

# ISSUE BRIEF

## Women in the C-Suite: Progress Remains Slow

Summer 2019



*Suffragists who joined the Congressional Union for Woman Suffrage procession on May 9, 1914 as they gathered on the steps of the U.S. Capitol singing Ethel Smyth's, "The Woman's March".*

One hundred and seventy one years ago this July, the first women's rights conference in the United States was held in Seneca Falls, New York. The conference (which also covered religious rights and had a strong abolitionist bent) launched the women's suffrage movement in the United States. It took another 70 years before the movement led to voting rights for women.

So perhaps it should come as no surprise that gender equality remains a struggle even 99 years after the passage of the 19<sup>th</sup> Amendment. By

necessity, gender equality is still at the forefront of public debate. The #MeToo, #TimesUp, Women's March, and United Nations-led HeForShe movements have all played integral roles in energizing the global call for action against gender-based discrimination. Case in point: Gender

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**"They let you dream just to watch 'em shatter  
You're just a step on the boss-man's ladder"**

*– Working 9 to 5, Dolly Parton*

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Equality is one of the seventeen United Nations' Sustainable Development Goals, adopted by all 193 of its Member States in 2015. Progress toward equality may include closing the wage gap, ending gender-related violence and sexual harassment, and ensuring women's full participation in the economy and in leadership positions. This Issue Brief will shed light on women in leadership, particularly in senior management roles.

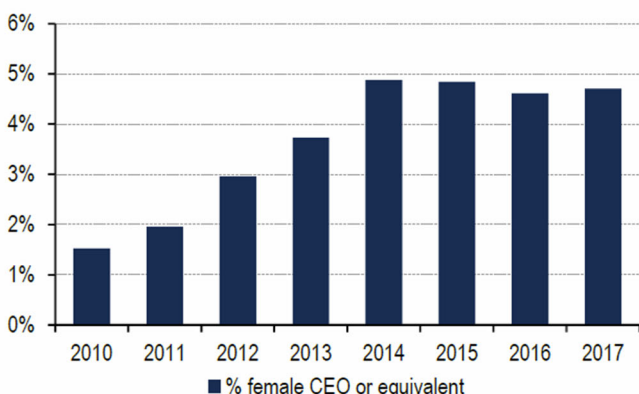
For the past decade, the focus of the gender equality movement in corporate America has been on diversifying the boards of public companies. The movement has been backed by a growing body of academic research showing the long-term benefits of diverse leadership at both the board and senior management team levels.<sup>1,2</sup> It is no longer just the *right* thing to do, but rather the more profitable and risk averse thing to do. This helps explain the steady rise in the number of and support for board diversity resolutions filed over past proxy seasons.<sup>3</sup> In addition, there has also been direct work from advocacy groups like the Thirty Percent Coalition. Formed in 2011, the Thirty Percent Coalition has helped place women on the boards of 180

**Women represent over  
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companies, many of them being women of color. The coalition members represent over \$3.5 trillion in assets.<sup>4</sup> Gradually, gender diversity of boards is increasing, albeit at a sluggish pace. Women now hold about 22% of board seats at S&P 500 companies.<sup>5</sup> That number was 15% in 2011 when the Thirty Percent Coalition was founded.

The second leg of the gender equality race in corporate America is focusing on the diversity of senior management teams, which may more directly influence the culture and day-to-day operations of a company. The charts below illustrate how daunting this task will be:

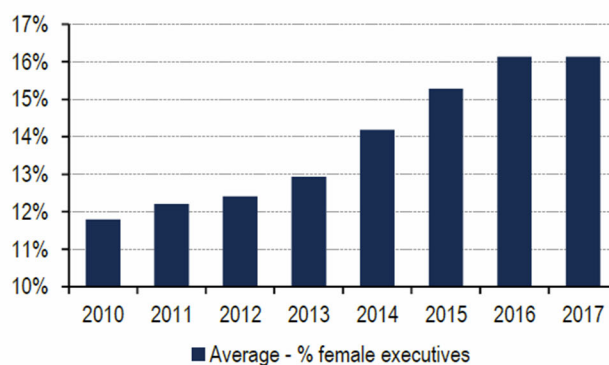
**Chart 21: % of S&P 500 companies with female CEO or equivalent**



Note: based on current constituents of the S&P 500. 2017 is latest year if available or else prior year if not yet available.

Source: Bloomberg, BofA Merrill Lynch US Equity & US Quant Strategy

**Chart 22: Proportion of executives who are female – average for S&P 500 companies**



Note: based on current constituents of the S&P 500. 2017 is latest year if available or else prior year if not yet available.

Source: Bloomberg, BofA Merrill Lynch US Equity & US Quant Strategy

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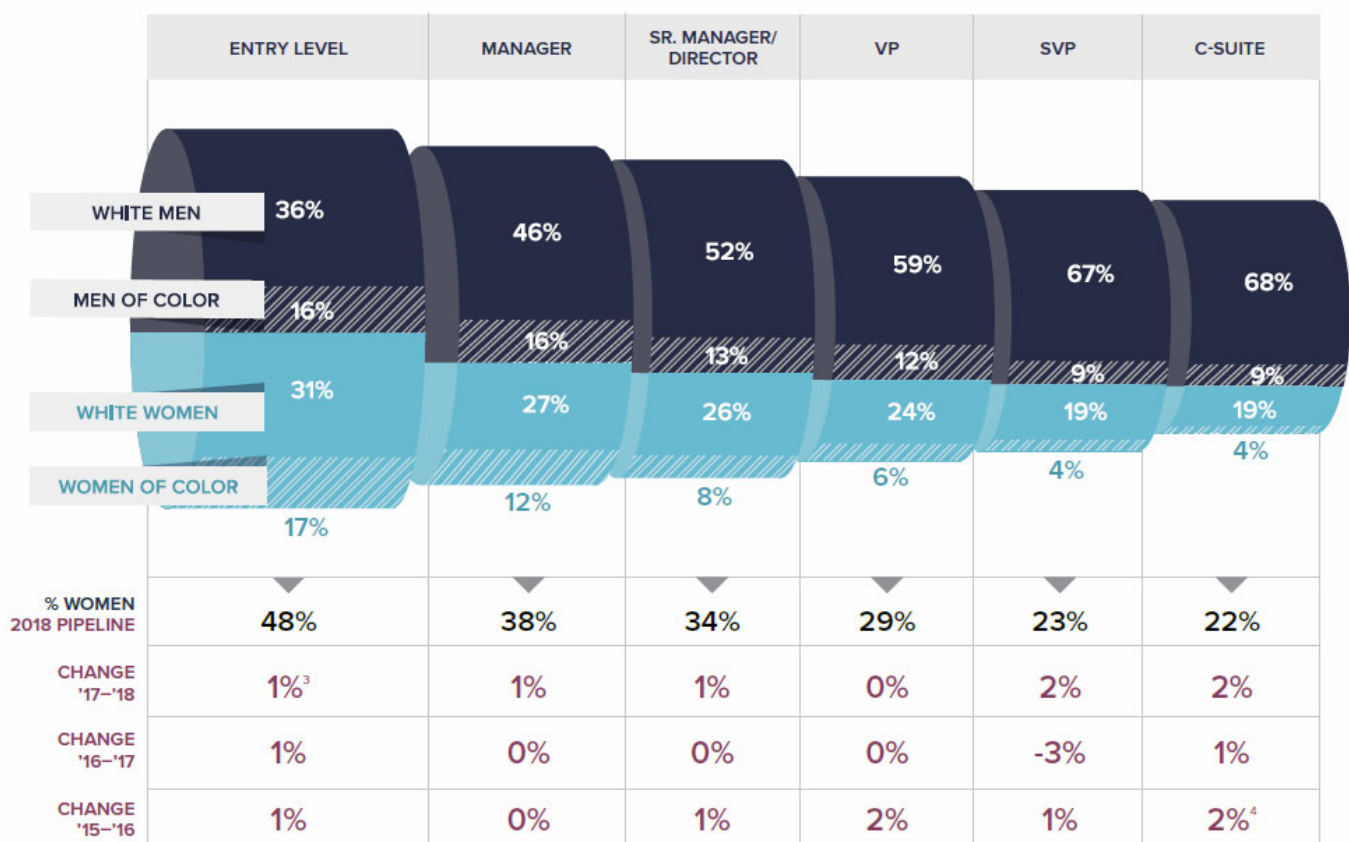
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Given that women represent over 50% of American society<sup>6</sup> and control 85% of consumer purchases,<sup>7</sup> the paltry numbers of women in corporate management are shocking: less than 5% of S&P 500 companies had a woman CEO in 2017, and women

hold just over 16% of S&P 500 executive roles. If the business case for gender equality is there, what is the hold up? According to McKinsey & Company's "Women in the Workplace 2018" study, the problem starts with the corporate pipeline.<sup>8</sup>

### REPRESENTATION IN THE CORPORATE PIPELINE BY GENDER AND RACE

% OF EMPLOYEES BY LEVEL IN 2018<sup>2</sup>



Graphic and data source: McKinsey & Company's "Women in the Workplace 2018". 1 In this study, women of color include Black, Latina, Asian, American Indian or Alaskan Native, Native Hawaiian, Pacific Islander, or mixed-race women. However, due to small sample sizes, reported findings on individual racial/ethnic groups are restricted to Black women, Latinas, and Asian women. 2 Due to rounding, representation by race and gender may sum to 101 percent or 99 percent within some levels. 3 This represents percentage point change. 4 The small numbers at the executive level, combined with this study's methodology, which takes the average of companies, means that findings at the executive level are more sensitive to individual company variation.

This chart shows how closing the gap will require massive improvements in the recruitment and promotion of women. If companies are increasingly leaving women out at each level, gender parity in the

near future will not be possible. The silver lining is that some companies have led by example and have shown that gender equality is attainable. Even small changes can yield results. This is good, because for



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now, small changes still seem to be the norm. Although an increasing number of companies are touting diversity initiatives, less than half are setting measurable targets and even fewer are holding leaders accountable for performance on these metrics.<sup>8</sup> This is perhaps the most decisive path to achieving gender equality. Below are other gender equality actions companies can take:

- Prove the business case to those, especially in management, who still haven't bought in
- Require unconscious bias training for employees responsible for hiring
- Track representation by gender, race, etc.
- Set diversity targets for the hiring and promoting of employees
- Share metrics both internally and externally

- Hold senior leaders accountable for progress; consider linking bonuses to diversity metrics
- Form focus groups of women to gather feedback and gauge whether employees feel supported

For two centuries, women have demanded equal rights. The onus is now on companies to respond.

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**"To be someone, to belong  
Too near mile and a half furlong  
Don't give up now  
Just pray for strength now  
For you I dedicate my song"**

– "Black Woman", Judy Mowatt

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The 2017 Washington, D.C. Women's March. Photo by Preston Slaughter.

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### SOURCES

<sup>1</sup>[https://www.mckinsey.com/-/media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity\\_full-report.ashx](https://www.mckinsey.com/-/media/mckinsey/business%20functions/organization/our%20insights/delivering%20through%20diversity/delivering-through-diversity_full-report.ashx)

<sup>2</sup> “The CS Gender 3000: Women in Senior Management.” (2014). Credit Suisse

<sup>3</sup>[https://www.isscorporatesolutions.com/file/documents/2018\\_us\\_es\\_proxy\\_season\\_review.pdf?elqTrackId=ab69ab9577004254b0cb8ac91db448b](https://www.isscorporatesolutions.com/file/documents/2018_us_es_proxy_season_review.pdf?elqTrackId=ab69ab9577004254b0cb8ac91db448b)

<sup>4</sup><https://www.30percentcoalition.org/#>

<sup>5</sup>[https://www.bofaml.com/content/dam/boamlimages/documents/articles/ID18\\_0710/esg\\_women\\_the\\_xfactor\\_report.pdf](https://www.bofaml.com/content/dam/boamlimages/documents/articles/ID18_0710/esg_women_the_xfactor_report.pdf)

<sup>6</sup><https://www.census.gov/quickfacts/fact/table/US/LFE046217>

<sup>7</sup><https://www.businessinsider.com/infographic-women-control-the-money-in-america-2012-2#ixzz1mtTRYbbl>

<sup>8</sup>[https://womenintheworkplace.com/Women\\_in\\_the\\_Workplace\\_2018.pdf](https://womenintheworkplace.com/Women_in_the_Workplace_2018.pdf)

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