



# Advancing Frontline Women

Realizing the Full Potential of the Retail Workforce

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EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY

Companies with greater gender and racial equity, at all levels of an organization, outperform their competition and capture value in multiple ways, including higher profitability, improved team performance and problem-solving, and a greater ability to attract and retain talent.<sup>1</sup> To date, corporations have focused largely on increasing the representation of women in the C-suite and the boardroom. **Much less attention has been given to increasing gender equity at lower levels of management and addressing the leaky pipeline of female leaders.** By not retaining, developing, and promoting more women from frontline positions, companies are experiencing high turnover costs and leaving some of their best talent untapped.

A focus on advancing women from frontline positions is particularly relevant in the retail industry, which is heavily female. Women control nearly 75% of all retail purchasing decisions, and women make up more than half of the retail workforce. Yet, because female frontline workers are promoted at much lower rates than their male counterparts, few retail managers are women. In an increasingly competitive landscape in which retailers are competing to attract and retain talent, there is a strong case for investment in the advancement of women from frontline positions.<sup>2</sup>

However, frontline women experience a range of barriers that negatively influence their career trajectory, including senior-level managers who lack an understanding of or commitment to gender equity, inequitable HR practices, challenging work schedules, sexual harassment, insufficient professional and social networks, and family and caregiving pressures. Frontline women are not a monolithic group, and some of these barriers have disproportionate impact, particularly on women of color.

Hundreds of companies have made high-profile national and global commitments—like the **CEO Action Pledge**, **Paradigm for Parity**, and the **UN's HeForShe campaign**—to increase gender and racial equity. But while many companies have committed to support and grow their female talent, they often do not know the best ways to do so. Our report provides actionable and evidence-based practices that companies can implement **to move from commitment to action on gender equity.**



Our research, developed in partnership with researchers Frank Dobbin (Harvard University) and Alexandra Kalev (Tel Aviv University), identifies 12 evidence-based practices companies can employ that address the barriers women face in the workplace and that lead to the advancement of frontline female workers. By looking across 50 HR practices put in place by over 11,000 retail stores over the last 30+ years, we found that evidence-based practices on women’s advancement fall into three primary areas:

1. **Leadership commitment and accountability** to foster an inclusive culture that enables all women to advance
2. **Company policies and practices** that advance gender equity
3. **Career and development opportunities** that help develop and promote women

FIGURE A

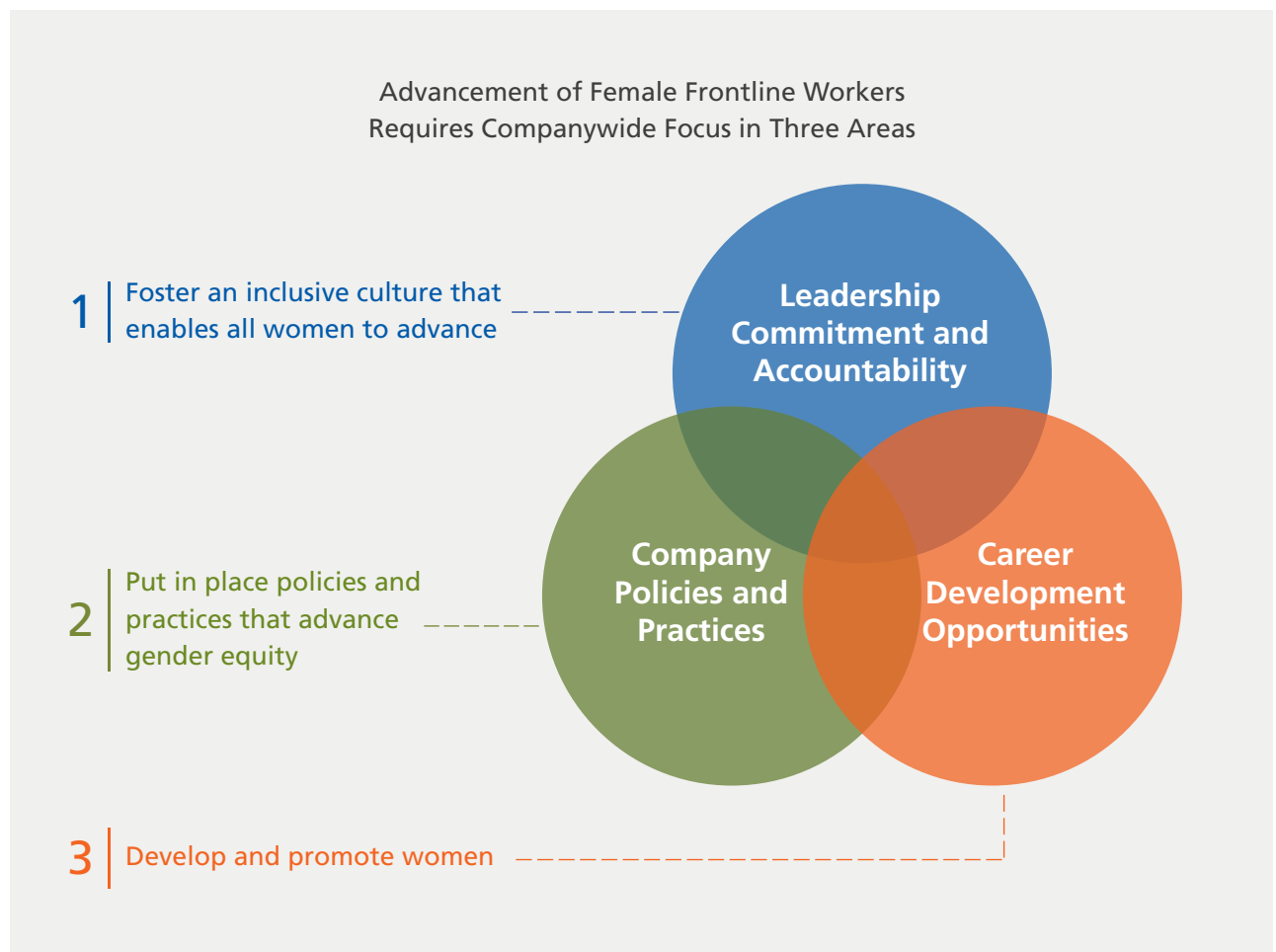


FIGURE B



While many of these evidence-based practices may seem like standard practice for employers, our research found otherwise. Many retailers employ these practices for employees in their corporate headquarters, but **less than 50% of the 79 retailers in the study had implemented even one of these practices in stores.**

Each of the 12 practices is effective at advancing women, and companies that are most successful at retaining, engaging, and advancing women employ practices that span all three areas. Companies that have been successful at increasing gender equity also articulate specific metrics regarding gender equity, regularly track employee data by gender and race, and provide training to employees to raise awareness of and reduce gender and racial bias.

Our research also shows that execution matters. In fact, we found that some practices intended to advance women can actually hinder advancement for women of color because of how they are implemented. Employers must carefully track the impact of their policies and practices to ensure that implementation supports all women. Successful implementation requires engagement from executive, human resource, and store operations teams. Our analysis revealed key steps that these actors can take:


- **Executives:** Retail executives play a critical role in creating a culture of supportive accountability in which their organizations can progress towards gender equity, raising awareness about and making strides towards reducing gender and racial bias.
- **Human resources:** HR teams are important agents in tracking data on the gender and race composition and distribution of a company's workforce and in helping guide the implementation of evidence-based practices.
- **Store operations:** Store operations teams, especially store managers, provide critical understanding of the experience of women in frontline roles that can inform decisions on which evidence-based practices to implement.

FSG's research provides an overview of the business case for investing in women, the current state of women working in retail's frontline, and an overview of the multiple barriers women face in the workplace. To help guide employers' strategies for advancing women from frontline roles, we lay out three key areas of focus and provide 12 evidence-based practices that employers can implement. Company case studies bring these practices to life, and the appendix of the report includes a deeper look at each of the 12 evidence-based practices and additional resources. We also include stories from frontline women themselves to elevate their voices and illustrate the potential for their success. The report concludes with a call to action for the retail sector, with practical guidance for leaders at multiple levels of the company to advance women from frontline positions.

**The evidence-based practices outlined in the report provide an important starting point for retail employers to move from *commitment* to *action* on gender equity.** With thoughtful implementation, companies can develop customized and comprehensive solutions for supporting and advancing more women from the frontline, tapping into their full talent pool and unlocking significant business value.

FIGURE C

## Defining the 12 Evidence-Based Practices



Leadership  
Commitment and  
Accountability

**Diversity Taskforces.** Cross-functional teams to communicate and lead a company's diversity priorities.

**Chief Diversity Officer.** Senior or executive-level person that carries forward the company's diversity priorities.

**Diversity Evaluation of Managers.** Addition of diversity and inclusion metrics in performance reviews.

**Flexible Scheduling.** A mix of fixed and flexible scheduling policies—in particular, compressed work schedules and flextime—in which employees know their schedules ahead of time and can have flexibility in arriving and leaving within a set period of time.

**Employee Assistance Programs.** Tools that connect employees to external resources (e.g., child care, health care) through resource navigators, onsite or through “hotlines.”

**Dependent Care Expense Accounts.** Account in which employees can deposit pre-tax earnings to pay for dependent care expenses.

**All Employee Sexual Harassment Training.** In-person sessions for all employees to build awareness about sexual harassment.

**All Employee Diversity Training.** In-person sessions for all employees to learn about and discuss topics related to diversity, bias, and processes for improving workplace culture.

**Paid Sick Leave.** Time off from work that workers can use to stay home to address their health needs without losing pay.

**Formal Mentoring Programs.** Programs through which leaders and protégés volunteer to participate and are matched with people across departments who are at least two levels apart (e.g., a store manager and an hourly worker).

**Management Training.** Professional development opportunities that help employees develop strong leadership and people-management skills.

**Formal Job Training.** Formal job training for specific roles that provides initial (quickly following an individual's hiring) or continuous (throughout an individual's time in a role) skills-building.

Company  
Policies and  
Practices

Career  
Development  
Opportunities



# TAKING ACTION

Retail companies have an opportunity to unlock the full potential of their workforce by implementing the evidence-based practices that address the unique needs of the women in their frontline. Putting these practices in place and moving towards gender equity is not solely the responsibility of one department. **Executives, human resources, store operations, and diversity and inclusion taskforces each play a critical role in advancing frontline women in retail** (Figure D).

*“Achieving a critical mass of representation of both genders is the first step in creating a gender-intelligent organization, but this is just the beginning. The work to build an inclusive culture where both men and women can bring their uniqueness to IKEA every day continues beyond gender parity in numbers.” — IKEA*

FIGURE D

## Goals and Interventions by Department

### EXECUTIVE LEADERSHIP GOALS

- Set the tone for gender equity across the company
- Create an accountability infrastructure for gender equity

#### INTERVENTIONS

- > Realize corporate commitments to diversity and inclusion
- > Establish and support companywide goals for gender equity and inclusion
- > Demonstrate the business case for diversity and inclusion
- > Model commitment to all employees, and encourage male leaders to advocate for gender equity



### HUMAN RESOURCES GOALS

- Develop a data-driven baseline of the current state
- Support the development of data-driven goals and the implementation of evidence-based practices

#### INTERVENTIONS

- > Work with store leaders to set location-specific goals and test drive advancement practices
- > Track the impact of evidence-based practices and share findings across the organization
- > Provide real-time guidance and support continuous learning and improvement



### FIELD OPERATIONS & STORE MANAGEMENT GOALS

- Ensure business goals are met and employees are retained and developed
- Elevate the voice of women at the frontline to guide implementation

#### INTERVENTIONS

- > Model and support increased buy-in of company goals toward gender inclusion
- > Understand frontline women's experience
- > Pilot new practices to advance women to store management roles
- > Observe implementation outcomes and share what is working with HR team



### DIVERSITY & INCLUSION TASKFORCE GOALS

- Help activate both men and women across different levels and functions within an organization to advance gender equity
- Serve as a centralized resource to facilitate cross-team learning, analysis, and sensemaking







# METHODOLOGY

For this statistical analysis Dobbin and Kalev collected 30 years (1971–2002) of EEOC data from a sample of 79 representative, large national retail firms with over 11,000 branches.\* The EEOC requires self-reported disaggregated data on the race and gender distribution of a firm’s workforce across defined roles, including frontline retail salespeople and management roles (first/mid-level managers). In addition to the EEOC data, Dobbin and Kalev collected qualitative data through an annual employer survey between the same 30-year period. The self-reported survey recorded employers’ implementation of 64 HR practices and interventions at the headquarters, as well as the retail establishment level.

Through rigorous statistical analysis, Dobbin and Kalev correlated these two data sets and observed changes in the workforce, particularly shifts in the share of white women and women of color in management positions in retail establishments after the implementation of the specific interventions. To prove statistical significance, the analysis isolated the effects of each practice from the effects of other organizational and labor market features, including the implementation of other practices and internal organizational changes as well as larger societal and labor workforce shifts. The 12 evidence-based practices that resulted are all statistically significant within a 5% margin of error and positively impact women of color and white women’s advancement in retail stores.

\*Note: Large retail firms are those with 50 or more establishments.

## ENDNOTES

- 1 **Why Diverse Teams Are Smarter**, David Rock and Heidi Grant, *Harvard Business Review*, November 2016; **Diversity Matters**, Vivian Hunt, Dennis Layton, and Sara Prince, McKinsey & Company, February 2015; **Becoming the employer of choice: Diversity matters**, Lynda Decker, Decker Design, November 2016; **New Proof That More Female Bosses Equals Higher Profits**, Valentina Zarya, *Fortune*, February 2016; **Why Diversity Matters**, Catalyst, July 2013.
- 2 Female advancement refers to vertical movement within an organization’s frontline employment (e.g., advancement from clerk to store manager position), which may result in increased compensation and responsibility.

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## About FSG

FSG is a mission-driven consulting firm supporting leaders in creating large-scale, lasting social change. Through strategy, evaluation, and research we help many types of actors—individually and collectively—make progress against the world’s toughest problems.

Our teams work across all sectors by partnering with leading foundations, businesses, nonprofits, and governments in every region of the globe. We seek to reimagine social change by identifying ways to maximize the impact of existing resources, amplifying the work of others to help advance knowledge and practice, and inspiring change agents around the world to achieve greater impact.

As part of our nonprofit mission, FSG also directly supports learning communities, such as the Collective Impact Forum, Shared Value Initiative, and Talent Rewire to provide the tools and relationships that change agents need to be successful.

Learn more about FSG at [www.fsg.org](http://www.fsg.org).

## Walmart

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