

Women in Leadership



Women Leaders and Profits

There are many ways companies benefit from having women in leadership positions. New research suggests that those benefits include a healthier bottom line.

Many studies have found positive relationships between women in the boardroom and companies' success. Two new pieces of research show how that might translate into profit.

A working paper titled "Is Gender Diversity Profitable? Evidence from a Global Survey," was released by the Peterson Institute for International Economics in February 2016.

Researchers set out to expand upon a 2015 McKinsey Global Institute report that concluded "a scenario in which women achieved complete gender parity with men could increase global output by more than one-quarter relative to a business-as-usual scenario."

They concluded that the share of corporate executives, followed by the share of women on corporate boards, had a positive effect on their firms' performance. A profitable firm with no women in leadership positions, they found, could experience a 15 percent increase in net reve-



nue after infusing its leadership with 30 percent women.

"This pattern underscores the importance of creating a pipeline of female managers and not simply getting women to the very top," the researchers wrote.

Another study showed the correlation between women leadership and a corporation's success. Human resources consulting firm DDI and non-profit business research group The Conference Board found that in the top 20 percent of

companies in regards to financial, 27 percent of leaders are women. Among the bottom 20 percent of companies, only 19 percent of leaders are women.

COUNTRY BY COUNTRY

When Peterson Institute researchers looked at women's roles in 22,000 publicly traded firms in 91 countries, they found that factors such as girls' math test scores, healthy attitudes toward women in leadership positions and liberal paternal leave policies influ-

enced how well women were represented in corporate leadership.

Finance, healthcare, utilities and telecommunications sectors showed the highest shares of female executive and board members, while basic materials, technology, energy, and industrials had the smallest shares.

QUOTA QUESTIONS

Quota laws such as those enacted in some European countries may not be effective

in producing better outcomes for companies, researchers found. A more effective approach might be to focus on C-suite positions, such as CEO or COO, or mid-level management positions.

"If women struggle to reach upper management, a quota would carry heavier short-run costs," they wrote. "In this case it might be better to pursue policies that help women in the middle of their careers before directly addressing board membership."

An Issue of Confidence

Whether it's becoming leaders or pursuing math and science careers, the research shows that one of the biggest barriers to girls following their dreams is self-confidence.

This confidence problem ranges from girls having trouble believing in their own abilities to feeling as if their looks are given more consideration than their competencies. Among girls responding to a Girlguiding UK survey, 35 percent of seven- to 10-year-olds said women are rated more on their appearance than their abilities, and 36 percent said people make them feel as if looks are their most important attribute.

Meanwhile, a study by Gallup and Google found lower confidence among seventh- through 12th-grade girls regarding their ability to learn computer science than that of their male peers. Less than half of girls said they were “very confident” about learning computer science, at 46 percent, while 62 percent of boys said the same.

LATER IN LIFE

The confidence problems don't seem to get better with age. A 2015 report by human resources consulting firm DDI and The Conference Board found that women are less likely to rate themselves as highly effective leaders compared to men.

The report, titled “Ready-Now Leaders: Cultivating Women in Leadership to Meet Tomorrow's Business Challenges,” found that only 30 percent of women considered them-



selves to be in the top 10 percent of leaders, compared to 37 percent of men. Among senior-level executives, 63 percent of men said they were highly effective leaders, compared to 49 percent of women.

“Confidence is critical for career advancement, having been strongly linked with success measures such as promotion, salary increase, and income,” said the report.

OTHER BARRIERS

In 2008, the Girl Scout Research Institute asked girls about what they

saw as barriers to leadership. The results offer a roadmap for helping parents and educators instill confidence in girls from an early age. The Girl Scouts report, titled “Change It Up! What Girls Say About Redefining Leadership” showed girls reporting a lack of self-confidence in their own skills and competencies. Other reported barriers were stress, fear of talking in front of others, seeming bossy and peer pressure.

Sports appear to offer girls an opportunity to build confidence. In 2015, the Always Confidence and Puberty survey

found that half of girls quit sports by puberty.

“Many studies have found that ongoing participation in sports is a high contributor to confidence in girls, at any level, and provides valuable skills to help them stay confident to do any and every thing later in life,” read the Always report.

The report also cited a U.S. consumer data survey that showed “women ages 18 to 24 are twice as likely to be confident if they play sports regularly, compared to those who do not play at all.”

Computing and Engineering Jobs

“More than ever before in history, girls are studying and excelling in science and mathematics. Yet the dramatic increase in girls’ educational achievements in scientific and mathematical subjects has not been matched by similar increases in the representation of women working as engineers and computing professionals.”

These are the sobering findings of “Solving the Equation: The Variables for Women’s Success in Engineering and Computing,” a 2015 study by the American Association of University Women.

The fields facing particular challenges are computing and engineering. In 2013, women held just 26 percent of computer-related positions, representing a smaller share than 30 years ago and on par with numbers from 1960, while only 12 percent of engineers were women.

The study found that women in engineering and computing industries contribute to creativity, productivity and innovation. “The United States simply can’t afford to ignore the perspectives of half the population in future engineering and technical designs,” researchers wrote.

THE PROBLEM

Girls are “less likely than male students to be aware of computer science learning opportunities on the Internet and in their community, to say they have ever learned computer science, and to say they are very interested in learning computer science,” according to a 2016 research report from Google and Gallup. Their findings were published in a report titled “Diversity Gaps in Computer Science: Exploring the Underrepresentation of Girls, Blacks and Hispanics.”

AAUW researchers reported explicit and implicit gender bias as a contributing factor in the underrepresentation of women in engineering and computing.

Women are less likely to pursue engineering and computing education, with



only one-fifth of computing and engineering degrees.

A desire to help others could even eclipse career goals for many women, AAUW researchers found. “Engineering and computing jobs clearly can provide opportunities for fulfilling communal goals, but jobs in these fields are not generally viewed that way,” they concluded. “The perception and, in some cases, the reality that engineering and computing occupations lack opportunities to work with and help others may in part explain the underrepresentation

of women in these fields.”

MAKING PROGRESS

The solutions won’t be easy but are attainable, according to the study, which determined that efforts to recruit girls and women into existing academic programs have had limited success. “Changing the environment in college and the workplace appears to be a prerequisite for fully integrating women into these fields,” the report said.

Researchers profiled one college’s successful efforts to graduate more

women in its computing program by making changes to introductory courses, providing research opportunities to undergraduates and celebrating women’s accomplishments in computing.

The Google/Gallup study concluded that parents and educators should work to better understand girls’ hesitancy to learn computing in grade school. They write: “It is important that all students have the opportunity to learn computer science skills during their K-12 education, as these skills become increasingly important in many areas of life.”

Buy Women Owned

Companies owned by women are growing at 1.5 times the U.S. national average, contributing over \$1.5 trillion to the U.S. economy, employing nearly 7.9 million people. Why not show your support with your dollars?

WOMEN ON THE RISE

The above statistics from the National Association of Women Business Owners, show the power of women entrepreneurs. More than 9.1 firms are owned by women, and firms with at least 51 percent female ownership account for 31 percent of all privately held firms, according to NAWBO. These companies employ 14 percent of workers and bringing in 12 percent of revenues, according to NAWBO.

Among those 9.1 million firms, 2.9 million are owned by women of color, providing jobs to 1.4 million people and generating \$226 billion in revenues annually.

NAWBO also reports that one in five firms with revenue of \$1 million or more is woman-owned, and 4.2 percent of all women-owned firms have revenues of 1 million or more.



A February 2016 report from Biz2Credit showed 130 percent more women-owned businesses applying for credit through its online platform in 2015 than in 2014.

FIND PRODUCTS

The Women Owned label helps consumers identify products created by businesses owned and operated by women.

The Women Owned initiative is a joint effort of the Women's Business Enterprise National Council and WEConnect International, two non-profits are dedicated to advancing the success of women's business enterprises. Products bearing the label are certified by WBENC in the U.S. and WEConnect International outside the country. To qualify, businesses

must be at least 51 percent owned and operated by a woman.

If you're shopping online, visit www.womenownedlogo.com to find businesses that qualify for the logo. You can shop women-owned retailers selling products in a wide range of categories, including baby, beauty and spa, clothing, food and beverage, home products and toys.



Look for this logo to support businesses owned and operated by women.



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Retaining Women Workers

In 2015, women made up 51 percent of the working population, according to the Department of Labor. Retaining women workers, however, represents a unique challenge to employers.

In 2010, when the U.S. was just beginning to recover from the Great Recession, researchers for the Center for Creative Leadership said companies should “pay even more attention to what women at work are thinking, and how they have been affected by the recession, downsizings, furloughs and general malaise.”

A TRUST PROBLEM

According to CCL, its World Leadership Study suggested that women are less trusting of their bosses and co-workers

than men, and the recession worsened the problem. CCL also found that the problem was specific to the workplace, as women remained more trusting of people in general.

Part of the problem, according to the research, is that women believe they have to work harder than men to get ahead in the workplace and thus feel more threatened during times of uncertainty.

Women also have different expectations about balancing time at work and home, according to the CCL report.

“The recession may be creating a feeling of vulnerability for those who are not interested in working 80+ hours a week and want a better balance between work and personal life.”

Another contributing factor is women’s ability to sense and respond to social cues, including threat signals. “Women tend to be better able to detect and label others’ negative emotions, such as anger or hostility, based on facial expressions,” the researchers wrote. “Therefore, women employees may be more aware

of incipient threats to themselves, their team, or their organization that have not been discussed openly. This awareness may result in them trusting their boss less if the boss hasn’t shared the information.”

BEST EFFORTS

In 2015, Fast Company magazine profiled successful employer efforts to retain women. Among the list were efforts to provide reverse mentoring, encouraging self care, a “buddy system” that pairs up

senior executives with rising female talent, providing flexible work schedules, effective career mapping that begins early in a woman’s career, and offering after-school programs for employees’ children.

“Whether these benefits are family focused or offer more leadership opportunities, executives can no longer expect women to give up everything for their career,” wrote Fast Company. “Concessions must be made to retain women in the workplace.”



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More Work to Do

Although much lip service is paid to increasing the numbers of women in board rooms and executive offices, and some countries even mandate quotas of women in leadership positions, there still is much room for improvement. Women are still underrepresented in the corporate world.

Addressing “the relative absence of women on corporate executive boards and at the upper levels of management globally,” researchers set out to quantify the problem for the Peterson Institute for International Economics.

THE PROBLEM

Nearly 60 percent of the firms they analyzed had no female board members, a little more than 50 percent had no

females in “C-suite” roles, and less than 5 percent had a female chief executive officer.

About half the firms had no female executives, and about half of the ones that did had only one woman in leadership.

The working paper cited a 2012 report by McKinsey & Company, which showed how differently women fare in various industries. In finance, about the same number of men and women are hired,

but by the middle-management level, there are half as many women remaining in the field. In the transport, logistics and energy fields, in which fewer women are usually hired, those who are hired reach middle management at higher rates.

THE PATH FORWARD

Norway, Denmark, Finland and France have legislated quotas for women’s business

roles, though the authors of the study found that those laws couldn’t be proven effective.

Instead, voluntary programs might be more effective, researchers wrote. “If at least some of the dearth of women in the upper ranks of corporate leadership reflects pure discrimination, proactive non-discriminating firms will outperform their discriminating rivals and expand at their

expense.”

Indeed, companies are already taking on the challenge. Daimler Corporation, pledged in 2006 to fill 20 percent of management positions with women by 2020, and a campaign called 2020 Women on Boards aims to increase women’s share of leadership roles in U.S. companies to at least 20 percent by 2020. Other similar efforts are underway worldwide.

Women in Politics

Women hold about 20 percent of the seats in the U.S. House and Senate, with 21 Senators and 83 representatives in office in early 2016, according to Rutgers' Center for American Women in Politics (CAWP). They make up slightly larger percentages of state legislative positions and governorships, while about 20 percent of mayors of the country's 100 largest cities are women.

A 2015 Gallup poll offered hope, showing that people believe women are just as capable in elected office as men, and even noted women are better at reaching compromise.

But still 38 percent of people surveyed believed that women lag behind because they are held to higher standards in political office, while 37 percent said people "aren't ready" to elect women.

SHE SHOULD RUN

If She Should Run had its way, more women would have the opportunity to shape their communities through politics.

"We provide the spark for women's political careers by inspiring more women to consider public office, and we make the case that public service matters," says the nonprofit on its website. Women win political office at similar rates to men, She Should Run contends, so they focus their efforts on getting women on the ballot.

Do you know a woman who would make a great political leader? Give her a nudge. A tool on the She Should Run website lets people craft a personalized message to a woman who they believe should run for office.

The site also offers an incubator that provides tools for women considering a run for political office, including an online community, mentoring, advice on building qualifications and networking, as well as a course to teach parents how to help their daughters envision themselves as political leaders.



"Our commitment starts with asking women to run and continues along their journey towards public office by demystifying the experience and empowering them to unleash their leadership potential," reads She Should Run's website. "We ask, encourage, and connect."

CAWP

The CAWP offers an in-person training event for women called Ready to Run. Scheduled for March 10-11, 2017 at Rutgers in New Brunswick, N.J., the event offers "practical 'how-tos' for candidates, real-world advice from the experts"

and tips on "campaigning in a digital age."

CAWP's Teach a Girl to Lead program connects girls of all ages with leadership programs in their area, field trip ideas and historic sites with significance for women's political history and leadership.