

McKinsey
& Company

Women Matter Mexico 2022

Uneven parity

August 2022



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Prologue

This is the second edition of McKinsey & Company's Women Matter Mexico series, undertaken in Mexico with a focus on understanding gender parity. On this occasion, 120 emblematic companies in Mexico and 30 of their subsidiaries in Latin America participated. Together, they employ over one million people, with combined sales equivalent to 35 percent of Mexico's GDP.

This study consists of two articles. In the first article, **“Uneven parity, Women Matter Mexico 2022,”** we conducted an analysis of how the situation of women professionals in Mexico has evolved since the publication of the first study in 2018. Our analysis focused on identifying the practices in companies that have made the most progress. Additionally, given the ongoing context of COVID-19, we conducted a complementary study seeking to understand the possible impact that COVID-19 has had on gender parity. These findings are summarized in the second article, **“Lights and shadows of the pandemic, Women Matter Mexico 2022.”**

We would like to thank all the organizations that were part of this second edition of Women Matter Mexico. Without your cooperation, time, and trust, this study would have been impossible. We hope you participate in our next editions to continue promoting gender equality in Mexico and Latin America.

At McKinsey & Company, we remain committed to deepening and expanding the knowledge and information available on the professional situation of women, and in this way, we hope to contribute to transformations that promote more diverse and inclusive professional environments.

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August 2022.

Uneven parity

Women Matter Mexico 2022

For more than 15 years, McKinsey & Company has invested in researching gender parity around the world through the *Women Matter* report series. The first study in Mexico, conducted in 2018 and titled “One ambition, two realities” (“Una ambición, dos realidades”), assessed the enormous barriers women face in advancing their careers, despite initially having the same ambitions as men to reach leadership positions.

Here we present a new study to understand Mexico’s progress in gender diversity. This study focused on quantifying changes since the last survey and delving into the practices found in the companies that have made the most progress.

The analysis is based on information received from 120 companies in Mexico and 30 of their subsidiaries in Latin America. The companies represent various sectors of economic life—consumer goods and retail, industrial, financial and professional services, among others—that together employ more than one million people in Mexico and generate sales equal to 35 percent of Mexico’s GDP. The effort employed a methodology and research tools similar to those used in other Women Matter studies: each participating company provided information on human resources at all levels, including personnel censuses, recruitment data, policies and processes, promotion, turnover, and gender wage differentials. In addition, we directly surveyed ~55,000 employees of these companies, interviewed CEOs, and held roundtable discussions with senior executives and HR managers (see methodological note in the appendix).

This article provides a description of the context, reports the main findings of the study, and offers conclusions that may support decision making by executives, especially in Mexico.



1. Increased awareness

Compared with the attitudes measured in 2017, employees and their leaders in Mexico are becoming more aware of the value of promoting gender diversity and equity. Furthermore, companies are increasingly making gender diversity and inclusion a strategic priority.

More attentive organizations

Over the past four years, general awareness of the importance of gender parity has grown in Mexico. The results of our study reflect employees' increased awareness of gender issues and the positive benefits of promoting equity, both for the work environment and for the company's financial performance.

Indeed, perceptions have changed over the past four years. Today, 80 percent of surveyed employees (men and women) describe their organizations as being committed to gender diversity, versus 68 percent in 2017. Moreover, the rationale for companies pursuing gender diversity and equity has become more pragmatic: in previous years, it was seen as a matter of social justice, but today, 60 percent of employees say gender diversity should be a priority because it contributes to a better organizational climate and work environment (Exhibit 1).

Exhibit 1
Perceptions of gender diversity within companies 2017-20
% of employees



Additionally, employees appreciate greater clarity on the economic benefits of driving diversity. In 2017, only 28 percent of employees linked diversity to improved business performance. Today, 38 percent recognize the importance of the relationship between diversity and successful business performance.

Sixty percent of employees say diversity should be a priority because it contributes to a better work environment.

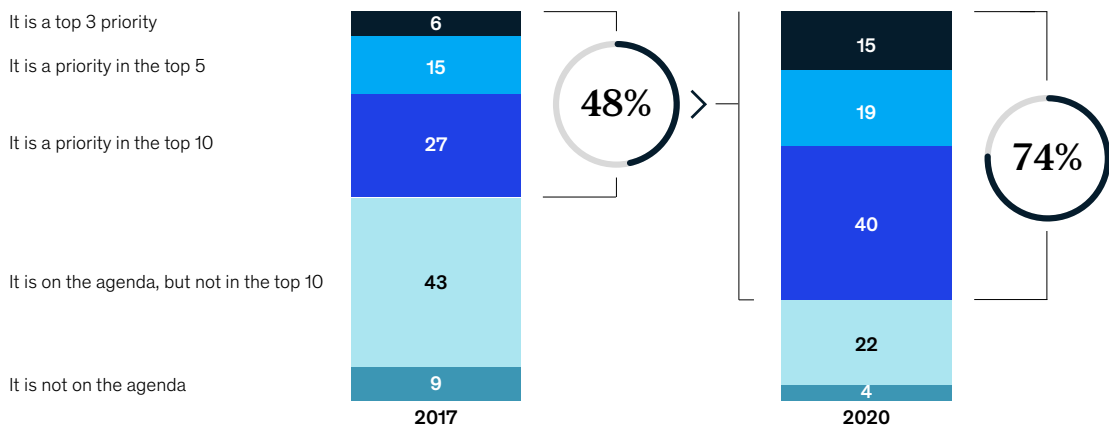
Awareness from companies

Gender diversity has assumed greater importance on the agenda of organizations: 74 percent of respondents in Mexico describe gender diversity as one of their company’s top ten priorities, up from 48 percent who said so in 2017 (Exhibit 2). Currently, only 4 percent of respondents indicate that their companies do not include gender diversity in their strategic agenda, compared with 9 percent in 2017.

Exhibit 2

Prioritization of gender in the strategic agenda of companies, 2017-20

% of companies that selected the option



Additionally, 45 percent of the companies that participated in our study have a diversity committee¹. Of companies with a committee, almost all (96 percent) have senior management leaders participating on them. Diversity committees are a recent development in Mexico, as 59 percent of respondents reporting diversity committees say their committee is less than three years old.

Also, more companies surveyed are setting quantitative targets. Just over half (54 percent) of respondents say their company has defined quantitative gender representation targets to increase the number of women at different levels of the organization. Of the companies that have these objectives, 40 percent began implementing them in the last three years.

In Mexico, about half of the companies surveyed have quantitative gender representation objectives to increase the number of women in the organization.

¹ A diversity committee is a committee of senior leaders who advise on and are responsible for the organization’s diversity strategy.

2. Remaining obstacles and slow progress

However, given the obstacles that persist, organizations have struggled to make progress. Social beliefs and gender bias continue to create an adverse context for women in business. Companies have taken steps to enable gender parity, but at the pace of current trends, it will take another 100 years to reach parity.

An adverse context

Even though gender diversity has become part of companies' agendas, women in Mexico still face adversity resulting from social beliefs and gender biases. Results of the World Values Survey (WVS)², which studies changes in the scale of values and political and social impact in different countries, showcase that the perception of women in the workplace in Mexico has shown no improvement since 2012; in certain cases, it has worsened.

According to the most recent WVS, two out of ten people in Mexico say men are better executives solely because of their gender, and one out of five people say it is more important for a man than for a woman to have a university degree—double the response rates in the United States and Brazil. In addition, one in four people in Mexico say that when there is a labor shortage, men have a greater right to a job. This percentage has grown since 2012, from 17 percent to 25 percent, and is five times higher than the percentage in the United States.

One in five people consider it more important for a man than for a woman to have an university degree.

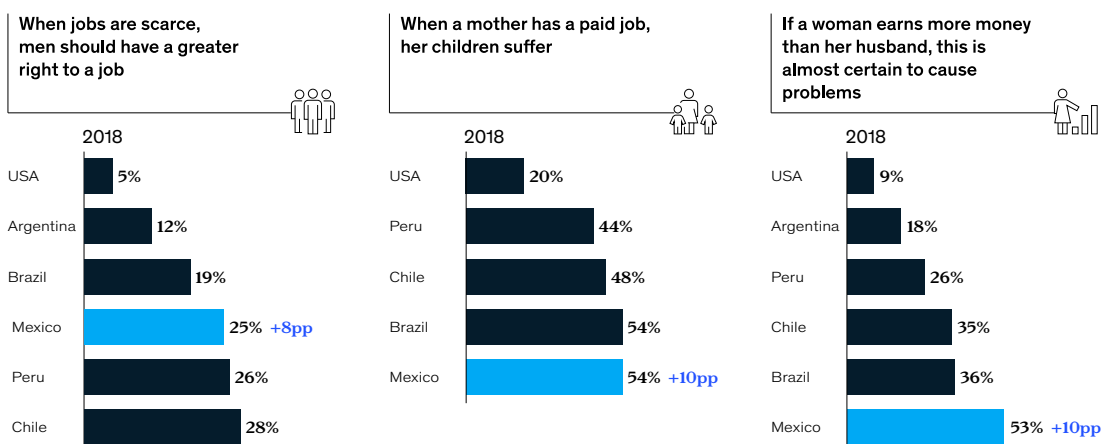
Half of Mexicans say that if a mother works, her children suffer; an almost equal number say that if a woman earns more money than her husband, this will cause problems at home (Exhibit 3). Notably, these social beliefs show an increase of ten percentage points between 2012 and 2018, confirming the persistence of gender biases and traditional social prejudices.

Exhibit 3

Social beliefs and gender bias in the workplace by country

% of "Agree" and "Strongly Agree" responses

N. Change from 2012



Source: World Values Survey round seven

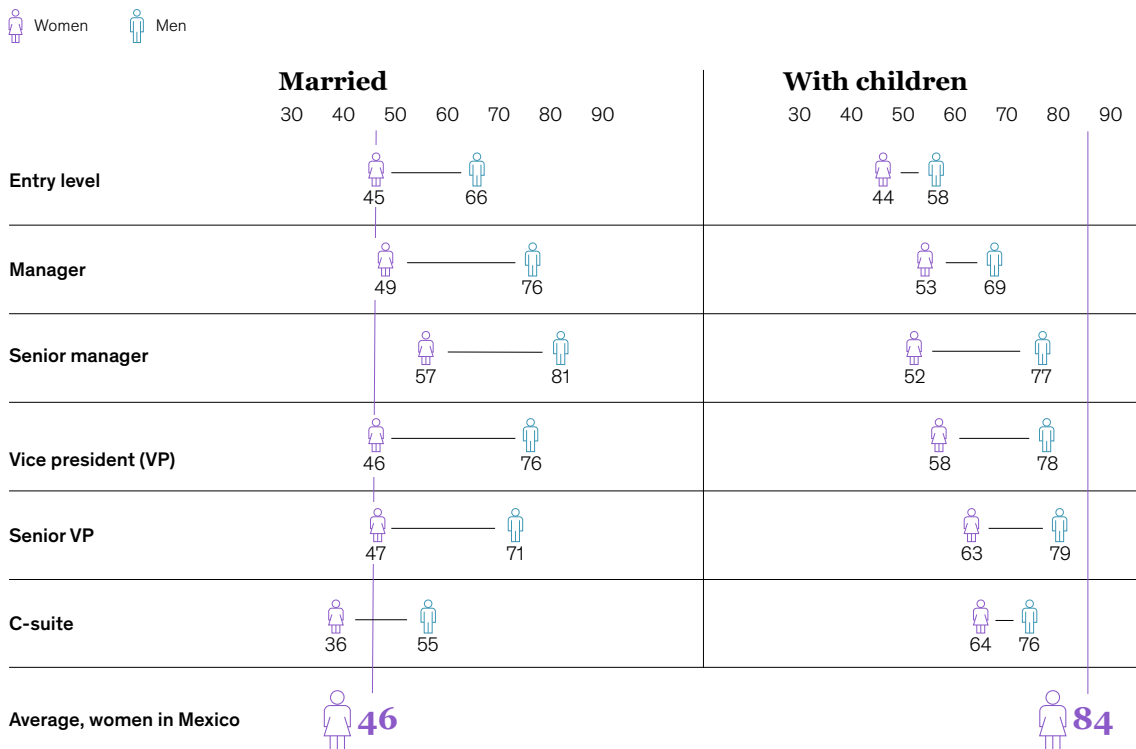
² R. Inglehart, C. Haerpfer, A. Moreno, et al., eds., World Values Survey Round Six, Country-Pooled Datafile Version, Madrid: JD Systems Institute, 2014; C. Haerpfer, R. Inglehart, A. Moreno, et al., eds., World Values Survey Round Seven, Country-Pooled Datafile Version 4.0, Madrid: JD Systems Institute and WWSA Secretariat, 2022.

Additionally, the dilemma between having a professional career and nurturing a family life continues to require that women make sacrifices. The percentage of married women in Mexico is 46 percent, but the percentage of married women holding C-suite positions is only 36 percent. Similarly, the share of women who have children and hold a C-suite position is well below the Mexican average for all women: 64 percent compared with 84 percent for women overall (Exhibit 4). In fact, women in any level of the organization are less likely to have children than women who do not work at any point in time.

Exhibit 4

Marital status and parenting status by gender and level

% of employees who responded the survey



Source: Population and Housing Census 2020 (Censo de Población y Vivienda 2020, Cuestionario Básico), INEGI, averages for women 25-64 years of age; McKinsey & Company, Women Matter Mexico 2022

The women's labor force participation rate in Mexico continues to be one of the most lagging in Latin America (Exhibit 5). In 2019, it reached a level of 49 percent, below the OECD average of 65 percent³ and 58 percent for the region⁴.

Globally, all participation rates suffered a drop due to the COVID-19 crisis in 2020, which has been reversing in different measures with the recovery of the economy. Our article "**Lights and shadows of the pandemic, Women Matter Mexico 2022**", analyzes the impact of the pandemic on women's labor market in Mexico.

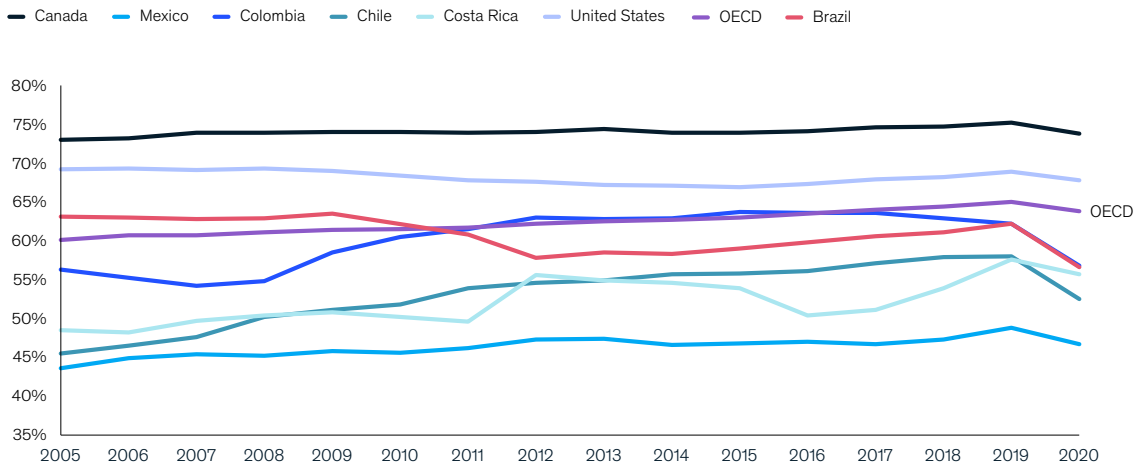
³ Labor Force Participation Rate. OECD

⁴ World Bank data based on labor market indicators of the International Labor Organization

Exhibit 5

Labor participation rate of women, 2005-20

%



1. For women aged 16-64
Source: OECD (2022), Labor force participation rate (indicator), February 2022

Some progress

Although compelling, the statistics on the disparity in women's labor participation rates in Mexico do not tell the whole story. Another important aspect that our research delves into is the underrepresentation of women at all levels of the corporate organization, which is more acute at the highest positions. We also gathered data on the wage gap between men and women, which, again, is more intense the further up the organizational chart you go.

Over the last four years, the average percentage of women at respondents' companies rose by only three percentage points, from 35 to 38 percent (Exhibit 6). Overall, we recorded small increases in women's average participation at entry level (from 37 to 40 percent), in middle management (from 35 to 37 percent), and in senior management (from 25 to 29 percent).

However, the largest difference in representation is found in leadership positions, with low participation of women in vice president and executive committee positions. Here, our research reveals an important perception bias: notwithstanding this low representation, more than half of men (65 percent) and women (54 percent) report that women are sufficiently represented in the top ranks of their organizations.

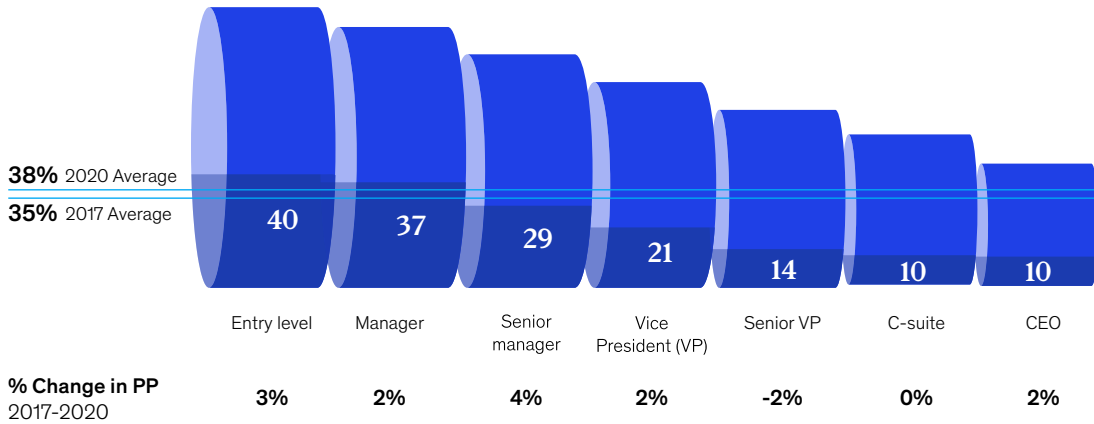
In the last four years, women's participation in Mexican companies increased by only three percentage points, from 35 to 38 percent.

Exhibit 6

Representation of women in corporate ranks, 2020

% of women

■ Female representation rate



Coupled with that bias are signs of ongoing underrepresentation of women: the percentage of women in senior vice president positions fell two percentage points compared with 2017, the percentage of women at executive levels remained the same as in 2017 (at 10 percent), and only one in ten CEOs in Mexico is a woman.

In terms of salaries, we continue to see that the difference between men and women is accentuated at higher hierarchical levels. At the 120 companies that participated in the study, women earned 7 percent less than their male colleagues at entry-level positions and 17 percent less at executive-level positions (Exhibit 7). However, these data represent an improvement since 2017, especially at the senior levels of vice president, senior vice president, and C-suite, where the gap closed by five percentage points.

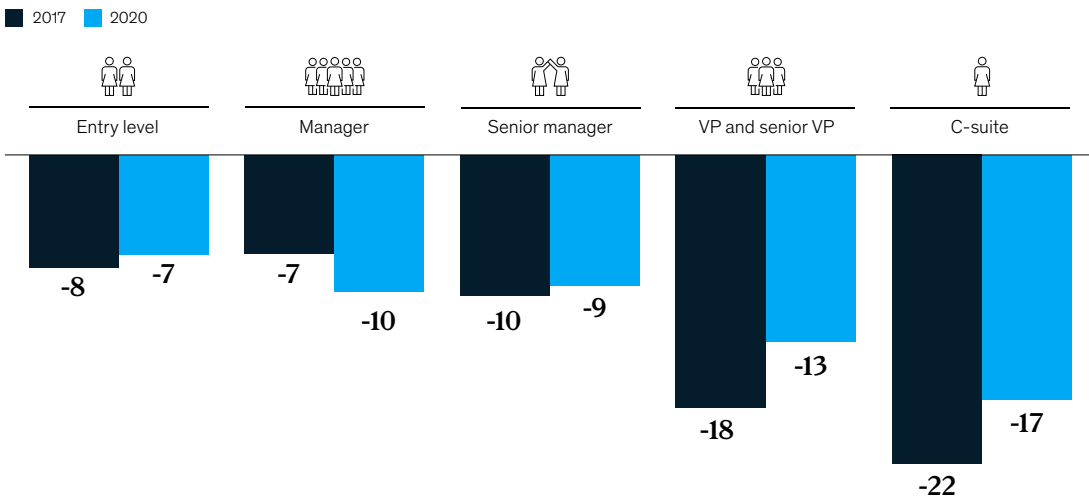
‘Wage inequity is brutal, and discrimination is unconscious. Year after year, we make comparisons for men and women for all positions, and if we see a problem, we must correct it immediately. We must do it every year, as it happens again because of unconscious discrimination or because we hire [women] at lower salary levels. We have to evaluate the pay equity exercise annually, segment by segment, until we have a distribution where all the little pink and blue dots are mixed.’

—Executive director of a company in Mexico’s energy sector

Exhibit 7

Difference in salaries between men and women by level, 2017-20

%



Industries with the highest and lowest labor representation of women

As seen in our 2018 report, there is great variability in labor representation percentages of women across industries. In the industrial, energy, and agriculture sectors, the disparity between men and women remained the most pronounced in 2020, at 14 percentage points below the average (exhibit). This is virtually the same gap as in 2017, when it was 15 percentage points.

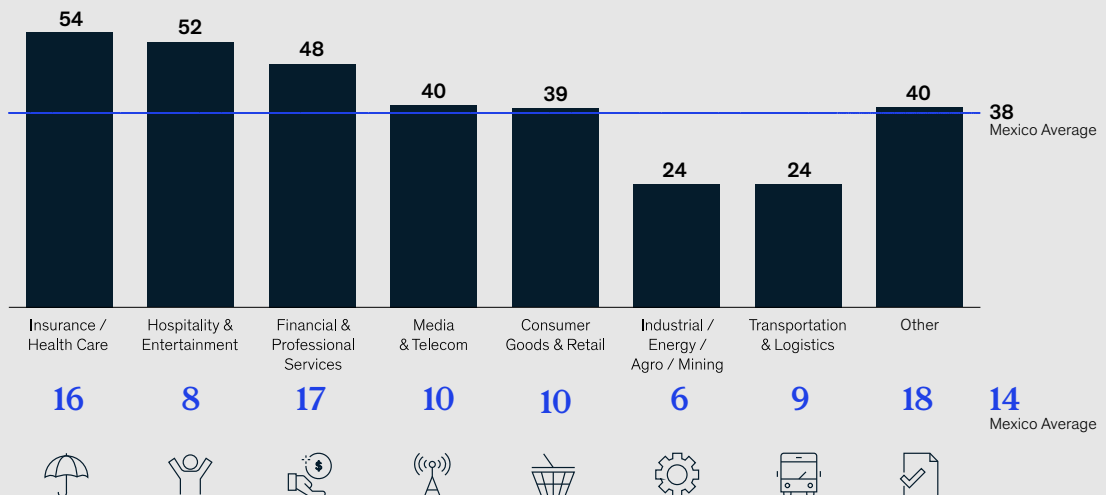
Meanwhile, in healthcare, hospitality, entertainment, and financial and professional services, the percentage representation of women hovers around 50 percent. However, as we saw in our past study, all sectors generally share the challenge of maintaining representation levels of women as they move up the corporate hierarchy.

Box 1 Exhibit

Representation of women by industry

% of women, 2020

N. % of women in senior positions (VP to C-suite levels)



100 years to close the gap

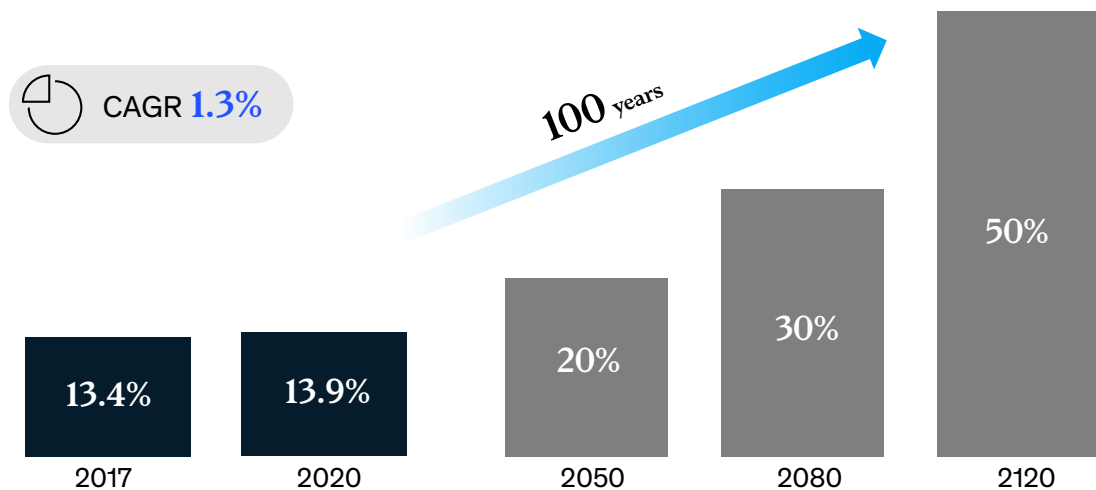
In 2017 and 2020, the percentage of women in senior positions remained around 13 percent (13.4 and 13.9 percent, respectively), and we estimate that by 2050, only 20 percent of senior positions will be held by women. Projecting these growth rates into the future, we find that 30 years down the road, only three out of every ten positions will be held by women. If these trends in representation in senior management and salaries continue, it will take 100 years to reach gender parity in Mexico (Exhibit 8). At this rate, neither the current workforce nor the next two or three generations will witness gender parity.

Women earn 7 percent less than men in entry-level positions and 17 percent less in executive-level positions.

Exhibit 8

Projected growth in the representation of women in senior positions

% of women



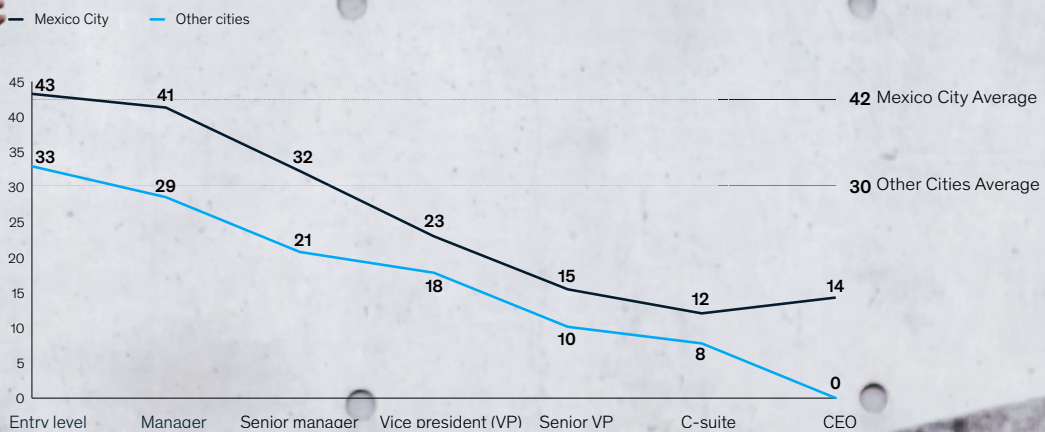
Labor representation of women in Mexico varies greatly by geography

The problem of representation of women is much more severe in the states of the republic than in Mexico City. At the regional level, participation of women in the labor force is 33 percent at entry levels (exhibit). In lower and middle management, the difference in representation between Mexico City and the rest of the cities is more than ten percentage points. And for senior positions, from C-suite to CEO, the participation of women outside Mexico City is less than 10 percent.

Box 2 Exhibit

Representation of women in corporate ranks by region, 2020

% of women



3. What are the most advanced companies doing?

How can we accelerate the pace of closing the gender gap? What concrete measures can drive greater parity? Given that companies are making progress at different paces, we identified those with the greatest success at closing the gender gap and combined this with a tool we call the CLIMB index, to learn what they are doing differently. Our study suggests that, while there is no silver bullet guide, there are several initiatives that contribute more than others to closing the gap.

Progress at different paces

This study includes a compilation of the interventions companies in Mexico have implemented to reduce the gender gap. We analyzed these to identify whether the implementation of any individual initiative is responsible for a greater positive impact on gender parity. The results identified no direct correlation between a single initiative and high levels of representation of women in senior positions in the companies that took part in the study.

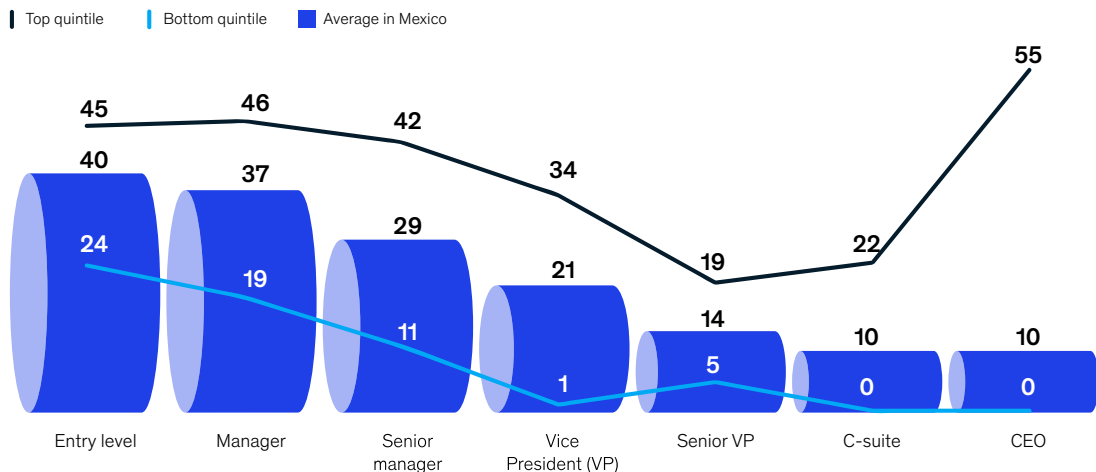
As part of this analysis, we classified the companies that participated in the study according to their levels of representation of women at each level of the hierarchy, giving greater weight to representation in senior management positions (from the level of vice president onward). Based on this classification, the 120 companies were ordered into quintiles according to their ranking; we define the top quintile as the companies with the highest levels of representation of women.

Companies in the top quintile have much greater representation of women in leadership positions than those in the bottom quintile (Exhibit 9). This shows that, despite the cultural challenges that exist in Mexico, it is possible to take up the challenge and implement a set of measures for a more equitable representation, regardless of the sector in question.

Exhibit 9

Representation of women in corporate ranks, 2020

% of women



CLIMB: a model for transformation at all levels

Achieving gender equity throughout the organization requires profound and comprehensive transformation. The best companies have implemented programs that link gender diversity at all levels of their organizational charts and have established communication strategies to promote changes in the behavior of their talent, including a strong and clear narrative about the importance of diversity.

The best companies have implemented programs that link gender diversity in all aspects of their organizational charts and have established communication strategies.

Exhibit 10

Key dimensions for a holistic transformation



C

Commitment

CEO and C-suite commitment



L

Leadership development

Women's leadership development



I

Infrastructure

Organizational infrastructure



M

Metrics and KPIs

Transparency and monitoring of indicators



B

Behaviors and mindsets

Inclusive mindsets and attitudes

In our Women Matter Mexico 2018 report, we established a conceptual framework that seeks to achieve gender parity at all levels. It is made up of five key dimensions: commitment, leadership development, infrastructure, metrics and key performance indicators (KPIs), and behaviors and mindsets. The aim of using this framework is to drive a comprehensive transformation that maximizes women's potential (Exhibit 10). This conceptual framework, which we call CLIMB, brings together the key elements to drive transformation in each of the dimensions.

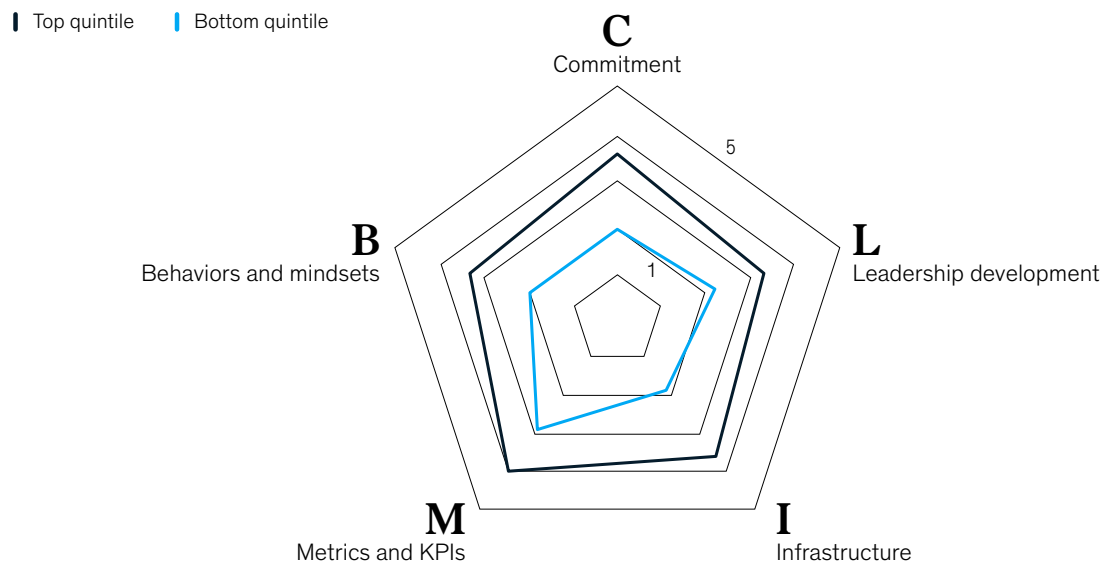
To compare the gender parity performance of the companies that participated in the study, we constructed the CLIMB index, which measures the percentage of progress in implementing gender diversity initiatives in each of its pillars. To this end, we synthesized the extensive list of interventions observed in a catalog of 53 gender diversity initiatives being implemented in the companies. We classified each of these within one of the five CLIMB dimensions. Each of the initiatives was assigned a weight depending on the level of relevance it has for promoting gender equity. This made it possible to assign a score to each company according to the number of initiatives it has adopted as part of its organizational strategy. The rating assigned to each dimension varies between 1 and 5, based on the responses received in the study's surveys. (For the complete classification of the initiatives in each of the dimensions, see the appendix.)

Our analysis confirmed that the companies with the highest results in gender representativeness have comprehensive programs that touch on all CLIMB dimensions (Exhibit 11). The analysis also revealed the existence of broad areas of opportunity in the different CLIMB dimensions. When comparing companies in the top quintile in gender representation with those in the bottom quintile, we see a wide difference in the degree to which companies have implemented initiatives in all CLIMB pillars. The largest differences are found in the dimensions of commitment and infrastructure.

Exhibit 11

CLIMB index company rankings by quintile, 2020

Ranking, 1–5



The dimension with the highest scores in both the top- and bottom-quintile companies is metrics and KPIs. This occurs because a higher percentage of the surveyed companies are already measuring common diversity metrics. For example, 50 percent of companies measure women's participation in recruiting stages, up from 31 percent in 2017. Sixty percent measure attrition rates for women, up sharply from 28 percent in 2017. In addition, 47 percent measure job promotion rates, a figure not measured in 2017.

‘You have to have KPIs around the different axes of gender diversity and implement processes that ask for it consistently. For example, pay gap analysis must be every six months at the least. These types of strategies and tools help you become aware of problems and find solutions to them.’

—CEO of a consumer company in Mexico

In contrast, the dimension where the most challenges exist is leadership development; the implementation of development programs for women remains low and has not seen a significant increase since 2017. Only 9 percent of companies have sponsorship programs for women, versus 6 percent in 2017. In addition, one in three companies have formal retention processes for high-performing women executives, and only half have some requirement to consider women candidates during an internal promotion process.

Implementation of women's development programs remains low. Only 9 percent of companies have sponsorship programs for women.

⁵ Personal leaves of absence can vary from one month to one year.

4. Common initiatives in outstanding companies

The analysis of initiatives that seek to generate greater gender parity reveals the great variability that exists in their implementation. There is an important contrast when comparing the companies with the best results in terms of women's representation with the companies that have the lowest representation. This analysis allowed us to classify the initiatives into four groups (Exhibit 12):

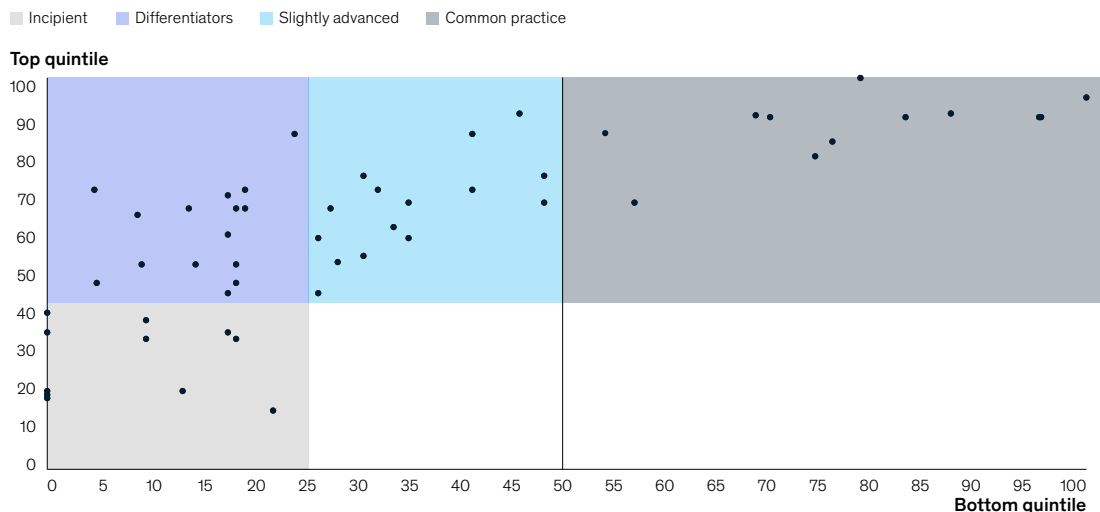
- 1. Incipient initiatives.** The incipient category includes initiatives with low implementation rates in Mexico and whose connection with better results in gender equity is not so evident. Some examples are personal leaves of absence for lengthy periods of time⁵, events aimed at women during recruitment, and specific communication programs for candidates who are women.
- 2. Common-practice initiatives.** Initiatives categorized as common practice are the basic initiatives implemented by most of the companies surveyed. Examples include the installation of physical infrastructure (breastfeeding rooms, parking for pregnant women, among others) and the monitoring of basic parity indicators such as gender representativeness.
- 3. Slightly advanced initiatives.** The initiatives deemed slightly advanced have wide adoption rates among medium- and high-performing companies. They include policies to reduce discrimination in the recruitment and promotion of women, and relatively advanced gender parity indicators, such as gender turnover and pay gap.
- 4. Differentiating initiatives.** Initiatives are categorized as differentiating initiatives if they are widely implemented by the companies with the best performance in gender parity and rarely implemented by the rest of the companies in the country.

The following section offers a detailed analysis of this group of initiatives.

Exhibit 12

Matrix of initiatives

% of companies having implemented the initiative by quintile



The 17 initiatives of the companies with the highest gender parity results

We found 15 differentiating initiatives—the ones that are implemented by more than half of the companies in the top quintile of gender representation and less than 25 percent of the bottom-quintile companies. In addition, we identified two other kinds of initiatives—mentorship and sponsorship programs—as being associated with top performance in gender diversity because there is ample evidence of their effectiveness in boosting gender diversity. For example, women with a sponsor are more likely to get pay raises, high-profile assignments, and promotions⁶.

As Exhibit 13 shows, these 17 differentiating initiatives fall within the first three dimensions of CLIMB: commitment, leadership development, and infrastructure. This does not mean either of the other two dimensions—metrics and KPIs or behaviors and mindsets—are unimportant. As mentioned earlier, a distinguishing characteristic of companies in the top quintile is having initiative programs that are more balanced among the five dimensions. Rather, these 17 initiatives cover only three dimensions because today the initiatives within the other two dimensions are too widespread to differentiate companies in the top and bottom quintiles. Most companies in all quintiles, including the bottom quintile, already implement initiatives to track diversity metrics and to foster a more inclusive mindset in their organizations.

Exhibit 13

17 initiatives that distinguish the top quintile

C		— Diversity committee
		— Clear quantitative objectives for gender representation
		— Take into account compliance with the evaluation of managers
		— Rewarding leaders who meet objectives
		— Communicate the company's commitment to gender diversity externally
		— Have a gender diversity objective in the recruiting process
L		— Require at least 1 female candidate for externally advertised positions
		— Establish a formal process for retaining high-performing female executives
		— Mentoring program
I		— Sponsorship program
		— Work from home
		— No after-hours meetings
		— Childcare allowance or on-site daycare
		— Extended maternity leave
		— Extended paternity leave
		— Evaluation tools to provide objective information on employee performance
	— Evaluation processes tailored to flexibility alternatives	

⁶ Sylvia Ann Hewlett, (Forget a Mentor) Find a Sponsor: The New Way to Fast-Track Your Career, Boston: Harvard Business Review Press, 2013.

Let us review in more detail each of the 17 differentiating initiatives and their levels of implementation in the organizations that are top performers in gender parity.

- 1. Have a diversity committee.** Sixty-seven percent of the most advanced companies in diversity issues have diversity committees. In fact, nine out of ten companies in the top quintile allocate financial or personnel resources to efforts to improve gender diversity.

While having diversity committees and formalizing the importance of this issue in a company's strategy is essential, it is also necessary that this priority is transferred and made operational at all levels of the organization. One way to achieve this is to ensure that diversity committees are composed of members from various operational areas, not only from human resources. Another is to align financial and nonfinancial incentives to drive diversity and recognize employees who encourage it.

Sixty-seven percent of the most advanced companies in diversity issues have diversity committees.

- 2. Have clear quantitative targets for women's representation at different levels of the organization.** It is important to distinguish this initiative from that of establishing gender quotas. A gender representation target is not a number that must necessarily be met; rather, it is an aspirational goal that companies set in order to have a quantitative measure by which to judge their performance in meeting those targets. The function of gender targets is similar to that of sales and profitability targets; companies set them as a way to have a clear understanding of the efforts required to achieve the desired results. In other words, the objectives determine where the company wants to go and enables detection of when that point has been reached.

Half of the companies in the top quintile have clear quantitative targets for representation at all levels of the organization. In contrast, only 18 percent of the companies in the bottom quintile have them.

- 3. Include achievement of gender diversity objectives in the criteria for evaluating managers.** It is important that clear quantitative parity targets are set and then taken into account in evaluating leaders. Half of the companies in the top quintile include a gender diversity item in managers' individual evaluations to measure the degree to which they are meeting their objectives. This initiative requires building managers' capabilities for achieving these objectives—for example, identifying a talent pipeline, ensuring development of all team members, and giving equal opportunities.
- 4. Reward leaders who meet diversity goals.** In addition to evaluating managers, companies offer a menu of incentives for managers who meet their goals, including recognition in internal communications, access to different positions within the company, and financial incentives. Today, only 7 percent of companies provide financial incentives for meeting diversity objectives. There is an opportunity for the recognition of working on diversity issues to also be reflected on middle management, as this type of recognition is often centered on upper management: 60 percent of companies do not recognize team leaders who meet their diversity objectives in any way.

It is imperative to set clear diversity objectives and reward those who meet them.

- 5. Communicate externally the company's commitment to gender diversity.** Sixty percent of companies in the top quintile actively communicate to external audiences their commitment and efforts to achieve gender diversity. In contrast, only 28 percent of all other companies in Mexico do so.
- 6. Have a gender diversity objective in the recruitment process.** Compared with the average company in Mexico, the best-performing organizations in gender equity have recruitment processes that are more focused on finding women talent. Seventy percent of companies in the top quintile have defined a gender diversity objective in their recruitment process, versus only 17 percent of companies in the bottom quintile.
- 7. Require at least one female candidate for externally advertised positions.** One measure that has a positive impact on increasing women's participation in the labor market is to require that, in every recruitment process, there is at least one woman among the candidates for the position. Seventy percent of companies in the top quintile require at least one woman in each process, twice as many as companies as the average for Mexico, which stands at 35 percent.

'The most effective way to build gender parity is to consolidate rules when it comes to internal promotions. In our company, we emphasize having short lists of candidates with at least one woman. When there is no woman on our team who competes on an equal footing with the rest of the participants, we go out and look for one. We don't just want paper representation; we want viable women who have the experience to compete for the position.'

—Chief human resources officer of an industrial company in Mexico

Closing the representation gap at the highest levels of organizations

One of the main difficulties companies face in closing the representation gap at high hierarchical levels is finding women with specialized technical profiles. Despite this, some companies manage to recruit and promote women in much higher proportions than average. How do they do it?

These companies have a significantly higher percentage of women candidates in their recruitment processes than the average in Mexico at all hierarchical levels. For example, in the top quintile, 32 percent of the candidates for senior managers or directors are women, while in the bottom quintile, only 13 percent are women (exhibit). In general terms, the average in Mexico is 24 percent.

There is also a difference in the percentage of jobs offered to women. Companies with the best results give more offers to women than the rest of the organizations. At the highest levels, women are offered 11 percent of positions for vice president, 18 percent for senior vice president, and 5 percent for the C-suite. In contrast, companies with lower representation make no offers to women at these levels.

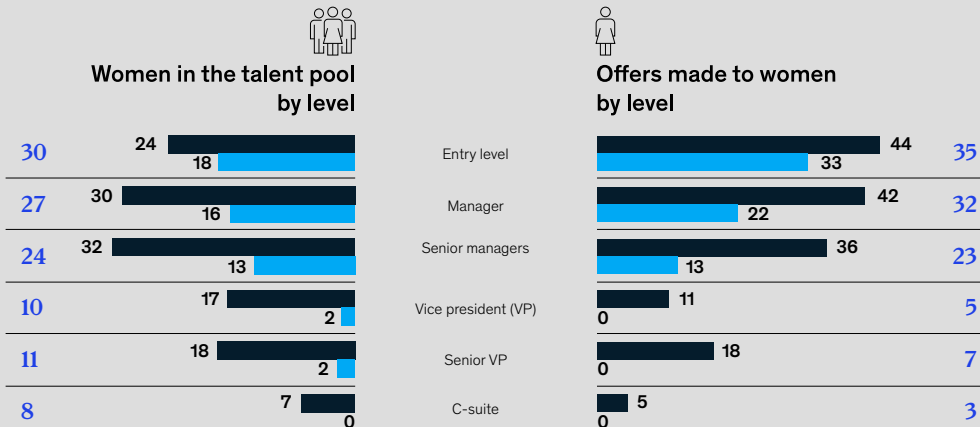
When comparing promotion rates, we see a great variety among companies. Although promotion rates on average fall as the hierarchical level rises, some organizations manage to have promotion rates of the same magnitude for women and men, except for the CEO position.

Box 3 Exhibit

Representation of women in recruitment stages, 2020

% of women

■ Top Quintile ■ Bottom Quintile N. % Average Mexico

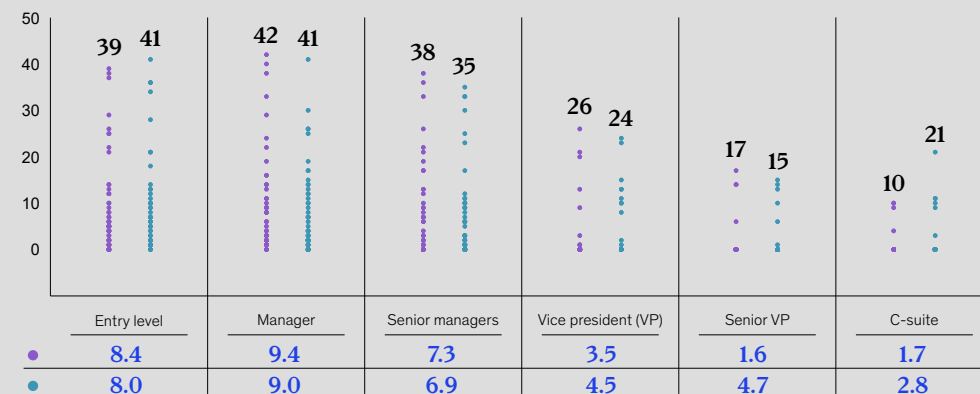


Promotion level by level, 2020

%

● Women ● Men N. % Average Mexico

Promotion rate



- 8. Establish a formal process to retain high-performing executives who are women.** Fifty-two percent of companies in the top quintile have talent retention processes for women in the top ranks, while only 32 percent of other companies in Mexico carry out this type of intervention to prevent the departure of talent.

‘We believe it is important not to put women at a disadvantage. Our paid and unpaid leave policies, flexible scheduling with different modalities, and recruitment policies are available to everyone. In addition, we extend all of our paternity, maternity, and other types of leave benefits.’

—General manager of human resources for an industrial company in Mexico











- 9. Have a mentoring program.** Mentoring is the personalized accompaniment by a mentor who contributes his or her experience and judgment to help an employee develop capabilities and advance professionally. It is a structured dynamic in which the mentor supports the mentee in identifying the competencies to be enhanced and strengthened and offers advice and insights at various turning points in the mentee’s career. Companies with mentoring programs have 38 percent more women in senior vice president positions and 16 percent more women represented in the C-suite.
- 10. Have a sponsorship program for women.** A sponsorship program takes the mentor and mentee relationship to the next level (Exhibit 14). The sponsor not only advises but also actively commits his or her professional capital and reputation to the sponsoree’s professional growth. Women who have a sponsor are about 20 percent more likely to achieve a promotion and build their reputation as a leader. In addition, if a working mother has a sponsor, she is more likely to stay with the company⁷.
- 11. Allow working from home.** An infrastructure that allows employees to balance work and personal life is one of the most important differentiators. The companies with the best gender representation have extensive flexibility programs and work-family balance policies. Eighty-six percent of companies in the top quintile have telecommuting policies. This was, of course, increased by the pandemic.
- 12. Establish policies to avoid after-hours meetings.** Avoiding after-hours meetings and weekend e-mails, as well as incorporating personal days off, allow both men and women to have a more sustainable lifestyle and long-term career projection. Forty-eight percent of companies in the top quintile have a policy of no meetings outside working hours.
- 13. Offer a child-care subsidy.** Because of the impact of child care on mothers’ work decisions, women value support for access to child care. Half of the top-performing companies in gender equity offer child-care subsidies.

⁷ Sylvia Ann Hewlett, (Forget a Mentor) Find a Sponsor: The New Way to Fast-Track Your Career, Boston: Harvard Business Review Press, 2013.

Half of the top-performing companies in gender equity offer child-care subsidies or have child-care facilities on their premises.

Exhibit 14

Mentoring and sponsorship are different

 <p>Mentoring A mentor is a colleague who serves as a trusted advisor, a guide, someone to bounce ideas off of, and who supports your mentee</p>	 <p>They give time A mentor says "Call me anytime". "What do you want to talk about?"</p>	 <p>They advise Mentors offer their insights and advice</p>	 <p>They help with change Mentors give ideas, motivation and confidence to try new things</p>	 <p>They offer perspective A mentor says, "Have you considered another option?"</p>
 <p>Sponsorship A sponsor is a colleague who actively invests in the sponsee's progress by creating opportunities</p>	 <p>They make connections A sponsor introduces the sponsee to your professional and influence network</p>	 <p>They advocate Sponsors advocate for recognition of their sponsees</p>	 <p>They provoke change Sponsors provide challenging growth opportunities</p>	 <p>They give resources A sponsor makes sure to provide the resources and feedback for development</p>

14. Provide extended maternity leave. Extended maternity leave allows women to adapt to this change according to their needs and then return to work. Companies with the highest performance in gender parity implement policies to support employees during maternity stages, and 71 percent of companies in the top quintile have extended maternity leave.

15. Provide extended paternity leave. International experience shows that in countries where fathers have the possibility of caring for children after birth, labor market participation rates of women are higher, and there is a smaller wage gap and a more equal sharing of household tasks⁸. Additionally, our article "[A fresh look at paternity leave: Why the benefits extend beyond the personal](#)" shows that 100 percent of fathers who took paternity leave would do so again and 90 percent of them report an improvement in their relationship with their partners⁹.

It is worth noting that the most diverse companies implement extended paternity leave policies in a significant measure: 67 percent of companies in the top quintile grant extended paternity leave, compared with 48 percent on average in Mexico and only 19 percent in companies in the bottom quintile. The most advanced companies offer the paternity leave policy not only in greater proportion but also for longer periods: 54 additional days versus the six days offered by companies in the bottom quintile.

⁸ Paternity leave: Why parental leave for fathers is so important for working families, DOL Policy Brief, US Department of Labor, 2012.

⁹ A fresh look at paternity leave: Why the benefits extend beyond the personal," McKinsey, March 5, 2021

Our study shows that the most important conditions to ensure employees participate in extended leaves are a work culture that encourages taking leave, policy support from their employer, and an unaffected promotion timeline.

Seventy-one percent of companies in the top quintile have extended maternity leave, and 67 percent have extended paternity leave.

16. Use evaluation tools that provide objective information on employee performance. Maintaining objectivity is the key element of effective performance appraisal. Companies in the top quintile have evaluation processes with clear criteria, and 67 percent use tools designed to provide objective information on employee performance, compared with only 14 percent of companies in the bottom quintile. Examples of tools include standardized evaluation scales and objective quantitative rating guides. Having these types of tools helps to reduce the impact of unconscious biases that might otherwise make objective evaluations more difficult.

17. Adapt evaluation processes to flexibility options. It is essential that the company's internal evaluation processes be adjusted to the labor flexibility alternatives offered by the company. In this sense, evaluation processes should be designed not to penalize employees who make use of flexible work arrangements. Sixty-five percent of companies in the top quintile have adapted their evaluation processes, compared with only 9 percent of companies in the bottom quintile.

For these 17 initiatives, Exhibit 15 provides a graphic summary of the percentages of companies in the top and bottom quintiles that have implemented each initiative. To provide context, the exhibit also shows the average implementation rate for companies in Mexico.



Dimension

Commitment

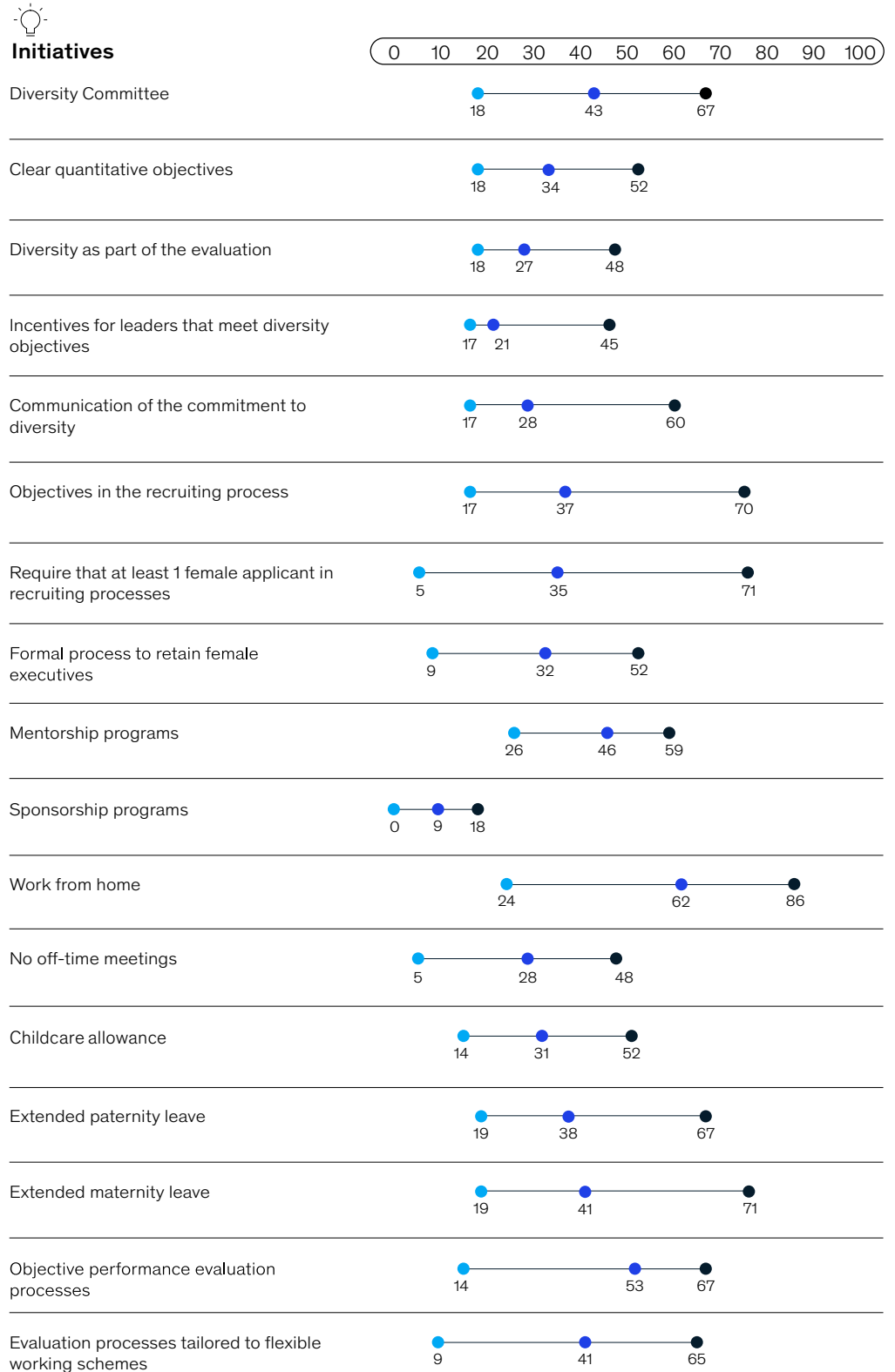
Leadership development

Infrastructure

Level of implementation of initiatives

% of companies

● Top quintile ● Bottom quintile ● Mexico Average



Innovative initiatives

To achieve significant changes in gender parity, companies must make the leap to take innovative measures. What makes the difference is not the implementation of a particular initiative but the incorporation of an ecosystem of initiatives that are well executed. Thus, gender parity can be achieved at all levels of the corporate ladder with the implementation of comprehensive programs that leverage women's potential at all career stages and with excellence in execution.

Following the same trend as in the past will generate a very slow trajectory to increase the representation of women in senior positions in the medium term. Some companies have not accepted this pace of change and have successfully implemented innovative initiatives such as these:

- **Annual closure of the pay gap.** To close the pay gap each year, a company can budget for compensation to correct gender pay disparities not explained by a difference in talent.
- **Reverse mentoring for senior executives.** Along with standard mentoring practices, companies might consider whether learning needs to flow upward as well as downward. Companies can require that senior executives receive “reverse mentoring,” in which people lower in the hierarchy can challenge traditional mindsets and beliefs ingrained among their superiors.
- **Mandate for qualified women candidates.** Where companies see that recruitment processes for senior positions too often fail to include women, they might establish a mandate that recruitment must identify at least one woman who meets the skill and experience requirements of the position, even if it means seeking women from outside the organization.
- **Mandatory paternity leave.** To create a culture of accepting extended leaves, a company might make it mandatory for fathers to take the full paternity leave within 12 months following the birth of their daughter or son.
- **Rules for working hours.** Companies seeking a culture that values work/life balance could establish and enforce clear rules for working hours.

5. Conclusions

With data from our 2017 and 2020 surveys, it became possible for the first time to compare relevant metrics on gender parity in Mexico during two points in time. The analysis improved our understanding of the advances companies have made, as well as the pace at which they are occurring.

Certainly, the social and cultural environment has been adverse and confirms deeply rooted traditional mentalities in Mexico. In addition, the pandemic represented a major obstacle to achieving gender parity. The good news in this period is that there has been a notable advance in awareness of the problem. More attention is being paid to the issue of gender parity in society, among the participating companies, and among their employees.

However, companies did not fully translate this progress in awareness into sufficient action, so the changes during the period were not significant. Change is so slow that the expectation of achieving gender parity in Mexico is a century away.

Nevertheless, companies are advancing at different speeds—hence the name of this report, “Uneven Parity.” Some companies are accelerating, while others are lagging. All recruit in the same market and operate under the same legislation, but some will reach parity much sooner than others.

At the company level, it is possible to identify interesting differences by economic sector, with healthcare, hospitality, entertainment, and financial and professional services leading the way. It is also possible to see greater progress in Mexico City than in the rest of the country. Finally, what really counts is the individual performance of each company. In this study, for the first time, we were able to group companies into different performance quintiles.

During this project, we discussed the multiple interventions that participants are designing and implementing in their companies. The study confirmed the imperative of integrating comprehensive CLIMB programs with initiatives to demonstrate commitment, develop leadership, build human resource infrastructure, establish clear and detailed metrics, and adjust behaviors and mindsets.

The information gathered from the participants included descriptions of 53 specific initiatives. Combining the classification by performance level (quintiles) and a catalog of the 53 initiatives made it possible to identify which actions are common among all participants and which distinctive actions have allowed companies in the top quintile to advance. We consider that executives should seriously consider adopting these 17 actions.

A final thought: the responsibility for closing the gender parity gap lies with men, women, businesses, and government. However, during this study, we observed that when a company decides to focus and take well-designed actions, it can be very effective and cut time admirably. Much remains to be done, and it is time to double down our efforts.

Appendix: Classifications of the other initiatives

While the report focused on differentiating initiatives, this appendix presents the initiatives we classified as incipient, common practices, and slightly advanced (Exhibits 16–18). In their efforts to differentiate themselves, companies should not neglect these initiatives, which may form a foundation for differentiation.

10 incipient initiatives



Incipient

C <hr/> I <hr/> M	Recruitment	<ul style="list-style-type: none">— Launch events aimed at women in the recruitment process— Design specific outreach programs for female candidates
	Flexibility	<ul style="list-style-type: none">— Offer part-time schemes
	Physical infrastructure	<ul style="list-style-type: none">— Have physical childcare facilities on the premises
	Licensing	<ul style="list-style-type: none">— Offer personal leaves of absence for medium and/or long periods of time
	Reinsertion	<ul style="list-style-type: none">— Have reinsertion programs to return from leave
	Evaluation processes	<ul style="list-style-type: none">— Include an objective and external third party in the evaluation committees— Have a diverse evaluation committee, with the presence of female evaluators
	Unconscious bias	<ul style="list-style-type: none">— Provide unconscious bias training as part of the induction process for new employees— Provide unconscious bias training in the evaluation process to evaluators prior to evaluations

12 common practice initiatives



Common practice

C	Corporate Governance	<ul style="list-style-type: none"> — Prioritize gender diversity on the agenda
	Abuso de autoridad	<ul style="list-style-type: none"> — Have an anonymous means to denounce "abuse of authority" — Have a policy against "abuse of authority"
L	Training	<ul style="list-style-type: none"> — Coachings and trainings to develop (mixed) leadership skills — Coaching and mentoring, communication, personal development, and other technical skills training
	High potential	<ul style="list-style-type: none"> — Identify high-potential groups and follow up on them
I	Physical infrastructure	<ul style="list-style-type: none"> — Have women-only restrooms — Have a lactation room — Provide preferential parking for pregnant women
	Reinsertion	<ul style="list-style-type: none"> — Have a post-leave equivalent salary program
M	Recruitment	<ul style="list-style-type: none"> — Measure women's participation in recruitment
	Representation	<ul style="list-style-type: none"> — Measure the representation of women by level

14 slightly advanced initiatives



Slightly advanced

C	Corporate Governance	— Allocate monetary and personnel resources to improve gender diversity
	Recruitment	— Launch initiatives for women to apply for vacancies and promotion opportunities
L	Training	— Training and coaching to develop leadership skills designed specifically for women
	Women's network	— Have an internal women's network involving men and women at various levels
	Promotion	— Require female candidates in the applicant pool for internal promotions
I	Flexibility	— Have a wide range of flexibility programs on offer
	Reinsertion	— Offer job retention guarantees upon return from leave
	Evaluation processes	— Establish clear criteria for evaluation processes — Adapt evaluation processes to career disruptions
M	Promotion	— Measure the promotion rate by gender
	Salary gap	— Measure the difference between men's and women's salaries
B	Attrition	— Measure the attrition rate by gender
	Culture	— Share progress on gender diversity issues with the organization
	Gender discrimination	— Implement policies and practices that reduce gender discrimination in appraisals

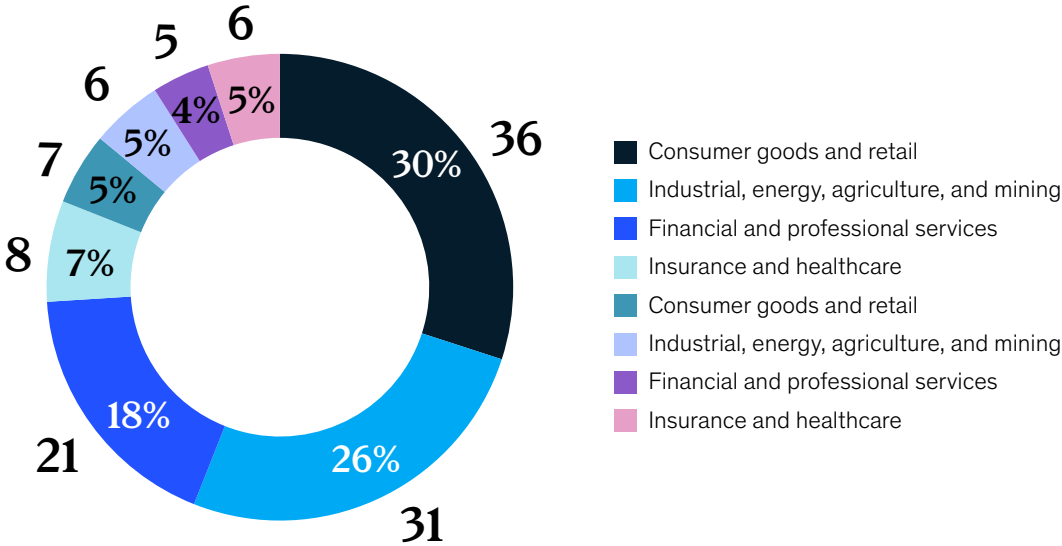
Methodological note

This study gathered data from 120 companies located in Mexico, based on research tools previously applied to Women Matter studies carried out in other countries since 2008. The companies in the study sample represent a diversified set of economic sectors and employ more than 1.1 million employees in Mexico (Exhibit 1). These companies reported 2020 sales that in total equaled about 35 percent of Mexico's GDP.

Exhibit 1

Industry classification of companies in the sample

Number of companies
(% of sample)

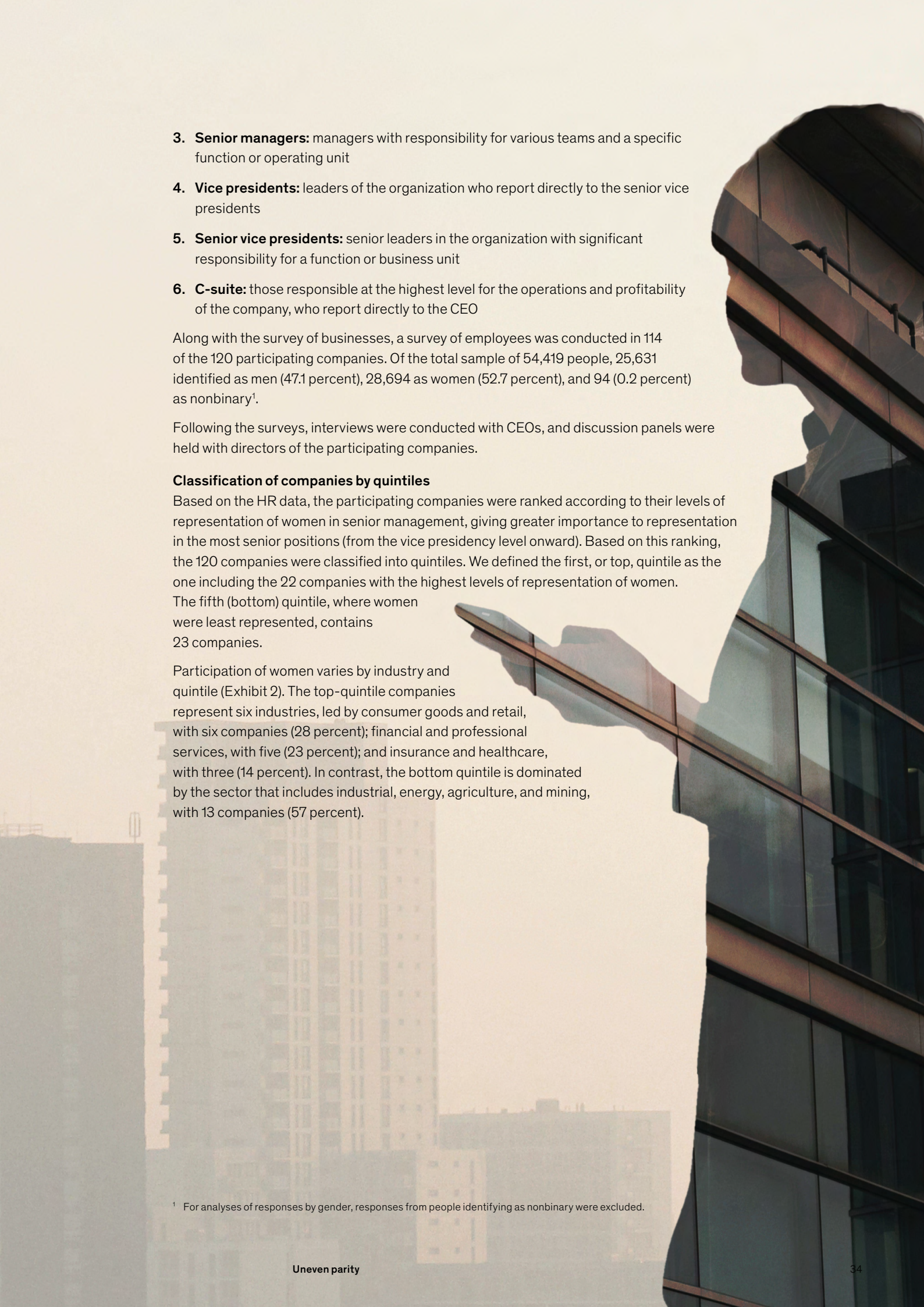


Data gathering

Each participating business provided McKinsey & Company Mexico with information on its human resources, including personnel censuses; data on recruitment, promotion, rotation, and salary differences by gender; and information about its HR policies and programs. The information received corresponds to the year 2020; some questions that are aimed at better understanding the effects of COVID-19 also cover 2019.

Participating companies ranked their employees according to their positions at six levels of the organization. They used a standardized method for all organizations, which involved considering the organizational structure, reporting levels, and trajectory of each rank. Companies that lacked one or more of these levels could indicate this when filling in their data. The definitions are as follows:

- 1. Entry level:** employees who carry out specific tasks and participate in one or several teams, including field employees such as cashiers, shopkeepers, and operators
- 2. Managers:** employees who have administrative responsibility over a team

- 
3. **Senior managers:** managers with responsibility for various teams and a specific function or operating unit
 4. **Vice presidents:** leaders of the organization who report directly to the senior vice presidents
 5. **Senior vice presidents:** senior leaders in the organization with significant responsibility for a function or business unit
 6. **C-suite:** those responsible at the highest level for the operations and profitability of the company, who report directly to the CEO

Along with the survey of businesses, a survey of employees was conducted in 114 of the 120 participating companies. Of the total sample of 54,419 people, 25,631 identified as men (47.1 percent), 28,694 as women (52.7 percent), and 94 (0.2 percent) as nonbinary¹.

Following the surveys, interviews were conducted with CEOs, and discussion panels were held with directors of the participating companies.

Classification of companies by quintiles

Based on the HR data, the participating companies were ranked according to their levels of representation of women in senior management, giving greater importance to representation in the most senior positions (from the vice presidency level onward). Based on this ranking, the 120 companies were classified into quintiles. We defined the first, or top, quintile as the one including the 22 companies with the highest levels of representation of women. The fifth (bottom) quintile, where women were least represented, contains 23 companies.

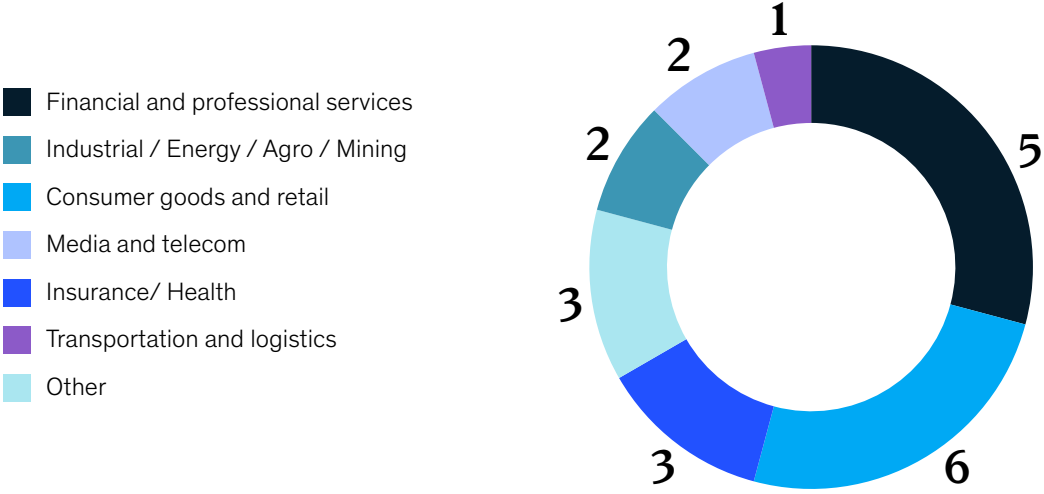
Participation of women varies by industry and quintile (Exhibit 2). The top-quintile companies represent six industries, led by consumer goods and retail, with six companies (28 percent); financial and professional services, with five (23 percent); and insurance and healthcare, with three (14 percent). In contrast, the bottom quintile is dominated by the sector that includes industrial, energy, agriculture, and mining, with 13 companies (57 percent).

¹ For analyses of responses by gender, responses from people identifying as nonbinary were excluded.

Exhibit 2
Industry representation in top and bottom quintiles

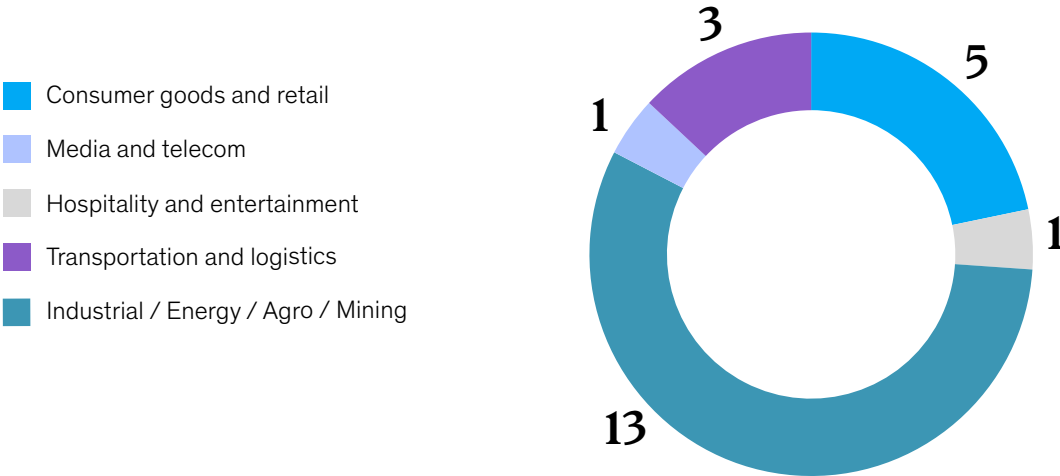
Breakdown of companies in the top quintile by industry

Number of companies



Breakdown of companies in the bottom quintile by industry

Number of companies



Correlation analysis: Gender parity initiatives and representation of women

An econometric analysis was carried out to understand the correlation of the main gender parity initiatives with the representativeness of women in the participating companies. The results indicate no significant correlation between a single initiative and a high female representation in companies. Instead, companies with the best representation results implement comprehensive equity programs with strong execution across all five CLIMB dimensions.

CLIMB index

The CLIMB index rates companies according to their level of implementation of gender diversity initiatives in each of five “pillars,” or key dimensions of a holistic transformation. To build this index, the research team drew up an inventory of 53 gender diversity initiatives, and the initiatives were classified within the five dimensions of CLIMB: commitment, leadership development, infrastructure, metrics and KPIs, and behavior and mindsets.

Each of the initiatives was assigned a weight depending on the level of its relevance to promoting gender equity and the degree of its implementation in Mexico. This weight was derived from the results of the study, interviews with CEOs, discussion panels with executives from companies participating in the study, and evidence found in the literature.

Using the weights and the companies' reports of which initiatives they have adopted, ratings were assigned to the companies by pillar. The data for this were collected in the talent census and surveys on human resources policies and processes. Ratings were on a scale of 1 to 5, where 1 indicates a lack of implementation of initiatives, and 5 indicates the complete implementation of all the initiatives in the pillar.

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