



WOMEN ARE THE X-FACTOR IN NEW WAYS OF WORKING

By María López, Diana Dosik, Renee Troughton, Karalee Close, and Allison Bailey

THE CURRENT BUSINESS ENVIRONMENT calls for new ways of working—and leading. Specifically, companies today need leaders who are people-oriented and empathetic, focusing on communication, collaboration, and teamwork. Those skills have been increasingly important in recent years, but the COVID-19 pandemic—and the economic disruption and uncertainty it introduced in organizations worldwide—has only underscored their value. Over the next decade, these leadership skills will become must-haves as traditional, top-down leadership approaches decline in the face of fast, highly collaborative, agile organizations. Fortunately, the needed leadership qualities can be found in a group of people already working in organizations who are often overlooked for such roles: women.

A growing body of evidence supports what many people already know—that women tend to be highly empathetic, with strong emotional intelligence. They are likely to be active listeners who solicit ideas, collab-

orate, share credit, and change course when circumstances require it. Tellingly, the collective intelligence of small groups has been shown to increase when there were more women on the team. Moreover, companies with gender-balanced leadership teams are more innovative than their competitors, and they perform better financially.

To be clear, we're not saying that *all* women have the kinds of skills we've just named. And we don't make any claim as to why women are more likely to have them—whether it's a biological component or environmental conditioning or both. But for companies seeking the kind of leadership talent to succeed in the current business environment, the underlying explanation is less important than the urgent need to work and lead in new ways. Businesses can progress better and faster if they redouble their efforts to recruit, retain, and promote their talent pool of women, which is already disproportionately strong in many of the needed skills.

A New Leadership Model

In the near future, the operating model at most organizations will need to change, due to disruptions in talent and technology, along with the growing public call for companies to develop a purpose deeper than increasing shareholder returns. To win in that environment, we believe that organizations will need two fundamental sets of skills. The first is digital skills. Many organizations are actively hiring software developers, data scientists and analysts, experience designers, and other people with critical digital skills.

A second skill set, however—the focus of this article—is just as important: human-centered skills in areas such as communication, collaboration, inspiration, emotional intelligence, creativity, and imagination. Although algorithms can execute standardized processes and make straightforward decisions much faster, cheaper, and more accurately than humans can, other skills—those that only humans can leverage, such as empathy, creativity, and judgment—are paramount for solving complex problems.

That is why leaders in today's agile organizations don't simply issue orders based on their own experience or expertise. Instead, they identify a problem and then support autonomous teams that do the actual work of solving that problem and validating the solution with customers. Such leadership requires a kind of vulnerability—supporting people who know more about a given topic than their boss does and are more likely to find the solution—that will likely make many traditional leaders uncomfortable.

Nevertheless, leaders today will have to navigate complexity and understand the needs and challenges of multiple stakeholders under ever-evolving scenarios. In a business environment with increasingly decoupled, multi-functional teams that work independently, leaders must be empathetic and able to empower others, inspire teams, build relationships, and learn with humility.

Soon, such “human” skills will be just as critical as digital skills to any company's suc-

cess. And although skills such as empathy and relationship-building might seem rare among leadership candidates, most companies will find them in their own untapped pools of women employees and managers.

Growing Evidence of Women's Unique Ability to Lead in New Ways

Empirical evidence shows that women are more likely to display many of the critical leadership skills. For example, a recent study in *Harvard Business Review* found that women in leadership positions were rated in 360-degree reviews as being better than male counterparts in a range of key competencies, including inspiring and motivating others, building relationships, and collaboration and teamwork. (In case that seems like a one-off, the authors conducted the original study in 2012 and updated it in 2019, with similar findings.¹)

Likewise, when looking at more granular skills, researchers at the University of Leipzig in Germany found that women, on average, tend to be strong at accurately deciphering emotions from people's faces. Another found that women are disproportionately good at reading body language. A third study found that men detect subtle indications of emotions like sadness in a face only about 40% of the time; in contrast, women can notice these barely perceptible signals with 90% reliability.²

Moreover, a publication in the journal *Science* showed that the collective intelligence of small groups increased if there were more women on the team. Women are more likely to acknowledge others, solicit opinions, actively listen, and take turns contributing—rather than trying to dominate a discussion or task. As a result, women-centric groups were more collaborative and better able to tap into the potential contributions from all participants.³

Real-World Experience with New Ways of Leading

The research findings align with actual experience reported by women leaders

overseeing agile transformations and other large-scale changes. For example, Jessica Järnbert, head of business consulting services for Amadeus IT Group in Spain, a leading provider of technology for the global tourism industry, has spent the past three years on an agile transformation. During that project, she said, communication and empathy have been critical.

“The ability to listen and empathize is absolutely key to building an environment of trust and genuine collaboration,” Järnbert said. “However, there is one other very important skill: the ability to define, articulate, and communicate strategy. If this skill is missing, you run the fatal risk of doing the wrong things very fast and ending up somewhere you really didn’t aspire to. If people have a common vision, purpose, and strategy it’s easier to promote collaboration to achieve those things.”

Järnbert also said she believes that women are ideally suited to overseeing these kinds of change initiatives because they are strong at assessing the well-being of a larger community, rather than looking for individual gains.

Janice Semper, a senior advisor at BCG and former senior executive in human resources at GE, underscored the growing need for persuasive, empathetic leadership. “When you ask people to break old habits and change their behavior, simply informing and telling people they need to change how they think and act is not enough,” Semper said. “Individuals will all be at different starting points, and their appetites for change will vary. Success requires a lot of dialogue and discussion throughout the organization to help people understand what it means for them and to create a willingness to change. Emotional intelligence (or EQ) becomes as important as IQ, if not more.”

Because women can be strong in terms of navigating social dynamics, Semper continued, they can bring people along and generate better business outcomes. “My experience is that women leaders tend to be very strong listeners,” she said. “They have

patience and humility, they can deal with complexity, and they understand the relationships between emotions and actions. They engage more and have more empathy, which is necessary to bring people along on this journey.”

Finally, Teresa Graham, head of global product strategy at Roche, emphasized the importance of bringing together different perspectives and viewpoints to make teams more creative and effective. “It’s about being able to find novel approaches to challenges, either yourself or within your small team,” Graham said. “At Roche, we have focused a lot on giving decision-making power to small, empowered teams, eliminating the processes that slow us down. We need leaders who have a genuine interest and trust in people, a high degree of cultural awareness, and who are able to convey ideas to colleagues across cultures and geographies. Because if you truly want your people to take accountability, to lead and collaborate in new ways, you have to trust them.”

How can women leaders contribute to this change? “A big part of creativity and collaboration comes from bringing different viewpoints and perspectives to the table, whether it’s gender, age, geographic origin, or any other visible or invisible differences,” Graham said. “Another is ensuring everyone is heard and can fully contribute.” She added that women often most naturally build learning networks that invite and embrace different viewpoints. All of which means that “women can be strong leaders and role models in encouraging a greater diversity of thought, fostering communication and collaboration, and providing opportunities to those who don’t fit the traditional mold.”

FOR ORGANIZATIONS THAT understand the need to work and lead in new ways, and that diversity is good for business, the message is clear: companies need to identify people with these skills and put them in leadership roles. That was increasingly true even before COVID-19, but the pandemic has highlighted the importance of empa-

thetic, collaborative leadership. Companies that want to benefit from these leadership skills need to redouble their efforts to attract, retain, and promote women.

NOTES

1. See Jack Zenger and Joseph Folkman, “Are Women Better Leaders Than Men?” *Harvard Business Review* (March 15, 2012); and by the same authors, “Research: Women Score Higher Than Men in Most Leadership Skills,” *Harvard Business Review* (June 25, 2019).

2. Uta-Susan Donges, Anette Kersting, and Thomas Suslow, “Women’s Greater Ability to Perceive Happy Facial Emotion Automatically: Gender Differences in Affective Priming,” *PLoS One*, US National Library of Medicine, NIH (July 23, 2012).

3. Anita Williams Woolley, Christopher F. Chabris, Alex Pentland, Nada Hashmi, Thomas W. Malone, “Evidence for a Collective Intelligence Factor in the Performance of Human Groups,” *Science* (October 29, 2010).

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