



**REPORT**

# **Women in Leadership Colloquium**

Filene Research Institute

## ACKNOWLEDGMENTS

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# Executive Summary

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## Overview

Globally in financial services, women comprise 25% of middle managers, 19% of senior leaders, 14% of board members, and 2% of CEOs. While women are an essential part of credit unions around the world, they still face systematic challenges that threaten their professional aspirations.

Social involvement built the very fabric of the credit union system. This is what makes financial cooperatives special. To that end, credit unions share a unique connection with issues concerning equality and ethics.

Women have always played an important role in financial services, and they are taking on more and more leadership roles every year. However, gender inequality in the American workplace still exists and poses a significant challenge for women who are looking to ascend professionally. So much more can be done for women to feel a sense of full social and economic equality.

Filene and the World Council of Credit Unions hosted the Women in Leadership Colloquium at the University of Southern California. The colloquium brought together experts from academia, recruiting, and credit unions to share research and jump-start dialogue related to women leaders in credit unions.

## What Is the Research About?

The colloquium highlighted three key themes, each approaching the issue of women and leadership differently. The central theme focused on the opportunities and challenges women face at every level in credit unions. The discussions ended with solutions that will help credit unions create a culture of inclusivity and equality.

## Professional Advancement in Credit Unions

Melissa Thomas-Hunt, associate professor at the University of Virginia Darden School of Business, shared the results of a yearlong research study that underscores the hurdles that slow down women leaders in credit unions. Thomas-Hunt and her research associate Mahak Nagpal examined many of the forces affecting women in credit unions. One of the discouraging findings of the study revealed that women climb the ranks less often than men, making up 70% of credit union employees overall but only 41% of credit union leadership. Thomas-Hunt examines how issues like career starting point, education, and other more subtle hurdles combine to slow the advancement of women in credit unions.

### International Perspective

According to Ursula Heimann and Dr. Gabriela Zapata, credit unions have all the essential resources to build bridges for the next generation of women. Drawing on their experiences working with credit unions in Mexico and Latin America, the two outline what can be done to foster women's leadership, including emphasizing areas where women excel, supporting more flexible child-care options, and recognizing the problem that women are often the harshest critics of other women.

### Toward Greater Inclusion

Understanding the challenges women face is not the same as solving them. Kathleen O'Connor, associate professor at the Johnson Graduate School of Management at Cornell University, described how women and men alike can find and benefit from sponsors, build the right kinds of networks, and negotiate effectively. O'Connor showed that women and men with MBA degrees had very different outcomes. Women received lower pay, occupied lower-level positions, and reported less career satisfaction than men in the same group. O'Connor advocates moving beyond a mentorship mentality to sponsorship, in which a superior (man or woman) is an advocate for the employee and spends political capital on her behalf, as the best pathway to improving outcomes for women at work.

### What Are the Credit Union Implications?

Eradicating the leadership barriers that hold women back will enable credit unions to promote equality, encourage diversity, and shrink the gender gap. Here are some of the most important takeaways from this research. If leading and promoting women are important to you, this is a great place to start:

- ➔ **Sponsors.** Differentiate between mentors and sponsors, and encourage women to seek out the latter. Don't be limited to choosing only other women as sponsors. Appropriate relationships with powerful men may be more likely and more efficacious.
- ➔ **Inclusive hiring.** Boards and hiring executives should exercise their influence by demanding diverse candidate slates for important positions. The more search firms and hiring managers see inclusion as a necessary principle, the more they will emphasize it in their own processes.

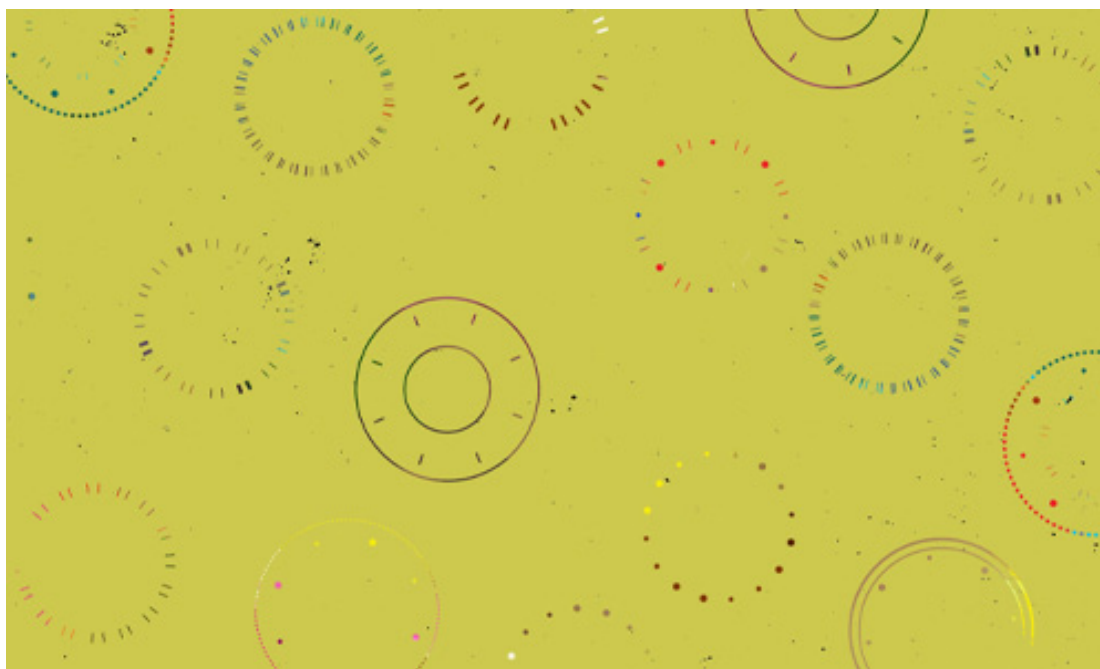
- **Visible examples.** Each organization should feel responsible for building a “first generation” of powerful women so that up-and-coming women have role models and potential sponsors.
- **Hard data.** Track how many women are leading in your organization. This allows you to know whether women leaders are arriving by accident or intentionally. It also lets you know how and how fast your organization is improving.
- **Plan ahead.** “Dig your well before you’re thirsty” in terms of supporting the aspirations of women. Put talent management plans in place for all employees, not just women.
- **Flexibility.** Consider how well women can manage their day-to-day and year-to-year schedules at your credit union, especially if they want to stay with you but need some consideration.

#### FEMALE CEOs IN US CREDIT UNIONS, BY CREDIT UNION ASSET SIZE

	Number of credit unions	Total assets (\$B)	Full-time employees	Part-time employees	Female CEOs	Female board presidents	Female CEOs (%)	Female board presidents
\$10B+	4	104.5	15,282	1,453	0	1	0.00	25.00
\$1B–\$10B	193	419.0	74,651	8,889	27	44	13.99	22.80
\$500M–\$1B	216	153.9	37,150	4,119	27	32	12.50	14.81
\$100M–\$500M	1,055	234.8	66,579	8,470	233	146	22.09	13.84
\$50M–\$100M	798	57.0	17,095	2,588	318	125	39.85	15.66
\$0–\$50M	4,694	65.6	21,076	6,162	3,091	1,018	65.85	21.69
<b>Total</b>	<b>6,960</b>	<b>1,034.9</b>	<b>231,833</b>	<b>31,681</b>	<b>3,696</b>	<b>1,366</b>	<b>53.10</b>	<b>19.63</b>

Source: 2012 NCUA data with names of credit union CEOs and board presidents coded for gender. Roughly 240 unisex names were assigned based on the statistical likelihood that they were male or female.

# Women in Leadership Colloquium



## CHAPTER 1

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# Introduction

Women are an essential part of credit unions around the world, and they are increasingly taking on leadership roles. But they still face systemic challenges: About half of US credit union CEOs are women, but many more men than women are CEOs of large US credit unions.

Beyond credit unions, the numbers are even more stark. Globally in financial services, women make up 25% of middle managers, 19% of senior leaders, 14% of board members, and 2% of CEOs. Do men and women enter credit unions with different levels of leadership potential? Within credit unions, do male and female employees get different exposure to experiences necessary for promotion?

To begin answering these questions and others, we invited industry leaders to join Filene and the World Council of Credit Unions at the University of Southern California for the

unveiling of a yearlong study delving into the challenges and opportunities faced by women at every level in credit unions, both in the United States and around the world.

What we found was that institutional and cultural biases can hold women back, but not necessarily in consistent or predictable ways. We also identified places where we can create opportunities for women's leadership through programs, networking, training, and policy. What follows is a breakdown of the colloquium presentations, which answers a few of the questions we started with and sets the stage for future research with many more.

## CHAPTER 2

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# Leadership Barriers in Credit Unions

## *Houston, We Have a Problem*

How do you address “the woman problem”?

That's the question Teresa Freeborn, CEO of Xceed Financial FCU, put to a group of credit union executives gathered to look at the issues women face in gaining advancement within the credit union system. Freeborn defines the problem broadly, saying women have opportunities to reach leadership positions but rarely do. This disparity, Freeborn is adamant, is bad for business and has gone on too long. Freeborn's interest in deeper research into women's leadership opportunities was sparked by her own look at women in the industry, where she found women's advancement has been stagnant for years.

For her, the problem is underpinned by male hierarchies that have been dominant in credit unions for years. While there is acknowledgment that organizations want to create opportunities for women, there appears to be little will to change the structures required to do so.

Freeborn calls for a credit union revolution that takes advantage of women's strengths and skills: “It just so happens that we have a very comparable supply of capable, professional women in our industry that are just waiting. They are. They're waiting to be called into action. So we have this amazing talent pool. We know that. They're educated and ready.”



“If you’re not fully leveraging all of the talent, you’re not maximizing the potential of the credit union,” says researcher Melissa Thomas-Hunt, associate professor of business administration at the Darden School of Business. Thomas-Hunt led Filene’s research survey into women and leadership in the credit union system.

Right out of the gate, Thomas-Hunt shows that stereotypes lead to differences between men and women in workplace performance. A key finding of Thomas-Hunt’s Filene survey is that when both women and men experts lead teams, women-led teams somehow underperform. Thomas-Hunt and her research associate Mahak Nagpal dove into what they term the macro- and microphenomena affecting women in credit unions. These are the ways people have historically filtered into organizations and dealt with internal preferences and organizational support systems, and the ways in which people make assumptions about an individual’s competency or ability to deliver.

*The characteristics that we assume to be related to women—being warm, friendly, likable, and nurturing—tend not to overlap with our historic notions of what it means to be a leader.*

Thomas-Hunt points out that the original mission-driven nature of credit unions aligned quite closely with characteristics that people often ascribe to women—community orientation, giving back, collaboration—so it’s mysterious that women, who are well represented as a percentage of employees in the credit union system, rarely attain leadership roles. Women climb the ranks less often than men, making up 70% percent of credit union employees overall but only 41% of credit union leadership.

**FIGURE 1**

**FEMALE CEOs IN US CREDIT UNIONS, BY CREDIT UNION ASSET SIZE**

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Source: 2012 NCUA data with names of credit union CEOs and board presidents coded for gender. Roughly 240 unisex names were assigned based on the statistical likelihood that they were male or female.

Women’s representation among leadership positions also falls when a credit union’s assets are considered. While 65% of CEOs among credit unions with less than \$50 million (M) in assets are women, they make up only 12%–14% of CEOs of credit unions with \$500M to \$10 billion (B) in assets. None of the US credit unions larger than \$10B is led by a woman.

But why? Thomas-Hunt raises several questions about the disparity: Could it have to do with the attributes of women who are leaders, or that women opt out? Does it have to do with people’s comfort level with women leaders or the characteristics ascribed to them?

## Expectations versus Extra Credit: Defining Characteristics of Leaders

In talking about some discussion points raised in Sheryl Sandberg’s *Lean In*, a popular book among those striving to understand how women navigate careers and reach top positions in organizations, Thomas-Hunt says her takeaway was that “there was this incongruity between the characteristics that we associate with male leaders, with leadership, and the characteristics that we associate with women. And so characteristics we associate with men tend to be very congruent with the characteristics that we associate with leader.”

### *People’s discomfort adds to the problem.*

The characteristics that we assume to be related to women—being warm, friendly, likable, and nurturing—tend not to overlap as much with at least our historic notions of what it means to be a leader and a high-level leader. So there is potentially this incongruity.

The incongruity has the unfortunate side effect of contributing to people’s discomfort about the issue, which can add to the problem.

There’s an irony to this. Skills that are not always associated with leadership—coaching, caring, team-building, and collaboration—often make the most effective leaders. Why do both women and men resist women’s leadership? It’s normative, Thomas-Hunt says: “We as women are exposed to the same things that men are exposed to. And so our conceptions of what constitutes a leader, and who is going to be most expert, map very similarly to those of men.”

**FIGURE 2**

**WHERE ARE FEMALE LEADERS IN CREDIT UNIONS (BY CREDIT UNION ASSET SIZE)?**

	% high-level leader	
	Women	Men
\$1B–\$10B	44	34
\$500M–\$1B	30	13
\$100M–\$500M	63	42
\$50M–\$100M	33	22
\$0–\$50M	95	74

- 58% female managers; 63% male managers
- 37% of women are high-level leaders; 53% of men are high-level leaders

Women are also held to a higher bar of helping than are men. When women and men each help out a colleague, the man who helped is often recognized as having done more or taken bigger steps to help his colleague, because women are expected to help. When men help, they get extra credit; when women help, they meet expectations.

## Women, Men, and Families

Thomas-Hunt also delves into the role family plays for women in the industry, bringing up the hazards of occupational segregation that sometimes result from women choosing different fields of study than men. But even among women and men in similar programs, like among MBA students, women are more likely to have chosen general management rather than finance or consulting. Add to that the higher likelihood that women opt out for familial obligations or that there's a perceived "ambition gap," and you end up with very few women likely to reach the top ranks of their organizations.

### *Occupational segregation: sorting similarly qualified men and women into different occupational positions.*

Two barriers come into play. One is that women don't advocate for themselves unless they're sure they can do the job. Another is that unconscious biases work against them, and so they're held to higher standards than men. As Thomas-Hunt puts it, "It's hard to get [women] in the pool, and when they get in the pool, they get scrutinized more heavily."

The idea of opting out is a heavy one. It can lead to the perception that women aren't good targets for institutional investment of resources, or will choose family over work. In the banking industry specifically, women managers have more trouble achieving work-life balance than their male peers, likely because of their commitments to both work and home.

In her research, Thomas-Hunt surveyed credit union employees across a variety of countries and organization sizes, though focused on six in the United States and Canada. There were 753 total respondents, 320 of which came from the six targeted credit unions. She found women's representation among leadership positions dropped off as she looked up the ladder. Fifty-three percent of women who responded to the survey said they were managing other people, but only 37% identified as high-level managers. In contrast, 63% of men said they were managers, with 53% identifying as high level.

More men than women identified as having been business, management, finance, or accounting majors, contributing to the disparity in the pipeline. Even more telling, more women than men in the survey had only high school degrees, and women also had more

associate's or bachelor's degrees where men had master's or professional degrees.

Educational background was a major predictor of who ended up in high-level management, with 50% of people with bachelor's degrees reaching management positions while only 20% of people with associate's degrees did. Even higher percentages of those with master's, doctorates, or professional degrees ended up in the top ranks of the organizations surveyed. The disparity starts at the bottom of the ladder, too. While 28% of men start as tellers, 47% of women begin their credit union careers there.

Research also shows that women who are in senior organizational roles are less likely than men in similar roles to have children, with 41% of women and 59% of men at the high level being parents.

FIGURE 3

#### TO WHAT EXTENT DOES THE ORGANIZATIONAL CLIMATE SUPPORT COLLABORATION?

Men have equivalent perceptions of their organizational climate supporting collaboration regardless of whether the CEO is male or female. Women have much more positive perceptions when the CEO is female versus male.

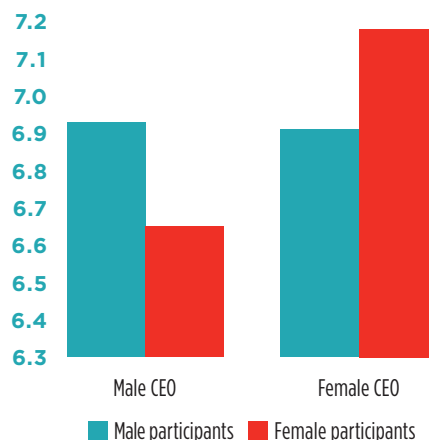
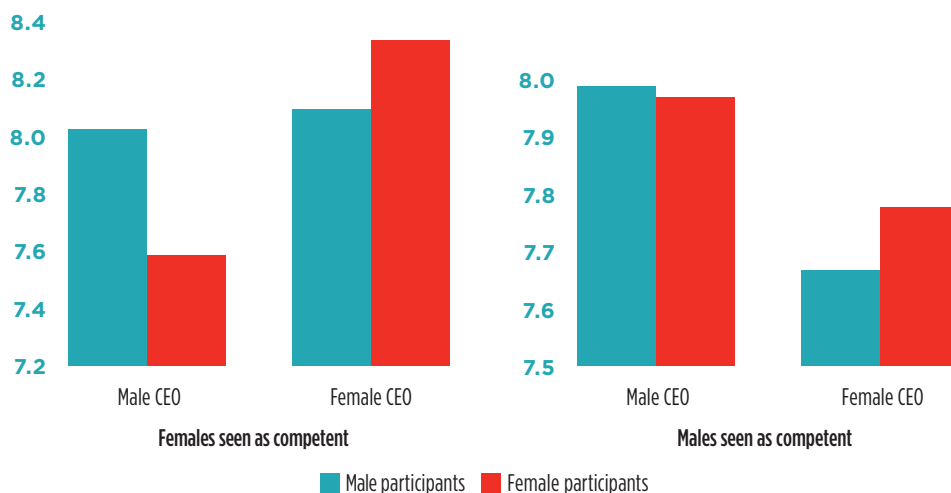


FIGURE 4

#### PERCEIVED COMPETENCE DIFFERS DEPENDING ON CEO GENDER

Men's reports of the competence perceptions of women are not affected by CEO gender. Women report much higher levels of females' perceived competence when there is a female CEO.

When there is a male CEO, male and female participants have equivalent reports of men's perceived competence. When there is a female CEO, males report that the perceived competence of men drops more significantly than that of females.



## Focusing on Solutions

How can credit unions act now? Help women get to the top. Thomas-Hunt's number-one takeaway from the research was that having woman-led organizations increases visibility and creates a climate—and precedent—for ambitious women to rise.

To recruit better-trained women, offer and develop mentoring programs that focus on executive skills and building a career path.

Credit unions should also work to help men achieve work-life balance by being more open to their family-related needs. Enabling men to be stronger contributors to child care, for example, frees up more women to pursue career advancement. Technology can also be applied to making balance easier for women, especially when the final quality of their work product is considered, rather than the number of hours they sit at a desk.

At the organizational level, prioritize women's training and advancement so that best intentions don't get lost.

### CHAPTER 3

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## Women in Leadership—Issues in Mexico

In Mexico, researchers Ursula Heimann and Gabriela Zapata discovered that women have made great strides in credit unions, but still have a few cultural hurdles to clear. They looked at women's career paths in credit unions in Mexico to find out how they reach leadership positions and what can be done to further foster women's leadership.

*Leadership: action or ability to guide a group of people or to guide organizations.*

Heimann and Zapata define leadership as the “action or ability to guide a group of people or to guide organizations.” Leadership thus defined has two components: (1) the managerial process, wherein people reach objectives through strategic division of functions, and (2) creating vision, fostering motivation, and facilitating cooperation through human interactions.

Leadership then breaks down into two categories: formal and informal. Formal leadership means someone holds a position of authority within an organization and is a decision maker tasked with guiding people. Informal leadership is, according to Heimann, “being a moral and opinionated leader.” While their study focused on formal leadership, Heimann and Zapata looked at some aspects of informal leadership as well.

## Defining Leaders

A few key attributes are needed to participate in credit union leadership in Mexico. The first are loyalty and trust, which is evident in the way that people often employ people they know or have a connection to, trusting that person will do well and reflect positively back on them. The second is having technical skills, which is a legal requirement in Mexican credit unions. Loyalty and skills don’t always come together, so leadership trajectories are sometimes haphazard. A loyal lieutenant could rise and gain technical skills later in some circumstances; someone more technical could embrace leadership later on in his or her career.

Heimann and Zapata broke down women’s leadership within the credit unions into three patterns. First, in some credit unions, women’s and men’s roles seemed equally divided. Next were credit unions with heavy female participation, more than men. Finally, there were credit unions where women filled out many administrative and midlevel positions but did not make up any of the top leadership. Overall, they point out, the larger a credit union is, the more likely it is to be led by men.

In the Mexican survey, 71% of women indicated that they’d be interested in leadership positions—but others did not. Overall, Heimann characterized women themselves as being more skeptical of women’s leadership potential, an issue she boils down to self-esteem. Supporting this notion, Heimann and Zapata also found that women were skeptical of their ability to influence others while they are considered less competent and get less recognition than men.

Heimann posits that these perceptions may boil down to women raising their hands and volunteering for responsibility less often than they would like to. Women seem to be harder graders of leadership potential as well. Women judge fewer women as having leadership

**FIGURE 5**  
**SIZE MAY MATTER**

Credit union size may have an effect on promotion and career development opportunities.

**Smaller credit unions:**

- Can afford fewer employees
- More multitasking
- Lower salaries
- Less need for highly skilled staff

**Bigger credit unions:**

- More staffing needs
- Higher educational and technical requirements
- More mobility
- Structured working hours

potential, but they also see fewer men as having leadership potential than do men's male peers.

Heimann asks, "So are we more skeptical, or are we more realistic, or what's going on?"

## Perception and Stereotypes

According to Zapata, one of the survey's biggest findings was that gender felt like a nonissue to both women and men who participated. "Neither men feel they are discriminating against women, nor women feel discriminated against," she says. Both men and women indicated they feel there are equal opportunities regardless of gender.

In Mexico, official certifications may contribute to this sense of fairness. Certain skills overseen by regulators are required of people serving on boards and in CEO-type positions, especially at larger institutions.

Heimann speculates that this split underlies the reasons women fill out more positions in smaller credit unions than in large ones.

"Surprisingly, or not surprisingly, lower salaries and less need of higher technical expertise in small credit unions may offer more opportunities for women to participate. This

could be a reason why some men opt out of these jobs and why women opt in, maybe, to these jobs. They might, we might be more likely to accept lower salaries," Heimann says. At the same time, she adds, these positions women take on may be more taxing than some at larger credit unions: "Multitasking and lack of structured working hours, which are more likely to be found in smaller credit unions, can be difficult, more difficult for women because they have all these other multiple tasks that are outside of the credit unions, in family, etc. So that might also be a cause to applaud for women."

Whereas gender isn't perceived to be an issue in Mexico, it is perceived to be one in credit union workplaces in the United States. Opinions among the mostly female colloquium attendees were split about how big an issue gender is in their organizations, with some seeing no problems and others feeling there definitely are barriers to building a diverse leadership that includes strong representation by women and people of color.

Parenting and family responsibilities are also not seen as potential barriers the way they can be in the United States. Zapata says family, and especially children, are cherished.

FIGURE 6

### BY THE NUMBERS

- 31 credit unions surveyed
- 30 credit unions with women in leadership within the organization
- 29 credit unions have women on the board
- 8 credit unions led by women at the top

It's not the social norm to perceive them as a problem. "Nobody is going to call parents an obstacle or kids an obstacle, even if they are." Zapata points to strong family networks as another reason caring for family isn't an issue, whether it's care of children or elderly parents. In Mexico, a person's support network is often wired in, especially because people are less geographically mobile than they are in the United States.

## *Nobody is going to call parents an obstacle or kids an obstacle, even if they are.*

Heimann, who is German, notes that discussions about women's careers and family are common in her home country, as they are in the United States, whereas it's not even a discussion in Mexico. For Mexicans, having fewer children is more likely to be an economic choice than a career choice.

This is not to say there are no barriers for women in Mexico, but that social attitudes play a role in perceptions about whether they're treated fairly professionally. Heimann cites culture and tradition as things that may hold women back in some circumstances, as well as harsh realities about physical safety that lead to people believing women need more protection. Women may also limit themselves in rural and semi-urban areas for reasons of safety—both real and perceived.

**FIGURE 7**

**WHILE CARING FOR FAMILY IS NOT SEEN AS AN OBSTACLE, HAVING A SUPPORT NETWORK IS KEY**

	Categories	Total respondents (%)	Women (%)	Men (%)	
Caring for elderly relatives	Yes	38.4	42.5	34.5	<p>"In some remote places, there are no training centers or universities. Anyone the cooperative sends away for training must be willing and able to take the time."</p> <p>—CEO (woman)</p>
	No	61.6	57.5	65.5	
Caring for elderly is an obstacle	1–2 (lowest) out of 9	76	81.1	70.9	
Caring for children	Yes	61.6	59.4	63.6	
	No	38.4	40.6	36.4	
Caring for children is an obstacle	1–2 (lowest) out of 9	77.8	77.3	78.2	

Having a family or support network to help care for elderly parents and/or children plays an important role in allowing women to pursue career opportunities.



Positive and negative stereotypes abound and can impact women's opportunities. Some women surveyed said they prefer to hire men, while some men said they prefer to hire women. When women are characterized as hardworking and good communicators, they may get preferential treatment. On the flip side, men sometimes benefit from perceptions that they are versatile, available at all hours, and more competent at certain tasks.

Indeed, the survey shows that the strongest bias against women came from women themselves, especially those at the top. Zapata posits that maybe women are more comfortable expressing concerns about other women employees than men are. She also notes that the women who had reached the top ranks of organizations were more likely to be single or divorced, implying that they had sacrificed for their careers.

*In the survey, the strongest bias against women came from women themselves, especially those at the top.*

## Opportunities and Awareness

Heimann and Zapata's work shows that there are opportunities to improve women's representation among top leadership in Mexico's credit unions. They recommend raising awareness of areas where there's room for improvement through seminars and workshops targeting both women and men.

They also advocate for development of leadership, mentorship, and technical training to ensure credit unions are helping people learn the skills they need to advance their careers. This training should be flexible so those balancing home and work responsibilities can learn online, reducing accessibility barriers that come up when people must travel for training. Opening up more flexible child-care opportunities would also be a boon for women who aspire to leadership roles, enabling them to opt into opportunities to lead.

# Pathways to Power: What Men, Women, and Companies Need to Do Together

Kathleen O'Connor, associate professor of management and organizations at Cornell's Johnson Graduate School of Management, is well placed to share solutions and tactics to help organizations help women compete for and win leadership roles. O'Connor's research focuses on creating pathways to leadership for women and identifying the challenges that can spring up in front of them.

O'Connor says several issues stand in front of women. These are examples of second-generation bias. The first part of the bias is the concept that without role models, women are unable to grow into more senior roles. The absence of the role models creates a vacuum of imagination for someone looking to go down her career path.

*Second-generation bias: workplace behaviors or norms that appear gender neutral but reflect the values of longtime male leadership.*

The second issue is that career paths are gendered. In the credit union system, this is shown by women starting in lower-level roles, coming in from being tellers and later moving into leadership roles.

A third issue is that women are in a double bind; they're expected to be nurturing, likable, and collaborative, while behaving like leaders—but the characteristics expected of women aren't ones associated with leadership. "It puts women in difficult positions," O'Connor says.

So, what happens when women act like leaders, asserting themselves? They appear bossy, a standard almost never applied to men.

O'Connor says a lot of the challenges women face boil down to a lack of sponsors. In business networks, sponsors and mentors can make a huge impact on a woman's career opportunities, and women's networks are often limited in scope and diversity.

For O'Connor, there are three pathways to changing women's outcomes: gaining sponsorship, networking, and knowing your value.

## Sponsorship

The first pathway to changing women's outcomes is to gain sponsorship. Citing work by Catalyst, a research institute focused on women, O'Connor showed that women and men with MBA degrees had very different outcomes. Women received lower pay, occupied lower-level positions, and reported less career satisfaction than men in the same group. Men also had better upward mobility, being promoted upward after lateral moves, while women stayed at the same level after a move. Men were taking jobs and moving up, allowing them to learn new skills, while women stayed static and became dissatisfied.

If career happiness is a woman's goal, she should look to a sponsor. Women can make great headway in using sponsors effectively, soliciting feedback on all aspects of work, from effectiveness to appearance. Once a woman has a sponsor, she, like men who have sponsors, is more likely to ask for a raise or a tough assignment.

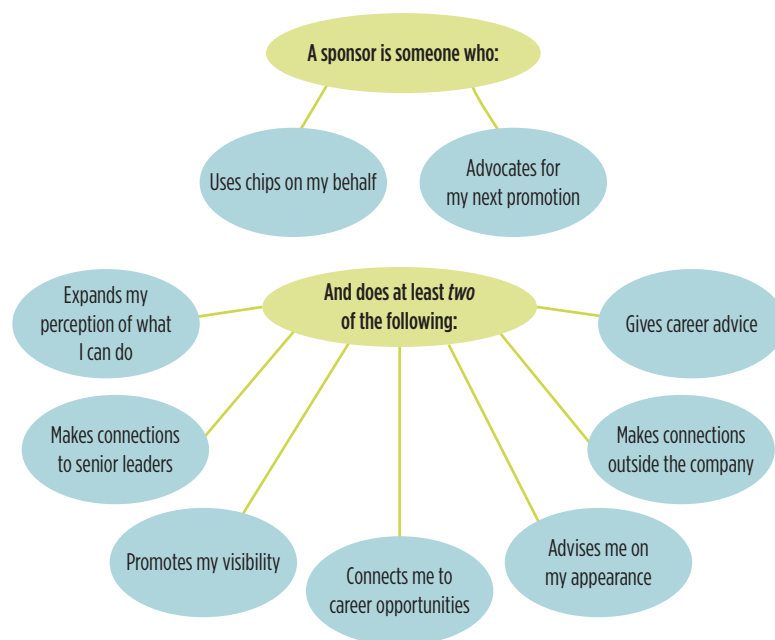
Think of sponsorship as a step beyond mentorship. Mentors give advice and feedback; sponsors advocate aggressively, championing their sponsoree's work to executives.

That sponsorship gives women confidence. "They've got someone who's going to go to bat for them. They're getting information. They're also getting information potentially from their sponsor, right? Sponsors are providing all kinds of information and advice, making connections to other leaders," says O'Connor. It also contributes to building women's self-esteem.

Why find a sponsor? O'Connor says there are two reasons: One, you're more likely to get vigorous feedback, the kind you need to improve your work. Two, a sponsor is likely to go to bat for you and to advocate on your behalf. The most important characteristic of a sponsor is that they are powerful, because you're hoping they are willing to use their influence

FIGURE 8

### CHARACTERISTICS OF SPONSORS



to support you. Search your own organization and others for people—men and women—whose sponsorship could make a difference to your career, and if you’re in a position to sponsor someone, make sure you’re doing it.

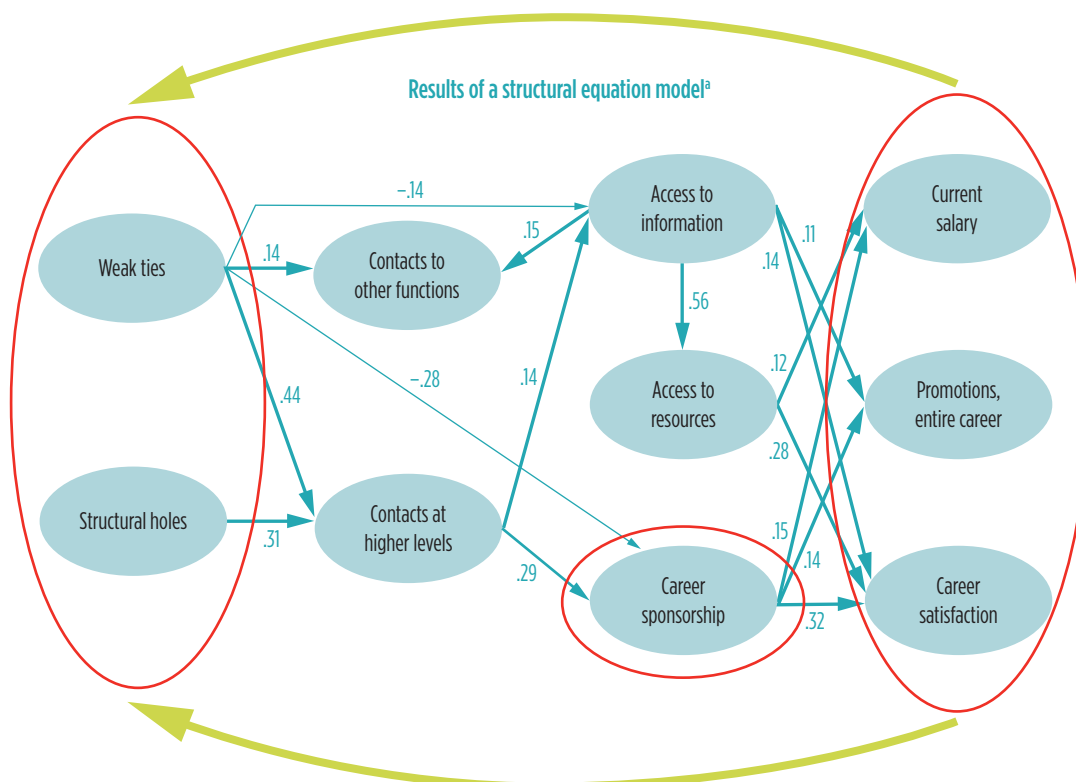
But step back. Why should a stranger sponsor you? You have to earn your sponsor’s attention and his or her time. Be outstanding. Get results and get noticed for doing the right things. To O’Connor, these things should be passion, loyalty, or ambition—or a combination of all three.

## Networking

Everyone has a network made up of strong and loose ties, but what sets some apart is their utility. Useful networks have several features in common. O’Connor asks the question, “How effective for our personal and professional outcomes is the network we currently have?”

FIGURE 9

### KEY FEATURES OF EFFECTIVE NETWORKS



<sup>a</sup>Fit:  $\chi^2 = 165.25$ ,  $df = 82$ ,  $p < .01$ ; AGFI = .91, NFI = .92, CFI = .96. Parameter estimates are from the completely standardized solution and are significant at  $p = .05$ . Hypothesized relationships are represented by bold arrows, and relationships that were not hypothesized are represented by light arrows. Hypothesized paths that were not significant were eliminated from the model. Control variables and their paths are not shown for the sake of clarity. Current salary was a logarithm.

To be effective, networks must have a combination of different kinds of connectedness; access to broad connections; strong, deep relationships; and most importantly, the career sponsorship that leads to more satisfaction and a higher salary over time.

*Effective networks combine different kinds of connectedness; access to broad connections; strong, deep relationships; and the career sponsorship that leads to more satisfaction and higher salaries.*

Bottom line: Access to information, resources, and career sponsorship drives career outcomes.

## **Women's Networks and Men's Networks**

Studies show, unsurprisingly, that women's networks are composed of more women and that men's networks are composed of more men. O'Connor says this is especially important because men are more likely than women to hold more powerful positions, meaning that the people—mostly men—who network with them are going to have more access to that power.

O'Connor says the consequences are that “women's networks tend to yield them fewer leadership opportunities, provide less visibility for their claims to leadership, and generate less recognition and endorsement.” Women therefore need to look to men for sponsorship as well as to women, even if it means going outside their comfort zone.

*Women must be confident, set high expectations for themselves, and have a generally positive affect.*

To underscore her point, O'Connor points to a study that found that “high-potential women had more heterogeneous ties when compared with high-potential men and low-potential women, meaning they had a larger set of both strong and weak ties, and more ties to both men and women.” The same study found that women were promoted earlier when they networked with highly placed men.

## **Assess Your Network—Then Maintain It**

To judge the effectiveness of your network, ask yourself these questions:

- How powerful are the people in my network?
- Do I have a sponsor?
- Have I been active in looking for sponsorship?

- To what extent am I connected to people in different clusters where I can play a brokerage role or just get access to new ideas and information?
- Do I have a strategy for developing contacts?
- Am I thinking through what that strategy is?
- How do I maintain weak ties in my network?

Once you've assessed your network overall, employ a few simple tools to keep it active. Set calendar reminders to reach out to a few people every six to eight months. Use LinkedIn to send relevant articles to people who might find them interesting. Stay connected while providing ongoing value to the people you want to keep ties to.

## Know Your Value

Whether it's that men say their work is worth more money or that women work longer at tasks to earn the same amount, studies show that women consistently undervalue their own work when compared with how men value their own work—until they have more information. Women often work with details from other women to negotiate salaries, but they would be better served reaching out to men in their networks to understand their potential compensation.

Women need to network with and have sponsors who are men so that they have access to better information. When women have good information, their career outcomes are improved and the differences from men's outcomes go away.

Women need a deeper strategy to level the playing field as well. They must be confident, set high expectations for themselves, and have a generally positive affect.

O'Connor sums up the negotiation tactics she recommends with the acronym SHIFT, in order to shift thinking about negotiation to get better deals, help advance economic outcomes, not undermine relationships, and improve one's professional reputation.

**S**eparate interests from positions: Understand the interests that underlie demands. Separate the specifics on the surface from the overall goals to create the conditions where you can rethink how to get to those goals.

**H**ear the other side: Listen, listen, listen. If you hit a barrier in your negotiation, reframe it in your mind as a problem-solving situation, which will help you see issues from a different perspective and can lead to solutions. Understand the other side's constraints so you can work with them.

**I**nvest in the relationship: Get to know the person you're negotiating with. Don't start with demands; start with five minutes of conversation to establish rapport. When you build a connection, you're more likely to establish trust and mutual respect.

**F**ocus on your goals: Use language that is likely to influence the person you're negotiating with. For example, don't ask to "negotiate" at all; ask to "chat" instead. Take a soft approach and build rapport, and be subtle but insistent about your needs in order to avoid seeming demanding. When considering pay, focus on fairness of compensation.

**T**hink creatively: Consider how you can help the other side achieve its goals while reaching your own. Throw out some ideas when you reach an impasse.

### **Ask Early, Ask Often**

Persistence, focus, and time are key to achieving goals. Each represents a different kind of work that will help lead to positive outcomes.

O'Connor shares this anecdote: "One of my good friends is in fundraising for universities. I said, 'Do you ever hear no?' She said, 'All the time. I never hear yes. It's hard, but I always take a no and figure in six months I'll come back. Maybe then, right?' Focus. Be deliberate and thoughtful."

## Interactive Panel: Recruitment, Retention, and Reinvention

Capping the colloquium, an interactive panel discussed the day's topics and more, focusing on recruiting and retaining talented women. Filene's Ben Rogers facilitated the discussion with panel members Joe Schroeder, CEO of Ventura County Credit Union; Teresa Freeborn, CEO of Xceed Financial Federal Credit Union; and Rob Wagner, senior client partner with executive placement firm Korn Ferry International. Here, we share some top discussion points. Quotes have been edited for brevity.

**Ben Rogers:** One of the things that we keep talking about is leaders, and often by leaders we mean CEOs and vice presidents and up, but we haven't talked about directors. And that's an interesting dynamic in credit unions, because the body that hires and fires CEOs is made up of boards of directors. What do you see as the gender issue when it comes to credit union directors and boards, if any?

**Teresa Freeborn:** If you think about it, boards of directors make up the most powerful position in our industry. For them to have a real good understanding of the advancement of women in leadership, they have to be composed of the population. I keep going back to this 50%.

Wouldn't it be wonderful if our boards of directors of credit unions were 50% for each of our genders? And I'm proud to say that my board is 60% women, which is a bit of an anomaly. They didn't do that because I made them do that. They did that because they felt that that made good sense. It's critical at that level to have that kind of balance. . . . You need a progressive board at the top to help get the message across and why it's important.

**Rob Wagner:** I would say that the emphasis upon diversity is much greater now than it was even ten years ago. I have clients here in Southern California that insist upon seeing a certain number of diversity candidates, including women, to the extent that the CEO is literally taking division managers and working them over and saying, how many diversity candidates did you consider for this role?

I recently did a very high-level search replacing a woman who had retired. And I don't want to say the woman had the inside lane, but the woman had strong consideration and ended up getting the job. That's a refreshing way of seeing that things have changed in recent times.



Companies are much more open to the skill set and the talent level rather than gender considerations. Industry expertise, a background coming from a similar organization, whether it's consumer products, entertainment, financial services, clearly, if somebody has a road map of success in that industry, that's going to help. But that's not always the case—bankers have a terrible reputation in other industries, so sometimes a consideration is: Don't bring us somebody from this industry.

Generally, the skill set, regardless of gender, is the critical consideration. People skills, the cultural fit, is really more important than the professional skills. We have an assessment test that we've administered to something like two million executives now, so we have a best-in-class profile for any executive that is placed or even considered for a job, and it's clearly the case that people don't fail in jobs because of professional attributes; it's the cultural fit.

**Ben Rogers:** Joe, we were discussing this idea of second-generation bias, where nobody or very few people are explicitly biased anymore, and in fact most people are conscientiously looking for opportunities to make this better. But what do you think are some of the blind spots men and women should be aware of when they're navigating this territory?

**Joe Schroeder:** I think you have to be particularly careful of your vocabulary. When you're interviewing or talking to people, vocabulary can hide the closet bigot, and it can also expose the closet bigot. Every time I've found a bigot, I've found an idiot manager. We can't afford bigotry in any form, whether it's men, women, whether it's midgets, it doesn't matter.

**Teresa Freeborn:** I think blind spots are all about the women's leadership attributes. And all of the things that we've been nurtured to be really good at as women for years and years and years, and in fact, it's how I've just naturally been a CEO, is through those attributes. I'm always astounded by the kind of reception I do get when I employ any of them by my male counterparts—it's a bit of a surprise in that you can actually get work done, and you can be a successful credit union, and you can motivate staff, and you can add all sorts of benefits to everyone's lives.

Women's leadership attributes actually are a big plus. It's just that they're a bit foreign in the world that we've all lived in for many decades.

**Rob Wagner:** I think the bar is set somewhat higher for women. When women ask for more money, it frequently comes out more negatively than if a man does. It's just unfortunate, but that's the way it is.

In the credit union space, we've done quite a bit of high-level search work with the credit unions, such as Kinecta Federal Credit Union, First Tech. Some of the others that I have found are willing to look past what was a blind spot ten years ago and are actively considering women on an equal level with men. And that's refreshing.

We placed Greg Mitchell as a CEO of First Tech Federal Credit Union, but he said, I want women on my team here. When we went into the finals, there were probably ten candidates and six of those were women. That's a big change from what it was several years ago, so I think the mind-set is beyond the blind spot. Now banks and credit unions are much more willing to look at people on their skills alone and to pull the trigger and hire accordingly and pay big money—still probably not quite as much as they pay men, but the spread has narrowed dramatically.

**Audience question:** How are you pushing down into your organization the awareness and enlightenment that you have?

**Joe Schroeder:** We promote the best, and we're going to develop people. It doesn't matter what your gender, your color, or your ethnicity is. We're going to develop everyone. And then when that doesn't happen, step on it really hard the first time, and the throat is a good area to step on. And I think you do that and should let everybody know, look, I really mean it, that we are going to promote the best person, we're going to be blind to gender and the other things.

People want to hear that. The people who don't want to hear it will leave, and that's okay. You know, you can't say this professionally, but there's been two or three times in my career when I wanted to say don't let the door hit you on the way out. Your organization is better when you lose people like that.

*When you see the progress, you know you're doing the right thing.*

**Teresa Freeborn:** If you're not measuring something, then how do you know if you're getting better? One of the things that we've always done is we measure diversity in our credit union, and we measure all of the things that we're talking about, all these blind spots. We do measure them to see how we're progressing. Every six months I'm getting that kind of information. So you can see if you're doing well, and that includes salary information and paying equal in our organization, so it feels good. And when you see the progress, you know you're doing the right thing.

**Rob Wagner:** We encourage mentoring. We encourage sponsorship. If a male is a sponsor for a woman, they have to be actively involved. They have to go to bat for the woman in meetings that the woman doesn't attend. There really has to be a very open playing field.

## CHAPTER 6

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# What You Really Need to Know

Looking back on our colloquium presentations, several messages stand out and were repeated, whether anecdotally or as evidenced in the research presented to our attendees. It's clear that there is desire to improve career mobility and professional opportunities for women throughout the credit union system, but that some barriers still stand in the way.

Some of these barriers are cultural. In Mexico, for example, it could be that stereotypes are holding women back because of the expectations they and their institutions place on them. In the United States, it's sometimes simply a lack of role models or good networking opportunities that keeps women from getting ahead.

Here are some of the most important takeaways from the meeting. If leading and promoting women are important to you, this a great place to start:

- ➔ **Sponsors.** Differentiate between mentors and sponsors, and encourage women to seek out the latter. Also, don't limit yourself to other women as sponsors. Appropriate relationships with powerful men may be more likely and more efficacious.
- ➔ **Inclusive hiring.** Boards and hiring executives should exercise their influence by demanding diverse candidate slates for important positions. The more search firms and hiring managers see inclusion as a necessary principle, the more they will emphasize it in their own processes.
- ➔ **Visible examples.** Each organization should feel responsible for building a "first generation" of powerful women so that up-and-coming women have role models and potential sponsors.
- ➔ **Hard data.** Track how many women are leading in your organization. This allows you to know whether women leaders are arriving by accident or intentionally. It also lets you know how and how fast your organization is improving.

- **Plan ahead.** “Dig your well before you’re thirsty” in terms of supporting the aspirations of women. Put talent management plans in place for all employees, not just women.
- **Flexibility.** Consider how well women can manage their day-to-day and year-to-year schedules at your credit union, especially if they want to stay with you but need some consideration.
  - Deloitte stays in touch with its female consultants who have gone on to build families. It wants them back, often on their terms, when they’re ready.
  - Xceed Federal Credit Union allows one leader to be home by five to be with her children, with the expectation that she will finish her responsibilities after eight when the kids go to bed.

There is good news to take away. Teaching women the skills they need for leadership through sponsorship, training, and mentoring can enable them to move up. Building conscientious organizations that focus on diverse hiring, work-life balance, and strong networks creates the right environment for women in our credit unions to thrive.

This research is just the beginning. The next step is to take these findings, apply them to our organizations, and measure their success. At Filene and the World Council of Credit Unions, we hope to continue the learning discussion about women and leadership in credit unions alongside you.

Keep in touch with us at [www.filene.org](http://www.filene.org).

## Resources and Further Reading

- World Council of Credit Unions Global Women’s Leadership Network:  
<http://cuwomen.org/>
- Melissa C. Thomas-Hunt and Mahak Nagpal, *Women in Leadership: Obstacles and Opportunities* (Madison, WI: Filene Research Institute, 2014).
- Sheryl Sandberg, *Lean In* (London: Ebury Press, 2013).

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# About Filene

Filene Research Institute is an independent, consumer finance think and do tank. We are dedicated to scientific and thoughtful analysis about issues affecting the future of credit unions, retail banking, and cooperative finance.

Deeply embedded in the credit union tradition is an ongoing search for better ways to understand and serve credit union members. Open inquiry, the free flow of ideas, and debate are essential parts of the true democratic process. Since 1989, through Filene, leading scholars and thinkers have analyzed managerial problems, public policy questions, and consumer needs for the benefit of the credit union system. We support research, innovation, and impact that enhance the well-being of consumers and assist credit unions and other financial cooperatives in adapting to rapidly changing economic, legal, and social environments.

We're governed by an administrative board made up of credit union CEOs, the CEOs of CUNA & Affiliates and CUNA Mutual Group, and the chairman of the American Association of Credit Union Leagues (AACUL). Our research priorities are determined by a national Research Council comprised of credit union CEOs and the president/CEO of the Credit Union Executives Society.

We live by the famous words of our namesake, credit union and retail pioneer Edward A. Filene: "Progress is the constant replacing of the best there is with something still better." Together, Filene and our thousands of supporters seek progress for credit unions by challenging the status quo, thinking differently, looking outside, asking and answering tough questions, and collaborating with like-minded organizations.

Filene is a 501(c)(3) not-for-profit organization. Nearly 1,000 members make our research, innovation, and impact programs possible. Learn more at [filene.org](http://filene.org).



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