

# Too Few Women at the Top

*The Causations and Potential Solutions for Gender  
Inequality in Upper Management*

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Lastly,

I would like to dedicate this thesis to my father.  
A man, who grew up with two older sisters, and helped raise two vivacious and adventurous daughters.  
Your ways and values have allowed me to always cherish the beauty and strength that is womanhood.

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## **Abstract**

The first part of the thesis identifies and closely investigates the persisting challenges to women's professional advancement. Stubborn social traditions and the rigidity of the current business structure, which favors linear-careers, help to explain why few women reach the upper echelons of business.

The business case for women in management is presented and a number of ways in which female contribution in upper management benefits the firm are outlined, including: increased innovation, better decision-making, a greater understanding of consumer preferences and higher profitability. A strong management team can be created if the company embraces the differences in leadership style between the genders.

The classical model of economic theory, as well as discrimination theories are presented and their limitations observed. This examination shows that existing theories help explain much of the basic human market behavior; however, do not fully explain or address why women are under-represented in the upper echelons of businesses.

The second part of the thesis provides potential solutions to the issue of continued female underrepresentation at the top. It observes measures that have been taken and suggests steps that can be taken by the public sector, the private sector and individuals in order to remedy some of the persisting barriers to women.

## **INTRODUCTION**

The first and second waves of feminist movement have passed and women have made giant strides towards gender equality. Women's right to vote, the ability to receive a high-level education, and the right to work outside the home seem more self-evident and certain than ever before. While there has been great progress in female educational attainment and labor force participation, both of which now equal and even surpass that of men, major gender disparities remain at the upper management level.

This thesis examines the current situation of female participation in senior management through (first-hand) interviews and an analysis of existing scholarly work. Several factors exist which influence the current representation of women in senior management such as: social norms, education, domestic responsibility, occupational differences, and corporate culture. After a close study of these factors, the thesis goes on to suggest ways in which greater gender diversity at the executive level can be achieved, drawing specific attention to public sector, private sector, and individual responsibility. This paper identifies the distinctive value of flextime policy in promoting and retaining gender diversity through all levels of employment, and especially at the top.

### **A Focus on Flextime**

There are a number of proposed methods and policy changes to help promote women into senior level management and enable a healthier and feasible work-life balance for individuals. Some of the different approaches and measures that both companies and governments can apply are: Affirmative Action plans, subsidized or on-site child care, mentoring and networking programs, on-the-job training, parental leave and flextime schedules. These different methods have proven helpful in many situations and may be applied separately or in conjunction under specific circumstances as appropriate and useful. In my investigation and research I have chosen to focus on flextime. While all methods are valuable and often should be applied together, I have found that flextime is especially crucial in

providing a new approach to the way work can be done and careers managed. Flextime is a broadly encompassing policy: incorporating parental leave, sabbaticals and part-time work options. Furthermore, it can often be applied in conjunction with childcare and other programs, creating an even more effective formula.

### **The Global Context**

While the US has served as the main region of focus in this study, a frequent comparison to statistics surrounding major topics and policy examples from Norway and Germany will be presented in order to establish a more global context and examples of best practices. Germany is comparable to the US in terms of economic strength. It is rated the world's fourth largest economy by CNN. Norway and the other Nordic countries are quite socially progressive and at the forefront in terms of policy targeting gender equality in the workplace and the home. The US is a much larger country in both area and population, than either Norway or Germany, which must be taken into consideration when comparing data. The political systems differ, which has a significant impact on the amount and type of public policy implemented related to welfare and other social equity issues.

In addition, there are strong cultural differences. Germany and Norway are collectivist cultures in which the needs of society are paramount. Therefore, more priority is given to social issues like gender equality. By contrast, the USA is an individualistic society. It is a culture that emphasizes the individual's responsibility to take care of themselves. As a result, social policies and legislation is more controversial including those related to gender equality. To get a balanced view on gender equality I have included the USA, Norway and Germany in my study.

### **The Interviews**

This thesis is based in part on case studies. Six interviews were conducted. The interviewees in consecutive order were: Birgit Miesch, Rosemary Grant, Jeanne Thoma, DeeDee Wilson, Candace Quinn, and Barbara Seymour. These individuals were chosen due to their personal contribution to upper management as women

(and mothers), as well as their active work in promoting gender equality in corporations.

Many of the women have developed or contributed to programs promoting female talent. These programs focus on presenting the business case for diversity to the company and assisting talented women in leadership skill development. Grant, for example, worked for the *Ascend* program at Johnson & Johnson, a coaching program that aims to accelerate the promotion of women into executive levels. Wilson started a women's leadership council at Nike which presented the business case for women in senior positions to the CEO. Quinn founded *WECNY*, the *Women's Executive Circle of New York*, a not-for-profit organization with the mission of accelerating the advancement of women from diverse backgrounds to executive positions of leadership (2011 New York census, 2011). In addition to being businesswomen and promoters of gender equality, Wilson and Quinn are also mothers.

All six women are professionally successful and inspirational individuals. While they were very different individuals, several common themes emerged. Four of the six did not have children. Those that did, had the financial means to hire professionals who provided child care services. Only one of the interviewees had a "stay-at-home" husband, which was possible because she had substantial earning power. This illustrates the challenges of balancing work and family obligations and the reality that often women have to choose one over the other.

On a personal level, I found them all to be strong-willed, independent and inspiring women. They are wonderful examples of women pursuing a career in business management who are authentic and feminine in a natural way. However, their stories not only touch aspiring female leaders, but also provoke awareness and a deeper understanding of the importance of gender diversity in management to those more indirectly involved, such as: family members, friends, business colleagues and supervisors.

Each candidate gladly shared her experiences and thoughts around gender diversity in upper management. The interviewees received guiding questions in advance (see Appendices I & II), however, the conversations varied with each

individual. Each woman told her own story. They shared their thoughts on the current situation of female involvement in senior management and they provided suggestions on how female talent can be promoted and retained, benefiting not just the individual, but also the firm and society as a whole. Together these interviews provide first-hand experiences, cutting-edge perspectives and valuable suggestions.

The goal of the interviews and the reason for their inclusion in this thesis is not to find specific answers and solutions to persisting social and institutional gender inequalities, but rather to provide insight into the current business and social culture from women's perspectives. These personal stories allow for a better understanding of the barriers and challenges that persist, and potential ways in which they have been and can be overcome. The interviews demonstrate that there is not one right answer and approach that works for all individuals. The conversations shine a light on the different ways in which talented women have managed to accelerate and succeed professionally. Perspectives, arguments, and anecdotes from all interviews are interwoven throughout the thesis. The full interviews can be found in the Appendices II - VII.

## **PART I: The Causations**

### **SOCIETY**

The idea of women being both mothers and participants in the labor market is no longer as strongly judged and heavily criticized as it was in the late 20<sup>th</sup> century. In her 2012 book, *Women Who Opt Out*, Jones recalls the 'mommy wars' and explains that there had been long-standing debate in American culture between stay-at-home mothers and working mothers. The stay-at-home mothers criticized working mothers for not being caring, good mothers. Employed mothers criticized stay-at-home mothers for reinforcing female stereotypes and not working to their fullest potential. But, this belief and criticism of past decades that a woman was not a 'good' mother if she also worked in the labor market seems to have lost ground



and credibility. We have more and more examples of women who are both 'good' mothers and career-driven, many of whom are our own mothers.

The increasing public presence of strong and successful women acts as a role model to the rising generations of women and contributes to the change in social attitude toward female leadership. Angela Merkel, Hillary Clinton, Indira Gandhi, Margaret Thatcher, and Julia Gillard are only a few examples of global female leaders with strong political and social influence. Figures such as Coco Chanel, Frida Kahlo and Alice Walker are examples of avant-garde women artists who challenged and defied traditional gender roles and set new, daring examples. Female leaders in Business such as Indra Nooyi (CEO of PepsiCo Inc.), Irene Rosenfeld (Chairman and CEO of Kraft) and Ursula Burns (Chairman and CEO of Xerox Corp.) are less publically known, but equally strong contributors to changing social and work place attitudes.

### **Biological Reality: The Burden Falls on Women**

Many scholars have pointed to the complexity of the choices involving work and family, which affect women more than men because of the biological reality of childbirth. Jones quotes Betty Friedan, the author of *The Feminine Mystique* and leading figure in the American Women's Movement: "I saw no real equality unless women could 'have it all' as men can. But they can't do it exactly as men do, as long as women are the ones who give birth to children, and still take, or are supposed to take, most of the responsibility for raising them" (Jones, 2012, p.15).

Other family matters such as eldercare and health can have an equally important impact on balancing work and personal life. While some individuals and families are obviously affected more by these factors than others, they are a prevalent and serious burden that continues to fall disproportionately on women, depriving them of opportunities that men have in the workplace. While there is no one right answer or solution to issues as complex as these, awareness and mindfulness of them are the first steps in the right direction. Some individuals ay

deal less with such issues over the course of their lives; however, being oblivious to the fact that others might, is detrimental to us all.

### **The Interdependence of Society and Business**

Changes in social attitudes affect the work place. Conversely, policies and practices in the workplace such as flextime and parental leave have an impact on family life -- and hence, attitudes in society. The Hungarian economic historian, Karl Polanyi coined the term *Embeddedness*. His work encouraged economists to think about economic interactions within the larger socio-cultural context. As he points out, humans making a living interact within and shape their social and natural environment. Social norms and a sense of obligation influence the choices people make in managing their careers and work lives. To do it justice, any analysis of an economic policy such as flextime and parental leave has to be done in a socio-cultural context.

### **The Family**

The concept of the family has changed. The classic model of the husband, wife and children is still considered the standard nuclear family; but, there is much more flexibility and acceptance of alternative family structures: Gay marriage, single-parent families, unmarried parents, divorce, and remarriage have become an accepted reality. Examples of families in which the man tends to the domestic realm and the woman is the breadwinner are not unprecedented either; however, the numbers of such families remain relatively small.

What we often fail to acknowledge and consider is that just as women struggle to overcome stereotypes and gender expectations, many men as well feel strong social pressures to conform to traditional gender ideals. Men might feel the need to adapt their behavior and appearance to match the ideal and valued picture of a man. Just as all women do not fit the characteristics traditionally associated with their sex, such as: emotional, sensitive and communicative, all men are not inherently aggressive, power-driven and reserved.

Many boys still grow up with the idea that when they are men and fathers they want and have to financially provide for their families. And if they fail to do so, they have in a way failed in their role as a man and father. According to Jones (2012, p.48), most men remove themselves from the process of deciding who the primary breadwinner of the family should be. He explains that when they are involved, very few husbands actually express a preference for their wives to stay at home full-time; however, they typically make no changes in their own jobs to help their wives and family accommodate to the demands of work and family life.

A factor that does affect the work-life balance decision is the relative earning power of men and women. Based on Jones's study, many of the women were significantly out-earned by their husbands. The fact that their current and future earning potential was significantly lower, led women to prioritize their husbands' careers over their own. Likewise, while most husbands do not dislike the idea of their wife working, some might even support her in pursuing a career, but when children are born and it becomes clear that either one or both of the parents need to scale down their work to care for the child, it is almost always the woman who does so, solely. This is partly explained by the fact that the man often has the higher paying job and would have more to lose, such as promotion opportunities and pay, than the woman.

As long as there is disparity in what men and women are paid, often for the same job, economics will work against the careers of women. For example, "Most German women are more likely to take parental leave because they still earn less than their spouses," according to Hewlett. "Women make up 95% of the parents taking advantage of parental leave benefits."

An interesting fact that Jones draws attention to in her book is that African American women tend to opt out less than white women. The percentage of African American women with an MBA working full time is closer to that of white men than that of white women. Jones explains that many African American women were often the first in the family to obtain this type of higher education and professional degree. Their families often sacrifice a lot for them to have these types of opportunities. Many grew up in families headed by divorced or single women who

were strongly career driven, and worked hard to support their family therefore opting out often would mean giving up and letting the family down. The messages that Independent African American mothers gave to their daughters might have been different from the messages well-off white mothers gave to their daughters. “[African American] Mothers believed that women should always be financially independent, as a means of ensuring safety in time of family crisis” (Jones, 2012, p.15).

It should be noted that women in working class families and single mothers often do not have the option of opting out, or taking an extended child-care leave. They need to rejoin the workplace as soon as possible to prevent too much forgone wage and financial difficulty. Financial considerations strongly influence choices related to work-family life balance and women’s careers.

The group of women I am examining are women of all ethnic and racial backgrounds on their way to and in senior management positions. The context that I will explore goes beyond the family and into society and education.

## **Education**

In the interview, Candace Quinn, partner at the law firm Squire Sanders and founder of WECNY, looks back at her youth and schooling. In our conversation she emphasizes the importance of education, especially for women. She says that ‘following through ‘til the end’, and getting a masters degree was what helped her professional success. Education opens up career opportunities and is the first, most important step in professional progress for women.

Women’s education has seen huge advances in the United States and Europe over the past century. The percentage of female graduates from college and university equals or even exceeds that of men. However, broad and simplified statistics around education can be quite misleading and make it appear as though women and men receive equal education and workplace preparation. A closer look is necessary. While the number of graduates might be equal, the types of majors chosen by men and women still vary greatly.

Women tend to study humanities and the arts while the sciences, economics and mathematics still seem to be predominately male. In their textbook *The Economics of Women, Men and Work* (2010, p.157) Blau, Ferber and Winkler provide statistics demonstrating general differences in the type of higher education attainment between the sexes. Their findings show that the percentage of bachelor degrees awarded to women in 2005 -2006 were lowest in the fields: Engineering (19.4%), Computer and Information Sciences (20.6%), and Economics (31.1%). Women were most represented in majors such as: Home Economics (95.1%), Health (86.0%), Education (79.5%) and Languages (69%).

The types of majors chosen by men and women will often determine their career opportunities. A closer look at the majors helps explain why the increase in female graduates has not directly correlated with an increase in female top management. Research by the McKinsey economists Borisova and Sterhkova has also found that, contrary to the established opinion, an increase of female university graduates does almost nothing to change the gender balance in companies' management (Borisova & Sterkhova, 2012). An example of this, provided by the McKinsey study is that, while the share of women with university education level increased from 32% to 55% from 1970 to the 2000s in Germany, the proportion of women in top management grew only slightly, from 2% to just 4%.

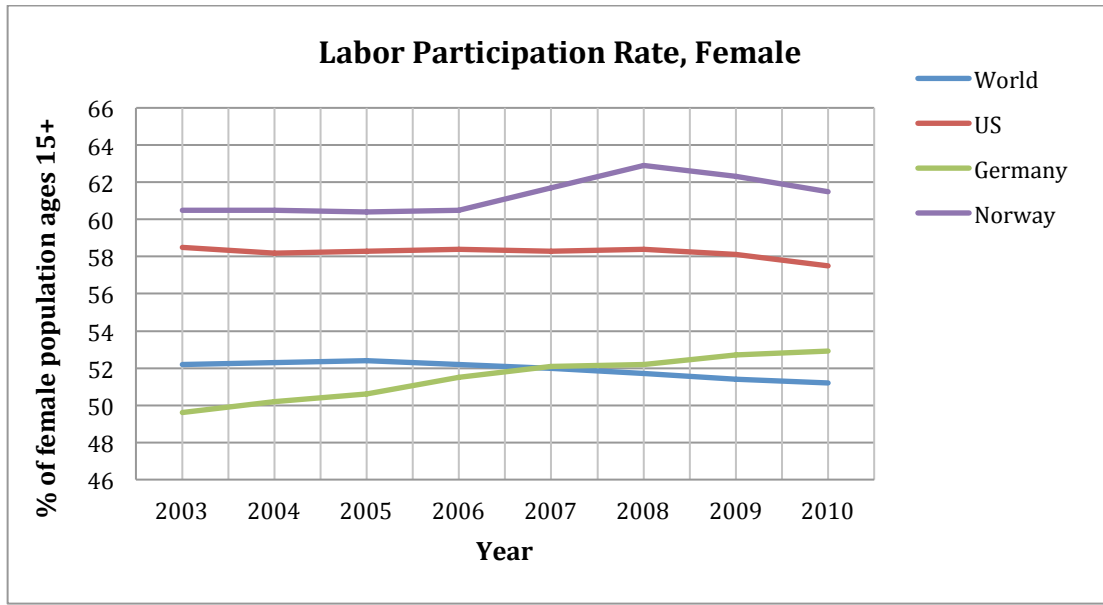
Education is a major stepping-stone in women's career development and success. Women make up a larger portion of college and university graduates than ever before. In order to increase women's involvement in upper management there needs to be a shift from traditionally 'female' majors to 'male' majors. Social norms and personal expectations still heavily influence women's choices of study. Stubborn gender norms make it difficult for women to envision themselves in a non-traditional female career, hence very few pursue a 'male' major. The traditionally 'male' majors; however, tend to better prepare individuals for management and leadership positions in fields where there is a greater opportunity for upward mobility and influence.

## **WOMEN IN THE LABOR FORCE**

Before looking more closely at female employment in the U.S. and how current occupational differences contribute to the limited number of female managers, we will step back for a moment to look at the broader global picture.

The labor force participation of women in different countries varies drastically. Some countries, such as Saudi Arabia, largely forbid women to work outside of the home, while in others such as Tanzania and neighboring African countries over 80% of women participate in the labor force according to data from the World Bank (World development reports, n.d.). These figures reflect diverse social, religious and economic positions of different countries. While religion and society discourage women to work in Saudi Arabia and other Middle Eastern regions, society and economic circumstance in African countries creates a culture where women's contribution to the labor market is indispensable.

The world average in 2010 for women taking part in the labor market was 51.2%. Figures for most Western countries fall slightly above this average. Germany lies only very slightly above with 53% participation. Out of all women in the US 58% were in the work force and in Norway figures were slightly higher at 62% (World development reports, n.d.). The labor force participation rate for Norwegian women is among the highest in Europe together with Iceland and Sweden (Øie, 2007). The following graph shows these figures and creates a visual comparison between three countries of interest in this analysis: the United States, Germany, and Norway.



*Statistics/information from World Bank website (World development reports, n.d.).*

As can be observed, these three developed nations differ noticeably in the labor force participation of their female citizens. Norway has the highest and Germany the lowest percentage of female participation among the three nations. Germany falls just slightly above the world average. The US currently lies about half way between Germany and Norway and shows very little fluctuation over the past decade. The female participation rate has steadily grown in Germany; however, increases are slow. In Norway participation rates rose slightly from 2006 to 2008, but have remained relatively stable (with a slight downturn) since then.

It is important to have an understanding of the current labor force participation rates of women both globally and in the region of interest, the United States. Once an understanding of the greater picture has been developed it is possible to look more closely at the types of jobs women hold in the United States. The more specific observation of female occupation will allow me to draw some conclusions as to why very few women continue to be represented in upper management.

## **Occupational Differences**

Women make up a much larger and significant proportion of the labor force today than ever before. As mentioned earlier, the level and type of education attained by a woman has a large impact on her professional prospects and options. The fact that women still choose traditionally 'female' majors is reflected in the workforce. While it has become much more acceptable for women to work in traditionally 'male' fields, one can still observe that the majority of women work in fields which are considered typically 'female'. The majority of jobs are still easily categorized into either 'more male' or 'female' dominated. The number of female senior managers is small overall. Women who make it to the top of a corporate department often work in human resources and much less frequently in finance or marketing.

Typically female dominated vocations are: Healthcare Support Occupations (where women make up 86.1%, and men 13.9%), Office & Administrative Support Occupations (where women comprise 73.7%, and men 26.2%), and Community & Social Services Occupations (where 66.2% are women and 33.9% are men). More male dominated fields are: Construction & Extraction Occupations (here women make up a meager 2.8%, while men comprise 97.1%), Architecture & Engineering Occupations (where women represent 12.7% and men 87.1%) and Computer & Mathematical Occupations (where 29.9% are women and 70.1% are men)<sup>1</sup>.

Women often find themselves in fields where there is limited room and opportunity for upward mobility. As can be seen in the data provided above the more traditional female occupations are often support roles. The more typically male fields often allow for greater advancement, responsibility, and influence.

## **Women in Senior Management**

Again, we will take a look at the global context before returning to a more region- specific analysis. According to the International Business Report (IBR) 2012 by Grant Thornton there has been little change since the turn of the century in the



percentage of women in senior management globally. Their statistics show that women made up only 21% of senior managers globally in 2012 with insignificant fluctuation and no real increase since 2004.



*Image from the Grant Thornton 2012 IBR*

In 2004 about 19% of senior managers were women. A noticeable increase took place between 2004 and 2007 from 19% to 24%. However, the percentage plateaued at 24 and remained unchanged for the next two years. In 2011 the percentage began to decrease to 20%, representing a drop almost back down to the 2004 rate. In 2012 women made up about 21% of managers. Overall, there was only a very slight, barely noticeable increase over the past decade, with a discouraging amount of fluctuation. These statistics are not very promising. The McKinsey Economists Borisova and Sterhkova also observe that: “women are considerably under-represented in the senior management of companies all over the world – and the trend for positive changes in the gender gap is almost non-existent.” Unfortunately a closer look at specific regions is equally discouraging.

The Grant Thornton International Business Report also provides statistics on female senior management participation for specific regions. According to the IBR the percentage of female senior managers was 18 in the United States and 24 in Europe. Germany had 13% women in senior management. Norway was not examined in this study. Interestingly Russia has the highest percentage of female

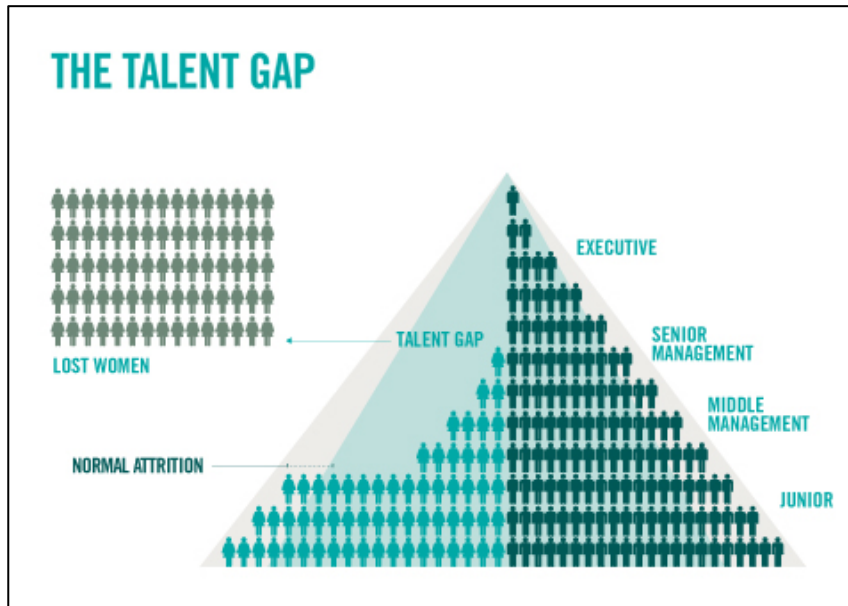
senior managers in the world at 46%. All three regions: the US, Germany and the Nordic countries, scored poorly.

A global study, done by the consulting firm Booz & Company, ranked Germany 8<sup>th</sup> in regards to the participation rate of women in upper management. While Germany was among the top ten, women hold only 2.4% of senior management positions within fortune 500 companies (Frauen im management, n.d.), which was equally low as the U.S.A., a more advanced country in this study was, among other Scandinavian and northern European countries, Norway. A reason for this could be that Norway has quotas in place that require publically held companies to have at least 40% female board members.

The IBR found that the global average of female CEOs was only 9% in 2012. According to research done by Catalyst U.S. women in 2011 held only about 14.3% of executive officer positions and even fewer, 2.4% of chief executive positions among Fortune 500 companies. Borisova and Sterhkova, point out that the number of women in the top management also varies depending on the industry sector. For instance, women are relatively well represented both in executive committees (16%) and in the corporate boards (12%) in retail trade and consumer goods, while in such sectors as transportation, logistics, real estate and construction their proportion is noticeably lower: 6–9% in executive committees and 8–9% in corporate boards. (Women in senior, 2012).

The collection of data shows that female management participation is observably low globally. Even the leading nations of the world lack female participation in senior management. The number of female CEOs in Germany, Norway and the US is disappointingly small. Some studies have found greater female participation in Norway, which is mainly due to their quota system. . However, the quota system applies only to corporate boards. Debate remains about how effective the quota system actually is in increasing female representation in upper management, since it is not clear that women on boards have a significant impact on

the internal and managerial structure of the firm. The overall findings are unsatisfactory and indicate that not enough has been done to encourage and enable greater female participation in senior management.



*Image from Said Business School, University of Oxford website<sup>2</sup>*

It is important to take a close look, not just at the female labor force participation, but also at the types of occupations women hold and the number of women in upper management. If one were to just look at the female labor force participation rate one might conclude that there is no inequality. At the entry level the participation of men and women is relatively equal. Moving further up the career ladder or “pipeline” the participation rate of women falls drastically, lagging far behind that of men (as illustrated in the image above). More specific data on female representation in upper management exposes the persisting gender gap. This disparity represents a significant deficiency in our economy that requires serious attention and improvement. As we have seen from the previous section the

problems lie deep within our system; education and occupational differences play a huge role in women's career and management opportunities.

The underlying social culture largely affect women's opportunities in the work force. Current social and workplace norms requires women to be 'super humans' if they want to partake in upper management. In most cases, women need to find a way to juggle work and home responsibilities. They have a more difficult balancing task than their male counterparts in their quest to the upper echelons of business. We have observed that women's representation in upper management is lacking in the US, Germany and Norway. Now, let us look at the underlying social norms in Germany and Norway to see how they compare to the US. This will provide a more extensive understanding of the way culture and tradition influence women's professional prospects.

## **GLOBAL SOCIAL COMPARISON**

### **Germany**

In her New York Times article *Women Nudged out of German Workforce* (2011) Katrin Bennhold draws attention to the unnervingly low representation of women in senior management of German companies. She says that while there is scarcity of female CEOs globally, Germany, "Europe's economic power house" and one of the most developed countries of the World, lies below the already modest European average in terms of gender diversity in upper management.

Bennhold points to the social environment of Germany, which is still largely influenced by cultural tradition and gender expectations. She suggests that the persistence of these antiquated social norms might help explain the underrepresentation of women in senior management still present today.

In her article she quotes Thomas Sattelberger, the HR chief at Deutsche Telekom: “Germany is good at structural reforms but not at cultural reforms.” While national laws are in place, such as paid paternal leave and childcare subsidies, to aid gender diversity in the workplace, this has not been achieved in practice. Sattelberger goes on to explain that in Germany “there is a very traditional image of women and men.”

Bennhold herself explains that, “Germany is place where gender stereotypes remain engrained in the mind.” The church was a powerful force in the history of Germany and many of the gender role beliefs and stereotypes still resonate in today’s society.

An old German proverb still quoted often today is: *Kinder, Kueche, Kirche*, which translates into English as *Children, Kitchen, Church*. These were the three traditional roles and responsibility of a German woman.

While public policy has been restructured and reformed, especially in recent years, in efforts to eradicate traditional gender divisions, many aspects of the current society are still such that they stall women’s advancement. For example, “most schools still end at lunch time, which has sustained the stay-at-home-mother image of German lore,” explains Bennhold.

On top of structural barriers in society, social attitudes and expectations have also remained such that many mothers face harsh criticism for returning to work after having a child. Bennhold explains that, “only about 14 percent of German mothers with one child resume full time to work, and only 6 percent of those with two.” She quotes Angelika Dammann, the first and only female board member at SAP (a German multinational software company) who said: “When you have children, you’re expected to stay home for a significant period; otherwise you are considered a bad mother.” Career driven mothers may face criticism from all parts of society, the family, friends, neighbors and even the workplace. In her interview Miesch says: “In Germany, I had a colleague who was an HR director, she had three children and

she came back just a couple months after the birth of each child. And there were a lot of people who wondered what was wrong with her and questioned what type of a mother she was.”

Bennhold explains that Ursula von der Leyen, the previous Family Minister and current Labor Minister of Germany has been very active and influential in shaping and adjusting national legislature to improve gender equality in both the workplace and society. She has often emphasized the importance of policy in bringing about change in social attitudes: “Laws help change mentalities,” she has argued. She is a strong advocate of quotas to bring about greater gender equality in business and government. Furthermore, she sees great importance in the efficiency of policies such as paternity leave in changing social norms and allowing both men and women more freedom to pursue domestic and marketplace work according to their choice. She helped revamp the paternity leave system in 2007, establishing a 14-month, paid leave and the option of an additional 2 months if taken by the father. Furthermore, she has pushed for policy, which would guarantee every one-year-old child the right to a nursery place. Bennhold quotes another advocate of strong family policy, Jutta Allmendinger, a German author of several studies on women, who notes: “state intervention appears to be the most effective in battling stereotypes.” She says “strong legislative signals” are necessary to bring about change in society and the workplace.

Lastly, Bennhold turns to the demographic developments of Germany and its effects on the economy. She warns that Germany is one of the countries in most need of realizing their female talent, considering they have among the lowest birthrates in Europe. This is something a number of other scholars have pointed to as well. Hewlett has called it the “war for talent.” With diminishing numbers of young talent entering the workforce (and a disproportionately larger percentage of the population not in the workforce, such as retirees who depend on those who are working) the demand for talent will be large. We will no longer be able to underutilize and under- support the female talent. While this is a global issue, with

the US and most other developed nations facing similar demographic challenges, the projection for Germany seems to be especially critical.

The Center for Talent Innovation (Hewlett and her team) has conducted and published a number of studies around women's participation in upper management. They look closely at the factors both enabling and hindering women from reaching the upper echelons of business. One of their studies is called *Off-Ramps and On-Ramps: Keeping Talented Women on the Road to Success*. The research began in the USA, but they have expanded the project and analysis to two other countries: Germany and Japan, two economically strong and relevant nations, which they examined closely. This study and others have shown that the social environment directly influences the amount of gender diversity in the workplace and more specifically women's career advancement opportunities.

The 2010 study *Off-Ramps and On-Ramps, Germany* closely examines the social dynamics that help explain the persisting underrepresentation of female senior management in Germany.

Hewlett and her coauthors explain that their reason for conducting an in-depth analysis of Germany was that: "As the fourth largest economy in the world and the corporate home of powerful multi-national companies, Germany is a model for many nations in the European Union." Germany is a globally significant and economically strong nation, which can be compared to the US to set a more global context for this topic.

Hewlett explains that while "Germany boasts a large and impressive pool of well-educated professional women", "German women have found it almost impossible to rise to senior positions, especially in private sector companies." The study results show that only "an estimated 1 percent of top leadership positions in German companies are held by women." In 2008, women held only 17% of senior

management positions and 7.8% of Board of Director positions (which is lower than the 9.7% EU average).

Hewlett and her team observe the current family and gender attitudes in Germany and like Bennhold, find that gender attitudes remain quite traditional and place a major restraint on female career ambition and success. Like Bennhold, Hewlett observes, “there is an enormous cultural bias against working mothers.” (p.33) The criticism, especially from other non-employed mothers, is strong. The well-known German term “Rabenmutter” (raven mother) has been used to describe a mother who does not adequately tend to her child.

Hewlett explains that “many Germans continue to believe in the *Hausmütterchen* ideal, which dictates that a woman’s first duty is to serve as a loyal wife and mother.” (Hewlett, 2010, p.31) This means that the majority of the family burden still falls disproportionately on women. Hewlett’s survey showed: “in most families the traditional division of labor between men and women remains entrenched and pervasive.”

Slow shifts in gender role attitudes and the awareness of societal change are present. However, awareness is often not enough to bring about actual change in role distribution between the sexes. Hewlett explains, “Husbands recognize that they should share household duties but this rarely works out in practice” (Hewlett, 2010, p.31). The survey data shows that over 75 percent of German women are responsible for three-quarters or more of childcare responsibilities. Furthermore, 73 percent of German women, also carry three-quarters or more of domestic work responsibilities (Hewlett, 2010, p.32).

Juggling family and work responsibilities remains a huge challenge to many career driven women, especially when the gender role distribution remains largely traditional and the bulk of domestic and family work falls on the woman. A large proportion of professional women remain childless. Hewlett’s research shows:



“In Germany, 45 percent of highly qualified women [women in or on their way into upper management] do not currently have children” compared to 38% in the US (Hewlett, 2010, p.27).

Germany remains quite traditional in its social expectations. The shift in gender role expectations is taking place very gradually. As in the U.S., women’s educational attainment has improved greatly in Germany and there are rising generations of talented, well-educated women. Unfortunately, professionally driven women often continue to be held back by social expectations and harsh criticism.

### **Norway**

Norway and its neighboring Nordic counties are considered very progressive in terms of gender equality. The quota system aimed at greater gender equality on company boards, and parental leave policies that encourage the husband to take a larger share of the time, are representative of the nation’s commitment to creating a more gender equal society and workplace.

In her 2009 speech, Norway’s State Secretary, Lotte Grepp Knutsen describes the current social situation and remaining inequality: “Today most people take reconciliation of work and family life and gender equality for granted in Norway. But mission is not yet accomplished. Cultural habits, traditions and stereotypes are stubborn. Still we see a gender-segmented labour market and young people still tend to choose gender-traditional educations. Many women are still working part-time.”

Norway’s government and society is greatly aware of gender dynamics in both the home and workplace. Changes in government policy, such as shared parental leave incentives and quotas mandating a minimum of 40 percent female representation on company boards, have led to a more equal division of domestic and workplace responsibilities between the sexes. While women actively participate in the labor force, a closer look reveals that men still carry the majority of workplace

responsibility. Female participation at entry levels is high but steadily decreases along the pipeline. At management levels men greatly outnumber women. While some men have begun to contribute more to domestic and family responsibilities, in part due to parental leave incentives, the quota enforcement has done little to significantly increase female labor force participation throughout all levels of employment.

The governments of Germany and Norway have taken steps towards promoting a more gender equal workplace and home environment. So far the impact of these policies seem to be rather minimal. However, government actions should not be discredited. These countries have long-standing cultural traditions and social norms. Profound and lasting social change takes time and is happening gradually.

### **Where Germany, Norway and the USA Stand Globally**

The global management-consulting firm Booz and Company released a study called *Empowering the Third Billion: Women and the World of Work in 2012*. They developed the Third Billion Index. This Index allowed them to rank different countries of the world in terms of how effectively they empower women as economic agents in the marketplace. The study identified two types of indicators of women's economic standing: a.) *inputs*, which are steps governments and private sector companies can take to improve women's economic standing (through legislation and policy), and b.) *outputs*, which are the observable aspects of women's participation in the economy (such as: the ratio of pay and number of female senior business leaders). A combination of these two factors in each country determines its overall index rating.

All 128 countries examined in this study were ranked and categorized. The survey additionally provided detailed country profiles of Germany and the USA along with eight other countries. All three countries of deeper interest to this thesis:

Germany, US and Norway were categorized as countries “on the path to success.” Norway ranked 2<sup>nd</sup>, Germany 8<sup>th</sup> and USA 30<sup>th</sup> out of the 128 countries of the world examined.

The country profile for Germany asserts that Germany is “a country with a strong, advanced economy and a female head of state.” the authors also go on to explain that “recent reforms in areas such as child-care infrastructure and parental leave entitlements have given women more freedom to work if they choose” (Aguirre, 2012, p.42). The labor force participation of women in Germany is relatively high compared to other countries, at 71 percent (Aguirre, 2012, p.42). However, this study, as did Hewlett’s study, finds that “it is still extremely difficult for German women to rise to senior-most executive levels”(Aguirre, 2012, p.42). Another important finding is that: “Women who are in senior roles tend to be in functions such as human resources and legal, rather than in business-critical areas such as finance, sales or marketing” (Aguirre, 2012, p.43). In observing the workplace culture the study found that: “ many companies still put a strong emphasis on face time and have inherent bias toward linear career paths without breaks” (Aguirre, 2012, p.43).

The chapter of the study profiling the USA explains that women’s labor force participation is at 68 percent, hence slightly lower than in Germany. They emphasize that the USA is the only OECD country that does not provide income support during maternity and paternity leave, this comes at the discretion of the employer (Aguirre, 2012, p.61).

The study concluded that “constraints and opportunities [are] unique to each region, country, state, and city. And as such they require an array of customized solutions to help them reach their potential” (Aguirre, 2012, p.22). More generally, they note that there is a global need for “cultural changes aimed at dividing care work more equitably between men and women; and the private sector recognition of the importance of care work for all employers, along with accommodations to

allow for a healthy work-life balance.” Statistics show that “women in OECD countries spend about 2.4 hours more than men on unpaid work (including care work) each day.”

Social norms around gender are stubborn and slow to change even in the most progressive and developed nations. Women have fought for and received the right to receive higher education, work outside of the home, build a career and develop independent wealth. While women’s workplace opportunities seem unlimited and equal to those of men in theory and legislature, persisting social expectations around the world continue to limit women in numerous ways.

To varying degrees, we have observed how in Germany, Norway and the USA gender diversity in upper management has been stalled by social norms. Before we go on to look at specific barriers, created by both society and the workplace, that women face in their progression up the career ladder, an examination of the existing legislation around gender equality is necessary.

## **LEGISLATIVE HISTORY AROUND GENDER EQUALITY**

While social constraints seem to remain today, a look back at the second half of the 20<sup>th</sup> century, shows that most developed nations have seen a great deal of progress in social attitude and legislation concerning the rights and roles of women. Most western countries established the right to vote for women at a national level in the early 20<sup>th</sup> century. Norway was the first European country to grant suffrage to women in 1913<sup>3</sup>. The UK followed in 1918<sup>4</sup> and the USA in 1920<sup>5</sup>.

Under British colonization and even following independence in 1776 social and political life in the USA was structured and determined by the patriarchal system, adopted from the UK. A woman had no identity of her own. She was not

considered a legal person (Kelly, 1991). Legally, women were the property of their fathers or husbands. They could not own land or earn and possess money. Some exceptions did exist in the case of widowhood, for example, but under such circumstances the woman became a degraded and shunned member of society.

The first suffrage movements began in the late 19<sup>th</sup> century and continued into the 20<sup>th</sup> century. After a long fight women finally gained suffrage in 1920 under the 19<sup>th</sup> Amendment to the US Constitution. The 20<sup>th</sup> Century continued to bring about civil rights and anti-discrimination movements, among many other national and international conflicts. The Equal Pay Act was passed in 1963 and the Civil Rights act prohibiting employment discrimination on the basis of sex as well as race came into effect just a year later in 1964 (Kelly, 1991). In 1972, Title IX: The Equal Opportunity in Education Act<sup>6</sup> was passed, requiring gender equity for boys and girls in all educational programs, which receive federal funding. Further legislative developments of the later 20<sup>th</sup> century include the expansion of the civil rights act in 1986 to include a law against sexual harassment at the work place and the 1987 Supreme court title VII allowing employers to adopt an affirmative action plans to increase representation of women in sex-segregated jobs (Kelly, 1991).

The 19<sup>th</sup> and 20<sup>th</sup> century brought the powerful first and second wave of feminism, which changed basic human rights and social roles for women. Today we speak of the third wave that started in the 90s, and although it is less apparent, this third wave continues the movement and push towards true gender equality, tackling equality throughout all levels of our society and our economy.

The translation of the more progressive social views on gender roles to the workplace has been slow and lacking. Legislation to ensure gender equality and a social understanding of changing gender roles largely exist; however, putting these into practice seems to be an arduous and slow process. Greater gender equality both in the home and the workplace will take time. Gender equality does not necessarily mean that all couples (wife and husband) must share the workplace and home responsibilities equally but that on average half of all jobs should be held by women

and domestic responsibilities should be distributed equally. More importantly, gender equality must extend throughout the ranks of business not just at entry levels.

We have observed that social dynamics and persistent gender expectations continue to hold women back professionally. These types of factors have been termed “barriers”. Scholars and economists have identified a number of different barriers, which stall women’s professional advancement. These barriers come both from the society and the business sector. Together these barriers create a “Glass Ceiling.” The following section explains the origin of the term, and the different types of barriers and challenges that make up the “Glass Ceiling”.

## **CHALLENGES AND BARRIERS**

### **The ‘Glass Ceiling’**

The term “glass ceiling” was coined over 20 years ago and is still used frequently today. The “ceiling” metaphor implies that there is an upper limit to the advancement of women in professions. The “glass” component suggests a sense of transparency or subtlety, meaning that these barriers are not always obvious, especially not to those (males) at the very top. The term was first used by Gay Bryant, a magazine editor in 1984, who used it as a way to illustrate that women get stuck in middle management and cannot advance further (Barreto, 2009). It has become a popular and widely used term and metaphor. In 1991 the term was actually acknowledged by the US Department of Labor. They defined it as “artificial barriers based on attitudinal and organizational bias that prevent qualified individuals from advancing upward in their organization into management-level positions” (Barreto, 2009, p.5).

Some scholars claim that the glass ceiling has been shattered, while others argue that society and the workplace still have far to go before we can boast gender equality and equal opportunity in the workplace. Barreto, Ryan, and Schmitt, the

authors of the book *The Glass Ceiling in the 21st Century: Understanding Barriers to Gender Equality* hold: "The notion of the glass ceiling is still reflected in the experience of many women" (Barreto, 2009, p.6). Jones also argues: "Women have certainly not broken through the so-called glass ceiling, as is evident from the persistence of the gender gap in earnings and the scarcity of women in high-level executive management." (Jones, 2012, p.62)

New terms such as "glass walls" have been coined to express that women are concentrated and frequently only rise to senior positions in certain sectors of the firm, such as human resources and marketing. The "glass cliff" is a metaphor for when women do make it to the top but feel extreme pressure and stress to succeed and be accepted. They have to prove themselves and work even harder than men in the same position to succeed and stay at the top. They are devalued, constantly tested and criticized. They lack support and female peers. They feel burned out and unsatisfied with their job. They begin to feel less of an association and identification with the firm, which in turn affects motivation, commitment and ambition. The coining of so many different terms shows that there are many different types and levels of barriers that women face which scholars have tried to express in metaphoric ways.

All three metaphors; the glass- ceiling, wall and cliff demonstrate the different yet related types of challenges women face in their pursuit to the 'c-suite' (or the executive levels). The term glass ceiling is probably the most common and expressive, representing all barriers to upward mobility for women. The wall and cliff express the challenges and limitations women face as they do make it into higher levels of management. While breaking through the barrier is possible, it is still very limited and virtually impossible in certain fields. Even if women make it to the top, the challenge and fight is not yet won. They continue to have to prove themselves; their skill and the right to remain at the top, more so than their male counterparts. The struggle is ongoing and the amount of obstacles women face are very often underestimated, even by women themselves.

## **Persisting Challenges and Barriers**

Gender disparity in the workplace, which continues to exist today, has often been explained by so-called “barriers” and challenges that women face (more so than men). These “barriers” are brought about by the workplace and the home. Barriers to women are deeply imbedded in the business system and our society. Cultural habits, traditions and stereotypes are stubborn and progress is slow.

The Interviewees Thoma, Wilson and Seymour share their experiences with gender related challenges and barriers. While most women experience some gender related challenges throughout their career path not all barriers are equally apparent and deterring to every woman. Thoma, for example expresses: “I never thought about barriers based on gender. It never occurred to me not to try for a job because of my gender. I was surrounded by strong women growing up.” Thoma believes that younger generations of women are becoming less aware of barriers. Women who are less aware of potential barriers and who have strong role models are more likely to strive for and reach upper management levels. They are able to envision themselves in senior management positions and believe they have equal right and ability to be managers. Women’s personal attitudes and expectations, often influenced by social expectations, can be both hindering and beneficial. As seen in the case of Thoma, strong personal expectations, a positive outlook, and self-confidence benefitted and aided her in the climb to the top.

Unfortunately, most women are not able to be as optimistic and confident. Many women become aware of challenges early on and enter the workplace with a sense of anticipation for impending hurdles. Wilson and Seymour experienced a number of challenges related to their gender throughout their careers. In her interview Wilson shares an anecdote from her time at Nike. She says:

*At Nike, in the finance department, my big mentor was a man. He was the CFO. He supported me and helped me make my way in a very male dominated organization. He gave me a lot of great opportunities. Nevertheless, even though I was probably the most qualified I had to wait my turn to become the Vice President until two of his male colleagues had become VPs. He couldn’t really give*



*me a rationale other than 'their jobs are slightly bigger'. That was a very subjective perspective. We saw that at Nike time and time again.*

In the interview, Seymour expresses that throughout her career and life she often felt that there were severe barriers attached to her race and gender. She explains that the field in which she worked, the oil industry, was very conservative, especially, towards the start of her career in 1979. She was the only female, and also the only African American lawyer at Texaco when she first started her career there. She mainly worked with white males throughout her career at Texaco and Shell.

Stereotyping, discrimination and bias are, for the most part, less prevalent in modern society. This does not mean; however, they no longer exist. The Hidden Brain Drain study and survey conducted by Hewlett and her coauthors reveal that 27 percent of women (versus just 7 percent of men) admitted that they had felt discriminated against due to their gender during their professional career. Bias and stereotyping persist, yet often in a more hidden and unspoken manner. The pervasiveness of bias, even in its weakest forms, can and often still does create discomfort and inequality at the workplace. It can slowly push women out of their jobs and even fields.

Some barriers are more explicit than others, hence can be addressed and overcome more easily than others. Barriers will vary for each individual and over the course of an individual's life. Professional women who are also mothers feel barriers particularly strongly, often having to make sacrifices. Many women have to take some time out of the workplace to give birth and provide infant care. This break from the workplace in itself is a type of barrier, putting mothers at a disadvantage to their male counterparts professionally.

### **Opting Out**

Breaks from the workplace for women can extend beyond the period of childbirth. Few women are able and willing to return to the workplace immediately

after birth. The first weeks of the infant's life and the primary stages of parent and child bonding are indispensable to many new parents and especially mothers. Some mothers will choose to take months or even years out of the workplace to spend with their child, putting them far behind their male counterparts who have remained and moved up in the company or field.

The term *opting out* has been used to describe a woman's choice to exit the workforce for any given period of time. Scholars and economists in the field have noticed the recent issue of accomplished and highly talented women dropping out of the work force and their careers. Lisa Belkin, who writes for the New York Times and the Huff Post, first established the use of the term the "opt-out" revolution to describe this current trend. She and other authors such as Sylvia Ann Hewlett have attributed the reasons for this opt out revolution to both personal and workplace factors.

The economist Sylvia Ann Hewlett is an expert on gender and workplace issues and has published many articles through the Harvard Business Review, Financial Times and New York Times. She is the president of a non-profit organization called *The Center for Talent Innovation*. This is a think-tank concerned with the development of policies around work-life balance. This think tank founded the *Task Force for Talent Innovation* (formerly called *Hidden Brain Drain*). This is a team of more than 70 global companies committed to global talent innovation. Furthermore, she is the Director of the Gender and Public Policy Program at Columbia University.

Hewlett is also an author of multiple non-fiction books. In 2007 Hewlett published a book called "Off-Ramps and On-Ramps" through the Harvard Business Press. Here she addresses the issue of highly skilled and talented mothers who drop out of the workforce. Through fieldwork (surveying) and statistical analysis she answers and quantifies some of the questions recently brought up in discussions surrounding the *opt out revolution*, such as: How many women are opting out? How

many years do they opt out? What are some of the main reasons for opting out? To what extent is the workplace responsible? To what extent are personal/family issues driving these decisions?

The *Hidden Brain Drain* study of 2010 found that 31 percent of highly qualified women, (or women well on their way to upper management), in the US and 35 percent in Germany voluntarily "off-ramp," or leave the work force, at some point in their careers. For women with children, the figure rises to 43 percent. Another interesting finding was that 31 percent of German and 32 percent of US women take a "scenic route" (don't completely "opt out") at some point in their career, this can entail switching to part-time, reducing time or changing to a flex-time schedule in order to balance work and family.

A comparable, yet smaller scale study conducted by Forbes Woman and TheBump.com found that 67 percent of the women interviewed were working outside the home and 33 percent stayed at home with their children. In this study, which has been running for the third year, 1000 U.S. women were surveyed (the sample selection is unclear)<sup>7</sup>.

It is important to note that not all barriers drive women to opt out. Some women choose never to opt out. Some mothers take a leave for no longer than a couple of weeks (the time it takes to give birth and to recover). Barriers are responsible for slowing women's advancement and making the work-life balance very difficult. Identifying barriers is a way to help understand the types of hurdles and obstacles that can stand in a woman's career trajectory. Nonetheless, it is important to note that barriers and especially the combination of barriers can lead women to exit the workplace and put their careers on hold for a serious amount of time, as has been the recent trend observed by both Hewlett and Belkin.

In her book Hewlett lays out some of the different challenges and barriers that lead women to opt out and she organizes them into two categories: *push factors* and *pull factors*. *Push factors* are those barriers and challenges created through specific workplace conditions and the persistent rigidity of the current business model as a whole. *Pull factors* are personal and family factors that make it difficult for women to fully pursue their career and advance professionally. “Most women deal with a combination of push and pull factors – one often serving to intensify the other,” Hewlett writes. “There is no simple, one-size-fits-all explanation.”

One of the most apparent obstacles that many women face is the fact that in society they often still carry the main responsibility for the home and family. This means that women who want to work outside of the home often face what is called the “double burden” of the workplace and the home responsibilities. Home responsibilities can be a very strong *pull factor* especially for mothers. “Family obligations are still the biggest single reason why women temporarily leave the workforce” according to the Free Press columnist Desiree Cooper (Cooper, 2005). Hewlett too, says that “women across a range of occupations and countries off-ramp primarily because of pull-factors, and these pull factors are mostly sited in the family.” Drawing on a specific country example and data she has collected through her surveys she conclude that: “82% of German women cite wanting to spend more time with children and 15% cite the need to care for elderly relatives.”

Technological advancement, among many other things, has led to the widespread use of household appliances that reduce the time and physical effort of domestic work. This has allowed more women to do both; complete domestic responsibilities as well as pursue marketplace work. As a result more women have joined the labor force over the past decades. However, this has not helped eliminate the double burden for women, and deep structural inequalities persist. The responsibility of the family and market can easily come in conflict and create a challenge to women trying to succeed at both.

As women and mothers have become more active in the market, fathers have become more involved in the domestic sphere: spending more time with their children and taking responsibility for household chores. However, these changes have happened at different rates. The increase in workplace involvement by women largely outweighs the increase in domestic work by men.

Childcare establishments and hiring of domestic help represent further developments that have allowed women and particularly mothers to pursue work outside of the home. However, Childcare and domestic help-for-hire create a whole other issue around women's work, because while it allows certain women (usually middle and upper class) to pursue a career outside the family and home, these jobs are predominantly done by lower class women, with little chance of advancement. Additionally, this work is often not registered and therefore these jobs do not provide securities and benefits to women.

While childcare is a frequently expended option, some mothers and families choose not to use it, either for financial reasons (Child care can be very expensive and is only very rarely subsidized by employers) or out of the belief that the parents themselves can provide a better upbringing for their children, or simply the desire to spend more time with their children (the nurturing instinct as some might say).

To gain a better understanding of the barriers created by the imbalance in domestic responsibility between the sexes, the next section analyses statistics around parent's family contributions provided mainly through Hewlett's research. This section also draws attention to the added challenges and choices working mothers face.

### **Domestic Responsibility**

As noted previously; even though fathers' involvement has increased, mothers continue to spend more time on average with their children and household responsibilities still continue to fall most heavily on women. Hewlett's research has

shown that women continue to shoulder a disproportionate amount of the childcare and household responsibilities: 60 percent of full-time workingwomen routinely perform more than half of the domestic chores and 56 percent take charge of childcare.

She acknowledges that husbands often recognize that they should share household duties but this rarely works out in practice. Most men surveyed in her focus group admitted that they did only about 15 to 20 percent of the household chores. Her data was divided into two categories within household/family duties: childcare responsibilities and domestic chores. In the US, 71 percent of women are responsible for three-quarters or more of the childcare responsibilities. This percentage is even slightly higher in Germany where 77 percent of women carry this amount of responsibility. The numbers are only slightly lower for domestic chores. In the US 66 percent of women carry three-quarters or more of the domestic chore loads, while in Germany 73 percent carry this burden. These statistics demonstrate that most women (both in Germany and the US) who work outside the home still face the double burden.

The persistence of the double burden leads many women to ask themselves at some point of their lives: Must I choose between a career and a family, in order to be successful at either? Men rarely ask this question of sacrifice. It often seems that a women's only path to professional success is choosing a life without children, finding a partner willing to sacrifice his career to care for the family or even hiring a full time professional caretaker. Many women are unable and unwilling to choose any one of these options. Childcare is not only an expensive but also an undesirable option for many mothers, who would rather raise their own child than have a non-family member raise it. Jones conducted interviews with women who have chosen to opt out, to find out what some of their reasons were. She explains that "the women interviewed often expressed the sentiment that a parent's care was necessary for the character development of older children." (Jones, 2012, p.47)

In the interview Wilson shares her story. She expresses how lucky she was to have had a husband who took over the majority of childcare and domestic responsibilities. Without his support, she says, she would not have been able to succeed professionally. Wilson depicts:

*My husband stayed at home. My jobs did not allow me to have a good work-life balance. This was really important for us. I could not have done my job without this support.*

In examining the current situation for most professional women and the organization of the present family, Wilson finds:

*In most families there is still a very traditional mindset. Even though the woman works she is expected to do all the domestic work as well.*

During her appearance on The Daily Show Sheryl Sandberg, the author of the recently published book *Lean In* and the COO of Facebook, expresses similar concerns about the persistence of unequal domestic work responsibilities and its effect on women's professional opportunities. Sandberg explain that some progress has been made and that mindsets about family and working mothers have slowly shifted; however, the domestic burden continues to falls on women. She describes:

*It's not nearly as hard for me as it was for my mother's generation, but there are a couple things that are still true. Its still true that even though most women in this country work full time, (most mothers work full time), they do much more of the childcare and housework than their husbands. And that really holds women back!*

Statistical evidence has shown that women are very much underrepresented, making up only 21 percent of senior managers globally. This suggests that women, due to the challenges attached to their gender, have a harder time advancing to the top than men. These challenges can be exacerbated when and if women become mothers. The main responsibility for child and family care is certainly a huge part of the reason why women's representation in management and especially upper management is lacking. But this could also be said differently: the limited male

contribution to child rearing and elder care makes it easier for them to pursue a career and is a huge reason why most managers are male.

Hewlett provides some interesting statistics concerning the career-family choice that many women face. She writes: “The more a women earns the more likely it is that she is childless” but for men it is the opposite. This shows that the traditional family structure is still such that the man in the primary breadwinner, able to rely on his wife for family responsibilities. Many women who chose the career route have to sacrifice having a family. Hewlett study found: “In Germany, 45 percent of highly qualified women do not currently have children,” which compares to 38 percent in the United States (Hewlett, 2012, p.27). These percentages are quite high for both Germany and the US; almost half of all career driven women forgo having a family for professional success. We can observe that the family and fundamental social structure remains such that makes it very difficult for women to be both ‘good’ mothers and professionally successful. Most women are faced with tough choices and challenges.

### **On-Ramping**

Women who take upon themselves the challenge of balancing family and career obligations may run into major obstacles and setbacks throughout their career path. Many women who take time out of the workplace due to family obligations face the arduous process of ‘on ramping’. Most women who leave the workplace “opting-out” do so with the intent of returning. According to the findings of Hewlett’s survey: “[In Germany] a full 78 percent of off-ramped women want to on-ramp.” She compares this to the US where an even higher percentage; 89 percent of women, intend on returning (Hewlett, 2012, p.17). While most women leave the workplace with full ambition and hope to return shortly, only 74 percent actually succeed in returning. In certain sectors, such as finance the success rates are even lower, only 67 percent succeed in on-ramping. Out of all successful “on-rampers” a shockingly low percentage, only 40 percent, return to full-time jobs. This could be



because their ambitions change. Some mothers may find that once they leave the workplace and commit fully to motherhood they are no longer as eager to return to the workplace as initially anticipated. However, a big part of the reason is the current structure of the corporate system that makes it not only incredible difficult for women to return, but also extremely dissatisfactory and costly.

On average professional women take only 2.2 years out of their career, according to Hewlett. Even so, this comes at a great cost. The extent of the costs and career fallback depend on the field, and the rate of development and advancement within the field. Areas in which technology is important will advance quickly. Staying on track in terms of important skill, knowledge and training can be a challenge. It can be hard to have access to information and training while out of the labor force. In her study *Off- and On-Ramps Germany* Hewlett has tried to quantify some of the costs that women who “on-ramp” after having “opted-out” incur: “German women face severe penalties: 36% are forced to accept a lower job title (22% in the US), 37% lose management responsibilities (25% in the US), and 45% take a hit with regard to salary.” On average women lose about 18% of their earning power.

The costs of taking time out are not just monetary. A loss of confidence and recognition are additional costs that many women will face. Hewlett explains that women, “when they return to work, they’re forced to back up professionally and prove them selves again” (Hewlett, 2012, p.16). This is because: “women who off-ramp are perceived as less committed to their organization and less qualified, regardless of their credentials and their pre-off-ramp track records.”

On ramping is a huge challenge for professional women. Taking time out of the workplace can create costs in monetary terms, skill, and personal confidence. The current business structure makes it very difficult for women to re-enter after they have taken a break. The longer the break the more difficult the re-entry.

## CORPORATE CULTURE AND PRACTICE

### Female Ambition, Expectations and Employer Bias

Misbelief about their professional ability and the fear of being unable to succeed at both family and workplace responsibilities continue to hold women back. Others, unable to recognize these demands and challenges, perceive this as a lack of female ambition in the workplace and especially in regards to moving up the career ladder. The survey performed by Hewlett, *Off Ramps and On Ramps in Women's Career* (Hewlett, 2005) found that while 48 percent of men see themselves as "extremely or very ambitious" only 35 percent of women say the same about themselves. Furthermore, only 15 percent of highly qualified women (against 27 percent of men) aspire to positions of power. In their 2012 article *Women as a Valuable Asset* Borisova and Sterkhova affirm: "Women expect less from their careers than men; to a great extent it is caused by their great awareness of the barriers."

Employers who misperceive women as being less ambitious only worsen the situation and may actually cause women to be less ambitious as a result. Employers who believe (either consciously or subconsciously) that their female employees are less engaged and hard working will provide them with fewer opportunities and less demanding work. Women sensing this uneven distribution of opportunity and the lack of confidence the employer has in them might feel discouraged and lose ambition to work hard as a result. This vicious cycle can be very detrimental to women's advancement and professional success.

In the Wall Street Journal article *The XX factor: What's Holding Women Back?* Shellenbarger points out the detrimental effects on female advancement of unconscious bias in the workplace. Unconscious bias often leads employers and coworkers to dismiss women's ideas and contributions. Evans reiterates this in in her article *Room at the Top*, saying that organizations routinely underestimate and underutilize their women's leadership skills and ultimately lose their top female

talent. Any individual needs to feel that his efforts on the job are acknowledged and appreciated in order to feel ambition and commitment to the company. Women's talent and ambition are often undermined which can lead to great discontent and discouragement. Job satisfaction and stimulation are important factors in keeping women on the path to upper management. Of course a strong sense of ambition is necessary for any individual wanting to make it to the c-suite but with the bias of an employer working against you, ambition can quickly turn into frustration and demotivation. Hewlett's research, for example, found: "Eighteen percent of women report that the lack of enjoyment in their work or feeling stalled in their careers contributed to their decision to opt out temporarily."

### **The Male Career Model**

The American corporate culture is still quite male. Not only are an overwhelming amount of managers and executives male, but also the structure of the business world itself is geared toward the life and career trajectory of an archetypal white male. Women wanting to succeed in the corporate world find that they are having to adapt to this very male environment as Barsh and Yee point out in their article *Unlocking the Full Potential of Women at Work*. Adapting is not an easy task and it is something women have been struggling with since the day they entered the business world. Many of the typically 'female' characteristics and strengths such as: teamwork, compassion, and altruism are not appreciated as much in leadership roles as the traditionally 'male' characteristics: assertiveness, independence and self-interest. On the other hand, adapting some of these male characteristics is not always accepted for women either. A woman who dresses and acts in a masculine way will face criticism both from male and female coworkers. In their book *Women in Management Worldwide* Burke and Davidson capture this challenge, they explain; women walk a fine line between being too tough (un-feminine) and not tough enough (not authoritative).

On top of the challenge of asserting themselves as good leaders, not too soft or too tough 'for their gender,' women continue to face overall higher standards than their male counterparts in their leadership roles. In his article *Room at the Top* Evans explains how women are always having to "prove" that they can lead and are worthy of their position. Making it to the top is a challenge in and of itself, but getting there is just the start. Staying at the top and being able to constantly assert one's power and right to be a leader is exhausting and unjust.

In another one of their articles *Changing Companies' Minds about Women* the coauthors Barsh and Yee point to a few of the many mind-sets of corporate leaders that set women up for failure and make advancement to senior levels so extremely difficult for women:

*She's too aggressive (or "too passive").* Whether a woman is perceived as aggressive or passive, that's different from the judgment a man would face, and she often doesn't receive the coaching a man would to help her assimilate into the company's culture.

*"I don't want to tell Bob he didn't get that job."* There's a limited pool of senior positions, and leaders are not comfortable telling protégés they have groomed for years that someone else is getting the spot.

*"I don't know how to talk to or mentor her."* Men tend to sponsor other men, find it harder to build relationships with people when they share fewer common interests, and sometimes are nervous about forging a close relationship that could seem inappropriate.

*"If I put a woman in that role and she fails, it'll set back all women."* Mind-sets like this one inadvertently treat men as individuals and women as representative of their whole gender.

*"A woman isn't right for that role."* Long-held stereotypes about the relative strengths of men and women survive, at least in vestigial form.

These examples demonstrate that the attitude of managers and CEOs are very important in terms of the companies' ability to change the internal culture and reach greater gender equality in upper management throughout corporate America. If the attitudes of CEO are as exemplified above there is very little hope for change.

The current business model assumes that all managers and aspiring managers have traditional *linear career paths*, meaning career breaks are neither anticipated nor facilitated by businesses. A *non-linear career path* allows employees to take advantage of flextime options without suffering setbacks in career advancement. These flextime options may be anything from reduced workdays to extended breaks from the workplace.

In her New York Times Article *The Opt Out Revolution* (2003) Belkin argues: "You [the business] have to acknowledge that talented workers will leave, and you have to find a way to help them come back." Hewlett too, argues that in order to retain and promote some of your best female talent you have to accept their non-linear career paths. This means not only facilitating the transition out and back into the job but also developing a method so that the employee can stay connected during the time out. [These types of methods will be discussed in more detail in a later section of this thesis, which addresses ways in which companies and individuals can help promote gender equality in upper management and create a more nonlinear, flexible workplace all together.]

### **Lack of Flexibility**

The rigid and demanding work schedule of corporate jobs makes it very hard for women to succeed professionally while balancing family responsibilities. In her article *We Can Stop The Female Brain Drain* (2005) Hewlett explains that: "Women want to work- and work hard- but they find it almost impossible to clone the unbroken competitive model of work created by men."

Many corporate and business jobs, especially those with prospect of upward mobility, require constant availability, mobility and complete dedication. Travels and many hours of face-time are expected. Borisova and Sterhkova observe: “Corporate cultures of many companies are dominated by a behavioral model assuming that top managers should be unfailingly available and ready for unplanned frequent business trips.” At larger, multinational firms a promotion can mean having to move to another city or even country. This creates serious work-life conflict for women and families with children or elderly parents.

Being available and dedicated at all time seems to remain crucial to career advancement and success. Working overtime and being reachable outside of regular office hours is not uncommon. The “workaholic” is a humorous yet all too realistic term used to describe employees and devotees of corporate America. The image of a young, eager man comes to mind whose main focus in life at this stage is career advancement. In Europe, especially Germany and Scandinavia, the distinction between work and personal life seems slightly more apparent than in the US. Work and private life are different spheres and the distinction is quite clear. In her interview Birgit Miesch shares a short anecdote, she says: “A colleague of mine works for a Danish company. At four o’ clock it is like everything stops. Everyone goes home and picks up their children. She is often the lonely person in the conference room after everyone; men and women leave at 4pm.” This is an example of how work and family time is clearly separated.

However, Miesch also says that in general: *more face time still means greater commitment to the firm and greater chance of promotion. This is the same in both Germany and the US.* The Booz and Co. *Third Billion Index* reiterates this: “In Germany [as in the US] many companies still put a strong emphasis on face time and have an inherent bias towards linear career paths without breaks.”

Businesses lack the correct (or any) strategy for developing women leaders. Jones writes: “many employers lack policies that can provide parents with the

necessary amount of flexibility to tend to their family, or if they do exist they are rarely used since they often come with inexplicit penalties and drawbacks” (Jones, 2012, p.46). Policy such as flextime supports the work-life balance and a non-linear career path of employees and managers at all levels. Flextime not just over the course of a week, but also over the course of a career is a major method to promote more equality at executive levels, as Hewlett points out. Parental leave is a major component of flextime and needs to be incorporated successfully into every company’s Human Resource policy. This will help turn the currently rigid and male oriented business place into a more open, up-to-date and ultimately successful business (on both the employee satisfaction and company profit level). “It is time for a new model of career development, one that captures the complexity of life today” Jones rightfully finds (Jones, 2012, p.62). [The discussion on the advantages of flextime will continue in a later section of this thesis titled The Private Sector.]

A number of the interviewees noted that, while career advancement demands sacrifices in personal life, reaching the top also brings with it more freedom and flexibility. The authority and power that comes with senior management can grant the freedom to schedule meetings, travel, and deadlines in a way that personally suits best, says Grant. She goes on to explain that at the senior level, unlike the junior level, you do not have to check in with a supervisor about your whereabouts and hours worked. She says junior management level is more rigid in terms of hours and workplace and is probably one of the most challenging phases in career advancement for all individuals but especially those juggling family responsibility at the same time. This strengthens Hewlett’s suggestion that flexibility over the arc of a career is vital.

### **Lack of Mentors and Role Models**

The lack of female mentors, role models, sponsors and networks are further factors often used to explain women’s struggle to succeed professionally. Borisova and Sterhkova found that: “Over half of the female respondents (61percent)

consider the absence of worthy role models to be a barrier for their professional development (this opinion is shared just by 31 percent of the male respondents).” Mentors and role models play a huge role in creating a sense of personal opportunity in an individual. Mentors are not only helpful in supporting individuals through the attainment of a certain education or skill, but can also have a great effect on their ambition and ultimately success. Barsh and Yee observe that men are often reluctant to mentor rising female junior managers, in fear that they would not know how, and that it might be inappropriate. “Most people feel more comfortable promoting those who behave and think as they do,” explain Barsh, Devillard, and Wang. However, mentoring can be quite essential in raising the number of female business leaders.

We have observed that the female participation in the labor market has risen to equal almost that of men; however, gender disparity at senior management levels continues to be disturbingly large. Until traditional gender role beliefs that extend to both the workplace and the family change it will be hard to increase women’s involvement in upper management. Progress has been very slow, however, there is the prospect that once a few women make it to the top more women will be motivated and companies will begin to facilitate the ascent for younger generations of women to come. Corporate culture and practice currently favors linear-career paths and lacks flexibility. In order for business to address some of the structural rigidities that inhibit women from reaching upper management levels, corporations must see the need for and benefits from such adjustments. The following section addresses the fairness argument and the business case for women in upper management.



## **THE FAIRNESS ARGUMENT**

The equity argument seems basic and self-evident but is quite powerful and essential to the foundation of this thesis. The argument states that regardless of identity all citizens should have equal rights and opportunity. Humans are equal, regardless of race, gender, ethnicity, religious belief and age. They have the right to work in the labor market, earn and build upon personal income and capital. In her speech addressing the role of governments in ensuring gender equality (2009), Lotte Knutsen, the former State Secretary to the Norwegian Ministry of Health and Care Services, affirms, “any person, regardless of gender, should have the right to choose both work and family. Not to be forced to choose either – or.”

While most people would probably agree that all humans are equal and deserve equal work and career opportunities, reality still looks quite different. If we accept women as equally intelligent and skilled as men, (*ceteris paribus*- all else equal) women should have equal opportunity and access to upper management. Even in western countries, which boast high levels of development, living standards, and freedom of speech, opportunities for work and professional success are still closely tied to traditional social norms, putting women at a disadvantage.

## **THE BUSINESS CASE FOR WOMEN IN MANAGEMENT**

The business case argument, like the fairness argument builds part of the foundation of this study. Without the understanding of and confidence in the business case for women, governments, businesses and individuals will see no reason to improve gender diversity at the top. Numerous businesses have found the business case argument to be true for their company. Nonetheless, some doubt remains about how lucrative greater gender diversity in management actually is for companies. The business case argues that greater gender in management yields

benefits including: diversity, larger profit margins, competitive advantage, better consumer understanding, full use of talent, innovation, creativity, and a stronger central management.

### **Criticism**

Some employers are concerned that directing company efforts towards increasing gender diversity will lead to added expenditures in both monetary and opportunity costs terms. Extending and broadening the search for potential managers, in order to get at least one women applicant can be costly and time consuming. Hiring women who could potentially become mothers and ask for paid parental leave can be another cost to the company. Introducing women to the company can bring new perspectives and ideas to the management team; however, this can prolong decision-making and thus costs time and money.

A further point of apprehension and hesitancy from critics is that the business case may be less applicable and lucrative in some industries. Dezso and Ross, the authors of *Does Female Representation in Top Management Improve Firm Performance* (2011) examined 15 years of panel data on top management firms. They found that female representation in top management improves performance for firms focused on innovation. In other words, gender diversity benefits firm's performance, only to the extent that a firm's strategy is focused on innovation and creativity. They conclude, not all companies will reap profits from greater diversity.

Furthermore, there is a causality concern. Some scholars have questioned whether greater diversity actually increases performance or if it just appears this way since firms that are already performing well are more able to hire women. The business case is very difficult to measure and quantify. It is difficult to control all the external factors that might impact business performance when comparing different firms, such as: the age, size, the previous level of performance, previous levels of diversity, corporate and workplace culture, the number of top managers, etc. Deszo and Ross point out that better performing firms are more likely to hire women into

upper management in the first place. Meaning that those firms that have a higher percentage of female managers and higher output levels, might have already been very successful and profitable prior to hiring more women. Their good performance might have been what enabled them to hire more women in the first place, argue Deszo and Ross.

While some of these fears, especially surrounding additional costs to the company are comprehensible, they may be contended. This type of thinking and great caution is what has been stalling women's success in upper management. Unless there is a change in mentality and action from current managers, it will be very difficult to improve gender diversity in senior management and companies and society will not reap the benefits. Fortunately more senior managers are realizing that there is a need for greater gender diversity at the top and associated advantages to the firm. Those that have worked hard to facilitate greater gender diversity at the top have reaped the benefits.

## **Benefits**

### ***Higher Profits***

The non-profit organization, promoting opportunities for women and business, *Catalyst*, has found: "Companies that achieve diversity in their management and on their corporate boards attain better financial results, on average, than other companies." Catalyst conducts a large amount of research around the business case. Its careful examination of 353 Fortune 500 companies has shown that those with the most women in senior management had a higher return on equities – by more than a third (Shipman, 2009).

The consulting firm McKinsey, which has conducted like studies, has found similar results. The 2008 McKinsey article *A Business Case for Women* by Desvaux, Devillard-Hoellinger and Meaney states: "making gender diversity a significant goal is well worth the investment." While there are some initial costs and some extra time associated with the transition to greater diversity, the company will soon see

benefits both internally and in terms of profit, that more than make up for the additionally expenditures.

The McKinsey study confirmed the connection between improved organizational and financial performance of the companies and the presence of women in the top management. The study is based on two large-scale surveys. The first survey was dedicated to assessment of the influence exerted by female managers on the effectiveness of the organizational model of the company, and the second survey determined whether there was a correlation between the presence of female top managers and the financial performance of the company. The results showed that companies with three or more women in senior management scored more highly for each organizational excellence criterion than companies with no women at the top.

“Organizations that take timely, appropriate measures and help talented women climb up the corporate ladder will gain a decisive competitive edge,” argue Borisova and Sterhkova. Competitive advantage is one of the major arguments underlying the business case for women. Hewlett makes a very important observation: “Organizations that support and empower committed, competent women so that they can rise into leadership positions become talent magnets, attracting and retaining the best and brightest over the long haul, and creating lasting competitive advantage” (Hewlett, 2010, p.37).

### ***Women Make Up Half of Our Labor Force***

One of the most apparent, yet significant arguments is that women make up about half of our workforce, so underutilizing half of our population is a serious loss of valuable skill and talent. “No organization nowadays can afford to ignore, underutilize or lose the wealth of more than half of the talent pool: women,” argues Hewlett. The US secretary of State, Hillary Clinton, too, believes that there is no talent to waste in the current economic state, she says: “When it comes to the enormous challenges of our time- to systematically and relentlessly pursue more

economic opportunity in our lands – we don't have a person to waste, and we certainly don't have a gender to waste" (Aguirre, 2012).

### ***Understanding Consumer Preferences***

Women will add to a more diverse management team that will be more likely to understand the tastes and aspiration of consumers. Women are responsible for the majority of all purchases. The Time article *Women Will Rule Business* states: "women control 83 percent of all consumer purchases." Hence, it only seems logical that businesses need women to figure out how to market to women, their main consumer.

A number of the interviewees expressed strong support for the business case. A couple of these women have worked closely with the business case argument throughout their career. In her interview, Wilson shares an experience at Nike. She recalls:

*Twice a year Nike would name a pool of Vice presidents, and 80 percent would be male and only 20 percent female. So a group of us women at Nike, in pretty senior positions, started a women's leadership council together. I was the one who presented our case for female leadership to the CEO of Nike. We walked through the business case for women in senior positions with him. Working with consumer products this is really essential, since women own the majority of the purchasing power. Women make 80 percent of the purchasing decisions in the family. So our argument was: in our business we could grow much faster if we were more connected with what women were thinking. It was a big growth opportunity. And we made some good progress. When I was there about 20 percent of women were VPs now it is probably closer to 30 or 40 percent. Not a huge movement, but some movement.*

Wilson advocates the business case for gender diversity in upper management, drawing specific attention to the fact that women make the majority of purchasing decision, and thus, can add essential insight to a business whose consumer base is primarily female.

Miesch, who worked many years for the pharmaceutical company Johnson & Johnson, made similar observations. In the interview she advises: “When your customer base is entirely female, there is a strong argument for more women in your product design. You need the female perspective at the table to know what your consumer wants. You need these insights to be successful.”

### ***Diversity***

Gender diversity in upper management leads to new insights, ideas and perspectives. All of which allow for better and more thoughtful decision-making among the management team. Diversity sparks creativity and innovation ultimately leading to better firm performance. Kjell Erik Øie, State Secretary to the Ministry of Health and Care Services in Norway said in a speech: “I strongly believe; using all available human resources will create diversity, diversity will bring about creativity, which will bring economic growth as a consequence” (Øie, 2007).

The interviewees Quinn and Thoma emphasized the importance of diversity in creating a good leadership team and a sound, competitive business. In the interview Quinn expressed: “Diversity is essential to businesses wanting to compete in this broad, global market.” She explains that good policy around diversity will attract the best talent and is very good for business. Thoma, during the interview said: “I believe in the business case (supported by numerous studies) that diverse teams are more creative, innovative. Besides, they are just more interesting to be a part of. When teams are homogenous, you get “group think,” they don’t challenge each other enough.”

The business case and the equity argument create a strong basis on which my study and research builds. Without the understanding and belief in these two arguments there would be no case for the promotion of women and hence improving equality in upper management. No government, company or individual will seriously consider the importance of this issue without acknowledgment of

these basic arguments. Real progress can only be made with the realization of how and where inequality persists today, and with an understanding of why it is important to our society and economy to eradicate inequalities and promote diversity. We can extend our analysis of the business case by looking more closely at female leadership qualities. Businesses will profit from realizing the dissimilarity yet compatibility of female and male leadership approaches.

## **DIFFERENCES IN LEADERSHIP STYLE**

Character differences between the sexes have long been socially identified and questioned. Most of the differences in behavior and preference observed today are based on long standing gender ideals and socio-religious tradition. In her appearance at the Daily Show, Sandberg says: "Leadership is not an innate characteristic. We can have innate characteristics and qualities for men and women, but leadership can be both." Women and men lead in way that are different yet compatible. Companies will benefit from this realization. Enabling and encouraging teamwork between men and women in upper management will build a stronger and more effective leadership team.

When women first began entering the workplace in notable numbers and started making their way up to the higher rungs of business management, the common belief was that to succeed women had to adopt male leadership characteristics. In the interview, Grant explains how this was the case in the 1970s, when women even dressed like men, in business-suit-like apparel. She criticizes this, saying that a women should not have to look and act like a man in order to fit into and be successful in the business world. She says: "I have never been the type of woman that has wanted to be a man. I have very little time and understanding for women who try to be more like men, that is not diversity."

Women felt the need to act as men, because the typically female characteristics were not valued in business. Women were generally thought to be too soft, emotional and indecisive to be good leaders. Grant has found that this type of gender bias has slowly shifted. While “female” management traits still remain undervalued in most fields, women are beginning to embrace their management skills and accept them as different from men. Still, women walk a fine line between staying true to their natural management style and adapting their behavior to the masculine business-world. In her interview, Seymour, identifies this challenge. She says: “women need to be aggressive but not pushy.” It is a difficult balance to find and maintain for women.

Scholars have not just studied the differences in leadership behavior and styles between the sexes but also drawn attention to particular “female” attributes crucial to good business leadership. This does not suggest that certain types of characteristics are true for every woman or man, but merely that it has been observed that some traits tend to be more common in women than men and vice versa. Female leadership approaches have been observed to be much more interactive and communicative than men’s. In their 2009 article *Women will Rule Business* Shipman and Kay explain that female managers “create a less hierarchical work place.” This type of environment fosters communication and transparency throughout the firm, which are essential in creating a strong leadership and good overall business performance. According to Barsh and Yee women are open and receptive to criticism and advice. They are eager to learn and improve themselves with every opportunity. A diverse and open workplace environment allows for employee satisfaction and greater commitment to the firm. All of this translates into greater productivity and company success.

In her interview, Thoma shares her thought and experiences on leadership skills of women. She says: “The women leaders I know are less compartmentalized than the men. Women often draw their strength from deeply held values and



principles. Women leaders tend to be more collaborative, share leadership, share accountability and success.”

In their 2012 article *Unlocking the Full Potential of Women at Work*, Barsh and Yee assert that women are result-oriented. Efficiency and improvement at the workplace are essential to them and carry much more importance than the time spent on a project or in the office. Shipman and Kay refer to this as “efficiency not schmoozing.” Women measure the results by the outcome and efficiency of the time and energy spent. They will work hard and engage to get the job done well and thoroughly.

Through their studies both Hewlett and the McKinsey economists Barsh and Yee have found that the ‘desire to make a difference’ are important to women. Women will value and enjoy their work even more if it provides a way to give back to the community or add to the social good. Women can be very passionate about their work. They will provide positive energy and enthusiasm at the workplace, when they feel that their input is valuable and appreciated, observe Barsh and Yee.

While women are often criticized for being emotional and compassionate, Shipman and Kay point out that this emotional intelligence can also be viewed as a valuable management skill. Women have the ability to think in a less linear way and therefore can cope better with ambiguity says Shellenbarger (Shellenbarger, (2012). Furthermore, Barsh and Yee assert that women can also be resilient team leaders. They have the ability to inspire and motivate. As the challenges that businesses face become more complex and global, women bring exactly the attributes needed for innovative solutions that tap into all the resources at a company’s disposal.

A McKinsey survey documented by Borisova and Sterhkova in their article *Women as a Valuable Asset* identifies key leadership behaviors that improve managerial excellence. They explain: “McKinsey conducted a survey of approximately 800 executives of companies from different countries in 2009.” They

found that the characteristics that lead to good management are a combination of typically male and female traits. They conclude that: “only a combination of different leadership behaviors contributes to balanced development of a company.” The key leadership behaviors observed were:

- 1.) *Participative decision making* – building a team atmosphere in which everyone is encouraged to participate in decision making;
- 2.) *Role model* – an ability to be a role model;
- 3.) *Inspiration* – presenting a compelling vision of the future business development and inspiring optimism in the employees;
- 3.) *Expectations and rewards* – defining expectations and responsibilities clearly, recognizing the contribution of employees and rewarding achievement of target;
- 4.) *People development* – mentoring and listening to individual needs and concerns;
- 5.) *Intellectual stimulation* – encouraging initiative, risk taking and creativity;
- 6.) *Efficient communication* – communicating in a convincing way, with charisma;
- 7.) *Individualistic decision making* – preferring to make decisions alone and engaging others in executing them;
- 8.) *Control and corrective action* – monitoring individuals’ performance against objectives, and taking corrective action when needed.

Borisova and Sterhkova explain that ‘People development’, ‘Expectations and rewards’, and ‘Role model’ characteristics are more typical of female managers. Men prefer leadership behaviors such as ‘Control and corrective action’ and ‘Individualistic decision making’. Interestingly, they observed that the key leadership behaviors: ‘Inspiration’, ‘Efficient communication’, ‘Participative decision making’, and ‘Intellectual stimulation’ presented no significant differences in their frequency of use between women and men.

The authors conclude that: “Women and men tend to apply different leadership behaviors, and only a combination of the most effective leadership behaviors makes it possible to increase the company value. Therefore ensuring gender diversity in top management should become a strategic priority for every

organization, especially those growing globally where traditional control and corrective action and individualistic decision-making are increasingly ineffective. In order to allow women to pursue professional development and successfully combine work and family life, it is necessary to create favorable conditions both on state and corporate level, which will benefit both society and businesses.

We have analyzed the business argument and looked more closely at the ways in which male and female leadership styles complement each other. We have seen that many businesses still fail to take advantage of the benefits associated with greater gender diversity in management. The following section examines the limitations of economic models in representing the complexities of the workplace and society. The classic models fall short in incorporating racial and gender dynamics. Economists have developed *Theories of Discrimination* to capture some of the shortcomings of the market; however, even these theories are limited in their incorporation and understanding of complex gender dynamics.

## **CHALLENGING CLASSICAL ECONOMIC THEORY**

Neoclassical theory and models are based on certain fundamental assumptions about individuals and their (market) behavior. An individual taking part in the market is separative, self-interested and utility maximizing. He or she will not agree to an exchange unless it makes them better off. Another basic assumption is that tastes are fixed and exogenous, suggesting that the preferences and choices of individuals do not change much over time. In her chapter “Separative and Soluble Selves” in *Feminist Economics Today*, Paula England questions these simplified, fundamental assumptions of classical economics. She asks: “Are most individuals really so impervious to their surroundings? [...] Are preferences never influenced by interactions with co-workers? [...] Are consumer tastes never altered

by interactions with neighbors?” (Ferber, 2003, p.42). England argues that these assumptions and classic models are overly simplified and cannot accurately reflect reality. She contends that “[o]ne must assume an unrealistic degree of emotional separation [...]” (Ferber, 2003, p.42) when using such models and theories. A more realistic model would take into account possible changes in tastes and the fact that not all individuals are self-interested and utility driven.

England warns that an “additional problem with ignoring the endogeneity (or changing) of tastes is that it obscures some of the processes through which gender inequality is perpetrated” (Ferber, 2003, p.43). In other words, neoclassical models and free market behavior cannot fully explain the complexity of human interaction, and therefore should not be relied on solely to explain and resolve certain societal and market dynamics that can lead to gender discrimination and unequal opportunity. Models must be rethought and altered in order to address issues such as discrimination or bias, which often affect choices and change market outcome as well as individual opportunity. Models should be able to demonstrate more realistically where inequality takes place in order to help address the issue formally and eliminate it. As England puts it: “My own view is that we should not give up stretching towards a comprehensive theory of human behavior and well-being even while giving up false dichotomies that have kept models simpler, but also distorted them” (Ferber, 2003, p.54).

England goes on to argue that some individuals do derive satisfaction from being altruistic, not just because it reflects well on them or makes them feel good personally, but because they can behave genuinely selflessly. Humans often display nurturing behavior, which is a great example of true selflessness and compassion. Humans are innately able to empathize with others and will do so.

Classical economics focuses primarily on efficiency and profit-maximization and less so on equity. Supporters of the free market argue that each individual makes his or her own choices that will ultimately determine their position in society and the economy. They fail to acknowledge that societal norms and biases limit

some individual's choices and opportunities. This is an issue that is deeply embedded in our society and cannot be resolved equitably through market forces. Ensuring more equality and basic human rights often requires government involvement in the form of policies.

Ferber writes: "It was just tacitly assumed by most economists – Neoclassical, Marxist, and Institutionalists – that women would provide loving care for their families and support men in their market endeavors" (Ferber, 2003, p.45). While Becker developed the "new home economics" which looked at the household and family preferences as a part of the economy, the family was seen as one unit with the male as the altruistic, primary decision-making head. Men held an elevated position and praised responsibility, while women who were socially assigned to roles like mothering did not get any credit.

An individual's (wife or husband's) position and influence within the family depend on the amount of "bargaining power" the individual has. By bringing money or other resources into the household the individual gains greater bargaining power. Personal earnings and professional standing are important factors; they provide independence and financial security in case of divorce. Market involvement, hence, not only leads to greater influence within the family but also security outside of the family.

"Extra-household environmental parameters" as identified by *Feminist Economics Today* are the other market factors aside from income that determine bargaining power and influence family structure. Gender discrimination in the market, child support payments and state payments to single individuals, are some of these factors.

## **DISCRIMINATION THEORIES**

### **Taste For Discrimination**

One of the best-known economic theories surrounding discrimination in the market is Becker's *Taste for Discrimination* theory. It was first introduced and explained in his 1957 book *The Economics of Discrimination*. The theory basically postulates that some employers, employees and customers have a preference against working and interacting with people of a different race or gender than their own. This preference and prejudice is the individual's 'taste'. The classic model considers preferences (for goods and services) in the market as fixed and dependent on the individual. The theory does not attempt to understand where these tastes or biases come from, but rather takes them as a given and incorporates them into the classic model.

An example of a situation to which the "taste theory" can be applied is as follows. An employer has a bias against hiring an employee of a certain race or gender, let us say an African-American woman, even though she is equally qualified and productive as a worker of the preferred group, say a white male. The employer finds himself in a situation where he will either hire the woman, but pay her less than the other preferred workers at the firm, or not hire her at all, if he has to pay all workers equal wages. Employing the woman at a lower wage rate is considered a 'trade-off' between gender preferences and profitability. If the employer decides to hire the woman he will make extra profit, depending on his 'discrimination coefficient', or how much less he is able to pay her. However, if he decides only to hire white, male workers, in accordance with his preference, this will mean paying employees at a higher wage level and losing potential gains in profit.

Becker proposed that due to market's competitive, self-regulating attributes and the forces of supply and demand, which eventually return the market to equilibrium, discriminating forms of employment will eventually be pushed out of the market. The discriminating firms, only hiring the preferred workers at a higher

wage, will lose competitiveness and profits. Firms that do not discriminate will dominate the market, pushing discriminating firms out and attracting even more non-discriminating firms, leaving no room for discrimination. While this describes how discriminating companies are naturally pushed out of the market, it brings up the issue of discrimination around pay. A worker from the disadvantaged group will often earn less than he deserves or will have to be more productive in order to receive the same pay as those who are advantaged. However, this model also shows that the disadvantaged group's wages will eventually rise as discrimination is eliminated from the market.

The 'taste for discrimination' can occur in co-workers, or other employees who are reluctant to work alongside a certain employee based on race or gender. A coworker might demand a higher salary as a means of compensation for the discomfort created through the work situation. Again, this creates another cost for companies, meaning they are very likely to lose competitiveness in the market.

Applied to women in the work force, the *Taste for Discrimination* theory, suggests that over time businesses that discriminate on the basis of gender will eventually be at a competitive disadvantage. In theory, this removes one of the economic forces that result in fewer women in upper management positions.

### **Statistical Discrimination**

Another major discrimination theory is *Statistical Discrimination*, first created by the economists Phelps and Arrow in the early 70s<sup>8</sup>. This theory is based on the idea that there is a lack of information. Employers who are looking to hire new workers are faced with the problem of limited information and knowledge about the actual skill and capabilities of the applicants. Acquiring more of this knowledge would often take more time and money than employers are willing to spend. Instead, the employer will base his decision on "easily observable characteristics such as race or gender to infer the expected productivity of

applicants” (Autor, 2003). Due to stereotypes and biases about race/gender and productivity this often results in an employer choosing to hire the applicant of the majority group over the minority, heavily disadvantaging the opportunities of minority workers.

While, Becker’s model of the ‘taste for discrimination’ predicts that gender discrimination in hiring will diminish over time due to market forces, the statistical discrimination model suggests that it will persist. Nonetheless, both models are useful in understanding gender dynamics in the labor market.

### **Human Capital Investment**

Human Capital Investment is an important factor in determining an individual’s opportunities and success in the labor market. More investment and consistent investment, which can come in the form of training, education and experience, lead to greater promotion and pay opportunities. While male and female job and pay trajectories start off relatively similar, they diverge over the course of the career and life, with women earning well below their male counterparts.

Men and women receive equal amounts of education and fill equally many entry-level positions (with some variation between fields). However, in their childbearing years many women, more so than men, exit the work force and hence lose access to human capital investment during this time. When they are ready to return to the work place they lag behind in experience, new skill attainment and promotion prospects. (Depending on the field this can be extreme with the rapid advancements of technology). This is a major detriment to women hoping to make it to the top. A depletion of human capital during child rearing years, compared to their male counterparts, makes it harder for women to realize their full potential professionally.

Human Capital Analysis helps explain why women chose humanities over science and technology as field of study and professional pursuit. A woman intending to have a family will often expect to leave the workforce for a period of time. Unless she pursues continuing education during that period, she risks falling



behind especially in fast-moving fields like bioscience and information technology. Human Capital Analysis would predict, as we see, that women will opt for fields where human capital degrades more slowly, as in the humanities. This in turn, reinforces traditional gender occupations. Businesses could help break this cycle by combining parental leave with on-going education and professional development. On-line learning platforms make this option feasible both financially and physically. A woman could invest in her human capital through remote, self-paced learning, while caring for her family and children if she chooses too.

While classical theory helps explain much of the basic human market behavior and general market dynamics it has serious limitations in explaining why women are under-represented in the upper echelons of businesses. The market has the tendency to discount issues of equity and fairness. Certain social dynamics underlying gender-inequity are difficult to incorporate into simple market models. In my research, I deal mainly with issues that are not represented in the classic economic models that I consider important and worth incorporating into our general understanding of economics, labor markets and gender equality in the work place.

## **PART II: Potential Solutions**

The first part of this thesis observed that barriers to women's professional advancement continue to be entrenched in traditional social and business structures. The exact challenges and how to best overcome them vary greatly for each individual. Women who are mothers face additional challenges in finding a work-life balance and succeeding professionally.

While a precise list of procedures and rules does not exist to help us, as a society, create greater gender diversity in senior management, there are three

different areas on which we can focus our efforts to amend the issue. The best results will spring from a combination and collaboration of action within these three areas, the three areas being: the public sector, the private sector and the individual.

The work of non-profit organizations and independent women's leadership groups must not be disregarded. These types of organizations have been critical in promoting female talent and diversity in businesses; however, they will not be a focus of this study. This study is concerned with areas of society and business where a greater awareness of the benefits of gender diversity and a greater amount of action to promote female talent are necessary.

Furthermore it must be acknowledged that statistical discrimination on the basis of gender continues to exist in the labor market; however, this study will not examine the extent of the discrimination nor where it is found. Instead the focus is on specific measures (primarily flextime) that the public sector, private sector and individuals can take. This approach is not a substitute for eliminating persisting discrimination, but a way in which to help make the market place and particularly upper management levels more accessible to women.

Recognized scholars, economists and the six interviewees, whose ideas and experiences largely carry this thesis, have all suggested a range of approaches among the three areas, often emphasizing the importance of interdependence and interconnection between the different types of action. The McKinsey economists Borisova and Sterhkova, for example, state: "In order to allow women to pursue professional development and successfully combine work and family life, smoothly climbing up the career ladder, it is necessary to create favorable conditions both on state and corporate level."

## THE PUBLIC SECTOR

This section analyses the different forms of government action and policy around work-life balance. It focuses on flextime and parental leave, two important policies in encouraging greater gender diversity in senior management. The Booz and Company Report states: "Governments have an important role to play in policy, which is critical to eliminating discrimination and ensuring that women have equal rights" (Aguirre, 2012, p.43). This belief has been echoed by a number of the women interviewed as part of this project.

Depending on the country, its political system and its ideology, the state might be more or less involved. Northern Europe and Scandinavia are known for their welfare system and government action targeted at creating greater equity. The United States on the other hand has less legislation at the national level around the work-life balance for families. The authors of the *Work, Family and Equity Index- Where Does the United States Stand Globally?* proclaim: "The United States lags dramatically behind all high-income countries, as well as many middle and low-income countries when it comes to public policies designed to guarantee adequate working conditions for families" (Heymann, 2007, p.44).

While the focus of this thesis is primarily the United States, a global outlook and comparison will provide greater perspective and a better understanding of our own situation. Quinn explains: "It is important to look at the global platform! The US is very different from many other nations, so looking at it in isolation will not show the full picture. Furthermore, most large corporations, multinational firms, are global, and must compete in the global market." Only with an awareness of the types of policies existing elsewhere can we wholly examine and understand the limitations and benefits of our own policies. This section, as have previous sections, will draw on examples from Germany and Norway as a means of comparison. The comparison is not necessarily meant to be a critique of the US system or a search for

the best example of public policies, it is simply meant to provide perspective and a greater understanding of the global situation.

### **Policy in Norway**

Norway and her Scandinavian neighbors are known for progressive family policy such as the quota system, mandating greater female participation on company boards and 'fathers leave,' a policy granting additional paid parental leave to families if taken by the father. In the Nordic countries, gender equality is a clear policy goal.

Since the beginning of the 20<sup>th</sup> century a number of important policies surrounding gender equality and work-life balance have been established. The *Gender Equality Act* was passed in 1978. This act states: "Women and men shall be given equal opportunities in education, employment and cultural and professional advancement."<sup>9</sup> The *Family Allowance Act* dates back as far as 1946 and has provided financial supported to mothers for decades. Paid maternity leave was replaced by *Paid Parental Leave* in the mid 70s and was based on the idea of shared parenthood. "Norwegian parents may take 46 weeks of parental leave at 100 per cent pay or 56 weeks at 80 per cent pay" (Parental benefits, n.d.). To encourage even more contribution from men *Fathers Leave* was introduced in 1993. It is a four-week leave with full refunding of salary available to fathers only. Since 2009 the leave has been extended to 10 weeks. Now the system works such that, "three weeks before and six weeks after the birth are reserved for the mother, while 10 weeks of the total parental leave period are reserved for the father" (Parental benefits, n.d.). Norway was the first country in the world to introduce *Fathers Leave*.

*Fathers Leave* has been in place for over two decades now and has shown very good results. "In 2008, 90 percent of fathers used their paternal quota" (Parental benefits, n.d.). Fathers are not only taking advantage of the new policy, but also choosing to participate beyond the 10 weeks requirement. "In 2008, 16.5 per cent of fathers extended their leave beyond the reserved 10 weeks, compared to 11 per cent in 2000" (Parental benefits, n.d.).

Another Norwegian government effort to create better work-life balance for individuals is subsidizing childcare. State subsidies cover 80 percent of the costs of childcare. The government hopes to provide full coverage for children of ages one to six. “Norway is on the verge of achieving full coverage of kindergartens” (Parental benefits, n.d.). Childcare coverage is important in aiding parents of small children to participate in working life. In 2009 the government took a further step in increasing kindergarten attendance and allowing more freedom to parents to work by making it a statutory right for all children between the ages of one and five to have a nursery school place.

The *Work Environment Law* is yet another law encouraging father’s involvement in family responsibilities. It is a paid leave of absence of 10 days per year to care for a sick child granted specifically to fathers. This law is applicable until the child is 12 years of age (Knutsen, 2009). These parental benefit schemes aim to help parents combine working life and family life responsibilities. “Thanks to the scheme, Norway tops European statistics on birth rates and participation of women in the workforce” (Parental benefits, n.d.).

In 2002 Norway’s Trade and Industry minister, Ansgar Gabrielsen, first proposed a law requiring that 40 percent of all company board members be women (Clark, 2012). It sparked a large public debate. In her article published by Spiegel Magazine Dowling explains the arguments of those opposed to the policy: “Opponents [were] saying that such positive discrimination would be unfair to men and that private companies should be given the freedom to appoint whichever candidates they preferred to their boards. Another common argument held that more competent men would be replaced with less skilled or qualified women.” Dowling however argues, “the quota has been successful and has gained broad acceptance.” She goes on to dismantle the counterarguments of the opposition by explaining: “since the law was introduced there have been no complaints from employers associations, nor have CEOs stated that they have had problems finding

suitable candidates for the board [...] Some [skeptics] also feared that companies would be forced to appoint sub-standard members to their boards, but that hasn't happened either.”

In her New York Times article *Getting Women Into Boardrooms, by Law* Clark explains that prior to the quota “Norwegian women held less than 7 percent of private-sector board seats; just under 5 percent of chief executives were women.” In 2003 legislation around mandatory quotas was passed and stated that all public firms must have at least 40 percent women on their board by 2008. Clark explains that since the implementation of the quota “the share of female directors at the roughly 400 companies affected is above 40 percent, while women fill more than a quarter of the board seats at the 65 largest privately held companies.” Nevertheless, questions about the effectiveness of the quota remain. Clark also explains, “the sixfold increase in women as directors has not yet brought any real rise in the number of women as chief executives.”

Currently, Norway is the only country in the world with legislation that demands gender equality in boards. Clark points out that “the world has noticed: Spain and the Netherlands have passed similar laws, with a 2015 deadline for compliance.”

The effectiveness of major policies, such as *Fathers Leave* and mandatory female quotas for boards, in creating greater gender diversity in senior management continue to be deliberated and debated. Nonetheless, the establishment of such laws indicates Norway’s awareness of work-life challenges faced by many individuals. The Norwegian government is taking serious steps towards improving gender equality in society and throughout the ranks of business.

## Policy in Germany

Hewlett's report *Off Ramps and On Ramps Germany* provides valuable information on government family policy in Germany, such as *Elterngeld* and parental leave. *Elterngeld*, (or *Kindergeld*) which are essentially child benefits, were last revised in 2006 and provides parents with €300 a month per child. This payment is independent of any previous employment and income level. This subsidy is meant to aid parents in covering some of the additional costs associated with raising a child. It is especially helpful to parents with low income.

Parental leave is another important and slightly more complex policy. Hewlett describes some of the details of the policy. Up to 3 years of parental leave may be taken per child. The individual is guaranteed a job at the same level and salary with their previous employer. An individual may receive 14 weeks of paid parental leave. After the 14 weeks the individual will receive 67% of the previous salary for up to 12 months after the baby is born. This can be extended to 14 months if both parents split the time. This is a relatively recent adjustment to the policy (from 2007), meant to encourage fathers to devote some quality time to their infant and to be more supportive of a dual earner household (Wuest, 2009). While the effects of the policy change are still deliberated, The Booz and Company study actually found that in 2008 more than 17 percent of fathers took parental leave, largely as a response to new policy changes.

Paragraph II of the *Parental Leave Policy for employed parents* states: "*Die Elternzeit kann, auch anteilig, von jedem Elternteil allein oder von beiden Elternteilen gemeinsam genommen werden,*" which translates to: "*The parental leave may be taken by each parent alone or by both parents jointly.*" Kreyenfeld and Geisler, researchers at the Max Plank Institute and coauthors of *How Policy Matters: Germany's Parental Leave Benefit Reform and Fathers' Behavior 1999-2009* describe the origination and intended effects of the recent policy reform:

*In 2007, Germany followed the Swedish role model and introduced a parental leave benefit scheme that grants an earnings-related benefit of 67 percent of prior earnings, as well as two “daddy months” (the paternity quota). According to government officials, the main goals of the parental leave benefit reform are to increase the rate at which women return to work after childbirth, and to establish financial incentives for fathers to use parental leave (Bundestag 2006; Erler 2009).*

While parental leave is set up so that the time can be alternated between the mother and father only about 1-2.5 percent of fathers take some time out to stay at home with their children. The reform is an indication of Germany's efforts towards a more gender-equal family and work environment. However, aspects of the family policy remain quite outdated and have in some ways assisted the persistence of traditional gender roles. While it provides parents with generous leave time, it discourages female labor force participation and diminishes women's chances for promotion, mainly due to the fact that women still take the majority if not the entirety of the provided leave. In her essay *Family Policy in the US, Japan, Germany, Italy and France* Henneck analyses and compares child leave policies among some of the leading nations of the world. In her examination of Germany she points out that “Germany encourages women to drop out of the work force for long periods of time by offering lengthy paid leave” (Henneck, 2003, p.2).

Overall Germany has a generous parental leave policy. In addition to the regular parental leave policy parents can also take 10 days of paid leave to look after sick children under the age of 12 (Gesetz zum, n.d.). The more recent reforms of parental leave policy indicate efforts to encourage and support a more contemporary and gender equal distribution of family responsibilities. Some aspects of the leave policy, such as the time limit of up to 3 years, seem preferable but may actually have adverse effects for women hoping to reenter the workforce. It seems that more work and reform could be done in order to encourage even greater sharing of family responsibilities. The system, while acknowledging the importance of family and some shared home responsibility, is less helpful in supporting



women's reentry into the workforce and changing the cultural norms around gender roles.

### **Policy in the United States**

In the 2010 textbook *The Economics of Women, Men and Work* the authors Blau, Ferber and Winkler summarize some of the existing work-life policies in the United States. The *Pregnancy Discrimination Act* passed in 1978 prohibits employers from discrimination against workers on the basis of pregnancy. The employer cannot terminate or deny a job to a woman because she is pregnant. The *Child Tax Credit* established in 2008 provides up to \$1,000 tax credit for each child under the age of 17. The *Dependent Care Tax Credit* ensures that employed parents receive a tax credit in the amount of 35 percent of actual childcare expenses. This can be up to \$3,000 for the care of one child, and \$6,000 for the care of two or more children with adjusted income below \$15,000. For those with adjusted income above \$15,000 it is only 20 percent. The *Equal Pay Act* was passed in 1983 and prohibited wage disparities on the basis of gender. The *Lilly Ledbetter Act*, a more recently approved policy, signed by president Obama in 2009, is a continued legislative effort to close the persisting pay gap.

While most countries offer 14 or more weeks of paid leave (Henneck, 2003) the United States does not have any national policy ensuring paid leave, not for illness or family responsibilities. In her article Henneck observes: "The US appears to have a low level of political commitment to the well-being of families, lacking even the guarantee of unpaid leave to all workers" (Henneck, 2003, p.3).

The *Work, Family and Equity Index* by Heymann, Earle, and Hayes points to some of the shortcomings of American policy. It points out that the United States is one of the only developed nations lacking national law for paid parental leave. Not only does the United States fail in providing paid parental leave, there is also no guarantee for paid annual leave of any sort required by law. Employers are not

required to provide a mandatory day of rest per week, there is no limit on the length of a work week and no limit on mandatory overtime per week. Hence, national legislation not only fails to enable an easier work-life balance for employees it also seems to lack basic forms of protection for workers.

With no paid parental leave policy in place, the policy cannot be extended to encourage men to share the parental leave time with their spouse. Measures such as father leave, which provide additional months of paid leave to a family if taken by the father, as seen in Norway and Germany, would not be an option under the current US leave system. The school system in the United States creates further challenges to working mothers. The school year is relatively short; almost a month shorter than the world average (Heymann, 2007). with long summer breaks making it difficult for single mother households and dual earner households to juggle work-life demands during the summer months.

While paid leave is not ensured under national law some states have begun to provide some forms of paid leave. Henneck points to California's new *Paid Family Leave Law* which provides six weeks of job-protected leave at about half-salary. New Jersey and New York provide *Temporary Disability Insurance (TDI)* that offers partial wage replacement during pregnancy and childbirth. The *Booz and Company Third Billion Index* observes that the lack of national policy has also created incentives for the private sector to provide parental leave:

*Since the US does not provide income support during maternity or parental leave, it is at the discretion of the employer. The employers can distinguish themselves in a competitive talent market by providing paid parental leave and on site day care, or subsidies.*

While national law does not provide paid paternity leave, an important work-life law does exist: *The Family and Medical Leave Act (FMLA)*. FMLA was created in 1993 and provides 12 weeks of unpaid leave for workers at medium to large size firms (Schweitzer, 2007). FMLA guarantees continued health insurance during the

leave period, for those whose employers offer health care insurance. The employee is guaranteed the return to his or her job; however, the entire time off is unpaid. This means many people are unable to take the leave because they cannot afford the loss in income (Henneck, 2003).

The Department of Labor website<sup>10</sup> outlines the specifics of the Family and Medical Care Act:

*The FMLA entitles eligible employees of covered employers to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave. Eligible employees are entitled to:*

*Twelve workweeks of leave in a 12-month period for:*

- *the birth of a child and to care for the newborn child within one year of birth;*
- *the placement with the employee of a child for adoption or foster care and to care for the newly placed child within one year of placement;*
- *to care for the employee's spouse, child, or parent who has a serious health condition;*
- *a serious health condition that makes the employee unable to perform the essential functions of his or her job;*
- *any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a covered military member on "covered active duty;" **or***

*Twenty-six workweeks of leave during a single 12-month period to care for a covered service member with a serious injury or illness if the eligible employee is the service member's spouse, son, daughter, parent, or next of kin (military caregiver leave).*

As can be observed, the FMLA provides some time of leave for medical reasons, birth, illness of a child, spouse or other family member. Another improvement to the system has been the addition of a break time requirement for nursing mothers. It was part of the amendment to the *Fair Labor Standards Act* and became effective when the *Affordable Care Act* was signed into law on March 23, 2010. It requires employers to "provide reasonable break time for an employee to

express breast milk for her nursing child for one year after the child's birth each time such employee has need to express the milk. Employers are also required to provide a place, other than a bathroom, that is shielded from view and free from intrusion from coworkers and the public, which may be used by an employee to express breast milk" (United States department of labor, 2013).

In comparison to other leading nations of the world the United States seems to lag behind in public policy surrounding work-life balance, especially in terms of promoting a more equal gender division in family responsibilities. The New York Times journalist Nicola Clark observed that: "Political pressure has grown on companies across Europe to increase women's representation among their leadership ranks" (Clark, 2010). In the U.S.; however, the majority of the action to promote gender equality takes place at the state level and through private sector competitiveness.

The Booz and Company study and a number of the statements provided by interviewees emphasize the importance of public policy in establishing basic employment and labor rights. However, the study goes on to observe, "it is unlikely that legislation alone will yield significant cultural change. Instead, companies need to go beyond the legal requirements" (Aguirre, 2012, p.44). In the interview Quinn affirms that: "Government guidance can be important, especially in protecting human rights." Wilson expressed a similar belief in her interview, saying: "The government has to regulate things such as shareholder protection. However, government policy alone cannot be the answer. Companies have to regulate themselves. Companies have to create their own policies and believe in them in order for them to be effective." This leads us into the next area where action has been and needs to continue to be taken: the private sector.

## THE PRIVATE SECTOR

In the U.S. it is the private sector and individual firms that determine paid parental leave options. In her article *U.S. Policies on Maternity Leave 'Among the Worst'* Schweitzer puts U.S. policies in perspective. She reiterates that the U.S. has done relatively little to assist a work-life balance for workers at the national level but that the private sector is one of the best in the world at providing leave and flex policies to employees. She says: "The irony is that while US companies like IBM, Deloitte, Ernst & Young and P&G lead the way with progressive leave policies, on-site child and medical care centers and lactation rooms, the United States is lagging behind every developed country with no mandated paid leave."

In the article *US still lags on Paid Parental Leave* Bernard takes a closer look at the average paid leave provided to employees by the private sector. She writes: "according to the Bureau of Labor Statistics, only 11 percent of all private industry workers have access to paid family leave." She goes on to explain that among those companies that offer paid leave "the average time off in 2012 was seven weeks of fully paid maternity leave, while new fathers received an average of three paid weeks."

A number of leading American companies are quite progressive in terms of their work-life policies; however, many corporations remain reluctant in adopting new measures to promote greater gender diversity in upper management. Borisova and Sterhkova offer an explanation for why this may be the case:

*While many business leaders already understand that the presence of women in the top management of a company positively influences its performance and financial results, only few of them take any measures to achieve gender diversity. Top managers do not believe that they could influence the state of affairs and are either poorly acquainted with mechanisms of supporting and promotion of women or do not understand such mechanisms at all.*

The McKinsey economists make an important point; that many business managers are familiar with the business case and generally believe in the argument for gender diversity. Unfortunately, this awareness is not often matched with the appropriate action to truly bring about change within the firm.

### **Accountability and Incentives**

The Wall Street Journal author Shellenbarger and the McKinsey economists Barsh and Yee emphasize the importance of making gender diversity in management a significant issue and goal for every firm. In her article *The XX factor: What's Holding Women Back?* Shellenbarger suggests holding senior managers accountable for not reaching gender diversity goals. Accountability can be an effective measure in bringing about action and change. However, measures such as accountability, incentives and quotas will only be truly effective in bringing about lasting change if the managers of the firm actually believe in the business case and are acting from a place of conviction and not just compliance. The interviewee Birgit Miesch believes that: "A leadership team that is committed and truly understands the business case can be much more effective in bringing more diversity to the company."

The use of quotas and incentives is a much-debated topic that itself provides enough discussion for an entire thesis, therefore it will not be elaborated here, but is well worth noting. The interviewee Seymour explains that *incentives* can often be a better approach than quotas and affirmative action. In the interview she points to the use and effectiveness of *tax incentives* for companies. Companies with especially high gender diversity in their management team can receive tax breaks. While this is a policy more on the public sector side it is a way to incentivize the private sector.

Another method is *bonus incentives* for managers within firms who hire a more diverse team and who reach their diversity goals at the end of a term. These types of incentives are a more effective way for hiring, promoting and actually

retaining female talent in firms than quotas according to Seymour. She explains that it is a less forceful method, which supports the business case argument more than legal enforcements do. Companies can realize the advantages of greater diversity and are not just complying with quotas in fear of getting punished. It is a less aggressive and possibly more effective method for initiating and sustaining diversity.

The interviewee Thoma does not believe in quotas either. She believes it is important for companies and management teams to set diversity goals for themselves. However, targets need to be taken seriously by the firm. While there may not be any external reprehension the firm must ensure that it reaches its own goals through reevaluation, and by following through and taking the necessary action. She says: “[rather than quotas] I believe in diversity targets and having strategies to meet them. You have to take a holistic approach. For example, if there aren’t enough senior women, look at the level below. Are there sufficient numbers there? If not, ask why? You have to fix the systemic issues that exist.”

In their 2011 article *Changing Companies’ Minds about Women* Barsh and Yee explain that to make gender diversity changes, corporate leaders need to see them as no less important than a major strategic or operational challenge, such as falling market share or changing the corporate cost structure. They must be integrated into the organization’s daily work through goals, performance monitoring, processes that force tough conversations, and serious skill building. In order for companies to prioritize gender diversity and take these measures they must truly realize the business case for their firm.

Barsh and Yee express a similar opinion and approach as Thoma. They write: “companies are more likely to transform mind-sets if they build their own case. That case should be grounded in the impact women are having at your own organization—whether hard business results or indirect benefits, such as building

better teams.” They also emphasize the importance of tracking progress. They explain that this is essential in bringing about true change at your firm.

*Most companies collect some data on diversity. Yet few track the results in enough detail to help executives gain a real understanding of what’s going on in their own departments or business units and how their mind-sets may be contributing. PepsiCo, by contrast, tracks the progress of women at all levels and shares the results throughout its talent review processes. As a result, the full pipeline of female talent—not just the senior ranks, which are much harder to influence rapidly—is highly visible.*

Diversity measures take time and entail a close evaluation and examination. This is necessary in order to understand the full picture of diversity at the firm. Changing the culture of a firm and the leadership makeup is an extensive and careful process, but well worth the investment.

### **Promoting Gender Diversity in Management**

A number of economists and scholars have proposed a series of different measures through which companies can help promote their female talent and create greater gender diversity in senior management. The McKinsey economists Borisova and Sterhkova say that: “as for the corporate initiatives, their range is rather extensive. Some companies have already begun to purposefully develop measures aimed at attraction, promotion and retention of talented female employees.” They summarize three of the ‘most effective’ measures that companies can take and have taken to assist the development of women and ensure gender diversity:

#### **1.) An active position of the company’s CEO**

*The CEO of the company should promote gender parity and perform the necessary changes. Introduction of progressive methods will not bring the desired results unless every top manager contributes to the transformation of the corporate culture.*

#### **2.) Individual programs of professional development (training, mentoring and networking)**

*Organizations that have achieved the best results in terms of gender diversity apply efficient training and mentoring programs that allow the female employees to embrace their potential and to start actively and purposefully developing their career. These companies apply such tools as regular meetings*



*of a women's club, virtual forums and other events that could help women establish contacts in the professional community. As young female employees often need a role model, it is advisable to connect them with a senior female colleague acting as a mentor.*

### **3.) Comprehensive measures**

*Some firms have a rule to include at least one woman into the candidate pool for any governing position. Some companies have recruitment programs targeted at women. Other effective measures aimed at development of favorable working conditions include a possibility to work from home, part-time, according to a flexible or an individual schedule.*

## **Firm Culture**

Borisova and Sterhkova point to some very important measures that have the potential to change corporate culture and women's leadership opportunity. 'An active position of the CEO' is essential in creating a culture of acceptance, which welcomes and fosters diversity. The existence of policy itself will often be ineffective without a culture and atmosphere that encourages the use of such policy. Examples of this are flextime and parental leave policies. Even if these policies exist employees are often hesitant to take advantage of them due to the criticism and drawbacks attached to them. Hewlett points to this issue as well and suggests "combating the stigma associated with flexible work arrangements" as part of her proposed 'Seven essential steps for firms to fully realize female talent' [a closer analysis will follow].

## **Promoting Female Talent**

Borisova and Sterhkova point to the importance of training, mentoring and networking for women at firms. These measures may or may not mean additional expenditures to the firm. Networks and mentoring can often be arranged at no additional cost to the firm and may have huge effects on women's attitudes and opportunities. Barsh, Devillard and Wang found that "only 18 percent of entry- and midlevel women have a long-term eye on the C suite (or executive level positions), against 36 percent of men." This statistic reinforces their suggestion "that inspirational leaders should intervene with talented female middle managers to

discuss their aspirations, build their confidence, embolden them to aim higher, and seek ways to make line roles more palatable for them.” In *Unlocking the Full Potential of Women at Work* Barsh and Yee also emphasize the importance of a work culture that supports and celebrates talent and diversity. An open and supportive culture will encourage women in middle management to further advance and move up through the pipe line.

### **Training and Coaching**

In the interview Grant describes a program that she helped run at Johnson & Johnson called *Ascend*. She says: “The program’s purpose is to accelerate the promotion of women from director level right up through the ranks. The program includes coaching and focuses on personal mastery as a female leader. Most of the women in the program have MBAs. A lot of it is about mastery and management, showing good reflection on your work and sustainable leadership.” She concludes: “It was a very successful program.”

In her study, Hewlett, found that: “Most on-ramping women (93–94%) are eager for help re-training, re-tooling and re-skilling.” This figure is even higher in the banking and finance sector, with 96–97 percent of women eager to receive training on the job. Reentering the workplace after maternity leave is a real challenge, which often comes with setbacks in skill and confidence. While training comes with some costs both the firm and the individual can benefit greatly from it. Companies that offer such training and development opportunities, signal to employees that they are serious about promoting their female talent and building a more diverse management team. In turn talented women will be more committed and engaged. Hewlett calls this ‘*claiming and sustaining ambition*’.

In his 2012 book *Women Who Opt Out* Jones, like Hewlett and the McKinsey economists, discusses different factors and measures, which facilitate the promotion of talented women. He provides a list of *six main criteria that make for a highly*

*effective workplace*. His focus is on making sure that women feel challenged, appreciated, understood and supported. He explains that the job should be “meaningful, require learning new things and make use of employee’s skills and abilities.” Hewlett expresses a very similar opinion. In her seven step recommendation she emphasized the importance of ‘*tapping into altruism*.’ She explains that for women it is very important that they are able to deriving a meaning and purpose from their work. She explains that women enjoy giving back to society, for example. To women this type of altruism and sense of meaning can be even more important than the financial awards, which seems to drive male ambition and satisfaction more. The ability to give back and feel satisfied with their work creates loyalty and engagement from workers.

According to Jones, however, some amount of economic security can factor in quite strongly for women as well. He says ‘being satisfied with pay, benefits and career advancement opportunities’ can be important. This not only provides financial security to women but also motivates and creates incentives for greater commitment. He points to another very significant factor; ‘the work-life fit’. Jones emphasizes the importance of “having supervisors who care about the effects of work on personal and family life and a work schedule that fits the employee’s needs” (Jones, 2012, p.78). Flexibility is a hugely important in creating gender diversity, considering that most professional women face the enormous challenge of balancing work-life responsibilities.

### **Flextime and the Work-Life Balance**

Borisova, Sterhkova, Hewlett, Jones, Barsh and Yee all propose some form of flexible work in their proposals. They suggest that firms work to provide conditions that allow women to find an optimal distribution of time between work and family life. The seven steps recommended by Hewlett, for example, are almost all related to flexibility in some respect.

The *Seven essential steps for firms to fully realize female talent* as proposed by Hewlett are summarized as follows:

**1.) *Providing scenic routes***

This can take the form of part time work, reduced hours, telecommuting and job sharing. Flextime is not just an accommodation to women's family lives, but a business imperative.

**2.) *Creating flextime over the arc of a career***

This can be anything from flexibility over the course of a day, a week, a year. It can also be working with a team on a job together.

**3.) *Re-imagining work-life***

The best benefits and support programs should not only be provided to female employees who are married and have young kids. Employees may face a multitude of work-life challenges that need to be considered equally important.

**4.) *Claiming and sustaining ambition***

Penalization and large drawbacks for individuals taking time off makes them downsize their expectations for themselves. Ambition needs to be rekindled and nurtured. Women's networks, advocates and sponsors are very important.

**5.) *Tapping into altruism***

Women seek to derive a meaning and purpose from work. They enjoy giving back to society. If a firm provides outlets for altruism and meaningful work to their female talent it will create a greater sense of loyalty and engagement from them.

**6.) *Combating the stigma associated with flexible work arrangements***

While flextime options exist they are often stigmatized. Those who take advantage of them face severe setbacks in their careers. In order to reduce and eliminate the stigma senior executives should lead the way and take advantage of flextime options themselves. This will signal to the company that it is accepted and even encouraged.

**7.) *Public Policy***

Hewlett recommends family friendly policies in the public sector. The Government, and states can do more to encourage more flexibility and an easier work-life balance for individuals.

## **FLEXTIME**

The potential interruptions in career due to childbirth and infant care make flextime an important aspect of career-life. A number of large corporations now provide flextime options to their employees. However, as pointed out by both Hewlett and Jones, individuals are often reluctant to take advantage of such policies due to the stigma and career drawbacks associated with them. In the interview Grant explains that: *The attitudes around flextime are so hostile that women often just say 'forget it'. Women end up opting out completely instead of taking advantage of flex time.* This suggests that companies should go beyond simply implementing flextime policy and take measures to change the culture of the firm and general attitudes. Both Hewlett and the McKinsey economists suggest that sending the right signals and setting examples from the top of the firm can help achieve this.

Borisova and Sterhkova state: “The flexible approach remains one of the key factors providing for an optimal balance between the work and family and simplifying climbing up the corporate ladder. As women have to make career breaks due to childbirths and childcare leaves, support from the company during such periods can mitigate the negative influence exerted by the breaks on the career development and the salary growth.”

Jones and Hewlett both explain that it is important for companies to realize that modern society and modern careers are not as linear and straightforward as they have been in the past. Social developments have provided us with a new and better understanding of gender equality. Women are no longer confined to the domestic realm nor men to the workplace. The reality is that we do have very talented women in the business world, highly capable of being senior managers. These women often happen to be mothers as well and this is when their career paths become less linear, less like those of their male counterparts, in today's business world. The business world needs to understand and support these non-linear career paths. And not just for their female talent but for their male talent

equally. Each individual should be able to take advantage of a more flexible work schedule, since everyone at some point in their lives experiences the challenges of balancing work-life responsibilities. The interviewee Wilson argues: “It needs to be fair for men and women. What I have seen over the years is that more and more men are interested in having more time with their families as well. More men are taking parental leave time.”

In *Women Who Opt Out* Jones alerts: “There is an urgent need to replace the career ladder with the notion of flexible careers.” Hewlett’s study supports this idea. She recommends “creating flextime over the arc of a career.” Both suggest a movement away from the traditional business system based on a linear career path and a shift to non-linear, more flexible career trajectory. “Career paths should be viewed as dynamic and flexible as individuals negotiate work and personal responsibility in various life stages” (Jones, 2012, p.58). Businesses can no longer assume a linear career route of their employees. Companies should provide individuals with the flexibility to increase and scale back on work hours or responsibilities over the span of their careers.

### **Types of Flextime**

Flextime can come in many forms. Flextime can be anything from a few days of flexibility to an entire career span of flexible working options. As mentioned above, most individuals will experience some form of work-life challenge and would benefit from the availability of some form of flextime. The multitude of forms allows flextime policy to be adjusted to any situation and in a way that most benefits the individual and firm. The main types of flexible work arrangements that exist are:

***Flextime:*** *Employees set the start and finish time of their workday (within parameters established by their employer).*

***Telecommute:*** *Employees do not have a desk in a central office (and typically work from home or some other non-office setting).*

***Compressed Work Week:*** *Employees work longer hours, completing their weekly hours in fewer days.*

**Job Sharing:** *Two or more employees share the responsibilities of one job, alternating workdays.*

**Results- or Goal-oriented:** *Employees have no set hours, but are expected to complete projects or meet goals within a specific timeframe.<sup>11</sup>*

### **A Desire for Flexibility**

Surveys have shown that most professional women would appreciate and benefit from the availability of greater flextime options. In her study Hewlett found that most on-ramping mothers are eager for help in dealing with the time crunch in their lives. “In the business sector among on-ramping women, 89% want access to reduced hour jobs.”

### **A Focus on Results**

Reducing the importance of face time is an important measure that could allow greater flexibility to individuals. The emphasis in many companies is still on face time and the amount of time it took to complete the project. The interviewee Quinn explains that throughout her career she experienced that *face time* still seemed very important. She explains, “it demonstrates your commitment to the firm.” In some fields face time remains more important than in others. A shift to more results and goal-oriented workplace could automatically provide more flexibility and may even bring about greater productivity and efficiency. In her interview Wilson says: “Companies can be more results than face time oriented as well as leverage the advantages of technology. She goes on to suggest that more project oriented roles and jobs would allow for more flexibility.”

### **More Flexibly at the Top**

Most interviewees explained that from personal experience they had found that the senior management levels come with more authority and thus flexibility. In her interview Miesch recalls: “I worked harder but I could do it in my way. I had more freedom to pick the calendar and meeting and travel times. Grant explains:

Overall, in upper management you have more flexibility, related to the junior management level. Miesch believes that: "If you could give women with children just two or three years with just a bit of flexibility is often all they need."

In the interview Miesch also provides some global perspective on flextime, especially concerning upper management. She says: "I worked in Belgium. It's totally normal that women have a four-day working week and a lot of men do the same. It is this way up to the VP level." Her example also shows the importance of underlying social norms in providing opportunity for gender diversity in business. She goes on to explain that: "Sharing the care work with your husband is normal and acceptable." The underlying social norms are important in shaping female opportunity. Greater gender equality in society allows for greater gender equality in business.

The benefits of flextime seem quite obvious. Flextime can help individuals juggle work and life responsibilities. Companies that provide flextime options can increase employee retention, especially of highly talented female managers. Employees will feel greater loyalty towards the firm and satisfaction. These factors lead to higher productivity overall, that will likely more than offset the costs of flextime to the company.

Nonetheless, skepticism remains, as just recently demonstrated by Yahoo's CEO Marissa Meyer who set a ban on flextime, mainly around remote-work arrangements. She has requested that all employees working full-time remotely from home must report back to a Yahoo Office by the beginning of June or face losing their job. Her reasoning is to stimulate more communication and exchanging of ideas.

It is true that flextime does not apply equally well to each industry and business type. It is certainly easier to implement in some industries than others. When a company does adapt flexible work options clear goals for performance are



necessary. A concrete, comprehensible and transparent performance-management system is essential. Good communication and clear rules are important in avoiding hostility among (different types of) workers within the firm. Firms need to educate all workers about the exact rules and regulations around flextime, and make it equitably accessible to all workers.

Further drawbacks of flextime might be that it can create more work for managers; through the time it takes to organize and monitor the flextime arrangements and outcomes. Furthermore, coworkers might have to schedule meetings and projects around the different flexible hours of some workers, making it difficult for team meetings and collaborative work at times. However, the advances of modern technology have made communication and even virtual face-to-face conversations very possible (Bitti, 2008).

The benefits of flextime are observable and extensive. It is one of the most effective policy measures a company can take in order to foster a healthy work-life balance for employees and promote greater gender equality throughout the ranks. In the interview Thoma says: “My experience is that given flexibility, people work just as hard or harder.”

The Booz and Company study makes an important observation similar to that of Hewlett’s study: “If companies are to realize the benefit of their talent investments, formal policies and programs are needed to help women stay in the game and maintain a career path throughout life’s many phases. These policies may include areas such as telecommuting, flextime, and ‘off-ramp’ and ‘on-ramp’ career paths that allow highly qualified women to take time off for family obligations without sidelining their opportunities for promotion and greater responsibility” (Aguirre, 2012 p.62). The study concludes: “The culture of an organization must accept nontraditional ways of working without threatening the career progression of nontraditional workers” (Aguirre, 2012 p.62).

## **Paid Parental Leave**

Since the U.S. Government does not guarantee paid parental leave these choices often depend on the private sector as noted in the previous section ‘The Public Sector.’ The individual company and employer can choose which types of flextime and parental leave plans they will provide. *The Work and family Index* (2007) states: “There are many needed services that no one would ever expect companies to supply.” It goes on to explain: “Most countries have not relied solely on businesses to sustain basic standards at work. Many of the basic steps taken to protect workers, ...[such as]... anti-discrimination measures, have included roles of both government and business” (Heymann, Earle & Hayes 2007, p.5). The authors Heymann, Earle and Hayes argue that the private sector should not be counted on alone to solve the work-family problem.

Parental leave and particularly paid parental leave can be seen as part of the general flextime discussion, since the fundamental idea is organizing work time flexibly around life issues. Similar arguments can be made for paid leave as for general flextime policy. *The Work and family Index* argues that paid parental leave improves children’s health outcomes. More attention and care can be given to the child. For example, the mother can receive time and space to breastfeed her child, which reduces risk of infection. Paid maternity leave is essential to many families who cannot afford to take some time off otherwise. The Index argues that paid parental leave improves economic conditions for the entire family. It eliminates the wage ‘child penalty’ mothers often pay. They do not have to pass up income when having to step out of the workforce to tend to their child. It increases job security and allows for a consistent income.

There are also economic returns to employers for providing paid parental leave. It improves workers performance. When paid parental leave is in place employee satisfaction and commitment is higher. This means lower job turnover rates, lower recruitment and training costs and higher productivity.

“Few would argue that parents do not need to take time off to spend with their newborn or newly-adopted child. New mothers need time to heal physically and both mothers and fathers need to have time to bond with their child without worrying about losing their jobs or how to support their families on unpaid leave” (Aguirre, 2012).

### **Examples of Companies Using Flextime**

Barsh, Devillard, and Wang explain that, “A wide range of global companies made real advances in gender diversity over the past five years. They know that this is hard work—a journey measured in years rather than months. But they also know that improving the pipeline of female talent is possible, with rewards that include tapping the best brains, improving customer service, increasing employee engagement, and everything that comes with these benefits” (Barsh, Devillard & Wang, 2012).

*The Grant Thornton IBR 2012* provides data on the percentage of businesses that provide flexible working arrangements per country. In the United States 62 percent of companies offer flextime options. A slightly greater amount, 76 percent of German companies provide flexible work arrangements. Scandinavia (Finland, Sweden, Denmark) boasts the highest percentage with 85 percent. Globally only about 52 percent of all companies offer some form of flexible work.

A closer look at a few multinational companies that provide flex work will produce a better portrayal and understanding of the types of flextime policies companies exercise:

**Grant Thornton**, a multinational accounting and consulting firm, originally founded in the United States began a program in 2004 named *Women at Grant Thornton*. The program was established with the aim to retain and promote women within the business. It works towards ensuring a culture that enhances retention and

recruitment of women. One of the main goals is to increase the number of women in partnership and leadership roles. The company stresses the importance of recognizing women's success and enhancing their professional development. They identify that this can be achieved through flexible work policies, paid parental leave and internal mentoring. Since the founding of the program the number of female partners has grown from 31 to 88, a 184-percentage increase.

**Siemens AG** is a multinational engineering and electronics company. It was founded in Germany and its headquarters are located in Munich. Siemens is attentive and accommodating to the work-life balance of its employees.

On their website Siemens states:

*The ability to successfully balance work, family and career has increasingly become a crucial factor when it comes to retaining employees and attracting potential employees. At many of our locations worldwide we therefore help our employees to do so with a wide range of measures.*

Siemens offers a variety of 'family' policies: flexible work, such as part time work, telecommuting, onsite childcare, job sharing and sabbaticals.

Siemens not only provides parental leave but also offers programs specifically designed to help returning employees reintegrate into the workplace. In order for the return to be as successful as possible the reentry program also offers a range of flexible work-time models. Furthermore, Siemens identifies the huge advantage of allowing employees to stay connected while on leave. They make it possible for employees to stay up-to-date while on a parental leave, through allowing all employees to access their company e-mail. They call these arrangements 'stay connected' (Bringing family, (n.d.)).

Siemens also identifies that a modern work environment calls for flexibility, and thus provides multiple options of flextime. Flextime can be valuable throughout many different stages of an employee's life. Siemens not only recognizes the significance of parental leave but also has a well-established *Elder Care Program*.

This program not only provides flextime but also provides employees with information, counseling, and concrete care arrangements.

Flexible work arrangements are available to employees at all levels and ranks within the firm, even those in management positions. The company's emphasis on quality and completion of work, not time spent, makes this possible. They call this the *flextime honor system*, in which employees recognize that they are responsible for getting their own work done. The Siemens website outlines:

*As an attractive employer, we respond flexibly to the different life phases and the diverse needs of our employees. We support them in their desire to balance their career and family, and we provide them with an excellent work environment with flexible work conditions.*

**Deutsche Telekom** is leading global telecommunications company founded in Germany. According to Sattelberg, Telekom was one of the first, and is one of very few German Corporation to adopt more family and diversity friendly policies. Their website explains:

*Deutsche Telekom's top management attention and commitment to the empowerment of female talents on their way to the top is accompanied by a progressive work-life balance program. Parental leave and childcare services, flex-time and job-sharing models are examples of a growing service portfolio for the company's diverse community.*

Telekom provides different flextime options such as: part-time, home office, educational leave, and sabbaticals. Furthermore, Telekom offers services designed to assist employees with the organization of their daily lives. These include: Leave of absence in case of family emergencies, Family leisure offers, and Employee networks. *Heimspiel* is an example of one such network. It is a network of fathers who play an active role in their family life to support their spouse's career.

Telekom works to support their employee's work-life balance. It grants greater freedom and flexibility in order to facilitate individual's 'work, individual life

styles, and private life' preferences and responsibilities. Their business case for doing so is:

*Deutsche Telekom's employees are its key to organizational health, economic growth, and financial success. An attractive and wide-ranging work-life portfolio guarantees ongoing motivation with a better life quality, encourages physical and mental well-being, and contributes to a positive working environment.*

Telekom realizes and fully embraces that gender equality increases 'productivity, profitability and profit'.

Grant Thornton, Siemens AG and Deutsche Telekom are examples of multinational companies that recognize the importance of flextime in creating a productive and friendly work culture. These companies promote their female talent and grant flexibility to men and women alike. They have reformed their business model to match the dynamics and demands of modern society. They are aware of the work-life challenges that individuals face, and allow for flexibility throughout the ranks. These companies provide flextime options because they firmly believe in the business case for diversity.

## **WOMEN'S PERSONAL RESPONSIBILITY**

Governments and companies play a vital role in providing a business structure and environment that encourages gender diversity. However, these efforts can only be successful if met by the right attitudes and behaviors from women. "The mind-sets—and aspirations—of women themselves are as important as those of the companies that employ them" (Barsh, Devillard & Wang, 2012). The interviewee Quinn explains: "Policies alone cannot fix the problem. Women's attitudes and the way they communicate are important. It is important to show your employer that you are committed and believe in what you do. Women must speak up for

themselves. As any individual in the corporate world, male or female, you have to speak up to gain credibility.”

It is important to note; however, that not all talented female managers will strive to make it to the senior level. This can be due to different reasons depending on the individual. Some women, when they become mothers, find that they would rather devote their time to childrearing and motherhood. This is a desire and wish a women might not even realize she has until she becomes a mother. Some women will find that barriers for re-entry are too strong. They may experience *push* and *pull factors* (as examined by Hewlett), social and workplace pressures driving them to *opt out*. The interviewee Thoma explains that: “Some women look at the executive level, the behaviors expected, and say ‘no thank you.’ Women are just as ambitious but ask themselves ‘is the sacrifice worth it?’” Many factors contribute to a women’s decision to opt out, as discussed in previous chapters.

Women who decide to stay in the workforce or to *opt out* only briefly, face a number of challenges to overcome and decisions to make on their pursuit for senior management level. As discussed, each woman faces her own set of challenges, and there is not one answer or solution that can provide all the right steps for women. However, Grant and Sandberg identify some helpful guidelines for talented and highly skilled women striving for the top. Consultant and leadership coach Rosemary Grant (an interviewee of this thesis), as well as Sheryl Sandberg, Facebook’s COO and author of *Lean In*, propose important steps and methods for women, and especially mothers to maximize their leadership chances despite having to take some leave time and flex options.

Most women who are mothers will have to take some period of time out of the job to give birth to their child. Most mothers will decide to spend at least a couple of weeks with their newborn after birth. Hence a break from the job is often inevitable. The importance of how to take this break is often underestimated. The

interviewees Wilson, Quinn and Grant all emphasize the impact of proper and thoughtful preparation and execution of child breaks.

Quinn explains that: “Communication is especially important when a woman is planning on taking some time off for childbirth. Staying connected to the office and the developments in the field and the firm is essential.” Staying connected and communicating are key components that Hewlett reiterates: “keeping in touch with your boss and colleagues can be very helpful, and avoid the extreme loss in competitive advantage, making one’s information and advice available, and staying informed about the company and greater market.”

Keeping a foot in the door through offering help on small projects can be a smart move. Staying informed and not just on the company but the entire field can be very effective. The interviewee Wilson candidly puts it: “The reality is, out of sight out of mind. Women on maternity leave must stay connected and engage with the organization, remind the organization that they were still out there. Keeping current with what is going on in the field and at the specific company is important too. Finding ways to stay connected to the business world in and outside the company is essential.”

The interviewee Rosemary Grant, who coaches women climbing the ladder to upper management, emphasizes the importance for individuals taking parental leave or other forms of flextime to exit well and develop a re-entry plan prior to departing. In her coaching Grant often discusses the following approaches and steps with clients:

- Exit well: *Take care in how you separate. Have final conversations and state your intentions. The way you exit the workplace will often determine your reentrance.*
- *Make sure those projects are finished that need to be completed*
- *Make sure you get your final review.*
- *Create a plan for reentry. I always encourage the women that I coach to make a good plan.*
- Stay connected: *Stay connected on a human basis; connect with your boss. Join sales dinners and events. Attend strategy meetings at the start of the year to hear the plans for the year.*



- *Link into HR- they are the ones who maintain your position.*

Sheryl Sandberg the COO of Facebook and author of the recently published book *Lean In*, says: “I believe that the world would be a better place if half our institutions were run by women, and half our homes were run by men.” Through her book, TV appearances and speeches Sandberg provides practical advice for women, and those wishing to help women, on how to ‘lean in’ and close the management gap. She addresses issues such as the work-life balance. She proposes a few basic measures women can take in order to succeed professionally.

In her TedTalk titled “Why we have too few women leaders” presented in December of 2010 Sandberg outlines some of these measures. She addresses the questions: Why are so many women opting out? What can we do as individuals? What are the messages we need to tell ourselves, (women in general), and our daughters? She points out that staying in the workforce is not necessarily the right thing for all women. To those women who do stay in the workforce she gives the following messages: 1.) Sit at the table, 2.) Make your partner a real partner, and 3.) Don’t leave before you leave.

**1.) Sit at the table:**

*Women systematically underestimate their own abilities. Women don’t negotiate for themselves in the Workforce. A study over the past two years measured people entering the workforce out of college and showed that 57% of males negotiate for higher salary while only 7% of women did. Men attribute their success to themselves while women attribute it to some other external factors. No one gets their promotion if they don’t think they deserve it.*

*Success and likability are positively correlated for men and negatively correlated for women.*

*We have got to get women to sit at the table.*

**2.) Make your partner a real partner**

*I have become convinced that we have made more progress in the workforce than we have in the home. In a family where both parents work and where there is a child, the women does twice the amount of house work and three times the amount of child care than the man.*

*As a society we put more pressure on our boys to succeed than our girls.*

### **3.) Don't leave before you leave**

*You should keep your foot on the gas pedal, so that you can return to a job that is challenging, exciting, meaningful, when you return.*

*Don't make decisions about leaving or stepping back too far in advance.*

## **Making a Plan**

Both Sandburg and Grant recognize the importance of exiting the firm in a manner that allows you to stay connected and reenter. The leave time should be well thought out and planned in advance. While leaving is not an easy topic to discuss with a supervisor or boss it is essential to communicate about this. The preferable situation would be to sit down together and make a clear and reasonable plan for leaving, staying connected during the time out and reentering. The plan might change and the reality might veer from what was anticipated but making a plan is an important step nonetheless. It signals to your supervisor that you are committed, responsible and communicative. Supervisors will feel involved and are more likely to provide possibilities and opportunities for balancing work-life responsibilities.

## **Exiting Well**

Making a plan is an excellent step, but the work does not end here. The individual taking leave should do so in a responsible and forward-looking manner. Sandberg calls this 'don't leave before you leave.' She explains that it is important for women to stay committed until the moment they actually leave. Women should not make decisions about stepping back too early and should demonstrate ambition until and even beyond the day that they leave. Grant also recommends 'exiting well.' Successfully completion all final projects and making sure to receive a final review are crucial to a good departure.

## **Staying Involved**

Staying connected with the firm and the greater field while on leave is vital. Keeping a foot in the door can be very useful for reentry. It allows women to keep up their skill and maintain valuable professional connections. Sandberg recommends: “You should keep your foot on the gas pedal, so that you can return to a job that is challenging, exciting and meaningful.” Grant suggests some specific ways in which to stay connected: “Join sales dinners and events. Attend strategy meetings at the start of the year to hear the plans for the year.” She also points out a critical insight. She says: “Your boss will not go out of his way to do all these things for you. The company cannot legally ask you to do anything while you are on leave but you can offer and show that you are interested in keeping a hand in. This sends a strong message to the company.”

## **Confidence**

Sandberg explains that women constantly underestimate themselves. They are more reluctant than their male counterparts to take credit for their abilities and successes. Women should not undervalue their contributions to the firm. They need to speak up for themselves and negotiate a higher salary when they find it merited. This is important because their male counterparts will often be more outspoken and thus have greater chances of promotion. Shellenbarger, who writes for the Wall Street Journal, says that women must volunteer themselves for projects and promotions. They must “put their hat in the ring.” Women are no less skilled or qualified, both businesses and women themselves need to do more to fully realize this.

## **Praise and Denunciation: Best and Worst Practices**

There are number of organizations that identify and award companies with gender diversity in upper management. *The Hertie Foundation*, created in 1998, identifies and certifies companies that have established family oriented human

resource policies such as: flextime, telecommunicating, coaching, talent management (Aguirre, 2012). *The Catalyst Award* is presented once a year to companies that have developed effective methods to improve the recruitment, development, and advancement of women at the firm.

Candace Quinn, one of the interviewees for this thesis, is the founder of the *Women's Executive Circle New York* (WECNY). WECNY is a not-for-profit organization with the mission of accelerating the advancement of women from diverse backgrounds to executive positions of leadership. WECNY was founded by a diverse group of women who identified the need for an organization focused on advancing women executives and bridging the gap between women and men in the boardroom (2011 New York census, 2011).

WECNY released a census which tracks the gender composition of leadership positions in the largest 100 public companies headquartered in New York State. It looks at the number of women serving on boards of directors and the number of women holding top executive positions in each company. It releases results both about the highest performing companies in terms of diversity in leadership and the lowest performing.

In her interview Quinn explains that one of the major tasks at WECNY is *quantifying* the representation of women in management in specific firms. She says: "Quantifying the information on gender diversity/female involvement is key." It draws attention to firms and gets firms and individuals to act. "Better publicity, shining a light on specific firms will help to promote gender diversity."

Some of the key statistics and findings of the WECNY report include:

- *Women hold 15.9 percent of the total board director and executive officer positions in New York State's 100 largest public companies. This is an increase from 15.5 percent in 2008 and from 14.7 percent in 2006.*

- *15 of the 100 companies have no women serving on the board of directors or as executive officers.*
- *17.2 percent of 1,088 board seats are held by women, a slight increase from 17.0 percent in 2008.*
- *11.7 percent of 341 executive positions are held by women, a 0.8 percent increase from 10.9 percent in 2008.*
- *69 companies have no women in executive roles.*

The findings for the different companies also provide an idea of how industry dependent gender diversity currently is. There are noticeable differences in the gender composition of company boards between industries. The greatest percentage of women (33.3 percent) is found in the Food & Drink industry. However, this is entirely based on one company (PepsiCo Inc.). Three other industries also have more than 20 percent women directors: Retail (26.1 percent), Consumer Products (25.7 percent), and Chemicals & Pharmaceuticals (23.2 percent). In contrast, the Banking & Finance industry only has 10.6 percent women directors.

The census concludes: “According to the U.S. Bureau of Labor Statistics, the proportion of women chief executives increased 6.6 percent in the last decade. Although the recession delayed women’s advancement in executive roles, progress appears to be rebounding with the current economic recovery” (2011 New York census, 2011).

WECNY and similar organizations are valuable in creating a better understanding of the current gender diversity position in senior management of the country's leading companies. Their data and publications help direct the public eye at some of these company’s achievements as well as shortcomings. Greater awareness is necessary in accelerating the transition to greater gender diversity in upper management.

## **CONCLUSION**

The first part of the thesis documented the current situation in the US for women both in the labor force and society. This cross-national comparison with Germany and Norway was included to provide points of comparison and a balanced view of the way culture effects gender equality. It identified and closely investigated the persisting challenges to women's professional advancement. Stubborn social traditions and the rigidity of the current business structure slow progress. While women have reached roughly equal levels of educational attainment and labor force participation rates as men, a closer look revealed persistent differences in the types of education and occupations chosen by gender. Women also continue to carry the majority of domestic and family responsibilities. These social dynamics help explain why so few women rise to the upper management level. The rigidity of the current corporate structure and its focus on linear-careers, further explains why few women reach the upper echelons of business.

After identifying that both changes in the underlying social and the corporate culture are necessary in allowing and aiding greater gender diversity at the top, the first part of the thesis presented the business case for women in management. Without the understanding of the business case corporations will see no need to change their operating structure. This chapter provided a number of ways in which female contribution in upper management benefits the firm: increased innovation, better decision-making, a greater understanding of consumer preferences and higher profitability being just a few. This section went on to observe that a company, which embraces the differences in leadership style between the sexes, has the ability to build a stronger management team.

Lastly, this section acknowledged the classical models of economic theory, as well as discrimination theories. It found that the existing theories help explain much of the basic human market behavior; however, do not fully explain or address why women are under-represented in the upper echelons of businesses.

The second part of the thesis provided potential solutions to the issue of continued female underrepresentation at the top. It observed measures that have

been taken and steps that can be taken by the public sector and the private sector to remedy some of the persisting barriers to women. This section also identified ways in which the individual can increase their chances for advancement into upper management. This is illustrated through the six case studies across different businesses. Even for women in upper management with sufficient financial means there is a pattern of sacrificing family for career. Greater flexibility shows to be one of the most effective ways to support women who rather than sacrifice, want to pursue both.

An awareness of the barriers to female professional advancement created by both society and the workplace, and an understanding of the forgone benefits to society and business that this underrepresentation entails are essential. Greater attention to work-life interdependence is necessary. *Opting out* and *Opting In* are important realities in upper management dynamics and flextime is a key component in resolving those issues. International comparisons shed some light on possible approaches and flextime best practices. Recognition of these potential solutions for greater gender diversity in upper management should spur action and progress. Perhaps in 20 to 30 years we will no longer find that there are: “Too Few Women at the Top.”

## Appendices

### Appendix I

#### Interview Questions

*Interviewee: Women who have worked to promote gender equality in upper management*

#### Intro (Profile):

- about yourself: born and raised, education (Bachelors, Masters, Languages), work experiences, current position and responsibilities
- how you got into the field (promoting gender equality, developing diversity programs)?

Two different types of arguments/reasoning's for women involvement in the work force:

Fairness argument and productivity argument (business case)

- The business case argument: a greater representation of women in upper management creates better leadership within the firm. A more diverse management team allows for a wider array of ideas and approaches, which in turn lead to better decision-making. A firm with a more diverse management team and a structure that promotes the advancement of talented women has a competitive advantage and will attract even more talent and raise productivity.  
Women are said to be more collaborative, communicative and innovative leaders. This management style may be more conducive to the challenge of maximizing productivity of teams in modern firms.
- The fairness argument:  
Basic human rights - Men and women should have the same rights, resources and opportunities.

What is your sense of these arguments, which arguments have you run into and which do you feel are important?

#### Your work:

- the types of programs you have worked with and developed
- their effectiveness/impact, and how that was measured

#### Flex Time Policies:

I am interested in looking more specifically at Flex Time policies (including parental leave) and how they can help promote gender equality in Upper management.

I am examining the availability and use of flex time (through the private and public sector) in three different regions: the USA, Germany and the Nordic Model (Norway)



- How can flex time be used to removing stigmas and creating a more open, judgment free workplace culture?
- Does flex time only provide opportunity for women or can it also create a more equitable work and social culture?
- In your view what is the importance of flex time (parental leave) policies? What is your experience with them?

#### Differences between countries/cultures:

- the participation rate (and reasons) of women in upper management in different countries. What data do you have?
- What information do you have about differences in government policies?
- What are the limitations of government policies in different countries? Can government policies actually change the culture and stereotypical gender-role beliefs of a country to create a more gender equal workplace?
- Which policies are necessary where? Can similar policies be applied across countries or do they need to be altered in terms of the underlying culture, both in the country and in the firm? How were similar policies received across different countries/cultures? Where some policies/programs more effective in some regions/firms than others and why?

#### Specifics of the program:

- How do you promote not just women but gender equality? Were there actual changes in the culture of the firm and not just in the expectations of and opportunities for women?
- How do you control that the new programs and policies are applied correctly and goals are reached?
- impediments of programs, unforeseen issues, places for improvement?

#### Other issues?

Other important Issues or Questions that I may have overlooked?

#### Recommendations?

Given what my focus is and the regions that I am looking at is there anyone you know who you think I should include, speak with?

## Appendix II

### Interview Questions

*Interviewee: Woman (mother) in Upper Management*

#### Intro (Profile):

- about yourself: born and raised, education (Bachelors, Masters, Languages), work experiences, current position and responsibilities
- how you got into the field (mentors, role models, connections)?

Two different types of arguments/reasoning's for women's involvement in the work force:

Fairness argument and productivity argument (business case)

- The business case argument: a greater representation of women in upper management creates better leadership within the firm. A more diverse management team allows for a wider array of ideas and approaches, which in turn lead to better decision-making. A firm with a more diverse management team and a structure that promotes the advancement of talented women has a competitive advantage and will attract even more talent and raise productivity.  
Women are said to be more collaborative, communicative and innovative leaders. This management style may be more conducive to the challenge of maximizing productivity of teams in modern firms.
- The fairness argument:  
Basic human rights - Men and women should have the same rights, resources and opportunities.

What is your sense of these arguments, which arguments have you run into and which do you feel are important?

#### Barriers to upward mobility:

- what is your sense/experience of the types of barriers women face today in the workplace?
- What are some ways in which they can be overcome: personal decisions/opportunity, company regulations and government policy?

#### Expectations and Attitudes:

- Are there similarities/differences in workplace and overall social attitudes? How do they influence one another?
- Does a typical man's career trajectory differ from a woman's? How?
- How are male and female attitudes towards work and family life balance changing?

#### The role of government:

- What is your impression of mandated government policies?

- What are the limitations of government policies in different countries?  
Can government policies actually change the culture and stereotypical gender-role beliefs of a country to create a more gender equal workplace?

#### Flex Time Policies:

I am interested in looking more specifically at Flex Time policies (including parental leave) and how they can help promote gender equality in Upper management.

I am examining the availability and use of flex time (through the private and public sector) in three different regions: the USA, Germany and the Nordic Model (Norway)

- How can flex time be used to removing stigmas and creating a more open, judgment free workplace culture?  
- Does flex time only provide opportunity for women or can it also create a more equitable work and social culture?
- In your view what is the importance of flex time (parental leave) policies? What is your experience with them?
- Did family and work ever come in conflict for you? If so, how were you able to find a solution/balance?
- Did you find that women with children, or other family responsibilities around you were able to succeed in their career as well? What kind of challenges did you see, if any?

#### Policy/ programs:

- How do you promote not just women but gender equality?
- Have you encountered any policies around gender equality and promotion of women in management? If so did you find them effective? Did they apply to you personally?

#### Other issues?

Other important Issues or Questions that I may have overlooked?

#### Recommendations?

Given what my focus is and the regions that I am looking at is there anyone you know who you think I should include, speak with?

## **Appendix III**

Interview I

December 3<sup>rd</sup>, 2012

### **Birgit Miesch**

Head of Talent and Leadership Development C&A  
Specializes in Talent Management and Diversity

#### ***Diversity***

*I'm certainly not a diversity expert.*

*I was raised with an understanding that diversity is kind of the way the world works. I grew up in a small village in Germany but was raised by parents with good common sense and a good level of curiosity towards life. So for me it has always been a very natural thing. Early in my career I had kind of a reaction to even just the world diversity, it seems almost embarrassing that we have to call it something now and to lobby it. But I definitely think there is room for that conversation, whether you call it diversity or whatever.*

*The way corporate America defines diversity is very much through the laws that exist in the US, you have the race component, and that is all of the equality legislation. This is a little different for the rest of the world. And then there is a whole component when you look at Europe with the cultural and education system differences that have less of a meaning in the US.*

#### ***The Business Case***

*What I have mostly experienced is that diversity in the context of a global American company is a lot of compliance. It seems to be about hitting a number, whether that is driven by legislation or by a target that the business has set for itself. These targets are mainly around gender diversity. What I have always been longing for more is a true understanding of why gender diversity is actually important to the company. The business case argument and question- why would we be better off if we had more diversity and what does it actually mean for us (as a company)? Defining the Business case is important, since it can vary depending on the type of business and its location.*

Miesch explains that sometimes there are costs associated with greater diversity. So it is important to have conversations around the business case and become aware of what it entails for your company.

*A leadership team that is committed and truly understands the business case can be much more effective in bringing more diversity to the company.*

#### ***Background***

Birgit Miesch is German.

She studied Economics and Human Resources (organizational effectiveness).

*I always knew I wanted to work internationally. Throughout my career I have always worked with American global companies.*

Her previous positions include: Human Resources Director Europe at Ethicon Endo-Surgery, a Johnson & Johnson company (16 years), and Human Resource Director for Kraft Foods Europe (2 years).

She is currently the Head of Talent and Leadership Development C&A.

### ***The Fairness Argument***

*Why would you have a different representation in you business than you have in your population? A business should mirror the population. This seems so much like common sense that it seems silly to use it as an argument.*

*Another point is that when your costumer base is entirely female, there is a strong argument for more women in your product design. You need the female perspective at the table to know what your consumer wants. You need these insights to be successful.*

### ***Women in top teams***

*If you look at top leadership teams there are very few young mothers. A former colleague of mine works in consumer business. When there were board meeting that would run over the scheduled time she would take her newly born into the boardroom and say 'well, if we cant get our meetings done within the regular hours this is the way it will work.' And that was actually quite okay.*

*But often times the women you find in top teams are not very representative of the classical women's base out there.*

### ***Successful Women's attitudes towards other Women in Business***

*I have experienced two very different scenarios:*

- 1.) Women who get into top management and then think, well after all the work and effort it took me to get here, other women should have to do the same. They get very hard towards other women. 'If I had to make sacrifices you have to do the same.'*
- 2.) Or they become really good ambassadors for slowly changing perspectives of other people and bringing empathy and support that will make it easier for other women to bring both worlds together.*

### ***Flextime Policy***

*I am not sure policies are the only answer. I do believe that policies are an important component. But I think it is very important that you create belief in a top leadership team because they are the ones that will have to discuss the cost implications and trade offs, and that have the power to bring abut real change.*

*Institutionalizing it becomes very tricky.*

*There is a reality that after the time out of the work place women cannot just return and continue where they left off. Often these are the defining years of the career development. Unless you chose to not cut out of the workforce at all or as short as*

*possible this is a he challenge for women. It is a very personal decision that is difficult to govern through policies.*

### **Global Perspective on Flextime**

*I worked in Belgium. It's totally normal that women have four day working week and a lot of men do the same. This is this way up to the VP level. And sharing the care work with your husband is normal and acceptable.*

*The underlying social norms are important.*

*Everything depends on the availability of childcare and other infrastructure. The whole system must support a dual earner family*

*A colleague of mine works for a Danish company. At four o' clock it is like everything stops. Everyone goes home and picks up their children. She is often the lonely person in the conference room after everyone; men and women leave at 4pm. Maybe it started with a policy but it has become the way they run the business.*

*The social pressures can have a huge effect in countries like Germany and the US. Where more face time still means greater commitment to the firm and greater chance of promotion.*

### **The war for talent**

*The pain is not big enough yet for companies to realize that things need to change; that companies depend on female talent to be successful.*

*You need the right people in leadership that really believe in the business case.*

### **Quotas**

*Sometimes you need to create some pressure, but to really shift gender equality it needs to be more than compliance, it needs to be believed in. With quotas the energy can often be directed in the wrong place. I personally don't believe in them.*

*Putting targets in place can be good. Once you put your attention to it your energy shifts and you begin to realize that other candidates are present.*

*The central question with these things is often: For the sake of what? The firm needs to find an answer that works for them. They need to see the business case. Why is this important for the business? These questions need to be asked and these conversation need to happen? A company must weigh the costs and benefit of facilitating greater diversity to see what works for them.*

### **Cultural Context Matters**

*As a company it can be very hard to overrule a strong cultural background/setting.*

*In Belgium or Scandinavia where there is obviously a much more family friendly environment you see more women in leadership positions.*

*At the entry level the percentages are quite good. But when you step up to the director level and the board of management this is where there are a lot less women.*

*In Germany, I had a colleague who was an HR director, she had three children and she came back just a couple months after the birth of each child. And there were a lot of people who wondered what was wrong with her and questioned what type of a mother she was.*

*I have a very personal example of a friend of mine. She and her husband are high-powered career people and high earners. She was a single mom before she married her husband. They had nannies and that kind of support system. At times she would just bring her daughter to the office. I would catch myself, thinking 'how ridiculous is this'. At a conference in Istanbul she had to bring her daughter to the gala dinner and conferences since her Nanny could not get a Visa to travel with them. I had to really challenge myself and it made me think about and reevaluate my own assumptions. The reason it bugged me was because I thought 'there must have been 20 or 30 other women at the gala dinner that had to find caretakers for their children for the time they were gone.' Then I thought, 'Or maybe everyone just needs to bring their children. Maybe this would give the issue some voice.' I really struggle with this. I think we need to create environments that allow for more support.*

### **More Diversity = More Perspectives**

*A mind set shift is important. There needs to be awareness that there is not just one way. You need to consider the possibility that there is a perspective you have not even thought about. Homogenous environments don't realize what they don't know and might not see the need to uncover something and open up to new perspectives.*

### **German Paternity Leave**

*The legislation is well intentioned in Germany in terms of supporting families. I am not sure it is necessarily working in favor for women. Protection from legislation can almost have an adverse effect. Companies can get scared of the commitment and hire even less women, in fear of higher costs associated with long paid maternity leave.*

*My best friend wanted to reenter the workforce and found it very difficult to find even a part time job, partially due to limited child care availability. Unless you are a high earner and can privately afford childcare it is hard to be a mother and full time worker.*

## **Appendix IV**

Interview II

December 13<sup>th</sup>, 2012

### **Rosemary Grant**

Leadership Development and Executive Coaching

Rosemary Grant Associates Limited

#### ***Background***

*I grew up in Scotland. I had a very classic, very good Scottish education. I grew up in an academic family. I went to Edinburgh University and studied Social Sciences. I wanted to be a clinical psychologist, but I actually started my career in worked in public services.*

*I was doing my MBA when I met a woman who was working for Johnson & Johnson. I was reluctant at first to shift from the meaningful work of public services to the money-centered corporate world. I started at J&J and just went through the ranks there. I got a very good education there about how a business runs. I have done almost everything in business; finance, supply chain, customer work, etc.*

*I was a director of the board in the UK for 15 out of the 19 years I was at the company. There were very few women around in Europe at all for most of my career. Good progress has been made in some respects but a lot of challenges remain for J&J and other companies.*

*In 2004 I was asked by the chairman to lead a diversity initiative with a focus on gender for Europe, Middle East and Africa. We worked to show the importance of diversity and different ways of thinking in business. When there is a single group with no diversity there is a tendency for things to go wrong more easily. I got the worldwide chairman leadership award for the work I did in diversity. So the work got a lot of recognition.*

*Today leadership coaching is a passion of mine. I do leadership development work now and executive coaching. I have just completed my second year as an independent consultant. I enjoy complex business and complex problems and diverse people.*

#### ***Networking***

*I am a very well networked woman. I have always been connected to people around the world. I am part of a couple of very senior women's networks; where you can speak confidentially with other female senior leaders. That trusted network is a vital aspect of female success.*

*I have never been the type of woman that has wanted to be a man. I have very little time and understanding for women who try to be more like men, that is not diversity.*



### **Global Comparison- Women Leaders:**

*The number of women on boards and in executive positions is highest in the Eastern European countries and Scandinavia. Germany is a disaster, and the UK. These traditional countries where business has been run in traditional ways, and there are very strong male networks.*

*Most big companies in the US have some sort of policies around gender equality and diversity.*

*There needs to be a culture that absolutely stomps out discrimination.*

### **Eldercare**

Eldercare is an equally large if not larger challenge than childcare in the life of many professional women.

### **Flexitime (Parental Leave)**

*The attitudes around flexitime are so hostile that women often just say 'forget it'. Women end up opting out completely instead of taking advantage of flex time opportunities. Similarly, men are reluctant to take advantage of existing flexitime options. While these policies exist in many firms, the culture of the firm does not support them, and hostility towards those that take advantage of flexitime persists. The manager's attitude is very important; valuing parenthood. If you could give women with children just two or three years with just a bit of flexibility is often all they need.*

*Overall, in upper management you have more flexibility, related to the junior management level.*

### **The Importance of a Good, Planned Exit**

Grant emphasizes the importance for individuals, taking parental leave or other forms of flexitime, to exit well and develop a re-entry plan prior to departing. In her coaching Grant often discusses the following approaches and steps with clients:

- *Exit well: Take care in how you separate. Have final conversations and state your intentions. The way you exit the workplace will often determine your reentrance.*
- *Make sure those projects are finished that need to be completed*
- *Make sure you get your final review.*
- *Create a plan for reentry. I always encourage the women that I coach to make a good plan.*
- *Stay connected: Stay connected on a human basis; connect with your boss. Join sales dinners and events. Attend strategy meetings at the start of the year to hear the plans for the year.*
- *Link into HR- they are the ones who maintain your position.*

*Your boss will not go out of his way to do all these things for you. The company cannot legally ask you to do anything while you are on leave but you can offer and show that you are interested in keeping a hand in. This sends a strong message to the company.*

### ***Work-Life Balance***

*Women often face the challenge of how much of themselves and their private family life they can bring to the company. Some women will talk a lot about their children at work and other women will chose never to mention their children.*

### ***Gender Diversity Programs***

*There was a program at J&J called **Ascend**. Its purpose was to accelerate the promotion of women from director level right up through the ranks. The program includes coaching and focuses on personal mastery as a female leader. Most of the women in the program have MBAs. A lot of it is about mastery and management, showing good reflection on your work and sustainable leadership. It was a very successful program. It also helped establishing communities of women, big networks across J&J. This way, women with similar mindsets could connect.*

*Women need strategies to cope with the different stages in their life. Networks can be very helpful in aiding women through these phases and transitions. I coach women through transitional points in their life and careers.*

## **Appendix V**

Interview III

December 29<sup>th</sup>, 2012

### **Jeanne Thoma**

President of Lonza Inc at Lonza, Switzerland

COO Microbial Control

#### ***Background***

*My career path is unusual in that I didn't know what I wanted to do. I got married young and expected to be a traditional housewife, but we couldn't have children.*

*My first job was in marketing. I wrote travel brochures for alumni groups. I had to make places I had never been to sound attractive.*

*After that I got a job at the German chemical company, BASF. I was in customer service, then in-side sales, then materials management, then out-side sales in the vitamins business. Then one day we got an announcement saying the company had been reorganized. I was given a sales job in the pharmaceutical ingredients business, responsible for the US and Puerto Rico. From there I was promoted to sales manager, then to key account. In 2004, I left BASF and helped my brothers in their business. In September of 2004, Stefan Borgas, whom I knew from BASF recruited me to Lonza, a Swiss-based chemicals company. He asked me to create a group Human Resources function, which hadn't existed before, for which I had absolutely no qualifications. I did that for 3 years before being appointed President of the Microbial Control Division.*

*In looking back, I wasn't particularly ambitious but when I looked at my bosses I thought, "I could do better than that." It wasn't meant to be arrogant, rather I believed that more could be done with the team. The first thing is to be sure everyone is in the right jobs. Everyone has to be able to work to their full potential.*

*I never thought about barriers based on gender. It never occurred to me not to try for a job because of my gender.*

#### ***Did you have role models in your career or family?***

*I was one of 9 children. My parents were very much partners – both strong personalities. I had an Aunt who worked in the city in advertising in the 1950s. She married later in life. She was a glamour career woman. My grandmother was a strong woman as well. I remember her commenting on a movie called Carousel about a young woman abused by her father, saying "they could have used some woman's liberation back then!" I was surrounded by strong women growing up.*

***What is your view on the Fairness argument and Business Case argument?***

*I believe in the business case (supported by numerous studies) that diverse teams are more creative, innovative. Besides, they are just more interesting to be a part of. When teams are homogenous, you get “group think,” they don’t challenge each other enough.*

***Flexibility in the Workplace***

*Younger people are driving greater flexibility in the workplace. They grew up with technology that allows them to be connected no matter where they are physically. Much of what is accepted as normal at work is due to artificial barriers that existed such as having to go to an office to work. Those barriers have been broken today.*

*My experience is that given flexibility, people work just as hard or harder. We have a colleague with three children, the youngest of which has special needs. He is also a triathlete. He takes time to do events, even takes his youngest with him on competitions. We don’t see him in the office much during the day; but, you’ll get e-mails at midnight.*

*Companies that want to attract and retain young talent, will have to be flexible.*

***Cultural attitudes around the work-Life balance***

*Fortunately, the old norm that working long hours was a “badge of honor” has changed. In Germany, if you have to work on weekends or late at night, people assume you are incompetent!*

*Even if countries have policies such as paternity leave, it used to be taboo to exercise that right. It was career suicide to take time off. That is no longer the case. People would think you are a bad spouse or father if you don’t take time off.*

***How do you feel about quotas?***

*The problem with quotas is that they discredit the minorities because their colleagues think “he or she got the job because of their race or gender.” I believe in diversity targets and having strategies to meet them. You have to take a holistic approach. For example, if there aren’t enough senior women, look at the level below. Are there sufficient numbers there? If not, why? You have to fix the systemic issues that exist.*

*Some women look at the executive level, the behaviors expected, and say “no thank you.” Women are just as ambitious but ask themselves “is the sacrifice worth it?”*

*The women leaders I know are less compartmentalized (private and professional life) than the men. Women often draw their strength from deeply held values and principles which they are less willing to compromise.*

***Differences you have experienced between men and women leaders?***

*Women leaders tend to be more collaborative, share leadership, share accountability and success. They are more fluid than men who tend to want more clarity.*

*I used to see women competing with each other for what they believe to be limited open positions for women; however, that hasn't been the case for 15 years or more.*

## **Appendix VI**

Interview IV  
February 13<sup>th</sup>

### **DeeDee Wilson**

Strategic and Visionary Finance Executive with Global Experience  
Currently a Member of the Executive team of YWCA

#### ***Background***

*My father was in the Military so during my childhood we moved around quite a bit. We lived mainly in South Eastern USA. My sophomore year in High School we moved to Washington. And then my senior year we actually moved to Belgium. I loved it! I went to college at Auburn University. I was planning to go to College in Europe but then my parent moved back to the States. I loved Auburn. It was a big school. I got a degree in accounting. I really wanted to be in International business. I thought I would start in accounting and then move into international business over time (this seemed like the best decision at the time).*

*After college I worked for Price Waterhouse Coopers, a big accounting firm at the time. I did that for about four years. It was awful work. Not any fun. As soon as I had done my time to become a CPA I went to work for Coca Cola. I worked in the Accounting department for a while but realized it wasn't really what I wanted. I wanted broader experience. So I literally begged this gentleman who worked in the Treasury department to hire me into Treasury. He hired me. I worked at Coke for about 6 years.*

*Then Nike hired me away from Coke to set up their Foreign Exchange Risk Management department. It was there that I really started having a lot of management and interaction with different leaders. I was starting to see different kinds of roles that women play in Business.*

*I worked for a woman who had worked her way through the ranks at Nike. She started off without a college degree and thirty years later she had become the treasurer of the company. It's a wonderful story except that she was one of those women who believed that she had to fight her way to the top so therefore every other woman should fight her way to the top as well. She and I were not compatible at all. It was a very difficult time for me. And what I found was that there were men around me who actually supported me way more than she did. I have seen over time in business that sometimes women are our worst enemies.*

*Somebody once said to me that from the time we are in Middle School women learn to be very competitive. We become much more competitive early on, where men are really about play and having a good time and camaraderie. So they form groups much more easily.*

*This woman was very threatened by me, and my technical expertise. I found that the men in the organization really were the ones that surrounded me and said 'we are going to help you be successful despite her.'*

*At Nike, in the finance department, my big mentor was a man. He was the CFO. He supported me and helped me make my way in a very male dominated organization. He gave me a lot of great opportunities.*

*Nevertheless, even though I was probably the most qualified I had to wait my turn to become the Vice President until two of his male colleagues had become VPs. He couldn't really give me a rationale other than 'their jobs are slightly bigger'. That was a very subjective perspective. We saw that at Nike time and time again.*

*Twice a year Nike would name a pool of Vice presidents, and 80% would be male and only 20% female. So a group of us women at Nike, in pretty senior positions, started a women's leadership council together. The men were petrified of this council. I was the one who presented our case for female leadership to the CEO of Nike. We walked through the business case for women in senior positions with him.*

*Working with consumer products this is really essential, since women own the majority of the purchasing power. Women make 80% of the purchasing decisions in the Family. So our argument was: in our business we could grow much faster if we were more connected with what women were thinking. It was a big growth opportunity.*

*And we made some good progress. When I was there about 20% of women were VPs now it is probably closer to 30 or 40%. Not a huge movement, but some movement.*

*I left Nike and became CFO of Aritzia. And worked there for a couple of years.*

*Then I worked at L.L.Bean for a while.*

*It is a very male dominated company. And I was a very strong female in a company where the men all had stay-at-home wives. And the women really struggled to get ahead. Because I was outspoken and willing to challenge, the boss turned on me and I ended up losing the job.*

*I considered suing for discrimination. And the lawyer at the time said I would probably have a strong case. But I decided not to. Because the broader company ideology was sound and I didn't want to put them or myself through that. If you go there you are basically ending your career.*

*Next I worked for a woman in Atlanta. She worked to promote women on boards. She was a real advocate for women and gays, working against discrimination in business. Six months after I started this job, the company restructured and she and her team (including me) were all out of jobs.*

*People like to be surrounded and work with people that are like them. So the bottom line is; until there are enough women in senior positions it's going to be really hard for women to break through and be the majority at the top.*

*Many more accountants are women today than ever before.  
It's a matter of time.*

*We are at the forefront of women being leaders (especially in large, innovative companies.)*

### ***International Comparison***

*I worked in the Netherlands. I was a senior leader in 2004-2007 with Nike, the CFO for Nike's Europe, Middle East and Africa division. It was really interesting to see country dynamics. The leadership team a total of 10 individuals had three women. The women in Europe thought we (Americans) were crazy. Europeans still hired women based on their looks. And women were satisfied with lower positions, support positions for CEOs. We (Americans) thought it was very demeaning.*

*I think of the Netherlands as one of the most progressive forward thinking countries in Europe and yet their view of women in the workforce is very behind.*

*The Netherlands provides no real quality day care, that is government sponsored. There is a long paid maternity leave, but no good support system in order to facilitate and enable the return to the workplace.*

*Furthermore, women faced harsh criticism from other women. They are often told that 'they were neglecting their family and home responsibilities.' The biggest challenge was often not the work-life balance but facing the criticism from friends and family for these women. A good infrastructure system is important to allow women to come back to work.*

*In the UK the male chauvinist perspective was even stronger than in the US. It is much more old-school.*

### ***Effectiveness of more women on Boards***

*Are quotas for women on boards even effective, when the boards can be so disconnected from the actual management within and of the company?*

*This depends on the company.  
Negative press can lead to action.*

*Wilson gives two examples of women who served on the board for Nike and had a huge impact on the firm and amount of influence:*

### ***Jill Ker Conway***

*She was the first female president of Smith College. She broke the barrier. She is an amazing woman, a real pioneer, both in education and in business. She became the CEO of a very large company in Australia.*



*She worked with Nike. She was on the board. She helped change the model for how companies in the US work with their manufacturers abroad.*

### **Jeanne Jackson**

*Jackson worked for Wal-Mart. She was a strong voice of reason. She also served on the board for Nike.*

*So I think women can be very effective on boards, I have seen it in action. But management needs to be open to it.*

### **OnBoard**

*This is an organization in Atlanta that helps women get on boards.*

*Here women are helping women.*

*Only 10% of board members in Georgia are women.*

### **The Fairness Argument**

*I am not a big fan of the argument. I believe that the best person should get the job regardless of gender or color.*

*There needs to be a good pool of women candidates but the best regardless of gender should get the job.*

### **Barriers**

*My husband stayed at home. My jobs did not allow me to have a good work-life balance. This was really important for us. I could not have done my job without this support.*

*In most families there is still a very traditional mindset. Even though the woman works she is expected to do all the domestic work as well. Not a lot of women have the luxury I had; a hugely supportive, stay-at-home husband.*

*Sometimes women are their own worst enemy. We believe there is only so much room at the top so if you make it I won't. But really there is an abundance. There needs to be a shift from the scarcity model thinking to abundance model thinking.*

*We feel guilty about working too much.*

*We put a lot of pressure on ourselves to try to do everything.*

*I had to figure out over time what balance looked like for me. This can look different for every woman.*

*Balance is not necessarily an even distribution of personal life and work commitments. This is almost impossible to achieve.*

### **The role of Government and Private Sector**

*Companies have to regulate themselves. The government has to regulate things such as shareholder protection. Government policy alone cannot be the answer. Companies have to make those policies and believe in them in order for them to be effective.*

*It is hard to mandate gender equality.*

### ***Flexitime***

*At Nike there was an expectation that you worked in the office. There was not a lot of flexibility.*

*At L.L.Bean most business was done in one office. However, they were flexible in some respects. They wanted to allow men and women to experience the outdoors. We were granted a week of outdoor days. The health costs for employees actually came down; this was their business case, but not necessarily a case for gender equality.*

*At Newell I had a good amount of flexibility. Flexitime was granted, not for parental reasons, but in general. It was about the result not the time it took to deliver this result.*

*Flexitime around family reasons will always be tough. Some jobs require travel and flexitime is not as much of a possibility.*

*Technology has created more flexibility and opportunity. Companies can be more results than face time oriented as well as leverage the advantages of technology. Women are result oriented. This type of new results oriented mind set could be very beneficial to women in business.*

*As women get into more senior positions they can start to have more influence.*

*It needs to be fair for men and women. What I have seen over the years is that more and more men are interested in having more time with their families as well. More men are taking parental leave time.*

*More project oriented roles and jobs allow for more flexibility. My sense is 20 years from now we wont be talking about flex time. More jobs will become virtual with the improvement of technology.*

### ***Creating a Plan to Leave and Reenter***

*You have to take control of your career.*

*We think of networking as outside of our job, but men see that as part of their job. Its all about who you now. It's a difference in mentality.*

*The reality is, out of sight out of mind. Women on maternity must stay connected and engage with the organization, remind the organization that they were still out there. Keeping current with what is going on in the field and at the specific company is important too. Finding ways to stay connected to the business world in and outside the company is essential.*

*This is especially important for women who spend multiple years out of the workforce. She must show she is doing something while she is on leave.*

### ***Reasons for Opting Out***

*Reasons for Opting out are different for every woman. Some women, once they have a baby lose the desire to work. Some come back to work sooner for financial reasons. Others want to come back because they see the value in what they are contributing at work.*

*As individuals and companies we need to figure out how to make it easy for women to chose their path, and make it a little easier for them to reenter. The individual's expectation and attitudes need to be appropriate and reasonable and the company needs to be receptive and supportive.*

***More flexibility at the Top***

*I worked harder but I could do it in my way. I had more freedom to pick the calendar and meeting and travel times. Responsibilities get bigger.*

***Workforce Culture vs. Social Culture***

*The social culture feels more advanced than the business culture. It still tends to be quite traditional. Old-school companies are taking a longer time to understand the changing society and to shift business culture, both in terms of technology and gender.*

*The youngest generations will bring about much more change. There are many more women graduating with traditional male degrees, so the pool of applicants for traditionally male jobs will become more diverse and more the number of women represented in these careers will rise.*

*It will take about 5 to 10 more years for company mentality and practice to change for the more old-school companies.*

## **Appendix VII**

Interview V  
February 22<sup>nd</sup>

**Barbara Seymour**  
Self-employed attorney

### ***Background***

Seymour grew up in South Carolina. She studied at Georgetown University and received a Masters Degree in Business from Harvard University.

She started her career in 1979.

She worked as a Tax attorney/lawyer at Texaco for 19 years.

She also worked for Shell.

Today she is a self-employed attorney

*It was always a given that I would attend college.* In her family it was expected and supported. Her father, in particular, supported her.

### ***The Fairness and Business Case Arguments***

Seymour agrees with both arguments; fairness and the business case, but especially with the fairness argument (since she is a lawyer).

### ***Career and Personal Experience***

She was the only female, and African American lawyer at Texaco when she first started her career there.

She was always quite sure about what she wanted to achieve and aggressive in her approach. She says she fought her path mainly on her own. And that she attributes her education and career achievement mostly to her own hard effort and determination.

Throughout her career and life she often felt that race and gender were a huge barrier. She explained that the field in which she worked, the oil industry, was very conservative, especially, towards the start of her career in 1979.

She mainly worked with white males throughout her career at Texaco and Shell.

*As a woman in business you need to be able, confident and informed.*

### ***Support at the Job***

At Texaco there was someone senior to her, a Georgetown graduate as well, who helped support and even promote her in her career path at the company.

### ***Personal life***

Seymour has no children. She was married for 10 years. Both she and her husband had very demanding careers.

### ***Gender and Race***

#### ***Affirmative Action***

Affirmative action programs had just gone into practice around the time at which she began college. She says affirmative action was the reason for a lot of criticism that she and other African American students faced at school. *Other students just assumed that you had made it into the college because of the affirmative action program. You had to prove your intelligence and that you deserved to be at the institution through hard work and intellect.*

Through her own experiences, she has become rather critical of programs such as Affirmative Action. She has felt what it is like to be on the other side, the minority side, which is meant to benefit from such programs.

#### ***The Texaco Lawsuit in the 90s***

It was a lawsuit against racial discrimination. In 1996 Texaco paid over \$170 million to settle the lawsuits. African American employees at the company filed the lawsuit and tapes were released that provided evidence of repeated usage of ethnic slurs by company officers at high-level corporate meetings. It was the largest racial discrimination lawsuit settlement in the U.S. of the time, and was destructive to Texaco's public relations.

In response to the lawsuit the company hired a new board of civil rights judges, which developed and employed new policies within the firm. These policies were effective, changing the culture of the firm and the diversity of the firm. These new policies included strategies such as: the awarding of higher bonuses to managers meeting their diversity goals. This is a good example of an incentive-based program that is successful without the use of quota enforcement.

The Texaco lawsuit is also an example of how costly discrimination can end up being for companies.

#### ***The Business Structure***

*In the US it is all about productivity. Your work and success within a firm are measured by your productivity. Face-time is important in proving and signaling that you are working hard and are engaged/committed to the company. The social interaction is important.*

#### ***Quotas***

*Quotas have a very negative connotation in the US. When someone hears the word quota it immediately sets off alarm bells.*

#### ***Flextime***

Seymour believes that Flextime is less meaningful at higher levels.

*Yahoo just hired a new female president, who is pregnant. This is definitely a first and closely watched by many curious followers.*

### ***More Effective Approaches***

*A better approach than Quotas and Affirmative Action are incentives. Such as: tax incentives for companies who have especially high gender diversity in their firm and in management, and income/bonus incentives for managers within firms who hire a more diverse team and who reach their diversity goals at the end of a term. These types of incentives are a more effective way for hiring, promoting and actually retaining female talent in firms. It is less forceful and supports the business case argument. Companies can realize the advantages of greater diversity and are not just complying with quotas in fear of getting punished. It is a less aggressive and possibly more effective (long-term) method for initiating and sustaining diversity.*

### ***An Anecdote***

*At a meeting once the men in the room kept referring to women as girls. This was common and very upsetting and offensive to all women working at the company. Seymour decided to get up and leave the conference after this happened repeatedly with no signs of understanding and improvement from the involved men.*

### ***Social Attitudes vs. Business culture***

*The business world lags behind. The people in charge of most businesses are of older generations. It is the younger generations who are more progressive and have greatly altered most recent social norms and attitudes.*

### ***Leadership Characteristics***

*Women need to be aggressive but not pushy. This is fine line to walk and a difficult balance to find and maintain for women.*

*A paradigm shift is necessary!*

## **Appendix VIII**

Interview VI  
March 1<sup>st</sup>, 2013

### **Candace Quinn**

Partner, Squire Sanders  
Co-President and Co-Founder,  
Women's Executive Circle of New York (WECNY)

#### ***Background***

Quinn attended Georgetown, Law School.  
She studied economics and social policy in college.  
Tax Law was her found passion/interest in law school.

She worked on Wall Street after having completed her higher education.  
She received a number of job offers in the field after graduating. She says this was due to her degree level. She emphasizes the importance of education, especially for women. She says that following through till the end, and getting the masters was what helped her professional success. Education opens up career opportunity and professional progress for women.

Quinn worked at KPMG for 20 years as an attorney.  
Now she is a partner at the law firm Squire Sanders in New York City.

#### ***The role of Governments/Legislation***

The Dodd-Frank Law signed in July 21, 2010, was a major financial reform.  
It is the closest to a quota in the US. It allows for more consumer transparency.

She emphasizes the importance of disclosure and diversity on boards.

#### ***The formation of WECNY?***

WECNY is a not-for-profit organization with the mission of accelerating the advancement of women from diverse backgrounds to executive positions of leadership.

It is a branch of ION, which was sponsored by KPMG.

WECNY is a network for women. It prepares women for board positions.  
One of our major tasks is *quantifying* the representation of women in management in specific firms/fields. This is important. This will draw attention and actually get firms and individuals to act.

Policies alone will not be as effective. Awareness and action can be spurred through quantifying and publication of data surrounding women in senior management in specific firms.

The most recently published document containing such data is the Census 2011. It lists the Top 100 companies with no women on boards. Drawing public attention to the least diverse companies. This puts a spotlight on specific firms, and demonstrates the lack of gender diversity in large, leading corporations. These companies are embarrassed in the public eye.

The census also provides data on Women serving on Boards of Directors in NY Top 100 Public Firms and Women Executive officers.

### ***The Business Case***

She points to the importance of diversity and good governance.

*"Diversity is essential to businesses wanting to compete in this broad, global market."*

Diversity of opinion is valuable.

*"doing good sells"*

Diversity is good for business

It makes a firm healthier, better and more productive.

Diversity is important for businesses.

Good policy –(charitable, diversity) attracts talent and is good for business.

Many things depend on and vary with the type and size of the industry.

In some fields and industries diversity is especially important. In other fields, companies can get away more easily with being less diverse.

The career ladder, the way to work your way up in a firm, depends on the industry as well. In law, for example, you need a *book of business*.

### ***Personal Experience***

*Accounting firms often have a flexible work schedule. They can be more accommodating to mothers, and individuals in general with family or personal life obligations and conflicts.*

*There are very few women partners in law firms. The field of law is less flexible. Face time is still very important, it demonstrates your commitment to the firm.*

### ***Social Perspective***

*Younger generations have a new mentality. There seems to be less importance on traditional social norms and more acceptance.*

Males are more aggressive. As any individual in the corporate world, male or female, you have to speak up to gain credibility.

### ***Ways to Overcome Barriers***

*It is important to show your employer that you are committed and believe in what you do. Policies alone cannot fix the problem. A woman's (or any individual's) attitude and the way of communicating are important. They must speak up for themselves.*



*Communication is especially important when a woman is planning on taking some time off for childbirth. Staying connected to the office and the developments in the field, the firm is essential.*

Quinn took 3 months off after the birth of each of her 3 children. Her children were born over a total of 4 years, a very short time span. She had a live in Nanny, which was a big help to her.

She has lived in Silicon Valley. She explains that it is a very macho, male dominated, environment. Her father was in the tech industry in Boston when she grew up, so she was used to this type of environment.

### ***Diversity on Boards***

*There need to be at least 3 diverse people on a board to make a difference to the company as a whole. It takes more than one women on a board to have significant involvement, and promote change and diverse ideas.*

*Transparency is important!*

*Often there is not enough turnover on boards, the same people remain in this position for many years, not allowing for a new inflow of diverse ideas, that promote change, progress.*

You need C-suite experience to be a (good) Board member. Since the number of women in the C-suite is so much lower than that of men, women are also underrepresented on Boards.

*It is important to look at the global platform! The US is very different from many other nations, so looking at it in isolation will not show the full picture. Furthermore, most large corporations, multinational firms, are global, and must compete in the global market.*

### ***Solutions on the Economic side***

*Better publicity, shining a light on specific firms to promote gender diversity will help. Quantifying the information on gender diversity/female involvement is key!*

*Transparency and accountability!*

*This way you will not need quotas.*

### ***US Policy existing today***

*Government guidance can be important, especially in protecting human rights. Important policies such as FMLA exist in the USA.*

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## Endnotes

<sup>1</sup> <http://www.dlt.ri.gov/lmi/pdf/gender.pdf>

<sup>2</sup> <http://www.sbs.ox.ac.uk/execed/leadership/womentransformingleadership/Pages/Background.aspx>

<sup>3</sup> [http://www.emb-norway.ca/News\\_and\\_events/News/Centenary-of-Womens-Right-to-Vote-in-Norway-1913-2013/](http://www.emb-norway.ca/News_and_events/News/Centenary-of-Womens-Right-to-Vote-in-Norway-1913-2013/)

<sup>4</sup> <http://www.parliament.uk/about/living-heritage/transformingsociety/electionsvoting/womenvote/>

<sup>5</sup> <http://www.ourdocuments.gov/doc.php?doc=63#>

<sup>6</sup> History of Title IX: <http://www.titleix.info/history/history-overview.aspx>

<sup>7</sup> <http://www.forbes.com/sites/meghancasserly/2012/09/12/is-opting-out-the-new-american-dream-for-working-women/>

<sup>8</sup> Arrow, K. "The Theory of Discrimination"

Phelps, E. "The Statistical Theory of Racism and Sexism"

<sup>9</sup> [government.no](http://www.government.no)

<sup>10</sup> [dol.gov](http://www.dol.gov)

<sup>11</sup> "Five Flextime Friendly Companies." [Http://www.experience.com/alumnus/article?channel\\_id=career\\_management&source\\_page=additional\\_articles&article\\_id=article\\_1204042203076](http://www.experience.com/alumnus/article?channel_id=career_management&source_page=additional_articles&article_id=article_1204042203076)