

Higher-Rated Companies Have More Women at the Top, Says Moody's

The agency found a correlation between the number of women on corporate boards and the respective rating.

By

[Olivia Konotey-Ahulu](#)

March 2, 2023 at 4:41 AM MST

[Listen to this article](#)

1:07

[@OliviaGKA](#)

Tracking the forces driving change

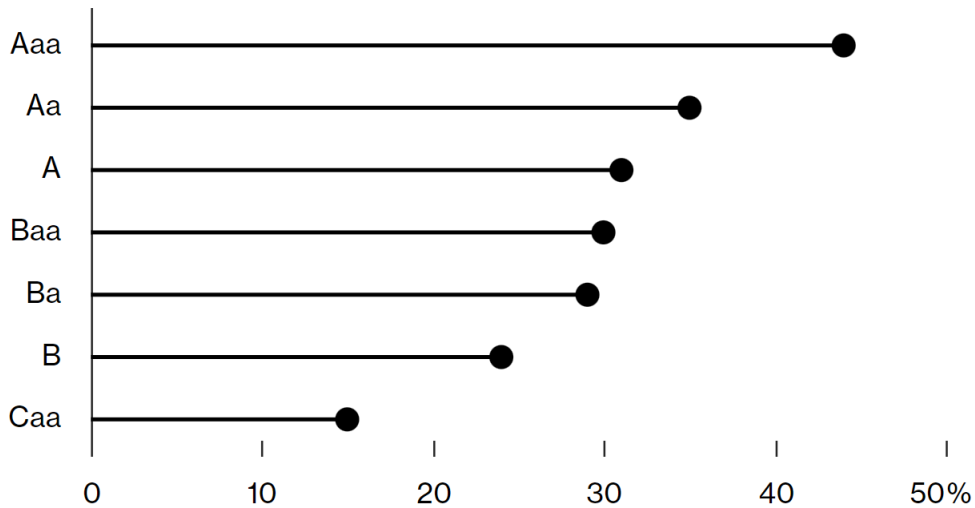
Companies that have more women at board level tend to have higher credit worthiness, according to new findings by Moody's Investors Service.

Having more gender-balanced leadership typically leads to better corporate governance, which in turn supports credit quality, the ratings agency said in a global gender report published on Wednesday. The correlation however varies between different regions, Moody's said.

In North America, for example, where the link is strongest, women made up 44% of the the boards of the highest-rated companies, compared with 15% for those which are rated Caa. But the representation of women at the highest level of companies varies hugely across the world, ranging from an average of 33% in Europe to 18% in the Middle East and Africa.

Companies With More Women At Top Have Higher Credit Ratings

Average % of women on boards by rating category in North American companies



Source: Moody's Investors Service

Government mandates, pressure from large institutional investors and disclosure requirements have been key in areas with most progress, the report said. The European Union, for instance, pushed to improve gender equality at the top of businesses, with the European Parliament last year approving rules which mean at least 40% of non-executive director posts must be held by women at large, listed companies by 2026.