How Executive Pay Parity is Redefining Women in Leadership

HR Executive | Tara Flickinger | March 24, 2026



(Image: Adobe)

International Women's Day is a reminder that, while progress has been made, there is still work to be done—especially at the executive level. For years, gender equity at this level has been tied to representation, but compensation is the more meaningful signal.

Recent data from the World Economic Forum estimates it will take 123 years for women in North America to reach economic parity. However, new data from ON Partners' Women's Report tells a more encouraging story at the top levels of leadership. Across the senior vice president and chief financial officer levels, women are making more than men in similar roles—and in tech, where the playing field has historically titled male, female CTO and CITO executives have ranked among the top earners in placements over the past two years.

The narrowing pay gap at the top does more than correct imbalance. It has direct implications for executive search, succession planning and how boards build durable C-suite leadership teams.

How will executive pay shape gender parity at the top?

Executive compensation reflects how organizations truly value leadership.

When compensation aligns with impact, advancement stops feeling like an economic tradeoff. Persistent pay gaps create an unspoken narrative: "You can get there, but it will cost you." Closing that gap removes a friction point that influences career decisions while helping avoid potentially costly staff turnover.

Requirements for leadership roles are often expanded beyond their original scope. That expansion can cover anything from geopolitical shifts, investor concerns, AI integration, plus traditional duties.

These requirements often carry greater operational and strategic complexity, and are linked directly to business outcomes. However, expanded roles often come with less compensation for women than for men. Without adjustments in compensation, turnover is more likely to occur. In fact, women's tenure as CEO is just 5.2 years, compared to men at 7.9 years.

That's what makes the recent shifts in executive pay so important. When compensation starts to reflect responsibility, it gives leaders a stronger reason to stay—and builds more stability at the top.

Is executive pay reform strengthening the leadership pipeline?

While the full career pipeline hasn't reached parity, there are significant changes.

At the vice president level and above, women's average total compensation reached $457,000 compared to $486,000 for men—a $29,000 gap that narrowed from $36,000 the year prior. While parity has not yet been achieved, that trajectory signals more than incremental improvement. Notably, parity is strongest in roles that directly lead to the C-suite.

At the SVP level—often a direct feeder to the C-suite—women now account for roughly 25% of placements, with average base salaries of $311,000 compared to $303,000 for men.

The same pattern is emerging in finance. Women now represent just over 20% of CFO executive search placements, and their average total compensation stands at $450,000 compared to $440,000 for men. That's good news for women's future representation in the C-suite, as CFO positions remain one of the most direct pathways to CEO succession.

This progress is not confined to specific departments either. In tech, a male-dominated field, female CTOs and CITOs have ranked among the top earners over the past two years, underscoring a broader recalibration of how high-impact leadership is valued.

It's worth noting that the gap in bonuses and sign-on compensation remains. Women still come in lower in these areas, often because they don't ask. Companies are unlikely to offer a sign-on bonus unless a candidate requests it in negotiation, and the same is true for bonus potential. Asking for performance-based pay signals confidence, and hiring managers notice. Closing the total compensation gap means women need to advocate for the full package, not just base salary.

These shifts matter because compensation influences retention, succession durability and whether advancement feels economically rational. When compensation structures align with responsibility—particularly in roles that serve as direct pipelines to the C-suite and CEO bench – parity becomes embedded in strategy for succession planning.

What does pay parity mean for the next generation of women leaders?

Compensation at the top doesn't just affect today's executives. It shapes who decides to pursue leadership tomorrow.

When rising leaders see women in senior roles earning pay that reflects their scope and impact, it changes the long-term calculation. Advancement stops looking like a tradeoff and starts looking like a sustainable path. That shift happens early, often years before someone enters the formal C-suite pipeline.

Pipeline strength isn't built in one promotion cycle. It's built when high-performing women at the director and VP levels believe that expanded responsibility will be met with expanded opportunity—financially and strategically. When compensation aligns with complexity, it sends a visible signal that enterprise leadership is viable, not symbolic.

Just as important, parity at the top reinforces sponsorship. Leaders who feel valued tend to mentor, advocate for and bring along the next wave behind them. That makes representation self-reinforcing rather than stagnant.

Future women executives are watching more than headcount statistics. They are watching whether impact is rewarded. When compensation reflects contribution, it strengthens the confidence, ambition and retention needed to build a durable leadership bench.

Parity today doesn't just correct the present. It reshapes expectations for the future.

How will pay parity accelerate gender equality in the C-suite?

The real test isn't whether compensation parity shows up in one reporting cycle. It's whether it holds, and whether it gets built into how leadership is defined and rewarded over time.

If these shifts are sustained, they have the potential to accelerate gender equality at the top faster than broad economic projections suggest. When parity is written into bonus structures, equity grants and succession mandates, it stops being an individual win and starts reshaping systemic opportunity.

For boards and executive search firms, the direction is clear. Compensation strategy, succession planning and role design have to be treated as interconnected, not handled in silos. When pay reflects impact, it does more than retain the executives in the room today. It tells the next generation that a seat at the table is genuinely within reach. That message compounds over time, and it determines who steps up, who stays and who ultimately leads.