

# How CPG Companies Can Advance Gender Diversity in C-Suite P&L Leadership



# 3

Top 50 CPG company CEOs who are women\*

The CPG industry is upheld by the buying power and influence of women, literally. Research indicates that by 2028, women will be responsible for 75 percent of consumer spending. Yet just three of the top 50 CPG CEOs are women, with one just appointed in June 2023. Beyond the CEO role, [Spencer Stuart's Consumer Products Leadership Index](#), published in April 2023, shows that just 23 percent of C-suite leadership roles are held by women in CPG companies and only 14 percent of the C-suite P&L roles reporting to the CEO are held by women.

# 23%

Top 50 CPG C-suite leaders who are women

This jarringly uneven representation in the C-suite was recently called out by [Clorox's CEO, Linda Rendle](#), at the 2023 Consumer Analyst Group of New York event. Others in the CPG industry are vocal about the need for change at the top. Stakeholders including board members, employees and customers are also putting pressure on CPG companies to diversify their leadership teams and build a deep bench of talent with more women candidates. The push for greater diversity is not just because it's the right thing to do: research links greater gender diversity at the top with [above-average profitability](#), better decision-making, more creativity and other benefits. There is much work to be done.

# 14%

Top 50 CPG C-suite P&L leaders who are women

Of course, CHROs and other people leaders at CPG companies know gender diversity is a challenge, and they are eager to address it. Many have set and shared gender targets and are candid about their expectations around diversity when looking for and hiring senior P&L leaders. However, our experience shows that one of the most effective approaches companies can take to increase diversity in the CEO pipeline is to build a more diverse talent pool at the critical entry point to P&L general management (GM) roles. Female executives who manage a P&L early in their careers have a better chance of being considered for C-suite-level P&L leadership opportunities.

\* This figure is based on Spencer Stuart's proprietary research as of June 13, 2023.

We spoke with CHROs and other senior executive HR leaders at 16 global CPG companies to understand how they are addressing this pressing talent management issue. These companies intentionally represent different degrees of success in diversifying the C-suite. At the high end of the spectrum, women typically hold at least 30 percent of C-suite P&L roles, compared with 10 percent or fewer at companies at the low end.

What are companies with greater gender diversity in top P&L roles doing differently? While commitment from the CEO and senior leadership team is essential to make progress on diversity, companies in our sample with the highest levels of gender diversity in P&L leadership prioritized the following actions:

- » They broaden the pipeline and emphasize leadership skills and attributes versus just traditional career tracks.
- » They track talent data to flag gaps in the pipeline and establish accountability for gender diversity targets.
- » They identify women with GM potential early and provide them with clear developmental pathways.
- » They establish internal support systems such as mentoring and sponsorship and harness the power of female P&L role models.

## The GM role is complex, demanding and often exclusive of women

To understand why some companies have struggled to diversify their GM pool, it is helpful to consider the responsibilities of the role, the traditional career path to the position and why the traditional “requirements” companies set for promotion to GM can serve as a barrier to women.

The scope of the GM role varies by organization, and many have nuances. However, GM responsibilities typically include:

- » Having end-to-end accountability of P&L business units (with considerable variations to the end-to-end nature of the P&L)
- » Defining, leading and executing strategies — local and/or category focused
- » Serving as the face of the company for communities, customers, other businesses and/or regulators
- » Managing team culture and talent, including hiring and attracting new people
- » Working closely with cross-functional leadership peers, often internationally



**We are trying to change the mindset of male managers globally through DE&I training and setting KPIs for hiring such as women ratios for senior management and overall employees.”**

MITSU KAWAMOTO  
CHIEF HUMAN RESOURCES OFFICER,  
SUNTORY BEVERAGE & FOOD

Historically, CPG companies have favored GM candidates with strong sales, commercial and/or marketing pedigrees. This makes sense, given the mandate of P&L roles is to drive profitable growth by meeting consumer needs more effectively than the competition. And our conversations with CHROs indicate that this is still the common practice.

Yet, the requirement for sales experience and a commercial pedigree can reinforce gender imbalances. As one HR leader put it, “Commercial roles are challenging for women in that they are expected to work flexible hours and adjust their schedules for customers.” Indeed, many companies we spoke with across the diversity spectrum said that sales and commercial functions simply have fewer women to begin with.

Furthermore, many CHROs also said multi-market and international exposure were still important for a GM role, which demands mobility. This requirement can inadvertently deter women from pursuing GM roles because of societal pressures to bear the brunt of childcare and eldercare, often making travel too challenging. Misconceptions about the demands of the GM role — such as being available 24/7 — can also discourage women from pursuing the position in the first place, according to several CHROs.



**Whilst there are key experiences we look for, increasingly the success factors for these roles are more behavioral: agility and curiosity are by far the two most important. This can help to keep the pipeline options more open.”**

LOUISE PRASHAD  
CHIEF HUMAN RESOURCES OFFICER, DIAGEO

Although companies higher on the gender diversity spectrum tend to also prefer GM candidates with marketing and sales experience, they stipulated that they were open to talent from other functions. Indeed, they stressed the importance of leadership skills above specific career milestones when selecting GMs. This approach allows these organizations to widen the talent funnel and increase opportunities for women. One CHRO went so far as to say, “We are looking for critical experiences that shape a leader because it’s first and foremost leadership you’re seeking, not so much functional competencies.”

These same companies by and large emphasized that leadership skills are a critical component of what makes someone succeed in a GM or any other senior role (more on this below). The uncertainty and volatility of the CPG industry today demand leaders who can pivot quickly and garner the trust of their teams. Conversely, many CHROs we spoke to said that unsuccessful first-time GMs struggle to quickly adapt and acquire the leadership skills they need to operate in a more complex and dynamic role. They are unable to galvanize their teams around change, cannot set and execute a longer-term vision and don’t have a firm understanding of how each business function affects P&L.



**You must understand how the levers of marketing, sales, business and supply chain are all interconnected. If one of these things falls out of line, if you don't have inventory because you predicted your volume wrong, you lose sales.”**

MELISSA WERNECK  
EXECUTIVE VICE PRESIDENT AND GLOBAL CHIEF PEOPLE OFFICER, KRAFT HEINZ

## How leaders are building gender diversity in the GM talent pipeline

We found that the companies with the highest levels of women in P&L leadership roles tend to have a holistic, systematic and intentional approach to building gender diversity in the GM pipeline. These organizations are also committed to constant improvement and refinement, even after they hit their gender diversity targets.

Furthermore, woven throughout our discussions with CPG CHROs was the role company culture plays in enabling women to get a seat on the GM talent bench and ultimately succeed in the role. An inclusive culture is the foundation for greater diversity. Without [creating the conditions for all talent to thrive](#), organizations increase the risk that they will lose their highest-potential leaders well before formal succession planning even begins.



**To move the needle internally, we can work on accelerating career paths and providing progressive welfare policies such as maternal and paternal leave, caregiver support, etc.”**

ROBERTO DI BERNARDINI  
CHIEF HUMAN RESOURCES OFFICER, DANONE

## Establish accountability at the leadership level and constantly measure DE&I metrics

In this age of data and analytics, most CPG companies likely have solid reporting tools and capabilities to measure sales, gather customer data and track the outcomes of market initiatives. These kinds of capabilities can and should [be applied to talent management processes](#) that address gender diversity.

Several companies we spoke with that are further along in their gender diversity journey take this data-driven approach. They built processes to track KPIs and are committed to regularly reviewing gender representation at all levels throughout the year and holding leaders accountable for diverse hiring.



**Talent does not discriminate. Talent is spread equally over your population, and if talent is spread equally, it should find that representation at the leadership level. By measuring and showing [gender balance] this has created an awareness, and we are now broadening up who they are considering for whichever position.”**

JOHAN VAN GOSSUM  
GLOBAL CHIEF HUMAN RESOURCES OFFICER, JDE PEET'S

One CPG company, for instance, uses a dashboard tracker that shows the gender balance of leadership for each region. At the start and end of the year, the CHRO reviews metrics such as the inflow of talent, retention rate and the gender balance of promotions across teams. These insights help its leaders identify trends in hiring and promotions and overall progress. If, for example, the company is losing women in certain functions or regions, then it's up to leaders in those areas to identify and address the root cause.

Another company uses scorecards to regularly review and share gender diversity metrics at each level with the management team. By keeping track of gender diversity across the organization, the company can see its entire pipeline of talent and identify where it may need interventions to provide more support whether through coaching, mentorship or lateral development opportunities. Incentives are also a strong accountability tool. One CHRO said that their company has a long-term incentive plan tied to maintaining 60/40 gender diversity across all levels of leadership; if the team doesn't deliver, then their number of shares is affected.

## **Make assessing leadership potential part of the talent management process**

Companies that are further along in their diversity journey were more likely to stress the importance of strong leadership capabilities and behaviors such as agility, resilience, confidence and humility alongside experience. They realize that to diversify their P&L pipeline, they cannot simply select people who fit traditional GM talent profiles. Instead, they must make evaluating candidates based on leadership potential part of the hiring equation and do so earlier in their careers.

Spencer Stuart's research reinforces this perspective. We find that [“beneath-the-surface” attributes](#) such as leadership capacity — how far and fast a person can adapt and grow — and their character (motivations, ethics and preferences) help organizations identify people with the potential to succeed in a broad leadership role, such as a P&L leader. While career experience and capabilities are important to performance in a role, [character and potential](#) tend to be better predictors of future business impact. Indeed, leadership candidates with agility, confidence, humility and self-awareness are better prepared to navigate complexity, and engage their teams and organizations when responding to new challenges.

Executive assessments are instrumental in helping organizations get a complete view of a candidate's strengths and potential to perform (for more, see sidebar). In the words of one CHRO whose company is making strides toward gender diversity, “We are a big believer in assessments. While past performance indicators have some level of predictability, assessment adds more.”



**Having the smartest person in the room who has all the experience in the world but doesn't have good leadership, inspirational skills, coaching and people management is not a good formula for success, but neither is the opposite. The most successful ones are the balanced leaders who have a healthy dose of both."**

LISA CHANG

GLOBAL CHIEF PEOPLE OFFICER, THE COCA-COLA COMPANY

One CHRO whose company is increasing its gender diversity in leadership says their company focuses on measuring and tracking five leadership attributes: growth, relationships, agility, critical thinking and execution. And another company evaluates potential leaders on three levels — how they lead themselves, their teams and the business — to surface how naturally wired an executive is to be capable of leading at scale.

Assessments can also identify people who might otherwise be overlooked for senior leadership positions because their experience does not match the traditional executive pathway. And evaluating candidates based on potential is critical for companies that want to have more women in the P&L pipeline, especially if they have not yet held a senior position or don't have traditional career experience. Early talent spotting gives women time to build critical experiences and take advantage of a broad range of development opportunities.

## **Have career conversations early and accelerate development**

Timing is everything when it comes to having career conversations. Several CHROs we spoke to said that by waiting too long to have intentional career discussions with female executives with GM potential they run the risk of the women self-electing out of consideration because of familial or other personal obligations, especially if mobility is required. And the pandemic has further restricted mobility, with many women prioritizing proximity to family.

The leaders we spoke to whose companies were higher on the diversity spectrum, however, had clear strategies in place around when to have these career conversations, often after identifying women through assessments for potential. These HR leaders know that it's often easier for people to make cross-functional or geographic moves earlier in their careers. And from a business perspective, the risk of cross-functional moves is less.

Once women decide to pursue a GM role, companies should get creative about the development opportunities they provide. Examples of experiences include ones where women have ownership and responsibility over a project or team or where they must run an operation to improve P&L outcomes or pursue an M&A-type project.

## Why executive assessments are a north star

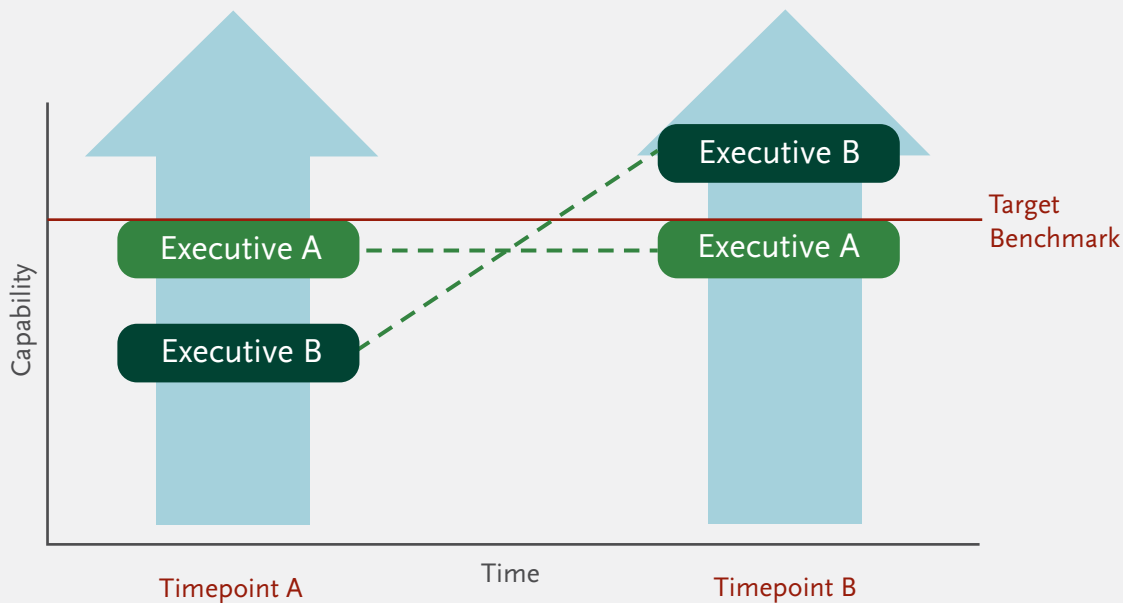
Comprehensive, multimethod executive assessments that include career experience, capabilities, capacity and potential, and character evaluate an individual's ability to perform and make an enduring impact in the next role and beyond. For general manager candidates, it is especially important to assess for their capacity to thrive in new, unfamiliar and complex situations — the kinds of situations they will encounter in these senior leadership roles. Spencer Stuart's Executive Intelligence (ExI) evaluation — part of our multimethod assessment for the most senior leaders — evaluates executives across three dimensions that predict performance potential and ability to lead, adapt and respond amid change:

- » Critical and conceptual thinking: analytical problem-solving skills and big-picture, long-range thinking
- » Self-evaluation and adjustment: flexibility and willingness to adapt based on new or differing information and perspectives
- » Interpersonal and social awareness: ability to navigate small group and complex multi-stakeholder interactions

The insights from this assessment help companies understand how future executives approach business problems and make tough decisions that impact P&L. Furthermore, our research finds that senior leaders who score high on these measures are promoted more quickly than those who do not.

1. What can an executive do now?  
*(Current Capabilities)*

2. What could an executive do 1–5 years from now?  
*(Future Potential)*



Of course, finding the right kinds of projects and development pathways early on might mean trial and error. One CHRO, for example, said that her company was testing putting high-potential women with commercial or customer experience into chief of staff positions where they were second or third in command to an operating leader. However, in practice, this meant candidates were doing more administrative work and being “the organizer of all and owner of none.” They learned that it’s better to put women GM candidates into positions where they can go deeper in an operating role and be responsible for a small market to test how they perform and lead. They also found ways to help women gain experiences needed for the GM role without having to relocate by, for example,

participating in technology-enabled cross-functional and multidisciplinary project experiences with different teams. Another company supports early talent development through its GM academy program, which helps people with high potential, who are earlier in their careers, develop the skills that will help them succeed as a GM.

Effective talent development also includes regular check-ins with individuals to ensure that they are progressing appropriately. Importantly, this includes keeping leadership teams responsible for hiring, which often includes the CEO, abreast of talent development progress and milestones. If female talent drops out of the pipeline or someone is improving more quickly than anticipated, leadership should be in the know.



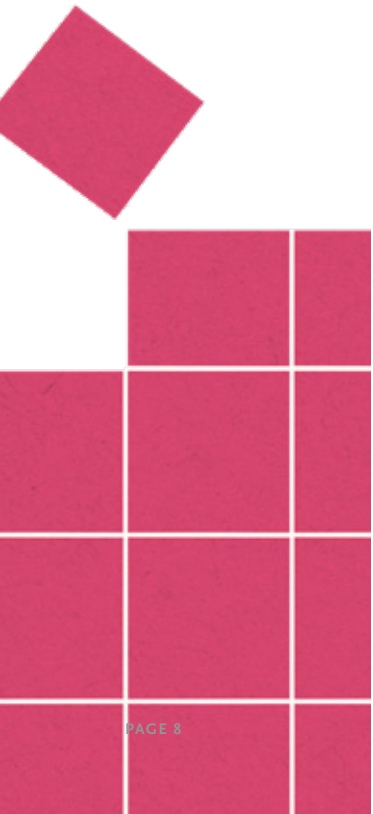
**We need to fast-track women earlier so we can give them the expertise they need to develop.”**

**BÉATRICE GUILLAUME-GRABISCH**  
EXECUTIVE VICE PRESIDENT, GLOBAL HEAD OF HUMAN RESOURCES AND BUSINESS SERVICES,  
NESTLÉ S.A

## Provide visibility and support through sponsorship, mentorship and role modeling

Companies with greater gender diversity stressed the importance of building robust sponsorship and mentorship. Mentors and sponsors can provide women with valuable advice, insight and feedback. Research shows that [sponsors may be more effective at helping women](#) advance their careers by extending their professional networks, advocating for them when opportunities arise and providing exposure to executive team members who make hiring decisions. [Advocacy by senior leaders](#) is particularly important for up-and-coming leaders, which can lead to promotions and stretch assignments, research finds.

One company with a higher degree of gender diversity has a sponsorship program for women that includes male and female executive team members as advisers. Each executive leadership team member sponsors one or two women, helping advance their careers by making introductions to other people in the company, having career discussions and providing vital development experiences.





Success tends to build on itself. One company that is earlier in its diversity journey found that as women are moving into more senior roles, they are reaching out to help other women succeed. According to the CHRO, “As we’ve attracted more and more senior female leaders in the organization, we’ve got more and more of them playing a role. They’re very intentionally mentoring other female leaders down through the organization.” By showing women that leadership roles are within reach — and that it is possible within your organization — they may be less likely to go looking for opportunities elsewhere.



**As we have attracted more senior female leaders in the organization, they can play an active role in inclusivity, intentionally mentoring other female players down through the organization.”**

ERIC MINVIELLE  
VICE PRESIDENT OF PEOPLE AND ORGANIZATION, MARS

## What next?

Companies that begin by defining and cultivating leadership capabilities required for success in a GM role — rather than starting with career experience and functional pedigree — can reimagine alternative pathways to a P&L role. And in doing so, they can overcome deeply rooted societal gender diversity barriers intrinsic to the common international, commercial-centric route to the top. Critically, this method to talent management requires a globally consistent and robust data-based approach that allows companies to identify “below the surface” leadership attributes and use these as the starting point of leadership development. These intangible traits are the best predictors of a future P&L executive’s potential to make decisions in new, complex and unpredictable situations and are more predictive of success for first-time P&L leaders than prior experience alone.



**We have the benefit of leaders from decades ago believing that we would be a better organization and deliver results if we were more diverse — and we worked toward that worthy goal.”**

TRACEY GRABOWSKI  
RETIRED CHIEF HUMAN RESOURCES OFFICER  
PROCTER & GAMBLE



**What makes a great general manager? End-to-end ownership of performance and growth drivers for the business and P&L management are a given in these roles, as is a deep accountability for having the best talent. GMs need to be resilient and know when to intervene with pace when faced with challenges. Resilience, agility and courage are probably three traits that make for a successful GM. The same is true for a CEO.”**

MAIRÉAD NAYAGER  
CHIEF HUMAN RESOURCES OFFICER, HALEON

To reframe their approach to developing general managers and build a more gender-balanced pipeline to the C-suite, organizations that are earlier in their gender diversity journey should consider these key questions:

1. What are the vital leadership capabilities of a successful P&L leader? How will these capabilities help us achieve our desired business results?
2. What kinds of functional experiences can develop those P&L leadership capabilities and enable someone to succeed as a first-time GM?
3. How can we tailor these functional experiences or offer alternative experiences to better serve women and mitigate social and cultural barriers?

Our research validates that CPG companies are committed to building a gender-diverse talent bench from entry level up to P&L C-suite roles. Yet, with currently only 24 percent of the GM entry level roles held by women,\* achieving a step change in the gender balance of P&L roles in CPG C-suites will require sustained and focused effort over the next five to 10 years. In the long term, the talent will be there: women represented 41 percent of the enrollment of top MBA programs in 2022, up from 31 percent a decade ago.

While CPG companies that are further along in this gender diversity journey don't have all the answers, they are differentiating themselves through their intentional, systematic talent development processes and their dedication to rigorous data tracking and KPI measurement. Critically, these methods are tailored to each company's specific business context, strategic growth agenda and culture, and supported by the CEO and senior leadership team members over many years.

24%

Female general managers as self-reported by companies in our study

\* Based on self-reporting by participating companies.

## Interview participants

**Emiko Ashida**, Deputy General Manager, Human Resources, Shiseido

**Roger Carillo**, Senior Vice President, Global Talent, Learning and Organization Effectiveness, Mondelēz

**Lisa Chang**, Global Chief People Officer, The Coca-Cola Company

**Roberto Di Bernardini**, Chief Human Resources Officer, Danone

**Tracey Grabowski**, Retired Chief Human Resources Officer, Procter & Gamble

**Béatrice Guillaume-Grabisch**, Executive Vice President, Global Head Human Resources and Business Services, Nestlé

**Margaret Johnston-Clarke**, Global Chief Diversity, Equity and Inclusion Officer, L'Oréal

**Mitsu Kawamoto**, Chief Human Resources Officer, Suntory

**Jean-Claude Le Grand**, Chief Human Relations Officer, L'Oréal

**Eric Minvielle**, Vice President of People and Organization, Mars

**Mairéad Nayager**, Chief Human Resources Officer, Haleon

**Sylvie Nicol**, Executive Vice President, Human Resources and Infrastructure Services, Henkel

**Louise Prashad**, Chief Human Resources Officer, Diageo

**Ronald Schellekens**, Executive Vice President and Chief Human Resources Officer, PepsiCo

**Junko Tsuboi**, Sr. Executive Officer, Personnel and General Affairs, Kirin Holdings

**Johan Van Gossum**, Global Chief Human Resources Officer, JDE Peet's

**Melissa Werneck**, Executive Vice President and Global Chief People Officer, Kraft Heinz





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## About Spencer Stuart

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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit [www.spencerstuart.com](http://www.spencerstuart.com).

