

McKinsey
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Diversity Matters Even More

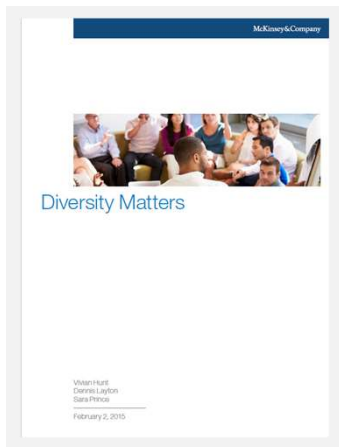
Continental Europe

March 2024

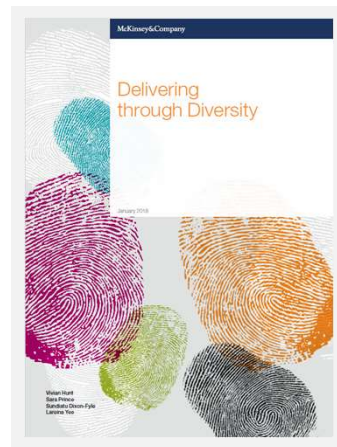


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Diversity Matters Even More is the fourth in a McKinsey series investigating the business case for diversity



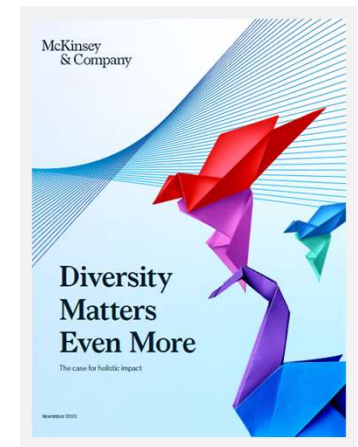
**Diversity matters
(2015)**



**Delivering through
diversity
(2018)**



**Diversity wins
(2020)**

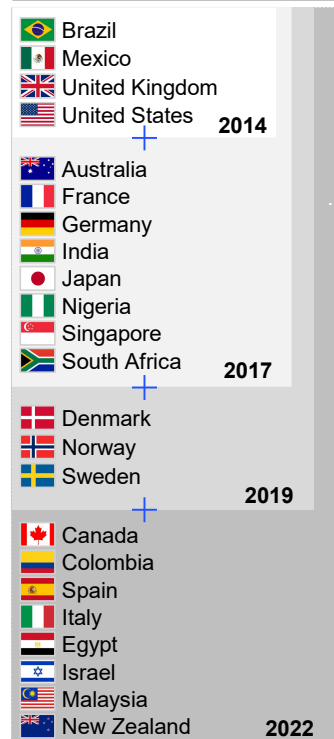


**Diversity Matters
Even More
(2023)**

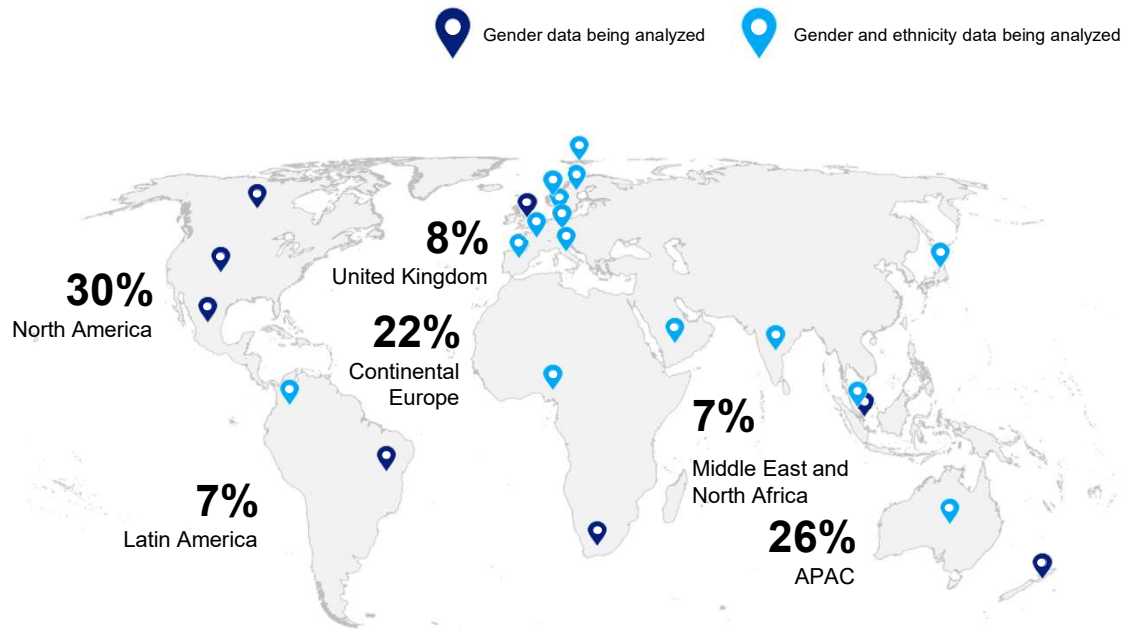
We continue to grow our global lens, this year encompassing 23 countries (including a new region) and 1,200+ companies¹

Distribution of sample by country and industry group (n = 1,265), %

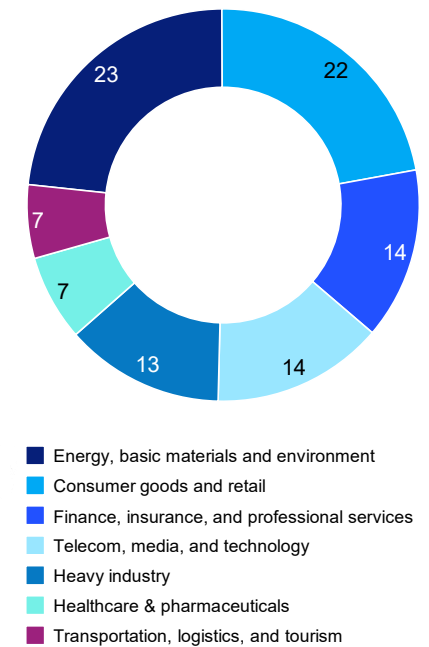
Countries



Global footprint, % company representation



Industries, %



1. When looking at ethnic diversity, we only compare data from countries with a consistent definition of ethnic and cultural diversity, and where our data is reliable. Therefore, we have a much more limited dataset for ethnic diversity. Our analysis of ethnic diversity includes Brazil, Canada, Mexico, New Zealand, Singapore, South Africa, United Kingdom, United States. Equitable ethnic representation is calculated based on diverse representation in each country's population. Note: The boundaries and names shown on maps do not imply official endorsement or acceptance by McKinsey & Company. Source: Diversity Matters Even More dataset – for more information on the collection and/or analysis of data in this report, see our Methodology on page 47-49

The business case for gender diversity remains strong and has expanded

Likelihood of financial outperformance¹ by gender in leadership teams, %

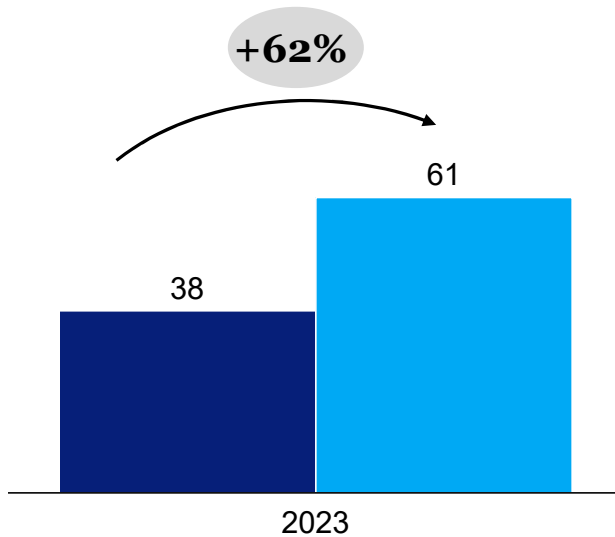


■ Quartile 4 ■ Quartile 1

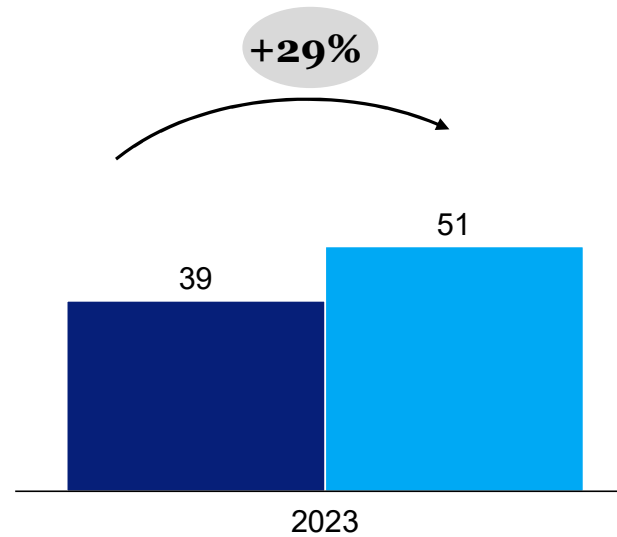
+x%

Likelihood of financial outperformance¹ by gender in leadership teams, %

Executives²



Board²



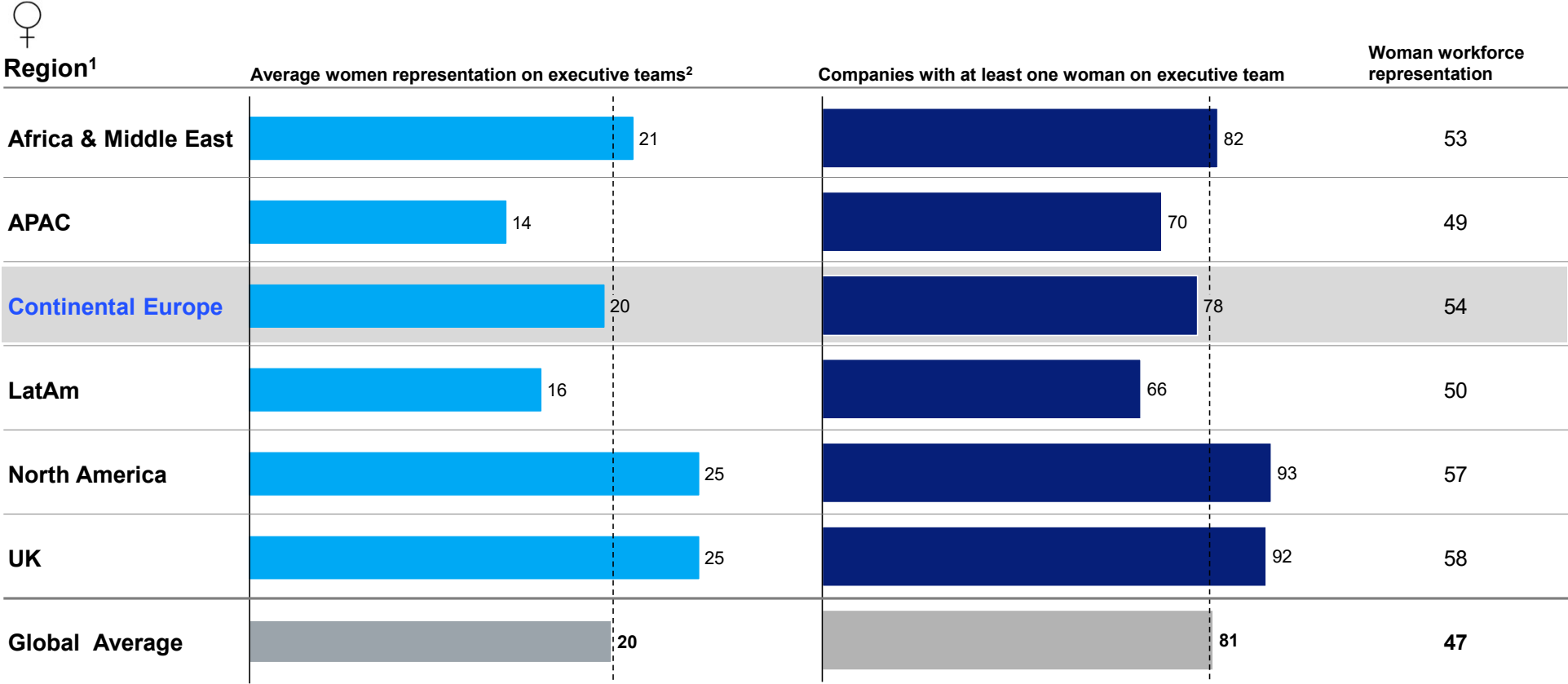
The business case for gender diversity in **executive teams** has been consistently strong over the past 6 years. We can now also **demonstrate a statistically significant business case for gender diversity in boards** as well.

1. Likelihood of financial outperformance vs the national industry median. P < 0.05.

2. N = 270 for women executives, N = 269 for women board members; European companies with gender data available in 2022; EBIT 2017-2021

Women in Continental Europe continue to be underrepresented at executive levels, with representation below parity

Average women representation on executive teams by region



1. n = 1,265; 2022. Respective weighted averages by country population size.

2. World Bank, 2022. Regional percentage is calculated as average of women workforce participation rate of countries included in dataset, weighted by the number of companies represented per country.

However, Continental Europe is leading women's representation on boards, with rates above the global average

Average women representation on executive teams by region

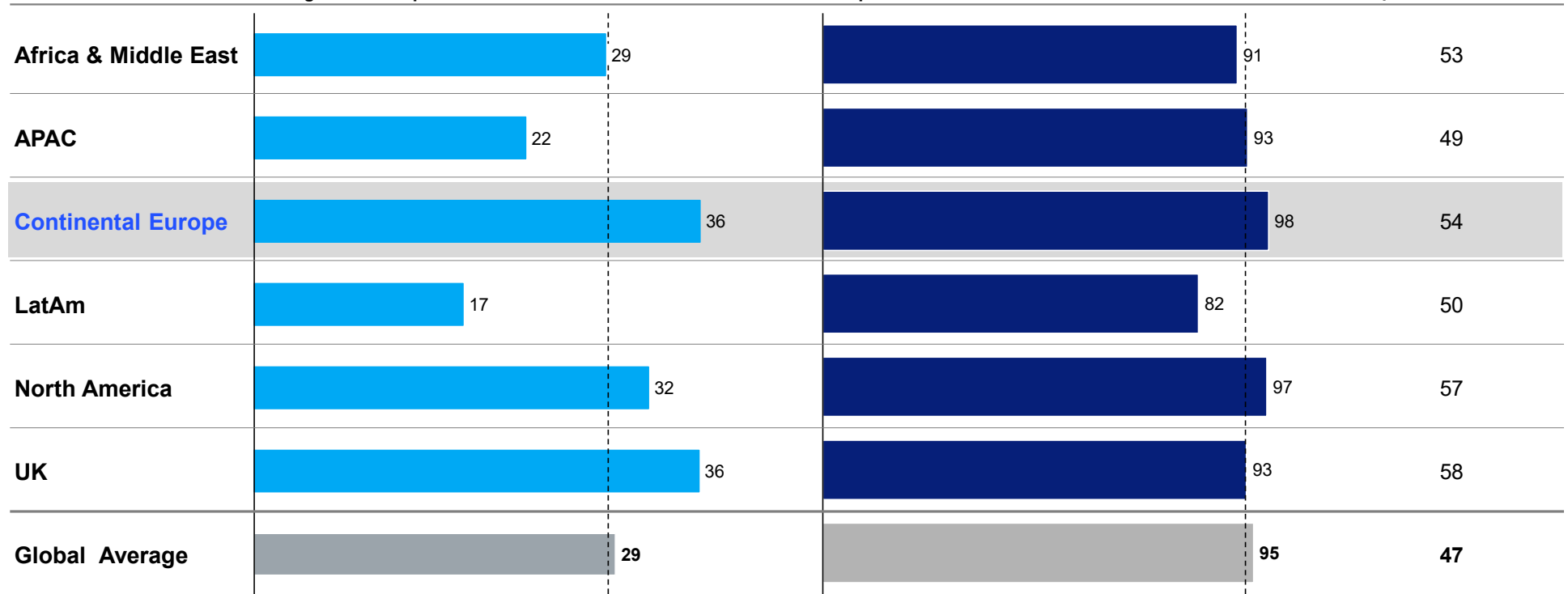


Region¹

Average women representation on executive teams²

Companies with at least one woman on executive team

Women workforce representation



1. n = 1,246; 2022. Respective weighted averages by country population size.

2. World Bank, 2022. Regional percentage is calculated as average of women workforce participation rate of countries included in dataset, weighted by the number of companies represented per country.

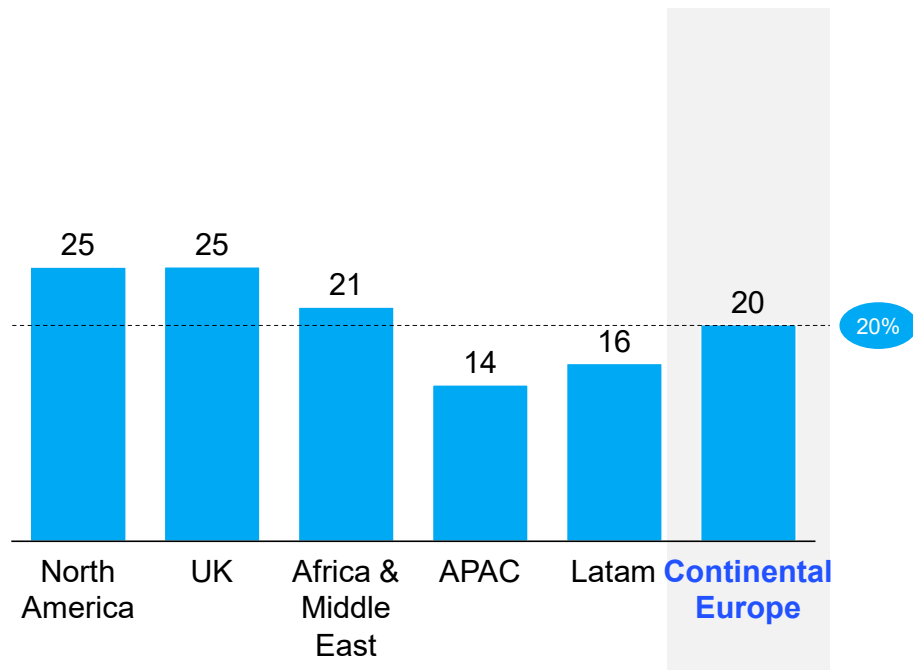
Europe leads in women's representation in board roles above the global average

Average women representation in 2023 leadership teams, %

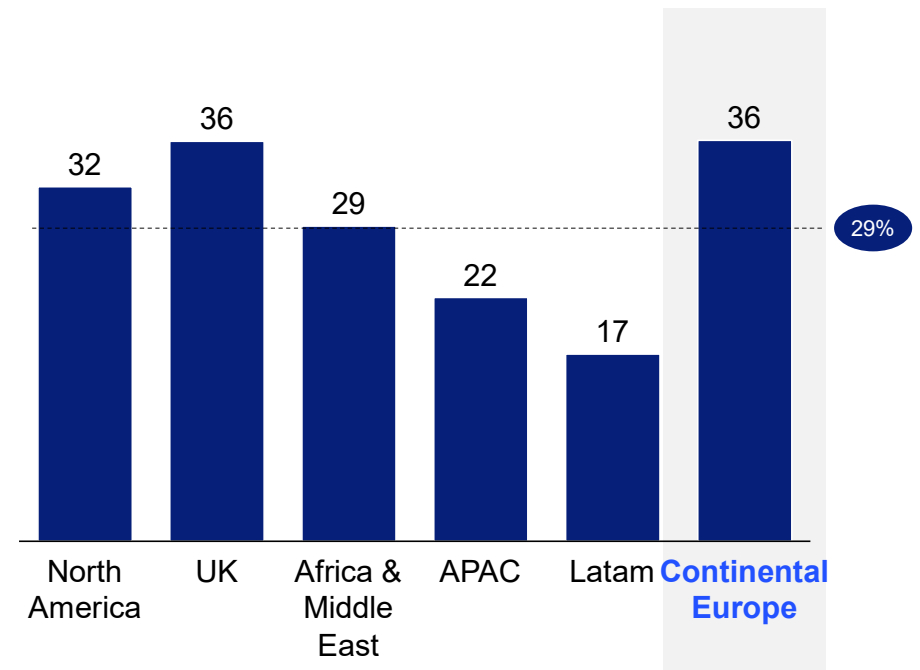


Average across all regions

Executive teams



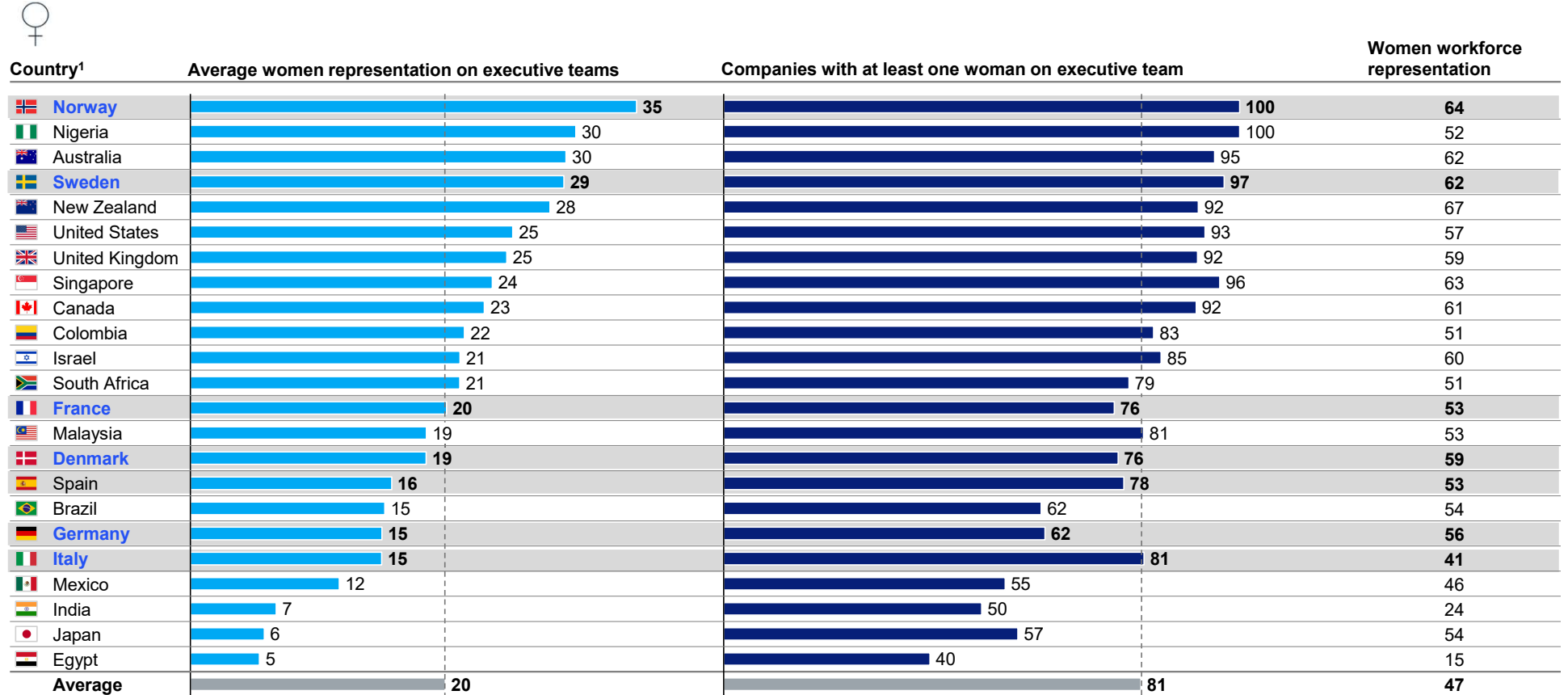
Boards



1. N = 1,265, gender representation data for 2022

Norway and Sweden are leaders in gender diversity, with other European nations close to global average

Average women representation by country (executive teams), %



1. n = 1,265; 2022. Countries with less than 50 companies sampled include: Australia, Brazil, Colombia, Denmark, Egypt, Israel, Italy, Mexico, New Zealand, Nigeria, Norway, Singapore, South Africa, Spain, and Sweden. Respective weighted averages by country population size.

Source: Diversity Matters Even More data set; World Bank (labor force participation rate, September 2022)

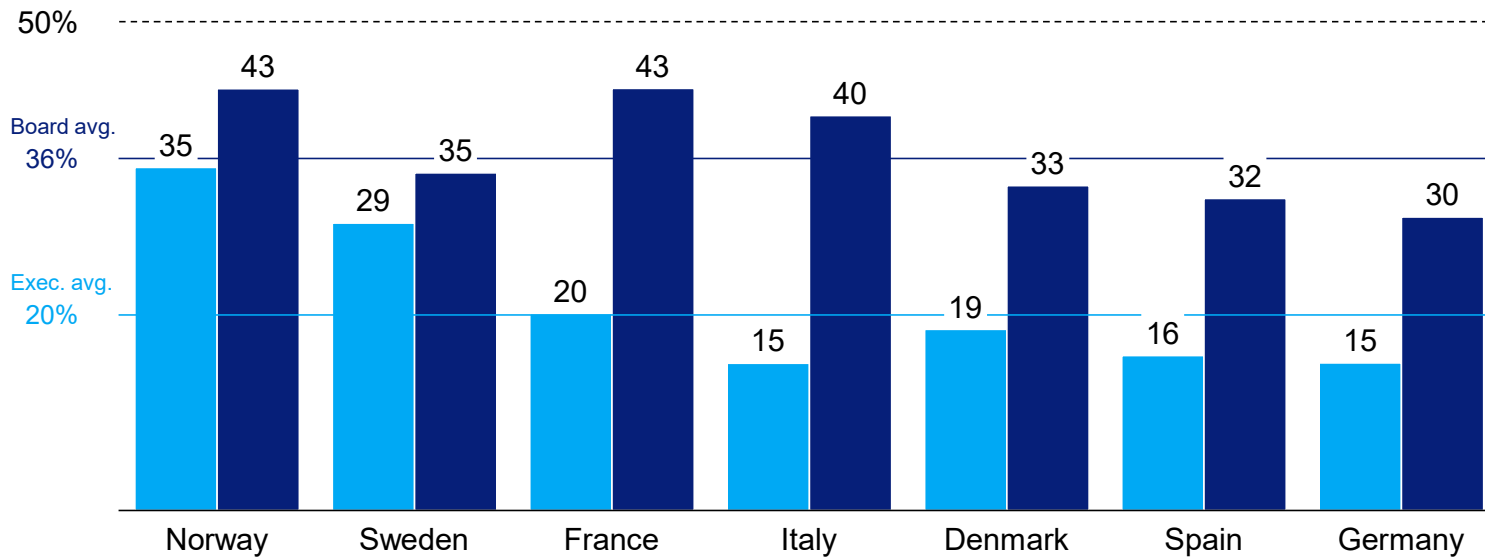
Norway leads continental Europe in women's representation on both boards and executive teams

Average representation in 2023 leadership teams, %



Gender¹

— Gender parity ■ Executive Teams ■ Boards



There is a **wide gap** in women's representation on executive teams versus boards in Continental Europe, with **multiple countries having 2x more representation in boards** than in executive teams

1. N = 270 (Germany - 61, Denmark - 17, Spain - 46, France - 72, Italy - 26, Norway - 16, Sweden - 32), 2022.

While countries in continental Europe exceed the global average in women's board representation, representation has declined slightly

Average representation on leadership teams, %

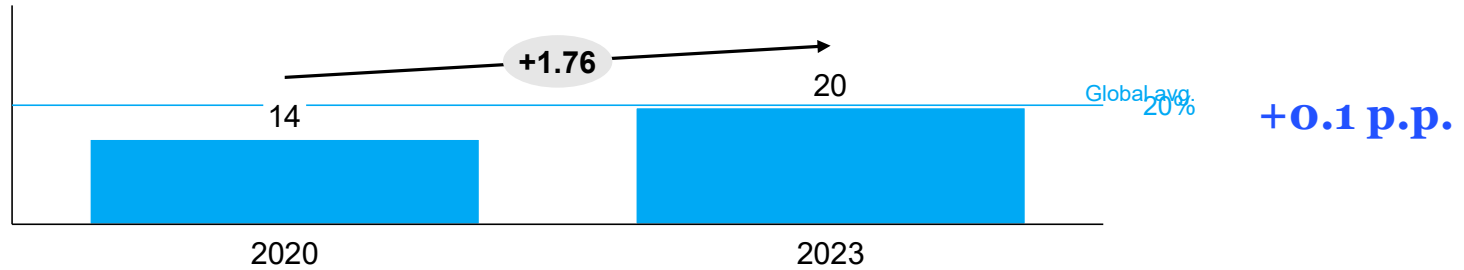


Average annual change, Europe, % points

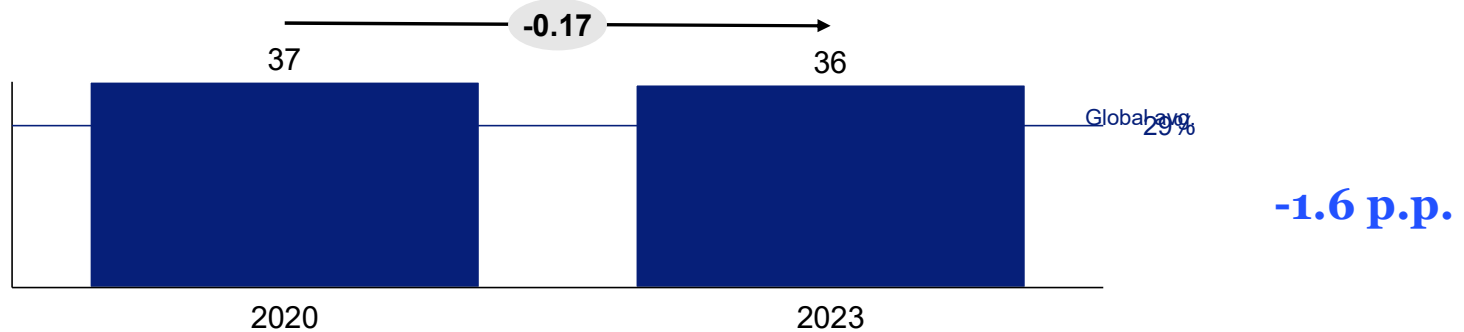
Annual change difference from global, % points¹

Gender²

Executive



Board



1. Global average calculated by weighting every country equally, e.g., taking the average of every country's average
 2. Executive: N = 270 for Continental Europe, N = 1,265 for Global. Board: N = 269 for Continental Europe, N = 1,246 for Global.
 Source: Diversity Matters Even More data set

Executive team women's representation is growing faster in Germany than global averages

Average representation on leadership teams, %

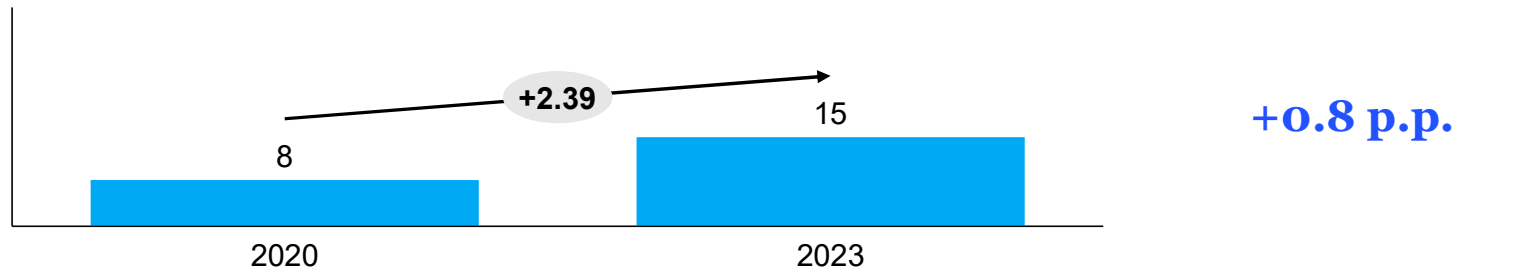


Gender²

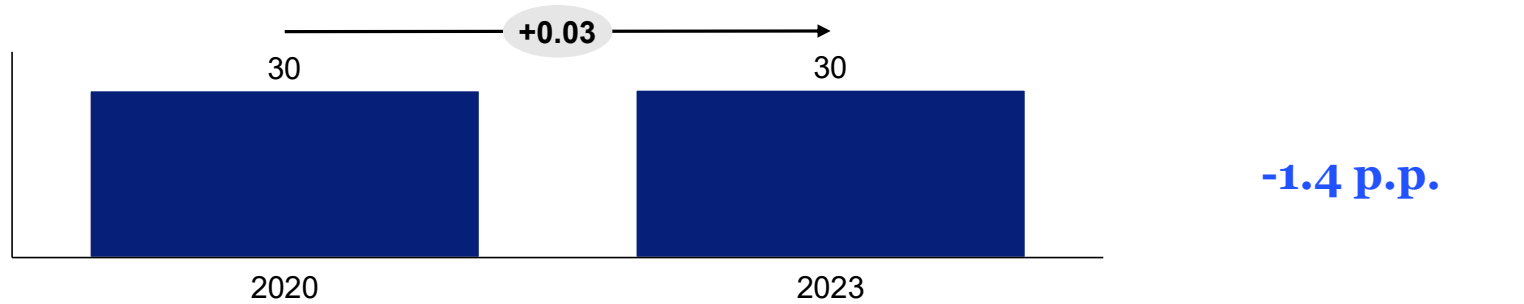
Average annual change, Germany, % points

Annual change difference from global, % points¹

Executive



Board






1. Global average calculated by weighting every country equally. ie. Taking the average of every country's average

2. Germany gender representation data from 2019 and 2022: N = 61

Source: Diversity Matters Even More data set

Companies were evaluated along 4 dimensions – Diversity, Leadership, Belonging, and Impact

1 Systematic, business-led approach to I&D	Diverse representation in leadership and critical roles	<ul style="list-style-type: none">• Diversity of race, gender, ability, sexual orientation• Ensure a robust business-driven case for I&D• Data-driven targets for representation	
	Leadership and accountability on delivering I&D goals	<ul style="list-style-type: none">• Strengthen leadership accountability• Inclusive leaders empowering minorities• Responsibility beyond HR functions• No favoritism, minimum bias in decision making	
2 Bold steps to create holistic impact	Creation of belonging, openness, and equal opportunity	<ul style="list-style-type: none">• Fair promotions and advancement• Merit-based opportunities• Unconscious bias, discrimination, bullying and harassment	
	Holistic impact both in and outside of company walls	<ul style="list-style-type: none">• Engaging with the community• Reducing environmental harm• Creating a positive workplace for employees, suppliers, and stakeholders	