Breaking the IT glass ceiling. How to effectively achieve CIO gender diversity.
Introduction

As technology and globalization redefine the nature of work and business, there is an increasing demand for emotional intelligence, communication, and leadership skills (OECD, 2016; World Economic Forum, 2016). This demand comes at a time when new research shows that women score higher than men on nearly all emotional-intelligence competencies (Korn Ferry, 2017).

Top 10 In-Demand Skills in 2020

1. Complex problem solving
2. Critical thinking
3. Creativity
4. People management
5. Coordination with others
6. Emotional intelligence
7. Judgment and decision making
8. Service orientation
9. Negotiation
10. Cognitive flexibility


Yet that message hasn’t translated into increased numbers of women overseeing technology roles at corporations. In 2016, 14 percent of the Fortune 500 Chief Information Officers were women. That number is a 3 percent decrease from 2013.

Despite the low overall numbers CIOs, however, a deeper dive reveals bright spots where a few leading companies have held ground or moved ahead when it comes to women in technology. A better understanding of what’s driving success, then, is the first step to fine-tuning existing approaches.

Gender diversity: potential mostly unfulfilled so far¹

Many companies try to pursue greater gender diversity in the C-suite. And why not? Multiple studies have shown that women in business makes good business sense. The Peterson Institute for International Economics conducted a study—across almost 22,000 companies in more than 90 countries—that showed a positive relationship between women executives and profitability (Peterson Institute, 2016). That wasn’t a one-off finding, either. Morgan Stanley conducted an analysis that affirmed the connection between greater gender diversity and higher rates of return on equity (Morgan Stanley, 2016).

Key Points

1. Women continue to face barriers to advancement to top technology positions.
2. Companies need to take intentional steps to move women into CIO roles. Otherwise they run a significant risk of losing essential talent.
3. Some companies have put into place approaches that work, and are succeeding at attracting and retaining women as technology leaders.
Despite these motivators, however, many companies fail to move women into their top ranks. In fact, a 2016 analysis of the top 1,000 performing companies by revenue found that women filled only 24 percent of prominent C-suite titles. Focusing on CIO roles, the data was even more discouraging—only 19 percent were filled by women (Korn Ferry, 2016).

These results are the tip of the iceberg. What’s less visible, but equally disturbing, is that many companies’ pipelines are inadequate to put women in leadership roles (Women in the Workplace, 2016):

Yet, there are reasons to take heart—especially for female CIOs. A deeper dive into Fortune 500 data, between 2013 and 2016 reveals:

- An 11 percent increase in ethnically diverse female CIOs
- A significant rise in compensation for female CIOs

These few bright spots suggest some companies have gained insight into their gender-balance headwinds and are navigating them successfully, attracting and retaining women CIOs. While their progress may be slow, it compares favorably to organizations that are losing ground in this key area of talent. Companies who haven’t seen that success should ask themselves:

- What are we doing currently, and are these the right levers to deliver results?
- What are the success stories and what can we learn from them?
- How can we ready ourselves for greater gender diversity among IT leaders for the future?
While each industry faces its own unique set of circumstances, there are broad headwinds common to most companies, which are pushing back on them as they strive for gender diversity among CIOs.

**Weak data about talent**

Companies that want to build a gender-balanced IT leadership team first need to get a handle on their data and learn how to interpret them. Many organizations are awash in employee data, but protocols and controls are lax, and the skills needed to make rigorous use of the data are lagging. For these two reasons, diversity and talent data—along with internal polls and surveys—can be improperly collected and the analysis can be faulty. Thus, many companies have little to no insight when it comes to their own human capital, particularly about what will motivate or retain the workforce. This leads to scenarios where talent research and planning comes down to decision-making by gut, which opens the door to myths, biases, and assumptions. The data/analytics challenge is not new, and neither is the bias to rely on intuition (HBR, 2014).

Even so, companies need to make it a priority to assess diversity metrics for women in technological and leadership positions within a company and track progress over time as new strategies and tactics are implemented. These actions are critical to understand an organization’s unique needs and to validate what’s working and what isn’t (UCLA, 2016).

The essence of the problem can be summed up in the saying, “You don’t know what you don’t know.” A company that lacks insight into its human capital will very likely be unable to attract, motivate, or retain its workforce. Risky as that is, this approach should set off alarm bells when considering talent for STEM-related (science, technology, engineering, and math) fields. Given the high demand for their critical set of skills and capabilities, STEM talented individuals have options and can look elsewhere for fulfilling careers. In addition, sharpening the focus on female IT talent shows that women are more likely than men to leave tech-intensive business roles (Catalyst, 2014).

### Fewer rungs on the leadership ladder

Companies continue to promote from within, although the rate of internal promotions of women CIOs has slowed of late.

<table>
<thead>
<tr>
<th></th>
<th>Fortune 500—2013</th>
<th>Fortune 500—2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>externally hired</td>
<td>63%</td>
<td>48%</td>
</tr>
<tr>
<td>internally promoted</td>
<td>37%</td>
<td>52%</td>
</tr>
</tbody>
</table>
Looking beyond the top technology roles and deeper into the organization, however, an interesting story emerges. When choosing whom to promote, research shows that companies consistently select men over women—by a significant margin. Survey findings indicate for every 100 women promoted to manager, 130 men are promoted (Women in the Workplace, 2016). What’s more, this seems to be an entrenched practice. A 2012 study of 60 major corporations showed that of the 325,000 women in entry-level positions, less than half were promoted to middle-management positions (HBR, 2013).

Over time, with men having this promotion edge, fewer women have ended up on the path to leadership. This not only means fewer women leaders, it means fewer women role models for up-and-comers in the future. Of those that have made it onto the path, they are finding themselves unable to progress further as they are passed over, and they are leaving, which adds to the depletion of key talent (HBR, 2016). The latter should come as no surprise, considering that women in technology are ambitious. Findings from one study showed that more than 85 percent of the technical women surveyed want career advancement in the next three years, and 62 percent are seeking a C-suite or senior management position in the future (Women in Technology, 2013).

The need for a thoughtful approach to career progression becomes even more compelling given an economic environment that is rapidly changing. Organizations are seeing the importance of employing executives with emotional and social competencies to drive performance. These competencies include emotional intelligence, coaching and mentoring, influence, inspirational leadership, conflict management, organizational awareness, adaptability, teamwork, and achievement orientation. Women outperform men in all these areas (Korn Ferry, 2017).

So, taken together—women eager to progress in their careers yet with fewer leadership opportunities, resulting in fewer role models against a backdrop of volatility and change, in which women’s competencies are most needed—it seems a perfect storm. Companies run a significant risk of losing essential talent. To avoid this outcome, companies need to take intentional steps to move women into CIO roles by valuing the competencies at which women excel and addressing internal promotion practices from bottom to top in their IT organizations.

**Poorly-executed programs**

Many forward-thinking organizations have programs in place to develop women as leaders. Examples of programs and courses include employee resource, affinity, and networking groups and women’s leadership development programs. Despite these well-intentioned programs, many of the efforts are poorly executed. Among the reasons for poor execution are misalignment with business objectives, a lack of executive sponsorship and visibility, and poorly publicized efforts.

The issue of poor execution of these programs is not a recent development, either. Employee resource groups have failed to live up to their potential because they have been socially focused and lacked alignment with the business (Forbes, 2012). Women’s leadership development programs haven’t measured up because participants weren’t exposed to senior leaders (Fast Company, 2014). And leadership programs haven’t been effective because they’ve been hurt by poor internal communications and marketing (Forbes, 2015).

Compounding this problem, research shows that women in technology see following through on a promise to support employees as important, and there may be a connection between this finding and their interests in leadership (Women in Technology, 2013). With this in mind, if women in technology perceive poorly executed programs as broken promises, then companies may experience an even greater negative impact.
Companies that want to make real progress with respect to women in CIO roles need to design and deliver meaningful opportunities for learning that are aligned with the business, yield visibility with top executives, and are adequately made known inside the organization.

**A misguided reason for change**

A common business attitude is to conflate women in the workplace with work/life balance issues. This leads organizations to place most of their attention on a narrow set of family-focused policies and practices, thinking they support the advancement of women leaders.

This myth persists in the face of findings over the years that seemed to suggest otherwise. A 2001 report looking at women who left corporate environments showed that work/life policies were not the top influencers of their decisions to leave (Korn Ferry, 2001). More recently, a Pew Research study confirmed that family responsibilities are not perceived as the barriers to women achieving top leadership positions (Pew Research, 2015). In addition, focusing on these kinds of policies and their related practices may land on women in unintended ways, striking a sour note and driving female talent out of the organization. And there is some evidence that men can feel alienated by diversity and family policies, too (HBR, 2016). So, companies that single out work/life policies as evidence of their commitment to women in leadership are missing the mark. Their approach might come off as tone-deaf to both women and men.
While women should be better positioned than ever before to rise to leadership roles in technology, only a few leading companies have dealt with the common headwinds and put smart strategies in place. Their efforts are worth it, and they are seeing results.

The following case studies are based on interviews with three women CIOs. In each interview, the CIO recognized the need for women as leaders in tech and highlighted what was working well within their organizations—and why. Their approaches are not intended to serve as cookie cutters. Rather, they are presented to provoke more ideas.

The success starts with data, says Sherrie Littlejohn, Wells Fargo’s executive vice president for internal innovation strategies, within the bank’s innovation group. The bank collects, tracks, and monitors its diversity data. Then it shares its progress on its public website. Treating the data with this degree of transparency sends a powerful message about the bank’s commitment.

The bank sets the tone from the top with an Enterprise Diversity and Inclusion Council that is led by the CEO and president, and comprises leaders across the company. In addition, it intentionally embeds diversity and inclusion deeper inside the organization through diversity and inclusion councils and teams established at the business, regional, and local levels. This ensures that the bank’s commitment is visible inside the organization, across and top to bottom.

Another important feature of the Wells Fargo approach is its Team Member Networks. These networks are devoted to professional growth and education, community outreach, recruiting and retention, business development, and customer insight (Wells Fargo, 2017), and the bank believes they align with its strategy. “The women’s Team Member Network is one of our largest networks, providing career development and leadership opportunities for women,” Littlejohn says. “The network regularly hosts discussions with company leaders and external partners to help members grow professionally.” Putting the spotlight on company leaders and professional growth pays off.

Case Study #1: Moving women up at Wells Fargo

<table>
<thead>
<tr>
<th>Roles</th>
<th>% Women</th>
<th>% Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of directors</td>
<td>44%</td>
<td>31%</td>
</tr>
<tr>
<td>Officers and managers</td>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td>Professionals</td>
<td>43%</td>
<td>22%</td>
</tr>
</tbody>
</table>

“We are actively reaching out to female leaders to foster and enhance their professional development and opportunities. We have made progress, and I am glad I have an opportunity to shape the future.”

Sherrie Littlejohn, Executive Vice President, Internal Innovation Strategies, Innovation Group at Wells Fargo

Examining what’s working today.
While the approach seems like the right thing to do, the women’s network is about the bottom line, too. Littlejohn frames its goals as a business case, explaining how important it is to advance women in technology. “We need to provide access, exposure, and visibility to assignments that allow women to be viable competitive candidates for [technology] positions. While technical expertise is important and necessary, so are the business aspects of these technologies for the benefit of a better customer or operational experience. Oftentimes, involving women who provide a diverse point of view can yield an outcome in new and different ways that might be missed with more homogenous thinking.”

Case Study #2: An inclusive and empowering culture at M&T Bank

Teamwork is a source of pride at M&T Bank. Employees work together as partners, bringing to life the bank’s commitment to mutual respect, confidence and trust (M&T Bank, 2017). This kind of teamwork is an outgrowth of the company’s culture of empowerment, which is reflected in its approach to diversity. The bank has a robust Diversity and Inclusion Council, made up of 24 senior officers who represent the lines of business throughout the bank. The bank also sponsors resource groups, including the Women’s Interest Network, or WIN. WIN comprises several regional chapters and sponsors external speakers, hosts panel discussions, offers virtual connections, and mixes M&T senior leadership with group members.

What makes M&T’s approach to its network groups special, however, is that it backs its respect, confidence, and trust talk by giving authority and power to the members of the group. “Other places might have a diversity curriculum or a mandate from the bank. Here, it’s an employee-driven structure that seems to work very well. It’s been very good at bringing in and then retaining women,” says Julieta Ross, M&T Bank’s chief technology officer. The bank boasts better-than-financial-industry benchmarks for the number of high-ranking women in tech.

One of the reasons that this empowerment approach may be so successful is that it allows women to raise concerns about company policies that probably started with the best of intentions but now land poorly in practice. For example, one WIN chapter questioned a company parking policy that treated pregnant women differently from other employees. The policy was perceived as humiliating, although the company never intended it that way. The WIN members advocated for a different approach and changed the policy. “It’s something so simple, and it made a huge difference,” Ross says.

Yet, as valuable as empowerment and fixing missteps are, how does M&T support a woman aspiring for the CIO role? Ross recognizes that it’s a challenge to grow into a CIO or other tech-leadership role. She cites the need for candidates to become more business-centric. “When you become the CIO, it’s a role that has an incredible amount of exposure within the organization,” she says. “You are the spokesperson for technology, and you need to be able to speak the business language and translate from tech to non-tech.” She sees the women’s network as helping women make that transition, through its activities and connections supporting their career development. WIN, Ross says, focuses on career progression and the skills women need to move up the ranks.

“A bank that works by consensus is very empowering to all levels of the organization. There’s a different level of interaction with people internally—a more community feel, and a feeling of higher respect. When you know each other and respect each other and trust each other, you typically want to help nurture the culture and positive attitude.”

Julieta Ross, Chief Technology Officer, M&T Bank
As good as the results are, Brady says she still doesn’t have enough senior women. “A lot of the mentoring right now is men mentoring women.” Bringing the men into the solution may be appreciated nonetheless—it shows that the bank is acting on its commitment to promoting women in tech.

Amy Brady sees the lack of senior women in technology at Key Bank as part of a larger problem, which fuels her interest in education.

Key Bank differentiates itself in its deep commitment to the communities in which it does business. Often that means having deep dialogues about challenging subjects with clients. That culture permeates within the bank as well. Amy Brady, CIO of Key Bank, puts her emphasis on relationships as ways to bring women up the leadership path in technology. Brady established a women-in-technology mentoring program and encourages open dialogue about gender diversity issues. “It’s a much more open and natural dialogue than it was five years ago,” she says. While conversations might sound modest, the leaders are sending an important message, modeling the right attitudes and behaviors in every day actions.

Key Bank’s technology team is made up of more than 40 percent women—head and shoulders over the 2015 national average of 25 percent (NCWIT, 2016).

Case Study #3: Mentoring women for the future at Key Bank

“The environment has changed. We are making progress but there is still a considerable amount of work to do.”

Amy Brady, Chief Information Officer, Key Bank

As good as the results are, Brady says she still doesn’t have enough senior women. “A lot of the mentoring right now is men mentoring women.” Bringing the men into the solution may be appreciated nonetheless—it shows that the bank is acting on its commitment to promoting women in tech.

Amy Brady sees the lack of senior women in technology at Key Bank as part of a larger problem, which fuels her interest in education.

Women, technology, and education

The CIOs interviewed also encouraged action in education to promote awareness of women in tech. They saw education as a way to build momentum for women in technology-leadership roles and increase the pipeline. To do this, they pointed to the need to develop a more comprehensive approach to engaging girls and women in math and technology.

Their comments, while reflective of company programs, shows a growing outreach mentality and beg the question: Should businesses partner with education providers in new ways to drive better outcomes for women in senior-leader tech positions? Certainly, organizations are well positioned to offer insight to schools and other education providers. They can identify the skills that are needed for workforce success, including tech work. And as technological innovation moves faster than education’s ability to adapt, businesses can make an important contribution in helping schools and education providers remain current with the latest tools and technologies.

Some educational institutions are experimenting with new approaches in teaching technology, collaborating with businesses, and introducing experience-based learning.
Conclusion

Companies have an important role to play in reaching gender diversity among CIOs. With increased awareness, business leaders can use the experiences and insights of other companies, such as those shared in this paper, to explore how to reduce barriers inside their own organizations.

It will mean addressing significant challenges in several areas—data and analytics, career development, program execution, and modern policies and practices.

Yet those who are most motivated to build a leadership pipeline for women in technology will succeed and pave the way for their organizations to outperform their competitors.

References


About Korn Ferry
Korn Ferry is the preeminent global people and organizational advisory firm. We help leaders, organizations, and societies succeed by releasing the full power and potential of people. Our nearly 7,000 colleagues deliver services through our Executive Search, Hay Group, and Futurestep divisions. Visit kornferry.com for more information.

About The Korn Ferry Institute
The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books, and a quarterly magazine, Briefings, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth, and success. Visit kornferryinstitute.com for more information.