

# Why Aren't There More Women Leaders and Why Should Firms Care?

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Numerous articles in the last couple of weeks and months have addressed the lack of progress in women advancing much beyond middle management into the upper tiers of equity, leadership or compensation. In the last two weeks, the New York Times reported on the results of a significant [gender bias assessment at Harvard Business School](#) and the [American Lawyer's annual mid-level associate survey](#) noted several significant differences in attitudes and experiences between men and women associates.

Like companies, most law firms have shown little or no progress and even some decline in the numbers of women and the roles they play at the senior level. Many leaders insist they are fully committed to advancing women and to becoming truly gender-diverse companies, and have designed and implemented programs to elevate women in their organizations. But, the top is still predominantly male. In 2012, according to McKinsey & Co., only 14% of women served on executive committees and only 3% serve as CEOs.

[This McKinsey survey](#) tracked the sharp decline of women as they progress toward the higher ranks of their organizations:

In total	On average, women made up
325,000 women had entry level positions	53% of entry level employees
150,000 made it to middle management	40% of managers
7,000 made it to President, Vice President or CEO	35% of directors
	24% senior vice presidents
	19% executives in the c-suite

In law firms the pattern is very similar. The [2012 National Association of Women Lawyers® \(NAWL\) National Survey on Retention and Promotion of Women in Law Firms](#) found that women represent:

- 47% law school graduates
- 46% law firm associates
- 26% non-equity partners
- 15% equity partners (has declined in last two years)

- 20% on highest governing committee
- 4% as managing partner

Women who work in-house in legal departments fair only better in advancement: 17% serve as General Counsel.

## If You Want to Improve Your Financial Performance, Put More Women in Top Leadership Positions

Both Catalyst and McKinsey & Co. analyzed data linking gender and performance in companies. Despite approaching the information differently, both concluded that "having women in leadership is correlated with stronger financial returns." [The McKinsey Report](#) found that companies with the highest percentage of women show the best performance in organizational health and profitability. "In comparing the top quartile of companies in terms of share of women in executive committees against companies that have all-male executive committees, McKinsey found that the former companies exceeded the latter by 41% in return on equity and by 56% in operating results." Similar research by Catalyst on the relationship between women on boards and corporate performance found that companies in the top quartile (those with 19 to 44% women board representation) enjoyed an increase of 26% return on invested capital than the bottom quartile (those with no women on their boards.)

Having written two prior articles on leadership, [Succession Part 2: Transitioning to Tomorrow's Leaders](#) and [One Firm's Approach: Bingham's Partner Leadership Development Program](#), we thought it appropriate to focus on why women in law firms still hit a glass ceiling in climbing the ladder. Without considering these issues and acknowledging the inherent and ever-present bias in the workplace, we are not likely to achieve the best levels of leadership for our organizations, i.e., the best opportunities for organizational health *and better profits!*

Below is a summary of the themes that have emerged in recent articles about the reasons why women are not advancing.

### A Lack of Career Obstacles for Men.

In this Harvard Business Review blog post by Tomas Chamorro-Premuzic entitled "[Why Do So Many Incompetent Men Become Leaders?](#)", the author asserts that "when it comes to leadership, the only advantage that men have over women (e.g., from Argentina to Norway and the USA to Japan) is the fact that manifestations of hubris – often masked as charisma or charm – are commonly mistaken for leadership potential, and that these occur much more frequently in men than in women." As we addressed in our first post on leadership [Succession Part 2: Transitioning to Tomorrow's Leaders](#), the Level 5 leaders identified by Jim Collins have the following traits: are modest and not boastful, make decisions that are best for long-term results, channel ambition into the firm not oneself, give credit to others for success but take blame for poor results. While the majority of top leadership posts are filled by men, few of them achieve Collins' Level 5 - most are Level 4.

Chamorro-Premuzic observes that while arrogance and overconfidence are inversely related to leadership success, they often are the traits that propel individuals into leadership positions, even though they are not the traits that make leaders successful. Humility, team-building and high emotional intelligence all contribute to leadership success and these are traits more often found in women. Recent studies by Alice Eagly confirm that female managers more effectively elicit respect, communicate effectively, empower and mentor others, and approach problem-solving more creatively. Men on the other hand are less likely to bond with, recognize or reward subordinates but often are promoted to leadership positions anyway.

### Women are Leaving the Workforce but Not for the Reasons People Think.

It would be a lot easier for employers to explain that the reason for the decline of high potential women in their firms and companies is that they choose to stay home to care for their families. Research does not support this. A [study by](#)

[Professor Pamela Stone](#) of Hunter College of 54 high achievers indicates 60% of women continued to work well past the birth of their second child. Those who left cited frustration and long-hours as their primary reasons for opting out of the work place at that point. While two thirds tried a part-time arrangement, this failed either because they were marginalized and not given choice assignments and opportunities, and/or were often paid for working part-time despite putting in nearly full-time hours.

The [McKinsey/Wall Street Journal report](#) confirms that most women do not "opt out" of the work force as many cannot afford that option. They more often leave to achieve higher levels of satisfaction in their jobs, better compensation and recognition and advancement opportunity. They may decline opportunities for advancement to achieve better balance as is now also true for many men, and not necessarily only to fulfill family obligations.

The [American Lawyer mid-level associate survey](#) noted that more women anticipated leaving their firms for better work-life balance (48.8% women to 36.3% men) but that was in part due to lack of role models and flexible work options, not because women chose to leave the work-force. Women also are less inclined to strive for partnership in part because "they are skeptical about whether their firms are truly committed to promoting them."

### **Second-Generation Gender Bias, Still Deeply Entrenched, Disrupts the Leadership Learning Cycle.**

In the most recent Harvard Business Review article "[Women Rising: The Unseen Barriers.](#)" authors Hermina Ibarra, Robin Ely and Deborah Kolb propose that women continue to be stunted in their advancement to leadership due to often invisible but powerful bias norms, policies, practices and structures that put women at a disadvantage and benefit men.

As a person explores his or her leadership potential and effectiveness by engaging in leadership actions, s/he is tested and if successful, begins receiving affirmation which in turn empowers the individual to keep trying additional and new ways to exercise leadership. Absent affirmation -- which happens as much informally as formally -- potential leaders lack confidence in their ability to lead and they tend to not seek out more challenging assignments or opportunities.

Women are especially challenged in this regard because our culture still views ideal leadership traits as those more often associated with men and discounts women as "not cut out" to lead. The authors point to outdated career paths and organizational structures that were designed at a time when few women were in the workforce. The problem for women is that most businesses and firms prevent further advancement for women as they have or provide:

- Outdated gendered career paths and gendered work, e.g., the always-on 24/7 executive lifestyle and travel requirements
- Paucity of role models
- Lack of access to networks and sponsors

Women in the American Lawyer mid-level associate survey also believe that those who have children experience a type of penalty when they return from maternity leave. The article quotes Joan Williams, a professor at the University of California Hastings Law School, who confirms that upon returning from leave, women often are given less challenging assignments and are not taken as seriously, making it difficult for them to meet billable requirements and stay satisfied.

### **The Double Bind: Likability versus Competence.**

Studies show that women pay a price as they climb the ladder. As noted above, the traditional expectations for the qualities of effective leaders (assertiveness, decisiveness, competitive, risk-taking, resilient) are more often associated with men relative to how women are often expected to be (collaborative, self-effacing, nurturing, expressive, flexible.) [Research shows](#) that women leaders who exhibit male-oriented qualities are often considered competent but not as likable and women who exhibit a more traditionally feminine style are not as respected, although they may be more likable.

Marianne Cooper, a sociologist at the Clayman Institute for Gender Research at Stanford University and lead researcher for the book, *Lean In: Women, Work, and the Will to Lead*, by Sheryl Sandberg succinctly sums up the problem: "By

violating beliefs about what women are like, successful women elicit pushback from others for being insufficiently feminine and too masculine. As descriptions like "Ice Queen," and "Ballbuster" can attest, we are deeply uncomfortable with powerful women. In fact, we often don't really like them."

## 12 Steps to Remove Barriers and Promote More Women into Top Leadership Roles

1. Do a formal analysis of your firm's cultural barriers and track record in terms of succession, compensation and leadership progression.
2. Test (using diagnostic tools like those developed by Harvard) the current senior management team to be sure that current leaders, mentors and sponsors are aware of their own biases.
3. Make sure your leader at the top models the behaviors that diminish bias and institutes policies and programs that promote the advancement of women into leadership.
4. Develop a robust training program on second generation gender bias aimed first at top leadership, then all levels of management, all partners, all lawyers and all others who support the law firm's business.
5. Train both men and women how to be better sponsors (see our post [Women Need Sponsors More than Mentors in Order to Succeed.](#))
6. Re-evaluate leadership criteria and become educated about what it is that makes the most effective leaders.
7. Design objective and transparent hiring, promotion and compensation practices.
8. Review and modify the way leadership developmental assignments are given to be sure men do not consistently take on strategic and financial roles while women are given operational or administrative roles.
9. Develop and nurture a "safe" learning environment for future leaders, particularly for women as they advance so they will not be unfairly or disproportionately scrutinized just because there are fewer of them in leadership roles.
10. Modify feedback approaches to identify potential traps where gender stereotypes may unfairly influence evaluations and produce "double bind" assessments like the "competence vs. likability" one.
11. Provide coaching and leadership training for high potential women.
12. Build a robust talent pipeline, focus on promoting women in the middle-ranks (senior associates, counsel, non-equity partners) and provide ample leadership development opportunities. An increase of 25% would add significant talent to the high potential leadership pool and eventually to the top of the ranks.

Our next blog post will explore how gender bias adversely affects performance reviews and compensation decisions.

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