



Why are there so few Women in Leadership Roles?



Introduction

Multiple factors contribute to the problem of why there are so few women in leadership positions, and the topic is complex and challenging to approach and understand. With this in mind, we have created this explainer document to explore some key issues contributing to gender disparity across organisational levels. We hope this proves useful for you and your organisation's general understanding of why gender disparity within organisations is still pervasive today.

Close your eyes and picture a prototypical leader. Chances are, you just pictured a tall, white, middle-class man. Curious, isn't it, considering that multiple studies have proved no difference in intelligence between genders or races (Evans, 2019). So why did you picture a leader as a tall, white, middle-class male? And why is that image entirely justified and disproportionately evident in leadership roles, ranging from politics to medicine to Fortune 500 companies?

Gender discrimination in the workplace no longer exists in the overt fashion that it used to. But that doesn't mean it no longer exists at all.

Gender Diversity

Women may be being hired at equal rates to men, but they're not being promoted into leadership roles as often. The doors are no longer closed to women entering the workforce, but they're getting harder and harder to force open as they move up the professional ladder. There is substantial evidence that whilst the gender gap may be closing during the early stages of the career journey, it still very much exists at the more senior levels, where men vastly outnumber women (Ibarra et al., 2011).

The persistent underrepresentation of women in leadership positions suggests that the **"impediments to women's advancement are more complex and elusive than deliberate forms of sex discrimination"** (Sturm, 2001). They no longer exist in the realm of intentional efforts at exclusion but have evolved into what is now known as the 'second-generation gender bias', which operates far more covertly, primarily in the form of harmful workplace stereotypes.

Second-generation gender bias

It is a far subtler form of discrimination; in fact, most women are unaware that it even exists, even though the proof is in the statistics (Coury et. al., 2020):

- Women currently constitute just 2.2% of Fortune 500 CEOs
- Women make up 45% of associates, but just 19% of equity partners in the legal sector
- Women are about half of all employees in the EU and yet consist of just 18% of senior executives in 2019

Ibarra et al. describe how second-generation bias creates a context in the workplace akin to "something in the water" that prevents women from reaching their full potential. There are no vast and obvious obstacles, but a general hint of negative bias is holding them back.

Second-Generation Gender Bias

Maria Miller, the former minister for Women and Equality, acknowledges that "the workplace was designed by men, for men", and there is an urgent need to 'modernise' (Miller, 2013). There is a host of untapped female potential sitting on the benches.

Gender stereotypes have often carved out this image of a 'leader' who typically embodies 'masculine' qualities, such as being assertive, authoritative and independent. Conversely, stereotypical views of a woman perceive her as friendly, caring and unselfish (Ibarra, 2011).

In reality, leadership is not an image but a multitude of complex leadership skills that the individual must cultivate (Lord & Hall, 2005).

If a woman does happen to fit these more masculine leadership qualities, such as being 'assertive', she will typically end up in a Double Bind; how often do you hear women described as 'bossy' compared to men who act in the same way? It is often a trade-off between competence and likability.

Further obstacles in the female journey towards leadership roles include:

- A lack of female role models to embody and learn from
- Gendered career paths which typically reward the more 'heroic'
- Women who network typically find themselves in a "double-bind" as people judge them as 'power-hungry' and 'self-promoting' compared to men whom they see as 'likeable and capable' in the same context
- The 'maternity penalty' whereby women incur a professional 'cost' by having children and face having to repeatedly re-establish themselves in the workplace (Correll et al., 2007)

Becoming an excellent leader is a challenging journey for everyone, but whilst men are wading through water, women are wading through treacle.

Benefits of a Gender Diverse Workplace

By failing to create a diverse workplace, businesses are self-sabotaging by not allowing their best and brightest to reach their potential.

Establishing a working environment where women can achieve their potential is beneficial for both the individual and the business (McCracken, 2000). Research has shown that empowering women in the workplace is the 'smart thing for every business' (Lewis et al., 2000), as 'gender-balanced teams produce better outcomes and create greater prosperity' (Lewis et al., 2000).



A 2019 survey by Turban et al found that 61% of women look at the gender diversity of the employer's leadership team when deciding where to work. The takeaway is the most talented individuals go to places that do better with diversity, and this may be what is driving diverse firms in certain contexts to outperform their peers.



Companies with an above-average leadership diversity reported 19% increased innovation revenue compared to those with below-average leadership diversity



Intersectionality in Leadership

Cultural and Ethnic Minorities

Gender stereotypes do not exist in a vacuum – different races are perceived differently. Common stereotypes include judgements that:

- Asian women are passive and reserved (Ibarra, 2011)
- Latina women are overemotional (Ibarra, 2011)
- Black women are overly aggressive and confrontational (Bell & Nkomo, 2001)

Such stereotypes further hinder female promotion. The 2022 McKinsey report recorded how women experience micro-aggressions, which stall their progression:

- Latinas and Asian women are the most likely to be asked where they are 'really from'
- 20% of Black women leaders had experienced someone saying/implying they were not qualified, compared to 12% of all women and just 6% of men
- 55% of Black women leaders had their judgement questioned, compared to 38% of all women and 28% of men

A McKinsey study from 2022 recorded that at C-suite level, a staggering 61% of leaders are white men, 21% are white women, 13% are men of colour, and just 5% are women of colour.

Professional Benefits of Ethnic Diversity

Cultural and ethnic diversity further bolsters profitability. Companies with an 'above-average diversity on their leadership teams report a greater payoff from innovation and higher EBIT margins' (Lorenzo et al., 2018) and reported innovation revenue that was 19% higher than that of companies with a below-average leadership diversity (Lorenzo, 2018). If everyone looks the same, sounds the same and comes from the same background, then chances are that they have the same blind spots. Diversity breeds innovation, offering different perspectives and solutions to the same problem and increasing the odds that one of these solutions will be a hit (Lorenzo, 2018).



'Companies that take the initiative and actively increase the diversity of their management team – across all dimensions of diversity and with the right enabling factors in places – perform better. These companies find unconventional solutions to problems and generate more and better ideas...as a result, they outperform their peers financially. For management teams, there are few slam dunks in the business world. This is one of them' (Lorenzo, 2018).



In Brief

Gendered and racial stereotypes about what makes a 'good' leader ultimately harms both women and profitable business. The business context for women is an inequitable landscape; they are seen as less capable of leadership roles than men, have fewer role models to learn from than men and must navigate gendered pathways that work against them. Organisations and leaders may not build this context with intention but must work to undo it with intention.

Maternity penalty

“When women in the workplace talk about their children, they’re often seen as distracted. When men talk about their children, they’re viewed as caring dads” (Zalis, 2019)

The 'Maternity Penalty' is one of the most significant contributors to the gender disparity in senior leadership roles. Starting a family is likely the most substantial financial blow a woman ever suffers. It often causes a knock-on effect on her pay packet, her pension, and, crucially, her career prospects (Currie, 2019). Despite the option of shared parental leave, women typically take the most considerable amount of time off of work.

As women put their careers on pause to start a family, they miss out on critical professional opportunities and open themselves up to a host of negative cultural stereotypes that stem from this second-generation gender bias. Many perceive working mothers as less competent, less committed and less reliable (Ogden, 2019)) and studies have shown that:

- Women who did not have children were 2x more likely to be called for an interview compared with similarly qualified mothers (Ogden, 2019)
- 72% of both working mothers and fathers agree that women are penalised in their career for starting families, whilst men are not (Ogden, 2019)
- Women lose 4% of their hourly earnings on average for each child they have, while men earn 6% more (Torres, 2019)
- One in three white women with an MBA is not working; the statistic for men is one in twenty (Hewlett, 2005)

Maternity penalty continued

The Maternity Penalty is not just a setback for the individual – it also has significant economic impacts on the employer. Discrimination against mothers causes a ripple effect that culminates in a ‘brain drain’ at senior levels (Bussell, 2008). This ‘brain drain’ occurs when highly qualified women at the peak of their careers fail to fill their professional potential or even choose not to return to the company at all after maternity leave (Bussell, 2008).

For these reasons, companies often sustain a considerable loss of expertise and experience and the additional costs of recruitment and retraining new employees (Bussell, 2008). Still (2006) identifies three mistakes organisations typically make around parental transitions in assuming that;

- Men and women hold the same work/family values
- Their managers are without bias
- Existing policies are sufficient to retain mothers



Each year in the UK, around 4.2% of women and 3.2% of men become new parents annually and a significant number of them contribute to the economy (Office of National Statistics). Whilst that may not seem like a great deal at first glance, this means that a representative company could potentially lose the expertise of four female employees for every hundred they employ per year. It’s a significant loss of resources and potential, and the situation isn’t getting any better (Lorenzo, 2018).



Fathers As Allies

A potential method of decreasing the effects of the Maternity Penalty and thus helping more women into leadership roles is by encouraging men to take an equal portion of their parental leave. In the UK, the legislation promotes involved fatherhood, but "the uptake of even paid parental leave is often optional, resulting in an unaltered gender discourse" (Smith, 2020). This reluctance to use parental leave is partially to do with gender stereotypes. Many put pressure on men to be 'providers' to their families; in a survey that cited the 'four facets of fatherhood' (emotional closeness, provision, protection and endowment), men cited 'provision' as the most important (Townsend, 2010).

Suppose parental leave is split evenly between parents. In this case, new mothers will take less time out of work, helping to mitigate the effects of the Maternity Penalty on their career prospects. This progress would simultaneously normalise parental leave for the other parent. It will help reduce the results of the 'brain drain' on employers and keep more talented women in the workforce, placing parents on an even footing, thus, reducing maternal bias.



'The main reason businesses would benefit from more men taking maternity leave is, paradoxically, that it helps keep talented women in the organisation: the motherhood penalty remains one of the most significant and enduring aspects of the gender pay and promotion gaps. It also, of course, provides a competitive advantage for attracting and retaining new and expectant fathers' (Jones, 2020).



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