

15.660
Strategic Human Resource
Management



MIT Sloan School of Management

Gender Differences



The Evidence

PERCENT FEMALE IN OCCUPATIONS



	<u>1970s</u>	<u>1990s</u>
Marketing	7%	37%
Financial Managers	19	50
Lawyers	5	26
Engineers	1	8
Nurses	97	93
Elementary Teachers	83	84

PERCENTAGE WOMEN (500 TOP FIRMS BY SALES)

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

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

HOURS OF WORK



	MEN	WOMEN
<35	10.5%	28.9%
>40	40.4%	19.3%

PAY, TOP FIVE OFFICERS

(S & P 500, MIDCAP 400, SMALLCAP 600)



- ✦ MEN \$1,333,000
 - ✦ WOMEN \$894,000
- (ALL SOURCES)

SIZE OF FIRM = 33% OF GAP

SIZE + PERSON'S AGE = 53% OF GAP

THE PRICE TO BE PAID



AMONG CORPORATE OFFICERS, 1986

	MEN	WOMEN
AGE	51	44
EVER MARRIED	99%	80%
DIVORCED	4%	20%
HAVE KIDS	95%	50%

SOURCE: FUCHS

Two Paths



- ✦ Legal
- ✦ Organizational

Title VII of the Civil Rights Act of 1964



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

Discrimination



Disparate
Treatment

Disparate
Impact

Reasonable
Accommodation

From Affirmative Action to Affirming Diversity



AA/EEO

- Special Program
- Benefits Disadvantaged
- Focus on Hiring, Retention, Promotion
- Legally Mandated

Diversity

- Cultural Shift
- Benefits the Organization
- Focus on Performance
- Strategically Important

Diversity Paradigms

David A. Thomas and Robin J. Ely “Making Differences Matter: A New Paradigm for Managing Diversity.” *Harvard Business Review*, September-October 1996, Pages 79-90.



Examples



- ✦ The legal profession
- ✦ Boston Symphony Orchestra
- ✦ Deloitte & Touche
- ✦ MIT

PART TIME LAWYERS



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

90% of firms offer part-time work

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

Boston Globe, 12/4/2000

THERE ARE MORE SUBTLE PROBLEMS



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

Boston Globe, 12/4/2000

Blind Auditions at the Boston Symphony Orchestra



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

NO LEAVE OF ABSENCE or TURNOVER
DIFFERENCE BETWEEN MEN AND
WOMEN

Deloitte & Touche



1991

- ❖ 5% of partners are women
- ❖ Female turnover much higher than male turnover.
- ❖ 4/50 Partner candidates were women

2000

- ❖ 14% of partners are women
- ❖ Female and male turnover are equivalent.
- ❖ Overall turnover falls from 25% to 18% saving \$250,000,000 in hiring and training costs

Deloitte & Touche Process

COMMIT

- ✧ DEFINE THE PROBLEM
- ✧ ESTABLISH TASK FORCE
- ✧ PERSONALLY CHECK ATTENDANCE
- ✧ PERSONALLY CALL OFFICES FOR DATA

INVESTIGATE & EDUCATE

- ✧ TASK FORCE
GATHERED DATA ON TURNOVER, PROMOTION RATES, QUALITY OF ASSIGNMENTS
- ✧ WORKSHOPS
100% ATTENDANCE OF 5000 PROFESSIONALS
TEACH CULTURE
CHALLENGE ASSUMPTIONS
SURFACE PRACTICES

CHANGE POLICIES

- ✧ “FLEXIBLE ACCOUNTABILITY”
MANAGERS HELD RESPONSIBLE FOR PROGRESS
(DIFFERENT THAN AFFIRMATIVE ACTION?)
- ✧ FORMAL CAREER PLANNING PROCESS
- ✧ NETWORKING EVENTS
- ✧ WORK/FAMILY POLICIES AND CULTURE

Does MIT Discriminate?



- ✦ Women in Science
- ✦ Gender issues in the entire university

MIT'S STAGES

HUH?
INDIVIDUAL FIXES
SYSTEMIC FIXES

MIT PROCESS



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

DIVERSITY STRATEGIES



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

ORGANIZATIONAL CHANGE



- ❖ SENIOR LEADERSHIP
- ❖ MEASURE AND REWARD MANAGERS
- ❖ STAFFING PROCEDURES
 - RECRUITMENT/GOALS
 - POSTING, BIDDING
 - MENTORING
- ❖ WORK-FAMILY



**DOES A FIRM HAVE ANY
RESPONSIBILITY FOR
WORK-FAMILY ISSUES
OR
AN EMPLOYEE'S
PERSONAL LIFE?**

MOVTVATION FOR WORK-FAMILY



- ❖ IT'S THE RIGHT THING TO DO
- ❖ SOLVE ISSUES SUCH AS ABSENTEEISM
- ❖ BUILD LOYALTY AND COMMITMENT
- ❖ ATTRACT A PARTICULAR WORKFORCE PROFILE
- ❖ GARNER GOOD PUBLICITY

MOTIVATION FOR WORK-FAMILY PROGRAMS



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

Source: Osterman 1992

WORK-FAMILY PROGRAMS



- ❖ DAY CARE ON SITE
- ❖ DAY CARE SUBSIDIES
- ❖ PAID PARENTAL LEAVE
- ❖ FLEXIBLE HOURS
- ❖ UNPAID PARENTAL LEAVE
- ❖ REFERRAL SERVICES
- ❖ SEMINARS

SOME WORK-FAMILY COMPLICATIONS



- ❖ BACKLASH: WHAT TO DO FOR EMPLOYEES WITH NO WORK-FAMILY ISSUES (I WANT TWO WEEKS OFF TO GO MOUNTAIN CLIMBING)
- ❖ WHETHER WORKERS FEEL COMFORTABLE UTILIZING THE BENEFITS (ORGANIZATIONAL CULTURE)

IS IT FAIR?



- ✦ IS IT WIN/WIN OR ARE THERE LOSERS?
- ✦ SHOULD POLICIES BE SHAPED TO INDIVIDUAL CIRCUMSTANCE OR SHOULD THE SAME RULES APPLY TO EVERYONE?

MEANING OF MERIT



- ❖ SAME SKILLS, BACKGROUND, EXPERIENCE =SAME OUTCOME?
- ❖ WHAT COUNTS AND WHAT WEIGHTS ARE PLACED ON DIFFERENT ATTRIBUTES?
- ❖ WHERE DO SKILL, BACKGROUND, AND EXPERIENCE DIFFERENCES COME FROM?
 - ❖ PROCESSES INTERNAL TO FIRM?
 - ❖ "PRE-EMPLOYMENT"
 - ❖ FAMILY CIRCUMSTANCES?
- ❖ DOES THE FIRM HAVE ANY RESPONSIBILITY?