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2019 WOMEN IN SUPPLY CHAIN RESEARCH

In Partnership with CSCMP — Council of Supply Chain Management Professionals

2019 Women in Supply Chain Survey

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2019's survey, conducted in partnership with AWESOME, shows modest improvements across the pipeline for the first time, with a healthy 8% surge in VP-level representation. Respondents with stated gender diversity objectives were more than two times more likely to report improvement than those without.

Key Findings

- Supply chain organizations with goals and formalized initiatives report progress. Those without, don't.

- Recruiting and integrated pipeline planning programs produce results for the largest number of supply chain organizations.

- Men matter. Respondents that involve men in initiatives are much more likely to report improvement in gender diversity than those that don't.

Recommendations

Chief Supply Chain Officers responsible for supply chain talent strategy should:

- State objectives for better representation of women in supply chain leadership roles and put initiatives in place to achieve them. If possible, ensure that supply chain is in the driver's seat to run the initiative and is held accountable for results.

- If you're looking for a pilot initiative that tends to demonstrate significant results, start with recruiting. Over time, add or renovate the processes that comprise integrated pipeline planning: performance management and succession planning in particular, but also development, mentoring and sponsorship, and rewards and recognition.

- Look to male supply chain leaders to play key roles in mentor- and sponsorships. To go further, use MARC, HeForShe, or other program resources to help reduce or remove the barriers that may be holding back a broader set of male leaders from getting involved and to engage men as advocates.

Survey Objective

Gartner's fourth annual Women in Supply Chain Survey was conducted from 22 January through 22 February 2019. Gartner surveyed 165 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 frontline manager, senior manager, director, vice president and executive-level roles within supply chain organizations. Another goal for this survey was to identify practices that increase 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 non-profit organization focused on advancing women's supply chain leadership.[1] We also partnered with the Council for Supply Chain Management Professionals (CSCMP) a U.S.-based non-profit organization for supply chain professionals, to reach out to a subset of their membership as well.

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.

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Data Insights

Have supply chain organizations finally begun to crack the code on gender diversity? This year a record number of supply chain organizations reported goals and specific initiatives to recruit, develop, and promote more women. But then this has been true every year we've done the survey: Since 2016, the attention paid to this issue and volume of activity surrounding it has increased significantly. Yet previous survey results showed women's participation and representation in the supply chain profession remaining relatively flat at all levels, with the exception of some modestly good news at executive levels in 2017 and 2018.
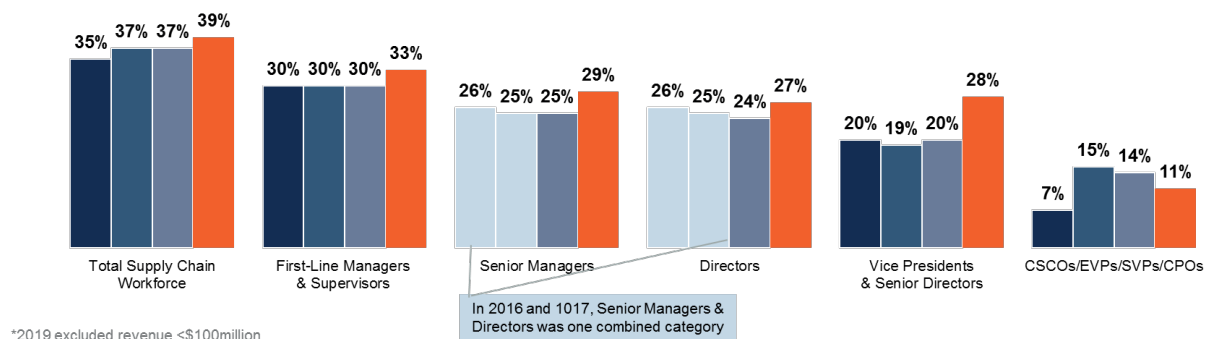
2019 is different. Our results show modest improvement across the board, from women's overall participation in the supply chain workforce, to improvements in representation in most management and leadership roles. Today, women make up 39% of the supply chain workforce on average, and we have seen notable improvement at the first-line manager level, middle manager and director levels, and most notably at the VP level, which jumped from 20% to 28% (Figure 1).

Figure 1: Workforce Representation and Women's Leadership Pipelines Improved Overall in 2019

Percentage of females as full-time employees in supply chain organization/business unit by role
Percentage of respondents

■ 2016 (n = 125)   ■ 2017 (n=196)   ■ 2018 (n=118)   ■ 2019 (n=122)

	Total Supply Chain Workforce	First-Line Managers & Supervisors	Senior Managers	Directors	Vice Presidents & Senior Directors	CSCOs/EVPs/SVPs/CPOs
2016	35%	30%	26%	26%	20%	7%
2017	37%	30%	25%	25%	19%	15%
2018	37%	30%	25%	24%	20%	14%
2019	39%	33%	29%	27%	28%	11%

In 2016 and 1017, Senior Managers & Directors was one combined category

*2019 excluded revenue <$100million

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

Source: Gartner (April 2019)

We can point to several potential reasons for progress. In recent years, more supply chain organizations have set goals to attract, develop, and promote women, and have focused their efforts on initiatives that are more likely to yield results. Last year, we saw the number of respondents who said they were leading specific initiatives out of the supply chain shoot up from 44% to 60%.

At the time we wrote, "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." This is exactly what has come to pass, as the improved health of the leadership pipeline shows across consumer, industrial, and service supply chain organizations (Figure 2).

While the overall picture is encouraging, the decrease in women leaders over the past two years at executive levels – from 14% down to 11% is sobering. How concerned should we be? Some of these CSCOs, EVP's and SVP's have retired, while several have been promoted to CEO or moved laterally in company leadership ranks. Others have opted for career changes. Part of the challenge with the current Baby Boomer generation of women execs leaving roles is that the next group in the pipeline with the required experience and skills, Generation X, is much smaller and therefore even more constrained in the numbers of women who are lined up to take over. Millennials are not being developed fast enough to take on all the senior leadership roles that will be vacated. That's why the big uptick at the VP level in figure 1 is so crucial. Ideally, this bump at the VP level will play through to a rebound at the executive level over the next couple of years.

These average representation results for companies that run industrial, consumer, and asset-based service supply chains do not hold for supply chain solution providers, which we started surveying alongside their customers last year. Figure 2 shows that transportation companies, 3PLs, 4PLs, supply chain consultants and technology providers on average have less diversity as well as a more pronounced narrowing of the leadership pipeline as it advances, even slightly lower than industrial supply chain organizations, which have typically had significantly fewer women at all levels. Where providers showed up more strongly is at the executive level, where 17% of CSCOs, EVPs, and SVPs are women (vs. 11% this year for other sectors on average, not shown in chart below). This reflects the seniority of the AWESOME membership. Ideally, this strong showing at the most senior levels will translate to future progress in the pipeline, as we are seeing this year in other sectors.

Figure 2: Comparing Gender Representation in Supply Chain Organizations Across Sectors

Percentage of females as full-time employees in supply chain organization/business unit by industry
Percentage of respondents
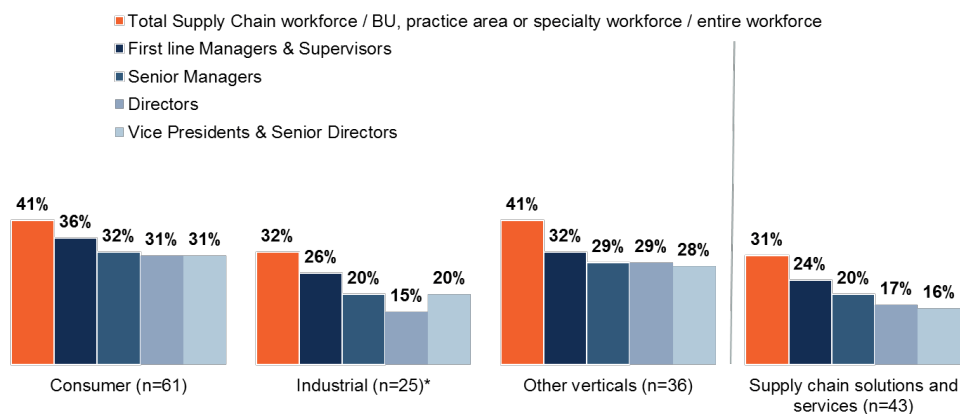
*Low sample size, interpret with caution
Q. Thinking about all the full-time employees in your supply chain organization/business unit, what percentage is female?

Source: Gartner (April 2019)

Other major takeaways from the 2019 survey: we have more robust detail than ever about what specific actions produce results, and which types of programs supply chain leaders should prioritize over others when there is already a low propensity for supply chain leaders to invest in people. Finally, we're able to show how crucial it is for men to participate actively in these programs. Without them, we make slow or no progress. Let's look at all of these findings in more detail.

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Supply chain organizations with goals and formalized initiatives report progress. Those without, don't.
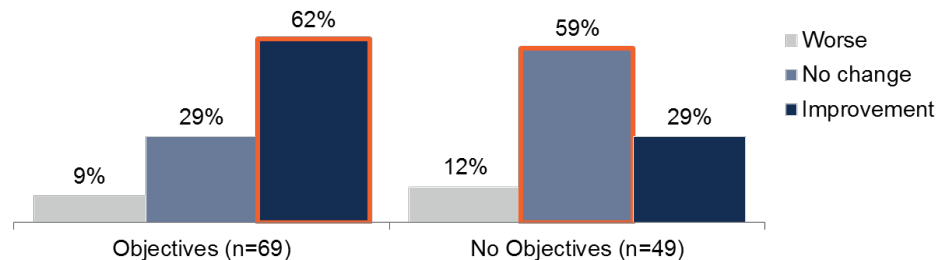
Supply chain professionals love goals, and executing against goals, but having that orientation carry over to talent strategy, and particularly to diversity and inclusion outcomes, has been challenging. This long journey of raising awareness, setting soft goals, and then more robust goals with formal, supporting initiatives is now bearing fruit. We have finally kicked over into majority territory: 59% of supply chain organizations now have a stated objective to increase the number of women leaders compared to 50% in 2018 (see Appendix, Figure A). The crucial follow-on to this data point is the number of companies that then report launching specific initiatives to reach those goals is also very high: 85%, with a little more than half of these initiatives spearheaded by the supply chain organization (the other half are led by HR, see Appendix, Figure B).

Now, the real payoff: companies with goals are showing better results than companies without. When we asked respondents to characterize their progress toward achieving gender diversity and inclusion at top leadership levels (VP and above), respondents with stated objectives were more than two times as likely to report improvement (Figure 3).

Figure 3: Companies with Objectives Show Improvement, Companies without Lag

Progress toward achieving gender diversity and inclusion at the TOP leadership level
Percentage of respondents

Legend: ▪ Worse ▪ No change ▪ Improvement

Objectives (n=69): Worse 9%, No change 29%, Improvement 62%
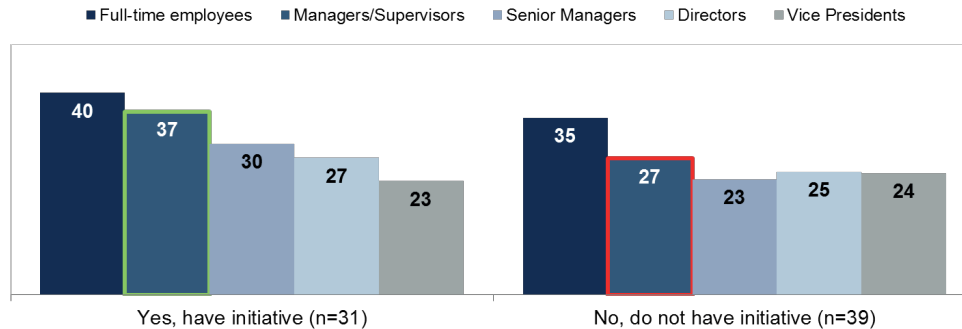No Objectives (n=49): Worse 12%, No change 59%, Improvement 29%

Q. How would you characterize your progress toward achieving gender diversity and inclusion at the TOP leadership level (VP level and above) over the past year?
Q. Does your organization/business unit have a stated objective to increase the number of women leaders in supply chain?

Source: Gartner (April 2019)

We also uncovered a clear relationship between supply chain organizations that lead targeted initiatives themselves and improvement in representation at the manager/supervisor level. They also show improved numbers at the senior manager level. Figure 4 shows that supply chain organizations with targeted initiatives tend to have more women to start with, and then are more successful at progressing more of them through the first two levels of management.

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Figure 4: Supply Chain-Led Initiatives Result in a Significantly Higher Percentage of Women in Front-Line Management

Percentage of females as Full-time employees in supply chain organization/business unit by role and status of targeted initiatives
Percentage of respondents

■ Full-time employees ■ Managers/Supervisors ■ Senior Managers ■ Directors ■ Vice Presidents

Yes, have initiative (n=31)   No, do not have initiative (n=39)

Base: End Users who have stated objective to increase the number of women leaders in SC, excludes DK
Q. Does your organization have any targeted initiatives to recruit, develop, retain and/or advance women in your organization/business unit?
Q. Thinking about all the full-time employees in your supply chain organization/business unit, what percentage is female?

Source: Gartner (April 2019)

This is the first time we've seen objectives and initiatives show direct positive relationships with real representation in pipelines. That it's happening in the front-line manager population is extremely important, as stronger representation here makes for a more durable pipeline through to senior levels of leadership.

The progress and impact we've seen in supply chain organizations is not yet showing in supply chain providers' representation, even though 71% report having stated objectives and a relatively high number (70%) also report improvement in progress at top leadership levels (see Appendix, Figures C and D). The sense of progress associated with having specific objectives has not yet translated into impact for supply chain providers.

Action Item

State objectives for better representation of women in supply chain leadership roles and put initiatives in place to achieve them. If possible, ensure that supply chain is in the driver's seat to run the initiative and is held accountable for results. Enterprise-led initiatives are not showing the direct relationship with better representation that we see in supply chain-led initiatives. We see the same results in other talent-focused initiatives in supply chain: where supply chain plays a leadership role and drives results, outcomes are superior.

Recruiting and integrated pipeline planning programs produce results for the largest number of supply chain organizations.

But what *kind* of initiative should supply chain leaders pursue? The first original finding of this research in 2016 -- apart from the supply chain-specific representation numbers -- was that this choice is crucial. 2019 results showed this again, reinforcing that initiatives that change institutional decision-making forums show results. Specifically, recruiting initiatives, which spiked in 2019, are achieving goals (see Appendix, Figure E). We see the follow-on effect of successful recruiting efforts as a more diverse overall workforce starts to translate into more women in first-line manager positions.

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Pulling together the data over the past four years, we can put together an even more convincing case that some approaches produce superior diversity and inclusion outcomes relative to others, at scale. Recruiting initiatives are more likely to achieve results, as are integrated pipelining initiatives, which include recruiting, development, mentoring and sponsorship, rewards and recognition, and succession planning (Figure 5). For example, over the four years, we logged 42 integrated pipeline initiatives, 17 of which were meeting stated objectives. We also see good results with leadership skills training programs, particularly when these are linked with processes in pipelining.

Figure 5: Cumulative D&I Initiatives 2016-1019 – Projects That Produce Results

Initiatives to recruit, develop, retain and/or advance women
Number of Initiatives
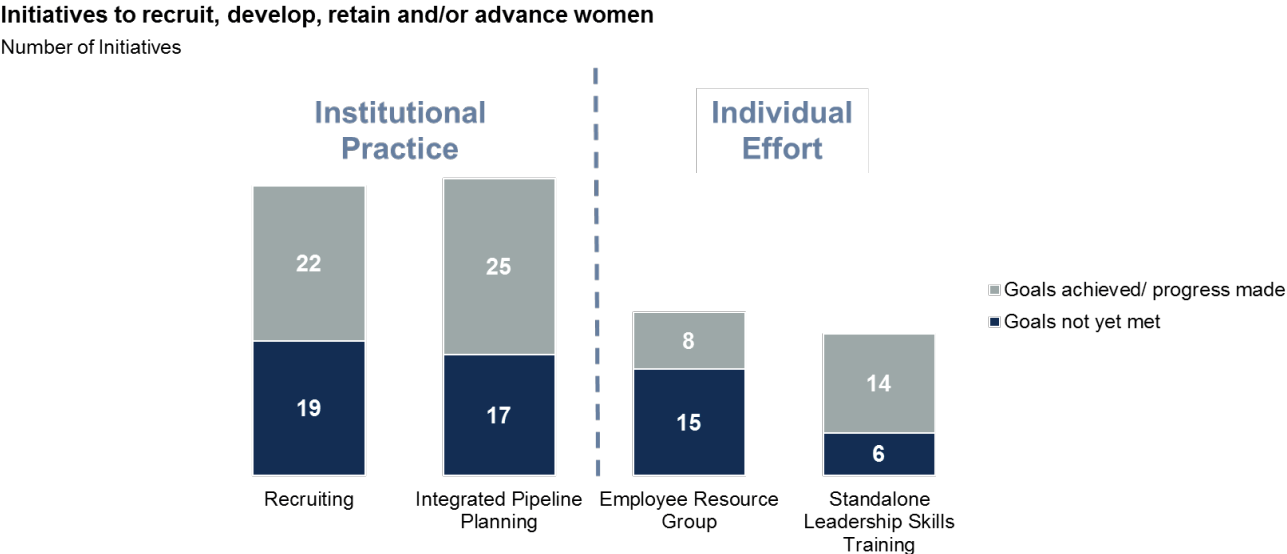
Base: Organization who shared details of initiatives in their supply chain organization/ business unit or practice area or specialty/ entire organization ,, n=117 (2016-2019)
Q. Category description for Initiative # 1 to recruit, develop, retain and/or advance women
Q. Category description for CORPORATE Initiative to recruit, develop, retain and/or advance women

Source: Gartner (April 2019)

These findings are reinforced elsewhere in the survey. When we ask participants the one action their supply chain organizations can take to better (1) attract and retain women and (2) advance women into senior leadership roles, the top answer to both questions is integrated pipeline planning. For advancing women into top jobs in particular, nearly half our respondents said this should be the one action, reflecting that companies recognize the complex set of activities and decision forums they need to orchestrate and reach through to pull women into and through the pipeline. Culture change, which is tricky to program, also scored high for both questions, but most other recommended initiatives are more concrete and actionable. For example, better outreach and candidate identification (recruiting) is in the top five for both.

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Figure 6: Integrated Pipeline Planning is Preferred Action for 2019

The one action your company should take…
Coded Open Ends

	To Better Attract and Retain Women?	To Better Progress Women to Top Jobs?
1	Integrated Pipeline Planning (Develop/Promote/Sponsor)	Integrated Pipeline Planning (Develop/Promote/Sponsor)
2	Change Cultural Values, Leadership Orientation, Behaviors	Change Cultural Values, Leadership Orientation, Behaviors
3	Better Outreach & Candidate Identification	More Opportunities Available & Visible/Stretch Assignments
4	Workplace/Worktime Shifts/Family Policy Change	Better Outreach & Candidate Identification
5	Visibility of Women Leaders/Promote Women/Success Stories	Visibility of Women Leaders/Promote Women/Success Stories

Base: Total Answering, n=165
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/business unit?

Source: Gartner (April 2019)

Notably, the number of respondents who named women's leadership training as the one action their company should take was negligible, even as Figure 5 shows that women do indeed improve their skills through these programs. The number who recommended an employee resource group was zero. Increasingly, supply chain leaders recognize that these programs on their own will not lead to desired representation of women in supply chain organizations, let alone management and leadership ranks.

Action Item

If you're in early stages of readiness and looking for a pilot initiative, start with recruiting. Reduce gendered language in job descriptions, remove gender-identifiers from job applications, and improve the representation of women interviewers. Over time, add or renovate the processes that comprise integrated pipeline planning: performance management and succession planning in particular, but also development, mentoring and sponsorship, and rewards and recognition. The goal of integrated pipeline planning initiatives is to redesign decision-making forums across these development and advancement processes in order to identify and address hidden biases
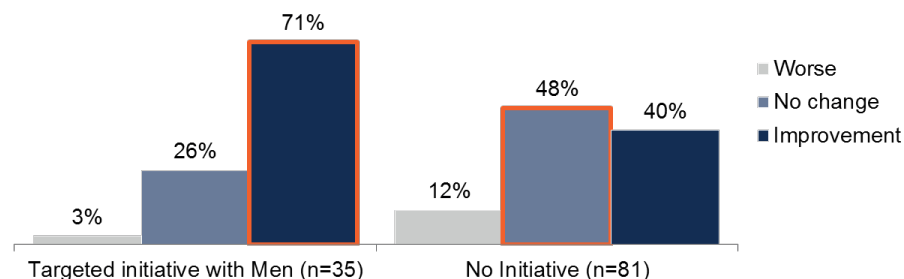
Men matter.

Culture and behavioral change is clearly called out in Figure 6 as a needed action, yet poses the biggest challenge of all in practice. For the 41% of supply chain organizations that don't have gender diversity goals and are not hiring or promoting many women, "change our culture" is a commonly recommended action. But what could support this change we seek?

This year marks the first time we've asked about men: whether they are actively involved in initiatives to attract and promote more women leaders in supply chain. At first glance, the results were not much to get excited about. Only about one in three supply chain organizations said they work to engage men in their initiatives to promote women leaders. Where the story improves is when you look more closely at those companies. It turns out that respondents that involve men are much more likely to report improvement in

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gender diversity than those that don't. As for companies without an initiative that involves men, they are more likely to report no change or even deterioration (Figure 7).

Figure 7: Companies Engaging Men in Initiatives More Likely to Report Improvement

Progress toward achieving gender diversity and inclusion at the TOP leadership level over the past year
Percentage of respondents

Legend:
- Worse
- No change
- Improvement

Targeted initiative with Men (n=35): Worse 3%, No change 26%, Improvement 71%
No Initiative (n=81): Worse 12%, No change 48%, Improvement 40%

Q. How would you characterize your progress toward achieving gender diversity and inclusion at the TOP leadership level (VP level and above) over the past year?
Q. Does your organization/business unit have a targeted initiative to engage men in the development and advancement of women leaders?

Source: Gartner (April, 2019)

This parallels Gartner's qualitative research and client work, where involved male leadership, perhaps even a male executive leading the gender diversity and leadership charge in their supply chain organization, is showing good, sometimes sudden results. In supply chain organizations, men still comprise a majority of leadership positions and account for 89% of executive leadership positions. As a result they are still the majority voice in setting tone and policy, and are making most of the decisions that make or break D&I outcomes. Any business strategy will be hard-pressed to deliver results if individuals in positions of power or decision-making authority are disconnected from that strategy. Encouraging and embedding male involvement is crucial.

While male leaders have played mentor and sponsor roles to professional women for decades, engaging men systematically as advocates is a relatively nascent activity within broader diversity and inclusion efforts. Initial activities focused on raising awareness, with a heavy emphasis on training to address and overcome hidden bias. Today, the focus is on moving from awareness to advocacy, as mentors and sponsors, to be sure, but in a range of forums and with a goal of supporting women more broadly. Witness the recent emergence of Men Advocating for Real Change (MARC), an initiative that is part of Catalyst, as well as HeForShe, a United Nations-aligned group. In both groups, dozens of male CEOs have signed on to make a public statement and to invest in their male employees as advocates and allies for women and underrepresented groups in their workplaces.

Action Item

The most natural and proven place for men to play key roles is mentoring and sponsorships. To go further, use MARC, HeForShe, or other program resources to help reduce or remove the barriers that may be holding back a broader set of male leaders from getting involved and to engage men as advocates for change, to show leadership and support for inclusion as a practice that leads to better

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business outcomes and access to a much broader talent pool. Barriers could include ambiguity in business cases and goals, fear, passive resistance, and a lack of understanding on how to get involved.

Future State: Cautious Optimism

In the 2018 survey, supply chain organizations predicted that by 2023 they would have 30% representation of women at the VP-level and above. It's encouraging to see that in just one short year this group has almost achieved this projection with 28% representation of women at those levels (Figure 8). This group then promptly moved the goalposts forward. Their 2019 five-year projection jumped significantly, to 37%, the highest projection since we started the survey.

For supply chain providers, by contrast, the gap between expectations and reality has only widened, as most of these companies have only recently begun the goal-setting and formal programs that their clients were launching four to five years ago. We hope to see the same pattern take hold in the provider community over time as initiatives unfold and start to show results. Since a higher percentage of them are setting goals and launching initiatives, their progress could be faster. But faster at a rate of 2X within five years (% of VPs growing from 16% to 30%, see Figure 8) is unlikely. Still, since providers do have higher representation in the top jobs today, if they put more men in positions to advocate and make women role models more visible, they could see the same kind of results we've seen in supply chain groups at manufacturers, brand owners, and retailers over the past three years.

Figure 8: For First Time, Supply Chain Organizations Seem Likely to Hit Aspirational VP Numbers

Five years from now, percentage of VP-level and above leaders projected to be women
Percentage of Respondents
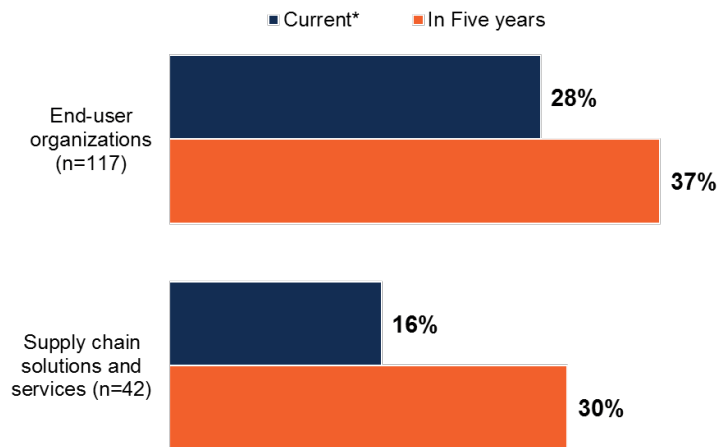
*Current percentage based on QA04. Finally, thinking about the Vice Presidents in your organization/business unit, what percentage is female?
Q. Five years from now, what percentage of those VP-level and above leaders do you project will be women?

Source: Gartner (April 2019)

For the companies running consumer, healthcare, industrial, and service supply chain organizations, however, 37% women VPs in 2024 is an actual possibility. Better pipeline indicators combined with:

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- More supply chain organizations setting goals
- More supply chain organizations prioritizing high-impact initiatives; and
- More involvement from male supply chain leaders

means that for the first time in the survey's history, the five-year prediction looks credible. The dynamics to watch in the next few years will be engagement and retention in the middle and end of the pipeline, and accelerated development of Millennial leaders through that pipeline to bolster Generation X's relatively small numbers.

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 22 January through 22 February 2019 among 165 respondents, primarily in North America. AWESOME partnered with Gartner to develop the survey, recruit participants and analyze results. CSCMP also partnered with Gartner to extend the survey to a subset of their membership.

Participants work in medium-to-large-sized companies with an internal supply chain organization or that are dedicated vendors of supply chain services and solutions, or in services and solution providers where supply chain is one of many business units or practice areas. Companies were required to have annual revenues of $100M or greater to participate.

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 company 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 cover supply chain talent and organizational best practices and AWESOME leadership. It was reviewed, tested and administered by Gartner's Research Data and Analytics team.

Evidence

[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 connections and learning among senior leaders

- Enhances visibility for the accomplishments and expertise of senior women supply chain leaders

- Collaborates with others in the profession to improve the climate for advancing women

- Inspires and encourages the development of emerging leaders and young professionals

Gartner Recommended Reading

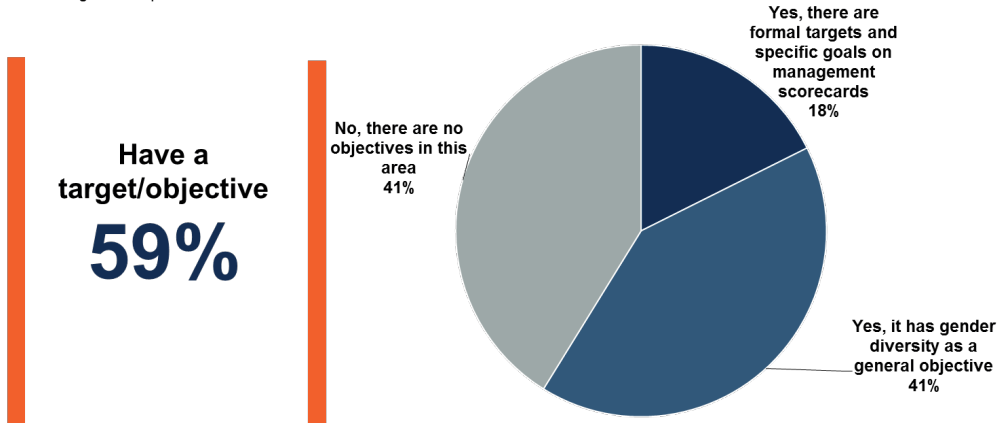*Some documents may not be available as part of your current Gartner subscription.*

Map Your Supply Chain Future With the Supply Chain Talent Maturity Model (2.0)

3 Steps to Bridging the Supply Chain Gender Gap

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Appendix

Figure A: Gender Diversity is a Goal for More Than Half of Supply Chain Organizations

Percentage of organizations/business units that have a stated objective to increase the number of women leaders in supply chain
Percentage of Respondents

Have a target/objective

59%

No, there are no objectives in this area
41%

Yes, there are formal targets and specific goals on management scorecards
18%

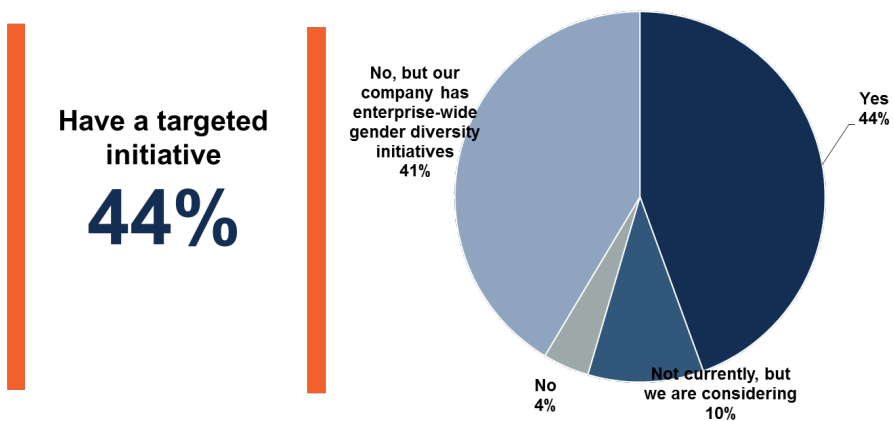Yes, it has gender diversity as a general objective
41%

Base: End-User Respondents, excludes DK, n=119
Q. Does your organization/business unit have a stated objective to increase the number of women leaders in supply chain?

Source: Gartner (April 2019)

Figure B: Among Those With Goals, Over 40% of Supply Chain Organizations Have a Targeted Initiative To Promote Women

Percentage of organizations/business units that have targeted initiatives to recruit, develop, retain and/or advance women
Percentage of Respondents

Have a targeted initiative

44%

No, but our company has enterprise-wide gender diversity initiatives
41%

Yes
44%

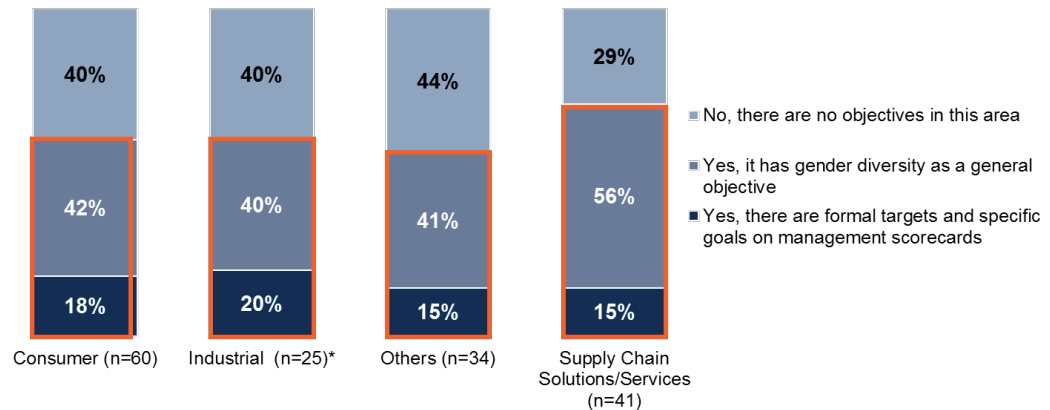No
4%

Not currently, but we are considering
10%

Base: End Users who have stated objective, excludes DK, n=70
Q. Does your organization have any targeted initiatives to recruit, develop, retain and/or advance women in your organization/business unit?

Source: Gartner (April 2019)

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Figure C: Well Over Two-Thirds of Supply Chain Solution Providers Have Gender Diversity Objectives

Percentage of organizations/business units having stated objective to increase the number of women leaders in supply chain
Percentage of respondents

■ No, there are no objectives in this area

■ Yes, it has gender diversity as a general objective

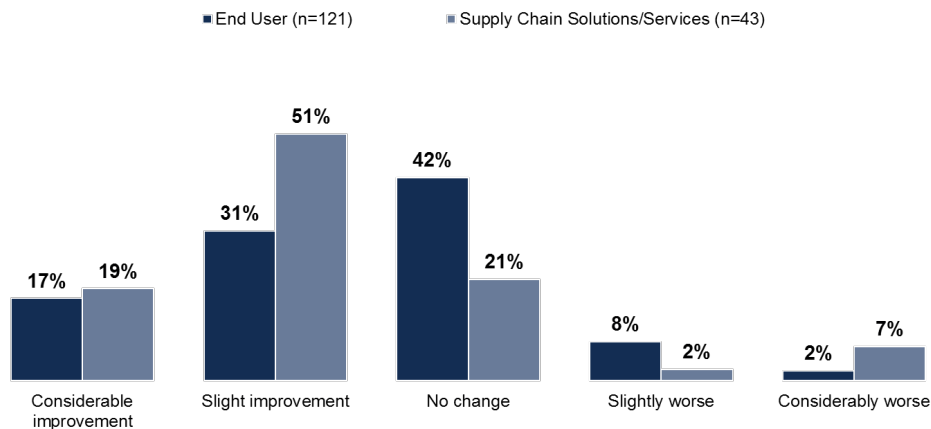■ Yes, there are formal targets and specific goals on management scorecards

*Low sample size, interpret with caution
Percentages may not add to 100% due to rounding
Q. Does your organization/business unit have a stated objective to increase the number of women leaders in supply chain?

Source: Gartner (April 2019)

Figure D: Just Under Half of Supply Chain Organizations Report Progress at Top Levels, While Two-Thirds of Supply Chain Providers Report Progress

Progress toward achieving gender diversity and inclusion at the TOP leadership level (VP level and above) over the past year

Percentage of respondents

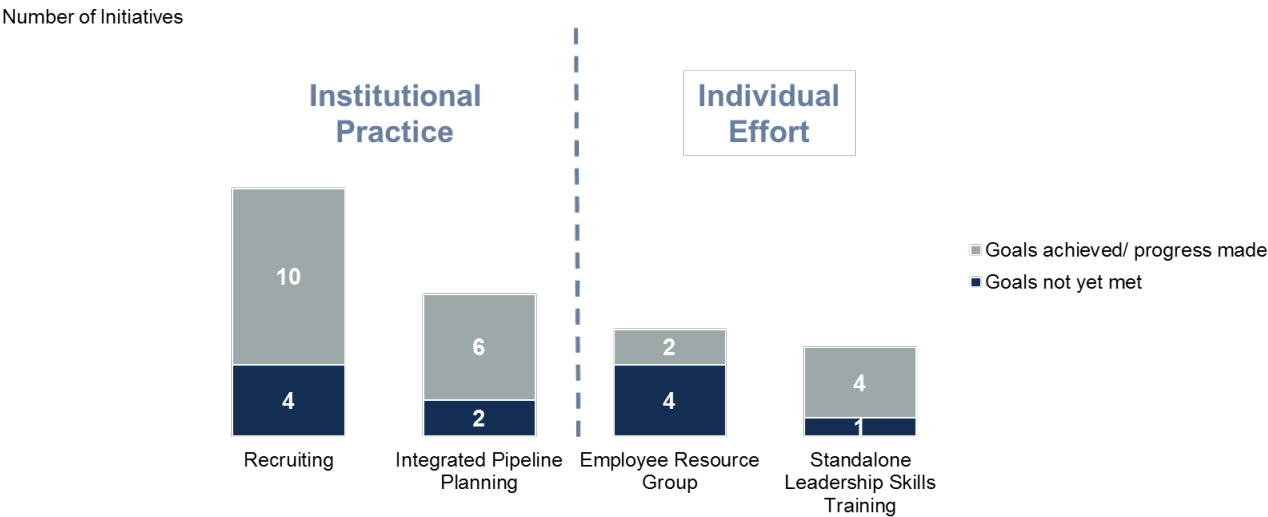■ End User (n=121)   ■ Supply Chain Solutions/Services (n=43)

Q. How would you characterize your organization/business unit's progress toward achieving gender diversity and inclusion at the TOP leadership level (VP level and above) over the past year?

Source: Gartner (April 2019)

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Figure E: Recruiting Initiatives Dominate in 2019

Initiatives to recruit, develop, retain and/or advance women

Number of Initiatives

Institutional Practice

Individual Effort

Legend:
- ■ Goals achieved/ progress made
- ■ Goals not yet met

Recruiting: 10 (Goals achieved/ progress made), 4 (Goals not yet met)

Integrated Pipeline Planning: 6 (Goals achieved/ progress made), 2 (Goals not yet met)

Employee Resource Group: 2 (Goals achieved/ progress made), 4 (Goals not yet met)

Standalone Leadership Skills Training: 4 (Goals achieved/ progress made), 1 (Goals not yet met)

Source: Gartner (April 2019)

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