

A Comparison of the Career Attainments of Men and Women Healthcare Executives

Executive Summary



CEO Circle White Paper
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Background

Women have made some progress in entering the managerial ranks of U.S. healthcare organizations in recent years, but not the highest levels. For example, the proportion of women executives in ACHE's membership increased from 13 percent in 1983 to 36 percent in 2001. However, the proportion of women who hold top management positions compared with men who do so increased only slightly during the last decade.

In 1990, a group of ACHE's men and women affiliates was surveyed regarding career attainments. The findings showed that 59 percent of men and 35 percent of women achieved CEO or COO/executive

vice president positions. By 1995, the gap had narrowed somewhat, with 45 percent of men and 30 percent of women reporting that they held high-level positions. Over the next five years, however, virtually no change occurred: In 2000, 44 percent of men vs. 27 percent of women reported having achieved high-level positions. (ACHE, 2001)

This CEO white paper focuses on the most recent survey conducted by ACHE to compare the career attainments of men and women healthcare executives. As in previous studies, we controlled for education and the number of years that had passed since individuals took their first position in the field.

Major Findings

Position: Even though both gender groups could ascend the organizational hierarchy, about 11 percent of women healthcare executives, compared with 25 percent of men, had achieved CEO positions.

A higher proportion of men, 62 percent, work in general management, compared with 46 percent of women. Women are more involved than men in specialized management areas, including nursing services (10 percent of women vs. 0 percent of men), planning, marketing, quality assurance, (17 percent of women vs. 11 percent of men) and the continuum of care (ambulatory, home, and long-term care) (7 percent of women vs. 4 percent of men).

Salary: Though they had attained equal levels of education and experience, in 2000, women reported an average annual salary of \$84,900, and men reported an average salary of \$104,300. Thus, women earned \$19,400 less than men did, or 19 percent less overall. This represents a gap comparable to the 1990 and 1995 findings, where women with similar characteristics earned 18 and 17 percent less, respectively, than men did.

For every position level surveyed, women respondents earned less than men. The differences were most pronounced at the senior executive levels—i.e., CEO and COO/executive vice president.

Satisfaction: Despite the salary differences, 70 percent of women, vs. 79 percent of men, were satisfied or very satisfied with their compensation compared with others in their organization at the same level.

In general, women and men express similar high levels of satisfaction with their positions; overall, 78 percent of women and 81 percent of men are satisfied or very satisfied.

Discrimination: Twenty percent of women respondents, compared with 7 percent of the men, said they had failed to be promoted because of gender.

Twenty-three percent of women, compared with 6 percent of men, said that they experienced sexual harassment in the workplace in the past five years.

Aspirations: Sixty-one percent of women respondents, compared with 64 percent of men, said they aspire to a higher-level position in their current organization.

One-third of the women respondents, compared with two-thirds of the men, said they wanted to be a CEO in the next 15 years.

Fifty-seven percent of women, compared with 73 percent of men, said they had been willing to relocate to obtain a better position.

These findings, which are similar to those discovered in earlier studies, suggest that women with similar levels of education and experience lag behind men in their career attainments. We attempted to account for these differences using four types of explanations—education and experience, work/family conflicts, institutional factors, and career aspirations. We also considered attitude differences observed between women and men about whether or not special efforts should be made to promote women to upper-level management positions.

Explanations for the Disparities and Recommendations for CEOs

In trying to account for women's lesser career attainments, four explanations are put forward. We will highlight the findings from each explanation and suggest how you can help resolve any disparities in your organization.

1. Education and Experience

More men than women majored in health-care management (59 percent vs. 53 percent); women more than men had clinical backgrounds (56 percent vs. 30 percent). Women have spent fewer years in management positions after receiving a master's degree than men have (11 years vs. 13 years).

Here's what two of our respondents wrote about their clinical backgrounds:

In my organization, females are not considered to be as capable as males. Our board of trustees has only appointed three females in its history, the first appointment was only 10 years ago. I am also a nurse, and that further enhances the belief of my being less capable to manage physicians, finances, etc.

Females initially trained in clinical areas are not considered for advancement to executive levels, regardless of academic advancement. I am a healthcare executive who happens to be a pharmacist. It has been my observation that a pharmacist with an MBA or an MHA rarely advances. I thought I could be an exception when I got my MSHA from the University of Colorado Executive Program in Health Care Administration. To this point, I have been wrong.

Recommendations for CEOs:

- Encourage women who do not have a management background to attend

educational programs that can round out their on-the-job experience. Consider this training for men without such a background as well. University certificate programs and professional development programs offered by ACHE and other professional societies should be considered.

- Consider assisting those without master's degrees to pursue graduate degrees in healthcare management.

More women (87 percent) than men (72 percent) began their healthcare management careers at the department head or department staff level instead of at the vice president or higher level. Comparing first job to current job in the same employing firm showed that 29 percent of men and 17 percent of women were promoted from vice president to COO or CEO positions.

One female respondent lamented that so many women begin their careers in management similarly:

Women tend to be "slotted" for public relations and for human resources. It is very infrequent that they are afforded opportunities to be decision makers for the organization—mainly their purview is smaller scale and departmental. Physicians tend to be less receptive to working with or addressing issues with women, especially older, established physicians.

Recommendations for CEOs:

- Implement job rotation programs—especially for early careerists—to provide needed experience comparable to that provided by the residency.
- Establish a formal mentoring program.

- Track promotions in your organization and benchmark the number and percentage of women senior managers in your organization with other organizations, to the extent possible.

2. Work/Family Conflicts

Women who have children typically serve as their primary caregiver (35 percent of women vs. 2 percent of men) and have more often yielded their own career progression to the career opportunities offered to their spouses. Career interruptions of three or more months did not, however, markedly diminish women's salaries when compared with women with uninterrupted careers.

Women in healthcare work as many hours as men (50 per week on site) and spend as many nights away from home (10 per year) without their spouse, partner, or family.

Two women respondents wrote that they felt their personal choices to have a family or take time away from their careers negatively affected them. They were, however, accepting of the outcome:

Taking time out to raise a family and changing careers have impacted both my advancement and compensation level. Looking back, I would do the same again because I strongly value family and my education. It was a personal choice to be home with my children and to change careers, and I am willing to accept the consequences.

My gender has affected my career progression over last five years because I made conscious decisions to concentrate on my spouse's and children's needs over my career. I felt I had to be more available to them. I don't regret my decision. I do get upset when others

make value judgments about the negative impact this may/may not have on my career.

Recommendations for CEOs:

- Reassess your personnel policies and identify and amend those that penalize individuals for fulfilling their family/caregiver responsibilities or for using flexible work arrangements.
- Encourage all employees—especially those with family responsibilities—to exercise those rights afforded them.
- Teach managers who have family responsibilities and are in the early stages of their careers about how to juggle work and home life needs.

3. Institutional Factors

Men and women report that their organizations have similar policies relative to supporting family responsibilities, such as flexible arrival and departure times, reduced work schedules, and so forth. However, women work in organizations offering telecommuting, leaves, and sabbaticals more than men do.

The lack of available work/life support in some organizations takes a heavy toll on women with children:

I struggle, like I'm sure many other women do, with balancing career and family. I don't believe my children will suffer from my job responsibilities; however, the load has taken its toll on me. I have turned down opportunities due to family responsibilities. I wish the healthcare environment would be more open and supportive of child care issues. Day care subsidies and sick child care would be tremendous! I believe my advancement potential has slowed due to family obligations I must consider now. This is not problematic for

me; however, I hope that I don't find myself regretting my choices in the future!

Recommendation for CEOs:

- Adapt workplace requirements for managers that enable their functions to be fulfilled on site and off site.

Men continue to interact informally with other executives to a greater extent than women do. For example, 58 percent of men compared with 39 percent of women have lunch with other managers at least monthly. Two-thirds of women, compared with 20 percent of men, believe that excluding women from informal networks of communication is detrimental to women's advancement in their current organization.

For example, one female executive discussed her feelings of social isolation:

Many of the meetings still appear to be an "old boys" network. At these meetings, I am often the only female, and this sometimes is problematic. Someone will say, "Can't tell the story because we're in mixed company." Many times conversation surrounds recent sporting events, and men "assume" I can't or won't enjoy participation. Many times men seem reluctant to discuss personal issues such as family, kids, etc. I find once I engage them in such discussions there is an eager and genuine response.

Recommendations for CEOs:

- Encourage women managers to begin to build relationships by offering to discuss business topics at lunch meetings and other informal activities.

Between 1995 and 2000, 43 percent of women said they failed to receive fair

compensation because of gender; while 3 percent of men believed this happened to them. During this period, 23 percent of women and 6 percent of men experienced sexual harassment, rates representing a decline from the 29 percent rate for women and a slight increase from 5 percent for men reported in 1995.

Some female executives voiced their view that compared with men, they are given less respect. For example:

There is still the perception that men have greater credibility and women managers must work harder for respect as professionals. The medical staff is much less respectful of women administrators and behave unprofessionally toward women administrators (make derogatory comments) much more than toward men administrators.

Recommendations for CEOs:

- Keep a record of the extent to which women managers have opportunities for visibility with senior management and the board.
- Bring women to high-level meetings and have them present to these groups.
- Identify and communicate skill and knowledge criteria for advancement within your organization, and institute formal succession planning.
- Review compensation programs to ensure that traditionally women's positions are compensated at the same level as traditionally men's positions.
- Maintain a careful record of promoting managers, and develop benchmarks that can be used to compare your organization with others.
- Ensure that retreats and other meetings away from the healthcare organization are held in places that are comfortable for

women, and try to be inclusive in after-hours programs and activities.

- Establish a zero-tolerance policy for sexual harassment and have specific processes in place to address such issues when they arise.

4. Career Aspirations

As was true in previous studies, fewer women than men healthcare executives aspired to CEO positions in the next 15 years (33 percent vs. 67 percent). But similar percentages aspire to higher levels in their current organization. Approximately 50 percent of both men and women were definite about their career plans.

One female respondent speculated that women's lower aspirations could be related to their not being mentored:

Gender is definitely a career progression issue in healthcare. Look at any senior executive team. As a female, I feel as if I have been treated fairly. However, there is a "good old boy" network that women do not or will not engage in. If there was some assistance in developing networks, I believe it would be very beneficial. I believe the career progression issue is multifaceted. There is a glass ceiling for women: (1) determined by expectations of others within the organization and (2) determined by the expectations of the individual female executive. Having a formal or informal mentor would be very beneficial for breaking into the good old boy network and expanding expectations for all concerned.

Recommendations for CEOs:

- Provide promising managers with opportunities to broaden and enhance their skills and leadership competencies by offering continuing education, opportunities to network with other promising peers in

the organization, and special assignments.

- Establish and encourage structured internal mentoring by senior executives as well as externally based leadership mentoring programs offered by ACHE and other professional societies.
- Encourage women to pursue line positions and to focus on long-term goals.

Attitude Differences

Ninety percent of women, compared with 53 percent of men, favored efforts to increase the proportion of women in senior healthcare management positions. Key factors cited supporting this view were: (1) women possess valuable leadership skills that complement those of men, (2) women are a large part of the available talent pool, (3) women have a unique perspective to contribute to decision making, and (4) it's the right thing to do. Factors cited opposing such efforts included the following: (1) healthcare organizations should not engage in social engineering and (2) positions should be awarded strictly on the basis of competence, not gender.

One male respondent stated these ideas as follows:

For many years, healthcare leadership (including ACHE) has been an "old boys" network. I don't necessarily mean that in a disparaging way, but that has been the face of healthcare leadership. In our organization, 85 percent of the workforce is female, and that is consistent throughout the care delivery system. The designated healthcare decision maker in most families is a woman. Other healthcare professions have advanced greater diversity than executive management.... It is long past time that senior executive leadership in healthcare better reflected the rich diversity of our customers and our workforce in all ways.

Recommendations for CEOs:

- Begin a discussion in your organization about the value of diversity in senior management positions.
- Consult with other healthcare organizations on their experience in diversifying their management ranks.
- Keep your board apprised of your organization's diversity initiatives and ask them to share their own organizations' successes in this arena.
- Instruct recruiters to include women on the short list for senior management positions.

How CEOs Can Begin to Build a Truly Equitable Culture

Organizational experts suggest that to begin to create a more equitable culture, CEOs should ensure that there are formal job descriptions, job postings, and promotion ladders (including training) that link jobs; salary classification systems; regular objective performance evaluations; and a formal grievance procedure. In addition, setting goals and monitoring the number or proportion of women in upper management positions is an effective strategy.

But apart from these presumably well-understood strategies, there are other tactics that CEOs can pursue to increase the opportunities for women managers in their organizations. These ideas are intended to align the organization's culture with the needs and concerns of its managers, rather than trying to fix the managers to conform to the organization's needs. They are drawn from recent research published in *Harvard Business Review*.

1. Take a hard look at the gender balance of your top management team.

While blatant gender discrimination is relatively rare, researchers maintain that gender inequity has "gone underground." There are work practices and cultural norms that still contribute to biased behaviors. For example, if you look at your senior management team and see that there are few, if any, women, it may be that there are work practices that contribute especially to women managers' discontent. Consider your flextime policies, provisions to assist with child care, evaluation criteria, and other policies that impact the work environment.

2. Recognize that you can't fix the problem by yourself.

You need to devise a way for some honest discussion to take place about gender equity. Sometimes these discussions can be facilitated by outside people. Ask the following questions to help uncover the real problems in your organization:

- How do people in this organization accomplish their work? What, if anything, gets in the way?
- Who succeeds in this organization? Who doesn't?
- How and when do we interact with one another? Who participates? Who doesn't?
- What kinds of work and work styles are valued in this organization? What kinds are invisible?
- What is expected of leaders in this organization?
- What are the norms about time in this organization?
- What aspects of individual performance are discussed the most in evaluations?
- How is competence identified during hiring and performance evaluations?

3. Attach a label to each problem you identify. Continue the discussion using these labels. Then attack them one by one with experiments. You'll need to design your own experiments—ideas that are consistent with your image of what is possible. Be sure to develop some kind of a follow-up measure to see if each problem has improved. It is a good idea to attack problems in small chunks.

4. Consider creating a task force on the problem that you are addressing. Be sure to allow a good deal of freedom to consider various ideas and then implement them.

5. Appreciate your progress. Small wins have a way of growing and transforming your culture. In time, gender equity will be a mode of operating among your managers.

Above all, your commitment as a top executive to enhancing gender equity is critical. This is because only your support will ensure that personnel policies and nondiscriminatory practices will be carried out. Also, when appropriate, you need to be a public advocate for increasing the representation of women in upper management. Again, it is critical that all employees consider the promotion criteria fair and that requisite preparation and accomplishments are the primary criteria for selection.

How Healthcare Compares with Business

This was ACHE's third study comparing the career attainments of its women and men affiliates. Unique to this study was our collaboration with Catalyst, Inc., an advocacy group for women in business. Catalyst conducted research on graduates of 12 leading MBA programs and sampled them in a similar way as ACHE had—thus controlling for education and experience. Here are the major differences we found:

Position: Compared with business executives, more healthcare executives have achieved CEO and COO/executive vice president positions, including 47 percent of women and 64 percent of men. In contrast, 18 percent of businesswomen and 24 percent of businessmen held such positions.

Salary: The median salaries for Catalyst respondents were higher than the median salaries for healthcare executives: women in business earned \$105,600 in 1999; men in business averaged \$140,000. However, the salary gap between women and men healthcare executives was 19 percent, somewhat lower than the 25 percent gap between the gender groups in business.

Satisfaction: Like healthcare executives, businesswomen (82 percent) and businessmen (84 percent) were generally satisfied or very satisfied with their positions overall. Also like healthcare executives, business

women were slightly less satisfied (61 percent) than businessmen (69 percent) with their compensation compared with others in their organizations at the same level.

Work/Family: Whereas in health care, women and men work about the same number of hours on and off site, women in business work fewer hours than their male counterparts (50 per week vs. 55) but spend about the same number of nights away from home as men do (24 per year).

Institutional Factors: Businesswomen echo many of the women healthcare executives' views in their belief that the way to advance is to seek out difficult or highly visible job assignments and to develop a style with which senior managers are comfortable. The two groups of women also agree that important factors hampering their advancement are (1) male stereotyping and preconceptions of women's roles and abilities and (2) their exclusion from informal networks of communication.

Aspirations: In healthcare, 61 percent of women compared with 64 percent of men aspired to a higher-level position in their current organization. However, far fewer businesswomen (44 percent) than businessmen (60 percent) had such aspirations for advancement.

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