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advancing women is not a women's issue, it is a business issue

In a “full potential” scenario in which women play an identical role in labor markets to that of men, as much as \$28 trillion, or 26 percent, could be added to global annual GDP by 2025.¹

Howard J Morgan and Joelle K Jay, authors of The New Advantage talk about how “women aren’t advancing in business leadership as fast or as far as they’d like... [and] balancing leadership teams by leveraging the talents of both men and women has significant advantages—for both companies and women themselves.”



Around the world, in cultures as diverse as the individual leaders themselves, companies are experiencing a unifying theme. They want to see more women in leadership roles.

Getting there is not always easy, as a glance at the organizational charts of most businesses will show. Women are still underrepresented in the seniormost positions of leadership. CEOs and board members who are women are few and far between. But if the attention being paid to this issue is any indication, those numbers are bound to change.

Why? The reason is compelling—companies with more women in leadership have been shown to do better. Below, we identify three significant reasons why companies with gender-balanced teams have an advantage, and share our recommendations for how company leaders can balance their own leadership teams for better business.

companies with more women leaders are more profitable

Organizations with balanced leadership teams have been shown to outperform their competition on almost every measure, from productivity, and profitability to performance.

A Pepperdine University study shows that the 25 Fortune 500 firms with the best record of promoting women to high positions are between eighteen and 69% more profitable than the median Fortune 500 firms in their industries.²

Companies with more women in leadership positions are also more competitive. One *USA Today* report found that the stocks of thirteen Fortune 500 companies led by a woman for all of 2009 outperformed the S&P 500 (companies primarily led by men) by 25%.³

Perhaps that is why every year, the Fortune 500 spends at least \$8bn to promote workplace diversity, much of it aimed at advancing women.

companies with more women take full advantage of the talent pool

More women are entering the market than ever before. In fact, a recent Yale University study found that women now outnumber men in global university attendance and graduation rates. *The Economist* reported that female graduates “greatly outnumber male graduates,” accounting for 58% of graduates within OECD countries in 2009 (the most recent year for which data are available) which is an increase from 54% over the last decade.⁴ Companies that





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want the best talent need to be attracting the most from this talent pool in order to remain competitive, and advance in the marketplace.

companies with more women reflect the market

Women make the bulk of buying decisions worldwide. FONA International reported that globally, women control \$20tn in annual consumer spending. In the next five years, it is expected that this number will rise to nearly \$30tn. Lastly, companies with more women in leadership reflect the market.⁵

Profitability, top talent, and a connection to customer and clients—these three themes not only make a powerful argument for the development of more balanced teams, they are also three of the top concerns of business leaders who want their companies to succeed. Advancing women in leadership is not a women's issue, it is a business issue.

Unfortunately, most companies do not have balanced leadership teams, and transforming them into more diverse, collaborative teams representing a rich diversity of views is no easy task. What should a company do that is committed to advancing women as leaders?

three steps to balanced leadership

In our work as leadership consultants and executive coaches, we have found that both men and women want to see a more balanced corporate culture. The truth is that culture is not even really

'male' anymore—it is becoming more gender balanced, generationally rich, and culturally diverse every day. Here are three things companies and their leaders can do to create a more balanced leadership team:

01 create leadership development experiences specifically for women

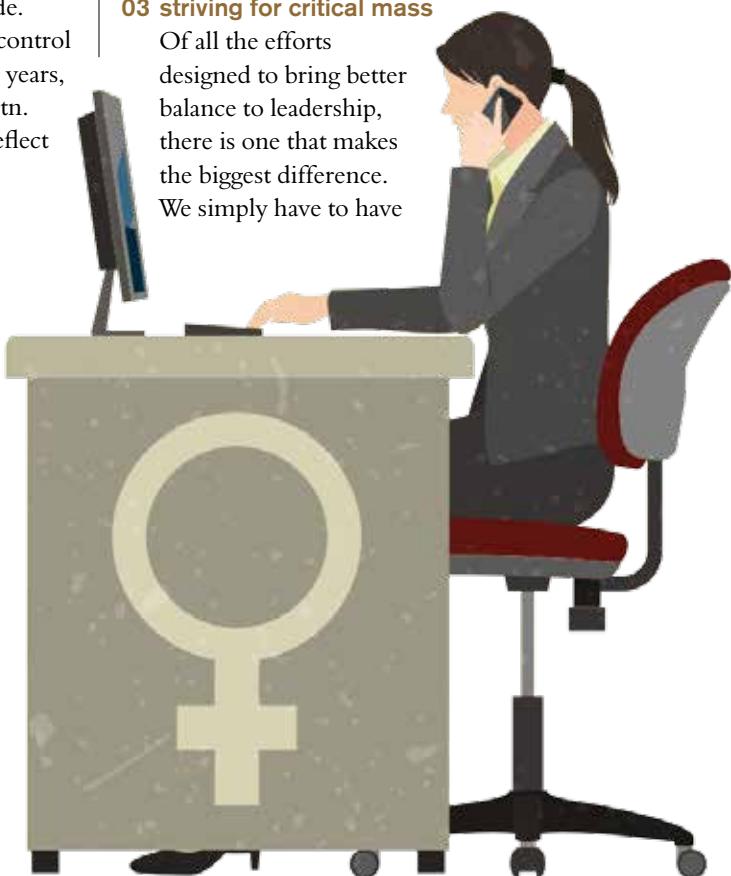
When women have the opportunity for leadership development focused exclusively on them, they are able to safely articulate their struggles and their aspirations, overcome the barriers, and build confidence and competence to lead at a higher level.

02 involve men as sponsors for advancing women

Men can help break the pattern by championing talented women, helping to prepare them for advancement, and advocating for them to be elevated into leadership roles.

03 striving for critical mass

Of all the efforts designed to bring better balance to leadership, there is one that makes the biggest difference. We simply have to have



more women at the top. Women need to be included in the efforts to open up more senior leadership positions to women, and organizations need to change to incorporate their views. They are the ones who understand the challenges from the inside out. They are the ones who can identify the barriers and make suggestions to help companies move them away. When women take their seat at the table, they bring with them new perspectives, which help forge new patterns, new behaviors, and a new culture. They understand what women bring and champion its value.

The solution for companies that want to succeed in a competitive, global market is to take full advantage of all the potential in an organization—not just by advancing women, but by integrating the richness of talent across the company.

the specific role of women

If companies are going to be successful in balancing their leadership teams, the effort has to come from the senior leaders at the top of the organization—‘not’ just from women who want to advance. However, they themselves play an important role in their own advancement.



Women who do well in leadership are the ones who take ownership of their own careers. Women who want to advance can take important steps to do so, including forming networks of power; aligning their personal goals to the goals of the organization; navigating the culture of their company; knowing their value; and acknowledging bias where they see it.

Of course, the advancement of executive women is not just about promotion. Women do want to move up, but there are other ways in which they want to succeed. They want to excel in their roles and feel they are valued; they want to do meaningful work, have strong and respectful relationships with coworkers, and financial security; they want to improve their salaries, and be recognized for their efforts. At the same time, they want to enjoy their lives. In short, they want to be ‘themselves.’ So in addition to leading their own success and achievement, and taking the steps that lead to advancement, women can also find fulfillment by defining what ‘success’ means to them.

If women are going to take their seat at the table of corporate leadership, they have to take the lead. When they do, they benefit personally from the advancement and so does the company where they work.

The barriers women face in moving up in managerial and leadership positions can be frustrating. Women just are not advancing as fast or as far as they would like. Even in the top companies in the United States, only 4.6% of Fortune 500 CEO positions and less than 17% of corporate board positions are being held by women, and those percentages have barely moved over the last decade. However, when companies and their leaders—both men and women—come together, they can create the kind of balanced leadership teams that give them ‘all’ a new advantage. ■

- 01 <http://www.mckinsey.com/global-themes/employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>
- 02 http://www.csrpraktiken.se/files/adler_web.pdf
- 03 http://usatoday30.usatoday.com/money/companies/management/2009-12-29-female-ceos-2009-results_N.htm
- 04 <http://www.economist.com/blogs/dailychart/2011/09/female-graduation-rates>
- 05 <https://www.fona.com/resource-center/blog/purchasing-power-women>