

As Leaders, Women Rule

New studies find that female managers outshine their male counterparts in almost every measure

Twenty-five years after women first started pouring into the labor force--and trying to be more like men in every way, from wearing power suits to picking up golf clubs--new research is showing that men ought to be the ones doing more of the imitating. In fact, after years of analyzing what makes leaders most effective and figuring out who's got the Right Stuff, management gurus now know how to boost the odds of getting a great executive: Hire a female.

That's the essential finding of a growing number of comprehensive management studies conducted by consultants across the country for companies ranging from high-tech to manufacturing to consumer services. By and large, the studies show that women executives, when rated by their peers, underlings, and bosses, score higher than their male counterparts on a wide variety of measures--from producing high-quality work to goal-setting to mentoring employees. Using elaborate performance evaluations of execs, researchers found that women got higher ratings than men on almost every skill measured. Ironically, the researchers weren't looking to ferret out gender differences. They accidentally stumbled on the findings when they were compiling hundreds of routine performance evaluations and then analyzing the results.

The gender differences were often small, and men sometimes earned higher marks in some critical areas, such as strategic ability and technical analysis. But overall, female executives were judged more effective than their male counterparts. "Women are scoring higher on almost everything we look at," says Shirley Ross, an industrial psychologist who helped oversee a study performed by Hagberg Consulting Group in Foster City, Calif. Hagberg conducts in-depth performance evaluations of senior managers for its diverse clients, including technology, health care, financial-service, and consumer-goods companies. Of the 425 high-level executives evaluated, each by about 25 people, women execs won higher ratings on 42 of the 52 skills measured.

The growing body of new research comes at a time when talent-hungry recruiters are scrambling to find execs who can retain workers and who can excel in the smaller bureaucracies of New Economy companies. A woman think through decisions better than men, are more collaborative, and seek less personal glory, says the head of IBM's Global Services Div., Douglas Elix, who hired two managers within this year--both women. Instead of being motivated by self-interest, women are more driven by "what they can do for the company," Elix says. Adds Harvard Business School Professor Rosabeth Moss Kanter, author of the 20-year-old management classic, *Men and Women of the Corporation*: "Women get high ratings on exactly those skills needed to succeed in the global Information Age, where teamwork and partnering are so important."



Bias of Experience: "I know I'm going to get a certain quality of work," says Shukla, who recently sold her Web software company for \$390 million

It's no surprise, then, that some executives say they're beginning to develop a new hiring bias. If forced to choose between equally qualified male and female candidates for a top-level job, they say they often pick the woman--not because of affirmative action or any particular desire to give the female a chance but because they believe she will do a better job. "I would rather hire a woman," says Anu Shukla, who sold her Internet marketing-software company Rubric Inc. earlier this year for \$390 million. "I know I'm going to get a certain quality of work, I know I'm going to get a certain dedication," she says, quickly adding that she's fully aware that not all women execs excel. Similarly, Brent Clark, CEO of Grand Rapids-based Pell Inc., the nation's largest foot-care chain, says he would choose a woman over a man, too. Women are more stable, he says, less turf-conscious, and better at "all sorts of intangibles that can help an organization."

But if women are so great, why aren't more of them running the big companies? Thousands of talented women now graduate from business schools and hold substantive middle-management jobs at major corporations--45% of all managerial posts are held by females, according to the Labor Dept. Yet only two of the nation's 500 biggest companies have female CEOs: Hewlett-Packard Co.'s ([HWP](#)) Carly Fiorina and Avon Products' ([AVP](#)) Andrea Jung. And of the 1,000 largest corporations, only six are run by women.

UNREWARDED. For one thing, there's still a pipeline problem: Most women

get stuck in jobs that involve human resources or public relations--posts that rarely lead to the top. At the same time, female managers' strengths have long been undervalued, and their contributions in the workplace have gone largely unnoticed and unrewarded. Companies are now saying they want the skills women typically bring to the job, but such rhetoric doesn't always translate into reality. Some businesses view women only as workhorses, well-suited for demanding careers in middle management but not for prime jobs. These undercurrents of bias in Corporate America infuriate many women, who then bail out rather than navigate unsupportive terrain. "They're doing the work, but they don't make it to the top," says Lyn Andrews, president of WebMD Health, a consumer unit of WebMD Corp. ([HLTH](#)) in New York. Many start their own companies, while others seek a different work/family balance than many corporations offer. There are now more than 9 million women-owned businesses in the U.S., double the number 12 years ago.

The new studies offer some clues about why the cultural mismatch between women and large companies persists and why it's so critical to keep women on board. What makes the new research more compelling than other such data is that it is based on results culled from executives' actual performance evaluations rather than on opinion surveys or experiments that simulate business situations.

Because the participants had no idea that their evaluations would end up as part of a study on gender, the data are untainted, says Janet Irwin, a California management consultant who conducted one of the studies. "We were startled by the results," she says.

Irwin and her colleagues discovered that women ranked higher than men on 28 of 31 measures. Irwin was stunned by women's consistently high ratings and how the scores defied conventional wisdom. Contrary to stereotypes, women outperformed men in all kinds of intellectual areas, such as producing high-quality work, recognizing trends, and generating new ideas and acting on them. "Women's strengths are stronger than men's," says Irwin, "and their weaknesses are not as pronounced."



Old-School Advice: One of managing director Kiely's ex-bosses told her: "You should be looking out for yourself, not your people"

Several other studies showed similar patterns. Personnel Decisions International, a consulting firm in Minneapolis, looked at a huge sample-- 58,000 managers--and found that women outranked men in 20 of 23 areas. Larry Pfaff, a Michigan management consultant, examined evaluations from 2,482 executives from a variety of companies and found that women outperformed men on 17 of 20 measures.

Some of the researchers draw different conclusions, though, arguing that the research shows that women executives are equally effective as their male counterparts but not necessarily superior. While women score better, and the scores are statistically significant, says Susan Gebelein, executive vice-president of Personnel Decisions, those differences don't mean much in the real world. Why? Because the consulting firm has tested so many thousands of people, which can make minor differences appear more important than they really are. Women have always outscored men in such evaluations, says Gebelein, whose company began looking at gender differences in 1984. And they score highest at the most male-dominated companies because, she surmises, of the type of woman who succeeds in such environments--someone who must be superior in every way.

Robert Kabacoff, a vice-president at Management Research Group in Portland, Me., also wondered if women were getting higher test scores in these studies for reasons other than gender. They might have rated higher because they weren't being compared with men holding similar jobs, he suggests. Managers of human-resources departments often get rated higher on people skills than other supervisors, for instance. If the majority of female managers in a study work in human resources, vs. only a minority of males, the results may have more to do with job than gender.

MISUNDERSTOOD. To eliminate such potential distortions, Kabacoff conducted a differently designed study in 1998. He compared male and female managers who worked at the same companies, held similar jobs, were at the same management level, and had the same amount of supervisory experience. When he examined 1,800 supervisors in 22 management skills, he found that women outranked men on about half of the measures. Female managers were graded more effective by peers and subordinates, but bosses still judged men and women equally competent as leaders. "Men and women seem to be doing roughly equally effective jobs, but they approach their jobs differently," says Kabacoff.

Certainly, many women managers are keenly aware that they inhabit a different

reality at the office than men. Nancy Hawthorne, former chief financial officer at Continental Cablevision Inc., who is now a consultant, says she often felt her bosses "wondered what the heck I was doing." At meetings, she often allowed subordinates to explain the details of ongoing projects. She felt her role was to delegate tasks to people around her to help them be more effective. "I was being traffic cop and coach and facilitator," she said. "I was always into building a department that hummed."

And sometimes, women say, they were badgered about using the very skills the research found so valuable. Sandra Kiely, managing director and chief administrative officer at National City Investment Management Co. in Cleveland, recalls that one of her bosses at National City Bank warned that her management style would hurt her career. "You should be looking out for yourself, not your people," he advised her.

Everyone knows that women have long excelled at teamwork, but getting results was one of the categories in which women earned their highest marks in these studies. Jackie Streeter, Apple Computer Inc.'s ([AAPL](#)) vice-president for engineering says she has repeatedly volunteered to shift dozens of employees out of her division because she felt they would better fit into a different department--a move that she says "startled" her male colleagues. "It's not the size of your organization that counts but the size of the results you get," says Streeter, who has 350 people working for her.

Women are also more likely to disregard as a useless power trip another long-held management bugaboo: keeping information tightly controlled. "It's better to over communicate," says Shukla, whose Web startup, Rubric, made 65 of her 85 employees millionaires. Rather than dispensing information on a need-to-know basis, she made sure information was shared with all of her employees. She also created the CEO lunch, inviting six to eight employees at a time to discuss the business with her.

CARING WORKS. Companies can also undercut women's strengths in another, often inadvertent way: by assuming that people skills are not business skills. In fact, they are inextricable, argues Joyce Fletcher, a professor at Simmons Graduate School of Management in Boston and author of



New Business Model: Companies assume people skills aren't business skills, says management professor Fletcher, when in fact, they're inextricable

Disappearing Acts: Gender, Power, and Relational Practice at Work.

Employees who feel cared about by their bosses or are inspired by them often produce higher-quality work, consultants say. And supervisors who know how to deal with conflict get better results.

Women have been doing this kind of work for years, but their behavior is often devalued because their intentions are misunderstood, says Fletcher. A woman who takes the time to talk to an employee about a meeting he has missed, for instance, might simply be considered a nice person--not someone trying to make sure that the staff has enough information to make an important decision. Her business actions become invisible, since the staff attributes her behavior to just being kind.

Similarly, duties such as coaching and keeping people informed are often taken as a given. But these tasks can actually be the invisible glue that holds a company together, which, until the 360-degree feedback evaluation came along, rarely got examined. "It's like somebody doing your laundry," says Hawthorne, the former Continental Cablevision exec. "You rely on them to have clean clothes," but the work is "invisible when it's done well." Because "the guys are into glamour," says National City's Kiely, women often end up in charge of difficult and unglamorous tasks such as performance reviews.

Kiely bristles at some research that concluded that women aren't perceived as strategic or vision-oriented. Her strategy, she says, is to make people think something is their idea so she can get them to buy into a plan.

Another potential trap: Women's biggest strengths can also become their biggest weaknesses, says Vivian Eyre, a New York management consultant. By working so hard to get great results, they often take away time from building critical business alliances. "Given the opportunity to stay in their offices and make sure their report is perfect or going out of their office and talking to Joe about his business, women are more likely to do their own work," says Eyre.

What's more, she adds, women still suffer from a lack of mentoring and being kept outside informal networks of communication. Many women admit that because they spend so much time focusing on getting results, they don't think enough about strategy and vision--qualities that Harvard's Kanter says are still the most important in a top executive. "If women are seen as only glorified office facilitators but not as tough-minded risk-takers," say Kanter, "they will be held back from the CEO jobs."

In the end, it takes a lot more than competence to make it to the top. Getting the best performance evaluations in the company's history may not be nearly enough. "When you actually sit down in a selection committee to choose the CEO, lots of subtle assumptions come into play," said Deborah Merrill Sands, co-director of Simmons' Center on Gender & Organization. Companies may say they want collaborative leaders, but they still hold deep-seated beliefs that top managers need to be heroic figures. Interpersonal skills may be recognized as important, she said, but they aren't explicitly seen as corner-office skills. "We are in the process of changing our concepts of leadership," she says. "But organizations haven't evolved that much yet."

In fact, Kabacoff has just finished a new study showing how CEOs and corporate boards view upper management, and he found a clear double standard. Male CEOs and senior vice-presidents got high marks from their bosses when they were forceful and assertive and lower scores if they were cooperative and empathic. The opposite was true for women: Female CEOs got downgraded for being assertive and got better scores when they were cooperative. Kabacoff's conclusion? "At the highest levels, bosses are still evaluating people in the most stereotypical ways." That means that even though women have proven their readiness to lead companies into the future, they're not likely to get a shot until their bosses are ready to stop living in the past.