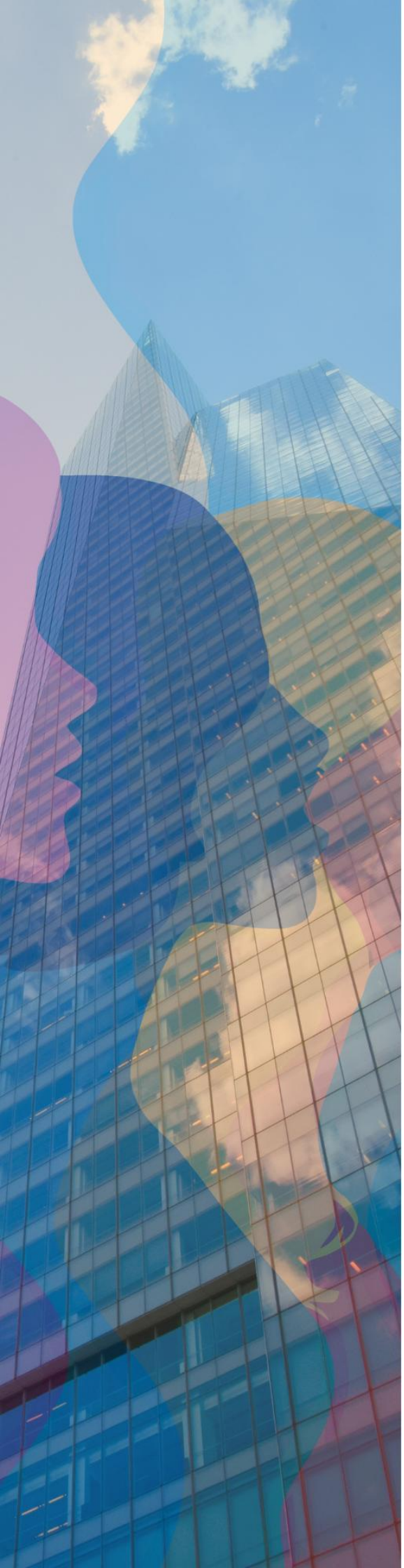

exane asset management

INVESTIGATING THE LINK BETWEEN WOMEN IN LEADERSHIP ROLES AND FINANCIAL PERFORMANCE

2026

Keywords: executive committee diversity, corporate financial performance

1. Context

The feminization of leadership bodies (particularly executive committees) is attracting growing interest in both research and public debate. Several studies [1] [2] have examined the impact of female representation in corporate governance on organizational outcomes, particularly financial performance. Much of this literature is based on the assumption that women and men may, on average, exhibit distinct behaviors, attitudes and experiences that are likely to influence collective decision-making. From this perspective, increasing the proportion of women in leadership bodies (through the concept of critical mass) could change the dynamics of companies the quality of corporate oversight and, ultimately, corporate performance [3].

Several theoretical frameworks explain why gender diversity on executive committees could influence economic performance. Resource dependence theory reminds us that the management team provides strategic resources – skills, institutional legitimacy, external networks – that are essential to the company [4]. In this context, the presence of women on the executive committee can diversify these resources by introducing professional experiences and perspectives that differ from those of the predominantly male profile. Similarly, social network theory emphasizes that greater diversity of profiles within a decision-making group broadens access to information and limits groupthink [5]. In concrete terms, it is often argued that complementary leadership [6] styles between women and men improve the decision-making process.

In support of this vision, a McKinsey study [7] showed that certain managerial behaviors more common among women have a positive effect on company performance, and that 'ultimately, complementary and diverse leadership styles make the difference' in overall results. These approaches converge on the idea that gender-diverse executive committees could be characterized by better governance, more rigorous decision-making and, consequently, better economic performance.

However, empirical literature does not allow for a clear conclusion. The results observed are mixed, with some studies highlighting a positive relationship between the feminization of management bodies and financial performance [8], while others find no significant effect, or even negative effects [9]. This heterogeneity of results can be explained by several factors. On the one hand, studies use different performance indicators, whether accounting measures (ROA, ROE) or stock market measures (share returns, EPS), which are likely to capture different dimensions of performance. On the other hand, the effects of gender diversity seem to be highly dependent on the institutional and cultural context, including the level of gender equality in society, corporate governance mechanisms, and the degree of shareholder protection [10].

In this contrasting context, our research focuses on SBF 120 companies in order to empirically analyze the link between the gender composition of the executive committee and economic performance. This choice responds to a twofold need: on the one hand, the French context – marked by the Copé-Zimmermann law (2011) on gender parity on boards of directors and the Rixain law (2021) on management teams – offers an original terrain for studying these effects; on the other hand, few academic studies have specifically focused on the role of the executive committee in performance dynamics, especially in France. The objective of our work is therefore to provide new empirical results in this field. The main hypothesis tested is that, all other things

being equal, a favorable change in the proportion of women on the executive committee is linked in part to an improvement in the company's economic performance.

2. Data and methodology

Our initial sample is therefore the set of companies comprising the SBF 120. In order to obtain as holistic a view as possible, we cover the period from 2015 to 2024. For each year, we retrieved the composition of the SBF 120 on the last working day and collected a number of variables.

To test our hypothesis, we used three different types of variables:

2.1 Dependant variables

These variables represent the effect we wish to observe. Thus, to measure the economic performance of companies, we used benchmark indicators: return on assets (ROA) and return on equity (ROE). In order to reduce the sector's influence on ROE and ROA, we use these variables adjusted for the sector average of these variables.

2.2 Independent variables

In order to test our hypothesis, we use independent variables, which represent the supposed cause. In this sense, we use the percentage of women on the executive committee (WOC %). In this study, we divided our WOC% variable into two sub-variables: WOC1%, which is the percentage of women on the executive committee if the percentage of the company in question is >= 30%, otherwise 0. And WOC2%, which is the percentage of women on the executive committee if the percentage of the company in question is < 30%, 0 otherwise. This allows us to determine the hypothesis that a subgroup has an influence based on a certain representation and to determine whether this influence is positive or not. We use the definition of the executive committee as the entity responsible for long-term strategy, as provided by Bloomberg.

We also use a dummy variable indicating whether or not the company's CEO is a woman.

2.3 Control variables

In order to best isolate the effect of the feminization of executive committees on companies' economic performance, we incorporate a set of financial and governance control variables into our model, which are also likely to influence companies' performance. The inclusion of these variables limits omission bias and strengthens the robustness of the empirical results.

On the economic side, we use several indicators that are commonly used in literature. First, we use the sales-to-total-assets ratio, which is a measure of operational efficiency and asset utilization intensity. Better asset turnover is generally associated with superior economic performance. Second, we include the debt-to-equity ratio, which provides insight into the company's leverage. The level of debt can have an ambivalent effect on performance: while it can promote managerial discipline and optimize the financial structure, excessive debt is likely to increase financial risk and weigh on economic results.

We also include the logarithm of market capitalization, used as a proxy for company size. Numerous studies show that size can influence economic performance, particularly due to economies of scale, better access to financial markets, and increased investment and innovation capabilities. The use of the logarithm also limits the effect of extreme values and captures a potentially non-linear relationship between size and performance.

With regard to governance variables, we first control the size of the executive committee, measured by the total number of people sitting on it. The literature on governance suggests that the size of governing bodies can have a non-linear effect on performance. While a larger committee may initially enrich the diversity of skills and expertise, excessive size can lead to coordination, communication and decision-making problems, which can reduce the committee's effectiveness and, ultimately, the company's performance.

We also include a measure of the CEO's seniority. This variable allows us to take into account the CEO's experience and appetite for change. On average, younger CEOs may be more inclined to adopt innovative strategies or support organizational transformations, while older executives may bring beneficial experience and stability to governance. However, the effect of the CEO's age on economic performance remains ambiguous, which justifies its inclusion as a control variable.

Finally, we also include a variable measuring the percentage of women on the board of directors in order to measure the links between the feminization of different governing bodies and determine their respective contributions.

2.4 Methodology

In order to test our hypothesis, we use an Ordinary Least Squares (OLS) for explanatory purposes, which allows us to identify conditional correlations between the feminization of executive committees and the economic performance of companies. We thus perform two pure regressions for each of the two different indicators (ROA & ROE) used to measure the economic performance of companies. We do not include an annual fixed effect in our model for several reasons:

1. Each regression is estimated over a single year.
2. There is no temporal variation within the regression.

Our approach is therefore similar to a cross-sectional regression by year:

- $ROA_t = WOC1_t^T \beta_{1,t} + WOC2_t^T \beta_{1,t} + Controls_t^T \beta_{2,t} + \varepsilon_t$
- $ROE_t = WOC1_t^T \beta_{1,t} + WOC2_t^T \beta_{1,t} + Controls_t^T \beta_{2,t} + \varepsilon_t$

Then we average the β coefficients across all years:

- $\bar{\beta} = \frac{1}{T} \sum_{t=1}^{T} \beta_t$

All data used comes from Bloomberg. If a single piece of data is missing for a company, we remove that company from the sample for the year in question.

3. Empirical results

3.1 Univariate analysis

Tables 1 and 2 present descriptive statistics for the samples and variables used in our analysis:

Year	Sample size
2015	98
2016	105
2017	108
2018	109
2019	100
2020	101
2021	102
2022	104
2023	97
2024	104

Table 1 Number of companies included per year

Year	Average % of women on the executive committee	Average number of women on the executive committee	Average size of the executive committee
2015	13,9	1,3	8,6
2016	13,7	1,4	9,7
2017	15,6	1,8	11,2
2018	18,0	2,4	13,2
2019	20,4	3,2	15,3
2020	21,8	3,6	15,8
2021	23,1	3,9	16,7
2022	23,9	4,4	17,9
2023	25,2	4,9	18,7
2024	26,1	4,9	18,3

Table 2: Average percentage of women, average number of women and average size of the executive committee per year

Over the past decade, the average percentage of women on executive committees among SBF 120 firms in France has nearly doubled, with the number of female executives quadrupling and committee sizes also doubling. This growth can be linked to the implementation of the Rixain law as an exogenous shock in a difference-in-differences design: companies furthest from the legal threshold in 2021 had to increase the proportion of women in their governing bodies more rapidly. This growth reflects however improved access to promotion for women, not merely an increase in committee size, as more female directors are steadily added. The rise in gender diversity provides enough variation to study its connection to corporate performance. These findings have several implications that reinforce the methodology used:

- The sharp increase in the proportion of women over the period provides sufficient temporal variation to empirically identify its link with economic performance.

- The increase in the size of executive committees reinforces the relevance of explicitly controlling for this variable, while suggesting that the potential effects of feminization are not mechanically linked to an increase in the number of directors.

3.2 Multivariate analysis

	ROA	ROE	WOB (%)	WOC1 (%)	WOC2 (%)	CEOWoman (dummy)	Sales/Assets	Log(Market Cap)	Liabilities/ equity	Executive Committee size	CEO Tenure
ROA	1,00										
ROE	0,75	1,00									
WOB (%)	-0,01	0,04	1,00								
WOC1 (%)	0,00	0,03	0,18	1,00							
WOC2 (%)	-0,01	-0,04	-0,01	-0,59	1,00						
CEOWoman (dummy)	-0,05	0,00	0,09	0,18	-0,04	1,00					
Sales/Assets	0,12	0,11	-0,07	-0,13	-0,03	-0,12	1,00				
Log(Market Cap)	0,17	0,14	0,02	0,00	0,04	-0,14	-0,21	1,00			
Liabilities/equity	-0,22	-0,03	-0,02	-0,02	0,04	-0,01	-0,22	0,10	1,00		
Executive Committee size	-0,01	-0,01	0,04	-0,03	0,14	-0,02	-0,05	0,28	0,26	1,00	
CEO Tenure	0,06	0,03	0,06	-0,09	0,02	-0,18	0,06	0,18	-0,04	0,06	1,00

Table 3: Bivariate correlation between the variables used

We first examine the correlations between the variables used in the model in order to detect any potential multicollinearity issues. Table 3 presents the results. As a general rule, the correlation between independent variables should not exceed 0.8. Firstly, the economic performance variables show positive correlations, particularly between ROA and ROE (0.76), which is to be expected given that these indicators are based on dimensions closely related to profitability. However, these variables are not used simultaneously as dependent variables in the same model, which limits the risk of problematic collinearity.

With regard to the main explanatory variable, measured by the proportion of women on the executive committee (WOC %), the correlation coefficients with the performance indicators are low and close to zero. This absence of significant bivariate correlation suggests that any relationship subsequently observed in the regressions will not result from a simple direct linear association, but potentially from conditional or indirect effects captured after controlling for other explanatory variables.

The other control variables show moderate correlations. In particular, company capitalization is positively correlated with executive committee size (0.28), reflecting the fact that larger companies have larger and more diverse executive committees. Nevertheless, these correlations remain moderate in intensity and do not suggest the existence of excessive collinearity.

Finally, other governance variables such as the CEO's seniority and whether the CEO is a woman show weak correlations with the other explanatory variables and with performance indicators, indicating that they capture distinct dimensions of corporate governance. There is also a negative correlation (-0.18) between the CEO's seniority and whether or not the CEO is a woman. Women seem, on average, to have less seniority, which may reflect more recent career trajectories. This confirms the justification for controlling for seniority in our model.

Ultimately, the overall correlation structure does not suggest any multicollinearity issues, confirming the relevance of a multivariate regression framework for further studying the relationship between gender diversity among executives and company performance.

The results of the cross-sectional regressions are presented in Tables 4 and 5:

Coefficient	ROE		
	Average 2015-2024	Average 2015-2019	Average 2020-2024
Constant	-0,02	-0,01	-0,03
WOB (%)	-0,03	-0,04	-0,02
WOC1 (%)	0,05	-0,04	0,13
WOC2 (%)	0,01	-0,04	0,05
CEOWoman (dummy)	0,19	0,11	0,28
Sales/Assets	0,16	0,14	0,18
Log(Market Cap)	0,20	0,17	0,23
Liabilities/equity	0,01	-0,01	0,04
Executive Committee size	-0,06	-0,06	-0,06
CEO Tenure	0,00	0,01	-0,01

Table 4: Average coefficients from annual regressions explaining ROE

Coefficient	ROA		
	Average 2015-2024	Average 2015-2019	Average 2020-2024
Constant	0,00	0,00	0,00
WOB (%)	-0,01	-0,03	0,01
WOC1 (%)	0,04	-0,02	0,09
WOC2 (%)	0,02	0,00	0,04
CEOWoman (dummy)	0,00	0,04	-0,03
Sales/Assets	0,12	0,08	0,16
Log(Market Cap)	0,22	0,17	0,26
Liabilities/equity	-0,21	-0,33	-0,09
Executive Committee size	-0,01	0,02	-0,03
CEO Tenure	0,01	0,00	0,02

Table 5: Average coefficients from annual regressions explaining ROA

Tables 4 and 5 present the average coefficients from annual regressions explaining ROE and ROA respectively over the period 2015–2024, as well as over two distinct sub-periods (2015–2019 and 2020–2024). This approach allows us to understand the temporal stability and evolution of the sign and intensity of the relationships between our different variables.

Several results are worth noting:

1. **Feminization of executive committees and performance: A moderate but positive impact from the feminisation of executive committees**

The central variable of the study, the proportion of women on the board of directors (WOC1 % and WOC2 %), shows a slightly positive coefficient over the entire period for both ROE and ROA. However, this effect is negative in the 2015–2019 sub-period before becoming much more pronounced in both cases in the recent 2020–2024 period. Moreover, the WOC1 variable shows more solid results than WOC 2. This may suggest that a threshold of 30% women on the executive

committee is the threshold at which women have real influence as a group, and that this influence is positive. It is important to note here that we are talking about correlation, not causation.

It can be interpreted in light of critical mass theory, according to which diversity only has positive effects on decision-making and performance once a certain threshold of representation has been reached. Before this threshold is reached, the presence of women may remain marginal or symbolic (tokenism), limiting their real influence on strategic decisions.

Furthermore, the post-2020 economic context, characterized by increased uncertainty and major exogenous shocks, could reinforce the value of cognitive diversity and more inclusive leadership styles within executive teams, thereby contributing to better financial performance.

2. **The value of female leadership**

One of the most robust findings of the study concerns the presence of a woman at the head of the company. The variable indicating the presence of a female CEO is nearly systematically positively associated with the company's economic performance.

This result can be explained by several non-exclusive mechanisms. On the one hand, it may reflect a selection effect: women who become CEOs are likely to be particularly qualified or appointed to companies that are already performing well and are well governed. On the other hand, it may reflect differences in leadership styles, particularly in terms of risk management, communication and team mobilization, which may be particularly valued in complex economic environments.

However, in accordance with the required methodological caution, this result should be interpreted as a conditional association and not as proof of a causal effect of the gender of the leader on performance.

3. **Role of control variables: Traditional determinants confirmed as key performance drivers**

Traditional financial variables, such as operational efficiency and company size, appear to be the main determinants of financial performance, with positive and stable coefficients across all periods. These results are consistent with the corporate finance literature and reinforce the credibility of the estimates.

Conversely, certain organizational variables, such as the size of the executive committee or the seniority of its members, have negative or weak effects, suggesting that these variables have no real impact on company performance.

4. Discussions

4.1 Implications

This study analyzed the influence of women in executive positions on the financial performance of French companies listed on the SBF120 index during the period 2015-2024. More specifically,

the analysis focused on both the percentage of women in executive positions and the impact of having a woman as Chief Executive Officer.

From an academic perspective, this work brings an innovative and more holistic approach to the study of gender diversity in corporate governance. Unlike most existing publications, which tend to focus exclusively on the representation of women in relation to an economic or financial variable, this study incorporates both governance and economic variables into the analysis and assesses their respective impacts. This dual approach, specific to roles and gender, offers a richer understanding of how gender diversity works within governance structures.

For companies, these results provide actionable insights for designing their management structures. The analysis carried out on our sample in relation to ROA and ROE levels did not reveal any gender-related independent variable that significantly determined an increase in economic performance. This leads us to reject our hypothesis suggesting that female representation, in general terms, has not yet reached a sufficiently high level in listed companies to influence economic performance. However, it is very interesting to note that the correlation results become more refined over time and nearly as significant as economic variables for the 2020-2024 period. These results are consistent with critical mass theory, which suggests that a minority group within an organization must reach a critical threshold in order to bring about change.

However, the presence of a woman in the position of CEO appears to be much more strongly correlated with economic performance. Nevertheless, the low proportion of female CEOs in the SBF 120 means that this variable is based on few observations and therefore has limited statistical power. Furthermore, neither the seniority of the CEO nor the size of the executive committee has a significant impact on results. This suggests that companies should consider improving gender diversity and leadership skills, particularly in management positions outside the board of directors, which appear to be more directly linked to economic performance.

4.2 Methodological limitations

Despite its contributions, this study has certain limitations. One of the main constraints is the geographical and temporal scope of the analysis. The sample is limited to companies listed on the SBF 120 between 2015 and 2024, which may reduce the generalizability of the results to other national or regional contexts. Furthermore, differences in regulatory frameworks, corporate governance cultures and gender diversity policies across countries may lead to different results. Future studies could broaden the geographical coverage to include cross-country comparative analyses, particularly within the European Union, where diversity policies vary in terms of scope and application. Another limitation relates to the indicators used to measure economic performance, namely ROA and ROE. Although these are well-established measures for investors, they do not take into account operational efficiency, nor do they reflect financial results such as PE or EPS.

Furthermore, this study adopted a primarily quantitative approach, leaving aside qualitative dimensions such as organizational culture. Indeed, we do not take into account the positions held by women on the executive committee, but it is plausible to think that the impact of female directors on economic and financial performance could vary depending on their positions. Future research could explore how gender diversity within different committees affects the impact of women's representation on company performance.

Thirdly, we do not take into account the career paths and backgrounds of female directors in our study. It is reasonable to assume that experienced women who have held several senior positions in listed companies would have a greater impact on company performance than younger women.

Finally, it could also be interesting to examine other corporate configurations that could legitimise women's contribution, in addition to the presence of a woman at the head of the company, such as the operating characteristics of the executive committee, the duality of CEO/chairperson, the degree of gender diversity in management positions at different hierarchical levels, or other elements of corporate culture such as work-life balance policies.

5. Appendices

Standard error	ROE		
	Average 2015-2024	Average 2015-2019	Average 2020-2024
Constant	0,10	0,10	0,10
WOB (%)	0,10	0,11	0,10
WOC1 (%)	0,13	0,12	0,15
WOC2 (%)	0,13	0,12	0,14
CEOWoman (dummy)	0,41	0,51	0,32
Sales/Assets	0,11	0,11	0,10
Log(Market Cap)	0,11	0,11	0,11
Liabilities/equity	0,11	0,11	0,10
Executive Committee size	0,11	0,11	0,11
CEO Tenure	0,10	0,11	0,10

Table 6: Average standard error from annual regressions explaining ROE

Standard error	ROA		
	Average 2015-2024	Average 2015-2019	Average 2020-2024
Constant	0,10	0,10	0,10
WOB (%)	0,10	0,10	0,10
WOC1 (%)	0,13	0,12	0,15
WOC2 (%)	0,13	0,11	0,14
CEOWoman (dummy)	0,41	0,49	0,33
Sales/Assets	0,10	0,10	0,11
Log(Market Cap)	0,11	0,11	0,11
Liabilities/equity	0,11	0,11	0,10
Executive Committee size	0,11	0,11	0,11
CEO Tenure	0,10	0,10	0,11

Table 7: Average standard error from annual regressions explaining ROA

t-statistic	ROE		
	Average 2015-2024	Average 2015-2019	Average 2020-2024
Constant	-0,20	-0,07	-0,32
WOB (%)	-0,28	-0,41	-0,15
WOC1 (%)	0,32	-0,35	0,98
WOC2 (%)	0,03	-0,33	0,38
CEOWoman (dummy)	0,58	0,27	0,90
Sales/Assets	1,54	1,32	1,76
Log(Market Cap)	1,86	1,57	2,16
Liabilities/equity	0,15	-0,08	0,38
Executive Committee size	-0,58	-0,57	-0,58
CEO Tenure	0,04	0,13	-0,05

Table 8: Average t-statistic from annual regressions explaining ROE

t-statistic	ROA		
	Average 2015-2024	Average 2015-2019	Average 2020-2024
Constant	0,00	-0,03	0,02
WOB (%)	-0,09	-0,31	0,13
WOC1 (%)	0,23	-0,20	0,65
WOC2 (%)	0,15	0,02	0,27
CEOWoman (dummy)	0,02	0,10	-0,06
Sales/Assets	1,11	0,75	1,47
Log(Market Cap)	2,04	1,61	2,46
Liabilities/equity	-1,96	-3,03	-0,89
Executive Committee size	-0,06	0,15	-0,28
CEO Tenure	0,13	0,00	0,27

Table 9: Average t-statistic from annual regressions explaining ROA

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