

More women equals more money



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Special to QMI Agency

The best compliment I was ever paid came from the new head trader in my trading room who told me he wanted to keep me on the team because “you know how to make money.” It wasn’t about my personality. And it had nothing to do with whether I was a man or a woman.

In January I will be part of a group of leading global investment professionals

discussing new research at a Toronto CFA Society conference called Getting to Alpha: The Competitive Advantage of Gender Strategy. Recent findings have shown that increasing (sometimes from zero!) the number of women on boards and in senior management can be a significant factor in financial outperformance.

Why am I particularly excited about the theme of this conference? Over the five years that I have been researching the topic of women and finance, I have been drawn into many circular discussions around gender equality. Obviously I’m in favour of increasing the percentage of women on boards and in corner offices, but I’m not so interested in rehashing the laundry list of oft-quoted issues behind

the lack of progress.

I don’t mean to make light of it but you know what I’m talking about: Is it a boy’s club? Should there be quotas? Do women lack initiative because of family responsibilities? Are there unconscious biases that keep women out of senior positions? Do we make them wait so long for promotions that they opt to join the entrepreneurial or start-up economies instead?

Perhaps it is “a little from column A and a little from column B” or maybe we haven’t focused on quantifying just how adding smart women to the mix can enhance corporate results. More profitability you say? Now we’re listening.

What does alpha mean anyway? Most of you are familiar with the terms “alpha

dog” or “alpha male.” This is a reference to a personality type that tends to be out front leading the pack. In financial circles, alpha means outperformance by adding value above and beyond a pre-stated benchmark. For example, an investment manager in the U.K., who exceeded the FTSE return by a couple of percentage points, would have added alpha of 2%. Adding alpha is the same as adding value, and is about making money.

My interviews with a diverse global group of more than 300 accomplished women show that they possess the skills needed to excel in senior executive or board positions. Board members or executives need to be good managers of risk, need to be committed and



need to be independent.

1) Women are risk aware — they are very detail-oriented and spend more time on research and reflection before jumping into deals.

2) Women are highly committed to their tasks — they only invest their time or energy into causes or concerns that truly matter to them.

3) Successful women make sure they are financially independent.

So why not hire them for the big jobs?

This conference is likely to be a game-changer because it will prove that the business equation of 2015 and beyond is that more women = more money!