



# 2017 WOMEN IN SUPPLY CHAIN RESEARCH

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## 2017 Women in Supply Chain Survey

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Conducted in partnership with AWESOME, an executive women's leadership group, our survey shows that CSCOs looking for quantifiable results should engage HR to prioritize recruiting and integrated pipeline planning over employee resource groups and standalone leadership skills training.

### Key Findings

- Consumer goods continues to lead in its progression of women leaders, while the industrial sector has edged up slightly.
- Organizations are embracing recruiting and broader pipeline planning, practices that lead to more substantive results than employee workgroups and leadership training.
- Executive focus and action, recruiting policy changes, and high visibility of senior female leaders are the primary reasons companies make progress.

### Recommendations

CSCOs looking to acquire, develop and retain the best supply chain talent should:

- Leverage the broader business community's "girls and women in STEM" programs and actively participate in networking and best practice sharing groups such as AWESOME to pull in and engage more great female candidates.
- Anchor initiatives in recruiting or integrated pipeline planning and development to ensure results; supplement with "Lean In"-type initiatives such as employee networking groups and leadership skills training.
- Enlarge your potential pool of female candidates with proven practices like focused internship and recruiting relationships with diverse university programs, taking biased language out of job descriptions, and removing identifiers from candidate CVs.

## Survey Objective

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Gartner surveyed 196 supply chain professionals in 158 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/senior director 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.

Gartner's primary research partner for this project is AWESOME, a U.S.-based executive women's networking group focused on advancing women's supply chain leadership.<sup>1</sup>

This research and analysis is crucial to supply chain leaders for two reasons: (1) women make up more than 50% of the professional workforce in most developed markets and this number is on the rise.<sup>2</sup> Women are underutilized resources in the so-called the "war for talent"; and (2) research studies show that diverse teams are more innovative and perform better.<sup>3</sup>

## Data Insights

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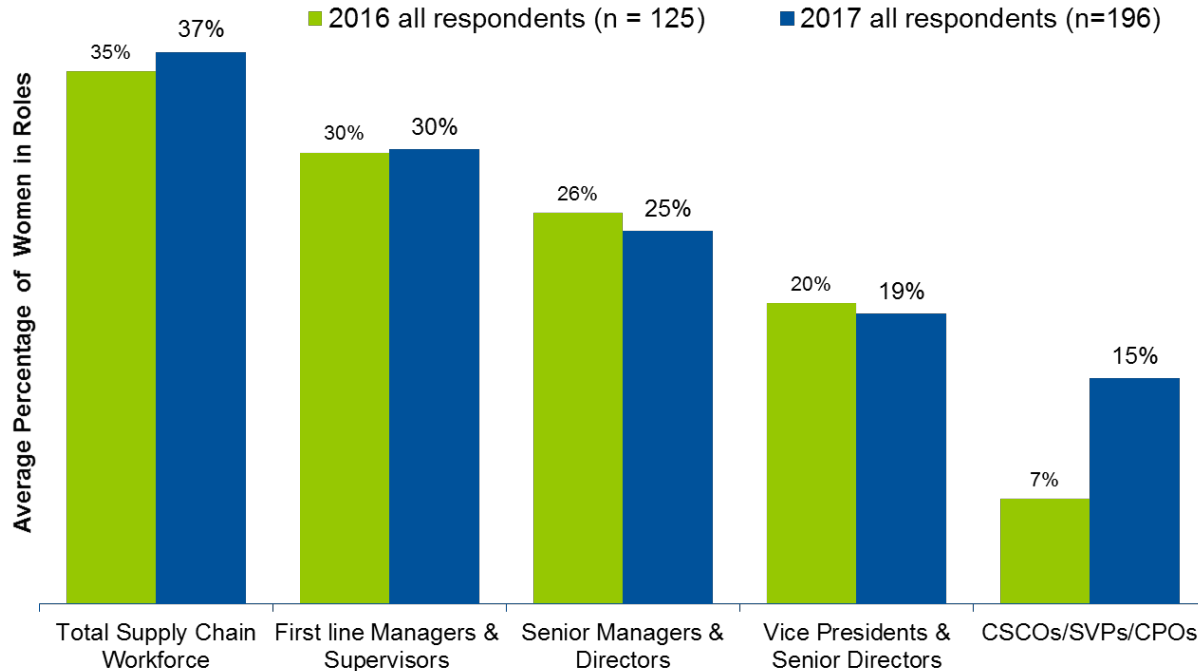
The recruitment, care, and feeding of global, multigenerational talent continues to fascinate and challenge the supply chain community. Chief Supply Chain Officers are looking for creative strategies for employee engagement and retention that support supply chain's newly won role as strategic difference-maker and partner in new business models.

One strategy leading supply chain organizations are pursuing is better recruitment, development, retention, and progression of women, who currently account for 50% or more of the professional workforce in advanced economies and roughly 40% of the supply chain workforce. The business case has been made in multiple forums for inclusive and diverse teams, what is left is to act -- for Gartner's take on business drivers and business cases, see "[Diversity's Role in Building the Supply Chain Talent Pool](#)" and "[Predicts 2016: Chief Supply Chain Officers Wrangle With Cybersecurity, Sustainability and Retaining Women in the Profession](#)".

In the spirit of action, this is the second year we've worked with AWESOME to track baseline representation of women at different levels in supply chain organizations and requested supporting detail on goals and initiatives. New this year is next-level questioning about whether progress has been made over the past 12 months and why or why not. We should mention here at the outset that a distinct focus on advancing women in the supply chain profession is new to almost all companies and so are the initiatives. The recent spotlights on and investment in women in engineering and other STEM professions (science, technology and math) have not yet made their way over to supply chain, but the situation is slowly improving.

Figure 1 shows little progress, if any, in the past year, indicating that representation of women at all levels is mostly flat (Figure 1), with the notable exception of executive supply chain leaders – CSCOs, SVPs, EVPs, CPOs -- which in our sample doubled their representation from 7% to 15%. (We attribute this jump to half of our response consisting of an executive women's networking group, and the successful growth of this group over the past year).

**Figure 1: Women in Supply Chain Leadership Roles 2017 vs. 2016**



Q: Thinking about all the full-time employees in your supply chain organization, what percentage is female?

Q: Next, thinking about the first line Managers/Supervisors your supply chain organization, what percentage is female?

Q: Now, thinking about the Senior Managers/Directors in your supply chain organization, what percentage is female?

Q: Finally, what percentage of Vice Presidents/Senior Directors in your supply chain organization, is female?

Source: Gartner (April 2017)

Otherwise the numbers are flat. We are optimistic nonetheless, even where percentages haven't doubled.

- One reason is the qualitative improvements we are seeing in our client base and the supply chain community at large. Supply chain organizations are doing a better job with their talent strategies generally, and this is leading to better conditions and retention of supply chain talent overall. All supply chain employees are benefitting.
- Another reason we are cautiously optimistic is that we nearly doubled our sample size, expanded Europe to 22% of participants and experienced no degradation in the numbers. We were concerned that the representation of women would fall, particularly when we moved beyond AWESOME's core membership of super-engaged senior leaders in the U.S. This has not been the case – the numbers have held, and in some cases improved. For example, in 2016, 38% of respondents reported zero women at the VP/Senior Director level. In 2017, that percentage dropped to 26%.
- Other bright spots include the number and type of initiatives that supply chain leaders are pursuing, which have shifted away from employee resource groups and training schemes to focus on recruiting and integrated pipeline planning and associate development.
- We also have some encouraging data from respondents' reflections on the past year and characterizations of progress made on gender balance in their supply chain organizations.

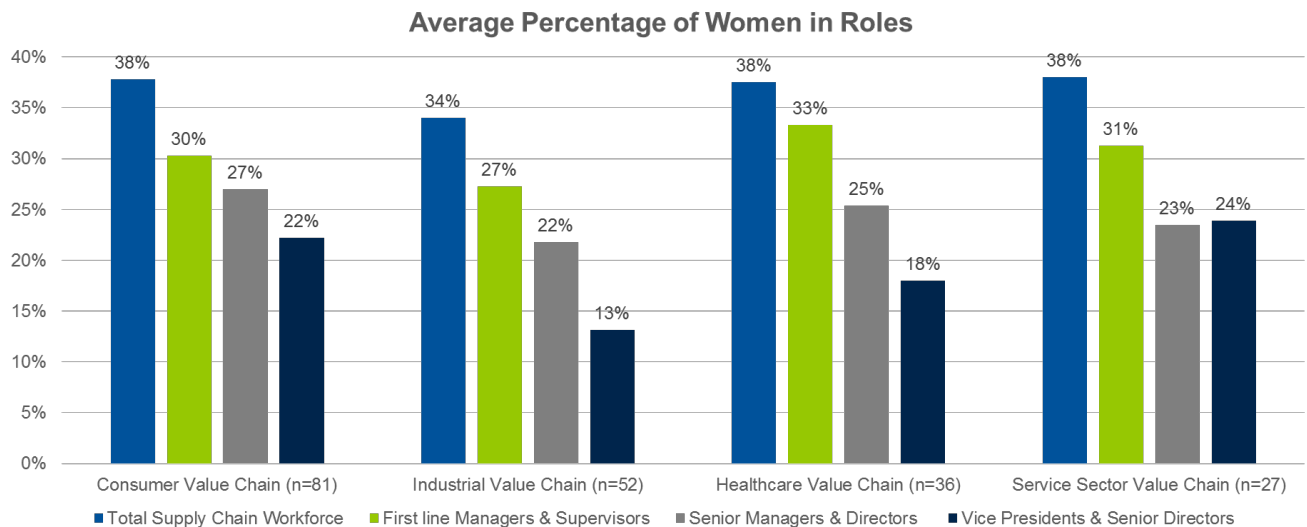
Thirty-five percent clocked some improvement and 11% said they saw considerable improvement. Only eight percent said their profiles had worsened.

Still, 46% of our respondents said they've seen no change in the past year. Many report significant institutional headwinds, and even within the same company, there are often dramatically different views on what's going on -- there's still plenty of work to do. A deeper dive into the detail on industries, initiatives that are working, reasons for success, and the challenges that remain provides insights helpful to CSCOs focused on improving gender balance at all levels.

## Consumer Goods Continues to Lead in Its Progression of Women Leaders; Industrial Sector Has Edged Up Slightly

Women make up approximately 38% of supply chain organizations, with industrial discrete, process and natural resource sectors slightly lower at 34%. Tracking differences by sector as careers advance, we see that companies in the consumer value chain, represented by consumer packaged goods, food and beverage, consumer durables, and retailers, have a higher proportion of women at most leadership levels and lower drop-offs as the career ladder advances (Figure 2). Healthcare and life sciences companies start in the same place, advance relatively more women to front-line management, but then suffer bigger drop-offs in the move up to senior manager/director and then senior director/VP level. We observe fewer defined institutional programs in life sciences manufacturers and healthcare providers than in the consumer value chain. Service sector supply chain organizations, as we saw in last year's study as well, retain higher levels of female leadership at mid-to-upper levels.

**Figure 2: Variation in Representation of Women by Industry Sector**



- Q: Thinking about all the full-time employees in your supply chain organization, what percentage is female?
- Q: Next, thinking about the first line Managers/Supervisors your supply chain organization, what percentage is female?
- Q: Now, thinking about the Senior Managers/Directors in your supply chain organization, what percentage is female?
- Q: Finally, what percentage of Vice Presidents/Senior Directors in your supply chain organization, is female?

Source: Gartner (April 2017)

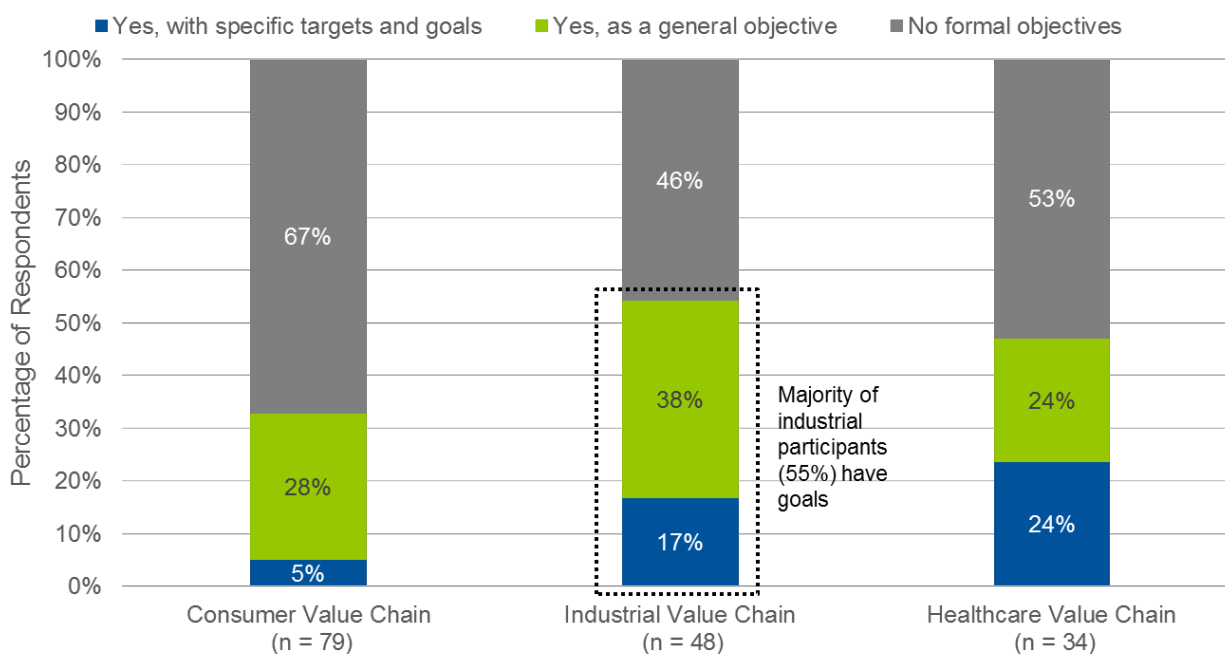
We attribute much of the progress in the consumer sector to the focus on the shift to consumer-led strategies over the last 15 years, particularly in the FMCG brand owners: since women control the majority of household spending, diversity initiatives have been driven by recognition that a workforce and

leadership that resemble the customer base helps you be a better company. The natural progression to more gender-diverse teams happened in parallel with discussions about what customers want and need, and the role supply chain plays in determining that.

Industrial sector participants, with their emphasis on engineering, typically have fewer women in their supply chain organizations overall because there are fewer female engineering grads. Certainly, the 13% representation of female VPs looks anemic next to other sectors. However, we are more optimistic for women who aspire to lead in industrial supply chain in 2017 than we were in 2016, for a several reasons.

- First, even though our sample grew significantly, when we added more industrial companies to our mix, we saw each level in supply chain organizations across all sectors maintain (Figure 2). The numbers didn't degrade.
- Second, while we don't have enough longitudinal data to declare a trend, we are encouraged by the numbers and supporting activities, like the massive STEM wave and funding that has so much public, private and academic support for girls and women in engineering and technology programs.
- Finally, we're also pleased to see that in supply chain specifically, the types of initiatives industrial companies are pursuing, while new, are focused on establishing and achieving specific goals with regard to recruitment and integrated pipeline planning and development, i.e. initiatives that have real, measurable impacts to the numbers.

**Figure 3: Most Supply Chain Organizations Do Not Have Gender Diversity Goals; The Industrial Sector is an Exception**



Q: Does your supply chain organization have a stated objective to increase the number of women leaders in supply chain?

Source: Gartner (April 2017)

## ACTION ITEM

Leverage the broader business community’s “girls and women in STEM” programs and actively participate in networking and best practice sharing groups such as AWESOME to pull in and engage more great female candidates.

## Organizations are Embracing Recruiting and Broader Pipeline Planning, Practices that Lead to More Substantive Results Than Employee Workgroups and Leadership Training

We’ve identified four main categories of initiative, which appear in Figure 4.

- 1 Recruiting efforts focus on the front end of the career lifecycle mainly, along with some targeted outside hiring at higher levels.
- 2 Integrated pipeline planning is uniting key aspects of talent strategy and workforce planning at all levels, including development, succession planning practices, mentoring and sponsoring activities, and rewards and recognition.
- 3 Employee resource groups bring together women and allies to discuss topics of interest to the group and to network. They may hold special events and bring in outside speakers.
- 4 Standalone leadership skills training that is not integrated into additional HR policies and practices like succession planning and sponsorship (as described above in category 2).

For initiative types 3 and 4 it’s incumbent on the individual to improve her network, skills and knowledge, and to use that improved profile to perform her job better and take the initiative to compete for more high profile opportunities.

**Figure 4: Active Initiatives that Change HR Practice Outnumber “Lean In” Type Initiatives**



Base: Organization has supply chain or enterprise-wide initiatives to promote progression of women leaders, n=35

Q: Category description for supply chain initiative #1 to recruit, develop, retain, and/or advance women.

Q: Category description for supply chain initiative #2 to recruit, develop, retain, and/or advance women.

Q: Category description for CORPORATE initiative to recruit, develop, retain, and/or advance women.

Source: Gartner (April 2017)

We characterize the first two types of initiative as “Pull In,” where the company sets policies, goals and targets that drive process and behavior, the outcome of which is an active pull dynamic for diverse teams and better performance. It’s the institutional bucket. Employee resource groups and leadership skills training we characterize as “Lean In” initiatives, where the individual sets the agenda and is responsible for taking the initiative to improve herself and her network.

We were encouraged this year to see not only more initiatives in play across the group, but more that we would characterize as “pull in” types of initiatives. Based on last year’s findings as well as this year’s data, “pull in” initiatives are more likely to result in an increase of the number of women recruited and hired, as well as the number of women progressing into leadership roles.

“Lean In” initiatives such as internal women’s networking groups and leadership skills training, where goals are more personal and individual, have little direct effect on recruiting and succession planning outcomes. They may be personally fulfilling and positive complements to process and policy changes and integrated programs, but our research to date shows that “Lean In” on its own is not resulting in substantive change. Women’s affinity and employee resource groups have been ubiquitous for two decades with limited influence on women’s advancement, and the struggle that standalone leadership training and certificates have in achieving institutional ROI as well as material impacts to individual performance and progression is also well documented.<sup>4</sup>

#### **ACTION ITEM**

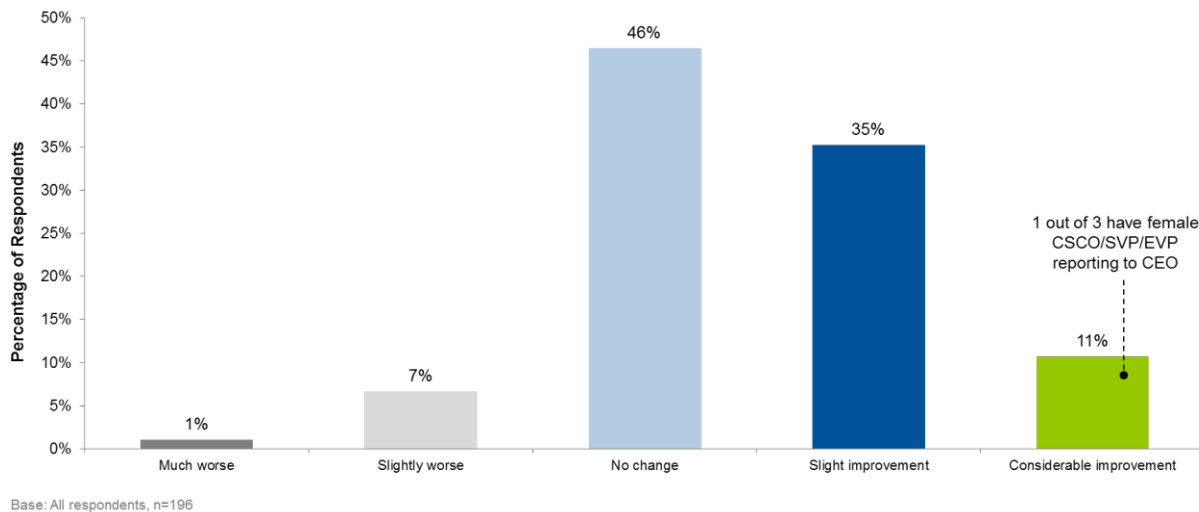
Anchor initiatives in recruiting or integrated pipeline planning and development to ensure results; supplement with “Lean In”-type initiatives, such as employee networking groups and additional leadership skills training.

### **Executive Focus and Action, Recruiting Policy Changes, and Visibility of High-Performing Senior Female Leaders are the Primary Reasons Companies Make Progress**

We provided a continuum where participants could tell us their view of progress within their particular supply chain organization. 46% said things were improving, 46% said the situation was the same, and only 8% reported that things were getting worse. For those reporting “considerable improvement,” the main reason given was executive commitment. 80% of these companies are active AWESOME members. One-third of the “considerable improvement” contingent have a female CSCO/EVP/SVP that reports to the CEO. This finding also reinforces interview-based qualitative research we have done suggesting that organizations with highly visible women in key leadership roles are better positioned to successfully recruit and retain women in key roles.



**Figure 5: 46% of Respondents Report Improvement, 46% Say No Change**



Q: How would you characterize your organization's progress toward achieving gender equity in your leadership over the past year?

Source: Gartner (April 2017)

In addition to executive focus, the other primary reasons for progress were specific attention to recruiting practices, and visibility of high-performing women leaders. This last reason was notable for how respondents answered the question (it was open response). There were two important elements: the women in question were fantastic contributors and leaders AND they were visibly recognized and promoted. No-one said, simply, we're promoting more women, it was about *great* women – the performance and progression aspects done equally.

In fourth place, interestingly, the reason given for improvement was the *external* hire of a strong female leader, which the respondents clearly viewed as a catalyst for a change in tone. From there the answers became more fragmented, with several respondents saying that compliance was the reason: regulatory agencies and CSR-minded institutional investors are taking a closer look at gender balance and pay equity.

What about the respondents where there was no change or the situation deteriorated? The primary reasons cited were:

- Lack of qualified female candidates
- Not a priority
- Culture

This provides an intriguing contrast to the reasons for success, almost a mirror image in some cases. The opposite of "not a priority" is "executive focus." The "lack of female candidates" opposite is "we went out and found or developed great, visible women leaders." Company culture as an obstacle was characterized as "old school," "old boys club," and "unwillingness to be open to different leadership styles." We realize this is data that's already resident in many other studies, but it's illuminating to see it in the context of supply chain organizations, which, even in environments where women have cracked leadership and executive ranks in nearly every function, seem resistant to change. We asked the

respondents who listed obstacles whether they planned to do anything to address them, and in the majority of cases the response was a tired “no” or “none” or “probably not”.

This is unfortunate in the “lack of qualified female candidates” category because clearly there are recruiting and progression practices that other organizations are implementing that are paying off. This is a much easier obstacle to overcome than culture and priorities, which are closely bound and difficult to change without executive commitment and leadership.

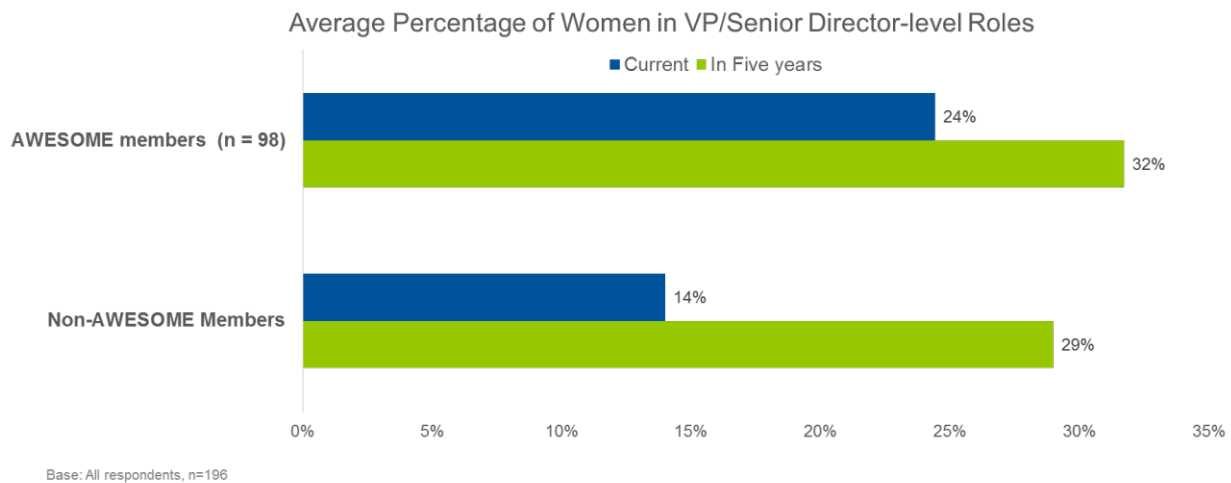
### ACTION ITEM

Where lack of qualified female candidates is an obstacle, re-examine your qualifications and take a hard look at what is filtering women out – determine whether these are real or perceived barriers. Then, establish proven practices for enlarging your pool, including establishing internship and recruiting relationships with university programs and networks that have more women, taking biased language out of job descriptions, removing identifiers from candidate CVs, and requiring more diverse recruiting slates.

## The Future

Looking back, our survey results are almost split down the middle into participants to emulate if you want that glass half full feeling, and those where you get an old school empty glass. Looking into the future, however, our sample on average is positive and aspirational across the board. When we asked what respondents expected to see five years out, using the VP/Senior Director title as a proxy for progress, 2022 is a world where, on average, roughly one in three supply chain VPs will be female (Figure 6).

**Figure 6: AWESOME Members Reasonably Confident About the Future; Others Unreasonably So**



Q: What percentage of Vice Presidents/Senior Directors in your supply chain organization is female?

Q: Five years from now, what percentage of those VP/Senior Director-level and above leaders do you project will be women?

Source: Gartner (April 2017)

Cutting the data to show the difference between respondents who by definition have senior women supply chain leaders and strong engagement (the AWESOME membership) and those are not part of that segment is revealing. AWESOME members already report that on average one in four VPs/Senior Directors are female. Many members have strong initiatives and leadership involvement that give us reason to believe that the average 32% target five years from now is not unreasonable. For the rest of our

sample, where respondents are starting out at a much lower number of senior female leaders, there is so much farther to go. Even though that group also has a roughly equivalent number of initiatives (and the same breakdown across types), they will need to be both successful and lucky with all of them at scale to get to 29%. We are encouraged by the energy and enthusiasm, but as we said at the beginning, there is still lots of work to do.

## 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 21 February to 27 March, 2017 among 196 respondents, with 72% coming from North America, 22% from Western Europe, 5% from APAC and 1% from Latin America. Participants were recruited from the North-America-based AWESOME membership, as well as Netherlands-based Supply Chain Media, Switzerland-based Professional Women's Network (PWN), and supplemented with Gartner supply chain clients, mainly 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

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*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"](#)

["Survey Analysis: Women in Supply Chain 2016"](#)

["Diversity's Role in Building the Supply Chain Talent Pool"](#)

## Evidence

<sup>1</sup> 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](http://awesomeleaders.org) for further information.

<sup>2</sup> European Commission, ["Female Labour Market Participation,"](#) 2016, and U.S. Department of Labor, ["Women of Working Age,"](#) 2014.

<sup>3</sup> ["Predicts 2016: Chief Supply Chain Officers Wrangle With Cybersecurity, Sustainability and Retaining Women in the Profession"](#)

<sup>4</sup> Beer, Finnstrom & Schrader, ["The Great Training Robbery,"](#) HBS Working Paper, 2016.

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