

# Insight Edge – Women in Finance Leadership

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Edge Plus Global is a company that has a proven track record of developing innovative learning programmes and assessment tools that raise the capability of finance functions.

Data gathered using the **Edge PACE Indicator** over an 8 year period provides some interesting insights into gender differences within finance functions.



The **Edge Benchmark** has data from over 4,500 finance professionals from global organisations with representation from Western and Eastern Europe, Africa, Australasia and the Middle East.

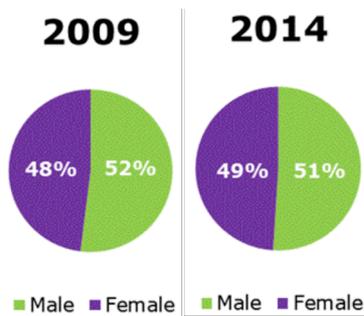


Figure 1

Little has changed in terms of the profile of the benchmark data since 2009 when we produced our first insight. In 2009 the gender split was then 52% male and 48% female and in 2014 the profile remains consistent with a 51% male and 49% female split (Figure 1). Similarly the number of Finance professionals in a leadership role within the benchmark remains consistent over the 5 year period at 65%. Leadership in this context covers all supervisory roles from team leader to functional leaders.

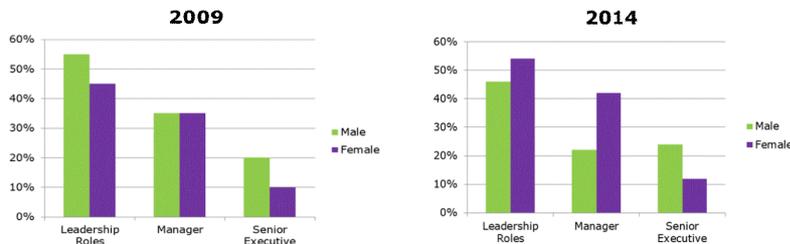


Figure 2

Since 2009 we have seen a relative increase in women in managerial roles (Figure 2) but the movement into senior decision making and more directive roles remains static.

Since 2009 there has been a 9% increase of women into leadership roles. The increase in women in managerial roles in 2014 is not reflected in senior decision making roles where there are still twice as many men as women. Although there has been a 2% increase of women into senior leadership roles the number of men moving into senior leadership roles has increased by 4%. So while there appears to have been a positive move in the last 5 years for women increasing their presence in managerial roles, there continues to be a block to women moving into senior leadership roles. So the question remains why?

We looked in more detail at **PACE** – potential, ambition, capability and engagement which is the model that drives the Edge PACE Indicator to see if there were specific gender differences. Edge PACE Indicator reflects the perceptions of each individual but also those of their managers and their customers. Customers in this context are the people each individual provides a service to.

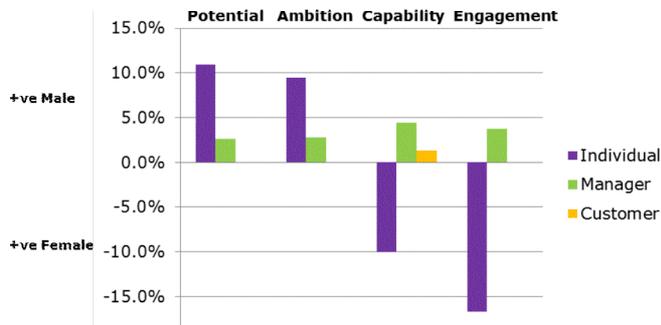


Figure 3

When we looked at the differences between how men and women in leadership roles view their PACE within an organisation we found that men were more positive about their potential to progress vertically and had more ambition to do so. However, women were more positive than men about their capability in their current role and were significantly more engaged with their organisation (Figure 3).

However, managers of these individuals consistently viewed the PACE of men more positively than women, and in addition customers were more strongly positive about the capability of men. We also looked closely at the gender of the managers completing the Edge PACE Indicator for these individuals believing that this may have an influence on the results. However, we found there was no difference, both male and female managers of these individuals consistently rated the PACE of men higher than that of women and this was consistent throughout all the data collected.

So the perceptions that women create about their potential, ambition, capability and engagement within an organisation are not as positive as their male counterparts. We also looked at the **Edge 4E Model** for leadership and found similar patterns emerging.

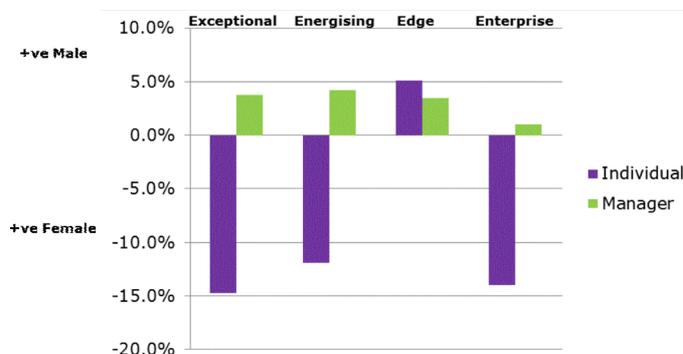
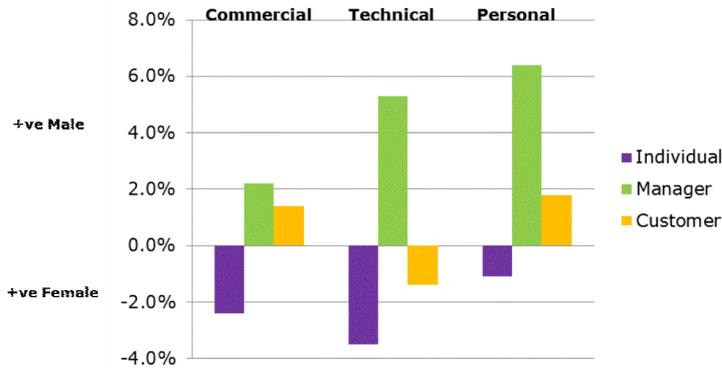


Figure 4

Again women were more positive about their ability to deliver exceptional service and to work collaboratively and motivate people around them to do a great job (*Exceptional, Energising*). However, men were more positive about their ability to run with ideas and make change happen within an organisation (*Edge*). Significantly women were more positive about their entrepreneurial spirit and their ability to be innovative (*Enterprise*).

Customers consistently identify that Enterprise attributes, skills and behaviours are the ones they are looking for in finance leaders alongside the technical capability.

Yet again both male and female managers consistently rate men more positively across the 4 E Model than women. So while, women believe they have key leadership attributes, skills and behaviours these are not being recognised within the organisation. Male counterparts are either in roles or situations where they are able to demonstrate more visibly these attributes or they are more confident in promoting these to managers and customers. The same pattern emerges when we look at capability.



Women yet again are more positive than their male counterparts about their commercial, technical and personal effectiveness in the roles they undertake. However, yet again managers, both male and female are significantly more positive about the capability of men, and similarly customers are more positive about the capability of men. However, they do view the technical capability of women more positively than men.

In terms of assessing ambition it was interesting to see that 30% more men than women are more prepared to do whatever it takes to further their career. Men identified that most of their career moves were a result of opportunities being offered to them, whereas women identified that most of their career moves were sideways opportunities they made to expand knowledge or skills. Most significantly 40% more women than men identified the importance of balancing work and career with other commitments.

In terms of investment in further development 70% of men identified strategy development and strategic thinking as the number one area for personal development, followed by speaking with impact and leadership skills. 77% of women identified personal impact as a key area for personal development followed by influencing and speaking with impact.

So while there has been a small improvement in the number of women in finance in leadership roles there is still a preference by organisations to promote male counterparts into senior leadership roles. Managers consistently view the PACE of men more positively than women and this is not influenced by gender. Women continue to rate their PACE more positively overall than men, but managers and customers are not seeing women demonstrate this as yet. Personal impact and the ability to influence are viewed by women as key development areas to further their leadership careers.

The Edge Pace Indicator tracks over 50 key data points. This insight provides a high level view of some of the key gender differences identified in more detail in the Edge Benchmark Whitepaper.

If you'd like to learn more about the Edge PACE Indicator and Edge Benchmark or other Edge Plus Global services and how we can support and extend the capability of your organisation, please contact us now to arrange a no-obligation meeting where we can discuss your specific requirements.

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