



FEATURE

Women in the C-suite

Growth in emerging leadership roles creates new opportunities in financial services

Alison Rogish, Stacy Sandler, and Neda Shemluck

KEY MESSAGES

- Over the last decade, most financial services firms have dramatically expanded the C-suite to meet new business demands. Emerging C-suite roles in financial services firms—encompassing both new and newly elevated or redefined positions—grew 17 percent annually between 2009 and 2019.
 - The addition of these roles has arguably led to new opportunities to join the highest levels of leadership in financial services.
 - According to our analysis, these emerging roles typically have a higher representation of women than do traditional C-suite roles, such as CEO, CFO, or COO. In 2019, women accounted for 32.5 percent of emerging C-suite leaders, compared with 27 percent in traditional C-suite roles.
 - The financial crisis of 2007–2008 may have influenced this trend, given the sharp rise in the creation of these roles since.
 - Our analysis reflects that C-suite roles that tend to have the highest representation of women include diversity and inclusion, learning, brand, innovation, and data analytics and digital. Some of these C-suite roles, such as diversity and learning, appear to have evolved from traditional HR roles, while others, such as innovation and data analytics roles, are newly created positions.
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More women are serving in emerging C-suite roles than traditional ones, such as CEO or CFO.

Emerging leadership roles present new opportunities

The composition of today's C-suite across industries is markedly different than it was a decade ago.¹ Organizational needs over the last few years have shifted, as digital transformation and disruption, demographic changes, and macroeconomic forces have brought sweeping changes to the business environment. To navigate this complexity, most firms have created new kinds of C-level roles as a strategic imperative.

Today's C-suite not only includes traditional roles but typically a host of new designations that were virtually unheard of before 2010. Chief executive, chief financial, and chief operating officers are now often joined by chief diversity and inclusion, chief sustainability, chief data, and chief privacy officers in the executive suite. The ties to business priorities are clear: For instance, leveraging big data and analytics has become a competitive advantage, which is why many firms have a designated chief data officer (CDO). A 2018 survey of US financial firms found that 62.5 percent of respondents had appointed a CDO, a dramatic increase from just 12 percent in 2012.² Similarly, with the potential privacy issues created by big data, the hiring of chief privacy officers, or equivalent roles, across industries in the United States increased by 77 percent from 2016 to 2019.³ Meanwhile, as investor interest in corporate responsibility continues to grow, more and more companies are adding chief sustainability officers to their C-suite rosters.⁴

The financial crisis of 2007-2008 seems to have been a turning point in the creation of these new roles. In our analysis of more than 100 large US financial institutions,⁵ we found only 24 individuals in these emerging categories in 2009—in line with the numbers seen over the previous decade. Since then, these positions grew at a 17 percent annual rate, to 117, by 2019. This growth suggests that post-crisis challenges forced institutions to rethink the roles they would need to support recovery and reconsider the individuals needed to drive that change. Since 2010, C-suite leadership roles tied to diversity and inclusion, customer experience, sustainability, and brand grew the fastest, which seems to align with an increased focus on reputation. The emergence of these roles has provided new opportunities to join the highest levels of leadership in financial services.

In the first part of this series,⁶ we found that while the overall proportion of women in the C-suite⁷ rose to 27.9 percent in 2019 from 18.6 percent in 2010 (figure 1), women's representation remains below parity.⁸

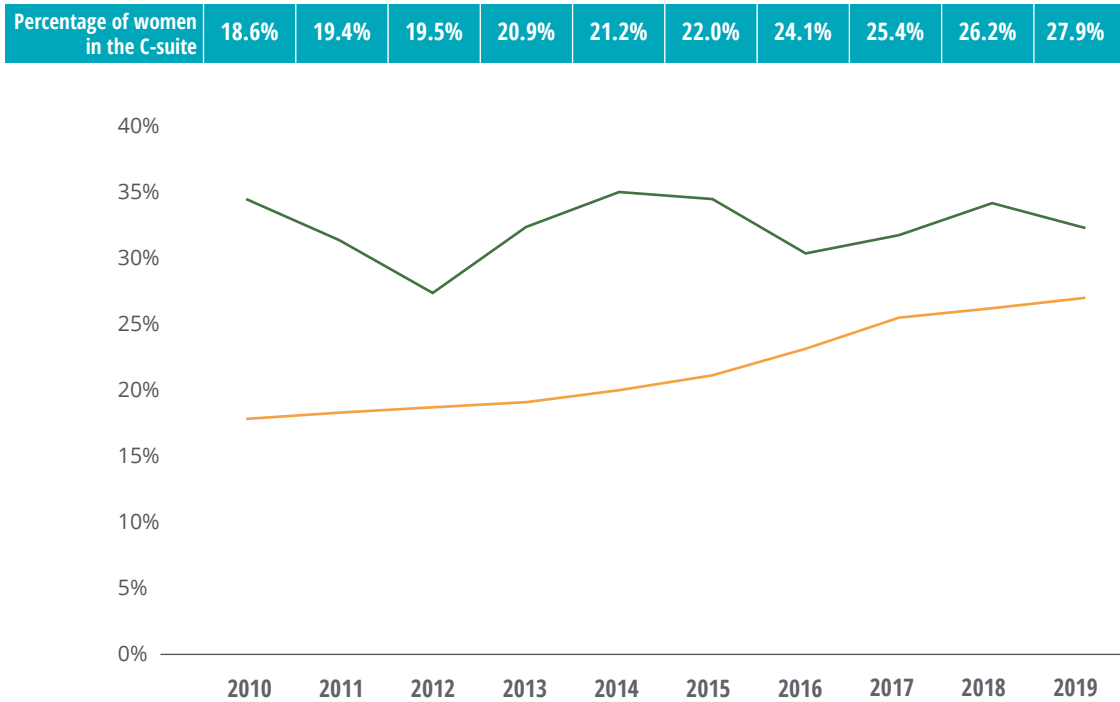
However, upon closer examination, these emerging C-suite roles (see sidebar, "Expanding the C-suite: What are the emerging leadership roles?") have a higher representation of women than any other leadership category. Overall in 2019, women accounted for 32.5 percent of emerging C-suite leaders, compared with 27 percent in traditional C-suite roles, and 20.3 percent of those in management roles one to three levels below the C-suite.⁹ Across a 10-year average, women accounted for 32.7 percent of emerging roles versus 21.9 percent of traditional C-suite positions.

FIGURE 1

Financial services industry (FSI) women in the C-suite—a look at the past 10 years

Percentage of FSI women in all C-suite roles

■ Emerging C-suite ■ Traditional C-suite



Source: Deloitte Center for Financial Services analysis of Boardex LLC data.

EXPANDING THE C-SUITE: WHAT ARE THE EMERGING LEADERSHIP ROLES?*

- Chief analytics officer
- Chief brand officer
- Chief customer experience officer
- Chief cyber security officer
- Chief data officer
- Chief digital officer
- Chief diversity and inclusion officer
- Chief ethics and compliance officer
- Chief information security officer
- Chief innovation officer
- Chief learning officer
- Chief privacy officer
- Chief sustainability officer
- Chief strategy officer
- Chief transformation officer

*Note: List of roles is provided for context. Actual role names may vary across institutions.

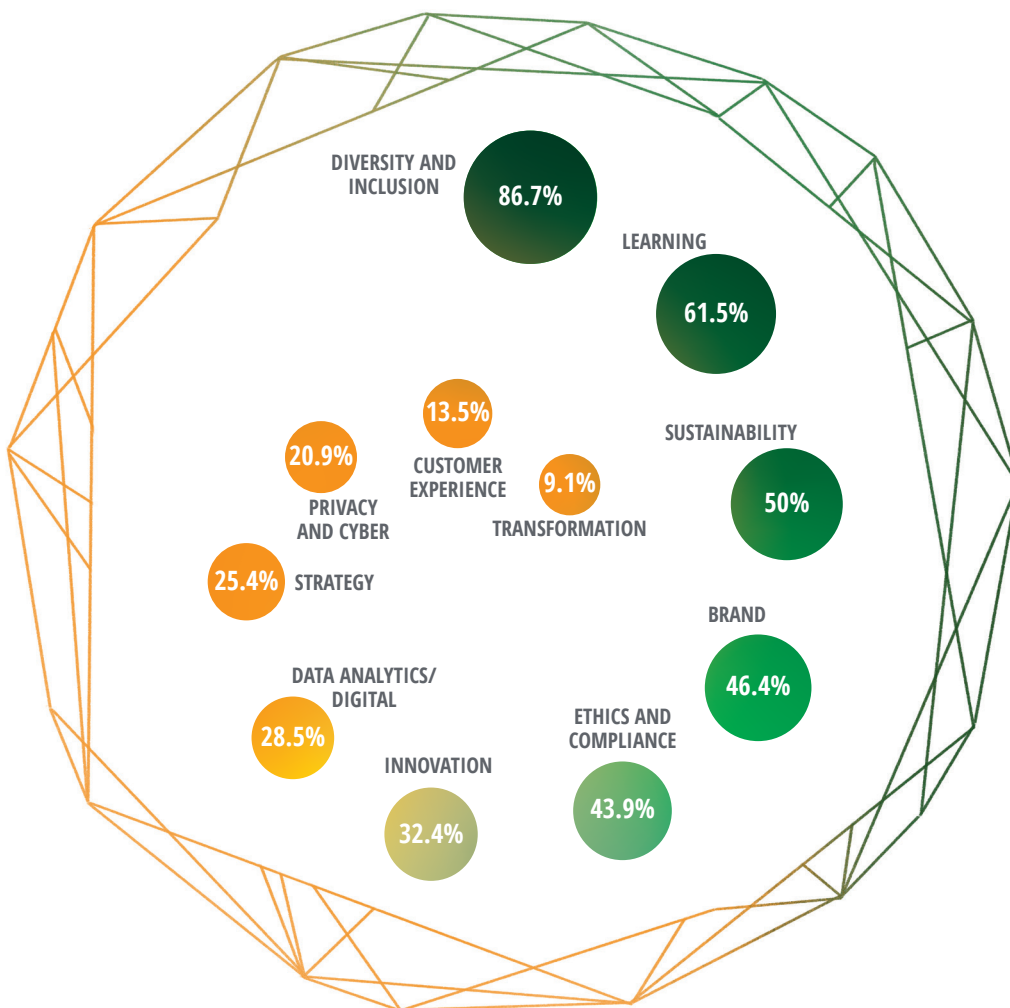
Assessing women’s share of emerging roles

While there is no clear consensus on why women are more likely to occupy emerging C-suite roles than more traditional C-level positions, it is possible that emerging roles are unencumbered by the obstacles that have historically impeded women’s journey to leadership. What’s more, many of these roles—frequently hybrids—tend not to have a set career path, which could result in more avenues to reach them.

Which emerging leadership roles have the highest proportion of women? We categorized emerging C-suite titles into 10 subtypes based on function. According to our analysis of over 100 large US financial institutions (figure 2), chief diversity and chief learning officers are more likely to be women, representing 86.7 percent and 61.5 percent of these roles, respectively. Women serving as chief brand (46.4 percent) and chief sustainability (50 percent) officers are nearly or already on par with men. And perhaps more interestingly, over the last decade the share of women as chief innovation

FIGURE 2

FSI women in emerging C-suite roles, by subcategory



Source: Deloitte Center for Financial Services analysis of Boardex LLC data.

(32.4 percent), chief data analytics or chief digital (28.5 percent), and chief strategy (25.2 percent) officers also exceed their average share in traditional C-suite roles, where their representation has historically lagged. Some of these results may be due more to a rebranding of roles that have traditionally been held by women, such as diversity and learning roles that may have been formerly housed within broader HR leadership positions. But others, such as those leading innovation, analytics and data, and strategy, are perhaps more “new-to-world” and, thus, do truly represent new leadership opportunities.

For women, though, their representation across all categories of emerging leadership grew at an annual rate of 17 percent over the last decade, with brand, data analytics/digital, D&I, and sustainability leading the growth charge. This could indicate that women are increasingly viewed as critical to driving the future success of the industry.

What’s lacking in these emerging leadership roles?

When looking at advancement opportunities at the highest organizational levels, however, it should be noted that roles with profit and loss responsibilities are frequently seen as a step on the ladder to CEO.¹⁰ Notably, none of the emerging role categories are linked to revenue generation or leading lines of business. Without these responsibilities, firms should consider the impact some of these new roles may have on the upward mobility of women into the upper echelon of company leadership, and explore the following:

- What enhancements could be made to some of these emerging roles that could allow them to contribute to, if not own, bottom-line results?
- Is there a new path to CEO on the horizon? Could more than one path be considered?
- Will tech-fueled advancements that drive growth opportunities, such as artificial intelligence, fintech, and the future of work, necessitate further evolution and expansion of these emerging roles? Will additional roles be needed?

In the first part of this series, we asserted that women are well-positioned and fully capable to lead financial institutions into the future.¹¹ Our analysis of the development of emerging C-level roles within financial services, and women’s better-than-average, and increasing, ownership of these roles over the past decade, supports this view.

The future will almost certainly continue to be marked by rapid change and complexity; there will be further exponential technology advancements and increased customer and regulator demands for environmentally and socially responsible behavior. The beginning of a new era for gender equity in financial services leadership may indeed be on the horizon. A future article in this series will provide an analysis of the path to CEO. In it, we hope to better understand the degree to which line-of-business leadership is required for CEO consideration, or if some of these emerging leader roles might also be on the path to CEO for both men and women.

Endnotes

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5. The Deloitte Center for Financial Services proprietary analysis and custom segmentation of over 100 large, public, US financial services institutions' data from BoardEx. The analysis of financial services institutions' data referred to throughout this report includes banking, investment management, insurance, commercial real estate, and select payments provider firms.
6. Tiffany Ramsay et al., *Within reach? Achieving gender equity in financial services leadership*, Deloitte Insights, November 5, 2019.
7. C-suite, as used throughout this report, is defined as all C-titled roles at the corporate leadership level.
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10. Marie Clara Buellingen and Kosmas Papadopoulos, "Female CEOs on a glass cliff? A look at gender diversity and company performance," Institutional Shareholder Services, October 26, 2018.
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