

## Out of the Fire and on the Rise: Female CEOs Reflect

— Volume 30, April 2022

*“I have seen the greater demand of the workforce to call for authentic, demonstrable leadership...[they] increasingly demand honesty and don’t want a boardroom cut-out, but a whole person who is who they say they are, not playing a role.”*

— A Female CEO from our CEO Study

By Pam Warren

This month, right after Ketanji Brown Jackson was confirmed as Chief Justice to the US Supreme Court, a powerful photo of Vice President Kamala Harris embracing her circulated far and wide carrying with it the undeniable message that female leaders are on the rise. Similarly, at the height of the pandemic, global female leaders were called out for their exemplary handling of the pandemic and the virus’s containment. And in business, while the number of female CEOs still lags well behind that of males, it is gradually trending upwards: women leading Fortune 500 firms hit an all-time record high of 41 in 2021 (by adding 6 new female CEOs). Moreover, a 2019 S&P Global analysis, published as “When Women Lead, Firms Win,” found that companies with female CEOs and CFOs have produced superior stock price performance, compared to the market average. In the 24 months post-appointment, female CEOs saw a 20% increase in stock price momentum and female CFOs saw a 6% increase in profitability and 8% higher stock returns. Slowly but surely, women are emerging as highly capable and knowledgeable leaders and demonstrating keen learning and readiness to keep making their marks.

So, what are these female leaders saying about their work? We can help shed light on this by bringing attention to the 100 female CEOs who recently took part in our global CEO study, ["It Starts with the CEO"](#). Their responses are a clear window into the expanding CEO role--the learning these women have faced leading over the last few years offers a definitive road map as to what they perceive are the greatest opportunities and challenges for CEO leaders ahead.

### Who They Are:

The 100 female CEOs we reached represent 19 countries. They lead every major industry, both larger and smaller firms, covering the range of company ownership types --from family businesses to other private and publicly held ones-- that range in revenues from less than 1 billion to over 20 billion. The majority are between 50 and 59 years old and, hardly surprising, females were 20% more likely than males to be first time CEOs. Most have been in their role under 6 years, though roughly 8% have tenures exceeding 10 years.

### Top Findings:

We compared the 100 female responses (which were 10% of the total we received) to a matched sample of male CEOs. Overall, the results between the two were remarkably similar which is a significant finding in and of itself--women and men greatly agree on the most significant challenges and opportunities ahead for CEOs. The great majority believe that as business is changing so rapidly and becoming more complex, so is the CEO role. Over 90% believe that the role has expanded and moved into the center of louder, more diverse and diverging voices in the past few years--and that this is a most significant change for which they must account and adapt. Female CEOs tended to stress this change more than men, with 11% more noting that this has been their personal experience to a great extent. As one summarized it: “The discussion of ‘stakeholder’ value has generated

increased dialogue with diverse groups impacting our business...socially important issues have become more prevalent with greater focus. COVID has amplified the need to engage and listen effectively in order to respond meaningfully.”

Managing these vast changes requires a different approach from these leaders, and they recognize that. Over 97% of all the respondents to our study know that that they must keep transforming and changing themselves in order to equip themselves to be able to change their companies. As one female CEO succinctly put it: “If you're not growing and changing, you're becoming extinct.” Another added that “I am constantly needing to learn new things to do my job,” which often requires the expanding of leadership capacity. “What might have worked before needs to be readjusted to the current environment,” she explained.

To those ends, female respondents showed that they are more inclined to seek honest feedback from others (in and out of the organization) and are less disappointed by that feedback than are their male counterparts. Women ranked up to 17% above their male counterparts in their inclination to seek advice from other organizational leaders and outside consultants. “You can't expect everything to change whilst you stay the same,” stressed one female CEO. Successful leadership today, she continued, “demands constancy in terms of dependable good values, but curiosity in terms of learning and listening to hear what is really going on in your teams and the world in terms of your relevance.” Men and women CEOs alike acknowledge how vital it will be in the next few years to keep working to develop new leadership skills, specifically in self-reflection, listening to diverse points of view, and seeking frequent, honest feedback from team members, Chairs, mentors, consultants, and other CEOs.

## Personal responses:

In several instances, we asked CEOs to elaborate on certain aspects of their work. Among the most telling of these for our female participants were their answers to questions asking what the greatest opportunities or silver linings were while leading during crisis the year prior. Here women displayed more positive sentiment than did their male counterparts. One wrote that the real opportunity was found with the ability to actually “see both sides of the coin” that “for every negative, there is a positive, for every tragedy, there is a miracle; the law of duality helps you to move forward every day.”

Generally, women consistently stressed positive developments in three main areas:

- Uncovering new ways of doing business and transformational programs
- Increased employee engagement
- More time for personal reflection

## New Ways of Doing Business

It's no secret that COVID has been and continues to be a great accelerator for the transformation of business. What had been only contemplated or seen as possible before, often became mandatory with the vast disruption of these recent years of crisis. Embracing these changes and seeing the possibilities inherent in them has become imperative for many leaders. As one female CEO sees it, “COVID has broken existing paradigms and provided a wonderful opportunity to think afresh of completely different ways of doing business.” Another explained more pragmatically that “market conditions accelerated the future for us.” COVID allowed (and necessitated for many), “the opportunity to be daring and seek exceptional results” and these women leaders rose to meet the challenges.

Specifically, several of our 100 female CEOs emphasized two things, in particular: advancing digitalization and rethinking the business models and cost structures. As one put it: “We have had the opportunity to really rethink roles, communication, traditional structures.” And to do it quickly at that. “We adjusted our model considerably, something that would likely have taken 5 years before.” For many female CEOs, the opportunity to make big changes expeditiously has been a very real silver lining of an otherwise highly stressful time. “The crisis, although I do not like it, has been a blessing, as it turbocharged reforms and my transformation,” one boldly explained. “My question to myself...” another humbly posed: “have I taken enough advantage of this transformational opportunity?” Maintaining abundant curiosity and adaptability well into the unknown, emerging future will surely be key.

## Increased Engagement

The opportunity to be more daring and seek exceptional results was not felt by CEOs alone. Higher team mobilization was cited by many leaders as another tangible effect of the crisis, despite the very real displacement of working apart. “Our global team was quite siloed before the pandemic,” one female CEO explained, “Almost overnight we bonded as a

team.” Many others expressed similar observations. Across sectors and markets, CEOs have proudly reported that collaborators all over their organizations proved their resilience as they pulled together to come out stronger than before to meet the challenges and deliver outstanding results.

From the top down, the pandemic created a greater sense of purpose for organizations that strong leaders have capitalized on to keep employees engaged and motivated. As one CEO aptly summarized, “the solidarity between the teams has been affirmed in the reinforcement of its missions and its usefulness.” Presently, augmenting that sense of purpose and productivity as companies move out of the pandemic and into competitive and uncertain futures will prove to be essential for ongoing performance and growth.

## More Time for Reflection and Growth

Less travel and an increased need for CEOs to really show-up and communicate with employees regularly was celebrated by many female CEOs as a rare and valuable opportunity to find their voice, to become the leader they truly wanted to be. With more time for personal reflection, many expressed that they feel like they made great strides reaching leadership goals that before they had little chance to grow into. I have been able to “show my leadership and values at hard times,” one wrote. Another emphasized the importance of “sharing my humanity with our employees to really drive a closer culture.”

Willing leaders have taken full advantage of opportunities to “think everything over—leadership style, lifestyle, processes...” Many wrote how they feel they are now broader in their mindset, specifically that they have become more empathetic, not only to how personal lives can impact work and productively, but just how crucial it is that they now, as leaders, recognize and relate to their stakeholders on these levels. “I have seen the greater demand of the workforce to call for *authentic*, demonstrable leadership....[they] increasingly demand honesty and don’t want a boardroom cut-out, but a whole person who is who they say they are,

not playing a role,” one female CEO explained. This was the most important development for many of her peers as well. Leading with more connectivity and humanity through such a critical moment in time made many of these female CEOs really come to believe that they are now significantly stronger leaders. And they recognize the need to keep growing in this way, to keep working on their relatability and their listening skills in particular (which 45% of all the respondents noted was their number one blind spot). “Personally, I am more aware than ever of the need to continually strive for a ‘growth’ mindset,” summarized one female CEO. Surely this willingness to be a lifelong learner will prove invaluable as these CEOs navigate the hard shifts back to the office and into hybrid work, and the many other changes and adaptations looming ahead.

---

Still too low in overall representation, women leaders are nonetheless showing up extraordinarily. They are rising to the occasion to take the challenges placed in their paths and redefine their roles for the new dawning era awaiting us all. As *Fast Company* put it recently, the ability of female leaders “to do hard things in a human way” is undeniable.

Perhaps the most consistent thing we see in the responses of the 100 female CEOs in our recent study is the lack of resistance and pessimism they displayed at what could be considered one of the most challenging, even distressing periods of business leadership. With very little by way of historic examples and certainly little-to-no comparable prior experience, they charted a nascent course of action and exercised adaptability and compassionate leadership that will serve for quite some time. As we watch future CEOs pick up the mantle for whatever the future has in store, we can look to these women (as well as so many of their male counterparts) for having steered and shaped the role through and beyond crisis and into what very well could be one of the greatest periods of transformation we have yet known.

Pamela Warren, based in Toronto, has deep expertise in leadership best practices, CEO succession, and board recruitment and effectiveness. Pamela also serves as the Co-Leader of the Firm’s Global Diversity, Equity and Inclusion Council.

Kati Najipoor-Smith and Dick Patton lead Egon Zehnder’s global CEO Practice which over the past five years has applied its own future-oriented, proprietary approach to help guide 2000 CEO mandates: <https://www.egonzehnder.com/functions/chief-executive-officers>. Across the world, members of Egon Zehnder’s CEO Practice partner with clients on CEO succession, advisory and recruitment. The practice is committed to becoming trusted thought partners in the important and challenging work of identifying and developing the best leaders for our diverse and evolving world.