

Are You Blocking Your Own Success?

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Jill Flynn, Kathryn Heath, and Mary Davis Holt|Co-authors of, "Break Your Own Rules"

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GUEST AUTHOR BLOG: The High Cost of Hiring Fewer Women by Jill Flynn, Kathryn Heath, and Mary Davis Holt, co-authors of, "[Break Your Own Rules: How to Change the Patterns of Thinking that Block Women's Paths to Power.](#)"

Break Your Own Rules

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As President Obama unveils the fine points of the [The American Jobs Act](#), here's hoping that he and congress can work together to address one of the trends that we find most disconcerting.

The stats tell us that women are faring worse than men in terms of landing new jobs as the economy creaks into recovery.

[The Pew Research Center's recent analysis](#) of Bureau of Labor Statistics data, for instance, found that from June 2009 through May 2011, 768,000 men gained employment while women lost 218,000 jobs.

Why are women getting hired back in surprisingly meager numbers compared to their male counterparts?

It may be that this is a correction: data indicates that women actually lost fewer jobs than men during the height of the Great Recession, when areas such as manufacturing and construction took big hits. Another answer is that women are disproportionately represented in sectors, including state and local government, where job cuts came later. Conversely, [female underrepresentation in the tech sector](#), within internet companies such as Google and Ebay, is the continuation of a perpetual diversity dilemma, arguably due to the fact that fewer women graduate with science and engineering degrees.

Regardless of why women are faring poorly in today's job market, it's too

soon to know if the trend will continue through the remainder of 2011. Still, now seems like exactly the right time to make note of the positive impact that women have on the bottom line of business.

Research published by Catalyst, for example, shows that companies with women leaders perform better. The report points to a higher return on equity and better return on sales for companies with more women board members. Another study that tracked 1,500 U.S. companies found a positive correlation between the number of senior women managers and financial performance, including market value and return on equity. Sylvia Ann Hewlett, Founder and President of the Center for Work/Life Policy, corroborates these findings. "The fewer female managers a company has, the greater drop in its share price since January 2008. The facts couldn't be clearer: smart women equal stronger companies." Hewlett says.

Having more senior women also improves cash register sales. After all, as more women today make the big-ticket purchasing decisions for their households, what better way to be sure products and services reflect the true needs of consumers and decision-makers than by having adequate female representation at the top of corporations? As a report from Deloitte notes: "... because women tend to spend differently from men, companies need to understand women's preferences in order to capitalize on this growth. Having both women and men in decision-making roles gives organizations the perspective they need to increase sales and fuel growth."

"A diverse group of minds within organizations means greater innovation and surer growth."

-"Break Your Own Rules", Jill Flynn, Kathryn Heath & Mary Davis Holt

Beyond performance, studies indicate that having women in the boardroom also improves corporate governance. The Conference Board of Canada, for example, notes that boards with more women tend to pay greater attention to audit and risk oversight, and they take into account the needs of more categories of stakeholders.

Data can be interpreted in every which way, but one thing remains overwhelmingly clear: a diverse group of minds within organizations means greater innovation and surer growth. Maintaining workforce diversity, then, is of great import in terms of allowing the American economy to grow again.

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