

Professional Women's Network: Female Talent, Facilitator of Success

Despite the strides made by women in the business world in recent years, the number of female executives continues to be drastically lower than the number of men in positions of responsibility. Discrimination against women in the workplace – with lower salaries and problems achieving work-life balance – is even more pronounced at the higher levels of the organizational pyramid.

A study by the *Financial Times* found that only 14 of the 350 largest companies in Europe had female CEOs and other reports show that 60% of the world's companies have no female representation on their boards of directors. Along these same lines, the General Monitor reports prepared by Esade found that seven out of ten directors perceive that men are given preferential treatment in the promotion to positions of responsibility.

However, it has been shown that the presence of women has significant advantages for companies. A study by the McKinsey Global Institutes published last year indicates that if women were to participate equally in the economy it would add \$28 billion to world GDP by 2025, which is equal to the economies of the United States and China combined.

Incentivising the presence of women in positions of responsibility is key to reducing a gender gap which, according to the World Economic Forum, will take more than 100 years to close. And that is precisely the main objective of the Professional Women's Network Madrid, an organization that works to promote the professional careers, leadership and entrepreneurship of women through training, mentoring and networking.

Its President, Raquel Cabezudo, explains to Executive Excellence the differences between women's and men's professional careers and the association's efforts to break down the barriers that prevent women from being promoted in the workplace and provide them with the support tools they need to assume positions of responsibility.

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INÉS ORIA: When and how did the Professional Women's Network Madrid come about?

Raquel Cabezudo: Professional Women's Network (PWN) was founded in Paris in 1996 by Avivah Wittenberg Cox. In the year 2003, PWN decided to create an international federation of associations in collaboration with Margaret Milan, which was the beginning of what is now PWN Global. Since then, it has continued to grow, primarily in Europe, Asia and Latin America, just this year expanding into Africa. During this time, other veteran associations have joined the network which now encompasses 25 countries and more than 30 networks worldwide. Our network has more than 3,500 members and a community of more than 35,000 professionals from more than 90 different countries. In Spain, the organization was founded in 2006 as the European Professional Women's Network Spain and in 2013 came to be known as the Professional Women's Network Madrid.

The common denominator of the world-wide PWN network is to provide women with the tools, networks and resources they need to assume leadership positions. Our goal is to share knowledge, initiatives and experiences in order to promote the participation of women in the professional environment.

If we wish to advance as a society, we must take advantage of 100% of the world's talent and to do that men and women must work together. Therefore, our main objective is to foster the leadership of professional women, their professional development and the sustainability of their careers as a way of contributing to their visibility and presence in executive positions within organizations.



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We do this using a methodology based on the exchange of knowledge and best practices focused on facilitating business and the forging of lasting relationships. On this point, I'd like to note that PWN Global has been the subject of a case study in a doctoral thesis written by our member, Consuelo Lozano. Her thesis scientifically demonstrates that within PWN, knowledge is shared and transformed altruistically, guided by common human motivations, in an environment of trust that also creates a sense of well-being among members.

I.O.: What future challenges does the association face?

R.C.: We live in a world characterised by constant change, in which organizations like ours are necessary, and it is our intention to become one of the most dynamic and participative professional associations in Spain. We want to foster meaningful progress in talent, innovation, leadership and, of course, profitability. Looking back, we realise that true improvements in the area of gender equality in organisations are not significant, which is why we believe that real progress can only come from having women in positions of power, making decisions. It is true that the presence of women of boards of directors is increasing but the same cannot be said of management positions. Year after year, we see the same situations playing out and the percentage of women in executive positions remains unchanged. The situation is the same in all of our networks, with young women starting out in the professional careers under equal conditions, but the limitations begin when the time comes to raise children or climb the executive ladder.

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That is why, we at the association we believe in the importance of intervening early on. That is also why we have sought to include young women who are just starting out in their professional careers, so that they are better prepared and more aware of the situations they will be facing and therefore better equipped to cope with them.

In 2018 we will continue with the Strategic Plan implemented in 2015, which will be reviewed during the year and shared with all of our members. The Association is the focus of a case study at the IE Business School in the Department of Associative Governance chaired by Professor Pascual Montañés, and this will provide a great deal of leverage for devising a more participative roadmap that will guide us in the years to come.

I.O.: Does the fact that this is an international organization mean that you can make comparisons with other countries? Where do Spanish companies stand on gender issues?

R.C.: The situation in Spanish companies is very similar to the situation in neighbouring countries. On the one hand, you have the large multinationals that are governed by their parent companies; on the other hand, you have the domestic companies that make up the Ibx and medium-sized companies.

The latest Global General Gap Report for 2017 – which measures gender inequality in terms of health, education, economics and politics – places the northern European countries like Iceland, Finland, Norway and Sweden in the top positions. Spain is number 24, very close to Switzerland, Belgium and the Netherlands and ahead of Portugal and Italy.

I.O.: Which country is the most highly advanced in this area and what practices should we import to reduce the gender gap?

R.C.: Iceland, which was number one for the eighth year in a row, having closed the total gender gap by more than 87%, should be a reference for us. On 1 January, this country passed a salary equality law for men and women which requires that companies with more than 25 employees audit their salaries – including all salary items – to demonstrate that there is no gender discrimination.

However, Japan is noteworthy as one of the developed economies that lags farthest behind in terms of gender equality, although it must be said that the country has been making an effort in recent years.

The measure that stands out as a best practice in other countries is flexibility, which in Spain is only 10% compared to Norway, where it is 37%. This measure should apply to men and women equally.

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In the business realm, the importance of drafting and implementing equality plans and diversity programs is worth noting. These measures must be supported by decision-making bodies at the highest levels, along with dissemination plans to foster the cultural change that is needed to facilitate greater gender equality at different levels on the organizational

pyramid. The Women's Institute is making an effort to promote the creation of these types of plans in Spanish companies and to support the professionalization of associations to enable them to more effectively fulfil their social function.

I.O.: Only 24% of directorships in Spain are occupied by women and 31% of companies have no women directors on their boards. According to Amparo Moraleda, “women meet the expectations and are just as qualified as other professionals; the problem in many cases is that they just don't have the same opportunities”. What are the main barriers that keep women out of top management positions?

R.C.: There are external obstacles that restrain women's professional development, but our experience at PWN shows that internal limitations are an important factor which make it hard for us to leave our comfort zone and take the actions that are needed to foster change and achieve our goals. These unconscious barriers have a lot to do with sentiment in general and arise instinctively from a reluctance to accept change.


In addition to this, some of the most notable external barriers include family obligations, gender obstacles, different *networking* styles and subjective promotion systems.

Factors such as aversion to risk and resistance to change mean that when it comes to being promoted to management positions, women need support from higher levels, i.e., a sponsor who endorses their advancement.

PWN defends the need to foster a culture of gender equality in companies, to promote measures that contribute to more equality of opportunities among men and women and to develop pride of belonging among employees in a more inclusive way.

In my opinion, career plans should be designed as soon as a professional joins a company, as a way of managing expectations appropriately and ensuring that the employee feels valued and fairly compensated.

These plans should be accompanied by continuous training, which will vary according to the professional's potential. Generally speaking, women are highly committed to learning and the rate at which they take advantage of executive management programmes is high. Business schools help professionals to stay abreast of the latest management trends and to have a greater impact on management performance and hence on their promotion within the organisation.



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Whilst there are increasing numbers of women with this kind of training, because the training is largely paid for by companies, fewer women than men attend these programmes.

Companies must have equality programmes that actively promote the development of female talent. Right now, we are at risk of the most brilliant female executives searching for companies that include gender equality among their core values and that provide more open and diverse environments in which to achieve their goals transparently and objectively, based on merit.

I.O.: If Spain hopes to achieve the proposed goal of 30% of all board members being women by the year 2020, that means that most new directors must be women. Do you believe that measures based on gender criteria such as quotas are harmful or necessary to enable access and normalise the presence of women on boards of directors.

R.C.: Right now, there are opportunities for women who want to develop their careers as directors. However, it is important to remember that in order to achieve this, one must have the proper training,

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know how governing bodies work, be skilled in adapting to and understanding the decision-making dynamics, understand the corporate culture and our own responsibilities and what is expected of us in the position.

To understand the types of measures that are needed to promote women's access to positions of responsibility, I like to apply the principle of competition theory. This rule states that when there is an operator who enjoys a dominant position, not due to any special merit but rather for historical reasons, temporary steps must be taken to help other operators get a foothold, until they are in a position of equality. The idea is to break the inertia that occurs when there is a dominant operator that perpetuates the situation.

For a long time, board of directors have elected people from within their own circles of confidence, who share the same values and are similar to them. It would be desirable for these bodies to adopt a more professional approach and to include people who will add value and look out for the company's interest with the diligence befitting the post.

In response to the recommendation of the Code of Good Corporate Governance that women account for at least 30% of board members by the year 2020, many Ibex companies have been adding women directors in recent years and this has allowed the number to shift from 10.5% in 2010 to more than 20.3% in 2017.

Right now, there are companies in Spain, such as Abertis, Santander, Iberdrola and Merlín Properties, that are near parity. Other companies are taking timid steps to add more women to their boards.

On the other hand, the trend toward reducing the size of these bodies is a barrier to inclusion. In other words, although there are more opportunities for women in particular, there are fewer opportunities overall. In 2017, the number of women board members increased by a mere 1.1% compared to 13.75% the year before. It is also important to remember that 78% of women directors are independents.

I'd like to point out that there are only two chairwomen of Ibex 35 companies: Ana María Llopis at Día and Ana Patricia Botín for Banco de Santander.

With regard to quotas, there is no doubt that legislation helps to accelerate change and we have examples of this close-by, in France, where 37.1% of directors are women and Italy and Germany, where the figures are 30% and 27.2%, respectively.

In my opinion, there are female professionals with the capabilities and the skills to assume positions at the highest levels on boards of directors and I would hope that we will see a transformation take place in this regard over the next few years, starting with greater representation in management positions.

Currently, they do not account for even 20% - despite starting out from a position of equality based on the organizational pyramid - or 18% in the entrepreneurial sector.

I.O.: We've seen how much of our senior talent has been displaced from the labour market by the crisis. Some companies seem to undervalue experience and the qualities associated with it: intuition, successful team management, etc. Will we pay a high price for this loss of talent?

R.C.: The loss of talent that is taking place in our society is obvious. In Spain, there are two factors contributing to the reduced level of employability in the over 50 population. On the one hand, the delayed reorganisation of our companies, which has resulted in the oldest employees being the ones to lose their jobs when there are staff reductions; on the other hand, an aging population.

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In addition, there is a disconnect between job supply and demand, crisis level salaries and the scarcity of *senior* staff positions.

According to the most recent published data, the unemployment rate among people over the age of 50 is double that of 18-year-olds. Even more worrisome still is the fact that 40% of unemployed people over 50 have been looking for work for four years.

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At PWN we've perceived this trend and we've taken action. Specifically, we took part in a study, in collaboration with the Community of Madrid and with funding from the European Union, which analyses, through different workshops, how to assist and promote the professional careers and opportunities for women over the age of 50. At PWN, we will continue this line of work in the coming years.

There are several areas where our efforts will be focused moving forward, which will be discussed in greater detail when the results of the study are presented. There is a need to raise society's awareness of the value of senior talent and to encourage the sharing of best practices and success stories of active directors.

However, there are exceptions, in my opinion. There are people under the age of 40 who lack the motivation to excel in what they do and on the other hand there are men and women over the age of 55 with a youthful spirit who continue to be very active participants in the growth of the business fabric.

I.O.: According to Tom Peters, in most US companies there is a “BRO culture” taking hold. This is a term that is used to describe the way in which young, heterosexual men with money interact with each other in the workplace. One of the characteristics of this behaviour is a disdain for women, among other groups, but especially women over the age of 45, who are considered “finished”. Has PWN perceived such a trend?

R.C.: In Spain, the BRO culture as such does not exist, although certain tell-tale characteristics can be found in a reduced number of environments, such as technology start-ups. It is very fast-paced, endogamic sector with a minimal percentage of women, particularly women of a certain age. The difficulties of re-entering the workforce are similar for both women and men over the age of 45. However, as women we face additional barriers.

The goal is to empower professional women to ensure their full and effective participation and equal opportunities for leadership at decision-making levels in political, economic and public life.

It is also something that is being demanded by consumers and will begin to affect companies' bottom lines in the medium term. This is one of the reasons why companies are taking the matter seriously, adapting their business models and including diversity as a driving factor of innovation and transformation. This is the type of change that most stakeholders in the business world can understand.

In the 21st century, true leaders must be inclusive, capable of motivating and securing the commitment of a cohesive team that embrace the company's strategy. And this is, without a doubt, the best method for fostering female talent: a commitment on the part of the people at the very top of our businesses and institutions that women will be included in the decision-making process and that they will seriously work on retaining, promoting and incorporating female talent all levels.

As women, we must learn to move in these companies' circles of confidence and consciously pursue leadership positions in which we must combine self-awareness, knowledge, power strategies and teamwork. This entails developing certain skills that are not taught in any university programme but are usually discovered somewhat later in life, once we've experienced the internal and external barriers that prevent the development of female leadership in the business world. This is what we are working on at PWN.

I.O.: That reality has also put mentoring at risk, which it seems to us is one of the most necessary and productive things a company can do and this is an area where PSN has extensive experience. What does the association have to say on this topic?

R.C.: The group mentoring programme is one of our network's best success stories, which is now in its twelfth edition. Every year, the mentors propose different topics in relation to leadership, professional advancement, new technologies or entrepreneurship.

Mentors share their knowledge with a group of mentees in order to achieve the programme's ultimate goal. The idea is to move outside one's comfort zone in an environment where a relationship of trust is established within the group. The mentor shares and transfers her knowledge with each mentee so that by the end the mentee possesses the skills needed to proceed on her own.

1,300 people have participated in our programmes in recent years and the 12th edition will be starting soon. We want to open our programmes to society, to be driving force for change and to lead the transformation in the business world.

We also have plans to introduce a reverse mentoring programme in the near future, because we are firm believers in the transformational knowledge that young talent can provide to more experienced women, and the maturity of senior professionals that is so valuable to the younger generation.

At PWN, we believe that everyone has the right to dream, to set goals for themselves and to achieve those goals. It is our mission to encourage directors, executives and entrepreneurs to adopt a positive attitude toward the challenge of gender equality.



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