

“Is UK plc’s Succession & Talent Planning working?”

Key findings

Executive gender-balance is a good indicator of how robust an organisation’s Succession & Talent Planning is, because women account for close to half of the working population. If women are not making it into executive roles this strongly suggests these organisation have structural and cultural barriers, and currently there are only nine women CEOs in the FTSE100.

In terms of the pipeline, much focus has been placed on women of the executive committee or equivalent roles (Exco), which has been rising and where currently women account for 29% of Exco roles in the FTSE100. This might look reasonable, apart from the fact that **not all roles will lead equally to CEO, as this report shows.**

This research concludes that the proportion of women in the roles that have traditionally led to CEO is still strikingly low. Currently 44% of FTSE100 CEOs were previously Divisional Heads (either Product or Regional Heads), **yet at Exco women account for only 19% of Divisional Heads.** Equally 13% had been CEOs at another company and there isn’t one woman CEO in the current FTSE100 who a CEO was previously. This disappointing metric is exacerbated by the fact that 50% of FTSE100 CEOs are externally appointed.

This **Pathways to CEO** analysis is a proprietary methodology used by 25x25, a membership association, to assess the effectiveness of employers, private and public, succession and talent planning processes and outcomes.

Our analysis of over 300 organisations didn’t yield any correlation between the overall number of women in an organisation and the number of women in senior executive positions. **This suggests that the concept that talented women will “bubble-up” into senior positions by virtue of volume is unfounded.** The recommendation is therefore that boards need a) to take leadership and b) to focus on the number of women on likely pathways to CEO if they wish their executive-gender balance to improve in the near future, and assess if their Pathways to CEO are genuinely open to all.

On the other hand, where the leadership teams had made a strong public statement of intent and set targets, executive gender-balance had improved. This suggests that the “pull-through” model i.e.: a leadership-driven approach is more likely to produce better results. **The recommendation is that boards provide more transparency on what is being done to improve executive gender-balance and reduce the gender pay-gap.**

Unless otherwise stated, all data referred to is as at 30th September 2023 (Q3 2023).

25x25 Analysis

Summary

Despite women representing 48% of the workforce¹ there are only 9 women CEOs in the FTSE100². On aggregate, female representation at the executive committee or equivalent level (Exco) increased from **21% in 2018 to 29% in 2022** according to the FTSE Women Leaders Review³.

But, as our data shows, not all roles are equal when it comes to becoming a CEO. This is why we have focussed our analysis on the *Pathways to CEO*, a proprietary methodology used to assess the effectiveness of Succession and Talent Planning processes and outcomes. In terms of the data-set used this includes publicly available FTSE100 data⁴ supported by conversations with our [Members](#) and [Ambassadors](#).

Currently, the most popular route to CEO is the Divisional Head pathway at 44%, then CFOs at 19%; Ops & Supply at 14%, and 13% having been CEOs at another company. Collectively, these are traditional or main pathways.

If we look at the women in these roles the proportion is still strikingly low.

At Exco, women represent 19% of Divisional Heads, 25% of CFOs, 21% of Ops & Supply and no FTSE100 woman CEO has been a CEO at another company.

Given the low number of women as CEOs and in Divisional Head roles, and that 57% of all FTSE100 CEOs have either been a CEO or a Divisional Head prior to becoming a FTSE100 CEO, this has become a self-perpetuating cycle.

25x25 does not consider these traditional or main pathways as a guideline. These pathways merely reflect the current situation.

According to our members, in a robust talent planning environment there should be a wider set of pathways available. However, in more challenged macro-economic environments, boards and nominations committees are likely to be more risk-averse, and therefore look to traditional pathways, skill-sets and experience in their candidates.

This means that if the boards aren't tracking their pipelines accurately, the number of women achieving senior decision-making roles will remain too low.

¹ Office of National Statistics latest available data released September 2023, for July 2023 data.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/dataset/fulltimeparttimeandtemporaryworkersseasonallyadjustedemp01sa>

² With Allison Kirby taking over as CEO at BT in January 2024 bringing the total to 10, if no woman CEO resigns or steps down in the meantime.

³ FTSE Women Leaders latest report published February 2023, collection period October 2022, prior years' data collection in June. <https://ftsewomenleaders.com/>

⁴ According to 25x25 Research based on all FTSE100 companies, with Exco data available for 88 reporting companies in for Q3 2023 and 85 in Q1 and Q2.

This doesn't mean that women in Human Resources (HR), Legal or Regulatory roles among other, don't have a chance of being CEO. We have some great success stories such as Leena Nair, CEO Chanel and one of our first members, who came up through HR, or Jen Mair, CEO Martin Currie, who was a lawyer for many years before becoming CEO. It does mean however, that these routes are currently much less likely.

Additionally, many transformation roles within tech companies have had a significant business organisation or people & culture component. This is perhaps why larger tech companies align their talent strategies so closely to their business strategies. This trend may become more visible across a broader range of FTSE100 and other UK organisations.

The fact is whatever the longer-term ambition, CEOs and boards need to keep focused on probable pathways if they wish to improve their executive gender-balance in the near future.

Another key factor that has informed our analysis is that we couldn't find any correlation between the overall number of women in an organisation and the number of women in senior executive positions. The notion that talented women will "bubble-up" up through a company does not seem to be founded on any statistical evidence and therefore we can't support this as a valid strategy.

However, we noted a correlation between overall number of women in senior executive positions and statements of intent from the leadership teams. Where the leadership teams had publicly stated their intention to improve gender-balance, and set targets, we have seen rapid change in executive gender-balance (often within two to three years). Whereas where there was no statement, there was little discernible change.

This is why target setting and a clear understanding of metrics is critical.

25x25 provides a simple tool-set on how to improve Succession & Talent Planning generally, and executive gender-balance specifically.

In this first report we address the background to the launch of 25x25; how the Pathways to CEO methodology was developed, highlighting some key findings; and other factors affecting CEO selection.

SECTION 1

1. 2020 Privately-conducted Survey and the Launch of 25x25

In 2020, prior to the launch of 25x25, a private survey was conducted by some senior leaders, now 25x25 Ambassadors, with the leadership teams of over 200 corporates, including ca. 90% of FTSE100. The survey investigated why Succession & Talent planning processes were failing when it came to gender (the "2020 Private Survey").

This 2020 Private Survey found that CEO Succession & Talent Planning often:

- Occurred reactively to a trigger event, such as the incumbent CEO departing;
- Was led by the Nominations' Committee, which was not always composed of the full non-executive board;
- Was a process that was not always fully integrated with the general executive Talent Planning, led by the CEO and the Human Resources/People teams;
- Was a process that was not fully integrated with the overall business strategy;
- Relied quite considerably on external Search & Recruitment agents (in 2020 over 60% of the FTSE100 CEOs were externally appointed);
- Focused on past-records when it came to candidate selection;
- Included job specifications that considered previous CEO experience as essential criteria for the role.

Given that at the time ca. 4.9% of the FTSE350 CEOs were women⁵, a requirement for previous CEO experience may have led to a promotion cycle that excludes women.

By comparison, in our areas of high public scrutiny:

- **35%** of Members of Parliament (MPs) are women (225 out of 650) and **52%** of all Labour MPs (103 out of 198)⁶, compared to 18.2% in 1997 (when 120 women were elected, of which 101 Labour)⁷.
- **47%** of Permanent Secretaries in ministerial departments are women (16 out of 24 excluding vacancies) and 44% overall⁸, compared to 1996 where 17% of the Senior Civil Servants (SCS) were women⁹.
- Women constitute **40%** of barristers, **53%** of solicitors, **77%** of Chartered Legal Executives, and **42%** of all judges (37% of court judges and 52% of tribunal judges). Women accounted for **50%** of the eligible pool and **51%** of recommendations in legal judicial selection exercises¹⁰, compared to the 1990s where women in the senior judiciary were outnumbered around 17:1¹¹.
- **9% of FTSE100 CEOs are women, compared to 1% in 1997**, when Marjorie Scardino, became the first FTSE100 CEO (at Pearson) in 1997.

It is clear that the progression of women in UK plc has been much slower than in other areas of high public scrutiny.

⁵ Boardex data 2020, source: FTSE Women Leaders, Appendix A <https://ftsewomenleaders.com/wp-content/uploads/2023/03/ftse-women-leaders-review-report-2022-v2.pdf>

⁶ As at November 2023, <https://www.parliament.uk/about/parliament-and-women/>

⁷ House of Commons Library 2013 <https://commonslibrary.parliament.uk/the-history-and-geography-of-women-mps-since-1918-in-numbers/>

⁸ As at November 2023, [https://en.wikipedia.org/wiki/Permanent_secretary_\(UK\)](https://en.wikipedia.org/wiki/Permanent_secretary_(UK))

⁹ Institute for Government, 2015

[http://www.civilservant.org.uk/library/2015 IfG Women and Whitehall.pdf](http://www.civilservant.org.uk/library/2015>IfG_Women_and_Whitehall.pdf)

¹⁰ As at April 2023, <https://www.gov.uk/government/statistics/diversity-of-the-judiciary-2023-statistics/diversity-of-the-judiciary-legal-professions-new-appointments-and-current-post-holders-2023-statistics>

¹¹ Oxford Academic, A Short History of Judicial Diversity, 2023
<https://academic.oup.com/clp/article/76/1/265/7239481>

The 2020 Private Survey led to the launch of 25x25 in November 2021, a membership organisation spearheaded by leaders committed to change and to working collaboratively for the wider business community.

Since then, 25x25 has been undertaking its own proprietary research focussed on the **Pathways to CEO** methodology. The dataset in this report is from publicly available data for the FTSE100 collected over three quarters in 2023, given that the verification process for each data set only commenced at the start of the year.

In addition to the data analysis, 25x25 has also established a framework, the **25x25 Framework**, a set of best practices used by some of our leading companies and illustrated in [Members' Voices](#).

SECTION 2

2. Pathways to CEO Analysis

Our analysis shows conclusively that not all routes to CEO are equal, with some roles on executive committees or equivalent (Exco) being more likely to provide the skills and experience required by the boards or the Nominations' Committee (Nomco) when selecting a CEO. Currently the most favoured roles include Divisional Heads, CFOs, Ops & Supply or having been a CEO at another company.

25x25 has developed an approach in conjunction with members, whereby it ranks the Pathways to CEO depending on probability.

This ranking is not meant to indicate any guidance as to what a preferable path is. It is simply based on what has statistically been the most probable route in the past (traditional or main pathways). In addition, we overlay routes that members consider possible in the future (alternative pathways).

the Pathways to CEO methodology currently uses the FTSE100 CEOs as benchmark, based on the statistical average of all 100 CEOs not just the pathways for women CEOs. Given that there are still so few women CEOs, it might be misleading to focus on these individuals as they may not provide standardised pathways for future women coming through.

Based on this statistical average, we have grouped roles into 25x25 roles categories (the equivalence table is included in Table 6). The analysis below is based on data for the first three quarters of 2023 as that is when the systematic collection of data began. The dataset includes all 100 FTSE100 companies. The Exco data presented includes all companies reporting which are 88 in Q3 2023, and 85 in Q1 and Q2 2023.

2.1 Key findings on main pathways to CEO

Currently, 44% of FTSE100 CEOs have previously been a Divisional Head, which includes Product and Regional CEOs, essentially large Profit & Loss (P&L) or Direct Profit Centre Experience (DPCE) roles.

Additionally, 13% were CEOs at another company, which means that **57% have either been a CEO or a Divisional Head prior to becoming a FTSE100 CEO**. Given the low number of women CEOs and women in Divisional roles this can become a self-perpetuating cycle.

Table 1: Current FTSE100 CEOs by Prior Role Category

Prior Role*	Q1 2023	Q2 2023	Q3 2023
CEO at another company	12%	13%	13%
Divisional Head	43%	44%	44%
CFO/Finance	19%	19%	19%
Ops & Supply	16%	14%	14%
Other**	10%	10%	10%
Total	100%	100%	100%

* The data includes both internal and external appointments, except for CEO at another company which are all external appointments.

**Strategy & Digital, Commercial, People, Comms & Reg, Other Finance, Legal, Founder, NED.

Source: 25x25 Analysis based on publicly available data.

The proportion of women in these roles is still strikingly low as shown in Table 2 below, with 19% in Divisional Head roles, 25% in CFO roles, 21% in Ops & Supply and none having been a CEO at another company.

This aggregate analysis is further skewed by the fact that some companies have made great progress, having several women at Exco in Divisional roles, while others have none. This means that while on average there are close to 1 in 5 women in these roles, the average masks the fact that many FTSE100 companies still have no women in these P&L or DPCE roles. As in most cases these roles aren't transversal across sectors, the overall pipeline for this role category is very poor for women.

Table 2: FTSE 100 Exco Women by Role Category

Prior Role*	Q1 2023		Q2 2023		Q3 2023	
	Women	Men	Women	Men	Women	Men
CEO at another company	0%	100%	0%	100%	0%	100%
Divisional Head	20%	80%	20%	80%	19%	81%
CFO/Finance	22%	78%	22%	78%	25%	75%
Ops & Supply	22%	78%	22%	78%	21%	79%

* This includes both internal and external appointments, except CEO at another company which are all external appointments.

Note: Exco data is compiled from the number of companies reporting: 88 in Q3 2023, up from 85 in Q2 and Q1.

Source: 25x25 Analysis based on publicly available data.

2.2 Key findings on alternative pathways to CEO

25x25 encourages organisations to broaden their Pathways to CEO Analysis. If a Pathway to CEO has not occurred historically, it does not mean it cannot be a Pathway in the future.

As we have seen historically, CFO, Divisional Head and Ops & Supply roles at Exco have led to CEO promotion. While a few CEOs have previously been in Strategy & Digital, Commercial or People role at Exco, or more recently NEDs, these pathways are still statistically in the minority. Members however believe these routes may become more likely in the future, and therefore we consider these, for now, as alternative pathways.

The number of people on Exco (both male and female) in digital & transformation roles has increased, especially in certain sectors such as commercial banking, information services and media, and now account for 12% of people on Exco as shown in Table 3 below.

Many transformation roles within tech companies have a significant business organisation or people & culture component, which is perhaps why the larger tech companies align their talent strategies so closely with their business strategy. This trend may become more visible across a broader range of organisations.

Generally, functional roles are not seen as Pathways to CEO. However some roles categories vary by sector. For example, a CFO may be considered be purely functional in some organisations while on the man pathway to CEO in others. Traditional HR roles are generally considered functional; however some organisations now view People, Chief of Staff or Business Organisation Roles as alternative pathways.

We consider all the HR, People & Talent & Chief of Staff roles together under People in table 3 below, and these account for 8% of the overall number of people on Exco. Other roles such as Legal, Comms & Regulatory (which includes Corporate Affairs and Compliance) are also generally viewed as functional, and these account for 8% and 5% respectively.

In practice, there are many people in functional roles who have had prior P&L and DPCE experience. This is why 25x25 is developing a private benchmarking tool with members, who will share aggregate and anonymised data on their Pathways to CEO data.

This way 25x25 can produce a membership benchmark, which may be a better benchmark for boards to measure their process against than the FTSE100 as a whole - given the wide disparity of companies represented in FTSE in terms of Succession & Talent Planning. This benchmark and access to the tool will only be available to 25x25 members.

The table below shows the distribution of people at Exco by 25x25 role category.

Table 3: FTSE 100 Exco by 25x25 role category

25x25 Role category*	Q1 2023	Q2 2023	Q3 2023
CEO	10%	10%	10%
Divisional Head	32%	32%	32%
Strategy & Digital	12%	12%	11%
CFO/Finance	10%	10%	10%
People	8%	8%	8%
Legal	8%	8%	8%
Ops & Supply	6%	6%	7%
Commercial	6%	6%	6%
Comms & Reg	5%	5%	5%
Risk & Other Finance	3%	2%	2%
Total	100%	100%	100%

* Exco data is compiled from the number of companies reporting, 88 in Q3 2023, 85 in Q2 and Q1.

Source: 25x25 Analysis based on publicly available data.

2.3 Moves from functional to Profit & Loss (P&L) or Direct Profit Centre Experience (DPCE) Roles

In terms of the gender-balance across the key roles we see a significant imbalance.

Commercial roles have been a conduit to CEO, as have Strategy & Digital roles, and the view from most of our members is that these pathways will become increasingly important in the future. The People/HR role is quite varied, with some people having Profit & Loss and business operational experience, while others being purely functional.

Generally, PR & Communications and Legal roles are considered functional roles, although we are seeing some case studies of people with this background coming through into the CEO role. Nevertheless the probability of people in these roles becoming CEO continues to remain low in the short term.

Table 4: FTSE 100 Exco Women* by 25x25 role category

Role Category**	Q1 2023		Q2 2023		Q3 2023	
	Women	Men	Women	Men	Women	Men
CEO	9%	91%	10%	90%	9%	91%
Divisional Head	20%	80%	20%	80%	19%	81%
Strategy & Digital	25%	75%	25%	75%	24%	76%
CFO/Finance	22%	78%	22%	78%	25%	75%
People	74%	26%	77%	23%	77%	23%
Legal	44%	56%	44%	56%	45%	55%
Ops & Supply	22%	78%	22%	78%	21%	79%
Commercial	39%	61%	41%	59%	38%	62%
Comms & Reg	43%	57%	47%	53%	47%	53%
Risk & Other Finance	23%	77%	29%	71%	30%	70%

* We consider as Woman any person who identifies as a woman. Men includes non-binary.

**Exco data is compiled from the number of companies reporting, 88 in Q3 2023, up from 85 in Q2 and Q1.

Source: 25x25 Analysis based on publicly available data.

In organisations where Profit & Loss or Direct Profit Centre Experience is essential to becoming a CEO, one approach is to move people from functional areas into these P&L and DPCE roles to provide this pre-requisite skill-set.

This is an approach that has also worked well in some Industrials and asset management companies, as evidenced by comments from Jen Mair CEO Martin Currie in an interview in September 2023.

“I am a lawyer by training. Over the last few years, I have taken on the role of Chief of Staff at Martin Currie, which led me to develop skills right across the business, both on the operational platform, but also in the sales and distribution and investment oversight piece, alongside working with the executive team. That then developed into a Chief Operating Officer role. And ultimately, I’ve now been appointed Chief Executive Officer. So, I firmly believe that my experience has set me in good stead for taking on this broader and general role of CEO.”

2.4 Internal versus External Promotion

According to the 2020 Private Survey, the great majority of leadership teams considered internal promotion as a preferable route to CEO. Yet currently only **50% of FTSE100 CEOs were internally promoted**, and this is an improvement on Q1 2023 and Q2 2023 when the majority were external appointments (52%).

While we believe leadership teams are thoughtful when it comes to CEO Succession & Talent Planning, currently there appears to be a mismatch between process and outcome.

SECTION 3

3. Other factors that might influence CEO selection

3.1 Macro-economic environment

Some members shared views that **macro-economic indicators may potentially affect the type of CEO being selected**. For example, in a high-interest rate and high cost-of-living macro environment, CFOs or people with finance experience may be preferred. Conversely in a more dynamic (transformational) or growth environment, people with P&L or operational experience might be more successful candidates.

Our data series is too short to be able to draw any conclusions on this point but these views are nevertheless important to bear in mind as we build out our metrics and encourage organisations to track more effective data.

A number of our Lead Ambassadors, the CEOs at our member companies, have also commented on the fact that **boards may be becoming more risk averse**, and this might also affect the CEO selection process. Chris O'Shea, CEO Centrica, interviewed in 17th October 2023 said:

"I think boards in the UK are becoming more and more risk averse. And some of that's being driven by the governance rules that we've got. And therefore, if you're looking for somebody, and if you think you've got a financial crisis coming, maybe the easiest person to appoint is your Chief Financial Officer."

On the surface, given the number of women CFOs is increasing, this trend might appear to benefit women. But as we have discussed previously, many boards consider the CFO role as purely functional. Therefore, it is difficult to assess whether this will lead to an increase in women CEOs or not.

3.2 Specific graduate requirements or specialisation barriers

Progression along preferred pathways may also depend on specialisation or specific graduate requirements, which may cause barriers to entry.

In certain organisations, senior roles are conditioned by entry-level qualifications or specialisations. For example, there has not been a Chief of the Air Force who has not been a pilot. However, this is not a challenge faced exclusively by the Armed Forces, as many sectors also face entry-level qualification barriers.

Air Chief Marshal Sir Mike Wigston, then Chief of Air Staff, Royal Air Force interviewed May 5, 2022 commented:

"And the most stressing target was the target over the last year. We've increased our recruiting of women from what has historically been around 10-15% to 20% - so one in five of the people that joined the Royal Air Force last year were women."

If specialisation is an overriding selection criterion for advancement and entry-level candidates are predominantly male, it might be very difficult to improve senior gender-balance. Especially as the attrition rate of women at most levels of seniority in the majority of organisations, is higher than that for men, given relative work-home life demands.

To remedy this effect, entry-level specifications, selection processes and promotion routes need to be looked at. Additionally, women in meaningful and senior decision-making roles can also provide a positive impact on reducing attrition levels, according to members who have successfully resolved this issue.

We have seen great strides made in many aerospace & defence, energy and industrials companies and organisations. In all of these sectors, entry levels are still affected by the gender-balance of STEM graduates.

Currently 37.5% of our members have an engineering focus, i.e.: depend on STEM graduates. Despite the lack of female STEM graduates (27% in the UK as per the latest data¹²,) and STEM women going into engineering roles (23% in the US as per recent data¹³), these members have found effective solutions to improve gender-balance at the executive level. This means they have been able to manage attrition and promotion processes better on average than organisations that have a balanced gender intake.

A more in-depth sector-to-sector comparison will be shared in our next research report published in 2024.

3.3 The “Bubble-Up” Effect

Another key factor that has informed our analysis is that we could not find any correlation between the overall number of women in an organisation and the number of women in senior executive positions. The notion that talented women will automatically progress through an organisation to top levels by mere virtue of weight of numbers, i.e. the “bubble-up” effect, does not seem to be founded on any statistical evidence.

Women have been a significant part of the UK workforce since the Industrial Revolution in the 18th century and have failed to reach the highest levels of business because of structural constraints that have prevented their promotion.

In fact, many engineering-based organisations (such as aerospace, defence, industrials, energy, and others) may always have fewer women in the workforce. But this hasn’t prevented these organisations from improving their executive gender-balance.

Our members have invested in processes and procedures to improve executive gender-balance because of the beneficial impact on culture and productivity for the workforce as a whole, not just for women.

We also have many examples of sectors where the workforce is predominantly female, such as retail and hospitality, where there are still very few women in senior decision-making roles. These low numbers can be explained in part by structural factors. But these structural limitations may not be any more severe than those in other sectors which have sought specifically to overcome them.

While there are some great individual case-studies of senior women in retail and hospitality, such as Leena Nair, CEO of Chanel, or Alison Brittain, former CEO of Whitbread, neither of them came through traditional routes. Leena came up through a Human Resources route at Unilever and Alison through a finance route to become non-executive director (NED) at Marks & Spencer before joining Whitbread as an externally appointed CEO.

¹² Latest data for 2021/22 academic year <https://www.stemwomen.com/women-in-stem-statistics-progress-and-challenges>

¹³ Bloomberg Gender Equity report FY2021

It may be that as digitalisation of the retail sector increases, the digital and business organisation of people roles will become more prevalent, but we are yet to see many examples of this trend in the FTSE100.

Therefore, we do not consider that waiting for the “bubble-up” effect to happen is a valid strategy. Strong leadership teams are forward-looking and proactive.

3.4 Impact of accountability & targets

Where we have seen improvement and progress, with members and generally across the FTSE100, is when leadership teams issue statements of intent and publicly announce targets on gender-balance. Generally, the improvement happens rapidly within two to three years.

The reverse also occurs. Companies with no public statement of intent or public targets tend to underperform in terms of executive gender-balance.

This is also why 25x25 only measures data for the top four senior levels within an organisation (from CEO to Exco-2 or equivalent). While entry-level barriers and overall workforce diversity can provide explanations to the senior level metrics, **the key metrics to track are the four senior levels and the pull-through effect.**

Measuring only representation metrics can be misleading. The steady increase in women on Exco in FTSE100 companies has not led to a marked increase in the number of women CEOs, as shown in the table below.

Table 5: FTSE Women Leaders Review, FTSE100 Women on Exco

FTSE100	2018	2019	2020	2021	2022
Women CEOs	6	6	8	8	9
Women on Exco	232	262	298	303	325
Total Exco	1,098	1,135	1,125	1,170	1,128
% Women on Exco	21.1%	23.1%	26.5%	25.9%	28.8%

Source: FTSE Women Leaders latest report published February 2023, collection period October 2022, prior years' data collection in June. <https://ftsewomenleaders.com/>

Additionally, we have seen cases where companies have moved women from P&L and DPCE roles into functional areas at Exco, in order to hit public targets. This can result in women being side-lined into roles which will not lead to CEO.

This is why the 25x25 Framework is focussed on Pathways to CEO analysis, and encourages members to set targets which will align with their ultimate strategic objectives, even if they are internal to begin with.

Nick Anderson CEO of Spirax-Sarco Engineering Group, a 25X25 member, said on 13th June 2023.

“The CEO doesn’t have to come from a line of business and could very easily come from one of the functional lines. Historically, however, myself and all my predecessors have come from a line of business, or at least spent most of their careers in a line of business, even if they started off in a function. So we’ve got to accelerate commercial leadership roles so that we can broaden the base of talent that can one day be sitting in my chair.”

It is important to set targets commensurate with the development of the organisation. And public targets are more effective than internal ones.

As one interviewed corporate commented:

“The intent of the organisation may be sound, and each individual promotion selection may have valid reasons, but you can easily add-up the perfectly reasonable individual decisions and find that you have missed your internal target completely.”

Joining 25x25 as a member is a clear statement to shareholders and wider stakeholders that the organisation is committed to improving its Succession & Talent Planning Processes, and sharing best practice with the wider business community.

4. Recommendations

- Executive gender-balance is a good indicator of robust Succession & Talent Planning. This is because women represent 48% of workforce. If women are not achieving executive decision-making roles then the structure of the organisation is unlikely to be fair for any minority.
- Executive gender-balance will not happen on its own, or by virtue of there being many talented women in an organisation. The structural challenges and attrition levels are such that processes and procedures need to be put in place to make opportunities equal.
- Where organisations have made the effort to improve executive gender-balance, they have seen great improvement in culture, productivity, and performance.
- In turn, having more women in decision-making roles attracts better talent of any gender.
- Measuring pure representation will not provide the boards with the metrics required to track real progress. The focus needs to be on the Pathways to CEO data. These pathways may differ from company to company, but to assume that all roles lead equally to CEO is not sufficient.
- 25x25 has, and is, developing data tools to help boards assess how robust their Succession and Talent Planning processes are. The major tool will be a private benchmarking tool accessible only to members. As a precursor, 25x25 has developed a self-assessment tool. This Interactive Framework Tool is freely available here: [IF Tool](#).

- Additionally, outward-looking organisations appear to progress faster than those which are focussed on their own specific problems. Through our community of Ambassadors and members we have found that many challenges and solutions are transversal, such as the issue of dealing with siloed promotion processes, among others.

About this research

The basis for calculation and analysis is included below:

Section 1: The 2020 Private Survey

The 2020 Private Survey was undertaken with 197 corporates and organisations including 87 of the FTSE100 companies included in the FTSE100 as at May 2020. The remaining companies included large global organisations, large private employers including public sector organisations and some FTSE100.

The survey was conducted primarily with Chairs, CEOs, board members (SIDs), NEDs, CHROs and Talent teams within the organisations amounting to ca. 400 people. In addition we spoke to industry experts at recruitment and search agencies, in mentoring and coaching functions, in gender and equality at government level and with other sector verticals experts such as the media and the judiciary, in total about 500 people.

The Women's Networking Group which includes the female grass-root included 342 women as at 30th November 2023 (the grass-root male and non-binary supporters are an equivalent number).

Section 2: Pathways to CEO Analysis

The first 25x25 benchmark has been established based on publicly available FTSE100 data. The dataset for analysis includes all 100 FTSE100 companies. The Exco data includes all companies reporting: 88 in Q3 2023, and 85 in Q1 and Q2. The number of people on Exco based on companies reporting amounted to 992 people in Q3 2023, 992 in Q2 and 976 Q1 2023..

The table below shows the full equivalence of roles between those listed and the 25x25 role category aggregation.

The analysis below is based on data for the first three quarters of 2023 given that is when the systematic collection of data began.

Table 6: Equivalence from FTSE100 to 25x25 role category

Index	25x25 Role Category	FTSE100 Role Category
1	CEO or equivalent	Group CEO, Global CEO.
2	CFO/Finance	CFOs, Senior Finance Directors, Group Finance Directors.
3	Divisional Head	Product and Regional Heads/Directors (mainly Profit & Loss Leaders or with Direct Profit Centre Experience), CEO of division, President of division, Vice-President of division, Managing Director of division, Executive Chairman/Vice-Chairman, Executive Director, Global Head.
4	Ops & Supply	Any Operational or Supply Chain role, Chief Operating Officer, Chief Supply Chain Officer, President Global Operations/Supply Chain, Operations Director, Head of Operations.
5	Strategy & Digital	Chief Technology Officers, Chief Investment Officers, Chief Digital & Innovation Officers, Chief Scientific Officers, Chief Strategy Officers, Chief Sustainability Officers, Heads of Strategy, Heads of R&D, Business Development Officers, Corporate Development Director, Innovation Officers, Transformation Directors, Heads of ESG, Projects & Development Directors, Directors/Vice-Presidents of R&D/Innovation, M&A Director.
6	Commercial	Chief Commercial Officer, Chief Marketing Officer, Chief Merchandising Officer, Heads of Sales & Marketing, Chief Brand and Corporate Affairs Officer, Chief Consumer/Customer Officer, Chief Visual Officer, Chief Product Officer.
7	People	Chief Human Resources Officer, Group HR Director, Chief People Officer, Head of Talent, Head of Culture, Head of People, Strategic Talent Director, Chief of Staff.
8	Comms & Reg	Chief Communications Officers, Chief Regulatory Officer, Chief Compliance Officer, Chief Information Officer, Chief Corporate Affairs and Investor Relations Officer, Chief Risk & Compliance Officer, Chief Quality & Regulatory Affairs Officer, Head of Public Policy, Group Sustainability Director.
9	Other Finance	Chief Risk Officer, Chief Audit Officer, Group Tax Director, Group Treasurer, Group Financial Controller.
10	Legal	Chief Legal Officer, Legal Director, VP of Legal, Chief Governance Officer, General Counsel, Company Secretary.

25x25 Research Team

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About 25x25

25x25 Limited (25x25) is a not-for-profit membership association founded by leading corporates who are committed to improving Succession & Talent Planning, including executive gender-balance, and sharing best practice across the wider business community.

25x25 launched in November 2021 with 14 founding members and now has 24 members including: **BAE Systems, Baker McKenzie, bp, Morgan Stanley International Ltd Group, NatWest, British Land, Deloitte, Admiral Group, Brunswick Group, gsk, IG Group, ITV, Linklaters, Lombard Odier Investment Management, National Grid, Pennon Group, Royal Air Force, Smiths Group, Spirax-Sarco Engineering and Unilever.** The most recent members include **Barclays, Centrica, Martin Currie** and **Spectris**.

The 25x25 Framework and tools provide processes and procedures to ensure that anyone who may wish to do so, regardless of gender or background, can be adequately supported and prepared for these senior and more demanding executive roles.

25x25 launched its first data analytics tool in June 2023 with members, the Interactive Framework Tool (IF Tool). The IF Tool is a self-assessment tool with no data-sharing functionality and is now freely available on the 25x25 website: [IF Tool](#). The 25x25 private benchmarking tool is currently under development and will be available only to members.

To join as a member, please register here [Join Us](#)

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