

Are Women Better Leaders? What is the final verdict?

-A review of prominent studies conducted on gender leadership effectiveness

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Abstract

Ever since management education commenced in India in the late eighties, the claim to a share of the great Indian pie of lucrative management jobs has been reserved for the male bastion. Till the last decade the female participation in the top management position has been dismal. The most notorious “glass ceiling effect” has been the most to be blamed for this. But few things have changed over time. More and more women have joined the workforce. Quite a few have made their strong presence felt in the top leadership positions as well. With each year’s “International Women’s Day” celebrations all such issues for once get a fresh attention and female leadership issues come into focus. Few things have changed or have they? Is the “glass ceiling effect” no longer existent? How women are really like at leadership positions? Are things different in different parts of the world? Are female leaders different from male leaders? Many such pertinent questions have been answered in the recent times by few highly proclaimed institutes and research institutions across the globe.

Key words: Women Leaders, Management, glass ceiling effect

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Introduction

Although women have been late boomers in the corporate world, it is now realized beyond any doubt that loosing on the lead has not translated into lagging behind for women. It may not be a hindrance for the female managers to be starting off late owing to many economic and social factors. Women managers have been at par if not better in all leadership related behavior as also reflected in various research studies.

In a research study taken up by Zenger and Folkman, 2011, Harvard Business Review, employing 360 evaluations across 7280 leaders it has been found that women leaders are actually better in leadership roles. It was reported that:

-The majority of leaders (64%) are still men. And the higher the level, the more men there are: In this group, 78% of top managers were men, 67% at the next level down (that is, senior executives reporting directly to the top managers), 60% at the manager level below that.

-Women scored higher in most stereotypes like nurturing competencies, developing relationships, integrity and self development.

Specifically, at all levels, women are rated higher in 12 of the 16 competencies that go into outstanding leadership. And two of the traits where women outscored men to the highest degree — taking initiative and driving for results — have long been thought of as particularly male strengths. As it happened, men outscored women significantly on only one management competence in this survey - the ability to develop a strategic perspective.

The Top 16 Competencies Top Leaders Exemplify Most

	Male Mean Percentile	Female Mean Percentile	T value
Takes Initiative	48	56	-11.58
Practices Self-Development	48	55	-9.45
Displays High Integrity and Honesty	48	55	-9.28
Drives for Results	48	54	-8.84
Develops Others	48	54	-7.94
Inspires and Motivates Others	49	54	-7.53
Builds Relationships	49	54	-7.15
Collaboration and Teamwork	49	53	-6.14
Establishes Stretch Goals	49	53	-5.41
Champions Change	49	53	-4.48
Solves Problems and Analyzes Issues	50	52	-2.53
Communicates Powerfully and Prolifically	50	52	-2.47
Connects the Group to the Outside World	50	51	-0.78
Innovates	50	51	-0.76
Technical or Professional Expertise	50	51	-0.11
Develops Strategic Perspective	51	49	2.79

Source: Zenger Folkman Inc., 2011

In another study by Mckinsey, 2014 “Women Matter”, GCC (Gulf Cooperation Council States) similar findings were reported. “From the first to the norm” expresses a vision for women in leadership positions in the Gulf Cooperation Council (GCC) states – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia (KSA), and the United Arab Emirates (UAE).

It is a comforting change from the feminist, aggressive movement of going over the board and trying to promote only the female kind, which is perceived as a vengeful act to even the scores. This type of attitude also creates gender bias and prejudice. This ideology of promoting female leaders for the sake of promoting “females” does more disservice to the really talented and deserving female leaders.

The GCC report of Mckinsey proves to be a welcome fresh approach to the whole issue. The report claims that nearly 60% of its respondents spanning 550 male and female leaders from various private and public sector organizations believe that female leaders are imperative drivers

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for organizational effectiveness. This is a huge leap from feminist to humanistic philosophy of balancing genders in leadership roles.

They identified three core mechanisms in behaviors, perspectives, and interactions:

- (a) The mix of leadership strengths men and women exhibit
 - (b) The diversity of perspectives and ideas captured
 - (c) The improvements in leadership team dynamics observed as teams grow more diverse.
- a. Mix of leadership strengths

The GCC report indicates:

I. Women in the workforce in the GCC

The GCC currently faces a strong mismatch between women's education and employment: while girls' and women are educational achievements are often higher on average than for men, female participation in the workforce is sharply lower and unemployment sharply higher.

II. Representation of GCC women in top management

While the achievements of many "first women" who have reached senior leadership positions in the GCC are cause for celebration, GCC women today remain significantly underrepresented on boards and executive committees in the region. GCC Board of Directors Institute (BDI) research indicates that GCC women currently hold <1% of executive committee and board positions. These figures are among the lowest worldwide, below Latin America (8% and 5%, respectively), Asia (8% and 6%), and Europe (10% and 17%)

Although all six GCC countries have shown signs of progress, female labor force participation and employment rates remain low, as does female representation on executive committees and boards. Our research suggests that core challenges driving this phenomenon include:

I. Family and social expectations of women resulting in the double-burden syndrome (enhanced by corporations' "anytime, anywhere" performance model)

II. Biases regarding women in leadership (displayed by both men and women)

III. Infrastructure gaps such as transportation and not yet fully developed HR functions with supporting policies for women in leadership

IV. Limited networking opportunities and lack of targeted leadership programs.

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Many of the issues raised in the 2014 Mckinsey report on GCC are reflected in other parts of the world too.

The Asian Story

Women Matter report indicates that the proportion of women sitting on corporate boards and executive committees in Asian companies is strikingly low compared with Europe and the United States, even though women remain under-represented in those regions too. On average, women account for 6 percent of seats on corporate boards in the ten markets we studied, and 8 percent of those on executive committees. The comparative figures in Europe and the United States are 17 percent and 10 percent, and 15 percent and 14 percent respectively. There are, however, significant differences between markets in Asia

Under-representation at every level

In India, the female labor participation rate is 35 percent – one of the lowest in the world. In Taiwan and Malaysia it is also less than 50 percent. Yet even in those Asian markets where there is a high proportion of women in the labor force, women tend to fare no better in the corporate world. China, for example, has one of the world’s highest female labor participation rates, but still only 8 percent of corporate board members and 9 percent of executive committee members are women. Second, there is no shortage of female graduates; around half of graduates are women. In Australia, Malaysia, and Indonesia, the figure is 57 percent. There are striking exceptions. In India, the female literacy rate is much lower than that of males – 62 percent versus 85 percent, according to the government’s 2011 census – and this affects the number of women entering higher education. For the academic year 2009-2010, only 10 to 15 percent of students admitted to the Indian Institute of Management, renowned for grooming many of India’s CEOs, were female.

Some salient features of the report

Top 5 barriers in Asia

“Double burden” syndrome (women balancing work and domestic responsibilities)

Absence of female role models

“Anytime, anywhere” performance model

Women’s reluctance to promote themselves

Lack of pro-family public policies or support services (e.g., child care)

Top 5 barriers in Europe

“Double burden” syndrome (women balancing work and domestic responsibilities)

Women’s reluctance to promote themselves

Absence of female role models

“Anytime, anywhere” performance model

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Women's tendency to network less effectively than men

Although slowly but surely many corporations have begun to realize that gender diversity is a must not only for social or humanitarian grounds but also for pure economic and business prosperity. Still any major change in the status quo is a distant dream. 70 percent of the executives surveyed in Asia said greater gender diversity was not a strategic priority for their companies – that is, it was not among their top ten priorities. In Europe, the figure was 47 percent. In addition, only a minority of Asian executives – some 40 percent – expected that their companies would step up efforts to improve gender diversity in the next five years. South Korean executives were a notable exception: two-thirds foresaw the rapid introduction of more gender diversity initiatives

Variations by country

China. Among Asian countries, China has one of the highest female labor participation rates, owing to the influence of the communist party. Women usually do not drop out of the work force when they have children because child care is relatively available and affordable. Women still face limitations in winning promotions and there is a significant falling-off in female representation at senior levels. Gender diversity is not yet a strategic imperative for Chinese companies, with the proportion of respondents citing it among their top ten priorities about 10 percent below the Asian average.

India. Gender gaps in basic literacy and in the numbers entering higher education mean that India has one of the lowest female labor participation rates in Asia, and the world. The fundamental issue is educational opportunity. Only about 30 percent of the work force at junior level is female (compared with 55 percent in China). In addition, the notion that women must take care of the family is particularly strong. About 45 percent of survey respondents said this is what influences most or many senior women to leave the workplace (compared with the Asian average of 28 percent).

Japan. Traditional thinking has been that women should stay at home after marriage. Accordingly, about 60 percent of married women quit or change their job. Although there are signs of improvement in terms of education and wages parity, gender stereotyping is still common in Japan and women themselves express lower levels of ambition to reach executive level. Japan thus has one of the lowest levels of female representation on boards and executive committees in Asia.

South Korea. While deep-rooted cultural biases against working women still prevail in South Korean society, there are signs of improvement in terms of labor participation and college

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enrolment. The government has also pushed measures to create and sustain jobs for working mothers. The impact has yet to be fully realized as South Korea has one of the lowest levels of female representation in senior roles, but the majority of executives are optimistic about the future – a rare finding in Asia.

Australia. Levels of female representation on boards and executive committees are approaching those in the United States and the United Kingdom. But this has not long been the case. It is only in the past few years that government and business have stepped up their efforts to broaden gender diversity, with impressive results. In 2010, the Sex Discrimination Commissioner recommended that the government set a target whereby 40 percent of seats on the boards of public companies should be filled by women. The Australian Stock Exchange soon responded by implementing a new listing rule requiring companies to set and report on gender diversity targets. In addition, the Male Champions of Change group, which now includes 22 corporate and public service leaders, lobbies for female representation and helps share best practice. The Australian Institute of Company Directors runs a mentoring program for potential women board directors. And the Chief Executive Women organization, a group of more than 200 leading businesswomen, continues to shape public debate and support the development of female talent. Although there is still scope for improvement, Australia is an example for Asia of how to make change happen.

Singapore. Female representation on executive committees is higher in Singapore than in any of the other markets we surveyed. Although many women do cite the need for more flexibility and time with their families as reasons for leaving jobs, the traditional view of women's roles does not seem to be a major influence on senior women who give up their jobs voluntarily. The tendency for women to be self-limiting and reluctant to promote themselves is acute in Singapore, and will need to be systematically challenged.

Malaysia. A high percentage of college graduates are female and women are well-represented at junior corporate level in Malaysia. In response to dwindling numbers at mid-to-senior management level – as women leave the workplace to take care of their families – the government announced quotas in the public sector in 2004 and extended them to the private sector in 2011.

Indonesia. Many women undertake casual work or are employed in family businesses, so official figures underestimate female labor participation rates. Nonetheless, gender diversity is not yet a widely recognized issue in Indonesia, with 77 percent of companies saying that it is not on their strategic agendas, compared with an Asian average of 70 percent.

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The Indian Story

“There is a special place in hell for women who don’t help other women” Setting the tone for the event, Aron Purie, Chairman of the India Today Group, expounded on how the Most Powerful List has evolved over the years. 2014, Most Powerful Women Awards. He quoted from Sheryl Sandberg's book, *Lean In: Women, Work, and the Will to Lead*: "There is a special place in hell for women who don't help other women." He said: "I'd think there is a yet more special place in hell for those men who don't help women. It would be filled with lots of unhappy women. I at least will not take chances!" India Today, September, 2014.

That perhaps summarizes the story of Indian women. Women in India traditionally find hard to get support from both the genders equally.

According to a survey done by Economic times, 2011 there are only 16 women on the board of directors of the 30 sensex companies, or only 4.8% of the 335 people who hold directorship positions. In the Bombay Stock Exchange (BSE) 100 companies, this throws up 923 directors, Only 50 (or 5.4%) are women, while companies in the BSE 500 index have only 192 women (or 5.3%) out of 3650 persons holding directorship positions. According to Poonam Barua, founder Chairperson of the Forum for women in Leadership, India’s 500 million strong female populations does not find representation in even 10 % of the managerial posts across companies. When women, who have traditionally been denied a voice in decision making, come to power, they transform the development agenda toward the human component -focusing on health, nutrition, education, water, sanitation and better family income. They tackle long ignored problems such as domestic violence, alcoholism and corruption.

Today it is about calibrating how many of women are in the key leadership roles. There it looks like India has still some way to go. An increasing number of companies are striving to enhance women representation in their workforce, but they may not be enough.

According to Catalyst India Benchmarking report for 2010, only 17% of Indian companies offered target leadership development program for women. Another study for women in leadership (WILL) Forum shows that Indian companies have much lower women representation in senior position compared with Multinational Firms. While Indian companies such as Tata Consultancies Ltd., Zensar Technologies, Tata Steel and JSW Steel. Had 5 -6% women in senior positions, multinationals such as PepsiCo. KPMG, Citigroup, GE, and Pfizer had 15-20% women at the same level in 2010; the WLL study shows. During the same period Indian Banks like Axis bank had 21% women participation in its total workforce. In comparison American Express in India had 43% women representation in its total staff strength of 5500. The study also shows that 84% of Indian subsidiaries of multinationals have adopted women’s advancement strategy, compared with only 37% of India headquartered companies.

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The Catalyst study shows Fortune 500 companies with three or more women on the board, had significant performance advantage over those with fewer women on the board, which includes up to 73% higher returns on sales, up to 83% higher return on equity, and up to 112% higher return on invested capital. Studies also show that gender diversity is varied across business sectors. So while women representation is better in sectors like IT, ITeS and financial services, others like manufacturing

Near about 73% companies don't have a strategy for developing women in leadership roles.

42% companies do not offer activities targeted to the needs of women leaders.

23% companies offer some activities or programs for women.

9% companies are planning to add programmes and activities in the future.

20% companies are very concerned about retaining women in leadership role.

20% companies want to have work-life programmes to attract and retain female talent.

81% companies want to help women develop the full range of skills for senior leadership roles.

Many of the respondents believe women have the right stuff to be leaders.

Kulkar, 2011.

(Source: Adapted from Budhwar, P. S., Saini, D. S., & Bhatnagar, J. (2005, June).)

It is estimated that 90 % of Indian women are working in informal sector like agriculture.

Glass Ceiling

The very fact of women being adequately represented in the workforce, but hardly present in the senior managerial positions has been labeled "the glass ceiling", "a barrier so subtle that it is transparent, yet so strong that it prevents women from moving up in the management hierarchy" (Morrison & Von Glinow (1990; p. 200)

The term "glass ceiling" was coined by Hymowitz and Schellhardt in a report on corporate women published in 1986 edition of Wall Street Journal. According to Linda Wirth, the Director of ILO, "women continue to face more difficulty obtaining top jobs than they do lower down the hierarchy. A handful of women are making headlines here and there as they break through, but statistically they represent a only a few percent of top management jobs. The rule of thumb is still: the higher up an organization hierarchy, the fewer the women.

Women hold a mere 1 to 3 percent of top executive jobs in the largest corporations around the world. ILO, 2007.

According to Grant Thornton, India partner Karishma R Phatarphekar; despite an increasing number of women reaching senior management positions, the top levels are still male-dominated.

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The reasons for this are many, ranging from individual constrains, mindsets, stereotypes and organizational and structural impediments. There is an increasing feeling that a majority of Indian companies still have a kind of institutionalized sexism that tries to prove women are less able than men and hence, don't allow women to move up in their career. Not only this is visible in the Indian corporate sector, but also observed in the civil services in India where women IAS and IFS officers have been victim of gender bias. There are cases where women IFS officers have been denied assignments compatible with seniority by Ministry of External Affairs (MEA), for the simple reason that they had challenged the system. In a democracy like India, merit, fairness and transparency should be the hall mark of career growth for any individual whether male or female.

But regrettably those who seek to question the government are further punished. There is bitter competition in the senior level civil services. Male officers feel threatened when there a strong independent minded women officer as a competitor. And that's when they start blaming women for being concerned about family or for being emotional and their achievements are not recognized.

Grand Thorton 5 March 2009 „Women still hold less than a quarter of senior management positions in privately held businesses.

Conclusion

In the Indian context the fact that not much literature and data exists about women managers itself reflects the lack of attention paid to this subject. There is not much literature on „glass ceiling“ per se in India. Few studies that have been done in India explore women's representation in management and cursorily draw attention to the factors contributing to their low representation. Women have to fight many challenges before we can see them fairly represented in leadership positions. The recent response to SEBI's directives in India sums it all up. „With just a day left for companies to comply with the SEBI's directives to mandatorily appoint at least one woman director on their boards, a total of 313 NSE-listed companies are yet to fulfill the requirement. The month of March however, saw 119 companies rushing to comply with the norm by getting a woman on their boards. Interestingly, in the rush to comply with the Securities and Exchange Board of India directive issued in February 2014, one in every six companies appointed relatives of the promoters as directors. According to the Prime Database, a total of 103 companies appointed relatives to comply with the norm. Indian Express, 2015.

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