

ARIADNE White Paper Serie: #2 – Women´s Pathways to Leadership: Navigating Through Personal, Interpersonal, and Societal Barriers of the ‘Leadership Labyrinth’

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In times of advanced digitization, artificial intelligence and robotics, the composition, qualification and further training of the workforce must be redesigned.

The Leadership Labyrinth – What Hinders Women from Climbing Corporate Ladders?

Women on executive boards and in other elite leadership positions are still uncommon throughout the world (e.g. Caliper Research & Development Department, 2014). Germany is no exception: by the end of June 2017, only 47 out of 677 executive board members in the German stock-listed DAX, MDAX, SDAX, and TecDAX companies were female (Ernst & Young, 2017). This is despite the fact that many European countries such as Germany have been actively promoting women's participation in business since 'the Strategy for Equality between Women and Men' was initiated by the European Commission in 2010. Germany even introduced a gender quota of 30 percent on supervisory boards, effective from 1 January 2016. As a result, the proportion of women on the supervisory boards of the largest 100 companies in Germany increased to an average of 30 percent by the end of 2017, almost three percentage points more than the previous year. There is a strong rationale for changing this status quo looking beyond moral motives to compelling *bottom line benefits* of having more women in leadership positions (e.g. Cook & Glass, 2011; Dawson, Kersley, & Natella, 2016; Dezsö & Ross, 2012; Hunt, Prince, Dixon-Fyle, & Yee, 2018). However, in top management teams across companies and in boards of companies where the quota does not apply, the progress is slow.

We argue that women's underrepresentation indicates the persistent existence of the *leadership labyrinth* – a metaphor for the numerous challenges faced by women in their careers (Eagly & Carli, 2007). Extensive research on contextual factors currently discusses societal and organizational reasons for female leaders' underrepresentation, above all stereotype-driven prejudices (e.g. Dennis & Kunkel, 2004; Eagly & Karau, 2002; Heilman, 2001; Schein, 2001) and the work-family conflict (e.g. Hewlett, 2002; Hoobler, Wayne, & Lemmon, 2009; Williams, Manvell, & Bornstein, 2006). In the 1980s, the metaphor of *glass ceiling* was introduced to describe an imaginary, invisible barrier that prevents minorities, especially women, from ascending the corporate ladder to elite executive positions (Johns, 2013). This depiction resonates by capturing the frustration of having a goal within sight but not being able to achieve it in spite of any efforts. The leadership labyrinth metaphor, however, appears to be more fitting to the present situation, as it reflects the multitude of obstacles women face in their careers. Being continually confronted with challenging twists and turns requires women to work extra hard and persist in the face of difficulties on their route to success. Hence, climbing the career ladder up to the very top is hard, but not impossible.

With our research, we provide new insights into the discussion on women and leadership and climbing up the corporate ladders in the German context. We ask – somewhat provocatively – the following questions and answer them with our qualitative and quantitative studies that we have carried out among women (and men) in German top firms:

1. How do women in leadership positions experience and address the identity conflicts relating to being a leader and being a woman?
2. Why do women build less effective networks than men do?
3. Do women support each other or are they rather queen bees?

With our insights we contribute to the discussion on how to simplify and increase transparency in the leadership labyrinth that continues to be the reality for the vast majority of women in Germany, and elsewhere.

Six Strategies of Identity Construction – Be a Leader and Be a Woman

I don't think a woman should be in any government job whatever. I mean, I really don't. The reason why I do is mainly because they are erratic. And emotional. Men are erratic and emotional, too, but the point is a woman is more likely to be. (Clymer, 2001, para. 5).

This is US President Richard Nixon's commentary from 1971, recorded on White House audiotapes and made accessible to the public through the Freedom of Information Act. His blatant words exemplify traditional prejudices built on stereotypes against female leaders, which still today have a relevance even if access to prestigious positions is no longer so openly denied to women. Gender stereotypes are widely shared beliefs about characteristics of men and women, which create expectations about 'what women are like (descriptive)' and 'how they should behave (prescriptive)' (Heilman, 2001: 657). Men are commonly thought to possess achievement-oriented traits, also referred to as *agentic*, whereas women possess social-oriented traits, also referred to as *communal* (e.g. Dennis & Kunkel, 2004; Heilman, 2001; Schein, 2001). This greater attribution of agentic qualities to men puts women at a disadvantage when aspiring to high-status positions as these are highly associated with and require male-stereotypic agentic attributes (Bongiorno, Bain, & David, 2014; Powell, Butterfield, & Parent, 2002). Women with achievement orientation face the risk of a double bind of being too agentic for a woman, but not agentic enough for a leader (Rudman, 1998). This reasoning is central to the *role congruity theory* of Eagly and Karau (2002).

In our study carried out at EBS Business School we address the often neglected, but important issue of the stereotype threat's impact on female leaders' identity construction. According to the *identity-based leadership theory* (e.g. DeRue & Ashford, 2010), the process of seeing oneself and being seen by others as a leader is central to becoming one, and this process is significantly hampered by the stereotype-driven double-bind. By interviewing 37 female leaders on executive boards and in top management positions in Germany's most powerful corporations, the authors identified two groups of strategies that women use in order to handle both intra- and interpersonal conflicts when constructing their authentic leadership identities. The *inward-looking coping strategies* consisted of the following three dimensions: 'import foreign role models to Germany', 'connect with like-minded people', and 'enjoy pioneering'; the *outward-looking coping strategies* comprised these three approaches: 'use the power of signaling', 'leave the battlefields of unwinnable conflicts', and 'play the femaleness card'.

Our research illustrates how successful women manage role incongruities as to how to simultaneously be a woman and a leader through different strategies. Identity theory literature addresses both the linkage of the external social environment with identities and the internal identity self-verification process (e.g. DeRue & Ashford, 2010; Stryker & Burke, 2000). Corresponding to this literature, outward-looking strategies aim at influencing how others perceive one-self and how women

deal with others and their expectations, whereas inward-looking strategies impact the ways in which the focal person perceives herself and frames the conflicts she encounters. These gender based strategies confirm and extend our understanding of the conflicts women face during their careers, especially in terms of claiming and being granted leadership.

Women Network and Use Their Networks Differently

Studies show that engaging in networking is crucial for career success (e.g. Forret & Dougherty, 2001, 2004; Wolff & Moser, 2009), as it facilitates access to critical career-building resources such as advice, technical knowledge, strategic insight, or emotional support (Casciaro, Gino, & Kouchaki, 2014; Whiting & de Janasz, 2004). However, the literature has identified gender differences in the size and quality of professional networking (Hanson, 2000; Moore, 1990; Renzulli, Aldrich, & Moody, 2000; Rothstein, Burke, & Bristor, 2001), which is defined as ‘individuals’ attempts to develop and maintain relationships with others who have the potential to assist them in their work or career’ (Forret & Dougherty, 2004: 420). Based on this structural view of networking, there is evidence that networking offers less utility for women. For example, Forret and Dougherty (2004: 431) found that ‘involvement in networking behavior was more beneficial for the career progress of males than of females’. They go on to argue that women build less effective networks than men with less influential and powerful contacts and suggest that such ineffectiveness is primarily attributable to women being at a structural disadvantage (Forret & Dougherty, 2004).

Starting with these notions of gender specific differences in networking structures, we were specifically interested in understanding the motivations and reasons that underlie women’s networking behaviors. The results of our interview study of 37 high-profile female leaders in Germany reveal two complementary dimensions that help explain the ineffectiveness of women’s networks. The first dimension confirms that *structural exclusion* arising from *work-family conflict* and *homophily* acts as a barrier to women’s effective networking, especially in terms of accessing networks. The second – more novel – dimension concerns women’s *personal hesitation* to instrumentalize their social ties, eventually resulting in lower levels of network effectivity. Such intrinsic hesitation builds on two main drivers: *relational morality*, denoting women’s tendencies to avoid over-benefitting through networking, and *gendered modesty*, denoting how women underestimate their own value in professional contexts.

More specifically, our results suggest women are very conscious about not getting more out of their networks than they feel they can contribute in return. According to Vinnicombe and Colwill (1996) as well as Hanson (2000), networks are considered more utilitarian by men and more social by women,

which specifically suggests the presence of gender-specific approaches to networking. The literature on leadership training also acknowledges that women are likely to feel inauthentic when engaging in activities that serve their personal interests of leadership advancement (Ely, Ibarra, & Kolb, 2011). Further, women as donors contributing to networks tend to underestimate the value of their own contributions and hence hesitate to engage in networking. The literature on negotiation reveals a similar tendency among women to underestimate their worth. For example, males exhibit more certainty regarding their self-worth than females in negotiation situations and are more eager to prove their worth to their negotiation partners (Barron, 2003). In her practitioners' book, Sheryl Sandberg (2013) devotes an entire chapter ('Sit at the table') to the issue of women's lack of self-confidence and underestimations of their own abilities. In reflecting on her experiences as a top female executive, she notes that 'We consistently underestimate ourselves' (Sandberg, 2013: 31).

In sum, our study confirms the existence of structural barriers in the form of homophily and work-family conflict that hinder women's networking efforts. Furthermore, women's tendencies to harbor moral concerns about 'exploiting' social ties cause them to under-benefit from networking activities based on the social exchange of benefits. This adverse effect of relational morality on networking effectivity is complemented by women's tendencies to underestimate and undersell their professional self-worth (i.e. gendered modesty). These considerations provide a holistic explanation for women's hesitations to instrumentalize social ties and for the consequent ineffectiveness of their professional networking efforts compared to those of their male counterparts.

Women Support Each Other on Their Career Paths

The classical *Queen Bee syndrome* describes a phenomenon whereby women in positions of authority treat female subordinates more critically than male subordinates, or even purposefully distance themselves from other women (Staines, Tavis, & Jayaratne, 1974). Ever since its conceptualization, the Queen Bee syndrome has been quoted as a reason why women have been shown to find it more stressful to work for female managers than for male managers while similar effects have not been found for male subordinates; and why women may not help other women on their climbs to the top positions.

In one of our studies¹, we take the earlier explained competence (adopting or displaying masculine characteristics) – likeability (conforming to feminine stereotypes) dilemma as a starting point. In our study we asked EBS students to read a vignette displaying leader-follower situations and to

¹ Prof. Deborah McPhee, Ph.D. from the Goodman School of Business at University of Brock participated as an author to this study.

evaluate the leader's performance based on competence and likeability. The acting leader represented a traditional masculine (i.e. autocratic, directive) leader prototype and appeared to be male for half of the students and female for the other half. We assumed that the female leaders would be punished displaying characteristics that are typically considered male. Contrary to what we expected, the performance of the female leader was not evaluated significantly lower compared to the male leader. Our finding gives a reason to expect that role expectations are changing towards gender equality with the next generation entering the corporate world.

Interestingly, when we took the respondents' gender into account we noted that same-sex leader-evaluator constellations resulted in higher evaluations. In other words, women rate female leaders higher than men and men rate male leaders higher than women, independent of the fact the female leaders did not confirm to stereotypical female characteristics. We attribute this finding to the concept of *homophily* (e.g. McPherson, Smith-Lovin, & Cook, 2001), and to the *similarity-attraction theory* originally developed in the context of friendship and (marital) partnership studies (Berscheid & Walster 1969; Byrne, 1971). As women remain significantly outnumbered in the upper echelons of leadership, such homophily places women at a persistent disadvantage in the context of performance evaluations. There are simply too few women around in order for women to benefit from the homophily effect. We can, however, also deduce a positive message from the same-sex preference among female respondents. Namely, the results provide some contradicting evidence with regards the Queen Bee syndrome: at least young women seem to see other women as allies rather than as competitors in the German context.

In another study² conducted at EBS, we examined the impact of multi-board men – i.e. men who sit on multiple corporate boards – on gender diversity on boards. In so doing we extend the main argument of *social identity theory* concerning favoritism based on homophily (as described above) by suggesting that multi-board men resist the inclusion of women on boards in order to protect the value generated by their elite status arising from their multiple appointments. Our empirical analysis based on DAX30 firms in the period of 2010-2015 confirms our expectations and shows that boards with multi-board men have lower levels of gender diversity. Interestingly, our analysis also shows that the presence of women with multiple board appointments and C-level women – i.e. the presence of female elite – is positively associated with the likelihood of new women being appointed to the board and with the level of board gender diversity. In other words, women on the top appear to support each other. Again, this result stands in contrast to the Queen Bee phenomenon identified by previous literature and illustrates that women like to support – rather than compete – with each other.

² Dr. Jie Huang and Prof. Dr. Sandra Paterlini from EBS Business School participated as authors to this study.

Conclusions

With our insights we contribute to the ongoing discussion on how to simplify and increase transparency in the leadership labyrinth that continues to be the reality for the vast majority of women in Germany, and elsewhere. If organizations want to see more women in leadership positions, they need to address the *stereotype-driven double bind*. People's awareness of the psychological drivers of prejudice is already an important first step towards change. This awareness of unconscious gender bias can even start in business schools by using case studies to confront students with gender stereotypes, and can be continued in work settings by offering gender sensitivity training with reference to all leadership and HR measures. To avoid the risk of stereotype biases in performance evaluations, organizations should try to establish more objective measures as the basis for fairer promotions. The same awareness of potential gender bias should also guide the hiring process. Explicitly and precisely defined criteria to fill a vacant position can decrease the subjective influence of personnel decision-makers. Given that women are at risk of being excluded from informal networks, it is essential for a more balanced hiring process to restrict referrals via such network contacts.

At the same time, we hope to encourage women to scrutinize and enhance their positioning in networks by being proactive and interacting with a higher level of self-confidence. Organizations can support women in building their social capital by establishing mentoring programs as well as networking training and platforms. We also encourage them to interact more proactively and less reservedly with powerful social contacts, especially with other women. Women's tendencies to underestimate their value on their leadership paths, professional networks and on the job market are at odds with the present demand for qualified women. Instead women can be convinced of their qualities and of their resulting objective 'professional value' and engage proactively in seeking leadership careers and joining in powerful networks that they are likely to benefit from and valuably contribute to.

Another essential barrier to address practically is the one of *work-family conflicts*. It is vital to change the long-hours culture, which is common in advanced knowledge work positions. Considering the hours spent at work as equivalent to the employee's contribution puts highly productive individuals with less time flexibility, often women with children, at a disadvantage. This forms a concrete and a psychological barrier for women. Instead organizations should minimize the subjectivity of performance evaluations and install more objective measures than time commitment. Family-friendly organizational processes and offers (flex-time, company kindergarten, telecommuting, re-entry programs after paternity/maternity leave, etc.) can moderate the impacts of work-family conflict even further. Importantly, policies always need to stress the equal treatment of men and women in the situation of starting a family to function as critical catalysts of societal change. Men should be encouraged to make use of parental leave and flexible work models to the same extent as women do in order to diminish the

one-sided unfavorable expectation from employers that only women will exercise these options. The overall aim should be the prevention of women from 'opting out' of their career track when starting a family, because with 'opting out' organizations lose their own as well as women's earlier investment in building human and social capital.

All in all, these proposed measures aim at generating a critical mass of women in leadership positions, because it will substantially accelerate the progress towards gender equality. Once female leaders are no longer an insignificant minority group, their identities as women become less salient and scrutinized. Rather than their gender, their individual skills and competencies will be in focus. Furthermore, more heterogeneous groups potentially prevent exclusions of valuable talent based on homophily. Moreover, more women participating in policy- and decision-making will further speed up the change and replacement of outdated structures and policies created only by men for men. It is important to align such efforts for equality with the idea of the 'leadership labyrinth' instead of the 'glass ceiling', i.e. to create measures that support equality on every hierarchy level, and not only at the very top.

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