

EXECUTIVE SUMMARY

A Comparison of the Career Attainments of Men and Women Healthcare Executives December 2012

Background

This is the fifth report in a series of research studies designed to compare the career attainments of men and women healthcare executives. Each report is based on a survey conducted every five to six years by the American College of Healthcare Executives (ACHE) of its members.

Methods

In 2012, the *Gender and Careers in Healthcare Management* survey was sent to ACHE members with five to 19 years of experience in the healthcare field. To reduce the number of questions that each member completing the survey needed to answer, the survey questions were divided between two versions of the questionnaire. Each version was sent to a randomly selected half of the sample of members chosen to complete the survey. Some key questions appeared on both versions.

In all, 4,330 members received the survey and 1,588 responded, making the response rate 37 percent. Response rates were similar for the two versions—36 percent for one version and 37 percent for the other.

Major Findings

Position: There has been a slight decrease in the proportion of women relative to men who achieved CEO status among the study group of healthcare executives with five to 19 years of experience since the previous study was conducted. Using sampling methods to allow women and men a similar amount of time to obtain experience in healthcare management, about 11 percent of women compared to 22 percent of men achieved CEO positions. That is, women achieved CEO positions at about 50 percent of the rate at which males achieved them. This is in contrast to the previous studies conducted in 1990, 1995 and 2000, in which women achieved CEO positions at about 40 percent of the male rate, and in 2006, in which they achieved CEO positions at 63 percent of the male rate. While the data suggest that male CEOs in the study were somewhat more likely to be employed by system hospitals or in system headquarters, and female CEOs were somewhat more likely to be employed by freestanding hospitals, sample sizes were too small to reliably determine difference between the types of organizations in which male and female CEOs achieved chief executive status or between cohorts based on experience in the field.

Women are more involved than men in specialized management areas including nursing services (12 percent versus 3 percent), planning, marketing, quality assurance (13 percent versus 10 percent), human resources (4 percent versus 1 percent) and the continuum of care (ambulatory, home and long-term care) (4 percent versus 2 percent). However, a higher proportion of men (62 percent) are in general management compared to 50 percent of women.

Mobility Within Firm: Comparing first job to current job in the same employing firm showed that 22 percent of men and 19 percent of women were promoted from vice president to COO or CEO positions. However, there was more divergence in the proportions of women and men achieving the senior leadership role. About 28 percent of men and 22 percent of women who began as COOs/senior vice presidents/associate administrators were in CEO positions in 2012.

Salary: Having attained approximately equal levels of education and experience, in 2011 women on average earned about \$134,100, and men earned on average about \$166,900. Thus women earned \$32,800 less than men did, or 20 percent less overall. This represents a gap comparable to prior studies in 1990, 1995, 2000 and 2006 when women with similar characteristics earned 18, 17, 19 and 18 percent less, respectively, than men did. Despite the persistence of this gap, women in this sample of healthcare managers are in a better position relative to women in general business who in 2011 earned 28 percent less than men.

Satisfaction: Women and men express similar high levels of satisfaction with their positions generally; 84 percent of women and men are satisfied or very satisfied. The specific areas with which women and men were similarly satisfied were: job security (84 percent for both), overall advancement within the organization (80 percent and 83 percent, respectively), balance between work and personal/family commitments (74 percent and 78 percent), recognition and rewards they are given (67 percent and 70 percent), and the availability of mentors and coaches (66 percent and 70 percent).

Women and men differed in their level of satisfaction with their compensation compared to others in the organization at the same level. Seventy-one percent of women were satisfied with their compensation, compared to 78 percent of men. Women were also less satisfied with job opportunities in their organization, with 69 percent of women saying they were satisfied compared to 76 percent of men. Both men and women expressed similar levels of commitment to their organizations. Sixty-four percent of men and women said that the chances are slight or they definitely will not leave their current employer voluntarily within the next year.

Education and Experience: Almost half of men and women in the study majored in healthcare management. However, more women than men had previous experience as clinicians (53 percent versus 41 percent). The number of years spent in management positions after receiving a master's degree was lower for women than for men (12.2 years for women versus 13.4 years for men). This is consistent with results from the 1990, 1995 and 2000 studies, but different from 2006 when years in management following a master's degree were roughly the same for men and women.

More women (87 percent) than men (77 percent) began their healthcare management careers at the department head or department staff level instead of at the vice president or higher levels. Conversely, sixteen percent of men and only eight percent of women took their first position at the vice president or assistant administrator level or above.

Work/Family Conflicts: As was true in previous studies, women who have children typically serve as their primary caregiver when a child is sick (29 percent of women versus 4 percent of men), and 44 percent of women compared to 13 percent of men feel that family/home obligations fall disproportionately on them. Career interruptions of three or more months did not markedly diminish women's salaries when compared to women with uninterrupted careers. In fact, in 2012 the median salary for women who were out of the workforce for three or more months (\$143,000) was higher than that for women who reported no career interruptions (\$133,900).

Institutional Factors: Similar proportions of men and women report their organizations have policies that support family responsibilities such as flexible arrival and departure times, leaves and sabbaticals, and telecommuting or working from home. However, fewer women than men reported that their organizations offered options for a reduced or part-time schedule, compressed work week or job sharing.

Between 2007 and 2012, 33 percent of women said they failed to receive fair compensation because of gender; 1 percent of the men believed this to be the case for themselves. Though troubling, these percentages are lower than those reported in 2000 when 43 percent of women and 3 percent of men stated they failed to receive fair compensation because of their gender. During the past five-year period, 13 percent of women and 3 percent of men experienced sexual harassment, rates representing a decline from the 1995 and 2000 studies.

More than 80 percent of both men and women agreed that executives in their firms apply human resource policies (such as sick leave) fairly. This is also true of the perception of fairness of downsizing decisions, although women agree less strongly than men (80 percent of women agree versus 88 percent of men). But 69 percent of women compared to 88 percent of men believe there is gender equity in their organization.

Men continue to interact with other executives informally to a greater extent than women do. For example, 39 percent of men compared to 28 percent of women have lunch with other executives at least monthly.

Career Aspirations: As was true in previous studies, fewer women than men healthcare executives aspired to CEO positions in the next 15 years (37 percent versus 66 percent). But similar percentages aspire to work in a hospital or system during the 15 year time span (64 percent versus 70 percent).

Attitude Differences: Seventy-nine percent of women, compared to 42 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's representation in upper level management is disproportionately low, and (2) diversity brings different and important perspectives to management. Comments written in by those opposed to such special efforts stated that (1) the

most qualified person should be chosen for senior positions and (2) they believe that gender inequity in healthcare management is no longer an issue.

Conclusion

Since ACHE's initial 1990 study comparing career attainments of men and women healthcare executives, there has been positive change. For example, in contrast to the three earliest studies when women achieved CEO positions at about 40 percent of the male rate, in 2012 they achieved CEO positions at 50 percent of the male rate. Moreover, in contrast to the 2000 study, women appear to have the same level of satisfaction with their overall advancement in the organization as men.

However, results from this fifth cross-sectional study of ACHE members show little positive movement during the last six years and continue to suggest inequities. These include the lower proportion of women who have attained CEO positions despite both groups' opportunities to advance based on experience in the field. Related to this, women, on average, continue to earn 20 percent less than men. Women's satisfaction with their compensation and job opportunities within their organizations is lower than that of their male colleagues. Also, the issue of equitable treatment in selection and promotion continues to be perceived differently by women and men. For example, when asked if there is gender equity, about 19 percent fewer women than men characterize their organizations as equitable.

The research in 2012 represents the continued commitment of ACHE to monitor the progress of women in the field of healthcare management. Though debate continues about whether proactive measures should be taken to reduce the disparities between men and women's career attainments, we believe that every effort must be made to ensure equity in promoting and compensating women.