



COMMONWEALTH
SECRETARIAT



GENDER DIFFERENCES IN LEADERSHIP STYLES AND THE IMPACT WITHIN CORPORATE BOARDS

*"There is a big difference
between diversity and inclusiveness.
Diversity is about counting the numbers.
Inclusiveness is about making the numbers count.
Whether it is about individuals or companies or countries,
the conversation has to shift from talking about whether
diversity affects performance to talking about the
conditions under which you'd expect diversity
to have a positive effect on performance".*

Professor Boris Groysberg, Harvard Business School, January 2013

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EXECUTIVE SUMMARY

This paper aims to provide an overview of the gender differences in leadership and business using decision science principles, set in the context of the Commonwealth. Current findings from the 'science of decision making' reveal key gender distinctions in the behaviours between women and men, and how these behavioural differences influence and shape decisions as well as the outcomes of leadership styles employed.

This paper will inform Ministers at the Tenth Women's Affairs Ministerial Meeting (10WAMM), on how to create an enabling environment as policy makers, to understand the requisite traits and strategies that have successfully sustained women in leadership positions and in the boardrooms.

Improving gender equality and the empowerment of women is one of the principles of the Commonwealth and detailed in the Commonwealth's Plan of Action for Gender Equality 2005-2015. This report was commissioned following the 2011 Commonwealth Heads of Government Meeting and builds on the Commonwealth's project '*Delivering Gender Mandates: Strategies for Women's Affairs Ministers*' to present unique insights offered by decision sciences and international research on women in or aspiring for leadership positions.

The paper firstly sets out the business background so that female leadership is viewed in the context of demographics and discusses the key challenges faced by women in a global and personal setting. The report then discusses key decision science theories, a thorough overview of gender differences in the personal and professional sphere, an overview of the causes of these gender differences, a discussion of existing solutions, and a list of recommendations for women, board members and policy makers.

The focus will be towards women in organisations, discussed in a sphere that is hopefully valid across commonwealth countries. The writers acknowledge that each Commonwealth country faces its unique challenges and opportunities, meriting a separate discussion per region. Due to the limitations of this research, a global general approach is used. Moreover, the writers have attempted to offer recommendations that go beyond the apparent, over cited ones, and offer more specific, action oriented advice.

About the Authors

The writers have drawn upon the established expertise of **Ms Gita Patel FCA**, a business leader with a background in banking and entrepreneurship and has over the last 10 years specialised in the Female Economy having created Trapezia, a fund targeting women focussed businesses. She passionately believes that the economic empowerment of women is a fundamental building block for economic growth for many economies. **Ms Sophie Buiting**, an LSE postgraduate, who specializes in decision-making and gender, assisted Ms Patel in writing the paper. Additional interviews were conducted to give qualitative and personal backgrounds.

In 2009 women globally earned \$13 trillion which is double the combined GDPs of China and India (\$5.6 trillion). This female income is projected to be \$18 trillion by 2014.

SECTION 1 THE BUSINESS CASE FOR WOMEN IN LEADERSHIP AND KEY CHALLENGES: GLOBAL AND PERSONAL

This section builds on the business case and presents an overview of the key challenges facing women leaders today, both in a global setting, as well as in their personal lives. Eventually the argument for many countries remains the lack of effective initiatives to support half of their population's resources, creating a compelling case for why policy makers and board members should focus on unlocking the full potential of women leaders to power economic growth.

'My vision by 2015 is that Britain will not have a single FTSE 100 board without a significant female presence' "This is not about equality, this is about good governance and good business."

"The international evidence supports this - diverse boards are better boards benefiting from fresh perspectives, opinions and new ideas which ultimately serve the company's long-term interests."

Ministers have urged the UK's 350 largest public companies to set targets against which progress in boosting female representation on boards and executive committees can be judged.'

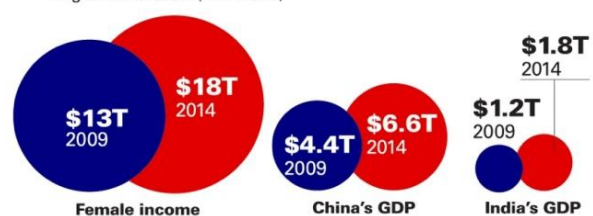
Vince Cable, UK Business Secretary, 30 January 2013

1.1 Building the business case for women in leadership

1.1.1 Women are the largest economic opportunity:

The most convincing business case for women comes from Silverstein and Sayre (2009a), who show that women are a bigger economic opportunity than India and China combined. In 2009 women globally earned \$13 trillion which is double the combined GDPs of China and India (\$5.6 trillion). This female income is projected to be \$18 trillion by 2014. Given that Commonwealth women represent approximately 30% of the global female population the extrapolated earnings translate to an estimated \$5 trillion. Many institutions now recognise that women's growing affluence and influence cannot be ignored and have identified women as the next big market opportunity as they explore different ways of capturing and capitalizing on this 'market segment' to take advantage of the demographics.

The World's Largest Opportunity
A growth forecast (in trillions)



Global Female Opportunity
(Silverstein & Sayre, 2009a, p.48)

1.1.2 Women control majority of consumer spending:

Not only do women earn more than India and China combined, but also women globally control at least 64% of the consumer spending (Silverstein & Sayre, 2009b). Having women on boards will give corporations the competitive advantage to create products and services that will better meet their customers' needs. In some countries, women drive over 70% of household spending decisions but have many unmet needs from financial education and advice to providing products they require at key inflexion points in their lives: caused by divorce, death of a spouse, marriage, first home purchase, birth of a first child, college commencement, first job etc (Accenture, 2006). Therefore, the opportunity to win market share and create new markets are abundant. Moreover, given these demographic trends, corporate leadership should reflect the diversity of the customer base (George, 2012).

1.1.3 Women creating their own wealth and setting up in business

According to Barclays research (2013), women are creating their own wealth through earnings, savings and income from setting up business thus given rise to kitchen table tycoons. Trends suggest an increase in self-employment where women are setting up both lifestyle and fast growth companies.

1.1.4 Women are living longer

Demographics suggest women are living longer than men and one impact of this is that they become beneficiaries of a double inheritance from both father and husband where the cultures and laws permit. Again, the financial advisory role is important to serve the unmet needs of this demographic and provides an opportunity to service this growing segment. Women often set up and manage businesses that are survival led and necessity driven, which tend to be for long term.

1.1.5 Women improve corporate performance

Women are shown to have positive effects that improve corporate performance. Catalyst (2007) compared Fortune 500 companies on the representation of women on their boards and their corporate performance. They found that when comparing the worst and best quartile of female representation this had significant effects on the corporate performance. Return on Equity increased by 53%, Profit Margin by 42%, and Return on Invested Capital by 66%. They also found that a minimum of three women on the board gave the best results.

McKinsey (2007) confirms this relationship. They find that companies with the highest gender diversity teams, as compared to the industry average, see a much higher Return on Equity (10%), a higher operating result (48%), and a stronger stock price growth (70%). In addition, having at least one woman on the board decreases bankruptcy by a full 20% (Wilson & Atlantar, 2009). Interestingly, companies with more women on their boards see better corporate governance and ethical behaviour (Franke, 1997).

1.1.6 Women strengthen the economy and increase next generations' welfare:

Investing in women leaders has great effects on a country's GDP and the welfare of next generations. Booz&Co (2012) calculated the possible increase on GDP through the entrance of new female participants to the economy. For India, South Africa, and the United Kingdom (all Commonwealth countries) these increases would be 27%, 10% and 5%. Moreover, women reinvest a far greater amount of their earnings on their children's education and health than men do, whereas men spend greater amounts on entertainment (Goldman Sachs, 2009). Thus, helping women earn their own income has a direct effect on the next generations and offers resilience.

1.1.7 Women are increasingly well educated

In some western countries over 50% of graduates are women. For instance, in the UK, more than 54% of the postgraduates were female (Office for National Statistics, UK). However, this is not the case for countries like India, Pakistan and South Africa, but surprisingly so in countries such as Saudi Arabia.

1.2 Global Challenges

On a global scale, women face a few key challenges. Women are not advancing enough to leadership roles and contributing to influential decision-making roles. Women are not receiving an equal amount of education, and are not employed at equal rates as their male counterparts. As businesswomen, they sometimes face legislative challenges, and often with limited access to capital through laws denying their rights for collateral. They may also be charged higher interest rates because of limited credit histories and are often more challenged to find guarantors/sponsors or have the assets they own recognised as collateral.

1.2.1 Women in Decision-Making Roles

According to a report by the European Commission (2012), in the European Union, as of beginning 2012, women constituted only 13.7% of board seats. Even more dissatisfactory, women constitute only 3.4% of chairs and presidents within the European Union. Other parts of the world see the same trends. Although the US sees a slightly better figure (15.7%), Australia and Canada both see female board representation of around 10%. India's boardrooms only constitute less than 5% women (European Commission, 2012). Moreover, in 2010, for the Asia-Pacific region, women comprise only 6.5% of the board members, whereas for the Middle East and North-Africa, this number is only 3.2% (Corporate Women Directors International, 2010). In Australia, female representation within government boards was 38.4% in 2012.

The same picture emerges from women's parliamentary representation, where women represent only 20% of ministers globally (Inter-Parliamentary Union, 2013). Some Commonwealth countries have addressed the political empowerment of women successfully. The best example comes from Rwanda, where women through legislative quotas hold 56% of the parliamentary seats. Within South Africa, parliament seats consist of 43.3% women by voluntary quotas legislated by the ruling political party the African National Congress (ANC).

Tanzania has been actively involved in increasing female representation for the past few decades. In 2000, Tanzania set a 30% benchmark for women in parliament, and is now working to set the benchmark to 50%. Tanzania reported a 36.6% representation of women in 2010 (Ministry of Gender, Children, and Social Development, 2013).

In Kenya, each of the 47 counties are required to send one women's representative, creating a female representation within parliament of 16%. Additionally, Kenya has been taking affirmative actions towards gender equality and has thus achieved almost 40% female representation in public functions in 2012. This was achieved by introducing gender as a performance measurement for all public authorities. Secondly, Kenya has adopted affirmative action in the recruitment and promotion of women in the public service (United Republic of Tanzania, Ministry of Community Development, Gender, and Children, 2013).

1.2.2 Education attainment:

Globally, although more boys are enrolled at primary and secondary education, more women are educated at tertiary level. However, for countries such as India, Pakistan, and Nigeria, women are enrolled at lower rates in tertiary education (UNESCO, 2012).

The World Bank, in their report *Engendered Development* show that an increase of one percentage point in women's share in secondary education is associated with an increase of GDP of 0.3 percentage points for middle and upper-income countries (Dollar & Gatti, 1999). For Sub-Saharan Africa, South Asia, and the Middle East, GDP could increase by as much as 0.7 percentage points (Klasen, 1999).

1.2.3 Employment:

In countries such as Pakistan and India, in 2010, see female participation rates of below 30% (22% and 29% respectively). For Nigeria, about half of the women (48%) are employed, for South Africa about 44%, and in the UK 56% of women are employed (World Bank, 2013).

1.2.4 Third Billion:

Booz & Co (Booz & Co, 2012) created the notion of the Third Billion. This is a powerful concept that encompasses the billion women that will enter the global economy by 2020. If China and India together represent almost two billion entrants to the global economy, women represent the third. Their report states that roughly 860 million women (an estimated 250 million Commonwealth women) that will enter the economy are either lacking the sufficient preparation (i.e. secondary education) and/or lack the support from families and communities to take part. The Third Billion is of such an immense scale and ability to add value to the global economy that policy makers need to make the necessary preparations to facilitate these

women and ensure that both regulatory and financial delivery systems respond to their particular needs.

1.2.5 Access to Credit

Women entrepreneurs also find great difficulties in accessing credit. This is partially due to a lack of confidence, as well as a gender bias towards women. Fortunately, the West Pac Bank in Australia is unique, it is one of the very few banks that have a unit completely dedicated to women. They offer education, information and networking opportunities. Also, in Uganda, the Development Finance Company of Uganda Bank Limited (DCFU) has a unit dedicated to women entrepreneurs, where they facilitate access to credit.

In summary, the low rates of women in decision-making roles combined with the trends in educational attainment, and the low rates in employment show that on a global level, women are not adding the value that they could and **economies are not able to capitalise from this untapped potential.**

1.3 Personal Challenges

Globally, women experience specific challenges when aiming for leadership positions and undertaking leadership roles. These specific challenges are double burden, confidence, and a disadvantage from perceptions and stereotypes.

1.3.1 Double burden

Women are improving their professional opportunities, yet are still responsible for the majority of the chores and care giving duties, also known as the double burden syndrome. This syndrome is particularly experienced in the African and Asian regions, which reflects the responsibility for both work and household. European women are responsible for twice as many household tasks than the men McKinsey (2007).

1.3.2 Confidence:

A major problem relates to women's confidence, in both the beliefs in their own abilities, as well as in the capability of communicating confidence. This will be discussed extensively in later sections. As an example, research amongst MBA women shows that while the majority of women consider themselves equally capable as their co-workers, the majority of men consider themselves more capable than their co-workers (Eagly, 2003). In an environment where the behaviours expected are still male dominated, female-specific communication can be interpreted negatively.

1.3.3 Gender Bias and stereotypes:


Unfortunately, women do experience a strong gender bias when being evaluated for promotions on both their level of performance as well as their potential impact. Research within professional groups show that women have to significantly work harder to be perceived as equally competent as men (Lyness & Heilman, 2006).

Moreover, unfortunate assumptions are sometimes made about women's ambitions and abilities. Research by DDI (Development Dimensions International, 2009) shows that women do not excel sufficiently in their career due to assumptions on women's' ambitions such as women having less ambition and a lesser company commitment due to family responsibility. Yet, women and men hardly differ in their ambitions. Catalyst shows that there is hardly a difference between senior men and women when aspiring for the highest roles in the company (Catalyst, 2004).

Furthermore, women struggle with so-called second generation gender biases, which are "powerful yet often invisible barriers to women's advancement that arise from cultural beliefs about gender, as well as workplace structures, practices, and patterns of interactions that

inadvertently favour men” (Ely, Ibarra, & Kolb, 2011, p. 4). These second-generation gender biases have recently been discussed as causes for women’s underrepresentation on boards.

“Women make up half of the human resources available to any country. If that half is not being channelled into the economy and not being made part of decision-making processes, then that country’s economic potential is bound to suffer, by losing 50% of its capacity. As business leaders and policy-makers seek to navigate their way through the current economic crisis, they need the aggregate talents of both women and men more than ever to come up with the best solutions.” Edited from: Saadia Zahidi, Head, Women Leaders Programme, World Economic Forum (2012)



BRINGING WOMEN INTO THE BOARD WILL INCREASE DIVERSE STYLES OF THINKING.

Shamir & Eliam 2005

Laura D. Tyson, a professor of business administration and economics at the University of California (Berkeley) and co-author of the WEF report, states that ‘A nation’s competitiveness depends significantly on whether and how it educates and utilizes its female talent. To maximize its competitiveness and development potential, each country should strive for gender equality — i.e., to give women the same rights, responsibilities and opportunities as men. In the current global financial and economic crisis, it is more vital than ever that women’s economic participation does not shrink, but is in fact seen as an opportunity to make headway.’

Lastly, one needs to consider differences within generations. Younger generations will face a different set of challenges versus the older generations. For instance, whereas the older generations were the very first to come into leadership, the younger generations will need to create a more sustained development towards equality. Fortunately, ministers and policy makers can devise programmes that benefit girls starting with young girls already in the school system. Moreover, ministers can aim to make education mandatory for boys and girls.

Facts:

- **A minimum of three women on the board gave the best results (Catalyst, 2007)**
- **Companies with more women on their boards see better corporate governance and ethical behaviour (Franke, 1997)**
- **Investing in women leaders has great effects on a country’s GDP and the welfare of next generations (Booz&Co, 2012)**
- **The Third Billion – a billion women will enter the global economy by 2020 (Booz&Co, 2012)**

SECTION 2 KEY PRINCIPLES OF DECISION SCIENCE

Understanding the main concepts of Decision Science will give a framework against which gender differences can be compared. Therefore, this section aims to provide a concise overview of decision science theory. It will discuss the main theory, namely that of Prospect Theory, which has been immensely influential in both decision science and behavioural economics. More well-known are the concepts of heuristics and biases, which will first be discussed. This will be followed by a quick overview of Prospect Theory, with a special focus on risk perception. A literal explanation of Heuristics refers to experience-based practices for problem solving, learning, and innovation that proffer solutions.

2.1 Heuristics and Biases

Heuristics and biases have entered the public discussion more recently through the works of Dan Ariely (Ariely, 2008) and Daniel Kahneman (Kahneman, 2011). These concepts capture distinct deviations from rationality, which are often consistent and predictable. For instance, people answer very differently depending on how a question is framed (Problem 1 from Tversky & Kahneman, 1981):

Imagine that the U.S. is preparing for the outbreak of an unusual Asian disease, which is expected to kill 600 people. Two alternative programs to combat the disease have been proposed. Assume that the exact scientific estimate of the consequences of the programs is as follows:

If Program A is adopted, 200 people will be saved.

If Program B is adopted, there is 1/3 probability that 600 people will be saved, and 2/3 probability that no people will be saved.

Which of the two programs would you favour?

Surprisingly, although the programs are identical in the number of people saved, and only differ in the framing of certainty versus uncertainty, the majority chose Program A (72%), and preferred the certainty of the 200 people being saved. This reflects a tendency called risk aversion. Thus, if you are in a restaurant, and you need to choose between a dish that you will definitely like, and a dish you may possibly like more (or less), people tend to choose the dish they will definitely like.

A heuristic allows us to make a judgment despite not having all the information. This does not necessarily lead to a wrong judgement, but when it does, it is termed a bias (Tversky & Kahneman, 1974). These heuristics and biases have been related to many domains of life, including business and leadership. Hammond, Keeney and Raiffa (2006) outline key biases for managers in their article *The Hidden Traps in Decision-Making*. They discuss the **anchoring bias** (Tversky & Kahneman, 1974), where too much weight is given to initial and often irrelevant information.

Consider for instance the following:

Is this year's profit going to be greater than £500,000?

What is your best guess for your profit?

The first question will influence the answer to the second one although the amount was an arbitrary one. This bias can for instance be used during negotiations and awareness of it can help you avoid unnecessary faults. Another bias is **the status quo effect** (Kahneman, Knetsch, & Thaler, 1991), which is a disproportionate preference for inertia instead of change.

ATTRIBUTES WOMEN'S LEADERSHIP STYLES

Women are perceived as great social risk takers

Women are better at recognizing subtle facial expressions

Women react to situations with greater emotional intensities than men do

Women have less preference for competitive environments (Niederle & Versterlund, 2007).

When confronted with uncertainty, women report fear whereas men report anger (Grossman & Wood, 1993).

A research of 7280 leaders conducted by Zenger Folkman (2012) shows that women excel at most leadership competencies.

A global leader needs a high level of cultural and emotional intelligence but above all an awareness of one's own values, purpose, and vulnerabilities. Women benefit from a greater affinity with this type of leadership (George 2012)

For instance, a manager can choose to continue a disadvantageous course of action in order to avoid the effort and stress accompanied with changing. An additional powerful bias is that of **overconfidence** which captures the tendency of people to be overly confident about their judgments or estimates (Lovallo & Kahneman, 2003). Having awareness of these biases can aid in avoiding them, and for these, several creative solutions exist. For instance, if the status quo is to keep the management team, would these individual people still be selected when once again if you were creating a new team. Moreover, one could also involve someone who can play the devil's advocate (Hammond, Keeney, & Raiffa, 2006).

2.2 Prospect Theory

Heuristics and biases find their roots in Prospect Theory, which offered quite a different perspective as to the understanding of economists on how people experience value (Kahneman & Tversky, 1979). Put in simple terms, this theory states that people do not value anything in its absolute terms, but rather, as a loss or as a gain, relative to a reference point. This means that the feeling of a loss, not so much the amount of that loss, determines our experience. The reference point reflects the context in which a decision is made. For instance, when losing £100 when being broke is a different experience than when losing £100 when being a millionaire. A pervasively strong example is that of the endowment effect, where a mug's value is asked after giving it to a respondent, compared to the value of the mug before giving it out. Interestingly, the person that receives the mug as a gift values it much higher than the person that is asked how much the mug would be worth (Kahneman, Knetsch, & Thaler, 1991).

2.3 Risk perception

Moreover, risk is not perceived as the same when confronted with losses or gains. For instance, different preferences exist for the choice of:

Receiving £50 for sure
Receiving £100 with the flip of a coin
Versus
Losing £50 for sure
Losing £100 with the flip of a coin

People generally prefer less risk when choosing between gains (£50 for sure), but prefer more risk when choosing between losses (flipping a coin). In practice, this means that when the choice is between a sure gain and an uncertain gain, people will value the sure gain more highly (although the expected outcome for the unsure gain is higher), and vice versa for losses. People value a change of wealth depending on the reference point. Moreover, people place greater value on avoiding a loss, than they do to acquire a gain, also known as loss aversion (Kahneman & Tversky, 1979). Additionally, probability is not linear, but rather, people have so-called probability weighing functions. People tend to overweigh

small probabilities and underweight high to moderate probabilities, resulting in insensitivity for probability changes in the middle (Tversky & Kahneman, 1992). For instance, this means that someone does not perceive much difference between 80% and 90% of winning, and underestimates how high these probabilities actually are.

This theory thus states that the idea of risk is determined by the context. Something can be too risky depending on whether it is framed as a loss or as gain. This is captured in the concept of risk perception, which is extensively influenced by emotion, context, disposition, etc. It is because of these related factors that risk perception shows remarkable gender differences, resulting in quite differentiating risk behaviour. These distinctions become more pronounced in the leadership styles of women and men and are reflected in the consequences of their actions and decisions as leaders.

SECTION 3 CAUSES OF GENDER DIFFERENCES IN LEADERSHIP

This Section presents an overview of the main gender differences found in decision-making and leadership.

3.1 Personal Differences

3.1.1 Confidence:

In general, men can be characterised as more confident than women (Bengtsson, Persson, & Willenhag, 2005), especially regarding financial decisions (Barber & Odean, 2001; Correll, 2001). Barber and Odean (2001) found that men traded in greater volumes than do women, and as a result, make greater losses. Women's lower confidence, especially regarding financial matters, is also reflected in the fact that businesswomen generally report lower levels of profitability (Robinson & Stubberud, 2011).

Women are often stereotyped as being more apologetic. One interesting study found that women do indeed apologize more but only because women judge themselves more harshly, and not because they are more willing to apologize (Schumann, 2011).

3.1.2 Bluffing:

Men show a greater willingness to bluff, which ties into the fact that greater confidence undoubtedly causes more optimistic projections and judgments. An article researching competitive bluffing found that men are more willing to bluff to competitors, distributors, and their own company (Guidice, Alder, & Phelan, 2009). One research did not find any gender differences in bluffing, but did find that men thought they were better at it. In addition, this study found that both genders were more likely to lie to a woman (Holm, 2005).

3.1.3 Social Risk:

Interestingly, although women are generally considered to be more risk averse (Byrnes, Miller, & Schafer, 1999), there is one domain, which sometimes provides an exception, namely that of social risks (Weber, Blais, & Betz, 2002). The domain of social risks showed higher risk taking tendencies for women on items such as 'admitting your tastes are different from a friend' and 'disagreeing with your father on a major issue'. However, not every study finds a gender difference in the social risk domain, although it is rare to find men as greater social risk takers (Harris, Jenkins, & Glaser, 2006).

3.1.4 Emotional and facial recognition:

Women are perceived as great social risk takers and this may be because of a greater social sensitivity, and being able to handle social uncertainty. Women are better at recognizing subtle facial expressions (Hoffman, Kessler, Eppel, Rukavina, & Traue, 2010), even when these expressions are showed very briefly (Hall & Matsumoto, 2004). Neurological evidence corroborates that women have a higher activation of the mirror neurons when assessing the emotions of others (Schulte-Ruther, Markowitsch, Shah, Fink, & Piefke, 2008). A mirror neuron is "a particular type of neuron that discharges when an individual performs an action, as well as when he/she observes a similar action done by another individual" (Rizzolatti, 2005, p. 419). Although initially mirror neurons have been largely correlated to motor function, there is evidence that this also works in the domains of social cognition (Enticott, Johnston, Herring, Hoy, & Fitzgerald, 2008). The mirror neuron system helps us to understand and simulate not only another's intentions, but also their state of mind (Enticott et al., 2008). Through this, the mirror neuron system facilitates social interactions and empathy.

3.1.5 Emotions and actions

In general, women react to situations with greater emotional intensities than men do (Harshman & Paivio, 1987) especially when the situation is negative (Stevens & Hamann, 2012). Cunningham and Roberts (2012), authors of the thought provoking book *Inside her*

pretty little head, argue that men and women differ in their impulsive base-reaction, where men are most likely to respond through action, and women are most likely to respond through feeling. Their findings are that when the brain is at rest, different areas in the brain are activated for men and women. For men, this is a part in the reptilian brain most associated with the fight-or-flight response, for women this is the limbic system, which regulates emotions (Gur, Gunning-Dixon, Bilker, & Gur, 2002). Thus, men's immediate reaction is to act, whereas women's immediate reaction is to feel.

Thus, men are generally more overconfident and optimistic, whereas women have a higher social sensitivity due to more developed mirror neurons. In immediate responses, men react by action whereas women react by feeling.

Gender differences in the personal sphere

Women	Men
Generally more risk-averse Greater risk takers in social situations Higher social sensitivity React by feeling	More overconfident More optimistic React by action

3.2 Professional Differences:

To understand how men and women differ in more technical decision-making (involving money or things of value over time), recall the previous section on Prospect Theory. There are two distinctions to be made; one is abstract versus contextual decisions, the other is losses versus gains. Thus, a contextual decision would be comparing investments, or comparing insurances. A loss framework poses a decision as two potential losses of money. The element of uncertainty or risk (not necessarily the same thing), is reflected in the probability of a gain. Often choices are framed as a choice between a certain outcome (gaining £3,000 for sure) versus an uncertainty one (gaining £5,000 with a chance of 60%). This is an example of an abstract gain decision. The contextual decisions are often framed as an investment, or an insurance, thus providing a setting in which the decision is made (Schubert, Brown, Gysler, & Brachinger, 1999). Interestingly, women are more risk averse for abstract gains, more risk seeking for abstract losses, and no gender difference was found for contextual.

However, the most encompassing meta-analysis that covers gender differences concludes that women, generally, are more risk averse (Weber, Blais, & Betz, 2002). More recent overviews, such as Eckel and Grossman (2008) confirm that women are more risk averse for abstract gains, and that contextual decisions give mixed findings. Charness and Gneezy (2012) compared across 15 experiments with the same underlying, contextual, investment game, and did find that women invest less in risky assets. Moreover, women have also been shown to have less preference for competitive environments (Niederle & Versterlund, 2007).

3.3 Why do women respond differently to risk?

3.3.1 Risk perception and reaction:

A convincing reason why women exhibit behaviours that are less risky is either they perceive risk in a different manner, or because risk creates different emotional reactions. One research found that women view probability differently, where risk to women is a much more binary concept. This means that women view large probabilities to gain (70%) as larger than they actually are, and thus become more risk averse. The opposite happens in the loss domain, where women overestimate small probabilities of losing and thus become more risk averse for losses (Fehr-Duda, de Gennaro, & Schubert, 2006). In addition, Croson and Gneezy (2009)

argued that the difference in risk perception is due to the difference in emotional intensity, thus viewing risk as an emotion (Loewenstein, Weber, Hsee, & Welch, 2001). Moreover, when confronted with uncertainty, women report fear whereas men report anger (Grossman & Wood, 1993). Fear and anger have quite different effect on risk perception, where fear diminishes the risk taking and anger increases it (Lerner & Keltner, 2001). Moreover, When confronted with stress, women see a decreased decision speed and less risk taking, whereas men see the opposite (Lighthall, et al., 2012). This means that in a stressful situation, men and women will have quite different reactions, especially combined with the earlier findings of action versus feelings.

3.3.2 The influence of context and neurology

Thus, women react to the environment in a more emotional manner, and are generally more perceptive to the environment. Consequently, this means that women will also experience more biases (Ladenburg & Olsen, 2010; Cohen & Kudryavtsev, 2011).

The finding that women are more likely to be affected by context (Croson & Gneezy, 2009; Miller & Ubeda, 2012) is well explained through neuroscience. Men and women have shown to have differences, both structural and functional, within the brain (Cahill, 2006). Most interestingly, whereas men favour the right-brain (logic, detail, and linear), women's brain does not favour the left-brain (holistic, intuitive and abstract), but rather a higher interconnectedness between the two hemispheres. As Cunningham and Roberts (2012) argue in their ground-breaking book 'Inside her pretty little head', this increased interconnectivity can explain the increased emotional and facial recognition. Moreover, the amygdale plays a powerful role in the processing of emotional information (Cahill, 2006) and has been found to be larger for men (Goldstein, et al., 2001). The amygdale is strongly related to risk reaction. Higher amygdale activity was related to higher risk aversion in the gain domain, and risk seeking in the loss domain (De Martino, Kumaran, Seymour, & Dolan, 2006). This evidence, that loss and gain give different risk reactions, shows evidence that risk is related to emotions.

3.3.3 Testosterone and risk taking

Testosterone has often been related to financial risk taking (Sapienza, Zingales, & Maestripieri, 2009). Interestingly, Sapienza and colleagues (2009) found that when women showed higher levels of testosterone, they were also greater risk takers. Testosterone is known to diminish through the life span, and this confirms the age trajectory of risk taking (risk taking decreases for men as they get older). One longitudinal study shows the decrease of risk taking in the gain domain over the life span, but a rather constant degree of risk aversion (Lenroot & Giedd, 2006).

3.3.4 Evolutionary reasons

It is possible that to a certain degree, the differences are caused by evolutionary determinants. Although this perspective on gender differences is difficult to test experimentally, evolutionary psychologists offer an interesting perspective. The hunter gatherer hypothesis states that men were hunters, women were gatherers, and thus evolved into different behaviours (Buss, 2012). From an evolutionary perspective, risk taking in men is related to signalling their status, attaining resources, and in turn, increasing their reproductive success (Kruger, Wang, & Wilke, 2007). Moreover, Kruger and colleagues (2007) found that women did exhibit higher risk taking when it involved their offspring because women have more invested in offspring than men do, and have less potential for future offspring. Moreover, another article mentions that in everyday risk-taking, men and women differ quite significantly. They found that men were likely to be more risky when crossing a road, but this increased when a woman was present. The presence of other males did not change women's behaviour. This is seen as evidence that risk behaviour in men is indeed used as a way to convey status (Pawlowski, Atwal, & Dunbar, 2008).

3.3.5 Effect of same-sex and mixed environments:

From an evolutionary standpoint, it would be sensible that risk taking changes with the composition of gender in a team. There is some evidence on the difference between a group of same-sex and mixed-sex on savings, spending, and borrowing. One study shows that when men are the majority, men discount the future more, value immediate rewards more, decrease their desire to save, and increase their willingness to take on debt (Griskevicius et al., 2012). There is some evidence that girls from mixed schools are less risky than girls from same-sex schools (Booth & Nolen, 2012).

3.3.6 Culture:

Interestingly, the gender differences do not seem to be completely linked to biological and neurological determinants. It does seem to be related to patriarchal societies. The Khasi tribe, a strong matriarchic society showed the opposite finding, thus that women were greater risk takers and more competitive (Gneezy, Leonard, & List, 2009).

Facts: Results confirm similarities with women's styles and requirements for global leadership.

- Women's styles can be defined as people-based, role modelling and clear expectations and rewards (McKinsey, 2009)
- Women adopt more democratic/participative styles (Eagly & Johnson, 1990)
- Women are more collaborative and more enhancing to increase others' self-worth (Eagly, Johannesen-Schmidt, & van Engen, 2003)
- Women are rated more competent in taking initiative, practicing self-development, integrity and honesty and driving for results (Zenger Folkman, 2012)

SECTION 4 FOCUS ON GENDER AND LEADERSHIP: LEADERSHIP THEORY, BARRIERS TO, GENDER DIFFERENCES

This Section focuses on gender and leadership highlighting what a leader needs to survive in this global environment, how men and women differ as leaders, and why. Barriers for women to achieve high postings are discussed and a recommendation is made for women's leadership programmes.

According to William George, teaching the HBS Authentic Leadership Development course, a global leader needs a high level of cultural and emotional intelligence but above all an awareness of one's own values, purpose, and vulnerabilities. Women benefit from a greater affinity with this type of leadership. Moreover, George stresses the ability to develop both internal and external networks, and people who challenge the status quo thinking (George, 2012). Bringing women into the board will increase diverse styles of thinking. Authentic leaders are true to themselves, are motivated by and act because of personal convictions instead of status (Shamir & Eliahu, 2005).

4.1 Gender differences in leadership

After the extensive list of gender differences in the previous section it is not surprising that men and women also exhibit differences in leadership styles. The discussion does merit some awareness of the differences in styles, abilities, and effectiveness.

4.1.1 Ability

One research amongst 201 Norwegian companies found that the leadership styles differed amongst the sexes for specific tasks and situations. They state that women and men do not differ in their ability to perform operational tasks, but rather bring a different perspective to strategic decision-making through their increased sensitivity to others (Nielsen & Huse, 2010). A research amongst 7280 leaders conducted by Zenger Folkman shows that women excel at most leadership competencies. Respondents were requested to rate men and women based on criteria of 16 competencies, where the largest gaps in favour of women were found in taking initiative, practicing self-development, integrity and honesty and driving for results (Zenger Folkman, 2012). Another research finds that there is no gender difference in effectiveness of board members but there are gender differences in certain behaviours (Yukl, 2002).

4.1.2 Styles

As for differences in leadership styles, an influential review of 162 studies revealed that women showed a bit more democratic/participative leadership styles and a bit less directive/autocratic styles than did their male counterparts (Eagly & Johnson, 1990). Another meta-analysis researched other types of leadership such as transformational (being a role model), transactional (reward and punishment) and laissez-faire (neglect of responsibility), and found some provocative findings (Eagly, Johannesen-Schmidt, & van Engen, 2003). Women were more likely to show transformational leadership and to give rewards. Men were more likely to exhibit the punishment element of transactional leadership, as well as the laissez-faire style. Moreover, women were less hierarchical, more cooperative and collaborative, and more willing to enhance the self-esteem of others. These findings confirm that women are likely to fare better with more ease in authentic leadership styles.

Differences in leadership styles were extended to corporate performance by McKinsey (2009) in their ground-breaking research. They surveyed over 800 business leaders on what styles would be most effective when addressing global challenges post-crisis. They found which leadership styles were most advantageous for corporate performance, and researched which women applied more. They found that women adopted the advantageous styles more often. In particular, these were the styles of expectations and rewards, inspiration, and participative decision-making.

Key leadership differences

People development: teaching, mentoring, listening to needs and concerns	Women apply more	
Expectations and rewards : clear expectations and responsibilities and rewards for achievements	Women apply more	Rated highly effective in addressing global challenges
Role model: relationships based on respect and regard for the ethical side of decisions	Women apply more	
Inspiration: vision for the future and inspiring optimism	Women apply slightly more	Rated highly effective in addressing global challenges
Participative decision making: creating an atmosphere where everyone joins in the decision-making	Women apply slightly more	Rated highly effective in addressing global challenges
Intellectual stimulation: challenging assumptions, risk taking, creativity	Equal	Rated highly effective in addressing global challenges
Efficient communication: convincing and with charisma	Equal	
Individualistic decision making: making decisions alone, involving others with the executions	Men apply more	
Control and corrective action: taking corrective actions when performance lacks	Men apply more	

Thus, women's style can be defined as people-based, role modelling and clear expectations and rewards (McKinsey, 2009). Women adopt more democratic/participative styles (Eagly & Johnson, 1990), and are more collaborative and more enhancing to increase others' self-worth (Eagly, Johannesen-Schmidt, & van Engen, 2003). Moreover, there is no difference in leadership ability amongst genders (Yukl, 2002) and that women are rated more competent in taking initiative, practicing self-development, integrity and honesty and driving for results (Zenger Folkman, 2012). These results confirm the similarities with women's styles and that of requirements for global leadership.

4.2 Barriers

Thus, women have the styles to thrive as senior leaders, yet they hardly succeed into higher positions. If it is not the ability that causes differences in leadership positions, other barriers must exist that are keeping women from advancement.

4.2.1 Confidence

The main barrier is women's lower sense of confidence. A research amongst 3,000 UK managers found that 85% of women would only apply for a job if they met all or most criteria for the job (Institute of Leadership and Management, 2011).

4.2.2 Authority and negotiations

According to Kathleen L McGinn and Hannay Riley Bowles (2003), women do not experience difficulties in adopting appropriate leadership styles; the problem resides in claiming authority. For instance, they found that men and women do not necessarily differ in their negotiations for salaries, but did differ in their negotiation of additional packages. Women enter a negotiation with lower expectations. One compelling explanation comes from the standard used to determine how much pay you deserve, where women are more likely to compare

themselves to women, and men are likely to compare themselves to men. Evidence comes from social proof theory, where people look at those similar to themselves to help define an ambiguous situation (Cialdini, 2001). The other explanation is based upon the entitlement effect. When asked how much they would think they deserve, women report less for comparable work (Major, McFarlin, & Gagnon, 1984). McGinn and Bowles state that attitudes follow behaviour, thus if women stand up for their righteous entitlements, other women will use that as their standard.

4.2.3 Leadership Identity

A report by INSEAD (a well-recognized business school) argues that the development of a leader is related to the identity of a leader. Taking up the leader role is a process of identity where a person internalizes this identity through feedback and experiences. (Ely, Ibarra, & Kolb, 2011). Moreover, the leader identity depends on the sense of purpose, resulting in a leader being more effective when pursuing goals in line with their values and when they are focused on the collective good (Quinn, 2004). Because of the heightened sense of purpose, leaders are more willing to challenge the status quo (Quinn, 2004). According to INSEAD, culture dictates that leaders need to be decisive, assertive, and independent, whereas women are assumed to be friendly, caring, and selfless. Gender biases interfere with the development of an appropriate leader identity for women, and cause men to sponsor those that are similar to them, resulting in the sponsoring of other men (Eagly & Carli, 2007). The leadership identity constructed becomes overly masculine causing women to avoid taking up leadership roles. This report argues that women need an all-women leadership programs.

4.2.4 Gender Biases

Women leaders are likely to be viewed negatively when adopting masculine leadership characteristics (Heilman & Parks-Stamm, 2007). When women do remain feminine but perform a male role, they are perceived as too emotional and lack assertiveness (Eagly & Carli, 2007). This means that women leaders face a compromise between being liked and perceived competence.

4.2.5 Role models

There are not enough good female role models (Ely, Ibarra, & Kolb, 2011), who are needed as an exhibit of successful and effective female leadership. Women tend to use communication and behaviour strategies that have worked for them in the past, whereas men will imitate strategies used by their seniors. Therefore role modelling is not instinctive in women. Moreover, women will try more modest behaviours in order to avoid disapproval, whereas men signal their conformity to company's norms, albeit feeling unnatural (Ibarra & Petriglieri, 2008).

4.2.6 Career paths

The third challenge is that of the successful career paths which will be easier for men to undertake, such as expatriate assignments (Ely, Ibarra, & Kolb, 2011). Moreover, women are more likely to have non-linear career paths, taking more time to spend with the family or avoiding jobs with out-of-town travel responsibilities for the same reasons. One research conducted amongst US graduates found that more than a third of women willingly stopped working to spend more time with their family (Hewlett, Luce, & Schiller, 2005). As women climb the ladder, the responsibilities will become more demanding and they may be faced with lesser flexibility geographically. Thus, McKinsey (2007) argues that the needs for senior management are intolerant to the career paths and needs of women.

4.2.7 Networks, mentors, and sponsors

The fourth challenge involves access to networks and sponsors, which are crucial for leadership success (Ely, Ibarra, & Kolb, 2011).

Women have been cited to be reluctant towards networking because they perceive it as inauthentic, as well as an obligation to engage in stereotypical male or social activities (Ely, Ibarra, & Kolb, 2011). Moreover, they may have grounds to be less secure about their networking strategy. In one research, students were questioned on their ratings of two venture

capitalists that had outstanding networking skills. The students rated the man as likeable, and the woman as aggressive and self-promoting (Heilman & Parks-Stamm, 2007). One research looked extensively at the networking effectiveness for both men and women amongst over 400 graduates. They found that engaging in networking was more beneficial for men. Men experienced the greatest benefit (in terms of promotions and compensation) by increasing their visibility within the company. This gives evidence that women may need to adopt different strategies to become more visible within an organisation. (Forret & Dougherty, 2004).

McKinsey (2007) argues that the needs for senior management are intolerant to the career paths and needs of women. Therefore, women need training to communicate in a male dominated environment such as Cabinets and Corporate Boardrooms.

Moreover, mentors to men are more likely to get them promoted (Ibarra, Carter, & Silva, 2010). Sponsorship is a long-term commitment to fighting for the advancement of an individual and is crucial for career progress. Women have shown to seek fewer sponsors, and have fewer skills to pursue such a relationship (Ernst & Young, 2011). The American Centre for Talent Innovation researched the effect of sponsorship in the UK amongst over 1,300 professionals. They found that senior men are 50%

more likely to have a sponsor. Women with sponsors are more than 50% more likely to be satisfied with their career advancement, when compared to women without. Moreover, women with sponsors are 58% more likely to stay at their job. This gives overwhelming evidence for the need for sponsors (Center for Talent Innovation, 2012).

4.2.8 Scrutiny

The last, less obvious, challenge is that of women leaders' heightened visibility due to the scarcity of women leaders at more senior positions. When women become one of the few that have reached the top, they will be watched closer, and subjected to greater scrutiny resulting in risk aversion.

SECTION 5 LEADERSHIP SKILLS GAPS -KEY FINDINGS & IMPLICATIONS FOR WOMEN, CORPORATE & CABINET STRATEGIES

This chapter discusses recommendations for enhancing women's leadership. Women should take personal responsibility to reach their goals by investing in themselves to create their own personal brands and overcome challenges. Thus, women need:

- (1) to acquire skills to become more confident and assertive,
- (2) become aware of communication rituals,
- (3) learn negotiation techniques,
- (4) invest in their technical competence, cultural and emotional intelligence,
- (5) embrace authentic leadership styles,
- (6) find mentors,
- (7) find sponsors,
- (8) encourage proactive investment to build own brand equity
- (9) join or create networks and circles of influence, and
- (10) be part of the solution to drive change.

5.1 Confidence and assertiveness:

Many reports cite that the key to success for women is the ability to promote oneself and be assertive about performance and ambitions (McKinsey, 2007). Catalyst shows that of all the strategies women can use to advance, mostly being assertive in making their achievements visible helped women to get further, increased their career satisfaction, and increased their compensation growth. Examples of making achievements visible are:

- (1) ensuring that your manager is aware of your achievements,
- (2) looking for credit for the work done,
- (3) asking for extra feedback on performance, and
- (4) asking for a promotion (Catalyst, 2011).

Deborah Tannen recommends getting your work noticed by either telling your boss about your work, or by sending out reports, or by being the person presenting the results (Tannen, 1998).

The key to success for women is the ability to promote oneself and be assertive about performance and ambitions (McKinsey, 2007).

A research by DDI amongst over 12,000 leaders from over 70 countries, including eight (8) Commonwealth countries, attempted to show what the best practices were for women in leadership. Their recommendations for what women can do revolve around making their intentions for promotion known and to create opportunities rather than wait for them (Development Dimensions International, 2009).

Ground-breaking research has been conducted by Harvard's Amy Cuddy on the effects of posture on feelings of power and risk taking. She has found that as little as two one-minute poses has incredible effects both physiologically and psychologically (Carney, Cuddy, & Yap, 2010). Power poses include taking up more space, and keeping limbs open.

5.2 Communication rituals

Deborah Tannen, an established communications specialist, has specialised in gender specific communication in the workplace, to which she refers to as rituals. Men and women tend to communicate in different ways. Increased awareness and an understanding from both sides is crucial for career success. Consider the following powerful example based on Gloria Feldt's (a renowned gender expert) interview with Deborah Tannen.

A married couple is driving a car when the wife asks "would you like some coffee", the husband responds with "No, Thank you." The wife would have liked coffee herself, so she perceives his answer as an order she has to accept, and continues the journey resenting him for not considering her needs. Later, when the husband notices his wife's

annoyance, he is irritated that she did not just say what she needed. For him, conversation is an exchange of information. For her, it is a path to negotiation- loosely based on (Feldt, 2012, p. 304) .

As for the work place, when making a big decision, women will ask others on their opinions to gain a sense of community, or to avoid being perceived as too confident. In turn, men can perceive this behaviour as being indecisive, thus deeming women as less competent for leadership positions. This illustrates that women walk a fine line between seeming too arrogant and seeming too indecisive. Therefore, women need training to communicate in a male dominated environment such as Cabinets and Corporate Boardrooms.

Deborah Tannen offers the following advice:

- Communicate with men by not making them feel incompetent by using phrases such as “don’t forget to..”, but rather present your ideas as general statements. Moreover, avoid praising a man directly (which can seem condescending), but rather give a man room to explain further.
- In meetings, do not start sentences with “you probably already thought of this, but ..”
- Recognise that men will frame their projects as “I am hiring..”, whereas women are more likely to frame that as “we”.

Gloria Feldt is known for her non-victimizing view on women and success. She sees that women have all the tools and power to break through the ceiling, and now it is time to do so.

In order to meet targets on female representation and leadership, senior and corporate level decision-makers should

(1) embrace career flexibility

(2) increase men’s awareness

(3) become transparent about gender

(4) increase awareness about boardroom dynamics

(5) create programs for networking, mentoring and sponsoring

Gloria Feldt concludes that women need to ask directly what they need or desire, instead of hoping that our conversation is interpreted correctly. Gloria Feldt continues to give recommendations for women to be taken more seriously: they should say the first word in a conversation, be poised, prepared, play offense, don’t apologize, don’t hesitate, and speak as though you know you will be believed (Feldt, 2012). This needs learning and practice.

Ely and colleagues (2011) pose that outdated approaches to women and leadership argue that women just need to learn the rules of the game, yet this approach tends to ignore the mechanisms of double binds and double standards. The reality is far more subtle. These second-generation gender biases need thorough analysis through which awareness is created.

For every woman there is a balance to be made when communicating in a male-dominated world. The

writers of this report by no means want to suggest that women should be inauthentic and pretend to communicate in highly masculine ways. Every woman needs to create a strategy of communication that cultivates the necessary skill sets that maximizes both her feelings of authenticity as well as avoiding unnecessary misunderstandings.

5.3 Negotiations

According to negotiation experts Kathleen McGinn and Hannah Riley Bowles (2003), women should try to remove so-called gender triggers, by creating a more de-masculinised environment. This can be done by for instance negotiating an increase of value for more than just yourself. Thus, it is a matter of reframing: when you need to claim certain resources, frame it as “in order to do what is best for my team, I am going to need ..”. In this way, negotiation

becomes part of a leadership practice, which aids the leadership identity process (Ely, Ibarra, & Kolb, 2011).

Moreover, when dealing with the discomfort before going into a negotiation, McGinn and Bowles argue that women should consider the impression that they create when not negotiating at all is worse than when they do. In addition, when determining what your target salary will be, realize what you use as benchmark.

5.4 Technical competence, emotional and cultural intelligence

As mentioned earlier by William George from Harvard Business School, a global leader needs technical competence, but most importantly, emotional and cultural intelligence. Thus, this entails seeking out cultural learning and investing in personal development. Patriarchal settings and cultures can represent extraordinary challenges for women leaders. Embracing these requires an increased need for developing and adapting their emotional and cultural intelligence levels and skills.

5.5 Leadership style and authenticity

Women's genetic predisposition matches considerably well with the authentic leadership style, which allows a leader to embrace value and purpose, whilst embracing the vulnerability (George, 2012). Moreover, leaders are most effective when they embrace their purpose, especially when their values are aligned with those of the company (Quinn, 2004).

5.6 Finding Mentors:

Professor Mary Rowe from MIT gives some tips on how to find a mentor. For instance, if you attend a meeting and opportunistically meet someone that could be a potential mentor you should follow up, starting by introducing yourself on a professional subject, and ask questions about their work. Eventually, ask this person for some advice on your work, and make sure you acknowledge and be grateful for their advice (Rowe, 2009). It is important to find 'quality' mentors as this can often be the difference between success and failure.

5.7 Sponsorship

The Center for Talent Innovation found that to break through to the top, women need sponsors (2012). The report lists a useful map to find a sponsor (p.42):

1. *Embrace your goals and analyze*
2. *Scan the horizon for potential sponsors*
3. *Distribute your risk*
4. *Understand that it is not all about you*
5. *Come through on two obvious fronts*
6. *Deliver a distinct personal brand*
7. *Exude executive presence*
8. *Make yourself a safe bet*
9. *Lead with a yes*
10. *Nail the tactics*

Sponsors are an important source for creating opportunities.

5.8 Encourage proactive investment to build own brand equity

Women should take personal responsibility to invest in themselves to build their own brand equity and embrace the requirements/additional skill sets needed to become part of the talent pool that is 'leader ready'. As part of this is that they should identify areas that are not in their natural comfort zones but are important to reach their career aspirations and bridge the gaps e.g. financial knowledge.

Women are often in a minority or have token presence

The token doesn't have to work hard to be noticed, but she does have to work hard to have her achievements noticed. Many of the women Kanter studied told of situations in which their abilities were eclipsed by their physical appearance, creating additional performance pressures. (The Architecture of inequality R.M Kanter)

Taking personal responsibility for managing ones career and professional growth is important.

5.9 Join or create networks and circles of influence

Joining networks that are broadly aligned with personal and career objectives can create enabling environments for learning, sharing, building relationships and generating opportunities. For example in the UK we have interest specific networks such as women in politics and women in engineering. There are also benefits in embracing mixed gender professional and business networks in order to build relationships, broaden perspectives and learn about opportunities.

5.10 Become a role model and be part of the solution to drive change

Working from within to drive change in organisations can help impact culture by seeding great ideas that improve corporate performance and also move towards women friendly and ultimately family friendly policies.

Lastly, women should embrace their journey and keep awareness of other women. Whenever possible, they should endorse each other as they move up the ladder.

This section serves as toolkit for women to empower themselves. We hope to have given several opportunities where women can self-invest. For instance, when there is a lack of financial affinity, one can self-invest by signing up for a course. We encourage women to see these types of self- investment as equal to treating one's self on a shopping spree.

SECTION 6 RECOMMENDATIONS AND ISSUES FOR DEBATE FOR CORPORATIONS AND WOMEN'S AFFAIRS MINISTERS

This section covers recommendations for corporations and senior level management as well as women's affair ministers and policy makers. In order to meet targets on female representation and leadership, senior and corporate level decision-makers should

- (1) embrace career flexibility,
- (2) increase men's awareness,
- (3) become transparent about gender,
- (4) increase awareness about boardroom dynamics,
- (5) and create programs for networking, mentoring and sponsoring.

As for women's affairs minister and policy makers, they should:

- (1) consider quotas and targets,
- (2) aid in flexible working legislation,
- (3) oblige companies to publish gender Key Performance Indicators (KPIs),
- (4) assist in setting up networks,
- (5) make role models more visible,
- (6) set up leadership programmes, and
- (7) link pipeline accountability to performance incentives.

Lastly, this section further discusses recommendations specifically for women and entrepreneurship, and four areas for further consideration and investigation.

6. 1 For senior and corporate level

Avivah Wittenberg-Cox, founder of leading gender consultancy, wrote about diversity best practices in her blog at the Harvard Business Review (2012). In this article she raises awareness that framing this issue as a gender diversity problem seemingly speaks of women as a minority group, whereas women are the majority. She recommends making gender balance a strategic initiative led by the CEO. This demonstrates the importance of buy in from the top and may require comprehensive plans to shift mind-sets and behaviours.

A report commissioned by Reed Smith -Gender Balancing: Its good business (Jan 2013) also reveals that overall business effectiveness and profit is enhanced when women are included at every level of enterprise. The report recommends five steps to take gender diversity from rhetoric to reality:

- 1) Establish a clear business case
- 2) Obtain real leadership commitment
- 3) Focus programs on leaders and future leaders (not just women)
- 4) Set incentives for compliance
- 5) Communicate successes and brainstorm failures to find improvements

6.1.1 Career flexibility

According to McKinsey in their first Women Matter report, one of the corporate best practices are being aware of the different career paths women undertake, and allowing for flexible working hours as well as great career flexibility (McKinsey, 2007). The European Professional women's Network published a report on best practices to help women achieve leadership roles through researching 16 European companies. They state that companies need to accept that women have a different life cycle than do men, and to create ways to help women get back into their career after having a family break. A very good recommendation comes from the idea of mobile working; concentrating meetings between 9 and 5, and making sure that other

work can be done from home. (Dejouany & Visser, 2006). Good practices have included parental leave, part time work policies and use of travel reducing technologies.

6.1.2 Men's awareness

Catalyst (2009) found that the higher men's awareness of gender inequality, and the business need to improve it, the more they wanted to support it. This awareness in turn is influenced by for instance having female mentors and discouraging zero-sum thinking (thinking that equality will come at the expense of women). Men need to be part of the solution (Wittenberg-Cox, 2012)

6.1.3 Transparency

McKinsey's Women Matter report also indicates the need for creating transparency by creating and monitoring gender diversity indicators as a corporate best practice (McKinsey, 2007). DDI argues that it is the lack of transparency regarding a company's promotions, advancement and reward that maintain biases and inconsistencies (Development Dimensions International, 2009). Moreover, Avivah Wittenberg-Cox, these KPIS should be carefully defined and explicit by for instance function and level.

6.1.4 Boardroom dynamics

Women often need to establish credibility concerning their authority, even more so in developing economies and highly patriarchal societies. So becoming 'boardroom ready' requires a good understanding of how boardrooms operate and building the skill sets, confidence and an awareness of attitudes and behaviours essential for successfully navigating the boardroom. Shadowing a senior executive or a board member is good preparation. There is an increasing acceptance that modern boardrooms need diversity of thought and new voices. This represents a good opportunity for future women leaders and minorities that aspire for those roles. As for the boardroom dynamics, the previous mention of possible misinterpretations due to gender differences in communication styles (Tannen, 1998) should be considered by both men and women. Women should make sure to be direct in communicating their needs, and men should be considerate that women may appear less decisive but are adopting different decision-making processes.

6.1.5 Networking, Mentoring and Sponsoring

Also according to McKinsey's Women Matter report (2007), corporations should facilitate network building and mentoring. Organisations should consider a formal sponsorship approach to securing the best from its talent pool. Men are better at getting sponsors and being sponsors –women need to prioritise securing a sponsor in the workplace but also to become a sponsor.

6.1.6 Set up leadership programs

Apart from formal programs on leadership that also give women the opportunity to spend time with like -minded people with similar aspirations and learn from some of those behaviours consideration should also be given to set up programs that facilitate the connection between fast-track women and senior management. This could include formal dinner programs with the executive and presentation opportunities to gain visibility and experience.

6.1.7 Accountability for creating the pipeline

Management and women leaders should be made accountable for building, developing and sponsoring a talent pipeline with a good representation of women. Therefore, talented women with the requisite skill sets are included in the running for future leadership roles, thereby increasing their chances of selection by being included in the diverse selection pool of top talent.

6.2 For women's ministers and policy makers-recommendations and issues for debate

6.2.1 Quotas and other remedies

The effectiveness of quotas has been debated in some countries. The Economist, in their article Women in Business-Still Lonely on top from 2011, shows the example of Norway, where the law obligates businesses to have 40% female board members. Although those targets have been met, still, only 10% of executive directors are female. Unfortunately, the appointed female board members were often inexperienced and did not create additional value (the Economist, 2011).

In a report commissioned by the law firm Reed Smith (published in Jan 2013) findings were as follows:

- 74% of respondents felt that quotas are counter productive
- Although 57% of leaders are active advocates of gender balancing only 40% were confident of meeting their targets
- Formal sponsorship to promote high-potential women leaders was identified as the single most successful initiative to improve progression. Yet less than a quarter of the organisations have a sponsorship approach in place
- Research revealed that women were equally guilty of bias against their own gender. The unconscious and innate biases that impede the advancement of women hamper corporate efforts to meet diversity targets

Although the discussion on quota has been leaning towards reconsideration, we do want to press the issue that in certain countries quotas have been efficient. For instance, South Africa, Rwanda and Uganda have benefited greatly from introducing quotas to their political system. Yet, caution is advised in properly measuring the progress of the quota because often the threat of quotas can be effective to ensure demonstrable progress.

6.2.2 Flexible Working

As mentioned before, policy makers should support women in their flexible working needs and ultimately target family friendly policies for all their staff especially working parents.

6.2.3 Transparency and Key Performance Indicators (KPIs)

Governments should oblige companies to measure and publish key gender equality figures. It is only through transparency that people can be made accountable, and thus change can happen.

6.2.4 Networks

Policy makers should assist in the creation of effective business and professional networks and engage Chambers of Commerce and similar bodies to deliver value for this target segment. They should consider sponsoring women only networks in segments where they lag behind but consider important building blocks e.g. women in politics, women in mining etc.

6.2.5 Role Models

Policy makers need to support and create the forums to make visible strong female role models. Media also has a role to play in giving visibility that celebrates success based on achievements. Mentoring and role modelling initiatives also need to be supported.

6.2.6 Leadership programmes

The INSEAD report on women in leadership documents extensive recommendations for women's leadership programmes (Ely, Ibarra, & Kolb, 2011). They state that a leadership program should revolve around three principles: analyzing and increasing awareness of and managing gender bias, creating an enabling environment for women's identity work, and anchoring her in her leadership position. For instance, women can learn how to negotiate through role play, strategies and learning about the others' perspective. Moreover, leadership programmes should help build networks by increasing networking opportunities. The INSEAD report further argues that the programs should be women-only in order to facilitate learning and to give women the experience of being in the majority, contrasting to the regular male-dominated context (Ely, Ibarra, & Kolb, 2011).

6.2.7 Getting into schools early

Engage in the education sector early to raise the aspirations of young girls and increase awareness of career choices including the non-traditional opportunities that could be in their grasp

6.3 Women and Entrepreneurship

Given the demographic trends in many countries we should not ignore factors propelling women to set up businesses. Women continue to make active choices to turn to self-employment for many reasons including opportunities for work/life balance and a lack of job opportunities. A report by Barclays 'Unlocking the Female Economy' further highlighted the missed opportunity of female entrepreneurship – in most countries male entrepreneurs outnumber female entrepreneurs by a substantial margin. The 2010 Global Entrepreneurship Monitor that looks at entrepreneurial activity around the world found fewer female than male entrepreneurs in 58 out of 59 countries –Ghana was the exception where the proportion of female entrepreneurs were greater than 50%.

In order to capture this demographic to benefit economies given the link between levels of entrepreneurship and economic development the following actions should be considered:

- 1) Improve access to capital (this topic merits a separate paper). This could be done by setting up women focussed funds for start-ups (necessity driven entrepreneurship) and growth businesses owned or led by women. Funding is important because the market is very inefficient even in Europe women only access less than 5% of venture funds.

Non-traditional sources are also growing using the power of the internet through crowd funding and other initiatives such as peer-to-peer lending.

- 2) Set up business angel communities that bring both capital, expertise and connections. Provide incentives, for example using the tax system, to encourage wealthy private individuals to establish business angel groups to support small businesses in terms of investment and advice
- 3) Open up access to serious business networks
- 4) Improve access to markets through trade missions and introductions to influential contacts
- 5) Improve procurement policies so women get fair access
- 6) Create an enabling environment of advice and support for female leaders in micro and small businesses and provide appropriate toolkits for success by improving the business skill sets
- 7) Promote private sector organisations, like banks, who 'buy in' and visibly support this emerging market segment

6.4 Four areas identified for further consideration and investigation

- 1) Given that smaller states represent 32 out of the 54 Commonwealth countries it is recommended that a separate study should be undertaken that specifically looks at gender related leadership, skills, and challenges, whilst also identifying opportunities within the local environments to unlock and develop potential talent for the benefit of local economies. It is important to understand local business cultures and traditional backgrounds as well as the legal and regulatory systems to make effective recommendations.

- 2) Encouraging female entrepreneurship should be a policy priority to drive economic growth. A critical barrier to realising the untapped potential of women setting up businesses is the lack of access to capital. Given the generally poor understanding of this whole area it is recommended that a study is undertaken to address; micro enterprises (that are often survival led and necessity driven) and how they can be supported and venture funds for fast growth businesses. The report should suggest initiatives that countries need to put in place to help grow this sector as well as addressing issues that will help businesses create success, reduce unemployment and engage across generations.
- 3) Recommend that women's leadership programmes are specifically designed to be fit for purpose and that can be used across the smaller states. Create different best practice leadership programs for the larger economies that require different skill sets that will equip tomorrow's leaders to operate confidently in global economies.
- 4) Engaging girls at a young age into the educational system is of utter importance. Therefore it is recommended that this pillar is investigated more thoroughly as to how to change the culture, and let families see the importance of educating their daughters.

Given that smaller states represent 32 out of the 54 Commonwealth countries it is recommended that a separate study should be undertaken that specifically looks at gender related leadership, skills, and challenges, whilst also identifying opportunities within the local environments to unlock and develop potential talent for the benefit of local economies.

INTERVIEW WITH MS. ETTA COHEN FROM FORWARD LADIES

Can you tell me something about Forward Ladies?

Forward Ladies is the leading business support network for women in business and in employment. We have women from every sector and every level. We work from the belief that women should support women and that success means something different for individuals at different stages of their life. We believe it is important to develop the whole pipeline of women as they are key to the future of UK plc. To support our ethos and values we develop bespoke programmes for corporates, organise a comprehensive training and speaker programme for our members. We also celebrate success through our women in business awards. We offer trade missions to encourage and support women to trade.

What do you think women benefit the most from?

Women benefit from the support of other women because businesswomen can feel very isolated. Role models too are very important and at Forward Ladies we offer a high quality speaker programme. It is also important to celebrate success that we do at our Women in business award ceremonies. These cover 12 categories from young businesswoman to corporate leader.

Knowing that women are less comfortable being assertive about their achievements, what do you recommend?

We recommend that women connect with other women to share experiences and gain support. Mentoring can play a key role and at Forward Ladies we offer one to one mentoring and peer group mentoring.

Are men and women different in networking?

Yes, women tend to network differently. Generally, and there are exceptions, women are interested in building relationships. They want to get to know the person before talking business, build up trust, and figure out if they could work with them. Only after this building of rapport and trust comes the business. Generally, men will be much more to the point.

What are the main barriers women face?

There are the general barriers that both men and women face, for instance dealing with statutory regulations. These can be particularly difficult for small and growing businesses. For women, there is the added factor of childcare, flexible working, issues with risk taking, and confidence, self-belief and access to finance.

Do you think there is a generational difference in the barriers faced?

Not really. I am surprised to also see that young women lack confidence in certain situations. Today people have a different attitude towards employment, having much more flexibility, mobility and a different approach to childcare from when my children were young.

What advice do you give women before going to a networking event?

Remember you are working and when you get there aim to speak to different people. It is important to know how to follow up and keep in touch. Ideally women like to go to events of about 10-20 women, so that they can speak to everybody. We also take our members away overnight, so everyone has the opportunity to forge long-term business relationships. To support this we offer workshops with strategies as to how to network effectively.

INTERVIEW WITH MS. SUE MALTI FROM MOTHERCARE

What is the main barrier facing women today?

The main barrier is that men still feel threatened by career women. Unconsciously they still expect women to be the wife, mother, and take responsibility for running the home. Moreover, men struggle to see how women make decisions.

For instance, I hired a very talented Eastern European MBA graduate . She was excellent at her job and quickly took on wide ranging responsibilities that underpinned a key part of the company strategic plan. Her talent was evident and quickly she was headhunted for a different firm. She came to me saying that she was very loyal to Mothercare, but the other company was offering a significant amount more and her real value was not being recognized. I argued her case in front of the board and whilst they recognized her intrinsic value they were in no hurry to address the situation as they did not think that she would leave. I had one of those “You need to trust me on this one” conversations. Her grade and package were addressed to the men, they thought she was playing a game, when actually she knew her value and was just very subtle about showing it.

How should women interact with men?

Especially in the beginning, be as nice as pie. Do not threaten anybody and demonstrate your worth.

What is the biggest lesson women need to learn?

They need to learn how to communicate with men. Different types of men require very different approaches and there always needs to be recognition of the male ego and the management of it. Especially young women need to be trained on how to handle situations such as walking into a room filled with men. For young women, starting a career and being taken seriously is a challenge exacerbated if the young woman is good looking. Career women of a certain age need to become either asexual, or treat the guys in a motherly way.

How did you deal with the fact you were a woman when starting your career?

I was for instance very careful not to tell anybody I was a mother, and made sure to always play to the male ego. I would adhere to certain female stereotypes as getting the tea, because that enabled me to, without causing waves, demonstrate my skills in managing difficult situations, quality of thought and decision-making.

Do you believe there is a glass ceiling?

I almost saw it as a glass wall. I never felt part of the men's group.

Do you think women are less confident and risk averse?

Yes, they are fundamentally less confident. Currently amongst men there is a society of back me or sack me, whereas for women, they need to see a lot more positive reinforcement from their superiors. Women are definitely risk averse. They think of the very worst thing that can happen in a given situation and only if they can deal with that do they press ahead I do believe that I have become less so with age.

How can you help retain women?

At Marks and Spencer we designed what was at the time a very progressive policy where women were paid maternity leave for x amount of weeks, on commencement and if they came back, they were paid out for extra weeks at full salary and benefits This gave them an incentive to continue their work.

What is your opinion on flexible working hours?

There is a compromise to be found between helping women and creating a framework that is viable. One idea would be to create a quota for each department regarding flexible working hours.

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