

NARROWING THE *FORTUNE* 100 GENDER LEADERSHIP GAP: CHANGE IS CLOSER THAN YOU THINK

MYTH: The gender leadership gap in corporate America is a hopeless problem—too large and too intractable. We cannot get there from here.

REALITY: The problem is solvable—and progress toward gender parity is closer than you think.

Research suggests that gender diverse leadership, particularly when sustained over time, is beneficial for employees, companies, and society.¹ Despite this evidence, there has been virtually no change in the gender leadership gap in corporate America in recent years. Women continue to hold fewer than 20 percent of board seats and Executive

Officer positions in the largest companies in the United States.² Given this trend, you'd think the problem was carved in stone and the situation impossible to change. However, the simple fact is this: **taking steps toward gender parity in U.S. corporate leadership is easier than you may think.**³

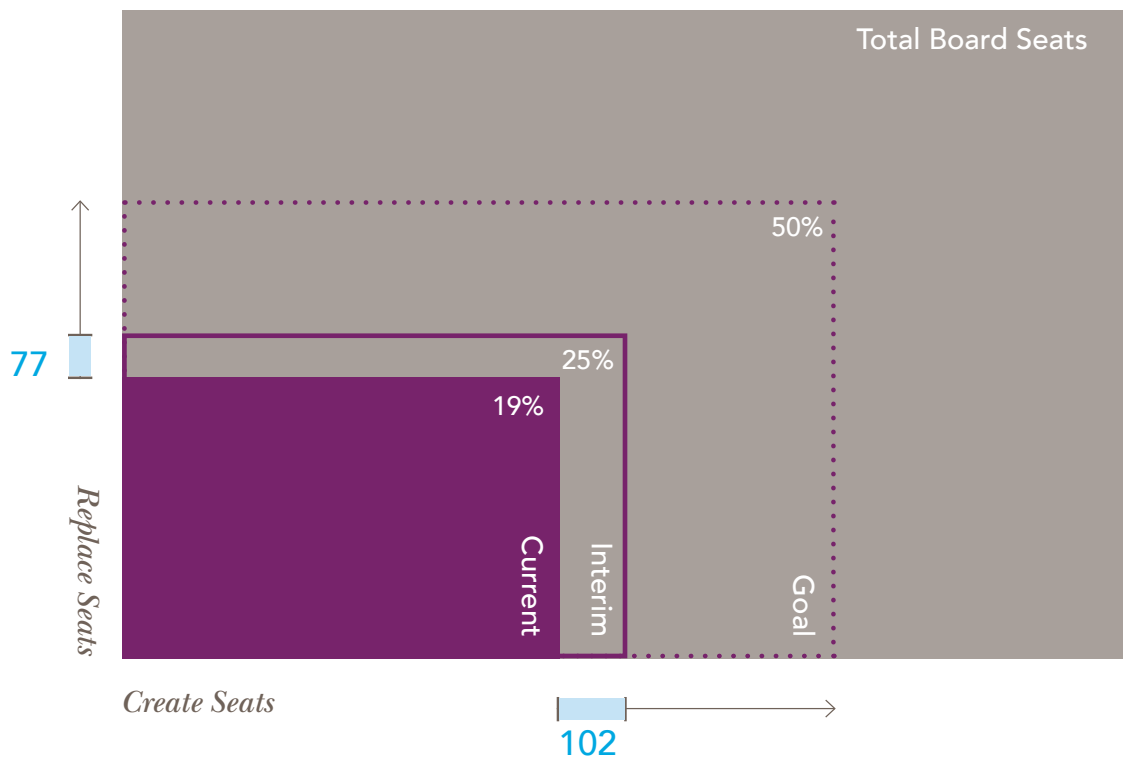
Making Progress Toward Gender Diverse Leadership in the United States

Practically speaking, there are two paths companies can pursue to achieve gender balance in leadership: creating positions or replacing people leaving current positions. To reach an interim goal of 25 percent women in corporate leadership, *Fortune* 100 companies only need about **one woman director or two**

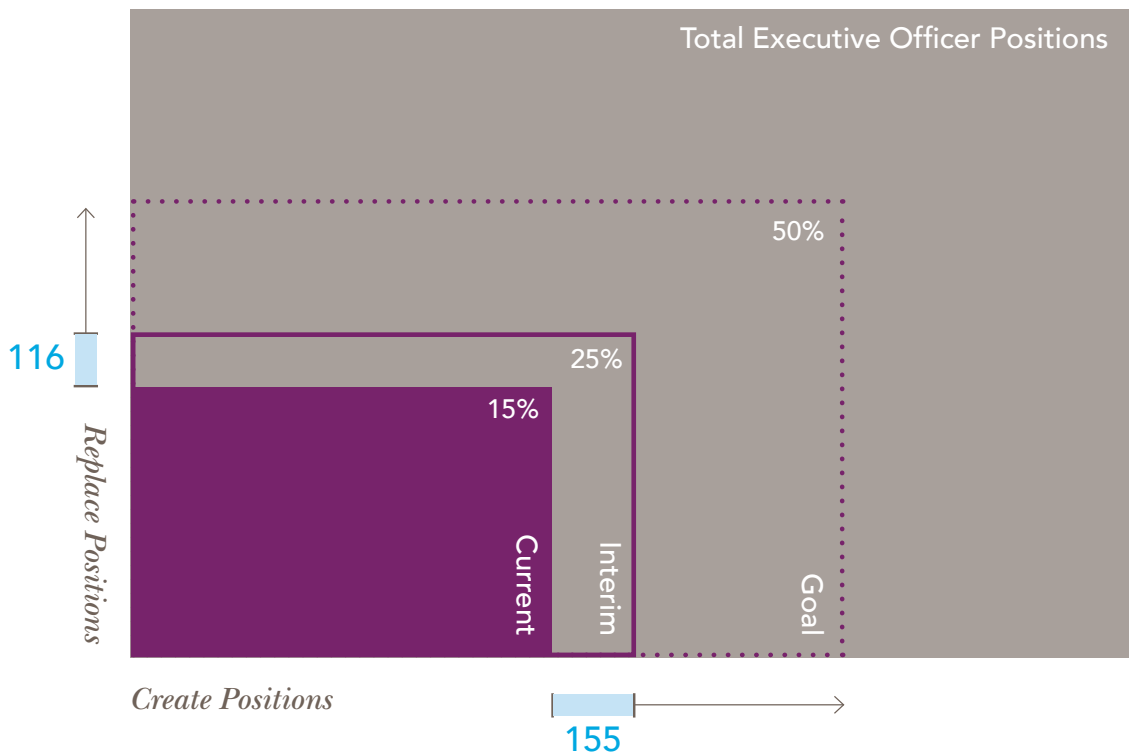
women Executive Officers per company to make headway toward reaching gender parity on boards and at the executive table, regardless of the path.⁴ In reality, companies will likely use a combination of these two approaches, allowing organizations to make faster progress toward gender diverse leadership.

PATHS TO NARROWING THE FORTUNE 100 GENDER LEADERSHIP GAP⁵

2011 FORTUNE 100 BOARD SEATS



2011 FORTUNE 100 EXECUTIVE OFFICERS



The Bottom Line

While boards routinely fill vacated seats, it's not unprecedented for them to expand their size. Boards can create new seats, either temporarily—for example, to onboard a new director before an outgoing director retires, or permanently—to adjust board size because of a merger or to meet business demands. Likewise, companies can handle turnover through replacement and create Executive Officer positions in response to business needs. Regardless of the approach or the reasons behind it, companies need to routinely evaluate whether the sizes of their board and executive

teams are appropriate. Companies should also establish or review executive and board succession-planning processes to ensure that fair and consistent hiring, promotion, and appointment decisions are made.

The bottom line is that **progress toward gender inclusive leadership on boards and executive teams is within reach**. Finding one woman director and two women Executive Officers at each company is achievable. Indeed, it's closer than you think.

The findings, views, and recommendations expressed in Catalyst reports are not prepared by, are not the responsibility of, and do not necessarily reflect the views of the funding organizations.

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- 1 Catalyst, *Why Diversity Matters* (2012); Rachel Soares, Christopher Marquis, and Matthew Lee, *Gender and Corporate Social Responsibility: It's A Matter of Sustainability* (Catalyst, 2011).
 - 2 Catalyst, *Catalyst Quick Take: Women in U.S. Management* (April 2012).
 - 3 For the purposes of this report, Catalyst has chosen 25 percent women as an interim benchmark of progress toward gender parity.
 - 4 Data is derived from *2011 Catalyst Census: Fortune 500 Women Board Directors* and *2011 Catalyst Census: Fortune 500 Women Executive Officers and Top Earners*. Analysis is based on all *Fortune* 100 companies from the list published May 23, 2011. Women filled 225 of 1,205 *Fortune* 100 board seats (18.7%) and held 168 of 1,136 *Fortune* 100 Executive Officer positions (14.8%).
 - 5 The overall counts of board seats/officer positions served as the starting point for the analyses. The "Create" scenario represents the number of seats/positions that would need to be created and filled by women in order to reach the 25 percent interim goal. The starting point for the "Replace" scenario is the number of total board seats/officer positions. We then calculated the number of seats/positions that would need to be vacated by men and subsequently filled by women in order to reach the 25 percent interim goal. The "Replace" scenario requires fewer women to reach the 25 percent interim goal because the total number of seats/positions does not increase from the starting point.