

HUMAN RESOURCE MANAGEMENT

12 Ways to Help Women in Retail Advance into Management

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Over the last couple of years, hundreds of companies have made high-profile pledges to increase gender and racial equity. These commitments – including CEO Action Pledge, Paradigm for Parity, and UN’s HeForShe campaign – have garnered much public attention, but not enough companies have taken action.

This isn’t surprising. Few companies know how to best support and grow their female talent. In fact, when corporations do invest in women, they largely focus on increasing the representation of women in the C-suite and the boardroom and pay much less attention to lower levels of management. Even then, according to McKinsey, very few women hold CEO positions.

The retail and services sector is no exception. Even though women comprise half the workforce, they are overrepresented in frontline positions and consistently underrepresented in higher-paying management roles. Research has found that across industries, companies tend to promote female workers at much lower rates than their male counterparts. These trends have important implications in retail, as few retail managers are women, and even fewer – according to Catalyst’s analysis of retail trade leaders, less than 10% – make it to CEO positions.

To better understand how companies can counteract this trend and make the most of female talent, we partnered with Frank Dobbin of Harvard University and Alexandra Kalev of Tel Aviv University to conduct research on advancing women from hourly, entry-level roles to the first level of management. Dobbin and Kalev used a 30-year sample of 79 large retail firms with over 11,000 individual retail stores to track the implementation of more than 50 HR practices, and correlated these to changes in the demographics of the companies’ workforce. Through this analysis – and a robust research scan – we identified 12 actionable and evidence-based practices that can help companies move from commitment to action on gender equity.

These practices for advancing women fall into three main areas: leadership commitment and accountability, company policies and practices, and career and development opportunities.

12 Practices for Advancing Women in Retail Jobs

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.

Company Policies and Practices

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.

Sexual harassment training: In-person sessions for all employees to build awareness about sexual harassment.

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 employees can use to address their health needs without losing pay.

Career Development Opportunities

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 trainings: 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.

Each practice has been proven to be effective in advancing women to management roles, and companies that are most successful at retaining, engaging, and advancing women employ practices across all three areas. Yet, these practices are not widely implemented, especially in retail stores: Less than half of the 79 companies in the study were using even one of the evidence-based practices to support women in frontline roles in stores, while implementation in headquarter offices was more widespread. Why the difference? In our conversations with executives from across the sector, it was clear that most companies did not implement these practices in field operations because they lacked a clear business case for investing in women's early professional development.

We found that there is such a case. Investing in the women in your workforce, particularly at lower levels, does pay off in clear and tangible ways. Companies deploying resources to advance women in their workforce are outperforming their competition and capturing value in multiple ways, including higher profitability, improved team performance and problem-solving, and a greater ability to attract and retain talent.

We know that employing these practices can be a daunting task, especially because retail companies have largely regarded frontline employee turnover as the cost of doing business. And despite the fact that 75% of purchasing decisions in retail are made by women, the industry hasn't yet articulated the brand and business value of a cultivating a robust female workforce. We've outlined some clear actions for retail employers to move from commitment to action on advancing women:

Establish clear leadership commitment and accountability for gender

equity. Companies that are successful at advancing women have strong leadership commitment to gender equity and have internal systems and structures that create opportunities for leadership to learn what is working and create accountability for companies to track progress towards gender equity. They include developing clear goals and implementing processes for tracking women's advancement.

In 2015, IKEA committed itself to achieving companywide gender parity – 50% male/50% female representation at every level – by 2020. The company's leaders clearly articulated gender and racial equity as central to the company's financial performance, customer loyalty, and talent brand. To aid in accountability against this goal, the company established diversity task forces focused on gender diversity and inclusion. In interviews with FSG, IKEA leaders noted that these task forces and other gender-focused strategies have helped IKEA significantly increase the representation of women in frontline manager roles.

Walmart Canada's CEO worked with the organization's chief diversity officer and a broader team to pilot a successful on-the-ground development program for women in retail stores – the Women in Retail Development Program – and boosted the number of female store managers by 50% between 2010 and 2016.

Implement employee-focused policies, benefits, and supports that advance gender

equity. Policies and practices like paid time off, flexible scheduling, and dependent-care expense accounts are beneficial for all employees. For women, who disproportionately balance family and caregiving responsibilities with employment responsibilities, the benefits of these policies can be even greater.

Last year, Starbucks – whose workforce is close to 70% female and more than 40% racial and ethnic minorities – announced an expansion of its paid sick leave policy. All Starbucks hourly employees now accrue one hour of paid sick leave for every 30 hours worked, a benefit previously offered only to employees in states where laws required sick leave policies.

To target retail scheduling needs, UC Hastings partnered with Gap Inc. to study effective scheduling practices for employees in stores in its Gap chain. Their research found that a scheduling app helped create more autonomy, flexibility, and control over scheduling for both managers and entry-level associates. And in most participating stores, productivity, and overall employee satisfaction improved following the app's implementation. About three-quarters of participating employees were women.

Sexual harassment in retail is pervasive: According to a recent study by the U.S. Equal Employment Opportunity Commission (EEOC), more than one-quarter of reported sexual harassment claims are from frontline retail and food service female workers. And of those women, 79% end up leaving their jobs. In the era of #MeToo, sexual-harassment training for all employees is particularly relevant. When implemented intentionally and made available to all employees regardless of level or gender, such training helps to build healthy and supportive cultures for women in the workplace.

Provide structured career development for women. Offering structured career-development opportunities that intentionally help women refine and develop new skills is an important step towards greater gender equity.

To help build employees' professional networks, Sodexo developed a formal year-long leadership and mentorship program that emphasizes cross-gender and cross-race/ethnicity connections among junior staff and managers. According to Catalyst,

between 2005 and 2010, 30% of women and 27% percent of racially/ethnically diverse women who participated in Sodexo's mentoring program received promotions.

Safeway, the supermarket chain, employs a three-pronged strategy through its Leadership Development Program, a 21-week program that provides management training to retail employees, particularly women. A Catalyst case study found that since 2000, Safeway's increased its representation of women in store management ranks by 40%; there was a 34% increase in the representation of white women and a 65% increase in the representation of women of color.

Our research also found that simple execution of these practices is not enough. In fact, some practices intended to advance women actually *hindered* advancement for women of color because of how they were implemented. To overcome the systemic factors and barriers that women of color experience in the workplace, we recommend companies carefully track the impact these interventions have on both white women and women of color and ensure that these interventions are working for all women.

The time to move from commitment to action on gender equity is now. Given that gender equity has been proven to create business value, we hope that companies will take stock of which evidence-based practices they have in place, identify ones that are missing, and introduce new practices to address the gaps. They will find that investing in female talent will pay dividends for their bottom lines. And it will pay dividends for society as well.

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