

3 Takeaways Podcast Transcript

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Ep 110: When Women Lead: A Groundbreaking Look at Bias, Leadership and the Future of Work with CNBC's Julia Boorstin

INTRO male voice: Welcome to the 3 Takeaways podcast, which features short memorable conversations with the world's best thinkers, business leaders, writers, politicians, scientists, and other newsmakers. Each episode ends with the three key takeaways that person has learned over their lives and in their careers. And now your host and board member of schools at Harvard, Princeton and Columbia, Lynn Thoman.

Lynn Thoman: Hi everyone, it's Lynn Thoman, and welcome to another episode. Today, I'm excited to be with Julia Boorstin, CNBC's senior media and tech correspondent and author of a wonderful book, *When Women Lead*. When Julia was 13, her mother told her that by the time she grew up, women could be just as powerful as men and would be captains of industry, running the biggest companies. I'm excited to find out why it hasn't happened, why there are actually so few women at the top. Welcome Julia, and thanks so much for our conversation today.

Julia Boorstin: It is my pleasure to be here with you. I am so excited to have this chat with you.

LT: Let's start with something straightforward and objective. Resumes. What is the data on resumes when men or women or say minorities have identical resumes?

JB: The data is overwhelming that people are selecting their resumes based on their experience and not based on their potential. So that's fact number one. The resume is inherently biased to enable people who have had wealthier parents, or were born into more privilege, to have more opportunities, and that's what shows up on a resume. But what's really amazing is how much bias can also play into decision-making about resumes. So there are some amazing studies done over the years, and then a meta-analysis of all these studies show that when you have two people with identical resumes, but one has a name and that is traditionally White, Anglo-Saxon, and another has a name that is more traditionally Black, that people will show bias and think that the White candidate with the White name is better prepared to take on a job, even though it's entirely based on the stereotype on the name alone. That kind of data makes me think that bias is so incredibly powerful that it makes people blind to reality. This is not overt bias, this is not malice, this is in many occasions just unconscious bias and pattern matching that is preventing people to see what's right in front of them.

LT: And the same applies for women and men?

JB: The same applies for women and men. So there's so much data about how the resume can reinforce bias and there's one particular study that I think says it all. There was a meta-analysis of 30 years of research, and it found that if researchers took identical resumes, one of the resumes was given the name John Williams, the other resume was given the name Jamal Washington, John landed 10 interviews for every one interview that was granted to Jamal. Keep in mind, their resumes were exactly the same. So that shows that bias is incredibly prevalent. Similar studies have been done to show similar results about female and male names. It's interesting because a number of

the CEOs I interviewed for my book had names that were kind of gender-neutral. There's one woman who's a VC [venture capitalist], her name is Dana. Dana could be a male name or a female name, and she thought it was really interesting because when she sent someone an email, especially early in her career, people didn't know if she was a man or a woman, and maybe that served her in good stead.

LT: Interesting. Confidence and ambition are two traits that many people would say are characteristic of successful people. How important are they and how do men and women differ?

JB: Well, what's so interesting is there's the amount of confidence we feel in ourselves, and then there's how confidence is perceived. Those are two very different things. You could feel confident but not be perceived as confident. And I would say confidence and ambition are two different things, and also ambition is one of these concepts that has gotten a lot of attention recently, because there's a question of, "What does it mean to be ambitious? Can you be ambitious for more than just financial goals? Can you be ambitious to have a positive impact on the world or to have balance and joy in your life?" Ambition is a very nuanced thing and oftentimes, it is not described as such. When it comes to confidence itself, there is some interesting research that shows that women are just as confident as men, but they are not perceived to be as confident as men.

JB: So the way women feel is not necessarily how they're seen. And there's other data that shows that men are more confident early in their careers. Straight out of the gate. They graduate from college, men are feeling massive amounts of confidence. Women's confidence may be down here. Over time, men's confidence decreases. Women's confidence increases with time, and I would say increases with experience. And there's some point where the confidence lines for men and women intersected, which is around age 40. After that, women continue to gain in confidence, and I think this is really powerful because it shows that women are gaining confidence as they gain more wisdom and experience, it makes sense to gain confidence as you get older. But there's no reason men should come out of the gate with so much confidence. That is clearly societally imposed or societally available to them and they think that, that's something that they deserve to have, that kind of confidence immediately. But I think it's really interesting to look at the data, how women can gain confidence with experience, and maybe men shouldn't start off with the kind of confidence that they have.

LT: What is impostor syndrome?

JB: Impostor Syndrome is a feeling of un-worthiness for one's position. So the idea that if you're given a big promotion, maybe you didn't deserve that promotion. I'm sure we have all felt impostor syndrome at some point in our careers. I certainly did. Especially when I was a young journalist first at Fortune Magazine, the first time I started off on TV, I thought, "Hey, how come I'm here? I don't deserve to have this role. Will someone figure out that I'm an impostor? I don't actually have the bonafides to be doing this." And that's something that often happens to everyone in their careers, but more than double the percentage of women as men felt Impostor Syndrome, according to one study of 300 senior executives. So what is really interesting here is there's no reason why women should feel more impostor syndrome than men, but women are more likely to feel impostor syndrome. It doesn't mean that there are more women who are impostors, it just means that women are more concerned that they're going to be judged negatively for the way they're performing in their roles.

LT: Julia, what are minimum standard and confirmatory standard, and what does the research show about them?

JB: Well, one thing that's so interesting is, we talk about double standards and in business, and you may have heard that, Oh, there's a double standard, women or people of color, people in a minority group are held to a different standard. But there's actually a more complex way of looking at standards. There's one standard that's called the minimum standard, and that's what someone needs to do to clear a bottom bar. So if you assume someone is incompetent or maybe less competent, they may be easier for them to reach minimum standards. So I have a joke in my book, a little bit, that this is the pleasant surprise standard, that, "Oh my God! Wow! You're actually kind of good at this." That's the minimum standard and it's a lower standard. So that's why in many occasions on many circumstances, it's actually more likely for women or people who are treated with a minimum standard are included in, say, an application process for a job. But then, you have the confirmatory standard and that's a higher standard.

JB: So if you are a woman, you may have a lower minimum standard and it's easier for you to get applied to a lower level position because someone is like, Wow, you're not incompetent, that's the wow, you're not incompetence standard. The confirmatory standard is a higher threshold. And for a woman or a person who's in a minority group to reach that confirmatory standard and say, get placed in a job, get selected for a job, that standard is much, much higher. So if you are say, a woman in business, it may be easier for you to get in the door and harder for you to get a promotion, and there's some really interesting data around that.

LT: And then, it's because the woman doesn't meet the expectation?

JB: It's again about stereotypes and expectations. It's all about how people assume that maybe the stereotype of men being good in business, means that they're going to be better at being a CEO. And what's really interesting is, it's kind of easier for men to be judged more harshly on the minimum basis, but they're assumed to be more qualified to get the top role. So it all comes back to this idea of stereotypes of what is the archetype of a leader in our culture, that archetype is of a male leader, and what is the bias that perpetuates those stereotypes?

LT: What does the research show on what traits are most important for men and what traits are most important for women?

JB: Well, this is interesting because it is the question of important or expected, right? What are the traits that are important for actual leadership? Those are objective things. It's important for leaders to be empathetic. But it is expected of women to be empathetic and nurturing. So what I write about in my book are the traits that are particularly valuable, that we've seen women leaders use to their advantage. But I would argue that these are traits that are universally valuable. And though it is women who are more likely to demonstrate them, men would also benefit equally from demonstrating them. The one that women are often held to the high standard around is about being nurturing and warm. And when women do not demonstrate nurturing or warmth, they are judged far more harshly. But there's actually amazing data about one reason why women are judged equally as men when it comes to purpose-driven companies, is because there is an implied warmth among founders of purpose-driven companies. So if you're a female founder of a purpose-driven company, you may not fit the stereotype as a female CEO, but you may fit the stereotype because you're showing that you care about the environment or society or whatever these other things are that you

might be interested in pursuing with your company.

LT: In general, for top leadership roles, for men, is it more important that they appear authoritative and, for women, is it more important that they appear likable?

JB: There has been a lot of data about that, particularly around likeability. In general, women are criticized if they appear too authoritative and are criticized if they're not likeable enough. For men, the data has shown that likeability really doesn't matter. And likeability really matters for female founders, and it's just not that relevant for male founders. And what's so frustrating about that is likeability may have nothing to do with your ability to be a good founder or a good leader, and that kind of bias is preventing people from actually seeing the data about what works and what doesn't.

LT: Does that difference show up in feedback? Do men and women get similar feedback or is it completely different?

JB: The feedback is very different, and I'd be curious if maybe you've experienced this, but the data has found that women are more likely to get feedback on their style, and men are more likely to get feedback on their actual performance. I get criticized for my style all the time by some of the people I've interviewed. Maybe I'm too harsh, but maybe my hard questions are actually exactly how my male colleagues would be delivering the exact same questions, and maybe it's just expected that I can be more warm and nurturing in my style because I'm a woman. So the data has found that the style, it really matters, and again, I would say that the styles may be distracting from the substance.

LT: So men get feedback based more on performance and women, it's more style or personality?

JB: Exactly, exactly.

LT: Many people think that women would have equal opportunity in the world of startups, but you believe that they don't. How are women at a disadvantage?

JB: Well, I not only believe that they don't, the data shows that they don't. The most shocking statistic to me is this. In 2021, female-founded companies, so either a single woman or groups of women, drew about 2% of all venture capital dollars. They drew about 6% of deals, but that means that on average, their cheque size was lower if they got 2% of dollars and 6% of deals. Male only companies, companies with groups of founders who are only men, not co-ed, only men, got about 75% of those deal dollars. So we're talking about the fact that women are not represented in the vast majority of companies that are raising BC [B and C rounds of] funding. What's so notable about that is that as we all know, tech companies have a massive impact on our lives, whether it's the invention of Uber or Airbnb, these are companies that are changing the way we live and work and get around, and so there are massive ripple effects in terms of those dollars not being invested in women. Unfortunately, we don't have data on how many women either want to start companies, or start companies but never raise money, but based on some numbers out of Silicon Valley Bank, which serves thousands of tech startups in the area, it looks like about 28% of their companies have at least one woman on founding teams. So there is a big gap between the amount of women who are working at companies and launching companies, and the amount of women who are raising money. So access to capital is much, much tougher.

JB: One stat that I found that was really surprising to me is that if you look at the early rounds of

financing for venture capital based companies, so there's a seed round, and then an A round and then a B round. The earlier letters in the alphabet represent earlier rounds when companies are invested in and based more on ideas and on the founders and less on hard numbers. In a seed or A round you may not have revenue yet, you certainly are not going to be profitable at that point. So the investment decisions are based much more whether an investor likes or trusts the founder. So seed A and B round, women are getting much lower percentages of the deals. But something really interesting happens at the C round. That's when companies are more established, they certainly have a revenue stream, they might be profitable, and there is a track record of data for investors to look at of companies that have already raised a B round. The percentage of those that go on to raise a C round is equal for men and women. So once you get to that level, women are performing at the same level as men, which indicates to me that once investors actually have plenty of data to look at, and they don't have the ability to rely on the crutch of their bias, they're actually investing equally on women which is hugely inspiring for me, and that makes me optimistic that if people follow the data, they will increasingly invest in the founders and leaders.

LT: You reference a Harvard Business School study, which I found fascinating, on the results of, "Who gives the pitch?" Can you tell us about that?

JB: Yeah, so there are a couple of interesting... They're great studies out of Harvard Business School, and Harvard Business Review has some really interesting ones. But there's data found that if women are giving a start-up pitch, then the students are asked to grade them effectively. If they think that the men have done a better job, they will fund the male venture ahead of the female venture, even though once again, this is a scientific study, it's an experiment. It's exactly the same company. Then if you add this element of warmth, which I mentioned earlier, and then the women are all of a sudden pitching a purpose-driven company, then it eliminates the bias. Men and women both pitching the same purpose-driven company, the students would choose to fund them at the same rate. So it's this idea that women demonstrating warmth or showing that they do in some ways fit the stereotype of their gender helps eliminate bias. So that says a lot about what's going on in these stereotypes and in pattern matching even of what you would think would be a very educated group of Harvard Business School students.

LT: You believe that there's more than a double standard, that there's actually, a double bind for women. Can you elaborate?

JB: Well, I think what I just mentioned about warmth plays a huge part into this because on one hand, women are expected to be warm, so they can fit that part of the stereotype. On the other hand, if they're going to be good CEOs and are going to be perceived as good CEOs, they might have to act in some occasions as authoritative or maybe even as more confident than they are so they can be perceived as confident. So women have to both adopt these male-seeming characteristics that are the stereotype of leadership, and at the same time, demonstrate the female characteristics, so they don't confuse or alienate the investor or whoever it is too much. And a number of these women I have interviewed talked about this a lot, about how they had to be everything to everybody, and one of the venture investors I interviewed said it is not fair. A woman has to be a great leader and then she has to be a great female leader, and she's expected to act in all these different ways, so she doesn't throw off people's radar of what they're expecting and what they are supposed to see in a great leader.

JB: And ultimately, it all comes down to the fact that the dominant stereotype of leadership is an

authoritative white male. Period. And it shouldn't be anymore, because that's not what great leadership always looks like.

LT: When men and women are in comparable leadership roles, how do men's and women's leadership differ?

JB: It's interesting because there's a lot of data on this. But at the same time, I want to point out that this is a very subjective question because women are all different and men are all different. So I'm not talking about biological differences, I'm talking about individuals and studies that have been done of large groups of people, so I don't want to generalize entirely about men and women. But data has shown that women are more likely to lead with empathy, to prioritize empathy in their leadership, and that's actually a hugely valuable thing, and everyone should incorporate empathy into their leadership, because that means they're really paying attention to what their customer wants, whether it's an enterprise consumer or a consumer at the grocery store trying to buy a new product, empathy is incredibly important, and especially now as we deal with transition back to, in office work, empathy to understand where your employees are coming from can help with essential things such as employee retention.

LT: Julia, why did you write *When Women Lead*? What did you hope to accomplish?

JB: At first, I started off wanting to tell the stories of remarkable women who I was so lucky to learn about and to get to talk to in my role as a reporter for CNBC. And what started off as me wanting to tell these exceptional women's stories, turned into me wanting to understand how it was that these women had managed to defy the odds. I figured if these women had managed to do what seemed impossible, maybe it was grabbing a tiny bit of that 3% of venture capital dollars that goes to women, maybe it was scaling a company that went public and changed the way we think about retail. If these women had done something so exceptional, I wanted to figure out what it was about how they had done it, and to find data and research that would explain these leadership characteristics. So it started as a storytelling venture and it turned into a research project of understanding the data behind their strategies and approaches. So I think that the stereotypes that are out there are so outdated, there are remarkable stories of leadership, these women's stories were included in the book, have been so inspiring for me and surprising and funny and interesting, and I wanted to not just tell those stories, but also explain what everyone male and female can glean from them and use that data to change the way we all go about our business.

LT: Before I ask for the three takeaways you would like to leave the audience with today, is there anything else you'd like to mention that you haven't already touched upon, or what should I have asked you that I did not?

JB: Well, I will tell you one of the most surprising things to me about reporting and writing this book over a several year period. I've interviewed a lot of amazing CEOs in my time at CNBC, and going into this process, I assumed that I would find that these leaders were sort of born exceptional. They were born with these amazing traits and we could all just admire them and think that they'd been lucky to be born with these characteristics. But one thing that I found was overwhelmingly true is no one is born an amazing leader. Every single person I feature in my book, and now I understand everyone I've probably ever interviewed has only become a great leader by really pushing themselves and working at it. And this idea that we can all create our own benchmarks and figure out how to push ourselves, be better at anything, I think is really essential. And I think the

myth of the leader who emerges fully formed like Athena from the head of Zeus is only discouraging and not actually accurate.

LT: [chuckle] Julia, what are the three takeaways you'd like to leave the audience with?

JB: I would say number one, follow the data. I know you love data also, but follow the data because the data will often lead you to answers that contradict what your instinct, which is often times about bias would lead you to. So follow the data. Number two, I would say is, think about being a communal leader and in finding solutions everywhere. The best ideas are not going to come from someone sitting alone in their room, it's going to come from talking to people across an organization, the people who are closest to the problems on the ground, the more diverse your data gathering can be in terms of ideas, the more successful you'll be. So it's follow the data, look for answers everywhere. And I would say the third one is to lean into the discomfort of hard conversations. A number of the women in the book talk about how they like to organize meetings to tackle the tough stuff first, and that's not human instinct, nobody wants to go in a meeting and talk about all the things they're failing at. You want to go in the meeting and review the things that you're doing well and then maybe at the end, you say, Okay, here are our agenda items. That's my instinct, whether it's catching up on emails or working on a story.

JB: You do the easy stuff first. It's not efficient, and it actually... That's like leaning into the fear we all need to... I think we all need to push ourselves and to just get the hard stuff out of the way, and I think it's a liberating thing, and feeling okay with being a little uncomfortable is going to make everything easier, and especially when it comes to gathering ideas from across organizations. So I think leaning into discomfort is something that I have learned from the book, and I hope others do as well.

LT: Thank you, Julia, this has been great. I really enjoyed When Women Lead.

JB: Thank you.

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