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# The gender gap



By [Zoe McKay](#)

**INSEAD Professor Herminia Ibarra, co-author of a World Economic Forum report, sheds light on where different countries stand on the issue of gender equality in the corporate world and why women are still facing barriers to attain both the highest echelons and "mission critical" roles.**

With unprecedented numbers of women entering higher education on an equal par with their male counterparts, perhaps the "Second Sex," as Simone de Beauvoir deemed women, can finally claim they have arrived on equal footing in a man's world. But not so fast. If the number of women entering higher education has increased so much, how come so few of them are making it into the executive suites and boardrooms five or ten years after receiving that MBA and a handshake?

Half a century after de Beauvoir and Betty Friedan decried that women were victims of a system that made them feel inferior in most domains outside their homes, a recent World Economic Forum [report](#) shows that large discrepancies still exist.



INSEAD Professor [Herminia Ibarra](#), co-author of the WEF report, throws some light on exactly where different countries stand on the issue of gender equality in the corporate world and why women are still facing barriers to attain both the highest echelons and “mission critical” roles at all.

“We do see women entering the workforce at unprecedented levels but the fact is that there are two gaps that really remain. One is the pay gap ... and what is even more astonishing or disturbing is that we see it in cases where there really are equal credentials and equal background,” comments Ibarra. “The other is the leadership gap and no matter how you measure it, or where you measure it, you have women at the entrance level in pretty healthy numbers, then ... those numbers dwindle, they start getting smaller in the middle and when you look at the top, there are very few places where you see more than 13 to 15 per cent of women at the executive level.”

Indeed, a recent study looking at graduates of 25 top business schools, including INSEAD, showed that right out of an MBA programme, there is already a pay gap of US\$4,600 between male and female graduates. “And that is holding constant for first post-MBA positions, experience, geography and for industry - and industry is an important one because women and men tend to enter different industries and hold different kinds of jobs. But holding all that equal, there still remains a pay gap” continues Ibarra.

But if women are considered as competent as, and sometimes even more qualified than, men, why aren't they getting the top jobs? “The answer is complicated”, says Ibarra. “I think it's pretty safe to say that when it comes to large multinational organisations the days of explicit sexual discrimination are by and large over, but what remains are pretty subtle biases ... and those have proven more intractable simply because you can't dictate them away with a policy or a practice ... ”

In her recent research Ibarra has identified three areas in which she feels there are still major obstacles stopping women from moving up the corporate ladder in greater numbers.

“The first has to do with assignments that people get, and particularly in assignments that they get mid-career, where they are given their chance or not to make their mark ... Who's got the critical assignments? Who's in the strategic roles ... those pivotal jobs that end up being stepping-stones to the top? Here we often see a very different allocation of these roles to men and to women, for a variety of different reasons, but the fact remains so.”

“The second has to do with mentoring and sponsorship. We have known for years that mentors play a critical role in helping people navigate an organisation and get the career advice they need. Today women are just as likely as men to have mentors. The problem is that men's mentors tend to be

higher placed, are more likely to be CEOs and senior executives, and are more likely to get them promoted than women's. What we saw in our study is that having a mentor in 2008 in this population of MBA graduates, was predictive of getting a promotion in 2010, but only for the men. Women's mentors were helping them learn more about themselves, become more self-aware, develop themselves further and even get lateral moves, but men's mentors were banging on the table insisting that they be promoted."

The third obstacle is what she calls the 'vision thing'. This has to do with how subtle biases sneak into assessments about who has the potential to be effective at the senior executive level. Simply put, a woman executive's past performance is often not considered evidence of likely future performance, especially at executive levels where more 'intangible' leadership qualities are prized.

Evidence of this hurdle comes from a study here at INSEAD, where executive education participants are assessed on a 360 degree leadership assessment that measures a range of capacities including 'emotional intelligence' and 'rewarding and empowering teams.'

"Our research showed that the women executives who attended our programmes were rated higher than their male peers most of the competencies. But, there was one very notable exception," notes Ibarra. "The women were rated lower -- by men observers only -- on a dimension called envisioning." This has to do with "the ability to sense trends in the external environment, setting the organisation's strategic direction, and communicating in a compelling way."

Ibarra underlines that although this was just one of 10 dimensions that were measured, it is probably the most critical in assessing leadership potential. To the extent that women are perceived as competent operationally but not visionary in outlook, they may be passed up for senior roles.

It would appear that the record entry of women into the corporate world and the recruitment efforts themselves are new, but the corporate structure is somewhat ossified, if not out of touch.

Ibarra also holds that women in the workforce at some point encounter the fact that these are organisations, systems and structures that were designed a long time ago by men with men in mind. "We are going to have to start figuring out how to make our organisations more flexible, more modern,

more innovative so that they actually work for today's workforce. "

"The issue is that women tend to have their children when organisations are making their decisions about who has potential to move into the highest levels... For highly educated women, that age is increasing from mid-thirties to early-forties, which is precisely when organisations are making their bets about who has got potential. A lot of time those bets depend upon who is ready, willing and able to give their all for the organisation. That is a hard thing to do when you are also trying to start a family and when, by the way, women still shoulder the larger share of household responsibility ... I think the issue is how do we design our organisations such that showing one's commitment to an organisation and showing commitment to one's career, isn't dependent on ones ability to work 24/7 at age 35."

But why should companies aim for more gender equality in their ranks? Does it make any difference to their performance? "If half the educated workforce is female, and in many countries it is going to be more than half, (if you look at the projections for the OECD countries pretty soon it is going to be 70 per cent of women coming out of higher education) ... just looking at those numbers, how can you compete with one arm tied behind your back?" she wonders, referring to corporations that don't take advantage of the talents of their entire workforce.

"Apart from that, there have been lots of studies showing a correlation between the representation of women and the corporate performance at a financial level."

"Most likely what you have is a situation where companies that are quite well managed have more women at all levels and are also performing better compared to their counterparts ... but if you look at the studies that are a bit more in depth - what you start to see is that diversity, and in particular, intellectual diversity ... is correlated with greater creativity, a more effective decision-making process and more innovation, and that is really where the argument is. In today's day and age, if you don't have creativity and innovation you just don't compete."

Herminia Ibarra is the Cora Chaired Professor of Leadership and Learning, Professor of Organisational Behaviour, and Faculty Director of the INSEAD Leadership Initiative.

*This article was written by Zoe McKay based on an interview for INSEAD Knowledge.*

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