

Study proves female board members improve share price

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Having female managers on the board improves a company's share price, according to new research from Skema business school.

Michel Ferrary's 'Observatory on the feminisation of companies', a nine-year study into the feminisation of business, has exposed that the 15 companies in the French CAC40 with the most women managers have significantly outperformed the 25 other listed companies in the .

Shares in these firms have risen by 60% from 2006 to 2016, despite the overall benchmark falling by 4.43% in the period.

Ferrary says: "The lesson businesses must learn is that having female managers on the board not only lends itself to the firm's reputation, but also drastically affects its bottom line. By bringing in top female talent, companies are both increasing their intake of professionals and staying ahead of the curve. This applies not only at the top levels of business, but across the whole spectrum and around the world. In countries such as the UK, for example, only 2% of CEOs in all its listed companies (<http://www.businessmatch.org.uk/emlyon-research-on-whether-female-senior-managers-get-less-pay/>) are female, rising to 4% for senior managers – but this needs to change if businesses are looking to outperform their competition."

He says: "It's time for managers to sit up and take notice of the facts, not only for their own profitability, but for the many other benefits. Female board members are likely to increase a company's reach – or at least effectiveness – due to their influence, yet this is not where their impact stops. Placing inspiring women at the top could motivate other female members of staff, directly enhancing their individual performances. And with business so competitive, can companies really afford not to be strategically planning their board room gender ratios to maximise their bottom lines?"

ENDS

For more information or to speak to Professor Ferrary, please contact Natalie Bishop at BlueSky PR natalie@bluesky-pr.com or call +44 (0)1582 790 709