



Americas



*Market Information and Forecasts*

# Insights on Gender Parity in the US Staffing Industry

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# Insights on Gender Parity in the US Staffing Industry

## Key Findings:

- This report builds on an earlier report, [Women in Leadership in the US Staffing Industry](#), that gauged the degree to which women are underrepresented at the CEO, executive, and board levels. That report highlighted metrics and practices shared by public and private staffing firms, and discussed best practices and actions that can be taken. The report emphasized findings from a 2020 survey launched in collaboration with the [Women Business Collaborative \(WBC\)](#).
- This report highlights findings from a similar survey entitled The WBC Benchmark Survey on Gender Equity in the Staffing Industry (“WBC Benchmark Survey 2022”) that was conducted in September 2022. Survey results confirmed many of the key findings of the earlier 2020 survey, and also uncovered some additional insights discussed in this report.
- While women comprise the majority of the internal workforce at staffing companies, they are underrepresented at the executive, CEO, and board levels. According to the WBC Benchmark Survey 2022, women comprised a median 66% of staffing firm internal staff, but represented only 50% of executive positions and only 37% of board seats.
- At the CEO/Owner level, women comprised 53% of such roles at small staffing firms, but only 18% of such positions at large staffing firms, according to the WBC Benchmark Survey 2022.
- Employee satisfaction as measured by Net Promoter Score appeared higher for staffing firms with women CEO/Owners in aggregate, although the sample size of this year’s survey is not sufficient to establish such a generalized claim across the industry. Nevertheless, such a finding would be consistent with other research that demonstrates the effectiveness of women leaders in business.
- In terms of practical strategies that companies can use to advance women in leadership, the practice of salary review/equalization jumped from the fourth most common activity in 2020 to the number one most used tactic in 2022, likely spurred by the advent of new pay transparency regulations in some states and metro areas.
- Differences in perception among men and women detected in the survey data suggest that men have a crucial opportunity to better understand the needs and challenges faced by their female colleagues. Men have an opportunity to increase their awareness and engagement with female colleagues in order to better address these needs and challenges.
- Several recent trends are acting to boost the representation of women in leadership and on corporate boards. These trends include state regulations, requirements by stock markets, and the growing focus on environment, social, and governance (ESG) metrics by investors.

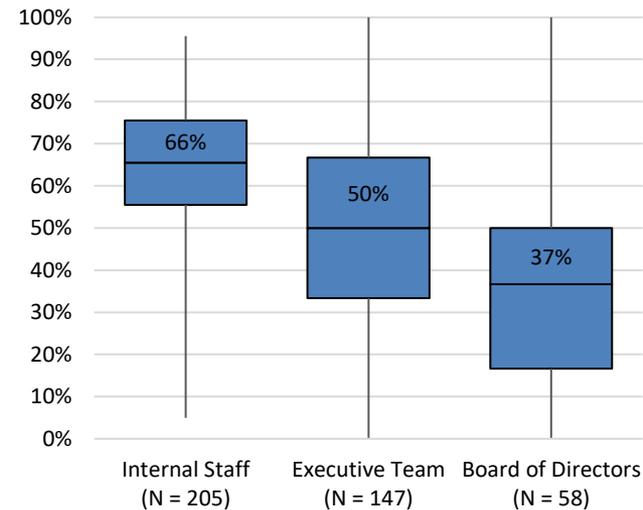
## Women account for a majority of staffing firm internal staff, but are underrepresented at the executive and board level

Women play a major role in the US staffing industry, accounting for a majority of the internal workforce at staffing companies. According to the WBC Benchmark Survey 2022, women accounted for 66% of internal staff at the median, and this metric ranged from 56% to 76% at the 25<sup>th</sup> and 75<sup>th</sup> percentiles, respectively (as shown in the leftmost plot in the graph).

The prominence of women in the staffing industry is also paralleled by the high proportion of women working more broadly in human resources occupations, according to 2021 data from the US Bureau of Labor Statistics. Among 795,000 HR workers, 72.8% were women. And among 260,000 HR managers, 81.2% were women.

Nevertheless, despite the high proportion of women working in frontline and managerial roles at staffing firms, women remain underrepresented at the executive and board level, as shown in the graph at right. At the median, women account for only 50% of executive positions and 37% of board seats. It is even possible that these statistics *overstate* the actual proportion of women in executive and board roles, as staffing firms with women executives may have been more likely to participate in this survey.

*Percent of women among staffing firm internal staff, executive team, and board*



Source: Women Business Collaborative (WBC) Benchmark Survey on Gender Equity in the Staffing Industry. Data collected in September 2022. Survey respondents had the option of selecting from decile ranges such as 0-10%, 11-20%, etc., and the above analysis assumed midpoint values for each range selected. N values denote the number of unique staffing firms reflected in a given statistic. In the above graph, the numerical value is the median, and the three horizontal lines represent the 75<sup>th</sup>, median, and 25<sup>th</sup> percentile values. The vertical line spans the minimum and maximum values.

## Women account for a substantial share of CEO/Owners at small staffing firms, but representation lags at medium and large staffing firms

Women accounted for 42% of CEO/Owners of staffing firms, according to the WBC Benchmark Survey 2022. Although, as we noted earlier, it is possible these statistics may overstate actual conditions in the industry to the extent that staffing firms with women CEO/Owners may have been more likely to participate in the survey.

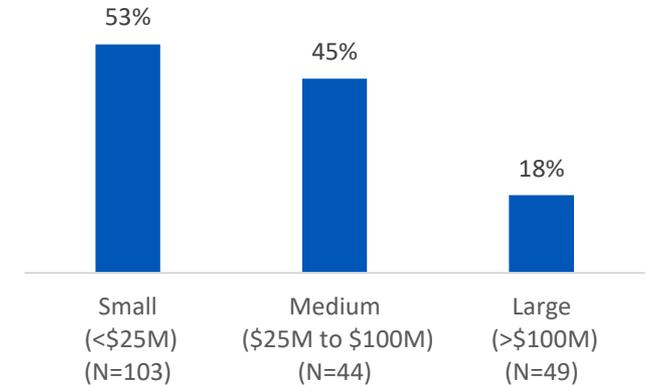
The percent of women CEO/Owners decreases as the size of the staffing firm increases. Women accounted for 53% of staffing firm CEO/Owners at small staffing firms (less than \$25 million in revenue), but this figure drops to 45% at medium sized firms and declines dramatically to 18% at large staffing firms, as shown in the top graph.

In terms of the staffing skill segment supplied, women comprised a smaller percentage (40%) of CEO/Owners at staffing firms providing IT workers, as compared with those that supplied healthcare workers (43%) and commercial workers (46%). The lower proportion of women CEO/Owners in IT staffing may be related to the lower proportion of women working in STEM occupations in general.

Women CEOs, along with women executives and board members, play a vital role as mentors and role models for the advancement of women business professionals that have the potential to be senior leaders in the future. Notable women executives in the staffing industry are highlighted in SIA's [Global Power 150 Women in Staffing](#).

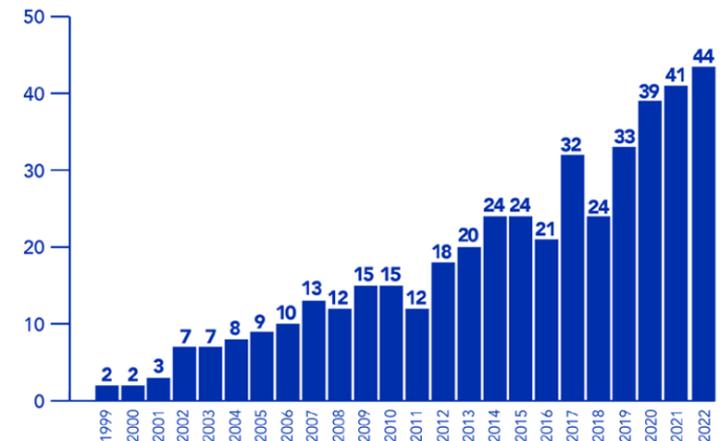
It is worth noting that women held the CEO position at 44 (or 8.8%) of Fortune 500 companies in 2022, as shown in the bottom graph. While this remains highly underrepresented, the trend appears to at least be moving in the right direction.

*Percent of staffing firm CEO/Owners that are women, by revenue size of staffing firm*



Source: WBC Benchmark Survey 2022

**Number of Women CEOs in Fortune 500 Companies by Year** (1999 - September 2022)



Source: Women CEOs in America report. WBC.

## Staffing firms with women CEO/Owners in aggregate received a higher Net Promoter Score in the 2022 Survey, although other factors may also be at play

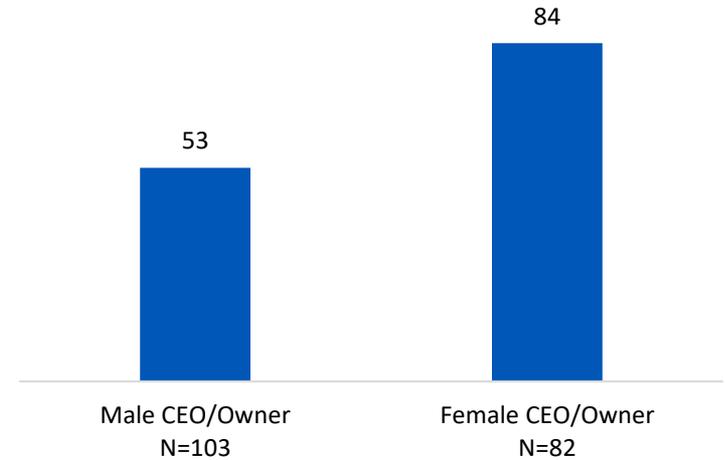
The WBC Benchmark Survey 2022 asked several additional questions that were not asked in 2020. One such question asked the survey taker to report their general employee satisfaction level by asking the Net Promoter Score (NPS) question of “How likely would you be to recommend your staffing firm as a good place to work for a friend or family member?” The answer options ranged from 1 to 10, with 10 meaning highest recommendation. In aggregate, the NPS is calculated as the percentage of 9 and 10 responses minus the percentage of 1 to 6 responses, and then multiplying by 100.

Interestingly, the staffing firms with a female CEO/Owner, in aggregate, earned an NPS of 84, which is extremely positive. For comparison, the NPS score for the staffing firms with a male CEO/Owner in the survey was 53.

We caution that association is not the same thing as causation, and there could be other factors at play. For example, the NPS for small staffing firms in aggregate in the survey was 75 while the NPS was 50 for large staffing firms.

Nevertheless, this survey result can at the least offer some anecdotal evidence that women CEO/Owners appear to be achieving levels of employee satisfaction that are at least as high as those achieved by male CEO/Owners, if not superior.

*Net Promoter Score in aggregate for staffing firms with a man or woman as CEO/Owner*



Source: WBC Benchmark Survey 2022.

## Staffing firm CEO/Owner demographics provide some anecdotal insights

In addition to looking at the proportion of women CEO/Owners, the WBC Benchmark Survey 2022 provides some insight on the proportion of white/non-white CEO/Owners to shed light on the degree of diversity along these high level dimensions. Because the survey results reflect a small sample of participants, we caution against assuming these metrics represent the entire industry. Instead, they provide a more anecdotal case study that may or may not reflect trends in the wider industry.

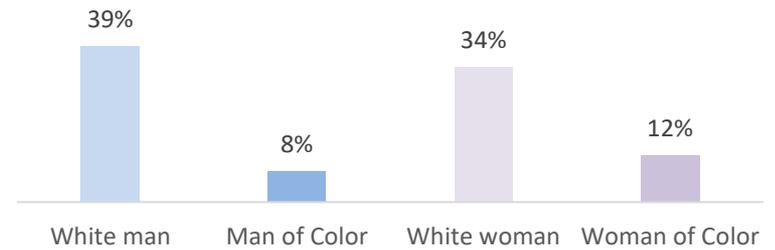
Having made the above caveat, we make the following observations on the data in the graphs on this page.

At least some degree of diversity in gender and ethnicity was apparent at the CEO/Owner role across the three largest segment categories of staffing: commercial, IT, and healthcare.

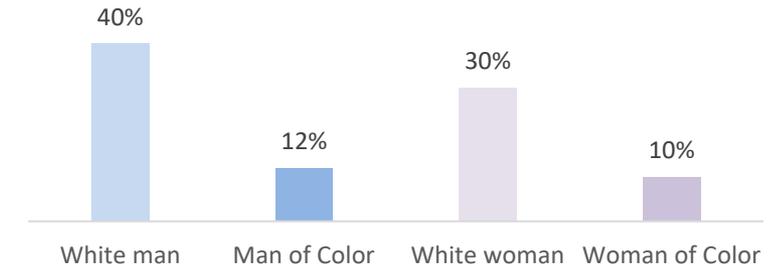
In this particular survey sample, the CEO/Owner of commercial (that is, office/clerical and industrial) staffing firms were slightly more likely to be white (80%) than at IT staffing firms (78%) or healthcare staffing firms (70%). Of the three categories, healthcare staffing firms had the highest share of men and women of color as the CEO/Owner.

More information on staffing suppliers that fall into various diversity categories can be found on SIA's microsite devoted to [Diversity-Owned Staffing Firms](#).

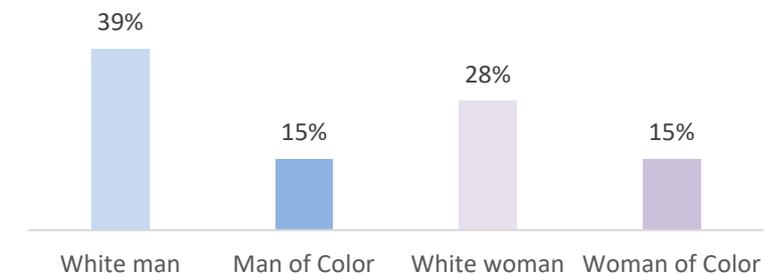
*Commercial staffing firm CEO/Owner demographics (N=76)*



*IT staffing firm CEO/Owner demographics (N=99)*



*Healthcare staffing firm CEO/Owner demographics (N=72)*



Source: WBC Benchmark Survey 2022.

Note that the survey question allowed for multiple skill segments to be selected, so companies that serve multiple segments may appear more than once in the above data.

## Staffing firm strategies and practices for advancing women

Staffing firms were asked about their use of seven strategies and practices for supporting and advancing women, as part of the WBC Benchmark Survey.

In 2022, as shown in the top graph, the practices most widely used were salary review/equalization (44% of staffing firms), formal mentoring/coaching (37%), and diversity & inclusion women’s advancement groups (30%).

This same question was asked in 2020 with the results shown in the bottom graph. The results were roughly similar for most of the practices between 2020 and 2022 and confirm the high level finding that these strategies are still only being practiced by less than half of staffing firms, suggesting an opportunity for many staffing firms to initiate such programs.

One notable difference in 2022 was that *salary review/equalization* jumped from being the fourth most used strategy in 2020 to the number one most used practice currently. A likely contributor to this jump is the new and imminent enactment of pay transparency laws in New York City, California, Rhode Island, and Washington state. More details on this regulatory trend can be found in our [North America Legal Update Q4 2022](#).

Percent of staffing firms that used the following strategies, 2022



Percent of staffing firms that used the following strategies, 2020



Source: WBC Benchmark Survey 2020 and 2022

## Women leaders in the staffing industry are highlighted in SIA's Global Power 150 Women in Staffing

The importance of highlighting and celebrating the contributions of women to the staffing industry cannot be overstated, as visible women leaders act as role models, mentors, collaborators, decision makers, and advocates for advancing other women across the industry. Similarly, it is notable that two of the Women Business Collaborative's core value commitments are "we are dedicated to driving action through collaboration," and "we believe in celebrating victories and honoring successes every single day."

In this same spirit, for the past eight years, SIA has been pleased to publish an annual celebration of 150 women leaders in the [Global Power 150 Women in Staffing](#), including a detailed profile of each leader. We note that these individuals are far from the only key women contributors to the industry, but rather a sample to be highlighted. The full listing of women profiles, including for past years, can be found at the Global Power 150 Women in Staffing [website](#).

The most recent listing in 2022 features the Americas 100 list and the International 50 list of women leaders in the staffing and workforce solutions industry. Featured women have contributed from a variety of roles—CEOs, entrepreneurs, division heads, technologists, attorneys, and other workforce solutions experts.



Source: [SIA's Global Power 150 Women in Staffing](#)

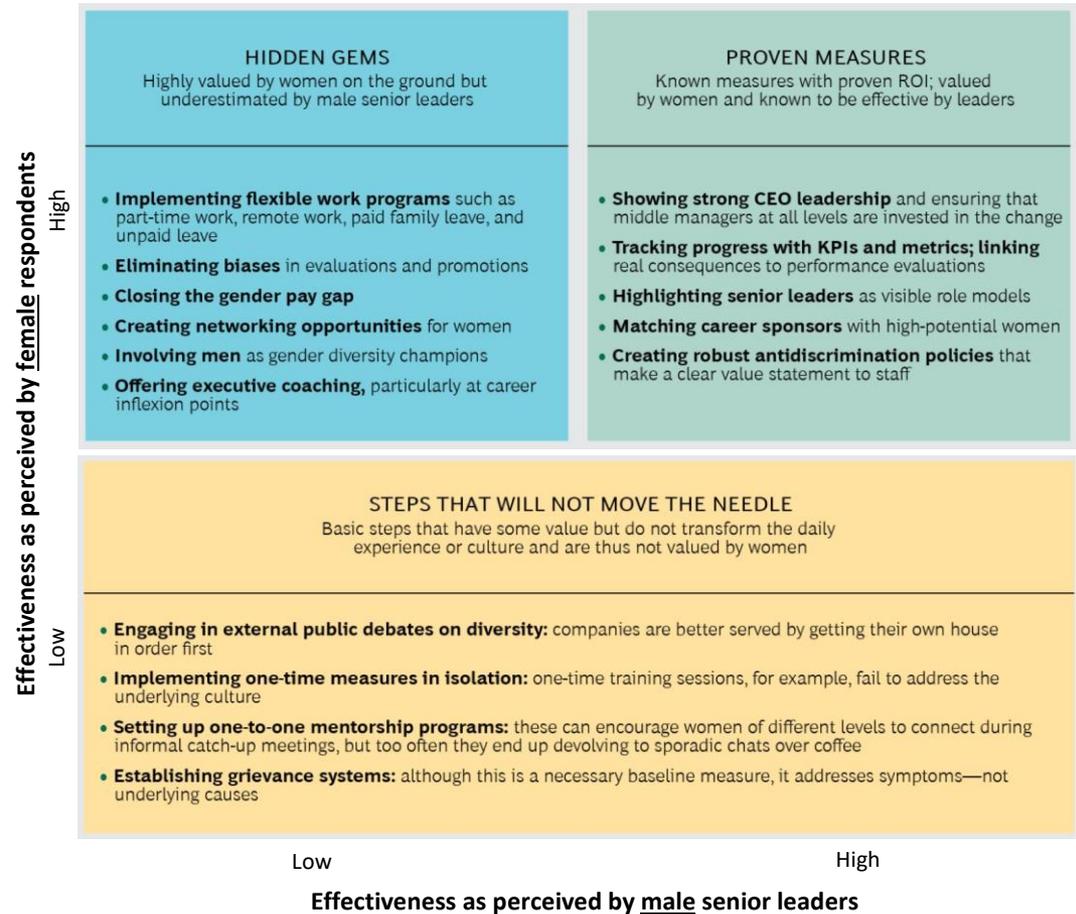
# The crucial role that men need to play in advancing women

A key challenge, and opportunity, for the advancement of women in the staffing industry is the role played by men. In order to overcome inertia, historical patterns, and unconscious bias, it is not enough for men to simply be aware of challenges faced by women, but instead men must actively participate in the advancement of women—via their day-to-day actions, posture of collaboration, culture they enforce, hiring and promotion decisions, and results they track—in the same way that they execute on any other part of their business for which they take ownership. According to a [BCG study](#), “among companies where men are actively involved in gender diversity, 96% report progress. Conversely, among companies where men are not involved, only 30% show progress.”

Equally crucial is the need for men to maintain a collaborative posture of learning and listening. In the table to the right, initiatives perceived as valuable by both men and women appear in the upper right (green) quadrant. Yet, the upper left quadrant (blue) contains initiatives valued by women but underestimated by men, highlighting a failure in understanding by men.

As men in the staffing industry actively support their female colleagues, and break down barriers for women’s growth, they become partners and [allies](#)—not only as a moral imperative, but as a way to enhance the performance and value of their organization.

Three clusters of gender diversity initiatives, as viewed by men and women



Source: [BCG. Proven Measures and Hidden Gems for Improving Gender Diversity.](#)

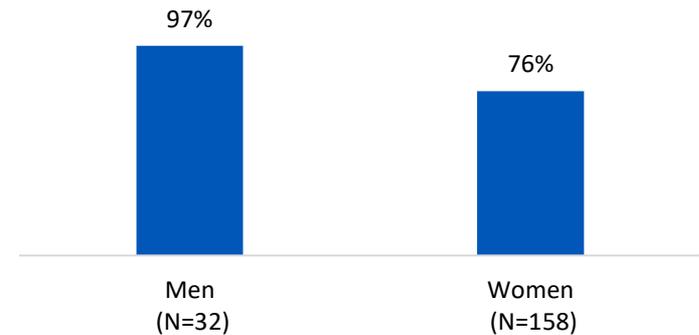
## Opportunities continue to exist for men to increase their awareness and actively support the advancement of women

Staffing professionals were asked to evaluate the climate and conditions at their staffing firm as part of the WBC Benchmark Survey 2022. Some of the results indicate a gender gap in the perceptions reported by male versus female respondents, as shown in the graphs.

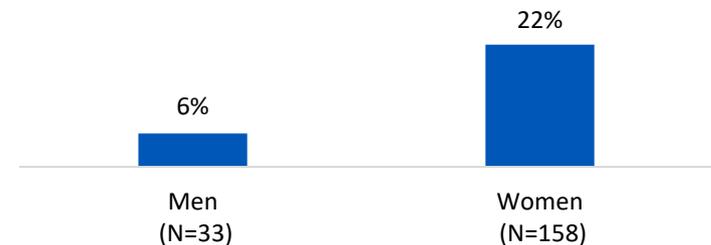
97% of men agreed that their staffing firm executive team supports and promotes women, compared with 76% of women. In a similar perception gap, 22% of women agreed that their firm would have less turnover with a greater focus on diversity, equity and inclusion, compared to only 6% of men. This data suggests that some men are overestimating the success of current measures to support women and some men are underestimating the toll that a lack of diversity, equity and inclusion can have on the retention of women. In short, men appear to be not fully grasping the needs and challenges experienced by some of their female colleagues.

The takeaway here is that men have an opportunity to better listen to female colleagues and to increase the influence that women have at all levels of decision making, in order to close the gap in perceptions, and further reduce barriers to inclusion and the advancement of women into positions of leadership.

*Percent that AGREE with the statement: Our executive team shows through their actions that they support and promote women at our firm.*



*Percent that AGREE with the statement: Our company would have less turnover if we were more focused on diversity, equity and inclusion.*



Source: WBC Benchmark Survey 2022.

## Multiple forces are increasing opportunities for women at the board of director level

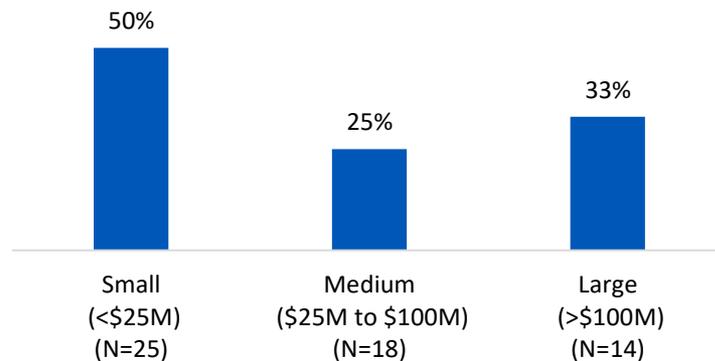
Women accounted for a median 37% of board seats at staffing firms, according to the WBC benchmark survey. Representation tended to decline as the size of staffing firm increased, as shown in the top graph. At small staffing firms, women accounted for a median 50% of board seats, while for large staffing firms, women accounted for a median 33% of board seats.

In recent years, several states have passed laws requiring public companies based in their state to have women represented on their boards at specified levels. Other states have passed laws that mandate reporting. Since California enacted SB826 into law in 2018, the percent of women board members rose from 15.5% in 2018 to 26.5% in 2021. In June 2022, a California judge ruled that SB826 violated the California Constitution; the state has filed an appeal. The state of Washington passed a similar mandate in 2020, while Illinois and Maryland passed laws about reporting. Hawaii, Massachusetts, Michigan, and New Jersey have explored similar rules.

Another force pushing for board gender diversity are investment firms and investors themselves. Starting in 2021, the Nasdaq stock exchange will begin to require its roughly 3000 listed companies to have at least one female board member and at least one board member from another diversity category. Separately, public companies are increasingly being asked to report a variety of metrics regarding environmental, social, and governance (ESG) factors desired by institutional and individual investors. These metrics include statistics on board diversity and gender pay differences.

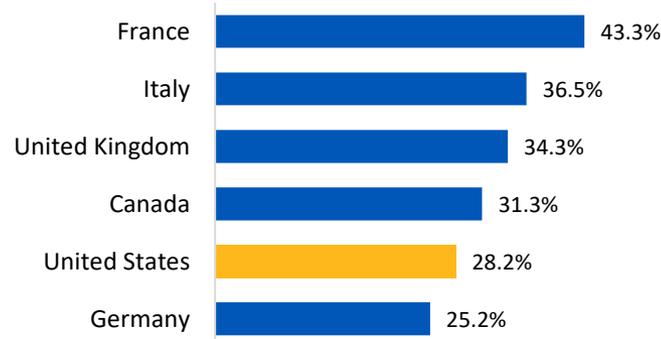
The trend of increasing representation of women at the board level is also taking place in the leading economies in Europe as well as in Canada, as shown in the bottom graph. Many countries in Europe have achieved greater progress than in the US, which suggests there may be some practices abroad that the US can learn from.

*Percent of women board members at staffing firms (median), by staffing firm revenue size*



Source: WBC Benchmark Survey 2022

*Percent of women board members at large and medium public companies\**



\*Source: MSCI Women on Boards 2020. Data taken from roughly 2900 public companies that comprise the MSCI ACWI Index.

## Related SIA research and resources

[Women in Leadership in the US Staffing Industry](#)

[SIA's 2022 Diversity, Equity, and Inclusion Influencers](#)

[Diversity, Equity & Inclusion Trends in Staffing 2022](#)

[The Future of Diversity, Equity, and Inclusion in the Contingent Workforce: 2022 Update](#)

[Unlocking the Potential of Parents in the Contingent Workforce](#)

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SIA's independent and objective analysis provides insights into the services and suppliers operating in the workforce solutions ecosystem including staffing firms, managed service providers, recruitment process outsourcers, payrolling/compliance firms and talent acquisition technology specialists such as vendor management systems, online staffing platforms, crowdsourcing and online work services. We also provide training and accreditation with our unique Certified Contingent Workforce Professional (CCWP) program.

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