Toward a Partnership of Women and Men

Source of excellence in a global economy

by **George Starcher**

ebbf mindful people meaningful work

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45, rue Pergolèse, 75116 Paris France
Email: info@ebbf.org
Internet: www.ebbf.org

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bds@bahai.org.au
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The world in the past has been ruled by force, and man has dominated over woman by reason of his more forceful and aggressive qualities both of body and mind. But the balance is already shifting; force is losing its dominance, and **mental alertness, intuition, and the spiritual qualities of love and service, in which woman is strong, are gaining ascendancy.** Hence the new age will be an age less masculine and more permeated with the feminine ideals, or, to speak more exactly, will be an age in which the masculine and feminine elements of civilization will be more evenly balanced.

'Abdu'l-Bahá

Equality between women and men is one of the fundamental values of the European Union.

European Commission

INTRODUCTION

When the European Baha'i Business Forum[1] (EBBF) was created in 1990, its first elected Governing Board defined seven core values. One of these values, or principles, was 'the partnership of women and men'. In the EBBF publication *Emerging Values for a Global Economy*, first published in 1996, this core value was explained as follows:

> Humanity can be viewed as a bird, with men representing one wing and women the other. Harmonious flight requires equal development of both wings. Similarly in organizations, those that encourage the development and inclusion of such qualities characteristic of women as developing relationships, teamwork, caring, compassion, intuition and sensitivity are moving closer to the new paradigm of management practices needed to compete on quality, service and timeliness. Diversity of gender as well as of race and ethnicity enhances a creative environment and brings new ways of thinking to companies as well as individuals. Since enterprises in developed countries rely on innovation for survival, it is crucial for them to harness human potential. Fostering the growth and development of women by welcoming their

1 Ethical Business Building the Future.

special capabilities and recognizing their contributions will thus enhance a company's prosperity.

Convincing as it may seem, this core value evoked less resonance in business circles than other values such as corporate social responsibility, sustainable development and business ethics. Since then, increasing attention has been drawn to women and their emergence as capable leaders in all walks of life: politics, government, civil society organizations, NGOs, legal and accounting professions, and, yes, also as leaders of companies of all sizes. As presidents and prime ministers, as managing partners of multinational law firms, as entrepreneurs, as CEOs of 15 of the Fortune 500 companies — women have demonstrated their capacity to lead and manage.

It is therefore timely for EBBF to add to its collection of publications and its web site convincing evidence that a true partnership of women and men leaders, and the blending of feminine and masculine values and qualities, will enhance competitiveness and prosperity. (This subject of values and qualities is developed in section 4.2, *Are women in business different from men?*). In doing so, this book is focused not on women versus men but rather on meeting today's critical needs to balance female and male values, qualities and practices in management and leadership. Far from being a dichotomous proposition, our plea is that feminine values inspire the leadership practices of both women and men throughout the corporate world. We propose reframing the gender debate, taking it out of the various boxes into which it has been awkwardly pushed for the past decades – whether as a ‘women’s issue’, a dimension of diversity, or an equal opportunity argument — and treat it as a business issue and a major opportunity to enhance economic growth, competitiveness, and excellence.

1

FORCES AT WORK

> A commitment to the establishment of full equality between men and women, in all departments of life and at every level of society, will be central to the success of efforts to conceive and implement a strategy of global development. Indeed, in an important sense, progress in this area will itself be a measure of the success of any development program. Given the vital role of economic activity in the advancement of civilisation, visible evidence of the pace at which development is progressing will be the extent to which women gain access to all avenues of economic endeavour.

From a statement prepared by the Bahá'í International Community for the United Nations Social Summit in Copenhagen in 1995

There are several trends shaping a new and emerging paradigm of management or business model. These forces are profoundly changing the nature of work, and they are increasing opportunities for women to assume leadership roles in companies, professional firms and organizations of all kinds and sizes.

Societal trend to partnership. In several recent books and articles, the noted anthropologist Riane Eisler described a major societal transformation from a *domination model* characterized by male values toward a *partnership model* which draws upon and blends both male and female traits, values and practices. EBBF joins a growing number of other associations in building a convincing business case for this emerging partnership paradigm.

Globalization in a diverse world. The pervasive effects of the globalization of geographical and financial markets and of corporations need little explanation. The inexorable breaking down of trade barriers, in spite of resistance from many quarters, is a significant factor in economic growth throughout the world. In the world as a whole, moreover, investment continues to grow steadily. However, the delocalization of manufacturing and the outsourcing of millions of jobs to countries such as China and India are also creating a global labour market in a world of extreme inequalities and major disruptions in many regions. A recent McKinsey & Company survey noted the shifting centres of economic activity towards Asia and the developing world. Dealing with increasing geographical and regional diversity represents one of the three most important challenges and trends confronting leaders of major corporations (McKinsey Quarterly Survey, November 2007).

Intensity of competition. One obvious consequence of globalization is the increasing intensity of competition in many sectors of the economy. The factors for success and even survival are changing, as demands on time, quality, and service force major changes in organization and management.

Increasing turbulence and instability. Managers are experiencing an increase in the pace, complexity and unpredictability of work life. Peter Vaill (1996) has aptly characterized this period as 'managing in a world of permanent white-water', in which decisions must be made under chaotic and turbulent conditions. Leaders must get used to surprises and novel problems, cope with uncertainty, and expect rapid changes.

Technological innovation. Innovation has become a critical factor for success, and diversity is important for innovation. In the McKinsey & Company survey mentioned above (November 2007), CEOs were asked: What single factor contributes most to the accelerating pace of change in the global business environment today? The most frequent response, 'innovation in products, services, and business model', was cited twice as frequently as 'plentiful and cheap capital' and 'the rate of technological change'. Technology is profoundly changing the nature of work and the capabilities required to manage. Robots are replacing workers just as technology is replacing middle management. Jobs that have not been outsourced must now be filled by professional people who can think creatively and reason from multiple perspectives, consult cooperatively and make decisions while collaborating within and across shifting boundaries.

A shift from an industrial economy to a knowledge, service, and information and communications technology (ICT) based economy. According to Professor Siegel, 'Over 50 per cent of manufacturing jobs have disappeared over the past three decades ... and this trend will continue. The US must learn to be a service economy, using intelligence and our strengths' (Knowledge @Wharton, 7 March 2008). With this shift, human and social capital are replacing financial capital as the most important strategic resources to be developed. Traditional concepts of work, of jobs, and of motivation are being challenged, as are the values underlying the management of human, social and financial resources.

Emergence of new forms of capital. EBBF member Larry Miller (2006) develops a convincing case for redefining the 'wealth' of organizations. Closely related to the emergence of new success factors are resources other than financial capital. Miller defines and stresses the following emerging sources of wealth: social, human, and spiritual capital. All of these impact the market capitalization of companies in a major way, often to the extent that financial capital represents less than 20 per cent of the market capitalization of many companies.

Changing value systems are finding expression in different life style and work style expectations on the part of employees, managers, customers, and communities as a whole. Generations X (born between 1965 and 1979) and Y (born between 1980 and 2001) are insisting on better work/life balance, greater flexibility in work and careers, and greater gender equality. They are also conscious of the dominance of a materialistic value system and its narrow view of human nature and purpose. Young people are questioning the direction society has taken and are exploring stronger ethical foundations and values that might lead to a more sustainable world. The author has witnessed the strength of real gender equality in his collaboration with AIESEC, the leading global student-run association (www.aiesec.org). Of the 660 delegates attending their 2007 International Conference in Istanbul, 326 were men and 324 were women — and no quotas were needed to achieve this equal representation.

Changing demographics, including ageing populations and declining birth rates, are creating serious problems in most developed economies. According to the United Nations Population Division Statistics (2006 Revision), the population of Europe today is 730 million and is expected to decrease by 9 per cent to 664 million by 2050. At the same time, the median age is expected to increase from 37.2 today to 52.3 in 2050, while the ratio of retirees to those employed will double to over 50 per cent. This and the ageing work force are only two of the factors leading McKinsey & Company to identify a 'War for Talent' (McKinsey Quarterly, August 2008).

Societal expectations of business are increasing and broadening. To create long-term shareholder value executives are obliged to understand and respond to the increasing value expectations and demands from society. Investors are integrating such concepts as sustainable development, corporate responsibility and ethics into their assessments of a company's long-term value and risk profile. Increasingly, society expects business to play an important role in combating such global environmental and social challenges as climate change, HIV/AIDS, resource depletion, water scarcity and poverty. Consumers and civil society are beginning to punish companies that do not respond to their increasing demands, and rewarding sustainability and corporate responsibility initiatives.

Spiritualization. According to Pat Aburdene (2005), author of Megatrends 2010, 'The power of spirituality is arguably the greatest megatrend of our era.' In a recent book (*Spiritual Enterprise: Building Your Business in the Spirit of Service*, 2007) EBBF member Larry Miller shows how basic moral and spiritual principles or values can be applied to management and leadership. He specifically identifies honesty and trustworthiness, the spirit of service, justice, consultation, unity, moderation, world citizenship and universal education as core business values that will enhance competitiveness and excellence.

2

IMPLICATIONS FOR MANAGEMENT

> In this Revelation of Bahá'u'lláh, the women go neck and neck with the men. In no movement will they be left behind. Their rights with men are equal in degree. They will enter all the administrative branches of politics. They will attain in all such a degree as will be considered the very highest station of the world of humanity and will take part in all affairs. Rest ye assured. Do ye not look upon the present conditions; in the not far distant future the world of women will become all-refulgent and all-glorious ... the entrance of women into all human departments is an irrefutable and incontrovertible question. No soul can retard or prevent it.
>
> 'Abdu'l-Bahá

The implications of these forces at work are very clear: companies of all sizes must win the war for talent, redefine their fundamental purpose, recognize the increasing importance of women at all levels, and move toward a more holistic concept of organization as a social community.

The war for talent. The first obvious implication of the forces at work described in the previous section is the need to win the war for talent by creating and maintaining a win-win organization. Human and social talent has become the world's most sought-after commodity. According to the *HBR Outline 2007*: 'Talent management: there is no hotter topic in the portfolio of the *Harvard Business Review* ... In the knowledge economy of the 21st century, talent will always be the scarcest of scarce resources.'

Increasing importance of women. Professional firms and companies in growth markets are vying for talent. They recognize increasingly that their inability to recruit, motivate and retain women with the necessary skills and aptitudes is a major constraint on their capacity to compete and grow. Most if not all of the major management consulting and accounting firms found years ago that their growth was seriously constrained by the high turnover of their promising women professionals. Most of these firms launched integrated strategic programmes to respond to the needs and desires of their women. Women represent over half of university graduates, about one-third of graduates of higher degrees, and between 20 and 25 per cent of business school graduates. But their importance is better reflected in the significantly higher percentage of women recruited by professional firms (30 to 40 per cent).

Redefining corporate purpose. To begin with, there is a need to redefine the purpose of the corporation in a manner that reflects the real needs of all stakeholders.

In her recent publication *Purpose before Profit* Professor Marjo Lips-Wiersma defines the spiritual purpose of an enterprise as 'to provide products and services to meet the real needs of humankind'. This redefinition of purpose from maximizing profit to meeting *real needs* must be reflected in the vision and mission of the organization. The culture — meaning the values, ideals, habits, virtues, practices and role models — must also be in harmony with the purpose. To achieve this, human resource policies and practices must attract, motivate, and retain an increasingly diverse group of employees and managers at all levels.

Toward a more holistic organization. Another implication of these forces at work is that companies of all sizes must move toward a more holistic or web-like framework of organization. Structures must become more decentralized, connected and relational, and less hierarchical. Systems of communication and interaction must allow for more dialogue and consultative approaches to decision-making. At the same time, the 'softer' elements such as purpose, culture, shared values, and people must be aligned. This represents a revolution and necessary shift in the way companies will be led and managed tomorrow. These so-called 'soft' elements are often the most difficult to achieve, yet when success is attained it is difficult for others to replicate them in the short term. It is truly a new paradigm of management, and one in which women and female values are destined to be more important.

Moving toward a partnership paradigm. One of the concepts supporting more holistic organizations is that of partnership. As companies become increasingly global, workforces become more diverse; the role of business in society broadens. New forms of partnership are emerging and proving to be challenging but more effective solutions. They can involve collaboration of business with many other organizations including governments, non-governmental and civil society organizations, universities, suppliers, and labour unions. Also, as we shall see in the next chapter, they include the partnership of women and men and the blending of female and male strengths both inside and outside organizations.

3

ON PARTNERSHIPS

> You are quite right in stating that men and women have basic and distinct qualities. The solution provided in the Bahá'í teachings is not … for men to become women, and for women to become men. 'Abdu'l-Bahá gave us the key to the problem when He taught that the qualities and functions of men and women 'complement' each other. He further elucidated this point when He said that the 'new age' will be 'an age in which the masculine and feminine elements of civilization will be more properly balanced'.
>
> The Universal House of Justice

As noted earlier, partnership relationships are a significant characteristic of the 21st century. We find them in nearly all areas: in our personal lives, for example, in the relationships with our partners; in business through collaborative arrangements between and among companies and with civil society, the public sector, and trade associations; between organizations in the UN system with private companies and business associations — to name a few. This proliferation of partnerships is a manifestation of what Riane Eisler has called the transformation from a domination model of society to a partnership model that is found increasingly in so many walks of life.

DEFINING PARTNERSHIP

One of the best definitions we have found is the following by honorary EBBF member Jane Nelson:

> Partnership is a voluntary and collaborative agreement between one or more parties in which all participants agree to work together to achieve a common purpose or undertake a specific task and to share risks, responsibilities, resources, competencies and benefits. (Nelson, 2002, pp. 46–7)

Yet another definition by the United Nations Foundation is:

> True partnerships are about shared agendas as well as combined resources, risks and rewards. They are voluntary collaborations that build on the respective strengths and core competences of each partner, optimize the allocation of resources and achieve mutually beneficial results over a sustained period. They imply linkages that increase resources, scale and impact.

Such partnerships are characterized by:

- The mutual interdependency that arises from sharing risks, responsibilities, resources, competencies and benefits.
- Explicit shared commitment or agreement on the part of the participants.

- Working together as a cooperative process in decision-making and joint problem-solving.
- The concept of value added or the sum being greater than its individual parts. If the benefits do not outweigh the costs, it is unlikely that a partnership can be sustained.
- Shared competencies and resources.

WIDE VARIETY OF PARTNERSHIPS

Over the past decade, partnerships have grown like mushrooms in all directions. Among the many variations and types of partnerships are the following:

- **Business-to-business partnerships** usually focus on both strategic and operational business benefits and they take many forms, including joint ventures, alliances, and supplier relationships.
- **Business–community partnerships** are often encouraged by civil society and brand and media pressures. They take many forms. Their success often depends upon the sincere motivation of companies to give something back to the communities which they serve. Often the indirect benefits are an important motivation.
- **Business and non-governmental organization partnerships** are often the most complex because of apparent conflicts of purpose and differences in language. Finding common objectives can set in motion a virtuous relationship and bring mutual

benefits that justify their efforts to understand each other and create positive value for both parties.

- **Multi-sector partnerships** bringing the private and public sectors together with civil society are even more complex but offer significant ways to alleviate societal problems affecting all parties, such as environmental degradation, endemic diseases, and human rights.
- *Multi-stakeholder dialogue* is another approach, less formal, which contributes to solving societal problems.

Brief descriptions of a number of partnerships can be found in Annex A.

MAKING PARTNERSHIPS SUCCESSFUL

It goes without saying that many partnerships fall far short of the expectations of partners. And then again, many have been and are successful. What can we conclude about the factors that make for success? Summarized below are several of the most important ones (Nelson et al., 1996):

- Definition of clear and common purpose and goals based on mutual benefits to each of the partners involved.

- Clarity of roles and responsibilities that establish clear structures for operations, decision-making, conflict resolution and evaluation processes.
- Consultative and facilitative leadership. Whether inspired by one of the partners or a third party, it is important to create a consultative decision-making process that involves and brings the best out of each of the partners and beneficiaries. This process is described in a recent EBBF publication, *Consultative Decision Making* by Gary Reusche (2007).
- Communication between partners and with beneficiaries should be open, transparent and regular. Frequent and open communication is essential to building a climate of trust and to overcoming the inevitable differences that arise.
- Evaluating progress and celebrating successes are important to build and maintain purposeful partnerships.

RELEVANCE OF PARTNERSHIP

As we shall see in the following chapters, the domination of men and masculine behaviours, whether expressed by men or women, are depriving many companies of the competences of women and the significant business benefits that accrue when balancing feminine and male values. This is true whether practised by women or men. Riane Eisler (1991) brings yet another approach to defining partnership, both at the level of society as a whole and in the workplace. In many of her writings, she describes two very different societal models – one being a 'dominant model' based on rigid male dominance, a generally hierarchical and authoritarian social structure, and a high degree of institutional violence in which male behaviours such as toughness, strength, conquest and domination prevail. In contrast, as women increasingly rise to leadership positions in nearly all fields and walks of life, a partnership model is emerging which embraces so-called feminine values such as caring, compassion, empathy and non-violence, while preserving such masculine values as decisiveness, assertiveness, and risk-taking. Similarly, she observes the emergence of a partnership-oriented model of the workplace, one which integrates feminine values, and women, into the management of enterprises of all sizes. To quote her:

> I am convinced that, at this time of rapid and potentially destructive technological and social change, only a full and equal partnership between women and men, informed by an ethos of caring, can ensure that the partnership movement that we are seeing in both society at large and in the workplace will succeed. (Eisler and Corral, 2006)

In a nutshell, the 'dominator' model could be described as 'over and against' others and the 'partnership' model as 'for and with' others. Each model has and seeks different purposes; one is win–lose and the other win–win. Perhaps it is the partnership model that enables or facilitates both caring and justice.

4

WOMEN WILL LEAD IN ALL FEILDS OF ENDEAVOUR

> The realities of things have been revealed in this radiant century, and that which is true must come to the surface. Among these realities is the equality of men and women ... woman must prove her capacity and aptitude, must show forth evidences of equality ... By this means she will demonstrate capability and ensure recognition of equality in the social and economic equation ... Undoubtedly God will confirm her in her efforts and endeavours, for in this century of radiance Bahá'u'lláh has proclaimed the reality of the oneness of the world of humanity and announced that all nations, peoples and races are one.
>
> 'Abdu'l-Bahá

In this chapter, we explore several propositions concerning women as leaders: first, that women are good leaders; second, that women are different from men; third, that women tend to lead differently from men; and finally to analyse why there are so few women leaders. In subsequent chapters we address the issues of the barriers often confronting women in publicly owned corporations, and of the business case for removing these road blocks in order to tap this source of underutilized leadership talent. Separate chapters are then devoted to describing some of the best practices of companies that have successfully addressed this situation and to discussing the issue of women in corporate governance.

WOMEN ARE GOOD LEADERS

That women can and do make effective leaders is incontestable. Whether in government, NGO/civil society organizations, in academia, or in professional firms, women have proven to be equal to men in leadership roles and in capability if not in numbers. Outside the business domain, whether as presidents or prime ministers (as of November 2003, there were ten women heads of state — presidents or prime ministers) or leading cabinet officials (20 ministers of foreign affairs and 19 ministers of finance), women are increasingly being elected or appointed to the highest positions in government, international agencies, and non-governmental organizations. In a recent survey by the Pew Research Center (December 2007), over 80 per cent of those interviewed in most European countries said that men and women make equally good political leaders. Similarly in the academic field, six of the presidents of 'Ivy League' universities in the United States are or have been women, and the recent appointment of Drew Gilpin Faust as President of Harvard University, the nation's oldest university, only confirms this.

And what about the world of business? Here again we find women moving into and succeeding at all levels of management and leadership. *Forbes* magazine publishes a 'List of the 100 Most Powerful Women'. Of these, 65 came from the world of business in 2006 (up from 47 in 2005). Further evidence comes from reading about the top ten women in Europe on the power list of the *Financial Times*: the chief executive officers of Areva, Anglo American, Ax:son Johnson, Banesto, the London Stock Exchange, Bupa, Alcatel-Lucent, Sabanci Holding, SEB, and Panalpina. *The Wall Street Journal*, which has also recognized this trend, published two articles profiling women in its 19 November 2007 issue: 'The 50 women to watch: New faces at the top and a pipeline filled with fast-rising women offer hope for the future' and 'Ten women to watch in Europe'. Also, in association with Shell, *World Business* (October 2007) scanned the globe to find women of outstanding achievements under the age of 35. The results were published as the 'World Business Global 35' and included EBBF member Malini Mehra, founder and CEO of the Centre for Social Markets, as one of these women to watch.

In most countries of Europe, women represent between 30 per cent and 40 per cent of managers. The percentages vary widely by sector (e.g. lower in manufacturing, higher in retailing and consumer products and health care) and by function (e.g. higher in personnel and human resources, lower in production and logistics). The percentages of women decrease sharply at higher levels of management.

Women are demonstrating their talents as entrepreneurs. In many countries more than one-third of new companies are started by women. In 2006 there were an estimated 10.4 million privately-held firms in the United States owned more than 50 per cent by women; they accounted for 41 per cent of all privately-held firms, generated US$1,900 billion in annual sales and employed 12.8 million people (Starcher, 2008). A number of studies have shown that women's ways of leading these small and medium-size enterprises are often better suited than those of many men. One US survey of 425 women who had previously worked at least five years for a large company found that they had left not because they were disappointed with their jobs. Rather, it was more often to start new businesses or to join small businesses primarily in advanced technology fields or professional services. It is important to add that 75 per cent of these women were 'very satisfied' in their new jobs.

To sum up, the author shares the views of David Gergen (currently a professor at Harvard's John F. Kennedy School of Government and director of its Center for Public Leadership; also editor-at-large for *US News & World Report* and a Senior Political Analyst for CNN) who stated in his introduction to *Enlightened Power: How Women are Transforming Leadership* (Coughlin et al., 2005): 'I am convinced that women are the equals of men in all fields of endeavour starting with leadership.' But, as we shall see in later sections, women remain 'scarce as hen's teeth' in the governance of large corporations, whether as top corporate officers or members of boards of directors.

ARE WOMEN IN BUSINESS DIFFERENT FROM MEN?

Men and women in large organizations share many values and traits. By and large both women and men are committed to their work and careers, which they consider as core to their meaning and purpose in life and to their personal and social identities, status and standing. Yet, women are not male clones; they are not merely 'men in skirts'. Many highly qualified women in business have different needs and wants from men and find it difficult and even counterproductive to replicate the 'male dominator' model. They interactively partner with others outside work and generally have greater responsibilities for child and elder care. Furthermore, they often have somewhat different professional values and aspirations. Money is less important, more flexible work options are more important, and they show stronger guilt feelings in attempting to balance work and family well-being (Hewett, 2007).

From an interview with Teresa Roque, board member of a number of companies in Portugal, and most likely successor of her father, Horacio Roque

What perspectives and strengths do you think women bring to the workplace?

Teresa Roque: I do think that women bring unique strengths and perspectives to the workplace that should be encouraged. Women TEND to have greater empathy for colleagues and customers, to show greater emotional intelligence, are often great negotiators (having children gives you much experience in this field) and tend to be better at juggling a great variety of tasks at the same time (multi-tasking). Experience has also shown me that women, when dedicated to their job, are even more dedicated than men.

Breakthru Magazine (Lisbon), Oct/Nov.2007

There are obvious gender differences relevant to business. They fall into two main categories.

First are those related to maternity, which is a biological rather than cultural reality. This leads to women assuming significantly greater responsibility for childcare. However, one UK study showed that only one out of three women executives have children by the age of 40 (as compared to 90 per cent of male executives), so the association of all women with babies and childcare is clearly not justified and not the most important explanation.

The second category includes differences related to cultural socialization and the differing traditions and expectations of women when they confront the male-designed policies and practices of male-led organizations. The socialization of boys leads many to be separate, competitive, aggressive, and risk-taking, whereas girls show both an innate psychosocial disposition to nurturing relationships and to being more supportive, sensitive, and communicative in their behaviour.

These differences in socialization also lead women to a greater extent than many men to want to feel they are contributing to a meaningful or higher purpose. Of course, not all women are alike, nor are all men. They all have differing talents, motivations and priorities. Helen Fisher, an American anthropologist from Rutgers University, spoke to these differences at the 2008 World Economic Forum in Davos. She said, as reported by BBC News, that men are more analytical; women are better long-term planners. She bases her findings on archaeological evidence, MRI brain scans, genetics and large-scale surveys of how men and women behave. Men and women, she says, think differently and therefore behave differently because their brains develop differently. Brain scans prove it, as does plenty of other research. On average, women gather more data, consider the context, are more intuitive, have a sympathizing mind and think more long-term. Ms Fisher calls it 'web thinking'.

Men, on the other hand, are more focused, think linear, focus on rules and the short-term — 'step thinking'. Male doctors focus on the specific illness and its treatment, while female doctors tend to take a more holistic approach to health. When men get older and their testosterone levels sink, their brains start to work differently – they become more sympathetic to the plight of others. Women however become more decisive and, yes, more 'male-like', as their estrogen diminishes. So if women are so different, do they lead differently?

Another interesting theory is that men and women may have different career cycles. According to Wittenberg-Cox and Maitland (2008, pp. 242–56), both women and men during their 20s are 'career-first': dedicated to having the best education and challenging work experience possible. Then, in their 30s, there emerges a fork in the road. Men and 'career-first' or 'alpha women' continue to commit heavily to professional advancement, development of networks and personal reputation building. But many women enter a stage in which they may need or call for more flexibility, some for maternity or elder care, others simply being less comfortable with new issues of networks, visibility, travel and long hours. After 40, if they have survived the issues, these same women are ready to reinvest professionally and to assume more challenging leadership roles. This renewal may well become a major source of new talent and continue on into the 60s, long after many of their male counterparts have retired to their clubs and other personal passions. While the above differences need to be accommodated, one commonality is clear: like men, women spend many decades in the workforce.

Another study (Groysberg, 2008) of over 1,000 'star' equity analysts on Wall Street also showed distinct differences. Women, the study found, tend to focus on building external relationships and franchises with clients and companies. Before moving to another firm, they analyse a possible future employer's working environment more carefully than men do, and when they change employers they do well. Men tend to focus more internally, on building internal firm relationships and are more driven for higher compensation and recognition, but they do much less well when they jump to another firm.

DO WOMEN AND MEN LEAD DIFFERENTLY?

Now that we have seen that women can and do become good leaders in all forms of organizations and that women do differ from men in some respects, we turn to the interesting and more relevant question of whether women and men in large companies lead differently. This is the subject of an ongoing and inconclusive debate.

Numerous studies have concluded that their leadership styles do differ. One research project (a 1994 study commissioned by the National Foundation for Women Business Owners (USA)) found that male and female entrepreneurs think similarly but that their leadership styles differ and that gender differences do show up in decision-making: men strongly emphasize logic or left-brain thinking; women balance logic with right-brain thinking, that is, feelings, intuition, relationships, sensitivity and values. According to Oprah Winfrey, media entrepreneur: 'All the women leaders I have met lead with a greater sense of intuition than men' (2005, p. 49).

In the EBBF publication on women entrepreneurs (Starcher, 2008) distinct differences in their management or leadership styles are described. Distinguishing traits of male development were found to be autonomy, independence, and competition; those of women were relationships, interdependence, and cooperation. Male-led organizations tended to be hierarchical or pyramidal, with the most frequent management method being 'command and control' or the dominator model. Also, authority stemmed from one's position within the hierarchy. Emphasis was more on goals and objectives than on the process and the atmosphere in which goals were achieved. Women entrepreneurs showed much greater diversity in styles, stronger interpersonal skills, and the transfer of 'motherhood skills' to the job.

Similar differences showed up from a Catalyst survey in the United Kingdom:

> Women managers see and do things differently from male managers. They are more sensitive, more intuitive, committed, and multi-tasked. They are more focused *on the process* of getting things done, whereas men tend to be focused *on the task* at hand. We need both. Also women can

> cope more easily as structures change from hierarchical to matrix and web styles of management. (Catalyst, 2002)

The survey, sponsored by Women's International Forum, concluded that on the whole there are notable differences in leadership styles. Taking care of others is perceived by women and men alike in all European countries to be *the* defining quality of women leaders. On the other hand, taking charge of people and situations was perceived to be *the* defining quality of men leaders. Men are perceived as outperforming women in being more action-oriented, in taking charge, in influencing upward, and in manipulating their environment.

In another study, Rosener (1990) found that men are more likely than women to describe their leadership as being 'transactional' or a series of transactions with subordinates. They are also more likely to use power that comes from their positions and formal authority. In contrast, women tend to describe themselves as 'transformational' leaders and ascribe their 'power' more to their personal characteristics. Women more often mention such aspects of leadership as encouraging participation and inclusion, sharing power and information, enhancing the self-worth of others, and energizing others. Women also differ in seeking to contribute to a higher purpose.

In yet another study Greenberg and Sweeney (2005) find that women leaders tend to be more persuasive and have a stronger need to get things done. They tend to be more open and flexible, to show greater empathy, exhibit stronger interpersonal skills, and are more inclusive and collaborative in their leadership styles.

These and other studies conclude that there are certain traits or qualities that tend to apply to women, which are called feminine traits, and other qualities (masculine traits) that apply more to men. They are summarized in Table 1. At the same time, there are many traits that women and men hold in common, such as trustworthiness, integrity, excellence, commitment to job and career, and assertiveness.

Nevertheless, the answers to the question posed for this section, 'Do women and men lead differently?' are neither clear nor convincing. Some recent studies have concluded that there are no significant differences in the ways women and men lead in large corporations. Catalyst (2006) reported, for example, that an ana-lysis of 40 studies found very little difference between men's and women's leadership styles. Yet the study also concluded that owing to stereotypes women may be perceived as managing differently. In a chapter on 'The great women theory of leadership' (Pittinsky, Bacon and Welle, pp. 105–6) we read:

> Advocates of a 'great women theory of leadership', that is, arguments that women are, for example, caring, nurturing, collaborative, and inclusive, thereby predisposing them to be effective leaders, would like to think that great gender differences exist, despite research to the contrary.

Table 1: Values, traits, and leadership styles attributed to women and men

	Masculine	Feminine
Values	Job advancement, compensation	Service, work/life balance
	Authority over others, power	Supporting, authenticity, sincerity
	Focus on short-term, task, bottom line	Attention to process and people, longer-term focus
	Achievement, ambition	Relationships count
	Focus on ends more than process	Ends and means both count
	Competitiveness, winning	Collaboration, cooperation
	Self-reliance	Caring, compassion, empathy
	Information as power	Sharing information
Leadership Style	Command & control	Consultative, participative
	Hierarchical structures	Web-like, matrix, democratic structures
	Decisive, rational, risk-taking	Intuitive, interactive
	Competitive, aggressive	Collaborative, inclusive, interactive
	Task first, focus on completion	Multi-tasked, focus on process
	Telling	Listening, communicative
	Transactional	Transformational
Negotiation	Win–lose	Win–win

In fact, as Eagly and Johnson (1990) have observed, differences between men's leadership and women's leadership tend to be less pronounced in actual leadership situations than in more decontextualized laboratory situations, with elimination and tight control over variables. Leadership differences based on stereotypes of women are often exaggerated, socially polarized, misidentified or overstated by the 'great women' approach, rather than statistically confirmed. A review by Kanter (1993), for instance, indicates that empirical studies rarely reveal the stark gender differences of leaders that one might expect, given the existing gendered stereotypes. Indeed, it now appears to be more myth than reality that women and men lead differently. It is now commonly believed that actual sex differences in the behaviour of real leaders are virtually nonexistent. Bass (1980) drew the same conclusion: 'The preponderance of available evidence is that no consistently clear pattern of differences can be discerned in the supervisory style of female as compared to male leaders' (p. 499). Thus any statement or belief that presents all female leaders as starkly different from their male counterparts misrepresents reality. Yet another study researching hundreds of businesses (Cliff, Langton, and Aldrich, 2005) concludes that the business owner's sex has no effect on the extent of the firm's bureaucracy or the femininity of its employment relationships: both male and female owners manage their firms with a mix of masculine and feminine approaches. They also found that business owners often described their own leadership in different, gender-stereotypic ways, even when in practice such differences did not exist.

To conclude this section, the evidence indicates that women and men both lead with a blend of masculine and feminine styles. Some authors are promoting a degendering of leadership to focus less on the perceived differences between masculine and feminine styles and traits and more on the functions of leadership, that is, how men and women motivate, enable and direct the organizations for which they are responsible. Others find that one of the major leadership challenges for women is that people around them often treat women leaders differently because of cultural gender stereotypes — an issue that will be discussed in a later section of this book.

My own conclusion on this issue of leadership styles is that generic differences do exist. These differences seem to be diminishing in large companies as women adapt their leadership styles to the business environment and the more masculine cultures and structures in which they find themselves. However, women executives in smaller and more entrepreneurial companies are creating cultures, structures and processes more in line with 'women's ways of leading'. In any event, as one research study put it:

> Our research highlights the futility of debates over whose leadership style — men's or women's — is most effective. Such questions become moot when the criteria for effective leadership flow from real requirements of the work. What matters ... is not which stereotyped style is more effective, but rather what behaviour will be most effective in a given situation ... The differences (in style) are

> small, consistent with gender stereotypes, context-specific, and arguably meaningful. (Meyerson, Ely, and Wernick, 1997)

So what do we conclude? Are businesswomen from Venus and businessmen from Mars? A review of management literature on the subject would lead one to conclude that women and men are both from Earth and that many companies are enriched by their diversity and complementarity (see Kimmel, 2008, p. xv: 'It turns out that women and men are not from Venus and Mars, but both are from planet Earth.')

WHY SO FEW WOMEN LEADERS?

Having seen in the previous section that real differences in leadership style are insignificant, then why are there so few women in the executive ranks and among managers of our large corporations throughout the world? After all, women account for well over 50 per cent of university graduates in Europe, over 60 per cent of Ph.Ds, and between 20 and 25 per cent of MBAs. In some sectors such as professional services, between 40 and 45 per cent of new recruits are women. So they would appear to represent a significant part of the future executive talent pool, even more so in view of the observation of many recruiters of MBAs: nearly one-half of the top graduates of major business schools are women.

There are a number of surveys, reports, and statistics on women in business. The Catalyst organization in the United States, Canada and more recently in Europe has produced many of these reports (available on www.catalyst.org). These studies show rather consistently that the percentage of women in senior management roles in countries such as the United Kingdom and France is around 15 per cent, and it is much lower (fewer than 5 per cent) among members of executive committees and corporate officers (Chairman, CEO, COO, CFO, ExVP) (Ricol, Lasleyrie & Associes, 2006). There are several obvious reasons why women — despite making up over 50 per cent of university graduates and even more significantly included in the upper quartile of top business school classes — turn out 15 or 20 years later to be one in ten or even fewer at the senior levels. First, fewer women graduates than men have studied business-relevant subjects and/or chosen to go into the corporate world, or even into business, by a substantial margin. Second, over one-third of highly qualified women (in the United States for example) voluntarily leave their careers for a period on average of 2.2 years of time (Hewlett, 2007). Others decide to work on reduced week schedules. While most attempt to re-enter the mainstream, over one-half fail to find satisfactory full-time employment and those who do usually take a significant cut in pay. It should not be overlooked that about one-quarter of men leave their work voluntarily at some point in their careers, but much less frequently for family-care reasons. A third reason and 'half of the problem' according to Wittenberg-Cox & Maitland (2008), is *equal* treatment of men and women in their 30s and early 40s. They reason that women and men are different, that women need to be better understood during this period and allowances made when appropriate for a slower career progression for high-potential women. This would permit more women to emerge into the best decades of their professional life in their late 40s and 50s when they are through the demanding child-rearing stage and often elder care commitments.

In the United Kingdom, while only 1.6 per cent of the CEOs of Fortune 500 companies are women, 11 per cent of members of the boards of directors of the FTSE 100 companies are women. Women's representation on senior management teams across Europe is also only 11 per cent. In an interesting commentary entitled 'Glass elevator: Alternative routes to the top', Heather McGregor of the *Financial Times* (17 October 2007) reports that 'Women are not being held back from positions of influence; they are just choosing to pursue these positions outside the public company arena. Who can blame them? The pyramid structures of large public companies means that the odds of making it to the boardroom, whatever the sex, are very low.'

Why do high-potential women in large companies leave in the first place? Two equally important reasons are cited by Sylvia Hewlett (2007): their careers are not satisfying, and child or elder care responsibility. Rarely do men leave to take care of children or elderly family members. Other significant reasons include having more time for children or finding that their partner's income is sufficient to meet their own and the family's needs. However, the automatic association of all women with babies is not justified: some 90 per cent of men but only 35 per cent of executive women in the United States have children by the age of 40.

This last comment opens up the whole question of alternative careers and why many women choose other more meaningful, purposeful and compatible opportunities than those offered by most large public companies. In the United States, over 30 per cent of new start-ups are by women. As Starcher (2008) demonstrates, many women do have an entrepreneurial streak. Their qualities tend to be well suited to success as entrepreneurs: they are freer to shape their managerial style and work/life balance, and they often find that they are able to manage in their own way more easily in small and medium-sized companies. So it is not surprising that many high-potential women, who are in 'incredible demand', choose to leave corporate life and start up their own businesses rather than wait for more suitable corporate cultures and structures to develop.

In summary, it seems clear that women are not advancing into higher executive positions in large public corporations in proportion to the increasing number of women in the 'talent pool' and to the critical need for executive talent. Part of the reason is that company policies, practices and structures fail to meet the needs and expectations of high-talent females. Women are finding other opportunities in which to contribute their many talents — opportunities that meet their needs and expectations better. This may mean running a smaller company 'their way', finding more meaningful ways to make a difference in the social sector and NGO worlds, or in sharing their time and energy differently between work and family. Meanwhile, companies are facing increasing competition in attracting and retaining needed talent or human capital with social capabilities.

5

BARRIERS CONFRONTING WOMEN LEADERS

> One of the potentialities hidden in the realm of humanity was the capability and capacity of womanhood ... In this day man must investigate reality impartially and without prejudice in order to reach true knowledge and conclusions. What, then constitutes inequality between men and women? Both are human. In powers and functions each is the complement of the other. At most it is this: that women have been denied the opportunities which man has so long enjoyed...
>
> 'Abdu'l-Bahá

This chapter explores further some of the reasons why women are not advancing into more senior positions of leadership in large corporations. The importance of this issue was highlighted in a recent report by the European Commission (2006a). We shall first describe corporate cultures, which many consider to be the most important barrier to women's advancement. Closely associated with the corporate culture barrier are cultural stereotyping and the structural glass ceiling, felt by some however to be a less relevant metaphor than in the past. We go on to discuss some other obstacles that retard the advancement of women (or incite them to seek more compatible work elsewhere) including work/life imbalance and human resource policies and practices.

HOSTILE ORGANIZATIONAL CULTURES

Often, corporate cultures further reinforce the handicaps many women feel in striving for equal opportunities for development and advancement. The ways of corporate socialization, the internal language and vocabulary, the working hours, the ways that managers get value recognition, the corporate role models to emulate — in general, 'the way we do things around here' — are all heavily influenced by male-created and perpetuated dominator traditions. Unquestionably, respecting and promoting feminine values and needs in the workplace will require serious changes in many corporate cultures. According to an International Labour Office report (Wirth, 2004, p.51) corporate culture is a fundamental reason for women's absence from management and leadership positions in large companies. One survey in 2002 from The Leaders Edge revealed that 39 per cent of respondents ranked corporate culture as the primary reason for leaving their companies. The second reason (31 per cent) was their desire for a more balanced life and flexible working hours.

Changing corporate cultures is not easy and may take years to effect. But much greater emphasis on such values as partnership, equality, and diversity are fundamental to implementing the emerging participation model. According to one recent study (McKinsey, 2007), 'Corporate models – historically designed "by and for" men — form the pillars on which the glass ceiling is supported. The "anytime, anywhere" performance model … is irreconcilable with women's double burden.' Another element of this male model is putting career ahead of family — obviously a more difficult dilemma for many women.

CULTURAL STEREOTYPES: WILL THEY EVER DIE?

Cultural stereotyping and preconceptions about women's roles and capabilities are among the major barriers to the advancement of women. What are stereotypes? They can be defined as prejudged or prejudiced perceptions about the qualities that distinguish groups or categories of people. They are widely held but fixed and oversimplified images or ideas of a particular group or type of person or thing. They can be true or false, positive (e.g. Blacks are good basketball players) or negative (e.g. women cannot manage money). Table 1 in Chapter 4 (Values, traits and leadership styles) summarizes many common masculine and feminine attributes. Many senior women leaders feel that stereotyping occurs frequently in organizations and creates prejudiced and therefore flawed impressions of their leadership capabilities. These false impressions are a major reason why women are not chosen for top leadership positions, and why a gender leadership gap exists.

The heart of the dilemma has two components. The first is the stereotype of the male leader: i.e. good leaders must be 'agentic', that is, aggressive, decisive, rational, objective, ambitious, competitive ... because leaders have traditionally been men and men value such characteristics in their leaders. This preconception often makes women appear ill-suited to be leaders. Second, those women who display some or all of these attributes themselves are often perceived by men and many women to be overly aggressive, instead of assertive, and therefore are not well-liked. As one study (Heilman et al.) found:

> Many mainstream organizations equate stereotypical masculine traits with images of competence and leadership, and women pay a price ... The result is that women who are tough, confident, and decisive are demonized as bitchy, strident, and insensitive. By the same token, women who are sensitive, relational, and warm are discounted as weak, passive, and too nice. Either way, women are seen by some as unfit for leadership roles.

Catalyst, the non-profit organization working to advance opportunities for women in business, has produced several reports examining the pervasive and damaging effects of gender stereotyping in the workplace. According to Catalyst (2007) gender stereotypes lead companies to routinely underestimate and underutilize women's leadership talent. To quote Liene H. Lang, President of Catalyst, 'Ultimately, it's not women's leadership styles that need to change. Only when organizations take action to address the impact of gender stereotyping will they be able to capitalize on the "full deck" of talent.' The study concludes with three connected, but distinct, dilemmas facing women leaders today:

1. Women leaders are perceived as 'never just right'. If women business leaders act consistently with gender stereotypes, they are considered too soft. If they go against gender stereotypes, they are considered too tough.

2. Women often face higher standards than men leaders and are rewarded with less. Often they must work doubly hard to achieve the same level of recognition as men leaders for the same level of work and to prove they can lead.

3. When women exhibit traditionally valued leadership behaviours such as assertiveness, they tend to be seen as competent but not personable or well-liked. Yet those who do adopt a more stereotypically feminine style are liked but are not seen as having valued leadership skills.

These observations are confirmed by another study which concluded that 'the present research shows that gender stereotypes still influence the perception of leadership, albeit to a lesser degree than in previous research. Nevertheless, in an actual professional environment the think-leader-think-male stereotype must still be considered as one possible source for gender-stereotype-driven biases in judgment and decision-making regarding leadership' (Sczesny et al., 2004).

On a more positive note, another recent study found that: 'Considered as a whole, our results suggest that stereotypes about women may be changing. Male managers, in particular, seem to be characterizing women as less passive and submissive and more confident, ambitious, analytical, and assertive. In short, male managers – the individuals who serve as the gatekeepers to most executive suites – are rating women as more leader-like than they did 15 and 30 years ago (Duehr and Bono, 2006, p. 4).

THE GLASS CEILING IS CRACKING

Closely related to stereotypes, the glass ceiling is another significant barrier to gender diversity. While the phrase is metaphorical, many women who find themselves bumping their heads on it find the glass ceiling to be very real indeed. Catalyst defines it as a complex of intra-organizational mechanisms and invisible barriers that make career advancement difficult for women and block vertical access to the top. The word 'ceiling' implies that there is a limit to how high someone can climb in an organization structure. Along with this implied barrier is the idea that it is glass, meaning that while it is very real, it is transparent and not obvious to the observer. The term is most often applied to business situations in which women feel, whether accurately or not, that men are deeply entrenched in the upper echelons of power, and that women, try as they might, find it nearly impossible to break through.

Extended metaphors of the glass ceiling include 'glass walls': invisible walls that position women in sectors which are less strategic or central to the organization and thus less likely to lead to the top regardless of the performance of the incumbent. On the other hand there is the 'glass elevator' or escalator, which implies that there is an invisible vehicle that transports men up and through the ranks of corporate power, and the 'glass cliff' which refers to a position that a woman may be offered that will put her in the precarious position of utter professional disaster if she fails.

Although these metaphors reflect a certain truth about women in management, another study (Eagly and Carli, 2007) found the reality to be more complex. They concluded that 'when you put all the pieces together, a new picture emerges for why women don't make it into the C-suite — that is, the key corporate positions reporting to the CEO. It's not the glass ceiling, but the sum of many obstacles along the way.' They go on to say that times have changed and that the metaphor of the glass ceiling is now more wrong than right. They reason that the glass ceiling fails to incorporate the complexity and variety of challenges that women can and do face in their leadership journeys. Women, they argue, are not turned away only as they reach the penultimate stage of a distinguished career; they disappear in various numbers at many points leading up to that stage, hence the suggested metaphor of the labyrinth. The authors also remind us that 'women continue to be the ones who interrupt their careers, take more days off, and work part-time. As a result, they have fewer years of job experience and fewer hours of employment per year, which slows their career progress and reduces their earnings.'

WORK/LIFE IMBALANCE

This brings us to the third barrier to the advancement of women to senior executive positions: the pressure of family responsibilities. Decision-makers often assume that mothers have domestic responsibilities that make it inappropriate to promote them to demanding positions. But even more important about the impact of family care is that it leaves women much less time for socializing with colleagues and building and maintaining professional and company networks. Studies of career paths of fast-track managers show that time and effort devoted to building social capital — that is, to socializing, politicking, and interacting with outsiders — can be important to their advancement. Unfortunately for women, the influential networks are composed mainly of men and their activities are more often than not based on male themes. We will return to this theme in Chapter 6 on best practices. We should add however that work/life imbalance is becoming a problem for men as well as women.

OUTDATED HUMAN RESOURCE POLICIES AND PRACTICES

Like so many other factors that impede the advancement of women, HR policies and practices often have been developed and administered by men for men without due consideration of the needs of women. It would take a longer book to fully develop this theme, but the processes for career planning, management of high-potential people, task force assignments, compensation, flexible schedules, and provision of adequate and affordable childcare facilities do not respond adequately in most large companies to the needs of women with families or other compelling needs. Furthermore, men are often favoured for key line positions and overseas assignments as well as for highly visible task forces. Management development and education programmes usually ignore the study of issues more specific to women, perhaps in part because women are often not given equal access to these internal and external programmes. Of particular significance are the linear career path practices that leave limited career flexibility. While this policy affects both women and men, it obviously represents a much larger hurdle for aspiring women managers.

PERSONAL REASONS

A recent report, *The Leaking Pipeline: Where Are Our Female Leaders?* (PriceWaterhouseCoopers, 2008), based upon interviews with 79 women leaders in that professional firm, cited several personal reasons for the small number of women leaders, not only in PWC but in many professional firms. These personal reasons include the following: reticence to self-promote and to take risks, career interruptions because of family responsibilities, lack of understanding of their company's politics, feeling isolated and not supported through coaching or mentoring, and lack of confidence and belief in oneself.

This 'leaking pipeline' turns into a broken pipeline when it comes to women in science, many of whom have the potential to manage and lead. According to a recent article (Hewlett et al., 2008), In the United States 41 per cent of highly qualified scientists, engineers, and technologists in the lower ranks of career ladders are women. But the drop-outs are huge. Over time 52 per cent of these talented women quit their jobs, a large percentage of them in the mid- to late thirties. Why do they leave? First and foremost, the hostility of the workplace culture; second, the dispiriting sense of isolation; third, a strong disconnection between women's preferred work rhythms and those of men. Also cited were the prominence of 'extreme jobs' and the mystery surrounding career advancement. Several solutions are offered by leading edge companies: setting a target of

25 per cent of women in the senior management team; appointing ‘sponsors’ for high-potential women; mentoring by senior executives.

6

BEST PRACTICES

> The world of humanity has two wings — one is women and the other men. Not until both wings are equally developed can the bird fly. Should one wing remain weak, flight is impossible. Not until the world of women becomes equal to the world of men in the acquisition of virtues and perfections, can success and prosperity be attained as they ought to be.
>
> ‘Abdu’l-Bahá

We have seen in the preceding chapters that the gender gap is increasingly prevalent as one moves up the ladder in responsibility; at the same time, executive talent is becoming scarce. Most CEOs realize that there really is a global war for talent and a shortage of potential leaders. But women, perhaps the largest source of untapped talent, are leaving the corporate sector at twice the rate of men, seeking more satisfying and compatible careers in other sectors or starting up their own companies. Few are leaving for family reasons. This is the so-called ‘leaking pipeline’ problem. Substantial numbers of women enter large companies and financial institutions and professional service firms upon graduation. They work hard, prove they are equally qualified and represent around 40 per cent of managers. But then their numbers decrease and fewer advance to senior roles than men do. So what is being done to attract, develop, retain, and motivate women to fill this talent gap?

WOMEN ARE REACTING

First of all, women themselves are ‘taking the bull by the horns’ and shattering the glass ceiling. They are insisting on more compatible work styles that permit them to better balance careers with their personal lives and families. They are seeking mentors and greater internal visibility. They are building relationships with executives who may suggest, when positions are to be filled, ‘Well, what about...?’ They are being more proactive about defining and communicating their goals and priorities. They are asking for honest feedback on their performance and potential. And they are asking for challenging assignments that are visible to upper management and are documenting the positive impact of their efforts. They are participating actively in one or more international women’s associations (see Annex B for names and web sites of leading women executive support groups in Europe) as well as in local internal and external support groups, and they are asking for equal access to internal and external leadership development programmes.

GOVERNMENTS ARE SUPPORTING EQUALITY OF WOMEN AND MEN

Legislative and non-legislative measures are being adopted at the European and national levels to promote equal opportunities and non-discrimination, particularly with regard to gender balance. Beginning with the Lisbon Strategy (1990), the European Commission (EC) has made it clear that it sees gender balance as an integral part of the European strategy to promote jobs and growth. It aims to reduce gender gaps and improve work/life balance. In 2006 the EC announced a 'Roadmap for equality between women and men' and in 2008 published a paper encouraging all national governments to increase full-time employment of women to 60 per cent. Furthermore, initiatives of the EC and their support for CSREurope and the European Academy for Business in Society (EABiS) have encouraged companies to implement more forward-looking policies and practices to achieve greater gender balance. But the results have been mixed. While the overall percentage of women managers has increased in Europe (27 countries of the EU), in nearly half of these countries the percentage declined between 2001 and 2006.

On a more positive note, national governments, particularly in the Nordic countries and France, are showing how strong public policy can create conditions favourable to women working full-time and raising families. An example is the Norwegian law requiring state-owned and large publicly-owned companies with more than ten directors to have at least 40 per cent of each gender represented on boards of directors by the end of 2008. When the law passed in 2003 only 16 per cent of board members were women; in November 2007 the percentage had increased to 36 per cent. Company compliance measures include boardroom competence training and networking, programmes conducted by CEOs and the development of lists of 'board-ready' women. But the concept of quotas is very controversial. The French parliament has gone far in mandating social reporting, while the Spanish parliament only recently approved a new law requiring 40 per cent of board members to be women by 2015. There is not, however, agreement that quotas are an effective way to achieve these goals of equal opportunity and gender balance. CSREurope (www.csreurope.org) has a working group, CSREurope's Business to Business (B2B), which has recently published a summary of best practices entitled, A Practitioners Report on Women in Leadership Positions.

A very important form of government support is the provision of child and elder support facilities that permit women to work as managers full-time. France and the Scandinavian countries have been models in this area. The high percentage of women in these countries working full-time is considered to be directly related to these facilities. Governments can also legislate flexible work approaches, more equitable remuneration for women, and lower tax rates for second earners, who are usually women.

SOME COMPANY BEST PRACTICES

Companies are responding positively to these pressures from women's initiatives, from governments, and from society at large. First and foremost, leading edge companies have recognized the strategic interest of promoting gender balance and of having a workforce that mirrors their markets. Companies such as Proctor & Gamble (P&G), IBM, Deloitte, General Electric (GE), Coca Cola, Philips, Nissan, and British Telecom recognize that a large percentage of buying decisions are made or are heavily influenced by women and to a lesser extent by minority groups of either nationalities, ethnic groups or sexual orientation. So these companies have implemented policies to ensure that such customer groups are well represented in all functions of the business: sales and marketing, product development, production, engineering, and research and development, as well as human resources and finance.

- P&G, whose gender strategy flows from its vision and mission 'to improve the quality of life of our customers', considers diversity to be an essential way to achieve excellence, and sponsors a very active gender diversity programme. Managers have specific objectives covering gender and their achievement represents an important determinant in their bonus and performance evaluation. Some 39 per cent of all P&G managers in Europe are women.

- IBM is another strong supporter of gender balance. According to The Economist (21 July 2005), Lou Gerstner turned IBM around partly by promoting diversity within the company and said, 'We have made diversity a market-based issue ... it is about understanding our markets, which are diverse and multicultural.'
- Deloitte & Touche, probably the leader in gender and diversity practices among 'the big four' accounting firms, has sponsored the Initiative for the Retention and Advancement of Women (WIN) since 1993. It is lauded for its success in promoting women to senior ranks: 19.3 per cent of its partners are women, up from 7 per cent in 1993.
- The GE Women's Network has grown to over 40,000 active members worldwide (Business Week, 18 June 2007). It focuses on leadership advancement and career-broadening opportunities. At GE women now run businesses with US$40 billion in sales and over 20 per cent of the total worldwide revenues. The network includes women executives of customers and suppliers as well as representatives of the communities in which they work.
- British Telecom now has 13,750 homeworkers, slightly more than 10 per cent of the entire work force. It has realized significant increases in staff motivation and productivity: homeworkers take 63 per cent less sick leave than office-based staff and are on average 20 per cent more productive. It also has a major positive impact on the environment

by reducing commuting to the office and thereby lowering CO_2 emissions (World Business, 2007, p. 49).

- At Philips (Sustainability Report, 2006), Diversity and Inclusion (D&I) is being embedded in management processes such as recruiting and talent development. D&I indices are tracked to ensure increases in the percentage of women and other underrepresented groups in senior management positions. D&I is on the Group Management Committee agenda twice yearly and D&I targets were introduced for each division in 2006. D&I 'champions' are appointed in every region and business. D&I Awareness Workshops were organized for all employees in 2006 and Inclusive Leadership Workshops were held for executive levels. An internal network for women executives, WINenergy, was started in 2004. As a result the percentage of women in the top potential pool was 20 per cent in 2007, compared with 11 per cent in 2005. Through its Inclusive Leadership Index, Philips is seeking to develop leaders 'who understand that diversity and inclusion provide a competitive advantage'.
- Are companies changing? And are female values emerging? Colgate, the multinational consumer products company, cites 'Caring' as one of the three fundamental corporate values which are 'the foundation for our business strategy and are reflected in every aspect of our work life'. As reported in their Annual Report for 2007, 'The

Company cares about people: Colgate people, customers, shareholders and business partners. Colgate is committed to act with compassion, integrity and honesty in all situations, to listen with respect to others and to value differences. The Company is also committed to protect the global environment and to enhance the communities where Colgate people live and work.'

- Even German engineering companies, bastions of male supremacy, are catching up. That is why E.ON Energie, E.ON Ruhrgas and the Corporate Center carried out their Women@Energy study. Although 28 per cent of employees are women, the proportion of female managers in senior management is only ten per cent across the group, and only four per cent in the Top Executive Group. The study found that an outdated understanding of roles and the inability to balance work and family were the main reasons for the low number of women in leading positions. E.ON plans to make better use of highly qualified women with potential and is aiming to improve the work/life balance, change the management culture, and break down gender stereotypes (Annual Report E.ON, 2007).
- The PriceWaterhouseCoopers Gender Advisory Council, created in 2006 to advise and assist the PWC CEO Sam DiPiazza, is an action and results-oriented advisory group of partners from ten countries and supported by a full time Programme Manager. In 2007 the Council embarked upon a project to listen to 79 of its

female leaders and drew a number of conclusions and recommendations to create a culture and practices more conducive to retention of women leaders (see PriceWaterhouseCoopers, 2007).

ACHIEVING WORK/LIFE BALANCE

This is among the other areas in which companies are implementing policies and practices to allow women (and men) to combine successful careers and harmonious personal and family lives. These practices are quite common and include:

- Flexible work options (part-time, work at home, tele-commuting, compressed work weeks) and, to a lesser extent, job-sharing and sabbaticals
- More liberal maternity and paternity leaves and re-entry programmes
- Childcare, assistance, and breast-feeding facilities

The business case for such policies is clear: it is easier to attract, retain, and motivate top talent. In addition, according to James H. Quigley, CEO of Deloitte Touche Tohmatsu, in a lecture at the Bentley Centre for Business Ethics on 25 September 2007: '…another characteristic of a culture of integrity is work-life balance. In a survey conducted by Harris Interactive and Deloitte last February (2007), over 90 per cent of respondents agreed that workers are more likely to behave ethically when they have good work-life balance. Why is this so? One reason could be that where there is work-life balance, there is less stress and a more balanced perspective on things that matter. There's also a balance in that individual's life' (p. 15).

Other less frequent practices include maternity coaching during pregnancy and after birth, offering adoption services, allowing career breaks of up to three years, providing elder care, and reduced travel. According to one research study (Lehman Brothers Centre, 2007b), nearly all the 61 companies studied offered flexible working and part-time working policies. However, while having policies and 'talking the talk' are a step in the right direction, many companies fail to 'walk the talk'. Nearly half the companies reported that fewer than 10 per cent of women managers actually work flexibly, and nearly 80 per cent of executives report that fewer than 20 per cent of managers and senior executives work part-time.

But the work/life balance challenge is not limited to women. At IBM, fathers-to-be are given a pregnancy survival guide so that they understand what their wives are going through. Next, they receive a CD called *Being a Dad* that features fathers around the world discussing the struggles of being a working parent. Then throughout the year, fathers are provided kits discussing how men can be involved with their children at different ages. Many companies have similar educational programmes for dads. A study by the Families and Work Institute showed that men in two-income households report they do 65 per cent more housework daily than their fathers did 25 years ago.

CHOOSING AND USING INDICATORS, SETTING TARGETS AND MONITORING PROGRESS

As the old saying goes, 'Anything that gets measured usually gets done.' Gender balance is no exception to this rule. Companies that have recognized the strategic importance of gender balance and diversity have integrated it into their management systems by identifying key indicators, setting goals and objectives, measuring results, and rewarding good performance appropriately. Some indicators are easily quantifiable, such as the number or percentage of men, women and minorities by organization unit, by grade, or by category such as senior executives, high potential candidates for senior positions, in overseas assignments on business critical projects vs objectives. Other indicators might cover turnover, salary differences by grade, participation in internal or external leadership development and training seminars and programmes, development and turnover of 'fast track' and high-potential women. Regular employee surveys, focus groups, and narrative analysis are an important way of measuring employees' and managers' attitudes and gaining feedback on specific issues. At more senior levels, more sophisticated systems for tracking high-potential women can serve to follow their development and readiness for promotion and to plan transfers to jobs critical to their advancement.

Among the most important 'best practices' is the management of the careers of high-potential women to ensure that they have been identified and that they receive opportunities to demonstrate the capabilities considered essential for access to the most senior positions. Examples of job experience considered most relevant to judging potential include line positions with P&L responsibility, selected overseas experience, and participation in significant and visible task forces. The process involves studying and defining future needs of the company as a basis for identifying individual development needs, developing career plans, managing replacement charts, following turnover ratios, coaching and mentoring, participation in executive education programmes, and the like. Consideration should also be given to managing the careers of high-potential women and men who need more flexible career paths and recognize that there may be periods during which they may not be able to commit fully to their jobs. Also, some companies force identification of high-potential women by requiring executives to include at least one woman among their top three replacement candidates. Caterpillar Europe is an example (according to a statement by Caterpillar Europe's Director of Marketing at the GWIT Roundtable in Geneva on 5 June 2008).

MENTORING AND COACHING

These have proven to be effective and low-cost methods of engaging high-potential executives and a critical tool in the careers of women. They increase motivation, accelerate learning, and reduce turnover. The use of mentors and coaches is simple, not excessively time-consuming, and has been shown to accelerate development of future executive talent. It also responds to one of the most often heard complaints from women — in fact 42 per cent of women in one survey mentioned lack of mentoring as one of the major reasons for leaving. Catalyst studies have also noted that one of the most significant barriers to women executives' advancement is lack of access to mentoring, which is one of the most significant enablers of women executives' career and advancement. There are many examples of best practice in mentoring. Proctor & Gamble launched a very successful Mentor Up Program in which senior male executives mentor more junior high-potential women. It proved to be a rich source of learning for the senior men as well as a valuable learning experience for the women.

Deloitte & Touche partnered with Catalyst to determine why so many women were leaving their firm. They found a number of reasons, including (1) a male-dominated environment, (2) fewer opportunities for development and advancement, and (3) challenging work/life balance issues, as well as (to a lesser extent) harassment in the workplace. Realizing that there was no way to grow their practice with their 25 and 30 per cent turnover of women, a formal mentoring programme was launched, leading to a dramatic change in lowering turnover and increasing growth of the firm. In fact they became champions of gender equality in the workplace. The business case became evident through major reductions in turnover, lower recruiting costs, and higher productivity and motivation of females at all levels of the organization. (Blake-Beard, 2005, p. 101). But, as one member said, ‘Beyond the business case, the very essence of mentoring is that it signals to all that “We care.” ’

An interesting initiative was launched by CEOs of 25 FTSE 100 companies (in the United Kingdom) who have agreed to mentor women ‘having boardroom potential’ from other companies. A similar initiative was launched in France in 2007.

A more recent concept is that of ‘360-degree mentoring’ (Collins, 2008). Its essence is that aspiring managers should build a small network of five or six individuals who will take an interest in their professional development. At the same time the author underscores the importance of defining learning goals and needs, the need to make mentoring a two-way street, and the practice of evaluating progress regularly.

MANAGING COMPANY ALUMNI NETWORKS

An increasing number of professional firms manage alumni networks of women and men who have left but with whom these companies wish to nurture and retain contact in the hope that they might be attracted back to the firm. Some, such as Booz Allen Hamilton, offer part-time assignments to take advantage of the part-time availability of some former staff. But managing alumni networks is not limited to professional firms: 30 per cent of blue-chip companies (in the United States) manage alumni networks and 20 per cent more plan to do so.

EDUCATION AND TRAINING

An increasing number of companies are using a variety of education and training efforts, both internal and external, to support gender policies and practices. Some internal diversity workshops are aimed at improving the understanding of both women and men of the origin and consequences of biases and stereotyping, inconsistencies between values and practices, and the causes of gender inequality.

There is surprisingly low participation of women in most external senior leadership education and development programmes. Very few companies maintain statistics on this and business schools that offer such executive education programmes seem reluctant to give out such information. It is generally felt that no more than 10 to 20 per cent of participants in such programmes are women. One of the reasons for the low representation of women in MBA programmes, and especially Executive MBA programmes, is that many women find it difficult to undertake such intensive commitments during the normal age range of 28 to 35.

One very positive recent development is the creation of centres for women in business at some of the major business schools (e.g. The Lehman Brothers Centre for Women in Business at the London Business School, a similar centre at INSEAD, and the International Centre for Women Leaders at the Cranfield University School of Management). They carry out research, develop relevant case material, and run executive programmes. Some of these executive programmes are for women only, such as the Strategic Leadership for Women at IMD, The Women's Leadership Forum at Harvard Business School, Women Leading Change in Global Business at INSEAD, Women's Director Development Program at Kellogg School of Management, The Wharton Women in Leadership Program, and the Smith-Tuck Global Leaders Program. An increasing number of companies are finding that external leadership programmes designed specifically to meet the needs of women are more effective than general programmes (Wittenberg-Cox and Maitland, 2008).

MANAGING THE CULTURE

As mentioned previously, another significant reason for the high turnover of women managers and a roadblock for potential female leaders is the biased corporate culture. How often have women found it difficult, and in the end impossible, to remain in a masculine-dominator corporate culture in which long working hours and excessive travel, often combined with late evening socializing, vulgar vocabulary, and authoritarian decision-making are prevalent. Many of the best practices and actions presented above will contribute to creating a better understanding of the importance of this cultural dimension. But cultural change is a difficult challenge even in the best of worlds, and next to impossible when the structures, strategies, people, values and behaviours, management systems and even purpose have been developed by and for men. The integrated nature of the changes needed to modify this culture is described in Chapter 9.

7

THE BUSINESS CASE FOR GENDER BALANCE

> Woman's lack of progress and proficiency has been due to her need of equal education and opportunity. Had she been allowed this equality, there is no doubt she would be the counterpart of man in ability and capacity. The happiness of mankind will be realized when women and men coordinate and advance equally, for each is the complement and helpmeet of the other.
>
> 'Abdu'l-Bahá

Chapter 6 summarized a number of best practices in overcoming gender imbalance and inequities. This chapter highlights some of the major business-related benefits of introducing policies and practices to promote gender balance. While some authors have focused on the moral case for equality of women and men, it is clear that without a convincing business case, little progress can be expected in bringing many more women into the leadership of major corporations. It is significant that several recent studies have demonstrated a positive correlation between corporate financial performance and gender balance and diversity.

- One study carried out by Catalyst (2004) examined the financial performance of 353 Fortune 500 companies between 1996 and 2000. In summary, Catalyst found that companies with the highest representation of women in their top management teams significantly outperformed competitors with the lowest representation of women managers. Of course this correlation is not proof of causality, nor did the study imply that the better financial performance was due to the larger representation of women. But these same well-managed companies often use gender as one criterion in selecting their bankers and professional service firms such as lawyers, advertising agencies and accountants.
- More recently, McKinsey & Company (2007a) found in two studies that greater gender diversity in top management correlates with 'organizational excellence' as measured by nine criteria: leadership, direction, accountability, coordination and control, innovation, external orientation, capability, motivation, work environment and values. The study showed that the best-ranked companies on organizational performance tend to have an operating margin and a market capitalization more than twice as high as those of the lower-ranked companies. The authors of this report do not claim causality, that is, that the better financial performance is due directly to the greater proportion of women in top management,

but correctly conclude that these results do argue in favour of greater gender diversity.

- Another study (Slater, Weigand and Zwirlein, 2008) to assess the relationship between an organization's profitability and its commitment to diversity compared companies with a high level of diversity and 'matching' companies of similar size and in the same sector. Again, those companies with diverse workforces and stakeholders showed significantly higher net profit margins, return on assets and return on equity.

In 2005 the European Commission, Directorate-General for Employment, Social Affairs and Equal Opportunities, sponsored *The Business Case for Diversity: Good Practices in the Workplace*. This study covered 16 Member States in Europe, though the representation from new Member States and southern Europe was quite small. So what were the conclusions of this study?

1. Fewer than one-half of the participating companies had diversity policies and practices in place. And among those that did, only 21 per cent had policies and practices 'well embedded', that is, in place for more than five years. So implementing gender and diversity practices is a very recent trend.

2. The major areas covered by the gender and diversity initiatives in place were organizational factors, recruitment–selection–retention, employee development and promotion, and leadership development and talent management. To a slightly

smaller extent came strategy implementation, policies and practices, employee networks, and community outreach and engagement.

3. Most of the companies in the survey (83 per cent of the 495 responding) agreed that gender and diversity initiatives have a positive impact on business.

4. The perceived benefits of diversity to these 495 respondents varied widely:

   A. Access to new labour pool (350)

   B. Benefits from enhanced reputation (310)

   C. Commitment to equality and diversity as company values (280)

   D. Innovation and creativity (220)

   E. Improved retention and motivation (190)

   F. Legal compliance (180)

   G. Competitive advantage (140)

   H. Economic effectiveness (140)

   I. Marketing opportunities (130)

   J. Enhanced customer satisfaction (130)

These conclusions are quite consistent with a broader view of the major benefits of gender initiatives and the more generally considered major benefits recognized by companies. These benefits fall into four areas: access to a new talent pool for recruitment and retention of potential managers, enhanced marketing opportunities, enhanced corporate image and reputation and standing in the country and the communities in which they operate, and greater innovation. Let us look at these benefits in more detail.

ACCESS TO NEW TALENT POOL

In 1998, McKinsey & Company released a landmark report entitled *The War for Talent*. This study was based on a survey of 77 companies and 6,000 business executives. It concluded that the most important corporate resource over the next twenty years would be human capital: specifically the education, skills, and experiences of talented professionals. Fully 75 per cent of executives interviewed said their companies were chronically short of talent already. This talent shortage continues to grow in most major markets and professions. At the same time, other studies have shown that women constitute the most significant untapped source of new managerial and executive talent. It is easy to understand why access to this new talent pool is, according to the EC report (2005, p. 29) the most important perceived benefit of gender balance and the major reason for recognizing its strategic importance. Many professional service firms have led the way in developing policies and practices for recruiting and retaining female talent, not only because high staff turnover was a major cost but also because it became the firms' major constraint to growth. Some estimates show the cost of replacing professionals to be in the order of magnitude of 150 per cent of their annual salary – a very high cost when firms have an annual turnover of professionals in excess of 15 to 20 per cent. Some law firms have estimated that it costs between US$200,000 and $500,000 to replace a second-year associate. At the same time, firms recognize the different needs of Generation X (born between 1965 and 1979) and Y (born between 1980 and 2001) employees and managers who are more restless and seek a better balance in their lives. For example, TNT, an Austrian company, has a worldwide diversity and inclusion strategy. It calculates that as a result of effective management of diversity and inclusion, it has seen a reduction in yearly staff turnover from 25 per cent in 2000 to 10 per cent in 2003, and a similar reduction in absenteeism.

ENHANCED MARKETING OPPORTUNITIES

Even management gurus are stunned when they see and ponder statistics about women as customers. According to Tom Peters (2004), women are 'instigators-in-chief' of most purchases, making 83 per cent of all consumer decisions, including 50 per cent of traditionally male categories such as cars, consumer electronics, and PCs; 80 per cent of healthcare products, and 92 per cent of vacations. The conventional wisdom that management consultants urge on companies that 'the customer is king' is actually dead wrong. The customer isn't king, she's queen. Recruiting and promoting women to key positions allows companies to gain a competitive advantage because it leads to deeper cultural adaptation to the marketplace (Thomson and Graham, 2004). In developing and designing new products, in penetrating new markets, in reaching new market niches and populations, gender balance and diversity can be a powerful competitive advantage for understanding customer needs, habits, and requirements. In 2001, former PepsiCo CEO Seve Reinsmund required that half of all new hires be either women or ethnic minorities This diversity push helped better understand tastes of new consumers. Contrast this with Nissan, whose President Carlos Ghosn told 500 powerful women at their 2007 Deauville, France conference that women directly make or influence two-thirds of car purchases in Japan. Studies also showed that 80 per cent of women buyers would prefer to have women salespeople in the showrooms, as would fully one-half of men buyers. Yet women represent only 10 per cent of salespeople in Japan and only 1.9 per cent of Japanese car industry managers (Wittenberg-Cox and Maitland, 2008). Needless to say, this imbalance is being changed and Nissan's market share is increasing, but it illustrates how women can make an important difference in designing as well as in selling consumer products. Years earlier, Volvo created an all-female team to design a new car by and for women, and with great commercial success.

IMPROVED IMAGE AND REPUTATION

Gender balance contributes importantly to the corporate image and reputation and strengthens links with all stakeholders. Not only does a good reputation facilitate attracting, motivating, and retaining talent, but also, investors are paying more attention to gender balance and diversity. Some managers of investment funds and rating agencies (Core Rating, Innovest, Vigeo) are including gender in their assessment of companies' corporate responsibility.

GREATER INNOVATION AND CREATIVITY

In a recent survey of CEOs by McKinsey & Company focusing on how companies approach innovation (McKinsey Quarterly, October 2007) the question was asked, 'What single factor contributes most to the accelerating pace of change in the global business environment today?' The most prominent response was 'innovation in products, services, and business models'. It is well known that diversity enhances creativity and innovation, and that innovation is increasingly critical to competitive success. This notion has been developed by business writer James Surowiecki (2005), whose basic premise is that diverse teams make better decisions. He gives evidence that homogeneous groups become progressively less able to investigate alternatives, and says that diversity expands the set of solutions and allows the group to conceptualize in novel ways. More recently, a study (Lehman Brothers Centre, 2007a) has shown that there are a number of critical innovation factors that are influenced by the proportion of men and women in a team. According to the study the best gender mix is about 50 per cent men and 50 per cent women, and a slight majority of women (60 per cent) creates optimal conditions in relation to the self-confidence of the team. Furthermore, structuring teams in such a way that either men or women have only a 'token' status is detrimental to the performance and innovation of the team.

> I think the real benefit of having women and diversity in a team is that you have a richer set of ideas and better decisions. So, I truly believe there is a direct relationship between team performance and having a diverse team with the best talents.

A Vice-President for Europe of
a leading global healthcare company

> Great ideas still come from people ... The challenge is to create the right environment to encourage innovation and ideas. The diversity of people in a corporation promotes innovation because it achieves greater diversity of ideas. There is a link between diversity and innovation that's not theoretical — it's real.

Indra Nooyi, CEO PepsiCo

BETTER WEALTH MANAGEMENT

Jane Mendillo was recently appointed President and Chief Executive of the Harvard Management Company (HMC). In this role, Ms Mendillo will be responsible for managing the largest (by far) university endowment fund in the world (US$35 billion). Her selection reflects outstanding results as chief investment manager at Wellesley College (average return of 13.5 per cent during the past five years) and 15 years previously with HMC.

Financial services companies represent another major opportunity for women to advise other women (and men) on the management of their wealth. Datamonitor says that women in the United States will control an unbelievable US$22 trillion by 2010. Similarly, women-owned wealth is growing in other parts of the world. By 2025 women will be richer than men in the United Kingdom and will own 60 per cent of the UK's personal wealth. But it is well known that women invest differently from men: they tend to be more cautious and to invest more for the long term. Yet few financial institutions, in Europe at least, have really tried to understand and react to the specificity of this major emerging market. Female investment advisors seek to understand their clients better before recommending or selling specific products. It is surprising that so few financial advisors, their top executives, and board members are women. So this is another example of a strategic opportunity for firms to gain a competitive advantage through women. Also, large fund managers like CalPERS in the United States take equality of women and diversity into consideration in managing some US$200 billion for California's public employee retirement system.

LOWER RISK

Particularly in the United States, the increasing cost both in money and reputation of litigation and sex discrimination cases is a powerful incentive to create more diversity at all levels and to monitor policies and practices carefully to ensure equal treatment.

ETHICAL AND MORAL REASONS

Many companies have adopted equality, inclusion and diversity policies and practices in no small measure because they want to be doing the right thing and to be perceived as doing the right thing. They are influenced both by public opinion and by the employee expectations that have emerged along with the growth in corporate responsibility consciousness throughout Europe.

8

WOMEN IN CORPORATE GOVERNANCE

> Again it is well established in history that where woman has not participated in human affairs the outcomes have never attained a state of completion and perfection. On the other hand, every influential undertaking of the human world wherein woman has been a participant has attained importance.
>
> 'Abdu'l-Bahá

In the previous chapters we have focused on problems and solutions to the leaking pipeline of female talent, the shortage of women managers and leaders, and some of the ways corporations and professional service firms have removed the blockages, repaired the pipelines and increased retention of their high-potential women. We turn now to a different set of issues. Boards of directors have been traditional bastions of male supremacy in most areas of the world. Repeated studies have shown that representation of women is shockingly small and is changing very slowly, even regressing in some places. Women account for 7 per cent of directors in the world's corporate boards. In the United States, 15.7 per cent of directors are women, a significant increase from 9.6 per cent in 1995 and 13.6 per cent in 2003. These figures for large public corporations vary a great deal from country to country: from an average of 36 per cent in Norway to fewer than 1 per cent in Japan, Portugal and Luxembourg (The Economist, 12 April 2006). Yet women not only can but also do make a positive difference in the boardroom. In the following sections we discuss:

1. How women add value as board members
2. The critical mass of three women
3. Women are vastly underrepresented on boards
4. Why there are so few women
5. Practices vary widely by region and country
6. Similar underrepresentation exists among senior corporate executives
7. How corporations are reacting

HOW DO WOMEN ADD VALUE AS BOARD MEMBERS?

A number of benefits have been cited by CEOs who have brought women onto their boards. These include, but are not limited to:

- Women tend to reason differently and offer complementary points of view on many issues. They are more likely than men to ask tough questions and demand direct answers.
- Women tend to bring a stronger emotional intelligence to bear in consultation, stronger social intelligence and work well in teams, and are effective facilitators of change.
- Women, as major purchasers and investors, bring a better understanding of the marketplace, as well as new perspectives and issues to the table.
- Diversity increases creativity and innovation and contributes to more effective problem-solving.
- It is a well-known fact that women are making very significant contributions to the governance of many not-for-profit organizations, to healthcare bodies, and to family-owned companies. Why not to publicly-owned corporations as well?

THERE IS A CRITICAL MASS

Is the impact of women directors proportional to their number? Interestingly enough, there has been research on this issue and it is clear that companies with three or more female directors are also much more successful than those with fewer women. One study showed that a critical mass of three or more women can cause a fundamental change in the boardroom and enhance corporate governance (Kramer, Konrad and Erkut, 2006). While a single woman director can and often does make valuable contributions, and adding a second woman clearly helps, with three or more women directors there is an organic change in the boardroom consultation. The 'woman's point of view' disappears; women are no longer viewed as outsiders; they are treated more as individuals with different personalities; as a result, boardroom cultural practices begin to change. Researchers at Catalyst USA, based on the period 2001 to 2004, found that companies with three or more women board directors performed significantly better in terms of return on equity and return on sales (both six percentage points better) and return on invested capital. To be more precise, Catalyst showed an 83 per cent higher return on equity, 73 per cent higher on return on sales, and 112 per cent higher return on invested capital for those companies having three or more female board members. Most of the companies with no female directors were in the bottom performance quartile. A report prepared by McKinsey & Company, released in October 2007 (McKinsey, 2007a), showed that a significant difference in organizational effectiveness and excellence as well as in financial performance was reached once a threshold of three female directors is attained. Yet only 76 of Fortune 500 companies and 15 of FTSEurofirst 300 companies have three or more women directors. But as has been mentioned earlier, *correlation* does not mean and should not be taken to imply *causality*. Some writers use the above studies as a basis for concluding that corporate financial performance is significantly better *because* they have three or more female directors. Although some people contest this conclusion and feel that there is no convincing evidence that the presence of women on boards has a direct and causal influence on financial performance, we can nevertheless be certain that it is a characteristic of well managed companies.

WOMEN ARE VASTLY UNDERREPRESENTED ON BOARDS

According to the European Professional Women's Network (EPWN), female representation on corporate boards in Europe has stagnated at around 8.5 per cent, with the notable exception of Scandinavian countries. In North America some 16.5 per cent of corporate board directors are women, but this seems to have reached a plateau. According to the non-profit research firm Catalyst, the number actually declined in 2007 for the first time since their surveys began in 1995. The United Kingdom was a notable exception: after a decline in 2006, the percentage of FTSE 100 women directors increased to 11 per cent in 2007, nearly double the 5.8 per cent in 2000 (International Centre for Women Leaders, 2007). Among the FTSE 250, however, only 7.2 per cent of directorships were female-held, which reflects a very low percentage of women below the FTSE 100. But things are even worse in Asia: women represent fewer than 2 per cent of board directors in Japan and in India.

WHY ARE THERE SO FEW WOMEN DIRECTORS?

A number of reasons have been cited in the abundant literature on this subject. First and perhaps foremost, the criteria for selecting new board members seem to have remained the same over time. Whether it be the search committee of the board, a search specialist or the chairman, the traditional criteria dominate most searches and rely on traditional sources: CEOs, former CEOs, those with similar experience, and directors of other companies. There simply are very few women in this pool. How many actual or former women CEOs are there? The paucity of women in executive director positions who might be considered as candidates is also small.

Second, women find it easier than men to say 'no' to an offer or inquiry. They are often reluctant to sacrifice family for more authority and status — and more work. Many men can more easily be seduced into accepting an offer because of the emotional–social recognition, the learning experience, the material pay, or encouraging appeals from people they respect. This also reflects the fact that on average European women continue to devote twice as much time as men to domestic tasks. According to some women, men create more work in the house than they contribute. Third, the increased legal responsibilities and increased expectations of non-executive directors can be powerful disincentives. Finally, women are often intimidated by some of the socialization practices of boards, as well as the inhospitable (for women) cultures in traditional boardrooms, not to mention the inappropriate jokes and cigar smoke.

GENDER PRACTICES VARY WIDELY

The variation in gender practices — between countries, between industries, by size of company, and other factors — is striking and not well understood. First, women represent only 11 per cent of the membership of governing bodies of European listed companies (European Commission, 2006b). These same statistics show that the percentage of women in governing bodies varies from 32 per cent in 2006 in Norway down to 4 per cent in Spain, 3 per cent in Italy and 1 per cent in Luxembourg.

There are also significant cross-sector variations in gender and ethnic diversity. In the United Kingdom for example, above-average prevalence of women is found on boards in Retail, Utilities, Media and Banking – businesses with close proximity to final consumers. Similarly, the European Professional Women's Network (EPWN) reports eleven sectors with more than 10 per cent women on boards: Household Goods, Software, Energy, Luxury Goods, Forestry & Paper, Food & Drug Retail, Specialty Finance, Oil & Gas, General Retailers, Life Insurance, and Support Services. There is also considerable variation both in Europe and the United States by size of company – large companies have a larger percentage of women board members. In the United States, women represent 16.3 per cent of board members of Fortune 100 companies, 15.5 per cent of F250 and 14.4 per cent of F500 companies. Also, representation of women declines for boards with a larger percentage of insiders and as the average age of board directors increases.

WOMEN ARE ALSO UNDERREPRESENTED AMONG SENIOR CORPORATE EXECUTIVES

Just as it did for women on boards, Catalyst also demonstrated a similar link between profitability and the number of women in senior management positions. Their 2006 study found that companies with the highest representation of women in their top management teams achieved better financial performance than companies with the lowest representation of women. Return on equity was 35 per cent higher and total shareholder return was 34 per cent higher for companies with more women leaders. Statistics on women among the ranks of CEOs and executive committee members are strikingly similar to those for women directors. Of the top 100 companies in Europe, United States and Asia, there are only four women CEOs, while only 15 of the S&P 500, or 3 per cent, have women CEOs. In Europe, only 4.6 per cent of executive committee members are women, whereas in North America 15.1 per cent are women. If there were easy and straightforward solutions, this problem would not exist. Increasing the pool of women ready and qualified to occupy senior positions in their own or other companies will result partly from adopting many of the best practices spelled out in earlier chapters of this book: implementing appropriate gender diversity indicators and rewarding those who develop and mentor women leaders, making work/life balance compatible with career success, implementing appropriate human resource management policies and practices, and opening more opportunities for women to participate equally in executive education and training, both internal and external.

Table 2

Share of women in governing bodies of the top European companies (percentages)*

Norway	32	France	8
Sweden	24	Netherlands	7
Bulgaria	21	Belgium	6
Latvia	21	Spain	4
Finland	19	Italy	3
United Kingdom	12	Luxembourg	1
Germany	11	Portugal	1
EU average	**11**		

* Source: European Commission, top 50 listed companies per country in 2006.

HOW CORPORATIONS ARE REACTING

Leading-edge companies in some European countries have introduced mentoring and coaching programmes, board skills training, quotas (Norway), and internal and external support networks. But these initiatives are the exception rather than the rule. One factor that has not received enough attention is the inhospitable (for women) cultures in traditional boardrooms and executive committees as well as many male gender-biased practices often embodied in present structures, processes, policies and practices. This problem was well described in the *Female FTSE Report 2007*. On a more positive note, there is some comfort to be gained by recognizing the very gradual opening up of new directorships each year and the increases in women on boards during the past five years. After all, the number of FTSEurofirst 300 companies with at least one woman board member as well as the number with two or more women both increased by nearly 10 per cent between 2003 and 2005. Still, Europe lags well behind the United States and Canada in the percentage of board memberships occupied by women: in 2005, 15 per cent in the United States, 12 per cent in Canada, and 8.5 per cent in Europe. This percentage for Europe would be much smaller if it were not for the much higher representation in Scandinavian countries.

Norway stands out as the most notable exception. The percentage of women board members moved slowly from 3 per cent in 1993 to 6 per cent in 2002. Yes, it doubled, but it increased by only 3 per cent in 10 years, which led some to say that it would take over 100 years to reach parity with men. By November 2007, this percentage jumped to 36 per cent thanks to a law requiring large publicly-traded companies with more than ten directors to have 40 per cent women on their boards by 2008. While such legal quotas are unlikely to be enacted soon elsewhere, countries across Europe are looking for ways to increase the number of women on boards. The parliament in Spain very recently passed legislation requiring 40 per cent women by 2015.

The Sarbanes-Oxley Act passed in the United States in 2002 has had a major impact on corporate governance, which will affect practices in Europe over time. An analysis of the *Spencer Stuart 2007 Board Index* reveals very significant changes in the United States during the past five years in board membership and functioning. These include fewer active CEOs on boards of other companies, more executives from the next level below CEOs appointed to boards, more first-time directors, and more diversity. Among the S&P 500, 19 per cent of all new independent directors appointed in 2007 were women. As a result, 90 per cent of S&P 500 companies have at least one woman on their board, 55 per cent two or more, and 15 per cent three or more. At the same time, according to Spencer Stuart, 70 per cent of boards are seeking more women candidates.

Whichever way one does the arithmetic, increasing the numbers of women board directors is a very slow process. Assuming that governments other than Norway and

Spain do not impose quotas, it is unlikely that we will soon see the day when European boards have an average of three women directors.

9

TOWARD A PARTNERSHIP PARADIGM

> The emancipation of women, the achievement of full equality between the sexes, is one of the most important, though less acknowledged prerequisites of peace. The denial of such equality perpetrates an injustice against one half of the world's population and promotes in men harmful attitudes and habits that are carried from the family to the workplace, to political life, and ultimately to international relations. There are no grounds, moral, practical, or biological, upon which such denial can be justified. Only as women are welcomed into full partnership in all fields of human endeavour will the moral and psychological climate be created in which international peace can emerge.
>
> The Universal House of Justice

In earlier chapters we have attempted to highlight a number of forces at work, or changes, that are shaping the global economy and their implications for business leaders. One of these challenges is the war for talent, which many CEOs have rated as their major constraint on growth and competitiveness. One of the logical responses is to recognize that the pool of women managers and leaders is under-utilized. Women are recognized to be good leaders, though they may lead differently. However, there are differing views as to whether those few women who trickle through to senior executive positions really manage differently from men in similar positions. What is surprising is that there are so few women in senior management positions and on executive and corporate boards. A number of barriers seem to confront women executives, but leading-edge companies are finding ways to leap over these hurdles to attract and retain female talent. These companies are convinced that diversity pays and that women are equally competent in top management and corporate governance.

In this concluding chapter we focus not on women as such but rather on the partnership of women and men. Our concept of partnership leadership involves equal access of women and men to all levels of management, to all functions and to all career paths. Whether it is being the CEO or CFO, or responsible for a team on an oil rig in the North Sea, or supervisor of an automotive assembly line, women are practising equality in all fields of endeavour. We at EBBF view this increasing recognition of the leadership and management capabilities of women as but one of a series of steps in accelerating a much broader transformation in the business world. As Willis Harman (1919–1997, founder of the World Business Academy) said nearly 25 years ago,

> the modern world is undergoing a period of fundamental transformation, the extent and meaning of which we who are living through it are only beginning to grasp … The role of business in that transformation is absolutely critical.

He went on to say:

> Business has become, in this last half century, the most powerful institution on the planet. The dominant institution in any society needs to take responsibility for the whole – as the church did in the days of the Holy Roman Empire.

Peter Drucker's penetrating analysis of this transformation was very much in line with that of Willis Harman. In *Post-Capitalist Society he wrote*:

> Every few hundred years in Western history, there occurs a sharp transformation … Within a few short decades, society rearranges itself — its world view, its basic values, its social and political structures, its arts, its key institutions … We are currently living through just such a transformation.

It is not simply a matter of equal numbers of men and women in the workforce or in management or on boards of directors, but rather a revolution in the basic values in society and in the enterprise. Progressively the values of service to others, compassion, and cooperation will blend with or reduce the effect of such dominant masculine traits as achievement and competition. These values will permeate the organization in its very purpose, its strategies, its policies and practices, in its structures and management systems, and in its decision-making processes ... and in so doing encourage greater diversity and equal opportunity. Also, according to Mallory Stark (2003),

> They will constitute a conceptual leap from thinking about gender as an individual characteristic to thinking about it as a central organizing feature of social life, influencing not only men and women, but also the very knowledge that underlies our beliefs about what makes for good workers, good work, and successful organizations.

And further to this, Fritjof Capra adds (1982, pp. 235–6):

> The shift of paradigms requires not only an expansion of our perceptions and ways of thinking, but also of our values as far as values are concerned, we are observing a shift from competition to cooperation, from expansion to conservation, from quantity to quality, from domination to partnership.

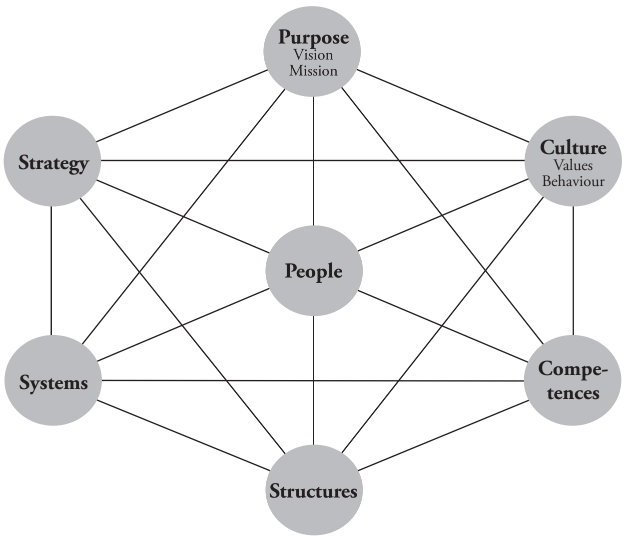
Another brilliant and insightful writer on the need for fundamental systemic change and the partnership of women and men is Riane Eisler. Eisler and Corral (2006) describe two underlying models: first, the **domination model** which is characterized by male dominance and masculine values such as toughness, strength, conquest. In sharp contrast the **partnership model** implies the exercise of many feminine qualities, whether in women or in men, such as caring (for people, for the environment…), compassion, empathy, and intuition. Today, the authors say, there are strong trends worldwide towards the partnership model in all aspects of our lives, and 'a key aspect of the movement toward partnership is a redefinition of power and leadership in more stereotypically feminine ways' (p. 67).

This concept of 'partnership leadership' provides for equal access of women and men to all levels of management, to all functions and career paths. It is the basis for one of the core values of EBBF and this book: **the partnership of women and men in all fields of endeavour**. It is important to clarify that in the partnership model, women will share more in leadership roles but they will not replace men. In fact, some men are very caring and empathetic just as some women are coercive and authoritarian. Rather, there will be a blending of feminine and masculine values in both women and men. Many — but not all — characteristics considered masculine are positive and necessary for effective leadership: logical thinking, courage, decisiveness, and many softer feminine values are much more effective in managing in a knowledge-based post-industrial economy and in smaller growing enterprises. One important aspect of the partnership model is that it allows for the use of 'contextual intelligence' and offers the flexibility to adjust management style to the needs of the situation and of the various stakeholders. As one Harvard professor noted (Nye, 2008), understanding context is crucial to effective leadership. Some situations call for autocratic decisions while others can benefit from more participative approaches. Women, it is said, tend to be more intuitive, as concerned with the process as the content, and thus more contextually and emotionally intelligent. These skills or characteristics are becoming even more important in the growing number of high-tech and services companies, such as Google, in which structures are more fluid, authority is being devolved to teams, rewards are more related to team than individual performance, and other management practices are designed to meet the needs of the Generations X and Y workforce.

With respect to this concept of partnership of women and men, it has been enlightening for members of EBBF to be involved with AIESEC, a global association of students studying business and economics, with 28,000 members on over 1,000 university campuses throughout the world. These young women and men practise partnership as a core value and way of life. At their International Presidents' Meeting, the 178 delegates (presidents of outgoing and incoming national committees in 100 countries) were about 50 per cent women, 50 per cent men. Further, the new AIESEC International team is made up of 12 women and 10 men.

To conclude, this final chapter illustrates the complexity of making partnership a reality. It involves more than experimenting with the various best practices described in Chapter 5, though these are an important part of the change required. Achieving a partnership paradigm involves what both Willis Harman and Peter Drucker refer to as a transformation – one which affects all levels and all functions of an organization. To illustrate this, we discuss below a modified version of the McKinsey & Company 7-S model.

A holistic concept of organization



While the three hard elements (Strategy, Structures, and Systems) remain about the same as 40 years ago when the model was developed, the softer areas (People, Culture, Purpose and Competences) have taken on much greater importance. As Niall FitzGerald, Chairman of Reuters, has written (Foreword to Wittenberg-Cox and Maitland, 2008), 'Women have an inherent advantage in the softer aspects of leadership. These are also the areas where business is changing most rapidly.' We have chosen to put People (formerly Staff) at the centre of the organization to reflect the critical importance today of talent and of building human and social capital. Shared Values remain important – we have included them along with Behaviour under 'Culture' — a new category and more embracing concept. We have added Purpose, which has become more relevant in thinking about the role of business in society. The term Competences in our model replaces Skills in the McKinsey model. As in the McKinsey model, all of these elements are interconnected. Therefore transformation requires acting on and aligning all of these elements of the organization. In the following paragraphs we define the key elements of what we might term a *holistic concept of organization* and some examples of the changes needed to gain excellence and competitive advantage through the partnership model.

Purpose: The over-riding 'raison d'être' of the enterprise. It is meant to inspire stakeholders as well as to drive strategy. EBBF suggests a spiritual purpose 'to provide products and services that meet the real needs of humankind' (Lips-Wiersma, 2007, p. 10). One can expect greater feminine influence in defining corporate purpose to include a more significant role of business in society and greater consideration of various stakeholders' interests while not neglecting its fundamental economic mission. Purpose incorporates vision and mission. **Vision** describes the future and what stakeholders of the enterprise want to create and look like in 5 to 10 years and how they want to impact society. **Mission** describes how the organization is going to function and develop and how it must serve its stakeholders in order to achieve its vision.

Strategy: A plan or course of action to achieve identified goals. Most strategies have a dominant focus: customers, competitors, innovation, or internal costs. The partnership concept assumes due consideration of and balancing the interests of customers, suppliers and staff as well as shareholders. As women become more prevalent in senior management and boards of directors, one can expect a longer-term orientation, more creative and innovative human resource strategies, and greater consideration of female customers' needs.

Systems: The processes and procedures used for decision-making and performance management. They include processes for managing human as well as financial resources, customers, and risk. They may be formal or informal, social or technical. Systems include how work and people are organized to exist for and with each other, rather than over and against each other. The partnership model will bring more consideration to systems bearing on the companies' ability to attract, retain, motivate and reward diverse groups of employees and managers. Also, the system for identification and promotion of high-potential managers needs to be extended to reflect women's differing situations and priorities during their 30s and early 40s.

Structures: Salient features of the organization chart, and how separate entities are tied together. Structures may be centralized or decentralized, hierarchical or networked, formal or informal in decision-making, specialized or generalist. The increasing importance of feminine values will lead to less hierarchical structures and relationships, greater use of teams, and more decentralized decision-making.

People: An increasingly important asset and source of advantage in knowledge-based sectors of the economy. People have been the main focus of this book, including how bringing more women into all levels of management will narrow the wide gender gap and alleviate the talent shortage. As such, one can expect more people-friendly HR policies, much more flexibility in the workplace and in career development (for men as well as women), innovation in making work more meaningful, and greater equality in participation in internal and external management education and development programmes.

Culture: The sum total of the values, mindsets, individual behaviours and social processes of an organization or group; 'the way we do things around here' creates the culture of an organization. Webster defines culture as the ideas, customs, and arts of a given people in a given period. According to Fukuyama (1995), culture is an *inherited ethical habit* and encompasses values, ideas, habits, and virtues. **Values** provide guidelines for acceptable behaviour and rules and direction for decision-making. **Behaviour** on the other hand is how an organization's values are put into practice through speaking, listening and acting. For example, if trust is considered an important value, then over time, and in various situations and contexts, other qualities or virtues will support this value, qualities such as honesty, truthfulness, respect, verbal restraint, cooperative interaction and support, confidence, reliability, and integrity. Another value to enhance is that of authenticity, or sincerity, which is considered by Jack Welch as 'the most important attribute of a leader', and, according to Avivah Wittenberg-Cox (Interview, 17 April 2008), what women leaders value the most.

Competences: The distinctive capabilities and skills of key personnel and of the enterprise as a whole. For example, in a traditional company the skills of executives required for working under a domination model include decisiveness, imposing objectives, exploitative and manipulative control. These are very different from skills in a partnership organization, in which consultation, collaboration, encouragement, and win-win negotiation skills are prevalent. Consultative decision-making (see Reusche, 2007), team building, and participative management are at the heart of the partnership model and all require the development of new competences.

In 1912, 'Abdu'l-Bahá, son and appointed successor of Bahá'u'lláh, Founder of the Bahá'í Faith, was invited to speak at Stanford University. It is reported that David Starr Jordan, then President of that University, referred to 'Abdu'l-Bahá as 'one who walked the spiritual path with practical feet'. The new organization model described in the previous section may be considered the 'spiritual path'; while this concluding section illustrates some practical steps that need to be considered to achieve the benefits of such a model. Let us imagine what sort of recommendations a consultant might present to a client who requested a review of his organization using the modified 7-S model with a focus on achieving more effective gender balance and diversity.

- **Purpose**: Define and disseminate a statement of corporate purpose and mission which articulates the goal of providing products and/or services that meet the real needs and concerns of all stakeholders.
- **Strategy**: Significant changes in strategy should be developed to achieve a better balance in meeting key stakeholders' interests and to support all elements of this new management model.
- **Systems**: Policies and procedures should be revised to accommodate greater management by cross-functional and mixed-gender teams; introduce work/life balance policies and strongly encourage their practice; modify reward systems to reward groups and teams more than individuals; design and implement more appropriate career planning, promotion, and management education programmes; define and report regularly on appropriate indicators of success in increasing the numbers and retention of women and minorities at all levels.
- **Structures**: Generally decentralize decision-making; introduce more cross-functional and mixed-gender teams with appropriate decision-making authority for major projects.
- **People**: In recruiting and promotions, seek balance of masculine and feminine attributes in candidates whether male or female; increase the percentage intake of women and minorities to better reflect the customer mix; increase recruiting of experienced women to accelerate achieving a balance that better reflects customer mix.

- **Competences**: A major effort will be required to strengthen the skills to support the changes recommended in other parts of this model. For example, present skills in team management are generally inadequate, as are those needed for more consultative decision-making (see Reusche, 2007).
- **Culture**: Bringing about a cultural revolution is a mild statement of what is most needed to achieve real gender balance. Appoint a high-level task force to manage a multi-year programme aimed at articulating and promulgating the core values and behaviour expected to support the other changes being recommended.

(Note: if the CEO and the top management team are not solidly supportive of the need for this cultural revolution, then go back to 'START' and hire another consultant.)

* * *

> The world of humanity has two wings — one is women and the other men. Not until both wings are equally developed can the bird fly. Should one wing remain weak, flight is impossible. Not until the world of women becomes equal to the world of men in the acquisition of virtues and perfections, can success and prosperity be attained as they ought to be.
>
> 'Abdu'l-Bahá

ANNEX A

Examples of Partnerships

The Global Compact, a multi-stakeholder network, is the world's largest global corporate citizenship initiative. It is driven largely by its private and civil society participants. It aims to encourage corporate citizenship through country outreach, policy dialogue, a learning forum, and various initiatives and projects (www.unglobalcompact.org).

The **European Alliance for CSR** is a partnership of the European Commission, CSREurope, and over 200 European companies aimed at mobilizing the resources of large and small European companies and their stakeholders in and around ten priority areas such as fostering entrepreneurship, helping SMEs, diversity, eco-efficiency, and stakeholder dialogue.

Danone, the large French-based multinational, co-created with the Grameen Bank a 'social business', **Danone-Grameen Foods**, to produce and sell an enriched yoghurt at a price affordable to the poorest of the poor in Bangladesh. Their goal is twofold: to improve the health of children and to create employment.

Drug maker **GlaxoSmithKline** formed an alliance with **Path**, a not-for-profit NGO funded by the Bill and Melinda Gates Foundation, to research and develop a malaria vaccine.

Telenor created a joint venture with the **Grameen Bank** as part of a strategy to enter the mobile phone market in Bangladesh.

Amnesty International: There are over 20 countries with **Amnesty Business Support Groups** in which companies join together to promote good human rights practices (www.amnesty.org).

The **European Academy of Business in Society (EABiS)** is a unique alliance of companies, business schools and academic institutions. With the support of the European Commission, it is committed to integrating business in society issues into the heart of business theory and practice in Europe.

The **United Nations Industrial Development Organisation (UNIDO)** created a dedicated partnership programme in 1998 working with large companies and other partners to support the development of small and medium-size companies.

Business Partners for Development is a multi-stakeholder project-based learning initiative that studies, supports and promotes strategic examples of partnerships involving business, civil society and government working together for the development of communities around the world (www.bpweb.org).

UNICEF and its **Signature for Good** programme, begun in 1987, partners with ten international airlines to collect foreign currency from airline passengers. The proceeds go to impoverished children.

The **International Labour Office** and **EBBF** undertook a joint research and training project on socially responsible enterprise restructuring. Copies of the 117-page report have been translated by the ILO into a number of languages and used for training purposes in Russia, China, and Turkey. EBBF has participated in a number of training programmes on this topic at the ILO Training Centre in Turin.

AIESEC, the largest student-run association with 28,000 members in over 100 countries, and **EBBF** have a number of learning partnerships in Europe. AIESEC organizes local (on university campuses), national, regional and international activities. EBBF brings the experience of their members, most of whom are business leaders and entrepreneurs, while AIESEC organizes the events and provides logistical support.

ANNEX B
Some Organizations Supporting Women in Business

Catalyst
catalyst.org

European Leadership Platform
europeanleadershipplatform.com

Professional Women's Network
pwnglobal.net

European Professional Women's Network - Paris
pwnparis.net

INSEAD Gender Diversity Initiative
insead.edu/executive-education/open-online-programmes/insead-gender-diversity-programme

Institute for Women's Leadership
womensleadership.com

The Lehman Brothers Centre for Women in Business
london.edu/womeninbusiness

Linkage, Inc.
linkageinc.com

Wisdom Leadership
wisdomleadership.org

Women's Forum for Society and Economy
womens-forum.com

Womens International Networking W.I.N.
winconference.org

Women Watch: The UN Internet Gateway on Gender Equity
un.org/womenwatch/forums/leadership

Some Academic 'Women in Business' Centres of Excellence

Wellesley Centers for Women
wcwonline.org

Wharton Business School
whartonwomen.org

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ABOUT THE AUTHOR

George Starcher received a Bachelor of Arts Degree, Magna Cum Laude, from Yale University and an MBA Degree from Harvard Business School, with Distinction (Baker Scholar). After 20 years with McKinsey & Company, a leading international management consulting firm where he was Senior Partner in the Paris and Milan offices, he founded his own consulting practice. He is a member of the Board of Directors of, and consultant to, the European Centre for Continuing Education (CEDEP) in Fontainebleau, France, and a member of the International Advisory Council of AIESEC International. He is co-founder and President of EBBF, a network of 350 socially responsible business people in 60 countries. He is the author of many articles and publications on business ethics, corporate responsibility and entrepreneurship. He directed a project that led to publication in 1999 by the International Labour Office (ILO) of a Joint Working Paper of the International Labour Office and the European Bahá'í Business Forum on Socially Responsible Enterprise Restructuring, and was the author of the EBBF publication of the same title. He has lectured on this theme at the ILO International Training Centre in Turin and at Ethics Day at INSEAD.

WHAT IS EBBF?

ebbf is a global open learning community accompanying mindful individuals passionate about contributing to a prosperous, sustainable & just civilization through their daily work.

Its members are active in over 60 countries around the world and explore ways to make their organizations more meaningful in very diverse areas.

It is the richness and diversity of this community that makes ebbf the ideal place to enjoy meaningful and fruitful conversations with: Corporate Directors, CEOs, Entrepreneurs, Social Innovators, Young Professionals, United Nations directors and nonprofit workers, including consultants and academics.

Feel free to join us: ebbf.org/join