

**Gender and Homophily Among MBA Graduates:  
Men's and Women's Informal Friendship Networks and Career Outcomes**

Jane Lankes\*, Gail Goochee, Sarah Damaske\*, and Pamela Kauffman

\*The Pennsylvania State University

**Abstract**

Previous research indicates formal work networks play a role in men's and women's differential career outcomes. Less is known about informal networks and how they contribute to gender inequality in career progression. Using in-depth, semi-structured interviews with seventy-three MBA graduates, we examine how informal friendships at work shape men and women's career advancement and trajectories. Results indicate women are less likely than men to use informal channels for career advancement. Even when they do, however, it does not benefit their career trajectories. Conversely, men's use of informal networks is associated with an accelerated career trajectory. We additionally find that while men gain from homophilic informal networks (i.e. primarily male networks), women's outcomes do not differ by gender composition. This suggests one way in which women become disadvantaged at work is through their exclusion from powerful (male) informal networks.

## **Background and Context**

Despite women's advancement in the past half-century, gender gaps at work remain. From the mid-1960s through the 1980s, women significantly increased their labor market presence, pay, and representation in historically "male" professions (England 2010). In the 1990s and early 2000s, however, progression toward gender equality began to stall and in some areas even reverse (England 2010; Percheski 2008; Roth 2006). Many point to the role of occupational segregation, among others, as a predominant source of remaining inequality (England 2005). Yet, even within occupations, women are disadvantaged in terms of pay, career progression, managerial positions, and several other dimensions.

Gender differences are particularly prevalent in male-dominated professions (Baxter 2015). Roth's (2006) study of Masters of Business Administration (MBA) graduates on Wall Street indicates substantial gender discrimination and workplace inflexibility in the business world specifically. Although women in recent years obtained MBAs at almost equal rates as men (National Center for Education Statistics 2015), they still experience slower career progression and are more likely to leave work altogether (Patterson, Damaske, and Sheroff 2017).

Previous research indicates formal networks—official and involuntary relationships—play a role in men and women's career outcomes. Those with mentors who have high efficacy in modeling, counseling, coaching, and other career-enhancing functions fare better in their organization (Kram 1988). Although individuals receive more psychological support and counseling from female mentors (Burke 1990; Koberg, Boss, and Goodman 1998), Sosik and Godshalf (2000) find they ultimately experience more career development and progression with male mentors. The authors hypothesize that this occurs because of the power afforded to men by their majority status in business (Ragins and Sundstrom 1989). Due to this unmistakable influence, the majority of research has focused on formal relationships (Kram and Isabella 1985).

However, it remains unclear if informal networks differentiate men's and women's careers through a similar process. Informal relationships—voluntary, unofficial peers and friends—are the most plentiful type of workplace relationship and can serve as communication channels for organizational news and advancement opportunities (Ibarra 1997; Porter and Roberts 1973). However, men and women perceive and enact workplace friendships in different ways. While women tend to form friendships that are communal and characterized by shared feelings and expressiveness (Morrison 2009), men form friendships based on shared activities and common interest (Markiewicz et al. 2012). Because their friendships are more action-focused than person-focused, men may be more likely to utilize informal networks and experience greater success with those networks. A number of studies further point to homophily as structuring men's and women's access to insider status, promotions, and clients (Kanter 1977; McGuire 2002; Roth 2006). As a result, men may enjoy more of the career-related benefits of informal networks, particularly if their networks are predominantly male.

## **Research Questions**

In this study, we ask the following research questions:

- 1) Do men and women MBAs have different networks?
- 2) How do informal networks impact career outcomes of men and women?
- 3) How does homophily of network impact these career outcomes?

## **Data and Analyses**

Data are from 73 qualitative, semi-structured interviews with men and women who earned MBA degrees between 1996 and 1998 from a prestigious business school in the northeastern United States. The sample was intentionally composed of a combination of men and women with similar credentials and background characteristics. In order to gather a sample, the researcher acquired alumni lists from 1996-1998 from the selected institution. Participants were then chosen randomly from these lists. Data collection occurred in 2008 and 2009, approximately 10-12 years after participants received their degree. Interviews lasted 1-2 hours on average.

Of the 73 participants, 28 were female and 45 were male. At the time of interview, the majority of participants held over 10 years of post-MBA business experience in a wide range of industries, including finance, banking, manufacturing, and additional professions. Participants' average age was 44, with an age range of 36-55. Eight-one percent were married, 5.5 percent partnered, 11 percent single, and four percent divorced. Seventy-six percent had children, and 24% did not. The majority of participants were white (76%), followed by Asian (8%), Hispanic (5.5%), black (4%), biracial (4%), and middle-eastern (1%). The sample selection notably limits the generalizability of these findings. However, it also increases the likelihood that participants will share skill sets and similar knowledge.

The dependent variables in this study are career advancement (measured as jobs or promotions described by participants) and trajectories. Ultimately, participants were categorized as possessing accelerated or stalled career trajectories. Stalled careers included individuals who had exited the workforce entirely or had become 'sidelined' or 'plateaued' in their career advancements. Characteristics of accelerated careers include a steady and quick move up in salary and title.

The independent variables are type of network used (informal, formal, or mixed) and gender homophily of the informal network. Gender composition in a network was coded as "predominantly male," "predominantly female," or "co-ed." While there was no overt question regarding the gender composition of each interviewee's network, we determined this variable based on the evidence provided within responses from participants. If participants consistently mentioned both male and female ties, the composition of their network was coded as "co-ed." Individuals were classified as "predominantly male" or "predominantly female" when one to zero mentioning of the opposite gender was present through the duration of the interview.

First, we identify whether career advancement occurred using informal, formal, or mixed channels and how this differs for men and women. Then, we examine how usage of networks relates to career trajectories for men and women. Finally, we examine how homophily of the informal network either benefits, deters, or does not affect men's and women's career trajectories.

## **Results**

Overall, we find important differences in men and women's use of and success with informal networks. Women are less likely to use informal channels for career advancement and when they do it does not influence their career trajectories. Conversely, men are more likely to use informal networks, and their careers do benefit from informal networks. Moreover, we find that while

men gain from homophilic informal networks (i.e. primarily male networks), women’s outcomes do not differ by gender composition. Findings are summarized in more detail in the following four points:

**1) Men and women have different informal networks, and both men and women believe that informal networks are important for career success.**

A majority of participants have co-ed informal networks, meaning, participants mentioned both male and female ties. A smaller proportion of women have primarily female networks, and a minority of men have primarily male networks. Notably, no women have primarily male networks and no men have primarily female networks. Men are more likely to report co-workers in their informal networks, and women are more likely to report close friends in their informal networks. Although both report family connections, this demonstrates that men’s and women’s informal networks differ somewhat in terms of gender composition and type of relationship.

The majority of both men and women report informal networks were important for their career (85% of women and 79% of men). Participants spoke to both the personal and professional support offered by informal ties within their network and explained under what circumstances these ties contribute to career advancement. For example, when asked if friendship is an important factor in a workplace, Nicole responded:

*“My closest friend is from business school. I will always pass anything by her, like any new contract. Anything. I always get her opinion. And then I have another friend from college who I always pass things to. So I would say my peers more than mentors. They’ve become my sounding board, like “does this sound like a good job to you?” And even with things that I do every day, they’re the people I talk to.”*

Daniel displayed a similar sentiment:

*“Absolutely. Because you need somebody to talk to, share experiences and sometimes that person turns into a mentor of sorts. You know how to navigate the company--are they reading the tea leaves like you’re reading the tea leaves?”*

**2) Men are more likely than women to achieve career advancement through the use of informal networks.**

Of those who achieved career advancement, men were more likely to use informal or mixed (informal and formal) channels than formal channels. Women relatively equally used informal, formal, and mixed channels.

Table 1: Usage of Networks by Gender

<b>Found Job or Promotion through Formal/Informal</b>	<b>Women</b>	<b>Men</b>
(F) Formal	36% (9)	15.8% (6)
(I) Informal	28% (7)	44.7% (17)
(B) Both	36% (9)	39.5% (15)
Sum	100% (25)	100% (38)

George described his job acquisition as a result of his informal ties:

*“What happened was [that] one of my friends had gotten an internship with the group that sat next to this group when we were in Midtown. He knew that I hadn’t gotten an internship yet and he heard that this woman was going on maternity leave and they said, ‘Do you know anybody?’ And he said, ‘Yeah, I absolutely know somebody, you should definitely interview him’. And that’s how I got it. So yeah, it really fell in my lap.”*

Jennifer similarly described the challenges of not having informal connections to a company:

*“Oh, I was so proud of myself... I did everything on my own. When I got into [The Bank]’s program, I think there was 25 of us; only 4 people had no connection to [the Bank]. But it’s a big, big alumni family. [The Bank] has a lot of nepotism. So, I felt so proud of myself that I did it -- I really did.”*

**3) Men are more likely to have accelerated career trajectories when using informal or mixed networks. However, networks do not appear to matter for women’s career trajectories.**

Women were about equally likely to be in an accelerated or stalled career. Unsurprisingly, men were more likely to have accelerated career trajectories than stalled. However, they are even more likely to have accelerated careers when using informal or mixed channels. Usage of informal, formal, or mixed channels ultimately does not appear to matter for women’s career trajectories.

Table 2: Usage of Networks by Gender and Career Trajectory

Jobs through formal or informal or both	Women (n=25)		Men (n=35)	
	Accelerated (48%)	Stalled (52%)	Accelerated (74%)	Stalled (26%)
(F) Formal	33.3% (4)	38.5% (5)	15.4% (4)	22.2% (2)
(I) Informal	25% (3)	30.8% (4)	38.5% (10)	44.4% (4)
(B) Both	41.7% (5)	30.8% (4)	46.2% (12)	33.3% (3)
Sum	100% (12)	100% (13)	100% (26)	100% (9)

**4) Men are more likely to have accelerated careers when their informal networks are homophilic. Women do not benefit from homophilic informal networks.**

The majority of career advancement came from a mix of ties with both men and women. A smaller minority reported career advancement from only ties with men. No one reported career advancement from only ties with women. Women’s career trajectories did not differ by homophily of their informal network. Men did benefit from homophilic networks, and were even more likely to have an accelerated career when their informal network was primarily male.

Men’s interviews suggest that men are providing career opportunities to one another. When asked how he got his first internship out of MBA School, George responded:

*“What happened was; one of my friends had gotten an internship with the group that sat next to this group when we were in Midtown. He knew that I hadn’t gotten an internship yet and he heard that this woman was going on maternity leave and they said, ‘Do you know anybody’. And he said, ‘Yeah, I absolutely know somebody, you should definitely interview him’. And that’s how I got it. So yeah, it really fell in my lap.”*

Moreover, men express strong homophilic preferences. For example, Edward reported gender selectivity in his position:

*“I’ve asked fewer questions, just about how someone is doing personally, how they’re feeling about things or if there’s stuff going on in their lives... I tried to keep that separate with women. I don’t want to have any kind of misconstrued comments or anything like that by the conversation that I might have with someone.”*

Benjamin expressed similar feelings toward women:

*“I’m a little bit less friendly with my female subordinates. I try to be a little bit more formal with them. So, for whatever reason, nothing gets misinterpreted in this environment.” -Benjamin*

Regardless of underlying motivation, this behavior has the potential to inhibit women from joining their informal networks. With this gender barrier in place, women do not have the opportunity participate in the informal communication channels or to benefit from the information acquired in these channels, such as opportunities for career advancement.