Survey Analysis: Women in Supply Chain Survey, 2016

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Gartner's first Women in Supply Chain Survey, conducted with AWESOME, an executive women's leadership group, compares the representation of women in supply chain leadership roles. It also identifies practices that are increasing the engagement with and success of women in supply chain organizations.

Key Findings

- The percentage of women in leadership positions decreases as the corporate ladder rises. Industrial manufacturers have noticeably lower representation than other sectors.

- Fewer than half of respondents report that their companies have goals of attracting, retaining and promoting more women into supply chain leadership roles.

- Supply-chain-specific initiatives are nascent, with many supply chain organizations relying on corporate initiatives to improve representation of women.

Recommendations

- Increase numbers of women at entry levels via stronger recruitment practices. Build integrated pipelines and leadership program infrastructure in the middle to support the all-important jumps from director to VP and from VP to chief supply chain officer (CSCO).

- If there is an institutional goal to advance women in supply chain, upgrade existing talent practices and ensure that the message and impact are received at all levels.

- Set specific goals that articulate a concrete result. To meet the aspirations identified in this research, we need to see more formal goals and targets on management scorecards, supported by corresponding pipeline planning, recruitment and development initiatives within supply chain organizations.

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Survey Objective

This document was revised on 17 May 2016. The document you are viewing is the corrected version. For more information, see the Corrections page on gartner.com.

Gartner surveyed 125 supply chain professionals in 112 unique enterprises about goals and initiatives to improve attraction, development, retention and advancement of women. We also collected baseline data on how many women are in front-line manager, senior manager/director, vice president and executive-level roles within supply chain organizations.

Another goal for this survey was to begin to identify practices that are increasing the engagement with and success of women in supply chain organizations. We believe this is important to supply chain leaders for two reasons: (1) women make up more than 50% of the workforce in most

developed markets,[1] and, therefore, represent untapped potential in the "war for talent"; and (2) research studies show that diverse teams are more innovative and perform better.[2]

Gartner's research partner for this project is AWESOME, a U.S.-based executive women's networking group focused on advancing women's supply chain leadership.[3]
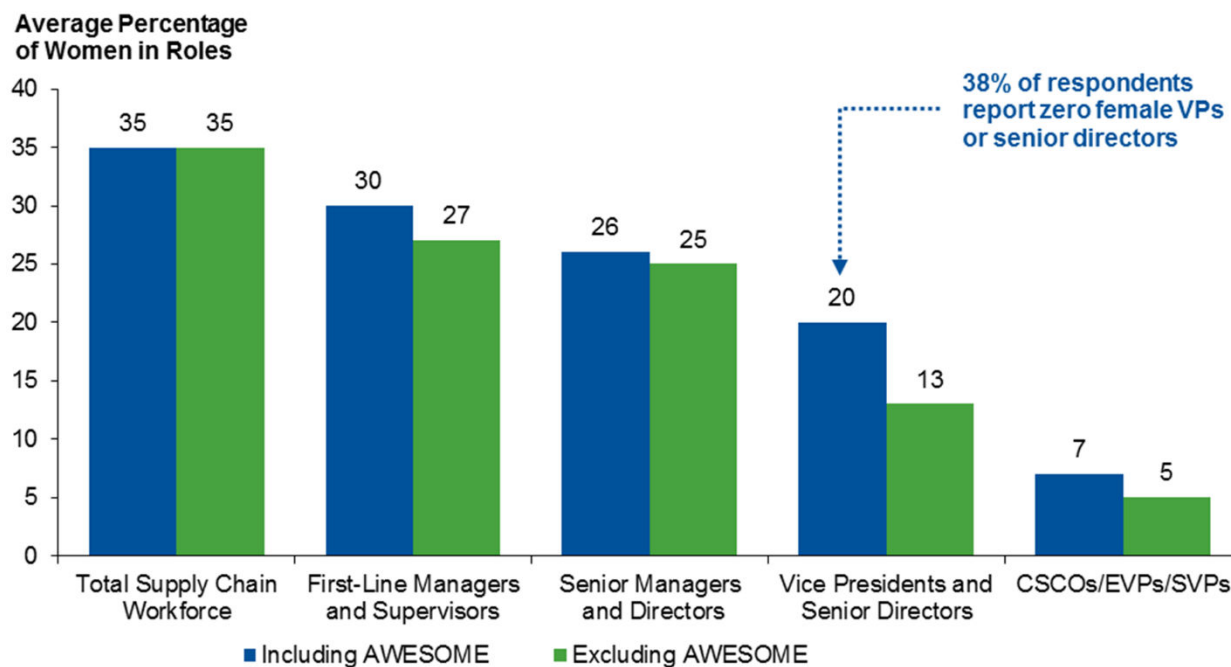
Data Insights

This report focuses on institutional data and practices that show the current state of companies' efforts to attract, develop, retain and advance women in the supply chain profession. In the supply chain talent research we've conducted since 2008, we've encountered little interest in institutional practices that would target women in supply chain, and few active initiatives. However, over the past two years, requests from Gartner clients seeking best practices in engaging and retaining female professionals have increased. Our initial hypotheses that representation of women would decrease at senior levels and that few respondents would be engaged in targeted supply-chain-led initiatives to increase these numbers were confirmed.

The three sections of this report focus on representation, goals and specific initiatives. Where possible, we provide detailed contrast by sector, company size and geography. In each section, we discuss the implications of our findings for supply chain leadership and make recommendations for action. We also share respondents' predictions for what they think supply chain organizations will look like five years from now.

The Percentage of Women in Leadership Positions Decreases as the Corporate Ladder Rises

Supply chain shares a similar profile to many other professions when we look at the percentage of females in the overall workforce and then at how many women hold management positions. On average, our respondents' total supply chain workforce consists of 35% women. As we look at leadership positions and the relative progression into more senior roles in Figure 1, this percentage falls steadily, with the percentage of female executive-level CSCOs — leaders who report directly to the CEO — falling into the mid-single digits.

Figure 1. The Corporate Ladder Advances, but the Percentage of Female Supply Chain Leaders Does Not

Average Percentage of Women in Roles

38% of respondents report zero female VPs or senior directors

- Total Supply Chain Workforce: 35 (Including AWESOME), 35 (Excluding AWESOME)
- First-Line Managers and Supervisors: 30 (Including AWESOME), 27 (Excluding AWESOME)
- Senior Managers and Directors: 26 (Including AWESOME), 25 (Excluding AWESOME)
- Vice Presidents and Senior Directors: 20 (Including AWESOME), 13 (Excluding AWESOME)
- CSCOs/EVPs/SVPs: 7 (Including AWESOME), 5 (Excluding AWESOME)

■ Including AWESOME   ■ Excluding AWESOME

n = 125

Source: Gartner (April 2016)

Participation Varies by Engagement of Business Leaders

Because much of our sample was composed of AWESOME's membership, which consists of director-level and above supply chain leaders, we were curious to compare the total participant base with participants who were not fielded via the AWESOME membership list. Unsurprisingly, survey respondents who were not affiliated with AWESOME reported relatively lower proportions of female leaders, particularly at senior levels. Those involved in AWESOME are engaged in dealing with this issue and, therefore, report higher representation. Engagement yields better results.

Participation Varies by Industry

Although there are similar patterns to women's participation across industries, each is also unique (see Figure 2). Consumer goods and retail combine to form the consumer value chain category, a group of respondents that had a significantly higher incidence of female leaders at more senior levels. One interesting dynamic in Figure 2 is the similarity within the healthcare and consumer value chain numbers up to the director level. When we go beyond that, companies in the consumer value chain are progressing and retaining at a better rate than healthcare companies, with 24% versus 18% female VPs, respectively.

Industrial discrete and process manufacturing, which includes automotive, aerospace and defense, complex industrial products, and chemicals (among others), has the same pattern, but with lower participation at each level. It faces the additional challenge of starting out with fewer women at the

beginning of the pipeline. We believe this reflects a preference for hiring engineers. Women compose just 18% of undergraduate engineering populations compared to supply chain programs in business schools where women account for 40% of undergraduates (see "Predicts 2016: Chief Supply Chain Officers Wrangle With Cybersecurity, Sustainability and Retaining Women in the Profession").

Figure 2. Women at Different Levels in Supply Chain Organizations by Industry Value Chain
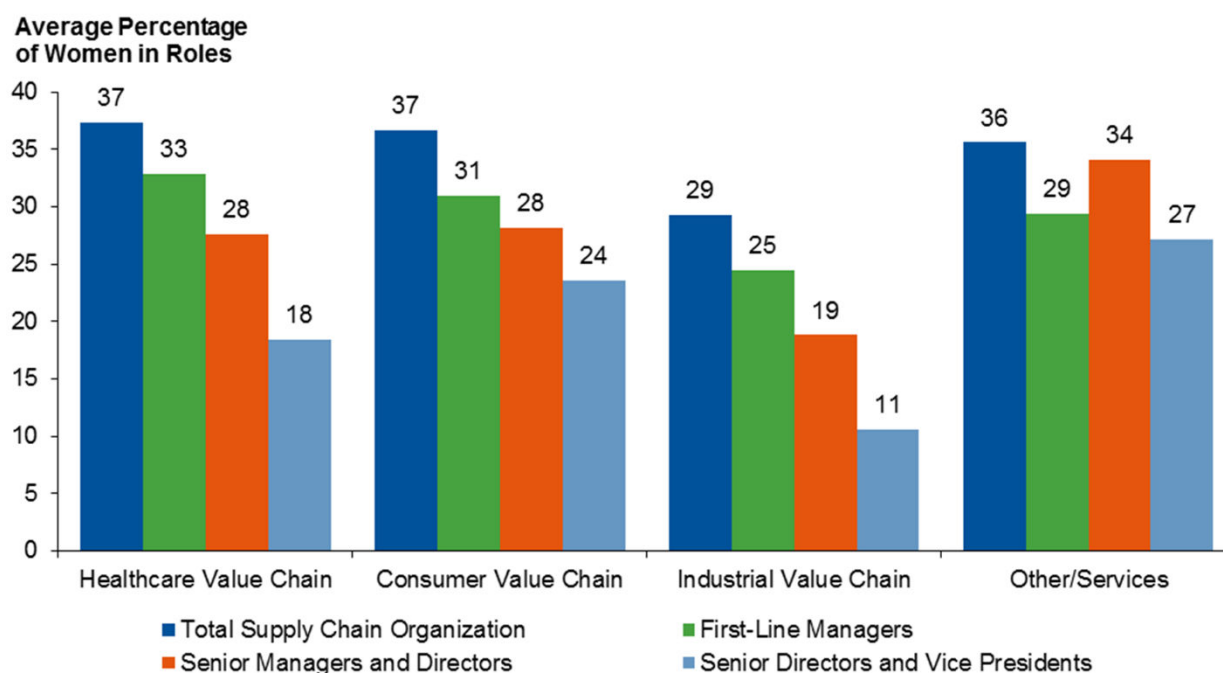
Total n = 125 (healthcare value chain n = 15; consumer value chain n = 62; industrial value chain n = 34; other/services n = 14)

Source: Gartner (April 2016)

Finally, the "other/services" category is a group of service industries that have physical supply chains that support their operations, but do not, as a rule, sell physical products. They include media, telecommunications and utilities companies. Many of these industries have more women in their companies overall and in their supply chain organizations as well, and they tend to have higher percentages of women at senior levels. For every service industry we collected data for, the drop-off in female leadership from front-line manager to VP was much flatter than the steep downward trend we see for the three value chains that source, make and move product.

Participation Varies by Company Size

It is worth noting that companies at either end of the size spectrum have relatively low numbers of female supply chain leaders. For companies with revenues below $1 billion, even though the overall supply chain organization is 41% female on average, only 17% of supply chain VPs are female. At larger companies, those with revenues over $10 billion, 18% of supply chain VPs are female. The

sweet spot for gender diversity by company size was $3 billion to $5 billion, where women comprise 43% of the supply chain organization on average and also hold 26% of the supply chain VP titles.

There are two key nuggets in this data that supply chain leaders can use to figure out where they should focus specific efforts:

1. As a rule, companies that have more women in their overall supply chain organization to start with have higher percentages of front-line managers, directors and VPs.

2. The primary progression pain points are the jumps from director level to VP, and from VP to CSCO.

Action Item

Fill the pipeline. Pull more women in at the entry level and into the overall supply chain organization, and beef up the midlevel onramp into senior leadership. A key focus area should be internships and entry-level recruiting, via relationships with university programs that have at least 40% female participation for undergraduates. The ability to offer attractive career paths beyond the two- to five-year mark must underpin this. The second focus area this data would support is leadership development programs, particularly ensuring that women are being considered and advanced, and also that they are not only mentored, but actively sponsored and progressed.

Fewer Than Half of Respondents Report That Their Companies Have Goals to Increase the Number of Female Leaders in Supply Chain Roles

A key objective of our research was to determine whether or not gender diversity in leadership was a stated goal for supply chain organizations. From the survey, 31% report that it is a goal, with an additional 16% saying that supply chain leadership has formal targets and goals in manager performance plans (Figure 1). However, 46% of respondents say that they do not have specific goals, and 6% don't know whether their group has a goal or not. Responses varied significantly based on geography. Although roughly the same percentage of U.S. and European respondents say that their supply chain leadership has formal targets (16% and 15%, respectively), only 12% of Europeans report that gender diversity is a general objective, and nearly 70% of European organizations have no stated goal to increase the number of female leaders in supply chain. One reason may be that enthusiasm for promoting individual leadership — even when we take gender out of the equation — is lower in Europe than in the U.S.

Figure 3. Supply Chain Organizations With Stated Goals to Increase the Number of Female Leaders
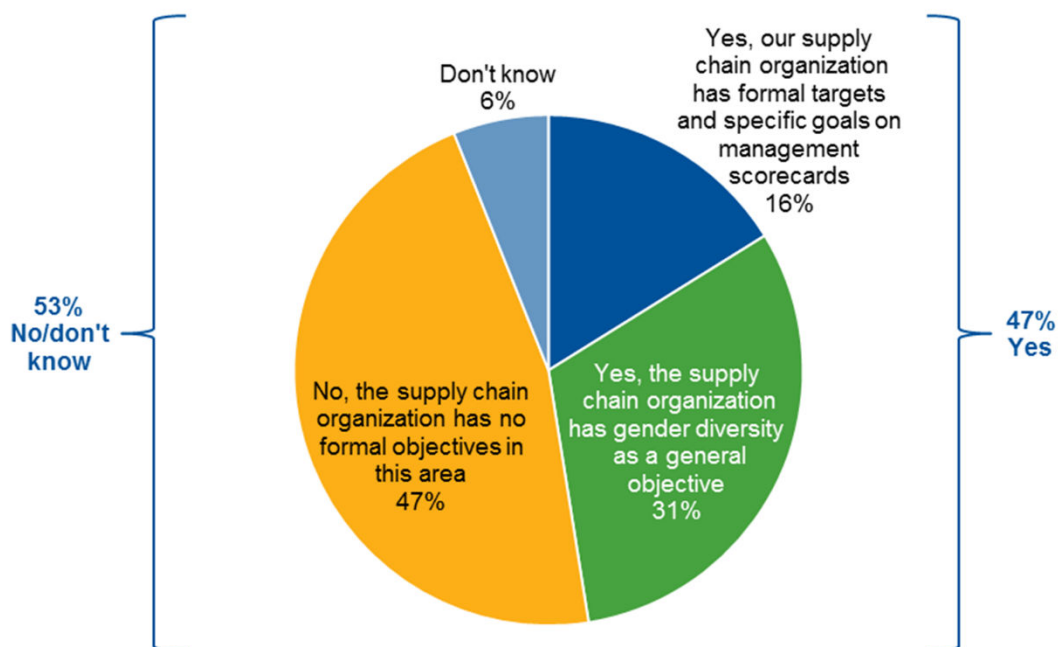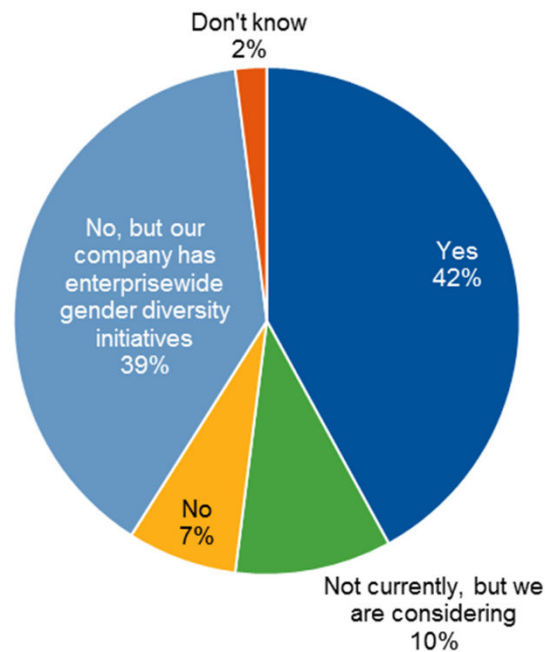

Q. Does your supply chain organization have a stated objective to increase the number of female leaders in supply chain?
n = 125

Source: Gartner (April 2016)

In different industries, there are also stark differences. For example, formal gender diversity objectives are in place for one in five consumer goods companies, but not a single retailer reported any specific management goals on scorecards. Our ongoing talent research finds that consumer goods companies are more proactive and mature in their supply chain talent strategies, willing to take risks and invest where retailers are not. High-tech and life science manufacturers report an even higher incidence of specific gender diversity goals, with one in four respondents from both industries saying that their supply chain leaders have formal objectives on management scorecards.

Once we determined who had increased gender diversity in supply chain as a goal, we wanted to uncover further detail on whether subsequent initiatives are primarily led by corporate or whether supply chain also leads and drives gender diversity initiatives. When we dive into the data (see Figure 4) on companies that said they have gender diversity goals, 42% (one in five of the total sample) said their supply chain organization has targeted initiatives to recruit, develop, retain and/or advance women. Another 39% said that they rely on their company's enterprisewide gender diversity initiatives.

Figure 4. Targeted Initiatives to Promote Women in Supply Chain

Q. Does your supply chain organization have any targeted initiatives to recruit, develop, retain and/or advance women in supply chain?
n = 59 (supply chain organizations have objective to increase number of female leaders in supply chain)

Source: Gartner (April 2016)

Seven percent of companies, despite having the goal of better developing and promoting female leaders, said they have no initiatives. The fairly fragmented and even noncommittal response in Figure 4 indicates that promoting gender diversity and inclusion is new territory for most supply chain organizations. We saw this in single company data where two or more individuals responded to the goals-plus-initiatives questions. The most senior supply chain leader, or the senior HR partner for supply chain, would answer "yes" to the question in Figure 4, while others would answer "not currently, but we are considering" or even "no." Leaders and individual contributors further down in the hierarchy may not be seeing impacts. Again, this shows us that this is uncharted territory for many supply chain organizations, but also demonstrates the need to do a better job of communicating what is in play and what resources may be available to female associates and aligned male colleagues.

Action Item

Determining whether there is, in fact, an institutional goal to advance women in supply chain is crucial, as is reaching some consensus on why this is the case. Is it to give you an advantage overall in the talent competition, to boost your supply chain career brand? Is it that you will make better business decisions? Answer these questions and evaluate your supply chain talent strategy to see what current activities can be used as springboards to better engage and advance women. Existing recruiting activities might be one example. Look around to see where your approach is

translating into visible results and messages at all levels of the organization. Who can see this happening? Who might not be getting the message?

Supply-Chain-Specific Initiatives Are Nascent, With Many Supply Chain Organizations Relying on Corporate Initiatives to Improve Representation of Women

What are some of the details on the supply-chain-specific initiatives reported in Figure 4? We asked for the specific objectives associated with the initiative. The top two answers by some margin were: (1) to promote more women into leadership roles; and (2) to increase the number of female candidates recruited and hired. We also asked for the name of the initiative, a brief description, the launch date, and whether the stated goal had been reached, if possible, with specific improvements outlined.

When we reviewed the data on the 21 reported initiatives, they fell into roughly four categories:

- Recruiting

- Leadership programs

- Internal networking groups, often referred to as employee resource groups (ERGs)

- Other (includes progression, pipelining and recognition)

The recruiting programs focused on "slating" — that is, developing a balanced slate of male and female candidates for open positions. Recruiting programs that had been established for two to three years were meeting their goals and resulting in more female hires, while newer programs were still works in progress. In the "other" category, several initiatives had reached goals, including a recognition program where the supply chain organization became an internal destination for female talent after strong contributions from women were highlighted across the company. Another successful initiative was an integrated pipelining project targeting increased representation at all levels and including recruitment, mentoring and accelerated development paths. This project is ongoing, but resulted in the percentage of female VPs increasing from 21% to 27% in 12 months.

Figure 5. Planned Initiatives to Promote Progression of Female Leaders

Number of Initiatives
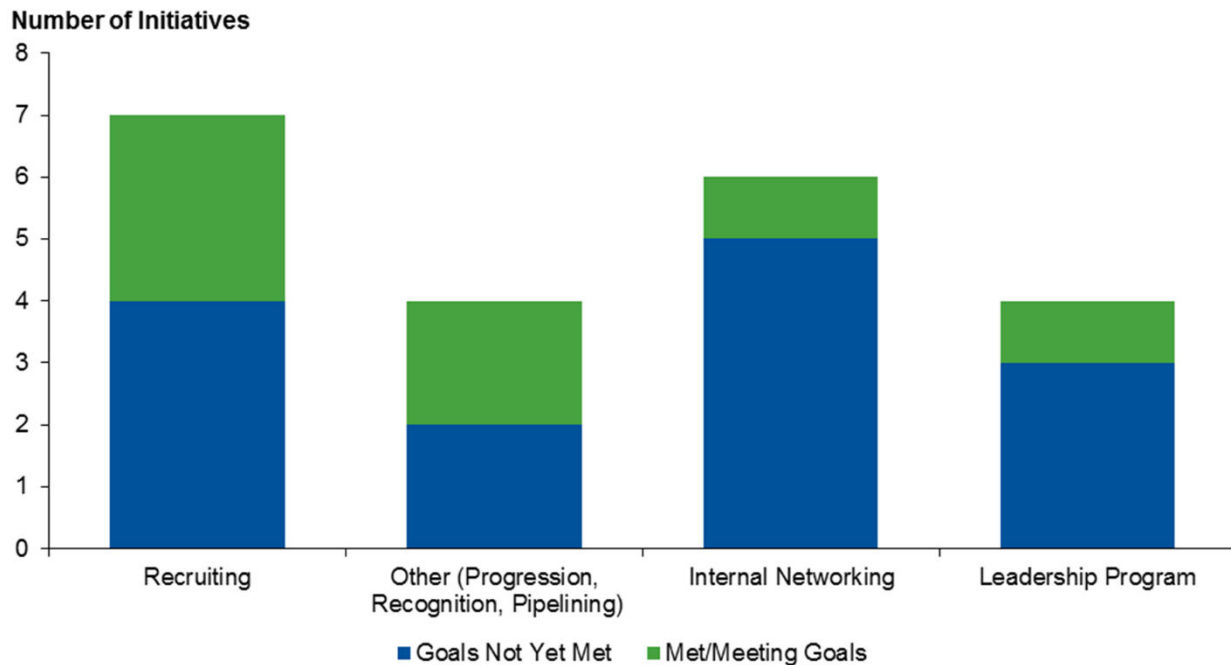
n = 21

Source: Gartner (April 2016)

Most initiatives listed are quite new, having been launched in the past year, and two-thirds have not yet met their goals. Internal networking groups and communities of interest for women in supply chain are popular but achieving hard goals via these groups can be challenging. We uncovered four women's supply chain leadership initiatives that were fairly new, with one — the oldest, established in the fall of 2014 — reporting positive, measurable benefits in recruiting and progression. Setting specific goals and then designing targeted initiatives to promote women is a new muscle for most supply chain organizations, but this initial research has uncovered bright spots that show good initial results.

The challenge will be accelerating this activity to meet the massive aspirations of our survey respondents, who clearly expect a revolution to take place over the next five years. When we asked about the future, using the supply chain VP role as the measuring stick, respondents said that nearly one in three VPs will be a woman, a 60% increase from where we are today. When we strip out the very senior respondents of AWESOME to ask respondents who are coming from a more modest, current position what they see, they say their proportion of female supply chain VPs will *more than double*.

Figure 6. Percentage of Women in Supply Chain VP Roles in Five Years
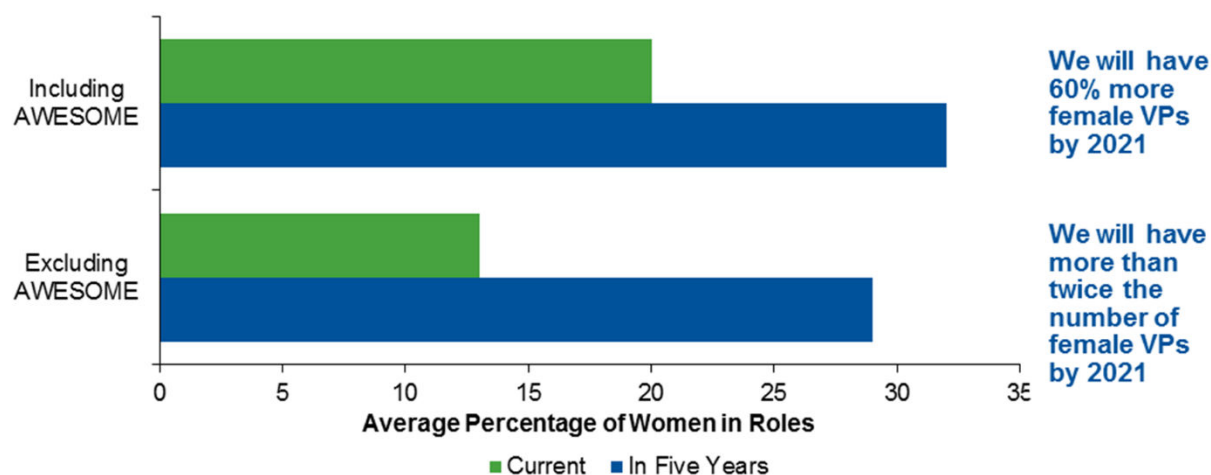
Q. In five years' time, what percentage of your supply chain VPs will be women? n = 125

Source: Gartner (April 2016)

The challenge is that the necessary conditions are not in place to realize such ambitions, even among the total survey sample that includes our more advanced AWESOME members:

- Only 47% of respondents have the stated goal of increasing the number of female leaders in supply chain (16% have formal goals).

- Within that group, only 42% of those respondents have a planned initiative to do so that will be led by supply chain.

- The 40% of supply chain organizations who rely on enterprisewide initiatives to meet their goal are likely to be disappointed: these respondents, nearly all of which are $10 billion+ companies, have significantly fewer women at every level in their supply chain organizations and have much further to go.

Action Item

To go faster, you have to think bigger, set measurable and meaningful goals, and put initiatives in place. Nobody ever reduced inventory without having a goal and a plan — why would people-related initiatives be any different? The only way the scenarios in Figure 6 come to pass is with formal goals and targets on management scorecards, planned initiatives that support those goals (for example, changes in recruiting approaches, pipelining, and new leadership programs), and institutional changes to the work environment that this research does not even begin to address. It is better to focus on a specific planned initiative within Figure 5 that has shown good initial return for a peer organization. If we grew the proportion of female VPs within supply chain by double digits, it would still be cause for celebration.

Methodology

Results presented are based on a Gartner study conducted to provide foundational data on women in supply chain. The research was conducted online from 2 March to 4 April 2016 among 125 respondents in North America and Western Europe, with two responses from the Asia/Pacific region. Participants were recruited from the North-America-based AWESOME membership, as well as Netherlands-based supply chain media contacts, and supplemented with Gartner supply chain clients from the U.S. and Western Europe.

Respondents were required to be able to provide information about some level about their company's supply chain organization, specifying the scope of the information provided (for example, companywide, within a country or region, or for a supply chain organization within a business unit). The survey was developed collaboratively by a team of Gartner analysts and AWESOME leadership and was reviewed, tested and administered by Gartner's Research Data and Analytics team.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Predicts 2016: Chief Supply Chain Officers Wrangle With Cybersecurity, Sustainability and Retaining Women in the Profession"

"The Supply Chain Profession Arrives: A Report Card"

"Diversity's Role in Building the Supply Chain Talent Pool"

Evidence

This research is based on data gathered from the 2016 Gartner-AWESOME Women in Supply Chain Survey.

[1] European Commission, "Female Labour Market Participation," 2016, and U.S. Department of Labor, "Women of Working Age," 2014.

[2] "Predicts 2016: Chief Supply Chain Officers Wrangle With Cybersecurity, Sustainability and Retaining Women in the Profession"

[3] Founded in 2013, AWESOME is the supply chain's most active and prominent organization focused on advancing supply chain leadership for women. Involving senior executives in a wide range of supply chain roles, the group facilitates networking among senior leaders, enhances visibility for the accomplishments and expertise of senior supply chain leaders, collaborates with others in the profession to improve the climate for advancing women, and inspires and encourages the development of emerging leaders and young professionals. See awesomeleaders.org for further information.

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