The gay glass ceiling in the UK



Empirical research on sexual orientation and work-related inequality has focused on earnings and income. Several studies have found that gay men earn significantly less than similarly situated straight men, while lesbians earn more than similarly situated straight women (e.g., see <u>Badgett 1995</u>; <u>Carpenter 2007</u>; <u>Aksoy et al. 2018</u>; and others).

In contrast to earnings and income, little known about sexual orientation gaps in access to managerial autonomy and authority:

- do sexual minorities face barriers in accessing jobs with supervisory and managerial workplace authority?
- once on the managerial ladder, do sexual minorities face glass ceilings that block them from higher-level posts?

Why does workplace authority matter?

Managerial authority at the workplace is important for three reasons given by Wright et al. (1995). First, workplace authority is one of the main determinants of labor market earnings. Second, these jobs are desirable in their own right, since they typically have relatively high occupational prestige and recognition. Third, inequalities in authority across gender or ethnic groups may be key mechanisms that generate and sustain inequalities in workplace outcomes. Having more female senior managers, for example, may lead to more equitable treatment of women throughout the organisation (Cohen and Huffman 2004). The presence of high-status female managers has a large impact on mitigating gender wage differentials (e.g.,Bell 2005, and Kunze and Miller 2014). Finally, positions of authority in the workplace may allow individuals from underrepresented groups to sidestep personal discrimination and potential harassment.

Nationally Representative Dataset with Direct information on Sexual Orientation

In <u>Aksoy et al. (2018)</u>, we analyse the responses of more than 645,000 working age adults (more than 6,000 selfidentified sexual minorities) to the annual U.K. Integrated Household Survey from 2009 to 2014, which asked individuals directly about their sexual orientation, as well as containing a raft of individual, household and workplace questions.

Measures of Managerial Authority in the Workplace

Permalink: http://blogs.lse.ac.uk/businessreview/2018/09/05/the-gay-glass-ceiling-in-the-uk/

Date originally posted: 2018-09-05

There are two independent avenues by which we can examine workplace authority. We use direct questions on whether or not individuals have managerial and/or supervisory authority in the workplace. A different question also asks about the occupation held by the individual and codes this by the National Statistics Socio-economic Classification" (NS-SEC). Importantly, the NS-SEC occupations include 'managers and professionals'. We use both the direct questions and the occupation codes in our analysis, and we find that our results are robust to the measure. The NS-SEC measure has the advantage that it differentiates between higher-level managers (which have more prestige and higher pay) and lower-level managers (which have less responsibility and authority). This allows us to investigate the existence of possible glass ceiling effects (Cotter et al. 2001).

What the data say?

Our analysis yields clear and surprising findings for gay men. Specifically, we provide the literature's first evidence that gay men are significantly *more* likely than otherwise similar heterosexual men to report managerial authority and/or supervisory responsibilities in the workplace. Using the NS-SEC measure (i.e. occupation measure), we also find that they are significantly more likely to have a managerial/professional post. However, we find strong evidence from the NS-SEC that there are glass ceilings: the managerial advantage experienced by gay men stems entirely from the fact that they are more likely than heterosexual men to be low-level managers. In fact, gay men are significantly *less* likely than otherwise similar heterosexual men to attain the highest level managerial positions that come with increased status and pay.

The results for lesbians are less clear-cut. Lesbians are significantly more likely than heterosexual women to have managerial authority. But they are significantly less likely than comparable heterosexual women to have any NS-SEC managerial/professional occupation, notably including the highest-level managerial posts. Bisexual men and women are both significantly less likely than otherwise similar heterosexual adults to have any of the types of workplace authority (regardless of the measure), though these differences are not always statistically significant.

Is it discrimination?

We perform decomposition analyses to understand the sources of the gay male disadvantage with respect to workplace authority and find that the majority of the difference is due to differential returns to observed characteristics and skills (such as education) as opposed to differential endowments. That is, the evidence is most consistent with discrimination explaining differential access to top managerial positions. Furthermore, we document evidence of intersectionality: the 'gay glass ceiling' effect whereby gay men have significantly lower access to top managerial posts is much stronger for racial minorities than for whites.

Implications

Access to managerial authority, and particularly high-level managerial posts, is not just about the individual. Those holding these posts are the exemplars, the mentors and the decision-makers on who will be the next generation of senior leaders. Bringing more sexual minorities, women and non-whites into managerial posts potentially increases the access for those further down the managerial/supervisory ladder – with similar characteristics – to be promoted. As with representation of women and minority groups on Corporate Boards, there is the potential to shift to a more representative outcome more broadly within the organisation.

Notes:

- This blog post is based on the authors' paper <u>Gay Glass Ceilings: Sexual Orientation and Workplace Authority</u> in the UK, Discussion paper No. 11574. Institute for the Study of Labor (IZA).
- The post gives the views of its author(s), not the position of the institutions they represent, the LSE Business Review or the London School of Economics.
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Date originally posted: 2018-09-05



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