

Women are good for business *but* is business good for women?

Mandy Rutter reviews the evidence and recent media coverage

Whether it's their ability to raise profits, their choice to focus on children, or their declining levels of mental health – the role of women in business has been visibly analysed in both academic papers and daily newspapers over the last year. This article reviews some of the relevant articles in order to understand how the commercial and media portrayal of women in business can assist our understanding in the workplace counselling arena.

Women are good in business and good for business. All the evidence tells us that having women in the boardroom and in every other industrial area, is positive: positive for morale, positive for team development, and positive for financial turnover and profit.

*'After years of analysing what makes leaders most effective and figuring out who's got the Right Stuff, management gurus now know how to boost the odds of getting a great executive: hire a female.'*¹

Mandy Rutter is a counsellor and trainer for AXA ICAS Specialist Services department. The department focuses on trauma support to organisations and consults on psychological difficulties within the workplace. Mandy's current work involves developing individual and team strategies for wellbeing at work.

President Obama has realised the potential stabilising and creative impact of women in industry by supporting the appointment of three women to high positions in financial security. Sheila Blair, Mary Schapiro and Elizabeth Warren were described by *Time Magazine*² as the 'new sheriffs of Wall Street', having already begun their new roles of monitoring and reviewing the clean-up of America's banks.





SUSAN FARRINGTON/GETTY

*'The Y chromosome is undeniably over-represented in all tiers of finance, particularly at the highest levels of power and in those sectors most deeply implicated in the current financial crisis.'*³

Academic evidence for the positive impact of women in business has recently come from the Centre for Developing Women Business Leaders, based at Cranfield University. Its study informed us that 78 companies from FTSE 100 companies now have women on their boards, and that women bring a much greater diversity of experience to the boards than their male counterparts. In addition, companies with women directors scored significantly higher than those with all-male boards in relation to governance indicators, and transparency of processes⁴.

A North American organisation, Catalyst, explicitly set out to investigate the link between gender diversity at board level and financial performance in its 2004 report *The bottom line: connecting corporate performance and gender diversity*⁵. Catalyst collected data over a four-year period from 353 Fortune 500 companies and measured the financial performance of the companies in two areas: return on equity and total return to shareholders. The research concluded that those companies with the highest representation of women on their top management teams demonstrated a 35 per cent higher return on equity, and a 34 per cent higher total return to shareholders, than those companies with the lowest representation of women.

Catalyst provided evidence for the unambiguous business benefits to be accrued to individual companies developing and leveraging female talent into senior management.

*'The business case for recruiting, developing and advancing women maintains that companies that have diversity and manage it properly make better decisions, produce better products and retain several key business advantages over more homogenous companies. In short, the business case for women in management contends that companies that achieve diversity and manage it well attain better financial results than other companies.'*⁶

This research built on the pioneering work of two other researchers, Adler⁶ and Welbourne⁷. Adler demonstrated that the 25 Fortune 500 companies with the best record of promoting women to high positions were between 18 and 69 per cent more profitable than other Fortune 500 companies in their industries. On further analysis, Welbourne discovered that it was the mix of men and women



on the top management teams that delivered an increase in short-term and long-term performance, rather than women *per se*.

If this has been such a powerful message over the last 15 years, what about the current state of play – where are the women, for example, in the new parliament? With 22 per cent of its MPs female, Britain is now ranked number 50 in the league table of women in parliament, a position it shares with the Czech Republic and Latvia.

David Cameron and Nick Clegg have appointed a grand total of four women to sit with them on the top table in the new Coalition Government: Theresa May, Caroline Spelman, Cheryl Gillan and Baroness Warsi, with only Theresa May and Caroline Spelman holding ministerial positions.

Is it the case therefore that women are not being selected for the top positions or that they are not represented in the pool of talent to be selected from? Looking around the organisations I am familiar with, the answer is probably both, but Baringa Partners, winners of the UK's Best Place to Work 2010, looked at this problem head on. In the recent *Best place to work* report⁸, Baringa commented that only 25 per cent of its staff were women. They analysed the recruitment statistics and found that women were more successful as candidates, but there were fewer female applicants.

Where are the women in the new parliament? David Cameron and Nick Clegg have appointed a grand total of four women to sit with them on the top table in the new Coalition Government. Is it the case that women are not being selected for the top positions or that they are not represented in the pool of talent to be selected from?

Baringa was keen to address this and asked its women's forum to investigate. The forum reported that, for many women, the maternity package was more significant than their remuneration. This finding matches anecdotal evidence from many hours in the counselling room with women who report that they can often only enjoy their achievements and contributions in the workplace if their caring responsibilities are respected and valued by their employer.

A recent example of this was MP Yvette Cooper's article in *The Guardian* following her decision not to stand for the Labour party leadership. She commented:

*'The sexist response to my decision appalled me. It is not weak to admit children affect work choices. Because, yes, for me the age of our children is a factor – our youngest is only five – and it isn't a sign of weakness or a betrayal of women to admit it. Quite the reverse. To ignore or scorn such choices is to fail to understand the lives of millions of working parents, especially women.'*⁹

Yvette Cooper goes on to describe her gruelling routine in order to fulfil all her commitments:

*'I have to juggle and cut corners to put our family first. Last Saturday I made a 300-mile round trip to speak at the Progress conference in London. I regularly skip important work dinners, but I also miss school fetes. Frequently I need to manage a 60-hour week – something few dads or mums would choose – and still get back in time most nights to read bedtime stories and argue about the homework.'*⁹

The description of this routine is an example of the 'willing slaves' concept devised by Madeleine Bunting in her book of the same name¹⁰. The book presents us with some statistics about the number of hours women are working in order to maintain their place both as the highly effective business woman and the carer at home.

Bunting comments that since 1992, the number of women working more than 48 hours a week has increased by 52 per cent and the proportion working over 60 hours a week has risen from six per cent to 13 per cent, ie one in eight of the female workforce.

A study of those women who were working over 48 hours a week found that 45 per cent reported that their working hours contributed to strain and arguments in their relationships, 20 per cent reported that it damaged their relationship with their children and 17 per cent reported that it contributed to the break-up of their marriage.

Many women are acutely aware of the cost to their families of working such long hours. Bunting believes in order to maintain their commitment to their families as well as their work, many women do a 'double shift', ie working longer hours in the workplace and then going home to start the domestic working shift. However, there has to be a cost for this relentless activity and after interviewing many working women, Bunting has an answer:

'It is the very things that nourish our mind, heart and soul that we displace. We deprive ourselves of sleep, exercise and spending time on our relationships, in order to fit in all of our work both in the workplace and at home. This means that our wellbeing is reduced physically and psychologically.'

Could it be therefore that as women have gained more freedom, more education and more economic power, they have become more exhausted and less happy? This view is certainly supported by Wolfers and Stevenson in their recent report *The paradox of declining female happiness*¹¹. They provided evidence demonstrating that whether women were young or old, married or single, had children or no children, were well educated or less well educated, measures of subjective wellbeing indicated that women's happiness had declined absolutely and relative to men.

Examples of this can be found both in the counselling room and in the media. Earlier this year the *Guardian* published an article by Cochrane¹² focusing on six high-profile women, who talked publicly about their crippling depression. The actress Emma Thompson described how after her divorce from Kenneth Brannagh she had constant voices in her head, saying: 'must do better', 'must try harder', 'you're too fat and not a good mother'. Lorna Martin, former Scotland editor of the *Observer*, commented:

*'There's massive pressure on women these days to hold down a good, rewarding, fulfilling job, but also to be a good mother, and then to look good and then to look after yourself. I think there comes a point when the body can't take it.'*¹³

The novelist Alison Pearson described herself as a 'sandwich woman', having both dependent children and dependent parents and that the stress of the situation with a job on top had taken its toll. She commented:

'We always suspected there would be a price for having it all, and we were happy to pay for

*it; but we didn't know the cost would be our mental health.'*¹⁴

As counsellors, working with women in the workplace, this information demonstrates to us that our role has great significance in two areas. First, in supporting, encouraging, mentoring and challenging women who have become engulfed by the constant messages of instant achievement in every aspect of their lives; and second, in challenging the businesses and organisations where we work to understand that women have a significant and successful role to play at the top table.

*'It's no longer a man's world. Nor is it a woman's nation. It's a cooperative, with by-laws under constant negotiation and expectations that profits be equally shared.'*¹⁵ ■

References

- 1 Sharpe R. As leaders, women rule. *Business Week*. 20 October 2000. http://www.businessweek.com/2000/00_47/b3708145.htm
- 2 Scherer M. The new sheriffs of Wall Street. *Time Magazine*. 13 May 2010.
- 3 ION. Planning for tomorrow's boardroom: making room for more women. The 5th annual status report of women directors and executive officers of public companies in twelve regions of the United States. Fort Washington, PA: Inter Organisational Network; 2009.
- 4 Singh V, Vinnicombe S. The female FTSE report. Cranfield University School of Management; 2005.
- 5 Catalyst Research Report. The bottom line: connecting corporate performance and gender diversity. 2004.
- 6 Adler R. Women in the executive suite correlate to high profits. Glass Ceiling Research Centre. Available at: http://www.women2top.net/download/home/adler_web.pdf
- 7 Welbourne TM. Wall Street likes its women: an examination of women in the top management team of initial public offerings. Centre for Advances in Human Resources Studies Working Paper no. 99-07. Ithaca, New York: Cornell University; 1999. <http://www.digitalcommons.ilr.cornell.edu/cahrswp/106>
- 8 UK's best workplaces. Great place to work special report. London: Redactive Publishing; 2010.
- 9 Cooper Y. Why I'm not standing for Labour leadership – this time. *The Guardian*. 10 May 2010.
- 10 Bunting M. Willing slaves: how the overwork culture is ruling our lives. London: Harper Collins; 2004.
- 11 Wolfers J, Stevenson B. The paradox of declining female happiness. *American Economic Journal*. 2009; 1(2):190-225.
- 12 Cochrane K. All too much. *The Guardian*. 29 April 2010.
- 13 Martin L. All too much. *The Guardian*. 29 April 2010.
- 14 Pearson A. All too much. *The Guardian*. 29 April 2010.
- 15 Gibbs N. What women want now. The state of the American woman. *Time Magazine*. 14 October 2009.