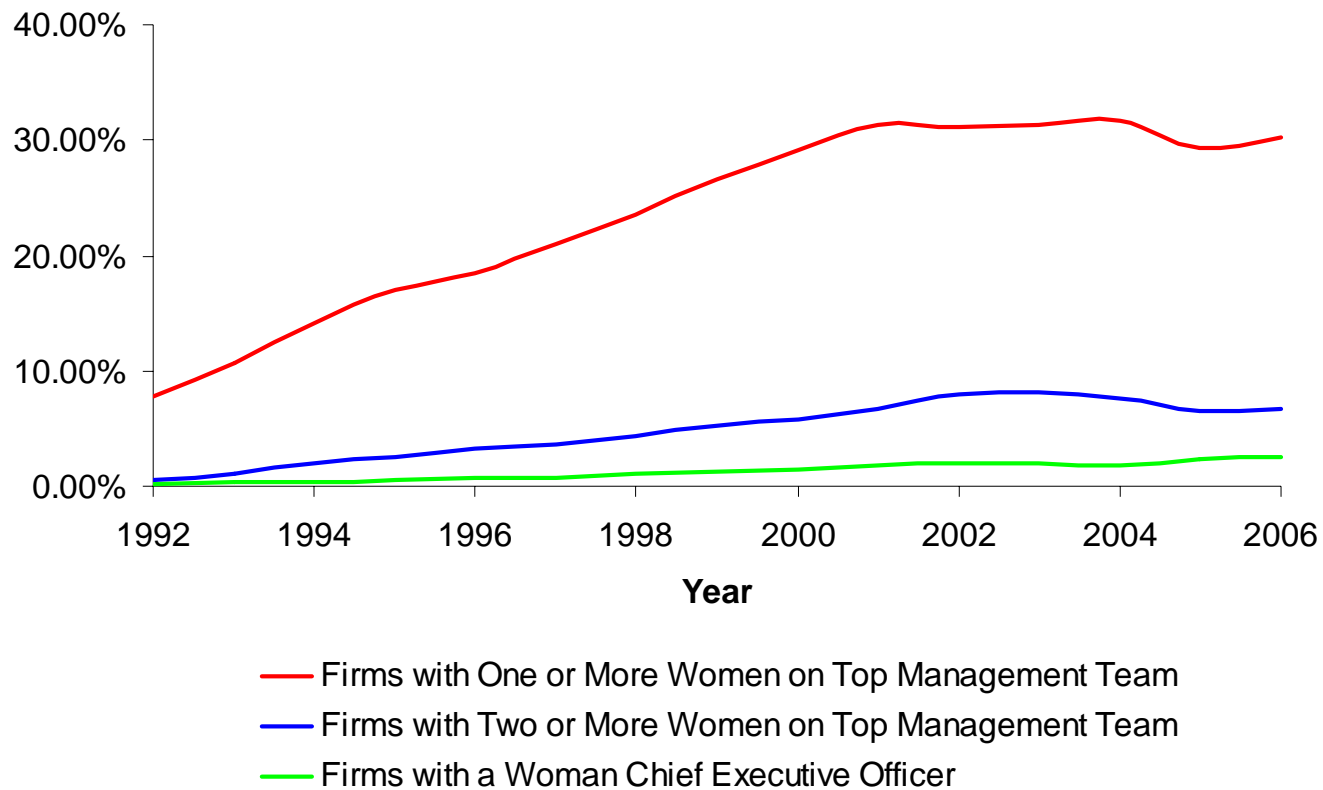


Some Research on the Business Case for Diversity and the Attitudes of Male Executives

David Gaddis Ross
Bolder policies for diversity at the top?
2010

Female Representation in Top Management across Time

S&P 1,500 Firms



Is There a Business Case?

- More meritocratic HR process leads to higher quality workforce
 - Some firms are just better at this
- Women may bring “different” qualities
 - Act as role models for women at lower levels
 - Have better understanding of female customers
 - Women may change nature of interaction among colleagues in positive ways

How Could They Change Interaction?

- Having “outgroup” members leads to better group decision making
- More controversially, some maintain that women are more collaborative, better mentors, encourage “voice,” for example:

“Women like power, but they like to share it. They like to be more collaborative”
(Michael Landel, CEO of Sodexo)

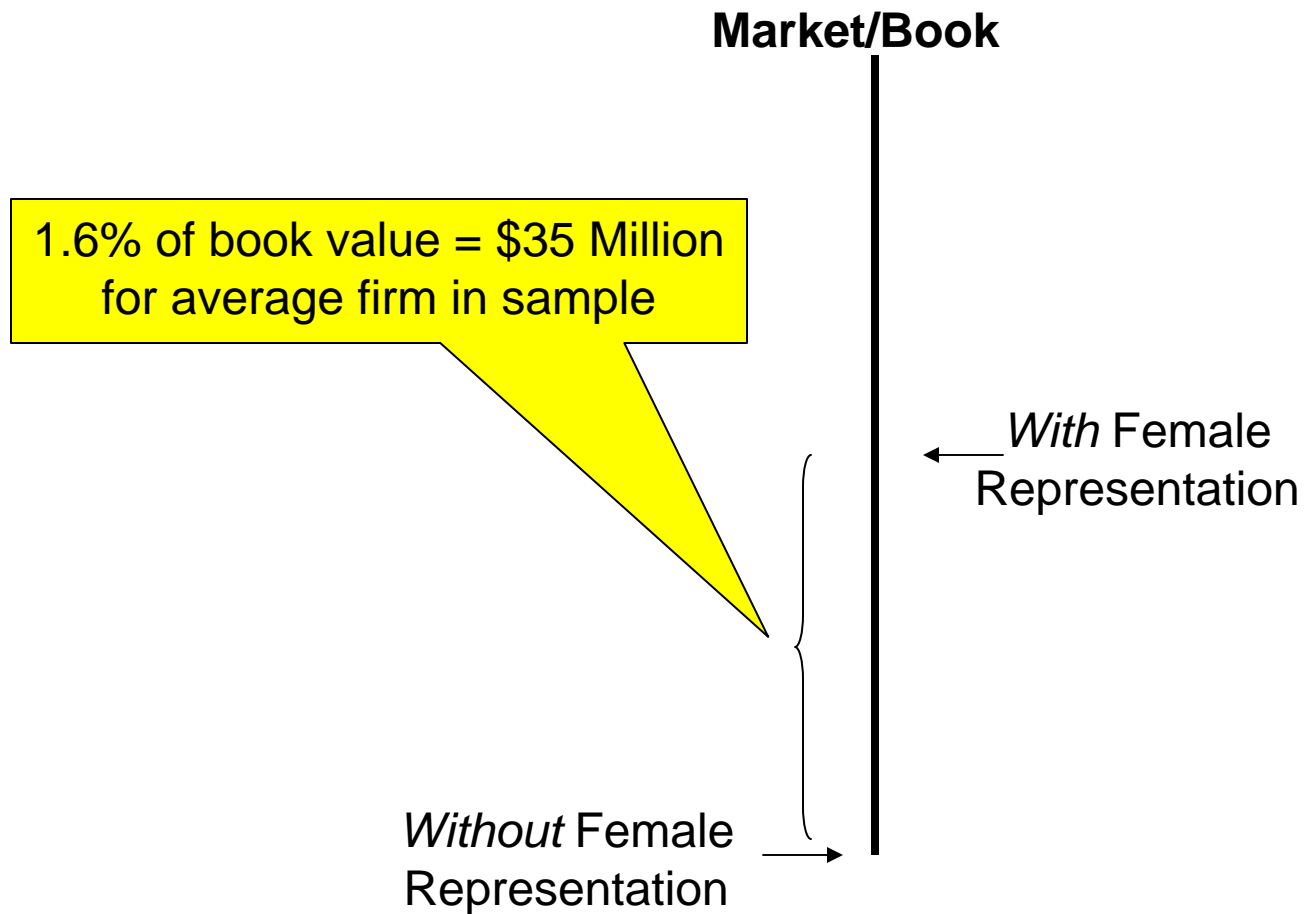
Where We Come In...

- Existing research says firms with more women perform better, but
 - May be picking up other differences between firms or general “competence” at managing gender diversity
 - Is there a more specific way that women add value?
 - If so, why, how, under what circumstances?

Our Approach

- Compare large group of firms (S&P 1,500) “with themselves” over 15 year period
 - Do they perform better when they have female representation in top management?
- General firm attributes that influence performance and gender diversity are (mostly) off the table
 - e.g., culture, competence at managing diversity

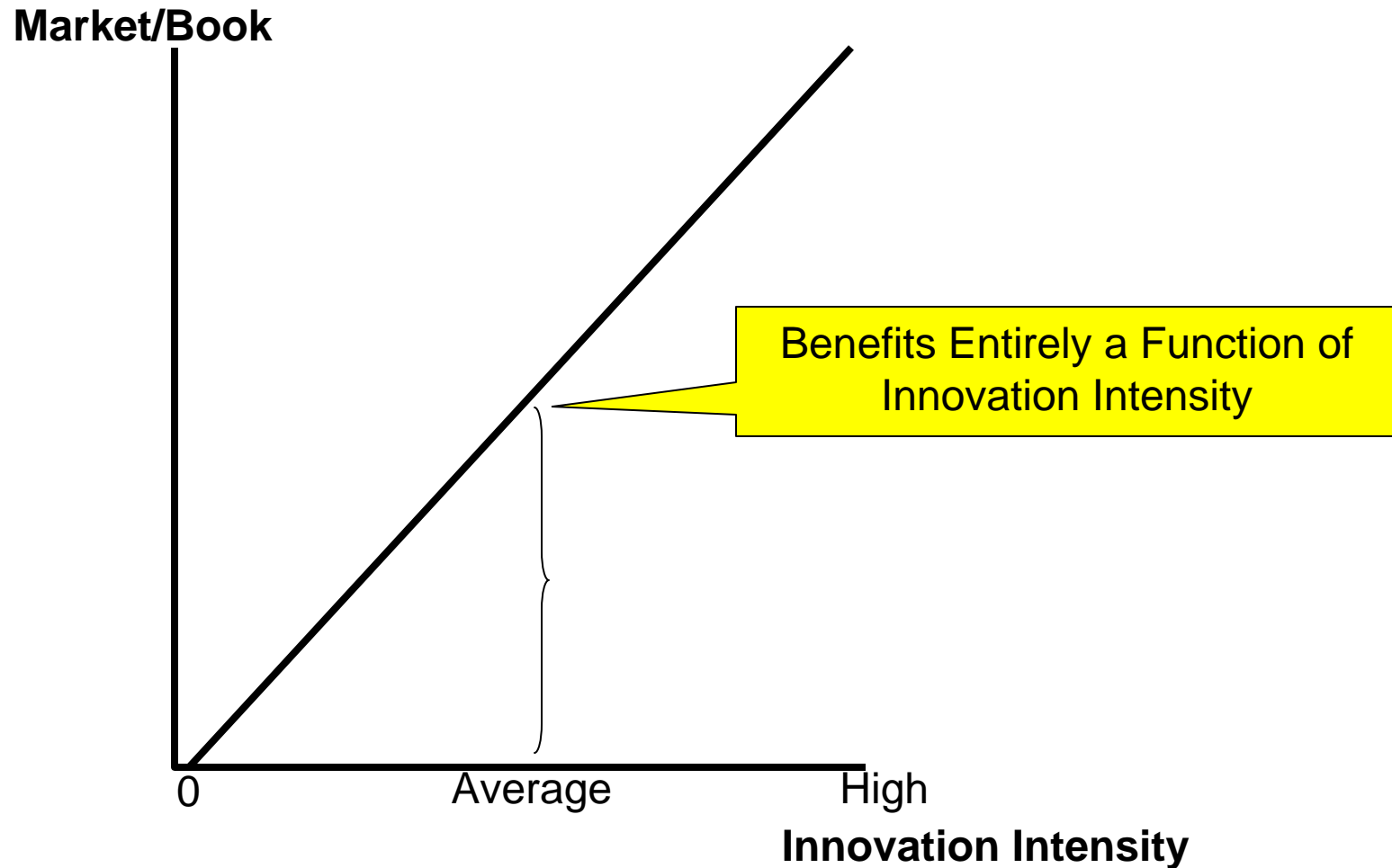
Result 1: Firm Value



Why Was Performance Stronger?

- Large literature in management says that innovation outcomes better if managers are more collaborative, better mentors, encourage “voice”
 - Hmm.... That sounds familiar
- So is performance better when firm “focuses on innovation”?
 - Measure using R&D spending

Result 2: Focus on Innovation



Thoughts

- Can men learn the “feminine management style” if it exists?
- Would these results hold in different countries or with younger managers?
- Isn't this just another kind of stereotyping, albeit one more friendly to women?
- What determines male attitudes towards the identification, development, and promotion of women managers anyway?

The Wage Gap and the Attitudes of Male Executives

- The world over, women get lower pay for the same work, even with the same qualifications
- Could (male) CEOs discriminate less in pay policy if they have daughters?
- Look at every male CEO in every Danish company for more than a decade

Attitudes Can Change

- CEO has child while in office:
 - Child = son, wage gap does not change
 - Child = daughter, wage gap shrinks