

How Times Have Changed?

Transatlantic CEO Gender Gap Analysis of the S&P Euro 350 and S&P 500

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Preface: This article is a continuation of our Gender Gap Research which focuses on female / male CEO ratios in blue chip companies. The last piece focused on the S&P 500 and was published on March 21 2016. We have now extended this to Europe. This research series draws attention to the importance of employee diversification in major corporations.

As greater emphasis is being placed on gender diversity at global companies and vigorous petitioning is taking place in the political sphere, it seems only natural that more women should assume the leadership Chief Executive Officer (CEO) positions. By focusing on S&P Euro 350 Companies as of August 18th 2016 (which accounts for approximately 70% percent of the European equity market by capitalization)¹, comparing them to S&P 500 companies, and analyzing the female/male ratios of CEOs, we get a modest representation of how the gender gap has changed over the years for the largest publically owned companies.² The current number of female CEOs running S&P Euro 350 companies is fourteen, compared to twenty seven running S&P 500 Companies.

The assessment conducted by S&P Global Market Intelligence from 2009 to 2016 revealed the following key findings³.

- In a surprising and positive development since our previous report in March 2016, we are seeing increased momentum in closing the gender gap at blue chip companies across multiple sectors.
- The gender gap at the CEO level of S&P Euro 350 and S&P 500 companies is showing signs of tightening more in America than in Europe. The growth rate of female CEOs for the S&P 500 is fractionally higher than the S&P Euro 350.
- Out of the two indices, it is the S&P 500's Information Technology, Utilities and Consumer Discretionary sectors which have the most female CEOs. Also, four sectors in the S&P Euro 350 do not have any female CEO representation compared to just two in the S&P 500.
- 2016 female CEO's lag male CEO's in terms of median tenure by two years in both indices with longer tenures in general being recorded in the S&P 500 index.

*Note: for methodology please turn to the Appendix at the end of the document.*⁴

¹ Source <http://us.spindices.com/indices/equity/sp-europe-350>

² This study only covers S&P Euro 350 and S&P 500 Companies. We have not taken into account or analyzed Small to Medium Enterprises (SMEs) or privately own institutions whose leadership composition could vary significantly.

³ To get access S&P Global Market Intelligence People Data and Key Development Data please follow the link: <http://www.spcapitaliq.com/our-capabilities/our-capabilities.html?product=professionals-data>

Current Standings: 2016 Gender Gap in S&P Euro 350 Companies, Compared with S&P 500

The S&P Euro 350 currently has fourteen companies with female CEOs, which is only 4% of the entire index. The growth has been slow and steady with three new female CEOs added since 2015, and one female led company being dropped from the index. Therefore, progress is being made, and it is encouraging that we have not seen a decrease in female CEOs over the last eight years. Also, GlaxoSmithKline (LSE: GSK) announced that Emma Walmsley will succeed Andrew Witty as CEO in March 2017, further adding to the number of female CEOs.

The three new female CEOs added in 2016 are firstly; Isabelle Kocher from Engie SA (ENXTPA: ENGI), who joined the French multi-utility company in May 2016 replacing Gérard Mestrallet. Birgitte Bonnesen of Swedbank AB (OM: SWED A), a Swedish diversified bank, replaced Michael Wolf on April 2016. Alison Brittain of Whitbread (LSE: WTB), a hotel and restaurants chain which includes Costa Coffee, replaced Andy Harrison. Finally, the Drax Group (LSE: DRX) was removed from the Euro 350 in Jan 2016, so that gives us a net of two female CEO's added to the index. The complete list of fourteen female CEOs is in the table below.

Female CEOs of S&P Euro 350 Companies as of 18th August 2016

CEO Name	Company Name	Company Ticker	Tenure	Start Year	Industry
Charlene Lucille de Carvalho-Heineken	Heineken Holding N.V.	ENXTAM:HEIO	29	1988	Consumer Staples
Nancy McKinstry	Wolters Kluwer N.V.	ENXTAM:WKL	14	2003	Consumer Discretionary
Annika Falkengren	Skandinaviska Enskilda Banken AB (publ)	OM:SEB A	12	2005	Financials
Carolyn McCall	easyJet plc	LSE:EZJ	7	2010	Industrials
Alison Cooper	Imperial Brands PLC	LSE:IMB	7	2010	Consumer Staples
Hendrika Verhagen	PostNL N.V.	ENXTAM:PNL	5	2012	Industrials
Dominique Leroy	Proximus PLC	ENXTBR:PROX	3	2014	Telecommunication Services
Olivia Garfield	Severn Trent Plc	LSE:SVT	3	2014	Utilities
Véronique Laury-Deroubaix	Kingfisher plc	LSE:KGF	2	2015	Consumer Discretionary
Pernille	TDC A/S	CPSE:TDC	2	2015	Telecommunication

⁴ We strive to keep this list and data accurate and timely; if you have found that we have missed something, or have any questions, please reach out to the author.

Erenbjerg					Services
Allison Kirkby	Tele2 AB (publ)	OM:TEL2 B	2	2015	Telecommunication Services
Alison Brittain	Whitbread PLC	LSE:WTB	1	2016	Consumer Discretionary
Isabelle Kocher	ENGIE SA	ENXTPA:ENGI	1	2016	Utilities
Birgitte Bonnesen	Swedbank AB (publ)	OM:SWED A	1	2016	Financials

Source: S&P Capital IQ Platform August 18, 2016.

Note: A CEO's tenure starting in 2016 is counted as one year. A CEO's tenure that started in 2015 and is currently active is counted as two years.

Current Standings: Comparison to S&P 500

While the American S&P 500 Index has more constituents than the S&P Euro 350, it also has a higher percentage of female CEOs; 5.4% in the S&P 500 vs. 4% in the S&P Euro 350. We see that the number of female CEOs has gone up by five to twenty seven since our last report which is very positive for gender diversification at the American C-Suite. This was due to one female CEO stepping down and six new female CEOs joining the S&P 500. The changes are as follows. HCP (NYSE: HCP) Michael McKee replaced Lauralee Martin as CEO. Alliant Energy Corp (NYSE: LNT) was added to the S&P 500 in June 2016 with Patricia Leonard Kampling as the CEO. Patricia Poppe was named CEO of CMS Energy (NYSE: CMS) in July 2016 replacing John Russell. Vicki Hollub named CEO of Occidental Petroleum Corp (NYSE: OXY) on April 2016 replacing Stephen Chazen. Susan Griffith was named CEO of Progressive Corp (NYSE: PGR) on July 2016 replacing Glenn Renwick. Shira Goodman was named Interim-CEO of Staples (NasdaqGS: SPLS) on June 2016 replacing Ronald Sargent. Finally ULTA Salon, Cosmetics & Fragrances (NasdaqGS: ULTA) was added to the S&P 500 on April 2016 with Mary Dillon as CEO.⁵ The full list of twenty seven female CEOs is in the table below.

Female CEOs of S&P 500 Companies as of August 18, 2016

CEO Name	Company Name	Company Ticker	Tenure	Start Year	Industry
Debra Cafaro	Ventas, Inc.	NYSE:VTR	18	1999	Financials
Irene Rosenfeld	Mondelez International, Inc.	NasdaqGS:MDLZ	11	2006	Consumer Staples
Indra Nooyi	Pepsico, Inc.	NYSE:PEP	11	2006	Consumer Staples
Ursula Burns	Xerox Corporation	NYSE:XRX	8	2009	Information Technology
Denise Morrison	Campbell Soup Company	NYSE:CPB	6	2011	Consumer Staples
Beth Mooney	KeyCorp.	NYSE:KEY	6	2011	Financials
Debra Reed	Sempra Energy	NYSE:SRE	6	2011	Utilities

⁵ All data, Companies, CEO Names and dates as of August 18, 2016

Gracia Martore	TEGNA Inc.	NYSE:TGNA	6	2011	Consumer Discretionary
Patricia Kampling	Alliant Energy Corporation	NYSE:LNT	5	2012	Utilities
Virginia Rometty	International Business Machines Corporation	NYSE:IBM	5	2012	Information Technology
Heather Bresch	Mylan N.V.	NasdaqGS:MYL	5	2012	Healthcare
Marissa Mayer	Yahoo! Inc.	NasdaqGS:YHOO	5	2012	Information Technology
Margaret Whitman	Hewlett Packard Enterprise Company	NYSE:HPE	5	2015	Information Technology
Lynn Good	Duke Energy Corporation	NYSE:DUK	4	2013	Utilities
Phebe Novakovic	General Dynamics Corporation	NYSE:GD	4	2013	Industrials
Marillyn Hewson	Lockheed Martin Corporation	NYSE:LMT	4	2013	Industrials
Mary Dillon	ULTA Salon, Cosmetics & Fragrance, Inc.	NasdaqGS:ULTA	4	2013	Consumer Discretionary
Mary Barra	General Motors Company	NYSE:GM	3	2014	Consumer Discretionary
Safra Catz	Oracle Corporation	NYSE:ORCL	3	2014	Information Technology
Susan Cameron	Reynolds American Inc.	NYSE:RAI	3	2014	Consumer Staples
Barbara Rentler	Ross Stores Inc.	NasdaqGS:ROST	3	2014	Consumer Discretionary
Susan Story	American Water Works Company, Inc.	NYSE:AWK	2	2015	Utilities
Margaret Keane	Synchrony Financial	NYSE:SYF	2	2016	Financials
Patricia Poppe	CMS Energy Corp.	NYSE:CMS	1	2016	Utilities
Vicki Hollub	Occidental Petroleum Corporation	NYSE:OXY	1	2016	Energy
Susan Griffith	Progressive Corp.	NYSE:PGR	1	2016	Financials
Shira Goodman	Staples, Inc.	NasdaqGS:SPLS	1	2016	Consumer Discretionary

Source: S&P Capital IQ Platform August 18, 2016.

Note: A CEO's tenure starting in 2016 is counted as one year. A CEO's tenure that started in 2015 and is currently active is counted as two years.

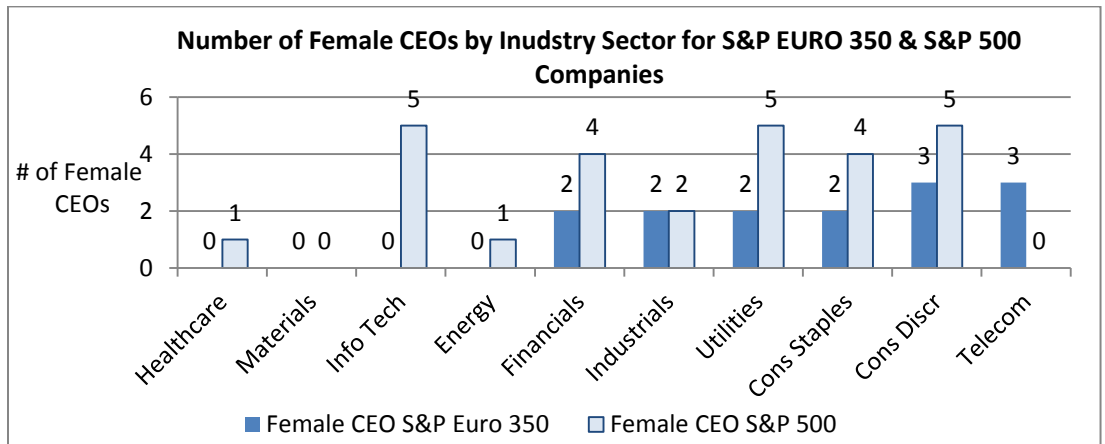
Gender Split by Industry: For S&P Euro 350 & S&P 500 in 2016

The analysis looks at ten industry sectors for both the S&P indices in question, omitting the newly added Real Estate sector.⁶ Four of these industry sectors (Healthcare, Materials, Energy, and IT) do not have any female CEOs in the S&P Euro 350 while only two sectors (Materials and Telecoms) do not have female CEO representation in the American S&P 500.

⁶ Industry sectors are classified by the Global Industry Classification Standards code (GICS). Also, this report does not include the new 11th Real Estate sector in GICS to ensure consistency in the analysis from the previous report. We will assess how we add the 11th sector in future reports.

Incidentally, Telecoms are markedly different between the two indices; there are three female CEOs in the S&P Euro 350 vs zero female CEOs in the S&P 500. In fact, in 2009 S&P Euro 350 did not have any female CEOs in the Telecoms, meaning this sector has led the way in terms of gender gap tightening.

The sectors in the S&P 500 with the most female CEOs are Information Technology, Utilities and Consumer Discretionary, with five companies each. In our previous March [report](#) for the S&P 500, only Information Technology had five companies with female CEOs. Again we are seeing improvement, be it very mild, in closing the gender gap across different – typically male-led – sectors.



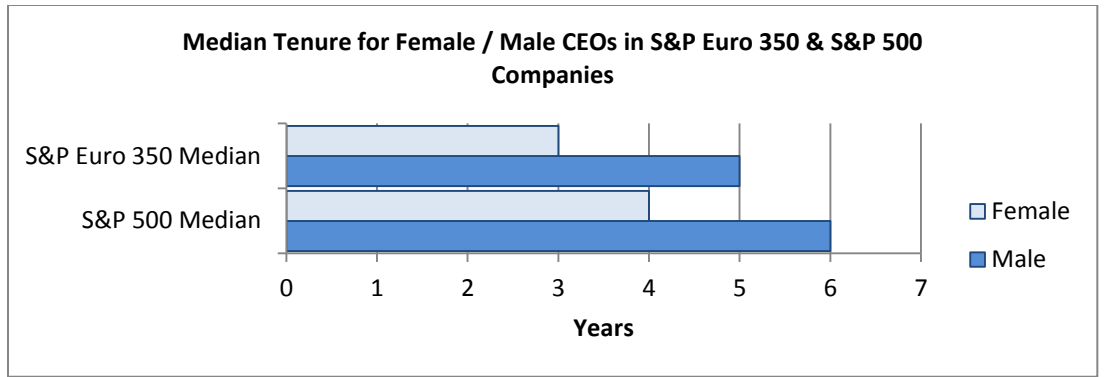
Source: S&P Capital IQ Platform August 18, 2018.

Female/Male Tenures: For S&P Euro 350 & S&P 500 Companies in 2016

Taking the current CEOs of the S&P Euro 350 and S&P 500 as of August 18, 2016 and tracking their years in office,⁷ we were able to generate the median tenures of male and female CEOs. We found that the tenure of female CEO's lag their male counterparts by two years for both indices. The median tenure of S&P 500 female CEOs is four years, while the median tenure of male CEOs is a slightly higher six years.⁸ While four to six years is not largely significant – three to five years with respect to S&P Euro 350 - in the context of a life-long career, it may translate to a significant economic opportunity cost to women.

⁷ We traced back the data of S&P Euro 350 & S&P 500 CEO's to their start date to have full tenure data

⁸ We used median in our calculations and removed the bias of significantly long tenures skewing the results.

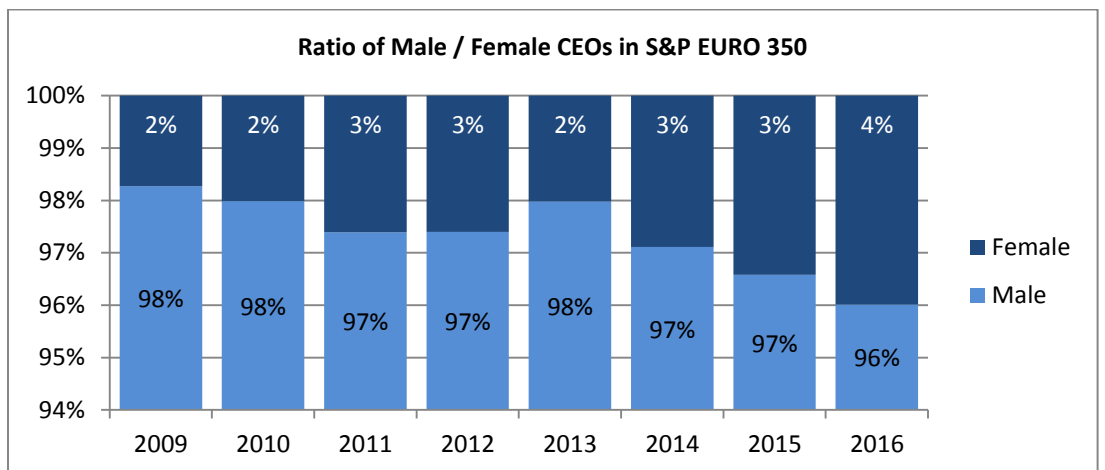


Source: S&P Capital IQ Platform August 18, 2018.

Progress: How the Gender Gap Has Changed for S&P Euro 350 S&P 500 Companies over the Last Decade

Over the last eight years, the companies of the S&P Euro 350 have increased the number of female CEOs from six in 2009, to fourteen in 2016. Therefore, over 8 years the growth rate is one new female CEO every year. In terms of percentages, the index had 1.7% female leadership in 2009 and today it has grown to 4%, see chart below. These growth rates are not meteoric by any means but slow progress is being made.

The companies of the S&P 500 have fared slightly better in closing the gender gap. The number of companies with female CEOs went from eighteen in 2009, to twenty seven in 2016. Therefore, over 8 years the growth rate is 1.1 new female CEOs every year. In terms of percentages, the S&P 500 had 3.6% female leadership in 2009 and today it has grown to 5.4%.



Source: S&P Capital IQ Platform August 18, 2016.

Note: If a female CEO appeared in any given year of an S&P Euro 350 Company - for example if they served as co-heads with men - and even if they served as an interim CEO, we counted that as a female CEO for that company and year. If two men were co-CEOs, we used the CEO with the longest tenure.

Conclusion: Have Times Changed?

During a time when companies are under increasing pressure to diversify the demographics of their employee base, especially to increase the number of females at the helm, we have not seen the statistics change dramatically. However, progress is being made. As stated, the number of women running S&P Euro 350 companies has been slowly increasing by one every year since 2009, with the current number of female CEOs standing at fourteen. The S&P 500 has gone a step further and increased the number of female CEOs to twenty seven, the highest it has ever been. Therefore, since our last report in March we have actually seen positive signs in increasing gender diversification of companies. With the 'Gender Diversity in Corporate Leadership Act of 2016' gaining backing from U.S. Chamber of Commerce⁹, and Europe continuing to pass legislations to close the gender gap, perhaps we are now on a path to take this small momentum to a much required faster pace.

Appendix - Methodology

The analysis was conducted using the S&P Euro 350 and S&P 500 constituents as of 9th October for 2009-2015, and 18th August for 2016. S&P Global Market Intelligence People Data and Key Development Data were used to populate the Chief Executive Officers for each company as of this date going back eight years from 2016. Where multiple CEOs existed for a company, for example a CEO change or interim CEO within the year, we would take the longest serving CEO. For years other than 2016, if multiple male and female CEOs existed for a company, for a given year, we would count that as a female CEO. Where there was no acting CEO, we used the highest ranking board member as a proxy (usually from the board of directors/supervisory board). In the study we did not look at any companies outside of the S&P EURO 350 or S&P 500. For the tenure data we looked at the CEOs of S&P EURO 350 and S&P 500 Companies as of 18, August 2016 and counted how many continuous years they had served as the CEO of the company. If a break existed in the tenure, for example a CEO leaving for three years and then returning, we would take the most recent tenure as the number of years served. Finally the difference between the years of analysis for the gender gap (2009 to 2016) and tenure data of current CEOs is due to the gaps found in the index constituent data for companies in the S&P Euro 350 and S&P 500 prior to 2009.

⁹ Source: "Maloney's Newly Introduced Gender Diversity in Corporate Leadership Act of 2016 Gains Backing of U.S. Chamber of Commerce." *Congresswoman Carolyn Maloney*. N.p., 2016. Web. <https://maloney.house.gov/media-center/press-releases/maloney-s-newly-introduced-gender-diversity-in-corporate-leadership-act>

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