

Vitality

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Gender Inequality in the Workplace

Women still face a gender bias – especially in the workforce. Despite the best efforts of companies to promote diversity and equality, women still dominate the lower paying administrative ranks while men continue to dominate at the executive level. This inequality is hurting corporate performance.

Women have made astonishing gains in the last 50 years, shattering gender barriers in all aspects of life. More young women are choosing careers in traditionally male-dominated fields such as engineering, the trades, and technology. They are running for political office, starting their own businesses, and blasting into space, and they no longer have to choose between marriage and family or high powered careers. Today's women want it all – like their male counterparts. And a few are succeeding – but only a few.

Despite the fact that women continue to flood into the workforce and break down gender barriers, they also continue to be under-represented in senior roles. This despite studies showing companies perform better when women are part of leadership teams.



The current situation

Despite the great gains, there is still gender inequality in the Canadian workforce. Women continue to earn less than their male counterparts and although the gender wage gap in Canada is lower than in many other countries, that gap has barely changed since the mid-1990s. When executive leadership teams are examined, few female faces are found. It's worse in the boardroom. Forty percent of the Top 500 Canadian companies do not have a single woman on their Boards¹ and 95.4 percent of Fortune 500 CEOs are men².

Although women now make up 48 percent of the employed labour force in Canada³, just 0.32 percent — 26,000 of more than eight million working women⁴ — held senior management positions in 2009. At that same time, of the 8.8 million men in Canada's workforce, 56,200, or 0.62 per cent, reached the executive ranks. Between 1987 and 2009 (the last time Statistics Canada reviewed workforce demographics), the proportion of women in middle management increased by just four percent. At this pace, the Conference Board of Canada predicts it will be 151 years⁵ until we see gender equality in the senior management ranks. Many economists say Canada can't wait that long.

The future face of business

Companies succeed or fail on the level of innovation, talent, and engagement of their employees. They need to attract – and retain – highly skilled workers in a wide variety of fields. As the huge Baby Boomer generation leaves the workforce in the millions, companies are scrambling to hire and retain the best and brightest of Generation Y (also known as the Millennials). Born between 1980 and 1995, Gen Ys will comprise 75 percent of the global workforce by 2025.¹⁰ This generation, and the upcoming Generation Z, are very different from their older cousins. Although they may be technologically brilliant and ready to make their mark, they want to work for organizations that demonstrate ethics, equality, diversity, and social responsibility. To them, actions speak louder than words and they want to see both cultural and gender equality.¹¹ Therefore, having women in prominent

roles gives businesses an advantage in tough labour markets by attracting highly educated, innovative young talent of both genders.

Why the disparity?

It's true that women have made tremendous gains in the ranks of lower and middle management over the past 30 years, but the number of females reaching top positions has remained small.¹² Women seem to advance only so far before hitting an invisible barrier – a glass ceiling. Why is this? The reasons are numerous and complex, but include the following.

1. Gender roles

In many business cultures employees are not just promoted for performance. Putting in long hours is often necessary in order to demonstrate commitment and ambition. Some roles require extensive business travel, and in some fields, working in various roles in different national and international locations is the preferred path to promotion. These requirements put many women at a great disadvantage. Their spouses may be on their own career track and be unwilling to relocate every few years, and while men contribute more to housework and childcare than they did 25 years ago, their contribution is still far below that of women. Females continue to be the primary caregivers and cannot devote 16 hours a day, seven days a week to the company. As a result, women tend to be sidetracked to, or are forced to opt for, roles that allow them to accommodate family responsibilities.¹³

2. Gender bias

While outright discrimination towards women may not be part of today's business world, there are "second generation gender biases." Unlike first generation gender biases that were intentional acts of discrimination, second generation gender biases are "powerful yet often invisible barriers to women's advancement that arise from cultural beliefs about gender, as well as workplace structures, practices, and patterns of interactions that inadvertently favour men."¹⁴

For example, effective leaders are deemed to be confident, assertive and strong – mostly masculine

attributes. Yet when women act this way, they can be viewed as aggressive, abrasive, and uncaring. If a woman leader demonstrates more female attributes, and is collaborative, empathic and nurturing, she's often considered lacking in leadership skills. It's a no-win situation.¹⁵

Women are also perceived as being less ambitious than men because of their focus on family responsibilities. Yet research by Catalyst revealed that there is very little difference when men and women are aspiring for leadership roles in a company.

3. Confidence

Recent research has pointed to another factor that holds women back – a lack of confidence. A 2003 study involving men and women with MBAs found that while the majority of women saw themselves as equally capable as their colleagues, the majority of men considered themselves more capable than their counterparts.¹⁶

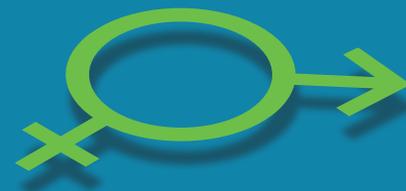
Promoting Gender Equality

So what can your company do? Many companies are undertaking various strategies that include:

- **Getting buy-in from the top.** No major cultural shift will happen unless senior leaders want it to happen. Their endorsement will ensure more women are included in succession planning, talent management, management programs, and the boardroom.¹⁷
- **Creating inclusive work environments.** For the last decade, young women have been encouraged to enter male-dominated fields—engineering and high technology in particular. Many highly educated young women responded – only to leave the fields several years later, never to return. A Harvard Business Review study from 2008 found that as many as 50 percent of women working in science, engineering and technology will, over time, leave because of a “hostile male culture, a sense of isolation and lack of a clear career path”. An updated study in 2014 found nothing had changed. To attract and retain talented workers of both genders and all backgrounds, companies must not only say they're inclusive, they must be inclusive.

The business case for gender diversity

A 2007 report found that companies with women in senior roles are far more



successful than those who do not. They have a 10 percent higher Return on Equity, a 48 percent higher operating result and an astonishing 70 percent greater stock price growth⁶. Having at least one woman on the Board of Directors decreases the chance of bankruptcy by a full 20 percent!⁷

That's because diversity at the top allows a company to fully meet the needs of Canada's consumers. In North America it is women who make, or decide, 85 percent of all consumer purchases, including cars, and globally women control at least 64 percent of consumer spending⁸. A company led entirely by men may fail to understand the needs and perspectives of most buyers, and this can severely limit growth in both national and international markets.

In addition, women leaders have a positive effect on corporate culture. Companies with more women on their Boards see better corporate governance and have a reputation for ethical behaviour.⁹

- **Diversity training.** Employees, middle managers, and senior leaders of both genders should be educated about the business advantages of gender equality.¹⁸ Catalyst found that the higher men’s awareness of gender inequality, and the business need to improve it, the more they supported it. Training can also help dispel gender stereotypes and biases.
- **Identifying talent and offering leadership programs.** To get more women into the talent pipeline, strategies and action plans that are customized for a company’s culture and business objectives need to be created. Leadership programs could include formal learning sessions, coaching by executives, advisory forums, workshops, and peer networking.¹⁹
- **Providing mentorship and coaching.** Strong, successful female leaders can inspire and help recruit ambitious young women. Coaching by successful male executives is also helpful. Providing formal mentorship to female employees demonstrates a company’s commitment to gender equality and sends a message of instilling this value throughout the business.²⁰
- **Embracing career flexibility.** Women are more likely to have non-linear career paths, taking time off for maternity leaves, or choosing jobs that don’t take them away from home for long periods. Senior management needs to be understanding of women’s needs and chosen career paths.²¹
- **Measuring progress.** Reasonable and achievable targets need to be set and progress needs to be monitored using metrics.²² This allows continual improvements to be made throughout the organization and strategies adapted to meet changing business and employee needs.

Going forward

Over the past few decades, organizations in most sectors have done an admirable job of embracing cultural diversity and gender equality. Today this is reflected in the ranks of junior and middle management. However, the business leadership and boardrooms of Canada are still overwhelming occupied by white males. At a time when consumers – especially younger consumers – expect greater corporate accountability, a lack of diversity at the executive level can have a serious impact on a company’s reputation, market share, and future growth. Businesses that continue to ignore gender equality do so at their own peril.

1. Conference Board of Canada. The Business Case for Women on Boards.	9. Commonwealth Secretariat: Gender Differences in Leadership Styles and the Impact Within Corporate Boards	17. American Psychological Association
2. Harvard Business Review	10. Deloitte Millennial Survey	18. American Psychological Association
3. Statistics Canada. Portrait of Canada's Labour Force. National Household Survey 2011.	11. Deloitte Millennial Survey	19. American Psychological Association
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7. Commonwealth Secretariat: Gender Differences in Leadership Styles and the Impact Within Corporate Boards	15. Harvard Business Review	
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