

JUMP

Promoting gender equality, advancing the economy

21st April 2016

Gender Equality Hub *How to measure the gender equality impact on business performance?*

Supported by:



INSTITUTE
FOR THE EQUALITY
OF WOMEN
AND MEN

WWW.JUMP.EU.COM

- The JUMP Hub is the network of corporate diversity officers dedicated to the exchange of best practices on gender equality at work
- Thank you to our host: Sonia Henry (Cargill)
Research & Knowledge Services Manager

- Introduction: Isabella Lenarduzzi (JUMP)
- Presentation : Isabella Lenarduzzi (JUMP) - Summary of studies and research on the ROI of gender balance in management
- Presentation: Jean-Michel Monnot, (All Inclusive!)
- Company Testimonial: Cass Dottridge (Cargill)
- Q&A
- Networking break
- Best practice sharing session, moderated by Isabella Lenarduzzi (JUMP)
- Wrap-up & key takeaways – Isabella Lenarduzzi (JUMP)
- Close of the Hub Session

- **How to tackle hidden obstacles holding women back: office politics, unconscious bias, self sabotage, corporate culture, etc.**
 - ▶ Guest star: **Inge Woudstra** (Managing Director W2O Consulting & Training, author of ‘Be Gender Smart – The Key to Career Success for Women’)
 - ▶ *17 May 2016 (hosted by Total) **Change of date***

- **How to attract women: best recruitment practices**
 - ▶ *27 September 2016 (hosted by Cisco in Diegem)*

- **Strategic planning & accountability: how to make your gender equality plan a success**
 - ▶ *22 November 2016 (hosted by the European Investment Bank in Brussels Schuman)*

- Boost your **female talent** pool and **engage men** in gender equality
- Most **brilliant experts** in gender equality
- Innovative **talent management** tools

JUMP Forum Paris

16 June 2016

At the OECD



Show your support to women or/and to gender equality with our **JUMP Badges!**



Offer one **JUMP Sorority Bead** to a Woman whose career you commit to support!

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*Thank you
and enjoy the session!*

- What is the business case for gender equality? What value is brought to companies by diversity?
 - ▶ Summary of studies and research on the ROI of gender balance in management
- How to assess the impact of your gender equality plan?
 - ▶ Financial performance – does gender equality have an impact on financial indicators, ie. stock performance, return on equity, profitability, better average growth...?
 - ▶ Organisational excellence – how can we measure “non-financial” indicators such as working environment, governance, creativity, etc. as evidence for the business case for gender equality?

21st April 2016

The Business Case for Gender Equality
Summary of existing studies

Isabella Lenarduzzi
(Founder and Managing Director of JUMP)

- **Attract the best talent**

Tap into the largest talent market: women represent 60% of graduates

- **Market intelligence**

Women make 80% of the purchasing decision, so employing women leads to better understanding of the customer's needs and improves the client relationship (B2B2C)

- **Improve your corporate image**

Diversity is a proof of open-mindedness of the firm that employees, shareholders, clients, end-consumers, media and the general public appreciates

- **Increase your organisational effectiveness**

Diversity in representation improves the decision making and creative process in organisations and ensures higher **engagement** of employees (both women and men)

- **Drive for better financial performance**

Companies with higher proportion of women are also the companies that have the best financial performance



« Gender diversity is an asset for the corporate image - also because it brings closer together the company, its employees, its shareholders and its customers. »

- According to a study by the European Commission, diversity programmes have had a positive impact on:

- ▶ Employee motivation → for 58% of the companies
- ▶ Customer satisfaction → for 57%
- ▶ Brand image → for 69%



- Women are the driving force behind more than 80% of purchasing decisions.

Les mesures d'accompagnement de la mixité ont un impact direct sur le niveau de confiance des femmes



- **Bain's study shows that:**
 - Companies with **three or more women** in senior management function **score higher** on average, for each organisational criterion, than companies with no women at the top
 - Significant difference in **company performance** is observed only when **at least three women** are active in management committees for an average of 10 people

Source: Bain&Company

“Lessons from female leaders in professional service firms” 2011

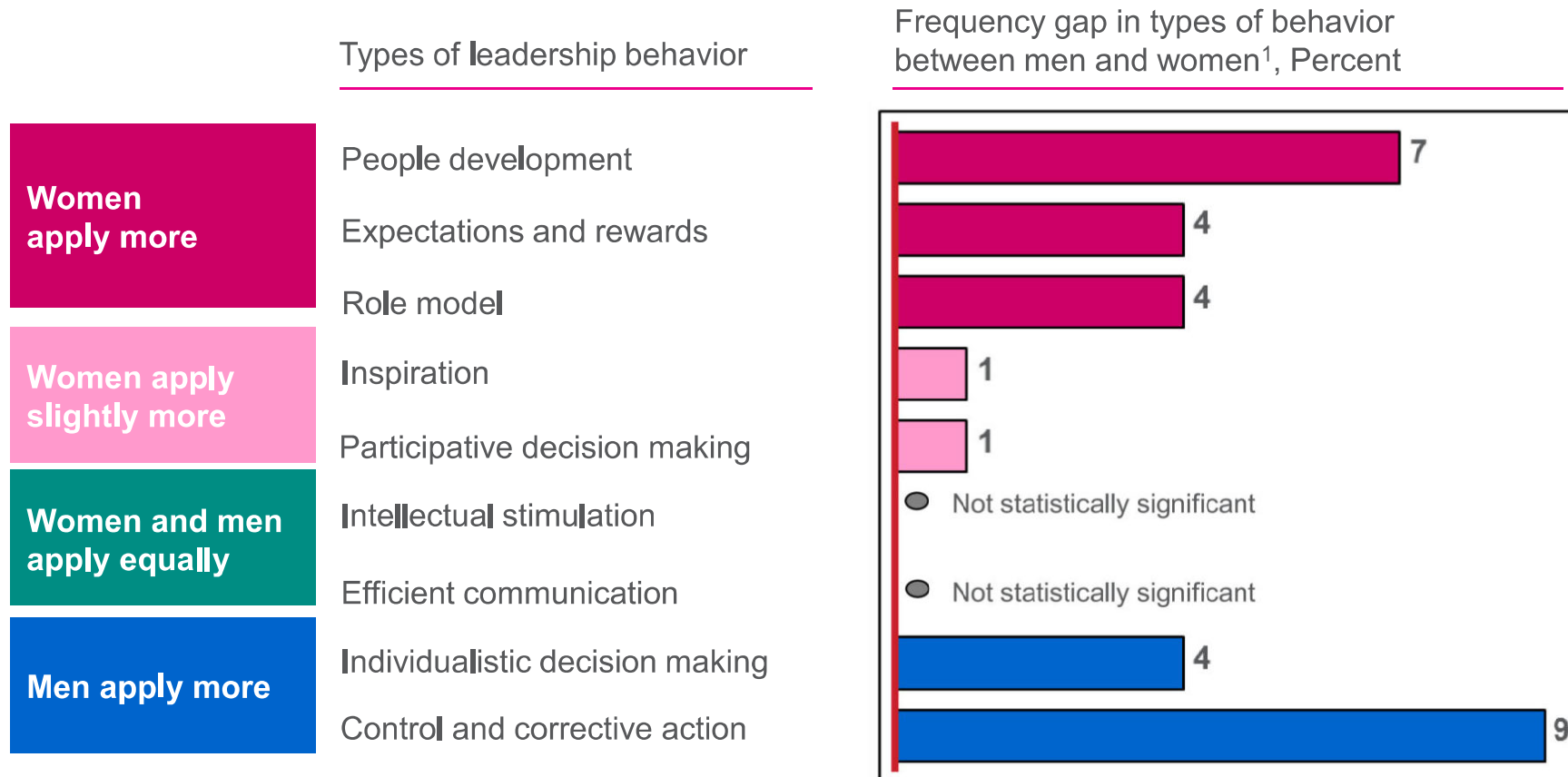
- McKinsey finds a striking correlation between organisational excellence and women's participation in management
 - McKinsey identifies **9 key leadership behaviors** that improve the managerial excellence:
 - Participative decision making
 - Role model
 - Inspiration
 - Expectations and rewards
 - People development
 - Intellectual stimulation
 - Efficient communication
 - Individualistic decision making
 - Control and corrective action
- People development, Expectations and rewards, Role model = More typical of female managers.

Source: McKinsey

« Women Matter – Gender diversity, a corporate performance driver » (2007)

« Women as a valuable asset » (2012)

Women tend to demonstrate more often than men 5 of the 9 types of leadership behavior that improve organisational performance – 3 in particular



Source: McKinsey

- Companies with 3 or more women on their boards have better results on the 9 dimensions of organisational performance



Source: McKinsey

« Women Matter – Gender diversity, a corporate performance driver » (2007)

« Women as a valuable asset » (2012)



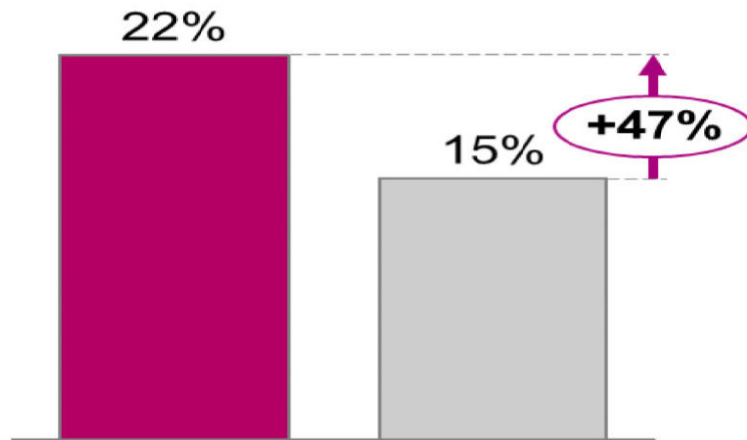
- **Catalyst** showed that 500 Fortune companies with more women on their boards tend to be more profitable.
- **Catalyst** used 2 measures to examine financial performance: Return on Equity (ROE) and Total Return to Shareholders (TRS).
- Companies with the highest representation of women on their top management teams experienced ...
 - Better financial performance
 - A higher Return on Equity
 - A higher Total return to Shareholders... than the group of companies with the lowest women's representation.

Source: Catalyst
"The Bottom Line: Connecting Corporate
Performance and Gender Diversity" 2004

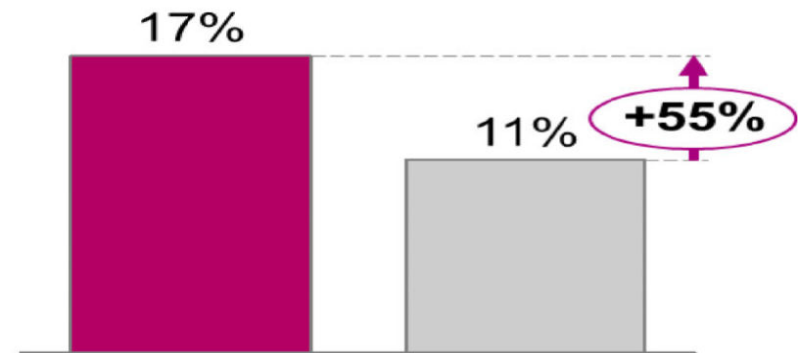
Companies with 3 or more women in their boards have better results on financial performance

- Companies in the top quartile for the women representation in executive committees
- Companies with 0 women in executive committees

Average return on equity
2007 - 2009



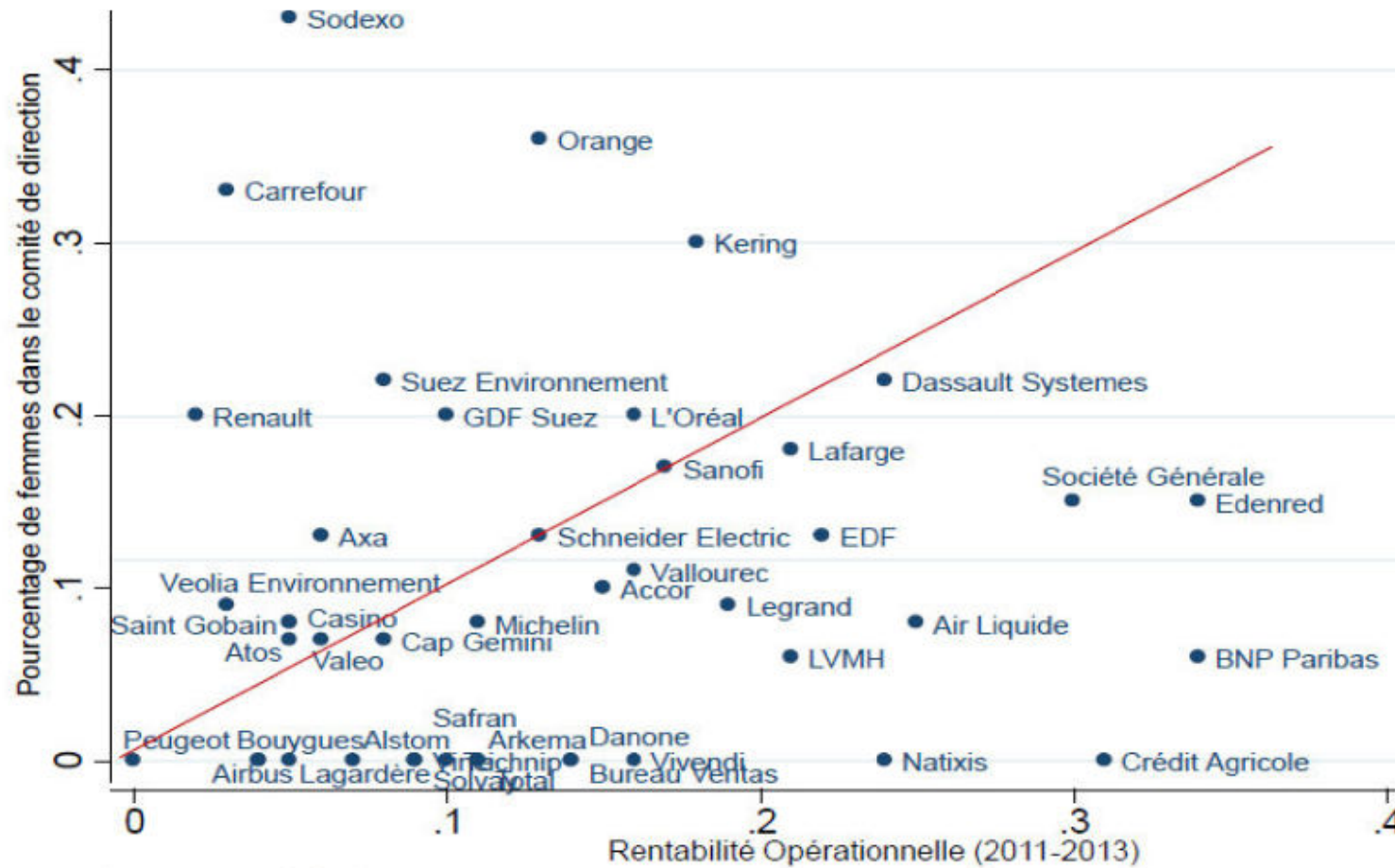
Average EBIT margin
2007 - 2009



Source: McKinsey

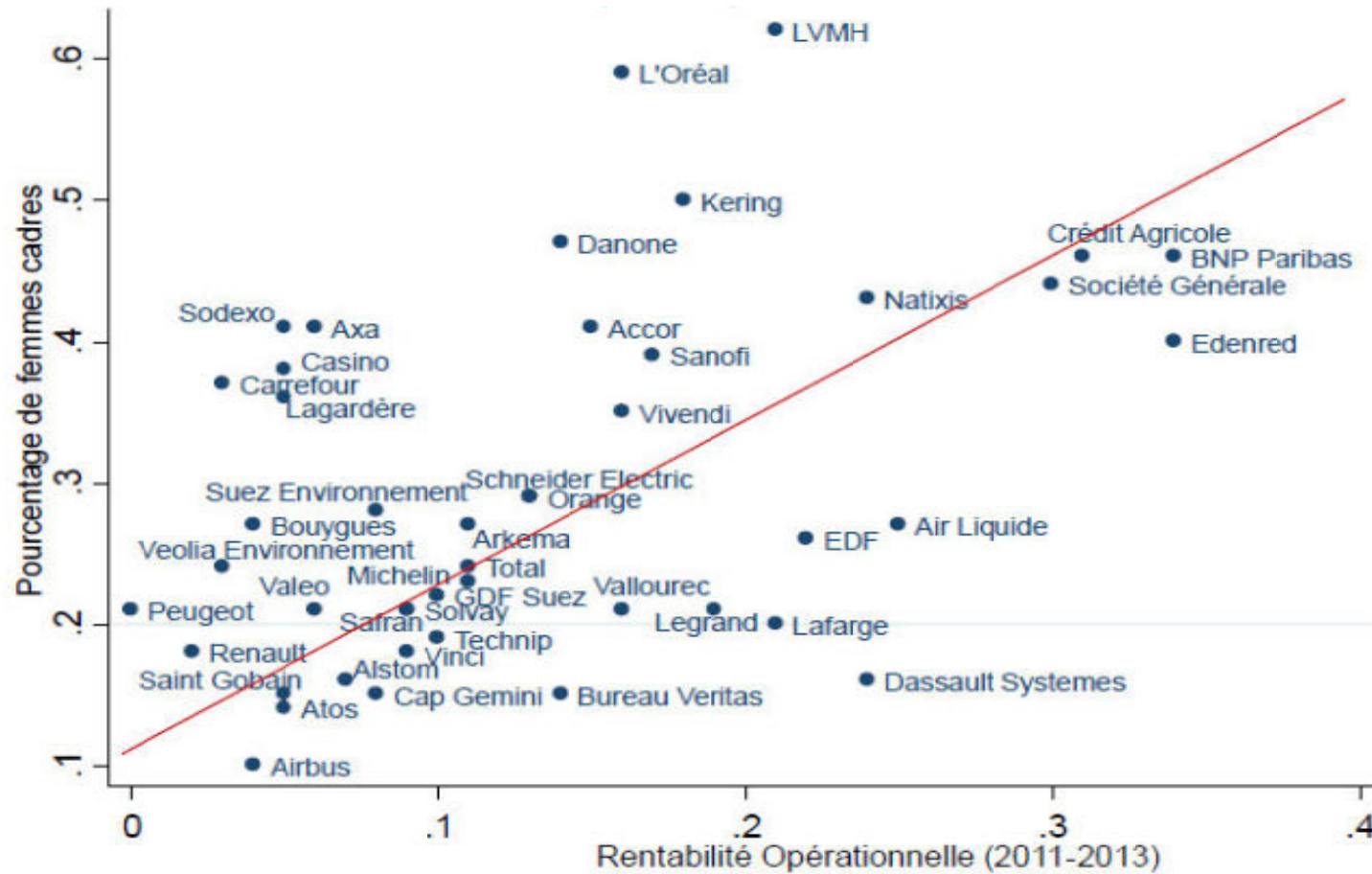
« Women Matter – Gender diversity, a corporate performance driver » 2007

- No clear correlation between women in the executive team and profitability



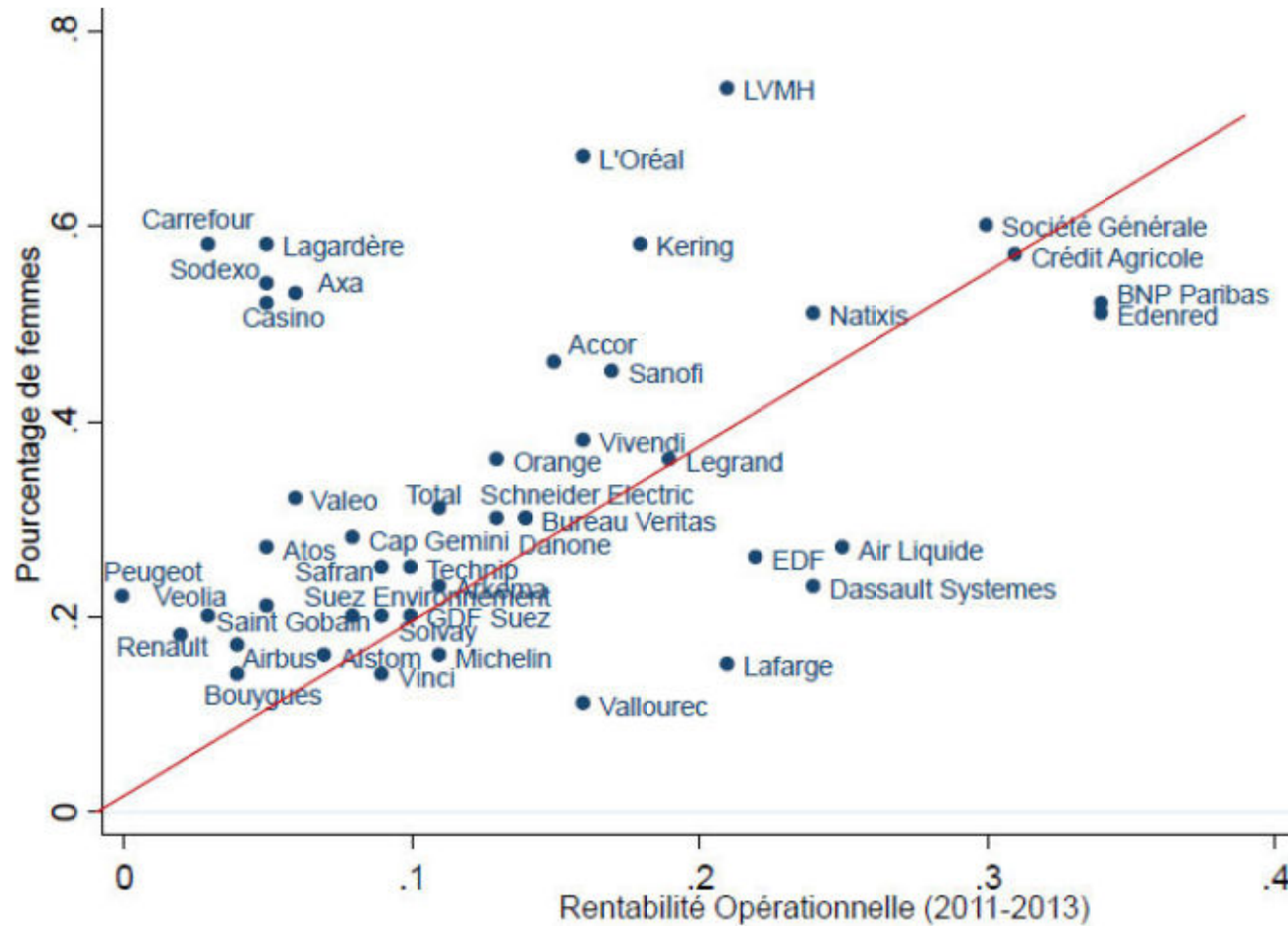
Source: Skema
2015 report "Le féminisation des entreprises"

- Correlation between number of women in management and profitability



Source: Skema
2015 report "Le féminisation des entreprises"

- Correlation between number of women in the staff and profitability

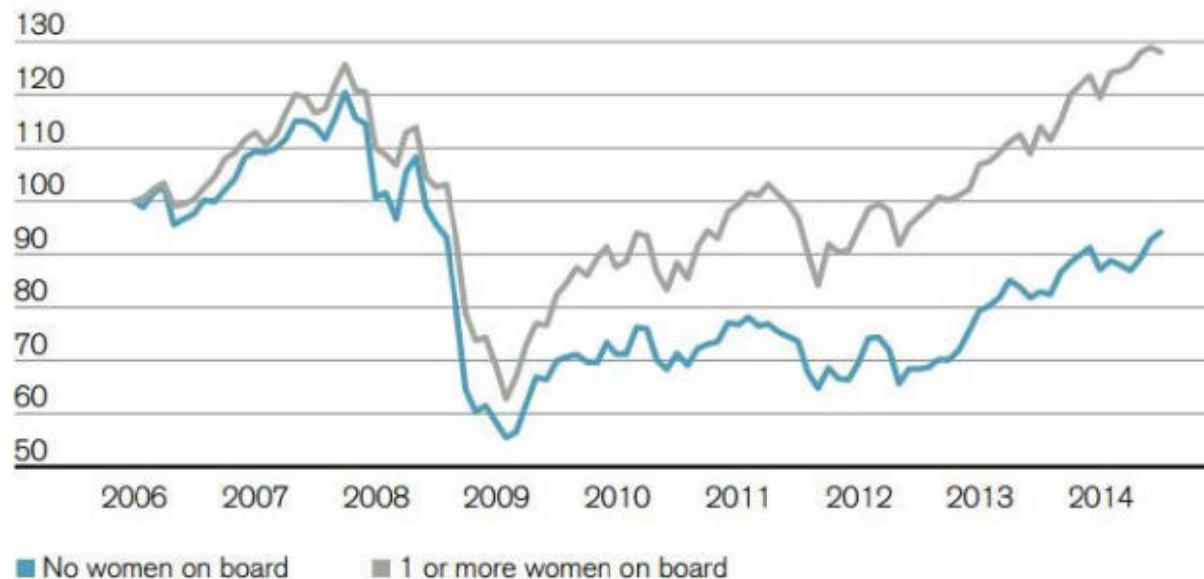


Source: Skema
2015 report "Le féminisation des entreprises"

- **Crédit Suisse** showed a superior **share price performance** for the companies with one or more women on the board. *

Global performance: companies market cap >USD 10 billion

Source: CSG 3000



Companies with a market capital > \$10 billion with 1+ women on the board outperformed those without **by 26%** (December 2011)

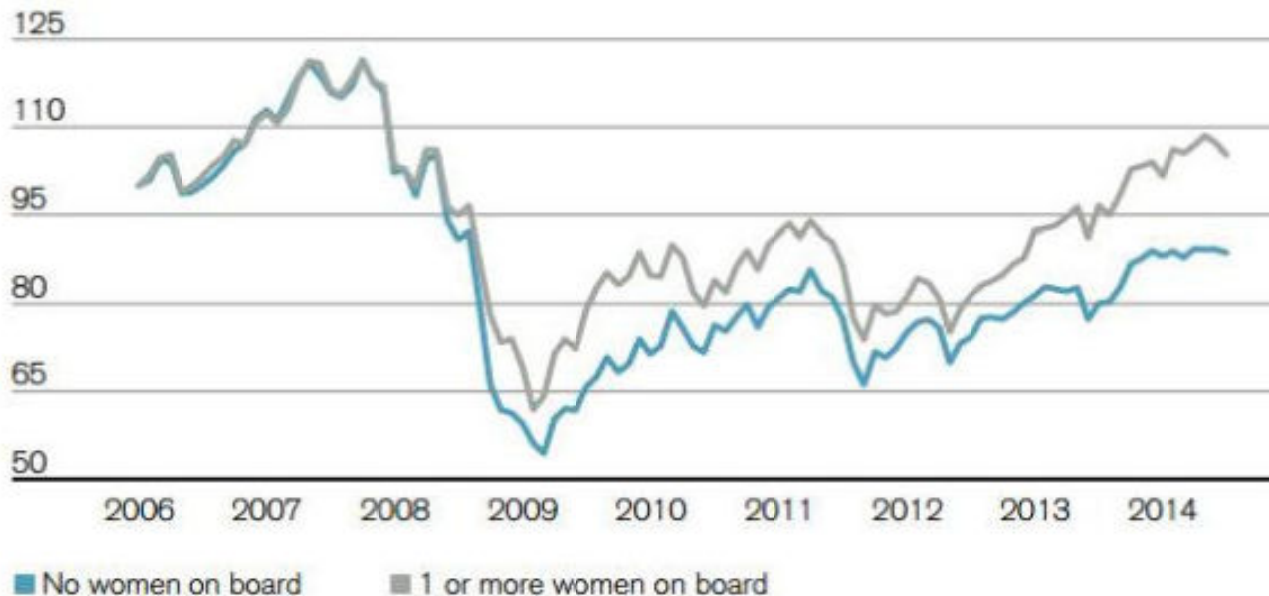
Source: Credit Suisse

“The CS Gender 3000: Women in Senior Management” 2014

- In Europe the companies that have one or more women on board outperformed those that do not have any by **18%**, on the same sector neutral basis

European performance: companies market cap >USD 10 billion

Source: CSG 3000



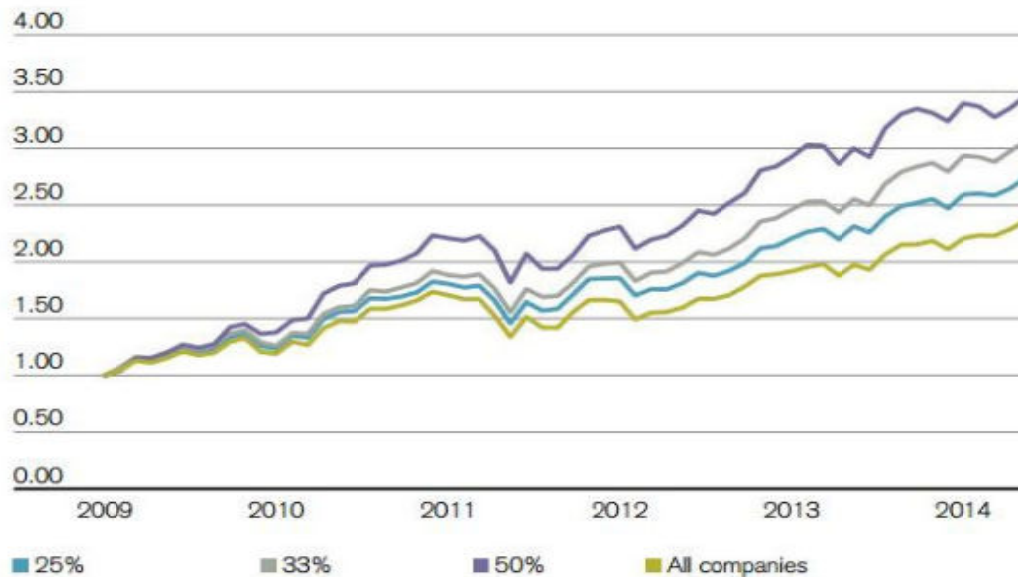
Source: Credit Suisse

“The CS Gender 3000: Women in Senior Management” 2014

- Higher female representation in management implies higher annual average return

Performance of companies tiered by female management participation

Source: CSG 3000



- With 25% female representation the annual average return was 22.8% bigger
- With 33% female representation the annual average return grew to 25.6%
- With a 50% minimum threshold of female representation the annual average return was at 28.7%
- Basically the higher the threshold, the better the performance.

Source: Credit Suisse

“The CS Gender 3000: Women in Senior Management” 2014

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A total equality within the European Union could bring a 27% increase of the GDP



Why?

- **Because** women are an increasingly educated and skilled segment of the **talent pool**
- **Because** more women managers means **better understanding and hence impact on the purchasing decisions** of women
- **Because** diverse groups make **more innovative business decisions**
- **Because** companies that have diversity and manage it properly make **better decisions**, produce **better products** and retain several **key business advantages**.

- Many studies show there a **positive correlation** between the proportion of women in the top management and the organisational and financial performance of the companies

- This lead to many debates...
 - ▶ Causal effect or not of this positive correlation? Are companies performing better because of women? Or are companies performing better because of an open company culture that attracts more women?
 - ▶ Should we promoting gender equality because of its ROI or because it's the right thing to do?

21st April 2016

***Expert presentation
and company testimonial***



Jean-Michel Monnot

Founder of **All Inclusive!**

Previously Vice-President Group
Diversity & Inclusion at Sodexo

Accelerating performance through Gender Balance

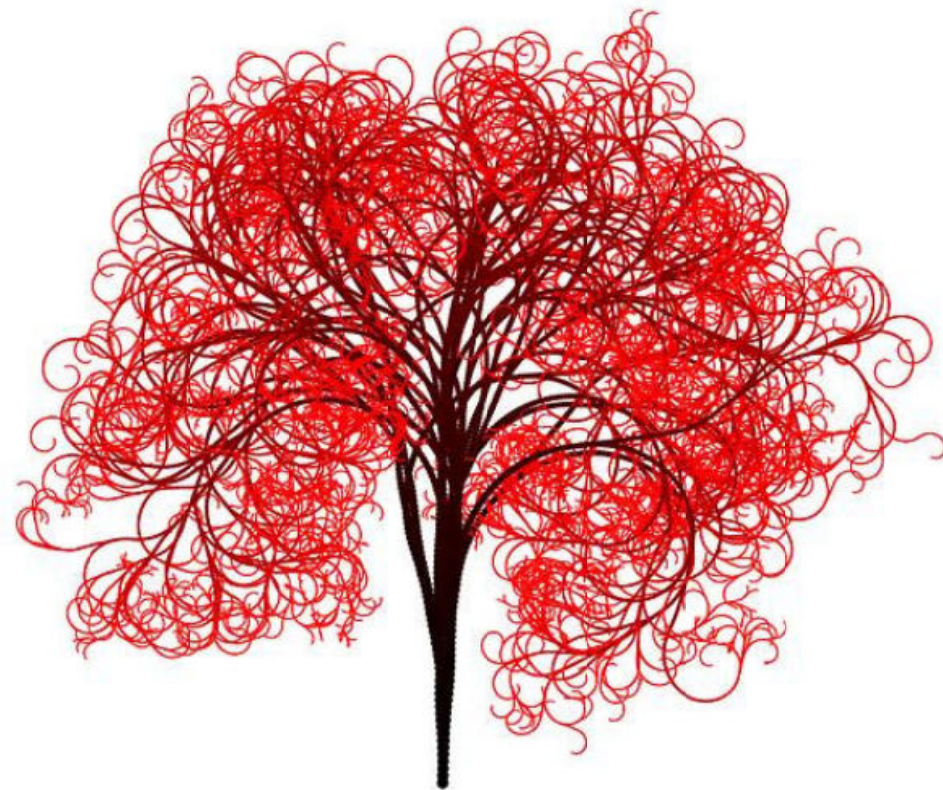


Jean-Michel Monnot

www.beallinclusive.com



All Inclusive!



Moving from
Everything is included to
Everyone is included

Being a feminist...



Return on Investment ?


Return on Investment ?

Investing on **her?**



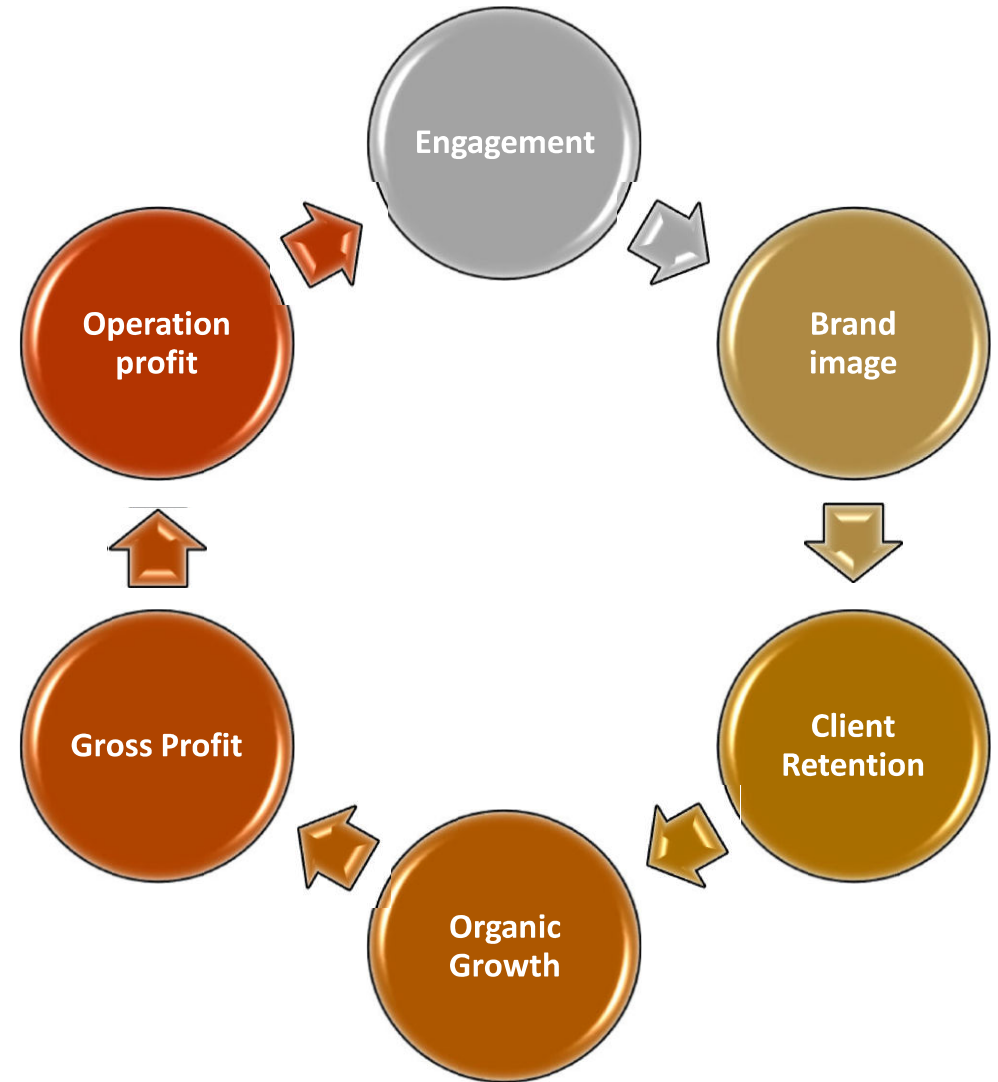


The investment is Equality

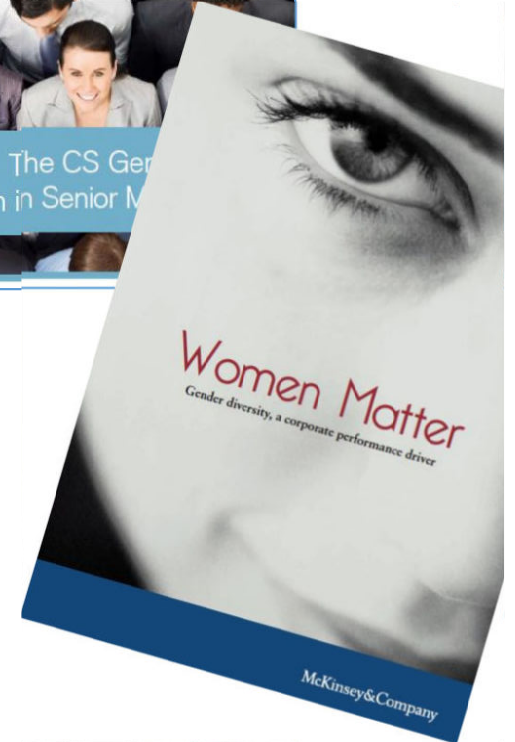


My 4 steps
in explaining
the benefits of
Gender Balance

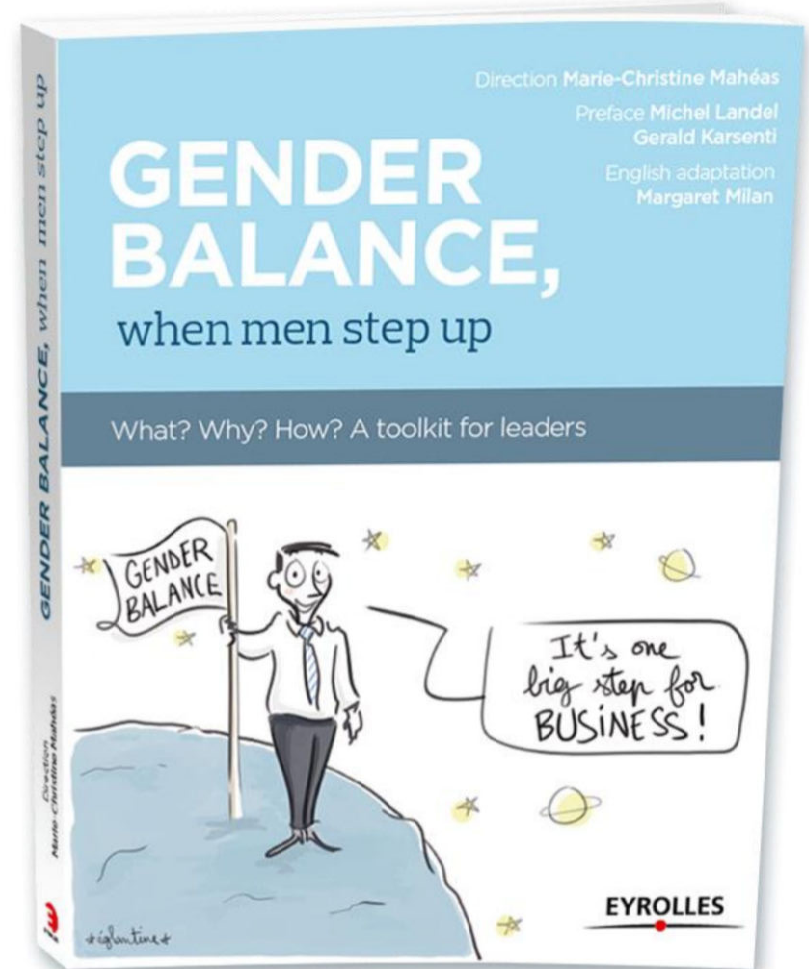
Investing in performance



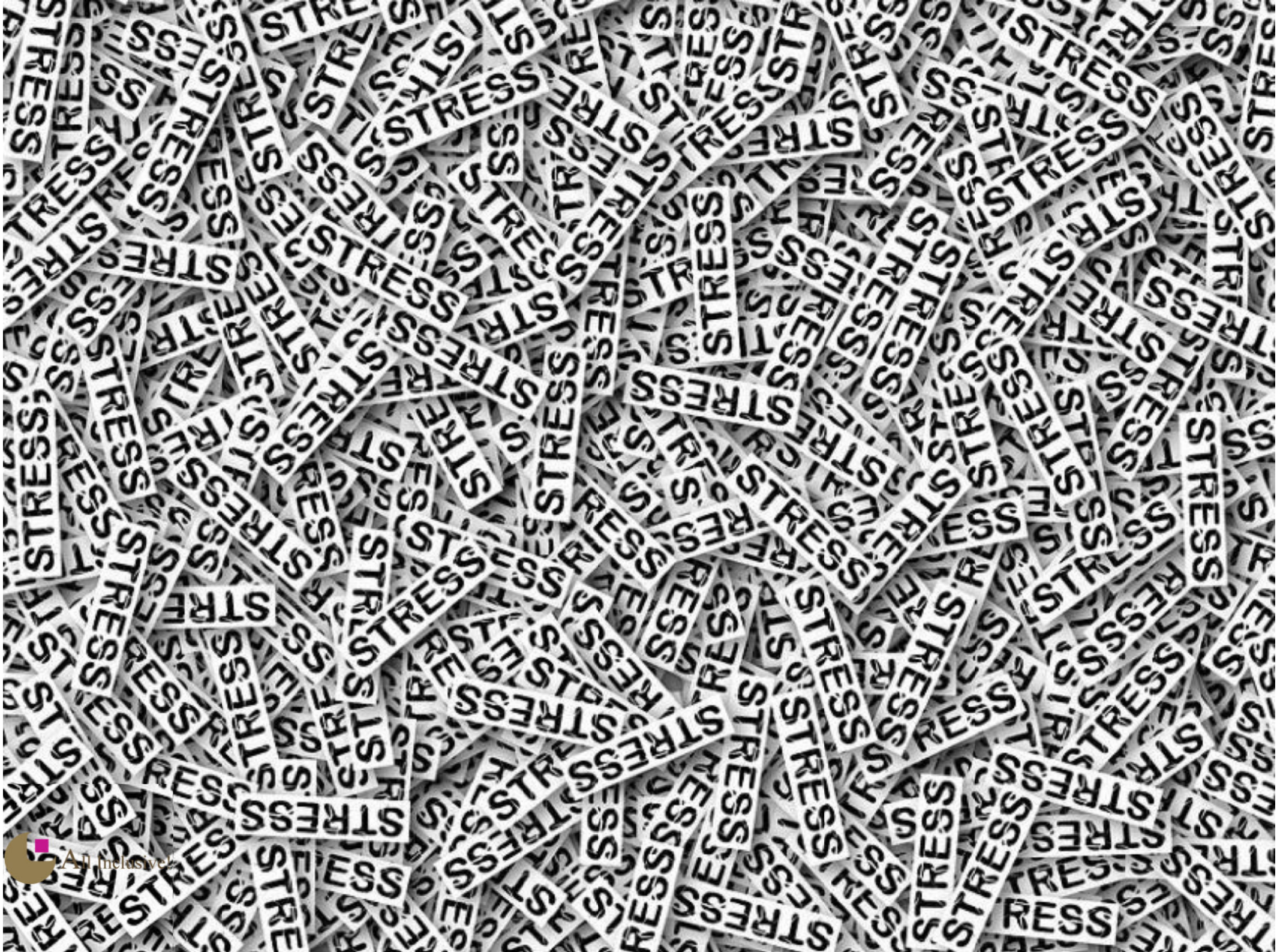
Investing in performance



Gender Balance, when Men step up



www.menmixite.com



Investing in happiness

Accelerating performance through inclusion

www.beallinclusive.com



Jean-Michel Monnot

www.beallinclusive.com



All Inclusive!



Cass Dottridge

European and UK Patent Attorney

EMEA IP Team Lead and Cargill

Women Network Belgium president

21st April 2016

Round table discussion

- **Round table discussion with all participants**
Moderated by Isabella Lenarduzzi

- **What are you doing in your organisation to measure the impact of your gender equality plans?**
 - Financial measures
 - Organisational indicators
 - Best practices, measures and tools that work or do not work

- **How to tackle hidden obstacles holding women back: office politics, unconscious bias, self sabotage, corporate culture, etc.**
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