

# Leadership Excellence and Gender in Organizations

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## The business case for women leaders: Meta-analysis, research critique, and path forward

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Since the 1990s, a growing body of research has sought to quantify the relationship between women's representation in leadership positions and organizational financial performance. Commonly known as the "business case" for women's leadership, the idea is that having more women leaders is good for business. Through meta-analysis ( $k = 78$ ,  $n = 117,639$  organizations) of the direct effects of women's representation in leadership (as CEOs, on top management teams, and on boards of directors) on financial performance, and tests that proxy theoretical arguments for moderated relationships, we call attention to equivocal findings. Our results suggest women's leadership may impact firm performance in general, and sales performance in particular. And women's leadership—overall, and specifically the presence of a female CEO—is more likely to positively relate to firms' financial performance in more gender egalitarian cultures. Yet taking our findings as a whole, we argue that commonly used methods of testing the business case for women leaders may limit our ability as scholars to understand the value that women bring to leadership positions. We do not advocate that the business case be abandoned altogether but rather improved and refined. We name exemplary research studies to show how different perspectives on gender, alternative conceptualizations of value, and the specification of underlying mechanisms linking leadership to performance can generate changes in both the dominant ontology and epistemology underlying this body of research.