

## **Survey report**

February 2015



# *Gender* diversity in the boardroom: Reach for the top

The CIPD is the professional body for HR and people development. The not-for-profit organisation champions better work and working lives and has been setting the benchmark for excellence in people and organisation development for more than 100 years. It has more than 135,000 members across the world, provides thought leadership through independent research on the world of work, and offers professional training and accreditation for those working in HR and learning and development.

# Gender diversity in the boardroom: Reach for the top

## Survey report

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# Foreword

*‘Female progression to top roles is not sustainable unless organisations provide a strong and sustainable framework to recruit and develop women at every stage of their career.’*

Gender diversity in the boardroom makes fundamental business sense. This survey report highlights some of the key benefits of having a good gender balance on boards, such as bringing different perspectives to decision-making, reflecting the wider diversity in society and improving business performance.

The common view is that concerted action is needed to breach the glass ceiling that persists at the top of most organisations. But it is more apt to highlight the challenge that most women face in climbing the glass slope to reach senior-level positions. Female progression to top roles is not sustainable unless organisations provide a strong and sustainable framework to recruit and develop women at every stage of their career.

The UK Government encourages a voluntary approach to improving the gender balance in company boardrooms but an EU initiative

under negotiation in Brussels sets a minimum compulsory quota of 40% representation for each gender. These contrasting approaches raise crucial issues for female diversity: do we want or need compulsory quotas, and what are the most effective ways of improving the representation of women in senior roles?

In December 2014, the CIPD surveyed 452 HR professionals, the majority drawn from the CIPD’s membership of more than 135,000 members. Through this sample we explore HR practitioners’ perspectives on gender diversity in the boardroom and practical strategies for improving female representation at the top of organisations. The report also draws on the practical experiences and learning of leading diversity specialists belonging to the CIPD’s Senior Diversity Network.

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# Executive summary

Three years on from the Lord Davies Review in the UK, by October 2014 women accounted for 22.8% of board directors of FTSE 100 and 17.4% of FTSE 250 companies (up from 12.5% and 7.8% respectively in February 2011) (BIS 2014). Progress has been made but much more is needed and the pace of change needs to accelerate. Some FTSE 100 companies will have to increase the pace of change to meet the initial 25% target set by Lord Davies for 2015 and this target still does not represent gender parity. We need to ensure that attention continues to focus on improving the level of female representation in the boardroom, or risk losing the momentum that the issue has started to generate.

Increasing the number of women at board level is starting to influence how companies view their talent pipeline and opening up new opportunities for women at work. However, our findings reveal that the proportion of female employees decreases with seniority in two-thirds (67%) of organisations and just three in ten (31%) have taken action to improve the gender diversity of their board. Improving the female balance of senior talent therefore remains a key challenge for organisations across the economy and not just for FTSE 350 companies.

## Greater awareness needed of the Women on Boards initiative

Over half of respondents (56%) are aware of the Lord Davies review of women on boards; however, a sizeable 44% are not. Just 17%

of our survey respondents are aware of the Think, Act, Report (TAR) initiative that provides a simple step-by-step framework to help companies consider gender equality in their workforce.

The UK and EU initiatives to improve the gender diversity of boardrooms are understandably focused on a relatively small number of corporate companies but their underlying aim – to enhance senior female progression – is relevant to all organisations, big or small and regardless of sector. Awareness is the first step in the change process; therefore, wider promotion of the Women on Boards initiative and supporting guidance on how to build female talent pipelines could help to encourage a broader number of employers to foster a better gender balance in senior roles.

Realising the full potential of a diverse boardroom and its impact on organisational performance relies on a wider perspective on diversity. Boardroom diversity is about more than achieving a certain ratio of female directors – our respondents strongly identify with the statement that boards should aim for a balance of many different elements including experience, gender, age, culture, background and perspective.

## Voluntary targets are the way forward

The Brussels proposal to impose a mandatory quota system for female non-executive directors raises the real spectre of a rigid and compulsory approach to boardroom selection. The

effectiveness of voluntary targets versus mandatory quotas prompted lively debate on the part of our survey respondents, but there is clear support for the UK Government's voluntary approach: six in ten respondents (60%) think that mandatory quotas should not be introduced.

The CIPD recognises the frustration felt by some regarding the seemingly slow progress of gender equality in boardrooms, particularly in relation to the appointment of executive, as opposed to non-executive, directors. However, we believe that the introduction of a compulsory quota system would not be a sustainable and long-term solution to achieving greater gender parity at the top of organisations. The CIPD has always advocated a voluntary approach to increasing boardroom diversity, to enable organisations to develop an appropriate and sustainable range of responses in how they develop female talent and affect cultural change. This view is backed up by our panel of HR professionals: more than half (55%) feel that a voluntary approach to setting organisational targets is more helpful than a mandatory quota system, while 23% think that this approach is equally helpful, 15% less helpful and 7% unsure.

Legislating to ensure that a certain number of women are appointed to board positions will not solve the underlying reasons for failures in boardroom gender diversity. As many HR professionals told us, a quota imposition could be counter-productive and lead to a potential backlash towards those

*‘More than half (53%) of the HR professionals taking part in our survey believe that the Government should set a more ambitious voluntary target to improve gender diversity in boardrooms post-2015.’*

appointed as a result of what is often perceived as positive discrimination. People want to be seen as successful based on their own ability and not as a result of their identity. While voluntary targets – set by government or by organisations themselves – can be helpful to focus the mind and encourage greater gender diversity in the selection pool, the key criterion for boardroom appointments should be merit.

Looking ahead, more than half (53%) of the HR professionals taking part in our survey believe that the Government should set a more ambitious voluntary target to improve gender diversity in boardrooms post-2015. We asked respondents what they believe the new voluntary target for female representation on boards should be: a voluntary target of 50% was most popular, with 36% indicating this equal level of gender representation.

#### **A separate target for executive directors?**

The Women on Boards initiative recognises that increasing the proportion of female *executive* directors is a tougher challenge compared with boosting the number of female *non-executive* directors in boardrooms. The target recommended by Lord Davies is an overarching one and covers executive and non-executive positions. The Government’s October 2014 interim review reported that 8.4% of executive directors and 27.9% of non-executive directors were women in FTSE 100 companies, reflecting the significantly greater progress that has been made in increasing non-executive female representation.

Our findings reveal that half of the sample (50%) would like to see a separate target to help increase

the proportion of women in executive director positions, with 38% disagreeing and 12% unsure. Improving the gender balance of both executive and non-executive directors should be a priority and it is undoubtedly harder to increase the proportion of female executive positions. However, it is the influence of female role models in executive positions that has the potential to create the greatest sea change in organisational attitudes and practices around gender diversity and female progression. The proportion of executive director posts that are held by women is also the key litmus test of the organisation’s success in developing a strong and sustainable female talent pipeline that lays the foundation for senior female succession to the top. Therefore, we would welcome the introduction of a separate voluntary target aimed at improving the gender balance of executive directors in the boardroom.

#### **Gender monitoring and transparency are the first step**

That well-worn adage says that you can’t manage what you don’t measure and this principle directly applies to how organisations can foster greater female progression. Monitoring the gender profile of the workforce is the first step to understanding the proportion of female employees being recruited, developed and promoted – these HR activities are the foundations for improving the number of women who are appointed to senior-level roles and who gain a seat on the board.

For an organisation to fully understand what action is required to improve female progression, it needs to collect a range of data across all levels of its workforce. However, our findings show

that just under half (49%) of organisations monitor the gender profile of their workforce at all levels, including senior and board roles. More than a quarter (28%) do not monitor the gender profile of their workforce at all and a further 6% monitor more junior levels but do not monitor gender diversity in their boardrooms.

Much greater transparency is needed to help create the accountability and cultural dynamic necessary to effect truly sustainable change. The CIPD has consistently called for a more robust framework to help organisations measure and report on their human capital and this directly applies to how employers manage their female talent pipeline.

### **Building sustainable strategies to support female progression**

As Lord Davies suggests, *'strengthening the executive pipeline remains a longer-term task'* and is a goal that needs sustained action. This raises crucial issues about how employers – whether private, public or voluntary sector – can build a strong and sustainable framework to encourage good female representation throughout the organisation. Therefore, our research explores respondents' views about female progression at work and the kind of organisational practices considered most effective to promote gender diversity in senior roles.

An open and supportive culture that supports gender diversity is viewed as the most effective way of improving the gender diversity of boardroom executives (64% of respondents), followed by:

- unbiased recruitment and selection practices to attract diverse talent pools (56%)
- good work-life balance policies that support female staff with caring responsibilities (50%)
- clear career paths and promotional opportunities in middle and senior management roles (50%).

Our findings show that HR professionals think there is a whole raft of organisational approaches that have the potential to support the career progression of women at work. Coaching and mentoring for women, female sponsorship and advocacy schemes and leadership development programmes aimed exclusively at female employees are all rated positively by respondents. This indicates that there is no quick fix to boosting senior female representation in organisations and that employers need to take a holistic approach to building a strong and sustainable female talent pipeline to secure future senior appointments for women. This means developing a number of supportive and inclusive strategies that reach out to women employees across the workforce. This may take time but it will be worth it in the long term.

*'There is no quick fix to boosting senior female representation in organisations and employers need to take a holistic approach to building a strong and sustainable female talent pipeline.'*

# 1 The benefits of gender diversity in the boardroom

*‘HR professionals believe that there are a number of wide-ranging benefits associated with having a good gender balance in the boardroom.’*

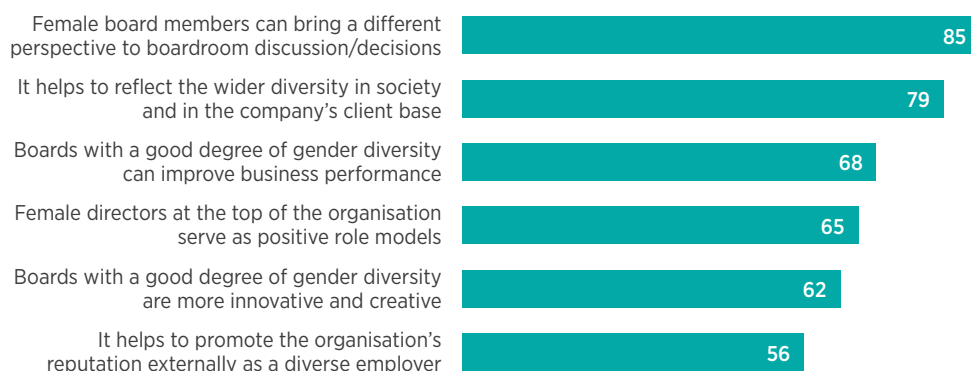
The overwhelming majority of respondents (89%) to our survey think that a good level of gender diversity can improve boardroom effectiveness; just 6% disagree with this view and 5% are unsure.

HR professionals believe that there are a number of wide-ranging benefits associated with having a good gender balance in the boardroom, as Figure 1 shows. While the top reason relates to the effective operation of the board itself and the different perspective that female members can bring, other benefits are far-reaching and relate to wider organisational effectiveness and the bottom line. The knock-on effect of having a good gender mix in boardrooms extends to enhancing the company’s reputation in the community and its recognition as a diverse employer.

In the informed view of our panel of HR professionals, therefore, the advantages of fostering a good level of female representation at the pinnacle of the organisation’s

decision-making process cannot be underestimated. The rationale for encouraging better female representation in organisations goes far beyond an organisation’s CSR mission and is underpinned by a sound business case. This perspective is backed up by evidence-based research such as the University of St Gallen’s School of Finance 2015 study (Reinert et al 2015). The report examines the relationship between the proportion of women in top management banking positions in Luxembourg and the financial performance of these institutions. Using prudential data from supervisory reporting for all credit institutions in the Grand-Duchy of Luxembourg from 1999 to 2013, it finds a positive association between female management representation and firm performance. The economic effect is substantial: a 10% increase of women in top management positions improves the bank’s future return on equity by more than 3% a year.

**Figure 1: The benefits of having a good representation of female board members (%)**



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## 2 Voluntary targets for executive and non-executive directors

We explored respondents' awareness of the Lord Davies review of women on boards which includes the recommendations for FTSE 100 boards to aim for a minimum 25% female representation by 2015 and all FTSE 350 companies to set targets for the number of women they expect to have on their boards.

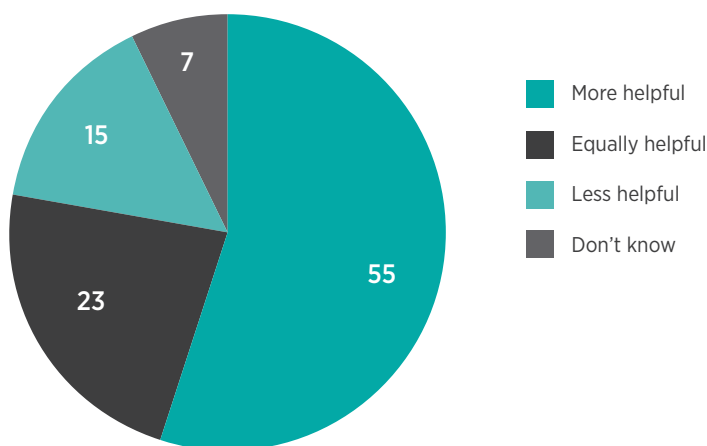
Over half of respondents (56%) are aware of the Lord Davies review; however, a sizeable 44% are not.

As the Lord Davies recommendations are aimed at a specific section of the UK economy, it's not surprising that there is not fuller awareness of them among HR professionals in all sectors and size of organisation. However, the underlying aim of the review, to improve female progression in organisations to enhance gender diversity at the

top, is relevant to all workplaces and there is clearly room to build greater awareness of this positive programme.

Over half (53%) believe that the Government should set a more ambitious voluntary target to improve gender diversity in boardrooms post-2015. We asked respondents what they believe should be the new voluntary target for female representation on boards. A voluntary target of 50% was the most popular option, with 36% choosing this level of gender representation. This top-rated finding was followed by respondents recommending a voluntary target of 40% (30% of respondents). Fewer respondents chose a female representation of 35% (17% of respondents), 30% (13%) and 45% (4%).

**Figure 2: The effectiveness of a company's own voluntary targets for gender diversity compared with mandatory quotas (%)**



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*‘Increasing the proportion of female executive directors is a tougher challenge compared with boosting the number of female non-executive directors in boardrooms.’*

We also investigated whether practitioners believe that a company setting its own *voluntary* targets for a certain percentage of female directors is more or less helpful than *mandatory* targets in improving boardroom diversity. Over half (55%) feel that a voluntary approach to setting organisational targets is more helpful than a mandatory quota system, while 23% think that this approach is equally helpful, 15% less helpful and 7% unsure (see Figure 2 on page 7).

#### **A separate target for executive directors?**

The Lord Davies initiative recognises that increasing the proportion of female executive directors is a tougher challenge compared with boosting the number of female non-executive directors in boardrooms. The ‘Women on Boards’ target is an overarching one and includes executive and non-executive positions.

The Government’s October 2014 interim review reported that 8.4% of executive directors and 27.9% of non-executive directors were women, reflecting the significantly greater progress that has been made in increasing non-executive

female representation. While organisations should aim to improve gender diversity for all boardroom positions, we explored whether or not it would be helpful to introduce separate voluntary targets for executive directors. Half of respondents (50%) would like to see a separate target to help increase the proportion of women in executive director positions, with 38% disagreeing and 12% unsure.

#### **‘Think, Act, Report’ (TAR) initiative**

The ‘Think, Act, Report’ (TAR) initiative provides a simple step-by-step framework to help companies consider gender equality in their workforce, particularly in relation to recruitment, retention, promotion and pay. We wanted to gauge respondents’ awareness of this initiative. Just 17% of our survey respondents are aware of the TAR initiative, a finding that is consistent regardless of the sector and size of the organisation. Of the respondents who are aware of the TAR initiative, just 17% have adopted the TAR framework in their organisation. These results show that building greater awareness of this initiative would be beneficial across all organisations.

# 3 Mandatory quotas – yes or no?

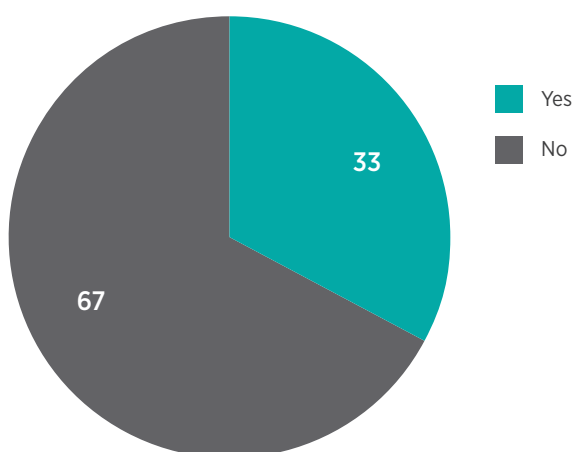
We explored respondents' awareness of the EU proposal under negotiation in Brussels regarding mandatory gender quotas. The proposal for a directive sets a mandatory 'procedural quota' of 40% representation for each gender in respect of non-executive board members. As it stands, the proposal applies to companies listed on stock exchanges in EU member states irrespective of whether they are privately or publicly owned, but it excludes SMEs even if they are listed on stock exchanges.

The proposal is far from reaching agreement in Brussels but, if adopted, the directive will

apply to around 5,000 listed companies across the EU and will have significant implications for some UK companies. A third of respondents (33%) taking part in our survey are aware of this proposal, leaving a substantial 67% who are not.

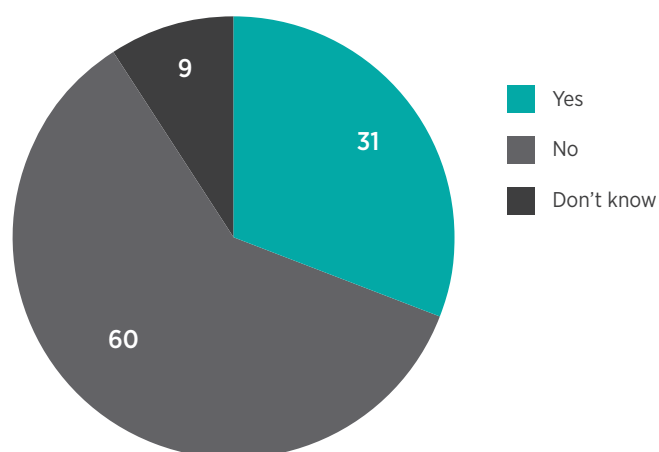
We also explored respondents' views about the principle of a mandatory quota system for gender diversity in boardrooms. Six in ten respondents (60%) think that mandatory quotas should not be introduced, three in ten (31%) believe that they should be introduced, with the remainder unsure.

**Figure 3: Are you aware of the EU proposal to introduce mandatory quotas? (%)**



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**Figure 4: Do you think that a mandatory gender diversity quota should be introduced? (%)**



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*‘Some feel that mandatory quotas are demeaning to women and could hamper gender equality as there would be a perception that women are hired because of their gender and not on merit.’*

We asked respondents to provide feedback on their responses to the effectiveness of mandatory quotas to improve gender diversity in the boardroom. The large proportion of professionals (181) who did so indicates the high level of interest among HR professionals about this issue. The main themes of respondents’ feedback are summarised below.

***Appointments should be based on merit***

Around three-quarters of those who provided feedback on mandatory quotas think that selection to senior posts should be based on merit. Some feel that mandatory quotas are demeaning to women and could hamper gender equality as there would be a perception that women are hired because of their gender and not on merit.

*‘The value of, and respect for, women will rapidly diminish as it will smack of tokenism.’*

*‘Quotas tend to drive the wrong behaviour – that is, fulfilling the target but not addressing attitudes and operational infrastructure that if right could better support a more balanced workforce.’*

***Mandatory quotas fail to address the real issues***

Several respondents think that mandatory quotas could result in a ‘numbers game’, rather than address the real issues concerning female progression to senior roles. Respondents pointed to a range of areas that affect gender diversity at board level in organisations and wider society (including early education and careers, perceived gender roles and childcare options).

*‘The current situation has developed over a long period of time and can only really be addressed by fundamental changes to education and early careers. Even now the number of women taking science subjects at school and university, for example, is very low and this will feed into executive appointments in 20-plus years.’*

*‘Society needs to tackle structural changes over time if we are to achieve the goal of more women in senior positions, for example men must take on a greater share of caring for their children and/or dependent adults.’*

*‘I believe the solution is to make childcare better/more affordable and remove the stigma for working mothers who want to have a good work-life balance so they can progress more easily.’*

Many suggested that, rather than introducing mandatory quotas, it would be more valuable for organisations to focus on ensuring that selection criteria are fair, ‘that companies are encouraged to look more widely for those skills and not just in traditional old boys’ networks’, and that diverse characteristics are valued. In addition, many people view ‘positive action such as succession planning, mentoring, shadowing and other forms of development, encouragement and support’ as beneficial.

*‘I would prefer that laws were made for all organisations to supply training, coaching and mentoring for employees.’*

***Are there enough female candidates?***

Several respondents questioned

whether or not there are enough female candidates to fill senior boardroom positions and queried the practicalities of operating a mandatory quota system.

*'What sanctions will be imposed on organisations which do not reach their quota, for quite legitimate reasons – for example there are not enough female candidates? Will the quota cover only male/female diversity, or include others who come under the protected characteristics of the Equality Act? If the former, could that be seen as discriminatory in itself? If the latter, it could become meaningless, with so many falling into the categories.'*

*'The setting of mandatory targets assumes that there are enough women who are willing to take on the duties and liabilities of board membership to enable compliance. Until there can be certainty on this point, why mandate if 100% compliance is not achievable due to a lack of candidates?'*

*'I think in some companies you would really struggle to find enough women who wanted to be on the board. Take the IT industry for example – less than 20% of computer science graduates are female and many of those drop out of the industry – you would struggle to find enough qualified women on the board.'*

*'It could be damaging for companies if they cannot find the right female candidates and have to appoint unsuitable female employees to achieve the quota.'*

### **Progress is too slow without mandatory quotas**

We asked the 31% of respondents who feel that mandatory gender quotas should be introduced to

provide feedback on why they think this is the case. Most of those who responded 'yes' believe that a mandatory quota is necessary 'to set the wheels in motion' as progress 'is very slow to non-existent with voluntary targets'.

*'In order to achieve systemic change quickly it is necessary to have quotas.'*

*'It is the only way that women can break the monopoly of male-dominated management as the men are the ones choosing their successors and they choose what they are familiar with and what has worked for them in the past.'*

*'Because women are naturally excluded from senior [board] due to rigid unwritten rules and ways of working, for example 6am board breakfast meeting or golf away day.'*

*'There is a good deal of talent in the marketplace that has been held back by cultural and outdated ideas about what females can contribute in the workplace at a senior level.'*

### **A (long-term?) interim measure**

Some people suggested that mandatory quotas could be introduced to 'accelerate' gender diversity and just be in place for a limited period 'such as 20 years'.

*'Given that 50% of the population is female, a mandatory quota of 40% does not seem unreasonable. However, the timescale of achieving this should not be too stretching as it will otherwise lead to tokenism and individuals being placed into roles where the outcome may be failure to perform. Equally, once the target has been set, it should not remain in place forever. We need to get to a place where this is not an*

*issue and once the quota has been reached, it is more likely that it will be self-sustaining as the recruiting panels will be more gender balanced.'*

### **Quotas do not equate to tokenism**

One of the main arguments posed by respondents against mandatory quotas is that they amount to tokenism and do not encourage longer-term sustainable change in organisations. But several respondents who support a system of quotas do not share this view.

*'Mandatory quotas don't assume that a less-qualified female will get a role over a more qualified male – just that there is diversity and encouragement to select the female.'*

### **Quotas for other protected characteristics?**

If a system of mandatory quotas is felt to be beneficial to improve gender diversity, it is logical to assume that regulation could be used to apply such an approach to employees with other protected characteristics. There are already moves to improve the representation of ethnic minorities in the boardroom, although this would presumably follow a similar UK approach of introducing voluntary, and not mandatory, targets.

Just 19% of respondents feel that there should be mandatory quotas for employees with protected characteristics other than gender, with 81% responding in the negative. Among the minority who feel that there should be mandatory quotas for other groups, the top three protected characteristics are disability (70%), race (67%) and age (63%).

## 4 Gender diversity in the workforce

*‘Almost half (49%) of surveyed organisations monitor the gender profile of their workforce at all levels including senior and board roles.’*

In addition to the main focus of this survey, which is centred on boardroom diversity, we wanted to explore respondents’ views about female progression at work and the kind of practices their organisation has in place to promote gender diversity.

Almost half (49%) of surveyed organisations monitor the gender profile of their workforce at all levels including senior and board roles. However, over a quarter (28%) do not monitor the gender profile of their workforce at all and a further 6% monitor more junior levels but do not monitor gender diversity in their boardrooms (see Figure 5 on page 13).

When it comes to sector differences the public sector is leading the way in this area, with eight in ten organisations (81%) monitoring the gender profile of their workforce at all levels (this compares with private services sector: 51%, manufacturing: 50%, and not-for-profit: 49%). The findings indicate that very large organisations (10,000-plus employees) are also more likely to monitor the gender diversity of their employees.

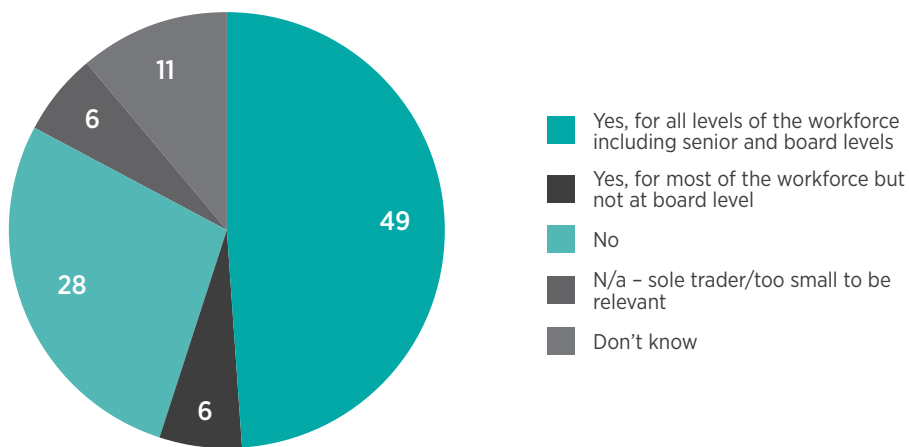
When it comes to the gender balance of the workforce in respondent organisations, 39% report that their workforce is predominantly female, 36% that their workforce is predominantly male, with just 18% indicating that the gender balance is either

equal or fairly equal. As expected, respondents suggested that gender profile varies according to role, level and area of the business. Sector differences show that three-quarters (76%) of not-for-profit and half (55%) of public sector organisations are predominantly female, while the overwhelming majority (94%) of manufacturing organisations are predominantly male.

We asked respondents what happens to the gender balance in their organisation as the profile of the workforce becomes more senior. As expected, the most common trend is that the proportion of female employees decreases with seniority – two-thirds (67%) say that this is the case. The proportion of female employees increases with seniority in just 7% of organisations and the proportion stays the same with seniority in a further 23% of workplaces (see Figure 6 on page 13).

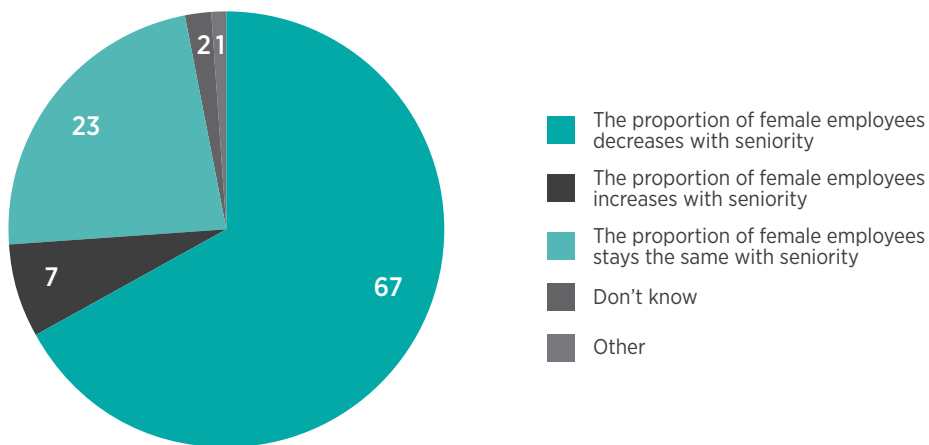
There are some notable sector differences. Nearly three in four private services (74%) and public sector (76%) employers and almost two in three (63%) manufacturing employers report that the proportion of female employees decreases with seniority. Respondents from the not-for-profit sector are less likely to report this trend (35% of respondents) and most likely to say that the proportion of female employees stays the same with seniority (52%).

**Figure 5: Does your organisation monitor the gender profile of its workforce? (%)**



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**Figure 6: The gender balance of employees as seniority increases (%)**



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# 5 Strategies for improving gender diversity in boardrooms

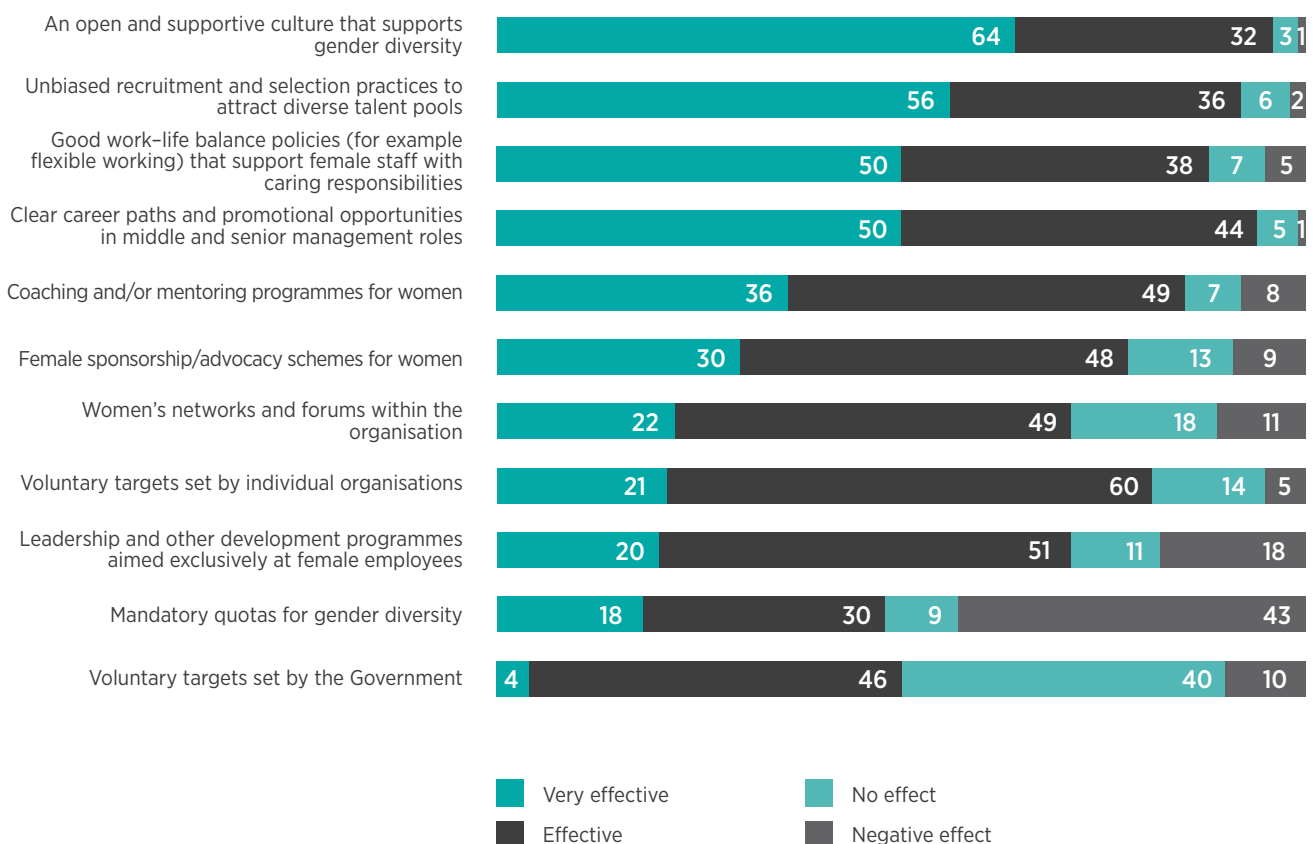
We provided respondents with a list of organisational approaches for improving senior gender diversity and asked them to rate their effectiveness (see Figure 7). An open and supportive culture that supports gender diversity is viewed as very effective (64% of respondents), followed by unbiased recruitment and selection practices to attract diverse talent pools (56%), good

work-life balance policies that support female staff with caring responsibilities (50%) and clear career paths and promotional opportunities in middle and senior management roles (50%).

When it comes to organisational approaches considered to have a negative effect on improving gender diversity in the boardroom, 43% of respondents pointed to

mandatory quotas for gender diversity. Voluntary targets set by the Government to improve gender diversity in the boardroom are also viewed as less effective compared with wider organisational strategies. However, the reasons for this perspective on the part of HR professionals could be explained by the lack of universal awareness of the Government's initiatives in this area and the

**Figure 7: The effectiveness of organisational approaches in improving the gender diversity of boardroom executives**





fact that they do not apply to the leadership of all organisations. This finding indicates that it would be beneficial to promote much wider awareness of these public policy initiatives.

A significant number of respondents provided additional insights about effective approaches to improve the gender diversity of boardroom executives.

### **Senior commitment to diversity and role-modelling**

Almost all respondents think that an open organisational culture that supports gender diversity is a precursor for improving the gender diversity of boardroom executives. Several also highlighted the importance of having the right culture in the boardroom itself as well as *'demonstrable commitment [to diversity] from the top of the organisation'*. Other HR professionals pointed to the effectiveness of having *'positive role models in position'*.

### **Training for men and women in gender discrimination and the benefits of inclusion**

Four in five respondents told us that coaching and/or mentoring programmes for women help to improve the gender diversity of boardroom executives. One HR professional highlighted the effectiveness of *'training women in speaking up, getting noticed, having an impact'*, while another flagged up the importance of *'specific help for older female jobseekers who have lost their career path'*. Several individuals also commented on the value of training men, the board and all staff in gender discrimination, unconscious bias and inclusion.

### **Supporting work-life balance for all**

Several respondents highlighted the value of policies that support

work-life balance, including flexible working, universal childcare and family disability support. Many indicated that these should be for everyone and not just women.

### **Unbiased HR policies and practices that are monitored and reviewed**

The overwhelming majority of respondents think that unbiased recruitment and selection practices and clear career paths and development opportunities in middle and senior management roles have a key role to play in improving senior-level gender diversity. Several highlighted the importance of *'career planning for all talented staff'* and offering *'the same support for all staff regardless of gender'*. HR respondents also referred to the *'transparency of data, with monitoring at every level'* and *'regular discussion of targets within departments and at board level on efficacy of targets and further work needed to bolster results'*.

### **Action to improve gender balance at the top**

We asked respondents whether or not their organisation had taken action to improve the gender diversity of its board. Three in ten (31%) said that it had, with 45% reporting in the negative and 24% unsure. This did not vary significantly by sector or size of organisation. The organisations that had taken action have implemented a range of strategies such as:

- unbiased recruitment and selection practices to attract diverse talent pools (73% of organisations)
- good work-life balance policies (64%)
- an open and supportive culture that supports gender diversity (62%)
- clear career paths and promotional opportunities in

middle and senior management roles (55%)

- coaching/mentoring programmes for women (43%)
- internal women's networks and forums (41%)
- voluntary targets specific to their organisation (38%).

There are some significant sector differences behind the range of gender diversity strategies implemented by respondent organisations. Good work-life balance policies are more likely to have been introduced in the public sector and least likely in the not-for-profit sector. Women's networks are least commonly implemented in the not-for-profit sector and the creation of an open and supportive culture is least common in the private services sector. Most of the strategies are more likely to have been introduced in larger organisations – this is particularly the case for women's networks, female sponsorship schemes and exclusive female leadership programmes.

## 6 A broad perspective on boardroom gender diversity

In the final part of this research, we explored HR professionals' overall views regarding boardroom gender diversity and investigated their level of agreement with a range of statements. Respondents were most likely to strongly agree (50%) and agree (43%) that boardroom diversity is about more than achieving a certain ratio of female directors and that boards should aim for a balance of many different elements (see Table 1).

Respondents are also strongly supportive of the view that board appointments should be based on merit and that imposing strict quotas for gender diversity could create a backlash towards those appointed. Respondents are ambivalent about whether mandatory quotas should be used in the future if the voluntary approach of targets does not deliver results. They are more likely to disagree that progress towards achieving diversity on boards is too slow and that the introduction of mandatory quotas is necessary to accelerate change in this area.

**Table 1: Perspectives on boardroom gender diversity (%)**

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
Board appointments should be based on merit – imposing strict quotas for gender diversity could result in a potential backlash towards those appointed as a result of perceived positive discrimination.	44	33	7	9	6	1
Progress towards achieving gender diversity on boards is too slow and the introduction of mandatory quotas is necessary to accelerate change in this area.	14	21	16	29	18	2
Boardroom diversity is about more than achieving a certain ratio of female directors – boards should aim for a balance of many elements including experience, age, gender, culture, background and perspective.	50	43	5	2	0	0
There has been significant progress in boardroom gender diversity within FTSE 100 organisations since the introduction of the Lord Davies voluntary targets – the voluntary approach seems to be working and we should stick to it.	5	25	30	18	3	19
Compulsory quotas should be used in the future if the voluntary approach of targets does not seem to be delivering results.	14	26	16	21	20	3

# Our research

This survey was conducted in December 2014. It was sent to a sample of UK-based HR professionals in the public, private and not-for-profit sectors. In total, 452 people responded to the survey.

The sample includes a mix of different-sized organisations, with a sizable proportion (41%) from the SME category. Private sector services (49%) and the public sector (29%) are the largest two sector groups represented.

**Table 2: Size of organisation**

	Number
Fewer than 10	101
10-49	29
50-249	58
250-999	77
1,000-4,999	98
5,000-9,999	30
10,000-19,999	27
20,000-49,999	11
More than 50,000	21
Total	452

**Table 3: Broad sector**

	Number
Manufacturing	31
Not-for-profit and voluntary sector	69
Private sector services	220
Public sector	132
Total	452

## References

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