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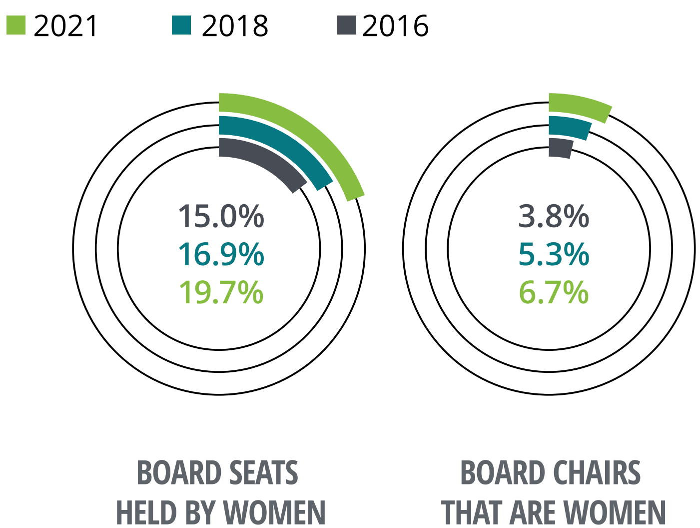
Insights

Women in the boardroom, 2022 update: Around the world, progress is slow and gaps persist

Dan Konigsburg and Sharon Thorne

FIGURE 1

There were modest increases in the number of women on boards



Source: Deloitte analysis.

Is the world making reasonable progress towards increasing the proportion of women on boards? The data indicates not. Women occupy just 20% of board seats globally, and continue to be excluded from the highest levels of corporate leadership.

In 2011, when Deloitte Global Boardroom Program began researching how many women served on corporate boards globally, the conversation about achieving gender equity among the highest leadership ranks was just starting to percolate. Since then, increasing women's representation at the boardroom table has become something of a movement: More and more countries have developed initiatives to address gender parity, the conversation has vastly expanded, and, consequently, numbers have risen. Some countries, such as France, have really upped their numbers in a substantial way following government-mandated gender quotas. More than 40% of board seats among French companies are now occupied by women.

Deloitte's report this year showed that progress is happening, albeit slowly. The global average of women on boards sits at just under 20% (19.7%), an increase of just 2.8 percentage points since the last report published in 2019[1] (figure 1). At this pace, the world will not reach parity until at least 2045, over twenty years from now. While this is still unacceptably slow, the pace of change has accelerated slightly: Deloitte's last report showed parity being reached by 2052, indicating a timeline that has been reduced by almost a decade.

A pronounced ripple effect

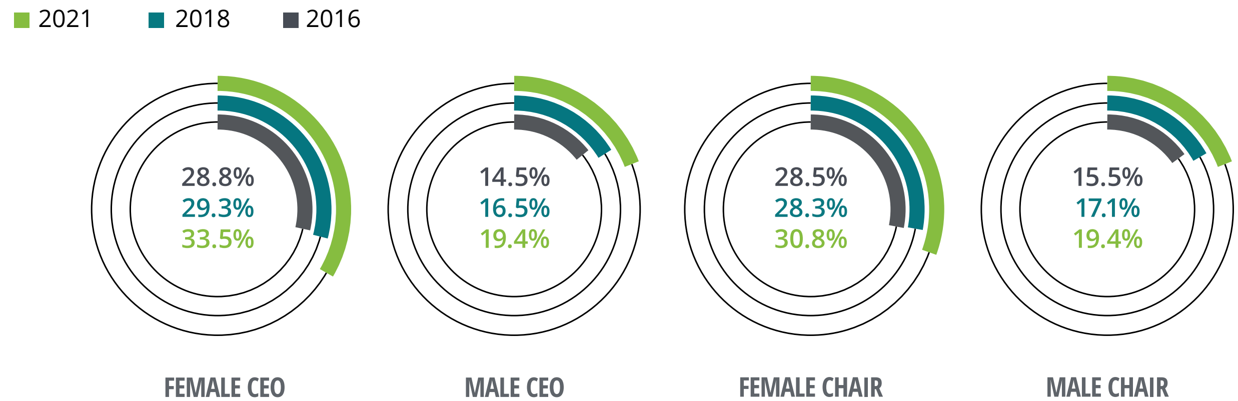
As was seen in previous editions, this year's report revealed a clear correlation between women in top leadership roles and women in the boardroom. The most diverse boards tend to be found at companies with women chief executive officers (CEOs) or chairs. Companies with women CEOs have significantly more balanced boards than those run by men—33.5% women versus 19.4%. The statistics are similar for companies with female chairs (figure 2).

Similarly, a Deloitte series that focuses on women leaders in the financial services industry found strong evidence, at the organizational level, of what it calls *the multiplier effect*—adding one woman to the C-suite resulted in three women joining senior management roles. The series also pointed to mentorship and sponsorship programs as ways to boost the number and tenure of women financial services leaders.

FIGURE 2

Companies with women in top leadership roles continue to have more women on their boards

Percentage of board seats held by women



Source: Deloitte analysis.

Requiring more women to join boards through quotas or other rules is clearly one way to bolster numbers, but it doesn't address another area: women's tenure, or how long they tend to *stay* in their board roles. Once again, this year's report shows a clear disparity between the tenure of women and men on corporate boards around the world. In 2021, there was a difference of two and a half years in average tenure among men and women. Women held their board positions an average of 5.1 years, while men averaged 7.6 years. These figures were similar to what was seen in 2018 (figure 3) and were nearly the same for boards with women chairs and men chairs, revealing little to no causal effect. What is causing this difference in tenure? Are women choosing to pursue other board- or executive-level opportunities? Is it because many women have only recently been added to boards, so naturally, they haven't been there as long as their male peers have? The topic of tenure deserves further exploration.

FIGURE 3

Women's tenures in the boardroom continue to lag behind men's

AVERAGE TENURE

■ 2021 ■ 2018

	BOARD MEMBER		CHAIR	
	Men	Women	Men	Women
2021	7.6	5.1	7.7	5.0
2018	8.0	5.5	7.7	5.4

Source: Deloitte analysis.

The usual suspects? Diving deeper into talent pools for women

Another key issue the report uncovered is that companies often select from a pool of "the usual suspects"—a very small list of women who are well-known and well-connected—to fill board roles. When some countries instituted quotas, there was concern—and criticism—that the same women would be picked to serve on a large number of boards. And, because of the insularity of this same, small group of women, boards would end up being less diverse than they would appear to be. In France, journalists named these women "jupes dorées"—golden skirts—and pointed to a small, highly connected group of women who had been asked to join many of the newly opened board seats.

In 2016, Deloitte set out to see if this criticism held up in practice. Deloitte developed our own metric—*the stretch factor*—to evaluate how many board seats an individual holds in a particular market. The higher the stretch factor, the greater the number of board seats occupied by the same director in a given country. So, countries with the highest stretch factors had boards that were pulling from the shallowest pools of leadership talent. Globally, the stretch factor for women has increased slightly from the previous edition, from 1.26 to 1.30 (although remains relatively unchanged from 2016 [1.31]). Men, by comparison have a stretch factor of 1.17.

It turns out that countries with the highest stretch factors for women—Australia (1.43), the United States (1.34), and New Zealand (1.33)—have all eschewed quotas in favor of voluntary approaches. In fact, European countries that were early adopters of quotas, such as Norway, have much lower stretch factors. Why this should be the case is a bit of a mystery. Have countries with voluntary approaches taken the easy way out, recruiting most women from familiar talent pools? Or have countries with quotas been forced to cast a wider net? Both are possible explanations.

Overall, this year's findings reveal that companies around the globe still need to drastically step up efforts to recruit and retain more women (and other directors from underrepresented groups) in boardrooms if they want to prioritize diversity, equity, and inclusion initiatives throughout their organizations and at the highest levels. Gender equity in the boardroom will only be achieved if/when most companies across geographies take these critical steps.

Read our latest *Women in the boardroom* report for country-by-country breakdowns, along with insights and opinions from top experts and board leaders.

Endnotes

1. Please note, for the analyses, the years 2021, 2018, 2016, and 2014 refer to the following:
   2021: Seventh edition, published February 2022 (data as of March 2021).
   2018: Sixth edition, published October 2019 (data as of December 2018).
   2016: Fifth edition, published June 2017 (data as of December 2016).
   2014: Fourth edition, published June 2015 (data as of October 2014).

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The Deloitte Global Boardroom Program brings together the knowledge and experience of Deloitte firms around the world to address critical topics of universal interest to company boards and the C-suite. Supplementing geography programs, its mission is to promote dialogue among Deloitte practitioners, corporations and their boards and management, investors, the accounting profession, academia, and government.

In addition to the publication of thought-pieces on critical topics, the Deloitte Global Boardroom Program hosts a series of must-see webinar discussions with eminent panellists to enable boards and management of global companies to challenge perceived wisdom.

For more information about the program contact globalboardroomprogram@deloitte.com.

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