Women's Business Council

The Pipeline to Senior Management: Evidence Paper

Summary

Women's representation is relatively low in senior positions compared to overall participation in employment. This issue is widely recognised, but there is a lack of robust quantitative evidence on causes and effective solutions.

The picture varies significantly by sector, and this reflects the fact that certain barriers are more prevalent in certain sectors.

We summarise the key barriers to women entering senior management identified in the literature – these often centre on corporate culture and family-friendly working practices. However, these factors interact with aspirations, choices and constraints.

Where are women in today's workforce?

Women are 46% of the workforce[1], but their representation falls in more senior positions: women make up only 33% of managers, directors and senior officials[2] and only 9.6% of FTSE250 board members[3].

Male and female employees by job category
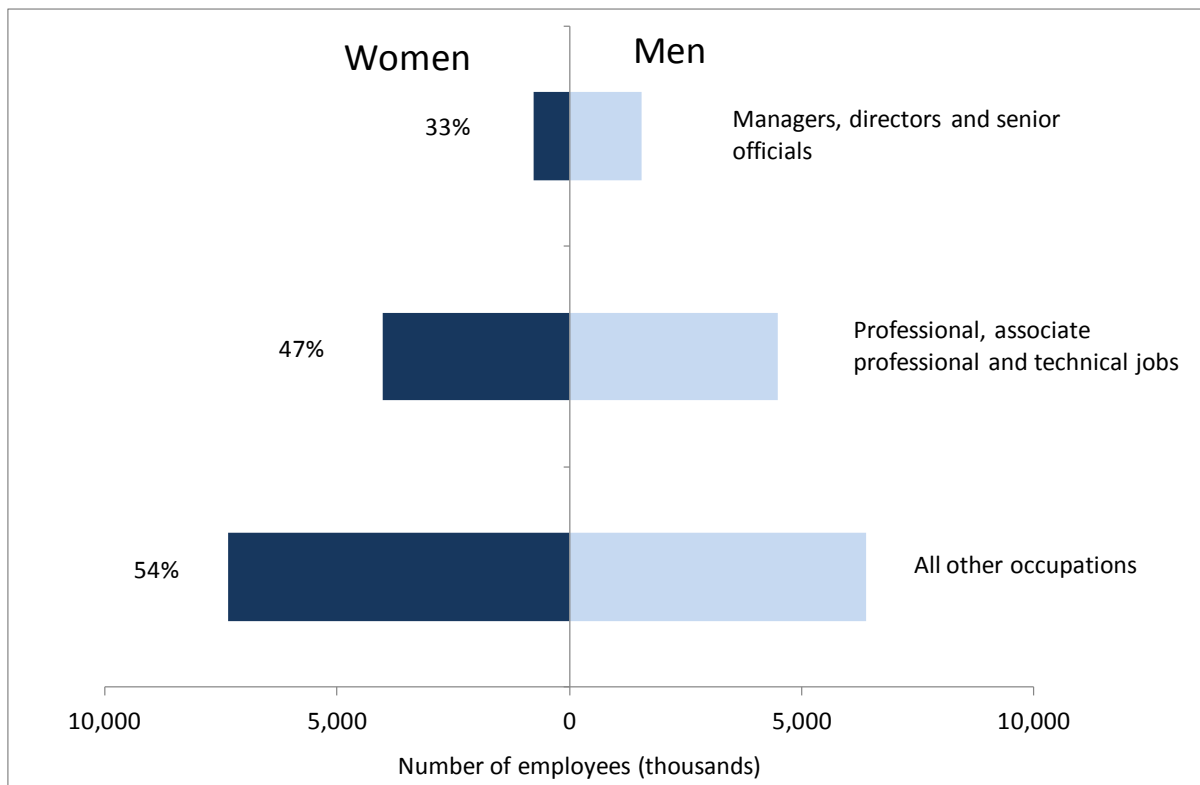
Source: Annual Survey of Hours and Earnings 2012

However, some progress has been made; the proportion of women in managerial positions increased by 3 percentage points between 2002 and 2011[4].

The roles and occupations that women tend to work in may have an impact on progression to senior positions. It has been argued that, because **women are more likely to be in functional roles** (such as HR, marketing, legal, finance), they may not get the opportunities to gain experience that senior leaders are expected to have (such as profit and loss accountability and running operations)[5].

The proportions of **women in management vary in different industries**. For example, women make up 55% of corporate managers and senior officials in the public sector but only 6% in retail, food, accommodation and services. **Annex 1** provides charts for four broad sectors of the economy. The differences between sectors, at recruitment level and progression to the top, can explain some of the differences in the pipeline. The greater prevalence of part-time and flexible working, especially in more senior position is a factor in the high proportion of women managers in the public sector. However, other factors such as corporate culture will have an impact but are much more difficult to compare.

What are the barriers?

Differences in representation in different sectors largely reflect the extent to which certain barriers apply. In general, the barriers to women reaching senior management are linked to the corporate culture in management and availability of family-friendly policies and practice:

- A survey by the World Economic Forum found that the most cited barriers to women's rise to leadership were "general norms and practices" and a "masculine/patriarchal **corporate culture**"[6]. In a survey by McKinsey, 57% of women reported that the 'double burden' of work and domestic responsibilities was one of the biggest barriers to increased diversity in senior management, and 42% said that an "anytime, anywhere" model of management was a barrier[7]. The UK has a particularly **long-hours** working culture – this increases occupational downgrading amongst mothers and can encourage the gender division of paid work and childcare (with fathers working long hours and mothers working part-time and providing care)[8].

- The **availability of flexible working** (including part-time working) has a clear influence on whether mothers return to the same company after maternity[9]. Whilst part-time working is common in the UK, it is strongly linked to low-paid work and there is a lack of supply of 'quality' part-time jobs[10]. A survey by Women Like Us found that 52% of employers who had not recruited quality part-time employees had an unofficial preference against part-time work and 9% had an official company policy against it[11]. The greater provision of well-paid flexible working in the public

sector (the average part-time employee in the public sector earns £10.30 an hour compared to £7.06 in the private sector[12]) is a key reason for greater representation in management in the public sector. Time out of the labour market can also be especially difficult in **"fast-moving" industries** – this has been identified as an issue in the IT industry, for example[13].

- As outlined in the Getting On evidence paper, average **childcare costs are substantial** and have been rising faster than average wages, and this (or a lack of support for childcare) is a commonly cited barrier to progression into senior roles[14] and high childcare costs reduce the incentive for parents (especially second earners) to work longer hours[15].

Aside from the institutional factors and corporate culture – there are also issues around **aspirations, choices and psychology**.

- A recent survey of people in managerial positions found women to have **lower levels of confidence and lower expectations**. 23% of women, compared to 35% of men, said that they fully expected or hoped to take a management or leadership role when they started work (although younger women report higher expectations than older women)[16]. More results from this survey are in **Annex 2**.

- There have been studies to suggest that women are **less likely to apply for a job** unless they meet all of the requirements (whilst men will apply if they meet most of the requirements) and that equally qualified women are less likely to apply for promotions than men[17].

- Women's lower representation in senior positions **cannot be wholly explained by differences in career aspirations or time out to have children**. A survey by Catalyst in the US found that male MBA graduates were more still likely to be in a senior position even when only considering men and women who aspired to CEO/senior executive level and when only considering those without children[18].

- These issues can be much more difficult to unpack as there are so many interactions between factors; **all choices are made under the constraints of current culture and processes**, the barriers women face may well be the cause of the differences in aspirations, rather than any innate differences between men and women.

Conclusion

The representation of women decreases with seniority. The evidence suggests the key barriers are around corporate culture and the support for parents to balance childcare responsibilities with work. This means that men and women may frame their career aspirations and make choices within the constraints of the current work culture and

opportunities, and the continuing expectation that women take primary responsibility for childcare.

There are clearly differences between sectors, and this largely reflects the extent to which the different barriers apply. However, whilst there is a lot of qualitative evidence and expert advice, there is a lack of wider quantitative evidence. Interactions between career choices and workplace cultures and processes mean that findings are not clear cut.

**Annex 1**: Women's representation in management by sector:
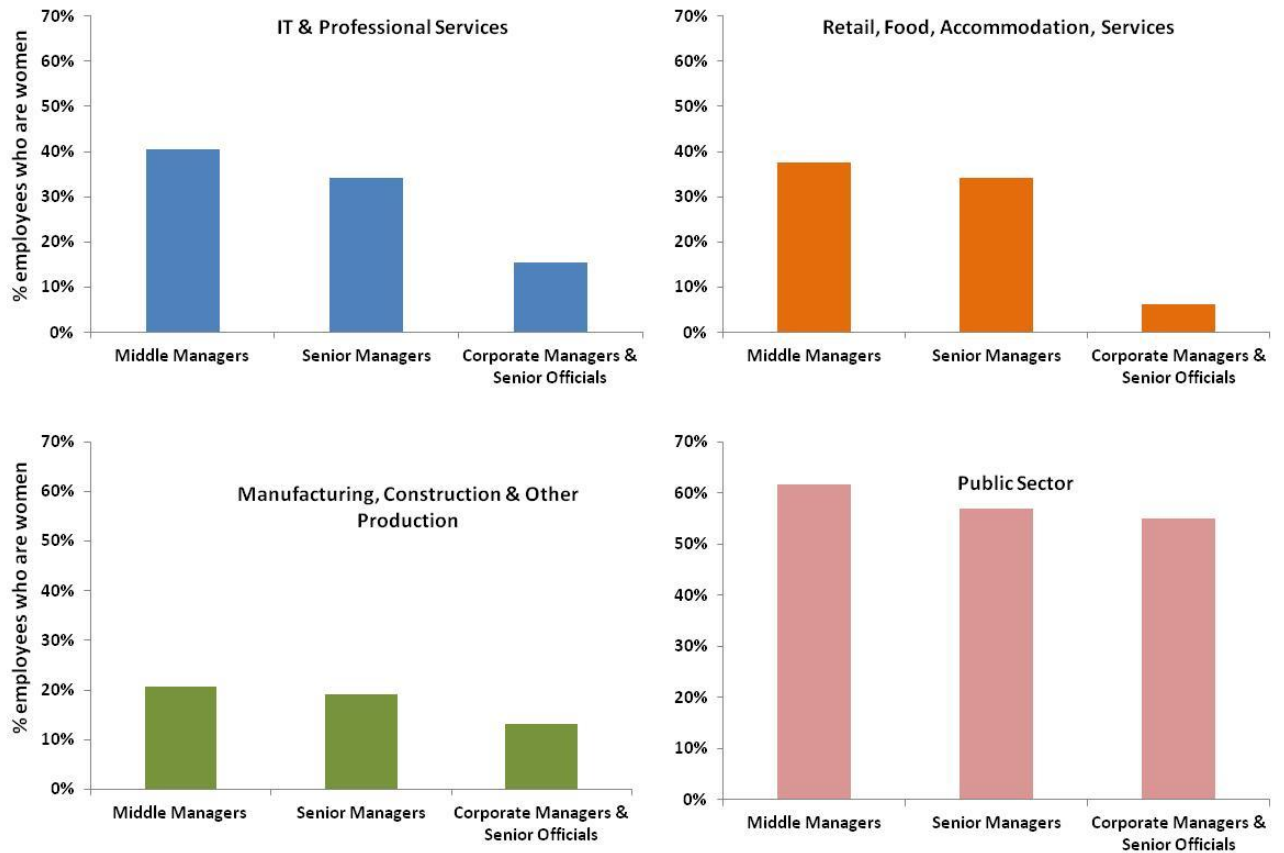
The chart above shows the proportion of female managers in broad industrial categories. Definitions are based on Standard Occupational Classifications (SOC codes), only those in SOC code 1 (Managers and Senior Officials) are included. Source: Annual Population Survey (April 2010 to March 2011).

Annex 2: Institute of Leadership and Management survey of managers

The chart below shows results from a survey of men and women in managerial positions, carried out by the Institute of Leadership and Management. It should be noted that these questions are subjective and cannot give a detailed picture of personalities. However, the results do suggest that women managers report lower levels of confidence than their male counterparts.

How best would you describe your own personal level of confidence?[19]
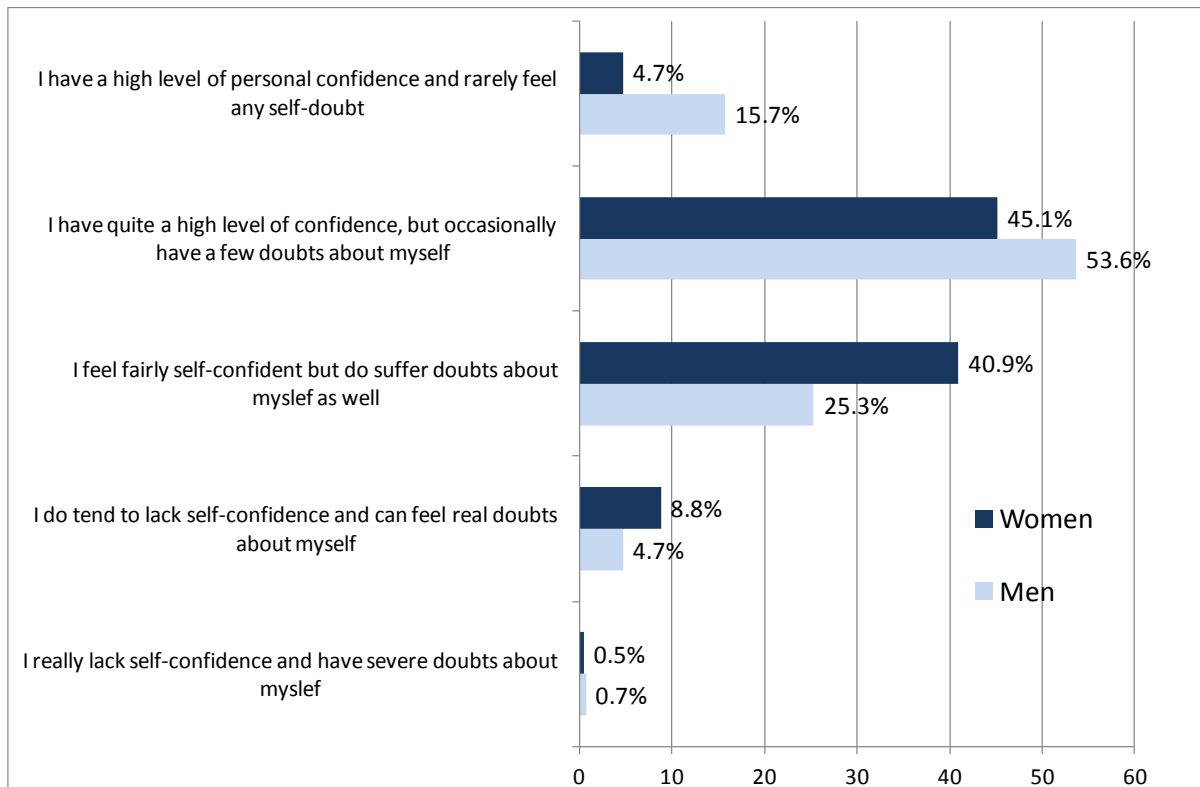
Contact: wbc@homeoffice.gov.uk

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