

CULTURE
PARTNERS

RESEARCH SERIES

Empower Women, Empower Your Organization

→ The Value of Women in Leadership

Overview

Working women are in crisis mode. A striking **54 million women left their roles in 2020**, with 90% of them exiting the workforce entirely. Today, the global participation rate for women in the workforce is below 47%. Compare that to men's 72% participation, and it's clear women have been under special duress in the years since the pandemic began.

Indeed, pandemic pressures aside, it's a simple fact that working women face additional barriers in multiple areas of work:

- **Pay:** The gender pay gap threatens to widen, with white **women making just \$0.82 for every \$1 a man makes**.
- **Culture:** **Only 25% of women feel fully included** in their place of work.
- **Advancement:** Women face additional hurdles to leadership positions—**only 86 women are promoted to manager for every 100 men**.

The data shows that despite larger feminist cultural shifts, women still continue to face inequity in the workplace.

All gender differences are important to consider when it comes to creating a productive and effective workplace culture. Culture is the experiences that shape employee beliefs, which in turn drive actions and results. If women come away from cultural experiences with different beliefs than men, those separate beliefs will, in turn, affect company results.

Gender differences need to be considered as leaders intentionally set out to create a workplace culture that achieves their desired results. Without this consideration, they may unintentionally undermine their own efforts by creating workplace experiences that serve men. With it, they can ensure lasting success for all genders and identities.

What is an Equitable Workplace Culture?

An equitable workplace culture considers the experiences of all genders and identities in equal measure to improve inclusion for everyone. An equitable culture is about recognizing and accounting for gender, identity, race, and other factors that impact how workplace culture is experienced.



Recognizing the Problem and a Solution

We analyzed three years of Culture Partners data from ~5,000 employees in 26 organizations to help business leaders both recognize the problem as well as a potential solution when it comes to gender equality in workplace culture.

We examined five factors that affect workplace culture:

- **Engagement**
- **Clarity of Results**
- **Psychological Ownership**
- **Personal Development**
- **Culture Strength**

By separating the responses of men and women, we found the following problem and solution:

- **Problem:** Women are less engaged than men at work and report lower levels of psychological ownership as well as lower overall Culture Strength.

- **Solution:** Having 45% or more women in leadership roles (i.e., director-level and above) reversed the gender differences in workplace culture for women—and even improved culture outcomes for both genders.

The evidence is clear. Women are more disengaged at work than men, and less likely to be satisfied with workplace culture. They are leaving the workforce in droves and feel underrepresented in leadership. How can leaders create a more equitable culture that reverses these trends? The answer is by examining the rewards, systems, and results of women in leadership, and taking a measured approach to change the status quo.

In this report, we dive into why a focus on gender equality improves workplace culture, our statistical analysis of how gender impacts culture, an example of a female leader with real impact, and actionable takeaways for creating a more diverse and representative leadership pool.



The Impact of DEI on Culture Strength

What Is Culture Strength?

Culture Strength is the ability of an organization to align experiences, beliefs, actions, and results to drive high performance. It is a comprehensive measurement that demonstrates how company culture and company performance are positively correlated.

What Is DEI?

Diversity, equity, and inclusion (DEI) are three factors to consider within workplace culture. Diversity acknowledges differences, equity aims to create impartial processes for equitable opportunities, and inclusion ensures everyone feels they belong. Differences in race, gender, sexual orientation, and more are covered under the term “DEI.”

As we've seen, a broad culture gap exists between women and men in the workplace. While often unintentional, this gap has real effects that impact the ability of women to feel seen, progress in their careers, and even earn fair wages.

Now more than ever, women need to feel supported by their workplace culture. This is where DEI comes in. DEI is more than a buzzword or “nice-to-have” initiative in the workplace—research is showing just how impactful focusing on empowering underrepresented groups, such as women in leadership roles, can be for business outcomes as a whole.

Consider this:

- **Companies with 30%+ female executives outperform companies with fewer female leaders. Indeed, there is a 48% difference in outcomes between the most gender-diverse companies and the least gender diverse.**
- **Female leaders improve engagement, saving their organizations an estimated \$1.43 million for every 1,000 employees.**
- **In the technology industry, women in leadership have been seen to speed up growth by approximately 20%.**

The good news? When addressed with intentionality and focus, companies can become leaders in creating a gender-equal workplace.

In a [2022 survey on the state of working women](#), Deloitte compared the experiences of women who work for “Gender Equality Leaders” to other women’s experiences. Their findings were striking:

- Only 3% of women were burned out compared to 46% of overall respondents.
- Women had more positive experiences with hybrid working—only 14% felt excluded in meetings/interactions and only 7% said they didn’t have exposure to leaders.
- 87% of women said they received adequate mental health support at work.
- Women were more engaged, trusting, satisfied with their careers, and likely to stay at the company longer.

Indeed, the case for building a female-inclusive culture only grows stronger. A separate Bain & Company report found that women who feel fully included are 11 times more likely to promote their companies. Even recruiting benefits from an inclusive culture, with 60 percent of women reporting that an inclusive culture is an important factor in considering a new job.

Empower Women, Empower Your Company

From recruiting to retention to end results, empowering women is a data-backed method to unlock the potential of your employees. Culture-first leaders need to have a DEI focus on raising women into leadership and at every level of the organization.



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The Oprah Effect

Female Leadership In Action

When a woman is empowered to achieve her full potential, it has ripple effects that extend far beyond herself. To illustrate this, let's explore an example of how a woman rising above obstacles can have a marked impact on organizations (and even the world) with billionaire talk show host Oprah Winfrey.

Struggles & Disempowerment

Before Oprah Winfrey was a world-renowned talk show host and entrepreneur, she faced many challenges in her career. Namely, being a Black woman in a heavily white, male-dominated field.

Early on in her career as a broadcast journalist, Winfrey was demoted from her news job after empathizing too much with interviewees. Even after

landing a dream job as a talk show co-host in 1979, she faced gender pay discrimination and was shut down by her boss when she tried to ask for equal pay with her male co-host.

Equal pay is a standard that women, and especially Black women, still fight for today. While white women earn \$0.82 for every \$1 a man makes, **Black women only earn \$0.79.**

Hard Work & Dedication

Winfrey knew what she was worth. She left that job and went on to [turn around Chicago's lowest-rated talk show](#), eventually negotiating for ownership rights and dubbing it “The Oprah Winfrey Show” in 1986.

Unfortunately, the challenges didn't end there. Even after being syndicated and reaching a national audience, Winfrey had to take a firm stance to earn raises for her female producers and staff.

“I went to my then boss and said, ‘Everybody needs a raise.’ He said, ‘Why?’ I said, ‘Because we’re now a national show, and I’m making money.’ And he actually said to me, ‘They’re only girls. They’re a bunch of girls. What do they need more money for?’” [Winfrey said.](#)

So, Winfrey refused to work until her staff got raises—which was exactly what happened. As a leader, she ensured that everyone alongside her was also empowered as she rose to the top.

Leadership & Global Impact

With her at the helm, The Oprah Winfrey Show became **the highest-rated television program in history**, running for 25 years. Indeed, her influence is so powerful, the term “Oprah Effect” has been coined to describe how her endorsements drive product sales, change opinion, and even influence election outcomes (she was responsible for an estimated 1 million votes for Barack Obama in the 2008 presidential election).

Winfrey has been recognized as one of the world’s **most influential people** and has dedicated her wealth and influence to **female empowerment causes** such as girls’ education and preventing sexual violence.

Today, Winfrey is a perfect example of a female leader paving the path forward for the women who follow.

“I think there are a lot of us of my generation and other generations who swallowed a lot,” **Winfrey said**. “I always knew there would come a time when I would be in a position where I wouldn’t have to swallow it.”

Unfortunately, the challenges Winfrey faced at every step along her career journey are not unique. For women, and especially Black women, being the only person of your gender or race in the workplace adds the extra pressure and distraction of needing to fight for equal pay, make your voice heard, and stand up for issues that others might not bring to the table—all of which can make it harder to achieve success than it is for others who are not feeling the isolation of being “the only.”

To examine this and find out how women experience culture in the workplace differently, we analyzed how key indicators of culture differed between men and women, as well as how that experience changed with the presence of more female leadership.



Study Findings

On average, women are less engaged than men at work. Having a higher proportion of women in leadership improves key culture metrics for everyone.

Our analysis tested how gender impacts key culture metrics at work. We sought to answer two questions:

- 1. How do men and women experience key indicators of Culture Strength differently?**
- 2. How does having a higher proportion of women in leadership roles impact Culture Strength for everyone?**

In other words, what is the role of gender from the bottom to the top when it comes to organizational Culture Strength?

To measure this, we sourced a large employee data set (4,960 in 26 organizations) of survey responses with questions from Culture Partners' key client measures over the last three years. Using this pool of data, we grouped each question under one of five factors.

Here are the five factors along with a definition of each:

Engagement: Employees are enthusiastic about going to work, would recommend their organization to others, and feel like strengths are incorporated across the company.

Clarity of Results: Employees have clear definitions of key results, their performance is measured directly in relation to those results, and overall responsibilities are clear.

Psychological Ownership: Employees are personally invested in achieving key results and willing to take on additional responsibilities beyond their job description.

Personal Development: Employees can see professional growth and career opportunities, and their manager is actively involved in their development.

Culture Strength: Employees are aligned with how to think and act in order to achieve key business results, and leaders create experiences that reinforce the desired culture.

We then analyzed the data in two ways: First, by parsing out gendered data to compare how women responded versus how men responded across the five indicators as a whole. Second, we sorted the data into two groups, one where the proportion of women in

leadership was 20 percent or less, and those who had 45-79 percent or higher. Similarly, we then compared the lower versus higher groups across the five indicators to see how a more equitable distribution of female leadership would impact results.

Gender Differences for Key Culture Metrics

Our findings are clear. On average, women score significantly lower than men on indicators of Culture Strength, particularly under Culture Strength and Engagement.

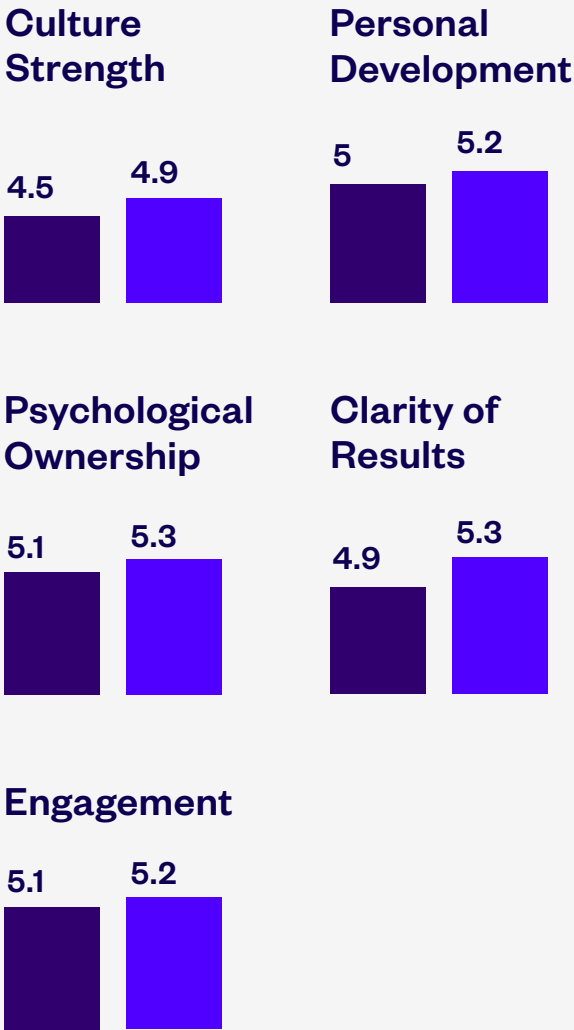
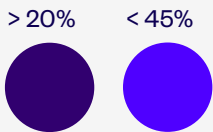


However, every measure of Culture Strength was improved across all employees when women in leadership were present in an organization:

Organizations With Lower vs. Higher Percentage of Women in Leadership Roles

We compared organizations with a lower vs. higher percentage of women in leadership roles (Director and above). Prior differences are eliminated and even reversed for organizations with a higher percent of women in leadership roles.

Key: Women in Leadership Roles



In summary, women had lower Culture Strength and engagement scores than men on average. However, these effects were remedied or entirely reversed in organizations that had a higher representation of women in leadership (45-79 percent) versus those with lower representation (0-26 percent).

How DEI Improves Culture Strength, Which Improves Outcomes

The impact of female leadership on Culture Strength isn't a new phenomenon. Indeed, having more female leaders has been proven by many studies to improve company outcomes and culture while improving the workplace for women.

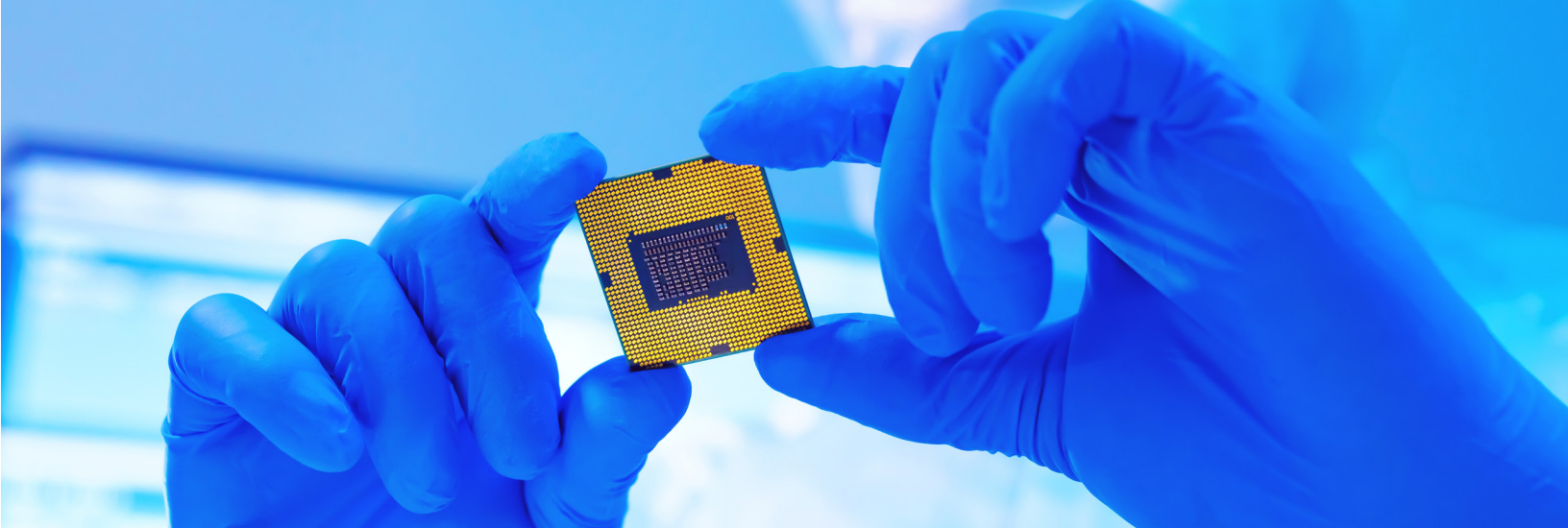
For example, having more women in leadership has been proven to impact organizations in the following ways:

- Boards and top leadership that are 30% women or more see improved outcomes on financial performance.
- Women reduce firm risk by lessening the likelihood of lawsuits, corporate crime, and reputational scandals.
- More women in leadership improves innovation—increasing female leadership by 10% was directly linked to 6% more patents and 7% more citations in one study.
- Finally, as our data demonstrated, more women in leadership helps close the gender gaps in participation, hours worked, and productivity—measures that would make the world economy 26% richer, an improvement of \$28.4 trillion.

As the findings of this analysis demonstrate, women tend to experience culture differently from men. But including women from the top down can serve to remedy this (and even reverse it) to improve culture outcomes across the gender spectrum. The impact of women in leadership is clear.

Increasing female leadership by 10% was directly linked to 6% more patents.





SPOTLIGHT

Intel Leads With Transparency

To illustrate how companies can take action to create a more gender-equitable culture, let's examine how computer company Intel is leading the technology sector when it comes to inclusivity, transparency, and gender equality.

Problem

Intel examined their employee data and found they had significant gaps in pay, gender representation, racial diversity, women in leadership, and more. To become a diversity and inclusion (D&I) leader in technology, they knew they would have to change something or continue seeing the same results.

Approach

In 2015, Intel made a \$300 million commitment to D&I in tech, rolling out a plan with key milestones and goals to hit by 2030.

Some of these include:

- Reaching 40% of women in technical roles
- Doubling the number of women and underrepresented minorities in senior leadership
- Embedding inclusive leadership practices and accountability into Intel's global culture

Additionally, Intel shares raw data about its goals in a yearly report, ensuring accountability to its culture strategy.

Results

As Intel's 2022 report demonstrates, setting specific goals for women and minorities has paid large dividends for the company:

- Intel has achieved gender pay equity globally since 2019.
- Intel surpassed its milestone of 1,375 women in leadership roles in 2021, with 1,449 women as senior leaders.
- They also exceeded their milestone to reach 10% Black employees in senior leadership by increasing representation to 11% in 2021.
- Intel increased the total number of women in their workforce to 25.8%.

By having clear goals, timelines, and full data transparency, Intel's commitment to creating an equitable workplace culture is one that they are held accountable to by employees and the public alike. Not only has the company seen equitable culture growth since implementing its 2030 vision, but it has also improved across broader company metrics. For example, despite variable years between 1999 and 2015, Intel's total net revenue hasn't decreased since it implemented its program; in fact, it has steadily increased from \$55.36 billion in 2015 to \$79.02 billion in 2021.

For disengaged women and minority groups, clear goals and transparency are key to changing the status quo.

“Inside of Intel, we believe that when every employee has a voice and a sense of belonging, Intel can be more innovative, agile, and competitive. An inclusive culture that welcomes all perspectives is critical for attracting, retaining, and progressing top talent who have a direct impact on innovation and on our products.”

— Christy Pambianchi
Chief People Officer, Intel

Actionable Insights

Women are more disengaged at work, but increasing the number of women in leadership reverses the damage and even improves outcomes for all.

Our data prove both a problem and a solution. Women report less engagement, psychological ownership, and Culture Strength at work than men. However, an equal or greater proportion of women in leadership reverses the trend for women—and even improves how both men and women experience key indicators of culture.

These takeaways will give you a starting point to make your organization's culture more equitable for all.

Takeaway #1: Measure & Set Goals

What gets measured gets done. Just as Intel did, to see results that women are more included in your workplace culture, you need to meticulously determine what those desired outcomes are. These commitments should start at the top of your organization and make their way down from there.

TIP

Effective Goals Are Inclusive

Understand and apply intersectionality when it comes to goals. For example, how do race, geography, or other factors impact how your goals affect different groups of women?

Measurable, Memorable, and Meaningful

Apply specific measurements to your goals, make them simple and easy to remember, and make sure the goals hold weight by staying accountable to them over time.



Takeaway #2:

Make Schedules Flexible for Women

Hybrid work is here to stay. But, as we've seen, it presents additional challenges for women with childcare and other domestic responsibilities. Indeed, [only a third of women say their employer](#) offers flexible working policies, and 94 percent fear that requesting flexible work options will impact their advancement opportunities in the future.

Takeaway #3:

Pave a Path for Women in Leadership

Finally, as our data demonstrates, adding women in leadership is one of the most significant ways to improve cultural equity—for women, yes, and also for employees across the board. Paving a path for women to senior leadership means including women at all levels.

The problem? [Currently, women only hold 38 percent of manager-level positions](#). If companies are serious about adding more women in leadership, they need to widen the pipeline by increasing the number of women at all levels of leadership. [McKinsey estimates that 1 million more women](#) will be in management over the next five years if women are promoted and hired at the same rates as men.

TIP

Be Flexible But Clear

Make sure that your remote, hybrid, or [in-person office environment is flexible](#) to meet the unique needs many women have. Make sure your expectations about results are clear in a hybrid setting so no one is left guessing where they stand at work.

Widen Your Leadership Pipeline

Commit to hiring and promoting women at equal levels with men. Survey your existing employee pool and identify gaps. Once you know the gaps, make a growth plan for how you'll widen your pool of women within the company. Create succession plans for top leadership to ensure you're interviewing women and men in equal measure.

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Jessica is Chief Scientist of Workplace Culture at Culture Partners. In this role, she brings over 15 years of experience guiding global, national, Fortune 100 and other organizations across finance, technology, real estate, and healthcare industries on how to create intentional cultures that accelerate performance.

After she received her MBA and became a global consultant for a human capital management solutions provider, Jessica consistently saw highly-stressed leaders failing to deliver against lofty financial goals. She knew that if these leaders could transform their cultures, performance and profitability would follow. But, because culture is often viewed as 'woo' and an intangible, these leaders didn't know where to begin.

So, Jessica set out on a personal mission to quantify culture. Her doctoral research and consulting engagements with Oracle, Toyota, Lockheed Martin, the Federal Reserve, to name a few, led her to develop The Culture Equation™ - a tested model where strategy combined with eight tangible and measurable 'Culture Dynamic Drivers' empowers your people to deliver consistent results.

Today, she serves as Chief Scientist of Workplace Culture at Culture Partners, where she advances the creation of results-driven workplace cultures for thousands of companies.

CULTURE PARTNERS

For 30 years and counting, we have empowered clients across the globe to harness the power of culture. Our human industrial-organizational psychological methods activate organizations to achieve results, year after year, by connecting experiences, beliefs, and actions. Our purpose is to unleash the power of culture to inspire businesses and people to reach their full potential.

Unleash the power of your culture.

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