

Fortune 500 C-Suite Snapshot: Profiles in Functional Leadership



In an increasingly complex and challenging environment, more is being asked of CEOs, and they need a robust team around them to enhance their leadership, support their success and address gaps in their skills or knowledge. The [collective intelligence provided by a strong team](#) can help CEOs anticipate and respond to risks and opportunities, enabling them to sort through vast amounts of information to create — and deliver on — their strategies.

How are the leadership teams of Fortune 500 companies evolving in response to the changing demands? To begin to answer this question, we mapped leader profiles for 11 roles commonly included in the C-suite to develop a snapshot of executives in these positions. We will continue to track this data annually to gain a better understanding of shifts in leader profiles over time. Here are a few observations from this year's analysis:

- » Together, women and people from historically under-represented racial and ethnic groups constitute 49% of C-suite leaders in our analysis. However, their representation varies greatly across roles, ranging from 19% of chief operating officers to 89% of chief inclusion and diversity officers. Companies that want to see real change across roles will need to [start early to increase the diversity of their leadership pipelines](#).
- » On average, 59% of C-suite leaders in our analysis are internal appointments to their roles, underscoring the need for effective leadership development and succession planning. Again, we see wide variance across roles. Chief operating officers (80%) are the most likely to be promoted from within, followed by CEOs (77%). Chief information officers, chief legal officers and chief communications officers are most likely to be external hires, with more than half of Fortune 500 leaders in those roles coming from outside the organization.
- » Despite the well-documented backlash against ESG, we saw year-over-year increases in the number of companies with chief sustainability officers and chief inclusion and diversity officers, suggesting that leaders view DE&I and sustainability as important levers for business performance. More than half of the Fortune 500 now have a chief sustainability officer and/or chief inclusion and diversity officer (57% and 59%, respectively). This represents a 5% increase in the number of Fortune 500 chief sustainability officers and a 2% increase in the number of chief inclusion and diversity officers over 2022.

The Fortune 500 C-suite at a glance

The composition of Fortune 500 C-suite executives has remained largely stable over the last year, despite a challenging macroeconomic environment, social and political unrest, and lingering effects from the COVID-19 pandemic.

4.6^{yrs}

Average tenure, up from 4.3 years in 2022

40%

Women as a percentage of C-suite roles, compared with 38% in 2022

16%

Executives from historically underrepresented groups, the same as 2022

59%

Executives who are internal appointments, versus 58% in 2022

Fortune 500 C-suite diversity

CEOs, chief operating officers and chief financial officers are less likely to be women or people from historically underrepresented ethnic and racial groups than other C-suite roles. The shortage of diverse leaders at the top is apparent, yet the majority of leaders in “new” Fortune 500 roles such as chief inclusion and diversity officers and chief sustainability officers are from these backgrounds. The top leaders in HR, communications and marketing also represent more racial, ethnic and gender diversity.

DIVERSITY

Role	Women	Historically underrepresented racial and ethnic backgrounds*	Total**
Chief executive officer	10%	12%	21%
Chief operating officer	11%	9%	19%
Chief financial officer	18%	11%	27%
Chief human resources officer	70%	15%	76%
Chief information officer	22%	23%	40%
Chief marketing officer	50%	12%	57%
Chief legal officer	40%	17%	47%
Chief supply chain officer	20%	13%	30%
Chief communications officer	64%	7%	66%
Chief sustainability officer	61%	9%	64%
Chief inclusion and diversity officer	76%	44%	89%
Average	40%	16%	49%

* Per EEO guidelines, defined as people with one or more of the following origins: American Indian or Alaskan Native, Asian or Pacific Islander, Black, and Hispanic.

** Total includes women who also self-identify as a member of a historically underrepresented racial or ethnic group.

Recruiting and retention

Fortune 500 CEOs have an average tenure 52% longer than the C-suite average. Sitting CEOs have been in their roles for seven years on average, compared to the 4.6-year combined average. Chief operating officers have the shortest average tenures, likely because the role often is meant to be a temporary development position for CEO aspirants. Other roles with shorter average tenures — the chief inclusion and diversity officer and chief sustainability officer — are newly created in some organizations and therefore haven't had a chance at a longer tenure at this point.

TENURE AND TURNOVER

Role	Average tenure (years)	Turnover (% in the role for 6 months or less)
Chief executive officer	7	6%
Chief operating officer	3.1	14%
Chief financial officer	4.5	9%
Chief human resources officer	4.5	6%
Chief information officer	4.7	4%
Chief marketing officer	4.2	9%
Chief legal officer	6.1	4%
Chief supply chain officer	5.1	4%
Chief communications officer	5	4%
Chief sustainability officer	3.7	5%
Chief inclusion and diversity officer	2.9	7%
Average	4.6	6%

Backgrounds

Just over 40% of C-suite leaders in our analysis were hired from the outside for their roles, with chief operating officers least likely to be hired from the outside (20%), followed closely by CEOs (23%). CIOs are the most likely to be external hires (57%). More than one-third of externally hired CIOs (34%) who changed industries came from technology, media or communications companies, suggesting that companies were looking to add expertise from more technically sophisticated industries.

BACKGROUNDS

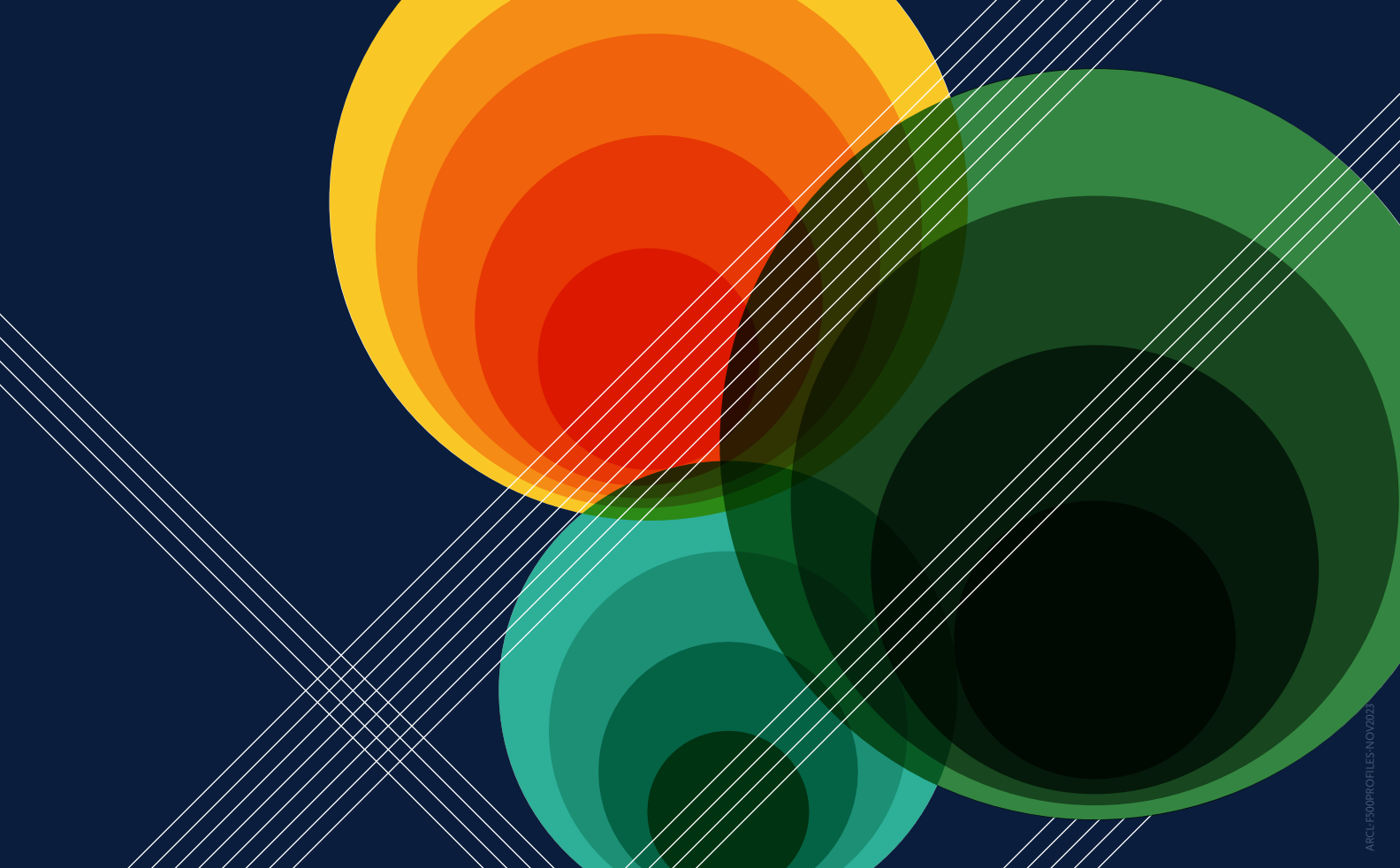
Role	External hires	External hires from a different industry
Chief executive officer	23%	29%
Chief operating officer	20%	21%
Chief financial officer	35%	35%
Chief human resources officer	44%	44%
Chief information officer	57%	47%
Chief marketing officer	42%	43%
Chief legal officer	53%	48%
Chief supply chain officer	43%	40%
Chief communications officer	52%	55%
Chief sustainability officer	36%	52%
Chief inclusion and diversity officer	46%	58%
Average	41%	43%

Methodology

Research finds that [there is little uniformity in the organizational structure](#) of leadership teams across Fortune 500 companies. Our research focuses on the most common functional roles as well as significant up-and-coming C-suite roles, such as chief inclusion and diversity officer and chief sustainability officer. Interim executives are not included in the mapping. When a company has a co-CXO, both are included. The mapping bundles related titles; for example, the head of sustainability at some companies carries the title chief environmental officer. The snapshot reflects executives in their roles as of June 30, 2023.

All percentages calculated based on the total number of executives identified on the snapshot date:

- » Chief Executive Officer: 500
- » Chief Operating Officer: 231
- » Chief Financial Officer: 492
- » Chief Human Resources Officer: 473
- » Chief Information Officer: 464
- » Chief Marketing Officer: 357
- » Chief Legal Officer: 487
- » Chief Supply Chain Officer: 453
- » Chief Communications Officer: 410
- » Chief Sustainability Officer: 287
- » Chief Inclusion and Diversity Officer: 294



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