

The impact of women's representation on performance in project-based and non-project-based organisations



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KEYWORDS

- Women's representation
- Organisational performance
- Resource-based view

Article highlight:

Studies have suggested that the 'collective intelligence' of a team is strongly correlated with the proportion of women in the team, making the team more effective. A study of US Fortune 500 companies found a correlation between women in senior management and high profitability. Firms that were most progressive in promoting women to high-level roles outperformed other organisations, with higher overall profits of 34%.

What does the paper cover?

This paper presents pioneering insights into the impact of women's representation on organisational performance in project-based organisations (PBOs). The results help refine the positive findings of past research and identify the moderating effect of industry type on the benefits of women's representation on organisational performance.

Methodology:

The main objective of this study was to investigate whether the relationship between women's representation and organisational performance varies across industries. This was done by using a sample of 932 Australian organisations and a time-lagged research design to test whether the positive effects of women in management on organisational performance would be stronger in PBOs than in non-PBOs.

Research findings:

The findings provide pioneering evidence for the positive effects of more women in management on the operational performance (EBITDA) in PBOs. These results support organisational contingency theory and the authors' argument that PBOs are best positioned to capitalise on the benefits of increased representation of women because of the greater value in creativity and innovation achieved through mixed teams.

Conclusions:

Having more women managers in PBOs can lead to improved organisation outcomes and deliver a better competitive advantage. Women project managers bring high levels of skills and qualifications, multiple perspectives and diverse market insights. Due to the unique project based operational structure and team-based working environment in PBOs women's management styles can also have a positive impact on decision-making for improved performance outcomes.

Significance of the research:

The study offers important implications for organisational competitiveness and performance. For continued strong competitive and economic performance, PBOs need to consider how they increase their innovative capacity and address the occupational gender imbalances at the industry and organisational levels, to take advantage of the diversity benefits.

Comments from the authors:

This research aimed to address an over-arching research question of why female under-representation in PBOs is so much higher than in other industries. Findings indicate that due to their unique structure, PBOs are well-positioned to improve and maximise any gender equality benefits. Their work-life initiatives do help improve the representation of women that in turn can improve organisational outcomes. In general, more women are needed in the top management teams to improve the position of women within the organisations.

While gender-based HR initiatives currently employed by organisations lack effectiveness due to a lack of consideration for different treatment and identity-conscious strategies in the selection and implementation of formal HR initiatives, this could be better addressed. Utilising different treatment for different people in different situations with consideration of 'when and where' to enact effective equality and diversity practices in PBOs requires active leadership attention, in addition to the currently well-practiced traditional equal treatment for all.

Complete article

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Glossary:

EBITDA:

Earnings before interest, tax, depreciation and amortization (EBITDA) is a measure of a company's operating performance. It's a way to evaluate a company's performance without having to factor in financing decisions, accounting decisions or tax environments.



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