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Seeing it through

Businesses are training female staff from entry level up, only to see them slip away before they reach board level. Annie Makoff peers through the glass ceiling to find out why it still exists, and how it can be smashed

In 2013 it is exactly 40 years since the first woman was permitted on the floor of the London Stock Exchange and almost a century since ICAEW admitted its first woman member, making her the first female chartered accountant in the world.

Today, step onto any university campus and 60% of students are female. In the National Assembly for Wales, 40% of all representatives are female, and in the NHS, 47% of GPs are female. Even our Parliament has a higher percentage of female members than parliaments in Luxembourg, Italy and 12 other EU member states. So far, so promising.

But turn your attention to the upper echelons of the business world and the picture is not so good. Only 4% of FTSE 100 companies are run by female CEOs, and just 9.4% of director positions within FTSE 250 companies are held by women.

Earlier this year, Boardwatch UK recorded the first fall in the percentage of women on boards since the figures started being compiled in 1999. And when it comes to bonus payments, male managers take almost double - they received an average of £6,222 last year, compared with just £3,029 for women managers, according to the Chartered Management Institute.

So skewed is the boardroom gender balance that in June, the Women's Business Council released a series of recommendations concerning the role women could play in boosting the UK economy, if only businesses would let them. FTSE 100 boards have also already set a target of reaching 25% female representation at board level by 2015.

Yet that target is unlikely to be reached, according to a recent report by executive search consultancy Warren Partners in collaboration with ICAEW. And with the European Commission's own measures to redress this balance still at consultation stages, the situation is unlikely to change any time soon.

What makes it all the more baffling is that there appears to be a general consensus that equal gender representation in boardrooms would be beneficial. Indeed, 86% of respondents to the Warren Partners report agreed that female representation added strength to the board.

Ruby McGregor-Smith, chairman of the Women's Business Council and CEO of Mitie Group, firmly believes there is an "overwhelming business case" for maximising women's contributions to both businesses and the economy and that improving gender diversity at board level is key to achieving this.

"Women have been restricted from reaching the most senior levels in business for too long now," she says. "By equalising the labour force participation of both men and women, the UK could further increase GDP per capita growth by 0.5 percentage points per year, with potential gains of 10% of GDP by 2030."

Mark Freebairn, partner and head of CFO practice at recruitment consultants Odgers Berndtson, agrees that gender equality at boardroom level is vital: "Both genders bring a different set of interpersonal strengths to the way you resolve problems at board level." He adds: "When it comes to problem solving, you might have 14 of the most intelligent men on the planet debating a solution, but they won't explore as many dimensions as if



Allyson Zimmermann, director of Catalyst (pictured on page 50 with Servane Mouazan, left, and Sarah Harkness, right) says awareness of the cultural issues that hold women back is still low

“Women leaders have to walk a tightrope between being competent and likeable while not being too soft or too tough. Men have a much larger margin for error”

HOW CAN BUSINESSES BEST USE THE TALENT OF FEMALE STAFF?

- Revisit recruitment criteria, especially for the more senior levels. Assess the ‘essentials’ and ‘good to haves’ in particular - could some of the criteria be putting women off from applying, perhaps due to an unconscious gender bias?
- Explore female-orientated leadership and development initiatives, for example ICAEW’s Women In Leadership or OnTrack’s Women OnTrack coaching programme.
- Focus on middle-management roles. Prepare the female workforce for C-suite status by developing opportunities within the junior and middle-management positions first.
- Implement flexible-working arrangements. Consider arrangements such as family-friendly start and finish times, working from home schemes and job-sharing.
- Engage with the workforce. Find out what’s valuable to employees in terms of engagement and retention, and take steps to implement their suggestions.

you have seven men and seven women discussing it.”

Annelie Green, head of leadership and professional development at ICAEW, agrees: “From a family economic point of view, women tend to hold the purse strings, they are the ones making purchasing decisions, choosing bank accounts and doing the financial planning, so organisations should be addressing that market innovatively by utilising the skills that women have.”

So if industry experts are unanimous that gender equality in boardrooms would be beneficial, why are they so far from achieving it? Part of the problem is that many people are unaware of just how great the gender imbalance really is, says Allyson Zimmermann, director of Catalyst, an NGO that works to bring about positive change for women at work. “People are still in denial,” she says. “Someone said to me recently, ‘I walk through the office and I see women everywhere, so it’s not really a problem’. That’s the problem, right there.”

Green believes another part of the problem is that there is an “unconscious gender bias” when recruiting for senior levels that demand specific experiences which, she says, have been harder for women to achieve. “Working internationally is one of the key recruitment criteria,” she explains. “But because it’s much more difficult for women to uproot their families and work abroad, you limit the number of women who can apply.”

For this to change Green says the recruitment criteria should be revisited. “Companies operate in a diverse market, yet their boards aren’t diverse enough and not representative of the environment. Companies need to urgently readdress their recruitment criteria in light of this gender bias.”

Sarah Harkness, non-executive director of the NHS Trust Development Authority and a former corporate financier who started working in the City in 1983, agrees with this principle.

“Despite what people think, women aspire to reach senior, C-suite positions just as much as men,” she says. “They have the same ambitions, but because of various barriers, the outcome is very different. Pure and simple, it’s not a level playing field.”

ICAEW runs a series of female-orientated initiatives including its Women In Leadership programme, which offers support to potential female high fliers across a range of sectors, helping them achieve executive board positions. Even after gaining a place at board level, there are still cultural differences to overcome. Rosemary Bailey, founder of learning and development solutions company OnTrack, feels ambitious women are not seen as feminine, while Zimmermann maintains female leaders have to walk a “tightrope” between being competent and likeable, while not being “too soft or too tough”. “Men,” she asserts, “have a much larger margin for error.”

Zimmermann also cites a situation with a German business she worked with, where a hunting trip was arranged for senior members. Just one woman had been invited, but she opted not to go. “She felt she had to balance the networking advantage with how she would be perceived by being the only woman going on a hunting trip with men. How would that look?”

However, Freebairn qualifies his statements by explaining that a lifetime spent working in the recruitment sector means he has seen little or no evidence of gender bias, whether conscious or not. “The idea of there being sexism or anti-feminist agendas in my workplace is farcical,” he says. “If you look at the Big Four firms at graduate intake level, they’re 51% female and 49% male, yet at partner level they’re 86% male and 14% female. I don’t believe they would want to skew the system to that extent and even if they did, there’s no way they would get away with being that anti-female and remain an employer of choice.”

Freebairn insists the discrepancy is a cultural one: he accepts this is a generalisation but points out that in the UK, the role of

primary childcare provider, rightly or wrongly, tends to fall to the mother. "Because of this, some women choose not to return to work after having children, reducing the proportion of women who have a chance of getting to the top," he says. "There are also a significant number of women who do return to the workplace, but with slightly shifted priorities. In a world where global experience is desirable, you risk being disadvantaged if you're not readily available to jump on a plane to Brazil, Sydney or wherever to deal with a crisis. This affects anyone, but will clearly have an impact on someone who is the primary childcare provider."

He also describes a third, more complex category of working mum who is determined to return to the workplace and progress through the ranks after taking a career break to have a child, but is disadvantaged in a different way. "Around the age of 26, you start jostling for a more senior position in the career race. By 38, if you haven't risen to a certain level, it's unlikely that you'll ever reach the highest levels," he explains. "If a woman takes a career break between the ages of 30 and 35 to look after children, they have five years less experience than competitors when applying for a more senior position. More importantly, they have five years less experience during that crucial window between 27 and 38 when you effectively set your career path and rank for life. Just to be absolutely clear, this would and does impact men who do something similar during that phase of their career in exactly the same way."

Quotas, like those set out in the Davies Report, are a commonly suggested solution. But they're unpopular, particularly among female leaders. "I'm really against quotas," says Bailey. "They're a patronising 'stroke them on the head and they'll be quiet' response. The best people should be on boards, regardless of gender."

Freebairn agrees: "There is no value in quotas. It does disservice to the number of immensely talented women already on boards, and creates too easy an argument for men to say, 'she's only here because she's a woman'."

Many women believe they can rectify the problem themselves, by refusing to conform to cultural attitudes and societal norms. "Women need to look at how they represent themselves within business," says Beatrice Bartlay, founder and managing director of employment specialists 2B Interface. Bartlay argues that women have made themselves more masculine in character and

SUCCESS STORY

Alison Smith, general manager at 2 Sisters Food Group, a UK and European food company, has worked her way up to the top of a 95% male management team within a male-dominated industry.

Responsible for managing more than 1,000 staff at the Flixton site in Suffolk, Smith is just one of three female managers, although when she first became general manager eight years ago, she was the only woman on the team.

"The workforce here is 70% male," she says, "but even so, being one of the few females in management never really entered my head, it was just never an issue."

The 2 Sisters Food Group, a member of the British Poultry Council, was keen to invest in Smith's skills as she progressed through the ranks from when she first joined the company at 17 to subsequent roles in later years.

Smith puts her success down to two key facts: the forward-thinking attitude of the 2 Sisters Food Group that allowed her to get to the top, and her own determination to succeed.

"2 Sisters had a great deal of belief in me and the things I could achieve," she explains. "They have invested a lot of time and resource in preparing me for my management role. It's a full-on job with 12-hour shifts, but I believe that if you work hard, you make your own luck."

the way they dress to compete with men. But, she asserts this is counterproductive. "They should be embracing their femininity while pushing themselves to get to the top."

Harkness, who previously launched the non-executive headhunting division at Directorbank Executive Search, also believes women aren't competing in the right way. She found that the men who approached her tended to claim responsibility for all the good stuff they had helped implement, but took no responsibility for things that went wrong. Women, on the other hand, were more modest or almost apologetic in their approach. "The bottom line," she argues, "is that women just don't sell themselves well enough."

OnTrack recently launched its own initiative to help women do that. Women OnTrack (WOT) is designed to encourage a top-down culture change. "With the right coaching, WOT helps women rebrand themselves as potential board members, while still maintaining a work-life balance. It has a huge economic benefit to the companies they work for," explains Bailey.

"If the workforce is telling [a business] flexible working is important, they need to listen"

This is a huge cultural challenge for countries all across the world. According to global data drawn together by Catalyst for its *Women on Boards* report, women fare badly on board-level representation in countries such as Japan, the UAE and Portugal, but do better in northern Europe where they account for a higher proportion. For example, Norway boasts a 40.9% female representation rate, compared with the UK's 17.3%.

Servane Mouazan, director of Ogunte, an organisation that supports female social entrepreneurs, puts it down to a better cultural awareness. "The whole system is better in northern Europe," she says. "In Finland the working day ends earlier in the afternoon so people can spend time with children."

Mouazan insists the solution lies in cultural change, part of which means reviewing working hours, childcare provision and pay. "You can't change one piece of the puzzle without changing the others, too," she argues.

Both Bartlay and Zimmermann believe businesses should be responsible. Bartlay argues the way to force change is by recruiting women into senior positions below board level, then providing development opportunities for them to progress. Zimmermann believes businesses should focus on providing flexible working such as job sharing, remote working and family friendly start and finish times. A recent global study by Catalyst into the importance of flexible working revealed a failure to implement it had "serious consequences for top talent, especially women" and found 81% of high performers rated these arrangements as highly valuable. "If their workforce is telling them flexible working is valuable, they need to listen," she says. "Businesses have to stop talking and start doing."

Freebairn argues that the only way of making real change is by tackling the problem through business and government action. "It's difficult to see how the solution does not involve legislative focus on supporting parents who want to work more," he says. He adds: "After all, businesses may mean well and want to improve the gender balance, but when it comes to actually making a change, it's all too easy for them to say: 'I understand that it's important, but it's not for me right now.'" ■