



Women Leading the Way

Boosting Business Performance

A research paper by Lumina Learning

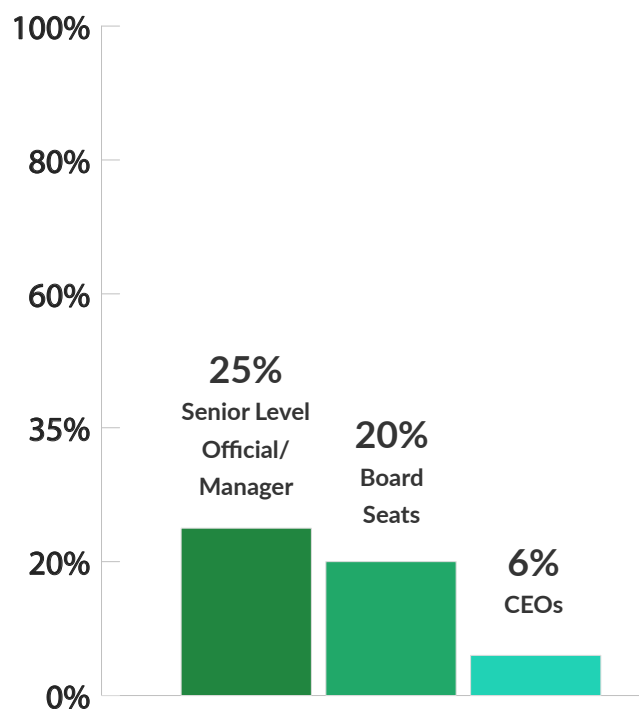
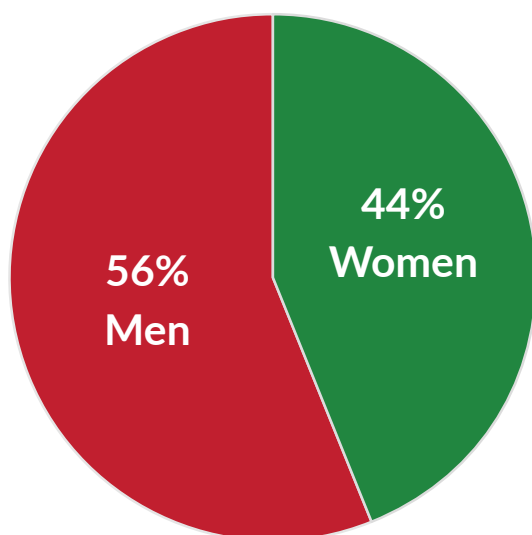
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“Leadership is a series of behaviours rather than a role for heroes”

Margaret Wheatley - Author and Management Consultant

Where we are today

In their research paper, Women in S&P 500 Companies, Catalyst reported that while women make up 44% of the overall S&P 500 workforce and 36% of first or mid-level officials and managers, they represent only 25% of executive and senior-level officials and managers, hold just 20% of board seats, and account for only 6% of CEOs. And while the last decades of the 20th century brought considerable progress in women’s professional advancement in the United States, progress has been uneven and is slowing (Catalyst, 2017).



Progress has been made, but much needs to be done.



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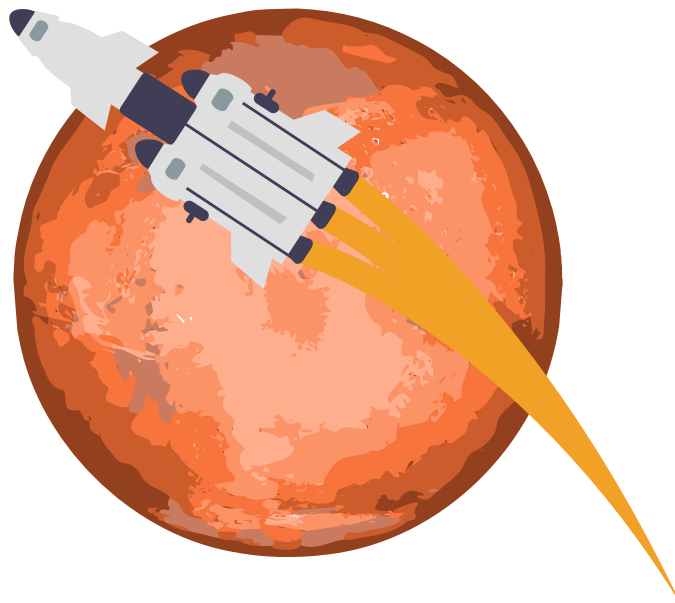
136 Years

That is how long it would take to close the gender pay gap. So says the World Economic Forum. If they are right, then a girl born today will most likely not see parity in her lifetime.

It looks like there's still a long way to go to close the gap, but it's way more than just a numbers game.

The Bottom Line

It's no secret that women have historically faced significant barriers to full participation in the economy. Even with all of women's recent advances in the workplace, public perception remains sceptical about achieving gender parity in leadership. In fact, a 2016 survey by The Rockefeller Foundation and Global Strategy Group found that more Americans believe humans will colonise Mars (26%) or that space travel for tourism will become routine (40%) in their lifetime, than think half of Fortune 500 CEOs will be women.



For those organisations that choose women in the Boardroom over the colonisation of Mars, the bottom line is not nearly as 'out of this world' as one may think.

The Undervalued Impact of Women

A recent MSCI study shows just seven companies in its key global index, comprised of more than 2,500 members, have boards that are dominated by women. But of these seven, more than half have outperformed their industry peers (Tan, 2017). And in 2016, the Credit Suisse Research Institute issued its updated report on women leaders and company performance to partners around the world, the Credit Suisse 3000.

- According to the company, the results “(continue to) demonstrate that the higher the percentage of women in top management, the greater the excess returns for shareholders.”
- It’s not just the financial markets that are taking notice - more than 70% of Americans say that having women in leadership positions would have significant positive impacts on the wage gap, changing policies and a diverse workforce (The Rockefeller Foundation, Global Strategy Group, 2016).

But why? What makes women leaders different and why should organisations take notice?

What Makes a Great Leader?

Management consultant and author, Margaret Wheatley, suggests that, “Leadership is a series of behaviours rather than a role for heroes.” When distilled down to that level, the study of who might make a ‘better leader’ is not about men or women, but instead the behaviours intuitively demonstrated through each person’s distinctive qualities. These leadership qualities have been the source of studies and the basis for leadership competency models inside organisations for years. And if recent data suggests that organisations are achieving higher levels of financial success with more women in leadership roles, what are women doing that their counterpart men more often may not?



We want to put people that are qualified in leadership roles.

We want the women in our organisation that go through this to feel like

‘I’m not getting tagged because I’m a female - I’m getting a tag because I’m bringing my whole self and I’m being assessed correctly and I’m being developed in the same way as anybody else, regardless of the gender.’

So it’s really equalising with this.”

Rosalia Cunningham – Organisational Leadership
Leader & Lumina Learning Practitioner



Here's the four lessons the equality battle has revealed for boosting business performance...

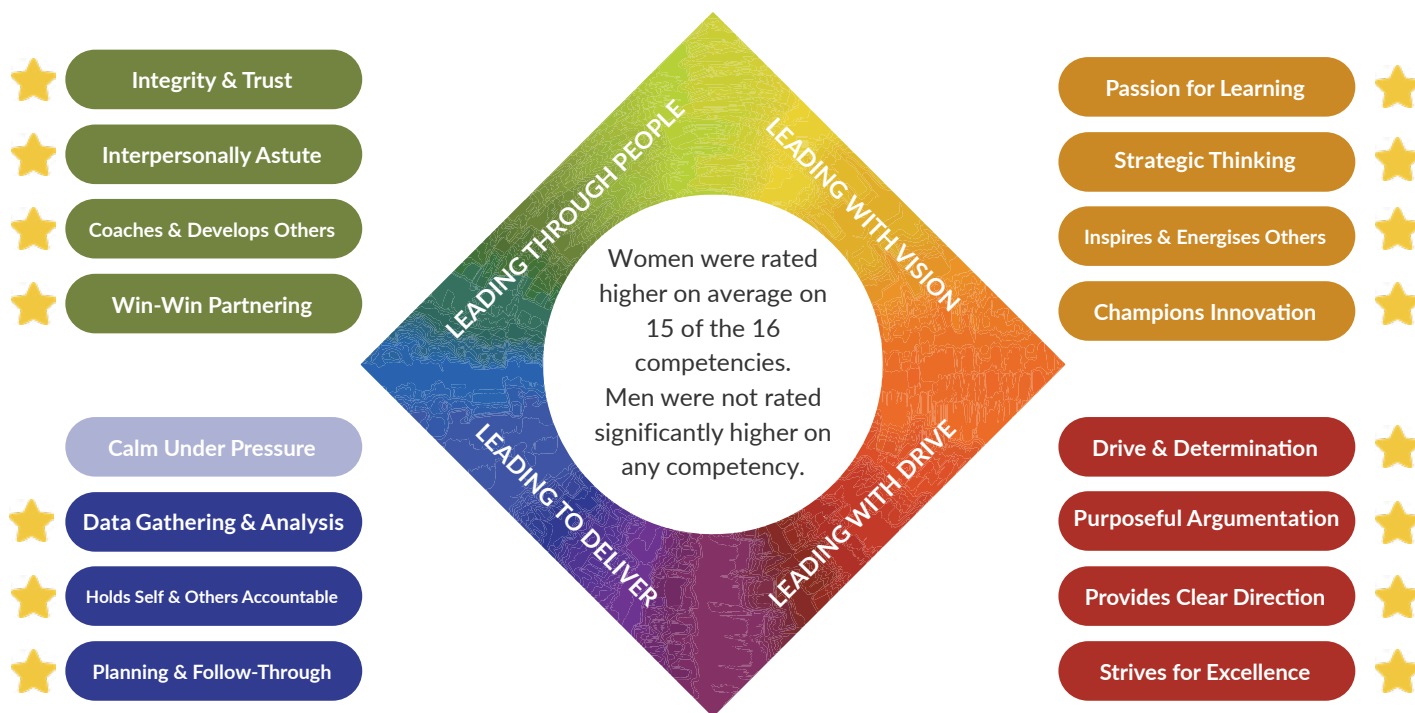
Lesson 1.

Women are rated more effective leaders

Let's break down leadership and emotional competencies that indicate good leadership performance:

On Leadership Competencies

In their Lumina Leader assessment, participants engage in a 360-degree evaluation to understand their overall effectiveness. Not surprisingly perhaps, women were rated significantly better than men on 15 out of 16 Effective Competencies across Lumina's four leadership domains.



Men N = 4197, Women N = 3541. Only differences statistically significant at $p < 0.05$ are shown. See detailed scores on pages 10 & 11.

The findings by Lumina Learning are largely in alignment with that of Zenger Folkman, a strengths-based leadership development firm. When looking at their 16 differences along leadership competencies, women excelled in the majority of areas.

On Emotional Competencies

Aside from general personality and leadership qualities, women share some fairly unique differences in their levels of emotional intelligence (EI) too. According to the Center for Creative Leadership, 75% of careers are derailed for reasons related to emotional competencies, including the inability to handle interpersonal problems; unsatisfactory team leadership during times of difficulty or conflict; or the inability to adapt to change or elicit trust. In contrast, men or women leaders with high EI have a realistic understanding of their own self-worth and an inherent understanding of their strengths and weaknesses, making them more likely to bring in support and talent to help solve challenges collaboratively for better outcomes.

In Lumina Learning’s research across 16 emotional qualities, the differences between men and women are broadly consistent with other research using the five-factor model of personality. And, while evenly split, it’s important to note some specific differences.

	Women	Men		Women	Men
Regard for Others	22.75	22.68	Introspective	22.74	22.62
Independent of Others	16.54	16.62	Grounded	17.94	17.70
Follows Feelings	20.00	20.11	Expresses Emotions	20.24	19.96
Focuses Feelings	19.26	19.15	Contains Emotions	17.34	17.58
Optimistic	21.02	21.19	Even-Tempered	20.12	20.96
Vigilant	16.34	16.29	Impassioned	15.46	15.53
Confident	21.16	22.19	Resilient	18.63	19.53
Modest	19.92	18.82	Responsive	16.21	15.19

Only statistically significant differences highlighted

Women are generally more modest and responsive to stress than their male counterparts. For some, viewed as a weakness, these qualities may not seem important.

However, higher levels of modesty and responsiveness often reveal themselves in leaders who are more humble and unassuming with the ability to act with urgency under pressure.

Research in the January 2014 issue of the Administrative Science Quarterly found that leaders who exhibit traits of humility – such as seeking feedback and focusing on the needs of others – resulted in better employee engagement and job performance. It’s just one more reason why balance is important.



As a leader, standing in power requires courage to lean into your vulnerability and being willing to use your teams’ strengths. Using your strengths and the strengths of your teams creates magic. Who wouldn’t want to create magic in their business? I know I do!”

Megan De Klerk – Professional Training & Coaching leader,
and Lumina Learning Practitioner

Lesson 1 Key Takeaways

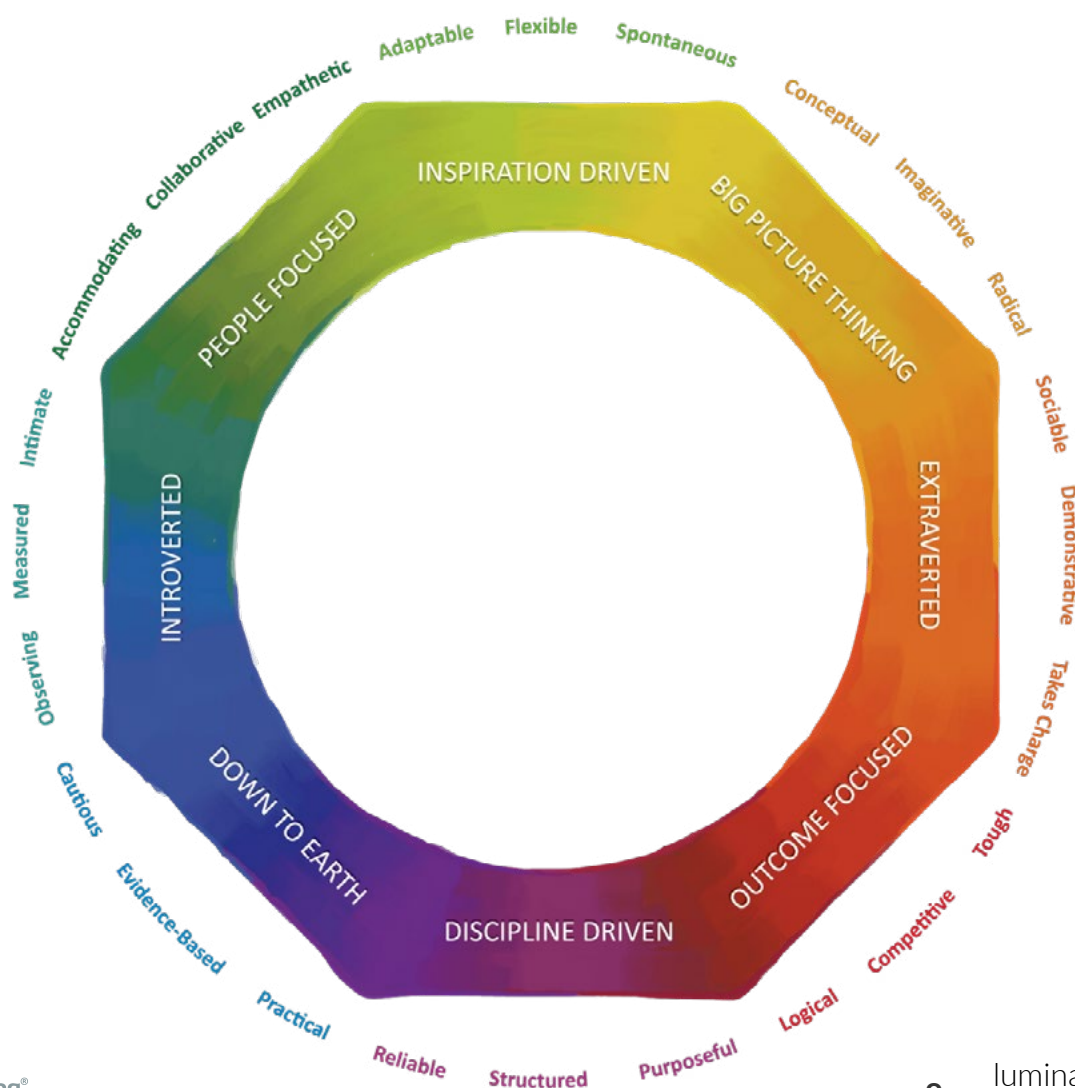
- Why do businesses continue to undervalue the potential of women in leadership, given the substantial evidence that it can increase business performance?
- Reflections: What can organisations do to transcend outdated and often male-centric leadership norms?

Lesson 2.

Empathy is a game changer

We ran the data on over 1 million people who have taken our Lumina Learning psychometric assessment. In Lumina Spark, participants evaluate themselves across 24 different Qualities that show up across workplace behaviours in personal performance, teamwork, and leadership. Using a large global sample, research found that there is little difference in personality between the genders, but there are some notable exceptions.

- When looking at Lumina's 24 personality Qualities, men score higher on the three **Outcome Focused** Qualities of **Competitive**, **Tough**, and **Logical**
- Within **Big Picture Thinking**, it's the Qualities of **Radical** and **Conceptual** that have more notable gender difference, suggesting men may tend to be greater risk-takers and more abstract in their thinking
- Here's the catch. Within the **People Focused** Aspect however, it's the Quality of **Empathetic** that has the strongest gender differences, suggesting women may tend to be naturally more compassionate



It is this empathetic nature that some suggest makes better leaders. In *Leaders Eat Last: Why Some Teams Pull Together and Others Don't*, author Simon Sinek proposes a concept of leadership that has little to do with authority, management acumen or even being in charge.

True leadership, Sinek says, is about empowering others to achieve things they didn't think possible. Exceptional organisations, he says:



Prioritise the well-being of their people and, in return, their people give everything they've got to protect and advance the well-being of one another and the organization."

Simon Sinek, *Leaders Eat Last: Why Some Teams Pull Together and Others Don't*

Agreement across the board. Yet it's not in the boardrooms.

Lumina's findings are largely in agreement with other personality studies including the 'Gender Differences in Personality Traits Across Cultures: Robust and Surprising Findings' which found that women reported themselves to be more anxious and risk-averse (Down to Earth) and agreeable and warm (Empathetic). Whereas men were higher in assertiveness (Tough) and openness to ideas (Conceptual/Imaginative) (Costa, Terracciano & McCrae, 2001).

Likewise, research from Catalyst suggests empathy in leadership contributes to:

- **Innovation.** 61% of employees felt empathetic leadership gave them the space to be more innovative, compared to 13% of employees with leaders who claimed to be less empathetic.
- **Engagement.** 76% of those who claimed to have experienced empathy from their leadership were engaged. Just 32% felt engaged at work from those with leaders displaying less empathy.
- **Inclusivity.** 50% of those who felt they had empathetic leaders claim they worked in an inclusive organisation, compared to only 17% of those who felt their leadership lacked empathy.

Lesson 2 Key Takeaways

- Empathy wins hearts, minds, and performance
- Certain Overextended behaviours common in leaders have a detrimental impact on staff. These Overextensions are not unique to any gender but are more common in male leaders
- Reflections. How can we support people to become more self-aware of the fine line between effective use and overuse so that they can channel these qualities more effectively in their leadership?

Lesson 3.

The risks of the culture you might be crafting

The top 10 Competencies that organisations are saying they need:

1. Teamwork
2. Customer-Focused
3. Respect
4. Integrity
5. Passion
6. Innovation
7. Celebrates Success
8. Accountability
9. Diversity
10. Leadership

Source: Lucidity

So where do most men stand?

Looking at the leadership competencies and emotional qualities now with most men, things don't quite align with what organisations are looking for. Men (on average) were rated significantly higher on the 'Overextended' leadership domains of Laissez Faire Leadership, Unfocused Leadership, Transactional Leadership and Driven Leadership. And largely away from what organisations are saying they need. On a scale of 1-7, women and men were rated on their leadership competencies, with 1 being strongly disagree and 7 being strongly agree.

Men were rated significantly higher on **12 of 16 Overextended Leadership Competencies** (which can lead to derailing performance).

Men were not rated as more effective for any of the investigated Leadership Competencies (see next page).

On Leadership Competencies

✔ Effective Competencies

Leading with Vision

	Women	Men
Passion for Learning	5.77	5.58
Strategic Thinking	5.72	5.67
Inspires & Energises Others	5.50	5.23
Champions Innovation	5.53	5.42

Leading to Deliver

	Women	Men
Calm Under Pressure	5.58	5.57
Data Gathering & Analysis	5.50	5.44
Holds Self & Others Accountable	5.47	5.39
Planning & Follow-Through	5.60	5.33

Leading through People

	Women	Men
Integrity & Trust	5.57	5.49
Interpersonally Astute	5.74	5.52
Coaches & Develops Others	5.40	5.14
Win-Win Partnering	5.56	5.39

Leading with Drive

	Women	Men
Strives for Excellence	5.47	5.32
Drive & Determination	5.73	5.54
Purposeful Argumentation	5.46	5.36
Provides Clear Direction	5.32	5.18

⚠ Overextended Competencies

Unfocused Leadership

	Women	Men
Addicted to Learning	4.50	4.46
Strategic Dreaming	2.94	3.18
Eternal Optimist	2.67	2.82
Mad Inventor	2.47	2.65

Transactional Leadership

	Women	Men
Appears Disengaged	2.51	2.88
Analysis Paralysis	2.47	2.67
Strict Enforcer	2.68	2.79
Planning Obsessed	2.52	2.67

Laissez-faire Leadership

	Women	Men
Self-Sacrificing	3.63	3.66
People Pleaser	2.52	2.78
Compulsive Coach	2.26	2.31
Overly Tactful	2.86	2.92

Driven Leadership

	Women	Men
Hard Taskmaster	3.27	3.26
Workaholic	4.08	4.01
Devil's Advocate	3.24	3.51
Autocrat	2.93	3.12

Men N = 4197, Women N = 3541. Only statistically significant differences highlighted.

On Emotional Qualities

Conversely, while men have higher confidence, on average, if this is overplayed it can show up as leaders with inflated egos that appear unconcerned about the people and relationships that influence outcomes.

And in business, ‘appearances’ matter for trust and engagement. On average these differences, while statistically significant, are small and suggest one may not be ‘better’. They are different, however, and it’s in these differences that organisations can find balance by including a range of people who when combined, create a high set of ratings on desired competencies across the board. With seeking out a balanced set of desired competencies in mind, interestingly it’s most often women who tend to rate highly in these areas. Yet it is women who are commonly stuck in lower management or non-management positions. Do organisations know the talent within their teams that is locked away, and that they might be missing out?

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Only statistically significant differences highlighted

Zenger, CEO and Co-founder of Zenger Folkman, stated: “It is a well-known fact that women are underrepresented at senior levels of management. Yet the data suggests that by adding more women, the overall effectiveness of the leadership team would go up.” (Zenger Folkman, 2012). In a Harvard Kennedy School Women and Policy Program study, it was found that business teams with an equal number of women and men perform better in terms of sales and profits, than do male-dominated teams (Hoogendoorn, Oosterbeck, & van Pragg, 2013). In Lumina’s own research, it’s even noted that while the genders are different, each have unique qualities that can ultimately support an individual or organisation’s success.

Do nice guys (and gals) finish last?

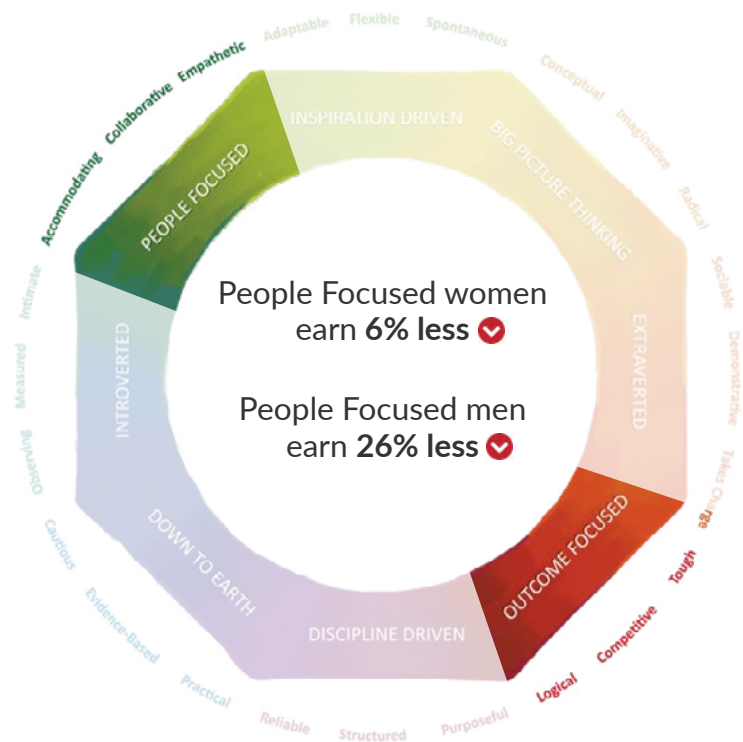
We're here to support men and women equally, and it got us thinking about the relationship between the trait of Agreeableness, gender and the impact on income and career advancement. We pondered:

- Do Agreeable (e.g., showing trust, altruism, compassion) workers earn less than Disagreeable workers?
- Do the levels of Agreeableness or Disagreeableness a worker shows affect wage differently based on their gender?
- Are the differences in wages between Agreeable and Disagreeable workers wider for men or for women?

Does being nice cost you?

Research shows being Agreeable (People Focused) was linked to **lower income**, with effects larger for men. **Why does being nice affect men more negatively?**

- Being 'nice' can undermine perceptions of competence
- Altruistic behaviours not necessarily rewarded
- Less motivated by self-interest



- Can be perceived as more competent by virtue of lack of warmth
- Greater sense of entitlement
- Less willing to compromise in negotiations

Data period was 97-2008. Variables controlled for: Extraversion, Neuroticism, education, marital status, hours worked, and work history.

The anti-gender stereotype backlash

The impact of deviation from 'gender norms' stands out.

- Numerous studies have found that women who display more 'masculine' traits are penalised* for a lack of interpersonal warmth (Heilman & Okimoto, 2007; Heilman et al., 2004; Parks-Stamm et al., 2008).
- Rudman (1998) found that self-promoting women and self-effacing men were considered less socially attractive and less qualified than self-effacing women and self-promoting men, respectively. Women were harder on self-promoting **women** than men.

So... do nice guys (and gals) finish last?

In another study, 'Agreeable' candidates were less likely to be recommended for fast track to management. Women were also less likely to be recommended for advancement than men, but this connection was not as significant as the association between Agreeableness and advancement.

Yet, seen from the perspective of gender equity, even the nice guys seem to be making out quite well relative to either 'Agreeable' or 'Disagreeable' women.



Exhortations for women not to be nice (Pfeffer, 2010) might be overblown. Nice girls might not get rich, but “mean” girls do not do much better. (pg. 39)”

Judge, T.A., Livingston, B.A., & Hurst, C. (2012), *Do nice guys-and gals-really finish last? The joint effects of sex and agreeableness on income.* *Journal of Personality and Social Psychology*, 102, 390-407.

Lesson 3 Key Takeaways

- There appears to be a mismatch between what organisations *say* they value in their people, leaders, and culture versus what values they actually reward
- Reflections: What leadership behaviours are valued in your organisation? How are these reinforced and incentivised?
- Are we all negatively impacting both women and men in how we understand talent, opportunity, and success?

Lesson 4.

Inclusivity is Performance

“ If they don't give you a seat at the table, bring a folding chair”

Shirley Chisholm, the first African-American woman elected to the United States Congress



Folding chair or not, CEOs and Boards are taking notice of the unique and effective leadership qualities women can bring to the table. And, with the addition of more women in leadership roles, it's not, nor should it be, an all or nothing proposition. The best performance requires the full range of talent. Qualities most associated with success, with many women, are being muted, underused and unrewarded. And it's not only women missing out, it's men too, and the performance of businesses across the board, and in the boardrooms.

Inclusivity alone is great. We all want a fair workplace for everyone. But creating true inclusivity is the key to ensuring your organisation is accessing the range of talent to perform better. Here's a few points on making sure your organisation is set up for success.

Valuing Deep Diversity



Diversity is typically Gender, Ethnicity, and Age

These are observable traits



Deep Diversity refers to way of being, personality, and abilities

These are not physically observable

How can we help different personalities collaborate and build trust?



Four principles towards inclusive leadership

Lesson 4 Key Takeaways

- The best performance requires the full range of talent, and it appears businesses are missing out
- It's ultimately about inclusivity. Inclusive mindsets lead to talent being unleashed which is ultimately better for people, and better for business
- Reflections: What biases might your organisation be rewarding that might actually be damaging business performance?

So where are we now in 2024?

Some improvements are starting to show

The 2024 Women in the Workplace report shows that while there have been notable improvements, particularly in leadership roles, the journey towards gender equality remains slow and fraught with obstacles.

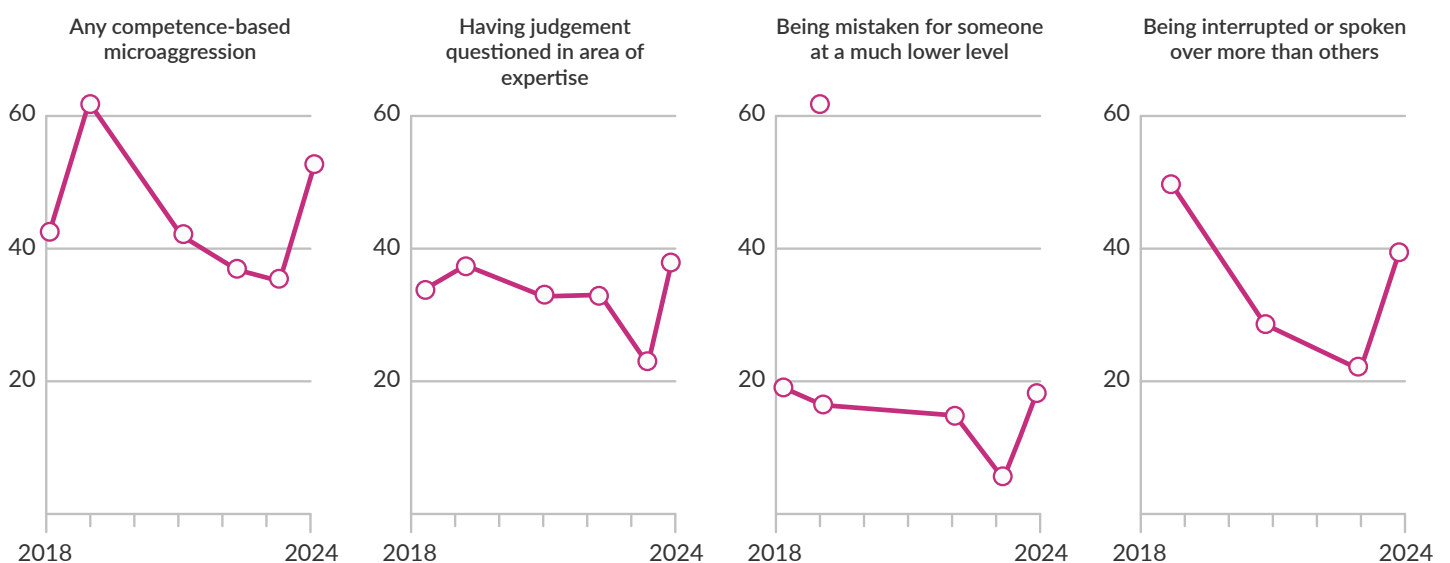
Women are still underrepresented at all levels. Currently, only 37% of senior managers and directors are women, with the percentages declining with each step up the ladder. 34% at a vice president level are women, and just 29% of people in the C-suite are women.

For every 100 men promoted to manager in 2024, only 81 women were promoted—a slight improvement from 79 in 2018. As a result, men significantly outnumber women at the manager level, complicating efforts to advance women into senior leadership roles.

A concerning step back in 2024

Major indicators of women being undermined in the workplace spiked in 2024. Microaggressions and unequal support from managers make things even harder for women in the workplace. The report found that microaggressions, like having their judgement questioned or being mistaken for a junior employee, continue to undermine women's professional experiences. Women report facing these issues more often than men, eroding their confidence and sense of belonging. At the same time, fewer than half of women receive consistent support from their managers in navigating workplace challenges or advancing in their careers.

Share of women who report experiencing microaggressions, %



Source: Women in the Workplace 2024, McKinsey & Company and LeanIn.Org

There has been some progress however. Far more employees now say their company is taking the necessary steps to advance gender diversity and 65% of women report that their organisation is doing what it takes to improve it, compared to just 38% in 2016. (Women in the Workplace 2024)

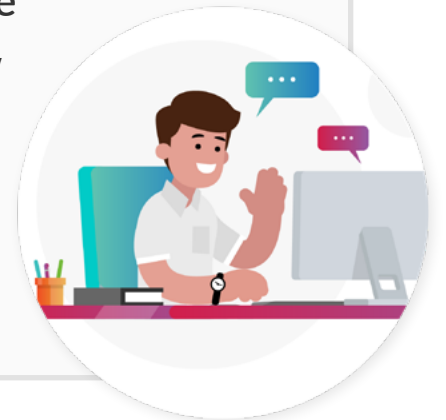
It's clear that while companies have taken steps towards greater gender equality, the progress is fragile, and the barriers women face remain significant. The journey towards equity is far from complete.

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