

QUIT THROWING MONEY AWAY!

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We're leaving money on the table.

Businesses with gender-diverse management teams have better financial performance, lower staff turnover, and stronger long-term strategies. Leadership is more effective when it is balanced. If women are good for business, why don't more organizations make better use of this powerful resource? Why are we throwing away the financial rewards that come from diversity?

For some time now, women have exhibited superior academic performance at every level and entered the professional workforce at rates approximately equal to men. How is it possible that only 20 percent of leadership positions are held by women?

THREE REASONS FOR MALE DOMINANCE IN LEADERSHIP

Researchers have been scratching their heads over this for years, but most agree that three factors lie behind this failure to utilise the talents of fifty percent of our population:

1. Unconscious bias

Plenty of evidence exists to show that men are culturally biased toward their own gender. They like to hire in their own image, and they are willing to overlook any minor deficiencies of a young male protégé because, "I was just like that at your age." They see what they expect to see.

By the same token, when a man interacts with a woman, he doesn't see the same things in her that he sees in himself. So he takes her to be deficient in the qualities that he possesses, which are usually the very ones that he considers to be the drivers of his success.

As described in the Orchestra case study of the main article, blind auditions increased the chance of a woman being hired by 50 percent. We also know about the academic example: Who's more qualified to be a lab assistant, John or Jennifer? When both CVs were identical except for the gender-identified first name, scientists chose the male more often and even suggested that his salary should be higher.¹

If those examples aren't shocking enough, here's the kicker: women were just as likely as men to discriminate against women.

Unconscious bias, then, isn't limited to men. It's a cultural derivation that positions boys ahead of girls in key traits, starting almost from birth. Boys are praised for being strong, stubborn, focused, intelligent, dominant. Girls are expected to be collaborative, congenial, empathetic, verbal, multi-tasking, compassionate. When men and women are asked what traits they want in a leader, they focus on those that describe the leaders of their experience—who, not coincidentally, are almost all male. The process of filling the shoes of the departing male leader begins by searching for someone who is just like him.

And don't think it helps if women take on the same characteristics and attributes that successful men have. Those women who are dominant, assertive, direct, and results-oriented are considered less effective as leaders than either the men with those same traits or the women who exhibit more "feminine" traits. Most women have heard the aphorism: "A woman can be competent or liked, but not both." When a woman acts "like a man", she is considered by both men and women to be inauthentic and untrustworthy.

2. Undervaluing women

When unconscious bias becomes systemic, it results in the undervaluing of women. "Women's jobs" pay less than "men's jobs" not because they require less intelligence or fewer skills, but because we have relegated them to an inferior position on

¹ Corrine Moss Racusin et al., *Science Faculty's Subtle Gender Biases Favour Male Students*, PNAS, August 2012

the hierarchy. When any profession becomes female-dominant, the pay scale for all of its practitioners is reduced. Similarly, when a “woman’s job” is taken over by men, as computer programming was in the late sixties, the salaries rise.²

Paula England, an academic who has researched this topic for 30 years, said: “It is as if there [is] a cognitive bias toward thinking that if jobs are done by women, they cannot be worth much.”³

Once again, this attitude is not unilaterally the domain of men. Today’s millennials think that the professions that supported their mothers and grandmothers—teachers, nurses, and social workers—are beneath them; they aspire to careers in finance or law, fields that are male-dominated and consequently more highly respected and better rewarded financially.

3. Socialization and cultural norms

Studies of schoolchildren reveal that young girls and boys are equally good at maths. But by the time they reach puberty, both sexes start to believe that girls aren’t as good in the subject as boys are. Girls who take maths tests after being told that they are competing with boys score lower than those who are told that only girls are taking the test. Their confidence is eroded if they think they aren’t as good as others who are being tested.

Over and over we have read that women won’t apply for a position unless they have 100 percent of the qualifications; men will apply with only 60 percent. In this case and many others, it is a socialized lack of confidence that holds women back. They don’t want to pretend to be more than they are. Ironically, by hiding their light under a bushel, not only are they failing to reach their own potential, but they are also depriving their organizations of the talent and insight that the business needs to be more successful.

WANTED: MORE FEMALE ROLE MODELS

The burning question is: what can we do to try to get more women into organizational leadership? Just knowing the problem isn’t necessarily going to get us anywhere. What is the solution?

It goes without saying that we need female role models for the rising stars in our companies and firms. If we are to inspire young talent to be the next generation of leaders, we have to show them that senior management is not just a “man’s job”. And the research is clear on one point: we have to PUT more women into leadership roles if we are to GET more women into leadership roles. Those role models make a huge difference in the aspirations of the next generation. This is not about putting more women into leadership by quotas – it is about selection on the basis of merit. In order to do so, we need to clear away the fog that keeps people from seeing what merit actually looks like.

SEEING MERIT CLEARLY

I recommend a three-pronged approach to establishing some lucidity around merit:

1. We have to reveal the unconscious bias that is limiting our selection of capable female leaders. Every one of us will swear up and down that we are not biased, yet experiments in even the most highly educated environments show us that both men and women discriminate against women. In the words of Pogo, “We have met the enemy, and he is us.”

Some good consultant-designed exercises have been used to help corporate leaders uncover their own deeply hidden biases; we all need to avail ourselves of these resources to expose our prejudices if further efforts toward remediation are to be effective.

² Paula England, *Why Female-Dominated Jobs Systematically Pay Less*, The American Academy of Political and Social Science, June 2010

³ Ibid

2. One suggestion that was vetted by the “Paradigm for Parity” group⁴ was the “70% Rule”, whereby we ensure that no more than 70 percent of the candidates being considered for a position or promotion can be of a single gender. (The tipping point for making a difference, remember, is 30 percent.) I would take this idea a bit further and add that the interviewers themselves should include no more than 70 percent of any single gender. I understand that we may need larger groups of interviewers, but if the end result is that we identify the most qualified candidates, isn’t that worth a few extra interviews?
3. Following their success in increasing the number of women on Boards, the 30% Club has taken up the challenge of increasing the percentage of women on Executive Committees. Central to this objective is the improvement of the ExCo pipeline, as described in the main article. Consideration must be given to every level of management if we are to achieve results at the ExCo level.

Succession planning and sponsorship should be mandated for each manager, whereby he or she is held accountable for developing a gender-balanced group of protégés. This approach is independent from issuing a target percentage that we would like to attain; instead, it requires managers to sponsor individuals into leadership positions and plan for succession in every job. Managers should be able to name the person in line to succeed them and to show the plan for developing the competence and readiness of that individual; similarly, every manager should be responsible for sponsoring a rising star to the next stage of his or her career. A manager could be rewarded for meeting this objective only if he/she can achieve the result of moving those named persons up the ladder.

Publishing diversity statistics on an organization-wide basis is like looking at the forest but ignoring the trees. Diversity is individual—that’s the point! If we want to appreciate and value the differences that each person brings to the organization, we need to reward managers who are able to see beyond the packaging and recognize merit in all its forms.

THE TIME FOR ACTION IS NOW

We can no longer afford to disregard the contributions that women make to the success of our organizations. It’s time to quit talking about diversity and start taking action to reap the benefits that highly qualified, capable leaders can bring to our industry.

Let’s pick up that money we’ve been leaving on the table. It’s there for the taking.

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⁴ “Paradigm for Parity” is a call to action and plan put forth by a global coalition of 50 senior women leaders (CEOs, senior executive, founders, board members and business academics), with the goal of achieving parity by 2030