Opening the “Black Box”. Factors affecting women's journey to top management positions: A framework applied to Chile

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Abstract: The issue of women participation in top management and boardroom positions has received increasing attention in the academic literature and the press. However, the pace of advancement for women managers and directors continues to be slow and uneven. Built on a novel framework organized around factors affecting 1) career persistence (staying at the organization) and 2) career advancement or mobility (getting promoted in the organization), this study analyses the particular context of Chile. Our framework organizes the factors at the individual, organizational and public policy level that affect both career persistence and advancement of women in top management positions in Chile. Only 32 percent of women “persist” or has a career without interruptions, mainly affected by work-family integration and organizational environments with transparent and challenging working conditions. Women who “advanced” in their professional careers represent 30 percent of high management position in the public sector and 18 percent in the private sector. Only 3 percent of general managers in Chile are women. Women in Chile have limited access and are still not integrated in the business power networks. Our findings enlighten business leaders and public policy-makers interested in designing organizations that retain and promote talented women in top business positions.

Keywords: gender, leadership, women in top management, career management

1. Introduction

In the last decade, the talent management of women has become a priority subject in countries, companies and social organizations’ agendas. Women are part of the half of the active population with a college degree. However, this representation is not replicated in top management or directive positions. As a consequence, the growth potential of companies and countries which do not take advantage of the talent and education of a great part of the population is reduced.

With the purpose of preventing this loss of female talent and its collaboration to social and economic development, some governments have implemented practices and policies to increase women’s participation in senior management.

One of these decisions was especially disruptive and polemic. In 2008, Norway introduced a quota of 40 percent of female participation in the boards of directors of publicly traded, cooperative societies and municipal enterprises. Even though this norm met great opposition, the results obtained by the law of quota have been quite positive so far. In his book, Aaron Dhir (2012) explains that democratization of board of directors in Norway improved decision making and governing board management culture. More precisely, he discovered that the incorporation of a 40 percent of women generated improvements in the process of decision making, in prevention of the effects of groupthink, decrease of risk, increment in government board collective intelligence, it forces the search and
exploitation of women with talent to contribute to the business world in different networks, beyond
the traditional corporate power network or the "old boys".

Because of these results, many European countries imitated or adapted this measure to their
national reality. Norway's case was a trigger in new research and reinterpretation on the role of
women in company senior management and on the causes, that would be hindering their arrival to
senior management positions.

It is precisely this new context what encourage the realization of a study exploring all the
academic and professional literature on women in senior management generated since 2009. Salvaj
and Kuschel's work (forthcoming) is based on a comprehensive study of a great part of the
bibliography on the subject of women in top management. The first objective of this research is to
open the "black box" that encloses all the factors that impact on the road of women to top management
positions and visualize each one of them. From this starting point, their second objective was to
elaborate a mapping or organization of these factors so women and organizations interested in the
development of female talent can evaluate their weaknesses and strengths regarding each factor and,
consequently, focus on the design and implementation of concrete actions for the development of the
talent of women in senior management.

We will briefly describe the framework in the next section and then we will apply it to the
Chilean context and reveal practical ways to increase women's participation at the top management.

2. Framework for women's career success

According to the literature review that supported this model, the reasons underneath the lack of
participation of women in senior management are associated with more complex and deeply-rooted
aspects (Salvaj and Kuschel, forthcoming).

2.1. Professional success as both career persistence and career advancement

Academic evidence on women in senior management indicate that professional success is
associated to two actions: persist and advance. Women who are successful in their professional life
are those who persist or do not interrupt their career and/or advance or are promoted. These two
categories emerge of the comprehensive literature review focused on women and senior management
as shown in Figure 1.

Figure 1. Components of women's professional success

Source: Salvaj and Kuschel (forthcoming)

2.2. Challenge 1: Persist

A vast group of researchers have focused on understanding the factors or causes that allow
women not to abandon or interrupt their professional development. Persistence\(^1\) is especially
relevant for the case of women who aspire to occupy positions in senior management, since them

\(^1\) To assess the difficulty that women face to persist in their professional life, we find that only 32% percent of
women manage to continue uninterruptedly in the work market according to data from Casen Survey 2013,
Chile.
(contrasting with men) tend to have to face challenges as hostile male organizational environments (Stamarski and Hing, 2015; White and Massiha, 2016), extended and rigid office schedules (Goldin, 2014; Griffiths and Moore, 2010), difficulties on the integration of family life and work life which drive them, frequently, to interrupt or abandon their professional careers prematurely (Kossek, Su and Wu 2016), even when they are very talented and have great possibilities or promotion or advancement towards senior management positions (Hewlett and Rashid, 2010). Academic papers show that those women in management positions that interrupt their professional activities find great difficulties to be inserted in similar positions to those they had before said interruption and that many never manage to retake the same level in terms of position and remuneration (Kulich et al., 2011). The factors affecting persistence are synthesized in Figure 2.

Figure 2. Factors that impact persistence and retention of women in senior management

![Figure 2: Factors that impact persistence and retention of women in senior management](image)

Source: Salvaj and Kuschel (forthcoming)

2.3. Challenge 2: Advancement and promotion

A second, more numerous group of studies explored the factors that impact the professional advancement of women, i.e., their promotion towards managing positions of greater responsibility. According to the framework, there are factors or causes common to the persistence and advancement and other that are inherent to each of these components of women's professional success. This second group has been more prolific, not only in the number of studies, but also in the listing of factors (see Figure 3). Here, the same notion applies: 1) these factors interact with each other, 2) each individual must understand how they do it in their particular case, and 3) the importance of these factor and their relationship with each other is dynamic, i.e. that they change all the time, therefore, the analysis how these factors are influencing professional advancement must be reviewed periodically.

Figure 3. Factors that facilitate advancement and promotion of female talent towards senior management

![Figure 3: Factors that facilitate advancement and promotion of female talent towards senior management](image)
Persistence and advancement in professional life are related and feed on each other. Women who persist in their careers have better chances of achieving advancements, but once these are achieved, the challenges and demands of an executive position of greater responsibility increase the difficulty of remaining in the professional career. Therefore, persistence is a necessary condition to advance and while women progress in their profession, said persistence become harder, as demonstrated in the decreasing percentage of women, in all industries, as they climb the organizational pyramid. To achieve a greater ratio of women who persist, one must operate in two directions: 1) facilitate the women’s work-life integration and 2) generate challenging and interesting environments for them, as we will see later in this article.

3. Results: The framework applied to the Chilean case

3.1. Female participation in higher education and job market

Currently in Chile, a country where more than have of graduates from Chilean universities are women (52%), which demonstrates a high education level comparable to that of men (GET report, 2016). However, women access careers with lower social rating which could affect their legitimacy and status in their professional advancement. The percentage of women who have a master’s degree and work is 87%, very close to the 89% of men. Additionally, it is estimated that 48.5 percent of women participate in the Chilean work force (GET report, 2016). Alarmingly, only 32% of women have a continuous career (Casen, 2013), this speaks of a low level of persistence in their professional career, be it because of temporary or permanent leaves. This, in part, would explain why female talent only participates (approximately) in 5% of the boards and in a 10% of senior management positions according to (Tokman, 2011). More recent reports indicate that the percentage of positions occupied by women in public senior management reached 30% and in the private sector, that number is reduced to 18%.

These values indicate that in Chile, the incorporation of women in positions of senior management is still low when compared to other countries of the OECD and even in Latin America, but it is worth mentioning that the indicators have improved in the last few years and that there is an important dynamism due to government commitment and the activism performed by organizations of women in senior management positions.

3.2. Women should prepare for the future: Retirement

Even though the women’s employment rate has been steadily increasing since the 90s (30 percent in 1990, Benvin and Perticara, 2007), there is now higher awareness on the small (48.5 percent in 2017, according to INE) women’s participation rate in the workforce, and its impact in women’s savings for retirement. On average, by June 2018, women are getting 39.75 percent less pension than their male counterparts (Superintendencia de Pensiones). Women have been saving only for 15 years, have saving gaps because of motherhood and caregiving, save less money (as they also have lower salaries – gender pay gap in Chile is ranging from 10.4% to 30%; Dirección del Trabajo, 2015; ILO, 2017), retire earlier than men (the law suggest a retirement age of 60 for women and 65 for men), and live longer (Chilean life expectancy for men is 76.5 years, while for women is 81.6). Yet many women are “obligated” to retire, because they do not find a job. The employment rate for Chilean women ages

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2 This value varies according to the sample size analyzed by the different studies. The most pessimistic are around 3 percent, while the optimistic ones are closer to 8 percent.

55 to 60 is 25 percentage points higher than in the 60 to 64 cohort (New National Survey on Employment - INE, 2016).

### 3.3. Individual factors and women in senior management positions

Academic or professional research on individual factors that facilitate persistence and advancement of women in senior management in Chile is scarce or almost non-existent. Table 1 presents a summary of the existing research on the factors that affect women’s success in senior management. This paper tries to be the kickstart in this sense, showing that lack and inviting to investigate each one of the factors identified here.

In Chile, accessing positions in organizational leadership depends (greatly) on trust relationships with stakeholders. Salvaj and Lluch (2016) find out that, up until the 90s, female chairwomen were associated to the family or controlling group of the company and that in the last 10 years, this tendency has reverted because, even when “family chairwomen” are still an important percentage, “professional chairwomen” are more than 50% of women in the boards of the 125 biggest companies in the country. This study also analyzed contact networks of women who are in managing positions and it shows that, in addition to being a minority, multiple chairwomen (or those who sit on more than one board) tend to be less frequent on proportion when compare to their male counterparts. The numbers indicate that only 30% of chairwomen participated in two or more boards, while 40% percent of chairmen participated in, at least, 2 boards. Additionally, in 2010 and 2013, no chairwoman appeared in the top ten of better connected chairpeople linked to the board network. Summarizing, these studies suggest that, in first place, chairwomen represent a minority in the top of the companies. In second place, chairwomen have fewer networks or a lower social capital than chairmen. Another interesting datum is that the three women with the greatest number of boards in Chile in 2010 and 2013 are foreigners. The most popular chairwomen are from English-speaking countries and Colombian, and they belonged to regulated concessions and public services companies with foreign participation in the property. They get to this chair position through their international networks. This allows us to state that no one of the local women, not the foreign ones, are completely integrated to male networks where the power is Chile is concentrated.

Another aspect described by researches, as the report made by the Inter-American Development Bank (IDB) on female leadership in Chile (Gabaldón, 2015), it is the quantity and dynamism of the executive women’s networks that have as an objective to make visible the problem of female participation in senior management positions and that aim to support executive women. These studies have yet to analyze the effectiveness of said gender associations in reference to their capacity to ease access to senior management positions.

### Table 1. Summary of research on the factors that affect women’s success in senior management

<table>
<thead>
<tr>
<th>Factors affecting women’s success in top management</th>
<th>Research in Chile</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Persistence</strong></td>
<td></td>
<td></td>
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<tr>
<td>Individual factors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career orientation</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Negotiation of flexible hours</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Support from the partner and extended family network</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Delegation</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Focus on strategic tasks and time management</td>
<td>Non-existent</td>
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## Organizational factors

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<table>
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<tbody>
<tr>
<td>Intra-entrepreneurship</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Innovation</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Flexible work schedules</td>
<td>Limited</td>
<td>Chinchilla et al. (2017)</td>
</tr>
<tr>
<td>Performance evaluation based on results</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Wage policies that avoid gender pay gap</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Promotion policies that avoid the glass-ceiling</td>
<td>Non-existent</td>
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<tr>
<td>Collaborative and cordial work environments</td>
<td>Non-existent</td>
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## Individual factors

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<table>
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<tbody>
<tr>
<td>Social status</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Ability to embrace and apply new knowledge and technologies</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Ability to communicate and visibilize her performance</td>
<td>Non-existent</td>
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<tr>
<td>Communication styles</td>
<td>Non-existent</td>
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<tr>
<td>Ability to articulate a strategic vision for the business</td>
<td>Non-existent</td>
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<td>Negotiation skills</td>
<td>Non-existent</td>
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<tr>
<td>Leadership styles</td>
<td>Non-existent</td>
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<tr>
<td>Individual corporate networks</td>
<td>Limited</td>
<td>Salvaj and Lluch (2016)</td>
</tr>
</tbody>
</table>

## Advancement and Mobility

<table>
<thead>
<tr>
<th>Organizational factors</th>
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<tbody>
<tr>
<td>Organizational initiatives oriented to foster women’s talent</td>
<td>Limited</td>
<td></td>
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<tr>
<td>- Work and Family</td>
<td></td>
<td></td>
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<tr>
<td>- Family-supportive supervisor behaviors</td>
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<tr>
<td>Organizational culture</td>
<td>Non-existent</td>
<td></td>
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<tr>
<td>Organizational characteristics</td>
<td>Limited</td>
<td>Tokman (2011)</td>
</tr>
</tbody>
</table>

## Public initiatives

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<tbody>
<tr>
<td>Regulatory frameworks</td>
<td>Limited</td>
<td>Gabaldón (2015)</td>
</tr>
</tbody>
</table>
3.4. Organizational factors and women in senior management positions

Similarly, to the subject of individual aspects, there is a huge lack of research papers that explore the organizational factors that affect the management of female talent in senior management in Chile (See Table 1). We only identify reports from government agencies, consultancy firms and international organisms that describe the imposing gender inequality situation.

Most of the previous studies are concentrated around the topic of corporate social responsibility (CSR), HRM best practices and time flexibility at work (Chinchilla et al., 2017). Flexibility has been an argument for a more sustainable human development in the Chilean society, yet has the risk of become a burden for women if it is define as a benefit just for them. Although flexible organizational policy (telework, part-time work, etc.) does not make firms sustainable, we acknowledge that it is a good way to start the change and it definitely improves women’s participation in the workforce. *Great Place to Work* and PROhumana foundations have been pushing the agenda forward.

New research is emerging to fill the gap. The ESE Business School is studying the profile of women in leadership positions in Chile (Bosch, 2017; Bosch and Riumalló, 2017a) and the impact of quotas (Bosch and Riumalló, 2017b). Even when there is a law of equal pay for equal work in Chile (Law 20.348 of 2009⁴), the pay gap between men and women on the same responsibility is still a reality in all the levels of organizations and in all job categories, being of about 30% in the higher salary ranks according to estimates by the Dirección de Trabajo del Gobierno de Chile (Directorate of Labor of the Chilean Government) in 2015 (Dirección del Trabajo, 2015). According to OECD (2018) the gender pay gap between men and women with higher education is 35 percent (OECD average is 26%), leaving Chile in the 37th place of the ranking, which is the last place in the list. In the Chilean public administration the gender pay gap is 10.4 percent (ILO, 2017).

Additional to the existence of an important wage gap, Chile also presents low indicators of female participation in senior management. Women in senior management are located at around 6 percent of working women (OECD average is 20%). Women occupy 6 percent of CEO positions, and approximately 12 percent in service management sector. In total, around 22 percent of management positions are held by women. Nevertheless, there are still 36.6 percent of corporate governments with no female participation (Comunidad Mujer, 2016).

The presence of women in the boards of the most important companies (IPSA or Top 100 by size) is also very low, independent from the studies, the ratio of female representation is never above 8 percent (in 2018 it was 6.4 percent: 21 women in 327 IPSA board of directors positions). The report by Egon Zehnder (2016) is based on a sample of public-held companies finds out that approximately

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⁴ Equal remuneration for work of equal value (Law 20.348 of 2009) available at: https://www.leychile.cl/Navegar?idNorma=1003601
half the boards of companies of the IPSA have, at least, one woman in their board, this could be perceived as progress, but it is far from being the perfect situation because these companies may be adopting the known strategy of “tokenism”. The concept of tokenism refers to the policy and practice of making a superficial gesture towards the inclusion of members of underprivileged or minority groups (King et al., 2010; Oakley, 2000). The effort to include women in the board usually has the intention of creating the appearance of gender diversity and in this way, being able to deflect accusations of discrimination.

Despite these low indicators, currently, there are no public-held companies in Chile that implement programs or special policies to promote women to management positions (Ego Zehnder, 2016). This contrasts with the case of Argentina or Colombia, where 43% and 38% of companies indicate they implement practices to develop female talent towards senior management. The inexistence or lack of policies in the private sector5 that ease the arrival of women to senior management matches what is reported by (Gabaldón, 2015) on the opinion of Chilean businessmen who were inclined for the voluntary and progressive option of women in senior management, but do not define how they would exploit this process.

3.5. Public Policy Initiatives

There is also a huge lack of research papers that explore the effectiveness and how public policy initiatives affect the management of female talent in senior management in Chile (Table 1). We only identify reports that describe the actions undertaken by the government and the prevailing situation of gender inequality.

The government of Chile has an explicit commitment with the advancement of women in senior management. Demonstrating this commitment, they set up the creation of a Ministerio de la Mujer y Equidad de Género (Ministry of Women and Gender Equality) as well as the Primer Plan de Acción de Responsabilidad Social 2015-2018 (First Action Plan of Social Responsibility 2015-2018) which incorporated concrete measures for the incorporation of gender dimension in companies according to the guidelines of the OECD.

In this framework, and with the objective of leading by the example, an initiative that establishes a quota or goal for participation of women in the boards of Empresas del Sistema de Empresas Públicas (SEP) (Companies in the System of Public Companies) of 40 percent, as it was done in several European countries (as shown by Heemskerk and Fennema, 2014) and as proposed by the norms of the EU is being pushed. In 2015, the percentage reached 29.3 percent in SEP. In non-SEP public companies, women participation was of 25 percent (Pulso, 2016).

Additionally, the Superintendency of Securities and Insurance (Superintendencia de Valores y Seguros - SVS) adopted measures that demand transparency in the reality of women in private companies’ boards through the norm 386 (SVS, 2015). Among the changes to corporate government norms is the incorporation of data on the following aspects: diversity on the board (gender, nationality, age and seniority); diversity in general management and other managements that report to this management or to the board; diversity in the organization (gender, nationality, age, seniority); and pay gap by gender. Also, according to norm 385, there will be notification on the adoption of the

5 This observation is based in the non-existence of research that provide precise data on practices and policies in the private sector. However, it is worth mentioning that from our experience, we know that there are some companies leading RSE practices, family-friendly organizational culture, networking programs and non-discriminatory HR practices. Some examples are Movistar, BCI or Grupo Security. There are also programs to equalize female representation in senior management positions in multinational companies with branches in Chile, for example, Adidas Chile.
aforementioned policies to the diversity of the composition of the board and in the designation of the main executives of the society.

Finally, there is in Chile a developed regulatory framework related to the gender subject. Exceptionally, and leading American countries, Chile contemplated the "Law of Afterbirth leave of 6 months", in force since 2011. Law 20.545 of 2011\(^6\) modifies the norms on maternity protection and incorporates parental leave birth leave, and allows Chilean mothers (and later fathers) to increase the time to be spent with newborn children. During this extension of 12 weeks (for a total of 24), mothers receive a maternity subsidy, financed by the State, which covers their remuneration during this time, for a maximum of 66 UF\(^7\) monthly. Some companies cover the rest and complete the salary of women in executive positions of a greater salary. Normally, medium-sized organizations have explicit organization policy regarding on how the rest should be covered. Other smaller companies, the delivery of the rest is open to negotiation between the employee and the employer.

4. Conclusions

Literature has shown that performance is not the reason that would explain why women do not persist or advance in their professional careers since companies with female executives in senior management positions present, in general, better financial results (Hobbler et al. 2018; Terjesen, et al., 2016).

The real factors that would explain the success (or lack thereof) of women in their road to senior management are associated to aspects intrinsic to culture. Said culture can change to take advantage of the value provided by female talent. However, all cultural changes require leaders who inspire and allow the advancement of women, and, additionally, can modify the application of policies and practices que aim to close gender gap and affirmative actions from organizations and from the government.

Multiple causes or factors or difficulties that allow or hinders women's advancement to positions in senior management are identified and visualized in this report. Factors are presented at individual, organizational and institutional or government level.

We abstain from giving concrete recommendations because this MAP of factor that impact professional development in women has as objective to help in self-evaluation (both on personal and organizational level) and identify aspects that could be obstructing female talent development and design strategies to improve. It is important to point out that the factors identified here are not all equally relevant in a specific moment and that for each situation, the combination of factors that would explain the difficulty to persist or move forward in professional development is different.

Organizations interested in managing their female talent can self-evaluate and identify the reasons why women leave their jobs prematurely or do not advance professionally. There are diverse organizational factors that affect the retention and promotion of female talent in each company. Therefore, it corresponds to women individually, as well as organizations, to identify what factors especially have an impact in each case and consequently, design practices or policies from the results of this analysis.

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\(^6\) Modifies the norms on maternity protection and incorporates parental leave (Law 20.545 of 2011) available at: [https://www.leychile.cl/Navegar?idNorma=1030936](https://www.leychile.cl/Navegar?idNorma=1030936)

\(^7\) UF stands for Unidad de Fomento, which is a unit of account that is used in Chile. The exchange rate between the UF and the Chilean peso is constantly adjusted for inflation so that the value of the Unidad de Fomento remains constant on a daily basis during low inflation (Wikipedia). 1 UF = 40.97 USD (August 26\(^{th}\), 2018).
For the case of Chile, it is important to point out that the government is not the only actor that can help reduce gender gap in company leadership. Companies, through concrete actions and practices have a fundamental role to revert the current situation. This investigation shows dynamism in the sector of public initiative, also by executive women organizations, but such effort is not perceived from companies, perhaps because of the lack or documentation on it. The lack of management of female talent is depicted in the non-existence of policies in great companies that ease the arrival of women in senior management would indicate a passive and uninterested position in generating a change.

Without women who persist in the organization, especially in mid-level and high-level positions, women will not be able to reach positions in senior management or on boards. Female talent management, a need in our times to increase economic and social development, must be understood as a process that starts the moment women enter a company and continues all her work life. Due to the factors that intervene in the process of development of female talent at individual, organizational and government level, all the actors must coordinate and contribute to it.


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