



WOMEN IN FINANCE SCORECARD  
DOCUMENTING THE GENDER GAP GLOBALLY

# WHERE ARE THE WOMEN IN THE CHIEF ACCOUNTING AND FINANCE POSITIONS?

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We looked at the data and have some answers

## A FEW HIGHLIGHTS

- Women represent just under one-third of the CFO and CAO positions across developed and BRICs markets.
- The BRICs and European countries led the pack exhibiting the highest female representation overall.





# WHAT WE FOUND FOR WOMEN IN CFO & CAO ROLES ACROSS 29 GLOBAL MARKETS

## ▶ THE GLOBAL MEDIANS

We analyzed 27,276 functional positions for the CFO and CAO roles in 29 countries and calculated the global medians as points of reference. The countries included 25 developed markets and the 4 BRICs. All public and private firms in the finance industry were included regardless of market capitalization or other exclusions.

We found the global medians of 23% for CFOs and 28% for CAOs are among the highest in terms of female representation in C-suite roles we have studied to date.

Remarkably, we noticed a fairly strong relationship across European countries with high representation in both of the 2 roles. Nine of 29 countries (31%) were above the median on both the CFO and CAO roles, simultaneously, and 6 of those 9 were European countries. Kudos to Austria, France, Norway, Finland, Sweden and Luxembourg!

## ▶ THE CHIEF FINANCIAL OFFICER

In 2020, the annual Crist|Kolder Volatility Report disclosed a doubling of the number of female CFOs in a sample of America's leading companies over the period 2004-2020. For financial services, the news was even more encouraging as the sector stood out with a higher than median score for female representation.

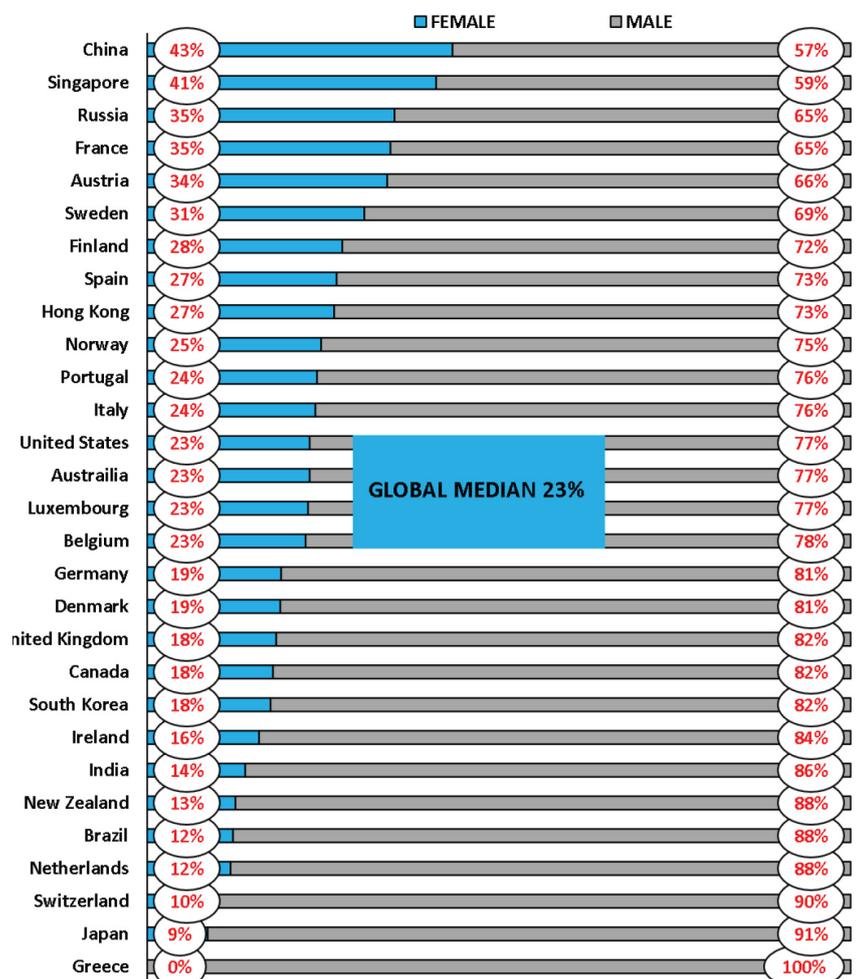
We analyzed 24,796 positions of Chief Financial Officer globally and as shown in graph 1, the country with the highest female CFO representation was China at 43%, while the country with the lowest female representation was Greece at 0%.

The number 1 position goes to China, while 9 European countries plus the United States, Hong Kong, Russia, and Singapore scored above the global median.

### GRAPH 1:

*CFO gender representation ranked from highest to lowest*

#### Chief Financial Officer by Country and Gender



Data: SPGlobal, Professional Data, public and private firms

## ▶ THE CHIEF ACCOUNTING OFFICER

We analyzed 2,480 positions of Chief Accounting Officer in the finance industry. The global median was 28% and surprisingly, Russia at 79%, as shown in graph 2, was the country with the highest female representation. Japan, Brazil and Belgium reported no women at the CAO position.

One observation stands out: Sweden, Russia, Finland, Norway and Luxembourg appear to have more female than male CAOs.

As with CFOs, two BRICs scored well below the median (Russia and China) while the other two (Brazil and India) are well below the median.

Nine European countries along with the United States again scored well above the median.

Results from other published research present varying pictures of the CAO role depending on

the sector and size of the firms included in the study.

According to data reported by Catalyst, about 29% of females hold chief executive positions in accounting across all sectors in the US, whereas Canadians make up almost half.

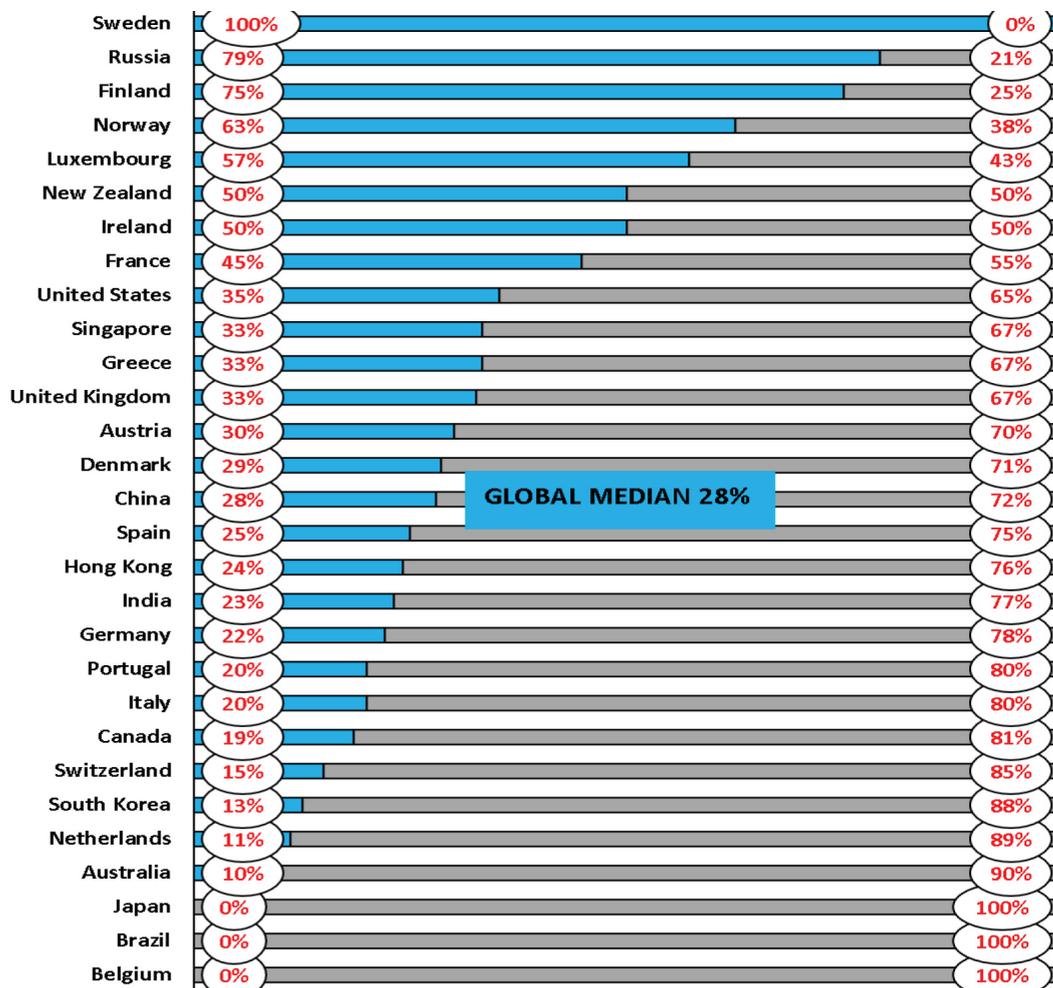
Morningstar (2016) reported women in the US comprise 63% of the accounting profession compared with lawyers at 33% and medical doctors at 37%. In the EU, it's a different story with women occupying almost two-thirds in legal and accounting positions.

Generally speaking, it appears that the financial services industry may be equal to or even better positioned compared to other sectors for women CAOs.

### GRAPH 2:

CAO gender representation ranked from highest to lowest

#### Chief Accounting Officer by Country and Gender



Data: SPGlobal, Professional Data, public and private firms

## ▶ WHAT ARE THE ACADEMIC INSIGHTS?

There is ample evidence that the “higher the corporate ladder, the fewer the women” (Mercer, 2020; McKinsey, 2019). However, for the “accounting” leg of the C-Suite, our findings show that female representation is higher compared to the more general executive leadership positions including Board members, the CEO and President.

Why does it matter? The academic research is loud and clear with evidence that companies with higher levels of women in leadership positions outperform on a number corporate financial performance metrics.

For example, a compelling argument is made in an article published by Gupta et al., in 2019 and titled “CFO Gender and Financial Statement Irregularities”. The authors document that executive gender has an impact on financial misreporting. The analysis of over 2000 US based firms produced a negative correlation between female CFOs and financial misreporting. Find a summary of the Gupta et al., 2019 study on our blog: **Battle of the Sexes, Who’s Better at Fudging the Numbers? - Academicinsightsoninvesting.com.**

Similarly, an earlier study (Krishnan and Parsons, 2008) demonstrates that the degree to which reported earnings actually capture economic reality (“the quality of earnings”) is positively associated with gender diversity in senior management.

## ▶ REFERENCES

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