True parity in the workplace is still a distant goal. INSEAD faculty outline why women aren’t advancing and the role gender stereotypes play.

Despite women comprising nearly half of the global workforce, only around 32 percent occupy senior leadership roles (director, vice-president or C-suite), according to the Global Gender Gap Report 2023 from the World Economic Forum. Leveraging LinkedIn data from 163 countries, the report reveals that in C-suite positions, women's representation drops to just 25 percent.

Meanwhile, in corporate America and Canada, representation of women in the C-suite has reached the highest level recorded so far – 28 percent – as per the recent Women in the Workplace study by Lean In and McKinsey. Although these gains are cause for modest celebration, the road to workplace equality remains considerably long.

As outlined in the study, women, especially women of colour, face their biggest hurdle at the first step up to managerial roles. Due to the gender
imbalance in initial promotions, men end up occupying 60 percent of manager-level positions in a typical company. With fewer women promoted to senior managerial roles, the number of women further diminishes at higher levels within the organisation.

While there is considerable focus on the “glass ceiling”, it appears that women encounter significant career barriers long before reaching top leadership positions. So, what is impeding the progress of women, and how can we remove some of these roadblocks?

Why women aren’t advancing up the ladder

Alexandra Roulet, Assistant Professor of Economics

While efforts to promote gender parity at the top seem to be paying off, similar progress is lacking at the middle-management level due to the absence of regulations and strong actions.

The issue of women not advancing into managerial roles raises a difficult question: Is it propelled by labour demand or labour supply? Some of it stems from employer behaviour, such as not promoting women or penalising them for maternity leave, and companies need policies to address this. However, some of it also stems from labour supply, meaning the job choices men and women make.

Research shows that men and women with similar education and characteristics do not always make the same choices when faced with job offers. Men often prioritise the highest-paying offer, while women consider non-wage aspects like job proximity to home, flexible hours or remote work. In my recent research, I found that women are more willing than men to accept slightly lower wages for a shorter commute.

Understanding why men and women make these different choices isn't straightforward. Is it due to genuine differences in preferences, or are women constrained by responsibilities like caregiving at home? The answer is not always black and white and may be a combination of factors. Addressing this pattern requires changes in societal norms, not just policy changes.

My research on the evolution of the gender wage gap in France over time also provides interesting insights. Like many other European countries,
France has made significant progress in reducing the gender wage gap over the past two decades. When comparing men and women in the same occupation within the same firm, the wage gap is now around 5 percent. This is significantly lower than the overall gender wage gap in France, which is close to 25 percent when considering the annual earnings of all men and women, and 12 percent when focusing on those working full-time.

This broader gender wage gap is not so much due to men and women in the same company being paid differently, but more to them working in different types of firms. Men generally gravitate towards firms with competitive pay policies, while women tend to prioritise other characteristics. However, this segregation of men and women into different firms has decreased over time, contributing to a 20 percent reduction in the gender wage gap over the past two decades – an encouraging sign of progress.

The role gender stereotypes play

Asher Lawson, Assistant Professor of Decision Sciences

Gender stereotypes associate men, but not women, with achievement-oriented, agentic traits, such as being assertive and decisive. In top leadership positions where these traits are seen as essential to success, these subconscious beliefs can create the expectation that men will be better suited to these roles than women.

As performance in most roles contains some subjective element, such stereotypes can influence how women’s performance is evaluated, even when they are already in top leadership roles. As such, these stereotypes present a key barrier both to women entering such roles and to receiving credit for their work when they have attained these positions.

Women’s representation in senior leadership positions is often seen as an outcome, and the emphasis is placed on how best to achieve it. However, female representation can also be a way to attain future progress by changing these stereotypes.

In my recent research, my co-authors and I tested the effects of hiring women into CEO and board-level roles on how gender stereotypes are expressed in language within the organisation. Would these appointments lead to women being seen more positively, and more closely tied to leadership-oriented traits? Or could it be that despite entering these roles, women are still not associated with the corresponding traits?
One further concern is the well-documented warmth-competency trade-off, where women, and not men, are seen as either warm and likeable or competent. Given that successful leadership requires both qualities, this is a steep mountain to climb.

In our analysis of the largest companies in the United States over a ten-year period, we found that appointing women to senior leadership roles leads to them being more closely associated with leadership-oriented traits, without negatively affecting their likeability.

Critically, companies that changed their language more positively in response to hiring women to their boards were also more likely to hire additional women to senior roles in the future. In other words, by changing pernicious gender stereotypes, female representation has the potential to initiate a virtuous cycle that leads to real and lasting cultural change.

Find article at
https://knowledge.insead.edu/career/biggest-barriers-women-face-path-senior-leadership

About the author(s)

Alexandra Roulet is an Assistant Professor of Economics at INSEAD and a CEPR Research Affiliate.

Asher Lawson is an Assistant Professor of Decision Sciences at INSEAD.

About the series

Gender Initiative

The INSEAD Gender Initiative produces and promotes cutting-edge social science research to transform practice and policy.

Its goal is to challenge tired assumptions and to provide evidence-based practical insights for current and future leaders looking to advance diversity and inclusion in their organisations.