Advancing the Future of Women in Business

A KPMG Women’s Leadership Summit Report
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As KPMG’s Chairman and CEO, I’m especially passionate about our firm’s commitment to advancing more women into the C-suite. Inspiring women to aim high and helping them reach their full potential is something I find personally gratifying and professionally vital.

Study after study finds that companies with more women in leadership roles tend to be considered “higher quality” companies, with better returns on equity. Yet, among the S&P 500 companies in the United States, only 24 women are CEOs and just 330 women hold executive positions among the 2,000 C-suite jobs1 currently available.

That’s not good enough.

KPMG is committed to closing that leadership gap. We believe in the need for diverse perspectives at all levels, especially at the executive level. We know that creating a culture of diversity and inclusion is more than just “the right thing to do.” It’s a strategic business imperative; one that drives financial performance and enhances innovative thinking.

As part of our effort, we’re looking to gain a more thorough understanding of the specific challenges women on the verge of breaking into C-suite positions face. And, we’re aiming to provide insights on how women can better navigate workplace cultures and dynamics to help propel their careers.

That’s why the focus of this report is on leadership styles and how they can help or hurt one’s career. The study reveals that most women believe their perceived leadership style holds them back from career advancement—and that they have to change their leadership style to advance in the workplace. The implications of these findings offer much content for discussion around effective leadership styles, authenticity, and what it really takes to advance.

To shape our study, we reached out to the 550 past attendees of the KPMG Women’s Leadership Summit—all of whom were personally selected to attend by their CEOs. We’re very pleased that nearly 400 participated in our survey, providing both quantitative and qualitative feedback. This distinguished group of high-performing women has broad leadership experience and represents a wide range of industries. They are typically one or two career steps away from the C-suite in Fortune 1000 organizations around the country.

We hope you find our report as thought-provoking and insightful as we do. And we thank you for sharing our commitment to developing, advancing and empowering women.

Lynne Doughtie
KPMG U.S. Chairman and CEO

Leading with style

In this report, we set out to explore such questions to gain insights on leadership modeling as it relates to the careers of women executives on the way to the C-suite. We focused on learning more about how women executives perceive their leadership style and how these styles can potentially impact decision-making, career advancement, motivational abilities, and more.

In an effort to determine which leadership styles female executives could personally identify with the most, we focused on the following five leadership models:

<table>
<thead>
<tr>
<th>Authentic leadership style</th>
<th>Democratic leadership style</th>
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<tbody>
<tr>
<td>Demonstrates a true passion for their purpose; they practice their values and principles consistently – sometimes at substantial risk to their careers – and lead with their hearts as well as their heads. Authentic leaders keep a strong support team around them to ensure work/life balance. They strive for meaningful relationships while also focusing on success and bottom-line results.</td>
<td>Relies upon group decision making, active employee involvement, honest praise and criticism, and a degree of comradeship. Leader tends to distribute responsibility; aids but does not lead deliberation; and, relies less on authority and more empowering employee subordinates. Democratic leaders rely on basic democratic principles and processes in the workplace like self-determination, inclusiveness, equal participation, and deliberation.</td>
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Characteristics

- Reflective and introspective
- Adaptable
- Seeks honest feedback
- Openly shares their own life stories
- Facilitator
- Shows genuine care without becoming parental
- Strong ability to unite
- Delegator
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In business, the way you lead matters. But how much so? Is one leadership style better than another? Can a particular leadership style derail career advancement? Which style works best for a CEO or C-suite executive? Do organizations favor certain styles? Are women and men expected to conform to certain leadership styles? How much amounts to perception versus reality?

<table>
<thead>
<tr>
<th>Laissez-faire leadership style</th>
<th>Transactional leadership style</th>
<th>Transformational leadership style</th>
</tr>
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<tbody>
<tr>
<td>Allows for freedom in the employee’s choice of goals and behavior. Laissez-faire leaders are macro-managers who may be intentionally absent or removed during critical junctures for the employee. Leader takes on less responsibility and is a deferential manager.</td>
<td>Learns leadership through normative rules and regulations, strict discipline, and systematic control. A transactional leader relies on the normative exchange standards with employees who are then rewarded for meeting those clearly outlined standards and performances. Leader operates within the confines of the organizational structure and hierarchy.</td>
<td>Works together with subordinates to help each other advance to a higher level of morale and motivation. Leader makes significant change to the organization by realigning perceptions and values. Leader redpects company norms through example and sets challenging goals. Members strive for the betterment of the team, organization, and/or community.</td>
</tr>
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**Characteristics**

- Resourceful
- Team-builder
- Observant
- Exudes confidence

- Practical thinker
- Performance-driven
- Structure and hierarchal oriented
- Individualistic

- Mentor/coach
- Nurturer
- Risk-taker
- Instills pride
- Seeks respect
Due to a variety of external factors, women executives believe they must adjust their leadership styles more often than men to succeed in the workplace.

Most of the women in our survey identify most with an Authentic leadership style but struggle to define how much authenticity is too much.

Certain traits and behaviors are seen differently for men and women. Women believe that they have to prove themselves in the workplace more than men do.

1 Herein referred to as “women executives,” “women leaders” and “women” throughout this report.
The 550 executive women polled in this survey², representing more than 150 leading companies, provided a variety of perspectives about each style. They also shared their experiences on how they think these styles relate to career advancement and other topics.

Women believe a Transformational leadership style is needed to reach the C-Suite.

Democratic and Transformational leadership styles are viewed as the best styles to motivate employees.

Transactional and Laissez-faire leadership styles are seen as less effective styles overall.

Women believe that adapting or adjusting their leadership style to specific situations will be the key to their success in the workplace.
Sizing up leadership-style gender differences

While the glass ceiling may be shattered, the elevators up to the top floor seem different for women and men, as women feel they have to make more changes along the way.

According to two-thirds (66 percent) of survey respondents, women leaders need to change more than their male counterparts as they rise to higher levels within an organization. In addition, 80 percent also said they believe women must be more adaptable than men in order to lead successfully and step up the corporate ladder.

Why do women feel this way? Perceived societal pressures and cultural norms in the workplace are cited by the respondents as primary factors, in addition to political nuances, unconscious biases and pressures of self-promotion. Moreover, survey respondents said they feel women are “under a microscope more” and “held to a higher standard than men.”

The American public seems to agree. According to a recent research study3 of nearly 5,000 Americans from Pew Research Center, 74 percent of women and 45 percent of men believe a major reason there aren’t more women in top executive business positions is due to the fact that women have to do more than men to prove themselves.

Those research study participants largely see women and men as equally capable when it comes to some key qualities and behaviors that are essential for leadership, even as a majority (57 percent) of participating adults say men and women in top business positions tend to have different leadership styles. Among those who say men and women approach leadership differently, 62 percent of the Pew participants say neither is better, while 22 percent say women generally have the better approach and 15 percent say men do.

In our survey, women executives perceive that men are treated differently when it comes to leadership styles, especially as they get closer and closer to the C-Suite. They point to certain traits and behaviors that are accepted, or even favored, in men but are seen as less desirable when exhibited by women, such as being too assertive or ambitious.

Identifying behaviors that have potentially held them back in their careers, survey respondents reveal that they do not believe men would have been characterized the same way. These women shared being told they are “too bossy or demanding,” “not aggressive enough,” “not collaborative enough” and “too direct.” Another survey participant added, “Women are expected to be warm and not transactional, but still ‘completely in control’.”

As a result of receiving such feedback, 58 percent of the women surveyed admit changing their leadership style to combat such perceptions. However, it’s worth noting that these changes seem to be self-imposed, as women also reported not feeling pressured to conform to specific leadership models at work.

“...I learned that I needed to be more decisive and set priorities for my organization for us to grow and achieve.”

*This feedback may reflect the level in the workforce of the women executives surveyed. Women at different career levels may be coached differently to build their confidence or be more outspoken, but women participants perceive that men are treated differently when it comes to leadership styles as one approaches the C-Suite.*
Impacting career advancement

Some executive women believe their leadership style has slowed their career growth while others feel it supported career advancement.

Women executives in the study were almost evenly split on whether leadership style has inhibited their career advancement or have been a major contributing factor in their promotion. Four out of ten women said they have been held back in their career because of their leadership style, ultimately causing them to evaluate and adjust their leadership styles more frequently.

“My career progression likely has been delayed because my leadership style doesn’t fit with my employer’s style. I still have been able to progress, however, by bringing and proving my value,” said one survey participant.

On the flip side, 39 percent believe their leadership style has led to an opportunity or promotion. “I showed a willingness to take on new opportunities without the appropriate infrastructure or support and a willingness to seek opportunity at the risk of being able to execute under varying circumstances” said another respondent.

Other women executives noted that they had to adjust their leadership style due to changes in their scope and responsibility, such as when they went from doer to delegator or from manager to leader. Such changes were not necessarily due to pressures put on them to follow a certain leadership model but rather due to career growth or evolution of a job role.

Changes in leadership styles are also driven by the needs of a current situation. “I think a number of internal and external factors can lead to temporary changes in leadership style. We all have a preferred style that comes more naturally but a new role and my own learning curve or the capabilities of a team have attributed to changes in the past,” said one woman executive.

What executive women told us

“With a culture that promotes ‘women can do it all,’ having flexibility to change styles to suit the circumstances becomes critical to advancing one’s career.”

What executive women told us

“I was competitive with my peers. It stalled me for a bit. Once I became more open to collaboration with my peers, my career soared.”

Has your leadership style led to an opportunity or promotion?

39% of executive women believe their leadership style has led to an opportunity or promotion

*Note: There are other potential factors involved in these perceptions such as nonverbal communication cues, evaluations and feedback, social culture norms, and verbal cues could also affect these situations.
Being authentic at work

While most women executives identify with an Authentic leadership style, they worry that too much of it may hamper their career growth.

An Authentic leader has a true passion for their purpose. They practice their values and principles consistently – sometimes at substantial risk to their careers – and lead with their hearts as well as their heads. Authentic leaders are reflective and introspective, seek honest feedback, and openly share their own life stories. They strive for meaningful relationships while also focusing on success and bottom-line results.

For these reasons, it’s not surprising that 49 percent of the women in our survey said they most identify with the Authentic leadership style. Yet, they also said they’re unsure whether they can be their authentic selves and still thrive in the workplace. Their struggle lies with a fundamental question, “Am I being too authentic or not being authentic enough?”

It’s easy to see why. For all its positive aspects, being an authentic leader can also put women at risk of falling into an emotional or weak stereotype. Women executives believe it’s important to be liked as a leader in order to be effective but find it hard to disregard likeability when they need to lead differently.

One woman leader called it “the internal struggle between the heart and the head.” Another woman noted how she had been coached to “be more vulnerable.” She added, “I’m not sure if men receive that same coaching. But it seems female leaders are more accepted when they exhibit that behavior.”

As they grow in their careers, the women leaders surveyed believe they must become less Authentic leaders, by the formal definition. Yet, authenticity – being the real you – remains an important leadership characteristic, regardless of the actual leadership style employed.

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5 (George, Sims, McLean, & Mayer, 2007)
The Transformational leadership style is known for motivating employees, increasing morale and, according to survey responses, also advancing careers. In fact, more than half (58 percent) of the women executives surveyed believe they must employ a more Transformational leadership style if they want to grow and move into the C-Suite.

This marks a definitive shift from personally identifying with the more popular Authentic leadership style to the belief that Transformational leadership is needed to reach the top executive positions within their companies. Forty percent of survey respondents think that a Transformational leader, who emphasizes the bigger picture and inspires change, motivates employees more than the personal connection associated with an Authentic style leader.

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Which leadership style do executive women most identify with?

- Authentic: 40%
- Transformational: 30%
- Democratic: 26%
- Other: 4%

Which leadership style do executive women believe is best to use in the workplace?

- Authentic: 33%
- Transformational: 29%
- Democratic: 19%
- Other: 19%

Which leadership style do executive women believe is best for a CEO to use?

- Authentic: 8%
- Transformational: 58%
- Democratic: 32%
- Other: 2%

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*Gastil, 1994*
Moreover, women in the survey name the Transformational leadership style as the most used in times of change, realignment, or reorganization because it helps support change and ease uncertainty. A Transformational leader often serves as a mentor or coach and acts as a nurturer, but also is willing to take risks and instill pride and respect within their teams.

Women executives point out that Democratic leadership traits also help motivate teams, especially when facing significant challenges. Democratic leaders rely heavily on group decision making, active employee involvement, honest praise and criticism, and a degree of comradeship. A Democratic leader serves as a facilitator and delegator; has a strong ability to unite, and shows genuine care without sounding parental.

The women surveyed perceive themselves as less hierarchal, more collaborative, and more democratic than men when leading teams. They see the Democratic leadership approach as instrumental when joining a new organization because it fosters collaboration and comradery and can ease the initial change of a new team structure. However, they also think this style loses its impact over time.

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**Democratic leadership style**

- Relies upon group decision making, active employee involvement, honest praise and criticism, and a degree of comradeship. Leader tends to distribute responsibility; aids but does not lead deliberation; and, relies less on authority and more empowering employee subordinates. Democratic leaders rely on basic democratic principles and processes in the workplace like self-determination, inclusiveness, equal participation, and deliberation.

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**Which leadership style best motivates employees?**

- **Transformational** 39.02%
- **Democratic** 33.74%
- **Authentic** 17.89%
- **Transactional** 9.35%
- **Laissez-faire** 0%
Transactional and Laissez-faire styles

Executive women see Transactional and Laissez-faire leadership styles as less effective than other styles.

Transactional leaders earn leadership through rules and regulations, strict discipline, and systematic control. A Transactional leader is a practical and individualist thinker, is performance-driven, and is oriented towards structure and hierarchy.

Less than two percent of women executives in our survey identified personally as Transactional leaders. Interestingly, 17 percent of these women also named the Transactional leadership style as being the most effectively used style in their workplace.

Unlike Transformational and Democratic styles, women executives did not see Transactional leadership as helping to motivate teams. Instead, they say it prevails in times of crisis or high-risk situations since it deploys a more hands on, micro-managerial approach to leadership. Women also see the Transactional leadership style as the most effective approach when dealing with less capable employees and other personnel challenges.

“Transactional leadership is a natural evolution as a leader’s scope grows,” said one woman executive. “Earlier in a career, one may be focused more on a Transactional leadership approach due to their operational responsibilities. As scope increases, they adapt to other approaches that may work better.”

Meanwhile, less than 15 percent of women in our survey identified with any Laissez-faire leadership style characteristics, and less than two percent cite Laissez-faire leadership as an effective leadership model for leading teams or trying to advance to higher levels within an organization.

A Laissez-faire leader is one who allows for freedom in the employee’s choice of goals and behavior. Laissez-faire leaders are macro-managers who may be intentionally absent or removed during critical junctures for the employee. These leaders are team-builders, observant, resourceful, and exude outward confidence.

What executive women told us

“I used to be more of a Laissez-faire leader, mainly because that was the type of leadership I thought that I wanted to have myself,” said one woman. “It was difficult for my team because I was so absent, and I got nailed on my performance feedback. Ultimately, I progressed fine, but it was a wakeup call to be a more active leader and to listen to my team versus driving forward with my own opinions about what was best.”

What executive women told us

“Stereotypes still exist, and women who recognize this and modify their leadership approach generally have better success.”

7 (Weber, 1947)
8 (Eagly, 2003)
Agility and adaptability are in fashion

Executive women believe that adapting or adjusting to situational leadership is key to their success in the workplace.

While examining each of these five leadership styles, the women surveyed were clear that different leadership styles were useful in different situations. Certain situations, such as crises, personnel challenges, and acquiring a new business or clients, prove to need varying leadership styles to best handle the situation.

Of the women executives surveyed, 81 percent believe in situational leadership.9

“At times, I’ve used more of a Democratic style and I’ve certainly used Laissez-faire (with pretty lousy results). I try to be more of an Authentic leader but at times, my teams need more decision making and less inspiration,” explained one woman executive.

Added another, “Situational leadership is something that is widely practiced in my organization. As we have re-organizations and gone through multiple transformations to build new organizations and cultures, I have used a mix of Authentic, Democratic, Transactional, and Transformational characteristics while in the ‘storming’ and ‘norming’ phases of the organization formation.”

Women executives polled said they utilize all leadership styles to be successful in the workplace. “Every situation and experience I have had in some way affected my leadership style,” said one woman executive. “Though the foundation stays the same, my nuances are always shifting and changing. I believe evolution of leadership style is healthy and needed.”

Situational leadership allows for women to adapt and adjust to every scenario they face. Though women feel they must adapt more than men, they are proving that they are willing and able to do so. Meanwhile, external factors and pressures continue to impact these beliefs and companies should consider how to counter them.

For purposes of this report, situational leadership is defined as adapting to varying leadership styles based on the current situation in the workplace. This definition does not reflect historic academic studies on situational leadership which focuses more on maturity levels of the team and growth models.

What executive women told us

“ You have to ebb and flow as a leader to be successful. ”

Do you believe in situational leadership?

81% of executive women surveyed believe in situational leadership

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9 The Study did not specifically define or purposefully ask about situational leadership because we desired organic responses on this style. However, for purposes of this Report, situational leadership is defined as adapting to varying leadership styles based on the situation at hand in the workplace. This definition does not reflect historic academic studies on situational leadership which focuses more on maturity levels of the team and growth models.
Custom fitting your leadership style

There is no one-size-fits-all leadership style. And one is certainly not mutually exclusive of the other. Blending styles or switching from one to another may be necessary depending on the situation. As our survey results reveal, women executives say they must calibrate their styles to meet the needs of the current business circumstances.

At the same time, women executives should not be afraid to be authentic and remain true to who they are with their teams, regardless of leadership style. This trait is inherent to good leadership.

A vast majority (89 percent) of women executives in our survey agree that workplace culture should continuously evolve and adjust to the shifting economic and cultural dynamics of the 21st century.

Organizations and leadership teams should take a closer look at corporate cultures and internal workforce pressures that may be placing unnecessary strains on emerging leaders to conform to certain leadership styles. Instead, they should support and promote different leadership styles in an effort to cultivate the best talent for leadership positions.

What executive women told us

“There isn’t one best leadership style. I have needed different styles in different cultures and situations in my career.”
Tips for success

Based on the quantitative and qualitative data in our survey, we recommend the following:

Be more adaptable in your leadership style

- Leaders face a variety of new situations on a regular basis. As they occur, take a moment to stop and evaluate the situation. Is this a crisis? An upward management problem or downward? Is this internal or external? Look at the big picture as well. Is this a “right now” problem or a longer term, more overarching issue?

- Adaptability enables leaders to address any obstacle with the most suitable style of leadership. At the 2018 KPMG Women’s Leadership Summit, Admiral Michelle Howard of the U.S. Navy said, “Sometimes when faced with an obstacle, you can’t go around it or above it, you just have to go through it.”

- Don’t be afraid to ask for feedback and listen to advice on what adjustments may be needed. Consider that 93 percent of all communication is nonverbal, so skillfully reading cues is critical for successful leadership. Decide on a leadership approach to fit your personality while incorporating important feedback received from others.

- Be sure to execute your leadership plan with confidence. Maintain a constant state of situational awareness as dynamics and situations change and be open to needed adjustments.

Be your most authentic self

- Be true to yourself. KPMG U.S. Chairman and CEO Lynne Doughtie states, “to remain authentic, prioritize the things that only you can do.”

- Trust your team members to be authentic. Delegate based on your team’s strengths and what they can uniquely do.

- Don’t be afraid to grow. “Growth and comfort do not co-exist,” said IBM Chairman, President & CEO Ginni Rometty, 2017 KPMG Inspire Greatness Award Winner.

- Create real and honest relationships with your team.

Develop your leadership style in the workplace

- Seek out leadership development opportunities both inside and outside of your organization by networking with like-minded female leaders. KPMG Women Leadership Summit keynote speaker Condoleezza Rice has long held that mentoring is critical for growth and that your mentors don’t always have to look like you. Create a support system by developing relationships with colleagues that work at levels above and below you.

- Set regular individual leadership goals as a compass for your career trajectory. Set regular team goals to reflect the vision you have for your team.

- Identify leadership challenges and do not be afraid to tackle them head on. Avoiding them is far worse.
"To remain authentic, prioritize the things that only you can do."

Lynne Doughtie, KPMG U.S. Chairman CEO

"You look at what women are achieving now and you think, this is the very best time to be a woman."

Condoleezza Rice, 66th U.S. Secretary of State 2015 KPMG Inspire Greatness Award Winner

"Sometimes when faced with an obstacle, you can’t go around it or above it, you just have to go through it."

Admiral Michelle Howard, U.S. Navy (Retired) 2018 KPMG Inspire Greatness Award Winner
About our study

The qualitative and quantitative data within this survey provided clear perspectives of women’s leadership styles and how to use them at work. By gaining a better understanding of these dynamics, you can identify which styles work best in what situations and which may be less useful. One thing is evident: the need for adaptability as women climb the corporate ladder is critical to success.

As women move closer to C-suite leadership levels, ongoing research remains beneficial to help women progress with an evolving marketplace and changing corporate cultures.

Next steps for research may include examining female-to-female peer relationships, diving deeper into best practices of these leadership styles for women at this senior level, or even an examination of how these leadership styles change as the times change or as business evolves. Consideration on how men in current C-suite leadership positions perceive the leadership styles of their female counterparts and/or their most and least successful female subordinates could also be studied.

As the business and economic landscape continues to evolve, this report provides insights to assist women as they grow their careers. We hope women, CEOs, business leaders, and others will take all of this data, conclusions, and recommendations into consideration.

Resources

Thank you for reading the 2019 Advancing the Future of Women in Business: A KPMG Women’s Leadership Summit Report. For questions or comments on this report or to engage with KPMG further on these issues, please feel free to email us at: us-monkpmgwlns@kpmg.com.

We also invite you to visit kpmg.com/womensleadership to learn more about KPMG’s women’s leadership initiatives.
For further information about this report and how KPMG can help your business, please visit kpmg.com/womensleadership.

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