

2018

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Recommended Citation

Sanchez, Carol M. and Dalmia, Sonia (2018) "Why Aren't There More Women Leaders? A Look Inside One West Michigan Organization," *Seidman Business Review*. Vol. 24 : Iss. 1 , Article 9.

Available at: <https://scholarworks.gvsu.edu/sbr/vol24/iss1/9>

Why Aren't There More Women Leaders? A Look Inside One West Michigan Organization

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Last summer, a now former Google software engineer wrote a memo about women in his organization. His memo, which went viral on social media, noted that women hold fewer technological and leadership positions at Google because of “genetic differences,” such as “lower stress tolerance,” different preferences, and abilities. He said that gender differences “may explain why we don’t see equal representation of women in tech and leadership.” Google’s CEO, Sundar Pichai, responded swiftly, saying that “To suggest a group of our colleagues have traits that make them less biologically suited to that work is offensive and not OK. It is contrary to our basic values and our Code of Conduct” (McGregor, 2017). While wrong about many things, the engineer was right about one: there are very few women in leadership positions at Google and in most organizations.

Women outperform men in schools and colleges in the U.S., earning the majority of bachelor’s and master’s degrees. Regardless of the measure employed -- grades, rigor of courses taken, number of degrees awarded, numbers admitted to medical, law and business schools -- women are gaining inroads towards dominating the academic landscape (Parker & Horowitz, 2015). Despite this critical mass of qualified women in the pipeline, women and women of color are underrepresented in executive positions and on corporate boards (see Figures 1 and 2). Women make up 47% of the U.S. labor force, yet they hold fewer than 20% of top leadership jobs in US organizations.

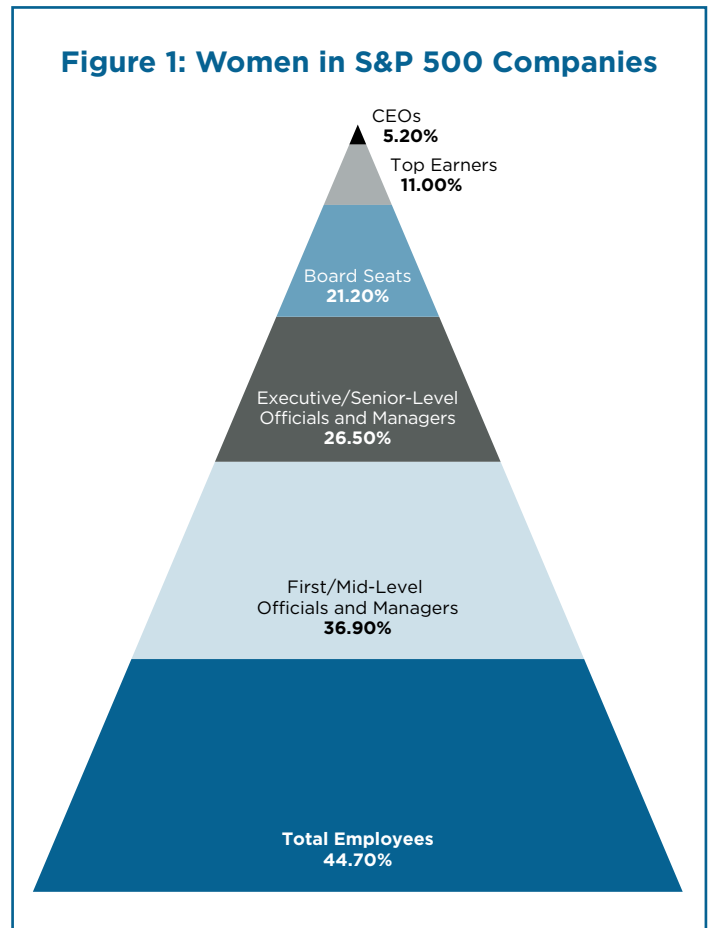
Among Michigan’s top 100 companies, and despite Mary Barra’s appointment as CEO of General Motors in 2013, the number of women leaders flat lined in recent years. Only 13% of women held executive positions in 2013, compared to 12% in 2007, and no women held executive officer positions in nearly half of Michigan’s largest public companies. Women’s share of board seats at Michigan companies has barely moved, from 9.6% in 2003 to 11.5% in 2015. The situation is worse for minority women, who represent 36% of all U.S. women, 18% of the entire U.S. populations, and 33% of the

female work force. Only 12 of the top 100 Michigan companies have one minority woman in a director or executive role.

There are similar patterns in higher education. While some U.S. universities have hired more women and minorities in recent years, women still hold fewer than 25% of their leadership positions, which include presidents, vice presidents, full professorships, provosts, deans, chairs, and directors.

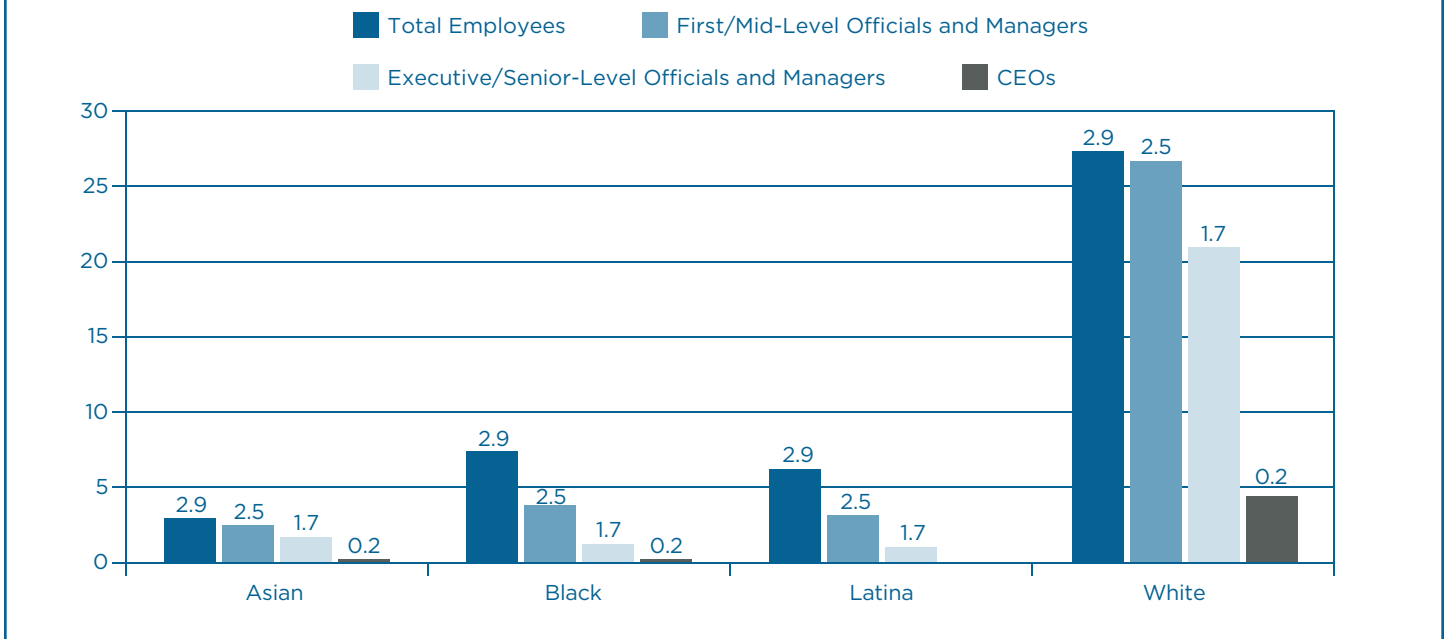
Why are there so few women in leadership positions? Factors often cited to explain this include a limited pool of diverse candidates, the inference that women “choose” not to pursue leadership positions (PWC, 2015), and recently, “genetic differences” such as lower stress tolerance (McGregor, 2017). But research refutes these explanations and finds that (1) many women are well qualified and interested in

Figure 1: Women in S&P 500 Companies



Sources:
Catalyst, *Women CEOs of the S&P 500* (2017).
EY Center for Board Matters, 2016 Top Earners in S&P 500 Companies, Unpublished data.
Catalyst, *2016 Catalyst Census: Women and Men Board Directors* (2017).
U.S. Equal Employment Opportunity Commission (EEOC), Unpublished 2015 S&P 500 EEO-1 data

Figure 2: Women In S&P 500 Companies By Race/Ethnicity



Sources:
Catalyst, unpublished data (2015)
U.S. Equal Employment Opportunity Commission (EEOC), "2013 EEO-1 Survey Data."

senior level positions but are not routinely recruited, and (2) more women than men are ambitious and desire power and influence. Women are highly qualified to be leaders and very interested in doing so, but barriers stand in their way. Women leaders say they have clear career goals and value family and work equally, but they experience discrimination in their organizations. And when women and minorities are hired as leaders, they often are put into lower-level positions. What's more, while women often outperform men on some measures, they earn less than men who have comparable jobs. It is not that there are no qualified women to fill public, nonprofit, and private sector leadership positions. There is an abundance of women and minority women who are well educated, experienced, talented, and eager to lead. Still, organizations frequently overlook them when leadership jobs open up.

Why are there so few women in leadership positions?

To better understand the lack of women in leadership, we surveyed men and women at a large, West Michigan university to examine gender differences in aspirations to leadership positions. Of a population of 2,500 people, 30% responded to an electronic survey on the subject. A little over half were faculty; a little less than half were staff. Although this report focuses on higher education, we believe our findings are meaningful and relevant to other organizations in West Michigan. We found that three barriers keep women from leadership positions: *gender stereotypes*, *social and institutional factors*, and *individual mindsets*.

Gender Stereotypes

First, the *gender stereotypes* that women face as they aspire to leadership are different from those that men face. For example, women who aspire to a leadership position are more likely than men to believe they will lose work flexibility, have less time for personal interests, and find that their job responsibilities will compete with family responsibilities. So, although many women aspire to be leaders, persistent gender stereotypes – e.g., the assumption that women take more time off for family commitment than men do and, thus, may be an inappropriate candidate for a demanding job – may discourage them from applying for a leadership position.

Social and Institutional Factors

Second, the *social and institutional factors* women face as they consider leadership are different from those that men face. Interestingly, compared to men, women who aspire to a leadership position are more likely to believe there are prospects for advancement into leadership, have sought leadership development opportunities inside and outside the institution, and think all employees have equal opportunities to advance. Nevertheless, women believed their experience would not be weighted as equally as that of other applicants, others would not perceive them as leaders, and they were less likely to apply the longer their tenure and experience with the institution.

Individual Barriers

Third, the *individual barriers* that women face to be leaders differ from those that men face. Compared to men, women who aspire for leadership positions are more likely to be

satisfied overall with their current job and are less likely to be attracted to leadership for the influence it would give them or for the chance to make change. This suggests there are other reasons that drive women to aspire to leadership, perhaps because of duty or the desire to contribute, if not for power or influence.

With respect to race or ethnicity, we found no difference in the response of women to these three barriers women face as they consider leadership. This may be because more women (65%) than men (35%), and very few people who identified as minorities, responded to the survey.

The Bottom Line

Three factors -- *gender stereotypes, institutional factors, and individual barriers* -- may keep many women away from obtaining leadership positions. In addition to these barriers common to all women, we did find important differences. For instance, more women than men, more married women than married men, more women with children at home than men with children at home and, more African/African Americans, Asians, Hispanics especially African/African American, Asian, and Hispanic women aspire to leadership. Moreover, a larger number of African/African Americans and Asians, more African/African American, Hispanic, Asian, and other women, and fewer Caucasians stated they would apply for a leadership position.

There is no doubt that women, especially minority women, aspire to leadership and are willing to apply for leadership positions if there are opportunities. Women have actively sought leadership and career development experiences, and many have mentors. They are not necessarily interested in leadership because of the power or influence it would give them, and all things equal, they are quite satisfied with the jobs they have now. However, women have extraordinary talent and experience that would benefit organizations were they to become leaders, yet gender stereotypes, institutional barriers, and individual mindsets may stand in the way. Evidence from global companies indicates that firms with more women in leadership have stronger returns on equity, sales and invested capital, improved social responsibility, and smaller pay gaps (Tate & Yang, 2015).

What can West Michigan organizations do?

First, to fix the problem of too few women in leadership, there must be *greater acceptance of women in leadership* positions among employees of organizations, in part because it is fair, and evidence shows that it leads to positive firm-level performance and success (Eagly & Carli, 2007). Second, organizations must build *greater trust of women in leadership*. Working with others, including women colleagues and leaders, requires significant interdependence, respect and, trust in each another to reach organizational goals (Schoorman, Mayer, & Davis, 2007). Wise company leaders know this.

To build acceptance and trust of women in leadership, West Michigan organizations can address corporate culture, equity, and equality in various ways. First, managers can build trust by implementing policies and practices that encourage men, and women, to seek and support women

as leaders. Organizational performance is likely to benefit in organizations where employees accept leadership equally, regardless of whether the leader is a man or a woman, and where competence, integrity, benevolence, and other characteristics of trust become part of employees' image of the firm (Dirks, 2000).

Second, top-notch training programs are available locally to help organizations recognize and overcome gender bias. Initiatives that identify gaps, bolster trust, and encourage engagement with others help combat gender and other prejudices. Team-building activities that focus on role clarification, interpersonal processes, and lowering people's vulnerability can begin to create a culture of equality. West Michigan firms that engage in such visible commitments to equity will better attract talented women leaders, instead of letting them go elsewhere to advance their careers in places with a more level playing field (Beeson & Valerio, 2012). ■

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