

HOW WOMEN LEAD

8 Essential Strategies Successful Women Know

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INTRODUCTION

The New World of Women's Leadership

Sharon's Story

I still remember the instant I recognized that, as a woman, I was bringing a different perspective to the workplace, and that what I brought was valuable, insightful, and made a difference. It was the mid-1970s, and I was a second line manager in IBM's Federal Systems Division.

To put the situation in perspective so you will understand why this was such an epiphany and such a risk for me, I have to describe the times. In those days, women managers were a rarity. There were two or three women in senior manager positions in my division—mostly in the technical areas—and none to whom I reported.

My only role models up to that point in my career had been men. I had been one of only two women in my master's degree program at the School of Industrial and Labor Relations at Cornell University. It was me and one other woman among a class of 30, and all my professors were men. My first job out of graduate school was with AT&T Long Lines, where I was one of the first two women ever to be hired in the management training program. When I moved to IBM, all the successful managers I met and worked with were men. I did not know any way to lead but the way I observed these successful managers—all of whom were men—leading. As a result, I adopted

men's leadership styles, learned how they made decisions and followed suit, and accepted their values in business as my values. The few books written for women entering the business world warned us to avoid managing like a woman.

It was a Tuesday morning. I was scheduled to discuss a personnel situation with my director. As I did on my morning jogs, I prepared for my important meetings that day. I played out the meeting with my director in my mind, from entering the office, through the discussion, and to the end, evaluating my arguments and key points from a business point of view.

I knew what would be considered the "right" decision—the employee should be fired. Yet, as I played it out in my mind, I wanted to argue to save the employee, to strongly advocate that firing him was not in the best interest of the company. "Don't be silly," I said to myself. "That's just a woman's point of view."

I can recall the epiphany as if it were yesterday. "But," I thought to myself, "I *am* a woman!" And I believed my woman's analysis was, in fact, the best strategy for the company as well as for the employee. At that moment, I consciously began to recognize and value the different perspective I brought to the business.

I took the risk. I built the business case in my mind for not terminating the employee, took a deep breath before going into the meeting, and argued my case. To my total amazement—and delight—my director agreed.

Happily, my recommendation turned out to be a good decision. We saved the employee, and he contributed to IBM for many years to come. After that, I became aware that in many ways, I managed people differently from my men colleagues. In addition to looking at the numbers, I added personnel and organizational considerations to my business decisions. I realized my success as a manager was in great part due to the added context I brought to decision making. My teams had always been highly committed to achieving our goals, and I realized this was one of the reasons—before finalizing major decisions—I had already considered the impact of the decision on my teams and usually had consulted them. Most interesting, I noticed my

director began to make me his informal sounding board on decisions affecting our business unit, asking about what impact I thought the decisions would have and how the decisions would be received by employees as well as the internal customers we served.

I also realized that the way to gain acceptance for recommendations that were different from what management would usually decide was to present the recommendations in business terms. In this case, I had included the corporate investment in training the individual, the value he had brought to the company over the years, and the projected value of his future contributions to the company. I made certain to acknowledge the potential risks and included what we would do to minimize the impact of the risks.

After that, as I traveled around the company, I made a point of meeting and getting to know women managers. I observed them in meetings and followed their careers. I noticed that the highest-level women were hungry to discuss their leadership styles and how they were dealing with the challenges of being women leaders in a predominantly male environment—both to exchange information and to gain affirmation for their styles. So began my journey of studying how women lead, how women overcome their challenges, and what women have to do to assume their place in the top echelons of business leadership.

Fast-Forward to Today

Four decades later, it is a new world for women in business. Women moved into business at an unprecedented rate over the last 40 years, and by 2010 represented almost half the talent pool available to the United States and other economies. Their credentials surpass those of the men. After years of lagging men in education, women now have surpassed them in educational achievement—earning 52 percent of all bachelor's degrees and 60 percent of all master's degrees¹—and are more likely than men to graduate with honors at both the undergraduate and graduate level.

The transformation of the face of business is particularly evident in the movement of women into leadership positions. Over half (51 percent) of all managerial and professional positions are held by women, more than triple what the rate was back when Sharon started in corporate America.² Women are moving into the levels of leadership where they influence strategy and drive organizational direction. The number of women corporate officers nearly doubled between 1995 and 2011,³ and women's presence on corporate boards grew to almost 16 percent in 2011.⁴

For the first time in history, we are seeing women in corner offices, on boards of directors, in command of military units, holding high elected offices, on the floor of legislatures, and owning large businesses. Women are no longer as likely to face the challenge of being the "first" woman or the "only" woman. There are now role models from whom women can learn the way women manage and discover what works and what doesn't.

The movement of women into the workforce is having a tremendous economic impact. McKinsey & Company, an international business consulting firm that has been a leader in focusing on the value of women in the labor force, estimates that America's gross domestic product (GDP) is about 25 percent higher than it would have been without the influx of women.⁵

We now have solid studies that prove that corporations with women in leadership positions are surpassing other companies in profitability. In the last few years, headlines around the world have proclaimed the impact of women in leadership on corporate results: "Link between Women and Corporate Profitability," "Gender Performance: A Corporate Performance Driver," and "Firms with More Women in Charge Faring Better in Economic Crisis." For the first time in history, there is research showing that companies with more women in high-level positions report better financial performance than those with fewer women at these levels.⁶ The results are astounding.

Pepperdine University researchers found that the 25 Fortune 500 firms with the best record of promoting women to senior positions

are as much as 69 percent more profitable than the median Fortune 500 companies in their industries,⁷ statistics critical to success on Wall Street.

Catalyst, a nonprofit organization focusing on the advancement of women in corporations, found that the companies with the highest representation of women in top management achieved a 35 percent higher return on investment (ROI) and a 34 percent higher total return to shareholders than those with the lowest representation.⁸

This is a global phenomenon. A worldwide survey of more than 100 companies showed that, regardless of national culture, companies with the most women in senior management reported higher operating margins. These companies also ranked higher than other companies on key performance dimensions: leadership, motivation, coordination and control, direction, and work environment and values.⁹ These are areas where women's leadership styles are most likely to have an impact.

Studies in France, Vietnam, and Australia add to the evidence by documenting that companies in these nations with more women in leadership fared better during the recent economic crisis. These findings make a compelling business case for the value of women's contributions to organizational performance, and the business world has started to take note of this. Almost three-quarters (72 percent) of corporate executives in a recent global survey said they believe there is a connection between a gender-diverse leadership team and financial performance, up 12 percent from the previous year.¹⁰

Furthermore, women are making a difference by managing their way. As more women moved up the ranks, they began to recognize and value their innate leadership styles. They learned they could achieve results as good as or better than those of their male counterparts by taking a holistic view of management issues and operating with an inclusive and collaborative style. Top executives increasingly say these characteristics are critical to corporate leadership in today's global, fast-moving business environment.

Both women and men increasingly are recognizing that women's

leadership styles differ from, and complement, men's styles, resulting in stronger organizations. It is not that one leadership style—male or female—is better. The greatest success occurs when the leadership styles of both men and women are combined. No longer should the discussion be which style is better; rather, the discussion must be how we can most effectively integrate the two styles.

Euphoria Gives Way to Frustration

For a time, it seemed that women had established an unstoppable momentum and were moving up the corporate ranks with alacrity. But in the last few years, women's progress has slowed. Despite the substantial evidence of the value that women bring to business leadership, their upward movement is not matching the rate of their overall movement into professional and managerial positions. Women get to middle management and stall. The growth in the numbers of women in executive positions and on boards of directors has remained flat over the last few years.

Adding to the frustration are new findings from Catalyst. Despite the positive images of women in corporate leadership tracks, a study from Catalyst found that women worldwide still are not advancing through the pipeline at the same rates as men, even when they have identical credentials, including MBA degrees. Most discouraging was the finding that around the globe, from the very beginning of their careers, women receive lower salaries and benefits than men, even when their backgrounds and education are the same.¹¹

The salary gap only increases as women move into the C-suite. In 2008, the highest-paid woman executive on *Fortune* magazine's list of the "50 Most Powerful Women in Business" earned 11 percent of the highest-paid male executive; in 2009, it was 38 percent. In 2010 and 2011, the highest-paid woman executive earned about half what the highest-paid men did.¹² Don't think the improved ratio of women's to men's earnings is good news. It is not. During these four years, the women's compensation stayed relatively constant—it looks better only because men's earnings declined drastically, most likely because of the recession.

The System Still Needs Fixing

Many will say it is just a pipeline issue. “It just takes time.” However, at the current rates, we estimate it will take women five to eight decades to achieve parity. That is just too long.

We asked ourselves, “What is holding women leaders back?” Clearly a key challenge is the mindset of most corporations. Despite the finding that almost three-quarters of top executives believe having women in leadership strengthens corporate performance, when asked what they were doing to advance women, most had not taken any specific actions. Companies have been slow to address the 24/7 culture, in which long hours and frequent travel are key to being viewed as high-potential executive material. They have been reluctant to introduce work arrangements to accommodate women’s desire to integrate professional and personal goals and responsibilities, and when these arrangements are available, the perception of those who choose to use them is often negative.

Senior corporate executives and CEOs assume that compensation, recognition, and promotion policies are ensuring equality between women and men. When the Catalyst study documenting disparities in advancement rates and compensation was released, CEOs of Catalyst’s member companies were among the most surprised. James S. Turley, the chairman and CEO of Ernst & Young LLP, is quoted in the report as saying, “Frankly, the fact that the pipeline is not as healthy as we’d thought is both surprising and disappointing. Companies have been working on this and I thought we’d seen progress. . . . This is a wake-up call for corporations . . . we need to make sure they’re (women) getting the same development and visibility chances as the men.”¹³

Women Won’t Wait for the System to Fix Itself

While many corporations are introducing cultural and organizational changes, these systemic changes have proven to take time.

The issue of what corporations need to do to take full advantage of the power women bring to the workplace is being widely addressed in many forums today. High-profile business publications such as the *Wall Street Journal* and *The Economist* are sponsoring conferences and producing special sections in their publications to highlight the challenges and report on proposed solutions. But actual progress continues to be excruciatingly slow.

It is not in women's nature to sit back and wait until someone else fixes the problem for them. Years of research have shown us that when women are confronted with a challenge, they roll up their sleeves, take charge, and fix it. Based on our research and experiences, we see that the women who have risen to senior levels in corporate America took matters into their own hands, combining their female strengths and their understanding of business strategies to attain their positions. From these women, we learned that there are actions every woman can take to open up doors for herself, creating change one individual at a time. And, just as the women who led the way in the past initiated positive change and created credibility for today's women, the women who are moving forward today will open doors for other women and will contribute to accelerating the pace of systematic change in the corporate world.

Research has proven time and again that women have the capacity to be leaders and contribute significantly to profitability and success. All women need is the knowledge and tools to capitalize on their skills and strengths within the context of the business world. We believe women's potential contribution to business leadership is enormous. In fact, Goldman Sachs, an investment bank, has calculated that closing the gap between women and men in the workforce would increase the GDP in the United States by 9 percent and in Europe by 13 percent.¹⁴

Why We Wrote This Book

The women who make up the business pipeline are talented, motivated, and resilient. As we studied the challenges confronting women

in leadership today, the two of us knew that our years in the business world and our research-based understanding of how successful women had overcome these challenges have given us valuable insights that need to be shared.

This book brings you the insights, experiences, and advice that we have learned from women who have made it. Through our work, we have identified specific, practical actions that women can take to build on their female strengths and achieve their goals. You will learn what differentiates the women who have been successful in reaching the top from those who have been less successful. We will share these insights in a practical yet inspirational manner to help you, as a woman, move through the pipeline at the pace you desire.

This book is for you if you are already in the leadership pipeline and want to move faster or more easily. It is for you if you are just launching your career and don't know what to do first. And it is for you if you are just beginning to ask questions about what you want to do with your life.

If you are mentoring or coaching women leaders, this book can be your guide to advising and supporting the women you are mentoring. It can be your gift to them as a blueprint for building their competencies and confidence.

What We Bring to the Table

We, the authors, are researchers and practitioners. Between us, we have spent years as leaders growing organizations. We have conducted research on women's leadership and studied the research of others. In addition, we have lived the life—both in corporate America and in the entrepreneurial world. We have experienced the journey to develop a personal definition of leadership, and we have had the opportunity to watch firsthand as our female colleagues took their own journeys. We have seen what works, and this book is our first step in sharing this with you.

Sharon has been a leader in creating social change for women for

over four decades. She has been a corporate executive, a researcher, a consultant, a teacher, and an entrepreneur. When it comes to women's leadership, she knows the people as well as the data.

Sharon spent 20 years at IBM in personnel, management development, and communications and public relations. She was the founding executive director of the Center for Women's Business Research, which she built to become the premier nonprofit research institute focused exclusively on women's entrepreneurial leadership. She is credited with harnessing the transformational impact of data to alter the landscape for women business owners forever in terms of access to capital, markets, expertise, and networks. She has received numerous awards recognizing her contributions to women's entrepreneurship and women's leadership.

Today, in addition to speaking and writing on women's leadership, Sharon is an adjunct professor in the doctoral program at the University of Maryland University College. She serves on several women's advisory boards, is on the board of trustees for the Wisconsin Union at the University of Wisconsin, and is actively engaged in civic leadership.

Laura is an award-winning entrepreneur, speaker, and author. She is known for her innovative management style, her role as an advocate for women in business, and her active participation in public policy on the national, state, and local levels.

At age 32, Laura left corporate America to found Prospect Associates, a highly respected health communications and biomedical research firm. She grew Prospect Associates to over \$20 million and nearly 200 employees. She was a pioneer in developing and advocating for management styles based on women's leadership styles and has been active in women's business issues for more than four decades.

Laura has a reputation as a business innovator and philosopher, fascinated by the endless opportunities for women's success. She has served on and chaired economic development councils as well as both nonprofit and corporate boards. She has received many awards for her business leadership and her contributions to women's leadership.

In 2000, she sold Prospect Associates and founded Henderson Associates. Today, she continues to serve on boards, consults on strategy and business issues, and is an active philanthropist. Laura maintains a strong sense of personal and family priorities. She has two sons. Her older son is an energy conservation engineer, and her younger son is an artist and author working in the field of neuroscience.

Both of us have had the privilege of working with all the players—women and men leaders from all arenas (corporate, entrepreneurial, and nonprofit, as well as policy makers, educators, and researchers).

In light of current trends, we believe there are three important questions:

- What differentiates those women who have attained top leadership positions?
- What can women who aspire to reaching senior leadership roles and to being the best leaders they can be learn from the experiences of these women and from the research we have conducted?
- How do we close the gaps?

So we joined forces to distill our experiences and research into a body of knowledge that answers these questions. We combed through our own 20 years of research with thousands of women leaders, added in the latest research on women's leadership, drew upon our personal experiences, and interviewed women leaders. What emerged from the research, interviews, and our personal observations was that the women who have achieved the top levels in business, nonprofits, and government have much in common. Equally important, we found that there are consistent, observable, and substantive differences between the women of achievement and those who have not achieved the same levels of success. This book is the result of more than two decades of study, observation, and practice.

In addition to our many years of research on women leaders, we interviewed 15 women leaders specifically for this book. They come from a wide variety of fields—banking, technology, office supplies,

hotel management, pharmaceuticals, law, and the military. We asked them about their journeys, about the accomplishments that are their greatest source of pride, their challenges and how they overcame them, what they know now that they wished they had known earlier in their careers, and what advice they would give to other women. Most of them have children, many are married, and a number have been single parents for much of their careers.

Despite the diversity of their industries and backgrounds, there was an amazing consistency in their responses. Their journeys were not always easy—they encountered barriers, stereotyping, and nay-sayers along the way. They juggled family, personal, and professional goals, learning to integrate their personal and professional lives by establishing priorities. They set high goals, developed confidence in themselves, and established a foundation of values to guide their personal and professional decisions. They built professional and personal networks to expand their horizons and get the support they needed. They saw connections and possibilities where others did not, and they created new ways of doing business. Most of all, they look back with a sense of pride in their accomplishments and look forward with a sense of anticipation for what comes next.

Throughout the book, we illustrate key points with quotes and stories from these talented and successful women. When we use their stories and quotes, there are no footnotes to show the source. Instead, we have created a special section at the end of the book where you can learn more information about their careers and journeys.

In addition to the women we interviewed *personally*, we collected published profiles of successful women leaders, listened at conferences featuring the most accomplished women executives, and followed leadership blogs, especially those featuring women leaders. Throughout the book, we share with you the experiences and insights of these women as well. When we use quotes and stories from these sources, we have included footnotes so you will know the source of the quote and be able to find the published stories if you want to know more about the women and their careers.

The Eight Success Strategies

No matter how we approach the question of what it takes for women to be successful in business—through questionnaires, case studies, interviews, or observation—a consistent set of eight strategies emerges. Time and again, women attribute their success to having mastered these strategies. When asked what advice they would give other women, their advice also falls into these same eight strategies.

The eight essential success strategies are as follows.

Success Strategy One: Empower the Woman Leader Within

Success starts with empowering the woman within by recognizing, valuing, and practicing the leadership strengths that you as a woman bring to business. Success Strategy One gives you the knowledge to identify and benefit from your female strengths to achieve your full leadership potential.

Success Strategy Two: Own Your Destiny

Define success in your own terms based on your values, passions, and vision. Success Strategy Two gives you the tools to achieve that success by breaking free of the unconscious boundaries created by cultural expectations, by believing in yourself, and by setting high goals.

Success Strategy Three: Be the Architect of Your Career

Acquire the credentials for success. Success Strategy Three lays out the basic business experience that is essential to moving into senior leadership, and identifies options and opportunities to demonstrate your capabilities and accelerate your movement through the career pipeline.

Success Strategy Four: Advocate Unabashedly for Yourself

Be your own best advocate. Success Strategy Four shows you how to build your personal brand; to create the business case to position

yourself as the candidate of choice for opportunities, recognition, or compensation increases; and to create a powerful network of sponsors, mentors, and colleagues who will be the wind beneath your wings as you build your career.

**Success Strategy Five: Translate the Stories Numbers Tell
to Drive Strategic Results**

Set a high priority on developing financial acumen. Learning to read the stories that numbers tell is essential. Success Strategy Five provides the knowledge to become financially sophisticated in business, to understand how to follow the money, and to value building business wealth.

Success Strategy Six: Create Exceptional Teams

Leaders mobilize exceptional teams to achieve visionary goals. Success Strategy Six is your guide to applying your leadership skills to build high-performing teams and task forces, whether you are the leader or a team member.

Success Strategy Seven: Nurture Your Greatest Asset—You

You are your own greatest asset. Success Strategy Seven gives you the tools to transform your mindset from that elusive concept of balance to skillfully integrate your professional and personal life, to invest in yourself to be the best you can be, and to focus your personal time and energy, and to value building the personal wealth to live the life you want.

Success Strategy Eight: Turn Possibilities into Reality

Make a difference and have fun. Success Strategy Eight lays out strategies for how to reach a hand out to other women, use philanthropy to drive change, and stay open to serendipity, the unexpected opportunities that bring joy and meaning to our lives.