



Global Female Leaders Outlook 2020

COVID-19 Special Edition



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Note from the editors

The COVID-19 pandemic is the defining global crisis of our time.

It has been a game changer for societies and economies alike. Compared with previous crises, COVID-19 has the potential to ignite more persistent change, not only in our personal lives (home working and schooling), but also in business-related areas (digital transformation and communication) as well as the public space (governmental involvement and regulation).

Another salient feature that makes this crisis so extraordinary is the disproportional effect it is having on women. Besides the obvious impact of COVID-19 on people's health and the world economy, the effects of lockdown measures are particularly acute on private lives. School and nursery closures, for example, have increased pressure on women around the world. They predominantly have had to bear the burden of organizing and caring for families while working from home. Thus, some analysts are already calling the COVID-19 crisis a "crisis of women" or a "Shcession".

When we decided to produce another Global Female Leaders Outlook, it quickly became apparent that there may be specific implications from the pandemic for female business leaders.

Accordingly, in line with previous editions, we developed our questionnaire based on economic and business expectations, risks and opportunities, as well as on career and gender diversity factors. This framework enables us to draw comparisons between the pre-COVID world and the new reality.

Contrary to the opinion of many analysts, our respondents are less pessimistic about COVID-19's impact on women. According to them, the crisis may create new opportunities for women as a result of improved digital communication, advances in technology and changes in stakeholder expectations.

This has led us to put forward the view that COVID-19 could be a catalyst for gender equality, if not in the short term, at least in the mid- to long-term.

We hope you will be inspired by the results of the Global Female Leaders Outlook 2020.



Angelika Huber-Strasser

Head of Corporates
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Sigrid Bauschert

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Key findings



Female leaders are embracing changes related to COVID-19 and are realistic about what the new reality holds for their organizations

80% have seen the digital transformation of their businesses accelerating during the pandemic.

81% expect the crisis to affect their business for two years or more.

48% say their potential talent pool has increased.

53% select securing long-term customer relationships as the most important measure to deal with the effect of the crisis.



Female leaders say making a positive impact on the world is a top motivator

Climate change and gender inequality were the top two issues female leaders named as areas where they feel pressure from their stakeholders to act.

42% say sustainability issues/activities to reduce climate change will be even more important for strategic decisions post COVID-19.

58% say they want to lock in sustainability and climate change gains made as a result of the crisis, while 48 percent say their response to the pandemic has caused their focus to shift toward the 'S' in ESG.

42% agree that measures their company has taken recently to fight discrimination and racism are powerful.



Female leaders assess COVID-19 as a potential equalizer for gender equality

New digital communication and collaboration tools enable working from anywhere, which may help with work and life balance of female leaders.

59% of female managers believe their personal communication with employees has improved during the crisis.

41% do not think the crisis will influence their next career step.

41% think that progress on diversity and inclusion won't slow down after the pandemic.

51% of respondents say they live in truly equal family structures.

Embracing change, yet being realistic about the new reality

Growth

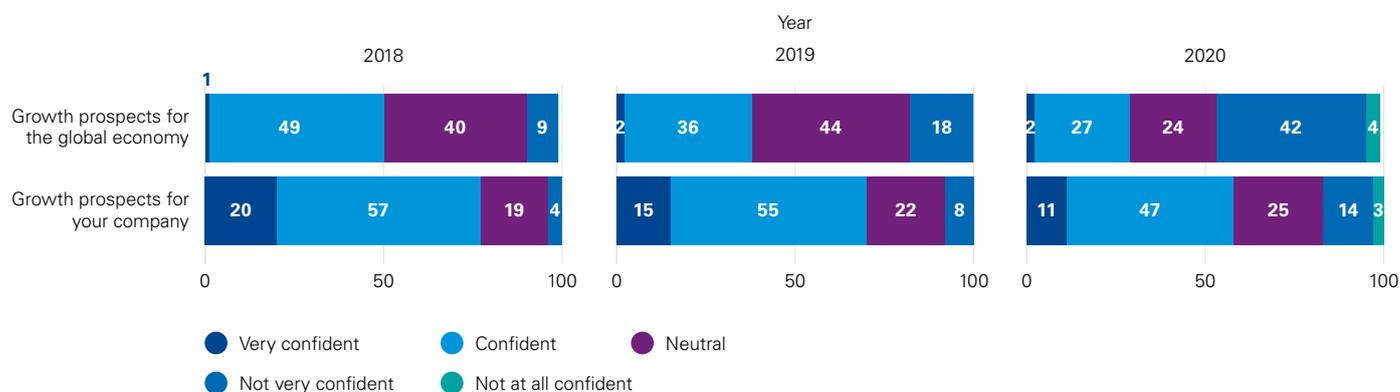
The economic impact of COVID-19 has already led to a sharp downturn in growth in many countries. As a result, analysts all over the world expect long-lasting negative impacts on the global economy with some industries being more affected than others. In this environment, governments all over the world are trying to counter any negative economic consequences with financial and regulatory measures.

When considering growth over the next three years, Global Female Leaders appear to be optimistic. In fact, more than half (58 percent) of respondents remain confident or very confident about their company's growth prospects.

Respondents were less bullish about the global economy, however, with 46 percent expecting negative growth rates and just 29 percent saying they are confident or very confident about growth.

Figure 1:

In terms of growth prospects, please indicate your level of confidence in the following over the next three years.

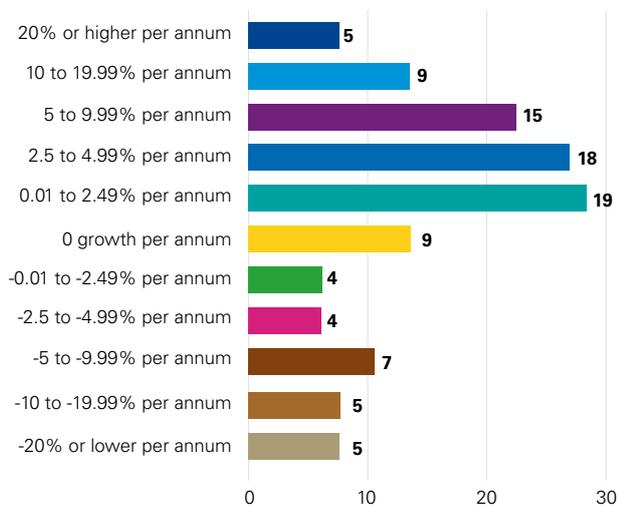


Source: KPMG International, 2020. Figures in percent, rounding differences possible

When asked about revenues, almost half (47 percent) of the Global Female Leaders said their company has the potential to exceed 2.5 percent in revenue growth, while 19 percent expect their organization’s earnings to increase anywhere between 0.01 and 2.5 percent. Conversely, 25 percent said they expect negative growth rates, up from the just five percent who gave this response in 2019.

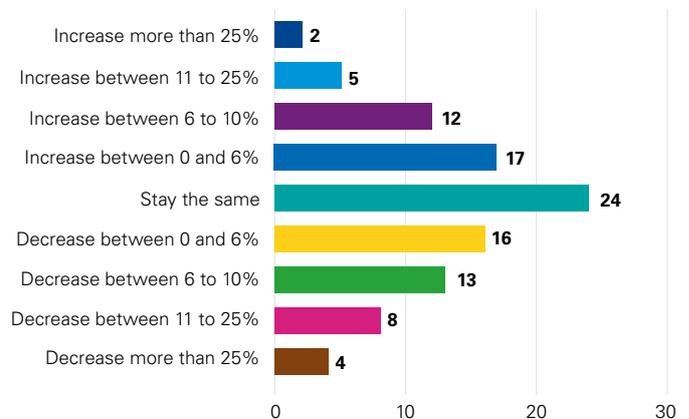
Regarding growth in headcount, we have a more fragmented picture. While 24 percent of Global Female Leaders say head count will stay the same, 36 percent expect growth and 41 percent expect shrinkage. Last year, only 27 percent of participants expected fewer employees in a 3-year forecast.

Figure 2:
What is your organization’s earnings outlook over the next three years?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Figure 3:
How do you expect your organization’s headcount to change over the next three years?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

In a post-COVID world, business leaders will also be expected to give greater importance to the voice of their customers. The growing e-commerce sector and the diffusion of digital communication tools and social media has led to customers using their voice more than ever before, influencing brand developments or even entire business strategies.

84 percent of our respondents believe that protecting customer data is one of the most important responsibilities that organizations need to assume in order to further grow their customer base.

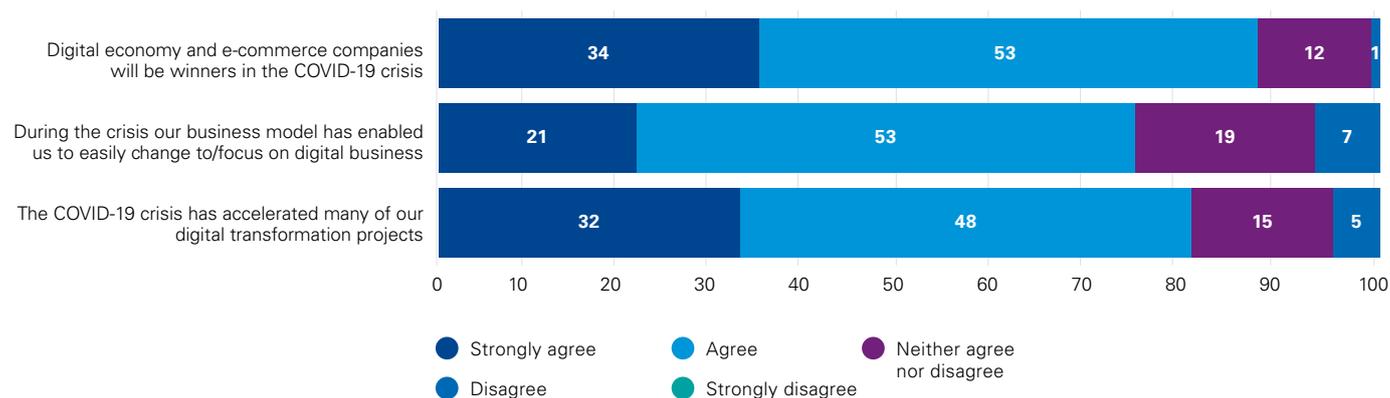
Digital economy

A significant majority (80 percent) of Global Female Leaders state that their company’s digital transformation projects have been accelerated in response to the crisis. In addition, many respondents confirmed that their organization’s business model enabled them to better adapt.

The latter consideration is of importance, as cost reduction is often seen as one of the most effective means for companies to manage the immediate impact of the crisis. However, reducing investment in essential projects, such as digitalization and innovation, could be a very short-term strategy, especially as 87 percent of Global Female Leaders agree that companies operating and thriving in the digital economy will be the true winners against the backdrop of the crisis.

Figure 4:

To what extent do you agree with the following statements about the digital economy?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Making a positive impact

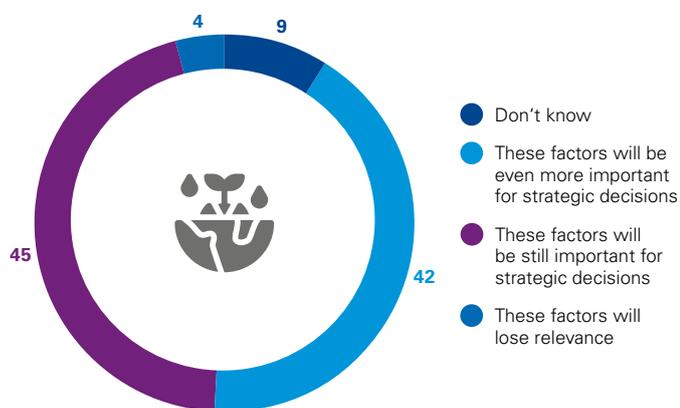
Sustainability

ESG issues (environmental, social and governance) are becoming increasingly relevant for all stakeholders. In response, many companies are realigning their business strategies toward a more sustainable and climate-friendly approach. Unfortunately, the pandemic has led many companies to deprioritize their sustainability goals in order to deal with the more pressing consequences of the crisis.

Nonetheless, 42 percent of Global Female Leaders believe that activities aimed at combating climate change will be of

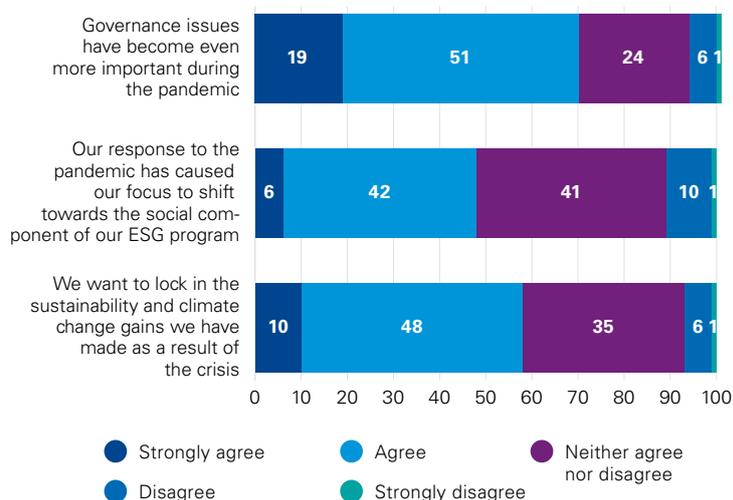
even greater importance in the post-COVID-19 era. While another 45 percent expect the topic to remain as relevant as before, only four percent think it will decrease in importance. Therefore, ESG issues are likely to become more relevant with time, with governmental issues being the most relevant in times of crisis (according to 70 percent of participants). Overall, most respondents (58 percent) said they hope to lock in sustainability and climate change gains made as a result of the crisis.

Figure 5: Will sustainability issues and activities to reduce effects of climate change be as important post COVID-19?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Figure 6: To what extent do you agree or disagree with the following statements about your focus on ESG (environmental, social and governance) during the pandemic?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Strengthening resilience and purpose

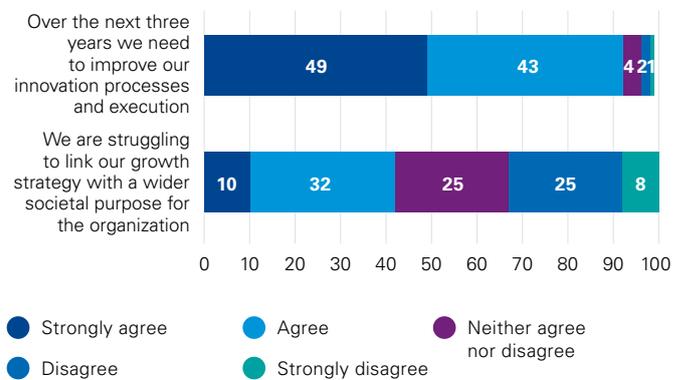
Our results indicate that Global Female Leaders follow a clear strategy in order to consolidate their organization's growth and to ensure its survival.

Nine in ten (92 percent) of respondents say they agree or strongly agree that their company needs to improve innovation processes and execution.

Survey participants appear divided over the question of whether their company is successful in linking its growth strategy to a wider societal purpose. While 42 percent of Global Female Leaders admit this is a challenge they are currently facing, 33 percent disagree or strongly disagree that this is a challenge for their company. One quarter of the respondents (25 percent) remain indifferent toward the topic.

Figure 7:

To what extent do you agree or disagree with the following statements about your organization's survival/growth?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

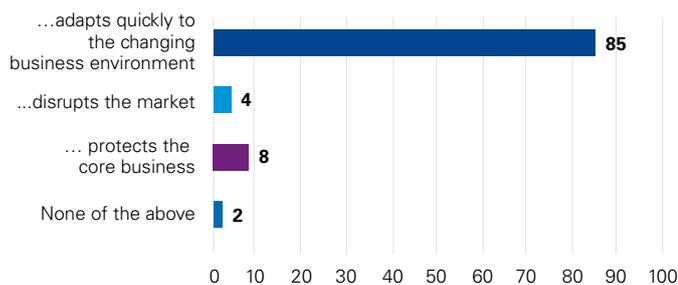
“While we’re witnessing a bit of a pullback with respect to ESG initiatives globally this year, the data suggests this is a result of the COVID-19 pandemic rather than a long-term deprioritizing of these issues with businesses. The results provide ample evidence that once the urgency around the pandemic response begins to fade, we can expect to see a strong resurgence in the corporate focus on ESG-related priorities.”

Jane Lawrie

Global Head of Corporate Affairs, KPMG.

In contrast, when it comes to what characterizes a truly resilient company, female leaders have a common understanding. Indeed, 85 percent believe that adapting quickly to the changing business environment is the best way of dealing with disruption in an uncertain business climate.

Figure 8:
Dealing with disruption: In an uncertain business climate, a truly resilient business is one that above all...



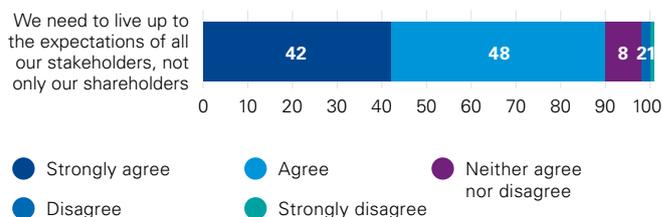
Source: KPMG International, 2020. Figures in percent, rounding differences possible

Shifting stakeholder orientation and customer expectations

New stakeholder values and expectations are emerging as the main drivers for change. It appears that our new working reality will be characterized, more than ever before, by embracing new environmental, social and governmental (ESG) components.

One of the clear findings from this survey is the need for companies to live up to the expectations of all stakeholders, not only shareholders. In fact, 90 percent of the respondents said they agree or strongly agree with this statement.

Figure 9:
To what extent do you agree or disagree with the following statements about your organization's survival/growth?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

**Another perspective –
KPMG 2020 CEO Outlook COVID-19 Special Edition**

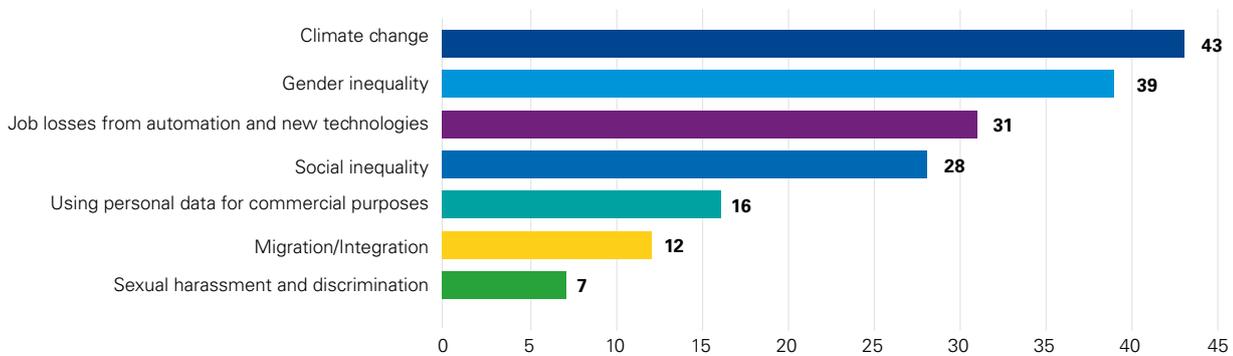
Earlier this year, CEOs said their organizations have a larger role to play in society. Nearly two-thirds (65 percent) of CEOs said that the public is looking to businesses to fill the void on societal challenges and three quarters (76 percent) agreed that as leaders they are personally responsible for change on societal issues.

This shift from shareholder to stakeholder value is also reflected in the following findings:

- 43 percent of respondents feel pressure from stakeholders to take action to address climate change
- 39 percent believe there is a request to act on gender equality
- 31 percent think stakeholders expect them to act on the issue of job losses due to new automation technologies

Figure 10:

Considering the following global challenges, to what extent do you feel pressure from employees, customers and other stakeholders to take action to address these issues?

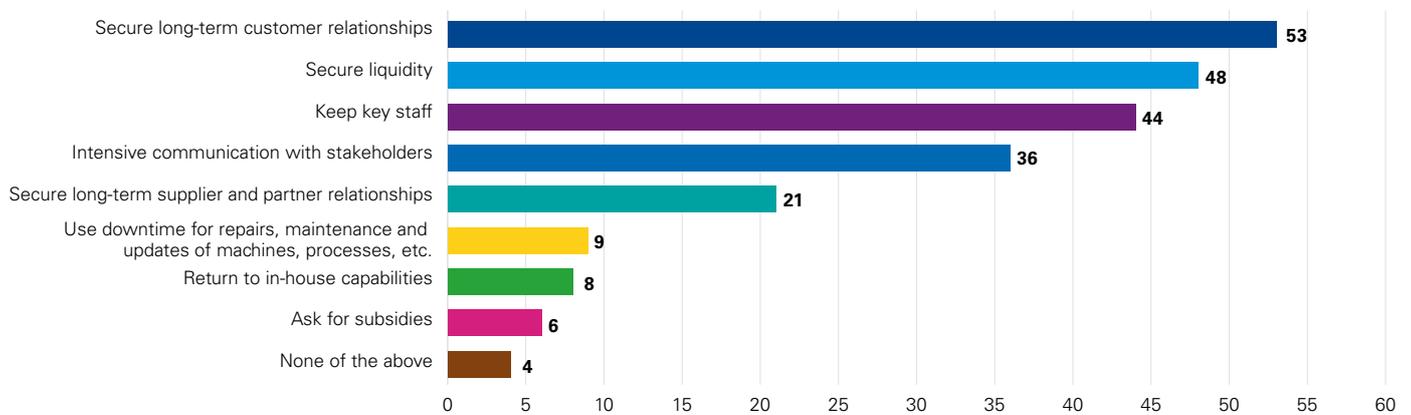


Source: KPMG International, 2020. Figures in percent, rounding differences possible

A stakeholder-oriented strategy has also proven useful for Global Female Leaders in coping with the negative effects of the pandemic. Accordingly, apart from focusing on securing liquidity (48 percent), most respondents choose to take measures toward the following coping factors:

- securing long-term customer relationships (53 percent)
- keeping key staff on board (44 percent)
- communicating intensively with all stakeholders (36 percent)

Figure 11:
Which measures are/have been most important to you in dealing with the effect of the COVID-19 crisis?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

COVID-19: a potential equalizer for gender equality

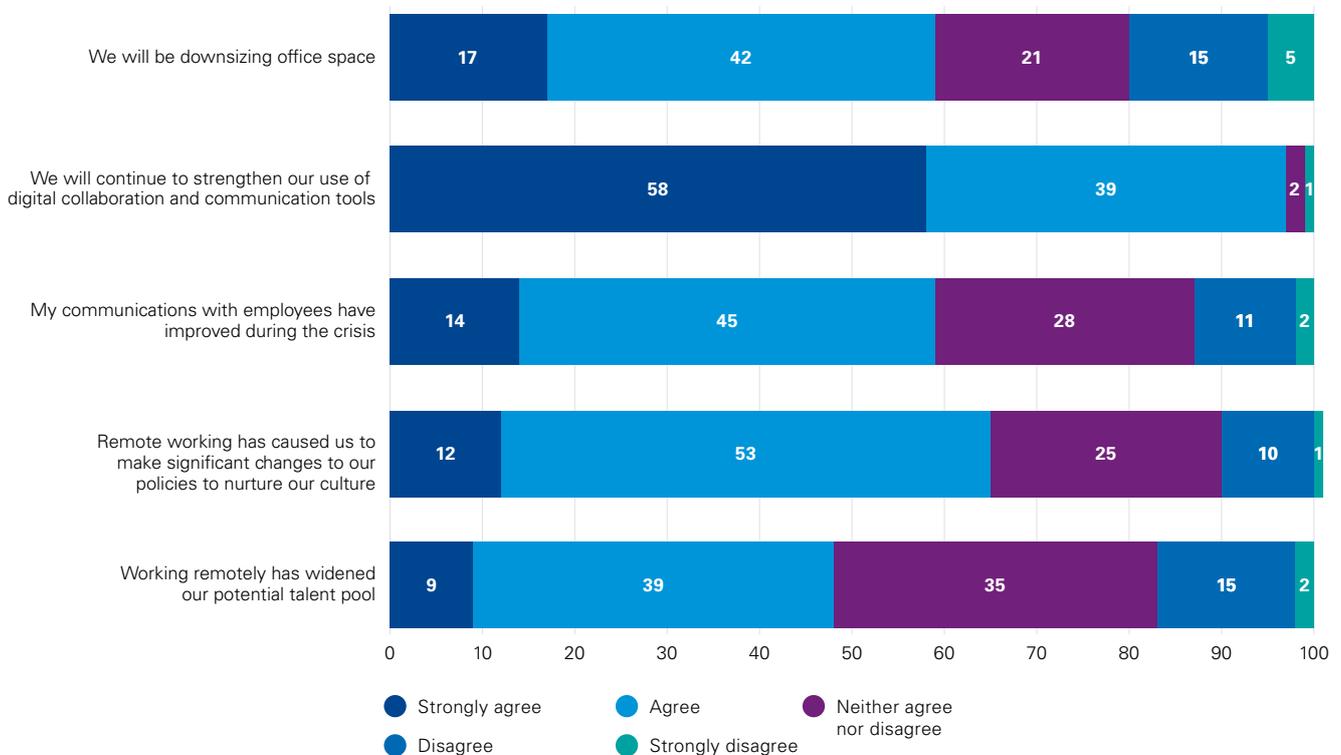
Evolving working world

From the perspective of Global Female Leaders, the most important change to come from the crisis is the increased use of digital communication and collaboration tools. In fact, 97 percent of respondents say they want to contribute to this digital development. Additionally, 59 percent of the female managers believe that their personal communication with employees has improved during the crisis.

Half of the respondents believe that the talent pool has gotten bigger due to the flexibility that remote working can offer. Indeed, 65 percent of the Global Female Leaders agree or strongly agree with the statement that remote working has caused their company to make significant changes to policy to enable this emerging work culture. In the wake of the rise of remote working, 59 percent of respondents expect a reduction in bricks and mortar office space.

Figure 12:

Thinking about impacts that the pandemic has on the world of work, please state whether you agree or disagree with the following statements.



Source: KPMG International, 2020. Figures in percent, rounding differences possible

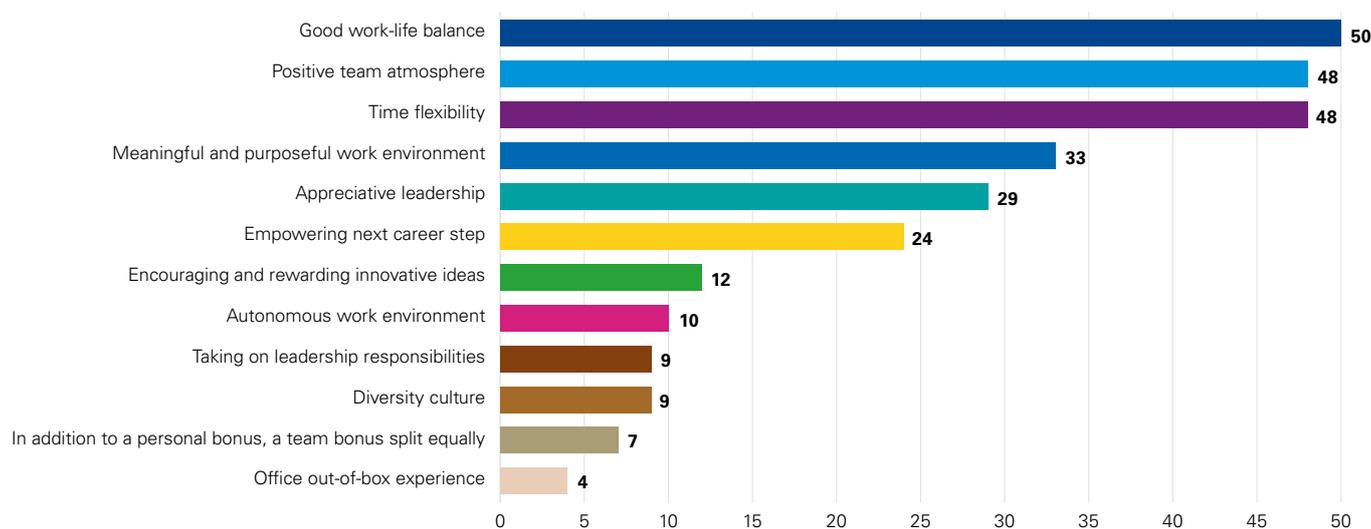
The growing importance of the workforce is a trend that will continue for years to come. In fact, some developments can already be seen in this area. For instance, the increase in remote working has led to top managers striving for a trust-oriented, rather than a control-based, leadership style. As employees play an increasingly important role in realizing a company's digitalization strategy, attracting and retaining the right people will pose a key challenge for some industries from a mid- to long-term perspective.

In addition to the remuneration aspect, new incentive systems must be introduced to attract and retain the best people. To overcome this challenge, Global Female Leaders rate the following incentives to be the most relevant:

- good work-life balance (50 percent)
- positive team atmosphere (48 percent)
- time flexibility (48 percent)
- a meaningful and purposeful work environment (33 percent)

Figure 13:

Which of the following would you rate as most effective to raise employee satisfaction?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

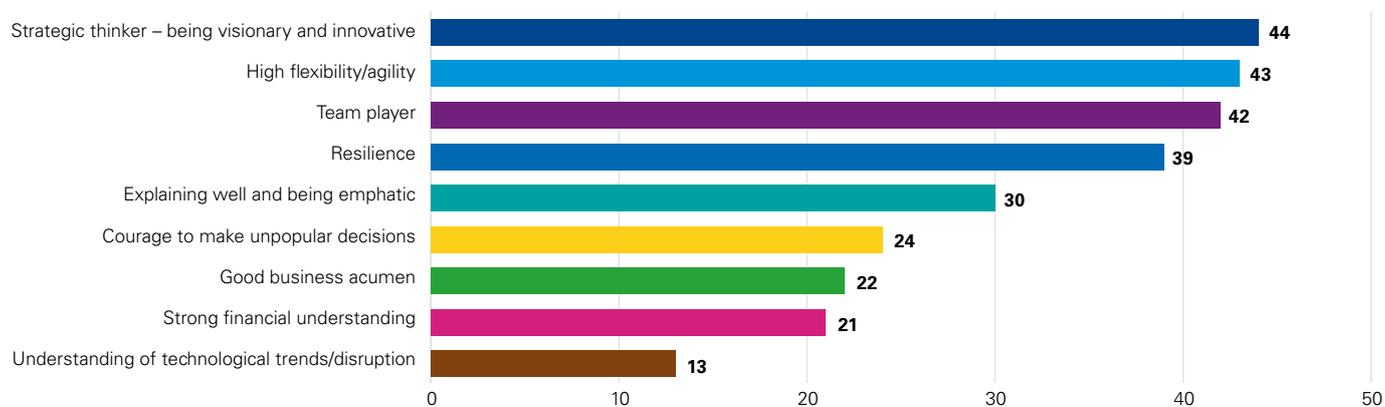
The first three factors obtained an almost similarly high rating from the respondents. These factors provide an outlook on the new working world from both an employer and employee perspective. While 'positive team atmosphere', the highest-ranked incentive of 2019, remains quite high on the 2020 list, 'meaningful and purposeful work environment' has been pushed into the background and replaced by 'good work-life balance' and 'time flexibility'. These elements are essential for female leaders, as they reconcile family and professional life.

The overall results highlight a development that last year's survey already indicated, which is that traditional, entrenched incentives, such as 'taking on a leadership role', 'additional team bonus equally split' or 'out-of-the-box experience' are losing their significance.

Retaining the existing workforce, as well as recruiting the next generations of employees is forcing companies to adapt and adhere to these fundamental changes in expectations.

Figure 14:

What are your personal strengths as a leader (that will help you overcome the COVID-19-crisis)?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Personal implications

When asked about which personal strengths are necessary to overcome the COVID-19 crisis, Global Female Leaders agreed on similar points: being a strategic thinker – being visionary and innovative is top of the list (44 percent), closely followed by acting with a great degree of flexibility and agility (43 percent) and by being a team player (42 percent). Resilience (39 percent) also plays an important role. All these strengths are essential to achieving success in the new reality.

“In an environment where talent risk is a top priority for CEOs, inclusion and diversity will have a significant positive influence on the success of companies and economies alike. Leaders who understand this and who are able to drive flexibility, build inclusive cultures and embed a purpose-led environment in the post-pandemic world will be more attractive to top female talent and provide their organizations with a powerful competitive advantage.”

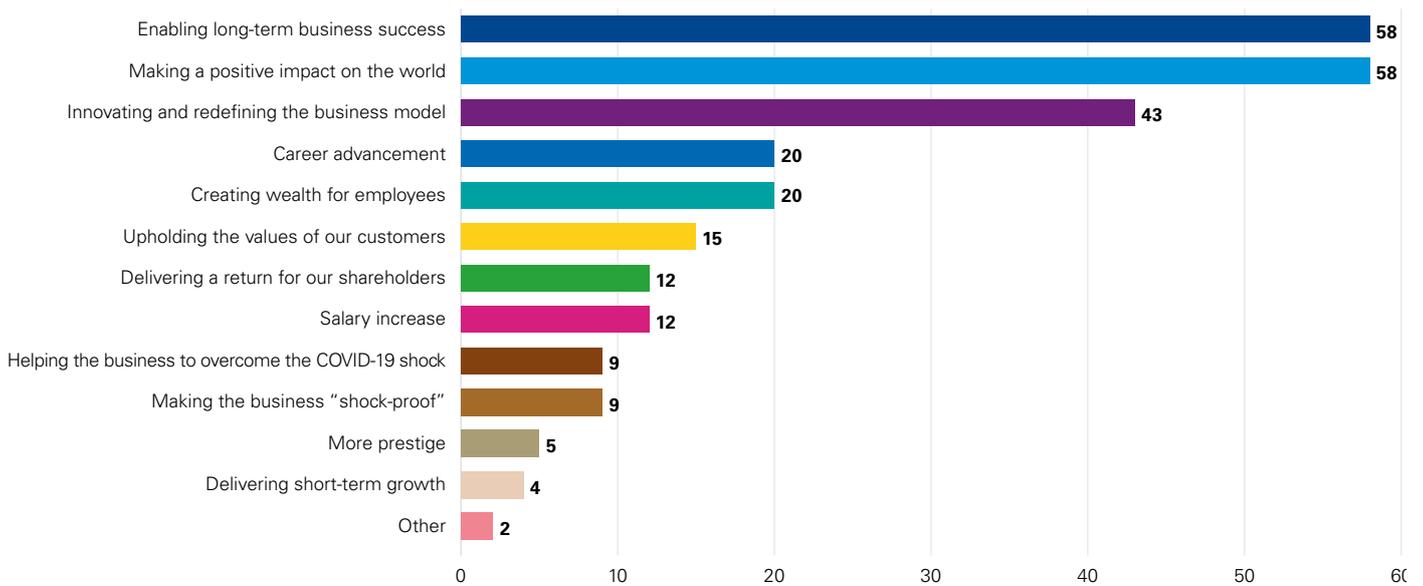
Nhlamu Dlomu

Global Head of People, KPMG

In addition to these personal strengths, motivation is an equally important success factor in their careers. Global Female Leaders not only aim for 'enabling long-term business success for their own company (58 percent)', but also for 'making a positive impact on the world (58 percent)'.

These two motivating factors are directly followed by 'innovating and redefining the business model (43 percent)' and then by both 'having career advancements' and 'creating wealth for employees' (20 percent respectively).

Figure 15:
What motivates you the most?

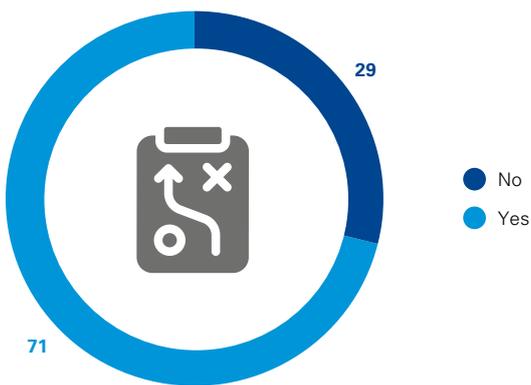


Source: KPMG International, 2020. Figures in percent, rounding differences possible

We also asked Global Female Leaders whether they follow a strategic plan to further their career. Like in 2019 (73 percent), nearly three quarters in 2020 (71 percent) answered 'yes'.

With the most common areas of responsibility being Strategy, Finance and Operations (see figure 16), our data does suggest that Global Female Leaders also strive for functions that enable the next step to a top management/ C-Level career.

Figure 16:
Do you have a strategic plan for furthering your career?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

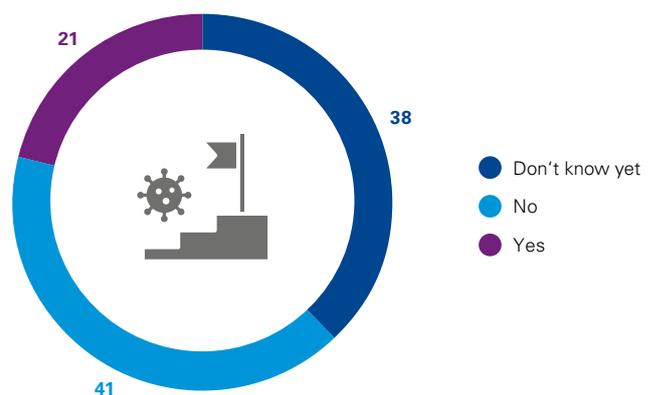
Career perspectives

Is the COVID-19 crisis a crisis for women? The pandemic has infiltrated their private and professional realm alike, resulting in many of them having to take on the double burden of coping with job and family. Especially the closing of schools and nurseries during lockdowns has had a negative impact on women. In addition, many of the hardest hit industries like tourism and transportation, as well as health and house-hold services, are sectors that typically employ a greater proportion of women.

Despite these developments, a larger part of the participants (41 percent) believe COVID-19 will have no impact on their career, while a lesser number (38 percent) are unsure at the moment whether the crisis will affect their career and lesser still (21 percent) actually believe it will have any impact on their career at all.

Figure 17:

Do you think the COVID-19 crisis will have an impact on your next career step?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Diversity and inclusion: setback or game changer

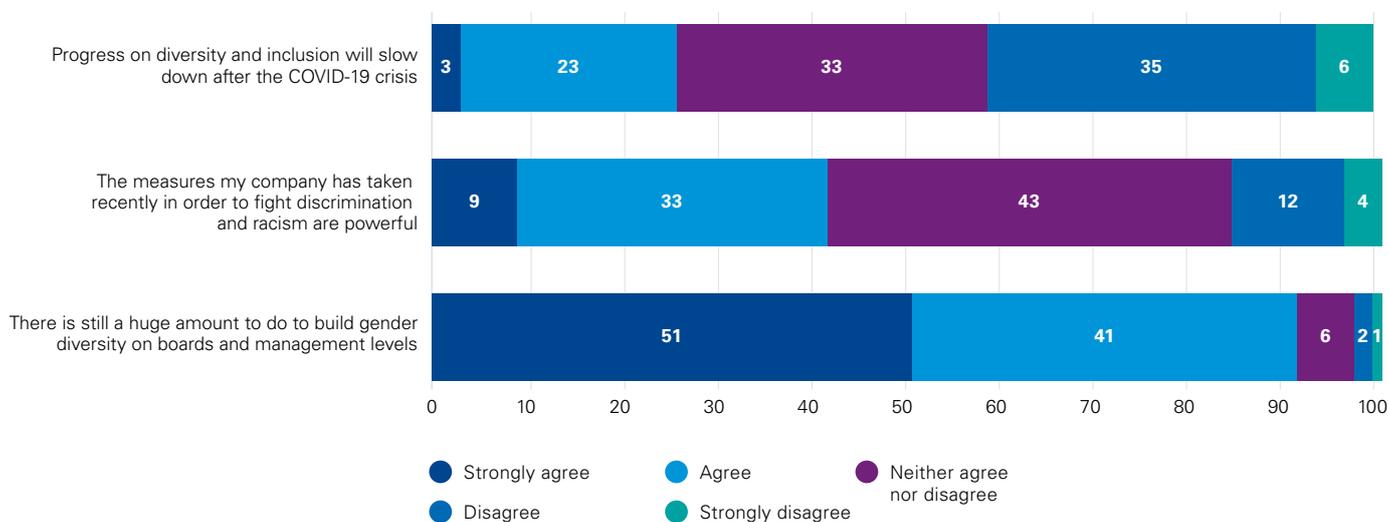
The research shows that 41 percent of Global Female Leaders do not expect COVID-19 to slow down progress on diversity and inclusion. Only around a quarter (26 percent) believe there will be a setback after the crisis.

Regarding discrimination and racism, 42 percent of respondents state that the measures their company has recently taken to tackle both issues have had a positive impact.

Respondents think even more needs to be done in supporting women to achieve greater parity in the workplace. In fact, 92 percent of Global Female Leaders admit that we are still a long way from gender diverse boards and management teams.

Figure 18:

Thinking about diversity and inclusion, to what extent do you agree or disagree with the following statements?

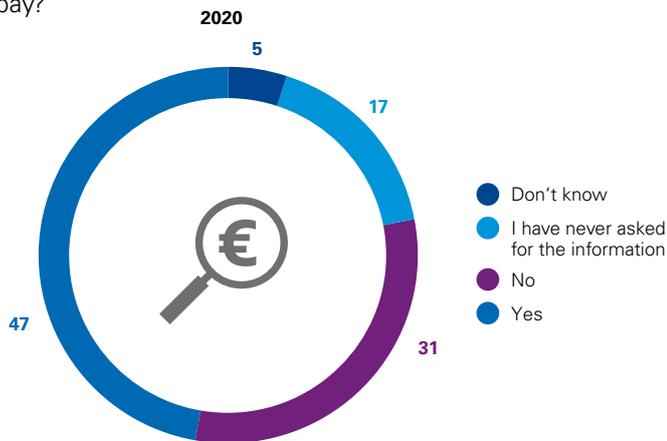


Source: KPMG International, 2020. Figures in percent, rounding differences possible

Another indicator of women’s standing in the workforce compared to that of men is the gender pay gap. Compared to last year, the figures show a small change. In 2020, nearly half (47 percent) of respondents confirmed that their company has transparency regarding equal pay, compared to 40 percent in 2019. Nonetheless, 31 percent are in companies that still do not have transparency. The number of female leaders who did not ask for a salary comparison or weren’t interested in receiving one is the same in both years.

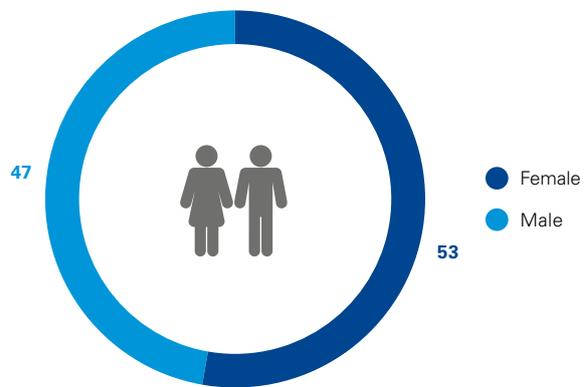
Succession arrangements also play a vital role in improving a company’s gender diversity. Out of all the participants in this year’s Global Female Leaders Outlook, more than half (53 percent) think their successor will also be female. Their job title, and whether our respondents have children or not, has no bearing on the results.

Figure 19:
Do you have transparency in your company regarding equal pay?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Figure 20:
Is your successor more likely to be male or female?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Family structures and role models

Family structures and role models are both thought to have a strong impact on female career development.

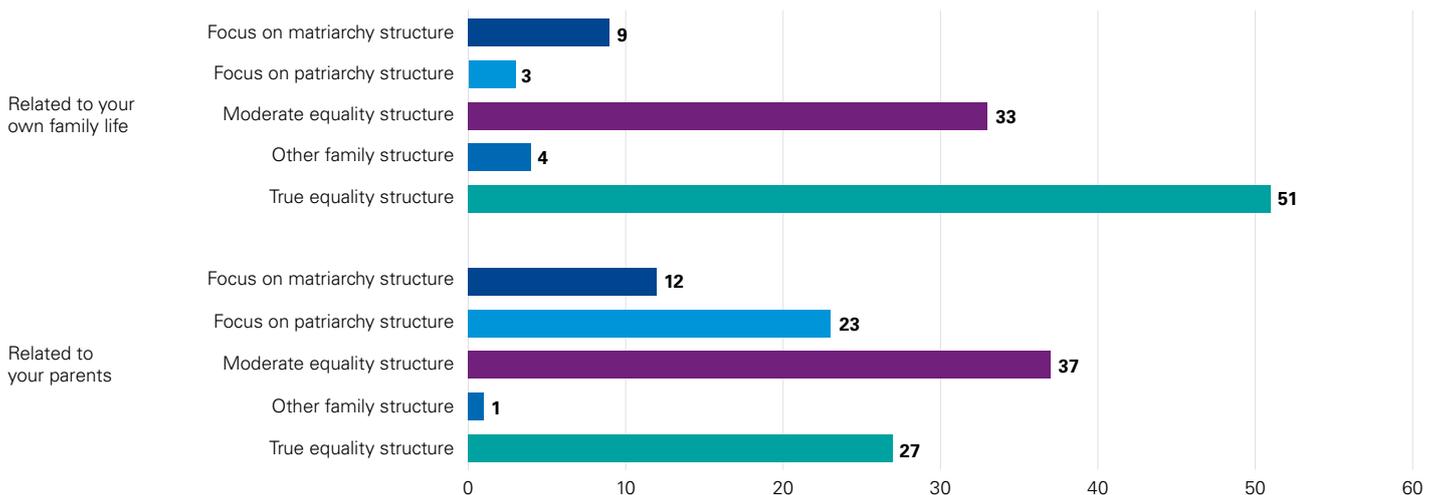
73 percent of Global Female Leaders are mothers and 83 percent of the respondents that have children have had a period of maternity leave. Yet, virtually all respondents (95 percent) carried out maternity leave duties alone, as their partners did not take parental leave.

Another result is the fact that today, more than half (51 percent) of the respondents live in a truly equal family structure, with a further 33 percent living in what could be described as a moderately equal structure.

This finding contrasts with what most of the Global Female Leaders experienced themselves as children, as most parental families were based on a moderately equal structure (37 percent) and some on a patriarchal structure (23 percent). Only 27 percent of Female Leaders experienced a truly equal family structure growing up.

Taking a closer look at the data, 78 percent of respondents who grew up in a patriarch-oriented family structure now live in a truly or at least moderately equal family structure.

Figure 21:
What role models are you used to?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Conclusions

COVID-19 is an accelerator for digitalization and ignites change in many areas. Therefore, it could well be a catalyst for gender diversity, especially in the mid- to long-term.

With comprehensive digitalization during the crisis, access to relevant information or learning platforms has become much easier. This might enable more women around the world to get access to education and further professional development and thus, increase their economic power. Another aspect is that many governments seem to acknowledge the importance of diversity to economic success, for example, the Spanish government has set up a decree that companies must pay men and women equally. This measure was implemented to fight recession during the crisis based on the assumption that equal pay will increase total GDP.

The new reality will be shaped by altered stakeholder expectations, resulting in companies aligning their business success to a greater degree with their approach to sustainability, higher engagement in social responsibility (for employees, customers and business partners) but as well in governance aspects.

In a truly challenging environment acting with purpose, creating a positive team atmosphere and leading with a sustainable approach to business will be new success factors. In addition, our comprehensively digitalized world will be built on networks, communities and interfaces in the virtual but also in the real world. The same holds true for strong communication skills and a partnership-oriented approach to doing business, which are areas where many female leaders excel.

New technology and innovation will be the drivers for wealth and growth. As many new technologies are still in their infancy and have only recently become a priority for most companies, it is a good time to become involved and help shape the future.

AI and Automation will be important topics in the years to come. However, there is yet another technology to keep an eye on – blockchain. It has the potential to become the guardian of trust in the digital and AI age, especially in the fields of governance and security. Be open to new technology and, rather than being afraid of it, see it as an opportunity and a chance to shine.

Global Female Leaders do not expect the pandemic to have a strong negative impact on their careers.

If the recession is not weathered by some of the larger global economies next year, the crisis will deepen, which historically often results in large scale job losses – not only for women. Thus, stay vigilant and analyze the situation regularly. There will undoubtedly be new opportunities presenting themselves to those with their finger on the pulse of developments. Think outside of the box - new career prospects might be on the horizon in the environmental, social and governmental spheres. Indeed, women are on the frontline of many of these developments.

New digital communication & collaboration tools support the ability to combine business and family.

Do take advantage of all the possibilities afforded by new communication and collaboration tools - but do not hide at home. Be visible in or out of the office. Find your way to balance remote and physical work. In addition, invest in your internal and external networks. Keep in mind that geographic and time borders mean very little in the digital world where remote working is becoming the norm. Make yourself visible – physical as well as virtual.

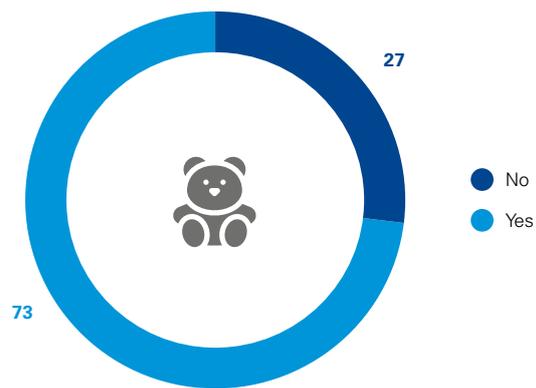
Female role models might lead to the needed cultural change in the mid- to long-term.

Female heads of state like Jacinda Ardern, Prime Minister of New Zealand, and Sanna Marin, Prime Minister of Finland, have coped well with the crisis, resulting in relatively low numbers of casualties in their countries. It is not only these female leaders in politics, we are also seeing more and more in business as well. All of them are very visible as role models for generations to come. Support gender equality wherever necessary but especially in your own company. There probably are processes and structures that can be adjusted there to foster inclusion and diversity.

Methodology

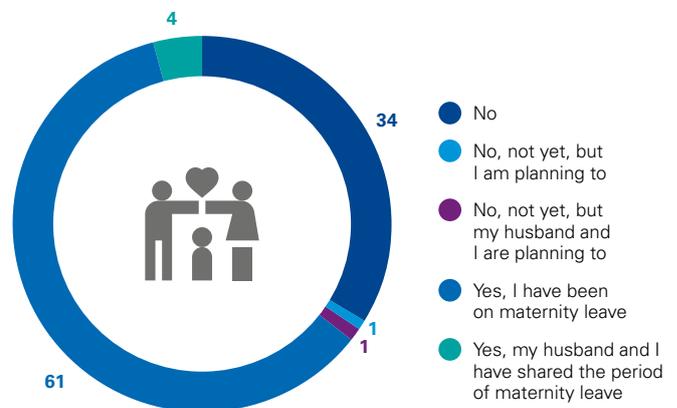
The online survey covers 675 female leaders from 52 countries and was conducted between September and October, 2020. 44 percent of the respondents come from companies that have more than US \$500M in annual revenue.

Figure 22:
Do you have children?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

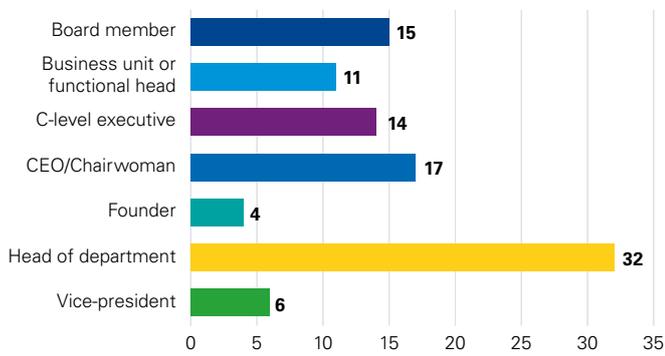
Figure 23:
Have you been on maternity leave?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

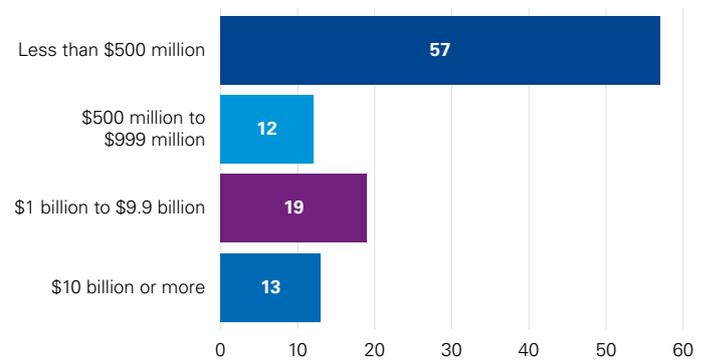
Demographics

Figure 24:
What is your job title?



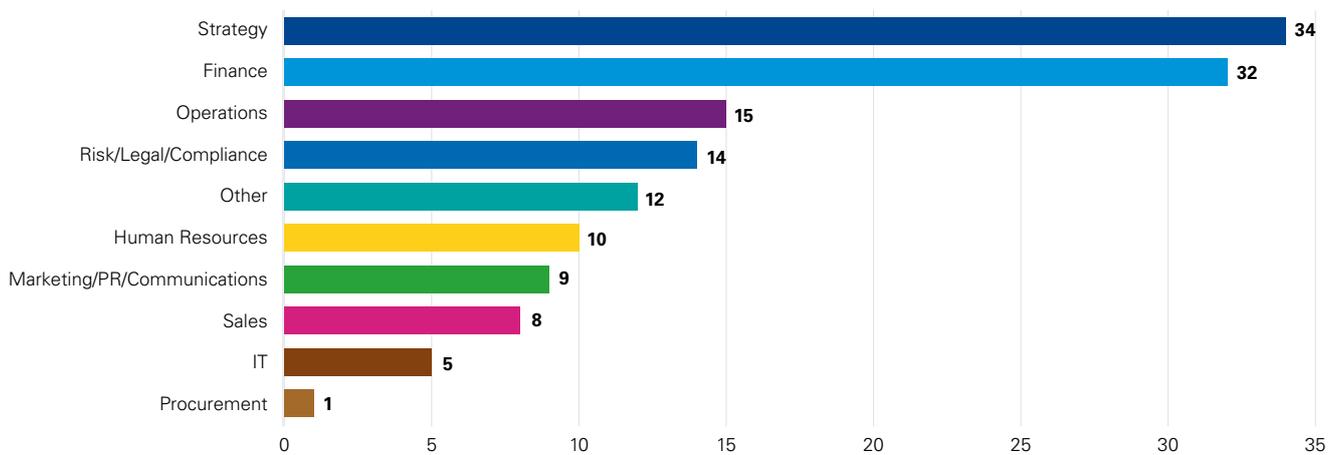
Source: KPMG International, 2020. Figures in percent, rounding differences possible

Figure 25:
What were your organization's revenues (in US dollars) in its most recent fiscal year?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

Figure 26:
What is your current area of responsibility?



Source: KPMG International, 2020. Figures in percent, rounding differences possible

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