

THE EVOLUTION OF THE C-SUITE: PART 2

# NEW FACES FOR *A NEW ERA*



# INCREASED DIVERSITY, BUT MORE WORK TO BE DONE

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The C-suite has become more diverse during the past decade, as more top roles are being filled by women and Black, Hispanic, and Asian American individuals. The average size of senior executive teams—excluding CEOs—grew 160% between 1990 and 2023. At the same time, shifting social mores around workforce inclusion and environmental sustainability have influenced corporate priorities, elevating those areas from niche concerns to strategic imperatives. As the modern C-suite evolves to meet these challenges, diversity and specialization have emerged as defining characteristics of elite corporate leadership.

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 changes yet to come.

This report, the second of three in the series, explores trends related to the increased gender and racial diversity of the C-suite—even as gaps in representation remain between white men and women and members of other racial and ethnic groups.



# KEY FINDINGS

- **Diversity grows along with the C-suite:** As the C-suite has expanded, so has racial/ethnic representation. In the 2021-22 period compared with 2018-19, gains by Asian American, Hispanic, and Black executives outpaced those of white executives.
- **Not all C-suite roles have equal representation:** Considerable occupational segregation remains. For example, women remain underrepresented among chief technology officers (CTOs), chief revenue officers (CROs), and chief information officers (CIOs). And gains in chief diversity officer (CDivO) roles skew overall gains for multiple groups.
- **First-timers are skewing younger:** The median age for first-time C-suite executives is just under 42, down slightly from pre-pandemic times, with a very small age gap between men and women.

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

## A TAXONOMY OF THE C-SUITE

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



# NEW FACES ADD GENDER AND RACIAL DIVERSITY

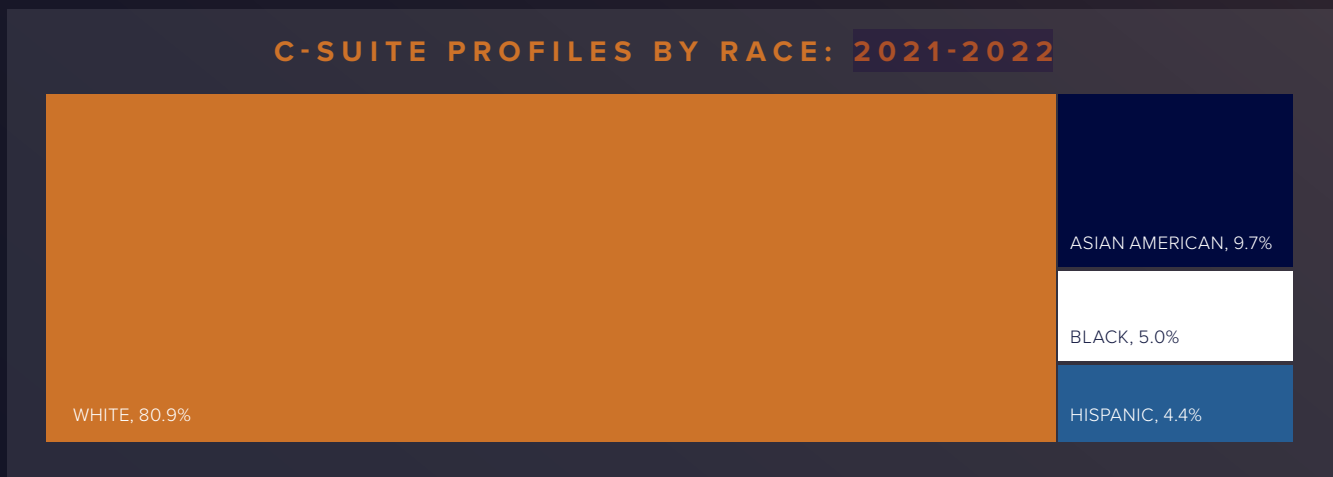
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The C-suite is increasingly diverse along racial, gender, and generational lines—although these gains aren't universal or equal across roles or groups.

The most striking gains in racial diversity have been among Asian Americans, who saw their likelihood of occupying a leadership position increase by 36% in 2021-22 compared with the two years before the pandemic. This trend compares favorably with the 20% increase in C-suite roles overall and an 18% increase in the number of white C-level executives.

While Black and Hispanic senior executives have also gained ground, their progress has been somewhat slower. The number of Black executives working in the C-suite grew by 26% since before the pandemic, while the number of Hispanics in C-level positions rose 28%.

Despite increasing diversity, the C-suite is still more than 80% white, as shown in the chart below. Black and Hispanic Americans remain least likely to work as top executives relative to their share of the overall workforce. A wide gap in C-suite representation between white Americans and those from other racial and ethnic groups remains—and it's particularly pronounced in certain roles.



Looking at gender diversity, women have made clear progress in recent years, and not just among C-suite veterans. The share of female first-time executives increased by 11% between the pre- and post-pandemic periods. Overall, women make up 34% of all executives entering the C-suite post-pandemic, outpacing their 28% share of the overall executive population.

One area to watch is 2023's decline in the number of C-suite executives and new job postings. Companies might find inclusion and diversity (I&D) initiatives at the C-level easier to execute when they're in expansion mode rather than when freezing C-suite headcount or cutting roles.

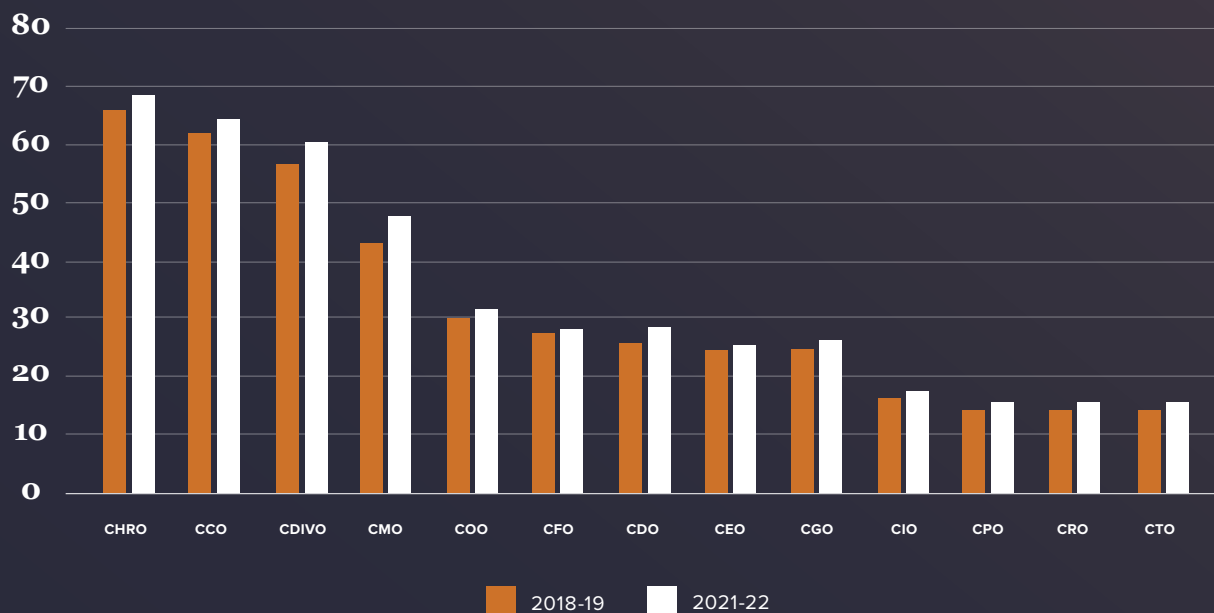
# THE INFLUENCE OF OCCUPATIONAL SEGREGATION

Looking across the economy, the C-suite is increasingly open to women and people of color. But the story isn't necessarily that simple. This high-level ethnic and gender diversity must be examined through the lens of occupational segregation—a phenomenon where employment in certain occupations is unevenly skewed toward a specific race, ethnicity, or gender.

This trend plays out in the C-suite much as it does at lower levels. Across the C-suite, women are concentrated in a small number of roles traditionally seen as “softer.” They account for 68.6% of chief human resources officers (CHROs) and 64.3% of chief communications officers (CCOs), for example. Much of the C-suite remains heavily male-dominated, however, with female representation remaining below 20% each for CTO, CRO, and CIO roles.

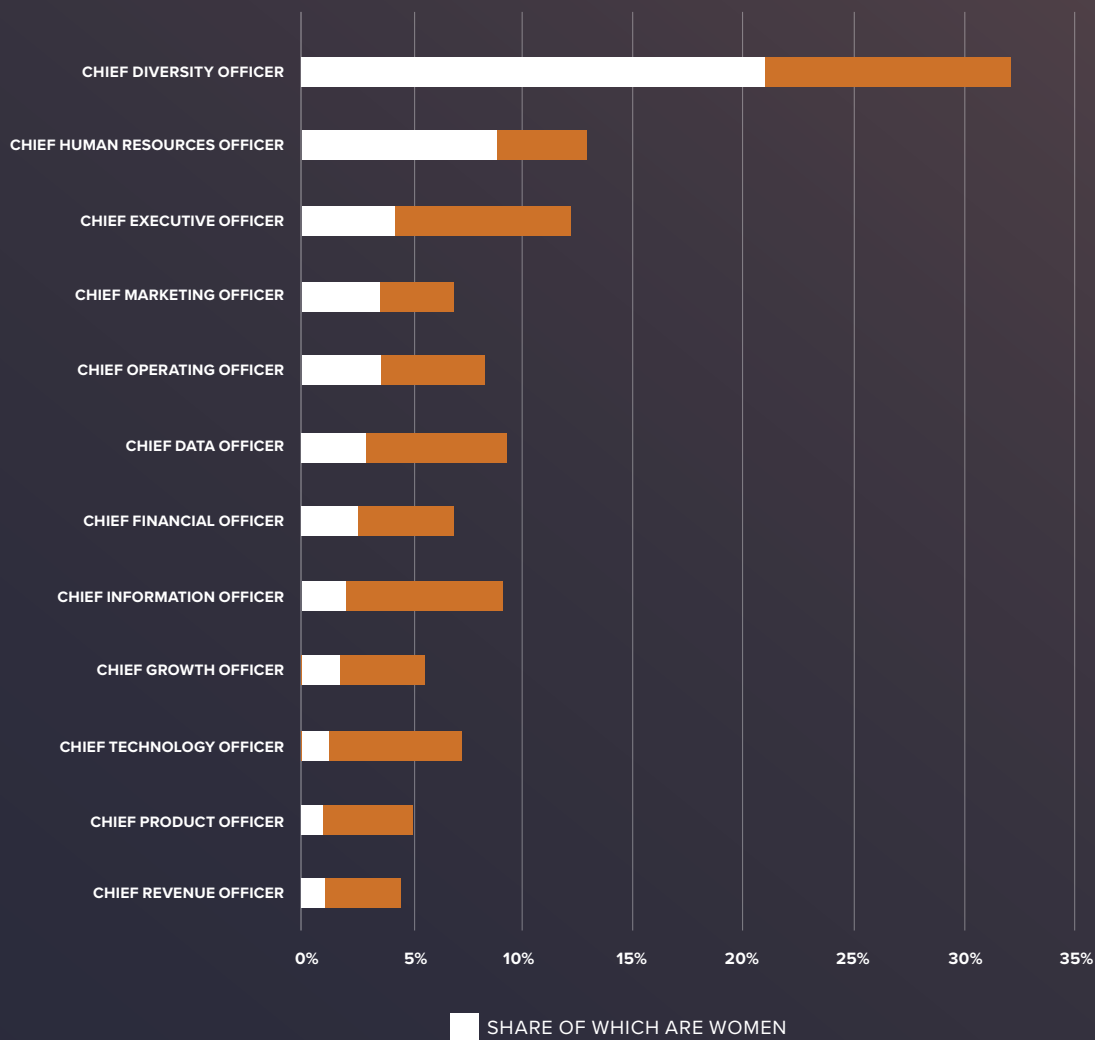
Race and ethnicity, in some cases, can amplify this gender-based occupational skew. White men occupy 77% of CRO positions, while only 1% of these roles are held by Black or Hispanic women. By contrast, only 27% of CHROs are white men, compared with Black and Hispanic women's combined 8% share.

FEMALE SHARE OF ACTIVE C-SUITE PROFILES



Occupational segregation can affect women differently depending on their race and ethnicity. About 41% of chief marketing officers (CMOs) are white women—nearly twice that group’s 22% share of the C-suite overall. By contrast, Black and Hispanic women together occupy just 3% of CMO roles, which is close to their total C-suite share.

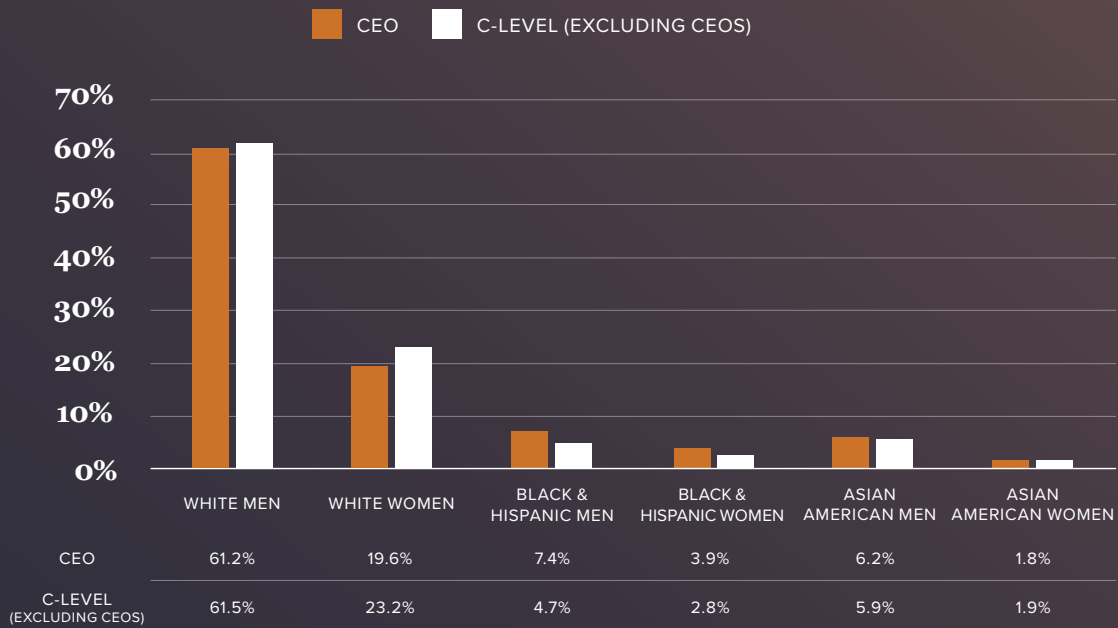
### SHARE OF BLACK AND HISPANIC AMERICANS ACROSS C-SUITE ROLES: 2021-22



Occupational segregation can affect men as well. Asian American men occupy 6% of overall C-suite roles, the same share as Black and Hispanic men combined. However, Asian American men most commonly hold more technical roles. For example, they make up 16% of chief product officers (CPOs), compared with Black and Hispanic men’s 4% share. Conversely, just 1% of CHROs are Asian American men, while 4% are Black and Hispanic men.

Perhaps surprisingly, the CEO role bucks some of these trends. Black and Hispanic men and, to a lesser extent, Black and Hispanic women occupy CEO roles at a higher rate than they do C-suite positions overall.

## SHARE OF C-SUITE BY RACE/ETHNICITY AND GENDER: 2021-22



## ARE RACIAL DIVERSITY GAINS OVERSTATED?

The biggest recent manifestation of occupational segregation is the CDivO role, as 22.1% of diversity chiefs are Black, 10.1% are Hispanic, and 60.5% are female. Only 26% of CDivOs are white men and just 2% are Asian American men, compared with an 11% share for Black and Hispanic men.

There are a few possible explanations for this. The lived experiences of nonwhite executives can be considered a relevant qualification for the CDivO role, for example. Adding a CDivO can also signal a commitment to “walking the walk” by appointing leadership that is more representative of the U.S. population.

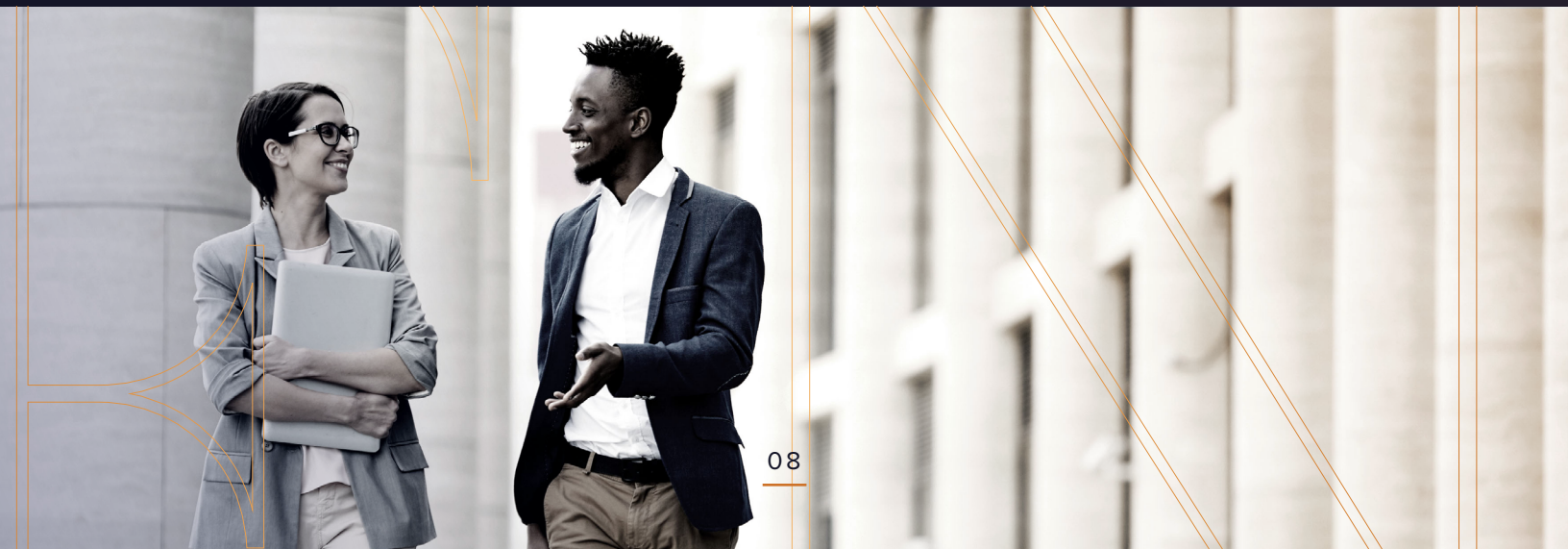
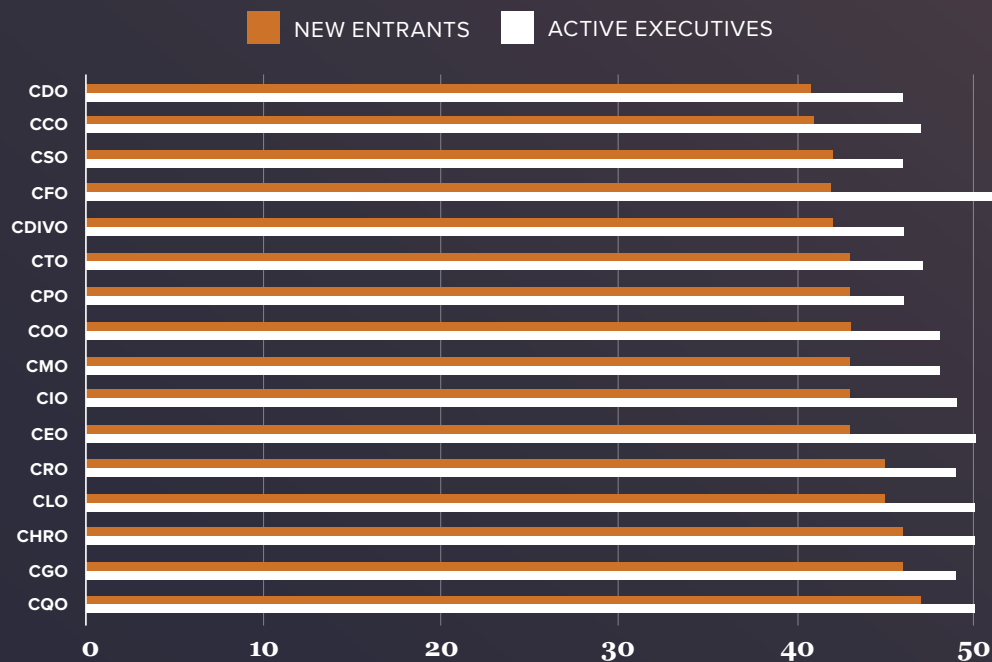
Expanding the C-suite can be a relatively easy way to diversify leadership without disrupting the existing management structure. But the data suggests few companies are taking that approach. White executives make up 80.2% of legacy C-suite positions and 77% of newer C-suite titles, such as CDivO, chief environmental officer (CEnvO), chief growth officer (CGO), and chief security officer (CSecO). After excluding CDivO hires, white executives accounted for 83.1% of newer C-suite roles, making those new titles less diverse than average. While 8.7% of hires in new roles were Black—doubling their 4.3% share of existing C-suite roles—excluding CDivOs revealed a slight decline in Black representation (4.2%). A similar dynamic prevails for female, Hispanic, and, to a lesser extent, Asian American senior executives.

# GENERATIONAL DIVERSITY IN THE C-SUITE

The C-suite is getting younger. The median age of existing C-suite members is 49. Chief financial officers (CFOs) have the highest median age at 51, while the lowest median age is 44, for chief artificial intelligence officers (CAIOs).

One factor is that people are joining the C-suite at a younger age in the post-pandemic era. The median age of first-timers was just under 42 for 2021-23—about six months younger than the median in 2017-19.

## SHARE OF C-SUITE BY AGE: 2021-22





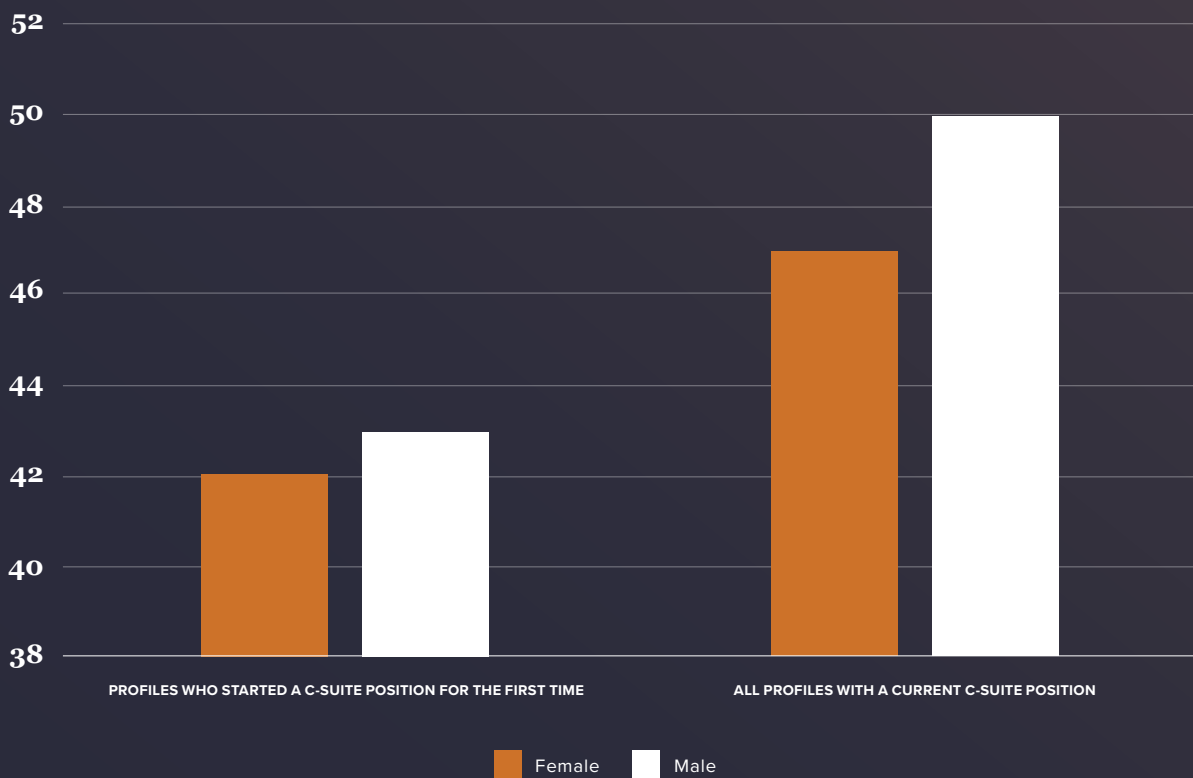
Numerous factors could play a role in this shift. The success of younger tech founders could prompt boards to rethink age as a signal of competence. An aging population could also be freeing up a disproportionately large number of C-suite roles as Baby Boomers retire.

Another possible factor is C-suite expansion itself, as many new roles focus on rapidly emerging technologies and thus attract younger expertise. For example, the median age of new CAIOs in 2021-22 was 41, compared with 46 pre-pandemic.

A narrow gender-based age gap exists among first-time C-suite executives, too, with a median age of 42 for women and 43 for men. The gender gap is larger for C-suite veterans, where the median age for women is 47 compared to 50 for men. This may reflect the fact that women tend to enter less senior C-level roles and therefore face somewhat lower experience requirements.



### MEDIAN AGE OF C-SUITE PROFILES: 2021-22



# KEY TAKEAWAYS FOR C-SUITE LEADERS

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I&D is a top-of-mind concern for C-suite leaders and boards, but it's also a tricky subject to navigate. Key stakeholders can have conflicting requests about how companies should address diversity. Meanwhile, legislators, regulators, and the courts continue to shape the discussion by adding, removing, and modifying diversity requirements and responsibilities.

Companies can celebrate overall progress on gender or racial/ethnic representation among the C-suite while still carefully noting where those increases are occurring—and where they are not. In the short term, companies can adjust their recruiting to ensure they're reaching the widest range of top-quality talent when C-suite roles open up, especially among external candidates.

In the longer term, companies will need a deeper bench of talent at lower executive levels if they wish to increase representation at the highest levels. CHROs and CDivOs have a valuable role to play in helping companies identify, attract, develop, and retain talent not just across specialties and functions, but also from diverse backgrounds.

Developing an internal leadership pipeline will also become increasingly important, as Baby Boomers continue to retire and the working-age population potentially shrinks. Moving past preconceived notions about age can help identify the best C-suite hires regardless of age—and will become essential as companies compete for younger leaders. C-suite leaders should support the development of rigorous programs for identifying and developing high-potential leaders, which can simultaneously improve quality of hire and representation.



# APPENDIX: METHODOLOGY

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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. These data are 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. These data also show 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 include 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.

