AWESOME / Gartner

2018 WOMEN IN SUPPLY CHAIN RESEARCH

MAY 10, 2018

2018 Women in Supply Chain Survey

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Our third annual survey, conducted in partnership with AWESOME, shows sustained strong representation of women in the senior-most ranks of supply chain organizations relative to other functions. We also find more supply chain leaders spearheading their own initiatives to attract, retain and advance women into senior leadership roles.

Key Findings

- Representation of women in the senior-most ranks — CSCO, SVP, EVP, or CPO reporting to the CEO — is strong and sustained year over year relative to other functions, but remains low and flat at all other levels of leadership.

- Compared with 2017, more respondents report supply-chain-led formal goals and initiatives to improve gender diversity.

- Increasing the visibility of successful women leaders as role models is one of the most important things companies can do to impact recruitment and retention, as well as advancement of women to senior levels. Other actions will differ based on targeted areas for improvement.

Recommendations

Supply chain leaders responsible for supply chain talent strategy should:

- Continue efforts to advance and engage women at the highest levels, leveraging executive agendas promoted by the World Economic Forum, Catalyst, Paradigm for Parity, and McKinsey & Co., as well as broader CSR agendas like the UNDP's Sustainable Development Goals. Highlight your track record at supply chain industry forums and university recruiting events.

- Embrace basic proven practices like neutralizing gendered language, and highlighting flexibility and benefits in job descriptions. To touch all levels and relevant HR processes, consider integrated pipeline planning, a holistic effort that includes recruiting, development, mentoring and sponsorship, rewards and recognition, and succession planning.

- Prioritize visibility and recognition of successful women leaders to improve advancement of women in senior roles to the top jobs as well as recruiting and retention.

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Survey Objective

Gartner's third annual Women in Supply Chain Survey was conducted from February 2 to March 4, 2018. Gartner surveyed 148 supply chain professionals about their companies' 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.

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.[1]

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This research and analysis is crucial to supply chain leaders for two reasons:

- Women make up more than 50% of the professional workforce in most developed markets, and this number is on the rise.

- Women are underutilized resources in the so-called "war for talent," and research studies show that diverse teams are more innovative and perform better.

Data Insights

In 2018, acquiring talent and, especially, retaining it continue to color supply chain executives' assessment of current performance as well as their views of the future. In our 2017 CSCO survey of 238 global supply chain leaders, gaps in skills/talent were top internal and external obstacles to achieving supply chain goals and objectives. The group was more concerned with talent and skills shortages than with technology disruption, slowing growth, supply risk or regulatory policy.

In parallel, retaining precious talent once we've managed to acquire it is of primary importance. In fact, associate retention this year eclipsed recruitment as the chief talent-related concern of CSCOs. The stakes are high — the loss of a single midcareer supply chain professional, taking into account loss of expertise and associated instability, will cost two to three times their salary. Losing a director-level leader equates to a seven-figure hit.

Finally, technology and digital business models are reshaping supply chain organizations and the supply chain profession. As some roles shift or disappear, new ones are emerging that require specialized technical skills or scarce hybrid profiles that call for intermediate technical skills as well as the ability to design and drive complex programs. The competition for hiring and retaining these rare talent combinations is fierce.

Given these pressures, associated costs and the future at stake, specific actions that increase the size and engage a broader portion of the potential supply chain talent pool are key. Women comprise 50% or more of the professional workforce in most of the Group of Twenty (G20) countries. As a result, companies that are better able to attract, retain and advance women will have material competitive advantages in financial performance, innovation and resiliency.[2]

Gartner's third annual Women in Supply Chain Survey, conducted in partnership with AWESOME, aims to provide a snapshot of progress and identify specific practices that show positive results. This year, for the first time, we've surveyed supply chain service providers, technology companies and consultants — the "sell side" of supply chain — to see how their perspective compares with manufacturers, brand owners, distributors and retailers. We've also specifically asked all participants to tell us the one thing their companies could do to:

- Better attract and retain women; and

- Advance more women into top leadership roles.

Similar to the 2017 survey results, about half of the companies surveyed report progress toward gender equity in supply chain leadership, while half do not, but there are bright spots scattered around the data. For example, in 2016, 38% of respondents reported zero women at the VP level. In 2017, that percentage dropped to 26%. This year, it dropped again, to 20%. Detailed exploration of the data highlights other bits of good news, most notably supply chain leadership increasingly taking actions in their own organizations when it comes to inclusion and diversity objectives and initiatives.
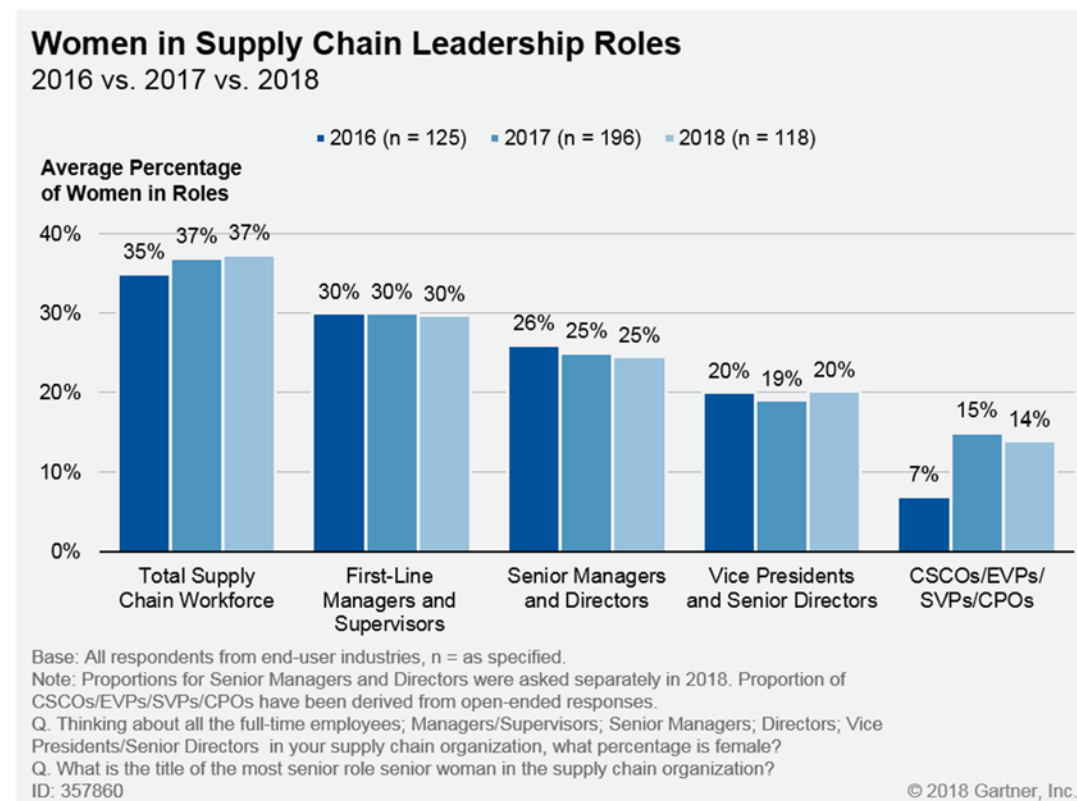
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Representation of Women in the Senior-Most Ranks of Supply Chain Organizations Is Relatively Strong and Sustained Year Over Year

In 2018, on average, 14% of companies reported executive-level supply chain positions (CSCO, SVP, EVP, CPO) being held by women, which is about the same as last year (15%). While this may strike first-time readers of this research as low, it's a healthy and even market-beating showing compared with other functions, such as finance and accounting.[3] Much of this can be attributed to our sample consisting primarily of active members of a senior women's leadership network. Our sample also has many large, publicly held companies where enterprise-wide efforts to develop and promote women are starting to bear fruit.

The primary and most effective pushes for gender diversity to date are top down, driven by CEOs, boards and investors. Whether they are buying into the business case associated with diverse teams or are being pressured by activist investors, the first moves companies are making are showing up on boards and in senior leadership ranks.

Unfortunately, this sustained improvement at executive levels is not mirrored at other levels within supply chain organizations. In every case, from front-line managers to vice presidents, the average percentage of women leaders is flat over the past three years (see Figure 1). Active investment in and attention to the top ranks has not reached lower levels. In addition, many companies face midcareer attrition and lower engagement that contracts the leadership pipeline.

**Figure 1. Average Proportion of Women in Supply Chain Leadership Roles**

Source: Gartner (April 2018)

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Sector views are showing patterns similar to previous years as well. Consumer sectors show, on average, a larger population of women overall and, subsequently, more women moving through management into senior management positions, compared with industrial sector supply chain organizations. However, 2018 shows a sharp drop in the percentage of women in executive ranks in these companies.

In the "Other Verticals" sector grouping, which includes life sciences, healthcare, telecommunications, hospitality and utilities, we see higher proportions of women at all levels, which is in line with previous years. At many of these companies, particularly in the service sector, supply chain has historically been regarded as more of an administrative, back-office function that is cost-focused and often synonymous with procurement. These are companies that traditionally have had more women overall in supply chain and, therefore, a higher likelihood of women advancing into leadership positions.

This year, for the first time, we also surveyed participants from logistics and transportation providers, supply chain consultants, and supply chain software and technology providers. As a group, these supply chain providers are an interesting mix. They are similar to the industrial sector in the proportion of women overall, but they do a better job of retaining and progressing women through the middle of the pipeline and into senior leadership roles. In this group, one in five VPs is a woman, compared with industrial companies, where it is one in 10. When we looked at those companies with more women VPs more closely, we discovered that their pipelines were larger on average, with an average of 50% or more women in the total supply chain organization, compared with the 31% sector average (see Figure 2). Pipelines matter!

Figure 2. 2018 Variation in Average Proportions of Women by Industry Sector
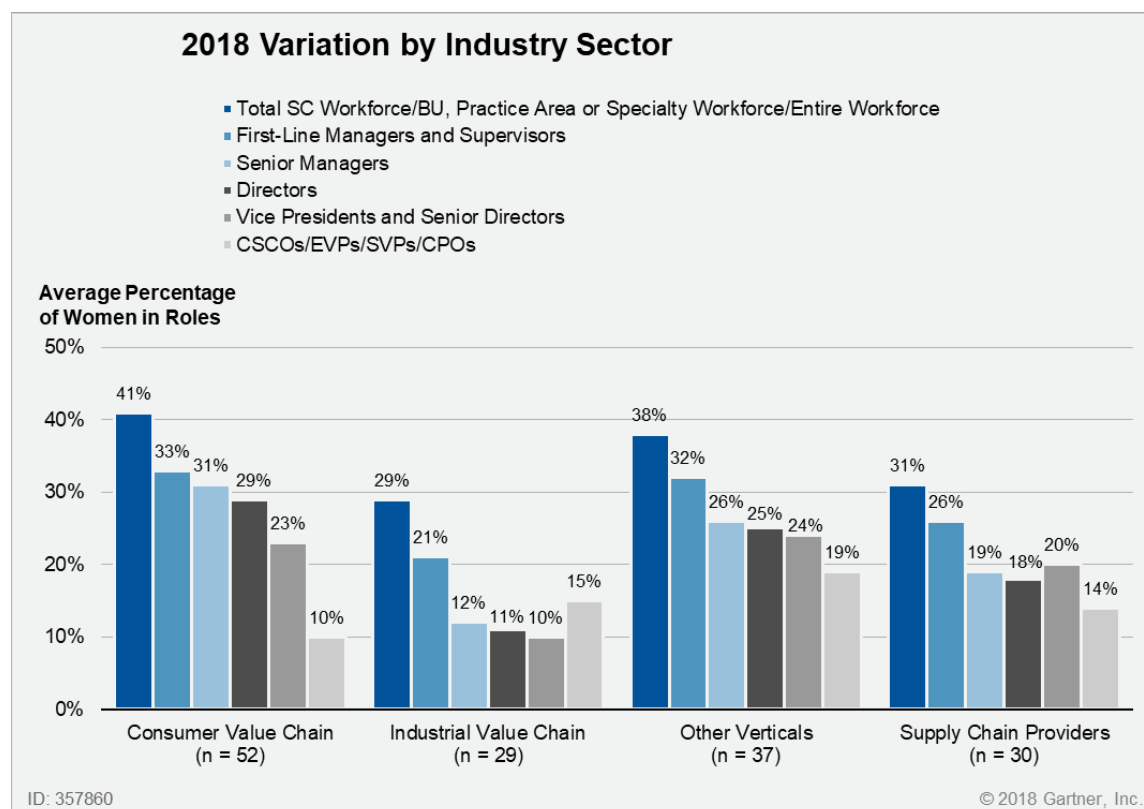
Base: Respondents from each vertical, n = as specified
Source: Gartner (April 2018)

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While their focus and investment in diversity was a bright spot in 2017, industrial companies' representation dropped at every level except the executive level at 15%. That shows quite well here, especially taking into account consumer/retail's poor showing at the executive level at 10%.

The flatness of the numbers beyond executive ranks notwithstanding, we are optimistic. Our positive outlook is based on what we know from outside research as well as other findings in this survey — women being in top positions has its own power apart from formal HR management and development practices. Recent LinkedIn/World Economic Forum analysis is the latest research to show correlations between having women in leadership positions and increased hiring of women more broadly.[4] And our respondents indicated that having visibility of women in top leader roles is important for improving gender equity at all levels.

Action Item

Continue efforts to advance and engage women at the highest levels. Leverage executive agendas promoted by the World Economic Forum, Catalyst, Paradigm for Parity and McKinsey & Co., as well as broader corporate social responsibility (CSR) agendas like the UNDP's Sustainable Development Goals (see "Supply Chain Brief: Identify Strategic Risks and Opportunities With the U.N. Sustainable Development Goals"). Make the success of women leaders visible, both internally and externally, to inspire and incent others in the pipeline. Highlight your track record at supply chain industry forums like APICS, the Council of Supply Chain Management Professionals (CSCMP) and the Institute for Supply Chain Management (ISM). Additionally, promote your successes at Gartner conferences and award programs like the SCM World Power of the Profession Awards, and at university recruiting events.

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More Respondents Report Supply-Chain-Led Formal Goals and Initiatives to Improve Gender Diversity

While representation apart from top leadership is unchanged over three years, one significant shift in 2018 is the percentage of respondents who say their organization has specific goals to increase the number of women in the supply chain organization. In 2018, we saw a 7% increase from 2017 — 43% to 50% — in the percentage of companies that have stated objectives in this area. Most notably, all of the increase is from respondents going beyond general objectives to setting specific goals that appear on management scorecards (see Figure 3).

Figure 3. More Supply Chain Organizations Have Formal Goals to Increase the Number of Women Leaders

Organizations With Goals to Increase Women Leaders

2017
- Yes, Formal Goals 11%
- Yes, General Objective 32%
- No 57%

2018
- Yes, Formal Goals 18%
- Yes, General Objective 32%
- No 50%

Base: Respondents from end-user organizations, excludes DK, 2017 n = 185, 2018 n = 106
Q. Does your supply chain organization have a stated objective to increase the number of women leaders in supply chain?
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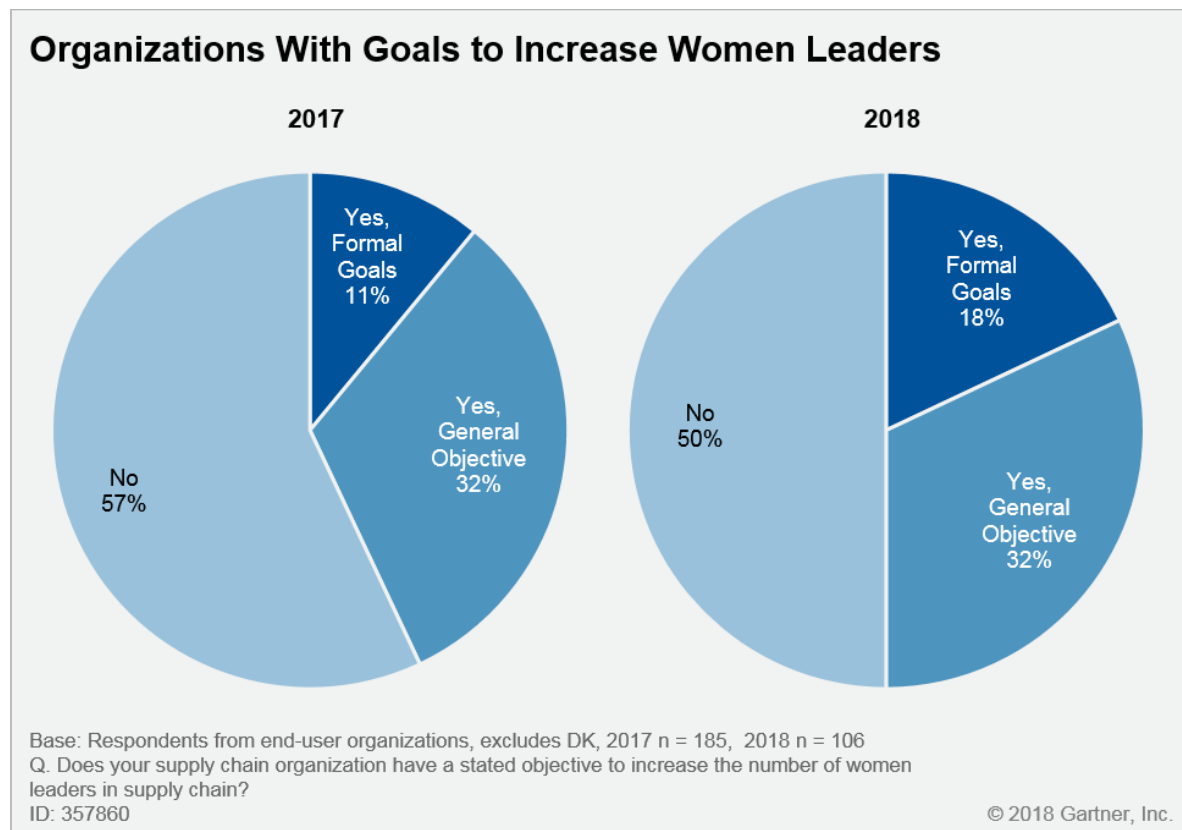
Source: Gartner (April 2018)

Next, we focused on the 50% with goals to see what they're doing to meet those goals. How many have launched formal initiatives? One shift we saw in 2018 is that more respondents are leading their own initiatives rather than solely relying on enterprise-level HR efforts. Of the supply chain organizations (not including solution providers) that have goals to increase the number of women in supply chain, 60% say the supply chain organization has targeted initiatives to recruit, develop, retain and/or advance women in supply chain. This is up from 44% in 2017 (see Figure 4).

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Figure 4. Percentage of Respondents With Specialized Supply Chain Initiatives Jumps in 2018

Respondents With Targeted Initiatives Jumps in 2018
2016 vs. 2017 vs. 2018

■ 2016 (n = 59) ■ 2017 (n = 78) ■ 2018 (n = 52)

Percentage of Respondents

Yes: 43%, 44%, 60%
No, but our company has enterprisewide gender diversity initiatives: 40%, 37%, 27%
Not currently, but we are considering: 10%, 6%, 4%
No: 7%, 13%, 10%

Base: Respondents from end-user organizations where SC organizations have stated objectives to increase women in supply chain, excludes DK, n = as specified
Q. Does your supply chain organization have any targeted initiatives to recruit, develop, retain and/or advance women in supply chain?
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Source: Gartner (April 2018)

This should lead to accelerated results for supply chain organizations because it makes them masters of their own destiny. It also helps that the initiatives they are spearheading are focused on policies and practices that are most likely to result in more women in supply chain organizations and more women in leadership positions. These are practices such as recruiting and integrated p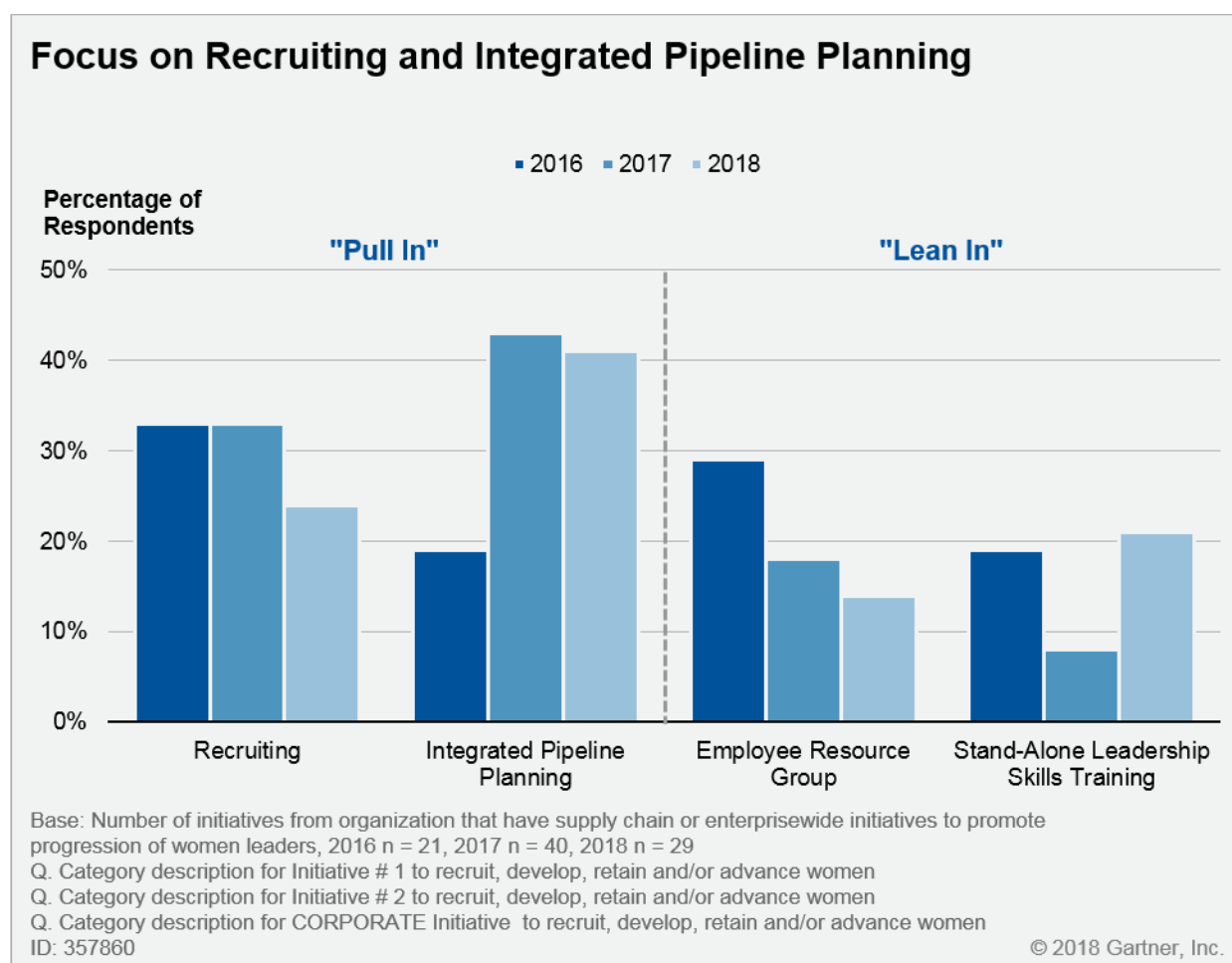ipeline planning, an integrated effort that includes recruiting, development, mentoring and sponsorship, rewards and recognition, and succession planning. We characterize these initiatives as "pull in" (Figure 5). They represent the supply chain organization proactively pulling more women into supply chain's orbit and a focus on developing and advancing them through the organization.

We characterize employee resource or affinity groups (ERGs) and leadership skill training, the right side of Figure 5, as "lean in." They are associate centric. Higher associate engagement and skill development are measurable benefits of ERGs and leadership classes, but decisions regarding associate hiring, opportunity and advancement are not made in these forums. In the three years we've hosted this survey, these programs have shown a lower likelihood to reach goals. Leadership development, when conducted apart from reinforcing exposure and decisions made throughout an integrated pipeline planning process, does not improve representation. When it is part of that more integrated process, we see improved results.

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Figure 5. More Initiatives Focus on Recruiting and Integrated Pipeline Planning

Focus on Recruiting and Integrated Pipeline Planning

■ 2016 ■ 2017 ■ 2018

Percentage of Respondents

"Pull In"   "Lean In"

Base: Number of initiatives from organization that have supply chain or enterprisewide initiatives to promote progression of women leaders, 2016 n = 21, 2017 n = 40, 2018 n = 29
Q. Category description for Initiative # 1 to recruit, develop, retain and/or advance women
Q. Category description for Initiative # 2 to recruit, develop, retain and/or advance women
Q. Category description for CORPORATE Initiative to recruit, develop, retain and/or advance women
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Source: Gartner (April 2018)

The left side of Figure 5 is where companies are more likely to report progress and impact. Redesigning important decision-making forums like hiring panels (as part of the recruiting process), calibration sessions and succession planning meetings (as components of an integrated pipeline planning process) to address unconscious bias gets results.[5]

Action Item

In recruiting, embrace basic proven practices like neutralizing gendered language and highlighting flexibility and benefits in job descriptions. Move on to more advanced practices like blind curriculum vitae (CV) reviews and candidate testing, diversifying interview panels, and standardizing the interview process and questions.

To touch all levels and relevant HR processes, consider integrated pipeline planning. If you already have an integrated pipeline planning process, audit it for diversity outcomes, and start to address different processes and decision points to manage unconscious bias in recruiting, development, mentoring and sponsorship, rewards and recognition, and succession planning.

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Increasing the Visibility of Successful Women Leaders as Role Models Impacts Recruitment, Retention and Advancement of Women to Senior Levels
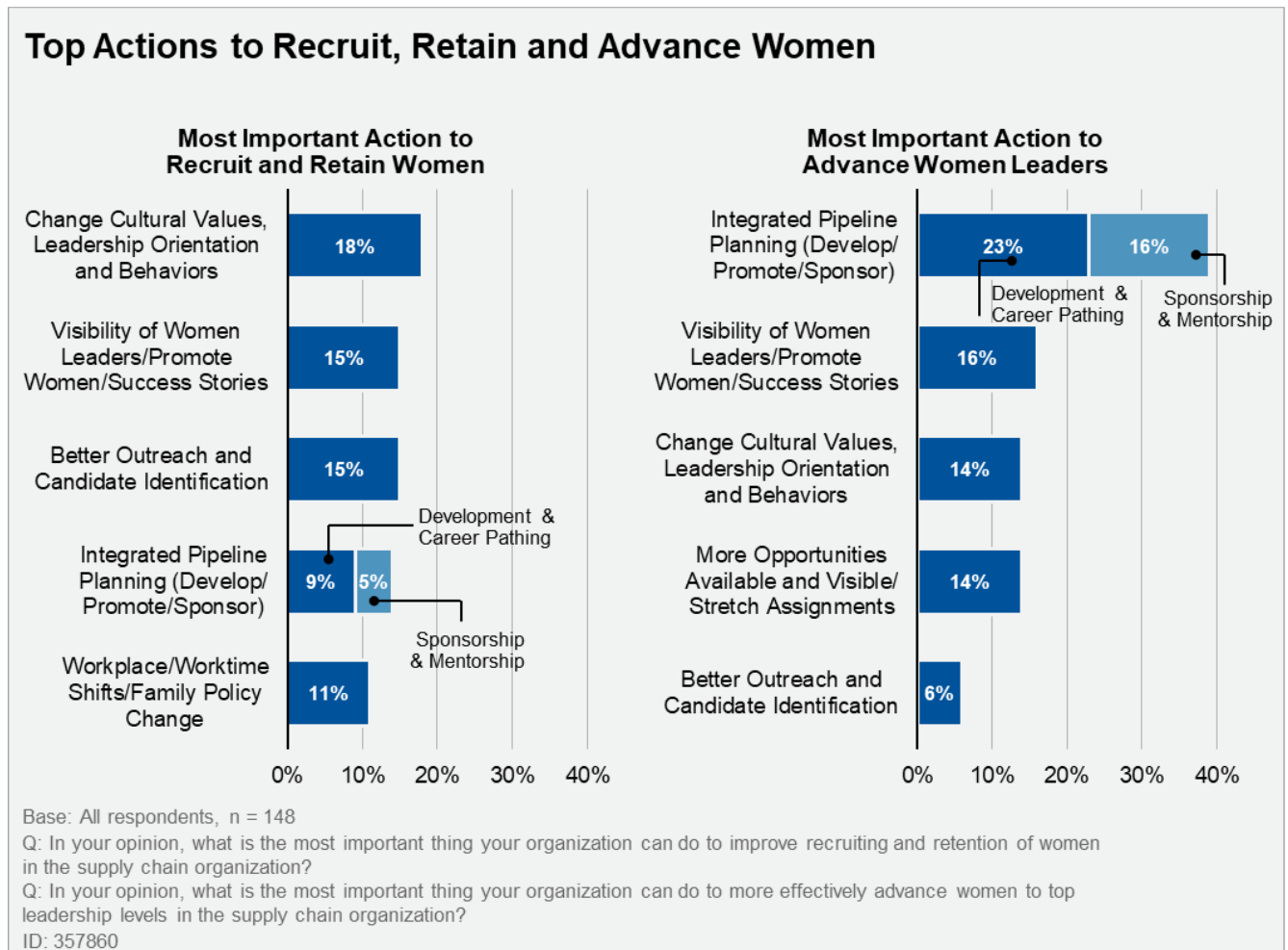
This year, we added two questions to highlight what it will take to improve recruiting and retention outcomes, as well as what will result in more women being offered and advancing into top jobs. Our goal was to focus on specific actions that we could compare with initiatives that are already underway and to move past obstacle mindsets to action mindsets.

We asked:

- In your opinion, what is the most important thing your organization can do to improve recruiting and retention of women in the supply chain organization?

- In your opinion, what is the most important thing your organization can do to more effectively advance women to top leadership levels in the supply chain organization?

Respondents identified increasing the presence and visibility of senior women leaders as one of the most important actions companies should take to impact the ability to better recruit and retain women (15%), and advance women to senior levels (16%). Beyond that common action item, we saw a number of differences in relative importance of different practices, depending on where in the talent pipeline respondents are focused (see Figure 6).

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Figure 6. Top Five Actions to Recruit, Retain, and Advance Women

Top Actions to Recruit, Retain and Advance Women

Most Important Action to Recruit and Retain Women

- Change Cultural Values, Leadership Orientation and Behaviors — 18%
- Visibility of Women Leaders/Promote Women/Success Stories — 15%
- Better Outreach and Candidate Identification — 15%
- Integrated Pipeline Planning (Develop/Promote/Sponsor) — 9% (Development & Career Pathing), 5% (Sponsorship & Mentorship)
- Workplace/Worktime Shifts/Family Policy Change — 11%

Most Important Action to Advance Women Leaders

- Integrated Pipeline Planning (Develop/Promote/Sponsor) — 23% (Development & Career Pathing), 16% (Sponsorship & Mentorship)
- Visibility of Women Leaders/Promote Women/Success Stories — 16%
- Change Cultural Values, Leadership Orientation and Behaviors — 14%
- More Opportunities Available and Visible/Stretch Assignments — 14%
- Better Outreach and Candidate Identification — 6%

Base: All respondents, n = 148
Q: In your opinion, what is the most important thing your organization can do to improve recruiting and retention of women in the supply chain organization?
Q: In your opinion, what is the most important thing your organization can do to more effectively advance women to top leadership levels in the supply chain organization?
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Source: Gartner (April 2018)

For advancing women to top jobs, 23% of respondents considered development and career pathing to be the most important action. An additional 16% identified sponsorship and mentorship, which is typically also an activity within an integrated pipelining process, as the most important. Combining these two, 39% of respondents pointed to integrated pipelining processes as the most significant opportunity for advancing women to top leadership positions (versus a combined 14% who identified these as the most important actions for recruiting and retaining women). This makes sense, as it's the most integrated approach to ensuring that a large, healthy pipeline is established and maintained, and women are given the opportunity to develop and advance.

The No. 1 recommendation for improving overall recruiting and retention of women is changing cultural values, leadership orientation and behaviors (18% of respondents). Changing culture and behaviors was also important to more effectively advance women (14%), but that placed it only third in the hierarchy of actions for that category. Increasing the visibility of successful women leaders showed as second in importance, as well as improving outreach and candidate identification in the hiring process (15% of respondents).

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Other notable differences between priority actions for recruitment and retention vs. executive advancement:

- The data suggests that improving the ability to identify and reach diverse candidates is far more important to recruiting and retaining women than to advancing women (15% versus 6%). This suggests there are more readily identifiable candidates for advancement to top roles than there are for new hires.

- Respondents placed more emphasis on flexibility and family policies as a requirement for better recruiting and retention (11%), but put far less emphasis (2%) on these as important for advancing women to top jobs.

- Adjacent to culture, but not dominant enough to make the top five actions, 5% of respondents focused on ensuring equality of pay, policies and opportunity as the most important action to take for recruiting and retaining women candidates. However, no one suggested those as important for advancing women to top leadership roles.
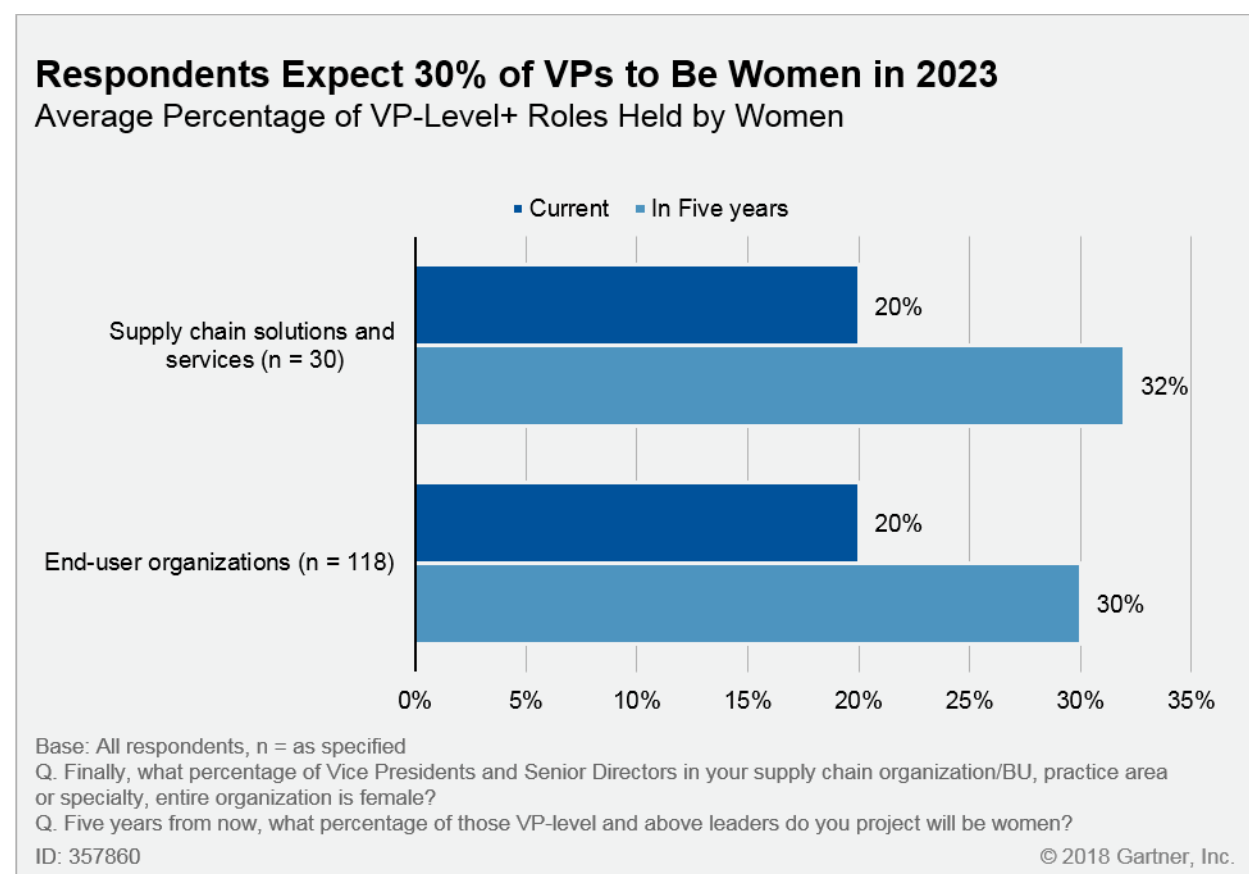
Action Item

Prioritize visibility and recognition of successful women leaders to improve advancement of women in senior roles to the top jobs as well as recruiting and retention. Prioritize additional actions based on where in the pipeline you want to see results. Initiatives in recruiting and integrated pipeline planning over time will show results in representation of women at all levels.

The Future

Every year, we ask respondents to look out five years: Will we be better? We use the VP title as a proxy, and every year the result has been optimistic and aspirational — 2018 is no different. While 20% of supply chain VPs today, on average, are women (one in five), respondents think that in 2023 representation will be roughly one in three, a 50% increase. Representation and sentiment are similar for supply chain providers (see Figure 7).

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Figure 7. Respondents Say, On Average, 30% of VPs in 2023 Will Be Women

Respondents Expect 30% of VPs to Be Women in 2023
Average Percentage of VP-Level+ Roles Held by Women

■ Current ■ In Five years

Supply chain solutions and services (n = 30)
- Current: 20%
- In Five years: 32%

End-user organizations (n = 118)
- Current: 20%
- In Five years: 30%

Base: All respondents, n = as specified
Q. Finally, what percentage of Vice Presidents and Senior Directors in your supply chain organization/BU, practice area or specialty, entire organization is female?
Q. Five years from now, what percentage of those VP-level and above leaders do you project will be women?
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Source: Gartner (April 2018)

When we consider that 50% of our sample companies have no stated goals or objectives, let alone active initiatives, current associate pools and pipelines, unfortunately, don't support this forecast. What we will see in the next five years, however, will be many more high-profile companies emerging where this will be the case. The visibility benefits associated with having more women in the CSCO or other very senior roles — "If you can see it, you can be it" — will start to pay off. These companies will also be distinguished by their excellent business performance, attractive workplace conditions and audited pay equity.

What will ultimately cause more companies to fall into line behind these pioneers, however, is the superior career brand these companies will enjoy with millennial and generation Z supply chain professionals. In 2023, these generations will comprise the majority workforce in all developed markets and be moving into middle management roles. They're much more likely to say that gender diversity (as well as ethnic diversity) is an important motivator. Whether or not a CSCO has gender diversity and inclusion goals today, this is ultimately what will force the hand of all supply chain leaders.

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Methodology

Results presented are based on a Gartner study conducted to track progress on attracting, retaining and promoting women in the supply chain profession. The research was conducted online from 2 February through 4 March 2018 among 148 respondents primarily in North America. AWESOME partnered with Gartner to develop the survey, recruit participants, and analyze results. The sample was augmented with LinkedIn outreach and connections to Gartner or AWESOME research contacts in additional supply chain organizations.

Qualified participants work in organizations that have an internal supply chain organization or in organizations where supply chain is a separate business unit, specialty or practice area, or are providers of supply chain services and solutions. Respondents were required to be familiar with the supply chain organization/business unit, specialty or practice area of their organization. Multiple answers from the same organization were filtered so that only one organizational perspective is represented in the final dataset.

The survey was developed collaboratively by a team of Gartner analysts who follow supply chain enablers and AWESOME leadership. It was reviewed, tested and administered by Gartner's Research Data and Analytics team.

Notes

[1] 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

- Inspires and encourages the advancement of women leaders in supply chain

[2] "Delivering Through Diversity," McKinsey & Co., January 2018. "How and Where Diversity Drives Performance," Harvard Business Review, 20 January 2018. "Do Pro-Diversity Policies Improve Corporate Innovation?" 29 January 2018.

[3] "Fortune 500 CFO Index," Spencer Stuart, January 2017. Some 12.5% of Fortune 500 CFOs are women.

[4] "The Key to Closing the Gender Gap? Putting More Women in Charge," The World Economic Forum, November 2017.

[5] I. Bohnet, "What Works, Gender Equality by Design," Belknap Press, March 2016.

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