

The Washington Post

FRIDAY, JUNE 21, 2019

TOP WORKPLACES

BEST WORKPLACES

There's no easy fix. Companies need to focus on structural obstacles, among other things, to increase equity.

By Jena McGregor

Many industries have struggled in recent years to fix their gender and racial imbalances — quite often with slow results. (Craig Cutler)

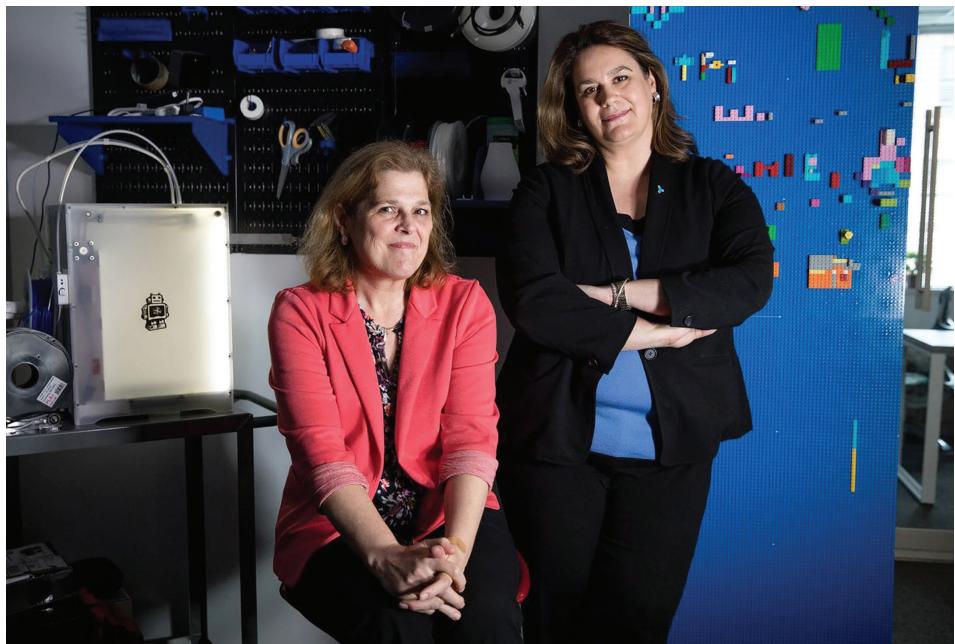
The email displaying the faces of Markon Solutions' five newly promoted directors — all white men — sparked surprise, distress and some heated discussions at the Falls Church, Va.-based government contracting and professional services firm after it hit inboxes back in December 2017.

An underlying sentiment: How could it be that even with a more diverse panel of managers weighing in and a more systematic approach to reviews — changes made to help formalize the company's processes amid rapid growth — that no woman was promoted for even one of those top positions?

"You just looked at it and went, 'Oh, okay, hmm, that's not good,'" said Brenda Metzger, a program manager at Markon. Sure, she recalled, "these people deserved the promotion. But I still went, 'I think we could do better.'"

Krissy Goff, who is now Markon's vice president of operations, said the announcement prompted a feeling among some women that a glass ceiling existed, even if that was not the case.

"What is the message we're sending to the company? That you have to look a certain way in order to be promoted?" she recalled some thinking. "Obviously, that was not what it was, but we realized, 'Hey, we've got a problem here with perception, and we need to blow it up.'"



EVELYN HOCKSTEIN/FOR THE WASHINGTON POST

Brenda Metzger, left, and Kristin "Krissy" Goff are two of the employees at Markon Solutions who have sought to revamp the promotion system at the Falls Church, Va.-based government contracting and professional services firm.

The lack of diversity at the top of the email, Goff said, "kind of smacked us in the face. We thought we had done all these things right."

Many companies — even those like Markon that have been on The Washington Post's Top Workplaces list for years — find themselves in the trenches of grappling with the tough work of improving diversity, recognizing it's no quick, easy fix. Retaining women and minorities, resolving pay gaps in compensation and increasing equity in the workplace take an unrelenting focus on structural obstacles, unconventional approaches to human resources and an uncompromising commitment to fostering a

place where people want to stick around.

Many industries have struggled in recent years to fix their gender and racial imbalances — quite often with slow results. Technology firms have publicly shared their demographics data for years, showing minimal progress in hiring women and minorities. In a recent House Financial Services Committee hearing, none of the seven major bank CEOs present — all of whom were white men — raised their hand when asked if they believed their successor would be a woman or person of color.

The legal world, meanwhile, has been getting its own diversity scrutiny — particularly among the largest firms. Across top firms,

male partners earned 53 percent more than their female counterparts, on average, higher than recent years, according to a 2018 survey by the legal executive search firm Major, Lindsey & Africa.

And earlier this year, 170 corporate legal chiefs penned an open letter to Big Law firms, saying they would redirect where they spend on outside legal help to firms that could show results on diversity.

This year's No. 1 large employer, Wilmer Cutler Pickering Hale and Dorr, known as WilmerHale, is part of Big Law. Among other approaches, WilmerHale leaders say they keep close tabs on work assignments, an effort in part aimed at ensuring that women get their fair share of high-profile cases.

"It's often a very long process," one that too many employers think can show quick business results, said Laura Sherbin, managing director of Culture@Work, a division of Working Mother Media that helps companies develop best practices around diversity.

"I can't tell you how many times a company has called me up and said, 'We just spent [a lot of money] \$100 million on this brand new, state-of-the-art child-care center and somehow I don't have any more women in senior leadership positions.' There are so many things that have to go into solving the issue, and they are about changing the culture and changing the behavior of individuals."

Many organizations among the 2019 Washington Post Top Workplaces awardees, a list compiled by the firm Energage that is based on how workers rate their employers, come from industries that have had difficulties getting more women and minorities to top positions. the top.

Among 152 workplaces that qualified in 2019, there are seven law firms, 46 technology-related companies, about two dozen contractors or consulting firms, another 10 banks, lenders or financial services firms, and a sprinkling of construction outfits.

The Post spoke with executives, managers and employees from more than 20 employers on the list to learn about how organizations viewed as great places to work have pushed to promote pay equity and retain and advance women — and heard consistent themes around offering clear promotion criteria, providing transparency in pay, building flexible work environments and giving opportunities for high-profile assignments.

'Human-centered design'

At Markon, where 70 percent of the firm's business is in the male-dominated facili-

ties contracting field, the promotion email spurred a recognition throughout the company that something had to change. CEO Matthew Dean held immediate meetings with Markon's most senior female managers, and within a month, a committee was formed to overhaul how the company structured titles and promotions.

Rather than bringing in outside human resources consultants, executives tapped a team of 10 employees led by Metzger, who applied an approach she had learned from the innovation firm IDEO called "human-centered design."

Over an eight-month period — during which Metzger said she took only four days off, including weekends — the team held focus groups, interviewed staffers and surveyed employees to uncover problems. What they heard: Titles were too arbitrary. Those who wanted to remain subject-matter experts, rather than go into management, had little path for advancement. Many wanted more transparency on what it takes to get promoted.

After creating an overhauled set of titles, more clarity on promotions, and twin career tracks for both topic experts and general managers to advance, Dean now has a more diverse leadership team. Thirty-six percent of the senior team are now women, up from 21 percent in 2017. In addition to more gender equity, Dean has more diversity in the advice he receives: "The worst thing I could do in my position is just grab a bunch of people from the management team and ignore the other experts our clients [also] respect."

Another company that has adopted a more transparent approach to promotions and pay is Power Home Remodeling Group, an exterior renovation company that has its biggest office in Greenbelt, Md. Five years ago, just seven 7 percent of Power's workforce was female. But after initiatives to increase the number of women at the Chester, Pa.-based firm, co-CEO Asher Raphael said that's doubled to 14 percent nationally — still too low, but higher than the 9 percent average in the construction industry at large.

To help boost the number of women, Power added an extra \$1,000 referral bonus for new female recruits — giving employees \$3,000 rather than \$2,000 if the candidate gets hired. Employees now go in front of a promotional board where the steps to prepare for advancement are more clearly outlined.

Another factor Raphael said has been critical in boosting the number of women is Power's transparency about performance and pay. The company posts sales numbers

and other metrics both on TVs in break rooms and on computer dashboards, giving employees a sense of where they stand compared with their peers.

It enhances credibility internally, as well, when you're willing to put something out publicly that's not perfect.

David Sutphen

On nearly every metric Power tracks, Raphael said — from including sales efficiencies, to revenue per employee to and percentage of homeowners visited who become customers — Power found that women have outperformed men on an aggregate basis. He started sharing that fact — in a presentation at the company's Women's Summit, in emails to the entire company — and "that's created a really big cultural change," Raphael said.

Others have taken the step of being more transparent about pay gaps when they do arise. Education technology firm 2U, which provides software and services for universities to offer online degrees and certificates, revealed more than most companies do about its pay gap in a LinkedIn post in April. It noted that 41 percent of vice presidents and above at the Lanham, Md.-based firm are women and that women of color make up 21 percent of employees. But it also said that after a pay equity analysis, it found 26 women whose pay discrepancies could not be explained by things such as experience or performance and invested \$201,000 into closing them.

2U also went a step further, revealing an "unadjusted raw" pay gap of 6 percent in the United States — a comparison of median female and male pay that does not consider factors such as years of experience or location. It helps highlight a company's "position gap," or differences in the number of men and women in high-paying jobs. Most companies don't voluntarily reveal that figure — for instance, Citigroup got a lot of attention in January when it shared, after a proposal from a shareholder, that it has an unadjusted pay gap of 29 percent.

"If you want to make progress, you have to be willing to be transparent and open with people about where you are," said David Sutphen, chief strategy and engagement officer at 2U, where women and racial minorities each make up a third of its board of directors.

"It enhances credibility internally, as well, when you're willing to put something out publicly that's not perfect."

Rethinking billable hours

Fixing such raw, unadjusted pay gaps can be harder in places like management consulting firms that reward long hours. Women still, disproportionately, take on more family responsibilities at home, making it harder to meet the kind of client billable hours that many such partner-track firms expect.

When Melissa Jezior co-founded Eagle Hill Consulting, she wanted to fix that kind of culture. Jezior, who started the firm with her father before she had children, said, "Maybe even without fully realizing it, I was designing Eagle Hill for how I wanted it to work in my own life."

One approach has been to adapt how the firm thinks about billable hours. The Arlington, Va.-based firm starts by removing five weeks of vacation from the tally of hours that's used to calculate consultants' client-time percentage, a figure known as consultants' "utilization rate." That makes it more realistic that consultants can meet expectations without skipping vacation or having to work 80-hour weeks to make up the difference, employees say.

While Eagle Hill still tracks billable hours, it also de-emphasizes them in ways that surprised some new employees. Kathleen Kennard, who joined Eagle Hill from a much larger consulting firm a year ago, said she was surprised by the response from an Eagle Hill orientation leader when she asked about the average utilization metric.

"He looked at me like I had two heads," she recalled. He told her that while they do look at the reports, it's done to "make sure nobody's working too many hours — to see if anybody needs help."

That was different, she said, from her previous employer where "it was weekly hammering of, 'Why are you missing your target?'" Now, said Kennard, a mother of three children, nights and weekends are no longer overrun by email. "Here, it's possible to progress in your career and feel like you have good challenging work with fun people without killing yourself."

Yet all the family-friendly benefits in the world can't get more women into leadership if they're not getting the right assignments and high-profile clients that set them up for success. And if such flexible work programs are labeled as benefits geared just toward moms, they can even be detrimental.

A more equitable approach to handing out high-level assignments has long been a focus for some law firms. At Sterne, Kes-



EVELYN HOCKSTEIN/FOR THE WASHINGTON POST

Catherine Carroll leads WilmerHale's Washington office. This past year, 80 new associates joined the law firm, and 45 were women. Eighteen were lawyers of color. One of the firm's co-managing partners — the highest job at the firm — is a woman.

sler, Goldstein & Fox, which specializes in intellectual property law and has been on the Top Workplaces list since it began six years ago, 38 percent of the firm's directors are women or people of color, and technical expertise has always been a primary way people are assigned to jobs.

"It's not about, 'Let me get my buddies on the phone' — it's who has the time and skills to help," said Gaby Longsworth, a partner who is in the Washington-based firm's biotechnology and chemical practice and was born in Suriname, a small country in South America. At an IP firm like Sterne Kessler, "it's sort of a necessity. You need someone with that background."

Meanwhile, back in the 1990s, WilmerHale was one of the first law firms to set up what's known as a "practice manager" structure, in which each department has a staff member charged with handing out work. Early on, the job was more about productivity — making sure people weren't overloaded or underutilized.

But over time, it's also become a centralized way of making sure work is fairly assigned and giving high-profile work to all associates, said Catherine Carroll, who leads WilmerHale's Washington office. The practice manager structure can help "make sure that we are keeping the lens appropriately widened, and not falling into habits and allowing those kinds of unconscious shortcuts to make the decisions for us," she said.

The firm WilmerHale also has been working with an outside consultant on assessing the firm's practices for unconscious bias, Carroll said. WilmerHale offers 18 weeks of paid family leave and up to a year off total from the firm after the birth of a child. It has met standards by a group called Diversity Lab that at least 30 percent of leadership roles are held by women or diverse lawyers.

This past year, 80 new associates joined WilmerHale, and 45 were women. Eighteen were lawyers of color. One of the firm's co-managing partners — the highest job at the firm — is a woman.

But Carroll acknowledges that what headway has been made isn't enough. "I would not call it a success story — I would call it a work-in-progress story," she said. "The focus is very much on how do we improve those numbers even more."

So what might success look like? Carroll pointed to a comment Supreme Court Justice Ruth Bader Ginsburg once made about the high court's nine-member body.

"Justice Ginsburg was asked how will we know when there are enough women on the Supreme Court, and her answer was when there are nine," Carroll said, laughing. "I like that answer. I don't have a different one."

FIVE BIG IDEAS FROM WASHINGTON'S TOP WORKPLACES

Correcting pay equity problems and retaining and advancing women and minorities is a long, slow, complex process that no single H.R. practice, one-time raise or creative benefit is going to fix. But some of the companies on this year's list had a few more ideas to share of tactics they say have helped them:

Set pay at the top of the market

Like other employers, the American Speech-Language-Hearing Association studies market rates and sets compensation based on what similar employers pay for those jobs. But as a rule, H.R. director Janet McNichol brings people in at salaries that are at least 90 to 100 percent of those market rates and generally does not negotiate outside that range. McNichol said women at the non-profit professional association make 102.8 percent of market value for the job they hold, while men earn 102.4 percent on average. "It prevents someone who's just not asking from falling behind," she said. "If somebody hasn't been treated fairly in the past, I have no desire to perpetuate that."

Guarantee interviews for open jobs to internal candidates

At Sandy Spring Bank, all employees are guaranteed a chance to interview for any open job, whether they're actually qualified or not. The bank says that helps with internal promotions, particularly of diverse candidates, who might not otherwise be seen as an obvious fit for the job. Their numbers seem to show results: 51 percent of vice presidents, for instance, and 44 percent of division executives, are women.

Don't ask about salary history

Many states and cities have passed local laws that prohibit questions about job candidates' past salaries. While the District, Virginia and Maryland haven't yet passed such bans for all employees, some local jurisdictions in Virginia and Maryland have proposed legislation to do so. Adrienne Webster, Carfax's vice president of human

resources, said they haven't negotiated salaries for most jobs "for years" and don't ask about pay history. "That's been something that's been demonstrated to adversely affect the pay gap," Webster said. "We believe that if you make firm, fair competitive offers that puts everyone on the level playing field."

Consider the "Rooney Rule," but take it further

The online small-business lender OnDeck also doesn't ask about salary history and strives for half the candidates for every open job to be female. Many companies have adopted such a "Rooney Rule," named after the NFL-originated idea to improve diversity. But the New York-based firm takes it a step further, also requiring that the panel of people doing the interviewing includes at least one woman to help cut down on any implicit biases.

Take training out of the classroom

The hotel operator and developer Modus Hotels, which has six locations in the Washington area, started a new program to train and inspire its young female leaders. Rather than just bringing in outside consultants for classroom-style workshops on entrepreneurship, leadership and work-life balance, director of brand marketing Laura Claggett and Sophie Penichet, general manager of the Hotel Hive location, began setting up site visits to D.C. businesses run by inspiring female entrepreneurs. In recent months, they've talked with the women who founded the 14th Street location of Barre3, the distillery Republic Restoratives and Chaia Tacos about their career paths, developing confidence and professional advice. "We have all these young first-time leaders, and we were worried they might fall through the cracks," said Modus Executive Vice President Janne Clare, noting the sessions have offered informal mentoring. "It's been fun, really empowering and a little bit different."