

American College of Healthcare Executives

A Comparison of the Career Attainments of Men and Women Healthcare Executives December, 2006

Executive Summary

Background

This is the fourth report in a series of research surveys designed to compare the career attainments of men and women healthcare executives. Each report is based on a survey conducted approximately every five years by the American College of Healthcare Executives using samples of its affiliates. Collaborating on this study were researchers from the Department of Health Policy and Management of the University of Kansas.

Methods

Data for healthcare executives were obtained by questionnaire from ACHE affiliates in 2006. In all, 1,597 affiliates were selected for study; 837 responded. The overall response rate was 52 percent.

Major Findings

Position: There has been an increase in the proportion of women relative to men who achieve CEO status. Using sampling methods to allow women and men a similar amount of time to obtain experience in healthcare management, about 12 percent of women, compared to 19 percent of men had achieved CEO positions. In contrast to the three previous studies where women achieved CEO positions at about 40 percent of the male rate, in 2006 they achieved CEO positions at 63 percent of the male rate.

Women are more involved than men in specialized management areas including nursing services (12% vs. 2%), planning, marketing, quality assurance, (18% vs. 11%) and the continuum of care (ambulatory, home, and long-term care) (4% vs. 2%). However, a higher proportion of men, 57 percent, are in general management compared to 44 percent of women.

Mobility within firm: In contrast to the 2000 report, women appear to have moved up the organizational hierarchy within their current firms at nearly the same rate that men have. Comparing first job to current job in the same employing firm showed that 30 percent of men and 25 percent of women were promoted from vice president to COO or CEO positions. About 20 percent of both men and women who began as COOs/senior vice presidents/associate administrators were in CEO positions in 2006.

Salary: Having attained equal levels of education and experience, in 2005, women on average, earned \$107,800 and men earned on average, \$131,000. Thus women earned \$23,200 less than men did, or 18 percent less overall. This represents a gap comparable to prior studies in 1990,

1995 and 2000 when women with similar characteristics earned 18, 17, and 19 percent less respectively than men did. Despite the persistence of this gap, women in healthcare management are in a better relative position than women in general business who in 2005 earned 27 percent less than men.

Satisfaction: Women and men express similar high levels of satisfaction with their positions generally; 86 percent of women and men are satisfied or very satisfied. The specific areas of satisfaction showed both women and men respectively to be similarly satisfied with: job security (85% and 84%) job opportunities in their organization (71% and 73%), as well as the balance they have between work and personal/family commitments. (74% and 75%), and the recognition and rewards they are given (70% and 73%).

About three quarters of women and men are satisfied with their compensation compared to others in their organization at the same level, while more than 80 percent of both groups are satisfied with their overall advancement in the organization. Somewhat fewer, about two thirds, were satisfied with the availability of mentors and coaches. Both men and women express similar levels of commitment to their organizations. Sixty five percent of men and 68 percent of women said that the chances are slight or they definitely will not leave their current employer voluntarily within the next year.

Education and Experience: While in the prior studies, more men than women majored in healthcare management, today about half of each group has majored in healthcare management. However, more women than men had previous experience as clinicians (56% vs. 31%). For the first time, women have spent a similar number of years in management positions after receiving a master's degree (12.9 years for men vs. 12.3 years for women).

More women (85%) than men (75%) began their healthcare management careers at the department head or department staff level instead of at the vice president or higher levels. Conversely, ten percent of men and only five percent of women took their first position at the vice president or assistant administrator level.

Work/Family Conflicts: As was true in previous studies, women who have children typically serve as their primary caregiver (31% of women vs. 1% of men) and 40 percent of women compared to 16 percent of men feel that family/home obligations fall disproportionately on them. For men, this is double the proportion that stated this in prior years. Career interruptions of three or more months did not markedly diminish women's salaries when compared to women with uninterrupted careers.

Institutional Factors: Similar proportions of men and women report their organizations have policies that support family responsibilities such as flexible arrival and departure times, reduced work schedules, and so forth. In contrast to 2000, where more women than men reported their organizations offered leaves, sabbaticals and telecommuting, today similar proportions of women and men state such options are available.

Between 2001 and 2006, 29 percent of women said they failed to receive fair compensation because of gender; one 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 three percent of men stated they failed to receive fair compensation because of their gender. During the past five year period, ten percent of women and three percent of men experienced sexual harassment, rates representing a decline from previous studies.

Over 80 percent of both men and women agreed that executives in their firms apply human resource policies (such as sick leave) fairly and make downsizing decisions fairly. But 69 percent of women compared to 86 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, 48 percent of men compared to 33 percent of women have lunch with other managers 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 (40% vs. 70%). But similar percentages aspire to work in a hospital or system during the 15 year time span (79% vs.80%).

Attitude Differences: Eighty one 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 the most qualified person should be chosen.

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 previous studies when women achieved CEO positions at about 40 percent of the male rate, in 2006 they achieved CEO positions at 63 percent of the male rate. Moreover, in contrast to the 2000 study, women appear to have moved up the organizational hierarchy within their current firms at nearly the rate that men have. Finally, in contrast to the 2000 study when women expressed lower satisfaction with their advancement in the organization, compensation compared with others in their organization at their level and availability of mentors/coaches, their satisfaction levels in the 2006 study were similar to men's.

However, some results in this fourth cross sectional study of ACHE affiliates 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 18 percent less than men. 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 10-15 percent fewer women than men characterize their organizations as equitable.

The research in 2006 represents the continued commitment of ACHE to monitor the progress of women in the field of healthcare management. Additional research is now underway to determine if pro-diversity policies and practices have a unique effect on women's perceptions

and attitudes toward their organizations. 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.