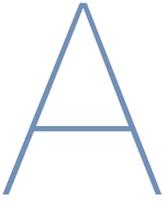


The image features a dark blue background with two white silhouettes of human heads in profile, facing each other. The silhouettes are positioned such that their profiles meet in the center, creating a symmetrical, heart-like shape. The overall composition is simple and graphic.

Leadership: Is there
a gender
divide?



As the number of women in leadership positions continues to grow, researchers are probing the impact of gender on corporate performance. But women vary as much as men in personality, character and leadership qualities, making some experts skeptical of comparing along gender lines.

One of these is Robert Brancatelli, Ph.D., adjunct professor in the Fordham Schools of Business and founder of the Fordham Road Collaborative, a consultancy that helps organizations become more productive by aligning personal mission with organizational mission. Executive leadership, he said, is complicated, involving too many factors to make generalizations meaningful. Therefore, gender-based analyses of leadership are flawed if they “accept as fact that women as women are different.”

Nonetheless, some studies suggest that companies led by women are managed more efficiently and, as a result, do better. Angela Luongo (GSB '11), a finance analyst at JPMorgan Chase, discovered gender-based differences in leadership—and results—in the honors thesis she completed as a Gabelli School of Business senior. She examined the risk and return profiles of about 8,000 mutual and hedge funds over one-, three- and five-year periods, including the huge market swings of the 2008 financial meltdown. Only a small number of those funds were managed by women: 9 percent of mutual funds and 4 percent of hedge funds. But those few women took less risk, and their funds outperformed those of men, Luongo found. Her conclusion: Greater equality likely will increase market stability “due to a better blend of investment approaches and risk tolerances.”

Similarly, a positive correlation between corporate performance and female representation on boards emerged in a study done by Catalyst, a research and advocacy organization for women executives. Its report showed that companies with boards composed of 19 percent to 44 percent women had a 26-percent greater return on invested capital than companies with no female directors. In another study at McMaster University in Canada, researcher Chris Bart noticed that the presence of any women on a board of directors correlated with an increase in that company's return on equity, sometimes by as much as 53 percent. Even one female director correlated with a statistical reduction in that company's risk of bankruptcy by 20 percent, he found.

Intrigued by these statistics, Bart dug further to determine the “why,” re-examining his longitudinal data of directors' decision-making patterns along gender lines. His assessment: Women apply more “complex moral reasoning,” weighing a greater number of factors and implications to reach “consistently fair decisions,” whereas men rely more on rules and traditions in making choices.

Research done by Iftekhar Hasan, Ph.D., Fordham's E. Gerald Corrigan Chair in International Business and Finance, revealed women leaders to be “more risk averse, more transparent and better prepared to deal with crisis.” Further, Hasan postulated that female representation in the corporate hierarchy “signals calm and steadiness.” Banks are among the organizations that view these

traits positively, Hasan added. They reward female-led companies with lower interest rates than those offered to companies with male CFOs, given similar earnings and risk.

Not all evidence of female-led corporate performance lines up in women's favor, however. Hasan also investigated the relationship between female CFOs and tax strategy. The resulting paper, co-authored with Meng Yan, assistant professor of accounting and taxation at Fordham, and Bill Francis and Qiang Wu of Rensselaer Polytechnic Institute, concluded that corporate tax strategy is less aggressive under female CFOs. Women's “more cautious” and “more conservative” approach, Yan said, may be due to litigation risk aversion. The result: higher corporate tax payments that cut into the bottom line.

Women CEOs are still too scarce to permit sweeping gender-based conclusions, if those are possible at all. Brancatelli is among those who caution against overgeneralization, arguing that “the presence of women and their total effect on boards may not be due to their being women at all but to the kind of people and personalities they are.”

We do know that women rise to the top as men do: with leadership savvy and a strong personality. The most effective leaders, male or female, are comfortable in their skins. Take Xerox's Ursula Burns, whom *Forbes* has described as “fiercely opinionated and impatient.” Burns has said she is guided by advice from her predecessor Anne Mulcahy: “You cannot be somebody else and lead.” Xerox stock was trading at \$6.44 per share when Burns became CEO in May 2009; today, it hovers around \$10.65, boasting a three-year growth that is nearly double the industry average.

Yahoo! CEO Marissa Mayer also garnered attention for governing in her own style from the moment she took over the company in July 2012. Most famously, she quickly instituted a no-telecommuting policy, raising eyebrows for the potential impact on the freewheeling culture of Yahoo!'s employees and the lifestyles of the working mothers among them. Yet some in the industry supported her seemingly counterintuitive decision, and in *USA Today* last July, S&P Capital IQ analyst Scott Kessler pronounced Yahoo! “a player again,” largely due to Mayer's creative leadership. The company's stock now is worth about \$34 per share, up from \$15.65 when she took over.

As the number of influential female CEOs like Burns and Mayer trends upward, the effect on current and future generations of professional women will be powerful. “It's critically important to have women in positions of power in corporations and other organizations,” said Micki McGee, Ph.D., associate professor of sociology and director of the American studies department at Fordham. “There's no substitute for actually seeing ‘someone who looks like me’ in those roles—it contributes to opening up the face of possibilities.”

Leslie Limon is a freelance writer based in Salem, Massachusetts.