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Competitive Frontiers: Women Managers in a Global Economy

Dafna N. Izraeli and Nancy J. Adler

The best reason for believing that more women will be in charge before long is that in a ferociously competitive global economy, no company can afford to waste valuable brainpower simply because it's wearing a skirt. *Fortune* (21)

World business has become intensely competitive. Top quality people allow corporations to compete. Yet, while outstanding human resource systems provide competitive advantages, companies worldwide draw from a restricted pool of potential managers. Although women represent over 50 percent of the world population, in no country do women represent half, or even close to half, of the corporate managers. Even in the United States, where many believe the proportion of women executives to be outstanding, reality belies the belief: whereas 46 percent of the American workforce is female, women constitute only three percent of the senior executives (6;51), and less than half of one percent of the highest paid officers and directors (20).

What has prevented the movement of women into management and, especially, into the executive suite? What have countries, companies, and women themselves done to increase women's representation in management? *Competitive Frontiers: Women Managers in a Global Economy* traces the changing nature of world business and its impact on the role of women managers. It reviews the role of women managers working within their own countries as well as those working across national boundaries. Unlike many books and articles written about women in management, *Competitive Frontiers* takes a global perspective and goes beyond the parochial determinism of each individual country's unique cultural, social, legal, economic, and political history of domestic business. Throughout *Competitive Frontiers* we ask if globally competitive firms dare to limit their potential talent pool to half of the human race.

Cross-national Comparisons: A Multidomestic Perspective

Until the late 1970s, women remained virtually invisible as managers, and their absence was generally considered a nonissue (8). Since then, women managers have become increasingly visible in many countries. *Competitive Frontiers* describes

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women managers in 21 countries and four continents. Each chapter views women in management through the lens of the broader societal context, linking the behaviors of individual women and men with the societal forces shaping their opportunities, motivations, and choices. Each country reveals a growing number of qualified women seeking managerial positions and an emerging cadre of women successfully pursuing management careers.

From one perspective, the picture is positive. In each country, changing societal patterns have resulted in significant increases in the number of women managers. These patterns include favorable economic and demographic conditions, supportive government policies, changing family roles, and emerging support systems, in addition to women's positive responses to their new opportunities.

From another perspective, the picture is not so positive. In each country a similar story is told of societies in which men control the centers of political and economic power and of management as a profession controlled primarily by men -- a profession in which women remain relative newcomers, especially at the top. In all countries, major barriers retard women's progress in management, including such obstacles as stereotypical perceptions of women's abilities and qualifications, traditional attitudes towards women's family roles, women's minimal access to the social networks from which companies recruit managers and executives, and broadly based discrimination against women (30). Beyond the international commonalities underlying women's exclusion from the centers of managerial power and authority lies the uniqueness of local conditions in each country that produces the variety of women's experiences worldwide.

Systematic investigation of women's progress in management is relatively new. It began in North America -- primarily in the United States -- in the early 1970s, in Western Europe in the early 1980s, in Asia toward the mid-1980s, and in the former Communist countries of Eastern Europe, as well as in the People's Republic of China, only toward the end of the 1980s. Some chapters in this volume represent the first major study of women in management in that particular country.

In all countries, broad societal forces during recent decades resulted in more women entering lower-level managerial positions. In the economically developing and recently industrialized countries, a shift took place between the 1950s and early 1970s from agrarian toward manufacturing economies. This shift, along with the development of labor-intensive industries, primarily by multinational corporations, created a demand for cheap labor that brought many women into the urban labor force. Governments saw increasing labor force participation by women as essential for national economic growth and development, and they therefore encouraged women's economic activity. These governments, however, had no special interest in the promotion of women into management. Moreover, the traditional male ethos associated with manufacturing industries made industrial firms less friendly towards women managers than the developing wave of service sector firms.

In both the industrialized and industrializing worlds, the expansion of banking

public sector also absorbed many of the increasingly educated women into lower-level managerial positions. As new jobs were created, women moved into management and men moved up the hierarchy. The expansion of the public and service sectors became major factors promoting women's initial breakthrough into management. Reference to positive stereotypes – such as recognizing Asian women's traditional experience in the management of family finances and regarding women as more honest and trustworthy than men – helped employers rationalize women's presence in what had previously been a male domain (13;14;55;59). In both the industrialized and industrializing worlds, economic growth and increasing global competition heightened the demand for top quality managers. Economic enterprises began to take advantage of the growing availability of qualified women to fill the new positions.

In each country, the specific processes used to bring about changes differ. In the United States, powerful women's groups used the political process and the courts to help establish regulations that held employers responsible for implementing equal opportunity within their organizations (18). Such political and legal changes made it in organizations' self-interest to open their doors to women for lower-level managerial positions. However, neither the political nor the legal changes were sufficiently powerful to counter resistance to women entering the most senior managerial levels.

In France, legislation passed in the 1980s gave unions responsibility for negotiating equal opportunity on behalf of women. Progress, however, was very limited. The French unions appear to have lacked sufficient motivation to effect the previously legislated societal changes. Many French observers believe that the union leaders, most of whom are men, share management's prejudicial attitudes against women (52). In Hong Kong, where government intervention in commerce has been intentionally minimal and sex discrimination in employment continues to be legal, the proportion of women among corporate managers remains negligible (16).

In the social welfare states of Western Europe and Israel, social democratic parties created large public service bureaucracies that became the principal employers of women and thereby provide an important channel for women moving into management. Not surprisingly in these countries, gender segregation emerged along sectoral lines, with women managers concentrated in the public sector and men in the private sector (23;29).

Under Communist rule, Eastern European countries and the former Soviet Union set quotas for women in local-level management. However, women remained highly under-represented in more senior and national positions. In the former Yugoslavia, for example, opportunities for women managers depended on the political interests of the Communist party (32). Women's chances for promotion were best during periods of economic growth and political calm. However, during the times when political unrest was greatest, the proportion of women promoted into and within management dropped. At those times, the Communist party allocated positions either to men known to be loyal to the party or to men whose loyalty it needed to secure. In Poland, since women rarely filled managerial

positions in state enterprises, few now have sufficient experience to draw upon for managing in the new market-oriented economy (54). The large women's organizations in certain former Communist countries, such as Poland and the Soviet Union, operated essentially as extensions of the Communist party. As such, they served primarily a social control function for the party, rather than filling an advocacy role for women (46;54).

Countries recently freed from Communist rule appear to be experiencing a backlash against many of the policies that were supportive of women's employment, professional advancement, and general freedoms (40). For example, high unemployment has increased competition, including competition for managerial positions, most often to women's detriment. In addition, due to a lack of funds, most former Communist countries have chosen to severely reduce the extensive network of childcare services, thus further increasing unemployment among women managers, who have been forced to quit working because too few acceptable childcare options remain available. Moreover, the belief that a woman's place is in the home is replacing the quota system that guaranteed women's representation in lower- and middle-level management in most former Communist countries. For example, under pressure from the Catholic church, the Polish parliament is currently enacting one of the most limiting antiabortion laws in the world. In Russia, Poland, former Eastern Germany, and parts of former Yugoslavia, women face a difficult struggle ahead to maintain or regain their previous representation in the economy (9;32;46;54). Only now are women in these transitional economies beginning to organize to advance their professional and political status and interests (40).

Other countries, such as Singapore, Malaysia, Indonesia, and Zimbabwe, have only recently emerged from extended periods of colonial rule. Colonialism's impact on women differed in important ways from its impact on men. For example, in colonial Indonesia, the Dutch recruited upper-class men for roles in the civil service and reinforced women's exclusion from public life (61). Moreover, the Dutch in Indonesia did not develop an educational system for the local people. In contrast, the Americans introduced universal education in the Philippines, thus giving Philippine women a decided advantage in urban labor markets compared with women from many other postcolonial countries (25). In Zimbabwe, where white men control the private business sector and black men control family life, black women continue to face a double challenge both as women and as black women (41). Similar patterns also exist in South Africa (17).

In most postcolonial countries, women participated in the struggle for liberation. A number of them later became members of their countries' new governments, thus providing role models for other women. However, because they were brought into government positions only by these unusual circumstances, the token women leaders did not necessarily become harbingers for the continued involvement of succeeding women in the centers of economic or political power. More commonly, they emerged as exceptions to a pattern that generally continues to exclude women from power (41). This exclusion has most frequently reasserted itself with the passing of the original leadership.

Women as Senior Executives: Managing above the Glass Ceiling

In recent years, the proportion of women managers has increased significantly in all countries for which data are available, although at a faster rate in some countries than in others. Yet, the anticipated "breakthrough" into the centers of organizational power seems even less likely today than it did twenty years ago, when the groundbreaking book *Breakthrough: Women into Management* noted: "It's when and how, not if, women move up. The groundwork has been laid" (35:15).

This optimism was reflected in many of the countries described in our earlier book, *Women in Management Worldwide* (1988), the first to provide a multinational perspective on women in management. In each country, people believed that the developments that had led to women's entry into the labor force and subsequently to their entry into management had unleashed a dynamic that would result in a more equal distribution of women throughout the profession. We were cautioned, however, to separate myth from reality by analyzing the gains carefully (33).

Whereas the optimism about women's movement into management appears to have been well grounded, the optimism about women moving up into executive positions now appears to have been premature. Conditions that we, like other observers, expected would remove the barriers to women's progress in management left most women well below the glass ceiling, where they could glimpse but not enter the executive suite. Women's increased investment in higher education and greater commitment to management as a career, as well as new equal opportunity legislation and the shortage (or anticipated shortage) of highly qualified managers, did not result in a significant breakthrough into the executive ranks. Regardless of the proportion of women managers at lower levels, women in every country remain only a tiny fraction of those in senior positions (51). According to *Business Week*, "at the current rates it will be 475 years before women reach equality in the executive suite" (56:76).

Our earlier work, as well as that of others, had failed to appreciate the important distinction between entry into management and upward mobility within management. We implicitly assumed that the movement of women managers into the executive level involved similar dynamics to those of women's initial entry into management. We were perhaps overly impressed with the thin trickle of extraordinary women, operating under exceptional circumstances in each country, who had succeeded in breaking through the glass ceiling to assume senior executive positions. The mass media heightened public exposure to their presence. In all countries, articles and feature stories in women's magazines and some mainstream business journals made these exceptional women highly visible. Visibility had the benefit of increasing the women executives' impact as role models, but also the unfortunate consequence of reinforcing the illusion that substantial numbers of women had and could make it to the top (27;28). The reality, however, is that the executive suite has remained highly resistant to women's entry.

To date, there has been no systematic research documenting the characteristics of the few executive women of almost every nationality who have succeeded in assuming very senior positions: however, they appear to come from the same

societal groups as do male executives. For example, in cultures which draw executives primarily from the upper classes, such as the Javanese *priyayi* in Indonesia, both the few women executives and their male counterparts most frequently come from elite families in which personal connections smooth the way for business success (61). Similarly, in places such as Hong Kong, where family businesses define the dominant enterprise structure, both senior women and men most commonly run their families' businesses (16). In such cultures, executives generally view themselves as working in the service of their families. However, for a woman, working as an executive in a family business is not necessarily recognized as qualifying her to assume a similar executive position in a nonfamily enterprise. For example, in the Malaysian province of Kelantan, where women have traditionally dominated both business activity and family finances while men worked primarily in agriculture, the proportion of women who have been promoted into upper-level managerial positions in nonfamily enterprises and government organizations remains negligible (36).

Given these patterns, women's promotion into senior positions appears to be related to their access to the channels from which firms recruit executives; channels that tend to differ from those from which firms recruit entry-level managers. Becoming a manager generally requires appropriate credentials, whereas becoming an executive requires, among other things, belonging to the appropriate networks. For example, in Israel, women's near total exclusion from the senior ranks of the military deprives them of experiences that firms consider crucial for managing complex organizations. Their very limited access to senior positions both in the military and in political parties excludes them from links to social networks that are extremely important for access to positions of power in the civilian economy. Based on such exclusion, Israeli women remain unlikely to obtain significantly more powerful positions in the near future (29). Such definitions of appropriate experience eliminate women from consideration for senior corporate positions in other ways. For example, the requirement of many British firms that candidates for board member positions must have had prior board experience in a public company – which few women have had – eliminates most British women from consideration and explains, in part, the paucity of women board members (22).

Clearly, the situation facing women executives has not been the same as that of women managers. A fuller understanding of both the differences between "moving into" and "moving up within" management and the barriers that have limited women's advancement will better equip organizations to select more effective policies. Such policies will allow firms to remedy the current situation, rather than forcing them to remain trapped within prior, self-limiting perspectives.

Understanding the Barriers That Have Limited the Advancement of Women Managers

Until recently, a single set of questions dominated discussion about women managers worldwide: why are women under-represented, under-utilized, and skewed in

their distribution among the levels of management? Only in the 1990s has the need for global competitiveness and transnational efficacy begun to transform and complement these initial equity-based concerns. Although the specific explanations offered for this worldwide phenomenon have varied, they reflect three essentially different perspectives. The first perspective emphasized individual-level differences, the second focused on organizational context, and the third analyzed institutionalized discrimination. Whereas all three perspectives have made important contributions to our understanding of the historical barriers faced by women in management, each alone has been insufficient to fully explain the situation or to indicate appropriate ways to redress the balance. This is in part because many organizations did not perceive it to be in their interest to change. To understand the organizational reality faced by today's women managers worldwide, we need all three perspectives as well as a fourth that takes into account senior managers' greater power and authority. This fourth perspective includes senior managers' greater ability to influence – and to limit – women's access to executive positions and the history of societal and organizational dynamics pressuring them to do so. Such a multiperspective approach builds on accumulated knowledge and takes our understanding a step forward toward understanding the business environment of the 1990s and the twenty-first century. It thereby provides more adequate explanations and a more realistic understanding of what needs to be done if more women are to become senior managers – thus enabling firms facing global business dynamics to compete more effectively.

Perspective 1: A reliance on individual-level differences between women and men

Using an individual-level perspective, managers and scholars initially explained the paucity of women in management in terms of perceived personality and behavioral differences between women and men. Taking men's characteristics and behaviors as the norm for effective managerial performance, proponents of this perspective presumed that women's actual or perceived divergence from male norms explained women's limited representation in the managerial ranks (see articles and annotated bibliography (57;58)). Perceived differences between women's and men's managerial behavior were usually attributed either to gender differences in childhood socialization or to innate biological predispositions.

This individual-level perspective had the advantage of not assuming that women were identical to men. However, it also had three serious shortcomings in explaining why women were under-represented, under-utilized, and skewed in their distribution among management levels. First, as will be highlighted in the second perspective, most studies that compared women and men managers in similar jobs found negligible differences (15;42;45;47). Second, the contemporary emphasis on the manager as a "team player and coach," especially in today's increasingly knowledge-intensive industries (see (44)), suggested that a more people-oriented leadership style might render women more qualified than men for contemporary management positions. Similarly, the increasing emphasis on international and transnational management, and with it the heightened importance of relationship-building skills, again puts a premium on the very characteristics that

have been presumed to be women's strengths. Third, focusing on the individual ignored and concealed the importance of organizational factors affecting women's managerial careers.

Perspective 2: An emphasis on organizational context

The limitations of the individual-level perspective led observers to examine the organizational factors affecting women's managerial careers (31). Explanations shifted from gender-related individual differences to organizational factors facilitating and impeding women's careers in management. According to this perspective, characteristics of organizations – such as women's under-representation in management, the uneven distribution of women and men in various roles, as well as the greater opportunities organizations provide for men than for women to gain access to power, prestige, and monetary rewards – shaped attitudes and behavior much more than did individual personality traits. For example, research suggested that opportunities for promotion, more than gender-related individual differences, influenced women's and men's ambitions. Specifically, women's concentration in low-ceiling positions and in career tracks that limited their opportunities for promotion helped to explain women's supposedly lower level of ambition in relation to their jobs, careers, and organizations. Similarly tokenism helped to explain the dynamics associated with being the only woman in a senior management position – such as higher visibility and more stereotypical responses from colleagues. These dynamics both increased the performance pressures on women and reduced their prospects for success. Proponents of the organizational context perspective argued that these and other difficulties associated with tokenism would disappear when women represented a substantially greater proportion of the managers in an organization, since colleagues would then respond to them primarily as individuals and not as stereotypical representatives of a group (31).

In focusing on organizational context, this second perspective enriched our understanding of the factors affecting women's nonpromotion into and lack of upward movement within management as well as explaining some of the difficulties faced by the few token women who had succeeded in being promoted into more senior positions. However, similar to the first perspective's explanations based on individual differences, explanations based on organizational context also had serious shortcomings. First, they ignored the effects of broader societal forces on the organization as well as on a woman's place within the organization (37). Organizational context explanations failed to situate women managers and potential managers in the wider context of the society in which women live – the society that defines their existence, values, and options, as well as the costs for countering established societal expectations. Since a woman's organizational status and role are inseparable from her status and role in the greater society, one must include societal influences beyond the organization to understand women's experiences inside the organization (5;62). *Competitive Frontiers* is an explicit attempt to begin to add a cultural and societal context to our understanding of women's roles in management.

A second limitation of the organizational context perspective was its implicit assumption that organizations are essentially gender-neutral (1;11); that is, that our

culturally based ideas about women and men do not inherently influence our organizational concepts and practices. Essentially, organizational context explanations implicitly assumed that organizations treat women and men the same. Unfortunately, viewing organizations as gender-neutral allowed managers and scholars to ignore the gender specificity of organizational choices and responses. For example, according to organizational context explanations, being a token in a group creates strong performance pressure on the token person (31). Moreover, the presence of a token in a team, whether a woman or a man, heightens team members' awareness of their own gender identity as well as of the differences between themselves and the token. Given this heightened awareness of differences, the second perspective explained that the organization would be more likely to treat the token in a stereotypical manner; that is, as a representative of a group rather than as an individual. While true, what this argument concealed was that societal stereotypes of women and men differ and that, therefore, tokenism has very different consequences for token women managers than for token men managers (26). Specifically, organizations frequently derail token women managers to less powerful, more peripheral jobs, whereas they often promote token men managers up the hierarchy. An easily visible example of the latter in many countries is the rapid rate at which banks promote token male tellers into supervisory and managerial positions compared with the negligible promotion rates of their equally qualified women colleagues. Consequently, although problematic for a woman, being a token often works to a man's advantage. By inaccurately equating the experiences of women and men tokens, organizational context explanations obscured masculinity's connections with power and privilege – connections that are embedded in the broader society and reflected in organizations.

A third limitation of the organizational context perspective was its assumption that power negates the influence of gender (31). According to this assumption, once a woman manager achieves a certain level of power, her status as a woman becomes irrelevant. However, what actually happens is that women who attain positions of power become more likely, rather than less likely, to experience a backlash against them (19). Thus, in reality, rather than eliminating the significance of gender, power often heightens it.

Fourth, organizational context alone inadequately explained the persistence and replication of the gender-based division of authority and power. Even in organizations in which women managers held a sizeable proportion of lower- and middle-level managerial positions, men continued to dominate the top positions. Theories that suggested that organizations and bureaucracy were gender-neutral did not adequately account for this continued structuring based on gender (1).

Perspective 3: The unveiling of institutionalized discrimination

The third perspective rejected the view that organizations were gender-neutral. Rather, it argued that established, taken-for-granted understandings about organizations have built-in assumptions about gender and that these assumptions explained women's persistent under-representation, under-utilization, and especially their skewed distribution in management (1;11;12). This third perspective demon-

strated that organizations were neither objective nor gender-neutral. Fundamentally, it argued that gender discrimination was embedded in managers' basic assumptions about society and organizational life.

To say that an organization . . . is gendered means that advantage and disadvantage, exploitation and control, action and emotion, meaning and identity are patterned through and in terms of a distinction between male and female, [between] masculine and feminine (1:146).

By contrast, the first perspective, which focused on individual differences and often assumed that the core problem lay in the shortcomings of individual women, never questioned the influence of gender on the organization. Also by contrast, the second perspective, which focused on organizational context, denied that assumptions about gender were embedded in managers' perceptions of all aspects of the organization, including the allocation of positions and the distribution of power and authority. From this third perspective, the significance of gender was seen to permeate all aspects of the organization. For example, the third perspective did not view management as simply a gender-neutral set of technical, human, and conceptual skills associated with various management positions. Rather, it viewed management as an occupation in which the assumptions about who was suitable to be a manager, including which social and personal characteristics were required, were based on societal assumptions about women and men. For example, common managerial beliefs were shown to privilege the life-style that societies most frequently reserve for men. Beliefs such as that successful managers must prove their worth by their early thirties, that career breaks to care for family members indicate a lack of organizational commitment, and that being the last person to leave at night demonstrates exemplary organizational commitment, all advantage a life-style more easily pursued by men than by women.

In most countries, including many described in this book, societies expect women to act subserviently towards men and therefore assume that men – but not women – will exercise authority over other people, especially over other men. These societal expectations form part of the everyday taken-for-granted reality of organizations. Organizations only marginally violate such expectations when they promote highly qualified women into lower-level managerial positions, since these women frequently supervise other women. However, organizations generally perceive women as neither natural nor acceptable in positions of real power and authority and consequently overlook them for higher-level positions. When this happens, it rarely occurs to anyone that it should be otherwise.

In Western countries, research found that both women and men managers perceived the characteristics of the ideal manager to be those they associated with the typical man but not with the typical woman (49;50). A more recent study found that by the late 1980s these perceptions were still held by men but no longer by women (10). Similar studies from other cultures, such as Hong Kong, also found that male managers held more prejudicial attitudes against women than did female managers (16). The widely supported belief by men managers that typical male

characteristics are requisites for effective management revealed the close coupling of management with masculinity. "A 'masculine ethic' of rationality . . . [has given] the managerial role in the West its defining image for most of the twentieth century" (31:22).

This 'masculine ethic' elevates the traits assumed to belong to some men to necessities for effective management: a tough-minded approach to problems; analytic ability to abstract and plan; a capacity to set aside personal emotional considerations in the interests of task accomplishment and a cognitive superiority in problem-solving and decision-making" (24:20-21).

The specific image of an ideal manager varies across cultures, yet everywhere it privileges those characteristics that the culture associates primarily with men.

According to this third perspective, three implicit and explicit processes produced and reproduced discrimination against women managers. These processes explained the persistence of institutionalized patterns of gender discrimination in organizations.

First, organizations emphasized gender differences by using deceptively circular logic. The circular logic begins by organizations presuming that women and men have different personality predispositions and occupational interests, even when such managerially relevant differences have yet to be proven to exist. Based on such presumed differences, organizations then assign women to different jobs from those assigned to men, with those assigned to women incorporating less prestigious tasks, lower rewards, and fewer opportunities for advancement. The organization then uses the contrasting patterns of jobs held by women versus men to reinforce its belief that differences between women and men are inherent, rather than in fact constructed by the organization itself (60). For example, when organizations assume that men have a tougher-minded approach to problem solving than do women, they tend to hire mostly men for managerial positions that they believe require such tough-mindedness. They then interpret women's absence from such positions as evidence of an inherent shortcoming among women; namely, that women lack a sufficiently tough-minded approach to problem solving. Neither women's actual tough-mindedness nor the assumption that such a characteristic is the best way to achieve desired results is questioned or tested. Once such a pattern is established, organizations then use women's absence from the initial managerial categories to justify women's continued exclusion from both the initial and similar managerial positions. Thus, the first process reproducing institutionalized discrimination was organizations' assignment of women and men to different categories of jobs.

The second process reproducing institutionalized discrimination was the tendency of managers to promote people who most resembled themselves, those "who shared their own backgrounds, life-styles, prejudices, politics and goals" (38:25). Some observers used the nature of managerial work to explain this pattern. They stated that since managerial work is highly indeterminate, full of uncertainty, and fraught with difficulty in discerning the direct consequences of actions and decisions,

managers want to work with people they feel they can trust (31;39). Moreover, since ambiguity precludes any form of direct assessment and control, only similarity can form a basis for trusting new managers, rather than any form of more precise performance measurement. Since senior male executives perceived women as being different and therefore as not being completely like them, they tended not to select women for senior management positions. Selecting new managers on the basis of similarity secured the status quo regarding the distribution of rights, privileges, and rewards for the current, primarily male, cohort of managers and executives (43).

According to this perspective, the third process reproducing institutionalized discrimination stemmed from the hierarchical interactions taking place daily between women and men in society and in organizations. Hierarchies structure interaction into patterns of dominance and subordination, most commonly between senior men and junior women, including between male bosses and women secretaries. Such male-dominated hierarchical interactions create and reinforce power and positional distinctions between women and men and make them appear natural. When such gender distinctions form part of the organization's taken-for-granted reality, managers rarely question them. Moreover, individuals who are aware of such organizational discrimination often have difficulty obtaining sufficient support for their views to change the patterns. Thus, by hierarchical gender relationships becoming a part of the taken-for-granted reality of organizational life, organizations sustain women's absence from the centers of power.

An important contribution of this approach was that it exposed the underlying gender-based assumptions embedded in the way people think about organizations. It challenged taken-for-granted definitions of reality and revealed many of them to be reflections of the pro-male bias embedded in society and organizations, rather than of objective, rational definitions of the best, or most effective, approaches to management. While the institutionalized discrimination perspective was highly instructive for understanding the persistence of discrimination, its primary shortcoming was that it failed to explain why, despite existing discrimination, women have nonetheless moved into lower and even middle management positions. In addition, this perspective has not been particularly helpful in explaining what would be required for women to assume executive positions, short of transforming the entire societal and organizational culture. Beyond the institutionalized discrimination perspective, a greater appreciation of power was needed to understand the role of senior management in monitoring women's promotion into the executive suite.

Perspective 4: Revealing power's influence in the organization

From the fourth perspective, societal and organizational institutions that privilege men have persisted because individuals and groups with a vested interest in their persistence have had the power to pre-empt change. From this perspective, one reason current managers limit the number of women managers has been simply that they do not want more competition. Managers at each level in the hierarchy have not differed in their desire to limit competition but rather in their ability to do so. Only those at the top, most of whom are men, have had the power and authority to determine an organization's rules, including determining the criteria for promotion

close to and into their own ranks. Senior executives are more able than lower-level managers to protect their sphere of influence from outsiders – including from the entrance of both women and all but selected other men.

In all countries surveyed, the proportion of women among lower-level managers increased significantly when a rising demand for managers created a shortage of equally qualified men (48). During times of rising demand, it has been in organizations' interest to hire and promote the most highly qualified women and men managers available. The women hired did not replace male managers as much as they filled newly created positions. Senior executives remained largely unaffected by this dynamic because, given the limited number of executive positions, there has yet to be a scarcity in any country of interested and qualified male candidates. Moreover, because societies generously reward senior executives, firms are unlikely to suffer from a serious shortage.

In the United States, pressures to comply with affirmative action regulations and to establish the firm's image as an equal opportunity employer encouraged senior executives to create incentives for lower- and middle-level managers to promote women (18). Legislated affirmative action, a policy unique to the United States, was ostensibly intended for senior as well as lower-level management. In reality, however, it successfully opened the entry-level, but not executive positions, to women.

Not only have senior executives been protected from such affirmative action pressures, but they have also been exposed to pressures to exclude women from the most senior ranks. Managers who promoted women to senior positions could rarely do so without social support. For example, Ralph Ablon, chairman of American Ogden Corp., number 74 on *Fortune's* list of the 100 largest diversified service companies, recently appointed a woman as Ogden's chief financial officer. Ablon explained, "When I became CEO 29 years ago, I don't believe I could have been as liberal, and I couldn't have gotten away with appointing a woman as CFO. Today I could" (20:42). Why was Ablon able to do today what he was unable to do in the past? Perhaps it was because societal norms in the United States have changed. Ablon implicitly explained his (and his colleagues') past choices not to select a woman to be the CFO as emanating in part from his assessment of the potential cost to himself and to his company had he done so. Due to societal pressure, discrimination against women has often actually been rational from the perspective of individual senior executives, since behaving otherwise has usually elicited criticism from their peers (34).

Adding the dynamic of power to the institutional discrimination perspective helped explain why some patterns have changed and others have not. It helped explain why, despite management's masculine image, women have succeeded in entering the lower levels of management, but, once in, have failed to move up into senior management. Similarly, it helped to explain why individual and organized pressure has been needed from government and other public organizations as well as from the women prepared to move up. However, even this perspective, like its three predecessors, failed to account for the impact on women in management of the increasingly competitive business dynamics faced by today's international and transnational firms (3).

Policy Implications

Each alternative explanation for women's under-representation, under-utilization, and skewed distribution in management suggested different change strategies for improving the situation. In fact, the recommendations are interrelated since change at each level has implications for conditions at all levels. For purposes of actually improving the situation, firms should consider strategies encompassing multiple levels of change. For clarity, however, we will discuss the recommendations separately in relation to each of the four perspectives presented in this chapter.

First, when the situation is understood as caused by individual-level differences between women and men, as in the first perspective, the most common recommendation has been that women themselves have to change – that women must increase their self-confidence, become more strongly motivated to move up the career ladder, and exhibit more stereotypically male approaches to management. However, women have been cautioned to remain “feminine enough” to avoid challenging or offending prevailing sex-role conventions (53). According to this perspective, if women are to make it in management, they have to learn to “fit in.”

As captured in the first perspective, the societal and organizational messages conveyed to women managers in most countries have been that women themselves are an important part of the problem and that, therefore, women have to take primary responsibility both for the current situation and for changing it. To comply with the dictates of this common appreciation of the problem, women, on their own initiative, have increasingly turned to business schools, economics programs, and special management training courses to obtain the requisite qualifications to “fit in.” Women managers, entrepreneurs, and professionals have also organized networks to provide mutual support and greater access to needed opportunities and resources.

By contrast, when the situation is understood as an organizational context problem, as in the second perspective, then individual women gaining qualifications previously held predominantly by men is not sufficient. From this perspective, the responsibility for solving the problem shifts from individual women to employers. It is organizations themselves that need to eliminate barriers and provide incentives for increasing the number of women managers. For instance, organizations must create career paths for women and men managers with an equal probability of leading to the top, rather than continuing to constrain women's upward mobility by concentrating them in low-ceiling positions. Mechanisms such as affirmative action programs have enabled organizations to recruit and hire women managers and to place them into higher-ceiling managerial job hierarchies, thus creating greater opportunities for upward mobility.

When the situation is understood as one of institutionalized discrimination, as in the third perspective, then both women and men managers need first to acknowledge the discrimination itself “because sexual discrimination is insidious, and when inequality is not overtly acknowledged, it's harder to address” (51:74). Once acknowledged, eliminating discrimination requires senior management's commitment to change along with the cooperation of the total organization. The policy

recommendations stemming from the institutionalized discrimination perspective have thus been more far-reaching than those based on the first two perspectives, since they require changing managers' basic assumptions about organizations and society. For example, companies have mandated sessions to educate all managers – senior and junior – about the patterns of implicit and explicit discrimination and have trained them in new nondiscriminatory behaviors.

When the situation is understood as a consequence of power dynamics, as in the fourth perspective, then the interests of the organizations' most powerful members must change. The benefits of including more women executives and the costs of excluding them must become more apparent to senior executives. Some observers already argue that the "number of qualified women will soon be so great that ignoring them will be bad business" (51:76). Although this may well be true, those in power need to recognize the broader economic and competitive advantages of sharing the executive ranks with more women.

The power perspective emphasizes the need for current executives to understand that it is in their own and their companies' best interest to welcome more women into the executive suite. The intensification of global competition has become a major influence compelling executives to view women managers as a competitive advantage rather than as a legislated necessity. Global competition challenges corporations to maximize the effectiveness of their human resources. The successful performance of growing numbers of women managers offers firms an opportunity to outperform their more prejudiced competitors by better using women's talents. A number of leading transnational firms have already accepted this reality and begun to act accordingly (2;3).

In addition, in some countries, organizations promoting equal opportunity for senior-level women – such as Catalyst in the United States and the Federation of Business and Professional Women in South Africa – provide firms with prestige incentives (such as awards) for advancing women into senior management. Similar national initiatives offer broader incentives and support to senior executives for providing equal opportunities for women managers and executives. For example, a team of chief executives and directors of leading British companies established the national Opportunity 2000 campaign to improve women's economic opportunities and progress and, concomitantly, their own companies' economic competitiveness (22). Under the sponsorship of the Prince of Wales, Opportunity 2000's membership grew from seventeen organizations in 1990 to 220 by the end of 1993. Whether Opportunity 2000 will also bring significant numbers of women to the highest levels of organizations by the year 2000 remains to be seen. Pressure from powerful societal groups – including significant competitors and stakeholders – continues to be an important force in this direction.

Global competition and the need for top quality managers are making women's promotion into senior management a business issue, rather than strictly an issue of equity. For success, continued change is needed at the individual, organizational, and societal levels. Future business leaders will build their success on equity, not on archaic patterns of under-representation, under-utilization, and skewed distributions of women in management.

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