

# THREE HIDDEN CAUSES OF THE GENDER PAY GAP

AND WHY GENDER EQUALITY IS NOT ENOUGH TO ACHIEVE PARITY IN LEADERSHIP ROLES



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**Research Study Background:** 

university and Market Research

 Included 100 qualitative interviews and 2,000 quantitative survey

Led by Clare Josa's team to

Society standards.

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# respondents. Conducted over 2019 and 2020. 16 - Want To Take Action? Conducted over 2019 and 2020. O Clare Josa Www.Clare Josa Www.Clare Josa.com

## **KEY FINDINGS**

The research study found that, despite a number of years of hard work, what most companies are doing will never close the gender pay gap and achieve gender parity in leadership roles.

This is because there are three hidden drivers that few firms are addressing:

#### 1. Alpha-Male Leadership Culture

Many companies have a level beyond which you have to behave like an alpha-male, in order to succeed. Women cited this as perhaps the biggest block to them reaching their leadership potential, as more feminine qualities are no longer valued at senior levels of organisations.

#### 2. Extended Working Hours

The need to work longer hours, to travel more, and to attend out-of-hours events disproportionately discriminates against women, who said they felt forced to choose between their family and their career, and were judged as not being committed to their company if they asked for flexible working, or requested not to attend out-of-hours events.

#### 3. Imposter Syndrome

The fear of being 'found out' as not being good enough affects women and men at similar levels, but women handle it differently, in ways that cause them to subconsciously self-sabotage their careers.

For example, the research showed that *in* the past year alone, 45% of female respondents had not applied for a promotion they knew they could handle, and 37% had not applied for a pay rise they deserved, due to Imposter Syndrome.

Ironically, the data suggests that the alphamale culture at senior levels is, in large part, due to Imposter Syndrome in men.

Only by addressing these three hidden triggers will we truly close the gender gap.

This white paper explains the causes in more detail and gives suggestions for solutions.

# IS THIS AFFECTING YOUR COMPANY?

Have you been working hard on the gender pay gap, but progress has stalled or gone backwards?

Are you finding that senior women and rising stars leave, when you weren't expecting them to? Or hit invisible performance ceilings?

Are you losing outstanding women after maternity leave, when you had been sure they would return?

Do you have teams that people secretly acknowledge are toxic, but you can't seem to fix the problem?

And when you look at who to interview for senior roles, do you find a lack of strong female candidates?

These are some of the warning signs that a company is tackling the *symptoms* of the gender pay gap, rather than the *causes*.

It's not that women aren't good enough. We all know they are.

Many firms believe that closing the gender pay gap is the role of the remunerations team. And, yes, there needs to be structure to pay that ensures it is fair.

But the real problem is running below the surface, causing women not to apply for promotions, to turn down opportunities to shine, and not to ask for pay rises they know they deserve, or to quit a company they have loved, out of the blue.

And it's not down to lack of confidence or ambition. The three hidden drivers make it much harder for women to reach senior roles, and in some industries it can seem nearly impossible.



## THE HIDDEN COSTS

The three core drivers identified by the research have a direct impact on people, performance, productivity and profit.

#### People:

The stress associated with the three core drivers can cause absenteeism and lead to mental health issues.

If a leader is struggling with these factors, it can affect their behaviour, turning them into a micro-manager and even a <u>bully</u>. This can turn formerly thriving teams toxic in just a few weeks.

Your best performers are then more likely to leave as the working environment becomes unbearable for them.

#### Performance:

Stress and a person's self-talk has a direct impact on their performance. It's basic neuroscience that being stuck in the fight-flight-freeze response makes it hard to concentrate, makes mistakes more likely, and damages creativity and innovation.

#### **Productivity:**

Exhaustion, fear and Imposter Syndrome all affect productivity. With Imposter Syndrome, the 4Ps model shows us that perfectionism, procrastination, project paralysis, and people-pleasing are four key warning signs. All of these can reduce a person's productivity and increase their stress levels.

#### **Profit:**

costly.

If employees and teams are unable to perform at their best, to innovate or to be creative, and are more likely to make mistakes, it hits profits.

Losing your rising stars can halt key projects, as well as hiring their replacement, which can cost a year's salary, just for the recruitment and training, ignoring the business opportunity costs.

Missing out on your best women as leaders is

1 <u>DitchingImposterSyndrome.com/research</u>

# #1 AN ALPHA-MALE LEADERSHIP CULTURE

Senior women cited the alpha-male leadership culture as the single biggest external barrier to career progression for women.

Some companies value gender-diverse leadership styles at the top of the organisation. But many don't.

Those companies valued feminine leadership qualities up to a certain level of seniority, but then the alpha-male culture of competition, politics and fear took over. CEOs are more likely to promote those who fit in than those who disrupt this culture, which perpetuates this cycle.

This gives women three choices:

- 1.to conform to that style, sacrificing what made them a great leader
- 2. To try to fit in and succeed, despite the huge additional challenges this creates
- 3. Not to take on those most senior roles

It doesn't have to get as bad as visiting strip clubs and 'locker room banter'. It's about the assumption that leaders have to be tough, emotion-free, strong, and highly competitive.

Collaboration, relationship-building, emotional intelligence, and the other more feminine qualities valued at more junior levels, are no longer welcome, but the ban is usually unspoken.

Few C-Suite execs notice if the alpha-male culture is running in a firm, because it is part of the tradition.

It creates a toxic environment where many women will struggle to thrive. And it's not good for men, either.



#### "It was a full year after my promotion that the CEO finally told me I was doing ok. Until that point I had been really stressed that I wasn't good enough."

Another factor in this was the fact that senior leaders often lose their support mechanism and only get feedback on their performance when something has gone wrong.

They may no longer have a line manager to conduct appraisals or to mentor them. They can't talk about problems with former colleagues, because they have been promoted beyond their former peers. They can feel isolated in this unfamiliar, fearbased environment, triggering Imposter Syndrome and severe stress.

Whereas men tended to push down their worries about this, which the research showed could lead to mental health issues. the research showed that this environment tended to leave women feeling vulnerable and exposed.

Many women in this position will choose to succeeding in that role.

#### Female Partner, FTSE-100 Firm

The research showed that there are industries where breaking through this glass ceiling is so difficult that successful women consciously or otherwise - pull the ladder up behind them, instead of helping the women for whom they have blazed the trail.

And for those women who said they had had to adopt more masculine leadership styles in order to fit in, this is inadvertently perpetuating the problem.

High-achieving women are refusing to apply for senior roles in these environments, or leaving soon after getting them, and their employers are missing out on their talents.

Yet respondents said they didn't tell the truth about this culture in exit interviews, for fear of a poor reference, or of getting a reputation as a complainer, or someone who 'couldn't cope'.



## **#2 EXTENDED WORKING HOURS**

Senior roles often come with the expectation of longer working hours and more international travel. But this disproportionately affects and disadvantages women.

In most families, women still tend to be the primary carers - for children or other relatives - even if both partners work.

Being required to attend more breakfast and evening events, and to travel more widely, especially overnight stays or weekends, creates a dilemma for women, according to the research.

Women feel forced to choose between their career and their family.

Even if this requirement isn't overtly expressed, the fact that those hours are into the evening.

And the difficulties with attending out-ofhours events mean women do less networking, both formal and informal. This means they are less 'top of mind' when promotions come up, which is one reason why the female talent pool can feel smaller.

In addition, the reduced availability of flexible working in senior roles is another factor that can make it impossible for a woman to apply for a promotion.

There was also clear evidence in the study that many firms judge women who either ask for flexible working or who ask to be excused from out-of-hours events or travel. They tended to be seen as not committed to the company or their career.



## "I hate that every time a school play comes up, I feel I have to choose between being a good parent and damaging my career."

#### Female Global Department Head, FTSE-100 Firm

This is seen to stem from the decades-outof-date assumption that a man has a housewife to look after his family, and he is therefore available to work at any time.

Breakfast meetings and evening events are often arranged by those who don't have to juggle the school run with a commute, or who don't have childcare that stops at 6pm when the after-school clubs end. This has worsened post-lockdown as many schools are offering reduced provisions.

Whilst the shift in parental responsibility means this problem is starting to affect more men, it is still mainly a woman's issue.

Few firms can imagine an MD leaving the office at 4:30 to collect their children from school by 6pm, despite the fact that working remotely would remove this need.

Knowing you can't commit to longer working hours means that being promoted to a senior role, for which you are more than qualified, can feel impossible.

Another barrier is the fact that the training that is needed to progress your career is often now offered as lunchtime talks or out-of-hours events, which makes it harder for women to attend, causing them to miss out on these

opportunities for development.

In these days of virtual communications, there is no justifiable reason why such extended hours and travel should be asked of leaders. The stress and exhaustion such work creates affects performance and productivity for both genders and can lead to mental health issues.

It also creates a team culture where working hours are valued over productivity, so both performance and profit suffer in the wider company.

## **#3 IMPOSTER SYNDROME**



49%

**52%** 

% of respondents who said they had struggled 'daily' or 'regularly' with Imposter Syndrome in the past year. <a href="https://www.DitchinglmposterSyndrome.com/research/">www.DitchinglmposterSyndrome.com/research/</a>

Imposter Syndrome - the fear of others finding out you're not good enough, despite clear evidence that you are - was found by the 2019 Imposter Syndrome Research Study to affect men and women at similar rates. But the way they handle it is very different, and disproportionately disadvantages women.

Men were more likely to 'push on through' their self-talk worries, and take action on their career anyway, applying for and winning jobs which they knew would be a stretch. This approach was found to lead to future mental health issues.

Women were more likely to feel inadequate as a result of Imposter Syndrome and therefore not apply for promotions until they felt fully qualified - a time that often never came.

Women were also less likely to take credit for their achievements, attributing them to a team effort, which caused them to be overlooked when a promotion came up, in favour of a male colleague who was more likely to publicly 'own' his success.

Women used 'we' and not 'l', as men did, when talking about their team's achievements, subconsciously giving the signal that they had not played the key role that they had.

Also, when being complimented, men tended to accept the praise, whereas women tended to respond with 'but' and to talk about their faults.



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And 37% of female respondents said they had not asked for a pay rise they knew they deserved, in the past year.

Imposter Syndrome can have a crippling effect on confidence and a huge mental health impact, even for a woman who seems outwardly successful.

Of the 2,000 research study respondents and 100+ interviewees, only two had talked with their line manager or HR department, to ask for help with this silent epidemic.

It made women more likely than men to take actions that would sabotage their promotion and pay prospects, as shown above, as well as damaging their performance.

It a measurable impact on the gender pay gap and gender equity, even though these self-sabotage actions were largely subconscious and would be postrationalised as having been the best

Few companies have any process or training in place to help managers and HR teams to spot Imposter Syndrome, let alone to support people with it.

It's not just about missed opportunities. The research showed women are more likely to quit a job they love than to admit they need help with Imposter Syndrome. They were also more likely to apply externally than to go for an internal promotion, for fear of the shame of public failure.

As we will cover shortly, we will not close the gender pay gap and achieve gender parity in leadership roles without first addressing Imposter Syndrome.



BAME Equality Page 11

# THE IMPACT ON BAME EQUALITY

"There was no one like me on the board, so I felt like I would never belong in the C-Suite."

Male BAME Respondent In Departmental Head Role

Although the research study didn't ask about ethnicity in the quantitative stage, the impact of Imposter Syndrome for BAME employees was clear from the individual interviews.

It affected them in similar ways to female respondents in that they felt a higher pressure to prove themselves and found themselves taking the same subconscious self-sabotage actions that made it harder for them to be promoted.

Another key factor, which was also present for women, was the lack of role models. When they saw their company's leadership team being mainly white males of a certain age and background, it gave them the belief that they, as a minority group, didn't belong.

The research showed these factors also played a role for those who are from disadvantaged socio-economic backgrounds. They felt their employer's message was clear: that in order to reach leadership roles you had to have a certain background and type of education, and that 'people like them' didn't belong in the leadership team.

We need to prioritise creating a genuinely level playing field, whilst also supporting those from minority groups in clearing out the inner blocks, such as Imposter Syndrome, so that they can thrive and reach their potential.

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# WHY QUOTAS ARE NOT THE ANSWER

"I felt I had to leave after the rumours went round that I had only reached the C-Suite because I was a woman."

A recent trend in some companies is to decide that 2021 is the year when all senior appointments will be given to women, to try to achieve gender parity.

However, this and other forms of quotas or positive discrimination are making the situation worse.

Not only does it create resentment among male colleagues who are missing out on opportunities, it creates a culture where anyone from a minority is seen to have achieved their success purely because of their minority background, rather than their innate talents.

This undermines their authority and can impact negatively on their performance.

The other way this makes things worse is because a promotion affects men and women differently, when it comes to Imposter Syndrome.

With men, Imposter Syndrome rates decreased by 40% upon promotion to a senior role, because they felt their new job title publicly validated their ability.

With women, it *increased* its severity by 25%, because they felt more in the spotlight and under more pressure to be seen as successful. This doesn't mean we shouldn't promote women. But it does mean we need to support them in clearing Imposter Syndrome, first.



# WHY EQUALITY IS NOT ENOUGH

We don't need equality. We need equity.

We need to create an equal playing field, and that means we have to go beyond 'equality'.

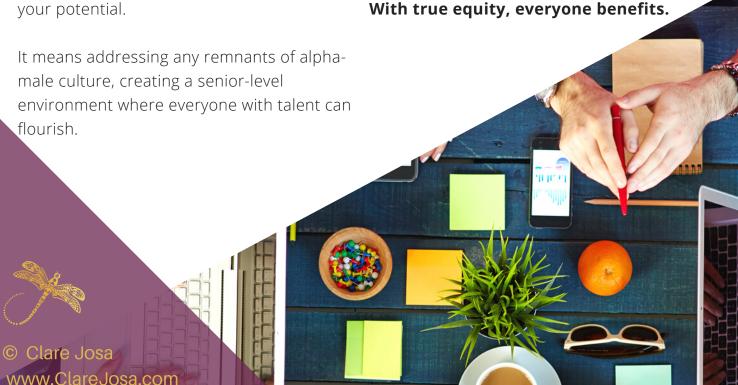
There was a recent cartoon with a father taking his two children to watch a football match. Neither could see over the barrier, so he gave them each a box. When the boxes were the same size, the younger child still couldn't see. It wasn't until that child was given a taller box that they both had the same opportunity to enjoy the game.

Equity is not about positive discrimination. It's about creating a level playing field, so that everyone has the same chance to succeed, removing the barriers to fulfilling your potential.

It means shifting attitudes so that it is easier for women to balance their family life and their career.

It's about creating specific leadership development programmes to support women and minorities, based on the unique challenges they face, rather than assuming that the traditional male-oriented options will suffice.

It's about having the courage open discussions within a company about what holds people back from reaching their full potential, and taking determined action to resolve the issues raised.



Conclusions Page 14

### WHAT CAN COMPANIES DO?

Companies urgently need to open up the discussion about the *real* causes of the gender and BAME pay gap and lack of parity in leadership roles.

Closing the gender pay gap is an unfair burden to place solely on the remuneration team.

We need to look without fear or blame at whether there is anything in the culture that could be creating an unequal playing field and disadvantaging women and minority groups. Then we need to take action to make practical changes.

We need to deal with Imposter Syndrome and to stop pretending it's not there. It is. The research showed that 89% of respondents had struggled with it at some point in the past year. That's a lot of reduced performance, productivity, potential and profit.

To support this, key HR leaders and line managers need awareness training, to help them to spot Imposter Syndrome before it leads to self-sabotage, to be able to tell the vital difference between it and self-doubt, and to know how to support those who are struggling with it.

It makes sense to implement different leadership development programmes, tailored to each individual's needs, especially given how differently men and women - and minority groupshandle obstacles like Imposter Syndrome and preparing for promotion.

And training your in-house coaches to become qualified in supporting people with Imposter Syndrome means you've got the support team you need to help people to clear it.



## WHAT WOMEN & MINORITIES NEED TO DO

It's going to take time to create a genuinely level playing field - the culture change needed to remove the glass ceiling created by alpha-male leadership styles and lack of flexible working hours.

And while companies are working on that, women and minority groups need to focus on removing the glass ceilings that people often subconsciously put there for themselves.

To truly succeed in leadership, people need to show up as *all of who they really are.* They need to take off the masks and let their talents shine through.

They need to own their successes (it doesn't make you big-headed) and to make sure they are visible in what they are achieving.

That means doing the inner work to clear the blocks people try to hide, like Imposter Syndrome. It's essential to do the inner work to release the fears that keep people stuck, dreaming big, but playing small.

It's vital to open up the discussions about what is needed, to create that genuinely level playing field, in ways that are positive and inspiring, rather than blaming.

Individuals need to proactively seek out support to make the changes - internally and externally - that will close the gender and BAME pay gap and achieve parity in leadership roles.

In-house networks and industry bodies can raise and address any issues that are blocking progress.

And, above all, teams need to fully support each other to allow everyone to reach their full potential.



It's Time For Action Page 16

## **WANT TO TAKE ACTION?**



Be able to spot Imposter Syndrome vs self-doubt, offer 'first aid' solutions, and know how to identify the company's unconscious biases that inadvertently prevent a genuinely level playing field. Find out more.



This ground-breaking leadership development programme is designed to help people to clear Imposter Syndrome in under 90 days, so they can step up to lead with courage, confidence and passion.



Research shows that classic coaching doesn't work for Imposter Syndrome. The Certified Imposter Syndrome Mentor training is for experienced mentors and coaches. It is CPD-accredited and gives your in-house coaches the deeper-acting skills they need to support their colleagues to set themselves free from Imposter Syndrome.



This six-month intensive 1:1 programme gets your rising stars ready for leading at the most senior levels of your organisation. <u>Find out more</u>.

#### Want to take action?

Book a call with Clare Josa: www.clarejosa.com/call/



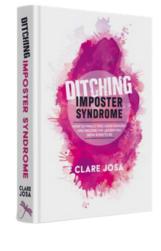
# WHY WORK WITH CLARE JOSA?

Clare Josa is considered the UK's leading authority on Imposter Syndrome, leading online and in-house programmes for groups and individuals.

She has spent nearly 20 years specialising in the field, including leading the landmark 2019 <a href="Imposter Syndrome Research Study">Imposter Syndrome Research Study</a>.

Her latest book: <u>Ditching Imposter</u>
<u>Syndrome</u>, already has readers in over 30 countries.

After a corporate career in engineering, specialising in Six Sigma, and as Head of Market Research for one of the world's most disruptive brands, since 2003 she has specialised in helping leaders and high-achievers to clear out the secret glass ceilings they never realised they had put in their own way.



An expert in the neuroscience and psychology of performance, she also adds demystified ancient wisdom, to help you create transformation at the deepest levels in ways that are fast, fun and forever.

She is the author of eight books, including Dare to Dream Bigger, and is regularly interviewed by the likes of The Independent, The Daily Telegraph and Radio 4, amongst others.

Clare is a sought-after keynote speaker and she speaks internationally on how to change the world by changing yourself.

