

Briefing Paper 40

Womens' leadership, employment and participation in the third sector and social enterprises.

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In recent years there has been increased interest in social entrepreneurship as a means of tackling some of society's most entrenched social problems. While there is no consistently accepted definition of social entrepreneurship, there is some agreement that it involves the pursuit of social change using innovative combinations of resources. Although understanding of what constitutes social change has been empirically neglected, it is widely claimed that social entrepreneurs are active in gender equality areas. Despite this perceived focus on gender equality, most academic studies have employed a gender blind analysis of social entrepreneurship. Few studies have attempted to estimate the relative prevalence of female social entrepreneurs in the UK.

Turning to large scale datasets that might shed light upon how the field of social entrepreneurship is 'gendered' in the United Kingdom, we encountered apparently conflicting evidence. Harding (2007a; b) draws upon data from the UK social entrepreneurship module of the Global Entrepreneurship Monitor (GEM) Survey to demonstrate that women are almost as likely as men to be involved in social entrepreneurial activity (around four women for every five men), a ratio favourably compared to

that of more than twice as many men as women in 'conventional' entrepreneurial activity (Harding 2007). We then turned our attention to the Annual Small Business Surveys which have been widely used to 'demonstrate' that there are around 62,000 social enterprises in the UK. This data suggested a ratio of five and a half male led social enterprises to every female led social enterprise.

However the two surveys have used different sampling frames and methodological approaches. The GEM data captures all third sector initiatives, whereas the SBS surveys predominately capture private sector business activity. Comparing findings from the two data sets suggests that women are underrepresented as leaders of private sector social enterprises, but are more equally represented leading or initiating third sector organisations. In order to ascertain how the wider field of social entrepreneurship is 'gendered' we then turned our attention to third sector organisations created by social entrepreneurs.

There is a significant literature on 'gendered' work organisations and the monopolisation of higher status (and paid) positions by men. The concentration of men and women in different types of occupation has been referred to as

'horizontal segregation', and the relative overrepresentation of men in managerial positions and women in lower grade positions within an industry or organisation as 'vertical segregation' (Hakim 1979). Few UK studies have attempted to understand the extent to which social ventures are horizontally and vertically segregated. That is, 1) whether the 'social change' industry is associated with one gender more than the other, and 2) whether women and men hold contrasting positions in the organisational hierarchy. This led us to undertake secondary analysis of the Citizenship and Labour Force Surveys to understand the ways in which the workforce and opportunities within the third sector are 'gendered'.

FINDINGS

Women and employment in the third sector

Women were over-represented in the third sector workforce making up 67% of the workforce, compared with 64% in the public

sector, and 40% in the private sector. Thus the third sector may be considered horizontally segregated by gender. A high proportion of those employed in the third sector work in areas of caring, including 59% who work within 'health and social care', and 13% working within education. Among women these proportions are rather higher with 63% working within health and social care (compared with 49% of men) and 13% working within education (11%).

Women and leadership in the third sector

One means of classifying occupational levels is through the National Statistics, Socio-Economic Classification (NSSEC). As we show in Table 1, there is an under-representation of women at the *higher* managerial/professional level, though not at the lower level. This is a pattern of vertical segregation also found within the public sector and private sector workforces.

Table 1: Proportions of all employees (in the third sector) who have higher and lower management/professional positions

| | Column percentages | | |
|------------------------------------|---------------------------|--------------|------------|
| | Men | Women | All |
| Higher managerial and professional | 21 | 10 | 14 |
| Lower managerial and professional | 41 | 47 | 45 |
| All other positions | 38 | 43 | 41 |
| Total (unweighted base) | 651 | 1423 | 2074 |

Source : LFS 2009. Differences are statistically significant.

Table 2: Proportions of those within management positions that are women (within the third sector)

| | Number of employees at workplace | | | | | | All |
|-----------------------------------------------------|----------------------------------|-------|-------|-------|--------|------|------|
| | 1-10 | 11-19 | 20-24 | 25-49 | 50-249 | 250+ | |
| Higher managerial and professional, only | 48 | 71 | 86 | 47 | 46 | 47 | 50 |
| Higher and lower managerial and professional | 70 | 73 | 75 | 63 | 57 | 57 | 65 |
| Total women in these orgs (unweighted base) | 632 | 268 | 118 | 298 | 438 | 97 | 1990 |

Source : LFS 2009. Note, 'all' column also includes those uncertain about employer size

It is worth noting that in larger organisations, there tend to be more professionals and higher managers. What we are concerned with is the proportion of women who reach management (or professional) grades within those different types of organisations. The link between size of organisation and the proportion of women who were managers/professionals turned out to be more complex. Women represented a smaller proportion of the managers and professionals within the larger organisations compared with smaller organisations (see Table 2), although in those organisations with 1-10 employees women constituted a smaller proportion of higher manager and professionals.

Overall, women represented 50 per cent of higher managers/professionals in the third sector (although 67 per cent of the workforce). This compares with 46 per cent in the public sector (64% in the workforce), and only 24 per cent among those working in the private sector (40% on the workforce). If we take the proportion of women working in a sector to attain higher managerial or professional

positions as an indicator of vertical segregation by gender, we find that the third sector has a similar profile to the public sector, and both these sectors are less vertically segregated than the private sector. Hence women working in the third sector are less likely to face gender inequality than those working in the private sector.

Women, pay and the third sector

Another indicator of gender inequality is relative pay rates for men and women in similar positions. Although the sample sizes were too small to conduct more detailed analysis comparing those in similar roles across the different sectors, the male: female earnings differential appears to be somewhat lower in the third sector than in either the public or private sectors. Women on average were paid 16% less than men (per hour) in the third sector, compared with gaps of 22% in the public sector and of 33% in the private sector. If we look instead at the top quarter of earnings, then the gaps widen somewhat in the private sector (to over 40%), whilst remaining relatively similar in the third sector and for the public sector.

Table 3: Gross hourly pay

| Hourly pay | Men | Women | Differential ('gender pay gap') |
|------------------------------------------|-------|-------|---------------------------------|
| <i>Mean</i> | | | |
| Private sector | 13.51 | 10.17 | 33% |
| Public sector | 15.25 | 12.46 | 22% |
| Third sector | 12.97 | 11.13 | 16% |
| <i>Top quarter</i> | | | |
| Private sector | 16.23 | 11.54 | 41% |
| Public sector | 18.66 | 15.49 | 20% |
| Third sector | 15.74 | 13.66 | 15% |
| <i>Higher managers and professionals</i> | | | |
| Private sector | 22.95 | 20.91 | 10% |
| Public sector | 21.40 | 19.21 | 11% |
| Third sector | 18.64 | 18.11 | 3% |
| <i>Lower managers and professionals</i> | | | |
| Private sector | 16.22 | 12.80 | 27% |
| Public sector | 16.03 | 14.69 | 9% |
| Third sector | 13.82 | 11.98 | 15% |

Source : LFS 2009.

The pay gaps are somewhat lower when we consider specific occupational groups. In particular, there was only a small pay gap for higher managers and professionals in the third sector, though a significant gap for lower managers/professionals of 15%. Pay differentials between men and women tended to be higher in the private sector.

CONCLUSIONS

Female social entrepreneurs leading private sector social enterprises are less prevalent than their male counterparts. The gender balance of social entrepreneurs initiating and leading third sector organisations is more equal. This paper presents some tentative findings that indicate the third sector is vertically segregated by gender in a similar way to the public sector, and

that gender inequalities in third sector organisations are somewhat less than in private sector organisations. The third sector generally may offer opportunity for women to establish and run organisations as well as gain employment with higher rates of pay than they could find in the private sector. More work is needed to try to understand the extent to which this vertical segregation varies within the third sector, both by sub-sector, and degree of market orientation. Just as the third sector is not a unitary category, so women face different life chances according to a range of variables. Thus it is necessary to explore differences in women's experience of the sector to examine the role of age, ethnicity, social class, education and location in determining pay and career success.

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