

Q&A: Study explores opportunities to increase representation of women in leadership

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Since the early 1970s, there has been a worldwide promise to support women in achieving positions of authority in U.S. corporations. However, the business world has not necessarily met that promise.



Cindy Schipani, professor of business law at the University of Michigan's Ross School of Business, explores some of the limiting factors and opportunities for improvement in her recent research. The research is <u>published</u> in the *University of Pennsylvania Journal of Business Law*.

In "Women in Power: Clearing Pathways for Women to Rise to Positions of Organizational Leadership," Schipani and her co-authors explore numerous benefits of including women in <u>leadership roles</u> in business and government.

Despite the rich literature showing the overwhelming positives of inclusionary practices for women in leadership roles, as of 2021, fewer than five countries have achieved significant gender inclusion in executive leadership roles.

So, how can businesses, policymakers and industry leaders remediate this lack of representation? Schipani discusses some of the key findings of her study.

Your research explores the effect of legislative, organizational and individual initiatives. What are some of the unique features that position these three groups to effect change?

The legislative initiatives are the most effective. When companies have a legal requirement, they comply.

We see this in Europe, where various countries have mandated a certain percentage of women on boards. In the United States, there has been some movement toward regulation. For example, a legislative initiative in California, which, in the first phase, required one woman on each



board of California companies, was highly effective.

The law, however, was challenged and found unconstitutional by a court. The case is on appeal, so time will tell if the California legislation will withstand constitutional scrutiny.

On the other hand, business organizations can be immediately proactive in seeking to increase gender diversity on boards. They can search for qualified candidates more broadly rather than simply through traditional networks, which have been historically composed of mostly white males.

The individual initiatives we mention in the paper are promoted by prominent women. These initiatives give exposure to the issues. In some cases, they also include training and mentoring programs, which are very helpful.

Were there any initiatives that surprised you in their efficacy—or lack thereof?

I was surprised with how successful the California legislative initiative was, at least while the law was in full force and effect. Companies without women on their boards added women.

It's particularly interesting that not a single company challenged the law. Instead, a taxpayer brought the lawsuit. It will be interesting to see what the California appeals court decides.

Your study shows the many benefits of women's participation in business leadership. What were some of the most impactful benefits?

I think some of the most impactful benefits are bringing diverse



viewpoints to the table, thus improving decision-making. This aids the company by essentially providing more data. This is not to say there is a single "woman's viewpoint." Of course there is not.

However, based on professional and life experiences, diverse board members can offer different perspectives than might be considered by a nondiverse board. Research has also suggested that having women in leadership signals an open-mindedness on the part of the company, which may in part explain some of the correlated financial benefits.

The study explores several success stories of companies that have implemented initiatives to support women's rise to leadership positions. Were there any linking factors you found across these companies?

The one factor that stands out in the corporate success stories supporting women's rise to leadership is access to mentors. The companies we studied generally had a <u>mentoring program</u>.

Mentoring can be effective in training women for leadership roles and in opening doors to new career opportunities. For example, mentors may suggest their mentees for high-profile assignments. Not only would the mentees benefit from the assignments, but they would also benefit from the mentors' reflected power.

You and your colleagues lay out a potential roadmap for companies to be more inclusive and supportive. What should a company do to start the journey?

I think one of the first things is to take stock of where they are currently



with respect to inclusivity. As management gurus have told us, what gets measured gets managed. Companies could then set goals and provide incentives to managers to meet them. Mentoring could go a long way toward helping to achieve those goals.

Are there exciting opportunities for future research on the subject?

We need to figure out how to get closer to parity with respect to gender inclusivity at <u>leadership</u> levels. Then, there is pay equity, which is still a stubborn issue. More research is needed on the root causes of unconscious bias and ways to eradicate it.

In prior research, my co-authors and I hypothesized that mentoring of junior men by senior <u>women</u> may be a possible way to counteract unconscious bias. Research is needed to see if that could work in practice and to search for other solutions.

Unfortunately, the glass ceiling is still alive and well.

More information: Cindy A. Schipani et al, Women in Power: Clearing Pathways for Women to Rise to Positions of Organizational Leadership, *University of Pennsylvania Journal of Business Law* (2024). DOI: 10.58112/jbl.26-1.3

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