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# Women in power: Contributing factors that impact on women in organizations and politics; psychological research and best practice<sup>☆</sup>

Hazel McLaughlin, Jo Silvester, Diana Bilimoria, Sophie Jané,  
Ruth Sealy, Kim Peters, Hannah Möltner, Morten Huse,  
Juliane Göke

## OVERVIEW

In this paper we discuss the factors that influence women's likelihood to gain positions of power, and what impedes women's effectiveness once in these roles. We have reviewed the research from an international perspective and have highlighted the common trends that impact women across the globe. Although progress has been made, there is still much that needs to happen before equality of opportunity is realized. This paper highlights the macro and micro level factors that have an impact on women's rise to powerful positions and the progress and reactions thereafter. The psychological research indicates that it is not sufficient to address the individual challenges of being a woman in business or in politics. The current emphasis is on women as individuals and relies on them taking action. But this fails to address the wider societal impacts. It is not sufficient for women to focus on building their networks, increasing their social capital and enhancing their motivation. This fails to take into account the institutional and societal biases that undermine opportunities for women. We recommend changes in the way that women approach opportunities in

the workplace, and in the way that policy makers and employers act. We highlight the importance of embracing diversity more broadly, not simply from a gender perspective. Only in this way, can there be equality of opportunity and an enhancement of diversity in the workplace. We address the practical implications from the psychological research and provide advice for organizations, senior executives, women throughout their professional careers and for young women as they start their career journey.

## INTRODUCTION: WOMEN IN POWER — THE GLOBAL CONTEXT

Women are underrepresented in both business and politics, and this is consistent around the globe. It is tempting to look at notable exceptions. In politics there are prominent female leaders such as Angela Merkel in Germany and Aung San Suu Kyi in Myanmar. In business, there are role models such as Ursula Burns, the Chair of Xerox and CEO of the Corporation from 2009 to 2016. An African American, Burns took over as CEO from Anne Mulcahy, who had been at the helm since 2011. This insight suggests that women are now well represented in senior positions. However, this is not the case. The United Nations includes women's representation in the workplace as a key component for Gender Equity. Several nations for example Norway and Malaysia have responded by mandating quotas for women to ascend to leadership and governance positions. Yet this has not been

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adopted consistently or effectively by most countries. Consequently, women remain noticeably absent from senior leadership positions.

In Standard & Poors (S&P) 500 companies, in the US, women comprise approximately 45% of the labor force and a little over 36% of first and mid-level managers. Yet only 25% of executive/senior level officials and managers, less than 20% of board members, and only 5% of CEOs were women in 2016. The numbers are even more concerning for women of color: 1.7% of Asian women, 1.2% of Black women and 1.0% of Latina women were executive, senior level officials and managers in S&P 500 companies in 2015. The National Science Foundation reported that in 2015 women were particularly sparse in leadership positions in traditionally masculine fields. Only 19% of managers in the Science, Technology, Engineering and Mathematics (STEM) workforce are women, and the proportion drops to 15% for top-level managers in STEM business and industry.

The monitoring of figures globally over the past 15 years shows that the gender balance of boards is unlikely to change dramatically through organic processes. Many countries' efforts stagnate at about 15% women on boards.

Most European countries require a delegation of executive tasks from a supervisory board to an executive body. In Germany, on the management board only 6% of the seats are held by women. In 2011 women held 10% of the supervisory board seats, the portion increased in 2016 to 26%. However, there are few women represented in board committees. For example, on the audit committee only 18% were women. Furthermore, in 2016 16% of Germany's largest companies were without a single woman on their board. 41% of the boards had less than three women. Research shows that a critical mass of three is needed to be able to exert influence.

In the UK, the government has brought in targets for two levels below the board. The Executive Committee and their direct reports must consist of 33% by 2020.

## THE MICRO ISSUES

### Women in Politics

With regard to political elites, there are high profile role models such as Angela Merkel, the German Chancellor, and Theresa May, Britain's second woman Prime Minister. Women have occupied the roles of U.S. Attorney General and Head of the International Monetary Fund. The U.N. reported the number of women parliamentarians doubled worldwide between 1995 and 2015. Yet despite promising signs of progress, it is arguably too early to celebrate. Hilary Clinton won the most votes but nevertheless lost the Presidency to Donald Trump. In the UK, for every woman elected as a Member of Parliament (MP), four men become MPs. Only 17% of the women elected become government ministers. They usually have responsibilities for education and the family rather than more powerful areas such as business or defense. Women's participation in workers' unions, a traditional route into politics in Europe, is at an all-time high. But, their representation at leadership levels remains low.

In the next section we explore the underlying reasons for this disparity.

### How Similar or Different are Men and Women as Leaders?

The first question to address is the fundamental one; are women different from men as leaders? A quantitative analysis of over 160 studies of gender-linked differences in leadership style indicates that men and women exhibit similar styles overall. The one exception is that in male-dominated workplaces, women use more participative leadership styles, and less autocratic, or directive styles than men.

A follow-up study found no differences in leadership effectiveness unless there is a high percentage of male subordinates, or the role is perceived as inherently masculine. These findings were found to favor women more than men when the conditions were reversed. If leadership skill and style are similar between men and women, what might account for the persistent shortage of women in power?

Disrupting male dominance of corporate boards has become a social change movement in a number of countries. Thinking has progressed from 'fixing women' (e.g. thinking the reason women do not get board positions can be attributed to some failing on their part, such as lack of human capital, insufficient statement of ambition or poor networking skills) to a recognition of such structural issues as a lack of alternative childcare, or flexible work arrangements. Heuristics, or 'rules of thumb', that affect our judgements in organizational life are often based on stereotypes or unconscious biases. For example, executive search firms typically prefer female board candidates who hold a financial qualification. They do not consistently apply this to male candidates. There is a stereotype that girls are not as good at math as boys. Thus having that qualification gives women credibility as a potential leader.

Countries that are proactive on the political agenda in terms of encouraging diversity include Iceland, Finland and Norway. These countries are also proactive in encouraging social and societal factors to support women to achieve top organizational positions.

### Individual Factors — What are the Core Issues for Women to Address?

Research clearly shows that greater diversity, if managed effectively, produces better quality decision-making, with less 'group think', enhanced innovation, and better adherence to governance rules. Moreover, there is increasing evidence that traditionally masculine occupational contexts erodes the motivation that makes it possible for women to persist in the face of barriers. In a range of traditionally masculine occupational contexts, from policing to politics, researchers have found that women's (but not men's) motivation to get ahead in their careers wanes over time.

The temptation is to focus on what women can do themselves to enhance their impact in terms of how they present themselves in the Board room, how they network, build their social capital and enhance their ambition and determination to succeed.

Undoubtedly, women can look inwardly and ensure that they are making the right moves. But this is not enough. The research evidence indicates that this only makes a dent in the imbalance, but not equality.

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