Research Forecasts Board and C-Suite Gender Parity by 2030

Description

According to Breaking Boundaries: Women Poised for Milestone Achievement in Parity Amid Otherwise Bleak Outlook, a new white paper from S&P Global Market Intelligence Quantamental Research, an analysis of 86,000 executives from 7,300 firms over 12 years found that women could reach parity in Russell 3000 senior leadership positions, encompassing the board and C-suite, as early as 2030. So that takes care of the milestone achievement. What about the bleak part? That stems from the fact that most of the progress comes from the increasing number of women taking on roles in the boardroom, with C-suite parity remaining painfully elusive.

Daniel Sandberg, corresponding author, S&P Global Market Intelligence, says that the overall increase in women on boards and in C-suites is notable because of how quickly the increase has occurred: women held 10% of board and C-suite roles in 2010, a number that rose to 22% in 2021.
“What’s really interesting about this is the trajectory of growth over 11 years is exponential, meaning that each year grows faster than the previous year,” says Sandberg, noting that there was one exception – 2020, the year of the COVID lockdown. “If that ‘exponential growth’ trend continues, women will hold 50% of all board and C-suite positions by 2030.”

The movement toward leadership gender parity is a welcome one in what can otherwise seem like a dreary landscape. The report cites other research by S&P Global, the results of which were not as positive. For instance, a recent analysis by S&P Global Sustainable showed that only 4.4% of a survey pool of 5,400 companies had a woman in the role of CEO. Also cited is World Economic Forum’s *Global Gender Gap Report 2022*, which estimates that it will take more than 100 years to achieve gender parity at the current rate of progress. Sandberg also cautions that parity in representation does not exactly mean full equality, noting that “compensation remains unequal.”

There are encouraging signs of progress in the United States, with women holding approximately 22% of all board and C-suite positions in public companies, as of the end of 2021, up from 9.5% in 2010. In 2021, female representation increased by 2.5%, the highest rate on record.

As for reasons why C-suite gender parity could be lagging behind that of the boardroom, Sandberg cites data related to turnover rates, with C-suites turning over once every seven years and board positions doing so every two years. However, he stresses that such a theory has not been empirically tested and that there could be many other explanations, such as the fact that board members and C-suite members are selected by different committees.