

Family-Friendly Workplaces Are Good For Business

by Joseph F. Keefe, President & CEO, Pax World Management LLC

Family-friendly workplaces have a lot going for them, including basic decency and fairness, advancing the rights of women, and promoting the health and well-being of children, just to name a few major benefits. But they also offer measurable advantages when it comes to advancing businesses themselves and the business sector as a whole.

A Competitive Advantage

Although family-friendly workplaces by definition are more accommodating to parents, they are particularly important for women who too often are confronted with a stark choice between caring for their children, supporting their family economically, and advancing their careers.

The most basic thing that family-friendly workplaces do for any business is to put that business in a better position to attract women employees, to retain them, to support them, and to advance them—and in particular to advance them into the upper echelons of management. And when companies do that, when they build gender diverse management teams and gender diverse boards, something very interesting happens—the *companies actually perform better*.

The research on the benefits of gender diverse leadership is beyond compelling—it is overwhelming.¹ When women are advanced in business—and particularly when women are represented in greater numbers on corporate boards and in senior management—companies benefit.

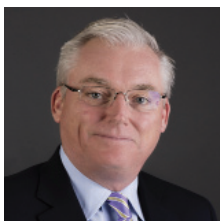
Advancing women and promoting gender diversity and equality in the workplace isn't simply a matter of *more* women in senior management, or *more* women on the board, even though each of these is important; it is also a question of the right policies, the right benefits, the best way to

KEY TAKEAWAYS

- Family-friendly workplaces offer measurable advantages when it comes to advancing businesses themselves and the business sector as a whole.
- The most basic thing that family-friendly workplaces do for any business is to put that business in a better position to attract, retain, support and advance women employees.
- Being a good corporate citizen and a profitable, successful business are inextricably linked.

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¹ Visit Pax Ellevest's Gender Research page for a list of studies on the relationship between gender diversity and corporate performance: <http://www.paxellevest.com/resources/gender-research>



Joseph F. Keefe is President and CEO of Pax World Management LLC and Pax Ellevest Management LLC. An advocate for investing in women, Joe has written and spoken widely on the critical role that gender diversity plays in long-term business success. Under Joe's leadership, Pax Ellevest Management launched the Pax Ellevest Global Women's Index Fund, the first mutual fund to invest in companies that invest in women. He is Co-Chair of the Leadership Group for the Women's Empowerment Principles, a joint program of the United Nations Global Compact and UN Women, and was honored at the United Nations with the Women's Empowerment Principles Leadership Award in 2014. In 2012, Joe was recognized by Women's eNews as one of "21 Leaders for the 21st Century," and in 2015 the Financial Times named him one of its 10 "top feminist men," for helping "women succeed in business and beyond."

treat human beings and to nurture human capital. And here, gender diverse leadership delivers results once again because where women are better represented in senior leadership, companies are more likely to adopt family-friendly work policies in the first place.²

Results In Action

At Pax World we adopted family-friendly policies because we saw the research and followed how well family-friendly companies performed in the marketplace, and I'm pleased to report that our experience aligns with the research. Simply put, family-friendly policies work.

Pax World offers a family and medical leave policy that includes 12 weeks paid leave for new parents, which applies to maternity, paternity, adoption and foster care placement. The leave may be taken any time during the child's first year of life (or adoption, or foster placement) and may be taken intermittently so that our employee, and their spouse, can organize their time off in a way that maximizes their time with their child.

Here's an interesting fact: We are a small company (49 employees) with roughly equal numbers of male and female employees and over the past several years, 22 employees have used our parental leave policy upon the birth or adoption of a child—17 men and 5 women. This is significant because some research suggests that a stigma attaches to a man using parental leave, thereby disincenting men from using family leave, and this in turn has a chilling effect that disincent women from using parental leave. It is critically important that fathers as well as mothers avail themselves of this leave. And I am very pleased to report that this has been the case at our company.

One father has taken the full leave four different times, each time one of his four children were born. He's an incredibly valuable employee. He's our head of IT. And he hasn't missed a beat. He's a better employee every day. And he's not only enormously productive, but enormously loyal and enormously motivated—and the fact that we have supported him, and his wife and his family, is something that he has cited specifically as among the reasons he loves working for Pax World. Four times he has taken this leave, and four times the company, in addition to he and his family, has benefited from it. I can tell you that it works.

About a year ago, I gathered together employees who had used our parental and medical leave, to ask about their experiences, and whether there was anything we could do to improve the program or the experience. *It makes us more loyal*, they said. *It makes us more productive. It makes us a better team. It makes for stronger morale. It's why we love working here. We know it requires support at the top and we appreciate how much the company cares about our families.* I was blown away by their feedback. It literally gives me goose bumps to recall that meeting.

Happier employees. More productive employees. Higher morale. Increased productivity. Increased profitability. I can tell you from the data and the research we look at every day in order to identify companies for our investment portfolios, but I can also tell you from what we have

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² Marcus Noland, Tyler Moran, and Barbara Kotschwar, "Is Gender Diversity Profitable? Evidence from a Global Survey," Peterson Institute, February 2016.

learned ourselves in managing our own company, and trying to practice what we preach, that being a good corporate citizen and a profitable, successful business are inextricably linked.

Healthier Businesses

Being a good corporate citizen, of course, isn't the only key to business success. Many other factors obviously come into play. There are reasons why businesses can fail as well as succeed. I am not naïve. Family-friendly workplaces and good corporate citizenship may not be a sufficient condition, but they are a *necessary* condition.

Because if you offer a good product or service, in a healthy, growing industry, where you are competitive, you will eventually fall behind your peers if you do not understand the central role of human capital, and, conversely, you will gain a competitive advantage if everyone in your business is treated with dignity, if you make accommodations for employees and their families, if you attract and promote and advance women so that your company derives the business advantages that come from diverse leadership.

The research is clear, and my company's experience is clear: A family-friendly business is a healthy business, pure and simple.

Pax World Management LLC

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Pax World Investments

Pax World Investments
30 Penhallow Street, Suite 400
Portsmouth, NH 03801
800.372.7827
info@paxworld.com
www.paxworld.com

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