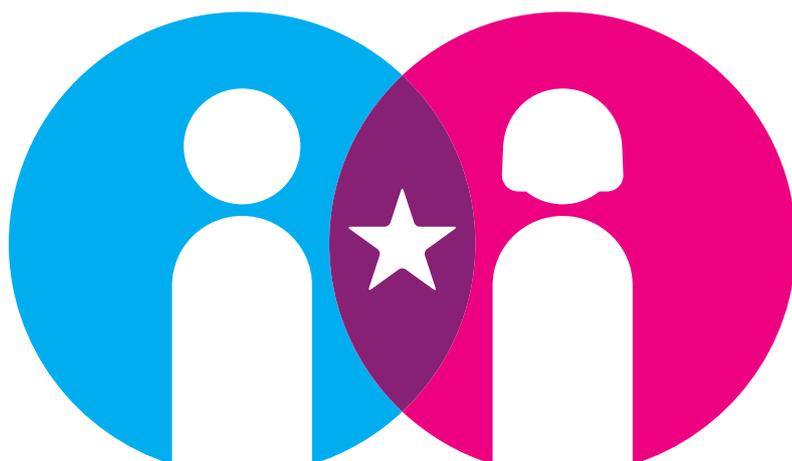


Ambition and gender at work



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The case for equality

In an increasingly complex and competitive global economy, organisations must ensure that their most talented employees rise to the top – that the best, brightest and most able employees are promoted into positions of leadership. Yet that's not the case at the moment. Despite there being roughly equal numbers of men and women in the workplace, figures show that far fewer women than men advance to become senior managers.

There is little or no difference in the capabilities of women and men. In 2009/10 women made up 57% of first degree graduates from UK higher education institutions. Almost half (49.4%) of the UK workforce are women (1). Female enterprise contributes £130 billion to the UK economy each year. Yet the further up the corporate hierarchy you look, the fewer women you encounter, especially in large organisations.

Just 12% of FTSE 100 directorships are held by women, according to Cranfield School of Management's latest annual Female FTSE 100 Report. And women hold just 22% of senior management positions.

The business case for greater gender diversity is clear and compelling. Workforce diversity contributes to competitive advantage. It broadens the mix of knowledge and skills in the organisation and fires up innovation. It enables organisations to capitalise on the skills of all their staff at every level, rather than only half of the talent available to them.

Research by McKinsey & Co has proven a positive correlation between a company's performance and the proportion of women serving on its executive board. The report, Women Matter, found that companies with the highest level of gender diversity in top

management posts outperform their sector in terms of return on equity, operating results and stock price growth.

It makes sound commercial sense to promote women to senior positions, and reflect the broader consumer base of many businesses. Women are increasingly powerful consumers with a growing share of the UK's personal wealth and 80% of purchasing power.

In these challenging times, organisations need to get more from less. To do that, we have to be able to call on all the talents of all our people. Achieving the right balance at the highest level is evidently a key challenge facing today's leaders.

Against this backdrop, the Institute of Leadership & Management (ILM) set out to shed fresh light on the issue of gender at work, and better understand what is holding back female leadership careers. To do this we heard from 3,000 managers – men and women alike – about their career plans, ambitions and confidence levels. We looked at any barriers they have faced to career progression, and their levels of satisfaction with their achievements to date.

Of course, we found that maternity and childcare-related issues present major ongoing obstacles to

women's progress. But we also identified several less conspicuous issues that are holding women back.

ILM exists to support all employers and individuals to achieve their full potential and contribute to the UK's social and economic prosperity. Which is why we believe in improving female representation at every level in UK plc.

Rather than admitting defeat and waiting for government quotas to be imposed, organisations have the chance to seize the initiative. This report highlights the key issues at play, and what employers and individual leaders can do differently to redress the gender balance and achieve a competitive advantage.

(1) Source: GMB research, February 2011

Executive summary

Although women make up roughly half of the workforce, far fewer women than men reach senior management and leadership positions. While the business case for gender diversity at all levels is compelling, progress has been glacial.

ILM is committed to helping organisations enable leadership talent. Which is why we set out to explore the hurdles women face along their career path, and identify the factors that create the glass ceiling effect that many women managers encounter.

Our research found that three quarters (73%) of women believe there are barriers preventing them from progressing to the top levels of management. It also sheds new light on the nature of these barriers. Alongside well known obstacles to advancement such as maternity and childcare-related issues, the findings reveal a number of less conspicuous, but nevertheless critical, factors.

In summary, the research reveals that women managers are impeded in their careers by lower ambitions and expectations. Compared to their male counterparts, they tend to lack self-belief and confidence – which leads to a cautious approach to career opportunities – and follow a less straightforward career path. The higher expectations and increased confidence of male managers propel them into management roles on average three years earlier than women.

We found that at the outset of their career women have less clarity of career direction than men, and lower career ambitions

and expectations. Over half (52%) of male managers had a ‘fair idea’ or ‘clear ambition’ to work in a particular role, compared with 45% of women managers. Fewer women than men (50% vs 62%) expected to become managers. Twice as many women as men did not want to become a manager.

The gap in ambition

The career ambitions of women managers also lag behind those of men. In general, women set their sights lower than men do, and are more likely to limit their ambitions to more junior ranks of management. Fewer women than men expect to reach a general manager or director level by the end of their careers.

Female managers also have lower career confidence. Men are more confident across all age groups, with 70% of men having high or quite high levels of self-confidence, compared to 50% of women. Half of women managers admit to feelings of self-doubt, but only 31% of men do. We also found that women with low confidence have lower expectations of reaching a leadership and management role and are actually less likely to achieve their career ambitions.

This lack of confidence is evident in women’s more cautious approach to applying for jobs or promotions: 20% of men will apply for a role

despite only partially meeting its job description, compared to 14% of women. Climbing the career ladder is notoriously competitive, and women’s hesitation in applying for more challenging roles inevitably puts them at a disadvantage.

Women are also more likely than men to voluntarily step off the career ladder, impeding their progress: 42% had taken statutory maternity leave, and 21% had left work to care for children; only 9% of men had taken paternity leave, and just 2% had left work to care for children.

The research suggests female managers are more likely to defer having children, because of the impact on their careers: 41% of women surveyed are childless, compared to 28% of men.

Despite significant differences elsewhere, we found there was no gap in satisfaction between male and female managers. When it comes to management careers, women tend to aim lower and settle for less than male colleagues with the same skills and experience.

Given the shortage of women in senior leadership and management positions, without real change it seems only a matter of time before some form of legislation is introduced to redress the balance. But our research suggests

73%

of women managers believe there are barriers preventing them from progressing to top levels – the glass ceiling

increased regulation would prove divisive. We found that almost half (47%) of women managers are in favour of quotas to increase female representation on boards, compared to a quarter (24%) of men. By contrast, nearly two thirds (62%) of women are in favour of some form of positive action, a view shared by 42% of men. If organisations want to avoid the imposition of external targets or quotas, they need to act decisively, and this report highlights a number of areas to address.

Seizing the initiative

We believe that government quotas should be viewed as a sign of leadership failure. In order to preclude the need for external regulations, organisations should take the lead voluntarily and set transparent, self-imposed targets for female representation at board and senior executive levels.

Gender equality at the highest levels is evidently a significant leadership challenge. As such, senior leaders need to take accountability for their company's talent pipeline, and make it a commercial priority to proactively identify, develop and promote high potential leaders of both sexes.

Our research found men and women enjoy equal access to training and development, which suggests employers

have an opportunity to target their development spend more effectively to address gender imbalance. Employers can maximise the impact of their investment in leadership development by tailoring it to the differing needs of male and female managers. Coaching and mentoring, in particular, offer highly effective ways of addressing women's lower confidence and ambition, and encouraging them to realise their leadership potential.

To stop talented women opting out of leadership careers, we need to get away from the male breadwinner career model and make senior leadership roles more appealing to people with family demands. Career advancement should reflect skills and capabilities, with less emphasis on time served. Flexible working, job and career sharing and work-life balance policies have an important part to play.

Recruitment practices also need to evolve if we are to break the cycle of business as usual. Recruitment consultants should be encouraged to widen the net and identify a balance of candidates of both sexes for board level vacancies. At the same time, senior leaders should push themselves to take more risks when recruiting, by focusing on talent and potential over experience.

The research findings

The research findings provide a fresh insight into the issues of gender inequality in the workplace. They identify a number of family-related factors commonly associated with faltering career progression, but also reveal some less well known issues that are holding back women managers.

Before they start work women are less certain than men about the type of role that they want. Throughout their career, women tend to have lower expectations and ambitions in terms of career progression. Women are less confident than men about their own abilities, and more cautious about applying for new roles. They are also more likely to pursue non-linear career paths.

The overall picture from female managers is one of a relative lack of career ambition or expectation, coupled with lower levels of confidence and self-esteem.

Women managers are well aware of the career challenge they face. Three quarters (73%) of female managers feel that there are barriers to women's management progression – the notorious glass ceiling. The longer a woman's career, the more visible the glass ceiling becomes: 63% of under 30s, 71% of 31–44s and 77% of over 45s acknowledge the barrier (see figure 1a). By contrast, only 38% of men believe the glass ceiling exists, though again we saw increased awareness among more experienced male managers, who are likely to be closer to the level at which the glass ceiling comes into effect (see figure 1b).

The percentage of women who believe that gender has hindered

their career progression doubles from 20% of under 30s to 44% of over 45s. This suggests that women are either now being treated more fairly, or that younger women are less likely to have experienced the impact of the glass ceiling.

The underlying factors that prevent women from reaching senior levels of management are already evident at the beginning of their careers. Women set the career progression bar at a lower level than men, leaving a significant gap in career expectations between men and women managers. Women have lower expectations than men of becoming senior managers, and are less ambitious about doing so.

Career clarity Men have greater clarity of career direction. Just over half (52%) of male managers had a fair idea or clear ambition to work in a particular role, compared with 45% of women managers (see figure 2). More women than men had 'little or no idea' what they wanted to do. This lack of clarity was greatest among the under 30s.

Hopes and expectations Women set the bar lower than men in terms of career ambitions and expectations. Far fewer women than men (50% vs 62%) expected to become managers when they embarked on their career. A greater percentage of women did not expect to become a manager (20%

vs 11%), while twice as many women as men did not want to become a manager at all (see figure 3).

Given the long standing focus on gender inequality in the workplace, you might expect younger women to harbour greater ambitions of working in senior management. Yet even among the under 30s, the gender differences remain entrenched, with 45% of men under 30 fully expecting to become managers, but only 30% of women.

Mind the expectation gap

Managers were asked what kind of role they hoped to have at different stages of their careers – after the first ten years, by the time they finished their career, and ten years from the point when they were surveyed. In each scenario, the career ambitions of women managers lagged significantly behind their male counterparts.

Women expected to remain in the same management role for their first ten years in work, or make limited progress. Fewer women than men had ambitions to reach middle management, department head, general management or director level (see figure 4a and 4b).

Women's end-of-career ambitions when starting their careers were also more limited. More women set the limit of their ambitions at middle management or department head,

70%

of male managers have high or quite high levels of self-confidence, compared to 50% of women

Figure 1a: Belief in the glass ceiling, Women

Do you believe there are still barriers to women progressing to top levels of management (a glass ceiling)?

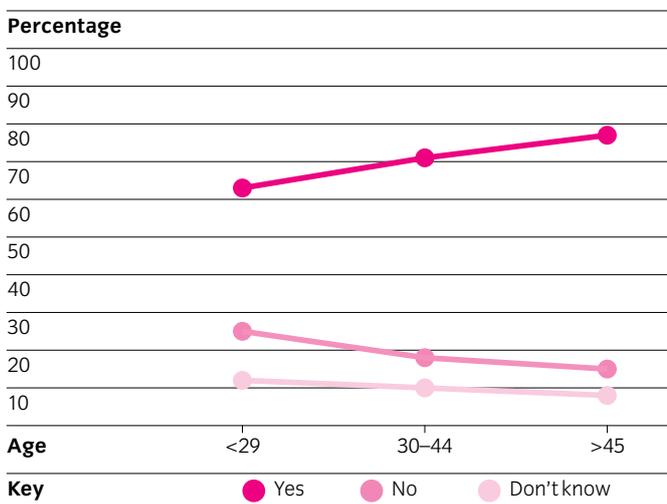
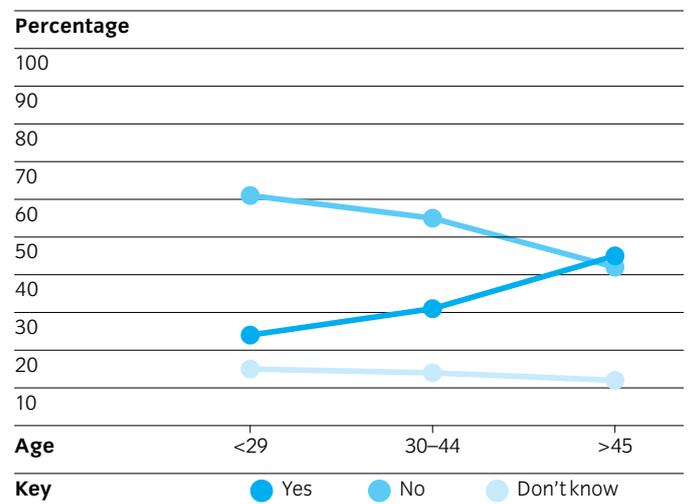


Figure 1b: Belief in the glass ceiling, Men

Do you believe there are still barriers to women progressing to top levels of management (a glass ceiling)?



while more men expected to reach the role of general manager or director.

Younger managers are generally more ambitious than their older colleagues, but we still see a consistent gap in the expectations of young men and women. While 27% of male managers under 30 expect to reach director level within ten years, just 15% of women do.

A crisis of confidence

As well as differences in career ambitions and expectations between men and women, the survey findings reveal a crisis of career confidence among female

managers. Their lower personal confidence and higher levels of self-doubt inevitably combine to create significant barriers to career progression.

We found that men are much more confident than women across all age groups. Some 70% of male managers have high or quite high levels of self-confidence, compared to 50% of women. Half of women managers admit to feelings of self-doubt, compared with only 31% of men (see figure 5).

There is also a strong link between managers' confidence levels and ambition. We found that individuals

with high levels of personal confidence are more likely to have a very clear idea of their career path, as well as greater expectations to 'take on a management or leadership role,' and have these expectations met. Women with low confidence exhibit much lower expectations of reaching a leadership and management role (see figure 6).

Confidence is also linked to achievement. Women with low confidence are least likely to achieve their career ambitions, whereas 40% of highly confident women and men feel they have fulfilled theirs.

The research findings

Figure 2: Clarity over career path

When you started work, did you have a particular career or type of job in mind?

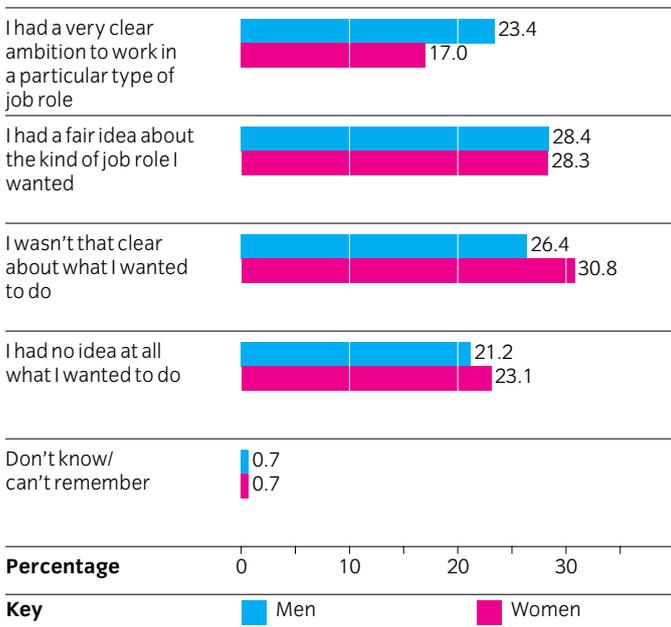
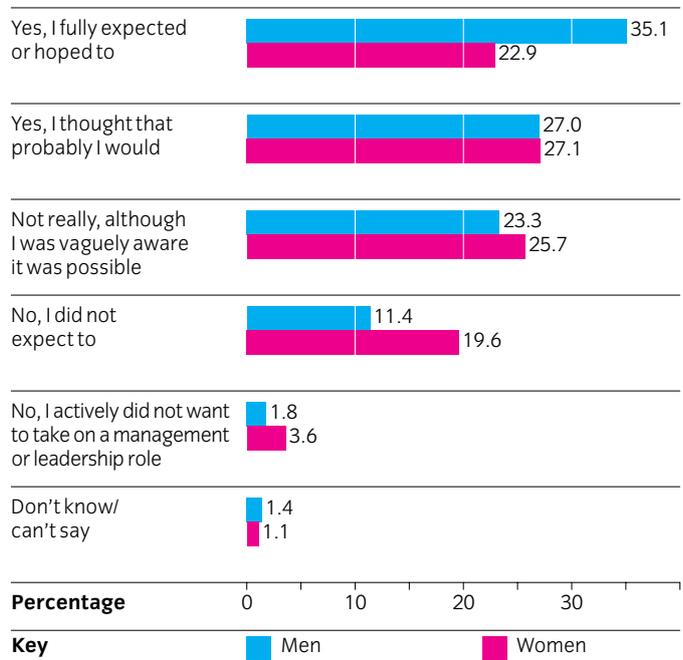


Figure 3: Expectations of reaching a leadership or management level

When you started work, did you expect to take on a management or leadership role?



A risky pitch Climbing the career ladder is a competitive business. It is reasonable to assume that individuals who are reluctant to put themselves forward for promotion are less likely to make it to the top. They will be less visible in their organisations, and gain less interview experience, for instance.

The research shows that women are more cautious than men in

applying for jobs or promotions. Men are more willing to put themselves forward for roles where they don't fully meet the criteria – 20% of men will apply if they only partially meet a job description, compared to 14% of women. Women prefer to play safe – 85% of women would only apply if they met the job description 'fully' or 'pretty well'. This reluctance to put themselves forward for stretching

roles, and thereby miss out on opportunities, is likely to prove career limiting.

Stepping off the career ladder

Issues relating to maternity leave, childcare and work-life balance are still prevalent when investigating career barriers for women. Women are far more likely than men to voluntarily step off the career ladder – and in doing

17%

of women believe that raising or caring for children has presented barriers to career development, compared to 7% of men

Figure 4a: Level of ambition, Men

When you were first appointed to a leadership and management role, what level of management did you aspire or hope to reach within the following ten years?

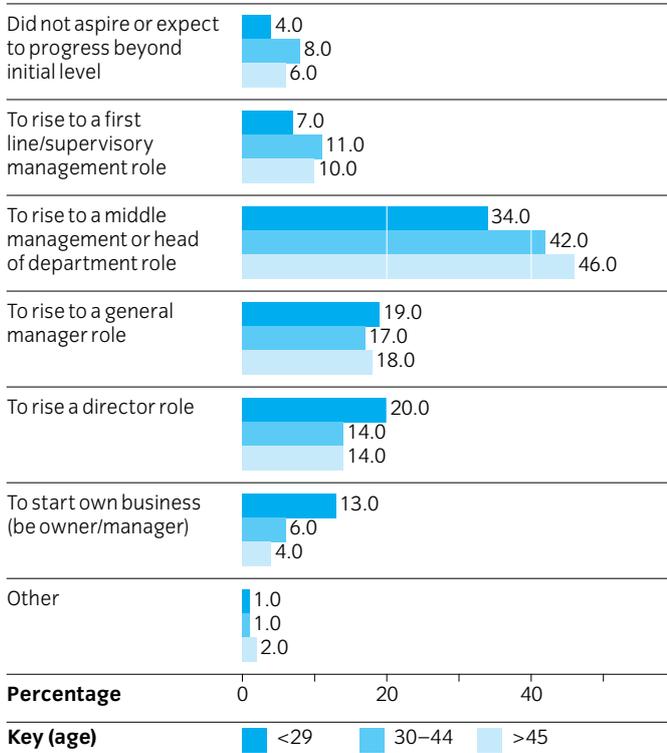
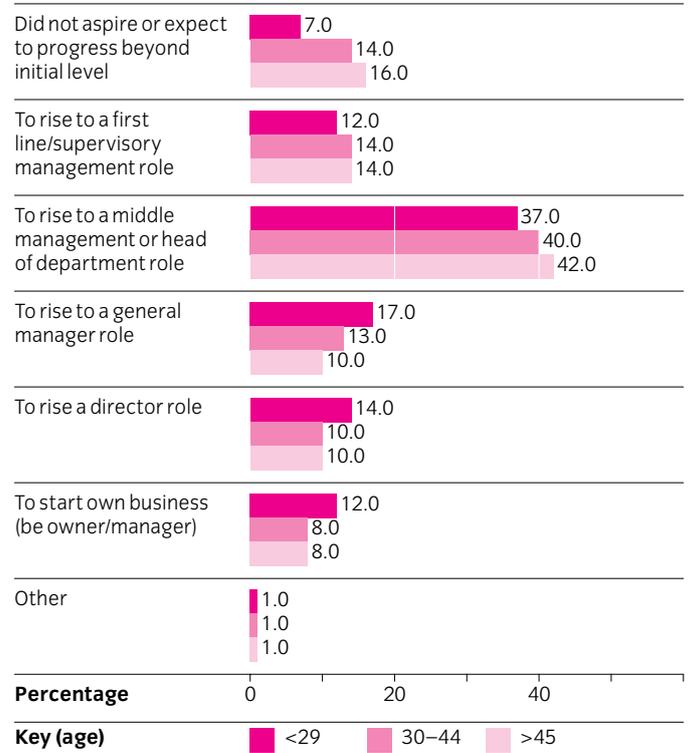


Figure 4b: Level of ambition, Women

When you were first appointed to a leadership and management role, what level of management did you aspire or hope to reach within the following ten years?



so put a halt, temporarily at least, to career advancement.

Work interrupted Men only tend to leave the workforce when they are forced to – through redundancy. Nearly half of men over 45 had been made redundant, compared to just over a quarter of women. Female managers are more likely to make life choices which involve leaving the workplace, whether for

childcare, travel or education. While 42% of women had taken statutory maternity leave, and 21% had left work to care for children beyond this, only 9% of men had taken paternity leave, and 2% had left work to care for children.

A balancing act Having children is far more of a career barrier for women than men. Almost a fifth (17%) of women believe that raising

or caring for children has presented problems or barriers to career development, compared with just 7% of men. Conversely 7% of men feel that having children has been very positive for their career, compared to only 3% of women.

Men clearly find parenthood more compatible with a leadership career than women. The fact that 41% of women managers surveyed

The research findings

24%

of women under 30 expect to start their own business within 10 years

Figure 5: Confidence

How best would you describe your own level of personal confidence?

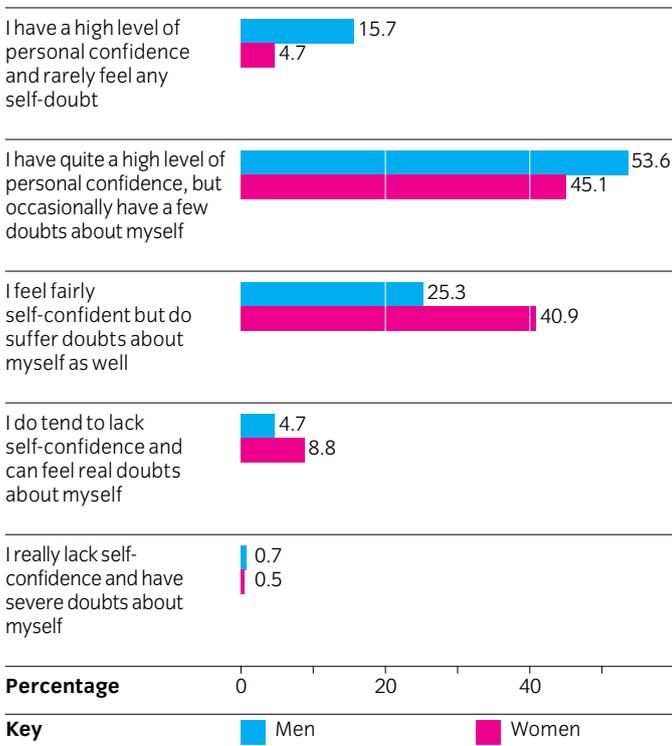
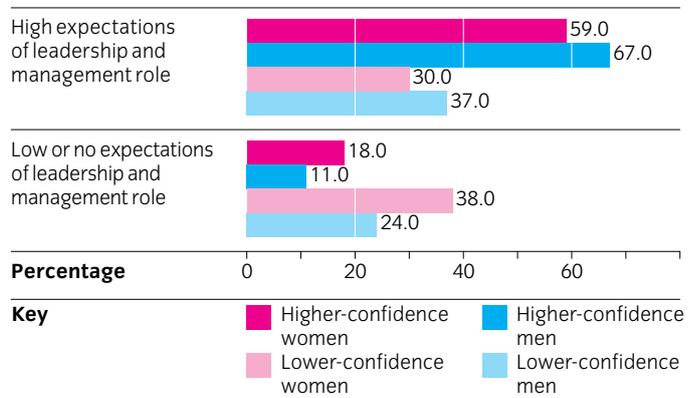


Figure 6: Levels of confidence and expectations of reaching a leadership or management level

When you started work, did you expect to take on a management or leadership role?



are childless, compared to 28% of men, shows the difficult choice facing female managers who aspire to senior positions. The dominant, hierarchical model of a management career rewards time served and 'anytime, anywhere' availability. In many organisations, women managers must choose between adopting a typical male breadwinner approach or opting out of the leadership race.

Taking charge While women display little expectation of becoming senior managers later in their careers, they are more likely than men to aspire to run their own businesses. Younger women starting out on the career ladder are the most entrepreneurially ambitious of all, with 24% of women under 30 expecting to start their own business within 10 years.

This suggests women increasingly see enterprise as offering greater opportunities than employment, perhaps in terms of income but certainly in terms of employment flexibility. But what entrepreneurship gains, organisations lose. There is a real risk for employers that many highly talented women will opt out of a leadership career in favour of starting a business.

Breaking down the barriers

There is plenty of research to suggest that organisations benefit from having a diverse workforce. Yet in this area of diversity at least, organisations still have work to do. Despite a considerable focus on the issue over many years, the statistics show that women are still under represented in senior leadership and management positions.

One way to increase the number of women senior managers would be to impose quotas, whether in the boardroom or at lower levels of management. Some countries, notably Norway, have done this but it is a controversial route to take. ILM's research, for example, shows that while 62% of women and 42% of men would support some form of positive action to redress gender imbalance, there is less appetite for quotas, with 47% of women and just 24% of men in favour of the idea. Among the most experienced managers, we see a more extreme division. Almost two thirds (59%) of women over 45 are in favour of quotas, while 59% of men in the same age bracket are against the idea.

If boardroom quotas are imposed here, it will be an admission of failure for UK leaders. There should be no need to wait for prescriptive legislation. This report highlights how employers can seize the initiative and address the issues that are impeding women's advancement up the career ladder: low ambitions and expectations; a lack of self-belief and confidence; a cautious approach to pursuing career opportunities; and a less than straightforward career path. These are all areas where organisations are able to take the lead and proactively implement solutions to develop and encourage female leadership talent.

Obtaining a senior management position is a highly competitive process. It is a process that plays out throughout an individual's career, from first appointment to retirement. And it is a process in which the positions available are invariably outnumbered by the individuals applying for them.

Taking action

There is a strong case for greater gender diversity at all levels. We know that diverse leadership teams drive financial performance, which is why companies that are serious about realising this competitive advantage should be encouraged to act decisively.

Rather than sitting back and waiting for external legislation, now is the time for employers to set voluntary targets for female representation at board and senior management level, together with a clear plan for meeting them, and to hold people accountable for delivering against these targets. At the same time, senior leaders need to take accountability for building an effective talent pipeline, and make it a commercial priority to proactively identify, develop and promote high potential leaders of both sexes. This report highlights several important areas which organisations can address in order to achieve a better gender balance and the many commercial benefits this will bring.

Coaching confidence Our research indicates that women managers are less confident than men, and less ambitious about career progression – in spite of equal access to training and development opportunities. Whether these psychological differences are a cause or an effect of gender imbalance, there is a clear opportunity for employers to prioritise the development of these key attributes in female managers.

This calls for leadership development approaches which can flex to meet the varying needs of individual managers, including the likely difference between genders in confidence and ambition. Coaching stands out as an ideally flexible solution here, which can naturally be tailored to the more emotional aspects of leadership development. Whether delivered via external coaches or through one-to-one sessions with a trained and qualified manager, the support that can be provided in these relationships is a powerful way to build managers' self-belief, crystallise career ambitions and encourage them to take measured risks.

Role models and mentors The lack of visibility of senior women can only have a negative impact on career ambition and expectations, and heighten the perception of risk involved in operating at a

Breaking down the barriers

47%

of women are in favour of the introduction of quotas to increase the number of women at board level, compared to 24% of men

senior level. Employers can benefit from raising the profile, voice and visibility of successful women leaders across the organisation as a whole through internal communications, networking and development events, and leveraging their experience to help nurture other women managers.

Mentoring programmes also have an important role to play in raising women managers' aspirations and self-confidence, and driving their leadership development. Employers should look to identify successful leaders of both sexes to serve as mentors to female managers and provide advice and encouragement based on their own experience, helping them build networks and encouraging them to seize career opportunities.

Talent management We know that women are more hesitant than men when applying for new positions. While men are willing to take greater risks when applying for stretching jobs, women are more risk averse, preferring to apply for roles where they are satisfied they meet the job description.

To counteract this, organisations should consider structuring their talent management systems to ensure that the most talented individuals – including women managers – are proactively identified and encouraged to apply

62%

of women support positive action to increase the number of women in senior positions, compared to 42% of men

for leadership positions. Open advertising for internal positions may not necessarily produce the best person for a role. Personalised development and support programmes for these pre-selected employees can help women set more ambitious goals and stretch assignments, and support and encourage greater risk taking.

Flexible attitudes Women are far more likely than men to leave the career ladder in order to raise families, pursue education and tackle other interests. This often capsizes women's careers and places them at a disadvantage when chasing senior leadership and management positions.

An emphasis on 'anytime, anywhere' availability and linear career paths is clearly not compatible with the roles many people with family demands are likely to pursue. Flexible working and work-life balance policies have a huge part to play in helping women align a more fragmented career route with senior management responsibilities.

Rethinking recruitment and selection In the long term, though, gender equality calls for a more fundamental reassessment and rewiring of work and the workplace. We need to move away from the traditional ideal of the hierarchical, male breadwinner leadership

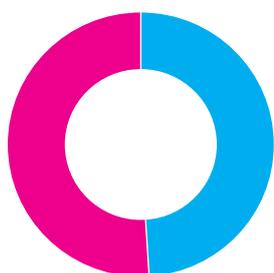
career, and its focus on time served and 'anytime, anywhere' availability.

This means evolving recruitment and selection practices, with both consultants and employers being encouraged to take more risks, in the short term at least, by widening the net beyond their usual channels. When recruiting for top jobs, headhunters should be challenged to deliver an equal number of male and female candidates. At the same time employers should challenge themselves to recruit on skills, talent and potential, over and above experience.

Ambition and gender: methodology

This online survey was conducted during the last three weeks of December 2010 and the first week of January 2011 among ILM members. All ILM members were invited to take part, of whom 2,960 practising leaders and managers responded, almost equally divided between men (49%) and women (51%).

Figure 7: Gender of respondents



Key

Male 49%

Female 51%

Total sample 2960

The invitation to the survey did not indicate its purpose, other than that it was about career aspirations. Questions that indicated that we were interested in the effect of gender on respondents' careers were delayed, to avoid biasing responses. In particular, we were keen that men should answer questions that are more often directed towards women (especially about family and childcare responsibilities, and the effect of gender on their careers).

The sample had an average age of 43 (44 for men, 42 for women), distributed more or less normally across the ages and broadly reflecting the UK manager population from which it was drawn. On average, the managers in the sample had 10.3 years' experience of management (again,

fairly normally distributed between 'less than a year's experience' and 'over 40 years' experience'), but with a significant difference between men (13 years) and women (8 years). Allowing for the two year difference in their average ages, women seem to go into management about three years later than men, at age 34 compared to 31 for men.

All the major industry groups were represented in the sample, although there was some over-representation from those that are predominantly in the public sector, especially among women. However, comparisons between the different sectors showed no significant variations in the responses from managers in the different sectors in most of the areas explored.

About ILM

The Institute of Leadership & Management (ILM) is Europe's leading management organisation. We partner with individuals and organisations to help them fulfil their potential and achieve success.

With a broad range of industry-leading qualifications, membership services and learning resources, ILM provides flexible development solutions that can be blended to meet the specific needs of employers and learners. We also undertake a rolling programme of original research to contribute to our understanding of global leadership and management practice. This ensures our products are benchmarked against best practice standards and easily tailored to the economic, social and cultural context of individual organisations and their operating environment.

All ILM programmes are built on in-depth research and carefully conceived to meet the skills requirements of the industries and professions in which they are used. ILM's membership packages are tailored to deliver comprehensive career-long support, development and recognition to leaders and managers at all levels.

We operate internationally, improving leadership and management skills, knowledge and performance across all sectors, from financial services to the armed forces.

www.i-l-m.com



**For more information
contact Lauren Franze**

T +44 (0)20 7294 3054
E lauren.franze@i-l-m.com

Institute of Leadership
& Management
1 Giltspur Street
London EC1A 9DD

www.i-l-m.com

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