

The top cop on Wall Street is a woman. The head of the International Monetary Fund is female.

And with Wednesday's nomination of Janet Yellen as Federal Reserve chief, the slot for the world's most powerful economic policymaker — and one of the most influential people in America — will likely go to a woman as well.

Most major companies are run by men, but the rules and policies that frame their existence are increasingly being shaped by women.

If confirmed by the Senate, Yellen will oversee U.S. monetary policy during “a critical period for the economy,” says Heidi Hartmann, an economist and president of the non-profit Institute for Women's Policy Research. Yellen's calls would affect big businesses as well as ordinary American lives.

“She's going to have her finger on the pulse of just about every major decision people make: what to buy, what to borrow, where to save, where to work, how to get a job,” she says of Yellen, currently Fed vice chairwoman.

If she gets that top post, Yellen will join other females such as IMF Managing Director Christine Lagarde and Securities and Exchange Commission Chair Mary Jo White as leaders who wield massive economic influence.

They all infiltrated and ascended in the male-dominated worlds of economics and finance. Those accomplishments are admirable, but they are rare.

In reality, there is a massive dearth of female leadership in the sectors in which they have flourished, as well as in virtually all other industries.

“Women continue to be significantly underrepresented in the most senior leadership positions in the country,” says Deborah Gillis, chief operating officer at women's issues research group Catalyst.

The number of female Fortune 500 CEOs is at a record high at 21, “but the other way to look at is that 479 of those Fortune 500 companies are run by men,” says Gillis.

On average, women hold fewer than 20% of leadership positions at 500 U.S. for- and not-for-profit organizations, according to a new report from the Colorado Women's College at the University of Denver. Researchers examined organizations in 14 different sectors including business, politics, academia, media, law and medicine.

To have so many women sitting on the management sidelines is “unconscionable,” says Colorado Women's College Dean Lynn Gangone.

“Addressing complex challenges of the 21st century requires diversity of thought, experience and perspective,” she says. “How can our nation meet those challenges when 80% of our organizational leaders are men?”

YELLEN MADE NOTABLE STRIDES

While there’s a long way to go, the gender gap is narrowing, with women increasingly taking top slots in areas such as business, politics and academics.

But Yellen, 67, will be elevated to a distinctly high echelon. If confirmed, her public statements will move markets. Her decisions will affect everything from inflation to oversight of banks.

She has already collaborated with current Fed Chief Ben Bernanke to establish more open communication with financial markets and the public. She’s worked on an initiative to set a formal 2% target for annual inflation and is known for favoring policies promoting low unemployment.

Yellen has achieved success in a professional environment that isn’t just known for its large male population, but is also an area where there is much dispute and debate, says Kevin Hassett, who worked with Yellen when he was at the Fed.

“She’s had a very successful career in a male-dominated world,” says Hassett, director of economic policy studies at the American Enterprise Institute.

There is no individual or clear-cut X factor that propels some women up the ranks while others remain on the management sidelines. But those who know Yellen point to a combination of key qualities that make her stand out: intelligence, inclusiveness, inquisitiveness, persistence and preparedness.

“She’s very curious and inquisitive in a way that can drive conversation,” says Hassett. “She asks the right questions and can drive consensus.”

Stephen Hoffman, a former Federal Reserve bank supervisor who worked for Yellen, describes her style as “firm” but “inclusive.” “She’s got a powerful emotional IQ,” says Hoffman, managing director of Promontory Financial Group.

And, says Stephen Oliner, a resident scholar at American Enterprise Institute who previously worked as a senior Fed economist, “she holds herself to an extremely high standard and holds everyone who works for her to the same high standard.”

YELLEN KNOWN FOR UNIQUE SET OF QUALITIES

Earlier this year, Yellen was in a heated contest with former U.S. Treasury secretary Larry Summers for the Fed nomination. At that time, other economists rallied to support

her. Many wrote columns praising her, touted her in press interviews and signed a letter to President Obama urging him to nominate her as Fed chief.

The two have different styles, which may played up any debates about how gender roles would play into the nomination decision. Summers is known as assertive, even abrasive. While Yellen has been described as well-organized and thoughtful but not overtly combative.

“She is going to prove to be a very strong leader in a quiet, intellectual style,” says Oliner.

Yellen is well-qualified on her own, but those who study leadership say support and advocacy of others is critical for professionals to move up — especially women, who are could be overlooked due to deep-rooted stereotypes in society.

“People naturally assume leaders must have certain qualities — dominance, persistence, drive and toughness — but they also tend to assume incorrectly that men are more likely to have these traits than are women,” says Don Forsyth, a professor at the Jepson School of Leadership Studies at the University of Richmond.

“Women leaders are caught in a Catch 22,” he says. “If they adopt a command and control orientation, they are viewed as inappropriately masculine. If they act skillfully in solving disputes and settling conflicts, they are viewed as too feminine to be strong, directive leaders.”

Forsyth offers up a definition of a successful woman leader that meshes with what many say about Yellen. “They must be particularly well-trained, hard-working, intelligent and skillful in dealing with people,” he says. “But they must always be mindful of how others perceive them, and work diligently to counteract the constituents/followers misunderstandings.”

Those who have worked with Yellen say that she uses her intelligence to make a point, rather than berating or isolating someone or aggressively calling out any thinking that she sees as flawed.

“Janet has a talent for being able to disagree without being disagreeable,” says Alan Blinder, who served with Yellen on the Fed’s board in the 1990s.

MEN TEND TO PROMOTE OTHER MALES

But even with all the ideal traits, it’s still difficult for women to move up. One big issue: Male leaders tend to feel comfortable around other males, so they tend to network, and promote, those of the same gender, says Catalyst’s Gillis.

“It’s natural human nature to gravitate toward people who look like us, sound like us and are familiar to us,” she says. “That becomes a fallback position for many people.”

Sallie Krawcheck, a high-ranking woman on Wall Street and now owner of networking group 85 Broads, saw that in action firsthand, especially during the recent financial crisis.

“When a business is in turmoil or crisis, the individuals in the minority lose ground,” she says. Top Wall Street managers, who are typically men, think “I’m nervous and I need someone to depend on and those people just happen to sound like me and look like me.”

It’s management circling the wagons, and in those wagons have male drivers and passengers.

The nomination of Yellen does help to diversity those wagons. Catalyst’s Gillis says appointments such as Yellen’s are “critical” to enact change.

“When we see women in these significant roles, they not only serve as role model to other women, they also challenge the stereotypes men and women both have about what leadership looks like,” she says.

One sign that will indicate society has taken a major step forward, says Gillis, will be when our culture doesn’t highlight every woman’s first as a major achievement.

“We’re still counting firsts for women in many cases,” she says, which is true with Yellen, as media outlets across the nation — including USA TODAY — trumpeted the fact that she would be the first female Fed chief.

“We’ll have made progress,” Gillis says, “when we’ve stopped counting firsts and it seems normal to see women moving to significant roles.”