

How inclusive leadership leads to inclusive growth

In 2015, we published **Diversity Matters**, which showed that there is a strong statistical correlation between diversity and profitability in large corporations. We recently conducted a more extensive analysis to explore not only how diversity matters but also how companies can use it to improve their financial performance. Here are some of our key findings:

Increased representation of women is strongly correlated to profitability.

Companies whose top teams are most diverse from a gender perspective are 22% more likely to experience more profitability than their least diverse peers.

Having more women in decision-making roles matters most for long-term value creation. Companies with the most gender-diverse executive teams are 67% more likely to experience superior value creation than companies with the least diverse executive teams.

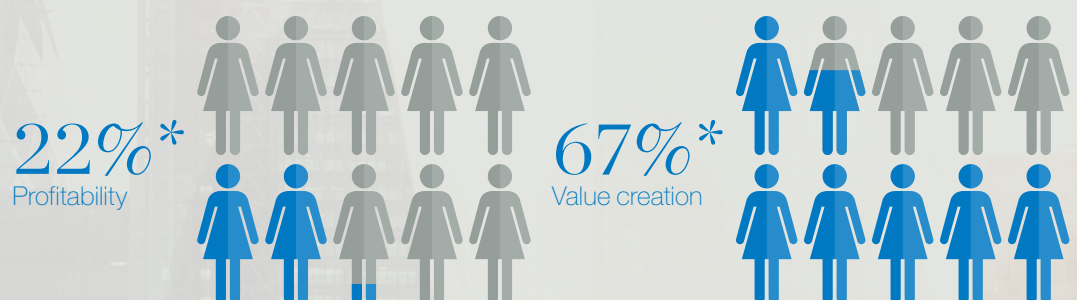
We did not find the same link between value creation and representation of women across the whole company or on the board of directors. That supports the view it is greater representation of women on executive teams – with decision-making responsibilities – that matters most to value creation.

This correlation holds true across geographies. It is strongest in the Americas and Western Europe: companies that are leaders in gender diversity are more likely to experience superior profitability. In 9 out of 10 of the countries, we found a positive correlation between women on executive teams and value creation.

More women in decision-making roles is correlated with stronger financial performance

Correlation between representation of women in executive teams and company financial performance

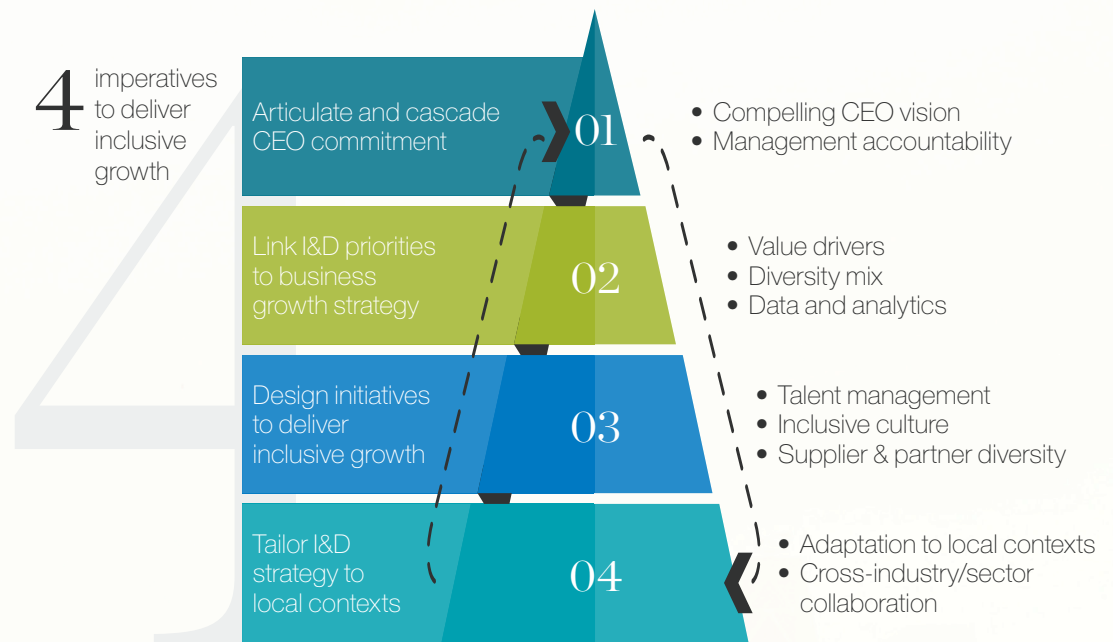
Representation of women at the top matters to company profitability, but value creation is most strongly linked to having women in decision-making roles



* Likelihood of performance above national industry median, comparing highest diversity quartile to lowest
Disclaimer: This research establishes correlation, not causation

What do diversity leaders have in common?

We bring fresh perspectives on how to build an effective Inclusion and Diversity (I&D) strategy from any starting point – drawing on the stories of leading global companies.



For many diversity leaders, inclusion and diversity are seen as core enablers of an inclusive business growth strategy.

What's new?

More expansive, global dataset

754
companies

10
countries

7
industry
groups

Multiple
levels of the
organisation



Expanded assessment of financial performance: profitability (EBIT margin) and value creation (Economic Profit)



Broader, more holistic understanding of diversity – inherent and acquired – and inclusion



Case studies providing tactical insights on how leading companies achieve inclusive growth