

SHL.

# Women in Leadership



# Executive Summary

In many countries in the world, women still do not have an equal chance compared to men to participate in the workforce. According to the Global Gender Gap Index 2020, the top quartile of the index is dominated by countries in Western Europe, while the bottom quartile is dominated by developing countries. Being at the bottom quartile means that those countries still have not managed to close most of the leadership gap between men and women. Our study found that women possess strengths and skills that would complement the strengths of men, and the inadequate representation of women in leadership means that 50% of our potential is missing from the workforce and leadership bench.

In July 2020 SHL, together with a council of women in leadership, conducted a study about the strengths and areas of opportunity for women in leadership roles. The group was measured on three competencies based on SHL's Enterprise Leadership Model: Transactional Leadership, Transformational Leadership, and Network Leadership. The study found that:

- Women excel in Transformational Leadership and Network Leadership, especially in building and leveraging their network and creating and conceptualizing strategy.
- Women could seek out strengths in their male counterparts in Transactional Leadership area, especially in organization and execution tasks and adapting and coping to change.
- Overall, focusing on Network Leadership behaviors allows leaders to impact their own and other business unit revenue growth. Furthermore, focusing on their own business outcomes helps leaders to meet their performance objectives.

Placing high potential employees in the right spot within the organization, regardless of their gender, is not only important to create a diverse and inclusive workplace, it also helps organizations to better respond to business opportunities. Specifically, organizations may want to place female executives in positions that facilitate them to perform tasks that revolve around building relationships, leverage the network, and creating and conceptualizing strategy. On the other hand, in terms of analyzing and interpreting tasks, organizations can consider placing male executives here instead. Finally, for the top and bottom countries in the Global Gender Gap Index 2020, this report provides a foundation and direction for the diversity and inclusion initiatives and the talent mobility strategy.

# Outline

## Summary

According to the [Global Gender Gap Index 2020](#), the top quartile of the index is dominated by Western European countries, while the bottom quartile is dominated by developing countries. This means that in many countries in some regions of the world, gender parity in business is still not reached. The unequal distribution of women's participation in the labor force means that organizations are missing opportunities because women demonstrate many leadership qualities that would complement the strengths of men.

In July 2020, SHL and a council of women in leadership conducted a leadership study. The key objectives of this study are to identify the council member's strengths and potential development areas, benchmark the members against other executives, and to take a data-driven approach to member development:

- In terms of identifying strengths, the members can continue to take advantage of strengths in developing networks and supporting colleagues. On the other hand, they need to consider the organization and execution of opportunities so that they do not hinder progress toward group goals and initiatives.
- In terms of benchmark to other executives, since we learnt which areas the members scored above and below the other executives, they can use this to determine the purposeful action or reactions that the council and the individuals need to better adapt to change and lead the respective teams through change.
- In terms of data-driven approach to member development, they need to consider programming that helps build routines around topics within transactional leadership. Finally, this report can help organizations around the world in the talent mobility planning and the diversity and inclusion efforts, that is to enable both men and women to move to the positions where they can thrive and eventually bring positive outcome to the whole organization.



## Introduction

In many industries and regions in the world, women's participation in the labor force is still not distributed equally. According to the [Global Gender Gap Index 2020](#), the top quartile of the index is dominated by countries in Western Europe, while the bottom quartile is dominated by developing countries. Being at the top quartile means that those countries have managed to close most of the gap between men and women and have created gender parity in leadership positions. The opposite goes to the countries in

the bottom quartile. Despite men dominating most leadership positions, women demonstrate many leadership qualities that would complement the strengths of men. The inadequate representation of women in leadership means that 50% of our potential is missing from the workforce and leadership bench. Therefore, ensuring gender equality, equity, and diversity will only benefit the organization. In July 2020, SHL and a council of women in leadership conducted a study about leadership. The objective was to:

- Learn the key strength of the group and to understand where development opportunities exist
- Benchmark the group against other executives to understand the talent landscape and where strengths and gaps exist related to leadership potential.
- Take a data driven approach to member development



The leadership quality was measured on three competencies based on SHL's Enterprise Leadership Model (see Appendix I for the action competencies):

1. Transactional Leadership
2. Transformational Leadership
3. Network Leadership

And based on the above competencies, the performance outcome is categorized into four criteria:

1. **Leader Task Performance** – whether the leader is effective at achieving their own individual tasks and assignments.
2. **Leader Network Performance** – whether the leader is effective at improving others' performance and using other's contribution to improve their own performance.
3. **Team Task Performance** – whether the leader is effective at leading their teams to achieve their collective tasks and assignments.
4. **Team Network Performance** – whether the leader is effective at leading their teams to be network performers outside of the immediate team.

The study used Enterprise Leadership assessment (e.g., OPQ) to assess the leaders' strength and development priorities against the three competencies. Based on the assessment results, individual reports and group results were created. The next section will describe the findings in detail.

## Key findings

On general level, the study found that:

### 82% of leaders

meet performance objectives by focusing on their **own business outcomes**, leading to a maximum impact of 4% revenue growth and 3% profit growth.

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### Focusing on Network Leadership behaviors

allows leaders to impact their own business unit revenue growth up to 12% and impact other business unit net profit grow up to 5%.

On individual level, an Enterprise Leadership Report was provided to each individual. The report contains competency details and summary, development plan overview, and interpretation considerations which help them reflect on how the competencies relate to their roles, how they can build their strengths into a development plan, and how to prioritize development areas.

On group level, 69 council members participated in the study. They represent female executive leaders from mostly small (less than 49 employees) or large (greater than 250 employees) companies. 71% of them are also from the private sector. The results were benchmarked against 774 female executives and 2,258 male executives in the US, and some competency strengths and areas of development are identified:

Building and Energizing the Network and Creating and Conceptualizing are found to be competency strengths.

Organizing and Executing and Adapting and Coping are found to be competency areas of potential development.

Moreover, it was found that on the group level the members scored above average in all the action competencies of **Transformational Leadership** and **Network Leadership**. For Transactional Leadership, they scored above average in Analyzing and Interpreting and Supporting and Cooperating, while the other two actions mentioned in the above potential development point are below average. Interestingly, the top council members quartile is likely to have strengths in all Transformational, Network, and

Transactional Leadership competencies, with Organizing and Executing being the area with the most potential for development.

Compared to the benchmarks, the council members are a group of leaders who have strengths in building relationships, have learned to effectively leverage their network, and likely take a creative and strategic approach when making decisions. They may also be less likely to plan and execute smaller and tactical objectives and may experience more personal stress when facing change. Lastly, compared to male executives, members may have a lesser preference for analyzing and interpreting.

In terms of company size, members from extra small-sized companies have likely strengths compared to other members in areas of Interacting and Presenting, Supporting and Cooperating, Building the Networks, as well as Creating Interdependence. Meanwhile, members from medium-sized companies have likely strengths compared to other members in Analyzing and Interpreting.

Finally, in terms of company status, council members working for private organizations have a stronger preference for Analyzing and Interpreting as well as competencies within Network Leadership, while members working for non-profit organizations have a stronger preference for most of the Transformational Leadership competencies.

## Key learnings

The competency strengths that are found on the group level are Building and Energizing the Network and Creating and Conceptualizing. This means that the participants are likely to build connections inside and outside their organizations, and they generate creative ideas.

Meanwhile, the competency areas of development found on the group level are Organizing and Executing and Adapting and Coping. This means that they may meet possible challenges with planning and organizing initiatives and adapting to change.

The members scored above average in Transformation Leadership and Network Leadership. This means that they are more likely lead in an energizing and motivating manner and are effective at building and using their networks. On the other hand, since they generally scored below average in Transactional Leadership, they may be less likely to place emphasis on creating processes to achieve personal and collective tasks and assignments. Furthermore, based on the average score of the action competencies, it can be concluded that:

- The members are more likely to lead and initiate action by encouraging creative ideas and strategic thinking and using effective communication and influencing skills.
- The members are more likely to foster a climate that encourages collaboration and innovative idea generation excelling at building connections.
- The members may be less likely to place emphasis on creating processes to achieve personal and collective tasks and assignments.
- The members may be less likely to focus on delivery and work in an organized factor as well as less likely to adapt and respond to change.



### Final thoughts

To better respond to opportunities in the dynamic business landscape, it is imperative to lead and perform in an agile manner. Therefore, finding high potential employees within the organization who have matching ability, aspiration, and engagement and align them with the strategy is crucial. Based on the study, we learn that the council members, as representatives of women in leadership positions, have strengths in Transformational and Network Leadership. This means that organizations that lead talent mobility programs may want to place female executives in positions that facilitate them to perform the tasks

in the area of those two leadership competencies. Specifically, the tasks revolve around building relationships, leverage the network, and creating and conceptualizing strategy. On the other hand, since they tend to have lower preference in analyzing and interpreting, organizations can consider placing male executives in this area. Placing high potential employees and leaders based on their capabilities and aspiration in the right spot within the organization is also important for organization's diversity and inclusion. This means that organizations need to focus on the employee potential, not their gender. Historically, women participation in the workforce has always been lower than men. This is where gender equality and equity must play a role. While it is important that both men and women need to receive fair treatment regardless of their gender, organizations must also ensure they have the necessary resources, opportunities, and tools to achieve their respective needs.

Finally, for countries which are in the top and bottom quartile of the Global Gender Gap Index 2020, this report provides directions for the diversity and inclusion initiatives and the talent mobility strategy. While the top countries may celebrate the low gender gap, it is still important to maintain the inclusive culture and keep up the efforts. For the bottom countries, this report can be a learning point that helps organizations to understand the strengths of women in business and use these to propel a change within the organizational culture.





# Appendix I: Action Competencies

## Transactional Leadership

- Analyzing and Interpreting
- Adapting and Coping
- Supporting and Cooperating
- Organizing and Executing

## Transformational Leadership

- Creating and Conceptualizing
- Interacting and Presenting
- Leading and Deciding
- Enterprising and Performing

## Network Leadership

- Building the Network
- Energizing the Network
- Creating Interdependence
- Enabling the Network

# Appendix II: Occupational Personality Questionnaire (OPQ) Key Facts

## Occupational Personality Questionnaire (OPQ) key facts:

- Measures work styles or attributes –how people prefer to work and behave in the workplace
- Provides insight on difference between what people can do and what they will do
- Over 90 independent validation studies, over 25 years, across 20 countries, 30 languages and 40 industries
- National and international norm groups (“benchmarks”)

