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Corporate peak still out of reach for most women

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Wrongfooted: significant levels of women quit the workforce when they reach managerial level, one study found

Vivien Leigh as Scarlett O'Hara turned her second husband's general store into a lumber and sawmill empire. As Mildred Pierce, Joan Crawford set up a restaurant chain. Olivia Pope, played by Kerry Washington, runs her own DC-based crisis management firm in *Scandal*, while *The Newsroom*'s Leona Lansing (Jane Fonda) owns Atlantic Cable Network.

It is scarcely a shock that a gulf exists between the lives of corporate women on screen and the realities of the workplace. A more troubling question is whether the push to secure more female faces around the boardroom table has done anything other than widen the gap between an elite few and women in business more generally.

That political and business pressure has secured some gains. In the UK all the boards of the 100 largest listed companies now include at least one female director. But the target that 25 per cent of these boardroom jobs should be held by women before the end of this year is still a work in progress.

There are other signs also that women's presence in the boardroom is increasing, even where the starting point is low. Research by headhunters Spencer Stuart found that in companies across several countries, including Denmark, France, Russia, Turkey and the US, the proportion of women among new directors was higher than among board membership as a whole.

Yet some people ask whether this focus on female directors is misplaced.

"I get the boardroom issue," says Pat Milligan, president of Mercer's North America region, before saying that she believes that the effort and energy expended on it could have had a much bigger impact if it had been directed towards women in work more broadly.

A recent study reported "significant levels of women quitting the workforce when they reached managerial level", a finding Ms Milligan describes as "pretty alarming".

Other research backs this up. OECD statistics show that, for example, in Mexico and Greece 46 per cent and 42 per cent of women were in employment, but Grant Thornton, the accountancy firm, found that the proportion of female senior managers there was only about half those levels.

And in countries where more women were in jobs, the gap was even more pronounced. In the Netherlands and Canada, for example, about 70 per cent of women were in employment, yet according to Grant Thornton, women filled only 18 per cent and 25 per cent respectively of senior management roles in those countries.

"Some fundamental things are stopping a step change," says Francesca Lagerberg, global head of tax at Grant Thornton.

Ms Lagerberg adds that the statistics for women in senior management roles are slightly more encouraging in Latin America and the Asia-Pacific region. The number of family businesses offers a way for women to succeed in these regions, she says, and the culture is such that there is strong family support for the main provider, regardless of gender

For hard evidence about what difference more women at the corporate peak can make, academics look to Norway, where a law passed in 2003 mandated 40 per cent representation of each gender on the boards of plcs.

An unpublished working paper by Marianne Bertrand, Sandra E Black, Sissel Jensen and Adriana Lleras-Muney found that female directors appointed after the reform were better qualified than their predecessors and that the gender gap in earnings within boards fell. But it found no evidence that better female representation among the very highest earners in these companies trickled down through the businesses more generally. Overall, the reform had "very little discernible impact on women in business beyond its direct effect on the newly appointed female board members", it concluded.

Another unpublished academic working paper on business in Norway paints a slightly different picture. Astrid Kunze and Amalia Miller found that women with the same years of education, work experience, tenure and hours of work as men were less likely to be promoted than men. Yet the results of the study still suggested recruiting and retaining more women among the ranks of bosses could help to reduce the gender gap in promotion.

There are plenty of other ideas for improving women's representation in the higher echelons of corporate life.

Amanda Goodall, a senior lecturer in management at Cass Business School talks about addressing "the confidence gap" reflected in the evidence that women are more likely to absorb negative feedback than male colleagues. More specifically, UK research by Isabel Fernandez-Mateo, an associate professor at the London Business School, found that search firms are responsive to pressure and incentives to hire more women for top management jobs, and place more women in these roles than client firms do themselves.

For Ms Lagerberg of Grant Thornton, one idea that would help is mentoring for all staff to help them make choices that develop their careers.

But Ms Milligan of Mercer warns that even the best-intentioned HR policies can act as “derailers”. For example, she says, women who return to work part time may stay part time much longer than they should unless “highly managed” back into full-time roles.

They may also face “unintended bias”, with colleagues assuming they are unwilling to travel, work late hours or handle difficult clients.

It seems that improving women’s representation at senior levels depends less on a high-profile target or two and much more on a wide range of initiatives within individual companies. It has been a long haul with limited results.

So it is a good job that, as Scarlett O’Hara said: “Tomorrow is another day.”

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