

# Women in Leadership



# The Gender Pay Gap

**T**he debate has gone around the world and back again: Put a woman and a man with the same qualifications, doing the same job and working the same hours next to each other, and he will likely make between 20 and 30 percent more than she will just for being male.

In 2017, the Pew Research Center reported the gender wage gap to be 17 cents — the lowest it's ever been, with women earning 83 percent of what men earn. But it's not that simple. The real story raises more questions: women going into lower-paid career paths, taking time off for maternity leave or to raise children, trading higher pay for greater schedule flexibility, not asking for raises. What does the gender pay gap in the United States really look like?

**It is shrinking.** In 1980, women earned 64 percent of the average male wages, so change has happened. Today the gap is even smaller for younger women, with women in the 25- to 34-year-old range netting 90 cents to their male counterparts' dollar.

**It differs by region.** According to a 2017 report from the National Partnership for Women & Families, women in New York and Delaware average 89 percent of what male employees earn statewide. In Wyoming, it's 64 percent and Louisiana women make 68 percent of male employees. West

Virginia, Utah and North Dakota round out the bottom five, with women making 69 percent of what men make in those states.

**Choices about family and careers play a role.** Pew found that when it came to taking care of family, mothers shouldered most of the burden. Women were more likely to reduce their hours, take "a significant amount of time" or turn down a promotion to take care of a family member. Women were almost three times as likely to quit a job to take care of family as are men. Women also are over-represented in lower-paying occupations.

**Gender discrimination likely is a factor.** Just how much is hard to say. A 2016 Pew report found about one in five women say they have faced gender discrimination at work, and many of those women reported making less than their male counterparts for doing the same work. Plus, even when women ask for a raise, they are more likely to be branded as bossy or intimidating, according to a report from McKinsey & Company.



# Female CEOs to Watch

Of all the companies that make up the Fortune 500, 26 are led by women. Learn about some of these women and how they rose to the top of their industries.

## MARY BARRA, GENERAL MOTORS

Dress appropriately. Be efficient. Lead, don't enforce rules. Listen. According to a Business Insider article, the CEO of GM addressed problems head on, focusing on each issue and how to address it instead of getting caught up in how things were done or who was to blame. Employees said she inspired loyalty and was kind, but she also stood her ground against critics who weren't inclined to like her.

For the third year, Barra was No. 1 on Fortune's 50 Most Powerful Women.

## INDRA NOOYI, PEPSICO

Lady Doritos may not be on the shelves of your local grocer, but it won't be the last time the CEO of PepsiCo says something surprising. According to a 2015 Fortune profile, Indra Nooyi has talked about ways to address the obesity epidemic and the development of a 3-D printed potato chip. It also wasn't the first time she asked about



Indra Nooyi, PepsiCo CEO

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products being more women-friendly. Why, for example, in a store where mostly women shop, are 32-packs of water too heavy to comfortably carry?

Nooyi is No. 2 on Fortune's 50 Most Powerful Women for 2017.

## MARILLYN HEWSON, LOCKHEED MARTIN

Before becoming president

and CEO of Lockheed Martin, Marillyn Hewson held 19 positions, with each climbing the ranks of the influential defense company. With her inclusion on the list, she attributed her success to a passion for work, a sense of responsibility to do her best and having a supportive family as a team. Get out of your comfort zone, she advised other women; take risks, take

on new responsibilities and when you do, you'll find you're capable to take on more – possibly even more than you thought you were capable of.

## MICHELE BUCK, THE HERSHEY COMPANY

The Hershey Company is well past its century mark, but CEO Michele Buck just passed her one-year anniversary as

head of the company in March. In January, Fortune listed her as one of its 50 Most Powerful Women, her first time on the list. She attributed her corporate success to two factors: being given difficult assignments that were opportunities to learn new skills, meet new people and expand her worth to the company, and taking those assignments and doing the best she could.

# Benefits of Female Leadership

**M**ore women in positions of leadership in corporate America clearly benefits women, but the reach is far beyond the individuals who make it to the top.

Studies show having more women in the boardroom and the executive suite helps business make more money, recruit and retain good employees, give back to their communities and help more women advance.

Barriers and Bias: The Status of Women in Leadership, a report produced in 2016 by the American Association of University Women, outlined a few of the business reasons for businesses to make a concerted effort to hire and promote women.

## THE BOTTOM LINE

A 2012 Credit Suisse study found companies with one or more women on their boards saw a higher return on investment than companies with all-male boards. Another report that looked at S&P 500 companies noted a correlation between board representation and a higher return on equity, sales and invested capital. That means more money in the pockets of workers, executives and investors.

## HAPPIER EMPLOYEES, HAPPIER COMMUNITY

Gender diversity on the management team correlated with positive performance outcomes in private companies, while another study looking at the S&P 500 found gender diversity on the board correlated with more social responsibility at the corporate level, according to AAUW.

There also were more direct effects. During the Great Recession, women CEOs were

half as likely to lay employees off than their male counterparts. Even during good times, companies with more diverse teams have a lower turnover rate and an easier time recruiting, according to Hire More Women in Tech.

Other research showed companies with women in leadership roles — roles that may give them some influence on workers' pay — had a smaller gender pay gap than other similar firms.

## MORE INNOVATION

According to Hire More Women in Tech, having women in top management resulted in a better financial performance for those organizations with innovation as an important part of the business. A second analysis found that patents produced by mixed-gender teams were cited about a third more often than similar patents with less diverse teams. Leadership teams with greater gender

diversity also led to less groupthink on those teams, the AAUW reported.

## MORE OPPORTUNITIES

More women in leadership frequently leads to more women being hired and promoted at every level of an organization and more female employees getting opportunities for mentoring and professional development. Women at the top also serve as role models.



# Woman Heads of State

**W**omen heads of state are likely to be just as diverse from each other as are male heads of state. Yet, according to a 2016 piece in *The Atlantic*, there may be some similarities between the two dozen women who run countries that can help those women further down the ranks rise to the top.

## INSPIRED BY FAMILY

Interviewees said they learned to be leaders from the families in which they grew up. Their fathers played an especially large role, empowering their daughters to ask questions, study and come up with their own opinions. Many also had mothers or female role models who stepped outside the traditional roles for women. They all went to school.

## DIFFERENT PATHS TO LEADERSHIP

Women's paths to the top tend to be much more circuitous. Motherhood often influenced women's decisions to become political leaders. Nonprofit work, which skews heavily female in the workforce, or activism are likely to provide early opportunities that could prepare women for political activity. Women are less likely to name "president" as a career goal in their early years. The process happens much more organically as additional opportunities become available.

## HELD TO HIGHER STANDARDS

Researchers found this to be true generally, although the effect was pronounced in countries with significant gender inequality. A woman's failure to lead is often seen as indictment of all women's ability to lead. That puts every woman at this level under more scrutiny, requiring women leaders from Germany to Liberia to India to be more careful. This could lead to less risk-taking among women leaders.

## COMPROMISE AND INTEGRITY

Now, whether of these are generally



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true may or may not be accurate. Another article in *The Atlantic* reported that women leaders are significantly more likely to be rated higher in these categories, but plenty of women leaders have led their countries into war.

Historically, queens were just as likely to go to war as were kings. (It's difficult to make such a comparison today because there are so few women leading countries.) Female leaders, just like male leaders, will make poor decisions or

wrong decisions or opt to do something for dishonest or unethical reasons. Because they are held to higher standards, however, this is more often blamed on the fact that the leader is a woman and not that she is a poor lead-

# Preparing Women to Lead

**W**omen can't be promoted above middle management if they never make it to middle management in the first place — a problem many businesses in America experience.

In *Women in the Workplace 2017*, a report by McKinsey & Company and LeanIn.Org, researchers found the lack of women at the top in corporate America often starts much lower in the corporate ladder. The pipeline for male and female workers start out similarly: 52 percent of entry-level employees are white men, and 48 percent are women.

As careers progress, however, fewer women are promoted. By manager level men make up 63 percent of the workforce, with women making up only 37 percent. More than 72 percent of vice-presidents are men (men of color make up 11 percent), and at the higher level about two-thirds of employees are white men, with men of color, white women and women of color comprising 12 percent, 18 percent and 3 percent, respectively.

## ACROSS INDUSTRIES

What's more, this pattern remains the same in every industry the report examined, from those that struggled to attract women at the entry level, such as automotive manufacturing, to health care, in which almost three-fourths of entry level workers were women. The pipeline is leaking — talent.

## CAUSES

The report attributes the lack of



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promotion beyond entry level to a number of factors. They include lack of mentorship or advocates in the C-suite of a company, a belief that women are more likely to leave to focus on their families (which is not borne out by statistics) and a belief held by leaders in the organization that men and women are already treated equally and promoted fairly, which provides little incentive to make changes or look deeper into the gap.

## A WAY FORWARD

The international PricewaterhouseCooper Gender Advisory Council released a report in 2008 with suggestions for change, including setting targets for retaining and promoting women; examining unconscious bias among processes and leaders; providing mentoring and development opportunities for women starting early in their careers; being transparent in the hiring and promotion processes; including a minimum number

of women candidates for leadership appointments; and, at the heart of it, recognizing that diversity of all types contributes to a stronger organization.

For the employees themselves, the report suggests setting professional goals, both short- and long-term, and recognizing what you need to do and what you need your organization to do; making effective use of mentors and training opportunities; and be supportive of other women.

# What Companies Can Do

**G**ender equality is good for business. Hire More Women in Tech reported that Fortune 500 companies with at least three female directors see better returns on sales and equity, innovate more and have a lower turnover rate. Getting women into top leadership positions in corporate America, however, doesn't happen by accident.

The companies that have promoted women into executive leadership or seen gender parity at high levels all have made a concerted effort to reach that point.

Women in the Workplace 2017, an annual study of state of women in corporate America that is the product of a partnership between McKinsey & Company and LeanIn.Org, analyzed what companies can do to improve the rates of women working in upper management. The single biggest factor: Look at your company's unique challenges and ways to address them.

**Make a compelling case for gender diversity.** Employees need to see that gender diversity is a priority for management, and they need to see data that demonstrates greater diversity is better for business.

**Invest in more employee training.** Offer unconscious bias training for employees, especially those involved in hiring, and ensure discriminatory behavior against women is dealt with quickly and appropriately.

**Give managers the means to drive change.** Make sure managers understand why gender diversity is important and have the ability to address it in their teams. Managers also frequently act



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as mentors, preparing and recommending employees for promotions, so ensure women have access to mentoring at equal rates.

**Ensure that hiring, promotions and reviews are fair.** Review these processes to ensure women and people of color are being recommend-

ed, considered and interviewed. Set measurable goals for hiring and promoting diverse candidates.

**Give employees the flexibility to fit work into their lives.** Women and men benefit from more generous parental leave and programs that make taking extended

leave easier. For women, many of whom are the primary caretaker for children even while working full-time, such programs make achieving their best outcomes possible.

**Focus on accountability and results.** In addition to tracking gender representation in hiring, also look at dis-

parities in external hiring, promotions, access to professional development and big growth opportunities. Set goals, track those goals and share the results with your employees, including areas where improvement is needed and how the company will make those improvements.

# Women Candidates

In 2018, more women than ever are running for political office.



Although there were already a number of organizations focused on helping women run and win elected office, many of those have reported an exponential increase in interest from women. Learn what resources are available.

## **ELECT HER**

The American Association for University Women started Elect Her trainings, which encourage college women to run for elected office on their campuses. Now led by Running Start, the workshops are held throughout the country, and attendees practice campaign skills, listen to other women leaders and discuss the statistics, issues and information they'll need as they make these decisions.

In 2016, Running Start reported that 90 percent of its participants reported running – and winning – their elections.

For more information, visit [runningstartonline.org/programs/elect-her](http://runningstartonline.org/programs/elect-her).

## **SHE SHOULD RUN**

She Should Run, which began in 2011, provides resources, growth opportunities and support for women who are interested in running for office. They seek out women from all along the political spectrum and with different backgrounds who are interested in bringing their diverse experiences into government to represent their communities.

The organization's goal is to have at least 250,000 women running for office by 2030. To get there, they offer a number of resources, including a tool to recommend women for a potential campaign and an incubator that connects women with others who are running, provides mentor-

ship and helps potential candidates wade through some of the confusing aspects of running a campaign.

For more information, visit [www.sheshouldrun.org](http://www.sheshouldrun.org).

## **EMILY'S LIST**

Started in 1985, EMILY'S List has held more than 200 trainings, helping more than 9,000 women run for offices at the federal, state and local levels. Their Run to Win program has helped recruit and train more than 10,000 pro-choice Democratic women in the last 30 years. The training focuses on the basic points of running a campaign, what potential candidates should consider and offers resources to get started.

For more information, visit [www.emilyslist.org](http://www.emilyslist.org).

## **NATIONAL FEDERATION OF REPUBLICAN WOMEN**

The NRRW offers scholarships, internships, networking opportunities and campaign resources for Republican women interested in running for office. Thousands of women have attended Campaign Management Schools to learn how to manage campaigns and be successful officials once elected.

For more information, visit [www.nfrw.org](http://www.nfrw.org).

## **WOMEN'S CAMPAIGN FUND**

Through four decades and almost 2,000 candidates, WCF offers expertise in the details of running a campaign, getting the necessary data, hiring an effective staff and consultants, managing finances, community with the public and media and more. They recruit candidates across the political spectrum.

For more information, visit [www.wcfonline.org](http://www.wcfonline.org).