



NEW REPORT: Female leadership increases companies' performance and reduces gender inequality which remains high around the world

A new report to be published on [IZA World of Labor](http://www.iza.org) today looks at the reasons for the persistence of wage and leadership gender gaps and their causes and consequences. It emphasizes the beneficial role of female leaders in reducing gender inequality.

Gender wage gaps and women's underrepresentation in leadership positions exist at remarkably similar magnitudes across countries at all levels of income per capita. In a new IZA World of Labor report the economist Mario Macis of Johns Hopkins University, USA summarizes recent research which shows that although women in many developed countries have reached parity with men in terms of formal educational attainment and employment, earning disparities between the genders are actually greater in richer countries. More specifically, women's earnings are 80% of men's in countries with GDP per capita below \$10,000, 82% in countries with GDP per capita between \$10,000 and \$30,000, and 76% in countries with GDP per capita above \$30,000. It seems economic development does not automatically close all gender gaps.

Women also remain underrepresented in leadership positions in institutions and organizations. Women only hold around 20% of parliamentary seats worldwide and a survey of 100,000 private firms in 126 countries found only 29% of top managers to be women. Research on the causes and consequences of gender gaps in leadership positions in organizations has grown in recent years. Studies found a positive correlation between female leadership and firm performance, so this disparity reflects an inefficient allocation of talent, with negative consequences for growth. Moreover, interactions between female leaders and other women in firms were shown to contribute to greater gender equality and to have a positive effect on female promotion in the lower ranks.

Policy interventions aimed at reducing gender disparities in education and labor market participation are important particularly in developing countries. But further policy action is needed as factors such as education, occupation, and industry explain only part of the gender gaps. Macis, an associate professor at the Carey Business School of Johns Hopkins, shows that other factors are at play, including gender differences in psychological traits, socio-cultural norms and dynamics and discrimination.

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Notes for editors:

IZA World of Labor (<http://wol.iza.org>) is a global, freely available online resource that provides policy makers, academics, journalists, and researchers, with clear, concise and evidence-based knowledge on labor economics issues worldwide.

The site offers relevant and succinct information on topics including diversity, migration, minimum wage, youth unemployment, employment protection, development, education, gender balance, labor mobility and flexibility among others.

Established in 1998, the Institute of Labor Economics (www.iza.org) is an independent economic research institute focused on the analysis of global labour markets. Based in Bonn, it operates an international network of about 1,300 economists and researchers spanning more than 45 countries.