Will women leaders change the future of management?

The demographics of work and business are shifting rapidly — and the male-dominated model is overdue an overhaul

Simon Caulkin YESTERDAY

It's well known that office temperatures are mostly set at levels that suit men better than women — temperatures are often based on a historic formula that used men's metabolism as a guide. You can witness the consequence in offices anywhere: women shivering while men stretch out in T-shirts and shirtsleeves.

It sounds trivial. Yet, says Avivah Wittenberg-Cox, chief executive of <u>gender balance</u> consultancy 20-first, currently a fellow at Harvard, "it's a powerful metaphor for our organisations. We organise around what suits men and their competitive advantages, and they have no idea it's masculine. They just think it's normal."

Office temperatures are a tiny reflection of a startling larger truth: the minimal imprint women have so far left on the "official" theory and practice of management. And as the technology of work directly affects the daily life of every employed human on the planet, that matters.

Some of the reasons for this blindness are historical. One is biology, which meant that it wasn't until the 1960s and the advent of the pill that women joined the workforce in numbers, let alone became managers. The other is history. The church, military and slave plantation soil where modern management had its roots was hardly fertile ground for women, and while they played an important part in manufacturing during the second world war, they were hastily bundled back to the kitchen sink when it ended.



Avivah Wittenberg-Cox, chief executive of consultancy 20-first

In women's absence, "the world of business organisations remains male [and white] in design, rationale and functioning", wrote London Business School professor Nigel Nicholson in *Managing the Human Animal*, in 2000.

But the template laid down by and for very different people and conditions more than half a century ago has started to chafe. Over the past decades the demographics of work have been quietly transformed. Globally, 60 per cent of university graduates now are women, as are more than 50 per cent of US managers and professionals, notes Wittenberg-Cox, who publishes annual gender-balance scorecards across a number of sectors.

Performance has by no means suffered as a result. Individually, the new recruits are beginning to <u>outscore their male counterparts</u> in both "hard" and "soft" leadership skills. At corporate level, <u>studies show</u> that opening up management ranks to those other than male and white improves rather than harms performance.

Meanwhile, a cohort of super-achieving women in their fifties and sixties have made their way to the top of boardrooms and faculty departments the hard way. "They have had their families, sorted out their husbands and are saying, 'Now it's my turn'," says Rita McGrath, professor of management at Columbia Business School. "And they're absolutely killing it."

With nothing to prove, they are also confident enough to voice the view that a male-dominated management model is due an overhaul. And this time it is companies and management that need to adapt to women's needs, rather than vice versa.

"The current position isn't desirable, and probably not sustainable either," Harvard Business School professor Amy Edmondson, specialist in teams and organisational learning, tells me over Zoom from Cambridge, Massachusetts. "I don't think men have a monopoly on obsolete management mindsets, but they probably tend to hold them more often, and by that I mean the core idea that fear and command and control is the way you get things done."

In today's world, where ingenuity, collaboration and the ability to respond quickly to unexpected events count more than force, that's a liability, she says. Yet as part of taken-for-granted assumptions about <u>leadership</u>, it is obstinately hard to shift.

It's also a problem, because unquestioned assumptions such as these help to explain why so many organisations end up being led by incompetent men, in the words of a much-quoted recent <u>Harvard Business Review article</u>. Mistaking commanding presence for competence, selection committees appoint too many leaders who are longer on charisma than on less showy qualities needed to navigate today's uncertain conditions, <u>studies show</u>. Think Vladimir Putin or Donald Trump versus Jacinda Ardern or Angela Merkel.

Lower down the organisation, too — and at a time when half of potential new management recruits are female — institutional structures built round the male life cycle often still rule, says Lynda Gratton, professor of management practice at London Business School and author of the newly published *Redesigning Work*.

Gratton herself was strongly affected by a "brutal" period as a consultant in her early thirties. She confirms that millennials won't make those sacrifices any more, putting offending companies at a real disadvantage in competing for the best talent. "If you're not getting smart about how you not only bring women in but also how you keep them, you're at a talent disadvantage in a major, major way," agrees McGrath.

Does this mean that the rise of women will go on to change the fundamentals of management from the inside?

If she were alive today, the sole woman to rate a regular credit in management histories might answer in the affirmative. A keen observer, writing and lecturing in the 1920s and 1930s, Mary Parker Follett was an early proponent of what we would now call a "whole systems" view of business. One of her enduring concepts was the "law of the situation" — rather than making people obey orders, the job of managers was "to devise methods by which we can best discover the order integral to a particular situation", she wrote. In other words, context is all.

Follett might conclude that for once the context of the day is perfectly aligned. On cue, women are coming into leadership positions just as Milton Friedman's "shareholder value" doctrine is losing its destructive grip.

If you're not getting smart about how you not only bring women in but also how you keep them, you're at a talent disadvantage in a major, major way

Rita McGrath, professor of management at Columbia Business School

In the different world that is emerging, "the order integral to the situation" involves a fresh gender balance, being met again by the transformed managerial workforce.

Technology has helped by enabling, over the past two years of the pandemic, radically new ways of working to match the new environment — while also, as some like McGrath think, promising to mitigate propale-male selection bias through better coordination and screening.

The organisation is a tool, sums up Nicholson (a Follett admirer), which takes its

characteristics from its purpose. When the rules of the game change, leaders must change too — or if they can't, make way for those who can.

Finally, as Gratton points out in her new book, another, fortuitous effect of Covid has been to "unfreeze" hitherto fixed corporate practices and processes, and at least temporarily make the unthinkable thinkable — "Why on earth do we do things like this?" — or, for individuals, "What am I doing here at all?" The <u>Great Resignation</u> is one result — for Gratton, a telling indicator that all this should have been done ages ago, and now "everything is in play".

For Edmondson this should be a Follett moment, giving women the chance to make a distinctive mark on the emerging organisational order. "We're really the first to be in workplaces en masse," adds McGrath. "It's a big experiment, and it's still very early days."



Institutional structures built round the male life cycle often still rule, says Lynda Gratton, professor of management practice at London Business School

Yet it is striking that the optimism is tempered by a strong note of caution. Obsolete mindsets still abound, and crisis leaders all too often revert to the familiar default of control and coercion. High-flying women of colour resent patronising attitudes, and young ones of all ethnicities have to combat a culture deeply ingrained over a century. While the threat of a backlash, never absent, is today front of mind.

"I do worry about backlash," says Edmondson, who is not alone in pointing to attempts to roll back women's hard-won rights and diminish their importance and voice — and also to a world where bullying, violence and decision-making by diktat, and men, are on the rise.

Wittenberg-Cox agrees. She sees women and gender-balance as the canary in the coal mine for everything else. "I have always thought that the 20th century saw the rise of women, and the 21st century will be about whether men accept that rise or backlash against it," she says. "And right now, what you see is both."

<u>Copyright</u> The Financial Times Limited 2022. All rights reserved.