Women in the Workplace

Boardroom success hides trouble below

Work warriors Women are winning the battle not the war, writes *Claer Barrett*

omen are winning the battle in the boardroom. With mandatory quotas of female directors now becoming the norm across the listed sector in Europe, and the UK set to achieve its voluntary target to raise female representation on boards to 25 per cent by next year, some might say "job done".

Not so, retort campaigners, who argue that quotas have done little to address the gender imbalance at the lower rungs of corporate life, and that companies must now innovate beyond the boardroom to sustain a pipeline of female talent.

The 30% Club, founded in the UK in 2010 with the aim of getting 30 per cent female representation on all corporate boards, says it is "working backwards from the boardroom", shifting its campaigning focus from female company chairmen to seeing more women in middle management.

"In the past, CEOs have passed on that job to their diversity programmes or HR departments, but trying to really establish ownership for this issue at a middlemanagement level is the biggest obstacle," says Helena Morrissey, founder of the 30% Club.

The club, which has consistently argued that businesses themselves, not mandatory quotas, should drive change, has now expanded beyond the UK; it opened branches in Hong Kong last year, and in Ireland, the US, Canada, South Africa and Australia this year. Across its geographies, managerial culture is consistently identified as the

Inside

Gender bias Unconscious discrimination is holding back women as managers look to hire in their own image

Pay gap The difference in pay between the sexes is again on the increase

Motherhood penalty Women's pay drops as do their chances of promotion when they have children

Breaking tradition The key to female advancement lies in men taking more responsibility at home

biggest deterrent to female talent. "In my first company, the culture was very hierarchical and I struggled," admits Ms Morrissey, who as well as being a chief executive is a mother of nine children. "When I joined Newton Investment Management, within seven years I was chief executive. The culture there is meritocratic, and that made me feel more confident."

The 30% Club commissioned McKinsey to draw up a report on professional services firms; the research found that men were ten times more likely than women to become a partner at City law firms, and three times more likely at large accountancy firms. Ms Morrissey says that she was "intrigued by the fact

that many of these firms came to us [for help] as they don't see this as something they can solve alone, but [something for which] a solution needs to be found across the sector."

The club recently hosted its first cross-company mentoring scheme event, which brought together nearly 200 female mentees with 200 mentors from separate companies - many of whom are men.

"Many of the male mentors said it exposed them to the issues that exist inside their own companies.

"We've moved on from this being seen only as 'a women's thing', and we now have as many men involved in 30% Club activities as women." she says.

The increasing desire to move "the wave of female talent up the beach" as Lord Mayor of London Fiona Woolf put it, comes as other research suggests quotas for female board directors are doing little for women outside of the boardroom positions.

In 2006, Norway passed a mandatory law requiring 40 per cent representation of each gender on the boards of publicly listed companies, threatening those that did not with dissolution. Following Norway's lead, Spain, Iceland, Italy, France, Belgium and the Netherlands have all passed similar reforms, and this year, Germany passed legislation requiring corporate boards to be comprised of 30 per cent women by 2016.

Breaking the Glass Ceiling, a recent report from four female academics analysing the impact of Norway's quota system, concluded that while the rule may have helped in the boardroom, it



Equal opportunities: Helena Morrissey calls for women to be promoted - Bloomberg

has had little effect for women outside it. Sissel Jensen, a Norwegian professor and one of the authors, notes that quotas have neither closed the pay gap, nor boosted the number of female executive directors or business school applicants.

"People impose a quota and think that will fix the problem. It won't," says Dianah Worman, diversity lead at the Chartered Institute for Personnel Development. "Other building blocks need to be in position, but sadly, few organisations realise that."

In the City of London, employees have had success putting pressure on their own employers to change the culture.

Louisa Symington-Mills is a former analyst who created Citymothers, a networking group for parents in City professions, and says: "Our members are parents used to working long hours with little sleep, but keeping career-focused," adding that they turn up to her events not to gripe, but for support.

"We have a voice as a network, and employers recognise that," says Ms Symington-Mills of the growing numbers of corporate members. "But we're keen that City firms do more than talk about these issues."

'People impose a quota and think that will fix the problem. It won't. Sadly, few organisations realise that'

A message that keeps emerging from the group's members is that, in a talenthungry world, employers who offer flexibility are rewarded with loyalty. One member recently shared her experience of nearly resigning from her job at a big accountancy firm because she felt she couldn't juggle the long hours with childcare any longer.

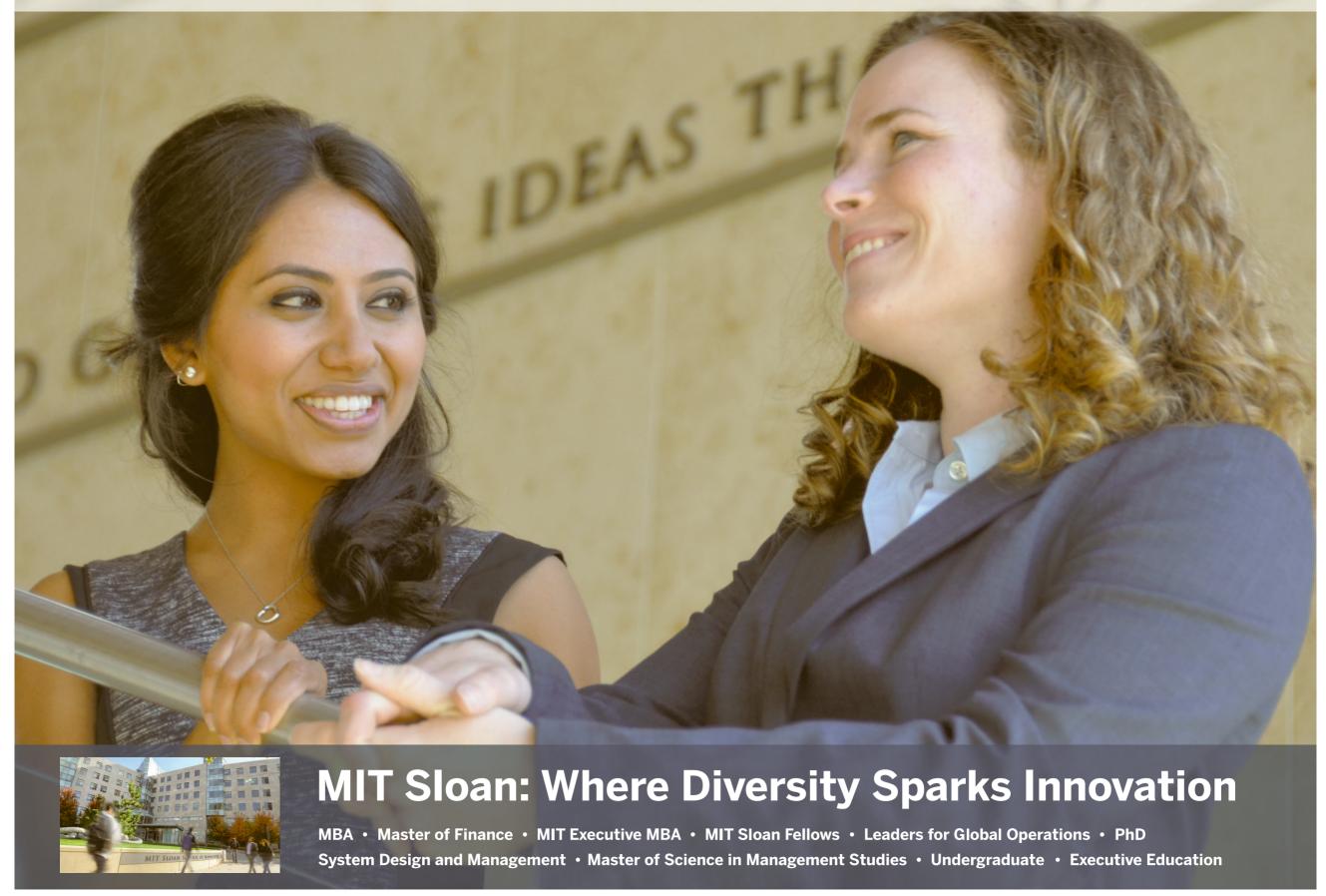
"She struck a deal to work 'term time only' and now she says she'll never leave," Ms Symington-Mills reports.

And it is not just about mothers. With UK-based fathers about to gain the right to take long paternity leaves and allow their spouses to go back to work, companies know the discussion is about to swing into an entirely new gear.



The MIT Sloan School of Management welcomes students from around the world to its wide range of degree and non-degree programs. With an inclusive, hands-on learning environment, we bring leaders from diverse backgrounds together to share ideas, create new organizations, and improve the world. Learn more at mitsloan.mit.edu

"The MIT Sloan community puts an incredible premium on diversity, which allows for meaningful collaboration and leads to groundbreaking innovation." Hema Bajaj, MBA Class of 2015 Co-President, MIT Sloan Student Senate



Challenging presumptions of difference

Mannequin ministers Expensive diversity initiatives are unlikely to deliver intended results until societies tackle deeper biases, writes *Tim Smedley*

hen David Cameron reshuffled his cabinet in July, the wave of new female ministers arriving at Number 10 became dubbed "the Downing Street Catwalk". Double-page spreads in some sections of the press compared their dresses, make-up, shoes and handbags. Male ministers, meanwhile, were assessed according to attributes such as their policy stance and their departmental experience.

Frivolous fun at the start of silly season, perhaps. But it serves to underline that the way we view men and women affects their careers. As with Mr Cameron's cabinet, so it is for senior positions within business. But how different are the sexes really?

An executive coach working primarily in banking and law, Geraldine Gallacher has 20 years experience of helping women progress within male-dominated sectors. Her firm, Executive Coaching, also designs and runs a returning mothers programme for Bank of America Merrill Lynch. The most striking difference she pinpoints is confidence. Men are natural self-promoters, she says; women seek consensus, and will offer contributions with caveats such as "I'm sure this isn't right, but. . ."

There is much research to back this up. Last year, McKinsey's "Moving mindsets on gender diversity" survey of global managers found that just as many females as males desire top management positions, but only 69 per cent of women compared with 83 per cent of men were confident in believing they would get there. Similarly a report by the Institute of Leadership and Management found that 20 per cent of men will apply for a job or promotion when only partially meeting the job description, compared to 14 per cent of women.

Some believe there are neurological differences too. Susan Pinker, psychologist and author of *The Sexual Paradox*, writes that "hormones subtly sculpt and prune our neural architecture in ways that influence how we perceive emotion,



trust others, form attachments, and solve spatial problems".

Others disagree: psychologist Janet Shibley Hyde of the University of Wisconsin writes that we are far more similar than different, and that psychological differences we assume to be natural actually tend to come from childhood exposure to "exaggerated claims of gender difference".

Jo and Binna Kandola's recent book *The Invention of Difference* makes the same point. "The differences that we see are ones that we choose to see, and we ignore the areas where men and women are the same," explains Mr Kandola, a business psychologist. Neurological

differences are better understood by the concept of 'plasticity' - the notion that our brains are constantly changing. London taxi drivers, for example, are found to have abnormally large hippocampi, the area of the brain associated with memory and navigation, after having studied and memorised the entire London road network.

The Business, Innovation and Skills Committee within the UK's House of Commons, reporting upon 'Women in the Workplace' this year, also concluded that, "based on much of our written and oral evidence . . . the root of the problem of the stereotyping of jobs comes from the cultural context

Careers reduced to a 'catwalk':
how the Daily Mail reported recent
Cabinet appointments

Daily Mail Online

'The root of the problem of stereotyping jobs lies in the cultural context in which career decisions are made'

Everyday sexism

Geraldine Gallacher's 16-year-old son recently came home from school with a riddle. A man and his son are in a terrible car crash. Both are rushed to hospital, and the son is sent to the operating theatre. The surgeon enters and, horrified, exclaims, "I can't operate – he is my son!" How can that be, if the father was injured?

If the answer is immediately obvious to you, well done – you are in the minority. And if you have not already guessed, the surgeon is the boy's mother. As with surgeons, so with business leaders.

Where one demographic group maintains dominance – as with men in executive positions – such biases can be commonly shared and perpetuated. A recent experiment by Columbia Business School found that for a role requiring mathematical ability, both male and female managers were twice as likely to hire a man than a woman – even where the manager had no further information beyond a candidate's gender.

Work environments exclude women because of bias, both conscious and unconscious. "Human nature is such that we try to recruit someone who is like us, because that makes it easy to communicate with them. In fact, you should look for someone who can complement your skills," says Ms Gallacher, for whom the riddle had particular relevance because she is an executive career coach who works with women.

That may be difficult, but failing to do so will perpetuate the cycle of bias that keeps people assuming that business leaders— and surgeons— can only be men.

in which career decisions are made, not from innate differences between men and women".

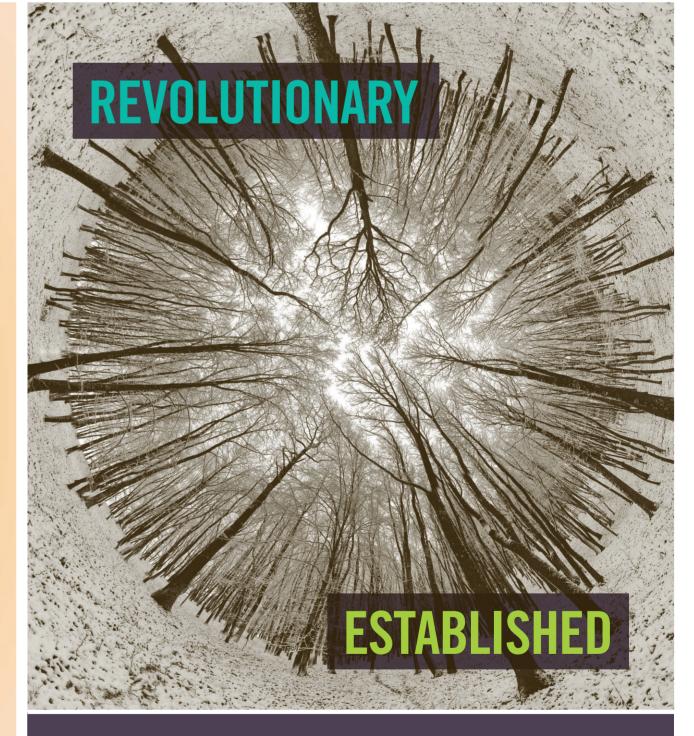
So why, then, do workplaces seemingly continue to favour men over women? Managers are more likely to promote others in their own likeness, and most managers are men (35 per cent of senior managers in the UK are women, with an EU average of 33.5 per cent). Angela Peacock, chair of the consultancy People Development Team, which helps companies address their own gender bias, believes that not only does this impede women trying to progress, but it also creates workplaces that many women "quite frankly don't want to work in".

Expensive diversity and inclusion programmes attempt to address this without focusing on the genuine culture change that is needed, says Ms Peacock. "You can bring the most diverse group of people to the table that you like, but if what is going on around them is toxic then they are not going to perform... You just create a golden revolving door. . . This becomes a self-fulfilling prophesy that 'women just aren't as good at this as men'. Well, she probably walked in just as great, but many years of trying to climb that greasy slope, of being excluded, of not being introduced to the right people or put on the right projects . . . will get to them in the end."

The good news is that the situation can be changed, says Mr Kandola. "We need to reframe the way we see men and women. Workshops that organisations put on about 'understanding men and women' are part of the problem. Instead, we need to understand that it is our own biases that get in the way."

As a society, however, we have a long way to go. Employment minister Esther McVey professed herself "happy" to be crowned Queen of the Downing Street Catwalk. She hoped it might "inspire girls to go into politics". That her title came down to the Daily Mail praising the way her dress "cinched in her waist and emphasised her bust", however, could well be more likely to put them off.





Oxford Executive Education

Challenge established business wisdom by developing a revolutionary perspective through pioneering theory and practitioner experience at Saïd Business School, University of Oxford.

Women Transforming Leadership Programme – 5-10 Oct 2014 or 17-22 May 2015

For more information about our programme visit: www.sbs.oxford.edu/wtl





Executive Appointments Women in the Workplace

The gender pay gap is growing wider, especially for mothers

WOMEN GRADUATES STILL GOING CHEAP?

Sold down the river? A recent survey found that 22 per cent of women in low-paid work have degrees - PA

Mind the gap Lower salaries can set in at the very beginning of women's careers, writes Tim Smedley

he gender pay gap in the UK stands at 19.7 per cent. In effect, this means that women in this country stop earning anything in relation to men on Tuesday, November 4.

The date may vary, but the phenomenon is the same in every other nation in the world. No country sees women paid as much as men. The International Labour Organisation estimates that the average global gender pay gap now stands at 23 per cent.

While this gap had been slowly narrowing, recent figures have shown a reversal. The standard explanations (about the higher proportion of women to men in part-time jobs) fail to offer a full account, as the gap for full-time workers also increased from 9.5 per cent to 10 per cent in 2012.

Another explanation is that women congregate in the low-paid sectors; the high-paid sectors are men's preferred domain. Women make up 77 per cent of administrative and secretarial posts, according to 2013 figures from the Office for National Statistics, while men account for 88 per cent of science, engineering and technology jobs. Overall, 63 per cent of workers paid at or below the living wage (£7.65) are women.

"The question is, is that out of preference?" asks Daisy Sands, head of policy at the Fawcett Society, a campaign group that advocates for gender equality. "There isn't a difference in terms of aspirations between men and women if you look at school and university performance, or how they perform in the labour market in their 20s."

To better understand what happens after this point, the Fawcett Society recently surveyed 1,003 low-paid women and found that 22 per cent had degree level qualifications, while 37 per cent described themselves as "overqualified and over-skilled" for their current jobs. "Is it because having children simply meant their career aspirations fall by the wayside?" asks Ms Sands. "That's not what they were saying at all."

However, some do believe that the pay gap can be explained by mothers losing interest in their careers. Catherine Hakim, author of Key Issues in Women's Work, argues: "The pay gap in Britain and the USA is now fully explained by mothers (hence most women) having rather different . . . job priorities from most men . . . Research shows that most men work harder, do longer hours, after becoming fathers, whereas most mothers choose shorter hours, less responsibility, typically."

Yet there is evidence that differences in earnings can occur at the very outset of one's career. A survey by Catalyst, an

The motherhood penalty

Why are men with children viewed positively by employers, but women with children negatively?

Solving this conundrum could eradicate the pay gap that emerges mid-career, and from which many women never recover. The median gender pay gap by gross hourly earnings in the UK is 5.3 per cent for workers in their 20s; 12 per cent for those in their 30s; and to 27 per cent for those in their 40s.

A 2012 survey by the Institute of Leadership & Management found that 20 per cent of female managers, compared with 7 per cent of men, believe having children had presented problems or barriers to their career. And an experiment by Stanford University in 2008 found that childless job-hunting women received 2.1 times as many positive responses to their applications as equally qualified mothers. For men the reverse was true. "This is what we term 'the motherhood

penalty'," says Daisy Sands of the Fawcett Society. "Not only do women take time out of the labour market to care for children, but there is a longerterm, structural issue, that when women return, the types of jobs that would enable them to balance their caring responsibility for children aren't necessarily available."

There is legislation around the corner, however, that could change this. Amendments to parental leave from April 2015 will allow UK mothers to share 40 weeks of their 52-week maternity leave entitlement with their partner; this could see fathers take 40 weeks' paternity leave.

If they choose to do so, it is likely to cause employers to view men and women who have children more equally, either eradicating the motherhood penalty or at least sharing its burden.

However, that is a very big 'if'.

advocacy group for women in business, of 4,000 US MBA graduates found women were paid \$4,600 less in their first jobs, even after controlling for factors such as industry and prior work experience. A 2012 study by Yale University sent out to employers exactly the same CV for hundreds of entry-level jobs in the scientific academic community. It found those marked Jennifer attracted an average starting salary almost \$4,000 less than those marked John.

Even for women who battle through the motherhood barrier (or choose not to have children) the pay gap persists. The Chartered Management Institute finds that the average female executive earns £10,060 a year less than, and is awarded half the bonuses received by, her male peers in the same type of role.

The business group CBI wants the next UK government to set a national target to reduce the gender pay gap. Katja Hall, its deputy director-general, says this would shine a spotlight on the causes, which she believes include "the careers advice we give at school; a lack of flexible working in the workplace; a lack of support for women around maternity leave . . . and childcare".

Ms Hakim believes that some of the blame falls to women too. Citing the US study Women Don't Ask, she argues "women are far less likely to negotiate for higher pay, both at the start of their career and throughout", so men earn more in part because "they ask".

Ms Sands disagrees: "There is deeply embedded cultural behaviour in what is expected from men and women, and boys and girls. Girls are not taught to be pushy, boys are taught to demand more, and there is negative cultural rhetoric around the 'pushy' female . . . So if they often aren't as forthright in pushing for pay and the like, it is not surprising."

The Fawcett Society is calling for section 78 of the 2010 Equality Act to be enforced, which would require businesses with 250 employees or more to publish data on pay by gender.

Similar measures are afoot in the US. This year, President Obama signed two executive orders boosting pay transparency for federal contractors. In the UK, the CBI favours voluntary measures.

"There are many ways that companies can seek to retain their talent too," Ms Sands advises. "Flexible working, jobshares, part-time working, compressed hours, homeworking . . . internal pay audits, training on equality and diversity, having an open discussion about the issues - that's where you will see change. Companies have to look inwards . . . If we just ignore it and accept it, we will see what we're seeing now - a regression in the pay gap."





Promoting Social Inclusion

For almost 60 years, the Council of Europe Development Bank (CEB) has been contributing to improving the living conditions of the most vulnerable populations in Europe. We finance a wide range of social infrastructure projects which help to ensure sustainable development and a more cohesive society.

We recruit highly competent staff with a strong sense of commitment, cooperation and professionalism while encouraging gender balance and diversity.

> Please visit: http://ceb.profils.org regularly for job opportunities at the CEB.



FULL-TIME | EXECUTIVE | FLEXIBLE EXECUTIVE

THE HENLEY MBA

TS



BE THE LEADER YOU KNOW YOU CAN BE

Henley's world-renowned MBA is designed to bring out your true leadership potential. Our triple-accredited programme focuses on maximising your personal strengths and attributes while developing your strategic thinking and enhancing your managerial capability. The outcome is transformational – providing you with the knowledge and confidence to excel and delivering a positive impact on your career and organisation.

Speak to our team of MBA Advisers to discuss which Henley MBA best meets your career aspirations and lifestyle. Book an appointment by phone or email today.

Call +44 (0)1491 418803 email mba@henley.ac.uk www.henley.ac.uk/mba







Executive Appointments Women in the Workplace

We need to make paternity leave 'trendy'

Sharing the care Changing societal norms will have the biggest effect, writes *Virginia Marsh*

ormal steps to advance
women's careers are working
but not fast enough. That
is the view of Nadia
Nagamootoo, a former
research psychologist and consultant
presently on maternity leave.

The pace of change in Britain, for example, needs to accelerate, to confront the "clear discrepancies" across occupations, in senior leadership positions, and geographically, she says, warning that the complexities of the situation are considerable.

"It's historical, cultural, societal and, some would argue, embedded in our DNA – women as carers, men as providers," she says in her essay (see right), which won her this year's Women in Leadership Scholarship competition. Run by the 30% Club campaign group, Henley Business School and FT Executive Appointments, the award grants Ms Nagamootoo a funded place on Henley's EMBA course.

Her advocacy of a more radical rethink of women's and men's roles in society comes as she herself, for the first time, confronts the career and work/life balance challenges that accompany motherhood.

As new shared parental leave laws come into force in Britain, she argues, for example, that making paternity leave "trendy" would have the biggest effect on women's careers, now and in generations to come.

"Surely the greatest impact on the next generation would be if they see both mum and dad caring equally for them, cooking, cleaning, and both mum and dad equally spending as much time at work?" she writes.

Ms Nagamootoo describes herself as a child of 1970s immigrants from Mauritius and received her BSc in psychology from Swansea University - where she graduated top of her class - and her masters from the Institute of Work Psychology, Sheffield University. She has long been interested in topics

of inclusion. For her MSc thesis she studied the effect of diversity development within the Royal Mail. This was followed by five years in the private sector consulting where her clients included BAE Systems, the NHS and London's Metropolitan Police Service. This led her to her current employer, the Borough of Lambeth, an ethnically and socially mixed part of her native south London.

She joined Lambeth as learning and development manager; two years ago, Lambeth promoted her to acting organisational development manager,

'I was incredibly anxious about how to juggle my career with having a baby'

heading a team of 12, before the birth of her daughter in January.

For Ms Nagamootoo, maternity leave has given her the time and space to "reflect and consider what my next move should be".

She says she values the public sector's flexible working practices, and is mindful of the flexibility granted her own mother - as a government administrative assistant, who was able to leave for work early but return by



Woman in leadership: Nadia Nagamootoo is challenging the status quo

4.30pm to spend time with her two children after school. Despite this, Ms Nagamootoo found balancing working and childcare a daunting prospect.

"When I first found out I was pregnant, I was incredibly anxious about how I was going to juggle my career with having a baby," she says, noting that it was one of the prompts to enter the Women in Leadership Scholarship competition.

As well as intellectual development and building a broader network, Ms Nagamootoo believes the EMBA will help her "discover what the balance between work and home means for me".

Having read *Lean In*, by Facebook's chief operating officer Sheryl Sandberg, and revisited her own list of goals, she says that a "stagnant career" for the next five years "didn't appeal and goes against everything I've worked for".

She acknowledges that not all women have either her opportunities or her desires, and quotes a piece of 2011 UK government research indicating that two-thirds of women who do not return to work after giving birth do so

because they choose to care for their children instead.

"This dynamic is acceptable - as long as it is what both sexes want," she says. Re-organising her own childcare plans was the most challenging part of accepting the scholarship. She shares caring responsibilities with her 40-year-old husband, Matthew, a chartered accountant, and with her parents.

Ms Nagamootoo says that changing the language around gender is important; she was annoyed to be "judged" for initially planning to return to work full-time, forgoing her right to one year's maternity leave.

"I'm not sure how I'll feel about being apart from my daughter. I'm not sure how demanding the MBA will be of my time. And I'm still discussing with Lambeth what role I'll be doing when I get back to work," she says. "I'll see what happens and make decisions as and when I need to."

With a flexible employer, a hands-on partner and helpful parents, she is more fortunate - and further ahead - than most new mothers.

Stereotypes do no one any favours

Excerpt of winning essay

In the argument which won her an EMBA scholarship, *Nadia Nagamootoo* calls for an increased pace of change

To what degree do we need intervention to increase gender diversity in an organisation and what single action do you consider would make the most difference to the career progression of women?

What if there was less expectation on women to be waiting at the school gates to pick up their children? And what if there was more expectation for men to be home early and get the dinner ready?

Actions to assist with the advancement of women are endless.

But maybe we need to look at the "flip side" of the coin? Rather than taking action to progress the careers of women, why not focus on encouraging men to progress their role at home?

Surely, the greatest impact on the next generation would be if they see both mum and dad caring equally for them, cooking, cleaning, and both parents spending the same time at work?

In 2010, legislation was brought in granting additional paternity leave, but so far only 2 per cent of fathers take it, according to EMW, a law firm. The reasons are many, ranging from a lack of awareness, unaffordability (paternity leave pay is significantly lower than the UK average weekly wage), to a fear that

it could hinder their careers. Clearly there is more the government (financially) and organisations (culturally) can do to encourage uptake.

We need to make parental leave, flexible and part-time working, leaving work in time to be at the school gates (and all those other things that hinder women's career progression) not only acceptable but trendy for men.

We need male ambassadors, high profile role models demonstrating the value of being present in their children's lives. We need strong campaigns.

And of course, the indirect effect of this is greater opportunity for women to advance their careers.

Gender diversity in organisations has progressed significantly. Interventions are working, but we need to increase the pace of change. There are clear discrepancies in diversity across occupations, in senior leadership positions, and even in different parts of the UK.

These discrepancies are historical, cultural, societal and, some would argue, embedded in our DNA (women as carers, men as providers). And so finding a solution that would make the most difference to women's career progression is equally not simple.

Perhaps men need positive media stories and just as many examples of politicians, businessmen, authors, actors and philanthropists who are equally as successful at home as they are in their careers. Perhaps that is the key to unlocking the success of women.

This essay has been edited for length

Contributors

Carola Hoyos Recruitment Editor

Steven BirdDesign Editor

Andy Mears Picture Editor **Christina Madden and David Scholefield** Sub Editors

For advertising details, contact: **Fiona Sneller** at +44 (207) 873 4909 and fiona.sneller@ft.com, or your usual FT representative.

Follow us at ft.com/recruit





Working to improve the future.

The European Investment Bank (EIB), as the EU bank, is the largest multilateral lender and borrower, supporting and financing projects that make a significant contribution to growth and employment in Europe and across the world.

Working with highly qualified and diverse staff across all European Member States, the **EIB** maintains a multicultural environment that promotes and values diversity, developing cooperation and innovation.

The **EIB** strongly encourages female candidates to apply.

To find out more about us and for current career opportunities, please visit our website:

https://erecruitment.eib.org

non-execs.com/diploma



The Financial Times Non-Executive Director Diploma fully prepares you for the challenges that a non-executive faces. A six-month postgraduate course, the Diploma will equip you with all you need to know to make an effective contribution to the board. **The next cohort commences on 4 November in London.**

Visit non-execs.com/diploma to find out more

Bring balance to the boardroom.

ALWAYS LEARNING PEARSON