

THE EVOLUTION OF THE C-SUITE: PART 1

NEW ROLES FOR *A NEW ERA*



THE C-SUITE IS EXPANDING

The modern C-suite is bigger and more specialized than ever before. Today's senior executive teams encompass an ever-expanding variety of C-level roles that barely existed just a few decades ago.

The latest transformation of the C-suite stems from numerous—and often overlapping—forces, including:

- **A global pandemic that accelerated e-commerce and cemented the hybrid workforce.**
- **Demands placed on corporate leaders to address racial inequality and climate change.**
- **The ongoing retirement of the Baby Boomer generation.**
- **The emergence of advanced technologies such as artificial intelligence.**

These momentous events have diversified and fragmented C-suite composition. They've also spurred rapid change in the skill sets and responsibilities required of C-suite leaders.

The Evolution of the C-Suite series, a collaboration between SHRM and The Burning Glass Institute, dissects the intricate trends underlying this executive transformation. It provides a clarifying lens for business leaders to understand the modern C-suite landscape and to anticipate the changes yet to come.

This report, the first of three in the series, focuses on the explosion of new C-suite roles in recent decades, the implications of new and emerging job titles, and the appropriate response to 2023's contraction in C-level demand.



KEY FINDINGS

- **Bigger C-suites:** The average size of the senior executive team—excluding CEOs—grew 160% between 1990 and 2023.
- **Large companies set the tone:** Big firms are driving the C-suite’s expansion and are more likely to have a broad range of C-level titles. In 2023, companies with at least 5,000 employees averaged seven additional C-level positions for every CEO.
- **Is contraction the next trend?** After three decades of steady expansion, 2023 saw contraction for nearly all C-suite titles. However, many newer roles appear to be more resilient, such as chief revenue officers (CROs).

Below is a glossary of common C-suite titles referenced throughout the series.

A TAXONOMY OF THE C-SUITE

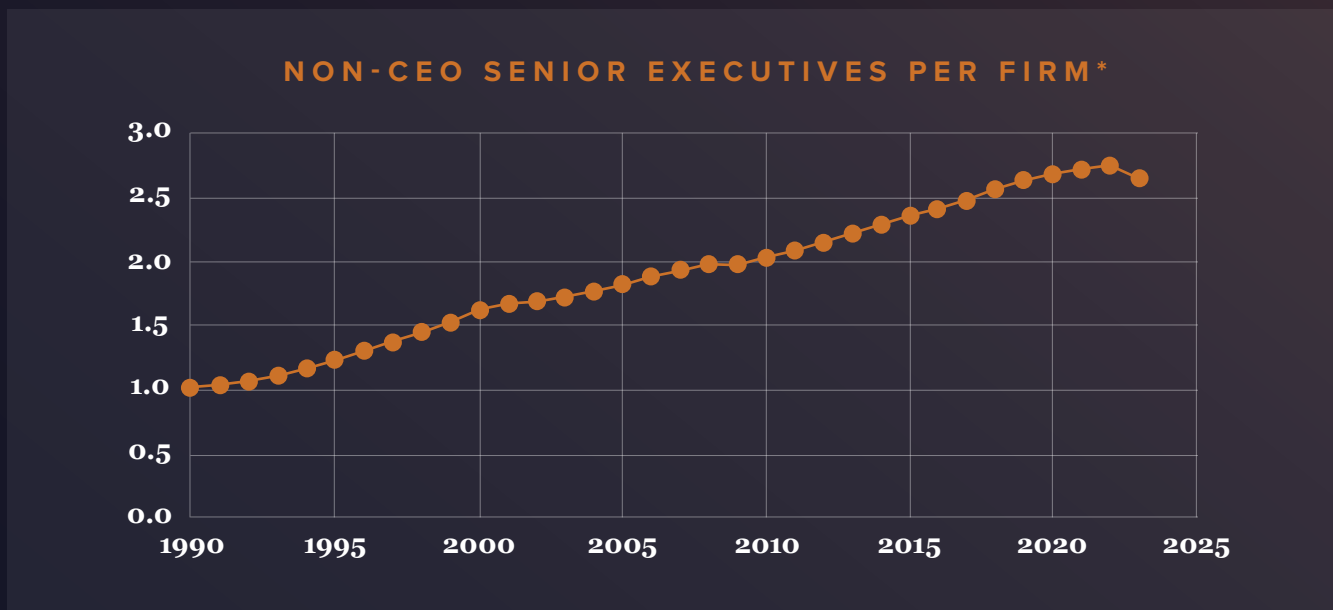
CAIO	Chief Artificial Intelligence Officer
CCO	Chief Communications Officer
CDivO	Chief Diversity Officer
CDO	Chief Data Officer
CEnvO	Chief Environmental Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGO	Chief Growth Officer
CHRO	Chief Human Resources Officer
CIInO	Chief Innovation Officer
CIInO	Chief Investment Officer
CIO	Chief Information Officer
CLO	Chief Legal Officer
CMO	Chief Marketing Officer
COO	Chief Operating Officer
CPO	Chief Product Officer
CQO	Chief Quality Officer
CRO	Chief Revenue Officer
CSecO	Chief Security Officer
CSO	Chief Strategy Officer
CTO	Chief Technology Officer
CWO	Chief Wellness Officer



THE EXPANDING C-SUITE

The transformation of the C-suite reflects broader societal currents that are reshaping the business landscape. Corporations increasingly view workforce inclusion and environmental sustainability as strategic imperatives rather than niche concerns. Simultaneously, businesses' technological, data, and human capital domains have become more complex.

Emerging technologies such as AI and data analytics are becoming essential across sectors, while structural labor constraints have highlighted the need for human capital expertise. Geopolitical risk, meanwhile, has forced companies to reassess their supply chains and manufacturing footprints.



CEOs are increasingly turning to high-level specialists to handle these critical capabilities, often creating novel C-suite roles in the process. In 2023, CEO-led firms had an additional 2.6 C-suite roles—a 30% increase from 2010 and a 160% jump from 1990.

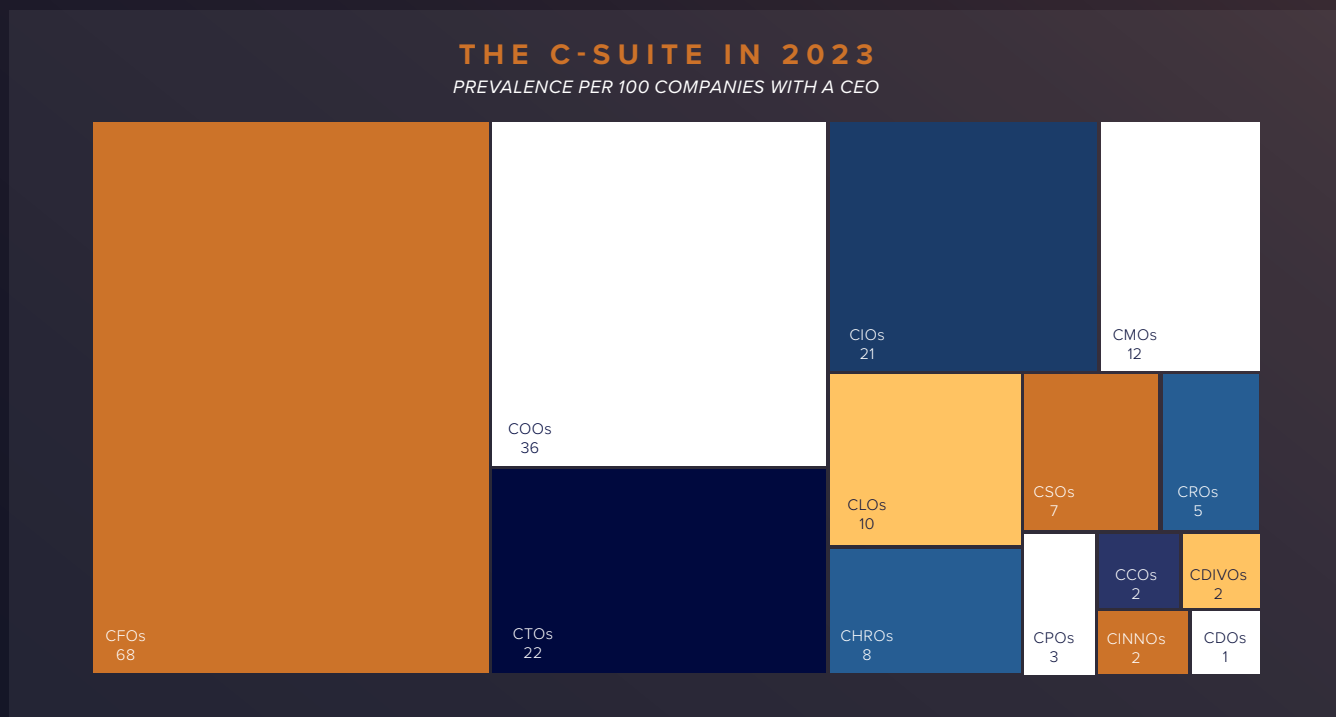
Larger companies, unsurprisingly, tend to have bigger C-suites. Companies with 5,000 or more employees had seven additional C-level positions for every CEO in 2023, compared with 1.5 C-level roles for companies with fewer than 200 employees.

* Denotes firm with a CEO.

HOW PREVALENT IS EACH C-SUITE ROLE?

To better understand the C-suite's evolution, it's helpful to look at C-suite composition among CEO-led companies. The chart below compares each role's prevalence against a baseline of 100 CEOs. Notably:

- Chief financial officers (CFOs) are the most common non-CEO role, with 68 for every 100 CEOs in 2023.
- Chief operating officers (COOs) were second-most prevalent, with 36 per 100 CEOs.
- The chief technology officer (CTO) and chief information officer (CIO) are firmly established in the C-suite, with 22 and 21 occurrences, respectively.



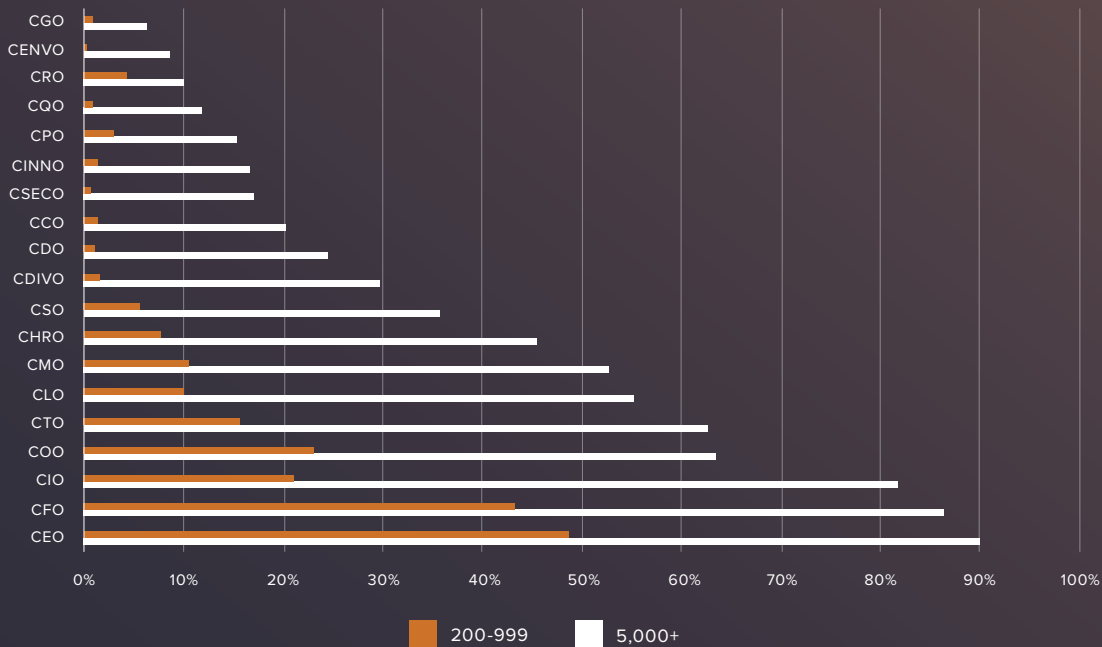
While this high-level view is helpful, it's not the only way to examine the issue. C-suite prevalence can vary dramatically by company size. Big firms are far more likely to have broad C-level leadership and a wider range of C-level officers, possibly because their businesses tend to be more complex than those of smaller companies.

For example, chief marketing officers (CMOs) are only the seventh-most common role at the largest firms (5,000+ employees), yet more than half (52.7%) of those companies have one. But while CMOs are the sixth-most popular role at firms with 50-199 employees, only 3.5% of such firms have one.

This dynamic suggests bigger firms are crucial in driving C-suite expansion in absolute terms, as well as acting as early adopters of more niche roles. For example, 8.6% of 5,000+ employee firms have chief environmental officers (CEnvOs), compared to only 1.4% of companies with 200-999 employees.

C-SUITE ROLE PREVALENCE, LARGE VS. MIDSIZED FIRMS

SHARE OF FIRMS WITH EACH ROLE BY COMPANY SIZE

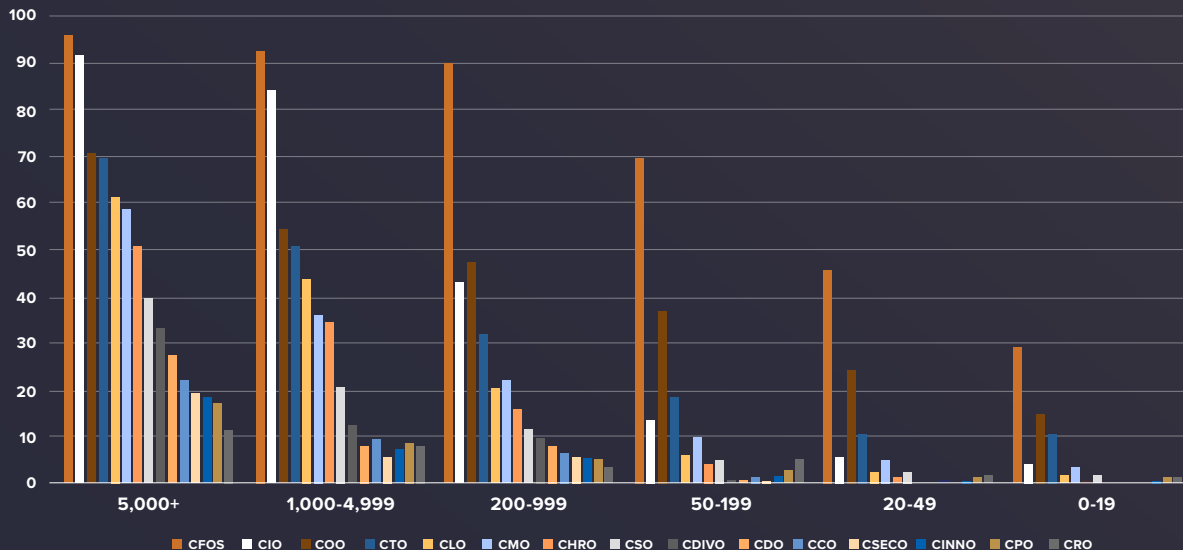


Bigger firms also tend to prioritize people-oriented roles. Chief human resources officers (CHROs) and chief diversity officers (CDivOs) rank eighth and 10th in prevalence at the biggest firms, respectively, while coming in 10th and 16th at companies with 50-199 employees. Virtually no firms with 199 or fewer employees had CDivOs.

However, some roles are relatively more popular at smaller firms. CRO, for example, is the ninth-most common role at companies with fewer than 200 employees but only ranks 17th at firms with at least 5,000 employees.

C-SUITE MAKEUP BY COMPANY SIZE

PREVALENCE PER 100 CEOs



THREE DECADES OF TRANSFORMATION

Nearly two-thirds of today's companies have a CEO—a share unchanged from 1990. What's changed dramatically over the past 30+ years is the prevalence of other C-suite titles.

In 1990, only 29.4% of companies had a CFO—and less than 10% of companies had other C-level leaders. But as of 2023, CFOs are present in 44.5% of firms, while COOs are in 23.4% of firms—almost triple their prevalence in 1990. CIOs and CTOs, meanwhile, were niche roles in 1990 but have increased their prevalence by 93% and 274%, respectively.

	1990 SHARE	2023 SHARE	PERCENT CHANGE
CEOS	65.9%	65.8%	0%
CFOS	29.4%	44.5%	51%
COOS	6.8%	23.4%	244%
CIOs	7.4%	14.2%	93%
CTOS	3.7%	13.7%	274%
CMOS	1.3%	8.2%	506%
CLOS	3.0%	6.8%	127%
CHROS	0.8%	5.0%	485%
CSOS	0.6%	4.4%	665%
CROS	0.1%	3.2%	4,432%
CPOS	0.1%	2.2%	3,679%
CCOS	0.1%	1.3%	764%
CDIVOS	0.1%	1.3%	1,328%
CINNOS	0.1%	1.2%	1,175%
CDOS	0.0%	1.0%	5,310%

In fact, no major C-suite role has declined in prevalence since 1990. Several, including chief product officer (CPO) and chief communications officer (CCO), have gone from rounding errors to established niches in today's corporate org chart.

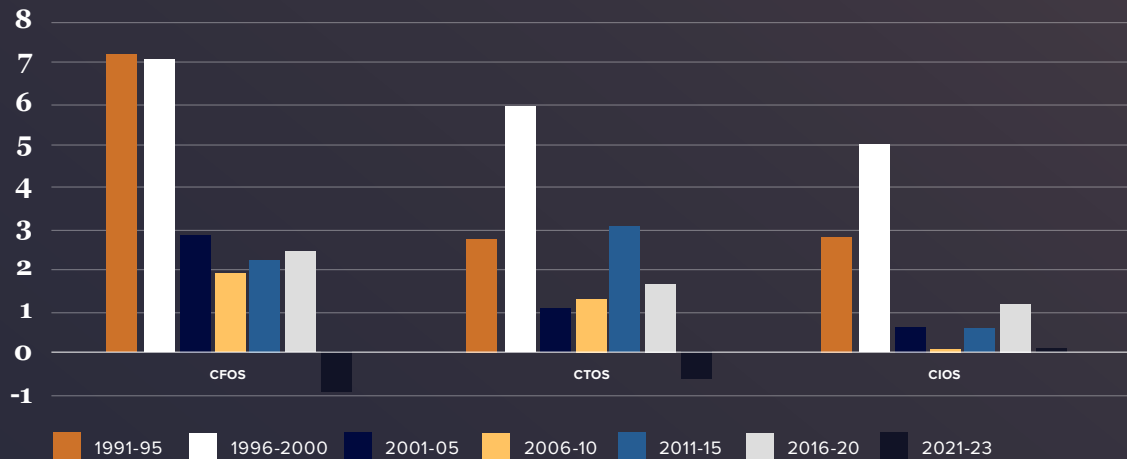
However, the timing of these gains differs by role. Three waves are worth touching on, starting with the 1990s boom.





WAVES OF C-SUITE EXPANSION: 1990s

CHANGE IN PREVALENCE PER 100 CEOs

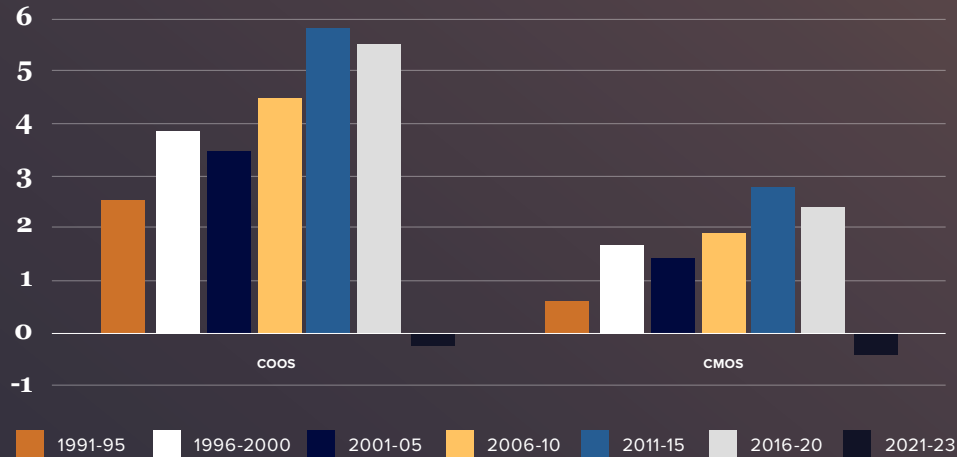


CFOs, CTOs, and CIOs saw their biggest gains in prevalence in the 1990s, driven by an increasingly technologically driven economy, more complexity in financial markets, and the dot-com surge. The share of companies with CTOs, for example, increased by an average of 12% a year from 1994 to 2000.

C-suite expansion stalled somewhat in the first decade of the 2000s, influenced by factors including the dot-com crash, the global financial crisis, and the following sluggish recovery. The next major wave of C-level evolution came in the 2010s amid a booming stock market and the U.S. economy's longest-ever expansion.

C-SUITE EXPANSION: THE EARLY 2010s

CHANGE IN PREVALENCE PER 100 CEOs

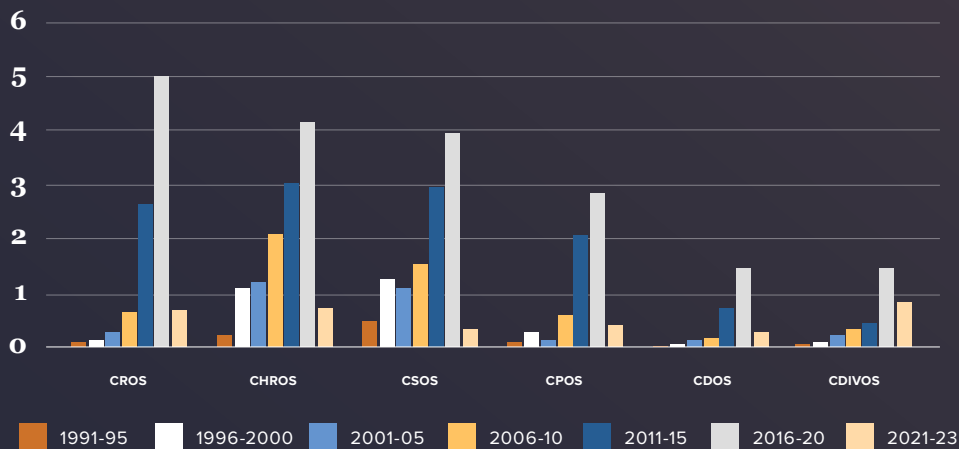


In the first half of the 2010s, chief operating officers (COOs) and chief marketing officers (CMOs) saw their fastest rates of growth. COOs tripled in prevalence between 1990 and 2015. The prevalence of CMOs has increased sixfold since 1990, to 8.2% in 2023.

Both roles contracted in the 2021-23 period, a notable reversal from the previous 30 years.

C-SUITE EXPANSION: THE SECOND HALF OF THE 2010s

CHANGE IN PREVALENCE PER 100 CEOs

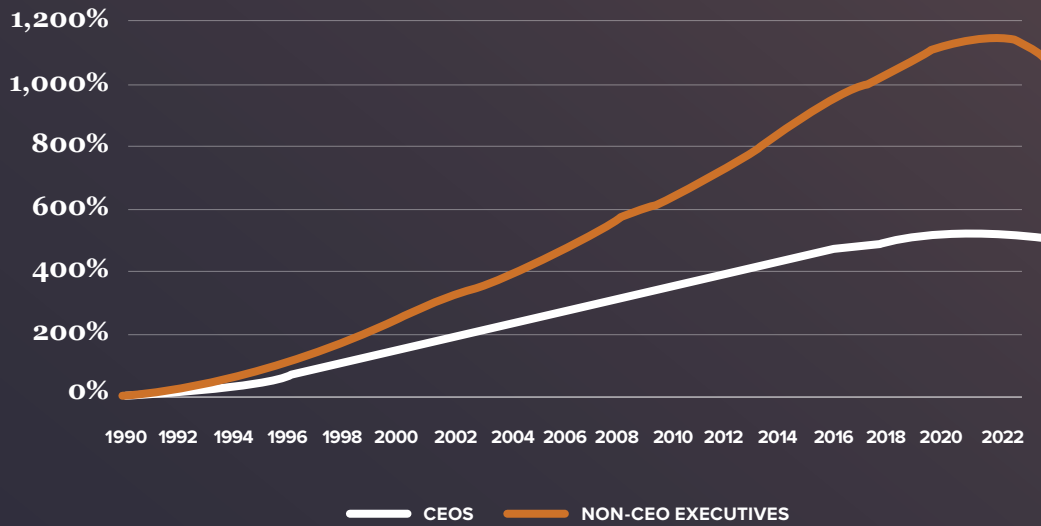


In the latter half of the 2010s, a slew of specialized C-level roles surged in popularity amid the digitizing economy, robust stock market, and soaring tech valuations spurring startup growth.

The share of companies with a CDO surged 96% over that period, while CROs and CDivOs saw their prevalence leap 85% and 76%, respectively. The prevalence of CHROs grew at a slower but steadier clip throughout the 2010s. By 2023, 5% of companies had a CHRO or equivalent.

THE SHIFTING SIZE OF THE C-SUITE

THE C-SUITE EXPANDS—AND CONTRACTS



The current decade has been a mixed bag for many roles. Companies added C-level positions rapidly during the drum-tight labor market of the pandemic, but the number of C-suite executives fell by 3.7% in 2023 amid historically high interest rates and widespread fears of a recession.

CEOs weren't immune from this contraction, as their prevalence declined by 1.2%. However, most of the pullback came elsewhere, as the total number of non-CEO executives dropped 4.7% from 2022.

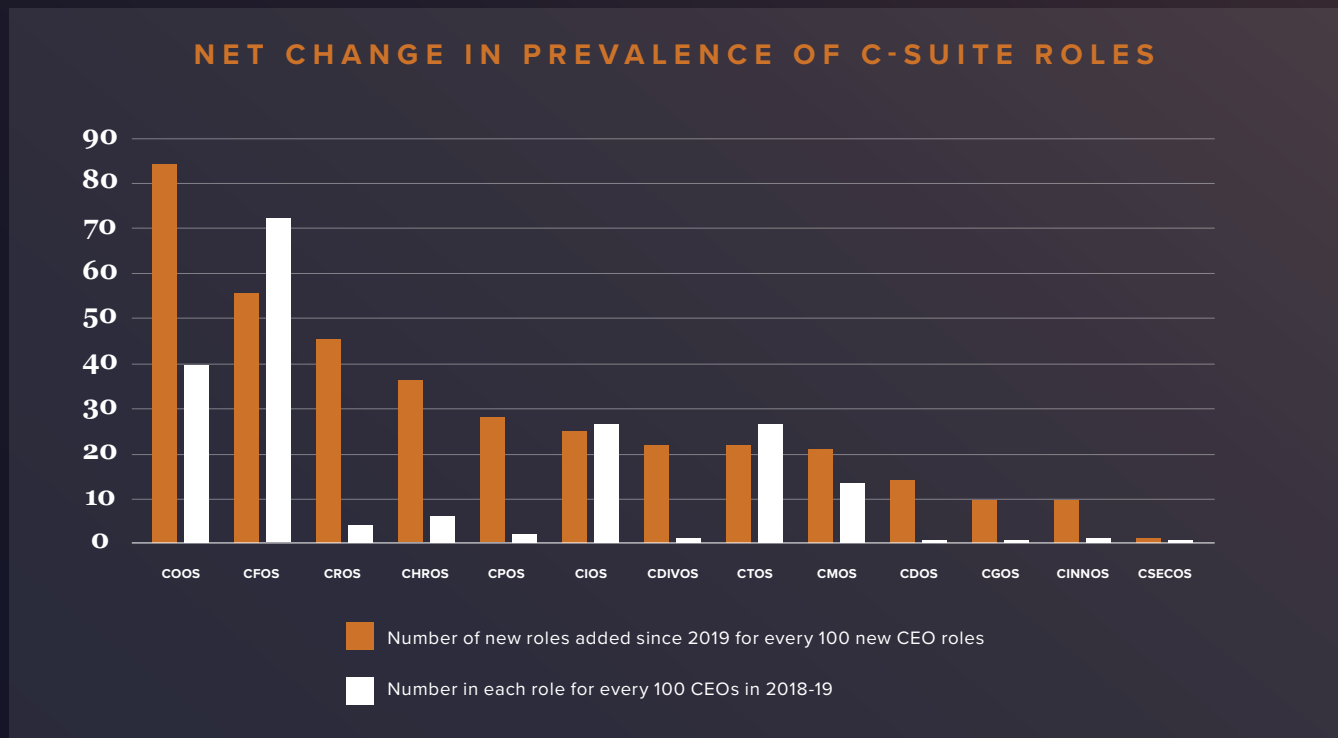
This backslide drove some C-level titles below their pre-pandemic prevalence levels, including CFOs, COOs, CIOs, and CTOs. But many newer roles have been more resilient, including CHROs, CCOs, chief innovation officers (CInnOs), and CDOs.



WHAT'S DRIVING RECENT C-SUITE EXPANSION?

When looking at recent C-suite growth trends, it's helpful to look not just at raw numbers but also at percentage-point growth. For example, CFOs and COOs are already the most popular non-CEO roles, so even a large numerical increase won't necessarily move the needle. By contrast, adding even a small number of CInnOs generates a large percentage increase.

The chart below shows each C-suite role's net increase since 2019 relative to the increase in CEOs. For example, for every 100 CEOs added, companies hired more than 80 COOs and roughly 45 CROs. The chart also compares those numbers against a given role's 2019 prevalence. CROs, chief growth officers (CGOs), and CDOs gained the most relative to their 2019 presence.



Even though most of these titles are still relatively niche, the data suggests a meaningful shift in corporate priorities. For example, firms added 45 CROs for every 100 new CEOs—far exceeding their prevalence in 2019, when only 3.9 CROs existed for every 100 CEOs. This likely reflects the rise of data-driven marketing and a greater focus on customers' lifetime value as digital business models grow in complexity and sophistication. This trend also applies to chief product officers (CPOs), who focus on improving the customer experience and fostering agile methodologies in product development.

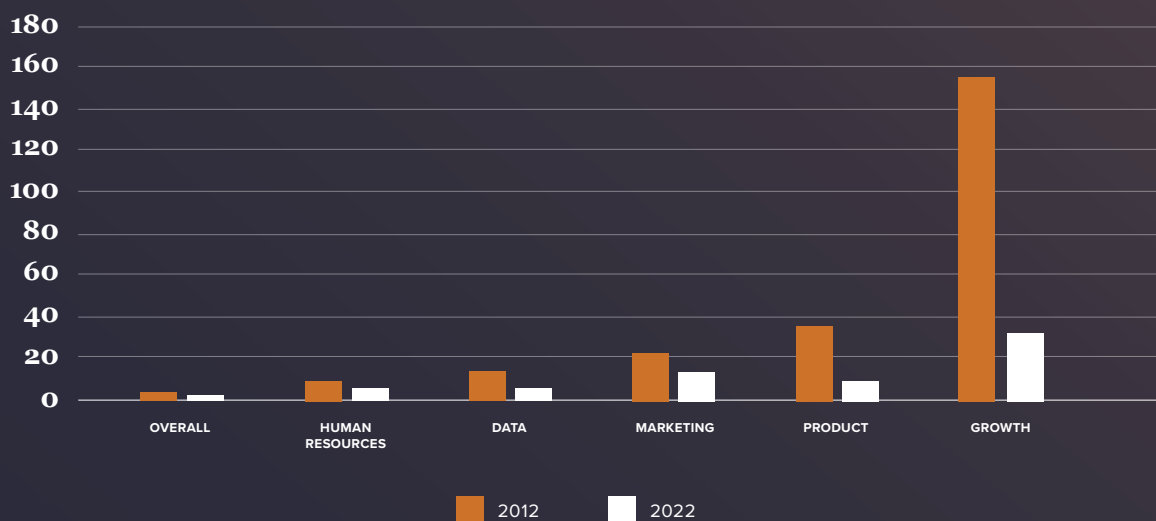
Another sign of revamped corporate priorities: Firms snapped up CDivOs at the fastest rate of any C-level position. For every 100 of these new CEO positions since 2019, companies added 22 diversity chiefs—a rate far outpacing their tiny presence in the C-suite. Firms added CDivO roles at 21 times the rate of CEOs during that period.

TITLE EXPANSION AND C-SUITE NEWCOMERS

Another reason for C-suite growth is companies prioritizing the C-level over adding vice presidents (VPs). The number of senior executives rose 55% from 2012 to 2022, compared with a 24% increase in VPs. As a result, there were 3.5 VPs per senior executive, excluding CEOs, in 2022—down from 4.5 in 2012.

The ratio has collapsed most dramatically for growth, product, marketing, and data roles as C-level leadership in these fields has become more common. In 2012, there were 157 growth-focused VPs for every one CGO; that ratio shrank to 35:1 a decade later.

RATIO OF VPs TO C-SUITE EXECUTIVES BY SPECIALTY



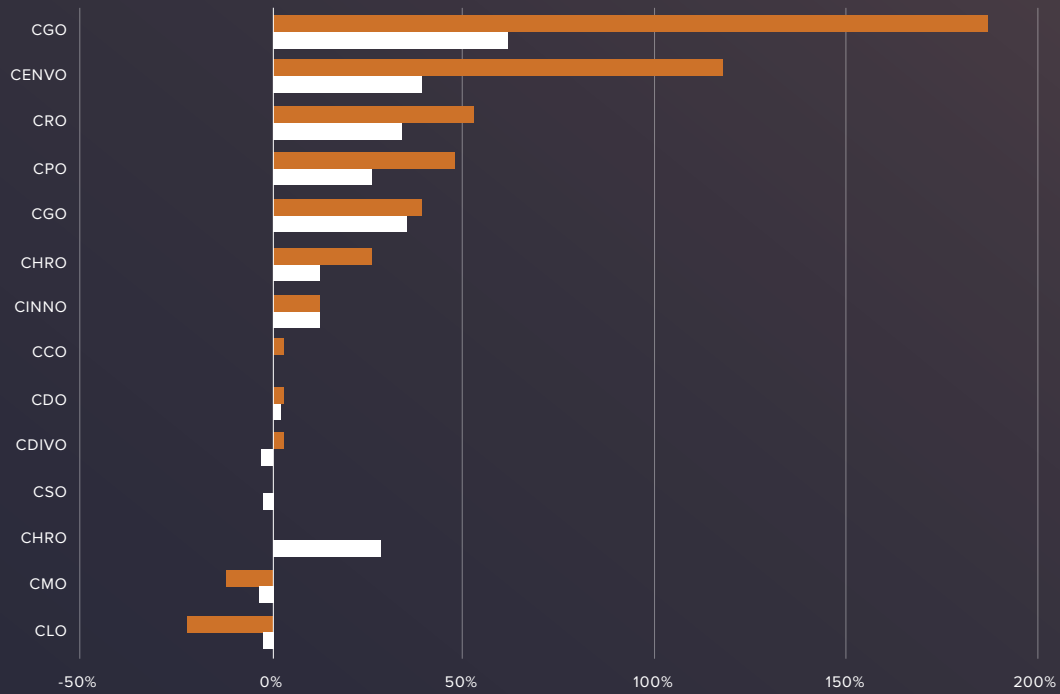
The growing prevalence of senior executives relative to VPs likely reflects the increasing complexity of businesses, which calls for deeper levels of expertise and broader skills to manage adroitly. SHRM Research found 82% of C-suite executives are required to demonstrate a broader range of skills than in years past. Some roles tend to act as engines of C-suite expansion and fragmentation. To isolate these drivers, we broke down the mix of titles among new entrants to the C-suite—i.e., profiles that listed a C-level position for the first time in each period—and compared how that makeup has shifted since the pandemic.



CHANGE IN THE SHARE OF TOTAL C-SUITE PROFILES

2021-22 vs. 2018-19

■ New entrants to the C-suite ■ All C-suite profiles



The likelihood that a C-suite newcomer would be a chief environmental officer (CEnvO) leapt 112% in 2018-19, while new CRO profiles increased by 52%. However, the big standout is again the CDivO position, as the share of CDivOs entering a C-suite level job for the first time surged 187% in 2021-22 compared with 2018-19. Notably, CDivOs' share of all C-suite positions only increased by 61% over this period, highlighting the influx of first-timers.

This is a testament to how fast inclusion and diversity (I&D) issues have risen on the executive agenda and a growing recognition that a diverse C-suite contributes to a more diverse workforce at all levels of the organization.

However, despite the increased demand, challenges such as high turnover rates, with CDivOs averaging just 1.8 years in the role, reflect the difficulties in defining the position's scope, providing adequate resources, and measuring outcomes.

GROWTH BY COMPANY SIZE

What companies are powering C-suite expansion? Firms of all sizes added CDivOs in 2023 at a higher rate than in 2019. However, smaller companies started from an extremely low base, and the biggest increases came from larger companies. Larger firms also brought on CDOs and CPOs much faster than their smaller peers.

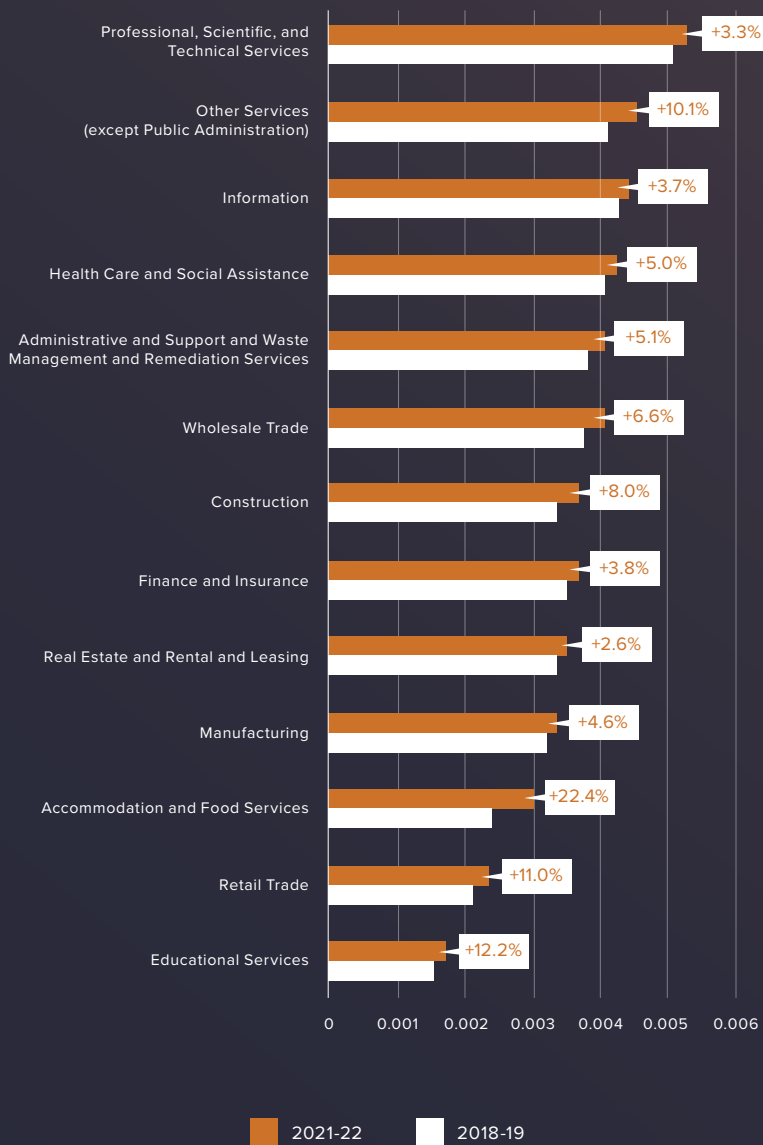
Smaller firms—those with fewer than 1,000 employees—added an outsized number of CROs and chief strategy officers (CSOs) since 2019. And while large and medium-sized firms shed COOs overall, those with 49 or fewer employees added them at a rapid rate.



GROWTH BY INDUSTRY

C-SUITE PROFILES AS A SHARE OF ALL PROFILES BY INDUSTRY

(DATA CALLOUTS SHOW THE % GROWTH RATES)



Recent C-suite expansion is fueled by a handful of sectors, including accommodation and food services, where C-suite profiles as a share of all employee profiles rose 22.4% between 2018 and 2022. Educational services, retail trade, and other services also boosted their C-suite profiles relative to overall headcount at a double-digit pace.

However, some of this growth can be considered catch-up, as educational services, retail trade, and accommodation and food services have the lowest prevalence of C-suite roles among their profiles, at between 0.15% and 0.3%. For comparison, that's about half that of the professional, scientific, and technical services industry, which has the highest prevalence of any industry.

THE OUTLOOK: SIGNS OF A C-SUITE REBOUND?

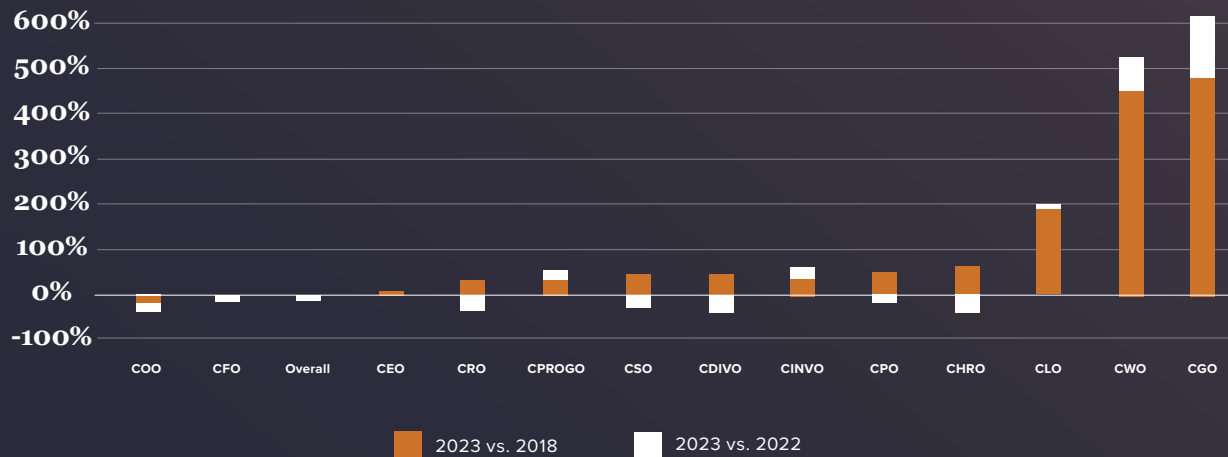
The rapid pace of C-suite expansion sputtered in 2023. Forward-looking data suggests this might not be a blip. Job postings for C-suite roles, which are a proxy for demand, fell 7% in 2023 from a year earlier and 3% from 2018 levels. This could signal employer caution as the economy cooled in 2023, as well as a desire by corporate boards to let recently revamped leadership teams settle into place.

Some roles defy this trend, however. Job ads for CGOs more than doubled in 2023 from the prior year. Ads for chief legal officers (CLOs) picked up slightly compared with pre-pandemic levels.

The latest job-posting data suggests that the C-suite continues to add specialties, even if the total volume of ads is down slightly. If ads convert to hires, a handful of new acronyms are joining the C-suite. Chief wellness officer (CWO) postings were up 69% last year compared with 2022, while postings also rose for chief investment officer (CInvO) and chief program officer (CProgO)—two similarly uncommon senior executive positions.

FUTURE C-SUITE EXPANSION

JOB POSTINGS IN 2023 COMPARED WITH 2018 AND 2022



KEY TAKEAWAYS FOR C-SUITE LEADERS

2023's decline in C-suite job postings suggests the recent expansion has run its course, but that doesn't mean the C-suite will dramatically shrink—or that newer C-level roles will disappear.

C-suite leaders, particularly CHROs, should benchmark their company's existing C-suite against similarly sized companies within their industry. They should also consider their company's critical needs and whether they're being met by existing senior leadership. Don't chase trends—make decisions based on your circumstances.

Firms with under 1,000 employees, for example, have hired CROs and CSOs at greater prevalence in recent years, likely recognizing the need for leadership who can drive outsized growth. Likewise, companies with exposure to environmental risks might consider a CEnvO, while technology-focused companies might assess which combination of CIO, CTO, and CSecO best addresses their critical capabilities and mitigates risks.

Companies should continually use C-suite vacancies to evaluate whether that role remains the best fit. When hiring a new CEO, for example, consider this person's operational strengths and relevant experience. How does the existing C-suite support them? What gaps exist?

Re-evaluating open roles doesn't necessarily mean shrinking the C-suite. While a large company with a departing CDivO might decide to fold that into the CHRO's job, another company looking to replace its CHRO might decide to split up those duties. Making the best decision for your organization will require a careful examination of industry benchmarks, internal goals and needs, and corporate budgets.



APPENDIX: METHODOLOGY

This study draws from two Burning Glass Institute databases and one SHRM custom research study. The first Burning Glass Institute database contains the career histories, resumes, and profiles of 65 million American workers. This data is derived from LinkedIn profiles and various resume databases. From these, we inferred the gender, race, and ethnicity of people working in C-suite positions and broke those down by title and company. This data also shows individual career trajectories, including jobs before and after joining the C-suite. This study examines various trends in C-suite occupants, such as the prevalence of women and people of color, in two cohorts—the pre-pandemic years of 2018 through 2019, and the post-COVID-19 lockdown years of 2021 through 2022.

The second database is derived from the tens of millions of job postings by essentially every large company in the U.S. The data includes such details as the growth in demand for various C-suite titles, which skills employers seek for specific jobs, whether a position allows remote work, and the education and experience requirements for each advertised slot. As with the career history data, this study examines trends in job postings, such as growth in the size of the C-suite and the rise in remote job postings, in two cohorts—the pre-pandemic years of 2017 through 2019 and the post-COVID-19 lockdown years of 2021 through 2023.

The Burning Glass Institute considers both the career histories and job posting databases to be large enough to be representative of the U.S. corporate population as a whole. The job postings data spans six years, while the career histories data covers only four years. But in both sets of data—job postings and career histories—the study purposely omits data from 2020, an outlier year affected by the onset of the pandemic as companies scrambled to cope in ways that may have interrupted or distorted the broader trends.

SHRM’s custom research study surveyed 173 C-suite executives sourced across its membership and was conducted Feb. 22-29, 2024.

