options. In either case, a company’s DNA matters to women — all women — and it is a factor in their job choices. Companies must consider their employee value proposition, employment brand, and overall mission and purpose when they construct their attraction and recruitment strategies.

04 The Reality and the Perception: Why Men Are Paid More

In jobs where employees are promoted and rewarded based on the actual or perceived number of hours they clock, men have the advantage.

Women often work two jobs: as mothers and as full-time or part-time employees. Because they can spend more time on household and childcare responsibilities, they have less time to devote to work, email or traveling for business.



THE GENDER PAY GAP IS one of the most controversial topics related to women and work. Though less pronounced than in the past, the pay gap still exists and has barely budged in over a decade. Estimates of the gender pay gap and the methodology behind it vary, but all essentially reach the same conclusion: Women earn less than men. The U.S. Bureau of Labor Statistics (BLS) estimates that full-time working women make 83% of what full-time working men make. The U.S. Census Bureau reports that women who hold full-time jobs earn 79 cents for every dollar that men with full-time jobs earn. The gap is even more pronounced for African-American and Latina women, who earn 64 cents and 56 cents, respectively, for every dollar that white, non-Hispanic men earn.

Researchers and experts have numerous explanations and hypotheses for the gender pay gap. Some theories point to discrimination — both unconscious and otherwise. Others assert that women make less money than men do because women are not as inclined to ask for or negotiate pay increases. Another line of thinking links differences in pay to women's career choices — citing evidence that women are less likely than men to choose high-paying careers such as engineering or science.

Additional theories account for what happens to women in the workplace when they have children. When they become mothers, women's earnings may slow, decrease or stop. These women might decide to cut down on their hours to care for their children. As a result, they may earn less money and reduce their chances of being promoted into a higher-paying role. They may pursue less time-intensive or demanding jobs that consequently pay lower wages. They may also choose to leave the labor force altogether and lose years of experience. If or when these women decide to return to work, they end up with salaries and wages that are lower than those of women who stayed in the labor force.

While no single explanation can account for the differences in men's and women's paychecks, Gallup chose to focus on hours worked and perceptions of hours worked as just two of the underlying reasons for the gender pay gap.

MEN REPORT WORKING MORE HOURS PER WEEK THAN WOMEN DO

In the U.S. workforce, 47% of men say they work more than 40 hours per week, while 30% of women say the same, according to Gallup data from 2016.

MEN ARE MORE LIKELY THAN WOMEN TO WORK MORE THAN 40 HOURS PER WEEK

	MEN FULL TIME	WOMEN FULL TIME
Work 60 or more hours per week	14%	7%
Work 50-59 hours per week	21%	11%
Work 41-49 hours per week	12%	12%
Work 40 hours per week	47%	56%
Work less than 40 hours per week	7%	15%

Data do not account for occupation type or hourly vs. salary positions

Gallup discovered similar findings when looking at hours data by occupation type and hourly versus salaried positions. Men consistently report working more hours per week than women do. In salaried roles, for example, 28% of men say they work 50 to 59 hours per week, compared with 16% of women who say the same. In hourly roles, 10% of men say they work 60 or more hours per week, compared with 3% of women.

While men say they work more hours at their jobs than women do, these findings do not suggest that men work *harder* than women. The much more likely scenario is that women often work two jobs: as mothers and as full-time or part-time employees. Working mothers tend to have fewer hours in their day to give to their jobs. They have children to pick up from school and take to baseball or dance practice, homework to supervise, laundry to fold, and a family to feed.

While there are certainly working fathers who participate in these stereotypically maternal activities, the reality is that women are still the primary caregivers with the majority of oversight for their home and family. Through its American Time Use Survey, the BLS found that 85% of women and 67% of

men spend some time doing household activities (e.g., housework, cooking, lawn care) in an average day. Women spend an average of 2.6 hours on these activities, while men spend an average of 2.1 hours on these activities.

In households with children younger than 6, women spend an average of 2.2 hours per day providing physical care for a child or children (e.g., bathing or feeding them); the average for men is 1.5 hours. In general, women spend 2.3 hours per day caring for and helping household members; the average for men is 1.6 hours. When averaged over the course of a week, women spend 16.1 hours caring for and helping household members, and men spend 11.2 hours.

Because women spend more time on household and childcare responsibilities, they have less time to devote to work, email or traveling for business. When examining the number of hours that women and men work, Gallup found that women in salaried positions who have a child younger than 18 work the fewest number of hours compared with other employees.

WOMEN WITH CHILDREN REPORT WORKING THE FEWEST NUMBER OF HOURS PER WEEK

	AVERAGE NUMBER OF HOURS WORKED PER WEEK
Women with a child younger than 18	43
Women without a child younger than 18	44
Men with a child younger than 18	47
Men without a child younger than 18	46

Data are for salaried employees

PERCEPTIONS OF HOURS WORKED CAN ALSO INFLUENCE PAY

Compensation and time sheets often go hand in hand, especially in hourly positions. But beyond actual hours clocked, perceptions of time spent in the office can also suppress women’s paychecks as well as their opportunities for bonuses and career growth — in hourly and salaried positions. A 2016 survey from the American Payroll Association found that 36% of respondents work for a company that doesn’t require them to record the number of hours they work. From our qualitative work, Gallup has also discovered that some employees who are required to log their hours are directed to log only 40 hours per week,

regardless of how many hours they actually work. Many organizational cultures reward employees who are simply at the office more, even though their outcomes or contributions are not indicative of greater performance.

Performance management is broken in many companies and for many different reasons. Some organizations continue to use archaic performance reviews to assess, reward and develop employees. In the past few years, Accenture, General Electric, Adobe, Microsoft and Cargill have all made headlines by deciding to do away with these annual events.

For many employees, performance reviews have become a point of contention and dread. These once-a-year events reward and punish employees using subjective rating systems. Employees at the top of the tally get pay raises, bonuses and promotions, while those at the bottom get cut. Workers in the middle get nothing, except more discouraged.

Too often, managers rate employees on the basis of their own perceptions and misguided notions of intensity. They believe that the people who are in the office 50 hours a week are better performers or harder workers than those who are in the office 40 hours a week. In reality, 40-hour-a-week employees may be working with greater intensity, performance and outcomes than their 50-hour-a-week counterparts. Yet, the 40-hour-a-week employees may be perceived as not working as hard because they are not putting in enough face time.

TIME IS MONEY

Time is an important commodity for companies and employees. Time can help define an organization's brand and its financial success. It is a factor in deadlines and project milestones, and it is integral to how companies define "responsiveness" and how they meet their customers' expectations. Time can be marketed and "sold" through intellectual property and human capital. Companies can evaluate their financial success on the basis of how many projects they complete in a month, quarter or year. Time is often a competitive advantage, especially when a product or service is first to market.

Performance management and the value of hours can quickly become dicey subjects. Gallup believes that performance management is one of the most defining topics of the current and future workplace. We are studying it extensively and will continue to do so. We know that time absolutely matters in the workplace, but we also know that organizations have a wide

range of approaches to how they evaluate and compensate time. No single standard works for all companies, but all companies should be equitable in their methods.

To determine fair compensation, organizations need to align employees' contributions, outcomes, performance and productivity to some measure of time. That measure can be as simple as hours, or it can be more complex. For example, some companies use advanced analytics to create "Moneyball" incentives, and others use "gamification" through apps that improve employee performance.

The new reality is that some employees want to work 60 hours a week, and others want to work 40 or even 30. There is a standard of excellence for each of these groups. All employees should have a chance to compete, whether they want to run the full marathon, the half marathon, the 10K or the 5K. Within each category, organizations have to set the bar for success and base compensation on that bar. Today, most organizations claim that their bar is set at 40 hours per week when it is really set at 50 or 60 hours per week. They give only a select number of employees a chance to "win" the race.

Whatever the metrics, companies must compare, rank and rate their employees based on the expectations of the department or team but ideally prioritize the employees and their individual strengths and goals. In the best work environments, organizations categorize and evaluate employees according to who works part time, three-fourths time, full time and beyond full time. Employees in the marathon category aren't measured against those in the 10K category, but all have an opportunity for rewards.

THE WAY FORWARD

Organizations should base compensation on the reality of performance — not the perception of performance — to ensure that all employees have an opportunity for equitable and fair pay. Below, Gallup outlines two suggestions to help organizations better align pay with outcomes.

1. Base performance management on outcomes, regardless of where employees do the work or the number of hours they work.

In the last decade, technology and globalization have created a new standard for when, where and how work gets done. The 40-hour, 8 a.m. to 5 p.m., workweek has become less of the norm. To collaborate and

communicate, people need to be connected. At the same time, this constant connectedness has created an increasingly “on demand” work environment. It’s not uncommon for employees to work irregular or seemingly around-the-clock schedules. They will jump on a 10 p.m. conference call with colleagues in Asia or Europe then go into the office at 10 a.m. the next day. Or they might start work from home at 6 a.m. and go into the office a few hours later.

As the work environment has changed, so have definitions of “hard work.” Employees and organizations might think of hard work as the energy they expend, the number of activities or projects they accomplish, or a certain number of hours they log every week or year. Maybe hard work is spending six days a week in the office for 10 hours a day or working five days a week, eight hours a day, with the same results. Hard work can be working *harder*, or it can be working *smarter*.

Definitions of “hard work” vary from employee to employee and organization to organization, but hard work is still a factor in career success. No matter how it’s defined, the point is that every company has to define — and reflect — hard work in its culture. For some employees, varying definitions of “hard work” can become a barrier to pay, promotions and career opportunities when organizations *only* define it in terms of hours worked in the office and overlook other performance metrics that allow employees to shine with their strengths. Hours matter, but they are not the only measure of employment value. All jobs are mission-critical, whether an employee takes incoming service requests from customers six hours a day for 50 faithful weeks a year or works 2,500 billable hours each year with clients.

As they reconsider or re-evaluate their performance management approaches, some organizations may need to reassess their definitions of “full-time employment” and “hard work.” Performance management makes more sense — and is actually motivating — when companies individualize expectations rather than compare employees for the sake of compensation and titles. All employees have their own definition of hard work. The measurement of hard work is useful only in relation to what the best can achieve.

For each role, managers should help employees understand what success looks like in relation to outcomes and how achieving those outcomes connects with an employee’s work goals. Certain positions, including management and leadership positions, will likely require above and beyond 32 or 40 hours

a week. With this understanding, employees who want these positions can determine what makes the most sense for them. They can decide if the job with more hours is the right fit for their life.

But not all employees want to climb the proverbial career ladder. They may not want to work extra hours. Organizations need to think about how to compensate and reward those who work hard but who have fewer hours on their time sheet every week. They also need to consider how to motivate those employees.

Beyond hours, managers can hold performance reviews that focus on employees':

- aspirations and career trajectory in the organization (start dates and various job roles)
- strengths, including how they use their strengths to do what they do best every day
- performance metrics (e.g., client scores, client portfolio, production or operational volume, service scores, sales and marketing revenue, retention scores) as they pertain to the successful outcomes of their jobs
- career goals and how they align with team, manager and organizational goals
- well-being goals and life outside of work

Competitive scorecards that include hours and other metrics can still have a place in a company's performance review process, but managers should use them along with feedback based on each individual employee's expectations and objectives. Work cultures that emphasize the perception of hours worked without objective measures can create income inequality.

Performance reviews *can* be much better — even enjoyable — for employees. Instead of focusing on what people do wrong, managers should focus on what people do right. Performance reviews can still address opportunities for improvement, but employees should leave with clear takeaways and a sense of encouragement and hope for all they can do and can be at work.

2. Create a flexible work culture.

Underlying much of the discussion about performance management is the idea of a flexible work culture, which can help level the playing field for all employees. When employees can play a role in determining their own work time, they have a better chance of “catching up” to their peers or setting a pace that allows them to excel.

Working women seek and demand a flexible work culture. They are drawn to and stay with companies that give them greater control over their lives.

Several Gallup studies highlight the importance of flexibility in attracting and retaining a female workforce. Our data show that:

- 60% of female job seekers say greater work-life balance and personal well-being are “very important” to them when considering whether or not to take a job with a different organization
- 53% of stay-at-home mothers say having flexibility in their hours or work schedule is a “major factor” in their ability to take a job
- 46% of female employees say flextime is the most important benefit a company can offer its workers
- 44% of female employees would leave their current job for one that allowed them to work off-site part time

The “Sitting Rising Test” predicts how long people will live by assessing how quickly they can get up from a seated position. This simple test, created by researchers in Brazil, provides a measure of balance, flexibility and strength. The more agile individuals are, the longer researchers predict their life spans will be. We can apply this same theory to businesses: The more flexible they are, the more likely they are to survive.

Organizations often want to know how to ingrain flexibility in their cultures. There is a vast range of options, and it is impossible to define one policy that works for every role or industry. Nurses and flight attendants, for example, often have stringent start and finish times and long days, but they might be able to choose the days and weeks they work. Some office workers have the option to work anywhere and anytime they want as long as they get 40 hours in every week.

We are not suggesting that organizations need to reduce the number of hours they require employees to work, but rather to adjust job roles and pay expectations and allow flexibility in as many roles as possible. Even jobs that require more than 60 hours of work per week can have a flexible component — including a work-from-home component — that benefits employees and their families.

Some employees will work 32 hours per week, some will work more than 60 and many will fall somewhere in the middle. It is essential for managers to set clear job expectations for employees and, ideally, to allow them the freedom to adjust their hours and schedules — provided they can still meet the needs of customers, coworkers and the organization. Great managers who care about their employees' well-being and life outside of work can arrange people and schedules to meet objectives while also helping their companies achieve both flexibility and performance.

Managers are vital to making flexible scheduling work for employees. But managers don't shoulder full responsibility for the success of a flexible workplace policy. Leaders have a job to do as well. A flexible work culture starts at the top. Employees have to see executives and managers living the behaviors they tout. Employees need to see managers leaving work early to attend their children's soccer games and jumping back on email at night. They need to know that their sales director works from home one day a week. Organizations have to get around the "flexibility stigma" that occurs when people are penalized for taking advantage of flexible arrangements. And to do that, leaders and managers have to set the stage. Flexible work cultures succeed only when they are based on trust, authenticity and accountability for performance.

Seven Recommendations for a Flexible Work Culture

Women are drawn to jobs that enable them to integrate work and life and improve their personal well-being. Gallup has found that flexible work arrangements can help women do just that.

According to Gallup and Healthways research, five elements represent broad categories of well-being that are essential to most people — men and women alike:

- Purpose: liking what you do each day and being motivated to achieve your goals
- Social: having supportive relationships and love in your life
- Financial: managing your economic life to reduce stress and increase security
- Community: liking where you live, feeling safe and having pride in your community
- Physical: having good health and enough energy to get things done daily

Flexible work arrangements reinforce and strengthen every aspect of a life well-lived. Gallup has discovered that women who say their companies are doing “very well” at providing flexible schedules and work-from-home opportunities have higher levels of well-being (more women are thriving as opposed to struggling or suffering) than do working women who say otherwise (those who answer “somewhat well,” “somewhat poorly” or “very poorly”).

FLEXIBLE WORK ARRANGEMENTS CAN IMPROVE A WOMAN’S WELL-BEING

How well is your employer meeting your needs in each of the following areas — very well, somewhat well, somewhat poorly or very poorly?

(% Thriving)

	PURPOSE	SOCIAL	FINANCIAL	COMMUNITY	PHYSICAL
Allowing you to change your hours or schedule when needed					
Very well	49	46	41	46	41
All other responses	30	30	30	29	29

	PURPOSE	SOCIAL	FINANCIAL	COMMUNITY	PHYSICAL
Allowing you to work from home when needed					
Very well	51	44	44	47	42
All other responses	34	36	31	34	32

Well-Being Classifications

Thriving: Well-being that is strong, consistent and progressing

Struggling: Well-being that is moderate or inconsistent

Suffering: Well-being that is very low and at high risk

Flexibility at work also increases engagement. Nearly half of women (49%) who believe that their companies are doing “very well” at letting them shift hours and schedules as needed are engaged. That number drops to 20% among women who say their employer is doing “somewhat well,” “somewhat poorly” or “very poorly” at providing a flexible working arrangement.

Women want flexibility when it comes to how and when they work, and a flexible work culture can be a boon for employees and organizations. But to attract, engage and retain women, organizations might need to evaluate their cultures and examine any barriers to creating a flexible work environment. It is impossible to define one model of flexibility for every company, but it is possible to take incremental steps toward the type of work environment that women want.

For some leaders, flexibility at work is an uncomfortable topic. Maybe that's because they don't trust their employees with greater autonomy. Or maybe they see the value of flexibility but worry that giving employees more choices about when and how they work is unrealistic for their organizational and customer needs.

These concerns are understandable. Customers are an organization's lifeline, and employees are there to help improve business outcomes. But the best companies give employees enough flexibility to have meaningful jobs *and* meet customer needs.

No organization is going to get flexibility perfect. And not all job roles lend themselves to flexible or work-from-home schedules. Flexibility is often easier to implement in office environments than in manufacturing or retail environments. But even so, not all office jobs can have complete flexibility.

Workplace flexibility might seem too difficult for some leaders to even begin to address, and transitioning to a flexible work environment is not always easy. When organizations begin to break down their traditional work structures, they often have to reframe their policies and — more importantly — their cultures. These changes require conviction and courage. Leaders have to have confidence in their people and trust that they are making the right decisions for employees, teams, managers and customers.

Here are seven recommendations for leaders who want to make their work culture more flexible:

- 1. Set expectations, accountability and rewards for performance excellence.** All employees need to understand what success looks like in their role. When employees want to work from home or adjust their hours, be clear about expectations and accountability. Make sure they know what measures you are using to evaluate them. Reward outstanding performance for metrics other than the number of hours they work. Praise and recognize employees for meeting project deadlines, managing

costs, increasing sales and revenue, or improving customer scores. Hold employees who work flexible schedules accountable for their outcomes the same as other employees, but realize that their outcomes may be slightly different.

- 2. Give employees reasonable flexibility to come and go.** With long commute times, day care and school schedules, employees need some leeway for what time they start and end work each day. Some organizations give employees a 10- or 15-minute grace period before writing them up for being late. Other companies might give employees the option to start work half an hour earlier or later than their standard start time. These are not examples of flexibility. In a flexible work environment, employees get to choose when they start and end work. For some, that may mean starting work from home at 6:00 a.m. and then coming into the office at 9:00. Other employees may start their workday in the office at 7:30 but need to leave early for a personal commitment. Provided it does not interfere with meeting the requirements of their job, allow employees the freedom to arrive at — and leave — work when they need to. And include the hours they work from home in their total hours for the week.
- 3. Be clear about requirements for each position, and create flexibility where it works.** Employees have different time and schedule requirements based on their exempt or nonexempt status, responsibilities, and customer relationships. Managers are vital for scheduling employees and coordinating resources — and for creating as much flexibility in each role as possible. In some positions, flexibility might seem impractical. But one way to increase flexibility in more rigid roles is to stop requiring employees in these roles to take vacation time when they need to leave work for a couple of hours for a doctor's appointment or when they need to leave early to attend a child's sporting event.

Another example of how to offer employees who are required to work a set number of hours more flexibility is to allow them to make up time outside of normal business hours. For employees who are required to work 40 hours a week, for example, if they need to leave at noon on a Friday, give them the option to make up the hours they miss in the evenings or over the weekend. In as many positions as possible, count the time employees spend working at home toward their hourly

requirement, whether that involves responding to emails, joining client conference calls, writing reports or handling administrative details. As long as employees have clear expectations, are performing their job duties and are meeting deadlines, let them work on their own schedule.

- 4. Create an environment of trust and transparency among employees.** Coworkers may develop feelings of resentment and animosity when managers do not oversee and communicate flexible working arrangements well. Team members might assume that a coworker who leaves at 3:00 every day is not putting in the same amount of work as the rest of the team. But what those team members might not realize is that the employee leaving at 3:00 is in the office two hours before they are every day.

Leaders set the stage for a flexible work culture, but managers localize it. Be clear about policies and guidelines so all employees know what is acceptable and realistic. Create an environment in which people feel comfortable using flextime or working from home. Listen for misunderstandings, and keep an open mind about team members' different schedules. Make sure to recognize and reward people for great work, and encourage team members to appreciate and understand one another's strengths and contributions — no matter what hours they work.

- 5. Move ownership of flex policies from human resources to managers.** Human resources departments need to understand the scheduling and resourcing needs of individual teams and how each team focuses on its clients. But some policies that the human resources department oversees can create barriers to flexibility. Allow managers to make as many day-to-day decisions about their team members as possible. Managers are closest to the action. They can use overarching organizational values as a guide, but the company must empower them to make flexibility decisions for each of their employees. Evaluate managers based on timelines; customer engagement scores; turnover; retention; and other outcomes that affect progress, performance and profit. The more you hold managers accountable for these outcomes, the more likely they are to make the right decisions for employees.

6. Establish options for employees who want to work more — or less — than 40 hours per week. Not all jobs fit into a 40-hour workweek. In some roles, employees can decide if they want to work more or less and may work 20, 30 or 50 hours per week. For those who want to work less, be clear that a reduction in hours *could* mean a reduction in pay and benefits. Establish clear expectations, and let people opt in to the job they want with an understanding of what it takes to excel at that job. Set compensation to match outcomes — using hours only as a baseline.

The importance people place on their job or career will change at different stages in their lives. Mothers with school-aged children may want to cut down on their work hours for a few years. That decision should not require them to give up their career completely. Ambition can fluctuate, but it doesn't necessarily disappear. Understand that a woman may need to shift her priorities for a year or two — or five or 10. Periodically check in with employees to better understand what they really want out of their lives and careers. Employees who enter a company in part-time positions or switch to part-time positions may become extremely valuable full-time workers in the future.

7. Consider “open” vacation and time-off policies. Leaders who oppose open or unlimited vacation and time-off policies often do so because they are afraid people will take advantage of these policies. They fear that unlimited vacation will cause some employees to go overboard. Yet, this type of policy is not a free-for-all. The majority of employees will take time off based on their deadlines and workload — and to recharge when they need to. Employees still need to communicate with their managers and coworkers about when they will be out of the office. They need to assure their managers that their work is covered and that they are meeting deadlines. Most employees do not want to disappoint their customers and team members. The manager is again vital to successfully implementing this type of workplace flexibility. Be sure to set clear expectations, and then hold employees accountable for how they follow open vacation and time-off policies.

05 Women Lead Men on Engagement

Employee engagement is the most important factor for empowering individuals, teams and organizations to perform with excellence. As employees and managers, women are more engaged at work than men are. Female managers also lead teams that are more engaged than male managers' teams. Clearly, women have the engagement edge.

For decades, Gallup has been the leader in employee engagement. We've found concrete links between employee engagement and crucial performance measures, including absenteeism, turnover rates, productivity and profit.



GENDER DIVERSITY STRENGTHENS A COMPANY'S financial performance.

Research from Gallup and many other organizations proves this point. Women bring distinctive viewpoints, ideas and insights to the workplace, and diverse perspectives lead to superior performance at the business unit level.

Women also bring another valuable advantage to their employers — higher levels of employee engagement. Engaged employees are involved in, enthusiastic about and committed to their work. These employees contribute to their organization positively. For decades, Gallup has been the leader in employee engagement. We've found concrete links between employee engagement and crucial performance measures, including absenteeism, turnover rates, productivity and profit.

IN THE U.S.

32%

of all employees are engaged

35%

of female employees
are engaged

29%

of male employees
are engaged

41%

of female managers
are engaged

35%

of male managers
are engaged

Female managers are also better at engaging their employees than their male counterparts are. Employees who work for a female manager are six percentage points more engaged, on average, than those who work for a male manager. Female employees who work for a female manager are

the most engaged; male employees who report to a male manager are the least engaged.

Engagement is the most important factor for empowering individuals, teams and organizations to perform with excellence. And while outcomes matter, organizations often forget that engagement is also highly emotional. When employees are engaged, they work with passion and feel a profound connection to their jobs. They view their jobs as energizing and rewarding, and they like where and how they spend their days.

In the U.S., working women have the engagement edge. But there is an important caveat: While female employees have higher levels of engagement than male employees, only slightly more than one-third of women are engaged at work.

WOMEN LEAD MEN ON MOST ENGAGEMENT ITEMS

Female employees have been more engaged than male employees throughout Gallup's history of tracking employee engagement. Job choice may explain some of the difference in engagement levels between men and women. Our data show that a higher percentage of men than women say they work in manufacturing and production jobs, which are consistently linked to lower levels of engagement. On the other hand, more women than men say they work in professional jobs, which are associated with higher levels of engagement.

Along with the job they choose, employees have workplace needs. They look to their companies — most often their managers — to provide them with essential tools and information to do their jobs, to know and value them as people, to inspire their sense of belonging, and to support their professional development. When companies meet these needs, engagement increases, and when they don't, it falters.

Gallup's Q¹² employee engagement data show that female employees are more likely than their male counterparts to believe that their companies meet their workplace needs. Specifically, female employees outscore male employees on 11 of the 12 employee engagement survey items and outscore male employees considerably on five of those items.

MEASURING EMPLOYEE ENGAGEMENT: THE GALLUP Q ¹²	HOW MUCH WOMEN OUTSCORE MEN (PERCENTAGE POINTS)
Q01. I know what is expected of me at work.	+3
Q02. I have the materials and equipment I need to do my work right.	+4
Q03. At work, I have the opportunity to do what I do best every day.	+6
Q04. In the last seven days, I have received recognition or praise for doing good work.	+10
Q05. My supervisor, or someone at work, seems to care about me as a person.	+6
Q06. There is someone at work who encourages my development.	+8
Q07. At work, my opinions seem to count.	—
Q08. The mission or purpose of my company makes me feel my job is important.	+6
Q09. My associates or fellow employees are committed to doing quality work.	+3
Q10. I have a best friend at work.	+2
Q11. In the last six months, someone at work has talked to me about my progress.	+3
Q12. This last year, I have had opportunities at work to learn and grow.	+2

Green denotes significant difference

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FEMALE MANAGERS' TEAMS ARE MORE ENGAGED

Employee engagement is a puzzle for many managers, but female managers are more successful than their male counterparts at figuring out how to put the pieces together. Employees who work for female managers give higher ratings to nearly all of Gallup's employee engagement survey items than do employees who work for male managers.

The greatest differences in ratings between male and female managers are on items related to development. For example, employees who work for a female manager are 1.26 times more likely than those who work for a male manager to "strongly agree" that there is someone at work who encourages their development.

This finding suggests that female managers surpass their male counterparts in cultivating potential in others and in helping to define a bright future for their employees. This does not mean that female managers are more likely than male managers to promote their associates. But it could signify that women are more apt than men are to find stimulating tasks that challenge their employees, thus ensuring that associates develop in their current roles and beyond.

Female managers are not only more likely than male managers to encourage their employees' development, but they are also more inclined than their male counterparts to check in frequently on their employees' progress. Those who work for a female manager are 1.29 times more likely than those who work for a male manager to "strongly agree" that someone at work has talked to them about their progress in the last six months. This finding suggests that female managers, more so than male managers, tend to provide regular feedback to help employees achieve their developmental goals.

Overall, female managers eclipse their male counterparts at setting basic expectations for their employees, building relationships with their employees, encouraging a positive team environment and providing employees with opportunities to develop in their careers.

Female managers and their employees are more engaged. This might be in part because men are more likely to have jobs that are less engaging, such as production jobs. However, it is also likely that gender bias still pervades leadership and management in America. As such, female managers may need to be more proficient and purposeful in using their natural talents and strengths to engage their teams because they need to exceed expectations to advance in their organization.

FIND THE BEST MANAGERS

Managers are key to engagement. They are responsible for ensuring that employees can successfully do their jobs, but also that employees feel cared for — personally and professionally.

While female employees are somewhat more engaged than male employees, engagement is still a significant area of opportunity for many U.S. organizations. To move the needle on engagement, hire and promote people into manager roles who understand the value of treating people as people. Look for candidates who naturally want to help others succeed, and compensate managers on how well they retain, engage and develop people.

When hiring managers, talent and fit to role are most important, but organizations should strive to hire and develop more female managers. Gallup data show that female managers' teams are more engaged than male managers' teams, and the more engaged a team is, the more it delivers on business outcomes such as profitability and productivity. To make gender diversity in management more than just talk, start tracking success through metrics. Implementing programs can help raise awareness of an organization's initiatives, but keeping track of hard numbers and their subsequent increases creates accountability and change. Measure metrics annually, and applaud improvements as they happen.

06 What Strengths Tell Us About Men and Women

All people have a unique combination of talents, knowledge and skills — strengths — that they use every day to do their work, achieve their goals and interact with others. Understanding the general similarities and differences between women's and men's strengths has important implications for the workplace. Women and men lead with similar strengths, but women rank higher than men in certain Relationship Building themes. Conversely, men rank higher in certain Strategic Thinking themes.

As leaders and managers, when you think about strengths in the context of employee development, remember that strengths are individualized — each person has unique talents and strengths. However, Gallup's aggregated CliftonStrengths data can help paint a picture of *general* strengths profiles for men and women.



AS PEOPLE, WE HAVE AN inherent interest in trying to understand what unites us and what divides us. Are men and women really different? This is an age-old debate. Gallup examines the answer to this question by looking at men’s and women’s *talents and strengths*.

All people have a unique combination of talents, knowledge and skills — strengths — that they use every day to do their work, achieve their goals and interact with others. Gallup has been studying the science of strengths for five decades, and we have accumulated data from more than 14 million individuals worldwide who have completed the CliftonStrengths assessment.

We have found that when people understand and apply their strengths, the effect on their lives and work is transformational. Individuals who use their strengths every day are three times more likely to say they have an excellent quality of life. Workers who receive strengths feedback have higher levels of employee engagement and performance, and they are less likely than other employees to leave their organizations.

As leaders and managers, when you think about strengths in the context of employee development, remember that strengths are individualized — each person has unique talents and strengths. However, Gallup’s aggregated CliftonStrengths data can help paint a picture of *general* strengths profiles for men and women.

WOMEN AND MEN SHARE FOUR OF FIVE TOP CLIFTONSTRENGTHS THEMES

Of 34 possible CliftonStrengths themes, women lead with Responsibility, Input, Learner, Relator and Empathy. Looking at this combination of themes, we can say that generally, women take psychological ownership for what they do and commit to completing projects and tasks (Responsibility). They have a strong desire to expand their knowledge (Learner) and seek out new information (Input). They also enjoy close relationships (Relator) and naturally understand other people’s feelings and perspectives (Empathy).



Don Clifton
(1924-2003)

“What would happen if we studied what was right with people versus what’s wrong with people?”

— DON CLIFTON,
*Legendary Inventor of
CliftonStrengths and Father
of Strengths Psychology*

There is little variation in the data between working and nonworking women. We find a similar order and similar intensity in the 34 CliftonStrengths themes across both groups.

We also find parallels in the strengths makeup of men and women. Like women, men collectively lead with Learner, Responsibility, Relator and Input. But for women, Empathy rounds out the top five, and for men, Achiever — described as a strong drive to accomplish something every day — is the fifth theme.

WOMEN'S TOP FIVE CLIFTONSTRENGTHS THEMES	MEN'S TOP FIVE CLIFTONSTRENGTHS THEMES
1. Responsibility	1. Learner
2. Input	2. Responsibility
3. Learner	3. Achiever
4. Relator	4. Relator
5. Empathy	5. Input

See Appendix for a complete list of the 34 CliftonStrengths themes

WOMEN RANK HIGHER THAN MEN ON RELATIONSHIP BUILDING THEMES

While men and women are more alike than different in their strengths rankings, they do diverge on a few points. Women rank higher than men do on the Developer, Discipline, Includer and Empathy themes. They are more likely to focus on planning, routine and structure (Discipline). Women are also more apt to accept others and understand where they are coming from (Includer and Empathy). And they have a higher propensity for recognizing and cultivating the potential in people (Developer).

Men rank higher than women do on the Context, Analytical, Ideation, Deliberative, Competition and Strategic themes. Men are more likely than women to seek out an explanation of why things are the way they are, look for reasons and causes, and explore new ideas (Context, Analytical and Ideation). They are also more likely to assess risk and take time to make decisions, considering all possible scenarios (Deliberative and Strategic). Men are more keenly aware of how other people are performing and how their own performance compares with others' (Competition).

These variances in strengths ranking can help explain differences in men's and women's behavior and their approach to work and life. Women typically rank higher on Relationship Building themes (Developer, Includer and Empathy), while men generally rank higher on Strategic Thinking themes (Context, Analytical, Ideation and Strategic).

Gallup's findings suggest that compared with men, women are generally more inclined to focus on groups or teams and gather collective voices. Women tend to be more sensitive and intuitive about what is going on with the people around them. Men, on the other hand, are more prone to gather external data and internalize their decision-making. Rather than naturally asking for feedback from others, men tend to look for answers from within. Again, it is important to note that these discoveries apply to men and women *in general* and do not apply to *individual* men and women. Differences are much greater within genders than between genders.

Understanding the general similarities and differences between women's and men's strengths has important implications for the workplace. Compared with men, women may naturally be better at cultivating relationships, perhaps helping to explain why — as managers — they lead more-engaged teams. They also may be more intuitive about the emotions of those around them and invested in those people's success. Women get and give energy through collaboration and bring great value to organizations because of their team orientation.

IDENTIFY, DEVELOP AND CELEBRATE INDIVIDUAL STRENGTHS

The best organizations give *all* employees the tools to understand and develop their strengths. Focusing on what people do right rather than on what they do wrong is not difficult. Gallup has consistently researched and documented the advantages of strengths-based development. We've found that strengths-based cultures benefit employees professionally and personally, and they help create better business outcomes, including improved productivity and employee engagement.

Focusing on strengths also gives managers a powerful method for understanding, developing and celebrating their individual employees. When managers know what their team members do best, they can better match employees with projects that are a fit for their strengths, incorporate

strengths into performance reviews and conversations, and reward and recognize employees for what they do well. Some managers tend to reward and recognize employees for accomplishments that can be easily documented, such as meeting a sales goal or completing a big project. A focus on strengths ensures that people who are “stronger” in relationship themes also get praise and recognition for their accomplishments, whether they’re leading a team or taking time to invest in the development of a new employee.

07 Relationships at Work Matter

Companies can't ask employees to check their basic human needs at the door. For women and men, work needs to be a place where they can connect with and relate to coworkers. Employees want that social outlet. They want a job where they have someone they can confide in and share their successes and challenges with. Managers don't need to force relationships between their team members, but they should create opportunities for people to get to know one another.

When employees have a deep sense of affiliation with their team members, they take positive actions that benefit the business — actions they might not have taken if they did not have strong relationships with their coworkers.



EVEN IN 2016, THERE ARE still some companies that discourage employees from forming friendships at work. Other organizations go as far as setting strict policies against friendships in the workplace, believing that socialization hinders productivity. Maybe that's why male *and* female employees score the "I have a best friend at work" Q¹² item the lowest of all 12 elements, with men scoring this item slightly lower than women do. Yet, friendship and employee engagement are closely linked, and employee engagement has a positive impact on business outcomes such as productivity. Organizations need to understand that friendships are important to all employees and that people can have friends at work and still do their jobs well.

LACK OF FRIENDSHIPS IN THE WORKPLACE FRACTURES ENGAGEMENT

Some companies are skeptical of the "best friend at work" item, but there is one stubborn fact about this element of engagement: It predicts performance. Early research on employee engagement and the Q¹² items revealed a unique social trend among employees on top-performing teams. When employees have a deep sense of affiliation with their team members, they take positive actions that benefit the business — actions they might not have taken if they did not have strong relationships with their coworkers.

Gallup research proves that having a best friend at work relates to better business outcomes, including profitability, safety, inventory control, and — most notably — customers' emotional connection and loyalty to the organization. In moderately to highly engaged organizations, the best friend item, along with recognition and progress, is more predictive of turnover than in less-engaged organizations.

Beyond business outcomes or scientific validity, though, is a simple premise: People are people, and they need to create relationships. Gallup found that two-thirds of women say the social aspect of a job is a "major reason" why they work, confirming that women's friendships at work affect

their overall engagement. So when organizations ignore the friendship factor, they drag down employee engagement and are less likely to recruit and retain women.

WOMEN WHO ARE OUT OF THE WORKFORCE HAVE HIGHER SOCIAL WELL-BEING

Having a best friend at work positively affects a woman's engagement and her social well-being. Gallup considers individuals to have thriving (as opposed to struggling or suffering) social well-being when they can agree with these statements:

- My relationship with my spouse, partner or closest friend is stronger than ever.
- My friends and family give me positive energy every day.
- I always make time for regular trips or vacations with friends and family.
- Someone in my life always encourages me to be healthy.

Slightly more female employees than male employees have thriving social well-being, 38% versus 36%, respectively. But women who are out of the workforce are doing the best at managing their social well-being. Forty-five percent of women in this group are thriving in this element — seven percentage points higher than working women.

Women who are out of the workforce may simply have more time for social activities. But that doesn't mean companies are off the hook. Women continue to leave the workforce, and the majority of women with children would prefer to be at home. Almost half of female employees are actively looking for a different job or watching for employment opportunities. If organizations want to attract, engage and retain female employees, they must do everything they can to help employed women lead a life well-lived, which includes encouraging them to be friends with their peers.

GO BEYOND A FUN WORKPLACE


Companies can't ask employees to check their basic human needs at the door. For women and men, work needs to be a place where they can connect with and relate to coworkers. Employees want that social outlet. They want a job where they have someone they can confide in and share their successes and challenges with. Managers don't need to

force relationships between their team members, but they should create opportunities for people to get to know one another.

Encouraging friendships at work doesn't mean organizations need to install game rooms and hold weekly happy hours to promote a fun workplace. The goal of encouraging people to get to know one another is to build stronger connections. The more connected employees feel to their teams and coworkers, the better their performance is. Work friendships influence how employees get their work done. Employees rate the best friend item higher when they are on teams and projects with people they like and trust. Companies that discourage or deter employees from being friends only hurt themselves and make it harder to retain a competitive workforce.

08 Do Women Want the C-Suite?

Leaders might assume that women, especially mothers, are not willing to take on “all-encompassing” senior management roles. They might believe that women don’t want to pursue leadership positions. However, Gallup data show that 45% of women are interested in advancing to the top, and those who want senior-level positions are not deterred by 50-hour-per-week schedules, travel or a competitive work culture.



Some women have limits when it comes to the demands of a senior-level role. Few women say working 50 hours a week would discourage them from seeking a high-level position. But their mindset changes dramatically as the number of hours goes up. Nearly three-fourths of women say working 60 hours a week would discourage them from pursuing a high-level job.

IN 1953, GALLUP FIRST ASKED Americans, “If you were taking a new job and had your choice of a boss, would you prefer to work for a man or a woman?” At that time, two-thirds of Americans said they would prefer a male boss. Five percent said they would prefer a female boss. And 25% volunteered that it made no difference to them.

A little more than six decades later, Gallup asked the same question. We found that Americans are still more likely to say they would prefer a male boss (33%) to a female boss (20%) in a new job, although 46% say it doesn't make a difference to them. Women are more likely than men to say they would prefer a female boss, but overall, women are still more likely to say they would prefer a male boss.

The belief that men are better managers than women are still pervades the American workplace to a certain extent. Some people continue to hold on to gender biases and the notion that women, especially working mothers, are too ineffective, timid and distracted to be successful people managers. But women are actually better at managing people than men are. Gallup data show that female managers are more engaged than their male counterparts, and the teams they lead are more engaged than those male managers lead as well.

Organizations need to do more to make management — and leadership — a reality for women who have the talent and ambition to fill those roles.

FEW WOMEN ARE IN LEADERSHIP POSITIONS

According to the International Labour Organization, 43% of women in the U.S. are managers. This number is encouraging but has significant room for growth. Many women hold middle-management positions. Research from Grant Thornton, an independent audit, tax and advisory firm, found that in 2016, women account for only 23% of U.S. senior business roles — a two-percentage-point increase from 2015.

Leaders might assume that women, especially mothers, are not willing to take on “all-encompassing” senior management roles. They might believe that women don't want to pursue leadership positions. However, Gallup data show that women *are* interested in advancing to the top.

45% vs. 54%
OF WOMEN OF MEN

say they would like to become CEO or have a position
in senior management or leadership

69% vs. 68%
OF WOMEN OF MEN

say they are “extremely” or “very” serious
about obtaining such a role

These findings are notable for businesses. Organizations need to support women who have the necessary qualifications to fill senior-level roles. Nearly half of working women say they want to achieve these higher-level roles, and the vast majority are highly determined to get there. Furthermore, being a working mother does not prevent a woman from wanting to reach the C-suite. As Gallup data have revealed, 40% of working mothers say they prefer to work outside the home rather than stay at home and take care of the house and family. Leaders and managers should not assume that they know what their female employees' career goals are. They should get to know each one as an individual and ask her about her preferences and comfort level related to hours, travel and relocation.

MANY WOMEN ARE THE “RIGHT FIT” FOR LEADERSHIP ROLES

Gallup also asked women who say they want to obtain a senior-level role if certain conditions would discourage them from pursuing that career goal. In nearly every case, women with and without children appear willing to meet the typical expectations of senior management and leadership roles. Putting in long hours, a competitive workplace culture and extensive travel do not discourage these women for the most part.

WOMEN WHO WANT LEADERSHIP ROLES ARE NOT DETERRED BY 50-HOUR WORKWEEKS

Is this something that would or would not discourage you from seeking a high-level position? (Among working women who say they would like to become CEO or have a senior management or senior leadership position)

	NO, WOULD NOT DISCOURAGE YOU	YES, WOULD DISCOURAGE YOU
Working 50 hours a week	79%	20%
A competitive workplace culture	76%	23%
Extensive travel	66%	32%
Working 60 hours a week	28%	72%

But some women do have limits when it comes to the demands of a senior-level role. Few women say working 50 hours a week would discourage them from seeking a high-level position. But their mindset changes dramatically as the number of hours goes up. Nearly three-fourths of women say working 60 hours a week would discourage them from pursuing a high-level job. It could be that many women who want to take on a senior-level role already work close to 50 hours a week, but increasing to 60 hours a week is too much.

Men and women are largely aligned in terms of what will and will not discourage them in the pursuit of a high-level position. Few men who want to obtain a senior-level role say working 50 hours a week, a competitive workplace culture or extensive travel would discourage them. But, like their female counterparts, men balk at putting in 60 hours a week. Perhaps surprisingly, men show more resistance than women do to this level of time commitment — 78% of men say working 60 hours a week would discourage them from seeking a high-level position compared with 72% of women who say the same.

MEN ARE MORE LIKELY THAN WOMEN TO BE DISCOURAGED BY 60-HOUR WORKWEEKS

Is this something that would or would not discourage you from seeking a high-level position? (Among working women and men who say they would like to become CEO or have a senior management or senior leadership position)

	YES, WOULD DISCOURAGE YOU	
	MALE EMPLOYEES	FEMALE EMPLOYEES
Working 50 hours a week	20%	20%
A competitive workplace culture	20%	23%
Extensive travel	27%	32%
Working 60 hours a week	78%	72%

RECOGNIZE POTENTIAL AND CULTIVATE IT

Gallup research on millennials and women shows that employees in these demographics are more likely to put their personal life ahead of work — or at least to want a job that allows them to better integrate both. To meet the demands of their workforce, organizations might need to rethink the criteria they use to determine who is ready for a leadership role.

We do not deny that many executive positions require significant time at the job. Meetings, travel, client dinners and constantly trying to keep up with the latest trends require senior managers to maintain a packed schedule. Leaders are like athletes in some regards; they have to constantly train to stay in the game. Most women who want this type of responsibility are not going to be deterred by the time commitment and expectations. The majority of women who want to be leaders are willing to put in 50 hours a week and to travel.

Leaders and managers should understand the strengths of their female employees and listen for who wants advancement opportunities. But leaders and managers must empower these employees to follow their own path to senior management, even if that includes setting their own schedules and working from home.



73.5 Million Women
and a Life Well-Lived

“It is not enough to hire the right ‘numbers’ to improve diversity. An organization’s culture should be mission-rich; support and expect high performance; and appreciate, develop and recognize people for their unique talents and strengths.”

WOMEN IN THE U.S. ARE doing everything they can to maximize the 8,760 hours they get every year. How women choose to spend their time affects them as well as their children, families, friends and coworkers. Time management is a challenge that plays out differently for every woman. Women *can* have it all, but their definition of “all” is uniquely personal to each one. Having it all isn’t a temporary or passing need for women; it embodies an entire career or lifetime.

Clearly, work is an important factor in time management. It can take up a significant portion of those 8,760 hours and create an ongoing need to reschedule, reshuffle and reprioritize. Work takes time away from family and friends. Because of this push and pull, for women, time spent at work has to be *worthwhile*. Given the choice, 54% of mothers who work full or part time would rather stay at home and care for their children than work outside the home. And when businesses fail to create a culture that makes sense for women, it is easier for working mothers to choose that preferred path.

But it is not accurate to say that all women want to give up their careers when they have children or that women without children do not place high value on integrating work and life. According to Gallup data, 40% of working mothers who are employed either full or part time say they would prefer to work outside the home. Sixty percent of female job seekers say a job that allows them greater work-life balance and better personal well-being is “very important” to them. And 45% of women say they would like to become CEO or have a position in senior management or leadership. Many women in this last group are also willing to put in the time to meet the responsibilities that come with leadership roles.

Businesses have to take stock of what they offer in terms of attracting, engaging and retaining female employees. And they have to examine if they have the right culture to compete. If not, it is time to change. With the shifting tides of the job market, women can be choosier about their employment options. Companies have to differentiate and deliver.

NEXT STEPS

Gallup recommends focusing on 10 areas to attract, engage and retain a female workforce and to help each woman lead a life well-lived. Although we wrote these recommendations about women, they can also apply to men. As our data show, women and men value many of the same attributes in a

job and organization. All workers want a job that allows them to do what they do best and that provides greater flexibility and stability. In certain cases, women place more value on these attributes, but we did not intend for this report to be about men versus women. We designed it to show leaders and managers how to create a more gender-diverse workforce.

1. Review your performance management systems.

Women want to do meaningful work, and they want their employer to appropriately reward and recognize them for that work. Therefore, it is vital to closely evaluate your performance management and compensation standards.

The traditional annual performance review is one of the most dreaded activities in the workplace. Employees complain that these meetings are unfair, biased and superficial. They leave their yearly review without any real understanding about what they have accomplished or what their future holds.

The most effective performance, development or achievement reviews have some things in common. Whether they are annual, quarterly or monthly, their goal is to bring out the best in each person. The content may be hard-hitting, but the conversations focus on what people do well and on what they can do more of or do differently to achieve results for themselves, their teams and their organizations. Performance management systems actually motivate employees when they are focused more on employees' strengths and contributions and less on their weaknesses.

2. Hire, develop and reward great people managers.

When filling management roles, many organizations hire and promote people who know the ins and outs of various processes and who have the right tactical skills. They don't give enough consideration to individuals who are great at building teams and developing employees. Process and system knowledge is important for managers, but knowing how to support and develop employees is equally important.

Women want meaningful relationships at work, and they want to work for someone who cares about them. Hire people managers who truly want to see people succeed in their jobs and lives. Look for individuals who bring team members together through relationships and friendships.

Great managers are rare, and you need to position them for success. Select and recognize people managers for turning employees into stars (based on your company's definition of "star"), for keeping turnover low, and for the performance outcomes and engagement of their teams. Acknowledge them for exemplifying your organization's values. And reward them for hiring more women into key positions.

3. Create trust and transparency to make flexibility work.

Realistically, every company has to determine what its employees want and how to deliver on it while still meeting the needs of the business and its customers. Yet, women want flexibility in their roles and are drawn to jobs that enable them to have greater work-life balance and better personal well-being. To attract and retain female employees, especially working mothers, consider flexible working arrangements the norm, not the exception.

No organization is going to get flexibility 100% right because there is too much variance in roles. But that is not an excuse to do nothing. Examine your company's policies and practices to determine if you have barriers preventing you from integrating flexibility into your culture.

Answer the following questions to identify barriers or opportunities in your flex policies:

- How does the company define full-time employment?
- Do the organization's written policies reflect reality and what the company expects from employees?
- Does the company practice what it preaches in terms of flexibility? Do the company's managers and leaders practice what they preach?
- Does the organization secretly discourage employees from following flex policies?
- What does the organization respect more: talent, performance and outcomes — or number of hours worked at the office?
- What metrics keep the company focused on outcomes and the success of individual contributors and managers?
- Who monitors and enforces flexible work policies? Human resources or the local managers who are closest to the action and the results?

Adjust flexibility, vacation and paid time-off policies to ensure that people can do their jobs well while also meeting their responsibilities outside of work. Allow employees time to take children to and from school and to work from home in the evenings or on weekends when it makes sense for their teams and customers. Find a way to create flexibility in as many positions as possible.

Employees also need to feel empowered to use flextime and to perceive it as an acceptable and normal behavior. Instill a flextime mentality into your company's culture. Advocate flex policies — and use them. Through your words and actions, let employees know that it is acceptable for them to create their own schedules and work arrangements. People who arrive at the office late or who leave early should not experience silent judgments or passive-aggressive digs. When employees work from home, managers don't need to check in on them every hour.

True flexible working arrangements do not give workers permission to slack — they give employees freedom to succeed.

Make sure to clearly communicate policies and expectations related to flexibility to employees. Listen and watch to determine how employees interpret these policies. If there is any confusion about flex policies, have managers and human resources staff clarify them. Employees need to know who gets to work from home and why those individuals have earned special work arrangements. Help everyone understand the various flexibility guidelines for teams, departments, locations and roles across the organization.

4. Communicate and activate your values and mission.

Netflix, Google and Adobe are just some of the organizations that have shared their employee values with the world in creative ways using books, videos and speeches.

Women want to feel connected to their company. Perhaps because women are more apt to see work and life as one holistic entity, they are also more likely to take into account all the parts of an organization. They care about values, and they care about purpose and cause. They want to

understand how their job fits into the grander scheme of things — and they want to feel good about that relationship.

Make every effort to find out what types of projects are “mission-rich” for female employees, and give them work that they will find rewarding. Ask employees why they work at your company. What drives an employee in a call center may be quite different from what drives an employee in technology or sales. It is your job to understand what creates and strengthens employees’ connections to their workplace.

Consistently communicate what your company values — flexibility, strengths, friendships, employee engagement, customer performance, service or all of the above. Show candidates and employees how you activate on these values through goals and metrics.

Help employees see the bigger picture and how they fit in. People are more likely to choose and stay with an organization if they feel their work and contributions align with the company’s mission or purpose. Help team members make those connections. Talk about the mission, and rally employees around it. Women want to know that their company has an impact on society and that they play a part.

5. Develop a culture of coaching.

Above all, women want a job that allows them to do what they do best every day. A coach can help them achieve that goal.

Coaches are on-the-ground strengths experts who work with leaders, managers and employees to fully develop and apply their strengths. Coaches also help individuals and teams respond to challenges, work with others, accomplish their objectives, and understand their biases and vulnerabilities. They make strengths real and applicable for individuals in their personal and professional lives.

Managers often play the role of coach or mentor, but a coach can be anyone who is a champion for employees. The most important part of coaching is to help as many employees as possible feel that their manager or someone at work cares about them.

Coaches bring out the best in employees by reinforcing their individual strengths, helping them achieve self-efficacy and self-awareness, and guiding them toward their ideal future. The more you support coaching, the more you foster employee development and loyalty.

6. Rehire, re-engineer and retain.

At different points in their lives, women might want jobs that take up less of their time. They may want to work fewer hours or reduce their travel schedules. Some women might need to relocate because their spouse or partner got a job somewhere else, but they still want to work for their company — perhaps from home. Other women might be “geographically constrained” or unable to relocate for work because of their family, but the only way they can advance or take on new responsibilities in their company is to move to another office. Consider how you can help women find their best job at all stages of their lives and careers, whether that means finding them comparable roles or adding flexibility to their current jobs so they can stay with your company.

When women take extended absences from a job or from your company, keep in contact with them so you can invite them back to work when they are ready. They may be looking for the right opportunity down the road and will appreciate an organization that is loyal and believes in them enough to make work “work” for them.

7. Pay attention to strengths over stereotypes.

Misconceptions about women in the workplace continue to cloud some people's judgment about what women want out of their careers. It is tempting to believe that people who fall into a certain category all want or need the same things from a company. And while there are commonalities among women in the workplace, the best managers understand that successful performance management requires appreciating and knowing each individual. You need to have a clear idea of what workers do best and what they want to achieve professionally and personally, and you have an obligation to help them reach their full potential.

How do employees define a life well-lived? What are their goals today, in five years and in 10 years? Great managers ask these questions and don't judge people based on their answers. The more you know, the more you can help employees achieve their goals. If a female employee doesn't want to work over 40 hours a week, then show her what it takes to excel at that level. If she wants to work 50 or more hours a week, show her what that means in terms of career options and pay. Great managers help employees

understand their choices and empower them to make the most of their opportunities and to use their strengths for success. The more successful a woman feels, the more likely she is to stay and to encourage others to stay.

Recognize and celebrate employees for their talents and strengths. Acknowledge small *and* big wins. Not every employee will win every award, but they will all have individual accomplishments. Keep track and applaud their strengths. The more organizations measure, the more they can find hidden strengths — even among employees who excel in every category.

The bottom line is that women need to know that they are contributing at work. They need to know that their company values them for what they bring to the organization and to its customers.

8. Build a culture of well-being.

Gallup has found that working women have somewhat higher levels of well-being across four of the five well-being elements compared with working men. However, their well-being still has room for improvement. Too often, promoting well-being is confused with implementing a corporate wellness program. But it's much more than that. In your company, focus on creating a well-being *strategy* — with multiple tools and programs — that encompasses all five elements of well-being.

Along with designing an overall strategy for well-being, inspire people to adopt healthy behaviors, and create a *culture* of well-being. Make sure employees know that your organization accepts and encourages them to take time out of their day for well-being activities. For example, to improve or maintain their physical well-being, encourage employees to take a walk or work out during the day. Dedicate an indoor space for employees to take yoga classes or an outdoor space for them to play basketball or Frisbee. For community well-being, create awareness about opportunities that employees and teams can get involved with, such as mentoring children or volunteering at a soup kitchen. Keeping customer and team needs in mind, allow employees to take time during the workday to engage in well-being behaviors.

From courses to team activities, organizations have many options to help employees improve their well-being across the five elements. Communicate a commitment to well-being in all of your company's programs. Help

employees understand that work and life don't have to be in conflict. Great managers support schedules that allow people to lead a life well-lived.

9. Encourage people to get to know one another.

An essential and often overlooked part of the manager's job is to encourage and create a social environment in which employees get to work with people they like and trust. Gallup research finds that women value — and are missing out on — friendships in the workplace. Disregarding friendships at work undoubtedly compromises not only employees' well-being, but also their engagement. Encourage friendships by creating the conditions under which relationships can *naturally* thrive. Using team-building exercises, for example, establish a foundation for open, transparent and trusting relationships. Team-building activities are not just about cupcakes and Kool-Aid. Great managers bring people together by helping them understand what each individual offers and by encouraging team members to recognize and celebrate accomplishments.

Women want to develop meaningful relationships. They want to work with people they like, admire, trust, respect and have fun with. They make friends with associates, vendors and clients. Women need to feel like someone appreciates and likes them. Recognize women who foster relationships that bring a sense of partnership and warmth to the organization. Too many companies discourage relationships and friendships in the workplace. But most employees do not want to work in an environment that feels cold and uninviting. The more companies encourage employees to be social, the more likely employees are to stay with their organization and become invested in its progress. Employees want their company to succeed because they know that success affects not just them, but also their coworkers and friends.

10. Make your workplace kid-friendly.

Kids are a company's greatest competition for attracting and retaining women in the workplace. Gallup has found that for mothers, the factor that has the greatest influence on their decision to stay in the workforce — or to leave — is their children. So make your workplace a kid-friendly environment. Welcome your employees' children to special occasions at work. Participate in "take your child to work" days, and let employees invite their kids to

lunch. Most importantly, allow and encourage parents to take time out of the workday to attend their kids' events or to volunteer at their children's school. When you embrace your employees' kids and families, your employees will feel better about your organization and its role in helping them lead a positive, productive life. Their engagement and loyalty will soar.

STAND WITH COURAGE AND CONVICTION

Companies need to intentionally create better workplaces and cultures for their employees. No matter what the size or industry is, all organizations need to make a concerted effort to recruit and hire a more diverse workforce. *And* they need to develop and advance that workforce to achieve the quantifiable and intangible benefits that greater diversity brings to business and society overall. From race and religion to sexual orientation and gender, diversity enables organizations to achieve higher levels of success. We wrote this report to provide a starting point for an exceptional culture of gender balance and diversity.

As leaders, embrace the rapidly changing workplace with the courage and conviction to do what is right for employees and customers. While technology is pushing some of this change, so are millennials and women. Women have become consumers of the workplace, and they are demanding that work be done differently than in the past. Organizations that continue to enforce outdated policies will not be able to keep up with employees who want more choice and flexibility and greater trust and transparency. If these organizations don't change, they will not be able to compete for talent in the same way technology companies and startups have.

Businesses need to re-examine everything, including performance reviews and promotions, rewards and recognition, hierarchies and titles, flextime and vacation policies, hiring and firing, and part-time and contingent job possibilities. It is not enough to hire the right "numbers" to improve diversity. An organization's culture should be mission-rich; support and expect high performance; and appreciate, develop and recognize people for their unique talents and strengths.

Some organizations have become cookie-cutter and too systematic, believing that there is only one way to motivate people to achieve greater outcomes. Yet, it is possible to improve processes, quality and execution

while also improving human development. Work and well-being can go hand in hand. Companies that embrace each employee as a whole person will attract workers who will be more productive and stay longer. The best organizations fulfill their customer and community missions by developing people through work — focusing on performance and outcomes while simultaneously developing employees' innate talents into strengths, cultivating their potential in the workplace and empowering them to lead a life well-lived.

We applaud the many companies that are already creating workplaces of the future based on cultures of flexibility and reimagined performance management systems. These companies value their employees' strengths and well-being, and they want all employees to succeed in their jobs and at home. They understand that by helping more employees create a life well-lived, they are also helping children succeed and contributing to a stronger society overall for decades to come.

We look forward to the next 10, 20 and 30 years. We will continue to ask men, women, employees and employers about what's on their minds and about what's happening in their lives. We will undoubtedly find more companies embracing cultures that empower their workers — and more employees and their families leading better lives as a result.

Appendix: Methodology Notes and References

IN GENERAL, THE DATA IN this report came from Gallup Panel studies and Gallup Daily tracking. Please see below for details.

THE GALLUP PANEL

Gallup launched the Gallup Panel in 2004 as a proprietary, probability-based longitudinal panel of U.S. households that are selected using random-digit-dial (RDD) and address-based sampling methods. The Gallup Panel is not an opt-in panel.

Gallup randomly selects Panel households using outbound phone interviews that cover both landline and cellphone households. Panel members agree to participate in an average of three surveys per month via phone, web or mail. There are no incentives or financial rewards for taking part in the Panel, and individuals may remain in the Panel for as long as they would like, given they continue to participate. Monthly attrition averages approximately 3%.

The Gallup Panel includes approximately 100,000 individuals. Currently, 80,000 Panel members complete surveys via the web. Gallup recruits new members on an ongoing basis to replenish demographic segments that have left the Panel.

GALLUP DAILY TRACKING

The Gallup Daily tracking survey, which began in 2008, is an unprecedented survey of 1,000 U.S. adults each day for 350 days per year. Gallup Daily tracking consists of two parallel surveys: the U.S. Daily and the Gallup-Healthways Well-Being Index. For each of the two surveys, large sample sizes — 3,500 after a week, 15,000 after a month and 175,000 after a year — allow Gallup to examine extensive demographic breaks and cross-tabulations of the daily measures.

Gallup interviews U.S. adults aged 18 and older living in all 50 states and the District of Columbia using a dual-frame design, which includes both landline and cellphone numbers. Gallup samples landline and cellphone numbers using random-digit-dial (RDD) methods. Gallup purchases samples for this study from Survey Sampling International (SSI). Gallup chooses landline respondents at random within each household based on which member has the next birthday. Each sample of national adults includes a minimum quota of 60% cellphone respondents and 40% landline respondents, with additional minimum quotas by time zone within region. Gallup conducts interviews in Spanish for respondents who are primarily Spanish-speaking.

Gallup interviews approximately 1,000 U.S. adults aged 18 and older every day. Of the 1,000 adults, Gallup interviews approximately 500 respondents through the U.S. Daily survey and approximately 500 respondents through the Gallup-Healthways Well-Being Index survey.

Gallup weights samples to correct for unequal selection probability, nonresponse, and double coverage of landline and cellphone users in the two sampling frames. Gallup also weights its final samples to match the U.S. population according to gender, age, race, Hispanic ethnicity, education, region, population density and phone status (cellphone only, landline only, both and cellphone mostly). Demographic weighting targets for the U.S. are based on the most recent Current Population Survey figures for the aged 18 and older U.S. population, while weighting targets for metropolitan areas and congressional districts are based on Nielsen Claritas statistics. Phone status targets are based on the most recent National Health Interview Survey. Population density targets are based on the most recent U.S. Census.

WOMEN AND WORK: A LOOK AT THE PAST AND A LOOK TOWARD THE FUTURE

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KIDS ARE A COMPANY'S GREATEST COMPETITION

Analysis is based on a Gallup Daily tracking study of 4,614 women, aged 18 and older, living in all 50 states and the District of Columbia, conducted January-February 2016 and a Gallup Daily tracking study of 4,884 women, aged 18 and older, living in all 50 states and the District of Columbia, conducted March 2016.

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ARE WOMEN BUYING YOUR WORKPLACE?

Analysis is based on a Gallup Panel study of 13,510 U.S. adults, aged 18 and older, conducted May-June 2015.

THE REALITY AND THE PERCEPTION: WHY MEN ARE PAID MORE

Analysis is based on a Gallup Daily tracking study of 17,794 U.S. adults, aged 18 and older, living in all 50 states and the District of Columbia, conducted July-September 2016; a Gallup Daily tracking study of 4,614 women, aged 18 and older, living in all 50 states and the District of Columbia, conducted January-February 2016; and a Gallup Panel study of 7,206 U.S. adults, aged 18 and older, conducted April 2016.

American Payroll Association (2016 September). Getting paid in America. Retrieved from <http://www.nationalpayrollweek.com/documents/NPW2016SurveyResults.pdf>

WOMEN LEAD MEN ON ENGAGEMENT

Analysis is based on a Gallup Daily tracking study of 80,844 U.S. adults, aged 18 and older, conducted January 2015-December 2015 and a Gallup Panel study of 12,742 U.S. adults, aged 18 and older, conducted December 2014-January 2015.

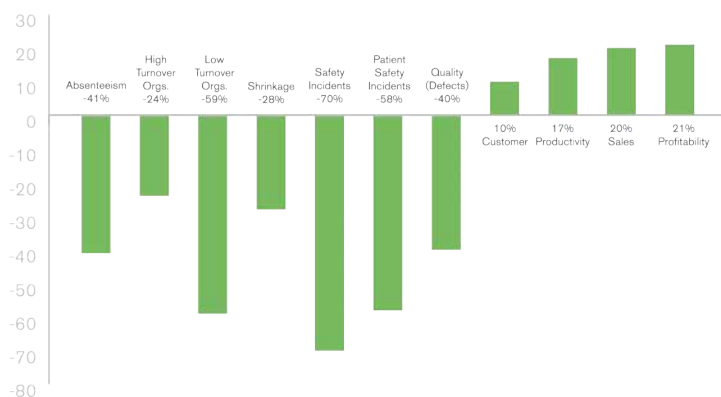
In addition, this section cites data from Gallup's 2016 meta-analysis on employee engagement. The most recent meta-analysis accumulated 339 research studies across 230 organizations in 49 industries and 73 countries. Within each study, Gallup researchers statistically calculated the business-/work-unit-level relationship between employee engagement and performance outcomes that the organizations supplied. In total, Gallup studied 82,248 business/work units that included 1,822,131 employees. Gallup examined nine outcomes: customer loyalty/engagement, profitability, productivity, turnover, safety incidents, shrinkage, absenteeism, patient safety incidents and quality (defects).

Individual studies often contain small sample sizes and idiosyncrasies that distort the interpretation of results. Meta-analysis is a statistical technique that is useful in combining results of studies with seemingly disparate findings, correcting for sampling, measurement error and other study artifacts to understand the true relationship with greater precision. Gallup applied Hunter-Schmidt meta-analysis methods to 339 research studies to estimate the true

relationship between engagement and each performance measure and to test for generalizability. After conducting the meta-analysis, Gallup researchers conducted utility analysis to examine the practical meaning of the relationships.

Q12® META-ANALYSIS: OUTCOMES

Difference between top and bottom engagement quartiles



WHAT STRENGTHS TELL US ABOUT MEN AND WOMEN

Analysis is based on a Gallup Panel study of 1,310 U.S. adults, aged 18 and older, conducted February-May 2010.

THE 34 CLIFTONSTRENGTHS THEMES:

- | | | |
|---------------|-------------------|----------------|
| Achiever | Developer | Positivity |
| Activator | Discipline | Relator |
| Adaptability | Empathy | Responsibility |
| Analytical | Focus | Restorative |
| Arranger | Futuristic | Self-Assurance |
| Belief | Harmony | Significance |
| Command | Ideation | Strategic |
| Communication | Includer | Woo |
| Competition | Individualization | |
| Connectedness | Input | |
| Consistency | Intellection | |
| Context | Learner | |
| Deliberative | Maximizer | |

RELATIONSHIPS AT WORK MATTER

Analysis is based on a Gallup Daily tracking study of 177,281 U.S. adults, living in all 50 states and the District of Columbia, aged 18 and older, conducted January-December 2015.

DO WOMEN WANT THE C-SUITE?

Analysis is based on a Gallup Daily tracking study of 3,337 U.S. adults, living in all 50 states and the District of Columbia, aged 18 and older, conducted April 2016.

Fitch, K., & Agrawal, S. (2015 May 7). Female bosses are more engaging than male bosses. Retrieved from <http://www.gallup.com/businessjournal/183026/female-bosses-engaging-male-bosses.aspx>

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