

Review Article

# Women Leaderships in the Corporate World

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**Abstract** - This paper is to examine women's involvement in corporate leadership all over the world. It is based on recent researches, studies, and questionnaires conducted by various researchers and institutes. Many organizations and unions promoted the involvement of women in leadership, and it has been proved that the diversity of gender in the board of directors will improve the quality of decision makings and improve the economy worldwide. However, even though the involvement of women in leadership has been suggested in many guidelines, the percentage of women leaders is still low, and it is impossible to produce impacts.

Thus, this document highlights the current situation worldwide, the characteristics of women leaderships, challenges that the women leaders face in leadership and how the women leaders will give an impact on the corporate world.

**Keywords** - Women Leaders, Gender-diversity, corporate governance, company performance.

## I. INTRODUCTION

Good corporate governance will drive companies' performance and growth, manage risks, pull and maintain investors, and financial crisis. Diversity in skills, cultures, and opinions among the decision-makers will result in a better quality decision and lead to a better performance of an organization. In recent years, the number of women board members appointed has been increasing across the globe. Yet, the overall numbers are still small when it comes to higher-level management, to make a significant impact on the corporate governance as a whole. Having women onboard is not only about diversity, but with the different points of view provided by different genders is one of the best ways to maximize every company's potential (Power R, 2018).

Many types of research have been conducted to understand the importance, impact, and challenges of diversity in leadership. New rules imposed and guidelines have been prepared to help the companies in enhancing their diversity in their company (Martin. J,2019). In this paper, we will discuss the current global situation on gender diversity in corporate leadership, traits of women leaders, the impact of women's involvement in corporate leadership, and the challenges faced by the women boards.

## II. WOMEN INVOLVEMENT IN CORPORATE LEADERSHIP GLOBALLY

Globally, only 16.9% of the board seats consist of women (Deloitte, 2019) as a result of the increase of 1.9% from 2017, while in Asia, only 9.3% of board members are women, with an increase of 1.5% compared to 2016. As for Malaysia, 13.8% of the board members in Malaysian firms are women, and this is above the average Asia Pacific percentage, which is 12.5% (NST Business, 2019). In India, according to the National Stock Exchange of India (NSE), 500 companies are now appointed a woman as a director on board, yet this is still a small number to make an impact on India's economy. India has enacted a law where every company is mandatory to appoint a minimum of one woman on their board (Ganguly, 2016).

While in Europe, only 4.7% of CEOs at the top European companies are women, claimed by EU-backed European Women on Boards (EWOB) from their research in 2019. This means that only 28 out of 600 continent's most valuable public companies appointed women in their leadership. Based on the same research, only 16% of executives at Europe's top firms were women and only 30 out of 600 companies are close to achieving gender-balanced leadership. Norway has listed the most gender-diverse leadership among the European countries (Taylor. C, 2020).

In the economy leading country, United States (US), women made 50.8% of the whole population. In the US workforce gender composition, 52% are in the professional-level and middle management jobs. This is still behind men when it comes to their involvement in leadership positions. In North America, among the 279 companies, which represented by 13 million employees, only 23% represented by women in C-Suite positions – top senior executives, i.e., chief executive officers (CEO), chief financial officer (CFO), and chief operating officer (COO) (Bloomenthal,2019) – 29% are for vice presidents and 34% only for senior manager and director levels. According to the same study again, African American women are 40% less likely to be appointed to be managers compared to men. This shows that there is a gender gap, and the gender gap will also influence the economy (Ellingrud. K, 2019).



### III. WOMEN LEADERSHIPS TRAITS

Women's leadership is different compared to men's. These differences will help to improve the quality of organizations' decision-making and may lead to better performance.

#### A. Transformational Leadership Style

The transformational leadership style is where a leader works with subordinates to identify issues, solve problems, create directions, and execution of actions. The leaders will encourage and motivate the subordinates to work and grow to achieve the company's goal (White, 2018). The women leaders are keen on teamwork and communication as a means of coaching the subordinates as in contrast to men leaders who practice 'command and control style'. The overall leadership for women leaders is transforming the subordinates into better people other than achieving the organizational goals.

#### B. Task-Focused

Women leaders will focus on completing the tasks as this is in line with the operational point where completed tasks are important for a smooth company operation.

#### C. Promote Cooperation and Collaboration

Women leaders always encourage cooperation and collaboration in their teams. This is, however, can be accomplished after all team members have a clear understanding of their job scopes to avoid redundancy (Garijo, 2019).

Four-month research has also been conducted by the Korn Ferry Institute on the critical characteristics of women CEOs and how they are operating in the U.S. The research was conducted by interviewing the women CEOs in 41 Fortune 1,000 companies. Two-thirds of CEO women work with a sense of purpose and belief that their company could produce positive impacts on the community, employees, and the company stakeholders. The women CEO were more likely to give credit to others when it comes to achieving objectives, were less self-promoting, and always appreciated the team members to achieve the desired objectives (Stevenson. J & Orr. E, 2017).

### IV. HOW WOMEN LEADERSHIP INFLUENCE THE ECONOMY

A gender-diverse leadership enables a better decision and problem-solving quality. It is also believed that it may improve customer understanding and satisfaction. Research has been conducted by the World Bank closing the gap between the two genders in the workforce could increase the size of the world economy by \$160 trillion, which is almost double the current Gross Domestic Product (GDP) (Garijo, 2019). According to Belen Garijo, the companies with gender diversity in leadership have better performance compared to those with less gender diversity. This is seen when on average, the companies have a 48% higher operating margin, 42% higher return on

sales, and also the wide gender diversity teams will make a better decision-making quality up to 73%.

The low numbers of women to be appointed in leadership and boards will create the gender gap, and the gender gap may significantly influence the economy. If women were given equal opportunity as for men and the participation is subsequent, it is projected that the economy could drive up to US\$28 trillion in growth, which is equivalent to the total of U.S and China size of economy together and on average, the global GDP will increase by 11% if every country could achieve the gender equality in the leadership (Ellingrud. K, 2019).

McKinsey and Co explained in a 2015 report found that, in the UK, the senior executive team with the greater gender diversity resulting from the highest performance, where every 10% increase in gender diversity will result from the increase of 3.5% of earnings before interests and taxes.

### V. THE IMPORTANCE OF APPOINTMENT OF WOMEN INTO CORPORATE LEADERSHIP

According To the Morgan Stanley report, incorporating the world particularly, diversity of gender may stimulate productivity, innovation, better products and decision making, reduce turnover among employees and increase client's satisfaction (Power R, 2018).

Women are very effective in bargaining and making deals compared to men. Women Senates are better at working with people with a different opinion in accomplishing tasks compared to their male counterparts. As a result, women leaders can make more agreements when they are given positions of leadership and authority.

Appointing women in leadership is believed to may reduce the income gap. The income gap is always an issue across the globe for decades. The gap is not only the pay gap but also the opportunity gap for women to be on board in leadership lines. PayScale article stated that, on average, both genders make the same amount of money when they start their career, but men have more opportunities to advance into a higher-paying position compared to women. 70% of men are likely to be appointed into a higher-paying pose compared to women, and 142% of men are more likely to be appointed to C-suite positions than women. Appointing women in leadership can close the income gap phenomenon as more women will earn higher pay. This is, however, cannot be done when only a few women are appointed into the leadership line. Corporate should have more women to be on board to achieve the close gap objective.

As explained in the Women Leaderships' Traits section, women are champions in coaching and mentoring. Women leaders are more likely to mentor their subordinates to help them progress in their careers and aspirations towards achieving the organization's goals, too (Women's Leadership Institute, 2018).

## **VI. CHALLENGES FOR WOMEN DIRECTORS**

The diversity of gender in a board member is evolving, yet the men board members are still holding major seats in companies. Women boards are facing unconscious biasness (Garijo, 2019), where men boards seeking for those who are similar to their thinking compared to diversity and differences (NST Business, 2019). This causes challenges for women directors to drive the companies towards a positive impact.

Bias and Stereotyping are two of the main factors towards the gender gap in corporate leadership. This issue does not only occur between men and women but also between women and women. This issue can be curbed to create a more conducive and inclusive working environment for women for them to involve in decision making (Agarwal, 2018). Women boards have normally been asked for their opinion on something, yet their involvement in decision-making is prohibited due to gender biasness (Ganguly, 2016). Women leaders are always be seen as too bossy if they are outspoken and try to portray their opinion. Thus this holds women back from being in leadership (Agarwal, 2018)

Women in the workforce and leadership are also found to be 4 years older on average than their peers in the same role. This is because, according to the research by Korn Ferry Institute, the women leaders work in a greater number of roles, functions, companies, and industries before they are appointed as the CEO compared to their male counterparts (Stevenson. J & Orr. E, 2017).

## **VII. RECOMMENDATION TO INCREASE THE INVOLVEMENT OF WOMEN IN CORPORATE LEADERSHIP**

Based on the research conducted by Korn Ferry Institute, from 57 women climbed up to CEO positions, there are a few ways to can be adopted to break the diversity-related obstacle. The steps are as below:

### **A. Implement the true meritocracy**

Implement the true meritocracy when assessing the qualification of one person rather than the survival of the fittest culture. Avoid the privilege of the more dominant groups (Stevenson. J & Orr. E,2017). Anu Mandapat, the founder of IMPACT Leadership for women, added that the first steps to creating this culture are to focus on the education and experience in the hiring process, offer salaries based on the market rate and measure the outcome based on the outcome rather than hours worked. These will eventually be the basis for more steps for gender equality in the workplace (Power R, 2018).

### **B. Curb the unconscious bias**

Unconscious bias will never disappear, but it is controllable. Companies should identify where the bias appears and control it. Promote the 'women and men are equal' within the company or promote the true meritocracy across the organization.

### **C. Improve transparency in identifying the potential women leaders**

Provide a clear explanation of the skills, attitude, and experiences required to get on track to a higher level. Women leaders or personal need to be informed about the important traits; this is to motivate and encourage them towards a higher position.

### **D. Redraft the CEO job functions to be more women-friendly**

Offer the positions which may drive the women to the leadership positions to women, for example, vice president or senior vice president stage. Instill more autonomy and flexibility in the positions concerning work-life balance.

### **E. Plan a support system for women CEOs to function efficiently**

Being in a leadership role in the corporate world requires one to commit to a long list of tasks and extreme time consumption. These may compromise their key position in the family. The organization should plan a proper support system so that the women leaders can fully function as a leader in the organization and also as the key manager in a family.

### **F. Scrutinizing the gender ratio to attract more women to be on board**

In general, women are underrepresented in the key leadership roles in organizations and companies. To ensure women have not been left behind when appointing the key leadership positions, companies are recommended to set a ratio for positions to be fulfilled by women. For example, during employees' selection or promotion, the women interviewees must be 50% of the overall number of interviewees (Stevenson. J & Orr. E,2017).

## **VIII. CONCLUSION**

In a nutshell, the overall participation of women in corporate leadership is still low, and this is due to some factors. The factors have been rooted in the corporate world for a long time, and to overcome it will be challenging. Creating a more inclusive and gender diversity in an organization might seem impossible and hard. However, when all companies across the globe work together, gender equality in upper-level positions can be achieved. The percentage of women leaders appointed across the globe is still at a very low level until it is impossible to make an impact on corporate governance and performance. But, based on the research conducted by institutions, the corporate world is positively moving towards a more inclusive workplace so that the gender-diversity workplace can be achieved.

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