



Women
Influence Chicago
POWERED BY ITA

WOMEN INFLUENCE CHICAGO: POSITIONS OF INFLUENCE

This benchmark report measures the number of women in leadership roles at 300 Chicago technology companies to illustrate where gender gaps exist.

INTRODUCTION

While there has been an increasing number of companies committing to gender equality, gaps still exist. We believe there is a social and professional imperative to take purposeful action toward achieving stronger female representation within companies of all sizes, especially at the senior leadership level. While this is a mission of national importance, we also believe it begins in our own backyard. As a community, Chicago has been outpacing national averages for return on venture capital invested; why not strive for excellence on gender diversity too?

The Women Influence Chicago initiative, powered by the Illinois Technology Association (ITA), works to cultivate women leaders, connect the community and increase female leadership at growth and enterprise tech companies. The Women Influence Chicago Advisory Board is working hard to increase the number of women in C-suite positions at Chicago tech companies. However, to measure our progress, we must first know where we stand.

This benchmark report outlines the number of women in senior leadership positions at Illinois tech companies. The assessment leveraged publicly accessible information from approximately 300 ITA current and former member companies' leadership teams to provide insight into the number of women at the VP / SVP (or equivalent) level and C-suite positions within the Chicago tech community.

GENDER DIVERSITY MATTERS: A LOOK AT WOMEN IN LEADERSHIP

The lack of gender diversity in the workplace is not new; it has also not yet been adequately addressed nationally or in the microcosm of Chicago. McKinsey's Women in the Workplace 2018 study highlights that women have been earning more bachelor's degrees than men for over 30 years.¹ Yet, since the annual study began in 2015, progress in boosting women's representation in corporate America has stalled. In fact, all four years reflect an underrepresentation of women in senior management positions — a phenomenon not tied to attrition.²

The McKinsey study provides sobering data on the lack of women holding leadership titles nationwide. In looking at Vice President, Senior Vice President, and C-suite roles at the companies surveyed, white men made up 59%, 67%, and 68%, respectively. On the other hand, white women made up 24%, 19%, and 19%, respectively. Women of color face an even greater disparity, holding these corporate roles at just 6%, 4%, and 4%, respectively.³

While the imbalance is striking, it's important to examine the ramifications of this reality. The latest research reveals that a link exists between diversity and financial performance. In short, diversity and inclusion sharpen a company's competitive edge.

In an expanded analysis of another international McKinsey study, research found that companies in the top quartile for gender diversity in executive teams were 21% more likely to experience above-average profitability than companies in the fourth quartile.⁴

1 McKinsey. 2018. "Women in the Workplace 2018." <https://www.mckinsey.com/featured-insights/gender-equality/women-in-the-workplace-2018>
2 McKinsey. 2018. "Women in the Workplace 2018." <https://www.mckinsey.com/featured-insights/gender-equality/women-in-the-workplace-2018>
3 McKinsey. 2018. "Women in the Workplace 2018." <https://www.mckinsey.com/featured-insights/gender-equality/women-in-the-workplace-2018>
4 McKinsey. 2018. "Delivering through diversity." <https://www.mckinsey.com/business-functions/organization/our-insights/delivering-through-diversity>

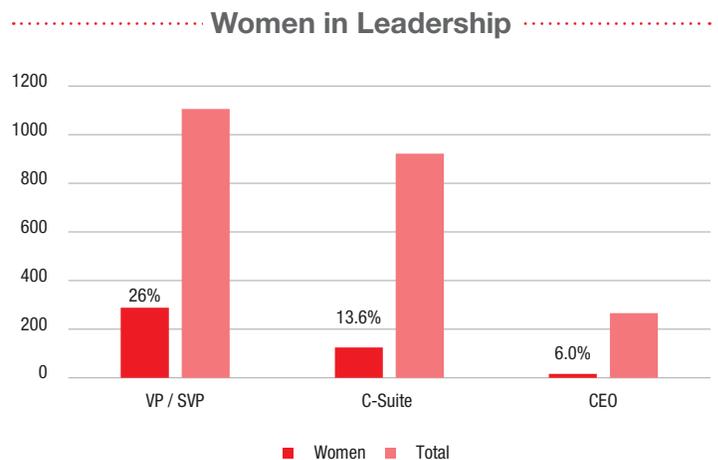
This trend of women in leadership positions helping businesses to thrive is apparent no matter how the data is sliced. The Peterson Institute for International Economics conducted a global survey including 21,980 organizations from 91 countries. The bottom line? Net margins significantly increase when women are at the helm.

This point was underscored within the Peterson survey, which noted that a profitable company where women held 30% of leadership positions could expect to boost net margin by more than 1 percentage point as compared to a similar company that had no females in leadership roles.⁵ In the study, a typical profitable company had a net profit margin of 6.4%, making a gain of 1 percentage point equivalent to a 15% increase in profitability.⁶

These numbers speak for themselves and should mandate organizations both locally and nationally to carefully evaluate their standing when it comes to gender diversity, particularly at the leadership level. Our hope is that, by presenting a snapshot of where Chicago technology firms stand today, we can contribute to increased awareness and facilitate the closing of the gender gaps that clearly still exist.

FROM THE TOP DOWN: WOMEN IN POSITIONS OF INFLUENCE

Our research seems to suggest a bias against women on executive teams. Just 26% of women hold one of the 1100 Vice President (VP) or Senior Vice President (SVP) positions at the companies evaluated. Female representation dwindles even further as we look at higher rungs on the corporate ladder. Of the 922 current C-suite positions, women held only 13.6% of them. Only 6% of CEO positions at the 300 companies are held by women. In comparison to the McKinsey study, Chicago tech companies are lagging behind national levels, where women hold 23% of C-suite positions.



5 The Peterson Institute for International Economics. "Is Gender Diversity Profitable? Evidence from a Global Survey." <https://piie.com/system/files/documents/wp16-3.pdf>
6 The Peterson Institute for International Economics. "Is Gender Diversity Profitable? Evidence from a Global Survey." <https://piie.com/system/files/documents/wp16-3.pdf>

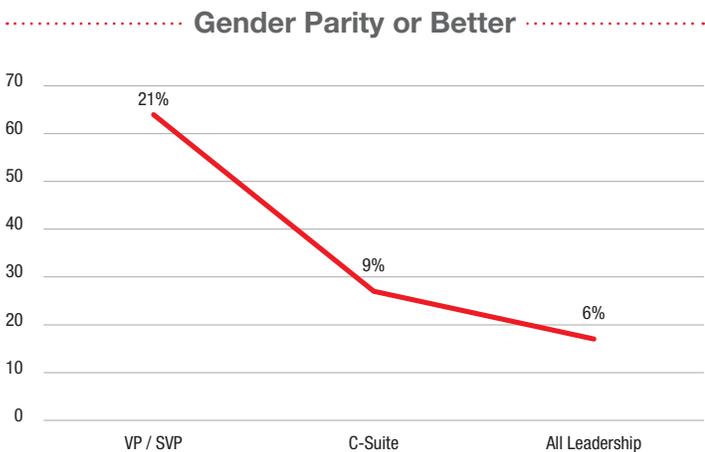
MIND THE GAP: A LOOK AT GENDER PARITY IN LEADERSHIP POSITIONS

Women continue to be underrepresented at the top tiers of Chicago technology companies, especially when looking at parity in executive roles. Women hold a disproportionate share of roles at the VP level or above as compared to male counterparts. Of the 300 companies evaluated, less than a quarter (21%) have gender parity or better at the VP level. Of those companies with gender parity or better at VP level, just 8% have a female CEO.

The divergence from parity increases at the C-suite. The majority of companies (91%) are lacking gender parity or better at the C-suite level. Of the 9% that do achieve gender parity at the C-suite level, 48% have a female CEO. This seems to suggest that organizations with a female CEO are more inclined to achieve gender parity in the upper echelons of the organization.

Alternatively, only 7 companies (2%) have gender parity or better at both the VP and C-suite level. If we look at leadership positions in their entirety (a combination of individuals holding either VP or C-suite titles), just 17 companies (6%) have gender parity or better.

Another interesting finding is that women in leadership positions—including VP, SVP, and C-suite functions—were more likely to hold human resources and marketing roles. In fact, only 30 women total held leadership positions within technical or product roles.



BIGGER COMPANIES, BIGGER IMBALANCE

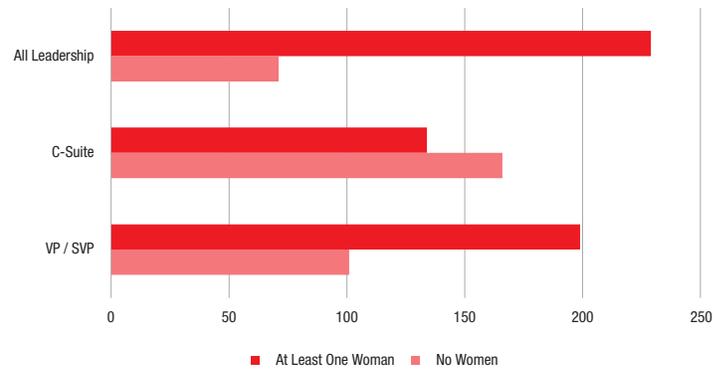
We also evaluated the larger companies within the survey, meaning those with 200 or more employees, of which there were 57. Only 10, or 18%, are at gender parity or better at the VP level and 6 (11%) have gender parity at the C-suite level. Additionally, more than a quarter (26%) have no women at the VP level and 39% have no women in the C-suite. Of the larger companies evaluated, only two (4%) had women CEOs.

DISPARITY DOES NOT DISCRIMINATE

The trend of missing women in leadership roles is not relegated to large companies. Out of all companies measured, 34% have no women at the VP level, 55% have no women at the C-suite level, and 24% have no women at either level.

7 Parity is defined as an even 50% split between men and women at the designated level.

Representation of Women at Each Level by Company



CONCLUSION

The data reflected herein reveals a stark comparison of women in leadership versus men in leadership roles at top technology companies in Illinois. There is certainly room for improvement when it comes to increasing female leadership at growth and enterprise tech companies. It is imperative that we, as a community, strive to do better.

While the McKinsey study shows that Chicago tech companies are on par with corporate America for female representation at the VP and SVP levels, our study reveals Chicago tech companies are lagging significantly behind at the C-Suite level, where women hold 23% of C-suite positions nationally compared to Chicago tech's 6%.⁸

From a venture capital perspective, Chicago continues to outpace the nation in return on investment.⁹ Why not with gender diversity, too? As a “young” tech community, we have the benefit of a cleaner slate than our coastal counterparts. We see this as an opportunity to put our Midwestern values—humility, grit, and determination—to good use in accepting that we have an issues and driving full-force ahead to solve it.

This movement will require proactive participation by our tech community and corporate leaders. In order to better our community as a whole, we need allies and gender diversity warriors to step up and lead the charge. As a tech community focused on creating financially viable companies, Chicago owes it to our people to make strides in this area—and the research shows it is to our financial benefit.

GET INVOLVED TO MAKE A DIFFERENCE

If you are interested in improving gender diversity at your organization, you can review the best practices document that Women Influence Chicago produced as a starting point: illinoistech.org/WICBestPractices. We'll be working on a more robust toolkit in 2019 to help Chicago tech companies move the needle. If you have ideas or resources to share, contact us at womeninfluence@illinoistech.org.

We are also committed to the accurate collection of data both now and in the future as we continue to track our progress as a community. If you would like to contribute to the benchmark

8 McKinsey. “Women in the Workplace 2018.” <https://womenintheworkplace.com/>
 9 VentureBeat. “Chicago’s startups continue to lead the nation in returns.” October 3, 2018.

report, please contact the ITA at womeninfluence@illinoistech.org to confirm if your company was included and supply and/or verify your data. All responses will be kept confidential and will only be presented in aggregate.

APPENDIX: METHODOLOGY ADDENDUM

At the beginning of the report, we detailed the evaluation process used to develop this benchmark data. Below we provide further detail on the collection of this information, the definitions used herein, and the companies evaluated:

- Collected publicly available, self-reported data from 300 tech company websites with headquarters in Chicago. Approximately 20% of the companies included in the study supplied their data directly to the ITA.
- Positions of influence are defined as VP / SVP and C-suite level. The data includes equivalent titles such as Managing Partner, Managing Director, Principal.
- The study includes all functional areas within a tech company, not just technology leadership.
- Technology companies were defined as a business that provides a digital technical service/product/platform/hardware, or heavily relies on it, as its primary revenue source.
- Only companies with more than ten employees in the state of Illinois were included.

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Women Influence Chicago Founding Partners

The logo for ethos features the word "ethos" in a lowercase, sans-serif font, with a stylized '@' symbol integrated into the letter 'o'.

The logo for enova features a stylized 'e' icon followed by the word "enova" in a lowercase, sans-serif font.

The logo for gogo features a stylized cloud icon with an arrow pointing right, positioned above the word "gogo" in a lowercase, sans-serif font.

The logo for Trustwave features a stylized 'T' icon followed by the word "Trustwave" in a sans-serif font, with a registered trademark symbol. Below it is the tagline "Smart security on demand".

The logo for WalkerSands COMMUNICATIONS features the company name in a sans-serif font, with "WalkerSands" on the top line and "COMMUNICATIONS" on the bottom line. To the right is a circular icon containing a stylized 'W' and 'S'.