

KEY FINDINGS

Women are Making Gains as Members of Corporate Boards and Among Board Leadership

Women held 31% of board seats in aggregate across the 25 companies, up from 12% of director seats in the Fortune 500 in 2000, which speaks to the effectiveness of deliberation and intentionality in making diversity a goal on public company boards. Women also hold 23% of board leadership roles. They serve as lead independent directors of five of the top companies (20%) and 24% of 75 committee chairs. However, women of color have not shared in the board gains, comprising only 6% of board seats and 3% of board leadership positions in this study.

“ Women held 31% of board seats in aggregate across the 25 companies, up from 12% of director seats in the Fortune 500 in 2000, which speaks to the effectiveness of deliberation and intentionality in making diversity a goal on public company boards. However, women of color have not shared in the board gains, comprising only 6% of board seats and 3% of board leadership positions in this study. ”

Yet, Within Internal Executive Management, Progress is Glacial

While Bright Horizons, Alnylam, and Alexion have achieved gender parity among their executive leadership team, there is only one female CEO out of all 25 companies. Further, women comprise only 10% of HPEs and 25% of executive leadership team members in aggregate. Far too many companies, a total of 14, have no women among their HPEs.

“ While women are 25% of the executive leaders, their numbers dwindle as they travel up the path to the CEO role, dropping to 10% of the HPEs and only 4% of the CEOs, dispelling the notion that the lack of women CEOs is due to a “pipeline problem.” ”

Women of Color are Grossly Underrepresented Both at the Board & Executive Levels

Not a single company has a woman of color serving as CEO or LID. Further, there are only two women of color among the 138 HPEs, for 1% representation, and ten among the 288 members of the executive leadership teams, for 3% representation.

There are some bright spots relative to women of color (WOC). Executive Leadership – Alnylam and Bright Horizons count fair representation of WOC among their HPEs. Alnylam has also reached fair representation of WOC among their executive team. Board Leadership – Analog Devices, Boston Scientific, Bright Horizons, and Eversource count equal representation of WOC among their boards, and Boston Scientific and GE both count a WOC as an influential board committee chair.

The Glass Ceiling Persists Despite a Ready Pipeline

There is a substantial talent pool of executive women within this dataset of 25 companies, yet women are not moving up the path from executive leadership to the C-suite and CEO’s office. Women count 73 of 288 leadership team members. However, while women are 25% of the executive leaders, their numbers dwindle as they travel up the path to the CEO role, dropping to 10% of the HPEs and only 4% of the CEOs, dispelling the notion that the lack of women CEOs is due to a “pipeline problem.” Consequently, we would expect women to hold a significantly higher number of CEO and HPE positions across the dataset as recruiters hire talent away from other firms. This leads to the question of how selection bias plays a role during the advancement processes and is perhaps the most critical question arising from this survey.

FIGURE 1
EXECUTIVE LEADERSHIP
GENDER AND RACE ACROSS 25 MA COMPANIES

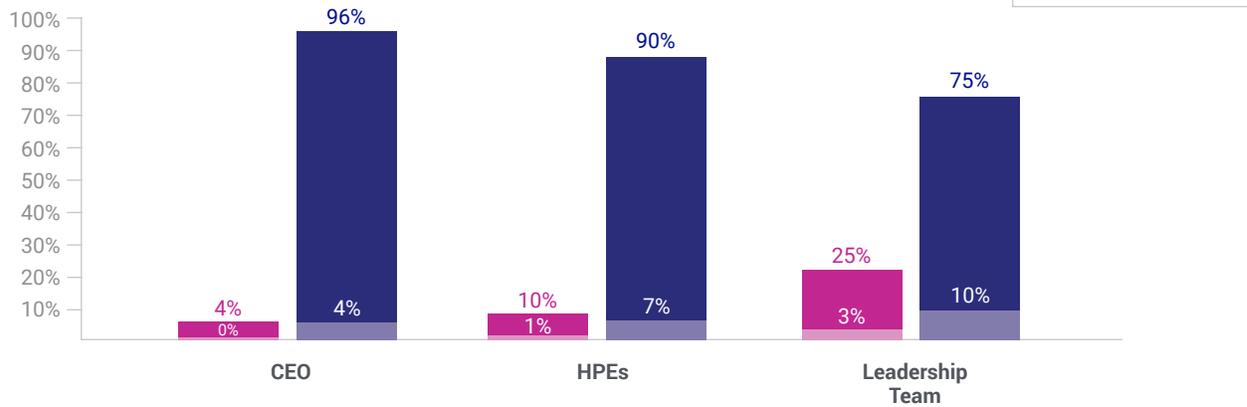


FIGURE 2
BOARD LEADERSHIP
GENDER AND RACE ACROSS 25 MA COMPANIES

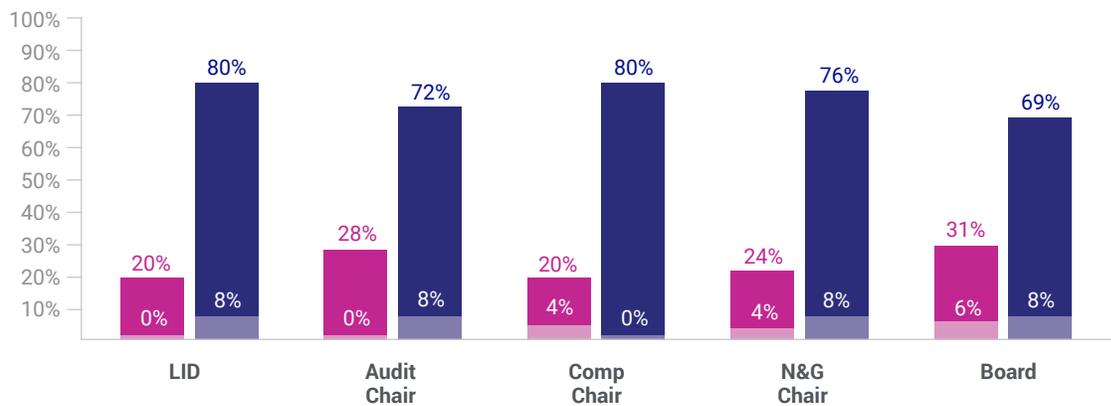


TABLE 1
GENDER AND RACIAL DATA TOTALS BY LEADERSHIP POSITION

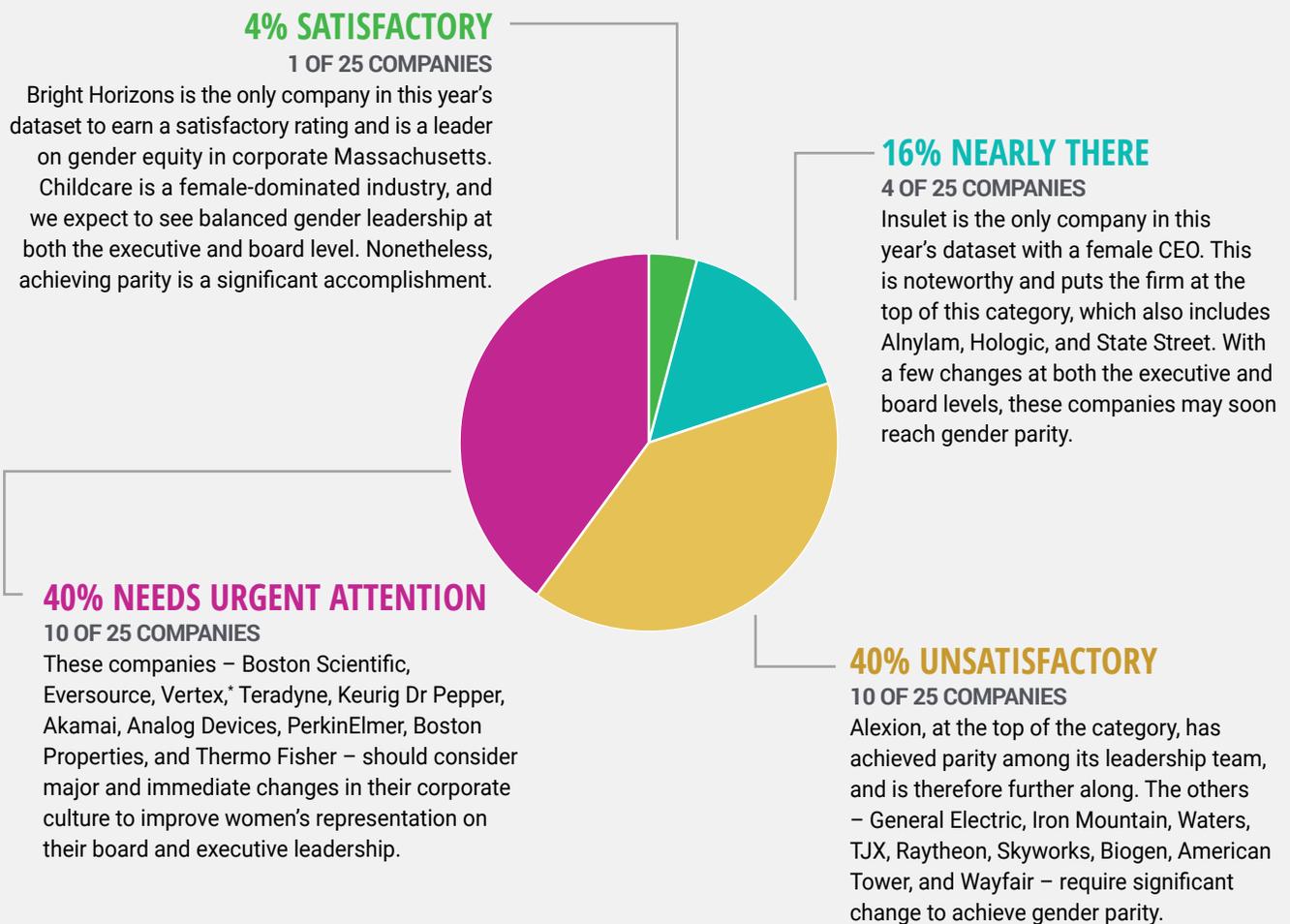
	Total	Men	MOC	Women	WOC
CEO	25	24 96%	1 4%	1 4%	0 0%
HPEs	138	124 90%	9 7%	14 10%	2 1%
Leadership Team	288	215 75%	29 10%	73 25%	10 3%
LID	25*	20 80%	2 8%	5 20%	0 0%
Committee Chairs	75	57 76%	4 5%	18 24%	2 3%
Board	269	186 69%	21 8%	83 31%	17 6%

* Keurig and Dr Pepper recently merged and did not have an independent chair or LID as of the December 5, 2019 anchor date. For the purpose of this study, Keurig Dr Pepper's chairman is counted among the LIDs as their board's leading member.

GENDER LEADERSHIP RANKING OF 25 TOP MASSACHUSETTS COMPANIES

The ranking tells us where companies lie along a spectrum on gender parity. As outlined in Table 2, top positions of power and influence considered at the executive level include chief executive officer (CEO), highest paid executives (HPEs), and executive leadership team. Weighted positions at the board level include lead independent director (LID), chairs of the audit, compensation, and nominating/governance committees, and percent of women among the board members. We further assigned each company to one of four categories based on their total weighting out of 200 points across leadership positions at the board and executive levels. Refer to page 17 for details on the methodology and point system. For further analysis, we include individual profiles of each school starting on page 20.

FIGURE 3



* Reshma Kewalramani, Chief Medical Officer, will assume the role of president and CEO in April 2020. Of note, this change alone would move Vertex up one category.

TABLE 2

GENDER LEADERSHIP RANKING OF 25 TOP MASSACHUSETTS COMPANIES

RANK	COMPANY/ MARKET CAP (B)	CEO / PAST CEO	HPE	EXEC LEADERS	LID	BOARD	AUDIT CHAIR	COMP CHAIR	N & G CHAIR	RATING
1	Bright Horizons (\$9)	M / M	3/5 (60%)	5/8 (63%)	W	7/13 (54%)	M	M	W	Satisfactory
2	Insulet (\$11)	F / M	1/5 (20%)	3/9 (33%)	M	4/9 (44%)	M	W	M	Nearly There
3	Alnylam (\$14)	M / M	1/5 (20%)	4/8 (50%)	M	4/11 (36%)	W	W	M	Nearly There
4	Hologic (\$14)	M / M	1/6 (17%)	3/13 (23%)	W	3/8 (38%)	M	M	W	Nearly There
5	State Street (\$27)	M / M	1/5 (20%)	7/19 (37%)	W	4/13 (31%)	M	M	M	Nearly There
6	Alexion (\$26)	M / M	2/6 (33%)	6/9 (67%)	M	2/10 (20%)	M	M	W	Unsatisfactory
7	General Electric (\$95)	M / M	1/6 (17%)	4/19 (21%)	M	4/10 (40%)	W	M	W	Unsatisfactory
8	Iron Mountain (\$9)	M / M	1/5 (20%)	5/13 (38%)	M	4/13 (31%)	M	W	M	Unsatisfactory
9	Waters (\$15)	M / M	1/5 (20%)	3/8 (38%)	M	3/10 (30%)	W	M	M	Unsatisfactory
10	TJX (\$72)	M / F	1/5 (20%)	0/4 (0%)	M	5/11 (45%)	M	M	W	Unsatisfactory
11	Raytheon (\$60)	M / M	0/6 (0%)	4/13 (31%)	M	5/13 (38%)	W	M	M	Unsatisfactory
12	Skyworks (\$17)	M / M	0/6 (0%)	1/8 (13%)	W	2/10 (20%)	M	W	M	Unsatisfactory
13	Biogen (\$52)	M / M	1/5 (20%)	2/7 (29%)	M	3/13 (23%)	W	M	M	Unsatisfactory
14	American Tower (\$95)	M / M	0/6 (0%)	0/5 (0%)	W	3/11 (27%)	W	M	M	Unsatisfactory
15	Wayfair (\$8)	M / M	0/7 (0%)	4/21 (19%)	M	3/9 (33%)	W	M	M	Unsatisfactory
16	Boston Scientific (\$60)	M / M	0/5 (0%)	3/15 (20%)	M	3/10 (30%)	M	W	M	Urgent Attention
17	Eversource (\$27)	M / M	0/5 (0%)	3/11 (27%)	M	3/11 (27%)	M	M	M	Urgent Attention
18	Vertex (\$58)	M / M	0/7 (0%)	5/16 (31%)	M	2/9 (22%)	M	M	M	Urgent Attention
19	Teradyne (\$11)	M / M	0/6 (0%)	1/10 (10%)	M	2/8 (25%)	M	M	W	Urgent Attention
20	Keurig Dr Pepper (\$42)	M / M	0/6 (0%)	2/10 (20%)	M*	3/12 (25%)	M	M	M	Urgent Attention
21	Akamai (\$14)	M / M	0/5 (0%)	4/21 (19%)	M	2/10 (20%)	M	M	M	Urgent Attention
22	Analog Devices (\$42)	M / M	0/5 (0%)	1/8 (13%)	M	3/12 (25%)	M	M	M	Urgent Attention
23	PerkinElmer (\$10)	M / M	0/6 (0%)	1/7 (14%)	M	2/9 (22%)	M	M	M	Urgent Attention
24	Boston Properties (\$21)	M / M	0/5 (0%)	0/9 (0%)	M	4/11 (36%)	M	M	M	Urgent Attention
25	Thermo Fisher (\$127)	M / M	0/5 (0%)	2/17 (12%)	M	3/13 (23%)	M	M	M	Urgent Attention
TOTALS		1/25 4%	14/138 10%	73/288 25%	5/25* 20%	83/269 31%	7/25 28%	5/25 20%	6/25 24%	

* Keurig and Dr Pepper recently merged and did not have an independent chair or LID as of the December 5, 2019 anchor date. For the purpose of this study, Keurig Dr Pepper's chairman is counted among the LIDs as their board's leading member.

REPRESENTATION OF WOMEN OF COLOR

Women of color are grossly underrepresented among Massachusetts top corporations at both the executive and board levels. There are no women of color among the CEOs, past CEOs, or LIDs. Women of color comprise only 1% of HPEs, 3% of executive leadership teams, 3% of committee chairs, and 6% of boards members. These statistics represent all women of color, and the numbers would be even lower were we to disaggregate to identify traditionally underrepresented minorities,* which is an area for further research.

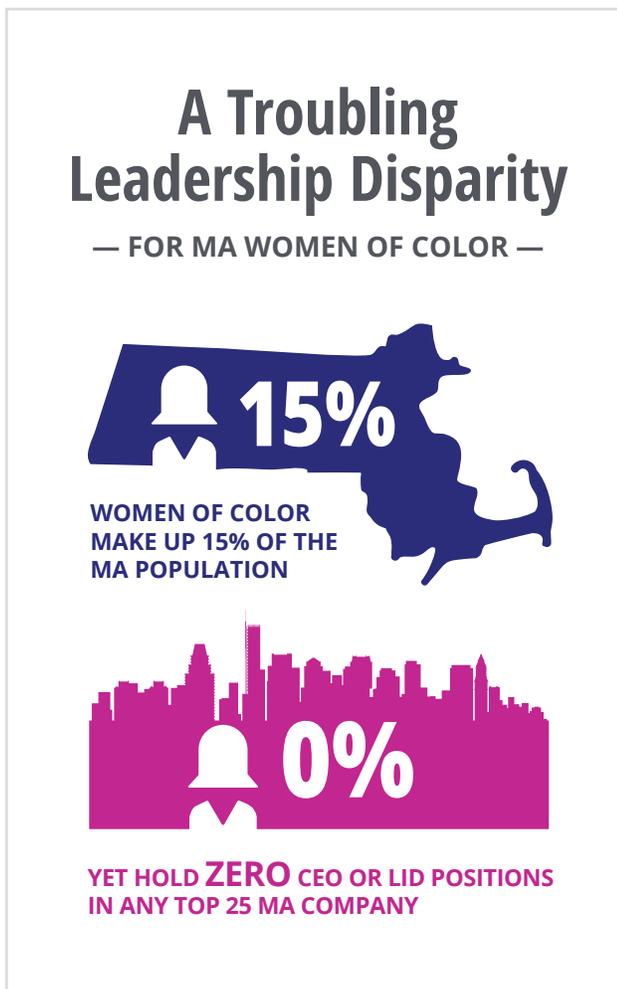


Table 3 provides a ranking of the top corporations based solely upon representation of women of color. Refer to page 17 for details on methodology and point system. Women of color are approximately 15% of our state's population, and therefore we use this percentage as a benchmark for fair representation in this weighting.

Bright Spots

- Alnylam is a clear leader with fair representation of women of color among their HPEs (20%), and the executive leadership team (25%).
- Boston Scientific has reached fair representation of women of color among the board (20%), and notably they are one of two companies with a woman of color as the chair of an influential board committee.
- Bright Horizons has reached fair representation of women of color among HPEs (20%), and among board members (15%).
- General Electric has nearly reached fair representation of women of color among board members (10%), and is one of two companies with a woman of color as the chair of an influential board committee.
- Vertex announced Dr. Reshma Kewalramani, a woman of color, as their new CEO beginning in April 2020.

Challenges

- There are no women of color among 25 CEOs and LIDs.
- An overwhelming 92% of companies have no women of color among their HPEs. Only two companies (8%) count women of color among their HPEs.
- 72% of companies have no women of color among their executive leadership teams.

* Groups most commonly considered underrepresented minorities (URM) include African Americans, Latinos, and Native Americans.

TABLE 3

WOC LEADERSHIP RANKING OF 25 TOP MASSACHUSETTS COMPANIES

RANK	COMPANY/ MARKET CAP (B)	HPE	EXEC LEADERS	BOARD	COMP CHAIR	N & G CHAIR
1	Alnylam (\$14)	1/5 (20%)	2/8 (25%)	1/11 (9%)	x	x
2	Boston Scientific (\$60)	0/5 (0%)	1/15 (7%)	2/10 (20%)	WOC	x
3	Bright Horizons (\$9)	1/5 (20%)	0/8 (0%)	2/13 (15%)	x	x
4	General Electric (\$95)	0/6 (0%)	1/19 (5%)	1/10 (10%)	x	WOC
5	Vertex (\$58)	0/7 (0%)	1/16 (6%)	1/9 (11%)	x	x
6	Alexion (\$26)	0/6 (0%)	3/9 (33%)	0/10 (0%)	x	x
6	Analog Devices (\$42)	0/5 (0%)	0/8 (0%)	2/12 (17%)	x	x
6	Eversource (\$27)	0/5 (0%)	0/11 (0%)	2/11 (18%)	x	x
9	Teradyne (\$11)	0/6 (0%)	0/10 (0%)	1/8 (13%)	x	x
10	Insulet (\$11)	0/5 (0%)	1/9 (11%)	0/9 (0%)	x	x
10	Wayfair (\$8)	0/7 (0%)	0/21 (0%)	1/9 (11%)	x	x
12	Akamai (\$14)	0/5 (0%)	0/21 (0%)	1/10 (10%)	x	x
13	Boston Properties (\$21)	0/5 (0%)	0/9 (0%)	1/11 (9%)	x	x
14	Hologic (\$14)	0/6 (0%)	1/13 (8%)	0/8 (0%)	x	x
14	Raytheon (\$60)	0/6 (0%)	0/13 (0%)	1/13 (8%)	x	x
14	State Street (\$27)	0/5 (0%)	0/19 (0%)	1/13 (8%)	x	x
25	American Tower (\$95)	0/6 (0%)	0/5 (0%)	0/11 (0%)	x	x
25	Biogen (\$52)	0/5 (0%)	0/7 (0%)	0/13 (0%)	x	x
25	Iron Mountain (\$9)	0/5 (0%)	0/13 (0%)	0/13 (0%)	x	x
25	Keurig Dr Pepper (\$42)	0/6 (0%)	0/10 (0%)	0/12 (0%)	x	x
25	PerkinElmer (\$10)	0/6 (0%)	0/7 (0%)	0/9 (0%)	x	x
25	Skyworks (\$17)	0/6 (0%)	0/8 (0%)	0/10 (0%)	x	x
25	TJX (\$72)	0/5 (0%)	0/4 (0%)	0/11 (0%)	x	x
25	Thermo Fisher (\$127)	0/5 (0%)	0/17 (0%)	0/13 (0%)	x	x
25	Waters (\$15)	0/5 (0%)	0/8 (0%)	0/10 (0%)	x	x
	TOTALS	2/138 1%	10/288 3%	17/269 6%	1/25 4%	1/25 4%

RECOMMENDATIONS

The data from this study suggest that the lack of women at the top levels of our largest corporations cannot solely be explained as a problem of a “leaky pipeline.” The fact that women comprise 25% of executive team members, drop to 10% of highest paid executives, and 4% of CEOs, points to systemic institutional bias at the highest levels of power and influence. Culture is set at the top, and consequently, this institutional bias permeates throughout the company. Most corporate DEI efforts focus on recruiting and retaining women and people of color at levels up through the executive team, assuming that as this pipeline fills up, diverse candidates will make their way to the C-suite. While focusing on building the pipeline is still necessary to achieve diversity at the top, it is not sufficient. Women and people of color need to see themselves reflected at every level of the corporation, especially in the CEO’s office.

At the beginning of this report, we offered several bold goals for gender parity and racial/ethnic diversity within corporate Massachusetts by 2030. Achieving them will require deliberation, intentionality, and systemic change. We offer the list below as a starting point for what we hope will be a deep public discussion.

Set Diversity Goals and Tie Compensation to Achieving those Goals.

At the outset of every fiscal year, the board should review the gender and diversity goals of the CEO and executive leaders, determine if these plans represent significant/acceptable progress toward parity, and vote to accept the goals or send them back for modification. This puts the board’s commitment to change on record and creates a reference point for measuring progress at the end of the year. Boards should link a portion of the CEO’s performance bonus to achievement of these goals, and the practice should be incorporated for the CEO’s team and through all tiers of the organization.

“CEOs need to deeply reflect upon and examine their own long-held unconscious biases, as well as institutional biases, which create obstacles to advancement specific to women, people of color, members of the LGBTQ community, and others. Board members should also engage in this reflective work. The CEO and board set the tone for the entire institution.”

Tackle Unconscious Bias Deeply and Head On.

Providing unconscious bias training is a good start, especially for managers who are engaged in hiring and advancement. But it is only a start. CEOs need to deeply reflect upon and examine their own long-held unconscious biases, as well as institutional biases, which create obstacles to advancement specific to women, people of color, members of the LGBTQ community, and others. Board members should also engage in this reflective work. The CEO and board set the tone for the entire institution.

This structurally disadvantages women, as studies tell us that even with couples where both women and men are working full time, women are still responsible for the vast majority of child rearing.

De-Bias All Processes within the Organization.

This includes job descriptions, compensation policies, HR policies, daily operations practices, and informal networking opportunities. Does networking happen on the golf course? Do important meetings occur early in the morning when women with young children must get their kids off to school? One example of what not to do comes from a venture capital firm that hosts a weekly morning run for entrepreneurs seeking to network with investors.

Focus on Equity of Outcomes and Equality of Opportunity.

When the focus is on outcomes, individuals must go the extra mile to reflect on the structural obstacles which may preclude equitable outcomes. Despite a concerted effort to ensure women and people of color are fairly represented among applicant pools for top jobs (sometimes called the “Rooney Rule”), we still see disparate outcomes. Could it be possible that the Rooney Rule cuts both ways and, in certain situations, has the unintended consequence of hurting women? If boards and individuals in power consider a representative number of women in the pool as a sufficient measure to ensure a fair outcome, they may not be examining all ways that partiality and unconscious bias can enter into the hiring process.

Culture Change – Practice Extreme Listening.

Studies suggest that professional women are often interrupted by men in business settings and feel their ideas are not heard. Women are typically more reluctant to speak up in meetings. It is incumbent on men in the room not only to listen, but to practice extreme listening, soliciting input from their female and minority colleagues and employees.

Issue and Make Public an Annual Diversity Report.

Transparency is essential for trust. A good report should provide current gender and racial equity data and progress towards goals year over year. A good example is that of HubSpot, which issues an annual data-driven diversity report at multiple levels of the organization, including the **executive leadership team**. While other companies release similar reports, they often do not break out the demographics of the C-suite and executive team, which is essential. State Street's annual report benefits by setting future diversity goals at various management levels. However, they do not include a breakout for their highest paid executives or executive leadership team, which is where the power is held.

Change the Criteria. If companies are unable to find women and people of color for their boards or executive teams after thorough searches, it is time to reexamine the criteria and change them. Companies should reconsider how they evaluate candidates for senior management positions and broaden their fixed ideas of leadership. McKinsey notes, "survey results suggest that women, more frequently than men, exhibit leadership traits that are highly applicable to future global challenges."

Make Experience Managing Diverse Teams a Criteria for Board Members, the CEO, and Other Executives.

An effective way to send a signal that diverse leadership is valued is to make it a requirement on position descriptions for hiring and advancement decisions. Women and people of color often have more experience managing diverse teams. Studies have found that female CEOs are more likely to have a higher proportion of women in their executive leadership teams.

Provide Sponsors and Mentors. Senior women and people of color should be offered sponsors and mentors within the company that can help them chart their career paths, develop the skills necessary to assume leadership roles, and negotiate the inevitable biases that could derail them on the path to the CEO's office.

WHAT CAN BOARD MEMBERS DO?

Use Data to Drive Internal Change. LID and compensation committee chairs should use the data from this report to push their boards and CEOs to address the lack of women and people of color among the highest paid executives and executive leadership positions. They should create succession plans to bring in and promote diverse talent who could move into the CEO position in the future.

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Expand the Number of Board Seats. If boards struggle to get existing board members to retire, they should consider adding more seats.

Promote Women and People of Color to Committee Leadership Positions. Boards should rotate committee chair positions and ensure that diverse board members are well represented as chairs of the major committees. The role of board chair or lead independent director should also be rotated and balanced between genders and race.