



## Gender Diversity in Leadership: The Business Case

(select data to illustrate three points)

### The Bottom Line

Diversity, including gender diversity, in leadership is strongly correlated with higher returns, profitability and share price. Diverse groups, while harder to manage, perform better.

- McKinsey & Company research shows that gender-diverse companies are 15%, and ethnically-diverse companies are 35%, more likely to outperform the national industry median. <http://www.mckinsey.com/business-functions/organization/our-insights/why-diversity-matters>
- MSCI Inc. research on financial performance for 580 U.S. companies from 2011-2016 found that companies with at least three women on the board had median gains in Return on Equity (ROE) 11% higher, and Earnings Per Share (EPS) 45% higher, than companies with no women directors. <https://www.msci.com/www/blog-posts/the-tipping-point-women-on/0538249725>
- Catalyst research shows that companies with a higher percentage of women in executive positions have a 34% higher total return to shareholders than those that do not. <http://www.catalyst.org/knowledge/bottom-line-connecting-corporate-performance-and-gender-diversity> Companies with the most women directors outperform those with the least on ROIC by 26%. <http://www.catalyst.org/knowledge/bottom-line-corporate-performance-and-womens-representation-boards-20042008>
- Credit Suisse Research Institute reported that companies with at least one woman on their board outperform the peer group by 26% over the preceding six years. <https://www.credit-suisse.com/us/en/about-us/media/news/articles/media-releases/2012/07/en/42035.html>
- Gallup studied 800 business units from retail and hospitality in 2014. They found that gender-diverse business units have better financial outcomes, including revenue and net profit, than those dominated by one gender. Financial performance was dramatically better for gender-diverse business units that are also highly engaged (or inclusive). <http://www.gallup.com/businessjournal/166220/business-benefits-gender-diversity.aspx>
- McKinsey & Company's annual study, *Women Matter*, examines the business and economic case for gender diversity in top management and why corporate gender diversity programs are falling short. [http://www.mckinsey.com/features/women\\_matter](http://www.mckinsey.com/features/women_matter)
- Harvard Business Review reviews research showing that diverse teams process facts more carefully and are more innovative. <https://hbr.org/2016/11/why-diverse-teams-are-smarter>

## Business Case for Gender Diversity in Leadership (continued)

### The Talent Pipeline and an Engaged Workforce

Engaging as much of your workforce as possible is good business; engaged employees do more and better work and are less likely to leave. In most industries, the pipeline includes and will include a large percentage of women. Understanding and appreciating both masculine and feminine approaches to working and leading can increase engagement -- and therefore results.

- High engagement is correlated with a number of performance outcomes including higher productivity, quality and profits.  
<http://www.gallup.com/businessjournal/163130/employee-engagement-drives-growth.aspx>
- For school-year 2016-17, women were projected to earn 57.3% of B.A.'s, 58.3% of M.A.'s and 52.2% of doctoral degrees.  
[https://nces.ed.gov/programs/digest/d15/tables/dt15\\_318.10.asp?current=yes](https://nces.ed.gov/programs/digest/d15/tables/dt15_318.10.asp?current=yes)

### The Marketplace

Women represent a growing portion of your current and prospective customers, clients and business partners. They have tremendous buying power. Appreciating feminine and masculine approaches in your business and sales relationships can tap broader markets and build your business.

- Your clients, vendors and partners are hiring women, too! You are or will be working with both genders.
- Women influence 80-90% of all consumer purchases.  
<http://www.forbes.com/sites/bridgetbrennan/2015/01/21/top-10-things-everyone-should-know-about-women-consumers/#3d40f5692897>
- Mirroring the marketplace and advertising to a diverse market are practices that pay.  
<https://hbr.org/2013/09/how-women-decide> and  
<http://www.forbes.com/sites/davidvinjamuri/2015/12/11/diversityinadsisgoodmarketing/#2bbb74a1653a>
- Women play a large role in business-to-business relationships; they are 43% of purchasing agents and officers.  
[https://www.studentscholarships.org/salary\\_ca/173/purchasing\\_agents\\_and\\_officers.php](https://www.studentscholarships.org/salary_ca/173/purchasing_agents_and_officers.php)
- Women-owned businesses in the U.S. have an economic impact of \$2.8 trillion and employ 23 million people. The numbers of women-owned businesses, the numbers they employ and their revenues have each increased since 2007 at a significantly higher rate than have all businesses.  
<https://www.entrepreneur.com/article/285559> and  
[http://www.womenable.com/content/userfiles/2016\\_State\\_of\\_Women-Owned\\_Businesses\\_Executive\\_Report.pdf](http://www.womenable.com/content/userfiles/2016_State_of_Women-Owned_Businesses_Executive_Report.pdf)
- Women now control more than half of personal wealth in the U.S., and that percentage will increase. <http://www.businessinsider.com/women-now-control-more-than-half-of-us-personal-wealth-2015-4>