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Professional Success

Womenomics 101

By Claire Shipman and Katty Kay

Once upon a time, big bad corporations employed women because they were cheap, made good coffee, suggested diversity, and, let's face it, looked a heck of a lot better than most men. Times have changed. Forty years after professional women first stormed the corporate barricades, those same firms are looking at us and seeing dollar signs. They've discovered that women deliver profits, often in big numbers, and that we are very worth hanging on to.

Pink Profits

The wise people at Pepperdine University realized it would be a good idea to take a bit of the emotion out of the debate about whether women are useful workers and chuck in a good healthy dose of economic analysis instead. They conducted a massive nineteen-year survey of 215 Fortune 500 companies. The Pepperdine professors wanted to find out if companies with more women in top positions did better or worse than companies with fewer women. And, being economists, by better or worse they meant more or less profitable. This is a hard numbers game, remember. Do women help companies make money or not?

The researchers surveyed these companies every year with a complicated formula worthy of all their PhDs. They added points according to how many and how senior the women in the company were.

They then took three different measures of profitability, since different industries measure their profits in different ways.

The results are little short of revolutionary. By every measure of profitability — equity, revenue, and assets — Pepperdine's study found that companies with the best records for promoting women outperform the competition.

Indeed the companies with the very best records of promoting women beat the industry average by 116 percent in terms of equity, 46 percent in terms of revenue, and 41 percent in terms of assets.

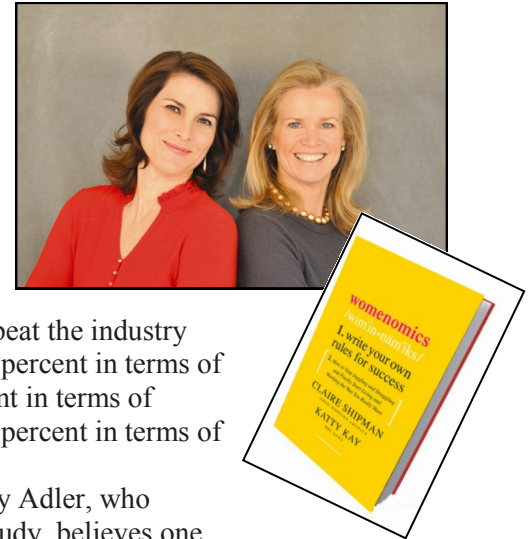
Professor Roy Adler, who conducted the study, believes one explanation for the high women-to-profit ratio may be that the high-performing firms do well because their top executives make smart decisions. One of those smart decisions is cranking open that heavy executive suite door to admit more women — well-educated and critical talent.

Now that, we reckon, is power in your well-manicured hand.

Still not convinced? These findings are not an aberration.

At the University of California at Davis, the graduate school of management concluded in 2005 that companies with women in top leadership positions have "stronger relationships with customers and shareholders and a more diverse and profitable business." The school concluded that "diversity of thought and experience in leadership is good business strategy." And that's the key — employing women is no longer a politically correct palliative to diversity. It is good business strategy.

The independent research organization Catalyst, which focuses on women in business, also conducted a study of 353 Fortune 500 companies in the late 1990s. They wanted to explore the link between gender diversity in top management teams and U.S. corporate



This excerpt is from the book Womenomics (above) which was released in June. "Womenomics" is defined as a recession-proof way of working that helps women find balance and satisfaction in both their professional and personal lives.

financial performance. Catalyst, like Pepperdine, found that companies with the highest representation of women in senior management positions performed best. They had a higher return on equity and a higher total return to share-holders — higher by more than one-third.

As journalists, when we start to read successive reports that come up with similar conclusions, we call it a story. When the results are this conclusive and this notable we may well even call it a headline.

As journalists we're also cautious. We can't say that diversity is the only reason companies with more women are doing better.

Clearly there could be other reasons too. But there is indisputably a pattern here.

"Companies that recruit, retain and advance women can tap into an increasingly educated and skilled segment of the talent pool," says the Catalyst study.

Let's look at that pool a bit. How much do you know about women and their talents? We were surprised.

In education:

What percentage of bachelor's degrees do women in the United States earn? 40 percent? 50 percent? No, try 57 percent. And what about the degree that really counts for professionals, the master's? Here too women are on top. Women earn 58 percent of all graduate degrees. Even in business, women are now over a third of all graduates.

And at work:

Nearly half the American workforce is female and the recession means we'll soon be a majority. Women in management? 46 percent. At the extreme heights, the numbers are thin but rising. Women's representation in the senior ranks of Fortune 500 companies grew from 10 percent in 1996 to 16 percent in 2002. That's more than a 50 percent increase in just six years.

It's clear: a company "allowing" you to work the way you want isn't just doing you a favor; it's making a strategic decision. Businesses want employees who boost profits. And in a flat or faltering economy, value is even more important. Our strengths are all the more noticeable.

Pink means Power

If, like us, you love work but love life too and want to find time for both, then the power of pink profits is the foundation on which to build your own "New All."* We believe we have uncovered a valuable secret. Businesses have known for a while how useful and profitable women are. By sharing this privileged information with you here we've given you the tools to negotiate. You can now go to your firm with the knowledge of just how much they want to keep their good, professional women. That gives you a strong hand to play.

News You Can Use

1. Companies that employ more women make more money. It's documented.
2. We do most of the buying, so they now know they need us to do the selling.
3. A talent shortage looms, and women account for more than half of the educated workforce.
4. It's expensive to lose experienced, professional women, so businesses *will* compromise.
5. In a downturn, companies are looking for creative ways to cut labor costs without big layoffs. This could be the perfect time to negotiate for time.

**New All: A new perspective on the idea of "having it all."*

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Five Aptitudes for Female Business Success

By Catherine Kaputa

Ever since a certain assertive female decided she wanted to eat from a certain forbidden tree, influential women have been loved, hated, glorified, vilified, and misunderstood.

Our modern time is no different.

Yes, we've come a long way from the fifties and early sixties, when career women were viewed as a lesser version of men, and urged to pursue service-oriented "pink jobs," such as nursing and teaching. However, today our ranks in the corporate workforce still thin out above midlevel. Today, women comprise less than 3 percent of senior executives in Fortune 500 companies. So, whether we are boomers, Generation X, or Gen Y, we're still not where we want to be.

Do you know this woman? She could be in your office, she could be a friend, or she could be you. She doesn't lack talent or work ethic, but her life and career aren't on track. It can be hard for her to strike the right tone in the office. If she's too nice, she's viewed as weak and not up to the job. If she's too assertive, she's criticized for being severe. She seems to work harder than the men — for less rewards. She's suffering from an ailment that mainly affects women that I've dubbed "Female Behavior Confusion Disorder."

So what's a woman to do? Well, for one, we have to stop trying to act like men in the workplace. Strong brands — products or people — are always built on authenticity. Don't fight your nature. Instead, build on your innately female strengths and inclinations. Research in gender studies points to key aptitudes that can propel career success for women — what I call "The Top 5 Female Aptitudes for Branding and Business Success." Not all women have these qualities, and many men have these qualities as well. However, these are areas in which women tend to be stronger. You can use these five aptitudes to help you in the workplace.

Aptitude # 1: Social Perception. Women are wired for empathy, the ability to read and identify the emotions and feelings of others through a sense of similarity — to walk in their shoes, as it were. MRI studies show that most women use both hemispheres of the brain to process emotional messages, while most men use only one hemisphere, giving women an advantage in picking up subtle non-verbal clues. Many women are also strong in intuition — it's called women's intuition for a reason.

How to use it in the workplace.

Intuition can give you another source of information beyond rational analysis. Pay attention to what's going on behind the scenes. In meetings, for example, if something feels incomplete or not talked about, act on your hunch and initiate a follow-up, clarifying phone conversation. Empathy can be particularly helpful in business during tough economic times. Work on listening to others and asking questions.



Aptitude # 2: People Power. A lot has been written about the fact that women have the social gene, and it's something that starts early. In one study, even one-day old baby girls were more fascinated by faces (or organic things) and boys more fascinated by inorganic things, such as mobiles. Playground studies of boys and girls point to interesting differences in how boys and girls play and relate with each other. Girls tend to pair off and play together one-on-one or with a small group. Boys tend to play with one group and then move to another larger group.

How to use it in the workplace. Women are born to network and make strong emotional connections. Use your social skills to build as many professional alliances as possible. Leverage your "social gene" to get well-known around the office. Be a mediator and an influencer. In terms of your personal career goals, you can use your strong people skills to land new opportunities and positions in your company—and get noticed, recognized, and rewarded.

Aptitude #3: Communication Agility. The female verbal edge is strong across the board. Girls, on average, start talking a month earlier than boys. Girls use a larger vocabulary at an earlier age, are better spellers and readers, score better on verbal memory or recall of words are markedly stronger writers. Women generally have better listening skills.

How to use it in the workplace. Use your wordsmith mastery to develop a virtual identity for yourself and for your company: blogs, Web sites, wikis and so on. Solicit

feedback early and often at work, and find mentors with whom you can discuss your ideas and development. Be an idea bridge and a meetings facilitator. Become known as someone who can grasp — and restate — others' points of view. Get practice as a presenter, and use your communications agility as a valuable business tool for promoting your great ideas and accomplishments.

Aptitude # 4: Vibrant Visual Identity. Brand managers use product design and packaging to develop a strong visual identity for their brands, and women have more tools available to them than men do for creating a strong visual identity in the workplace. While men wear a relatively boring uniform to work, women have a variety of "imaging tools" in clothes, colors, accessories, hairstyles, jewelry, and make-up.

How to use it in the workplace. Michelle Obama is the poster girl for what a powerful tool visual identity can be. She has a casual, American elegance, yet her clothes convey subliminal messages too. Her striding self-confidence, fit body, and clean American designs with bold colors result in inspirational magic. She favors immigrant American designers, a choice that reinforces the President's political message. You can do the same. If you don't have the body of a fashion model, then do something wonderful with your hair and clothing. Work on your posture and gait. Think about what your visual image conveys, and find visual "props" that add originality and a confident, powerful statement.

Aptitude # 5: Leadership that Includes and Empowers. One study of male and female group dynamics involved groups of pre-pubescent boys and girls, segregated by gender and given tasks to accomplish cooperatively. The girls used their social skills and worked together and formed a kind of committee. The girls all took part in discussions about how to accomplish the task, while the boys jostled about and picked a leader, who then directed the group on how to get the job done. Both had positive outcomes, but each gender used very different models. Women's inclusive, collaborative style of leadership is increasingly valuable in today's complex and interconnected global business environment.

How to use it in the workplace. Recent episodes of *Celebrity Apprentice* pitted women against the men — and displayed how their unique group dynamics gave the

women a decided advantage. In the real workplace we can see the effect of these different leadership tendencies, too. Men tend to have a more directive management style, and women tend to have a collaborative style with shared decision making. Leverage your more inclusive leadership style so you can lead in a way that doesn't seek to have power over people, but empowers others instead. Consult others on important decisions. Create teams and a "personal board of directors" who can advise you — and be sure to include men too. Conduct brainstorming sessions. Give public credit to people when they contribute. Such a leadership style will result in loyal, committed, hardworking colleagues and employees and will give you a distinct advantage and reputation as a problem solver.

* * * *

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Womenomics 101 and Five Aptitudes for Female Business Success Quiz

Test Instructions: To receive ABWA Professional Development Credit from the American Business Women's Association, read this article and complete the test below. If you answer nine out of 10 questions correctly, one ABWA contact hour will be added to the section titled "My Professional Development," located in your member record in the member's-only section at www.abwa.org. Members achieving a minimum of 50 educational credits are recognized by the American Business Women's Association. Send your completed test, payment form and \$5 check (payable to ABWA) to: ABWA Professional Development, 9100 Ward Parkway, P.O. Box 8728, Kansas City, MO 64114-0728. You may fax your credit card payment and test to 816-361-4991. ABWA maintains a transcript of your ABWA contact hours.

True or False

- _____ 1. Companies with women in top leadership positions have weaker relationships with customers.
- _____ 2. According to one study, companies with the highest representation of women in senior management positions performed best.
- _____ 3. Women's representation in the senior ranks of Fortune 500 companies grew from 10 percent in 1996 to 16 percent in 2002.
- _____ 4. MRI studies reveal that most women only use one hemisphere of their brain to process emotional messages.
- _____ 5. Companies with the best records for promoting women outperform the competition.
- _____ 6. Women in the United States earn the following percentage of bachelor's degrees.
 - a. 40 percent
 - b. 50 percent
 - c. 57 percent
- _____ 7. Women in the United States earn the following percentage of bachelor's degrees.
 - a. 40 percent
 - b. 50 percent
 - c. 57 percent
- _____ 8. Playground studies of boys and girls resulted in the following finding:
 - a. Girls tend to play with one group and then move to another larger group.
 - b. Girls tend to pair off and play together one-on-one or with a small group.
 - c. Boys are fascinated with faces.
- _____ 9. To use "people power," you can do the following:
 - a. Build as many professional alliances as possible.
 - b. Dress appropriately.
 - c. Think about what visual "props" you can use to add originality.

Multiple Choice

- _____ 6. The top five female aptitudes for branding and business success include all the following, except:
 - a. Social Perception
 - b. Communication Agility
 - c. Vague Visual Identity
- _____ 10. Companies with the very best records of promoting women beat the industry average by this percentage in terms of revenue:
 - a. 46 percent
 - b. 3 percent
 - c. 10 percent

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