

In case of emergency, break glass ceiling

Women C-suite executives show all the right skill sets. So why are they so rare?

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Male and female C-level executives are more similar than different in the way they approach problem solving, leadership, and interpersonal challenges. However, an analysis of more than 4,000 in-depth Korn/Ferry assessments found that the subtle distinctions that do exist give female leaders a slight edge, and suggest that they can be naturally rich sources of best-in-class executive behaviors.

From the moment the first female executive took a seat behind her desk, whether gender makes a difference in leadership style has been a high-stakes question with business and political implications. Alas, also one with no clear answers. For every research study that proclaims a statistically significant difference between male and female leaders, another insists that none exist.

Both camps are right. Korn/Ferry International recently studied more than 4,000 men and women with C-suite positions across North America using the Korn/Ferry Decision Styles assessment, unique in the field in that it is able to discern internal thinking styles, external leadership styles, and emotional competencies. We found that there are both stunning similarities and significant differences between male and female leaders—and the latter may be hiding high-potential women.

Previous studies on gender differences

Leadership research has primarily focused on two areas of interest regarding gender difference since the 1990s: emotional intelligence, and transactional versus transformational leadership.

Much of it has found that female leaders tend to be rated more highly than men in many areas related to emotional intelligence. According to Eichinger and Lombardo (2004), both sexes give women higher scores on compassion and patience in the interpersonal arena (as well as planning

among operational skills). Vilkinas and Cartan (1997) also found that female managers were rated as more sensitive and caring toward staff. Female managers had mean

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total emotional intelligence scores eleven points higher than their male counterparts in Mandell and Pherwani's study (2003) using the Bar-On Emotional Quotient Inventory. In 2001 Eagly and Johannesen-Schmidt found female leaders more demonstrative of attributes that motivated respect and pride; they exhibited greater optimism about future goals; and they focused more on development, mentoring, and rewarding performance.

Other studies, naturally, have found no differences. Hopkins and Bilimoria (2008) found none between 105 male and female upper-level executives' social and emotional intelligence competencies. In Maher's 1997 study using undergraduates, employees reported no differences between male and female supervisors and their use of transformational versus transactional leadership. Are men more task-oriented and women more people-oriented as leaders? In his review of the literature up to 1990, Powell found no consistent patterns.

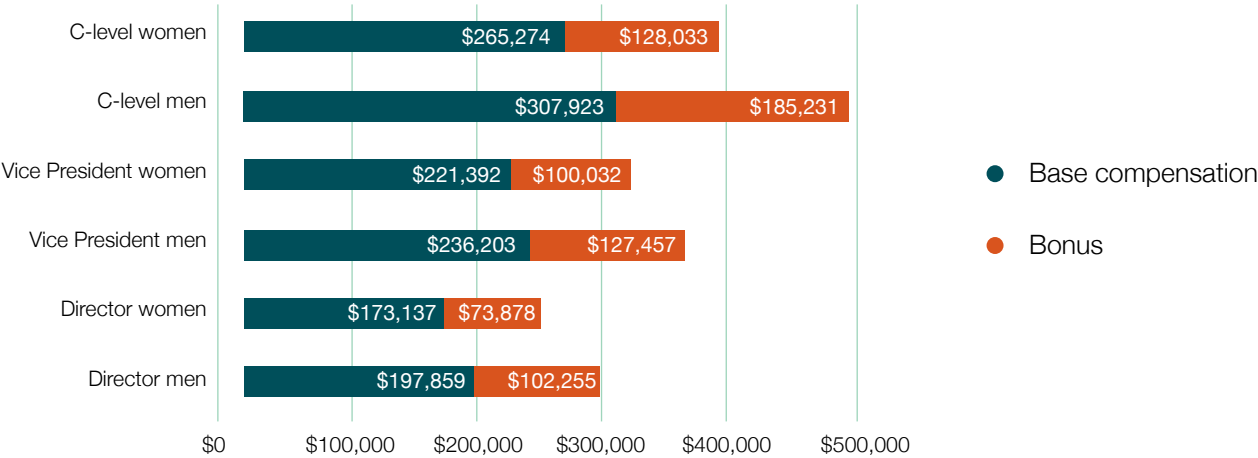
Despite these apparently contradictory reports, recent research has yielded signs that female leaders may, by their very presence, have an impact on organizations. In 2007, McKinsey & Company surveyed 58,240 respondents from 101 companies in Europe, Asia, and the United States. When at least three women were present on an organization's senior management team, a company scored higher, on average, on each of the organizational criterion McKinsey devised (including such categories as accountability, leadership, capabilities, and innovation), versus companies that had no women on their senior management team. McKinsey also looked at eighty-nine European companies with "the highest level of gender diversity in top management posts" (p. 13), which was evaluated based on the number of women on the executive committee, the presence of two or more women on the board of directors, and pertinent information in the company's annual report.

Relative to average performance in their sector, companies with a larger proportion of women in top management showed 17 percent greater stock price growth and 1.1 percent greater return on equity.

Although findings around women’s leadership are inconclusive, one thing is certain: female executives are still earning less. The pay gap exists across all levels of leadership, and persists even at the C-level (see Figure 1). With salary and bonus, the difference in pay was 21 percent at level two, 13 percent at level three, and 25 percent in the C-suite. Given such wide differences in compensation between men and women, one might expect to see significant differences in leadership behavior, style, or effectiveness. But our study reveals that is not the case.

Figure 1
Salary gaps

Korn/Ferry did an analysis of 5,187 executives’ salaries in North America in January 2010, and found that gender-based salary gaps do not disappear at the top of the corporate ladder.



Detecting differences in decision-making

Korn/Ferry has assessed more than 700,000 executives worldwide using its online Decision Styles tool, and collected employment and career data about them. Decision Styles puts executives in various theoretical situations that reveal how they solve problems and make decisions. Based on their answers, their *Leadership Styles* and *Thinking Styles* are identified and measured. Using those answers, the tool also determines *Emotional Styles*, which reflect the executives' internal resources for dealing with on-the-job challenges.

Examining gender differences with Decision Styles is much different from relying on 360-degree assessments (others' ratings) or self-assessments (self-ratings), which have predominantly been used in previous studies. Such assessments primarily capture how men and women are perceived, which is

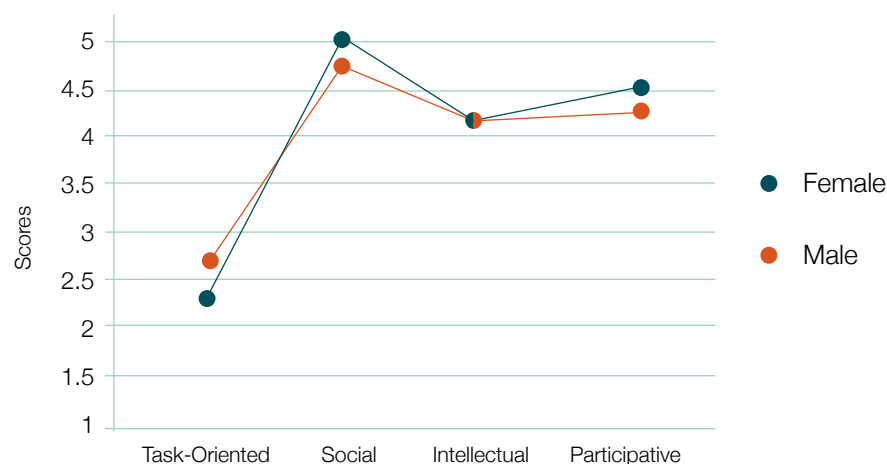
subject to many influencing factors. Decision Styles, by contrast, neutrally ascertains an executive's decision-making style when working alone, as well as with others; it provides

Decision Styles assessments neutrally ascertain a person's thinking, leadership, and emotional styles without relying on outside raters.

information regarding how the individual will solve complex problems, collaborate, and command; and it indicates his or her level of ability in dealing with social complexities. If there is a difference between how male and female leaders approach decisions, research solutions, develop strategy, and formulate plans, that would surely influence how effectively they lead a team, and have some impact on organizational performance.

We evaluated the Leadership, Thinking, and Emotional Styles of 4,430 North American C-level executives who took the Decision Styles assessment for Korn/Ferry between January 2009 and July 2011. The sample included 3,611 men and 819 women distributed across 22 industries. In that pool, 187 people declined to report their gender, and were therefore excluded from the analysis. As can be seen from the figures below, our results support both camps of the existing research: the similarities are striking, but there are significant differences between male and female leaders.

Figure 2
Average leadership style profiles across gender



Leadership Styles

Behavior when the individual is aware of his or her approach, typically when building relationships, influencing others, facilitating meetings, or making presentations.

Task-oriented: Clear and concise communication; states expectations specifically; focuses on immediate tasks; and expresses views candidly.

Social: Approachable; informal, interactive, and inclusive; solicits others' input; responds with interest to others' views.

Intellectual: Sets high standards; relies on knowledge and expertise; communicates detailed expectations and information; inclination to stand firm and assert views.

Participative: Collaborative and patient; open to alternative viewpoints; appreciates idea exchange; encourages consensus and involvement.

Leadership Styles: In the Leadership Style scores there are statistically significant differences in three of the four categories. Men in the C-suite rely more on a Task-Oriented style ($p < .0001$), while their female counterparts use slightly more of the Social and Participative styles ($p < .0001$). This finding is highly consistent with those from across a multitude of disciplines that reflect men's tendency to be more direct and focused on communicating essential information, and women's tendency to be more indirect and focused on maintaining relationships while communicating.

Our data show no significant gender differences on Intellectual Leadership style scores, which reflect an ability to use logic and expertise to communicate a clear direction or vision. Perhaps this blend of communication and direction represents a meeting place between males' higher use of task-oriented communication and females' greater emphasis on collaboration.

Thinking Styles

How an individual behaves when not tailoring his or her image for others—most commonly when solving problems and making decisions behind closed doors or when working with close colleagues.

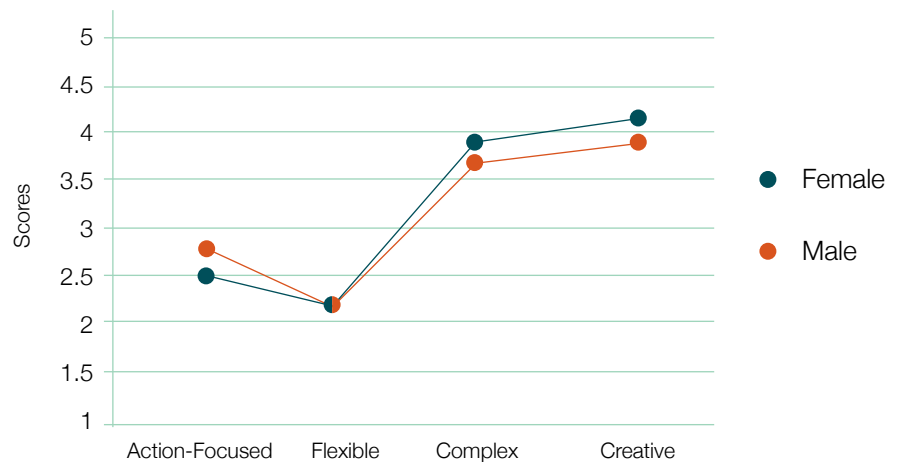
Action-focused: Completes tasks quickly; keeps things on track; persists and follows through; meets commitments; consistent and orderly.

Flexible: Intuitive; generates ideas and alternatives easily; adapts quickly to new circumstances; can shift directions easily.

Complex: Focuses on quality; thorough and accurate; designs detailed strategic plans; concerned about the long term; works according to a plan.

Creative: Creative and innovative; looks at issues from multiple angles; appreciates diverse perspectives; very tolerant of complexity.

Figure 3
Average thinking style profiles across gender



Thinking Styles: Three of the four Thinking Styles measured showed no statistically significant difference between male and female executives, suggesting that when men or women settle down to work independently, they do so in highly similar fashions. In the absence of social dynamics, male and female C-suite executives have very consistent ways of making decisions.

There was one exception: female executives in the C-suite had higher Creative Thinking scores than male executives ($p < .001$). Both genders are high scoring as Creative and Complex thinkers, which means they generate a multitude of innovative solutions, consider potential effects, identify the best choice, and develop a strategy to attain it. But female executives likely will prefer to amass more diverse data and spend more time considering alternative solutions. This slight difference in approach to strategic decision-making may be beneficial when addressing long-term or high-stakes decisions, as was suggested by the findings in the McKinsey study described above.

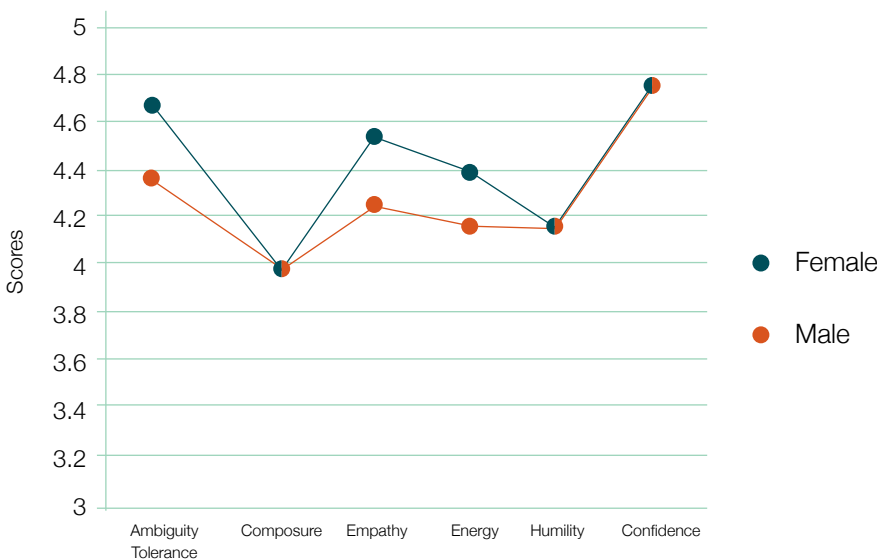
The Action-Focused style, which is used to address short-term, lower-stakes operational challenges, is used less frequently by executives of both genders, presumably because it is less frequently tapped at this top level of leadership.

Although the differences here are of interest, the overall similarity between males and females carries a weight all its own. By the time executives reach the C-suite, the practical and educational experiences of men and women have tremendous overlap. Consequently, they relate to information the same way; if any gender differences had existed, executives' education and training experiences are overriding them.

Emotional styles show more gender divergence

Among the Emotional Styles, more difference emerges, which is consistent with some previous research. Female executives score higher than men in Ambiguity Tolerance ($p < .0001$), suggesting slightly greater comfort with situations that are more abstract and in flux, or when the correct or most prosperous course of action has not yet revealed itself. They appear to be more adept at navigating complex social situations, “reading the room,” and accurately perceiving the needs and motivations of those around them. A Korn/Ferry global study of MBA students found a similar pattern of higher ambiguity tolerance and empathy in women, and higher confidence in men. Thus, it appears these gender differences emerge early, and persist across the career trajectory.

Figure 4
Average emotional competency profiles across gender



Emotional Styles

Factors that influence a person's capacity to interact with others and deal effectively with emotionally charged situations.

Ambiguity tolerance: Tolerates or enjoys uncertainty; comfortable with diversity; handles change easily; thrives on variety.

Composure: Calm; cool under pressure; emotionally steady; not frustrated easily.

Empathy: Sizes up self and others accurately; anticipates others' reactions; appreciates people's feelings and preferences.

Energy: Mental energy and stamina; capacity to sustain analytic thinking; tenacity in the face of difficult tasks; overall intensity of behavior.

Humility: Situational adaptability; willingness to accommodate others' methods; ease in dealing with diverse styles.

Confidence: Willingness to tackle risks and challenges; self-assurance in dealing with conflicts and tensions; eagerness to stretch capabilities.

The roots of these differences are surely quite complex and have not been fully explained in previous studies on leadership. However, it is possible that women are more comfortable with ambiguity simply because they generally absorb more social data, which can be contradictory, fast changing, and complex. This is consistent with their higher use of the Social Leadership Style (Figure 2), and echoed here in their higher Empathy scores as well (men = 4.25; women = 4.48, $p < .0001$). As defined by our tool, Empathy is the ability to be attuned to others' true needs, feelings, and motivations—including those that are not articulated, or even actively hidden. Our finding of elevated Empathy scores for women aligns with previous research on leadership and gender differences in emotional intelligence more generally.

Our findings also show that female executives exhibit greater Energy scores than their male counterparts ($p < .0001$). Energy, according to the Decision Styles definition, is mental tenacity—the capability to sustain analytic thinking and stick with a persistent or highly complex problem until a solution is found. This concept does not appear to have been directly

examined in previous studies of gender differences between executives, but we submit that women who are presently top executives likely faced a great deal of resistance during their

Women in the C-suite today likely had to out-study, outwork, and outperform their male counterparts to get there.

ascension. Women are now attending MBA programs in record numbers (Harvard Business School expects its largest percentage of incoming females—nearly 40 percent—in 2013); however, those who are in the C-suite today likely had to out-study, outwork, and outperform their male counterparts to get there. This would demand a great deal of Energy, as our assessment defines it. Women's higher Energy scores also make sense given their higher Creative Thinking Style: one needs more mental stamina to sift through and consider greater amounts of data.

Qualities of best-in-class executives

Overall, then, gender differences are quite subtle between executives, and appear mostly in social situations—as opposed to when working alone. But those differences that do exist appear to emerge early and persist over time. So when organizations are identifying high-potential employees for development and promotion, they need to be attuned to some of these gender issues to avoid overlooking some of their best candidates.

Best-in-class C-level leaders tend to be more:

Integrative: They are able to take in and process highly complex data from diverse sources and envision novel, strategic solutions.

Socially attuned: They are able to perceive subtle signals, process complex social information, and inspire others.

Comfortable with ambiguity: They're able to wing it, make “good enough for now” decisions until more data is available.

Confident: They're willing to take risks, hold their position against push-back, and handle conflict head-on.

With the exception of confidence, women generally score higher in all these dimensions, and the pattern is evident very early in their careers. Nonetheless, women hold fewer than 15 percent of the corporate executive positions at major organizations around the globe (Carter and Silva 2010).

The most troubling thing about our findings—for us as researchers, and for employers—is that employers may be overlooking a winning set of skills—one that may allow women to be a tremendous benefit to their organizations. Research has shown that women tend to share credit, advocate for their whole team, and strive for group wins. This may further conceal female high potentials who don't position themselves for high-profile, individual wins in critical mid-management positions, causing them to go unnoticed.

The task for companies in search of their best talent is twofold; first, to see past any self-promotion and political jockeying to discern who truly is showing the early signs of C-level behavior. One effective, cost-efficient solution is to utilize valid assessment instruments that identify high potential and the capacity to learn critical skills associated with leadership success. Second, organizations must realize that the best leaders have innate

abilities, but rarely come off the rack ready to run Ford Motor Company or create the next Google: companies must invest resources in mentorship, and help

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their high potentials develop completely. This might include pairing high potential women with female executives who are knowledgeable about the particular developmental challenges that women face as they rise up the leadership ladder, and who will use their influence to advocate for their mentee.

The task for women is to communicate their readiness for tough leadership challenges, and to recognize the value of their inherent skills. Both companies and women might ask themselves this: with the number of female MBAs booming, and evidence of strong leadership skills among top female executives, why are there so few women in the C-suite?

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