



# Executive Decisions on Diversity

The time has come to put real effort into developing the pipeline of females who can take on executive positions, writes **Mary-Anne Baldwin**

**F**or the first time in the history of the London Stock Exchange, there are no all-male boards in the FTSE 100. This landmark improvement in gender diversity is both significant and encouraging, but the bigger, and worryingly overlooked,

challenge is getting more women onto executive committees.

Indeed, of the 2,028 executive directors on FTSE 250 boards, only 25 are female.

**Lord Mervyn Davies** of Abersoch, Vice

Chairman of Corsair Capital and Non-executive Deputy Chairman of Letter One, who set the initial target of 25 per cent female representation on FTSE 100 boards by 2015, acknowledges “the debate has moved on very quickly to >



how we get more female representation at executive committee level”.

His latest goal is for at least 33 per cent of roles on all FTSE 350 boards to be held by women by 2020. To meet this target, and to make a genuinely positive impact on diversity, a greater gender balance must be sought at the executive level.

In fact, **Lord Davies** believes diversity should permeate right throughout all businesses. “Whether it be a major Plc or small SME, talent management and succession are two essentials,” he adds.

### The ‘big E’ role

Every month, **Jane Simpson**, Chief Engineer at Network Rail, (whose board has three women, all of which are NEDs) gets a call from at least two headhunters asking her to apply for non-executive director roles, but what she really wants is an ExCo job.

“It’s frustrating because many women at my level can’t get that ‘big E’ role,” she continues. “A lot of women are saying that’s the glass ceiling now, yet we can all get NED jobs.”

A history of patriarchy has affected the views and values of men as much as it has women, whose confidence can be in short supply. “I look behind and there are some really good women coming through, but I have to invite them to apply for roles and sometimes really persuade them,” says **Jane**.

“The problem is often not a lack of talent but a lack of support in the ecosystem,” says **Jamie Wilson**, Managing Director at Criticaleye, who chairs the company’s

“Every team you put together, every training course must aim to have equal representation”

Women in Leadership events both in the UK and Asia.

“How well the board and leadership team embrace and actively encourage diversity from the top-down will be reflected in the talent they are able to retain. The long-term success of a business hinges on this.”

**Joëlle Warren**, Executive Chairman of search firm Warren Partners, sees this issue play out in practice. She explains: “We haven’t got a problem getting 30 per cent of women for non-exec roles, we can do that. Yet we have a real

problem getting 30 per cent of women on the shortlist for some ExCo roles, because the population of women in the level below is so small.

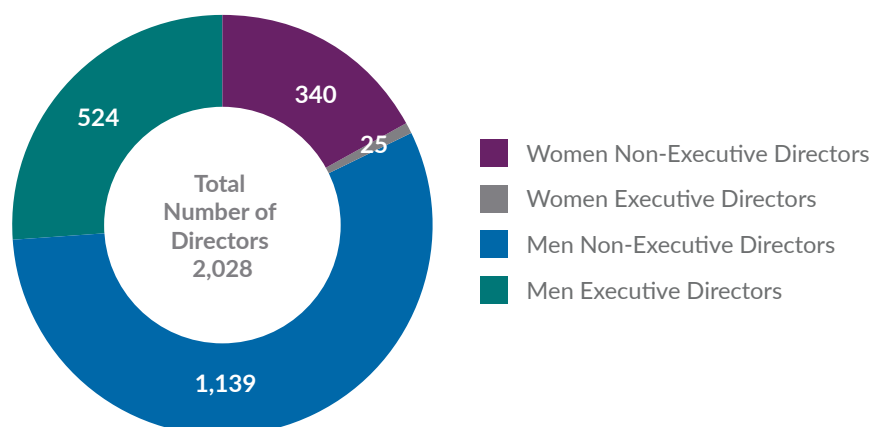
“That means we’ve got to persuade the CEO to appoint a woman from a smaller pool, or at least to look at women whose CVs look different to the men’s.”

**Jane Griffiths**, EMEA Company Group Chairman at Janssen, the pharmaceutical division of Johnson & Johnson, notes that appointing women to the board isn’t enough – a longer-term plan is needed and succession is a big part of that.

“Unless the women on the non-executive boards can do something about gender diversity throughout the company, the issue needs to be targeted at the executive level,” she reasons.

“It’s not as though it’s going to take on a life of its own. You have to keep on working at it – every team you put together, every training course must aim to have equal representation of men and women to get those numbers up.” >

### FTSE 250 Board Composition



Source: Women on Boards 2015



The question of organisational support is an important one. **Jo Whitfield**, Vice President of general merchandise for Asda Money and Asda Mobile, and the most senior woman in trading at Asda, says: "In retail we have a great deal of women join us at a junior level but that gets less and less as they work up through the organisation. So we focus most of our women in leadership programmes around where in that pyramid it starts to leak; my reflection is that we have to start at the bottom."

## Clearing the path

This is why **Jo** is an ambassador for the charity Girls Out Loud, which provides coaching and career advice to teenage girls, often from disadvantaged backgrounds.

While such programmes undoubtedly bring diversity to big businesses, the consensus is that significant change calls for a holistic approach. **Laura Haynes**, Chairman at brand consultancy Appetite and Co-Chair of the UN Women UK National Committee, says: "One of the challenges with trying to achieve greater gender equality is that it will not be solved simply by setting up a women's network, so senior management can tick a box. You must go deeper to policies, processes and culture."

Nonetheless, **Laura** is encouraged by the seriousness with which this is being viewed. "The question of gender is one that is really vexing the boardroom and executive committees everywhere now," she says. "This topic is hitting my in-tray at an extraordinary rate."

**Liz Bingham** OBE, Managing Partner of Talent for the UK & Ireland at EY, says

she "hasn't been aware of any glass ceilings other than those I put in place myself," yet she agrees there's plenty of work still to be done.

"It's a real worry that we declare victory too soon," **Liz** warns. "There is a perception that we're there already, whereas research EY released at Davos at the beginning of the year says [gender equality] is going to take another 80 years at the current rate of progress."

This is despite evidence that diversity is good for business. A review by EY of its own firm found just that. **Liz** explains: "We looked at 5,000 EY UK audit assignments and discovered that the audit teams that were gender balanced were more profitable projects; we had higher client satisfaction and team engagement scores."

This proves that it pays to have a mixed team, but women must be seen as being there on merit, which itself is a complex issue. **Joëlle** says: "I think we all have to talk about what 'on merit' means. On whose scale? There is a tendency to over-value certain kinds of experiences. They then talk about fit. Fit with what? If it's fit with the culture we've always had then nothing's going to change."

For **Laura**, the problem is not just getting women on boards, it's about ensuring they're heard. She illustrates her point by summarising a joke she recently heard: "There's four people in a boardroom, three men and one woman. The chairman says: 'That's an excellent suggestion Miss Triggs. Perhaps one of the men here would like to make it.'"

It raised a knowing chuckle among her colleagues, yet the message is serious. ■

This article was inspired by Criticaleye's recent Women in Leadership event, hosted by EY.

[Attend the next event](#), at which **Laura Haynes**, Chairman of Appetite and Co-Chair of the UN Women UK National Committee, will discuss the challenges of achieving gender equality targets in the workplace. This event will be hosted by **Mel Rowlands**, Deputy Group General Counsel and Company Secretary at Smiths Group.

Featuring Commentary From:



**Liz Bingham**  
Managing Partner  
Talent  
UK&I, EY



**Lord Mervyn Davies**  
Vice Chairman  
Corsair Capital



**Jane Griffiths**  
EMEA Company  
Group Chairman  
Janssen



**Laura Haynes**  
Chairman  
Appetite



**Jane Simpson**  
Chief Engineer  
Network Rail



**Joëlle Warren**  
Executive Chairman  
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**Jo Whitfield**  
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