

WOMEN LEADERSHIP AND GLOBAL POWER: EVIDENCE FROM THE UNITED STATES AND LATIN AMERICA

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ABSTRACT

This paper examines leadership theories along with the advancement of women within the United States as well as in Latin America. Data from an exploratory survey of 19 women executives in Latin America and 19 women executives in the United States suggest that globalization has transformed the way in which organizations perceive and carry out leadership today. Globalization has paved the way for a new type of leadership style that is more collaborative and less hierarchal, in which relationship building and teamwork are critical. Data also suggest that women have emerged as effective leaders carrying out this new leadership style and their success has led to higher company profitability. This paper concludes by exploring ways in which corporations can maintain a competitive advantage in the global marketplace and how we, as humans, can begin to transform societies to cope with the Flat World while creating a flexible labor force and successful leaders.

JEL: M14, M16

KEYWORDS: leadership, women executives, corporate power

INTRODUCTION

Recent studies have revealed that out of the 500 largest U.S. companies, those with the highest percentage of female directors are more profitable and efficient than those with the lowest proportion. (Graham, 2007) Furthermore, organizations which have a higher representation of women at the executive level had a higher return on equity (ROE) and a higher total return to shareholders (TRS) as compared to organizations with lower women executives. (Cormier, 2007) The importance of this paper is to examine what characterizes successful women managers, directors and leaders in flatter organizations today. Our interest in conducting the research is to focus on women, to understand their experiences in the business world and arrive at conclusions regarding leadership that may be applied to any person who is striving for a senior position in this global corporate environment regardless of their gender. The ultimate goal of this research is to propose ways to empower more women so they may take on leadership roles and contribute to the success of an organization and our society.

Much of the recent literature has shown that leadership theory is transforming at a fast pace to keep up with globalization as the world and organizations become “flatter.” Recent studies have shown that the types of leaders in this new global economy must possess a specific set of qualities. In fact, the changing business environment favors women because many of the characteristics and behaviors needed for leadership today are those that come more naturally to women (Noble 2006). This paper explores the rapidly changing business environment, the characteristics of successful women executives and why these qualities are needed in order to be a successful leader in the global marketplace.

Set against this backdrop three interlinked questions are addressed in the empirical sections which follows. First, what characterizes a successful business leader in the global marketplace? Second, what challenges (internal and external) have women faced in their pursuit for leadership and corporate power

and how to overcome these challenges? And third, what can be learned from strategies that multinational corporations have implemented to help advancement of women in the corporate environment.

This paper is organized as follows. The next section provides a literature review for the study and gives an overview of theoretical perspectives with regard to leadership. Next we describe the survey methodology and the main characteristics of the sample. We then examine the results of the survey. The paper concludes with a brief discussion of the implications of the survey results for strategies of successful leadership.

LITERATURE REVIEW

“Leadership is one of the most observed and least understood phenomena on earth.” (Jogulu, 2006) Fortunately, much research has been conducted and studied over the past few decades to help us gain better insight with regards to the history of leadership theory and its impact on society. Historically, leadership was something that was inherited and achieving a leadership position was characterized by the ability to influence others toward attaining certain goals in which the leader controlled the behavior of the other members of the group. According to the “Great Man” theory, the unique traits attributed to a leader were “innate” qualities: self-confidence, the need for achievement, the drive to carry out an action, and self-monitoring. These characteristics referred to masculine traits, while women’s inherent qualities were classified as “caring” and “nurturing” which were not qualities associated with corporate leadership roles. (Jogulu, 2006)

In the 1970s, a comprehensive theory was proposed to explain differences among leaders using two terms: transactional and transformational. This allowed for a new way to analyze gender differences in leadership styles. Transactional leaders generally are associated with masculine characteristics, similar to a more autocratic leadership style in which power, competitiveness; authority and control are rooted in its behavior. However, transformational leaders are associated more with feminine characteristics, such as cooperation, collaboration, less control and more problem solving that mirrors the democratic leadership style. This concept of democratic leadership was the first one that opened the door to view men *and* women as possible democratic leaders. In this style of leadership, the leader encourages followers to create their own strategies and policies, giving them independence and freedom as they complete tasks, and congratulating group members when they succeed. Although former theories define leadership as exhibiting control and influence over others, results from recent research revealed that leadership is not only characterized by the ability to influence others, but also the ability to “motivate, and enable others to contribute toward the effectiveness and success of the organization of which they are members.” (Jogulo, 2006)

A recent empirical study of managers by Mandell and Pherwani (2003) confirmed that females score higher on the transformational leadership scale compared to their male counterparts and that women are extremely capable to serve as corporate leaders in this global economy. (Jogulu, 2006) Globalization has transformed the way organizations are structured with a less hierarchical structure. Globalization has created an environment where intellectual work and resources can be delivered from anywhere in the world. It creates a “flatter” playing field in which everyone is competing for global knowledge and fosters a new kind of freedom for everyone regarding the way we work. Obstacles to a free-flowing global market are inefficiencies and lost opportunities. Gender stereotypes can be categorized as inefficiencies because they have been ingrained in our thought process and create lost opportunity in the market. The great challenge is to absorb the social changes that globalization has brought to the forefront and evolve along with those changes. The more we grasp global ideas and transform them with our own traditions, the greater advantage we will have in a flat world. (Freidman, 2006)

Recent literature suggests that a dynamic work environment requires a leader who possesses qualities of a transformational leader because more teamwork and compromise is practiced in the workplace, as well as proactive problem solving. Leadership style in flat organizations needs to be built around caring, concern for others and nurturing characteristics. (Jacobs, 2007) As organizations are flattening, an effective leader must become the hub of connectivity and work with everyone, creating networks, identifying problems and quickly redesigning a system to fix problems for good, implementing a standard protocol to follow. This can only be done by establishing trust in business relationships and by adopting common standards among each supply-chain member, regardless of geographical location. An effective leader must be a good collaborator, adapter, explainer, synthesizer of the big picture, able to personalize and work well with others internally and globally. Successful leaders also bring curiosity, passion and creativity to their work, and most of all, they do something they enjoy. (Friedman, 2006) A successful leader must also have a vision and be able to inspire people. The person must have entrepreneurial skills and be willing to take risks and have a concern with how choices will impact everyone. (Bible, 2007)

SURVEY METHODOLOGY

In a preliminary effort to explore the leadership characteristics of women business executives, a cover letter and a self-administered questionnaire were e-mailed to 50 women executives with titles of Directors, CEO's, Presidents, and Vice Presidents employed in companies within the United States and throughout 11 countries in Latin America (Argentina, Aruba, Belize, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru, Puerto Rico). The 19 women participants from the United States range from ages 28-67. The 19 women participants from Latin America range from ages 21-65. The participants are employed in manufacturing, hotel and casino tourism, healthcare, banking/financial services, retail and education.

E-mail addresses were obtained from the database maintained at Graphic Controls in Buffalo, New York. Follow-up e-mails were sent during the first and second weeks after the initial e-mail invitation to non-respondents in order to achieve an acceptable response rate, with a final response rate of 76 percent. The participants were informed that there are no anticipated risks in participating in this research and no identifiable references will be made to any person or firm.

Our survey instrument included questions which were both quantitative and qualitative in nature. A quantitative measurement of the variables ranged from categorical (yes/no) to ordinal (5 point likert scale). The survey was divided into three sections. The first section solicited information on company type, employee size, location, current position, and number of years in current position. The second section asked about obstacles faced in achieving current position and difficulties faced by women, opinion and perception of men toward women in corporate leadership, and benefits and drawbacks of women in leadership positions. The third section asked about globalization and women executives, future of women in corporate leadership, the value of mentors, and overall career satisfaction.

RESULTS

Most of the respondents revealed that in order to move up the corporate ladder in a global organization a woman has to achieve it through sincere work ethics and recognized accomplishments. Prior work experience and an advanced degree are definitely valuable in acquiring knowledge of the specific field as well as building self-confidence. The participants were asked to describe the strategies they have exercised for implementing successful leadership abilities. These strategies are summarized in Tables 1-3 below and compared/contrasted by region.

Table 1: Strategies for Implementing Successful Leadership: Total (United States and Latin America)

Strategy	Response
Panel A: United States and Latin America	
Initiative in Achieving Goals	38%
Delegating Team Responsibilities	17%
Motivating & Empowering Employees	12%
Communication	12%
Leading by Example	6%
Earn Respect from Team Members	6%
Consistency & Honesty	3%
Networking	3%
Encouraging Continued Learning Daily	3%
Panel B: United States Only	
Delegating Team Responsibilities	22%
Motivating & Empowering Employees	22%
Initiative in Achieving Goals	16%
Communication	11%
Leading by Example	11%
Earn Respect from Team Members	6%
Consistency & Honesty	6%
Networking	6%
Panel C: Latin America Only	
Initiative in Achieving Goals	62%
Delegating Team Responsibilities	13%
Communication	13%
Earn Respect from Team Members	6%
Encouraging Continued Learning Daily	6%

This table shows the strategies that women in Latin America believe to be necessary for implementing successful leadership in the global corporate environment that women place most importance on initiatives in achieving goals. Panel A, B, and C show the results for combined United States and Latin America, United States only and Latin America only, respectively.

The results reveal that leaders should demonstrate initiative in achieving goals while delegating team responsibilities and motivating and empowering employees. Successful leaders learn their team members' strengths and weaknesses, as well as their own, and delegate responsibilities accordingly to meet common goals. They motivate and empower their team members, constantly keeping communication open and being honest with themselves and with their group members. Successful leaders also lead by example and earn respect from their team members. (Table 1) It is interesting to note that certain differences exist between women executives in the United States and Latin America. Women in the United States put more emphasis on delegating team responsibilities, motivating and empowering employees, and initiative in achieving goals while women in Latin America place most importance on initiative in achieving goals. (Table 1 Panels B&C) All of the strategies expressed by the participants are key factors required for successful leadership today. Interestingly, they also correspond to the transformational, collaborative style of leadership as described earlier.

The participants also revealed that the essential characteristics for a successful leader in an organization today include: self-confidence, positive attitude, adaptable and flexible to new situations, perseverant, risk-taker, team player, inspirational, creative, establishment of openness and trust, empathetic, respect and concern for others which reflect transformational and collaborative style of leadership. Although the women participants possess senior executive positions in their companies, they have encountered obstacles in the corporate environment.

Overall, approximately a third (39%) of the participants has not faced obstacles in moving up the corporate ladder. While the majority (72%) of women in the United States did not face any serious obstacles, the majority (65%) of Latin American women stated that they did face struggles. The obstacles participants have encountered include lack of credibility, lack of knowledge/experience,

difficulty in creating a work-life balance, isolation, low self-confidence level, hard competition and not enough monetary compensation. (Table 2)

Table 2: Obstacles Faced in Achieving Current Position: Total (United States and Latin America)

None	39%
Lack of Credibility	19%
Lack of Knowledge/Experience	15%
Home & Work Balance	6%
Isolation	6%
Low Self-Confidence Level	6%
Hard Competition	6%
No Monetary Consideration Compared to Men	3%

This table shows the obstacles faced by the women executives in their career while reaching their current position. The primary obstacles women encountered include lack of credibility, knowledge/experience, and creating a work-life balance.

The participants provide recommendations for creating a work-life balance, which is crucial for anyone striving for success and satisfaction in their life. Each participant in this study creates this balance slightly differently, but many state that the key is to be an excellent multi-tasker, to plan carefully, to be extremely organized and flexible. The majority of the participants suggest complete dedication to work while at work and total dedication to your family while at home. Boundaries have to be created in which overtime at work is limited and does not invade personal life. Having a supportive spouse and supportive family to help share responsibilities is definitely a critical success factor. Furthermore, they advise to take some time for yourself to do other recreational activities to care for your physical and spiritual well-being. Of course if life gets out of balance, they recommend to simply taking a step back to realign your priorities.

Studies have revealed that women have faced discrimination in the workplace as well as inequalities in which women continue to receive lesser pay for the same work done by male counterparts. There is an unfairness regarding performance appraisal, promotion, and training offered (Bible and Hill, 2007). The survey participants were asked if they experienced discrimination in their workplace. There is a noticeable difference in discrimination between women in United States versus Latin America. Only 21 percent of the women executives in United States indicated that they have experienced discrimination in the workplace, as compared to 61 percent of the women executives in Latin America who have faced discrimination. An independent- samples t test was calculated comparing the mean score of subjects in United States and Latin America who experienced discrimination found a significant difference between the means of the two groups $t = 2.642$ with p less than .05 (.012). It is quite evident that the efforts for equality in United States over the last few decades have had an impact, while equality efforts in Latin American are still fairly new or have not been fully implemented.

Regarding inequality of pay, the research shows the responses equally divided with approximately half who expressed they have experienced inequality in pay and half who have not. This is true for both the United States and Latin America. Similarly, an independent- samples t test was calculated, comparing the mean scores of subjects in the United States and Latin America who identified or experienced inequality of pay to the means score of subjects who did not experience inequality of pay. No significant difference was found $t = 1.676$ with p greater than .05 (.102).

The women executives were asked to identify factors important for women aspiring for corporate leadership. They suggest that women should work hard, know the business, and perform. They must believe in themselves, exhibit confidence and be prepared to take on responsibilities out of their comfort zone. Furthermore, women should have a passion for what they do, be creative, and innovative. There is no need to not be feminine; instead, women should use their female qualities to lead. Women should set

emotions aside and stay calm during decision-making. They should be realistic with their goals, give themselves reality checks, and find an excellent mentor to turn to for help.

Regarding the impact on multinational corporations, the participants were asked if there are any benefits that companies will gain or any drawbacks by having women executives. The results indicate that having women executives provides a different perspective and that it is important to have a mix of men and women because it allows for a diversity of experiences. They also stated that women executives increases the creativity in the organization, allows for stronger business relationships and overall a more positive attitude. The participants believe that women bring better process organization, more efficiency and better results to corporations. No major drawbacks in having women executives were cited by the participants.

The results further indicate that majority of the companies in this study have not implemented strategies for women advancement. Although multinational corporations may be implementing strategies for women advancement as discussed earlier, not all companies are taking the same approach. The majority of participants believe that quotas do not solve the problem and it is not the solution for women executive positions. They believe a position should be filled based on competence, accomplishments and experience, regardless of gender. Imposing quotas is a way of “auto-discrimination” and lowers standards for all.

The results also demonstrate that majority of women participants have had a mentor to encourage them in their advancement. However, there is quite a difference between the United States response (95% yes) and the Latin American response (only 65% yes). Of those that said yes, they described their mentors as parents, immediate supervisor, family members, spouse, professors, colleagues, and friends. The majority of the participants believe that having a mentor has been a major part of their success because a mentor leads by example, motivates and empowers, and helps network within the organization. Majority of the participants stated that it still is difficult for women to achieve executive positions within an organization. However, they view the future for women in corporate leadership as favorable.

Caution should be taken in generalizing the results of this study because this study is subject to several limitations: 1) time 2) cost and 3) resources. The first limitation concerns the short period of time given to collect the primary data used in this study. Furthermore, the data was collected utilizing a sub-sample instead of the total population because of the limited budget. Also note that because the research was carried out using the database from Graphic Controls, the industries in which the participants are employed strictly reflect the industrial, medical and gaming sectors. Therefore, the results of this study should be treated as suggestive only.

SUMMARY AND CONCLUSIONS

Globalization has led us to witness the emergence of a dynamic “Flat World” full of new social, political, and business models in which some of the most deeply-rooted values of our society are directly impacted. In order to cope with these societal changes, everyone must absorb these challenges, evolve along with these changes and maximize them to his/her benefit. Incorporating global ideas into traditional values will offer a great advantage in a flat world. To transform society, all humans must re-visit the gender stereotypes that have been ingrained into our way of thinking and perceiving the world, and we must revise our mindsets about business and leadership. Our views of the world are “social constructions which are socially learned, incomplete, and sometimes distorted, narrow, single-framed....The good news is that because they are learned social constructions, our mental models or mindsets are revisable both at the individual and organizational level.” (Werhane 2007) We must re-condition ourselves and our children to recognize that there is a level playing field for everyone regardless of gender, race, and ethnicity. We, the people, are the only ones capable of transforming society and it must start in the home

and be reinforced in schools and corporate organizations. In order to transform societies to cope with the Flat World and create a flexible labor force, societies must be able to do three basic things: develop the infrastructure to connect with the flat-world platform, educate more of their people to be more innovative and to tap into the platform, and possess leaders with the ability to manage and reap the benefits of the global platform.

As this research demonstrates, the kind of leadership necessary in a global economy is exemplified by women, and it should be recognized that much can be learned from their style in the workplace. The most effective global leaders will not only have a vision, but also be able to work collaboratively with a diverse population and possess a global mindset. From our study we can state that leadership is an interactive, dynamic and mutually interrelated process where each participant (male and female) contributes to the progress of the organization. Transformational leaders see leadership as an ongoing process, envisioning themselves as team leaders, as inspirational rather than directive, as participative rather than hierarchical, working to coordinate and balance their interest and those of their employees, and transforming these into shared corporate goals. (Werhane 2007)

Businesses in both the United States and Latin America need to re-examine how they are supporting women's employment and make necessary changes. Businesses should not object to and resist change; instead they should view it as an opportunity to compete in the global environment. They need to create a corporate culture that embraces women leaders and new ways of managing and leading together. Companies must design incentives and corporate structure to attract and retain staff, such as facilitating the interface between work and family and practicing a true work-life balance. Team members should be cross-trained effectively before a woman employee goes on maternity leave, so that the company does not suffer during her absence. Being proactive and planning carefully will greatly alleviate matters.

To further equip women for leadership positions, corporations should identify women and train them in the new leadership skill sets. Companies should encourage continued learning and offer training programs to women by encouraging them to attend seminars related to their position so they can acquire the necessary skills and create networking opportunities. Team-building activities, mentoring programs, professional coaching, and negotiation courses are recommended tools for creating behavioral change.

The globalized Flat World has changed the dynamics of business and the new world requires behavioral and social modifications in managerial leadership. To maintain a competitive advantage and address the global challenges, the executives have to adapt the transformational leadership style. As diversity prevails, leaders who carry out a transformational leadership style and a global mindset will undoubtedly see an increase in their own success as well as an increase in profitability of their corporations allowing them to maintain a competitive advantage in the global marketplace. It is also important to note that a successful leader in this Flat, fast-paced society will not only consider the recommendations given in this study, but will also be flexible and continue to evolve with the rapidly changing environment, keeping up to speed and up to date on new ways to continue to improve and reflect on their leadership approach.

APPENDIX

WOMEN LEADERSHIP STUDY
QUESTIONNAIRE

Confidentiality Statement: There are no anticipated risks to participating in this research. Your survey results will be held in strict confidence. No identifiable reference will be made to any person or firm, and only combined results will be reported in this research project.

1. Company Name: _____
2. Headquarter Location: _____
3. Primary Industry of Your Company: _____
4. What is your current position/title: _____
5. How long have you been in this current position?
 Less than 5 years 5-10 years more than 10 years
6. How many years did it take to achieve this position?
 Less than 5 years 5-10 years more than 10 years
7. What was the key factor to achieve this position? _____
- 8a. Have you faced any obstacles in achieving an executive position? Yes No
- 8b. If "Yes" Indicate the three obstacles you faced in achieving this position:
 1. _____
 2. _____
 3. _____
- 9a. Have you experienced any discrimination in your workplace? Yes No
- 9b. If "Yes" what type of discrimination? Please explain _____
10. Have you experienced inequality of pay in comparison to your male counterparts? Yes No
11. Do you feel quotas in the workplace is a solution for women executive positions? Yes No
12. Is it difficult for women to achieve an executive position within an organization? Yes No
13. How do you think others perceive you as a woman in a leadership role?
 Positively Negatively Neutral
14. How would you describe the reaction of men toward women in corporate leadership
 Positively Negatively Neutral
15. In your opinion what are the three most important characteristics required by women for having a leadership position in an organization today.
 1. _____
 2. _____
 3. _____
16. Has your company implemented any strategies to help women advance to leadership roles? Yes No
17. How important is it for your company to have women in executive positions?
 Critically important Minor importance
 Very important Not important
 Moderate importance
18. What are some significant benefits your company has gained by having women executives? _____
19. What are some major drawbacks your company has faced by having women executives? _____

20. Do you feel with globalization, your company will increase women executives?
- Definitely will increase Probably will not increase
 Probably will increase Definitely will not increase
 Might or might not increase
21. How favorable do you feel is the future for women in corporate leadership?
- Extremely favorable Not very favorable
 Very favorable Not at all favorable
 Somewhat favorable
22. Did you receive much guidance on choosing a career while you were growing up? Yes No
23. Have you had a mentor to encourage you in your advancement as a women executive? Yes No
24. If "Yes" who were your primary mentors?
- Parents
 Spouse
 Boss
 College faculty
 Friend
 Other: Specify: _____
25. Do you feel that having a mentor has been a major part of your success? Yes No
26. How would you rate your overall career satisfaction?
- Extremely satisfied Not very satisfied
 Very satisfied Not at all satisfied
 Somewhat satisfied
27. How would you rate your overall life satisfaction?
- Extremely satisfied Not very satisfied
 Very satisfied Not at all satisfied
 Somewhat satisfied
28. Please check your age category:
- 21 – 35 years
 36 – 45 years
 46 – 55 years
 56 – 65 years
 66 years or over
29. Are you....
- Married
 Single
 Divorced/Separated
30. Do you have children currently living in your household? Yes No

Name: _____
Address: _____
Phone #: _____
E-mail: _____

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION

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BIOGRAPHY

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