

## **No Room at the Top: Underrepresentation and Underemployment of Highly Qualified Women and Minorities**

David W. Livingstone, Head, Center for the Study of Education and Work  
Katina Pollock, Department of Theory and Policy Studies,  
Ontario Institute for Studies in Education, University of Toronto

Paper presented at conference on “Maximizing Existing Talent”, Task Force on The Hidden Brain Drain: Women and Minorities as Unrealized Assets, Center for Work-Life Policy, New York, September 8-9, 2004.

### **Abstract**

*This paper will provide a brief overview of concepts of underrepresentation and underemployment of the talents of the labor force. Recent empirical research that addresses underrepresentation in the labor force and underemployment of job holders will be reviewed generally and with special attention to the extent of underrepresentation and underemployment of women and people of color in corporate executive, top managerial and top professional employee positions. Major US and UK studies will be highlighted. The findings of the largest national-level survey conducted to date on education-job requirement matching, completed in Canada in summer, 2004, will be summarized, again with special attention to the underemployment of women and people of color. Secondly, major barriers to equitable representation will be summarized for the highly qualified labor force in general and by gender and color in particular. Finally, current measures to create more equitable paid workplaces and close the gaps for women and people of color at the top of the employment hierarchy will be discussed briefly.*

## **Introduction**

Getting to the top if you're born at the bottom has always been hard. In any hierarchically-organized society with very limited positions of economic and political power, equitable numbers from lower social origins have never attained these positions, regardless of their talent. The "white settler" societies such as the US and Canada witnessed relatively large inter-generational upward class mobility over the past two centuries. The global transition to industrial capitalism and mass immigration corresponded with the formation of fully developed class structures in these societies, in contrast to western Europe's transition from more rigid feudal institutions. As the industrial production system expanded through the 20<sup>th</sup> century, the numbers of positions at the top of this system also expanded, both in terms of absolute numbers and the numbers requiring competent performance. Greater attention was given to recruiting people of talent from lower social origins. Since WWII especially, various equal opportunity and affirmative action programs have led to some marginal gains in employment equity. Capital intensification in extractive and manufacturing industries has put an increasing premium on human mediation of expensive machinery. The rise of the service sector has been contingent on the selling of labour-intensive services rather than material goods. The recent proliferation of information technologies has made a wider array of work tasks dependent on the self-monitoring use of workers minds. In short, there has been a gradual trend for the motives and learning capacities of the workforce to play a more strategic role in advanced industrial production systems. In anticipation of the emergence of a "post-industrial society" or "knowledge-based economy", government and business concern to "fully tap into the rich experiences, skill and abilities" of previously excluded social groups such as women and minorities has been mounting (Autunes, MacBrides-King and Sweetenham, 2004). Such concerns are also an admission that very substantial employment inequities between people according to gender, race and class origins persist. In this paper, we will define concepts for estimating inequality at the top, present profiles of the extent of inequality in the general labor force and top positions, identify some persistent barriers and review alternative practices for overcoming them.

## **Concepts of Underrepresentation and Underemployment**

Since the American Revolution, democratic nation-states have been founded on the ideals of liberty and equality. The basic animating notion is that people of all social origins should have the right to aspire to any social position in these societies. This notion has been progressively refined into more specific concepts of equality: from equality of opportunity to aspire to higher positions, to equality of condition aiming to provide comparable starting points, to equality of result which assumes that people of all social origins should be represented equally in such positions. The Coleman report of 1966 systematically documented the lack of equality of educational opportunity in the US and led to the initiation of concerted affirmative action measures to achieve greater equality of condition particularly on bases of social class and racial origins. While implementation of affirmative action measures has been contested at higher educational levels, the notion of equality of result, that people of all class, race and gender origins should be fairly represented in completion of advanced education and attainment of highly qualified occupational positions has become a widely espoused principle. The combined rationale

of overcoming unjust discrimination and avoiding wasted potential of highly talented people of lower social origins has become increasingly compelling. The underlying assumption is that talent is initially equitably distributed across all social origins.

Two interrelated concepts are now commonly used to assess the extent of equity that has been achieved in the employed labor force: underrepresentation and underemployment. Underrepresentation simply refers to the extent to which the proportion of a social group in the membership of any desired social position, including graduating classes and high prestige occupations, is less than their proportion in the general population. Underemployment denotes the extent to which the labor time and skills of any individual or group are underutilized in the labor force. There are five basic dimensions of underemployment: unemployment, which is complete underutilization of potential labor time; involuntary temporary employment, which is partial underutilization of potential labor time; credential underemployment, which signifies the job holder has higher formal credentials than required for job entry; performance underemployment which means that the job holder has significantly greater relevant knowledge and skill than is needed to actually do the job; and subjective underemployment which is the perception of job holders that they are overqualified for the jobs they do. There is a burgeoning research literature assessing the extent of employment equity in these terms (see Livingstone, 2004a).

## **General Profiles of Educational and Employment Inequalities**

### *Underrepresentation*

Recent estimates of the equality of educational result are provided by the 2000 US General Social Survey. As Table 1 summarizes, educational attainments have increased over the past few generations for most social groups. But there are significant persistent differences by class origins as well as by race and gender. Children with fathers who are professional employees remain about 4 times as likely to complete a university degree as those whose fathers are industrial workers. Differences between children from corporate executive families and those from single parent families subsisting in conditions of unemployment are probably much more stark but difficult to document. Whites are about 1.75 times more likely to get a degree than blacks are. Males are about 1.2 times more likely than females to have a degree. The gender and race gaps have narrowed somewhat since the 1960s as relatively more blacks and women have gained access to higher education, but white males are 2.5 times more likely than black women to get a degree. The class gap endures and continues to interact with race and gender factors (see Rothstein, 2004). Among the most extreme differences is that between white males from professional families, about two-thirds of whom have completed a degree, and black females whose fathers are industrial workers and less than 10 percent have attained a degree. The US has certainly become a “credential society”, but increased reliance on educational credentials for job entry has served to reproduce historical inequities by social origin with only marginal gains to date. The increased average educational attainment of the entire population means that more individuals from lower social origins are reaching higher positions but their relative chances of doing so have seen only gradual improvement. The “talent use gap” in terms of inequality of results in education for those from lower social origins with the potential to achieve a higher education

remains massive. The US has the most extensively developed university system in the world and a relatively high level of inter-generational class mobility. The level of educational underrepresentation in the UK and many other countries in class, race and gender terms is likely even higher (see Livingstone, 2004a).

**Table 1 University Degree by Father's Occupational Class, Sex, Race and Generation, U.S. 25+ Population, 2000**

	Father's Occupational Class		Total Population
	Professional Employee (%)	Industrial Worker (%)	(%)
<b>Total Population</b>	61	14	27
<b>Generation</b>			
Born pre 1931	40	10	15
Born 1931-1950	55	13	25
Born 1951-1970	63	15	30
Born 1971-1982	65	20	36
<b>Sex</b>			
Male	66	15	30
Female	56	14	24
<b>Race</b>			
White	61	15	28
Black	40	11	16
<b>Gender-Race Interaction</b>			
White Male	63	14	31
White Female	59	15	26
Black Male	50	15	24
Black Female	33	9	12

Source: 2000US General Social Survey, National Science Foundation

Women's participation in paid work increased throughout the 20<sup>th</sup> century and is projected to represent almost 48 percent of the total US labor force by 2008 (Fullerton, 1999). Increased representation of married women has been the most dramatic change. In the US, this proportion rose from around 5 percent in 1900 to 60 percent in the early 1990s. The labor force participation rate of women in general grew but at a gradually slowing pace up to 1990. After a recession-based hiatus from 1990 to 1993, growth resumed, reaching around 60 percent of all women by the late 1990s. But throughout the century, mothers accounted for most of the rise; participation by women with children under 18 increased from 47 percent to 70 percent between 1975 and 1996, for example (Hayghe, 1997). It should be stressed here that an increasing incidence of the double-day—a paid job in the labor force as well as the unpaid job of homemaking—occurred at the same time. While women in lower income families have long had higher incidence of a double day, women at all family income levels have now entered paid employment while continuing to shoulder the bulk of homemaking duties (Shriner, 1996).

The unpaid domestic labour that was previously hidden in the household and

devalued as “women’s work” has become more of an area of negotiation between household partners, and its economic value has begun to be recognized. For example, Statistics Canada (Jackson, 1994) estimated that the monetarized value of household work in 1992 was between 31 and 46 percent of Canada’s gross domestic product (GDP). Statistics Canada has been a world leader in measuring the volume and value of unpaid work done in both the home and the community (Macredie and Sewell, 1998). The Canadian General Social Survey (GSS) offers detailed measures of household work, including estimates of time spent in cooking/washing up, housekeeping, maintenance and repair, other household work, shopping for goods and services, and child care. Accurate analyses of unpaid work time still require refinement, but, as Canadian women increasingly entered paid work between 1986 and 1998, the time devoted to unpaid household work declined somewhat because women had less time available to do it, while men only marginally increased their “helping out” activities in the home (Fredericks, 1993; Status of Women Canada, 1997; Statistics Canada, 1999). Substantial portions of unpaid work remain hidden in both the household and community because people continue to regard them as intrinsic parts of everyday life rather than “work” (Macredie and Sewell, 1998, p. 8). But what is clear from the Canadian research as well as other recent studies is that women continue to have the primary homemaking responsibilities and that this serves as a fundamental constraint on their labor force participation and occupational advancement.

Women’s increasing educational attainments and labor force participation coupled with advances of the women’s movement and anti-discrimination laws contributed to notable occupational desegregation starting in the 1970s. The gender distribution in many occupations has shifted substantially, although women still tend to be concentrated in clerical and service sectors and men, in craft, operator and laborer jobs. Women have generally moved most rapidly into the fastest growing jobs, most notably managerial and professional positions where they have attained about half the jobs (Wootten, 1997).

Longitudinal surveys of recent labor market entrants during the 1990s found a small gender gap in promotion rates favoring men over women early in their careers but disappearing over time; racial differences in promotion rates favoring whites over blacks and Hispanics also disappeared over time. Married women, however, had continuing lower rates of promotion than either non-married women or men (Cobb-Clark and Dunlap, 1999). Young women today are much more likely to participate in the labour force, to work more, and to pursue higher prestige occupations with higher qualifications than a generation ago, but with difficult problems juggling responsibilities for job, marriage and children (DiNatales and Boraas, 2002).

The gender pay gap has been declining accordingly, from 59 percent of men’s compensation 30 years ago to 77 percent today in the US. These annual figures obscure much greater cumulative discrepancies. A recent analysis of 15 year average annual earnings for workers age 26 to 59 found that women who worked all 15 years made only 56 percent as much as men. Women still work largely in lower paid sex-segregated sectors and are compelled to choose part-time or discontinuous employment because of family responsibilities. Male dropouts made higher average incomes than females with university degrees (Rose and Hartmann, 2004 as cited in Bernstein, 2004). But as female university graduation rates surpass men’s and the economy shifts increasingly from manufacturing to service jobs, job segregation and the pay gap are likely to continue to

narrow.

Similar general observations can be made about the changing representation of people of color. Visible minorities make up a growing proportion of the US labor force, about 17 percent currently, including 12 percent black and 5 percent “Asian and other” (Fullerton, 1999). Basically, there have been significant cumulative increases in the educational completion levels of minorities, labor force participation rates in virtually all occupations and relative earnings, particularly since the rise of the civil rights movement in the 1950s. Median income for blacks, for example, increased from 44 percent of white incomes in 1959 to over 70 percent by 1979. The gaps may have narrowed somewhat since then. But, according to the 2000 Census whites are still much more likely (33 percent) to hold the higher paying managerial or professional jobs than either blacks (22 percent) or Hispanics (14 percent) and the wage gap between blacks and whites has been either stagnant or eroding since 1979 along with general increases in economic polarization between the rich and poor (US Bureau of the Census, Current Population Survey, various years). Regardless of formal educational qualifications there is also strong evidence of persistent systemic discrimination against people of color in job hiring processes throughout the labor force (Henry, 1995). In short, there is still very substantial underrepresentation of people of color both in higher education and in higher paying jobs.

### *Underemployment*

While underrepresentation of people from lower social origins in advanced education and the labor force has attracted much more public attention, the underemployment of their capabilities within the job structure constitutes an additional layer of discrimination. We have documented the extent of underemployment in both the US and Canadian labor forces elsewhere (Livingstone, 2004a). As mentioned above, basic dimensions include unemployment, involuntary temporary employment, employment requiring lower entry qualifications than attained, employment requiring lower performance qualifications than attained, and the subjective attitude of being overqualified for one’s job. On most of these dimensions, those who end up in lower status jobs, people of color and women tend to experience a greater extent of underemployment than those in higher status jobs, whites and men, respectively.

Various summary measures have been used to estimate the total extent of underemployment in the active labor force. Some conceptions of underemployment are *time-based* focusing on complete or partial exclusion from employment and some are *skill-based* focusing on underutilization of capabilities in employment. In our expanded conception, employment status is properly understood as a continuum ranging from long-term complete unemployment to long-term full employment. The notion of underemployment can be applied to any of the five dimensions referred to above. People in long-term unemployment are most severely underemployed, but even those most fully employed in long-term jobs may feel underemployed. Several dimensions of underemployment may be experienced simultaneously, even exclusion and underutilization—which may both be quite extreme among involuntary part-time workers in unfulfilling jobs. There is now general recognition in both the time and skill-based approaches that no single measure can comprehend the phenomenon of underemployment. Both approaches have typically generated more complex measures within their own criteria without seriously considering aspects of the other approach.

There has been very limited effort to comprehend and measure the full extent of underemployment as *both* a time-based and skill-base problem which effects two distinct but overlapping populations—the excluded-unemployed and the underutilized-employed (Livingstone, 2004a).

It is probably fair to say that an accurate estimate of the total time-based underemployment rate of all who want jobs today in most advanced capitalist economies is around double the official unemployment rate and that the proportions of discouraged workers and those in involuntary reduced employment are both continuing to grow. According to most recent estimates, those officially unemployed or experiencing hidden unemployment in these terms in the U.S now make up about 18 percent of the eligible labour force (National Jobs for All Coalition, 2003). If the “subemployment” approach practice of including those full-time workers earning less than poverty-level wages were also applied, the total numbers suffering from these forms of underemployment would increase to around a third of the entire labour force in the U.S. and Canada (National Jobs for All Coalition, 2003; Burke and Shields, 1999) and also globally (ILO, 2003). It is clear that the cumulative trend to greater time-based underemployment has been associated with lower wages, less benefits and diminished job security in general and that this trend increasingly affects highly skilled/professional workers (e.g. Tilly, 1998; Bluestone and Rose, 1997).

Direct estimates of the skill-based underemployment of job holders generally have ranged from self-ratings around 20 percent who see themselves as overqualified for their jobs, to around 30 percent who have greater credentials than required for entry to their jobs and over 50 percent who may have more knowledge and skill, as estimated by formal education, than is needed to perform their jobs. On all measures, the extent of underemployment is generally greater than the extent of underqualification by a ratio of 2:1 or more. More accurate measures of people’s employment-related skills and knowledge and the extent of correspondence with available jobs are certainly needed, as well as longitudinal cohort studies. But the weight of empirical evidence strongly suggests that the actual skill development of the currently employed workforce generally exceeds the gradually increasing job requirements. Further analyses of skill-based underemployment measures by occupational group also continue to confirm that blue collar and white collar workers are more likely than corporate executives, managerial and professional employees to be underemployed, and that visible minorities and recent immigrants also have relatively high rates (Kelly, Howatson-Leo and Clark, 1997; Livingstone, 2002).

Considering all five measures of underemployment, there are some indications of increases over the past five years, some fluctuations related to business cycle changes and other contextual factors, and few indications of secular decline on any of these dimensions. While many researchers persist in focusing selectively on one or more of either the time-based measures or the skill-based measures and analyzing related characteristics such as individual earnings and social attitudes, the forest of underemployment continues to grow (see Livingstone, 2004a for a detailed review of research).

Very recent estimates of the extent of underemployment have been generated by a national survey (N=9670) of the Canadian labor force completed in summer of 2004. Only two indicators of skill underutilization will be presented here for illustrative

purposes: the **credential gap**, or the proportion of employed workers in jobs requiring lower entry qualifications than they have attained, and **subjective underemployment**, the belief that they are overqualified for their jobs.

**Table 2 Credential Gap and Subjective Underemployment, Canadian Labor Force, 2004**

<i>Group</i>	<i>Credential Gap (%)</i>	<i>Subjective Underemployment (%)</i>
<i>Total Labor Force</i>	33	27
<i>Non-whites</i>	39	34
<i>Non-white Women</i>	38	29
<i>Non-white Men</i>	40	37
<i>Professionals</i>	24	22
<i>Non-white Males</i>	39	33
<i>Top Managers</i>	23	19
<i>Non-whites</i>	43	33
<i>Non-white Males</i>	66*	75*
<i>Corporate Executives**</i>	10	2
<i>Females</i>	15	4
<i>Non-whites</i>	*	*

*\*Sample too small for reliable estimates*

*\*\*Special supplementary sample of Ontario corporate executives, 2000 and 2002 (see Livingstone, Hart and Davie, 2002)*

*Source: WALL National Survey, 2004.*

As Table 2 summarizes, about a third of the employed Canadian labor force now hold at least one educational credential higher than their job requires for entry. This figure appears to have increased significantly over the past decade (see Livingstone, 2004a, b). The level of subjective underemployment expressed is somewhat lower, just over a quarter, and has experienced only marginal increase over this period. Non-whites do experience higher levels of both underemployment of credentials and subjective underemployment, and non-white males appear to have the highest rates of underemployment on both measures.

In sum, it appears that the general situation in the US as well as most advanced industrial societies today is one of persistent underrepresentation in educational completion and employment entry for those from lower social origins, along with some significant marginal gains. There have also been less pronounced but relatively high levels of underemployment among job holders on similar class, race and gender bases.

The focus of the rest of this paper will be on the still very limited positions at the top of the employment system-- corporate executives, top managers and professionals—and the extent of equitable access for women and people of color to these positions. We will summarize current patterns of participation, and then identify some continuing barriers and briefly discuss potential measures to achieve greater equity.

## Profiles of Underrepresentation and Underemployment at the Top

### *Underrepresentation at the Top*

If women and people of color had equitable chances to be in top positions, society would be better off in terms of selection of the most talented people, as well as more responsive and legitimate governance. But it is still the case that the closer to the top, the greater the underrepresentation. In Canada today, 41 percent of top professionals (including doctors, lawyers, architects, engineers, scientists, accountants and professors) are women (WALL, 2004). This is an impressive gain over the past few generations from a situation when women were largely excluded from many of these fields. However, in-depth US studies find that 84 percent of law partners and 93 percent of top-earning doctors are men, findings undoubtedly related to the fact that men in these professions are enabled and encouraged by norms and networking to put in an average of about 5 hours more of paid work per week (Tischler, 2004).

Senior managerial positions continue to be dominated by men in spite of women's increasing entry into management since 1970 and similar general promotion rates between men and women among recent youth cohorts. Table 3 summarizes the current situation in the US, as well as the UK and Canada. While women are approaching parity in labor force participation in all three countries, they constitute only around a third of upper level managers. There appears to have been a slight decline in managerial equity in the US during the 1990s. These figures also disguise the fact that the vast majority of men continue to be supervised by men. In Canada in 1982, 94 percent of men were supervised by men; this declined to 83 percent by 2004. Conversely, the proportion of women supervised by women increased from 42 percent to 55 percent (Clement and Myles, 1994; Livingstone, 2004b). Women's managerial gains have been more likely to occur in sex-segregated sectors. Furthermore, the higher up the managerial ladder, the more likely for both men and women that the supervisor is a man; over 90 percent of male upper level managers and over 60 percent of women are now supervised themselves by a man.

Table 3 Women in Managerial Positions, US, UK, and Canada

Country and Year	% of Labor Force	% of Managers
<b>US</b>		
1990	45	37.2
2000	47	36.4
<b>UK</b>		
2001	45	30
<b>Canada</b>		
2003	46.1	33.7
2004	46.5	34.7

Sources: US: Peopleclick, 2003, Fullerton, 1999; UK: Employment Opportunities Commission, 2001; Canada: Catalyst, 2003, WALL, 2004

At the highest corporate levels, boards of directors continue to be heavily dominated by men. Table 4 summarizes the current status in the US, UK and Canada. The vast majority of the largest companies in the US now have a women board member and nearly half have more than one women on their board; representation in Canada is around half of these levels. These levels have probably doubled since the late 1980s (Daily, Certo and Dalton, 1997). However, in both countries as well as the UK, the proportion of board seats held by women is only around 10 percent. This proportion has probably also been increasing recently; a time series of surveys of corporate executives in Ontario-- with the highest concentration of Canadian corporations-- has found the rate increasing from about 4 percent in the early 1980s to around 13 percent today (Livingstone, Hart and Davie, 2002). The proportion of corporate officers who are women is also now over 10 percent. But the door to the executive suite remains almost closed. Only about 1 percent of all corporations have women chairpersons. The number of inside directors (i.e. company officers on the board), which is an intermediate and requisite position in the succession to chief executive officer is astonishingly small and stable, so there appear to be virtually no “ladies in waiting” (Daily, Certo and Dalton, 1997).

Table4 Women on Corporate Boards, US, UK, and Canada, 2003

Position	US	UK	CANADA
Corporations with Women Board Members	89.2%		48.6%
Corporations With Multiple Women On Board	47.6%		24.6%*
Corporate officers	15.7%		14.0%
Corporate Board Sets Held by Women	13.6%	8.6%	11.2%
Female Chairs of the Board	0.5%*	1.0%	1.2%

\*2004

Sources: US and Canada: Catalyst, 2003, Sinatra, 2004; UK: Singh and Vinnicombe, 2003.

In terms of underrepresentation in top positions, it should also be stressed here that women’s absence from the inner circles of political power is just as striking. Among advanced industrial countries, only in Sweden do women approach parity in national parliaments; coincidentally their representation in top jobs is also among the highest there. Recent electoral proportions in Canada are around 20 percent, the UK about 18 percent and the US House of Representatives and Senate both at 14 percent (Women in National Parliaments, 2004). The current Cabinets of the national governments are at similar levels: 23 percent in Canada, 24 percent in the UK and 14 percent in the US (Equal Opportunities Commission, 2004; Gender Gap in Government, 2004; post-election Canadian media reports, 2004). These low figures are mainly a result of two factors: the inequitable persistence of the double day of paid and unpaid labor which leaves relatively little time and energy for political action, and job discrimination which provides few independent economic resources to seek electoral office.

While visible minorities are an increasing proportion of the labor force and their numbers in professional and managerial positions have also been increasing significantly, most estimates indicate substantial underrepresentation persists. For example, while

minorities including Hispanics made up about 27 percent of the US labor force in 2000, they held only 16 percent of managerial positions (Skalak, Grant Harpe and Simpson, 2003). At the top of the corporate hierarchy, the pattern is even more exclusionary than for women. Only 3 out of the Fortune 500 CEOs were blacks in 2000 and blacks and Hispanics constituted less than 2 percent of all executive posts (Norment, 2000).

### *Underemployment at the Top*

Underemployment should be least likely to occur in the top jobs which generally have the highest qualifications. However, it follows from the general condition of extensive underemployment of highly qualified workers in a relatively free labor market that even professional and managerial employees will experience a significant amount of underemployment as their supply tends to exceed demand in many fields. As Table 2 shows, around 20 percent of both top professionals and top managers in Canada now tend to experience credential underemployment and feelings of overqualification for their jobs, compared to over 30 percent of the rest of the labor force. Corporate executives are distinctive in their very low rates of underemployment both in terms of their credentials and almost total absence of expression of subjective underemployment.

However, the exceptionally small proportions of women and people of color who attain these top posts do tend to express somewhat higher levels of underemployment—reflecting more limited opportunities to use their qualifications. Non-white professionals and managers are significantly more underemployed in these terms than whites, especially non-white men. Women corporate executives tend to experience greater credential underemployment than men although subjective underemployment is also virtually non-existent. There is some evidence that non-white men in top managerial and corporate executive posts may experience very high levels of underemployment but—reflecting their actual rarity—there are too few cases in the sample for reliable estimates.

### **Barriers to the Top**

The fundamental causes of the general underrepresentation of women in top jobs can be traced back to the two basic factors already cited: family responsibilities and lack of political power. The domestic duties that women are still expected to and typically want to fulfill for their families take significantly more time and energy than those that most men expect and want to do. This inequity is the chief persistent disadvantage that women suffer in seeking opportunities for advanced education and career advancement. While women who delay child-bearing have made impressive recent gains in advanced education, their usual addition of the bulk of responsibilities of child-rearing serve as a major barrier to job promotion. The predominant tendency for women to seek part-time and temporary employment in relation to family responsibilities leaves them at a major disadvantage versus men who still predominantly are devoted to full-time employment. It is notable, for example, that among those who do make it into executive positions women are much more likely to not have married or postponed marriage and to not have children (Catalyst, 2002a, 2004a). Secondly, while women have gained some independent economic resources with increased participation in paid work, the combination of the double day and relatively little discretionary income leaves most with little time to engage in the social networking activities associated with the inner circles of both economic and political power ultimately responsible for decisions about institutional

policy change toward greater equity. Compensatory rationalizations abound—assumptions about women’s more nurturing nature and associated tendencies to prefer nurturing paid jobs, greater inherent sensitivity to children, self-deprecating personalities, etc.—but the bottom line is that whatever their genetic and social predispositions, women face these systemic barriers to the top. In fact, recent studies find that women in management continue to hold similar aspirations to higher positions as men (Catalyst, 2004a)

Systemic barriers against people of color, especially blacks, still abound as the previous findings indicate. Serious discrimination persists in the US not only in education and employment but in residential segregation and criminal justice, with a growing underclass of predominantly colored people. A recent study of the small numbers of African-American women in management found that the “glass ceiling” was in fact a “concrete ceiling”, with widespread negative racial and sex stereotyping, double outsider status and exclusion from informal networks (Catalyst, 2004a; McWhirter, 1997).

These systemic barriers are typically compounded by more specific organizational and attitudinal resistance. Indeed, there is ample evidence that the growing presence of women and minorities in managerial positions has animated more evident negative reactions from white men (Maume, 1999); the July, 2004, Morgan-Stanley sex bias suit is merely the most evident recent instance of increasing collective responses by women (McClam, 2004). More generally, a recent study finds that sex-discrimination claims in the US labor force increased by more than 10 percent from 1992 to 2003 and women of color as well as older and immigrant women are especially likely to experience certain types of discrimination (National Partnership for Women and Families, 2004).

The most important barriers commonly identified by women business executives themselves are: exclusion from informal networks, sex stereotyping, lack of women role models, family responsibilities, failure of senior leaders to assume accountability for women’s advancement, lack of mentoring and, most predictably, lack of experience (Catalyst, 2002a). Informal methods still play a major role in both hiring and promotion processes, and “old and new boys” networks have remained influential (e.g. Drentea, 1998). For example, inside the corporation, progression to company officer on the board of directors or “inside director” has been a prerequisite for top executive positions and women and people of color continue to have extreme difficulty in obtaining these posts, largely because of the barriers cited above (Daily, Certo and Dalton, 1998)

### **Closing the Gap**

Virtually all institutional and organizational measures proposed to close these gaps for women and people of color derive from and attend to the fundamental barriers of employment-family balance or exclusion from networks of influence. Many of the advocated policy measures may be understood as associated with different types of preferred society. Some advocates favor a *free market society* in which individuals are free to compete in all fields; there is economic de-regulation and abolition of affirmative action programs; stimulation of individual opportunity and initiative is presumed to “raise all boats”. Others prefer a *liberal welfare society* in which market relations are muted by government regulation; there are social supports for the socially disadvantaged, including modest affirmative action programs which try to address equality of condition. Still others propose a *meritocratic society* in which there is equal representation throughout by

all social origins; there would be strong affirmative action programs with an equality of results focus and regulated quotas.

Measures based on a free market model assume that existing systemic barriers will be eliminated through open competition. What has tended to happen to date is that barriers at the top persist in most organizations and women and people of color increasingly leave, sometimes to attempt to start their own enterprises with limited capital (Tischler, 2004; Weiler and Bernasek, 2001).

A meritocracy requires stronger governing regulation than is generally politically acceptable at the moment in most advanced industrial societies. In some highly egalitarian societies, collective education in early childhood and limited contact with parents have been used to try to establish equality of condition in infancy. In the most extreme case, the kibbutzim, collective sleeping away from parents was the most distinctive feature of childrearing. However, this practice was largely abandoned by the period of the Gulf War in 1991 (Aviezer, Sagi and van Ijzendoorn, 2002). The kibbutz case demonstrates both the feasibility and the limits of very substantial amounts of separation time between children and parents. Where meritocratic measures have been attempted at a later age within liberal welfare regimes, such as affirmative action programs to reach equality of result at the level of university entrance, they have had some success but have met strong resistance from those in dominant interest groups (Moses, 1997).

Most initiatives to date at least implicitly assume a liberal welfare state context and propose either general institutional, particular organizational or individual behavioral measures that require consensual support at the respective level. From this perspective, it is clear that further affirmative action programs are needed to close the gap for blacks, aboriginals and Hispanics in US institutions of higher education. Expanded scholarship and bursary programs are the most obvious measures, but it is currently difficult to attract popular support for such measures in light of the rapid expansion of higher education generally in recent years.

However, as the underemployment data reported in this paper suggest, there is already an oversupply of qualified women and people of color for the available jobs at upper levels. Much more attention should be devoted to employment reforms to enable their advancement. The major new institutional-level initiatives that have emerged in recent years are work-life balance programs. When mounted from a liberal democratic perspective, such programs may challenge the “long hours culture” which presumes total devotion to the job and ignores family responsibilities. General measures may include shorter hours provisions, day care provisions, and recognition of time allowances for family priorities, along with job enrichment and team building. Such European countries as France, Sweden and Germany have legislated generous parental leave, reduced employment hours and quality child care programs which challenge this culture. From a free market perspective, the main impetus is to recruit, retain and motivate core employees at the firm level. More stress in work-life balance campaigns tends to be placed on flexible work arrangements such as working from home, time-management tips, encouraging employment of domestic help and curtailing of outside interests, rather than directly dealing with long job hours. Research to date suggests that most of these efforts have been of very limited success (Nord, Fox, Phoenix and Viano, 2002). For example, Opportunity 2000 – a business-led UK campaign to increase the number of

women at the top of organizations, launched in 1991 with the creation of a high-profile National Health Services Women's Unit, emphasized the significance of child-related responsibilities for women's work. However, both recruitment success and retention were chronic problems and the early success of the program was not sustained after its five-year funding expired (see [http://www.nhsdiversity.org.uk/Women/glass\\_ceiling\\_nhs/glass\\_ceiling\\_nhs.html](http://www.nhsdiversity.org.uk/Women/glass_ceiling_nhs/glass_ceiling_nhs.html)). This task force would be well advised to critically assess the history of this initiative as it proceeds to challenge work-life imbalances as systemic barriers to talent underutilization.

Inside the organization, the emphasis is typically on establishing a business case between work-life effectiveness in terms of health indicators and performance measures including productivity and innovation; finding out the importance of work-life balance in relation to other priorities such as job content, career advancement and compensation, and setting the tone for better work-life balance through leadership example. For instance, don't call last-minute meetings late in the day, don't call subordinates at home, give staff control over hours and place of work, leave the office at a reasonable hour, develop your own interests outside paid work and recognize positive spillover from these activities (e.g. Mclean, Brady and Bachmann, 2003).

Numerous US organizations have implemented progressive work-life balance measures. At the beginning of the 1990s, *IBM* for example had established a Work and Personal Life Balance Program including flexible work schedules as well as child and elder care programs (IBM, 1991). Today, many companies aspire to be "family-friendly", including such measures as flexible work arrangements, on-site daycare and emergency back-up programs. According to *Working Mother Magazine*, *Johnson & Johnson* and *Booz Allen Hamilton* are currently among the top-ranked firms (see <http://www.familyedge.com/kidsedge/html/parents>).

Other current programs within organizations typically exhort business leaders to: 1) support individual women in advancing their career; 2) champion a more inclusive work environment with education and systems refinements; and 3) develop a more diverse leadership corps to undertake actions that drive change. Concrete examples include:

- *Ernst & Young* has a program called "People Point" for accountability. In addition to flexible work scheduling and an extensive consultation program including an annual women's leadership conference, women senior managers are paired with partners, a process which tends to develop into full mentoring relationships (see <http://hr.com/HRcom/index.cfm/WeeklyMag0AB>).
- *Pitney Bowes* has an award-winning diversity program as indicated by its high level of representation of minorities, and including a Diversity Leadership Council with employees from all levels as well as extensive annual accountability measures (Frankel, 2004).
- *General Electric* is the 2004 Catalyst Award Winner for its Developing Women Leaders: Synergistic Forces Driving Change initiative which includes provision of information, experience and visibility to become leaders, linking the company's general management succession planning system with an internal women's network that identifies and nurtures female talent, and executive accountability for such identification (Catalyst 2004c).

- *Corning* has a gender training program where the CEO and top executives attended courses, including a three-year follow-up program where managers are encouraged to incorporate what they have learned into daily working life. There is also a career planning and mentoring program and mandatory workshops meant to reinforce its policies against racial bias and gender discrimination
- *Tenneco Inc.* has tied a part of an executive's bonus to his or her progress in promoting women and minorities.
- *American Airlines.* requires all officers to submit detailed, cross-functional development plans for all high-potential women in middle management and above.(see Eyring and Stead, 1998).

More generally, human resource executives in some firms are now engaging fairly systematically in activities such as benchmarking progress of women and people of color against white men, beginning to build business cases for diversity initiatives and designating senior executives to champion them, and encouraging support networks for women and minorities (Catalyst, 2001). Many women retain high job ambitions but already reject long hours culture. Ironically, in firms pushing family-friendly environments, practices of flexible employment and support services for women needing assistance, women are often considered to be less committed. Many women, and people of color, will not utilize services that are formally provided for fear of being perceived as uncommitted and incapable of doing their assigned role (Wilson, 2002).

But even if they are successful in their own terms, these programs do not pose any alternative job designs to interact more creatively with the world outside paid work or even register the essential value and creative skill involved in housework (Shorthose, 2002; Livingstone, 2004a).

At the level of individual behavior, the top advancement strategies reported recently in both US and European studies of women executives were: exceeding performance expectations, having a recognized expertise, having high-visibility assignments (Catalyst, 2002b; McLean, Brady & Bachman, 2003). All of these strategies are more likely to solidify long hours culture while including a few “superwomen”, rather than doing anything to modify it as a barrier to women's representation.

## **Conclusion**

There are still huge talent gaps in both the US and UK which become increasingly obvious and extreme as we examine the higher levels of economic and political hierarchies. This massive waste of talent is beginning to be dimly recognized as a barrier to greater profitability, particularly as firms with more equitable management teams produce greater profits (Catalyst, 2003, 2004a). At the same time, deregulation of affirmative action measures in higher education appears to be associated with some reversals of representation of both women and minorities in some fields of management such as information technology (Diversity Staffing Information Center, 2003). Many of the measures alluded to above can make marginal differences at the organizational level and for individuals, and are worth pursuing. In particular, many of the following measures could be implemented effectively in most US and UK organizations:

- Establish recruitment programs to place more women in “near top” or corporate officer on board of directors positions
- Hold mandatory diversity workshops with all employees
- Provide paternity leave on the same basis as maternity leave
- Provide on-site child care for all employees, not just for women
- Monitor voluntary job-related responsibilities for all employees to ensure that the small numbers of women and people of color do not over-extend themselves in ‘tokenist’ activities
- Make accountable efforts to include women and people of color in strategic projects and task forces
- Install an accountable process for tracking professional development of women and people of color
- Develop more flexible work schedules for all. This will probably include increased telework, which has demonstrated productivity benefits for professional and managerial employees; but provision must not further isolate women and people of color from informal networks of power (Employment Policy Foundation, 2004).

However, gender and race discrimination remain deeply embedded in even the most progressive firms and are unlikely to disappear in the foreseeable future even with such measures. The most likely prospect from either a liberal welfare or free market perspective is “small wins and incremental changes” (Meyerson and Fletcher, 2000). Given current levels of representation at the top, this could be a glacial process unless senior leaders comprehend the long-term consequences of delay.

Throughout recorded history, when the broad membership of major social groups has suffered persistent, overt and widespread discrimination and their most gifted members have been systemically denied access to positions of power, they have rebelled. In the current context of growing economic insecurity, experiments in alternative social and economic organization are spreading (Shorthose, 2000). Global capitalism now appears triumphant, but economic polarization accelerates. If recent history is any guide, substantial gains in equitable representation at the top and significant reduction of the current societal waste of talent at most employment levels among women, people of color and those from lower class origins, will require similar mobilization to the civil rights and feminist movements of the 1960s. The rising educational attainments and expectations of mounting numbers of highly qualified and underemployed graduates who are of lower class origin, people of color and/or women offer fertile ground for either concerted campaigns of employment equity for all, or for alternative social and economic movements.

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