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Race in the workplace: The frontline experience

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Preface

Last year, we released *Race in the Workplace: The Black experience in the US private sector*, an in-depth look at the challenges Black workers face in corporate America.¹ The report sought to provide a fact base to help executives better understand these issues so they could develop and implement effective programs to support their Black colleagues.

This report builds on our previous work but shifts the focus to the experience of Asian, Black, and Latino employees on the front line—a segment of the workforce that has typically been disconnected from advancement opportunities. Even as companies elevated their diversity, equity, and inclusion (DEI) initiatives over the past several years in an effort to create a more welcoming, supportive workplace, these efforts often didn't extend to workers beyond corporate levels.

The front line—which makes up approximately 70 percent of the total US workforce, or 112 million workers—represents a tremendous but overlooked opportunity for corporations. Our research found that employees of color face an array of impediments to moving up the ladder. They are motivated to advance but lack opportunities for promotion. A majority report having no sponsors to provide support and guidance. And employees of color may not feel a sense of belonging and inclusion at their jobs, routinely feeling ignored and marginalized.

These sentiments matter because for too many workers of color, the front line is both a starting point and an end point in their career journey—a revolving door of jobs that don't offer

opportunities to advance. This report shines a light on the pathways from the front line to the middle class as well as on the skills that are the key to advancement.

Companies can step up to the responsibility to support frontline workers of color and increase opportunities to transition into higher-paying, more fulfilling jobs. The last chapter in this report offers steps companies could take to help enable their frontline workers to develop the necessary skills to pursue new roles.

We want to acknowledge that systemic racism represents an additional obstacle to frontline employees of color. Our research and analysis focused on the steps companies could take to improve outcomes for these employees. Addressing the impact of systemic racism requires system-level changes, which are beyond the scope of this report.

We are at the beginning of this conversation about the front line. More research needs to be conducted, such as quantifying how career advancement affects the overall job satisfaction, career prospects, and economic outlook of workers of color. In addition, analysis could explore the financial and business benefits for companies that improve the development, retention, and advancement of their frontline staff.

We hope this report provides a starting point for executives in considering opportunities to unlock the full potential of workers of color on the front line. Progress could help change the lives of millions of workers. But more than that, it's the right thing to do.

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¹ "Race in the workplace: The Black experience in the US private sector," McKinsey, February 21, 2021.

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The research analyzed overall employment data from 53 companies, including the overall employment and representation information those companies provided. We thank the 15,000 employees from these companies who participated in the experience surveys and focus groups. Participating companies represent many industries and include Bayer, Best Buy, Bloomin' Brands, BNY Mellon, Chevron, DaVita, Dell Technologies, Eaton, Google, Hess Corporation, Hilton, Impossible Foods, Marshfield Clinic Health System, McKinsey & Company, MetLife, Mondelez International, Neuberger Berman, NextRoll, The Procter & Gamble Company, Protolabs,

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The growing body of research on the workforce and inequality in America informed the development of this report. We have cited much of this work throughout the report but apologize for any important research we inadvertently overlooked.



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Introduction: The frontline trap

The vast majority of Americans are introduced to the workforce through frontline jobs—whether waiting tables, stocking store shelves, or folding clothes. Today, approximately 70 percent of the US workforce is concentrated in frontline jobs.² However, there is an ambition gap: 70 percent of workers want to advance, but just one in four will.

A common misconception is that workers can move from an entry-level frontline job to the top of the corporate ladder. To be sure, examples do exist: the fast-food CEO who learned the ropes on the fryer, the package delivery driver who ascended to the C-suite, or the record company executive who started in the mail room. But these examples are not representative of the frontline experience.

Too often, frontline jobs are both a starting point and an end point for workers. The majority of frontline workers never move up the ladder: just 4 percent are promoted to entry-level corporate jobs.³ Instead, they cycle through a series of positions that represent lateral moves without

ever gaining the necessary skills or having the opportunity to advance. Workers of color are particularly likely to remain in frontline jobs.

To date, frontline roles have been largely disconnected from traditional corporate programs. Companies have focused employee initiatives—such as training and DEI programs—on employees at the corporate level. Companies have an opportunity to extend these programs to the front line to help restore trust, bridge the experience gap, and create a more equitable society.

This report seeks to shine a light on workers of color in the frontline workforce—the issues they face, their pathways to career advancement, and the actions that both workers and companies could take to open up these paths to a greater share of workers (see sidebar “About the research”). Improvements to career advancement could have a tremendous impact for millions of workers—on their lifetime earnings, advancement, and job experience.

About the research

This report draws on research and analysis comprising several different data sets.

The Employee Experience Survey and the Race in the Workplace 2022 Talent Pipeline, which includes McKinsey’s Inclusion Assessment, provided data about the experiences and perceptions of employees across several areas (such as sponsorship, mentorship, feedback, advancement, and employee resource groups) cut by demographic factors (such as age, race, gender, and sexual orientation). The full data set for the talent pipeline analysis includes input from 51 companies and covers an estimated four million employees from the front line to the executive level. These findings were augmented by data from the US Bureau of Labor Statistics, the American Community Survey, and more than 50 testimonials from frontline employees across different races.

To understand career progressions, we drew on McKinsey research that analyzed the job histories of 29 million people and more than 800 occupations.¹

¹ For more about our research on career progressions, see “Unlocking experience-based job progressions for millions of workers,” McKinsey, June 2, 2021.

² McKinsey Analysis based on Bureau of Labor Statistics, 2019 data.

³ McKinsey, Race in the Workplace 2022 Talent Pipeline analysis; 51 participating companies, four million employees.

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The frontline experience for workers of color

The front line is a vital part of nearly all sectors of the economy. These workers serve as the public face of many organizations and make tremendous contributions to the US economy. Frontline workers in industries from healthcare to transportation and logistics to foodservice carried the nation through the height of the pandemic in the United States. Yet they also experienced the greatest hardship from economic disruption.

Despite their importance, these workers are often devalued by business and society. Many companies don't extend programs promoting professional development and career advancement to the front line. It's little wonder that frontline employees reported not feeling connected to their organization, supported by their managers, and optimistic about their career prospects.

Workers of color, who are overrepresented in the US frontline workforce, feel these challenges more acutely than their White counterparts. At many companies, frontline roles are a revolving door with low pay and little advancement, leaving workers of color without a path to move up the ladder. As a result, more employees of color are in roles with lower job quality (for example, jobs that lack healthcare benefits or don't pay a living wage⁴). They have less confidence that their organization will be fair and transparent, are less likely to have sponsors to help guide their career, and have less access to opportunities to advance. The prevalence of bias in the workplace frequently leaves workers of color feeling isolated and at a disadvantage.

Career advancement and economic mobility are possible but only for a segment: just 30 percent of workers will move to a higher-income quintile over

the course of their careers.⁵ Given that people of color make up a majority of frontline workers, that leaves the middle class⁶ beyond their reach.

Gaining an in-depth understanding of the frontline workforce and experience is a critical step toward improving outcomes for all frontline workers.

Know your front line

With 112 million workers, the frontline workforce is massive but not a monolith. Frontline professionals (for example, school teachers and registered nurses) number 17 million workers who earn an average annual salary of \$54,000.⁷ Frontline hourly and salaried roles (such as retail salespeople, cooks, and store managers) are filled by 95 million workers who earn an average annual income of \$33,000. (For more detail, see sidebar "Defining the front line.") This report is primarily focused on lower-earning frontline hourly and salaried workers rather than frontline professionals.

A closer look at the demographics⁸ of the frontline hourly and salaried workforce demonstrates the untapped potential of its workforce:

- 29 percent of frontline workers are concentrated in ten occupations.
- 78 percent do not have a four-year college degree.
- Only 20 percent of frontline workers are under 25 years old.
- 42 percent of the front line are workers of color.
- 70-plus percent of Black and Latino workers are in frontline roles (Exhibit 1).

⁴ Marcela Escobar, "6 job quality metrics every company should know," Brookings Institution, October 27, 2021.

⁵ "Human capital at work: The value of experience," McKinsey Global Institute, June 2, 2022. Lifetime earnings are the sum of nominal salaries over an individual's 30-year working life.

⁶ Pew Research Center defines the middle class as households making "two-thirds to double America's median income." That adds up to an income range of about \$30,000 to \$90,000 for single Americans in 2020 dollars. For more, see Jesse Bennett, Richard Fry, and Rakesh Kochhar, "Are you in the American middle class? Find out with our income calculator," Pew Research Center, July 23, 2020.

⁷ McKinsey analysis based on Bureau of Labor Statistics, 2019.

⁸ American Community Survey, US Census Bureau, accessed July 27, 2022; Moody's Analytics; "Occupational employment and wage statistics," US Bureau of Labor Statistics, accessed July 27, 2022; "Quarterly census of employment and wages," US Bureau of Labor Statistics, accessed July 27, 2022.

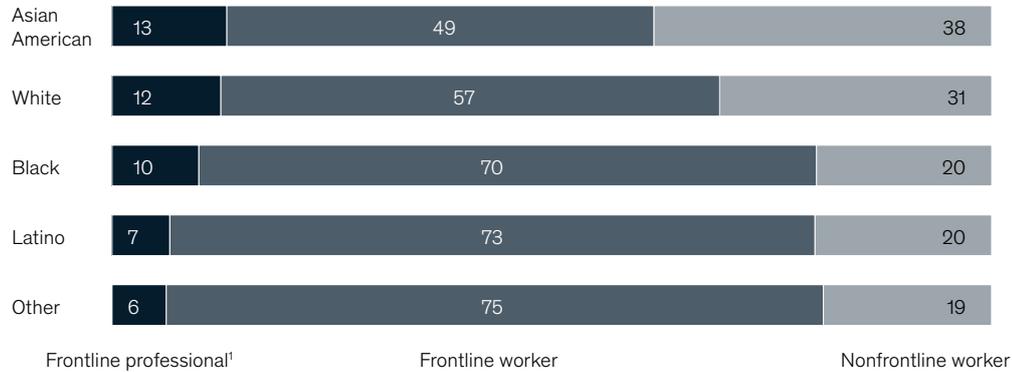
Frontline workers are often economically insecure, defined by PolicyLink as 200 percent of the federal poverty line.⁹ This equates to an annual income of \$27,180 and \$46,060 for single- and

three-person households, respectively. One in two frontline workers makes less than \$30,000 a year; just 15 percent make more than \$50,000.

Exhibit 1

More than 70 percent of US Black and Latino workers hold frontline jobs.

Racial representation in US workforce, by role, %



¹ Frontline workers with advanced degrees (eg, doctors).

Source: Moody's Analytics; United States Census Bureau American Community Survey; US Bureau of Labor Statistics



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Defining the front line

The front line encompasses multiple roles with varying levels of income and paths to advancement. For this report, we define frontline workers as those who work directly with customers or are directly involved in making or selling a product or providing a service (such as cashiers, salespeople, and housekeeping staff). These positions do not require advanced technical skills or credentials. Although in some circumstances professionals with advanced degrees (such as doctors, nurses, and teachers) are considered frontline workers, we are excluding them from this report because their experiences differ considerably from frontline hourly and salaried workers.

The nonprofessional front line can be divided into hourly roles (for example, retail salespersons, cooks, and drivers) and salaried positions (for example, facilities managers).

⁹ *Advancing frontline employees of color: Innovating for competitive advantage in America's frontline workforce*, FSG and PolicyLink, January 2020; "HHS poverty guidelines for 2022," Office of the Assistant Secretary for Planning and Evaluation, US Department of Health and Human Services, January 12, 2022.

Frontline workers have not benefited from corporate America's DEI investments

As past McKinsey reports have detailed, workers at all levels endure challenges on the job, and this is particularly true for people of color.¹⁰ Yet our research found employees in frontline roles report the worst experience. Frontline hourly employees are nearly 20 percent less likely than corporate employees to believe that DEI policies are effective (Exhibit 2). Just one-third of workers in the bottom 10 percent of income had jobs with paid sick leave.¹¹ In addition, 45 percent of hourly employees don't believe their company encourages them to take advantage of work-life

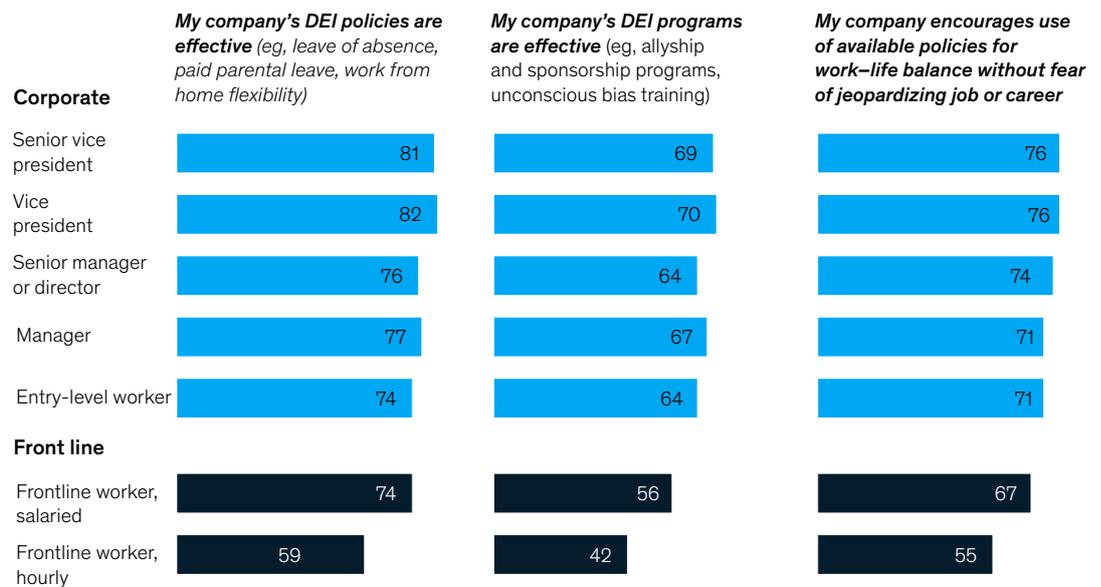
policies (for example, leave of absence and parental leave) without jeopardizing their employment or career advancement.

In other words, the very employees who could benefit the most from DEI policies and programs have little faith in their organization's ability to deliver. In our survey, employees of color associated words such as "inadequate," "mistaken," and "minimal" with their company's DEI actions. And since a majority of workers of color are concentrated in frontline positions, this disconnect represents a huge missed opportunity on the part of corporate America to its entire workforce.

Exhibit 2

US companies' diversity, equity, and inclusion programs aren't reaching the frontline hourly workforce, compared with other groups.

Effectiveness of company diversity, equity, and inclusion (DEI) initiatives, by role, % of respondents¹



¹ n = 15,040.
Source: McKinsey Race in the Workplace Survey, 2022

¹⁰ "Race in the workplace," February 21, 2021.

¹¹ "Employee benefits in the United States," Bureau of Labor Statistics, March 2019.

Frontline hourly workers report a pervasive lack of fairness in promotions

An organization's commitment to transparent performance reviews and promotions is critical to instill a sense of fairness among the workforce.¹² Our research explored the perceptions of frontline hourly employees regarding fairness and transparency in promotions. They are more likely than their salaried peers to feel their organization is inconsistent when it comes to promoting employees on merit and performance (Exhibit 3). Just 39 percent of hourly respondents believe their employer takes an objective, empirical view of performance and promotion. This lack of fairness underscores that investments in frontline workers have been ineffective and insufficient to date.

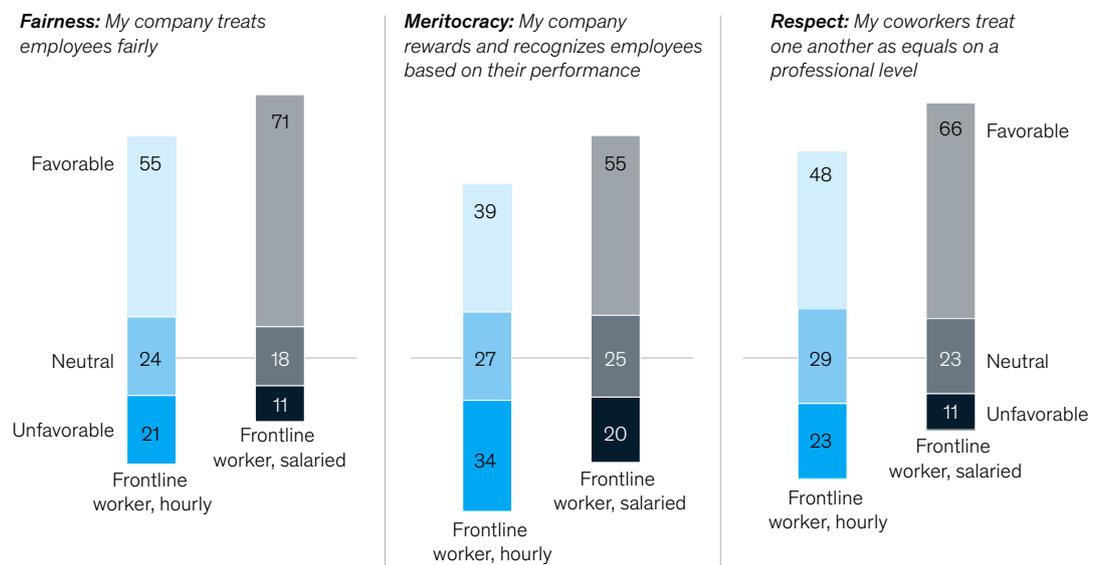
Our analysis suggests companies promote just 4 percent of frontline workers to corporate roles. A couple of factors contribute to this pattern. First, companies typically do not create these paths, looking instead to different candidate pools to fill corporate roles. Second, many companies do not have training and development programs or people processes in place for their frontline workers, so high-potential workers are not on the radar to help develop skills that might qualify them for entry-level corporate jobs.

Worker perceptions of enterprise inclusion—the extent to which an organization's systems foster a welcoming and fair environment for all workers to be themselves—can affect the degree to which they feel valued and empowered to pursue advancement opportunities. Hourly employees also perceive less willingness from leaders and coworkers to treat others with mutual respect and be inclusive of their opinions.

Exhibit 3

US frontline employees paid hourly report inconsistencies in recognition and promotion based on merit and performance.

US employee opinion of company fairness, meritocracy, and respect, by role, % of respondents¹



¹ Frontline worker, hourly, n = 10,380; frontline worker, salaried, n = 7,019. Source: McKinsey Inclusion Assessment Survey 2020–22; McKinsey analysis (see technical appendix for more information on the survey and analysis methodology)

¹² Bryan Hancock, Elizabeth Hioe, and Bill Schaninger, "The fairness factor in performance management," *McKinsey Quarterly*, April 5, 2018.



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“ When I first got hired, they said that there are opportunities to move up, but there hasn’t been a whole lot of support. They kind of pick and choose who they want to be the next manager, who they want to promote, depending on how they feel about you. I guess some of it has to do with performance, but mostly, it seems to be somewhat related to favoritism. ”

23-year-old Black man, tour guide

“ I hear some of the talk that I need to hear, but I’m just not seeing the actions needed to help. We sit down and do one-on-ones and yearly feedback and talk through performance reviews, and you hear, ‘This is what we are going to need, and this is how we’re going to get you to the next level.’ But it’s just not happening. I feel like I contribute to my part of it, but I’m just not seeing that come through on ... where they would contribute. ”

50-year-old Black woman, customer service supervisor

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Frontline workers of color want to advance but lack access to opportunities

Our analysis also revealed a sizable gap between the desire of employees of color to advance and the availability of opportunities to do so (Exhibit 4). White frontline employees were most likely to report receiving advancement opportunities despite stating the lowest desire for promotion. By contrast, Latino employees experienced a 30-percentage-point spread between the desire

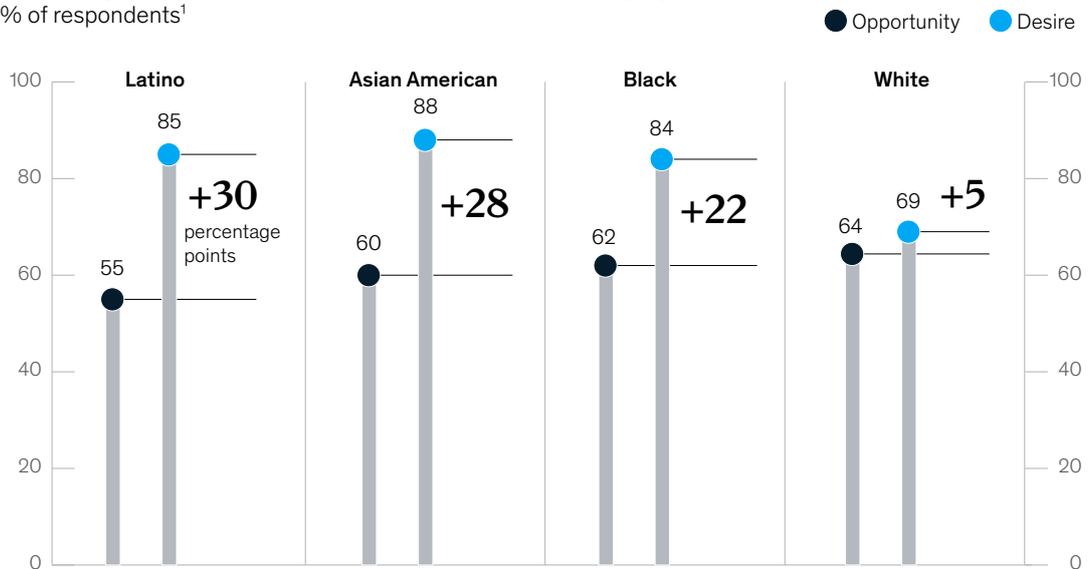
to be promoted and the opportunity to advance, six times greater than that of White employees. Asian and Black frontline employees reported gaps that were only slightly narrower compared with their Latino counterparts.

This lack of advancement opportunities weighs heavily on workers of color. Previous McKinsey research has found that limited career development and advancement is the top reason Black and Asian frontline workers plan to leave their companies.¹³

Exhibit 4

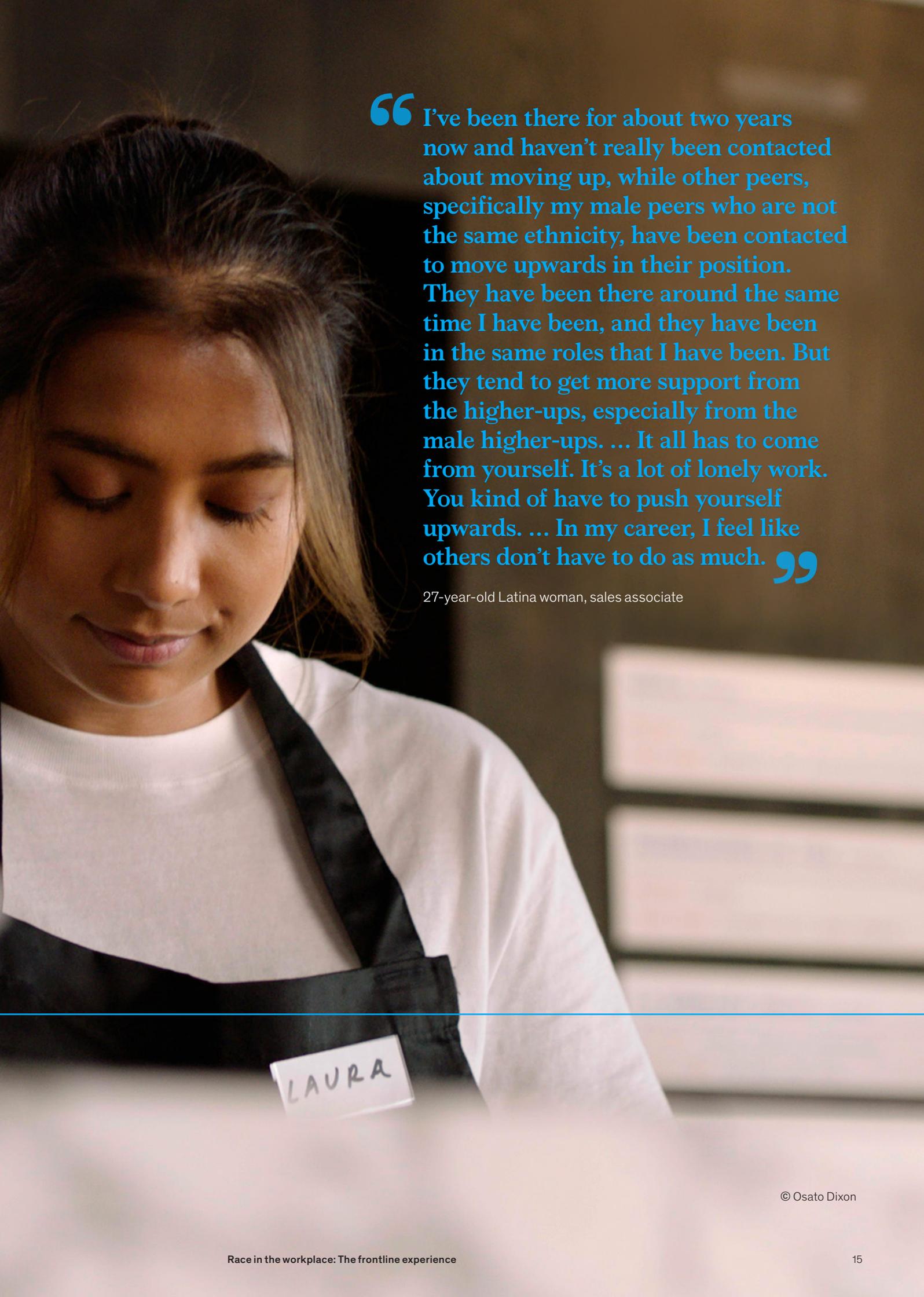
Frontline workers of color receive fewer opportunities despite a higher desire to advance.

US employees' career advancement desire and opportunity, by race, % of respondents¹



¹ Questions: Do you have the desire to be promoted to a higher level within your company? In the past year, have you been approached by someone more senior for any of the following: new, challenging assignment or project; skill training program; promotion; other; management training? n = 4,796. Source: McKinsey Race in the Workplace Survey, 2022

¹³ McKinsey's Great Attrition, Great Attraction 2.0 Global Survey, 2022.



“ I’ve been there for about two years now and haven’t really been contacted about moving up, while other peers, specifically my male peers who are not the same ethnicity, have been contacted to move upwards in their position. They have been there around the same time I have been, and they have been in the same roles that I have been. But they tend to get more support from the higher-ups, especially from the male higher-ups. ... It all has to come from yourself. It’s a lot of lonely work. You kind of have to push yourself upwards. ... In my career, I feel like others don’t have to do as much. ”

27-year-old Latina woman, sales associate

Asian workers: A tale of divergent experiences

Fast facts¹

5 percent of
frontline workforce

Top industries:
accommodation and
foodservice, manufacturing,
and healthcare

At first glance, Asian frontline workers appear to be poised for rapid advancement. They have the highest levels of education: 21 percent have earned at least a bachelor's degree, compared with 16 percent of White workers, 10 percent of Black workers, and 8 percent of Latino workers. They also report higher levels of inclusion than other workers of color and are more likely to believe their workplace is fair and impartial.

Yet despite these advantages, Asians must overcome many of the same challenges as other workers of color: They consistently make less money than their White peers for the same job. They don't feel supported, with more than half lacking a sponsor. And they report the highest levels of burnout among all frontline employees.

Moreover, Asian workers are often stereotyped as being diligent and quiet, perceptions that could be a factor preventing them from moving into management positions.² They experience a steady decline in representation by level, falling from 9 percent of frontline hourly roles to 5 percent of salaried positions.

The picture is complicated further by the fact that Asian workers represent a diverse array of nationalities and subgroups, each with its own distinct experience. For example, Southeast Asians report some of the lowest inclusion scores, while East and South Asians report among the highest.

Companies seeking to devise effective programs and provide support for Asian workers must dig beneath the top-line classifications to truly understand the specific challenges each subgroup faces.

¹ Bureau of Labor Statistics (OES and OCEW); Moody's Analytics; American Community Survey, 2019.

² Adeel Hassan, "Confronting Asian-American stereotypes," *New York Times*, June 23, 2018.

Held back by a perceived lack of soft skills

“With my current company, I've been in sales for six years and three different functions of sales. I wanted to jump into a sales leader role—that was what I was originally developing for—but for some reason I just could not get a fair shake, and I thought that I was missing leadership abilities, right? Because that's kind of what they tell you, and sometimes they use that to block a job change when you get the qualification that they're asking for.

The interesting thing is a lot of people look at me and they decide that Asian females are not good at sales. No matter how many years of successful experience I've had before and in my company currently, all they see is, well, she's in operations now, she's too 'black and white' to understand sales. And I think it's also just being an Asian woman: if I do not act in the way they expect me to—to be nice and docile—I get blacklisted.

I'm trying to break that bamboo ceiling to help other people who look like me get through. And I would say I'm probably one of the few Southeast Asian women in leadership positions here.”

38-year-old Asian woman, sales manager

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Workers of color are overrepresented in the lowest-paying frontline industries

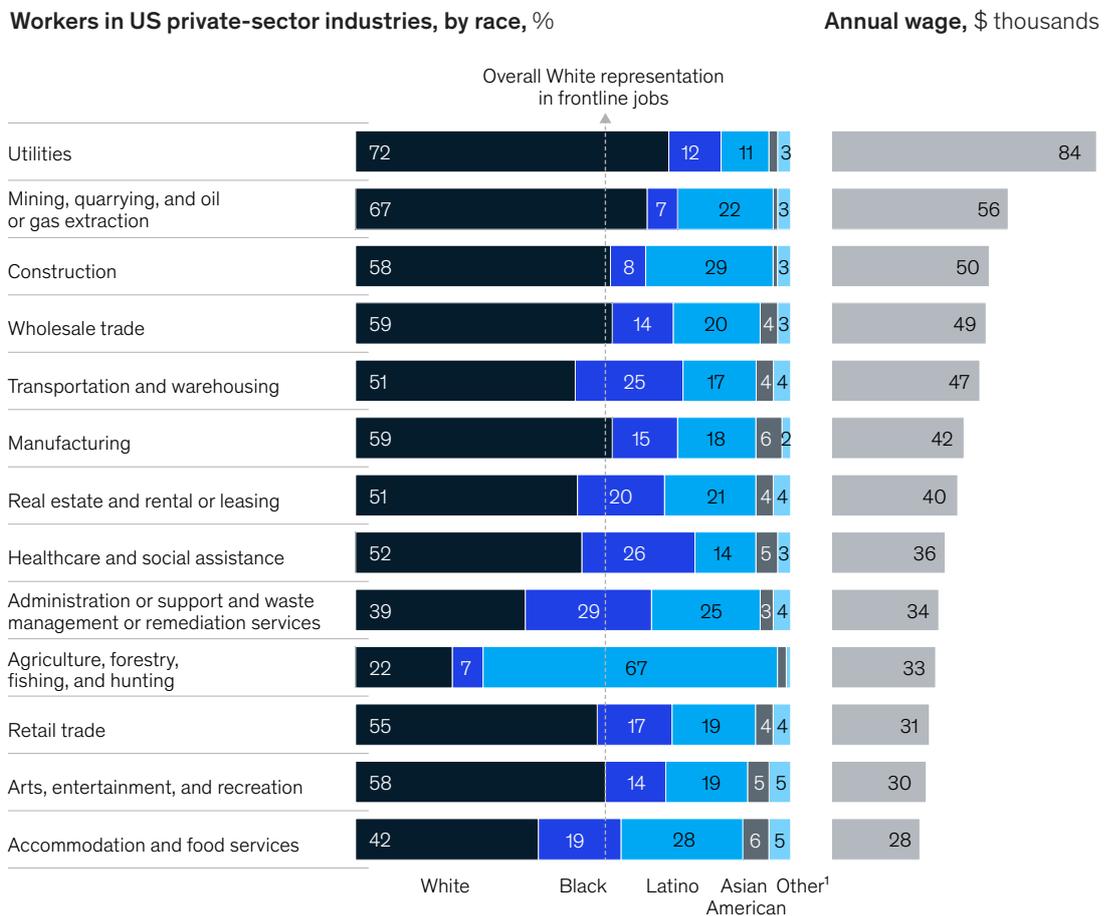
The pay for frontline roles varies significantly by industry. Our analysis found workers of color are significantly overrepresented in industries with the lowest-paying frontline roles (Exhibit 5). Consider that workers of color account for 58 percent of food and accommodation services, an industry with an average annual salary

of just \$28,000. By contrast, they make up just 28 percent of frontline jobs in utilities, which pay around \$84,000 a year. On average, Black and Latino frontline workers make 20 percent less than White frontline workers.

This distribution has a direct bearing on the financial prospects of frontline workers of color as well as on opportunities to advance their careers and obtain new skills.

Exhibit 5

Workers of color are underrepresented in the US industries with the highest-paying frontline roles.



Note: Figures may not sum to 100%, because of rounding.
¹ Native Hawaiian or Pacific Islander, Indigenous (eg, Aboriginal, First Peoples, Native American), and people who identify as two or more races.
 Source: US Bureau of Labor Statistics Occupational Employment and Wage Statistics Survey, May 2021; US Equal Employment Opportunity Commission EEO-1 Survey, 2018

Frontline workers of color see representation fall from hourly to salaried roles

In our participating companies, employees of color were overrepresented in frontline hourly roles and were 1.4 times less likely than White employees to advance into salaried roles.¹⁴ The trajectory differs by race—Asian employees see their share decline steadily from hourly to hourly manager to salaried roles, while Latino employees experience

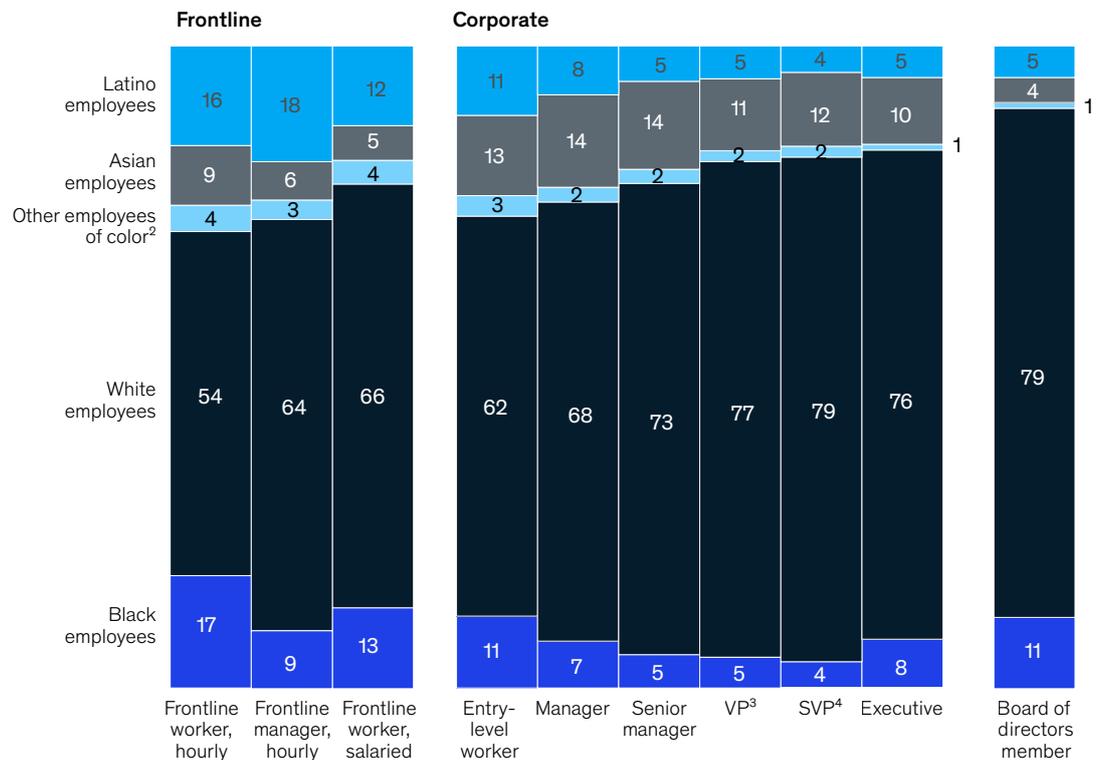
a small bump at the hourly manager level before declining significantly at the next rung (Exhibit 6). The representation of employees of color in corporate roles largely draws from a different pool of candidates.¹⁵

Overall, people of color see their share of frontline roles drop ten percentage points from hourly to salaried roles. Since frontline salaried roles are more likely to pay a living wage and have better benefits, they are more sustainable jobs.

Exhibit 6

The representation gap for US frontline employees of color is greatest when moving from hourly roles to frontline manager and frontline salaried roles.

Racial representation in US workforce, by role, % of respondents¹



Note: Figures may not sum to 100%, because of rounding; average representation calculated as an unweighted average of representation by demographic group at participating companies.

¹ June 2021 snapshot, aggregated data across 51 companies and >4 million employees. Average of 51 companies' pipeline shares (1 company = weight of 1); frontline manager, hourly, made up of 15 companies.

² Native Hawaiian or Pacific Islander, Indigenous (eg, Aboriginal, First Peoples, Native American), and people who identify as two or more races.

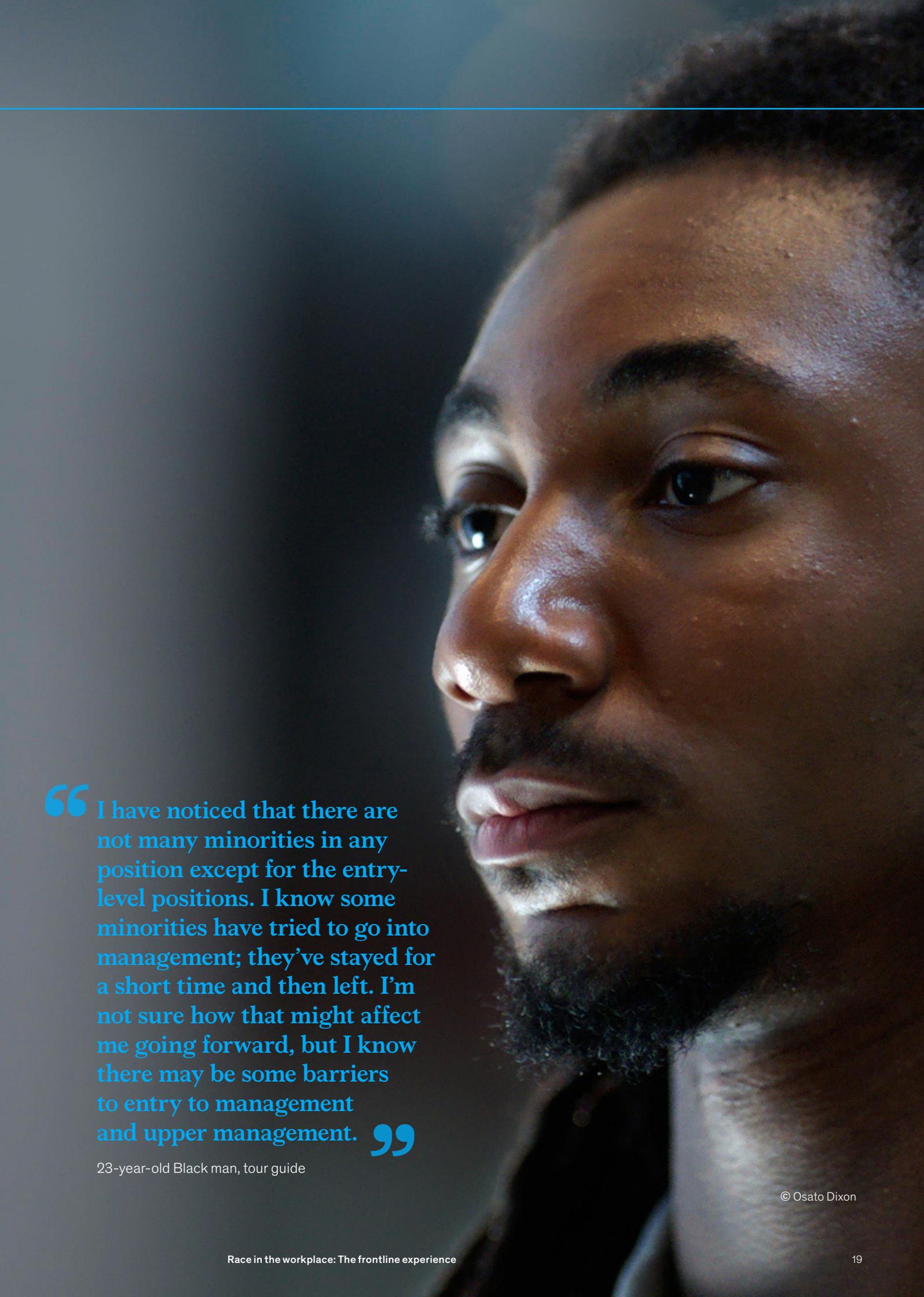
³ Vice president.

⁴ Senior vice president.

Source: McKinsey Race in the Workplace Survey, 2022; McKinsey analysis (see technical appendix for more information on the analysis methodology)

¹⁴ Every level above hourly manager is a salaried role.

¹⁵ For more detail about corporate representation, see "Race in the workplace," February 21, 2021.



“ I have noticed that there are not many minorities in any position except for the entry-level positions. I know some minorities have tried to go into management; they’ve stayed for a short time and then left. I’m not sure how that might affect me going forward, but I know there may be some barriers to entry to management and upper management. ”

23-year-old Black man, tour guide

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Workers of color are held back by low levels of sponsorship

The level of support that workers receive on the job can have a direct impact on their career prospects. A mentor shares their knowledge, wisdom, and advice with more junior colleagues. A sponsor takes an active role in creating opportunities for more junior workers. They can also provide visibility into projects, job opportunities, and promotions and create a sense of community and belonging.

Our research found that more than half of all frontline employees of color have at least one mentor in the workplace—in line with their White peers. But these relationships aren't translating into sponsorships. Black and Latino frontline employees report the lowest levels of sponsorship: the majority (nearly six in ten) have no sponsor

at all, with Black frontline employees seeing especially low levels (Exhibit 7).

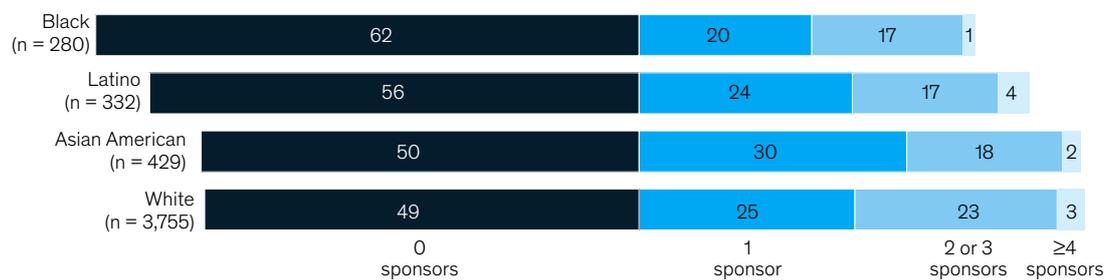
This pattern appears to have a direct impact on career advancement. Our analysis found that employees are five times more likely to get a promotion if they have four or more sponsors. In effect, every sponsor translates to a roughly 10 percent increase in an employee's chance of getting a promotion.

Sponsorship is also an important contributor to inclusion¹⁶ and is an integral way for workers to receive coaching and direction on day-to-day skill development. By helping workers gain on-the-job experience, sponsors contribute to the earning potential of frontline workers with lower levels of education, especially in occupation categories such as agriculture and food service.

Exhibit 7

In US frontline jobs, Black and Latino workers are less likely than White and Asian American workers to have sponsors.

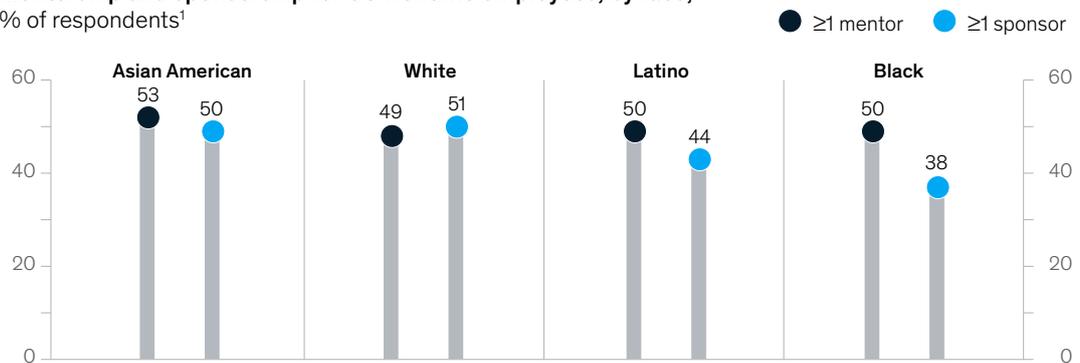
Number of sponsors for US frontline employees, by race, % of respondents¹



Note: Figures may not sum to 100%, because of rounding.
¹ Question: How many sponsors do you currently have? n = 4,796.
 Source: McKinsey Race in the Workplace Survey, 2022

For US frontline Black and Latino employees, mentorship is not translating to sponsorship.

Mentorship and sponsorship for US frontline employees, by race, % of respondents¹



¹ Questions: How many mentors do you currently have? How many sponsors do you currently have? n = 4,796.
 Source: McKinsey Race in the Workplace Survey, 2022

¹⁶ "Understanding organizational barriers to a more inclusive workplace," McKinsey, June 23, 2020.

Latino workers: Resilience in the face of challenges

Fast facts

14 percent of
frontline workforce

Top industries: agriculture,
construction, and forestry,
fishing, and hunting

Latino workers, who are more likely than any other race to be in frontline roles, face several daunting challenges when it comes to careers. They have the second lowest wages of all groups, earning 22 percent less than White frontline workers, in part because of the occupations in which they are concentrated. They are the largest immigrant group of any race, with 85 percent of immigrants on the front line. They also have the lowest education levels of any race: just 36 percent have some postsecondary schooling.

Perhaps unsurprisingly, Latino frontline employees don't feel included or supported on the job; they are significantly less likely than White employees to believe their employer allows self-expression and has adequate protective mechanisms in place. In greater numbers than other groups, Latino frontline employees cite a lack of support for employee well-being as a key reason for leaving their jobs. They also report the second-lowest level of sponsorship, a crucial element in advancement.

Despite these challenges, Latino employees in our sample have achieved a higher share of promotions from frontline jobs to entry-level corporate roles than other employees of color. They also report levels in inclusiveness in line with their White peers when they are promoted to corporate roles.

¹ American Community Survey, US Census Bureau, accessed July 27, 2022.

Misgivings about career advancement

“I've been with this company for almost two years. I actually entered as a back-end team member but made the transition to the sales floor a few months ago. I was asked a couple times to be a supervisor after my one-year mark, and I turned down the position a few times before deciding to take it. I thought that I would need experience with some form of leadership and decided to finally say yes.

My manager has talked to me again about moving up in a year or so, but I don't feel supported at all in my position. As the manager was telling me this news, I was just like, 'If I feel like I'm not supported now, and I don't have the right tools as a supervisor, I doubt you guys will give me the right tools for a role with more responsibilities.'

The only way I see myself advancing would be a lot of sacrificing. And maybe they think that as a Hispanic person, I'd be willing to do that because I want to move up. But to be honest, it's not worth my mental health.

The store manager is Hispanic—she's an immigrant. And it's great, because she started as a cashier and made her way up. She's a store manager now after 13 years at the company. That's fantastic. That's great. But at the same time, I see so much sacrifice, I see so many tears, I can see a lot of pain—and I don't want that for myself. ”

23-year-old Latina woman, cashier

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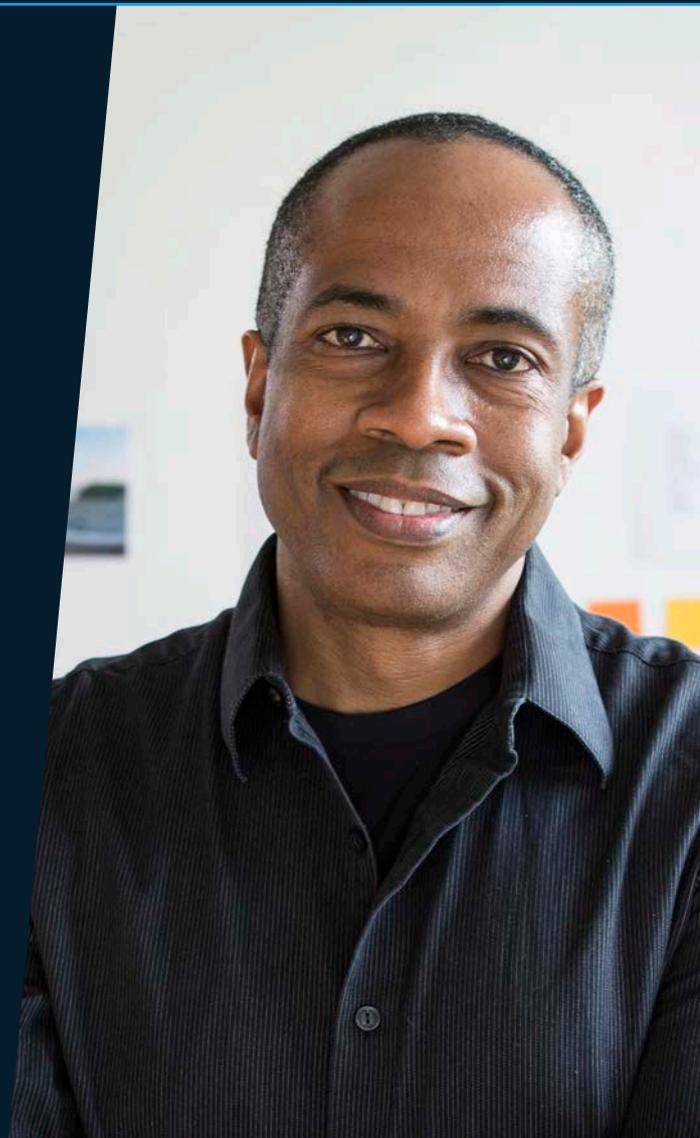


“ While initially there is a big support and push for minorities to try out for a different career and advancement, when it really comes to leadership opportunities beyond the initial hiring process and mentorship ... it’s just not there for ethnic minorities. ”

40-year-old Latino man, bank teller

“ How supported do I feel in my job field? Not that much. I kind of feel like I’m on an island all by myself. ... I don’t really have a lot of leaders around me to follow their example. ”

43-year-old Black man, customer sales rep



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Frontline workers of color do not feel included in the workplace

Inclusion consists of behaviors such as allyship, mutual respect, and advocacy as well as conditions such as shared prosperity and fair participation. Previous McKinsey research has highlighted the role of inclusion in increasing support for colleagues, employee retention, and favorable views of the organization, among other benefits.¹⁷

Frontline hourly employees report the lowest overall feelings of inclusion of all employees in the workforce, and differences in inclusion emerge as they climb the corporate ladder (Exhibit 8). While all groups feel more connected at higher levels of their organization, Black employees experience lower inclusion than their peers at most levels. This pattern essentially sets up a no-win situation for Black frontline workers: shared stressors in the front line or feelings of isolation as they move up the ladder.

Exhibit 8

Differences in inclusion are generally felt more strongly as US employees climb the corporate ladder, especially for Black employees.

US employee inclusion, by race and role, inclusion score (<50 = very low; ≥80 = very high)¹



¹ n = 39,833; excludes respondents selecting "Other" as their racial group. Source: McKinsey Inclusion Assessment Survey 2020–22; McKinsey analysis (see technical appendix for more information on the survey and analysis methodology)

¹⁷ "Race in the workplace," February 21, 2021.

The Black frontline experience: Overcoming the trust deficit

Fast facts

**13 percent of
the frontline workforce**

**Top industries: healthcare
support, protective services, and
community and social services**

Our Race in the Workplace Survey found that among all frontline staff, Black workers have the largest enterprise trust deficit—defined as a gap in perception on attributes such as acceptance, fairness, and authenticity.

This trust deficit affects nearly every facet of the Black frontline experience. For example, Black workers report the highest job satisfaction and lowest intention to leave. Yet they also experience the highest attrition rates. What is causing them to look to other organizations for opportunities? For many, it's a lack of career development and advancement potential. Fully 84 percent of Black employees indicated a desire to be promoted, but just 62 percent perceived an opportunity to advance.

They also don't view their work environment as a meritocracy (Exhibit 9). A contributing factor is that Black frontline workers earn on average 25 percent less than their White peers.

The lack of trust manifests itself in numerous ways. Black workers are less likely to feel supported, encouraged, and treated as professional equals by their peers. Fifty-one percent of Black employees have at least one mentor, but just 38 percent said they have at least one sponsor, meaning many Black workers lack valuable direction and support on career paths and development opportunities. In addition, Black frontline employees report feeling included in the workplace less than any other racial group.

As poor as the experience is for Black frontline workers, it also represents a high-water mark. As they move up the ladder, they report feeling less included and supported than their peers.

Struggling against entrenched perceptions

“ I feel that my race affects my trajectory in my company. While there are opportunities at times for advancement, a lot of times I am overlooked. My peers often doubt me, even though I share the same qualifications as everyone else. My skill set is judged, my professional judgment is in question a lot of times, and this reflects how the patients view me as a medical professional there to take care of them. It makes it really difficult.

I feel the people of other races at the company don't have to deal with this. In the same sense, it makes me work and do my job ten times harder. I take what I do very seriously, and this is something that Black workers deal with in the workplace setting—but you still have a job to provide.

I relate well to my patients and to their families, and I communicate well with the doctors. Yet I still haven't been offered promotions—even when I've asked for opportunities. I'm not sure of the bottom-line details or why it hasn't happened. I just know I come and do my job to the best of my capabilities despite everything going on around me. ”

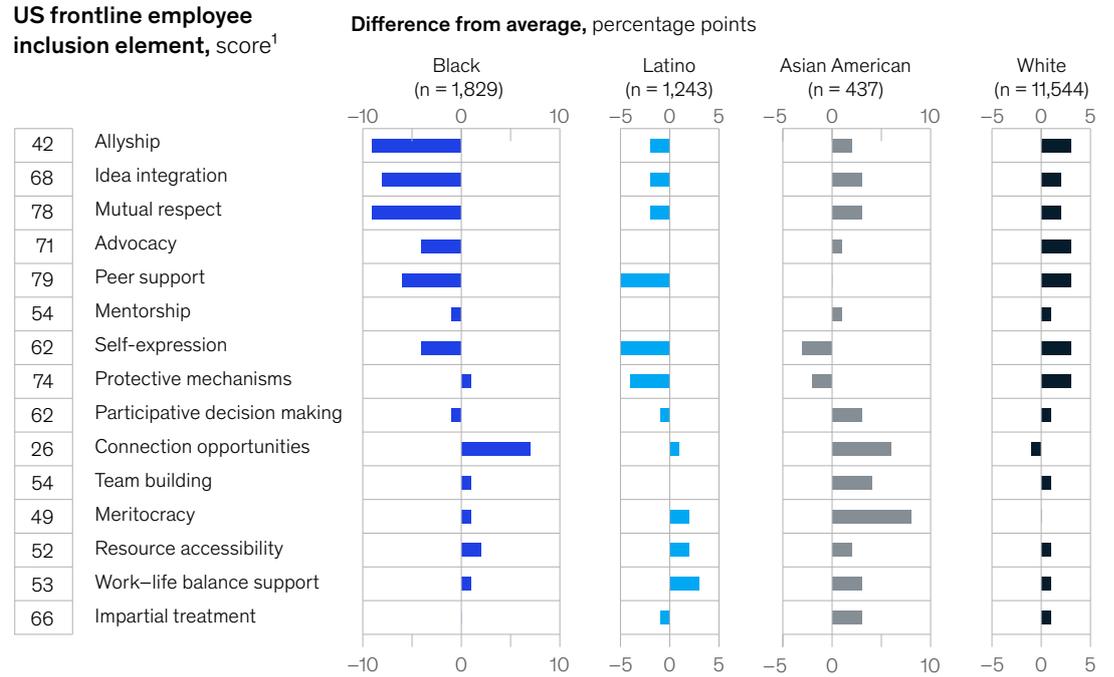
42-year-old Black woman, registered nurse

© Osato Dixon



Exhibit 9

Each racial group in US frontline jobs experiences different inclusion gaps.



¹ Hourly and salaried employees. Score classification: very low, <50; low, 50–59; moderate, 60–69; high, 70–79; very high, ≥80.
 Source: McKinsey Inclusion Assessment Survey 2020–22; McKinsey analysis (see technical appendix for more information on the survey and analysis methodology)

02



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Creating a pathway for advancement from the front line

Career advancement often requires much more than hard work alone. In fact, the best way for workers to advance is by moving from one job to another in an upward progression. The accumulation of skills and experience along the way can open up new opportunities.

Our analysis assessed occupations by their value and role in career advancement and identified concrete pathways for advancement. We found it is possible for workers to move from initial frontline jobs and the accompanying economic insecurity to roles with middle-class incomes and better career prospects.

The existence of these pathways should be cause for optimism. They must also overcome entrenched biases within the workplace that limit opportunities and impede their advancement. For instance, many of the roles with pathways lean more on interpersonal skills than on formal education. Since the assessment of these skills is inherently more subjective, it allows bias to have a greater influence on promotion decisions.

Charting the progression from the front line to better-paying jobs

A recent McKinsey research effort sought to identify the progression of frontline workers as well as the attributes and experiences that enable their advancement.¹⁸ We analyzed historical job progressions of four million workers without four-year degrees, also known as individuals skilled through alternative routes (STARs),¹⁹ who successfully transitioned from low- to higher-wage occupations and identified the jobs that created pathways to higher-paying roles. The career journey was segmented into five job categories²⁰:

- **Origin occupations** are frontline jobs with pay of less than \$37,000. Wait staff, retail salespeople, and maintenance workers are common Origin roles.

- **Mid-wage Origin roles**, such as automotive master mechanics and chefs provide a small increase in pay (\$37,000–\$42,000) for workers who transition from Origin roles.
- **Roles in Historical Adjacencies**, such as cargo and freight agents, electricians, and nurse practitioners, offer workers a bump in pay (to more than \$42,000), but they have limited success as pathways to higher-wage occupations.
- **Gateway occupations** give workers the opportunity to build skills and experience and earn more than \$42,000 a year. Gateway roles include food service managers, vocational nurses, and radiologic assistants.
- **Target occupations** are jobs with middle to higher wages (more than \$42,000) that are resilient to automation. Companies often hire for these roles based on job experience, not just credentials. Examples include sales managers, social workers, and critical-care nurses.

For the purposes of this report, we refer to mid-wage Origin, Gateway, and Historical Adjacencies occupations as “Next” jobs—that is, jobs representing a positive move for frontline workers in Origin roles. We consider Gateway jobs the most valuable because they enable workers to transition to Target occupations. Mid-wage Origin and Historical Adjacencies occupations are still considered positive steps because they offer increased pay, but they don’t offer as much opportunity to progress to Target occupations.

The progression from Gateway to Target roles represents a clear path to the middle class—better-paying, higher-quality jobs and the greater economic security and career opportunities that come with them.

¹⁸ “Unlocking experience-based job progressions for millions of workers,” McKinsey, June 2, 2021.

¹⁹ “STARs: Skilled through alternative routes,” Opportunity@Work, accessed July 28, 2022.

²⁰ Most frontline jobs are concentrated in the Origin and Mid-wage Origins categories, but about 20 percent are Target jobs.

“ I started off as a caregiver with no certification, and then that progressed into getting a certified nursing assistant certificate. The next step is to go for a full RN. ”

22-year-old Latina, certified nursing assistant



© wagnerokasaki/Getty Images

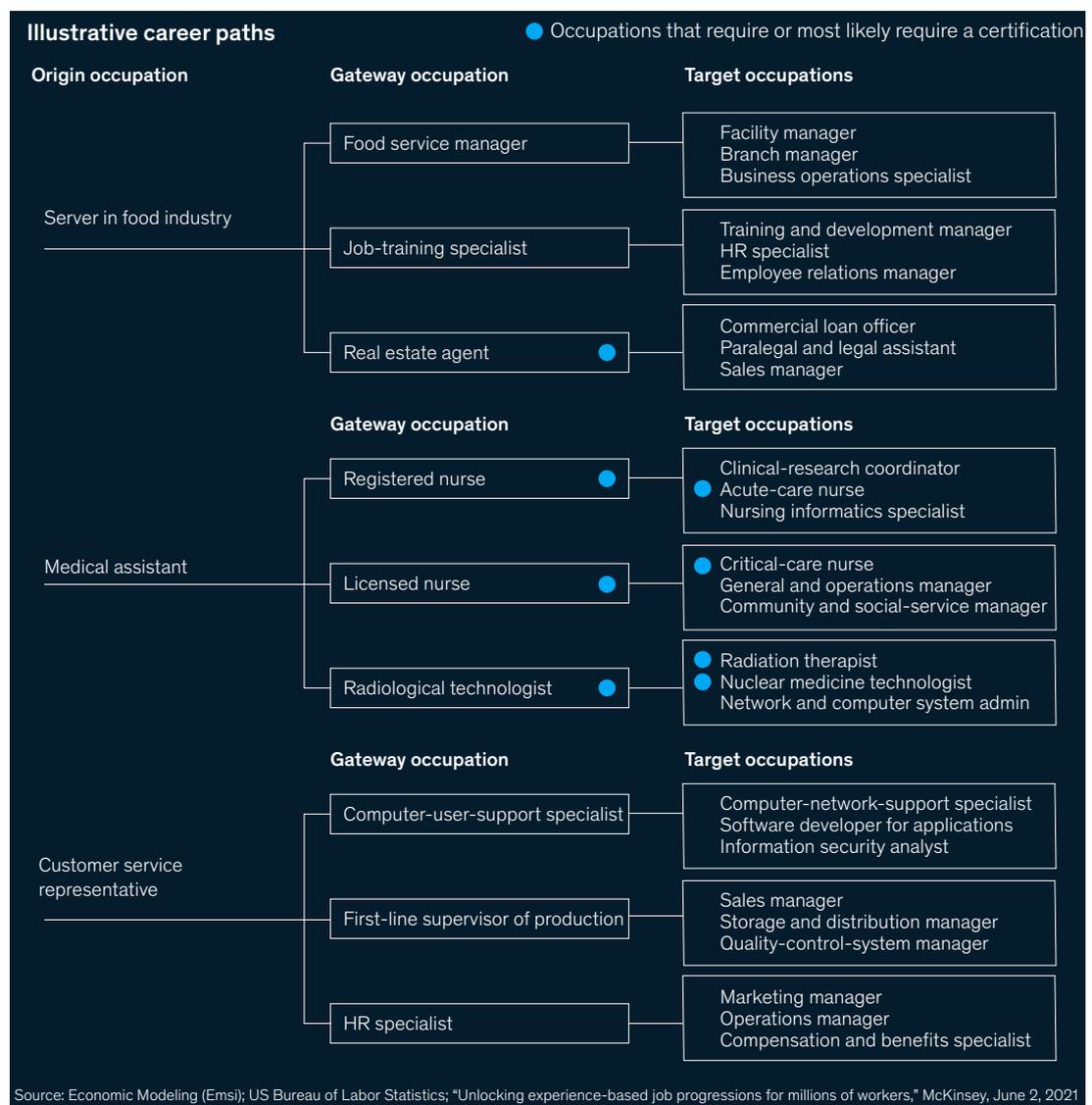
Select occupations have the potential to accelerate career advancement

Our analysis identified 77 Gateway occupations that are especially effective at unlocking job progressions into Target jobs (Exhibit 10). These roles can help workers develop new skills (for example, a customer service representative moving into an IT role) or broaden existing skills gained through work experience (such

as a medical assistant moving into a more advanced role in healthcare). Although some Gateway occupations require certification, many do not. These pathways can enable frontline workers to draw on their work experience and accumulated skills to progress. Gateway roles are crucial because they have the potential to provide frontline workers with a clear path to the middle class.

Exhibit 10

Gateway occupations offer multiple paths to target roles.





“ I have been working in the medical field for the past 13 years. I started as a potwasher, then upgraded to a housekeeper, then upgraded to shipping and receiving clerk, and now I am a district environmental service specialist. ”

33-year-old Black man, environmental service worker

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White workers are disproportionately represented in Next jobs

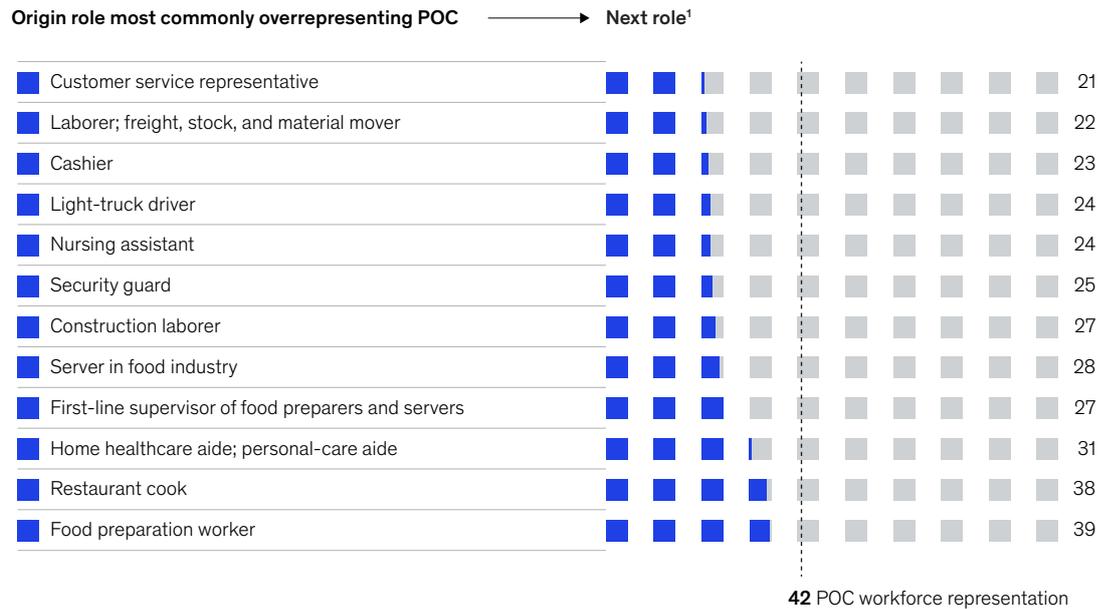
A closer look at Origin roles reveals unequal access to the jobs that provide a path to higher-paying jobs (Exhibit 11). Origin roles in which

workers of color are overrepresented (for example, security guards and light-truck drivers) have pathways to Next jobs, but workers of color are not promoted to these jobs.

Exhibit 11

Even in US origin jobs where people of color are overrepresented, White employees are generally overrepresented in the next job progressions.

Representation of people of color (POC) in moving from Origin job to Next role in United States, %



¹ Each Origin role has ≥10 Next-role progressions.
 Source: Economic Modeling (Emsi); US Bureau of Labor Statistics; "Unlocking experience-based job progressions for millions of workers," McKinsey, June 2, 2021



“ I do feel like my race and ethnicity impact my trajectory at my company. In the 12 years that I’ve been here, I’ve not seen many women of color or people of color be promoted. They have a good ol’ boy mentality: it’s just like they only see us at a certain level within the organization, and you can’t go further than that.

We’ve had some really bright, talented Black individuals, but the culture just will not allow them to move forward or advance in positions that are beyond the bottom of the totem pole. I’m going to have to eventually make the decision to move elsewhere to pursue my goals and career dreams, because it’s just not going to happen here. ”

50-year-old Black woman, customer service supervisor

Narrow, inconsistent definitions of professionalism and interpersonal skills are barriers to advancement for workers of color

Part of the value in moving from one job to another is the ability to build on existing skills and add new ones. Interpersonal skills are particularly critical: 70 percent of job progressions to Gateway and Target occupations rely on transferable skills such as leadership and social skills, which can be learned through on-the-job experience. However, the cultural context in which leadership and social skills are typically assessed is critical to understand and often acts as a barrier.

Research has found that many organizations believe employees of color lack the interpersonal skills needed to excel in new roles.²¹ And when employees of color do have the required skills, managers may not recognize them—perhaps due to factors such as cultural and language variations or implicit bias. In the transition from Origin to Next occupations, Black workers lose the most representation, while Latino workers do

marginally better (Exhibit 12). Among jobs, such as customer service, that require interpersonal skills, general and office management, sales and selling techniques, negotiation, and team building were the most frequently required.

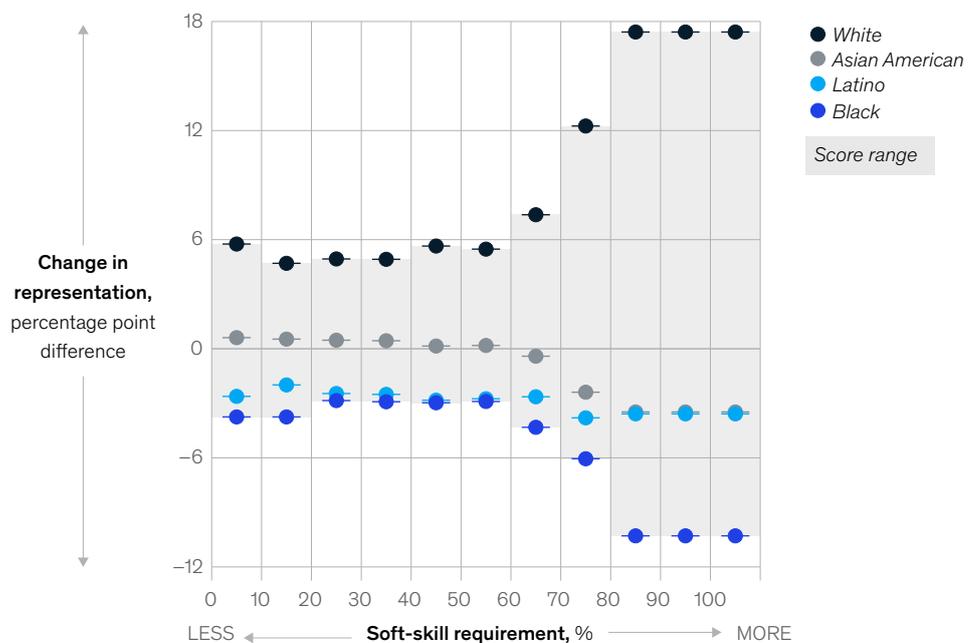
The challenges of assessing interpersonal skills in the front line

Since frontline jobs often involve interacting directly with customers or colleagues, workers are often assessed on their interpersonal skills—the behaviors and skills that guide effective interactions. In a customer service role, for example, interpersonal skills include a worker’s ability to understand why a customer was unhappy and how to resolve issues. The challenge is that when a manager evaluates a worker’s interpersonal skills, the exercise can quickly become subjective and prone to different types of conscious and unconscious bias. These biases can hold back frontline employees of color.

Exhibit 12

US workers of color lose representation when progressing from Origin jobs to Next jobs as soft-skill requirements increase.

Racial representation in Origin jobs to Next jobs in United States, by soft-skill requirement



Source: Economic Modeling (Emsi); US Bureau of Labor Statistics; “Unlocking experience-based job progressions for millions of workers,” McKinsey, June 2, 2021

²¹ “Confronting Asian-American stereotypes,” June 23, 2018; Daphna Motro et al., “The ‘Angry Black Woman’ stereotype at work,” *Harvard Business Review*, January 31, 2022; Mariña Fernández-Reino and Ruta Yemane, “Latinos in the United States and in Spain: The impact of ethnic group stereotypes on labour market outcomes,” *Journal of Ethnic and Migration Studies*, 2021, Volume 47, Number 6.

03



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A road map for change

Our research and analysis have clearly demonstrated that frontline workers want to develop, progress, pursue new opportunities, and find roles that are more fulfilling. In that regard, companies have the potential to mobilize and develop their front line, which could create benefits for workers and organizations alike.

Yet companies must provide more support to frontline workers to enable their career advancement. This will require companies to gain a better understanding of what frontline employees actually want and expect from their employer.²²

On an encouraging note, we have seen companies implement programs that could create a much richer, supportive frontline work experience. They have started to extend more support and opportunity to the front line, including higher starting wages, tuition reimbursement programs (such as Walmart's LiveBetterU), better training, more flexible work schedules, child care, parental leave, and retirement benefits such as 401(k) accounts and financial planning.

These actions are a good start, but companies must implement them on a widespread basis and then build on this foundation. Executives could extend DEI programs to the front line—the employees who are most negatively affected by current inequities—and tailor them to the specific needs of these workers. Companies could also act to ensure frontline workers have equitable access to development opportunities. They could also seek to transform their culture, including making sure managers have broader cultural awareness, to reduce the impact of biases around interpersonal skills. Organizations have also begun to champion more inclusive, skills-based hiring practices for the more than 70 million STAR workers.²³

This section offers a road map for companies to address myths about the front line and implement solutions that could improve the lives and livelihoods of frontline workers in a material way. Collectively, these actions could chart new paths to advancement, achievement, and prosperity.

Addressing three myths

Frontline employees consistently report a poor work experience and have difficulty advancing into more fulfilling, higher-paying jobs. These ongoing challenges have impeded progress because corporate leaders are unaware of the actual barriers they need to remove. We believe companies could make dramatic improvements in the frontline experience with potential solutions to three myths.

Myth 1: Frontline workers are free to move up the corporate ladder.

Reality: More than 70 percent of frontline workers want to be promoted within their companies, but only 4 percent make the leap to corporate.

While relatively few frontline workers get promoted to corporate jobs, it's not for lack of interest. By acknowledging this truth, companies can turn their focus to increasing that number. Three specific actions can open this pathway to more workers:

Formalize paths for advancement from the front line to corporate roles

Companies could remove artificial barriers to promotion and create clear paths from initial frontline roles to higher-paying jobs with more opportunity. This priority has two elements: first, companies could facilitate conversations with frontline workers to understand their interests and identify development needs. Second, they could consistently highlight internal job openings with the potential for career advancement. This enhanced visibility can combat systemic disparities by creating equal access to information and resources and ensuring qualified candidates are aware of these positions.

Overhaul the frontline talent management system

Implementing a systematic debiased approach to performance reviews could help companies identify frontline workers for advancement opportunities and create individual development plans. By adopting skills-based practices (rather than four-year degrees) across the talent

²² Swathi Bhaskaran, Andrew Davis, Christophe Desbrière, and Sara Wasserteil, "Bridging the advancement gap: What frontline employees want—and what employers think they want," McKinsey, July 21, 2022.

²³ "The paper ceiling," Opportunity@Work, accessed July 28, 2022.

The impact of sponsorship

“ I started five years ago in the industry I am in right now. My sponsors have been very effective, and they’ve allowed me to rotate jobs and learn about different departments. I’ve been able to learn new types of skills. Instead of learning one to three things, I’ve been able to learn seven, eight, nine, ten different things. I’ve learned the different aspects of the company—whether it be doing deliveries, checking boxes, or talking to customers.

I started as a delivery driver. Then I moved up to delivery manager, then field manager, then sales manager—all within the same company. And I’ve gotten promotions to learn new skills every time.

Now I have role models and new skills. I’m learning from managers and leaders—what they have done; their failures and habits; how they’ve succeeded—and it has helped me learn where I can go. ”

23-year-old Latino man, sales manager

management journey—from sourcing to interviewing to onboarding, upskilling, and internal promotions—organizations could help reduce bias and create more opportunities for upward mobility among people of color. Companies could also use analytics to mitigate bias in hiring, performance reviews, and promotions to ensure that high-potential workers aren't sidelined unnecessarily.

Establish a talent market program

The path for advancement often includes a progression to different types of roles—for example, from customer service representative to computer-user-support specialist. Companies that can't accommodate these paths could partner with other companies (through talent platforms and brokering) to orchestrate smart job moves for promising workers.

Myth 2: Frontline workers are not qualified for higher-level roles.

Reality: 70 percent of job progressions to Gateways hinge on transferable interpersonal skills, which are best learned through experience.

With the removal of structural barriers, frontline workers could have a stronger chance of progressing to higher-paying jobs that can usher them into the middle class. Companies can support upward mobility by emphasizing on-the-job experience, and creating more transparency around opportunities and skills needed.

Define the skills frontline workers need for higher-level roles

Companies can catalog the skills that frontline workers are gaining in their current roles and then compare these skills with the specific requirements for Next roles. An example would be moving from a cook in a restaurant to a food manager to a branch manager to the corporate office. Companies could then chart out potential progressions for frontline workers to move from Origin jobs to Next roles. This exercise could include determining where to invest in development opportunities to help employees address skill gaps.

Reward experience rather than relying on credentials

Transforming perceptions of interpersonal skills is a critical factor in advancement to Gateway and Target roles. Companies should consider shifting their hiring requirements away from a credentials-based approach that serves as a proxy for certain skills. Currently, 75 percent of jobs require a four-year degree, but just 40 percent of applicants have one.²⁴ Instead, organizations could prioritize credentials that reflect relevant skills while recognizing skills attained through job experience. To support the acquisition of skills, companies could create project-based opportunities from frontline jobs to manager and corporate roles where workers can be exposed to different experiences, learn new skills, and “fail safely.”

Identify Gateway jobs, and remove artificial barriers to promotion

Companies could share information about internal career progressions with frontline workers, with an emphasis on the Gateway roles available to workers in certain jobs. Given the importance of Gateway roles in altering career trajectories, companies could ensure they consider a diverse slate of candidates for these roles and aspire to promote workers in line with their share of the frontline workforce. Companies could track and disaggregate promotion data by race and gender at a minimum and provide these data to managers.

Myth 3: High rates of turnover are just the way it goes on the front line.

Reality: Companies have a responsibility to create a better employee experience.

For too long, companies have accepted high attrition on the front line as an immutable fact. Many frontline employees report leaving their jobs due to a lack of support and sense of belonging, but it doesn't have to be this way. Companies can improve the workplace environment to make the worker experience more positive and sustainable. In doing so, they could capture a range of benefits, from improved reputation to an enhanced ability to attract talent.

²⁴ “Paper ceiling,” accessed July 28, 2022.

Give a voice to frontline workers

The front line makes up a large portion of the total workforce at many companies, acting as the organization's operational muscle. Executives can harness the frontline workforce's talents by making it an innovation engine—gathering insights from customer-facing employees, involving frontline workers in decision making, and giving them a platform to share ideas with senior leaders. Companies could also consider expanding benefits, such as employee stock ownership plans (ESOPs), that can contribute to meaningful wealth creation. These efforts could help frontline workers feel more included and invested in the business.

'Raise the floor' on the frontline experience

Frontline employees report dissatisfaction with their existing jobs due to a lack of opportunities for career advancement, uncaring and uninspiring leadership, and inadequate total rewards packages. Improving job quality can contribute to the overall experience and satisfaction of workers. Companies should consider reassessing the benefits available to frontline workers and expanding their offerings. For example, mental-health support, greater flexibility in the workplace, and improved transparency and predictability in scheduling could help improve the frontline experience. In addition, organizations could encourage employees to take advantage of these programs.

Invest in frontline managers

Frontline managers are the key shapers of worker experience and sometimes the only point of contact for an employee. Companies can show their commitment to elevating the frontline experience by improving the representation of workers of color in manager roles.

Companies could also provide these leaders with improved instruction and resources—for example, diversity and bias training as well as training in social-justice-based conflict resolution. Managers who develop better listening skills are better equipped to spot promising talent, such as workers with interpersonal skills. Companies could make investments to ensure that effective sponsorship for workers is a responsibility for frontline managers. Initiatives could include a mix of on-the-job training, coaching, and opportunity creation.

Conclusion

For tens of millions of workers of color, frontline jobs have the potential to be far more than just a livelihood. Companies that truly invest in the front line can make these roles a starting point for a fruitful career, a clear path to the middle class, and a way to transition to interesting new jobs across industries. Much work remains to fulfill this aspiration. But for workers who have been traditionally overlooked, the time is long past due for companies to provide more opportunities and support.

Common traits of frontline workers of color that have advanced their careers

As we have noted, workers of color face multiple roadblocks to progressing in frontline roles. While companies step up their support for the front line, workers of color could follow the lead of peers who successfully navigated pathways to advance their careers. Our analysis suggests several common traits of these workers.

They got as much on-the-job coaching as possible. These workers asked to shadow more senior peers on tasks in order to gain more exposure and benefit from additional guidance. These informal interactions often turned into more formal sponsor relationships.

They were open to taking on new tasks. Work experience accounts for 46 percent of the average person's accumulated skills. Workers who volunteered for new assignments not only broadened their knowledge and experience but also distinguished themselves by showing initiative.

They reframed skill sets to match the qualifications for Next roles. These workers were thoughtful in how they positioned their qualifications, particularly given the importance of interpersonal skills. For example, a successful barista may be an expert at making coffee but may also have the more marketable skill of providing

an excellent customer experience in high-stress environments.

They actively sought out companies that emphasize advancement.

Believing all jobs and organizations are the same is a trap. If a company isn't providing opportunities to move into other roles, these workers sought employers that champion mobility within the organization. However, not all workers have the time and resources to apply for new jobs, the flexibility to take time off to interview, or access to transportation to travel to and from interviews. Such support will also be integral to enabling workers to pursue new opportunities.



TAKEAWAY

喫茶 & BAR

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Technical appendix

Methodology

External research in this report is based on economic and labor data of frontline workers in the United States. Sources consulted are the Bureau of Labor Statistics Occupational Employment Statistics (2019); the Bureau of Labor Statistics Current Population Survey (2019); the Equal Employment Opportunity Commission, EEO-1 data (2018); the Quarterly Census of Employment and Wages; EMSI data (2019); and Moody's Analytics. The data from those sources were combined with data from the United States Census Bureau American Community Survey (2019) to help gain perspective on frontline workers across different races. Research data predate the impact of the COVID-19 crisis on the US labor force, so these effects are not reflected in Part 1 of this report.

Participating company research is based on 53 companies, which collectively employ four million workers and represent the bulk of major industries across the United States. Participating companies submitted talent pipeline data, and HR professionals provided information on policies, programs, and priorities on behalf of their companies. Approximately 15,000 employees from ten of the participating companies were surveyed on their workplace inclusion experience. Participation in the Employee Experience Survey was encouraged but optional. All data collection occurred from January to May 2022. In addition, individual testimonials and surveys were collected from 52 frontline workers across all races and genders. Talent pipeline data reflects the representation of employees as of December 2021, as well as personnel changes (for example, due to promotion, hiring, or attrition) during the 2021 calendar year. The broader Inclusion Assessment benchmark includes survey feedback from 31 companies and 59,000 US employees surveyed from September 2020 to March 2022. These data sets represent point-in-time snapshots and reflect companies' responses and employees' experiences at the time that the survey was taken. We did not collect employees' direct personal identifiers (for example, name, employee ID, and email address) from companies or through the survey.

Pipeline data and analytics

Overall metrics

All pipeline metrics (for example, representation, promotion rates, hiring shares, or attrition rates) were initially calculated for each participating

company. Aggregate results across companies were then calculated by taking the unweighted average of the representation, promotion rates, hiring shares, and attrition rates of all companies.

Definition of job levels

Companies categorized their employees into nine levels based on the following standard definitions, taking into account reporting structure and salaries. The levels and definitions provided were as follows:

- *L0—Board of directors.* Official directors of the board, responsible for organization and management
- *L1—Executives.* CEO and direct reports to the CEO, responsible for company operations and profitability
- *L2—Senior vice presidents and other similar jobs.* Senior leaders within the organization with significant business unit or functional oversight
- *L3—Vice presidents and other similar jobs.* Leaders within the organization, responsible for activities or initiatives within a subunit of a business unit or function or who report directly to senior vice presidents
- *L4—Senior managers.* Seasoned managers and contributors, responsible for multiple teams and discrete functions or operating units
- *L5—Managers.* Junior managers and contributors, responsible for small teams or functional units or operations
- *L6—Entry level.* Employees responsible for carrying out discrete tasks and participating on teams, typically in an office or corporate setting
- *L7A—Field or frontline (salaried).* Salaried operational or customer-facing jobs, usually trained on the job and not requiring specialized credentials
- *L7B—Field or frontline (hourly people managers).* Operational or customer-facing roles, usually trained on the job and not requiring specialized credentials; specifically for roles who manage or supervise at least one person
- *L7C—Field or frontline (hourly individual contributors).* Hourly operational or customer-facing jobs, usually trained on the job and not requiring specialized credentials

Metrics and analytics

Talent pipeline data included the representation of race and ethnicity (overall and by gender). Additionally, companies reported the number of individuals of each race who were hired, promoted, or left the company (overall and by gender). Promotion and attrition rates were calculated for each race overall at each level. Promotion rates were calculated by dividing the number of promotions of individuals of that race into a given level by the total number of promotions at that same level. Attrition rates were calculated by dividing the number of individuals of each race who left the company at a given level by the number of individuals at that level.

Employee experience survey and analytics

Survey participation

More than 15,000 employees from ten companies elected to participate in the Employee Experience Survey. The survey questions covered multiple themes (for example, sponsorship, mentorship, feedback, advancement, and Employee Resource Groups), as well as demographic questions (for example, age, race, gender, and sexual orientation). The survey also incorporated McKinsey's Inclusion Assessment.

Bivariate and multivariate statistical reporting

Survey results were reported as an unweighted, pooled average of responses across companies. Many of the questions offered a five-point, labeled response scale (for example, "strongly disagree" to "strongly agree"). Unless otherwise specified, analyses aggregated the top two and bottom two boxes of the response scale (for example, "somewhat agree" and "strongly agree"). Where we highlight differences between races or other groups, we highlight only those differences that are substantial and reliable. To that end, all differences noted in this report are statistically significant at a confidence level of 95 percent (using a two-tailed test) and reflect a difference of at least five percentage points between two groups.

Inclusion Assessment

Methodology behind the Inclusion Assessment

McKinsey's Inclusion Assessment provides two ways to help us understand the state of inclusion: scores and gaps. Inclusion scores show the perceptions of inclusion indicated by a percentage of favorable responses. Gaps show the score differences between employee groups

(for example, in-groups and out-groups) that represent inconsistency of experiences.

There are four measures of inclusion in the assessment:

- *Overall inclusion score.* This reflects the degree to which an organization's processes, systems, and people foster a welcoming and fair environment for all employees to be themselves, make connections, and meaningfully contribute. It is measured by averaging all enterprise and individual-level scores.
- *Subscores.* Enterprise perception subscores tell us how employees view the strength of acceptance, camaraderie, and fairness across all groups of the enterprise. Individual experience subscores tell us how employees personally feel encouraged to bring their full, authentic selves to work (authenticity and belonging) and feel empowered to make meaningful contributions (meaningful work).
- *Inclusion outcome scores.* These tell us the effectiveness of shaping an inclusive organization and are measured by percentage of favorable responses on an agreement scale. Examples include acceptance, authenticity, and belonging.
- *Inclusion practice scores.* These show the occurrence of behaviors and actions that drive inclusiveness and are measured by percentage of favorable responses on a frequency scale. Examples include work-life support, meritocracy, protective mechanisms, team building, and so on.

Employee interviews

The insights on experience in this report come from the surveys conducted across approximately 15,000 employees from ten of the participating companies and the broader Inclusion Assessment benchmark, which includes survey feedback from 31 companies and 59,000 US employees surveyed from September 2020 to March 2022. In addition, we collected individual testimonials from 50 frontline workers and preliminary experience analysis from 1,600 workers.

Origin–Target–Gateway model occupation examples

Example roles by job type.

List is not exhaustive

Roles with highest representation by race

● Asian American ● Latino ● Black ● White

Origin	Mid-wage Origin	Adjacency	Gateway	Target
Manicurists and pedicurists	Chefs and head cooks	Acupuncturists	Software quality assurance analysts and testers	Software developers
Graders and sorters, agricultural products	Plasterers and stucco masons	Cargo and freight agents	Food service managers	Farming, fishing, and forestry supervisors
Nursing assistants	Postal service mail sorters	Healthcare social workers	Licensed practical and vocational nurses	Social workers
Conservation scientists and foresters	Directors, religious activities, and education leaders	Tool and die makers	Dental hygienists	Agricultural managers
Bakers	Automotive master mechanics	Aircraft mechanics and service technicians	Credit analysts	Accountants and auditors
Cashiers	Commercial drivers	Electricians	Firefighters	Business intelligence analysts
Coaches	Dancers	Environmental restoration planners	Insurance underwriters	Critical care nurses
Construction workers	Fitness trainers	Laboratory technologists	Interior designers	Engineers
Maintenance and repair workers	Graphic designers	Music directors	Loan officers	Market research analysts
Personal care aides	Human resources assistants	Nurse practitioners	Paralegals	Marketing managers
Retail salespersons	Legal secretaries	Optometrists	Radiologic assistants	Online merchants
Stock clerks	Massage therapists	Pharmacists	Real estate sales agents	Police detectives
Taxi drivers and chauffeurs	Midwives	Plumbers	Social and community service managers	Special education teachers
Woodworkers	Police, fire, and ambulance dispatchers	Postsecondary teachers	Surgical assistants	Supply chain managers
		Sheriffs and deputy sheriffs	Tax examiners and collectors	Surveyors
		Ship pilots		Therapists
		Veterinarians		

EEO job classifications and examples

The Equal Employment Opportunity Commission EEO-1 data, which is based on filings from all companies with more than 100 employees, enables a comparison by both industry and

job classification. EEO-1 includes nine job classifications based on responsibilities and primary duties, knowledge and training, and level of skill the job requires. We analyzed these data to understand the intersection between the industries where frontline workers are concentrated and their job classifications.

Job classification	Example job titles
Managers and executives	CEO, CIO, managing partners, presidents, VPs, directors, managers
Professionals	Lawyers, accountants, pilots, nurses, chemists, designers, teachers
Technicians	Drafters and surveyors, emergency medical technicians, broadcast and sound engineering technicians
Sales workers	Insurance sales agents, telemarketers, retail salespersons, cashiers
Office and clerical workers	Office support workers, auditing clerks, cargo and freight agents, desktop publishers
Craft workers	Automotive mechanics, carpenters, electricians, painters, plumbers
Operatives	Butchers, factory bakers, industrial forklift operators, laundry workers, textile workers, truck drivers
Laborers	Construction laborers, freight movers, groundskeepers, septic tank servicers, vehicle cleaners
Service workers	Hairdressers, janitors, cooks, medical assistants, ushers, police, guards, private detectives

BLS occupational groups and examples

The Bureau of Labor Statistics Occupational Employment Statistics provides the occupation group for workers across industries.

Occupational groups	Example occupations
Architecture and engineering	Landscape architects, electrical engineers, nuclear engineers, surveyors
Arts, design, entertainment, sports, and media	Artists, fashion designers, actors, athletes, musicians, writers, photographers, lighting technicians
Building and grounds cleaning and maintenance	Building cleaning workers, pest control workers, grounds maintenance workers

Occupational groups (continued)	Example occupations (continued)
Business and financial operations	Business operations specialists, logisticians, financial specialists, loan officers
Community and social service	Social workers, religious workers, marriage and family therapists
Computer and mathematical	Computer systems analysts, computer programmers, actuaries, statisticians
Construction and extraction	Boilermakers, tile and stone setters, electricians, glaziers, construction laborers, pipelayers
Educational instruction and library	Postsecondary teachers, preschool teachers, special education teachers, librarians, archivists
Farming, fishing, and forestry	Agricultural workers, logging workers, forest and conservation workers
Food preparation and serving-related	Cooks, waiters, bartenders, dishwashers, hosts and hostesses
Healthcare practitioners and technical	Dentists, pharmacists, veterinarians, general internal medicine physicians, health technicians, licensed vocational nurses
Healthcare support	Psychiatric aides, orderlies, home health aides, massage therapists, medical assistants, pharmacist aides
Installation, maintenance, and repair	Electrical installers, equipment mechanics, vehicle and mobile equipment mechanics, home appliance repairers
Legal	Lawyers, judges, paralegals
Life, physical, and social science	Microbiologists, epidemiologists, astronomers, chemists, hydrologists, historians
Management	Chief executives, marketing and sales managers, financial managers, food service managers
Office and administrative support	Switchboard operators, brokerage clerks, new accounts clerks, dispatchers, couriers, messengers
Personal care and service	Animal care and service workers, embalmers, funeral attendants, personal appearance workers, childcare workers
Production	Assemblers, fabricators, food processing workers, metalworkers, welding workers, printing workers
Protective service	Firefighters, law enforcement workers, animal control workers, security guards
Sales and related	Cashiers, travel agents, models, real estate brokers, door-to-door sales workers, telemarketers
Transportation and material moving	Motor vehicle operators, water transportation workers, traffic technicians, parking attendants



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