



# Applying a capital perspective to explain continued gender inequality in the C-suite



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## ABSTRACT

Women are still not progressing into executive, CEO or board roles in substantial numbers. We argue that gendered forces operating at societal, organizational, and individual levels inhibit the accumulation of valuable career capital. These forces, typically in combination across a variety of contexts in the life-cycle, create substantial and cumulative limitations upon the ability of women to access and to accumulate the capital required to progress into executive roles in firms. We define this valuable capital for the role of the senior executive and explore the timing and interplay of critical forces that limit the acquisition and development of valuable capital for women. In particular, it is proposed that these forces can be mitigated by the corporate elite who, as board chairs and CEOs, can enhance the ability of middle and senior female managers to access and to acquire the additional valuable career capital required to progress to executive leadership roles.

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## Introduction

The Global Financial Crisis with its corporate collapses and the near breakdown of the financial services sector has prompted a renewed focus on the leadership of CEOs and their executive teams and the regulatory environment within which corporations operate (Claessens and Kodres, 2014). Many argue that the obliteration of trillions of dollars in value from the world economy during and after the Global Financial Crisis was linked not only to poor oversight of corporations by the corporate regulators, but also to the selection of predominantly male CEOs who adopted the style of hero leaders with little effective oversight of them by their boards (Basin, 2015; McCann, 2013). In the years since the Global Financial Crisis we have seen regulators, boards, and shareholders increasingly question the appropriateness of CEO selections based upon the heroic CEO model (see Khurana, 2001, 2004).

Further challenging this choice of the heroic CEO persona is the contemporary leadership literature. Since the spectacular collapse of Enron, and with growing urgency since the Global Financial Crisis, studies are highlighting the positive impact upon corporate performance of ethical (Ciani, Hannah, Roberts and Tsakumis, 2014; Johnson, 2011), distributed (Gronn, 2002; Pearce and Sims, 2002), transformational (Vinkenburg, van Engen, Eagly and Johannesen-Schmidt, 2011), and authentic (Gardner, Coglisier, Davis and Dickens, 2011; Neider and Schriesheim, 2011) styles of leadership. All of which differ quite considerably from the hero leader model. Parallel to this literature, significant differences have been established between men and women in leadership and its enactment (Eagly and Carli, 2007). For example, meta-analyses of 1990s research by van Engen and Willemssen (2004) revealed that women tend to adopt a more democratic or participative style than men. On measures of behaviors that increase

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leader effectiveness – transformational and contingent reward transactional leadership – women consistently outscore men (Bass, Avolio and Atwater, 1996; Eagly, Johannesen-Schmidt and van Engen, 2003; Parry, 2000). Nonetheless, despite the growing pressures on regulators and corporate boards to review their CEO selection criteria, and a well-established academic literature showing the virtues of the more collaborative and authentic styles of leadership that should advantage female job candidates (Gardner et al., 2011; Nichols and Erakovic, 2013), still relatively few women are reaching the executive ranks in our large corporations (Catalyst, 2014; McKinsey, 2013). In short, the progress of women in the United States, United Kingdom, Europe and Australia into executive, CEO, and board roles is at best described as “glacial” (Catalyst, 2012; Smedley, 2013).

In this paper we propose that a wide variety of gendered forces are at play and operate across a number of key contexts over the employee life cycle. These forces inhibit the accumulation of a range of key capitals in women that are required to progress toward the C-suite. Also, these gendered forces limit the opportunities for these capitals to be tested and refined in specific corporate contexts which are viewed by boards and their selection committees as critical to progress to more senior appointments (Fitzsimmons, Callan and Paulsen, 2014; Kaplan, Klebanov and Sorensen, 2012). In the next section, we outline a conceptual framework which uses a capital perspective to structure our arguments for an alternative and more holistic explanation of why so few women today are entering the C-suite.

### *Conceptualizing what is valuable capital*

In two previous studies we applied the key constructs of the Bourdieusian framework to examine the appointment of men and women to executive and CEO positions in medium to large corporations (Fitzsimmons et al., 2014; Fitzsimmons and Callan, 2015a). In the current paper, we again apply the Bourdieusian framework. This framework expressly considers embodied capabilities as valuable capital and explores how the domination of one group of individuals, namely male CEOs, can inter-generationally reproduce these views about capital without widespread resistance (Lane, 2000; Reed-Danahay, 2005; Swartz, 1997). The framework applies the epistemological tools of “field”, “habitus”, and “capital” to provide an explanatory lens to investigate why gender disparity in executive and CEO positions continues to occur (Bourdieu, Chamboredon and Passeron, 1991; Thompson, 2008).

The Bourdieusian (1990) conception of a field is that it comprises the structure of the social setting in which an individual operates. Fields, such as the corporate field, can be seen as arenas where the struggle for legitimation of particular volumes and structures of capital occur (Swartz, 1997; Webb, Schirato and Danaher, 2002). Some people within the field are able to dominate it, pass judgments, and have their judgments enforced (Lawler, 2004; Scott, 1992). They have the ability to designate what is considered to be valuable capital and the preferred contexts in which that capital is generated. In the corporate field, chairpersons represent such a group. As dominant players they have the capacity to impose their “legitimate vision of the social world”, which usually replicates their own composition of capitals (Swartz, 1997). Bourdieu (1990) also envisioned a field as a “force” or “magnetic field” which repels from its higher levels those individuals whose background has not provided them with the volumes and structures of capital considered to be valuable by the field, while at the same time attracting those whose capital composition is a match (Swartz, 1997:119). Fields are therefore structured spaces with forces in play that create a hierarchically organized system around specific types and combinations of capital.

Habitus is the sum of the ways in which we act, feel, think, and hold ourselves out to the world and captures the notion of embodied history or the socially produced self (Lawler, 2004; Maton, 2008). Reed-Danahay (2005) noted that the habitus is formed partially from a process of deliberate formal teaching and learning, but primarily generated through immersion in the socio-cultural milieu of the early family environment and schooling. Bourdieu maintained that the childhood years were the most important in habitus formation (Jenkins, 2002; Maton, 2008). Through observing and listening to those around them, children internalize appropriate ways of behaving and interpreting the world around them, thus acquiring the capital associated with their habitus (Reed-Danahay, 2005; Webb et al., 2002).

In choosing to take a purely capital perspective in examining gender inequality in executive roles, we relied upon Bourdieu's (1977: 178) definition of capital: “...all goods, material and symbolic, without distinction, that present themselves as rare and worthy of being sought after in a particular social formation.” Capital extends to all forms of power whether they are material, cultural, social or symbolic that can be drawn upon to maintain or enhance a position in the social hierarchy or, in this case, the appointment to executive roles (Swartz, 1997; Webb et al., 2002). Each individual has a particular volume and composition of capital and hence what is at stake in any field is the accumulation of valuable capitals (Svendsen and Svendsen, 2004; Thompson, 2008). In addition, Bourdieu proposed a theory of symbolic violence whereby dominant players impose systems of symbolism that reinforce existing capital compositions as worthy (Jenkins, 2002; Kraus, 1993). Jenkins (2002: 105) notes that the “mainstay of the exercise of symbolic violence is the imposition of a cultural arbitrary”. The selection criteria for progress into executive and CEO roles represents such a cultural arbitrary. We will argue that this arbitrary is reinforced and reproduced by chairpersons rewarding, through executive appointments, what they have determined as the worthy composition of capital. We also argue that forces which preclude women from obtaining this valuable combination of capital are largely responsible for the exclusion of many women from executive roles (Jenkins, 2002; Swartz, 1997).

### *Valuable capital in the corporate field*

As argued by Bourdieu (1990), and supported by the findings in our previous studies (Fitzsimmons et al., 2014; Fitzsimmons and Callan, 2015a), the degree of overlap between the capital possessed within the habitus of the manager/executive/CEO and what is valued by chairpersons, determines the likely success (or lack of success) of these managers/executives/CEOs in gaining

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