



Having more women on boards, in senior management and across organisations makes *good business sense* because:

| Benefit to Organisation | Argument | Evidence | Source |
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| Economic Growth | Unlocking the hidden value of the female labour pool is good for the economy | An analysis by Booz & Co suggests that matching female to male employment rates globally would significantly increase GDP - in the UK and US by 5 percent each; in emerging economies, by up to 34 percent. | DeAnne Aguirre, Leila Hoteit, Christine Rupp & Karim Sabbagh, 'Empowering the Third Billion: Women and the World of Work in 2012', Booz & Company Inc, October 2012 |
| | Unlocking the hidden value of the female labour pool is good for the Australian economy | In 2009, Goldman Sachs & JBWere calculated that the rise in the female employment rate since 1974 had boosted economic activity in Australia by 22 percent. In 2013, Goldman Sachs suggested that further closing the gap between male and female employment rates could boost the level of Australian GDP by 13 percent. | 'Australia's Hidden Resource: The Economic Case for Increasing Female Participation', Goldman Sachs & JBWere, November 2009 Adele Ferguson, 'Cost of gender gap put at \$195b', <i>The Age</i> , 9 March 2013 |
| | | Researchers in Canberra estimate that Australian GDP could be improved by around \$56 billion a year if the effects of being a woman were removed from the wage gap. | Rebecca Cassells, Yogi Vidyattama, Riyana Miranti and Justine McNamara, 'The impact of a sustained gender gap on the Australian economy', National Centre for Social and Economic Modelling (NATSEM), November 2009 |
| Organisational, Financial and Market Performance | Companies with more women in senior management score more highly on organisational criteria than companies with no women at the top. | A McKinsey study found that companies with three or more women in senior management functions score more highly, on average, on organisational criteria (such as leadership, direction, accountability, coordination and control, innovation, external orientation, capability, motivation, work environment) than companies with no women at the top. | 'Women Matter: Women at the top of corporations: Making it happen', McKinsey & Company, 2010 |
| | Companies with more women on their boards have been shown to financially outperform companies that have no women on their boards | Research by McKinsey has demonstrated a link between diversity of company boards (defined as number of women and foreign nationals) and financial performance. In a study of 180 companies across Europe, the UK and the US, in the period 2008-10, research found that for companies ranking in the top quartile of executive-board diversity, ROEs were 53 percent higher, on average, than they were for those in the bottom quartile. At the same time, EBIT margins at the most diverse companies were 14 percent higher, on average, than those of the least diverse companies. | 'McKinsey Quarterly: Is there a payoff from top-team diversity?', McKinsey & Company, April 2012 |
| | | In a separate study of listed European and BRIC companies in the period 2007-09, McKinsey found that companies with the highest share of women outperform companies with no women: by 41 percent in terms of return on equity, and by 56 percent in terms of EBIT. | 'Women Matter: Women at the top of corporations: making it happen', McKinsey & Company, October 2010 |

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| | | A Catalyst study of Fortune 500 companies across a four-to-five year period found a connection between gender diversity on boards and financial performance. The study found that companies with the most women board directors outperform those with the least on return on sales (ROS) by 16 percent and on return on invested capital (ROIC) by 26 percent. The study also found that companies with sustained high representation of women board directors, defined as those with three or more in at least four of five years, significantly outperformed those with sustained low representation by 84 percent on ROS, by 60 percent on ROIC, and by 46 percent on return on equity. | 'The Bottom Line: Corporate Performance and Women's Representation on Boards (2004-2008)', Catalyst, 2011 |
| | | In Australia, an analysis of ASX500 companies over a three and five year timeframe found that companies with female representation on their boards outperformed the markets and companies with no gender diversity over both time periods. There was an 8.7 percent difference over five year return-on-equity and a 6.7 percent difference over three years. | 'ASX500 – Women Leaders: Research Note', Reibey Institute, June 2011 |
| | | Credit Suisse analyzed almost 2,400 companies and found that companies with more than one woman on the board have outperformed those with no women on the board by 26 percent since 2005. | 'Gender diversity and corporate performance', Credit Suisse, 2012 |
| | Companies with more women in executive management have been shown to financially outperform companies that have no women in senior roles | A long-term US study released in 2009 showed a correlation between women in executive management and short and long-term profitability. The study, which used data on Fortune 500 companies since 1980, demonstrated a link between a good record of promoting women into the executive suite and high profitability. The study identified firms that were most aggressive in promoting women to high levels and compared their profit performance to the median performance of Fortune 500 firms in the same industries (amongst other measures). For 2001, the 25 best firms for women outperformed the industry medians, with overall profits 34 percent higher when calculated for revenue, 18 percent higher in terms of assets and 69 percent higher in regard to equity. These results were confirmed in subsequent comparisons to 2008. | R. Adler, 'Profit, thy name is... Woman?', <i>Pacific Standard</i> , Feb 27, 2009 |
| | | According to a US study, Fortune 500 companies with the highest representation of women on their top management teams experienced better financial performance on measures of ROE (35.1 percent higher) and Total Return to Shareholders (34 percent higher) than companies with the lowest women's representation. | 'The Bottom Line: Connecting Corporate Performance and Gender Diversity', Catalyst, 2004 |
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| | Companies need to recognise and cater to the buying power of women in order to capitalise on growth opportunities. | For instance, women in the United States wield purchasing power in excess of an estimated US\$5 trillion, buying half of all computers and cars and more than 80 percent of all consumer purchases. They also represent nearly half of all shareholders. | 'The Gender Dividend: Making the business case for investing in women', Deloitte, 2011 |
| | More working women means more disposable income. | As women continue to enter the workforce in larger numbers, they will have more money of their own to spend. Women control roughly US\$20 trillion of total consumer spending globally, and that number is predicted to rise to US\$28 trillion by 2014. | "The Female Economy," M. J. Silverstein and K. Sayre, <i>Harvard Business Review</i> , September, 2009 |
| Risk Management / Corporate Governance | Companies with women in key board committee roles (such as risk and audit) perform better | Gender-diverse boards allocate more effort to monitoring. Across a sample of firms, studies have found that female directors have better attendance records than male directors, male directors have fewer attendance problems in more gender-diverse boards and women are more likely to join monitoring committees. | Adams, R., & Ferreira, D., 'Women in the boardroom and their impact on governance and performance', <i>Journal of Financial Economics</i> , 2009 |
| | There is a link between more women on boards and good corporate governance credentials | A 2002 Canadian study found that boards in Canada with three or more female directors took more responsibility for their approach to governance issues, verifying the integrity of audit information and ensuring conflict of interest guidelines, amongst other measures. For instance, 91 percent of boards with a minimum of three female directors explicitly took responsibility for governance issues, versus 76 percent of all-male boards. | 'Women on Boards: Not just the right thing... But the bright thing', Conference Board of Canada, 2002 |
| | Companies with at least one woman on their boards may reduce their risk of bankruptcy. | A study by Leeds University Business School of 17,000 UK companies that went insolvent in 2008 concluded that having at least one female director cuts a company's chances of going bankrupt by about 20 percent. | 'Higher heels, lower risk: why women on the board help a company through recession', <i>The Times</i> , 19 March 2009 |
| | Companies with female directors may have lower insolvency risk | A study that examined more than 900,000 private limited UK companies found that, even after controlling for industry- and company-specific characteristics as well as background and experience of directors, having female directors reduced the insolvency risk of these companies. | Nick Wilson and Ali Altanlar, 'Director Characteristics, Gender Balance and Insolvency Risk: An Empirical Study', <i>Social Science Research Network</i> , 2009 |
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| Corporate Social Responsibility and Culture | Gender disparity in Australian workplaces, such as the disparity between men and women in leadership roles, perpetuates existing stereotypes about the role of women, both at work and in society in general, and exacerbates gender pay inequity | According to research of ABS statistics by Goldman Sachs and JBWere, the disparity of income between males and females has deteriorated in many industries over the past 14 years in Australia. In November 2012, the gender pay gap stood at 17.6 percent. The largest disparity is in the Financial and Insurance Services industry at 33.6 percent, followed by the HealthCare and Social Assistance industry, where the pay gap stands at 29.6 percent. | 'Australia's Hidden Resource: The Economic Case for Increasing Female Participation', Goldman Sachs & JBWere, November 2009 |
| | | | 'Gender pay gap statistics', Workplace Gender Equality Agency, February 2013 |
| | | Currently, female graduates earn \$5000 per annum less than male graduates on entering the workforce. | Women in Leadership, Australian Human Rights Commission, 2012 |
| | | The World Economic Forum's Global Gender Gap Report (which benchmarks gender-based | Graduate Careers Australia, 'Gradstats 2012', Dec 2012 |
| | | | Ricardo Hausmann, Laura D. Tyson & Saadia Zahidi, 'The |

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| | | disparities on economic, political, education and health-based criteria by country) found that despite a high score in educational attainment, Australia has slipped from an overall rank of 15 in 2006 to 25rd in 2012, indicating that improvements in diminishing the gender gap in this country are not progressing at the same rate as other nations. | Global Gender Gap Report 2012', World Economic Forum, October 2012 |
| | More gender diversity on boards may lead to greater corporate transparency and improved ethical orientation | Fortune 500 companies that had higher numbers of women on their boards in 2010 were more likely to be listed on either or both <i>Ethisphere Magazine's</i> 'World's Most Ethical Companies' and <i>Corporate Responsibility Magazine's</i> '100 Best Corporate Citizens List'. | M. Larkin, B. Bernardi & S. Bosco, 'Board Gender Diversity, Corporate Reputation and Market Performance', <i>The International Journal of Banking and Finance</i> , 2012 |
| | | Harvard Business School, in collaboration with Catalyst, examined the relationship between gender diverse leadership and corporate social responsibility and found that more women leaders correlated with significantly higher levels of corporate philanthropy. | Rachel Soares, Christopher Marquis & Matthew Lee, 'Gender and Corporate Social Responsibility: It's A Matter of Sustainability', Catalyst, 2011 |
| | More gender diversity protects women against sexism and sexual harassment | The presence of more women working in an area, particularly in senior leadership roles, can counter the imbalance of power between men and women. As the number of women working in an area increases, the dominant culture shifts and male cultural traits that are associated with sexism and sexual harassment are diluted in their effects. | V. Sojo & R. Wood. 'Women's Fit, Functioning and Growth at Work: Indicators and Predictors', 2012 |
| Leadership, Team Performance and Motivation | Women bring different leadership skills and behaviours to the table | In a study of 7300 leaders who were rated by their peers, supervisors and direct reports, US-based leadership consultants Zenger Folkman found that women scored higher in 12 of 16 key skills — not just in the traditional areas of developing others, building relationships, collaborating, and practicing self-development, but also in taking initiative, driving for results and solving problems and analyzing issues. | 'A Study in Leadership: Women do it Better than Men', Zenger Folkman, March 2012 |
| | | A five-year study of 360-degree assessments of over 2800 executives enrolled in executive programs at INSEAD found that, as a group, women received higher ratings on the majority of the dimensions measuring leadership ability. | Herminia Ibarra and Otilia Obodaru, 'Women and the Vision Thing,' <i>Harvard Business Review</i> , January 2009 |
| | | A meta-analysis of 45 studies on leadership styles found that women were more likely than men to have a 'transformational' leadership approach (where leaders establish themselves as role models by gaining followers' trust and confidence) than a 'transactional' leadership approach (where leaders establish give-and-take relationships that appeal to subordinates' self-interest). Women are also perceived to adopt a more participative and collaborative style. | A. Eagly, & L. Carli, 'Women and the Labyrinth of Leadership', <i>Harvard Business Review</i> , September 2007 |
| | | Although consistent differences in the perceptions of leadership practices of male and female managers have been found to be evident, studies have found that the genders are equal with respect to overall effectiveness | R. Kabanoff, 'Gender Differences in Organisational Leadership: A Large Sample Study', Ph.D. Management Research Group, August 1998 |

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| | Diverse teams are smarter and more effective | Along with social sensitivity and equal turns at conversation, studies have suggested that the “collective intelligence” of a group is strongly correlated with the proportion of females in the group, making for smarter and more effective teams. | A. Williams Woolley, et al. ‘Evidence for a Collective Intelligence Factor in the Performance of Human Groups’, <i>Science</i> v. 330, (2010) |
| | Diverse teams are more creative | Heterogeneous top management teams relate to more creative idea generating, and are thus linked to more innovative organisations. | Marinova, Plantegna & Remery 'Gender Diversity and Firm Performance', Utrecht School of Economics, January 2010 |
| | More women in leadership roles provides more motivation for women to succeed | Research released in February 2013 by Bain & Co and Australian organisation Chief Executive Women found that the biggest factor in enabling women to reach their full potential is the presence of women in leadership positions. | M. Sanders, D. Zehner, J. Fagg, & M. Hellicar, ‘Creating a positive cycle: Critical steps to achieving gender parity in Australia’, Bain & Company and Chief Executive Women (CEW), 2013 |
| | | A Catalyst survey found that 64 percent of women see the absence of role models as a barrier to their career development. Almost as many women said that a lack of mentoring was a barrier to career progression. | ‘Women Matter: Gender Diversity, a corporate performance driver, McKinsey & Company, 2007 |
| | More female board directors means more women, and consequently a greater range of talent, in the leadership pipeline. | Researchers have found a clear correlation between the percentage of women board directors in the past and the percentage of women corporate officers in the future. Additionally, women board directors appear to have a greater effect on increasing the percentage of women in line positions, which has a direct and significant impact on the number of experienced women funnelled through the pipeline to senior roles. | 'Why Diversity Matters', Catalyst, July 2012 |
| | Diversity programs have a positive impact on motivation | A recent study examining the relationship between diverse workplaces and staff turnover found a link between positive perceptions of an organisation's climate and employee satisfaction, suggesting that all employees, not just women, benefit from a positive diversity climate. | David M. Kaplan, Jack W. Wiley, and Carl P. Maertz Jr., “The Role of Calculative Attachment in the Relationship Between Diversity Climate and Retention,” <i>Human Resource Management</i> , vol. 50, no. 2 (2011). |
| | | A European Commission study found that 60 percent of companies identified improvement in motivation and efficiency as a key benefit of diversity policies. | ‘The Costs and Benefits of Diversity: A Study on Methods and Indicators to Measure the Cost-Effectiveness of Diversity Policies in Enterprises’, European Commission, October 2003 |
| Better Utilization of Human Assets | Women constitute a large proportion of the workforce | Women comprise 45.7 percent of the total labour force in Australia. The female labour force participation rate is 58.6 percent. | ABS data in ‘Stats at a Glance’, EOWA, April 2012 |
| | Women make up more than half of all graduates | In 2009 58 percent of university graduates in the US and UK were women. | 'The Gender Dividend: Making the business case for investing in women', Deloitte, 2011 |
| | | Women have comprised approximately 60 percent of all graduates since 2000. These rates hold true for disciplines such as business and law, where females comprised 50 percent and 60 percent, respectively in 2011. | Australian Department of Education, Employment and Workplace Relations data in ‘Creating a positive cycle: Critical steps to achieving |

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| | | | gender parity in Australia', Bain & Company and Chief Executive Women (CEW), 2013 |
| | Highly qualified and educated women are being underutilised | For instance: despite accounting for 45 percent of PhD graduates in the EU in science, research and development in 2006, women accounted for just 18 percent of the most senior researchers in the same year. | More Women in Senior Positions, European Commission, January 2010 |
| | Greater diversity in organisations reduces staff turnover | Employees are more likely to remain at an organisation when a work culture is diverse, inclusive and encourages flexibility, thereby reducing the risk of high staff turnover and decreasing costs to the organisation. | Australian Human Resources Institute (AHRI) data in 'The business case for gender equality', Workplace Gender Equality Agency, March 2013 |

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