

WHY THE LEADERSHIP GENDER GAP MATTERS— AND WHAT ORGANIZATIONS CAN DO TO CLOSE IT

Jennifer McCollum

The World Economic Forum (WEF) released its latest Global Gender Gap Report this past summer, and the news was dire. While the overall gender parity gap has narrowed slightly (by 0.3 percentage points) since 2022, the WEF still projects that it won't close entirely for 131 years, until 2154. What's worse, the United States fell from 27th place on the global gender parity index to 43rd, out of 146 countries.

More recently, McKinsey and LeanIn.org released their Women in the Workplace 2023 report, which is the largest study of women in Corporate America and Canada. It found that while women's representation in the C-suite is improving—numbers have increased from 17% to 28% since 2015—progress in the middle of the pipeline, particularly for women of color, is painfully slow.

The news isn't *all* bad. It seems more attention than ever is being paid to gender gap issues. In fact, Claudia Goldin at Harvard University was awarded the Nobel Memorial Prize in Economic Sciences in October 2023 for her research on gender differences in earnings and employment rates over time. Her research reveals that historically the gender pay gap could be pinned on educational and career choices, but now it is mostly due to the impact of motherhood. (It's worth noting that Goldin is the third woman to receive this particular Nobel prize and the first to win it solo.)

I have a bird's-eye view of gender gap issues thanks to my position as Chief Executive Officer of Linkage Inc., a company dedicated to advancing women and other underrepresented groups into leadership roles. It's my job to look for meaning in stats and stories like these. To me, the message is clear: the proverbial iron is heating up and it's time for organizations to strike. There's plenty we can do to help women advance—but before we get into the “how,” let's look at the *why*.

Closing the Gender Gap: What's in It for Organizations?

Working to advance talented women into positions of leadership isn't just a “nice” (read: socially responsible) endeavor. There's a strong business case to be made for doing so.

First, statistics published in 2020 by McKinsey show that companies with women represented at the top are 50% more likely to outperform their peers; they create better client retention, organic growth, and profit. Companies in the top quartile for gender diversity on executive teams are 25% more likely to

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outperform the competition. And in the S&P 500, the 32 companies that have women as CEOs have significantly outperformed the companies run by men. Looking across the last decade, the difference in returns is 384% from female-led companies versus 261% from male-led companies, as reported in 2023 by Personal Finance Club.

Second, expectations of leadership are evolving. Today's workforce expects a certain type of employee experience; they want leadership that inspires, engages, and transforms. Employee wants and needs have shifted with emergence of Millennials and Gen Z in the workforce, and that often means making fundamental changes to the way we lead. This paradigm shift calls for the gifts that have been reinforced in women throughout their lives—characteristics such as empathy, vulnerability, authenticity, and inclusion. When we scour our leadership database informed by 360-degree assessments and study gender differences in inclusive leadership behaviors, raters rank women as significantly better.

None of this is a newsflash. Smart and savvy organizations are fully aware of the benefits of promoting and supporting women who want to rise. And bolstered in part by their support, women *have* made promising inroads, decade by decade. It's true that COVID sets women back, forcing some out of the workplace temporarily and driving many others deeper into burnout—but it's also true that they're bouncing back. In fact, the McKinsey/LeanIn study mentioned earlier found that women are more ambitious now than before the pandemic.

Bottom line: women really want to advance in their career. A company's willingness to make this a priority and really deliver on it sets it up to compete differentially. Our own data shows women who have received investment in their development are more engaged, have more personal satisfaction with their work, are more likely to stay with their company, and lead teams that are outperforming the company average.

How to Make It Happen: A Two-Pronged Approach

Organizations can do a lot to advance women. Backed by Linkage data and my own experience, I recommend a two-pronged approach: 1) take a hard internal look at the four critical dimensions in Linkage's Advancing Women Strategic Framework; and 2) help women develop the awareness, understanding, and skills to scale the hurdles that we have internalized based on the real bias we face externally. Let's take a closer look.

PRONG 1: Address the four critical dimensions

For more than three decades, Linkage has committed itself to "Changing the Face of Leadership" by advancing women and accelerating inclusion in leaders and organizations. Our research (reported in "Advancing Women Leaders: Changing the Game for Women in the Workplace," by Jillian Ihsanullah and Nada Hashmi, 2019), demonstrates that women leaders perform better, stay at their companies longer, and advance in their careers when organizations address four strategic dimensions: *Culture, People Systems & Processes, Executive Action, and Leadership Development for Women*.

Leaders looking to create conditions to help women advance and thrive should ask themselves this series of questions:

- **Culture:** Do women feel valued and respected in our organization? Do they feel their uniqueness is honored and that they belong?

- **People Systems & Processes:** Do women in our organization have equal opportunities in people systems like the hiring process, access to stretch assignments, or promotions and sponsorship?
- **Leadership Development:** Is our organization providing focused development for women?
- **Executive Action:** Are executives *really* committed to inclusivity and taking action to support and sponsor women (or do they just pay lip service to this goal)?

While all four are important, we find that organizations score the lowest on the latter two dimensions, so I want to zero in on them specifically.

Leadership Development

In most corporate environments, the model of effective leadership—the "rules of the game" or expected behavior—has been defined by men for generations. Men have learned these rules through natural access to other male leaders, who have been part of their networks, coaching, and mentoring, developing them along the way. Women historically have not had this access. For women leaders to grow and advance, companies must differentially invest in leadership development for women *above and beyond* what is typical for all leaders.

This specific development should focus on key advancement competencies that support women in overcoming the hurdles that hold them back (see below) and can come from a combination of formal programs and experiences, high-visibility stretch assignments, or feedback and coaching. Companies that get this development right will see increases in key leading indicators like women's engagement, an aspiration to lead, and belief in their future with the company.

At Linkage, we have measured the outcomes of women's development, specifically of the more than 20,000 alumnae of our Women in Leadership Institute. In our latest survey covering the previous five years of attendees, we learned that this investment in

women's leadership development contributed specific benefits to women leaders themselves. Of the women who attended:

- 89% took more time to define their strengths and talents as a leader
- 86% gained more self-confidence
- 76% received more frequent recognition for their contributions

But that's not all. The organizations that made the investment in their women leaders also experienced transformational impact on the very leading indicators that are most important. Of the women who attended:

- 82% report that they and their teams are outperforming the company average
- 75% are more engaged with their work
- 69% have more personal satisfaction with their work
- 67% are more likely to stay with the company

I'm often asked why this differential investment for women is needed when most organizations have some type of leadership development that cuts across all leaders at all levels. Leaders may even cite fears of "excluding" men. My response, informed by our research, is twofold: First, focused leadership development directly impacts employee engagement and, by extension, retention. The more an organization supports and encourages women to take on growth opportunities, the higher the levels of engagement the women report. Second, leadership development has a direct impact on a woman's aspiration to advance. This is about a woman's ability to see a clear path forward,

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even if there isn't a critical mass of women who have come before her.

Executive Action

For women leaders to fully engage and be inspired by a future vision that includes gender equality, action is what matters. They must look up and see executives in their organization not only talking about advancing women but also taking steps to do so. Executive engagement can include initiating sponsorship programs to increase visibility of rising female talent, ensuring gender equity and knowledge of the women in the organization's pipeline, and promoting creative initiatives to retain female talent. When executives act, organizations demonstrate that they are committed to advancing women as a strategic priority.

Many organizations focus on allyship, coaching, or mentorship, and while all those are important, the most critical support women need is sponsorship, because that is what has historically been lacking. There is a difference: Everyone can be an ally, and those with experience can be a coach or mentor. But to be a sponsor, you need power and influence.

Here's an analogy to help you distinguish them. Picture a door you really want to get through and the key people you need to help you:

Ally: Your friend and supporter who will cheer you on and encourage you to get to the door. They'll say good things about you and build you up whether or not you're in the room.

"She deserves to get through the door; no one does it better than she does!"

Coach: Often a manager, helping you with your aspirations. A coach will ask you to describe the door, put a plan in place for how to get through it, and hold you accountable.

“Let’s identify development areas that will help you get through the door and craft an action plan to keep you on track.”

Mentor: Will explain how she walked through the door and point you in the right direction. She may even walk alongside you until you get there.

“Let me tell you the obstacles I faced on my path to the door and how I overcame them.”

Sponsor: Will use their power, influence, and political capital to fight for you behind the door, hold the door open, and pull you through. Once you get there, they will do what it takes to create the conditions for success.

“I will make the introductions and find the experiences you need to get to this door and beyond.”

The reason sponsorship is so important is it creates the conditions for so many critical outcomes for women. Employees with sponsors are:

- 69% more likely to advance to a more senior position
- 62% more likely to receive feedback on their career goals
- 31% more likely to receive feedback on their leadership style
- 20% more likely to feel like they belong in the culture of their current work environment

We know that women tend to get less support than men, resulting in fewer promotions. Women get less feedback, less advice from senior leaders, and less access to one-on-one workplace activities like mentoring. It goes back to external bias, where we naturally favor people like “us.” In this case, the “us” is usually the leadership majority—other white men. Formal sponsorship programs can help overcome that bias, while helping executives develop specific sponsorship capabilities.

There’s a two-way street associated with executive sponsorship. Women leaders who have a sponsor need

to play an active role in delivering with excellence, cultivating the relationship, providing visibility about what is happening in the organization, and promoting the legacy and leadership of the sponsor.

PRONG 2: Help women overcome the hurdles to their own advancement

Before I address the hurdles that hold women back, I’d like to say a word about external bias. No woman is an island. All women must contend with the implied “rules” and expectations of the society in which they live and lead. They are paid less than men and overlooked for promotions. They do the bulk of housework and caregiving (a stressful reality that really reared its head during the ‘home schooling’ days of COVID). At times they are—still—sexually harassed (though, admittedly, the #MeToo Movement has brought much-needed awareness to this issue). And women leaders, in particular, are criticized for being “too aggressive” or “too ambitious.”

One of the toughest manifestations of externalized bias is the double bind. It’s a constant tightrope women walk. They must balance the irreconcilable demands of meeting societal expectations for women—demonstrating female characteristics, like being *compassionate, warm, communicative, and collaborative*—with the expectations for leaders, which are dominated by male characteristics of being *forceful, assertive, dominant, and competitive*. When women display the male characteristics of “taking charge,” they’re seen as competent but aren’t liked. Conversely, when they display the female characteristics of “taking care,” they are viewed as less competent.

Back in the ‘90s a work colleague told me he’d heard someone describe me as “a cupcake with a razor blade inside.” He believed it was funny or even a compliment. I didn’t. I was devastated. Now, I see this this analogy for what it is: a perfect example of the double bind that women have faced since entering the professional ranks, toggling between all the expectations of the masculine stereotype of the ideal leader (the razor

The external bias is only one roadblock.

blade) alongside the feminine stereotypes of the ideal woman (the cupcake). A man would never be described that way.

The external bias is only one roadblock. For more than 25 years, Linkage has been tracking the unique challenges women face on the path toward more senior levels of leadership. We call them hurdles, and while men can certainly face them as well, they are higher and harder for women. I'd like to conclude this article with a brief overview of some of the most prevalent hurdles for women.

Internal Bias. Women often hold deeply engrained limiting beliefs about themselves, rooted in stories they've told themselves for years. Here are a few of my own: *Things are done better when I do them myself...I can't be an engaged, involved mom if I have a big job...I need to have CEO experience before I can be a CEO.* It's not hard to see that these are limiting beliefs. Because women act (or, rather, don't act) on them, they can shape the trajectory of their lives. We can help women surface them, determine if they're true, and overwrite them.

Clarity. How do we create intentions about our future and professional advancement? Do you know the answer when someone asks, "What do you want for the next chapter in your career?" Many women do not. It takes intention, dedicated time, and practice to "do the work" to find clarity. Once women *do* achieve it, again and again throughout our career, all the other hurdles become exponentially easier.

Proving Your Value. The tendency for many women to work harder and harder stems from the internal bias that rings true for so many: *If it's going to get done right,*

I have to do it myself. The result is something we call "over-rowing the boat." Women keep grinding away with the assumption that it will pay off in the future. But much of the time, their overwork and perfectionist tendencies actually causes them to row themselves into complete overwhelm and burnout.

Making the Ask. Women need to ask for what they *really* want, not the lesser, watered-down version of what they think will play well with the person they're talking to. Gaining this clarity is especially important, as women need to consistently negotiate their time, role, resources, and flexibility. The more often they ask, the more comfortable they get with asking, and the more they learn about how to navigate future asks.

Networking. Women struggle with networking for a variety of reasons: lack of time, lack of confidence, or lack of access to the "male bonding" activities where networking often takes place. They also have concerns about using social ties for personal gain. In truth, they can overcome these obstacles and network in a way that builds authentic, collaborative relationships. They can also do the even harder part: activating the network by regularly nurturing and leveraging the power of these connections.

CONCLUSION

It is more important than ever for organizations in every area (not just business but also government, academic, and the nonprofit world)—and all of us as leaders—to demonstrate a meaningful commitment to women who aspire to lead. As leaders we need to send women this message: *You deserve to be in an environment where you are celebrated, not tolerated. A place where you have what you need to grow and thrive. A place where you can operate completely authentically. A place you love. A place that loves you.*

This article is adapted from the book *In Her Own Voice: A Woman's Rise to CEO: Overcoming Hurdles to Change the Face of Leadership*, by Jennifer McCollum (Matt Holt, 2023).

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