

The Business Case to Add & Advance Women in Your Organization

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RESEARCH SHOWS THAT

**Organizations with greater gender diversity
have higher levels of:**

Financial performance

Innovation

Employee retention

Problem solving

Group performance

Reputation

Social responsibility

ADDING & ADVANCING WOMEN IMPROVES FINANCIAL PERFORMANCE

Hundreds of research studies have demonstrated a strong business case for diversity in organizations. Here are a few studies that show a correlation between better financial performance and more women especially in leadership.

[Women in the Workplace 2018](#)

[LeanIn.org](#) and [McKinsey & Company](#) have completed large comprehensive studies of women in corporate workplaces. The intent of these studies is to give organizations information important to the advancement of women and to increase gender representation especially in leadership roles

The study published in 2018 included 279 companies employing more than 13 million. Along with pipeline data and HR practices, McKinsey included the results of a survey of more than 64,000 employees on the workplace experience. Profitability in terms of earnings before interest and taxes (EBIT) and longer-term value creation or economic profit (EP) was measured and correlated to gender representation.

- Companies in the top quartile for gender diversity on their executive teams more likely to experience above-average profitability than companies in the fourth quartile
 - 21% more likely to outperform their fourth-quartile industry peers on EBIT margin
 - 27% more likely to outperform their fourth-quartile industry peers on EP margin
- Executive teams of outperforming companies have more women in line roles versus staff roles





IMPROVED FINANCIAL PERFORMANCE

[Catalyst](#) is a non-profit with a mission to make workplaces work for women. Founded in 1962 Catalyst provides research and solutions to accelerate and advance women in the workplace.

Catalyst has compiled a number of research studies including their own to conclude that the following financial indicators are positively correlated to increased representation of women in workplaces.

Accounting returns

Market value

Cash flow return on investment

Return on Assets

Earnings Per Share

Return on Equity

Earnings Before Interest & Taxes

Return on Sales

Gross and net margins

Revenue

Investment performance

Sales growth

Market performance

Share price performance

A number of scholars have published studies that link positive financial performance to more women in the workplace. Here are a few:

[Hoobler, Masterson, Nikomo, and Michel, 2016](#) completed a meta-analysis (a statistical analysis that combines results of multiple scientific studies) that included more than 100,000 organizations. They focused on financial performance of the firm and the impact of women's representation in leadership. Women in these studies held roles in top leadership, including as executives and as members of the board of directors.

Findings show that women's representation in leadership is more likely to positively impact:

- Financial performance
- Sales performance

[Herring, 2009](#) used data from National Organizations Survey (a national sample of for-profit business organizations) to test the value-in-diversity thesis. This theory hypothesizes that diversity is good for organizations beyond financial or other performance measures.

They found that increased gender diversity is positively associated with:

- Greater sales revenues
- Increased profits
- More customers





ADD & ADVANCE THE WOMEN IN YOUR WORKPLACE

Contact us for more information on how adding and advancing women impacts innovation, employee retention, problem solving, group performance, organization's reputation and corporate social responsibility.

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