



Why Women? The Business Case

Carolyn J. Emerson*

Project Coordinator

Canadian Centre for Women in Science, Engineering, Trades and Technology

In the last issue, we illustrated women's continuing under-representation in engineering and many areas of science. Before we consider what many organizations are doing to change that situation, let's think more closely about why it matters if more women enter and succeed in engineering and geosciences careers.

For individual women, they will enjoy interesting, intellectually challenging and well compensated careers, with increased options for mobility and occupational pathways.

Very importantly as well, women's increased participation and leadership in SETT fields bring multi-faceted and significant benefits to the organizations in which they work and have influence. These benefits comprise the business case for gender diversity described in the WinSETT Centre's document *Increasing Women in SETT: The Business Case*¹. The benefits include:

- Solution to skills shortages
- Access of employers to a broader base of talent
- Increased innovation potential
- Enhanced market development
- Greater return on human resource investment
- Stronger financial performance
- Improved governance

Let's begin with a purely pragmatic benefit – ensuring there are enough science and engineering **professionals to satisfy market demand**. Baby boomers are retiring, there are fewer young people to replace them, and rebounding and expanding industries especially in the natural resource and related construction sectors have many employers scrambling to find skilled labour. The Petroleum Human Resources Council of Canada, for example, estimates that 30% of that industry's core workforce including engineers, geoscience professionals, trades and operators are expected to retire within the next decade². Our provincial government's Labour Market Outlook predicts that Newfoundland and Labrador will experience 77,000 job vacancies as a result of economic growth and retirements between now and 2020 across all industries and sectors³.

In looking to currently under-represented groups, employers are also gaining **access to a broader base of talent**. Organizations that successfully recruit, retain and advance women in their workplace become attractive to other talented women. Thus, the employer who

supports women in the workplace will have a competitive advantage in attracting and retaining highly qualified employees from an increased pool and will become an employer of choice.

The knowledge economy has created workplaces that are highly integrated with technology and require new ways of thinking, working and communicating. Because of complex societal factors, women typically bring different life experiences, perspectives and values that add to their technical knowledge and skills to inspire **new approaches to work processes, ideas, solutions, products, and services**. The introduction of diversity into work settings can also reduce ‘groupthink’, challenge accepted views and create a dynamic synergy which expands **innovation potential**.

Beyond the office walls, whether you are a post-secondary institute serving students or a company selling technology, your clients are becoming increasingly diverse with women being a growing proportion of that base. There is strong evidence that an organization whose employees reflect the diversity of its client base responds more effectively in understanding and serving their needs and in identifying **new opportunities and markets**.

A landmark case study compellingly illustrates this aspect of the business case for diversity. In 1995, IBM established eight task forces each focused on a different diversity constituency in its workforce, one of them being women (another was white men).⁴ The goal was to *uncover and understand differences among the groups and find ways to appeal to a broader set of employees and customers*. “*We made diversity a market-based issue*”.

By focusing on sales and service support to women-owned businesses, there was an increase in revenue in this business division from \$10 million in 1998 to over \$300 million in 2001. *Workforce diversity was the bridge between the workplace and the marketplace*.

One of the greatest economic advantages of a diverse workforce does not show up in the revenue column. Rather, it lies in **capitalizing on the major investments in human resources** by minimizing loss of talent.

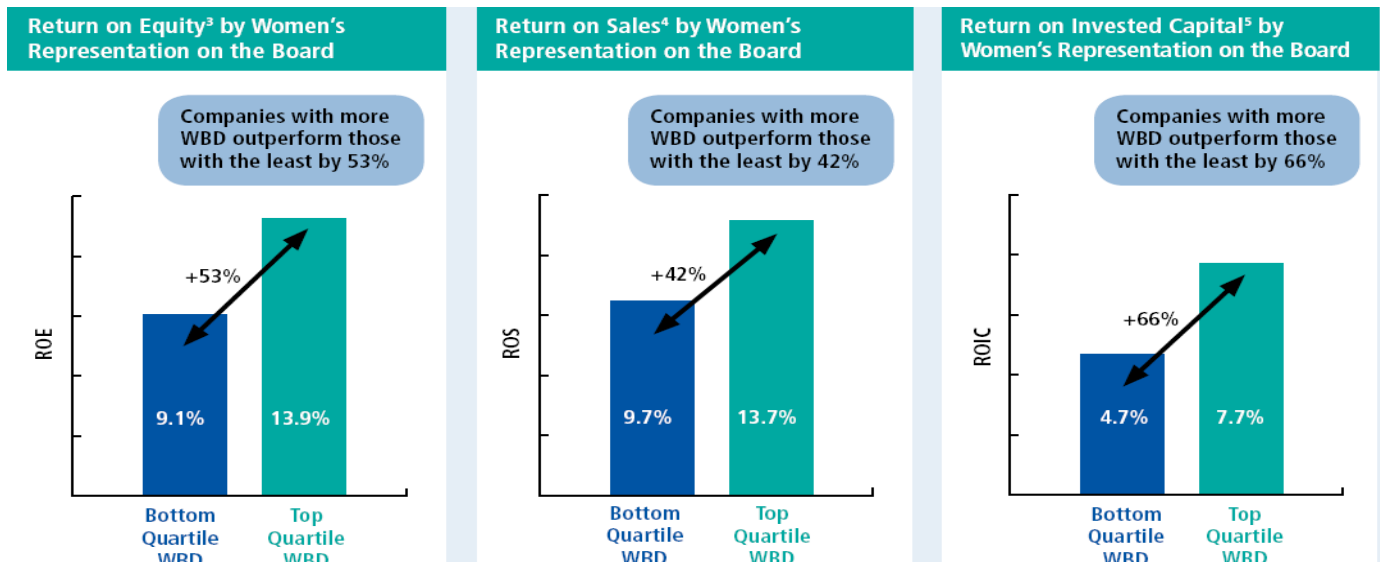
Companies and other institutions invest significant resources in the recruitment, hiring, training and development of their employees, and it can cost up to *four times as much to continually replace and train replacement staff than it does to provide optimal conditions for job satisfaction and motivation of existing personnel*.⁵

Women leave science and engineering fields at higher rates than their male colleagues, however. Thus, creating workplaces that support, offer development opportunities for, provide returning on-ramps for, and retain female employees provides a return on investment in valuable human resources and saves on the high costs of differential turnover.

There is another financial benefit that aligns with women’s career success and advancement in science and engineering workplaces. International research highlights the correlation between women’s leadership and **improved profitability**. The Catalyst study of Fortune 500 companies in the US found that

... companies with a higher representation of women in senior management positions financially outperform companies with proportionally fewer women at the top (35.1% higher return on equity and 34.0% higher total return to shareholders).⁶

The benefit is even more pronounced with the increased representation of women on boards as illustrated in this figure from Catalyst Inc.⁷:



Studies in a number of countries have also demonstrated the positive correlation between women in executive management teams and **improved corporate governance**. The Conference Board of Canada found that Boards with more than two or three women have stronger practices in several key areas of governance⁸:

- More regular reviews of non-financial performance
- Greater measurement and implementation of corporate strategies
- Greater attention to audit and risk oversight and control
- Increased presence of conflict of interest guidelines and codes of conduct
- More effective two-way communication with stakeholders
- Greater consideration of measures of innovation and of social and community responsibility

With respect to the latter, in a newly released report Catalyst and the Harvard Business School found that in 2007, the average donations of companies with three or more women directors were *28 times higher* than those of companies with no women directors.⁹ They conclude that *inclusive leadership and the positive influence it has on the quantity and quality of an organization's Corporate Social Responsibility initiatives is critical. When business leadership includes women, society wins.*

Women's presence on boards also sends a signal to all stakeholders that their perspectives are important and their voices will be heard at the top.

We've noted that women and their families benefit by their working in science and engineering occupations, and that organizations benefit from women's increased participation and leadership. What about the higher level picture? Two quotes speak eloquently to the necessity of including and valuing women's contributions in engineering and science.

Many of the big issues in our society have a science and engineering basis...the protection of the environment, access to and control of communications, the sustainability of our natural resources, public security, the safety of our water supply, and the complexity of medical care. New issues emerge more rapidly than existing ones are resolved. It is in society's interest that decisions on these issues be reached with women's viewpoint and way of solving problems considered. Hence, there must be women with science and engineering expertise in leadership positions. F. Mary Williams ¹⁰

It matters especially given the interconnected nature of today's global environment, in which mistakes have consequences that can reverberate unexpectedly in far corners of the world. We can no longer afford—as individuals or as citizens of the planet—to operate from an artificially restricted pool of data that ignores the diverse richness of what human beings perceive; the cost of doing so has simply become too high. Addressing the complexities of our common future requires us to see the world in full perspective, employing a wide lens as well as a sharp focus. Sally Helgesen & Julie Johnson ¹¹

In the next issue, we'll examine the many positive approaches and solutions being undertaken to advance women's contributions and leadership in engineering and science, initiatives in which PEGNL members are playing an important role.

References:

1. CCWESTT (2011) Increasing Women in SETT: The Business Case. 15 pp. <http://www.cctest.org/LinkClick.aspx?fileticket=xsQq2Vt0irO%3d&tabid=82>
2. Petroleum Human Resources Council of Canada (2011). <http://petrohrsc.ca/media/44752/final%20situational%20analysis%20and%20hr%20trends%20report.pdf>
3. Government of Newfoundland and Labrador (2011). Newfoundland and Labour Market: Outlook 2020. 136 pp. <http://www.hrle.gov.nl.ca/hrle/publications/LMOutlook2020.pdf>
4. Thomas, D.A. & Ely, R.J. (1996) Making differences matter: A new paradigm for managing diversity. Harvard Business Review Sept.-Oct. Issue: 79-90. <http://hbr.org/product/making-differences-matter-a-new-paradigm-for-manag/an/96510-PDF-ENG>
5. Council of Science and Technology Advisors (2002). EDGE - Employees Driving Government Excellence: Renewing S&T Human Resources in the Federal Public Service. November 2002. <http://www.csta-cest.ca>
6. Catalyst (2004) The Bottom Line: Connecting Corporate Performance and Gender Diversity. <http://www.catalyst.org/publication/82/the-bottom-line-connecting-corporate-performance-and-gender-diversity>
7. Catalyst (2007) The Bottom Line: Corporate Performance and Women's Representation on Boards. <http://www.catalyst.org/publication/200/the-bottom-line-corporate-performance-and-womens-representation-on-boards>
8. Brown, D. A. A., Brown, D.L. & Anastasopoulos, V. (2002). Women on Boards: Not Just the Right Thing ... But the "Bright" Thing. The Conference Board of Canada. 17 pp. <http://www.conferenceboard.ca/documents.aspx?DID=374>
9. Soares, R., Marquis, C., & Lee, M. (2011). Gender and Corporate Social Responsibility: It's A Matter of Sustainability. 4 pp. [http://www.catalyst.org/file/522/gender and corporate social responsibility final.pdf](http://www.catalyst.org/file/522/gender%20and%20corporate%20social%20responsibility%20final.pdf)

10. Williams, F.M. & Emerson, C.J. (2008) *Becoming Leaders: A Practical Handbook for Women in Engineering, Science, and Technology*. 200 pp. [http://www.asce.org/Books-and-Journals/Books---Personify/ASCE-Press-\(PAP\)/Becoming-Leaders/](http://www.asce.org/Books-and-Journals/Books---Personify/ASCE-Press-(PAP)/Becoming-Leaders/)
11. Helgesen, S. & Johnson, J. (2010). *The Female Vision: Defining Women's Strategic Strengths*. <http://changethis.com/manifesto/show/73.05.FemaleVision>

* The Canadian Centre for Women in Science, Engineering, Trades and Technology (WinSETT Centre) is a catalyst for the sustained employment and progress of women in SETT fields. The Centre achieves its mission by developing and disseminating through collaboration and partnerships, the tools and expertise useful to women, industry, government, unions, educational institutions, associations, and women in SETT organizations.



Carolyn J. Emerson, M.Sc., has held leadership positions in organizations with a particular emphasis on women's full participation in SETT careers. She is the co-author of two books on women in the SETT workforce and is the recipient of several awards for public service including Honourary Membership in Professional Engineers and Geoscientists NL.