

# Chapter 2

## Why Women's Leadership Today Invites Questions and Requires Answers

What is it about women's leadership that invites questions and requires answers? Whether you are a man or a woman, you are affected every day by decisions made by leaders in organizations. Due to history and culture, most of the decisions have been made by male leaders. Looking at the trends in the recent past and their impact on how you live your life can help you sharpen your perspective on the issues you face now.

Why pay attention to the development of women's leadership? Are there more similarities or differences in the way men and women lead others? If so, what can both genders learn from this information? How will having greater knowledge about leadership help both women and men create better organizations for their employees, customers, and shareholders? And personally, what can you do to make the most of *all* of your talented people? What actions can you take to enable women and men to grow in wisdom, developing into fine leaders whom others would want to follow? How can this book help you develop your own leadership?

These are some of the questions that will be answered throughout the chapters of this book. This chapter presents some historical highlights and the current context in which leadership development occurs for women. It sets the stage by taking a brief look at some of the critical factors that affect women's leadership including: recent social changes that have impacted the roles of men and women; the driving forces underlying organizational and social change;

generational demographics producing the need for talent management; women's advances in education and career attainment; and work–life integration. It will also provide a lens to help you interpret the changes we are all witnessing as we move into this twenty-first century. Is women's leadership “for women only”? Definitely not!

Topics covered in this chapter include:

- Definition of Leadership
- Key Historical Events and Present Realities
- Driving Forces behind Organizational Change
- Women's Achievements: Educational Attainment and in the Workforce
- Women Leaders Are Good for Business
- Generations in the Workforce
- Work–Life Integration

### Good to Know:

#### How Is Leadership Defined?

Leadership has been defined in many ways, but the working definition used in this book is a very broad one: a leader is a person who influences and directs the behaviors of others. Leadership can be conferred formally or informally, and consists of: motivating, inspiring, persuading, and exercising

authority. In general, leaders enable groups of people to achieve shared goals. In this discussion, the terms *leader* and *manager* will be used interchangeably and will refer to leadership in all types of organizations, companies, cities, and countries.

### Recent History

To say that in the past four decades (1970–2010) there has been tremendous social change in the United States is an understatement. Women today have achieved educational levels and entered the workforce in numbers that were unthinkable fifty years ago. Women are now an economic force with buying power of their own. But

women's advancement into leadership roles has been an evolution, not a revolution. As I tell my clients in Fortune 500 companies, women are relative newcomers on the corporate scene. They are still forging new ground as pioneers in this landscape. The challenge associated with maintaining the dual roles as leaders and mothers is a relatively recent phenomenon affecting increasing numbers of women in organizations over the past twenty years. More recently, as the younger generations of males become more involved in child-rearing, many men struggle, too, to integrate their roles as fathers and leaders. Child care is no longer just "women's work," and many men want to be more involved, spending time with their families. More and more of them are "Mr. Mom." So it is important to take a historical look at some twentieth-century societal changes in order to develop a perspective of how men's and women's roles have been converging and what these changes suggest for the present and future workforce.

### **Key Historical Events from the 1920s to the 1960s**

Changes in legislation and technology brought about many profound changes in the status of women in the twentieth century. Moving from an agricultural economy to an industrial economy meant that fewer people made their living on farms, and more were employed in industrial urban areas. It also meant a weakening of the traditional division of labor in which males did the heavy, physical labor required on farms, and women performed the domestic tasks involved with cooking, cleaning, laundry, and child-rearing, often for families consisting of five or more children. An increase in office jobs meant that there were fewer jobs that required physical strength, and more that required strong cognitive and verbal abilities, job tasks that could be performed by women. In 1925, the percentage of women in the labor force was approximately 20%. This percentage has risen steadily ever since, despite The Great Depression of the 1930s and the ensuing baby boom which continued until 1964.

During the World War II years (1939–45), the available workforce at home contained larger numbers of women, and it became clear that women's abilities led them to perform jobs that had previously been done by men. Examples include the roles portrayed by the familiar icon "Rosie the Riveter," as well as the cadre of female pilots

who expertly ferried complex and sophisticated airplanes across the United States – a vital but often overlooked contribution toward winning the war. When the war was over, many of the women who had worked in factories and offices and flown those planes got married and had children, and, unless they needed to work for economic reasons, the gender role expectation was that they go back to being homemakers. Even into the 1960s, although it was acceptable for married women to work, the gender role expectation was that women with children would stop working during pregnancy and stay home to raise children.

The knowledge-based and service economy grew relatively rapidly. By the mid-1960s, the participation of women in the labor force reached 40%. At this time, female roles continued to emphasize the professions of teaching, nursing, and social work. The majority of women were in individual contributor, non-managerial, and support roles as secretary, nurse, teacher, librarian, social worker. It was during the 1960s, however, that technological progress brought greater control over reproduction through the use of “the pill” as a contraceptive method. The number of children in families could be planned and reduced, and women entered the workforce in greater numbers.

Another watershed event occurred in the 1960s: the passage of civil rights legislation. The 1963 Equal Pay Act and Title VII of the 1964 Civil Rights Act made discrimination in employment unlawful on the basis of sex, race, color, religion, and national origin. Title VII prohibits disparate treatment of applicants and employees, defined as treating workers differently based on their membership in a protected class.

### **Present Realities**

Despite this landmark federal legislation, the many cases brought before the courts in the more than forty years since its enactment cannot eliminate the subtle forms of discrimination which are difficult to prove or address in the legal system. Ironically, the catch to these protections has been that existing employment laws are based on principles of equal treatment and are written to be gender neutral. The assumption is that men and women have equal and similar situations and should be treated the same. But men and women are not

“similarly situated”: the prime example is the “situation” of pregnancy and motherhood. As a result, gender-neutral laws designed for equal protection may not necessarily produce gender-equal outcomes in most employment settings.<sup>1</sup> Even after adjusting for all the ways in which men’s and women’s participation in the workforce differ, in 2007 women earned median weekly wages of 80 cents for every dollar earned by men.<sup>2</sup> The effects of this pay differential cannot be underestimated. The subtle “psychological put-down” it conveys can take its toll on women in the workplace, both individually and collectively. It has also been a major factor contributing to the high turnover and the exodus of women from large organizations. Much has been written in the public press about the numbers of talented women starting their own businesses, where their entrepreneurship allows them flexibility and freedom.

Subtle discrimination typically occurs through preferences and biases which nearly everyone has, but of which we are largely unaware. More will be said later about how these preferences and prejudices influence our stereotypes about men and women and how this leads us to draw faulty conclusions about people’s competencies and their performance as leaders. These unconscious considerations are especially important because pay is awarded on the basis of performance evaluations.

The harsh reality remains and there is still gender inequality in pay. That women are underpaid for similar work is now a truism in the United States. The wage gap needs to be eliminated, because fundamentally it is unfair, and because, in the long run, it disadvantages so many.

### **Metaphors through Time: From Concrete Wall to Glass Ceiling to Labyrinth**

In their comprehensive book about the challenges facing women as they strive to be leaders, *Through the Labyrinth*, authors Alice Eagly and Linda Carli discuss three barriers that have obstructed women’s advancement: the concrete wall, the glass ceiling, and the labyrinth. The “concrete wall” existed in an era when there were separate and distinct gender roles: men were breadwinners and women were homemakers. Although women gained the right to vote in 1920, they still faced many barriers to leadership. Access to most of the Ivy

League universities, credentials that historically opened doors to leadership positions for males, was denied until the 1960s. In the early 1970s women were routinely discouraged from learning the “trades” such as plumber, electrician, or carpenter; and women faced hostile environments in such occupations as firefighter and construction worker. In the business world, even women with college degrees were channeled into clerical and bank teller positions, with typing as a requisite and relatively low pay.

The concrete wall began to crumble in the 1970s and by the mid-1980s women were employed in middle management jobs but faced an invisible barrier that excluded them from the upper levels of management. Women were described as bumping into the “glass ceiling,”<sup>3</sup> that imperceptible impediment that nevertheless restricted access to higher-level jobs and pay. In many organizations, bright and talented women would get promoted to a particular level, and then found that only one or two made it beyond that point. An underlying attitude that contributed to the existence of the “glass ceiling” was the notion that it was too risky to employ women, because they would quit their jobs to raise a family. As the situation has evolved, more women have surmounted the obstacles and found the paths to the top of organizations. Eagly and Carli have labeled these circuitous paths a “labyrinth” that contains numerous barriers, albeit not as obvious as they were in the past. Differences in gender roles still require that women spend more time in the caretaking of loved ones and in the management and performance of household tasks. The labyrinth metaphor is another depiction of the situation facing today's women as they make their way through the twists and turns and hurdles of the organizational maze to achieve power, authority, wealth, and prestige.

### **Driving Forces behind Organizational Change**

For the past four decades, there have been many changes in the world of work. Post World War II corporations were modeled on a hierarchical, military model of leadership, and a top-down, “command and control” approach to decisions was taken by those who had risen to executive levels in organizations. This top-down style of leadership in which decision making was in the hands of a few leaders at the top of an organization was prevalent through the 1980s, when the WWII

generation still occupied positions of power in organizations. But there have been driving forces and technological advances since the 1990s that have brought momentous changes to the way in which work is performed in organizations. Some of these driving forces are listed in the box below.

#### Driving Forces behind Changes in the Workplace from the 1990s to the Present<sup>4</sup>

- Globalization of business, extending to vendors, resources, markets, and competition
- Focus on e-business and a reliance on technology that can deliver information instantly
- A fiercely competitive marketplace, with its premium on speed, savvy, and flexibility
- Greater integration of the world economy and its attendant knowledge requirements
- Dissemination of information about the environmental issues that affect our planet, such as trends in global warming and supplies of natural resources such as oil, coal, and water
- More teamwork and greater emphasis on lateral rather than vertical relationships
- Flatter, leaner, more empowered workforces charged with making rapid decisions
- Increasing pressure to produce short-term financial results
- The proliferation of alliances, acquisitions, partnerships, and joint ventures
- The rapid growth of emerging markets in India, China, and other parts of the world
- Shifts in values and priorities associated with younger generations, dual-career marriages, and domestic responsibilities
- Different generations in the workforce

These driving forces for change have placed new demands on the entire workforce and particularly on those who serve in leadership roles. Work demands placed on leaders related to global relationships and travel, business complexity, and faster organizational change have increased. Workforces are located around the globe, and bosses have

a harder time developing or even *knowing* their direct reports! Telephone calls with coworkers located across the globe extend the workday into the late evening or early morning in order to find the optimal time to accommodate the majority on a work team.

The pace of change has accelerated and a premium is placed on speed. As *New York Times* columnist and Pulitzer Prize-winning author Thomas L. Friedman argues, we live in a global information economy.<sup>5</sup> The flow of information is flattening and shrinking the world in its wake and is bringing together more and more individuals from the far-flung reaches of the globe. This globalization is being driven by groups of individuals who are more diverse – in gender and ethnicity.

As both line managers and human resource professionals have known for the past several years, talent management has become the number one issue facing many organizations. As the trend toward globalization implies, there is a strong need to optimize the talents of both domestic and international multi-cultural workforces.

With the retirement of large numbers of Baby Boomers (born 1946–64), and the smaller numbers of Generation X (born 1965–79) to provide replacements, the need exists for a well-qualified cadre of executives ready to step into leadership roles. Under these circumstances, diversity becomes critical. With fewer people available for the workforce, the pool of potential leaders could be insufficient unless it draws on women and all races and ethnicities.

### **More Women in the Workforce than Ever Before**

The numbers of women in the workforce continue to grow. In 1988, the shares of labor force participation were 45% for women and 55% for men. In 2008, women now make up 48% of the workforce (including both full-time and part-time workers).<sup>6</sup> According to the U.S. Bureau of Labor Statistics, labor force participation rates will continue to rise for women.

### **Women's Educational Attainment**

Women now attain more education than men. What do the numbers tell us about the educational qualifications of future job candidates?

Beginning in 1950, the percentage of Bachelor's degrees awarded to women began to rise, and in 1981–82 actually surpassed the 50% mark. According to a July 9, 2006 *New York Times* article, "At Colleges, Women are Leaving Men in the Dust," "Women now make up 58 percent of those enrolled in two- and four-year colleges; and are, over all, the majority in graduate schools and professional schools, too."<sup>7</sup> According to 2008–09 projections from the U.S. National Center for Education Statistics, women earn 59% of the Bachelor's degrees, 61% of Master's degrees and 49% of Ph.D.s; this upward trend continues into the future.<sup>8</sup>

### **Women as Corporate Officers: The Current Situation**

Although women's visibility in leadership roles has grown, the numbers tell the true story. What are the numbers? *Fortune* magazine (15 October 2007 issue on "The 50 Most Powerful Women") reported that for publicly held companies, there are thirteen women who are CEOs with sixteen more on the international list. According to *Catalyst*, an organization founded to promote the advancement of women in business and the professions, its 2005 *Census of Women Corporate Officers and Top Earners of the Fortune 500* revealed that women held 16.4% of 10,873 corporate officer positions (defined as corporate executives who were board-elected or board-appointed), which was only 0.7 percentage points more than in 2002. These results indicate that in three years, growth in the percentage of corporate officer positions held by women slowed dramatically. At this estimated growth rate for the past ten years, it will take forty years for women to reach parity with men in corporate officer ranks. Comparison of line and staff roles also showed a great deal of gender segregation. Corporate officers in line positions, considered to have greater clout, are responsible for an organization's profits and losses, while those in staff positions support the auxiliary functioning of the business. Women held only 10.6% of corporate officer line positions, while men held 89.4% of line positions. Women had greater percentages of corporate officer positions in industries where women were 49% or more of the total workforce, such as finance, insurance, real estate, retail trade, and services.

## **Women Leaders Are a Driving Force for Powering Business**

As the demographics of the U.S. marketplace and employee base are shifting, it makes sense for companies to expand their leadership to include people who reflect the gender composition of the marketplace and can relate to the issues faced by customers, employees, suppliers, and shareholders. Using mathematical modeling and case studies to show how variety in staffing produces organizational strength,<sup>9</sup> researcher Scott Page notes: "There's a lot of empirical data to show that diverse cities are more productive, diverse boards of directors make better decisions, the most innovative companies are diverse."

Are women leaders good for business? The answer is: yes. As U.S. businesses expand into new markets, cultures, and workforces across the United States and around the world, the companies that integrate gender diversity into their business strategy prove to be more successful. The 2004 *Catalyst* study, "The Bottom Line: Connecting Corporate Performance and Gender Diversity," has shown that the Fortune 500 companies with the highest percentages of women corporate officers experienced, on average, a 35.1% higher return on equity (ROE) and 34.0% higher total return to shareholders (TRS) than did those with the lowest percentage of women corporate officers. Although this does not prove causation, it shows a strong correlation between companies that have diversified their senior management and companies that performed well financially. As Figure 2.1 illustrates, the presence of women leaders in an organization may be likened to a central gearwheel, which meshes with others and serves as a driving force for powering the engines of business success.

## **Generations in the Workforce**

There have been shifts in values and priorities associated with the work and home life of younger generations, dual-career marriages, and the 24/7 nature of work. Much has been written in the media about the controversial differences between the Baby Boomers, Gen X, and Gen Y. Definitions of the generations are given in the box below.

**Definitions:**  
How are the generations defined?<sup>10</sup>

In the 2005 brief by the Families and Work Institute, "Generation and Gender in the Workplace," the generations were defined as follows:

Generation	Years of Birth
Baby Boomers	1946 through 1964
Gen X	1965 through 1979
Gen Y	starting in 1980

The Gen X and Gen Y employees are increasingly the children of working mothers and the children of the downsized generation.

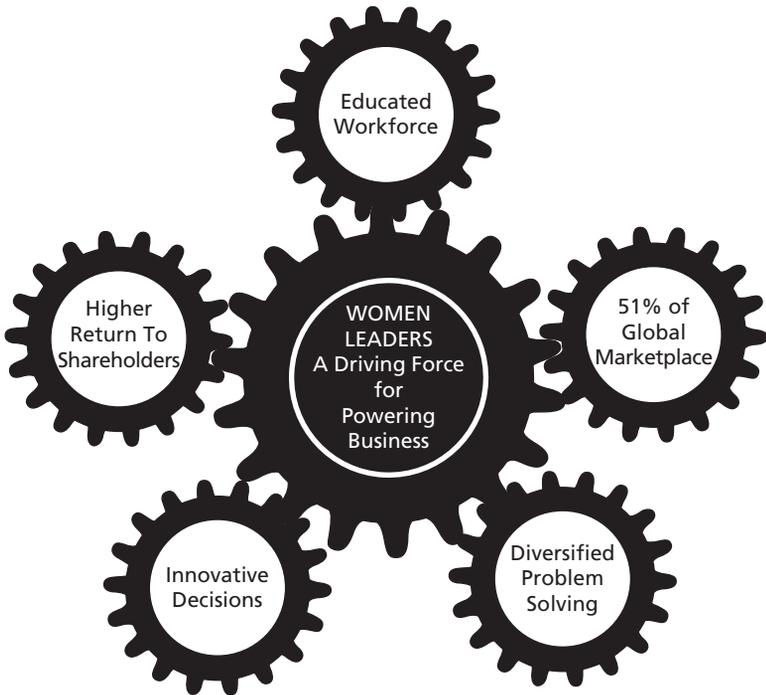


Figure 2.1 Women leaders are a driving force for powering business

Gen X and Gen Y individuals are more likely to be family-centric or dual-centric, that is, placing a higher priority on family or on work and family equally. Interestingly, employees who are dual-centric or family-centric exhibit greater satisfaction with their lives, and report higher levels of job satisfaction than employees who are work-centric. Research published in 2005 by the Families and Work Institute, "Generation and Gender in the Workplace," has shown that Gen X fathers perform more childcare than Baby Boomer fathers, and Gen Y fathers perform more than all.<sup>11</sup> It is now a common sight to see men pushing baby strollers or as the sole adult playing with their children in public parks.

Despite these occurrences, women still perform more of the tasks that need to be done frequently, or even daily, such as cooking, cleaning, and laundry, rather than those performed intermittently, such as home repairs, car maintenance, or outdoor work. Women are more likely to be the home managers, keeping track of children's scheduled activities involving school events and extracurricular activities such as piano lessons and soccer practice. As one female general manager at a large, high-tech company noted: "Because most males don't have the responsibility for household duties, they don't understand the challenges that household duties represent. Many men just don't think about it." As home managers they also perform the monitoring function, reminding spouses of events in the daily schedule and keeping track of birthdays, anniversaries, etc., for the extended family.

It is females and not males who are still socialized to maintain the relationships among family and friends, to be the "glue" that connects people. Some of the requirements associated with this "social director" role are arranging events involving family celebrations, serving as the main point of contact for teachers and school administrators, chauffeuring and making arrangements for children's activities, communicating via telephone or email with extended family members and neighbors, and even hand-writing the occasional "thank-you" note. All of these functions can serve to keep families intact and create support systems that contribute to the psychological health and overall well-being of the family members.

As stated in a front-page *New York Times Magazine* article (15 June 2008), by Lisa Belkin, "In a family where Mom stays home and Dad goes to work, she spends 15 hours a week caring for children and he

spends 2. In families in which both parents are wage earners, Mom's average drops to 11 and Dad's goes up to 3. Lest you think this is a significant improvement over our parents and grandparents, not so fast . . . none of this is all that different, in terms of ratio, from 90 years ago."<sup>12</sup>

### **Work–life Integration – Shared by Both Genders**

Historically, women's responsibilities for domestic care (housework, childcare, eldercare) have been far greater than men's. Although the father's time with children has increased, for every hour of childcare done by men, women do more than double that amount (2.1 hours). Married women with children are more likely than their husbands to work "two shifts,"<sup>13</sup> one at their paid job and one at home. Adding to the pressure is the trend to spend more quality time with children. The challenges faced by many female executives with children, therefore, are greater than those of their male counterparts who may have wives who do not work outside the home. It can slow them down as they move through career tracks, or even sideline them completely when faced with the challenges of taking care of the needs of children or elders.

With the greater prevalence of dual-career marriages among younger generations, however, men increasingly share domestic responsibilities for housework and childcare. In the words of one interviewee in a dual-career marriage: "Those early morning meetings at 7:00 a.m. really impact family time. When these are not emergency meetings, you really have to question if it is necessary to hold them at that hour of the morning. No one gets to be home with the kids, getting them ready for school." As men become more engaged in family work, they express a greater desire for more reasonable hours, resist demands for unscheduled, overtime work, and express the wish to take time off for child-related reasons – behaviors that have traditionally been associated with female employees. As the *NY Times* article stated, "Gender should not determine the division of labor at home. It's a message consistent with nearly every major social trend of the past three decades – women entering the workforce, equality between the sexes, the need for two incomes to pay the bills, even courts that favor shared custody after divorce."<sup>14</sup> It is clear that work–life integration is no longer in the realm of women's issues but

is one that is now shared by men, women, and their families. It reaches beyond individuals, Human Resources departments, and organizations toward a set of social issues that, as we will see later in Chapter 4, are relevant to sustainable business success on a national and global level.

### Summary

In summary, we have looked at some key events in the evolution of women's achievement in the United States and the impact of legislation and technology. Women are now achieving levels of education that are unparalleled in our history and that now surpass those of men. Organizations are experiencing a need for a qualified cadre of talented individuals ready to assume leadership roles. When faced with many of the challenges of functioning in the business world, a domain that, in the past, has been populated mostly by males, many women may be tempted to give up their dreams of achievement. In so doing, they forfeit the creativity and perspective that they bring to an organization or a cause, and deny themselves the satisfaction, the rewards, and the self-confidence that can come from making significant contributions to an enterprise. What is equally unfortunate is the price that organizations pay when they are deprived of the contributions of 51% of the world's population. The driving forces behind change in today's workplace pose challenges to both men and women, as they struggle to give their lives purpose and meaning. What might organizations and the people in them do to address these challenges? What solutions may be applied that enable positive outcomes for individuals, families, societies, and the economy as a whole? What might you *personally* do? In the next chapters you will learn what actions you can take to meet these challenges.