

The 20-year Journey on Gender

Personal Perspectives From Leaders In Executive Search



CORPORATE LEADERSHIP BAROMETER



Virginia Bottomley,
Chair, Board Practice

It's 20 years since the first woman became chief executive of a FTSE 100 company. After Marjorie Scardino took over as CEO of Pearson others followed and now there are six female chief executives and six female chairs of FTSE 100 companies. It's still not enough, but things are changing.

This 20-year mark, ushering in the most comprehensive measures yet to help women progress their careers, seems a good moment to take stock. Progress has been measured and analysed, paving the way for a new and more ambitious approach led by Hampton-Alexander, soon to report after its first year.

The new requirements force companies to look not just at the composition of their boards, welcome though that is, but also women rising through the ranks. This is welcome because it focuses attention on organisations and how they foster and develop all talent.

Taken together with new requirements enforcing greater transparency on male and female pay, these changes promise to accelerate progress on gender and, hopefully, also other aspects of diversity and inclusion.

As the leading executive search firm in the UK, and one of the largest globally, Odgers Berndtson has a role to play. We are one of the lead firms behind a voluntary code of conduct to promote best practice on diversity in recruitment, and proud of our record, but societal change is complex and our industry is one of many pieces in the jigsaw.

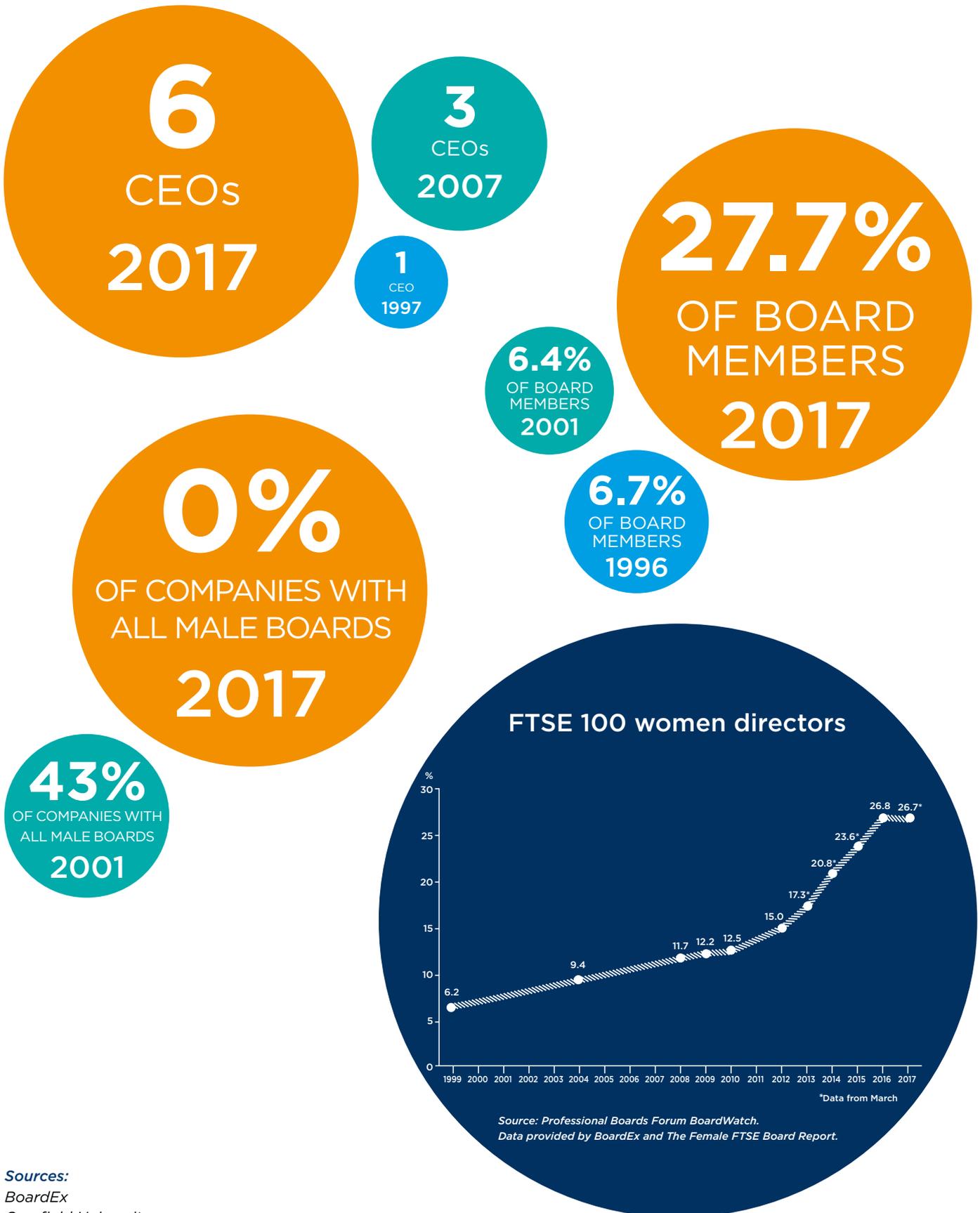
Comprehensive measures and statistics on progress abound. Less so are informed perspectives taking a longer view – of changes made and perhaps still needed. Our business is about people, though we rarely make personal perspectives public. That is precisely our aim here.

Twenty years into the journey on gender is a good time to take stock.

A handwritten signature in black ink that reads "Virginia Bottomley".

WOMEN AT THE TOP IN FTSE 100 COMPANIES

How times have changed



Sources:
BoardEx
Cranfield University

Virginia Bottomley *Chair, Board Practice*

“I was fortunate to avoid the conflicts many women of my generation had, as women in my family had always worked. I never intended to enter politics. My husband Peter had been an MP for about 10 years. One day a call came from No. 10 and a man said, “Mrs Thatcher says we need more women”.

There were only 23 women out of 600 or so MPs when I was elected in 1984. We were treated like an endangered species. I was put in an office with a very polite gentleman. Every time I went in and out of the room he would stand up. It was extraordinary.

When I was asked to join the Department of the Environment, my first reaction was I don't know anything about it. Any man would have said, “Oh Prime Minister, I'll bring a clear mind to the problem”. When did you ever hear any man say, “I don't know anything about it?”

Making a difference in public life

Later, when I was responsible for the health service, I became particularly involved in diversity. The NHS staff is largely female with many ethnic minorities. Of all organisations, there was no justification for it to be run by white men. But it was.

I made sure the NHS joined Opportunity 2000, and we were the first government department to adopt it. It was a great, voluntary, diversity, female-developing programme, with targets, mentoring, coaching and development. Having done it for women, I overhauled the policies on race and minority ethnic groups. We made some progress.

Business wakes up

Gender diversity did move faster initially in government and the public sector. However business has woken up to the fact many purchasing decisions are made by women, increasingly wealth will lie in the hands of women and that women have skills and qualities critical to success. Perhaps too, the command and control style of leadership has

given way to a more collaborative, team-working style where women frequently have greater strengths.

Changing minds

At Odgers Berndtson, which I joined in 2000, I've had a track record of being involved in the appointment of senior women. In the commercial world, there had been a stereotype that to be on a board an individual needed to have been a CEO or CFO, or something in the City. I used to say that fewer women had gone up that greasy pole, so it was harder for them.

There has since been a profound transformation in how chairmen look at the composition of boards. The old system of the golf club or the little black book has given way to rigorous analysis and assessment of the skill sets required. Females who may not have reached the same hierarchical levels as men often have other qualities valued more greatly.

More to be done

There are now six female chief executives and six chairs of FTSE100 companies. It's not enough but whoever thought there would be a female secretary general of the TUC, or a female chief executive of Lloyds of London?

Many women leave executive careers earlier than a man would. I frequently have discussions with women about continuing longer, but top jobs still usually require people to work 24 hours a day, seven days a week and many women just don't want to do that.

Most women who have reached the top of business have a supportive other half. It's hard to have two people in the front seat with children. For jobs which are really full-on, full-time, whether a woman or a man, you do need a great support system.

Businesses can help more. We need more role models, flexible HR practices, mentoring, networking, and real diversity champions at the highest level. ”

Virginia Bottomley





Aine Hurley

Head, Human Resources Practice

“I came from a working-class background where my father was a carpenter and my mother ran a public house and also had 9 children. In rural Ireland then, having a female publican was quite unusual and a working mother who did that job even more unusual. So from a very early age I had a strong role model, showing that women could have multiple opportunities.

When I graduated in the 1980s there was still a tendency for women to be pointed primarily towards the caring professions rather than broader commercial opportunities. I started out, in another executive search firm, as part of an all-female research team. We were in the basement and the partners – all men – were upstairs!

Similar differences also permeated executive search. For global roles which would have required significant travel, the assumption would be that women were less likely to want those roles or be less suitable because they would have caring responsibilities.

I think clients often saw the appointment of women in certain roles as too risky, which reduced the talent pool. Thankfully there were brave voices out there where this was challenged. But these assumptions reduced the number of women who were promoted through organisations, and I think women were often overlooked on appointments.

And let's not get too complacent, imagining that everything has changed over the past 20 years. It hasn't.

Ogders Berndtson has done a lot of work across the professional services sector, for instance, and the same comments come back time after time.

Firms say: “we recruit really brilliant female graduates. They come in and get to a certain level, but because somebody is needed to be dedicated to clients – which means travel, being available, driving the business relationships out of core hours – we lose these women. Or the women who come back to work after career breaks, come back at a lower level role.” This is insanity.

Overall the debate about diversity is now central; not just across the HR community, but all business leaders, and of course touching on all aspects of diversity – not just gender. Chairmen and chief executives talk about this – no longer as just a policy or process, but as an integral part of the success of a business.

Many women are not prepared to follow the same paths as male colleagues to get to the top, but I think many people are now looking for more balanced careers. Some don't want to give the 24/7 availability that top roles often require. Others are making conscious choices not to take opportunities in the same way others have before.

I have been a partner in this firm for over 20 years, and for 10 of those, I've been a working mother. Our success comes from being an organisation which acknowledges how you live your life and what it takes for you to be successful at work. We're prepared to be more open and discuss things that fifteen years ago probably weren't talked about.

More widely, a much more open conversation is still needed about the support needed for those in senior roles, especially women. How do they achieve support if they have child care or other caring responsibilities? A significantly higher percentage of women would say to me today that they have a partner who assumes that responsibility than ten years ago. That's an important societal shift. But what role does government need to play? There's a legislative part to this, about equality in access to services, tax, shared parental leave, for example.

There is also an important affordability question around who provides care, not just for children, but also for parents and other family members. Current inequality in pay, and the persistent gender pay gap brings financial restrictions which are like a set of handcuffs on men and women in terms of the choices that they make

If there were absolutely no difference in remuneration between both sexes, it would be an enormous step to rebalancing equal career opportunities. Then it would come down to ambition and opportunity – a fundamental shift getting to a level playing field.

There are many ways that businesses can help too. Flexible working and job sharing for example, simple things that are much more common in the public sector than the private sector. Technology now enables us to be anywhere at any time. Organisations not using these are reducing their talent pipeline, not just for women, but for generations coming up.

Of course there are many other aspects of diversity besides gender – age, ethnicity, sexual orientation, mental health, disability – to name a few. Thanks to the success we've had in bringing gender diversity into the open, we're discussing these other issues in a way they haven't been talked about before. That has to be a good thing. ”



Anne Murphy

Head, Financial Services Practice

“ I was lucky enough to grow up in an environment where my parents encouraged me to do what I wanted and made me feel anything was possible.

A little while ago, Odgers interviewed 100 of the most senior women in financial services and talked to them about their experiences. It was clear that many of them had grown up feeling there was no difference between what they or a boy could do.

That's not to say they didn't face challenges once they had decided on a career path in financial services. The sector has become more inclusive over time. Many of them felt that they had to work differently or harder than male counterparts to achieve the same success.

Whilst female representation on boards has increased there is still some way to go, even more so at executive and senior management levels. There's now a welcome focus on addressing the talent pipeline and indeed promoting diversity more broadly. I'm glad to say that, overall, senior teams have embraced the business case for diversity; this wasn't universally true when I started out in my career.

The financial services industry was relatively early in acknowledging and discussing the benefits of gender diversity. Over the time that I've been involved, the sector has invested lots of time and money in trying to address the issue.

Sometimes you still have resistance in middle management, for instance, pockets where women find it really difficult because of a

micro culture within the business. That might be a 'long hours' culture, or an environment that is not inclusive where women don't feel their achievements are recognised in the same way as male colleagues.

What else can be done? When we did the study it was felt that women often underestimated the importance of cultivating a network and having sponsors in and outside the organisation, to help develop their careers. Men were more savvy about that. Lots of women early in their career thought doing a good job would get them recognised and rewarded. Then they saw men doing a mediocre job, but who did much more networking and got recognised more quickly.

Mentoring young women coming into the industry on the importance of developing networks is critical, so that they learn this earlier – ideally at school – and aren't left to figure it out for themselves.

I've also seen quite a shift in flexible working being embraced over my time in the industry. Whilst it's becoming much more common for families to have more of a shared responsibility for childcare, we still have some way to go. Whilst the law is moving in the right direction, socially I'm not sure how many couples feel comfortable sharing parental leave for example.

One of my sisters lives in Germany and when her daughter was born she and her husband shared 12 months parental leave equally and now they both work four days a week. In the UK I think fewer couples yet would feel comfortable making that choice regardless of whether it's theoretically available to them. So it's great that people have more flexibility, but do they actually feel able to use it?

Looking forward, change in financial services is inevitable. The nature of the skills that will be required in five and ten years' time will be quite different to what's gone before and we're not necessarily going to find those people from within the industry. We need to think about how we

attract those people to the sector. If, for example, they bring technology skills they are likely to have the pick of pretty much every sector – so we have to think about how we promote financial services.

New people coming in will likely want to work in different ways so adopting more flexible ways of working should be a natural consequence of this change. The financial services industry has certainly moved forwards during my career, but there's definitely still room for improvement. ”

“ To be more successful will require a culture shift. Typically now the top of the house is completely in order – chairs, boards and executive committees all appreciate the benefits of a diverse business. However, that attitude doesn't always permeate through the organisation. ”

Are the FTSE 100 companies with female CEOs frontrunners?

CEO	FTSE 100 Board in 2017 % Female	FTSE 100 Board in 1997 % Female
<p>Dame Carolyn McCall Current FTSE 100 Company: Easyjet plc</p> <p>Moving to ITV plc as CEO in January 2018 from Easyjet plc.</p> <p>1997: In 1997 she was at The Guardian, and promoted that year from Advertising Director to Commercial Director.</p>	<p>33%</p>  <p>3 of the 9 Easyjet plc board members are female</p>	<p>0%</p>  <p>0 of the 4 Easyjet Airlines Ltd directors were female</p>
<p>Emma Walmsley Current FTSE 100 Company: GlaxoSmithKline plc</p> <p>1997: L'Oréal, where she spent 17 years (until joining GSK in 2010). During her time at L'Oréal she held a variety of marketing and general management roles in Paris, London and New York.</p>	<p>42%</p>  <p>5 of the 12 GlaxoSmithKline plc board members are female</p>	<p>7%</p>  <p>1 of the 14 GlaxoWellcome plc board members were female</p>
<p>Alison Cooper Current FTSE 100 Company: Imperial Brands plc</p> <p>1997: PwC where she started her career. She worked with various clients, including on acquisitions and strategy planning.</p>	<p>27%</p>  <p>3 of the 11 Imperial Brands plc board members are female</p>	<p>0%</p>  <p>0 of the 9 Imperial Brands plc board members were female</p>

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CEO	FTSE 100 Board in 2017 % Female	FTSE 100 Board in 1997 % Female
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Véronique Laury

Current FTSE 100 Company:

Kingfisher plc

1997:

Leroy Merlin, where she spent 15 years in various commercial roles before joining Kingfisher in 2003.

44%



4 of the 9 Kingfisher plc board members are female

9%



1 of the 11 Kingfisher plc board members were female

Liv Garfield

Current FTSE 100 Company:

Serven Trent plc

1997:

Working for the British Consulate in Brussels. Her first graduate role was at Accenture (joined in 1998). She became a consultant in the Communications and High Tech Market Unit at Accenture.

44%



4 of the 9 Serven Trent plc board members are female

9%



1 of the 11 Serven Trent plc board members were female

Alison Brittain

Current FTSE 100 Company:

Whitbread plc

1997:

Barclays – she joined Barclays as a graduate trainee and held various senior roles there.

44%



4 of the 9 Whitbread plc board members are female

8%



1 of the 13 Whitbread plc board members were female

Data Sources

All current board data sourced from profiles provided on company websites and correct as of September 2017.

Historical data sourced from BoardEx Analytics except for: easyJet Airlines Ltd (Data sourced from accounts filed at Companies House); GlaxoWellcome Plc (Data sourced from Morningstar Documents Library); Kingfisher (Data sourced from Kingfisher archive);

1997 data on individuals sourced from a combination of individual profiles and press reports.



Liz Stewart
*Head of Executive Assessment
& Development*

“Some organisations have followed the numbers game, appointing women to more senior positions without really trying to engage with them.”

“Real investment in supporting critical career periods and real change in how jobs are done is imperative to support inclusion as well as gender diversity.”

“I’ve never seen my male colleagues as males but colleagues. From the outset, I have interacted with them on an equal basis. I’ve probably been fortunate to be in organisations where gender equality was recognised, and had male mentors who saw my potential and sponsored my professional development.

I feel passionate about diversity in the workplace because it enables richer working in all kinds of ways. I love working in teams, collectively owning objectives and particularly growing an organisation. But to do that in an efficient, successful and sustainable way takes diverse skills, perspectives and personalities.

Some organisations have followed the numbers game, appointing women to more senior positions without really trying to integrate them. It’s often been about form without substance. Some women who have gone on boards or executive teams will admit it’s been really difficult, because the games in the “boy’s playground” are still being played out. Where the chief executive or chairman has genuinely wanted a different perspective, then they’ve changed the culture of the team, irrespective of gender mix. And they’ve reaped the benefits.

There’s widespread recognition that if we’re going to promote more diversity – and specifically encourage more females to do top jobs – there needs to be more innovative flexible working. Real investment in supporting critical career periods and real change in how jobs are done is imperative to support inclusion as well as gender diversity.

First and second career leadership roles are usually appointed in the late 20s and early 30s, often at the time a woman is taking time out for a family. It can put incredible pressure on them and the family relationships. By providing additional finances or resources during that period will ensure they don’t burn out in the

process or give up and go independent. Once they get to their 40s, it’s often a different ball game; they are better off financially, they can provide for additional support themselves and their kids need a different rhythm of attention.

Women and men who have caring responsibilities may work flexible hours or days to enable them to be present at home. But their targets and the organisational working patterns remain the same. They may be able to leave the office at four o’clock and dial back in at eight to finish the to-do list. But important meetings are not arranged around these sorts of timelines or take account of geographical dislocation. These carers often find they are missing out on the critical influencing formal and informal meetings. Providing a “bag carrier” – an enabler, that attends meetings and takes away the straightforward tasks that need to be done, would allow these women in senior jobs to focus on the important meetings and where they added critical value.

It will be money well spent and it’s only for a relatively short period of time. Support through stretching periods will generally be rewarded with loyalty – and the retention of great talent.”



Kester Scrope

Chief Executive, Odgers Berndtson

“ Odgers Berndtson is fully committed to best practice on all forms of diversity and inclusion and supports the target of 30% of female candidates on long lists for senior roles. We’re proud of our record on this, both within our own firm and also with our clients, working with them to achieve greater diversity.

We are a signatory to The Voluntary Code of Conduct for Executive Search Firms, setting out steps to follow across the search process. Since its launch following the Davies Review in 2011, this has been refined, reflecting learnings from search firms, the independent review of its effectiveness in 2014 and the Hampton-Alexander and Parker reports in 2016.

On the latest assessment of search firms on gender diversity, as set out in the most recent guidelines from Hampton-Alexander, Odgers Berndtson is ranked in the top performing group. Between May 2016 and April 2017, almost 40% of our shortlisted candidates to boards of FTSE were female, and many of these (42%) new to the boardroom.

This broadly mirrors our own internal picture. In the UK, almost 40% of our UK partners are women, who also make up more than half our fee earners and in total over two-thirds of our staff. We are continuing to work at this, alongside all other aspects of diversity.

Gender however is the only aspect of diversity where we can apply a long lens to what it takes to progress, which is partly why we have chosen to focus on it in this report. The journey on gender, experienced over decades, has lessons for other aspects of diversity. We ourselves have found, for example, that taking a creative and lateral approach to appointments can make a real difference.

For example, in the government sector where there has been an appetite for greater commercial expertise, Odgers Berndtson has encouraged more inter-sectoral appointments. Since 2015 62% of appointments we have made to Government have been candidates from other sectors.

We also know that high profile women can help to inspire others and promote societal change. As a firm, we’re proud to have been involved in the appointment of women to some of the most prominent and senior positions in both the corporate world and public sector.

Beyond this we’re unafraid to tackle challenges in particular industries, often through our individual practices. For example, the gaming practice, which is part of the wider sports practice, has just partnered the first global gender diversity index to track and help promote women in the sector.

As discussion rightly focuses on diversity in all its aspects, moves to promote women across the corporate world appear to be reaching a critical stage. We’re excited to be part of this, and pledge to do all we can to promote diversity in its fullest and widest sense across everything we do. ”

A stylized, handwritten signature in white ink that reads 'K Scrope'.

