

Women in Management – the Leadership Pipeline 2015



BNY MELLON



30% Club

GROWTH THROUGH DIVERSITY

Foreword

The value of diversity in all aspects of leadership and decision-making should be self-evident. The value of fully empowering and utilising our talent base should also be self-evident. Yet here we are well into the twenty-first century and almost one hundred years since women achieved the right to vote and yet wasteful gender imbalance continues to pervade many aspects of life in Ireland. One could be forgiven for forgetting that the majority of our population is female when one looks at the leadership roles in Irish public life and business.

The imbalance is particularly evident on the boards of companies listed on the Irish Stock Exchange where only one in eight directors is female. Less visible but just as worrisome is the situation in executive and management leadership revealed by this major survey by the 30% Club and Dublin City University. The responses from businesses employing some 200,000 workers across a wide range of business sectors provide invaluable insights into the gender mix in executive business leadership in Ireland. The story it reveals tells us we have a long way still to travel before we can say we have achieved an acceptable level of gender balance.

The commitment of business leaders is essential if we are to successfully address this imbalance and promote the kind of change needed to create a society and a business environment in which all our people's talent is fully, fairly and intelligently harnessed. Every barrier to full social, political and economic inclusion is a barrier to individual fulfilment and to the fullest flourishing of our country. To galvanise the momentum needed to push those barriers aside it is essential to understand current realities.

Individual businesses would do well to analyse the gender mix in their own leadership ranks in the way this survey has done. Extensive research shows that businesses perform better and the economy does better when gender bias and gender inequality are tackled systemically as part of a culture where the development of all workers is assured. Every citizen has a vested interest in the results of this survey and in using its findings to reshape the future. Tomorrow's Ireland can be free of gender imbalance. It can be a place where the talents of men and women are equally valued and cherished. But not without effort and the information in this survey will hopefully help to energise that effort.

I congratulate Dublin City University and the 30% Club on the survey and wish all concerned every success in promoting understanding of the issues that underlie gender imbalance in our business world. The patterns it identifies are not set in stone but they are holding us back. We need to shift them and this survey is an important crowbar.



Mary McAleese,
Former President of Ireland

I welcome this report and I am delighted that DCU is involved in gathering empirical data on this important subject. There can be no measurable progress without a clear starting point and the rigour with which this study was carried out allows us to have confidence in the data that have emerged. The data and analysis in this report act as a call to action for organisations to review gender balance in their leadership pipeline. As this study will be repeated annually for five years, it is hoped that the profile that emerges over time of women in leadership in management in Ireland will improve, leading to organisations reaping the many benefits that diversity in leadership offers.



Brian MacCraith,
President Dublin City University

The 30% Club was officially launched in Ireland in January 2015 and is now supported by the leaders of over 120 Irish businesses committed to accelerating gender balance in their organisations through their voluntary actions. It is a collaborative approach to creating change in Ireland, aiming towards 30% women being on boards and in executive management by 2020.

Data on the number of women on boards is published regularly but we identified a gap in information on women in management. So we initiated this research to provide some hard data as a base line. Women in management today are the pipeline for the business leaders of the future. We are most grateful to Dublin City University and in particular Dr. Melrona Kirrane and Dr. Clíodhna O'Connor for their support in carrying out this survey, to BNY Mellon for their sponsorship, to those organisations who participated in the survey, and to the business leaders whose comments are included.

The results show that while women are well represented in some areas there is a great shortage of women in core business disciplines. Participating companies will be able to compare their data to other organisations and measure progress over time as this is a longitudinal study which will be repeated annually.

The 30% Club is a forum for sharing best practices and learning among business leaders, is complementary to individual company efforts and collaborates with existing and new initiatives to improve gender balance in Ireland.



Marie O'Connor,
Partner PwC and Country Lead
30% Club Ireland

1 Background

The overall objective of this research is to describe the landscape of leadership in Irish business with respect to gender. While some information is available regarding women's presence on company boards, what remains less clear is the level of female participation in management further down the leadership pipeline. The current study, commissioned by the 30% Club Ireland and carried out with the support of DCU Business School, was designed to establish the participation rates of women at various levels of management in the Republic of Ireland. The study will be repeated annually to monitor and inform progress in this area.

“

The results of this benchmark survey are a call to arms for Boards and CEOs in the private and public sectors in Ireland. They need to measure themselves on developing less male-centric working practices and on bringing about culture change to eliminate unconscious bias across the whole range of talent development programmes within their companies. Improving the pipeline of women for senior roles in finance, sales, operations and IT roles is especially important if more women are to progress to the top executive jobs.

”

Michael Buckley, Chairman KKR Alternative Investment Management/
KKR Credit Advisers Ireland; Former Chairman DCC Plc

2 Findings

WOMEN IN MANAGEMENT BY LEVEL

Overall, and in line with international data¹, the results show a steady decline in female participation in higher ranks of management. Women comprise just over one-third (34%) of Managers Level 2 (generally three levels down from CEO). This representation falls to 30% of Managers Level 1 (generally two levels down from CEO) and to 23% at Executive Director/Group Manager level (generally one level down from CEO).

In total, 14% of the companies reported having a female CEO/Head of Operations. Women are clearly underrepresented among Irish CEOs. Nevertheless, the figure of 14% is considerably higher than comparable statistics from the Fortune 500 companies, where women comprise just 5% of CEOs. This difference may be partly explained by considering the voluntary nature of the survey: organisations already invested in gender equality may be more likely to respond to a survey on this topic. If so, 14% is likely an overestimate of the true national proportion of female CEOs.

FIGURE 1. WOMEN IN MANAGEMENT BY LEVEL



While female representation at Board level is slowly improving, the executive and management talent pool from which such appointments are made needs to be significantly increased for real progress to be made. These findings will greatly help to support the collective effort required to make this happen.

Kevin Empey, Director of Consulting Services, Towers Watson



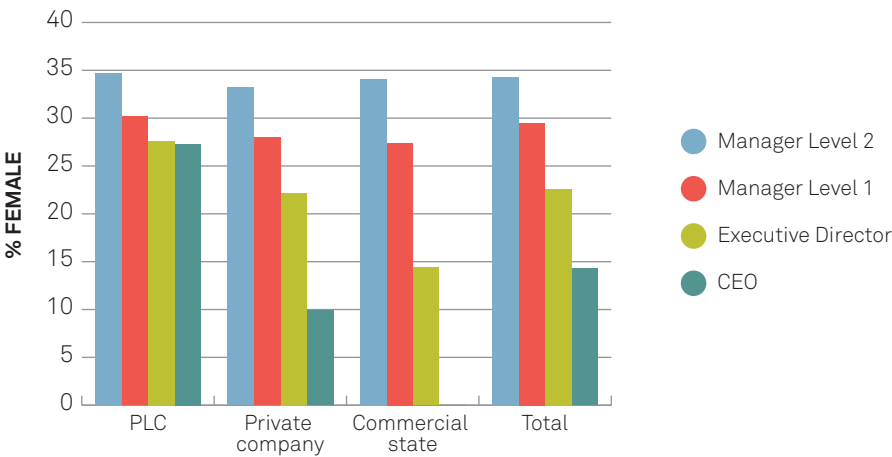
WOMEN IN MANAGEMENT BY ORGANISATION TYPE

The various organisational types represented in this study (PLCs, private companies and commercial state/semi-state organisations) employ similar proportions of females at Manager Level 2 (33-34%). However, each type of organisation also displays a gradual decline in female managers progressing up the leadership hierarchy.

Interestingly, the attrition of female managers is least pronounced for PLCs, which report the highest proportion of female CEOs (27%) and Executive Directors (35%). It is worth noting, however, that the data from PLCs is dominated by multinational rather than Irish-listed organisations.

Commercial state/semi-state organisations have the lowest proportion of female Executive Directors/Group Managers (15%) and none in the survey reports a female CEO/Head of Operations.

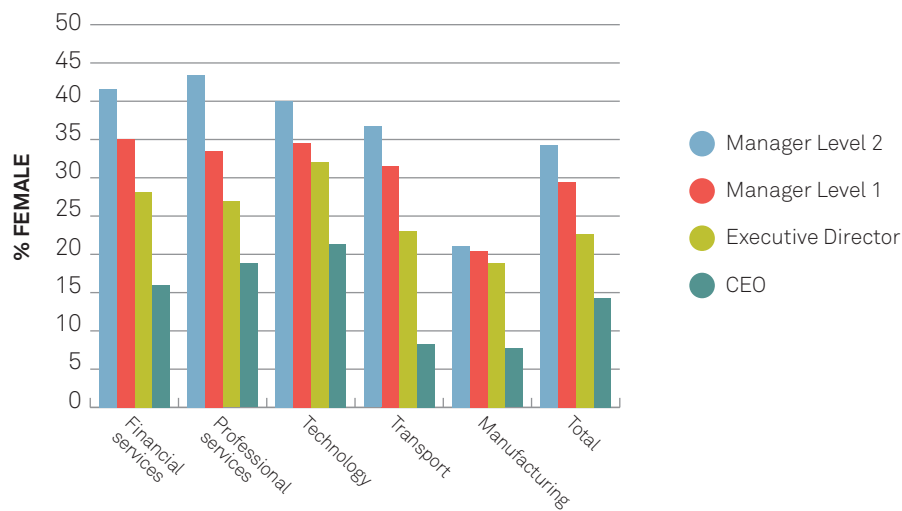
FIGURE 2. WOMEN IN MANAGEMENT BY ORGANISATION TYPE



WOMEN IN MANAGEMENT BY SECTOR

The results show that financial services, professional services and technology have reasonably good participation of women at Manager Level 2 (40-43%). However, female participation rates fall sharply at more senior ranks of management. The manufacturing sector has the lowest proportion of females at all levels of management. (Note that information is only presented from the sectors that had at least 10 companies in the sample.)

FIGURE 3. WOMEN IN MANAGEMENT BY SECTOR



It is a great step forward to see that a survey of this type has been carried out in Ireland for the first time as it will enable a sustained and continued commitment to equality and a steadfast recognition that diverse thinking and styles brings immense value to our communities, our businesses and our colleagues. It mirrors the results from other developed countries and demonstrates the need for certain, well proven interventions to make steady progress towards our gender goals for women in leadership.

Sasha Wiggins, CEO, Barclays Bank Ireland plc

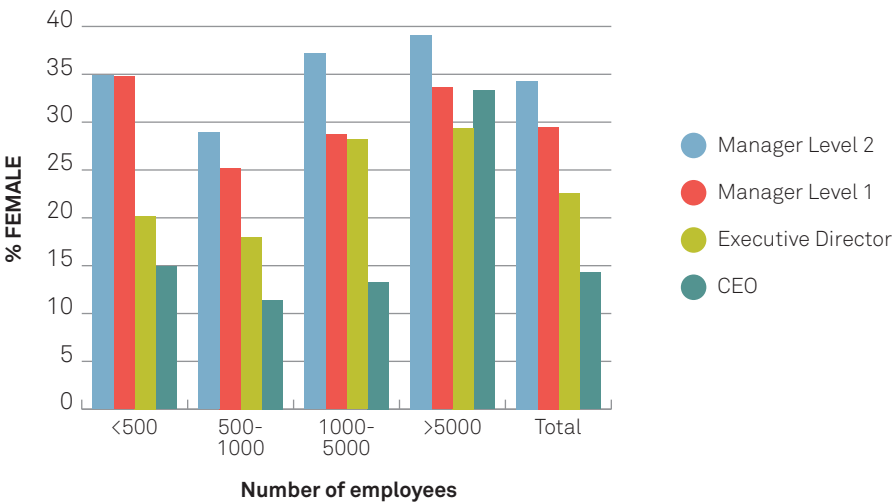


WOMEN IN MANAGEMENT BY ORGANISATION SIZE

In general, there is higher female participation in management in larger companies. Companies with over 5,000 employees perform best at retaining female managers across management grades, with one-third (33%) of these companies reporting a female CEO. However, this is based on a small sample since only 6 companies with over 5,000 employees contributed this data.

Smaller companies (<500 employees) showed roughly stable numbers of women in management between managerial levels 1 and 2 (34-35%); however, the data reveals a sharp drop-off of women at Executive Director level (20%). Mid-sized companies (those with between 500-1000 employees) had the lowest proportion of women across all the management grades.

FIGURE 4. WOMEN IN MANAGEMENT BY ORGANISATION SIZE

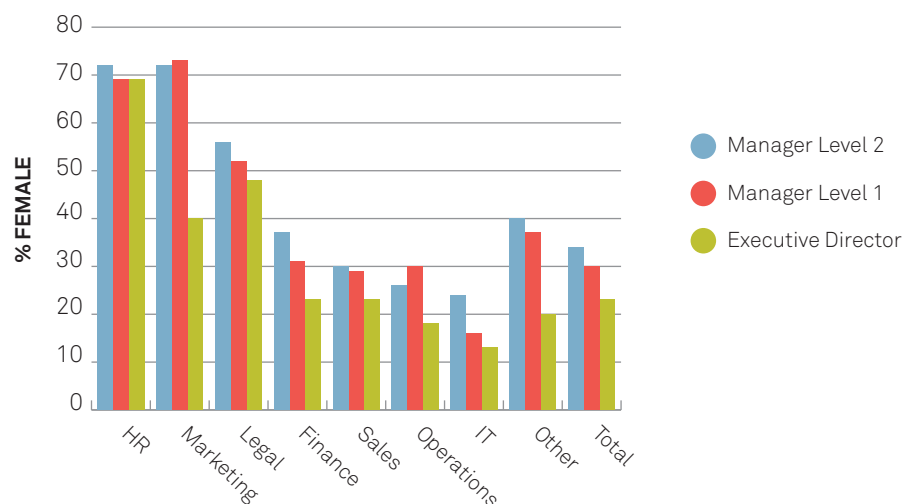


WOMEN IN MANAGEMENT BY FUNCTION

The highest proportions of women in management are in the HR and marketing functions. In HR, women are in the majority at each managerial level. However, in Marketing there is a major drop-off in the percentage of women attaining Executive Director positions. Legal functions show a good degree of gender balance across the management hierarchy.

In the remaining functions (Finance, Sales, Operations and IT), women are clearly underrepresented at all managerial levels. These functions consistently show declining levels of women in management across the leadership hierarchy.

FIGURE 5. WOMEN IN MANAGEMENT BY FUNCTION



“

To be selected for top management positions, it is necessary to be exposed to all types of company operations and have experience across different functional areas. This report illustrates that women are missing out on gaining experience that is required across diverse functional business areas, in order to progress their careers in top management. There is a real opportunity for companies to make the path to top management clear for women and to retain high performing talent.

Anne Heraty, CEO, Cpl Resources plc

”



“

The high proportion of women in management in the Human Resources function is not a recent development and amongst other things reflects the high female participation rates studying HR at 3rd level.

”

Ian Barrett, Head of HR, Walls Group



“

The low participation of girls in STEM (Science, Technology, Engineering & Maths) going back to primary and secondary level education is having a material impact on the number of women at management level in these sectors. This is an area where we need to change the ratio so women don't miss out on career opportunities. By changing this dynamic, business and society will benefit by having a diverse set of skills and thinking involved in shaping the solutions for the future.

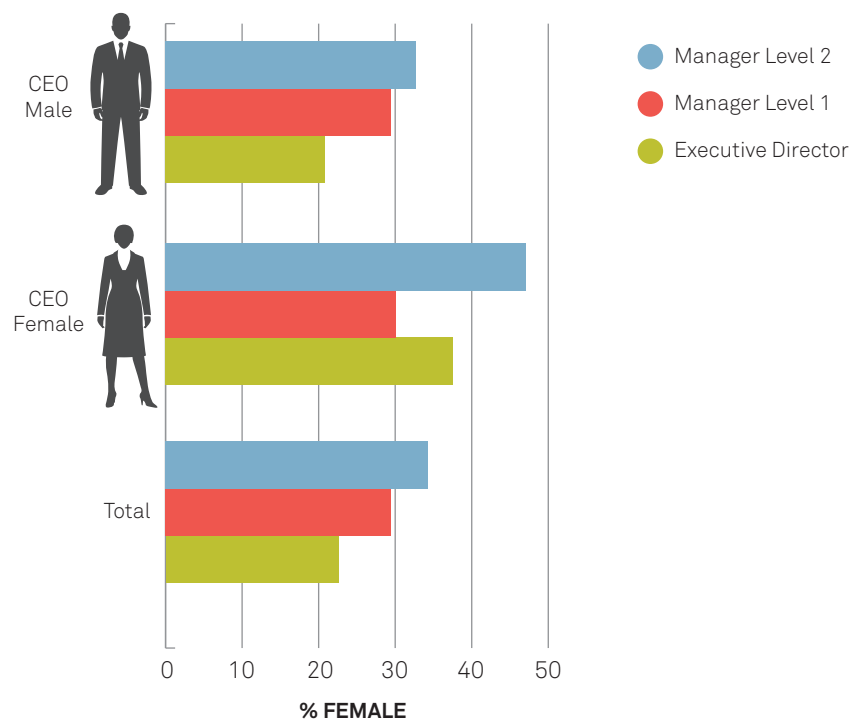
”

Alastair Blair, Country Managing Director, Accenture

GENDER OF CEO

Women are more strongly represented throughout the management hierarchy in female-led companies than in male-led companies. The difference at Executive Director level is particularly noticeable, where female-led organisations have almost double the proportion of women in management compared to male-led organisations (38% vs. 21%).

FIGURE 6. WOMEN IN MANAGEMENT AND CEO GENDER



“

The good news in this report is that it reminds us once again that the challenge is not one of capability or even pipeline. It speaks more to mind-set and history, particularly when you look at the fact that female led organisations have significantly higher female representation at all managerial levels especially at Executive Director level.

”

Marie Moynihan, Chief Diversity Officer/ Vice President of Global Talent, Dell

3 Conclusion

This study presents the results of the most up-to-date insight into women's role in management in Ireland. In general, the results demonstrate a clear organisational pattern, whereby women are less likely than men to hold management positions in all sectors of industry. Further, women's participation in management is inversely related to the leadership hierarchy. While these findings are congruent with international data, this lack of balance carries a risk to corporate performance².

The results show that women occupy a disproportionately low proportion of managerial roles across organisation types, sectors and size. Particularly poor gender balance is found in the commercial state/semi-state sector, manufacturing and in mid-sized organisations.

Internal to organisations, senior women managers are most commonly found in HR and marketing roles. Women occupy few senior leadership positions in Finance, Sales, Operations and IT.

It is interesting to note that there are more women in leadership positions in companies headed by a female CEO than a male CEO. This may reflect issues of organisational culture: certain organisations may simply be more committed to promoting gender balance at all managerial levels. However, this result could also be due to a role-modelling effect, which is well-established in international literature³. Exposure to women leaders may encourage greater female participation further down the management pipeline.

Some caution is advised in extrapolating from the figures obtained in this survey, given that the analysis was restricted to 133 organisations. Nevertheless, these companies comprise a substantial section of the national labour market, employing approximately 200,000 people (10% of the total labour force). It should be remembered that the voluntary nature of the study means that organisations already interested in gender equality may have been more likely to opt into the survey, so the results may give an overly optimistic picture of gender balance in management in Ireland. Nonetheless, this report goes a considerable way to establishing the female leadership pipeline as it exists in Ireland today. This is an important step in informing government and industry regarding workforce challenges for the future.

AUTHORS

Dr Melrona Kirrane, Leadership & Talent Research Institute, DCU Business School

Dr Cliodhna O'Connor, NUI Maynooth

Anne-Marie Taylor, 30% Club

Brid Horan, 30% Club

ACKNOWLEDGEMENTS

The authors would like to thank Dr Mary Kinahan, CIT, who assisted in the data collection phase of this project.

APPENDIX 1 - Survey Details

The survey was completed by 133 organisations across a range of industry sectors in the Republic of Ireland. Participants were asked to provide the gender balance of employees at four managerial levels and according to division/function.

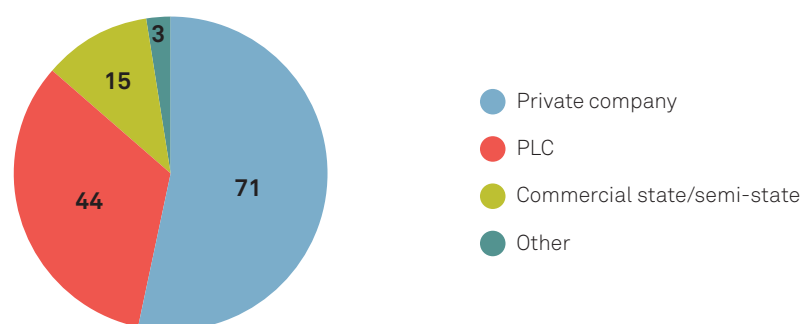
TABLE 1. MANAGERIAL LEVELS AS DEFINED IN THE SURVEY

Managerial level	Definition
CEO / Head of Operations in the Republic of Ireland	<ul style="list-style-type: none"> • The highest-ranking individual in the organisation • Bears ultimate responsibility for organisational performance
Executive Director / Group Manager	<ul style="list-style-type: none"> • Provides leadership and direction through Managers, both Level 1 and Level 2 • Is accountable for the performance and results of a large and strategically important division, business unit or function • Is generally one level down from the CEO
Manager Level 1	<ul style="list-style-type: none"> • Provides leadership to Managers Level 2 and supervisors. This level may also include high-level specialist/technical roles that do not involve people management responsibilities • Is accountable through an Executive Director / Group Manager for the performance and results of multiple related units or a large functional area, department/operation or region • Is generally two levels down from the CEO
Manager Level 2	<ul style="list-style-type: none"> • Manages professional employees and/or supervisors, or supervises large and complex technical, business support or production activities • Adapts departmental plans and priorities to address resource and operational challenges • Takes decisions guided by policies, procedures and business plan; receives guidance from Manager Level 1 • Is generally three levels down from the CEO

ORGANISATION TYPES

Of the 133 organisations which contributed data to the study 53% were private companies, 33% were PLCs and 11% were commercial state/semi-state organisations. Three companies were categorised as 'Other' (e.g. NGOs).

FIGURE 7. TYPES OF ORGANISATIONS WHO RESPONDED



SECTORS

The sectors with the highest representation are financial services (19%), professional services (12%), technology (11%), manufacturing (10%) and transport (9%). Eight companies were categorised as 'Other' (e.g. international charity, resources, media & marketing, security company).

TABLE 2. SECTORS REPRESENTED

Sector	Frequency	%
Financial services	25	18.8
Professional services	16	12.0
Technology	14	10.5
Manufacturing	13	9.8
Transport	12	9.0
Construction	8	6.0
Other	8	6.0
Food	7	5.3
Pharma	6	4.5
Retailing	6	4.5
Property	5	3.8
Agribusiness	4	3.0
Communications	3	2.3
Energy	3	2.3
Health	3	2.3

ORGANISATION SIZE

Organisations also indicated the approximate number of people they employ in the Republic of Ireland. While exact numbers regarding number of employees are not available, a conservative estimate is that the responding organisations are responsible for approximately 200,000 jobs in the Republic of Ireland (approximately 10% of the total national labour force).

TABLE 3. SIZE OF ORGANISATIONS

Number of employees	Frequency	%
<500	47	35.3
500-1000	35	26.3
1000-5000	45	33.8
>5000	6	4.5

PARTICIPANT RECRUITMENT

The survey targeted organisations with over 150 employees in the Republic of Ireland. Organisations were selected using company details available in the Irish Times Top 1000 Companies and a database provided by a professional marketing firm. A total of 504 companies were contacted by email/telephone and invited to participate. Participants were informed that all information provided would be fully anonymous and confidential, and that interested parties would be provided with a copy of the final report once produced.

APPENDIX 2 – References

1. Marilyn J. Davidson, (2012) “Women in Management Worldwide: Progress and Prospects (2nd ed.)”, Human Resource Management International Digest, Vol. 20 Iss: 6.
2. ‘Women Matter – Gender Diversity a Corporate Performance Driver’. McKinsey & Company, 2007.
3. Report on Progress on Equality between Women and Men in 2010 – The gender balance in business leadership. European Commission, 2011.

BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and may be used as a generic term to reference the corporation as a whole and/or its various subsidiaries generally. This paper and any products and services may be issued or provided under various brand names in various countries by duly authorized and regulated subsidiaries, affiliates, and joint ventures of BNY Mellon. Not all products and services are offered at all locations. The material contained in this paper, which may be considered advertising, is for general information and reference purposes only. It is not intended to provide legal, tax, accounting, investment, financial or other professional advice on any matter, and is not to be used as such or to create any obligation for, or impose any obligations on, BNY Mellon. The contents may not be comprehensive or up-to-date, and some information contained in this paper has been obtained from third party sources and has not been independently verified. BNY Mellon assumes no liability whatsoever (direct or consequential or any other form of liability) for any errors in or reliance upon this paper.

The views expressed in this paper are those of the contributors only and not necessarily those of BNY Mellon.

Trademarks and logos belong to their respective owners.

© 2015 The Bank of New York Mellon Corporation

01/2016 T3589.



BNY MELLON