

# Women in Leadership Roles Generate Strategic Business Benefits



## Rebecca Hargrove

Chief Executive Officer,  
Tennessee Education Lottery Corp.

Senior Vice President,  
World Lottery Association (WLA)

Chair of Corporate Social  
Responsibility Committee, WLA

Chair of Women's Initiative in  
Lottery Leadership (WILL)

The evidence is piling up: businesses that have women in senior leadership roles are outperforming peer organizations on such important dimensions as profitability, Corporate Social Responsibility (CSR), and individual growth and development.

Researchers with McKinsey & Co., the Harvard Business School, and the global executive search firm Heidrick & Struggles have discovered connections between superior organizational performance and the numbers of women and minorities in leadership positions. These studies affirm the axiom that promoting women and minorities into executive positions is not simply the “right thing to do,” it is also the best thing to do.

In early 2018, McKinsey & Co. found that organizations in the top quartile for ethnic and cultural diversity on their executive teams were 33 percent more likely to experience above-average profitability than companies in the bottom quartile. Additionally, for those organizations in the top quartile for gender diversity, there was a 21 percent likelihood of superior performance. One researcher said the benefits can be attributed to the fact that cultural and gender diversity can help firms make better decisions and decrease the chance of making errors.

One important way to increase diversity in leadership roles is to improve mentoring opportunities for women and minorities. According to research conducted by Heidrick & Struggles, three in four survey respondents said their most impactful mentoring relationship was important to their career development. But with the existing gender and cultural disparities in leadership, it may be problematic to find appropriate mentors. Sixty-one percent of mentors surveyed were men and 39 percent were women.



## WOMEN'S INITIATIVE in LOTTERY LEADERSHIP



The comparative lack of formal mentoring programs represents a great impediment. Only about one-fourth of survey respondents said their organizations offer formal mentoring programs.

The worldwide financial consulting firm KMPG has identified seven strategic business benefits that derive from applying a formal process to the goal of creating mentoring relationships:

1. Developing new leaders
2. Retaining your best talent
3. Increasing diversity
4. Improving employee satisfaction
5. Transmitting corporate culture
6. Recruiting new talent
7. Producing “deep sensors” (listening capabilities to assess the mood of the organization)

Mentorship programs help women build networks, develop negotiating skills, and learn to appropriately and effectively promote their talents and experiences. Female proteges also can broaden their

perspective, build social capital, navigate organizational politics more strategically, and acquire the confidence to speak up when it matters most.

Another interesting benefit generated by women executives is enhanced organizational performance on measures of Corporate Social Responsibility. CSR can represent numerous organizational behaviors, including actions on human rights, ecology, anti-corruption, legal and regulatory compliance, cultural and ethical accountability, and broad-based philanthropy.

Researchers at Harvard Business School found that having gender-inclusive leadership can influence the level of philanthropic investment that corporations make in CSR. Gender-inclusive leadership also affects the quality of CSR initiatives. By spotlighting gender issues in their CSR strategies, leaders position their organizations for sustained growth, and the benefits extend beyond the company to the communities in which they operate.

Margie Warrell, author of *Make Your Mark* and Ambassador for Women in Global Business, says women who seek a mentor should:

- Identify an ideal mentor.
- Establish clear expectations for the relationship.
- Include men in their mentoring network.
- Deliver value in return – doing what they can to support their mentor.

As we approach the quarter point of the 21st century, businesses are striving to evolve their practices to sustain growth. Today's levels of performance won't cut it—we all need to stretch to find new and better ways to improve. There is one undeniably successful approach to carry forward: hire, train, mentor, and promote women into senior leadership roles so they can make their unique mark for the benefit of all.

With this in mind, we recently launched our own Lottery industry program to promote mentorship for women, which we call Women's Initiative in Lottery Leadership (WILL). With more involvement from industry leaders, the program will continue to develop to its full potential. So please visit [womeninlotteryleadership.com](http://womeninlotteryleadership.com) to learn more and get involved. ■