



Gender and Leadership in the Boardroom: Progress in a Tumultuous Year

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Diligent Institute seeks to help corporate leaders be more effective by providing cutting-edge insights on corporate governance, by amplifying the voices of diverse corporate leaders, and by sharing broadly all that we are learning about modern governance practices.

Founded in 2018, Diligent Institute serves as the global corporate governance research arm and think tank of Diligent Corporation, the largest SaaS software company in the Governance, Risk and Compliance (GRC) space. We produce original research both on our own and in collaboration with partners, including institutions of higher education and thought leaders in the corporate governance space. We produce over a dozen reports each year, ranging from our monthly Director Confidence Index, which measures how corporate directors are feeling about the economy, to in-depth reviews of issues such as ESG (environment, social, governance) practices, to our AI-powered [Corporate Sentiment Tracker](#) that analyzes data from thousands of public sources to discern what's on the minds of corporate leaders. Diligent Institute is funded solely by Diligent Corporation.

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Women in Board Leadership: What Changed During 2021?

The number of women serving on listed company boards has been slowly but steadily increasing over the last decade, yet more progress is needed to ensure women are fully included in board leadership.

In 2020, Diligent Institute's report, [*A Few Good Women: Gender Inclusion in Public Company Board Leadership*](#), investigated this issue. We were particularly interested to learn more about women's inclusion in board leadership roles by exploring the following questions:

- What are the rates of participation in committees for female board directors?
- How frequently are women asked to assume leadership positions upon joining the board?
- How well represented are women in board leadership roles overall?
- How does the rate of women's participation in board leadership compare to that of men?

The results showed progress being made with ample room for growth, and we published the report in early March 2020 with the prediction that progress on board diversity would accelerate in the coming year.

For 2021, we wanted to look back over the past year and see if our prediction was correct. Given all that happened in 2020 – a global pandemic, lockdowns, economic tumult, political and social unrest, a reckoning on racism, natural disasters and accelerating climate change – what changed regarding women's participation in corporate board leadership? This report provides an update on the findings from last year's report and on analysis of visible trends.

Key Findings

Women Gain Ground in Board Leadership

Despite a year of crisis and turmoil, there has been a global increase in the number of women serving on boards: globally, 27% of directors are female, up five percentage points from last year.

Female Board Members of Public Companies

22%

In 2020

27%

In 2021

5% point increase

14%

Percent of men on boards who hold leadership positions in 2021

3%

Percent of women on boards who hold leadership positions in 2021

Men hold about **3x** more board leadership positions than women

&

Men are still **4.67x** more likely to be board leaders than women

Average number of leadership positions held by men and women in the boardroom in 2021

1.16

Male

0.41

Female

Female Board Leaders
(Chairs and Lead Directors)

7%

In 2020

8%

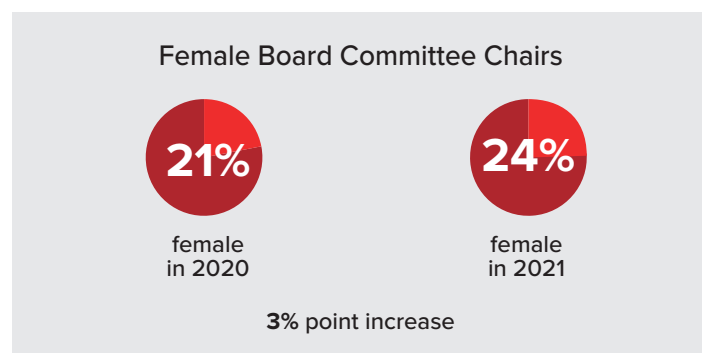
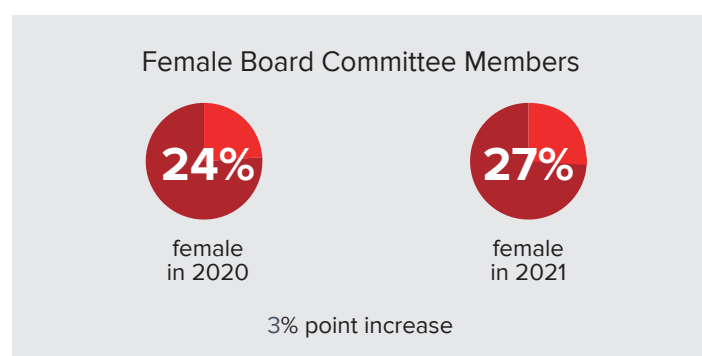
In 2021

1% point increase

Key Findings

More Women Are Leading Committees this Year

Female directors also made progress on board committees last year. Compared to 2020, female representation in committees has risen three percentage points, from 24% to 27%, and women's representation in board committee chair roles rose by the same margin, from 21% to 24%.



Audit committees saw the largest increase in female representation last year: from 25% in 2020 to 32% in 2021. The number of female audit committee chairs meanwhile increased by 9 percentage points, from 21% to 30%.

Remuneration and nomination committees both increased female representation by 3 percentage points, from 24% to 27%. Female remuneration chairs increased 2 percentage points, from 23% to 25%. Nomination chairs who are female also increased by 2 percent, from 19% in 2020 to 21% in 2021.

Women's Participation in Committees

2020	Audit	Remuneration	Nomination
Overall Committee Member	25%	24%	24%
Committee Chair	21%	23%	19%

2021	Audit	Remuneration	Nomination
Overall Committee Member	32%	27%	27%
Committee Chair	30%	25%	21%

Audit Member: **7% point increase**

Audit Chair: **9% point increase**

Remuneration Member: **3% point increase**

Remuneration Chair: **2% point increase**

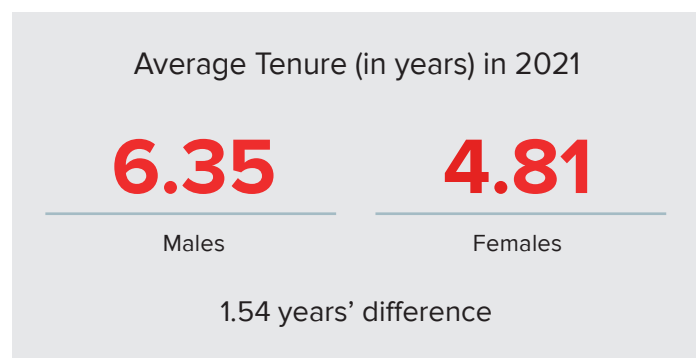
Nomination Member: **3% point increase**

Nomination Chair: **2% point increase**

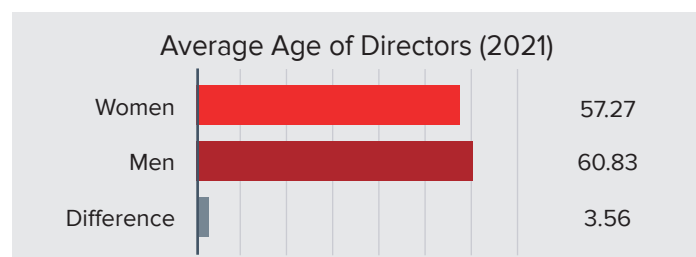
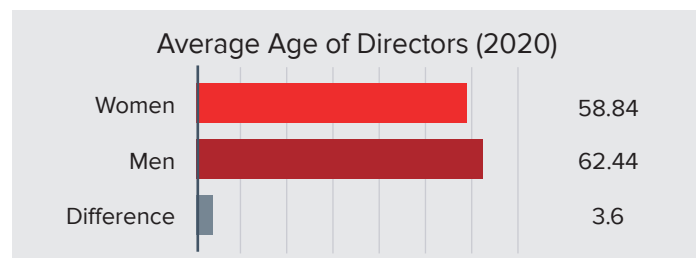
Key Findings

Female Directors are Younger and have Shorter Tenure

Length of tenure also differs between men and women. While male directors have an average board tenure at 6.35 years, this number is about 1.54 years lower for women at 4.81.



The age differences between male and female board members is roughly the same as it was in 2020 at about 3.6 years, with female directors tending to be younger on average. However, ages of board directors overall dropped last year: average age dropped 1.37 years for male directors, at 60.83 years, and 1.61 years for females, at 57.27 years.



Directors' Average Age: 2021 vs. 2020



As more boards seek female directors, a commonly voiced concern is that a relatively small pool of female candidates will be asked to serve on multiple boards and risk becoming “over-boarded.” However, our data indicates that this was not the case last year: globally, 55.5% of the male directors in our dataset held more than one position, and that number was only slightly higher for female directors at 56.6%.

Directors Serving on Multiple Boards

55.5%
male directors serve on more
than one public company board

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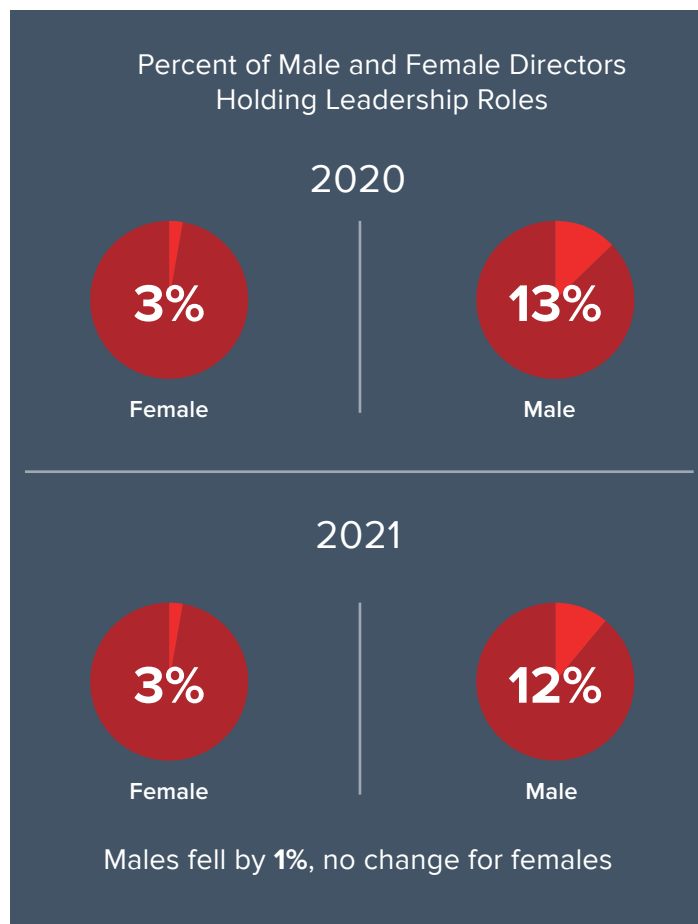
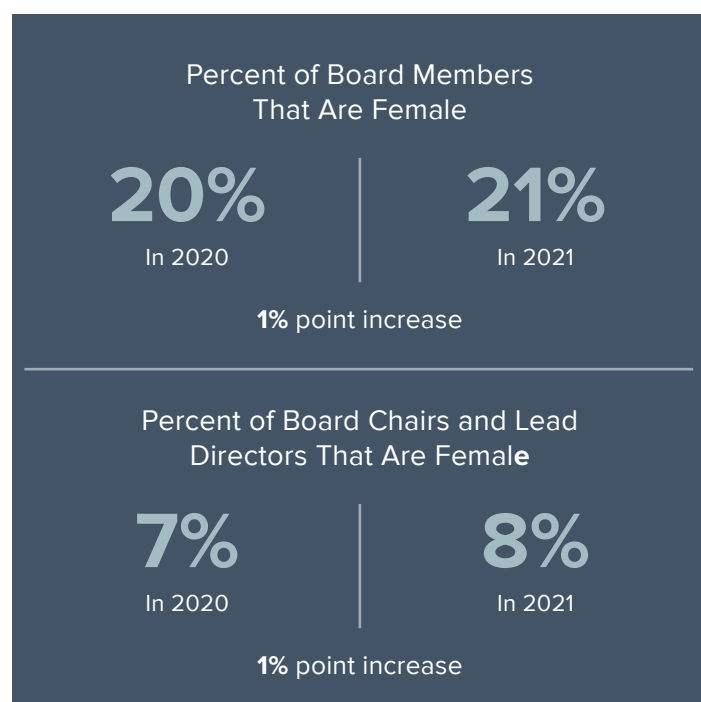
56.6%
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Closer Look: United States

This is the gender diversity and inclusion story in the United States. While governance is increasingly global, strong regional differences remain. United States companies made up over half of our global sample, so it's worth providing United States-specific numbers for all the global data points shared in the report.



Overview

Board Leadership Representation





Board Leadership and Committee Chair Experience

2020

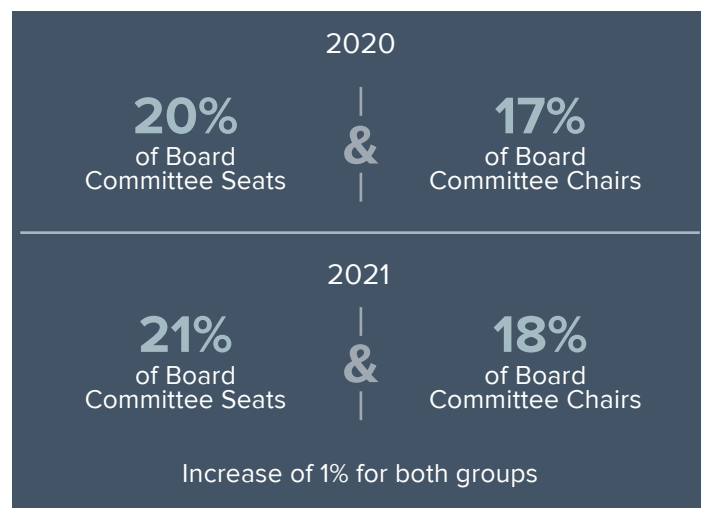
 Average Female Board Member	 Average Male Board Member
<ul style="list-style-type: none"> Has held 0.2 board leadership positions Has held 1 committee chair position 	<ul style="list-style-type: none"> Has held 0.66 board leadership positions Has held 1.2 committee chair positions

2021

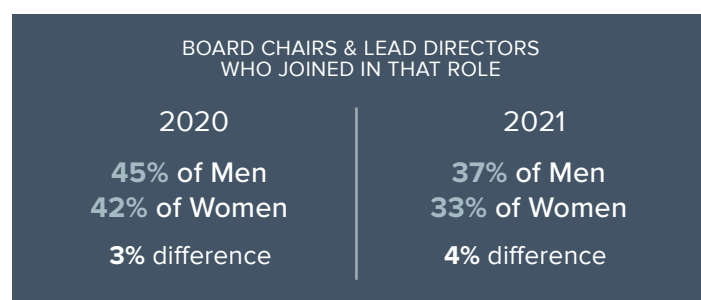
 Average Female Board Member	 Average Male Board Member
<ul style="list-style-type: none"> Has held 0.29 board leadership positions Has held 1.01 committee chair position 	<ul style="list-style-type: none"> Has held 0.78 board leadership positions Has held 1.21 committee chair positions

- **Women have gained ground** in leadership experience by **.09 positions**
- **Men have also gained ground** in leadership experience by **.12 positions**
- Male and female committee members' average chair experience has **increased by .01**

Women's Participation in Board Committees



Leadership Momentum



- Gap between men and women has **risen by a percentage point**
- Percentage of men has **fallen by 8 percentage points**
- Percentage of women has **fallen by 9 percentage points**

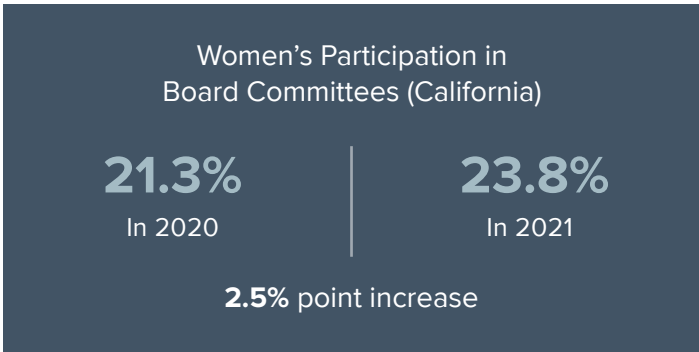
AVERAGE PACE FOR PROMOTIONS TO BOARD LEADERSHIP ROLES



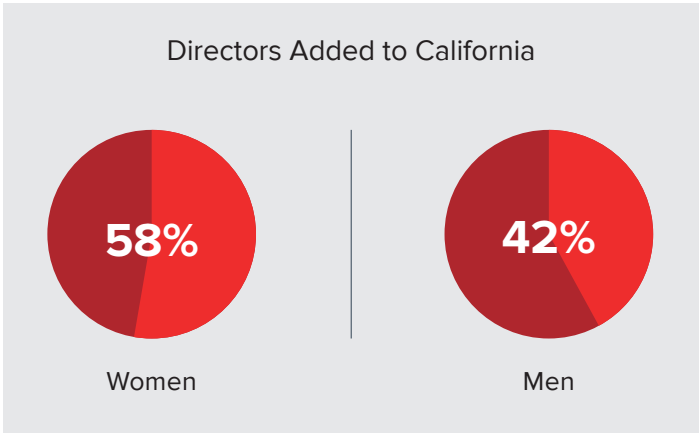
- Gap between male and female has **shrunk by .2 years**
- Pace of male promotion has **decreased by .12 years**
- Pace of female promotion has **increased by .08 years**

Spotlight: California

In 2019 and 2020 California passed landmark legislation on public company boardroom diversity. We took a closer look at California to see the effect these laws have had on gender diversity so far. Overall, 21.3% of board seats in California were held by women in 2020, and this number is up 2.5 percentage points to 23.8% this year. Compared to the U.S. in 2021, California has a higher percentage of women on boards, at 23.8% to 21.4% for the US as a whole.



Of the 475 California companies included in our dataset, 106 of them added a single individual to their boards in the last year. Of these, 58% were women.



Closer Look: Europe

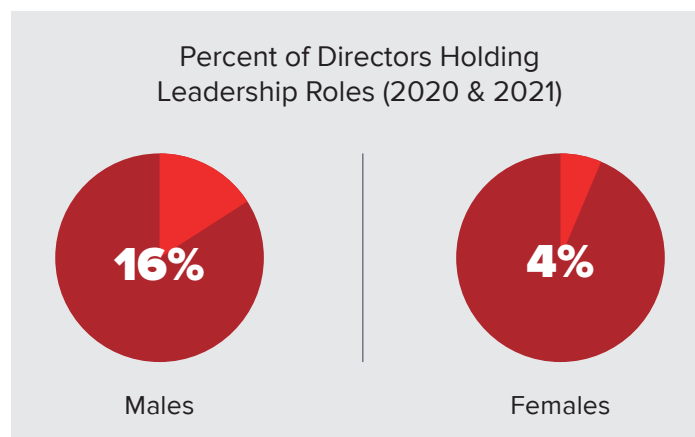
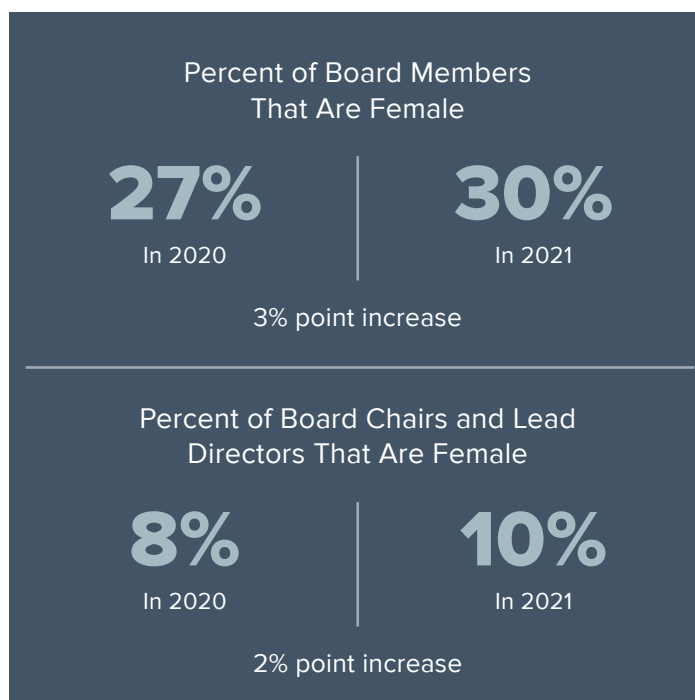
This “Closer Look” report highlights improvements made across Europe in terms of female representation and inclusion on corporate boards. Within this breakdown, we have included a spotlight on Ireland, which currently lags behind the rest of Europe in female representation at the board level.

Across Europe, modest gains have taken place:

- The percentage of women on corporate boards has increased three percentage points in the last year, from 27% in 2020 to 30% in 2021.
- The percentage of female board chairs and lead directors increased by a similar margin of two percentage points, from 8% in 2020 to 10% in 2021.



Meanwhile, leadership momentum is changing for both men and women. The percentage of board chairs and lead directors who joined the board in that role is down by 6 percentage points for men and 7 percentage points for women, indicating that more companies are promoting leaders from within the company.

Board Representation: Overview





Board Leadership and Committee Chair Experience

2020

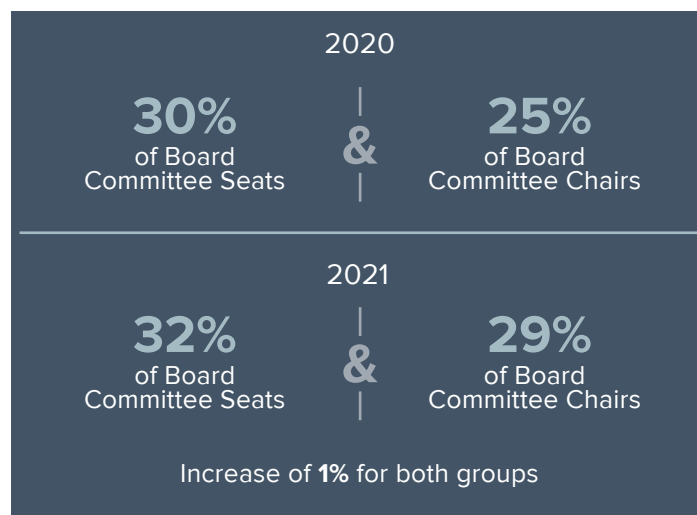
 Average Female Board Member	 Average Male Board Member
<ul style="list-style-type: none"> Has held 0.38 board leadership positions Has held 1.1 committee chair positions 	<ul style="list-style-type: none"> Has held 1.26 board leadership positions Has held 1.37 committee chair positions

2021

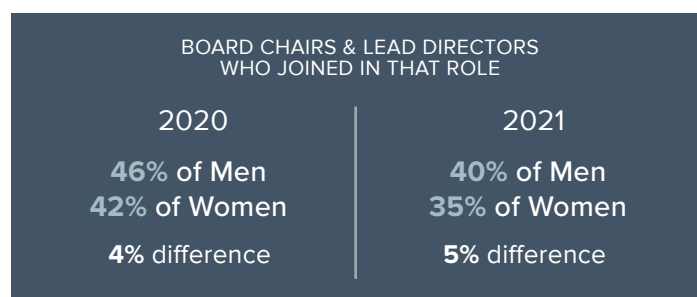
 Average Female Board Member	 Average Male Board Member
<ul style="list-style-type: none"> Has held 0.44 board leadership positions Has held 1.23 committee chair positions 	<ul style="list-style-type: none"> Has held 1.28 board leadership positions Has held 1.39 committee chair positions

- Women have **gained ground** in leadership experience **by .06 positions**
- Men have also **gained ground** in leadership experience **by .02 positions**
- Female committee chair representation has **increased by .13 positions**
- Male committee chair representation has **increased by .02 positions**

Women's Participation in Board Committees



Leadership Momentum



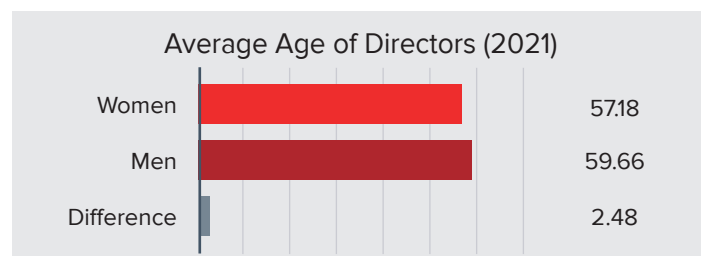
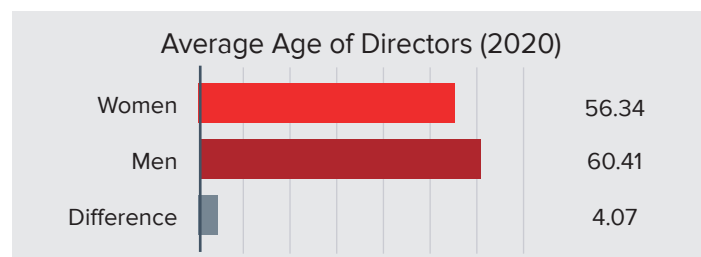
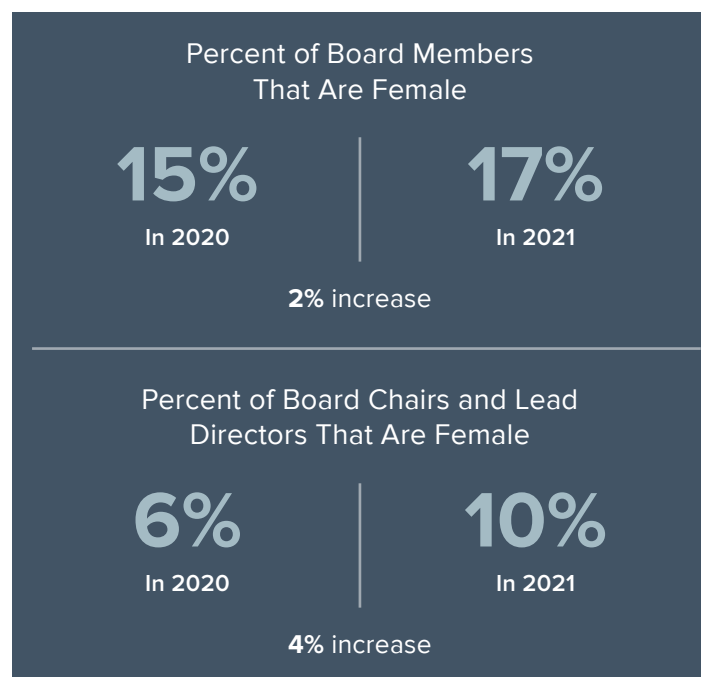
- Gap between men and women has **risen by a percentage point**
- Percentage of men has **fallen by 8 percentage points**
- Percentage of women has **fallen by 9 percentage points**

AVERAGE PACE FOR PROMOTIONS TO BOARD LEADERSHIP ROLES

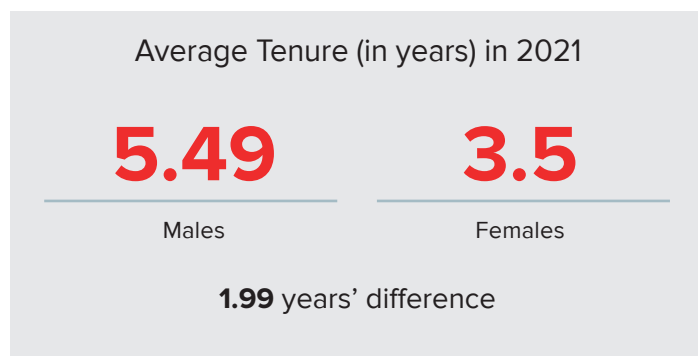
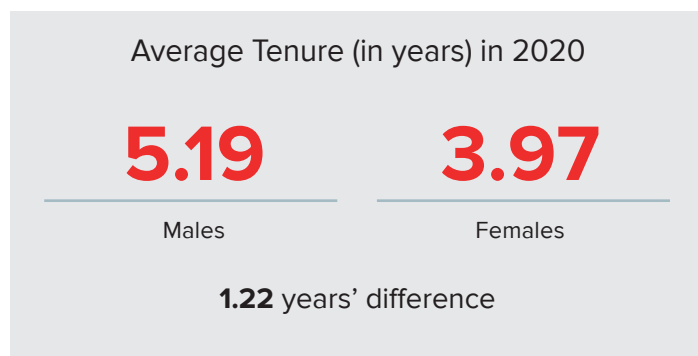


- Gap between male and female has **increased by .13 years**
- Pace of male promotion has **decreased by .37 years**
- Pace of female promotion has **decreased by .5 years**

Spotlight: Ireland

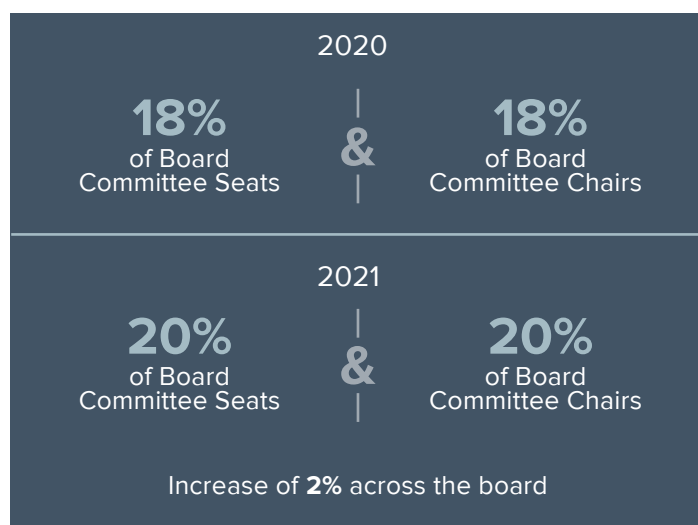


- Average age for males has fallen **by .75 years**
- Average age for females has crept **up by .84 years**
- Gap between males and females has **shrunk to 1.59 years**



- Gap between male and female tenure has **risen by .77 years**
- Male tenure has **increased by .3**, female tenure has **decreased by .47**

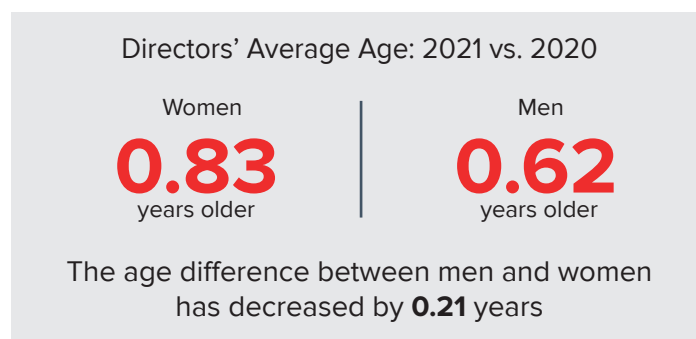
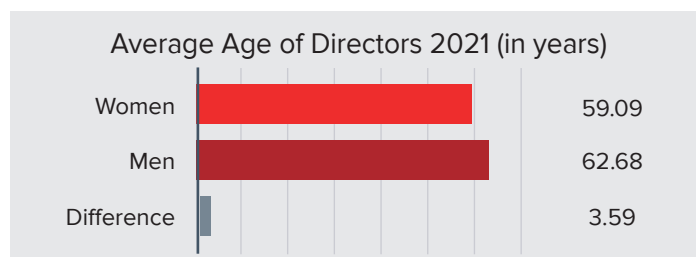
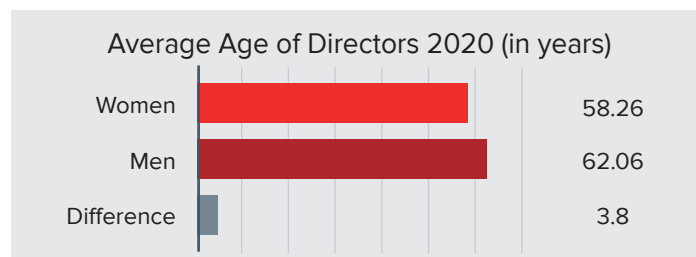
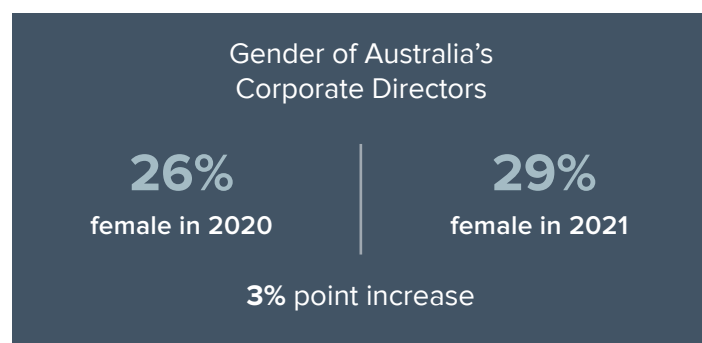
Women's Participation in Board Committees



Closer Look: Australia

The ASX corporate governance principles suggest that all listed boards strive to have at least 30% female directors. We took a closer look at Australia to see the effect these governance principals have had on gender diversity so far.

Overall, 26% of board seats in Australia were held by women in 2020, and this number increased 3 percentage points to 29% in 2021. Compared to the global average, Australia has a 2 percentage point advantage: 29% of Australia's directors are women, compared with 27% globally.



Average Tenure (in years) in 2020

5.55

Males

3.96

Females

1.59 years' difference

Average Tenure (in years) in 2021

5.72

Males

3.92

Females

1.8 years' difference

- The difference between male and female tenure has **risen by 0.21 years**
- Male tenure has gone up 0.17 years, Female tenure has **decreased by 0.04 years**

Average Leadership Position Experience on Board in 2020 (by # of positions)

Men

1.54

Women

0.66

In 2020, the average male board member was **2.3x** more likely to hold a board leadership position than female board members.

Average Leadership Position Experience on Board in 2021 (by # of positions)

Men

1.69

Women

0.80

In 2021, despite some gains by women, male board members are still **2.1x** more likely to hold board leadership positions than their female counterparts.

- The average leadership positions for **men rose by 0.15**, and the average leadership positions for **women rose by 0.14**.

Time to Join Leadership Position
After Joining Board in 2020 (years)

4.26

Males

4.10

Females

0.16 years' difference

Time to Join Leadership Position
After Joining Board in 2021 (years)

4.2

Males

3.76

Females

0.44 years' difference

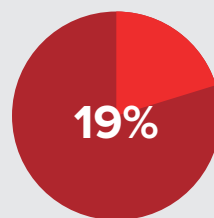
- Women hold a slight advantage and continue to join leadership positions more quickly than men once on a board.
- Length of time for men to join leadership **decreased by .06**, length of time for **women decreased by .34**.

Women's Participation in Board Committees

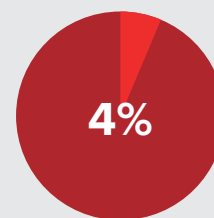
	2020	2021
Overall Committee Member	28%	29%
Committee Chair	30%	30%

- **1% point increase** in committees overall, no

Percent of Directors Holding



Males



Females

15% difference

Appendix

Companies Listed by Country (By Primary Listing)

Australia	5.62%
Austria	0.50%
Belgium	0.41%
Canada	4.65%
Denmark	0.43%
Finland	0.46%
France	2.43%
Germany	2.51%
Ireland	0.94%
Italy	2.02%
Japan	4.08%
Luxembourg	0.17%
Netherlands	2.31%
Norway	0.75%
Poland	0.46%
Portugal	0.48%
Russia	0.99%
Spain	2.38%
Sweden	0.55%
Switzerland	0.84%
United Kingdom	12.10%
US	54.94%

Companies Listed by Sector (By 2-digit GICS)

Consumer Discretionary	11.69%
Financials	25.60%
Information Technology	10.44%
Materials	7.43%
Utilities	2.94%
Industrials	14.47%
Communication Services	4.80%
Health Care	12.17%
Consumer Staples	4.73%
Energy	5.72%

Note: The data and analytics in this report were provided by CGlytics, and included the boards of 5,852 public companies. For companies with a 2-tier structure the Supervisory Board was used for this report. For Japanese companies the “Audit & Supervisory Board” was used. For more information please visit cglytics.com.

Acknowledgements

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