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Accelerating Gender Equality in CPG: Breaking the Glass Ceiling in Boardrooms & Supply Chains

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Despite significant gains over the past decade, women in CPG are experiencing declining support. For businesses, renewed commitment to diversity initiatives will be key to equitable advancement and financial outperformance.

Despite notable advancements in gender representation in recent years, the CPG sector faces a critical inflection point. Women in supply chain achieved historic levels of representation in 2023—yet a <u>Gartner</u> survey recently revealed stalling momentum amid <u>slowing DEI advocacy</u> in 2024. In fact, 13% fewer supply chain leaders are leading initiatives to attract, obtain, and progress women.

This regression threatens to undermine hard-won gains for gender equality in CPG.

Additionally, in a sector that frequently delivers products targeted to female consumers, a growing disconnect between leadership composition and customer base could present a strategic vulnerability.

The imperative to support women in CPG continues, and commitment from supply chain leaders will be crucial to progressing pay equity and improving retention in 2025.

The Business Case for Gender Equality in CPG

The correlation between gender-diverse leadership and organizational performance has been extensively documented. According to McKinsey, CPG companies at the top quartile of women's representation are 39% more likely to achieve financial outperformance compared to those at the bottom quartile—a figure that has more than doubled since 2015.

This performance advantage is clear when examining the advantages that women in leadership bring to the table. By bringing diverse perspectives to strategic discussions, women in CPG help drive fresh and well-informed decision-making, whether in product development, manufacturing, and beyond. At the board level, gender diversity increases the prioritization of innovation and technology by up to 6%.

This powerful representation is key to aligning with the makeup of consumers in coming years; NielsenIQ reports women will control 75% of discretionary spending over the next five years. Plus, they will influence 70-80% of all consumer spending due to their growing economic decision-making within families.

The intentional recruitment of a diverse CPG workforce is also documented to bring

significant advantages, including:

- Faster problem-solving
- Increased productivity
- Reduced employee turnover
- Improved employee brand

The Current State of Gender Representation in CPG

Unfortunately, gender representation across the CPG industry follows a pattern seen across industries: While progress has been made, significant gaps persist in leadership positions. According to Deloitte, women hold just:

- 27% of U.S. board seats
- 4% of global board chair positions
- 6% of global CEO roles

In the supply chain industry, <u>Gartner</u> reveals an increase in frontline representation. However, women's representation has ticked down overall, perhaps due to notable slowdowns at the senior management and VP levels.

This plateauing is concerning—yet these broad figures alone often mask deeper disparities.

McKinsey reports representation for women of color across executive positions remains at 7%, compared to 22% for white women. This indicates that white women have been the primary beneficiaries of diversity initiatives, with minimal advancement for other demographic groups.

Challenges to Achieving Gender Equality

The barriers impeding gender equality in CPG organizations extend beyond explicit policies to include subtle cultural factors and structural issues.

To start, leadership models in CPG companies often reflect traditionally masculine attributes and career trajectories. The <u>World Economic Forum</u> identifies this "male blueprint" as a significant barrier, with promotion criteria and leadership assessments favoring characteristics and experiences that disadvantage female candidates. This blueprint manifests in evaluation systems that prioritize specific leadership styles and career paths historically more accessible to men.

The shrinkage of initiatives supporting women in CPG is also a cause for concern. Sponsorship—which includes vocal advocacy, unlike mentorship—is crucial to advancement.

Yet women typically <u>receive less</u> of it, largely due to the lack of representation at the leadership level. Without remediation, this cycle will continue to push men forward and hold women back.

Work-life balance also continues to be a barrier, particularly since the operational demands of supply chain roles often include unpredictable schedules, travel requirements, and crisis management responsibilities. This creates disproportionate challenges for the many women who bear caregiving responsibilities. Our <u>previous analysis</u> shows women not only need flexibility but also robust support systems that ease the societal demands and cultural barriers they face.

Strategies for Helping Women in CPG Break the Glass Ceiling

So, how can CPG companies address the persistent gender disparities in leadership roles? Comprehensive approaches that target both systemic barriers and individual development are critical.

Lasting progress first and foremost requires explicit commitment from board members and the executive team. Establishing clear diversity goals, regularly reviewing progress metrics, and tying executive compensation to diversity outcomes can all be valuable strategies. Companies like Mondelez have gone a step further, successfully implementing third-party reviews of pay equity and gender representation to ensure total accountability.

Senior leaders can further drive policy changes that tackle the barriers women in CPG continue to face—for example, by developing transparent promotion criteria, flexible work arrangements, and robust parental leave policies.

However, individual support is equally important to continued advancement and retention. Strengthening the pipeline of female leadership candidates requires intentional development strategies such as:

- Formal sponsorship programs connecting high-potential women with influential executives
- Rotation through operational and P&L responsibilities to build critical experience
- Leadership development curricula addressing the specific challenges women face in advancement

How Leading Companies are Advancing Women in CPG

Several leading CPG organizations have implemented comprehensive approaches to gender equality that yield measurable results and provide instructive models for the broader industry.

- <u>Johnson & Johnson</u> reached 43% female representation in management roles, in part through employee resource groups (ERGs) and programs supporting women's returns after extended leaves—whether due to pregnancy, health problems, or other personal issues.
- <u>Procter & Gamble</u> achieved <u>50/50 gender representation</u> at the management level and 43% women's representation within the C-suite. The company leveraged diverse inclusion initiatives, including a program that engages men in women's advocacy.
- Estée Lauder Companies has established hundreds of continued education and career development programs, including skills training and leadership growth inititiaves designed for women. Today, women occupy 59% of VP-level positions, nearly half of board seats, and approximately 80% of the workforce.

Evidently, there are countless initiatives that CPG companies can implement to drive measurable change. The impetus is on today's leaders to drive gender equity.

The Role of Executive Recruiting Firms

Executive search firms can play a pivotal role in accelerating gender equality across the CPG sector by presenting diverse candidate slates for leadership roles. Leading firms are prepared to collaborate with clients to align with both gender equity and business objectives. Experienced recruiters may do so by:

- Establishing target metrics to track the diversity of both candidates and successful placements.
- Helping organizations refine job descriptions to eliminate biased language
- Expanding industry and functional parameters to access broader talent pools.
- Advising on competitive compensation packages that address gender pay disparities.

By partnering with executive search firms committed to gender equality, CPG organizations can accelerate progress toward balanced leadership teams while accessing specialized expertise in identifying and attracting high-performing female executives.

How is your company accelerating gender equity in the CPG industry?